

# Japan jobless at six-year record

---

**Japan saw unemployment levels reach a six-year high last month, with job availability at a new low, official figures have shown.**

The jobless number increased by 830,000 in June, or 31.3% from a year before, to 3.48 million. The unemployment rate was 5.5% up from May's figure of 5.2%.

For every 100 people seeking work, there were 43 jobs.

Separate data showed core consumer prices, excluding food costs, fell 1.7% in July year-on-year, a new record.

"The core Consumer Prices Index data was largely within expectation and is expected to stay [negative] until mid 2011 as domestic demand is weak with this severe jobs market and income situation," said Kyohei Morita, chief economist at Barclays Capital.

A fall in household demand, as consumers seek to tighten their belts, has compounded the problem of falling prices.

Azusa Kato, an economist at BNP Paribas, said: "The problem is that price falls are spreading to various categories such as food and household items. "

"Consumers increasingly are leaning towards low prices. In other words, deflationary expectations are taking hold in both businesses and households."

On the upside, separate data on Friday showed Japanese factory output added 8.3% in the three months to June from the quarter before - the biggest rise since 1953.

This came after a fall of 22.1% in the quarter to March - a record decline.

<http://news.bbc.co.uk/2/hi/business/8177646.stm>