

Financial Times 번역요약본 ('25. 3/18)

1. Japan struggles to adapt to an era of rising prices ('25. 3/12)

- 최근 일본 정부가 성인들의 식습관에 대한 설문조사를 진행하다가 2001년 이후 가장 적은 양의 야채를 먹고 있다는 조사 결과에 놀랐으며 원인은 인플레이션 때문으로 밝혀짐. 일본인들이 즐겨 먹는 국물 요리에 들어가는 배추, 부추, 당근의 가격은 3월 초에 장기 평균보다 각각 227, 167, 140% 상승했으며, 가계 소비 중 음식 소비의 비중을 나타내는 엔겔지수는 43년 만에 최고 수준을 기록함. 이는 2024년 3월부터 일본 중앙은행이 시작한 “정상화”로 인한 것이며, 일본은 지난 30년간 일본 경제를 지배했던 저물가, 저성장, 저금리를 끝내기 원하며, 이후 두 번의 금리 인상을 단행함. (현재 정책금리는 0.5%이며, 전에는 상상하기 힘든 1%가 목표임) 일본 중앙은행의 금리 인상의 목표는 전반적인 가격과 임금의 상승을 이끌어 수요증대와 적절하고 지속적인 성장을 담보하기 위한 것이지만, 이러한 목표에 대해 기업과 가계는 혼란스러워하며 결과를 낙관할 수 없다는 전망이 나옴. (지난 2013년부터 2020년까지의 아베노믹스 기간에 디플레이션에 대항하기 위해 유례없는 확장적인 재정 및 통화 정책을 실시했지만 결국 실패한 경험)

2. Northvolt files for bankruptcy in Sweden ('25. 3/12)

- 전기차 배터리 분야에서 중국, 일본, 한국 등의 지배에 대항할 유럽 회사로서 각광받던 Northvolt가 스웨덴에서 파산 신청을 결정함. 2016년에 설립되어 민간 (Volkswagen, 골드만 삭스, 블랙락 등)과 공공에서 150억불 (약 20조원)의 투자금을 유치하여 전기차 분야의 기술에 투자하던 이 회사의 퇴장은 매우 수치스럽게 받아들여지고 있음. Northvolt는 지난해 11월에 이미 미국에서 파산 신청을 하였고, 지난 몇 달간 100개 이상의 잠재 투자가를 만나 10억불의 투자

를 받으려고 하였으나 실패함. 또한 독일, 캐나다, 스웨덴, 벨기에 등의 정부에서 관심을 보였으나, 작년에 스웨덴 정부가 큰 금액의 보조금 지급을 거절하기로 결정한 이후 다른 국가 정부들의 관심을 잃게 되었음.

Japan struggles to adapt to an era of rising prices

The return of inflation was meant to restore a more 'normal' economy. But it has been a bumpy ride for both consumers and companies

Leo Lewis in Tokyo

Published 4 HOURS AGO

In its most recent survey of national eating habits, Japan's government discovered something unsettling. Adults in this wealthy, healthy country were now eating the smallest daily volume of vegetables since 2001.

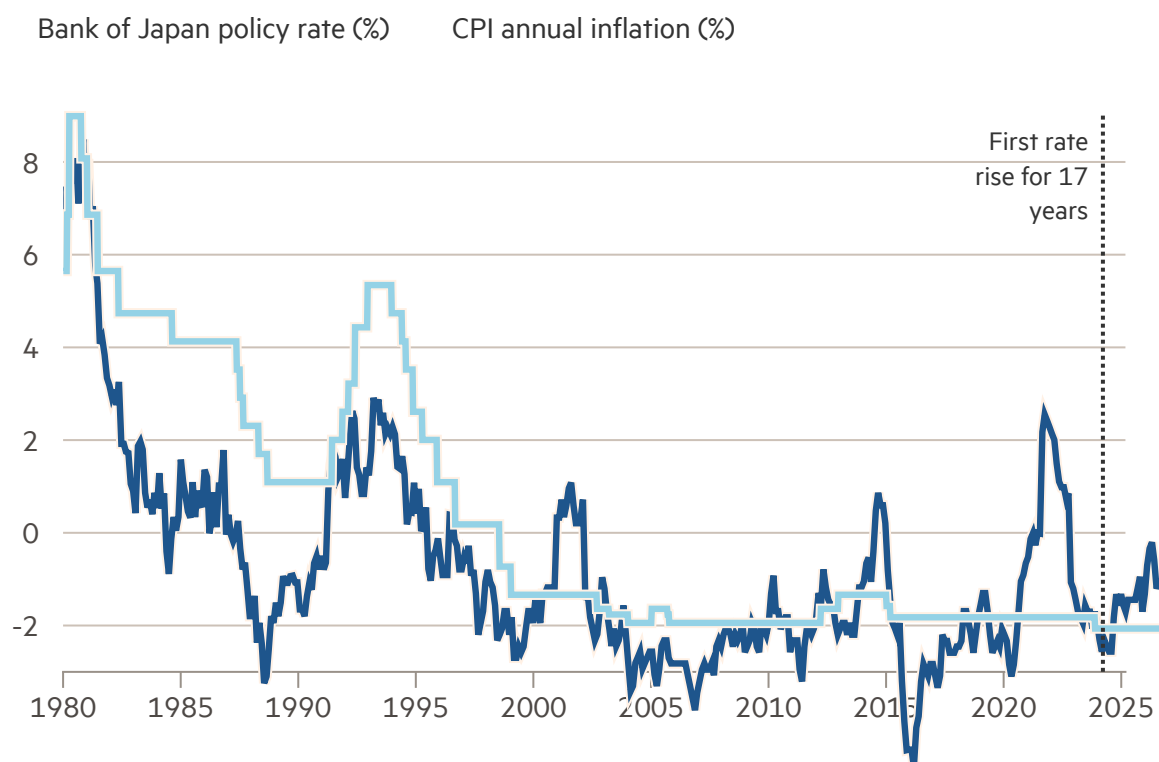
The reason? Inflation. At the beginning of March, prices of the three key ingredients of Japanese hotpot, a traditional winter dish — Chinese cabbage, leek and carrots — were respectively 227, 167 and 140 per cent above their long-term average. The Engel coefficient, which measures food as a proportion of household spending, is at a 43-year high.

The collective decision to cut back on greens has come as the country undergoes what some see as its biggest economic inflection in over 30 years: the much-heralded "normalisation" of Japan's relationship with money after a long period of stagnant prices and moribund growth.

While many other countries have fought to keep inflation down, in Japan its return has been encouraged — at least by the central bank, and specifically in a broad-based form led by consumption and growth. In March 2024, the BoJ ended negative rates for the first time in 17 years, and has twice raised rates since then. The bank has implied that it will gradually push interest rates from 0.5 per cent, their current level, towards an unimaginable 1 per cent.

The aim is to foster a virtuous cycle of rising prices and wages that could spur demand and generate moderate and steady growth. But, despite some positive signs, it has been a bumpy ride. A small increase in interest rates to 0.25 per cent in July caused a record one-day crash in the Tokyo equity market. And the increases are putting unfamiliar pressure on everyone from mortgage holders to chief financial officers, just as shareholders are pushing companies to make huge structural changes.

Japan's period of price stagnation and ultra-loose monetary policy lasted over 20 years



FINANCIAL TIMES

Source: Statistics Bureau; LSEG

Even if the broad measure of inflation excluding energy and fresh food shows prices still increasing steadily – 2.5 per cent in January – the acceleration in food costs is stoking a perception that the overall pace is faster. This has introduced fears about whether Japan's attempt to normalise is actually producing the “wrong” type of inflation.

Although companies are increasing wages at near-historic rates, they are not keeping pace with consumer prices. And consumers, rather than spending more, are feeling the pain and struggling to adjust.

“When you go shopping for food, everything is going to be a bit more expensive,” says Ritsuko Ikeda, who is buying vegetables in Tokyo’s Sangenjaya district. “A couple of years ago, shops and food companies used to apologise when they raised prices, but now they don’t seem sorry: they just go ahead and do it.”

For many Japanese people these new realities are disconcerting, says Naomi Fink, chief global strategist at Nikko Asset Management. “Your experience over years matters. But expectations can be broken suddenly.”

“We are now at the point of shock,” she adds. “Even [with inflation] at 2 per cent, that for Japanese households is a shock.”

Japan’s great inflection is happening under an extraordinary confluence of pressures. Geopolitics have pushed up prices of energy as well as food, both of [which Japan imports in abundance](#). The yen, partly because of the Japanese corporate and institutional tendency to invest abroad, has been weak for an extended period. And the rate of population shrinkage in the country is approaching an average of two people every minute, reordering the way business thinks long term about labour supply and a historic duty to keep unemployment low.



A crowded Ameyoko shopping street in Taito Ward, Tokyo, in December. While companies are increasing wages at near-historic rates, they are not keeping pace with consumer prices © Kohei Choji/The Yomiuri Shimbun/Reuters

More broadly, the consequences of a Trump-induced global tariff war, potential episodes of severe currency volatility and the threat of economic downturn in the US are adding uncertainty.

So does Japan's extended brush with inflation really represent economic history in the making? Is it fundamentally positive for the country, or for the households and companies who will decide Japan's economic fate?

Next week, the Bank of Japan holds its next two-day meeting to decide monetary policy: few expect a rate rise to emerge, but markets, companies and households are watching more keenly than ever.

There has been much talk, by the BoJ and others, that the virtuous cycle is moving as hoped. But as Japan begins a new financial year on April 1 there is a sense of fragility, say former central bankers and private sector economists.

“Yes, the changes are historic. Yes, this could be one of the most significant moments in the history of the Japanese economy,” says Masazumi Wakatabe, a former deputy governor of the BoJ who is now at Waseda University. “Still, I would strongly emphasise the uncertainty.”

Japan's journey to this moment has been long and tormented. From the mid-1990s, what was then the world's second-biggest economy after the US was defined by the persistence of price stagnation, an ultra-accommodative monetary policy from the central bank and limited wage growth.

Both companies and households cut costs, hoarded cash and were locked into an assumption that, no matter what the authorities tried, there was no virtuous cycle on the horizon. The 2013 to 2020 Abenomics period, named after its architect, then prime minister Shinzo Abe, applied unprecedented fiscal and monetary stimulus to the deflation challenge, but did not fully resolve the issues.

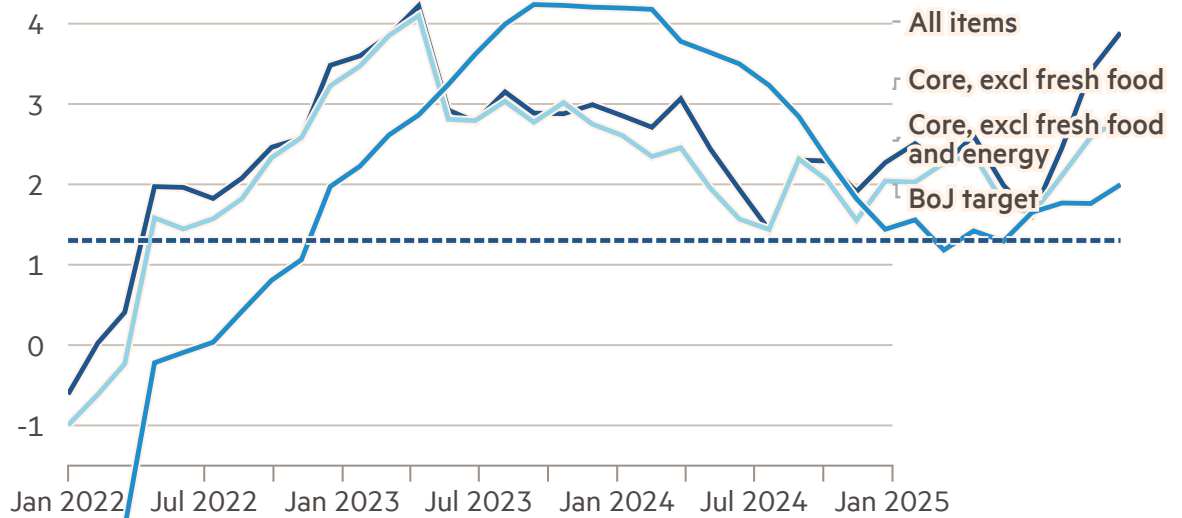
The Japanese taste for saving made perfect sense when prices were falling because there was no downside to holding cash. Now there clearly is. “Rational decision-making and behaviour can be quite different when in the midst of deflation and when emerging from deflation,” says Nomura Securities macro strategist Tomochika Kitaoka, who argues that the triple impact of price rises, wage rises and rate rises are now affecting “every corner of society, from the most ordinary of citizens to the oldest companies”.

Many analysts like to describe Japan in 2025 as a “high-pressure economy” where wage and price dynamics are reliably spilling into the real economy. By next month, the country will have spent three full years with core consumer price inflation, which excludes fresh food but includes energy, at or above the BoJ’s 2 per cent target.

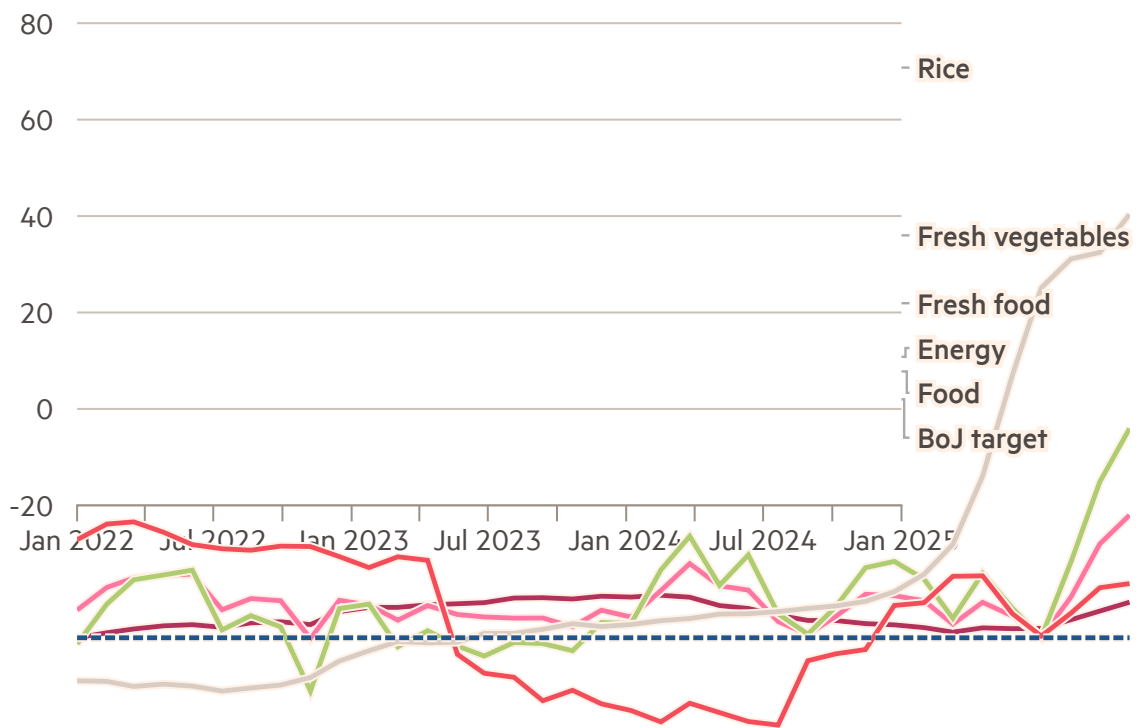
Inflation is above target, but Japanese households are struggling with rising prices of essential items

Japanese inflation (%)

Headline and core measures



Items



In January, core inflation reached a 19-month high of 3.2 per cent, in significant part because the average prices of rice have surged to their highest level on record. As a calming measure, this week Japan started auctioning rice from its strategic reserve for the first time ever, though supermarket bosses say they doubt it will have much effect, as it will not prevent stockpiling by wholesalers or force them to lower prices.

At the same time, wages are rising — albeit on a nominal basis, and partly fed by labour shortages that are a consequence of Japan’s shrinking population. Last year, headline pay increases hit multi-decade highs, and the trend is continuing. A survey of over 11,000 companies by the research firm Teikoku Databank found that 62 per cent of Japanese companies say they intend to raise wages from the start of the new fiscal year. On Thursday, the Japan Trade Union Confederation said it would call for pay rises of 6.09 per cent at this year’s Shunto spring wage negotiations — the largest such demand in 32 years.

After years of biding its time, the BoJ remains cautious, particularly because real wages fell 0.2 per cent in 2024. Yet governor Kazuo Ueda seems set to continue normalising. Both financial markets and many economists expect the BoJ to raise rates at least once more this year, with some betting that another 0.25 per cent increase will come as soon as July. An increasing number also believe that rate rises will continue until they hit between 1.25 and 1.5 per cent.

In a client note last week, Barclays chief Japan economist, Naohiko Baba, said that Donald Trump’s recent citing of yen weakness as a justification for imposing tariffs on Japan meant that the Japanese government and BoJ now “arguably have an incentive” to speed up interest rate normalisation.

But it will be a tricky balancing act, says Takeshi Yamaguchi, chief Japan economist at Morgan Stanley MUFG Securities, who expects the next rate rise to come in September. “My only big concern is BoJ communication. If they start to raise rates on a quarterly basis, I don’t think the equity market is prepared for a rush of hikes,” he says.

The impact on Japanese households is of keen concern to everyone, notably the government and central bank — and here again there are complexities, says Fink. “It’s not a one-way deal: they are investors and savers and consumers.”

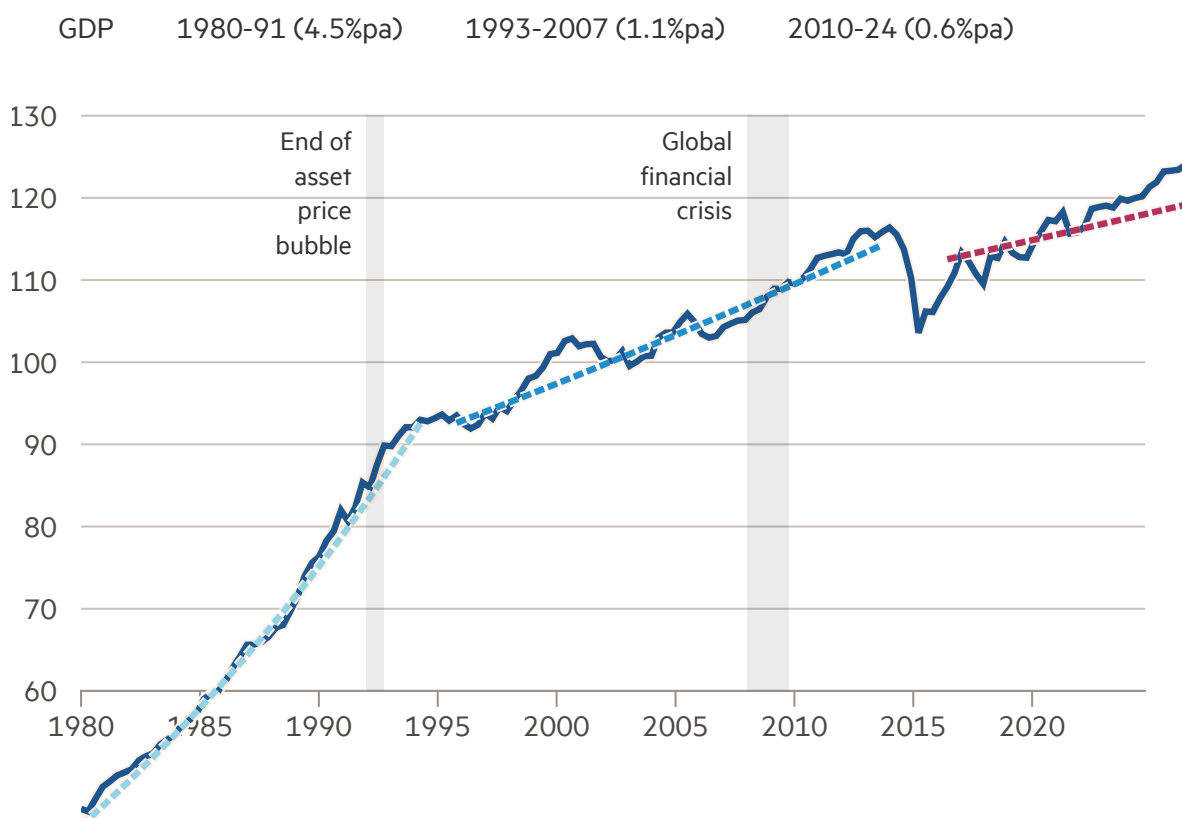
In preparing for normalisation, Fink adds, the BoJ purposefully positioned itself behind the curve. It allowed two full years for both headline and core inflation to approach its target before taking action, in the hope that households would have time to adjust.

There are some indications that the policy has worked. Although price rises have forced many companies to raise wages, there was a delay during which households were unable to save as much as they did during deflation. And just as people realised they needed greater returns on their savings to survive, asset values — including domestic and US stocks — were rising.



Japan's 'lost decades' of slow growth

Real GDP (Q1 1993 = 100), with trend lines



“That helped reintroduce the concept of a time value of money,” says Fink, highlighting not only the loss of purchasing power from holding zero-interest rate savings, but also the opportunity cost of failing to take advantage of positive yields. Online banks are vying to poach customers from traditional banks by plastering adverts for savings accounts with 0.4 per cent everywhere — tiny compared to many other countries, but a huge change for Japanese people.

Meanwhile, the asset management industry is licking its lips at the prospect that at least some of Japan’s roughly \$7.4tn stash of cash savings will be funnelled towards mutual funds and other investment products. In January 2024, with superbly judged timing, the Japanese government dramatically expanded the allowable limit of the Nisa tax-protected saving scheme, which is modelled on the UK’s individual savings account (Isa).

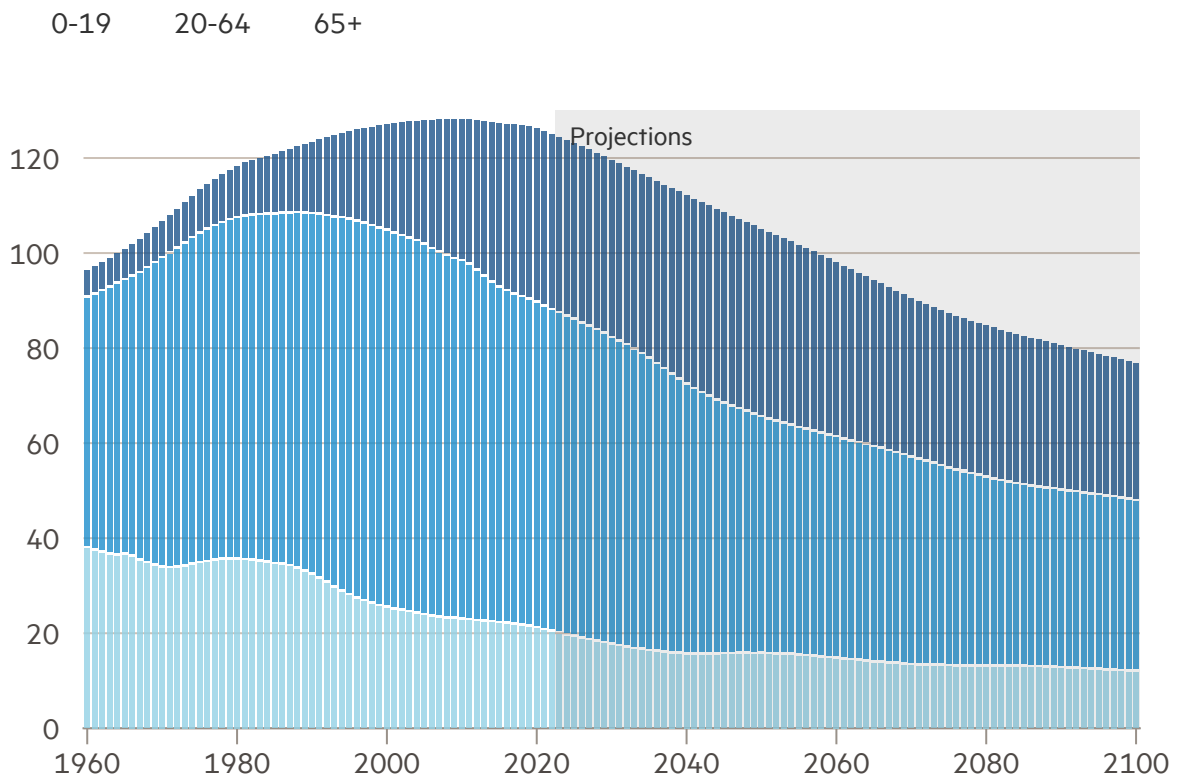
Japan’s household asset weightings to equities and investment trusts now stand at 20 per cent, according to BoJ data. Though still distant from the 50 per cent in US and 30 per cent in Europe, this level is roughly double what it was a decade ago. Net purchases of Japanese equities by households and domestic investment trusts since the Nisa expansion have exceeded ¥1tn (\$6.8bn), according to Nomura.

But the risks are still considerable, warns Wakatabe. “The BoJ keeps talking about the virtuous cycle, but we are still not there,” he says. “Japanese households are still not spending. Higher prices are making them more thrifty, not making them spend more. There is a chance they will invest in stocks and so on, but younger households are spending on housing and are actually indebted. If rates go up, the burden will be bigger.”

Optimists see signals that Japanese corporate behaviour has finally turned a corner, too. After the Abenomics years, when companies were comfortable with their balance sheets and the corporate sector was a net saver, many companies are now in the process of jettisoning non-core assets such as huge real estate portfolios, businesses that have no real link with their main operations and vanity projects like art galleries. The government is clearly supportive of consolidation, and is not standing in the way of shareholder pressure for reform.

Japan's falling and ageing population has led to labour shortages and a propensity to save rather than spend

Population by age group (mn)



FINANCIAL TIMES

Source: UN

After a spate of mergers, delistings and take-privates, 2024 was the first year that the number of listed companies on the main Tokyo exchange fell slightly — a modest contraction, but one that analysts predict will now unleash a much faster corporate metabolism. Bankruptcies are picking up; zombie companies are now more vulnerable to collapse. There is a genuine possibility, say analysts, that Japan's squeamishness about creative destruction will become a thing of the past.

“Productivity has been terrible during the monetary expansion period. M&A, bankruptcies have all been neutered. Companies could just tread on, never needing to get more profitable or innovative,” says Martin Schulz, chief economist at Fujitsu. “The main argument for positive interest rates is to keep the market moving and keep it flexible. We need a dynamic economy where new companies come in and squeeze out the ones that don't have the animal spirits.”

In an attempt to deploy their capital more effectively, companies in the retail, hospitality and manufacturing industries are investing to raise productivity, particularly in long-overdue IT upgrades.



Bank of Japan governor Kazuo Ueda, second left, and other BoJ officials look on at BoJ headquarters in Tokyo in July as new banknotes are sent to financial institutions © Wataru Sekita/Pool/Reuters

But, tellingly, a lot of their investment is still focused outside Japan. “There is a pessimism about the prospects for the Japanese domestic market. Companies do not see Japan as a growing economy, so all this talk about wage increases doesn’t actually represent a belief,” says Wakatabe. “They have to show some sort of response to the new inflationary environment but they are raising salaries for younger people while paying less for middle-aged employees. They don’t, even now, want to increase the total HR cost.”

Some are sceptical that the inflection point in Japan’s economy will really arrive, or that the exit from deflation will feel like cause for celebration. Takehide Kikuchi, an economist at the Nomura Research Institute, warns that it is premature to declare that Japan had truly normalised.

“Consumption is still very weak,” Kikuchi says, noting that inflation was still predominantly cost-push and that real wage growth was still not high enough to turn households into confident spenders. “And if [the] yen rises significantly, headline inflation will go down and so will inflation expectations.”

Many observers expect that, at next week's meeting, the BoJ will do as it has done before and paint a picture of an economy that is willing itself back to normality. But for people living through it, the process feels anything but normal. "In nominal terms, it looks like the economy has changed," says Kikuchi. "In real terms, it has not. We should not be optimistic."

Data visualisation by [Keith Fray](#)

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Collapse of vehicle battery maker deals major blow to Europe's bid to rival China



Northvolt took in about \$15bn from investors © AFP via Getty Images

Richard Milne, Nordic and Baltic Correspondent

Published AN HOUR AGO

Battery maker Northvolt has filed for bankruptcy in Sweden, capping the downfall of a company once regarded as Europe's best hope of competing in an industry dominated by China.

The Swedish start-up, which has backers including Volkswagen, Goldman Sachs and BlackRock, said on Wednesday that it had been unable to secure financing to continue and that a court-appointed trustee would sell its assets.

“This is an incredibly difficult day for everyone at Northvolt. We set out to build something groundbreaking — to drive real change in the battery, EV and wider European industry and accelerate the transition to a green and sustainable future,” said Tom Johnstone, Northvolt's interim chair.

It is an ignominious end for a company that attracted some \$15bn of corporate and government investment to develop technology for electric vehicles where Europe is playing catch-up to Asian countries such as China, Japan and South Korea.

[Northvolt](#) filed for Chapter 11 bankruptcy in the US in November but had spent recent months in talks with about 100 potential investors about putting in \$1bn to secure the future of its sole existing battery factory in Skellefteå, just below the Arctic Circle.

[A Financial Times investigation previously found](#) that the group — led by two former Tesla managers — had tried to open as many as six factories at the same time. Ten current and former employees said there were problems with poor management, safety standards, and an over-reliance on Chinese machinery.

After it was founded in 2016, Northvolt quickly became Europe's best-funded start-up, winning attention from top government officials in Germany, Canada, Sweden and Brussels.

But the Swedish government, unlike those in Canada and Germany, declined to offer major subsidies to the group and last year, investors backed out of a financing round at the last minute. Its planned Canadian and German factories are not part of the bankruptcy.

Johnstone said that despite increased production at its factory in recent months and cost cuts it had been unable to secure financing. “We are hopeful that the outreach we have undertaken with potential investors during the Chapter 11 process will accelerate identifying the necessary financing to allow continued trading under the Swedish bankruptcy process,” he added.

Swedish truckmaker Scania, Northvolt's main customer, provided the company with fresh capital in November and [bought its industrial battery systems business](#). It has said it recently secured supplies from other battery makers.

Chinese battery makers already have a strong presence in Europe. CATL, the world's largest manufacturer, is building plants in Germany, Hungary and Spain, the latter a joint venture with carmaker Stellantis. VW has partnered with another Chinese company Gotion.

There are other European companies developing EV batteries but they are at an earlier stage than Northvolt. There have also been other failures, including Norwegian group Freyr which abandoned its battery plans to become a solar power company instead.