

## CHINESE BUYERS WORRY JAPAN

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A plan by Chinese real estate developers to invest in this little mountain town of Misasa has opened a window onto a Japanese crisis of confidence. For locals, here, the planned development - vacation homes for rich Chinese- is a welcome infusion of capital into a town that has been in decline since its heyday as a hot springs resort in the 1980s. But seen from elsewhere in Japan - there have been news accounts in the national media, not all of them accurate- the investment is a menace to the area's pristine forests and streams, a land grab that threatens the country's natural resources and a chilling reminder of the expanding shadow cast by China, which recently surpassed Japan to become the world's second-largest economy after the United States.

"Targeted by Foreign Money? Japan's Forests for Sale?" was the warning title of a news program earlier this month by the public broadcaster NHK. A fear that 'China money' is buying up the Japanese homeland is spreading across this nation, fanned by news reports and a general anxiety about Tokyo's waning economic prowess and an increasing, hostile, wealthy neighbour. The amount of money invested is small by Chinese standards, but it seems to be setting off an outsize reaction among the Japanese.

"Rich Chinese spend money in ways that no longer exist in Japan," said a local developer who plans to build 47 luxury homes in the spa town of Misasa with partners from Shanghai. "People warn me not to sell land to the Chinese" he said. "But I run a business. If somebody's buying, I'm selling." Whether in far-flung corners of Japan like Misasa or in corporate boardrooms there is a realization that as the Chinese economy booms, Japan needs Chinese money. Until the trawler dispute, waves of newly rich Chinese tourists, with pocketbooks open, had been welcomed in cash-strapped Japan, even while heightening a sense that the country was at the mercy of rich Chinese.

The reports of a Chinese industry snapping up Japan's mountains and forests have struck a raw nerve. Although Japan is known for its big cities, about 70 percent of its land is mountainous forest, which raises the spectre of China's gaining control of the cherished hinterland. Forest real estate now sells at rock bottom prices; many plots have been abandoned by aged owners and have fallen into neglect. On Hokkaido, the buyer of 23 hectares turned out not to be Chinese at all but a French real estate tycoon based in Hong Kong who is known for developing eco-friendly vacation villas powered with solar energy. Still, the central government has ordered a nationwide survey of sales of forest land to foreigners.

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