

Fears of Japan Debt Ratings Downgrade

Contributed by Tom McGregor
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Some experts are predicting that Japan will suffer from a sovereign downgrade this year. The Japanese economy has been struggling with massive national debt for a long time.

According to the Dong-A-Ilbo, "amid such fears, they warn the prospects of the yen and Japanese Treasury bonds plummeting. The yen and bonds have been considered safe assets since the 2008 global financial crisis."

In efforts to restore fiscal soundness, Tokyo is considering policies including tax reform. Yet, it has failed to win over global investors due to insufficient political leadership. The Japanese economy could collapse which may result in a negative impact for the Asia-Pacific regional economy in regards to an outflow of Japanese funds, as disclosed by experts.

As reported by the Dong-A-Ilbo, "S&P and Fitch presented negative outlooks for Japan's credit rating last year. S7P said in November last year that the Yoshihiro Noda government failed to come up with measures to cut the fiscal deficit, while Moody's hinted at a downgrade at the end of last month. Global financial markets expect a downgrade of Japan as early as this month."

To read the entire article from the Dong-A-Ilbo, link here:Mcgregor@chinadaily.com.cn