

Minister's Summary by Minister Ota



16th Meeting (June 23, 2008)

(1) Toward the “Basic Policies 2008”

Hiroko Ota here. Today, the Council on Economic and Fiscal Policy (CEFP) held its 16th meeting of the year and conducted discussions on the first draft of the “Basic Policies 2008.” Then the following comments were voiced:

Expert member: In the expression on page 14 “facilitate funding from government-affiliated financial institutions and other institutions to medium and small-sized entrepreneur managers which are affected by price hikes in crude oil and other factors, and at the same time, ask private sector financial institutions to give consideration to SMEs,” the phrase “ask . . . to give consideration” can be read as for example, “ask . . . to lend money at low interest rates” or as “ask . . . to do something special.” Accordingly, the phrase should be corrected so as not to cause a misunderstanding.

Expert member: The agricultural sector is extremely important. Accordingly, “Basic Policies 2008” should specify the need for reviewing the requirements and qualifications for an agricultural production corporation. “Signing an EPA with the EU” is specified “as a future issue” in “the schedule for EPA negotiations.” Yet Japan will fall behind other countries in “EPA negotiations with the EU” if the issue is treated as a future issue. Instead the negotiations should be accelerated.

Expert member: The first draft specifies “which ministry or ministries should do what to do within a definite period of time” concerning topics which the CEFP has already discussed. However, it does not always set a concrete time limit or specify what to do about policies that have been newly developed through coordination with ministries and with ruling parties. These issues should be going through the PDCA (plan, do, check and action) process without fail. Minister of Finance needs to be stringent in checking budget requests which have no clear outcome objectives or set no specific timetable.

Expert member: Regarding the expression on page 12 “tax grants should be continuously allocated to strictly selected areas in line with the concept of regional revitalization measures, and grants to local governments shall be allocated intensively to regions which are in financially difficult conditions,” the expression should not allow the Government to allocate grants just because local authorities are in financially difficult conditions, but it should allow the Government to properly respond to self-help efforts of local authorities.

Mr. Shindo, Vice Minister of Economy, Trade and Industry: I would like to highly appreciate that countermeasures against soaring crude oil prices have been firmly included in the draft of “Basic Policies.” We will also provide adequate measures for small and medium-sized enterprises.

Member Machimura (Chief Cabinet Secretary): Basic policies on education are still pending. Those responsible for the policies should coordinate parties concerned to put together policies on education

Member Nukaga (Minister of Finance): The Basic Plan for the Promotion of Education is still pending. We have to discuss this matter at the working level. I will properly coordinate contributions from various parties concerned to determine how education is to be positioned in a broad overview.

Based on the today’s discussions, I would like to draft “Basic Policies 2008” at the next meeting. I will make an effort to submit the next draft.

Today I asked the Prime Minister to decide the subtitle of “Basic Policies 2008.”

(End)