

Minister's Summary by Minister Yosano

27th Meeting (December 3, 2008)

(1) Intensive discussion on the mid-term program (The 3rd session – enhancement of social security system and tax reform)

(2) Agricultural reform

(3) Basic Principles of the FY2009 Budget Formulation



Kaoru Yosano here. Today, the Council on Economic and Fiscal Policy (CEFP) held the 27th meeting of the year.

Regarding the first subject on the agenda, we discussed for the third time “The Medium-term Program.” The CEFP this time deliberated on a schedule for functional enhancement of social security system, on the economic situation and on how to proceed with the fundamental reform of the tax system. The CEFP members reached a broad consensus on the economic situation and tax reform, including the principles for preparation and implementation.

The Prime Minister made the following statement:

I would like to decisively push forward bold economic and fiscal management that is basically “boldness in the short term and responsibility in the medium term.” The Medium-term Program constitutes the core of the core of the responsibilities. Obviously, social security system of “medium-level welfare state matched with medium-sized burdens” will be no longer sustainable. In parallel with economic measures in the immediate term, we will make our best efforts to work out policy responses with focus on the future. I would like to have our discussions today, including those on the principles for preparation and implementation, substantially reflected in “the mid-term program.”

Regarding the second subject on the agenda, the CEFP invited Temporary Member Ishiba (Minister

of Agriculture) to discuss agricultural reform.

Many pointed out the importance of promptly formulating a schedule for implementation of policies, including agricultural land reform and expansion of agricultural management by corporations, so as to enhance the nation's self-sufficiency ratio to 50%.

The Prime Minister made the following statement:

Regarding a schedule for increasing the nation's self-sufficiency ratio to 50%, I would like to see a grand package of policy measures prepared, in cooperation with ministries concerned, which incorporates major support measures and institutional reform, simultaneously seeking industrial policies, security policies and regional policies. Accordingly, I would also like the CEFP to promptly start discussing the issue from next year.

Regarding the third subject on the agenda, the CEFP provided recommendation on the Basic Principles of the FY2009 Budget Formulation. Earlier, Member Shirakawa (Governor of the Bank of Japan) explained details of the policy decision the Bank of Japan made yesterday.

The Prime Minister made the following statement:

In compliance with Guidelines for FY2009 Budget Requests, we will take bold actions in a prompt and flexible manner following changes in the economic climate, as the situation demands. I would like to see the Basic Principles of the FY2009 Budget Formulation promptly approved in a cabinet meeting, and based on the principles, I would like the whole government to formulate "the budget for safeguarding people's daily lives."

Today, the Basic Principles of the FY2009 Budget Formulation were approved in an extraordinary cabinet meeting which was convened immediately after the CEFP meeting ended.

(End)