Guidelines for Formulation of the FY 2004 Budget
Government of Japan

(Summary)

Cabinet Decision
5 December, 2003

Ⅰ. Promotion of Structural Reforms for Revitalization of Japanese Economy

1. Japanese economic and fiscal situation
   (Current state of Japanese economy)
   (Japanese economy in FY 2003 and FY 2004)
   (Fiscal situation)

2. Towards the revitalization of the Japanese economy
   (Promotion of structural reforms and the Japanese economy)
   (Revitalization of local economies)

Ⅱ. Basic Concepts for the FY 2004 Budget

(Continuation of the “Budget for Reform Resolution”)
(Impact of budgeting process)
(Administrative reform)
(Tax reform)

Ⅲ. Review of Government Expenditure and Promotion of Structural Reforms

1. Progress and utilization of human resource - education, culture, science and technology, IT -

2. Attractive urban areas and local areas with their own ideas and characteristics

3. Measures to build a fair and secure aging society addressing the aging society and declining birthrate
4 Creating an environment-friendly society and economy to deal with global environmental problem -
5 Development of social infrastructure
   (Review of long-term for public works plans)
   (Prioritization in public investment)
   (Improving efficiency and transparency in public works)
   (Review of individual projects)
6 Social security system
   (Pension)
   (Healthcare, nursing care, public assistance, employment insurance, etc.)
7 Local finances
   (Review of local expenditures)
   (Reform of the three major policies)