

Economic Measures for Overcoming COVID-19 and Opening Up a New Era

(November 19th, 2021, Cabinet decision)

- While the Japanese economy remains in a severe situation due to the COVID-19, the number of new cases has decreased and restrictions on behavior have been gradually eased.
- Taking advantage of this situation, we will make every effort to resume a nearly normal level of socio-economic activities which coexist with COVID-19 as soon as possible through these economic measures. We will launch the "New Form of Capitalism" and realize the "Virtuous Cycle of Growth and Distribution" putting the economy back on a self-sustaining growth path.
- In order to maintain this momentum for growth, we must take all possible measures to manage the crisis in preparation for the possibility of the spread of infections, and prevent the economy from further falling out by paying close attention to the downside risks such as a resurgence of infections and supply constraints.

Preventing the spread of COVID-19

1. Ensuring the medical care provision system

- Strengthening of the medical care provision system
- Promoting vaccination, improving testing, and securing therapeutic medicines
- Thorough infection prevention measures

2. Support for the businesses and livelihoods of people

- Support for businesses Support for daily life and livelihoods
- Measures against rising energy prices

Resuming socio-economic activities in the "coexisting with COVID-19" environment and preparing for the next crisis

1. Resuming socio-economic activities with ensured safety and security

- Utilization of vaccine and testing packages Resumption of socio-economic activities

2. Further strengthening of emergency response for infectious diseases

- Domestic development of vaccines and therapeutic medicines
- International cooperation for the containment of infectious diseases
- Timely & proper implementation of reserve funds for countermeasures against COVID-19

Launching "New Form of Capitalism" to open up a future society

Growth Strategy

1. Realizing a Science and Technology Nation

Science and Technology Clean energy Start-up support

2. "Vision for Digital Garden City Nation" for revitalizing localities and connecting them to the world

Digital implementation DX promotion
Agriculture, tourism, culture, and the arts SMEs

3. Economic security

Distribution Strategy

1. Strong support for reinforcing distribution in private sector

- Promotion of wage increases
- Strong promotion of smooth labor mobility and human resource development
- Enhancement of various ways of working through work style reforms and support for diverse human resources

2. Strengthening the distribution function in the public sector

- Raising incomes of those working for nursing, long-term care, child care, and early childhood education
- Promoting support for children and child-rearing

Ensuring safety and security through promotion of disaster risk reduction and enhancement of national resilience, etc.

Size of economic measures (trillion yen)	Fiscal expenditure	22.1	9.2	19.8	4.6	Total	Impact of Economic measures	Estimated increase in GDP
						55.7		5.6%
	Project scale	35.1	10.7	28.2	5.0	78.9		

. Preventing the spread of COVID-19

Ensuring the medical care provision system



- **Strengthening medical care provision** by ensuring that at least 80% of the hospital beds are operational at times of increased infection, implementing thorough measures for patients at home or accommodation facilities in collaboration with local medical institutions, etc.
- **Promoting vaccination, improving testing and securing therapeutic medicines** through providing free-of-charge booster vaccinations, securing therapeutic medicines (neutralizing antibodies and oral drugs) and establishing a system to administer them
- **Thorough implementation of infection prevention measures** by supporting measures taken by prefectures through local revitalization grants, measures taken by kindergarten, child care facilities and schools, etc.

Support for businesses



- **Grant for business reconstruction** according to business scale, regardless of area or type of business, **Extension of financial support** including concessional (interest free) loans, and **local revitalization grants** for businesses accepting shorter opening hours

Support for daily life and livelihoods



- **Benefits for households exempt from residential tax** (providing 100,000 yen per household), **support for students in distress, extension of special measures for employment adjustment subsidies**, and support for those suffering from loneliness and isolation

Measures against rising energy prices



- **Support for agriculture, fishery, transportation, and other related industries and people in need**

. Resuming socio-economic activities in the “coexisting with COVID-19” environment and preparing for the next crisis

Resuming socio-economic activities with ensured safety and security



- **Utilizing a vaccine and test package:** Developing electronic certificate of vaccination by the end of this year, and providing tests such as PCR and qualitative antigen tests without appointment nor payment
- **Restarting socio-economic activities:** Stimulating demand by implementing “Go-To Travel” campaign in consideration for safety and security, and supporting event hosting and cancellation costs, etc.

Further strengthening of emergency response for infectious diseases



- **Domestic development of vaccines and therapeutic medicines:** Establishing a system to support from R&D to utilization of vaccines and therapeutic medicines to ensure stable production and supply, and supporting the development of dual-use facilities that could be used to manufacture vaccines in emergencies
- **International cooperation for the containment of infectious diseases:** Supporting developing countries through the COVAX Facility, assisting Asia-Pacific regions combating COVID-19 and restarting socio-economic activities, and normalizing cross-border travels
- **Timely and proper implementation of reserve funds for countermeasures against COVID-19**

. “New Form of Capitalism” : Growth Strategy

Realizing a Science and Technology Nation



- **Science and Technology:** Establishing the University Endowment Fund with \$100 billion in 2021 FY, fostering young researchers, and promoting R&D of advanced science and technology in the field of digital, green, AI, quantum, biology, space and oceans, etc.
- **Clean energy:** Promoting the automobile electrification, large-scale investment to secure the domestic production system for storage batteries and semiconductors, and further expanding the introduction of renewable energy through developing photovoltaic power system, etc.
- **Support for start-up:** Strengthening the functions of innovation ecosystems and enhancing open innovation promotion tax

“Vision for Digital Garden City Nation” for revitalizing localities and connecting them to the world



- **Digital implementation:** Development of digital infrastructure such as local 5G, large-scale grants to promote digital implementation such as teleworking and drone delivery, and measures against the digital divide including nationwide deployment of digital transformation facilitators
- **Promoting DX:** Promoting data utilization in quasi-public sectors (e.g. health, medical care, long-term care, and education) spearheaded by the Digital Agency , making administrative procedures online, and providing at most 20,000 yen worth of My Number Card Points
- **Agriculture, tourism, and culture and the arts:** Strengthening exports and productions in agriculture, forestry and fisheries, adding values to tourism, and promoting culture and the arts
- **SMEs:** Support for business restructuring and productivity improvement, and encouragement of business revitalization by developing private liquidation guidelines

Economic security



- Creation of a fund to support the establishment of domestic production bases for advanced semiconductors and the realization of advanced key technologies

. “New Form of Capitalism” : Distribution Strategy

Strong support for reinforcing distribution in the private sector



- **Promotion of wage increases:** Further reinforcing tax support for companies that raise wages, strengthening supervision of subcontract transactions, and expanding subsidies to businesses that raise minimum wages

- **Strong promotion of smooth labour mobility and human resource development (a 400-billion-yen package over three years) :** Enhance labour mobility and career advancement by combining vocational training and outplacement support, strengthening human resource development in digital field, and improving recurrent education and vocational training



- **Enhancement of various ways of working through work style reforms and support for diverse human resources, etc.:** Establishment of telework, promotion of second and side jobs, support for women and employment ice age generation, and improvement of the treatment for non-regular workers

Strengthening the distribution function in the public sector



- **Raising incomes of those working for nursing, long-term care, child care, and early childhood education:** Fundamental review of public prices, front-loading of income increase for childcare workers, kindergarten teachers, caregivers, etc. ahead of private sector wage negotiations, and support for developing and securing medical and social welfare personnel



- **Promoting support for children and child-rearing:** Benefits to households with children amid the prolonged impacts of COVID-19 (100,000 yen per child), development of childcare facilities aiming to eliminate children on waiting lists, and support for housing acquisition by households with children

. Ensuring safety and security through promotion of disaster risk reduction and enhancement of national resilience, etc.

Promoting disaster risk reduction and enhancing national resilience



- Strengthening disaster risk reduction and enhancing national resilience based on the “Five-Year Acceleration Measures”

Accelerating recovery and reconstruction from natural disasters



- Decommissioning of TEPCO's Fukushima Daiichi Nuclear Power Station, measures against rumor-based adverse impacts on reputation regarding ALPS treated water, and reconstructing the livelihoods of victims of natural disasters

Ensuring safety and security of the people, including by securing national security



- Self-Defense Force's immediate response to a changing international environment,
- Promoting of the strategic coast guard system, etc.