

Speech by Minister NISHIMURA Yasutoshi
At OECD Ministerial Council Meeting,
May 31, 2021

Thank you, Chair.

First, we welcome Costa Rica's accession to the OECD. I would like to pay tribute to Secretary-General Gurría for his 15-year contribution, and to congratulate incoming Secretary-General Cormann. I am the Minister in charge of both Economic and Fiscal Policy and Coronavirus Disease Control in Japan. I believe there are not many ministers in the world taking on these two roles. Today, I will briefly explain key points about Japan's COVID-19 measures and macroeconomic management.

COVID-19 Measures and Economic Recovery

To deal with highly infectious variants, Japan issued a third state of emergency in large cities in April. However, the latest weekly number of newly-infected people remains relatively low at 20 per 100,000 compared to other countries. We will administer 2 doses of vaccine to approximately 40 million elderly people and medical workers, one third of the population, by the end of July.

Thanks to our economic measures, which amount to 2.74 trillion dollars, the unemployment rate remains low at 2.8%. The number of bankruptcies in 2020 was the lowest in 30 years. The recovery of the global economy, led mainly by the U.S. and China, can lead to an improvement in Japan's

exports and production. Progress in digital transformation motivates firms to invest, especially in software. Once the infection is contained with vaccination, about 200 billion dollars of excess savings accumulated through the consumption restraint, could induce pent-up demand. As such, I believe that the Japanese economy has the potential to recover.

Achieving New Growth in the Post-Corona Era

In the field of sports, Japanese twenties are attaining great success in the world, such as MATSUYAMA Hideki, the 2021 Masters Golf Tournament winner, OHTANI Shohei, a major league two-way baseball player, and OSAKA Naomi, a female tennis player who won the U.S. Open and the Australian Open. In the business field, the number of initial public offerings last year was 102, the highest since 2007. Among large companies, they have begun tackling new challenges, such as the entry of Softbank, Idemitsu (one of the oldest oil companies), and Sony from different sectors into the field of electric vehicles.

To cope with extremely rapid changes in the world, by encouraging these new movements, Japan will build an economic society where diverse human resources can extend their ideas and abilities, and companies can swiftly make decisions. The government will boldly implement stimulus expenditures and reforms to induce private sector investment and ingenuity, such as the advancement of diverse human resources as well as the transformation of corporate organizations and discontinuous innovation.

For example, we have introduced a clause ensuring diversity, such as the promotion of young people, women, and foreigners, in the proposed revision of the Corporate Governance Code set by the Tokyo Stock Exchange. In addition, a 90-billion-dollar university fund has been established to foster researchers who can create innovations with new ideas. Aiming at carbon neutrality by 2050, we have also established an 18-billion-dollar fund.

Moreover, the importance of free trade should be reaffirmed amid this crisis. The day after tomorrow, the Commission of Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) will discuss the UK's request for membership, which has great potential as the first step to expanding the high-level rules of CPTPP beyond the Asia-Pacific region. As the chair country, Japan will move the process forward smoothly obtaining the consensus of each country.

Conclusion

The world is very rapidly changing in the digital and green fields due to this pandemic. Taking advantage of this great opportunity for economic and social transformation as people's awareness is changing, we will tackle reforms to meet the needs of the new era. At the same time, we will contribute to the development of the world economy through international cooperation in areas such as free trade, digital transition, and green growth.

Thank you.