

Expectations for the New Noda Government

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Following a leadership election within the Democratic Party of Japan (DPJ), Yoshihiko Noda, a member of the House of Representatives, has been appointed prime minister, and we welcome the fact that the nation now has a fresh, new leader.

Despite the fact that our country is facing numerous difficulties, political stagnation has continued. If nothing is done about it, Japan can become a political and economic risk to the international community, and this represents a national crisis. The historic change of government two years ago gave citizens hope that political leadership would transform the nation, yet the cabinets since then have failed to meet their expectations and have been short lived. We therefore hope that the Noda government will recognize that this is the last chance to restore trust in the DPJ government and address this national crisis.

1. Employ every possible policy measure to deliver sustainable growth

We would like the new government to declare the key policies that it intends to place priority on before the next lower house election (which will be held in the autumn of 2013 at the latest), and to do its best to implement them. Achieving economic growth is a particularly important challenge, and it will affect the recovery from the Great East Japan Earthquake and the improvement of the nation's fiscal health. The government should therefore employ all possible policy measures to achieve its goals, set out in "The Guideline on Policy Promotion," of achieving mean annual economic growth of three percent in nominal terms and two percent in real terms by Fiscal 2020. We hope that the government and policymakers will show a strong determination to overcome the current crisis and resolutely implement whatever policies are required.

Key issues that the new government should tackle (a focus on growth):

(1) Implement a growth strategy

- Swiftly implement the "New Growth Strategy" (including promoting the regulatory reform, joining the TPP negotiations immediately, and stepping up the EPA negotiations)
- Administer the economy with more agility to escape deflation and ease the yen's

appreciation

(2) Recover from the Great East Japan Earthquake and deal with the nuclear disaster and problems with energy supplies

- Step up the reconstruction/recovery effort (swiftly establish a new government agency to oversee the recovery, design the system of special economic zone for reconstruction, expand lump-sum subsidies, etc.)
- Perform stress tests on nuclear power plants without delay and resume operation of the plants whose safety has been confirmed
- Accelerate technological innovation relating to new forms of energy, nuclear power plant safety, etc.
- Formulate a basic plan for energy generation that is feasible

(3) Improve fiscal health

- Define a clear road map for improving fiscal health
- Implement the tax and social security reforms as planned

2. Demand execution ability to achieve policy goals

To ensure that these key policies are implemented successfully, we demand that the new administration demonstrate execution ability before anything else. The prime minister must achieve solutions to problems by exercising real leadership, forming a cabinet with the ability to get things done, utilizing the bureaucracy, engaging in dialog with the private sector and the markets, and adequately explaining himself to the public. This is the kind of real politician-led politics that he should strive for and the duty of the leader of the state.

It will obviously also be essential to achieve unity within the party to serve as a foundation for effective government administration. To ensure that Prime Minister Noda is able to implement the policies needed to overcome this national crisis, we hope that he will select the most suitable personnel for his cabinet and the administration of his party.

3. Build a structure for cooperating with opposition parties

Under the divided parliament with the ruling party holding a majority in the lower house but not in the upper house, tackling the current national crisis will require the establishment of a framework for working with the opposition. We therefore ask that both the ruling and opposition parties put the interests of the people ahead of the interests of their respective parties and the internal power struggles within them, and urge them to consult each other and reach agreement on key policy issues.