

29 January, 2013

**Statement by Yasuchika Hasegawa, Chairman of Keizai Doyukai
On the fiscal 2013 government budget draft**

The fiscal 2013 national budget draft was agreed upon today. The total of the general expenditure including government bond payments reached 92.6 trillion yen, the largest ever. Expenses related to policy measures slightly decreased and new national bond issuance is restricted to the level of estimated tax revenues. Judging from the consequences of forming a so-called 15-month budget, by combining a supplementary budget for the fiscal 2012 and a budget for this fiscal year into one, I view all these measures as appropriate.

We hope the government will swiftly bring these budgets into effect and implement them without halt, and connect the outcome to economic growth. However, we want to make sure that the increased public spending and public works should be regarded as temporary economic policy for the time being. Fundamental policies required for the Japanese economy are nothing but implementation of the growth strategy that includes regulatory and systemic reforms. The government must make priorities on policies for boosting growth, and implement them one by one.

The Council on Economic and Fiscal Policy confirmed the commitment to the target of achieving a primary balance surplus by fiscal 2020. The government should acknowledge its still-enormous national bond issuance of 40 trillion yen, while its long-term debt surpasses 900 trillion yen. It also must show clear steps toward fiscal consolidation by, amongst others, controlling expenditures in social security and so forth.

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