

June 13, 2014

Statement by Yasuchika Hasegawa, Chairman of Keizai Doyukai
A Policy to Reduce the Effective Corporate Tax Rate

Prime Minister Shinzo Abe pledged his policy today to reduce Japan's effective corporate tax rate to below 30 percent within the next few years. We welcome it as one of the pillar policies in his growth strategy.

As alarming conditions of Japan's fiscal constraints clearly necessitate to secure stably reliable sources of alternative revenue, all possible efforts must be exerted toward revenue neutral policies such as ensuring alternative revenue sources beyond the scope of corporate taxations on top of broadening the corporate tax base and increasing benefit taxes.

Going forward, a further tax reduction is deemed necessary toward 25 percent, the level comparable to other Asian nations.

On the other hand, drastic measures should be taken in tackling bedrock-like regulations in areas including employment, agriculture, and medical care in combination with growth strategy initiatives as such actions are required to enhance Japan's international competitiveness as a business hub. We hope Prime Minister Abe exhibits the leadership in the decision toward drastic reforms in those areas.

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