

June 22, 2015

**Statement by Yoshimitsu Kobayashi, Chairman of Keizai Doyukai
On the Deliberation of a Draft of “Japan Revitalization Strategy” and a Draft of
“Basic Policies for Economic and Fiscal Management and Structural Reform” for FY2015**

1. A draft “Japan Revitalization Strategy (Revised in 2015)” and a draft “Basic Policies for Economic and Fiscal Management and Structural Reform 2015” were brought under deliberation of the Council for Industrial Competitiveness and the Council on Economic and Fiscal Policy held today. We understand that both documents will serve as a stepping stone to realize the slogan “No fiscal consolidation without economic revitalization” initiated by the leadership of Prime Minister Abe.

The growth strategy or the third arrow of the Abenomics, described in both drafts, is totally dependent on corporations/corporate executives in a position to execute them. We corporate executives are also committed to boldly face the challenges of “Japan Revitalization Strategy,” the third version this year following the two previous ones, taking risks together with the government toward the realization of the Strategy.

2. In order to enhance Japan’s international competitiveness as a business hub, it is vital to make a steady progress toward an early agreement on TPP and Japan-EU EPA as well as an early realization of the growth-orientated corporate tax reform as these are clearly mentioned in the draft “Japan Revitalization Strategy.” These measures are indispensable for the sustainable growth of Japanese economy. Meanwhile, in order to quickly realize the economic growth of nominal 3% and real 2%, instantaneously effective measures should be concretely and swiftly deployed. Examples of those measures include a reform of bedrock-like regulations in the agriculture, forestry and fisheries industries that do not allow full market entries and utilization of corporations and in the tourism industry facing an increase of foreign visitors to Japan.
3. It is justifiable that “Basic Policies for Economic and Fiscal Management and Structural Reform” plans to keep squeezing the balance of public debt and asset in terms of the ratio against GDP while maintaining the internationally committed target to bring the primary balance back into the black in FY2020. We urge the government to clearly set a target of the curb/reduction of the annual expenditure by FY2018 and also, to expedite the deliberation for the post-2025 years when all postwar baby-boomers reach the age of 75.