



September 25, 2017

**Statement by Yoshimitsu Kobayashi, Chairman of Keizai Doyukai  
On Lower House Dissolution and General Election**

1. Prime Minister Shinzo Abe has announced that he will dissolve the House of Representatives when the extraordinary Diet session is convened on September 28. Accordingly, an official election campaign will start on October 10 for a general election (voting and counting) of October 22. It is prime minister's unusual decision, amid the mounting tension of North Korea, to seek a public mandate for issues such as human resources development revolution including realization of free education, the use of consumption tax revenue, and the policy change to fiscal consolidation.
2. We welcome the clarification that the 10% consumption tax hike of October 2019 will be implemented as scheduled. However, it is highly regrettable that the target of realizing the primary balance surplus in FY2020—Japan's international commitment—will be postponed. In order to maintain the confidence of our fiscal health, it is essential for the government to present a new consumption tax target of beyond 10%, on the basis of the recent policy change to the use of the tax revenue, together with a relevant roadmap as it is a must to achieve the national fiscal consolidation.
3. Amid the concerns on the nation's economy and fiscal health after the Tokyo Olympics and Paralympics, Japan will face the coming election of regime selection, the result of which could guide its future beyond 2021. We expect each political party to demonstrate the future of our country as well as the options available for the public relevant to the issues such as productivity revolution, human resources development revolution, fiscal/tax system, social security, national security, and the Constitutional amendment.

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