

March 13, 2019

**Statement by Yoshimitsu Kobayashi, Chairman of Keizai Doyukai
on “Shunto” Spring Wage Negotiations 2019**

1. Most Japanese companies have settled the labor-management wage negotiations today for Shunto 2019. Major companies have continued their pay hikes, although with a slower pace than last year, despite uncertainties of the global economic outlook due to factors such as the United States-China trade friction, China’s slowing economic growth, and Brexit. We welcome the result. We hope SMEs and companies outside the metropolitan areas will follow suit, even with the upcoming consumption tax rate increase in the autumn this year.
2. Unlike last year, the negotiations this time have inclined not to focus on a uniform pay scale hike but to prioritize wage hikes without a fixed increase amount and ratio. This may indicate that the traditional behave-like-others mentality is fading at both labor and management. Changes in the economy and society due to globalization and other factors have created differences in a business environment of each company and industrial sector. Thus, the trend seen in this year’s negotiations should be further strengthened, and labor-management negotiations of each company should focus on comprehensive improvement of its labor conditions, through measures such as supporting workers engaged in child-rearing or nursing care.
3. Meanwhile, the enhancement of the corporate competitiveness is crucial in the era of digitalization. In this regard, labor-management negotiations should address how to increase labor productivity, promote the best use of female, elderly, and foreign workers, and raise the labor share that has been declining.

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