

July 17, 2020

**Statement by Kengo Sakurada, Chairman of Keizai Doyukai
on Cabinet Approval of
“Basic Policy on Economic and Fiscal Management and Reform 2020”**

1. Today, the Cabinet approved the “Basic Policy on Economic and Fiscal Management and Reform 2020.” This year’s Basic Policy, compiled when the full-fledged economic recovery is not yet visible, has regrettably failed to present concrete medium- to long-term policies on economic and fiscal management and reform, based on the Basic Policy 2018 and 2019.
2. The coronavirus crisis has reminded us that having fiscal space for spending is crucial for responding swiftly and thoroughly to the major crisis, which could happen at least once in ten years, such as large-scale natural disasters and economic crisis. Now, we request the government to provide the public with full explanation on the current fiscal status, and to take the plunge on deliberation on a drastic review of the burden for social security cost carried by the public. This is for directing Japan’s fiscal status (primary deficit: 66.1 trillion yen, government bond dependency ratio: 56.3%) to the sustainable trajectory, and for crystallizing the reform plan toward the year end.
3. We have no disagreement with the overall direction of the Basic Policy on its growth strategy, innovation strategy, regulatory reforms, and regional revitalization. For reaching the goal, however, we emphasize the importance of concrete measures to take on the challenges and of monitoring the progress in the action plan. Each measure must clarify its responsibility and due date, and go through the PDCA cycle in a way traceable by anyone in the public. Meanwhile, we observe duplications in policies and strategies as well as in discussions of conference bodies in charge. Selection and integration, by streamlining each objective and role, must be pursued in response to the social change.
4. It is essential that the “new normal” with corona should take root in our society without any move back to the “old normal.” Making an all-out effort for the digitalization in society is its key. Thus, we request the national/local governments to accelerate digital transformation and realize without delay the “once-only principle” in the administrative

procedures. Furthermore, online diagnosis, online drug administration guidance, and online education are to be the permanent solution, not the temporary solution.

5. The new coronavirus pandemic is urging us to face a major upheaval in all aspects. Not only the government but also each individual are to confront the new challenges. Keizai Doyukai's "With/After Corona Initiative" will launch a conference body with stakeholders from diverse sectors invited, delve into key issues to create the "New Japan," and present proposals wide across the society.

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