

**Statement by Kengo Sakurada, Chairman of Keizai Doyukai
on Cabinet Approval of Package of
New Comprehensive Economic Measures**

1. The Cabinet has today approved a package of the new comprehensive economic measures. Each measure is specifically linked to the overall picture of the New Form of Capitalism advocated by the Kishida administration. We must see the measures ensure assistance to those in need for living, under the plummeting yen and the surging prices that show no sign of subsiding.
2. Cost-push inflation can be well controlled by achieving an economy that allows for sustainable wage increase, through higher productivity and industrial reorganization and replacement of the old businesses with the new ones. In this regard, Japan's regulatory framework for taxation and labor must be overhauled to be on an equal footing with those of its peer countries. It will, thereby, lead to an environment, where labor mobility to growing business sectors is promoted through providing upskilling programs in digital fields, and startups receive support for their growth by inviting foreign funds from across the globe.
3. While measures to lower costs of electricity and gas could mitigate the burden of households and businesses, uniform financial support to them, regardless of their income level, is not fiscally sustainable. The government support should be limited to households in serious need, and instead, the government should promote investment that aims for higher energy self-sufficiency and cost reduction.
4. The across-the-board economic measures, with a priority on the size of the spending, are against the sustainable fiscal health. What we need is highly effective measures with a focus on eligible target households and business operators, and the relevant spending must definitely have fiscal funding sources. We request government's deliberations on how to secure stable funding sources without passing the burden to the future generations.