

Overview of “Realizing the New Growth Strategy 2011”

Introduction

Objectives: To make the achievements of the New Growth Strategy visible to the public and to clarify the basic thinking behind future initiatives in order to raise expectations for growth.

I Basic policy for the realization of the New Growth Strategy

1 Major achievements in 2010

- It is generally progressing according to schedule
- Major achievements
 - Promotion of initiatives to open the country and clear a way to the future (e.g.: basic policy on comprehensive economic partnerships, etc.)
 - Implementation of macroeconomic policy based on the New Growth Strategy that considers economic and employment trends (e.g.: three-phase approach economic measures, etc.)
 - Tax system revision and creation of an institutional framework for growth (e.g.: lowering the effective corporate tax rate by 5%, etc.)

2 Major achievements and issues for 2011

- Overview of major achievements and issues expected in 2011 in 7 sectors, centering on 21 National Strategic Projects
 - Environment: Promotion of introducing the purchase of all renewables-derived electric power through a feed-in tariff system.
 - Health: A medical institution selection system in order to promote practical use of healthcare, etc.
 - Asia: Promotion of concluding EPAs and FTAs, etc.
 - Tourism/regions: Creation of Comprehensive Special Zones, etc.
 - Science/technology/IT: promotion of investment in R&D, etc.
 - Employment/human resources: Promotion of integration of kindergartens and nursery schools, etc.
 - Finance: promotion of the creation of a comprehensive exchange, etc.
- Implementation of follow-up
 - Implementation of a survey of progress from the end of March into April
 - Revision of the New Growth Strategy

3 Upon the New Growth Strategy’s 2nd year of implementation

- The role of the Council on the Realization of the New Growth Strategy
 - Setting the policy agenda, indicating the direction of study, supporting Government initiatives
- Basic ideas (acceleration and expansion of growth strategy)
 - “The 21st -century opening of Japan,” “Regional ingenuity and networks,” “Full realization of ability”

II Basic policy on economic and fiscal management centered on macroeconomic management

1 Economic trends since the setting of the New Growth Strategy

Due to the initiatives in the New Growth Strategy and etc., overall the Japanese economy has not deviated markedly from the assumptions in the Strategy.

2 Future basic policy on economic and fiscal management centered on macroeconomic management

Initiatives on terminating deflation and on issues that take time for realization of effects

3 Economic outlook and macroeconomic goals

Holding to the New Growth Strategy goals (nominal growth of 3% and real growth of 2%, terminating deflation, early realization of unemployment rate of 3%-4%)