

# Management of Medium- to Long-term Economic and Fiscal Policies

## Director General for Economic, Fiscal, and Social Structure

### Management of the Medium- to Long-term Economic and Fiscal Policies

- Management of the medium- to long-term economic and fiscal policies, with constantly examining them at the Council on Economic and Fiscal Policy.
- Planning and coordination of policies for volunteering support and P F I promotion.

#### • Management of the Medium- to Long-term Economic and Fiscal Policies

To achieve both economic revitalization and fiscal consolidation, the government manages the medium- to long-term economic and fiscal policies, with constantly examining them at the Council on Economic and Fiscal Policy. In addition, to make the movement toward recovery achieved by Abenomics more stable and to realize the medium- and long-term development of Japan, the government set up “the Committee for the Japan’s Future” under the Council on Economic and Fiscal Policy and it discussed structural changes surrounding the Japan’s future, such as shrinking in population.

#### Macroeconomic Targets in the Medium- to Long-term

- In the medium to long term, the government aims to improve the labor productivity beyond 2%, to increase wages to the extent that exceeds the growth of inflation rate, and to expand the employment opportunities.
- Over the coming decade, the government aims to realize nominal GDP growth of roughly 3% and real GDP growth of roughly 2% on average, and to achieve even higher growth in the second half of the 2010s.
- Under such conditions, the nominal gross national income (nominal GNI) is expected to grow by more than 3% over the medium- to long-term.

#### Fiscal Consolidation Targets

To achieve both economic revitalization and fiscal consolidation, the government aims

- ① to halve the primary balance deficit to GDP ratio of the central and local governments by FY2015 from the ratio in FY2010,
- ② to achieve a primary surplus by FY2020,
- ③ and to thereafter steadily reduce the public debt to GDP ratio.

#### • Formulation of “Medium-term Fiscal Plan”

To show the roadmap toward achieving both sustainable economic growth led by private demand and fiscal consolidation, the government formulated “the Basic Framework for Fiscal Consolidation(August 8<sup>th</sup>, 2013, Approved by the Cabinet) ”, which indicates concrete measures to achieve the fiscal consolidation targets.

#### Column : Overall consideration of economic conditions and other factors for increasing the rate of consumption tax.

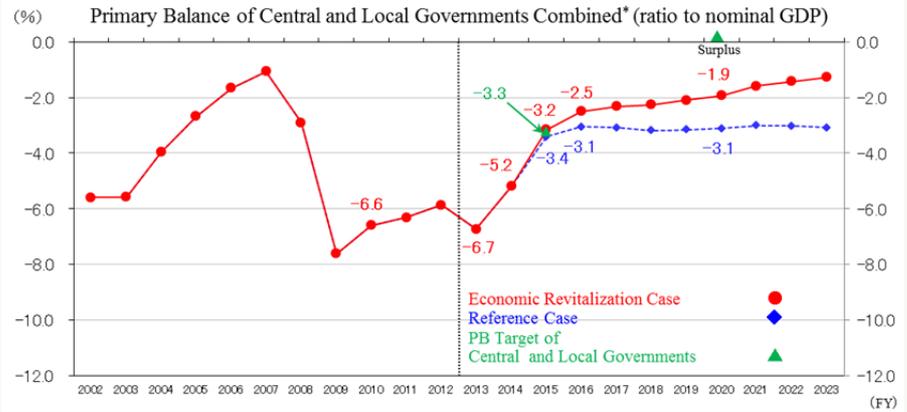
The government held the meeting in which Deputy Prime Minister, State Minister for Economic and Fiscal Policy, Bank of Japan Gov. etc. hear the opinions of a wide variety of experts, at the end of August 2013.



## • Medium to Long Term Economic and Fiscal Outlook

With regard to the economy and public finances, it is important to evaluate policy management and regulatory reforms while looking at prospects over the medium to long term in an integrated and consistent manner, using quantitative analysis and estimates. As shown in the “Medium-term Fiscal Plan,” the government will review progress toward the fiscal target, taking into account the economic and fiscal outlook.

“Economic and Fiscal View for Realization of Virtuous Cycles” (Jan 21, 2014 Cabinet Report) and “Economic and Fiscal Projections for Medium to Long Term Analysis” (Jan 20, 2014 Cabinet Office) have been published most recently.



\* Excluding the expenditures and fiscal resources for the recovery and reconstruction measures.

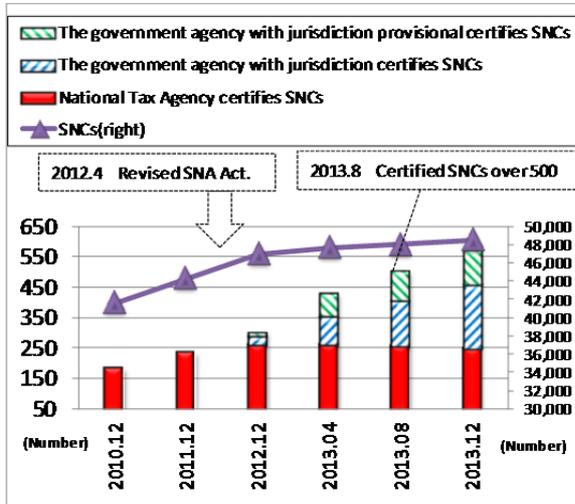
## Volunteering Support Policy

### • Specified Nonprofit Corporations System

For these 15 years after the formulation of the Act to Promote Specified Nonprofit Activities (SNA Act), more than 48,000 Specified Nonprofit Corporations (SNCs) have been established. In addition, the number of certified SNCs with preferential tax treatment exceeds 500; the role is becoming increasingly important. The government of Japan promotes the activities of the SNC system.

### • To Promote “A Society of Mutual Assistance”

The government of Japan holds the “Conference of the Society of Mutual Assistance” under Minister of State for Economic and Fiscal Policy, with NPOs and experts. In addition, the government of Japan held “the Symposium for the Society of Mutual Assistance” on January 14<sup>th</sup>, 2014. The government of Japan promotes the intermediate supporting group and the regional cooperation system to support NPOs and social enterprises.

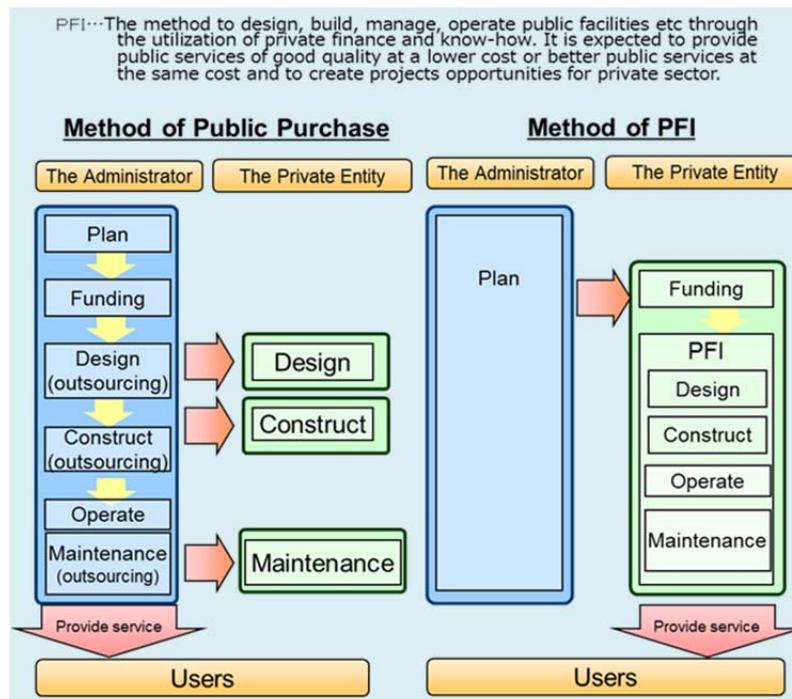


Symposium for the Society of Mutual Assistance (2014.1.14)

SNCs...Specified Nonprofit Corporations are authenticated by the government agency with jurisdiction (prefectural government or designated city) based on SNA Act.  
 Certified SNCs...SNCs with appropriate organizational structure that are engaged in appropriate activities contributing to the advancement of public welfare are eligible for certification by the government agency with jurisdiction.  
 Certified SNCs are eligible for preferential tax treatment on inhabitants tax.

# The Promotion of P F I (Private Finance Initiative)

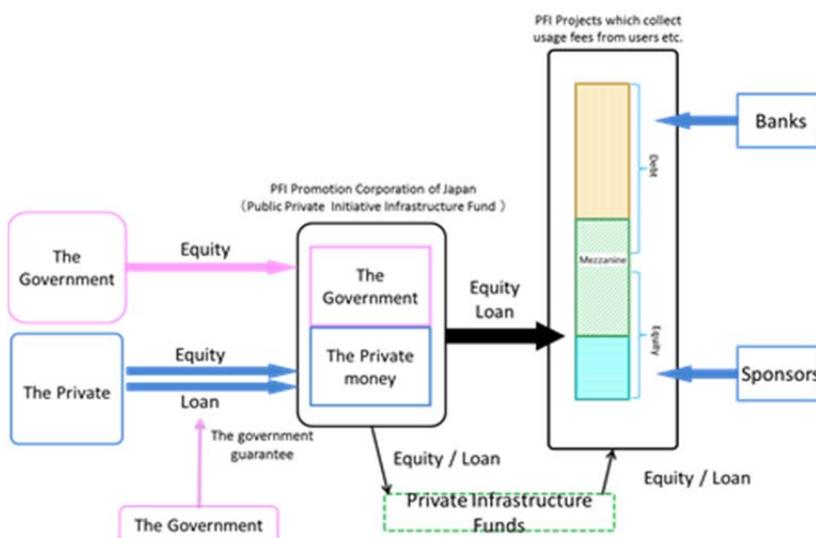
PFI Promotion Office supports PFI projects by delegation of PFI specialists to the local governments, supports to formulate PFI projects, etc.



The Japanese government decided to promote PPP (Public Private Partnership)/PFI projects totaling 12 trillion yen over the next 10 years according to "Action Plan Toward Fundamental Reform of PPP/PFI" approved in June 2013.

The Private Finance Initiative Promotion Corporation of Japan established in October 2013 aims to boost private investment and to contribute to strengthening growth force by providing financial supports for PFI projects which collect user fees from users etc.

## 【Scheme of Private Finance Initiative Promotion Corporation of Japan】



Opening Ceremony on Oct 11, 2013

For details → <http://www5.cao.go.jp/keizai/index-e.html>