

Economic Response by Aso Cabinet “Economic Recovery in the Near Term”

“Comprehensive Immediate Policy Package” approx. ¥11.5 trillion

Supplementary Budget for 2008 (Article 1) [passed on October 16] ¥1.8 trillion
Emergent guarantee and loan, measures for disaster and reinforcement against earthquake etc.

“Measures to Support People’s Daily Lives ” approx. ¥26.9 trillion (Decided on October 30)

Fixed-sum benefit, emergent guarantee and loan, reduction in expressway tolls,
Temporary grants for regional revitalization and measures to support people’s daily lives,
Measures for medical service, long-term care and welfare etc.

“Emergency Measures to Defend People’s Daily Lives” (Decided on December 19)

1. Fiscal response measures approx. ¥10 trillion

- Measures for employment approx. ¥1.1 trillion
- Increasing tax revenues allocated to local governments to
implement job-creating business and other policies ¥1 trillion
- Newly create reserve budget for emergency economic response ¥1 trillion
- Tax system revision (Tax reduction [Tax cuts for housing, etc])
(average fiscal year) approx. ¥1.1 trillion
- Implement “Measures to Support People’s Daily Lives”
(fiscal response to above measures) approx. ¥6 trillion

2. Financial responses approx. ¥33 trillion

- Increase in the maximum level of the government’s total equity participation ¥10 trillion
- Utilization and strengthening of Bank’s Shareholdings Purchase Corporation ¥20 trillion
- Conducting and increasing “emergency response operation” that make
use of government finance ¥3 trillion
- Measures for housing and property approx. ¥0.2 trillion

Total (excluding duplication) approx. ¥75 trillion

Fiscal measures approx. ¥12 trillion (approx. 2% of GDP)
Financial measures approx. ¥63 trillion

(note) Economic- response (fiscal measures) in major developed countries

U.S.: approx. 1.1% of GDP (February), U.K.: approx. 1.4% of GDP (November),
EU: approx. 1.5% of GDP (November)