

Overview of the Supplementary Budget for FY2019

Provisional Translation

(billion yen)

Expenditures		Revenues	
1. Restoration and reconstruction from natural disasters and ensuring safety and security	2,308.6	1. Non-tax revenue	188.1
2. Intensive supports to those striving to overcome economic downside risks	917.3	2. Surplus from the previous fiscal year	801.6
3. Investing for a future, and maintaining / enhancing economic vitality beyond 2020 Tokyo Olympics and Paralympics	1,077.1	3. Government bond issuance (Construction Bonds)	2,191.7
4. Other expenses	169.2		
5. Reduction in previously budgeted expenses	- 1,290.8		
6. Local Allocation Tax Grants			
(1) Reduction in the local allocation tax grants due to decline in tax revenue	- 734.9	4. Tax revenue	- 2,315.0
(2) Amounts proportionate to 5. (surplus from the previous fiscal year)	98.5	5. Surplus from the previous fiscal year (financial resources for the local allocation tax grants)	98.5
(3) Compensation for the reduction in the local allocation tax grants due to decline in tax revenue	636.4	6. Government bond issuance (Special Deficit-Financing Bonds)	2,229.7
(4) Compensation for the drop in financial resources for local allocation tax grants due to decline in the local corporation tax revenue	13.2		
Total	3,194.6	Total	3,194.6

(Note 1) Figures may not add up to the totals due to rounding.

(Note 2) Central government expenditures for the economic measures (cabinet decision on Dec. 5, 2019): ¥4,303.0bn (sum of 1. – 3. above)

(Note 3) A legislative measure is needed to utilize the surplus from the previous fiscal year.

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- Central government expenditures to implement “Comprehensive Economic Measures to Create a Future with Security and Growth” (cabinet decision on Dec. 5, 2019) **¥4,303.0bn**

I. Restoration and reconstruction from natural disasters, and ensuring safety and security **¥2,308.6bn**

- 1. Acceleration of restoration and reconstruction from natural disasters** **¥690.7bn**
- 2. Strong promotion of disaster prevention, mitigation and building national resilience** **¥855.7bn**
(note) The entire National Resilience budget is amount to ¥1,152.0bn including the measures categorized in 3. “Securing safety and security of the people”, etc.
- 3. Securing safety and security of the people** **¥762.1bn**

II. Intensive supports to those striving to overcome economic downside risks **¥917.3bn**

- 1. Developing an environment for enhancing productivity of SMEs** **¥384.7bn**
- 2. Facilitation of the businesses by the companies developing overseas operations** **¥111.8bn**
- 3. Making agriculture, forestry and fisheries a growth industry and enhancing its exporting capacity** **¥342.8bn**
- 4. Further Promotion of regional revitalization** **¥69.3bn**
- 5. Support for the “employment ice-age” generation** **¥8.6bn**

III. Investing for a future, maintaining/enhancing economic vitality beyond 2020 Tokyo Olympics and Paralympics **¥1,077.1bn**

- 1. Promoting innovation and social implementation of technologies toward realizing Society 5.0 and SDGs** **¥483.3bn**
- 2. Investing in human capital for those playing important roles in Society 5.0 and creating environment suitable for child rearing** **¥298.3bn**
- 3. Infrastructure development for the era of 60 million inbound tourists** **¥30.5bn**
- 4. Improvement of infrastructure to support productivity enhancement** **¥101.6bn**
- 5. Supporting private consumption in a seamless manner** **¥163.4bn**

- Total additional expenditures are amount to **¥4,472.2bn** including additional fiscal needs such as contributions to international organizations (¥169.2bn) besides the above.
- Financial resources for the additional expenditures are financed by reduction in previously budgeted expenses, surplus from the previous fiscal year and additional Construction Bonds issuance, etc. In this respect, at the opening of the ordinary Diet session in 2020, the government intends to submit the related draft bill to the supplementary budget (“the draft act on special measures for treatment of the settled surplus in FY2018 (tentative name)”) in order to utilize a half of surplus from the previous fiscal year, which is stipulated to be allocated to the redemption of the government bonds according to the Article 6 of the Fiscal Act.
- Moreover, the government will additionally issue the Special Deficit-Financing Bonds amount to ¥2,229.7bn as tax revenue for FY2019 is estimated to decrease.

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I Restoration and reconstruction from natural disasters and ensuring safety and security

¥2,308.6bn

1. Acceleration restoration and reconstruction from natural disasters **¥690.7bn**

- Measures to restore damaged public civil engineering facilities, etc. [¥485.9bn]
- The disposal of wastes from the disaster, etc. [¥45.6bn]
- "Group subsidies" for SMEs [¥19.0bn]
- Reconstruction of agricultural greenhouses, machines, etc. [¥17.5bn]

2. Strong promotion of disaster prevention, mitigation and building national resilience **¥855.7bn**

- Flood control measures to excavate river channels, build embankments, etc. following Typhoon No.15 and 19 [¥243.7bn]
- Measures for inland flooding by constructing storm water storage facilities, etc. [¥67.3bn]
- Elimination of missing links of roads [¥89.8bn]
- Promoting removal of utility poles [¥20.5bn]
- Preventing damage from high waves, etc. [¥29.5bn]
- Building facilities to process waste [¥48.3bn]
- Building resident-base service stations, etc. with in-house power generation equipment [¥17.0bn]

(Note) FILP loans (the supplementary budget for FY2019)

Accelerating removal of utility poles, development of transmission and distribution network, etc. [DBJ] : included in ¥500.0bn

(Note) The entire National Resilience budget is amount to ¥1,152.0bn including "making earthquake-resilient school facilities and strengthening their disaster prevention functions", etc. categorized in 3. below.

3. Securing safety and security of the people **¥762.1bn**

- Ensuring stable operational condition of the Self-Defense Forces [¥378.3bn]
- Establishing a strategic coast guard system, etc. [¥40.2bn]
- Making earthquake-resilient school facilities and strengthening their disaster prevention functions [¥96.4bn]
- Making correctional facilities, etc. resistant against earthquakes and aging [¥14.8bn]
- Strengthening measures against livestock plague such as CSF or ASF [¥13.3bn]

II Intensive supports to those striving to overcome economic downside risks **¥917.3bn**

1. Developing an environment for enhancing productivity of SMEs **¥384.7bn**

- Promoting supply system innovation of SMEs (¥360.0bn)
- Facilitating succession of business (¥6.4bn)

2. Facilitation of the businesses by the companies developing overseas operations **¥111.8bn**

- Acquiring resource concessions of such as oil, natural gas and rare earth muds by JOGMEC (¥45.9bn)
- Employing "Investment Facility for Growth (tentative name)" of Japan Bank for International Cooperation (JBIC) (¥35.0bn)
- Support for overseas business development of SMEs (¥6.8bn)

(Note) FILP loans (the supplementary budget for FY2019)

Restructuring global value chain, etc. (JBIC:¥250.0bn) (including above ¥35.0bn)

3. Making agriculture, forestry and fisheries a growth industry and enhancing its exporting capacity **¥342.8bn**

- Stock-breeding cluster (¥40.9bn)
- Development of a system increasing production of Wagyu suitable for export (¥24.3bn)
- Powering up production infrastructure for fruits and vegetables (¥34.8bn)
- Promoting high monetization through converting paddies to dry fields, making a farm generalized and large (¥94.6bn)
- Strengthening exports including creating external demand and developing food processing facilities adapted to exports (¥32.4bn)

4. Further Promotion of regional revitalization **¥69.3bn**

- Subsidies for regional revitalization (¥60.0bn)
- Promoting geographically disadvantaged areas (the Amami Islands, the Ogasawara Islands and remote islands) (¥1.4bn)
- Accelerating stay-type tourism in designated manned islands on the borders (¥0.3bn)

5. Support for the "employment ice-age" generation **¥8.6bn**

- Accelerating support for the "employment ice-age" in local areas (¥3.0bn)
- Urgent measure to support entry to farming (¥3.8bn)

III Investing for a future, maintaining/enhancing economic vitality beyond 2020 Tokyo Olympics and Paralympics **¥1,077.1bn**

1. Promoting innovation and social implementation of technologies toward realizing Society 5.0 and SDGs **¥483.3bn**

- Strengthening information and communications infrastructure towards post-5G [¥110.0bn]
- Preventing elderly drivers from causing car accidents (“Suppocar” subsidy) [¥113.9bn]
- Support for emerging research [¥55.0bn]
- The “Moonshot” Research and Development Program [¥15.0bn]
- Development of launch vehicles and artificial satellites, and international space exploration, etc. [¥31.7bn]
- Development of supercomputer “Fugaku” [¥14.4bn]

2. Investing in human capital for those playing important roles in Society 5.0 and creating environment suitable for child rearing **¥298.3bn**

- Realization of GIGA (Global and Innovation Gateway for ALL) school plan [¥231.8bn]
- Creating a system to secure childcare arrangement [¥37.7bn]
- Development of childcare-friendly housing and urban environments [¥11.7bn]

3. Infrastructure development for the era of 60 million inbound tourists **¥30.5bn**

- Promoting foreign tourists by utilizing the Olympics and Paralympics as driving force [¥5.0bn]
- Strengthening enforcement of CIQ [¥4.9bn]
- Fire precautions of cultural assets [¥5.8bn]
- Building international cruise center [¥2.5bn]

4. Improvement of infrastructure to support productivity enhancement **¥101.6bn**

- Developing logistics infrastructure such as roads or ports, etc. [¥83.8bn]
- Accelerating urban renewal [¥17.8bn]

(note) FILP loans (the supplementary budget for FY2019) -----
 Accelerating development of highways [JEHDRA:¥550.0bn]
 Promoting urban renewal [UR:¥57.3bn, Organization for Promoting Urban Development:¥5.0bn, etc.]

5. Supporting private consumption in a seamless manner **¥163.4bn**

- Point Reward Project for Consumers using Cashless Payment [¥149.7bn]

(Note 1) Additional fiscal needs such as contributions to international organizations [¥169.2bn] are included in the supplementary budget FY2019 other than the central government expenditure for the implementation of the economic measures.

(Note 2) In addition, the additional expenditure in Special Account for the Reconstruction from the Great East Japan Earthquake[¥322.2bn] and Special Account for the Local Allocation and Local Transfer Tax [¥95.0bn], etc. are included in the supplementary budget FY2019.