Economic Countermeasures: A Three-stage Rocket
Total scale: 75 trillion yen

First fiscal 2008 supplementary budget
(Budget passed on 16 October 08; currently under implementation)

Comprehensive emergency measures to bring about peace of mind
11.5 trillion yen

Second fiscal 2008 supplementary budget
(Budget estimate formulated on 20 December 08; to be submitted to the Diet 5 January 09)

Measures to counter difficulties in people's daily lives
27 trillion yen

Fiscal 2009 budget & reform of the tax system
(Budget estimate formulated on 24 December 08; to be submitted to the Diet in second half of January 09)

Emergency measures to defend people's daily lives
37 trillion yen
Supporting the Lives of the People

① Countermeasures to support employment

**Housing assistance and basic support for workers out of work**
- Subsidies to be provided to business owners who continue to provide accommodation without charge to workers out of work (40,000 to 60,000 yen per person per month for up to 6 months)
- Accepting new residents at employment-promotion housing facilities (roughly 13,000 housing units)

**Subsidies to business owners who extend regular employment contracts to temporary staff and similar workers**
- Financial incentives to be provided to business owners who extend regular employment contracts to temporary staff, students whose tentative employment offers have been cancelled and "freeters" who are relatively older (500 thousand to 1 million yen per person)

**Establishment of a fund for the creation of new jobs**
- A 400 billion yen fund will be established for use by local authorities

② Fixed-sum stipend

12,000 yen provided per person; persons 65 and above as well as 18 and below will instead receive 20,000 yen

E.g. A 4-person household with 2 primary school-aged children would receive 64,000 yen

③ Assistance to provide peace of mind at childbirth

**Provision of free maternity check-ups**
Increase the number of free maternity check-ups from 5 to 14

**Increases in the amount of the one-off childbirth and child-rearing allowance**
Increase the amount by 30,000 yen in January 2009 to a total of 380,000 yen; increase further in October 2009 to 420,000 yen

④ Tax reductions

**Tax reductions on mortgages**
Increase tax breaks to a maximum of 6 million yen, the highest level ever (Also applicable when people use their own financial resources to build or modify their homes)

**Tax reductions on cars**
Significant tax reductions on eco-friendly cars (automobile weight and automobile acquisition taxes)

E.g. Automobile weight and automobile acquisition taxes for a 2-million yen car weighing 1.3 tons:
- Standard car: 146,700 yen
- Hybrid and other eco-friendly cars: 0 yen
Imparting peace of mind to citizens of today and seeking a bright future to our children

Defending people’s daily lives

Social Security

- Countermeasures to address:
  - Shortage of medical doctors; deficiencies in emergency medical care
    30.4 billion yen
    - Increase assistance to hospitals providing emergency care; expand the area served by helicopters used for medical emergencies
  - Intractable diseases
    7.6 billion yen
    - Research into causes and treatments of intractable diseases
  - Pandemic influenza
    6.9 billion yen

Peace of Mind among the Public

- Reinforce governmental administration in the area of consumer welfare
  3.3 billion yen
  - Establish a Consumer Services Agency

Social Security

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The Latent Potential of Local Areas

- Raising the food self-sufficiency ratio
  63 billion yen
  -(1) Increase the planting of wheat, soybeans, animal feed crops, etc. in rice paddies
  (2) Resolve the issue of arable land no longer under cultivation
Assistance towards people's daily lives

- Reduction of medical expenses to be borne by the elderly: 250 billion yen
- Fixed-sum stipend: 2 trillion yen
- Creation of job opportunities in regions by municipalities: 400 billion yen (in the form of a fund)
- Provision of free maternity check-ups: 80 billion yen
- Housing assistance and basic support for workers out of work
- Tax breaks applicable to housing: 340 billion yen
- Housing assistance and basic support for workers out of work
- Tax breaks on eco-friendly cars: 210 billion yen

Assistance to small and medium enterprises

- Emergency credit limit: 6 trillion yen
- Emergency lending limit of government-affiliated financial institutions: 3 trillion yen ⇒ 9 trillion yen in total
- Emergency disaster prevention, disaster recovery, etc.: 440 billion yen
- Emergency credit guarantee & lending limits: Expanded to 30 trillion yen in total
- Equity participation in financial institutions: 10 trillion yen added to existing limit
- Subsidies to revitalise local areas: 600 billion yen
- Substantial reductions on highway tolls: 500 billion yen
- Tax breaks to promote investment in energy-saving facilities, etc.: 190 billion yen
- Reductions in tax rates on small and medium enterprises: 240 billion yen
- Increase in amount of national tax revenues allocated to local governments for creation of employment, etc.: 1 trillion
- Subsidies to create the foundations for revived local areas: 940 billion yen

Efforts to revive local areas

- First fiscal 2008 supplementary budget - Passed 16 October 08
  - Construction of 11.5 trillion yen "Comprehensive emergency measures to bring about peace of mind"
  - Emergency disaster prevention, disaster recovery, etc.: 440 billion yen
  - Subsidies to revitalise local areas: 600 billion yen
  - Emergency credit limit: 6 trillion yen
  - Emergency lending limit of government-affiliated financial institutions: 3 trillion yen ⇒ 9 trillion yen in total
  - Emergency disaster prevention, disaster recovery, etc.: 440 billion yen

- Second fiscal 2008 supplementary budget - To be submitted to the Diet 5 January 09
  - Construction of 27 trillion yen "Measures to counter difficulties in people's daily lives"
  - Creation of job opportunities in regions by municipalities: 400 billion yen (in the form of a fund)
  - Provision of free maternity check-ups: 80 billion yen
  - Housing assistance and basic support for workers out of work
  - Subsidies to revitalise local areas: 600 billion yen
  - Substantial reductions on highway tolls: 500 billion yen

- Fiscal 2009 budget - To be submitted to the Diet in second half of January 09 and tax reforms in fiscal 2009
  - Construction of 37 trillion yen "Emergency measures to defend people's daily lives"
  - Application of employment insurance to non-regular workers: 170 billion yen
  - Reduction of employment insurance premiums: 640 billion yen
  - Increase in the amount of the one-off childbirth and child-rearing allowance: 210 billion yen
  - Tax breaks applicable to housing: 340 billion yen
  - Tax breaks on eco-friendly cars: 210 billion yen
  - Tax breaks to promote investment in energy-saving facilities, etc.: 190 billion yen
  - Reductions in tax rates on small and medium enterprises: 240 billion yen
  - Increase in amount of national tax revenues allocated to local governments for creation of employment, etc.: 1 trillion
  - Subsidies to create the foundations for revived local areas: 940 billion yen

Supporting the Economy Using a "Three-stage Rocket"

Total scale of countermeasures: 75 trillion yen