New Growth Strategy
(Basic Policies)
Toward a Radiant Japan

December 2009
Declaration of Leadership for New Demand Creation

A Once-in-a-Century Opportunity

Past growth strategies

1st Way
Dependence on public works

2nd Way
Market fundamentalism

? Lack of vision

Insufficient political leadership
• In the past 10 years, over 10 growth strategies have failed to be implemented

Political transition

Failures

New Growth Strategy

Clear vision
An economy for the people

A bright future

Firm political leadership
• An optimal balance of improved rules and support to create new markets
• Two prescriptions for boosting policy effectiveness

Decisive action

3rd Way
Demand-led growth

Growth triggers

• Over ¥100 trillion in demand in the environmental, health, and tourist industries
• Focus on improving people’s lives
Political Leadership
Two prescriptions for boosting effectiveness of the growth strategy

1. Thoroughly analyze goals and policies, adding new measures as needed

- Basic Policies are being introduced in this strategy.
- After gauging public opinion, **thoroughly analyzing goals and policies, and adding new measures** (future-oriented selection and focus) from the standpoint of (1) demand effect, (2) employment effect, and (3) leveraging know-how

**the final New Growth Strategy will be compiled by around June 2010.**

2. Craft and ensure the roll-out of the “Growth Strategy Implementation Plan”

- Determine **a timetable for the “Growth Strategy Implementation Plan”** (upon compilation of the final New Growth Strategy)
  - “Early action items” for implementation in 2010
  - Outcomes and items for implementation over a roughly four-year period
  - Outcomes to realize by 2020
- Institute **a system for examining and evaluating the progress of each measure**
Aims:
— GDP growth rate: Increase nominal growth to over 3% and real growth to over 2% (average by FY2020)
— Nominal GDP: Increase from an anticipated ¥473 trillion for FY2009 to approximately ¥650 trillion by FY2020
— Unemployment: Reduce the unemployment rate to the 3.0% - 4.0% range (medium term)
Growth driven by Japan’s strengths

Environment & energy

Principal measures
- Support for increasing renewable energy by expanding feed-in tariffs, etc.
- Turn homes, offices, etc. into zero-emission structures
- Speed development of innovative technology
- Concentrate investment for creating an eco-friendly society

Targets to reach by 2020
- Create over ¥50 trillion in new markets and 1.4 million new jobs
- Reduce worldwide greenhouse gas emissions by 1.3 billion tCO₂e using Japanese technology

Health (medical & nursing care)

Principal measures
- Turn medical and nursing care and other health-related industries into growth industries (promoting private sector involvement, etc.)
- Promote R&D and application of innovative health technology, pharmaceuticals, and devices
- Promote expansion to Asian and other overseas markets
- Promote the availability of barrier-free housing

Targets to reach by 2020
Foster industries that meet demand and create jobs:
- Roughly ¥45 trillion in new markets and 2.8 million new jobs
### Achieving Growth by Opening New Frontiers

#### Asia

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<thead>
<tr>
<th>Principal measures</th>
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<tr>
<td>Establish international safety standards together with other Asian countries</td>
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<td>Build infrastructure in Asia in areas like rail transport, water supply, and energy</td>
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<td>Make Haneda Airport a 24-hour international hub facility, carry out strategic development of ports, etc.</td>
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<th>Targets to reach by 2020</th>
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<td>Create an APEC FTAAP (Free Trade Area of the Asia-Pacific)</td>
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<td>Double the flow of people, goods, and money</td>
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<td>Double incomes in Asia</td>
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#### Tourism & local revitalization

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<td>Ease tourist visa requirements for Asian citizens</td>
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<td>Study “local holiday systems” and other ways of staggering vacation times</td>
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<td>Revitalize forests and the forestry industry through road network improvement, etc.</td>
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<td>Increase annual number of foreign visitors to 25 million and create 560,000 new jobs</td>
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<td>Increase food self-sufficiency rate to 50% and agricultural and other exports to ¥1 trillion</td>
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<td>Increase timber self-sufficiency rate to over 50%</td>
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**Platforms to Support Growth**

### Science & Technology

**Principal measures**
- Speed reform of universities & research institutes
- Reform systems & rules to foster innovation
- Provide “one-stop” services through information and communications technology

**Targets to reach by 2020**
- Boost public and private sector R&D investment to over 4% of GDP
- Full employment for all those who completed doctoral courses in science & technology
- Improve convenience of daily life through information and communications technology

### Employment & Human Resources

**Principal measures**
- Prepare a “trampoline-style” safety net
- Integrate kindergartens & nursery schools; encourage the involvement of various businesses
- Make length and manner of childcare leave more flexible (shorter working hours for parents with small children, etc.)

**Targets to reach by 2020**
- Halve the number of “freeters” and rectify M-shaped female employment
- Eliminate classroom waiting lists for preschool and school-aged children
- Full employment for all women who choose to work after childbirth
- Attain the world’s top level of academic achievement