

## **“Emergency measures to defend people’s daily lives”**

12 December 2008

### **I. Emergency measures to defend people’s daily lives**

1. Employment
2. Creation of a reserve budget for emergency economic responses
3. Financial markets and cash-flow problems

### **II. Convening of the regular Diet session**

### **III. Mid-term programme on social security, tax and fiscal policy**

## **“Emergency measures to defend people’s daily lives”**

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We will take the following bold economic countermeasures in the form of the second supplementary budget (of fiscal 2008) and the principal fiscal 2009 budget to defend people’s daily lives and economy.

As we approach the end of the calendar year, we will take all possible measures, with employment and the cash-flow of companies as top priorities.

At the same time, we will maintain fiscal responsibility by continuing expenditure reforms in the principal fiscal 2009 budget and through the Mid-term programme.

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|--|---------------------------|
| 1. Fiscal response measures  | Totalling 10 trillion yen |
| • Countermeasures for employment   | Approx. 1 trillion yen    |
| Support for housing and daily life to be implemented before the end of the year; maintaining employment; assistance for those seeking re-employment; a reduction of unemployment insurance premiums and a review of benefit levels, etc. |                           |
| • Increasing tax revenues allocated to local governments to implement job-creating businesses and other policies   | 1 trillion yen            |
| • Reserve budget for emergency economic responses (newly created)  | 1 trillion yen            |
| • Tax reduction (average fiscal year)  | Approx. 1 trillion yen    |
| Tax cuts for housing, capital investment, etc.   |                           |
| • Measures to counter difficulties in people’s daily lives (excluding financial measures)  | Approx. 6 trillion yen    |
| (Announced 30 October)   |                           |
| 2. Financial responses   | Totalling 13 trillion yen |
| • Increase in the maximum level of the government’s total equity participation (in financial institutions) based on the Act on Special Measures for Strengthening Financial Functions  | 10 trillion yen           |
| (Maximum level, post-increase: 12 trillion yen)  |                           |
| • Conducting and increasing “emergency response operations” that make use of government finance  | 3 trillion yen            |