

## **Economic Countermeasures:**

### **A Three-stage Rocket**

*Total scale: 75 trillion yen*

24 December 2008  
Office of the Prime Minister

#### **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**

#### **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**

#### **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**

# 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

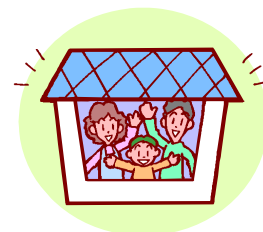
Increase the amount by 30,000 yen in January 2009 to a total of 380,000 yen; increase further in October 2009 to 420,000 yen



## 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



# Key Points concerning the Budget Allocation for Promoting Major Policies

(333 billion 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



### 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



# Supporting the Economy

## Using a "Three-stage Rocket"

Total scale of countermeasures: 75 trillion yen

