



Euromoney Conference

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“Fiscal Management Strategy” (Cabinet Decision, 2010.6.22)



Flow

Consolidated Primary Deficit of National & Local Governments

FY 2010 -6.4%

2015 -3.2%

2020 0%

Stock

· **Stable reduction of public debt ratio to GDP from 2021**

“Medium-term Fiscal Framework (FY2012-FY2014) ” (Cabinet Decision, 2011.8.12)



The Medium-term Fiscal Framework shall be updated around the middle of every year to create a new Medium-term Fiscal Framework for the subsequent three years.

Expenditure side

- **FY2012 – FY2014 Primary Balance Expenses shall be kept lower than 71 trillion yen**
- **Maintain balance of Recovery and reconstruction expenditure and revenue over 5-10 years by Securing special resources**

Revenue side

- **Determine the details of the comprehensive reform of taxes including personal income tax, corporate tax, consumption tax and tax on assets, as soon as possible.**
- **Take the necessary legislative measures during FY2011 in accordance with “Definite Plan for the Comprehensive Reform of Social Security and Tax”.**

Bond issuance

- **FY2012 around 44 trillion yen (= FY2010)**
- **Steadily decrease after FY 2012 (Except reconstruction bonds)**