

# Japan Revitalization Strategy (Growth Strategy) 2015

## Basic concept

### Priority of Abenomics in the first two and a half years

- ◆ Overcome the deflation
- ◆ Tackle the lack of demand, with 'three arrows'

### Current situation

- ◆ **A virtuous economic cycle in motion**
  - Corporate profits at its highest level
  - wage hikes for the two consecutive years
  - A sign of recovering consumption
  - labor market (supply and demand) tightened
  - rapid decrease in GDP gaps
- ◆ Economy expected to overcome the deflation
- ◆ Investment on upward trend but not sufficient

### Real challenge facing this country

- ◆ Mid-long term constraint of workforce
- ◆ Necessary to overcome the supply constraints in order to realize a sustainable growth
- ◆ Key to overcome this challenge : **improvement of productivity**
- ◆ Now is the time for action : **investment of the private sector for the future**

## Abenomics in its second stage

- ◆ **Realize a productivity revolution** by investment in the future
- ◆ Promote **"Local Abenomics"**

## Principal measures

### Revolution in productivity by investment in the future

#### **Encouraging corporate behavior to improve "earning power"**

- **Further enhancement of growth-oriented corporate governance**
  - Promote constructive dialogue between companies and investors
  - Growth-oriented reform of corporate tax
  - Policy dialogue between public/private sectors to expand investment
- **Promotion of innovation and venture business**
  - Reinforce incubation function of designated universities (same level as West Coast of U.S.)
  - Bridging projects between Silicon Valley and Japan
  - Fundamental reforms of universities
- **International expansion to growing markets including Asia**
  - Promote high quality infrastructure partnership

#### **Accelerating proactive actions to challenge a new era**

- **"4th Industrial Revolution" caused by the development of IoT, Big data, A.I.**
  - Examine its impacts on industrial structure and labor market structure
  - Formulate a vision on the future shared both by public and private sector
- **Full utilization of ITC, with reinforcement of cyber security measures**
  - Fundamentally reinforce cyber security measures
  - Extend utilization of " Social security and tax Number system" to other fields

#### **Developing personal capabilities and knowledge**

- **Improvement of labor quality through addressing long-working hours practices, further promotion of women, elderly persons etc.**
- **Development of capabilities of human resources in the era of great transformation of the society**
  - knowledge development of individuals, higher vocational education systems

### Promotion of Local Abenomics

**Enhance "earning power" of mid-ranking companies, SMEs and micro enterprises**

**Vitalize services industry and enhance its productivity**

**Transform primary industry/ health care industry/ tourism into key industries**

### Implementation of leading projects for 2020

**Automatic travelling vehicles, hydrogen society, advanced robots, tourism, FDI etc.**