



The Weekly Observer

May 22-26

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

G7 Hiroshima Summit

Prime Minister Kishida Fumio hosted the G7 Summit in Hiroshima from **May 19-21**.

The leaders agreed to work together and with others to support a **free and open Indo-Pacific** and oppose any unilateral attempts to change the status quo by force or coercion.

They also discussed Ukraine, nuclear disarmament, cooperating with the Global South, economic resilience and security, preserving the planet.

A highlight was the participation of **Ukrainian President Volodymyr Zelenskyy**.

GOJ Plans to Raise Social Insurance Premiums to Fund Child-Rearing Budget

News reports stated that the GOJ plans to address the declining

birth rate by expanding child allowance and daycare services.

Funding is expected to be around **¥3 trillion per year for the next three years**. One pillar of funding will be a **¥470 per person hike of monthly insurance payments** starting FY 2026. Kishida ruled out further consumption tax hikes to finance these policies.

Japan and U.S. Agree to Create Semiconductor Roadmap

On Friday, **METI Minister Nishimura Yasutoshi** held a meeting with **U.S. Secretary of Commerce Gina Raimondo**.

Among other things, the ministers agreed to encourage cooperation between their respective semiconductor technology centers for roadmapping for technological and human resource development.

THIS WEEK IN NUMBERS

Cabinet Approval



56% (+9 pts.)

33% (-4 pts.)

[Yomiuri](#) (May 22)

State of the Economy

Monthly Economic Report: "Recovering" for the first time in three years

Real wage rate (2022): -1.8% (first decline in two years)

Machinery Orders (April-June): +4.6% from last quarter

Net Foreign Assets (2022): ¥418.63 trillion (record high)