



YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

The Weekly Observer

April 29-May 3

THIS WEEK IN NUMBERS

PM Visits France, Paraguay, and Brazil

Prime Minister Kishida Fumio visited **France, Paraguay, and Brazil** from May 1-6 to attend the OECD Ministerial in Paris and deepen ties with South America.

In France, Kishida chaired the **OECD Ministerial** from May 2-3 and announced the **"Hiroshima AI Process Friends Group,"** a forty-nine member voluntary grouping to **push forth deliverables from the G7 Hiroshima Summit** in May 2023.

Kishida also delivered a **foreign policy speech in Sao Paulo** on May 4 in which he spoke about regional policy for the **first time as a sitting prime minister in ten years.**

The speech emphasized the vision of **economic relations based on trust, not the threat of force or coercion,** in an apparent dig at **China's diplomacy** in the region. Kishida also announced a **new exchange program** for over one thousand people over the next three years.

Speculation Mounts Over Exchange Rate Intervention

On Monday, the **yen sharply appreciated from a thirty-four year low of ¥160 to the dollar to ¥155 to the dollar,** raising speculation that the GOJ and the Bank of Japan (BOJ) had **intervened in the foreign exchange market.**

The volatile swings came after the BOJ decided at its monthly meeting on April 26 to **maintain monetary policy,** easing speculation that it would **raise interest rates further to combat the depreciating yen.**

Though the GOJ declined to comment, reports suggest that the GOJ and BOJ likely purchased **close to ¥5 trillion** to stifle depreciation.

On Wednesday, speculation surfaced again that the **GOJ and BOJ intervened,** as the yen appreciated **approximately ¥4 to ¥153 to the dollar** in a matter of a few hours. Analysts speculate the **intervention was timed right after the Federal Reserve Board indicated that it would not be hiking its rates.**

Cabinet Approval



26% (+/-0 pts.)

69% (+3 pts.)

[*Nikkei Shimbun*](#) (April 22)

State of the Economy

Corporate Profit:

69% of listed companies in the Prime Market saw increase in profits
Second highest ratio of firms in the last decade

Average Unemployment (FY 2023):
2.6% (same as FY 2022)

Jobs-to-Applicants Ratio (FY 2023):
1.29x (-0.02 pt.)
First decline in three years

Number of Children (as of April 1):
14.01 million (-330,000)
Record low and 43rd year in decline
Ratio of children to entire population declined to record low of 11.3%