



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 São 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%