



YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

The Weekly Observer

November 4-8

THIS WEEK IN NUMBERS

LDP and Komeito Begin Policy Talks with the DPFP

On Friday, LDP and DPFP policy chiefs Onodera Itsunori and Hamaguchi Makoto held the first round of talks toward aligning policy on the FY 2024 supplementary budget and FY 2025 tax system reform, agreed upon earlier in the week.

The DPFP reportedly demanded that the LDP consider measures to increase take home pay, such as revising the **¥1.03 million income barrier**, and a gas tax cut and utility subsidies in the supplementary budget.

The policy chiefs look to continue talks next week, as **LDP President Ishiba Shigeru** and DPFP leader **Tamaki Yuichiro** plan to meet on **November 11**. The DPFP has focused on the **¥1.03 million income barrier** — the amount income tax kicks in — to increase take home pay and will **not take “no” for an answer**, though this could cost the government **¥7 trillion** in revenue.

LDP Grapples with Election Defeat

Ishiba was forced to make changes to his Cabinet following last week's election, replacing Ozato Yasuhiro with **Eto Taku** as ag minister, Saito Tetsuo with **Nakano Hiromasa** as transportation ministry, and Makihara Hideki with **Suzuki Keisuke** as justice minister. The new lineup will be announced after the prime minister confirmation vote on **November 11**.

Meanwhile, the LDP and Komeito, having lost their majority, have been forced to **give up many committee chairmanship posts to schedule the special Diet session from November 11-14**. The opposition will now control **seven of the seventeen standing committees, four special committees, and the Commission on the Constitution**.

The new reality will require Ishiba to **compromise** with opposition parties, while **defusing dissatisfaction** within the party toward his decision making, especially after **executing poor strategy** in the election defeat.

Cabinet Approval



34% (-12 pts.)



47% (+17 pts.)

[Asahi Shimbun](#) (Nov. 4)

State of the Economy

Economic Situation Report (Oct.): Maintained overall assessment that the economy is gradually recovering, though 5 out of 11 regions saw uptick

Real Wages (Sept.):

-0.1% from Sept. 2023
2nd consecutive month wages have gone down

Disposable Income (Sept.):

¥402,605
First decline in 5 months
Real income: -1.6%
First decline in 5 months as well

Number of Newborns (2024 H1):

329,998 (-6.3%)
May fall below 400,000 for first time