



# The Weekly Observer

January 20-24

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

## GOJ Commences Diplomacy with Trump Administration

On Monday, **Minister for Foreign Affairs Iwaya Takeshi** attended the **inauguration ceremony of President-elect Donald J. Trump**, which marked the beginning of the second Trump administration.

Iwaya met with **new U.S. Secretary of State Marco Rubio** on Tuesday, where the two agreed to continue **"elevating the Japan-U.S. alliance to new heights"** to realize a free and open Indo-Pacific.

The GOJ aims to **set up a summit** between the two leaders early next month, with **Prime Minister Ishiba Shigeru** sending a congratulatory letter to Trump. The prime minister is expected to **propose an investment plan** during the first summit, in areas like **AI and nanotechnology**.

The **GOJ and industry alike are closely monitoring uncertainty** over Trump's policies, especially around **tariffs and energy**.

## Ishiba Delivers Policy Speech to the Diet

On Friday, Ishiba delivered his **policy speech to the Diet** on the first day of the 150-day ordinary session, where he declared that the **GOJ will work to "take back Japan's vitality" through regional revitalization**.

The centerpiece of Ishiba's vision is the **"remodeling of the Japanese archipelago,"** which revolves around **five pillars** such as the development of attractive rural areas and the relocation of government, industry, and academia to rural areas.

Ishiba stated that **"wage hikes are key to the economic strategy,"** committing to **improving productivity and increasing citizens' income** through sustained wage hikes exceeding inflation.

Ishiba said that he aims to **deepen Japan-U.S. cooperation** and elevate the fundamental relationship to new heights. He said he hopes to also deepen discussions on **political and electoral reform** on the eightieth anniversary since the end of WWII.

## Cabinet Approval



44% (-2 pts.)

49% (+1 pt.)

[Sankei Shimbun/FNN](#) (Jan. 20)

## State of the Economy

### Monthly Economic Report (Jan.):

Maintained assessment that economy is "recovering at a moderate pace, although it remains pausing in part," for the 6<sup>th</sup> consecutive month

### Trade Balance (2024):

¥5.33 trillion deficit  
4<sup>th</sup> consecutive year in deficit  
Deficit amount decreased by 44% as historic yen depreciation raised export prices

### Primary Balance Projection (FY 2025):

¥4.5 trillion deficit  
Shift from July 2024 estimate of ¥800 billion surplus due to more spending