



YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

# The Weekly Observer

February 10-14

THIS WEEK IN NUMBERS

## GOJ Reacts to Trump Tariffs

On Friday, Chief Cabinet Secretary Hayashi Yoshimasa told reporters that the GOJ has started communicating with the U.S. Government over its announcement of reciprocal tariffs on countries levying high tariffs on U.S. products.

*Asahi* reported that the announcement came as a **surprise** to the GOJ, having just completed a successful summit between the leaders. Concerns remain that the administration may target **automobiles**, which were left out of tariffs and trade talks last time.

Meanwhile, Hayashi also commented on the administration's **blanket 25 percent steel and aluminum tariffs** starting next month, stating that the GOJ **requested an exemption** (granted in 2018).

The GOJ has announced a **one-month insurance program** starting March 12 for companies affected by the steel and aluminum tariffs.

## GOJ to Revise Annual Budget in Diet for First Time Since 1996

*Mainichi* reported Thursday that the GOJ is **expected to accept revisions to the FY 2025 annual budget** in the Diet to ensure passage by the end of the fiscal year, the **first time this will occur since 1996 and the fifth time in history**.

The Diet began deliberations on the **FY 2025 tax system reform-related bills** on Friday. Prime Minister Ishiba Shigeru indicated that the GOJ will listen to opposition views to foster a wide consensus among parties.

Main opposition Constitutional Democratic Party is demanding a **¥3.79 trillion revision to the budget**, including **budget cuts and inclusion of its desired policies** like free high school education and higher high-cost medical expense benefits.

Negotiations with the **Japan Innovation Party and the Democratic Party for the People** continue ahead of the **March 2 deadline** to enact the budget before the start of the new fiscal year.

## Cabinet Approval



**44%** (+5 pts.)

**35%** (-5 pts.)

[NHK](#) (Feb. 10)

## State of the Economy

### **Economy Watchers Survey (Jan.):**

48.6 (-0.4)

First decrease in 3 months

Maintained assessment that "economy has continued moderate recovery"

### **Current Account Balance (2024):**

¥29.26 trillion surplus (+29.5%)

Highest surplus recorded

### **Corporate Goods Price Index (Jan.):**

125.3 (+4.2%)

Higher rate of increase than Dec.

2024 (+3.9%)

### **National Debt (2024):**

¥1,317.64 trillion (+¥7.19 trillion)

Highest debt recorded