



The Weekly Observer

March 3-7

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

Trump Laments Lack of Reciprocity in Japan-U.S. Security Ties

On Thursday, U.S. President Donald Trump told reporters that while he loves Japan, he believes the Japan-U.S. Security Treaty is not reciprocal in nature, stating that "we have to protect them, but they don't have to protect us."

Prime Minister Ishiba Shigeru said in response that Japan takes on the burden of hosting U.S. bases and that the relationship is not one in which the United States unilaterally defends Japan.

Spending has become a hot issue again, as the Trump administration reportedly demanded a further commitment to increase defense spending in the Ishiba-Trump joint statement.

Elbridge Colby, nominee for the third highest ranking position in the Department of Defense, also said in his nomination hearing that Japan should be spending 3 percent of GDP on defense.

FY 2025 Budget to be Revised Again Over Healthcare Costs

On Friday, Ishiba announced that the GOJ planned to scrap the scheduled hike to the high-cost medical expense benefit program in August, which caps out-of-pocket payments. The change will require an unprecedented re-revision of the budget, though delays are expected to be minimal as the revote only happens in the plenary session.

The GOJ was forced to revise its plan three times over resistance from patient organizations and concerns within the ruling Liberal Democratic Party (LDP) over the optics of raising consumer fees before a national election in the summer.

The Diet will soon shift its attention to the matter of whether to ban corporate political donations, with the ruling parties and the Democratic Party for the People favoring further restrictions over a blanket ban, and the main opposition Constitutional Democratic Party and Japan Innovation Party looking to exclude political organizations from the ban.

Cabinet Approval



38% (+1 pt.)

58% (-2 pts.)

JNN (March 3)

State of the Economy

Consumer Confidence Index (Feb.):

35.0 (-0.2 pt.)
3rd consecutive month in decline

Tax Revenue (Jan.):

¥7.9 trillion (+17.4% from Jan. 2024)
Increase in income tax revenue to ¥4.57 trillion (+28.2%)

Wage Hike Statistics:

RENGO said that the average wage hike rate among large corporations was 6.09%, the first time the rate has exceeded 6% since 1993

JCCI released SME survey showing 74.2% of surveyed companies found it "challenging" or "impossible" to meet ¥1,500 minimum wage target