



The Weekly Observer

November 17-21

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

GOJ Adopts Economic Stimulus Package

On Friday, the Japanese Government adopted an **economic stimulus package** to build a strong economy, amounting to **¥21.3 trillion**, of which **¥11.7 trillion** will be utilized for inflation relief measures.

The stimulus package centers around **three pillars**: inflation relief; crisis management investment and growth investments; and reinforcing defense and diplomatic capabilities.

The key measures included in the package are items like scrapping the **provisional gasoline tax rate**, **rice vouchers**, and targeted investments in sectors like **semiconductors**, **AI**, and **shipbuilding**.

Prime Minister Takaichi Sanae explained that the measures were necessary to **assuage public concerns over the future** of the economy. She defended the **size of the budget**, stating that it is not expansive by design and will adhere to the **responsible proactive spending principle**.

Takaichi reportedly rejected the Ministry of Finance's (MOF) initial proposal as **"downright pathetic,"** adding a series of policies — including those proposed by opposition parties — to increase the spending amount by **over ¥4 trillion**. She reportedly added items around household and business management support.

Opposition parties were mixed in their reactions, with **Democratic Party for the People (DPFP) Secretary General Shimba Kazuya** commenting **"so far, so very good,"** while main opposition **Constitutional Democratic Party (CDP) leader Noda Yoshihiko** and **Komeito Chief Representative Saito Tetsuo** voicing concerns about fiscal health.

Key Items:

- ¥20,000 cash handout per child under 18 years of age
- ¥7,000 utility subsidy from January-March 2026
- A 10-year fund to improve shipbuilding capacity

Cabinet Approval



69% (+1 pt.)

17% (-2 pts.)

[Asahi Shimbun](#) (November 17)

State of the Economy

Trade Balance (Oct.):

¥231.8 billion deficit
Auto exports to the United States fell 7.5% from Oct. 2024 to ¥460.7 billion

Consumer Price Index (Oct.):

112.1 (+3%)
1st time in 3 months rate hit 3%

Real GDP (July-September):

-0.4% or 1.8% decline annually
Fell for 1st time in 6 quarters

Machinery Orders (July-Sept.):

¥2.72 trillion (-2.1%)
1st negative in 4 quarters
Outlook for Oct.-Dec. rose slightly by 0.2% with U.S. tariff effect waning