



# The Weekly Observer

April 6-10

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

## Takaichi Speaks with Iranian President

On Wednesday, Prime Minister Takaichi Sanae held a summit phone call with Iranian President Masoud Pezeshkian.

She emphasized that **de-escalation is of utmost importance and urged Iran to ensure safety of navigation for vessels through the Strait of Hormuz**, a strategic chokepoint for logistics and an international public good.

She also requested an **early resolution** to the issue concerning the **NHK Tehran bureau chief who was released on bail** on April 6.

Takaichi also signed onto a **joint statement with the leaders of European countries, welcoming the two-week ceasefire** concluded between the United States and Iran. The leaders **thanked Pakistan** and all partners for facilitating the agreement and stated that the **goal must now be to negotiate a swift and lasting end to the war**.

## Diet Enacts FY 2026 Budget

On Tuesday, the **Upper House passed and enacted the FY 2026 annual budget**, which amounted to a **record high ¥122.3 trillion**.

It is **¥7 trillion larger** than last year's budget and for the first time sees funds for JGBs exceed ¥30 trillion. This is the **first time in fifteen years** that a budget was not enacted by March 31.

This comes after **Takaichi failed to force through the budget** on time for the beginning of the new fiscal year on April 1, resulting in the enactment of a **provisional budget worth ¥8.6 trillion** on March 30. The ruling parties **overcame a four-seat deficit in the Upper House** with votes from the **Japan Conservative Party and independents**.

There are questions being about the **sustainability of fiscal spending**, as **fixed costs like social security and costs associated with JGBs hit record highs of ¥39.1 trillion and ¥31.3 trillion**, respectively.

## Cabinet Approval



**64%** (+/- 0 pt.)

**26%** (+2 pts.)

[Kyodo News](#) (April 5)

## State of the Economy

### **Consumer Confidence Index (March):**

33.3 (-6.4 pts.)  
1<sup>st</sup> decline in 3 months and largest decrease since onset of pandemic  
Downgraded assessment to "showing signs of weakness"

### **Real Wages (Feb.):**

+1.9% (2<sup>nd</sup> consecutive month rise)  
Nominal wage up 3.3% to ¥298,341  
Base salary up 3.3% (34-year high) to ¥269,154

### **Current Account Balance (Feb.):**

¥3.93 trillion surplus  
13<sup>th</sup> consecutive month in surplus and 0.1% smaller amount than Feb. 2025