

The Weekly Observer

November 9-13

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

Motegi Attends the G7 Foreign Ministers' Meeting

Minister for Foreign Affairs Motegi Toshimitsu attended the **G7 foreign ministers' meeting** in Paris from November 8-11. He joined sessions on **international crises, AI, Middle East stability, and Ukraine**, opposing unilateral changes to the status quo, urging free navigation through key straits, and stressing human involvement in AI. The **G7 condemned North Korea's weapons programs** and **pledged support for Ukraine.**

The ministers issued a **joint declaration** reaffirming **pressure on Russia**, condemning **Iran's Hormuz obstruction**, and **opposing unilateral changes** in the Indo-Pacific and over **Taiwan**. They also pledged cooperation on economic coercion, critical minerals, undersea infrastructure, and frontier AI.

Prime Minister Takaichi Sanae joined a French-hosted **AI Security meeting** online. She warned of frontier AI risks and **pledged to host an AI Summit soon.**

Consumption Tax Cut Bill Enters Senate Battle

The **consumption tax cut bill**, which would **lower the tax on food and beverages from 8 percent to 1 percent for two years**, is now in Senate deliberations after passing the House on November 6. The **ruling parties lack a Senate majority** and need opposition votes.

The ruling Liberal Democratic Party and Japan Innovation Party (*Nippon Ishin no Kai*) are **courting Komeito and the Democratic Party for the People (DPFP)** to secure a Senate majority.

Komeito called the bill "hollow" and questioned its ¥10 trillion cost. The **DPFP submitted a counter-bill** but **signaled it may back the bill if a resident tax cut takes effect** in FY 2029.

The **GOJ aims to enact the bill in early December,** before the December 12 session end. A special committee, where the opposition holds 20 of 40 seats, could block it.

THIS WEEK IN NUMBERS

Cabinet Approval



53% (+2 pts.)

32% (+/- 0 pt.)

NHK (November 9)

State of the Economy

Current Account Balance (April-Sept.):
¥17.1 trillion surplus (-0.4%)

Trade balance swung to a ¥1.07 trillion deficit

Corporate Goods Price Index (Oct.):
136.8 (+7.1%)

Exceeded forecasts due to higher crude oil prices

Coincident Economic Index (Sept.):
119.5 (+0.7 pts.)

1st gain in 2 months
Assessment stayed at "showing improvement"