Policy Speech by Prime Minister to the 192th Session of the Diet

September 26, 2016

1. Introduction

The determination to be the world’s number one.

At the Rio 2016 Olympic Games, at which Japan won the largest number of medals in its history, everybody in Japan was moved by our athletes, who competed head-on with the world’s best athletes and refused to give up until the very last moment.

We must make the 2020 Tokyo Olympic and Paralympic Games four years from now the best the world has seen. We must make them successful by any means possible. At the same time, we are pioneering the future of our country. This is the opportunity for us, too, to start anew with the goal of making Japan the best country in the world to live in, and the most trusted country in the world.

The Liberal Democratic Party of Japan and Komeito, the government ruling coalition parties, were able to secure a victory well above the goal of a majority of the seats up for election in the House of Councillors election.

“Proceed powerfully down this road”

This is the will of the Japanese people as expressed through the election. We will produce steady results on the basis of a stable political foundation. We are determined to respond to the mandate of the Japanese people.

What is required in this Diet is that we do not turn our backs on the issues at hand, but rather issue a challenge to them. We must tackle the most difficult of issues, engage in constructive debate, and produce results.

The dynamic engagement of all citizens, vitalizing local economies, a new era of agricultural policies, and diplomacy that takes a panoramic perspective of the world map: the Abe Cabinet will continue its challenge towards the future. Together, let us pioneer the future of a Japan that shines at the center of the world.

2. Disaster Recovery and Reconstruction

This summer, Japan was hit with a series of record-breaking heavy rains, including Typhoon No. 10. I would like to offer my prayers for the repose of the souls of those who lost their lives and also extend my sympathies to all those affected by this disaster. Significant damage was caused to lifestyle infrastructure, crops about to be harvested and others, mainly in Hokkaido and the Tohoku region, but elsewhere as well. We will do everything within our power for the
recovery from this “Disaster of Extreme Severity.” We will undertake further measures for disaster prevention and mitigation, and promote national resilience.

Five months have passed since the Kumamoto Earthquake. The move to temporary housing is all but complete, and we will accelerate the rebuilding of people’s lives in the disaster areas by such means as the construction of public housing for disaster-stricken households and the restoration of daycares and nursing care facilities. We will move forward with the restoration of livelihoods by supporting the reopening of businesses by small and medium enterprises, and people in the agriculture, forestry and fishery industries. We will reduce the fiscal burden on local governments in the disaster areas by increasing the special local grant tax. We are undertaking these initiatives with the aim of achieving the quickest possible recovery.

Last year, more foreign visitors stayed overnight in the Tohoku region than before the Great East Japan Earthquake. We will support new pioneering efforts, with the goal of making Tohoku a tourism leader. In Fukushima Prefecture, we will further promote the accumulation of new industries as the “land of pioneers” for the future of energy in society while steadily moving forward with the establishment of an environment that enables the return of the residents, including the construction of interim storage facilities and decontamination, as well as measures for decommissioning and contaminated water issues.

We will pioneer a new future for the Tohoku region, working together with the people in the disaster areas with the memories of the difficult times of the Great East Japan Earthquake etched into our hearts.

3. Accelerating Abenomics

(International coordination)
The U.K. exit from the EU, the stalling of the emerging economies: The world economy is currently facing major risks.

At the Ise-Shima Summit, G7 member countries agreed to take all appropriate policy responses in order to avoid falling into another crisis. The G7 consulted closely and acted swiftly when the U.K. decided to exit from the EU.

At the recent G20, we shared this sense of crisis with China and other emerging economies. We will exercise further leadership to strengthen international coordination for the purpose of the growth of the world economy and market stability.

(Mobilizing all policy measures)
Japan will fulfill its responsibilities as the country holding the G7 presidency. We will mobilize all policies. We will powerfully support domestic demand by executing economic measures exceeding 28 trillion yen in project scope. We will further accelerate Abenomics and achieve maximum escape velocity to break away from deflation.

For the first time in history, the ratio of job offers to job seekers has reached more than 1.0 in all 47 prefectures. Real wages have also turned positive, increasing for six straight months. A positive economic cycle from rising employment and wages is being generated.

We will make this trajectory a more permanent one. This year, we will increase the minimum wage by 25 yen, the biggest margin since the minimum wages switched to an hourly wage basis. We will aim to raise wages through all of society with the goal of 1,000 yen.

The achievement of a positive economic cycle depends on the vitality of the small and medium enterprises and small-scale entrepreneurs nationwide. We will encourage the enhancement of their productivity, the development of sales routes, and others. We will improve transaction terms for subcontractors by fundamentally amending the implementation standards of the Subcontractors Law for the first time in 13 years. We will extend the Law on Special Measures for Strengthening Financial Functions, which is the safety net of regional financial institutions that are the backbone of local economies, in addition to liquidity support by low-interest financing.
The increase in the consumption tax to 10% will be postponed for 30 months. We will make preparations for the introduction of reduced tax rates with the aim of implementation in October 2019. In the meantime, we will provide benefits to low income families as a measure against regressivity.

We will maintain the goal of achieving fiscal soundness by FY2020 even though the increase in the consumption tax will be postponed. We will enhance social security utilizing the fruits of Abenomics, while setting priorities. Measures for individuals who do not have a pension is an urgent issue, and we will reduce the pension eligibility period from 25 years to 10 years. We will create a positive cycle of growth and distribution.

4. The Dynamic Engagement of All Citizens

The key phrase for the economic measures is “investment for the future.” We will promote the expansion of child-rearing support and nursing care with a view to a future in which all citizens are dynamically engaged.

We will accelerate the expansion of the capacity of the nursing care system by over 500,000 people, to reduce the number of people who leave employment to provide nursing care to zero. We will support businesses that actively promote nursing care leave with new subsidies.

“Nursing care work is truly fulfilling. I want the Japanese people to understand this correctly.”

Those words from Shiori Kogane, a student studying to become a certified care worker, are words that I cannot forget. We must respond firmly to the powerful sense of mission of the individuals who choose nursing care and daycare as their professions.

We will undertake the improvement of employment conditions through such means as creating a mechanism for raising salaries according to skills and experience. We will move forward with reducing the burden on the frontlines through such means as the utilization of assistants. We will use all means available, such as doubling the amount of preparation funds for reemployment, to secure the necessary human resources.

We will accelerate the development of the capacity of childcare facilities. We will also develop capacity for afterschool care of elementary school children nationwide by utilizing school facilities. We will make progress towards the desired birthrate of 1.8 children per woman by enhancing support for raising children.

“We are all pushing against our limits.”

That is what Mami Sato, who competed in three Paralympic Games, once said to me. Everyone in Japan was inspired at the Rio 2016 Paralympic Games by the athletes who would not admit to any personal limits.

We have a great opportunity to overcome the decline in the birthrate and the aging of the population and transform it into a major opportunity if we can create a society in which everyone—those with disabilities or fighting an illness, elderly or young, female or male, or people who have experienced failure—can feel a sense of fulfillment.

We will create a society in which every member can fully exercise their capabilities towards 2020 and beyond. Together with you, we will pioneer a future in which all citizens are dynamically engaged.

A major key to this is work style reform, reform from the perspective of the people who work. We will boldly reform the labor system so that a wide range of opportunities for people with drive will be produced.

It is necessary to stop the practice of working long hours in order to create a balance between working and diversified lifestyles encompassing raising children, providing nursing care, and other matters.
We will realize equal pay for equal work. We will establish new guidelines by the end of the year in order to correct unreasonable differences in treatment. We will move forward without hesitation to prepare the necessary changes to the law. Let us banish the term “non-regular employment” from Japan altogether, everyone.

We are supporting enterprises that are positive towards raising mandatory retirement ages. We will provide the elderly who are eager to work with a wide variety of opportunities.

We will establish the Action Plan for Implementing Work Style Reform, an across-the-board reform plan for the labor system, by the end of this fiscal year. We will promptly implement them as they become ready, and pioneer a new future in which all citizens are dynamically engaged.

The younger generations are the future of Japan. We will expand investment in our youth. Beginning with the students to be selected this year for scheduled matriculation, all students with need will receive interest-free scholarships regardless of their academic achievements. Student grants will be newly established in the process of the formulation of the budget for the next fiscal year.

5. Vitalizing local economies

I met a young farmer in Yamagata Prefecture the other day.

“I want to preserve the beautiful paddies.”

That’s what 22 year-old Hikari Kudo gave me as the reason she chose agriculture to dedicate her life to. The raspberries that she toiled to harvest were declared to be delicious by the people who ate them, and such responses greatly encouraged her.

The average age of farmers is now over 66. At the same time, there are young people who take up the challenge and enter this seemingly difficult profession.

Depopulation and aging: the difficulties that local regions face are serious. At the same time, the unique features of the respective local regions—agriculture, forestry and fisheries products with their unique local color and the bountiful nature, tradition, and culture—are yet to be fully utilized. Here lies a major opportunity.

The Abe administration will make bold investments for the future of vitalizing local economies.

We will utilize the Fiscal Investment and Loan Program to accelerate the full operation of the Superconducting Maglev (SCMAGLEV) Chuo Shinkansen up to eight years ahead of schedule. The construction of the projected Shinkansen lines will also be accelerated, and the “Corridor for Vitalizing Local Economies” will be established, consolidating the entire country into a single economic sphere with Tokyo and Osaka as the major hubs. Each region shall pioneer its own future with its own ideas. Local governments taking up the challenge of vitalizing local economies will be supported by new subsidies.

(Tourism-oriented country)

The number of overseas cruise ships visiting the Aburatsu Port in Miyazaki Prefecture have tripled in four years. The neighborhood has been vitalized; for example, local high school students are volunteering as English-language tour guides.

Last year, the surplus in the tourism balance of payments surpassed 1 trillion yen for the first time in history. The number of foreign tourists more than doubled in three years, and is expected to easily surpass 20 million this year for the highest total in history.

Next, we will make bold investments in the tourism sector, taking aim at achieving 40 million tourists annually.

We will progress with improvements to ports that accept cruise ship passengers, including wharf improvement and construction of passenger cruise ship terminals. We will strengthen the functions of local airports, including the addition of runways. Next month, we will introduce “biocarts” in Naha and Takamatsu Airports. The “biocarts” will conduct some of the immigration
procedures, reducing waiting time for immigration procedures by up to 30%. We will aggressively utilize cutting-edge technology in order to establish the best immigration control system in the world.

We will make it possible by 2018 to use credit cards issued overseas at half, or three thousand, of the ATMs of the three biggest mega-banks. We will create an environment in which foreign tourists can feel confident in settling payments by making it mandatory for credit cards to be IC-compatible.

Building the safest country in the world is also essential. We will draw on the lessons of the Karuizawa ski bus accident, which robbed many young people of their futures, to fundamentally strengthen supervision of charter buses and introduce a renewal system for licenses.

This year, we eased restrictions on floor area ratios significantly in order to encourage the construction of hotels and other facilities. We are also supporting the deployment of Wi-Fi. We will establish the Tourism Infrastructure Development Program by the end of the year and accelerate investment with the era of 40 million foreign tourists in our sights.

(The new era of agricultural policies)
Local regions are the growth leaders of the future. The target is the world.

Exports of agricultural, forestry and fishery products have been setting new records for three straight years, and they are on pace to do so yet again this year.

We view the early coming into effect of TPP as a major opportunity, and will aim at the early achievement of the 1 trillion yen target. Beyond this, we will spread economic rules under which good quality items are evaluated as such by seeking agreement in principle on the Japan-EU EPA/FTA by the end of the year among other things, and sell Japan's delicious and safe agricultural products to the rest of the world. We will establish export bases and facilities geared to exports nationwide. We will support increasing the size of farming operations with the aim of achieving world-class productivity.

Reform is the gateway to the new era of agricultural policies. We will undertake structural reform in every area from production to processing and distribution in order to increase the incomes of farmers. We will encourage efforts by farmers to source fertilizers and animal feed as cheaply as possible and to secure the highest prices possible for their agricultural products. We will establish a reform program by the end of the year.

We will do everything within our power to encourage everyone who is willing to tackle the future of agriculture, forestry, and fisheries with their dreams and passion.

(The will to aim at becoming the world's number one)
70% share of the world market.

Crab sticks are all the rage in Europe, Asia, and the world over. And it was a small and medium enterprise in a local region that cornered the global market for their manufacturing equipment.

A vendor that set up shop a hundred years ago to sell kamaboko, a type of cured surimi, concentrated on mechanizing and transformed itself into a manufacturing company. It launched new products one after another, including production equipment not only for kamaboko, but also tofu and confectionaries. Armed with its superb technology, it broadened its customer base to food manufacturers worldwide.

“Aim at becoming an inimitable, truly unique presence in the world through endless challenges.” The company continues to take aim at the world from the city of Ube.

The relentless will to become the world's number one. The artisanship that conquers the world with its inimitable, truly unique presence. As long as these firms continue their endeavors, Japan still has significant room to grow. Everyone, now is the time to shed all hesitation and aim with confidence at becoming the world's number one.

6. Diplomacy that Takes a Panoramic Perspective of the World Map
"If I work with all my might, I might be able to win a medal in Tokyo."

Those are the words of Yusra Mardini, a swimmer who participated in the Rio Olympic Games. She fled war-torn Syria and swam through the freezing waters of the Mediterranean. She swam in the dark with a smile on her face to reassure the children on the boat.

Reaching Germany, she never gave up and continued to train, and went to Rio, the promised land, and stood by the poolside as she had dreamed, as a member of the first Refugee Olympic Team. There, she had this message for all the refugees in the world.

"Dreams come true."

As the 2020 stage for those "dreams," Japan must meet the expectations of the international community.

Regional disputes, massive numbers of refugees, one terrorist act after another, climate change: the world is beset with many difficulties. Japan is determined to contribute to world peace and prosperity, hand in hand with the international community, holding high the banner of proactive contributions to peace.

The Japan-U.S. Alliance is the cornerstone of Japan's diplomacy and security: this is an unchanging principle. I intend to further strengthen the bonds between Japan and the United States in order to tackle the issues that the world faces as an "Alliance of Hope."

We will do our utmost to alleviate the impact of the bases on Okinawa while maintaining deterrent capabilities based on this strong relationship of mutual trust.

We will achieve the return of the Northern Training Area, approximately 4,000ha, pending for two decades. Encompassing approximately 20 percent of the U.S. facilities and areas in Okinawa Prefecture, this is the largest return since the reversion of Okinawa to Japan. This will become possible by relocating a 0.96ha helipad to a preexisting training area. This cannot be delayed any longer. We will pioneer a new future for Okinawa by producing concrete results one by one.

This month, I held my fourteenth summit meeting with President Putin. We will resolve the Northern Territories Issue, put an end to this unnatural state of affairs, in which we still have not concluded a peace treaty even 70 years after World War II, and enable the great potential for economic, energy, and other forms of cooperation between Japan and Russia to blossom. We will realize President Putin's visit to Japan this year and make progress in the negotiations through the leadership of the two leaders.

The ROK is Japan's most important neighbor that shares strategic interests, and we will deepen the cooperative relationship in a new era with a future-oriented perspective through mutual trust.

We welcome China's peaceful development. We will go forward with improving relations from a comprehensive perspective under the principle of a "Mutually Beneficial Relationship based on Common Strategic Interests" under a mutual awareness of our major responsibilities towards regional peace and prosperity and the world economy.

I have visited more than one hundred countries and regions so far, conducting active diplomacy that takes a panoramic perspective of the world map. I deepened collaboration with countries with which we share basic values such as freedom, democracy, basic human rights, and rule of law.

"We must have the courage to pursue a world without nuclear weapons."

This year, President Obama visited Hiroshima, where an atomic bomb was dropped, as the first sitting U.S. President to do so. As the only country to have ever suffered the devastation of atomic bombings during war, Japan will continue to work together with the international community to realize a world free of nuclear weapons.
North Korea has yet again pushed forward with nuclear tests. This is a clear challenge to the international community and is totally unacceptable. It also continues to launch ballistic missiles, and we strongly condemn this. We shall respond resolutely in close collaboration with the international community to make North Korea understand that such provocative acts only further isolate it and bring it no benefit whatsoever. We shall continue to strongly demand that it takes specific action aimed at resolving the comprehensive resolution of its nuclear program, its ballistic missile program, and the abductions issue which continues to be a top priority.

Unilateral attempts to change the status quo are unacceptable anywhere in the world, including the East China Sea and the South China Sea. All problems must be resolved peacefully and diplomatically based on international law and not through the use of force.

Furthermore, we shall resolutely protect Japan's territorial land, sea, and air. I hereby vow that we shall protect them with strong resolve.

On the frontlines, day and night, indeed right this very moment, the members of our Coast Guard, police, and Self-Defense Forces are on duty, fulfilling their mission with a powerful sense of duty and pride while withstanding extreme tension. Let us show, here and now, our heartfelt appreciation for these people.

7. Conclusion

Last month, His Majesty the Emperor addressed the people of Japan. With regard to the nature of His Majesty's official duties and public activities, in view of His Majesty's age and heavy duties and activities, we need to give thought to the strain they place upon His Majesty and intend to deepen the considerations in the Committee of Experts with the understanding of the Japanese people as the basis.

(Bridge to the future)
Building a bridge.

During the Edo era, the Shiraito Plateau in Kumamoto was a barren land with little water. Yet in this hardship, Yasunosuke Futa saw hope.

Build an aqueduct to draw water from the mountain.

A stone bridge 20 meters high was unheard of at the time. He had to come up with funds for over 3 billion yen in costs. The project suffered many setbacks due to high water pressure, heavy rain, and other unforeseen circumstances.

However, Yasunosuke never gave up, and completed the Tsuujunkyo (Tsuujun Bridge) more than 30 years after his challenge began. Although it was partially damaged during the Kumamoto Earthquake, it remains in operation, 150 years after it first brought water to the Shiraito Plateau to make it bear fruit.

It had truly become a bridge to the future.

A low birthrate and an aging population, a world economy with an increasingly uncertain future, an increasingly complicated international situation, and a harsh security environment: Japan still faces many difficulties now.

Despair or giving commentary, much less wallowing in criticism, is not what is required of us. Conduct constructive debate, do not procrastinate, but instead produce results. Let's firmly respond to the mandate of the Japanese people as their representatives.

How should the Constitution be? What kind of country should Japan seek to become? This is a matter for the Japanese people, not the government, to decide. And we the Diet members have a responsibility to submit a proposal to the people of Japan. Let's transcend our roles as the government parties and opposition parties to deepen discussion in the Research Commissions on the Constitution.
We must not allow ourselves to stop thinking. Let’s pool our wisdom together and build a bridge to the future.

Thank you for your kind attention.