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Dear friend of Japan,

I trust this email finds you well.

It has been two months since my arrival in Canberra to assume the post of Ambassador of Japan to Australia. Adjusting to life in Canberra has been gradual, however I am enjoying getting to know life in Australia's capital once again. I have been busy making courtesy calls on politicians, government officials, business leaders, journalists, academics, and Japan-related organisations. I look forward to meeting more Australians and Japanese across the country in coming months.

I am also pleased to see some friendly rivalry between our two countries with the soccer match between the Matildas and Nadeshiko Japan in the FIFA Women's World Cup quarter-finals on Sunday. While I am proud to see my country's home team progress in the competition, I am at a loss because I would also like to see Australia go far. Therefore, I will be barracking for both teams, and I invite you too to get behind both our sporting nations.

Today, I would like to share with you the current status of Prime Minister Shinzo Abe's economic policy or 'Abenomics', a term which I'm sure you are all familiar with. Japan's economic recovery is a top priority for the Abe government, and the success of PM Abe's growth strategy and structural reforms are closely followed by the international community. The Japanese economy as a whole is moving in a positive direction, and the following figures and measures are evidence of this.

- ◆ Real GDP Growth Rate : First Quarter 2015 +3.9% (at an annual rate)

(The Second preliminary estimates, revised at 8 June 2015, which is higher than the first preliminary figure of +2.4%)

- ◆ Corporate recovery is driving wage increases
 - 2.28 % average wage increase for FY2015 (up from 2.11% in 2014FY)
- ◆ Tax revenue is up and dependency on Japanese government bonds is declining

- o On target to reduce primary deficit to GDP ratio by half (from -6.6% in FY2010 to -3.3% in FY2015)

- ◆ On track to achieve primary surplus by 2020

- ◆ Effective Corporate Tax Rate Reduction : 34.62% (existing) -> below 30% (in the next several years)

- ◆ Steady progress in reforms

- Ø First major structural reform and deregulation of agricultural sector in 60 years

- o Agricultural Cooperative System reform to encourage entrepreneurialism and seek new market entrants

- o Removal of Rice Production Adjustment Program

- Ø First comprehensive electricity and gas market reform in 60 years

- o Full liberalisation of retail electricity market by 2016 to allow new entrants

- o Recent case - The number of companies able to provide retail power sales has increased by 80 % in 19 months

- Ø Aggressive initiatives in labour market reform covering the following;

- o Expatriate Careers

- § Relaxation of requirements to be accredited as highly skilled foreign professionals and an unlimited period of stay-type of residence

- o Women in Business

- § Securing additional childcare capacity for approx. 400,000 children

- o Working Conditions

- § New working system which evaluates workers based on professional skills and performance instead of working hours

- ◆ Foreign Direct Investment Promotion : Five Commitment for Attracting Foreign Businesses to Japan

(March 2015)

- 1) Overcome language barriers

- 2) Facilitate better Internet connectivity

- 3) Accommodate business jet at local airports
- 4) Enhance educational environment for foreign children
- 5) Strengthen services to support foreign enterprises

You can find more information on the progression of Abenomics, as well as speeches and statements released by Prime Minister Shinzo Abe on the link below.

http://www.japan.go.jp/_userdata/abenomics/150608_abenomics.pdf

Yours sincerely,

/S/

Sumio Kusaka
Ambassador of Japan to Australia