



International Policy Forum

2 April 2020



COVID-19 in Japan



Cumulative number of confirmed **cases** (as of 10:30am 1 April) excluding the *Diamond Princess*

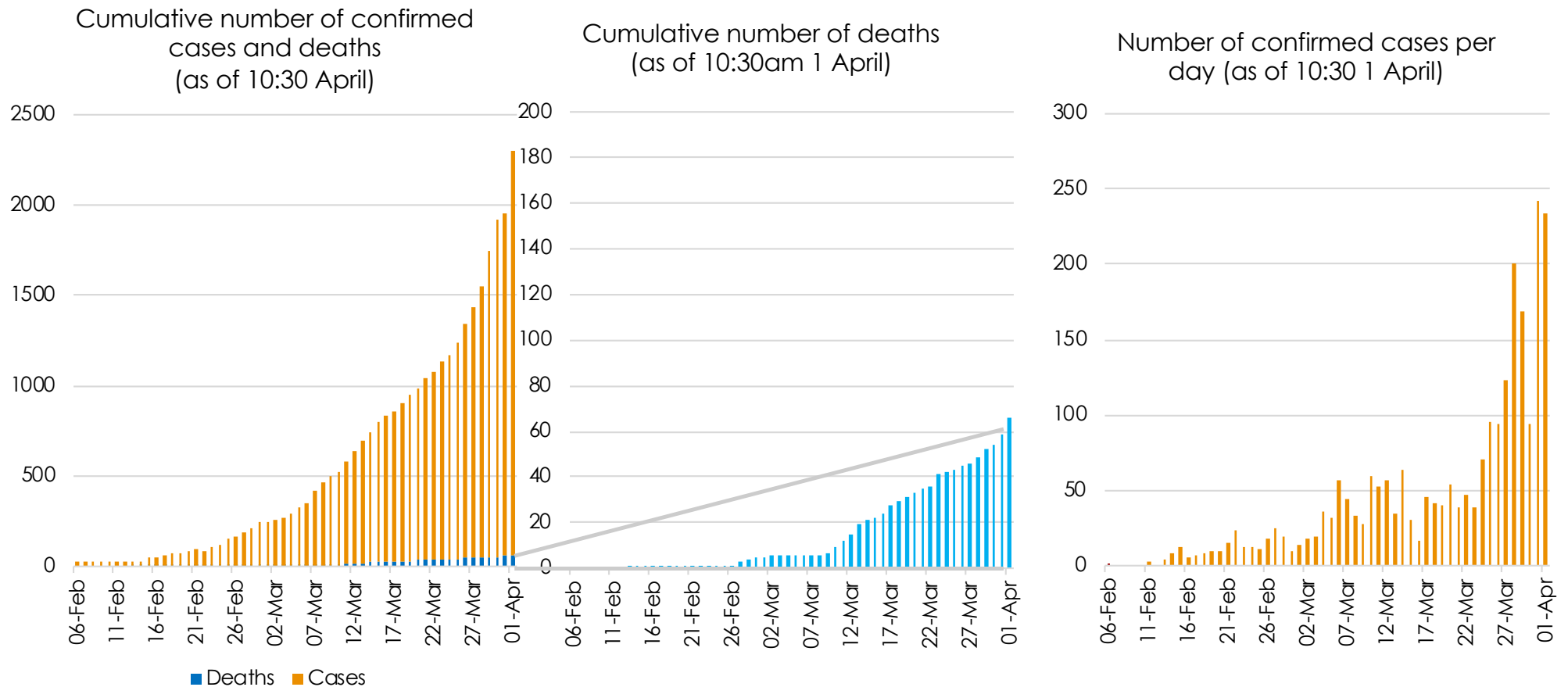
2233

Number of confirmed **deaths** (as of 10:30 am 1 April) excluding the *Diamond Princess*

66

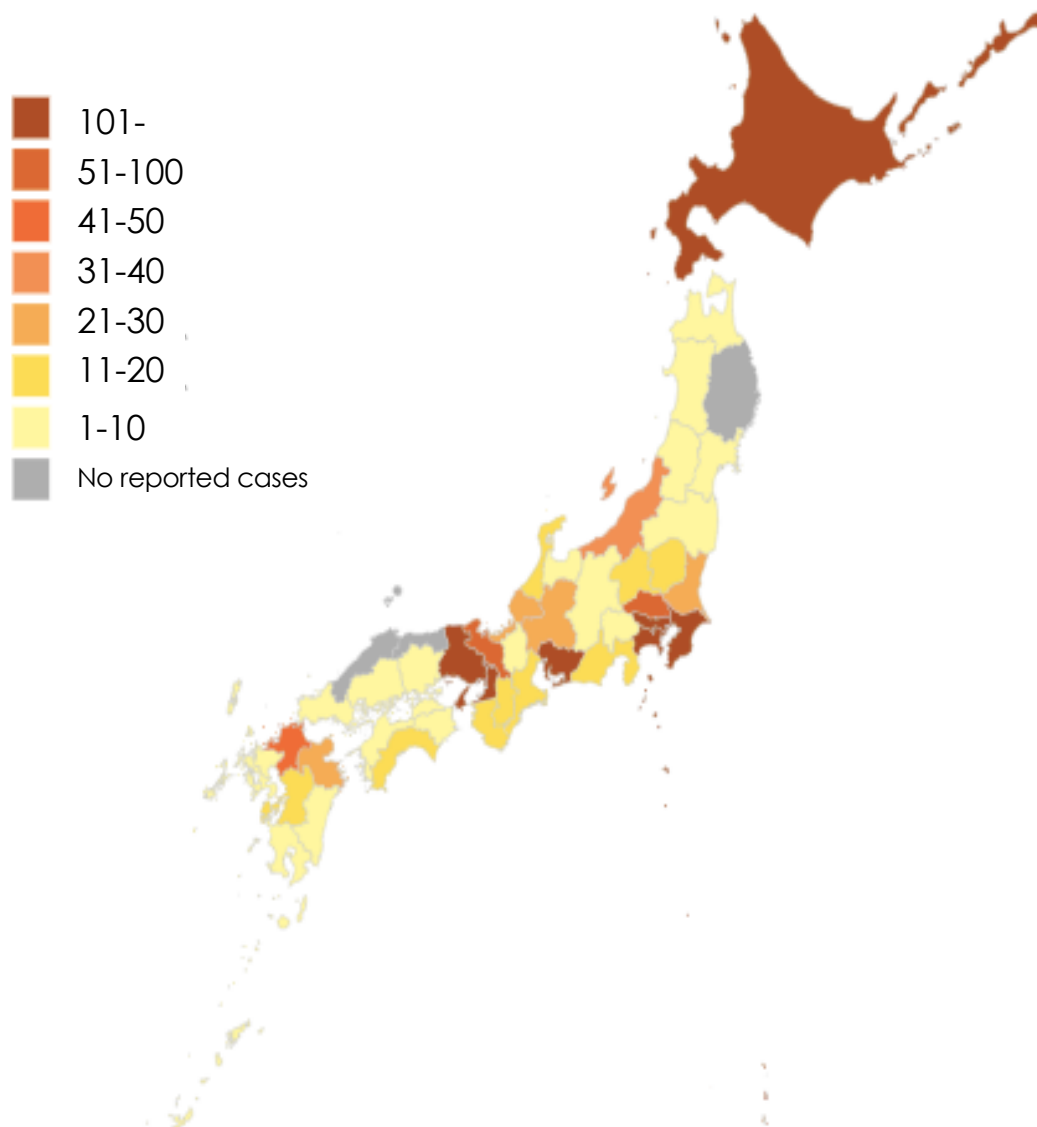
Number of confirmed **cases per day** (as of 10:30 am 1 April)

234

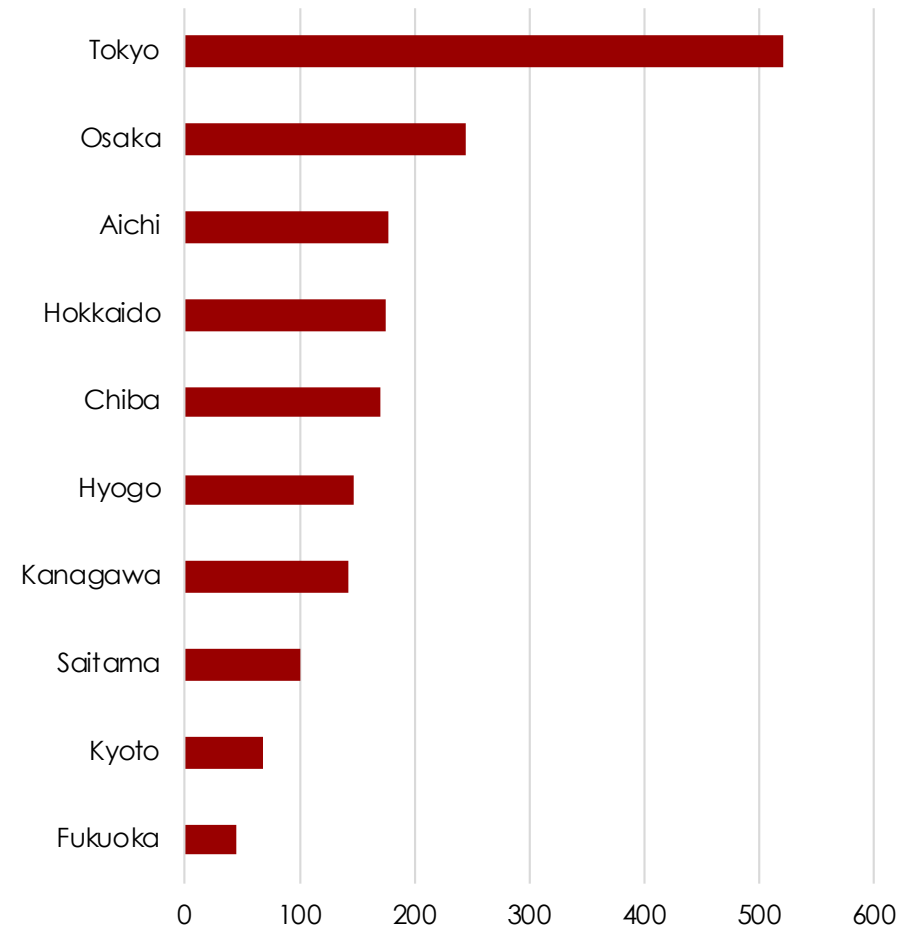


Confirmed cases by prefecture

(as of 10:30am 1 April)



The cumulative number of confirmed cases by prefecture (top 10) (as of 10:30 1 April)



Government's response to COVID-19 outbreak Japan

Jan

- 16 Jan Index case confirmed in Japan
- 27 Jan COVID-19 categorised as **designated infectious disease**
- 29 Jan First government **charter flight from Wuhan** to Tokyo
- 30 Jan Novel Coronavirus Response **Headquarters established** in PM's Office

Feb

- 5 Feb **Diamond Princess** put under quarantine in Yokohama using *Quarantine Act*
- 13 Feb **First emergency economic package** unveiled
First death from COVID-19 confirmed
- 24 Feb Government Expert Panel "**next 2 weeks critically important**"
- 26 Feb Calls on event organisers to **cancel, postpone or downsize events**
- 27 Feb **Request schools to shut down** (end of spring recess in April)
- 29 Feb PM Abe's **first press conference** on COVID-19 outbreak

Mar

- 9 Mar **Quarantine** requested of visitors from mainland **China and South Korea**
- 10 Mar **Second emergency economic package** unveiled
- 13 Mar Diet approves law granting PM **power to declare state of emergency**
- 19 Mar Expert Panel says **policies having an effect** and **schools can be re-opened**
- 24 Mar PM agrees with IOC to **postpone 2020 Tokyo Olympics**
- 25 Mar Tokyo Governor Koike: "**Tokyo in critical phase** entering explosion in infections"
- 27 Mar Imposes **entry ban** on 21 **European countries and Iran**
- 28 Mar Government agrees **Basic Action Guidelines** on COVID-19 countermeasures
- 28-29 Mar Greater Tokyo Area, Osaka and Fukuoka governors ask residents to **stay home** for 2 days
- 31 March LDP's **policy proposal on economic measures**

Economic stimulus measures

First Package (13 February): ¥15.3 billion

- Strengthening border controls to minimise spread of the virus
- Development of vaccines and virus test kits
- Support for returnees from Wuhan
- ¥500 billion of low-interest loans for SMEs impacted by the virus

Second Package (10 March): ¥430 billion + ¥1.6 trillion low-interest loans for SMEs

- Subsidies for working parents who had to miss work to care for their children
- Small emergency loans to individuals facing income decline due to the virus
- Subsidies for the self-employed
- Interest-free loans for SMEs whose sales declined, (at least 15-20%);
- Cash flow support for businesses in the tourism industry

Upcoming third economic stimulus package

- Projected to be worth around **¥60 trillion** (>10% of Japan's GDP), including ¥20 trillion in fiscal measures
- Expected to be approved by the **LDP** on **6 April** and the **Cabinet** on **7 April** – possible passage by the Diet before the Golden Week holiday in early May
- More than **¥10 trillion** (equivalent to a 5-percentage point cut in the consumption tax rate) to be handed out as a combination of **cash, subsidies** and **vouchers**:
 - Includes cash handouts for households facing a sharp loss of income and for small businesses and sole proprietors whose sales have plummeted
 - Expands scope of a 12-month grace period for corporate tax payments by SMEs affected by fallout from the pandemic
 - Large number of financial support measures for SMEs suffering from or expecting to suffer from COVID-19
 - Each ministry collecting and negotiating measures with the Ministry of Finance
 - LDP also putting forward recommendations of measures to be taken for each sector

Content of third emergency response package Japan

Examples of measures suggested by the LDP

- Secure screening and systems for medical provision
- International cooperation to enhance vaccine development and therapeutic disciplines
- Promote crisis management using artificial intelligence and data infrastructure – e-government solutions, individual number cards, telecommuting and remote education
- Expand broadcasting content globally via cooperation with foreign broadcasters to increase awareness of Japan's response and promote Japan as a tourist destination
- Launch a one-stop web platform service to summarise and proactively disseminate information to the international community about Japan's response
- Issue food vouchers to promote local produce and travel vouchers for post-crisis travel
- Support for the entertainment industry by subsidising large-scale live and sporting events
- Subsidies and/or tax relief to liqueur manufactures
- Etc. etc.

If government declares state of emergency...



Main measures **governors** will be able to execute

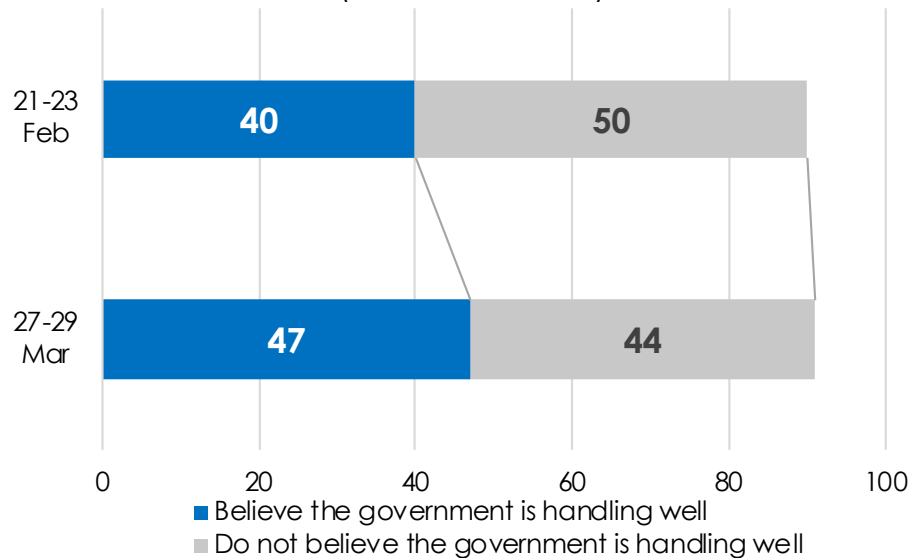
Request residents to refrain from going out other than when urgent and unavoidable	Expropriate or request the sale of specified goods with the owners' prior consent
Request or issue instructions on restrictions on the use of school buildings, childcare facilities, entertainment establishments, events, etc.	Request or issue instructions on designated sellers of medical products to distribute medical products and equipment
Use land or buildings to open temporary medical facilities to ensure medical provision	Conduct surveys and surveillance to prevent rise in prices of daily necessities. Request that relevant business associations stabilise prices of daily necessities
Request/instruct designated transport business operators to transport emergency supplies	Extend end-dates on administrative rights and interests. Secure finance for emergency situations from public financial institutions

Political implications of the crisis

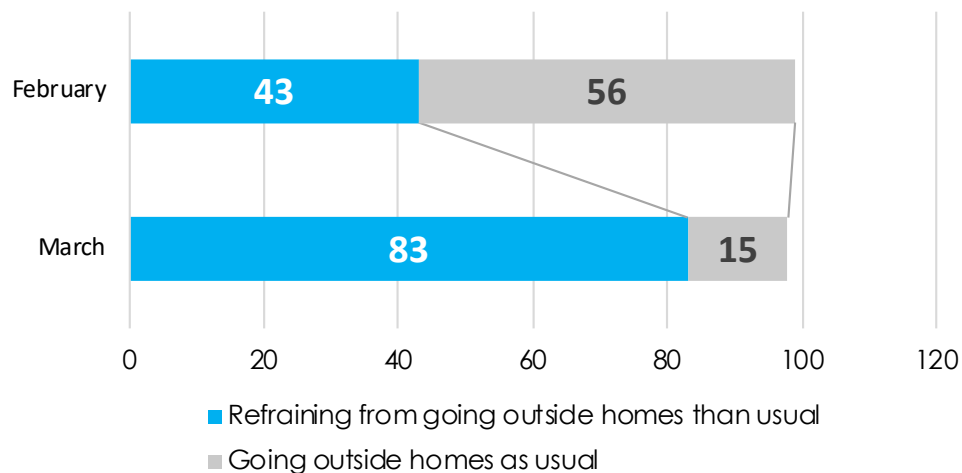
The public response

47% now believe the government is handling it well (as of 27-29 March)

Public response to the government's handling of the crisis (as of 27-29 March)

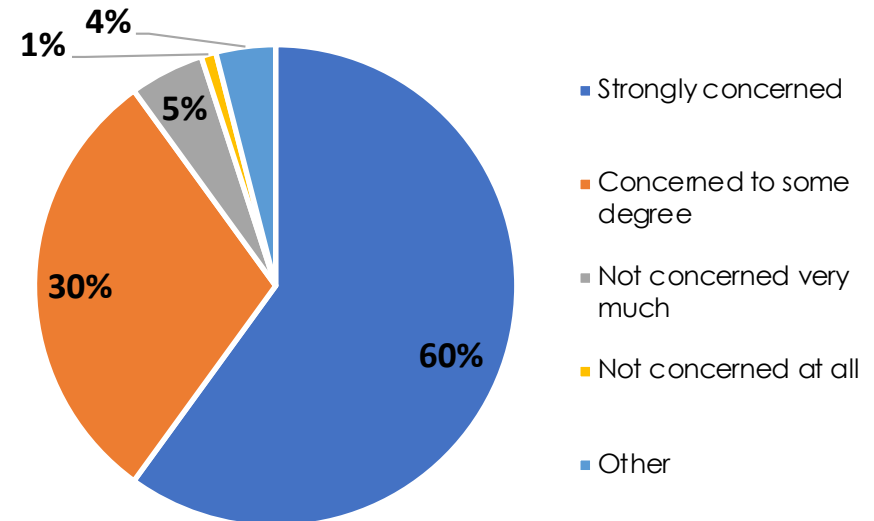


Residents in Tokyo, Kanagawa, Chiba, Saitama, and Yamanashi (27-29 March)

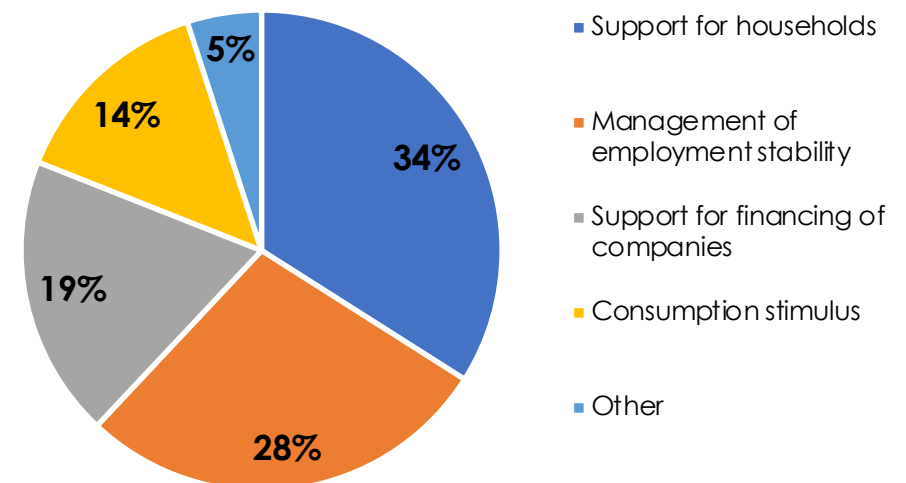


90% are strongly or somewhat concerned about the impact of COVID-19 on Japan's economy (as of 10 March)

Concerns regarding the impact of the coronavirus on Japanese economy (10 March)

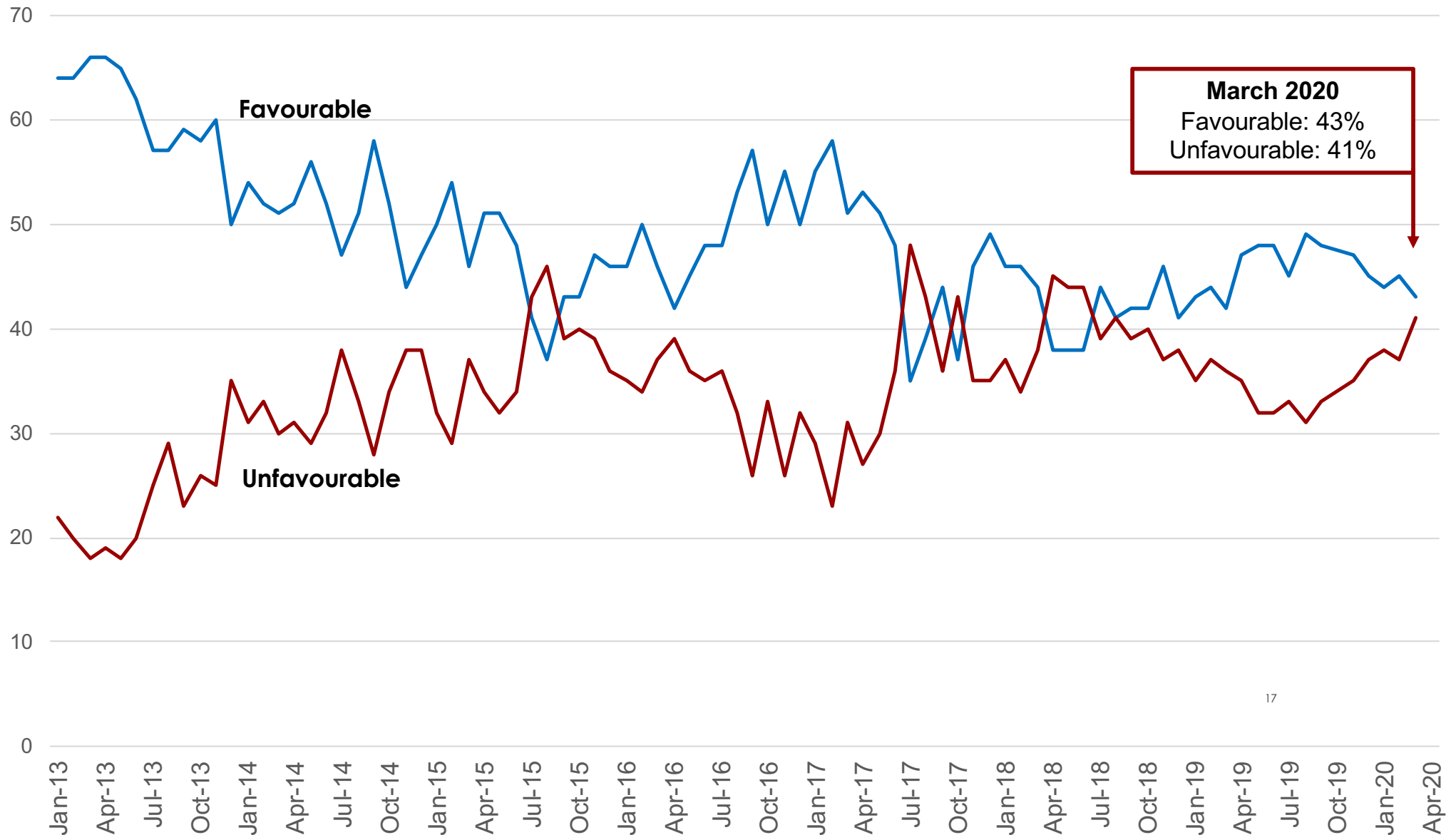


Views on priority economic countermeasures

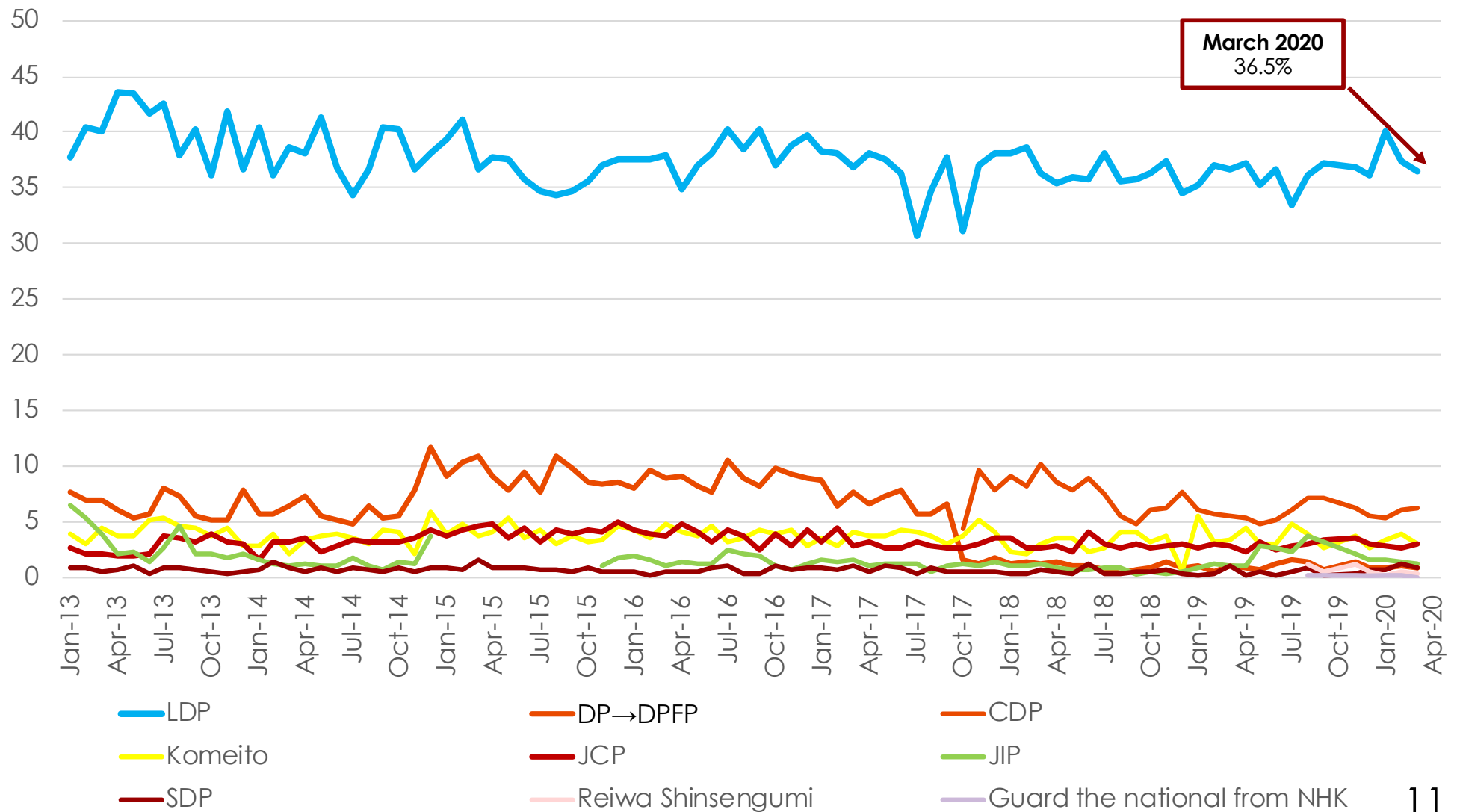


Abe Cabinet approval ratings

Increasing favourable ratings and decreasing unfavourable ratings



Political party support rates



Upcoming political schedule

2020



2021

- 7 Apr Cabinet to decide FY2020 supplementary budget
- 26 Apr Shizuoka 4 constituency by-election (House of Reps)
- By Golden Week FY2020 supplementary budget to be approved by Diet
- 10-12 Jun G7 Summit (by videoconference)
- Mid-Jun Government to decide 2020 “Honebuto”
- 17 Jun Current Diet Session Ends – possible extension
- 5 Jul Tokyo Gubernatorial Election
- Extraordinary Diet Session
- 1 Nov Second referendum on Osaka Metropolis Plan
- 3 Nov US Presidential Election
- 21-22 Nov G20 Summit @ Riyadh, Saudi Arabia
- End of Dec Cabinet Decides FY2021 Budget Bill
- Jan-Jun Ordinary Diet Session
- 23 Jul-5 Sep Games of the XXXII Olympiad and XVI Paralympics
- 30 Sep End of Current LDP Presidency Term
- 17 Oct Latest Date to Conduct General Election



Impact on deliberations in the Diet

New legislation

- **Digital platforms law**
 - Setting rules on the practices of digital platforms companies
 - Bill submitted to the Diet on 18 February but schedule of deliberations sliding
- **Super City Initiative**
 - Creating cities that use AI, big data and other advanced technologies.
 - Bill submitted on 13 March but schedule of deliberations sliding
- **5G promotion**
 - Promoting supply and development of 5G along with cyber security and providing support for the adoption of 5G
 - Bill submitted on 18 February

Law revisions

- **Act on Procedure of Constitutional Referendum**
 - Bill submitted to the House of Representatives Commission on the Constitution on 20 January, but prospects for deliberation unclear
- **Energy supply resilience bill**
 - Measures including a new scheme to help businesses introduce renewable energy
 - Bill submitted on 25 February
- **Road Traffic Act**
 - Allows instalment of road infrastructure for automated vehicles
 - Bill submitted on 3 March
- **Copyright Act**
 - Enforcing stricter piracy penalties
 - Bill submitted on 10 March



Conclusion

- Although policy resources have shifted to deal with the coronavirus crisis, other policy discussions are still progressing too – digital transformation, healthcare reform, constitutional amendment, energy supply, etc.
- Massive economic stimulus from the government is leading to new initiatives that will have to be launched and funded in a very short period of time.
- Postponing the Olympics is creating a new political dynamic, including the prospect of elections earlier than previously expected, once the most acute period of crisis is over. LDP endorsing Koike for Tokyo gubernatorial election in July feeds into the new dynamic.
- Possibility of Ordinary Diet session extension has increased with the postponement of the Olympics.
- Despite early criticism of Abe's handling of the crisis, support for him and his Cabinet has risen because of the measures taken and has, somehow, strengthened his position. Even so, a prolonged economic slump could pose unrepresented political challenges.
- Opposition remains split and weak – prospects of elections and extended Diet session may provide new incentives to try to align but attempts so far have largely failed.

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