

The Japanese government announced the basic policy for a new growth strategy -Toward a Radiant Japan- on December 30, 2010, by which it envisages an average annual gross domestic product (GDP) growth of 3% in nominal terms and 2% in real terms in the period up to fiscal 2020.

To achieve this goal, the basic policy selected six key sectors as strategic fields: (1) environment and energy, (2) health service, (3) Asia, (4) tourism and community revitalization, (5) science and technology, and (6) employment and human resources buildup. For further information please click here:

www.lu.emb-japan.go.jp/index_f.htm

If the growth strategy programs materialize, the government says, Japan's nominal GDP will rise to around 650 trillion yen (compared with the current fiscal year's estimated 473 trillion yen).

Among the six strategic fields, particular emphasis is being placed on the environment and energy sector, where the government expects that more than 50 trillion yen (around 600 billion USD) in new demand and 1.4 million new jobs will be created centering on promotion of the use of renewable energy, such as solar power. In the health sector some 45 trillion yen in demand and 2.8 million jobs will be added by boosting the medical, nursing, and health-related service industries. In the tourism sector, the aim is to triple the number of foreign visitors to Japan to 25 million persons annually, with the creation of 560,000 jobs.

As for the Asian markets, Prime Minister Yukio Hatoyama told a press conference following the announcement of the basic policy that Japan would work toward the completion of a "Free Trade Area of the Asia-Pacific" (FTAAP) by 2020, together with the promotion of domestic reform geared to harnessing Asia's fast growth.

The strategic plan foresees the unemployment rate, which currently stands at the 5%-plus level, coming down to the 3% range over the midterm (in other words, in the coming four years).

If you have any questions, please feel free to email to polieco.embjapan@lu.coditel.net or call the economic section of the Embassy of

Japan in Luxembourg at 46 41 51 35.