

## **Highlights of the FY2020 Draft Budget**

# Highlights of the FY2020 Budget

**The FY2020 budget achieves economic revitalization and fiscal consolidation through enhancing social security system, steadily implementing economic measures and continuing efforts for expenditure reforms.**

## Enhancement of social security system

- To construct social security system for all generations, enhance medical and long-term care such as preventive healthcare / health promotion and implement free higher education financed by the additional revenue from the consumption tax rate hike. (Central government expenditure: ¥1.2tn)
  - Free higher education (+¥488.2bn)
  - Free early childhood education and childcare (+¥187.8bn)
  - Preventive healthcare / health promotion (+¥70.0bn)
  - Promotion of work-style reform of doctors working in hospitals (+¥18.3bn)
  - etc.

## Steady implementation of economic measures

- To implement the economic policy package (expenditure: ¥13.2tn), continue to support private consumption and investment after Tokyo Olympics and Paralympics, in addition to the supplementary budget for FY2019. (Central government expenditure including Temporal and Special Measures in the initial budget for FY2020: ¥1.8tn)
  - Point Reward Project for Consumers using Cashless Payment (¥270.3bn)
  - Measures for stimulating consumption using My Number scheme (¥247.8bn)
  - Benefits for housing purchase “Sumai Kyu-fu kin” (¥114.5bn)
  - Steady implementation of measures in “Three-year Emergency Response Plan for Disaster Prevention, Disaster Mitigation, and Building National Resilience” (¥1,143.2bn)
  - etc.

## Continued efforts for expenditure reforms

- Under the “New Plan to Advance Economic and Fiscal Revitalization”, continue efforts for expenditure reforms and achieve the benchmark.
  - Social security expenditure: +¥411.1bn (Increase due to population aging)
  - Non-social security expenditure: +¥33.0bn (Continue efforts of expenditure reforms thus far)
- The amount of planned bond issuance has decreased for 8 consecutive years since the launching of the Abe administration. (FY2019: ¥32.7tn ⇒ FY2020: ¥32.6tn)

# The FY2020 Budget: Framework (Ordinary + Temporal and Special Measures)

(unit: billion yen)

	FY2019 Budget (Initial)	FY2020 Budget	FY2019 → FY2020	Notes
<b>Revenues</b>				
Tax revenues	62,495.0	63,513.0	1,018.0	Bond dependency ratio : 31.7% (FY2019 initial budget : 32.2%)
Other revenues	6,301.6	6,588.8	287.1	
Government bond issuance	32,660.5	32,556.2	-104.3	
of which Construction bonds	6,952.0	7,110.0	158.0	
Special deficit-financing bonds	25,708.5	25,446.2	-262.3	
<b>Total</b>	<b>101,457.1</b>	<b>102,658.0</b>	<b>1,200.9</b>	
<b>Expenditures(ordinary)</b>				
National debt service	23,508.2	23,351.5	-156.7	
General expenditure	59,935.9	61,718.4	1,782.5	
of which Social security expenditure	34,062.7	35,812.1	1,749.5	
Non-social security expenditure	25,873.2	25,906.2	33.0	
Local allocation tax grants, etc.	15,985.0	15,809.3	-175.8	
<b>Sub total</b>	<b>99,429.1</b>	<b>100,879.1</b>	<b>1,450.0</b>	
<b>Expenditures (Temporal and Special Measures)</b>				
General expenditure	2,028.0	1,778.8	- 249.2	
<b>Total</b>	<b>101,457.1</b>	<b>102,658.0</b>	<b>1,200.9</b>	

(Note 1) Social security expenditure and non-social security expenditure in the FY2019 budget are reclassified for a proper comparison with FY2020.

(Note 2) Figures may not add up to the totals due to rounding.

## <Economic indicators>

	FY2014 (Actual)	FY2015 (Actual)	FY2016 (Actual)	FY2017 (Actual)	FY2018 (Actual)	FY2019 (Estimated)	FY2020 (Projected)
Nominal GDP growth	2.2% (0.8%)	2.8%	0.8%	2.0%	0.1%	1.8% (1.4%)	2.1% (1.7%)
Nominal GDP (tn yen)	518.2	532.8	536.9	547.6	548.4	558.3	570.2
Real GDP growth	-0.4%	1.3%	0.9%	1.9%	0.3%	0.9%	1.4%
Consumer Price Index	2.9% (0.9%)	0.2%	-0.1%	0.7%	0.7%	0.6% (0.4%)	0.8% (0.7%)
Unemployment rate	3.5%	3.3%	3.0%	2.7%	2.4%	2.3%	2.3%

(Note1) Figures are shown on a 2008 SNA basis.

(Note2) FY2019 and FY2020: based on "FY2020 Economic Outlook and Basic Stance for Economic and Fiscal Management" (Approved by the Cabinet on December 18, 2019).

(Note3) Figures in parentheses in FY2014, FY2019 and FY2020 exclude the impact of the consumption tax rate hikes.

## <Fiscal indicators: Central government's general account>

(unit: trillion yen, unless otherwise stated)

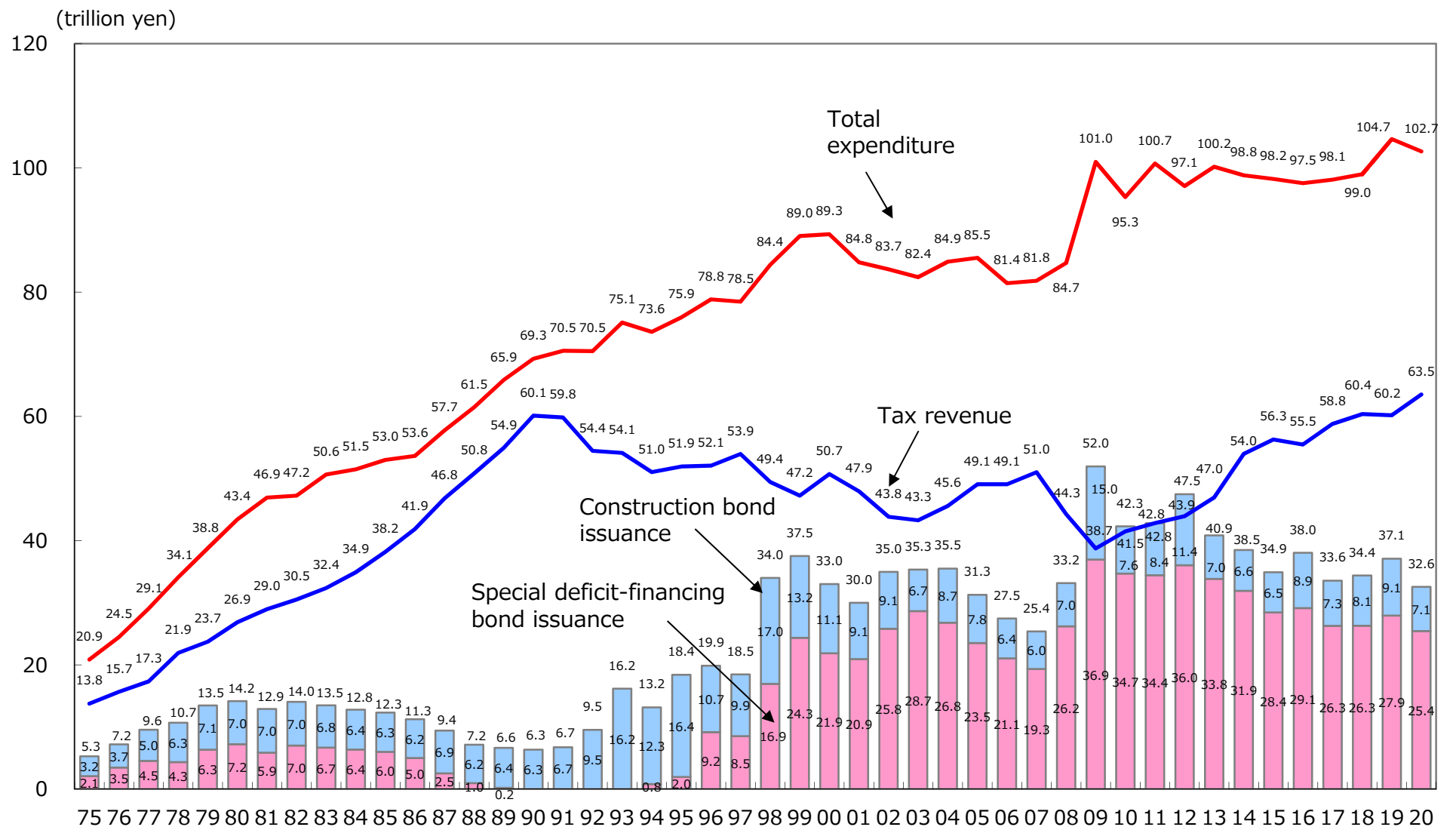
	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 (Draft)
General expenditure	56.5	57.4	57.8	58.4	58.9	62.0	63.5
Tax revenue 1/	50.0 (4.5)	54.5 (6.2)	57.6 (6.3)	57.7 (6.3)	59.1 (6.4)	62.5 (7.9)	63.5 (10.2)
Government bond issuance	41.3	36.9	34.4	34.4	33.7	32.7	32.6
Primary Balance	-18.0	-13.4	-10.8	-10.8	-10.4	-9.2	-9.2
Bond dependency ratio	43.0%	38.3%	35.6%	35.3%	34.5%	32.2%	31.7%

1/ Figures in parentheses represent the increased revenue of consumption tax rate hike (FY2014-FY2018: Increase by raising from 5% to 8%, FY2019 and FY2020: Increase by raising from 5% to 10%).

(Note1) Figures are based on the initial budgets. Bond dependency ratio is calculated by dividing government bond issuance by the total expenditure.

(Note2) General expenditure = General account total expenditure – National debt service – Local allocation tax grants, etc.

# Trends in general account tax revenues, expenditures, and bond issuance



(Note1) FY1975 - FY2018 : Settled figures; FY2019 : Based on the draft supplementary budget; FY2020 : Based on the draft budget

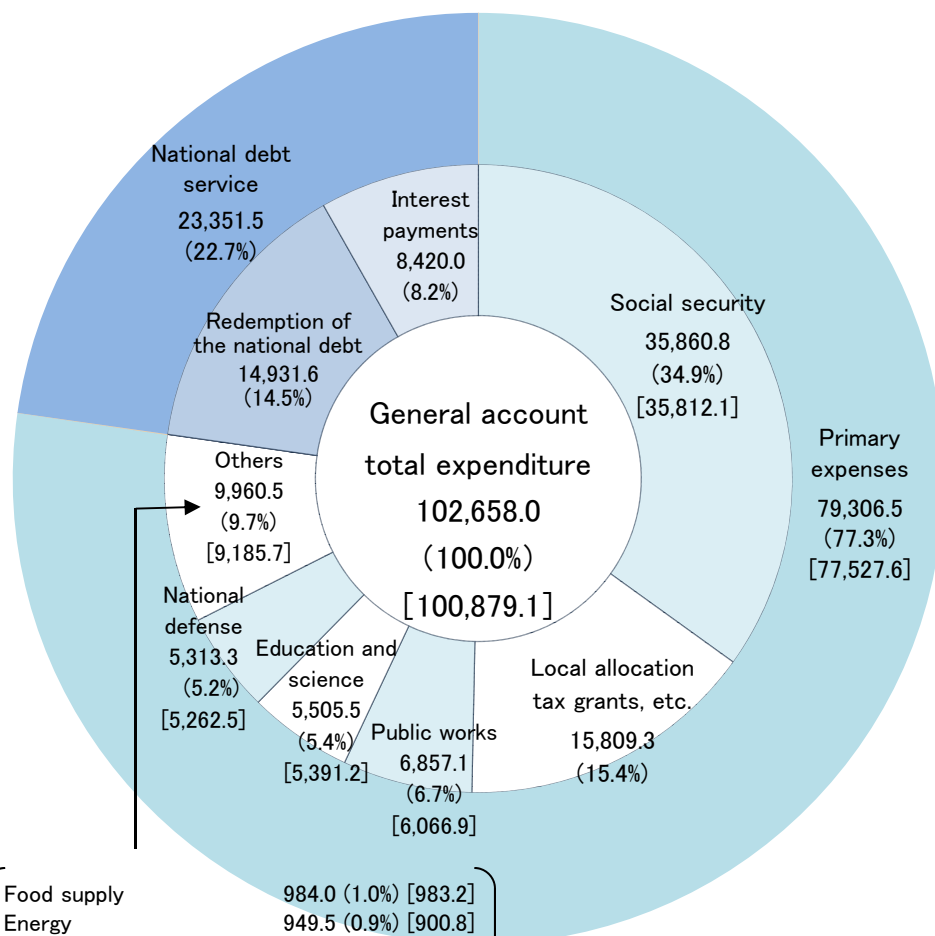
(Note2) Following various bonds are excluded: Ad-hoc special deficit-financing bonds issued in FY1990 as a source of funds to support peace and reconstruction activities in the Persian Gulf Region, tax reduction-related special deficit-financing bonds issued in FY1994 - FY1996 to make up for decline in tax revenue due to a series of income tax cuts preceding consumption tax rate hike from 3% to 5%, Reconstruction bonds issued in FY2011 as a source of funds to implement measures for the Reconstruction from the Great East Japan Earthquake and Pension-related special deficit-financing bonds issued in FY2012 and FY2013 as a source of funds to achieve the targeted national contribution to one-half of basic pension.

(Note3) FY2019 and FY2020 : Including Temporal and Special Measures

# The FY2020 Budget: Expenditure and Revenue

## (Ordinary + Temporal and Special Measures)

General account expenditure

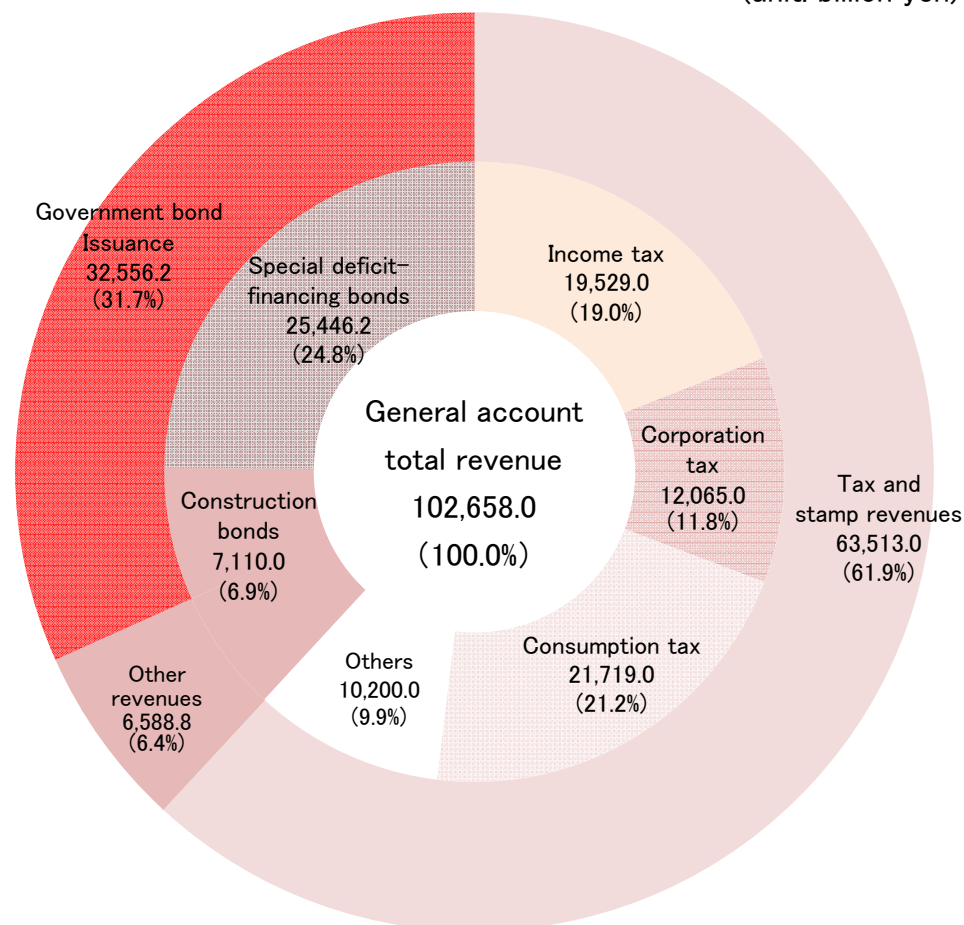


Primary expenses : Indicator showing policy expenses of the fiscal year  
(Primary expenses = General account total expenditure – National debt service)

General expenditure : 63,497.2 (61.9%) [61,718.4]  
(General expenditure = Primary expenses – Local allocation tax grants, etc.)

General account revenue

(unit: billion yen)



(Note 1) Figures may not add up to the total due to rounding.

(Note 2) Social security related expenditures account for 56.5% of the general expenditure.

(Note 3) Figures in brackets exclude Temporal and Special Measures.

# The FY2020 Budget: Major Expenditure Items

(unit: billion yen)

	FY2019 Budget (Initial)	Ordinary	Temporal and Special Measures	FY2020 Budget	Ordinary	Temporal and Special Measures	Change (FY2019 to FY2020)	Ordinary	Temporal and Special Measures
<b>General expenditure</b>	61,963.9	59,935.9	2,028.0	63,497.2	61,718.4	1,778.8	+1,533.3	+1,782.5	-249.2
Social security	34,130.6	34,062.7	67.9	35,860.8	35,812.1	48.7	+1,730.2	+1,749.5	-19.3
Education and science	5,588.4	5,368.3	220.1	5,505.5	5,391.2	114.3	-82.9	+22.9	-105.8
of which Science	1,359.7	1,337.8	21.9	1,363.9	1,356.5	7.4	+4.1	+18.7	-14.6
Former military personnel pensions	209.7	209.7	-	175.0	175.0	-	-34.7	-34.7	-
National defense	5,257.4	5,206.6	50.8	5,313.3	5,262.5	50.8	+55.9	+55.9	+0
Public works	6,909.9	6,059.6	850.3	6,857.1	6,066.9	790.2	-52.8	+7.3	-60.1
Economic assistance	502.1	502.1	-	512.3	512.3	-	+10.2	+10.2	-
Cf.Official development assistance	556.6	556.6	-	561.0	561.0	-	+4.5	+4.5	-
Promotion of SMEs	179.0	174.0	5.0	175.3	172.3	3.0	-3.7	-1.7	-2.0
Energy	976.0	910.4	65.6	949.5	900.8	48.7	-26.5	-9.7	-16.9
Food supply	982.3	981.6	0.7	984.0	983.2	0.8	+1.7	+1.7	+0
Miscellaneous	6,728.4	5,960.9	767.5	6,664.5	5,942.2	722.3	-63.9	-18.8	-45.1
Contingency reserve	500.0	500.0	-	500.0	500.0	-	-	-	-
<b>National debt service</b>	23,508.2	23,508.2	-	23,351.5	23,351.5	-	-156.7	-156.7	-
<b>Local allocation tax grants, etc.</b>	15,985.0	15,985.0	-	15,809.3	15,809.3	-	-175.8	-175.8	-
<b>Total</b>	101,457.1	99,429.1	2,028.0	102,658.0	100,879.1	1,778.8	+1,200.9	+1,450.0	-249.2

(Note1) The FY2019 budget is reclassified for a proper comparison with FY2020.

(Note2) Figures may not add up to the totals due to rounding.

(Note3) General expenditure = General account total expenditure – National debt service – Local allocation tax grants, etc.

# The FY2020 Budget: Major Expenditure Items (Excluding Temporal and Special Measures)

(unit: billion yen)

	FY2019 Budget (Initial)	FY2020 Budget	Change (FY2019 to FY2020)	% Change (FY2019 to FY2020)	Notes
<b>General expenditure</b>	59,935.9	61,718.4	+ 1,782.5	+ 3.0%	
Social security	34,062.7	35,812.1	+ 1,749.5	+ 5.1%	
Education and science	5,368.3	5,391.2	+ 22.9	+ 0.4%	
of which Science	1,337.8	1,356.5	+ 18.7	+ 1.4%	
Former military personnel pensions	209.7	175.0	-34.7	-16.6%	
National defense	5,206.6	5,262.5	+ 55.9	+ 1.1%	Expenses under the "Medium Term Defense Program" : +1.1%
Public works	6,059.6	6,066.9	+ 7.3	+ 0.1%	
Economic assistance	502.1	512.3	+ 10.2	+ 2.0%	
Cf.Official development assistance	556.6	561.0	+ 4.5	+ 0.8%	The expenditure allocated for official development assistance has increased for 5 consecutive years.
Promotion of SMEs	174.0	172.3	-1.7	-1.0%	Reduction of credit guarantee system-related expenditure due to the economic recovery: ¥-2.7bn, etc.
Energy	910.4	900.8	-9.7	-1.1%	Reduction of transfer based on the increase in surplus, etc. of energy resources special account: ¥-8.1bn, etc.
Food supply	981.6	983.2	+ 1.7	+ 0.2%	
Miscellaneous	5,960.9	5,942.2	-18.8	-0.3%	
Contingency reserve	500.0	500.0	-	-	
<b>National debt service</b>	23,508.2	23,351.5	-156.7	-0.7%	Reduction of interest payments due to declining interest rates, etc.
<b>Local allocation tax grants, etc.</b>	15,985.0	15,809.3	-175.8	-1.1%	Securing substantially equivalent amount of general revenue sources as the previous year
<b>Total</b>	99,429.1	100,879.1	+ 1,450.0	+ 1.5%	

(Note1) The FY2019 budget is reclassified for a proper comparison with FY2020.

(Note2) Figures may not add up to the totals due to rounding.

(Note3) General expenditure = General account total expenditure – National debt service – Local allocation tax grants, etc.



# The FY2020 Revision of medical fees and drug price, etc.

## Medical Fees

**+0.55%** (Central government expenditure: +¥60.5bn)

\*1 of which the revision excluding \*2

	<u>+0.47%</u>
Medical services	+0.53%
Dental services	+0.59%
Dispensing	+0.16%

\*2 of which special measures to work-style reform of doctors working in emergency hospitals financed by the additional revenue of the consumption tax rate hike

+0.08%

## Drug Price, etc.

① **Drug Price -0.98%**

(Central government expenditure: -¥108.3bn)

\* of which the revision of market prices, etc.  
-0.43% (central government expenditure: -¥47.8bn)

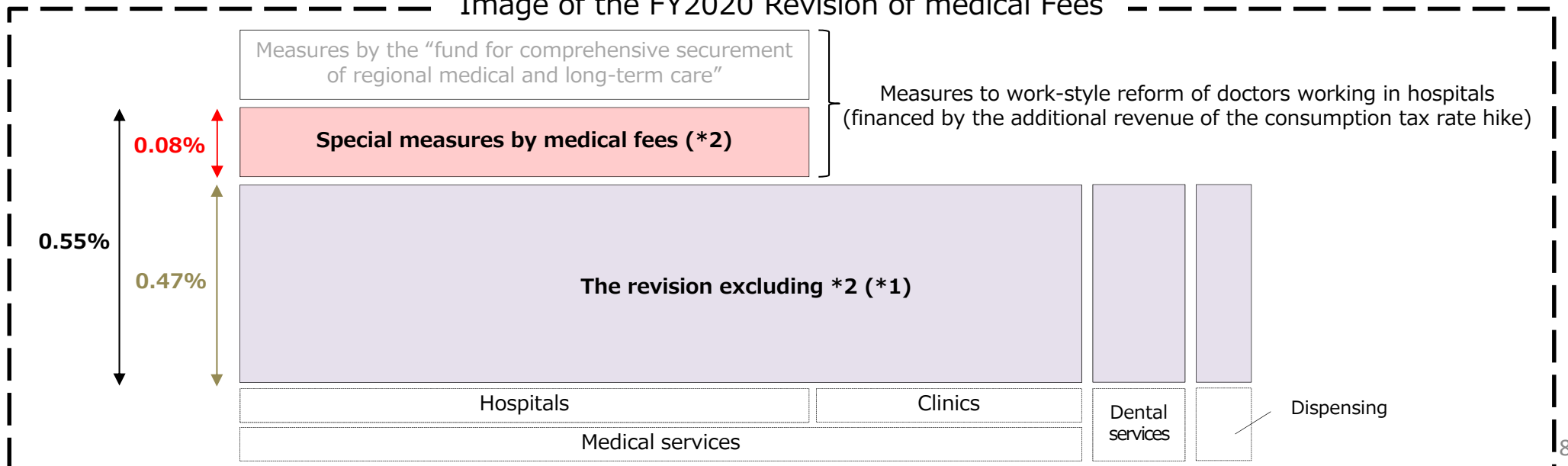
\* the impact including the effect of the review of market expansion re-pricing, etc. -0.99%

② **Material Price -0.02%**

(Central government expenditure: -¥2.7bn)

\* of which the revision of market prices, etc.  
-0.01% (Central government expenditure: -¥1.2bn)

### Image of the FY2020 Revision of medical Fees



## Enhancement of social security system along with consumption tax rate hike (8→10%)

FY2020: Public spending ¥2.4tn (+¥1.6tn), Central government expenditure ¥1.7tn (+¥1.2tn)

〔Major Policies〕	FY2020	
	Public spending	Central government expenditure
<b>Free early childhood education</b> (from Oct. 2019) - Free use of kindergartens, nursery centers and certified daycare centers for all children at the age of 3-5 and those at the age of 0-2 raised by households being exempted from municipal inhabitant tax	¥885.8bn (+¥497.6bn)	¥341.0bn (+¥187.8bn)
<b>Free higher education</b> (from Apr. 2020) - Expansion of support for learning at universities, junior colleges, etc. for students in households being exempted from municipal inhabitant tax	¥527.4bn (+¥527.4bn)	¥488.2bn (+¥488.2bn)
<b>Elimination of childcare placement waiting list (Expansion of the provision of childcare and improvement of working conditions for childcare workers)</b>	¥72.2bn (+¥18.6bn)	¥35.8bn (+¥9.3bn)
Provision of <b>benefits for supporting low-income pensioners</b> (from Oct. 2019) - Provision of the base amount of ¥60,000/year (¥5,000/month) for the elderly with low pensions, etc.	¥490.8bn (+¥304.9bn)	¥490.8bn (+¥304.9bn)
Further <b>burden reduction of long-term care insurance contributions</b> for the low-income elderly (generally from Oct. 2019)	¥131.6bn (+¥67.1bn)	¥66.3bn (+¥33.6bn)
<b>Preventive healthcare / health promotion</b> - Grants for preventive healthcare and health promotion of prefectural governments and municipalities	¥70.0bn (+¥70.0bn)	¥70.0bn (+¥70.0bn)
<b>Promotion of work-style reform of doctors (Fund)</b>  <b>(Special treatment with medical fees)</b>	¥14.3bn (+¥14.3bn) ¥12.6bn (+¥12.6bn)	¥9.5bn (+¥9.5bn) ¥8.8bn (+¥8.8bn)
Expansion of <b>the “Fund for promoting medical ICT”</b> - Promotion of the utilization of My Number card as a health insurance card in medical institutions	¥76.8bn (+¥46.8bn)	¥76.8bn (+¥46.8bn)

# “Comprehensive Economic Measures to Create a Future with Security and Growth” (Cabinet Decision on Dec. 5, 2019)

Provisional Translation

The package puts necessary measures together to realize sustainable economic growth driven by private demand along with the three pillars below, considering (1) broad and severe disasters after typhoon No.15 and No.19, and (2) increasing global downside risks including US-China trade friction.

- I Restoration and reconstruction from natural disasters and ensuring safety and security
- II Intensive supports to those striving to overcome economic downside risks
- III Investing for a future, and maintaining/enhancing economic vitality beyond 2020 Tokyo Olympics and Paralympics

## 《Contents and size of the measures》

	Fiscal expenditure (Total size)	Central government expenditure (*) (unit: trillion yen)	
		The supplementary budget for FY2019	The initial budget for FY2020
I	approx. 5.8 (approx. 7.0)	<ul style="list-style-type: none"> <li>– Acceleration of restoration and reconstruction from natural disasters.....0.7</li> <li>– Strong promotion of disaster prevention, mitigation and building national resilience.....0.9</li> <li>– Securing safety and security of the people.....0.8</li> </ul>	<ul style="list-style-type: none"> <li>– Steady implementation of the measures in “Three-year Emergency Response Plan” for Disaster Prevention, Disaster Mitigation, and Building National Resilience” .....1.1</li> </ul>
II	approx. 3.1 (approx. 7.3)	<ul style="list-style-type: none"> <li>– Developing an environment for enhancing productivity of SMEs.....0.4</li> <li>– Facilitation of the businesses by the companies developing overseas operations.....0.1</li> <li>– Making agriculture, forestry and fisheries a growth industry and enhancing its exporting capacity.....0.3</li> <li>etc.</li> </ul>	( – )
III	approx. 4.3 (approx. 11.7)	<ul style="list-style-type: none"> <li>– Promoting innovation and social implementation of technologies toward realizing Society 5.0 and SDGs.....0.5</li> <li>– Investing in human capital for those playing important roles in Society 5.0 and creating environment suitable for child rearing.....0.3</li> <li>– Supporting private consumption in a seamless manner.....0.2</li> <li>etc.</li> </ul>	<ul style="list-style-type: none"> <li>– Point Reward Project for Consumers using Cashless Payment.....0.3</li> <li>– Measures for stimulating consumption using My Number scheme.....0.2</li> <li>– Benefits for housing purchase “Sumai Kyu-fu kin” .....0.1</li> <li>etc.</li> </ul>
Total	approx. 13.2 (approx. 26.0)	4.3	1.8

(\*) The total expenditure of general account of central government amounts to 6.2 trillion yen adding up contingency reserve (0.1 trillion yen).  
The total expenditure of central government amounts to 7.6 trillion including the expenditure of special accounts of central government (1.4 trillion yen).

# Overview of Temporal and Special Measures

(Central government expenditure: ¥1,778.8bn)

## Point Reward Project for Consumers using Cashless Payment (¥270.3bn)

- Continue to implement **“Point Reward Project for Consumers using Cashless Payment”** steadily until the end of June 2020 to mitigate the impact of consumption tax rate hike.
- In particular, consumers receive **5% (or 2%)** of reward if they make **cashless payment** in certain **SMEs and micro enterprises**.

## Measures for stimulating consumption using My Number scheme (¥247.8bn)

- Implement **measures for stimulating consumption using My Number scheme** from September 2020 to March 2021 after Tokyo Olympics and Paralympics.
- In particular, consumers who have **My Number card** and My Key ID receive **“Maina-point” (5,000 points of reward for the prepayment of 20,000 yen)**, if they prepay money etc. using private cashless settlement services.

## Benefits for housing purchase “Sumai Kyu-fu kin” (¥114.5bn)

- Provide **“Sumai Kyu-fu kin”** (max. 500 thousand yen) depending on their income for those with limited benefits from housing loan tax deduction to mitigate their financial burden for purchase of houses due to the consumption tax rate hike.

## Steady implementation of the measures in “Three-year Emergency Response Plan for Disaster Prevention, Disaster Mitigation, and Building National Resilience” (¥1,143.2bn)

- Steadily implement the measures in **“Three-year Emergency Response Plan for Disaster Prevention, Disaster Mitigation, and Building National Resilience”** (decided in December 2018) in 2020 (the third year of the plan), reflecting the result of emergency inspection of critical infrastructure.

[Main measures in “three year emergency response plan” for FY2020]

- The emergency response plan for the risk of levee breaks or floods, and the emergency response plan of seawall for high tide
- Making resilient agricultural water utility facilities, reservoirs, facilities for forestry conservation, fishing ports and agricultural greenhouses, etc.
- Making earthquake-resilient school facilities, medical facilities and social welfare facilities.
- Speeding up drawing of hazard maps in municipalities without sufficient preparation of disaster information

etc.

# Prioritized, streamlined, and improved policies in the FY2020 budget

**Promote prioritization, streamlining and improving of policies in the FY2020 budget by close examination, the administrative programs review and the budget execution survey, etc.**

## Optimizing and streamlining defense equipment

- Realized optimization and streamlining of ¥431.3bn in the acquisition of defense equipment by optimizing procurement (cost examination, specification review, etc.) and reviewing ineffective projects thoroughly.
  - Reduce Life-cycle cost by developing a multipurpose surveillance radar which integrates four former surveillance radars (-¥26.2bn)
  - Reduce pilot training expenses by introducing a VR flight simulator (-¥10.3bn)
- In addition, the Ministry of Defense established a committee to accelerate measures to secure revenue by selling off defense equipment, etc.

## Effective implementation of measures against deterioration of infrastructure

- For public works of local governments which supported by subsidies,
  - establish an individual subsidiary scheme (¥370.0bn) for public works which should be implemented in a more planned and intensive manner such as measures against deterioration of bridges,
  - implement public works which require fine-tuned measures depending on local circumstances such as relatively small-sized works (e.g. repairment of municipal roads) as unsubsidized works (¥50.0bn) .

## Reflection of the administrative programs review / the budget execution survey

### (1) The review of PFI for correctional institutions

- Cut the total expenses by about ¥20bn (¥34.8bn → ¥14.2bn) for correctional institutions outsourced to private services in the next period (2020 - 2029) by cancelling out outsourcing of security services and general affairs which have been jointly performed by the public and private services.

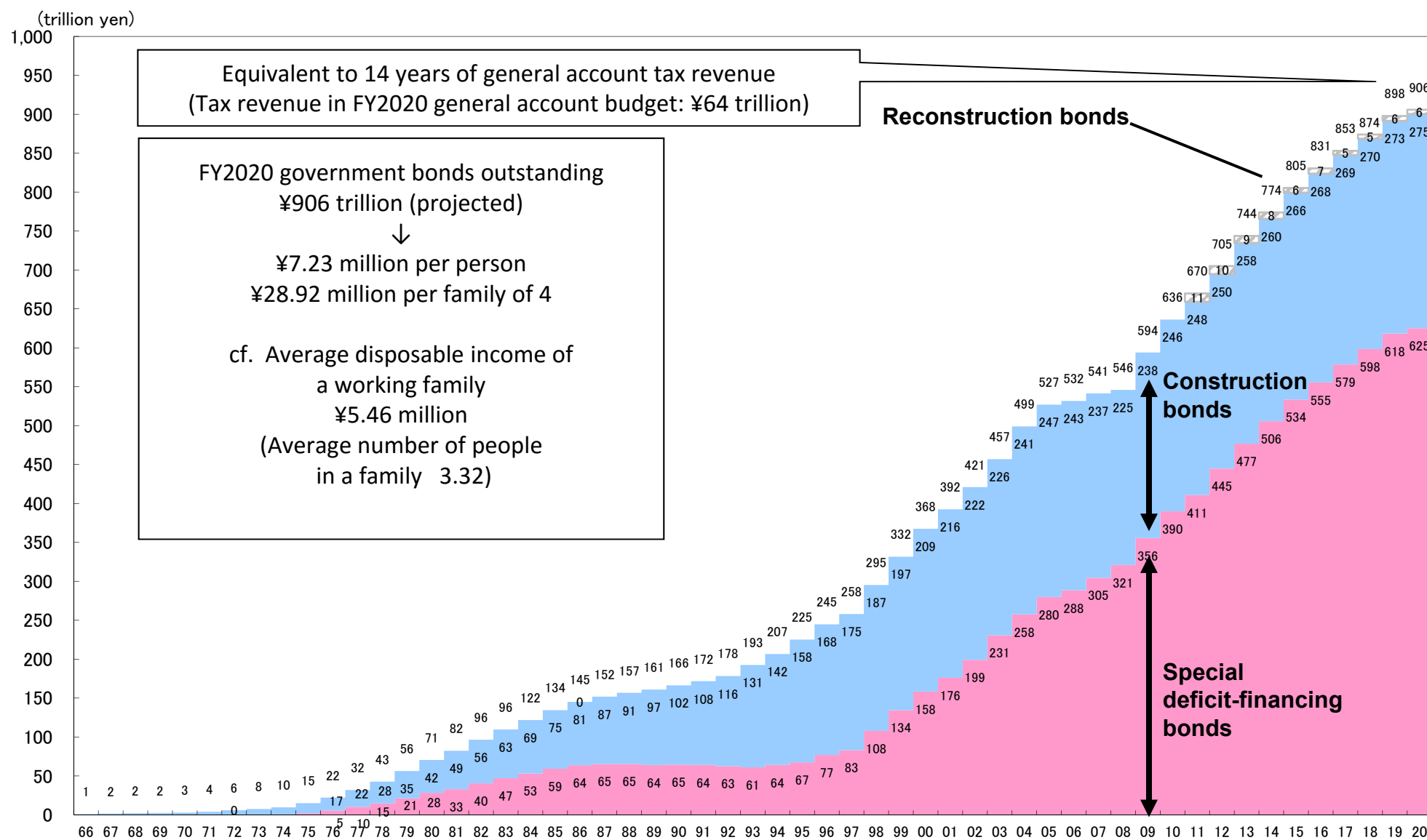
### (2) Rationalization of support for recruitment and employment of young people, and prioritization of support for the "employment ice-age generation (late 30s to early 40s)"

- Streamlining of staff allocation (-95people, -¥0.5bn) by enabling concurrent posting as supporting staff for "Hello Work for support new graduates" and "Wakamono Hello Work" under current tight labor market condition. Enhancement of inquiry counters specialized to the support for the "employment ice-age generation" financed by resources from the streamlining these measures.

### (3) The review of subsidies for the introduction of energy-saving equipment

- Based on a plan to exclude such equipment from coverage of subsidies that can be introduced cheaper than normal ones thanks to subsidies or that can recover its expense in short term (e.g. 3years) without subsidies, implementing review such as cheap snow melting equipment utilizing groundwater heat. (-¥1bn)

# Accumulated government bonds outstanding



(Note1) FY1975 - FY2018: Settled figures; FY2019: Based on the draft supplementary budget, FY2020: Based on the draft budget

(Note2) Special deficit-financing bonds outstanding includes refunding bonds for long-term debts transferred from JNR Settlement Corporation, the National Forest Service, etc., Ad-hoc Special deficit-financing bonds, Tax reduction-related Special deficit-financing bonds and Pension-related special deficit-financing bonds.

(Note3) Government bonds outstanding includes Reconstruction bonds issued (FY2011: in general account, after FY2012: in Special account for reconstruction from the Great East Japan Earthquake) as a source of funds to implement the measures for the reconstruction from the Great East Japan Earthquake in FY2011- FY2020 (FY2011: 10.7 trillion yen, FY2012: 10.3 trillion yen, FY2013: 9.0 trillion yen, FY2014: 8.3 trillion yen, FY2015: 5.9 trillion yen, FY2016: 6.7 trillion yen, FY2017: 5.5 trillion yen, FY2018: 5.4 trillion yen, FY2019: 6.2 trillion yen, FY2020: 5.6 trillion yen).

(Note4) The estimate of FY2020 excluding front-loading issuance of refunding bonds is approximately 863 trillion yen.

# Long-term debt outstanding of central and local governments

(unit: trillion yen)

	FY1998 <actual>	FY2003 <actual>	FY2010 <actual>	FY2011 <actual>	FY2012 <actual>	FY2013 <actual>	FY2014 <actual>	FY2015 <actual>	FY2016 <actual>	FY2017 <actual>	FY2018 <actual>	FY2019 <draft supplementary budget>	FY2020 <draft budget>
central government	390 ( 387 )	493 ( 484 )	662 ( 645 )	694 ( 685 )	731 ( 720 )	770 ( 747 )	800 ( 772 )	834 ( 792 )	859 ( 815 )	881 ( 832 )	901 ( 850 )	925 ( 872 )	936 ( 893 )
general bonds	295 ( 293 )	457 ( 448 )	636 ( 619 )	670 ( 660 )	705 ( 694 )	744 ( 721 )	774 ( 746 )	805 ( 764 )	831 ( 786 )	853 ( 805 )	874 ( 823 )	898 ( 845 )	906 ( 863 )
percentage of GDP	56% ( 56% )	88% ( 87% )	127% ( 124% )	136% ( 134% )	143% ( 140% )	147% ( 142% )	149% ( 144% )	151% ( 143% )	155% ( 147% )	156% ( 147% )	159% ( 150% )	161% ( 151% )	159% ( 151% )
local governments	163	198	200	200	201	201	201	199	197	196	194	192	189
percentage of GDP	31%	38%	40%	41%	41%	40%	39%	37%	37%	36%	35%	34%	33%
total	553 ( 550 )	692 ( 683 )	862 ( 845 )	895 ( 885 )	932 ( 921 )	972 ( 949 )	1001 ( 972 )	1,033 ( 991 )	1,056 ( 1012 )	1,077 ( 1028 )	1,095 ( 1044 )	1,117 ( 1064 )	1,125 ( 1082 )
percentage of GDP	105% ( 105% )	134% ( 132% )	173% ( 169% )	181% ( 179% )	189% ( 186% )	192% ( 187% )	193% ( 188% )	194% ( 186% )	197% ( 189% )	197% ( 188% )	200% ( 190% )	200% ( 191% )	197% ( 190% )

(Note1) GDP: FY1998 - FY2018: actual figures, FY2019 and FY2020: Based on "FY2020 Economic Outlook and Basic Stance for Economic and Fiscal Management" (Approved by the Cabinet on December 18, 2019).

central government debt: FY1998 - FY2018: actual figures, FY2019: based on the draft supplementary budget, FY2020: the draft budget.

local government debt: FY1998 - FY2018: actual figures, FY2019 and FY2020: based on local government debt plan, etc.

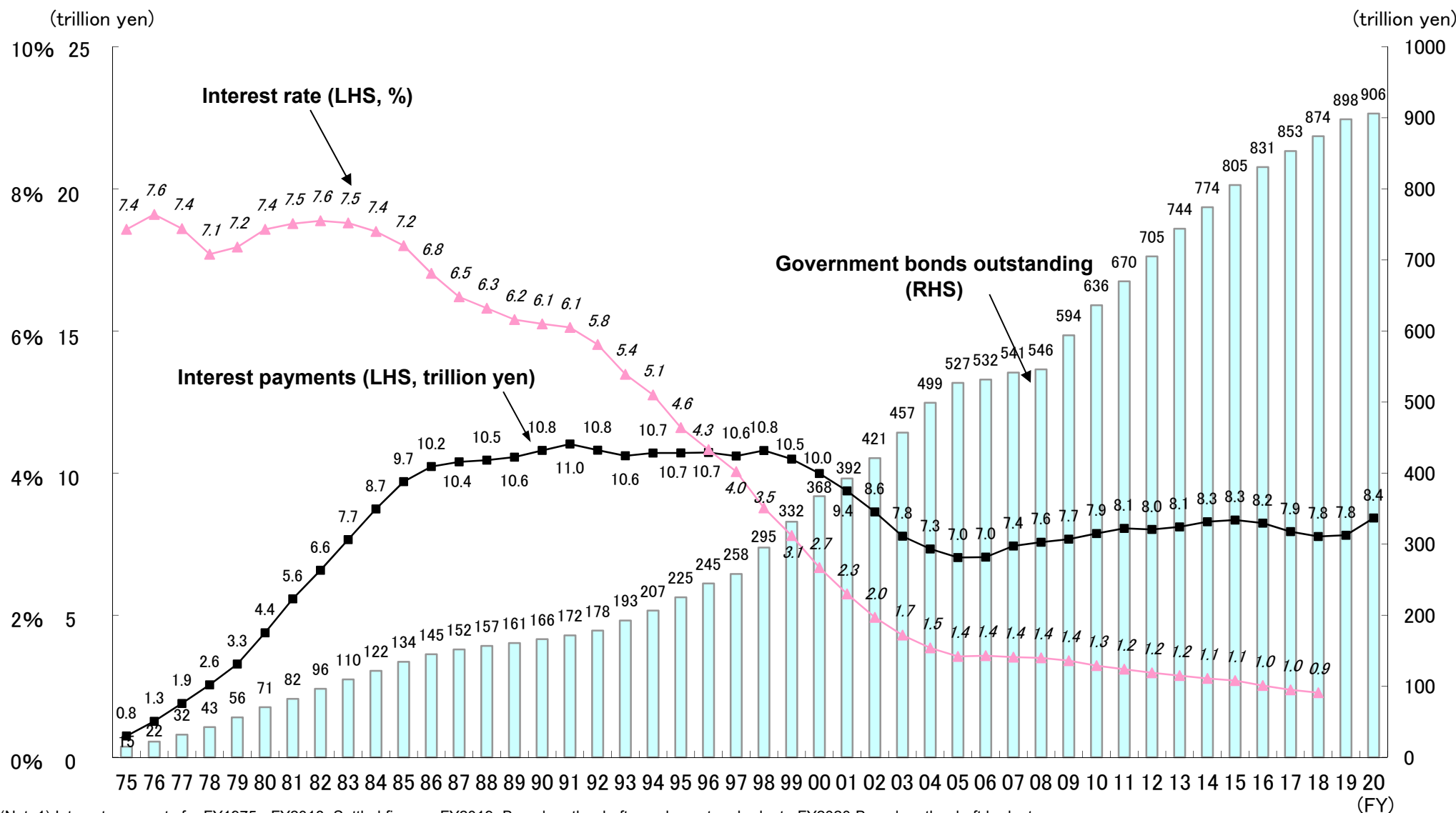
(Note2) Government bonds outstanding includes Reconstruction bonds as a source of funds to implement the measures for the reconstruction from the Great East Japan Earthquake in government bonds outstanding includes Reconstruction bonds as a source of funds to implement the measures for the reconstruction from the Great East Japan Earthquake in FY2011- FY2020 (FY2011: 10.7 trillion yen, FY2012: 10.3 trillion yen, FY2013: 9.0 trillion yen, FY2014: 8.3 trillion yen, FY2015: 5.9 trillion yen, FY2016: 6.7 trillion yen, FY2017: 5.5 trillion yen, FY2018: 5.4 trillion yen, FY2019: 6.2 trillion yen, FY2020: 5.6 trillion yen) and Pension-related special deficit-financing bonds as a source of funds to achieve the targeted national contribution to one-half basic pension (FY2012: 2.6 trillion yen, FY2013: 5.2 trillion yen, FY2014: 4.9 trillion yen, FY2015: 4.6 trillion yen, FY2016: 4.4 trillion yen, FY2017: 4.1 trillion yen, FY2018: 3.8 trillion yen, FY2019: 3.6 trillion yen, FY2020: 3.3 trillion).

(Note3) Figures in parentheses (to FY2018) do not include front-loading issuance for refunding. Figures in parentheses (from FY2019) do not include front-loading limit of issuance for refunding.

(Note4) The borrowings in the Special account for local allocation and local transfer tax are shared by the central government and local governments in accordance with their shares of redemption. The amount of the borrowings outstanding incurred by the central government was transferred to the general account at the beginning of FY2007, so that the borrowings outstanding in the special account since the end of FY2007 are the debt of the local governments (approx. 31 trillion yen in FY2020).

(Note5) Government bonds outstanding in the Special account for fiscal investment and loan program are at approximately 92 trillion yen as of end-FY2020.

# Trends in interest payments and interest rate



(Note1) Interest payments for FY1975 - FY2018: Settled figures; FY2019: Based on the draft supplementary budget; FY2020 Based on the draft budget.

(Note2) Government bonds outstanding for FY1975 - FY2018: Settled figures, FY2019: Based on the draft supplementary budget, FY2020: Based on the draft budget.

Government bonds outstanding includes Reconstruction bonds as a source of funds to implement the measures for the reconstruction from the Great East Japan Earthquake in FY2011 - FY2020 (FY2011: 10.7 trillion yen, FY2012: 10.3 trillion yen, FY2013: 9.0 trillion yen, FY2014: 8.3 trillion yen, FY2015: 6.7 trillion yen, FY2016: 6.7 trillion yen, FY2017: 5.5 trillion yen, FY2018: 5.4 trillion yen, FY2019: 6.2 trillion yen, FY2020: 5.6 trillion yen), and Pension-related special deficit-financing bonds as a source of funds to achieve the targeted national contribution to one-half basic pension (FY2012: 2.6 trillion yen, FY2013: 5.2 trillion yen, FY2014: 4.9 trillion yen, FY2015: 4.6 trillion yen, FY2016: 4.4 trillion yen, FY2017: 4.1 trillion yen, FY2018: 3.8 trillion yen, FY2019: 3.6 trillion yen, FY2020: 3.3 trillion yen).