

Abe's Cabinet approves 20 trillion yen stimulus package

TOKYO, Jan. 11 (Xinhua) -- The Japanese cabinet on Friday approved a stimulus package worth 20 trillion yen (about 224 billion U.S. dollars), aiming to shore up Japan's current stagnant economy by beating chronic deflation and tackling the strong yen, Prime Minister Shinzo Abe told a press conference.

Abe said, "Beating deflation and curbing yen's appreciation is crucially important...the new stimulus package is expected to add two percent points to Japan's GDP growth."

The package will also create 600,000 jobs, said Abe.

The package includes 10.3 trillion yen in central government funds.

The government will allocate 3.8 trillion yen to fund public works projects, 3.1 trillion yen to construct energy-saving factories and promote research on induced pluripotent stem cells.

The package also includes 3.1 trillion yen to enhance road safety on school-commuting roads and improve home care services in a bid to boost people's quality of life and revitalize local communities, according to local media reports.

Another 13.1 trillion yen from the package is extra budget for the current fiscal year through March, which will also involve contributions from the state to the basic national pension program, government officials said. (1 U.S. dollar equals 89.26 yen)