

Japan Cabinet approves 880 bln yen 2nd stimulus package before election

TOKYO, Nov. 30 (Xinhua) -- The Cabinet of Japanese Prime Minister Yoshihiko Noda on Friday approved a 880 billion yen (about 10.72 billion U.S. dollars) second stimulus package ahead of elections which the current ruling party is widely expected to lose power, Japanese media said.

The new stimulus package was more than double an earlier package announce in October, which was limited to 422.6 billion yen.

It is expected to increase the country's real gross domestic product by over 0.2 percentage points while creating jobs for around 80,000 people, according to the Cabinet Office.

The government will tap reserve funds under the fiscal 2012 budget and will not issue any new debt.

It will spend 132 billion yen to prepare nursing homes, 110 billion yen to create jobs and help those receiving welfare benefits find employment, and 95.1 billion yen to financially support small and medium-sized companies, said Kyodo news agency.

The package will also cover relief work and projects following the March 2011 earthquake and tsunami while introducing deregulation steps such as relaxing rules on investment by financial institutions in private companies, reports said.