The Weekly Observer

March 25-29

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

GOJ Approves Limited GCAP Exports to Third Countries

On Tuesday, the GOJ approved a **Cabinet decision on the export of the next-generation fighter jet** to be co-developed with the United Kingdom and Italy and issued **revised implementation guidelines** for the defense equipment export rules.

The revised implementation guidelines now include a new provision **approving exports** to countries involved in international development projects, **specifically (and only) GCAP.**

Exports will be **limited to fifteen countries that have signed international agreements with Japan** requiring the use of the exported equipment in adherence with UN Charter principles, and **countries that are determined to not be in active combat as part of armed conflict.**

LDP to Consider Removing

Lawmakers from Party for Political Scandal

Reports on Friday suggested that the **LDP will consider the second and third most severe punishments** — request to leave the party and suspension of party membership — for **former Abe faction executives** who contributed to the scandal.

The party seemed to have **shifted to tougher punishments** after **Prime Minister Kishida Fumio** interviewed **four faction executives** thought to have taken part in the decision making over resuming the kickback scheme.

The party will also consider **lighter punishments** — non-endorsement in election or ban from taking leadership positions — for other executives who had sway over the kickback scheme.

The LDP plans to impose measures **as early as the first week of April.**

Cabinet Approval

25% (+1 pt.)

62% (+1 pt.)

Yomiuri Shimbun (March 25)

State of the Economy

SME Survey (FY 2023):
Net Sales: ¥210 million (+16%)
Income: ¥9.78 million (+12%)
Value-added: ¥96.71 million (+10%)

Employment Statistics (February):
Effective Jobs-to-Applicants Ratio: 1.26x (-0.01 pt.)
Unemployment: 2.6% (-0.2 pt.)

Industrial Production Index (February):
97.9 (-0.1%)
Fell for 2nd consecutive month