

Japan: Noda calls for consumption tax hike

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Noda seeks Cabinet approval of consumption tax hike plan next year

NUSA DUA (Kyodo) — Japanese Prime Minister Yoshihiko Noda said Saturday he will seek Cabinet approval by next year for a plan to lift Japan's consumption tax rate above the current 5 percent.

Speaking at a news conference after wrapping up regional summits on the Indonesian resort island of Bali, Noda also expressed his resolve to cap the issuance of new bonds at 44 trillion in the draft budget for fiscal 2012 starting next April.

Noda's remark referring to legislation related to the consumption tax hike goes further than his earlier expression of intent to enact the tax-hike legislation during the ordinary parliament session next year.

After details such as the timing of the tax hike are decided by the government and ruling party within the year, the matter will be discussed with opposition parties, which have been calling for a general election before the passage of the bills to implement the sales tax hike, to allow the public to voice its opinion on the issue.

In addition to the opposition parties, many lawmakers within Noda's ruling Democratic Party of Japan appear cautious of the envisaged plan.

The government and the DPJ are currently preparing the bills related to reforms of Japan's social security and tax systems. Noda has pledged to craft bills to gradually double the nation's sales tax rate to 10 percent by around 2015 to ensure funds for social security programs.

Kyodo Press, November 20, 2011

<http://mdn.mainichi.jp/mdnnews/national/archive/news/2011/11/20/20111120p2g00m0dm053000c.html>

Japan Govt to Submit Consumption Tax Bill Even Without Opposition Support: Noda

Tokyo, Nov. 8 (Jiji Press)—Japanese Prime Minister Yoshihiko Noda said Tuesday that the government will submit legislation during the next parliamentary session to raise the country's consumption tax even if opposition parties disagree.

The government plans to increase the 5 pct consumption tax to 10 pct by the middle of the decade to finance ballooning social security costs.

At a meeting of the House of Representatives Budget Committee, Noda said the government and the ruling party are responsible for submitting the legislation.

The legislation will include details such as the timing of the tax increase, Noda said. The next

parliamentary session is set to start early next year.

An increase in the consumption tax is necessary to secure the sustainability of the country's social security system, Noda said, adding this view should be shared by both ruling and opposition parties.

Jiji Press, November 8, 2011

<http://jen.jiji.com/jc/eng?g=eco&k=2011110801004>

Honeymoon over for Noda's team: Support rate for Cabinet slides to 54%

The public support rating for Prime Minister Yoshihiko Noda's Cabinet has fallen to 54.6 percent, down from 62.8 percent after it was launched on Sept. 2, a Kyodo News poll showed Sunday.

About 27.8 percent of those polled over the weekend didn't support the Cabinet.

The poll, conducted Saturday and Sunday, also said that the public is split over a plan to raise taxes to help rebuild areas affected by the March 11 earthquake and tsunami, with 50.5 percent opposed and 46.2 percent in favor.

The poll also showed an overwhelming majority of 86 percent believe that Ichiro Ozawa, a former leader of the ruling Democratic Party of Japan, should give sworn testimony in the Diet over a political funds scandal that recently resulted in the conviction of three of his former secretaries.

The DPJ's support rating meanwhile stood at 27.1 percent, with the main opposition Liberal Democratic Party at 23.2 percent, the poll said.

On the long-standing issue of relocating U.S. Marine Corps Air Station Futenma in Okinawa Prefecture, the Kyodo poll said that 32.5 percent said the base should be removed from Japan, followed by 26.6 percent who expressed support for the current plan to transfer the base to Nago in northern Okinawa.

Kyodo Press, October 2, 2011

<http://search.japantimes.co.jp/cgi-bin/nn20111002x1.html>
