

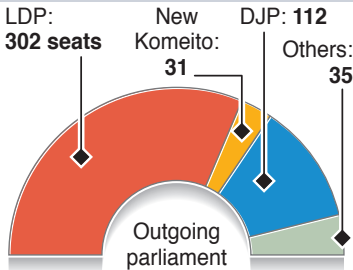
# Key issues facing Japan's next leader

The Democratic Party of Japan is widely tipped to win the August 30 election and topple the Liberal Democratic Party, which has ruled the world's second-largest economy for virtually all of the last 54 years



**Prime Minister Taro Aso, 68:** Leader of Liberal Democratic Party (LDP)

Being contested are 480 seats in parliament's powerful lower house.  
Party that controls lower house chooses prime minister



**Yukio Hatoyama, 62:** Leader of Democratic Party of Japan (DJP), main opposition party

**Economy:** Stimulus spending has left public debt equivalent to 170% of GDP. **Hatoyama plans to transform economy from export-led to one led by domestic demand.** Will cut corporate tax rate for small and mid-sized firms from 18% to 11%.

**Aso plans to increase 5% sales tax after economy recovers to fund social welfare costs.** Both leaders pledge to boost disposable household incomes

**Health spending:** Expected to rise from 27.5 trillion yen (\$291bn) in 2006 to 37 trillion yen (\$392bn) in 2015

**Ageing population:** As post-war baby boomers retire pension costs will rise from 39.5 trillion yen (\$418bn) in 2006 to 56 trillion yen (\$593bn) in 2015. **Number of workers supporting each elderly person will fall from 3.3 in 2005 to 1.3 by 2055**

**Foreign policy:** DJP will revise **Status of Forces Agreement** – U.S. has some 47,200 troops stationed in Japan at a cost to Tokyo of \$4.41bn. Hatoyama will not extend refuelling mission in support of U.S.-led military operations after January 2010