

March 23, 2021

Bank of Japan

The Bank of Japan's Budget for Expenses for Fiscal 2021

The Bank of Japan's budget for expenses for fiscal 2021 (the 137th fiscal year) is as follows (Table 1).¹ While securing the necessary budget to perform its role as the central bank of Japan, the Bank has also thoroughly examined each item of expenditure to achieve more streamlined overall spending.

The budget for expenses for fiscal 2021 marked an increase of 2.4 percent from the previous year, of which the amount subject to the approval of the Minister of Finance increased by 1.2 percent. This overall increase was mainly due to changes in the following items: cost of fixed-asset purchases increased by 18.1 percent, mainly owing to a rise in expenses related to improvements to the Bank's premises, and the administrative expenses for treasury business and Japanese government securities increased by 5.8 percent, mainly reflecting a revision of fees and commissions paid to agents of the Bank for administration of treasury business. On the other hand, expenses for transportation and communications as well as personnel expenses decreased by 1.7 percent and 0.6 percent, respectively.

¹ The Bank prepares a budget for expenses every fiscal year. Its budget, excluding the cost of purchasing fixed assets used for the Bank's business operations, is subject to the approval of the Minister of Finance under Article 51, paragraph 1 of the Bank of Japan Act before the beginning of each fiscal year. After obtaining authorization from the Minister of Finance, the Bank implements the budget from the start of the fiscal year. For fiscal 2021, the Bank sought approval on March 23, 2021. All figures, including those in Table 1, are rounded off.

Table 1

Budget for Expenses for Fiscal 2021 (The 137th Fiscal Year)

Item	Initial budget (thous. yen)	Change from the previous year (percent)
Cost of production of banknotes	54,291,715	0.7
Administrative expenses for treasury business and Japanese government securities	21,749,787	5.8
Personnel expenses	52,817,522	-0.6
Remuneration of the officers	429,737	-0.7
Remuneration of the employees	41,894,727	-0.6
Retirement allowances	10,493,058	-0.5
Expenses for transportation and communications	4,274,275	-1.7
Expenses for transportation	2,005,415	-8.3
Expenses for communications	2,268,860	5.0
Expenses for maintenance and repairs	2,507,673	7.2
Other general and administrative expenses and costs	53,614,915	0.3
Cost of expendable supplies	1,253,116	10.3
Expenses for electricity and water supply	1,859,093	-1.8
Leasing fees for buildings and equipment	6,019,868	-12.9
Expenses for maintenance of buildings and equipment	10,228,136	-12.3
Miscellaneous expenses	34,254,702	7.6
Subtotal	189,255,887	0.8
Cost of fixed-asset purchases	22,547,616	18.1
Of which: Subject to the approval of the Minister of Finance ¹	5,298,242	18.9
Contingency funds	1,000,000	0.0
Total²	212,803,503	2.4
Of which: Subject to the approval of the Minister of Finance ¹	195,554,129	1.2

Notes: 1. Excludes the cost of purchasing fixed assets used for the Bank's business operations.

2. Of the budget for expenses, those related to computerization amounted to 30,657,593 thousand yen, a 0.7 percent increase from the previous year, and are included in expenses for communications, leasing fees for buildings and equipment, expenses for maintenance of buildings and equipment, and miscellaneous expenses.

Budget estimates of computerization expenses assume required outsourcing of approximately 11,477 person-months (one person-month is the workload equivalent of one person working for one month in system development), and a total of approximately 14,703 person-months when the workload of the Bank's employees is included.