

Statement by Minister Aso and Governor Kuroda
on Countermeasures Responding to the Novel Coronavirus (Covid-19)

May 22, 2020

While economic activities in Japan and overseas and the financial and capital markets have been severely affected by the novel coronavirus (Covid-19), the Japanese Government and the Bank of Japan have, in mutual cooperation, aggressively carried out various measures to ensure smooth corporate financing and maintain stability in financial markets, thereby supporting the overall economic activities.

The Government has been swiftly implementing the emergency economic measures amounting to 117 trillion yen and the first supplementary budget both of which were decided in April, providing strong measures for supporting financing of firms with the total amount of 45 trillion yen, including schemes enabling interest-free loans without collateral through both government-affiliated and private financial institutions. Furthermore, based on the directions by the Prime Minister, the second supplementary budget is under compilation, including measures to strengthen the financial functions such as increasing liquidity support and making use of quasi-capital instruments.

The Bank of Japan, while cooperating with the Government, will actively support financing mainly of firms through the Special Program to Support Financing in Response to the Novel Coronavirus (Covid-19) with the total size of 75 trillion yen. In addition, with a view to maintaining stability in financial markets, the Bank has been providing ample yen and foreign currency funds without setting upper limits mainly through purchases of Japanese government bonds (JGBs) and the conduct of the U.S. dollar funds-supplying operations, and has been actively purchasing exchange-traded funds (ETFs) and Japan real estate investment trusts (J-REITs).

Although there are various types of uncertainties at present regarding, for example, the timing of the spread of Covid-19 subsiding and future developments in overseas economies, the Government and the Bank are committed to making every effort to facilitate corporate financing and maintain stability in financial markets through the aforementioned measures and doing whatever it takes to settle the situation, and will work together to bring the Japanese economy back again on the post-pandemic solid growth track.