

## **Japan PM picks relatively unknown finance minister**

**Reuters**

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TOKYO, Sept 2 — New Japanese Prime Minister Yoshihiko Noda picked a relatively lightweight lawmaker as finance minister today, signalling the fiscally conservative leader intends to call the shots on key economic policies himself.

Noda, a former finance minister elected this week as Japan's sixth prime minister in five years, tapped the 49-year-old Jun Azumi, a former parliamentary affairs chief, for the finance portfolio after his first choice turned it down.

"If he were a veteran lawmaker, the new finance minister might have clashed with Noda on some issues. But that appears not to be the case and the choice is likely a sign Noda will pursue his own policies on economic and fiscal issues," said Koichi Haji, chief economist at NLI Research Institute.

Noda, an unassuming conservative who has compared himself to the "dojo" loach, a bottom-feeding fish, faces a long list of challenges as the third premier since his Democratic Party of Japan (DPJ) took power in 2009.

Among them: dragging the world's third-largest economy out of stagnation, forging a new energy policy while ending a radiation crisis at a crippled nuclear plant, rebuilding the tsunami-devastated northeast and finding funds to pay for that and the vast costs of social welfare in an ageing society.

He must also navigate a divided parliament where the opposition controls the upper house and can block bills, while trying to smooth over rifts within the DPJ, which has never delivered on promises to change how the country is governed.

"As with the 'loach', we will sweat, get covered with mud but get the work done and push politics forward," new Chief Cabinet Secretary Osamu Fujimura told a news conference after announcing the cabinet line-up.

New Finance Minister Azumi, who hails from the tsunami-hit town of Ishinomaki in northeast Japan, led the Democrats' campaign in an upper house election in 2010 that they lost badly, handing opposition parties a majority.

The former NHK public TV announcer served previously as vice defence minister but little is known about his views on fiscal policy.

His first task will be to oversee drafting of a third extra budget to fund reconstruction from the March disasters, the biggest rebuilding project since right after World War Two.

### **FINANCE HOT POTATO**

Jun Azumi has served previously as vice defence minister but little is known about his views on fiscal policy. — Reuters pic

The finance portfolio is probably the toughest cabinet job as the minister has to try to contain ballooning debt while seeking to stimulate growth. The turnover at the helm of the ministry has exceeded even that in the to government post and the new minister will be

Japan's ninth since 2006.

Some analysts questioned whether Azumi was up to the task. "He's too lightweight," said Katsuhiko Nakamura, executive director at the Asian Forum Japan think tank.

Noda settled on Azumi after his first choice, former DPJ secretary general Katsuya Okada, declined.

There were no standout appointments in the new cabinet, which — like Noda's earlier picks for party posts — included a mix of lawmakers from various groups in the party, divided by policy gaps and personal feuds.

That led some to critics to wonder whether Noda was putting too much stress on party unity over expertise.

"I don't think this line-up is one that can pull up its socks and respond to the public's hopes," Nakamura said.

Others said bureaucrats were anyway likely to be playing a bigger role in policy than under Noda's two DPJ predecessors.

"We need someone who can get from A to B to C in a very effective manner and bureaucrats are very good at that," said Jesper Koll, director of equities research at JPMorgan in Tokyo.

As trade minister, Noda appointed Yoshio Hachiro, a former parliamentary affairs chief who once belonged to the leftist Social Democratic Party. He will play a key role as Japan works out a national energy policy in the wake of the world's worst atomic crisis in 25 years at the tsunami-hit Fukushima plant.

Noda has distanced himself from his predecessor Naoto Kan's harsher anti-nuclear stance, but acknowledges that building new reactors will be impossible given public safety concerns.

Motohisa Furukawa, 45, a former deputy chief cabinet secretary, takes over as national strategy and economics minister while Koichiro Gomba, 47, a former national strategy minister, becomes foreign minister.

Gomba must work to tighten ties with security ally the United States, which frayed after the DPJ swept to power, while trying to maintain relations with China — often strained by present rivalries and disputes over their wartime past. — Reuters

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