

All you need is
just 5 minutes!

\\ Learning with Meri and Hari /

The Guide to Tokyo's FY2024 Budget Proposal

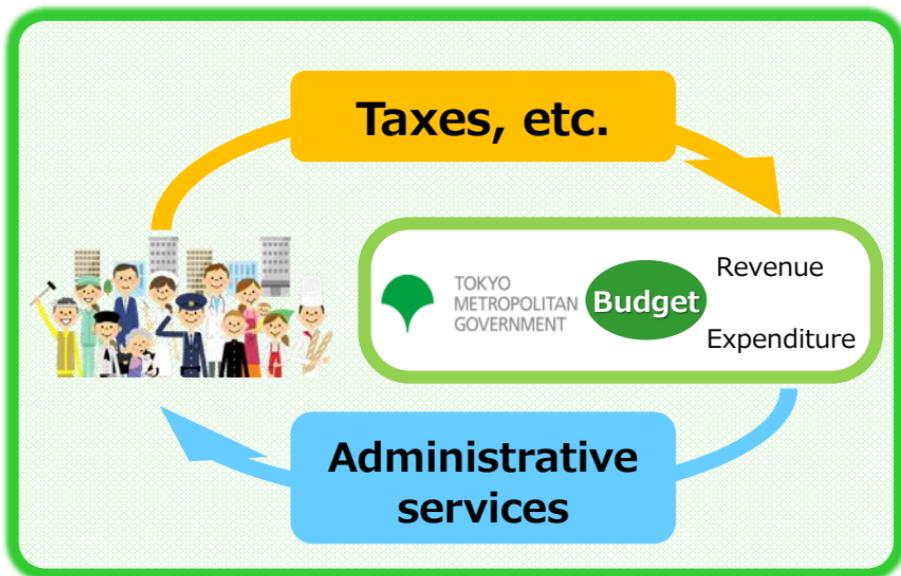


Meri



Hari

What is Tokyo's budget?



The estimated revenues and expenditures for one fiscal year are compiled in a budget. The Tokyo Metropolitan Government (TMG) uses the taxes paid by the residents of Tokyo to provide administrative services, including disaster prevention and welfare measures.

I see.

It's like an annual business plan!



How big is the budget?

About the same size as some national budgets: **16.6 trillion yen**

Account Type	FY2024 Budget	Remarks
Total accounts	JPY 16.6T	
General account	JPY 8.5T	For administrative services such as disaster prevention and welfare measures, based on taxes
Special accounts	JPY 6.2T	For specific objectives such as management of metropolitan housing
Public enterprise accounts	JPY 1.9T	For water supply and sewerage and other enterprises managed by the TMG

Compared to, for example,



Sweden's budget
19.0 trillion yen



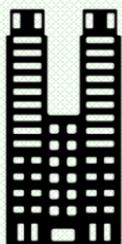
Czech's budget
14.5 trillion yen

※ Budget amounts in yen are calculated at the exchange rates as of January 2024.

The general account budget, which is mainly prepared from taxes, is now **8.5 trillion yen**. Next, let's take a look at **the overall picture**.



Budget overview



Budget size

General account total expenditures

8.4530 trillion yen

(+412.0 billion yen, +5.1%)



General expenditures

Policy related spending

6.3702 trillion yen

(+434.8 billion yen, +7.3%)



Tax revenue

The TMG tax revenue amount, including corporate inhabitant and enterprise taxes, and fixed assets tax

6.3865 trillion yen

(+185.5 billion yen, +3.0%)



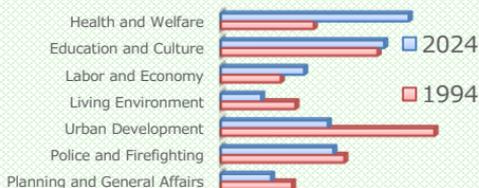
So, the FY2024 budget is bigger than last year's. Where is all that money going?

for FY2024

※The numbers in brackets () are the changes from the FY2023 budget.

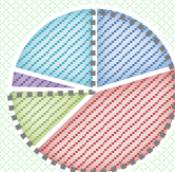
- **A budget increase over the previous year with 741 new projects**

Budget per Tokyo resident



- **Increase of 434.8 billion yen** mainly due to an increase in measures to realize a society where people shine

Breakdown

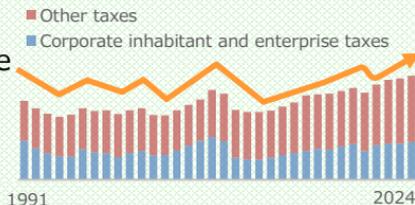


General expenditures

- Salary-related expenses
- Other ordinary expenses
- Investment expenses
- Expenses for public bonds
- Tax-related expenses, etc.

- **Increase of 185.5 billion yen** mainly due to increases in corporate inhabitant and enterprise taxes from steady business revenues, and increases in fixed assets tax and city planning tax

Changes in metropolitan tax revenue



A main focus of the budget is measures to realize **a society where everybody, from children to older people, can shine.**



What approaches are taken

Promotion of policy review, project review and group cooperation project review

Initiatives to bolster the reorganization of measures



✓ Policy review

13 policy groups
(113 projects in total)

✓ Project review

1,515 reviews
126.6 billion yen

* Policy review: Published policy reviews

* Project review: Published project reviews (top), Amount of finances secured (bottom)

Utilization of funds



Money is set aside in funds for future expenditure increases and other needs

✓ Balance of funds (*): **1.5813** trillion yen

* Based on the ordinary account

Utilization of TMG Bonds



To adjust financial resources between fiscal years and strive for intergenerational equity

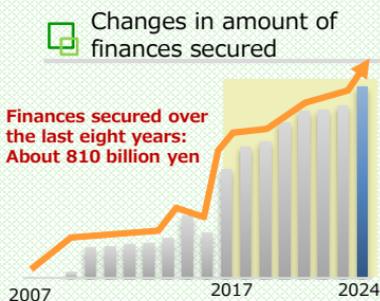
✓ TMG bonds issued : **312.7** billion yen

✓ TMG bonds balance : **4.7324** trillion yen

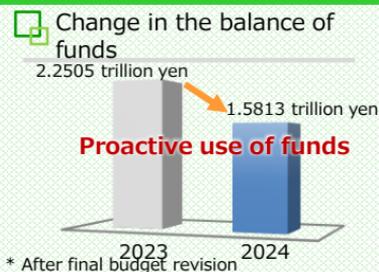
It's a budget to advance Tokyo's steps toward a sustainable future! But it seems like that will take a lot of money. **How does Tokyo secure its fiscal resources?**

in budget compilation?

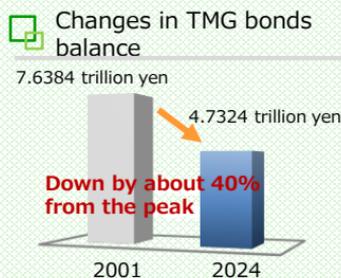
- **Renewal of policies are boosted even more** through the newly established group cooperation project review in addition to policy and project reviews.



- In order to steadily promote urban resilience and other measures, **funds are actively used while also securing a certain amount of savings.**



- Giving consideration to burdens on future generations, TMG bonds are used in a planned manner. The TMG bonds balance **has decreased by about 40 percent from its peak.**



That's done through various approaches in fiscal management, such as bolstering the reorganization of measures and utilizing funds and TMG bonds.



Eight Pillars of the FY2024 Budget

In order to pave the way to a bright future for Tokyo and Japan, key measures are arranged under eight pillars to strive for the structural transformation of industry, economy, and society, and to achieve a bright Future Tokyo where each and every individual shines.

Inclusive society where everyone can shine and be successful as they are

A City Full of the Smiles of Children

Financial and economic city creating innovation

World city of choice full of a wide variety of attractions

The World's Safest, Most Secure and Resilient City

Respond to the climate crisis and accelerate decarbonization

Promotion of the Tama area and the Tokyo islands
Promotion of Smart Tokyo and Shin-Tosei (Structural Reform of the TMG)

※The budget for each pillar includes projects that are also covered under other pillars.



Can you tell me what specific projects will be undertaken?



Okay, let's take a look at each of these **eight pillars to check out some specific projects included in the budget.**

Inclusive society where everyone can shine and be successful as they are

JPY **287.2** bn

Tokyo will become a society where everyone can live without fear, shine in their own way, and lead active lives.



Key new and expanded projects

- **Establishment of career center for seniors**
- **Housing support special allowance project for care workers and care managers**
- **Employment environment development project toward promotion of women's empowerment**

etc.



A City Full of the Smiles of Children

JPY **856.0** bn

Tokyo will become a society where children come first, through the provision of support so that residents can feel more secure about having and raising children, and the fostering of talent for the future.



Key new and expanded projects

- Support for egg freezing
- Lighten the burden of expenses for school meals
- Actually tuition free at metropolitan and private high schools, etc.

etc.



Financial and economic city creating innovation

JPY **501.3** bn

We will support startups and encourage SMEs to take on challenges, and realize a city where innovation is born and continues to grow.



Key new and expanded projects

- Operation of Tokyo Innovation Base
- Public-private impact growth fund (provisional name)
- DX promotion support project for SMEs

etc.



World city of choice full of a wide variety of attractions

JPY **485.5** bn

We will fully utilize Tokyo's potential, including its green spaces, communities, and culture, and realize a city brimming with attractions.



Key new and expanded projects

- Strongly promote Tokyo Green Biz
- Host "SusHi Tech Tokyo 2024"
- Promotion project of the nature experience tourism enjoyable for everyone

etc.



The World's Safest, Most Secure and Resilient City

JPY **897.4** bn

We will realize a safe, secure, and resilient city with a quality health care and other systems, where the lives and livelihoods of the residents are protected from disasters such as enormous earthquakes and floods.



Key new and expanded projects

- Promoting the removal of utility poles
- Small and medium-sized river development
- Promotion of apartments easy to keep life even in the event of a disaster

etc.



Respond to the climate crisis and accelerate decarbonization

JPY **222.8** bn

By promoting energy conservation and accelerating the use of renewable energy, we will achieve “Carbon-Half” by 2030 and Zero Emission Tokyo beyond that.



Key new and expanded projects

- Perovskite solar cell social implementation promotion project
- At-house zero emission action promotion project
- Green hydrogen production and utilization project

etc.



Promotion of “Smart Tokyo” and “Shin-Tosei” (Structural Reform of the TMG)

JPY **175.7** bn

The quality of Tokyo’s administrative services will be enhanced through deepening service reform using digital technologies, such as the realization of a “connected Tokyo.”



Key new and expanded projects

- Promotion of children DX such as a one-stop support for daycare center admission, etc.
- Procedure simplification project
- Construction and operation of the regional digital currency platform “Tokyo Tokyo Point (provisional name)”

etc.



Promotion of the Tama area and the Tokyo islands

JPY **263.3** bn

In order to raise the vitality and appeal of the Tama and the Tokyo islands and achieve sustainable development, we will promote initiatives that leverage the resources and unique characteristics of the communities.



Key new and expanded projects

- The Tama area and the Tokyo islands regional interaction workcation experience tour
- Promotion campaign for attracting guests to the Tama area
- Development of activities at cruise ship ports in the Tokyo islands

etc.



Revenues and Expenditures (General Account)

Revenues

Category	F Y 2 0 2 4	F Y 2 0 2 3	Difference
Metropolitan taxes	6,386 bn	6,201 bn	185 bn
Local transfer taxes	64 bn	67 bn	— 3 bn
National treasury disbursements	379 bn	388 bn	— 10 bn
Funds transfers	715 bn	502 bn	213 bn
TMG bonds	313 bn	291 bn	22 bn
Other revenues	597 bn	592 bn	5 bn
Total	8,453 bn	8,041 bn	412 bn

Expenditures

Category	F Y 2 0 2 4	F Y 2 0 2 3	Difference
General expenditures	6,370 bn	5,935 bn	435 bn
Ordinary expenditures	5,298 bn	4,908 bn	390 bn
Salary-related expenses	1,723 bn	1,624 bn	99 bn
Other ordinary expenditures	3,575 bn	3,284 bn	291 bn
Investment expenses	1,072 bn	1,028 bn	44 bn
Expenses for public bonds	324 bn	344 bn	— 20 bn
Tax-related expenses, etc.	1,759 bn	1,761 bn	— 2 bn
Total	8,453 bn	8,041 bn	412 bn

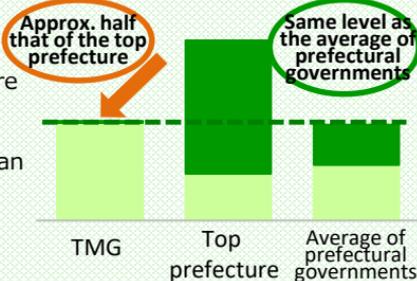
*Tabulated figures are rounded to the nearest billion. **16**

■ Money that can be used for one resident

- When grants provided by the national government to cover tax revenue disparities among local governments are added to each local government's tax revenues, the amount of money that can be used for one resident in Tokyo is at about the average of prefectural governments and is definitely not high.

□ Amounts of general revenue resources per capita

■ Local taxes ■ Local allocation tax grants, etc.



■ Local Corporate Taxation Reviews

- Despite this fact, through unreasonable revisions of the system up to now, Tokyo's tax revenues amounting to 1.3 trillion yen in FY 2024—a whopping total of 9.2 trillion yen since FY 2008—have been taken away from Tokyo.

Just how much is 9.2 trillion yen?



Almost equal to expenses for earthquake countermeasures taken by the TMG up to the 2040s.



Taxes per Tokyo citizen of about 100,000 yen annually and about 700,000 yen on a cumulative basis have been lost!



- Rather than having local governments scramble for a larger share of the limited financial resources, it would be more important to have a tax and fiscal system that considers the roles that local governments should play for the sustainable growth of all of Japan.



We need a tax and fiscal system that facilitates the growth of all of Japan!

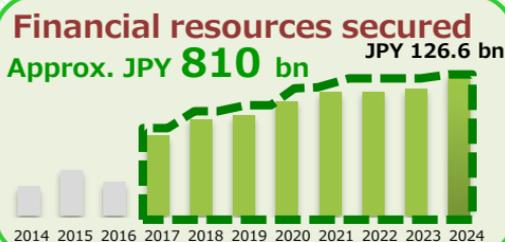


There are an increasing number of matters to be addressed, such as countermeasures against the low birth rate and earthquakes. How does TMG finance these countermeasures?

The TMG makes efforts to reduce unnecessary spending in preparation for the future!



- In order to ensure the fulfillment of the mission imposed on the TMG with limited financial resources, we have been striving to improve the efficiency of projects and strengthen initiatives to reduce unnecessary spending.
- We secured financial sources of approx. **810.0 billion yen** cumulative from FY 2017 through initiative for **project reviews**.
- Regarding budget requests for projects that need to be reviewed, by setting the maximum request at an amount lower than the previous fiscal year what is called “**minus-ceiling**”, **each department is encouraged to review projects voluntarily**.



It is important to continuously make efforts to reduce unnecessary spending.

Reference: Breakdown by Categories (General Account)

**FY2024 budget by category, assuming that
the total budget is 10,000 yen**

Category	Breakdown of 10,000 yen
Health and Welfare e.g., measures to address the falling birthrate and the graying population	1,905 yen
Education and Culture e.g., the enhancement of school education	1,654 yen
Labor and Economy e.g., revitalization of industry	842 yen
Living Environment e.g., climate change countermeasures	408 yen
Urban Development e.g., road development	1,081 yen
Police and Firefighting e.g., police and fire fighting activities	1,138 yen
Planning and General Affairs e.g., staff training and welfare	508 yen
Public Bonds e.g., principal and interest redemption of TMG Bonds	383 yen
Tax-related Expenses, etc. e.g., subsidies to municipalities	2,081 yen
Total	10,000 yen

※ Figures are rounded off to the nearest one yen.

I think I now understand Tokyo's budget. While using a lot of ingenuity, Tokyo is advancing efforts to become an even better city!



That's right, Hari! Tokyo has to keep on firmly managing its finances. And it's not just for us, but for the future of our children!

That's so true! Now, I want to learn more about what other initiatives Tokyo is taking!



Hari, you're so earnest! I really admire that in you. You can find more information on the TMG website.
[Check here](#)

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