E-mail Newsletter from Mayor of Okayama (127) May 1, 2020 Issue

[Regarding a supplementary budget proposal for May 2020]

Hello, I'm OMORI Masao, Mayor of Okayama.

Today, May 1<sup>st</sup>, we announced a supplementary budget proposal for May as an emergency response to the novel coronavirus infection. This supplementary budget proposal is organized to implement as quickly as possible endeavors to prevent the spread of infection such as strengthening the health and medical services as well as measures necessary to protect the regional economy and citizens' lives that are heavily affected, which are the biggest challenges at this moment. The supplementary budget amount is approximately 77.7 billion yen in general accounting, and the financial resources are mainly covered by national The city's general fund will increase spending by roughly 3.6 expenditures. billion yen, and it will respond by breaking into about one-fourth of the 14.4 billion yen in the fiscal adjustment fund that it has accumulated to take advantage of unforeseen events such as this kind of situation. In terms of future fiscal management, it will be a big reduction, but we have secured the maximum budget at the moment. Let me introduce the main contents about it.

In response to the regional economy, our view that "The city would not be able to exist without business activities" encourages us to conduct as much support as possible now such as budget 2.5 billion yen by the city alone to small and medium-sized enterprises that have been damaged hard. First, in order to prop up the business continuity of small and medium-sized enterprises, we will establish our own "Business continuity support fund". In any month from February to June of this year, we will urgently provide 200,000 yen to small and medium-sized enterprises and 100,000 yen to small-scale enterprises in the city, which sales have decreased by more than 20% year-on-year. This support fund has started accepting applications from today. The application is received only by mail so as to inhibit infections. In addition, in order to contribute to business operators who change their business operations effected by the stay-at-home order, we will establish the "Business improvement subsidy". We will subsidize small and medium-sized enterprises up to 200,000 yen and small-scale enterprises up to 100,000 yen for expenses necessary for developing sales channels of Internet mail order or delivery and introducing telework. Business operators whose sales of more than 50% compared to the previous year decreased are eligible for receiving this subsidy. We will prepare promptly for the start of applications in June. Okayama Chamber of Commerce and Industry and the City of Commerce and Industry are in charge of the reception of applications.

Furthermore, in support of citizens' lives, we are scrambling to provide 100,000 yen as "Special fixed benefit" for each person as soon as possible. With the cooperation of related organizations and vendors during the long holidays, we will accept applications from today and deposit around May 12<sup>th</sup> at the earliest for online applications using a "My Number Card", while we will mail an application form and deposit around May 25<sup>th</sup> at the earliest for mail applications. Also, municipal elementary and junior high schools, which will be extended provisional shut down until May 20<sup>th</sup>, will be supported home learning by adding ICT teaching materials besides study handouts that have been using.

This budget proposal was organized specifically on what needs to be addressed promptly. We have not carried out such massive support measures even at the time of Lehman shock, and currently there are few municipalities in Chushikoku that are providing business continuity support as a city independent project. In the future, if further emergency measures are needed in accordance with the situation of infections to be settled, we will promptly conduct support measures. Also, we would like to flexibly organize budgets while responding to the government's movements for dealing with economic recovery and initiative to spur consumption implemented aggressively after the infections is controlled.