

Government Finalizes Budget Proposals for Upcoming Fiscal Year

At an extraordinary session of the Cabinet on December 24, the Japanese government decided upon its budget proposals for the fiscal year 2007 (which begins on April 1, 2007).

The combined nuclear-related budgets of the Ministry of Education, Culture, Sports, Science and Technology (MEXT) and the Ministry of Economy, Trade and Industry (METI) will be ¥439.1 billion (\$3.69 billion at \$1=¥119), up 1.2% from the previous fiscal year. The increase is smaller than the 9.1% asked for by the two ministries, but both were able to secure the necessary funding for their most important programs. The special account for electric power source development promotion will be included in an account for power source development promotion, which is part of the special account for energy (tentative name) – the latter being combined with the special account for petroleum. The account for power source development promotion is then subdivided into the categories of power-source siting and power-source use.

MEXT's total nuclear-related budget was slightly reduced, to ¥262.1 billion (\$2.203 billion), 1.6% below the figure in FY06, and much less than the 6.7% increase that it had requested. However, the total budget related to FBR cycle development was set at ¥40 billion (\$340 million), up 9%. Among the important budget items were: ¥8.8 billion (\$74 million) for the fast breeder reactor (FBR) Monju, ¥3.2 billion (\$27 million) for the advanced test reactor (ATR) Joyo, ¥4.4 billion (\$37 million) for technology to manufacture MOX fuel, ¥3.8 billion (\$32 million) for FBR-related development, ¥6.5 billion (\$55 million) for research on practical FBR applications, and ¥3.0 billion (\$25 million) for R&D on nuclear systems. The sum earmarked for the ITER Project for the next fiscal year was set at ¥5.4 billion (\$45 million), about quadruple the FY06 level, while the budget for J-PARC was reduced 14%, to ¥26.8 billion (\$225 million). A new-item budget request of ¥4.7 billion (\$40 million), needed to establish a system to reserve funds for disposal of radioisotope and waste from research institutes, was assessed at zero.

The size of the disbursement from the national treasury to the Japan Atomic Energy Agency (JAEA) was set at ¥189.7 billion (\$1.594 billion), up ¥60 million – the first such increase in a decade.

For free-electron X-ray lasers, a sum of ¥7.5 billion (\$63 million) was approved, three times the budget of FY06.

For its "Plan to Make Japan a Nuclear Energy Powerhouse," METI received ¥177 billion (\$1.49 billion), up 5.5%. Although the total METI budget was ¥13 billion (\$110 million) less than requested, the Ministry was able to secure funding for all new projects, including development of FBR cycle technology.

Important METI nuclear-related budget items can be broken down as follows: ¥15.1 billion (\$127 million) for the development of FBR cycle technology, securing uranium resources, human resource development, etc. (up 12.7%); ¥32.3 billion (\$271 million) for items related to the Nuclear and Industrial Safety Agency (NISA) (down 3.9%); ¥128.9 billion (\$1.083 billion) for various grants related to coexistence and co-prosperity with local communities (up 7.7%); and ¥700 million (\$6 million) for others.

Among new projects, METI received ¥3.5 billion (\$29 million) for research on practical applications of the FBR cycle (less than the ¥4 billion requested), and ¥1.0 billion (\$8.4 million) to support exploration for uranium overseas (less than the ¥1.3 billion requested). As for Nuclear and Industrial Safety Agency, a sum of ¥2.2 billion (\$18 million) was awarded to measures to deal with aging reactors (up 59%), with another ¥1.4 billion (\$12 million) going to seismic safety measures (unchanged from the current fiscal year), and ¥8 billion (\$70 million) to disaster countermeasures in the field of nuclear energy and the protection of nuclear materials (up 4.8%).

The total amount given to the special account for energy (tentative name) was ¥944.1 billion (\$7.933 billion), down 3.8%. The account to promote power source development got ¥375.1 billion (\$3.152 billion), down 7%, of which ¥200.5 billion (\$1.684 billion) goes to power-source siting measures (up 2.9%), and ¥174.6 billion (\$1.467 billion) to power-source use measures (down 16.3%).

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