



Japanese Economy Monthly Forecast

March 2018

Yoshihisa Inada,
Head of Center for Quantitative Economic Analysis, APIR
e-mail: inada-y@apir.or.jp

Headlines

●Review of data released in March

▶ Official 2nd preliminary GDP data reports that **2017Q4 real GDP** grew by 1.6% SAAR, up from 1st preliminary figure (+0.5% SAAR). As a result, real GDP for CY 2017 grew 1.7% from a year earlier, up from preliminary figure (+1.6%).

▶ The **industrial production index** in February rose 4.1% MoM, up for the first time in two months. But the gain in February didn't cancel out the drop in January.

▶ The average January-February **durable consumer goods index** dropped 3.2% from the Q4 average, while the average **non-durable consumer goods index** rose 0.6%. It is expected that real **private final consumption expenditure (PFCE)** will stall in 2018Q1.

▶ After updating February data, forecast for **real private housing** and **change in corporate inventory** were revised up from the previous week, while that for **real private capital expenditure** was revised down.

▶ The average January-February **public works contract amounts**, a leading indicator of public works expenditure, fell by a large 8.3%

▶ The January-February average for net exports fell from the Q4 average both in volume and in real value terms.

●2018Q1 GDP growth forecast update

▶ This week's Current Quarter Model **demand-side forecast for real GDP** in 2018Q1 was -1.0% annualized QoQ growth. This was a small downward correction from last week.

▶ As the forecast trend (Figure 1) shows, our Current Quarter Model's principal components (production-side) forecast was for +0.1% QoQ annualized real GDP growth. A bounce back in the industrial production in February was not large enough to make up for the large drop in January. Thus, the production-side forecast was a smaller plus growth than expected.

●2018Q1 inflation forecast update

▶ In February, the **core consumer price index** grew 1.0% YoY for a 14th consecutive monthly increase. In seasonally adjusted terms, it rose 0.1% MoM, up for the 2nd consecutive month.

▶ This week, the Current Quarter Model forecasts the **private final consumption expenditure deflator** to grow by 0.6% QoQ in 2018Q1, and the **domestic demand deflator** to also grow by 0.3% QoQ. As terms of trade are expected to worsen, the **GDP deflator** is forecast to fall just -0.1% QoQ in Q1 (see Figure 2).

Fig 1 CQM Forecast: Real GDP growth rate Jan-Mar (Q1) 2018 (% , QoQ annualized growth)

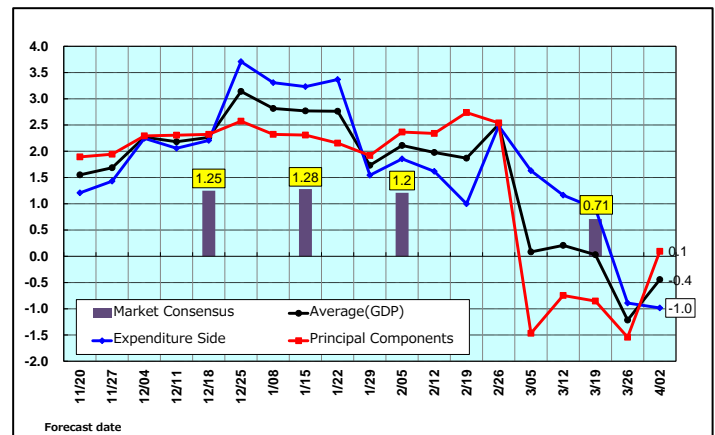
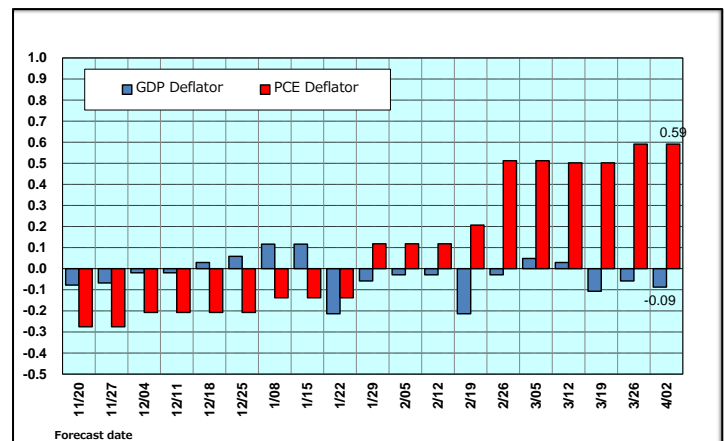


Fig 2 CQM Forecast: Inflation Jan-Mar (Q1) 2018 (% , QoQ growth)



発行日 Release Date	データ 該当月 Data Month	経済指標 Economic Indicator	数値・指標値 Value/ Index Score	動態 Change		
				前月比 MoM	前年比 YoY	
3/30	2月 February	労働力調査 Labour Force Survey				
		就業者数 (100万人) Total employment (millions)	66.45	+0.51	-	
		失業者数 (100万人) Total unemployment (millions)	1.69	+0.09	-	
		失業率 Unemployment rate (%)	2.5	+0.1%pt	-	
	2月 February	一般職業紹介状況 General Job Placement Situation				
		有効求人倍率 Job offer ratio	1.58	-0.01pt	-	
	2月 February	鉱工業指数 (2010年=100: 速報値) Indices of Industrial Production (interim figures, 2010=100)				
		生産 Production	103.4	+4.1%	-	
		出荷 Shipments	100.4	+2.2%	-	
		在庫 Inventory	109.9	+0.9%	-	
	2月 February	新設住宅着工 New Housing Starts				
		新設住宅着工戸数 New housing starts (SA, Unit)	69,071	+8.2%	-2.6%	
		工事費予定額 (10億円) Planned dwelling construction cost (billion JPY)	1,121.5	+7.9%	-4.5%	
	1月 January	建設工事費デフレーター (2011年=100) Construction Costs Deflator (2011=100)				
		住宅建築 Housing construction	106.0		+1.6%	
		公共事業 Public works	107.3		+1.8%	
	3月 March	東京都都区消費者物価指数 (2015年=100) National Consumer Price Index (2015=100)				
		コア Core	100.2	-0.2%	+0.8%	
3/29	2月 February	商業動態統計 (速報値) Current Survey of Commerce (interim figures)				
		小売業 (10億円) Retail trade (billion JPY)	10,963	+0.4%	+1.6%	
	2月 February	製造業部門別投入・産出物価指数 (2011年=100) Manufacturing Industry Input-Output Price Index (2011=100)				
		投入物価 Input price	98.3	-	+3.6%	
		産出物価 Output price	99.8	-	+1.8%	
3/27	2月 February	企業向けサービス価格指数 (2010年=100) Corporate Service Price Index (2010=100)				
		総合指数 Overall index	103.9	+0.2%	+0.6%	
3/23	2月 February	全国消費者物価指数 (2015年=100) Tokyo Region Consumer Price Index (2015=100)				
		コア Core	100.6	+0.1%	+1.0%	
3/22	1月 January	産業活動指数 (2010年=100) Industrial Activity Indices (2010=100)				
		全産業 All industries	104.5	-1.8%	-	
		建設業 Construction industry	115.1	+1.7%	-	
3/20	1月 January	景気動向指数 (2010年=100: 改訂値、前月差) Index of Business Conditions (revised, 2010=100)				
		先行 Leading indicator	105.6	-1.2	-	
		一致 Consensus	114.9	-4.8	-	
		遅行 Lagging indicator	119.4	+0.5	-	
3/19	2月 February	貿易統計 (通関ベース) Trade Statistics (customs clearance level)				
		貿易収支 (10億円) Trade balance (billion JPY)	3.4	-157.2%	-99.6%	
		輸出 Exports (billion JPY)	6,463.0	-1.0%	+1.8%	
		輸入 Imports (billion JPY)	6,459.6	+7.5%	+16.5%	
3/16	1月 January	鉱工業指数 (2010年=100: 確報値) Indices of Industrial Production (official, 2010=100)				
		生産能力指数 Production capacity index	94.4	-	0.0%	
		稼働率指数 Operation ratio index	97.2	-7.3%	-	
		生産 Production	99.3	-6.8%	-	
		出荷 Shipments	98.2	-5.7%	-	

		在庫 Inventory	108.9	-0.5%	-
	1月 January	建設総合統計 Overall Construction Statistics			
		民間建築：非居住 (10 億円) Private construction: Non-residential (billion JPY)	907.1	-	+8.3%
		公共工事 (10 億円) Public works (billion JPY)	2,094.8	-	+2.2%
3/15	2月 February	公共工事前払金保証統計 Public Works Advanced Securities Statistics			
		請負金額 (10 億円) Contract amount (billion JPY)	613.9	-	-20.2%
		請負件数 Number of contracts	11,018	-	-21.1%
3/14	1月 January	民間コア機械受注 (10 億円) Private Core Machinery Orders (billion JPY)	872.3	+8.2%	-
3/13	2月 February	国内企業物価指数 (2015 年=100) Domestic Corporate Price Index (2010=100)			
		企業物価 Corporate Price	100.3	0.0%	+2.5%
		輸出物価 Export Price	96.1	-1.1%	+0.8%
		輸入物価 Import Price	96.6	-0.1%	+4.4%
	1月 January	第3次産業活動指数 (2010 年=100) Tertiary Industry Activity Index (2010=100)	105.2	-0.6%	-
	1月 January	消費総合指数 (2011 年=100) Synthetic Consumption Index (2011=100)	104.4	0.0%	
3/12	1月 January	情報サービス業売上高 (10 億円) Information Services Industry Sales (billion JPY)	792.2	-	+0.4%
3/9	1月 January	毎月勤労統計 (速報値) Monthly Labour Statistics (interim figures)			
		現金給与総額 Total cash salary per capita (JPY)	271,640	-	+0.7%
		総実労働時間 Total working hours	133.2	-	-0.4%
3/8	2月 February	景気ウォッチャー調査 (前月差) Economy Watchers Survey			
		現状判断 DI Current Conditions Diffusion Index	48.6	-1.3	-
		先行き判断 DI Future Conditions Diffusion Index	51.4	-1.0	-
	1月 January	国際収支 Balance of Payments			
		経常収支 (10 億円) Current account (billion JPY)	607.4	+20.6%	+538.1%
		輸出 Exports (billion JPY)	6,226.4	+2.4%	+12.7%
		輸入 Imports (billion JPY)	6,893.0	-1.5%	+8.1%
3/7	1月 January	景気動向指数 (2010 年=100: 速報値、前月差) Index of Business Conditions (interim, 2010=100)			
		先行 Leading indicator	104.8	-1.8	-
		一致 Consensus	114.0	-5.7	-
		遅行 Lagging indicator	119.5	+0.5	-
	2月 February	食料安定供給収支 (10 億円) Stable Food Supply Payment Balance (billion JPY)	2.49		+0.2
3/2	1月 January	消費活動指数 (2010 年=100) Consumption Activity Index	103.5	+0.4%	
	1月 January	労働力調査 Labour Force Survey			
		就業者数 (100 万人) Total employment (millions)	65.95	+0.42	-
		失業者数 (100 万人) Total unemployment (millions)	1.6	-0.23	-
		失業率 Unemployment rate (%)	2.4	-0.3%pt	-
	1月 February	一般職業紹介状況 General Job Placement Situation			
		有効求人倍率 Job offer ratio	1.59	0.00pt	-
3/1	2月 February	乗用車新車販売台数 New Car Sales (vehicles)	401,806	-	-2.8%
	2月 February	消費者態度指数 (前月差) Consumer Confidence Index (SA)	44.3	-0.4	-