APIR 一般財団法人 アジア太平洋研究所
ASIA PACIFIC INSTITUTE OF RESEARCH

For inquiries: +81-(0)6-6485-7694
Ryosuke Nomura, Yani Karavasilev

Japanese Economy: Analysis and Forecasts No.159

31 August, 2026

Macroeconomic Analysis Project

▸This report is a summary of the economic analyses and forecasts made by APIR's macroeconomic analysis project team.

▸The project team consists of young professionals from member companies and APIR researchers, and is headed by Yoshihisa Inada, Director of the APIR Center for Quantitative Economic Analysis and Professor Emeritus of Konan University.

▸This report and the forecasts in it were co-authored by Yoshihisa Inada and Mitsuru Shimoda from the Japan Applied Research Institute.

▸This project is part of a 40-year research collaboration between young business professionals and academics, and its forecasts are used widely.

▸The project was originally established by Chikashi Moriguchi and Kanemi Ban, Professors Emeritus of Osaka University. In 2005, we incorporated Current Quarter Model (CQM) forecasts into our quarterly macroeconomic forecast model.

▸Aiming to provide a timely response to changes in the economy, this report has been published quarterly since 2004.

Index

Forecast Highlights

The Impact of Policy Changes Regarding the Consumption Tax on the Japanese Economy
- Real GDP Growth Forecast: FY26 +0.9%, FY27 +1.2% -

◆ According to the preliminary GDP report released on August 17, real GDP grew 0.3% QoQ in Q2 2026, or 1.1% annualized. This marked the third consecutive quarter of positive growth, although growth slowed from 1.9% QoQ in Q1. The preliminary estimate was below both the market consensus (1.67%, August ESP Forecast survey) and CQM's average final forecast (2.4%). The weaker-than-expected result reflected several special factors that CQM did not capture.

◆ CQM overestimated household final consumption expenditure and underestimated government final consumption expenditure. The decline in household consumption following the elimination of high school tuition fees and free school lunches at public elementary schools was offset by higher public spending (Special Factor 1). A significant drawdown of national oil reserves also reduced real GDP growth, with changes in public inventories contributing -0.5 percentage points QoQ in Q2. This largely explains CQM's 0.4 percentage-point overestimate of GDP growth (Special Factor 2). Meanwhile, a temporary surge in service exports in April following the transfer of patent rights led to an underestimate of Q2 exports of goods and services (Special Factor 3).

◆ Compared with the pre-pandemic peak in Q3 2019, real GDP in Q2 2026 was 2.4% higher, marking the eighth consecutive quarter above that level (Figure 2). However, household consumption remained 0.6% below its pre-pandemic level, while private capital formation was only 0.6% higher. By contrast, service exports were 40.8% above their Q3 2019 level, remaining above the pre-pandemic peak for the 14th consecutive quarter. This strength, however, largely reflected a temporary boost from special factors rather than a sustained recovery in underlying demand, amid sluggish inbound tourism.

◆ We have revised our FY2026–2027 outlook to incorporate the first preliminary Q2 GDP estimate and updated assumptions for new exogenous variables. We now forecast real GDP growth of 0.9% in FY2026 and 1.2% in FY2027. The upward revision to GDP over the past three quarters, together with an expected easing of the impact of soaring crude oil prices, led us to raise our FY2026 forecast by 0.4 percentage points. We also raised our FY2027 forecast by 0.2 percentage points, partly reflecting the expected impact of a consumption tax cut (Figure 1).

◆ Real GDP growth is expected to briefly turn negative in Q1 2027 as households restrain consumption ahead of the tax cut. Thereafter, growth is expected to exceed the potential growth rate, led by household consumption and private non-residential investment (Figure 5).

◆ Core CPI is projected to rise 2.3% in FY2026 before slowing to 1.2% in FY2027, partly due to the consumption tax cut. Despite summer subsidies for electricity and city gas, inflation is expected to remain above 2% in FY2026 as higher import prices spread across a broad range of goods. The GDP deflator is projected to rise 2.3% in FY2026 and 1.9% in FY2027 (Figure 1 and 6).

◆ Our baseline assumes that the consumption tax rate on food will be cut to 1% from Q2 2027, with the equivalent amount provided as benefits to low- and middle-income households. This would raise FY2027 real GDP by 1.1 trillion yen (+0.2%) and household consumption by 0.7 trillion yen (+0.2%), while lowering core CPI by 1.0% and widening the fiscal deficit by 4.5 trillion yen (Figure 7).

Figure 1 Summary

	Current forecast（2026/8/20）				Previous forecast（2025/5/20）			
	2024	2025	2026	2027	2024	2025	2026	2027
Real GDP (%)	0.7	0.9	0.9	1.2	0.5	0.8	0.5	1.0
Private demand (contribution)	0.5	0.9	0.2	1.1	0.4	0.8	0.6	0.8
Private final consumption expenditure (%)	0.1	1.3	0.5	1.0	0.1	1.2	0.6	0.8
Private residential investment (%)	▲ 0.4	▲ 2.6	0.1	0.3	▲ 0.7	▲ 3.5	0.7	▲ 0.3
Private non-residential investment (%)	1.8	2.3	▲ 0.4	3.0	0.8	2.4	1.6	1.8
Private inventory changes (contribution)	0.2	▲ 0.1	0.0	0.0	0.2	▲ 0.1	▲ 0.0	0.1
Public demand (contirbution)	0.5	0.1	0.4	0.2	0.5	0.1	0.2	0.2
Government final consumption expenditure (%)	2.3	0.8	2.4	0.7	2.3	0.8	0.8	0.7
Public investment expenditure (%)	0.1	▲ 0.3	1.0	1.1	0.1	▲ 0.6	1.5	1.1
Public inventory changes (contribution)	0.0	0.0	▲ 0.1	0.0	0.0	0.0	0.0	▲ 0.0
External demand (contribution)	▲ 0.3	▲ 0.1	0.3	▲ 0.2	▲ 0.3	▲ 0.2	▲ 0.3	▲ 0.0
Exports of goods and services (%)	2.7	2.0	2.4	2.2	2.7	1.9	▲ 0.3	2.1
Imports of goods and services (%)	4.0	2.5	0.9	3.4	4.0	2.6	1.2	2.3
Nominal GDP (%)	4.0	4.3	3.3	3.1	3.7	4.2	1.7	3.9
GDP deflator (%)	3.2	3.3	2.3	1.9	3.2	3.4	1.1	2.9
Domestic corporate price index (%)	3.4	2.7	6.5	1.9	3.4	2.7	8.0	1.7
Core consumer price index (%)	2.7	2.7	2.3	1.2	2.6	2.8	2.4	2.4
Industrial production index (%)	▲ 1.5	▲ 0.2	1.5	0.7	▲ 1.5	▲ 0.2	0.4	1.1
New housing starts (%)	2.0	▲ 12.9	4.9	1.2	2.0	▲ 12.9	4.3	0.8
Unemployment rate (%)	2.5	2.6	2.5	2.4	2.5	2.6	2.7	2.6
Current account balance (JPY trillion)	30.0	34.6	29.2	30.5	30.0	34.5	17.2	20.4
% of nominal GDP	4.7	5.1	4.2	4.3	4.7	5.2	2.5	2.9
Crude oil price (USD/barrel)	76.9	68.4	80.3	73.0	76.9	68.4	88.0	75.5
USD/JPY exchange rate	152.5	150.7	156.4	151.5	152.5	150.7	156.5	151.5
USA real GDP (%, calendar year)	2.8	2.1	2.2	2.1	2.8	2.1	2.3	2.1

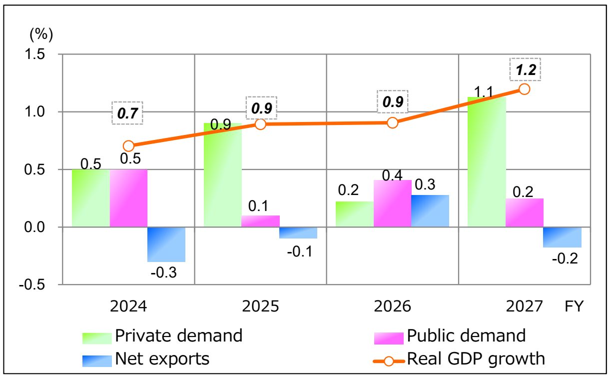
Note: Figures on private consumption, government spending, changes in private and government inventories and external demand represent contribution ratios. The rest of the figures reflect YoY changes. The crude oil price is the average of the WTI, Dubai and Brent Blend benchmarks. Highlighted columns represent actual values.
Source: Compiled by the author

Forecasts at a glance

Figure 2: Real GDP and the Recovery of Its Components

	GDP	Goods imports	Services import	Private final consumption expenditure	Private capital investment	Government spending	Goods exports	Services exports	Nominal GDP
19Q3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
22Q1	98.8	102.0	93.3	96.6	97.5	103.9	107.5	79.6	100.7
22Q2	99.7	104.2	93.0	98.1	98.3	104.4	107.1	84.3	101.3
22Q3	99.5	105.5	109.5	98.1	100.1	103.9	108.2	89.4	101.1
22Q4	100.0	106.7	104.7	98.4	99.4	105.1	108.0	94.1	103.3
23Q1	100.9	103.3	109.4	99.0	100.4	106.1	104.1	102.6	105.4
23Q2	100.9	99.0	109.1	98.0	100.0	104.3	105.1	106.1	107.3
23Q3	99.6	98.5	117.5	97.3	97.0	104.1	105.2	112.7	107.4
23Q4	100.1	102.7	115.2	97.3	99.4	104.0	105.6	123.8	108.5
24Q1	100.1	97.1	118.2	97.1	98.7	104.1	102.9	118.6	108.1
24Q2	99.9	99.6	125.4	97.1	98.9	106.0	102.3	124.8	110.1
24Q3	100.7	103.2	126.4	97.5	101.3	106.3	105.4	126.0	111.6
24Q4	101.1	100.5	126.2	97.6	99.7	106.2	105.7	133.1	112.9
25Q1	101.7	102.5	129.2	98.2	103.1	106.0	105.2	131.2	113.8
25Q2	101.9	104.5	130.5	98.3	103.4	106.5	107.2	132.3	115.9
25Q3	101.4	103.5	131.2	98.8	101.2	106.4	106.3	128.5	116.2
25Q4	101.6	102.8	133.3	98.9	101.6	106.7	105.5	132.3	117.3
26Q1	102.1	103.0	133.7	99.4	100.6	107.3	107.4	134.3	118.1
26Q2	102.4	101.4	131.8	99.4	100.6	107.1	106.4	140.8	119.5

Figure 3: Real GDP Growth Rate and Contributions by Component



Note: Due to rounding, the sum of the contributions for each item does not necessarily match the GDP growth

Figure 4: Contribution of Each Component to Real Private Demand

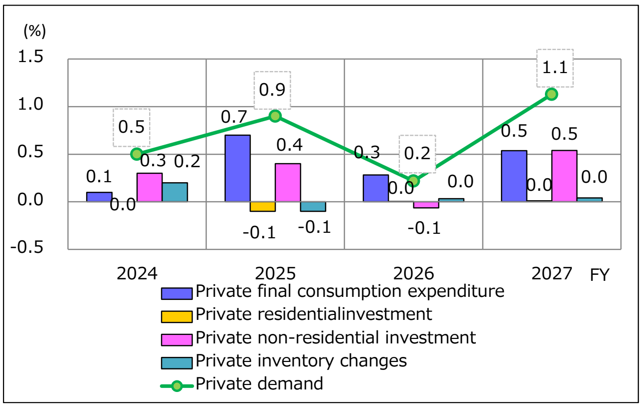
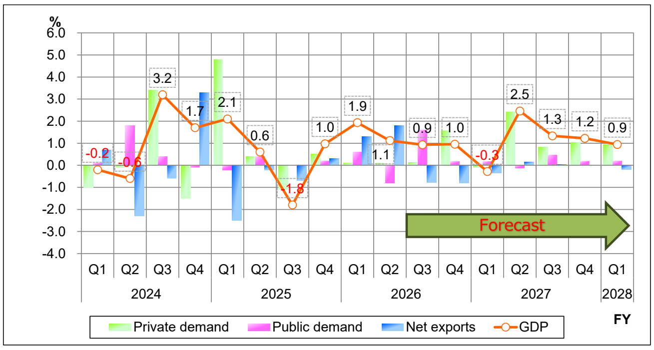


Figure 5: Quarterly Growth Rate Patterns: Negative growth was temporarily recorded in Q1 2027 due to consumers holding off on purchases ahead of the consumption tax cut on groceries.



Note: Actual figures are shown in Q2 of 2026; figures thereafter are forecasts.

Figure 6: Core CPI Inflation Rate: Projected at +2.3% for FY26 and expected to slow to +1.2% in FY27 due to a consumption tax cut

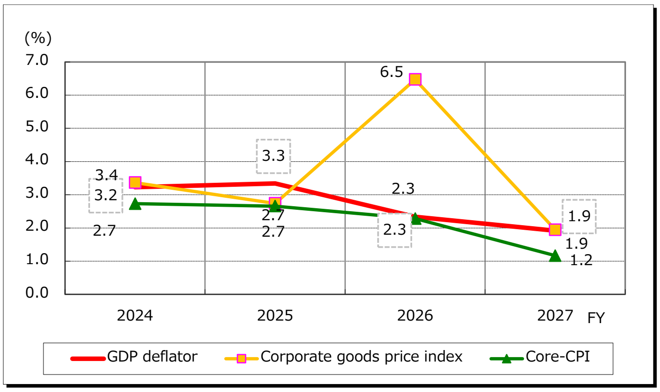


Figure 7: Impact of a 1% Consumption Tax Rate on Groceries and a Corresponding 1% Increase in Benefits: Baseline Scenario and No-Policy-Change Scenario

	GDP	Private Final Consumption Expenditures	Real Disposable Income	Core-CPI	General Government Cumulative Deficit
Baseline	607.1	314.0	338.8	103.9	1,432.0
Consumption Tax Rate on Groceries to Remain Unchanged	606.1	313.3	335.7	105.0	1,427.5
Difference	1.063	0.673	3.085	-1.072	4.514
Deviation Rate (%)	0.18	0.21	0.92	-1.02	0.32

Unit : Core CP is 2025=100; all others are in JPY

Source: Figures 2 was prepared by the author based on the Cabinet Office's "Preliminary Semi-Annual GDP Report for April–June 2026 (First Preliminary Estimate)." Figures 3–7 were prepared by the author.

Detailed Forecasts

Table 1. Main economic indicators

	Quarter												Fiscal year			
	25Q2	25Q3	25Q4	26Q1	26Q2	26Q3	26Q4	27Q1	27Q2	27Q3	27Q4	28Q1	2024	2025	2026	2027
Real GDP (JPY trillion)	595.0	592.3	593.8	596.6	598.3	599.7	601.1	600.7	604.3	606.3	608.2	609.6	589.3	594.6	599.9	607.1
	0.2	-0.4	0.2	0.5	0.3	0.2	0.2	-0.1	0.6	0.3	0.3	0.2	0.7	0.9	0.9	1.2
	1.9	0.7	0.5	0.4	0.5	1.2	1.2	0.7	1.0	1.1	1.2	1.5				
Nominal GDP (JPY trillion)	667.0	668.8	675.0	679.8	687.7	693.7	698.2	698.8	705.6	713.8	720.1	726.2	645.1	672.6	694.6	716.4
	1.8	0.3	0.9	0.7	1.2	0.9	0.7	0.1	1.0	1.2	0.9	0.8	4.0	4.3	3.3	3.1
	5.3	4.2	3.9	3.8	3.1	3.7	3.4	2.8	2.6	2.9	3.1	3.9				
GDP deflator (2020=100)	112.1	112.9	113.7	113.9	114.9	115.7	116.2	116.3	116.8	117.7	118.4	119.1	109.5	113.1	115.8	118.0
	1.6	0.7	0.7	0.2	0.9	0.6	0.4	0.2	0.4	0.8	0.6	0.6	3.2	3.3	2.3	1.9
	3.3	3.5	3.4	3.3	2.5	2.4	2.2	2.1	1.6	1.8	1.9	2.4				
Index of industrial production (2020＝100)	101.3	100.2	100.5	103.0	103.2	102.2	102.6	102.8	103.1	103.3	103.6	103.6	101.4	101.2	102.7	103.4
	-0.5	-1.0	0.2	2.5	0.3	-1.0	0.4	0.2	0.3	0.2	0.2	0.1	-1.5	-0.2	1.5	0.7
	0.1	-1.2	-1.3	1.2	1.9	2.0	2.1	-0.2	-0.1	1.1	0.9	0.8				
New housing starts (thousands)	155	180	189	187	189	187	186	185	187	190	186	192	816	711	746	755
	-28.5	16.0	5.1	-1.1	1.1	-1.3	-0.5	-0.2	1.2	1.2	-2.1	3.6	2.0	-12.9	4.9	1.2
	-25.2	-9.0	-2.1	-13.8	21.9	3.7	-1.8	-0.9	-0.8	1.7	0.1	3.9				
Domestic corporate goods price index (2020＝100)	126.5	126.7	127.9	128.9	134.6	135.8	135.9	136.7	137.3	138.3	138.9	139.1	124.1	127.5	135.8	138.4
	0.5	0.2	0.9	0.8	4.4	0.9	0.1	0.6	0.4	0.7	0.4	0.2	3.4	2.7	6.5	1.9
	3.3	2.6	2.6	2.5	6.4	7.2	6.3	6.0	2.0	1.8	2.2	1.8				
Core consumer price index (2020＝100)	100.0	100.2	100.9	100.5	101.5	102.2	103.4	103.7	103.1	103.7	104.3	104.5	97.8	100.4	102.7	103.9
	1.2	0.2	0.7	-0.4	0.9	0.7	1.2	0.3	-0.6	0.6	0.6	0.2	2.7	2.7	2.3	1.2
	3.5	2.9	2.7	1.7	1.5	2.0	2.5	3.1	1.6	1.5	0.9	0.8				
Wage earnings per worker (JPY thousand)	4374	4407	4440	4488	4548	4565	4606	4630	4670	4704	4746	4782	4307	4427	4587	4725
	0.8	0.7	0.7	1.1	1.3	0.4	0.9	0.5	0.9	0.7	0.9	0.8	2.4	2.8	3.6	3.0
	2.6	2.6	2.6	3.4	4.0	3.6	3.8	3.2	2.7	3.0	3.0	3.3				
Unemplpyment rate (%)	2.5	2.5	2.6	2.7	2.5	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.5	2.6	2.5	2.4
CD interest rate (%)	0.385	0.391	0.417	0.582	0.649	0.765	0.978	0.978	1.228	1.228	1.228	1.228	0.157	0.245	0.843	1.228
10-year government bond yields (%)	1.410	1.600	1.843	2.233	2.613	2.783	3.011	2.977	3.198	3.274	3.214	3.222	1.082	1.772	2.846	3.227
Current account balance (JPY trillion)	7.4	8.9	8.3	9.9	8.7	7.0	6.9	6.6	6.6	7.4	8.0	8.5	30.0	34.6	29.2	30.5
% of nominal GDP	4.4	5.3	4.9	5.8	5.0	4.0	4.0	3.8	3.7	4.1	4.4	4.7	4.7	5.1	4.2	4.3
Crude oil price (USD/barrel)	65.88	67.75	62.04	77.84	95.09	80.78	73.10	72.04	74.25	71.35	74.35	72.04	76.94	68.38	80.25	73.00
USD/JPY exchange rate	144.5	147.4	154.1	156.8	159.4	156.7	155.4	154.0	153.0	152.0	151.0	150.0	152.5	150.7	156.4	151.5
Government debt (JPY trillion)	1299.8	1311.5	1323.3	1335.0	1337.3	1350.1	1362.9	1375.7	1388.6	1403.3	1417.8	1432.0	1288.0	1335.0	1375.7	1432.0
	0.9	0.9	0.9	0.9	0.2	1.0	1.0	0.9	0.9	1.1	1.0	1.0	2.1	3.6	3.0	4.1
	2.5	2.9	3.3	3.6	2.9	2.9	3.0	3.0	3.8	3.9	4.0	4.1				
% of GDP	194.9	196.1	196.0	196.4	194.4	192.6	190.6	188.8	188.4	186.8	185.6	184.3	199.6	198.5	198.0	199.9
Fiscal balance (JPY trillion)	-28.3	-26.7	-27.4	-28.3	-40.4	-44.5	-48.0	-51.5	-57.4	-57.7	-58.2	-58.4	-36.7	-27.7	-46.1	-57.9

Notes: In the quarterly statistics, the figures in the first and second rows below the main series represent QoQ changes (%) and YoY changes (%) respectively. In the annual statistics, the figures under the main series represent YoY changes (%). In the GDP statistics (real, nominal, deflator), the first and second rows represent and QoQ and YoY growth rates (%) respectively. The YoY values were calculated using seasonally adjusted data, so they might differ from the official figures, which are not seasonally adjusted. Highlighted columns represent actual values.

Source: Compiled by the author

Table 2. Gross domestic expenditure (real)

JPY trillion (2020 chain prices), %

	Quarter												Fiscal year			
	25Q2	25Q3	25Q4	26Q1	26Q2	26Q3	26Q4	27Q1	27Q2	27Q3	27Q4	28Q1	2024	2025	2026	2027
Private final consumption expenditure	307.3	308.9	309.3	310.8	310.7	310.8	311.2	310.4	313.2	313.4	314.3	315.1	305.1	309.1	310.8	314.0
	0.1	0.5	0.1	0.5	0.0	0.0	0.1	-0.3	0.9	0.1	0.3	0.3	0.1	1.3	0.5	1.0
	1.3	1.3	1.4	1.3	1.1	0.6	0.6	-0.1	0.8	0.8	1.0	1.5				
Private residential investment	23.4	21.5	22.6	22.8	22.7	22.5	22.5	22.6	22.6	22.6	22.7	22.7	23.2	22.6	22.6	22.6
	0.5	-8.0	5.0	0.9	-0.5	-1.1	0.4	0.3	0.0	0.1	0.1	0.2	-0.4	-2.6	0.1	0.3
	2.2	-7.2	-3.3	-1.9	-2.9	4.4	-0.2	-0.8	-0.4	0.7	0.5	0.4				
Private non-residential investment	108.6	108.4	109.8	108.7	107.4	107.9	108.9	109.6	110.5	111.6	112.1	112.6	106.5	108.9	108.5	111.7
	1.4	-0.3	1.3	-1.0	-1.2	0.5	0.9	0.7	0.8	1.0	0.5	0.5	1.8	2.3	-0.4	3.0
	2.6	1.5	3.6	1.5	-1.1	-0.4	-0.8	0.9	2.9	3.4	2.9	2.7				
Change in private inventories	1.3	0.5	-1.4	-1.8	-0.4	-0.6	0.2	0.1	0.1	0.0	0.1	0.1	0.2	-0.4	-0.2	0.1
Government final consumption expenditure	122.0	122.1	122.6	123.1	125.1	125.3	125.5	125.7	125.9	126.2	126.4	126.7	121.5	122.5	125.4	126.3
	0.5	0.1	0.4	0.4	1.6	0.2	0.1	0.1	0.2	0.2	0.2	0.2	2.3	0.8	2.4	0.7
	0.4	0.5	0.8	1.5	2.6	2.6	2.3	2.1	0.7	0.7	0.8	0.8				
Government investment expenditure	27.8	27.5	27.4	27.8	27.7	27.8	27.9	28.0	28.1	28.1	28.2	28.3	27.7	27.6	27.9	28.2
	0.7	-1.1	-0.4	1.5	-0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.1	-0.3	1.0	1.1
	1.1	-1.4	-1.5	0.6	-0.1	1.3	2.0	0.8	1.2	1.1	1.1	1.0				
Change in government inventories	-0.10	-0.05	-0.08	-0.10	-2.34	-0.27	-0.28	-0.28	-0.79	-0.41	-0.44	-0.48	-0.05	-0.08	-0.79	-0.53
Net exports of goods and services	5.4	4.6	4.9	6.4	8.5	7.4	6.2	5.7	5.9	6.0	6.0	5.7	5.7	5.3	7.0	5.9
Exports of goods and services	107.7	106.2	106.4	108.2	108.7	109.6	109.9	110.4	111.1	111.7	112.5	113.0	105.0	107.1	109.7	112.1
	1.6	-1.4	0.1	1.7	0.5	0.8	0.3	0.4	0.6	0.6	0.6	0.5	2.7	2.0	2.4	2.2
	5.1	1.1	-0.3	2.1	1.0	3.2	3.4	2.0	2.1	2.0	2.3	2.3				
Imports of goods and services	102.2	101.6	101.5	101.8	100.2	102.2	103.7	104.7	105.2	105.8	106.5	107.3	99.3	101.8	102.7	106.2
	1.8	-0.6	-0.1	0.3	-1.5	2.0	1.5	1.0	0.4	0.6	0.7	0.7	4.0	2.5	0.9	3.4
	4.8	1.2	3.1	1.3	-2.0	0.5	2.2	2.9	4.9	3.5	2.7	2.5				
GDP	595.0	592.3	593.8	596.6	598.3	599.7	601.1	600.7	604.3	606.3	608.2	609.6	589.3	594.6	599.9	607.1
	0.7	-1.8	1.0	1.9	1.1	0.9	1.0	-0.3	2.5	1.3	1.2	0.9	0.7	0.9	0.9	1.2
	0.2	-0.4	0.2	0.5	0.3	0.2	0.2	-0.1	0.6	0.3	0.3	0.2				
	1.9	0.7	0.5	0.4	0.5	1.2	1.2	0.7	1.0	1.1	1.2	1.5				
Contirbution of domestic demand	0.2	-0.3	0.2	0.2	-0.2	0.4	0.4	0.0	0.6	0.3	0.3	0.3	1.0	1.0	0.6	1.4
of which, private demand	0.1	-0.3	0.1	0.0	0.0	0.0	0.4	0.0	0.6	0.2	0.3	0.2	0.5	0.9	0.2	1.1
of which, public demand	0.1	0.0	0.1	0.1	-0.2	0.4	0.0	0.0	0.0	0.1	0.0	0.0	0.5	0.1	0.4	0.2
Contirbution of net exports	0.0	-0.2	0.1	0.3	0.5	-0.2	-0.2	-0.1	0.0	0.0	0.0	0.0	-0.3	-0.1	0.3	-0.2
GNI	588.2	586.0	588.0	589.6	589.8	589.8	591.6	591.5	596.0	598.3	600.1	601.6	579.8	588.1	590.7	599.0
	3.4	-1.4	1.4	1.1	0.1	0.0	1.2	0.0	3.0	1.6	1.2	1.0	-0.2	1.4	0.4	1.4
	0.8	-0.4	0.3	0.3	0.0	0.0	0.3	0.0	0.7	0.4	0.3	0.3				
	2.4	1.2	1.1	1.1	0.3	0.6	0.6	0.3	1.0	1.4	1.4	1.7				

Notes: In the quarterly statistics, the figures in the first and second rows below the main series represent QoQ changes (%) and YoY changes (%) respectively. In the GDP quarterly series, the first row below the main series represents annualized QoQ changes (%), the second and third rows are QoQ and YoY changes (%), respectively. In the annual statistics, the figures under the main series represent YoY changes (%). Highlighted columns represent actual values.

Source: Compiled by the author

Table 3. Gross domestic expenditure (nominal)

JPY trillion, %

	Quarter												Fiscal year			
	25Q2	25Q3	25Q4	26Q1	26Q2	26Q3	26Q4	27Q1	27Q2	27Q3	27Q4	28Q1	2024	2025	2026	2027
Private final consumption expenditure	349.0	352.7	355.1	358.3	362.1	363.8	366.9	365.9	367.9	370.5	374.0	377.4	340.2	353.8	364.7	372.5
	0.7	1.0	0.7	0.9	1.0	0.5	0.8	-0.3	0.6	0.7	0.9	0.9	2.8	4.0	3.1	2.1
	4.3	4.2	4.1	3.4	3.7	3.2	3.3	2.1	1.6	1.8	1.9	3.2				
Private residential investment	28.5	26.5	27.9	28.5	28.8	28.8	29.0	29.0	29.1	29.7	30.0	30.3	27.7	27.8	28.9	29.8
	1.1	-7.0	5.4	2.3	1.0	0.1	0.5	0.3	0.3	1.8	1.0	1.1	2.9	0.5	3.9	3.0
	4.9	-4.0	0.0	1.3	1.2	8.9	3.8	1.8	1.1	2.9	3.5	4.3				
Private non-residential investment	125.7	126.8	129.5	129.6	129.8	132.0	134.3	136.3	139.4	142.3	143.6	145.2	121.4	128.0	133.1	142.6
	1.9	0.9	2.1	0.1	0.1	1.7	1.8	1.5	2.2	2.1	1.0	1.1	5.2	5.4	4.0	7.2
	5.0	4.7	6.9	5.2	3.3	4.1	3.7	5.1	7.4	7.8	6.9	6.5				
Change in private inventories	2.2	0.6	-2.0	-3.9	-0.2	0.1	0.1	-0.6	-0.7	-0.8	-0.7	-0.7	0.2	-0.8	-0.2	-0.7
Government final consumption expenditure	131.1	132.1	133.0	134.4	138.0	139.2	139.4	139.7	140.4	141.2	142.0	142.9	129.1	132.6	139.1	141.6
	0.9	0.8	0.7	1.1	2.6	0.9	0.2	0.2	0.5	0.5	0.6	0.6	4.6	2.7	4.9	1.8
	2.3	2.5	2.7	3.5	5.2	5.4	4.8	3.9	1.8	1.4	1.8	2.3				
Government investment expenditure	32.7	32.7	32.8	33.6	34.1	34.3	34.4	34.7	35.0	35.2	35.6	35.8	32.0	33.0	34.4	35.4
	1.3	-0.1	0.5	2.5	1.3	0.7	0.3	0.8	1.0	0.5	1.0	0.6	3.9	3.0	4.3	3.0
	3.7	2.1	1.7	4.2	4.2	5.1	4.8	3.2	2.9	2.7	3.4	3.2				
Change in government inventories	-0.16	-0.05	-0.08	-0.10	-4.87	-0.65	-0.66	-0.66	-1.71	-0.92	-0.99	-1.07	-0.08	-0.10	-1.71	-1.17
Net exports of goods and services	-2.0	-2.4	-1.3	-0.9	0.1	-3.9	-5.2	-5.5	-3.9	-3.3	-3.3	-3.6	-5.4	-1.7	-3.6	-3.5
Exports of goods and services	143.0	144.2	150.1	157.4	163.6	164.2	166.2	167.5	169.2	171.2	173.0	174.4	143.4	148.7	165.4	171.9
	-0.9	0.8	4.1	4.9	3.9	0.4	1.2	0.8	1.0	1.2	1.0	0.8	7.9	3.7	11.2	4.0
	1.0	1.2	3.3	9.2	14.5	13.9	10.7	6.4	3.4	4.3	4.1	4.1				
Imports of goods and services	144.9	146.6	151.4	158.3	163.5	168.1	171.4	173.0	173.1	174.5	176.3	178.0	148.8	150.3	169.0	175.5
	-4.6	1.1	3.3	4.6	3.3	2.8	1.9	0.9	0.1	0.8	1.0	1.0	7.2	1.0	12.4	3.8
	-2.1	-1.6	3.4	4.3	12.8	14.7	13.2	9.3	5.9	3.8	2.8	2.9				
GDP	667.0	668.8	675.0	679.8	687.7	693.7	698.2	698.8	705.6	713.8	720.1	726.2	645.1	672.6	694.6	716.4
	7.5	1.1	3.7	2.9	4.8	3.5	2.7	0.3	3.9	4.8	3.6	3.4	4.0	4.3	3.3	3.1
	1.8	0.3	0.9	0.7	1.2	0.9	0.7	0.1	1.0	1.2	0.9	0.8				
	5.3	4.2	3.9	3.8	3.1	3.7	3.4	2.8	2.6	2.9	3.1	3.9				
Contirbution of domestic demand	1.7	0.8	0.7	0.7	1.0	1.4	0.8	0.1	0.7	1.1	0.9	0.9	2.0	3.7	3.6	3.1
of which, private demand	1.3	0.6	0.6	0.3	1.1	0.6	0.8	0.0	0.7	0.8	0.7	0.7	2.5	3.0	2.6	2.5
of which, public demand	0.7	0.1	0.2	0.3	-0.1	0.8	0.0	0.1	0.0	0.2	0.2	0.1	1.1	0.7	0.9	0.6
Contirbution of net exports	-0.1	-0.2	0.2	0.1	0.1	-0.6	-0.2	0.0	0.2	0.1	0.0	0.0	0.0	0.6	-0.3	0.0

Notes: In the quarterly statistics, the figures in the first and second rows below the main series represent QoQ changes (%) and YoY changes (%) respectively. In the GDP quarterly series, the first row below the main series represents annualized QoQ changes (%), the second and third rows are QoQ and YoY changes (%), respectively. In the annual statistics, the figures under the main series represent YoY changes (%). Highlighted columns represent actual values.

Source: Compiled by the author

Table 4. Gross domestic expenditure (deflator)

2020＝100，%

	Quarter												Fiscal year			
	25Q2	25Q3	25Q4	26Q1	26Q2	26Q3	26Q4	27Q1	27Q2	27Q3	27Q4	28Q1	2024	2025	2026	2027
Private final consumption expenditure	113.6	114.2	114.8	115.3	116.5	117.1	117.9	117.9	117.5	118.2	119.0	119.8	111.5	114.5	117.3	118.6
	0.5	0.5	0.6	0.4	1.1	0.5	0.7	0.0	-0.3	0.6	0.6	0.7	2.7	2.6	2.5	1.1
	3.0	2.8	2.7	2.1	2.6	2.6	2.7	2.2	0.8	1.0	0.9	1.6				
Private residential investment	121.8	123.0	123.5	125.1	126.9	128.4	128.5	128.5	128.9	131.2	132.4	133.5	119.5	123.3	128.0	131.5
	0.6	1.0	0.4	1.3	1.5	1.2	0.1	0.0	0.4	1.8	0.9	0.9	3.3	3.2	3.8	2.7
	2.6	3.5	3.4	3.3	4.2	4.4	4.1	2.7	1.6	2.2	3.0	3.9				
Private non-residential investment	115.7	117.0	118.0	119.3	120.8	122.3	123.3	124.3	126.1	127.5	128.1	128.9	114.0	117.6	122.7	127.7
	0.5	1.2	0.8	1.1	1.3	1.2	0.9	0.8	1.4	1.1	0.5	0.6	3.3	3.1	4.3	4.0
	2.3	3.2	3.2	3.7	4.4	4.5	4.5	4.2	4.4	4.3	3.9	3.7				
Government final consumption expenditure	107.5	108.2	108.5	109.2	110.3	111.1	111.1	111.1	111.5	111.9	112.3	112.8	106.3	108.3	110.9	112.1
	0.4	0.6	0.3	0.7	1.0	0.8	0.0	0.0	0.3	0.3	0.4	0.4	2.2	1.9	2.4	1.1
	1.8	2.0	1.8	2.0	2.6	2.7	2.4	1.8	1.1	0.7	1.1	1.5				
Government investment expenditure	117.6	118.9	119.9	121.1	122.8	123.3	123.3	123.9	124.9	125.2	126.1	126.6	115.6	119.5	123.3	125.7
	0.6	1.0	0.9	1.0	1.4	0.4	0.0	0.5	0.8	0.3	0.1	0.4	3.8	3.3	3.2	1.9
	2.6	3.5	3.3	3.6	4.4	3.7	2.8	2.3	1.7	1.5	2.3	2.1				
Exports of goods and services	132.8	135.7	141.1	145.5	150.5	149.8	151.2	151.8	152.4	153.2	153.8	154.4	136.6	138.9	150.8	153.4
	-2.5	2.2	4.0	3.1	3.4	-0.4	0.9	0.4	0.4	0.6	0.4	0.4	5.1	1.6	8.6	1.7
	-3.9	0.0	3.6	6.9	13.3	10.4	7.1	4.3	1.3	2.2	1.7	1.7				
Imports of goods and services	141.8	144.2	149.1	155.6	163.2	164.5	165.3	165.2	164.6	165.0	165.5	165.9	150.0	147.7	164.6	165.3
	-6.2	1.7	3.4	4.3	4.9	0.8	0.5	0.0	-0.4	0.2	0.3	0.2	3.0	-1.5	11.4	0.4
	-6.5	-2.8	0.3	2.9	15.1	14.1	10.8	6.2	0.9	0.3	0.2	0.4				
GDP	112.1	112.9	113.7	113.9	114.9	115.7	116.2	116.3	116.8	117.7	118.4	119.1	109.5	113.1	115.8	118.0
	1.6	0.7	0.7	0.2	0.9	0.6	0.4	0.2	0.4	0.8	0.6	0.6	3.2	3.3	2.3	1.9
	3.3	3.5	3.4	3.3	2.5	2.4	2.2	2.1	1.6	1.8	1.9	2.4				

Notes: In the quarterly statistics, the figures in the first and second rows below the main series represent QoQ changes (%) and YoY changes (%) respectively. In the annual statistics, the figures under the main series represent YoY changes (%). Highlighted columns represent actual values.

Source: Compiled by the author

Table 5. Production, employment, wages and prices

	Quarter												Fiscal year			
	25Q2	25Q3	25Q4	26Q1	26Q2	26Q3	26Q4	27Q1	27Q2	27Q3	27Q4	28Q1	2024	2025	2026	2027
Index of industrial production (2020=100)	101.3	100.2	100.5	103.0	103.2	102.2	102.6	102.8	103.1	103.3	103.6	103.6	101.4	101.2	102.7	103.4
	-0.5	-1.0	0.2	2.5	0.3	-1.0	0.4	0.2	0.3	0.2	0.2	0.1	-1.5	-0.2	1.5	0.7
	0.1	-1.2	-1.3	1.2	1.9	2.0	2.1	-0.2	-0.1	1.1	0.9	0.8				
Labor force (ten thousand persons)	6997	7003	7027	7007	7045	7049	7060	7053	7053	7054	7055	7057	6968	7009	7052	7055
	0.1	0.1	0.3	-0.3	0.5	0.1	0.2	-0.1	0.0	0.0	0.0	0.0	0.5	0.6	0.6	0.0
	0.7	0.6	0.7	0.3	0.7	0.7	0.5	0.7	0.1	0.1	-0.1	0.1				
Engaged labor force (ten thousand persons)	6822	6826	6845	6820	6869	6873	6884	6877	6885	6887	6889	6891	6794	6826	6875	6888
	0.1	0.1	0.3	-0.4	0.7	0.1	0.2	-0.1	0.1	0.0	0.0	0.0	0.6	0.5	0.7	0.2
	0.8	0.6	0.6	0.1	0.7	0.7	0.6	0.8	0.2	0.2	0.1	0.2				
Employed (ten thousand persons)	6176	6184	6205	6190	6233	6237	6247	6241	6248	6250	6252	6253	6142	6187	6239	6251
	0.1	0.1	0.3	-0.2	0.7	0.1	0.2	-0.1	0.1	0.0	0.0	0.0	0.9	0.7	0.8	0.2
	1.1	0.9	0.8	0.3	0.9	0.9	0.7	0.8	0.2	0.2	0.1	0.2				
Unemployment rate (%)	2.5	2.5	2.6	2.7	2.5	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.5	2.6	2.5	2.4
Domestic corporate goods price index (2020=100)	126.5	126.7	127.9	128.9	134.6	135.8	135.9	136.7	137.3	138.3	138.9	139.1	124.1	127.5	135.8	138.4
	0.5	0.2	0.9	0.8	4.4	0.9	0.1	0.6	0.4	0.7	0.4	0.2	3.4	2.7	6.5	1.9
	3.3	2.6	2.6	2.5	6.4	7.2	6.3	6.0	2.0	1.8	2.2	1.8				
Core consumer price index (2020=100)	100.0	100.2	100.9	100.5	101.5	102.2	103.4	103.7	103.1	103.7	104.3	104.5	97.8	100.4	102.7	103.9
	1.2	0.2	0.7	-0.4	0.9	0.7	1.2	0.3	-0.6	0.6	0.6	0.2	2.7	2.7	2.3	1.2
	3.5	2.9	2.7	1.7	1.5	2.0	2.5	3.1	1.6	1.5	0.9	0.8				

Notes: In the quarterly statistics, the figures in the first and second rows below the main series represent QoQ changes (%) and YoY changes (%) respectively. In the annual statistics, the figures under the main series represent YoY changes (%). Highlighted columns represent actual values. The "engaged labor force" category includes both self-employed and employed workers. The "employed" category excludes self -employed workers.
Source: Compiled by the author

Table 6. Financial markets

	Quarter												Fiscal year			
	25Q2	25Q3	25Q4	26Q1	26Q2	26Q3	26Q4	27Q1	27Q2	27Q3	27Q4	28Q1	2024	2025	2026	2027
CD rates (%)	0.385	0.391	0.417	0.582	0.649	0.765	0.978	0.978	1.228	1.228	1.228	1.228	0.157	0.245	0.843	1.228
Government bond yields (%)	1.410	1.600	1.843	2.233	2.613	2.783	3.011	2.977	3.198	3.274	3.214	3.222	1.082	1.772	2.846	3.227
Money stock (M2+CD, JPY trillion)	1261.1	1269.3	1277.5	1282.5	1290.9	1297.5	1303.1	1308.7	1313.1	1319.5	1324.8	1330.0	1260.8	1282.5	1308.7	1330.0
	0.0	0.6	0.6	0.4	0.7	0.5	0.4	0.4	0.3	0.5	0.4	0.4	1.1	1.7	2.0	1.6
	0.7	1.3	1.7	1.7	2.4	2.2	2.0	2.0	1.7	1.7	1.7	1.6				
Nikkei stock average (JPY)	36,764	42,230	49,598	54,508	62,787	66,409	68,814	70,000	72,000	74,000	76,000	78,000	38,549	45,775	67,002	75,000
	-4.4	14.9	17.4	9.9	15.2	5.8	3.6	1.7	2.9	2.8	2.7	2.6	15.8	18.7	46.4	11.9
	-5.1	10.9	27.4	41.8	70.8	57.3	38.7	28.4	14.7	11.4	10.4	11.4				
USD/JPY exchange rate	144.5	147.4	154.1	156.8	159.4	156.7	155.4	154.0	153.0	152.0	151.0	150.0	152.5	150.7	156.4	151.5
	-5.2	2.0	4.5	1.8	1.7	-1.7	-0.9	-0.9	-0.6	-0.7	-0.7	-0.7	5.5	-1.2	3.8	-3.1
	-7.2	-1.2	1.1	2.8	10.3	6.3	0.8	-1.8	-4.0	-3.0	-2.8	-2.6				

Notes: In the quarterly statistics, the figures in the first and second rows below the main series represent QoQ changes (%) and YoY changes (%) respectively. In the annual statistics, the figures under the main series represent YoY changes (%). Highlighted columns represent actual values.
Source: Compiled by the author

Table 7. External sector

JPY trillion, %

	Quarter												Fiscal year			
	25Q2	25Q3	25Q4	26Q1	26Q2	26Q3	26Q4	27Q1	27Q2	27Q3	27Q4	28Q1	2024	2025	2026	2027
Goods exports (real)	79.9	79.2	78.6	80.0	79.3	79.7	79.8	80.0	80.3	80.6	81.1	81.3	78.0	79.4	79.7	80.8
(SNA basis)	1.9	-0.8	-0.8	1.8	-1.0	0.5	0.2	0.2	0.4	0.4	0.5	0.3	0.0	1.8	0.3	1.5
	4.8	0.9	-0.2	2.1	-0.8	0.5	1.5	-0.1	1.3	1.2	1.6	1.7				
Goods imports (real)	73.0	72.3	71.7	71.9	70.8	70.8	72.1	73.0	73.5	74.0	74.6	75.1	70.8	72.2	71.7	74.3
(SNA basis)	2.0	-1.0	-0.7	0.3	-1.6	0.1	1.8	1.2	0.6	0.7	0.8	0.8	2.1	1.9	-0.7	3.6
	5.0	0.3	2.2	0.5	-3.0	-2.0	0.5	1.5	3.8	4.4	3.4	2.9				
Services exports (real)	28.1	27.2	28.1	28.5	29.9	29.9	30.1	30.4	30.8	31.1	31.4	31.6	27.3	28.0	30.1	31.2
(SNA basis)	0.9	-2.9	3.0	1.5	4.9	0.2	0.6	1.0	1.2	1.1	1.0	0.7	11.7	2.4	7.6	3.8
	6.0	2.0	-0.6	2.3	6.4	9.9	7.4	6.8	3.0	3.9	4.2	4.0				
Services imports (real)	30.7	30.9	31.4	31.4	31.0	31.3	31.6	31.7	31.7	31.8	31.9	32.1	29.8	31.1	31.4	31.9
(SNA basis)	1.0	0.6	1.6	0.3	-1.4	1.1	0.8	0.4	0.0	0.2	0.5	0.6	10.3	4.2	1.0	1.5
	4.1	3.8	5.6	3.5	1.0	1.6	0.8	0.8	2.3	1.4	1.1	1.3				
Goods exports (nominal)	106.4	108.2	112.3	118.5	121.9	122.9	125.0	126.4	128.0	129.5	130.7	131.9	107.8	111.4	124.1	130.0
(SNA basis)	-1.2	1.7	3.8	5.5	2.9	0.8	1.7	1.1	1.3	1.2	0.9	0.9	5.3	3.3	11.4	4.8
	-0.6	0.3	3.4	10.1	14.6	13.6	11.3	6.6	5.0	5.3	4.6	4.4				
Goods imports (nominal)	106.4	107.0	110.4	116.1	121.0	124.1	126.3	127.1	126.3	126.7	127.3	127.8	110.9	110.0	124.6	127.0
(SNA basis)	-5.7	0.6	3.2	5.2	4.2	2.6	1.8	0.6	-0.6	0.4	0.5	0.4	4.7	-0.8	13.3	1.9
	-3.8	-3.7	1.4	2.9	13.7	16.0	14.4	9.4	4.4	2.1	0.8	0.6				
Services exports (nominal)	36.6	36.0	37.8	38.9	41.7	41.3	41.2	41.2	41.3	41.7	42.3	42.5	35.6	37.3	41.3	41.9
(SNA basis)	0.0	-1.6	5.0	3.0	7.1	-1.0	-0.1	-0.2	0.3	1.1	1.3	0.5	16.3	4.8	10.7	1.4
	6.0	4.0	2.7	6.4	14.0	14.7	9.1	5.7	-1.0	1.0	2.5	3.2				
Services imports (nominal)	38.5	39.6	41.0	42.2	42.6	44.0	45.1	45.9	46.9	47.8	49.0	50.2	38.0	40.3	44.4	48.4
(SNA basis)	-1.1	2.8	3.4	3.0	0.9	3.4	2.5	1.8	2.1	1.9	2.5	2.5	15.1	6.2	10.1	9.1
	2.9	4.8	8.9	8.2	10.4	11.2	10.2	8.8	10.1	8.5	8.5	9.3				
Trade balance (BOP basis)	-0.1	0.0	0.4	1.0	0.1	-0.3	-0.3	-0.2	0.4	0.7	0.8	1.0	-3.0	1.3	-0.7	3.0
Balance on services (BOP basis)	-0.5	-1.1	-0.9	-1.3	-0.3	-0.7	-1.0	-1.2	-1.4	-1.5	-1.6	-1.9	-3.1	-3.8	-3.1	-6.4
Primary income balance (BOP basis)	9.6	11.4	10.0	11.1	9.7	10.0	10.2	10.6	11.1	11.7	12.4	13.0	41.4	42.3	40.6	48.3
Current account balance	7.4	8.9	8.3	9.9	8.7	7.0	6.9	6.6	6.6	7.4	8.0	8.5	30.0	34.6	29.2	30.5
(BOP basis)	-3.0	21.1	-7.2	19.4	-12.2	-19.3	-1.3	-4.5	0.2	11.3	8.5	6.8	13.7	15.3	-15.7	4.4
	3.8	14.6	8.5	30.3	17.9	-21.4	-16.5	-33.2	-23.8	5.1	15.5	29.2				
USD/JPY exchange rate	144.5	147.4	154.1	156.8	159.4	156.7	155.4	154.0	153.0	152.0	151.0	150.0	152.5	150.7	156.4	151.5
	-5.2	2.0	4.5	1.8	1.7	-1.7	-0.9	-0.9	-0.6	-0.7	-0.7	-0.7	5.5	-1.2	3.8	-3.1
	-7.2	-1.2	1.1	2.8	10.3	6.3	0.8	-1.8	-4.0	-3.0	-2.8	-2.6				

Notes: SNA = System of National Accounts. BOP = Balance of Payments. In the quarterly statistics, the figures in the first and second rows below the main series represent QoQ changes (%) and YoY changes (%) respectively. In the annual statistics, the figures under the main series represent YoY changes (%). Highlighted columns represent actual values.

Source: Compiled by the author

Table 8. Policy Change Impacts Regarding the Consumption Tax: Effects of a 1% Consumption Tax Rate on Food and a 1% Increase in Benefits for Middle-to-Low Income Earners—Comparison Table of the Base Case and the No-Policy-Change Case

	Quarter									Fiscal year		
	26Q1	26Q2	26Q3	26Q4	27Q1	27Q2	27Q3	27Q4	28Q1	2025	2026	2027
Private Final Consumption Expenditures												
1. Baseline (trillion yen)	309.8	310.1	310.5	310.9	311.2	311.9	312.5	313.5	314.5	308.8	310.7	313.1
2. Persistently High Crude Oil Prices (trillion yen)	309.8	310.1	310.5	310.9	311.1	311.8	312.2	313.1	314.0	308.8	310.7	312.8
Difference (trillion yen)	0.0	-0.0	-0.0	-0.1	-0.1	-0.2	-0.3	-0.4	-0.5	0.0	-0.0	-0.3
Deviation Rate (%)	0.0	-0.0	-0.0	-0.0	-0.0	-0.1	-0.1	-0.1	-0.2	0.0	-0.0	-0.1
Private residential investment												
1. Baseline (trillion yen)	22.4	22.4	22.4	22.5	22.3	22.4	22.4	22.3	22.3	22.3	22.4	22.3
2. Persistently High Crude Oil Prices (trillion yen)	22.4	22.4	22.4	22.4	22.3	22.3	22.2	22.1	22.0	22.3	22.4	22.2
Difference (trillion yen)	0.0	-0.0	-0.0	-0.0	-0.1	-0.1	-0.1	-0.2	-0.3	0.0	-0.0	-0.2
Deviation Rate (%)	0.0	-0.0	-0.0	-0.1	-0.2	-0.4	-0.6	-0.8	-1.1	0.0	-0.1	-0.7
Private non-residential investment												
1. Baseline (trillion yen)	107.9	108.3	108.5	108.8	109.1	109.6	110.3	111.0	111.8	107.0	108.7	110.7
2. Persistently High Crude Oil Prices (trillion yen)	107.9	108.3	108.5	108.8	109.0	109.5	110.0	110.7	111.4	107.0	108.6	110.4
Difference (trillion yen)	0.0	-0.0	-0.0	-0.0	-0.1	-0.2	-0.2	-0.3	-0.4	0.0	-0.0	-0.3
Deviation Rate (%)	0.0	-0.0	-0.0	-0.0	-0.1	-0.1	-0.2	-0.3	-0.4	0.0	-0.0	-0.2
Exports of goods and services												
1. Baseline (trillion yen)	108.1	105.9	106.5	107.1	107.5	108.1	108.6	109.2	110.1	107.0	106.7	109.0
2. Persistently High Crude Oil Prices (trillion yen)	108.1	105.9	106.5	107.1	107.4	107.8	108.1	108.5	109.1	107.0	106.7	108.4
Difference (trillion yen)	0.0	0.0	0.0	0.0	-0.1	-0.3	-0.5	-0.8	-1.0	0.0	-0.0	-0.7
Deviation Rate (%)	0.0	0.0	0.0	0.0	-0.1	-0.3	-0.5	-0.7	-0.9	0.0	-0.0	-0.6
Imports of goods and services												
1. Baseline (trillion yen)	102.1	102.3	102.7	103.4	103.9	104.4	105.1	105.7	106.4	101.8	103.1	105.4
2. Persistently High Crude Oil Prices (trillion yen)	102.1	102.3	102.7	103.3	103.8	104.4	105.0	105.5	106.1	101.8	103.0	105.2
Difference (trillion yen)	0.0	-0.0	-0.0	-0.0	-0.0	-0.1	-0.1	-0.2	-0.3	0.0	-0.0	-0.2
Deviation Rate (%)	0.0	-0.0	-0.0	-0.0	-0.0	-0.1	-0.1	-0.2	-0.3	0.0	-0.0	-0.2
Domestic demand												
1. Baseline (trillion yen)	587.7	589.4	590.9	592.3	593.1	594.7	596.1	598.1	600.2	586.7	591.4	597.3
2. Persistently High Crude Oil Prices (trillion yen)	587.7	589.4	590.9	592.2	592.9	594.3	595.5	597.3	599.1	586.7	591.3	596.5
Difference (trillion yen)	0.0	-0.0	-0.0	-0.1	-0.2	-0.4	-0.6	-0.9	-1.2	0.0	-0.1	-0.8
Deviation Rate (%)	0.0	-0.0	-0.0	-0.0	-0.0	-0.1	-0.1	-0.1	-0.2	0.0	-0.0	-0.1
External demand												
1. Baseline (trillion yen)	6.0	3.6	3.7	3.7	3.6	3.6	3.5	3.6	3.8	5.2	3.7	3.6
2. Persistently High Crude Oil Prices (trillion yen)	6.0	3.6	3.8	3.7	3.6	3.4	3.1	3.0	3.0	5.2	3.7	3.1
Difference (trillion yen)	0.0	0.0	0.0	0.0	-0.1	-0.2	-0.4	-0.6	-0.7	0.0	-0.0	-0.5
Deviation Rate (%)	0.0	0.0	0.2	0.5	-2.4	-6.3	-11.1	-15.8	-19.3	0.0	-0.4	-13.2
Real GDP												
1. Baseline (trillion yen)	593.7	593.0	594.7	596.0	596.7	598.3	599.6	601.7	604.0	591.9	595.1	600.9
2. Persistently High Crude Oil Prices (trillion yen)	593.7	593.0	594.7	595.9	596.4	597.7	598.6	600.3	602.1	591.9	595.0	599.7
Difference (trillion yen)	0.0	-0.0	-0.0	-0.1	-0.3	-0.6	-1.0	-1.4	-1.9	0.0	-0.1	-1.2
Deviation Rate (%)	0.0	-0.0	-0.0	-0.0	-0.1	-0.1	-0.2	-0.2	-0.3	0.0	-0.0	-0.2
Real GDP Growth Rate: Annualized Rate (%)												
1. Baseline (trillion yen)	2.1	-0.4	1.1	0.9	0.5	1.0	0.9	1.4	1.5	0.8	0.5	1.0
2. Persistently High Crude Oil Prices (trillion yen)	2.1	-0.5	1.1	0.9	0.3	0.8	0.6	1.1	1.2	0.8	0.5	0.8
Difference	0.0	-0.0	-0.0	-0.0	-0.1	-0.2	-0.2	-0.3	-0.3	0.0	-0.0	-0.2
Real Disposable Income												
1. Baseline (trillion yen)	301.6	308.7	313.6	319.3	320.7	325.3	328.5	332.0	334.2	298.3	315.6	330.0
2. Persistently High Crude Oil Prices (trillion yen)	301.6	308.7	313.4	319.0	320.1	324.5	327.4	330.6	332.5	298.3	315.3	328.8
Difference (trillion yen)	0.0	-0.1	-0.2	-0.3	-0.5	-0.8	-1.1	-1.4	-1.7	0.0	-0.3	-1.2
Deviation Rate (%)	0.0	-0.0	-0.1	-0.1	-0.2	-0.2	-0.3	-0.4	-0.5	0.0	-0.1	-0.4
Core CPI (2020=100)												
1. Baseline	111.8	113.2	113.9	114.8	115.5	116.6	117.1	117.4	117.4	111.7	114.4	117.1
2. Persistently High Crude Oil Prices	111.8	113.2	113.9	114.9	115.7	116.9	117.5	118.0	118.2	111.7	114.4	117.6
Difference	0.0	0.0	0.0	0.1	0.2	0.3	0.4	0.6	0.8	0.0	0.1	0.5
Deviation Rate (%)	0.0	0.0	0.0	0.1	0.1	0.2	0.4	0.5	0.7	0.0	0.1	0.5
Domestic corporate goods price index (2020=100)												
1. Baseline	128.9	135.2	138.2	138.4	139.1	138.9	139.6	140.2	141.3	127.5	137.7	140.0
2. Persistently High Crude Oil Prices	128.9	135.4	138.7	139.5	140.9	141.7	143.2	144.6	146.7	127.5	138.6	144.1
Difference	0.0	0.2	0.5	1.1	1.9	2.7	3.6	4.5	5.3	0.0	0.9	4.0
Deviation Rate (%)	0.0	0.1	0.4	0.8	1.3	2.0	2.6	3.2	3.8	0.0	0.7	2.9
Export Deflator (2020=100)												
1. Baseline	144.6	149.5	153.6	155.2	156.7	156.6	158.3	159.5	160.5	138.9	153.8	158.7
2. Persistently High Crude Oil Prices	144.6	149.6	153.9	156.2	158.5	159.3	162.0	164.4	166.5	138.9	154.6	163.1
Difference	0.0	0.1	0.4	0.9	1.7	2.7	3.8	4.9	6.0	0.0	0.8	4.4
Deviation Rate (%)	0.0	0.1	0.2	0.6	1.1	1.7	2.4	3.1	3.8	0.0	0.5	2.7
Import Deflator (2020=100)												
1. Baseline	154.0	182.6	177.1	179.8	179.9	180.0	180.2	180.3	180.3	147.7	179.8	180.2
2. Persistently High Crude Oil Prices	154.0	183.5	179.3	183.6	185.0	186.0	186.8	187.4	187.9	147.7	182.9	187.0
Difference	0.0	1.0	2.2	3.8	5.1	6.0	6.6	7.1	7.7	0.0	3.0	6.9
Deviation Rate (%)	0.0	0.5	1.3	2.1	2.8	3.3	3.7	3.9	4.2	0.0	1.7	3.8
Crude Oil Prices (USD/barrel)												
1. Baseline	77.8	102.0	92.0	82.0	76.0	76.0	76.0	76.0	74.2	68.4	88.0	75.5
2. Persistently High Crude Oil Prices	77.8	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	68.4	120.0	120.0
Difference	0.0	18.0	28.0	38.0	44.0	44.0	44.0	44.0	45.8	0.0	32.0	44.5
Deviation Rate (%)	0.0	17.6	30.4	46.3	58.0	58.0	58.0	58.0	61.6	0.0	36.4	58.9

Source: Compiled by the author