



# Japanese Economy Monthly Forecast

June 2026

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## Headlines

### Review of Data Released in June

► This forecast incorporates data released through the end of June. Excluding May data on household consumption and public works, nearly two-thirds of the monthly data needed to estimate Q2 GDP have been updated.

► The production index rose 0.5% MoM in May, marking a second consecutive monthly increase. However, the April–May average was 0.2% below the Q1 average. METI maintained its assessment of the production trend as “one step forward, one step back.”

► Compared with Q1 average, the April–May average saw the number of labor engaged increase by 560,000 and employment by 480,000, indicating a relatively strong recovery in the labor market.

► The April–May average retail sales rose 3.0% from Q1 average, while planned construction costs and the capital goods shipment index fell 3.5% and 1.1%, respectively. Overall, real private demand is expected to recover moderately in Q2.

► Compared with Q1, real exports and imports in April–May fell 1.2% and 3.7%, respectively, based on BOJ data. Nevertheless, real net exports of goods are expected to make a positive contribution to Q2 real GDP growth.

### Trends in Real GDP Growth Forecasts for Q2

► With the latest data incorporated, CQM forecasts Q2 real GDP growth at +0.7% QoQ, or +2.8% annualized, on the expenditure side and +1.8% QoQ on the production side (principal component analysis model). The average forecast is +2.3%, well above the June market consensus of +0.52% QoQ (Figure 1).

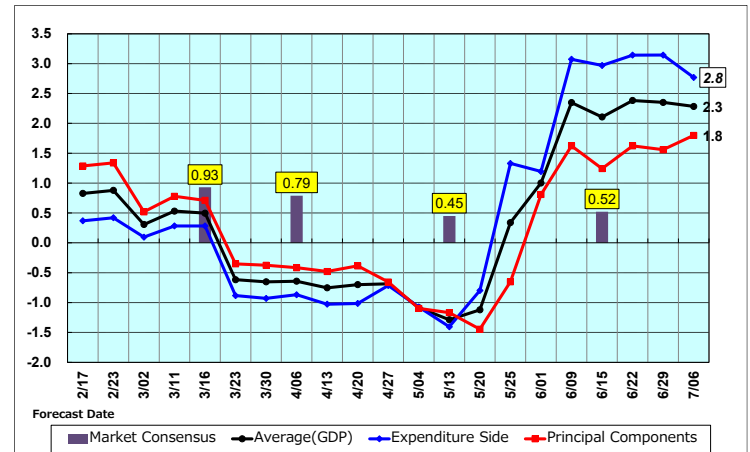
► On the expenditure side, domestic demand is expected to contribute +0.4 percentage points to QoQ growth and net exports +0.3 percentage points. By contrast, the market consensus expects only modest contributions from both components.

### Trends in Inflation Forecasts for Q2

► In May, the CPI excluding fresh food rose 1.4% YoY, marking the 57th consecutive month of increase. However, inflation remained below 2% for the fourth straight month.

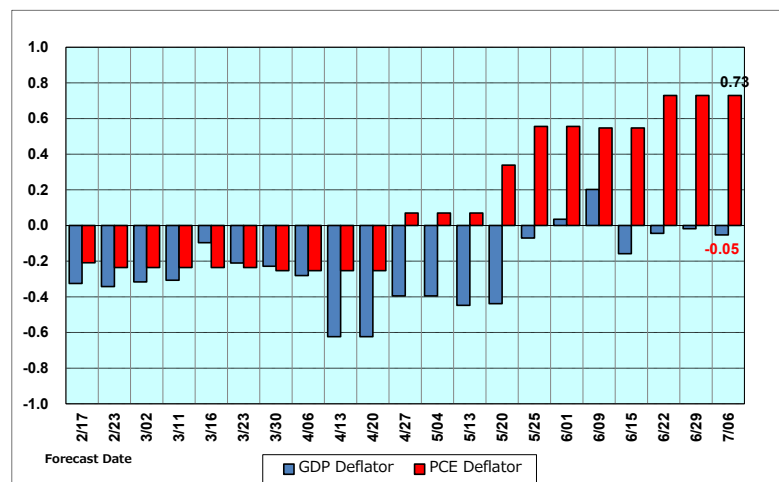
► CQM forecasts the final private consumption expenditure deflator to rise 0.7% QoQ and the domestic demand deflator 1.0%. With the terms of trade expected to deteriorate significantly, headline inflation is projected to decline 0.1% QoQ (Figure 2).

**Fig 1 CQM Forecast: Real GDP Growth Rate Apr-Jun (Q2) 2026 (% , QoQ annualized growth)**



Source: Compiled by the author

**Fig 2 CQM Forecast: Inflation Apr-Jun (Q2) 2026 (% , QoQ growth)**



Source: Compiled by the author

We used the Current Quarter Model (CQM) methodology developed by Professor Emeritus L. R. Klein to create two forecasting models for the Japanese economy: a demand-side model and a production-side (principal component analysis) model. We refer to the forecasts by the former model as the main series, and those by the latter model, as well as the average of both models, as the reference series. Forecasts made using the CQM model are renewed continuously, incorporating the latest weekly data, which makes it possible to determine and trace the impacts of the latest short-term trends on macroeconomic conditions.

**Table 1: Main Economic Indicators (latest)**

| Release Date | Data Month | Economic Indicator                                                       | Value/<br>Index<br>Score | Change |        |
|--------------|------------|--------------------------------------------------------------------------|--------------------------|--------|--------|
|              |            |                                                                          |                          | MoM    | YoY    |
| 7/2          | June       | <b>Food Buffer Stock (billion JPY)</b>                                   | +6.5                     |        | 1.0    |
| 7/1          | June       | <b>New Car Sales (vehicles)</b>                                          | 360,452                  |        | 9.5%   |
|              | June       | <b>Consumer Confidence Index (SA)</b>                                    | 33.8                     | 0.2    |        |
| 6/30         | May        | <b>Labor Force Survey</b>                                                |                          |        |        |
|              |            | Total employment (millions)                                              | 688.2                    | +0.06  |        |
|              |            | Total unemployment (millions)                                            | 1.74                     | -0.05  |        |
|              |            | Unemployment rate (%)                                                    | 2.5                      | 0.0    |        |
|              | May        | <b>General Job Placement Situation</b>                                   |                          |        |        |
|              |            | Effective job offers-to-applicants ratio                                 | 1.17                     | -0.01  |        |
|              | May        | <b>Indices of Industrial Production (preliminary figures, 2020=100)</b>  |                          |        |        |
|              |            | Production                                                               | 103                      | +0.5   |        |
|              |            | Shipments                                                                | 101.6                    | +0.6   |        |
|              |            | Inventories                                                              | 95.4                     | -0.6   |        |
|              | May        | <b>New Housing Starts</b>                                                |                          |        |        |
|              |            | New housing starts (SA, Unit)                                            | 57,877.0                 | +4.6   | +33.9  |
|              |            | Planned residential construction expenditure (billion JPY)               | 1,304.5                  | -7.9   | +38.5  |
|              | April      | <b>Construction Costs Deflator (2020=100)</b>                            |                          |        |        |
|              |            | Housing construction                                                     | 125.6                    |        | +4.0   |
|              |            | Public works                                                             | 124.4                    |        | +4.1   |
| 6/29         | May        | <b>Current Survey of Commerce (preliminary figures)</b>                  |                          |        |        |
|              |            | Retail trade (billion JPY)                                               | 13,447.0                 | +1.9   | +5.3   |
| 6/26         | May        | <b>Tokyo Region Consumer Price Index (2020=100)</b>                      |                          |        |        |
|              |            | Core index                                                               | 112.2                    | +0.3%  | +1.6%  |
|              | April      | <b>Producer Price Index for Intermediate and Final Demand (2020=100)</b> |                          |        |        |
|              |            | Capital goods                                                            | 117.6                    |        | 4.1%   |
|              |            | Consumer goods                                                           | 126.8                    |        | 2.9%   |
| 6/25         | April      | <b>Index of Business Conditions (revised, 2020=100)</b>                  |                          |        |        |
|              |            | Leading indicators                                                       | 116.1                    | 0.7    |        |
|              |            | Coincident indicators                                                    | 118.1                    | 1.3    |        |
|              |            | Lagging indicators                                                       | 111.9                    | 0.3    |        |
| 6/24         | April      | <b>Monthly Labor Statistics (final figures)</b>                          |                          |        |        |
|              |            | Gross average salary per worker (JPY)                                    | 312,699                  |        | 3.6%   |
|              |            | Total working hours                                                      | 139.8                    |        | 0.2%   |
|              | April      | <b>Corporate Services Price Index (2020=100)</b>                         |                          |        |        |
|              |            | Overall index                                                            | 114.7                    |        | 3.3%   |
| 6/23         |            | <b>Information Services Industry Sales (billion JPY)</b>                 | 2,712.6                  |        | 4.0    |
| 6/19         | April      | <b>General Construction Statistics</b>                                   |                          |        |        |
|              |            | Private non-residential construction (billion JPY)                       | 968.8                    |        | 2.6%   |
|              |            | Public works (billion JPY)                                               | 1,073.2                  |        | 8.2%   |
|              |            | <b>National Consumer Price Index (2020=100)</b>                          |                          |        |        |
|              |            | Core index                                                               | 113.0                    | 0.4%   | 1.4%   |
| 6/17         | April      | <b>Private Core Machinery Orders (billion JPY)</b>                       | 1,098.5                  | 8.7%   |        |
|              | May        | <b>Trade Statistics (customs clearance level)</b>                        |                          |        |        |
|              |            | Trade balance (billion JPY)                                              | -378.6                   | -298.0 | -42.8% |
|              |            | Exports (billion JPY)                                                    | 9,511.6                  | 1.8%   | 17.0%  |
|              |            | Imports (billion JPY)                                                    | 9,890.2                  | 4.7%   | 12.5%  |
| 6/15         | April      | <b>Tertiary Industry Activity Index (2019=20=100)</b>                    | 106.7                    | 1.3    |        |
|              | May        | <b>Public Works Advanced Securities Statistics</b>                       |                          |        |        |
|              |            | Contract amount (billion JPY)                                            | 1,526.0                  |        | -7.7%  |
|              |            | Number of contracts                                                      | 14,484                   |        | -12.2% |
| 6/12         | April      | <b>Indices of Industrial Production (final figures, 2020=100)</b>        |                          |        |        |
|              |            | Production                                                               | 102.5                    | 0.5%   |        |
|              |            | Shipments                                                                | 101.0                    | 1.3%   |        |
|              |            | Inventory                                                                | 96.0                     | -0.3%  |        |
|              |            | Production capacity index                                                | 94.9                     |        | -1.0%  |
|              |            | Capacity utilization ratio                                               | 102.9                    | -0.8%  |        |
| 6/10         |            | <b>Domestic Corporate Price Index (2020=100)</b>                         |                          |        |        |
|              |            | Corporate Price                                                          | 134.5                    | 0.9%   | 6.3%   |
|              |            | Export Price                                                             | 162.2                    | 0.4%   | 20.6%  |
|              |            | Import Price                                                             | 193.2                    | 2.7%   | 25.5%  |
| 6/8          | May        | <b>Economy Watchers Survey</b>                                           |                          |        |        |
|              |            | Current Conditions Diffusion Index                                       | 43.6                     | 2.8    |        |
|              |            | Future Conditions Diffusion Index                                        | 40.7                     | 1.3    |        |
|              | April      | <b>International Balance of Payments</b>                                 |                          |        |        |
|              |            | Current account (billion JPY)                                            | 3,907.8                  | 8.0%   | 64.9%  |
|              |            | Exports (billion JPY)                                                    | 10,108.1                 | 0.3%   | 13.9%  |
|              |            | Imports (billion JPY)                                                    | 9,712.4                  | -0.3%  | 9.5%   |
| 6/5          | April      | <b>Monthly Labor Statistics (preliminary figures)</b>                    |                          |        |        |
|              |            | Gross average salary per worker (JPY)                                    | 312,425                  |        | 3.5%   |
|              |            | Total working hours                                                      | 139.9                    |        | 0.3%   |
|              | April      | <b>Household Expenditure (households with 2 or more people)</b>          |                          |        |        |
|              |            | Nominal consumption expenditure (JPY)                                    | 328,969                  | 2.3%   | 1.0%   |
|              |            | Real consumption expenditure                                             |                          | 1.6%   | -0.5%  |
|              | April      | <b>Consumption Trend Index (2020=100)</b>                                | 105.9                    | 0.2%   |        |
|              | April      | <b>Consumption Activity Index (2020=100)</b>                             | 107.5                    | 1.6%   |        |
|              | April      | <b>Index of Business Conditions (preliminary figures, 2020=100)</b>      |                          |        |        |
|              |            | Leading indicators                                                       | 115.9                    | +0.5   |        |
|              |            | Coincident indicators                                                    | 117.9                    | +1.1   |        |
|              |            | Lagging indicators                                                       | 111.2                    | -0.4   |        |

Source: Prepared by the author based on various official statistics.

**Table 2: CQM Forecast: GDP Tracking**

| Forecast date | Real GDP         |                       |         | Deflator |      | Real GDP         |                       |         | Deflator |      | Real GDP         |                       |         | Deflator |      |
|---------------|------------------|-----------------------|---------|----------|------|------------------|-----------------------|---------|----------|------|------------------|-----------------------|---------|----------|------|
|               | Expenditure side | Production side (PCA) | Average | GDP      | PCE  | Expenditure side | Production side (PCA) | Average | GDP      | PCE  | Expenditure side | Production side (PCA) | Average | GDP      | PCE  |
|               | 2026Q1           |                       |         |          |      | 2026Q2           |                       |         |          |      | 2026Q3           |                       |         |          |      |
|               | SAAR (%)         |                       |         | QoQ (%)  |      | SAAR (%)         |                       |         | QoQ (%)  |      | SAAR (%)         |                       |         | QoQ (%)  |      |
| 2/16          |                  |                       |         |          |      |                  |                       |         |          |      |                  |                       |         |          |      |
| 2/17          | 0.4              | 0.0                   | 0.2     | 0.5      | 0.3  | 0.4              | 1.3                   | 0.8     | -0.3     | -0.2 |                  |                       |         |          |      |
| 2/23          | 3.9              | 2.4                   | 3.1     | 0.4      | -0.1 | 0.4              | 1.3                   | 0.9     | -0.3     | -0.2 |                  |                       |         |          |      |
| 3/02          | 3.8              | 4.3                   | 4.1     | 0.4      | -0.1 | 0.1              | 0.5                   | 0.3     | -0.3     | -0.2 |                  |                       |         |          |      |
| 3/10          |                  |                       |         |          |      |                  |                       |         | 0.0      | 0.0  |                  |                       |         |          |      |
| 3/11          | 4.8              | 4.5                   | 4.7     | 0.5      | -0.2 | 0.3              | 0.8                   | 0.5     | -0.3     | -0.2 |                  |                       |         |          |      |
| 3/16          | 4.8              | 4.9                   | 4.9     | 0.7      | -0.2 | 0.3              | 0.7                   | 0.5     | -0.1     | -0.2 |                  |                       |         |          |      |
| 3/23          | 2.9              | 3.2                   | 3.1     | 0.5      | -0.2 | -0.9             | -0.4                  | -0.6    | -0.2     | -0.2 |                  |                       |         |          |      |
| 3/30          | 3.2              | 3.3                   | 3.2     | 0.4      | -0.2 | -0.9             | -0.4                  | -0.7    | -0.2     | -0.3 |                  |                       |         |          |      |
| 4/06          | 2.8              | 2.6                   | 2.7     | 0.5      | -0.2 | -0.9             | -0.4                  | -0.6    | -0.3     | -0.3 |                  |                       |         |          |      |
| 4/13          | 2.0              | 2.3                   | 2.1     | 0.4      | -0.2 | -1.0             | -0.5                  | -0.8    | -0.6     | -0.3 |                  |                       |         |          |      |
| 4/20          | 2.0              | 3.0                   | 2.5     | 0.4      | -0.2 | -1.0             | -0.4                  | -0.7    | -0.6     | -0.3 |                  |                       |         |          |      |
| 4/27          | 2.4              | 3.0                   | 2.7     | 0.5      | -0.1 | -0.7             | -0.7                  | -0.7    | -0.4     | 0.1  |                  |                       |         |          |      |
| 5/04          | 2.3              | 2.8                   | 2.6     | 0.5      | -0.1 | -1.1             | -1.1                  | -1.1    | -0.4     | 0.1  |                  |                       |         |          |      |
| 5/13          | 1.9              | 2.5                   | 2.2     | 0.4      | -0.1 | -1.4             | -1.2                  | -1.3    | -0.4     | 0.1  |                  |                       |         |          |      |
| 5/19          | 2.1              |                       |         | 0.3      | 0.4  |                  |                       |         |          |      |                  |                       |         |          |      |
| 5/20          |                  |                       |         |          |      | -0.8             | -1.4                  | -1.1    | -0.4     | 0.3  | 1.4              | 0.6                   | 1.0     | -0.1     | -0.1 |
| 5/25          |                  |                       |         |          |      | 1.3              | -0.7                  | 0.3     | -0.1     | 0.6  | 1.1              | 0.8                   | 1.0     | -0.1     | -0.1 |
| 6/01          |                  |                       |         |          |      | 1.2              | 0.8                   | 1.0     | 0.0      | 0.6  | 1.2              | 0.5                   | 0.8     | -0.1     | -0.1 |
| 6/08          | 1.8*             |                       |         | 0.2*     | 0.4* |                  |                       |         |          |      |                  |                       |         |          |      |
| 6/09          |                  |                       |         |          |      | 3.1              | 1.6                   | 2.3     | 0.2      | 0.5  | -0.3             | 0.3                   | -0.0    | -0.2     | -0.1 |
| 6/15          |                  |                       |         |          |      | 3.0              | 1.2                   | 2.1     | -0.2     | 0.5  | -0.3             | 0.5                   | 0.1     | 0.1      | -0.1 |
| 6/22          |                  |                       |         |          |      | 3.1              | 1.6                   | 2.4     | -0.0     | 0.7  | 0.9              | 0.7                   | 0.8     | 0.2      | -0.0 |
| 6/29          |                  |                       |         |          |      | 3.1              | 1.6                   | 2.4     | -0.0     | 0.7  | 0.9              | 0.7                   | 0.8     | 0.2      | -0.0 |
| 7/06          |                  |                       |         |          |      | 2.8              | 1.8                   | 2.3     | -0.1     | 0.7  | 0.4              | 0.7                   | 0.5     | 0.2      | -0.0 |

Note: Underlined figures are 1st preliminary estimates.

Source: Compiled by the author

**Table 3-1: Gross Domestic Product at Chained 2020 Price: Y Billion**

|                             | Quarterly |           |           | Forecast  |           |           | CY        |           | FY        |      |  |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------|--|
|                             | 2025Q3    | 2025Q4    | 2026Q1    | 2026Q2    | 2026Q3    |           | 2025      | 2026      | 2025      | 2026 |  |
| GDP/GDE                     |           |           |           |           |           |           |           |           |           |      |  |
| Gross Domestic Products     | 589,459.8 | 590,545.8 | 593,218.8 | 597,929.9 | 599,991.4 | 591,081.7 | 598,437.9 | 587,134.8 | 591,660.1 |      |  |
| Private Consumption         | 308,937.0 | 309,199.8 | 310,270.5 | 311,957.5 | 312,070.6 | 308,077.3 | 311,711.5 | 305,076.8 | 308,973.9 |      |  |
| Residential Investment      | 21,255.6  | 22,308.8  | 22,514.0  | 22,452.8  | 22,377.2  | 22,432.3  | 22,462.7  | 23,056.9  | 22,281.2  |      |  |
| Nonresidential Investment   | 106,126.3 | 107,357.4 | 106,588.7 | 106,831.4 | 107,903.6 | 106,241.4 | 107,553.5 | 104,530.3 | 106,569.9 |      |  |
| Change in Private Inventory | 498.4     | -1,408.0  | -1,748.4  | -1,132.3  | -531.1    | 723.2     | -805.1    | 207.7     | -361.1    |      |  |
| Government Consumption      | 122,150.9 | 122,614.7 | 123,001.0 | 123,433.3 | 123,943.7 | 122,032.6 | 123,708.6 | 121,486.9 | 122,461.5 |      |  |
| Public Investment           | 27,394.7  | 27,359.4  | 27,770.2  | 27,863.7  | 27,626.9  | 27,490.3  | 27,750.8  | 27,686.0  | 27,554.8  |      |  |
| Change in Public Inventory  | -49.1     | -74.2     | -98.6     | 61.6      | 13.5      | -48.0     | -3.0      | -47.0     | -77.2     |      |  |
| Net Exports                 | 4,406.6   | 4,625.0   | 6,125.7   | 7,666.2   | 7,791.2   | 5,037.2   | 7,263.2   | 5,737.5   | 5,267.1   |      |  |
| Exports of Goods & Services | 106,054.1 | 106,264.9 | 108,190.8 | 107,726.8 | 109,489.1 | 106,490.9 | 108,809.6 | 104,991.9 | 107,040.7 |      |  |
| Imports of Goods & Services | 101,647.5 | 101,639.9 | 102,065.1 | 100,060.6 | 101,697.8 | 101,453.7 | 101,546.4 | 99,254.5  | 101,773.7 |      |  |
| Gross National Income       | 621,365.7 | 620,189.3 | 622,987.5 | 620,575.7 | 620,116.7 | 619,683.3 | 622,003.0 | 613,373.3 | 621,212.5 |      |  |
| Memo:                       |           |           |           |           |           |           |           |           |           |      |  |
| Total Demand                | 691,107.3 | 692,185.7 | 695,283.9 | 697,990.5 | 701,689.2 | 692,535   | 699,984   | 686,389   | 693,434   |      |  |

| Upper Row : % change from the previous quarter Lower Row : % change from a year earlier |      |      |      |      |      |      |     |      |      |  |
|-----------------------------------------------------------------------------------------|------|------|------|------|------|------|-----|------|------|--|
| Gross Domestic Products                                                                 | -0.6 | 0.2  | 0.5  | 0.8  | 0.3  |      |     |      |      |  |
| SAAR                                                                                    | -2.3 | 0.7  | 1.8  | 3.2  | 1.4  |      |     |      |      |  |
| % Change Year Ago                                                                       | 0.5  | 0.4  | 0.3  | 0.8  | 1.8  | 1.1  | 1.2 | 0.5  | 0.8  |  |
| Private Consumption                                                                     | 0.5  | 0.1  | 0.3  | 0.5  | 0.0  |      |     |      |      |  |
| % Change Year Ago                                                                       | 1.3  | 1.4  | 1.1  | 1.5  | 1.0  | 1.3  | 1.2 | 0.1  | 1.3  |  |
| Residential Investment                                                                  | -8.0 | 5.0  | 0.9  | -0.3 | -0.3 |      |     |      |      |  |
| % Change Year Ago                                                                       | -7.9 | -4.0 | -2.6 | -2.8 | 5.3  | -2.5 | 0.1 | -0.7 | -3.4 |  |
| Nonresidential Investment                                                               | -0.1 | 1.2  | -0.7 | 0.2  | 1.0  |      |     |      |      |  |
| % Change Year Ago                                                                       | 1.2  | 3.2  | 1.3  | 0.6  | 1.7  | 2.1  | 1.2 | 0.8  | 2.0  |  |
| Government Consumption                                                                  | 0.1  | 0.4  | 0.3  | 0.4  | 0.4  |      |     |      |      |  |
| % Change Year Ago                                                                       | 0.5  | 0.8  | 1.4  | 1.1  | 1.5  | 0.9  | 1.4 | 2.3  | 0.8  |  |
| Public Investment                                                                       | -1.0 | -0.1 | 1.5  | 0.3  | -0.9 |      |     |      |      |  |
| % Change Year Ago                                                                       | -1.7 | -1.5 | 0.8  | 0.7  | 0.8  | -0.4 | 0.9 | 0.1  | -0.5 |  |
| Exports of Goods & Services                                                             | -1.6 | 0.2  | 1.8  | -0.4 | 1.6  |      |     |      |      |  |
| % Change Year Ago                                                                       | 1.1  | -0.3 | 2.1  | 0.0  | 3.2  | 2.5  | 2.2 | 2.7  | 2.0  |  |
| Imports of Goods & Services                                                             | -0.2 | 0.0  | 0.4  | -2.0 | 1.6  |      |     |      |      |  |
| % Change Year Ago                                                                       | 1.2  | 3.2  | 1.3  | -1.7 | 0.0  | 3.8  | 0.1 | 4.0  | 2.5  |  |
| Gross National Income                                                                   | 0.3  | -0.2 | 0.5  | -0.4 | -0.1 |      |     |      |      |  |
| SAAR                                                                                    | 1.1  | -0.8 | 1.8  | -1.5 | -0.3 |      |     |      |      |  |
| % Change Year Ago                                                                       | 1.4  | 1.0  | 0.9  | 0.1  | -0.2 | 1.6  | 0.4 | 1.1  | 1.3  |  |
| Total Demand                                                                            | -0.5 | 0.2  | 0.4  | 0.4  | 0.5  |      |     |      |      |  |
| SAAR                                                                                    | -2.1 | 0.6  | 1.8  | 1.6  | 2.1  |      |     |      |      |  |
| % Change Year Ago                                                                       | 2.4  | 1.9  | 0.5  | 0.5  | 1.5  | 1.5  | 1.1 | 1.0  | 1.0  |  |
| Contribution to GDP Growth Rate                                                         |      |      |      |      |      |      |     |      |      |  |
| Domestic Demand                                                                         | -0.3 | 0.1  | 0.1  | 0.5  | 0.3  | 1.4  | 0.8 | 0.8  | 0.9  |  |
| Private Demand                                                                          | -0.2 | 0.1  | 0.0  | 0.4  | 0.3  | 1.2  | 0.5 | 0.3  | 0.8  |  |
| Public demand                                                                           | 0.0  | 0.1  | 0.1  | 0.1  | 0.0  | 0.2  | 0.3 | 0.5  | 0.1  |  |
| Net Exports                                                                             | -0.3 | 0.0  | 0.3  | 0.3  | 0.0  | -0.3 | 0.4 | -0.3 | -0.1 |  |

Source: Compiled by the author

**Table 3-2: Gross Domestic Product at Current Prices: Y Billion**

|                             | Quarterly |           |           | Forecast  |           |  | CY        |           | FY        |           |  |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|--|-----------|-----------|-----------|-----------|--|
|                             | 2025Q3    | 2025Q4    | 2026Q1    | 2026Q2    | 2026Q3    |  | 2025      | 2026      | 2025      | 2026      |  |
| GDP/GDE                     |           |           |           |           |           |  |           |           |           |           |  |
| Gross Domestic Products     | 665,583.7 | 671,469.3 | 675,610.5 | 679,889.0 | 681,759.0 |  | 663,465.6 | 680,470.5 | 642,781.2 | 669,369.2 |  |
| Private Consumption         | 352,708.9 | 354,921.0 | 357,481.9 | 361,170.9 | 361,392.3 |  | 350,839.4 | 360,397.0 | 340,184.7 | 353,601.5 |  |
| Residential Investment      | 26,151.2  | 27,581.8  | 28,208.4  | 28,286.4  | 28,014.9  |  | 27,447.2  | 28,136.6  | 27,563.3  | 27,500.7  |  |
| Nonresidential Investment   | 124,110.5 | 126,733.9 | 127,067.5 | 128,448.3 | 130,157.4 |  | 123,675.8 | 129,392.7 | 119,190.9 | 125,303.0 |  |
| Change in Private Inventory | 496.0     | -1,973.7  | -3,826.7  | -1,706.3  | 228.0     |  | 759.3     | -1,326.7  | 197.3     | -777.5    |  |
| Government Consumption      | 132,159.4 | 133,014.9 | 134,147.3 | 135,270.7 | 135,832.4 |  | 131,604.3 | 135,411.1 | 129,100.3 | 132,626.4 |  |
| Public Investment           | 32,568.4  | 32,797.3  | 33,612.9  | 34,814.1  | 34,931.1  |  | 32,526.3  | 34,542.0  | 32,018.6  | 32,925.8  |  |
| Change in Public Inventory  | -47.5     | -79.4     | -94.9     | 21.3      | -17.8     |  | -72.3     | -27.7     | -76.3     | -98.2     |  |
| Net Exports                 | -2,563.1  | -1,526.5  | -985.9    | -6,416.4  | -8,779.2  |  | -3,314.2  | -6,054.5  | -5,397.6  | -1,712.4  |  |
| Exports of Goods & Services | 144,493.7 | 149,904.8 | 156,278.1 | 161,337.9 | 164,601.1 |  | 145,306.2 | 162,336.7 | 143,444.4 | 148,614.6 |  |
| Imports of Goods & Services | 147,056.8 | 151,431.2 | 157,264.1 | 167,754.3 | 173,380.3 |  | 148,620.5 | 168,391.2 | 148,842.2 | 150,327.0 |  |
| Gross National Income       | 708,977.4 | 711,846.3 | 717,712.3 | 723,927.1 | 725,693.7 |  | 704,245.0 | 724,407.6 | 682,509.5 | 710,454.5 |  |
| Memo:                       |           |           |           |           |           |  |           |           |           |           |  |
| Total Demand                | 812,640.5 | 822,900.5 | 832,874.6 | 847,643.3 | 855,139.3 |  | 812,086.1 | 848,861.7 | 791,623.4 | 819,696.2 |  |
| Compensation of Employee    | 323,683.7 | 327,221.6 | 329,310.9 | 334,539.5 | 334,279.0 |  | 323,092.8 | 333,367.9 | 314,173.2 | 325,475.6 |  |

| Upper Row : % change from the previous quarter Lower Row : % change from a year earlier |            |            |            |            |            |     |      |     |      |  |
|-----------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|-----|------|-----|------|--|
| Gross Domestic Products                                                                 | 0.2        | 0.9        | 0.6        | 0.6        | 0.3        |     |      |     |      |  |
| <b>SAAR</b>                                                                             | <b>0.6</b> | <b>3.6</b> | <b>2.5</b> | <b>2.6</b> | <b>1.1</b> |     |      |     |      |  |
| % Change Year Ago                                                                       | 4.0        | 3.8        | 3.6        | 2.3        | 2.4        | 4.5 | 2.6  | 3.7 | 4.1  |  |
| Private Consumption                                                                     | 1.0        | 0.6        | 0.7        | 1.0        | 0.1        |     |      |     |      |  |
| % Change Year Ago                                                                       | 4.2        | 4.1        | 3.2        | 3.4        | 2.5        | 4.2 | 2.7  | 2.8 | 3.9  |  |
| Residential Investment                                                                  | -7.0       | 5.5        | 2.3        | 0.3        | -1.0       |     |      |     |      |  |
| % Change Year Ago                                                                       | -4.7       | -0.8       | 0.8        | 0.6        | 7.1        | 0.7 | 2.5  | 2.6 | -0.2 |  |
| Nonresidential Investment                                                               | 0.9        | 2.1        | 0.3        | 1.1        | 1.3        |     |      |     |      |  |
| % Change Year Ago                                                                       | 4.4        | 6.6        | 5.1        | 4.5        | 4.9        | 5.2 | 4.6  | 4.2 | 5.1  |  |
| Government Consumption                                                                  | 0.6        | 0.6        | 0.9        | 0.8        | 0.4        |     |      |     |      |  |
| % Change Year Ago                                                                       | 2.5        | 2.7        | 3.4        | 3.0        | 2.8        | 3.0 | 2.9  | 4.6 | 2.7  |  |
| Public Investment                                                                       | -0.2       | 0.7        | 2.5        | 3.6        | 0.3        |     |      |     |      |  |
| % Change Year Ago                                                                       | 1.8        | 1.7        | 4.4        | 6.7        | 7.3        | 3.1 | 6.2  | 3.9 | 2.8  |  |
| Exports of Goods & Services                                                             | 0.7        | 3.7        | 4.3        | 3.2        | 2.0        |     |      |     |      |  |
| % Change Year Ago                                                                       | 1.2        | 3.2        | 8.8        | 12.5       | 13.9       | 3.0 | 11.7 | 7.9 | 3.6  |  |
| Imports of Goods & Services                                                             | 1.2        | 3.0        | 3.9        | 6.7        | 3.4        |     |      |     |      |  |
| % Change Year Ago                                                                       | -1.5       | 3.3        | 4.2        | 15.4       | 17.9       | 1.6 | 13.3 | 7.2 | 1.0  |  |
| Gross National Income                                                                   | 0.8        | 0.4        | 0.8        | 0.9        | 0.2        |     |      |     |      |  |
| <b>SAAR</b>                                                                             | <b>3.4</b> | <b>1.6</b> | <b>3.3</b> | <b>3.5</b> | <b>1.0</b> |     |      |     |      |  |
| % Change Year Ago                                                                       | 4.4        | 3.9        | 3.5        | 3.0        | 2.4        | 4.6 | 2.9  | 4.1 | 4.1  |  |
| Memo:                                                                                   |            |            |            |            |            |     |      |     |      |  |
| Total Demand                                                                            | 0.3        | 1.3        | 1.2        | 1.8        | 0.9        |     |      |     |      |  |
| <b>SAAR</b>                                                                             | <b>1.4</b> | <b>5.1</b> | <b>4.9</b> | <b>7.3</b> | <b>3.6</b> |     |      |     |      |  |
| % Change Year Ago                                                                       | 6.9        | 5.6        | 3.7        | 4.7        | 5.2        | 4.0 | 4.5  | 4.4 | 3.5  |  |
| Compensation of Employee                                                                | 0.5        | 1.1        | 0.6        | 1.6        | -0.1       |     |      |     |      |  |
| % Change Year Ago                                                                       | 3.4        | 3.4        | 3.6        | 3.8        | 3.3        | 3.7 | 3.2  | 4.1 | 3.6  |  |

Source: Compiled by the author

**Table 3-3: Deflator : 2020=100**

|                             | Quarterly |        | Forecast |        |        | CY    |       | FY    |       |
|-----------------------------|-----------|--------|----------|--------|--------|-------|-------|-------|-------|
|                             | 2025Q4    | 2026Q1 | 2026Q2   | 2026Q3 | 2026Q4 | 2025  | 2026  | 2025  | 2026  |
| GDP/GDE                     |           |        |          |        |        |       |       |       |       |
| Gross Domestic Products     | 112.9     | 113.7  | 113.9    | 113.8  | 114.0  | 112.2 | 114.0 | 109.5 | 113.1 |
| Private Consumption         | 114.2     | 114.8  | 115.2    | 116.1  | 116.0  | 113.9 | 115.8 | 111.5 | 114.4 |
| Residential Investment      | 123.0     | 123.6  | 125.3    | 126.6  | 127.1  | 122.4 | 126.6 | 119.5 | 123.4 |
| Nonresidential Investment   | 117.0     | 118.1  | 119.2    | 120.5  | 121.5  | 116.5 | 121.0 | 114.0 | 117.5 |
| Government Consumption      | 108.2     | 108.5  | 109.1    | 109.6  | 109.6  | 107.8 | 109.5 | 106.3 | 108.3 |
| Public Investment           | 118.9     | 119.9  | 121.0    | 122.9  | 123.5  | 118.3 | 122.5 | 115.6 | 119.4 |
| Exports of Goods & Services | 136.3     | 141.1  | 144.5    | 150.7  | 152.0  | 136.4 | 150.2 | 136.6 | 138.8 |
| Imports of Goods & Services | 144.7     | 149.0  | 154.1    | 169.3  | 171.2  | 146.5 | 166.6 | 150.0 | 147.7 |
| Unit Profit                 | 117.8     | 118.4  | 118.5    | 117.4  | 118.0  | 116.9 | 118.1 | 113.7 | 118.1 |
| Unit Labor Cost             | 108.3     | 109.3  | 109.5    | 110.4  | 110.3  | 107.8 | 110.1 | 105.4 | 108.3 |

|                             | UpperRow : %change from the previous quarter |     |     |      |      | LowerRow : %change from a year earlier |      |     |      |
|-----------------------------|----------------------------------------------|-----|-----|------|------|----------------------------------------|------|-----|------|
| Gross Domestic Products     | 0.8                                          | 0.7 | 0.2 | -0.1 | 0.2  |                                        |      |     |      |
|                             | 3.5                                          | 3.4 | 3.2 | 1.6  | 0.0  | 3.4                                    | 1.6  | 3.2 | 3.3  |
| Private Consumption         | 0.5                                          | 0.5 | 0.4 | 0.7  | 0.0  |                                        |      |     |      |
|                             | 2.8                                          | 2.7 | 2.0 | 2.1  | 1.6  | 2.9                                    | 1.7  | 2.7 | 2.6  |
| Residential Investment      | 1.1                                          | 0.5 | 1.3 | 1.0  | 0.4  |                                        |      |     |      |
|                             | 3.5                                          | 3.4 | 3.5 | 4.0  | 3.3  | 3.3                                    | 3.4  | 3.3 | 3.3  |
| Nonresidential Investment   | 1.0                                          | 0.9 | 1.0 | 1.1  | 0.9  |                                        |      |     |      |
|                             | 3.1                                          | 3.2 | 3.7 | 4.1  | 3.9  | 3.0                                    | 3.9  | 3.3 | 3.1  |
| Government Consumption      | 0.6                                          | 0.3 | 0.5 | 0.5  | 0.0  |                                        |      |     |      |
|                             | 1.9                                          | 1.9 | 1.9 | 1.9  | 1.3  | 2.1                                    | 1.5  | 2.2 | 1.9  |
| Public Investment           | 0.9                                          | 0.8 | 1.0 | 1.5  | 0.5  |                                        |      |     |      |
|                             | 3.6                                          | 3.3 | 3.6 | 4.2  | 3.9  | 3.5                                    | 3.6  | 3.8 | 3.3  |
| Exports of Goods & Services | 2.3                                          | 3.5 | 2.4 | 4.4  | 0.8  |                                        |      |     |      |
|                             | 0.1                                          | 3.6 | 6.7 | 13.2 | 11.6 | 0.5                                    | 10.1 | 5.1 | 1.6  |
| Imports of Goods & Services | 1.4                                          | 3.0 | 3.4 | 9.9  | 1.2  |                                        |      |     |      |
|                             | -2.7                                         | 0.1 | 2.9 | 18.6 | 18.4 | -2.2                                   | 13.8 | 3.1 | -1.6 |
| Unit Profit                 | 0.0                                          | 0.5 | 0.1 | -1.0 | 0.5  |                                        |      |     |      |
|                             | 0.0                                          | 5.5 | 3.2 | 0.1  | 0.2  | 4.2                                    | 1.0  | 2.9 | 3.9  |
| Unit Labor Cost             | 0.0                                          | 0.9 | 0.2 | 0.9  | -0.2 |                                        |      |     |      |
|                             | 0.0                                          | 4.1 | 3.3 | 3.1  | 1.8  | 2.6                                    | 2.2  | 3.6 | 2.8  |

Source: Compiled by the author