

Japanese Economy: Analysis and Forecasts No.124

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A Macroeconomic Analysis Project

▶ This report is a summary of the economic analyses and forecasts put together 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 at 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 widely used.

▶ The project was originally established by Chikashi Moriguchi and Kanemi Ban, Professors Emeritus of Osaka University. Since 2005 it has evolved into an endeavor to incorporate Current Quarter Model forecasts into the existing quarterly macroeconomic forecast model.

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

Index

Forecast Highlights	1
Summary of Forecast Results	2
Detailed Forecast Results	3-8

Forecast Highlights

Global trade has bottomed out, but recovery remains uncertain

- ◆ According to CPB World Trade Monitor, global exports in 2019 Q3 expanded +0.6% QoQ, growing for the first time in four quarters. International orders for Japan-made machinery went up +6.8% QoQ in Q3, and this growth in external demand is forecast to extend into Q4. Global semi-conductor sales (3-month moving average) declined -14.6% YoY in September. Although that was the ninth consecutive month of negative growth, the decline slowed down from the previous month. IT-related exports seem to have bottomed out. A recovery in world trade remains uncertain at this point.
- ◆ According to the advance estimates released on November 11th, Q3 real GDP growth was an annualized +0.2% QoQ, the fourth consecutive quarter of positive albeit modest growth. The figure was well below the market consensus and the CQM forecast.
- ◆ Although in 2019 Q2 robust domestic demand offset the negative trend in net exports, in Q3 domestic demand decelerated, slowing down overall growth. The main factors behind this deceleration were the sluggish private final consumption expenditure, which was not as large as expected, and the negative contribution of changes in private inventories (a drawdown of inventories by the rush demand before the consumption tax hike).
- ◆ Reflecting the first preliminary Q3 GDP estimates, we updated our forecast for real GDP growth to +0.7% in FY2019, +0.4% in FY2020, and +0.7% in FY2021. The FY2019 forecast was revised down by -0.3%pt from the previous report (No.123) as a result of the sluggish private demand in the first half of the year. The latest FY2020 forecast is -0.1%pt lower, reflecting a downward revision in domestic demand and the extension of the China-US trade conflict.
- ◆ Rush demand before the consumption tax hike this time was not as pronounced as the previous time. The feeble growth in disposable income paired with the slow recovery in consumer sentiments suggests that the basic private consumption trend remains weak. Although these trends will dampen growth in the second half of FY2019, we believe that an economic recession is unlikely, because the tax hike this time (2%pt) was not as large as the 2014 one (3%pt), and the new tax rate does not apply to foodstuffs. In addition, the government is implementing generous economic policies, and the Olympic Games will generate additional demand. However, as the China-US trade conflict is taking its toll on global trade, and the effects of protectionist policies will extend into FY2020, the Japanese economy is not expected to get back on the path to recovery until FY2021.
- ◆ Future inflation will be influenced not only by energy and non-energy prices, but also by the consumption tax hike and the elimination of child care fees. The combined inflation impact of the tax hike and the removal of preschool education fees in October was +0.2%. Considering this, as well as future trends in the supply-demand gap, we forecast a core CPI inflation of +0.6% in FY2019, +0.4% in FY2020, and +0.5% in FY2021.

Summary of Forecast Results

	Current forecast (2019/11/28)				Previous forecast (2019/8/29)			
	2018	2019	2020	2021	2017	2018	2019	2020
Real GDP (%)	0.7	0.7	0.4	0.7	1.9	0.7	1.0	0.5
Private demand (contribution)	0.8	0.4	0.0	0.4	1.3	0.8	0.8	0.2
Private final consumption expenditure (%)	0.4	0.2	▲ 0.1	0.6	1.0	0.5	0.5	0.2
Private residential investment (%)	▲ 4.3	1.5	▲ 1.5	1.3	▲ 0.7	▲ 4.4	▲ 0.9	▲ 1.3
Private non-residential investment (%)	3.5	2.4	2.0	1.2	4.6	3.5	3.1	1.5
Change in private inventories (contribution)	0.1	▲ 0.1	▲ 0.2	▲ 0.2	0.1	0.1	▲ 0.0	▲ 0.1
Public demand (contribution)	▲ 0.0	0.7	0.3	0.2	0.1	▲ 0.0	0.5	0.3
Government final consumption expenditure (%)	0.9	2.3	1.1	0.8	0.4	0.9	1.8	0.9
Government investment expenditure (%)	▲ 4.0	3.9	1.9	1.5	0.5	▲ 4.0	3.2	1.9
Change in government inventories (contribution)	0.0	0.0	0.0	0.0	0.0	▲ 0.0	0.0	0.0
External demand (contribution)	▲ 0.1	▲ 0.4	0.0	0.1	0.4	▲ 0.1	▲ 0.3	0.1
Exports of goods and services (%)	1.6	▲ 1.4	1.5	2.1	6.5	1.5	▲ 1.3	1.6
Imports of goods and services (%)	2.2	0.7	1.2	1.4	4.0	2.1	0.5	1.1
Nominal GDP (%)	0.5	1.2	0.6	1.0	2.0	0.5	1.5	0.9
GDP deflator (%)	▲ 0.2	0.5	0.2	0.3	0.1	▲ 0.2	0.5	0.4
Domestic corporate goods price index (%)	2.2	0.4	0.6	0.3	2.7	2.2	0.8	1.2
Core consumer price index (%)	0.8	0.6	0.4	0.5	0.7	0.8	0.6	0.5
Industrial production index (%)	0.3	▲ 1.4	0.5	1.0	2.9	0.3	▲ 0.6	0.6
New housing starts (%)	0.7	▲ 6.5	▲ 3.8	2.2	▲ 2.8	0.7	▲ 4.2	▲ 0.9
Unemployment rate (%)	2.4	2.4	2.5	2.4	2.7	2.4	2.4	2.5
Current account balance (JPY trillion)	19.2	19.1	18.8	18.6	22.2	19.2	17.7	18.4
% of nominal GDP	3.5	3.4	3.4	3.3	4.1	3.5	3.2	3.3
Crude oil price (USD/barrel)	67.6	60.2	54.3	51.6	55.9	67.6	64.2	59.6
USD/JPY exchange rate	110.9	108.1	108.3	109.0	110.8	110.9	108.0	105.0
USA real GDP (% , calendar year)	2.9	2.3	2.1	2.0	2.4	2.9	2.3	2.2

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.

Detailed Forecast Results

Table 1. Main economic indicators

	Quarter												Fiscal year			
	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	2018	2019	2020	2021
Real GDP (JPY trillion)	540.5	540.8	537.0	539.3	540.8	541.5	541.5	542.0	543.2	544.9	546.1	547.3	535.6	539.4	541.5	545.4
	0.4	0.1	-0.7	0.4	0.3	0.1	0.0	0.1	0.2	0.3	0.2	0.2	0.7	0.7	0.4	0.7
	0.8	1.4	0.3	0.2	0.1	0.1	0.8	0.5	0.4	0.6	0.9	1.0				
Nominal GDP (JPY trillion)	556.8	558.5	555.3	557.4	558.1	559.9	561.2	561.7	563.4	565.6	567.2	568.1	550.4	557.0	560.2	566.1
	0.4	0.3	-0.6	0.4	0.1	0.3	0.2	0.1	0.3	0.4	0.3	0.2	0.5	1.2	0.6	1.0
	1.2	2.0	1.0	0.5	0.2	0.3	1.1	0.8	0.9	1.0	1.1	1.1				
GDP deflator (2011=100)	103.0	103.3	103.4	103.4	103.2	103.4	103.6	103.7	103.8	103.9	103.8	103.8	102.8	103.3	103.5	103.8
	-0.1	0.2	0.1	0.0	-0.2	0.2	0.2	0.0	0.1	0.1	0.0	-0.1	-0.2	0.5	0.2	0.3
	0.4	0.6	0.7	0.3	0.2	0.1	0.2	0.3	0.5	0.4	0.2	0.1				
Index of industrial production (2015=100)	103.0	102.4	101.7	102.2	102.7	102.9	102.7	103.1	103.4	103.5	104.0	104.5	103.8	102.3	102.8	103.9
	0.7	-0.6	-0.7	0.5	0.5	0.1	-0.2	0.4	0.3	0.1	0.5	0.5	0.3	-1.4	0.5	1.0
	-1.2	-1.2	-3.1	-0.2	-0.3	0.5	1.0	0.8	0.7	0.6	1.3	1.4				
New housing starts (thousands)	229	225	220	217	216	215	214	212	215	217	220	224	953	891	857	876
	-2.6	-2.0	-2.2	-1.3	-0.5	-0.3	-0.8	-0.8	1.2	1.3	1.4	1.6	0.7	-6.5	-3.8	2.2
	-5.0	-5.4	-7.9	-7.8	-5.9	-4.2	-2.8	-2.3	-0.7	0.9	3.1	5.6				
Domestic corporate goods price index (2015=100)	101.6	101.0	102.4	102.7	102.6	102.4	102.5	102.8	102.9	102.7	102.9	103.3	101.5	101.9	102.6	102.9
	0.5	-0.6	1.4	0.3	-0.1	-0.2	0.2	0.3	0.1	-0.2	0.2	0.4	2.2	0.4	0.6	0.3
	0.6	-0.9	0.4	1.5	1.0	1.3	0.1	0.1	0.3	0.3	0.3	0.5				
Core consumer price index (2015=100)	101.7	101.6	101.9	101.8	102.3	102.1	102.2	102.1	102.5	102.7	102.8	102.6	101.2	101.8	102.2	102.6
	0.4	-0.1	0.3	-0.1	0.5	-0.2	0.0	-0.1	0.4	0.1	0.1	-0.2	0.8	0.6	0.4	0.5
	0.8	0.5	0.4	0.5	0.6	0.5	0.3	0.3	0.2	0.5	0.6	0.5				
Wage earnings per worker (JPY thousand)	4052	4044	4056	4046	4065	4068	4070	4071	4080	4089	4096	4103	4030	4050	4069	4092
	0.6	-0.2	0.3	-0.2	0.5	0.1	0.0	0.0	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.6
	0.6	0.4	0.5	0.4	0.3	0.6	0.4	0.6	0.4	0.5	0.6	0.8				
Unemployment rate (%)	2.4	2.3	2.4	2.4	2.4	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.4
CD interest rate (%)	0.001	0.002	0.002	0.002	0.002	0.002	0.002	0.003	0.003	0.003	0.003	0.003	0.001	0.001	0.002	0.003
10-year government bond yields (%)	-0.107	-0.220	-0.165	-0.209	-0.278	-0.186	-0.157	-0.080	-0.010	0.080	0.112	0.136	0.042	-0.175	-0.175	0.080
Current account balance (JPY trillion)	4.9	4.9	4.7	4.6	4.6	4.7	4.8	4.7	4.7	4.7	4.8	4.4	19.2	19.1	18.8	18.6
% of nominal GDP	3.5	3.5	3.4	3.3	3.3	3.3	3.4	3.4	3.3	3.3	3.4	3.1	3.5	3.4	3.4	3.3
Crude oil price (USD/barrel)	65.16	59.82	58.87	56.99	64.40	55.06	49.58	48.30	48.94	51.19	53.13	53.15	67.62	60.21	54.33	51.60
USD/JPY exchange rate	109.9	107.3	107.3	108.0	108.0	108.0	108.0	109.0	109.0	109.0	109.0	109.0	110.9	108.1	108.3	109.0
Government debt (JPY trillion)	1109.3	1113.5	1119.4	1125.3	1131.3	1137.7	1144.6	1151.7	1159.2	1166.9	1175.0	1183.4	1105.0	1125.3	1151.7	1159.2
	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.7	2.6	1.8	2.3	0.6
	2.3	2.1	1.9	1.8	2.0	2.2	2.3	2.3	2.5	2.6	2.7	2.7				
% of GDP	199.2	199.4	198.6	200.0	202.3	205.0	205.7	206.9	208.6	210.8	211.4	212.5	200.8	202.0	205.6	204.8
Fiscal balance (JPY trillion)	-41.1	-41.9	-41.5	-43.4	-45.5	-46.6	-47.7	-49.1	-50.5	-51.7	-52.7	-54.1	-39.8	-42.0	-47.2	-52.3

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.

Table 2. Gross domestic expenditure (real)

JPY trillion (2011 chain prices), %

	Quarter												Fiscal year			
	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	2018	2019	2020	2021
Private final consumption expenditure	302.3	303.4	298.1	299.4	300.1	300.4	300.8	301.2	301.7	302.1	302.5	302.9	300.1	300.8	300.6	302.3
	0.6	0.4	-1.7	0.4	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.2	-0.1	0.6
	0.8	1.3	-0.8	-0.4	-0.7	-1.0	0.9	0.6	0.5	0.5	0.6	0.6				
Private residential investment	15.7	15.9	15.5	15.3	15.3	15.3	15.4	15.4	15.5	15.5	15.6	15.6	15.4	15.6	15.4	15.6
	0.5	1.4	-2.4	-0.9	-0.3	0.2	0.2	0.3	0.4	0.2	0.3	0.4	-4.3	1.5	-1.5	1.3
	3.1	4.2	0.5	-1.5	-2.3	-3.4	-0.8	0.4	1.2	1.2	1.3	1.4				
Private non-residential investment	88.4	89.2	90.1	90.4	90.9	91.1	91.4	91.7	91.7	92.1	92.7	93.0	87.4	89.5	91.3	92.4
	0.7	0.9	1.0	0.4	0.5	0.2	0.4	0.3	-0.1	0.5	0.7	0.3	3.5	2.4	2.0	1.2
	0.2	4.4	2.2	3.0	2.8	2.2	1.5	1.5	0.8	1.1	1.4	1.3				
Change in private inventories	1.9	0.2	0.6	0.7	0.3	0.2	-0.8	-1.2	-1.1	-1.0	-1.7	-1.8	1.6	0.8	-0.4	-1.4
Government final consumption expenditure	109.1	109.7	110.1	110.5	111.0	111.1	111.1	111.2	111.5	111.8	112.2	112.5	107.4	109.9	111.1	112.0
	1.2	0.5	0.4	0.3	0.4	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.9	2.3	1.1	0.8
	2.1	2.5	2.1	2.5	1.7	1.2	0.9	0.6	0.5	0.7	1.0	1.2				
Government investment expenditure	25.6	25.8	26.1	26.2	26.4	26.4	26.4	26.4	26.6	26.7	26.9	27.0	24.9	25.9	26.4	26.8
	2.1	0.8	1.0	0.7	0.5	0.1	0.1	0.1	0.6	0.5	0.5	0.6	-4.0	3.9	1.9	1.5
	0.4	3.8	5.9	4.8	3.1	2.4	1.4	0.8	0.9	1.3	1.8	2.2				
Change in government inventories	0.03	0.01	0.10	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.03	0.06	0.09	0.09
Exports of goods and services	92.0	91.4	91.2	91.6	92.2	92.7	93.2	93.4	93.9	94.4	95.2	95.8	92.9	91.5	92.9	94.9
	0.5	-0.7	-0.2	0.5	0.6	0.6	0.5	0.3	0.6	0.5	0.9	0.6	1.6	-1.4	1.5	2.1
	-2.3	-1.1	-2.4	0.1	0.2	1.5	2.2	1.9	1.9	1.9	2.2	2.6				
Imports of goods and services	95.1	95.3	95.3	95.7	96.0	96.3	96.7	96.9	97.2	97.5	97.9	98.5	94.6	95.3	96.5	97.8
	2.1	0.2	0.0	0.4	0.3	0.4	0.3	0.3	0.3	0.3	0.4	0.6	2.2	0.7	1.2	1.4
	0.4	1.9	-1.9	2.8	0.9	1.1	1.4	1.3	1.3	1.2	1.3	1.6				
GDP	540.5	540.8	537.0	539.3	540.8	541.5	541.5	542.0	543.2	544.9	546.1	547.3	535.6	539.4	541.5	545.4
	1.8	0.2	-2.8	1.7	1.2	0.5	0.0	0.4	0.9	1.3	0.9	0.9	0.7	0.7	0.4	0.7
	0.4	0.1	-0.7	0.4	0.3	0.1	0.0	0.1	0.2	0.3	0.2	0.2				
	0.8	1.4	0.3	0.2	0.1	0.1	0.8	0.5	0.4	0.6	0.9	1.0				
Contribution of domestic demand	0.7	0.2	-0.7	0.4	0.2	0.1	0.0	0.1	0.2	0.3	0.2	0.2	0.8	1.1	0.3	0.6
of which, private demand	0.4	0.1	-0.8	0.3	0.1	0.1	0.0	0.1	0.1	0.2	0.1	0.1	0.8	0.4	0.0	0.4
of which, public demand	0.3	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.7	0.3	0.2
Contribution of net exports	-0.3	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	-0.1	-0.4	0.0	0.1

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.

Table 3. Gross domestic expenditure (nominal)

JPY trillion, %

	Quarter												Fiscal year			
	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	2018	2019	2020	2021
Private final consumption expenditure	308.1	309.6	305.0	306.6	306.7	307.5	308.2	308.9	309.6	310.2	310.7	311.3	305.6	307.3	307.8	310.4
	0.7	0.5	-1.5	0.5	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.8	0.6	0.2	0.8
	1.3	1.4	-0.6	0.2	-0.4	-0.7	1.1	0.8	0.9	0.9	0.8	0.8				
Private residential investment	17.1	17.4	17.1	16.9	16.9	16.9	16.9	17.0	17.0	17.0	17.1	17.1	16.7	17.1	16.9	17.1
	0.6	1.7	-1.9	-1.0	-0.4	0.2	0.2	0.2	0.3	0.1	0.2	0.4	-2.7	2.3	-1.4	1.0
	3.8	4.9	1.4	-0.7	-1.6	-3.1	-1.0	0.3	1.0	0.9	0.9	1.0				
Private non-residential investment	90.9	92.1	93.1	93.3	93.9	94.4	95.0	95.5	95.5	96.0	96.6	96.8	89.9	92.3	94.7	96.3
	0.7	1.2	1.1	0.3	0.6	0.6	0.6	0.5	0.0	0.5	0.6	0.2	4.4	2.7	2.6	1.6
	0.5	4.6	2.4	3.4	3.2	2.6	2.1	2.4	1.8	1.7	1.7	1.4				
Change in private inventories	1.9	0.1	0.6	1.2	0.7	0.6	-0.5	-0.8	-0.7	-0.6	-1.3	-1.4	1.6	1.0	0.0	-1.0
Government final consumption expenditure	110.5	111.3	111.8	112.3	112.7	113.0	113.3	113.6	114.2	114.7	115.3	115.8	108.6	111.5	113.1	115.0
	1.0	0.8	0.4	0.4	0.3	0.3	0.3	0.3	0.5	0.5	0.5	0.5	1.0	2.6	1.5	1.6
	2.3	2.8	2.6	2.6	2.0	1.5	1.3	1.2	1.3	1.5	1.7	1.9				
Government investment expenditure	27.8	28.2	28.5	28.7	28.9	28.9	29.0	29.0	29.3	29.5	29.6	29.8	27.0	28.3	29.0	29.5
	2.5	1.2	1.3	0.7	0.6	0.1	0.3	0.1	0.7	0.7	0.6	0.6	-2.3	5.1	2.3	2.0
	1.7	5.1	7.1	5.8	3.8	2.8	1.7	1.1	1.2	1.8	2.2	2.7				
Change in government inventories	0.02	0.01	0.07	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.01	0.04	0.06	0.06
Exports of goods and services	97.5	95.7	94.3	94.7	94.7	95.1	95.4	95.2	95.5	95.9	96.5	96.9	100.5	95.5	95.1	96.2
	-0.4	-1.9	-1.5	0.4	0.0	0.5	0.3	-0.2	0.3	0.5	0.6	0.4	2.3	-4.9	-0.5	1.2
	-3.9	-5.7	-7.1	-3.3	-2.9	-0.6	1.2	0.5	0.8	0.8	1.2	1.8				
Imports of goods and services	97.2	95.9	95.1	96.3	96.3	96.5	96.2	96.7	97.0	97.2	97.4	98.4	99.5	96.1	96.5	97.5
	2.0	-1.3	-0.9	1.3	0.0	0.2	-0.3	0.5	0.3	0.2	0.3	1.0	6.6	-3.4	0.3	1.1
	-1.2	-4.7	-8.3	1.2	-0.8	0.6	1.2	0.4	0.7	0.7	1.2	1.8				
GDP	556.8	558.5	555.3	557.4	558.1	559.9	561.2	561.7	563.4	565.6	567.2	568.1	550.4	557.0	560.2	566.1
	1.5	1.2	-2.3	1.5	0.5	1.3	0.9	0.4	1.2	1.6	1.1	0.6	0.5	1.2	0.6	1.0
	0.4	0.3	-0.6	0.4	0.1	0.3	0.2	0.1	0.3	0.4	0.3	0.2				
	1.2	2.0	1.0	0.5	0.2	0.3	1.1	0.8	0.9	1.0	1.1	1.1				
Contribution of domestic demand	0.8	0.4	-0.5	0.5	0.1	0.3	0.1	0.2	0.3	0.4	0.2	0.3	1.2	1.5	0.7	1.0
of which, private demand	0.5	0.2	-0.6	0.4	0.0	0.2	0.1	0.2	0.1	0.2	0.1	0.1	1.2	0.7	0.3	0.6
of which, public demand	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.8	0.4	0.4
Contribution of net exports	-0.4	-0.1	-0.1	-0.2	0.0	0.0	0.1	-0.1	0.0	0.0	0.1	-0.1	-0.7	-0.3	-0.1	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.

Table 4. Gross domestic expenditure (deflator)

2011 = 100, %

	Quarter												Fiscal year			
	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	2018	2019	2020	2021
Private final consumption expenditure	101.9	102.0	102.3	102.4	102.2	102.3	102.5	102.6	102.6	102.7	102.7	102.8	101.8	102.2	102.4	102.7
	0.1	0.1	0.3	0.1	-0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.4	0.3	0.2	0.3
Private residential investment	109.4	109.7	110.3	110.2	110.1	110.1	110.1	110.1	109.9	109.8	109.7	109.6	109.0	109.9	110.1	109.7
	0.1	0.3	0.5	-0.1	-0.1	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	1.6	0.8	0.2	-0.3
Private non-residential investment	102.9	103.3	103.3	103.2	103.3	103.7	103.9	104.1	104.2	104.3	104.2	104.2	102.9	103.2	103.8	104.2
	0.1	0.4	0.0	-0.1	0.1	0.4	0.3	0.2	0.1	0.0	0.0	-0.1	0.8	0.3	0.6	0.4
Government final consumption expenditure	101.2	101.5	101.5	101.6	101.5	101.7	102.0	102.2	102.4	102.6	102.8	102.9	101.2	101.5	101.8	102.7
	-0.2	0.2	0.0	0.1	-0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.3	0.4	0.8
Government investment expenditure	108.8	109.2	109.5	109.5	109.6	109.6	109.8	109.8	110.0	110.2	110.3	110.3	108.1	109.3	109.7	110.2
	0.3	0.3	0.3	0.0	0.1	0.0	0.2	0.0	0.2	0.1	0.1	0.1	1.8	1.1	0.4	0.4
Exports of goods and services	106.0	104.7	103.4	103.3	102.7	102.6	102.4	101.9	101.6	101.6	101.3	101.2	108.2	104.4	102.4	101.4
	-0.9	-1.2	-1.3	-0.1	-0.6	-0.1	-0.3	-0.5	-0.2	-0.1	-0.2	-0.2	0.7	-3.6	-1.9	-0.9
Imports of goods and services	102.2	100.7	99.8	100.7	100.4	100.2	99.6	99.8	99.7	99.7	99.5	99.9	105.2	100.8	100.0	99.7
	-0.1	-1.5	-0.9	0.9	-0.3	-0.2	-0.6	0.2	0.0	-0.1	-0.1	0.4	4.4	-4.1	-0.8	-0.3
GDP	103.0	103.3	103.4	103.4	103.2	103.4	103.6	103.6	103.7	103.8	103.9	103.8	102.8	103.3	103.5	103.8
	-0.1	0.2	0.1	0.0	-0.2	0.2	0.2	0.0	0.1	0.1	0.0	-0.1	-0.2	0.5	0.2	0.3
	0.4	0.6	0.7	0.3	0.2	0.1	0.2	0.3	0.5	0.4	0.2	0.1				

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.

Table 5. Production, employment, wages and prices

	Quarter												Fiscal year			
	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	2018	2019	2020	2021
Index of industrial production (2015=100)	103.0	102.4	101.7	102.2	102.7	102.9	102.7	103.1	103.4	103.5	104.0	104.5	103.8	102.3	102.8	103.9
	0.7	-0.6	-0.7	0.5	0.5	0.1	-0.2	0.4	0.3	0.1	0.5	0.5	0.3	-1.4	0.5	1.0
	-1.2	-1.2	-3.1	-0.2	-0.3	0.5	1.0	0.8	0.7	0.6	1.3	1.4				
Labor force (ten thousand persons)	6863	6886	6925	6932	6930	6928	6938	6937	6942	6947	6954	6961	6848	6901	6933	6951
	-0.1	0.3	0.6	0.1	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	1.4	0.8	0.5	0.3
	0.6	0.8	0.8	0.9	1.0	0.6	0.2	0.1	0.2	0.3	0.2	0.3				
Engaged labor force (ten thousand persons)	6701	6730	6759	6766	6764	6757	6767	6767	6772	6778	6785	6793	6681	6739	6763	6782
	-0.1	0.4	0.4	0.1	0.0	-0.1	0.1	0.0	0.1	0.1	0.1	0.1	1.7	0.9	0.4	0.3
	0.7	1.0	0.9	0.9	0.9	0.4	0.1	0.0	0.1	0.3	0.3	0.4				
Employed (ten thousand persons)	5993	6017	6043	6050	6048	6042	6050	6051	6055	6060	6067	6074	5955	6026	6048	6064
	0.2	0.4	0.4	0.1	0.0	-0.1	0.1	0.0	0.1	0.1	0.1	0.1	1.8	1.2	0.4	0.3
	1.1	1.2	1.3	1.1	0.9	0.4	0.1	0.0	0.1	0.3	0.3	0.4				
Unemployment rate (%)	2.4	2.3	2.4	2.4	2.4	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.4
Domestic corporate goods price index (2015=100)	101.6	101.0	102.4	102.7	102.6	102.4	102.5	102.8	102.9	102.7	102.9	103.3	101.5	101.9	102.6	102.9
	0.5	-0.6	1.4	0.3	-0.1	-0.2	0.2	0.3	0.1	-0.2	0.2	0.4	2.2	0.4	0.6	0.3
	0.6	-0.9	0.4	1.5	1.0	1.3	0.1	0.1	0.3	0.3	0.3	0.5				
Core consumer price index (2015=100)	101.7	101.6	101.9	101.8	102.3	102.1	102.2	102.1	102.5	102.7	102.8	102.6	101.2	101.8	102.2	102.6
	0.4	-0.1	0.3	-0.1	0.5	-0.2	0.0	-0.1	0.4	0.1	0.1	-0.2	0.8	0.6	0.4	0.5
	0.8	0.5	0.4	0.5	0.6	0.5	0.3	0.3	0.2	0.5	0.6	0.5				

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.

Table 6. Financial markets

	Quarter												Fiscal year			
	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	2018	2019	2020	2021
CD rates (%)	0.001	0.002	0.002	0.002	0.002	0.002	0.002	0.003	0.003	0.003	0.003	0.003	0.001	0.001	0.002	0.003
Government bond yields (%)	-0.107	-0.220	-0.165	-0.209	-0.278	-0.186	-0.157	-0.080	-0.010	0.080	0.112	0.136	0.042	-0.175	-0.175	0.080
Money stock (M2+CD, JPY trillion)	1024.7	1029.9	1034.6	1040.3	1049.6	1051.2	1058.4	1063.5	1069.0	1071.2	1081.1	1088.5	1015.9	1040.3	1063.5	1088.5
	0.9	0.5	0.5	0.6	0.9	0.2	0.7	0.5	0.5	0.2	0.9	0.7	2.4	2.4	2.2	2.3
	2.5	2.3	2.3	2.4	2.4	2.1	2.3	2.2	1.8	1.9	2.1	2.3				
Nikkei stock average (JPY)	21,414	21,270	23,500	23,400	23,300	23,200	23,100	23,000	23,000	23,000	23,000	23,000	21,973	22,396	23,150	23,000
	2.0	-0.7	10.5	-0.4	-0.4	-0.4	-0.4	-0.4	0.0	0.0	0.0	0.0	4.7	1.9	3.4	-0.6
	-4.1	-6.1	7.3	11.4	8.8	9.1	-1.7	-1.7	-1.3	-0.9	-0.4	0.0				
USD/JPY exchange rate	109.9	107.3	107.3	108.0	108.0	108.0	108.0	109.0	109.0	109.0	109.0	109.0	110.9	108.1	108.3	109.0
	-0.3	-2.3	0.0	0.7	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.1	-2.5	0.1	0.7
	0.8	-3.7	-4.9	-2.0	-1.7	0.7	0.7	0.9	0.9	0.9	0.9	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 annual statistics, the figures under the main series represent YoY changes (%). Highlighted columns represent actual values.

Table 7. External sector

JPY trillion, %

	Quarter												Fiscal year			
	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	2018	2019	2020	2021
Goods exports (real)	73.0	73.3	73.3	73.7	73.4	72.7	74.2	75.2	75.2	74.6	77.0	78.5	74.6	73.3	73.8	76.3
(SNA basis)	0.2	0.3	0.1	0.5	-0.4	-0.9	2.1	1.4	0.0	-0.8	3.2	2.0	2.1	-1.7	0.7	3.3
	-3.9	-1.4	-2.7	1.1	0.5	-0.8	1.2	2.0	2.5	2.7	3.8	4.4				
Goods imports (real)	77.2	77.7	77.6	77.8	77.9	78.1	78.2	78.3	78.4	78.5	78.8	79.3	76.9	77.6	78.1	78.8
(SNA basis)	2.6	0.6	-0.2	0.3	0.1	0.2	0.1	0.1	0.2	0.2	0.3	0.6	2.9	0.8	0.7	0.8
	1.3	1.7	-2.7	3.4	0.9	0.5	0.8	0.6	0.6	0.6	0.8	1.3				
Services exports (real)	18.8	18.0	17.9	17.9	18.8	20.0	19.0	18.2	18.7	19.8	18.3	17.3	18.2	18.2	19.0	18.5
(SNA basis)	1.6	-4.4	-0.9	0.5	4.8	6.5	-5.1	-4.1	2.8	5.8	-7.8	-5.2	-0.7	0.1	4.7	-2.5
	4.5	0.0	-0.8	-3.2	-0.2	11.1	6.4	1.5	-0.4	-1.0	-3.9	-4.9				
Services imports (real)	18.0	17.8	17.7	17.8	18.0	18.3	18.5	18.7	18.8	19.0	19.1	19.2	17.9	17.8	18.4	19.0
(SNA basis)	0.4	-1.2	-0.4	0.6	1.0	1.4	1.3	1.0	0.8	0.7	0.7	0.7	-0.5	-0.2	2.9	3.7
	-2.9	2.9	0.5	-0.6	0.0	2.6	4.3	4.7	4.6	3.9	3.3	3.0				
Goods exports (nominal)	76.6	75.8	75.2	75.8	74.9	74.0	75.2	75.7	75.2	74.4	76.5	77.8	80.3	75.8	75.0	76.0
(SNA basis)	-0.9	-1.0	-0.9	0.8	-1.1	-1.2	1.6	0.7	-0.6	-1.1	2.8	1.8	2.6	-5.6	-1.1	1.4
	-6.0	-6.7	-7.7	-2.0	-2.2	-2.4	0.0	0.0	0.4	0.5	1.8	2.8				
Goods imports (nominal)	77.3	76.2	76.3	77.6	77.5	77.6	77.4	78.0	78.3	78.4	78.6	79.6	79.6	76.8	77.6	78.7
(SNA basis)	2.4	-1.4	0.1	1.7	0.0	0.1	-0.3	0.7	0.4	0.2	0.3	1.2	8.0	-3.5	1.0	1.4
	-0.7	-6.1	-9.2	2.8	0.3	1.9	1.4	0.5	0.9	1.0	1.6	2.1				
Services exports (nominal)	20.9	19.9	19.1	18.9	19.8	21.1	20.2	19.4	20.2	21.5	20.0	19.1	20.2	19.7	20.1	20.2
(SNA basis)	1.7	-5.2	-3.8	-1.0	4.5	6.9	-4.4	-3.9	4.1	6.4	-6.9	-4.8	0.9	-2.3	2.2	0.4
	5.0	-1.3	-4.6	-8.2	-5.6	6.4	5.8	2.7	2.4	1.9	-0.9	-1.8				
Services imports (nominal)	19.9	19.7	18.8	18.8	18.8	18.9	18.9	18.8	18.7	18.7	18.8	18.8	19.9	19.3	18.8	18.8
(SNA basis)	0.4	-0.8	-4.6	-0.2	0.1	0.5	-0.2	-0.4	-0.3	0.0	0.3	0.2	1.4	-2.9	-2.4	-0.3
	-3.1	1.2	-4.5	-5.2	-5.4	-4.2	0.3	0.1	-0.3	-0.8	-0.3	0.3				
Trade balance (BOP basis)	-0.4	0.0	-0.3	-0.5	-0.7	-0.9	-0.6	-0.6	-0.8	-1.0	-0.5	-0.4	0.7	-1.1	-2.7	-2.7
Balance on services (BOP basis)	0.1	-0.2	-0.1	-0.2	0.0	0.3	0.1	-0.1	0.1	0.4	0.1	-0.2	-0.7	-0.4	0.3	0.4
Primary income balance (BOP basis)	5.5	5.4	5.0	4.7	4.7	4.7	4.6	4.4	4.3	4.3	4.3	4.1	21.0	20.7	18.4	16.9
Current account balance (BOP basis)	4.9	4.9	4.7	4.6	4.6	4.7	4.8	4.7	4.7	4.7	4.8	4.4	19.2	19.1	18.8	18.6
	4.6	-1.4	-4.1	-0.5	-0.7	1.7	2.2	-0.7	-1.6	0.8	1.9	-7.4	-13.2	-0.9	-1.4	-1.0
	-9.6	4.0	8.3	-1.5	-6.5	-3.6	2.6	2.4	1.5	0.7	0.4	-6.3				
USD/JPY exchange rate	109.9	107.3	107.3	108.0	108.0	108.0	108.0	109.0	109.0	109.0	109.0	109.0	110.9	108.1	108.3	109.0
	-0.3	-2.3	0.0	0.7	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.1	-2.5	0.1	0.7
	0.8	-3.7	-4.9	-2.0	-1.7	0.7	0.7	0.9	0.9	0.9	0.9	0.0				

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.