

Japanese Economy: Analysis and Forecasts No.128

28 May, 2020

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.

Forecast Highlights

V-shaped recovery unlikely following the Covid-19 pandemic

Social distancing measures to slow down recovery

- ◆ According to the first advance estimates released on May 18th, 2020 Q1 real GDP growth was an annualized -3.4% QoQ, the second consecutive quarter of negative growth. The figure was higher than the market consensus of -4.6%. APIR's latest CQM estimate of -3.4%, which is the average of our expenditure-side estimate (-5.2%) and our production-side estimate (-1.7%), was in the bull's eye.
- ◆ Among the supply-related 2020 Q1 GDP statistics, total domestic output declined by JPY -4.5 trillion, and the imports of goods and serviced slumped by JPY -4.6 trillion, reflecting the coronavirus-induced supply shock. On the demand side, private final consumption expenditure decreased by JPY -2.1 trillion, private capital investment by JPY -1.3 trillion, and the exports of goods and serviced by JPY -5.1 trillion. We expect an even steeper slump in private consumption in 2020 Q2, due to the government's state of emergency declaration in April.
- ◆ The Covid-19 pandemic instantly drove the economy into a downward spiral. In addition to the decline in the exports of goods and services, in our latest forecast we took into account the impact of social distancing measures on private final consumption expenditure. As social distancing is expected to continue even after the state of emergency is lifted, a swift ('V-shaped') recovery in production and consumption seems rather unlikely.
- ◆ Reflecting the first advance Q1 GDP estimates, we updated our forecast for real GDP growth to -5.6% in FY 2020. After two years of negative growth in FY 2019 and FY 2020, we forecast a positive growth of +2.5% in FY 2021. However, the GDP will not reach its pre-pandemic (FY 2019) level until after FY 2022. The FY 2020 forecast was revised down by -5.2%pt from the previous report (No. 127), while the latest FY 2020 forecast is +1.3%pt higher, reflecting the expected post-pandemic rebound.
- ◆ Taking into consideration the quarterly GDP growth pattern and the state of emergency imposed by the government, a slump of over -20% (QoQ, annualized) seems inevitable in 2020 Q2. The second half of 2020 is likely to see a rebound, with growth turning positive and remaining higher than the potential GDP growth for some time thereafter. However, in terms of year-on-year growth, 2019 Q4 and the first three quarters of 2020 will remain in negative territory throughout.
- ◆ Although an economic slump in Q2 is inevitable, the trajectory of post-pandemic recovery is highly uncertain. Stagnant domestic and external demand might exert substantial deflationary pressure. The combined impact of the decline in gasoline prices due to the low crude oil price, the government's free childcare program, and the partial or complete elimination of tertiary education fees announced in April this year, will put additional downward pressure on CPI inflation. Considering these trends, as well as the supply-demand gap, we forecast a core CPI inflation of -0.4% in FY 2020, and +0.4% in FY 2021.

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Summary of Forecast Results

	Current forecast (2020/5/28)				Previous forecast (2020/3/16)			
	2018	2019	2020	2021	2018	2019	2020	2021
Real GDP (%)	0.3	▲ 0.1	▲ 5.6	2.5	0.3	▲ 0.0	▲ 0.4	1.2
Private demand (contribution)	0.2	▲ 0.5	▲ 4.3	2.0	1.3	▲ 0.4	▲ 1.0	0.8
Private final consumption expenditure (%)	0.1	▲ 0.6	▲ 4.9	3.5	0.1	▲ 0.6	▲ 1.1	0.9
Private residential investment (%)	▲ 4.9	0.3	▲ 8.3	2.4	▲ 4.9	0.2	▲ 3.0	3.5
Private non-residential investment (%)	1.7	▲ 0.9	▲ 7.8	0.7	1.7	▲ 0.7	▲ 1.2	2.6
Change in private inventories (contribution)	0.0	▲ 0.1	▲ 0.1	▲ 0.1	0.1	▲ 0.0	▲ 0.1	▲ 0.2
Public demand (contribution)	0.2	0.6	0.4	0.5	0.1	0.7	0.4	0.2
Government final consumption expenditure (%)	0.9	2.4	1.3	0.9	0.9	2.6	1.6	0.7
Government investment expenditure (%)	0.6	3.3	2.3	4.8	0.6	3.6	2.2	1.1
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	▲ 0.2	▲ 1.6	0.1	0.4	▲ 0.3	0.2	0.2
Exports of goods and services (%)	1.7	▲ 2.7	▲ 20.3	7.8	1.6	▲ 2.3	0.9	3.4
Imports of goods and services (%)	2.5	▲ 1.7	▲ 10.3	6.4	2.2	▲ 0.8	▲ 0.3	2.3
Nominal GDP (%)	0.1	0.7	▲ 5.1	2.4	0.1	0.7	▲ 0.2	1.5
GDP deflator (%)	▲ 0.2	0.8	0.4	▲ 0.1	▲ 0.2	0.7	0.2	0.3
Domestic corporate goods price index (%)	2.2	0.1	▲ 2.1	0.4	2.2	0.2	0.1	0.1
Core consumer price index (%)	0.8	0.6	▲ 0.4	0.4	0.8	0.7	0.2	0.3
Industrial production index (%)	0.3	▲ 3.8	▲ 9.0	5.7	0.3	▲ 3.4	▲ 0.7	0.9
New housing starts (%)	0.7	▲ 7.3	▲ 14.1	6.4	0.7	▲ 6.4	▲ 5.8	2.8
Unemployment rate (%)	2.4	2.4	3.6	3.5	2.4	2.3	2.5	2.6
Current account balance (JPY trillion)	19.5	19.8	13.9	12.3	19.2	19.0	18.9	19.5
% of nominal GDP	3.6	3.6	2.7	2.3	3.5	3.4	3.4	3.5
Crude oil price (USD/barrel)	67.6	58.7	30.7	45.6	67.6	60.0	54.9	54.3
USD/JPY exchange rate	110.9	108.7	108.2	110.0	110.9	108.5	106.9	110.1
USA real GDP (% , calendar year)	2.9	2.3	▲ 7.0	5.1	2.9	2.3	2.1	2.0

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)	539.4	539.4	529.4	524.9	496.0	500.1	507.6	510.2	512.8	515.1	517.1	519.3	533.4	533.1	503.5	516.1
	0.5	0.0	-1.9	-0.9	-5.5	0.8	1.5	0.5	0.5	0.5	0.4	0.4	0.3	-0.1	-5.6	2.5
	0.9	1.8	-0.7	-2.2	-8.0	-7.3	-4.1	-2.8	3.4	3.0	1.9	1.8				
Nominal GDP (JPY trillion)	555.9	558.1	549.5	545.2	516.5	519.2	529.0	530.1	532.2	535.4	538.3	540.0	548.1	552.1	523.7	536.5
	0.6	0.4	-1.5	-0.8	-5.3	0.5	1.9	0.2	0.4	0.6	0.5	0.3	0.1	0.7	-5.1	2.4
	1.3	2.3	0.6	-1.3	-7.1	-7.0	-3.7	-2.8	3.0	3.1	1.8	1.9				
GDP deflator (2011=100)	103.1	103.5	103.8	103.9	104.1	103.8	104.2	103.9	103.8	103.9	104.1	104.0	102.8	103.6	104.0	104.0
	0.1	0.4	0.3	0.1	0.2	-0.3	0.4	-0.3	-0.1	0.1	0.1	-0.1	-0.2	0.8	0.4	-0.1
	0.4	0.6	1.3	0.9	1.0	0.3	0.4	0.0	-0.3	0.1	-0.1	0.1				
Index of industrial production (2015=100)	102.8	101.7	98.0	98.4	85.7	90.5	93.0	94.5	95.2	95.8	96.3	97.4	103.8	99.9	90.9	96.2
	0.0	-1.1	-3.7	0.4	-12.9	5.6	2.8	1.7	0.6	0.7	0.6	1.2	0.3	-3.8	-9.0	5.7
	-1.5	-1.9	-6.7	-4.3	-16.6	-11.0	-5.1	-3.9	11.0	5.8	3.6	3.0				
New housing starts (thousands)	231	227	216	216	178	184	198	199	200	200	203	204	953	884	759	808
	-3.2	-2.0	-4.6	-0.2	-17.5	3.3	7.9	0.1	0.8	0.1	1.2	0.8	0.7	-7.3	-14.1	6.4
	-3.2	-4.6	-9.0	-9.7	-23.0	-18.8	-8.3	-8.0	12.5	8.9	2.2	2.9				
Domestic corporate goods price index (2015=100)	101.6	101.0	102.2	101.8	99.3	99.1	99.9	99.7	99.3	99.3	100.3	100.7	101.5	101.7	99.5	99.9
	0.4	-0.7	1.2	-0.4	-2.5	-0.2	0.8	-0.2	-0.5	0.0	1.0	0.4	2.2	0.1	-2.1	0.4
	0.6	-0.9	0.3	0.6	-2.3	-1.8	-2.3	-2.1	0.0	0.2	0.4	0.9				
Core consumer price index (2015=100)	101.7	101.6	102.1	101.9	101.5	101.3	101.5	101.3	101.8	101.8	102.0	101.7	101.2	101.8	101.4	101.8
	0.4	-0.1	0.5	-0.2	-0.4	-0.2	0.2	-0.2	0.5	-0.1	0.2	-0.3	0.8	0.6	-0.4	0.4
	0.8	0.5	0.6	0.6	-0.2	-0.3	-0.6	-0.6	0.3	0.5	0.5	0.4				
Wage earnings per worker (JPY thousand)	4076	4061	4074	4083	4069	4062	4063	4066	4072	4067	4079	4086	4064	4074	4065	4076
	0.7	-0.4	0.3	0.2	-0.3	-0.2	0.0	0.1	0.2	-0.1	0.3	0.2	1.2	0.2	-0.2	0.3
	0.0	0.2	-0.1	0.8	-0.2	0.0	-0.3	-0.4	0.1	0.1	0.4	0.5				
Unemployment rate (%)	2.4	2.3	2.3	2.4	2.9	3.5	4.0	4.1	3.7	3.6	3.5	3.4	2.4	2.4	3.6	3.5
CD interest rate (%)	0.001	0.002	0.001	0.001	0.001	0.001	0.001	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	-0.087	-0.073	-0.014	-0.010	-0.014	0.020	0.061	0.102	0.109	0.144	0.042	-0.122	-0.004	0.104
Current account balance (JPY trillion)	-4.9	4.7	5.3	4.9	4.0	3.2	3.4	3.3	3.5	3.2	2.9	2.6	19.5	19.8	13.9	12.3
% of nominal GDP	3.5	3.4	3.9	3.6	3.1	2.4	2.6	2.5	2.7	2.4	2.2	1.9	3.6	3.6	2.7	2.3
Crude oil price (USD/barrel)	65.16	59.82	60.47	49.31	19.62	28.69	34.89	39.78	43.03	44.01	44.99	50.17	67.62	58.69	30.74	45.55
USD/JPY exchange rate	109.9	107.3	108.7	108.9	107.9	108.0	107.8	109.1	110.0	110.0	110.0	110.0	110.9	108.7	108.2	110.0
Government debt (JPY trillion)	1109.3	1113.5	1117.8	1122.0	1129.9	1138.1	1146.0	1154.3	1163.1	1172.1	1181.3	1190.9	1105.0	1122.0	1154.3	1163.1
	0.4	0.4	0.4	0.4	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	2.6	1.5	2.9	0.8
	2.3	2.1	1.8	1.5	1.9	2.2	2.5	2.9	2.9	3.0	3.1	3.2				
% of GDP	199.5	199.5	203.4	205.8	208.7	212.0	215.3	217.5	219.9	221.9	224.4	226.2	201.6	203.2	220.4	216.8
Fiscal balance (JPY trillion)	-37.9	-38.7	-39.3	-43.2	-54.4	-56.0	-55.2	-57.1	-58.7	-59.4	-60.6	-61.9	-37.1	-39.8	-55.7	-60.2

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	301.4	302.7	293.9	291.8	275.0	281.7	286.3	288.2	290.0	291.7	293.5	295.3	299.1	297.4	282.8	292.6
	0.5	0.4	-2.9	-0.7	-5.8	2.5	1.6	0.7	0.6	0.6	0.6	0.6	0.1	-0.6	-4.9	3.5
	0.8	1.5	-1.9	-2.7	-8.8	-6.9	-2.6	-1.2	5.5	3.5	2.5	2.5				
Private residential investment	15.4	15.6	15.2	14.5	14.3	13.7	13.8	14.0	14.1	14.2	14.3	14.4	15.1	15.2	13.9	14.3
	-0.3	1.2	-2.5	-4.5	-1.8	-4.2	1.2	1.0	0.9	0.9	0.9	0.8	-4.9	0.3	-8.3	2.4
	3.1	4.2	-0.1	-6.0	-7.4	-12.4	-9.0	-3.8	-1.2	4.0	3.6	3.5				
Private non-residential investment	87.1	87.3	83.2	82.7	79.3	77.7	78.3	78.2	78.5	78.8	79.1	79.4	85.7	85.0	78.4	78.9
	0.9	0.2	-4.8	-0.5	-4.2	-2.0	0.8	0.0	0.3	0.4	0.3	0.5	1.7	-0.9	-7.8	0.7
	0.4	5.1	-4.2	-4.3	-9.0	-11.0	-5.9	-5.4	-1.0	1.4	1.0	1.5				
Change in private inventories	2.1	0.7	0.8	0.5	1.2	0.7	0.8	0.2	0.0	-0.1	0.1	-0.2	1.5	1.0	0.7	0.0
Government final consumption expenditure	109.2	110.0	110.2	110.2	110.7	111.2	111.6	111.7	112.0	112.2	112.4	112.6	107.2	109.8	111.3	112.3
	1.5	0.7	0.2	0.1	0.4	0.4	0.4	0.1	0.2	0.2	0.2	0.2	0.9	2.4	1.3	0.9
	2.1	2.7	2.3	2.5	1.4	1.1	1.3	1.4	1.2	0.9	0.7	0.8				
Government investment expenditure	26.7	27.0	27.1	27.0	27.0	27.4	27.8	28.2	28.5	28.8	29.1	29.4	26.1	27.0	27.6	28.9
	1.7	1.0	0.5	-0.4	-0.2	1.5	1.5	1.5	1.0	1.0	1.0	1.0	0.6	3.3	2.3	4.8
	0.4	3.9	5.6	2.8	1.0	1.5	2.4	4.4	5.6	5.1	4.6	4.1				
Change in government inventories	-0.01	-0.02	0.03	0.09	0.02	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.02	0.03	0.03
Exports of goods and services	92.1	91.6	91.9	86.5	66.6	71.9	74.2	75.7	76.7	77.5	77.9	78.7	93.0	90.5	72.1	77.7
	0.2	-0.6	0.4	-6.0	-22.9	8.0	3.1	2.0	1.4	1.0	0.4	1.1	1.7	-2.7	-20.3	7.8
	-2.3	-0.6	-1.8	-6.0	-27.7	-21.4	-19.3	-12.5	15.1	7.7	4.9	4.1				
Imports of goods and services	95.2	95.9	93.6	88.9	78.4	84.5	85.5	86.4	87.3	88.4	89.5	90.8	95.0	93.4	83.7	89.0
	1.8	0.7	-2.4	-4.9	-11.8	7.8	1.2	1.1	1.1	1.2	1.3	1.4	2.5	-1.7	-10.3	6.4
	0.3	2.5	-4.4	-4.9	-17.6	-11.9	-8.6	-2.8	11.4	4.6	4.7	5.1				
GDP	539.4	539.4	529.4	524.9	496.0	500.1	507.6	510.2	512.8	515.1	517.1	519.3	533.4	533.1	503.5	516.1
	2.1	0.0	-7.3	-3.4	-20.2	3.4	6.1	2.0	2.1	1.8	1.6	1.7	0.3	-0.1	-5.6	2.5
	0.5	0.0	-1.9	-0.9	-5.5	0.8	1.5	0.5	0.5	0.5	0.4	0.4				
	0.9	1.8	-0.7	-2.2	-8.0	-7.3	-4.1	-2.8	3.4	3.0	1.9	1.8				
Contribution of domestic demand	0.8	0.2	-2.4	-0.7	-3.7	1.0	1.3	0.4	0.5	0.5	0.5	0.5	0.4	0.1	-3.9	2.4
of which, private demand	0.4	0.0	-2.4	-0.7	-3.8	0.8	1.1	0.3	0.4	0.4	0.4	0.4	0.2	-0.5	-4.3	2.0
of which, public demand	0.4	0.2	0.1	0.0	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.6	0.4	0.5
Contribution of net exports	-0.3	-0.2	0.5	-0.2	-1.8	-0.2	0.2	0.1	0.0	0.0	-0.2	-0.1	-0.1	-0.2	-1.6	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	307.4	309.2	302.0	299.2	279.8	287.2	293.0	293.9	296.1	298.8	300.9	302.1	304.8	304.5	288.5	299.5
	0.7	0.6	-2.3	-0.9	-6.5	2.6	2.0	0.3	0.8	0.9	0.7	0.4	0.5	-0.1	-5.3	3.8
	1.3	1.6	-1.3	-2.0	-9.0	-7.1	-3.0	-1.8	5.8	4.0	2.7	2.8				
Private residential investment	16.9	17.1	17.0	16.2	16.0	15.3	15.6	15.5	15.7	15.8	16.0	16.2	16.5	16.8	15.6	15.9
	0.1	1.6	-0.8	-4.5	-1.7	-4.1	1.6	-0.1	0.9	1.0	1.1	1.1	-3.4	1.8	-7.3	2.2
	3.8	5.0	2.2	-3.7	-5.4	-10.7	-8.5	-4.2	-1.7	3.5	3.0	4.2				
Private non-residential investment	89.2	90.2	85.9	85.1	81.5	79.8	80.3	80.0	80.2	80.6	80.9	81.3	88.0	87.4	80.4	80.8
	0.5	1.1	-4.7	-1.0	-4.2	-2.1	0.6	-0.4	0.4	0.5	0.3	0.4	2.5	-0.7	-8.1	0.5
	0.7	5.4	-3.9	-4.1	-8.6	-11.5	-6.6	-6.0	-1.6	1.1	0.8	1.6				
Change in private inventories	2.2	0.5	0.6	0.6	0.6	-0.7	-0.1	-0.7	-0.8	-0.9	-0.7	-1.0	1.4	1.0	-0.2	-0.8
Government final consumption expenditure	111.0	111.7	111.4	112.6	113.2	113.6	114.0	114.3	114.6	114.9	115.2	115.5	108.5	111.7	113.8	115.1
	1.7	0.6	-0.3	1.1	0.5	0.4	0.4	0.2	0.3	0.3	0.3	0.2	1.0	2.9	1.9	1.1
	2.2	3.0	3.2	3.2	1.9	1.7	2.4	1.4	1.2	1.1	1.0	1.1				
Government investment expenditure	29.1	29.5	29.9	29.9	29.7	30.2	30.8	31.3	31.5	31.8	32.2	32.8	28.2	29.6	30.5	32.1
	2.1	1.4	1.4	-0.2	-0.5	1.6	1.9	1.7	0.7	0.7	1.5	1.6	2.4	5.0	3.0	5.1
	1.7	5.2	7.5	4.8	2.2	2.3	2.8	4.8	6.0	5.1	4.7	4.6				
Change in government inventories	0.00	-0.02	0.02	0.05	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.05	0.01	0.02	0.02
Exports of goods and services	97.6	96.1	96.0	90.2	68.7	73.0	75.0	76.5	77.2	78.0	78.5	79.6	100.7	94.9	73.3	78.3
	-0.6	-1.6	-0.2	-6.0	-23.8	6.3	2.7	2.0	0.9	1.1	0.7	1.4	2.5	-5.8	-22.7	6.9
	-4.0	-5.3	-5.6	-8.2	-29.6	-24.0	-21.8	-15.2	12.3	6.8	4.7	4.1				
Imports of goods and services	97.6	96.2	93.3	88.6	73.1	79.3	79.6	80.7	82.4	83.6	84.8	86.5	100.1	93.9	78.2	84.3
	1.4	-1.4	-3.0	-5.0	-17.6	8.6	0.3	1.5	2.0	1.5	1.4	1.9	7.2	-6.3	-16.7	7.9
	-1.3	-4.2	-11.1	-7.9	-25.1	-17.6	-14.8	-8.9	12.7	5.4	6.6	7.1				
GDP	555.9	558.1	549.5	545.2	516.5	519.2	529.0	530.1	532.2	535.4	538.3	540.0	548.1	552.1	523.7	536.5
	2.5	1.6	-6.0	-3.1	-19.5	2.2	7.7	0.8	1.6	2.5	2.2	1.2	0.1	0.7	-5.1	2.4
	0.6	0.4	-1.5	-0.8	-5.3	0.5	1.9	0.2	0.4	0.6	0.5	0.3				
	1.3	2.3	0.6	-1.3	-7.1	-7.0	-3.7	-2.8	3.0	3.1	1.8	1.9				
Contribution of domestic demand	1.0	0.4	-2.0	-0.6	-4.2	0.9	1.5	0.1	0.6	0.7	0.7	0.4	0.9	0.6	-4.1	2.7
of which, private demand	0.5	0.2	-2.1	-0.8	-4.3	0.7	1.4	0.0	0.5	0.6	0.5	0.3	0.6	-0.2	-4.6	2.1
of which, public demand	0.5	0.2	0.0	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.3	0.8	0.5	0.5
Contribution of net exports	-0.4	0.0	0.5	-0.2	-1.1	-0.4	0.3	0.1	-0.2	-0.1	-0.1	-0.1	-0.8	0.1	-1.1	-0.2

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	102.0	102.2	102.7	102.5	101.8	102.0	102.3	102.0	102.1	102.4	102.5	102.3	101.9	102.4	102.0	102.3
	0.2	0.2	0.6	-0.2	-0.8	0.2	0.4	-0.4	0.2	0.3	0.1	-0.2	0.4	0.5	-0.4	0.3
	0.5	0.1	0.6	0.7	-0.2	-0.2	-0.4	-0.6	0.3	0.5	0.2	0.3				
Private residential investment	109.5	109.9	111.8	111.8	111.9	112.1	112.5	111.4	111.4	111.5	111.8	112.1	109.1	110.7	112.0	111.7
	0.3	0.4	1.8	0.0	0.1	0.1	0.4	-1.0	0.0	0.1	0.2	0.3	1.6	1.6	1.1	-0.2
	0.7	0.8	2.4	2.4	2.2	2.0	0.6	-0.4	-0.5	-0.5	-0.7	0.7				
Private non-residential investment	102.3	103.2	103.3	102.8	102.8	102.7	102.5	102.2	102.3	102.3	102.3	102.3	102.7	102.9	102.6	102.3
	-0.3	0.9	0.0	-0.4	0.0	-0.1	-0.1	-0.3	0.1	0.1	0.0	0.0	0.7	0.2	-0.4	-0.2
	0.3	0.3	0.3	0.1	0.5	-0.5	-0.7	-0.6	-0.5	-0.4	-0.2	0.1				
Government final consumption expenditure	101.7	101.6	101.1	102.2	102.3	102.2	102.1	102.2	102.3	102.4	102.5	102.5	101.2	101.6	102.2	102.4
	0.2	-0.1	-0.5	1.1	0.1	0.0	-0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.5	0.6	0.2
	0.1	0.2	0.8	0.7	0.6	0.6	1.0	0.1	0.1	0.2	0.3	0.3				
Government investment expenditure	108.9	109.3	110.3	110.5	110.2	110.3	110.7	111.0	110.6	110.3	110.9	111.5	108.1	109.9	110.5	110.8
	0.4	0.4	0.8	0.2	-0.3	0.1	0.4	0.2	-0.3	-0.3	0.5	0.6	1.8	1.6	0.6	0.3
	1.3	1.3	1.8	1.9	1.2	0.9	0.4	0.4	0.4	0.0	0.2	0.5				
Exports of goods and services	106.0	105.0	104.4	104.3	103.2	101.5	101.1	101.1	100.6	100.7	100.9	101.1	108.3	104.9	101.7	100.8
	-0.8	-1.0	-0.6	-0.1	-1.1	-1.6	-0.4	0.0	-0.5	0.0	0.2	0.2	0.8	-3.2	-3.0	-0.8
	-1.7	-4.7	-3.9	-2.4	-2.7	-3.3	-3.1	-3.1	-2.5	-0.8	-0.2	0.0				
Imports of goods and services	102.5	100.4	99.8	99.7	93.2	93.9	93.0	93.4	94.3	94.6	94.7	95.2	105.4	100.5	93.4	94.7
	-0.4	-2.1	-0.6	-0.1	-6.5	0.7	-0.9	0.4	1.0	0.3	0.1	0.5	4.6	-4.6	-7.1	1.4
	-1.6	-6.5	-7.0	-3.2	-9.1	-6.5	-6.8	-6.3	1.2	0.8	1.8	1.9				
GDP	103.1	103.5	103.8	103.9	104.1	103.8	104.2	103.9	103.8	103.9	104.1	104.0	102.8	103.6	104.0	104.0
	0.1	0.4	0.3	0.1	0.2	-0.3	0.4	-0.3	-0.1	0.1	0.1	-0.1	-0.2	0.8	0.4	-0.1
	0.4	0.6	1.3	0.9	1.0	0.3	0.4	0.0	-0.3	0.1	-0.1	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)	102.8	101.7	98.0	98.4	85.7	90.5	93.0	94.5	95.2	95.8	96.3	97.4	103.8	99.9	90.9	96.2
	0.0	-1.1	-3.7	0.4	-12.9	5.6	2.8	1.7	0.6	0.7	0.6	1.2	0.3	-3.8	-9.0	5.7
	-1.5	-1.9	-6.7	-4.3	-16.6	-11.0	-5.1	-3.9	11.0	5.8	3.6	3.0				
Labor force (ten thousand persons)	6870	6889	6918	6904	6919	6919	6921	6924	6922	6925	6931	6937	6847	6895	6921	6929
	0.0	0.3	0.4	-0.2	0.2	0.0	0.0	0.0	0.0	0.1	0.1	0.1	1.4	0.7	0.4	0.1
	0.6	0.9	0.8	0.5	0.7	0.4	0.0	0.3	0.0	0.1	0.1	0.2				
Engaged labor force (ten thousand persons)	6707	6728	6761	6736	6718	6677	6644	6638	6663	6679	6691	6704	6680	6733	6669	6684
	0.1	0.3	0.5	-0.4	-0.3	-0.6	-0.5	-0.1	0.4	0.2	0.2	0.2	1.7	0.8	-0.9	0.2
	0.7	1.0	1.0	0.5	0.2	-0.8	-1.7	-1.4	-0.8	0.0	0.7	1.0				
Employed (ten thousand persons)	5995	6013	6030	6042	6026	5989	5960	5954	5977	5991	6002	6014	5955	6020	5982	5996
	0.3	0.3	0.3	0.2	-0.3	-0.6	-0.5	-0.1	0.4	0.2	0.2	0.2	1.8	1.1	-0.6	0.2
	1.1	1.1	1.1	1.1	0.5	-0.4	-1.2	-1.4	-0.8	0.0	0.7	1.0				
Unemployment rate (%)	2.4	2.3	2.3	2.4	2.9	3.5	4.0	4.1	3.7	3.6	3.5	3.4	2.4	2.4	3.6	3.5
Domestic corporate goods price index (2015=100)	101.6	101.0	102.2	101.8	99.3	99.1	99.9	99.7	99.3	99.3	100.3	100.7	101.5	101.7	99.5	99.9
	0.4	-0.7	1.2	-0.4	-2.5	-0.2	0.8	-0.2	-0.5	0.0	1.0	0.4	2.2	0.1	-2.1	0.4
	0.6	-0.9	0.3	0.6	-2.3	-1.8	-2.3	-2.1	0.0	0.2	0.4	0.9				
Core consumer price index (2015=100)	101.7	101.6	102.1	101.9	101.5	101.3	101.5	101.3	101.8	101.8	102.0	101.7	101.2	101.8	101.4	101.8
	0.4	-0.1	0.5	-0.2	-0.4	-0.2	0.2	-0.2	0.5	-0.1	0.2	-0.3	0.8	0.6	-0.4	0.4
	0.8	0.5	0.6	0.6	-0.2	-0.3	-0.6	-0.6	0.3	0.5	0.5	0.4				

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. 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	0.001	0.001	0.001	0.001	0.001	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	-0.087	-0.073	-0.014	-0.010	-0.014	0.020	0.061	0.102	0.109	0.144	0.042	-0.122	-0.004	0.104
Money stock (M2+CD, JPY trillion)	1024.1	1030.0	1037.6	1046.7	1054.1	1065.3	1074.2	1075.9	1077.8	1091.8	1094.1	1099.2	1016.1	1046.7	1075.9	1099.2
	0.8	0.6	0.7	0.9	0.7	1.1	0.8	0.2	0.2	1.3	0.2	0.5	2.4	3.0	2.8	2.2
	2.5	2.4	2.6	3.0	2.9	3.4	3.5	2.8	2.2	2.5	1.9	2.2				
Nikkei stock average (JPY)	21,414	21,270	23,045	21,932	19,405	19,937	20,468	21,000	21,000	21,000	21,000	21,000	21,973	21,915	20,203	21,000
2005=100	172.3	171.1	185.4	176.4	156.1	160.4	164.6	168.9	168.9	168.9	168.9	168.9	176.7	176.3	162.5	168.9
	2.0	-0.7	8.3	-4.8	-11.5	2.7	2.7	2.6	0.0	0.0	0.0	0.0	4.7	-0.3	-7.8	3.9
	-4.1	-6.1	5.2	4.4	-9.4	-6.3	-11.2	-4.3	8.2	5.3	2.6	0.0				
USD/JPY exchange rate	109.9	107.3	108.7	108.9	107.9	108.0	107.8	109.1	110.0	110.0	110.0	110.0	110.9	108.7	108.2	110.0
	-0.3	-2.3	1.3	0.1	-0.9	0.1	-0.2	1.2	0.8	0.0	0.0	0.0	0.1	-2.0	-0.4	1.7
	0.8	-3.7	-3.7	-1.2	-1.8	0.7	-0.8	0.2	1.9	1.9	2.0	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.

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	72.9	72.7	71.1	54.9	60.2	62.3	65.0	66.9	67.8	67.9	69.0	74.6	72.4	60.6	67.9
(SNA basis)	-0.1	-0.1	-0.2	-2.3	-22.7	9.6	3.5	4.4	3.0	1.2	0.1	1.7	2.1	-3.0	-16.3	12.0
	-4.0	-1.4	-3.6	-2.8	-24.7	-17.4	-14.4	-8.5	21.8	12.6	8.9	6.2				
Goods imports (real)	77.1	77.8	76.3	72.6	64.0	68.9	69.6	70.3	71.0	71.8	72.8	73.8	77.0	75.9	68.2	72.3
(SNA basis)	2.4	0.9	-1.9	-4.8	-11.8	7.6	1.1	1.0	1.0	1.2	1.3	1.4	2.9	-1.4	-10.1	6.1
	1.2	1.8	-4.6	-3.6	-17.0	-11.4	-8.7	-3.2	10.9	4.3	4.5	5.0				
Services exports (real)	19.0	18.6	19.1	15.5	11.7	11.7	11.9	10.7	9.8	9.7	10.0	9.7	18.3	18.0	11.5	9.8
(SNA basis)	1.4	-2.3	2.8	-19.1	-24.3	0.4	1.3	-10.4	-8.3	-0.3	2.6	-3.0	0.0	-1.5	-36.2	-14.8
	4.7	2.6	5.6	-17.6	-38.5	-36.8	-37.7	-31.1	-16.5	-17.1	-16.0	-9.0				
Services imports (real)	18.2	18.3	17.5	16.5	14.4	15.6	15.9	16.1	16.3	16.6	16.8	17.0	18.2	17.6	15.5	16.7
(SNA basis)	-0.4	0.1	-4.4	-5.4	-13.1	8.7	1.7	1.5	1.3	1.3	1.4	1.5	1.0	-3.0	-12.0	7.6
	-3.0	5.2	-3.7	-9.8	-21.2	-14.5	-9.0	-2.4	13.7	5.9	5.7	5.7				
Goods exports (nominal)	76.4	75.5	74.9	73.0	56.0	60.2	61.8	64.5	66.1	66.9	67.0	68.4	80.3	74.9	60.6	67.1
(SNA basis)	-1.2	-1.2	-0.9	-2.5	-23.3	7.5	2.6	4.4	2.4	1.2	0.2	2.0	2.6	-6.7	-19.1	10.6
	-6.3	-6.9	-8.1	-5.6	-26.7	-20.3	-17.5	-11.7	18.0	11.1	8.4	6.0				
Goods imports (nominal)	77.2	75.8	73.9	70.4	59.4	65.1	65.7	67.0	68.6	69.8	70.9	72.4	79.7	74.3	64.3	70.4
(SNA basis)	2.0	-1.8	-2.5	-4.8	-15.6	9.6	0.9	1.9	2.4	1.7	1.6	2.0	8.1	-6.8	-13.4	9.5
	-0.8	-6.0	-12.5	-7.0	-23.0	-14.1	-11.1	-4.8	15.5	7.1	7.9	8.0				
Services exports (nominal)	21.2	20.6	21.1	17.1	12.7	12.8	13.2	12.0	11.1	11.1	11.6	11.3	20.4	20.0	12.7	11.3
(SNA basis)	1.6	-3.0	2.5	-18.7	-25.7	0.7	2.9	-9.3	-7.2	0.3	3.6	-2.5	1.9	-2.0	-36.5	-11.2
	5.3	1.3	4.5	-17.9	-39.9	-37.6	-37.4	-30.2	-12.8	-13.1	-12.5	-5.9				
Services imports (nominal)	20.4	20.4	19.4	18.2	13.6	14.2	13.8	13.7	13.8	13.8	13.9	14.1	20.4	19.6	13.8	13.9
(SNA basis)	-0.6	0.3	-4.9	-6.1	-25.1	3.9	-2.6	-0.6	0.3	0.4	0.6	1.4	4.1	-4.1	-29.4	0.5
	-3.1	3.4	-5.2	-11.0	-33.0	-30.6	-28.8	-24.7	1.0	-2.4	0.7	2.7				
Trade balance (BOP basis)	-0.3	0.1	0.4	0.6	-0.9	-1.2	-1.0	-0.6	-0.6	-0.7	-1.0	-1.0	0.6	0.6	-3.7	-3.3
Balance on services (BOP basis)	0.1	-0.1	0.3	-0.7	-0.4	-0.5	-0.3	-0.6	-0.8	-0.8	-0.7	-0.8	-0.9	-0.4	-1.9	-3.2
Primary income balance (BOP basis)	5.4	5.1	5.0	5.4	4.7	4.2	4.0	3.8	3.5	3.2	3.0	2.8	21.5	21.0	16.7	12.5
Current account balance (BOP basis)	4.9	4.7	5.3	4.9	4.0	3.2	3.4	3.3	3.5	3.2	2.9	2.6	19.5	19.8	13.9	12.3
	-2.2	-3.0	12.8	-7.4	-18.8	-20.3	8.2	-4.5	8.0	-9.3	-9.4	-10.4	-13.0	1.4	-29.7	-11.5
	-10.0	0.1	23.5	-0.9	-17.7	-32.5	-35.3	-33.2	-11.1	1.3	-15.2	-20.5				
USD/JPY exchange rate	109.9	107.3	108.7	108.9	107.9	108.0	107.8	109.1	110.0	110.0	110.0	110.0	110.9	108.7	108.2	110.0
	-0.3	-2.3	1.3	0.1	-0.9	0.1	-0.2	1.2	0.8	0.0	0.0	0.0	0.1	-2.0	-0.4	1.7
	0.8	-3.7	-3.7	-1.2	-1.8	0.7	-0.8	0.2	1.9	1.9	2.0	0.8				

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.