

Japanese Economy: Analysis and Forecasts No.130

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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.

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Forecast Highlights

Outlook improves thanks to a rebound in private consumption and exports but Japan's economic recovery lags behind others

- ◆ According to the first advance estimates, Japan's Q3 real GDP returned to positive growth for the first time in four quarters, expanding an annualized +21.4% QoQ. The figure was higher than the latest market consensus forecast (+18.03%). On the other hand, APIR's latest CQM forecast – an annualized +20.9%, the average of the expenditure-side (+20.3%) and the production-side (+21.4%) forecasts – almost hit the bull's eye.
- ◆ The driving forces behind the economy's growth in Q3 were private final consumption expenditure and goods exports. Lifting the state of emergency and disbursing one-off 100,000-yen handouts to residents of Japan had a visible impact on the private consumption. On the other hand, goods exports recovered as lockdowns were gradually lifted worldwide. However, the JPY 24 trillion that was newly added to Japan's real GDP in Q3 represents only 58% of the total decline seen in Q2 (JPY 43 trillion). On the demand side, private consumption added JPY 12.6 trillion, while goods exports added JPY 6.3 trillion, exactly the amounts they lost in Q2. In contrast, private capital investment dropped by JPY -4.9 trillion, the second straight quarter decline, and will take some time to recover.
- ◆ The Consumption Trend Index, which measures the total consumption of all households, registered a significant rebound after the Covid-19 state of emergency was lifted in June, remaining flat since then. However, the Face-to-Face Services Consumption Index in September was still 18% lower than the 2019 average. The resurgence of Covid-19 is putting downward pressure on consumption, especially on services that involve face-to-face interaction. On a YoY basis, quarterly growth in private consumption will remain in negative territory in the next one year, likely at around a rate of -4%.
- ◆ Reflecting the first advance Q3 GDP estimates, we updated our real GDP growth forecast to -5.4% in FY 2020. This will be the first year of negative growth in six years. For FY 2021, we forecast a recovery of +3.8% due to the post-pandemic rebound. However, the GDP will only reach its pre-pandemic level after FY 2022. We have revised both our FY 2020 and FY 2021 forecasts up by +0.5%pt from our previous report (No. 129).
- ◆ The fact that the official GDP growth figure surpassed our previous forecast led to an upward revision in our latest forecast. Considering the quarterly growth pattern, we cannot expect the high growth rate in Q3 to continue for long as it is just a rebound. However, the current growth rate will remain temporarily higher than the potential growth rate. In terms of YoY changes, GDP growth will most certainly remain in negative territory from 2019 Q4 throughout 2021 Q1. Additionally, the output gap, which is will take some time to contract, will exert substantial deflationary pressure.
- ◆ Stagnant domestic and external demand will also keep exerting significant deflationary pressure. Although the decline in energy prices has decelerated, the consumption tax hike as well as the government's free childcare program and the partial elimination of tertiary education fees will both put downward pressure on CPI inflation. Considering these trends, as well as the supply-demand gap, we forecast core CPI inflation of -0.4% in FY 2020, and +0.5% in FY 2021.

Summary of Forecast Results

	Current forecast (2020/11/26)				Previous forecast (2020/8/27)			
	2017	2018	2019	2020	2018	2019	2020	2021
Real GDP (%)	0.3	0.0	▲ 5.4	3.8	0.3	0.0	▲ 5.9	3.3
Private demand (contribution)	0.2	▲ 0.4	▲ 4.7	2.0	0.2	▲ 0.4	▲ 4.5	2.0
Private final consumption expenditure (%)	0.1	▲ 0.5	▲ 5.9	3.7	0.1	▲ 0.6	▲ 6.1	3.4
Private residential investment (%)	▲ 4.9	0.6	▲ 9.2	▲ 0.8	▲ 4.9	0.5	▲ 6.3	▲ 0.9
Private non-residential investment (%)	1.8	▲ 0.3	▲ 7.6	1.3	1.8	▲ 0.3	▲ 4.0	1.3
Change in private inventories (contribution)	0.1	▲ 0.1	0.1	▲ 0.2	0.1	▲ 0.1	▲ 0.2	▲ 0.1
Public demand (contribution)	0.2	0.6	0.5	0.5	0.2	0.6	0.3	0.5
Government final consumption expenditure (%)	0.9	2.3	1.9	1.4	0.9	2.3	0.7	1.1
Government investment expenditure (%)	0.6	3.3	2.7	3.5	0.6	3.3	3.4	4.0
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	▲ 1.1	1.2	▲ 0.1	▲ 0.2	▲ 1.7	0.8
Exports of goods and services (%)	1.7	▲ 2.6	▲ 13.2	12.3	1.7	▲ 2.6	▲ 13.3	9.2
Imports of goods and services (%)	2.6	▲ 1.5	▲ 6.2	4.2	2.6	▲ 1.5	▲ 3.0	3.8
Nominal GDP (%)	0.1	0.8	▲ 4.5	4.0	0.1	0.8	▲ 5.3	3.9
GDP deflator (%)	▲ 0.2	0.8	0.9	0.2	▲ 0.2	0.8	0.7	0.6
Domestic corporate goods price index (%)	2.2	0.1	▲ 1.8	0.6	2.2	0.1	▲ 1.5	0.8
Core consumer price index (%)	0.8	0.6	▲ 0.4	0.5	0.8	0.6	▲ 0.2	0.4
Industrial production index (%)	0.3	▲ 3.8	▲ 11.7	6.1	0.3	▲ 3.8	▲ 10.9	6.6
New housing starts (%)	0.7	▲ 7.3	▲ 7.3	0.3	0.7	▲ 7.3	▲ 10.5	1.3
Unemployment rate (%)	2.4	2.4	3.1	3.4	2.4	2.4	3.5	3.7
Current account balance (JPY trillion)	19.6	20.1	15.1	16.7	19.5	19.7	16.7	19.2
% of nominal GDP	3.6	3.6	2.9	3.1	3.6	3.6	3.2	3.5
Crude oil price (USD/barrel)	67.6	58.7	39.0	48.7	67.6	58.7	41.4	54.0
USD/JPY exchange rate	110.9	108.7	105.7	106.0	110.9	108.7	106.9	108.3
USA real GDP (% , calendar year)	2.9	2.2	▲ 3.7	3.0	2.9	2.3	▲ 5.1	3.1

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

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)	539.1	539.4	529.6	526.6	483.6	507.6	511.5	516.8	518.1	522.7	526.2	528.5	533.4	533.6	504.9	523.9
	0.4	0.0	-1.8	-0.6	-8.2	5.0	0.8	1.0	0.2	0.9	0.7	0.4	0.3	0.0	-5.4	3.8
	0.9	1.7	-0.7	-1.9	-10.3	-5.9	-3.4	-1.9	7.1	3.0	2.9	2.2				
Nominal GDP (JPY trillion)	555.7	557.8	549.6	547.2	504.6	531.1	534.9	539.0	540.5	546.8	551.5	554.9	548.1	552.5	527.4	548.4
	0.5	0.4	-1.5	-0.4	-7.8	5.2	0.7	0.8	0.3	1.2	0.9	0.6	0.1	0.8	-4.5	4.0
	1.2	2.3	0.6	-1.0	-9.2	-4.8	-2.7	-1.5	7.1	3.0	3.1	3.0				
GDP deflator (2011=100)	103.1	103.4	103.8	103.9	104.3	104.6	104.6	104.3	104.3	104.6	104.8	105.0	102.8	103.5	104.5	104.7
	0.1	0.3	0.4	0.1	0.4	0.3	0.0	-0.3	0.0	0.3	0.2	0.2	-0.2	0.8	0.9	0.2
	0.4	0.5	1.3	0.9	1.2	1.2	0.8	0.3	0.0	0.0	0.2	0.7				
Index of industrial production (2015=100)	102.8	101.7	98.0	98.4	81.8	88.9	91.1	91.1	91.1	92.9	94.5	95.8	103.8	99.9	88.2	93.6
	0.0	-1.1	-3.7	0.4	-16.9	8.8	2.4	0.0	0.0	2.0	1.7	1.4	0.3	-3.8	-11.7	6.1
	-1.5	-1.9	-6.7	-4.3	-20.5	-12.6	-7.0	-7.4	11.4	4.5	3.7	5.2				
New housing starts (thousands)	231	227	216	216	199	205	204	210	203	206	205	207	953	884	819	821
	-3.2	-2.0	-4.6	-0.2	-7.6	2.8	-0.3	2.6	-3.1	1.1	-0.1	0.8	0.7	-7.3	-7.3	0.3
	-3.2	-4.6	-9.0	-9.7	-13.7	-9.5	-5.5	-2.8	2.0	0.2	0.4	-1.4				
Domestic corporate goods price index (2015=100)	101.6	101.0	102.1	101.7	99.3	100.2	99.9	99.8	99.8	100.4	100.6	100.9	101.5	101.6	99.8	100.4
	0.4	-0.6	1.2	-0.4	-2.4	0.9	-0.3	-0.1	0.0	0.6	0.2	0.3	2.2	0.1	-1.8	0.6
	0.6	-0.9	0.2	0.6	-2.3	-0.8	-2.2	-1.9	0.5	0.2	0.7	1.1				
Core consumer price index (2015=100)	101.7	101.6	102.1	101.9	101.6	101.4	101.4	101.0	101.4	101.7	102.2	102.1	101.2	101.8	101.4	101.8
	0.4	-0.1	0.5	-0.2	-0.3	-0.2	0.0	-0.4	0.4	0.3	0.5	-0.1	0.8	0.6	-0.4	0.5
	0.8	0.5	0.6	0.6	-0.1	-0.2	-0.7	-0.9	-0.2	0.3	0.8	1.1				
Wage earnings per worker (JPY thousand)	4075	4060	4074	4083	3998	4019	4016	4024	3996	4000	4003	4003	4064	4073	4015	4001
	0.6	-0.4	0.3	0.2	-2.1	0.5	-0.1	0.2	-0.7	0.1	0.1	0.0	1.2	0.2	-1.4	-0.4
	-0.1	0.2	-0.1	0.8	-1.8	-1.0	-1.4	-1.4	-0.1	-0.5	-0.3	-0.5				
Unemployment rate (%)	2.4	2.3	2.3	2.4	2.8	3.0	3.2	3.4	3.3	3.4	3.4	3.4	2.4	2.4	3.1	3.4
CD interest rate (%)	0.001	0.002	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
10-year government bond yields (%)	-0.107	-0.220	-0.087	-0.073	-0.003	0.027	0.020	0.022	0.032	0.103	0.151	0.183	0.042	-0.122	0.016	0.117
Current account balance (JPY trillion)	5.0	4.8	5.4	5.0	2.7	4.0	4.3	4.0	3.9	4.1	4.3	4.4	19.6	20.1	15.1	16.7
% of nominal GDP	3.6	3.5	3.9	3.6	2.1	3.0	3.2	3.0	2.9	3.0	3.1	3.2	3.6	3.6	2.9	3.1
Crude oil price (USD/barrel)	65.16	59.82	60.47	49.31	30.88	42.36	40.62	42.07	43.62	47.65	50.94	52.42	67.62	58.69	38.98	48.66
USD/JPY exchange rate	109.9	107.3	108.7	108.9	107.6	106.2	104.9	104.3	104.0	105.3	106.7	108.0	110.9	108.7	105.7	106.0
Government debt (JPY trillion)	1100.5	1106.0	1111.5	1117.0	1119.0	1121.0	1125.4	1129.1	1131.9	1135.2	1139.0	1142.8	1095.0	1117.0	1129.1	1131.9
	0.5	0.5	0.5	0.5	0.2	0.2	0.4	0.3	0.2	0.3	0.3	0.3	1.7	2.0	1.1	0.2
	1.8	1.8	1.9	2.0	1.7	1.4	1.3	1.1	1.2	1.3	1.2	1.2				
% of GDP	198.0	198.3	202.2	204.1	221.7	211.1	208.5	205.8	204.3	204.3	205.2	206.8	199.8	202.2	214.1	206.4
Fiscal balance (JPY trillion)	-37.0	-38.3	-38.9	-41.0	-57.0	-50.2	-49.5	-50.1	-50.8	-50.7	-51.2	-52.1	-37.1	-38.8	-51.7	-51.2

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	299.8	301.4	302.7	294.0	291.9	268.2	280.8	284.4	286.7	288.1	290.0	291.2	298.9	299.1	297.5	280.0
	0.1	0.5	0.4	-2.9	-0.7	-8.1	4.7	1.3	0.8	0.5	0.7	0.4	1.1	0.1	-0.5	-5.9
	0.5	0.8	1.5	-1.9	-2.6	-11.0	-7.2	-3.3	-1.8	7.4	3.3	2.4				
Private residential investment	15.4	15.4	15.6	15.2	14.6	14.6	13.4	13.6	13.7	13.8	13.7	13.7	15.9	15.1	15.2	13.8
	1.4	-0.2	1.3	-2.3	-4.0	-0.5	-7.9	1.5	0.8	0.5	-0.5	-0.2	-1.4	-4.9	0.6	-9.2
	0.9	3.1	4.2	0.2	-5.2	-5.5	-14.0	-10.7	-6.3	-5.4	2.2	0.5				
Private non-residential investment	86.4	87.1	87.3	83.2	84.6	80.8	78.0	78.5	78.6	78.9	79.6	80.5	84.3	85.7	85.5	79.0
	-0.5	0.8	0.2	-4.8	1.7	-4.5	-3.4	0.6	0.2	0.3	0.9	1.2	4.3	1.8	-0.3	-7.6
	1.6	0.4	5.1	-4.2	-2.1	-7.3	-10.6	-5.7	-7.0	-2.3	2.0	2.6				
Change in private inventories	2.1	2.1	0.8	0.9	0.4	2.2	1.2	0.7	1.5	0.2	0.6	0.8	1.4	1.4	1.0	1.4
Government final consumption expenditure	107.8	108.9	109.9	110.2	110.2	109.9	112.3	112.5	112.8	113.0	113.3	113.6	106.3	107.2	109.7	111.9
	0.1	1.0	0.9	0.3	0.0	-0.4	2.2	0.2	0.2	0.2	0.2	0.2	0.3	0.9	2.3	1.9
	0.7	2.0	2.7	2.3	2.2	0.9	2.2	2.1	2.3	2.9	0.9	1.0				
Government investment expenditure	26.3	26.7	26.9	27.1	27.0	27.4	27.5	27.8	28.1	28.3	28.5	28.8	26.0	26.1	27.0	27.7
	2.5	1.5	0.8	0.7	-0.3	1.2	0.4	1.1	1.1	0.8	0.8	0.8	0.5	0.6	3.3	2.7
	1.4	0.4	3.8	5.6	2.7	2.4	2.0	2.4	3.9	3.4	3.9	3.5				
Change in government inventories	-0.05	0.01	-0.03	0.02	0.09	0.01	0.03	0.05	0.06	0.06	0.06	0.06	0.08	0.04	0.03	0.04
Exports of goods and services	92.0	92.1	91.5	91.9	87.0	71.9	76.9	82.2	83.6	84.0	86.9	89.8	91.4	93.0	90.6	78.6
	-1.7	0.1	-0.6	0.4	-5.3	-17.4	7.0	6.8	1.7	0.5	3.5	3.4	6.4	1.7	-2.6	-13.2
	-1.7	-2.3	-0.6	-1.8	-5.4	-22.0	-15.9	-10.6	-3.9	16.8	12.9	9.3				
Imports of goods and services	93.5	95.2	95.8	93.5	89.7	91.6	82.6	88.3	88.3	88.3	90.1	92.3	92.6	95.0	93.5	87.7
	-4.5	1.8	0.7	-2.4	-4.1	2.2	-9.8	6.8	0.0	0.0	2.1	2.5	3.9	2.6	-1.5	-6.2
	-0.7	0.3	2.5	-4.5	-4.1	-3.7	-13.8	-5.7	-1.6	-3.7	9.0	4.6				
GDP	536.9	539.1	539.4	529.6	526.6	483.6	507.6	511.5	516.8	518.1	522.7	526.2	532.0	533.4	533.6	504.9
	2.9	1.6	0.2	-7.1	-2.3	-28.8	21.4	3.1	4.2	1.0	3.6	2.7	1.9	0.3	0.0	-5.4
	0.7	0.4	0.0	-1.8	-0.6	-8.2	5.0	0.8	1.0	0.2	0.9	0.7				
	0.8	0.9	1.7	-0.7	-1.9	-10.3	-5.9	-3.4	-1.9	7.1	3.0	2.9				
Contribution of domestic demand	0.2	0.7	0.3	-2.3	-0.4	-4.9	2.0	0.8	0.8	0.2	0.7	0.5	1.5	0.4	0.2	-4.2
of which, private demand	0.1	0.4	0.1	-2.4	-0.4	-4.9	1.5	0.7	0.7	0.1	0.6	0.4	1.4	0.2	-0.4	-4.7
of which, public demand	0.1	0.3	0.2	0.1	0.0	0.0	0.5	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.6	0.5
Contribution of net exports	0.5	-0.3	-0.2	0.5	-0.2	-3.2	2.9	-0.1	0.3	0.1	0.2	0.1	0.5	-0.1	-0.2	-1.1

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	309.1	301.9	299.6	274.7	287.8	291.5	293.4	295.0	297.7	299.3	300.5	304.8	304.5	286.8	298.1
	0.6	0.5	-2.3	-0.7	-8.3	4.8	1.3	0.7	0.5	0.9	0.5	0.4	0.5	-0.1	-5.8	3.9
	1.3	1.5	-1.3	-1.9	-10.6	-6.9	-3.4	-2.1	7.4	3.4	2.7	2.4				
Private residential investment	16.9	17.1	17.0	16.4	16.1	14.9	15.2	15.4	15.4	15.3	15.3	15.4	16.5	16.9	15.4	15.4
	0.1	1.7	-0.6	-4.0	-1.7	-7.4	2.0	1.2	0.3	-0.6	-0.1	0.4	-3.4	2.1	-8.8	-0.2
	3.8	5.0	2.5	-2.9	-4.7	-13.2	-10.9	-6.0	-4.1	2.9	0.8	0.0				
Private non-residential investment	89.2	90.1	85.9	87.0	81.8	80.2	80.6	80.7	80.9	82.3	83.7	84.4	88.0	88.0	80.8	82.8
	0.5	1.1	-4.6	1.3	-6.0	-2.0	0.5	0.2	0.2	1.7	1.7	0.8	2.5	-0.1	-8.1	2.5
	0.7	5.4	-3.9	-1.9	-8.2	-11.0	-6.3	-7.2	-1.1	2.6	3.9	4.5				
Change in private inventories	2.2	0.6	0.7	0.5	0.8	1.0	0.8	1.2	0.1	0.5	0.7	0.8	1.4	1.0	0.9	0.5
Government final consumption expenditure	110.8	111.6	111.5	112.5	111.1	113.9	114.0	114.2	114.6	114.9	115.3	115.6	108.5	111.5	113.3	115.1
	1.3	0.7	-0.1	0.9	-1.3	2.5	0.1	0.2	0.3	0.3	0.3	0.3	1.0	2.8	1.6	1.6
	2.1	2.9	3.2	2.9	0.2	2.0	2.2	1.5	3.2	0.9	1.1	1.2				
Government investment expenditure	29.2	29.5	29.9	29.8	30.0	30.3	31.0	31.2	31.4	31.6	32.0	32.4	28.2	29.6	30.6	31.9
	2.3	1.0	1.4	-0.2	0.7	1.0	2.2	0.8	0.4	0.8	1.3	1.2	2.4	4.9	3.4	4.0
	1.7	5.1	7.4	4.5	2.9	2.8	3.6	4.7	4.5	4.3	3.5	3.9				
Change in government inventories	0.01	-0.03	0.02	0.05	0.01	0.02	0.03	0.04	0.04	0.04	0.04	0.04	0.05	0.02	0.03	0.04
Exports of goods and services	97.6	96.1	96.0	90.7	72.4	79.5	84.0	85.4	86.0	89.1	92.3	95.4	100.7	95.0	80.3	90.7
	-0.6	-1.5	-0.1	-5.5	-20.2	9.8	5.6	1.6	0.7	3.7	3.5	3.4	2.5	-5.6	-15.5	12.9
	-4.0	-5.3	-5.6	-7.6	-25.8	-17.3	-12.5	-5.9	18.8	12.1	9.8	11.7				
Imports of goods and services	97.5	96.3	93.4	89.3	82.2	76.5	82.1	82.7	82.9	84.7	87.1	89.6	100.1	94.0	80.9	86.1
	1.4	-1.3	-3.0	-4.3	-7.9	-7.0	7.3	0.7	0.4	2.1	2.8	2.8	7.2	-6.1	-14.0	6.5
	-1.3	-4.2	-11.1	-7.1	-15.7	-20.6	-12.1	-7.5	0.9	10.8	6.2	8.4				
GDP	555.7	557.8	549.6	547.2	504.6	531.1	534.9	539.0	540.5	546.8	551.5	554.9	548.1	552.5	527.4	548.4
	2.0	1.5	-5.7	-1.7	-27.7	22.7	2.9	3.0	1.1	4.8	3.5	2.5	0.1	0.8	-4.5	4.0
	0.5	0.4	-1.5	-0.4	-7.8	5.2	0.7	0.8	0.3	1.2	0.9	0.6				
	1.2	2.3	0.6	-1.0	-9.2	-4.8	-2.7	-1.5	7.1	3.0	3.1	3.0				
Contribution of domestic demand	0.9	0.4	-2.0	-0.2	-5.7	2.7	0.9	0.6	0.2	0.9	0.7	0.5	0.9	0.7	-4.3	3.0
of which, private demand	0.5	0.2	-2.0	-0.4	-5.5	2.1	0.8	0.5	0.1	0.8	0.6	0.4	0.6	-0.1	-4.8	2.4
of which, public demand	0.4	0.2	0.1	0.2	-0.2	0.6	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.8	0.5	0.6
Contribution of net exports	-0.3	0.0	0.5	-0.2	-2.1	2.6	-0.2	0.1	0.1	0.3	0.1	0.1	-0.8	0.1	-0.3	1.0

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	102.0	102.1	102.7	102.6	102.4	102.5	102.5	102.3	102.4	102.7	102.8	102.9	101.9	102.4	102.4	102.7
	0.1	0.1	0.6	0.0	-0.2	0.1	0.0	-0.1	0.1	0.2	0.1	0.1	0.4	0.5	0.1	0.3
	0.5	0.1	0.6	0.7	0.4	0.4	-0.2	-0.3	0.0	0.2	0.3	0.6				
Private residential investment	109.5	109.9	111.8	111.7	110.4	111.0	111.6	112.0	111.9	111.8	111.9	112.0	109.0	110.7	111.2	111.9
	0.3	0.4	1.7	0.0	-1.2	0.6	0.5	0.4	-0.1	-0.1	0.1	0.1	1.6	1.5	0.5	0.6
	0.7	0.8	2.3	2.3	0.9	1.0	-0.1	0.3	1.3	0.7	0.3	0.0				
Private non-residential investment	102.4	103.2	103.3	102.9	101.3	102.7	102.7	102.7	102.6	103.4	103.9	104.4	102.7	102.9	102.3	103.6
	-0.4	0.8	0.1	-0.4	-1.5	1.4	-0.1	0.0	-0.1	0.7	0.6	0.4	0.7	0.2	-0.6	1.2
	0.3	0.3	0.3	0.2	-1.0	-0.5	-0.6	-0.2	1.3	0.6	1.2	1.6				
Government final consumption expenditure	101.8	101.5	101.2	102.1	101.1	101.4	101.3	101.3	101.4	101.4	101.5	101.5	101.2	101.6	101.3	101.4
	0.4	-0.2	-0.4	0.9	-0.9	0.3	-0.1	0.0	0.1	0.1	0.0	0.0	0.1	0.5	-0.4	0.2
	0.1	0.2	0.8	0.7	-0.6	-0.2	0.1	-0.8	0.2	0.0	0.2	0.2				
Government investment expenditure	109.2	109.4	110.1	110.3	109.7	110.3	111.5	111.2	110.8	110.8	111.4	111.9	108.1	109.8	110.7	111.2
	0.8	0.2	0.7	0.1	-0.5	0.6	1.0	-0.3	-0.4	0.0	0.5	0.4	1.8	1.6	0.7	0.5
	1.4	1.3	1.7	1.8	0.4	0.8	1.2	0.8	1.0	0.5	-0.1	0.6				
Exports of goods and services	106.0	105.0	104.5	104.3	100.7	103.3	102.2	102.2	102.4	102.6	102.7	102.9	108.3	104.9	102.1	102.7
	-0.7	-0.9	-0.5	-0.2	-3.4	2.6	-1.1	0.0	0.2	0.2	0.1	0.1	0.8	-3.1	-2.6	0.5
	-1.7	-4.7	-3.8	-2.3	-5.0	-1.6	-2.2	-2.0	1.7	-0.7	0.5	0.7				
Imports of goods and services	102.5	100.5	99.8	99.6	89.8	92.5	93.0	93.6	94.0	94.0	94.4	94.6	105.4	100.6	92.2	94.3
	-0.4	-2.0	-0.6	-0.2	-9.9	3.1	0.5	0.7	0.4	0.1	0.4	0.3	4.6	-4.6	-8.3	2.2
	-1.6	-6.5	-6.9	-3.2	-12.4	-7.9	-6.8	-6.0	4.7	1.6	1.5	1.1				
GDP	103.1	103.4	103.8	103.9	104.3	104.6	104.6	104.3	104.3	104.6	104.8	105.0	102.8	103.5	104.5	104.7
	0.1	0.3	0.4	0.1	0.4	0.3	0.0	-0.3	0.0	0.3	0.2	0.2	-0.2	0.8	0.9	0.2
	0.4	0.5	1.3	0.9	1.2	1.2	0.8	0.3	0.0	0.0	0.2	0.7				

Notes: In the quarterly statistics, the figures in the first and second rows below the main series represent QoQ changes (%) and YoY changes (%) respectively. In the 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	81.8	88.9	91.1	91.1	91.1	92.9	94.5	95.8	103.8	99.9	88.2	93.6
	0.0	-1.1	-3.7	0.4	-16.9	8.8	2.4	0.0	0.0	2.0	1.7	1.4	0.3	-3.8	-11.7	6.1
	-1.5	-1.9	-6.7	-4.3	-20.5	-12.6	-7.0	-7.4	11.4	4.5	3.7	5.2				
Labor force (ten thousand persons)	6870	6889	6918	6904	6819	6858	6854	6853	6854	6864	6872	6884	6847	6895	6846	6869
	0.0	0.3	0.4	-0.2	-1.2	0.6	-0.1	0.0	0.0	0.1	0.1	0.2	1.4	0.7	-0.7	0.3
	0.6	0.9	0.8	0.5	-0.7	-0.5	-0.9	-0.7	0.5	0.1	0.3	0.5				
Engaged labor force (ten thousand persons)	6707	6728	6761	6736	6630	6654	6634	6620	6628	6633	6637	6652	6680	6733	6635	6638
	0.1	0.3	0.5	-0.4	-1.6	0.4	-0.3	-0.2	0.1	0.1	0.1	0.2	1.7	0.8	-1.5	0.0
	0.7	1.0	1.0	0.5	-1.1	-1.1	-1.9	-1.7	0.0	-0.3	0.0	0.5				
Employed (ten thousand persons)	5995	6013	6030	6042	5927	5937	5920	5906	5914	5918	5922	5935	5955	6020	5922	5922
	0.3	0.3	0.3	0.2	-1.9	0.2	-0.3	-0.2	0.1	0.1	0.1	0.2	1.8	1.1	-1.6	0.0
	1.1	1.1	1.1	1.1	-1.1	-1.3	-1.8	-2.2	-0.2	-0.3	0.0	0.5				
Unemployment rate (%)	2.4	2.3	2.3	2.4	2.8	3.0	3.2	3.4	3.3	3.4	3.4	3.4	2.4	2.4	3.1	3.4
Domestic corporate goods price index (2015=100)	101.6	101.0	102.1	101.7	99.3	100.2	99.9	99.8	99.8	100.4	100.6	100.9	101.5	101.6	99.8	100.4
	0.4	-0.6	1.2	-0.4	-2.4	0.9	-0.3	-0.1	0.0	0.6	0.2	0.3	2.2	0.1	-1.8	0.6
	0.6	-0.9	0.2	0.6	-2.3	-0.8	-2.2	-1.9	0.5	0.2	0.7	1.1				
Core consumer price index (2015=100)	101.7	101.6	102.1	101.9	101.6	101.4	101.4	101.0	101.4	101.7	102.2	102.1	101.2	101.8	101.4	101.8
	0.4	-0.1	0.5	-0.2	-0.3	-0.2	0.0	-0.4	0.4	0.3	0.5	-0.1	0.8	0.6	-0.4	0.5
	0.8	0.5	0.6	0.6	-0.1	-0.2	-0.7	-0.9	-0.2	0.3	0.8	1.1				

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. 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	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
Government bond yields (%)	-0.107	-0.220	-0.087	-0.073	-0.003	0.027	0.020	0.022	0.032	0.103	0.151	0.183	0.042	-0.122	0.016	0.117
Money stock (M2+CD, JPY trillion)	1024.1	1030.0	1037.6	1046.7	1078.8	1117.4	1119.7	1128.3	1138.5	1144.2	1149.8	1151.8	1016.1	1046.7	1128.3	1151.8
	0.8	0.6	0.7	0.9	3.1	3.6	0.2	0.8	0.9	0.5	0.5	0.2	2.4	3.0	7.8	2.1
	2.5	2.4	2.6	3.0	5.3	8.5	7.9	7.8	5.5	2.4	2.7	2.1				
Nikkei stock average (JPY) 2005=100	21,414	21,270	23,045	21,932	20,746	22,913	25,000	25,200	25,400	25,600	25,800	26,000	21,973	21,915	23,465	25,700
	172.3	171.1	185.4	176.4	166.9	184.3	201.1	202.7	204.3	205.9	207.5	209.1	176.7	176.3	188.7	206.7
	2.0	-0.7	8.3	-4.8	-5.4	10.4	9.1	0.8	0.8	0.8	0.8	0.8	4.7	-0.3	7.1	9.5
USD/JPY exchange rate	109.9	107.3	108.7	108.9	107.6	106.2	104.9	104.3	104.0	105.3	106.7	108.0	110.9	108.7	105.7	106.0
	-0.3	-2.3	1.3	0.1	-1.2	-1.3	-1.2	-0.6	-0.3	1.3	1.3	1.3	0.1	-2.0	-2.7	0.2
	0.8	-3.7	-3.7	-1.2	-2.0	-1.0	-3.5	-4.2	-3.3	-0.8	1.7	3.5				

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.

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	71.2	57.8	64.2	68.6	70.3	71.3	73.9	76.4	78.9	74.6	72.4	65.2	75.1
(SNA basis)	-0.2	-0.2	-0.2	-2.1	-18.8	11.0	6.9	2.5	1.4	3.6	3.4	3.3	2.1	-3.0	-9.9	15.2
	-4.0	-1.4	-3.7	-2.6	-20.8	-11.9	-5.7	-1.3	23.3	15.2	11.5	12.3				
Goods imports (real)	77.1	77.7	76.3	72.7	74.2	67.3	72.8	73.7	74.5	76.6	78.9	81.2	77.0	75.9	72.0	77.8
(SNA basis)	2.4	0.9	-1.9	-4.7	2.1	-9.2	8.0	1.2	1.1	2.8	3.0	2.9	2.9	-1.4	-5.2	8.1
	1.1	1.8	-4.7	-3.5	-3.8	-13.4	-4.6	1.4	0.4	13.7	8.4	10.2				
Services exports (real)	19.0	18.6	19.1	15.8	14.0	12.9	13.6	13.3	12.7	13.0	13.4	13.8	18.3	18.1	13.5	13.2
(SNA basis)	1.5	-2.4	2.9	-17.1	-11.3	-8.1	5.6	-2.4	-4.8	2.7	3.0	3.3	0.0	-0.9	-25.7	-1.8
	4.8	2.5	5.6	-15.6	-26.2	-30.5	-28.7	-16.0	-9.8	0.8	-1.6	4.0				
Services imports (real)	18.3	18.3	17.5	17.1	17.6	15.5	15.5	14.6	13.8	13.5	13.4	13.5	18.2	17.8	15.8	13.6
(SNA basis)	-0.4	-0.1	-4.3	-1.9	2.6	-12.1	0.2	-5.7	-5.4	-2.2	-0.7	0.4	1.1	-2.2	-11.2	-14.1
	-2.9	5.2	-3.7	-6.6	-3.8	-15.4	-11.3	-14.8	-21.4	-12.5	-13.3	-7.7				
Goods exports (nominal)	76.4	75.6	74.9	73.1	56.9	65.4	68.9	70.5	71.3	73.7	75.9	78.3	80.3	74.9	65.4	74.8
(SNA basis)	-1.2	-1.1	-0.9	-2.4	-22.1	14.9	5.4	2.3	1.2	3.3	3.0	3.1	2.6	-6.7	-12.7	14.3
	-6.3	-6.9	-8.1	-5.4	-25.5	-13.4	-8.0	-3.6	25.2	12.7	10.2	11.1				
Goods imports (nominal)	77.2	75.9	74.0	70.4	63.3	59.6	65.7	67.6	69.0	71.3	74.0	76.6	79.7	74.3	64.0	72.7
(SNA basis)	2.0	-1.7	-2.5	-4.8	-10.1	-5.9	10.2	2.8	2.1	3.4	3.8	3.5	8.1	-6.8	-13.8	13.6
	-0.9	-6.0	-12.5	-7.0	-18.0	-21.4	-11.2	-4.1	8.9	19.6	12.7	13.4				
Services exports (nominal)	21.2	20.6	21.1	17.6	15.5	14.1	15.1	14.9	14.7	15.5	16.3	17.2	20.4	20.1	14.9	15.9
(SNA basis)	1.7	-3.1	2.6	-16.7	-12.0	-8.7	6.9	-1.2	-1.6	5.3	5.6	5.1	1.9	-1.4	-25.8	6.7
	5.3	1.2	4.5	-15.7	-27.1	-31.3	-28.4	-15.1	-5.0	9.5	8.1	14.9				
Services imports (nominal)	20.4	20.4	19.4	18.9	18.9	16.9	16.4	15.1	14.0	13.4	13.1	13.0	20.4	19.8	16.8	13.4
(SNA basis)	-0.6	0.2	-4.9	-2.6	0.1	-10.9	-2.9	-7.7	-7.3	-4.1	-2.2	-1.2	4.1	-3.3	-14.9	-20.5
	-3.1	3.4	-5.2	-7.7	-7.0	-17.4	-15.7	-20.1	-26.1	-20.4	-19.8	-14.2				
Trade balance (BOP basis)	-0.3	0.1	0.4	0.6	-1.6	1.4	0.8	0.7	0.6	0.6	0.5	0.4	0.6	0.7	1.3	2.1
Balance on services (BOP basis)	0.1	-0.1	0.3	-0.7	-1.0	-0.9	-0.5	-0.2	-0.1	0.2	0.5	0.7	-0.9	-0.5	-2.7	1.4
Primary income balance (BOP basis)	5.5	5.3	5.1	5.5	5.2	4.6	4.4	3.9	3.7	3.6	3.5	3.5	21.6	21.4	18.0	14.3
Current account balance (BOP basis)	5.0	4.8	5.4	5.0	2.7	4.0	4.3	4.0	3.9	4.1	4.3	4.4	19.6	20.1	15.1	16.7
	-1.4	-3.2	12.6	-8.5	-45.5	48.1	8.4	-7.3	-2.7	5.6	3.3	3.8	-12.5	2.8	-25.2	11.1
	-7.8	2.3	25.3	-1.7	-45.6	-16.9	-20.0	-18.9	44.7	3.2	-1.6	10.2				
USD/JPY exchange rate	109.9	107.3	108.7	108.9	107.6	106.2	104.9	104.3	104.0	105.3	106.7	108.0	110.9	108.7	105.7	106.0
	-0.3	-2.3	1.3	0.1	-1.2	-1.3	-1.2	-0.6	-0.3	1.3	1.3	1.3	0.1	-2.0	-2.7	0.2
	0.8	-3.7	-3.7	-1.2	-2.0	-1.0	-3.5	-4.2	-3.3	-0.8	1.7	3.5				

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.