

# Japanese Economy: Analysis and Forecasts No.132

2 March, 2021

## 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

#### Recovery from double-dip recession expected in the second half of 2021 as vaccination unfolds

**-Real GDP projections: -4.8% in FY 2020, +3.4% in FY 2021, +1.8% in FY 2022-**

- ◆ According to the first advance estimates, Japan's Q4 real GDP expanded by an annualized +12.7% QoQ, marking the second consecutive quarter of double-digit positive growth. However, due to the weaker economy in the first half of 2020, the real GDP growth rate for FY 2020 is projected to be -4.8%, declining for the first time in 11 years since the Global Financial Crisis in 2009 (-5.7%). Whereas the Q4 figure exceeded the latest market consensus forecast, APIR's CQM forecast almost hit the bull's eye.
- ◆ The driving forces behind Q4 economic growth were net exports and private final consumption expenditure. The former was influenced by the improvement of the global economy, and the latter by government policies, such as the "Go To" campaign. Expanding for the second consecutive quarter, domestic demand contributed +2.0%pt to real GDP growth (+3.0% QoQ). Therein, private sector demand accounted for +1.5%pt, and public sector demand accounted for +0.5%pt, making positive contributions for the second and third successive quarter, respectively. Net exports contributed +1.0%pt, propping up GDP for the second quarter in a row.
- ◆ Reflecting the first advance Q4 GDP estimates, as well as certain changes in exogenous variables, we updated our real GDP growth forecast to -4.8% in FY 2020. The current fiscal year extends the decline seen in FY 2019 (-0.3%), which was partially due to the consumption tax hike. For FY 2021, we forecast a belated recovery of +3.4% due to the post-pandemic rebound. In FY 2022, we expect growth to slow down to +1.8%. We have revised both our FY 2020 and FY 2022 forecasts up by +0.2%pt from our previous report to reflect the pickup in private sector demand due to the recovery seen in 2020 Q4, as well as the vaccination rollout efforts.
- ◆ Whereas private demand and net exports suppressed FY 2020 real GDP growth respectively by -4.9%pt and -0.9%pt, public demand made a positive contribution of +0.9%pt. In FY 2021 all sectors are expected to make positive albeit modest contributions to GDP growth: +1.7%pt by private sector demand, +0.4%pt by public sector demand, and +1.3%pt by net exports. In FY 2022, these contributions are expected to shrink to +1.4%pt by private sector demand, +0.2%pt by public sector demand, and +0.1%pt by net exports.
- ◆ Considering the quarterly GDP growth pattern, 2021 Q1 will inevitably see negative growth due to the third wave of COVID-19 and the re-imposition of the state of emergency. Although GDP growth will remain temporarily higher than the potential growth rate thereafter, we expect that the GDP will only reach its pre-pandemic level in 2022 Q2. It will surpass its pre-pandemic peak in FY 2023.
- ◆ Energy prices and accommodation expenses are important factors for the outlook of consumer prices. Wages, especially in the face-to-face services, are projected to continue their downward trend, thus exerting significant deflationary pressure on the CPI. As a result, we forecast a core CPI inflation of -0.4% in FY 2020, +0.4% in FY 2021, and +0.7% in FY 2022.

## Summary of Forecast Results

	Current forecast (2020/11/26)				Previous forecast (2020/8/27)			
	2019	2020	2021	2022	2019	2020	2021	2022
Real GDP (%)	▲ 0.3	▲ 4.8	3.4	1.8	▲ 0.3	▲ 5.0	3.4	1.6
Private demand (contribution)	▲ 0.6	▲ 4.9	1.7	1.4	▲ 0.6	▲ 4.5	1.9	1.2
Private final consumption expenditure (%)	▲ 1.0	▲ 6.3	2.4	1.5	▲ 0.9	▲ 5.7	3.5	1.5
Private residential investment (%)	2.5	▲ 7.7	▲ 1.5	1.6	2.5	▲ 7.0	▲ 0.9	1.0
Private non-residential investment (%)	▲ 0.6	▲ 6.5	3.4	2.6	▲ 0.6	▲ 7.5	2.1	2.2
Change in private inventories (contribution)	0.1	▲ 0.2	▲ 0.1	0.2	0.1	▲ 0.1	▲ 0.2	▲ 0.0
Public demand (contribution)	0.5	0.9	0.4	0.2	0.5	0.8	0.4	0.2
Government final consumption expenditure (%)	2.0	3.3	1.4	0.8	2.0	2.7	1.4	0.8
Government investment expenditure (%)	1.5	4.7	2.4	1.3	1.5	4.3	2.3	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)	▲ 0.2	▲ 0.9	1.3	0.1	▲ 0.2	▲ 1.3	1.0	0.2
Exports of goods and services (%)	▲ 2.6	▲ 11.1	10.4	3.1	▲ 2.6	▲ 12.7	10.5	4.1
Imports of goods and services (%)	▲ 1.3	▲ 6.4	2.8	2.6	▲ 1.2	▲ 6.0	4.2	3.1
Nominal GDP (%)	0.5	▲ 4.1	3.5	2.2	0.5	▲ 4.4	3.3	1.8
GDP deflator (%)	0.8	0.7	0.1	0.4	0.9	0.6	▲ 0.0	0.2
Domestic corporate goods price index (%)	0.1	▲ 1.5	1.3	0.6	0.1	▲ 1.9	0.7	0.6
Core consumer price index (%)	0.6	▲ 0.4	0.4	0.7	0.6	▲ 0.6	0.2	0.5
Industrial production index (%)	▲ 3.8	▲ 9.9	7.9	2.9	▲ 3.8	▲ 9.8	7.5	2.6
New housing starts (%)	▲ 7.3	▲ 8.6	▲ 0.2	1.4	▲ 7.3	▲ 7.5	0.9	0.8
Unemployment rate (%)	2.3	2.9	3.2	3.1	2.4	3.0	3.4	3.3
Current account balance (JPY trillion)	20.1	19.6	24.0	23.7	20.1	16.0	17.1	17.0
% of nominal GDP	3.6	3.7	4.3	4.2	3.6	3.0	3.1	3.0
Crude oil price (USD/barrel)	58.7	43.1	57.8	60.1	58.7	40.7	52.1	60.1
USD/JPY exchange rate	108.7	105.8	106.5	108.0	108.7	105.7	106.3	108.0
USA real GDP (% , calendar year)	2.2	▲ 3.5	5.5	4.0	2.2	▲ 3.5	4.1	3.5

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			
	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	2019	2020	2021	2022
Real GDP (JPY trillion)	500.4	526.7	542.7	535.3	539.2	542.7	546.0	548.4	550.6	552.8	554.8	557.1	552.9	526.3	544.1	553.8
	-8.3	5.3	3.0	-1.4	0.7	0.7	0.6	0.4	0.4	0.4	0.4	0.4	-0.3	-4.8	3.4	1.8
	-10.3	-5.8	-1.1	-1.9	7.8	3.0	0.6	2.4	2.1	1.9	1.6	1.6				
Nominal GDP (JPY trillion)	510.6	538.6	552.1	545.2	549.0	555.6	557.4	560.3	562.8	568.4	569.2	570.8	559.7	536.6	555.6	567.8
	-8.0	5.5	2.5	-1.3	0.7	1.2	0.3	0.5	0.4	1.0	0.1	0.3	0.5	-4.1	3.5	2.2
	-9.2	-4.5	-1.0	-1.7	7.5	3.2	1.0	2.8	2.5	2.3	2.1	1.9				
GDP deflator (2011=100)	102.0	102.3	101.7	101.8	101.8	102.4	102.1	102.2	102.2	102.8	102.6	102.5	101.2	102.0	102.1	102.5
	0.4	0.2	-0.5	0.1	0.0	0.6	-0.3	0.1	0.0	0.6	-0.2	-0.1	0.8	0.7	0.1	0.4
	1.3	1.3	0.1	0.2	-0.2	0.1	0.3	0.3	0.4	0.4	0.5	0.3				
Index of industrial production (2015=100)	81.8	88.9	94.6	94.6	95.8	96.6	97.3	98.4	99.2	99.7	100.0	100.6	99.9	90.0	97.0	99.9
	-16.9	8.8	6.3	0.0	1.3	0.8	0.8	1.1	0.8	0.5	0.3	0.5	-3.8	-9.9	7.9	2.9
	-20.5	-12.6	-3.5	-3.8	17.2	8.6	2.9	4.0	3.6	3.2	2.7	2.2				
New housing starts (thousands)	202	203	201	201	202	204	201	200	201	205	205	206	884	808	806	817
	-4.8	0.6	-1.0	0.0	0.4	0.9	-1.5	-0.4	0.6	1.9	0.2	0.4	-7.3	-8.6	-0.2	1.4
	-13.3	-9.7	-7.3	-5.3	-0.1	0.2	-0.3	-0.6	-0.5	0.6	2.3	3.1				
Domestic corporate goods price index (2015=100)	99.3	100.2	100.0	101.0	101.4	101.4	101.3	101.6	102.0	101.9	102.0	102.3	101.6	100.1	101.4	102.1
	-2.4	0.9	-0.2	1.0	0.4	0.0	-0.1	0.3	0.4	-0.1	0.1	0.3	0.1	-1.5	1.3	0.6
	-2.3	-0.8	-2.1	-0.7	2.1	1.2	1.3	0.6	0.6	0.5	0.7	0.7				
Core consumer price index (2015=100)	101.6	101.4	101.2	101.3	101.1	102.1	102.2	101.9	102.0	102.7	102.8	102.5	101.8	101.4	101.8	102.5
	-0.3	-0.2	-0.2	0.1	-0.2	1.0	0.1	-0.2	0.1	0.7	0.1	-0.3	0.6	-0.4	0.4	0.7
	-0.1	-0.2	-0.9	-0.6	-0.5	0.7	0.9	0.6	0.9	0.6	0.6	0.6				
Wage earnings per worker (JPY thousand)	3980	3998	3980	3977	3949	3972	3963	3983	3983	3989	3990	3997	4056	3984	3967	3990
	-1.9	0.5	-0.5	-0.1	-0.7	0.6	-0.2	0.5	0.0	0.1	0.0	0.2	0.8	-1.8	-0.4	0.6
	-1.8	-1.1	-2.2	-1.9	-0.8	-0.7	-0.4	0.2	0.9	0.4	0.7	0.3				
Unemployment rate (%)	2.8	3.0	3.0	3.1	3.2	3.3	3.3	3.2	3.1	3.1	3.1	3.0	2.3	2.9	3.2	3.1
CD interest rate (%)	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
10-year government bond yields (%)	-0.003	0.027	0.030	0.076	0.084	0.087	0.114	0.130	0.144	0.134	0.133	0.154	-0.122	0.032	0.104	0.141
Current account balance (JPY trillion)	2.0	4.0	6.6	7.0	7.3	5.2	5.7	5.8	5.7	5.9	5.9	6.2	20.1	19.6	24.0	23.7
% of nominal GDP	1.5	3.0	4.8	5.2	5.3	3.7	4.1	4.1	4.0	4.1	4.2	4.3	3.6	3.7	4.3	4.2
Crude oil price (USD/barrel)	30.88	42.36	44.12	55.12	55.12	56.11	60.35	59.44	59.60	59.60	60.77	60.42	58.69	43.12	57.75	60.10
USD/JPY exchange rate	107.6	106.2	104.5	105.0	105.0	106.0	107.0	108.0	108.0	108.0	108.0	108.0	108.7	105.8	106.5	108.0
Government debt (JPY trillion)	1133.3	1149.5	1165.8	1180.4	1196.5	1212.7	1228.8	1244.8	1261.0	1277.1	1293.0	1308.9	1117.0	1180.4	1244.8	1261.0
	1.5	1.4	1.4	1.3	1.4	1.4	1.3	1.3	1.3	1.2	1.2	2.0	5.7	5.5	1.3	
	3.0	3.9	4.9	5.7	5.6	5.5	5.4	5.5	5.4	5.3	5.2	5.1				
% of GDP	221.9	213.4	211.1	213.8	215.0	216.6	218.3	220.4	222.9	225.5	228.5	231.5	199.6	220.0	224.0	222.1
Fiscal balance (JPY trillion)	-59.0	-53.4	-50.0	-55.8	-55.3	-55.3	-55.5	-56.3	-56.1	-55.4	-55.2	-55.1	-42.4	-54.5	-55.6	-55.4

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 (%). 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			
	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	2019	2020	2021	2022
Private final consumption expenditure	269.4	283.1	289.3	282.3	285.7	287.1	288.6	290.1	290.7	291.6	292.5	293.8	299.8	281.0	287.9	292.1
	-8.4	5.1	2.2	-2.4	1.2	0.5	0.5	0.5	0.2	0.3	0.3	0.4	-1.0	-6.3	2.4	1.5
	-11.3	-7.3	-2.2	-4.0	6.0	1.4	-0.2	2.8	1.7	1.6	1.3	1.3				
Private residential investment	19.7	18.6	18.6	18.4	18.5	18.5	18.6	18.6	18.6	18.8	18.9	19.0	20.4	18.8	18.5	18.8
	0.5	-5.7	0.1	-1.3	0.5	0.4	0.3	0.0	0.4	0.6	0.7	0.8	2.5	-7.7	-1.5	1.6
	-5.0	-10.5	-8.7	-6.5	-6.4	-0.4	-0.2	1.1	1.0	1.2	1.7	2.5				
Private non-residential investment	84.4	82.4	86.1	85.8	86.6	87.1	87.9	88.4	89.2	89.7	90.0	90.3	90.5	84.7	87.5	89.8
	-5.9	-2.4	4.5	-0.4	1.0	0.5	0.9	0.5	1.0	0.6	0.3	0.3	-0.6	-6.5	3.4	2.6
	-8.0	-11.0	-2.6	-4.3	2.7	5.7	2.1	3.0	3.0	3.0	2.4	2.2				
Change in private inventories	2.7	1.8	-0.2	0.4	-0.8	1.0	1.6	1.9	2.0	2.0	1.9	1.6	2.1	1.2	0.9	1.9
Government final consumption expenditure	111.4	114.5	116.7	115.6	115.8	116.0	116.3	116.5	116.7	117.0	117.2	117.4	110.9	114.5	116.2	117.1
	0.2	2.8	2.0	-1.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.0	3.3	1.4	0.8
	1.2	3.2	4.8	4.0	4.0	1.3	-0.4	0.8	0.8	0.8	0.8	0.8				
Government investment expenditure	28.9	29.1	29.5	29.9	30.1	30.0	30.0	30.1	30.3	30.4	30.5	30.6	28.0	29.3	30.1	30.4
	2.2	0.9	1.3	1.3	0.5	-0.3	0.3	0.3	0.4	0.4	0.4	0.4	1.5	4.7	2.4	1.3
	4.4	3.8	4.6	5.8	4.1	2.9	1.8	0.8	0.7	1.4	1.5	1.6				
Change in government inventories	-0.02	0.00	-0.07	-0.03	-0.02	-0.02	-0.03	-0.03	-0.02	-0.03	-0.03	-0.03	-0.01	-0.03	-0.02	-0.03
Exports of goods and services	81.4	87.4	97.1	98.3	99.5	100.0	100.9	101.7	102.4	103.0	104.0	105.0	102.4	91.1	100.5	103.6
	-17.2	7.4	11.1	1.2	1.2	0.5	0.9	0.8	0.7	0.7	0.9	1.0	-2.6	-11.1	10.4	3.1
	-21.8	-15.6	-6.4	0.1	22.3	14.4	3.9	3.4	2.8	3.0	3.1	3.3				
Imports of goods and services	98.7	90.6	94.3	95.2	96.0	96.8	97.7	98.7	99.2	99.6	100.1	100.5	101.1	94.7	97.3	99.8
	1.3	-8.2	4.1	1.0	0.9	0.8	0.9	0.9	0.5	0.4	0.4	0.4	-1.3	-6.4	2.8	2.6
	-4.2	-12.8	-6.3	-2.3	-2.7	6.9	3.7	3.7	3.3	2.9	2.4	1.8				
GDP	500.4	526.7	542.7	535.3	539.2	542.7	546.0	548.4	550.6	552.8	554.8	557.1	552.9	526.3	544.1	553.8
	-29.3	22.7	12.7	-5.3	2.9	2.6	2.4	1.8	1.6	1.6	1.4	1.7	-0.3	-4.8	3.4	1.8
	-8.3	5.3	3.0	-1.4	0.7	0.7	0.6	0.4	0.4	0.4	0.4	0.4				
	-10.3	-5.8	-1.1	-1.9	7.8	3.0	0.6	2.4	2.1	1.9	1.6	1.6				
Contribution of domestic demand	-5.0	2.4	1.9	-1.4	0.7	0.7	0.6	0.5	0.4	0.4	0.3	0.3	-0.1	-3.9	2.1	1.7
of which, private demand	-5.2	1.8	1.4	-1.3	0.6	0.7	0.5	0.4	0.3	0.3	0.2	0.3	-0.6	-4.9	1.7	1.4
of which, public demand	0.2	0.6	0.5	-0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.5	0.9	0.4	0.2
Contribution of net exports	-3.3	2.8	1.1	0.1	0.1	-0.1	0.0	0.0	0.0	0.0	0.1	0.1	-0.2	-0.9	1.3	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			
	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	2019	2020	2021	2022
Private final consumption expenditure	273.9	288.0	293.0	285.4	288.9	293.2	294.2	294.6	295.6	299.1	299.7	299.8	304.2	285.1	292.7	298.6
	-8.5	5.1	1.8	-2.6	1.2	1.5	0.4	0.1	0.4	1.2	0.2	0.0	-0.3	-6.3	2.7	2.0
	-10.8	-6.8	-2.9	-4.7	5.5	1.8	0.4	3.2	2.3	2.0	1.9	1.8				
Private residential investment	20.7	19.6	19.6	19.3	19.3	19.5	19.6	19.8	19.8	19.9	20.1	20.3	21.4	19.8	19.6	20.0
	-0.6	-5.1	-0.2	-1.5	0.2	0.9	0.7	0.8	0.2	0.6	0.8	0.9	4.1	-7.5	-1.1	2.5
	-4.0	-9.3	-9.3	-7.2	-6.5	-0.6	0.3	2.6	2.6	2.3	2.4	2.5				
Private non-residential investment	84.7	82.9	86.3	86.7	87.9	88.1	88.5	89.4	90.8	91.2	91.2	91.8	91.6	85.2	88.5	91.2
	-6.7	-2.1	4.1	0.4	1.4	0.2	0.5	1.0	1.6	0.4	0.0	0.7	-0.2	-7.0	3.9	3.2
	-8.6	-11.3	-3.5	-4.6	3.7	6.2	2.5	3.1	3.3	3.5	3.0	2.8				
Change in private inventories	1.3	1.5	-0.1	0.5	-0.3	1.1	1.7	1.9	2.0	2.0	1.8	1.5	2.0	0.8	1.1	1.8
Government final consumption expenditure	111.2	115.0	116.5	115.3	115.4	116.7	116.6	116.9	117.2	118.1	118.1	118.2	111.7	114.5	116.4	117.9
	-0.8	3.4	1.3	-1.0	0.1	1.1	-0.1	0.3	0.2	0.8	0.0	0.0	2.4	2.5	1.7	1.3
	0.4	3.2	3.4	2.8	3.8	1.5	0.1	1.3	1.5	1.2	1.3	1.1				
Government investment expenditure	30.1	30.5	30.8	31.2	31.3	31.2	31.7	32.2	32.3	32.4	32.5	32.7	29.3	30.6	31.6	32.5
	1.7	1.2	1.1	1.3	0.3	-0.2	1.5	1.7	0.1	0.3	0.4	0.5	3.1	4.7	3.2	2.7
	5.0	4.8	4.2	5.3	4.0	2.5	2.9	3.4	3.1	3.6	2.6	1.4				
Change in government inventories	0.00	0.01	-0.05	-0.02	-0.01	-0.01	-0.02	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01
Exports of goods and services	72.9	80.4	88.9	90.8	91.5	92.5	92.8	94.2	94.6	95.7	96.4	97.9	95.5	83.3	92.8	96.1
	-19.9	10.2	10.7	2.0	0.9	1.0	0.4	1.5	0.4	1.3	0.7	1.5	-5.8	-12.8	11.4	3.7
	-25.6	-16.8	-7.7	-0.4	25.5	15.0	4.4	3.8	3.3	3.5	3.9	3.9				
Imports of goods and services	84.2	79.3	82.8	83.9	85.0	86.6	87.7	88.6	89.4	90.1	90.7	91.3	96.0	82.6	87.0	90.4
	-7.9	-5.8	4.4	1.3	1.3	1.9	1.3	1.0	0.9	0.7	0.7	0.6	-5.6	-14.0	5.3	3.9
	-15.3	-19.4	-12.8	-8.3	0.9	9.1	5.9	5.6	5.2	4.0	3.4	3.1				
GDP	510.6	538.6	552.1	545.2	549.0	555.6	557.4	560.3	562.8	568.4	569.2	570.8	559.7	536.6	555.6	567.8
	-28.2	23.7	10.5	-4.9	2.8	4.9	1.3	2.1	1.8	4.0	0.6	1.1	0.5	-4.1	3.5	2.2
	-8.0	5.5	2.5	-1.3	0.7	1.2	0.3	0.5	0.4	1.0	0.1	0.3				
	-9.2	-4.5	-1.0	-1.7	7.5	3.2	1.0	2.8	2.5	2.3	2.1	1.9				
Contribution of domestic demand	-6.0	3.1	1.6	-1.4	0.8	1.3	0.5	0.4	0.5	0.9	0.1	0.1	0.5	-4.3	2.6	2.2
of which, private demand	-5.9	2.3	1.3	-1.3	0.7	1.1	0.4	0.3	0.5	0.7	0.1	0.1	-0.1	-5.1	2.0	1.8
of which, public demand	-0.1	0.8	0.3	-0.1	0.0	0.2	0.1	0.2	0.1	0.2	0.0	0.0	0.6	0.7	0.5	0.4
Contribution of net exports	-2.0	2.4	0.9	0.1	-0.1	-0.1	-0.1	0.1	-0.1	0.1	0.0	0.1	0.0	0.2	1.0	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			
	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	2019	2020	2021	2022
Private final consumption expenditure	101.7	101.7	101.3	101.1	101.1	102.1	101.9	101.5	101.7	102.6	102.5	102.0	101.5	101.5	101.7	102.2
	-0.1	0.0	-0.4	-0.2	0.0	1.0	-0.2	-0.4	0.2	0.8	-0.1	-0.4	0.7	0.0	0.2	0.5
	0.6	0.6	-0.6	-0.7	-0.6	0.4	0.6	0.4	0.6	0.5	0.5	0.5				
Private residential investment	104.7	105.4	105.1	105.0	104.6	105.2	105.7	106.5	106.3	106.3	106.4	106.5	104.8	105.0	105.5	106.4
	-1.1	0.7	-0.3	-0.2	-0.3	0.5	0.5	0.8	-0.2	0.0	0.1	0.1	1.6	0.2	0.4	0.8
	1.0	1.3	-0.7	-0.8	0.0	-0.2	0.5	1.5	1.6	1.1	0.7	0.0				
Private non-residential investment	100.4	100.7	100.3	101.0	101.4	101.1	100.7	101.2	101.7	101.6	101.3	101.8	101.1	100.6	101.1	101.6
	-0.9	0.3	-0.5	0.8	0.4	-0.3	-0.4	0.4	0.6	-0.1	-0.3	0.4	0.4	-0.5	0.5	0.5
	-0.7	-0.3	-0.9	-0.3	1.0	0.4	0.4	0.1	0.3	0.5	0.6	0.6				
Government final consumption expenditure	99.9	100.4	99.8	99.8	99.7	100.6	100.3	100.3	100.4	101.0	100.8	100.6	100.8	100.0	100.2	100.7
	-1.0	0.6	-0.7	0.0	-0.1	0.9	-0.3	0.1	0.0	0.6	-0.2	-0.2	0.4	-0.8	0.3	0.5
	-0.8	0.0	-1.3	-1.1	-0.2	0.2	0.5	0.5	0.7	0.4	0.5	0.3				
Government investment expenditure	104.2	104.6	104.3	104.3	104.1	104.2	105.5	106.9	106.6	106.5	106.6	106.7	104.3	104.4	105.2	106.6
	-0.5	0.3	-0.3	0.0	-0.2	0.1	1.2	1.4	-0.3	-0.1	0.0	0.1	1.5	0.0	0.8	1.3
	0.6	0.9	-0.3	-0.5	-0.1	-0.3	1.1	2.5	2.4	2.2	1.0	-0.3				
Exports of goods and services	89.6	91.9	91.6	92.3	92.0	92.5	92.0	92.6	92.4	92.9	92.7	93.2	93.2	91.4	92.3	92.8
	-3.3	2.6	-0.4	0.8	-0.4	0.5	-0.5	0.7	-0.3	0.6	-0.2	0.5	-3.2	-1.9	0.9	0.6
	-4.9	-1.5	-1.4	-0.4	2.6	0.6	0.5	0.4	0.4	0.5	0.8	0.6				
Imports of goods and services	85.3	87.6	87.8	88.1	88.5	89.4	89.7	89.8	90.1	90.4	90.6	90.8	94.9	87.2	89.3	90.5
	-9.1	2.6	0.3	0.3	0.4	1.0	0.4	0.1	0.4	0.3	0.3	0.2	-4.4	-8.1	2.5	1.3
	-11.6	-7.6	-6.9	-6.1	3.7	2.1	2.1	1.8	1.8	1.1	1.0	1.2				
GDP	102.0	102.3	101.7	101.8	101.8	102.4	102.1	102.2	102.2	102.8	102.6	102.5	101.2	102.0	102.1	102.5
	0.4	0.2	-0.5	0.1	0.0	0.6	-0.3	0.1	0.0	0.6	-0.2	-0.1	0.8	0.7	0.1	0.4
	1.3	1.3	0.1	0.2	-0.2	0.1	0.3	0.3	0.4	0.4	0.5	0.3				

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 (%). Highlighted columns represent actual values.

Table 5. Production, employment, wages and prices

	Quarter												Fiscal year			
	19Q2	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	2019	2020	2021	2022
Index of industrial production (2015=100)	102.8	81.8	88.9	94.6	94.6	95.8	96.6	97.3	98.4	99.2	99.7	100.0	99.9	90.0	97.0	99.9
	0.0	-16.9	8.8	6.3	0.0	1.3	0.8	0.8	1.1	0.8	0.5	0.3	-3.8	-9.9	7.9	2.9
	-1.5	-20.5	-12.6	-3.5	-3.8	17.2	8.6	2.9	4.0	3.6	3.2	2.7				
Labor force (ten thousand persons)	6870	6819	6858	6892	6864	6866	6869	6873	6876	6880	6878	6881	6895	6858	6871	6881
	0.0	-1.2	0.6	0.5	-0.4	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.7	-0.5	0.2	0.1
	0.6	-0.7	-0.5	-0.4	-0.6	0.7	0.2	-0.3	0.2	0.2	0.1	0.1				
Engaged labor force (ten thousand persons)	6707	6630	6654	6687	6651	6647	6642	6649	6659	6670	6663	6668	6736	6656	6649	6670
	0.1	-1.6	0.4	0.5	-0.5	-0.1	-0.1	0.1	0.1	0.2	-0.1	0.1	0.8	-1.2	-0.1	0.3
	0.7	-1.1	-1.1	-1.1	-1.3	0.2	-0.2	-0.6	0.1	0.3	0.3	0.3				
Employed (ten thousand persons)	5995	5927	5937	5967	5934	5930	5926	5933	5941	5951	5945	5949	6023	5941	5933	5951
	0.3	-1.9	0.2	0.5	-0.5	-0.1	-0.1	0.1	0.1	0.2	-0.1	0.1	1.1	-1.4	-0.1	0.3
	1.1	-1.1	-1.3	-1.1	-1.8	0.1	-0.2	-0.6	0.1	0.3	0.3	0.3				
Unemployment rate (%)	2.4	2.8	3.0	3.0	3.1	3.2	3.3	3.3	3.2	3.1	3.1	3.1	2.3	2.9	3.2	3.1
Domestic corporate goods price index (2015=100)	101.6	99.3	100.2	100.0	101.0	101.4	101.4	101.3	101.6	102.0	101.9	102.0	101.6	100.1	101.4	102.1
	0.4	-2.4	0.9	-0.2	1.0	0.4	0.0	-0.1	0.3	0.4	-0.1	0.1	0.1	-1.5	1.3	0.6
	0.6	-2.3	-0.8	-2.1	-0.7	2.1	1.2	1.3	0.6	0.6	0.5	0.7				
Core consumer price index (2015=100)	101.7	101.6	101.4	101.2	101.3	101.1	102.1	102.2	101.9	102.0	102.7	102.8	101.8	101.4	101.8	102.5
	0.4	-0.3	-0.2	-0.2	0.1	-0.2	1.0	0.1	-0.2	0.1	0.7	0.1	0.6	-0.4	0.4	0.7
	0.8	-0.1	-0.2	-0.9	-0.6	-0.5	0.7	0.9	0.6	0.9	0.6	0.6				

Notes: In the quarterly statistics, the figures in the first and second rows below the main series represent QoQ changes (%) and YoY changes (%) respectively. In the annual statistics, the figures under the main series represent YoY changes (%). Highlighted columns represent actual values. 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			
	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	2019	2020	2021	2022
CD rates (%)	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
Government bond yields (%)	-0.003	0.027	0.030	0.076	0.084	0.087	0.114	0.130	0.144	0.134	0.133	0.154	-0.122	0.032	0.104	0.141
Money stock (M2+CD, JPY trillion)	1078.8	1117.4	1131.6	1132.0	1144.2	1153.6	1162.6	1168.4	1172.8	1176.0	1178.1	1179.7	1046.7	1132.0	1168.4	1179.7
	3.1	3.6	1.3	0.0	1.1	0.8	0.8	0.5	0.4	0.3	0.2	0.1	3.0	8.2	3.2	1.0
	5.3	8.5	9.1	8.2	6.1	3.2	2.7	3.2	2.5	1.9	1.3	1.0				
Nikkei stock average (JPY)	20,746	22,913	25,203	29,500	29,625	29,750	29,875	30,000	30,000	30,000	30,000	30,000	21,915	24,590	29,812	30,000
2005=100	166.9	184.3	202.7	237.3	238.3	239.3	240.3	241.3	241.3	241.3	241.3	241.3	176.3	197.8	239.8	241.3
	-5.4	10.4	10.0	17.0	0.4	0.4	0.4	0.4	0.0	0.0	0.0	0.0	-0.3	12.2	21.2	0.6
	-3.1	7.7	9.4	34.5	42.8	29.8	18.5	1.7	1.3	0.8	0.4	0.0				
USD/JPY exchange rate	107.6	106.2	104.5	105.0	105.0	106.0	107.0	108.0	108.0	108.0	108.0	108.0	108.7	105.8	106.5	108.0
	-1.2	-1.3	-1.6	0.5	0.0	1.0	0.9	0.9	0.0	0.0	0.0	0.0	-2.0	-2.6	0.6	1.4
	-2.0	-1.0	-3.9	-3.6	-2.4	-0.2	2.4	2.9	2.9	1.9	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			
	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	2019	2020	2021	2022
Goods exports (real)	64.8	72.0	81.2	82.8	84.8	85.9	87.0	87.8	88.4	88.8	89.3	89.9	81.3	75.2	86.4	89.1
(SNA basis)	-18.9	11.0	12.8	2.1	2.4	1.3	1.3	0.9	0.6	0.5	0.6	0.6	-2.8	-7.5	14.9	3.2
	-20.9	-12.0	-0.6	3.7	30.8	19.4	7.2	6.0	4.2	3.4	2.7	2.4				
Goods imports (real)	77.0	70.5	74.9	76.0	77.2	78.2	79.3	80.3	80.9	81.3	81.6	81.8	79.3	74.6	78.7	81.4
(SNA basis)	1.4	-8.5	6.3	1.4	1.5	1.4	1.4	1.3	0.7	0.5	0.4	0.3	-1.5	-6.0	5.6	3.4
	-4.4	-13.3	-5.9	0.1	0.2	11.0	5.8	5.6	4.8	3.9	2.9	1.9				
Services exports (real)	16.6	15.6	16.2	15.5	14.7	14.1	13.9	13.9	14.0	14.3	14.7	15.1	21.1	16.0	14.2	14.5
(SNA basis)	-10.2	-6.0	3.6	-4.1	-4.9	-4.2	-1.5	-0.2	1.0	1.8	2.8	3.0	-1.7	-24.4	-11.3	2.5
	-25.2	-28.3	-27.0	-16.1	-11.1	-9.5	-14.0	-10.5	-4.9	1.0	5.5	8.8				
Services imports (real)	21.6	20.1	19.4	19.2	18.9	18.6	18.4	18.4	18.3	18.3	18.4	18.6	21.8	20.1	18.6	18.4
(SNA basis)	0.8	-7.1	-3.4	-1.3	-1.5	-1.4	-0.9	-0.4	-0.3	0.1	0.6	1.0	-0.7	-8.0	-7.5	-0.8
	-3.3	-11.1	-7.2	-10.7	-12.8	-7.4	-5.1	-4.2	-3.0	-1.5	0.0	1.5				
Goods exports (nominal)	56.9	65.4	73.6	74.5	75.3	76.4	76.9	78.2	78.3	79.2	79.6	80.6	74.9	67.6	76.7	79.4
(SNA basis)	-22.2	14.9	12.5	1.2	1.1	1.5	0.7	1.7	0.2	1.1	0.4	1.3	-6.7	-9.8	13.4	3.6
	-25.5	-13.4	-1.8	1.9	32.2	16.8	4.5	4.9	4.1	3.7	3.5	3.1				
Goods imports (nominal)	63.3	59.7	63.7	65.0	66.4	68.2	69.5	70.6	71.6	72.3	72.9	73.3	74.3	62.9	68.7	72.5
(SNA basis)	-10.1	-5.7	6.7	2.1	2.2	2.7	2.0	1.6	1.3	1.0	0.8	0.6	-6.8	-15.3	9.2	5.6
	-18.0	-21.3	-13.9	-7.7	4.9	14.3	9.2	8.7	7.8	6.0	4.8	3.8				
Services exports (nominal)	16.0	15.0	15.3	16.3	16.3	16.1	15.9	16.0	16.2	16.5	16.9	17.3	20.5	15.6	16.1	16.7
(SNA basis)	-11.0	-6.5	2.5	6.1	-0.1	-1.0	-1.0	0.5	1.2	1.8	2.2	2.4	-2.2	-23.7	2.8	4.0
	-26.1	-29.0	-28.5	-9.4	1.7	7.5	3.9	-1.6	-0.4	2.5	5.9	7.9				
Services imports (nominal)	20.9	19.7	19.1	18.9	18.6	18.4	18.1	17.9	17.8	17.8	17.8	17.9	21.7	19.6	18.3	17.8
(SNA basis)	-0.8	-5.9	-2.7	-1.2	-1.7	-1.2	-1.2	-1.2	-0.7	-0.3	0.3	0.7	-1.4	-9.5	-7.1	-2.3
	-6.2	-12.9	-8.7	-10.2	-11.0	-6.6	-5.1	-5.2	-4.2	-3.3	-1.8	0.1				
Trade balance (BOP basis)	-1.6	1.4	2.6	2.4	2.2	2.0	1.8	1.9	1.7	1.7	1.7	1.8	0.7	4.7	8.0	6.9
Balance on services (BOP basis)	-1.0	-1.0	-0.8	-0.8	-0.7	-0.7	-0.7	-0.6	-0.6	-0.5	-0.4	-0.4	-0.5	-3.6	-2.8	-1.8
Primary income balance (BOP basis)	5.2	4.7	5.5	5.5	5.3	5.1	5.0	5.0	5.0	5.0	5.1	5.1	21.4	20.8	20.4	20.1
Current account balance	2.0	4.0	6.6	7.0	7.3	5.2	5.7	5.8	5.7	5.9	5.9	6.2	20.1	19.6	24.0	23.7
(BOP basis)	-60.2	103.9	64.2	6.4	3.4	-28.3	9.8	1.4	-1.8	2.8	1.2	4.5	2.8	-2.6	22.3	-1.4
	-60.3	-16.5	21.8	41.7	268.1	29.5	-13.4	-17.4	-21.6	12.4	3.6	6.7				
USD/JPY exchange rate	107.6	106.2	104.5	105.0	105.0	106.0	107.0	108.0	108.0	108.0	108.0	108.0	108.7	105.8	106.5	108.0
	-1.2	-1.3	-1.6	0.5	0.0	1.0	0.9	0.9	0.0	0.0	0.0	0.0	-2.0	-2.6	0.6	1.4
	-2.0	-1.0	-3.9	-3.6	-2.4	-0.2	2.4	2.9	2.9	1.9	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.