

Japanese Economy: Analysis and Forecasts No.133

1 June, 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 Emeritus of 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

Rising hopes that vaccination will be a game changer

- Real GDP expected to grow +3.4% in FY 2021 and 2.3% in FY 2022 -

- ◆ According to the first advance estimates, Japan's 2021 Q1 real GDP shrank by an annualized -5.1% (-1.3% QoQ), marking the first decline in three quarters. As a result, in FY 2020, real GDP kept declining for a second year in a row: -4.6% (FY 2019: -0.5%). The decline was more severe than the one registered during the Global Financial Crisis (-3.6% in FY 2008 and -2.4% in FY 2009). The official Q1 figure was lower than both the market consensus forecast in May (-4.61%) and APIR's latest expenditure-side CQM forecast (-3.8%).
- ◆ The major factor that suppressed economic growth in Q1 was the decline in private final consumption expenditure caused by the imposition of an emergency state. Additional factors were the decline in public fixed capital formation, as well as the decline in government expenditure caused by the temporary suspension of policies such as the "Go To" campaign and the reduced amount of hospital visits. Shrinking for the first time in three quarters, domestic demand suppressed GDP growth (-1.3% QoQ) by -1.1%pt. Therein, private demand accounted for -0.7%pt, and public demand for -0.4%pt, both making negative contributions for the first time in three and ten quarters, respectively. Net exports contributed -0.2%pt, suppressing GDP growth for the first time in three quarters too.
- ◆ Reflecting the first advance Q1 GDP estimates, as well as changes in exogenous variables, we updated our real GDP growth forecast to **+3.4% in FY 2021 and 2.3% in FY 2022**. On a calendar year basis, the respective forecast figures are +2.1% for 2021 and +2.6% for 2022. Compared with our previous report, we have left the FY 2021 forecast unchanged, but we have revised our FY 2022 forecasts up by +0.5%pt. We expect that economic growth will only start accelerating in the latter half of 2021 due to the delay in the vaccine rollout.
- ◆ In FY 2021, all GDP components are expected to make positive contributions to GDP growth: +1.7%pt by private demand, +1.2%pt by net exports, and +0.5%pt by public demand. Albeit positive, the contribution of private demand cannot be regarded as a genuine recovery in light of the slump seen in FY 2020. In FY 2022, the contributions are expected to be +1.7%pt by private demand, +0.4%pt by public demand, and +0.3%pt by net exports. Although all of them will remain in positive territory, the contribution of net exports will diminish substantially.
- ◆ Considering the quarterly growth patterns, we expect that real GDP will stagnate in 2021 Q2, due to the fourth wave of COVID-19 infection and the imposition of a third state of emergency. Thereafter, GDP growth is likely to exceed the potential growth rate, as consumer and business sentiments will recover rapidly thanks to the vaccine rollout. We expect that the GDP will reach its pre-pandemic level in 2022 Q1, and that it will surpass its pre-pandemic peak in 2022 Q4.
- ◆ The prices of energy, telecommunication and accommodation will be the major determinants of the changes in the consumer price index (CPI). On a YoY basis, the CPI is expected to turn positive in the second half of 2021. However, the prices of services will exert downward pressure, leading to a subdued overall increase. We forecast a core CPI inflation of +0.4% in FY 2021, and +0.5% in FY 2022.

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Summary of Forecast Results

	Current forecast (2021/6/1)				Previous forecast (2021/3/1)			
	2019	2020	2021	2022	2019	2020	2021	2022
Real GDP (%)	▲ 0.5	▲ 4.6	3.4	2.3	▲ 0.3	▲ 4.8	3.4	2.2
Private demand (contribution)	▲ 0.6	▲ 4.9	1.7	1.7	▲ 0.6	▲ 4.9	1.7	1.9
Private final consumption expenditure (%)	▲ 1.0	▲ 6.0	2.8	1.6	▲ 1.0	▲ 6.3	2.4	1.5
Private residential investment (%)	2.5	▲ 7.1	▲ 0.0	1.2	2.5	▲ 7.7	▲ 1.5	1.6
Private non-residential investment (%)	▲ 0.6	▲ 6.9	2.1	3.1	▲ 0.6	▲ 6.5	3.4	2.6
Change in private inventories (contribution)	0.1	▲ 0.2	▲ 0.1	0.3	0.1	▲ 0.2	▲ 0.0	0.6
Public demand (contribution)	0.5	0.8	0.5	0.4	0.5	0.9	0.4	0.2
Government final consumption expenditure (%)	2.0	3.1	1.8	1.3	2.0	3.3	1.4	0.8
Government investment expenditure (%)	1.5	4.0	1.8	1.7	1.5	4.7	2.4	1.3
Change in government inventories (contribution)	0.0	▲ 0.0	0.0	▲ 0.0	0.0	▲ 0.0	0.0	▲ 0.0
External demand (contribution)	▲ 0.4	▲ 0.6	1.2	0.3	▲ 0.2	▲ 0.9	1.3	0.1
Exports of goods and services (%)	▲ 2.2	▲ 10.4	12.0	4.2	▲ 2.6	▲ 11.1	10.4	3.1
Imports of goods and services (%)	0.2	▲ 6.8	4.9	2.7	▲ 1.3	▲ 6.4	2.8	2.6
Nominal GDP (%)	0.3	▲ 4.0	3.0	3.0	0.5	▲ 4.1	3.6	2.6
GDP deflator (%)	0.9	0.6	▲ 0.3	0.6	0.8	0.7	0.2	0.4
Domestic corporate goods price index (%)	0.1	▲ 1.4	3.1	0.6	0.1	▲ 1.5	1.3	0.6
Core consumer price index (%)	0.6	▲ 0.4	0.4	0.5	0.6	▲ 0.4	0.4	0.7
Industrial production index (%)	▲ 3.8	▲ 9.5	9.2	2.6	▲ 3.8	▲ 9.9	7.9	2.9
New housing starts (%)	▲ 7.3	▲ 8.1	0.5	0.4	▲ 7.3	▲ 8.6	▲ 0.2	1.4
Unemployment rate (%)	2.3	2.9	3.0	2.9	2.3	2.9	3.2	3.1
Current account balance (JPY trillion)	18.9	18.2	19.6	19.2	20.1	19.6	24.0	23.7
% of nominal GDP	3.4	3.4	3.6	3.4	3.6	3.7	4.3	4.1
Crude oil price (USD/barrel)	58.7	44.1	65.3	63.9	58.7	43.1	57.8	60.1
USD/JPY exchange rate	108.7	106.0	108.7	108.0	108.7	105.8	106.5	108.0
USA real GDP (% , calendar year)	2.2	▲ 3.5	6.5	4.5	2.2	▲ 3.5	5.5	4.0

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			
	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	2019	2020	2021	2022
Real GDP (JPY trillion)	500.3	526.7	541.4	534.3	535.3	543.2	546.6	549.9	552.9	555.6	557.8	559.6	551.5	525.9	543.7	556.5
	-8.1	5.3	2.8	-1.3	0.2	1.5	0.6	0.6	0.6	0.5	0.4	0.3	-0.5	-4.6	3.4	2.3
	-10.2	-5.5	-1.0	-1.8	7.0	3.1	1.0	2.9	3.3	2.3	2.1	1.8				
Nominal GDP (JPY trillion)	510.1	538.4	551.4	542.5	544.5	551.5	554.5	557.5	562.5	567.2	571.0	573.2	558.3	535.7	552.0	568.5
	-7.8	5.5	2.4	-1.6	0.4	1.3	0.5	0.5	0.9	0.8	0.7	0.4	0.3	-4.0	3.0	3.0
	-9.1	-4.3	-0.8	-1.9	6.7	2.4	0.6	2.8	3.3	2.9	3.0	2.8				
GDP deflator (2011=100)	102.0	102.2	101.9	101.5	101.7	101.5	101.4	101.4	101.7	102.1	102.4	102.4	101.2	101.9	101.5	102.2
	0.3	0.2	-0.4	-0.3	0.2	-0.2	-0.1	-0.1	0.3	0.4	0.3	0.1	0.9	0.6	-0.3	0.6
	1.2	1.3	0.2	-0.1	-0.2	-0.7	-0.4	-0.1	0.0	0.6	0.9	1.0				
Index of industrial production (2015=100)	81.5	88.8	93.9	96.6	97.8	98.4	99.0	99.6	100.6	101.1	101.5	102.0	99.9	90.4	98.7	101.3
	-16.8	9.0	5.7	2.8	1.3	0.6	0.6	0.6	1.0	0.5	0.4	0.5	-3.8	-9.5	9.2	2.6
	-20.7	-12.7	-4.2	-1.5	20.0	10.8	5.4	3.2	2.9	2.7	2.5	2.4				
New housing starts (thousands)	202	203	201	207	199	205	205	207	206	206	205	203	884	812	816	819
	-4.8	0.6	-1.0	3.1	-4.2	3.1	0.2	1.0	-0.5	-0.4	-0.5	-0.7	-7.3	-8.1	0.5	0.4
	-13.3	-9.7	-7.3	-2.4	-1.7	0.7	2.0	0.0	3.8	0.3	-0.4	-2.0				
Domestic corporate goods price index (2015=100)	99.3	100.2	100.0	101.5	103.2	103.6	103.4	103.4	103.8	104.1	104.0	104.0	101.6	100.2	103.4	104.0
	-2.4	0.8	-0.2	1.5	1.7	0.4	-0.2	0.0	0.4	0.3	-0.2	0.0	0.1	-1.4	3.1	0.6
	-2.2	-0.8	-2.1	-0.3	3.9	3.4	3.4	1.9	0.6	0.5	0.5	0.6				
Core consumer price index (2015=100)	101.6	101.4	101.2	101.6	101.5	101.7	102.0	101.9	102.2	102.1	102.4	102.3	101.8	101.4	101.8	102.3
	-0.3	-0.2	-0.2	0.4	-0.1	0.2	0.3	-0.1	0.3	-0.1	0.3	-0.1	0.6	-0.4	0.4	0.5
	-0.1	-0.2	-0.9	-0.4	-0.1	0.3	0.8	0.3	0.7	0.4	0.4	0.5				
Wage earnings per worker (JPY thousand)	3978	3994	3985	4073	3984	4003	3993	4086	4004	4039	4022	4135	4056	4008	4016	4050
	-2.0	0.4	-0.2	2.2	-2.2	0.5	-0.3	2.3	-2.0	0.9	-0.4	2.8	0.8	-1.2	0.2	0.8
	-1.9	-1.1	-2.1	0.4	0.2	0.2	0.2	0.3	0.5	0.9	0.7	1.2				
Unemployment rate (%)	2.7	3.0	3.0	2.8	2.9	3.0	3.1	3.1	3.0	2.9	2.9	2.8	2.3	2.9	3.0	2.9
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	0.110	0.120	0.103	0.126	0.209	0.220	0.237	0.221	0.244	-0.122	0.041	0.139	0.231
Current account balance (JPY trillion)	2.2	4.1	6.4	5.1	5.3	4.9	5.0	4.5	4.7	4.9	5.0	4.6	18.9	18.2	19.6	19.2
% of nominal GDP	1.7	3.1	4.6	3.7	3.9	3.6	3.6	3.2	3.3	3.4	3.5	3.2	3.4	3.4	3.6	3.4
Crude oil price (USD/barrel)	30.88	42.36	44.12	59.10	63.37	66.72	65.83	65.27	64.69	63.89	63.16	63.88	58.69	44.11	65.30	63.90
USD/JPY exchange rate	107.6	106.2	104.5	105.9	109.2	108.8	108.9	108.0	108.0	108.0	108.0	108.0	108.7	106.0	108.7	108.0
Government debt (JPY trillion)	1130.5	1155.0	1179.5	1204.0	1228.3	1253.1	1278.1	1303.5	1328.4	1353.4	1378.1	1403.2	1106.0	1204.0	1303.5	1328.4
	2.2	2.2	2.1	2.1	2.0	2.0	2.0	2.0	1.9	1.9	1.8	1.8	1.0	8.9	8.3	1.9
	3.0	5.0	6.9	8.9	8.7	8.5	8.4	8.3	8.1	8.0	7.8	7.7				
% of GDP	221.6	214.5	213.9	222.0	230.3	236.3	240.9	244.5	247.8	251.1	254.4	257.8	198.1	224.7	236.1	233.7
Fiscal balance (JPY trillion)	-58.8	-53.0	-47.7	-52.6	-52.3	-52.9	-53.3	-55.5	-53.6	-53.8	-52.5	-54.5	-42.4	-53.0	-53.5	-53.6

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 (%). In the GDP statistics (real, nominal, deflator), the first and second rows represent 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 (2015 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	269.3	283.0	289.2	285.2	285.1	289.6	291.4	291.9	292.7	293.6	294.6	295.5	299.7	281.7	289.5	294.1
	-8.3	5.1	2.2	-1.4	0.0	1.6	0.6	0.2	0.3	0.3	0.3	0.3	-1.0	-6.0	2.8	1.6
	-11.4	-7.4	-2.3	-2.9	5.9	2.3	0.8	2.4	2.7	1.4	1.1	1.2				
Private residential investment	19.7	18.6	18.6	18.8	19.0	18.9	18.9	18.9	19.1	19.1	19.2	19.3	20.4	18.9	18.9	19.2
	0.6	-5.7	0.1	1.1	0.9	-0.6	0.2	0.1	0.8	0.2	0.4	0.3	2.5	-7.1	0.0	1.2
	-4.9	-10.4	-8.6	-4.1	-3.8	1.5	1.6	0.6	0.5	1.3	1.5	1.7				
Private non-residential investment	84.1	82.3	85.9	84.7	84.9	85.9	86.1	87.1	87.9	88.5	88.9	89.3	90.5	84.2	86.0	88.7
	-6.1	-2.1	4.3	-1.4	0.2	1.2	0.3	1.1	0.9	0.7	0.5	0.4	-0.6	-6.9	2.1	3.1
	-8.3	-11.1	-2.9	-5.4	0.9	4.3	0.3	2.9	3.6	3.1	3.3	2.5				
Change in private inventories	2.9	1.8	-1.0	0.5	-0.3	0.9	0.9	1.4	1.9	2.2	2.5	2.7	2.2	1.0	0.7	2.3
Government final consumption expenditure	111.4	114.6	116.6	114.5	115.2	116.0	116.8	117.1	117.4	117.7	118.0	118.3	110.8	114.2	116.3	117.9
	0.2	2.9	1.8	-1.8	0.6	0.7	0.7	0.2	0.2	0.2	0.3	0.2	2.0	3.1	1.8	1.3
	1.2	3.3	4.7	3.0	3.4	1.3	0.2	2.3	1.9	1.5	1.0	1.0				
Government investment expenditure	28.9	29.1	29.4	29.1	29.4	29.7	29.8	29.9	30.0	30.1	30.3	30.4	28.0	29.2	29.7	30.2
	2.1	0.7	1.1	-1.1	0.8	1.0	0.5	0.3	0.4	0.4	0.4	0.4	1.5	4.0	1.8	1.7
	4.5	3.8	4.7	2.9	1.6	1.9	1.2	2.6	2.2	1.6	1.5	1.6				
Change in government inventories	-0.02	0.00	-0.04	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	-0.01	-0.02	0.01	0.01
Exports of goods and services	81.7	87.7	97.9	100.2	101.2	102.5	103.5	105.0	106.3	107.2	107.8	108.3	102.7	92.0	103.0	107.4
	-17.5	7.3	11.7	2.3	1.0	1.2	1.0	1.4	1.3	0.8	0.6	0.5	-2.2	-10.4	12.0	4.2
	-21.6	-15.4	-5.8	1.2	23.9	16.9	5.7	4.8	5.0	4.6	4.2	3.2				
Imports of goods and services	98.8	90.7	95.1	98.9	99.3	100.3	101.0	101.6	102.4	102.9	103.6	104.3	102.9	95.8	100.5	103.3
	-0.7	-8.2	4.8	4.0	0.4	1.1	0.7	0.5	0.8	0.5	0.6	0.7	0.2	-6.8	4.9	2.7
	-5.2	-14.0	-7.3	-0.6	0.4	10.6	6.2	2.7	3.2	2.6	2.5	2.7				
GDP	500.3	526.7	541.4	534.3	535.3	543.2	546.6	549.9	552.9	555.6	557.8	559.6	551.5	525.9	543.7	556.5
	-28.6	22.9	11.6	-5.1	0.8	6.0	2.5	2.4	2.2	1.9	1.6	1.3	-0.5	-4.6	3.4	2.3
	-8.1	5.3	2.8	-1.3	0.2	1.5	0.6	0.6	0.6	0.5	0.4	0.3				
	-10.2	-5.5	-1.0	-1.8	7.0	3.1	1.0	2.9	3.3	2.3	2.1	1.8				
Contribution of domestic demand	-5.0	2.5	1.7	-1.0	0.1	1.4	0.6	0.4	0.5	0.4	0.4	0.4	-0.1	-4.1	2.2	2.1
of which, private demand	-5.2	1.8	1.3	-0.6	-0.1	1.2	0.4	0.4	0.4	0.3	0.3	0.3	-0.6	-4.9	1.7	1.7
of which, public demand	0.2	0.6	0.4	-0.4	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.5	0.8	0.5	0.4
Contribution of net exports	-3.1	2.8	1.1	-0.3	0.1	0.0	0.1	0.2	0.1	0.1	0.0	0.0	-0.4	-0.6	1.2	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 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	273.7	287.7	292.9	289.4	289.8	294.7	296.1	297.4	298.8	299.8	301.1	302.6	304.2	285.9	294.5	300.6
	-8.5	5.1	1.8	-1.2	0.1	1.7	0.5	0.5	0.5	0.3	0.4	0.5	-0.3	-6.0	3.0	2.1
	-10.9	-6.9	-2.9	-3.2	5.9	2.4	1.1	2.8	3.1	1.7	1.7	1.7				
Private residential investment	20.7	19.6	19.6	20.0	20.3	20.1	20.2	20.1	20.3	20.4	20.6	20.7	21.4	19.9	20.2	20.5
	-0.6	-5.0	-0.2	2.1	1.4	-0.9	0.4	-0.1	0.9	0.5	0.8	0.7	4.1	-6.7	1.1	1.7
	-4.0	-9.3	-9.3	-3.8	-2.0	2.3	2.9	0.7	0.2	1.6	2.0	2.8				
Private non-residential investment	84.5	82.9	86.1	85.6	86.1	87.4	87.9	89.2	90.3	91.3	92.3	93.1	91.6	84.8	87.6	91.8
	-6.9	-1.9	3.8	-0.6	0.6	1.5	0.6	1.5	1.3	1.1	1.0	0.9	-0.2	-7.4	3.4	4.7
	-8.9	-11.3	-3.7	-5.7	1.9	5.4	2.1	4.2	4.9	4.5	5.0	4.4				
Change in private inventories	1.3	1.5	-0.8	0.4	0.3	1.4	1.0	1.5	1.9	2.3	2.5	2.8	2.1	0.6	1.0	2.4
Government final consumption expenditure	111.3	115.1	116.5	114.9	115.4	116.6	117.1	118.0	118.3	119.2	119.3	120.0	111.7	114.4	116.8	119.2
	-0.8	3.5	1.2	-1.3	0.4	1.0	0.4	0.8	0.3	0.7	0.1	0.6	2.4	2.4	2.1	2.1
	0.4	3.3	3.4	2.5	3.8	1.3	0.6	2.7	2.5	2.2	1.8	1.7				
Government investment expenditure	30.1	30.5	30.8	30.6	30.7	31.1	31.3	31.4	31.5	31.7	32.0	32.3	29.3	30.5	31.1	31.9
	1.6	1.1	1.0	-0.4	0.3	1.3	0.5	0.6	0.4	0.6	0.7	0.9	3.1	4.3	2.0	2.5
	5.0	4.8	4.4	3.3	2.0	2.1	1.6	2.6	2.7	2.1	2.3	2.7				
Change in government inventories	-0.01	0.02	-0.01	0.04	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	-0.01	0.01	0.03	0.03
Exports of goods and services	73.1	80.5	89.5	93.4	97.1	98.1	99.2	99.2	101.0	103.1	104.9	104.4	95.7	84.2	98.4	103.3
	-20.3	10.1	11.2	4.4	4.0	1.0	1.0	0.1	1.8	2.1	1.8	-0.5	-5.4	-12.0	16.9	5.0
	-25.5	-16.8	-7.2	1.8	32.8	21.9	10.8	6.2	3.9	5.0	5.8	5.2				
Imports of goods and services	84.5	79.4	83.0	92.0	95.3	98.0	98.1	99.4	99.7	100.6	101.6	102.6	97.7	84.7	97.7	101.1
	-9.8	-6.0	4.5	10.9	3.5	2.8	0.2	1.2	0.4	0.9	0.9	1.0	-4.2	-13.3	15.3	3.5
	-16.2	-20.6	-14.0	-1.7	12.7	23.4	18.3	8.0	4.7	2.7	3.5	3.2				
GDP	510.1	538.4	551.4	542.5	544.5	551.5	554.5	557.5	562.5	567.2	571.0	573.2	558.3	535.7	552.0	568.5
	-27.7	24.1	10.0	-6.3	1.5	5.2	2.2	2.2	3.6	3.4	2.7	1.5	0.3	-4.0	3.0	3.0
	-7.8	5.5	2.4	-1.6	0.4	1.3	0.5	0.5	0.9	0.8	0.7	0.4				
	-9.1	-4.3	-0.8	-1.9	6.7	2.4	0.6	2.8	3.3	2.9	3.0	2.8				
Contribution of domestic demand	-6.1	3.1	1.4	-0.7	0.3	1.6	0.4	0.8	0.6	0.6	0.5	0.7	0.5	-4.3	2.8	2.7
of which, private demand	-6.0	2.3	1.1	-0.4	0.2	1.3	0.3	0.6	0.6	0.4	0.5	0.5	-0.1	-5.0	2.2	2.1
of which, public demand	-0.1	0.8	0.3	-0.3	0.1	0.3	0.1	0.2	0.1	0.2	0.1	0.2	0.6	0.7	0.6	0.6
Contribution of net exports	-1.7	2.4	1.0	-0.9	0.1	-0.3	0.2	-0.2	0.2	0.2	0.2	-0.3	-0.2	0.3	0.2	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 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)

2015 = 100, %

	Quarter												Fiscal year			
	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	2019	2020	2021	2022
Private final consumption expenditure	101.6	101.6	101.3	101.5	101.7	101.8	101.6	101.9	102.1	102.1	102.2	102.4	101.5	101.5	101.7	102.2
	-0.3	0.0	-0.4	0.2	0.2	0.1	-0.2	0.3	0.2	0.0	0.1	0.2	0.7	0.0	0.2	0.5
	0.6	0.5	-0.6	-0.4	0.0	0.1	0.3	0.4	0.4	0.4	0.6	0.5				
Private residential investment	104.6	105.4	105.1	106.1	106.6	106.3	106.5	106.3	106.3	106.6	107.0	107.5	104.8	105.3	106.4	106.8
	-1.1	0.7	-0.3	1.0	0.5	-0.3	0.1	-0.2	0.1	0.3	0.4	0.4	1.6	0.4	1.1	0.4
	1.0	1.3	-0.7	0.2	1.9	0.9	1.3	0.1	-0.3	0.3	0.5	1.1				
Private non-residential investment	100.5	100.7	100.2	101.1	101.5	101.8	102.0	102.4	102.8	103.2	103.7	104.3	101.1	100.6	101.9	103.5
	-0.9	0.2	-0.5	0.8	0.4	0.3	0.3	0.3	0.4	0.5	0.5	0.5	0.4	-0.5	1.3	1.6
	-0.6	-0.3	-0.9	-0.3	1.0	1.1	1.8	1.3	1.3	1.4	1.7	1.9				
Government final consumption expenditure	99.9	100.5	99.9	100.4	100.2	100.5	100.2	100.8	100.8	101.2	101.1	101.5	100.8	100.1	100.4	101.1
	-1.0	0.6	-0.6	0.5	-0.2	0.3	-0.3	0.5	0.0	0.5	-0.2	0.4	0.4	-0.7	0.3	0.7
	-0.8	0.0	-1.3	-0.5	0.3	0.1	0.4	0.4	0.6	0.7	0.8	0.7				
Government investment expenditure	104.2	104.6	104.5	105.1	104.6	104.9	104.9	105.1	105.1	105.3	105.7	106.2	104.3	104.7	104.9	105.6
	-0.5	0.4	-0.1	0.6	-0.5	0.2	0.0	0.3	0.0	0.2	0.3	0.5	1.5	0.3	0.2	0.7
	0.6	0.9	-0.3	0.4	0.4	0.2	0.4	0.0	0.5	0.5	0.8	1.0				
Exports of goods and services	89.5	91.8	91.4	93.2	96.0	95.8	95.8	94.5	95.0	96.2	97.3	96.4	93.2	91.6	95.5	96.2
	-3.4	2.6	-0.4	2.0	2.9	-0.2	0.1	-1.4	0.5	1.3	1.2	-1.0	-3.2	-1.8	4.3	0.7
	-5.0	-1.6	-1.5	0.6	7.2	4.3	4.8	1.4	-1.0	0.4	1.6	1.9				
Imports of goods and services	85.5	87.5	87.3	93.1	96.0	97.7	97.2	97.8	97.4	97.8	98.1	98.4	94.9	88.4	97.2	97.9
	-9.2	2.4	-0.3	6.7	3.1	1.8	-0.5	0.7	-0.4	0.4	0.3	0.3	-4.3	-6.9	10.0	0.8
	-11.7	-7.7	-7.2	-1.1	12.2	11.6	11.3	5.1	1.5	0.1	0.9	0.5				
GDP	102.0	102.2	101.9	101.5	101.7	101.5	101.4	101.4	101.7	102.1	102.4	102.4	101.2	101.9	101.5	102.2
	0.3	0.2	-0.4	-0.3	0.2	-0.2	-0.1	-0.1	0.3	0.4	0.3	0.1	0.9	0.6	-0.3	0.6
	1.2	1.3	0.2	-0.1	-0.2	-0.7	-0.4	-0.1	0.0	0.6	0.9	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 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	81.5	88.8	93.9	96.6	97.8	98.4	99.0	99.6	100.6	101.1	101.5	99.9	90.4	98.7	101.3
	0.0	-16.8	9.0	5.7	2.8	1.3	0.6	0.6	0.6	1.0	0.5	0.4	-3.8	-9.5	9.2	2.6
	-1.5	-20.7	-12.7	-4.2	-1.5	20.0	10.8	5.4	3.2	2.9	2.7	2.5				
Labor force (ten thousand persons)	6870	6826	6857	6880	6887	6860	6863	6868	6872	6877	6876	6881	6895	6863	6866	6880
	0.0	-1.2	0.4	0.3	0.1	-0.4	0.0	0.1	0.1	0.1	0.0	0.1	0.7	-0.5	0.0	0.2
	0.6	-0.7	-0.5	-0.4	-0.3	0.5	0.1	-0.2	-0.2	0.3	0.2	0.2				
Engaged labor force (ten thousand persons)	6707	6639	6653	6672	6694	6661	6657	6655	6657	6674	6678	6680	6736	6663	6657	6682
	0.1	-1.5	0.2	0.3	0.3	-0.5	-0.1	0.0	0.0	0.2	0.1	0.0	0.8	-1.1	-0.1	0.4
	0.7	-1.1	-1.1	-1.2	-0.7	0.3	0.1	-0.3	-0.6	0.2	0.3	0.4				
Employed (ten thousand persons)	5995	5933	5941	5975	6000	5970	5967	5965	5967	5981	5985	5987	6023	5961	5967	5989
	0.3	-1.8	0.1	0.6	0.4	-0.5	-0.1	0.0	0.0	0.2	0.1	0.0	1.1	-1.0	0.1	0.4
	1.1	-1.1	-1.2	-0.8	-0.7	0.6	0.4	-0.2	-0.6	0.2	0.3	0.4				
Unemployment rate (%)	2.4	2.7	3.0	3.0	2.8	2.9	3.0	3.1	3.1	3.0	2.9	2.9	2.3	2.9	3.0	2.9
Domestic corporate goods price index (2015=100)	101.6	99.3	100.2	100.0	101.5	103.2	103.6	103.4	103.4	103.8	104.1	104.0	101.6	100.2	103.4	104.0
	0.4	-2.4	0.8	-0.2	1.5	1.7	0.4	-0.2	0.0	0.4	0.3	-0.2	0.1	-1.4	3.1	0.6
	0.6	-2.2	-0.8	-2.1	-0.3	3.9	3.4	3.4	1.9	0.6	0.5	0.5				
Core consumer price index (2015=100)	101.7	101.6	101.4	101.2	101.6	101.5	101.7	102.0	101.9	102.2	102.1	102.4	101.8	101.4	101.8	102.3
	0.4	-0.3	-0.2	-0.2	0.4	-0.1	0.2	0.3	-0.1	0.3	-0.1	0.3	0.6	-0.4	0.4	0.5
	0.8	-0.1	-0.2	-0.9	-0.4	-0.1	0.3	0.8	0.3	0.7	0.4	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			
	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	0.110	0.120	0.103	0.126	0.209	0.220	0.237	0.221	0.244	-0.122	0.041	0.139	0.231
Money stock (M2+CD, JPY trillion)	1078.8	1114.0	1131.1	1150.0	1169.6	1181.5	1191.5	1193.9	1197.4	1201.2	1209.6	1213.7	1049.9	1150.0	1193.9	1213.7
	2.8	3.3	1.5	1.7	1.7	1.0	0.8	0.2	0.3	0.3	0.7	0.3	3.1	9.5	3.8	1.7
	5.3	8.4	9.1	9.5	8.4	6.1	5.3	3.8	2.4	1.7	1.5	1.7				
Nikkei stock average (JPY)	20,746	22,913	25,203	28,988	29,447	29,473	29,406	30,000	30,000	30,000	30,000	30,000	21,915	24,462	29,581	30,000
2005=100	166.9	184.3	202.7	233.2	236.9	237.1	236.5	241.3	241.3	241.3	241.3	241.3	176.3	196.8	238.0	241.3
	-5.4	10.4	10.0	15.0	1.6	0.1	-0.2	2.0	0.0	0.0	0.0	0.0	-0.3	11.6	20.9	1.4
	-3.1	7.7	9.4	32.2	41.9	28.6	16.7	3.5	1.9	1.8	2.0	0.0				
USD/JPY exchange rate	107.6	106.2	104.5	105.9	109.2	108.8	108.9	108.0	108.0	108.0	108.0	108.0	108.7	106.0	108.7	108.0
	-1.2	-1.3	-1.6	1.3	3.1	-0.4	0.1	-0.8	0.0	0.0	0.0	0.0	-2.0	-2.4	2.5	-0.7
	-2.0	-1.0	-3.9	-2.7	1.5	2.5	4.2	2.0	-1.1	-0.7	-0.8	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)	64.9	72.0	81.4	83.5	85.2	86.9	88.2	89.3	90.1	90.4	90.6	90.7	81.1	75.5	87.4	90.5	
(SNA basis)	-18.8	11.1	13.0	2.5	2.0	2.0	1.5	1.3	0.9	0.4	0.2	0.1	-3.0	-6.9	15.7	3.5	
	-20.5	-11.6	0.0	4.5	31.3	20.6	8.3	7.0	5.8	4.1	2.8	1.6					
Goods imports (real)	77.2	70.6	75.4	77.7	77.9	78.7	79.3	79.8	80.5	80.9	81.4	82.0	79.3	75.2	78.9	81.2	
(SNA basis)	1.6	-8.5	6.8	3.1	0.2	1.0	0.7	0.6	0.9	0.6	0.6	0.7	-1.5	-5.2	4.9	2.9	
	-4.2	-13.1	-5.3	2.4	1.0	11.5	5.1	2.6	3.2	2.8	2.7	2.8					
Services exports (real)	16.9	15.8	16.7	16.9	16.1	15.6	15.3	15.7	16.2	16.7	17.2	17.6	21.6	16.6	15.7	16.9	
(SNA basis)	-12.3	-6.6	6.0	1.4	-5.1	-3.0	-1.8	2.5	3.4	3.0	2.7	2.4	0.8	-23.2	-5.6	8.0	
	-25.2	-28.7	-25.8	-11.9	-4.7	-1.1	-8.4	-7.4	0.9	7.2	12.2	12.1					
Services imports (real)	21.7	20.1	19.8	21.2	21.3	21.6	21.7	21.8	21.9	22.0	22.2	22.3	23.6	20.7	21.6	22.1	
(SNA basis)	-7.6	-7.3	-1.7	6.9	0.9	1.2	0.6	0.4	0.6	0.4	0.6	0.8	6.0	-12.2	4.4	2.3	
	-8.2	-16.9	-13.8	-10.0	-1.8	7.2	9.8	3.1	2.8	2.0	2.0	2.4					
Goods exports (nominal)	57.0	65.4	73.7	77.0	79.5	80.5	81.5	81.6	82.7	84.3	85.6	85.0	74.7	68.3	80.8	84.4	
(SNA basis)	-22.1	14.9	12.7	4.4	3.3	1.2	1.3	0.1	1.4	1.9	1.5	-0.7	-6.9	-8.6	18.3	4.5	
	-25.1	-13.1	-1.4	5.3	39.6	23.0	10.6	6.0	4.0	4.7	4.9	4.1					
Goods imports (nominal)	63.6	59.7	63.7	70.9	74.1	76.7	77.2	78.4	78.9	79.7	80.4	81.2	74.3	64.4	76.6	80.0	
(SNA basis)	-9.7	-6.1	6.7	11.3	4.5	3.5	0.7	1.6	0.6	1.0	0.9	0.9	-6.8	-13.3	18.9	4.5	
	-17.8	-21.3	-13.6	0.6	16.5	28.4	21.2	10.7	6.5	3.9	4.1	3.5					
Services exports (nominal)	16.2	15.1	15.8	16.5	17.6	17.6	17.6	17.6	18.2	18.8	19.4	19.4	21.0	15.9	17.6	18.9	
(SNA basis)	-13.6	-6.8	5.0	4.0	7.0	0.2	-0.1	0.0	3.5	3.1	3.0	0.0	0.3	-24.2	10.9	7.5	
	-26.6	-29.6	-27.4	-12.1	8.8	17.1	11.4	7.1	3.6	6.5	9.8	9.9					
Services imports (nominal)	21.0	19.7	19.3	21.2	21.2	21.3	20.9	20.9	20.9	21.0	21.2	21.4	23.4	20.3	21.1	21.1	
(SNA basis)	-9.8	-6.0	-2.1	9.7	0.1	0.5	-1.7	0.1	-0.4	0.5	0.9	1.4	5.3	-13.4	4.0	0.1	
	-11.0	-18.3	-15.3	-9.0	1.1	8.0	8.5	-1.1	-1.6	-1.5	1.1	2.4					
Trade balance (BOP basis)	-1.5	1.2	2.4	1.4	1.4	1.0	1.1	0.8	1.0	1.2	1.3	1.0	0.5	3.9	4.2	4.4	
Balance on services (BOP basis)	-1.0	-1.0	-0.8	-1.0	-1.0	-1.0	-0.9	-0.9	-0.8	-0.7	-0.6	-0.7	-1.7	-3.7	-3.9	-2.7	
Primary income balance (BOP basis)	5.1	4.9	5.4	5.2	6.0	6.0	5.9	5.7	5.6	5.4	5.4	5.3	21.6	20.8	23.7	21.7	
Current account balance	2.2	4.1	6.4	5.1	5.3	4.9	5.0	4.5	4.7	4.9	5.0	4.6	18.9	18.2	19.6	19.2	
(BOP basis)	-52.5	88.2	55.9	-21.2	4.7	-7.4	1.4	-9.7	4.5	4.0	3.3	-8.8	-2.4	-3.8	7.9	-2.3	
	-55.6	-8.5	33.6	9.8	142.2	19.2	-22.5	-11.2	-11.4	-0.5	1.4	2.5					
USD/JPY exchange rate	107.6	106.2	104.5	105.9	109.2	108.8	108.9	108.0	108.0	108.0	108.0	108.0	108.7	106.0	108.7	108.0	
	-1.2	-1.3	-1.6	1.3	3.1	-0.4	0.1	-0.8	0.0	0.0	0.0	0.0	-2.0	-2.4	2.5	-0.7	
	-2.0	-1.0	-3.9	-2.7	1.5	2.5	4.2	2.0	-1.1	-0.7	-0.8	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.