

Japanese Economy: Analysis and Forecasts No.134

31 August, 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

Recovery scenarios at the crossroads: economic recovery to be delayed

- Real GDP expected to grow +3.3% in FY 2021 and +2.3% in FY 2022 -

- ◆ According to the first advance GDP estimate released on August 16, Japan's Q2 real GDP grew an annualized +1.3% (+0.3% QoQ), marking the first expansion in two quarters. However, Q2 growth was likely just a rebound, failing to offset the slump seen in the previous quarter (-3.7%). In contrast to the major global economies, which gradually recovered in the first half of 2021, the Japanese economy stagnated. Nevertheless, Q2 performance exceeded the market consensus of +0.66% (August survey). APIR's CQM expenditure-side forecast was +0.9%.
- ◆ The declaration of a third state of emergency lowered market expectations of Q2 economic performance. However, the actual impact of the restrictions on human movement on consumption was small. On the other hand, the growth of public investment, which was expected to be positive, remained in negative territory for the second consecutive quarter. The contribution to real GDP growth (+0.3% QoQ) by major components was the following: +0.6%pt by domestic demand (positive for the first time in two quarters) and -0.3%pt by net exports (negative for two quarters in a row). Within domestic demand, private demand contributed +0.6%pt, and public demand, +0.0%.
- ◆ We have updated our forecasts for FY 2021-22, reflecting the first advance GDP estimate and some new assumptions concerning exogenous variables. Our latest real GDP growth forecast is +3.3% in FY 2021 and +2.3% in FY 2022. On a calendar year basis, the figures are +2.3% for 2021 and +2.5% for 2022. Compared to our previous forecast (JEA No. 133), the FY 2021 figure is -0.1%pt lower, while the FY 2022 figure remains unchanged. Although the vaccination rollout is currently accelerating despite its belated start, the new highly infectious variants of COVID-19 will suppress human movement in Q3, which will delay the economic recovery.
- ◆ The contribution to real GDP growth by major components in FY 2021 is expected to be +2.3% by private demand, +0.7% by net exports and +0.3% by public demand. Although all contributions are positive, private demand will fail to offset the slump in the previous year since the start of the pandemic. In FY 2022, the contributions are estimated at +1.8%pt by private demand, +0.3%pt by public demand, and +0.2%pt by net exports. All of them will remain positive, but the ones by private demand and net exports will be smaller than the previous year.
- ◆ The resurgence of COVID-19 (the fifth wave) and the declaration of a fourth state of emergency in Q3 will postpone the recovery of private consumption. The consumer sentiment is unlikely to recover quickly due to the spread of highly infectious variants of COVID-19. Starting in 2022, GDP growth is likely to exceed its potential growth rate for some time. As a result, the economy will recover to its pre-pandemic level in 2021 Q4, and exceed its previous peak in 2022 Q4.
- ◆ The base year of the Consumer Price Index (CPI) was updated to 2020. Accommodation fees and telecommunications fees are complicating factors in determining the basic trend of the CPI. Although the index is expected to turn positive in or after the second half of 2021, the price of services will keep exerting downward pressure on inflation, resulting in a weak basic trend. Consequently, we forecast a core CPI inflation rate of -0.1% in FY 2021, and +0.7% in FY 2022.

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Forecast Summary

	Current forecast (2021/8/31)				Previous forecast (2021/6/1)			
	2019	2020	2021	2022	2019	2020	2021	2022
Real GDP (%)	▲ 0.5	▲ 4.5	3.3	2.3	▲ 0.5	▲ 4.6	3.4	2.3
Private demand (contribution)	▲ 0.6	▲ 4.7	2.3	1.8	▲ 0.6	▲ 4.8	1.7	1.7
Private final consumption expenditure (%)	▲ 1.0	▲ 5.9	3.1	2.0	▲ 1.0	▲ 6.0	2.8	1.6
Private residential investment (%)	2.5	▲ 7.2	2.1	▲ 0.3	2.5	▲ 7.1	▲ 0.0	1.2
Private non-residential investment (%)	▲ 0.6	▲ 6.8	3.3	3.4	▲ 0.6	▲ 6.9	2.1	3.1
Change in private inventories (contribution)	0.1	▲ 0.2	0.0	0.2	0.1	▲ 0.2	▲ 0.1	0.3
Public demand (contribution)	0.5	0.9	0.3	0.3	0.5	0.8	0.5	0.4
Government final consumption expenditure (%)	2.0	3.3	1.4	1.1	2.0	3.1	1.8	1.3
Government investment expenditure (%)	1.5	4.2	▲ 0.6	1.8	1.5	4.0	1.8	1.7
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	0.7	0.2	▲ 0.2	▲ 0.7	1.2	0.3
Exports of goods and services (%)	▲ 2.2	▲ 10.4	14.2	4.1	▲ 2.2	▲ 10.4	12.0	4.2
Imports of goods and services (%)	0.2	▲ 6.8	9.6	3.0	0.2	▲ 6.8	4.9	2.7
Nominal GDP (%)	0.3	▲ 3.9	2.8	3.0	0.3	▲ 4.0	3.0	3.0
GDP deflator (%)	0.9	0.6	▲ 0.5	0.7	0.9	0.6	▲ 0.3	0.6
Domestic corporate goods price index (%)	0.1	▲ 1.4	5.3	1.1	0.1	▲ 1.4	3.1	0.6
Core consumer price index (%)	0.6	▲ 0.4	▲ 0.1	0.7	0.6	▲ 0.4	0.4	0.5
Industrial production index (%)	▲ 3.8	▲ 9.5	9.7	2.7	▲ 3.8	▲ 9.5	9.2	2.6
New housing starts (%)	▲ 7.3	▲ 8.1	7.6	▲ 3.6	▲ 7.3	▲ 8.1	0.5	0.4
Unemployment rate (%)	2.3	2.9	2.9	2.8	2.3	2.9	3.0	2.9
Current account balance (JPY trillion)	18.9	18.3	18.4	17.7	18.9	18.2	19.6	19.2
% of nominal GDP	3.4	3.4	3.3	3.1	3.4	3.4	3.6	3.4
Crude oil price (USD/barrel)	58.7	44.1	67.8	64.3	58.7	44.1	65.3	63.9
USD/JPY exchange rate	108.7	106.0	110.2	111.3	108.7	106.0	108.7	108.0
USA real GDP (% , calendar year)	2.2	▲ 3.5	6.0	4.3	2.2	▲ 3.5	6.5	4.5

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 Forecasts

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)	500.6	527.0	542.0	536.9	538.7	541.1	547.5	549.7	553.6	556.2	558.2	559.9	551.5	526.9	544.2	557.0
	-7.9	5.3	2.8	-0.9	0.3	0.4	1.2	0.4	0.7	0.5	0.4	0.3	-0.5	-4.5	3.3	2.3
	-10.1	-5.5	-0.9	-1.3	7.6	2.7	1.0	2.4	2.8	2.8	1.9	1.9				
Nominal GDP (JPY trillion)	510.8	538.6	551.2	545.6	546.0	547.9	555.2	558.7	564.5	567.0	570.0	572.7	558.3	536.8	551.9	568.6
	-7.6	5.4	2.3	-1.0	0.1	0.4	1.3	0.6	1.0	0.4	0.5	0.5	0.3	-3.9	2.8	3.0
	-9.0	-4.3	-0.8	-1.3	6.9	1.7	0.7	2.4	3.4	3.5	2.7	2.5				
GDP deflator (2011=100)	102.0	102.2	101.7	101.6	101.4	101.3	101.4	101.6	102.0	101.9	102.1	102.3	101.2	101.9	101.4	102.1
	0.4	0.2	-0.5	-0.1	-0.3	-0.1	0.1	0.2	0.3	0.0	0.2	0.2	0.9	0.6	-0.5	0.7
	1.3	1.3	0.1	-0.1	-0.7	-0.9	-0.3	0.0	0.6	0.7	0.7	0.6				
Index of industrial production (2015=100)	81.5	88.8	93.9	86.6	97.7	98.8	100.0	100.2	101.1	101.7	102.1	102.5	99.9	90.4	99.2	101.9
	-16.8	9.0	5.7	2.8	1.2	1.1	1.2	0.2	0.9	0.6	0.4	0.4	-3.8	-9.5	9.7	2.7
	-20.7	-12.7	-4.2	-1.5	19.9	11.2	6.5	3.8	3.5	3.0	2.1	2.3				
New housing starts (thousands)	202	203	201	207	219	219	216	219	214	210	207	211	884	812	874	842
	-4.8	0.6	-1.0	3.1	5.5	0.1	-1.2	1.4	-2.4	-2.1	-1.3	2.2	-7.3	-8.1	7.6	-3.6
	-13.3	-9.7	-7.3	-2.4	8.2	7.7	7.5	5.8	-2.1	-4.3	-4.4	-3.6				
Domestic corporate goods price index (2015=100)	99.3	100.2	100.0	101.5	104.0	106.2	105.9	106.0	106.0	107.1	106.9	106.9	101.6	100.2	105.5	106.7
	-2.4	0.8	-0.2	1.5	2.5	2.1	-0.3	0.1	0.0	1.1	-0.2	0.0	0.1	-1.4	5.3	1.1
	-2.2	-0.8	-2.1	-0.3	4.7	6.0	5.9	4.5	1.9	0.8	0.9	0.9				
Core consumer price index (2020=100)	100.1	99.8	99.6	99.9	99.4	99.6	99.9	100.1	100.3	100.4	100.6	100.8	100.3	99.9	99.8	100.5
	-0.4	-0.2	-0.2	0.3	-0.5	0.2	0.3	0.2	0.2	0.0	0.2	0.2	0.6	-0.4	-0.1	0.7
	-0.1	-0.3	-0.9	-0.5	-0.6	-0.2	0.3	0.2	0.9	0.7	0.6	0.6				
Wage earnings per worker (JPY thousand)	3979	3995	3986	4076	4029	3987	3991	4034	4044	4019	4018	4041	4056	4009	4010	4030
	-1.9	0.4	-0.2	2.2	-1.2	-1.0	0.1	1.1	0.3	-0.6	0.0	0.6	0.8	-1.2	0.0	0.5
	-1.8	-1.1	-2.1	0.4	1.2	-0.2	0.1	-1.0	0.4	0.8	0.7	0.2				
Unemployment rate (%)	2.7	3.0	3.0	2.8	2.9	2.9	2.9	2.9	2.9	2.8	2.8	2.7	2.3	2.9	2.9	2.8
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	0.073	0.078	0.098	0.103	0.135	0.175	0.204	0.230	-0.122	0.041	0.088	0.186
Current account balance (JPY trillion)	2.2	4.1	6.4	5.1	5.2	4.3	4.4	4.5	4.6	4.5	4.4	4.3	18.9	18.3	18.4	17.7
% of nominal GDP	1.7	3.1	4.7	3.7	3.8	3.1	3.2	3.2	3.2	3.2	3.1	3.0	3.4	3.4	3.3	3.1
Crude oil price (USD/barrel)	30.88	42.36	44.12	59.10	67.35	71.36	66.71	65.73	65.15	64.34	63.60	64.21	58.69	44.11	67.79	64.33
USD/JPY exchange rate	107.6	106.2	104.5	105.9	109.5	110.2	110.4	110.9	111.0	111.0	111.0	112.0	108.7	106.0	110.2	111.3
Government debt (JPY trillion)	1130.5	1155.0	1179.5	1204.0	1206.0	1225.0	1242.7	1259.0	1273.3	1290.4	1307.0	1323.4	1106.0	1204.0	1259.0	1273.3
	2.2	2.2	2.1	2.1	0.2	1.6	1.4	1.3	1.1	1.3	1.3	1.2	1.0	8.9	4.6	1.1
	3.0	5.0	6.9	8.9	6.7	6.1	5.4	4.6	5.6	5.3	5.2	5.1				
% of GDP	221.3	214.5	214.0	220.7	220.9	226.9	230.8	233.7	235.5	238.1	240.8	243.6	198.1	224.3	228.1	223.9
Fiscal balance (JPY trillion)	-58.7	-52.8	-47.2	-49.4	-48.4	-50.0	-49.7	-51.2	-51.8	-52.1	-52.2	-52.9	-42.3	-52.0	-49.8	-52.2

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 (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	283.1	289.5	286.5	288.9	288.0	293.2	293.9	295.4	296.3	297.2	298.2	299.7	282.1	291.0	296.8
	-8.3	5.1	2.3	-1.0	0.8	-0.3	1.8	0.3	0.5	0.3	0.3	0.3	-1.0	-5.9	3.1	2.0
	-11.4	-7.3	-2.2	-2.4	7.3	1.7	1.3	2.6	2.2	2.9	1.4	1.5				
Private residential investment	19.7	18.6	18.6	18.8	19.2	19.4	19.5	19.3	19.2	19.3	19.3	19.3	20.4	18.9	19.3	19.3
	0.6	-5.7	0.0	0.9	2.1	1.2	0.2	-1.0	-0.4	0.5	0.1	0.2	2.5	-7.2	2.1	-0.3
	-4.9	-10.4	-8.7	-4.3	-2.8	4.3	4.4	2.4	-0.1	-0.8	-0.8	0.4				
Private non-residential investment	84.1	82.4	85.9	84.8	86.3	86.7	87.4	88.1	89.1	89.9	90.5	90.9	90.5	84.3	87.1	90.1
	-6.0	-2.1	4.3	-1.3	1.7	0.5	0.8	0.8	1.1	0.9	0.6	0.5	-0.6	-6.8	3.3	3.4
	-8.3	-11.0	-2.9	-5.2	2.6	5.3	1.8	3.9	3.3	3.7	3.5	3.2				
Change in private inventories	2.9	1.8	-1.0	1.4	0.5	1.8	1.5	1.6	2.0	2.3	2.6	2.8	2.2	1.3	1.3	2.4
Government final consumption expenditure	111.6	114.7	116.8	114.8	115.4	116.0	116.3	116.6	116.9	117.2	117.5	117.8	110.8	114.5	116.1	117.3
	0.7	2.8	1.8	-1.7	0.5	0.6	0.2	0.2	0.2	0.2	0.3	0.3	2.0	3.3	1.4	1.1
	1.3	3.3	5.0	3.5	3.3	1.1	-0.5	1.5	1.3	1.0	1.0	1.0				
Government investment expenditure	29.0	29.2	29.5	29.2	28.7	28.9	29.2	29.4	29.4	29.5	29.6	29.7	28.0	29.2	29.0	29.6
	2.9	0.7	1.0	-1.0	-1.5	0.5	1.0	0.6	0.3	0.3	0.3	0.3	1.5	4.2	-0.6	1.8
	4.6	3.9	4.7	3.6	-0.9	-1.0	-1.0	0.6	2.4	2.2	1.5	1.2				
Change in government inventories	-0.01	0.00	-0.04	0.01	-0.01	-0.04	-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	81.7	87.7	97.9	100.3	103.2	104.8	105.6	106.5	108.0	108.8	109.8	110.9	102.7	92.0	105.0	109.4
	-17.5	7.3	11.7	2.4	2.9	1.5	0.8	0.8	1.4	0.8	0.9	0.9	-2.2	-10.4	14.2	4.1
	-21.6	-15.4	-5.8	1.2	26.4	19.6	7.8	6.2	4.6	3.8	4.0	4.1				
Imports of goods and services	98.8	90.7	95.1	98.9	103.9	104.9	105.5	105.9	106.7	107.4	108.6	110.0	102.9	95.9	105.0	108.2
	-0.7	-8.2	4.8	4.0	5.1	1.0	0.5	0.4	0.7	0.7	1.1	1.2	0.2	-6.8	9.6	3.0
	-5.2	-14.0	-7.3	-0.6	5.1	15.7	10.9	7.1	2.7	2.4	3.0	3.8				
GDP	500.6	527.0	542.0	536.9	538.7	541.1	547.5	549.7	553.6	556.2	558.2	559.9	551.5	526.9	544.2	557.0
	-28.2	22.8	11.9	-3.7	1.3	1.8	4.9	1.6	2.9	1.9	1.4	1.2	-0.5	-4.5	3.3	2.3
	-7.9	5.3	2.8	-0.9	0.3	0.4	1.2	0.4	0.7	0.5	0.4	0.3				
	-10.1	-5.5	-0.9	-1.3	7.6	2.7	1.0	2.4	2.8	2.8	1.9	1.9				
Contribution of domestic demand	-4.9	2.4	1.7	-0.7	0.7	0.3	1.1	0.3	0.6	0.4	0.4	0.4	-0.1	-3.8	2.6	2.1
of which, private demand	-5.2	1.8	1.3	-0.3	0.7	0.2	1.0	0.2	0.5	0.4	0.3	0.3	-0.6	-4.7	2.3	1.8
of which, public demand	0.3	0.6	0.4	-0.4	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	0.9	0.3	0.3
Contribution of net exports	-3.1	2.8	1.1	-0.3	-0.4	0.1	0.0	0.1	0.1	0.0	0.0	-0.1	-0.4	-0.6	0.7	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 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	292.8	290.7	292.4	291.6	297.1	298.7	300.8	301.0	302.4	303.9	304.2	286.3	294.9	302.0
	-8.5	5.1	1.8	-0.7	0.6	-0.3	1.9	0.5	0.7	0.1	0.5	0.5	-0.3	-5.9	3.0	2.4
	-10.9	-6.9	-3.0	-2.8	6.8	1.4	1.5	2.7	2.9	3.2	1.8	1.7				
Private residential investment	20.7	19.6	19.6	20.0	20.8	21.2	21.2	21.1	20.9	21.0	21.0	21.0	21.4	19.9	21.1	21.0
	-0.6	-5.0	-0.2	2.0	3.9	2.2	0.0	-0.7	-0.7	0.3	0.0	0.1	4.1	-6.7	5.6	-0.5
	-4.0	-9.3	-9.3	-3.9	0.4	8.1	8.4	5.5	0.8	-1.2	-1.2	-0.4				
Private non-residential investment	84.5	82.9	86.1	85.9	87.9	89.0	90.3	91.3	92.7	93.9	94.8	95.6	91.6	84.9	89.6	94.3
	-6.9	-1.9	3.8	-0.2	2.3	1.3	1.4	1.1	1.5	1.3	1.0	0.8	-0.2	-7.3	5.6	5.2
	-8.9	-11.3	-3.7	-5.4	4.0	7.4	4.9	6.4	5.5	5.5	5.0	4.7				
Change in private inventories	1.3	1.5	-0.8	1.3	0.2	2.4	2.0	1.6	2.0	2.4	2.6	2.8	2.1	0.8	1.6	2.5
Government final consumption expenditure	111.8	115.2	116.5	115.4	116.4	117.3	117.5	118.0	118.9	119.2	119.5	119.8	111.7	114.7	117.3	119.3
	0.0	3.0	1.2	-1.0	0.9	0.7	0.2	0.4	0.8	0.3	0.2	0.2	2.4	2.7	2.3	1.7
	0.6	3.3	3.6	3.2	4.2	1.9	0.8	2.3	2.1	1.6	1.7	1.5				
Government investment expenditure	30.2	30.5	30.8	30.7	30.6	30.7	31.0	31.0	31.2	31.3	31.4	31.7	29.3	30.6	30.8	31.4
	2.3	1.1	0.9	-0.2	-0.5	0.4	1.0	0.1	0.4	0.6	0.2	1.1	3.1	4.6	0.8	1.8
	5.2	4.9	4.4	4.1	1.3	0.6	0.7	0.9	1.8	2.0	1.2	2.3				
Change in government inventories	0.00	0.02	-0.02	0.04	0.00	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	0.01	-0.01	-0.01
Exports of goods and services	73.2	80.5	89.5	93.6	99.5	102.2	103.0	104.3	106.0	107.0	108.1	109.1	95.7	84.3	102.2	107.6
	-20.3	10.0	11.2	4.5	6.4	2.7	0.8	1.3	1.6	1.0	1.0	0.9	-5.4	-12.0	21.3	5.2
	-25.5	-16.8	-7.3	1.9	36.0	26.9	15.0	11.5	6.5	4.7	5.0	4.6				
Imports of goods and services	84.5	79.4	83.2	91.9	101.8	106.5	106.9	107.3	107.9	108.7	109.8	111.2	97.7	84.7	105.6	109.4
	-9.6	-6.0	4.8	10.4	10.8	4.6	0.4	0.4	0.6	0.7	1.0	1.3	-4.2	-13.3	24.7	3.6
	-16.2	-20.6	-13.9	-1.7	20.5	34.2	28.5	16.8	6.0	2.1	2.7	3.6				
GDP	510.8	538.6	551.2	545.6	546.0	547.9	555.2	558.7	564.5	567.0	570.0	572.7	558.3	536.8	551.9	568.6
	-27.1	23.6	9.7	-4.0	0.2	1.5	5.4	2.6	4.2	1.8	2.1	1.9	0.3	-3.9	2.8	3.0
	-7.6	5.4	2.3	-1.0	0.1	0.4	1.3	0.6	1.0	0.4	0.5	0.5				
	-9.0	-4.3	-0.8	-1.3	6.9	1.7	0.7	2.4	3.4	3.5	2.7	2.5				
Contribution of domestic demand	-5.9	3.0	1.4	-0.2	0.8	0.7	1.2	0.5	0.9	0.4	0.5	0.6	0.6	-4.1	3.4	2.7
of which, private demand	-6.0	2.3	1.1	0.0	0.6	0.6	1.2	0.4	0.7	0.3	0.5	0.4	-0.1	-4.9	2.8	2.3
of which, public demand	0.1	0.7	0.3	-0.2	0.2	0.2	0.1	0.1	0.2	0.1	0.1	0.1	0.6	0.8	0.5	0.5
Contribution of net exports	-1.7	2.4	1.0	-0.8	-0.7	-0.4	0.1	0.2	0.2	0.0	0.0	-0.1	-0.2	0.3	-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 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	101.2	101.5	101.2	101.3	101.3	101.6	101.8	101.6	101.7	101.9	101.5	101.5	101.4	101.8
	-0.3	0.0	-0.5	0.3	-0.3	0.1	0.1	0.3	0.2	-0.2	0.2	0.2	0.7	0.0	-0.1	0.4
	0.6	0.5	-0.8	-0.4	-0.4	-0.4	0.2	0.1	0.6	0.3	0.4	0.3				
Private residential investment	104.6	105.4	105.1	106.2	108.1	109.2	109.1	109.4	109.0	108.9	108.7	108.6	104.8	105.3	109.0	108.8
	-1.1	0.7	-0.3	1.1	1.8	1.0	-0.2	0.3	-0.3	-0.2	-0.2	-0.1	1.6	0.5	3.4	-0.2
	1.0	1.3	-0.7	0.4	3.4	3.6	3.8	3.0	0.8	-0.4	-0.4	-0.8				
Private non-residential investment	100.5	100.7	100.2	101.2	101.9	102.7	103.3	103.6	104.0	104.5	104.8	105.2	101.1	100.7	102.9	104.6
	-0.9	0.2	-0.5	1.0	0.6	0.8	0.6	0.3	0.4	0.4	0.4	0.4	0.4	-0.5	2.2	1.7
	-0.7	-0.3	-0.8	-0.2	1.4	2.0	3.1	2.4	2.2	1.7	1.5	1.5				
Government final consumption expenditure	100.1	100.4	99.7	100.5	100.9	101.1	101.0	101.2	101.7	101.7	101.7	101.7	100.8	100.2	101.1	101.7
	-0.7	0.3	-0.6	0.7	0.4	0.2	-0.1	0.2	0.5	0.0	0.0	0.0	0.4	-0.6	0.9	0.6
	-0.6	-0.1	-1.3	-0.3	0.8	0.7	1.3	0.7	0.8	0.6	0.7	0.5				
Government investment expenditure	104.1	104.6	104.5	105.4	106.4	106.3	106.3	105.7	105.8	106.1	106.0	106.8	104.3	104.7	106.2	106.2
	-0.7	0.4	-0.1	0.8	1.0	-0.1	0.0	-0.5	0.1	0.3	-0.1	0.8	1.5	0.4	1.4	0.0
	0.5	0.9	-0.3	0.5	2.2	1.7	1.7	0.3	-0.6	-0.2	-0.3	1.0				
Exports of goods and services	89.6	91.8	91.4	93.3	96.4	97.5	97.5	97.9	98.2	98.4	98.4	98.4	93.2	91.6	97.3	98.3
	-3.4	2.5	-0.5	2.1	3.3	1.1	0.0	0.5	0.2	0.2	0.1	0.0	-3.2	-1.7	6.2	1.0
	-4.9	-1.6	-1.5	0.7	7.6	6.2	6.7	5.0	1.8	0.9	1.0	0.5				
Imports of goods and services	85.5	87.5	87.5	92.9	98.0	101.5	101.4	101.3	101.2	101.2	101.1	101.1	94.9	88.4	100.6	101.1
	-9.0	2.4	0.0	6.2	5.5	3.6	-0.1	-0.1	-0.1	0.0	-0.1	0.0	-4.3	-6.9	13.8	0.6
	-11.7	-7.7	-7.2	-1.1	14.6	16.0	15.9	9.0	3.2	-0.3	-0.3	-0.2				
GDP	102.0	102.2	101.7	101.6	101.4	101.3	101.4	101.6	102.0	101.9	102.1	102.3	101.2	101.9	101.4	102.1
	0.4	0.2	-0.5	-0.1	-0.3	-0.1	0.1	0.2	0.3	0.0	0.2	0.2	0.9	0.6	-0.5	0.7
	1.3	1.3	0.1	-0.1	-0.7	-0.9	-0.3	0.0	0.6	0.7	0.7	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.

Table 5. Production, employment, wages and prices

	Quarter												Fiscal year			
	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	2019	2020	2021	2022	
Index of industrial production (2015=100)	81.5	88.8	93.9	96.6	97.7	98.8	100.0	100.2	101.1	101.7	102.1	99.9	90.4	99.2	101.9	
	-16.8	9.0	5.7	2.8	1.2	1.1	1.2	0.2	0.9	0.6	0.4	-3.8	-9.5	9.7	2.7	
	-20.7	-12.7	-4.2	-1.5	19.9	11.2	6.5	3.8	3.5	3.0	2.1					
Labor force (ten thousand persons)	6826	6857	6880	6887	6863	6864	6867	6870	6873	6870	6872	6895	6863	6866	6872	
	-1.2	0.4	0.3	0.1	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.7	-0.5	0.1	0.1	
	-0.7	-0.5	-0.4	-0.3	0.5	0.1	-0.2	-0.2	0.1	0.1	0.1					
Engaged labor force (ten thousand persons)	6639	6653	6672	6694	6664	6665	6668	6671	6675	6674	6680	6736	6663	6667	6679	
	-1.5	0.2	0.3	0.3	-0.5	0.0	0.0	0.0	0.1	0.0	0.1	0.8	-1.1	0.1	0.2	
	-1.1	-1.1	-1.2	-0.7	0.4	0.2	-0.1	-0.4	0.2	0.1	0.2					
Employed (ten thousand persons)	5933	5941	5975	6000	5970	5971	5974	5976	5980	5980	5984	6023	5961	5973	5983	
	-1.8	0.1	0.6	0.4	-0.5	0.0	0.0	0.0	0.1	0.0	0.1	1.1	-1.0	0.2	0.2	
	-1.1	-1.2	-0.8	-0.7	0.6	0.5	0.0	-0.4	0.2	0.1	0.2					
Unemployment rate (%)	2.7	3.0	3.0	2.8	2.9	2.9	2.9	2.9	2.9	2.8	2.8	2.3	2.9	2.9	2.8	
Domestic corporate goods price index (2015=100)	99.3	100.2	100.0	101.5	104.0	106.2	105.9	106.0	106.0	107.1	106.9	101.6	100.2	105.5	106.7	
	-2.4	0.8	-0.2	1.5	2.5	2.1	-0.3	0.1	0.0	1.1	-0.2	0.1	-1.4	5.3	1.1	
	-2.2	-0.8	-2.1	-0.3	4.7	6.0	5.9	4.5	1.9	0.8	0.9					
Core consumer price index (2020=100)	100.1	99.8	99.6	99.9	99.4	99.6	99.9	100.1	100.3	100.4	100.6	100.3	99.9	99.8	100.5	
	-0.4	-0.2	-0.2	0.3	-0.5	0.2	0.3	0.2	0.2	0.0	0.2	0.6	-0.4	-0.1	0.7	
	-0.1	-0.3	-0.9	-0.5	-0.6	-0.2	0.3	0.2	0.9	0.7	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	0.110	0.073	0.078	0.098	0.103	0.135	0.175	0.204	0.230	-0.122	0.041	0.088	0.186
Money stock (M2+CD, JPY trillion)	1078.8	1114.0	1131.1	1150.0	1161.0	1166.5	1171.3	1176.3	1185.6	1194.2	1201.8	1208.5	1049.9	1150.0	1176.3	1208.5
	2.8	3.3	1.5	1.7	1.0	0.5	0.4	0.4	0.8	0.7	0.6	0.6	3.1	9.5	2.3	2.7
	5.3	8.4	9.1	9.5	7.6	4.7	3.6	2.3	2.1	2.4	2.6	2.7				
Nikkei stock average (JPY) 2005=100	20,746	22,913	25,203	28,988	28,962	27,992	27,865	27,750	28,313	28,875	29,438	30,000	21,915	24,462	28,143	29,156
	166.9	184.3	202.7	233.2	233.0	225.2	224.1	223.2	227.7	232.3	236.8	241.3	176.3	196.8	226.4	234.5
	-5.4	10.4	10.0	15.0	-0.1	-3.3	-0.5	-0.4	2.0	2.0	1.9	1.9	-0.3	11.6	15.0	3.6
	-3.1	7.7	9.4	32.2	39.6	22.2	10.6	-4.3	-2.2	3.2	5.6	8.1				
USD/JPY exchange rate	107.6	106.2	104.5	105.9	109.5	110.2	110.4	110.9	111.0	111.0	111.0	112.0	108.7	106.0	110.2	111.3
	-1.2	-1.3	-1.6	1.3	3.4	0.7	0.2	0.5	0.1	0.0	0.0	0.9	-2.0	-2.4	4.0	0.9
	-2.0	-1.0	-3.9	-2.7	1.7	3.8	5.7	4.7	1.4	0.7	0.5	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 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	81.4	83.5	85.9	87.6	89.8	91.1	92.3	93.0	93.6	94.3	81.1	75.5	88.6	93.3
(SNA basis)	-18.9	11.1	13.0	2.6	2.9	2.0	2.5	1.4	1.4	0.7	0.7	0.7	-3.0	-6.9	17.3	5.3
Goods imports (real)	77.1	70.6	75.5	77.8	81.2	82.0	82.3	82.7	83.3	83.9	84.9	85.9	79.3	75.2	82.1	84.5
(SNA basis)	1.6	-8.4	6.8	3.1	4.4	0.9	0.4	0.4	0.8	0.7	1.1	1.2	-1.5	-5.2	9.1	3.0
Services exports (real)	16.9	15.8	16.7	16.9	17.5	17.2	15.8	15.4	15.6	15.9	16.2	16.6	21.6	16.6	16.5	16.1
(SNA basis)	-12.3	-6.6	6.0	1.3	3.3	-1.7	-8.1	-2.4	1.4	1.3	2.3	2.2	0.8	-23.2	-0.7	-2.5
Services imports (real)	21.7	20.1	19.8	21.1	22.6	23.0	23.1	23.2	23.4	23.5	23.8	24.1	23.6	20.7	23.0	23.7
(SNA basis)	-7.5	-7.4	-1.8	6.9	7.1	1.5	0.7	0.4	0.6	0.6	1.1	1.3	6.0	-12.2	11.1	3.0
Goods exports (nominal)	57.0	65.4	73.7	77.1	81.9	84.0	85.7	87.1	88.4	89.2	89.7	90.4	74.7	68.4	84.7	89.4
(SNA basis)	-22.0	14.8	12.6	4.6	6.2	2.6	2.0	1.6	1.5	0.9	0.7	0.7	-6.9	-8.6	23.9	5.6
Goods imports (nominal)	63.5	59.7	63.7	71.0	78.7	83.0	83.8	84.6	85.4	86.3	87.3	88.6	74.3	64.4	82.5	86.9
(SNA basis)	-9.8	-6.0	6.8	11.4	10.9	5.4	1.0	0.9	1.0	1.0	1.2	1.5	-6.8	-13.2	28.1	5.3
Services exports (nominal)	16.2	15.1	15.8	16.5	17.6	18.2	17.2	17.2	17.6	17.9	18.4	18.7	21.0	15.9	17.6	18.1
(SNA basis)	-13.6	-6.9	5.0	4.1	6.8	3.2	-5.1	-0.4	2.5	1.5	2.7	2.0	0.3	-24.2	10.3	3.3
Services imports (nominal)	21.0	19.7	19.5	20.9	23.1	23.5	23.1	22.7	22.5	22.4	22.4	22.6	23.4	20.3	23.1	22.5
(SNA basis)	-8.9	-6.1	-1.1	7.2	10.6	1.8	-1.9	-1.5	-0.9	-0.4	0.1	0.5	5.3	-13.4	14.0	-2.7
Trade balance (BOP basis)	-1.5	1.2	2.4	1.4	1.0	0.3	0.5	0.6	0.7	0.7	0.6	0.4	0.5	3.9	2.3	2.5
Balance on services (BOP basis)	-1.0	-1.0	-0.8	-0.9	-1.2	-1.4	-1.5	-1.4	-1.3	-1.2	-1.1	-1.1	-1.7	-3.7	-5.5	-4.7
Primary income balance (BOP basis)	5.1	4.9	5.4	5.2	6.0	6.0	6.1	5.9	5.7	5.6	5.5	5.5	21.6	20.8	24.0	22.3
Current account balance	2.2	4.1	6.4	5.1	5.2	4.3	4.4	4.5	4.6	4.5	4.4	4.3	18.9	18.3	18.4	17.7
(BOP basis)	-52.5	88.2	55.9	-20.2	1.7	-18.1	4.2	0.5	2.1	-1.4	-1.8	-3.5	-2.4	-3.6	0.5	-3.5
USD/JPY exchange rate	107.6	106.2	104.5	105.9	109.5	110.2	110.4	110.9	111.0	111.0	111.0	112.0	108.7	106.0	110.2	111.3
	-1.2	-1.3	-1.6	1.3	3.4	0.7	0.2	0.5	0.1	0.0	0.0	0.9	-2.0	-2.4	4.0	0.9
	-2.0	-1.0	-3.9	-2.7	1.7	3.8	5.7	4.7	1.4	0.7	0.5	1.0				

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.