

Japanese Economy: Analysis and Forecasts No.136

20 December, 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

Economic forecast updated due to revisions in 2021 Q3 second advance GDP estimate

– Real GDP projected to expand +2.7% in FY 2021,
+2.6% in FY 2022 and +1.7% in FY 2023 –

- ◆ In the second advance GDP estimate released on December 8, Japan's Q2 real GDP was revised down to an annualized -3.6% QoQ. The figure was -0.6%pt lower than the first advance estimate. In the revision, the series up to 2021 Q1, which were originally preliminary quarterly data, were replaced with annual revision estimates. Additionally, the dummy variable used for seasonal adjustments was changed to reflect the impact of COVID-19. This resulted in a relatively large revision of the past quarterly pattern.
- ◆ Since the second advance Q2 GDP estimate revised the historical GDP level, the pre-pandemic peak, which was previously 2019 Q3, was revised downwards to JPY 556.6 trillion. At the same time, the 2019 Q2 figure was revised upwards to JPY 557.3 trillion, meaning that the historical peak changed from 2019 Q3 to 2019 Q2. Setting the 2019 Q2 GDP level at 100, the 2020 Q2 figure was 89.9 (JPY 501.1 trillion), down -10.1% (JPY -56.1 trillion) due to COVID-19. The 2021 Q3 figure was 95.6 (JPY 532.8 trillion), remaining -4.4% (JPY -24.5 trillion) below the peak. It clearly reveals the slow recovery of the Japanese economy.
- ◆ Reflecting the second advance Q3 GDP estimate, we have updated our forecasts for FY 2021-23. Our latest real GDP growth forecast is +2.7% in FY 2021, +2.6% in FY 2022 and +1.7% in FY 2023. Compared to our previous forecast (No. 135), the FY 2021 figure is -0.1%pt lower, the FY 2022 figure is unchanged, and the FY 2023 figure is +0.3%pt higher, reflecting the delayed recovery.
- ◆ The contributions to real GDP growth by major components in FY 2021 are estimated at +1.7%pt by private demand, +0.9%pt by net exports and +0.4%pt by public demand. Compared to our previous forecast (No. 135), the contribution of public demand was revised downwards, whereas those of private demand and net exports were revised upwards. The contributions are expected to remain essentially the same in FY 2022. The FY 2023 contributions are estimated at +1.0%pt by private demand, +0.4%pt by net exports and +0.3%pt by public demand.
- ◆ On a quarterly basis, private final consumption expenditure is expected to expand rapidly in Q4, due to the accumulation of savings caused by the pandemic and the easing of restrictions (a trend called "revenge consumption"). As a result, we expect real GDP to exceed its pre-pandemic level in 2022 Q1, and to surpass its pre-pandemic peak in 2023 Q1. Due to the negative growth in 2021 Q3, these milestones are now expected to occur one quarter later than our previous forecast.
- ◆ With regard to the outlook for the CPI, accommodation and communication charges are likely to be disturbing factors of the basic trend. From the second half of 2021 onwards, the CPI is expected to turn and stay positive YoY due to the surge in energy prices. However, the basic CPI trend will remain weak due to downward pressure by service prices. We forecast a core CPI inflation rate of 0.0% in FY 2021, +0.9% in FY 2022 and +0.6% in FY 2023.

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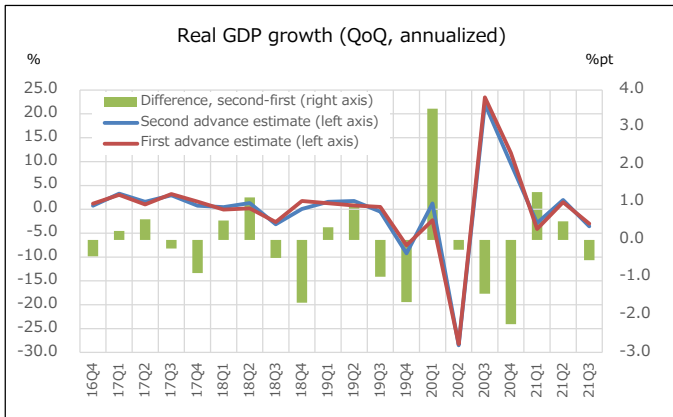
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Forecast Summary

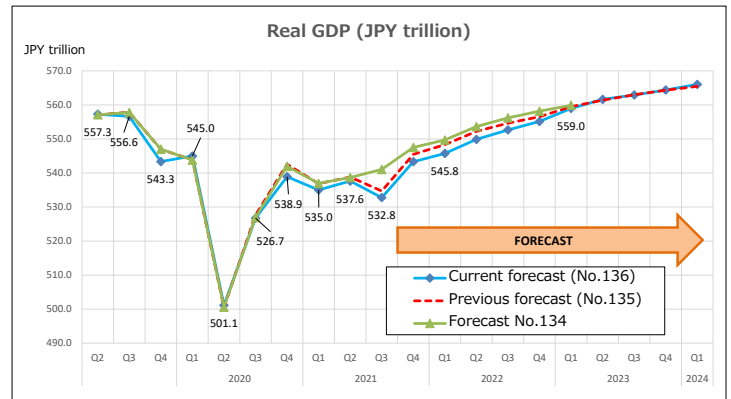
	Current forecast (2021/12/20)				Previous forecast (2021/11/30)			
	2017	2018	2019	2020	2020	2021	2022	2023
Real GDP (%)	▲ 4.5	2.7	2.6	1.7	▲ 4.4	2.8	2.6	1.4
Private demand (contribution)	▲ 4.7	1.7	1.8	1.0	▲ 4.7	1.6	1.7	0.9
Private final consumption expenditure (%)	▲ 5.5	2.5	2.3	0.8	▲ 5.8	2.8	2.2	0.7
Private residential investment (%)	▲ 7.8	▲ 0.6	▲ 0.8	1.2	▲ 7.2	▲ 0.7	▲ 1.5	0.4
Private non-residential investment (%)	▲ 7.5	1.7	3.4	3.8	▲ 6.9	1.1	3.2	3.3
Change in private inventories (contribution)	▲ 0.2	0.1	0.1	▲ 0.0	▲ 0.2	▲ 0.1	0.1	▲ 0.1
Public demand (contribution)	0.8	0.2	0.5	0.3	0.9	0.4	0.5	0.3
Government final consumption expenditure (%)	2.5	2.3	1.5	0.9	3.4	2.7	1.8	0.9
Government investment expenditure (%)	5.1	▲ 5.7	2.9	1.9	4.2	▲ 3.3	2.4	2.0
Change in government inventories (contribution)	0.0	▲ 0.0	0.0	▲ 0.0	0.0	▲ 0.0	0.0	▲ 0.0
External demand (contribution)	▲ 0.7	0.9	0.4	0.4	▲ 0.6	0.8	0.4	0.2
Exports of goods and services (%)	▲ 10.5	11.6	4.6	5.5	▲ 10.4	11.6	4.5	4.5
Imports of goods and services (%)	▲ 6.6	6.3	2.6	3.5	▲ 6.8	6.7	2.6	3.3
Nominal GDP (%)	▲ 3.9	1.8	3.1	2.2	▲ 3.9	1.9	3.2	2.0
GDP deflator (%)	0.7	▲ 0.9	0.5	0.4	0.6	▲ 0.8	0.7	0.6
Domestic corporate goods price index (%)	▲ 1.4	6.5	2.1	0.7	▲ 1.4	6.5	1.7	0.6
Core consumer price index (%)	▲ 0.4	0.0	0.9	0.6	▲ 0.4	0.0	0.8	0.7
Industrial production index (%)	▲ 9.5	6.1	3.5	2.4	▲ 9.5	6.1	3.6	2.6
New housing starts (%)	▲ 8.1	6.7	▲ 3.2	0.3	▲ 8.1	6.3	▲ 2.0	▲ 1.3
Unemployment rate (%)	2.9	2.8	2.8	2.6	2.9	2.8	2.8	2.6
Current account balance (JPY trillion)	16.3	13.2	11.4	13.8	16.3	12.8	11.6	12.9
% of nominal GDP	3.0	2.4	2.0	2.4	3.0	2.3	2.1	2.2
Crude oil price (USD/barrel)	44.1	71.9	73.7	69.7	44.1	74.6	73.4	68.6
USD/JPY exchange rate	106.0	112.2	115.2	116.5	106.0	112.2	115.3	116.5
USA real GDP (% , calendar year)	▲ 3.4	5.6	4.3	2.6	▲ 3.4	5.5	4.3	2.8

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.

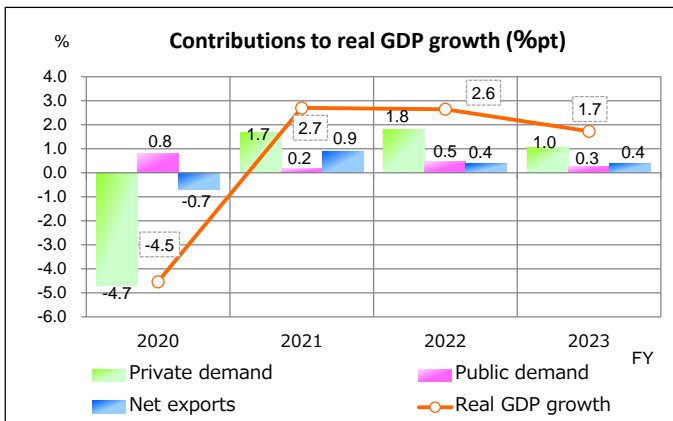
Forecasts at a glance



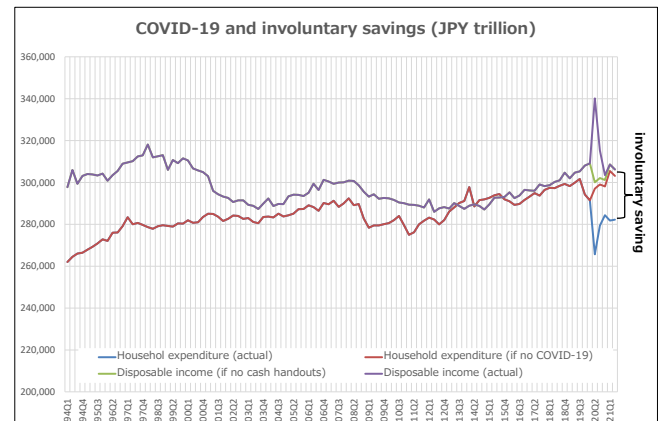
Source: "Second Quarterly GDP Report for Q3 2021", National Accounts, Economic and Social Research Institute, Cabinet Office



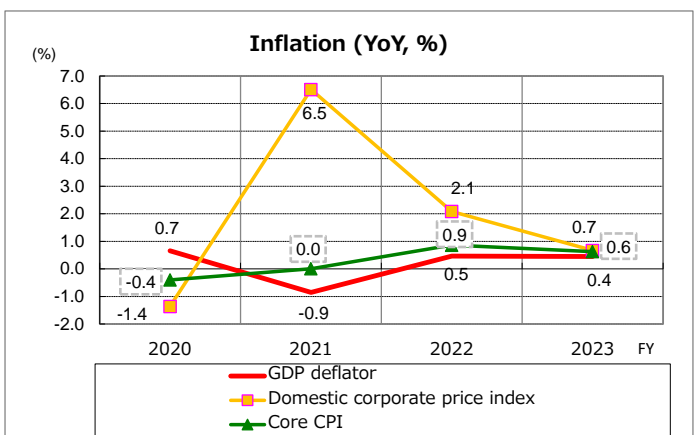
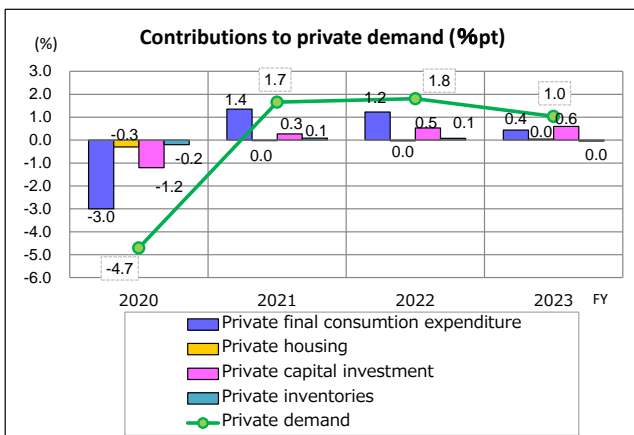
Note: Actual figures through Q3 2021, forecast figures thereafter.



Note: Actual figures until FY2020, forecast figures thereafter.



Source: APIR calculations based on preliminary figures of "Household disposable income and household savings rate", Cabinet Office.



Detailed Forecasts

Table 1. Main economic indicators

	Quarter												Fiscal year			
	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	2020	2021	2022	2023
Real GDP (JPY trillion)	537.6	532.8	543.3	545.8	549.9	552.7	555.2	559.0	561.6	562.9	564.4	566.0	525.7	539.9	554.2	563.7
	0.5	-0.9	2.0	0.4	0.8	0.5	0.4	0.7	0.5	0.2	0.3	0.3	-4.5	2.7	2.6	1.7
	7.3	1.1	0.8	2.0	2.3	3.7	2.2	2.4	2.1	1.9	1.7	1.3				
Nominal GDP (JPY trillion)	543.8	538.2	547.1	552.1	558.2	560.6	562.4	568.3	571.7	573.3	575.1	578.5	535.5	545.3	562.3	574.6
	0.1	-1.0	1.7	0.9	1.1	0.4	0.3	1.1	0.6	0.3	0.3	0.6	-3.9	1.8	3.1	2.2
	6.2	0.0	-0.1	1.6	2.6	4.2	2.8	2.9	2.4	2.3	2.3	1.8				
GDP deflator (2011=100)	101.1	101.0	100.7	101.2	101.5	101.4	101.3	101.7	101.8	101.8	101.9	102.2	101.9	101.0	101.5	101.9
	-0.4	-0.1	-0.3	0.5	0.3	-0.1	-0.1	0.4	0.1	0.1	0.0	0.3	0.7	-0.9	0.5	0.4
	-1.0	-1.1	-0.9	-0.4	0.4	0.4	0.6	0.5	0.3	0.4	0.6	0.5				
Index of industrial production (2015=100)	97.7	94.1	95.0	97.0	98.2	98.9	99.7	100.4	101.0	101.4	101.9	102.5	90.4	95.9	99.3	101.7
	1.2	-3.7	1.0	2.1	1.2	0.8	0.8	0.7	0.6	0.4	0.5	0.6	-9.5	6.1	3.5	2.4
	19.9	5.9	1.2	0.4	0.5	5.2	5.0	3.5	2.9	2.5	2.1	2.1				
New housing starts (thousands)	219	219	216	212	211	210	209	208	208	210	211	211	812	866	838	840
	5.5	0.1	-1.2	-1.8	-0.7	-0.3	-0.5	-0.5	0.0	1.2	0.3	-0.1	-8.1	6.7	-3.2	0.3
	8.2	7.6	7.5	2.3	-3.6	-4.0	-3.3	-2.0	-1.3	0.1	0.9	1.4				
Domestic corporate goods price index (2015=100)	104.0	106.3	108.4	108.4	108.6	109.5	108.5	109.3	109.4	110.1	109.2	110.2	100.2	106.8	109.0	109.7
	2.5	2.2	2.0	0.0	0.2	0.9	-0.9	0.7	0.2	0.6	-0.8	0.9	-1.4	6.5	2.1	0.7
	4.6	6.1	8.5	6.8	4.5	3.1	0.1	0.8	0.8	0.5	0.6	0.8				
Core consumer price index (2020=100)	99.4	99.8	100.1	100.3	100.4	100.7	100.9	101.1	101.1	101.3	101.5	101.7	99.9	99.9	100.8	101.4
	-0.5	0.4	0.3	0.2	0.1	0.3	0.1	0.2	0.0	0.3	0.2	0.2	-0.4	0.0	0.9	0.6
	-0.6	0.0	0.5	0.4	1.0	0.9	0.8	0.8	0.6	0.6	0.6	0.7				
Wage earnings per worker (JPY thousand)	4109	4098	4077	4153	4164	4147	4133	4208	4201	4204	4183	4243	4045	4109	4163	4208
	0.2	-0.2	-0.5	1.8	0.3	-0.4	-0.3	1.8	-0.2	0.1	-0.5	1.4	-0.3	1.6	1.3	1.1
	2.3	1.7	1.0	1.3	1.3	1.2	1.4	1.3	0.9	1.4	1.2	0.8				
Unemployment rate (%)	2.9	2.8	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.6	2.6	2.6	2.9	2.8	2.8	2.6
CD interest rate (%)	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.003	0.003	0.003	0.003	0.002	0.002	0.002	0.003
10-year government bond yields (%)	0.073	0.037	0.079	0.083	0.077	0.134	0.130	0.205	0.224	0.240	0.232	0.248	0.041	0.068	0.137	0.236
Current account balance (JPY trillion)	4.7	2.9	2.7	2.8	3.1	2.3	2.7	3.3	3.5	3.1	3.4	3.7	16.3	13.2	11.4	13.8
% of nominal GDP	3.5	2.2	2.0	2.1	2.2	1.7	1.9	2.4	2.5	2.2	2.4	2.6	3.0	2.4	2.0	2.4
Crude oil price (USD/barrel)	67.35	71.77	77.66	70.97	72.92	76.17	73.90	71.78	71.05	70.07	69.34	68.30	44.11	71.94	73.69	69.69
USD/JPY exchange rate	109.5	110.1	114.0	115.1	115.2	115.2	115.2	115.2	116.5	116.5	116.5	116.5	106.0	112.2	115.2	116.5
Government debt (JPY trillion)	1206.0	1208.0	1221.5	1232.7	1240.6	1250.1	1261.4	1272.0	1282.3	1293.3	1304.5	1315.7	1204.0	1232.7	1272.0	1282.3
	0.2	0.2	1.1	0.9	0.6	0.8	0.9	0.8	0.8	0.9	0.9	0.9	8.9	2.4	3.2	0.8
	6.7	4.6	3.6	2.4	2.9	3.5	3.3	3.2	3.4	3.5	3.4	3.4				
% of GDP	221.8	224.5	229.0	231.8	233.2	232.8	235.8	238.9	242.0	243.2	247.5	252.0	224.8	226.1	226.2	223.2
Fiscal balance (JPY trillion)	-50.1	-54.2	-51.7	-54.3	-55.9	-57.2	-57.8	-58.9	-59.4	-60.5	-60.6	-61.7	-52.8	-52.5	-57.4	-60.5

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 (%). 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			
	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	2020	2021	2022	2023
Private final consumption expenditure	288.8	285.1	292.9	293.3	295.8	296.6	296.9	297.3	298.1	298.8	299.5	300.0	282.9	290.1	296.7	299.1
	0.6	-1.3	2.7	0.1	0.9	0.3	0.1	0.1	0.2	0.2	0.3	0.2	-5.5	2.5	2.3	0.8
	6.9	0.4	0.9	2.2	2.4	4.0	1.4	1.4	0.7	0.7	0.9	0.9				
Private residential investment	18.9	18.6	18.7	18.6	18.4	18.6	18.7	18.6	18.8	18.8	18.8	18.9	18.8	18.7	18.6	18.8
	1.0	-1.6	0.6	-0.7	-0.9	0.7	0.7	-0.3	0.7	0.3	-0.2	0.6	-7.8	-0.6	-0.8	1.2
	-2.9	0.3	0.9	-0.7	-2.6	-0.4	-0.2	0.2	1.8	1.4	0.4	1.3				
Private non-residential investment	86.3	84.3	84.9	85.9	86.7	87.8	88.7	89.8	90.7	91.2	91.8	92.6	83.9	85.4	88.3	91.6
	2.0	-2.3	0.7	1.1	1.0	1.2	1.0	1.3	1.0	0.6	0.7	0.8	-7.5	1.7	3.4	3.8
	3.3	1.3	0.8	1.5	0.5	4.1	4.4	4.6	4.5	3.9	3.5	3.1				
Change in private inventories	-0.1	0.4	1.7	1.6	1.6	1.4	1.2	1.1	1.1	1.1	1.1	1.1	0.5	0.9	1.3	1.1
Government final consumption expenditure	115.1	116.3	116.8	117.3	117.6	117.9	118.2	118.5	118.8	119.0	119.2	119.5	113.8	116.4	118.1	119.1
	0.7	1.0	0.5	0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.5	2.3	1.5	0.9
	3.0	1.9	1.6	2.7	2.2	1.4	1.2	1.0	1.0	0.9	0.9	0.8				
Government investment expenditure	28.6	28.0	27.4	27.3	28.1	28.6	28.8	29.1	29.2	29.2	29.2	29.2	29.5	27.8	28.7	29.2
	-2.6	-2.0	-2.3	-0.4	3.0	1.5	1.0	1.0	0.1	0.1	0.1	0.1	5.1	-5.7	2.9	1.9
	-1.9	-5.4	-8.1	-7.1	-1.7	1.8	5.2	6.6	3.6	2.2	1.3	0.4				
Change in government inventories	-0.03	-0.09	-0.02	-0.02	-0.02	-0.04	-0.02	-0.03	-0.03	-0.03	-0.03	-0.03	-0.03	-0.04	-0.03	-0.03
Exports of goods and services	102.7	101.8	102.2	103.7	104.7	106.0	107.7	110.6	112.1	112.6	113.4	114.5	91.9	102.6	107.3	113.2
	2.5	-0.9	0.4	1.5	1.0	1.2	1.7	2.6	1.4	0.5	0.7	0.9	-10.5	11.6	4.6	5.5
	26.6	15.5	4.3	3.5	2.0	4.2	5.4	6.6	7.0	6.2	5.3	3.6				
Imports of goods and services	102.9	101.8	101.6	102.1	103.3	104.3	105.3	106.2	107.0	107.9	108.9	109.9	96.0	102.1	104.8	108.4
	3.9	-1.0	-0.3	0.5	1.2	0.9	0.9	0.9	0.8	0.8	0.9	1.0	-6.6	6.3	2.6	3.5
	5.1	11.5	5.8	3.1	0.4	2.4	3.6	4.0	3.6	3.5	3.4	3.5				
GDP	537.6	532.8	543.3	545.8	549.9	552.7	555.2	559.0	561.6	562.9	564.4	566.0	525.7	539.9	554.2	563.7
	2.0	-3.6	8.2	1.8	3.1	2.0	1.8	2.8	1.9	0.9	1.0	1.2	-4.5	2.7	2.6	1.7
	0.5	-0.9	2.0	0.4	0.8	0.5	0.4	0.7	0.5	0.2	0.3	0.3				
	7.3	1.1	0.8	2.0	2.3	3.7	2.2	2.4	2.1	1.9	1.7	1.3				
Contribution of domestic demand	0.7	-0.9	1.8	0.3	0.8	0.5	0.3	0.3	0.4	0.3	0.3	0.3	-3.9	1.8	2.3	1.3
of which, private demand	0.7	-1.0	1.8	0.2	0.6	0.3	0.2	0.2	0.3	0.2	0.2	0.2	-4.7	1.7	1.8	1.0
of which, public demand	0.0	0.1	0.0	0.1	0.2	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.8	0.2	0.5	0.3
Contribution of net exports	-0.2	0.0	0.1	0.2	0.0	0.1	0.1	0.3	0.1	-0.1	0.0	0.0	-0.7	0.9	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 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			
	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	2020	2021	2022	2023
Private final consumption expenditure	291.3	288.3	297.0	298.6	300.9	302.4	302.0	303.3	304.4	305.5	305.8	306.8	286.9	293.8	302.2	305.6
	0.1	-1.0	3.0	0.6	0.8	0.5	-0.1	0.4	0.3	0.4	0.1	0.3	-5.5	2.4	2.9	1.1
	6.0	-0.1	1.3	2.6	3.3	4.9	1.7	1.6	1.2	1.0	1.2	1.1				
Private residential investment	20.6	20.9	21.4	21.2	21.0	21.4	21.4	21.3	21.5	21.8	21.6	21.7	19.8	21.0	21.3	21.6
	3.2	1.4	2.5	-0.8	-0.9	1.7	0.1	-0.4	0.8	1.4	-0.8	0.4	-7.3	5.9	1.3	1.7
	0.4	6.8	9.8	6.5	2.3	2.6	0.1	0.5	2.2	1.9	1.0	1.7				
Private non-residential investment	87.9	86.4	88.1	89.5	90.6	92.1	93.1	94.8	95.8	96.7	97.4	98.8	84.5	87.9	92.7	97.2
	2.8	-1.7	2.0	1.5	1.3	1.7	1.0	1.8	1.1	0.9	0.8	1.4	-7.9	4.1	5.4	4.9
	4.7	3.2	4.0	4.7	3.1	6.7	5.7	5.9	5.7	4.9	4.6	4.2				
Change in private inventories	-0.4	-0.1	1.6	1.4	1.0	0.8	0.7	0.6	0.6	0.6	0.7	0.7	0.1	0.6	0.8	0.7
Government final consumption expenditure	115.6	117.6	117.6	118.9	120.0	120.8	121.0	121.4	122.1	122.7	123.0	123.3	113.7	117.4	120.8	122.8
	1.0	1.8	0.0	1.1	0.9	0.7	0.2	0.3	0.5	0.5	0.3	0.2	1.7	3.3	2.9	1.6
	3.6	2.8	2.8	3.8	3.8	2.7	2.9	2.1	1.7	1.5	1.6	1.5				
Government investment expenditure	30.5	30.1	29.5	29.5	30.5	31.0	31.2	31.6	31.7	31.9	31.8	31.8	30.9	29.9	31.1	31.8
	-1.5	-1.2	-1.9	0.0	3.3	1.7	0.6	1.1	0.4	0.6	-0.4	0.2	5.5	-3.2	3.9	2.3
	0.3	-2.8	-5.2	-4.5	0.1	3.0	5.7	6.8	3.9	2.8	1.8	0.9				
Change in government inventories	-0.04	-0.14	-0.04	-0.04	-0.04	-0.06	-0.05	-0.05	-0.05	-0.05	-0.05	-0.05	-0.03	-0.07	-0.05	-0.05
Exports of goods and services	99.0	100.2	102.6	104.8	105.7	106.0	108.7	112.3	113.9	113.4	115.1	116.5	84.1	101.7	108.1	114.7
	5.3	1.2	2.4	2.1	0.8	0.3	2.6	3.3	1.4	-0.4	1.4	1.3	-12.1	20.8	6.4	6.1
	36.3	24.6	14.6	11.5	6.7	5.8	5.9	7.1	7.8	7.1	5.9	3.8				
Imports of goods and services	100.5	105.1	110.6	111.8	111.5	114.0	115.7	117.0	118.1	119.2	120.2	121.1	84.5	107.0	114.5	119.7
	9.3	4.5	5.3	1.1	-0.3	2.2	1.5	1.1	1.0	0.9	0.8	0.8	-13.4	26.6	7.0	4.5
	20.7	32.5	31.9	21.6	10.9	8.5	4.6	4.6	5.9	4.6	3.9	3.6				
GDP	543.8	538.2	547.1	552.1	558.2	560.6	562.4	568.3	571.7	573.3	575.1	578.5	535.5	545.3	562.3	574.6
	0.2	-4.1	6.8	3.7	4.5	1.7	1.3	4.3	2.4	1.1	1.2	2.4	-3.9	1.8	3.1	2.2
	0.1	-1.0	1.7	0.9	1.1	0.4	0.3	1.1	0.6	0.3	0.3	0.6				
	6.2	0.0	-0.1	1.6	2.6	4.2	2.8	2.9	2.4	2.3	2.3	1.8				
Contribution of domestic demand	0.7	-0.4	2.2	0.7	0.9	0.8	0.2	0.6	0.5	0.5	0.2	0.5	-4.2	2.7	3.3	1.9
of which, private demand	0.6	-0.7	2.3	0.5	0.5	0.6	0.1	0.5	0.4	0.4	0.2	0.4	-4.8	2.2	2.5	1.5
of which, public demand	0.1	0.3	-0.1	0.2	0.4	0.2	0.1	0.1	0.1	0.1	0.0	0.1	0.6	0.5	0.8	0.5
Contribution of net exports	-0.7	-0.6	-0.6	0.2	0.2	-0.4	0.2	0.4	0.1	-0.3	0.1	0.1	0.3	-0.9	-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			
	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	2020	2021	2022	2023
Private final consumption expenditure	100.9	101.1	101.4	101.8	101.7	102.0	101.7	102.0	102.1	102.3	102.1	102.3	101.4	101.3	101.9	102.2
	-0.5	0.3	0.3	0.4	-0.1	0.3	-0.2	0.3	0.1	0.1	-0.2	0.2	0.0	-0.1	0.6	0.3
	-0.8	-0.5	0.4	0.4	0.8	0.8	0.3	0.2	0.4	0.3	0.4	0.2				
Private residential investment	108.6	112.0	114.2	114.1	114.1	115.3	114.5	114.4	114.5	115.8	115.1	114.9	105.4	112.2	114.6	115.1
	2.1	3.1	2.0	-0.1	0.0	1.0	-0.6	-0.1	0.1	1.1	-0.6	-0.2	0.5	6.5	2.1	0.4
	3.4	6.5	8.8	7.3	5.0	2.9	0.3	0.3	0.4	0.5	0.5	0.4				
Private non-residential investment	101.8	102.4	103.7	104.2	104.5	104.9	105.0	105.5	105.6	106.0	106.1	106.7	100.7	103.0	105.0	106.1
	0.8	0.6	1.3	0.5	0.3	0.4	0.0	0.5	0.1	0.3	0.1	0.6	-0.5	2.3	1.9	1.1
	1.3	1.9	3.1	3.1	2.6	2.5	1.2	1.3	1.1	1.0	1.1	1.1				
Government final consumption expenditure	100.5	101.2	100.7	101.4	102.0	102.5	102.4	102.5	102.8	103.1	103.2	103.2	99.9	100.9	102.3	103.1
	0.2	0.7	-0.5	0.7	0.7	0.5	-0.1	0.1	0.3	0.3	0.1	0.0	-0.8	1.0	1.4	0.7
	0.6	0.9	1.2	1.1	1.5	1.3	1.7	1.1	0.8	0.6	0.8	0.7				
Government investment expenditure	106.4	107.4	107.8	108.2	108.5	108.7	108.3	108.3	108.7	109.3	108.8	108.9	104.7	107.4	108.4	108.9
	1.1	0.9	0.4	0.4	0.3	0.2	-0.4	0.1	0.3	0.5	-0.5	0.1	0.3	2.6	0.9	0.4
	2.2	2.7	3.2	2.7	1.9	1.2	0.4	0.2	0.2	0.6	0.5	0.5				
Exports of goods and services	96.4	98.4	100.4	101.1	100.9	100.0	100.9	101.5	101.6	100.7	101.4	101.8	91.6	99.1	100.8	101.4
	2.8	2.1	2.0	0.6	-0.2	-0.9	0.9	0.7	0.1	-0.8	0.7	0.3	-1.8	8.2	1.7	0.6
	7.7	7.9	9.9	7.7	4.6	1.6	0.4	0.5	0.7	0.8	0.6	0.2				
Imports of goods and services	97.7	103.2	108.9	109.5	107.9	109.3	109.9	110.1	110.4	110.5	110.4	110.2	88.0	104.8	109.3	110.4
	5.3	5.6	5.6	0.5	-1.4	1.3	0.6	0.2	0.2	0.1	-0.1	-0.2	-7.3	19.1	4.3	1.0
	14.9	18.8	24.6	18.0	10.5	5.9	0.9	0.6	2.3	1.1	0.5	0.0				
GDP	101.1	101.0	100.7	101.2	101.5	101.4	101.3	101.7	101.8	101.8	101.9	102.2	101.9	101.0	101.5	101.9
	-0.4	-0.1	-0.3	0.5	0.3	-0.1	-0.1	0.4	0.1	0.1	0.0	0.3	0.7	-0.9	0.5	0.4
	-1.0	-1.1	-0.9	-0.4	0.4	0.4	0.6	0.5	0.3	0.4	0.6	0.5				

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 5. Production, employment, wages and prices

	Quarter												Fiscal year			
	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	2020	2021	2022	2023	
Index of industrial production (2015=100)	97.7	94.1	95.0	97.0	98.2	98.9	99.7	100.4	101.0	101.4	101.9	90.4	95.9	99.3	101.7	
	1.2	-3.7	1.0	2.1	1.2	0.8	0.8	0.7	0.6	0.4	0.5	-9.5	6.1	3.5	2.4	
	19.9	5.9	1.2	0.4	0.5	5.2	5.0	3.5	2.9	2.5	2.1					
Labor force (ten thousand persons)	6863	6867	6870	6873	6876	6879	6881	6883	6885	6888	6889	6863	6868	6880	6888	
	-0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.5	0.1	0.2	0.1	
	0.5	0.1	-0.2	-0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1					
Engaged labor force (ten thousand persons)	6664	6674	6677	6680	6683	6683	6689	6695	6703	6710	6711	6663	6674	6688	6709	
	-0.5	0.2	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0	-1.1	0.2	0.2	0.3	
	0.4	0.3	0.1	-0.2	0.3	0.1	0.2	0.2	0.3	0.4	0.3					
Employed (ten thousand persons)	5970	5971	5973	5976	5979	5978	5984	5990	5996	6003	6003	5961	5973	5983	6002	
	-0.5	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0	-1.0	0.2	0.2	0.3	
	0.6	0.5	0.0	-0.4	0.1	0.1	0.2	0.2	0.3	0.4	0.3					
Unemployment rate (%)	2.9	2.8	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.6	2.6	2.9	2.8	2.8	2.6	
Domestic corporate goods price index (2015=100)	104.0	106.3	108.4	108.4	108.6	109.5	108.5	109.3	109.4	110.1	109.2	100.2	106.8	109.0	109.7	
	2.5	2.2	2.0	0.0	0.2	0.9	-0.9	0.7	0.2	0.6	-0.8	-1.4	6.5	2.1	0.7	
	4.6	6.1	8.5	6.8	4.5	3.1	0.1	0.8	0.8	0.5	0.6					
Core consumer price index (2020=100)	99.4	99.8	100.1	100.3	100.4	100.7	100.9	101.1	101.1	101.3	101.5	99.9	99.9	100.8	101.4	
	-0.5	0.4	0.3	0.2	0.1	0.3	0.1	0.2	0.0	0.3	0.2	-0.4	0.0	0.9	0.6	
	-0.6	0.0	0.5	0.4	1.0	0.9	0.8	0.8	0.6	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			
	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	2020	2021	2022	2023
CD rates (%)	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.003	0.003	0.003	0.003	0.002	0.002	0.002	0.003
Government bond yields (%)	0.073	0.037	0.079	0.083	0.077	0.134	0.130	0.205	0.224	0.240	0.232	0.248	0.041	0.068	0.137	0.236
Money stock (M2+CD, JPY trillion)	1161.0	1165.0	1178.1	1186.3	1193.6	1201.0	1207.6	1213.1	1218.4	1225.5	1230.8	1235.4	1149.4	1186.3	1213.1	1235.4
	1.0	0.3	1.1	0.7	0.6	0.6	0.5	0.5	0.4	0.6	0.4	0.4	9.6	3.2	2.3	1.8
	7.7	4.7	4.2	3.2	2.8	3.1	2.5	2.3	2.1	2.0	1.9	1.8				
Nikkei stock average (JPY)	28,962	28,568	29,065	29,408	29,309	29,696	30,084	31,000	31,000	31,000	31,000	31,000	24,462	29,001	30,022	31,000
2005=100	233.0	229.8	233.8	236.6	235.8	238.9	242.0	249.4	249.4	249.4	249.4	249.4	196.8	233.3	241.5	249.4
	-0.1	-1.4	1.7	1.2	-0.3	1.3	1.3	3.0	0.0	0.0	0.0	0.0	11.6	18.6	3.5	3.3
	39.6	24.7	15.3	1.5	1.2	3.9	3.5	5.4	5.8	4.4	3.0	0.0				
USD/JPY exchange rate	109.5	110.1	114.0	115.1	115.2	115.2	115.2	115.2	116.5	116.5	116.5	116.5	106.0	112.2	115.2	116.5
	3.4	0.6	3.5	1.0	0.1	0.0	0.0	0.0	1.1	0.0	0.0	0.0	-2.4	5.8	2.7	1.1
	1.7	3.7	9.1	8.7	5.2	4.6	1.1	0.1	1.1	1.1	1.1	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.

Table 7. External sector

JPY trillion, %

	Quarter												Fiscal year			
	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	2020	2021	2022	2023
Goods exports (real)	85.4	84.4	85.3	88.3	89.8	90.8	92.1	94.3	95.6	96.0	96.7	97.8	75.5	85.8	91.7	96.5
(SNA basis)	2.4	-1.2	1.1	3.6	1.6	1.1	1.5	2.3	1.4	0.4	0.8	1.1	-6.9	13.7	6.9	5.2
	32.5	16.6	4.4	5.9	5.1	7.6	8.1	6.7	6.5	5.8	5.0	3.7				
Goods imports (real)	80.5	79.9	79.4	79.8	80.8	81.6	82.4	83.2	83.9	84.5	85.3	86.1	75.2	79.9	82.0	84.9
(SNA basis)	3.0	-0.7	-0.5	0.5	1.2	1.0	1.0	0.9	0.8	0.8	0.9	0.9	-5.1	6.2	2.6	3.6
	5.1	12.9	5.1	2.1	0.4	2.1	3.7	4.2	3.8	3.6	3.5	3.5				
Services exports (real)	17.5	17.6	16.9	15.4	15.0	15.2	15.6	16.3	16.4	16.6	16.7	16.7	16.5	16.8	15.5	16.6
(SNA basis)	3.2	0.6	-3.7	-9.2	-2.7	1.8	2.5	4.5	0.8	1.1	0.5	0.1	-23.5	2.0	-7.8	7.1
	4.8	10.6	2.6	-9.2	-14.4	-13.4	-7.8	6.0	9.8	9.1	7.0	2.6				
Services imports (real)	22.5	22.0	22.1	22.3	22.6	22.7	22.9	23.0	23.2	23.3	23.6	23.9	20.9	22.2	22.8	23.5
(SNA basis)	6.9	-2.0	0.5	0.8	1.1	0.7	0.7	0.7	0.6	0.8	1.0	1.2	-11.4	6.4	2.5	3.1
	4.9	6.8	8.1	6.2	0.4	3.2	3.4	3.2	2.7	2.8	3.1	3.6				
Goods exports (nominal)	81.5	82.3	85.1	88.6	89.6	90.3	92.1	94.6	95.5	95.4	96.4	97.3	68.4	84.4	91.6	96.2
(SNA basis)	5.1	1.0	3.4	4.0	1.2	0.7	2.1	2.6	1.0	-0.1	1.0	1.0	-8.6	23.5	8.6	4.9
	43.7	26.2	15.2	14.2	10.0	9.6	8.2	6.8	6.6	5.7	4.6	2.9				
Goods imports (nominal)	77.9	82.5	87.3	88.7	88.9	91.2	92.9	94.3	95.6	96.9	98.0	99.2	64.4	84.1	91.8	97.4
(SNA basis)	9.2	5.9	5.9	1.6	0.2	2.5	1.9	1.5	1.5	1.3	1.2	1.2	-13.2	30.5	9.2	6.1
	23.8	38.3	35.8	24.4	14.2	10.6	6.4	6.2	7.5	6.2	5.5	5.2				
Services exports (nominal)	17.5	17.9	17.5	16.2	16.0	15.7	16.6	17.7	18.3	18.0	18.7	19.2	15.8	17.3	16.5	18.6
(SNA basis)	6.5	2.3	-2.1	-7.2	-1.3	-2.0	5.4	7.0	3.5	-1.6	3.8	2.8	-24.8	9.5	-4.4	12.6
	10.1	17.9	12.1	-1.0	-8.3	-12.1	-5.4	9.1	14.3	14.8	13.1	8.7				
Services imports (nominal)	22.7	22.6	23.3	23.1	22.6	22.8	22.8	22.7	22.5	22.4	22.2	21.9	20.1	22.9	22.7	22.2
(SNA basis)	9.9	-0.2	3.2	-1.1	-2.2	1.0	0.1	-0.6	-0.9	-0.5	-0.8	-1.2	-14.1	14.1	-0.9	-2.1
	11.0	14.9	18.8	11.9	-0.4	0.8	-2.2	-1.7	-0.4	-1.9	-2.8	-3.4				
Trade balance (BOP basis)	1.0	-0.2	-0.5	0.0	0.2	-0.2	-0.2	0.1	0.0	-0.4	-0.4	-0.5	3.9	0.2	-0.2	-1.3
Balance on services (BOP basis)	-1.2	-1.1	-1.5	-1.7	-1.6	-1.8	-1.6	-1.3	-1.1	-1.2	-1.0	-0.8	-3.7	-5.5	-6.3	-4.1
Primary income balance (BOP basis)	5.5	4.8	5.5	5.4	5.3	5.1	5.2	5.3	5.4	5.4	5.5	5.7	18.8	21.2	21.0	22.0
Current account balance (BOP basis)	4.7	2.9	2.7	2.8	3.1	2.3	2.7	3.3	3.5	3.1	3.4	3.7	16.3	13.2	11.4	13.8
	2.0	-38.7	-5.9	4.4	8.1	-23.7	13.6	25.9	5.9	-12.2	9.8	8.2	-12.7	-19.2	-13.3	20.6
	178.1	-20.1	-54.0	-38.6	-34.9	-19.0	-2.2	17.9	15.5	32.9	28.5	10.4				
USD/JPY exchange rate	109.5	110.1	114.0	115.1	115.2	115.2	115.2	115.2	116.5	116.5	116.5	116.5	106.0	112.2	115.2	116.5
	3.4	0.6	3.5	1.0	0.1	0.0	0.0	0.0	1.1	0.0	0.0	0.0	-2.4	5.8	2.7	1.1
	1.7	3.7	9.1	8.7	5.2	4.6	1.1	0.1	1.1	1.1	1.1	1.1				

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.