

Japanese Economy: Analysis and Forecasts No.137

1 March, 2022

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

Japan's economic recovery will stall: new covid-19 variants, high energy prices and weak exchange rate pose risks

– Real GDP will grow +2.4% in FY 2021, +2.3% in FY 2022, +1.7% in FY 2023 –

- ◆ According to the first advance GDP estimate released on February 15, Japan's real GDP increased an annualized 5.4% YoY (+1.3% QoQ) in 2021 Q4, marking the first positive growth in two quarters. The figure was somewhat lower than the market consensus forecast of an annualized +6.06% (ESP February survey) and APIR's forecast of +6.7% QoQ (the average of the expenditure-side CQM forecast of +6.5%, and the production-side forecast of +6.8%).
- ◆ In 2021 Q4, the consumer sentiment improved significantly due to a decline in the number of COVID-19 infections, and private final consumption expenditures showed a strong performance. A breakdown of QoQ GDP growth (+1.3%) shows that domestic demand made a positive contribution for the first time in two quarters (+1.1%pt). Therein, private demand made a positive contribution for the second consecutive quarter (+1.3%pt), while public demand made a negative one for the first time in three quarters (-0.2%pt). Net exports made a positive contribution for the second straight quarter (+0.2%pt), as a result of increasing semiconductor exports. However, due to the deteriorating terms of trade, gross domestic income (GDI) growth remained at +0.7% QoQ, remaining lower than real GDP growth for the fourth consecutive quarter.
- ◆ We revised our outlook for the Japanese economy for FY 2021-2023, reflecting the first advance estimate of 2021 Q4 GDP, as well as some new assumptions about exogenous variables. We now forecast real GDP growth of +2.4% in FY 2021, +2.3% in FY 2022, and +1.7% in FY 2023. Compared to our previous forecast, the figures for FY 2021 and FY 2022 were revised down by -0.3%pt, while the FY2023 figure remained unchanged. The forecast update reflects the economic slowdown in 2022 Q1 caused by the spread of Omicron.
- ◆ Although Japan's real GDP grew for the first time in two quarters in 2021 Q4, its recovery was slower than in other major countries. In 2022 Q1, economic activity stagnated due to the rapid expansion of the Omicron variant. In 2022 Q2, the pace of growth is expected to remain above the potential growth rate. As a result, the GDP is expected to recover to its pre-Corona level (2019 Q4) in 2022 Q2. However, it will exceed its pre-Corona peak (2019 Q3) only in 2023 Q2.
- ◆ Regarding the outlook for the consumer price index, accommodation and telecommunication charges are likely to disturb the underlying inflation trend in FY 2021. In FY 2022, the increase of the CPI will be in the upper 1% range due to soaring energy prices and the weak yen. In FY 2023, the underlying CPI trend will be subdued as energy prices will decline and service prices will exert downward pressure. As a result, we forecast CPI core inflation of -0.0% in FY 2021, +1.4% in FY 2022, and +0.8% in FY 2023.
- ◆ Our baseline projection assumes progress in booster vaccinations, a low number of new COVID-19 infections, and a widespread use of therapeutic drugs. We also assume three risks: (1) the emergence of new COVID-19 variants, (2) a sharp rise in oil prices, and (3) an acceleration in the depreciation of the yen. The Japanese-language issue of this report contains our simulations of the impact of these risks, including a situation in which crude oil prices exceed USD 100 per barrel due to the Russian invasion of Ukraine.

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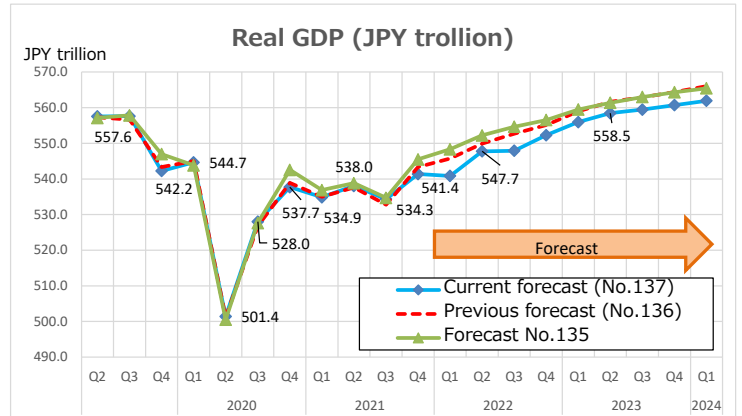
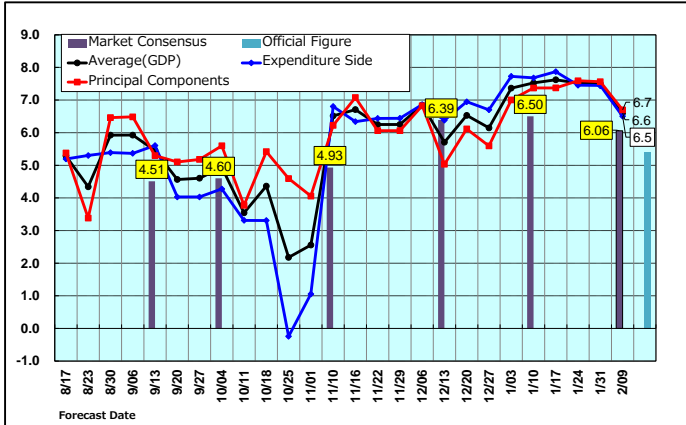
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Forecast Summary

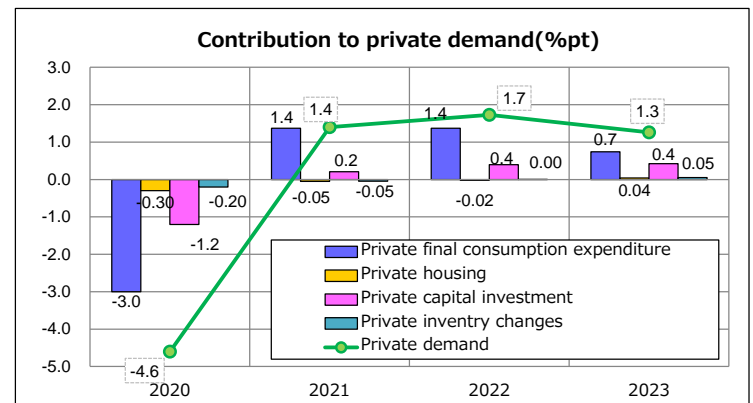
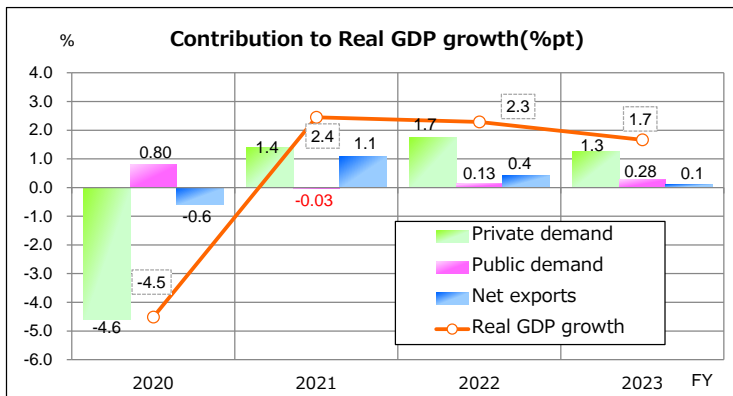
	Current forecast (2022/3/1)				Previous forecast (2021/12/28)			
	2020	2021	2022	2023	2020	2021	2022	2023
Real GDP (%)	▲ 4.5	2.4	2.3	1.7	▲ 4.5	2.7	2.6	1.7
Private demand (contribution)	▲ 4.6	1.4	1.7	1.3	▲ 4.7	1.7	1.8	1.0
Private final consumption expenditure (%)	▲ 5.4	2.6	2.5	1.4	▲ 5.5	2.5	2.3	0.8
Private residential investment (%)	▲ 7.8	▲ 1.4	▲ 0.6	1.2	▲ 7.8	▲ 0.6	▲ 0.8	1.2
Private non-residential investment (%)	▲ 7.5	1.3	2.5	2.7	▲ 7.5	1.7	3.4	3.8
Private inventory changes (contribution)	▲ 0.2	▲ 0.0	0.0	0.1	▲ 0.2	0.1	0.1	▲ 0.0
Public demand (contribution)	0.8	▲ 0.0	0.1	0.3	0.8	0.2	0.5	0.3
Government final consumption expenditure (%)	2.5	1.9	0.9	0.9	2.5	2.3	1.5	0.9
Public investment expenditure (%)	5.2	▲ 7.3	▲ 1.3	2.0	5.1	▲ 5.7	2.9	1.9
Public inventory changes (contribution)	0.0	0.0	0.0	0.0	0.0	▲ 0.0	0.0	▲ 0.0
External demand (contribution)	▲ 0.6	1.1	0.4	0.1	▲ 0.7	0.9	0.4	0.4
Exports of goods and services (%)	▲ 10.5	12.8	4.5	3.5	▲ 10.5	11.6	4.6	5.5
Imports of goods and services (%)	▲ 6.7	6.3	2.3	3.0	▲ 6.6	6.3	2.6	3.5
Nominal GDP (%)	▲ 3.9	1.4	3.3	1.9	▲ 3.9	1.8	3.1	2.2
GDP deflator (%)	0.6	▲ 1.0	1.0	0.2	0.7	▲ 0.9	0.5	0.4
Domestic corporate price index (%)	▲ 1.4	6.9	3.6	0.9	▲ 1.4	6.5	2.1	0.7
Core consumer price index (%)	▲ 0.4	▲ 0.0	1.4	0.8	▲ 0.4	0.0	0.9	0.6
Industrial production index (%)	▲ 9.5	5.9	3.0	2.5	▲ 9.5	6.1	3.5	2.4
New housing starts (%)	▲ 8.1	5.5	0.4	0.3	▲ 8.1	6.7	▲ 3.2	0.3
Unemployment rate (%)	2.9	2.8	2.7	2.6	2.9	2.8	2.8	2.6
Current account balance (JPY trillion)	16.3	14.5	14.8	14.1	16.3	13.2	11.4	13.8
% of nominal GDP	3.0	2.7	2.6	2.5	3.0	2.4	2.0	2.4
Crude oil price (USD/barrel)	44.1	76.0	77.0	69.1	44.1	71.9	73.7	69.7
USD/JPY exchange rate	106.0	112.1	116.2	118.3	106.0	112.2	115.2	116.5
USA real GDP (% , calendar year)	▲ 3.4	5.7	3.6	2.5	▲ 3.4	5.6	4.3	2.6

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.

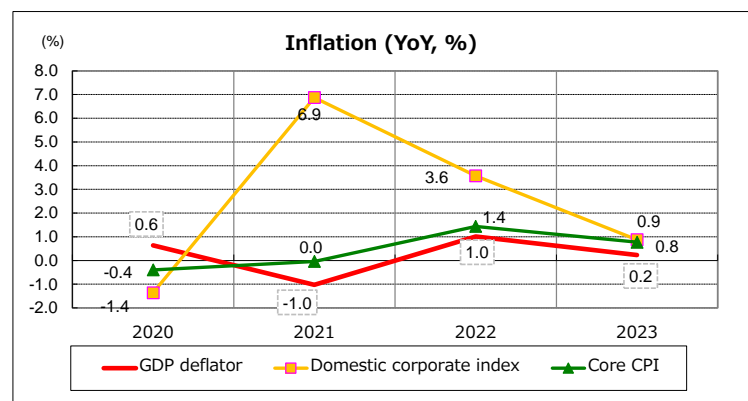
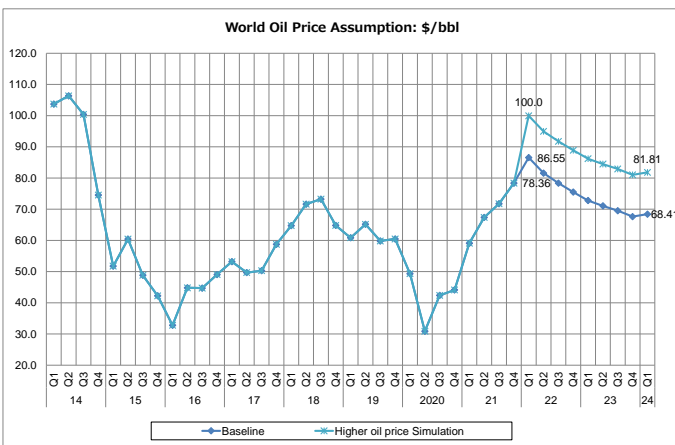
Forecasts at a glance



Note: Actual figures through Q4 2021, forecast figures thereafter.



Note: Actual figures until FY2020, forecast figures thereafter.



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)	538.0	534.3	541.4	540.8	547.7	547.9	552.3	556.0	558.5	559.5	560.7	561.9	525.8	538.6	551.0	560.1
	0.6	-0.7	1.3	-0.1	1.3	0.0	0.8	0.7	0.5	0.2	0.2	0.2	-4.5	2.4	2.3	1.7
	7.3	1.2	0.7	1.1	1.8	2.5	2.0	2.8	2.0	2.1	1.5	1.1				
Nominal GDP (JPY trillion)	544.8	539.1	541.8	546.2	556.8	557.4	561.9	568.1	569.9	572.4	570.9	573.6	535.5	543.0	561.1	571.7
	0.2	-1.0	0.5	0.8	1.9	0.1	0.8	1.1	0.3	0.4	-0.3	0.5	-3.9	1.4	3.3	1.9
	6.3	0.0	-0.7	0.5	2.2	3.4	3.7	4.0	2.4	2.7	1.6	1.0				
GDP deflator (2011=100)	101.3	100.9	100.1	101.0	101.7	101.7	101.7	102.2	102.0	102.3	101.8	102.1	101.9	100.8	101.8	102.1
	-0.4	-0.4	-0.8	0.9	0.6	0.1	0.0	0.4	-0.1	0.3	-0.5	0.2	0.6	-1.0	1.0	0.2
	-1.0	-1.2	-1.4	-0.6	0.4	0.8	1.7	1.2	0.4	0.6	0.1	-0.1				
Index of industrial production (2015=100)	97.7	94.1	95.0	96.0	97.4	98.1	98.9	99.7	100.2	100.7	101.2	101.9	90.4	95.7	98.5	101.0
	1.2	-3.7	1.0	1.0	1.5	0.7	0.9	0.8	0.5	0.5	0.6	0.7	-9.5	5.9	3.0	2.5
	19.9	5.9	1.2	-0.6	-0.3	4.3	4.1	3.9	2.9	2.6	2.3	2.2				
New housing starts (thousands)	216	217	214	210	214	214	216	217	217	216	215	215	812	857	860	863
	3.6	0.2	-1.3	-1.6	1.7	-0.1	1.1	0.3	0.1	-0.4	-0.5	0.0	-8.1	5.5	0.4	0.3
	8.2	7.4	6.3	0.7	-1.1	-1.3	1.1	3.1	1.5	1.1	-0.4	-0.8				
Domestic corporate goods price index (2015=100)	104.0	106.3	108.7	109.6	110.3	111.0	111.1	111.4	111.9	112.1	111.7	112.0	100.2	107.1	110.9	111.9
	2.5	2.2	2.3	0.9	0.6	0.6	0.0	0.4	0.4	0.2	-0.4	0.3	-1.4	6.9	3.6	0.9
	4.6	6.1	8.8	8.0	6.1	4.5	2.2	1.7	1.4	1.0	0.6	0.5				
Core consumer price index (2020=100)	99.4	99.8	99.8	100.4	101.0	101.3	101.3	101.6	101.9	102.1	102.0	102.3	99.9	99.9	101.3	102.1
	-0.5	0.4	0.0	0.6	0.6	0.3	0.0	0.3	0.3	0.1	0.0	0.2	-0.4	0.0	1.4	0.8
	-0.6	0.0	0.2	0.5	1.6	1.5	1.5	1.2	0.9	0.8	0.7	0.7				
Wage earnings per worker (JPY thousand)	4081	4072	4071	4126	4139	4126	4120	4163	4178	4192	4207	4223	4028	4087	4137	4200
	0.2	-0.2	0.0	1.4	0.3	-0.3	-0.1	1.0	0.4	0.3	0.4	0.4	-0.7	1.5	1.2	1.5
	1.9	1.3	1.4	1.3	1.4	1.3	1.2	0.9	0.9	1.6	2.1	1.4				
Unemployment rate (%)	2.9	2.8	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.6	2.6	2.6	2.9	2.8	2.7	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	0.073	0.139	0.197	0.134	0.142	0.160	0.197	0.196	0.210	0.221	0.041	0.081	0.158	0.206
Current account balance (JPY trillion)	4.7	2.8	3.2	3.7	4.2	3.5	3.5	3.6	3.7	3.4	3.4	3.6	16.3	14.5	14.8	14.1
% of nominal GDP	3.5	2.1	2.3	2.7	3.0	2.5	2.5	2.5	2.6	2.3	2.4	2.5	3.0	2.7	2.6	2.5
Crude oil price (USD/barrel)	67.35	71.77	78.36	86.55	81.56	78.36	75.49	72.78	71.06	69.51	67.62	68.41	44.11	76.01	77.05	69.15
USD/JPY exchange rate	109.5	110.1	113.7	115.1	115.3	116.0	116.5	117.0	117.5	118.0	118.5	119.0	106.0	112.1	116.2	118.3
Government debt (JPY trillion)	1206.0	1208.0	1210.0	1217.8	1220.7	1224.5	1228.8	1233.6	1237.5	1242.2	1247.1	1251.7	1204.0	1217.8	1233.6	1237.5
	0.2	0.2	0.2	0.6	0.2	0.3	0.4	0.4	0.3	0.4	0.4	0.4	8.9	1.1	1.3	0.3
	6.7	4.6	2.6	1.1	1.2	1.4	1.6	1.3	1.4	1.4	1.5	1.5				
% of GDP	221.4	224.1	223.3	223.3	221.0	217.3	216.4	215.9	215.6	213.3	213.9	214.4	224.8	224.3	219.9	216.5
Fiscal balance (JPY trillion)	-74.5	-81.9	-75.4	-75.0	-74.7	-77.0	-76.4	-75.9	-76.0	-78.4	-78.2	-77.5	-77.1	-76.7	-76.0	-77.5

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 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	289.1	286.4	294.1	291.4	296.2	296.3	298.3	299.7	300.8	301.5	302.1	302.5	283.0	290.2	297.6	301.7
	0.7	-0.9	2.7	-0.9	1.6	0.1	0.7	0.5	0.4	0.2	0.2	0.1	-5.4	2.6	2.5	1.4
	6.9	0.5	1.6	1.5	2.4	3.5	1.4	2.8	1.6	1.7	1.3	0.9				
Private residential investment	18.9	18.6	18.4	18.3	18.3	18.5	18.4	18.6	18.6	18.7	18.7	18.6	18.8	18.6	18.4	18.7
	1.0	-1.6	-0.9	-1.0	0.5	0.6	-0.3	1.0	0.1	0.5	0.2	-0.5	-7.8	-1.4	-0.6	1.2
	-2.9	0.2	-0.7	-2.5	-3.0	-0.8	-0.2	1.8	1.4	1.3	1.8	0.3				
Private non-residential investment	86.3	84.2	84.5	85.1	85.8	86.5	87.7	88.6	89.1	89.3	89.7	90.0	83.9	85.0	87.2	89.5
	2.0	-2.4	0.4	0.7	0.8	0.9	1.4	0.9	0.6	0.2	0.5	0.4	-7.5	1.3	2.5	2.7
	3.2	1.2	0.4	0.6	-0.6	2.8	3.8	4.1	3.8	3.2	2.2	1.6				
Change in private inventories	-0.2	0.4	-0.3	0.9	1.0	-0.2	0.0	0.2	0.4	0.5	0.6	0.5	0.5	0.2	0.2	0.5
Government final consumption expenditure	115.1	116.3	115.9	116.2	116.5	116.8	117.1	117.4	117.6	117.8	118.1	118.3	113.8	115.9	116.9	117.9
	0.7	1.1	-0.3	0.2	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.2	2.5	1.9	0.9	0.9
	3.0	2.0	0.8	1.7	1.2	0.4	1.0	1.0	1.0	0.9	0.9	0.8				
Government investment expenditure	28.5	27.7	26.8	26.5	26.6	26.6	27.1	27.7	27.6	27.6	27.5	27.5	29.5	27.4	27.0	27.6
	-3.3	-3.0	-3.3	-1.1	0.5	0.0	2.0	2.0	-0.2	-0.2	-0.2	-0.2	5.2	-7.3	-1.3	2.0
	-2.0	-5.9	-10.8	-10.3	-6.7	-3.8	1.4	4.6	3.8	3.6	1.4	-0.8				
Change in government inventories	-0.02	-0.06	0.00	0.07	0.05	0.05	0.04	0.05	0.05	0.05	0.05	0.05	-0.03	(0.00)	0.05	0.05
Exports of goods and services	103.0	102.7	103.7	105.2	106.8	107.7	108.9	110.2	111.4	111.6	112.4	113.4	91.9	103.7	108.4	112.2
	3.1	-0.3	1.0	1.5	1.5	0.8	1.2	1.1	1.1	0.2	0.6	0.9	-10.5	12.8	4.5	3.5
	26.8	16.3	6.1	5.3	3.6	4.8	5.0	4.7	4.3	3.7	3.2	2.9				
Imports of goods and services	102.7	101.7	101.4	102.4	103.0	103.9	104.9	105.9	106.6	107.2	107.9	108.5	96.0	102.0	104.4	107.6
	3.8	-0.9	-0.3	1.0	0.6	0.8	1.0	1.0	0.6	0.6	0.6	0.6	-6.7	6.3	2.3	3.0
	4.8	11.7	5.5	3.5	0.4	2.1	3.4	3.4	3.5	3.2	2.9	2.4				
GDP	538.0	534.3	541.4	540.8	547.7	547.9	552.3	556.0	558.5	559.5	560.7	561.9	525.8	538.6	551.0	560.1
	2.4	-2.7	5.4	-0.4	5.2	0.1	3.2	2.7	1.8	0.7	0.9	0.9	-4.5	2.4	2.3	1.7
	0.6	-0.7	1.3	-0.1	1.3	0.0	0.8	0.7	0.5	0.2	0.2	0.2				
	7.3	1.2	0.7	1.1	1.8	2.5	2.0	2.8	2.0	2.1	1.5	1.1				
Contribution of domestic demand	0.7	-0.8	1.1	-0.2	1.1	0.0	0.8	0.6	0.3	0.2	0.2	0.1	-3.8	1.4	1.9	1.5
of which, private demand	0.7	-0.9	1.3	-0.2	1.0	0.0	0.6	0.5	0.3	0.2	0.2	0.1	-4.6	1.4	1.7	1.3
of which, public demand	0.0	0.1	-0.2	0.0	0.1	0.1	0.1	0.2	0.0	0.0	0.0	0.0	0.8	0.0	0.1	0.3
Contribution of net exports	-0.1	0.1	0.2	0.1	0.2	0.0	0.0	0.0	0.1	-0.1	0.0	0.1	-0.6	1.1	0.4	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			
	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	2020	2021	2022	2023
Private final consumption expenditure	292.0	289.6	295.9	296.0	302.1	303.5	306.2	310.1	310.9	311.6	311.2	313.8	287.0	293.4	305.5	311.9
	0.3	-0.8	2.1	0.0	2.1	0.5	0.9	1.3	0.3	0.2	-0.1	0.8	-5.5	2.2	4.1	2.1
	6.1	0.1	1.4	1.6	3.5	4.8	3.5	4.8	2.9	2.7	1.6	1.2				
Private residential investment	20.6	20.9	21.1	21.3	21.4	21.5	21.6	22.0	22.0	22.1	22.1	21.9	19.8	21.0	21.6	22.0
	3.3	1.6	1.0	0.8	0.4	0.7	0.4	1.7	0.1	0.7	-0.3	-0.9	-7.3	5.7	3.1	1.9
	0.4	6.8	8.4	6.9	4.0	3.0	2.3	3.3	2.9	2.9	2.2	-0.5				
Private non-residential investment	87.9	86.3	87.2	88.5	89.7	90.8	92.0	92.9	93.4	94.0	94.5	95.0	84.5	87.5	91.3	94.2
	2.9	-1.7	1.0	1.5	1.3	1.2	1.3	0.9	0.6	0.6	0.6	0.5	-7.9	3.5	4.4	3.2
	4.6	3.1	3.1	3.6	2.1	5.1	5.5	4.9	4.2	3.5	2.7	2.3				
Change in private inventories	-0.5	-0.1	-0.6	0.4	0.4	-1.0	-0.7	-0.5	-0.3	-0.1	-0.1	-0.1	0.1	-0.2	-0.5	-0.2
Government final consumption expenditure	115.6	117.7	116.7	117.5	118.1	119.4	119.0	119.3	119.5	121.8	121.1	120.9	113.7	116.9	119.0	120.8
	1.0	1.8	-0.9	0.8	0.4	1.2	-0.3	0.2	0.2	2.0	-0.6	-0.2	1.7	2.8	1.8	1.6
	3.6	2.9	2.0	2.6	2.1	1.5	2.0	1.5	1.2	2.0	1.8	1.3				
Government investment expenditure	30.4	29.8	29.1	28.9	28.9	29.0	29.7	30.5	30.4	30.6	30.2	30.3	30.9	29.5	29.5	30.4
	-2.3	-2.0	-2.3	-0.5	0.0	0.2	2.6	2.7	-0.3	0.4	-1.1	0.3	5.5	-4.4	0.0	2.8
	0.2	-3.3	-7.2	-6.8	-4.7	-2.6	2.2	5.5	5.2	5.5	1.6	-0.7				
Change in government inventories	-0.02	-0.13	-0.01	0.03	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.02	-0.03	-0.03	0.01	0.01
Exports of goods and services	99.5	101.1	105.1	106.9	108.5	108.8	110.7	112.3	113.6	113.3	114.1	115.4	84.1	103.1	110.1	114.1
	6.3	1.6	4.0	1.7	1.5	0.2	1.8	1.4	1.1	-0.2	0.7	1.1	-12.1	22.6	6.7	3.6
	36.6	25.4	17.9	14.1	9.1	7.6	5.4	5.1	4.7	4.2	3.0	2.7				
Imports of goods and services	100.6	106.1	112.6	113.4	112.3	114.6	116.7	118.5	119.7	121.0	122.2	123.5	84.5	108.2	115.5	121.6
	9.7	5.4	6.2	0.7	-1.0	2.1	1.8	1.5	1.0	1.1	1.0	1.1	-13.4	28.0	6.8	5.3
	20.7	33.3	34.5	23.6	11.6	8.1	3.6	4.5	6.6	5.5	4.8	4.3				
GDP	544.8	539.1	541.8	546.2	556.8	557.4	561.9	568.1	569.9	572.4	570.9	573.6	535.5	543.0	561.1	571.7
	0.9	-4.1	2.0	3.3	7.9	0.4	3.3	4.5	1.2	1.8	-1.0	1.9	-3.9	1.4	3.3	1.9
	0.2	-1.0	0.5	0.8	1.9	0.1	0.8	1.1	0.3	0.4	-0.3	0.5				
	6.3	0.0	-0.7	0.5	2.2	3.4	3.7	4.0	2.4	2.7	1.6	1.0				
Contribution of domestic demand	0.8	-0.3	1.0	0.6	1.4	0.5	0.8	1.1	0.3	0.7	-0.2	0.5	-4.2	2.3	3.4	2.3
of which, private demand	0.7	-0.6	1.3	0.5	1.3	0.2	0.8	1.0	0.3	0.3	0.0	0.5	-4.8	1.9	3.0	1.8
of which, public demand	0.1	0.3	-0.3	0.1	0.1	0.3	0.1	0.2	0.0	0.4	-0.2	0.0	0.6	0.3	0.4	0.5
Contribution of net exports	-0.6	-0.7	-0.5	0.2	0.5	-0.4	0.0	0.0	0.0	-0.3	-0.1	0.0	0.3	-0.9	-0.1	-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 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	101.0	101.1	100.6	101.6	102.0	102.4	102.7	103.5	103.4	103.4	103.0	103.8	101.4	101.1	102.6	103.4
	-0.4	0.1	-0.5	1.0	0.4	0.4	0.2	0.8	-0.1	0.0	-0.3	0.7	0.0	-0.3	1.5	0.7
Private residential investment	108.6	112.2	114.5	116.6	116.5	116.6	117.4	118.2	118.2	118.4	117.9	117.3	105.4	113.0	117.2	118.0
	2.2	3.3	2.0	1.8	-0.1	0.1	0.7	0.7	0.0	0.2	-0.5	-0.4	0.5	7.2	3.7	0.7
Private non-residential investment	101.8	102.5	103.2	104.0	104.6	104.9	104.9	104.8	104.9	105.3	105.4	105.5	100.7	102.9	104.8	105.3
	0.8	0.7	0.6	0.8	0.5	0.3	-0.1	0.0	0.0	0.4	0.1	0.1	-0.5	2.2	1.9	0.5
Government final consumption expenditure	100.5	101.2	100.6	101.2	101.4	102.3	101.7	101.6	101.6	103.4	102.6	102.2	99.9	100.9	101.7	102.4
	0.3	0.7	-0.6	0.5	0.2	0.9	-0.6	0.0	0.0	1.7	-0.8	-0.4	-0.8	0.9	0.9	0.7
Government investment expenditure	106.4	107.5	108.7	109.3	108.7	108.9	109.5	110.3	110.2	110.8	109.8	110.3	104.7	108.0	109.4	110.3
	1.1	1.1	1.0	0.6	-0.5	0.1	0.6	0.7	-0.1	0.6	-0.9	0.5	0.3	3.1	1.3	0.8
Exports of goods and services	96.6	98.4	101.3	101.6	101.6	101.0	101.7	102.0	102.0	101.5	101.5	101.7	91.5	99.5	101.6	101.7
	3.1	1.9	3.0	0.3	0.0	-0.6	0.7	0.3	0.0	-0.4	0.0	0.2	-1.8	8.7	2.1	0.1
Imports of goods and services	98.0	104.3	111.1	110.7	109.0	110.4	111.2	111.8	112.3	112.8	113.3	113.8	88.1	106.0	110.6	113.1
	5.7	6.4	6.5	-0.3	-1.6	1.3	0.8	0.5	0.4	0.5	0.4	0.5	-7.2	20.3	4.3	2.2
GDP	101.3	100.9	100.1	101.0	101.7	101.7	101.7	102.2	102.0	102.3	101.8	102.1	101.9	100.8	101.8	102.1
	-0.4	-0.4	-0.8	0.9	0.6	0.1	0.0	0.4	-0.1	0.3	-0.5	0.2	0.6	-1.0	1.0	0.2
	-1.0	-1.2	-1.4	-0.6	0.4	0.8	1.7	1.2	0.4	0.6	0.1	-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 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	96.0	97.4	98.1	98.9	99.7	100.2	100.7	101.2	90.4	95.7	98.5	101.0
	1.2	-3.7	1.0	1.0	1.5	0.7	0.9	0.8	0.5	0.5	0.6	-9.5	5.9	3.0	2.5
	19.9	5.9	1.2	-0.6	-0.3	4.3	4.1	3.9	2.9	2.6	2.3				
Labor force (ten thousand persons)	6863	6867	6823	6865	6867	6868	6869	6870	6871	6872	6872	6863	6854	6869	6872
	-0.3	0.1	-0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.5	-0.1	0.2	0.0
	0.5	0.1	-0.8	-0.3	0.1	0.0	0.7	0.1	0.1	0.1	0.0				
Engaged labor force (ten thousand persons)	6664	6674	6637	6679	6681	6683	6683	6684	6692	6694	6694	6663	6664	6683	6694
	-0.5	0.2	-0.6	0.6	0.0	0.0	0.0	0.0	0.1	0.0	0.0	-1.1	0.0	0.3	0.2
	0.4	0.3	-0.5	-0.2	0.3	0.1	0.7	0.1	0.2	0.2	0.2				
Employed (ten thousand persons)	5970	5971	5953	5991	5993	5994	5994	5995	6003	6004	6004	5961	5971	5994	6004
	-0.5	0.0	-0.3	0.6	0.0	0.0	0.0	0.0	0.1	0.0	0.0	-1.0	0.2	0.4	0.2
	0.6	0.5	-0.4	-0.1	0.4	0.4	0.7	0.1	0.2	0.2	0.2				
Unemployment rate (%)	2.9	2.8	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.6	2.6	2.9	2.8	2.7	2.6
	104.0	106.3	108.7	109.6	110.3	111.0	111.1	111.4	111.9	112.1	111.7	100.2	107.1	110.9	111.9
	2.5	2.2	2.3	0.9	0.6	0.6	0.0	0.4	0.4	0.2	-0.4	-1.4	6.9	3.6	0.9
Domestic corporate goods price index (2015=100)	4.6	6.1	8.8	8.0	6.1	4.5	2.2	1.7	1.4	1.0	0.6				
	99.4	99.8	99.8	100.4	101.0	101.3	101.3	101.6	101.9	102.1	102.0	99.9	99.9	101.3	102.1
	-0.5	0.4	0.0	0.6	0.6	0.3	0.0	0.3	0.3	0.1	0.0	-0.4	0.0	1.4	0.8
Core consumer price index (2020=100)	-0.6	0.0	0.2	0.5	1.6	1.5	1.5	1.2	0.9	0.8	0.7				

Notes: In the quarterly statistics, the figures in the first and second rows below the main series represent QoQ changes (%) and YoY changes (%) respectively. In the annual statistics, the figures under the main series represent YoY changes (%). Highlighted columns represent actual values. 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	0.073	0.139	0.197	0.134	0.142	0.160	0.197	0.196	0.210	0.221	0.041	0.081	0.158	0.206
Money stock (M2+CD, JPY trillion)	1161.0	1165.0	1175.2	1191.6	1201.5	1210.0	1220.4	1228.6	1239.1	1249.2	1255.0	1260.7	1149.4	1191.6	1228.6	1260.7
	1.0	0.3	0.9	1.4	0.8	0.7	0.9	0.7	0.9	0.8	0.5	0.5	9.6	3.7	3.1	2.6
	7.7	4.7	4.0	3.7	3.5	3.9	3.9	3.1	3.1	3.2	2.8	2.6				
Nikkei stock average (JPY) 2005=100	28,962	28,568	28,824	27,694	28,270	28,847	29,423	30,000	30,250	30,500	30,750	31,000	24,462	28,512	29,135	30,625
	233.0	229.8	231.9	222.8	227.4	232.0	236.7	241.3	243.3	245.3	247.4	249.4	196.8	229.4	234.4	246.3
	-0.1	-1.4	0.9	-3.9	2.1	2.0	2.0	2.0	0.8	0.8	0.8	0.8	11.6	16.6	2.2	5.1
USD/JPY exchange rate	39.6	24.7	14.4	-4.5	-2.4	1.0	2.1	8.3	7.0	5.7	4.5	3.3				
	109.5	110.1	113.7	115.1	115.3	116.0	116.5	117.0	117.5	118.0	118.5	119.0	106.0	112.1	116.2	118.3
	3.4	0.6	3.3	1.2	0.2	0.6	0.4	0.4	0.4	0.4	0.4	0.4	-2.4	5.7	3.7	1.8
	1.7	3.7	8.8	8.7	5.3	5.4	2.5	1.7	1.9	1.7	1.7	1.7				

Notes: In the quarterly statistics, the figures in the first and second rows below the main series represent QoQ changes (%) and YoY changes (%) respectively. In the annual statistics, the figures under the main series represent YoY changes (%). Highlighted columns represent actual values.

Table 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)	85.8	85.2	86.6	87.8	89.6	90.1	90.8	91.6	92.3	92.1	92.4	93.0	75.5	86.3	90.5	92.5
(SNA basis)	3.1	-0.6	1.6	1.5	2.1	0.5	0.8	0.8	0.8	-0.2	0.3	0.7	-6.8	14.3	4.9	2.1
	32.8	17.2	6.3	5.6	4.5	5.7	4.9	4.3	3.0	2.2	1.7	1.6				
Goods imports (real)	80.4	79.8	80.0	80.4	80.9	81.5	82.3	83.2	83.7	84.0	84.5	84.8	75.2	80.1	82.0	84.2
(SNA basis)	2.9	-0.8	0.3	0.6	0.5	0.8	1.0	1.0	0.6	0.5	0.5	0.4	-5.2	6.6	2.3	2.8
	4.9	13.0	5.8	3.0	0.6	2.2	2.9	3.4	3.4	3.1	2.6	2.0				
Services exports (real)	17.5	17.7	17.4	17.4	17.2	17.6	18.1	18.6	19.1	19.5	20.0	20.4	16.5	17.5	17.9	19.7
(SNA basis)	3.2	1.4	-1.8	0.0	-1.5	2.4	3.0	2.8	2.6	2.3	2.2	2.0	-23.5	6.1	1.9	10.6
	4.8	12.2	5.3	2.7	-1.9	-1.0	3.9	6.8	11.3	11.2	10.3	9.5				
Services imports (real)	22.4	22.0	21.6	22.0	22.2	22.3	22.5	22.8	22.9	23.2	23.4	23.7	20.9	22.0	22.4	23.3
(SNA basis)	6.6	-1.5	-2.1	1.8	0.9	0.8	0.9	1.0	0.8	1.0	1.2	1.2	-11.5	5.4	2.1	3.9
	4.6	7.6	4.9	4.6	-1.0	1.3	4.4	3.6	3.5	3.7	4.0	4.3				
Goods exports (nominal)	82.0	82.9	86.9	89.2	91.0	91.6	92.9	94.0	94.7	94.8	95.0	95.9	68.4	85.3	92.4	95.1
(SNA basis)	6.2	1.2	4.8	2.6	2.0	0.6	1.5	1.2	0.7	0.1	0.3	0.9	-8.6	24.7	8.4	2.9
	43.9	26.7	18.2	15.5	11.0	10.5	6.9	5.4	4.0	3.5	2.2	2.0				
Goods imports (nominal)	77.9	83.2	89.7	90.5	89.7	91.6	93.2	94.7	95.7	96.5	97.4	98.2	64.4	85.3	92.3	96.9
(SNA basis)	9.7	6.8	7.8	0.8	-0.9	2.1	1.8	1.6	1.0	0.9	0.9	0.9	-13.2	32.4	8.2	5.0
	23.8	38.9	40.0	27.3	15.1	10.0	3.9	4.7	6.7	5.4	4.4	3.7				
Services exports (nominal)	17.5	18.1	18.2	17.7	17.5	17.2	17.8	18.3	18.9	18.6	19.1	19.5	15.8	17.9	17.7	19.0
(SNA basis)	6.7	3.6	0.1	-2.6	-1.1	-1.9	3.8	2.9	3.2	-1.9	2.7	2.4	-24.8	13.3	-1.0	7.4
	10.2	19.9	16.5	7.7	-0.2	-5.5	-2.0	3.6	8.2	8.1	7.0	6.5				
Services imports (nominal)	22.7	22.8	22.9	22.9	22.6	23.1	23.4	23.8	24.0	24.5	24.9	25.3	20.1	22.8	23.2	24.7
(SNA basis)	9.9	0.7	0.2	0.2	-1.4	2.0	1.7	1.4	1.1	1.8	1.7	1.8	-14.1	13.6	1.7	6.3
	11.0	16.4	16.4	11.0	-0.4	0.9	2.4	3.7	6.3	6.1	6.1	6.6				
Trade balance (BOP basis)	1.0	-0.2	-0.5	-0.3	0.3	0.0	-0.1	-0.2	-0.3	-0.4	-0.6	-0.6	3.9	-0.1	0.1	-1.9
Balance on services (BOP basis)	-1.2	-1.1	-1.1	-1.4	-1.3	-1.5	-1.4	-1.4	-1.3	-1.5	-1.5	-1.5	-3.7	-4.7	-5.7	-5.8
Primary income balance (BOP basis)	5.5	4.8	5.4	5.8	5.6	5.4	5.5	5.6	5.7	5.7	5.9	6.1	18.8	21.5	22.1	23.6
Current account balance	4.7	2.8	3.2	3.7	4.2	3.5	3.5	3.6	3.7	3.4	3.4	3.6	16.3	14.5	14.8	14.1
(BOP basis)	2.0	-40.0	12.4	17.7	11.2	-15.7	0.8	2.0	3.7	-10.4	1.6	6.1	-12.7	-11.2	2.4	-4.7
	178.1	-21.9	-46.3	-19.0	-11.7	24.0	11.2	-3.6	-10.1	-4.4	-3.7	0.2				
USD/JPY exchange rate	109.5	110.1	113.7	115.1	115.3	116.0	116.5	117.0	117.5	118.0	118.5	119.0	106.0	112.1	116.2	118.3
	3.4	0.6	3.3	1.2	0.2	0.6	0.4	0.4	0.4	0.4	0.4	0.4	-2.4	5.7	3.7	1.8
	1.7	3.7	8.8	8.7	5.3	5.4	2.5	1.7	1.9	1.7	1.7	1.7				

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.