

# Japanese Economy: Analysis and Forecasts No.138

31 May, 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

#### China's zero-covid policy, high oil prices, and the weak yen pose risks to Japan's economic recovery

- Real GDP growth forecast: +1.9% in FY2022, +1.7% in FY2023 -

- ◆ According to the first advance GDP estimate released on May 18, Japan's real GDP decreased an annualized -1.0% (-0.2% QoQ) in 2022 Q1, marking the first contraction in two quarters. In FY2021, the economic growth rate was repeatedly negative and positive due to the issuance and lifting of states of emergency and measures aimed at curbing the spread of COVID-19. As a result, real GDP in FY 2021 grew by 2.1% YoY, marking the first positive growth in three years. However, compared to the decline in FY 2020 (-4.5% YoY), the recovery was weak.
- ◆ Private final consumption expenditure, especially service expenditures, performed weakly in Q1, as activities were suppressed by measures aimed at curbing the spread of COVID-19. In terms of contributions to real GDP growth in Q1, domestic demand added +0.2%pt QoQ, making a positive contribution for the second consecutive quarter, albeit smaller than the previous quarter. Net exports made a negative contribution for the first time in three quarters, suppressing growth by -0.4%pt QoQ. Due to the deteriorating terms of trade, Gross Domestic Income (GDI) growth was -0.7% QoQ, remaining lower than real GDP growth for the fifth quarter in a row.
- ◆ We revised our outlook for the Japanese economy for FY 2022-2023, reflecting the first advance estimate of 2022 Q1 GDP, as well as some new assumptions about exogenous variables. We now forecast real GDP growth of +1.9% in FY 2022 and +1.7% in FY 2023. Compared to our previous forecast, the figure for FY 2022 was revised down by -0.4%pt, while the FY2023 figure remained unchanged. Our latest forecast reflects higher crude oil prices, stagnation in world trade, and the yen's depreciation. These trends are all related to the slowdown in the world economy and the rise in inflation caused by Russia's invasion of Ukraine, the shift to a tighter monetary policy. As a result, we made a downward revision in our forecast for FY 2022.
- ◆ On a quarterly basis, real GDP growth in Q1 was negative for the first time in two quarters, and recovery from the pandemic has been slow. Although the number of COVID-19 infections remains high relative to historical peaks, human flows have increased significantly. As a result, relatively high growth is expected in Q2 due to increased consumption of services. As the pace of growth will continue to exceed the potential growth rate in Q3 and beyond, real GDP will exceed its pre-pandemic level (2019 Q4) in 2022 Q2, and it is expected exceed its pre-pandemic peak (2019 Q2) in 2023 Q4. Due to the slow pace of recovery, milestone of pre-pandemic level is now expected to happen two quarters later than we had previously estimated.
- ◆ The CPI will expand by around 2% in FY 2022 due to soaring energy prices and the fading effect of telecommunication rate reductions. In FY 2023, the basic trend of the CPI will be subdued as energy prices decline and service prices exert downward pressure. As a result, we project the CPI inflation rate to be +1.8% in FY 2022 and +0.8% in FY 2023.
- ◆ Against our baseline forecast, we simulated an acceleration in the depreciation of the yen. The simulations show that a weaker yen will generally have a positive effect on the Japanese economy. However, in the case where the yen depreciation is accompanied by a rise in resource prices (crude oil prices), the impact on real GDP will be negative.

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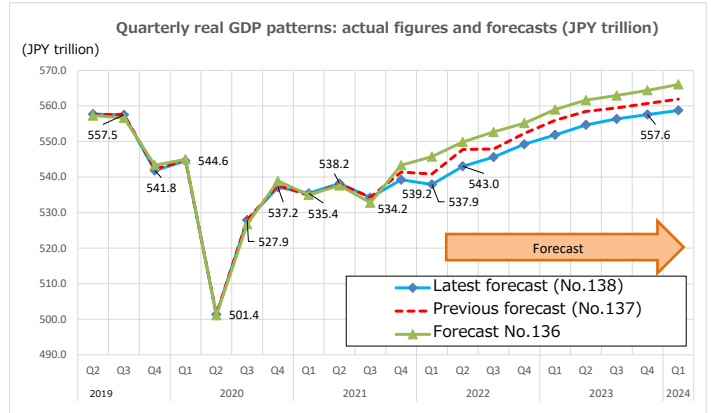
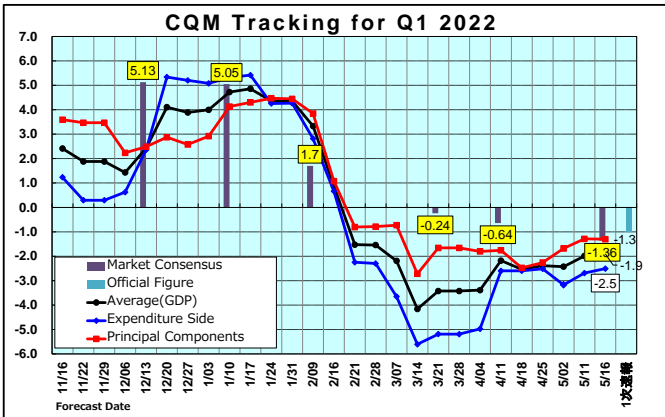
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## Forecast Summary

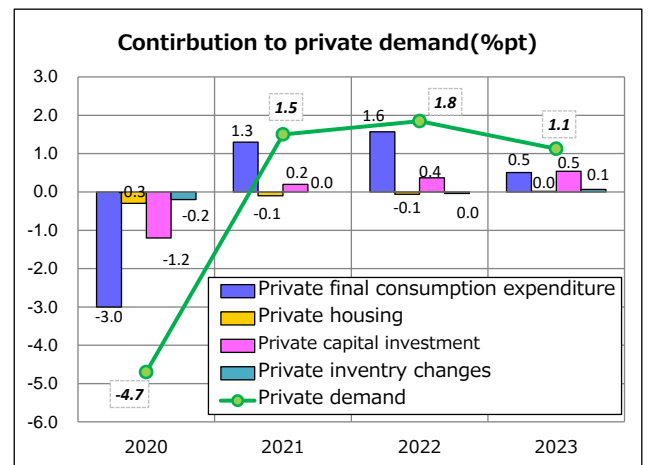
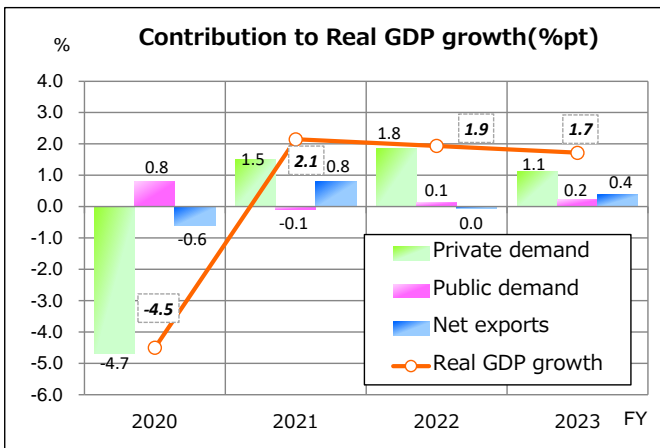
	Current forecast (2022/5/31)				Previous forecast (2021/3/1)			
	2020	2021	2022	2023	2020	2021	2022	2023
Real GDP (%)	▲ 4.5	2.1	1.9	1.7	▲ 4.5	2.4	2.3	1.7
Private demand (contribution)	▲ 4.7	1.5	1.8	1.1	▲ 4.6	1.4	1.7	1.3
Private final consumption expenditure (%)	▲ 5.4	2.6	2.9	0.9	▲ 5.4	2.6	2.5	1.4
Private residential investment (%)	▲ 7.8	▲ 1.6	▲ 1.8	0.5	▲ 7.8	▲ 1.4	▲ 0.6	1.2
Private non-residential investment (%)	▲ 7.5	1.3	2.3	3.4	▲ 7.5	1.3	2.5	2.7
Private inventory changes (contribution)	▲ 0.2	0.0	▲ 0.0	0.1	▲ 0.2	▲ 0.0	0.0	0.1
Public demand (contribution)	0.8	▲ 0.1	0.1	0.2	0.8	▲ 0.0	0.1	0.3
Government final consumption expenditure (%)	2.5	2.0	1.0	0.6	2.5	1.9	0.9	0.9
Public investment expenditure (%)	5.1	▲ 9.3	▲ 1.8	1.7	5.2	▲ 7.3	▲ 1.3	2.0
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	0.8	▲ 0.0	0.4	▲ 0.6	1.1	0.4	0.1
Exports of goods and services (%)	▲ 10.2	12.5	1.9	4.1	▲ 10.5	12.8	4.5	3.5
Imports of goods and services (%)	▲ 6.5	7.2	2.1	2.2	▲ 6.7	6.3	2.3	3.0
Nominal GDP (%)	▲ 3.9	1.1	1.6	2.5	▲ 3.9	1.4	3.3	1.9
GDP deflator (%)	0.6	▲ 1.0	▲ 0.3	0.7	0.6	▲ 1.0	1.0	0.2
Domestic corporate price index (%)	▲ 1.4	7.3	7.0	1.2	▲ 1.4	6.9	3.6	0.9
Core consumer price index (%)	▲ 0.4	0.0	1.8	0.8	▲ 0.4	▲ 0.0	1.4	0.8
Industrial production index (%)	▲ 9.6	5.8	1.9	2.1	▲ 9.5	5.9	3.0	2.5
New housing starts (%)	▲ 8.1	6.6	0.3	0.2	▲ 8.1	5.5	0.4	0.3
Unemployment rate (%)	2.9	2.8	2.6	2.6	2.9	2.8	2.7	2.6
Current account balance (JPY trillion)	16.3	12.6	3.6	5.9	16.3	14.5	14.8	14.1
% of nominal GDP	3.0	2.3	0.7	1.0	3.0	2.7	2.6	2.5
Crude oil price (USD/barrel)	44.1	78.3	101.1	88.2	44.1	76.0	77.0	69.1
USD/JPY exchange rate	106.0	112.4	129.8	128.3	106.0	112.1	116.2	118.3
USA real GDP (% , calendar year)	▲ 3.4	5.7	2.5	2.5	▲ 3.4	5.7	3.7	2.7

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.

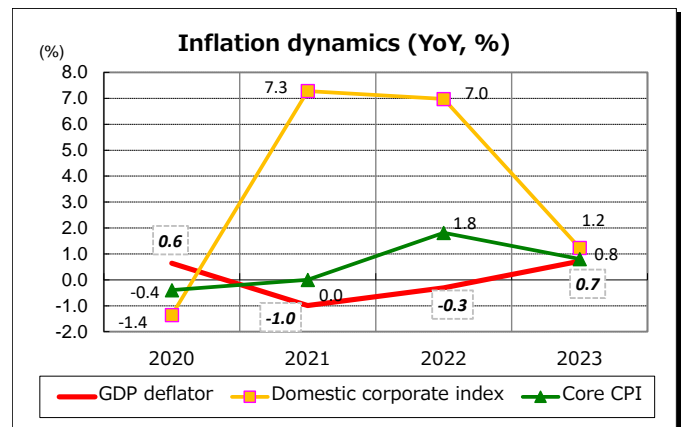
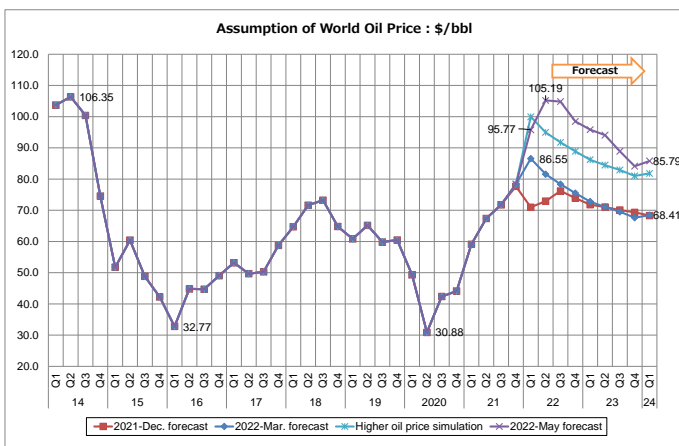
## Forecasts at a glance



Note: Actual figures through Q1 2022, forecast figures thereafter.



Note: Actual figures until FY2021, 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)	538.2	534.2	539.2	537.9	543.0	545.6	549.2	551.8	554.7	556.3	557.6	558.7	525.7	537.0	547.4	556.8
	0.5	-0.7	0.9	-0.2	0.9	0.5	0.7	0.5	0.5	0.3	0.2	0.2	-4.5	2.1	1.9	1.7
	7.4	1.2	0.4	0.5	0.9	2.1	1.9	2.6	2.1	2.0	1.5	1.3				
Nominal GDP (JPY trillion)	544.9	539.4	541.0	541.5	548.3	550.9	548.0	554.5	561.5	564.8	562.7	566.8	535.5	541.6	550.4	563.9
	0.3	-1.0	0.3	0.1	1.3	0.5	-0.5	1.2	1.3	0.6	-0.4	0.7	-3.9	1.1	1.6	2.5
	6.3	0.1	-1.0	-0.3	0.6	2.1	1.3	2.4	2.4	2.5	2.7	2.2				
GDP deflator (2011=100)	101.2	101.0	100.3	100.7	101.0	101.0	99.8	100.5	101.2	101.5	100.9	101.4	101.9	100.9	100.5	101.3
	-0.2	-0.3	-0.6	0.4	0.3	0.0	-1.2	0.7	0.7	0.3	-0.6	0.5	0.6	-1.0	-0.3	0.7
	-0.9	-1.1	-1.4	-0.7	-0.3	0.0	-0.5	-0.2	0.3	0.5	1.1	0.9				
Index of industrial production (2015=100)	96.5	94.7	94.9	95.7	96.1	96.9	97.8	98.5	98.7	99.1	99.6	99.9	90.3	95.5	97.3	99.3
	0.3	-1.9	0.2	0.8	0.5	0.8	0.9	0.7	0.2	0.4	0.5	0.3	-9.6	5.8	1.9	2.1
	18.4	6.6	1.1	-0.6	-0.4	2.3	3.0	2.9	2.7	2.3	1.9	1.4				
New housing starts (thousands)	216	217	214	218	220	217	216	216	218	218	218	218	812	866	869	871
	3.6	0.2	-1.3	2.1	1.0	-1.5	-0.7	-0.1	1.0	-0.1	0.0	0.1	-8.1	6.6	0.3	0.2
	8.2	7.4	6.3	4.5	2.0	0.2	0.9	-1.2	-1.2	0.2	0.9	1.0				
Domestic corporate goods price index (2015=100)	104.0	106.3	108.7	111.2	114.2	114.9	115.4	115.6	116.1	116.8	116.3	116.6	100.2	107.5	115.0	116.5
	2.5	2.2	2.3	2.2	2.7	0.6	0.4	0.2	0.4	0.6	-0.4	0.2	-1.4	7.3	7.0	1.2
	4.6	6.1	8.8	9.6	9.8	8.1	6.1	4.0	1.7	1.6	0.8	0.8				
Core consumer price index (2020=100)	99.4	99.8	99.8	99.8	101.4	101.8	101.9	101.7	102.6	102.7	102.6	102.2	99.9	99.9	101.7	102.5
	-0.5	0.4	0.0	0.0	1.6	0.4	0.1	-0.2	0.9	0.1	-0.1	-0.4	-0.4	0.0	1.8	0.8
	-0.6	0.0	0.2	-0.1	2.0	2.0	2.1	1.9	1.2	0.9	0.7	0.4				
Wage earnings per worker (JPY thousand)	4053	4051	4059	4082	4089	4100	4111	4127	4145	4162	4182	4206	4004	4022	4107	4174
	0.0	0.0	0.2	0.6	0.2	0.3	0.3	0.4	0.4	0.4	0.5	0.6	-0.8	0.4	2.1	1.6
	1.8	1.3	1.9	0.7	0.9	1.2	1.3	1.1	1.4	1.5	1.7	1.9				
Unemployment rate (%)	2.9	2.8	2.7	2.7	2.7	2.6	2.6	2.6	2.6	2.6	2.5	2.5	2.9	2.8	2.6	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	0.057	0.073	0.187	0.223	0.215	0.228	0.234	0.247	0.258	0.262	0.285	0.041	0.092	0.225	0.263
Current account balance (JPY trillion)	4.5	3.0	2.8	2.3	1.5	1.2	0.2	0.7	1.4	1.5	1.3	1.6	16.3	12.6	3.6	5.9
% of nominal GDP	3.3	2.2	2.1	1.7	1.1	0.9	0.2	0.5	1.0	1.1	1.0	1.2	3.0	2.3	0.7	1.0
Crude oil price (USD/barrel)	67.35	71.77	78.36	95.77	105.19	104.83	98.45	95.82	94.08	88.89	84.12	85.79	44.11	78.31	101.07	88.22
USD/JPY exchange rate	109.5	110.1	113.7	116.2	127.8	130.2	131.0	130.0	129.0	128.0	128.0	128.0	106.0	112.4	129.8	128.3
Government debt (JPY trillion)	1206.0	1208.0	1210.0	1212.0	1213.9	1215.8	1218.3	1220.5	1222.4	1224.2	1226.2	1228.0	1204.0	1206.0	1220.5	1222.4
	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.1	8.9	0.2	1.2	0.2
	6.7	4.6	2.6	0.7	0.7	0.6	0.7	0.7	0.7	0.7	0.6	0.6				
% of GDP	221.3	224.0	223.7	223.8	222.2	219.9	217.9	216.2	214.7	213.4	212.6	212.0	224.8	222.7	221.7	216.8
Fiscal balance (JPY trillion)	-74.6	-81.9	-78.1	-76.8	-77.3	-78.6	-79.9	-78.6	-77.5	-77.4	-78.0	-77.2	-77.1	-77.9	-78.6	-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 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	289.0	286.0	293.1	293.0	297.1	298.1	299.5	300.0	300.6	301.2	301.8	302.3	283.0	290.2	298.7	301.5
	0.7	-1.0	2.5	0.0	1.4	0.4	0.5	0.2	0.2	0.2	0.2	0.2	-5.4	2.6	2.9	0.9
	6.8	0.4	1.3	2.1	2.8	4.2	2.2	2.4	1.2	1.0	0.7	0.8				
Private residential investment	18.9	18.6	18.4	18.2	18.1	18.2	18.2	18.2	18.3	18.3	18.3	18.3	18.8	18.5	18.2	18.3
	1.0	-1.7	-1.2	-1.1	-0.4	0.3	0.2	0.1	0.2	-0.1	0.1	0.1	-7.8	-1.6	-1.8	0.5
	-3.0	0.2	-0.9	-2.9	-4.2	-2.3	-1.0	0.3	0.8	0.5	0.3	0.3				
Private non-residential investment	86.3	84.2	84.5	85.0	85.6	86.4	87.4	88.5	89.4	89.9	90.1	90.4	83.9	85.0	87.0	89.9
	2.2	-2.4	0.4	0.5	0.8	0.9	1.1	1.4	0.9	0.5	0.3	0.3	-7.5	1.3	2.3	3.4
	3.3	1.3	0.2	0.6	-0.7	2.5	3.3	4.2	4.4	4.0	3.1	2.1				
Change in private inventories	0.0	0.8	-0.2	0.9	0.7	0.0	-0.1	0.1	0.4	0.5	0.6	0.7	0.5	0.4	0.2	0.6
Government final consumption expenditure	115.1	116.4	116.0	116.7	116.9	117.1	117.3	117.6	117.7	117.9	118.1	118.3	113.8	116.1	117.2	118.0
	0.8	1.1	-0.3	0.6	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.2	2.5	2.0	1.0	0.6
	3.0	2.0	0.9	2.2	1.6	0.7	1.1	0.7	0.7	0.7	0.6	0.6				
Government investment expenditure	28.7	27.6	26.3	25.3	25.7	26.1	26.5	26.9	26.8	26.8	26.7	26.7	29.5	26.8	26.3	26.8
	-3.7	-3.8	-4.7	-3.6	1.5	1.5	1.5	1.5	-0.2	-0.2	-0.2	-0.2	5.1	-9.3	-1.8	1.7
	-1.8	-5.9	-11.8	-14.9	-10.3	-5.3	0.8	6.1	4.4	2.6	0.9	-0.8				
Change in government inventories	-0.01	-0.07	-0.02	-0.04	-0.03	0.01	0.01	-0.01	0.00	0.00	0.00	0.00	-0.03	-0.03	0.00	0.00
Exports of goods and services	103.2	102.9	103.9	105.0	104.0	105.2	106.4	107.0	108.5	109.5	110.5	111.4	92.2	103.7	105.6	110.0
	2.8	-0.3	0.9	1.1	-1.0	1.1	1.1	0.5	1.5	0.9	0.9	0.8	-10.2	12.5	1.9	4.1
	27.1	15.8	6.1	4.6	0.8	2.2	2.4	1.8	4.3	4.1	3.9	4.2				
Imports of goods and services	102.8	101.9	102.3	105.7	104.7	105.0	105.6	106.1	106.6	107.3	108.0	108.8	96.2	103.2	105.3	107.7
	4.3	-0.8	0.3	3.4	-1.0	0.3	0.5	0.5	0.5	0.6	0.7	0.7	-6.5	7.2	2.1	2.2
	4.8	11.4	5.6	7.3	1.9	3.0	3.2	0.3	1.8	2.1	2.3	2.6				
GDP	538.2	534.2	539.2	537.9	543.0	545.6	549.2	551.8	554.7	556.3	557.6	558.7	525.7	537.0	547.4	556.8
	2.1	-2.9	3.8	-1.0	3.8	1.9	2.7	1.9	2.1	1.2	0.9	0.8	-4.5	2.1	1.9	1.7
	0.5	-0.7	0.9	-0.2	0.9	0.5	0.7	0.5	0.5	0.3	0.2	0.2				
	7.4	1.2	0.4	0.5	0.9	2.1	1.9	2.6	2.1	2.0	1.5	1.3				
Contribution of domestic demand	0.8	-0.8	0.8	0.2	0.9	0.3	0.5	0.5	0.3	0.2	0.2	0.2	-3.9	1.4	2.0	1.3
of which, private demand	0.8	-0.9	1.1	0.2	0.8	0.2	0.4	0.4	0.3	0.2	0.2	0.2	-4.7	1.5	1.8	1.1
of which, public demand	0.0	0.0	-0.3	-0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.8	-0.1	0.1	0.2
Contribution of net exports	-0.3	0.1	0.1	-0.4	0.0	0.2	0.1	0.0	0.2	0.1	0.0	0.0	-0.6	0.8	0.0	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	291.7	289.3	295.6	298.3	305.6	307.1	307.6	310.4	312.1	313.3	312.0	315.2	287.0	293.7	307.7	313.2
	0.3	-0.8	2.2	0.9	2.5	0.5	0.2	0.9	0.5	0.4	-0.4	1.0	-5.5	2.4	4.7	1.8
	6.0	-0.1	1.2	2.6	4.7	6.1	4.0	4.1	2.1	2.0	1.4	1.5				
Private residential investment	20.6	20.9	21.1	21.1	21.3	21.3	21.4	21.5	21.7	21.8	21.8	21.9	19.8	20.9	21.4	21.8
	3.2	1.6	1.0	0.2	0.6	0.4	0.1	0.8	0.7	0.4	0.4	0.4	-7.3	5.5	2.2	2.0
	0.4	6.8	8.3	6.1	3.4	2.2	1.2	1.9	1.9	1.9	2.3	1.9				
Private non-residential investment	87.8	86.4	87.4	88.4	90.2	91.7	93.3	94.1	95.9	97.3	98.0	97.8	84.5	87.6	92.3	97.2
	3.0	-1.6	1.2	1.1	2.0	1.7	1.7	0.8	1.9	1.5	0.8	-0.2	-8.0	3.7	5.5	5.3
	4.6	3.2	3.1	3.7	2.7	6.2	6.8	6.5	6.3	6.0	5.0	3.9				
Change in private inventories	-0.2	0.4	-0.6	0.6	0.8	0.2	-0.5	-0.2	0.0	0.2	0.3	0.3	0.1	0.1	0.1	0.2
Government final consumption expenditure	115.7	117.8	116.9	118.6	119.7	120.0	119.5	119.9	120.9	121.3	121.0	121.5	113.7	117.2	119.8	121.2
	1.3	1.9	-0.8	1.5	0.9	0.2	-0.4	0.3	0.8	0.4	-0.2	0.4	1.7	3.1	2.2	1.2
	3.6	2.9	2.1	3.9	3.5	1.8	2.2	1.1	1.0	1.1	1.3	1.4				
Government investment expenditure	30.5	29.6	28.6	27.8	28.3	28.6	29.1	29.7	29.6	29.6	29.5	29.6	30.9	29.0	28.9	29.6
	-2.7	-2.7	-3.6	-2.8	1.9	1.1	1.5	2.3	-0.3	0.0	-0.3	0.1	5.5	-6.2	-0.2	2.3
	0.4	-3.3	-8.1	-11.3	-7.1	-3.5	1.6	6.9	4.7	3.5	1.7	-0.6				
Change in government inventories	-0.02	-0.13	-0.01	-0.02	-0.04	0.00	0.00	-0.02	-0.02	-0.01	-0.01	-0.01	-0.03	-0.04	-0.02	-0.01
Exports of goods and services	99.6	101.3	105.5	108.1	105.7	107.0	108.6	110.3	110.9	112.0	113.2	114.9	84.4	103.6	107.9	112.8
	6.0	1.7	4.2	2.4	-2.2	1.2	1.5	1.6	0.5	1.0	1.1	1.5	-11.8	22.8	4.1	4.5
	36.7	24.9	18.1	15.1	6.1	5.6	2.9	2.1	5.0	4.7	4.3	4.1				
Imports of goods and services	100.7	106.2	113.6	121.3	123.3	125.0	131.0	131.2	129.6	130.7	133.2	134.5	84.8	110.5	127.6	132.0
	9.8	5.4	7.0	6.8	1.6	1.4	4.8	0.2	-1.2	0.8	1.9	0.9	-13.2	30.3	15.5	3.4
	20.7	33.0	34.8	32.3	22.3	17.7	15.2	8.1	5.1	4.6	1.7	2.5				
GDP	544.9	539.4	541.0	541.5	548.3	550.9	548.0	554.5	561.5	564.8	562.7	566.8	535.5	541.6	550.4	563.9
	1.3	-3.9	1.2	0.4	5.1	1.9	-2.1	4.9	5.1	2.4	-1.5	2.9	-3.9	1.1	1.6	2.5
	0.3	-1.0	0.3	0.1	1.3	0.5	-0.5	1.2	1.3	0.6	-0.4	0.7				
	6.3	0.1	-1.0	-0.3	0.6	2.1	1.3	2.4	2.4	2.5	2.7	2.2				
Contribution of domestic demand	0.9	-0.3	0.9	1.1	2.1	0.5	0.3	0.9	0.9	0.6	-0.1	0.6	-4.2	2.3	4.0	2.4
of which, private demand	0.8	-0.5	1.2	0.9	1.8	0.4	0.3	0.7	0.7	0.5	-0.1	0.6	-4.8	2.0	3.5	2.0
of which, public demand	0.1	0.2	-0.3	0.2	0.3	0.1	0.0	0.2	0.2	0.1	-0.1	0.1	0.6	0.3	0.5	0.4
Contribution of net exports	-0.6	-0.7	-0.6	-1.0	-0.8	-0.1	-0.8	0.3	0.4	0.0	-0.2	0.1	0.3	-1.2	-2.4	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 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	100.9	101.8	102.9	103.0	102.7	103.5	103.8	104.0	103.4	104.2	101.4	101.2	103.0	103.9
	-0.3	0.2	-0.3	0.9	1.0	0.1	-0.3	0.7	0.4	0.2	-0.6	0.8	0.0	-0.2	1.8	0.8
Private residential investment	108.6	112.3	114.7	116.2	117.3	117.5	117.3	118.0	118.6	119.2	119.5	119.8	105.4	113.0	117.5	119.3
	2.2	3.4	2.2	1.3	1.0	0.1	-0.1	0.6	0.5	0.5	0.3	0.2	0.5	7.2	4.0	1.5
Private non-residential investment	101.8	102.6	103.4	104.1	105.4	106.2	106.8	106.3	107.3	108.2	108.8	108.2	100.7	103.0	106.2	108.1
	0.8	0.7	0.8	0.6	1.2	0.8	0.6	-0.5	0.9	0.9	0.5	-0.5	-0.5	2.4	3.1	1.8
Government final consumption expenditure	100.5	101.3	100.8	101.6	102.4	102.4	101.8	102.0	102.7	102.9	102.5	102.7	100.0	101.0	102.2	102.7
	0.5	0.8	-0.5	0.9	0.7	0.0	-0.6	0.1	0.7	0.2	-0.4	0.2	-0.8	1.1	1.1	0.5
Government investment expenditure	106.3	107.6	108.8	109.7	110.2	109.7	109.7	110.6	110.5	110.7	110.5	110.8	104.7	108.3	110.0	110.6
	1.0	1.2	1.2	0.8	0.4	-0.4	0.0	0.8	-0.1	0.2	-0.1	0.3	0.3	3.4	1.6	0.5
Exports of goods and services	96.5	98.4	101.6	102.9	101.6	101.7	102.1	103.2	102.2	102.3	102.5	103.2	91.5	99.9	102.1	102.5
	3.2	2.0	3.3	1.2	-1.3	0.1	0.4	1.1	-0.9	0.1	0.2	0.7	-1.8	9.2	2.2	0.4
Imports of goods and services	98.0	104.2	111.1	114.8	117.7	119.0	124.1	123.7	121.6	121.8	123.3	123.6	88.1	107.1	121.1	122.6
	5.3	6.3	6.6	3.3	2.5	1.1	4.3	-0.3	-1.7	0.2	1.2	0.2	-7.2	21.5	13.1	1.2
GDP	101.2	101.0	100.3	100.7	101.0	101.0	99.8	100.5	101.2	101.5	100.9	101.4	101.9	100.9	100.5	101.3
	-0.2	-0.3	-0.6	0.4	0.3	0.0	-1.2	0.7	0.7	0.3	-0.6	0.5	0.6	-1.0	-0.3	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.

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)	96.5	94.7	94.9	95.7	96.1	96.9	97.8	98.5	98.7	99.1	99.6	90.3	95.5	97.3	99.3	
	0.3	-1.9	0.2	0.8	0.5	0.8	0.9	0.7	0.2	0.4	0.5	-9.6	5.8	1.9	2.1	
	18.4	6.6	1.1	-0.6	-0.4	2.3	3.0	2.9	2.7	2.3	1.9					
Labor force (ten thousand persons)	6913	6911	6878	6886	6889	6891	6893	6894	6896	6897	6898	6901	6897	6892	6897	
	-0.2	0.0	-0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.1	-0.1	0.1	
	0.8	0.3	-0.8	-0.6	-0.3	-0.3	0.2	0.1	0.1	0.1	0.1					
Engaged labor force (ten thousand persons)	6715	6718	6690	6700	6703	6712	6713	6713	6713	6720	6726	6701	6704	6710	6721	
	-0.2	0.0	-0.4	0.2	0.0	0.1	0.0	0.0	0.0	0.1	0.1	-0.9	0.0	0.1	0.2	
	0.6	0.5	-0.5	-0.4	-0.2	-0.1	0.4	0.2	0.2	0.1	0.2					
Employed (ten thousand persons)	6018	6016	6001	6014	6016	6025	6026	6026	6026	6032	6037	5997	6011	6023	6033	
	-0.2	0.0	-0.3	0.2	0.0	0.1	0.0	0.0	0.0	0.1	0.1	-0.9	0.2	0.2	0.2	
	0.9	0.7	-0.3	-0.3	0.0	0.1	0.4	0.2	0.2	0.1	0.2					
Unemployment rate (%)	2.9	2.8	2.7	2.7	2.7	2.6	2.6	2.6	2.6	2.6	2.5	2.9	2.8	2.6	2.6	
Domestic corporate goods price index (2015=100)	104.0	106.3	108.7	111.2	114.2	114.9	115.4	115.6	116.1	116.8	116.3	100.2	107.5	115.0	116.5	
	2.5	2.2	2.3	2.2	2.7	0.6	0.4	0.2	0.4	0.6	-0.4	-1.4	7.3	7.0	1.2	
	4.6	6.1	8.8	9.6	9.8	8.1	6.1	4.0	1.7	1.6	0.8					
Core consumer price index (2020=100)	99.4	99.8	99.8	99.8	101.4	101.8	101.9	101.7	102.6	102.7	102.6	99.9	99.9	101.7	102.5	
	-0.5	0.4	0.0	0.0	1.6	0.4	0.1	-0.2	0.9	0.1	-0.1	-0.4	0.0	1.8	0.8	
	-0.6	0.0	0.2	-0.1	2.0	2.0	2.1	1.9	1.2	0.9	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	0.187	0.223	0.215	0.228	0.234	0.247	0.258	0.262	0.285	0.041	0.092	0.225	0.263
Money stock (M2+CD, JPY trillion)	1159.9	1167.9	1176.2	1187.5	1200.9	1206.6	1215.5	1223.3	1229.3	1234.5	1242.4	1248.9	1146.8	1187.5	1223.3	1248.9
	1.1	0.7	0.7	1.0	1.1	0.5	0.7	0.6	0.5	0.4	0.6	0.5	9.6	3.5	3.0	2.1
	7.7	4.7	4.0	3.5	3.5	3.3	3.3	3.0	2.4	2.3	2.2	2.1				
Nikkei stock average (JPY) 2005=100	28,962	28,568	28,824	27,185	27,140	27,051	26,977	28,000	21,750	15,500	9,250	3,000	24,462	28,385	27,292	12,375
	233.0	229.8	231.9	218.7	218.3	217.6	217.0	225.2	175.0	124.7	74.4	24.1	196.8	228.3	219.5	99.5
	-0.1	-1.4	0.9	-5.7	-0.2	-0.3	-0.3	3.8	-22.3	-28.7	-40.3	-67.6	11.6	16.0	-3.8	-54.7
	39.6	24.7	14.4	-6.2	-6.3	-5.3	-6.4	3.0	-19.9	-42.7	-65.7	-89.3				
USD/JPY exchange rate	109.5	110.1	113.7	116.2	127.8	130.2	131.0	130.0	129.0	128.0	128.0	128.0	106.0	112.4	129.8	128.3
	3.4	0.6	3.3	2.2	10.0	1.9	0.6	-0.8	-0.8	-0.8	0.0	0.0	-2.4	6.0	15.5	-1.2
	1.7	3.7	8.8	9.7	16.7	18.3	15.2	11.9	0.9	-1.7	-2.3	-1.5				

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 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)	85.7	85.2	86.4	88.2	87.7	90.4	91.6	92.0	92.8	93.1	93.4	93.7	75.6	86.4	90.4	93.2
(SNA basis)	2.8	-0.6	1.4	2.0	-0.6	3.1	1.3	0.4	0.9	0.3	0.3	0.3	-6.7	14.3	4.7	3.1
	33.4	17.1	6.1	5.7	2.3	6.1	6.0	4.3	5.8	3.0	1.9	1.8				
Goods imports (real)	80.3	79.9	80.4	83.3	81.9	82.0	82.3	82.7	83.2	83.7	84.3	84.9	75.3	81.0	82.3	84.0
(SNA basis)	3.4	-0.4	0.6	3.6	-1.7	0.1	0.4	0.5	0.5	0.7	0.7	0.7	-5.1	7.5	1.6	2.2
	4.8	13.0	5.5	7.3	2.1	2.6	2.4	-0.7	1.5	2.1	2.4	2.7				
Services exports (real)	17.7	17.9	17.7	17.1	16.4	14.8	14.8	15.0	15.7	16.4	17.1	17.7	16.8	17.6	15.2	16.8
(SNA basis)	2.7	1.1	-1.4	-2.9	-4.5	-9.5	-0.2	1.3	5.1	4.5	4.0	3.6	-22.4	4.9	-13.4	10.0
	4.4	10.2	6.5	-0.7	-7.5	-17.3	-16.3	-12.6	-3.9	11.0	15.8	18.5				
Services imports (real)	22.6	22.1	22.0	22.5	22.8	23.0	23.2	23.3	23.4	23.5	23.7	23.9	21.0	22.3	23.1	23.6
(SNA basis)	7.5	-2.1	-0.4	2.4	0.9	1.2	0.8	0.5	0.3	0.5	0.7	0.8	-11.0	6.2	3.5	2.3
	4.8	6.6	6.4	7.3	0.7	4.2	5.5	3.5	2.9	2.1	2.0	2.3				
Goods exports (nominal)	81.9	83.0	87.1	89.9	89.6	92.5	94.0	95.4	95.3	95.7	96.1	97.1	68.4	85.5	92.9	96.0
(SNA basis)	6.0	1.4	4.9	3.3	-0.4	3.2	1.6	1.5	-0.2	0.4	0.4	1.0	-8.5	25.1	8.6	3.4
	44.4	26.6	18.1	16.5	9.4	11.4	7.9	6.1	6.3	3.4	2.2	1.7				
Goods imports (nominal)	77.9	83.3	90.2	97.2	98.8	100.3	105.3	105.6	104.3	105.2	107.2	108.1	64.6	87.1	102.5	106.2
(SNA basis)	9.6	6.9	8.4	7.7	1.6	1.5	5.0	0.3	-1.2	0.8	1.9	0.9	-13.1	35.0	17.6	3.6
	23.8	38.8	39.8	36.8	26.9	20.5	16.7	8.7	5.6	4.8	1.8	2.3				
Services exports (nominal)	17.7	18.3	18.5	18.1	16.1	14.5	14.6	14.9	15.7	16.4	17.1	17.8	16.0	18.1	15.0	16.7
(SNA basis)	6.2	3.1	1.1	-1.7	-11.2	-10.0	0.6	2.3	5.0	4.4	4.7	4.2	-23.7	13.3	-17.1	11.4
	9.8	17.7	17.8	8.7	-9.1	-20.6	-21.0	-17.8	-2.8	12.8	17.3	19.5				
Services imports (nominal)	22.9	22.9	23.4	24.1	24.4	24.7	25.6	25.6	25.3	25.5	26.0	26.3	20.2	23.3	25.1	25.8
(SNA basis)	10.6	0.3	2.1	3.1	1.3	0.9	4.0	-0.2	-1.3	1.0	2.0	1.3	-13.6	15.3	7.6	2.8
	11.2	15.3	18.3	16.8	6.9	7.5	9.5	6.0	3.4	3.4	1.5	2.9				
Trade balance (BOP basis)	1.0	-0.2	-0.7	-1.7	-2.3	-2.0	-2.8	-2.5	-2.3	-2.4	-2.8	-2.8	3.8	-1.7	-9.6	-10.2
Balance on services (BOP basis)	-1.1	-1.1	-1.1	-1.5	-2.0	-2.4	-2.6	-2.6	-2.3	-2.2	-2.2	-2.1	-3.5	-4.8	-9.7	-8.8
Primary income balance (BOP basis)	5.2	4.9	5.2	6.2	6.5	6.3	6.4	6.5	6.7	6.8	7.0	7.1	18.8	21.6	25.7	27.6
Current account balance	4.5	3.0	2.8	2.3	1.5	1.2	0.2	0.7	1.4	1.5	1.3	1.6	16.3	12.6	3.6	5.9
(BOP basis)	-12.4	-33.6	-4.6	-20.5	-34.3	-19.1	-81.6	214.7	97.9	9.4	-10.5	21.5	-12.7	-22.3	-71.6	63.0
	207.7	-19.2	-49.7	-55.9	-66.9	-59.7	-92.2	-69.2	-7.2	25.5	509.5	135.3				
USD/JPY exchange rate	109.5	110.1	113.7	116.2	127.8	130.2	131.0	130.0	129.0	128.0	128.0	128.0	106.0	112.4	129.8	128.3
	3.4	0.6	3.3	2.2	10.0	1.9	0.6	-0.8	-0.8	-0.8	0.0	0.0	-2.4	6.0	15.5	-1.2
	1.7	3.7	8.8	9.7	16.7	18.3	15.2	11.9	0.9	-1.7	-2.3	-1.5				

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.