

Japanese Economy: Analysis and Forecasts No.139

29 August, 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.

Index	
Forecast Highlights	1
Summary of Forecast Results	2
Forecasts at a glance	3
Detailed Forecast Results	4-9

Forecast Highlights

Growth rate revised downward to reflect weak export prospects - Real GDP growth forecast: +1.5% in FY2022, +1.5% in FY2023 -

- ◆ According to the first advance GDP estimate released on August 15, Japan's real GDP grew by annualized +2.2% QoQ in Q2 (+0.5% QoQ). This marked the third consecutive quarterly increase, as the Q1 figure was revised upward from -0.5% QoQ to +0.1% QoQ. In addition, Japan's real GDP for FY 2021 was revised upward by 0.1%pt to +2.3% YoY. These revisions reflect changes in the calculation of public investment (fixed capital formation) caused by the retroactive revision of the improperly handled statistics on construction orders prior to January 2012.
- ◆ In terms of the contribution to real GDP growth in Q2 (+0.5% QoQ), domestic demand made a positive contribution for the third consecutive quarter (+0.5%pts QoQ). Therein, private demand contributed +0.3%pts, marking the third consecutive quarter of positive contribution. The lifting of the COVID-19 restrictions was a major factor driving growth, with private final consumption expenditures contributing +0.6%pts. Public demand propped up growth too (+0.2%pts), making a positive contribution for the first time in three quarters. In contrast, real gross domestic income (GDI) growth, which factors in trade gains resulting from changes in terms of trade, was -0.3% QoQ (annualized -1.2% QoQ), marking the second consecutive quarterly decline. As compared to the GDP, the GDI can be said to better reflect the true economic state of firms and households.
- ◆ We revised our outlook for the Japanese economy in FY 2022-2023, reflecting the first advance GDP estimate for Q2, as well as our new assumptions about exogenous variables. We now forecast real GDP growth of +1.5% in FY 2022, and +1.5% in FY 2023. Compared to our previous forecast (No. 138), both figures were revised downward, by -0.4%pts in FY 2022 and -0.3%pts in FY 2023, respectively. Among our assumptions about exogenous variables, the persistently high price of crude oil and the accelerating depreciation of the yen led to the downward revision in our forecast for FY 2022. On the other hand, the stagnation of world trade led to the downward revision in our forecast for FY 2023. The effects of rising inflation due to Russia's invasion of Ukraine, the slowdown in the global economy, and tight monetary policies will exert downward pressure on the global economy from the second half of 2022 through the first half of 2023.
- ◆ On a quarterly basis, real GDP in Q2 exceeded its pre-pandemic level (2019 Q4) for the first time. However, it is still 2.7% below its pre-pandemic peak (2019 Q2). In this sense, the pace of recovery has been very slow. Since net exports are not expected to pick up for some time after Q3, as long as the resurgence of COVID-19 does not lead to any restrictions on economic activities, the consumption of services is likely to keep expanding, thereby pushing GDP growth above the potential growth rate. In any case, it will exceed the pre-pandemic peak in FY 2024.
- ◆ In the second half of FY 2022, the YoY CPI inflation will remain in the upper 2% range due to the impact of energy and food price hikes. In FY 2023, the underlying CPI trend is expected to decelerate as the impact of energy prices will fade, and service prices will exert downward pressure. As a result, we forecast core CPI inflation of +2.3% in FY 2022 and +1.0% in FY 2023. Compared to our previous forecast, both figures were revised upward, by +0.5%pts in FY 2022 and +0.2%pts in FY 2023, respectively.

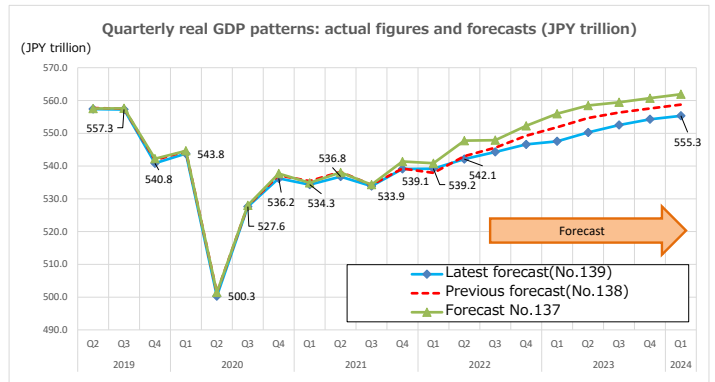
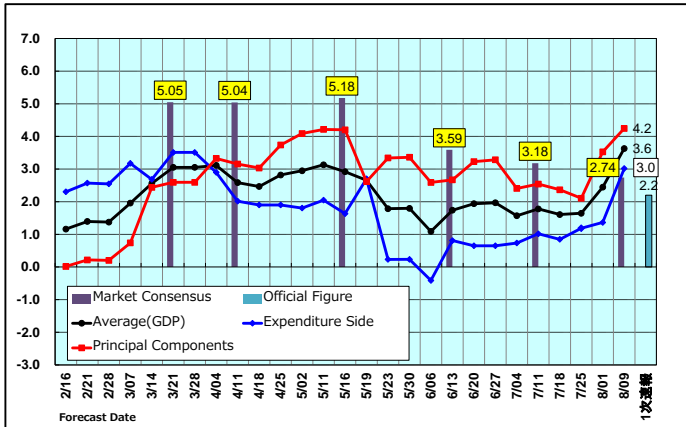
Forecast Summary

	Current forecast (2022/8/29)				Previous forecast (2021/5/31)			
	2020	2021	2022	2023	2020	2021	2022	2023
Real GDP (%)	▲ 4.5	2.3	1.5	1.5	▲ 4.5	2.1	1.9	1.7
Private demand (contribution)	▲ 4.7	1.5	1.6	1.3	▲ 4.7	1.5	1.8	1.1
Private final consumption expenditure (%)	▲ 5.4	2.6	2.8	1.0	▲ 5.4	2.6	2.9	0.9
Private residential investment (%)	▲ 7.8	▲ 1.6	▲ 4.4	0.5	▲ 7.8	▲ 1.6	▲ 1.8	0.5
Private non-residential investment (%)	▲ 7.7	0.6	2.4	3.8	▲ 7.5	1.3	2.3	3.4
Private inventory changes (contribution)	▲ 0.2	0.1	▲ 0.1	0.2	▲ 0.2	0.0	▲ 0.0	0.1
Public demand (contribution)	0.8	0.0	0.1	0.3	0.8	▲ 0.1	0.1	0.2
Government final consumption expenditure (%)	2.5	2.0	1.3	0.8	2.5	2.0	1.0	0.6
Public investment expenditure (%)	5.1	▲ 7.5	▲ 2.9	2.6	5.1	▲ 9.3	▲ 1.8	1.7
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	▲ 0.2	▲ 0.2	▲ 0.6	0.8	▲ 0.0	0.4
Exports of goods and services (%)	▲ 10.0	12.5	2.0	0.4	▲ 10.2	12.5	1.9	4.1
Imports of goods and services (%)	▲ 6.3	7.2	3.1	1.2	▲ 6.5	7.2	2.1	2.2
Nominal GDP (%)	▲ 3.9	1.3	1.2	3.2	▲ 3.9	1.1	1.6	2.5
GDP deflator (%)	0.7	▲ 1.0	▲ 0.3	1.7	0.6	▲ 1.0	▲ 0.3	0.7
Domestic corporate price index (%)	▲ 1.5	7.0	6.9	0.9	▲ 1.4	7.3	7.0	1.2
Core consumer price index (%)	▲ 0.4	0.0	2.3	1.0	▲ 0.4	0.0	1.8	0.8
Industrial production index (%)	▲ 9.6	5.8	0.8	2.6	▲ 9.6	5.8	1.9	2.1
New housing starts (%)	▲ 8.1	6.6	▲ 1.9	1.3	▲ 8.1	6.6	0.3	0.2
Unemployment rate (%)	2.9	2.8	2.6	2.5	2.9	2.8	2.6	2.6
Current account balance (JPY trillion)	16.3	12.7	2.0	3.9	16.3	12.6	3.6	5.9
% of nominal GDP	3.0	2.3	0.4	0.7	3.0	2.3	0.7	1.0
Crude oil price (USD/barrel)	44.1	78.3	102.8	95.1	44.1	78.3	101.1	88.2
USD/JPY exchange rate	106.0	112.4	133.8	131.1	106.0	112.4	129.8	128.3
USA real GDP (% , calendar year)	▲ 3.4	5.7	1.5	1.1	▲ 3.4	5.7	2.5	2.5

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.

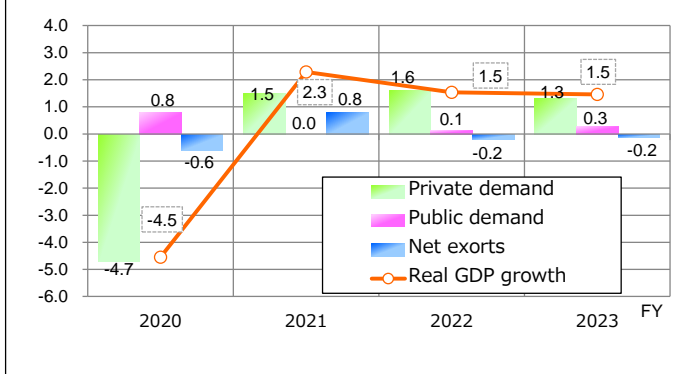
Forecasts at a glance

CQM Tracking for Q2 2022



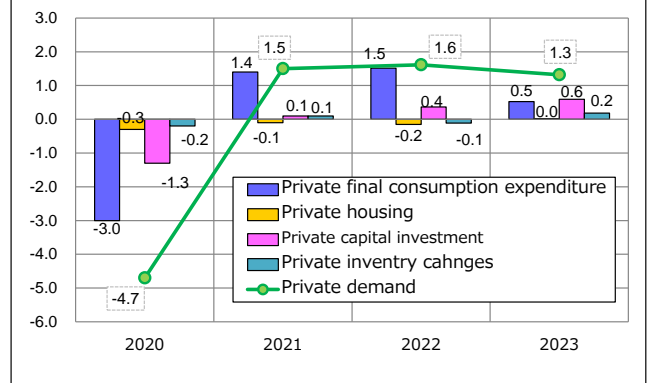
Note: Actual figures through Q2 2022, forecast figures thereafter.

Contributions to real GDP growth (%pt)

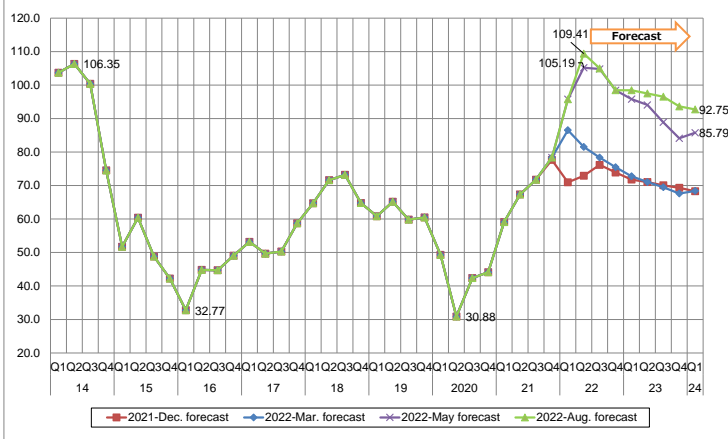


Note: Actual figures until FY2021, forecast figures thereafter.

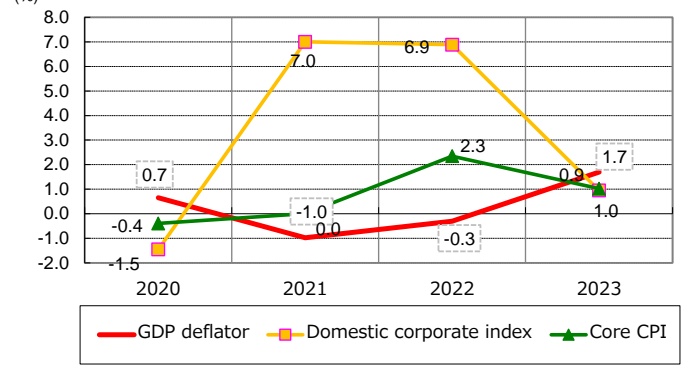
Contributions to private demand (%pt)



Assumption of World Oil Price : \$/bbl



Inflation (YoY, %)



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)	536.8	533.9	539.1	539.2	542.1	544.3	546.6	547.5	550.3	552.5	554.3	555.3	524.9	536.9	545.1	553.1
	0.5	-0.5	1.0	0.0	0.5	0.4	0.4	0.2	0.5	0.4	0.3	0.2	-4.5	2.3	1.5	1.5
Nominal GDP (JPY trillion)	541.9	539.3	541.9	543.9	545.4	547.5	546.8	553.3	560.2	565.6	566.4	570.5	534.7	541.6	548.2	565.7
	-0.2	-0.5	0.5	0.4	0.3	0.4	-0.1	1.2	1.3	1.0	0.2	0.7	-3.9	1.3	1.2	3.2
GDP deflator (2011=100)	101.0	101.0	100.5	100.9	100.6	100.6	100.0	101.0	101.8	102.4	102.2	102.7	101.9	100.9	100.6	102.3
	-0.6	0.1	-0.5	0.4	-0.3	0.0	-0.6	1.0	0.8	0.5	-0.2	0.5	0.7	-1.0	-0.3	1.7
Index of industrial production (2015=100)	96.5	94.7	94.9	95.7	93.1	96.2	97.5	98.1	98.2	98.9	98.9	98.8	90.3	95.5	96.2	98.7
	0.3	-1.9	0.2	0.8	-2.7	3.4	1.4	0.6	0.1	0.7	0.0	-0.1	-9.6	5.8	0.8	2.6
New housing starts (thousands)	216	217	214	218	213	213	210	214	215	215	215	216	812	866	850	861
	3.6	0.2	-1.3	2.1	-2.4	-0.1	-1.5	2.1	0.3	0.2	0.2	0.2	-8.1	6.6	-1.9	1.3
Domestic corporate goods price index (2015=100)	103.4	105.6	108.0	110.3	113.3	114.5	114.2	114.8	115.3	115.0	115.0	115.8	99.9	106.9	114.2	115.3
	2.4	2.1	2.3	2.1	2.8	1.0	-0.3	0.5	0.5	-0.3	0.0	0.6	-1.5	7.0	6.9	0.9
Core consumer price index (2020=100)	99.4	99.8	100.0	100.5	101.6	102.2	102.6	102.6	103.2	103.3	103.5	103.2	99.9	99.9	102.2	103.3
	-0.5	0.4	0.2	0.5	1.1	0.6	0.4	0.0	0.6	0.1	0.2	-0.3	-0.4	0.0	2.3	1.0
Wage earnings per worker (JPY thousand)	4045	4049	4060	4093	4082	4101	4111	4158	4153	4183	4224	4273	4004	4020	4113	4208
	-0.2	0.1	0.3	0.8	-0.3	0.5	0.3	1.1	-0.1	0.7	1.0	1.2	-0.8	0.4	2.3	2.3
Unemployment rate (%)	2.9	2.8	2.7	2.7	2.6	2.6	2.6	2.6	2.6	2.5	2.4	2.5	2.9	2.8	2.6	2.5
	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	0.187	0.230	0.204	0.205	0.222	0.220	0.277	0.272	0.301	0.041	0.092	0.215	0.268
Current account balance (JPY trillion)	4.5	3.0	2.8	2.3	1.4	0.6	-0.1	0.2	0.6	1.0	1.1	1.2	16.3	12.7	2.0	3.9
	3.3	2.2	2.1	1.7	1.0	0.4	-0.1	0.1	0.4	0.7	0.8	0.8	3.0	2.3	0.4	0.7
Crude oil price (USD/barrel)	67.35	71.77	78.36	95.77	109.41	105.00	98.48	98.48	97.51	96.54	93.65	92.75	44.11	78.31	102.84	95.11
USD/JPY exchange rate	109.5	110.1	113.7	116.2	129.6	137.5	135.0	133.0	132.3	131.5	130.8	130.0	106.0	112.4	133.8	131.1
Government debt (JPY trillion)	1179.5	1194.0	1208.5	1223.0	1223.3	1234.5	1245.3	1254.8	1262.1	1271.2	1280.1	1288.8	1165.0	1179.5	1254.8	1262.1
	1.2	1.2	1.2	1.2	0.0	0.9	0.9	0.8	0.6	0.7	0.7	0.7	5.3	1.2	6.4	0.6
% of GDP	5.2	5.2	5.1	5.0	3.7	3.4	3.0	2.6	3.2	3.0	2.8	2.7				
Fiscal balance (JPY trillion)	217.6	221.4	223.0	224.9	224.3	221.2	217.0	213.3	209.7	206.8	204.3	202.0	217.9	217.8	228.9	223.1
	-75.4	-81.8	-78.2	-78.8	-79.4	-80.9	-81.9	-81.5	-78.5	-78.0	-78.9	-79.3	-77.1	-78.5	-80.9	-78.7

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 (%). 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	288.6	286.1	293.1	294.0	297.3	298.2	299.4	299.2	300.3	301.4	301.9	302.0	283.0	290.4	298.5	301.4
	0.4	-0.9	2.4	0.3	1.1	0.3	0.4	-0.1	0.4	0.4	0.2	0.0	-5.4	2.6	2.8	1.0
	6.9	0.4	1.3	2.2	3.0	4.2	2.2	1.8	1.0	1.1	0.8	0.9				
Private residential investment	19.0	18.6	18.4	18.1	17.8	17.6	17.7	17.7	17.7	17.7	17.8	17.9	18.8	18.5	17.7	17.8
	1.6	-1.8	-1.3	-1.4	-1.9	-0.6	0.0	0.2	-0.1	0.4	0.3	0.6	-7.8	-1.6	-4.4	0.5
	-2.9	0.1	-0.8	-3.0	-6.3	-5.2	-3.9	-2.3	-0.5	0.5	0.8	1.2				
Private non-residential investment	85.1	83.3	83.4	83.2	84.4	85.4	86.1	86.8	87.8	88.6	89.4	89.9	83.2	83.7	85.7	88.9
	1.2	-2.1	0.2	-0.3	1.4	1.2	0.9	0.8	1.1	1.0	0.8	0.6	-7.7	0.6	2.4	3.8
	2.9	1.1	0.0	-1.1	-0.8	2.5	3.2	4.3	4.0	3.8	3.8	3.5				
Change in private inventories	0.0	0.6	0.1	2.9	0.7	-0.1	0.2	0.9	1.1	1.4	1.5	1.6	0.4	1.0	0.4	1.4
Government final consumption expenditure	115.1	116.4	116.0	116.5	117.1	117.4	117.7	118.0	118.2	118.4	118.6	118.7	113.8	116.0	117.6	118.5
	0.9	1.1	-0.3	0.4	0.5	0.2	0.3	0.2	0.2	0.1	0.1	0.2	2.5	2.0	1.3	0.8
	3.0	2.0	0.9	2.1	1.7	0.9	1.5	1.3	0.9	0.8	0.7	0.6				
Government investment expenditure	28.9	28.0	26.9	26.0	26.3	26.5	26.7	26.6	26.9	27.1	27.3	27.6	29.5	27.3	26.5	27.2
	-2.5	-3.3	-3.7	-3.2	0.9	0.9	0.6	-0.2	0.9	0.9	0.9	0.9	5.1	-7.5	-2.9	2.6
	-1.7	-4.7	-9.4	-12.2	-9.1	-5.2	-0.9	2.2	2.2	2.2	2.5	3.6				
Change in government inventories	-0.01	-0.06	0.01	-0.01	-0.02	-0.04	0.00	0.00	-0.01	-0.01	-0.01	-0.01	-0.03	(0.01)	-0.01	-0.01
Exports of goods and services	103.3	103.3	104.0	104.9	105.9	106.2	105.8	105.7	106.0	106.2	106.4	106.8	92.3	103.8	105.9	106.3
	3.0	0.0	0.6	0.9	0.9	0.3	-0.4	-0.1	0.3	0.2	0.2	0.4	-10.0	12.5	2.0	0.4
	27.2	15.7	6.0	4.6	2.5	2.8	1.7	0.7	0.1	0.0	0.6	1.1				
Imports of goods and services	103.1	102.0	102.5	106.0	106.8	106.4	106.5	106.8	107.1	107.7	108.1	108.7	96.5	103.4	106.6	107.9
	4.4	-1.1	0.4	3.5	0.7	-0.3	0.1	0.3	0.3	0.5	0.4	0.5	-6.3	7.2	3.1	1.2
	4.7	11.4	5.6	7.3	3.5	4.3	3.9	0.8	0.3	1.2	1.6	1.7				
GDP	536.8	533.9	539.1	539.2	542.1	544.3	546.6	547.5	550.3	552.5	554.3	555.3	524.9	536.9	545.1	553.1
	1.8	-2.1	4.0	0.1	2.2	1.6	1.7	0.7	2.0	1.7	1.3	0.8	-4.5	2.3	1.5	1.5
	0.5	-0.5	1.0	0.0	0.5	0.4	0.4	0.2	0.5	0.4	0.3	0.2				
	7.3	1.2	0.5	0.9	1.0	2.0	1.4	1.5	1.5	1.5	1.4	1.4				
Contribution of domestic demand	0.7	-0.8	0.9	0.5	0.5	0.3	0.5	0.3	0.5	0.5	0.3	0.2	-3.9	1.5	1.8	1.6
of which, private demand	0.7	-0.8	1.2	0.6	0.3	0.2	0.4	0.2	0.4	0.4	0.3	0.1	-4.7	1.5	1.6	1.3
of which, public demand	0.1	0.0	-0.3	-0.1	0.2	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.8	0.0	0.1	0.3
Contribution of net exports	-0.3	0.2	0.0	-0.5	0.0	0.1	-0.1	-0.1	0.0	-0.1	0.0	0.0	-0.6	0.8	-0.2	-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			
	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	2020	2021	2022	2023
Private final consumption expenditure	290.6	289.6	296.0	299.5	306.2	308.8	308.3	310.2	314.4	315.7	314.2	315.7	287.0	293.8	308.4	315.0
	-0.2	-0.3	2.2	1.2	2.2	0.9	-0.2	0.6	1.3	0.4	-0.5	0.5	-5.5	2.4	4.9	2.1
	6.0	0.0	1.2	2.8	5.4	6.6	4.2	3.6	2.7	2.2	1.9	1.8				
Private residential investment	20.6	20.9	21.1	21.1	21.0	21.1	21.1	21.2	21.2	21.4	21.5	21.7	19.8	20.9	21.1	21.5
	3.5	1.6	1.0	0.0	-0.5	0.5	-0.1	0.7	-0.1	0.8	0.5	1.2	-7.4	5.6	0.8	1.7
	0.5	7.0	8.6	6.2	2.0	0.9	-0.1	0.6	1.1	1.4	2.0	2.4				
Private non-residential investment	86.6	85.5	86.3	86.9	89.3	91.3	92.4	93.5	94.2	95.6	96.8	97.7	83.7	86.3	91.6	96.1
	1.8	-1.3	1.0	0.7	2.7	2.2	1.3	1.2	0.8	1.5	1.3	0.9	-8.2	3.1	6.1	4.9
	4.2	3.2	2.9	2.2	3.1	6.7	7.1	7.6	5.6	4.8	4.8	4.5				
Change in private inventories	-0.3	0.3	-0.2	2.3	0.6	-0.2	-0.2	0.0	0.3	0.5	0.7	0.9	0.1	0.6	0.1	0.6
Government final consumption expenditure	115.6	117.8	116.9	118.5	118.4	119.8	119.9	121.2	120.8	121.2	121.5	122.4	113.7	117.2	119.8	121.4
	1.2	1.9	-0.8	1.3	-0.1	1.1	0.1	1.1	-0.4	0.4	0.2	0.8	1.7	3.1	2.2	1.4
	3.6	2.9	2.1	3.7	2.4	1.6	2.5	2.3	2.0	1.2	1.3	1.0				
Government investment expenditure	30.7	30.1	29.3	28.7	29.3	29.7	30.1	30.2	30.5	30.7	31.2	31.7	30.9	29.6	29.8	31.0
	-2.1	-2.0	-2.5	-2.1	2.2	1.3	1.3	0.3	0.9	0.9	1.5	1.4	5.5	-4.3	0.8	4.0
	0.5	-1.9	-5.5	-8.4	-4.4	-1.2	2.6	5.1	3.8	3.4	3.7	4.9				
Change in government inventories	-0.01	-0.12	0.02	0.01	-0.04	-0.05	-0.01	-0.02	-0.03	-0.03	-0.02	-0.02	-0.03	-0.02	-0.03	-0.03
Exports of goods and services	98.9	101.0	105.8	109.4	116.8	119.1	120.5	121.9	123.5	125.7	127.3	128.8	84.4	103.7	119.6	126.3
	4.5	2.1	4.8	3.4	6.8	2.0	1.2	1.2	1.3	1.8	1.2	1.2	-11.8	22.9	15.3	5.6
	36.4	24.7	18.2	15.7	18.2	18.0	13.9	11.5	5.7	5.6	5.6	5.6				
Imports of goods and services	100.7	105.8	113.4	122.5	136.1	142.0	145.2	145.0	144.5	145.3	146.7	148.2	84.8	110.5	142.1	146.2
	9.1	5.1	7.2	8.0	11.1	4.3	2.3	-0.2	-0.3	0.5	1.0	1.1	-13.2	30.3	28.6	2.9
	20.6	32.8	34.8	32.8	35.2	34.2	28.1	18.4	6.2	2.3	1.0	2.2				
GDP	541.9	539.3	541.9	543.9	545.4	547.5	546.8	553.3	560.2	565.6	566.4	570.5	534.7	541.6	548.2	565.7
	-0.7	-1.9	1.9	1.5	1.1	1.6	-0.6	4.9	5.1	3.9	0.6	2.9	-3.9	1.3	1.2	3.2
	-0.2	-0.5	0.5	0.4	0.3	0.4	-0.1	1.2	1.3	1.0	0.2	0.7				
	6.1	0.1	-0.8	0.2	0.6	1.5	0.9	1.7	2.7	3.3	3.6	3.1				
Contribution of domestic demand	0.6	0.1	1.0	1.4	1.4	1.0	0.2	0.9	0.9	0.7	0.1	0.7	-4.2	2.5	4.1	2.7
of which, private demand	0.4	-0.2	1.3	1.2	1.3	0.7	0.1	0.6	0.9	0.6	0.0	0.5	-4.8	2.1	3.6	2.2
of which, public demand	0.1	0.3	-0.3	0.2	0.1	0.3	0.1	0.3	0.0	0.1	0.1	0.2	0.6	0.4	0.5	0.5
Contribution of net exports	-0.8	-0.6	-0.5	-1.0	-1.1	-0.7	-0.3	0.3	0.4	0.3	0.0	0.0	0.3	-1.2	-2.9	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 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	100.7	101.2	101.0	101.9	103.0	103.6	103.0	103.7	104.7	104.8	104.1	104.5	101.4	101.2	103.3	104.5
	-0.6	0.5	-0.2	0.9	1.1	0.5	-0.6	0.7	1.0	0.1	-0.7	0.4	0.0	-0.2	2.1	1.2
	-0.8	-0.5	-0.1	0.6	2.3	2.3	2.0	1.8	1.6	1.2	1.1	0.8				
Private residential investment	108.5	112.3	114.9	116.6	118.2	119.5	119.4	120.1	120.1	120.5	120.8	121.5	105.4	113.1	119.3	120.7
	1.9	3.5	2.3	1.4	1.4	1.1	-0.1	0.6	0.0	0.4	0.2	0.6	0.5	7.3	5.5	1.2
	3.5	6.8	9.5	9.5	8.9	6.4	3.9	3.0	1.6	0.9	1.2	1.2				
Private non-residential investment	101.8	102.6	103.5	104.5	105.8	106.9	107.3	107.7	107.4	107.9	108.3	108.7	100.7	103.1	106.9	108.1
	0.6	0.8	0.8	1.0	1.3	1.1	0.4	0.3	-0.3	0.5	0.4	0.3	-0.5	2.5	3.7	1.1
	1.3	2.1	2.9	3.3	3.9	4.1	3.7	3.1	1.5	0.9	0.9	0.9				
Government final consumption expenditure	100.4	101.3	100.8	101.7	101.1	102.0	101.8	102.7	102.2	102.4	102.4	103.1	99.9	101.0	101.9	102.5
	0.3	0.8	-0.5	0.9	-0.6	0.9	-0.2	0.9	-0.5	0.2	0.1	0.6	-0.8	1.1	0.9	0.6
	0.6	0.9	1.2	1.6	0.7	0.7	1.0	1.0	1.1	0.4	0.6	0.4				
Government investment expenditure	106.1	107.6	109.0	110.2	111.6	112.1	112.8	113.4	113.4	113.4	114.1	114.7	104.7	108.3	112.5	113.9
	0.4	1.4	1.3	1.2	1.2	0.5	0.6	0.5	0.0	0.0	0.6	0.5	0.4	3.5	3.8	1.3
	2.2	2.9	4.3	4.3	5.2	4.2	3.5	2.9	1.6	1.2	1.2	1.2				
Exports of goods and services	95.7	97.7	101.8	104.3	110.3	112.2	113.9	115.4	116.5	118.4	119.6	120.6	91.4	99.9	112.9	118.8
	1.5	2.1	4.1	2.5	5.8	1.6	1.5	1.3	1.0	1.6	1.0	0.8	-2.0	9.3	13.1	5.2
	7.2	7.9	11.5	10.6	15.3	14.8	11.9	10.6	5.6	5.6	5.0	4.5				
Imports of goods and services	97.6	103.7	110.7	115.5	127.5	133.4	136.4	135.7	134.9	134.9	135.7	136.4	87.9	106.9	133.3	135.5
	4.5	6.2	6.8	4.3	10.4	4.7	2.2	-0.5	-0.6	0.0	0.5	0.6	-7.4	21.6	24.7	1.7
	15.2	19.1	27.6	23.7	30.7	28.7	23.2	17.5	5.8	1.1	-0.5	0.5				
GDP	101.0	101.0	100.5	100.9	100.6	100.6	100.0	101.0	101.8	102.4	102.2	102.7	101.9	100.9	100.6	102.3
	-0.6	0.1	-0.5	0.4	-0.3	0.0	-0.6	1.0	0.8	0.5	-0.2	0.5	0.7	-1.0	-0.3	1.7
	-1.1	-1.0	-1.3	-0.7	-0.4	-0.4	-0.5	0.2	1.2	1.8	2.2	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 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	93.1	96.2	97.5	98.1	98.2	98.9	98.9	90.3	95.5	96.2	98.7	
	0.3	-1.9	0.2	0.8	-2.7	3.4	1.4	0.6	0.1	0.7	0.0	-9.6	5.8	0.8	2.6	
	18.4	6.6	1.1	-0.6	-3.6	1.5	2.7	2.5	5.5	2.8	1.5					
Labor force (ten thousand persons)	6913	6911	6878	6886	6913	6916	6919	6921	6923	6926	6927	6901	6897	6917	6926	
	-0.2	0.0	-0.5	0.1	0.4	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.1	0.3	0.1	
	0.8	0.3	-0.8	-0.6	0.0	0.1	0.6	0.5	0.2	0.1	0.1					
Engaged labor force (ten thousand persons)	6715	6718	6690	6700	6735	6736	6739	6741	6741	6755	6760	6701	6704	6738	6754	
	-0.2	0.0	-0.4	0.2	0.5	0.0	0.0	0.0	0.0	0.2	0.1	-0.9	0.0	0.5	0.2	
	0.6	0.5	-0.5	-0.4	0.3	0.3	0.7	0.6	0.1	0.3	0.3					
Employed (ten thousand persons)	6018	6016	6001	6014	6060	6061	6063	6065	6065	6077	6082	5997	6011	6062	6076	
	-0.2	0.0	-0.3	0.2	0.8	0.0	0.0	0.0	0.0	0.2	0.1	-0.9	0.2	0.9	0.2	
	0.9	0.7	-0.3	-0.3	0.7	0.7	1.0	0.8	0.1	0.3	0.3					
Unemployment rate (%)	2.9	2.8	2.7	2.7	2.6	2.6	2.6	2.6	2.6	2.5	2.4	2.9	2.8	2.6	2.5	
Domestic corporate goods price index (2015=100)	103.4	105.6	108.0	110.3	113.3	114.5	114.2	114.8	115.3	115.0	115.0	99.9	106.9	114.2	115.3	
	2.4	2.1	2.3	2.1	2.8	1.0	-0.3	0.5	0.5	-0.3	0.0	-1.5	7.0	6.9	0.9	
	4.4	5.8	8.5	9.2	9.6	8.4	5.7	4.1	1.8	0.4	0.7					
Core consumer price index (2020=100)	99.4	99.8	100.0	100.5	101.6	102.2	102.6	102.6	103.2	103.3	103.5	99.9	99.9	102.2	103.3	
	-0.5	0.4	0.2	0.5	1.1	0.6	0.4	0.0	0.6	0.1	0.2	-0.4	0.0	2.3	1.0	
	-0.6	0.0	0.4	0.6	2.1	2.4	2.6	2.1	1.6	1.1	0.9					

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	0.230	0.204	0.205	0.222	0.220	0.277	0.272	0.301	0.041	0.092	0.215	0.268
Money stock (M2+CD, JPY trillion)	1159.9	1167.9	1176.2	1187.5	1198.1	1207.5	1214.7	1221.7	1227.4	1234.6	1242.4	1249.0	1146.8	1187.5	1221.7	1249.0
	1.1	0.7	0.7	1.0	0.9	0.8	0.6	0.6	0.5	0.6	0.6	0.5	9.6	3.5	2.9	2.2
	7.7	4.7	4.0	3.5	3.3	3.4	3.3	2.9	2.4	2.2	2.3	2.2				
Nikkei stock average (JPY) 2005=100	28,962	28,568	28,824	27,185	26,885	27,002	26,920	26,836	27,627	28,418	29,209	30,000	24,462	28,385	26,911	28,813
	233.0	229.8	231.9	218.7	216.3	217.2	216.5	215.9	222.2	228.6	235.0	241.3	196.8	228.3	216.5	231.8
	-0.1	-1.4	0.9	-5.7	-1.1	0.4	-0.3	-0.3	2.9	2.9	2.8	2.7	11.6	16.0	-5.2	7.1
	39.6	24.7	14.4	-6.2	-7.2	-5.5	-6.6	-1.3	2.8	5.2	8.5	11.8				
USD/JPY exchange rate	109.5	110.1	113.7	116.2	129.6	137.5	135.0	133.0	132.3	131.5	130.8	130.0	106.0	112.4	133.8	131.1
	3.4	0.6	3.3	2.2	11.5	6.1	-1.8	-1.5	-0.6	-0.6	-0.6	-0.6	-2.4	6.0	19.0	-2.0
	1.7	3.7	8.8	9.7	18.3	24.9	18.7	14.5	2.1	-4.4	-3.1	-2.3				

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 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)	85.9	85.6	86.5	88.0	88.4	89.8	90.1	89.9	89.6	89.2	88.8	88.5	75.7	86.5	89.5	89.1
(SNA basis)	3.2	-0.3	1.0	1.8	0.4	1.7	0.2	-0.2	-0.2	-0.5	-0.4	-0.3	-6.5	14.3	3.5	-0.5
	33.5	16.9	5.9	5.8	2.9	4.9	4.1	2.1	1.4	-0.7	-1.4	-1.5				
Goods imports (real)	80.4	80.0	80.7	83.7	85.3	84.2	83.9	83.9	84.0	84.4	84.6	84.9	75.5	81.2	84.3	84.5
(SNA basis)	3.0	-0.4	0.8	3.8	1.8	-1.3	-0.4	0.1	0.1	0.4	0.3	0.4	-4.8	7.5	3.8	0.2
	4.6	13.0	5.4	7.3	6.1	5.2	4.0	0.2	-1.5	0.2	0.9	1.2				
Services exports (real)	17.6	17.9	17.7	17.1	17.7	16.3	15.7	15.8	16.3	16.9	17.6	18.3	16.8	17.6	16.4	17.3
(SNA basis)	2.0	1.5	-1.1	-3.2	3.5	-7.8	-3.8	0.6	3.2	3.8	3.8	3.8	-22.4	4.8	-6.7	5.3
	4.3	10.3	6.6	-0.9	0.6	-8.7	-11.2	-7.7	-8.0	3.6	11.8	15.4				
Services imports (real)	22.8	22.1	21.9	22.5	21.7	22.2	22.6	22.9	23.1	23.3	23.5	23.7	21.0	22.4	22.4	23.4
(SNA basis)	9.3	-3.1	-0.8	2.4	-3.5	2.4	1.8	1.3	0.9	1.0	0.8	0.9	-11.0	6.4	0.0	4.8
	5.1	6.6	6.4	7.6	-5.0	0.5	3.0	1.9	6.6	5.1	4.0	3.5				
Goods exports (nominal)	81.2	82.8	87.3	91.2	96.6	99.6	101.8	103.3	104.2	105.8	106.6	107.4	68.4	85.6	100.3	106.0
(SNA basis)	4.4	1.9	5.4	4.5	5.9	3.2	2.2	1.5	0.9	1.5	0.7	0.8	-8.5	25.2	17.3	5.7
	44.0	26.4	18.2	17.2	18.9	20.4	16.7	13.3	7.9	6.2	4.7	4.0				
Goods imports (nominal)	77.7	82.8	90.0	98.3	111.8	116.1	118.2	117.4	116.3	116.1	116.3	116.6	64.6	87.2	115.9	116.3
(SNA basis)	8.6	6.5	8.7	9.2	13.7	3.9	1.8	-0.7	-0.9	-0.2	0.2	0.2	-13.1	35.0	32.9	0.4
	23.7	38.6	39.8	37.3	43.8	40.2	31.3	19.4	4.0	0.0	-1.6	-0.7				
Services exports (nominal)	17.6	18.2	18.5	18.2	20.2	19.5	18.7	18.6	19.2	19.9	20.7	21.3	16.0	18.1	19.2	20.3
(SNA basis)	5.3	3.3	1.9	-1.8	11.0	-3.7	-4.0	-0.2	3.2	3.6	3.8	3.2	-23.7	13.2	6.1	5.5
	9.6	17.6	17.9	8.8	14.7	6.9	0.7	2.3	-4.9	2.4	10.8	14.6				
Services imports (nominal)	22.9	22.9	23.4	24.2	24.3	25.9	27.0	27.6	28.2	29.2	30.4	31.7	20.2	23.3	26.2	29.9
(SNA basis)	11.0	0.1	1.8	3.5	0.6	6.3	4.3	2.3	2.3	3.4	4.0	4.2	-13.6	15.4	12.2	14.0
	11.2	15.3	18.3	17.1	6.1	12.7	15.5	14.2	16.1	12.9	12.6	14.7				
Trade balance (BOP basis)	1.0	-0.2	-0.7	-1.7	-3.8	-4.1	-4.1	-3.5	-3.0	-2.6	-2.4	-2.3	3.8	-1.6	-15.5	-10.3
Balance on services (BOP basis)	-1.1	-1.1	-1.1	-1.5	-0.9	-1.6	-2.0	-2.2	-2.2	-2.2	-2.3	-2.5	-3.5	-4.8	-6.7	-9.2
Primary income balance (BOP basis)	5.2	4.9	5.2	6.2	6.5	6.6	6.4	6.2	6.2	6.2	6.3	6.4	18.8	21.6	25.8	25.0
Current account balance	4.5	3.0	2.8	2.3	1.4	0.6	-0.1	0.2	0.6	1.0	1.1	1.2	16.3	12.7	2.0	3.9
(BOP basis)	-12.4	-33.6	-4.6	-20.0	-40.2	-58.7	-117.9	-259.7	280.6	60.6	10.9	8.5	-12.7	-22.2	-84.4	94.8
	207.7	-19.2	-49.7	-55.6	-69.7	-81.2	-103.5	-92.9	-55.1	74.7	#####	635.5				
USD/JPY exchange rate	109.5	110.1	113.7	116.2	129.6	137.5	135.0	133.0	132.3	131.5	130.8	130.0	106.0	112.4	133.8	131.1
	3.4	0.6	3.3	2.2	11.5	6.1	-1.8	-1.5	-0.6	-0.6	-0.6	-0.6	-2.4	6.0	19.0	-2.0
	1.7	3.7	8.8	9.7	18.3	24.9	18.7	14.5	2.1	-4.4	-3.1	-2.3				

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.