

Japanese Economy: Analysis and Forecasts No.140

29 November, 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

A downward revision in GDP growth, reflecting weak export prospects - Real GDP growth forecast: +1.7% in FY 2022, +1.2% in FY 2023, +1.4% in FY 2024 -

- ◆ According to the first official advance GDP estimate released on November 15, real GDP in Q3 grew at an annualized rate of -1.2% QoQ (-0.3% QoQ), marking the first quarterly decline in four quarters. This was a negative surprise as it was significantly lower than the market consensus and APIR's final CQM forecast.
- ◆ In terms of contributions to real GDP growth in Q3 (-0.3% QoQ), domestic demand propped up growth for the fourth consecutive quarter, by +0.4%pt. Therein, private demand made a positive contribution for the fourth consecutive quarter (+0.3%pt), and public demand made a positive contribution for the second consecutive quarter (+0.1%pt). On the other hand, net exports made a negative contribution for the first time in two quarters (-0.7%pt). The large negative contribution from net exports was due to a large increase in imports, which were affected by a sharp rise in services imports (a temporary factor). Gross domestic income (GDI) growth, which reflects trade gains resulting from changes in terms of trade, declined -1.0% QoQ, lagging behind real GDP growth for the seventh consecutive quarter. Domestic income is outflowing due to worsening terms of trade.
- ◆ We have revised our outlook for the Japanese economy for FY 2022-23 and added a new forecast for FY 2024, incorporating the first advance estimate of Q3 GDP as well as our new assumptions regarding exogenous variables. **We now forecast real GDP growth of +1.7% in FY 2022, +1.2% in FY 2023, and +1.4% in FY 2024.** The FY 2022 and FY 2023 forecasts were revised down from the previous forecast (-0.4 percentage points for FY 2022 and -0.3 percentage points for FY2023). Our assumption that crude oil prices will remain high and that the depreciation of the yen will accelerate led to the downward revision of the FY 2022 forecast. On the other hand, our assumption that world trade will stagnate led to the downward revision of the FY 2023 forecast. The effects of rising inflation due to Russia's invasion of Ukraine and tight monetary policies will all exert downward pressure on the global economy from the second half of FY 2022 to the first half of FY 2023.
- ◆ On a quarterly basis, real GDP in Q3 2022 remains 2.5% lower than its pre-Corona disaster peak (Q2 2019). The main reasons for this are that private final consumption expenditures and private capital formation have remained at low levels. If no constraints are imposed on households during the forecast period, accumulated forced savings will be reversed in FY2022, and a recovery led by private final consumption expenditures, especially services expenditures, can be expected. As net exports are not expected to pick up for some time after Q4 and the contribution of private demand is expected to slow, the growth rate for FY23 is projected to decline from the previous year. Therefore, the pre-Corona peak will not be exceeded until Q3 2024 or later.
- ◆ In the second half of FY 2022, the CPI will remain in the upper 2% range YoY due to the impact of energy and food price hikes, and in FY 23, the underlying CPI trend will decline from the previous year as the impact of energy prices will subside and service prices will exert downward pressure. As a result, we forecast the core CPI inflation rate to be +2.7% in FY 22, +1.9% in FY 23 and +1.3% in FY24. Both forecasts were revised up from the previous forecast, by +0.4 percentage points for FY 22 and +0.9 percentage points for FY 23.

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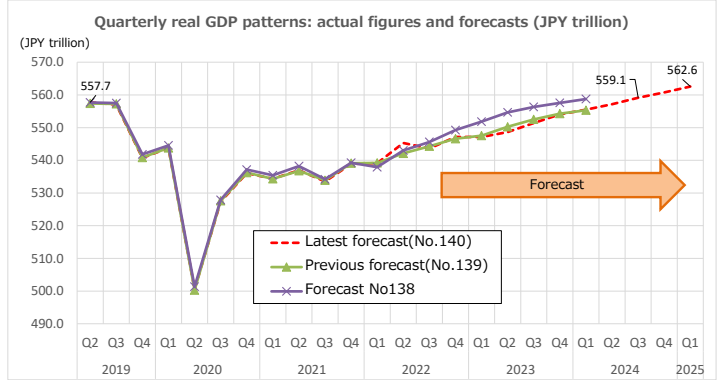
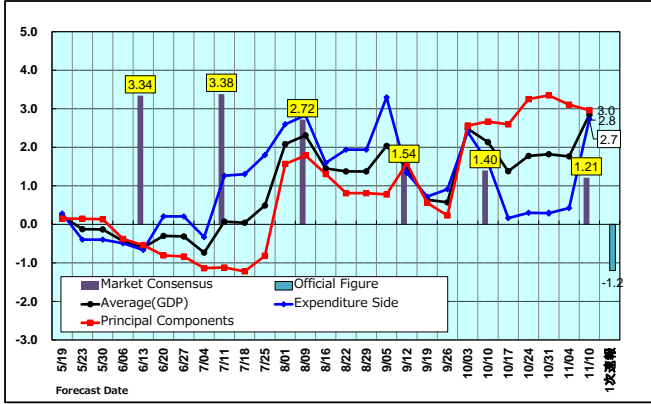
Forecast Summary

	Current forecast (2022/11/29)				Previous forecast (2022/8/29)			
	2021	2022	2023	2024	2020	2021	2022	2023
Real GDP (%)	2.3	1.7	1.2	1.4	▲ 4.5	2.3	1.5	1.5
Private demand (contribution)	1.5	2.1	0.9	1.1	▲ 4.7	1.5	1.6	1.3
Private final consumption expenditure (%)	2.6	3.0	1.2	1.1	▲ 5.4	2.6	2.8	1.0
Private residential investment (%)	▲ 1.7	▲ 3.8	0.9	0.6	▲ 7.8	▲ 1.6	▲ 4.4	0.5
Private non-residential investment (%)	0.6	3.3	3.2	2.9	▲ 7.7	0.6	2.4	3.8
Private inventory changes (contribution)	0.1	0.2	▲ 0.3	0.0	▲ 0.2	0.1	▲ 0.1	0.2
Public demand (contribution)	0.0	0.2	0.3	0.2	0.8	0.0	0.1	0.3
Government final consumption expenditure (%)	2.0	1.5	1.0	0.5	2.5	2.0	1.3	0.8
Public investment expenditure (%)	▲ 7.5	▲ 2.2	2.1	1.0	5.1	▲ 7.5	▲ 2.9	2.6
Public inventory changes (contribution)	0.0	▲ 0.0	0.0	▲ 0.0	0.0	0.0	▲ 0.0	0.0
External demand (contribution)	0.8	▲ 0.6	▲ 0.1	0.1	▲ 0.6	0.8	▲ 0.2	▲ 0.2
Exports of goods and services (%)	12.4	3.7	▲ 0.6	3.2	▲ 10.0	12.5	2.0	0.4
Imports of goods and services (%)	7.1	7.1	▲ 0.3	2.6	▲ 6.3	7.2	3.1	1.2
Nominal GDP (%)	1.3	1.4	2.9	2.6	▲ 3.9	1.3	1.2	3.2
GDP deflator (%)	▲ 1.0	▲ 0.3	1.7	1.2	0.7	▲ 1.0	▲ 0.3	1.7
Domestic corporate price index (%)	7.1	8.4	1.8	0.1	▲ 1.5	7.0	6.9	0.9
Core consumer price index (%)	0.0	2.7	1.9	1.3	▲ 0.4	0.0	2.3	1.0
Industrial production index (%)	5.8	1.8	1.9	2.1	▲ 9.6	5.8	0.8	2.6
New housing starts (%)	6.6	▲ 0.4	1.7	0.3	▲ 8.1	6.6	▲ 1.9	1.3
Unemployment rate (%)	2.8	2.5	2.3	2.3	2.9	2.8	2.6	2.5
Current account balance (JPY trillion)	20.3	5.8	6.6	6.3	16.3	12.7	2.0	3.9
% of nominal GDP	3.7	1.1	1.2	1.1	3.0	2.3	0.4	0.7
Crude oil price (USD/barrel)	78.3	95.3	82.5	83.2	44.1	78.3	102.8	95.1
USD/JPY exchange rate	112.4	138.8	136.9	130.6	106.0	112.4	133.8	131.1
USA real GDP (% , calendar year)	5.9	1.7	▲ 0.5	1.3	▲ 3.4	5.7	1.5	1.1

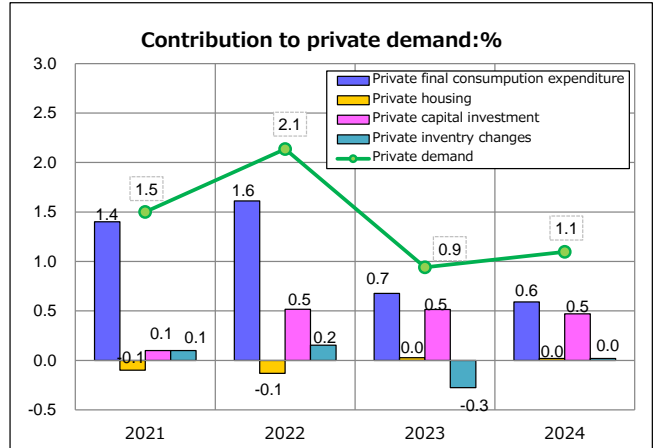
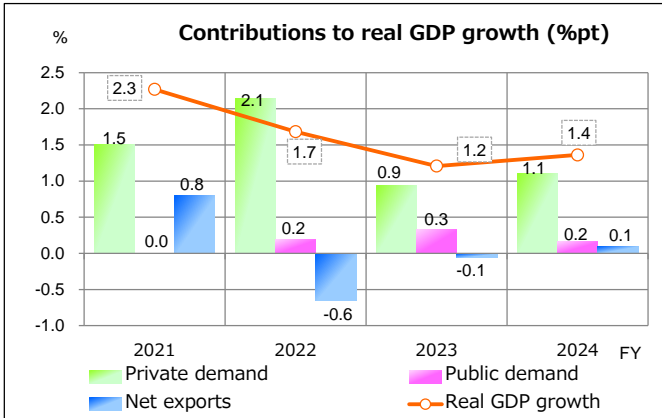
Note: Figures on private consumption, government spending, changes in private and government inventories and external demand represent contribution ratios. The rest of the figures reflect YoY changes. The crude oil price is the average of the WTI, Dubai and Brent Blend benchmarks. Highlighted columns represent actual values.

Forecasts at a glance

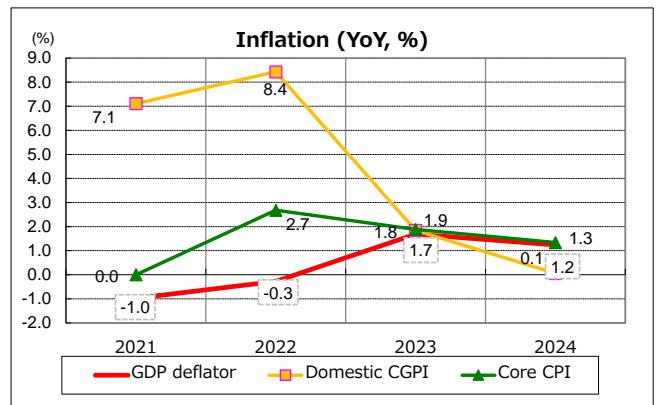
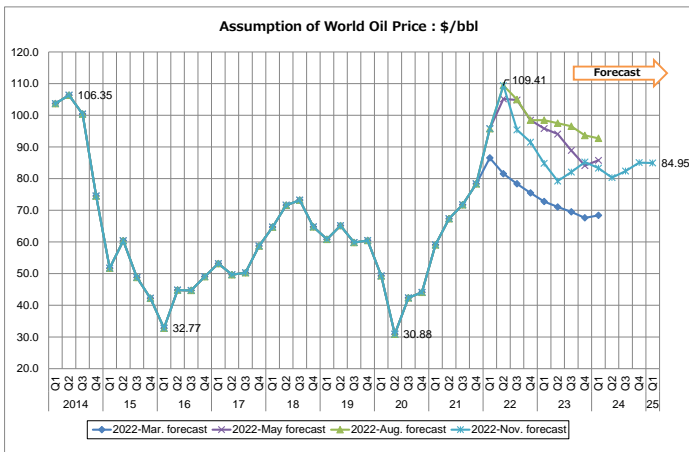
CQM Tracking for Q3 2022



Note: Actual figures through Q3 2022, forecast figures thereafter.



Note: Actual figures until FY2021, forecast figures thereafter.



Detailed Forecasts

Table 1. Main economic indicators

	Quarter												Fiscal year			
	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024
Real GDP (JPY trillion)	545.3	543.6	547.1	547.2	548.6	551.4	554.0	555.5	557.2	559.1	560.8	562.6	536.8	545.8	552.4	559.9
	1.1	-0.3	0.6	0.0	0.3	0.5	0.5	0.3	0.3	0.4	0.3	0.3	2.3	1.7	1.2	1.4
	1.6	1.9	1.5	1.5	0.6	1.4	1.3	1.5	1.6	1.4	1.2	1.3				
Nominal GDP (JPY trillion)	548.6	545.9	550.5	551.5	556.8	565.3	568.7	569.8	572.9	579.9	582.8	584.4	541.5	549.1	565.2	580.0
	0.8	-0.5	0.8	0.2	1.0	1.5	0.6	0.2	0.5	1.2	0.5	0.3	1.3	1.4	2.9	2.6
	1.2	1.4	1.6	1.4	1.5	3.5	3.3	3.3	2.9	2.6	2.5	2.5				
GDP deflator (2011=100)	100.6	100.4	100.6	100.8	101.5	102.5	102.7	102.6	102.8	103.7	103.9	103.9	100.9	100.6	102.3	103.6
	-0.3	-0.2	0.2	0.2	0.7	1.0	0.1	-0.1	0.2	0.9	0.2	-0.1	-1.0	-0.3	1.7	1.2
	-0.3	-0.5	0.0	-0.1	0.9	2.1	2.0	1.8	1.3	1.2	1.2	1.3				
Index of industrial production (2015=100)	93.1	98.5	98.5	98.6	98.6	98.8	99.1	99.5	100.2	100.7	101.4	102.0	95.5	97.2	99.0	101.0
	-2.7	5.9	0.0	0.1	0.0	0.2	0.4	0.3	0.7	0.5	0.7	0.6	5.8	1.8	1.9	2.1
	-3.6	4.0	3.8	3.1	5.9	0.2	0.6	0.9	1.6	1.9	2.2	2.5				
New housing starts (thousands)	213	215	216	219	218	219	220	220	219	221	220	220	866	863	877	880
	-2.4	1.0	0.1	1.4	-0.2	0.4	0.5	-0.3	-0.1	0.6	-0.2	-0.1	6.6	-0.4	1.7	0.3
	-1.4	-0.6	0.9	0.2	2.4	1.8	2.2	0.4	0.6	0.7	-0.1	0.1				
Domestic corporate goods price index (2015=100)	113.6	115.9	117.2	117.2	117.5	118.6	118.2	118.2	118.1	118.4	118.1	118.1	107.0	116.0	118.1	118.2
	2.9	2.0	1.1	0.0	0.3	0.9	-0.3	0.0	-0.1	0.2	-0.2	0.0	7.1	8.4	1.8	0.1
	9.6	9.7	8.4	6.2	3.4	2.3	0.8	0.9	0.5	-0.1	-0.1	-0.1				
Core consumer price index (2020=100)	101.6	102.5	103.4	102.8	103.7	104.2	104.9	105.1	105.4	105.9	106.1	106.3	99.9	102.6	104.5	105.9
	1.1	1.0	0.8	-0.6	0.9	0.5	0.7	0.2	0.2	0.5	0.2	0.2	0.0	2.7	1.9	1.3
	2.1	2.7	3.4	2.3	2.1	1.7	1.5	2.3	1.6	1.5	1.1	1.1				
Wage earnings per worker (JPY thousand)	4081	4097	4138	4183	4172	4183	4216	4251	4287	4284	4322	4359	4062	4071	4206	4313
	-0.3	0.4	1.0	1.1	-0.3	0.3	0.8	0.8	0.8	-0.1	0.9	0.9	1.5	0.2	3.3	2.6
	0.9	1.2	1.9	2.2	2.2	2.1	1.9	1.6	2.8	2.4	2.5	2.5				
Unemployment rate (%)	2.6	2.6	2.5	2.5	2.4	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.8	2.5	2.3	2.3
CD interest rate (%)	0.002	0.002	0.002	0.002	0.003	0.003	0.003	0.003	0.005	0.005	0.005	0.005	0.002	0.002	0.003	0.005
10-year government bond yields (%)	0.230	0.213	0.235	0.230	0.235	0.297	0.292	0.329	0.377	0.361	0.347	0.325	0.092	0.227	0.288	0.353
Current account balance (JPY trillion)	3.2	0.8	0.9	0.9	1.5	1.7	1.8	1.6	1.6	1.7	1.5	1.5	20.3	5.8	6.6	6.3
% of nominal GDP	2.3	0.6	0.7	0.7	1.1	1.2	1.2	1.1	1.1	1.2	1.0	1.0	3.7	1.1	1.2	1.1
Crude oil price (USD/barrel)	109.41	95.43	91.51	84.85	79.23	82.07	85.23	83.33	80.33	82.39	85.07	84.95	78.31	95.30	82.47	83.18
	129.6	138.3	145.0	142.5	140.0	137.5	135.0	135.0	133.3	131.5	129.8	128.0	112.4	138.8	136.9	130.6
USD/JPY exchange rate	129.6	138.3	145.0	142.5	140.0	137.5	135.0	135.0	133.3	131.5	129.8	128.0	112.4	138.8	136.9	130.6
Government debt (JPY trillion)	1223.3	1223.5	1230.9	1236.8	1240.9	1245.3	1250.9	1256.2	1261.4	1266.5	1272.0	1277.6	1223.0	1223.3	1256.2	1261.4
	0.0	0.0	0.6	0.5	0.3	0.4	0.5	0.4	0.4	0.4	0.4	0.4	5.0	0.0	2.7	0.4
	3.7	2.5	1.8	1.1	1.4	1.8	1.6	1.6	1.6	1.7	1.7	1.7				
% of GDP	223.0	224.1	222.0	218.8	215.8	213.7	212.5	211.5	210.3	209.3	208.8	208.3	225.8	222.8	222.3	217.5
Fiscal balance (JPY trillion)	-67.5	-71.8	-72.9	-74.1	-73.9	-73.2	-74.3	-74.8	-75.3	-74.5	-75.8	-76.0	-76.4	-71.6	-74.1	-75.4

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 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			
	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024
Private final consumption expenditure	297.5	298.3	300.1	300.1	301.1	302.3	303.3	304.1	304.9	305.7	306.3	307.0	290.4	299.0	302.7	306.0
	1.2	0.3	0.6	0.0	0.3	0.4	0.3	0.3	0.3	0.2	0.2	0.2	2.6	3.0	1.2	1.1
	3.0	4.3	2.4	2.1	1.2	1.3	1.1	1.4	1.3	1.1	1.0	0.9				
Private residential investment	17.8	17.7	17.8	17.9	18.0	17.9	17.9	18.0	18.0	18.0	18.0	18.0	18.5	17.8	17.9	18.0
	-1.9	-0.4	0.5	0.9	0.1	-0.4	0.2	0.3	0.4	-0.1	0.0	0.1	-1.7	-3.8	0.9	0.6
	-6.2	-4.9	-3.1	-1.0	1.1	1.2	0.8	0.3	0.5	0.8	0.6	0.4				
Private non-residential investment	85.3	86.6	86.8	87.0	87.6	88.9	90.0	90.4	91.1	91.6	92.1	92.4	83.6	86.4	89.2	91.8
	2.4	1.5	0.3	0.2	0.7	1.5	1.2	0.5	0.7	0.6	0.5	0.4	0.6	3.3	3.2	2.9
	0.2	4.2	4.2	4.5	2.7	2.7	3.6	4.0	4.0	3.1	2.4	2.2				
Change in private inventories	1.8	1.4	2.3	1.7	0.1	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.9	1.8	0.3	0.4
Government final consumption expenditure	117.5	117.5	117.7	118.3	118.8	118.9	119.0	119.1	119.3	119.5	119.7	119.8	116.0	117.7	118.9	119.6
	0.8	0.0	0.2	0.4	0.4	0.1	0.1	0.1	0.2	0.1	0.2	0.2	2.0	1.5	1.0	0.5
	2.1	0.9	1.5	1.5	1.1	1.2	1.1	0.7	0.5	0.5	0.6	0.6				
Government investment expenditure	26.3	26.7	26.8	27.0	27.1	27.2	27.3	27.3	27.4	27.5	27.6	27.6	27.3	26.7	27.2	27.5
	1.0	1.2	0.7	0.5	0.5	0.5	0.2	0.2	0.3	0.2	0.2	0.2	-7.5	-2.2	2.1	1.0
	-9.0	-4.5	-0.1	3.5	2.9	2.2	1.7	1.4	1.2	0.9	1.0	1.0				
Change in government inventories	-0.07	-0.10	-0.01	0.00	0.00	-0.03	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	0.01	-0.04	-0.01	-0.01
Net exports of goods and services	-0.2	-3.8	-3.8	-4.2	-3.4	-3.5	-3.2	-3.3	-3.4	-2.9	-2.7	-2.1	0.49	-3.0	-3.3	-2.8
Exports of goods and services	106.7	108.8	108.2	106.7	106.3	106.4	107.2	108.0	108.6	109.9	111.0	112.3	103.8	107.6	107.0	110.4
	1.8	1.9	-0.5	-1.4	-0.3	0.1	0.7	0.8	0.5	1.2	1.0	1.2	12.4	3.7	-0.6	3.2
	2.9	5.6	4.4	1.7	-0.4	-2.1	-1.0	1.2	2.1	3.2	3.5	4.0				
Imports of goods and services	107.0	112.5	112.1	110.9	109.7	109.9	110.4	111.3	111.9	112.8	113.7	114.4	103.3	110.6	110.3	113.2
	0.8	5.2	-0.4	-1.1	-1.0	0.2	0.5	0.8	0.6	0.7	0.8	0.7	7.1	7.1	-0.3	2.6
	3.8	10.6	9.4	4.5	2.5	-2.4	-1.5	0.4	2.1	2.6	2.9	2.8				
GDP	545.3	543.6	547.1	547.2	548.6	551.4	554.0	555.5	557.2	559.1	560.8	562.6	536.8	545.8	552.4	559.9
	4.6	-1.2	2.6	0.0	1.1	2.0	1.9	1.1	1.2	1.4	1.2	1.3	2.3	1.7	1.2	1.4
	1.1	-0.3	0.6	0.0	0.3	0.5	0.5	0.3	0.3	0.4	0.3	0.3				
	1.6	1.9	1.5	1.5	0.6	1.4	1.3	1.5	1.6	1.4	1.2	1.3				
Contribution of domestic demand	1.0	0.3	0.7	0.1	0.1	0.5	0.4	0.3	0.3	0.3	0.3	0.2	1.5	2.3	1.3	1.3
of which, private demand	0.7	0.3	0.6	-0.1	0.0	0.5	0.4	0.2	0.3	0.2	0.2	0.2	1.5	2.1	0.9	1.1
of which, public demand	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.2
Contribution of net exports	0.2	-0.6	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.8	-0.6	-0.1	0.1
国内総所得	529.2	523.9	527.7	528.1	531.0	534.5	537.3	538.7	540.7	543.0	544.3	546.0	529.7	527.1	535.4	543.5
	0.6	-3.9	2.9	0.3	2.2	2.7	2.1	1.0	1.6	1.6	1.0	1.2	1.0	-0.5	1.6	1.5
	0.0	-0.1	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0				
	-1.0	-0.7	-0.5	-0.1	0.3	2.0	1.8	2.0	1.8	1.6	1.3	1.4				

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			
	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024	
Private final consumption expenditure	306.7	310.1	312.1	312.4	313.9	318.1	319.0	319.6	320.2	323.7	325.2	326.1	293.8	310.3	317.7	323.8	
	2.4	1.1	0.6	0.1	0.5	1.4	0.3	0.2	0.2	1.1	0.5	0.3	2.4	5.6	2.4	1.9	
	5.4	7.2	5.4	4.3	2.3	2.6	2.2	2.3	2.0	1.7	2.0	2.0					
Private residential investment	21.0	21.0	21.0	21.2	21.5	21.6	21.6	21.7	22.0	22.0	22.1	22.1	20.9	21.1	21.6	22.0	
	-0.5	0.0	0.2	0.7	1.6	0.3	0.0	0.4	1.3	0.2	0.2	0.1	5.6	0.7	2.6	2.0	
	2.1	0.5	-0.3	0.4	2.5	2.8	2.6	2.3	2.0	1.9	2.1	1.9					
Private non-residential investment	90.3	92.7	93.8	94.6	96.1	98.2	99.3	100.0	101.5	102.9	103.2	103.7	86.3	92.9	98.4	102.8	
	3.8	2.7	1.2	0.9	1.5	2.3	1.0	0.8	1.4	1.4	0.3	0.5	3.1	7.6	6.0	4.5	
	4.2	8.7	8.7	8.8	6.4	6.0	5.8	5.7	5.6	4.8	4.0	3.7					
Change in private inventories	2.0	1.3	1.9	1.3	-0.5	-0.4	-0.3	-0.3	-0.2	-0.2	-0.2	-0.3	0.5	1.6	-0.4	-0.2	
Government final consumption expenditure	118.9	120.4	121.0	121.6	122.2	122.8	123.4	123.3	123.5	124.4	125.2	124.9	117.2	120.5	122.9	124.5	
	0.3	1.3	0.5	0.5	0.5	0.4	0.5	-0.1	0.2	0.7	0.7	-0.2	3.1	2.8	2.0	1.3	
	2.8	2.3	3.5	2.6	2.8	1.9	2.0	1.4	1.0	1.3	1.5	1.3					
Government investment expenditure	29.4	30.0	30.4	30.5	30.9	31.3	31.6	31.7	31.9	32.1	32.4	32.5	29.6	30.1	31.4	32.2	
	2.4	2.0	1.3	0.4	1.2	1.5	0.9	0.1	0.6	0.8	0.8	0.3	-4.3	1.7	4.2	2.7	
	-4.2	0.1	3.8	6.2	4.9	4.4	4.0	3.7	3.1	2.5	2.5	2.6					
Change in government inventories	-0.15	-0.30	-0.09	-0.08	-0.08	-0.14	-0.10	-0.10	-0.10	-0.11	-0.10	-0.10	-0.02	-0.15	-0.10	-0.10	
Net exports of goods and services	-19.5	-29.4	-29.7	-30.1	-27.1	-26.3	-25.8	-26.1	-25.7	-24.9	-25.0	-24.6	-6.8	-27.2	-26.3	-25.1	
Exports of goods and services	117.7	123.6	125.7	125.5	125.6	126.6	127.7	129.0	130.4	132.8	134.5	136.5	103.7	123.1	127.2	133.5	
	7.6	5.0	1.7	-0.2	0.1	0.7	0.9	1.0	1.1	1.8	1.3	1.5	22.9	18.8	3.3	5.0	
	18.6	22.8	19.0	14.7	6.7	2.4	1.6	2.8	3.8	4.9	5.3	5.8					
Imports of goods and services	137.3	153.0	155.4	155.6	152.8	152.9	153.5	155.1	156.1	157.7	159.6	161.2	110.5	150.3	153.6	158.6	
	11.9	11.4	1.6	0.1	-1.8	0.0	0.4	1.0	0.7	1.0	1.2	1.0	30.3	36.0	2.2	3.3	
	35.9	45.0	37.4	26.8	11.3	-0.1	-1.2	-0.3	2.2	3.2	3.9	3.9					
GDP	548.6	545.9	550.5	551.5	556.8	565.3	568.7	569.8	572.9	579.9	582.8	584.4	541.5	549.1	565.2	580.0	
	3.4	-2.0	3.4	0.7	4.0	6.2	2.4	0.8	2.2	5.0	2.0	1.1	1.3	1.4	2.9	2.6	
	0.8	-0.5	0.8	0.2	1.0	1.5	0.6	0.2	0.5	1.2	0.5	0.3					
	1.2	1.4	1.6	1.4	1.5	3.5	3.3	3.3	2.9	2.6	2.5	2.5					
Contribution of domestic demand	2.0	1.3	0.9	0.2	0.4	1.4	0.5	0.2	0.5	1.1	0.5	0.2	2.5	5.2	2.8	2.4	
of which, private demand	1.8	0.9	0.7	0.1	0.3	1.2	0.3	0.3	0.4	0.9	0.3	0.2	2.1	4.5	2.1	2.0	
of which, public demand	0.2	0.4	0.2	0.1	0.2	0.2	0.2	0.0	0.1	0.2	0.2	0.0	0.4	0.7	0.7	0.4	
Contribution of net exports	-1.2	-1.8	-0.1	-0.1	0.5	0.2	0.1	0.0	0.1	0.1	0.0	0.1	-1.2	-3.8	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 4. Gross domestic expenditure (deflator)

2015 = 100, %

	Quarter												Fiscal year			
	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024
Private final consumption expenditure	103.1	103.9	104.0	104.1	104.3	105.2	105.2	105.1	105.0	105.9	106.2	106.2	101.2	103.8	104.9	105.8
	1.2	0.8	0.0	0.1	0.2	0.9	-0.1	-0.1	-0.1	0.9	0.3	0.1	-0.2	2.6	1.1	0.9
	2.3	2.8	2.9	2.1	1.1	1.2	1.1	1.0	0.7	0.6	1.0	1.1				
Private residential investment	118.3	118.8	118.4	118.2	120.0	120.8	120.5	120.6	121.7	122.1	122.4	122.4	113.2	118.4	120.5	122.2
	1.5	0.4	-0.3	-0.2	1.5	0.7	-0.2	0.1	0.9	0.3	0.2	0.1	7.4	4.6	1.7	1.4
	8.9	5.7	2.9	1.4	1.4	1.7	1.8	2.0	1.4	1.1	1.6	1.5				
Private non-residential investment	105.9	107.1	108.1	108.8	109.7	110.5	110.3	110.6	111.4	112.3	112.1	112.2	103.2	107.5	110.3	112.0
	1.4	1.1	0.9	0.7	0.8	0.8	-0.2	0.3	0.7	0.8	-0.2	0.1	2.5	4.1	2.6	1.6
	3.9	4.3	4.4	4.1	3.6	3.2	2.1	1.7	1.6	1.6	1.6	1.4				
Government final consumption expenditure	101.2	102.5	102.8	102.8	102.9	103.3	103.7	103.5	103.5	104.1	104.6	104.2	101.0	102.3	103.3	104.1
	-0.5	1.3	0.3	0.0	0.1	0.3	0.4	-0.2	0.0	0.5	0.6	-0.4	1.1	1.3	1.0	0.8
	0.7	1.4	2.0	1.1	1.7	0.7	0.9	0.6	0.6	0.8	0.9	0.7				
Government investment expenditure	111.8	112.7	113.3	113.2	114.0	115.1	115.9	115.8	116.2	116.9	117.6	117.6	108.4	112.8	115.2	117.1
	1.4	0.8	0.6	-0.1	0.7	1.0	0.7	-0.1	0.4	0.6	0.6	0.0	3.5	4.0	2.1	1.7
	5.3	4.8	3.9	2.6	2.0	2.1	2.2	2.3	2.0	1.6	1.5	1.6				
Exports of goods and services	110.3	113.6	116.2	117.6	118.2	118.9	119.2	119.5	120.1	120.8	121.2	121.6	99.9	114.4	118.9	120.9
	5.8	3.0	2.2	1.3	0.5	0.6	0.2	0.2	0.5	0.6	0.3	0.3	9.3	14.6	3.9	1.7
	15.2	16.3	14.1	12.8	7.1	4.7	2.6	1.5	1.6	1.6	1.7	1.8				
Imports of goods and services	128.4	135.9	138.7	140.3	139.3	139.1	139.1	139.3	139.4	139.8	140.4	140.9	107.0	135.9	139.2	140.1
	11.0	5.9	2.0	1.2	-0.7	-0.1	0.0	0.2	0.1	0.3	0.4	0.3	21.7	27.0	2.4	0.7
	30.9	31.1	25.6	21.4	8.5	2.3	0.3	-0.7	0.1	0.5	1.0	1.1				
GDP	100.6	100.4	100.6	100.8	101.5	102.5	102.7	102.6	102.8	103.7	103.9	103.9	100.9	100.6	102.3	103.6
	-0.3	-0.2	0.2	0.2	0.7	1.0	0.1	-0.1	0.2	0.9	0.2	-0.1	-1.0	-0.3	1.7	1.2
	-0.3	-0.5	0.0	-0.1	0.9	2.1	2.0	1.8	1.3	1.2	1.2	1.3				

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 5. Production, employment, wages and prices

	Quarter												Fiscal year			
	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024
Index of industrial production (2015=100)	93.1	98.5	98.5	98.6	98.6	98.8	99.1	99.5	100.2	100.7	101.4	102.0	95.5	97.2	99.0	101.0
	-2.7	5.9	0.0	0.1	0.0	0.2	0.4	0.3	0.7	0.5	0.7	0.6	5.8	1.8	1.9	2.1
	-3.6	4.0	3.8	3.1	5.9	0.2	0.6	0.9	1.6	1.9	2.2	2.5				
Labor force (ten thousand persons)	6913	6913	6916	6919	6921	6924	6926	6927	6929	6931	6933	6935	6897	6915	6925	6932
	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.3	0.1	0.1
	0.0	0.0	0.6	0.5	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1				
Engaged labor force (ten thousand persons)	6735	6736	6743	6746	6755	6761	6766	6769	6772	6774	6775	6776	6704	6740	6763	6774
	0.5	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.5	0.3	0.2
	0.3	0.3	0.8	0.7	0.3	0.4	0.3	0.4	0.3	0.2	0.1	0.1				
Employed (ten thousand persons)	6060	6051	6058	6060	6069	6074	6078	6081	6084	6085	6087	6087	6011	6057	6076	6086
	0.8	-0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.2	0.8	0.3	0.2
	0.7	0.6	0.9	0.8	0.1	0.4	0.3	0.4	0.3	0.2	0.1	0.1				
Unemployment rate (%)	2.6	2.6	2.5	2.5	2.4	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.8	2.5	2.3	2.3
Domestic corporate goods price index (2015=100)	113.6	115.9	117.2	117.2	117.5	118.6	118.2	118.2	118.1	118.4	118.1	118.1	107.0	116.0	118.1	118.2
	2.9	2.0	1.1	0.0	0.3	0.9	-0.3	0.0	-0.1	0.2	-0.2	0.0	7.1	8.4	1.8	0.1
	9.6	9.7	8.4	6.2	3.4	2.3	0.8	0.9	0.5	-0.1	-0.1	-0.1				
Core consumer price index (2020=100)	101.6	102.5	103.4	102.8	103.7	104.2	104.9	105.1	105.4	105.9	106.1	106.3	99.9	102.6	104.5	105.9
	1.1	1.0	0.8	-0.6	0.9	0.5	0.7	0.2	0.2	0.5	0.2	0.2	0.0	2.7	1.9	1.3
	2.1	2.7	3.4	2.3	2.1	1.7	1.5	2.3	1.6	1.5	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. 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			
	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024
CD rates (%)	0.002	0.002	0.002	0.002	0.003	0.003	0.003	0.003	0.005	0.005	0.005	0.005	0.002	0.002	0.003	0.005
Government bond yields (%)	0.230	0.213	0.235	0.230	0.235	0.297	0.292	0.329	0.377	0.361	0.347	0.325	0.092	0.227	0.288	0.353
Money stock (M2+CD, JPY trillion)	1198.1	1207.3	1215.3	1221.3	1227.1	1234.2	1242.4	1249.4	1257.5	1264.8	1269.8	1274.9	1187.5	1221.3	1249.4	1274.9
	0.9	0.8	0.7	0.5	0.5	0.6	0.7	0.6	0.7	0.6	0.4	0.4	3.5	2.8	2.3	2.0
	3.3	3.4	3.3	2.8	2.4	2.2	2.2	2.3	2.5	2.5	2.2	2.0				
Nikkei stock average (JPY 2005=100)	26,885	27,586	26,833	26,774	26,667	27,778	28,889	30,000	30,500	31,000	31,500	32,000	28,385	27,019	28,334	31,250
	216.3	221.9	215.8	215.4	214.5	223.4	232.4	241.3	245.3	249.4	253.4	257.4	228.3	217.3	227.9	251.4
	-1.1	2.6	-2.7	-0.2	-0.4	4.2	4.0	3.8	1.7	1.6	1.6	1.6	16.0	-4.8	4.9	10.3
	-7.2	-3.4	-6.9	-1.5	-0.8	0.7	7.7	12.0	14.4	11.6	9.0	6.7				
USD/JPY exchange rate	129.6	138.3	145.0	142.5	140.0	137.5	135.0	135.0	133.3	131.5	129.8	128.0	112.4	138.8	136.9	130.6
	11.5	6.8	4.8	-1.7	-1.8	-1.8	-1.8	0.0	-1.3	-1.3	-1.3	-1.3	6.0	23.6	-1.4	-4.6
	18.3	25.6	27.5	22.7	8.1	-0.6	-6.9	-5.3	-4.8	-4.4	-3.9	-5.2				

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