

Japanese Economy: Analysis and Forecasts No.141

12 December, 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

Revised Outlook for Japan's Economy Reflecting the Second Advance 2022 Q3 GDP Estimate

- Real GDP growth forecast: +1.5% in FY 2022, +1.1% in FY 2023, +1.4% in FY 2024 -

- ◆ According to the second official advance estimate, Japan's real GDP growth in 2022 Q3 was an annualized -0.8% QoQ, which was an upward revision from the first advance estimate (-1.2%). Previous GDP figures were retroactively revised due to revisions in seasonal adjustments and basic statistics. As a result, compared to the first advance estimate, Q1 GDP growth was revised downward sharply by -2.0%pt (from +0.2% to -1.8%). Thus, Q3 growth was negative for the first time in two quarters. The carry over effect for FY 2022 GDP growth, which assumes zero QoQ growth throughout the fiscal year 2023, was revised downward by 0.2 %pt from first advanced estimate.
- ◆ The second advance estimate for FY 2020 and the first advance estimate for FY 2021 were released simultaneously, resulting in upward revisions in GDP growth of +0.4 %pt (-4.6% to -4.1%) in FY 2020, and +0.2 %pt (+2.3% to +2.5%) in FY 2021. According to the second advance estimate, the pre-pandemic peak of Japan's real GDP was in 2019 Q3.
- ◆ We have revised our outlook for the Japanese economy for FY2022-24, taking into account the second advance estimate of Q3 GDP and our new assumptions about exogenous variables. We forecast real GDP growth of +1.5% in FY 2022, +1.1% in FY 2023, and +1.4% in FY 2024. The downward revision for FY 2022 is due to a decline in the carry over effect.
- ◆ Real GDP in Q3 2022 remains 1.9% lower than its pre-pandemic peak. This is mainly due to private final consumption expenditures (-3.2%), private capital formation (-3.3%), and exports of services (-15.1%) remaining below their peaks. If no new restrictions are imposed on economic activities during the forecast period, households' forced savings are likely to be unleashed in the second half of FY 2022. Therefore, we expect a recovery led by private final consumption expenditures, especially service expenditures. The contribution of private-sector demand to GDP growth is expected to decelerate, so the growth rate in FY 2023 is projected to decline relative to FY 2022. Real GDP is not expected to exceed its pre-pandemic peak until 2024 Q1 or later. Since the second advance estimate revised the historical data, real GDP will exceed the pre-pandemic peak two quarters earlier than previously forecast.
- ◆ Soaring energy prices, the weak yen, and the rising prices of imported goods will cause CPI inflation to exceed 3% in the second half of FY 2022. The CPI trend in FY 2023 will be determined mainly by the trend in service prices, as the impact of energy price hikes will fade away. In this sense, wage increases in FY 2023 will be important. We forecast the inflation rate of the CPI core index to be +3.0% in FY 2022, +1.9% in FY 2023, and +1.2% in FY 2024. Compared to our previous forecast, the FY 2022 forecast has been revised upward by +0.3%pt to reflect current conditions. The forecast for FY 2024 has been revised downward by -0.1 %pt.

Index

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

Forecast Summary

	Current forecast (2022/12/12)				Previous forecast (2022/11/29)			
	2021	2022	2023	2024	2021	2022	2023	2024
Real GDP (%)	2.5	1.5	1.1	1.4	2.3	1.7	1.2	1.4
Private demand (contribution)	1.4	2.0	0.9	1.2	1.5	2.1	0.9	1.1
Private final consumption expenditure (%)	1.5	2.5	1.4	1.3	2.6	3.0	1.2	1.1
Private residential investment (%)	▲ 1.1	▲ 4.2	0.9	0.8	▲ 1.7	▲ 3.8	0.9	0.6
Private non-residential investment (%)	2.1	3.3	2.9	2.7	0.6	3.3	3.2	2.9
Private inventory changes (contribution)	0.1	0.3	▲ 0.4	0.0	0.1	0.2	▲ 0.3	0.0
Public demand (contribution)	0.4	0.1	0.3	0.2	0.0	0.2	0.3	0.2
Government final consumption expenditure (%)	3.4	1.2	0.8	0.4	2.0	1.5	1.0	0.5
Public investment expenditure (%)	▲ 6.4	▲ 2.8	2.1	1.5	▲ 7.5	▲ 2.2	2.1	1.0
Public inventory changes (contribution)	0.0	▲ 0.0	0.0	▲ 0.0	0.0	▲ 0.0	0.0	▲ 0.0
External demand (contribution)	0.8	▲ 0.6	▲ 0.0	0.1	0.8	▲ 0.6	▲ 0.1	0.1
Exports of goods and services (%)	12.3	4.6	0.3	3.4	12.4	3.7	▲ 0.6	3.2
Imports of goods and services (%)	7.1	7.9	0.5	2.9	7.1	7.1	▲ 0.3	2.6
Nominal GDP (%)	2.4	1.6	2.8	2.6	1.3	1.4	2.9	2.6
GDP deflator (%)	▲ 0.1	0.1	1.6	1.1	▲ 1.0	▲ 0.3	1.7	1.2
Domestic corporate price index (%)	7.1	8.9	1.6	0.1	7.1	8.4	1.8	0.1
Core consumer price index (%)	0.0	3.0	1.9	1.2	0.0	2.7	1.9	1.3
Industrial production index (%)	5.8	1.4	2.1	2.0	5.8	1.8	1.9	2.1
New housing starts (%)	6.6	▲ 0.5	1.4	0.4	6.6	▲ 0.4	1.7	0.3
Unemployment rate (%)	2.8	2.5	2.4	2.3	2.8	2.5	2.3	2.3
Current account balance (JPY trillion)	20.3	6.3	6.8	6.1	20.3	5.8	6.6	6.3
% of nominal GDP	3.7	1.1	1.2	1.0	3.7	1.1	1.2	1.1
Crude oil price (USD/barrel)	78.3	94.8	82.5	83.3	78.3	95.3	82.5	83.2
USD/JPY exchange rate	112.4	137.3	133.9	128.3	112.4	138.8	136.9	130.6
USA real GDP (% , calendar year)	5.9	1.9	0.5	1.8	5.9	1.7	▲ 0.5	1.3

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.

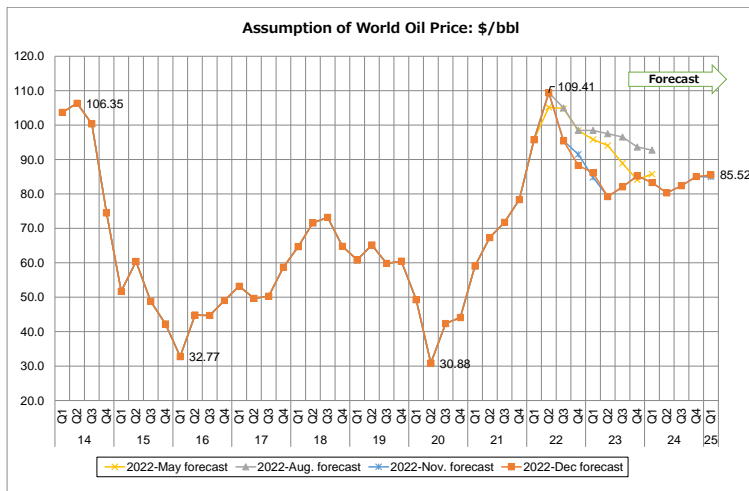
Forecasts at a glance

【Slow economic recovery, particularly in private consumption and capital formation】

	GDP	Goods imports	Services imports	Private final consumption expenditure	Private investment	Government spending	Goods exports	Services exports
19Q2	99.8	98.6	95.6	99.1	100.5	99.4	98.8	102.2
19Q3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
19Q4	97.3	98.6	96.1	96.7	94.7	100.3	98.4	100.2
20Q1	97.7	93.9	94.8	97.4	95.3	100.3	95.7	88.3
20Q2	89.9	94.8	88.8	89.1	91.5	101.2	78.1	76.6
20Q3	95.0	87.2	84.9	94.0	88.5	103.1	88.8	73.2
20Q4	96.8	94.1	84.4	95.8	88.8	104.0	98.9	75.0
21Q1	96.6	96.1	85.5	94.2	92.3	103.8	100.9	78.3
21Q2	97.0	99.1	93.2	94.4	92.9	105.1	104.3	79.6
21Q3	96.5	98.4	90.5	93.2	92.9	105.5	103.8	80.1
21Q4	97.7	99.1	89.8	96.2	92.3	103.9	104.6	79.5
22Q1	97.2	103.0	92.1	95.2	95.3	103.7	106.8	77.2
22Q2	98.3	105.2	89.4	96.7	95.2	104.5	107.6	81.1
22Q3	98.1	107.1	106.0	96.8	96.7	104.6	109.3	84.9

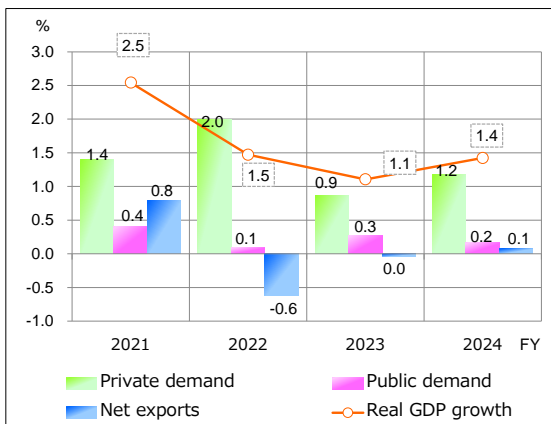
Note: 2019Q3=100

【Assumption of World Oil Price】



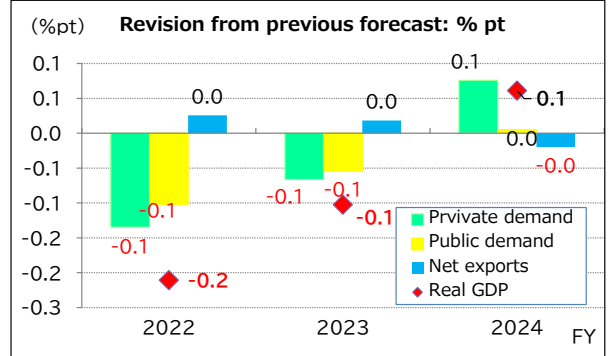
Note: Actual figures until FY2021, forecast figures thereafter.

【Contributions to real GDP growth (% pt)】



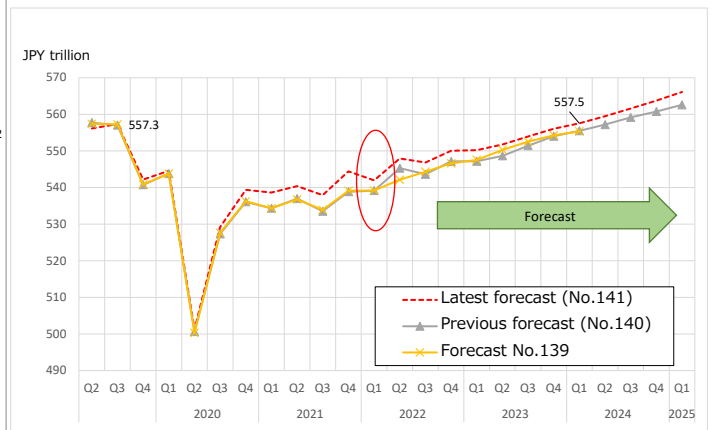
Note: Due to rounding, the total contribution of demand components does not necessarily match the real GDP growth rate.

【Revision range from the previous forecast: after reflecting the second advance estimate】



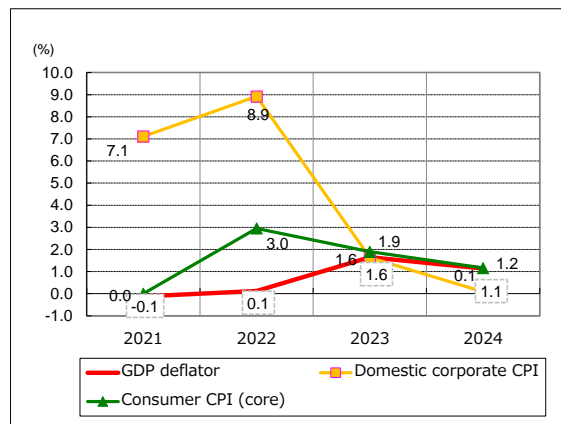
Note: Due to rounding, the total contribution of demand components does not necessarily match the real GDP growth rate.

【Upwardly revised second advance estimate】



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

【Inflation (YoY, %)】



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)	547.9	546.8	550.1	550.2	551.7	553.9	556.1	557.5	559.5	561.6	563.7	566.1	540.8	548.8	554.8	562.7
	1.1	-0.2	0.6	0.0	0.3	0.4	0.4	0.3	0.3	0.4	0.4	0.4	2.5	1.5	1.1	1.4
	1.4	1.7	1.0	1.5	0.7	1.3	1.1	1.3	1.4	1.4	1.4	1.5				
Nominal GDP (JPY trillion)	558.2	554.1	561.8	563.1	567.0	573.5	578.0	580.7	584.4	588.4	591.3	594.3	550.5	559.3	574.8	589.6
	1.0	-0.7	1.4	0.2	0.7	1.1	0.8	0.5	0.6	0.7	0.5	0.5	2.4	1.6	2.8	2.6
	1.4	1.3	1.8	1.8	1.6	3.5	2.9	3.1	3.1	2.6	2.3	2.3				
GDP deflator (2011=100)	101.9	101.3	102.1	102.3	102.8	103.5	103.9	104.1	104.4	104.8	104.9	105.0	101.8	101.9	103.6	104.8
	-0.1	-0.5	0.8	0.2	0.4	0.7	0.4	0.2	0.3	0.3	0.1	0.1	-0.1	0.1	1.6	1.1
	0.0	-0.4	0.7	0.3	0.9	2.2	1.8	1.8	1.6	1.2	0.9	0.8				
Index of industrial production (2015=100)	93.1	98.5	97.7	97.9	98.3	98.7	99.0	99.3	100.0	100.5	101.2	101.8	95.5	96.8	98.8	100.9
	-2.7	5.9	-0.8	0.2	0.4	0.4	0.3	0.3	0.7	0.5	0.7	0.6	5.8	1.4	2.1	2.0
	-3.6	4.0	2.9	2.3	5.6	0.2	1.3	1.4	1.7	1.8	2.2	2.5				
New housing starts (thousands)	213	215	216	217	218	218	219	219	219	220	220	219	866	862	874	877
	-2.3	1.1	0.3	0.4	0.7	-0.4	0.6	-0.2	0.0	0.6	-0.2	-0.1	6.6	-0.5	1.4	0.4
	-1.4	-0.5	1.1	-0.6	2.5	1.0	1.3	0.7	0.0	1.1	0.2	0.4				
Domestic corporate goods price index (2015=100)	113.6	115.9	118.2	118.3	118.2	118.5	118.4	118.6	118.5	118.7	118.4	118.4	107.0	116.5	118.4	118.5
	2.9	2.0	2.0	0.1	-0.1	0.2	-0.1	0.2	-0.1	0.2	-0.3	0.0	7.1	8.9	1.6	0.1
	9.6	9.7	9.3	7.2	4.0	2.2	0.1	0.2	0.2	0.2	0.1	-0.2				
Core consumer price index (2020=100)	101.6	102.5	104.0	103.3	104.0	104.5	105.6	105.0	105.6	106.0	106.5	106.0	99.9	102.9	104.8	106.0
	1.1	1.0	1.4	-0.7	0.7	0.5	1.1	-0.6	0.5	0.5	0.4	-0.5	0.0	3.0	1.9	1.2
	2.1	2.7	4.0	2.8	2.4	2.0	1.6	1.7	1.5	1.4	0.8	0.9				
Wage earnings per worker (JPY thousand)	4100	4115	4161	4191	4183	4197	4213	4249	4306	4274	4312	4350	4071	4084	4210	4310
	-0.1	0.4	1.1	0.7	-0.2	0.3	0.4	0.9	1.3	-0.7	0.9	0.9	1.7	0.3	3.1	2.4
	1.3	1.4	2.1	2.1	2.0	2.0	1.2	1.4	2.9	1.8	2.4	2.4				
Unemployment rate (%)	2.6	2.6	2.5	2.5	2.4	2.4	2.3	2.3	2.3	2.3	2.2	2.2	2.8	2.5	2.4	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	0.242	0.243	0.247	0.309	0.304	0.341	0.389	0.373	0.360	0.337	0.092	0.232	0.300	0.365
Current account balance (JPY trillion)	3.2	0.8	1.1	1.2	1.8	1.8	1.7	1.5	1.6	1.6	1.5	1.4	20.3	6.3	6.8	6.1
% of nominal GDP	2.3	0.6	0.8	0.9	1.3	1.2	1.2	1.0	1.1	1.1	1.0	0.9	3.7	1.1	1.2	1.0
Crude oil price (USD/barrel)	109.41	95.43	88.29	86.17	79.23	82.07	85.23	83.33	80.33	82.39	85.07	85.52	78.31	94.82	82.47	83.33
USD/JPY exchange rate	129.6	138.3	142.0	139.5	137.0	134.5	132.0	132.0	130.5	129.0	127.5	126.0	112.4	137.3	133.9	128.3
Government debt (JPY trillion)	1223.3	1223.5	1230.8	1236.5	1240.3	1244.8	1250.3	1255.4	1260.2	1265.2	1270.7	1276.0	1223.0	1223.3	1255.4	1260.2
	0.0	0.0	0.6	0.5	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	5.0	0.0	2.6	0.4
	3.7	2.5	1.8	1.1	1.4	1.7	1.6	1.5	1.6	1.6	1.6	1.6				
% of GDP	219.1	220.8	219.4	216.6	213.8	212.0	211.1	210.3	209.3	208.6	208.2	207.9	222.1	218.7	218.4	213.7
Fiscal balance (JPY trillion)	-67.0	-71.8	-72.2	-73.1	-72.3	-73.4	-73.8	-73.8	-73.8	-73.7	-75.2	-75.1	-76.3	-71.0	-73.3	-74.4

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 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	294.8	295.1	296.6	296.9	297.9	299.4	300.6	301.6	302.4	303.2	304.2	305.2	288.6	295.8	299.9	303.8
	1.7	0.1	0.5	0.1	0.3	0.5	0.4	0.3	0.3	0.3	0.3	0.3	1.5	2.5	1.4	1.3
	2.5	3.9	1.2	2.4	1.1	1.5	1.4	1.6	1.5	1.3	1.2	1.2				
Private residential investment	17.9	17.8	17.8	18.0	18.0	18.0	18.0	18.1	18.2	18.2	18.2	18.2	18.6	17.9	18.0	18.2
	-1.9	-0.5	0.3	0.8	0.2	-0.3	0.3	0.3	0.4	-0.1	0.0	0.1	-1.1	-4.2	0.9	0.8
	-6.4	-5.3	-3.8	-1.3	0.9	1.1	1.0	0.5	0.7	1.0	0.8	0.5				
Private non-residential investment	88.6	89.9	90.8	90.8	91.3	92.3	93.2	93.8	94.2	94.8	95.4	95.9	87.2	90.0	92.6	95.1
	2.0	1.5	1.0	0.0	0.5	1.1	0.9	0.7	0.5	0.6	0.6	0.5	2.1	3.3	2.9	2.7
	0.4	3.8	4.2	4.6	3.1	2.7	2.6	3.3	3.2	2.7	2.4	2.3				
Change in private inventories	2.6	3.1	3.2	2.1	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.7	1.2	2.8	0.8	0.8
Government final consumption expenditure	118.9	119.1	119.2	119.7	120.2	120.2	120.1	120.1	120.3	120.5	120.8	121.0	117.8	119.2	120.2	120.7
	0.7	0.1	0.1	0.5	0.5	0.0	0.0	-0.1	0.2	0.2	0.2	0.2	3.4	1.2	0.8	0.4
	1.5	0.3	1.5	1.4	1.1	0.9	0.8	0.3	0.0	0.3	0.6	0.8				
Government investment expenditure	26.5	26.8	27.0	27.0	27.1	27.3	27.4	27.6	27.7	27.7	27.8	27.9	27.6	26.8	27.4	27.8
	0.7	0.9	0.7	0.0	0.6	0.6	0.6	0.6	0.3	0.2	0.3	0.2	-6.4	-2.8	2.1	1.5
	-9.1	-5.1	-0.8	2.4	2.3	1.9	1.8	2.4	2.1	1.7	1.4	1.0				
Change in government inventories	-0.1	-0.25	-0.15	-0.14	-0.14	-0.17	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.07	-0.16	-0.15	-0.15
Net exports of goods and services	-0.6	-4.0	-3.7	-3.5	-2.7	-3.2	-3.3	-3.6	-3.3	-2.9	-2.7	-2.0	0.43	-2.9	-3.2	-2.7
Exports of goods and services	106.4	108.7	110.1	108.7	108.3	108.3	108.9	109.6	110.6	111.9	113.0	114.4	103.7	108.5	108.8	112.5
	1.5	2.1	1.3	-1.2	-0.3	0.0	0.6	0.7	0.9	1.2	1.0	1.2	12.3	4.6	0.3	3.4
	2.9	5.4	6.2	3.6	1.7	-0.4	-1.0	0.9	2.1	3.3	3.8	4.3				
Imports of goods and services	107.1	112.7	113.7	112.2	111.0	111.5	112.2	113.2	114.0	114.8	115.7	116.4	103.3	111.4	112.0	115.2
	1.0	5.2	0.9	-1.3	-1.1	0.4	0.7	0.9	0.7	0.8	0.8	0.6	7.1	7.9	0.5	2.9
	3.8	10.6	11.2	5.9	3.7	-1.1	-1.3	0.9	2.7	3.0	3.1	2.8				
GDP	547.9	546.8	550.1	550.2	551.7	553.9	556.1	557.5	559.5	561.6	563.7	566.1	540.8	548.8	554.8	562.7
	4.5	-0.8	2.4	0.1	1.1	1.6	1.5	1.1	1.4	1.5	1.5	1.7	2.5	1.5	1.1	1.4
	1.1	-0.2	0.6	0.0	0.3	0.4	0.4	0.3	0.3	0.4	0.4	0.4				
	1.4	1.7	1.0	1.5	0.7	1.3	1.1	1.3	1.4	1.4	1.4	1.5				
Contribution of domestic demand	1.0	0.4	0.5	0.0	0.1	0.5	0.4	0.3	0.3	0.3	0.3	0.3	1.8	2.1	1.1	1.3
of which, private demand	0.8	0.4	0.5	-0.1	0.0	0.5	0.4	0.3	0.3	0.2	0.3	0.3	1.4	2.0	0.9	1.2
of which, public demand	0.2	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.4	0.1	0.3	0.2
Contribution of net exports	0.1	-0.6	0.1	0.0	0.2	-0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.8	-0.6	0.0	0.1
GNI	532.8	527.8	531.5	532.2	535.3	538.3	540.7	542.0	544.4	546.6	548.5	550.5	533.9	531.0	539.0	547.5
	1.4	-3.7	2.9	0.5	2.3	2.3	1.8	1.0	1.8	1.7	1.3	1.5	1.3	-0.5	1.5	1.6
	0.0	-0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0				
	-1.1	-0.9	-0.7	0.2	0.5	2.0	1.7	1.8	1.7	1.6	1.4	1.6				

Notes: In the quarterly statistics, the figures in the first and second rows below the main series represent QoQ changes (%) and YoY changes (%) respectively. In the 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	308.7	310.2	314.4	315.1	316.4	318.6	321.1	323.4	325.0	325.5	326.8	329.0	296.2	312.1	319.9	326.6
	2.5	0.5	1.3	0.2	0.4	0.7	0.8	0.7	0.5	0.2	0.4	0.7	2.7	5.4	2.5	2.1
	5.2	6.8	4.8	4.6	2.5	2.7	2.1	2.6	2.7	2.2	1.8	1.7				
Private residential investment	21.2	21.2	21.1	21.2	21.6	21.6	21.6	21.7	22.0	22.1	22.1	22.2	21.1	21.2	21.6	22.1
	-0.4	0.0	-0.3	0.4	1.7	0.4	0.0	0.4	1.3	0.3	0.2	0.2	6.3	0.2	2.3	2.1
	2.0	0.2	-1.1	-0.4	1.8	2.2	2.5	2.6	2.2	2.1	2.3	2.0				
Private non-residential investment	94.0	96.6	98.4	99.0	100.3	102.3	103.0	104.0	105.3	106.9	107.4	108.1	90.1	97.0	102.4	106.9
	3.5	2.7	1.9	0.6	1.3	1.9	0.8	1.0	1.2	1.5	0.4	0.6	4.7	7.7	5.6	4.4
	4.5	8.5	8.9	9.0	6.7	5.9	4.7	5.1	5.0	4.6	4.2	3.9				
Change in private inventories	3.5	3.8	3.5	2.3	0.4	0.5	0.6	0.6	0.5	0.5	0.5	0.5	1.1	3.3	0.5	0.5
Government final consumption expenditure	120.2	122.0	122.6	123.2	122.6	124.0	124.5	124.2	123.8	124.7	125.7	125.5	119.0	122.0	123.8	124.9
	0.2	1.5	0.5	0.5	-0.5	1.1	0.4	-0.2	-0.3	0.8	0.8	-0.2	4.5	2.5	1.5	0.9
	2.2	1.8	3.4	2.7	2.0	1.6	1.5	0.8	1.0	0.6	1.0	1.0				
Government investment expenditure	29.6	30.1	30.4	30.4	30.8	31.3	31.7	31.9	32.1	32.3	32.6	32.7	29.8	30.1	31.4	32.4
	2.2	1.8	1.1	0.0	1.4	1.5	1.3	0.5	0.6	0.8	0.8	0.3	-3.3	1.1	4.3	3.2
	-4.3	-0.5	3.0	5.1	4.3	4.0	4.3	4.8	4.0	3.3	2.8	2.6				
Change in government inventories	-0.10	-0.87	-0.30	-0.28	-0.29	-0.43	-0.32	-0.33	-0.34	-0.36	-0.34	-0.34	-0.09	-0.39	-0.34	-0.35
Net exports of goods and services	-18.8	-28.9	-28.4	-27.9	-24.8	-24.4	-24.3	-24.8	-24.1	-23.4	-23.5	-23.2	-6.7	-26.0	-24.6	-23.5
Exports of goods and services	117.9	124.3	129.1	129.2	129.5	130.2	131.2	132.3	134.4	136.7	138.5	140.5	103.6	125.1	130.8	137.5
	8.0	5.4	3.8	0.0	0.2	0.6	0.8	0.8	1.6	1.7	1.3	1.4	22.8	20.7	4.5	5.1
	18.6	22.6	23.2	18.3	9.8	4.7	1.6	2.5	3.8	5.0	5.6	6.1				
Imports of goods and services	136.8	153.2	157.5	157.0	154.3	154.6	155.5	157.1	158.5	160.1	162.0	163.7	110.4	151.1	155.4	161.1
	11.8	12.0	2.8	-0.3	-1.7	0.2	0.6	1.1	0.8	1.0	1.2	1.0	30.1	36.9	2.8	3.7
	35.9	45.2	39.3	28.3	12.8	0.9	-1.3	0.1	2.7	3.6	4.2	4.2				
GDP	558.2	554.1	561.8	563.1	567.0	573.5	578.0	580.7	584.4	588.4	591.3	594.3	550.5	559.3	574.8	589.6
	3.9	-2.9	5.6	0.9	2.8	4.6	3.2	1.9	2.6	2.8	2.0	2.0	2.4	1.6	2.8	2.6
	1.0	-0.7	1.4	0.2	0.7	1.1	0.8	0.5	0.6	0.7	0.5	0.5				
	1.4	1.3	1.8	1.8	1.6	3.5	2.9	3.1	3.1	2.6	2.3	2.3				
Contribution of domestic demand	2.0	1.1	1.3	0.1	0.2	1.1	0.8	0.6	0.5	0.6	0.5	0.5	3.6	5.1	2.5	2.4
of which, private demand	1.8	0.8	1.0	0.0	0.2	0.8	0.6	0.6	0.5	0.4	0.3	0.5	2.8	4.5	1.9	2.0
of which, public demand	0.2	0.3	0.3	0.1	0.0	0.3	0.2	0.0	0.0	0.2	0.2	0.0	0.8	0.6	0.6	0.4
Contribution of net exports	-1.0	-1.8	0.1	0.1	0.5	0.1	0.0	-0.1	0.1	0.1	0.0	0.1	-1.2	-3.5	0.3	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	104.7	105.1	106.0	106.1	106.2	106.4	106.8	107.2	107.4	107.4	107.4	107.8	102.6	105.5	106.7	107.5
	0.8	0.4	0.9	0.1	0.1	0.2	0.4	0.4	0.2	-0.1	0.1	0.3	1.2	2.8	1.1	0.8
	2.6	2.8	3.5	2.1	1.4	1.2	0.8	1.0	1.1	0.9	0.6	0.5				
Private residential investment	118.5	119.1	118.3	117.8	119.6	120.4	120.1	120.2	121.3	121.7	121.9	122.0	113.3	118.4	120.1	121.7
	1.5	0.5	-0.6	-0.4	1.5	0.7	-0.3	0.1	0.9	0.3	0.2	0.0	7.5	4.5	1.4	1.4
	9.0	5.9	2.7	0.9	0.9	1.1	1.5	2.0	1.4	1.1	1.5	1.5				
Private non-residential investment	106.1	107.4	108.3	109.0	109.9	110.8	110.6	110.9	111.8	112.7	112.5	112.7	103.3	107.7	110.6	112.4
	1.5	1.2	0.8	0.6	0.8	0.8	-0.1	0.3	0.8	0.9	-0.2	0.1	2.6	4.3	2.6	1.7
	4.0	4.5	4.5	4.3	3.5	3.1	2.1	1.8	1.7	1.8	1.8	1.6				
Government final consumption expenditure	101.0	102.5	102.9	102.9	102.0	103.2	103.6	103.5	102.9	103.5	104.1	103.7	101.0	102.3	103.1	103.5
	-0.5	1.4	0.4	0.0	-0.9	1.2	0.5	-0.2	-0.5	0.6	0.6	-0.4	1.1	1.3	0.7	0.5
	0.7	1.5	1.9	1.3	0.9	0.7	0.7	0.5	0.9	0.3	0.4	0.2				
Government investment expenditure	111.6	112.5	112.9	112.8	113.8	114.8	115.6	115.5	115.9	116.6	117.3	117.3	108.1	112.5	114.9	116.8
	1.5	0.8	0.3	0.0	0.8	0.9	0.7	-0.1	0.4	0.6	0.6	0.0	3.3	4.0	2.2	1.6
	5.2	4.8	3.8	2.6	1.9	2.1	2.4	2.3	1.9	1.5	1.5	1.6				
Exports of goods and services	110.8	114.4	117.3	118.8	119.5	120.2	120.5	120.7	121.5	122.2	122.5	122.8	99.9	115.4	120.2	122.3
	6.5	3.3	2.5	1.3	0.6	0.6	0.2	0.2	0.7	0.6	0.3	0.2	9.4	15.5	4.2	1.7
	15.3	16.3	16.1	14.2	7.9	5.1	2.7	1.6	1.6	1.6	1.7	1.7				
Imports of goods and services	127.7	136.0	138.5	139.9	139.0	138.7	138.6	138.8	139.0	139.4	140.0	140.6	106.8	135.6	138.8	139.8
	10.6	6.5	1.9	1.0	-0.7	-0.2	-0.1	0.2	0.2	0.3	0.4	0.4	21.5	27.0	2.3	0.7
	31.0	31.3	25.2	21.1	8.8	2.0	0.0	-0.8	0.0	0.6	1.1	1.3				
GDP	101.9	101.3	102.1	102.3	102.8	103.5	103.9	104.1	104.4	104.8	104.9	105.0	101.8	101.9	103.6	104.8
	-0.1	-0.5	0.8	0.2	0.4	0.7	0.4	0.2	0.3	0.3	0.1	0.1	-0.1	0.1	1.6	1.1
	0.0	-0.4	0.7	0.3	0.9	2.2	1.8	1.8	1.6	1.2	0.9	0.8				

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	97.7	97.9	98.3	98.7	99.0	99.3	100.0	100.5	101.2	101.8	95.5	96.8	98.8	100.9
	-2.7	5.9	-0.8	0.2	0.4	0.4	0.3	0.3	0.7	0.5	0.7	0.6	5.8	1.4	2.1	2.0
	-3.6	4.0	2.9	2.3	5.6	0.2	1.3	1.4	1.7	1.8	2.2	2.5				
Labor force (ten thousand persons)	6913	6913	6916	6918	6921	6923	6925	6926	6928	6930	6932	6934	6897	6915	6924	6931
	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	0.1	0.1	0.1	0.1	0.1	0.1	0.1				
Engaged labor force (ten thousand persons)	6735	6736	6743	6745	6755	6759	6763	6765	6766	6773	6780	6779	6704	6740	6760	6774
	0.5	0.0	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.5	0.3	0.2
	0.3	0.3	0.8	0.7	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.2				
Employed (ten thousand persons)	6060	6051	6058	6060	6068	6072	6075	6077	6078	6085	6091	6090	6011	6057	6073	6086
	0.8	-0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.2	0.8	0.3	0.2
	0.7	0.6	0.9	0.8	0.1	0.3	0.3	0.3	0.2	0.2	0.3	0.2				
Unemployment rate (%)	2.6	2.6	2.5	2.5	2.4	2.4	2.3	2.3	2.3	2.3	2.2	2.2	2.8	2.5	2.4	2.3
Domestic corporate goods price index (2015=100)	113.6	115.9	118.2	118.3	118.2	118.5	118.4	118.6	118.5	118.7	118.4	118.4	107.0	116.5	118.4	118.5
	2.9	2.0	2.0	0.1	-0.1	0.2	-0.1	0.2	-0.1	0.2	-0.3	0.0	7.1	8.9	1.6	0.1
	9.6	9.7	9.3	7.2	4.0	2.2	0.1	0.2	0.2	0.2	0.1	-0.2				
Core consumer price index (2020=100)	101.6	102.5	104.0	103.3	104.0	104.5	105.6	105.0	105.6	106.0	106.5	106.0	99.9	102.9	104.8	106.0
	1.1	1.0	1.4	-0.7	0.7	0.5	1.1	-0.6	0.5	0.5	0.4	-0.5	0.0	3.0	1.9	1.2
	2.1	2.7	4.0	2.8	2.4	2.0	1.6	1.7	1.5	1.4	0.8	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			
	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	0.242	0.243	0.247	0.309	0.304	0.341	0.389	0.373	0.360	0.337	0.092	0.232	0.300	0.365
Money stock (M2+CD, JPY trillion)	1198.1	1207.3	1215.8	1222.5	1228.9	1235.7	1242.1	1249.2	1255.8	1261.7	1267.5	1273.3	1187.5	1222.5	1249.2	1273.3
	0.9	0.8	0.7	0.5	0.5	0.6	0.5	0.6	0.5	0.5	0.5	0.5	3.5	2.9	2.2	1.9
	3.3	3.4	3.4	2.9	2.6	2.4	2.2	2.2	2.2	2.1	2.0	1.9				
Nikkei stock average (JPY)	26,885	27,586	27,725	28,228	28,135	28,757	29,378	30,000	30,500	31,000	31,500	32,000	28,385	27,606	29,067	31,250
2005=100	216.3	221.9	223.0	227.1	226.3	231.3	236.3	241.3	245.3	249.4	253.4	257.4	228.3	222.1	233.8	251.4
	-1.1	2.6	0.5	1.8	-0.3	2.2	2.2	2.1	1.7	1.6	1.6	1.6	16.0	-2.7	5.3	7.5
	-7.2	-3.4	-3.8	3.8	4.6	4.2	6.0	6.3	8.4	7.8	7.2	6.7				
USD/JPY exchange rate	129.6	138.3	142.0	139.5	137.0	134.5	132.0	132.0	130.5	129.0	127.5	126.0	112.4	137.3	133.9	128.3
	11.5	6.8	2.6	-1.8	-1.8	-1.8	-1.9	0.0	-1.1	-1.1	-1.2	-1.2	6.0	22.2	-2.5	-4.2
	18.3	25.6	24.9	20.1	5.7	-2.8	-7.0	-5.4	-4.7	-4.1	-3.4	-4.5				

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			
	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024
Goods exports (real)	88.8	90.1	92.0	91.5	89.4	88.9	89.0	89.1	87.1	88.0	88.7	89.8	86.5	90.6	89.1	88.4
(SNA basis)	0.7	1.6	2.1	-0.6	-2.2	-0.5	0.0	0.2	-2.3	1.0	0.9	1.2	14.2	4.8	-1.6	-0.8
	3.2	5.3	6.6	3.8	0.8	-1.3	-3.3	-2.5	-2.6	-1.1	-0.2	0.7				
Goods imports (real)	85.4	86.9	84.7	81.1	79.1	78.1	77.5	77.4	78.6	78.6	78.8	79.0	81.1	84.5	78.0	78.7
(SNA basis)	2.1	1.8	-2.6	-4.2	-2.5	-1.3	-0.7	-0.2	1.5	0.1	0.2	0.2	7.4	4.2	-7.7	0.9
	6.1	8.8	5.2	-3.1	-7.4	-10.2	-8.4	-4.5	-0.7	0.7	1.7	2.0				
Services exports (real)	17.9	18.8	18.0	17.2	18.9	19.3	19.9	20.5	23.5	23.9	24.3	24.6	17.6	18.0	19.7	24.1
(SNA basis)	5.1	4.6	-3.9	-4.6	9.7	2.5	3.1	2.8	14.6	1.8	1.5	1.3	4.8	2.4	9.3	22.5
	1.9	6.0	2.5	0.8	5.2	3.0	10.6	19.1	24.5	23.7	21.8	20.0				
Services imports (real)	21.8	25.9	29.0	31.1	31.9	33.4	34.7	35.8	35.4	36.2	36.9	37.4	22.3	27.0	33.9	36.5
(SNA basis)	-2.9	18.6	12.1	7.3	2.5	4.6	3.8	3.3	-1.1	2.2	1.9	1.5	6.3	20.8	25.8	7.5
	-4.0	17.2	32.4	38.4	46.1	28.9	19.4	14.9	10.9	8.3	6.4	4.6				
Goods exports (nominal)	97.4	102.1	106.9	107.8	105.7	105.7	105.8	106.2	104.1	105.7	106.8	108.3	85.6	103.5	105.9	106.2
(SNA basis)	6.9	4.8	4.7	0.8	-1.9	0.0	0.1	0.3	-2.0	1.6	1.0	1.4	25.2	21.0	2.3	0.3
	19.2	22.6	23.7	18.3	8.6	3.6	-1.0	-1.5	-1.6	0.0	0.9	2.0				
Goods imports (nominal)	112.3	123.5	123.3	119.3	115.4	113.2	111.7	111.2	112.3	112.1	112.2	112.1	87.2	119.6	112.9	112.2
(SNA basis)	14.2	10.0	-0.2	-3.2	-3.3	-1.8	-1.3	-0.5	1.0	-0.2	0.0	-0.1	35.0	37.2	-5.6	-0.6
	44.1	49.2	37.2	21.3	2.7	-8.3	-9.3	-6.8	-2.6	-1.0	0.4	0.8				
Services exports (nominal)	20.5	22.3	22.2	21.4	23.7	24.4	25.4	26.1	30.3	31.0	31.7	32.1	18.1	21.6	24.9	31.3
(SNA basis)	13.8	8.5	-0.2	-3.9	11.0	3.0	3.9	2.9	16.0	2.3	2.2	1.3	13.2	19.2	15.4	25.6
	16.2	22.5	20.9	18.4	15.5	9.7	14.2	22.3	27.9	27.0	24.9	23.0				
Services imports (nominal)	24.4	29.7	34.3	37.7	38.9	41.3	43.7	45.9	46.1	48.0	49.8	51.6	23.3	31.5	42.5	48.9
(SNA basis)	1.7	21.4	15.4	10.0	3.3	6.3	5.7	5.1	0.4	4.0	3.9	3.4	15.4	35.0	34.8	15.0
	7.7	30.4	47.4	56.7	59.2	39.3	27.7	22.0	18.5	16.0	14.0	12.2				
Trade balance (BOP basis)	-3.8	-5.8	-4.1	-2.9	-2.4	-1.9	-1.5	-1.3	-2.1	-1.6	-1.3	-0.9	-1.6	-16.6	-7.0	-6.0
Balance on services (BOP basis)	-0.9	-1.9	-2.8	-3.8	-3.5	-3.9	-4.2	-4.6	-3.7	-3.9	-4.2	-4.5	-4.8	-2.4	-16.2	-16.3
Primary income balance (BOP basis)	8.5	9.0	9.3	9.3	9.1	9.0	8.9	8.8	8.7	8.6	8.4	8.3	29.2	36.2	35.8	34.0
Current account balance	3.2	0.8	1.1	1.2	1.8	1.8	1.7	1.5	1.6	1.6	1.5	1.4	20.3	6.3	6.8	6.1
(BOP basis)	-22.9	-75.7	38.3	11.4	50.0	-1.9	-2.9	-13.3	6.1	1.8	-9.9	-3.2	21.1	-69.0	8.0	-10.9
	-49.6	-84.0	-77.2	-71.2	-43.9	126.7	59.2	23.9	-12.4	-9.0	-15.6	-5.7				
USD/JPY exchange rate	129.6	138.3	142.0	139.5	137.0	134.5	132.0	132.0	130.5	129.0	127.5	126.0	112.4	137.3	133.9	128.3
	11.5	6.8	2.6	-1.8	-1.8	-1.8	-1.9	0.0	-1.1	-1.1	-1.2	-1.2	6.0	22.2	-2.5	-4.2
	18.3	25.6	24.9	20.1	5.7	-2.8	-7.0	-5.4	-4.7	-4.1	-3.4	-4.5				

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.