

Japanese Economy: Analysis and Forecasts No.142

28 February, 2023

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.

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Forecast Highlights

Soaring inflation and global economic slowdown take a toll on the Japanese economy

- Real GDP growth forecast: +1.3% in FY 2022, +0.9% in FY 2023, +1.5% in FY 2024 -

- ◆ According to the first advance GDP estimate for 2022 Q4, Japan's real GDP grew at an annualized rate of +0.6% YoY (+0.2% QoQ), marking the first expansion in two quarters. However, the recovery was modest and did not make up for the decline in 2022 Q3. Real GDP growth in 2022 Q4 was lower than both the market consensus (final estimate (ESP Forecast February survey: +2.43% YoY) and APIR's CQM final estimate (+2.2% YoY).
- ◆ Looking at contributions to real GDP growth (+0.2% QoQ) in 2022 Q4, domestic demand made a negative contribution for the first time in five quarters (-0.2 percentage points). Therein, private-sector demand suppressed growth by -0.3 percentage points, making the first negative contribution in five quarters, caused by declines in private housing, private investment, and changes in private inventories. In contrast, public-sector demand propped up growth by +0.1 percentage points, marking the third positive quarterly contribution in a row. Net exports made a positive contribution for the first time in two quarters too (+0.3% percentage points).
- ◆ Japan's real GDI growth exceeded its real GDP growth for the first time in ten quarters, as the terms of trade improved for the first time in eight quarters. This has somewhat eased the outflow of income by households and firms to other countries.
- ◆ We have revised our outlook for the Japanese economy for FY 2022-24, incorporating the first advance estimate of GDP for 22 Q4 as well as our new assumptions about exogenous variables. We now forecast real GDP growth of +1.3% in FY 22, +0.9% in FY 23, and +1.5% in FY 24. The downward revisions for FY 22 and FY 23 are due to a deterioration in the outlook for the contributions of private-sector demand and net exports. We also forecast real GDI growth rates of -0.4% in FY22, +1.7% in FY23, and +1.5% in FY24.
- ◆ We assume that no new constraints on economic activities will be imposed on households throughout the forecast period. In the second half of FY 2023, when inflation is expected to decelerate, accumulated "forced" savings are likely to be unleashed, leading to a recovery led by private final consumption expenditure, especially spending on services. On the other hand, since the global economy will remain sluggish in FY 23, especially in EU and the U.S., a negative contribution by net exports is inevitable. Since the contribution of private-sector demand is likely to decelerate, FY 23 growth is projected to be lower than FY 22. As a result, real GDP is unlikely to exceed its pre-pandemic peak until 24 Q2, taking about five years (19 quarters) to recover.
- ◆ The core CPI inflation is currently above 4% YoY. Energy prices will be a disturbing factor in the trend of consumer price index for some time, partly due to the government's economic policy. However, the high prices of raw materials as well as the weak yen are likely to settle down in the second half of FY 2023, which will cause inflation to decelerate. We forecast the CPI inflation rate to be +3.1% in FY 22, +2.2% in FY 23, and +1.3% in FY 24. Compared to our last report, we have revised these forecasts upward respectively by +0.1, +0.2, and +0.1 percentage points in order to reflect the latest economic conditions.

Forecast Summary

	Current forecast (2023/2/28)				Previous forecast (2022/12/12)			
	2021	2022	2023	2024	2021	2022	2023	2024
Real GDP (%)	2.6	1.3	0.9	1.5	2.5	1.5	1.1	1.4
Private demand (contribution)	1.4	1.7	0.8	1.3	1.4	2.0	0.9	1.2
Private final consumption expenditure (%)	1.5	2.5	1.0	1.3	1.5	2.5	1.4	1.3
Private residential investment (%)	▲ 1.1	▲ 4.6	▲ 0.2	0.0	▲ 1.1	▲ 4.2	0.9	0.8
Private non-residential investment (%)	2.1	2.8	1.8	3.1	2.1	3.3	2.9	2.7
Private inventory changes (contribution)	0.1	0.1	0.0	0.1	0.1	0.3	▲ 0.4	0.0
Public demand (contribution)	0.4	0.1	0.2	0.1	0.4	0.1	0.3	0.2
Government final consumption expenditure (%)	3.4	1.3	0.9	0.4	3.4	1.2	0.8	0.4
Public investment expenditure (%)	▲ 6.4	▲ 3.7	1.0	0.9	▲ 6.4	▲ 2.8	2.1	1.5
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	▲ 0.5	▲ 0.2	0.0	0.8	▲ 0.6	▲ 0.0	0.1
Exports of goods and services (%)	12.3	4.6	▲ 0.4	3.1	12.3	4.6	0.3	3.4
Imports of goods and services (%)	7.0	7.4	0.6	2.8	7.1	7.9	0.5	2.9
Nominal GDP (%)	2.4	2.2	3.6	2.6	2.4	1.6	2.8	2.6
GDP deflator (%)	▲ 0.1	0.9	2.7	1.1	▲ 0.1	0.1	1.6	1.1
Domestic corporate price index (%)	7.1	9.6	1.9	0.4	7.1	8.9	1.6	0.1
Core consumer price index (%)	0.0	3.1	2.2	1.3	0.0	3.0	1.9	1.2
Industrial production index (%)	5.8	0.3	1.3	2.0	5.8	1.4	2.1	2.0
New housing starts (%)	6.6	▲ 1.1	▲ 0.3	▲ 0.1	6.6	▲ 0.5	1.4	0.4
Unemployment rate (%)	2.8	2.5	2.4	2.3	2.8	2.5	2.4	2.3
Current account balance (JPY trillion)	20.3	11.7	16.1	16.0	20.3	6.3	6.8	6.1
% of nominal GDP	3.7	2.1	2.8	2.7	3.7	1.1	1.2	1.0
Crude oil price (USD/barrel)	78.3	93.1	84.9	82.7	78.3	94.8	82.5	83.3
USD/JPY exchange rate	112.4	134.7	127.4	121.9	112.4	137.3	133.9	128.3
USA real GDP (% , calendar year)	5.9	2.1	0.6	1.7	5.9	1.9	0.5	1.8

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.

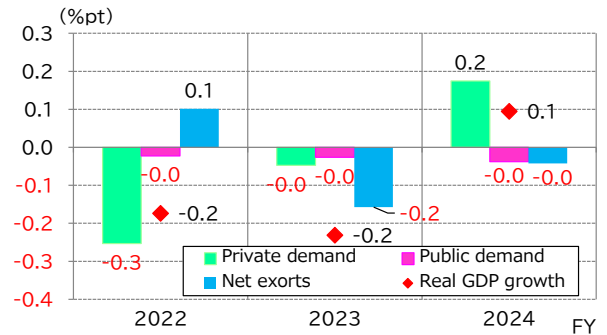
Forecasts at a glance

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

	GDP	Goods imports	Services import	Private final consumption expenditure	Private capital investment	Government spending	Goods exports	Services exports
19Q2	99.7	98.7	95.6	99.1	100.5	99.3	98.8	102.2
19Q3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
19Q4	97.3	98.7	95.8	96.6	94.7	100.3	98.3	100.3
20Q1	97.7	93.9	95.1	97.3	95.3	100.4	95.7	88.4
20Q2	89.9	94.8	88.9	89.1	91.5	101.2	78.1	76.6
20Q3	95.0	87.1	84.9	94.0	88.5	103.1	88.9	73.3
20Q4	96.7	94.3	83.9	95.8	88.8	104.0	98.9	75.1
21Q1	96.6	96.3	85.9	94.2	92.3	103.9	100.9	78.3
21Q2	96.9	99.2	93.5	94.3	92.9	105.1	104.4	79.7
21Q3	96.6	98.3	90.4	93.3	92.9	105.5	103.8	80.2
21Q4	97.6	99.2	88.9	96.0	92.4	103.9	104.5	79.5
22Q1	97.2	102.9	92.5	95.1	95.4	103.7	106.6	77.2
22Q2	98.3	104.9	89.8	96.7	95.3	104.5	107.5	81.2
22Q3	98.1	106.8	107.6	96.7	96.8	104.5	109.3	86.1
22Q4	98.2	108.4	100.4	97.2	94.3	104.9	109.9	90.6

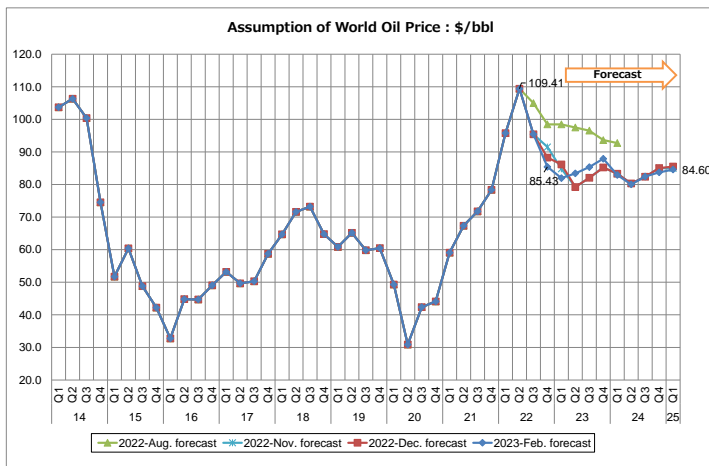
Note: 2019Q3=100

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

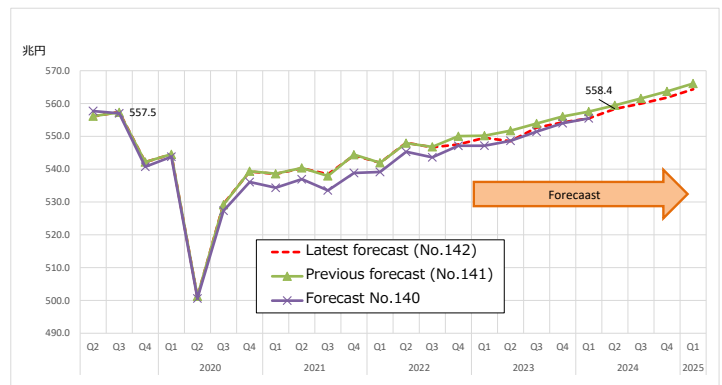


Note: Due to rounding, the total contribution of demand components does not necessarily match the real GDP growth rate.

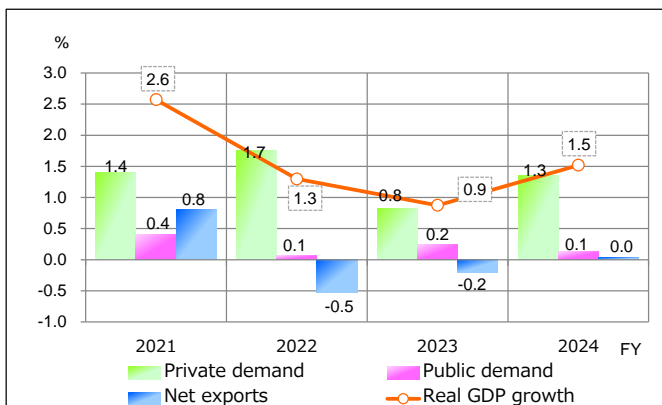
【Assumption of World Oil Price】



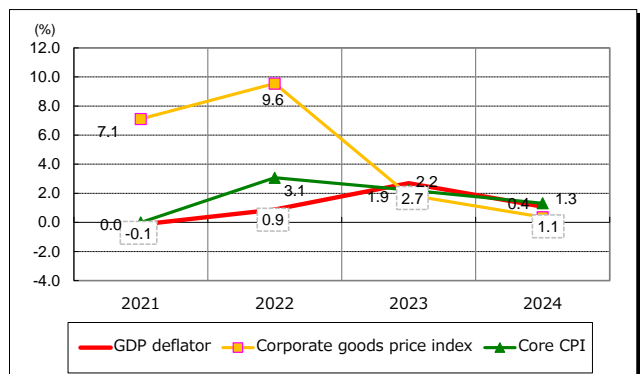
【19 quarters to recover from the peak before the Corona disaster】



【Contributions to real GDP growth (% pt)】



【Inflation (YoY, %)】



Detailed Forecasts

Table 1. Main economic indicators

	Quarter											Fiscal year			
	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024
Real GDP (JPY trillion)	546.7	547.5	549.5	548.5	552.7	554.3	555.5	558.4	560.0	561.8	564.3	540.9	547.9	552.7	561.1
	-0.3	0.2	0.4	-0.2	0.8	0.3	0.2	0.5	0.3	0.3	0.5	2.6	1.3	0.9	1.5
	1.5	0.6	1.4	0.1	1.1	1.2	1.1	1.8	1.3	1.4	1.6				
Nominal GDP (JPY trillion)	554.2	561.3	576.5	585.4	584.8	577.5	583.7	595.7	600.4	597.6	598.6	550.6	562.6	582.8	598.1
	-0.8	1.3	2.7	1.5	-0.1	-1.2	1.1	2.1	0.8	-0.5	0.2	2.4	2.2	3.6	2.6
	1.2	1.8	4.3	4.8	5.5	2.9	1.2	1.8	2.7	3.5	2.6				
GDP deflator (2011=100)	101.4	102.5	104.9	106.7	105.8	104.2	105.1	106.7	107.2	106.4	106.1	101.8	102.7	105.4	106.6
	-0.5	1.1	2.3	1.7	-0.8	-1.5	0.9	1.5	0.5	-0.8	-0.3	-0.1	0.9	2.7	1.1
	-0.3	1.2	2.8	4.7	4.4	1.6	0.2	0.0	1.3	2.1	0.9				
Index of industrial production (2015=100)	98.5	95.5	95.9	96.3	96.8	97.6	97.4	98.1	98.7	99.2	99.7	95.5	95.8	97.0	98.9
	5.9	-3.0	0.4	0.4	0.5	0.8	-0.2	0.7	0.6	0.5	0.5	5.8	0.3	1.3	2.0
	4.0	0.6	0.2	3.5	-1.8	2.2	1.6	1.9	1.9	1.7	2.4				
New housing starts (thousands)	216	213	215	211	215	213	215	213	215	214	212	866	857	854	853
	1.2	-1.3	1.0	-1.8	1.9	-1.0	0.9	-1.1	1.1	-0.6	-0.9	6.6	-1.1	-0.3	-0.1
	-0.1	-1.1	-1.3	-1.0	-0.2	0.1	0.0	0.7	-0.1	0.3	-1.5				
Domestic corporate goods price index (2015=100)	115.9	119.0	120.2	119.5	119.5	119.1	119.4	119.8	119.9	119.6	120.0	107.0	117.2	119.4	119.8
	2.1	2.6	1.0	-0.6	0.0	-0.3	0.3	0.3	0.1	-0.3	0.3	7.1	9.6	1.9	0.4
	9.7	10.0	8.9	5.2	3.1	0.1	-0.7	0.2	0.3	0.4	0.5				
Core consumer price index (2020=100)	102.5	103.8	104.0	104.6	104.9	105.7	105.9	106.1	106.3	107.0	107.1	99.9	103.0	105.3	106.6
	1.0	1.2	0.2	0.6	0.3	0.7	0.2	0.3	0.1	0.7	0.1	0.0	3.1	2.2	1.3
	2.7	3.8	3.5	3.0	2.3	1.8	1.8	1.5	1.3	1.3	1.2				
Wage earnings per worker (JPY thousand)	4122	4160	4191	4185	4203	4234	4266	4300	4305	4346	4392	4071	4143	4222	4336
	0.5	0.9	0.7	-0.1	0.4	0.7	0.8	0.8	0.1	0.9	1.1	1.7	1.8	1.9	2.7
	1.4	2.2	2.1	2.1	2.0	1.8	1.8	2.7	2.4	2.6	2.9				
Unemployment rate (%)	2.6	2.5	2.5	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.4	2.8	2.5	2.4	2.3
CD interest rate (%)	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 (%)	0.213	0.303	0.481	0.443	0.481	0.578	0.662	0.710	0.763	0.751	0.778	0.092	0.307	0.541	0.751
Current account balance (JPY trillion)	0.7	3.0	4.8	6.4	5.0	2.3	2.3	4.5	5.2	3.8	2.4	20.3	11.7	16.1	16.0
% of nominal GDP	0.5	2.1	3.4	4.4	3.4	1.6	1.6	3.0	3.5	2.5	1.6	3.7	2.1	2.8	2.7
Crude oil price (USD/barrel)	95.43	85.43	81.98	83.42	85.35	87.93	82.94	80.05	82.46	83.74	84.60	78.31	93.06	84.91	82.71
USD/JPY exchange rate	138.3	141.5	129.4	129.6	129.9	125.0	125.0	123.8	122.5	121.3	120.0	112.4	134.7	127.4	121.9
Government debt (JPY trillion)	1223.5	1223.8	1226.5	1226.8	1227.8	1230.1	1232.8	1234.2	1235.6	1237.6	1240.0	1223.0	1223.3	1232.8	1234.2
	0.0	0.0	0.2	0.0	0.1	0.2	0.2	0.1	0.1	0.2	0.2	5.0	0.0	0.8	0.1
	2.5	1.3	0.3	0.3	0.4	0.5	0.5	0.6	0.6	0.6	0.6				
% of GDP	220.8	218.0	212.5	207.9	204.4	201.8	199.7	197.6	195.8	194.4	193.2	222.1	217.4	211.5	206.4
Fiscal balance (JPY trillion)	-69.3	-67.9	-65.5	-65.0	-67.3	-71.3	-71.3	-68.5	-67.4	-70.1	-71.5	-75.4	-67.1	-68.7	-69.4

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			
	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024	
Private final consumption expenditure	294.8	296.2	297.7	298.0	298.4	299.2	299.6	301.1	302.2	303.2	304.5	288.6	295.8	298.8	302.8	
	0.0	0.5	0.5	0.1	0.1	0.3	0.2	0.5	0.4	0.3	0.4	1.5	2.5	1.0	1.3	
	3.7	1.2	2.6	1.1	1.2	1.0	0.7	1.1	1.3	1.4	1.6					
Private residential investment	17.8	17.8	17.7	17.6	17.7	17.8	17.9	17.8	17.8	17.8	17.7	18.6	17.8	17.8	17.8	
	-0.4	-0.1	-0.2	-0.5	0.5	0.3	0.5	-0.4	0.0	0.0	-0.4	-1.1	-4.6	-0.2	0.0	
	-5.2	-4.0	-2.6	-1.3	-0.4	0.0	0.7	0.8	0.3	0.0	-0.9					
Private non-residential investment	90.1	89.6	90.1	90.1	90.9	91.6	92.4	93.6	93.7	94.2	95.0	87.2	89.7	91.3	94.1	
	1.5	-0.5	0.5	0.1	0.9	0.8	0.8	1.3	0.2	0.5	0.9	2.1	2.8	1.8	3.1	
	4.0	2.9	3.7	1.6	0.9	2.2	2.5	3.8	3.0	2.8	2.8					
Change in private inventories	3.0	0.6	1.6	0.5	2.4	2.5	2.6	2.6	2.6	2.6	2.6	1.2	2.0	2.0	2.6	
Government final consumption expenditure	119.0	119.4	119.9	120.4	120.6	120.4	120.3	120.6	120.8	121.0	121.3	117.8	119.3	120.4	120.9	
	0.1	0.3	0.4	0.4	0.1	-0.1	-0.1	0.2	0.2	0.2	0.2	3.4	1.3	0.9	0.4	
	0.3	1.7	1.6	1.3	1.3	0.8	0.3	0.1	0.2	0.5	0.8					
Government investment expenditure	26.7	26.5	26.5	26.4	26.7	26.9	27.2	27.1	27.1	27.0	27.0	27.6	26.5	26.8	27.0	
	0.7	-0.5	-0.1	-0.4	1.2	0.8	0.8	-0.2	-0.2	-0.2	-0.2	-6.4	-3.7	1.0	0.9	
	-5.2	-2.6	0.6	-0.4	0.2	1.6	2.5	2.8	1.3	0.2	-0.8					
Change in government inventories	-0.24	-0.04	-0.12	-0.13	-0.13	-0.10	-0.12	-0.12	-0.12	-0.11	-0.12	-0.07	-0.12	-0.12	-0.12	
Net exports of goods and services	-3.9	-1.9	-3.2	-3.8	-3.2	-3.4	-3.6	-3.5	-3.4	-3.2	-2.9	0.44	-2.4	-3.5	-3.3	
Exports of goods and services	109.0	110.5	108.0	107.0	107.9	108.3	108.9	109.8	110.8	111.8	112.9	103.7	108.5	108.0	111.4	
	2.5	1.4	-2.2	-0.9	0.9	0.4	0.5	0.9	0.9	0.9	1.0	12.3	4.6	-0.4	3.1	
	5.7	6.7	3.1	0.6	-1.0	-2.0	0.8	2.6	2.7	3.2	3.7					
Imports of goods and services	112.9	112.4	111.2	110.8	111.1	111.7	112.5	113.4	114.2	115.1	115.8	103.3	110.9	111.5	114.6	
	5.5	-0.4	-1.1	-0.4	0.3	0.6	0.7	0.8	0.8	0.7	0.6	7.0	7.4	0.6	2.8	
	11.0	10.2	5.0	3.6	-1.6	-0.6	1.2	2.4	2.8	3.0	2.9					
GDP	546.7	547.5	549.5	548.5	552.7	554.3	555.5	558.4	560.0	561.8	564.3	540.9	547.9	552.7	561.1	
	-1.0	0.6	1.5	-0.7	3.1	1.1	0.9	2.1	1.2	1.3	1.8	2.6	1.3	0.9	1.5	
	-0.3	0.2	0.4	-0.2	0.8	0.3	0.2	0.5	0.3	0.3	0.5					
	1.5	0.6	1.4	0.1	1.1	1.2	1.1	1.8	1.3	1.4	1.6					
Contribution of domestic demand	0.3	-0.2	0.6	-0.1	0.6	0.3	0.3	0.5	0.3	0.3	0.4	1.8	1.8	1.1	1.5	
of which, private demand	0.3	-0.3	0.5	-0.2	0.6	0.3	0.2	0.5	0.2	0.3	0.4	1.4	1.7	0.8	1.3	
of which, public demand	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.1	0.2	0.1	
Contribution of net exports	-0.6	0.4	-0.2	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.8	-0.5	-0.2	0.0	
GNI	527.6	529.7	538.2	544.6	544.1	537.5	538.2	548.2	552.0	549.1	546.3	534.0	532.0	541.0	548.9	
	-3.9	1.6	6.5	4.9	-0.4	-4.7	0.5	7.6	2.8	-2.0	-2.0	1.3	-0.4	1.7	1.5	
	-0.1	0.0	0.2	0.1	0.0	-0.1	0.0	0.2	0.1	-0.1	-0.1					
	-1.0	-0.9	1.4	2.2	3.1	1.5	0.0	0.7	1.5	2.2	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 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			
	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024
Private final consumption expenditure	310.0	314.0	318.8	319.4	320.0	321.1	324.9	326.6	328.0	329.0	333.4	296.3	312.9	321.4	329.3
	0.4	1.3	1.5	0.2	0.2	0.3	1.2	0.5	0.4	0.3	1.3	2.7	5.6	2.7	2.5
	6.7	4.8	5.8	3.4	3.2	2.3	1.9	2.3	2.5	2.5	2.6				
Private residential investment	21.2	21.2	21.2	21.2	21.3	21.5	21.7	21.7	21.7	21.8	21.7	21.1	21.2	21.4	21.7
	0.0	0.1	0.1	0.0	0.4	1.0	1.0	0.0	0.0	0.2	-0.2	6.3	0.3	1.2	1.3
	0.3	-0.7	-0.2	0.2	0.6	1.5	2.3	2.4	1.9	1.2	0.0				
Private non-residential investment	96.7	97.1	98.0	98.7	100.2	101.3	102.6	104.2	104.8	105.7	107.0	90.1	96.5	100.7	105.4
	2.6	0.4	0.9	0.8	1.5	1.1	1.2	1.6	0.6	0.9	1.2	4.7	7.1	4.4	4.7
	8.6	7.5	7.8	4.8	3.6	4.3	4.7	5.6	4.6	4.3	4.3				
Change in private inventories	3.8	0.8	1.9	0.5	1.9	2.1	2.2	2.2	2.3	2.3	2.3	1.1	2.5	1.7	2.3
Government final consumption expenditure	122.1	122.7	123.8	124.3	125.1	125.5	126.0	125.8	126.1	126.9	127.7	119.0	122.2	125.2	126.6
	1.6	0.5	0.8	0.5	0.6	0.4	0.4	-0.2	0.2	0.6	0.6	4.5	2.7	2.5	1.1
	1.8	3.5	3.2	3.5	2.4	2.3	1.8	1.2	0.8	1.1	1.3				
Government investment expenditure	30.0	30.1	30.1	30.3	30.4	30.8	31.3	31.4	31.1	31.2	31.3	29.8	29.9	30.7	31.3
	1.6	0.1	0.0	0.7	0.3	1.4	1.4	0.4	-1.0	0.4	0.4	-3.3	0.5	2.5	1.8
	-0.5	1.6	3.9	2.4	1.2	2.5	4.0	3.7	2.3	1.2	0.1				
Change in government inventories	-0.86	-0.03	-0.27	-0.27	-0.27	-0.21	-0.26	-0.25	-0.25	-0.24	-0.25	-0.09	-0.32	-0.25	-0.25
Net exports of goods and services	-28.7	-24.6	-17.0	-8.9	-13.9	-24.8	-24.7	-16.1	-13.3	-19.0	-24.5	-6.7	-22.3	-18.1	-18.2
Exports of goods and services	124.9	127.1	119.4	121.7	122.5	123.3	118.7	122.7	124.7	126.2	122.1	103.6	122.4	121.5	123.9
	5.7	1.7	-6.0	1.9	0.6	0.7	-3.7	3.4	1.6	1.2	-3.2	22.8	18.1	-0.7	2.0
	23.2	21.4	9.5	3.0	-1.9	-3.0	-0.6	0.9	1.8	2.4	2.9				
Imports of goods and services	153.6	151.7	136.4	130.6	136.4	148.1	143.5	138.9	138.0	145.2	146.7	110.4	144.6	139.6	142.2
	12.2	-1.3	-10.1	-4.3	4.5	8.6	-3.1	-3.2	-0.6	5.2	1.0	30.1	31.1	-3.5	1.8
	45.9	34.1	11.3	-4.6	-11.2	-2.4	5.2	6.4	1.2	-1.9	2.2				
GDP	554.2	561.3	576.5	585.4	584.8	577.5	583.7	595.7	600.4	597.6	598.6	550.6	562.6	582.8	598.1
	-3.1	5.2	11.3	6.3	-0.4	-4.9	4.4	8.5	3.2	-1.8	0.7	2.4	2.2	3.6	2.6
	-0.8	1.3	2.7	1.5	-0.1	-1.2	1.1	2.1	0.8	-0.5	0.2				
	1.2	1.8	4.3	4.8	5.5	2.9	1.2	1.8	2.7	3.5	2.6				
Contribution of domestic demand	1.0	0.5	1.4	0.1	0.8	0.6	1.1	0.6	0.3	0.5	1.1	3.6	5.0	2.8	2.6
of which, private demand	0.7	0.3	1.2	0.0	0.6	0.5	0.9	0.6	0.3	0.3	0.9	2.8	4.4	2.2	2.3
of which, public demand	0.3	0.3	0.1	0.1	0.1	0.2	0.2	0.0	0.0	0.2	0.2	0.8	0.6	0.7	0.3
Contribution of net exports	-1.8	0.7	1.4	1.4	-0.9	-1.9	0.0	1.5	0.5	-1.0	-0.9	-1.2	-2.8	0.7	0.0

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			
	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024
Private final consumption expenditure	105.2	106.0	107.1	107.2	107.3	107.4	108.4	108.5	108.5	108.5	109.5	102.6	105.8	107.6	108.7
	0.4	0.8	1.0	0.1	0.1	0.1	1.0	0.0	0.0	0.0	0.9	1.2	3.0	1.7	1.1
	2.9	3.5	3.0	2.3	2.0	1.3	1.2	1.2	1.2	1.1	1.0				
Private residential investment	119.0	119.2	119.7	120.3	120.2	121.0	121.6	122.1	122.1	122.4	122.7	113.3	119.1	120.8	122.3
	0.4	0.2	0.4	0.5	-0.1	0.7	0.5	0.4	0.0	0.2	0.2	7.5	5.1	1.4	1.3
	5.8	3.5	2.5	1.5	1.0	1.5	1.6	1.5	1.6	1.2	0.9				
Private non-residential investment	107.3	108.3	108.7	109.5	110.2	110.6	111.0	111.4	111.9	112.2	112.6	103.3	107.6	110.3	112.0
	1.1	1.0	0.4	0.7	0.6	0.4	0.4	0.4	0.4	0.3	0.3	2.6	4.2	2.5	1.6
	4.4	4.5	4.0	3.2	2.7	2.1	2.1	1.7	1.5	1.5	1.5				
Government final consumption expenditure	102.6	102.8	103.2	103.2	103.7	104.2	104.8	104.3	104.4	104.8	105.3	101.0	102.4	104.0	104.7
	1.6	0.2	0.4	0.0	0.5	0.5	0.5	-0.4	0.0	0.4	0.4	1.1	1.4	1.6	0.7
	1.5	1.8	1.6	2.2	1.1	1.4	1.5	1.1	0.6	0.6	0.5				
Government investment expenditure	112.7	113.4	113.5	114.8	113.8	114.4	115.1	115.8	114.9	115.5	116.2	108.1	112.8	114.5	115.6
	0.9	0.6	0.1	1.1	-0.9	0.6	0.6	0.6	-0.8	0.6	0.6	3.3	4.3	1.5	0.9
	4.9	4.3	3.3	2.8	1.0	0.9	1.4	0.9	1.0	0.9	0.9				
Exports of goods and services	114.6	115.0	110.5	113.7	113.5	113.8	109.0	111.8	112.5	112.9	108.1	99.9	112.8	112.5	111.3
	3.1	0.3	-3.8	2.9	-0.2	0.3	-4.2	2.5	0.7	0.3	-4.2	9.4	12.9	-0.3	-1.1
	16.5	13.7	6.1	2.4	-1.0	-1.0	-1.3	-1.7	-0.9	-0.8	-0.8				
Imports of goods and services	136.1	134.9	122.6	117.9	122.7	132.5	127.5	122.5	120.8	126.2	126.7	106.9	130.5	125.2	124.0
	6.3	-0.9	-9.1	-3.9	4.1	8.0	-3.8	-3.9	-1.4	4.5	0.4	21.6	22.1	-4.1	-0.9
	31.5	21.8	6.0	-7.9	-9.8	-1.8	4.0	3.9	-1.6	-4.8	-0.7				
GDP	101.4	102.5	104.9	106.7	105.8	104.2	105.1	106.7	107.2	106.4	106.1	101.8	102.7	105.4	106.6
	-0.5	1.1	2.3	1.7	-0.8	-1.5	0.9	1.5	0.5	-0.8	-0.3	-0.1	0.9	2.7	1.1
	-0.3	1.2	2.8	4.7	4.4	1.6	0.2	0.0	1.3	2.1	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.

Table 5. Production, employment, wages and prices

	Quarter											Fiscal year			
	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024
Index of industrial production (2015=100)	98.5	95.5	95.9	96.3	96.8	97.6	97.4	98.1	98.7	99.2	99.7	95.5	95.8	97.0	98.9
	5.9	-3.0	0.4	0.4	0.5	0.8	-0.2	0.7	0.6	0.5	0.5	5.8	0.3	1.3	2.0
	4.0	0.6	0.2	3.5	-1.8	2.2	1.6	1.9	1.9	1.7	2.4				
Labor force (ten thousand persons)	6913	6895	6916	6917	6918	6918	6919	6919	6920	6921	6922	6897	6909	6918	6921
	0.0	-0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.2	0.1	0.0
	0.0	0.2	0.4	0.1	0.1	0.3	0.0	0.0	0.0	0.0	0.0				
Engaged labor force (ten thousand persons)	6736	6720	6743	6751	6752	6755	6757	6758	6759	6759	6758	6704	6734	6754	6759
	0.0	-0.2	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.3	0.1
	0.3	0.5	0.6	0.2	0.2	0.5	0.2	0.1	0.1	0.1	0.0				
Employed (ten thousand persons)	6051	6042	6062	6069	6070	6073	6075	6076	6077	6077	6076	6011	6054	6072	6076
	-0.1	-0.2	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.7	0.3	0.1
	0.6	0.7	0.8	0.2	0.3	0.5	0.2	0.1	0.1	0.1	0.0				
Unemployment rate (%)	2.6	2.5	2.5	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.4	2.8	2.5	2.4	2.3
Domestic corporate goods price index (2015=100)	115.9	119.0	120.2	119.5	119.5	119.1	119.4	119.8	119.9	119.6	120.0	107.0	117.2	119.4	119.8
	2.1	2.6	1.0	-0.6	0.0	-0.3	0.3	0.3	0.1	-0.3	0.3	7.1	9.6	1.9	0.4
	9.7	10.0	8.9	5.2	3.1	0.1	-0.7	0.2	0.3	0.4	0.5				
Core consumer price index (2020=100)	102.5	103.8	104.0	104.6	104.9	105.7	105.9	106.1	106.3	107.0	107.1	99.9	103.0	105.3	106.6
	1.0	1.2	0.2	0.6	0.3	0.7	0.2	0.3	0.1	0.7	0.1	0.0	3.1	2.2	1.3
	2.7	3.8	3.5	3.0	2.3	1.8	1.8	1.5	1.3	1.3	1.2				

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. 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			
	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024
CD rates (%)	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 (%)	0.213	0.303	0.481	0.443	0.481	0.578	0.662	0.710	0.763	0.751	0.778	0.092	0.307	0.541	0.751
Money stock (M2+CD, JPY trillion)	1207.3	1212.1	1218.7	1224.0	1233.4	1240.1	1246.6	1253.0	1260.9	1266.5	1271.4	1187.5	1218.7	1246.6	1271.4
	0.8	0.4	0.5	0.4	0.8	0.5	0.5	0.5	0.6	0.4	0.4	3.5	2.6	2.3	2.0
	3.4	3.1	2.6	2.2	2.2	2.3	2.3	2.4	2.2	2.1	2.0				
Nikkei stock average (JPY) 2005=100	27,586	27,367	26,429	26,338	26,227	27,113	28,000	28,750	29,500	30,250	31,000	28,385	27,067	26,920	29,875
	221.9	220.1	212.6	211.9	211.0	218.1	225.2	231.3	237.3	243.3	249.4	228.3	217.7	216.5	240.3
	2.6	-0.8	-3.4	-0.3	-0.4	3.4	3.3	2.7	2.6	2.5	2.5	16.0	-4.6	-0.5	11.0
	-3.4	-5.1	-2.8	-2.0	-4.9	-0.9	5.9	9.2	12.5	11.6	10.7				
USD/JPY exchange rate	138.3	141.5	129.4	129.6	129.9	125.0	125.0	123.8	122.5	121.3	120.0	112.4	134.7	127.4	121.9
	6.8	2.3	-8.5	0.2	0.2	-3.8	0.0	-1.0	-1.0	-1.0	-1.0	6.0	19.9	-5.4	-4.3
	25.6	24.4	11.4	0.0	-6.1	-11.6	-3.4	-4.5	-5.7	-3.0	-4.0				

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			
	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024
Goods exports (real)	90.2	90.7	89.4	87.5	88.0	87.9	88.1	86.9	87.6	88.3	89.2	86.4	89.7	87.9	88.0
(SNA basis)	1.8	0.6	-1.4	-2.1	0.5	0.0	0.2	-1.4	0.8	0.8	1.0	14.2	3.8	-2.1	0.1
	5.4	5.2	1.6	-1.2	-2.5	-3.0	-1.5	-0.7	-0.4	0.4	1.3				
Goods imports (real)	86.7	88.0	86.7	86.4	86.6	87.2	87.8	88.6	89.3	89.9	90.4	81.1	86.6	87.0	89.5
(SNA basis)	1.8	1.5	-1.5	-0.4	0.3	0.6	0.7	0.9	0.7	0.7	0.6	7.3	6.9	0.4	2.9
	8.7	9.3	3.8	1.4	0.0	-1.0	1.3	2.6	3.0	3.1	3.0				
Services exports (real)	19.0	20.0	18.6	19.5	20.0	20.4	20.8	22.9	23.2	23.5	23.7	17.5	18.9	20.2	23.4
(SNA basis)	6.0	5.2	-6.9	4.5	2.5	2.2	2.0	10.2	1.3	1.1	0.9	4.3	8.1	6.6	15.8
	7.3	13.9	9.1	8.5	4.8	1.9	11.6	17.8	16.5	15.2	14.0				
Services imports (real)	26.3	24.5	24.5	24.4	24.5	24.6	24.7	24.8	25.0	25.2	25.4	22.3	24.3	24.5	25.1
(SNA basis)	19.9	-6.7	-0.2	-0.5	0.3	0.5	0.6	0.3	0.8	0.9	0.9	6.3	8.9	0.9	2.3
	19.0	13.0	8.4	11.1	-7.0	0.1	0.9	1.6	2.1	2.6	2.8				
Goods exports (nominal)	102.4	103.7	98.4	99.1	99.4	99.4	95.3	96.1	97.5	98.4	95.3	85.6	100.5	98.3	96.8
(SNA basis)	5.0	1.3	-5.1	0.7	0.3	0.1	-4.1	0.8	1.4	1.0	-3.2	25.2	17.5	-2.2	-1.5
	23.0	20.0	8.2	1.6	-3.0	-4.1	-3.1	-3.0	-1.9	-1.0	-0.1				
Goods imports (nominal)	123.4	123.3	110.1	104.9	109.1	117.7	113.5	109.5	108.2	113.3	113.8	87.2	117.2	111.3	111.2
(SNA basis)	10.0	-0.1	-10.7	-4.7	4.0	7.9	-3.6	-3.5	-1.1	4.7	0.4	35.0	34.5	-5.1	-0.1
	49.5	36.8	11.7	-6.4	-11.6	-4.5	3.1	4.3	-0.8	-3.8	0.2				
Services exports (nominal)	22.5	23.4	21.0	22.6	23.1	23.9	23.4	26.7	27.2	27.8	26.9	18.1	21.9	23.2	27.1
(SNA basis)	9.2	3.9	-10.1	7.6	2.2	3.4	-2.0	14.0	2.1	2.1	-3.3	12.8	21.0	6.3	16.8
	23.8	27.7	15.9	9.6	2.7	2.2	11.4	18.0	17.8	16.4	14.9				
Services imports (nominal)	30.2	28.4	26.3	25.6	27.3	30.4	30.0	29.4	29.8	31.9	32.9	23.2	27.4	28.3	31.0
(SNA basis)	22.3	-6.1	-7.5	-2.5	6.5	11.3	-1.3	-1.9	1.3	7.3	3.0	14.6	18.3	3.2	9.5
	32.9	23.6	9.3	3.6	-9.8	6.8	14.0	14.7	9.1	5.2	9.8				
Trade balance (BOP basis)	-5.8	-5.0	-2.9	-1.5	-2.4	-4.6	-4.5	-3.3	-2.7	-3.7	-4.6	-1.6	-17.6	-13.0	-14.4
Balance on services (BOP basis)	-2.0	-1.2	-1.4	-0.9	-1.1	-1.6	-1.7	-0.8	-0.8	-1.1	-1.5	-4.8	-1.4	-5.3	-4.2
Primary income balance (BOP basis)	9.0	9.5	10.5	10.0	9.9	9.9	9.9	10.0	10.0	10.0	10.0	29.2	37.5	39.8	39.9
Current account balance	0.7	3.0	4.8	6.4	5.0	2.3	2.3	4.5	5.2	3.8	2.4	20.3	11.7	16.1	16.0
(BOP basis)	-79.0	342.2	61.9	31.6	-20.9	-54.1	1.4	92.7	15.4	-27.0	-35.9	21.0	-42.2	37.0	-0.6
	-86.2	-37.0	15.8	97.7	645.4	-22.7	-51.6	-29.2	3.4	64.5	4.1				
USD/JPY exchange rate	138.3	141.5	129.4	129.6	129.9	125.0	125.0	123.8	122.5	121.3	120.0	112.4	134.7	127.4	121.9
	6.8	2.3	-8.5	0.2	0.2	-3.8	0.0	-1.0	-1.0	-1.0	-1.0	6.0	19.9	-5.4	-4.3
	25.6	24.4	11.4	0.0	-6.1	-11.6	-3.4	-4.5	-5.7	-3.0	-4.0				

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.