

Japanese Economy: Analysis and Forecasts No.143

30 May, 2023

A Macroeconomic Analysis Project

▶This report is a summary of the economic analyses and forecasts made 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 used widely.

▶The project was originally established by Chikashi Moriguchi and Kanemi Ban, Professors Emeritus of Osaka University. In 2005, we incorporated Current Quarter Model (CQM) forecasts into the our quarterly macroeconomic forecast model.

▶Aiming to provide a timely response to changes in the economy, this report has been published quarterly since 2004.

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Forecast Highlights

Economic recovery driven by service consumption expenditures, but held back by global economic slowdown

- Real GDP growth forecast: +0.9% in FY 2023, +1.4% in FY 2024 -

- ◆ According to the first official advance estimate released on May 17, Japan's real GDP in 2023 Q1 grew from the previous quarter at an annualized rate of +1.6%, marking the first expansion in three quarters. With this update, the real GDP growth rate for FY 2022 (2022 Q2 to 2023 Q1) was +1.2%, marking the second consecutive year of positive growth. However, the recovery seen over 2022 Q4 and 2023 Q1 was modest, and the current GDP level is still 1.5% below the peak (2019 Q3). The main reasons for this were the slow recovery of private final consumption expenditures and private capital formation. On the other hand, service exports are almost back on track, partly due to the rapid recovery of inbound tourism. Looking ahead, considering the normalization of socioeconomic activities, a recovery centered on service consumption can be expected.
- ◆ Looking at contributions to real GDP growth (+0.4% QoQ) in 2023 Q1, domestic demand made a positive contribution for the first time in two quarters (+0.7% pts). Therein, private-sector demand contributed +0.6% pts, making the first positive contribution in two quarters. This was due to increases in private final consumption expenditures (+0.6%), private housing (+0.2%), and private non-residential investment (+0.9%). Public-sector demand made a positive contribution for the fourth consecutive quarter (+0.1% pts), while net exports made a negative contribution for the first time in two quarters (-0.3% pts).
- ◆ Japan's real GDI growth rate (an annualized +4.0%) exceeded its real GDP growth rate (+1.6%) for the second consecutive quarter, as the terms of trade kept improving for the second quarter in a row.
- ◆ We have revised our outlook for the Japanese economy for FY 2023-24, incorporating the first advance estimate of GDP for 2023 Q1, as well as our new assumptions about exogenous variables. We now forecast real GDP growth of +0.9% in FY 2023, and +1.4% in FY 2024. The the forecast for FY 2023 remains unchanged from our previous forecast, as the upward revisions to private demand in FY 2023 were offset by downward revisions to net exports. However, the forecast for FY 2024 has been revised downward by 0.1% pts, as there were slight downward revisions in the contributions of private demand and net exports.
- ◆ As a result of the downgrade in the legal status of COVID-19, which effectively shifted COVID-19 into Class 5 of contagious diseases, meaning it is now considered equivalent to seasonal flu, socioeconomic activities have normalized. Households are expected to withdraw their accumulated "forced" savings, and a recovery led by private final consumption expenditures, especially service expenditures, can be anticipated. Yet, the growth rate for FY 2023 is projected to decelerate from the previous year due to the inevitable negative contribution from net exports as overseas economies, especially Europe and the U.S., remain sluggish and the contribution of private demand is smaller. As a result, real GDP is not expected to exceed the pre-pandemic peak until 2024 Q3 or later, taking five years (20 quarters) to recover. As a reference, the Japanese economy took 22 quarters to recover after the global financial crisis (GFC) in 2008-9.
- ◆ Energy prices have recently turned downward, partly due to the government's vigorous easing policies. However, electricity prices are scheduled to rise again, which will be a disruptive factor for the consumer price index (CPI). In addition, rising prices in the service sector, which are linked to wage movements, are likely to keep the inflation rate in the 3% range in the first half of FY 2023. However, this upward pressure is expected to subside in the second half of FY 2023, as the appreciation of raw materials and the depreciation of the yen settle down. As a result, we forecast a core CPI inflation rate of +2.5% in FY 2023 and +1.3% in FY2024. Compared to our previous forecast, we have revised the FY 2023 forecast upward by +0.3% pts to reflect current conditions.

Forecast Summary

	Current forecast (2023/5/30)				Previous forecast (2023/2/28)			
	2021	2022	2023	2024	2021	2022	2023	2024
Real GDP (%)	2.6	1.2	0.9	1.4	2.6	1.3	0.9	1.5
Private demand (contribution)	1.4	1.7	1.0	1.2	1.4	1.7	0.8	1.3
Private final consumption expenditure (%)	1.5	2.4	1.6	1.5	1.5	2.5	1.0	1.3
Private residential investment (%)	▲ 1.1	▲ 4.4	0.5	1.0	▲ 1.1	▲ 4.6	▲ 0.2	0.0
Private non-residential investment (%)	2.1	3.0	2.3	2.4	2.1	2.8	1.8	3.1
Private inventory changes (contribution)	0.1	0.1	▲ 0.3	0.0	0.1	0.1	0.0	0.1
Public demand (contribution)	0.4	0.1	0.3	0.1	0.4	0.1	0.2	0.1
Government final consumption expenditure (%)	3.4	1.1	0.5	0.5	3.4	1.3	0.9	0.4
Public investment expenditure (%)	▲ 6.4	▲ 2.6	3.0	0.7	▲ 6.4	▲ 3.7	1.0	0.9
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	▲ 0.4	▲ 0.0	0.8	▲ 0.5	▲ 0.2	0.0
Exports of goods and services (%)	12.4	4.4	▲ 1.2	2.1	12.3	4.6	▲ 0.4	3.1
Imports of goods and services (%)	7.1	7.1	0.8	2.1	7.0	7.4	0.6	2.8
Nominal GDP (%)	2.4	1.9	3.7	2.6	2.4	2.2	3.6	2.6
GDP deflator (%)	▲ 0.2	0.7	2.8	1.2	▲ 0.1	0.9	2.7	1.1
Domestic corporate price index (%)	7.1	9.4	2.0	0.3	7.1	9.6	1.9	0.4
Core consumer price index (%)	0.0	3.1	2.5	1.3	0.0	3.1	2.2	1.3
Industrial production index (%)	5.8	▲ 0.2	▲ 0.1	2.2	5.8	0.3	1.3	2.0
New housing starts (%)	6.6	▲ 0.6	0.1	0.8	6.6	▲ 1.1	▲ 0.3	▲ 0.1
Unemployment rate (%)	2.8	2.6	2.6	2.4	2.8	2.5	2.4	2.3
Current account balance (JPY trillion)	20.2	9.2	9.4	11.7	20.3	11.7	16.1	16.0
% of nominal GDP	3.7	1.6	1.6	2.0	3.7	2.1	2.8	2.7
Crude oil price (USD/barrel)	78.3	92.5	85.5	83.5	78.3	93.1	84.9	82.7
USD/JPY exchange rate	112.4	135.4	132.6	125.2	112.4	134.7	127.4	121.9
USA real GDP (% , calendar year)	5.9	2.1	1.1	1.0	5.9	2.1	0.6	1.7

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

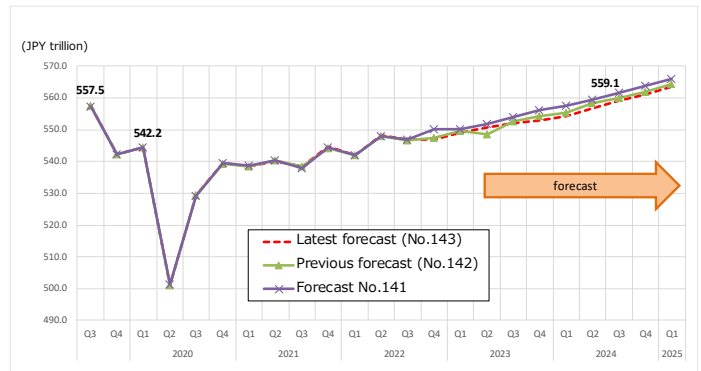
Forecasts at a glance

[Recovery is moderate, but service exports have improved significantly]

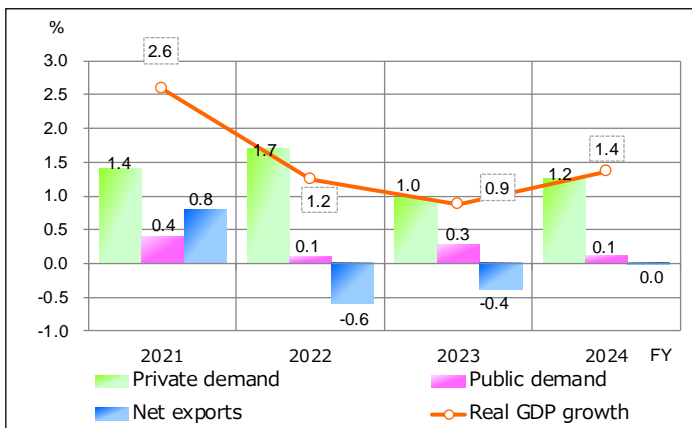
	GDP	Goods imports	Services import	Private final consumption expenditure	Private capital investment	Government spending	Goods exports	Services exports
19Q3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
19Q4	97.2	98.7	96.1	96.6	94.6	100.3	98.3	100.2
20Q1	97.7	93.9	94.9	97.3	95.2	100.4	95.6	88.6
20Q2	89.9	94.8	89.0	89.1	91.5	101.1	78.1	76.8
20Q3	95.0	87.1	84.9	94.0	88.4	103.1	88.9	73.3
20Q4	96.7	94.3	84.3	95.8	88.8	104.0	98.8	75.0
21Q1	96.6	96.3	85.6	94.1	92.1	103.9	101.0	78.9
21Q2	96.9	99.2	93.9	94.3	92.9	105.0	104.5	80.1
21Q3	96.6	98.3	91.1	93.3	92.9	105.5	103.8	80.6
21Q4	97.7	99.2	90.1	96.1	92.4	104.0	104.6	80.1
22Q1	97.2	102.9	92.4	95.1	95.3	103.7	106.7	78.2
22Q2	98.3	104.9	90.7	96.7	95.2	104.4	107.5	82.3
22Q3	98.1	106.8	108.0	96.7	96.8	104.5	109.4	86.9
22Q4	98.1	108.4	102.2	96.9	93.9	104.9	110.1	94.1
23Q1	98.5	104.1	107.5	97.5	95.1	105.3	103.0	99.3

Note: 2019Q3=100

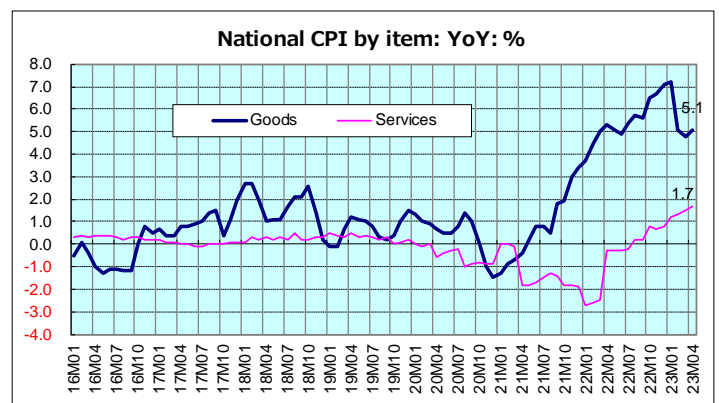
[20 quarters to recover from the peak before the Corona pandemic.]



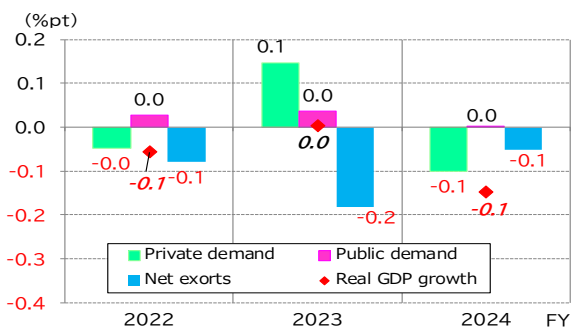
[Contributions to real GDP growth (% pt)]



[Service price increases linked to wage trends]

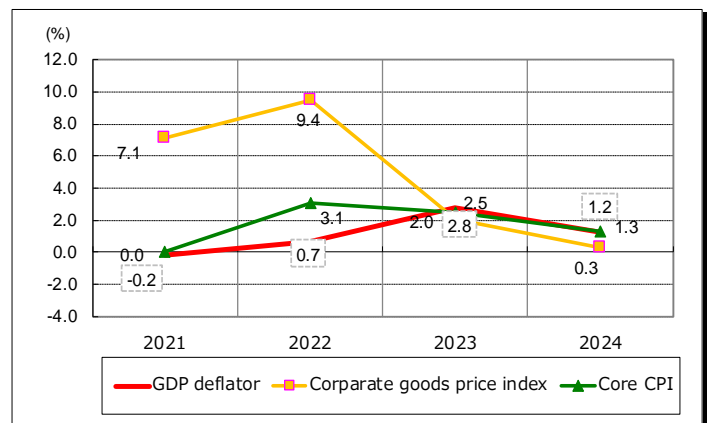


[Unchanged from the previous forecast for FY23, revised downward for FY24]



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

[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)	546.9	546.8	549.0	550.8	552.2	553.0	554.3	556.8	559.1	561.1	563.5	541.0	547.7	552.6	560.1
	-0.2	0.0	0.4	0.3	0.2	0.1	0.2	0.5	0.4	0.4	0.4	2.6	1.2	0.9	1.4
	1.6	0.4	1.3	0.5	1.0	1.1	1.0	1.1	1.3	1.5	1.7				
Nominal GDP (JPY trillion)	554.5	560.4	570.1	578.0	581.6	580.9	587.0	591.1	594.9	598.0	604.8	550.7	561.2	581.9	597.2
	-0.8	1.1	1.7	1.4	0.6	-0.1	1.0	0.7	0.6	0.5	1.1	2.4	1.9	3.7	2.6
	1.2	1.6	3.1	3.4	4.9	3.7	3.0	2.3	2.3	2.9	3.0				
GDP deflator (2011=100)	101.4	102.5	103.8	104.9	105.3	105.1	105.9	106.2	106.4	106.6	107.3	101.8	102.5	105.3	106.6
	-0.5	1.1	1.3	1.0	0.4	-0.3	0.8	0.2	0.2	0.2	0.7	-0.2	0.7	2.8	1.2
	-0.3	1.2	1.8	2.9	3.9	2.5	2.0	1.2	1.0	1.4	1.4				
Index of industrial production (2015=100)	98.5	95.5	93.8	94.5	95.0	95.2	96.0	96.7	97.1	97.5	97.9	95.5	95.3	95.2	97.3
	5.9	-3.0	-1.8	0.7	0.5	0.2	0.9	0.7	0.5	0.4	0.3	5.8	-0.2	-0.1	2.2
	4.0	0.6	-1.9	1.5	-3.6	-0.3	2.3	2.3	2.2	2.4	1.9				
New housing starts (thousands)	216	213	219	214	215	216	217	218	218	217	216	866	861	862	869
	1.2	-1.3	2.9	-2.2	0.2	0.4	0.8	0.1	0.3	-0.5	-0.8	6.6	-0.6	0.1	0.8
	-0.1	-1.1	0.6	0.5	-0.4	1.3	-0.8	1.5	1.7	0.8	-0.8				
Domestic corporate goods price index (2015=100)	115.9	119.0	119.7	119.6	119.3	119.2	119.6	119.7	119.8	119.7	120.0	107.0	117.1	119.4	119.8
	2.1	2.7	0.5	-0.1	-0.3	-0.1	0.4	0.1	0.1	-0.1	0.2	7.1	9.4	2.0	0.3
	9.7	10.0	8.4	5.3	2.9	0.1	0.0	0.1	0.4	0.4	0.3				
Core consumer price index (2020=100)	102.5	103.8	104.0	104.8	105.3	105.9	106.1	106.7	106.8	107.1	107.1	99.9	103.0	105.5	106.9
	1.0	1.2	0.2	0.8	0.5	0.6	0.2	0.6	0.1	0.2	0.1	0.0	3.1	2.5	1.3
	2.7	3.8	3.5	3.2	2.7	2.1	2.0	1.8	1.4	1.1	1.0				
Wage earnings per worker (JPY thousand)	4115	4133	4137	4171	4198	4226	4245	4265	4286	4308	4330	4067	4080	4210	4297
	0.3	0.4	0.1	0.8	0.6	0.7	0.5	0.5	0.5	0.5	0.5	1.6	0.3	3.2	2.1
	1.4	1.8	0.8	1.7	2.0	2.2	2.6	2.3	2.1	2.0	2.0				
Unemployment rate (%)	2.6	2.5	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.4	2.4	2.8	2.6	2.6	2.4
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	0.437	0.454	0.468	0.562	0.634	0.675	0.723	0.711	0.757	0.092	0.296	0.529	0.717
Current account balance (JPY trillion)	1.0	3.2	2.0	3.0	2.3	1.9	2.1	2.5	2.8	3.0	3.3	20.2	9.2	9.4	11.7
% of nominal GDP	0.7	2.2	1.4	2.1	1.6	1.3	1.4	1.7	1.9	2.0	2.2	3.7	1.6	1.6	2.0
Crude oil price (USD/barrel)	95.43	85.43	79.59	84.66	90.09	86.99	80.14	81.28	83.73	85.03	83.77	78.31	92.46	85.47	83.45
USD/JPY exchange rate	138.3	141.5	132.2	133.7	133.9	132.4	130.4	128.4	126.3	124.2	122.0	112.4	135.4	132.6	125.2
Government debt (JPY trillion)	1223.5	1223.8	1224.0	1224.6	1225.5	1226.9	1228.2	1229.4	1230.6	1232.0	1233.2	1223.0	1223.3	1228.2	1229.4
	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	5.0	0.0	0.4	0.1
	2.5	1.3	0.1	0.1	0.2	0.3	0.3	0.4	0.4	0.4	0.4				
% of GDP	220.6	218.4	214.7	209.3	206.4	204.3	202.5	200.8	199.2	197.9	196.6	222.1	218.0	211.1	205.9
Fiscal balance (JPY trillion)	-69.3	-67.2	-67.8	-68.8	-70.5	-72.2	-71.7	-71.5	-71.7	-72.2	-71.3	-75.3	-67.4	-70.8	-71.7

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			
	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024
Private final consumption expenditure	294.8	294.9	295.5	297.2	299.0	299.8	300.8	301.8	303.1	304.2	305.3	284.4	288.7	295.7	300.4
	1.7	0.0	0.2	0.6	0.6	0.3	0.3	0.3	0.4	0.4	0.3	-5.1	1.5	2.4	1.6
	2.5	3.7	0.8	2.5	1.4	1.7	1.8	1.5	1.4	1.5	1.5				
Private residential investment	17.9	17.8	17.8	17.9	17.9	17.9	17.9	18.0	18.0	18.1	18.1	18.9	18.6	17.8	17.9
	-1.8	-0.5	0.2	0.2	0.2	0.0	0.1	0.5	0.3	0.3	0.2	-7.6	-1.1	-4.4	0.5
	-6.4	-5.2	-3.9	-1.9	0.0	0.5	0.5	0.8	0.9	1.2	1.2				
Private non-residential investment	88.8	90.1	89.6	90.4	91.1	91.6	92.1	92.5	93.1	93.7	94.2	85.4	87.2	89.8	91.8
	2.1	1.5	-0.7	0.9	0.8	0.6	0.5	0.5	0.6	0.6	0.6	-5.7	2.1	3.0	2.3
	0.7	4.0	2.8	3.9	2.6	1.6	2.8	2.4	2.2	2.3	2.3				
Change in private inventories	2.5	3.0	0.3	0.8	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	-0.8	1.2	1.7	-0.1
Government final consumption expenditure	118.9	119.0	119.2	119.2	119.5	119.7	119.9	119.8	120.0	120.2	120.4	113.9	117.8	119.1	119.7
	0.7	0.0	0.2	0.0	0.2	0.2	0.2	-0.1	0.2	0.1	0.1	2.7	3.4	1.1	0.5
	1.5	0.3	1.6	0.9	0.5	0.6	0.6	0.5	0.5	0.4	0.4				
Government investment expenditure	26.4	26.7	26.8	27.4	27.6	27.9	27.6	27.6	27.7	27.8	27.9	29.5	27.6	26.9	27.7
	0.6	1.1	0.2	2.4	0.6	1.2	-1.3	0.0	0.4	0.4	0.4	4.9	-6.4	-2.6	3.0
	-9.0	-5.2	-2.1	4.5	4.4	4.6	3.0	0.6	0.4	-0.5	1.2				
Change in government inventories	-0.08	-0.26	-0.05	-0.08	-0.15	-0.14	-0.14	-0.13	-0.14	-0.14	-0.14	-0.09	-0.07	-0.11	-0.14
Net exports of goods and services	-0.4	-3.8	-1.5	-3.5	-3.6	-4.2	-4.8	-5.0	-4.7	-4.5	-4.4	-4.1	0.5	-2.3	-4.4
Exports of goods and services	106.6	109.2	111.5	106.8	107.4	107.1	107.0	107.4	108.3	109.1	109.9	92.4	103.9	108.5	107.2
	1.5	2.5	2.0	-4.2	0.5	-0.2	-0.1	0.3	0.9	0.8	0.7	-9.9	12.4	4.4	-1.2
	2.8	5.8	7.4	1.7	0.7	-1.9	-4.0	0.5	0.9	1.9	2.7				
Imports of goods and services	107.0	113.0	113.0	110.3	110.9	111.3	111.8	112.4	113.0	113.7	114.3	96.5	103.4	110.8	111.6
	1.0	5.6	0.0	-2.3	0.6	0.3	0.4	0.5	0.5	0.6	0.6	-6.3	7.1	7.1	0.8
	3.4	10.9	10.5	4.1	3.7	-1.5	-1.0	1.9	1.9	2.1	2.2				
GDP	548.3	546.9	546.8	549.0	550.8	552.2	553.0	554.3	556.8	559.1	561.1	527.4	541.0	547.7	552.6
	4.7	-1.0	-0.1	1.6	1.4	1.0	0.6	1.0	1.8	1.6	1.5	-4.1	2.6	1.2	0.9
	1.1	-0.2	0.0	0.4	0.3	0.2	0.1	0.2	0.5	0.4	0.4				
	1.5	1.6	0.4	1.3	0.5	1.0	1.1	1.0	1.1	1.3	1.5				
Contribution of domestic demand	1.0	0.4	-0.4	0.8	0.4	0.3	0.3	0.3	0.4	0.4	0.3	-3.5	1.8	1.8	1.3
of which, private demand	0.9	0.3	-0.5	0.6	0.3	0.2	0.3	0.3	0.3	0.3	0.3	-4.3	1.4	1.7	1.0
of which, public demand	0.2	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.8	0.4	0.1	0.3
Contribution of net exports	0.1	-0.6	0.4	-0.4	0.0	-0.1	-0.1	0.0	0.1	0.0	0.0	-0.6	0.8	-0.6	-0.4
GNI	548.3	546.9	545.3	545.5	547.3	548.0	548.2	549.3	552.1	554.6	556.8	523.3	541.5	545.5	548.2
	12.1	-1.0	-1.1	0.1	1.3	0.5	0.2	0.8	2.1	1.8	1.6	-4.8	3.5	0.7	0.5
	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0				
	#DIV/0!	2.7	2.1	2.4	-0.2	0.2	0.5	0.7	0.9	1.2	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			
	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	2021	2022	2023	2024	
Private final consumption expenditure	310.1	313.0	318.3	320.0	321.1	322.5	326.8	328.3	329.6	330.8	334.9	296.3	312.7	322.6	330.9	
	0.4	0.9	1.7	0.6	0.3	0.5	1.3	0.5	0.4	0.3	1.3	2.7	5.5	3.2	2.6	
	6.7	4.4	5.6	3.6	3.5	3.1	2.7	2.6	2.7	2.6	2.5					
Private residential investment	21.2	21.2	21.1	21.1	21.2	21.2	21.4	21.5	21.6	21.7	21.7	21.1	21.2	21.2	21.6	
	0.0	0.1	-0.4	0.0	0.2	0.3	0.7	0.5	0.6	0.3	0.4	6.3	0.2	0.2	1.9	
	0.3	-0.6	-0.7	-0.3	-0.1	0.2	1.2	1.6	2.0	2.0	1.7					
Private non-residential investment	96.7	96.9	97.9	99.5	100.6	101.6	102.3	103.1	103.9	104.7	105.8	90.1	96.5	101.0	104.4	
	2.6	0.1	1.0	1.7	1.1	0.9	0.7	0.8	0.8	0.8	1.1	4.7	7.2	4.6	3.4	
	8.6	7.4	7.6	5.6	4.0	4.9	4.5	3.6	3.3	3.1	3.5					
Change in private inventories	3.8	0.7	0.7	-0.6	0.9	-0.6	-0.5	-0.4	-0.4	-0.4	-0.4	1.1	2.2	-0.2	-0.4	
Government final consumption expenditure	122.0	122.6	123.1	123.9	124.1	124.4	124.7	124.9	125.3	125.8	126.4	119.0	121.9	124.3	125.6	
	1.6	0.5	0.4	0.6	0.2	0.2	0.3	0.1	0.3	0.4	0.4	4.5	2.5	1.9	1.0	
	1.8	3.4	2.5	3.2	1.8	1.5	1.3	0.8	0.9	1.1	1.3					
Government investment expenditure	30.1	30.4	31.1	31.3	31.2	31.1	31.2	31.4	31.6	31.8	32.1	29.8	30.3	31.2	31.7	
	2.1	0.8	2.3	0.8	-0.2	-0.3	0.2	0.7	0.7	0.6	0.7	-3.3	1.7	3.0	1.7	
	-0.5	2.1	8.0	6.0	3.6	2.6	0.5	0.4	1.4	2.3	2.7					
Change in government inventories	-0.87	-0.03	-0.03	-0.29	-0.28	-0.28	-0.22	-0.27	-0.26	-0.26	-0.25	-0.09	-0.25	-0.27	-0.26	
Net exports of goods and services	-28.6	-24.2	-22.0	-17.1	-17.2	-19.0	-18.6	-17.4	-16.5	-16.2	-15.5	-6.7	-23.3	-18.0	-16.4	
Exports of goods and services	125.1	128.1	119.3	121.3	119.6	118.2	119.0	120.9	122.6	123.6	124.8	103.8	122.7	119.5	123.0	
	5.6	2.4	-6.8	1.7	-1.4	-1.2	0.7	1.6	1.4	0.9	1.0	23.0	18.2	-2.6	2.9	
	23.3	22.1	9.1	2.4	-4.4	-7.7	-0.2	-0.3	2.5	4.6	4.9					
Imports of goods and services	153.7	152.3	141.3	138.3	136.9	137.2	137.6	138.3	139.1	139.8	140.3	110.5	146.0	137.5	139.4	
	12.2	-0.9	-7.2	-2.1	-1.1	0.3	0.3	0.4	0.6	0.5	0.3	30.3	32.1	-5.8	1.3	
	45.8	34.5	15.1	1.0	-11.0	-9.9	-2.6	-0.1	1.6	1.9	1.9					
GDP	554.5	560.4	570.1	578.0	581.6	580.9	587.0	591.1	594.9	598.0	604.8	550.7	561.2	581.9	597.2	
	-3.1	4.3	7.1	5.6	2.6	-0.5	4.2	2.8	2.6	2.1	4.6	2.4	1.9	3.7	2.6	
	-0.8	1.1	1.7	1.4	0.6	-0.1	1.0	0.7	0.6	0.5	1.1					
	1.2	1.6	3.1	3.4	4.9	3.7	3.0	2.3	2.3	2.9	3.0					
Contribution of domestic demand	1.0	0.3	1.3	0.5	0.7	0.2	1.0	0.5	0.5	0.5	1.0	3.6	4.9	2.7	2.4	
of which, private demand	0.7	0.0	1.1	0.4	0.6	0.2	0.9	0.4	0.4	0.3	0.9	2.8	4.3	2.2	2.0	
of which, public demand	0.3	0.3	0.2	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.8	0.6	0.6	0.3	
Contribution of net exports	-1.8	0.8	0.4	0.9	0.0	-0.3	0.1	0.2	0.1	0.1	0.1	-1.2	-3.0	0.9	0.3	

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 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	105.9	107.1	107.0	107.1	107.2	108.3	108.3	108.3	108.3	109.3	102.6	105.7	107.4	108.6
	0.3	0.7	1.1	0.0	0.0	0.1	1.0	0.0	0.0	0.0	0.9	1.2	3.0	1.6	1.1
	2.9	3.5	3.0	2.1	1.8	1.2	1.1	1.2	1.2	1.0	1.0				
Private residential investment	119.1	119.0	118.3	118.2	118.4	118.6	118.8	119.0	119.3	119.5	119.8	113.3	118.7	118.5	119.4
	0.4	-0.1	-0.5	-0.1	0.1	0.2	0.2	0.2	0.3	0.2	0.2	7.5	4.8	-0.2	0.8
	5.8	3.4	1.3	-0.3	-0.6	-0.3	0.4	0.7	0.8	0.8	0.9				
Private non-residential investment	107.3	108.2	108.3	109.3	109.9	110.3	110.5	110.7	110.9	111.2	111.4	103.3	107.5	110.0	111.1
	1.1	0.8	0.1	1.0	0.5	0.4	0.2	0.2	0.2	0.2	0.2	2.6	4.1	2.3	1.0
	4.4	4.4	3.5	3.0	2.4	2.0	2.1	1.3	1.0	0.7	0.8				
Government final consumption expenditure	102.5	102.8	103.3	103.7	103.7	103.7	104.1	104.1	104.2	104.5	104.8	101.0	102.4	103.8	104.4
	1.6	0.3	0.4	0.4	0.0	0.0	0.4	0.0	0.1	0.3	0.3	1.1	1.4	1.4	0.6
	1.5	1.8	1.6	2.7	1.1	0.8	0.8	0.4	0.5	0.8	0.7				
Government investment expenditure	112.8	113.4	113.3	113.5	111.8	112.9	113.2	113.5	113.9	114.1	114.4	108.1	112.9	112.8	114.0
	0.9	0.5	-0.1	0.2	-1.5	1.0	0.2	0.3	0.3	0.2	0.3	3.3	4.4	-0.1	1.0
	4.9	4.3	3.3	1.5	-0.9	-0.4	-0.1	0.0	1.8	1.1	1.1				
Exports of goods and services	114.5	114.9	111.7	113.0	111.7	110.4	110.8	111.6	112.3	112.5	112.7	99.9	113.1	111.5	112.3
	3.1	0.3	-2.8	1.1	-1.2	-1.1	0.4	0.7	0.6	0.2	0.2	9.4	13.2	-1.4	0.7
	16.5	13.7	7.3	1.7	-2.5	-3.9	-0.8	-1.2	0.6	1.9	1.7				
Imports of goods and services	136.0	134.8	128.1	124.7	123.0	122.7	122.5	122.4	122.4	122.3	122.1	106.9	131.8	123.2	122.3
	6.3	-0.9	-5.0	-2.6	-1.4	-0.2	-0.2	-0.1	0.0	0.0	-0.2	21.6	23.3	-6.5	-0.8
	31.4	21.7	10.6	-2.6	-9.6	-9.0	-4.4	-1.9	-0.5	-0.3	-0.3				
GDP	101.4	102.5	103.8	104.9	105.3	105.1	105.9	106.2	106.4	106.6	107.3	101.8	102.5	105.3	106.6
	-0.5	1.1	1.3	1.0	0.4	-0.3	0.8	0.2	0.2	0.2	0.7	-0.2	0.7	2.8	1.2
	-0.3	1.2	1.8	2.9	3.9	2.5	2.0	1.2	1.0	1.4	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 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	93.8	94.5	95.0	95.2	96.0	96.7	97.1	97.5	97.9	95.5	95.3	95.2	97.3
	5.9	-3.0	-1.8	0.7	0.5	0.2	0.9	0.7	0.5	0.4	0.3	5.8	-0.2	-0.1	2.2
	4.0	0.6	-1.9	1.5	-3.6	-0.3	2.3	2.3	2.2	2.4	1.9				
Labor force (ten thousand persons)	6909	6900	6910	6911	6913	6913	6914	6914	6915	6916	6917	6898	6907	6913	6916
	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.1	0.1	0.0
	0.0	0.3	0.3	0.1	0.0	0.2	0.1	0.0	0.0	0.0	0.1				
Engaged labor force (ten thousand persons)	6732	6725	6730	6732	6733	6733	6741	6741	6748	6753	6751	6704	6727	6735	6748
	0.1	-0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.0	0.0	0.3	0.1	0.2
	0.2	0.5	0.3	0.1	0.0	0.1	0.2	0.1	0.2	0.3	0.2				
Employed (ten thousand persons)	6050	6048	6046	6047	6048	6048	6055	6055	6061	6066	6064	6011	6047	6050	6062
	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.0	0.2	0.6	0.0	0.2
	0.5	0.7	0.4	-0.1	0.0	0.0	0.2	0.1	0.2	0.3	0.2				
Unemployment rate (%)	2.6	2.5	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.4	2.4	2.8	2.6	2.6	2.4
Domestic corporate goods price index (2015=100)	115.9	119.0	119.7	119.6	119.3	119.2	119.6	119.7	119.8	119.7	120.0	107.0	117.1	119.4	119.8
	2.1	2.7	0.5	-0.1	-0.3	-0.1	0.4	0.1	0.1	-0.1	0.2	7.1	9.4	2.0	0.3
	9.7	10.0	8.4	5.3	2.9	0.1	0.0	0.1	0.4	0.4	0.3				
Core consumer price index (2020=100)	102.5	103.8	104.0	104.8	105.3	105.9	106.1	106.7	106.8	107.1	107.1	99.9	103.0	105.5	106.9
	1.0	1.2	0.2	0.8	0.5	0.6	0.2	0.6	0.1	0.2	0.1	0.0	3.1	2.5	1.3
	2.7	3.8	3.5	3.2	2.7	2.1	2.0	1.8	1.4	1.1	1.0				

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. 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	0.437	0.454	0.468	0.562	0.634	0.675	0.723	0.711	0.757	0.092	0.296	0.529	0.717
Money stock (M2+CD, JPY trillion)	1206.3	1212.7	1218.8	1229.4	1232.7	1239.2	1246.9	1254.5	1261.6	1267.2	1273.2	1187.9	1218.8	1246.9	1273.2
	0.7	0.5	0.5	0.9	0.3	0.5	0.6	0.6	0.6	0.5	0.5	3.6	2.6	2.3	2.1
	3.4	3.1	2.6	2.6	2.2	2.2	2.3	2.0	2.3	2.3	2.1				
Nikkei stock average (JPY) 2005=100	27,586	27,367	27,270	28,256	28,170	28,110	28,500	29,125	29,750	30,375	31,000	28,385	27,277	28,259	30,062
	221.9	220.1	219.4	227.3	226.6	226.1	229.3	234.3	239.3	244.3	249.4	228.3	219.4	227.3	241.8
	2.6	-0.8	-0.4	3.6	-0.3	-0.2	1.4	2.2	2.1	2.1	2.1	16.0	-3.9	3.6	6.4
	-3.4	-5.1	0.3	5.1	2.1	2.7	4.5	3.1	5.6	8.1	8.8				
USD/JPY exchange rate	138.3	141.5	132.2	133.7	133.9	132.4	130.4	128.4	126.3	124.2	122.0	112.4	135.4	132.6	125.2
	6.8	2.3	-6.5	1.1	0.1	-1.1	-1.5	-1.5	-1.6	-1.7	-1.8	6.0	20.5	-2.1	-5.6
	25.6	24.4	13.8	3.2	-3.2	-6.4	-1.4	-4.0	-5.7	-6.2	-6.4				

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 (%). 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	90.8	85.0	85.8	85.6	85.4	85.5	86.0	86.5	86.9	87.4	86.5	88.7	85.6	86.7
(SNA basis)	1.8	0.7	-6.5	1.0	-0.1	-0.3	0.1	0.6	0.5	0.5	0.6	14.2	2.5	-3.5	1.3
	5.4	5.3	-3.5	-3.2	-5.1	-6.0	0.6	0.3	1.0	1.7	2.2				
Goods imports (real)	86.7	88.1	84.5	84.8	85.4	86.1	86.7	87.4	88.0	88.5	89.0	81.0	86.1	85.8	88.2
(SNA basis)	2.1	1.6	-4.1	0.4	0.7	0.8	0.8	0.7	0.7	0.6	0.5	7.2	6.2	-0.4	2.9
	8.8	9.6	1.1	-0.2	-1.5	-2.3	2.7	3.0	3.0	2.9	2.6				
Services exports (real)	19.2	20.8	21.9	21.6	21.5	21.6	21.9	22.3	22.7	23.0	23.3	17.6	20.0	21.6	22.8
(SNA basis)	5.5	8.3	5.6	-1.5	-0.5	0.5	1.3	1.9	1.7	1.5	1.4	4.8	13.5	8.3	5.4
	7.8	17.4	27.1	18.8	12.0	4.0	-0.3	3.2	5.5	6.5	6.6				
Services imports (real)	26.4	25.0	26.3	26.1	25.9	25.7	25.7	25.6	25.7	25.8	25.9	22.5	24.9	25.8	25.7
(SNA basis)	19.1	-5.3	5.2	-0.6	-0.8	-0.6	-0.3	-0.1	0.2	0.4	0.5	6.9	10.8	3.9	-0.4
	18.5	13.5	16.4	17.9	-1.8	3.1	-2.3	-1.8	-0.8	0.1	0.9				
Goods exports (nominal)	102.5	103.9	94.4	96.6	95.4	94.0	94.4	95.4	96.5	97.0	97.7	85.6	99.6	95.1	96.6
(SNA basis)	5.0	1.4	-9.1	2.4	-1.2	-1.5	0.4	1.1	1.1	0.5	0.8	25.3	16.3	-4.5	1.6
	23.1	20.2	3.8	-1.0	-6.8	-9.5	0.0	-1.3	1.1	3.1	3.6				
Goods imports (nominal)	123.4	123.6	111.6	109.1	107.7	107.7	107.8	107.9	108.1	108.1	107.9	87.2	117.7	108.1	108.0
(SNA basis)	10.2	0.2	-9.7	-2.2	-1.3	0.0	0.1	0.1	0.2	0.0	-0.2	35.0	35.0	-8.1	-0.1
	49.6	37.2	13.2	-2.5	-12.7	-12.9	-3.4	-1.1	0.3	0.4	0.1				
Services exports (nominal)	22.6	24.2	24.9	24.6	24.2	24.2	24.6	25.5	26.1	26.7	27.1	18.2	23.1	24.4	26.3
(SNA basis)	8.5	6.9	2.9	-1.0	-1.8	0.0	1.8	3.5	2.4	2.2	1.5	13.4	26.9	5.8	7.9
	24.3	31.4	35.8	18.2	6.9	0.0	-1.0	3.4	7.9	10.3	10.0				
Services imports (nominal)	30.3	28.7	29.7	29.2	29.1	29.5	29.9	30.3	31.0	31.7	32.3	23.3	28.3	29.4	31.3
(SNA basis)	21.2	-5.4	3.6	-1.6	-0.3	1.2	1.3	1.6	2.1	2.3	2.1	15.2	21.5	3.9	6.5
	32.2	23.7	22.7	17.0	-3.8	2.9	0.5	3.8	6.3	7.4	8.3				
Trade balance (BOP basis)	-5.6	-5.2	-3.8	-3.1	-3.1	-3.4	-3.3	-3.1	-2.9	-2.8	-2.5	-1.5	-18.1	-13.0	-11.4
Balance on services (BOP basis)	-1.9	-1.0	-1.3	-1.2	-1.3	-1.4	-1.4	-1.3	-1.3	-1.3	-1.4	-4.9	-5.3	-5.2	-5.2
Primary income balance (BOP basis)	9.1	9.4	8.8	8.3	7.6	7.7	7.7	7.8	7.9	8.0	8.2	29.0	35.6	31.2	31.9
Current account balance	1.0	3.2	2.0	3.0	2.3	1.9	2.1	2.5	2.8	3.0	3.3	20.2	9.2	9.4	11.7
(BOP basis)	-67.8	205.2	-37.4	53.8	-22.8	-16.9	6.7	19.8	13.0	7.7	10.0	18.9	-54.2	2.0	24.0
	-79.2	-30.1	-52.2	-5.3	127.0	-38.2	5.3	-18.0	20.0	55.6	60.4				
USD/JPY exchange rate	138.3	141.5	132.2	133.7	133.9	132.4	130.4	128.4	126.3	124.2	122.0	112.4	135.4	132.6	125.2
	6.8	2.3	-6.5	1.1	0.1	-1.1	-1.5	-1.5	-1.6	-1.7	-1.8	6.0	20.5	-2.1	-5.6
	25.6	24.4	13.8	3.2	-3.2	-6.4	-1.4	-4.0	-5.7	-6.2	-6.4				

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.