

Japanese Economy Monthly Forecast

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Headlines

• Review of latest official data

- This forecast reflects data released by the end of September. About two-thirds of all data needed for an accurate estimate of Q3 GDP have been released. Excluding household consumption-related indicators, public works, and balance of payments, almost two-thirds of the basic monthly data required for estimating July-September GDP have been updated.
- According to the second official advance estimate, real GDP in Q2 increased an annualized +4.8 QoQ, which was a downward revision over the first advance estimate (+6.0%). Real GDP exceeded its pre-pandemic peak.
- The Index of Industrial Production index in August remained unchanged. As a result, the July-August average was -1.0% lower than the Q2 average. METI left its assessment of economic conditions unchanged from the previous month.
- Comparing the July-August average with the Q2 average, planned construction expenditure decreased by -1.0%, while the index of capital goods shipments declined by -1.6%. On the other hand, public works expanded by +0.3%.
- Comparing the July-August average with the Q2 average, real exports in increased by +0.3%, while real imports shrank by -0.2%. Net exports made a small positive contribution to real GDP growth.

• 2023 Q3 real GDP growth forecast update

APIR's expenditure-side CQM forecast for real GDP growth in 2023 Q3 is an annualized +0.0% QoQ. On the other hand, the production-side forecast figure is an annualized -1.2%. The average of the two forecasts is an annualized -0.6%, which is similar to the market consensus forecast figure (Figure 1).

• 2023 Q3 inflation forecast update

- In August, the nation-wide CPI rose by +3.2%, marking the 24th month of inflation. The core CPI rose by +3.1%, and the core-core CPI rose by +4.3%. Core-core CPI inflation remained higher than core CPI inflation for the seventh month in a row, partly due to government policies.
- Our CQM forecasts for the private final consumption expenditure deflator and the domestic demand deflator in 2023 Q3 are respectively +0.5% and +0.3% QoQ. However, since the terms of trade are expected to improve significantly, we forecast a headline inflation rate (GDP deflator) of +0.9% QoQ (Figure 2).

Fig 1 CQM Forecast: Real GDP Growth Rate Jul-Sep (Q3) 2023 (%, QoQ annualized growth)

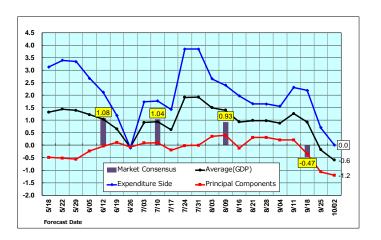
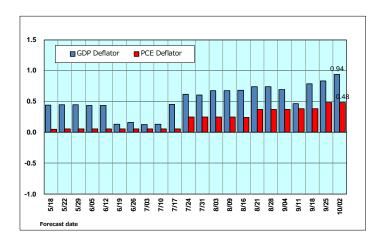


Fig 2 CQM Forecast: Inflation Jul-Sep (Q3) 2023 (%, QoQ growth)



We used the Current Quarter Model (CQM) methodology developed by Professor Emeritus L. R. Klein to create two forecasting models for the Japanese economy: a demand-side model and a production-side (principal component analysis) model. We refer to the forecasts by the former model as the main series, and those by the latter model, as well as the average of both models, as the reference series. Forecasts made using the CQM model are renewed continuously, incorporating the latest weekly data, which makes it possible to determine and trace the impacts of the latest short-term trends on macroeconomic conditions.

Table 1: Main Economic Indicators (latest)

Re-	Data	Economic Indicator	Value/ In-	Change		
lease Date	Month	Economic Indicator	dex Score	MoM	YoY	
9/29	August	Labor Force Survey				
		Total employment (millions)	67.50	+0.05		
		Total unemployment (millions)	1.85	+0.01		
		Unemployment rate (%)	2.7%	0.0%pt		
	August	General Job Placement Situation				
		Job offers-to-applicants ratio	1.29	0.0%pt		
	August	Indices of Industrial Production (preliminary figures, 2020=100)				
		Production	103.8	0.0%		
		Shipments	103.2	+0.1%		
		Inventories	104.6	-1.7%		
	August	Current Survey of Commerce (preliminary figures)				
		Retail trade (billion JPY)	13,391.0	+0.1%	+7.0%	
	August	New Housing Starts				
		New housing starts (SA, Unit)	70,399	+4.5%	-9.4%	
		Planned residential construction expenditure (billon JPY)	1,400.2	+5.5%	+4.7%	
	July	Construction Costs Deflator (2015=100)				
		Housing construction	123.0		+2.0%	
		Public works	122.1		+4.6%	
	Septem- ber	Consumer Confidence Index (SA)	35.2	-1.0		
	Septem- ber	Tokyo Region Consumer Price Index (2020=100)				
		Core	105.2	0.0%	+2.5%	
9/28	August	Producer Price Index for Intermediate and Final Demand (2015=100)				
		Capital goods	107.0		+3.9%	
		Consumer goods	111.3		+2.0%	
9/27	July	Index of Business Conditions (revised, 2015=100)				
		Leading indicators	108.2	-0.6		
		Coincident indicators	114.2	-1.4		
		Lagging indicators	105.7	-0.8		
9/26	July	Monthly Labor Statistics (final figures)				
		Gross average salary per worker (JPY)	380,063		+1.1%	
		Total working hours	138.6		-1.0%	
	August	Corporate Services Price Index (2015=100)				
		Overall index	109.3		+2.1%	
9/22	August	National Consumer Price Index (2020=100)				
		Core index	105.7	+0.3%	+3.1%	
9/20	August	Trade Statistics (customs clearance level)				
		Trade balance (billion JPY)	-930.5	-7.4%	-66.7%	
		Exports (billion JPY)	7,994.3	-1.7%	-0.8%	
		Imports (billion JPY)	8,924.8	-2.1%	-17.8%	
9/19	July	General Construction Statistics				
		Private non-residential construction (billion JPY)	926.3		+3.1%	
	1	Public works (billion JPY)	1,612.5		+4.6%	

9/15	July	Tertiary Industry Activity Index (2015=100)	101.8	+0.9%	
	August	Public Works Advanced Securities Statistics			
		Contract amount (billion JPY)	1,114.7		-3.6%
		Number of contracts	22,215		-4.3%
9/14	July	Indices of Industrial Production (final figures, 2020=100)			
		Production	103.8	-1.8%	
		Shipments	103.1	-1.8%	
		Inventory	106.4	+0.6%	
		Production capacity index	98.4		+0.3%
		Capacity utilization ratio	105.7	-2.2%	
	July	Private Core Machinery Orders (billion JPY)	844.9	-1.1%	
9/13	August	Domestic Corporate Price Index (2020=100)			
		Corporate Price	119.6	+0.3%	+3.2%
		Export Price	133.1	+1.9%	+3.7%
		Import Price	158.3	+0/9%	-11.8%
9/8	July	Monthly Labor Statistics (preliminary figures)			
		Gross average salary per worker (JPY)	380,656		+1.3%
		Total working hours	138.9		-0.8%
	July	Information Services Industry Sales (billion JPY)	1,195.9		+8.5%
	August	Economy Watchers Survey			
		Current Conditions Diffusion Index	53.6	-0.8	
		Business Outlook Diffusion Index	51.4	-2.7	
	July	Balance of Payments			
		Current account (billion JPY)	2,771.7	+17.9%	+211.9%
		Exports (billion JPY)	8,555.8	+1.6%	-0.6%
		Imports (billion JPY)	8,487.6	+2.8%	-13.3%
9/7	July	Consumption Activity Index (2015=100)	97.3	+0.6%	
	July	Index of Business Conditions (preliminary figures, 2020=100)			
		Leading indicators	107.6	-1.2	
		Coincident indicators	114.5	-1.1	
		Lagging indicators	106.1	-0.5	
9/5	July	Family Income and Expenditure Survey (households with 2 or more people)			
		Nominal consumption expenditure (JPY)	281,736	-2.5%	-1.3%
		Real consumption expenditure		-2.7%	-5.0%
	July	Consumption Trend Index (2020=100)	103.7	+0.2%	
9/4	August	Food Balance (billion JPY)	+69.2		-7.2
9/1	August	New Car Sales (vehicles)	280,537		+19.8%

Table 2: CQM Forecast: GDP Tracking

		Real GDP		Deflat	or		Real GDP		Defla	itor		Real GDP		Deflator			
Forecast date	Expenditure side	Production side (PCA)	Average	GDP	PCE	Expenditure side	Production side (PCA)	Average	GDP	PCE	Expenditure side	Production side (PCA)	Average	GDP	PCE		
date			2023Q2					2023Q3		2023Q4							
		SAAR (%)		QoQ (%)		SAAR (%)		QoQ	(%)	SAAR (%)			QoQ (%)			
5/18	1.2	-0.6	0.3	0.0	0.0	3.1	-0.5	1.3	0.4	0.0							
5/22	1.8	-0.3	0.8	1.0	-0.0	3.4	-0.5	1.4	0.4	0.1							
5/29	1.8	-0.5	0.7	1.3	0.4	3.3	-0.6	1.4	0.4	0.1							
6/05	2.2	-0.7	0.7	1.3	0.4	2.7	-0.2	1.2	0.4	0.1							
6/08																	
6/12			2.9	1.4	0.4		-0.0	1.0	0.4	0.1							
6/19	4.0	1.5	2.8	1.4	0.4	1.2	0.1	0.7	0.1	0.1							
6/26	4.9		3.2	1.4	0.4	-0.1	-0.1	-0.1	0.2	0.1							
7/03	5.3		4.1	1.4	0.4	1.7		0.9	0.1	0.1							
7/10			3.7	1.4	0.4	1.8		0.9	0.1	0.1							
7/17	3.2		2.4	1.5	0.4	1.4		0.6	0.5	0.1							
7/24	4.4		3.1	1.6	0.5			1.9	0.6	0.3							
7/31	4.4		3.1	1.6	0.5			1.9	0.6	0.3							
8/03	5.0		3.6	1.6	0.5			1.5	0.7	0.3							
8/10	4.4	2.5	3.5	1.6	0.5	2.4		1.4	0.7	0.3							
8/15	<u>6.0</u>			<u>1.4</u>	<u>0.4</u>	0.0	0.0	0.0	0.0	0.0							
8/16						2.0		0.9	0.7	0.2	0.0		0.2	0.2	0.1		
8/21						1.7		0.5	0.7	0.4	0.0		0.2	0.2	0.1		
8/28						1.6		1.0	0.7	0.4	0.0		0.2	0.2	0.1		
9/04						1.6	0.2	0.9	0.7	0.4	-0.2	0.6	0.2	0.2	0.1		
9/08	4.8*			1.6*	0.4*												
9/11						2.3		1.3	0.5	0.4	-0.2		0.2	0.2	0.1		
9/18						2.2		0.9	0.8	0.4	0.1		0.3	0.4	0.1		
9/25						0.7		-0.2	0.8	0.5	-1.7		-0.8	0.4	0.2		
10/02						0.0	-1.2	-0.6	0.9	0.5	-2.2	0.2	-1.0	0.4	0.2		

Note: Underlined figures are 1st preliminary estimates, and figures marked by * are 2nd preliminary estimates.

Table 3-1: Gross Domestic Product at Chained 2015 Price: Y Billion

	Ougstarbe			Fara sast		CY		FY	
	Quarterly	000004	000000	Forecast	000004		0000	_	0000
ODDIODE	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	2022	2023	2022	2023
GDP/GDE	F 47 704	550 440	550,000	550.040	FFF 400	540.550	550.044	F 40 000	557.044
Gross Domestic Products	547,761	552,142	558,603	558,613	555,496	546,556	556,214	549,232	557,941
Private Consumption	295,741	297,485	295,575	295,741	296,052	293,973	296,213	295,916	295,961
Residential Investment	18,300	18,421	18,783	18,806	18,797	18,267	18,702	18,247	18,809
Nonresidential Investment	90,001	91,454	90,528	89,977	90,157	89,249	90,529	90,404	90,231
Change in Private Inventory	859	2,494	1,760	1,875	-238	2,401	1,473	2,295	1,085
Government Consumption	118,707	118,799	118,833	118,894	119,391	118,470	118,979	118,661	119,252
Public Investment	26,680	27,061	27,127	27,194	27,127	26,487	27,127	26,706	27,190
Change in Public Inventory	-30	-63	-71	-108	-106	-103	-87	-104	-98
Net Exports	-1,787	-3,471	4,661	4,827	2,909	-1,596	2,232	-2,250	4,104
Exports of Goods & Services	111,064	106,834	110,115	109,969	107,978	108,069	108,724	108,532	109,324
Imports of Goods & Services	112,852	110,305	105,454	105,142	105,068	109,664	106,492	110,782	105,220
Gross National Income	567,284	568,986	582,060	588,907	586,498	563,956	581,613	566,030	586,453
Memo:									
Total Demand	660,612	662,447	664,057	663,755	660,565	656,220	662,706	660,014	663,161
	Upper Row	r: % chang	e from the	previous qu	arter Low	er Row: %	change fro	m a year ea	rlier
Gross Domestic Products	0.1	0.8	1.2	0.0	-0.6				
SAAR	0.2	3.2	4.8	0.0	-2.2				
% Change Year Ago	0.5	1.8	1.7	2.0	1.4	1.0	1.8	1.4	1.6
Private Consumption	0.3	0.6	-0.6	0.1	0.1				
% Change Year Ago	1.0	2.6	0.2	0.3	0.1	2.1	0.8	2.5	0.0
Residential Investment	1.0	0.7	2.0	0.1	-0.1				
% Change Year Ago	-2.2	-0.4	3.5	3.7	2.7	-3.5	2.4	-3.0	3.1
Nonresidential Investment	-0.7	1.6	-1.0	-0.6	0.2				
% Change Year Ago	2.8	4.5	1.4	-0.7	0.2	1.9	1.4	3.1	-0.2
Government Consumption	0.2	0.1	0.0	0.1	0.4				
% Change Year Ago	1.2	0.6	0.2	0.3	0.6	1.2	0.4	0.7	0.5
Public Investment	0.1	1.4	0.2	0.2	-0.2				
% Change Year Ago	-2.2	3.2	2.8	2.0	1.7	-7.2	2.4	-3.1	1.8
Exports of Goods & Services	1.5	-3.8	3.1	-0.1	-1.8				
% Change Year Ago	7.3	1.9	3.0	0.5	-2.8	5.1	0.6	4.5	0.7
Imports of Goods & Services	-0.1	-2.3	-4.4	-0.3	-0.1				
% Change Year Ago	10.4	4.1	-1.6	-6.9	-6.9	8.0	-2.9	7.2	-5.0
Gross National Income	1.0	0.3	2.3	1.2	-0.4				
SAAR	3.9	1.2	9.5	4.8	-1.6				
% Change Year Ago	0.6	1.1	3.0	4.8	3.4	0.2	3.1	0.5	3.6
Total Demand	0.0	0.3	0.2	0.0	-0.5				
SAAR	0.1	1.1	1.0	-0.2	-1.9				
% Change Year Ago	0.0	13.9	1.2	0.5	0.0	2.1	1.0	2.3	0.5
Contribution to GDP Grow th Ra			_						
Domestic Demand	-0.3	1.0	-0.6	0.0	-0.2	1.6	0.8	1.9	0.1
Private Demand	-0.3	0.9	-0.6	0.0	-0.3	1.7	0.6	1.9	-0.1
Public demand	0.1	0.1	0.0	0.0	0.1	-0.1	0.2	0.0	0.2
Net Exports	0.3	-0.2	1.7	0.0	-0.3	-0.5	1.0	-0.5	1.5
THOL EXPOILS	0.5	-0.2	1.7	0.0	-0.5		1.0	-0.5	1.0

Table 3-2: Gross Domestic Product at Current Prices: Y Billion

CDP/GDE		Quarterly			Forecast		CY		FY	
GPPGDE Gross Domestic Products 561,443 573,722 589,476 595,022 593,878 557,227 588,025 562,708 593,004 Private Consumption 313,555 318,971 318,013 319,738 320,599 308,635 319,330 312,921 319,498 Residential investment 21,756 21,830 22,220 22,316 22,324 21,631 22,172 21,884 22,303 Nonresidential investment 97,414 99,290 99,218 99,432 100,301 95,104 99,560 97,269 100,009 Change in Private Inventory 1,065 1,956 2,854 1,583 -607 2,886 1,446 2,633 1,110 Government Consumption 121,994 122,223 122,146 122,665 123,160 120,826 122,548 121,470 122,905 120,826 122,915 122,915 120,915 122,915 120,915 122,915 120,915 122,915 120,915 122,915 120,915 122,915 122,915 120,915 122,915 122,915 122,915 122,915 120,915 122,915 12			202201			202204		2022		2022
Gross Domestic Products 561,443 573,722 589,476 595,022 593,878 557,227 588,025 562,708 593,004 Private Consumption 313,555 318,971 318,013 319,738 320,599 308,635 319,330 312,921 319,498 Residential Investment 97,414 99,290 99,218 99,432 100,301 95,104 99,560 97,269 100,009 Change in Private Inventory 1,065 1,956 2,854 1,583 -607 2,886 1,446 22,33 1,110 Covernment Consumption 121,994 122,223 122,146 122,665 123,160 120,826 122,548 31,110 Covernment Consumption 30,276 30,793 311,50 31,371 31,319 29,649 31,158 30,170 31,263 Change in Public Inventory -5 -6 -19 -227 -225 -225 -119 -8,071 -23,198 -3,999 Exports of Goods & Services 127,533 119,618 124,400 127,314 126,758 120,233 124,523 122,795 Cross National Income 601,309 607,043 625,155 634,686 633,465 592,280 625,087 598,162 631,870 Memo: Upper Row: % change from the previous quarter Lower Row:	CDD/CDE	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	2022	2023	2022	2023
Private Consumption 313,555 318,971 318,073 312,738 320,599 308,835 319,300 312,921 319,488 Residential Investment 21,756 21,830 22,220 22,316 22,324 21,631 22,172 21,684 22,303 (20,000)		EC1 112	E72 722	E00 476	E0E 022	E02 070	EE7 007	E00 00E	F60 700	E02.004
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Nonresidential Investment 97,414 99,290 99,218 99,432 100,301 95,104 99,500 97,269 100,009 Change in Private Inventory 1,065 1,956 2,854 1,583 -607 2,886 1,446 2,633 1,110 120,000 121,994 122,223 122,146 122,665 123,160 120,826 122,545 121,470 122,905 120,826 122,545 121,470 122,905 120,826 122,545 121,470 122,905 120,826 122,545 121,470 122,905 120,826 122,545 121,470 122,905 120,826 122,545 119,618 124,400 127,314 126,758 122,249 8,071 -23,198 -3,909 129,575 104,422 122,495	· '						1			
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Change in Public Inventory Net Exports -24,614 -21,334 -6,105 -1,854 -2,993 -21,249 -8,071 -23,198 -3,909 -3,909 -3,124 -3,903 -1,24,614 -1,19618 -1,24,400 -1,27,314 -1,26,758 -1,26,758 -1,26,758 -1,27,585	·						1			
Net Exports				· ·						
Exports of Goods & Services 127,535 119,618 124,400 127,314 126,758 120,233 124,523 122,795 126,680 imports of Goods & Services 152,149 140,952 130,506 129,169 129,751 141,482 132,594 145,992 130,590 Gross National ncome 601,309 607,043 625,155 634,686 633,465 592,280 625,087 598,162 631,870 Memo: Total Demand 713,592 714,673 719,982 724,191 723,629 698,709 720,619 708,700 723,594 200,000 296,134 297,547 300,700 300,071 300,883 294,492 299,800 295,376 300,575 Upper Row: % change from the previous quarter Lower Row: % change from a year earlier Cross Domestic Products 1.2 2.2 2.7 0.9 -0.2 Services 7.3 5.8 1.3 5.5 2.0 5.4 8.4 8.4 8.4 8.4 8.4 8.4 8.4 8.4 8.4 8		-								
Imports of Goods & Services 152,149 140,952 130,506 129,169 129,751 141,482 132,594 145,992 130,590 670,584 670,043 625,155 634,686 633,465 592,280 625,087 598,162 631,870 670,043 625,155 634,686 633,465 592,280 625,087 598,162 631,870 670,045 670,	· · · · · · · · · · · · · · · · · · ·									
Gross National Income 601,309 607,043 625,155 634,686 633,465 592,280 625,087 Memo: Total Demand 713,592 714,673 719,982 724,191 723,629 698,709 720,619 708,700 723,594 Compensation of Employee 296,134 297,547 300,700 300,071 300,883 294,492 299,800 295,376 300,575 Upper Row: % change from the previous quarter Low er Row: % change from a year earlier Gross Domestic Products 1.2 2.2 2.7 0.9 -0.2 SAAR 5.0 9.0 11.4 3.8 -0.8 Pivate Consumption 1.1 1.7 -0.3 0.5 0.3 -0.3 1.8 0.4 0.0 Pivate Consumption 1.1 1.7 -0.3 1.8 0.4 0.0 Pivate Consumption 1.1 1.1 3.1 3.1 3.3 2.6 3.1 2.5 5.0 3.5 5.6 2.1 Residential Investment 0.2 1.9 -0.1 0.2 0.9 Pivate Consumption 0.5 0.2 -0.1 0.4 0.4 0.4 0.4 0.4 Pivate Consumption 0.5 0.2 -0.1 0.4 0.4 0.4 0.4 0.4 0.4 0.4 0.4 0.4 0.4										
Memo: Total Demand 713,592 714,673 719,982 724,191 723,629 698,709 720,619 708,700 723,594 Compensation of Employee 296,134 297,547 300,700 300,071 300,883 294,492 299,800 295,376 300,575 Upper Row: % change from the previous quarter Low er Row: % change from a year earlier Gross Domestic Products 1.2 2.2 2.7 0.9 -0.2 ————————————————————————————————————	Imports of Goods & Services									
Total Demand Tota	Gross National Income	601,309	607,043	625,155	634,686	633,465	592,280	625,087	598,162	631,870
Upper Row: % change from the previous quarter Lower Row: % change from a year earlier	Memo:									
Upper Row: % change from the previous quarter Low er Row: % change from a year earlier	Total Demand	713,592	714,673	719,982	724,191	723,629	698,709		708,700	723,594
Gross Domestic Products	Compensation of Employee	296,134	297,547	300,700	300,071	300,883	294,492	299,800	295,376	300,575
Gross Domestic Products										
SAAR 5.0 9.0 11.4 3.8 -0.8 % Change Year Ago 1.7 3.7 5.3 7.3 5.8 1.3 5.5 2.0 5.4 Private Consumption 1.1 1.7 -0.3 0.5 0.3 0.3 0.5 0.3 0.3 0.5 0.3 0.5 0.3 0.5 0.3 0.5 0.3 0.5 0.3 0.5 0.3 0.5 0.3 0.5 0.3 0.5 0.3 0.5 0.3 0.5 0.3 0.5 0.3 0.5 0.3 0.5 0.3 0.5 0.0 <t< td=""><td></td><td>Upper Row</td><td>: % chang</td><td>e from the</td><td>previous qu</td><td></td><td>er Row: %</td><td>change fro</td><td>m a year ea</td><td>rlier</td></t<>		Upper Row	: % chang	e from the	previous qu		er Row: %	change fro	m a year ea	rlier
% Change Year Ago 1.7 3.7 5.3 7.3 5.8 1.3 5.5 2.0 5.4 Private Consumption 1.1 1.7 -0.3 0.5 0.3 3.1 2.2 5.0 3.5 5.6 2.1 Residential Investment 0.7 0.3 1.8 0.4 0.0 0.0 3.5 5.6 2.1 Wordinge Year Ago 1.1 1.1 3.1 3.3 2.6 3.1 2.5 1.7 2.9 Nonresidential Investment 0.2 1.9 -0.1 0.2 0.9 6.0 4.7 7.4 2.8 Royernment Consumption 0.5 0.2 -0.1 0.4	Gross Domestic Products	1.2	2.2	2.7	0.9	-0.2				
Private Consumption 1.1 1.7 -0.3 0.5 0.3 % Change Year Ago 4.5 5.7 3.0 3.1 2.2 5.0 3.5 5.6 2.1 Residential Investment 0.7 0.3 1.8 0.4 0.0	SAAR	5.0	9.0	11.4	3.8	-0.8				
% Change Year Ago 4.5 5.7 3.0 3.1 2.2 5.0 3.5 5.6 2.1 Residential Investment 0.7 0.3 1.8 0.4 0.0 2.1 2.5 1.7 2.9 % Change Year Ago 1.1 1.1 3.1 3.3 2.6 3.1 2.5 1.7 2.9 % Change Year Ago 7.3 8.3 4.8 2.2 3.0 6.0 4.7 7.4 2.8 Government Consumption 0.5 0.2 -0.1 0.4 0.4	% Change Year Ago	1.7	3.7	5.3	7.3	5.8	1.3	5.5	2.0	5.4
Residential Investment 0.7 0.3 1.8 0.4 0.0 0.0 2.5 1.7 2.9 % Change Year Ago 1.1 1.1 3.1 3.3 2.6 3.1 2.5 1.7 2.9 Nonresidential Investment 0.2 1.9 -0.1 0.2 0.9 0.0 0.0 4.7 7.4 2.8 Government Consumption 0.5 0.2 -0.1 0.4 0.4 0.4 0.0	Private Consumption	1.1	1.7	-0.3	0.5	0.3				
% Change Year Ago 1.1 1.1 3.1 3.3 2.6 3.1 2.5 1.7 2.9 Nonresidential Investment 0.2 1.9 -0.1 0.2 0.9 -0.1 0.2 0.9 -0.1 0.0 0.9 -0.1 0.0 0.9 -0.1 0.0 0.9 -0.1 0.0 0.9 -0.1 0.0 0.9 -0.1 0.0 0.0 4.7 7.4 2.8 2.0 0.0 4.7 7.4 2.8 2.0 0.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 4.0 2.0 1.0 1.2 <td>% Change Year Ago</td> <td>4.5</td> <td>5.7</td> <td>3.0</td> <td>3.1</td> <td>2.2</td> <td>5.0</td> <td>3.5</td> <td>5.6</td> <td>2.1</td>	% Change Year Ago	4.5	5.7	3.0	3.1	2.2	5.0	3.5	5.6	2.1
Nonresidential Investment 0.2 1.9 -0.1 0.2 0.9 % Change Year Ago 7.3 8.3 4.8 2.2 3.0 6.0 4.7 7.4 2.8 % Change Year Ago 3.0 2.1 1.7 1.0 1.0 2.6 1.4 2.1 1.2 Public Investment 0.8 1.7 1.2 0.7 -0.2 % Change Year Ago 2.1 6.8 5.9 4.4 3.4 -2.9 5.1 1.2 3.6 Exports of Goods & Services 1.9 -6.2 4.0 2.3 -0.4 % Change Year Ago 22.0 9.4 4.7 1.7 -0.6 20.0 3.6 18.3 3.2 Imports of Goods & Services -1.0 -7.4 -7.4 -1.0 0.5 % Change Year Ago 34.4 15.0 -4.9 -16.0 -14.7 37.3 -6.3 32.1 -10.6 Gross National Income 1.9 1.0 3.0 1.5 -0.2 SAAR 7.7 3.9 12.5 6.2 -0.8 % Change Year Ago 3.5 3.5 5.5 7.5 5.3 2.7 5.5 3.0 5.6 Memo: Total Demand 0.7 0.2 0.7 0.6 -0.1 SAAR 2.9 0.6 3.0 2.4 -0.3 % Change Year Ago 0.0 30.0 3.3 2.2 1.4 0.0 7.0 0.0 7.1 Compensation of Employee 0.5 0.5 1.1 -0.2 0.3	Residential Investment	0.7	0.3	1.8	0.4	0.0				
% Change Year Ago 7.3 8.3 4.8 2.2 3.0 6.0 4.7 7.4 2.8 Government Consumption 0.5 0.2 -0.1 0.4 0.2 0.2 0.2 0.2 0.2 0.2 0.2 0.4 0.2 0.4 0.2 0.4 0.2 0.4 </td <td>% Change Year Ago</td> <td>1.1</td> <td>1.1</td> <td>3.1</td> <td>3.3</td> <td>2.6</td> <td>3.1</td> <td>2.5</td> <td>1.7</td> <td>2.9</td>	% Change Year Ago	1.1	1.1	3.1	3.3	2.6	3.1	2.5	1.7	2.9
Government Consumption 0.5 0.2 -0.1 0.4 0.4 % Change Year Ago 3.0 2.1 1.7 1.0 1.0 2.6 1.4 2.1 1.2 Public Investment 0.8 1.7 1.2 0.7 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.2 -0.3 -0.2 -0.2 -0.2 -0.3 -0.2 -0.2 -0.2	Nonresidential Investment	0.2	1.9	-0.1	0.2	0.9				
% Change Year Ago 3.0 2.1 1.7 1.0 1.0 2.6 1.4 2.1 1.2 Public Investment 0.8 1.7 1.2 0.7 -0.2 2 2.0 2.1 6.8 5.9 4.4 3.4 -2.9 5.1 1.2 3.6 Exports of Goods & Services 1.9 -6.2 4.0 2.3 -0.4 -0.6 20.0 3.6 18.3 3.2 Imports of Goods & Services -1.0 -7.4 -7.4 -1.0 0.5 -14.7 37.3 -6.3 32.1 -10.6 Gross National Income 1.9 1.0 3.0 1.5 -0.2 -0.8 -0.2 -0.8 -0.2 -0.8 -0.2 -0.8 -0.8 -0.2 -0.8 -0.2 -0.8 -0.2 -0.8 -0.2 -0.8 -0.2 -0.8 -0.2 -0.8 -0.2 -0.8 -0.2 -0.8 -0.2 -0.8 -0.2 -0.8 -0.2 -0.8 -0.2 -0.8 -0.2 -0.5 -0.5 -0.1 -0.2 -0.3 -0.2 -0.	% Change Year Ago	7.3	8.3	4.8	2.2	3.0	6.0	4.7	7.4	2.8
Public Investment 0.8 1.7 1.2 0.7 -0.2 ————————————————————————————————————	Government Consumption	0.5	0.2	-0.1	0.4	0.4				
% Change Year Ago 2.1 6.8 5.9 4.4 3.4 -2.9 5.1 1.2 3.6 Exports of Goods & Services 1.9 -6.2 4.0 2.3 -0.4 -0.4 -0.4 -0.4 -0.4 -0.4 -0.4 -0.4 -0.6 20.0 3.6 18.3 3.2 Imports of Goods & Services -1.0 -7.4 -7.4 -1.0 0.5 -0.5 -0.5 -0.5 -0.5 -0.5 -0.5 -0.3 32.1 -10.6 Gross National Income 1.9 1.0 3.0 1.5 -0.2 -0.8 -0.2 -0.8 -0.1 -0.8 -0.1 -0.1 -0.2 -0.3 -0.1 -0.2 -0.3 -0.2 -0.1 -0.2 -0.3 <td< td=""><td>% Change Year Ago</td><td>3.0</td><td>2.1</td><td>1.7</td><td>1.0</td><td>1.0</td><td>2.6</td><td>1.4</td><td>2.1</td><td>1.2</td></td<>	% Change Year Ago	3.0	2.1	1.7	1.0	1.0	2.6	1.4	2.1	1.2
Exports of Goods & Services 1.9 -6.2 4.0 2.3 -0.4 % Change Year Ago 22.0 9.4 4.7 1.7 -0.6 20.0 3.6 Imports of Goods & Services -1.0 -7.4 -7.4 -1.0 0.5 % Change Year Ago 34.4 15.0 -4.9 -16.0 -14.7 37.3 -6.3 32.1 -10.6 Gross National Income 1.9 1.0 3.0 1.5 -0.2 SAAR 7.7 3.9 12.5 6.2 -0.8 % Change Year Ago 3.5 3.5 5.5 7.5 5.3 2.7 5.5 3.0 5.6 Memo: Total Demand 0.7 0.2 0.7 0.6 -0.1 SAAR 2.9 0.6 3.0 2.4 -0.3 % Change Year Ago 0.0 30.0 3.3 2.2 1.4 0.0 7.0 0.0 7.1 Compensation of Employee 0.5 0.5 1.1 -0.2 0.3	Public Investment	0.8	1.7	1.2	0.7	-0.2				
% Change Year Ago 22.0 9.4 4.7 1.7 -0.6 20.0 3.6 18.3 3.2 Imports of Goods & Services -1.0 -7.4 -7.4 -1.0 0.5 36 18.3 3.2 % Change Year Ago 34.4 15.0 -4.9 -16.0 -14.7 37.3 -6.3 32.1 -10.6 Gross National Income 1.9 1.0 3.0 1.5 -0.2 -0.2 -0.8 -0.2 -0.8 -0	% Change Year Ago	2.1	6.8	5.9	4.4	3.4	-2.9	5.1	1.2	3.6
% Change Year Ago 22.0 9.4 4.7 1.7 -0.6 20.0 3.6 18.3 3.2 Imports of Goods & Services -1.0 -7.4 -7.4 -1.0 0.5 36 18.3 3.2 % Change Year Ago 34.4 15.0 -4.9 -16.0 -14.7 37.3 -6.3 32.1 -10.6 Gross National Income 1.9 1.0 3.0 1.5 -0.2 -0.2 -0.8 -0.2 -0.8 -0	Exports of Goods & Services	1.9	-6.2	4.0	2.3	-0.4				
Imports of Goods & Services -1.0 -7.4 -7.4 -1.0 0.5 % Change Year Ago 34.4 15.0 -4.9 -16.0 -14.7 37.3 -6.3 32.1 -10.6 Gross National Income 1.9 1.0 3.0 1.5 -0.2 -0.2 -0.2 -0.8 -0.2 -0.8 -0.2 -0.8 </td <td>·</td> <td></td> <td>9.4</td> <td>4.7</td> <td>1.7</td> <td>-0.6</td> <td>20.0</td> <td>3.6</td> <td>18.3</td> <td>3.2</td>	·		9.4	4.7	1.7	-0.6	20.0	3.6	18.3	3.2
% Change Year Ago 34.4 15.0 -4.9 -16.0 -14.7 37.3 -6.3 32.1 -10.6 Gross National Income 1.9 1.0 3.0 1.5 -0.2 -0.2 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.8 -0.7 5.5 3.0 5.6 Memo: 5.5 3.0 5.6 SAAR 2.9 0.6 3.0 2.4 -0.3 -0.1 -0.3 -0.2 -0.3 -0.3 -0.0 7.0 0.0 7.1 Compensation of Employee 0.5 0.5 1.1 -0.2 0.3 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.3 -0.3 -0.3 -0.3		-1.0	-7.4	-7.4	-1.0	0.5				
Gross National Income 1.9 1.0 3.0 1.5 -0.2 SAAR 7.7 3.9 12.5 6.2 -0.8 % Change Year Ago 3.5 3.5 5.5 7.5 5.3 2.7 5.5 3.0 5.6 Memo: Total Demand 0.7 0.2 0.7 0.6 -0.1 -0.1 -0.3 -0.3 -0.3 -0.3 -0.3 -0.3 -0.3 -0.3 -0.0 7.0 0.0 7.1 Compensation of Employee 0.5 0.5 1.1 -0.2 0.3 -0.3 -0.2 -0.3 -0.3 -0.2 -0.3 -0.3 -0.0 7.0 0.0 7.1	% Change Year Ago			-4.9	-16.0	The second secon	37.3	-6.3	32.1	-10.6
SAAR 7.7 3.9 12.5 6.2 -0.8 % Change Year Ago 3.5 3.5 5.5 7.5 5.3 2.7 5.5 3.0 5.6 Memo: Total Demand 0.7 0.2 0.7 0.6 -0.1 -0.1 -0.1 -0.3 -0.3 -0.3 -0.3 -0.3 -0.2 0.0 7.0 0.0 7.1 Compensation of Employee 0.5 0.5 1.1 -0.2 0.3 0.3 -0.2 0.3 -0.2 0.3										
% Change Year Ago 3.5 3.5 5.5 7.5 5.3 2.7 5.5 3.0 5.6 Memo: Total Demand 0.7 0.2 0.7 0.6 -0.1 -0.1 -0.2 0.0 -0.3 -0.3 -0.3 -0.3 -0.3 -0.2 -0.4 -0.0 7.0 0.0 7.1 Compensation of Employee 0.5 0.5 1.1 -0.2 0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.3 -0.3 -0.3 -0.3 -0.2 -0.3 -0.3 -0.3 -0.3 -0.3 -0.3 -0.3 -0.3 -0.3						The second secon				
Memo: Compensation of Employee 0.5 0.5 0.7 0.6 -0.1 0.0<						The second secon	2.7	5.5	3.0	5.6
Total Demand 0.7 0.2 0.7 0.6 -0.1 SAAR 2.9 0.6 3.0 2.4 -0.3 % Change Year Ago 0.0 30.0 3.3 2.2 1.4 0.0 7.0 0.0 7.1 Compensation of Employee 0.5 0.5 1.1 -0.2 0.3 -0.2 0.3 -0.2 0.3 -0.2 0.0 7.1 -0.2 0.0 7.1 -0.2 0.0 7.1 -0.2 0.0 7.1 -0.2 0.0 7.1 -0.2 0.3 -0.2 0.0 -0.2 0.0 -0.2 0.0 -0.2 0.0 -0.2 0.0 -0.2 0.0 -0.2 0.0 -0.2 0.0 -0.2 0.0 -0.2 0.0 -0.2 0.0 -0.2 0.0 -0.2 0.0 -0.2 0.0 -0.2 0.0 -0.2 0.0 -0.2 0.0 0.0 -0.2 0.0 -0.2 0.0 0.0 0.0		3.3	3.3	2.3						
SAAR 2.9 0.6 3.0 2.4 -0.3 -0.2 -0.2 -0.2 0.0 7.0 0.0 7.1 % Change Year Ago 0.0 30.0 3.3 2.2 1.4 0.0 7.0 0.0 7.1 Compensation of Employee 0.5 0.5 1.1 -0.2 0.3 -0.2 0.3 -0.2 -0.2 0.3 -0.2		0.7	0.2	0.7	0.6	-0.1				
% Change Year Ago 0.0 30.0 3.3 2.2 1.4 0.0 7.0 0.0 7.1 Compensation of Employee 0.5 0.5 1.1 -0.2 0.3 -0.2 0.3 -0.2 0.0 7.0 0.0 7.1										
Compensation of Employee 0.5 0.5 1.1 -0.2 0.3						The second secon	0.0	7.0	0.0	7 1
						The second secon	0.5		0.0	7
	% Change Year Ago	2.5	1.5	2.5	1.8	1.6	2.0	1.8	2.0	1.8

Table 3-3: Deflator: 2015=100

	Quarterly			Forecast		CY		FY	
	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	2022	2023	2022	2023
GDP/GDE									
Gross Domestic Products	102.5	103.9	105.5	106.5	106.9	101.9	105.7	102.4	106.3
Private Consumption	106.0	107.2	107.6	108.1	108.3	105.0	107.8	105.7	108.0
Residential Investment	118.9	118.5	118.3	118.7	118.8	118.4	118.6	118.8	118.6
Nonresidential Investment	108.2	108.6	109.6	110.5	111.3	106.6	110.0	107.5	110.8
Government Consumption	102.8	102.9	102.8	103.2	103.2	102.0	103.0	102.4	103.1
Public Investment	113.5	113.8	114.8	115.4	115.5	111.9	114.9	112.9	115.0
Exports of Goods & Services	114.8	112.0	113.0	115.8	117.4	111.2	114.5	113.1	115.9
Imports of Goods & Services	134.8	127.8	123.8	122.9	123.5	128.8	124.5	131.7	124.1
Unit Profit	105.1	108.5	112.2	114.6	114.4	104.3	112.4	105.6	113.7
Unit Labor Cost	100.3	100.0	99.9	99.7	100.5	100.0	100.0	99.8	100.0
	Upper Row	: % change	e from the	previous qu	arter Low	er Row: %	change fro	m a year ea	rlier
Gross Domestic Products	1.2	1.4	1.6	0.9	0.4				
	1.2	1.8	3.5	5.1	4.3	0.2	3.7	0.6	3.8
Private Consumption	0.8	1.1	0.3	0.5	0.2				
	3.5	3.0	2.8	2.8	2.1	2.8	2.7	3.0	2.1
Residential Investment	-0.2	-0.3	-0.2	0.3	0.1				
	3.4	1.5	-0.4	-0.4	-0.1	6.9	0.1	4.9	-0.2
Nonresidential Investment	0.9	0.3	1.0	0.8	0.7				
	4.4	3.7	3.3	3.0	2.8	4.1	3.2	4.1	3.1
Government Consumption	0.3	0.1	-0.1	0.4	0.0				
	1.8	1.5	1.5	0.7	0.4	1.4	1.0	1.4	0.7
Public Investment	0.7	0.3	0.9	0.5	0.1				
	4.4	3.5	3.0	2.4	1.7	4.7	2.6	4.5	1.9
Exports of Goods & Services	0.4	-2.5	0.9	2.5	1.4				
	13.7	7.4	1.7	1.2	2.2	14.1	3.0	13.2	2.5
Imports of Goods & Services	-0.9	-5.2	-3.2	-0.7	0.5				
	21.7	10.4	-3.4	-9.7	-8.4	27.1	-3.4	23.3	-5.8
Unit Profit	0.0	3.3	3.4	2.1	-0.1				
	0.0	8.1	6.6	11.2	8.9	-0.5	7.8	0.7	7.7
Unit Labor Cost	0.0	-0.3	-0.1	-0.2	0.8				
	0.0	14.1	0.7	-0.2	0.2	0.9	0.0	0.6	0.2