



Japanese Economy Monthly Forecast

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Headlines

●Review of data released in November

▶The official **real GDP growth rate** in 2017Q3 was +1.4% QoQ annualized, marking the seventh consecutive quarter of positive growth. Real growth is continuing to exceed the potential growth rate. The official growth rate was roughly on par with market consensus, and higher than the APIR Current Quarter Model's forecast.

▶**Domestic demand** made a negative QoQ contribution to the growth rate for the first time in four quarters, while **net exports** made a positive QoQ contribution for the first time in two quarters. The Q3 growth pattern was thus the inverse of the Q2 pattern.

▶October **real household consumption expenditure** was 1.7% lower than the Q3 average. Recovery in private final consumption expenditure (PFCE) is expected to be modest in Q4.

▶Incorporating October data into calculations, we revised last week's forecasts for Q4 **private housing** and **change in corporate inventory** upwards. However, we revised our forecast for **private capital expenditure** downwards.

▶**Public works contract amounts** declined by 3.4% MoM in October. **Real public fixed capital formation** (that is, government investment) is expected to be subdued in Q4.

▶**Net goods exports** for October fell from the Q3 average in volume terms, but improved in real value terms.

●2017Q4 growth forecast update

▶This week's Current Quarter Model **demand-side forecast for real GDP** in 2017Q4 is for +0.1% QoQ and +0.5% QoQ annualized growth. This is an upward revision from last week's forecast.

▶**Domestic demand** is forecast to make a contribution of -0.1%pts QoQ to real GDP growth, and **net exports** to make a contribution of +0.2%pts QoQ. As the forecast trend (Figure 1) shows, both the demand- and production-side real GDP growth forecasts have re-entered positive territory.

●2017Q4 inflation forecast update

▶In October, the core **Consumer Price Index** (excluding perishable foods and energy) grew 0.2% YoY for a fourth consecutive increase. In seasonally adjusted terms, it grew by 0.1% MoM for a second consecutive increase. With the exception of energy, consumer prices still lack upward momentum.

▶This week, the Current Quarter Model forecasts the **private final consumption expenditure deflator** to grow by 0.1% QoQ in Q4, and the domestic demand deflator to grow by 0.3% QoQ. As terms of trade are expected to worsen, the **GDP deflator** is forecast to be flat at -0.0% QoQ in Q4 (see Figure 2).

Fig 1 CQM Forecast: Real GDP growth rate Oct-Dec (Q4) 2017 (% , QoQ annualized growth)

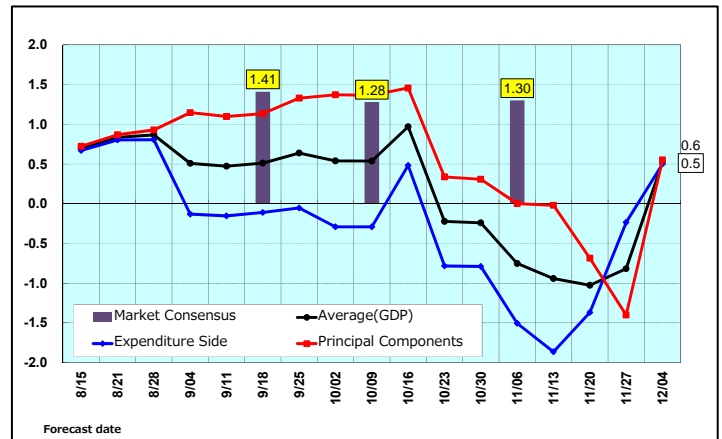
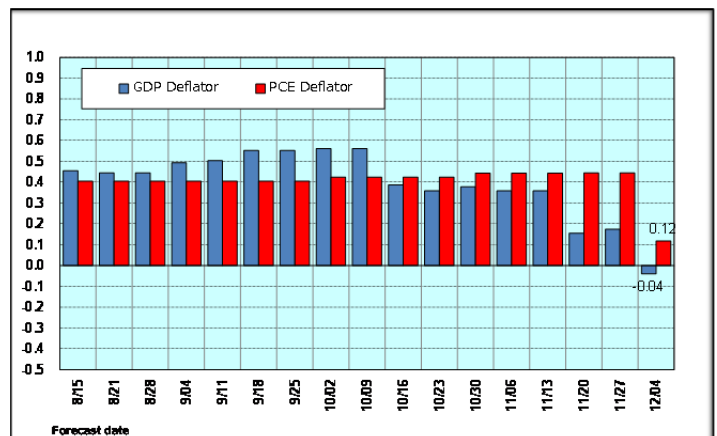


Fig 2 CQM Forecast: Inflation Oct-Dec (Q4) 2017 (% , QoQ growth)



発行日 Release Date	データ 該当月 Data Month	経済指標 Economic Indicator	数値・指標値 Result/ Index Score	動態 Change	
				前月比 MoM	前年比 YoY
12/1	11月 November	新車販売台数 New Car Sales (vehicles)	332,174	-	-2.7%
	10月 October	労働力調査 Labour Force Survey			
		就業者数 (100万人) Total employment (millions)	65.44	-0.06	-
		失業者数 (100万人) Total unemployment (millions)	1.87	-0.01	-
		失業率 Unemployment rate (%)	2.8	0.0%pt	-
	10月 October	一般職業紹介状況 General Job Placement Situation			
		有効求人倍率 Job offer ratio	1.55	+0.03pt	-
	10月 October	家計調査報告 (2人以上世帯:消費支出) Family Income and Expenditure Survey (households with 2 or more people)			
		名目 Nominal consumption expenditure	282,872	-2.2%	+0.3%
		実質 Real consumption expenditure	-	-2.0%	0.0%
11/30	10月 October	鉱工業指数 (2010年=100:速報値) Indices of Industrial Production (official, 2010=100)			
		生産 Production	103.0	+0.5%	-
		出荷 Shipments	98.8	-0.5%	-
		在庫 Inventory	110.6	+3.1%	-
	10月 October	新設住宅着工 New Housing Starts			
		新設住宅着工戸数 New housing starts (SA, Unit)	77,778	-2.0%	-4.8%
		工事費予定額 Planned dwelling construction cost (JPY Billion)	1,333.6	+3.7%	-1.2%
	9月 September	建設工事費デフレーター (2011年=100) Construction Costs Deflator (2011=100)			
		住宅建築 Housing construction	107.2		+2.5%
		公共事業 Public works	108.1		+2.7%
	10月 October	製造業部門別投入・産出物価指数 (2011年=100) Manufacturing Industry Input-Output Price Index (2011=100)			
		投入物価 Input price	96.6	-	+7.8%
		産出物価 Output price	99.0	-	+4.2%
	10月 October	全国消費者物価指数 (2015年=100) National Consumer Price Index (2015=100)			
		コア Core	100.6	+0.2%	+0.8%
	10月 October	東京都区部消費者物価指数 (2015年=100) Tokyo Region Consumer Price Index (2015=100)			
		コア Core	100.3	+0.1%	+0.6%
11/29	10月 October	商業動態統計 (速報値) Current Survey of Commerce (interim figures)			
		小売業 Retail trade (billion JPY)	11,533	0.0%	-0.2%
	10月 October	企業向けサービス価格指数 (2010年=100) Corporate Service Price Index (2010=100)			
		総合指数 Overall index	104.0	+0.2%	+0.8%
11/24	9月 September	景気動向指数 (2010年=100、改訂値、前月差) Index of Business Conditions (revised, 2010=100)			
		先行 Leading indicator	106.4	-0.8	-
		一致 Consensus	116.2	-1.5	-
		遅行 Lagging indicator	117.2	+1.0	-
11/22	9月 September	毎月労働統計 (確報値) Monthly Labour Statistics (official)			
		現金給与総額 Total cash salaries (JPY)	267,248	-	+0.9%
		総実労働時間 Total working hours	144.0	-	0.0%
11/21	9月 September	産業活動指数 (2010年=100) Industrial Activity Indices (2010=100)			
		全産業 All industries	104.7	+0.5%	-
		建設業 Construction industry	114.3	-2.3%	-

11/20	10月 October	貿易統計 (通関ベース) Trade Statistics (customs clearance)				
		貿易収支 (10 億円) Trade balance (billion JPY)	285.4	+21.1%	+40.7%	
		輸出 Exports (billion JPY)	6,693.1	+2.0%	+14.0%	
		輸入 Imports (billion JPY)	6,407.7	+1.2%	+18.9%	
11/17	9月 September	建設総合統計 Overall Construction Statistics				
		民間建築：非居住 (10 億円) Private construction: Non-residential (billion JPY)	888.2	-	+11.6%	
		公共工事 (10 億円) Public works (billion JPY)	1,876.0	-	+1.4%	
11/15	9月 September	鉱工業指数 (2010年=100: 確報値) Indices of Industrial Production (official, 2010=100)				
		生産能力指数 Production capacity index	94.3	-	-0.2%	
		稼働率指数 Operation ratio index	101.8	-1.5%	-	
		生産 Production	102.5	-1.0%	-	
		出荷 Shipments	99.3	-2.5%	-	
		在庫 Inventory	107.3	0.0%	-	
	10月 October	公共工事前払金保証統計 Public Works Advanced Securities Statistics				
		請負金額 (10 億円) Contract amount (billion JPY)	1,171.2	-	+3.9%	
		請負件数 Number of contracts	29,712	-	+6.1%	
11/13	10月 October	国内企業物価指数 (2015年=100) Domestic Corporate Price Index (2010=100)				
		企業物価 Corporate Price	99.4	+0.3%	+3.4%	
		輸出物価 Export Price	97.2	+1.7%	+9.7%	
		輸入物価 Import Price	94.1	+2.6%	+15.3%	
11/10	9月 September	消費総合指数 (2011年=100) Synthetic Consumption Index (2011=100)		104.4	+0.4%	
	9月 September	第3次産業活動指数 (2010年=100) Tertiary Industry Activity Index (2010=100)		104.6	-0.2%	-
11/9	9月 September	民間コア機械受注 (10 億円) Private Core Machinery Orders (billion JPY)		810.5	-8.1%	-
	9月 September	情報サービス業売上高 (10 億円) Information Services Industry Sales (billion JPY)		1,289.9	-	+4.2%
	10月 October	景気ウォッチャー調査 (前月差) Economy Watchers Survey				
		現状判断 DI Current Conditions Diffusion Index	52.2	+0.9	-	
		先行き判断 DI Future Conditions Diffusion Index	54.9	+3.9	-	
	9月 September	国際収支 Balance of Payments				
		経常収支 (10 億円) Current account (billion JPY)	2,271.2	-19.0%	+2.8%	
		輸出 Exports (billion JPY)	6,725.3	-1.7%	+14.4%	
		輸入 Imports (billion JPY)	5,873.1	+0.7%	+12.7%	
11/8	9月 September	景気動向指数 (2010年=100: 速報値、前月差) Index of Business Conditions (interim, 2010=100)				
		先行 Leading indicator	106.6	-0.6	-	
		一致 Consensus	115.8	-1.9	-	
		遅行 Lagging indicator	116.8	+0.6	-	
11/7	9月 September	毎月勤労統計 (速報値) Monthly Labour Statistics (interim figures)				
		現金給与総額 Total cash salaries (JPY)	267,427	-	+0.9%	
		総実労働時間 Total working hours	144.0	-	0.0%	
	9月 September	消費活動指数 (2010年=100) Consumption Activity Index		102.9	-0.3%	-
11/2	10月 October	食糧安定供給収支戻 (10 億円) Stable Food Supply Payments Balance (billion JPY)		17.7	-	+6.3
	10月 October	消費者態度指数 (前月差) Consumer Confidence Index (SA)		44.5	+0.6	-