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Japan's Economic Outlook No. 178 Update (Summary)

Has a Proper Environment Come Together for Raising the Consumption Tax?—Firm domestic demand vs. some uncertainty overseas

Japan to see real GDP growth of +3.0% in FY13 and +1.2% in FY14, nominal GDP growth of +2.7% and +2.6%

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Main Points

- **Economic outlook reviewed:** In light of the second preliminary Apr-Jun GDP release (Cabinet Office), we have reviewed our economic growth outlook. We now forecast real GDP growth of +3.0% y/y for FY13 (previous forecast: +3.0%) and +1.2% for FY14 (+1.2%). We have assumed the formation of the FY13 supplementary budget of around Y3 trillion (new spending basis).
- **Main scenario—Japan's economy to continue growing:** After hitting bottom in November 2012, Japan's economy has entered a recovery phase. We believe it will continue to expand steadily. Economic policies of the Abe administration (so-called "Abenomics") represent an appropriate set of policies with the potential of jump-starting the revival of the Japanese economy and monetary policy measures in particular are yielding marked results. We anticipate that the economy will continue to expand, supported by (1) the expansion of the US economy, (2) the persistent reconstruction demand related to the 2011 Great East Japan Earthquake and the formation of a large-scale supplementary budget, and (3) the ongoing depreciation of the yen and the ascent in stock prices accompanying the BOJ's bold monetary easing. When we compare the current recovery with past recoveries, it is distinguished by a robust household sector that is being supported by a recovery in consumer confidence from a rising stock market. While the improvement in the income environment, exports, and capex was somewhat slow in relative terms, these categories are not faring all that poorly compared to past recoveries in Japan and the US. With regard to criticisms against Abenomics such as (1) it will have an adverse impact on the economy if long-term interest rates rise and (2) employee income will fail to increase as inflation progresses, and living standards will fall, we believe these criticisms have little basis. Going forward, the Abe administration will need to

actively engage in measures such as (1) the maintenance of fiscal discipline by making fundamental reforms to the social insurance system and (2) strengthening comprehensive growth strategies through deregulation and the reduction of the effective corporate tax rate.

- **Has a proper environment come together for raising the consumption tax?:** In this report, we provide a multifaceted examination of the pros and cons of raising the consumption tax. At the present moment, we believe that a proper environment has come together for raising the consumption tax as scheduled. Compared to 1997 when the consumption tax was last raised, domestic demand is expected to trend firmly. There will be a need, however, to carefully assess the risk of a downswing in China and other foreign economies.
- **Four risk factors—examination of the world economic cycle:** Risks that will need to be kept in mind regarding the Japanese economy are: (1) turbulence in emerging economies, (2) China's shadow banking problem, (3) a reigniting of the European sovereign debt crisis, and (4) a surge in crude oil prices stemming from geopolitical risk. Of these four risks, it is worth underscoring that the first is closely related to the second and third. In this report, we examine the world economic cycle. In the past, advanced economies led by the US drove emerging economies. However, a decoupling has currently taken place—advanced economies are performing well but emerging economies are stagnating. We believe that this decoupling is occurring for three reasons: (1) the dwindling in the amount of loans from European financial institutions to emerging economies in light of the European debt crisis, (2) the sluggishness of the Chinese economy, and (3) concerns that money will be taken out of emerging economies based on worries that the Federal Reserve Board will implement exit measures from a third round of quantitative easing. In the final analysis, we anticipate that the collapse of emerging economies will be avoided as the US economy continues to expand. Nevertheless, the state and the future direction of the Chinese economy will continue to require close monitoring.
- **BOJ monetary policy:** With the recovery of Japan's economy, we believe that the timing for the BOJ to implement further accommodative measures will be FY14 or later. The BOJ is likely to purchase additional risk assets (ETFs and other assets) in Apr-Jun 2014 or later in part to mitigate the adverse impact of a higher consumption tax rate.

Our assumptions

- Public works spending will grow +12.0% in FY13 and -1.2% in FY14; the consumption tax rate will be increased in April 2014
- Average exchange rate of Y99.7/\$ in FY13 and Y100.0/\$ in FY14
- US real GDP growth of +1.5% in CY13 and +2.6% in CY14

Main Economic Indicators and Real GDP Components

	FY12 (Actual)	FY13 (Estimate)	FY14 (Estimate)	CY12 (Actual)	CY13 (Estimate)	CY14 (Estimate)
Main economic indicators						
Nominal GDP (y/y %)	0.3	2.7	2.6	1.1	1.5	3.1
Real GDP (chained [2005]; y/y %)	1.2	3.0	1.2	2.0	2.1	2.0
Domestic demand (contribution, % pt)	2.0	2.5	0.3	2.8	1.9	1.6
Foreign demand (contribution, % pt)	-0.8	0.6	0.8	-0.9	0.2	0.5
GDP deflator (y/y %)	-0.9	-0.3	1.4	-0.9	-0.6	1.0
Index of All-industry Activity (y/y %)*	0.2	2.7	2.7	1.2	1.3	3.4
Index of Industrial Production (y/y %)	-3.0	3.3	6.1	0.6	-0.5	6.8
Index of Tertiary Industry Activity (y/y %)	0.8	2.5	1.9	1.4	1.7	2.5
Corporate Goods Price Index (y/y %)	-1.1	1.5	3.6	-0.9	1.0	3.0
Consumer Price Index (excl. fresh food; y/y %)	-0.2	0.6	2.9	-0.1	0.3	2.4
Unemployment rate (%)	4.3	4.0	3.9	4.4	4.1	3.9
Government bond yield (10 year; %)	0.76	0.83	1.00	0.80	0.77	0.96
Money stock; M2 (end-period; y/y %)	2.5	3.7	4.0	2.5	3.5	4.0
Balance of payments						
Trade balance (Y tril)	-6.9	-7.1	-4.3	-5.8	-7.8	-5.7
Current balance (\$100 mil)	524	895	1,431	605	743	1,224
Current balance (Y tril)	4.4	8.9	14.3	4.8	7.3	12.2
(% of nominal GDP)	0.9	1.8	2.9	1.1	1.5	2.5
Real GDP components (Chained [2005]; y/y %; figures in parentheses: contribution, % pt)						
Private final consumption	1.6 (1.0)	2.4 (1.4)	-0.8 (-0.5)	2.3 (1.4)	1.9 (1.2)	0.3 (0.2)
Private housing investment	5.3 (0.2)	8.1 (0.2)	-2.7 (-0.1)	3.0 (0.1)	8.5 (0.2)	0.2 (0.0)
Private fixed investment	-1.4 (-0.2)	2.5 (0.3)	5.8 (0.7)	2.0 (0.3)	-0.9 (-0.1)	6.0 (0.8)
Government final consumption	2.1 (0.5)	1.8 (0.3)	1.1 (0.2)	2.4 (0.5)	1.6 (0.3)	1.4 (0.3)
Public fixed investment	15.0 (0.7)	11.0 (0.5)	-2.5 (-0.1)	12.5 (0.6)	11.8 (0.6)	2.6 (0.1)
Exports of goods and services	-1.2 (-0.2)	6.8 (1.1)	8.9 (1.5)	-0.1 (-0.0)	3.6 (0.5)	8.8 (1.4)
Imports of goods and services	3.8 (-0.6)	3.3 (-0.5)	4.8 (-0.7)	5.4 (-0.9)	1.9 (-0.3)	5.3 (-1.0)
Major assumptions:						
1. World economy						
Economic growth of major trading partners	3.1	3.0	3.8	3.3	2.8	3.7
Crude oil price (WTI futures; \$/bbl)	92.0	98.5	100.0	94.1	97.1	100.0
2. US economy						
US real GDP (chained [2005]; y/y %)	2.3	1.8	2.8	2.8	1.5	2.6
US Consumer Price Index (y/y %)	1.8	1.2	1.9	2.1	1.3	1.7
3. Japanese economy						
Nominal public fixed investment (y/y %)	14.6	12.0	-1.2	12.2	12.6	3.8
Exchange rate (Y/\$)	83.1	99.7	100.0	79.8	97.8	100.0
(Y/€)	107.4	129.9	130.0	103.5	127.9	130.0
Call rate (end-period; %)	0.10	0.10	0.10	0.10	0.10	0.10

Source: Compiled by DIR.

Note: Due to rounding, actual figures may differ from those released by the government.

* Excl. agriculture, forestry, and fisheries.

Estimate: DIR estimate.

Comparison with Previous Outlook

	Current outlook (Outlook 178 Update)		Previous outlook (Outlook 178)		Difference between previous and current outlooks	
	FY13	FY14	FY13	FY14	FY13	FY14
Main economic indicators						
Nominal GDP (y/y %)	2.7	2.6	2.8	2.7	-0.1	-0.1
Real GDP (chained [2005]; y/y %)	3.0	1.2	3.0	1.2	0.1	-0.1
Domestic demand (contribution, % pt)	2.5	0.3	2.4	0.4	0.1	-0.0
Foreign demand (contribution, % pt)	0.6	0.8	0.7	0.8	-0.1	-0.1
GDP deflator (y/y %)	-0.3	1.4	-0.2	1.4	-0.1	-0.0
Index of All-industry Activity (y/y %)*	2.7	2.7	2.5	2.7	0.2	0.0
Index of Industrial Production (y/y %)	3.3	6.1	3.3	6.1	0.0	0.0
Index of Tertiary Industry Activity (y/y %)	2.5	1.9	2.5	1.9	0.0	0.0
Corporate Goods Price Index (y/y %)	1.5	3.6	1.5	3.6	0.0	0.0
Consumer Price Index (excl. fresh food; y/y %)	0.6	2.9	0.4	2.9	0.1	0.0
Unemployment rate (%)	4.0	3.9	4.0	3.9	0.0	0.0
Government bond yield (10 year; %)	0.83	1.00	0.83	1.00	0.00	0.00
Money stock; M2 (end-period; y/y %)	3.7	4.0	3.7	4.0	0.0	0.0
Balance of payments						
Trade balance (Y tril)	-7.1	-4.3	-6.8	-3.7	-0.3	-0.6
Current balance (\$100 mil)	895	1,431	925	1,497	-30	-67
Current balance (Y tril)	8.9	14.3	9.2	15.0	-0.3	-0.7
(% of nominal GDP)	1.8	2.9	1.9	3.0	-0.1	-0.1
Real GDP components (chained [2005]; y/y %)						
Private final consumption	2.4	-0.8	2.6	-0.8	-0.2	-0.0
Private housing investment	8.1	-2.7	8.2	-3.0	-0.1	0.3
Private fixed investment	2.5	5.8	0.8	5.8	1.6	0.0
Government final consumption	1.8	1.1	1.9	1.1	-0.1	0.0
Public fixed investment	11.0	-2.5	10.5	-2.2	0.5	-0.3
Exports of goods and services	6.8	8.9	7.0	9.1	-0.2	-0.1
Imports of goods and services	3.3	4.8	3.1	4.5	0.3	0.3
Major assumptions:						
1. World economy						
Economic growth of major trading partners	3.0	3.8	3.0	3.8	0.0	0.0
Crude oil price (WTI futures; \$/bbl)	98.5	100.0	98.5	100.0	0.0	0.0
2. US economy						
US real GDP (chained [2005]; y/y %)	1.8	2.8	1.8	2.8	0.0	0.0
US Consumer Price Index (y/y %)	1.2	1.9	1.2	1.9	0.0	0.0
3. Japanese economy						
Nominal public fixed investment (y/y %)	12.0	-1.2	11.7	-0.9	0.3	-0.3
Exchange rate (Y/\$)	99.7	100.0	99.7	100.0	0.0	0.0
(Y/€)	129.9	130.0	129.9	130.0	0.0	0.0
Call rate (end-period; %)	0.10	0.10	0.10	0.10	0.00	0.00

Source: Compiled by DIR.

Notes: Due to rounding, differences do not necessarily conform to calculations based on figures shown.

* Excl. agriculture, forestry, and fisheries.

Quarterly Forecast Tables

1.1 Selected Economic Indicators

	2011			2012			2013			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2011	2012	2011	2012	
Nominal GDP (SAAR; Y tril)	463.2	474.2	474.8	480.7	476.6	472.4	473.0	476.1	473.3	474.6	470.6	475.6	
Q/q %	-1.6	2.4	0.1	1.3	-0.9	-0.9	0.1	0.6					
Q/q %, SAAR	-6.3	9.8	0.5	5.1	-3.4	-3.5	0.5	2.6					
Y/y %	-3.7	-2.5	-1.7	2.3	2.8	-0.5	-0.3	-0.8	-1.4	0.3	-2.5	1.1	
Real GDP (chained [2005]; SAAR; Y tril)	501.4	514.3	516.2	522.5	521.0	516.3	517.7	522.9	513.7	519.7	509.4	519.3	
Q/q %	-0.9	2.6	0.4	1.2	-0.3	-0.9	0.3	1.0					
Q/q %, SAAR	-3.4	10.7	1.4	5.0	-1.2	-3.5	1.1	4.1					
Y/y %	-1.5	-0.6	-0.2	3.4	3.8	0.3	0.4	0.3	0.3	1.2	-0.6	2.0	
Contribution to GDP growth (% pt)													
Domestic demand	0.2	1.7	1.1	1.2	-0.1	-0.2	0.3	0.6	1.3	2.0	0.3	2.8	
Foreign demand	-1.0	0.8	-0.7	0.1	-0.2	-0.7	-0.1	0.4	-1.0	-0.8	-0.9	-0.9	
GDP deflator (y/y %)	-2.1	-1.9	-1.5	-1.0	-1.0	-0.8	-0.7	-1.1	-1.7	-0.9	-1.9	-0.9	
Index of All-Industry Activity (2005=100)	94.2	96.2	96.7	96.8	96.6	96.2	96.1	96.1	96.1	96.2	95.4	96.5	
Q/q %; y/y %	-1.0	2.2	0.6	0.1	-0.2	-0.4	-0.0	-0.0	0.2	0.2	-0.5	1.2	
Index of Industrial Production (2010=100)	92.9	99.5	100.5	101.3	99.1	95.9	94.1	94.7	98.7	95.8	97.2	97.8	
Q/q %; y/y %	-4.1	7.1	1.0	0.8	-2.1	-3.3	-1.8	0.6	-0.7	-3.0	-2.8	0.6	
Index of Tertiary Industry Activity (2005=100)	97.0	98.5	99.0	99.0	99.0	99.0	99.3	99.5	98.5	99.2	97.9	99.3	
Q/q %; y/y %	-0.5	1.5	0.5	0.0	0.0	0.0	0.3	0.2	0.7	0.8	0.0	1.4	
Corporate Goods Price Index components (2010=100)													
Domestic Company Goods Price Index	102.0	102.1	101.0	101.2	100.9	100.1	100.1	100.9	101.6	100.5	101.5	100.6	
Y/y %	1.8	2.1	1.1	0.3	-1.0	-1.9	-1.0	-0.3	1.3	-1.1	1.5	-0.9	
CPI (excl. fresh food; 2010=100)	100.0	99.9	99.7	99.6	99.9	99.6	99.6	99.3	99.8	99.6	99.8	99.7	
Y/y %	-0.3	0.2	-0.2	0.1	-0.0	-0.2	-0.1	-0.3	-0.0	-0.2	-0.3	-0.1	
Unemployment rate (%)	4.7	4.5	4.5	4.5	4.4	4.3	4.2	4.2	4.5	4.3	4.6	4.4	
Call rate (end-period; %)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
Government bond yield (10 year; %)	1.16	1.04	1.03	0.97	0.85	0.78	0.76	0.66	1.05	0.76	0.98	0.80	
Money stock; M2 (y/y %)	2.8	2.8	3.0	3.0	2.4	2.4	2.3	2.9	2.9	2.5	2.7	2.5	
Trade balance (SAAR; Y tril)	-5.0	-1.3	-3.9	-4.3	-4.4	-6.6	-6.4	-10.1	-3.5	-6.9	-1.6	-5.8	
Current balance (SAAR; \$100 mil)	864	1,240	938	825	767	497	532	339	964	524	1,197	605	
Current balance (SAAR; Y tril)	7.1	9.6	7.3	6.5	6.1	3.9	4.3	3.1	7.6	4.4	9.6	4.8	
(% of nominal GDP)	1.5	2.0	1.5	1.4	1.3	0.8	0.9	0.7	1.6	0.9	2.0	1.1	
Exchange rate (Y/\$)	81.7	77.8	77.3	79.3	80.1	78.6	81.2	92.3	79.0	83.1	79.8	79.8	
(Y/Euro)	118.3	108.7	104.9	106.3	101.2	98.2	108.2	122.0	109.6	107.4	111.4	103.5	

Source: Compiled by DIR.

Notes: 1) Quarterly figures (excl. y/y %) seasonally adjusted, other unadjusted.

2) Index of All-Industry Activity Index: excl. agriculture, forestry, and fisheries.

3) Due to rounding, figures may differ from those released by the government.

E: DIR estimate.

1.2 Selected Economic Indicators

	2013			2014			2015			FY		CY	
	4-6	7-9 (E)	10-12 (E)	1-3 (E)	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	2013 (E)	2014 (E)	2013 (E)	2014 (E)	
Nominal GDP (SAAR; Y tril)	480.4	483.9	489.3	496.6	492.8	497.9	502.3	507.3	487.5	500.1	482.6	497.4	
Q/q %	0.9	0.7	1.1	1.5	-0.8	1.0	0.9	1.0					
Q/q %, SAAR	3.7	2.9	4.6	6.1	-3.0	4.2	3.6	4.1					
Y/y %	0.7	2.5	3.4	4.2	2.6	2.9	2.6	2.2	2.7	2.6	1.5	3.1	
Real GDP (chained [2005]; SAAR; Y tril)	527.7	531.9	537.4	544.6	535.7	540.0	543.4	546.9	535.5	541.7	530.2	541.0	
Q/q %	0.9	0.8	1.0	1.3	-1.6	0.8	0.6	0.7					
Q/q %, SAAR	3.8	3.2	4.2	5.4	-6.4	3.3	2.6	2.6					
Y/y %	1.2	3.0	3.8	4.0	1.5	1.5	1.1	0.5	3.0	1.2	2.1	2.0	
Contribution to GDP growth (% pt)													
Domestic demand	0.7	0.6	1.0	1.3	-1.9	0.6	0.4	0.4	2.5	0.3	1.9	1.6	
Foreign demand	0.2	0.2	0.1	-0.0	0.2	0.2	0.2	0.2	0.6	0.8	0.2	0.5	
GDP deflator (y/y %)	-0.5	-0.5	-0.3	0.2	1.1	1.3	1.5	1.7	-0.3	1.4	-0.6	1.0	
Index of All-Industry Activity (2005=100)	97.2	98.1	99.3	100.8	100.3	101.0	101.9	102.8	98.8	101.5	97.8	101.1	
Q/q %; y/y %	1.1	0.9	1.2	1.5	-0.5	0.8	0.8	1.0	2.7	2.7	1.3	3.4	
Index of Industrial Production (2010=100)	96.1	97.8	99.9	102.7	102.1	103.9	106.0	108.7	99.0	105.0	97.3	103.9	
Q/q %; y/y %	1.5	1.8	2.1	2.8	-0.6	1.8	2.0	2.5	3.3	6.1	-0.5	6.8	
Index of Tertiary Industry Activity (2005=100)	100.4	101.1	102.1	103.3	102.8	103.3	103.9	104.5	101.7	103.6	100.9	103.5	
Q/q %; y/y %	0.8	0.7	1.0	1.2	-0.5	0.5	0.5	0.6	2.5	1.9	1.7	2.5	
Corporate Goods Price Index components (2010=100)													
Domestic Company Goods Price Index	101.5	101.9	102.1	102.2	105.3	105.5	105.8	106.1	102.0	105.7	101.6	104.7	
Y/y %	0.6	1.8	2.1	1.4	3.7	3.5	3.6	3.8	1.5	3.6	1.0	3.0	
CPI (excl. fresh food; 2010=100)	99.9	100.3	100.3	100.2	102.8	103.0	103.2	103.3	100.2	103.1	99.9	102.3	
Y/y %	0.0	0.6	0.7	0.9	2.9	2.8	2.9	3.1	0.6	2.9	0.3	2.4	
Unemployment rate (%)	4.0	4.0	4.0	3.9	3.9	3.9	3.8	3.8	4.0	3.9	4.1	3.9	
Call rate (end-period; %)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
Government bond yield (10 year; %)	0.77	0.81	0.84	0.89	0.94	0.99	1.02	1.06	0.83	1.00	0.77	0.96	
Money stock; M2 (y/y %)	3.5	3.7	3.8	3.8	3.9	4.0	4.1	4.1	3.7	4.0	3.5	4.0	
Trade balance (SAAR; Y tril)	-7.0	-6.9	-7.1	-7.4	-6.4	-5.1	-3.7	-2.2	-7.1	-4.3	-7.8	-5.7	
Current balance (SAAR; \$100 mil)	860	859	916	945	1,111	1,307	1,532	1,773	895	1,431	743	1,224	
Current balance (SAAR; Y tril)	8.5	8.6	9.2	9.5	11.1	13.1	15.3	17.7	8.9	14.3	7.3	12.2	
(% of nominal GDP)	1.8	1.8	1.9	1.9	2.3	2.6	3.0	3.5	1.8	2.9	1.5	2.5	
Exchange rate (Y/\$)	98.8	100.0	100.0	100.0	100.0	100.0	100.0	100.0	99.7	100.0	97.8	100.0	
(Y/Euro)	129.6	130.0	130.0	130.0	130.0	130.0	130.0	130.0	129.9	130.0	127.9	130.0	

Source: Compiled by DIR.

Notes: 1) Quarterly figures (excl. y/y %) seasonally adjusted, other unadjusted.

2) Index of All-Industry Activity Index: excl. agriculture, forestry, and fisheries.

3) Due to rounding, figures may differ from those released by the government.

E: DIR estimate.

2.1 Real Gross Domestic Expenditure (chained [2005]; Y tril)

	2011			2012			2013			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2011	2012	2011	2012	
Gross domestic expenditure	501.4	514.3	516.2	522.5	521.0	516.3	517.7	522.9	513.7	519.7	509.4	519.3	
Q/q %, SAAR	-3.4	10.7	1.4	5.0	-1.2	-3.5	1.1	4.1					
Y/y %	-1.5	-0.6	-0.2	3.4	3.8	0.3	0.4	0.3	0.3	1.2	-0.6	2.0	
Domestic demand	491.5	499.9	505.4	511.0	510.8	509.5	511.1	514.2	502.1	511.5	496.8	510.6	
Q/q %, SAAR	0.8	7.1	4.5	4.5	-0.2	-1.0	1.3	2.4					
Y/y %	-0.2	0.1	1.1	4.3	3.8	1.9	1.2	0.7	1.3	1.9	0.3	2.8	
Private demand	372.7	381.0	386.7	389.2	387.9	385.5	385.8	388.5	382.5	386.9	378.1	387.1	
Q/q %, SAAR	0.6	9.2	6.2	2.6	-1.3	-2.5	0.3	2.8					
Y/y %	-0.5	-0.0	1.6	4.8	4.0	1.2	-0.2	-0.2	1.5	1.1	0.5	2.4	
Final consumption	299.7	304.1	306.1	308.9	309.1	308.0	309.5	312.1	304.7	309.7	301.8	308.8	
Q/q %, SAAR	3.7	6.0	2.6	3.7	0.3	-1.5	2.0	3.4					
Y/y %	0.5	0.5	1.2	4.0	3.1	1.3	1.0	1.1	1.6	1.6	0.4	2.3	
Residential investment	12.6	13.3	13.1	12.9	13.2	13.4	13.9	14.2	13.0	13.7	13.0	13.4	
Q/q %, SAAR	-9.3	21.2	-3.4	-5.9	8.8	6.7	15.1	7.7					
Y/y %	3.5	8.2	3.3	-0.1	4.7	1.5	5.8	9.3	3.7	5.3	5.5	3.0	
Non-residential investment	64.3	65.4	70.8	69.1	68.6	66.5	65.6	65.6	67.4	66.5	66.2	67.5	
Q/q %, SAAR	-2.2	6.8	37.6	-9.1	-2.8	-12.2	-4.8	-0.1					
Y/y %	-0.4	-0.2	9.9	6.8	7.0	1.5	-7.2	-5.1	4.1	-1.4	3.3	2.0	
Change in inventories	-3.9	-1.7	-3.3	-1.7	-3.1	-2.4	-3.3	-3.5	-2.6	-3.0	-2.9	-2.7	
Public demand	118.8	118.9	118.7	121.8	122.9	124.1	125.4	125.7	119.6	124.6	118.7	123.5	
Q/q %, SAAR	1.4	0.5	-0.7	11.0	3.4	3.9	4.3	1.2					
Y/y %	0.9	0.4	-0.6	2.9	3.4	4.3	5.7	3.4	0.9	4.2	-0.1	4.1	
Government final consumption	98.5	98.8	99.0	100.6	100.7	101.1	101.7	101.7	99.3	101.3	98.7	101.0	
Q/q %, SAAR	1.1	0.9	1.1	6.5	0.3	1.6	2.5	0.2					
Y/y %	1.3	1.1	0.9	2.3	2.2	2.3	2.7	1.1	1.4	2.1	1.4	2.4	
Fixed investment	20.2	20.1	19.7	21.2	22.2	23.0	23.7	24.0	20.3	23.3	20.0	22.5	
Q/q %, SAAR	1.2	-1.9	-8.1	34.6	20.8	14.4	13.5	5.8					
Y/y %	-2.2	-4.7	-7.5	5.0	11.3	15.1	19.6	13.1	-2.2	15.0	-7.5	12.5	
Change in inventories	0.0	0.1	-0.0	0.1	-0.0	0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	
Net exports of goods and services	10.0	14.8	11.2	12.0	10.8	7.1	6.4	8.8	12.0	8.3	12.9	9.0	
Exports of goods and services	77.6	84.7	82.4	84.6	84.4	80.7	78.5	81.6	82.3	81.3	82.1	82.0	
Q/q %, SAAR	-26.1	41.9	-10.6	11.2	-0.7	-16.8	-10.2	16.8					
Y/y %	-5.5	0.8	-2.6	0.9	9.2	-4.8	-5.0	-3.3	-1.6	-1.2	-0.4	-0.1	
Imports of goods and services	67.6	69.9	71.2	72.6	73.6	73.6	72.1	72.9	70.3	73.0	69.2	73.0	
Q/q %, SAAR	-2.8	14.4	7.7	8.3	5.4	-0.0	-7.8	4.1					
Y/y %	3.6	5.1	5.7	6.7	9.1	5.2	1.1	0.3	5.3	3.8	5.9	5.4	
Residual	-0.0	-0.4	-0.4	-0.4	-0.6	-0.3	0.2	-0.1	-0.4	-0.1	-0.3	-0.3	

Source: Compiled by DIR.

Notes: 1) Subtotals by demand (domestic demand, private demand, and public demand) are simple aggregates of respective components, which differ from figures released by the government.

2) Y/y growth rates and FY and CY figures unadjusted; other seasonally adjusted.

3) Due to rounding, figures may differ from those released by the government.

E: DIR estimate.

2.2 Real Gross Domestic Expenditure (chained [2005]; Y tril)

	2013			2014			2015			FY		CY	
	4-6	7-9 (E)	10-12 (E)	1-3 (E)	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	2013 (E)	2014 (E)	2013 (E)	2014 (E)	
Gross domestic expenditure	527.7	531.9	537.4	544.6	535.7	540.0	543.4	546.9	535.5	541.7	530.2	541.0	
Q/q %, SAAR	3.8	3.2	4.2	5.4	-6.4	3.3	2.6	2.6					
Y/y %	1.2	3.0	3.8	4.0	1.5	1.5	1.1	0.5	3.0	1.2	2.1	2.0	
Domestic demand	518.0	520.9	525.9	532.8	522.6	525.6	527.5	529.6	524.7	526.4	519.8	527.1	
Q/q %, SAAR	3.0	2.3	3.9	5.4	-7.4	2.3	1.5	1.6					
Y/y %	1.4	2.2	2.9	3.7	0.8	0.9	0.2	-0.5	2.6	0.3	1.8	1.4	
Private demand	390.7	392.5	396.4	402.7	392.7	395.9	398.1	400.5	395.7	396.9	392.1	397.3	
Q/q %, SAAR	2.3	1.8	4.0	6.5	-9.6	3.3	2.3	2.4					
Y/y %	0.7	1.8	2.7	3.8	0.4	0.9	0.3	-0.4	2.3	0.3	1.3	1.3	
Final consumption	314.4	315.4	317.1	321.7	312.2	314.4	315.3	316.3	317.2	314.6	314.8	315.9	
Q/q %, SAAR	3.0	1.2	2.2	5.9	-11.3	2.8	1.2	1.3					
Y/y %	1.8	2.4	2.5	3.0	-0.7	-0.3	-0.6	-1.7	2.4	-0.8	1.9	0.3	
Residential investment	14.1	14.6	15.2	15.3	14.4	14.2	14.4	14.6	14.8	14.4	14.5	14.6	
Q/q %, SAAR	-1.0	12.6	18.3	1.6	-20.9	-5.1	6.6	4.9					
Y/y %	7.1	8.3	9.2	7.7	1.6	-2.5	-5.1	-4.3	8.1	-2.7	8.5	0.2	
Non-residential investment	66.5	67.3	68.5	69.9	70.1	71.4	72.6	73.9	68.2	72.1	66.9	71.0	
Q/q %, SAAR	5.1	5.1	7.4	8.7	0.8	7.8	7.0	7.1					
Y/y %	-3.0	1.3	4.3	6.6	5.3	6.1	6.0	5.6	2.5	5.8	-0.9	6.0	
Change in inventories	-4.3	-4.7	-4.4	-4.2	-4.0	-4.1	-4.2	-4.3	-4.5	-4.2	-4.2	-4.2	
Public demand	127.3	128.4	129.5	130.1	129.9	129.7	129.4	129.1	129.0	129.5	127.8	129.8	
Q/q %, SAAR	4.9	3.6	3.5	1.9	-0.5	-0.8	-0.8	-0.9					
Y/y %	3.4	3.3	3.5	3.7	1.9	1.0	-0.2	-1.0	3.5	0.4	3.4	1.6	
Government final consumption	102.5	102.9	103.3	103.6	104.0	104.2	104.4	104.6	103.1	104.3	102.7	104.1	
Q/q %, SAAR	3.0	1.6	1.6	1.2	1.2	0.8	0.8	0.8					
Y/y %	1.8	1.8	1.6	1.9	1.4	1.2	1.0	0.9	1.8	1.1	1.6	1.4	
Fixed investment	24.8	25.5	26.2	26.5	26.0	25.5	25.0	24.5	25.8	25.2	25.1	25.8	
Q/q %, SAAR	12.7	11.9	11.3	4.7	-6.9	-7.1	-7.3	-7.6					
Y/y %	12.7	10.6	10.8	10.3	4.4	0.4	-4.5	-7.3	11.0	-2.5	11.8	2.6	
Change in inventories	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	
Net exports of goods and services	10.1	11.3	11.9	12.1	13.4	14.7	16.2	17.7	11.3	15.5	10.5	14.1	
Exports of goods and services	84.0	86.0	87.6	89.4	91.3	93.3	95.5	98.1	86.8	94.6	84.9	92.4	
Q/q %, SAAR	12.4	9.7	7.8	8.2	8.8	9.1	9.5	11.7					
Y/y %	-0.3	6.6	11.8	9.4	8.6	8.5	8.8	9.8	6.8	8.9	3.6	8.8	
Imports of goods and services	74.0	74.7	75.8	77.3	77.9	78.6	79.3	80.5	75.5	79.1	74.4	78.3	
Q/q %, SAAR	6.2	4.1	5.7	8.2	3.4	3.4	3.6	6.1					
Y/y %	0.8	1.5	5.1	6.0	5.2	5.2	4.6	4.2	3.3	4.8	1.9	5.3	
Residual	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.6	-0.3	-0.2	-0.3	

Source: Compiled by DIR.

Notes: 1) Subtotals by demand (domestic demand, private demand, and public demand) are simple aggregates of respective components, which differ from figures released by the government.

2) Y/y growth rates and FY and CY figures unadjusted; other seasonally adjusted.

3) Due to rounding, figures may differ from those released by the government.

E: DIR estimate.

3.1 Nominal Gross Domestic Expenditure (Y tril)

	2011			2012			2013			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2011	2012	2011	2012	
Gross domestic expenditure	463.2	474.2	474.8	480.7	476.6	472.4	473.0	476.1	473.3	474.6	470.6	475.6	
Q/q %, SAAR	-6.3	9.8	0.5	5.1	-3.4	-3.5	0.5	2.6					
Y/y %	-3.7	-2.5	-1.7	2.3	2.8	-0.5	-0.3	-0.8	-1.4	0.3	-2.5	1.1	
Domestic demand	469.8	477.8	482.1	488.4	485.1	482.6	484.3	487.7	479.6	485.0	474.8	485.0	
Q/q %, SAAR	-0.4	7.0	3.7	5.2	-2.7	-2.0	1.4	2.8					
Y/y %	-1.0	-0.5	0.7	4.1	3.1	1.0	0.5	-0.0	0.8	1.1	-0.4	2.1	
Private demand	352.8	360.4	365.5	368.2	365.5	361.7	362.4	364.9	361.8	363.6	357.9	364.4	
Q/q %, SAAR	-0.8	9.0	5.8	3.0	-2.9	-4.0	0.7	2.7					
Y/y %	-1.6	-0.7	1.2	4.5	3.5	0.3	-0.8	-0.9	0.8	0.5	-0.4	1.8	
Final consumption	282.9	286.9	288.2	291.3	290.2	287.9	289.7	291.7	287.3	289.9	284.8	289.7	
Q/q %, SAAR	2.4	5.8	2.0	4.2	-1.4	-3.2	2.5	2.7					
Y/y %	-0.7	-0.0	0.8	3.7	2.6	0.3	0.4	0.2	0.9	0.9	-0.4	1.7	
Residential investment	13.1	13.8	13.6	13.4	13.6	13.8	14.4	14.7	13.5	14.1	13.5	13.8	
Q/q %, SAAR	-8.3	21.5	-4.7	-6.7	7.2	5.1	18.0	10.5					
Y/y %	4.4	9.0	3.6	-0.3	3.8	0.2	5.4	9.9	4.2	4.7	6.2	2.3	
Non-residential investment	60.8	62.0	66.9	65.3	64.8	62.6	61.8	61.9	63.8	62.7	62.7	63.7	
Q/q %, SAAR	-3.8	8.1	36.0	-9.2	-3.4	-12.9	-4.8	0.9					
Y/y %	-2.0	-1.3	9.1	6.4	6.9	0.7	-7.6	-5.2	3.1	-1.7	1.9	1.5	
Change in inventories	-4.0	-2.2	-3.3	-1.8	-3.1	-2.5	-3.5	-3.5	-2.8	-3.1	-3.0	-2.7	
Public demand	117.1	117.4	116.7	120.2	119.6	120.9	121.9	122.8	117.8	121.4	116.9	120.6	
Q/q %, SAAR	0.8	1.2	-2.5	12.5	-1.8	4.3	3.5	2.8					
Y/y %	0.5	0.3	-0.6	3.1	2.0	3.1	4.3	2.7	0.8	3.0	-0.3	3.1	
Government final consumption	96.1	96.4	96.2	98.1	96.7	97.1	97.5	97.9	96.7	97.3	96.2	97.3	
Q/q %, SAAR	0.3	1.1	-0.7	8.0	-5.5	1.7	1.4	1.7					
Y/y %	0.7	1.0	0.8	2.4	0.6	0.8	1.1	-0.1	1.2	0.6	1.1	1.2	
Fixed investment	20.9	20.9	20.4	22.0	22.9	23.7	24.5	25.0	21.0	24.1	20.7	23.2	
Q/q %, SAAR	1.2	0.7	-9.4	34.5	17.8	15.3	13.8	8.3					
Y/y %	-1.5	-3.8	-6.7	5.3	11.0	14.0	19.3	13.3	-1.5	14.6	-6.9	12.2	
Change in inventories	0.1	0.1	0.0	0.1	0.0	0.0	-0.0	-0.1	0.1	-0.0	0.0	0.0	
Net exports of goods and services	-6.6	-3.7	-7.3	-7.6	-8.4	-10.2	-11.3	-11.6	-6.4	-10.4	-4.3	-9.4	
Exports of goods and services	68.0	73.6	70.6	71.8	71.4	68.1	67.8	74.1	70.9	70.4	71.3	69.7	
Q/q %, SAAR	-26.0	37.6	-15.5	6.9	-2.3	-17.0	-1.6	42.5					
Y/y %	-8.0	-0.4	-5.1	-2.0	5.6	-7.6	-4.2	3.7	-3.9	-0.8	-2.6	-2.2	
Imports of goods and services	74.6	77.3	77.9	79.4	79.8	78.3	79.2	85.7	77.3	80.8	75.6	79.2	
Q/q %, SAAR	10.4	15.4	3.5	7.6	2.1	-7.1	4.4	37.3					
Y/y %	9.7	13.6	12.1	9.5	7.2	1.2	1.5	8.2	11.2	4.5	12.1	4.7	

Source: Compiled by DIR.

Notes: 1) Y/y growth rates and FY and CY figures unadjusted; other seasonally adjusted.

2) Due to rounding, figures may differ from those released by the government.

E: DIR estimate.

3.2 Nominal Gross Domestic Expenditure (Y tril)

	2013			2014			2015			FY		CY	
	4-6	7-9 (E)	10-12 (E)	1-3 (E)	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	2013 (E)	2014 (E)	2013 (E)	2014 (E)	
Gross domestic expenditure	480.4	483.9	489.3	496.6	492.8	497.9	502.3	507.3	487.5	500.1	482.6	497.4	
Q/q %, SAAR	3.7	2.9	4.6	6.1	-3.0	4.2	3.6	4.1					
Y/y %	0.7	2.5	3.4	4.2	2.6	2.9	2.6	2.2	2.7	2.6	1.5	3.1	
Domestic demand	490.8	493.5	499.0	506.5	501.6	505.4	508.2	511.5	497.7	506.8	492.9	505.4	
Q/q %, SAAR	2.6	2.2	4.5	6.2	-3.8	3.0	2.2	2.7					
Y/y %	1.1	2.2	3.1	4.0	2.1	2.4	1.7	1.1	2.6	1.8	1.6	2.5	
Private demand	366.7	368.5	372.6	379.3	374.3	378.1	381.0	384.4	371.9	379.6	368.2	378.1	
Q/q %, SAAR	2.1	2.0	4.5	7.4	-5.2	4.2	3.1	3.7					
Y/y %	0.3	1.9	2.8	4.1	2.0	2.6	2.1	1.6	2.3	2.1	1.0	2.7	
Final consumption	293.4	294.2	296.0	300.9	296.1	298.8	300.1	301.9	296.2	299.2	293.9	299.0	
Q/q %, SAAR	2.4	1.1	2.5	6.8	-6.2	3.7	1.8	2.5					
Y/y %	1.1	2.2	2.2	3.1	0.9	1.5	1.4	0.4	2.2	1.0	1.4	1.7	
Residential investment	14.8	15.4	16.1	16.2	15.5	15.3	15.6	15.8	15.6	15.5	15.3	15.6	
Q/q %, SAAR	3.5	15.3	20.2	2.0	-17.1	-4.0	7.6	6.2					
Y/y %	9.3	11.6	12.3	10.1	4.0	-0.5	-3.3	-2.4	10.9	-0.7	10.8	2.2	
Non-residential investment	62.9	63.8	65.1	66.6	66.8	68.3	69.7	71.1	64.7	69.1	63.4	67.8	
Q/q %, SAAR	6.5	5.7	8.1	9.5	1.7	8.9	8.3	8.6					
Y/y %	-2.6	2.1	5.2	7.5	6.1	7.0	7.1	6.8	3.2	6.8	-0.4	7.0	
Change in inventories	-4.4	-4.8	-4.5	-4.3	-4.1	-4.2	-4.3	-4.4	-4.6	-4.3	-4.4	-4.3	
Public demand	124.1	125.0	126.3	127.2	127.4	127.3	127.2	127.1	125.8	127.2	124.6	127.3	
Q/q %, SAAR	4.3	3.0	4.4	2.7	0.6	-0.3	-0.3	-0.3					
Y/y %	3.5	3.3	3.8	3.9	2.3	1.9	0.6	-0.3	3.7	1.1	3.4	2.1	
Government final consumption	98.4	98.5	99.0	99.5	100.1	100.4	100.7	101.0	98.9	100.5	98.5	100.1	
Q/q %, SAAR	2.1	0.4	2.2	1.8	2.4	1.2	1.2	1.2					
Y/y %	1.7	1.4	1.7	1.5	1.7	1.9	1.6	1.6	1.6	1.7	1.2	1.7	
Fixed investment	25.7	26.5	27.3	27.7	27.3	26.9	26.5	26.1	27.0	26.7	26.2	27.1	
Q/q %, SAAR	12.5	13.2	12.6	6.0	-5.6	-5.7	-5.8	-5.9					
Y/y %	13.7	11.7	12.0	11.3	5.7	1.6	-3.1	-5.9	12.0	-1.2	12.6	3.8	
Change in inventories	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	
Net exports of goods and services	-10.4	-9.6	-9.6	-9.9	-8.8	-7.5	-5.9	-4.2	-9.9	-6.6	-10.3	-8.0	
Exports of goods and services	77.6	79.9	81.7	83.7	85.9	88.4	91.0	94.3	80.7	89.9	78.4	87.3	
Q/q %, SAAR	20.0	12.4	9.6	10.2	11.0	11.7	12.6	15.3					
Y/y %	8.6	17.4	20.7	12.7	10.9	10.6	11.3	12.8	14.7	11.4	12.4	11.3	
Imports of goods and services	88.0	89.5	91.3	93.6	94.8	95.9	96.9	98.5	90.6	96.5	88.7	95.3	
Q/q %, SAAR	10.9	7.1	8.5	10.4	5.1	4.7	4.5	6.6					
Y/y %	10.3	14.3	15.4	9.1	7.8	7.1	6.1	5.3	12.2	6.5	12.0	7.5	

Source: Compiled by DIR.

Notes: 1) Y/y growth rates and FY and CY figures unadjusted; other seasonally adjusted.

2) Due to rounding, figures may differ from those released by the government.

E: DIR estimate.

4.1 Gross Domestic Expenditure, Implicit Deflators (2005=100)

	2011			2012			2013			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2011	2012	2011	2012	
Gross domestic expenditure	92.4	92.2	92.0	92.0	91.5	91.5	91.4	91.0	92.1	91.3	92.4	91.6	
Q/q %, SAAR	-0.8	-0.2	-0.2	0.0	-0.6	0.0	-0.1	-0.4					
Y/y %	-2.1	-1.9	-1.5	-1.0	-1.0	-0.8	-0.7	-1.1	-1.7	-0.9	-1.9	-0.9	
Private final consumption	94.4	94.3	94.2	94.3	93.9	93.5	93.6	93.4	94.3	93.6	94.4	93.8	
Q/q %, SAAR	-0.3	-0.1	-0.2	0.1	-0.4	-0.4	0.1	-0.2					
Y/y %	-1.1	-0.5	-0.5	-0.3	-0.5	-1.0	-0.6	-0.9	-0.6	-0.7	-0.8	-0.6	
Private residential investment	103.9	103.9	103.6	103.3	103.0	102.6	103.2	103.9	103.7	103.1	103.7	103.0	
Q/q %, SAAR	0.3	0.0	-0.3	-0.2	-0.4	-0.4	0.6	0.7					
Y/y %	0.9	0.7	0.3	-0.2	-0.8	-1.3	-0.4	0.5	0.4	-0.5	0.6	-0.7	
Private non-residential investment	94.5	94.8	94.5	94.5	94.3	94.1	94.1	94.4	94.6	94.3	94.7	94.3	
Q/q %, SAAR	-0.4	0.3	-0.3	-0.0	-0.2	-0.2	-0.0	0.2					
Y/y %	-1.6	-1.1	-0.7	-0.4	-0.1	-0.7	-0.4	-0.1	-0.9	-0.4	-1.3	-0.4	
Government final consumption	97.6	97.6	97.2	97.5	96.1	96.1	95.8	96.2	97.4	96.0	97.4	96.3	
Q/q %, SAAR	-0.2	0.0	-0.4	0.4	-1.5	0.0	-0.3	0.4					
Y/y %	-0.5	-0.1	-0.1	0.1	-1.6	-1.5	-1.6	-1.2	-0.2	-1.4	-0.3	-1.1	
Public fixed investment	103.4	104.1	103.7	103.7	103.1	103.3	103.3	103.9	103.7	103.4	103.7	103.4	
Q/q %, SAAR	-0.0	0.7	-0.4	-0.0	-0.6	0.2	0.1	0.6					
Y/y %	0.7	1.0	0.8	0.3	-0.3	-1.0	-0.3	0.2	0.7	-0.3	0.6	-0.3	
Exports of goods and services	87.6	86.9	85.7	84.8	84.5	84.5	86.4	90.8	86.2	86.6	86.8	85.1	
Q/q %, SAAR	0.0	-0.8	-1.4	-1.0	-0.4	-0.1	2.3	5.1					
Y/y %	-2.7	-1.2	-2.5	-2.9	-3.3	-3.0	0.8	7.3	-2.3	0.4	-2.2	-2.1	
Imports of goods and services	110.3	110.5	109.4	109.3	108.4	106.5	109.8	117.6	109.9	110.6	109.2	108.5	
Q/q %, SAAR	3.2	0.2	-1.0	-0.2	-0.8	-1.8	3.1	7.1					
Y/y %	5.9	8.0	6.1	2.6	-1.8	-3.8	0.4	7.8	5.6	0.6	5.8	-0.7	

Source: Compiled by DIR.

Notes: 1) Y/y growth rates and FY and CY figures unadjusted; other seasonally adjusted.

2) Due to rounding, figures may differ from those released by the government.

E: DIR estimate.

4.2 Gross Domestic Expenditure, Implicit Deflators (2005=100)

	2013			2014			2015			FY		CY	
	4-6	7-9 (E)	10-12 (E)	1-3 (E)	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	2013 (E)	2014 (E)	2013 (E)	2014 (E)	
Gross domestic expenditure	91.0	91.0	91.1	91.2	92.0	92.2	92.4	92.8	91.0	92.3	91.0	91.9	
Q/q %, SAAR	-0.0	-0.1	0.1	0.1	0.9	0.2	0.2	0.4					
Y/y %	-0.5	-0.5	-0.3	0.2	1.1	1.3	1.5	1.7	-0.3	1.4	-0.6	1.0	
Private final consumption	93.3	93.3	93.3	93.5	94.8	95.0	95.2	95.5	93.4	95.1	93.4	94.6	
Q/q %, SAAR	-0.1	-0.0	0.1	0.2	1.4	0.2	0.1	0.3					
Y/y %	-0.6	-0.2	-0.3	0.1	1.6	1.8	2.0	2.1	-0.3	1.9	-0.5	1.4	
Private residential investment	105.0	105.6	106.1	106.2	107.4	107.8	108.0	108.4	105.8	107.9	105.2	107.4	
Q/q %, SAAR	1.1	0.6	0.4	0.1	1.2	0.3	0.2	0.3					
Y/y %	2.0	3.0	2.8	2.2	2.3	2.0	1.9	2.1	2.5	2.0	2.1	2.0	
Private non-residential investment	94.7	94.8	95.0	95.2	95.4	95.6	95.9	96.3	94.9	95.8	94.7	95.5	
Q/q %, SAAR	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.3					
Y/y %	0.4	0.7	0.9	0.8	0.7	0.9	1.0	1.1	0.7	0.9	0.4	0.9	
Government final consumption	96.0	95.7	95.8	96.0	96.3	96.4	96.5	96.5	95.8	96.4	95.9	96.2	
Q/q %, SAAR	-0.2	-0.3	0.2	0.1	0.3	0.1	0.1	0.1					
Y/y %	-0.1	-0.5	0.1	-0.3	0.3	0.7	0.6	0.7	-0.2	0.6	-0.4	0.3	
Public fixed investment	103.9	104.2	104.5	104.8	105.2	105.5	106.0	106.4	104.4	105.8	104.2	105.4	
Q/q %, SAAR	-0.0	0.3	0.3	0.3	0.3	0.4	0.4	0.5					
Y/y %	0.8	1.0	1.1	0.9	1.2	1.3	1.4	1.5	1.0	1.4	0.8	1.2	
Exports of goods and services	92.3	92.9	93.2	93.7	94.1	94.7	95.4	96.1	93.0	95.1	92.3	94.4	
Q/q %, SAAR	1.6	0.6	0.4	0.4	0.5	0.6	0.7	0.8					
Y/y %	9.0	10.1	7.9	3.0	2.1	1.9	2.3	2.7	7.4	2.2	8.5	2.3	
Imports of goods and services	118.9	119.8	120.6	121.2	121.6	122.0	122.3	122.4	120.1	122.1	119.2	121.8	
Q/q %, SAAR	1.1	0.7	0.6	0.5	0.4	0.3	0.2	0.1					
Y/y %	9.4	12.6	9.8	2.9	2.4	1.8	1.4	1.0	8.6	1.7	9.9	2.1	

Source: Compiled by DIR.

Notes: 1) Y/y growth rates and FY and CY figures unadjusted; other seasonally adjusted.

2) Due to rounding, figures may differ from those released by the government.

E: DIR estimate.

5.1 Contribution to Real GDP Growth by Component

	2011			2012			2013			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2011	2012	2011	2012	
1) Q/q %													
GDP growth rate	-0.9	2.6	0.4	1.2	-0.3	-0.9	0.3	1.0	0.2	1.2	-0.6	1.9	
Domestic demand	0.2	1.7	1.1	1.2	-0.1	-0.2	0.3	0.6	1.3	2.0	0.3	2.8	
Private demand	0.1	1.7	1.1	0.5	-0.3	-0.5	0.1	0.5	1.0	0.9	0.3	1.8	
Private consumption	0.5	0.9	0.4	0.5	0.0	-0.2	0.3	0.5	0.9	1.0	0.3	1.4	
Residential investment	-0.1	0.1	-0.0	-0.0	0.1	0.0	0.1	0.1	0.1	0.2	0.1	0.1	
Private fixed investment	-0.1	0.2	1.1	-0.3	-0.1	-0.4	-0.2	-0.0	0.5	-0.2	0.4	0.3	
Change in private inventories	-0.3	0.5	-0.3	0.3	-0.3	0.1	-0.2	-0.0	-0.5	-0.0	-0.5	0.0	
Public demand	0.1	0.0	-0.0	0.7	0.2	0.3	0.3	0.1	0.2	1.1	-0.1	1.0	
Government final consumption	0.1	0.0	0.1	0.3	0.0	0.1	0.1	0.0	0.3	0.5	0.3	0.5	
Public fixed investment	0.0	-0.0	-0.1	0.3	0.2	0.2	0.2	0.1	-0.1	0.7	-0.3	0.6	
Change in public inventories	0.0	0.0	-0.0	0.0	-0.0	0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	
Net exports of goods and services	-1.0	0.8	-0.7	0.1	-0.2	-0.7	-0.1	0.4	-1.0	-0.8	-0.9	-0.9	
Exports of goods and services	-1.1	1.3	-0.4	0.4	-0.0	-0.7	-0.4	0.6	-0.2	-0.2	-0.1	-0.0	
Imports of goods and services	0.1	-0.5	-0.3	-0.3	-0.2	0.0	0.3	-0.2	-0.8	-0.6	-0.8	-0.9	
2) Y/y %													
GDP growth rate	-1.5	-0.6	-0.2	3.4	3.8	0.3	0.4	0.3	0.2	1.2	-0.6	1.9	
Domestic demand	-0.2	0.0	1.0	4.3	3.9	2.0	1.3	0.8	1.3	2.0	0.3	2.8	
Private demand	-0.4	-0.0	1.2	3.5	3.1	0.9	-0.1	-0.1	1.0	0.9	0.3	1.8	
Private consumption	0.3	0.3	0.7	2.4	1.9	0.8	0.6	0.7	0.9	1.0	0.3	1.4	
Residential investment	0.1	0.2	0.1	-0.0	0.1	0.0	0.2	0.3	0.1	0.2	0.1	0.1	
Private fixed investment	-0.1	-0.0	1.2	1.0	0.9	0.2	-0.9	-0.8	0.5	-0.2	0.4	0.3	
Change in private inventories	-0.7	-0.6	-0.8	0.2	0.2	-0.1	-0.0	-0.3	-0.5	-0.0	-0.5	0.0	
Public demand	0.2	0.1	-0.2	0.8	0.9	1.1	1.4	0.9	0.2	1.1	-0.1	1.0	
Government final consumption	0.3	0.2	0.2	0.5	0.5	0.5	0.5	0.2	0.3	0.5	0.3	0.5	
Public fixed investment	-0.1	-0.2	-0.4	0.3	0.4	0.6	0.9	0.7	-0.1	0.7	-0.3	0.6	
Change in public inventories	0.0	0.1	0.0	0.0	-0.0	-0.0	-0.0	-0.0	0.0	-0.0	0.0	0.0	
Net exports of goods and services	-1.4	-0.6	-1.2	-0.9	-0.1	-1.6	-0.9	-0.5	-1.0	-0.8	-0.9	-0.9	
Exports of goods and services	-0.8	0.1	-0.4	0.1	1.3	-0.8	-0.7	-0.5	-0.2	-0.2	-0.1	-0.0	
Imports of goods and services	-0.5	-0.7	-0.8	-1.1	-1.5	-0.9	-0.2	-0.1	-0.8	-0.6	-0.8	-0.9	

Source: Compiled by DIR.

Notes: 1) Q/q growth rates seasonally adjusted; y/y growth rates and FY and CY figures unadjusted.

2) Due to rounding, figures may differ from those released by the government.

E: DIR estimate.

5.2 Contribution to Real GDP Growth by Component

	2013			2014			2015			FY		CY	
	4-6	7-9 (E)	10-12 (E)	1-3 (E)	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	2013 (E)	2014 (E)	2013 (E)	2014 (E)	
1) Q/q %													
GDP growth rate	0.9	0.8	1.0	1.3	-1.6	0.8	0.6	0.7	3.0	1.2	2.1	2.0	
Domestic demand	0.7	0.6	1.0	1.3	-1.9	0.6	0.4	0.4	2.5	0.3	1.9	1.6	
Private demand	0.4	0.4	0.8	1.2	-1.9	0.6	0.4	0.4	1.7	0.2	1.0	1.2	
Private consumption	0.4	0.2	0.3	0.9	-1.8	0.4	0.2	0.2	1.4	-0.5	1.2	0.2	
Residential investment	-0.0	0.1	0.1	0.0	-0.2	-0.0	0.0	0.0	0.2	-0.1	0.2	0.0	
Private fixed investment	0.2	0.2	0.2	0.3	0.0	0.3	0.2	0.2	0.3	0.7	-0.1	0.8	
Change in private inventories	-0.2	-0.1	0.1	0.0	0.0	-0.0	-0.0	-0.0	-0.3	0.1	-0.3	0.0	
Public demand	0.3	0.2	0.2	0.1	-0.0	-0.1	-0.1	-0.1	0.8	0.1	0.9	0.4	
Government final consumption	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.3	0.2	0.3	0.3	
Public fixed investment	0.2	0.2	0.1	0.1	-0.1	-0.1	-0.1	-0.1	0.5	-0.1	0.6	0.1	
Change in public inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	0.0	
Net exports of goods and services	0.2	0.2	0.1	-0.0	0.2	0.2	0.2	0.2	0.6	0.8	0.2	0.5	
Exports of goods and services	0.4	0.3	0.3	0.3	0.4	0.4	0.4	0.5	1.1	1.5	0.5	1.4	
Imports of goods and services	-0.3	-0.2	-0.2	-0.4	-0.2	-0.2	-0.2	-0.3	-0.5	-0.7	-0.3	-1.0	
2) Y/y %													
GDP growth rate	1.2	3.0	3.8	4.0	1.5	1.5	1.1	0.5	3.0	1.2	2.1	2.0	
Domestic demand	1.4	2.3	3.1	3.9	0.8	0.9	0.2	-0.6	2.5	0.3	1.9	1.6	
Private demand	0.6	1.4	2.1	2.9	0.4	0.7	0.2	-0.3	1.7	0.2	1.0	1.2	
Private consumption	1.1	1.5	1.5	1.8	-0.4	-0.2	-0.4	-1.0	1.4	-0.5	1.2	0.2	
Residential investment	0.2	0.3	0.3	0.2	0.0	-0.1	-0.2	-0.1	0.2	-0.1	0.2	0.0	
Private fixed investment	-0.4	0.2	0.5	1.0	0.7	0.8	0.7	0.8	0.3	0.7	-0.1	0.8	
Change in private inventories	-0.4	-0.4	-0.2	-0.2	0.1	0.1	0.0	-0.0	-0.3	0.1	-0.3	0.0	
Public demand	0.9	0.8	0.9	1.0	0.5	0.3	-0.1	-0.3	0.8	0.1	0.9	0.4	
Government final consumption	0.4	0.4	0.3	0.4	0.3	0.2	0.2	0.2	0.3	0.2	0.3	0.3	
Public fixed investment	0.5	0.5	0.6	0.6	0.2	0.0	-0.3	-0.5	0.5	-0.1	0.6	0.1	
Change in public inventories	-0.0	-0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	-0.0	-0.0	0.0	0.0	
Net exports of goods and services	-0.2	0.7	0.8	0.4	0.4	0.4	0.6	0.9	0.6	0.8	0.2	0.5	
Exports of goods and services	-0.1	1.0	1.6	1.5	1.4	1.4	1.4	1.6	1.1	1.5	0.5	1.4	
Imports of goods and services	-0.1	-0.3	-0.8	-1.1	-1.0	-1.0	-0.8	-0.8	-0.5	-0.7	-0.3	-1.0	

Source: Compiled by DIR.

Notes: 1) Q/q growth rates seasonally adjusted; y/y growth rates and FY and CY figures unadjusted.

2) Due to rounding, figures may differ from those released by the government.

E: DIR estimate.

6.1 Major Assumptions

	2011			2012			2013			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2011	2012	2011	2012	
1) World economy													
Economic growth of major trading partners													
Y/y %	3.9	3.8	2.8	3.1	2.9	2.8	3.6	2.4	3.5	3.1	3.9	3.3	
Crude oil price (WTI futures; \$/bbl)	102.3	89.5	94.1	103.0	93.4	92.2	88.2	94.4	97.2	92.0	95.1	94.1	
Y/y %	31.1	17.5	10.3	8.9	-8.8	3.0	-6.2	-8.4	16.4	-5.4	19.5	-1.0	
2) US economy													
Real GDP (chained [2009]; \$ bil; SAAR)	15,011	15,062	15,242	15,382	15,428	15,534	15,540	15,584	15,174	15,521	15,052	15,471	
Q/q %, SAAR	3.2	1.4	4.9	3.7	1.2	2.8	0.1	1.1					
Y/y %	1.9	1.5	2.0	3.3	2.8	3.1	2.0	1.3	2.2	2.3	1.8	2.8	
Consumer Price Index (1982-84 avg=100)	224.6	226.2	227.0	228.3	228.8	230.0	231.3	232.1	226.5	230.6	224.9	229.6	
Q/q %, SAAR	4.7	2.9	1.4	2.3	1.0	2.1	2.2	1.4					
Y/y %	3.4	3.8	3.3	2.8	1.9	1.7	1.9	1.7	3.3	1.8	3.2	2.1	
Producer Price Index (Finished goods; 1982=100)	190.7	192.2	193.0	193.7	192.8	195.2	196.2	196.6	192.1	194.9	190.5	194.2	
Q/q %, SAAR	7.3	3.1	1.7	1.6	-1.8	5.0	2.1	0.7					
Y/y %	6.9	6.9	5.4	3.4	1.1	1.5	1.7	1.5	5.6	1.4	6.0	1.9	
FF rate (%) (Target rate for the forecast period, end-period)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	
Government bond yield (10 year; %)	3.21	2.43	2.05	2.04	1.82	1.64	1.71	1.95	2.43	1.78	2.79	1.80	
3) Japanese economy													
Nominal government final consumption													
Y tril; SAAR	96.1	96.4	96.2	98.1	96.7	97.1	97.5	97.9	96.7	97.3	96.2	97.3	
Q/q %, SAAR	0.3	1.1	-0.7	8.0	-5.5	1.7	1.4	1.7					
Y/y %	0.7	1.0	0.8	2.4	0.6	0.8	1.1	-0.1	1.2	0.6	1.1	1.2	
Nominal public fixed investment													
Y tril; SAAR	20.9	20.9	20.4	22.0	22.9	23.7	24.5	25.0	21.0	24.1	20.7	23.2	
Q/q %, SAAR	1.2	0.7	-9.4	34.5	17.8	15.3	13.8	8.3					
Y/y %	-1.5	-3.8	-6.7	5.3	11.0	14.0	19.3	13.3	-1.5	14.6	-6.9	12.2	
Exchange rate (Y/\$)	81.7	77.8	77.3	79.3	80.1	78.6	81.2	92.3	79.0	83.1	79.8	79.8	
(Y/€)	118.3	108.7	104.9	106.3	101.2	98.2	108.2	122.0	109.6	107.4	111.4	103.5	
Call rate (end-period; %)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	

Source: Compiled by DIR.

Notes: 1) Consumption tax hike in April 2014 assumed for Japan.

2) Due to rounding, figures may differ from those released by the government.

E: DIR estimate.

6.2 Major Assumptions

	2013			2014			2015			FY		CY	
	4-6	7-9 (E)	10-12 (E)	1-3 (E)	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	2013 (E)	2014 (E)	2013 (E)	2014 (E)	
1) World economy													
Economic growth of major trading partners													
Y/y %	2.8	2.8	2.8	3.4	3.5	3.7	3.9	4.0	3.0	3.8	2.8	3.7	
Crude oil price (WTI futures; \$/bbl)	94.2	100.0	100.0	100.0	100.0	100.0	100.0	100.0	98.5	100.0	97.1	100.0	
Y/y %	0.9	8.5	13.3	6.0	6.2	0.0	0.0	0.0	7.1	1.5	3.2	3.0	
2) US economy													
Real GDP (chained [2009]; \$ bil; SAAR)	15,649	15,744	15,852	15,953	16,062	16,175	16,297	16,425	15,799	16,240	15,707	16,121	
Q/q %, SAAR	1.7	2.5	2.8	2.6	2.8	2.8	3.1	3.2					
Y/y %	1.4	1.4	2.0	2.4	2.6	2.7	2.8	3.0	1.8	2.8	1.5	2.6	
Consumer Price Index (1982-84 avg=100)	232.1	232.8	233.8	234.8	236.0	237.1	238.3	239.7	233.3	237.7	232.7	236.5	
Q/q %, SAAR	-0.0	1.3	1.6	1.8	2.0	1.9	2.1	2.3					
Y/y %	1.4	1.2	1.1	1.2	1.7	1.8	1.9	2.1	1.2	1.9	1.3	1.7	
Producer Price Index (Finished goods; 1982=100)	196.0	197.0	198.4	199.5	200.6	201.8	203.2	204.7	197.4	202.2	196.7	200.9	
Q/q %, SAAR	-1.1	2.1	2.8	2.2	2.3	2.5	2.7	2.9					
Y/y %	1.6	0.9	1.1	1.5	2.3	2.4	2.4	2.6	1.3	2.5	1.3	2.2	
FF rate (%) (Target rate for the forecast period, end-period)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	
Government bond yield (10 year; %)	2.00	2.62	2.73	2.82	2.95	3.06	3.18	3.23	2.54	3.11	2.32	3.00	
3) Japanese economy													
Nominal government final consumption													
Y tril; SAAR	98.4	98.5	99.0	99.5	100.1	100.4	100.7	101.0	98.9	100.5	98.5	100.1	
Q/q %, SAAR	2.1	0.4	2.2	1.8	2.4	1.2	1.2	1.2					
Y/y %	1.7	1.4	1.7	1.5	1.7	1.9	1.6	1.6	1.6	1.7	1.2	1.7	
Nominal public fixed investment													
Y tril; SAAR	25.7	26.5	27.3	27.7	27.3	26.9	26.5	26.1	27.0	26.7	26.2	27.1	
Q/q %, SAAR	12.5	13.2	12.6	6.0	-5.6	-5.7	-5.8	-5.9					
Y/y %	13.7	11.7	12.0	11.3	5.7	1.6	-3.1	-5.9	12.0	-1.2	12.6	3.8	
Exchange rate (Y/\$)	98.8	100.0	100.0	100.0	100.0	100.0	100.0	100.0	99.7	100.0	97.8	100.0	
(Y/€)	129.6	130.0	130.0	130.0	130.0	130.0	130.0	130.0	129.9	130.0	127.9	130.0	
Call rate (end-period; %)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	

Source: Compiled by DIR.

Notes: 1) Consumption tax hike in April 2014 assumed for Japan.

2) Due to rounding, figures may differ from those released by the government.

E: DIR estimate.