

12 December 2014 (No. of pages: 17)

Japanese report: 08 Dec 2014

Japan's Economic Outlook No. 183 Update (Summary)

In this report we examine the direction of Japan's economy in light of Abe's postponement of the additional consumption tax hike: An assessment of Abenomics – the pros and cons

Japan to see real GDP growth of -0.5% in FY14 and +1.8% in FY15, with nominal GDP growth of +1.5% in FY14 and +2.5% in FY15.

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Main Points

- **PM Abe announces postponement of additional consumption tax hike:** On November 18, 2014 Japan's prime minister Shinzo Abe announced the postponement of the additional consumption tax hike, as well as plans to dissolve the lower house of the Diet and hold a general election. In light of these developments, as well as the 2nd preliminary Jul-Sep GDP release (Cabinet Office), we have revised our economic growth outlook. We now forecast real GDP growth of -0.5% in comparison with the previous year for FY14 (-0.5% in the previous forecast) and +1.8% in comparison with the previous year for FY15 (+1.8% in the previous forecast). The postponement of the additional consumption tax hike is expected to push the FY2015 GDP growth rate up an additional +0.53%pt. However, for the time being extreme care will have to be taken regarding risks associated with the postponement of the consumption tax hike. We call these the *Triple Weaknesses* – a weak bond market, weak yen, and weak stock market.
- **Main economic scenario for Japan:** Japan's economy is now seen as having entered a period of decline since having peaked in January 2014. However, there is a good possibility that this will have been short-term. We expect Japan's economy to gradually recover due to the following factors: (1) Continuation of the virtuous circle brought on by Abenomics, and (2) The gradual firming up of exports centering on the US.
- **The pros and cons of Abenomics:** In this report we provide a multifaceted analysis of the pros and cons of Abenomics. There is no mistaking that Abenomics has had a positive

influence on Japan's macroeconomic situation. However, while we believe that the basic direction of Abenomics is a correct one, there are several issues which remain unresolved.

- **Medium-to-long-term issues: Maintaining fiscal discipline and strengthening growth strategy (*The Third Arrow*):** The Medium-to-long-term issues facing Abenomics are (1) Maintaining fiscal discipline by making sweeping reforms to the social welfare system, and (2) Strengthening growth strategy (*The Third Arrow*) by easing bedrock regulations in the areas of agriculture, medical and nursing care, and labor. We believe the source of wage stagnation is in insufficient strength of the *Three Arrows* growth strategy, not in the income redistribution policy.
- **Short-term issues: Handling of benefits to lower income people and dealing with regional revitalization are key:** There are pros and cons to Abenomics. Abenomics has brought great benefits to export oriented companies in the manufacturing industry, as well as to large corporations and affluent populations of major metropolitan areas. However, rewards have been few for non-manufacturing industries oriented toward domestic demand, small businesses, and the lower income populations residing in rural areas and small towns. In recognition of the current state of affairs, DIR believes the most important short-term issue is the necessity of providing more to small business and the lower income population of Japan's small towns and rural areas in the form of increasing benefits for low income people and accelerating efforts toward regional revitalization.
- **BOJ's monetary policy:** Our current outlook is that the BOJ will be unable to reach its target growth rate in consumer price of 2% by the original deadline. We expect additional monetary easing measures by the BOJ to take place in the 2015 Oct-Dec period.
- **Five risk factors facing Japan's economy:** Risks factors for the Japanese economy are: (1) The *Triple Weaknesses* – a weak bond market, weak yen, and weak stock market stemming from the postponement of the additional consumption tax hike, (2) stagnant personal consumption due to the decline in real income, (3) China's shadow banking problem, (4) tumult in the economies of emerging nations in response to the US exit strategy, and (5) a worldwide decline in stock values due to geopolitical risk.

Our assumptions

- Public works spending will grow by +3.8% in FY14, then decline by -6.7% in FY15. The additional consumption tax hike originally planned for October 2015 will not take place.
- Average exchange rate of Y110.3/\$ in FY14 and Y120.0/\$ in FY15.
- US real GDP growth of +2.3% in CY14 and +3.0% in CY15.

Main Economic Indicators and Real GDP Components

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| | FY13 (Actual) | FY14 (Estimate) | FY15 (Estimate) | CY13 (Actual) | CY14 (Estimate) | CY15 (Estimate) |
|---|------------------|--------------------|--------------------|------------------|--------------------|--------------------|
| Main economic indicators | | | | | | |
| Nominal GDP (y/y %) | 1.8 | 1.5 | 2.5 | 1.1 | 1.8 | 2.3 |
| Real GDP (chained [2005]; y/y %) | 2.1 | -0.5 | 1.8 | 1.6 | 0.2 | 1.3 |
| Domestic demand (contribution, % pt) | 2.6 | -1.2 | 1.6 | 1.9 | 0.3 | 0.9 |
| Foreign demand (contribution, % pt) | -0.5 | 0.6 | 0.3 | -0.3 | -0.1 | 0.3 |
| GDP deflator (y/y %) | -0.3 | 2.1 | 0.7 | -0.5 | 1.5 | 1.0 |
| Index of All-Industry Activity (y/y %)* | 1.9 | -1.4 | 2.6 | 0.8 | -0.1 | 1.4 |
| Index of Industrial Production (y/y %) | 3.2 | -0.8 | 4.5 | -0.8 | 2.1 | 2.1 |
| Index of Tertiary Industry Activity (y/y %) | 1.3 | -1.9 | 2.1 | 0.7 | -0.8 | 1.0 |
| Corporate Goods Price Index (y/y %) | 1.8 | 3.6 | 1.9 | 1.3 | 3.2 | 2.3 |
| Consumer Price Index (excl. fresh food; y/y %) | 0.8 | 3.1 | 1.1 | 0.4 | 2.7 | 1.5 |
| Unemployment rate (%) | 3.9 | 3.6 | 3.5 | 4.0 | 3.6 | 3.5 |
| Government bond yield (10 year; %) | 0.69 | 0.55 | 0.69 | 0.70 | 0.55 | 0.65 |
| Money stock; M2 (end-period; y/y %) | 3.9 | 3.4 | 4.1 | 3.6 | 3.5 | 4.0 |
| Balance of payments | | | | | | |
| Trade balance (Y tril) | -11.0 | -9.1 | -8.2 | -8.8 | -10.8 | -8.5 |
| Current balance (\$100 mil) | 83 | 413 | 659 | 331 | 139 | 613 |
| Current balance (Y tril) | 0.8 | 4.7 | 7.9 | 3.2 | 1.6 | 7.4 |
| (% of nominal GDP) | 0.2 | 1.0 | 1.6 | 0.7 | 0.3 | 1.5 |
| Real GDP components (Chained [2005]; y/y %; figures in parentheses: contribution, % pt) | | | | | | |
| Private final consumption | 2.5 (1.5) | -2.7 (-1.6) | 1.7 (1.0) | 2.1 (1.3) | -1.0 (-0.6) | 0.6 (0.4) |
| Private housing investment | 9.3 (0.3) | -10.8 (-0.3) | 2.6 (0.1) | 8.7 (0.3) | -4.6 (-0.1) | -2.4 (-0.1) |
| Private fixed investment | 4.0 (0.5) | 0.8 (0.1) | 4.9 (0.7) | 0.4 (0.1) | 4.6 (0.6) | 2.7 (0.4) |
| Government final consumption | 1.6 (0.3) | 0.5 (0.1) | 1.2 (0.2) | 1.9 (0.4) | 0.3 (0.1) | 1.2 (0.2) |
| Public fixed investment | 10.3 (0.5) | 0.5 (0.0) | -7.9 (-0.3) | 8.0 (0.4) | 2.5 (0.1) | -5.2 (-0.3) |
| Exports of goods and services | 4.7 (0.7) | 6.0 (1.0) | 4.7 (0.8) | 1.5 (0.2) | 7.6 (1.2) | 4.1 (0.7) |
| Imports of goods and services | 6.7 (-1.2) | 2.3 (-0.3) | 3.6 (-0.5) | 3.1 (-0.5) | 6.8 (-1.3) | 1.8 (-0.4) |
| Major assumptions: | | | | | | |
| 1. World economy | | | | | | |
| Economic growth of major trading partners | 3.2 | 3.4 | 3.7 | 3.1 | 3.2 | 3.7 |
| Crude oil price (WTI futures; \$/bbl) | 99.1 | 86.3 | 70.0 | 98.0 | 93.5 | 70.0 |
| 2. US economy | | | | | | |
| US real GDP (chained [2009]; y/y %) | 2.3 | 2.7 | 2.8 | 2.2 | 2.3 | 3.0 |
| US Consumer Price Index (y/y %) | 1.4 | 1.7 | 1.9 | 1.5 | 1.7 | 1.8 |
| 3. Japanese economy | | | | | | |
| Nominal public fixed investment (y/y %) | 12.4 | 3.8 | -6.7 | 9.5 | 5.6 | -3.6 |
| Exchange rate (Y/\$) | 100.2 | 110.3 | 120.0 | 97.6 | 106.0 | 120.0 |
| (Y/€) | 135.1 | 142.8 | 150.0 | 130.6 | 140.4 | 150.0 |
| 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 183 Update) | | Previous outlook (Outlook 183) | | Difference between previous and current outlooks | |
|--|--|-------|-----------------------------------|-------|--|-------|
| | FY14 | FY15 | FY14 | FY15 | FY14 | FY15 |
| Main economic indicators | | | | | | |
| Nominal GDP (y/y %) | 1.5 | 2.5 | 1.5 | 2.5 | 0.0 | 0.0 |
| Real GDP (chained [2005]; y/y %) | -0.5 | 1.8 | -0.5 | 1.8 | 0.0 | 0.0 |
| Domestic demand (contribution, % pt) | -1.2 | 1.6 | -1.1 | 1.5 | -0.0 | 0.0 |
| Foreign demand (contribution, % pt) | 0.6 | 0.3 | 0.6 | 0.3 | 0.0 | 0.0 |
| GDP deflator (y/y %) | 2.1 | 0.7 | 2.0 | 0.6 | 0.0 | 0.0 |
| Index of All-industry Activity (y/y %)* | -1.4 | 2.6 | -1.4 | 2.6 | 0.0 | 0.0 |
| Index of Industrial Production (y/y %) | -0.8 | 4.5 | -0.8 | 4.5 | 0.0 | 0.0 |
| Index of Tertiary Industry Activity (y/y %) | -1.9 | 2.1 | -1.9 | 2.1 | 0.0 | 0.0 |
| Corporate Goods Price Index (y/y %) | 3.6 | 1.9 | 3.6 | 1.9 | 0.0 | 0.0 |
| Consumer Price Index (excl. fresh food; y/y %) | 3.1 | 1.1 | 3.2 | 1.3 | -0.1 | -0.2 |
| Unemployment rate (%) | 3.6 | 3.5 | 3.6 | 3.5 | 0.0 | 0.0 |
| Government bond yield (10 year; %) | 0.55 | 0.69 | 0.55 | 0.69 | 0.00 | 0.00 |
| Money stock; M2 (end-period; y/y %) | 3.4 | 4.1 | 3.4 | 4.1 | 0.0 | 0.0 |
| Balance of payments | | | | | | |
| Trade balance (Y tril) | -9.1 | -8.2 | -9.1 | -8.2 | 0.0 | -0.0 |
| Current balance (\$100 mil) | 413 | 659 | 417 | 671 | -3 | -12 |
| Current balance (Y tril) | 4.7 | 7.9 | 4.7 | 7.9 | 0.0 | -0.0 |
| (% of nominal GDP) | 1.0 | 1.6 | 1.0 | 1.6 | -0.0 | -0.0 |
| Real GDP components (chained [2005]; y/y %) | | | | | | |
| Private final consumption | -2.7 | 1.7 | -2.5 | 1.8 | -0.1 | -0.1 |
| Private housing investment | -10.8 | 2.6 | -10.8 | 2.8 | -0.0 | -0.2 |
| Private fixed investment | 0.8 | 4.9 | 1.7 | 5.0 | -0.8 | -0.1 |
| Government final consumption | 0.5 | 1.2 | 0.4 | 1.2 | 0.2 | -0.1 |
| Public fixed investment | 0.5 | -7.9 | 1.3 | -8.3 | -0.8 | 0.4 |
| Exports of goods and services | 6.0 | 4.7 | 6.0 | 4.7 | -0.0 | 0.0 |
| Imports of goods and services | 2.3 | 3.6 | 2.4 | 3.6 | -0.1 | 0.0 |
| Major assumptions: | | | | | | |
| 1. World economy | | | | | | |
| Economic growth of major trading partners | 3.4 | 3.7 | 3.4 | 3.7 | -0.0 | 0.0 |
| Crude oil price (WTI futures; \$/bbl) | 86.3 | 70.0 | 90.1 | 80.0 | -3.8 | -10.0 |
| 2. US economy | | | | | | |
| US real GDP (chained [2009]; y/y %) | 2.7 | 2.8 | 2.6 | 2.7 | 0.0 | 0.1 |
| US Consumer Price Index (y/y %) | 1.7 | 1.9 | 1.8 | 1.6 | -0.1 | 0.3 |
| 3. Japanese economy | | | | | | |
| Nominal public fixed investment (y/y %) | 3.8 | -6.7 | 4.4 | -7.2 | -0.7 | 0.4 |
| Exchange rate (Y/\$) | 110.3 | 120.0 | 109.5 | 118.0 | 0.8 | 2.0 |
| (Y/€) | 142.8 | 150.0 | 142.3 | 148.0 | 0.5 | 2.0 |
| 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

| | 2012 | | | 2013 | | | 2014 | | | FY | | CY | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
| | 4-6 | 7-9 | 10-12 | 1-3 | 4-6 | 7-9 | 10-12 | 1-3 | 2012 | 2013 | 2012 | 2013 | |
| Nominal GDP (SAAR; Y tril) | 475.8 | 471.8 | 472.5 | 478.0 | 479.9 | 481.0 | 481.8 | 488.3 | 474.5 | 483.1 | 475.1 | 480.1 | |
| Q/q % | -1.1 | -0.8 | 0.1 | 1.2 | 0.4 | 0.2 | 0.2 | 1.3 | | | | | |
| Q/q %, SAAR | -4.3 | -3.3 | 0.6 | 4.7 | 1.6 | 0.9 | 0.7 | 5.5 | | | | | |
| Y/y % | 2.4 | -0.6 | -0.7 | -0.5 | 0.8 | 1.9 | 2.0 | 2.5 | 0.1 | 1.8 | 0.8 | 1.1 | |
| Real GDP (chained [2005]; SAAR; Y tril) | 520.2 | 517.5 | 516.4 | 523.9 | 527.8 | 529.9 | 528.0 | 535.5 | 519.6 | 530.6 | 519.0 | 527.4 | |
| Q/q % | -0.4 | -0.5 | -0.2 | 1.5 | 0.7 | 0.4 | -0.4 | 1.4 | | | | | |
| Q/q %, SAAR | -1.7 | -2.0 | -0.9 | 6.0 | 3.0 | 1.6 | -1.5 | 5.8 | | | | | |
| Y/y % | 3.5 | 0.2 | 0.0 | 0.5 | 1.4 | 2.2 | 2.3 | 2.5 | 1.0 | 2.1 | 1.8 | 1.6 | |
| Contribution to GDP growth (% pt) | | | | | | | | | | | | | |
| Domestic demand | -0.0 | -0.0 | -0.1 | 1.0 | 0.7 | 0.8 | 0.2 | 1.6 | 1.8 | 2.6 | 2.6 | 1.9 | |
| Foreign demand | -0.4 | -0.5 | -0.1 | 0.4 | 0.1 | -0.4 | -0.6 | -0.2 | -0.8 | -0.5 | -0.9 | -0.3 | |
| GDP deflator (y/y %) | -1.1 | -0.8 | -0.7 | -1.0 | -0.6 | -0.3 | -0.3 | 0.1 | -0.9 | -0.3 | -0.9 | -0.5 | |
| Index of All-Industry Activity (2005=100) | 96.6 | 96.2 | 96.1 | 96.5 | 97.1 | 97.6 | 97.9 | 99.5 | 96.2 | 98.0 | 96.5 | 97.3 | |
| Q/q %; y/y % | -0.2 | -0.4 | -0.0 | 0.4 | 0.6 | 0.5 | 0.3 | 1.6 | 0.2 | 1.9 | 1.2 | 0.8 | |
| Index of Industrial Production (2010=100) | 99.1 | 95.9 | 94.1 | 94.6 | 96.1 | 97.8 | 99.6 | 102.5 | 95.8 | 98.9 | 97.8 | 97.0 | |
| Q/q %; y/y % | -2.1 | -3.3 | -1.8 | 0.5 | 1.6 | 1.7 | 1.8 | 3.0 | -3.0 | 3.2 | 0.6 | -0.8 | |
| Index of Tertiary Industry Activity (2005=100) | 99.0 | 99.0 | 99.3 | 99.8 | 100.1 | 100.2 | 100.0 | 101.8 | 99.2 | 100.5 | 99.3 | 100.0 | |
| Q/q %; y/y % | 0.0 | 0.0 | 0.3 | 0.5 | 0.4 | 0.0 | -0.2 | 1.8 | 0.8 | 1.3 | 1.4 | 0.7 | |
| Corporate Goods Price Index components (2010=100) | | | | | | | | | | | | | |
| Domestic Company Goods Price Index | 100.9 | 100.2 | 100.1 | 100.9 | 101.6 | 102.4 | 102.6 | 102.9 | 100.5 | 102.4 | 100.6 | 101.9 | |
| Y/y % | -1.0 | -1.9 | -1.0 | -0.3 | 0.6 | 2.2 | 2.5 | 2.0 | -1.0 | 1.8 | -0.9 | 1.3 | |
| CPI (excl. fresh food; 2010=100) | 99.9 | 99.6 | 99.6 | 99.3 | 99.9 | 100.3 | 100.7 | 100.6 | 99.6 | 100.4 | 99.7 | 100.1 | |
| Y/y % | -0.0 | -0.2 | -0.1 | -0.3 | 0.0 | 0.7 | 1.1 | 1.3 | -0.2 | 0.8 | -0.1 | 0.4 | |
| Unemployment rate (%) | 4.4 | 4.3 | 4.2 | 4.2 | 4.0 | 4.0 | 3.9 | 3.6 | 4.3 | 3.9 | 4.3 | 4.0 | |
| 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 | |
| Government bond yield (10 year; %) | 0.85 | 0.78 | 0.76 | 0.66 | 0.77 | 0.73 | 0.64 | 0.61 | 0.76 | 0.69 | 0.84 | 0.70 | |
| Money stock; M2 (y/y %) | 2.4 | 2.4 | 2.3 | 2.9 | 3.5 | 3.8 | 4.2 | 4.0 | 2.5 | 3.9 | 2.5 | 3.6 | |
| Trade balance (SAAR; Y tril) | -3.8 | -5.3 | -4.1 | -7.8 | -6.7 | -9.3 | -11.2 | -15.6 | -5.2 | -11.0 | -4.3 | -8.8 | |
| Current balance (SAAR; \$100 mil) | 574 | 397 | 685 | 400 | 747 | 229 | 0 | -536 | 508 | 83 | 587 | 331 | |
| Current balance (SAAR; Y tril) | 4.6 | 3.1 | 5.6 | 3.7 | 7.4 | 2.3 | 0.0 | -5.5 | 4.2 | 0.8 | 4.7 | 3.2 | |
| (% of nominal GDP) | 1.0 | 0.7 | 1.2 | 0.8 | 1.5 | 0.5 | 0.0 | -1.1 | 0.9 | 0.2 | 1.1 | 0.7 | |
| Exchange rate (Y/\$) | 80.1 | 78.6 | 81.2 | 92.3 | 98.8 | 98.9 | 100.4 | 102.8 | 83.1 | 100.2 | 79.8 | 97.6 | |
| (Y/Euro) | 101.2 | 98.2 | 108.2 | 122.0 | 129.6 | 130.7 | 139.9 | 140.3 | 107.4 | 135.1 | 103.5 | 130.6 | |

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

| | 2014 | | | 2015 | | | 2016 | | | FY | | CY | |
|---|-------|-------|--------------|------------|------------|------------|--------------|------------|-------------|-------------|-------------|-------------|--|
| | 4-6 | 7-9 | 10-12 (E) | 1-3 (E) | 4-6 (E) | 7-9 (E) | 10-12 (E) | 1-3 (E) | 2014 (E) | 2015 (E) | 2014 (E) | 2015 (E) | |
| Nominal GDP (SAAR; Y tril) | 488.7 | 484.4 | 491.8 | 496.2 | 498.4 | 500.9 | 503.8 | 506.7 | 490.4 | 502.7 | 488.6 | 500.0 | |
| Q/q % | 0.1 | -0.9 | 1.5 | 0.9 | 0.4 | 0.5 | 0.6 | 0.6 | | | | | |
| Q/q %, SAAR | 0.4 | -3.5 | 6.3 | 3.7 | 1.7 | 2.1 | 2.3 | 2.4 | | | | | |
| Y/y % | 1.8 | 0.7 | 2.1 | 1.4 | 2.0 | 3.4 | 2.4 | 2.2 | 1.5 | 2.5 | 1.8 | 2.3 | |
| Real GDP (chained [2005]; SAAR; Y tril) | 526.3 | 523.8 | 528.7 | 532.6 | 534.3 | 536.3 | 538.4 | 540.5 | 527.7 | 537.4 | 528.6 | 535.4 | |
| Q/q % | -1.7 | -0.5 | 0.9 | 0.7 | 0.3 | 0.4 | 0.4 | 0.4 | | | | | |
| Q/q %, SAAR | -6.7 | -1.9 | 3.8 | 3.0 | 1.3 | 1.5 | 1.6 | 1.6 | | | | | |
| Y/y % | -0.3 | -1.3 | 0.1 | -0.7 | 1.6 | 2.5 | 1.9 | 1.5 | -0.5 | 1.8 | 0.2 | 1.3 | |
| Contribution to GDP growth (% pt) | | | | | | | | | | | | | |
| Domestic demand | -2.8 | -0.5 | 0.8 | 0.7 | 0.3 | 0.3 | 0.3 | 0.3 | -1.2 | 1.6 | 0.3 | 0.9 | |
| Foreign demand | 1.0 | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.6 | 0.3 | -0.1 | 0.3 | |
| GDP deflator (y/y %) | 2.1 | 2.0 | 2.0 | 2.1 | 0.5 | 0.9 | 0.6 | 0.7 | 2.1 | 0.7 | 1.5 | 1.0 | |
| Index of All-Industry Activity (2005=100) | 96.1 | 96.0 | 96.9 | 97.6 | 98.2 | 98.8 | 99.4 | 100.1 | 96.7 | 99.1 | 97.2 | 98.5 | |
| Q/q %; y/y % | -3.4 | -0.1 | 0.9 | 0.7 | 0.6 | 0.6 | 0.6 | 0.7 | -1.4 | 2.6 | -0.1 | 1.4 | |
| Index of Industrial Production (2010=100) | 98.6 | 96.7 | 98.2 | 99.2 | 100.3 | 101.7 | 103.4 | 105.2 | 98.1 | 102.6 | 99.0 | 101.1 | |
| Q/q %; y/y % | -3.8 | -1.9 | 1.5 | 1.0 | 1.2 | 1.4 | 1.6 | 1.7 | -0.8 | 4.5 | 2.1 | 2.1 | |
| Index of Tertiary Industry Activity (2005=100) | 97.9 | 98.2 | 99.0 | 99.5 | 100.1 | 100.5 | 100.9 | 101.3 | 98.6 | 100.7 | 99.2 | 100.2 | |
| Q/q %; y/y % | -3.8 | 0.3 | 0.8 | 0.6 | 0.5 | 0.4 | 0.4 | 0.4 | -1.9 | 2.1 | -0.8 | 1.0 | |
| Corporate Goods Price Index components (2010=100) | | | | | | | | | | | | | |
| Domestic Company Goods Price Index | 106.0 | 106.5 | 105.2 | 106.7 | 107.3 | 107.8 | 108.3 | 108.8 | 106.1 | 108.1 | 105.1 | 107.5 | |
| Y/y % | 4.3 | 4.0 | 2.5 | 3.7 | 1.3 | 1.3 | 3.0 | 2.0 | 3.6 | 1.9 | 3.2 | 2.3 | |
| CPI (excl. fresh food; 2010=100) | 103.3 | 103.5 | 103.5 | 103.5 | 104.3 | 104.5 | 104.7 | 104.8 | 103.4 | 104.6 | 102.7 | 104.2 | |
| Y/y % | 3.3 | 3.2 | 2.8 | 2.9 | 1.0 | 1.0 | 1.2 | 1.2 | 3.1 | 1.1 | 2.7 | 1.5 | |
| Unemployment rate (%) | 3.6 | 3.6 | 3.6 | 3.5 | 3.5 | 3.5 | 3.5 | 3.4 | 3.6 | 3.5 | 3.6 | 3.5 | |
| 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 | |
| Government bond yield (10 year; %) | 0.59 | 0.52 | 0.50 | 0.60 | 0.64 | 0.67 | 0.70 | 0.75 | 0.55 | 0.69 | 0.55 | 0.65 | |
| Money stock; M2 (y/y %) | 3.3 | 3.0 | 3.7 | 3.8 | 3.9 | 4.1 | 4.2 | 4.3 | 3.4 | 4.1 | 3.5 | 4.0 | |
| Trade balance (SAAR; Y tril) | -8.8 | -10.2 | -8.6 | -8.8 | -8.6 | -8.4 | -8.1 | -7.8 | -9.1 | -8.2 | -10.8 | -8.5 | |
| Current balance (SAAR; \$100 mil) | 269 | 248 | 576 | 559 | 583 | 627 | 684 | 742 | 413 | 659 | 139 | 613 | |
| Current balance (SAAR; Y tril) | 2.8 | 2.6 | 6.6 | 6.7 | 7.0 | 7.5 | 8.2 | 8.9 | 4.7 | 7.9 | 1.6 | 7.4 | |
| (% of nominal GDP) | 0.6 | 0.5 | 1.3 | 1.4 | 1.4 | 1.5 | 1.6 | 1.8 | 1.0 | 1.6 | 0.3 | 1.5 | |
| Exchange rate (Y/\$) | 102.1 | 103.9 | 115.0 | 120.0 | 120.0 | 120.0 | 120.0 | 120.0 | 110.3 | 120.0 | 106.0 | 120.0 | |
| (Y/Euro) | 139.5 | 137.8 | 144.0 | 150.0 | 150.0 | 150.0 | 150.0 | 150.0 | 142.8 | 150.0 | 140.4 | 150.0 | |

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)

| | 2012 | | | 2013 | | | 2014 | | | FY | | CY | |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
| | 4-6 | 7-9 | 10-12 | 1-3 | 4-6 | 7-9 | 10-12 | 1-3 | 2012 | 2013 | 2012 | 2013 | |
| Gross domestic expenditure | 520.2 | 517.5 | 516.4 | 523.9 | 527.8 | 529.9 | 528.0 | 535.5 | 519.6 | 530.6 | 519.0 | 527.4 | |
| Q/q %, SAAR | -1.7 | -2.0 | -0.9 | 6.0 | 3.0 | 1.6 | -1.5 | 5.8 | | | | | |
| Y/y % | 3.5 | 0.2 | 0.0 | 0.5 | 1.4 | 2.2 | 2.3 | 2.5 | 1.0 | 2.1 | 1.8 | 1.6 | |
| Domestic demand | 510.6 | 510.3 | 509.9 | 515.0 | 518.5 | 522.3 | 523.3 | 531.9 | 511.5 | 524.4 | 510.3 | 519.8 | |
| Q/q %, SAAR | -0.0 | -0.2 | -0.3 | 4.1 | 2.8 | 3.0 | 0.8 | 6.7 | | | | | |
| Y/y % | 3.6 | 1.7 | 0.8 | 1.0 | 1.5 | 2.2 | 2.7 | 3.6 | 1.7 | 2.5 | 2.6 | 1.9 | |
| Private demand | 390.4 | 390.3 | 389.3 | 392.8 | 394.8 | 397.7 | 398.2 | 407.7 | 390.7 | 399.9 | 389.8 | 395.8 | |
| Q/q %, SAAR | 0.7 | -0.0 | -1.0 | 3.6 | 2.1 | 2.9 | 0.5 | 9.9 | | | | | |
| Y/y % | 4.4 | 1.9 | 0.4 | 1.0 | 1.1 | 1.7 | 2.3 | 4.3 | 1.9 | 2.4 | 2.8 | 1.5 | |
| Final consumption | 309.2 | 308.1 | 308.4 | 312.3 | 314.7 | 315.6 | 315.4 | 322.2 | 309.5 | 317.1 | 308.1 | 314.5 | |
| Q/q %, SAAR | 2.8 | -1.4 | 0.4 | 5.1 | 3.2 | 1.1 | -0.3 | 8.9 | | | | | |
| Y/y % | 3.3 | 1.2 | 0.9 | 1.8 | 1.9 | 2.3 | 2.3 | 3.3 | 1.8 | 2.5 | 2.3 | 2.1 | |
| Residential investment | 13.3 | 13.7 | 13.8 | 13.9 | 14.2 | 14.8 | 15.1 | 15.5 | 13.7 | 14.9 | 13.4 | 14.5 | |
| Q/q %, SAAR | 20.0 | 10.5 | 3.8 | 3.9 | 9.2 | 18.2 | 9.0 | 9.6 | | | | | |
| Y/y % | 5.1 | 2.0 | 6.3 | 9.7 | 6.6 | 8.2 | 10.1 | 11.8 | 5.7 | 9.3 | 3.2 | 8.7 | |
| Non-residential investment | 69.8 | 69.0 | 68.6 | 68.0 | 69.6 | 70.0 | 70.7 | 75.1 | 68.8 | 71.5 | 69.2 | 69.5 | |
| Q/q %, SAAR | 2.9 | -4.8 | -2.5 | -3.5 | 10.2 | 2.1 | 4.1 | 27.2 | | | | | |
| Y/y % | 8.2 | 3.8 | -4.1 | -1.8 | -0.2 | 1.2 | 3.0 | 10.8 | 1.2 | 4.0 | 3.7 | 0.4 | |
| Change in inventories | -2.0 | -0.4 | -1.4 | -1.3 | -3.7 | -2.8 | -3.0 | -5.1 | -1.3 | -3.7 | -0.8 | -2.7 | |
| Public demand | 120.2 | 120.0 | 120.6 | 122.2 | 123.7 | 124.6 | 125.1 | 124.2 | 120.8 | 124.5 | 120.5 | 124.0 | |
| Q/q %, SAAR | -2.3 | -0.7 | 1.9 | 5.5 | 4.8 | 3.1 | 1.7 | -3.0 | | | | | |
| Y/y % | 1.0 | 1.3 | 2.3 | 1.0 | 2.7 | 3.8 | 4.2 | 1.6 | 1.4 | 3.1 | 1.8 | 2.9 | |
| Government final consumption | 99.6 | 100.1 | 100.8 | 101.6 | 102.2 | 102.1 | 102.2 | 101.9 | 100.6 | 102.2 | 100.2 | 102.1 | |
| Q/q %, SAAR | -1.6 | 1.8 | 2.7 | 3.3 | 2.6 | -0.4 | 0.4 | -1.3 | | | | | |
| Y/y % | 1.2 | 1.4 | 1.9 | 1.5 | 2.6 | 2.0 | 1.5 | 0.2 | 1.5 | 1.6 | 1.7 | 1.9 | |
| Fixed investment | 20.6 | 19.9 | 19.9 | 20.8 | 21.4 | 22.5 | 22.9 | 22.3 | 20.3 | 22.4 | 20.3 | 21.9 | |
| Q/q %, SAAR | -5.3 | -12.4 | -0.5 | 19.6 | 13.1 | 22.2 | 6.5 | -10.4 | | | | | |
| Y/y % | -0.1 | 0.5 | 4.6 | -0.9 | 3.6 | 14.0 | 16.1 | 6.5 | 1.0 | 10.3 | 2.7 | 8.0 | |
| Change in inventories | 0.0 | 0.0 | -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 | 10.4 | 7.6 | 6.5 | 9.1 | 9.9 | 8.1 | 5.5 | 6.0 | 8.4 | 7.3 | 9.1 | 8.1 | |
| Exports of goods and services | 84.2 | 80.9 | 78.3 | 81.6 | 84.0 | 83.5 | 83.7 | 89.0 | 81.3 | 85.1 | 82.0 | 83.2 | |
| Q/q %, SAAR | -2.0 | -15.0 | -12.1 | 17.9 | 12.4 | -2.4 | 0.8 | 28.0 | | | | | |
| Y/y % | 9.2 | -4.9 | -5.1 | -3.4 | -0.1 | 3.1 | 6.8 | 9.2 | -1.3 | 4.7 | -0.2 | 1.5 | |
| Imports of goods and services | 73.8 | 73.3 | 71.8 | 72.5 | 74.2 | 75.5 | 78.2 | 83.1 | 72.9 | 77.7 | 72.8 | 75.1 | |
| Q/q %, SAAR | 7.2 | -2.9 | -7.9 | 4.1 | 9.5 | 7.1 | 15.5 | 27.2 | | | | | |
| Y/y % | 9.0 | 4.9 | 0.8 | 0.0 | 0.5 | 2.9 | 8.9 | 14.7 | 3.6 | 6.7 | 5.3 | 3.1 | |

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)

| | 2014 | | | 2015 | | | 2016 | | | FY | | CY | |
|-----------------------------------|-------|-------|--------------|------------|------------|------------|--------------|------------|-------------|-------------|-------------|-------------|--|
| | 4-6 | 7-9 | 10-12 (E) | 1-3 (E) | 4-6 (E) | 7-9 (E) | 10-12 (E) | 1-3 (E) | 2014 (E) | 2015 (E) | 2014 (E) | 2015 (E) | |
| Gross domestic expenditure | 526.3 | 523.8 | 528.7 | 532.6 | 534.3 | 536.3 | 538.4 | 540.5 | 527.7 | 537.4 | 528.6 | 535.4 | |
| Q/q %, SAAR | -6.7 | -1.9 | 3.8 | 3.0 | 1.3 | 1.5 | 1.6 | 1.6 | | | | | |
| Y/y % | -0.3 | -1.3 | 0.1 | -0.7 | 1.6 | 2.5 | 1.9 | 1.5 | -0.5 | 1.8 | 0.2 | 1.3 | |
| Domestic demand | 517.0 | 514.6 | 518.8 | 522.5 | 524.0 | 525.6 | 527.2 | 528.9 | 518.3 | 526.5 | 520.8 | 524.9 | |
| Q/q %, SAAR | -10.7 | -1.8 | 3.3 | 2.9 | 1.1 | 1.2 | 1.3 | 1.2 | | | | | |
| Y/y % | -0.3 | -1.5 | -0.9 | -1.8 | 1.4 | 2.2 | 1.5 | 1.3 | -1.2 | 1.6 | 0.2 | 0.8 | |
| Private demand | 392.2 | 389.3 | 393.5 | 397.3 | 399.1 | 400.8 | 402.6 | 404.5 | 393.1 | 401.9 | 395.8 | 399.9 | |
| Q/q %, SAAR | -14.3 | -3.0 | 4.4 | 4.0 | 1.7 | 1.8 | 1.8 | 1.9 | | | | | |
| Y/y % | -0.6 | -2.2 | -1.2 | -2.7 | 1.7 | 3.0 | 2.3 | 2.0 | -1.7 | 2.2 | 0.0 | 1.0 | |
| Final consumption | 305.9 | 307.0 | 309.7 | 311.9 | 312.7 | 313.4 | 314.2 | 314.9 | 308.6 | 313.8 | 311.2 | 313.1 | |
| Q/q %, SAAR | -18.8 | 1.5 | 3.5 | 3.0 | 1.0 | 0.9 | 1.0 | 1.0 | | | | | |
| Y/y % | -2.8 | -2.8 | -1.8 | -3.3 | 2.2 | 2.1 | 1.5 | 1.0 | -2.7 | 1.7 | -1.0 | 0.6 | |
| Residential investment | 14.0 | 13.0 | 13.1 | 13.3 | 13.5 | 13.6 | 13.7 | 13.9 | 13.3 | 13.7 | 13.9 | 13.5 | |
| Q/q %, SAAR | -34.3 | -24.4 | 3.2 | 6.1 | 4.9 | 4.1 | 3.9 | 3.6 | | | | | |
| Y/y % | -2.0 | -12.4 | -13.5 | -14.2 | -3.4 | 4.7 | 4.8 | 4.2 | -10.8 | 2.6 | -4.6 | -2.4 | |
| Non-residential investment | 71.5 | 71.2 | 72.4 | 73.4 | 74.2 | 75.1 | 76.1 | 77.0 | 72.2 | 75.7 | 72.7 | 74.6 | |
| Q/q %, SAAR | -17.6 | -1.5 | 6.6 | 5.7 | 4.5 | 4.9 | 5.2 | 5.3 | | | | | |
| Y/y % | 2.7 | 1.6 | 2.4 | -2.4 | 3.8 | 5.5 | 5.0 | 5.0 | 0.8 | 4.9 | 4.6 | 2.7 | |
| Change in inventories | 0.9 | -2.0 | -1.7 | -1.3 | -1.3 | -1.3 | -1.3 | -1.3 | -1.0 | -1.3 | -1.9 | -1.3 | |
| Public demand | 124.7 | 125.3 | 125.3 | 125.2 | 124.9 | 124.7 | 124.6 | 124.3 | 125.2 | 124.6 | 124.9 | 124.9 | |
| Q/q %, SAAR | 1.7 | 1.9 | 0.1 | -0.4 | -1.0 | -0.4 | -0.5 | -0.8 | | | | | |
| Y/y % | 0.6 | 0.7 | 0.0 | 0.9 | 0.4 | -0.4 | -0.8 | -1.0 | 0.5 | -0.5 | 0.7 | 0.0 | |
| Government final consumption | 102.2 | 102.5 | 102.8 | 103.1 | 103.4 | 103.7 | 104.0 | 104.3 | 102.7 | 103.9 | 102.4 | 103.6 | |
| Q/q %, SAAR | 1.2 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.3 | | | | | |
| Y/y % | -0.0 | 0.4 | 0.5 | 1.2 | 1.1 | 1.1 | 1.2 | 1.2 | 0.5 | 1.2 | 0.3 | 1.2 | |
| Fixed investment | 22.5 | 22.8 | 22.5 | 22.1 | 21.5 | 21.0 | 20.6 | 20.0 | 22.5 | 20.7 | 22.5 | 21.3 | |
| Q/q %, SAAR | 3.7 | 5.5 | -4.3 | -7.5 | -10.7 | -7.9 | -8.8 | -11.0 | | | | | |
| Y/y % | 4.3 | 1.9 | -2.0 | -0.5 | -4.2 | -8.0 | -8.5 | -9.7 | 0.5 | -7.9 | 2.5 | -5.2 | |
| 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 | 10.0 | 10.6 | 10.9 | 11.0 | 11.4 | 11.8 | 12.2 | 12.6 | 10.6 | 12.0 | 9.4 | 11.6 | |
| Exports of goods and services | 88.6 | 89.7 | 90.9 | 91.6 | 92.6 | 93.8 | 95.0 | 96.2 | 90.2 | 94.4 | 89.6 | 93.2 | |
| Q/q %, SAAR | -1.8 | 5.2 | 5.1 | 3.2 | 4.5 | 5.2 | 5.2 | 5.4 | | | | | |
| Y/y % | 5.4 | 7.3 | 8.6 | 2.8 | 4.5 | 4.6 | 4.5 | 5.1 | 6.0 | 4.7 | 7.6 | 4.1 | |
| Imports of goods and services | 78.6 | 79.2 | 80.0 | 80.5 | 81.2 | 82.0 | 82.8 | 83.6 | 79.6 | 82.4 | 80.2 | 81.6 | |
| Q/q %, SAAR | -19.9 | 3.0 | 4.1 | 3.0 | 3.5 | 3.8 | 3.9 | 4.0 | | | | | |
| Y/y % | 5.9 | 4.9 | 2.3 | -3.1 | 3.4 | 3.6 | 3.5 | 3.8 | 2.3 | 3.6 | 6.8 | 1.8 | |

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 (¥ tril)

| | 2012 | | | 2013 | | | 2014 | | | FY | | CY | |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
| | 4-6 | 7-9 | 10-12 | 1-3 | 4-6 | 7-9 | 10-12 | 1-3 | 2012 | 2013 | 2012 | 2013 | |
| Gross domestic expenditure | 475.8 | 471.8 | 472.5 | 478.0 | 479.9 | 481.0 | 481.8 | 488.3 | 474.5 | 483.1 | 475.1 | 480.1 | |
| Q/q %, SAAR | -4.3 | -3.3 | 0.6 | 4.7 | 1.6 | 0.9 | 0.7 | 5.5 | | | | | |
| Y/y % | 2.4 | -0.6 | -0.7 | -0.5 | 0.8 | 1.9 | 2.0 | 2.5 | 0.1 | 1.8 | 0.8 | 1.1 | |
| Domestic demand | 484.8 | 482.2 | 483.4 | 489.2 | 490.8 | 495.6 | 499.7 | 508.4 | 484.8 | 499.0 | 484.5 | 493.8 | |
| Q/q %, SAAR | -2.8 | -2.1 | 1.0 | 4.9 | 1.4 | 4.0 | 3.3 | 7.2 | | | | | |
| Y/y % | 2.7 | 0.8 | 0.1 | 0.3 | 1.2 | 2.7 | 3.4 | 4.4 | 1.0 | 2.9 | 1.9 | 1.9 | |
| Private demand | 367.3 | 364.8 | 365.3 | 368.4 | 369.9 | 373.6 | 376.7 | 385.3 | 366.4 | 376.7 | 366.3 | 372.0 | |
| Q/q %, SAAR | -1.4 | -2.7 | 0.5 | 3.5 | 1.7 | 4.0 | 3.4 | 9.4 | | | | | |
| Y/y % | 3.6 | 0.8 | -0.3 | 0.1 | 0.7 | 2.3 | 3.1 | 5.1 | 1.0 | 2.8 | 2.1 | 1.6 | |
| Final consumption | 289.5 | 286.5 | 287.9 | 290.8 | 292.9 | 294.5 | 296.2 | 302.3 | 288.7 | 296.5 | 288.2 | 293.5 | |
| Q/q %, SAAR | 0.2 | -4.1 | 2.0 | 4.0 | 2.9 | 2.2 | 2.4 | 8.5 | | | | | |
| Y/y % | 2.4 | -0.0 | 0.1 | 0.7 | 1.2 | 2.6 | 2.9 | 4.2 | 0.8 | 2.7 | 1.4 | 1.9 | |
| Residential investment | 13.7 | 14.0 | 14.2 | 14.5 | 14.9 | 15.6 | 16.2 | 16.6 | 14.1 | 15.9 | 13.8 | 15.3 | |
| Q/q %, SAAR | 16.0 | 9.5 | 7.7 | 6.8 | 11.6 | 22.1 | 15.6 | 10.3 | | | | | |
| Y/y % | 4.2 | 0.5 | 5.7 | 10.2 | 8.9 | 11.6 | 13.9 | 15.0 | 5.1 | 12.5 | 2.4 | 11.3 | |
| Non-residential investment | 66.0 | 64.8 | 64.7 | 64.3 | 66.0 | 66.6 | 67.6 | 71.7 | 64.9 | 68.2 | 65.2 | 66.0 | |
| Q/q %, SAAR | 2.7 | -6.7 | -0.6 | -2.6 | 11.1 | 3.3 | 6.2 | 26.5 | | | | | |
| Y/y % | 8.1 | 3.1 | -4.3 | -1.6 | 0.2 | 2.3 | 4.3 | 11.7 | 1.0 | 4.9 | 3.3 | 1.2 | |
| Change in inventories | -1.8 | -0.5 | -1.6 | -1.2 | -3.8 | -3.1 | -3.3 | -5.2 | -1.3 | -3.9 | -0.9 | -2.8 | |
| Public demand | 117.5 | 117.4 | 118.1 | 120.8 | 120.9 | 122.1 | 123.0 | 123.1 | 118.4 | 122.4 | 118.2 | 121.7 | |
| Q/q %, SAAR | -7.3 | -0.4 | 2.5 | 9.4 | 0.4 | 4.0 | 3.0 | 0.4 | | | | | |
| Y/y % | -0.0 | 0.7 | 1.5 | 0.8 | 2.8 | 4.3 | 4.3 | 2.1 | 0.7 | 3.3 | 1.3 | 3.0 | |
| Government final consumption | 96.3 | 96.8 | 97.6 | 99.3 | 98.6 | 98.5 | 98.8 | 99.4 | 97.5 | 98.8 | 97.1 | 98.8 | |
| Q/q %, SAAR | -7.1 | 2.3 | 3.1 | 7.3 | -2.9 | -0.2 | 1.0 | 2.4 | | | | | |
| Y/y % | 0.1 | 1.1 | 0.9 | 1.4 | 2.5 | 1.9 | 1.0 | 0.0 | 0.8 | 1.3 | 1.1 | 1.7 | |
| Fixed investment | 21.2 | 20.5 | 20.5 | 21.6 | 22.3 | 23.6 | 24.2 | 23.7 | 21.0 | 23.6 | 21.0 | 23.0 | |
| Q/q %, SAAR | -7.7 | -12.8 | 1.1 | 22.9 | 12.4 | 26.5 | 10.2 | -8.6 | | | | | |
| Y/y % | -0.3 | -0.5 | 4.3 | -0.6 | 4.5 | 16.0 | 18.8 | 8.7 | 0.8 | 12.4 | 2.4 | 9.5 | |
| Change in inventories | 0.0 | 0.0 | -0.0 | -0.2 | 0.0 | -0.1 | 0.0 | 0.1 | -0.0 | 0.0 | 0.0 | -0.0 | |
| Net exports of goods and services | -9.0 | -10.3 | -10.8 | -11.1 | -10.9 | -14.6 | -17.9 | -20.1 | -10.3 | -15.9 | -9.4 | -13.6 | |
| Exports of goods and services | 71.3 | 68.3 | 67.8 | 74.1 | 77.9 | 78.4 | 79.6 | 83.8 | 70.4 | 80.0 | 69.8 | 77.5 | |
| Q/q %, SAAR | -2.2 | -15.7 | -3.2 | 42.8 | 22.3 | 2.3 | 6.5 | 22.8 | | | | | |
| Y/y % | 5.7 | -7.6 | -4.2 | 3.7 | 9.0 | 14.6 | 17.8 | 13.2 | -0.7 | 13.6 | -2.1 | 11.2 | |
| Imports of goods and services | 80.3 | 78.7 | 78.6 | 85.2 | 88.9 | 93.0 | 97.5 | 103.9 | 80.8 | 95.9 | 79.2 | 91.2 | |
| Q/q %, SAAR | 6.8 | -7.9 | -0.3 | 38.2 | 18.2 | 19.9 | 20.9 | 29.1 | | | | | |
| Y/y % | 7.2 | 1.2 | 1.5 | 8.2 | 10.3 | 17.9 | 24.5 | 22.1 | 4.5 | 18.7 | 4.7 | 15.2 | |

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 (¥ tril)

| | 2014 | | | 2015 | | | 2016 | | | FY | | CY | |
|-----------------------------------|-------|-------|--------------|------------|------------|------------|--------------|------------|-------------|-------------|-------------|-------------|--|
| | 4-6 | 7-9 | 10-12 (E) | 1-3 (E) | 4-6 (E) | 7-9 (E) | 10-12 (E) | 1-3 (E) | 2014 (E) | 2015 (E) | 2014 (E) | 2015 (E) | |
| Gross domestic expenditure | 488.7 | 484.4 | 491.8 | 496.2 | 498.4 | 500.9 | 503.8 | 506.7 | 490.4 | 502.7 | 488.6 | 500.0 | |
| Q/q %, SAAR | 0.4 | -3.5 | 6.3 | 3.7 | 1.7 | 2.1 | 2.3 | 2.4 | | | | | |
| Y/y % | 1.8 | 0.7 | 2.1 | 1.4 | 2.0 | 3.4 | 2.4 | 2.2 | 1.5 | 2.5 | 1.8 | 2.3 | |
| Domestic demand | 502.1 | 499.6 | 504.2 | 508.7 | 510.9 | 513.3 | 515.8 | 518.4 | 503.8 | 514.7 | 503.8 | 512.2 | |
| Q/q %, SAAR | -4.8 | -2.0 | 3.7 | 3.6 | 1.7 | 1.8 | 2.0 | 2.0 | | | | | |
| Y/y % | 2.2 | 0.8 | 0.9 | 0.0 | 1.7 | 2.8 | 2.2 | 2.0 | 1.0 | 2.2 | 2.0 | 1.7 | |
| Private demand | 377.3 | 373.6 | 378.1 | 382.6 | 385.0 | 387.3 | 389.9 | 392.6 | 378.0 | 388.9 | 378.7 | 386.2 | |
| Q/q %, SAAR | -8.0 | -3.9 | 4.9 | 4.9 | 2.5 | 2.5 | 2.7 | 2.8 | | | | | |
| Y/y % | 2.0 | -0.1 | 0.3 | -0.8 | 1.9 | 3.7 | 3.0 | 2.9 | 0.3 | 2.9 | 1.8 | 2.0 | |
| Final consumption | 292.2 | 293.4 | 296.2 | 298.7 | 299.9 | 300.9 | 302.1 | 303.5 | 295.1 | 301.6 | 296.1 | 300.4 | |
| Q/q %, SAAR | -12.7 | 1.6 | 3.9 | 3.4 | 1.6 | 1.4 | 1.6 | 1.7 | | | | | |
| Y/y % | -0.2 | -0.5 | -0.0 | -1.3 | 2.6 | 2.6 | 2.0 | 1.6 | -0.5 | 2.2 | 0.9 | 1.5 | |
| Residential investment | 15.3 | 14.3 | 14.4 | 14.7 | 14.9 | 15.1 | 15.3 | 15.5 | 14.6 | 15.2 | 15.1 | 15.0 | |
| Q/q %, SAAR | -28.2 | -24.5 | 4.1 | 7.5 | 6.3 | 5.3 | 5.1 | 4.9 | | | | | |
| Y/y % | 2.8 | -9.0 | -11.2 | -11.9 | -2.6 | 5.9 | 6.1 | 5.5 | -7.7 | 3.7 | -1.3 | -0.9 | |
| Non-residential investment | 68.6 | 68.5 | 69.6 | 70.8 | 71.8 | 72.9 | 74.1 | 75.3 | 69.4 | 73.6 | 69.7 | 72.3 | |
| Q/q %, SAAR | -15.9 | -0.7 | 6.6 | 7.4 | 5.7 | 6.2 | 6.7 | 6.8 | | | | | |
| Y/y % | 3.9 | 2.7 | 3.0 | -1.3 | 4.7 | 6.6 | 6.5 | 6.4 | 1.9 | 6.1 | 5.6 | 3.8 | |
| Change in inventories | 1.2 | -2.5 | -2.1 | -1.6 | -1.6 | -1.6 | -1.6 | -1.6 | -1.2 | -1.6 | -2.1 | -1.6 | |
| Public demand | 124.8 | 126.0 | 126.1 | 126.1 | 125.9 | 125.9 | 125.9 | 125.8 | 125.9 | 125.8 | 125.1 | 126.0 | |
| Q/q %, SAAR | 5.6 | 4.0 | 0.4 | -0.0 | -0.6 | -0.0 | -0.1 | -0.4 | | | | | |
| Y/y % | 2.9 | 3.6 | 2.5 | 2.5 | 1.1 | -0.2 | -0.3 | -0.7 | 2.9 | -0.0 | 2.8 | 0.8 | |
| Government final consumption | 100.5 | 101.1 | 101.5 | 101.9 | 102.3 | 102.7 | 103.1 | 103.6 | 101.3 | 103.0 | 100.7 | 102.6 | |
| Q/q %, SAAR | 4.6 | 2.6 | 1.5 | 1.6 | 1.6 | 1.6 | 1.6 | 1.7 | | | | | |
| Y/y % | 2.0 | 2.8 | 2.9 | 2.6 | 1.8 | 1.5 | 1.5 | 1.6 | 2.6 | 1.6 | 2.0 | 1.8 | |
| Fixed investment | 24.2 | 24.8 | 24.5 | 24.1 | 23.5 | 23.1 | 22.7 | 22.1 | 24.5 | 22.8 | 24.3 | 23.4 | |
| Q/q %, SAAR | 10.1 | 9.7 | -4.3 | -6.4 | -9.6 | -6.6 | -7.4 | -9.5 | | | | | |
| Y/y % | 8.3 | 5.9 | 0.9 | 2.3 | -2.7 | -7.1 | -7.3 | -8.4 | 3.8 | -6.7 | 5.6 | -3.6 | |
| Change in inventories | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | |
| Net exports of goods and services | -13.4 | -15.3 | -12.4 | -12.5 | -12.6 | -12.3 | -12.0 | -11.7 | -13.4 | -12.1 | -15.3 | -12.3 | |
| Exports of goods and services | 83.4 | 85.6 | 89.5 | 90.7 | 92.1 | 93.5 | 94.9 | 96.4 | 87.2 | 94.2 | 85.5 | 92.8 | |
| Q/q %, SAAR | -2.1 | 11.3 | 19.2 | 5.7 | 6.2 | 6.1 | 6.2 | 6.4 | | | | | |
| Y/y % | 6.5 | 9.3 | 12.2 | 8.2 | 10.7 | 9.1 | 6.1 | 6.2 | 9.1 | 8.0 | 10.3 | 8.5 | |
| Imports of goods and services | 96.8 | 100.9 | 101.9 | 103.3 | 104.7 | 105.8 | 106.9 | 108.0 | 100.6 | 106.3 | 100.8 | 105.1 | |
| Q/q %, SAAR | -24.8 | 18.2 | 4.1 | 5.4 | 5.6 | 4.4 | 4.3 | 4.2 | | | | | |
| Y/y % | 8.5 | 8.4 | 4.3 | -0.7 | 8.4 | 4.9 | 5.0 | 4.7 | 4.9 | 5.7 | 10.5 | 4.3 | |

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)

| | 2012 | | | 2013 | | | 2014 | | | FY | | CY | |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
| | 4-6 | 7-9 | 10-12 | 1-3 | 4-6 | 7-9 | 10-12 | 1-3 | 2012 | 2013 | 2012 | 2013 | |
| Gross domestic expenditure | 91.5 | 91.2 | 91.5 | 91.2 | 90.9 | 90.8 | 91.3 | 91.2 | 91.3 | 91.1 | 91.5 | 91.0 | |
| Q/q %, SAAR | -0.7 | -0.3 | 0.4 | -0.3 | -0.4 | -0.2 | 0.5 | -0.1 | | | | | |
| Y/y % | -1.1 | -0.8 | -0.7 | -1.0 | -0.6 | -0.3 | -0.3 | 0.1 | -0.9 | -0.3 | -0.9 | -0.5 | |
| Private final consumption | 93.6 | 93.0 | 93.4 | 93.1 | 93.1 | 93.3 | 93.9 | 93.8 | 93.3 | 93.5 | 93.5 | 93.3 | |
| Q/q %, SAAR | -0.6 | -0.7 | 0.4 | -0.3 | -0.1 | 0.3 | 0.7 | -0.1 | | | | | |
| Y/y % | -0.8 | -1.2 | -0.8 | -1.2 | -0.7 | 0.3 | 0.6 | 0.8 | -1.0 | 0.3 | -0.9 | -0.2 | |
| Private residential investment | 102.6 | 102.4 | 103.3 | 104.0 | 104.6 | 105.4 | 107.0 | 107.2 | 103.0 | 106.1 | 102.9 | 105.3 | |
| Q/q %, SAAR | -0.9 | -0.2 | 0.9 | 0.7 | 0.5 | 0.8 | 1.5 | 0.2 | | | | | |
| Y/y % | -0.9 | -1.5 | -0.5 | 0.4 | 2.1 | 3.1 | 3.4 | 2.9 | -0.6 | 2.9 | -0.8 | 2.3 | |
| Private non-residential investment | 94.5 | 94.0 | 94.4 | 94.6 | 94.8 | 95.1 | 95.6 | 95.5 | 94.4 | 95.3 | 94.3 | 95.0 | |
| Q/q %, SAAR | -0.0 | -0.5 | 0.5 | 0.2 | 0.2 | 0.3 | 0.5 | -0.1 | | | | | |
| Y/y % | -0.1 | -0.7 | -0.2 | 0.2 | 0.4 | 1.2 | 1.2 | 0.8 | -0.2 | 0.9 | -0.4 | 0.7 | |
| Government final consumption | 96.6 | 96.8 | 96.9 | 97.8 | 96.4 | 96.5 | 96.6 | 97.5 | 96.9 | 96.7 | 97.0 | 96.7 | |
| Q/q %, SAAR | -1.4 | 0.1 | 0.1 | 0.9 | -1.4 | 0.0 | 0.1 | 0.9 | | | | | |
| Y/y % | -1.1 | -0.4 | -0.9 | -0.2 | -0.1 | -0.1 | -0.5 | -0.2 | -0.7 | -0.2 | -0.6 | -0.2 | |
| Public fixed investment | 103.1 | 103.0 | 103.4 | 104.1 | 104.0 | 104.9 | 105.8 | 106.3 | 103.5 | 105.4 | 103.4 | 104.8 | |
| Q/q %, SAAR | -0.6 | -0.1 | 0.4 | 0.7 | -0.1 | 0.9 | 0.9 | 0.5 | | | | | |
| Y/y % | -0.3 | -1.0 | -0.3 | 0.3 | 0.9 | 1.8 | 2.3 | 2.1 | -0.2 | 1.9 | -0.3 | 1.4 | |
| Exports of goods and services | 84.7 | 84.5 | 86.6 | 90.8 | 92.8 | 93.8 | 95.1 | 94.2 | 86.7 | 94.0 | 85.1 | 93.2 | |
| Q/q %, SAAR | -0.1 | -0.2 | 2.4 | 4.9 | 2.1 | 1.2 | 1.4 | -1.0 | | | | | |
| Y/y % | -3.2 | -2.9 | 1.0 | 7.4 | 9.1 | 11.1 | 10.3 | 3.7 | 0.6 | 8.5 | -2.0 | 9.5 | |
| Imports of goods and services | 108.8 | 107.3 | 109.5 | 117.6 | 119.8 | 123.2 | 124.6 | 125.1 | 110.9 | 123.4 | 108.7 | 121.4 | |
| Q/q %, SAAR | -0.1 | -1.3 | 2.0 | 7.3 | 1.9 | 2.8 | 1.1 | 0.4 | | | | | |
| Y/y % | -1.7 | -3.5 | 0.7 | 8.1 | 9.8 | 14.6 | 14.3 | 6.4 | 0.9 | 11.3 | -0.5 | 11.7 | |

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)

| | 2014 | | | 2015 | | | 2016 | | | FY | | CY | |
|------------------------------------|-------|-------|--------------|------------|------------|------------|--------------|------------|-------------|-------------|-------------|-------------|--|
| | 4-6 | 7-9 | 10-12 (E) | 1-3 (E) | 4-6 (E) | 7-9 (E) | 10-12 (E) | 1-3 (E) | 2014 (E) | 2015 (E) | 2014 (E) | 2015 (E) | |
| Gross domestic expenditure | 92.9 | 92.5 | 93.0 | 93.2 | 93.3 | 93.4 | 93.6 | 93.8 | 92.9 | 93.5 | 92.4 | 93.4 | |
| Q/q %, SAAR | 1.8 | -0.4 | 0.6 | 0.2 | 0.1 | 0.1 | 0.2 | 0.2 | | | | | |
| Y/y % | 2.1 | 2.0 | 2.0 | 2.1 | 0.5 | 0.9 | 0.6 | 0.7 | 2.1 | 0.7 | 1.5 | 1.0 | |
| Private final consumption | 95.5 | 95.6 | 95.7 | 95.8 | 95.9 | 96.0 | 96.2 | 96.4 | 95.6 | 96.1 | 95.1 | 96.0 | |
| Q/q %, SAAR | 1.8 | 0.0 | 0.1 | 0.1 | 0.2 | 0.1 | 0.2 | 0.2 | | | | | |
| Y/y % | 2.7 | 2.4 | 1.9 | 2.1 | 0.4 | 0.5 | 0.5 | 0.6 | 2.2 | 0.5 | 1.9 | 0.9 | |
| Private residential investment | 109.6 | 109.5 | 109.7 | 110.1 | 110.5 | 110.8 | 111.1 | 111.5 | 109.8 | 111.0 | 109.0 | 110.7 | |
| Q/q %, SAAR | 2.2 | -0.0 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | | | | | |
| Y/y % | 4.9 | 4.0 | 2.6 | 2.8 | 0.8 | 1.1 | 1.2 | 1.2 | 3.5 | 1.1 | 3.4 | 1.6 | |
| Private non-residential investment | 96.0 | 96.1 | 96.1 | 96.5 | 96.8 | 97.1 | 97.5 | 97.8 | 96.2 | 97.3 | 95.9 | 97.0 | |
| Q/q %, SAAR | 0.5 | 0.2 | 0.0 | 0.4 | 0.3 | 0.3 | 0.4 | 0.3 | | | | | |
| Y/y % | 1.2 | 1.1 | 0.6 | 1.1 | 0.9 | 1.0 | 1.4 | 1.3 | 1.0 | 1.2 | 0.9 | 1.1 | |
| Government final consumption | 98.3 | 98.7 | 98.8 | 98.9 | 99.0 | 99.1 | 99.2 | 99.3 | 98.7 | 99.1 | 98.4 | 99.0 | |
| Q/q %, SAAR | 0.8 | 0.4 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | | | | | |
| Y/y % | 2.1 | 2.5 | 2.4 | 1.4 | 0.6 | 0.3 | 0.3 | 0.4 | 2.1 | 0.4 | 1.7 | 0.6 | |
| Public fixed investment | 107.9 | 109.0 | 109.0 | 109.3 | 109.6 | 110.0 | 110.4 | 110.9 | 108.9 | 110.3 | 108.0 | 109.8 | |
| Q/q %, SAAR | 1.5 | 1.0 | 0.0 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | | | | | |
| Y/y % | 3.9 | 3.9 | 3.0 | 2.8 | 1.5 | 1.0 | 1.3 | 1.4 | 3.3 | 1.3 | 3.1 | 1.7 | |
| Exports of goods and services | 94.1 | 95.4 | 98.5 | 99.1 | 99.5 | 99.7 | 99.9 | 100.2 | 96.7 | 99.8 | 95.5 | 99.5 | |
| Q/q %, SAAR | -0.1 | 1.4 | 3.2 | 0.6 | 0.4 | 0.2 | 0.2 | 0.2 | | | | | |
| Y/y % | 1.0 | 1.9 | 3.3 | 5.2 | 6.0 | 4.4 | 1.5 | 1.1 | 2.9 | 3.2 | 2.5 | 4.2 | |
| Imports of goods and services | 123.1 | 127.4 | 127.4 | 128.2 | 128.8 | 129.0 | 129.2 | 129.2 | 126.4 | 129.0 | 125.7 | 128.8 | |
| Q/q %, SAAR | -1.6 | 3.5 | 0.0 | 0.6 | 0.5 | 0.2 | 0.1 | 0.1 | | | | | |
| Y/y % | 2.5 | 3.3 | 2.0 | 2.5 | 4.8 | 1.3 | 1.5 | 0.8 | 2.5 | 2.0 | 3.5 | 2.5 | |

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.

5.1 Contribution to Real GDP Growth by Component

| | 2012 | | | 2013 | | | 2014 | | | FY | | CY | |
|-----------------------------------|------|------|-------|------|------|------|-------|------|------|------|------|------|--|
| | 4-6 | 7-9 | 10-12 | 1-3 | 4-6 | 7-9 | 10-12 | 1-3 | 2012 | 2013 | 2012 | 2013 | |
| 1) Q/q % | | | | | | | | | | | | | |
| GDP growth rate | -0.4 | -0.5 | -0.2 | 1.5 | 0.7 | 0.4 | -0.4 | 1.4 | 1.0 | 2.1 | 1.8 | 1.6 | |
| Domestic demand | -0.0 | -0.0 | -0.1 | 1.0 | 0.7 | 0.8 | 0.2 | 1.6 | 1.8 | 2.6 | 2.6 | 1.9 | |
| Private demand | 0.1 | 0.0 | -0.2 | 0.7 | 0.4 | 0.6 | 0.1 | 1.8 | 1.5 | 1.8 | 2.2 | 1.2 | |
| Private consumption | 0.4 | -0.2 | 0.1 | 0.8 | 0.5 | 0.2 | -0.0 | 1.3 | 1.1 | 1.5 | 1.4 | 1.3 | |
| Residential investment | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.3 | 0.1 | 0.3 | |
| Private fixed investment | 0.1 | -0.2 | -0.1 | -0.1 | 0.3 | 0.1 | 0.1 | 0.9 | 0.2 | 0.5 | 0.5 | 0.1 | |
| Change in private inventories | -0.5 | 0.3 | -0.2 | 0.0 | -0.5 | 0.2 | -0.1 | -0.4 | 0.0 | -0.5 | 0.2 | -0.4 | |
| Public demand | -0.1 | -0.0 | 0.1 | 0.3 | 0.3 | 0.2 | 0.1 | -0.2 | 0.3 | 0.8 | 0.5 | 0.7 | |
| Government final consumption | -0.1 | 0.1 | 0.1 | 0.2 | 0.1 | -0.0 | 0.0 | -0.1 | 0.3 | 0.3 | 0.3 | 0.4 | |
| Public fixed investment | -0.1 | -0.1 | -0.0 | 0.2 | 0.1 | 0.2 | 0.1 | -0.1 | 0.0 | 0.5 | 0.1 | 0.4 | |
| 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 | -0.4 | -0.5 | -0.1 | 0.4 | 0.1 | -0.4 | -0.6 | -0.2 | -0.8 | -0.5 | -0.9 | -0.3 | |
| Exports of goods and services | -0.1 | -0.6 | -0.5 | 0.6 | 0.4 | -0.1 | 0.0 | 1.0 | -0.2 | 0.7 | -0.0 | 0.2 | |
| Imports of goods and services | -0.3 | 0.1 | 0.3 | -0.2 | -0.4 | -0.3 | -0.6 | -1.2 | -0.6 | -1.2 | -0.8 | -0.5 | |
| 2) Y/y % | | | | | | | | | | | | | |
| GDP growth rate | 3.5 | 0.2 | 0.0 | 0.5 | 1.4 | 2.2 | 2.3 | 2.5 | 1.0 | 2.1 | 1.8 | 1.6 | |
| Domestic demand | 3.6 | 1.7 | 0.9 | 1.0 | 1.5 | 2.3 | 2.8 | 3.6 | 1.8 | 2.6 | 2.6 | 1.9 | |
| Private demand | 3.4 | 1.5 | 0.3 | 0.8 | 0.9 | 1.3 | 1.7 | 3.1 | 1.5 | 1.8 | 2.2 | 1.2 | |
| Private consumption | 2.0 | 0.7 | 0.6 | 1.1 | 1.1 | 1.4 | 1.4 | 2.0 | 1.1 | 1.5 | 1.4 | 1.3 | |
| Residential investment | 0.1 | 0.1 | 0.2 | 0.3 | 0.2 | 0.2 | 0.3 | 0.4 | 0.2 | 0.3 | 0.1 | 0.3 | |
| Private fixed investment | 1.0 | 0.5 | -0.5 | -0.3 | -0.0 | 0.2 | 0.4 | 1.7 | 0.2 | 0.5 | 0.5 | 0.1 | |
| Change in private inventories | 0.2 | 0.1 | 0.1 | -0.4 | -0.4 | -0.5 | -0.4 | -0.8 | 0.0 | -0.5 | 0.2 | -0.4 | |
| Public demand | 0.2 | 0.3 | 0.6 | 0.2 | 0.7 | 0.9 | 1.1 | 0.4 | 0.3 | 0.8 | 0.5 | 0.7 | |
| Government final consumption | 0.3 | 0.3 | 0.4 | 0.3 | 0.5 | 0.4 | 0.3 | 0.1 | 0.3 | 0.3 | 0.3 | 0.4 | |
| Public fixed investment | -0.0 | 0.0 | 0.2 | -0.0 | 0.1 | 0.6 | 0.8 | 0.4 | 0.0 | 0.5 | 0.1 | 0.4 | |
| Change in public inventories | -0.0 | -0.0 | -0.0 | -0.0 | -0.0 | -0.0 | 0.0 | 0.1 | -0.0 | 0.0 | -0.0 | -0.0 | |
| Net exports of goods and services | -0.1 | -1.6 | -0.9 | -0.5 | -0.1 | 0.0 | -0.5 | -1.2 | -0.8 | -0.5 | -0.9 | -0.3 | |
| Exports of goods and services | 1.3 | -0.8 | -0.8 | -0.5 | -0.0 | 0.5 | 1.0 | 1.5 | -0.2 | 0.7 | -0.0 | 0.2 | |
| Imports of goods and services | -1.4 | -0.8 | -0.1 | -0.0 | -0.1 | -0.5 | -1.5 | -2.7 | -0.6 | -1.2 | -0.8 | -0.5 | |

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

| | 2014 | | | 2015 | | | 2016 | | | FY | | CY | |
|-----------------------------------|------|------|--------------|------------|------------|------------|--------------|------------|-------------|-------------|-------------|-------------|--|
| | 4-6 | 7-9 | 10-12 (E) | 1-3 (E) | 4-6 (E) | 7-9 (E) | 10-12 (E) | 1-3 (E) | 2014 (E) | 2015 (E) | 2014 (E) | 2015 (E) | |
| 1) Q/q % | | | | | | | | | | | | | |
| GDP growth rate | -1.7 | -0.5 | 0.9 | 0.7 | 0.3 | 0.4 | 0.4 | 0.4 | -0.5 | 1.8 | 0.2 | 1.3 | |
| Domestic demand | -2.8 | -0.5 | 0.8 | 0.7 | 0.3 | 0.3 | 0.3 | 0.3 | -1.2 | 1.6 | 0.3 | 0.9 | |
| Private demand | -2.9 | -0.7 | 0.8 | 0.7 | 0.3 | 0.3 | 0.3 | 0.4 | -1.3 | 1.7 | 0.1 | 1.0 | |
| Private consumption | -3.1 | 0.2 | 0.5 | 0.4 | 0.1 | 0.1 | 0.1 | 0.1 | -1.6 | 1.0 | -0.6 | 0.4 | |
| Residential investment | -0.3 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.3 | 0.1 | -0.1 | -0.1 | |
| Private fixed investment | -0.7 | -0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 | 0.7 | 0.6 | 0.4 | |
| Change in private inventories | 1.3 | -0.6 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 | -0.1 | 0.2 | 0.1 | |
| Public demand | 0.1 | 0.1 | 0.0 | -0.0 | -0.1 | -0.0 | -0.0 | -0.0 | 0.1 | -0.1 | 0.2 | -0.0 | |
| Government final consumption | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.1 | 0.2 | |
| Public fixed investment | 0.0 | 0.1 | -0.0 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | 0.0 | -0.3 | 0.1 | -0.3 | |
| 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 | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.6 | 0.3 | -0.1 | 0.3 | |
| Exports of goods and services | -0.1 | 0.2 | 0.2 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 1.0 | 0.8 | 1.2 | 0.7 | |
| Imports of goods and services | 1.1 | -0.1 | -0.2 | -0.1 | -0.1 | -0.1 | -0.1 | -0.2 | -0.3 | -0.5 | -1.3 | -0.4 | |
| 2) Y/y % | | | | | | | | | | | | | |
| GDP growth rate | -0.3 | -1.3 | 0.1 | -0.7 | 1.6 | 2.5 | 1.9 | 1.5 | -0.5 | 1.8 | 0.2 | 1.3 | |
| Domestic demand | -0.3 | -1.6 | -0.9 | -1.8 | 1.3 | 2.2 | 1.5 | 1.2 | -1.2 | 1.6 | 0.3 | 0.9 | |
| Private demand | -0.4 | -1.8 | -0.9 | -2.0 | 1.2 | 2.3 | 1.7 | 1.5 | -1.3 | 1.7 | 0.1 | 1.0 | |
| Private consumption | -1.7 | -1.7 | -1.1 | -1.9 | 1.3 | 1.3 | 0.9 | 0.6 | -1.6 | 1.0 | -0.6 | 0.4 | |
| Residential investment | -0.1 | -0.4 | -0.4 | -0.4 | -0.1 | 0.1 | 0.1 | 0.1 | -0.3 | 0.1 | -0.1 | -0.1 | |
| Private fixed investment | 0.4 | 0.2 | 0.3 | -0.4 | 0.5 | 0.8 | 0.6 | 0.8 | 0.1 | 0.7 | 0.6 | 0.4 | |
| Change in private inventories | 1.1 | 0.2 | 0.3 | 0.7 | -0.4 | 0.1 | 0.1 | 0.0 | 0.5 | -0.1 | 0.2 | 0.1 | |
| Public demand | 0.1 | 0.2 | 0.0 | 0.2 | 0.1 | -0.1 | -0.2 | -0.2 | 0.1 | -0.1 | 0.2 | -0.0 | |
| Government final consumption | -0.0 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 | 0.2 | 0.1 | 0.2 | |
| Public fixed investment | 0.2 | 0.1 | -0.1 | -0.0 | -0.1 | -0.3 | -0.4 | -0.5 | 0.0 | -0.3 | 0.1 | -0.3 | |
| 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 | 0.3 | 1.0 | 0.9 | 0.3 | 0.2 | 0.2 | 0.3 | 0.6 | 0.3 | -0.1 | 0.3 | |
| Exports of goods and services | 0.9 | 1.2 | 1.3 | 0.5 | 0.8 | 0.8 | 0.8 | 0.9 | 1.0 | 0.8 | 1.2 | 0.7 | |
| Imports of goods and services | -1.1 | -0.9 | -0.3 | 0.5 | -0.5 | -0.6 | -0.5 | -0.6 | -0.3 | -0.5 | -1.3 | -0.4 | |

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

| | 2012 | | | 2013 | | | 2014 | | | FY | | CY | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--|
| | 4-6 | 7-9 | 10-12 | 1-3 | 4-6 | 7-9 | 10-12 | 1-3 | 2012 | 2013 | 2012 | 2013 | |
| 1) World economy | | | | | | | | | | | | | |
| Economic growth of major trading partners | | | | | | | | | | | | | |
| Y/y % | 2.8 | 2.9 | 3.6 | 2.6 | 2.9 | 3.2 | 3.6 | 3.3 | 3.2 | 3.2 | 3.3 | 3.1 | |
| Crude oil price (WTI futures; \$/bbl) | 93.4 | 92.2 | 88.2 | 94.4 | 94.2 | 105.8 | 97.6 | 98.6 | 92.0 | 99.1 | 94.1 | 98.0 | |
| Y/y % | -8.8 | 3.0 | -6.2 | -8.4 | 0.9 | 14.8 | 10.6 | 4.5 | -5.4 | 7.6 | -1.0 | 4.1 | |
| 2) US economy | | | | | | | | | | | | | |
| Real GDP (chained [2009]; \$ bil; SAAR) | 15,337 | 15,431 | 15,434 | 15,538 | 15,607 | 15,780 | 15,916 | 15,832 | 15,435 | 15,784 | 15,369 | 15,710 | |
| Q/q %, SAAR | 1.6 | 2.5 | 0.1 | 2.7 | 1.8 | 4.5 | 3.5 | -2.1 | | | | | |
| Y/y % | 2.3 | 2.7 | 1.6 | 1.7 | 1.8 | 2.3 | 3.1 | 1.9 | 2.1 | 2.3 | 2.3 | 2.2 | |
| Consumer Price Index (1982-84 avg=100) | 229.0 | 229.9 | 231.3 | 232.0 | 232.2 | 233.5 | 234.1 | 235.2 | 230.6 | 233.8 | 229.6 | 233.0 | |
| Q/q %, SAAR | 1.4 | 1.7 | 2.4 | 1.2 | 0.4 | 2.2 | 1.1 | 1.9 | | | | | |
| Y/y % | 1.9 | 1.7 | 1.9 | 1.7 | 1.4 | 1.6 | 1.2 | 1.4 | 1.8 | 1.4 | 2.1 | 1.5 | |
| Producer Price Index (Finished goods; 1982=100) | 192.8 | 194.7 | 195.9 | 196.3 | 195.8 | 196.9 | 197.5 | 199.4 | 194.9 | 197.4 | 194.2 | 196.6 | |
| Q/q %, SAAR | -1.4 | 3.9 | 2.5 | 0.9 | -1.0 | 2.3 | 1.1 | 4.0 | | | | | |
| Y/y % | 1.1 | 1.5 | 1.7 | 1.5 | 1.5 | 1.2 | 0.8 | 1.6 | 1.4 | 1.3 | 1.9 | 1.2 | |
| FF rate (%) | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | |
| (Target rate for the forecast period, end-period) | | | | | | | | | | | | | |
| Government bond yield (10 year; %) | 1.82 | 1.64 | 1.71 | 1.95 | 2.00 | 2.71 | 2.75 | 2.76 | 1.78 | 2.55 | 1.80 | 2.35 | |
| 3) Japanese economy | | | | | | | | | | | | | |
| Nominal government final consumption | | | | | | | | | | | | | |
| Y tril; SAAR | 96.3 | 96.8 | 97.6 | 99.3 | 98.6 | 98.5 | 98.8 | 99.4 | 97.5 | 98.8 | 97.1 | 98.8 | |
| Q/q %, SAAR | -7.1 | 2.3 | 3.1 | 7.3 | -2.9 | -0.2 | 1.0 | 2.4 | | | | | |
| Y/y % | 0.1 | 1.1 | 0.9 | 1.4 | 2.5 | 1.9 | 1.0 | 0.0 | 0.8 | 1.3 | 1.1 | 1.7 | |
| Nominal public fixed investment | | | | | | | | | | | | | |
| Y tril; SAAR | 21.2 | 20.5 | 20.5 | 21.6 | 22.3 | 23.6 | 24.2 | 23.7 | 21.0 | 23.6 | 21.0 | 23.0 | |
| Q/q %, SAAR | -7.7 | -12.8 | 1.1 | 22.9 | 12.4 | 26.5 | 10.2 | -8.6 | | | | | |
| Y/y % | -0.3 | -0.5 | 4.3 | -0.6 | 4.5 | 16.0 | 18.8 | 8.7 | 0.8 | 12.4 | 2.4 | 9.5 | |
| Exchange rate (Y/\$) | 80.1 | 78.6 | 81.2 | 92.3 | 98.8 | 98.9 | 100.4 | 102.8 | 83.1 | 100.2 | 79.8 | 97.6 | |
| (Y/€) | 101.2 | 98.2 | 108.2 | 122.0 | 129.6 | 130.7 | 139.9 | 140.3 | 107.4 | 135.1 | 103.5 | 130.6 | |
| 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: Due to rounding, figures may differ from those released by the government.

E: DIR estimate.

6.2 Major Assumptions

| | 2014 | | | 2015 | | | 2016 | | | FY | | CY | |
|--|--------|--------|--------------|------------|------------|------------|--------------|------------|-------------|-------------|-------------|-------------|--|
| | 4-6 | 7-9 | 10-12 (E) | 1-3 (E) | 4-6 (E) | 7-9 (E) | 10-12 (E) | 1-3 (E) | 2014 (E) | 2015 (E) | 2014 (E) | 2015 (E) | |
| 1) World economy | | | | | | | | | | | | | |
| Economic growth of major trading partners | | | | | | | | | | | | | |
| Y/y % | 3.3 | 3.3 | 3.0 | 3.7 | 3.7 | 3.7 | 3.8 | 3.8 | 3.4 | 3.7 | 3.2 | 3.7 | |
| Crude oil price (WTI futures; \$/bbl) | 103.0 | 97.2 | 75.0 | 70.0 | 70.0 | 70.0 | 70.0 | 70.0 | 86.3 | 70.0 | 93.5 | 70.0 | |
| Y/y % | 9.4 | -8.1 | -23.2 | -29.0 | -32.0 | -28.0 | -6.7 | 0.0 | -12.9 | -18.9 | -4.7 | -25.1 | |
| 2) US economy | | | | | | | | | | | | | |
| Real GDP (chained [2009]; \$ bil; SAAR) | 16,010 | 16,164 | 16,271 | 16,386 | 16,501 | 16,609 | 16,718 | 16,823 | 16,208 | 16,663 | 16,069 | 16,554 | |
| Q/q %, SAAR | 4.6 | 3.9 | 2.7 | 2.9 | 2.8 | 2.6 | 2.7 | 2.5 | | | | | |
| Y/y % | 2.6 | 2.4 | 2.2 | 3.5 | 3.1 | 2.8 | 2.7 | 2.7 | 2.7 | 2.8 | 2.3 | 3.0 | |
| Consumer Price Index (1982-84 avg=100) | 237.0 | 237.7 | 237.4 | 238.9 | 240.5 | 241.9 | 243.1 | 244.0 | 237.7 | 242.3 | 236.8 | 241.1 | |
| Q/q %, SAAR | 3.0 | 1.1 | -0.4 | 2.5 | 2.8 | 2.2 | 2.0 | 1.5 | | | | | |
| Y/y % | 2.1 | 1.8 | 1.4 | 1.5 | 1.5 | 1.8 | 2.4 | 2.1 | 1.7 | 1.9 | 1.7 | 1.8 | |
| Producer Price Index (Finished goods; 1982=100) | 201.3 | 201.7 | 199.5 | 201.7 | 203.4 | 204.9 | 205.3 | 206.6 | 201.1 | 205.1 | 200.5 | 203.8 | |
| Q/q %, SAAR | 3.9 | 0.7 | -4.2 | 4.4 | 3.5 | 2.9 | 0.8 | 2.5 | | | | | |
| Y/y % | 2.8 | 2.4 | 1.0 | 1.2 | 1.1 | 1.6 | 2.9 | 2.4 | 1.9 | 2.0 | 2.0 | 1.7 | |
| FF rate (%) (Target rate for the forecast period, end-period) | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.50 | 0.75 | 0.25 | 0.75 | 0.25 | 0.50 | |
| Government bond yield (10 year; %) | 2.62 | 2.50 | 2.41 | 2.55 | 2.77 | 2.93 | 3.09 | 3.30 | 2.52 | 3.02 | 2.57 | 2.84 | |
| 3) Japanese economy | | | | | | | | | | | | | |
| Nominal government final consumption | | | | | | | | | | | | | |
| Y tril; SAAR | 100.5 | 101.1 | 101.5 | 101.9 | 102.3 | 102.7 | 103.1 | 103.6 | 101.3 | 103.0 | 100.7 | 102.6 | |
| Q/q %, SAAR | 4.6 | 2.6 | 1.5 | 1.6 | 1.6 | 1.6 | 1.6 | 1.7 | | | | | |
| Y/y % | 2.0 | 2.8 | 2.9 | 2.6 | 1.8 | 1.5 | 1.5 | 1.6 | 2.6 | 1.6 | 2.0 | 1.8 | |
| Nominal public fixed investment | | | | | | | | | | | | | |
| Y tril; SAAR | 24.2 | 24.8 | 24.5 | 24.1 | 23.5 | 23.1 | 22.7 | 22.1 | 24.5 | 22.8 | 24.3 | 23.4 | |
| Q/q %, SAAR | 10.1 | 9.7 | -4.3 | -6.4 | -9.6 | -6.6 | -7.4 | -9.5 | | | | | |
| Y/y % | 8.3 | 5.9 | 0.9 | 2.3 | -2.7 | -7.1 | -7.3 | -8.4 | 3.8 | -6.7 | 5.6 | -3.6 | |
| Exchange rate (Y/\$) | 102.1 | 103.9 | 115.0 | 120.0 | 120.0 | 120.0 | 120.0 | 120.0 | 110.3 | 120.0 | 106.0 | 120.0 | |
| (Y/€) | 139.5 | 137.8 | 144.0 | 150.0 | 150.0 | 150.0 | 150.0 | 150.0 | 142.8 | 150.0 | 140.4 | 150.0 | |
| 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: Due to rounding, figures may differ from those released by the government.

E: DIR estimate.