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## Japan's Economic Outlook No. 185 Update (Summary)

### *Fed vs. ECB: Which Will Be More Influential?*

*In this report we examine the effects of unconventional monetary policies in Japan, the US and Europe.*

Japan to see real GDP growth of +2.0% in FY15 and +1.9% in FY16, with nominal GDP growth of +3.0% in FY15 and +2.3% in FY16.

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#### Main Points

- **Main economic scenario for Japan:** In light of the 2<sup>nd</sup> preliminary Jan-Mar 2015 GDP release (Cabinet Office), we have revised our economic growth outlook. We now forecast real GDP growth of +2.0% in comparison with the previous year for FY15 (+1.7% in the previous forecast) and +1.9% in comparison with the previous year for FY16 (+1.8% in the previous forecast). 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.
- **Real GDP growth rate revised upwards from 1<sup>st</sup> preliminary report:** The real GDP growth rate for Jan-Mar 2015 (2<sup>nd</sup> preliminary est) was revised upwards to +3.9% q/q annualized (+1.0% q/q) in comparison to the 1<sup>st</sup> preliminary report (+2.4% q/q annualized and +0.6% q/q). This is the second consecutive quarter of growth in real GDP, and like the 1<sup>st</sup> preliminary report, reconfirms that the economy is back on track and in a moderate growth phase. Performance exceeded market consensus (+2.8% q/q annualized), while inventory investment was revised upwards beyond expectations, despite the original outlook expecting a downward revision. Meanwhile, capex performance was revised significantly upwards in comparison with the 1<sup>st</sup> preliminary, and as will be covered in more detail later in this report, figures for the Jul-Sep 2014 and Oct-Dec 2014 periods were also revised upwards.
- **Upward revision of capex and inventory investment increase overall result:** Performance by demand component in the revised Jan-Mar 2015 results features upward revisions for capex and inventory investment, which have pushed up overall results. Capex was up by

+2.7% in response to corporate statistics, a major upward revision from the 1<sup>st</sup> preliminary result of +0.4%. Seasonal adjustment of the capex results also brought an upward revision of the figures for the Jul-Sep 2014 and Oct-Dec 2014 periods. On the 1<sup>st</sup> preliminary report capex grew for the first time in four quarters (since the Jan-Mar period of 2014), while on the 2<sup>nd</sup> preliminary report, figures for the Jul-Sep 2014 and Oct-Dec 2014 periods were also revised upwards, now making this the third consecutive quarter of capex growth. Until now, the recovery in capex had been seen as lagging, but with these new results, capex can be assessed as being in a gradual comeback. Based on corporate statistics, results of both the manufacturing and non-manufacturing sectors contributed to growth.

As for inventory investment, positive contribution increased by +0.6%pt q/q in comparison to the 1<sup>st</sup> preliminary result of +0.5%pt, a completely unexpected upward revision, which helped to push up the overall GDP growth rate. It should be noted, however, that inventory investment may receive downward pressure in the future due to expected inventory adjustment. But when we consider the fact that both personal consumption and capex are more influenced by final demand, growth in this area suggests that there is no need to be overly pessimistic.

Meanwhile, housing investment and public investment were revised downwards just slightly, but their influence on overall GDP was limited. Personal consumption, government consumption, exports and imports were flat in comparison to the 1<sup>st</sup> preliminary report.

- **Economic recovery confirmed by two important aspects of domestic demand:** Trends by source of demand according to the results of the 2<sup>nd</sup> preliminary GDP report for the Jan-Mar period show personal consumption up +0.4% q/q (the same as on the 1<sup>st</sup> preliminary report), its third consecutive quarter of growth, continuing in a moderate growth trend. Real employee compensation in macro terms was up by +0.6% q/q for the third consecutive quarter (here also the same as on the 1<sup>st</sup> preliminary report), due to improvements in household employment and income environments, and contributing also to growth in personal consumption. The firm undertone continued thanks to gains in all personal consumption sectors, including goods and services.

Housing investment grew for the first time in four quarters at +1.7% (+1.8% on the 1<sup>st</sup> preliminary). Looking at the trend in new housing starts, a leading indicator for housing investment as a portion of GDP, pressures stemming from the reactionary decline after last year's consumption tax increase appear to be gradually easing up, and the employment and income environment affecting households is improving, while interest on housing loans is at a low. This represents a comeback since the Oct-Dec period of 2014. Housing investment and housing starts are recorded on a progressive basis, hence there is a lag in their performance, and only now do we see that housing investment has hit bottom with a shift into a growth trend seen after the Jan-Mar 2015 period.

Capex grew by +2.7% q/q (+0.4% on the 1<sup>st</sup> preliminary) exhibiting growth for the third consecutive quarter, exhibiting a moderate comeback in average terms. The sense of overcapacity is easing up amongst corporations and is being replaced by a sense of under-capacity. Improvements can be seen in corporate earnings due to the weak yen and a recovering domestic economy, and this should provide underlying support for capex spending in the future.

Public investment was down by -1.5% q/q (-1.4% on the 1<sup>st</sup> preliminary). Front-loading the FY2013 supplementary budget and the FY2014 budget helped to accelerate public investment all the way through the Oct-Dec 2014 period, but the positive effect now run its course, leading to the first decline in four quarters.

Exports grew for the third consecutive quarter at +2.4% q/q (the same as on the 1<sup>st</sup> preliminary report). Exports to the US and EU helped to push overall figures up, while imports also managed a comeback at +2.9% q/q (the same as on the 1<sup>st</sup> preliminary report) thanks to a comeback in domestic demand. Growth in imports brought downward pressure on overseas demand (net exports) causing a slight decline at -0.2%pt q/q (unchanged from the 1<sup>st</sup> preliminary). Though small, this was the first time in four quarters that overseas demand declined.

- **Japan's economy expected to continue expanding:** Japan's economy is expected to continue growing at a moderate pace in the future. We expect real GDP to continue this growth trend. We also see personal consumption continuing in a moderate growth trend, and capex to move unambiguously toward a comeback.

As for personal consumption, the positive environment for households in the areas of employment and income is expected to lead to an improvement in the propensity to consume, and this will be the major impetus in the continuation of the growth trend. According to the Keidanren survey (preliminary results), wages are expected to grow around +0.7% y/y due to this year's pay scale increase, pushing revised pension amounts for FY2015 up +0.9% as compared to -0.7% in FY2014. With improvements in corporate earnings, summer bonuses are expected to grow for the third year in a row, bringing another plus factor into the mix. This is expected to begin showing up in increases in household disposable income by around May and promises to become a factor in increasing personal consumption a little further up the road. Meanwhile, the price of crude oil, which has experienced steep declines since the summer of 2014 is expected to continue at a low in the immediate future. There tends to be a time lag in the effects of this phenomenon, meaning that the consumer price will see downward pressure and real household wages will get a boost. Personal consumption should also increase as a side effect. Meanwhile, housing investment is expected to be free of the effects of the reactionary decline after the increase in consumption tax last year, and backed by improvements in the employment and income environment, is expected to move toward a moderate recovery now that housing starts, a leading indicator, are clearly making a comeback.

As for capex, a moderately paced comeback is expected. Machinery orders, another leading indicator, are expected to continue in a growth trend, while the BOJ Tankan indicates that capex activities are reflecting a steady undertone. Both non-manufacturing, which has reflected a growing sense of deficiency in capex for some time now, and the manufacturing sector will continue to be relieved of any sense of surplus in capex, and this should encourage more capex related demand in the future. Meanwhile, as the yen continues to be weak, some manufacturers appear to be increasing the percentage of their domestic production, while improvements in corporate earnings due to the major decline in the price of crude oil should also become a factor encouraging an increase in capex spending. Moreover, considering the increase in personal consumption and exports, moderate growth in production and capacity utilization is seen despite some weakness seen in this area.

As for exports, moderate growth is seen continuing as overseas economies gradually recover. As for the US economy, the real GDP growth rate experienced a slowdown during the Jan-Mar 2015 period, though certain negative factors, such as the effects of bad weather on the winter period and the collapse in the price of natural resources, as well as the west coast port strike, are easing up somewhat, while the expected increase in interest rates will be moderate, the economy is now expected to pull off a sure recovery after the Apr-Jun period. The recovery in the US economy is expected to help not only Japan's exports to the US, but exports of Japanese intermediate goods to Asia since the US is the location of final demand for many goods. Europe's economy is expected to move gradually toward a comeback due to the effects of quantitative easing (QE) on the part of the ECB, and so Japan's exports are seen continuing favorably. As for China, whose economy has experienced slower growth recently, positive factors are now developing including the People's Bank of China showing stronger interest in monetary easing, and bringing expectations that moderate growth can be maintained on into the future and that the economy's back will not be broken due to recent developments.

- **Three issues facing Japan's economy:** In this report we examine the following three issues facing Japan's economy. (1) The effects of unconventional monetary policies in Japan, the US, and Europe, (2) Influence of the Fed vs. the ECB, and (3) The future of wages and capex spending in light of the distribution of corporate profits.
- **Issue (1) The effects of unconventional monetary policies in Japan, the US, and Europe:** In this section we compare the effects of unconventional monetary policies implemented by central banks in Japan, the US, and Europe. We provide a general overview of unconventional monetary policies, while considering what the implications for the future might be. The data indicates that the Fed's LSAP series was especially effective in improving the real economy. LSAP in the US was followed by growth in stock prices, as well as a major asset effect due to the high shareholding ratio of households in comparison to other countries. This in turn led to major growth in personal consumption. Meanwhile, the BOJ's QQE I had a major effect on CPI. The BOJ's monetary policy has not had a great effect on the real economy, but the realization of a major depreciation in Japan's currency has provided strong upward pressure on CPI.
- **Issue (2) Which will be more influential? The Fed or the ECB?:** There are fears that when the US raises federal fund rates this will have a negative effect on the world economy. Meanwhile, there are hopes that the ECB's quantitative monetary easing will provide underlying support for the world economy. Our estimates using the DIR macro model indicate that the Fed's actions will carry a stronger influence on both world economy and Japan's economy than will the ECB's. However, as long as the Fed raises interest rates at a pace which carries a neutral effect on the US economy, no major fears are needed. Meanwhile, improvement in the balance sheets of the emerging nations has brought a reduction in risk of a currency crisis. The biggest tail risk is the possibility of the collapse of China's economic bubble in association with the raising of US interest rates. China's monetary easing measures will provide underlying support to a certain extent, but doing what is necessary to resolve the intrinsic problems in that economy is being delayed. Therefore an amplified margin of correction will be unavoidable in the future.

- **Issue (3) Future of wages and capex spending in light of distribution of corporate profits:** Corporate earnings continue to progress at a high level, bringing increasing focus on what corporations plan to do to distribute the newly acquired wealth as a means of moving Japan's economy closer to a virtuous circle. Here we consider the future of wages and capex spending from the viewpoint of distribution of corporate profits. Small businesses in the non-manufacturing sector, where the labor shortage is strongly felt and labor's relative share is on the high side, the growth in personnel expenses is bringing pressure on earnings, and there is a strong possibility that this will inhibit capex spending. Our outlook for Japan's economy sees rising operating rates associated with rising operating rates and a continuation of the trend toward expansion in corporate earnings, leading in turn toward a continuation of the growth trend in capex spending as seen on the macro level. However, it should be noted that this trend will be centered for the most part on large corporations in the manufacturing sector.
- **Four 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 due to loss of fiscal discipline, (2) The danger of China's economic bubble collapsing, (3) tumult in the economies of emerging nations in response to the US exit strategy, and (4) a worldwide decline in stock values due to geopolitical risk.
- **BOJ's monetary policy:** Our current outlook is that it will be difficult for the BOJ to reach its target growth rate in consumer price of 2%. We expect additional monetary easing measures by the BOJ to take place at the beginning of fall in 2015.

## Main Economic Indicators and Real GDP Components

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	FY14	FY15 (Estimate)	FY16 (Estimate)	CY14	CY15 (Estimate)	CY16 (Estimate)
<b>Main economic indicators</b>						
Nominal GDP (y/y %)	1.6	3.0	2.3	1.6	3.1	2.2
Real GDP (chained [2005]; y/y %)	-0.9	2.0	1.9	-0.1	1.3	1.8
Domestic demand (contribution, % pt)	-1.5	1.5	1.7	-0.1	0.7	1.6
Foreign demand (contribution, % pt)	0.6	0.6	0.2	0.0	0.6	0.2
GDP deflator (y/y %)	2.5	1.0	0.4	1.7	1.9	0.3
Index of All-industry Activity (y/y %)*	-1.5	1.5	2.4	-0.3	0.7	1.9
Index of Industrial Production (y/y %)	-0.3	1.0	4.7	2.1	0.2	3.4
Index of Tertiary Industry Activity (y/y %)	-1.7	2.1	1.9	-0.8	1.3	1.6
Corporate Goods Price Index (y/y %)	2.8	-1.3	0.9	3.2	-1.5	1.0
Consumer Price Index (excl. fresh food; y/y %)	2.8	0.4	1.1	2.6	0.6	1.0
Unemployment rate (%)	3.6	3.3	3.1	3.6	3.4	3.2
Government bond yield (10 year; %)	0.46	0.47	0.70	0.53	0.42	0.64
Money stock; M2 (end-period; y/y %)	3.3	3.4	4.0	3.4	3.4	3.9
Balance of payments						
Trade balance (Y tril)	-6.5	0.1	0.1	-10.4	0.1	0.5
Current balance (\$100 mil)	673	1,370	1,435	250	1,331	1,446
Current balance (Y tril)	7.7	17.0	17.9	2.6	16.3	18.1
(% of nominal GDP)	1.6	3.4	3.5	0.5	3.3	3.5
<b>Real GDP components</b> (Chained [2005]; y/y %; figures in parentheses: contribution, % pt)						
Private final consumption	-3.1 (-1.9)	1.6 ( 1.0)	1.5 ( 0.9)	-1.3 (-0.8)	0.2 ( 0.1)	1.3 ( 0.7)
Private housing investment	-11.7 (-0.4)	1.7 ( 0.0)	5.9 ( 0.1)	-5.1 (-0.2)	-3.4 (-0.1)	4.8 ( 0.1)
Private fixed investment	0.4 ( 0.1)	4.9 ( 0.7)	5.5 ( 0.8)	3.9 ( 0.5)	3.1 ( 0.4)	5.0 ( 0.7)
Government final consumption	0.4 ( 0.1)	0.8 ( 0.2)	1.0 ( 0.2)	0.2 ( 0.1)	0.8 ( 0.2)	1.0 ( 0.2)
Public fixed investment	2.0 ( 0.1)	-5.8 (-0.3)	-4.9 (-0.2)	3.8 ( 0.2)	-3.9 (-0.2)	-5.4 (-0.3)
Exports of goods and services	8.0 ( 1.3)	8.0 ( 1.4)	5.7 ( 1.0)	8.4 ( 1.4)	8.3 ( 1.5)	5.8 ( 1.1)
Imports of goods and services	3.7 (-0.7)	5.3 (-0.8)	5.3 (-0.8)	7.4 (-1.4)	4.3 (-0.9)	4.6 (-0.9)
<b>Major assumptions:</b>						
<b>1. World economy</b>						
Economic growth of major trading partners	3.3	3.2	3.5	3.3	3.2	3.5
Crude oil price (WTI futures; \$/bbl)	80.5	59.9	63.8	92.9	56.7	62.9
<b>2. US economy</b>						
US real GDP (chained [2009]; y/y %)	2.6	2.2	2.7	2.4	2.2	2.7
US Consumer Price Index (y/y %)	1.3	1.1	1.7	1.6	0.5	1.9
<b>3. Japanese economy</b>						
Nominal public fixed investment (y/y %)	5.1	-5.1	-3.7	6.8	-2.8	-4.3
Exchange rate (Y/\$)	109.9	124.2	125.0	105.8	122.7	125.0
(Y/€)	138.4	137.3	138.0	140.3	136.0	138.0
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 185 update)		Previous outlook (Outlook185)		Difference between previous and current outlooks	
	FY15	FY16	FY15	FY16	FY15	FY16
<b>Main economic indicators</b>						
Nominal GDP (y/y %)	3.0	2.3	2.6	2.2	0.4	0.1
Real GDP (chained [2005]; y/y %)	2.0	1.9	1.7	1.8	0.3	0.1
Domestic demand (contribution, % pt)	1.5	1.7	1.2	1.6	0.3	0.1
Foreign demand (contribution, % pt)	0.6	0.2	0.6	0.2	-0.0	-0.0
GDP deflator (y/y %)	1.0	0.4	0.9	0.4	0.1	0.0
Index of All-industry Activity (y/y %)*	1.5	2.4	1.7	2.5	-0.2	-0.0
Index of Industrial Production (y/y %)	1.0	4.7	1.9	4.9	-0.9	-0.2
Index of Tertiary Industry Activity (y/y %)	2.1	1.9	2.1	1.9	0.0	0.0
Corporate Goods Price Index (y/y %)	-1.3	0.9	-1.3	0.9	0.0	0.0
Consumer Price Index (excl. fresh food; y/y %)	0.4	1.1	0.4	1.1	0.0	0.0
Unemployment rate (%)	3.3	3.1	3.3	3.1	0.0	0.0
Government bond yield (10 year; %)	0.47	0.70	0.47	0.70	0.00	0.00
Money stock; M2 (end-period; y/y %)	3.4	4.0	3.4	4.0	0.0	0.0
Balance of payments						
Trade balance (Y tril)	0.1	0.1	0.1	0.1	0.0	0.0
Current balance (\$100 mil)	1,370	1,435	1,419	1,495	-49	-60
Current balance (Y tril)	17.0	17.9	17.0	17.9	0.0	0.0
(% of nominal GDP)	3.4	3.5	3.4	3.5	-0.0	-0.0
<b>Real GDP components (chained [2005]; y/y %)</b>						
Private final consumption	1.6	1.5	1.7	1.4	-0.1	0.1
Private housing investment	1.7	5.9	1.8	5.9	-0.1	-0.0
Private fixed investment	4.9	5.5	3.0	5.5	1.9	0.0
Government final consumption	0.8	1.0	0.9	1.0	-0.0	-0.0
Public fixed investment	-5.8	-4.9	-6.0	-4.9	0.1	-0.0
Exports of goods and services	8.0	5.7	8.0	5.7	-0.0	-0.0
Imports of goods and services	5.3	5.3	5.3	5.3	0.0	0.0
<b>Major assumptions:</b>						
1. World economy						
Economic growth of major trading partners	3.2	3.5	3.4	3.5	-0.2	-0.0
Crude oil price (WTI futures; \$/bbl)	59.9	63.8	60.2	63.8	-0.2	0.0
2. US economy						
US real GDP (chained [2009]; y/y %)	2.2	2.7	2.2	2.7	-0.0	-0.0
US Consumer Price Index (y/y %)	1.1	1.7	0.6	1.9	0.5	-0.2
3. Japanese economy						
Nominal public fixed investment (y/y %)	-5.1	-3.7	-5.2	-3.7	0.1	-0.0
Exchange rate (Y/\$)	124.2	125.0	119.9	120.0	4.3	5.0
(Y/€)	137.3	138.0	134.8	135.0	2.5	3.0
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

	2013			2014			2015			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2013	2014	2013	2014	
Nominal GDP (SAAR; Y tril)	479.5	481.9	481.6	488.0	488.3	485.0	488.8	499.9	483.1	490.6	480.1	487.6	
Q/q %	0.3	0.5	-0.1	1.3	0.1	-0.7	0.8	2.3					
Q/q %, SAAR	1.3	1.9	-0.3	5.5	0.2	-2.7	3.1	9.4					
Y/y %	0.8	1.9	2.0	2.5	1.8	0.6	1.4	2.5	1.8	1.6	1.0	1.6	
Real GDP (chained [2005]; SAAR; Y tril)	527.5	530.1	528.9	534.7	525.3	522.8	524.4	529.5	530.6	525.7	527.5	526.9	
Q/q %	0.7	0.5	-0.2	1.1	-1.7	-0.5	0.3	1.0					
Q/q %, SAAR	2.9	2.0	-0.9	4.4	-6.8	-2.0	1.2	3.9					
Y/y %	1.4	2.2	2.3	2.4	-0.4	-1.4	-1.0	-0.9	2.1	-0.9	1.6	-0.1	
Contribution to GDP growth (% pt)													
Domestic demand	0.7	0.9	0.3	1.4	-2.8	-0.5	0.0	1.1	2.6	-1.5	1.9	-0.1	
Foreign demand	0.0	-0.4	-0.5	-0.3	1.1	0.1	0.3	-0.2	-0.5	0.6	-0.3	0.0	
GDP deflator (y/y %)	-0.6	-0.3	-0.3	0.1	2.2	2.1	2.4	3.4	-0.3	2.5	-0.6	1.7	
Index of All-Industry Activity (2005=100)	97.1	97.6	97.9	99.3	95.7	96.1	97.1	97.4	98.0	96.6	97.3	97.0	
Q/q %; y/y %	0.6	0.5	0.3	1.4	-3.7	0.4	1.1	0.3	1.9	-1.5	0.8	-0.3	
Index of Industrial Production (2010=100)	96.1	97.8	99.6	101.9	98.8	97.4	98.2	99.7	98.9	98.6	97.0	99.0	
Q/q %; y/y %	1.6	1.7	1.8	2.3	-3.1	-1.3	0.8	1.6	3.3	-0.3	-0.8	2.1	
Index of Tertiary Industry Activity (2005=100)	100.1	100.2	100.0	101.6	97.6	98.3	99.3	100.0	100.5	98.8	100.0	99.2	
Q/q %; y/y %	0.4	0.0	-0.2	1.6	-3.9	0.7	1.0	0.8	1.3	-1.7	0.7	-0.8	
Corporate Goods Price Index components (2010=100)													
Domestic Company Goods Price Index	101.6	102.4	102.6	102.9	106.0	106.5	105.1	103.3	102.4	105.3	101.9	105.1	
Y/y %	0.6	2.2	2.5	2.0	4.4	4.0	2.5	0.5	1.8	2.8	1.3	3.2	
CPI (excl. fresh food; 2010=100)	99.9	100.3	100.7	100.6	103.3	103.5	103.4	102.7	100.4	103.2	100.1	102.7	
Y/y %	0.0	0.7	1.1	1.3	3.3	3.2	2.7	2.1	0.8	2.8	0.4	2.6	
Unemployment rate (%)	4.0	4.0	3.9	3.6	3.6	3.6	3.5	3.5	3.9	3.6	4.0	3.6	
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	
Government bond yield (10 year; %)	0.77	0.73	0.64	0.61	0.59	0.52	0.40	0.34	0.69	0.46	0.70	0.53	
Money stock; M2 (y/y %)	3.5	3.8	4.2	3.9	3.2	3.0	3.5	3.5	3.9	3.3	3.6	3.4	
Trade balance (SAAR; Y tril)	-6.0	-9.3	-11.7	-15.8	-8.4	-10.6	-7.4	0.3	-11.0	-6.5	-8.8	-10.4	
Current balance (SAAR; \$100 mil)	967	315	-96	-518	313	193	931	1,254	147	673	403	250	
Current balance (SAAR; Y tril)	9.6	3.1	-1.0	-5.3	3.2	2.0	10.7	14.9	1.5	7.7	3.9	2.6	
(% of nominal GDP)	2.0	0.6	-0.2	-1.1	0.7	0.4	2.2	3.0	0.3	1.6	0.8	0.5	
Exchange rate (Y/\$)	98.8	98.9	100.4	102.8	102.1	103.9	114.5	119.1	100.2	109.9	97.6	105.8	
(Y/Euro)	129.6	130.7	139.9	140.3	139.5	137.8	143.8	132.6	135.1	138.4	130.6	140.3	

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

	2015			2016			2017		FY		CY	
	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	2015 (E)	2016 (E)	2015 (E)	2016 (E)
Nominal GDP (SAAR; Y tril)	500.4	503.5	506.2	509.0	511.7	515.2	518.2	520.9	505.1	516.7	502.9	513.8
Q/q %	0.1	0.6	0.5	0.5	0.5	0.7	0.6	0.5				
Q/q %, SAAR	0.5	2.5	2.2	2.2	2.2	2.8	2.3	2.1				
Y/y %	2.5	3.9	3.6	1.8	2.2	2.3	2.3	2.4	3.0	2.3	3.1	2.2
Real GDP (chained [2005]; SAAR; Y tril)	531.6	534.7	537.1	539.3	541.5	544.3	546.8	550.4	536.0	546.0	533.6	543.2
Q/q %	0.4	0.6	0.4	0.4	0.4	0.5	0.5	0.6				
Q/q %, SAAR	1.6	2.4	1.8	1.7	1.6	2.0	1.9	2.6				
Y/y %	1.2	2.3	2.5	1.8	1.9	1.8	1.8	2.1	2.0	1.9	1.3	1.8
Contribution to GDP growth (% pt)												
Domestic demand	0.1	0.5	0.4	0.3	0.3	0.4	0.4	0.8	1.5	1.7	0.7	1.6
Foreign demand	0.3	0.1	0.1	0.1	0.1	0.1	0.1	-0.2	0.6	0.2	0.6	0.2
GDP deflator (y/y %)	1.3	1.5	1.1	-0.0	0.4	0.5	0.5	0.3	1.0	0.4	1.9	0.3
Index of All-Industry Activity (2005=100)	97.5	97.8	98.2	98.7	99.3	99.9	100.5	102.1	98.1	100.5	97.7	99.6
Q/q %; y/y %	0.1	0.3	0.5	0.5	0.6	0.6	0.6	1.5	1.5	2.4	0.7	1.9
Index of Industrial Production (2010=100)	98.8	98.9	99.8	100.8	101.9	103.3	104.8	107.1	99.6	104.4	99.2	102.6
Q/q %; y/y %	-0.9	0.1	0.9	1.0	1.2	1.3	1.5	2.1	1.0	4.7	0.2	3.4
Index of Tertiary Industry Activity (2005=100)	100.4	100.7	101.1	101.5	101.9	102.3	102.8	104.2	100.9	102.8	100.5	102.1
Q/q %; y/y %	0.3	0.3	0.4	0.4	0.4	0.4	0.4	1.4	2.1	1.9	1.3	1.6
Corporate Goods Price Index components (2010=100)												
Domestic Company Goods Price Index	103.3	103.6	104.0	104.3	104.6	104.8	104.9	105.0	103.8	104.8	103.6	104.6
Y/y %	-2.5	-2.7	-1.0	1.0	1.2	1.1	0.8	0.6	-1.3	0.9	-1.5	1.0
CPI (excl. fresh food; 2010=100)	103.3	103.5	103.8	103.7	104.3	104.6	105.0	104.9	103.6	104.7	103.3	104.4
Y/y %	0.1	0.0	0.4	1.0	0.9	1.1	1.1	1.1	0.4	1.1	0.6	1.0
Unemployment rate (%)	3.4	3.3	3.3	3.2	3.2	3.2	3.1	3.1	3.3	3.1	3.4	3.2
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; %)	0.40	0.44	0.49	0.55	0.61	0.67	0.73	0.80	0.47	0.70	0.42	0.64
Money stock; M2 (y/y %)	3.2	3.4	3.5	3.6	3.8	3.9	4.2	4.1	3.4	4.0	3.4	3.9
Trade balance (SAAR; Y tril)	-0.2	-0.0	0.1	0.5	0.4	0.4	0.5	-0.9	0.1	0.1	0.1	0.5
Current balance (SAAR; \$100 mil)	1350	1345	1377	1407	1436	1461	1481	1361	1370	1435	1331	1446
Current balance (SAAR; Y tril)	16.4	16.8	17.2	17.6	17.9	18.3	18.5	17.0	17.0	17.9	16.3	18.1
(% of nominal GDP)	3.3	3.3	3.4	3.5	3.5	3.5	3.6	3.3	3.4	3.5	3.3	3.5
Exchange rate (Y/\$)	121.7	125.0	125.0	125.0	125.0	125.0	125.0	125.0	124.2	125.0	122.7	125.0
(Y/Euro)	135.3	138.0	138.0	138.0	138.0	138.0	138.0	138.0	137.3	138.0	136.0	138.0

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)

	2013			2014			2015			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2013	2014	2013	2014	
Gross domestic expenditure	527.5	530.1	528.9	534.7	525.3	522.8	524.4	529.5	530.6	525.7	527.5	526.9	
Q/q %, SAAR	2.9	2.0	-0.9	4.4	-6.8	-2.0	1.2	3.9					
Y/y %	1.4	2.2	2.3	2.4	-0.4	-1.4	-1.0	-0.9	2.1	-0.9	1.6	-0.1	
Domestic demand	518.3	522.5	524.1	531.6	516.5	514.2	514.5	520.1	524.5	516.5	519.9	519.4	
Q/q %, SAAR	2.7	3.3	1.2	5.9	-10.9	-1.8	0.3	4.4					
Y/y %	1.5	2.2	2.7	3.6	-0.4	-1.7	-1.9	-2.1	2.5	-1.5	1.9	-0.1	
Private demand	394.6	397.9	399.2	407.2	391.6	388.7	388.9	394.7	400.0	391.1	395.9	394.2	
Q/q %, SAAR	2.2	3.4	1.3	8.3	-14.4	-2.9	0.1	6.1					
Y/y %	1.2	1.8	2.3	4.3	-0.7	-2.4	-2.8	-3.0	2.4	-2.2	1.6	-0.4	
Final consumption	314.9	316.0	315.4	322.1	305.6	306.7	307.8	308.9	317.2	307.3	314.6	310.6	
Q/q %, SAAR	3.5	1.4	-0.6	8.7	-19.0	1.4	1.5	1.5					
Y/y %	1.9	2.3	2.3	3.4	-2.9	-3.0	-2.4	-4.1	2.5	-3.1	2.1	-1.3	
Residential investment	14.2	14.8	15.2	15.5	13.9	13.0	12.9	13.1	15.0	13.2	14.5	13.8	
Q/q %, SAAR	6.3	19.8	12.3	8.3	-36.6	-23.3	-2.5	7.0					
Y/y %	6.6	8.3	10.2	11.9	-2.0	-12.4	-15.5	-15.4	9.3	-11.7	8.8	-5.1	
Non-residential investment	69.5	70.1	71.1	74.7	71.1	71.2	71.4	73.3	71.5	71.8	69.5	72.2	
Q/q %, SAAR	10.8	3.4	6.2	21.9	-17.9	0.3	1.0	11.0					
Y/y %	-0.2	1.2	3.0	10.8	2.4	1.4	0.2	-1.6	4.0	0.4	0.4	3.9	
Change in inventories	-3.9	-2.9	-2.6	-5.2	1.0	-2.1	-3.2	-0.7	-3.7	-1.3	-2.7	-2.4	
Public demand	123.7	124.6	124.8	124.4	124.9	125.4	125.7	125.4	124.5	125.4	124.0	125.2	
Q/q %, SAAR	4.6	3.0	0.7	-1.5	1.6	1.8	0.7	-0.8					
Y/y %	2.7	3.8	4.2	1.6	0.6	0.7	0.8	0.7	3.1	0.7	2.9	0.9	
Government final consumption	102.2	102.1	102.2	101.9	102.2	102.4	102.7	102.8	102.2	102.6	102.1	102.3	
Q/q %, SAAR	2.5	-0.3	0.2	-1.1	1.2	0.8	1.1	0.3					
Y/y %	2.6	2.0	1.5	0.2	-0.0	0.3	0.5	0.8	1.6	0.4	1.9	0.2	
Fixed investment	21.5	22.6	22.6	22.4	22.6	23.0	23.0	22.6	22.4	22.8	22.0	22.8	
Q/q %, SAAR	12.3	22.1	0.6	-3.5	2.9	6.6	0.4	-5.9					
Y/y %	3.6	14.1	16.1	6.6	4.4	2.0	2.3	0.2	10.3	2.0	8.0	3.8	
Change in inventories	0.0	-0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	-0.0	0.0	
Net exports of goods and services	9.7	8.0	5.7	5.7	10.0	10.5	12.3	12.1	7.3	11.2	8.1	9.6	
Exports of goods and services	83.9	83.6	83.7	88.8	88.8	90.2	93.1	95.3	85.0	91.9	83.2	90.2	
Q/q %, SAAR	12.5	-1.5	0.3	26.8	-0.1	6.5	13.5	9.9					
Y/y %	-0.6	2.6	6.8	9.1	5.7	7.7	11.3	7.4	4.4	8.0	1.2	8.4	
Imports of goods and services	74.2	75.6	78.0	83.1	78.8	79.7	80.8	83.2	77.8	80.6	75.1	80.6	
Q/q %, SAAR	10.1	7.6	13.1	29.3	-19.3	4.3	5.8	12.2					
Y/y %	0.5	2.9	8.9	14.8	6.0	5.2	3.8	0.0	6.7	3.7	3.1	7.4	

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)

	2015			2016			2017		FY		CY	
	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	2015 (E)	2016 (E)	2015 (E)	2016 (E)
Gross domestic expenditure	531.6	534.7	537.1	539.3	541.5	544.3	546.8	550.4	536.0	546.0	533.6	543.2
Q/q %, SAAR	1.6	2.4	1.8	1.7	1.6	2.0	1.9	2.6				
Y/y %	1.2	2.3	2.5	1.8	1.9	1.8	1.8	2.1	2.0	1.9	1.3	1.8
Domestic demand	520.8	523.4	525.4	527.2	529.0	531.4	533.7	538.3	524.4	533.3	522.6	530.4
Q/q %, SAAR	0.6	1.9	1.5	1.4	1.4	1.8	1.7	3.5				
Y/y %	0.8	1.8	2.0	1.4	1.6	1.6	1.5	2.2	1.5	1.7	0.6	1.5
Private demand	395.8	398.4	400.5	402.3	404.2	406.5	408.7	413.3	399.5	408.4	397.5	405.4
Q/q %, SAAR	1.2	2.7	2.1	1.8	1.8	2.4	2.2	4.5				
Y/y %	1.0	2.5	3.0	2.0	2.1	2.0	1.9	2.9	2.1	2.2	0.8	2.0
Final consumption	310.3	312.0	313.0	313.8	314.4	315.3	316.6	321.4	312.4	317.0	311.2	315.1
Q/q %, SAAR	1.8	2.2	1.4	1.0	0.8	1.1	1.7	6.1				
Y/y %	1.5	1.8	1.7	1.6	1.3	1.0	1.1	2.4	1.6	1.5	0.2	1.3
Residential investment	13.3	13.4	13.5	13.5	13.7	14.2	14.4	14.6	13.4	14.2	13.3	14.0
Q/q %, SAAR	4.9	3.6	2.0	2.4	5.3	13.4	7.0	4.5				
Y/y %	-4.3	3.3	4.5	3.1	3.3	5.7	6.9	7.6	1.7	5.9	-3.4	4.8
Non-residential investment	73.9	74.7	75.7	76.7	77.7	78.7	79.8	81.2	75.4	79.5	74.4	78.2
Q/q %, SAAR	3.6	4.5	5.1	5.3	5.5	5.6	5.7	7.0				
Y/y %	3.9	5.1	6.1	4.5	5.1	5.3	5.5	6.0	4.9	5.5	3.1	5.0
Change in inventories	-1.7	-1.7	-1.7	-1.7	-1.7	-1.7	-2.2	-3.9	-1.7	-2.4	-1.4	-1.8
Public demand	125.0	124.9	124.9	124.9	124.9	124.9	124.9	125.0	124.9	124.9	125.1	125.0
Q/q %, SAAR	-1.3	-0.3	-0.2	0.1	-0.0	0.1	0.2	0.2				
Y/y %	0.3	-0.4	-0.9	-0.5	0.1	0.1	-0.0	-0.0	-0.4	0.0	-0.1	-0.1
Government final consumption	103.0	103.2	103.5	103.8	104.0	104.3	104.6	104.9	103.4	104.5	103.2	104.2
Q/q %, SAAR	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1				
Y/y %	0.8	0.8	0.8	1.0	1.0	1.0	1.1	1.1	0.8	1.0	0.8	1.0
Fixed investment	22.0	21.7	21.3	21.1	20.8	20.6	20.3	20.1	21.5	20.4	21.9	20.7
Q/q %, SAAR	-10.7	-6.0	-5.7	-4.5	-5.3	-4.7	-4.1	-4.2				
Y/y %	-2.3	-5.8	-7.4	-6.4	-5.6	-5.0	-4.5	-4.8	-5.8	-4.9	-3.9	-5.4
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	13.5	14.1	14.5	14.9	15.3	15.6	15.9	14.8	14.3	15.4	13.6	15.4
Exports of goods and services	96.7	98.6	100.0	101.3	102.6	104.0	105.5	107.0	99.2	104.8	97.7	103.4
Q/q %, SAAR	6.1	7.8	6.1	5.1	5.3	5.6	5.7	5.9				
Y/y %	9.0	9.4	7.4	6.2	6.1	5.5	5.4	5.6	8.0	5.7	8.3	5.8
Imports of goods and services	83.2	84.4	85.5	86.4	87.3	88.4	89.5	92.1	84.9	89.4	84.1	87.9
Q/q %, SAAR	0.2	6.1	5.3	4.1	4.5	4.9	5.3	12.1				
Y/y %	5.6	6.1	5.8	3.9	5.0	4.7	4.7	6.7	5.3	5.3	4.3	4.6

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)

	2013			2014			2015			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2013	2014	2013	2014	
Gross domestic expenditure	479.5	481.9	481.6	488.0	488.3	485.0	488.8	499.9	483.1	490.6	480.1	487.6	
Q/q %, SAAR	1.3	1.9	-0.3	5.5	0.2	-2.7	3.1	9.4					
Y/y %	0.8	1.9	2.0	2.5	1.8	0.6	1.4	2.5	1.8	1.6	1.0	1.6	
Domestic demand	490.7	495.9	499.7	508.3	501.9	499.6	500.8	505.1	499.0	502.0	493.8	502.7	
Q/q %, SAAR	1.2	4.3	3.1	7.0	-4.9	-1.9	1.0	3.5					
Y/y %	1.2	2.8	3.4	4.4	2.2	0.7	0.1	-0.6	2.9	0.6	1.9	1.8	
Private demand	369.7	373.7	377.1	385.0	376.9	373.2	374.2	378.2	376.7	375.7	372.0	377.4	
Q/q %, SAAR	1.5	4.5	3.7	8.6	-8.2	-3.9	1.1	4.3					
Y/y %	0.7	2.3	3.0	5.1	2.0	-0.2	-1.0	-1.7	2.8	-0.2	1.6	1.4	
Final consumption	293.0	294.6	295.8	302.5	292.0	292.9	294.3	294.0	296.6	293.4	293.5	295.5	
Q/q %, SAAR	2.8	2.3	1.5	9.4	-13.2	1.3	1.9	-0.5					
Y/y %	1.2	2.7	2.9	4.2	-0.3	-0.7	-0.5	-2.8	2.7	-1.1	1.9	0.7	
Residential investment	14.9	15.6	16.3	16.6	15.3	14.2	14.2	14.4	15.9	14.5	15.3	15.0	
Q/q %, SAAR	11.3	22.0	17.2	9.0	-28.5	-24.6	-2.0	7.9					
Y/y %	8.9	11.6	13.9	15.0	2.8	-9.0	-13.0	-12.9	12.5	-8.5	11.3	-1.8	
Non-residential investment	66.0	66.6	67.8	71.4	68.4	68.5	69.0	70.9	68.2	69.3	66.0	69.4	
Q/q %, SAAR	12.1	4.0	7.3	22.5	-15.6	0.9	2.8	11.3					
Y/y %	0.2	2.3	4.3	11.7	3.6	2.6	1.6	-0.3	4.9	1.7	1.2	5.1	
Change in inventories	-4.1	-3.2	-2.7	-5.4	1.3	-2.5	-3.3	-1.1	-3.9	-1.5	-2.8	-2.5	
Public demand	121.0	122.2	122.6	123.3	125.0	126.3	126.7	127.0	122.4	126.2	121.7	125.4	
Q/q %, SAAR	0.3	4.0	1.3	2.3	5.6	4.4	1.0	1.0					
Y/y %	2.8	4.3	4.3	2.1	2.9	3.6	3.3	2.8	3.3	3.2	3.0	3.0	
Government final consumption	98.6	98.7	98.6	99.3	100.6	101.3	101.7	102.2	98.8	101.4	98.8	100.7	
Q/q %, SAAR	-2.8	0.3	-0.4	3.1	5.0	2.9	1.6	2.2					
Y/y %	2.5	1.9	1.0	0.0	2.1	2.7	3.0	2.9	1.3	2.7	1.7	2.0	
Fixed investment	22.4	23.7	23.9	23.8	24.4	24.9	25.0	24.6	23.6	24.8	23.0	24.6	
Q/q %, SAAR	12.1	25.3	4.9	-1.7	9.3	9.7	0.2	-5.0					
Y/y %	4.5	16.0	18.8	8.7	8.3	5.9	5.0	2.6	12.4	5.1	9.5	6.8	
Change in inventories	0.0	-0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.1	-0.0	0.1	
Net exports of goods and services	-11.1	-14.1	-18.2	-20.3	-13.6	-14.6	-12.1	-5.3	-15.9	-11.4	-13.6	-15.2	
Exports of goods and services	78.0	78.8	79.2	83.7	83.6	86.4	91.5	91.8	80.0	88.4	77.5	86.4	
Q/q %, SAAR	23.0	4.1	2.4	24.3	-0.3	14.1	26.1	1.0					
Y/y %	8.5	14.1	17.8	13.2	6.6	9.6	16.2	9.6	13.3	10.5	10.8	11.4	
Imports of goods and services	89.1	92.8	97.4	104.0	97.2	101.0	103.6	97.0	95.9	99.8	91.2	101.5	
Q/q %, SAAR	19.6	17.8	21.3	29.8	-23.6	16.3	11.0	-23.2					
Y/y %	10.3	17.9	24.5	22.2	8.6	8.7	6.9	-6.8	18.8	4.0	15.2	11.4	

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)

	2015			2016			2017		FY		CY	
	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	2015 (E)	2016 (E)	2015 (E)	2016 (E)
Gross domestic expenditure	500.4	503.5	506.2	509.0	511.7	515.2	518.2	520.9	505.1	516.7	502.9	513.8
Q/q %, SAAR	0.5	2.5	2.2	2.2	2.2	2.8	2.3	2.1				
Y/y %	2.5	3.9	3.6	1.8	2.2	2.3	2.3	2.4	3.0	2.3	3.1	2.2
Domestic demand	504.6	507.6	510.3	513.0	515.7	519.3	522.4	526.8	509.0	521.2	507.0	517.6
Q/q %, SAAR	-0.4	2.4	2.2	2.1	2.1	2.8	2.4	3.5				
Y/y %	0.5	1.6	1.8	1.6	2.2	2.3	2.2	2.8	1.4	2.4	0.8	2.1
Private demand	378.0	380.9	383.6	386.1	388.7	392.1	394.9	399.2	382.3	393.9	380.2	390.4
Q/q %, SAAR	-0.2	3.2	2.8	2.7	2.7	3.5	2.9	4.4				
Y/y %	0.2	2.1	2.5	2.2	2.8	2.9	2.8	3.6	1.8	3.0	0.8	2.7
Final consumption	294.7	296.6	298.1	299.4	300.5	302.1	304.1	309.4	297.3	304.1	295.9	301.6
Q/q %, SAAR	1.0	2.7	2.0	1.7	1.5	2.1	2.7	7.2				
Y/y %	0.9	1.3	1.3	1.8	2.0	1.8	2.0	3.3	1.3	2.3	0.2	1.9
Residential investment	14.6	14.8	14.9	15.0	15.3	15.8	16.1	16.4	14.8	15.9	14.7	15.6
Q/q %, SAAR	5.3	4.5	3.0	3.5	6.5	15.1	8.5	6.0				
Y/y %	-4.3	3.9	5.3	4.0	4.4	6.9	8.3	9.0	2.2	7.2	-2.3	5.9
Non-residential investment	71.5	72.4	73.4	74.6	75.8	77.1	78.4	80.0	73.1	78.0	72.1	76.4
Q/q %, SAAR	3.6	4.9	5.9	6.4	6.7	6.9	7.2	8.6				
Y/y %	4.6	5.7	6.5	5.0	6.0	6.4	6.7	7.4	5.4	6.7	3.9	6.0
Change in inventories	-2.9	-2.9	-2.9	-2.9	-2.9	-2.9	-3.7	-6.6	-2.9	-4.0	-2.5	-3.1
Public demand	126.6	126.7	126.7	126.9	127.0	127.2	127.4	127.7	126.7	127.3	126.7	127.2
Q/q %, SAAR	-1.0	0.1	0.3	0.5	0.4	0.6	0.7	0.7				
Y/y %	1.5	0.1	-0.1	-0.2	0.6	0.5	0.5	0.4	0.3	0.5	1.1	0.3
Government final consumption	102.6	102.9	103.3	103.7	104.0	104.4	104.8	105.2	103.1	104.6	102.8	104.2
Q/q %, SAAR	1.3	1.4	1.4	1.4	1.4	1.5	1.5	1.5				
Y/y %	2.0	1.6	1.7	1.4	1.4	1.5	1.4	1.5	1.7	1.4	2.0	1.4
Fixed investment	24.0	23.7	23.4	23.2	22.9	22.7	22.6	22.4	23.5	22.6	23.9	22.9
Q/q %, SAAR	-10.4	-5.2	-4.7	-3.4	-4.1	-3.4	-2.8	-2.8				
Y/y %	-1.4	-5.4	-6.7	-5.6	-4.5	-3.8	-3.3	-3.5	-5.1	-3.7	-2.8	-4.3
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	-4.2	-4.1	-4.1	-4.0	-4.0	-4.1	-4.2	-5.9	-4.1	-4.5	-4.4	-4.1
Exports of goods and services	93.1	94.9	96.3	97.5	98.8	100.2	101.6	103.0	95.6	101.0	94.1	99.6
Q/q %, SAAR	6.1	7.8	6.1	5.1	5.3	5.6	5.7	5.9				
Y/y %	11.7	9.9	4.9	6.3	5.9	5.5	5.6	5.6	8.1	5.6	8.9	5.8
Imports of goods and services	97.3	99.0	100.4	101.6	102.8	104.2	105.7	108.9	99.6	105.5	98.5	103.6
Q/q %, SAAR	1.2	7.2	5.9	4.6	5.1	5.5	5.9	12.7				
Y/y %	0.3	-1.9	-3.3	4.8	5.6	5.2	5.4	7.2	-0.1	5.9	-3.0	5.2

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.

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

	2013			2014			2015		FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2013	2014	2013	2014
Gross domestic expenditure	90.9	90.9	91.0	91.3	92.9	92.8	93.2	94.4	91.0	93.3	91.0	92.5
Q/q %, SAAR	-0.4	-0.0	0.2	0.2	1.8	-0.2	0.5	1.3				
Y/y %	-0.6	-0.3	-0.3	0.1	2.2	2.1	2.4	3.4	-0.3	2.5	-0.6	1.7
Private final consumption	93.0	93.3	93.8	93.9	95.6	95.5	95.6	95.2	93.5	95.5	93.3	95.1
Q/q %, SAAR	-0.2	0.2	0.5	0.2	1.7	-0.0	0.1	-0.5				
Y/y %	-0.7	0.3	0.5	0.8	2.7	2.4	2.0	1.3	0.2	2.1	-0.3	2.0
Private residential investment	105.0	105.5	106.6	106.8	110.1	109.6	109.7	110.0	106.0	109.8	105.3	108.9
Q/q %, SAAR	1.2	0.5	1.1	0.2	3.1	-0.4	0.1	0.2				
Y/y %	2.1	3.0	3.4	2.9	4.9	3.9	2.9	2.9	2.9	3.6	2.3	3.5
Private non-residential investment	95.0	95.1	95.4	95.5	96.1	96.3	96.7	96.8	95.3	96.5	95.0	96.1
Q/q %, SAAR	0.3	0.2	0.2	0.1	0.7	0.1	0.4	0.1				
Y/y %	0.4	1.2	1.2	0.9	1.2	1.2	1.4	1.3	0.9	1.3	0.7	1.1
Government final consumption	96.5	96.6	96.5	97.5	98.4	98.9	99.0	99.5	96.7	98.9	96.7	98.4
Q/q %, SAAR	-1.3	0.2	-0.2	1.1	0.9	0.5	0.1	0.5				
Y/y %	-0.1	-0.1	-0.5	-0.2	2.1	2.5	2.5	2.1	-0.2	2.3	-0.2	1.7
Public fixed investment	104.0	104.7	105.8	106.3	107.9	108.7	108.6	108.9	105.4	108.6	104.8	107.8
Q/q %, SAAR	-0.0	0.6	1.1	0.5	1.5	0.7	-0.0	0.2				
Y/y %	0.9	1.7	2.3	2.0	3.8	3.8	2.6	2.4	1.8	3.0	1.3	2.9
Exports of goods and services	92.9	94.2	94.7	94.2	94.2	95.8	98.3	96.3	94.1	96.2	93.2	95.7
Q/q %, SAAR	2.3	1.4	0.5	-0.5	-0.0	1.7	2.7	-2.1				
Y/y %	9.1	11.1	10.3	3.7	0.9	1.8	4.4	2.0	8.5	2.3	9.5	2.7
Imports of goods and services	120.0	122.8	124.9	125.1	123.3	126.7	128.3	116.7	123.3	123.7	121.4	126.0
Q/q %, SAAR	2.1	2.3	1.8	0.1	-1.4	2.8	1.2	-9.0				
Y/y %	9.8	14.6	14.3	6.4	2.4	3.3	3.0	-6.8	11.3	0.3	11.7	3.7

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)

	2015			2016			2017		FY		CY	
	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	2015 (E)	2016 (E)	2015 (E)	2016 (E)
Gross domestic expenditure	94.1	94.2	94.3	94.4	94.5	94.7	94.8	94.6	94.2	94.6	94.2	94.6
Q/q %, SAAR	-0.3	0.0	0.1	0.1	0.1	0.2	0.1	-0.1				
Y/y %	1.3	1.5	1.1	-0.0	0.4	0.5	0.5	0.3	1.0	0.4	1.9	0.3
Private final consumption	95.0	95.1	95.2	95.4	95.6	95.8	96.0	96.3	95.2	95.9	95.1	95.7
Q/q %, SAAR	-0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2				
Y/y %	-0.6	-0.5	-0.4	0.3	0.6	0.8	0.8	0.9	-0.3	0.8	-0.0	0.6
Private residential investment	110.1	110.3	110.6	110.8	111.2	111.6	112.0	112.4	110.4	111.8	110.2	111.4
Q/q %, SAAR	0.1	0.2	0.2	0.3	0.3	0.4	0.4	0.4				
Y/y %	-0.0	0.6	0.8	0.8	1.0	1.1	1.3	1.4	0.6	1.2	1.2	1.1
Private non-residential investment	96.8	96.8	97.0	97.3	97.6	97.9	98.2	98.6	97.0	98.1	96.8	97.7
Q/q %, SAAR	0.0	0.1	0.2	0.3	0.3	0.3	0.3	0.4				
Y/y %	0.7	0.6	0.3	0.6	0.8	1.0	1.2	1.3	0.5	1.1	0.8	0.9
Government final consumption	99.6	99.7	99.8	99.9	100.0	100.1	100.2	100.3	99.7	100.1	99.6	100.0
Q/q %, SAAR	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1				
Y/y %	1.2	0.8	0.9	0.4	0.4	0.4	0.4	0.4	0.8	0.4	1.2	0.4
Public fixed investment	109.0	109.2	109.5	109.8	110.2	110.6	110.9	111.3	109.4	110.8	109.1	110.4
Q/q %, SAAR	0.1	0.2	0.3	0.3	0.3	0.3	0.4	0.4				
Y/y %	0.9	0.5	0.8	0.9	1.1	1.3	1.3	1.4	0.8	1.3	1.2	1.1
Exports of goods and services	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3
Q/q %, SAAR	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0				
Y/y %	2.5	0.5	-2.3	0.1	-0.1	0.0	0.1	-0.1	0.1	-0.0	0.6	0.0
Imports of goods and services	117.0	117.2	117.4	117.6	117.7	117.9	118.1	118.2	117.3	118.0	117.1	117.9
Q/q %, SAAR	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1				
Y/y %	-5.0	-7.5	-8.6	0.8	0.6	0.6	0.6	0.5	-5.2	0.6	-7.0	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.



## 5.1 Contribution to Real GDP Growth by Component

	2013			2014			2015			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2013	2014	2013	2014	
<b>1) Q/q %</b>													
GDP growth rate	0.7	0.5	-0.2	1.1	-1.7	-0.5	0.3	1.0	2.1	-0.9	1.6	-0.1	
Domestic demand	0.7	0.9	0.3	1.4	-2.8	-0.5	0.0	1.1	2.6	-1.5	1.9	-0.1	
Private demand	0.4	0.7	0.3	1.5	-2.9	-0.7	0.0	1.2	1.8	-1.7	1.2	-0.3	
Private consumption	0.5	0.2	-0.1	1.3	-3.2	0.2	0.2	0.2	1.5	-1.9	1.3	-0.8	
Residential investment	0.0	0.1	0.1	0.1	-0.4	-0.2	-0.0	0.0	0.3	-0.4	0.3	-0.2	
Private fixed investment	0.3	0.1	0.2	0.7	-0.7	0.0	0.0	0.4	0.5	0.1	0.1	0.5	
Change in private inventories	-0.5	0.2	0.1	-0.6	1.3	-0.7	-0.2	0.6	-0.5	0.5	-0.4	0.1	
Public demand	0.3	0.2	0.1	-0.1	0.1	0.1	0.0	-0.1	0.8	0.2	0.7	0.3	
Government final consumption	0.1	-0.0	0.0	-0.1	0.1	0.0	0.1	0.0	0.3	0.1	0.4	0.1	
Public fixed investment	0.1	0.2	0.0	-0.0	0.0	0.1	0.0	-0.1	0.5	0.1	0.4	0.2	
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	0.0	-0.4	-0.5	-0.3	1.1	0.1	0.3	-0.2	-0.5	0.6	-0.3	0.0	
Exports of goods and services	0.4	-0.1	0.0	1.0	-0.0	0.3	0.6	0.4	0.7	1.3	0.2	1.4	
Imports of goods and services	-0.4	-0.3	-0.5	-1.3	1.1	-0.2	-0.3	-0.6	-1.2	-0.7	-0.5	-1.4	
<b>2) Y/y %</b>													
GDP growth rate	1.4	2.2	2.3	2.4	-0.4	-1.4	-1.0	-0.9	2.1	-0.9	1.6	-0.1	
Domestic demand	1.5	2.3	2.8	3.6	-0.2	-1.7	-2.0	-2.1	2.6	-1.5	1.9	-0.1	
Private demand	0.9	1.4	1.8	3.2	-0.4	-1.9	-2.2	-2.3	1.8	-1.7	1.2	-0.3	
Private consumption	1.1	1.4	1.4	2.0	-1.8	-1.9	-1.5	-2.5	1.5	-1.9	1.3	-0.8	
Residential investment	0.2	0.3	0.3	0.4	-0.1	-0.4	-0.5	-0.5	0.3	-0.4	0.3	-0.2	
Private fixed investment	-0.0	0.2	0.4	1.7	0.3	0.2	0.0	-0.3	0.5	0.1	0.1	0.5	
Change in private inventories	-0.4	-0.5	-0.4	-0.8	1.1	0.2	-0.2	1.0	-0.5	0.5	-0.4	0.1	
Public demand	0.7	0.9	1.1	0.5	0.1	0.2	0.2	0.2	0.8	0.2	0.7	0.3	
Government final consumption	0.5	0.4	0.3	0.0	-0.0	0.1	0.1	0.2	0.3	0.1	0.4	0.1	
Public fixed investment	0.1	0.6	0.8	0.4	0.2	0.1	0.1	0.0	0.5	0.1	0.4	0.2	
Change in public inventories	-0.0	-0.0	0.0	0.1	0.0	0.1	-0.0	-0.0	0.0	0.0	-0.0	0.0	
Net exports of goods and services	-0.2	-0.1	-0.5	-1.3	-0.2	0.2	1.1	1.2	-0.5	0.6	-0.3	0.0	
Exports of goods and services	-0.1	0.4	0.9	1.4	0.9	1.2	1.8	1.3	0.7	1.3	0.2	1.4	
Imports of goods and services	-0.1	-0.5	-1.5	-2.7	-1.1	-1.0	-0.7	-0.0	-1.2	-0.7	-0.5	-1.4	

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.

## 5.2 Contribution to Real GDP Growth by Component

	2015		2016		2017		FY		CY			
	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	2015 (E)	2016 (E)	2015 (E)	2016 (E)
<b>1) Q/q %</b>												
GDP growth rate	0.4	0.6	0.4	0.4	0.4	0.5	0.5	0.6	2.0	1.9	1.3	1.8
Domestic demand	0.1	0.5	0.4	0.3	0.3	0.4	0.4	0.8	1.5	1.7	0.7	1.6
Private demand	0.2	0.5	0.4	0.3	0.3	0.4	0.4	0.8	1.6	1.7	0.7	1.7
Private consumption	0.3	0.3	0.2	0.1	0.1	0.2	0.2	0.9	1.0	0.9	0.1	0.7
Residential investment	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	-0.1	0.1
Private fixed investment	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.7	0.8	0.4	0.7
Change in private inventories	-0.2	0.0	0.0	0.0	0.0	0.0	-0.1	-0.3	-0.1	-0.1	0.2	-0.1
Public demand	-0.1	-0.0	-0.0	0.0	-0.0	0.0	0.0	0.0	-0.1	0.0	-0.0	-0.0
Government final consumption	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Public fixed investment	-0.1	-0.1	-0.1	-0.0	-0.1	-0.0	-0.0	-0.0	-0.3	-0.2	-0.2	-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	0.3	0.1	0.1	0.1	0.1	0.1	0.1	-0.2	0.6	0.2	0.6	0.2
Exports of goods and services	0.3	0.3	0.3	0.2	0.2	0.3	0.3	0.3	1.4	1.0	1.5	1.1
Imports of goods and services	-0.0	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.5	-0.8	-0.8	-0.9	-0.9
<b>2) Y/y %</b>												
GDP growth rate	1.2	2.3	2.5	1.8	1.9	1.8	1.8	2.1	2.0	1.9	1.3	1.8
Domestic demand	0.8	1.8	2.0	1.4	1.6	1.5	1.4	2.1	1.5	1.7	0.7	1.6
Private demand	0.7	1.9	2.2	1.5	1.5	1.5	1.4	2.2	1.6	1.7	0.7	1.7
Private consumption	0.9	1.1	1.0	0.9	0.8	0.6	0.7	1.4	1.0	0.9	0.1	0.7
Residential investment	-0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.0	0.1	-0.1	0.1
Private fixed investment	0.5	0.7	0.8	0.7	0.7	0.7	0.7	1.0	0.7	0.8	0.4	0.7
Change in private inventories	-0.5	0.1	0.3	-0.2	0.0	0.0	-0.1	-0.4	-0.1	-0.1	0.2	-0.1
Public demand	0.1	-0.1	-0.2	-0.1	0.0	0.0	-0.0	-0.0	-0.1	0.0	-0.0	-0.0
Government final consumption	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Public fixed investment	-0.1	-0.2	-0.4	-0.3	-0.2	-0.2	-0.2	-0.2	-0.3	-0.2	-0.2	-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	0.7	0.7	0.4	0.5	0.3	0.3	0.3	-0.0	0.6	0.2	0.6	0.2
Exports of goods and services	1.5	1.6	1.3	1.1	1.1	1.0	1.0	1.0	1.4	1.0	1.5	1.1
Imports of goods and services	-0.8	-0.9	-0.9	-0.6	-0.8	-0.7	-0.8	-1.1	-0.8	-0.8	-0.9	-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.

## 6.1 Major Assumptions

	2013			2014			2015			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2013	2014	2013	2014	
<b>1) World economy</b>													
Economic growth of major trading partners													
Y/y %	3.0	3.2	3.5	3.3	3.3	3.4	3.2	3.2	3.2	3.3	3.1	3.3	
Crude oil price (WTI futures; \$/bbl)													
Y/y %	94.2	105.8	97.6	98.6	103.0	97.2	73.2	48.6	99.1	80.5	98.0	92.9	
	0.9	14.8	10.6	4.5	9.4	-8.1	-25.0	-50.7	7.6	-18.7	4.1	-5.2	
<b>2) US economy</b>													
Real GDP (chained [2009]; \$ bil; SAAR)													
	15,607	15,780	15,916	15,832	16,010	16,206	16,295	16,264	15,784	16,194	15,710	16,086	
Q/q %, SAAR	1.8	4.5	3.5	-2.1	4.6	5.0	2.2	-0.7					
Y/y %	1.8	2.3	3.1	1.9	2.6	2.7	2.4	2.7	2.3	2.6	2.2	2.4	
Consumer Price Index													
(1982-84 avg=100)													
	232.1	233.4	234.2	235.4	236.8	237.5	237.0	235.2	233.8	236.7	233.0	236.7	
Q/q %, SAAR	-0.1	2.3	1.4	2.1	2.4	1.2	-0.9	-3.1					
Y/y %	1.4	1.6	1.2	1.4	2.1	1.8	1.2	-0.1	1.4	1.3	1.5	1.6	
Producer Price Index													
(Finished goods; 1982=100)													
	195.7	196.8	197.6	199.6	201.3	201.5	198.9	192.9	197.4	198.8	196.6	200.4	
Q/q %, SAAR	-1.4	2.2	1.6	4.2	3.4	0.5	-5.1	-11.5					
Y/y %	1.5	1.2	0.8	1.6	2.8	2.5	0.8	-3.2	1.3	0.7	1.2	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; %)													
	2.00	2.71	2.75	2.76	2.62	2.50	2.28	1.97	2.55	2.34	2.35	2.54	
<b>3) Japanese economy</b>													
Nominal government final consumption													
Y tril; SAAR	98.6	98.7	98.6	99.3	100.6	101.3	101.7	102.2	98.8	101.4	98.8	100.7	
Q/q %, SAAR	-2.8	0.3	-0.4	3.1	5.0	2.9	1.6	2.2					
Y/y %	2.5	1.9	1.0	0.0	2.1	2.7	3.0	2.9	1.3	2.7	1.7	2.0	
Nominal public fixed investment													
Y tril; SAAR	22.4	23.7	23.9	23.8	24.4	24.9	25.0	24.6	23.6	24.8	23.0	24.6	
Q/q %, SAAR	12.1	25.3	4.9	-1.7	9.3	9.7	0.2	-5.0					
Y/y %	4.5	16.0	18.8	8.7	8.3	5.9	5.0	2.6	12.4	5.1	9.5	6.8	
Exchange rate (Y/\$)													
(Y/€)	98.8	98.9	100.4	102.8	102.1	103.9	114.5	119.1	100.2	109.9	97.6	105.8	
	129.6	130.7	139.9	140.3	139.5	137.8	143.8	132.6	135.1	138.4	130.6	140.3	
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) Japanese consumption tax hike expected in April 2017.

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

E: DIR estimate.

## 6.2 Major Assumptions

	2015			2016			2017		FY		CY	
	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	4-6 (E)	7-9 (E)	10-12 (E)	1-3 (E)	2015 (E)	2016 (E)	2015 (E)	2016 (E)
<b>1) World economy</b>												
Economic growth of major trading partners												
Y/y %	3.2	3.0	3.1	3.5	3.5	3.5	3.5	3.5	3.2	3.5	3.2	3.5
Crude oil price (WTI futures; \$/bbl)												
Y/y %	57.3	60.0	60.8	61.7	62.5	63.3	64.2	65.0	59.9	63.8	56.7	62.9
	-44.4	-38.3	-16.9	27.0	9.1	5.6	5.5	5.4	-25.5	6.3	-39.0	11.0
<b>2) US economy</b>												
Real GDP (chained [2009]; \$ bil; SAAR)												
Q/q %, SAAR	16,368	16,489	16,608	16,723	16,830	16,937	17,043	17,146	16,547	16,989	16,432	16,883
Y/y %	2.6	3.0	2.9	2.8	2.6	2.6	2.5	2.5	2.2	2.7	2.2	2.7
Consumer Price Index												
(1982-84 avg=100)	237.5	238.9	240.0	240.6	241.8	243.3	244.2	244.5	239.3	243.5	237.9	242.5
Q/q %, SAAR	3.9	2.4	1.9	1.0	1.9	2.5	1.6	0.5	1.1	1.7	0.5	1.9
Y/y %	0.3	0.6	1.3	2.3	1.8	1.8	1.7	1.6	1.1	1.7	0.5	1.9
Producer Price Index												
(Finished goods; 1982=100)	195.0	197.0	198.3	199.6	200.3	202.0	202.5	202.6	197.6	202.0	195.9	201.2
Q/q %, SAAR	4.4	4.2	2.8	2.5	1.5	3.4	1.1	0.1	-0.6	2.2	-2.2	2.7
Y/y %	-3.1	-2.3	-0.3	3.5	2.7	2.5	2.1	1.5	-0.6	2.2	-2.2	2.7
FF rate (%)												
(Target rate for the forecast period, end-period)	0.25	0.25	0.50	0.75	1.00	1.25	1.50	1.75	0.75	1.75	0.50	1.50
Government bond yield (10 year; %)												
	2.16	2.22	2.41	2.62	2.78	2.95	3.12	3.24	2.35	3.02	2.19	2.87
<b>3) Japanese economy</b>												
Nominal government final consumption												
Y tril; SAAR	102.6	102.9	103.3	103.7	104.0	104.4	104.8	105.2	103.1	104.6	102.8	104.2
Q/q %, SAAR	1.3	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.7	1.4	2.0	1.4
Y/y %	2.0	1.6	1.7	1.4	1.4	1.5	1.4	1.5	1.7	1.4	2.0	1.4
Nominal public fixed investment												
Y tril; SAAR	24.0	23.7	23.4	23.2	22.9	22.7	22.6	22.4	23.5	22.6	23.9	22.9
Q/q %, SAAR	-10.4	-5.2	-4.7	-3.4	-4.1	-3.4	-2.8	-2.8	-5.1	-3.7	-2.8	-4.3
Y/y %	-1.4	-5.4	-6.7	-5.6	-4.5	-3.8	-3.3	-3.5	-5.1	-3.7	-2.8	-4.3
Exchange rate (Y/\$)												
(Y/€)	121.7	125.0	125.0	125.0	125.0	125.0	125.0	125.0	124.2	125.0	122.7	125.0
	135.3	138.0	138.0	138.0	138.0	138.0	138.0	138.0	137.3	138.0	136.0	138.0
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) Japanese consumption tax hike expected in April 2017.

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

E: DIR estimate.