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Japan's Economic Outlook No. 195 Update (Summary)

Pace of Growth to Peak Out in FY2017. In this report we examine the following: (1) Abenomics, (2) Restrictions on Overtime, (3) Regional Economies, and (4) China

Japan to see real GDP growth of +1.8% in FY17, +1.1% in FY18, and +0.6% in FY19, with nominal GDP growth of +1.9% in FY17, +1.5% in FY18, and +1.4% in FY19.

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Summary

- **Favorable economic expansion to continue, but pace of growth to peak out in FY2017:** In light of the 2nd preliminary Jul-Sep 2017 GDP release we have revised our economic growth outlook. We now forecast real GDP growth of +1.8% in comparison with the previous year for FY17 (+1.6% in the previous forecast), +1.1% in comparison with the previous year for FY18 (+1.2% in the previous forecast), and +0.6% in comparison with the previous year for FY19 (+0.6% in the previous forecast). Japan's economy has continued accelerated growth due to the following factors: (1) favorable overseas demand, (2) inventory investment, and (3) replacement demand for durables. However, the effects of these three factors will gradually fade away in the future, while in addition, the consumption tax increase planned for October 2019 is expected to have a negative impact on income. Hence we expect Japan's economy to continue a gradual slowdown through FY2019.
- **Real GDP growth rate gains major upward revision from 1st preliminary, while also exceeding market consensus:** The real GDP growth rate for Jul-Sep 2017 (2nd preliminary est) received a major upward revision to +2.5% q/q annualized (+0.6% q/q) in comparison to the 1st preliminary report (+1.4% q/q annualized and +0.3% q/q), while at the same time

significantly exceeding market consensus (+1.5% q/q annualized and +0.4% q/q). Demand components receiving upward revisions included private sector capital investment and inventories, which gained especially notable upward revisions in their contributions to GDP growth, government consumption, and public investment, which saw minor upward revisions. On the other hand, private sector housing investment suffered a slight downward revision.

Private sector capital investment won a major upward revision in response to results of corporate statistics, registering +1.1% q/q (+0.2% on the 1st preliminary). As for gross fixed capital formation by type, residential investment and other buildings & structures suffered a q/q decline this time around due partly to the reaction to last quarter's strong performance. Transport equipment had been maintaining favorable growth up until the Jan-Mar period, but then suffered declines for two consecutive quarters (the Apr-June period and the Jul-Sep period). On the other hand, other machinery and equipment is maintaining firm growth, while in addition, growth in intellectual property products also contributed to overall growth in capital investment.

Private sector inventory increased its contribution to GDP growth at +0.4%pt q/q (+0.2%pt on the 1st preliminary). This was due to the fact that material & supplies inventory, which is provisional on the 1st preliminary GDP estimate, increased its contribution at +0.2%pt (+0.0%pt on the 1st preliminary). As for other components, government consumption recorded +0.0% (-0.1% on the 1st preliminary) due mainly to the most recent results of fundamental statistics, while public investment managed a slight upward revision at -2.4% (-2.5% on the 1st preliminary). On the other hand, private sector housing investment was revised downwards slightly at -1.0% (-0.9% on the 1st preliminary).

- **Consumption and public investment shift into decline, while exports and capex take up role of driving growth:** Performance by demand component in the Jul-Sep 2017 2nd preliminary results shows private sector final consumption expenditure suffering a decline for the first time in five quarters at -0.5% q/q. The employment environment improved and consumer confidence maintained at a positive level. However, bad weather was a drag on personal consumption with a historically long period of rain in Eastern Japan in August, while major typhoons hit many areas of Japan in September. Moreover, a reactionary decline in response to positive performance during the Apr-Jun period (+0.9%) was also part of the mix.

Looking at trends in goods and services, we see that the above mentioned weather situation brought on a decline for services at -0.7% q/q, while semi-durables grew slightly at +0.3%, and non-durables registered +0.0%. Even durables were down for the first time in seven quarters by -1.2%, which is worthy of note after having continued in a growth trend since 2016. The disappearance of the negative effects of pre-consumption over demand and Eco-car related tax breaks, which helped to increase consumption since 2009 along with the Ecopoint program effecting household electronics, as well as last-minute demand prior to the increase in consumption tax, generated replacement demand for durable goods for the past six quarters straight. However, it appears that this effect may be about to peak out.

Housing investment suffered a decline for the first time in seven quarters at -1.0% q/q. Housing investment has gained underlying support from lower interest rates on housing loans until now. However, positive factors such as growth in rental property construction as an inheritance tax strategy are gradually losing their effect, and growth in prices is beginning to keep demand in check.

Capital expenditure grew for the fourth consecutive quarter at +1.1% q/q. Past growth in operating rates associated with export expansion, and growing seriousness of the shortage in manpower are thought to be an undercurrent helping to maintain favorable capex spending.

Private sector inventory's contribution grew for the first time in five quarters at +0.4%pt q/q. Contribution of raw materials inventory grew by +0.2%pt, while work in progress inventory at +0.0%pt, and finished goods at +0.1%pt, and distribution inventory at +0.1%pt.

Public investment suffered a decline for the first time in three quarters at -2.4% q/q. Implementation of the government's FY2016 supplementary budget was concentrated mostly in the Apr-Jun period, when public investment grew by +4.6%. A reactionary decline has appeared in the July-Sep period. Meanwhile, government consumption is marking time at +0.0%.

Exports grew for the first time in two quarters at +1.5% q/q. Looking at trade statistics for the Jul-Sep period, we see that exports to the EU declined due to a drop in automobile exports, while positive performance of semiconductor manufacturing equipment pushed up overall exports, and contributed to growth in exports to the US and Asia. On the other hand, domestic demand declined, bringing a decline in imports for the first time in five quarters at -1.6%. As a result, overseas demand made a positive contribution to GDP for the first time in two quarters with a major plus of +0.5%pt.

Terms of trade improved as import prices settled down, and domestic price pass-through has made moderate progress. As a result, the GDP deflator grew for the second consecutive quarter at +0.2% q/q. Nominal GDP also grew for the fourth consecutive quarter at +3.2% q/q annualized (+0.8% q/q).

Moderate growth seen continuing, but risk remains for overseas demand: We expect Japan's economy to continue in a moderate expansion phase. Domestic demand is expected to continue its expansion centering on personal consumption, while overseas demand is expected to maintain steady growth backed by the recovery in the world economy, providing support for Japan's economic growth. However, downside risk remains for overseas demand requiring caution, due to fears that China's economy may slow down after the National Congress of the Communist Party, and increased geopolitical risk. Meanwhile, we also urge caution regarding the slowdown of the US economy accompanying the Fed's tight money policy, and the problem of capital outflows from the emerging nations.

Personal consumption is expected to continue in a moderate expansion phase. The supply of labor is becoming increasingly tight, and this should provide underlying support for personal consumption through growth in employee compensation. However, caution is advised here as corporations may try to compensate for the cost of wage increases by flattening the wage curve and placing restrictions on overtime. This could create a slowdown in the pace of growth in employee compensation, as well as the expansion of consumption. In the short-term, the downward pressure on consumption from bad weather in October is worrisome. Moreover, new car sales, which had been maintaining favorable performance, have recently begun to weaken. This suggests that replacement demand may be about to peak out as was mentioned earlier in this report. There is a good chance that, coupled with the halting of production and shipments by one automobile manufacturer at its domestic factories, this could very well put a damper on consumption of durables.

Housing investment is expected to experience a lull in its growth trend, and then move into a gradual descent from its current plateau. Interest on housing loans remains low, and therefore should provide continued underlying support. However, caution is required regarding a possible reactionary decline as the positive effect of inheritance tax strategies disappears.

Capex is expected to see moderate growth. Operating rates in the manufacturing sector are on the rise due to the expansion of exports thanks to the recovery in the world economy. However, if uncertainty grows regarding the future of the world economy, corporations are

likely to lose their willingness to invest in capex, hence caution is required. On the other hand, research & development, which is in growth phase, is expected to continue pushing up overall capex figures in the future. Meanwhile, investment in labor-saving and rationalization due to the continuing labor shortage is expected to continue its growth trend centering on the non-manufacturing industries. In addition, investment in research & development with an aim to increase profitability is also expected to become a factor in pushing up capex spending in the future, partly supported by improvement of free cash flow of corporations.

As for public investment, we expect the positive effect of the government's FY2016 supplementary budget to gradually disappear, and while levels may remain high, we expect a moderate decline on into the future.

As for exports, with overseas economies continuing moderate growth, we can expect exports to maintain a firm undertone. However, caution is required regarding underlying risk. As for the US, the Fed is continuing to implement its tight money policy. Meanwhile, there are signs of demand for Japan's major export to the US, passenger vehicles, peaking out, and the tight money policy may bring further downward pressure on the economy. The Fed's tight money policy may also cause an acceleration of capital flows from emerging nations. On the other hand, as regards China's economy, now that the curtain has closed on the National Congress of the Communist Party, there is risk that the economy could come under downward pressure due to a reactionary decline in demand, which had been kept artificially high until now by the implementation of economic measures. Other issues include geopolitical risk such as rising tensions in North Korea and the Middle East. All of these risks require caution. Our main scenario sees the world economy continuing its moderate growth. However, if uncertainty grows regarding the future of the world economy, Japan's exports are likely to decline, bringing the risk of downward pressure on Japan's economy.

- **Issue (1): The economic effects of Abenomics, and influence of planned 2019 consumption tax hike:** Here we examine the effects to date of Abenomics on corporate earnings and Japan's overall economy, and the influence of the consumption tax hike planned for October 2019. Based on a simulation performed by DIR, we estimate that due to the effects of bold monetary easing (1. Decline in real interest rate + 2. Yen depreciation/growth in stock prices), the real GDP growth rate was pushed upwards by around +0.45% annualized, while the unemployment rate was pushed downwards by an annual average of around -0.1%pt. Meanwhile, due to the consumption tax hike planned for 2019, real personal consumption in comparison to what it would be if there were no tax hike is expected to be pushed up in FY2018 by +0.3 tril yen (+0.1%), and then pushed downwards in FY2019 by -0.2 tril yen (-0.1%), and again in FY2020 by -3.1 tril yen (-1.0%). We see the effects here of last-minute demand + reactionary decline + short-term income effect.
- **Issue (2): How to compensate for labor shortage with restrictions on overtime:** Here we perform a quantitative analysis of growth potential in the supply of labor looking at two aspects of the question, that of existing workers and new workers, as a means of considering methods of compensating for the shortage of labor under new restrictions on overtime. In the short-term, longer work hours on the part of existing workers are hoped for, but there are limits to the potential supply of labor in the construction and telecommunications industries. It is therefore essential to encourage both corporations and the government to work out ways of increasing labor productivity in addition to increasing the number of new workers through reducing the unemployment rate and other means.

- **Issue (3): How to reduce the regional income gap:** The regional income gap is shrinking somewhat around the entire nation, but progress varies widely depending on the region. However, the income gap is in a reduction trend in regions specializing in high value added industries, as well as regions which ship out and export a large amount. While seeking growth in shipments and exports in areas of specialization, it is important to avoid overly much growth in inbound shipments and imports in the process of extending the activities of these specialized industries. Disparity in regional labor productivity is often caused by differences in labor productivity within single industries. To reduce said disparity and shift employment to high value added industries is an important part of the effort to reduce the gap between regions.
- **Issue (4): How much longer can China endure the collapse in asset prices?:** China's balance of debt centering on corporations has been exhibiting major growth, and there are fears that this might trigger a global financial crisis. While China has managed to shift over to growth led by consumption, the key to future growth lies in trends in the household sector. According to our estimate, if asset prices in the area securities and real estate were to fall by close to 30%, net assets of households would deteriorate to a similar degree as was seen after the collapse of Japan's economic bubble and during the global financial crisis of 2008 which originated in the US. Currently, the household sector in China is maintaining its integrity and there is not much short-term risk. However, we urge caution regarding any changes that might occur in asset prices in the future.
- **Risk factors facing Japan's economy:** Risk factors for the Japanese economy are: (1) The policies of President Donald Trump, (2) The downward swing of China's economy, (3) Tumult in the economies of emerging nations in response to the US exit strategy, (4) Risk-off behavior of investors due to geopolitical risk and country risk.
- **BOJ's monetary policy:** We expect the BOJ to maintain current monetary policy for the time being. Considering the policy introduced in September 2016 to permanently battle deflation, the issue is expected to be creating a more flexible inflation target.

Our assumptions

- Public works spending is expected to increase by +2.5% in FY17, and then decrease in FY18 at -3.6%, with another decrease expected in FY19 at -1.7%.
- Average exchange rate of Y111.8/\$ in FY17, Y112.5/\$ in FY18, and Y112.5/\$ in FY19.
- US real GDP growth of +2.3% in CY17, +2.4% in CY18, and +2.1% in CY19.

Main Economic Indicators and Real GDP Components

	FY17 (Estimate)	FY18 (Estimate)	FY19 (Estimate)	CY17 (Estimate)	CY18 (Estimate)	CY19 (Estimate)
Main economic indicators						
Nominal GDP (y/y %)	1.9	1.5	1.4	1.5	1.8	1.5
Real GDP (chained [2011]; y/y %)	1.8	1.1	0.6	1.8	1.2	0.9
Domestic demand (contribution, % pt)	1.4	0.8	0.5	1.2	0.9	0.8
Foreign demand (contribution, % pt)	0.4	0.2	0.1	0.6	0.3	0.0
GDP deflator (y/y %)	0.1	0.5	0.9	-0.3	0.5	0.7
Index of All-industry Activity (y/y %)*	2.2	1.5	1.2	1.8	1.7	1.3
Index of Industrial Production (y/y %)	4.9	3.1	1.9	4.6	3.8	2.0
Index of Tertiary Industry Activity (y/y %)	1.2	1.1	1.0	0.8	1.2	1.1
Corporate Goods Price Index (y/y %)	2.6	2.3	3.1	2.3	2.4	2.6
Consumer Price Index (excl. fresh food; y/y %)	0.7	0.8	1.1	0.5	0.8	0.9
Unemployment rate (%)	2.8	2.7	2.6	2.8	2.7	2.7
Government bond yield (10 year; %)	0.05	0.05	0.05	0.05	0.05	0.05
Money stock; M2 (end-period; y/y %)	4.0	4.0	4.0	4.0	4.0	4.0
Balance of payments						
Trade balance (Y tril)	5.7	7.1	8.2	5.3	7.1	7.4
Current balance (\$100 mil)	2,121	2,330	2,455	2,023	2,321	2,363
Current balance (Y tril)	24.0	26.5	27.9	22.7	26.1	26.6
(% of nominal GDP)	4.4	4.7	4.9	4.1	4.7	4.7
Real GDP components (Chained [2011]; y/y %; figures in parentheses: contribution, % pt)						
Private final consumption	1.1 (0.6)	0.6 (0.3)	0.1 (0.1)	1.1 (0.6)	0.6 (0.3)	0.7 (0.4)
Private housing investment	1.8 (0.1)	-0.0 (-0.0)	0.3 (0.0)	3.5 (0.1)	-0.5 (-0.0)	2.0 (0.1)
Private fixed investment	3.0 (0.5)	1.9 (0.3)	1.9 (0.3)	2.7 (0.4)	2.1 (0.3)	2.1 (0.3)
Government final consumption	0.6 (0.1)	0.8 (0.2)	0.8 (0.2)	0.2 (0.0)	0.8 (0.2)	0.8 (0.2)
Public fixed investment	1.2 (0.1)	-3.8 (-0.2)	-2.2 (-0.1)	1.1 (0.1)	-2.9 (-0.1)	-2.6 (-0.1)
Exports of goods and services	5.1 (0.8)	3.4 (0.6)	2.4 (0.4)	6.0 (1.0)	3.5 (0.6)	2.6 (0.5)
Imports of goods and services	2.4 (-0.4)	2.1 (-0.4)	1.6 (-0.3)	2.5 (-0.4)	1.7 (-0.3)	2.6 (-0.4)
Major assumptions:						
1. World economy						
Economic growth of major trading partners	4.2	3.7	3.5	4.1	3.9	3.6
Crude oil price (WTI futures; \$/bbl)	52.1	57.0	57.0	50.8	57.0	57.0
2. US economy						
US real GDP (chained [2009]; y/y %)	2.5	2.3	2.1	2.3	2.4	2.1
US Consumer Price Index (y/y %)	1.9	2.4	2.4	2.1	2.2	2.5
3. Japanese economy						
Nominal public fixed investment (y/y %)	2.5	-3.6	-1.7	2.7	-2.6	-2.2
Exchange rate (Y/\$)	111.8	112.5	112.5	112.1	112.5	112.5
(Y/€)	130.3	133.0	133.0	127.1	133.0	133.0

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 195 Update)			Previous outlook (Outlook 195)			Difference between previous and current outlooks		
	FY17	FY18	FY19	FY17	FY18	FY19	FY17	FY18	FY19
Main economic indicators									
Nominal GDP (y/y %)	1.9	1.5	1.4	1.6	1.6	1.5	0.3	-0.0	-0.0
Real GDP (chained [2011]; y/y %)	1.8	1.1	0.6	1.6	1.2	0.6	0.3	-0.1	-0.0
Domestic demand (contribution, % pt)	1.4	0.8	0.5	1.1	0.9	0.5	0.3	-0.1	-0.0
Foreign demand (contribution, % pt)	0.4	0.2	0.1	0.4	0.2	0.1	-0.0	-0.0	-0.0
GDP deflator (y/y %)	0.1	0.5	0.9	0.1	0.4	0.8	0.0	0.1	0.0
Index of All-industry Activity (y/y %)*	2.2	1.5	1.2	2.3	1.4	1.2	-0.2	0.0	0.0
Index of Industrial Production (y/y %)	4.9	3.1	1.9	5.0	2.7	1.9	-0.1	0.4	-0.0
Index of Tertiary Industry Activity (y/y %)	1.2	1.1	1.0	1.2	1.1	1.0	0.0	0.0	0.0
Corporate Goods Price Index (y/y %)	2.6	2.3	3.1	2.5	2.5	3.8	0.1	-0.1	-0.6
Consumer Price Index (excl. fresh food; y/y %)	0.7	0.8	1.1	0.6	0.7	1.2	0.0	0.1	-0.1
Unemployment rate (%)	2.8	2.7	2.6	2.8	2.7	2.7	-0.0	-0.0	-0.1
Government bond yield (10 year; %)	0.05	0.05	0.05	0.05	0.05	0.05	0.00	0.00	0.00
Money stock; M2 (end-period; y/y %)	4.0	4.0	4.0	4.0	4.0	4.0	0.0	0.0	0.0
Balance of payments									
Trade balance (Y tril)	5.7	7.1	8.2	5.7	7.1	8.2	-0.0	-0.0	-0.0
Current balance (\$100 mil)	2,121	2,330	2,455	2,111	2,310	2,433	10	20	21
Current balance (Y tril)	24.0	26.5	27.9	24.0	26.5	27.9	-0.0	-0.0	-0.0
(% of nominal GDP)	4.4	4.7	4.9	4.4	4.8	5.0	-0.0	-0.0	-0.0
Real GDP components (chained [2011]; y/y %)									
Private final consumption	1.1	0.6	0.1	0.9	0.6	0.1	0.2	-0.0	0.0
Private housing investment	1.8	-0.0	0.3	1.8	-0.0	0.3	0.1	-0.0	-0.0
Private fixed investment	3.0	1.9	1.9	2.1	1.9	1.9	0.8	0.0	-0.0
Government final consumption	0.6	0.8	0.8	0.8	0.8	0.8	-0.2	0.0	-0.0
Public fixed investment	1.2	-3.8	-2.2	2.8	-1.9	-1.7	-1.6	-2.0	-0.5
Exports of goods and services	5.1	3.4	2.4	5.1	3.4	2.4	0.0	-0.0	0.0
Imports of goods and services	2.4	2.1	1.6	2.3	2.1	1.6	0.1	0.0	0.0
Major assumptions:									
1. World economy									
Economic growth of major trading partners	4.2	3.7	3.5	4.1	3.7	3.5	0.0	0.0	0.0
Crude oil price (WTI futures; \$/bbl)	52.1	57.0	57.0	51.1	54.0	54.0	1.0	3.0	3.0
2. US economy									
US real GDP (chained [2009]; y/y %)	2.5	2.3	2.1	2.4	2.3	2.1	0.0	-0.0	0.0
US Consumer Price Index (y/y %)	1.9	2.4	2.4	1.9	2.4	2.4	-0.0	-0.0	0.0
3. Japanese economy									
Nominal public fixed investment (y/y %)	2.5	-3.6	-1.7	4.4	-1.5	-1.2	-1.9	-2.1	-0.5
Exchange rate (Y/\$)	111.8	112.5	112.5	112.3	113.5	113.5	-0.5	-1.0	-1.0
(Y/€)	130.3	133.0	133.0	129.9	132.0	132.0	0.4	1.0	1.0

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

	2016			2017			2018		FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12 (E)	1-3 (E)	2016	2017 (E)	2016	2017 (E)
Nominal GDP (SAAR; Y tril)	538.3	537.7	540.2	540.6	544.9	549.2	551.4	553.4	539.3	549.7	538.4	546.5
Q/q %	0.1	-0.1	0.5	0.1	0.8	0.8	0.4	0.4				
Q/q %, SAAR	0.4	-0.4	1.9	0.3	3.2	3.2	1.6	1.5				
Y/y %	1.2	0.8	1.4	0.6	1.1	2.2	2.1	2.3	1.0	1.9	1.2	1.5
Real GDP (chained [2011]; SAAR; Y tril)	522.1	523.2	525.0	527.0	530.8	534.1	535.2	536.5	524.4	534.1	522.5	531.7
Q/q %	0.4	0.2	0.3	0.4	0.7	0.6	0.2	0.2				
Q/q %, SAAR	1.6	0.9	1.4	1.5	2.9	2.5	0.9	0.9				
Y/y %	0.7	0.9	1.5	1.5	1.6	2.1	1.9	1.7	1.2	1.8	0.9	1.8
Contribution to GDP growth (% pt)												
Domestic demand	0.3	-0.1	0.0	0.3	1.0	0.1	0.2	0.2	0.4	1.4	0.4	1.2
Foreign demand	0.1	0.3	0.3	0.1	-0.2	0.5	0.0	0.1	0.8	0.4	0.6	0.6
GDP deflator (y/y %)	0.5	-0.1	-0.1	-0.9	-0.4	0.1	0.1	0.6	-0.2	0.1	0.3	-0.3
Index of All-Industry Activity (2010=100)	102.6	103.2	103.6	103.5	105.2	105.0	105.7	106.1	103.2	105.5	103.0	104.9
Q/q %; y/y %	0.2	0.6	0.4	-0.1	1.7	-0.2	0.7	0.4	0.6	2.2	0.6	1.8
Index of Industrial Production (2010=100)	96.5	98.0	99.8	100.0	102.1	102.5	103.8	105.0	98.6	103.4	97.7	102.1
Q/q %; y/y %	0.2	1.6	1.9	0.2	2.1	0.4	1.3	1.2	1.1	4.9	-0.2	4.6
Index of Tertiary Industry Activity (2010=100)	103.7	104.0	104.1	103.8	104.9	104.8	105.3	105.5	103.9	105.1	103.9	104.8
Q/q %; y/y %	0.0	0.3	0.1	-0.3	1.1	-0.2	0.5	0.2	0.4	1.2	0.7	0.8
Corporate Goods Price Index components (2015=100)												
Domestic Company Goods Price Index	96.4	96.1	96.5	98.0	98.4	98.9	99.6	100.3	96.8	99.3	96.5	98.7
Y/y %	-4.5	-3.8	-2.1	1.0	2.1	2.9	3.2	2.4	-2.3	2.6	-3.5	2.3
CPI (excl. fresh food; 2015=100)	99.8	99.6	99.8	99.7	100.2	100.2	100.7	100.5	99.7	100.4	99.7	100.2
Y/y %	-0.4	-0.5	-0.3	0.2	0.4	0.6	0.9	0.9	-0.2	0.7	-0.3	0.5
Unemployment rate (%)	3.2	3.0	3.1	2.9	2.9	2.8	2.8	2.8	3.0	2.8	3.1	2.8
Government bond yield (10 year; %)	-0.15	-0.12	0.00	0.07	0.04	0.05	0.05	0.05	-0.05	0.05	-0.07	0.05
Money stock; M2 (y/y %)	3.3	3.3	3.7	4.1	3.9	4.0	4.0	4.0	3.6	4.0	3.4	4.0
Trade balance (SAAR; Y tril)	4.6	5.8	6.8	5.3	2.7	6.5	6.6	6.9	5.8	5.7	5.5	5.3
Current balance (SAAR; \$100 mil)	1,754	1,898	1,882	1,908	1,717	2,210	2,255	2,302	1,880	2,121	1,869	2,023
Current balance (SAAR; Y tril)	19.0	19.4	20.6	21.7	19.1	24.5	25.4	25.9	20.4	24.0	20.3	22.7
(% of nominal GDP)	3.5	3.6	3.8	4.0	3.5	4.5	4.6	4.7	3.7	4.4	3.7	4.1
Exchange rate (Y/\$)	108.1	102.4	109.4	113.6	111.1	111.0	112.5	112.5	108.4	111.8	108.8	112.1
(Y/Euro)	120.7	114.7	119.2	120.2	124.3	131.3	132.5	133.0	118.7	130.3	120.6	127.1

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.

1.2 Selected Economic Indicators

	2018			2019			2020		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)	2018 (E)	2019 (E)	2018 (E)	2019 (E)
Nominal GDP (SAAR; Y tril)	555.0	556.6	559.6	561.3	563.2	566.7	567.4	567.8	558.1	566.2	556.1	564.6
Q/q %	0.3	0.3	0.5	0.3	0.3	0.6	0.1	0.1				
Q/q %, SAAR	1.1	1.2	2.2	1.2	1.3	2.5	0.5	0.3				
Y/y %	1.9	1.3	1.5	1.5	1.5	1.8	1.4	1.1	1.5	1.4	1.8	1.5
Real GDP (chained [2011]; SAAR; Y tril)	537.7	539.0	540.4	541.7	543.2	545.8	541.5	541.4	539.7	542.8	538.3	543.0
Q/q %	0.2	0.2	0.3	0.2	0.3	0.5	-0.8	-0.0				
Q/q %, SAAR	0.9	0.9	1.1	1.0	1.1	1.9	-3.1	-0.1				
Y/y %	1.3	0.9	1.0	1.0	1.0	1.3	0.2	-0.1	1.1	0.6	1.2	0.9
Contribution to GDP growth (% pt)												
Domestic demand	0.2	0.2	0.3	0.3	0.4	0.7	-1.6	-0.2	0.8	0.5	0.9	0.8
Foreign demand	0.0	0.0	-0.0	-0.0	-0.1	-0.3	0.8	0.2	0.2	0.1	0.3	0.0
GDP deflator (y/y %)	0.5	0.4	0.5	0.4	0.4	0.5	1.2	1.2	0.5	0.9	0.5	0.7
Index of All-Industry Activity (2010=100)	106.5	106.8	107.2	107.5	107.8	108.1	108.4	108.7	107.0	108.3	106.7	108.0
Q/q %; y/y %	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1.5	1.2	1.7	1.3
Index of Industrial Production (2010=100)	105.7	106.3	106.8	107.4	107.9	108.4	108.8	109.3	106.6	108.6	106.0	108.1
Q/q %; y/y %	0.6	0.5	0.5	0.5	0.5	0.5	0.4	0.4	3.1	1.9	3.8	2.0
Index of Tertiary Industry Activity (2010=100)	105.8	106.2	106.5	106.8	107.0	107.3	107.5	107.7	106.3	107.3	106.0	107.2
Q/q %; y/y %	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	1.1	1.0	1.2	1.1
Corporate Goods Price Index components (2015=100)												
Domestic Company Goods Price Index	100.9	101.4	101.9	102.4	102.9	103.3	106.4	106.6	101.6	104.8	101.1	103.7
Y/y %	2.5	2.5	2.3	2.1	2.0	1.9	4.4	4.1	2.3	3.1	2.4	2.6
CPI (excl. fresh food; 2015=100)	101.1	101.1	101.4	101.2	101.8	101.8	103.0	102.8	101.2	102.3	101.0	101.9
Y/y %	0.9	0.9	0.7	0.7	0.7	0.6	1.5	1.5	0.8	1.1	0.8	0.9
Unemployment rate (%)	2.7	2.7	2.7	2.7	2.7	2.6	2.6	2.6	2.7	2.6	2.7	2.7
Government bond yield (10 year; %)	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Money stock; M2 (y/y %)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Trade balance (SAAR; Y tril)	6.9	7.2	7.2	7.2	7.0	5.9	9.5	10.3	7.1	8.2	7.1	7.4
Current balance (SAAR; \$100 mil)	2,317	2,324	2,340	2,341	2,317	2,188	2,606	2,708	2,330	2,455	2,321	2,363
Current balance (SAAR; Y tril)	26.1	26.1	26.3	26.3	26.1	24.6	29.3	30.5	26.5	27.9	26.1	26.6
(% of nominal GDP)	4.7	4.7	4.7	4.7	4.6	4.3	5.2	5.4	4.7	4.9	4.7	4.7
Exchange rate (Y/\$)	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5
(Y/Euro)	133.0	133.0	133.0	133.0	133.0	133.0	133.0	133.0	133.0	133.0	133.0	133.0

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 [2011]; Y tril)

	2016			2017			2018		FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12 (E)	1-3 (E)	2016	2017 (E)	2016	2017 (E)
Gross domestic expenditure	522.1	523.2	525.0	527.0	530.8	534.1	535.2	536.5	524.4	534.1	522.5	531.7
Q/q %, SAAR	1.6	0.9	1.4	1.5	2.9	2.5	0.9	0.9				
Y/y %	0.7	0.9	1.5	1.5	1.6	2.1	1.9	1.7	1.2	1.8	0.9	1.8
Domestic demand	527.4	526.6	526.8	528.2	533.3	534.2	535.1	536.0	527.2	534.6	526.5	532.6
Q/q %, SAAR	1.1	-0.6	0.2	1.1	4.0	0.6	0.7	0.7				
Y/y %	0.5	0.1	0.4	0.5	1.1	1.4	1.5	1.5	0.4	1.4	0.3	1.1
Private demand	395.7	394.4	395.5	396.6	400.3	401.8	402.7	403.5	395.6	402.0	394.8	400.3
Q/q %, SAAR	2.1	-1.3	1.1	1.1	3.8	1.5	0.9	0.9				
Y/y %	0.2	-0.3	0.5	0.9	1.1	1.8	1.8	1.8	0.3	1.6	0.1	1.4
Final consumption	295.7	297.0	297.3	298.4	301.1	299.7	300.3	300.8	297.1	300.5	296.5	299.9
Q/q %, SAAR	-0.8	1.8	0.4	1.5	3.7	-1.9	0.9	0.6				
Y/y %	-0.2	-0.1	0.6	0.8	1.9	0.9	1.0	0.8	0.3	1.1	0.1	1.1
Residential investment	15.7	16.2	16.2	16.4	16.6	16.4	16.4	16.3	16.1	16.4	15.9	16.5
Q/q %, SAAR	9.7	12.5	1.0	3.7	5.2	-4.0	-2.0	-0.8				
Y/y %	5.1	6.3	6.8	6.5	5.7	1.6	0.8	-0.4	6.2	1.8	5.6	3.5
Non-residential investment	82.0	81.9	83.1	83.3	84.3	85.2	85.3	85.5	82.6	85.1	82.2	84.4
Q/q %, SAAR	1.8	-0.8	6.2	0.7	4.9	4.3	0.6	1.0				
Y/y %	1.3	-0.2	1.7	1.8	2.9	3.8	2.5	2.7	1.2	3.0	0.6	2.7
Change in inventories	2.2	-0.6	-1.1	-1.4	-1.7	0.5	0.7	0.9	-0.2	0.1	0.2	-0.5
Public demand	131.6	132.2	131.3	131.6	133.1	132.4	132.4	132.4	131.6	132.5	131.8	132.3
Q/q %, SAAR	-2.0	1.6	-2.7	1.0	4.5	-1.9	-0.1	0.1				
Y/y %	1.3	1.4	0.1	-0.6	1.1	0.2	0.9	0.7	0.5	0.7	1.0	0.4
Government final consumption	105.4	106.0	105.7	105.9	106.1	106.2	106.5	106.7	105.7	106.3	105.9	106.1
Q/q %, SAAR	-4.5	2.0	-1.0	0.7	0.8	0.2	1.2	1.0				
Y/y %	1.2	1.3	0.2	-0.6	0.6	0.2	0.8	0.7	0.5	0.6	1.3	0.2
Fixed investment	26.2	26.3	25.6	25.7	26.9	26.3	25.9	25.7	25.9	26.2	25.9	26.2
Q/q %, SAAR	9.6	1.2	-9.1	1.4	19.8	-9.2	-5.3	-3.5				
Y/y %	1.8	2.2	-0.0	-0.1	3.6	0.3	1.3	0.2	0.9	1.2	-0.1	1.1
Change in inventories	0.0	-0.1	-0.1	-0.0	0.0	-0.0	-0.0	-0.0	-0.0	0.0	-0.0	-0.0
Net exports of goods and services	-5.4	-3.7	-2.3	-1.9	-3.3	-0.6	-0.3	0.1	-3.3	-1.0	-4.4	-1.5
Exports of goods and services	82.5	84.3	86.8	88.5	88.3	89.6	90.5	91.4	85.6	89.9	84.2	89.2
Q/q %, SAAR	-2.2	8.7	12.6	7.8	-0.5	6.0	4.1	3.8				
Y/y %	0.9	1.0	4.8	6.7	6.8	6.4	4.2	3.3	3.4	5.1	1.3	6.0
Imports of goods and services	87.9	88.0	89.1	90.3	91.6	90.2	90.8	91.3	88.9	91.0	88.5	90.7
Q/q %, SAAR	-5.0	0.6	5.2	5.4	5.9	-6.2	2.8	2.2				
Y/y %	-0.8	-3.2	-1.6	1.4	4.3	2.4	1.8	1.1	-1.1	2.4	-1.9	2.5

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.

2.2 Real Gross Domestic Expenditure (chained [2011]; Y tril)

	2018			2019			2020		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)	2018 (E)	2019 (E)	2018 (E)	2019 (E)
Gross domestic expenditure	537.7	539.0	540.4	541.7	543.2	545.8	541.5	541.4	539.7	542.8	538.3	543.0
Q/q %, SAAR	0.9	0.9	1.1	1.0	1.1	1.9	-3.1	-0.1				
Y/y %	1.3	0.9	1.0	1.0	1.0	1.3	0.2	-0.1	1.1	0.6	1.2	0.9
Domestic demand	537.1	538.4	539.8	541.3	543.2	547.2	538.6	537.5	539.1	541.5	537.7	542.5
Q/q %, SAAR	0.9	0.9	1.1	1.1	1.4	3.0	-6.2	-0.8				
Y/y %	0.7	0.8	0.8	1.0	1.1	1.7	-0.2	-0.7	0.8	0.5	1.0	0.9
Private demand	404.7	405.9	407.3	408.7	410.6	414.5	405.8	404.5	406.7	408.8	405.3	409.8
Q/q %, SAAR	1.1	1.2	1.4	1.4	1.8	3.9	-8.1	-1.3				
Y/y %	1.1	1.0	1.1	1.4	1.4	2.1	-0.4	-1.0	1.2	0.5	1.3	1.1
Final consumption	301.3	301.9	302.4	303.2	304.0	307.8	299.9	298.9	302.2	302.6	301.6	303.7
Q/q %, SAAR	0.7	0.7	0.8	1.0	1.1	5.1	-9.9	-1.4				
Y/y %	0.1	0.8	0.7	0.8	0.9	2.0	-0.8	-1.4	0.6	0.1	0.6	0.7
Residential investment	16.3	16.4	16.4	16.6	16.9	17.3	16.0	15.7	16.4	16.5	16.4	16.7
Q/q %, SAAR	0.4	0.8	1.8	3.2	7.4	9.5	-25.2	-7.8				
Y/y %	-1.7	-0.5	0.5	1.5	3.3	5.5	-2.3	-5.1	-0.0	0.3	-0.5	2.0
Non-residential investment	85.9	86.4	86.9	87.4	87.9	88.8	88.0	88.6	86.7	88.3	86.1	87.9
Q/q %, SAAR	1.9	2.2	2.5	2.2	2.3	4.1	-3.6	3.0				
Y/y %	1.9	1.5	2.0	2.2	2.3	2.7	1.2	1.4	1.9	1.9	2.1	2.1
Change in inventories	1.1	1.3	1.5	1.6	1.8	0.7	1.9	1.3	1.4	1.4	1.2	1.5
Public demand	132.4	132.4	132.5	132.5	132.6	132.7	132.8	133.0	132.4	132.7	132.4	132.6
Q/q %, SAAR	0.1	0.0	0.1	0.1	0.2	0.4	0.2	0.5				
Y/y %	-0.3	0.0	-0.0	-0.0	0.3	0.2	0.2	0.3	-0.1	0.2	0.1	0.2
Government final consumption	106.9	107.2	107.4	107.6	107.8	108.0	108.3	108.5	107.2	108.1	107.0	107.9
Q/q %, SAAR	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9				
Y/y %	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Fixed investment	25.5	25.3	25.1	24.9	24.8	24.7	24.5	24.5	25.2	24.6	25.4	24.8
Q/q %, SAAR	-3.0	-3.1	-2.8	-2.8	-2.3	-1.6	-2.6	-1.0				
Y/y %	-5.7	-3.9	-3.2	-3.1	-2.6	-2.3	-2.3	-1.8	-3.8	-2.2	-2.9	-2.6
Change in inventories	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
Net exports of goods and services	0.2	0.2	0.1	-0.0	-0.4	-1.9	2.5	3.4	0.1	0.9	0.1	0.0
Exports of goods and services	92.0	92.7	93.3	93.9	94.5	95.0	95.5	96.0	93.0	95.2	92.3	94.7
Q/q %, SAAR	3.0	2.7	2.7	2.7	2.4	2.3	2.2	2.1				
Y/y %	4.3	3.4	3.1	2.8	2.6	2.5	2.4	2.2	3.4	2.4	3.5	2.6
Imports of goods and services	91.9	92.5	93.2	93.9	94.8	96.9	93.1	92.6	92.9	94.3	92.2	94.7
Q/q %, SAAR	2.6	2.7	2.8	3.2	4.1	9.1	-15.1	-2.0				
Y/y %	0.3	2.6	2.6	2.8	3.2	4.8	-0.1	-1.4	2.1	1.6	1.7	2.6

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)

	2016			2017			2018		FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12 (E)	1-3 (E)	2016	2017 (E)	2016	2017 (E)
Gross domestic expenditure	538.3	537.7	540.2	540.6	544.9	549.2	551.4	553.4	539.3	549.7	538.4	546.5
Q/q %, SAAR	0.4	-0.4	1.9	0.3	3.2	3.2	1.6	1.5				
Y/y %	1.2	0.8	1.4	0.6	1.1	2.2	2.1	2.3	1.0	1.9	1.2	1.5
Domestic demand	533.4	532.2	534.3	535.7	541.4	542.4	544.3	545.8	534.0	543.5	533.2	540.9
Q/q %, SAAR	0.1	-0.9	1.6	1.1	4.3	0.8	1.3	1.1				
Y/y %	-0.2	-0.7	0.0	0.6	1.4	1.9	1.8	1.9	-0.1	1.8	-0.2	1.4
Private demand	400.4	398.7	401.4	402.3	406.2	407.7	409.4	410.9	400.8	408.5	399.9	406.3
Q/q %, SAAR	1.4	-1.7	2.7	0.9	3.9	1.5	1.8	1.4				
Y/y %	-0.6	-1.2	0.1	0.9	1.4	2.2	1.9	2.2	-0.2	1.9	-0.5	1.6
Final consumption	299.0	299.6	301.3	301.9	304.5	302.8	304.1	304.9	300.5	304.1	299.9	303.3
Q/q %, SAAR	-0.8	0.8	2.3	0.9	3.4	-2.2	1.7	1.1				
Y/y %	-0.8	-0.9	0.3	0.9	1.9	1.0	0.9	0.9	-0.2	1.2	-0.4	1.2
Residential investment	16.5	17.0	17.2	17.4	17.7	17.6	17.6	17.7	17.0	17.7	16.7	17.6
Q/q %, SAAR	8.4	13.2	3.7	6.4	6.4	-1.3	-0.2	0.8				
Y/y %	4.0	5.2	6.7	7.7	7.5	3.9	2.9	1.5	5.9	3.9	4.9	5.4
Non-residential investment	83.1	82.7	84.0	84.5	85.8	86.9	87.3	87.7	83.6	86.9	83.2	86.0
Q/q %, SAAR	0.7	-1.9	6.7	2.5	6.1	5.3	1.8	2.0				
Y/y %	0.3	-1.6	0.9	1.9	3.4	4.9	3.7	3.8	0.4	4.0	-0.3	3.4
Change in inventories	1.9	-0.6	-1.1	-1.6	-1.8	0.3	0.4	0.6	-0.3	-0.1	0.1	-0.7
Public demand	133.0	133.5	132.9	133.4	135.2	134.8	134.8	134.9	133.2	134.9	133.3	134.6
Q/q %, SAAR	-3.6	1.6	-1.7	1.5	5.4	-1.2	0.0	0.2				
Y/y %	0.9	1.0	-0.2	-0.6	1.6	1.0	1.5	1.1	0.3	1.3	0.6	0.9
Government final consumption	105.9	106.4	106.2	106.4	106.9	107.1	107.4	107.7	106.2	107.3	106.5	106.9
Q/q %, SAAR	-6.4	2.1	-0.7	0.7	1.9	0.7	1.4	1.1				
Y/y %	1.1	1.1	-0.2	-1.0	0.9	0.6	1.2	1.2	0.2	1.0	1.1	0.4
Fixed investment	27.1	27.2	26.8	27.1	28.3	27.7	27.4	27.2	27.0	27.7	26.9	27.6
Q/q %, SAAR	7.8	0.7	-5.2	4.4	19.3	-7.8	-5.0	-3.2				
Y/y %	0.3	1.0	-0.2	1.2	5.3	2.5	2.4	0.6	0.6	2.5	-0.9	2.7
Change in inventories	0.0	-0.0	-0.1	-0.0	0.0	0.0	0.0	0.0	-0.0	0.0	-0.0	0.0
Net exports of goods and services	4.9	5.6	5.9	4.8	3.5	6.7	7.1	7.6	5.3	6.3	5.2	5.6
Exports of goods and services	84.9	84.9	89.5	94.9	93.9	96.7	97.7	98.6	88.6	96.7	86.8	95.8
Q/q %, SAAR	-11.9	0.1	23.9	26.2	-4.3	12.4	4.2	4.0				
Y/y %	-9.1	-10.6	-1.3	8.2	10.5	14.1	8.9	4.0	-3.4	9.2	-7.2	10.4
Imports of goods and services	80.0	79.3	83.6	90.1	90.3	90.0	90.5	91.0	83.3	90.4	81.6	90.2
Q/q %, SAAR	-14.2	-3.2	23.5	34.5	1.2	-1.7	2.6	2.1				
Y/y %	-16.6	-18.4	-9.4	8.3	13.1	13.3	8.1	1.1	-9.5	8.6	-14.9	10.6

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.

3.2 Nominal Gross Domestic Expenditure (¥ tril)

	2018			2019			2020		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)	2018 (E)	2019 (E)	2018 (E)	2019 (E)
Gross domestic expenditure	555.0	556.6	559.6	561.3	563.2	566.7	567.4	567.8	558.1	566.2	556.1	564.6
Q/q %, SAAR	1.1	1.2	2.2	1.2	1.3	2.5	0.5	0.3				
Y/y %	1.9	1.3	1.5	1.5	1.5	1.8	1.4	1.1	1.5	1.4	1.8	1.5
Domestic demand	547.1	548.6	551.6	553.3	555.4	560.3	556.5	555.8	550.2	557.0	548.3	556.4
Q/q %, SAAR	1.0	1.1	2.2	1.2	1.6	3.6	-2.6	-0.5				
Y/y %	1.1	1.2	1.3	1.4	1.5	2.1	0.9	0.5	1.2	1.2	1.4	1.5
Private demand	412.2	413.6	416.4	418.0	420.0	424.7	419.7	418.8	415.1	420.8	413.2	420.6
Q/q %, SAAR	1.3	1.4	2.7	1.6	1.9	4.5	-4.7	-0.9				
Y/y %	1.4	1.5	1.7	1.8	1.9	2.7	0.8	0.2	1.6	1.4	1.7	1.8
Final consumption	305.4	306.1	308.0	308.8	309.8	313.7	309.7	308.7	307.1	310.5	306.1	310.5
Q/q %, SAAR	0.7	0.8	2.5	1.1	1.2	5.2	-5.0	-1.3				
Y/y %	0.3	1.1	1.3	1.3	1.4	2.5	0.6	-0.0	1.0	1.1	0.9	1.4
Residential investment	17.7	17.8	17.9	18.1	18.4	18.9	17.8	17.5	17.9	18.2	17.8	18.3
Q/q %, SAAR	1.6	1.5	2.5	3.9	8.1	10.0	-20.6	-7.4				
Y/y %	0.2	0.9	1.6	2.4	4.0	6.1	-0.5	-3.3	1.2	1.6	1.0	3.0
Non-residential investment	88.3	88.9	89.6	90.1	90.7	91.7	90.9	91.7	89.3	91.2	88.6	90.8
Q/q %, SAAR	2.7	2.8	3.1	2.4	2.5	4.4	-3.2	3.5				
Y/y %	2.9	2.4	2.7	2.7	2.7	3.0	1.4	1.8	2.7	2.2	3.0	2.5
Change in inventories	0.7	0.8	0.9	1.0	1.1	0.4	1.2	0.8	0.9	0.9	0.7	0.9
Public demand	135.0	135.0	135.1	135.2	135.4	135.6	136.9	137.1	135.1	136.3	135.0	135.8
Q/q %, SAAR	0.2	0.2	0.3	0.3	0.4	0.6	3.9	0.6				
Y/y %	0.0	0.1	0.2	0.1	0.5	0.4	1.3	1.3	0.1	0.9	0.3	0.6
Government final consumption	108.0	108.3	108.5	108.8	109.1	109.4	110.7	111.0	108.4	110.0	108.1	109.5
Q/q %, SAAR	1.0	1.0	1.1	1.0	1.0	1.1	5.0	0.9				
Y/y %	1.1	1.1	1.0	1.0	1.0	1.1	2.0	2.0	1.1	1.5	1.1	1.3
Fixed investment	27.0	26.8	26.6	26.4	26.3	26.2	26.2	26.1	26.7	26.2	26.9	26.3
Q/q %, SAAR	-2.8	-2.9	-2.6	-2.7	-2.1	-1.2	-0.6	-0.6				
Y/y %	-5.1	-3.6	-3.0	-2.9	-2.4	-2.1	-1.6	-1.1	-3.6	-1.7	-2.6	-2.2
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	7.8	8.0	8.0	8.0	7.8	6.4	10.8	11.9	8.0	9.3	7.9	8.3
Exports of goods and services	99.4	100.1	100.8	101.5	102.2	102.8	103.4	104.0	100.5	103.1	99.8	102.5
Q/q %, SAAR	3.1	2.9	2.9	2.9	2.6	2.5	2.4	2.3				
Y/y %	5.9	3.5	3.3	2.9	2.8	2.8	2.5	2.5	3.9	2.6	4.2	2.7
Imports of goods and services	91.6	92.2	92.8	93.5	94.4	96.5	92.6	92.1	92.5	93.9	91.9	94.2
Q/q %, SAAR	2.5	2.6	2.7	3.1	4.0	9.0	-15.2	-2.1				
Y/y %	1.3	2.5	2.5	2.7	3.1	4.6	-0.2	-1.5	2.3	1.5	1.9	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.

4.1 Gross Domestic Expenditure, Implicit Deflators (2011=100)

	2016			2017			2018		FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12 (E)	1-3 (E)	2016	2017 (E)	2016	2017 (E)
Gross domestic expenditure	103.1	102.8	102.9	102.6	102.7	102.8	103.0	103.2	102.8	102.9	103.1	102.8
Q/q %, SAAR	-0.3	-0.3	0.1	-0.3	0.1	0.2	0.2	0.1				
Y/y %	0.5	-0.1	-0.1	-0.9	-0.4	0.1	0.1	0.6	-0.2	0.1	0.3	-0.3
Private final consumption	101.1	100.9	101.4	101.2	101.1	101.0	101.2	101.4	101.1	101.2	101.1	101.1
Q/q %, SAAR	0.0	-0.2	0.5	-0.2	-0.1	-0.1	0.2	0.1				
Y/y %	-0.6	-0.8	-0.3	0.0	-0.0	0.2	-0.1	0.2	-0.4	0.1	-0.5	0.0
Private residential investment	104.8	104.9	105.6	106.3	106.6	107.4	107.9	108.3	105.4	107.5	105.2	107.0
Q/q %, SAAR	-0.3	0.1	0.7	0.6	0.3	0.7	0.4	0.4				
Y/y %	-1.1	-1.0	-0.1	1.1	1.7	2.3	2.0	1.9	-0.2	2.0	-0.7	1.8
Private non-residential investment	101.2	101.0	101.1	101.5	101.8	102.1	102.4	102.6	101.2	102.2	101.2	101.9
Q/q %, SAAR	-0.3	-0.3	0.1	0.4	0.3	0.2	0.3	0.2				
Y/y %	-1.0	-1.4	-0.8	0.0	0.5	1.1	1.2	1.1	-0.7	1.0	-0.9	0.7
Government final consumption	100.4	100.4	100.5	100.5	100.7	100.8	100.9	100.9	100.5	100.9	100.5	100.8
Q/q %, SAAR	-0.5	0.0	0.1	-0.0	0.3	0.1	0.0	0.0				
Y/y %	-0.1	-0.2	-0.4	-0.4	0.3	0.4	0.4	0.5	-0.3	0.4	-0.2	0.2
Public fixed investment	103.5	103.4	104.5	105.3	105.1	105.6	105.7	105.7	104.3	105.6	103.9	105.4
Q/q %, SAAR	-0.4	-0.1	1.1	0.7	-0.1	0.4	0.1	0.1				
Y/y %	-1.5	-1.2	-0.1	1.3	1.6	2.2	1.1	0.4	-0.3	1.3	-0.8	1.5
Exports of goods and services	102.8	100.7	103.1	107.3	106.3	107.9	107.9	108.0	103.5	107.6	103.1	107.4
Q/q %, SAAR	-2.6	-2.1	2.4	4.0	-1.0	1.5	0.0	0.0				
Y/y %	-10.0	-11.5	-5.8	1.4	3.5	7.2	4.6	0.7	-6.5	3.9	-8.5	4.1
Imports of goods and services	91.0	90.1	93.8	99.7	98.6	99.8	99.7	99.7	93.7	99.4	92.1	99.4
Q/q %, SAAR	-2.5	-1.0	4.1	6.3	-1.1	1.2	-0.0	-0.0				
Y/y %	-15.9	-15.6	-7.9	6.8	8.4	10.6	6.2	-0.0	-8.6	6.0	-13.2	7.9

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.

4.2 Gross Domestic Expenditure, Implicit Deflators (2011=100)

	2018			2019			2020		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)	2018 (E)	2019 (E)	2018 (E)	2019 (E)
Gross domestic expenditure	103.2	103.3	103.6	103.6	103.7	103.8	104.8	104.9	103.4	104.3	103.3	104.0
Q/q %, SAAR	0.1	0.1	0.3	0.1	0.1	0.1	0.9	0.1				
Y/y %	0.5	0.4	0.5	0.4	0.4	0.5	1.2	1.2	0.5	0.9	0.5	0.7
Private final consumption	101.4	101.4	101.8	101.9	101.9	101.9	103.3	103.3	101.6	102.6	101.5	102.2
Q/q %, SAAR	-0.0	0.0	0.4	0.0	0.0	0.0	1.3	0.0				
Y/y %	0.2	0.4	0.6	0.5	0.5	0.5	1.4	1.4	0.4	1.0	0.3	0.7
Private residential investment	108.6	108.8	109.0	109.2	109.4	109.5	111.1	111.2	108.9	110.3	108.7	109.8
Q/q %, SAAR	0.3	0.2	0.2	0.2	0.2	0.1	1.5	0.1				
Y/y %	1.9	1.3	1.1	0.8	0.7	0.6	1.9	1.9	1.3	1.2	1.5	1.0
Private non-residential investment	102.8	103.0	103.1	103.1	103.2	103.3	103.4	103.5	103.0	103.3	102.9	103.2
Q/q %, SAAR	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1				
Y/y %	1.0	0.9	0.7	0.5	0.4	0.3	0.3	0.3	0.8	0.3	0.9	0.4
Government final consumption	101.0	101.0	101.1	101.1	101.2	101.3	102.3	102.3	101.1	101.8	101.1	101.5
Q/q %, SAAR	0.0	0.1	0.1	0.1	0.1	0.1	1.0	-0.0				
Y/y %	0.3	0.2	0.2	0.2	0.2	0.2	1.2	1.1	0.2	0.7	0.3	0.5
Public fixed investment	105.8	105.8	105.9	105.9	106.0	106.1	106.6	106.7	105.9	106.4	105.8	106.2
Q/q %, SAAR	0.1	0.0	0.0	0.0	0.0	0.1	0.5	0.1				
Y/y %	0.6	0.2	0.2	0.2	0.2	0.2	0.7	0.7	0.3	0.5	0.4	0.3
Exports of goods and services	108.0	108.0	108.1	108.1	108.2	108.2	108.3	108.3	108.1	108.3	108.0	108.2
Q/q %, SAAR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
Y/y %	1.6	0.1	0.2	0.1	0.2	0.2	0.2	0.2	0.5	0.2	0.6	0.2
Imports of goods and services	99.7	99.6	99.6	99.6	99.6	99.5	99.5	99.5	99.6	99.5	99.6	99.5
Q/q %, SAAR	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0				
Y/y %	1.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.2	-0.1	0.2	-0.1

Source: Compiled by DIR.

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

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

E: DIR estimate.

5.1 Contribution to Real GDP Growth by Component

	2016			2017			2018		FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12 (E)	1-3 (E)	2016	2017 (E)	2016	2017 (E)
1) Q/q %												
GDP growth rate	0.4	0.2	0.3	0.4	0.7	0.6	0.2	0.2	1.2	1.8	0.9	1.8
Domestic demand	0.3	-0.1	0.0	0.3	1.0	0.1	0.2	0.2	0.4	1.4	0.4	1.2
Private demand	0.4	-0.2	0.2	0.2	0.7	0.3	0.2	0.2	0.3	1.2	0.1	1.1
Private consumption	-0.1	0.2	0.1	0.2	0.5	-0.3	0.1	0.1	0.2	0.6	0.0	0.6
Residential investment	0.1	0.1	0.0	0.0	0.0	-0.0	-0.0	-0.0	0.2	0.1	0.2	0.1
Private fixed investment	0.1	-0.0	0.2	0.0	0.2	0.2	0.0	0.0	0.2	0.5	0.1	0.4
Change in private inventories	0.4	-0.5	-0.1	-0.1	-0.0	0.4	0.0	0.0	-0.3	0.1	-0.2	-0.1
Public demand	-0.1	0.1	-0.2	0.1	0.3	-0.1	-0.0	0.0	0.1	0.2	0.2	0.1
Government final consumption	-0.2	0.1	-0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.3	0.0
Public fixed investment	0.1	0.0	-0.1	0.0	0.2	-0.1	-0.1	-0.0	0.0	0.1	-0.0	0.1
Change in public inventories	-0.0	-0.0	-0.0	0.0	0.0	-0.0	0.0	0.0	-0.0	0.0	-0.0	0.0
Net exports of goods and services	0.1	0.3	0.3	0.1	-0.2	0.5	0.0	0.1	0.8	0.4	0.6	0.6
Exports of goods and services	-0.1	0.4	0.5	0.3	-0.0	0.2	0.2	0.2	0.6	0.8	0.2	1.0
Imports of goods and services	0.2	-0.0	-0.2	-0.2	-0.2	0.2	-0.1	-0.1	0.2	-0.4	0.3	-0.4
2) Y/y %												
GDP growth rate	0.7	0.9	1.5	1.5	1.6	2.1	1.9	1.7	1.2	1.8	0.9	1.8
Domestic demand	0.5	0.2	0.4	0.6	1.1	1.4	1.6	1.5	0.4	1.4	0.4	1.2
Private demand	0.1	-0.2	0.4	0.7	0.8	1.4	1.3	1.3	0.3	1.2	0.1	1.1
Private consumption	-0.1	-0.1	0.3	0.5	1.0	0.5	0.6	0.4	0.2	0.6	0.0	0.6
Residential investment	0.1	0.2	0.2	0.2	0.2	0.1	0.0	-0.0	0.2	0.1	0.2	0.1
Private fixed investment	0.2	-0.0	0.3	0.3	0.4	0.6	0.4	0.5	0.2	0.5	0.1	0.4
Change in private inventories	-0.0	-0.3	-0.4	-0.3	-0.7	0.2	0.3	0.4	-0.3	0.1	-0.2	-0.1
Public demand	0.3	0.4	0.0	-0.1	0.3	0.1	0.2	0.2	0.1	0.2	0.2	0.1
Government final consumption	0.2	0.3	0.0	-0.1	0.1	0.0	0.1	0.2	0.1	0.1	0.3	0.0
Public fixed investment	0.1	0.1	-0.0	-0.0	0.2	0.0	0.1	0.0	0.0	0.1	-0.0	0.1
Change in public inventories	0.0	-0.0	-0.0	-0.0	0.0	0.0	0.0	0.0	-0.0	0.0	-0.0	0.0
Net exports of goods and services	0.3	0.8	1.1	0.9	0.4	0.7	0.4	0.4	0.8	0.4	0.6	0.6
Exports of goods and services	0.2	0.2	0.8	1.1	1.1	1.0	0.7	0.5	0.6	0.8	0.2	1.0
Imports of goods and services	0.1	0.6	0.3	-0.2	-0.7	-0.4	-0.3	-0.2	0.2	-0.4	0.3	-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.

5.2 Contribution to Real GDP Growth by Component

	2018			2019			2020			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)	2018 (E)	2019 (E)	2018 (E)	2019 (E)	
1) Q/q %													
GDP growth rate	0.2	0.2	0.3	0.2	0.3	0.5	-0.8	-0.0	1.1	0.6	1.2	0.9	
Domestic demand	0.2	0.2	0.3	0.3	0.4	0.7	-1.6	-0.2	0.8	0.5	0.9	0.8	
Private demand	0.2	0.2	0.3	0.3	0.3	0.7	-1.6	-0.2	0.9	0.4	0.9	0.8	
Private consumption	0.1	0.1	0.1	0.1	0.2	0.7	-1.4	-0.2	0.3	0.1	0.3	0.4	
Residential investment	0.0	0.0	0.0	0.0	0.1	0.1	-0.2	-0.1	-0.0	0.0	-0.0	0.1	
Private fixed investment	0.1	0.1	0.1	0.1	0.1	0.2	-0.1	0.1	0.3	0.3	0.3	0.3	
Change in private inventories	0.0	0.0	0.0	0.0	0.0	-0.2	0.2	-0.1	0.2	0.0	0.3	0.1	
Public demand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.1	0.0	0.0	
Government final consumption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2	
Public fixed investment	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.2	-0.1	-0.1	-0.1	
Change in public inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	0.0	
Net exports of goods and services	0.0	0.0	-0.0	-0.0	-0.1	-0.3	0.8	0.2	0.2	0.1	0.3	0.0	
Exports of goods and services	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.6	0.4	0.6	0.5	
Imports of goods and services	-0.1	-0.1	-0.1	-0.1	-0.2	-0.4	0.7	0.1	-0.4	-0.3	-0.3	-0.4	
2) Y/y %													
GDP growth rate	1.3	0.9	1.0	1.0	1.0	1.3	0.2	-0.1	1.1	0.6	1.2	0.9	
Domestic demand	0.7	0.8	0.8	1.0	1.1	1.7	-0.2	-0.7	0.8	0.5	0.9	0.8	
Private demand	0.8	0.8	0.9	1.0	1.1	1.6	-0.3	-0.7	0.9	0.4	0.9	0.8	
Private consumption	0.0	0.4	0.4	0.4	0.5	1.1	-0.5	-0.8	0.3	0.1	0.3	0.4	
Residential investment	-0.1	-0.0	0.0	0.0	0.1	0.2	-0.1	-0.2	-0.0	0.0	-0.0	0.1	
Private fixed investment	0.3	0.2	0.3	0.4	0.3	0.4	0.2	0.3	0.3	0.3	0.3	0.3	
Change in private inventories	0.6	0.1	0.1	0.1	0.1	-0.1	0.1	-0.1	0.2	0.0	0.3	0.1	
Public demand	-0.1	0.0	-0.0	-0.0	0.1	0.1	0.0	0.1	-0.0	0.1	0.0	0.0	
Government final consumption	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
Public fixed investment	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	
Change in public inventories	-0.0	-0.0	-0.0	-0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	0.0	
Net exports of goods and services	0.7	0.1	0.1	-0.0	-0.1	-0.4	0.4	0.6	0.2	0.1	0.3	0.0	
Exports of goods and services	0.7	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.6	0.4	0.6	0.5	
Imports of goods and services	-0.0	-0.4	-0.4	-0.5	-0.6	-0.8	0.0	0.2	-0.4	-0.3	-0.3	-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

	2016		2017			2018			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12 (E)	1-3 (E)	2016	2017 (E)	2016	2017 (E)
1) World economy												
Economic growth of major trading partners												
Y/y %	3.4	3.4	3.7	3.9	4.0	4.3	4.1	4.3	3.6	4.2	3.4	4.1
Crude oil price (WTI futures; \$/bbl)	45.6	44.9	49.3	51.8	48.1	48.2	55.0	57.0	47.9	52.1	43.5	50.8
Y/y %	-21.1	-3.4	16.9	54.0	5.5	7.2	11.6	10.1	6.4	8.7	-10.9	16.8
2) US economy												
Real GDP (chained [2009]; \$ bil; SAAR)	16,664	16,778	16,851	16,903	17,031	17,170	17,276	17,371	16,799	17,212	16,716	17,095
Q/q %, SAAR	2.2	2.8	1.8	1.2	3.1	3.3	2.5	2.2				
Y/y %	1.2	1.5	1.8	2.0	2.2	2.3	2.5	2.8	1.6	2.5	1.5	2.3
Consumer Price Index (1982-84 avg=100)	239.4	240.4	242.2	244.1	243.9	245.2	247.0	248.1	241.5	246.0	240.0	245.0
Q/q %, SAAR	2.3	1.8	3.0	3.1	-0.3	2.0	3.0	1.9				
Y/y %	1.0	1.1	1.8	2.5	1.9	2.0	2.0	1.6	1.6	1.9	1.3	2.1
Producer Price Index (Final demand; 2009.Nov=100)	110.2	110.5	111.1	112.0	112.6	113.0	114.0	114.5	110.9	113.5	110.4	112.9
Q/q %, SAAR	1.5	1.0	2.3	3.3	2.2	1.4	3.7	1.6				
Y/y %	0.1	0.2	1.4	2.0	2.2	2.3	2.6	2.2	0.9	2.3	0.4	2.3
FF rate (%)	0.50	0.50	0.75	1.00	1.25	1.25	1.50	1.50	1.00	1.50	0.75	1.50
(Target rate for the forecast period, end-period)												
Government bond yield (10 year; %)	1.75	1.56	2.13	2.44	2.26	2.24	2.39	2.43	1.97	2.33	1.84	2.33
3) Japanese economy												
Nominal government final consumption												
Y tri; SAAR	105.9	106.4	106.2	106.4	106.9	107.1	107.4	107.7	106.2	107.3	106.5	106.9
Q/q %, SAAR	-6.4	2.1	-0.7	0.7	1.9	0.7	1.4	1.1				
Y/y %	1.1	1.1	-0.2	-1.0	0.9	0.6	1.2	1.2	0.2	1.0	1.1	0.4
Nominal public fixed investment												
Y tri; SAAR	27.1	27.2	26.8	27.1	28.3	27.7	27.4	27.2	27.0	27.7	26.9	27.6
Q/q %, SAAR	7.8	0.7	-5.2	4.4	19.3	-7.8	-5.0	-3.2				
Y/y %	0.3	1.0	-0.2	1.2	5.3	2.5	2.4	0.6	0.6	2.5	-0.9	2.7
Exchange rate (Y/\$)	108.1	102.4	109.4	113.6	111.1	111.0	112.5	112.5	108.4	111.8	108.8	112.1
(Y/€)	120.7	114.7	119.2	120.2	124.3	131.3	132.5	133.0	118.7	130.3	120.6	127.1

Source: Compiled by DIR.

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

6.2 Major Assumptions

	2018			2019			2019		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)	2018 (E)	2019 (E)	2018 (E)	2019 (E)
1) World economy												
Economic growth of major trading partners												
Y/y %	4.1	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.7	3.5	3.9	3.6
Crude oil price (WTI futures; \$/bbl)	57.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0
Y/y %	18.4	18.3	3.6	0.0	0.0	0.0	0.0	0.0	9.4	0.0	12.2	0.0
2) US economy												
Real GDP (chained [2009]; \$ bil; SAAR)	17,463	17,555	17,648	17,740	17,834	17,930	18,026	18,123	17,602	17,978	17,509	17,882
Q/q %, SAAR	2.1	2.1	2.1	2.1	2.1	2.2	2.2	2.2				
Y/y %	2.5	2.2	2.2	2.1	2.1	2.1	2.1	2.2	2.3	2.1	2.4	2.1
Consumer Price Index (1982-84 avg=100)	249.6	251.2	252.8	254.4	255.9	257.4	258.9	260.4	252.0	258.1	250.4	256.6
Q/q %, SAAR	2.4	2.6	2.7	2.5	2.3	2.3	2.4	2.3				
Y/y %	2.3	2.5	2.4	2.5	2.5	2.5	2.4	2.3	2.4	2.4	2.2	2.5
Producer Price Index (Final demand; 2009.Nov=100)	115.1	115.7	116.3	117.0	117.5	118.1	118.7	119.3	116.0	118.4	115.4	117.8
Q/q %, SAAR	2.0	2.2	2.3	2.2	2.0	2.0	2.0	2.0				
Y/y %	2.2	2.4	2.0	2.2	2.2	2.1	2.0	2.0	2.2	2.1	2.2	2.1
FF rate (%) (Target rate for the forecast period, end-period)	1.75	2.00	2.25	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25	2.50
Government bond yield (10 year; %)	2.49	2.71	2.93	3.15	3.34	3.37	3.40	3.42	2.82	3.38	2.64	3.32
3) Japanese economy												
Nominal government final consumption												
Y tri; SAAR	108.0	108.3	108.5	108.8	109.1	109.4	110.7	111.0	108.4	110.0	108.1	109.5
Q/q %, SAAR	1.0	1.0	1.1	1.0	1.0	1.1	5.0	0.9				
Y/y %	1.1	1.1	1.0	1.0	1.0	1.1	2.0	2.0	1.1	1.5	1.1	1.3
Nominal public fixed investment												
Y tri; SAAR	27.0	26.8	26.6	26.4	26.3	26.2	26.2	26.1	26.7	26.2	26.9	26.3
Q/q %, SAAR	-2.8	-2.9	-2.6	-2.7	-2.1	-1.2	-0.6	-0.6				
Y/y %	-5.1	-3.6	-3.0	-2.9	-2.4	-2.1	-1.6	-1.1	-3.6	-1.7	-2.6	-2.2
Exchange rate (Y/\$)	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5
(Y/€)	133.0	133.0	133.0	133.0	133.0	133.0	133.0	133.0	133.0	133.0	133.0	133.0

Source: Compiled by DIR.

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

E: DIR estimate.