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## Japan's Economic Outlook No. 204 Update (Summary)

### *In this report we examine the impact of the Novel Coronavirus epidemic on Japan's economy*

Japan to see real GDP growth of -0.1% in FY19, +0.1% in FY20, and +0.8% in FY21. Meanwhile, nominal GDP growth is seen at +0.7% in FY19, +1.3% in FY20, and +1.3% in FY21.

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#### Summary

- **Revised economic outlook:** The 2020 Jan-Mar period real GDP growth rate is expected to decline in comparison to the previous period due to voluntary restraint of economic activities and the deterioration of overseas demand arising from the Novel Coronavirus (COVID-19) epidemic. Our outlook for the real GDP growth rate has been revised downwards as follows: -0.5%pt in FY2019, and -0.3%pt in FY2020. For the time being, the greatest risk to the Japanese economy will be the COVID-19 epidemic. If the spread of the infection continues for the long-term, Japan's economy could move into a major downturn. The main scenario of this outlook assumes that the COVID-19 epidemic will last for around three months, and then economic activity will be back to normal by sometime in the Apr-Jun period of 2020. In addition to the recovery of the Chinese economy and the comeback for the silicon cycle, Japan's domestic economy is expected to maintain underlying strength with the help of the expansive fiscal policy and tight labor market. Though moderate, economic recovery is expected to continue. Though moderate, economic recovery is expected to continue, but risk of the economy's entering a recession is increasing rapidly.

- **(1) The future of the economy according to the cyclical view:** The economic recovery pattern which has been observed in the past is that first China recovers, then the US, and after that Japan. Based on this pattern it is Japan's turn to enter a recovery phase, which is expected to occur sometime in CY2020. The recovery of exports will be an important point for some time to come. Looking at the situation by industry, production growth is expected in electronic parts and devices in association with the recovery in demand for semiconductors. On the other hand, transport equipment, which is highly sensitive to the influence of household income, is expected to continue marking time. The pattern of divergence between these two industries is expected to continue. However, according to our estimate, which takes into consideration the structure of interdependence between industries, overall industrial production should continue in a moderate growth trend with increasing demand for capital goods due to rising factory operating rates. At the same time we recommend paying close attention to the risk that our major assumption, the silicon cycle, may be negatively affected by the COVID-19 epidemic.
- **(2) The future of personal consumption after the consumption tax hike:** The last time the consumption tax was raised, consumption fell into a downturn due to the decline in purchase power, especially amongst low-income households. This time around, however, purchase power actually increased due to social security enhancement measures, such as a reduced tax rate, and free early childhood education. This brought stability to the consumption behaviors of low income households. In contrast, this time around different characteristics have been seen, such as the fact that buying restraints in high-income households have pushed down consumption instead. The future of personal consumption is expected to continue experiencing harsh conditions for the time being due to the voluntary curtailing of activities in association with the COVID-19 epidemic. Consumption is expected to make a comeback once the COVID-19 epidemic comes to an end and the economy returns to normal. However, with stagnant growth in income and the increase in the tendency to economize, as well as the gradual phasing out of government programs to counter the effects of the consumption tax hike, growth is expected to continue to decline somewhat.
- **(3) Risks in 2020:** In the run-up to the US presidential election, President Trump has made his support of the American manufacturing industry an issue. There is a limit to the kinds of policies that could be put into place the short time left before the elections, so it is quite possible that he may strengthen his tendency to lean toward a weak dollar policy. Here too we must remain vigilant. On the other hand, if election results bring in a new administration, we will see yet other risks to the economy. This would entail the rolling back of the Trump tax cuts and the strengthening of the regulatory framework. Meanwhile, rising tensions in the Middle East bring the risk of rising oil prices. The concern here is that Japan's real GDP could be pushed down by a maximum of around -0.8% coupled with yen appreciation which would occur due to risk-off behaviors. As for concerns that construction demand will disappear after the Tokyo Olympic and Paralympic Games, this will likely not break the back of the economy since there is still a huge backlog of construction orders which have not yet been filled due to insufficient supply.
- **BOJ's monetary policy:** During the period covered by this outlook, the CPI is expected to -0.1% in FY2020 and +0.4% y/y in FY2021. Hence we expect the BOJ to maintain its current monetary easing policy for the time being. With central banks in the US and Europe strengthening their monetary easing policies, Japan too is expected to begin moving in the direction of a limited addition to its range of monetary easing.

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**Our assumptions**

- Public works spending is expected to grow by +5.4% in FY19, +1.8 in FY20, and +0.0% in FY21.
- Average exchange rate of Y108.5/\$ in FY19, Y105.0/\$ in FY20, and Y105.0/\$ in FY21.
- US real GDP growth of +1.9% in CY20 and +2.0% in CY21.

## Main Economic Indicators and Real GDP Components

## Japan's Economic Outlook No.204 Update

	FY19 (Estimate)	FY20 (Estimate)	FY20 (Estimate)	CY19	CY20 (Estimate)	CY20 (Estimate)
<b>Main economic indicators</b>						
Nominal GDP (y/y %)	0.7	1.3	1.3	1.2	0.2	1.7
Real GDP (chained [2011]; y/y %)	-0.1	0.1	0.8	0.7	-1.1	1.2
Domestic demand (contribution, % pt)	-0.0	-0.1	0.7	0.8	-1.3	1.1
Foreign demand (contribution, % pt)	-0.1	0.2	0.1	-0.2	0.2	0.0
GDP deflator (y/y %)	0.9	1.2	0.5	0.6	1.3	0.6
Index of All-industry Activity (y/y %)*	-1.5	-0.9	0.8	-0.3	-3.0	1.5
Index of Industrial Production (y/y %)	-3.3	-1.3	1.8	-2.8	-3.0	1.9
Index of Tertiary Industry Activity (y/y %)	-1.1	-0.7	0.6	0.5	-3.0	1.5
Corporate Goods Price Index (y/y %)	-0.1	-1.6	0.8	0.2	-1.5	0.3
Consumer Price Index (excl. fresh food; y/y %)	0.6	-0.1	0.4	0.7	0.1	0.2
Unemployment rate (%)	2.3	2.5	2.5	2.4	2.5	2.5
Government bond yield (10 year; %)	-0.13	-0.16	-0.16	-0.11	-0.15	-0.16
Balance of payments						
Trade balance (Y tril)	1.6	7.2	7.7	0.6	6.7	7.5
Current balance (\$100 mil)	1,956	2,665	2,723	1,840	2,584	2,698
Current balance (Y tril)	21.4	28.2	28.8	20.1	27.3	28.3
(% of nominal GDP)	3.9	5.0	5.1	3.6	4.9	5.0
<b>Real GDP components</b> (Chained [2011]; y/y %; figures in parentheses: contribution, % pt)						
Private final consumption	-1.0 (-0.5)	-0.1 (-0.1)	0.8 (0.4)	0.2 (0.1)	-2.0 (-1.1)	1.5 (0.8)
Private housing investment	1.4 (0.0)	-1.5 (-0.0)	0.1 (0.0)	2.0 (0.1)	-1.8 (-0.1)	-0.0 (-0.0)
Private fixed investment	-0.8 (-0.1)	-1.4 (-0.2)	1.4 (0.2)	0.7 (0.1)	-2.8 (-0.4)	1.4 (0.2)
Government final consumption	2.6 (0.5)	1.2 (0.2)	1.0 (0.2)	1.9 (0.4)	1.7 (0.3)	1.0 (0.2)
Public fixed investment	3.7 (0.2)	0.7 (0.0)	-0.8 (-0.0)	2.9 (0.1)	1.8 (0.1)	-0.6 (-0.0)
Exports of goods and services	-2.2 (-0.4)	1.0 (0.2)	1.6 (0.3)	-1.8 (-0.3)	-1.1 (-0.2)	2.3 (0.4)
Imports of goods and services	-1.6 (0.3)	0.0 (-0.0)	1.2 (-0.2)	-0.8 (0.1)	-2.3 (0.4)	2.3 (-0.3)
<b>Major assumptions:</b>						
<b>1. World economy</b>						
Economic growth of major trading partners	2.7	3.1	3.3	3.0	2.8	3.2
Crude oil price (WTI futures; \$/bbl)	55.6	40.0	40.0	57.0	42.3	40.0
<b>2. US economy</b>						
US real GDP (chained [2012]; y/y %)	2.2	1.9	2.0	2.3	1.9	2.0
US Consumer Price Index (y/y %)	2.0	2.0	2.0	1.8	2.1	1.9
<b>3. Japanese economy</b>						
Nominal public fixed investment (y/y %)	5.4	1.8	0.0	4.5	3.2	0.2
Exchange rate (Y/\$)	108.5	105.0	105.0	109.0	105.8	105.0
(Y/€)	120.8	118.0	118.0	122.2	118.4	118.0

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 204 Update)			Previous outlook (Outlook 204)			Difference between previous and current outlooks		
	FY19	FY20	FY21	FY19	FY20	FY21	FY19	FY20	FY21
<b>Main economic indicators</b>									
Nominal GDP (y/y %)	0.7	1.3	1.3	1.2	1.1	1.2	-0.5	0.2	0.1
Real GDP (chained [2011]; y/y %)	-0.1	0.1	0.8	0.4	0.4	0.7	-0.5	-0.3	0.1
Domestic demand (contribution, % pt)	-0.0	-0.1	0.7	0.6	0.3	0.7	-0.6	-0.4	0.1
Foreign demand (contribution, % pt)	-0.1	0.2	0.1	-0.2	0.1	0.1	0.1	0.1	-0.0
GDP deflator (y/y %)	0.9	1.2	0.5	0.8	0.7	0.4	0.0	0.5	0.1
Index of All-industry Activity (y/y %)*	-1.5	-0.9	0.8	-0.6	-0.1	0.8	-1.0	-0.8	0.1
Index of Industrial Production (y/y %)	-3.3	-1.3	1.8	-3.0	-0.6	1.7	-0.3	-0.7	0.1
Index of Tertiary Industry Activity (y/y %)	-1.1	-0.7	0.6	0.0	0.1	0.6	-1.1	-0.8	0.1
Corporate Goods Price Index (y/y %)	-0.1	-1.6	0.8	0.1	0.1	0.7	-0.2	-1.7	0.1
Consumer Price Index (excl. fresh food; y/y %)	0.6	-0.1	0.4	0.6	0.2	0.4	-0.0	-0.3	0.1
Unemployment rate (%)	2.3	2.5	2.5	2.3	2.5	2.5	0.0	0.0	0.0
Government bond yield (10 year; %)	-0.13	-0.16	-0.16	-0.11	-0.05	-0.05	-0.02	-0.11	-0.11
Balance of payments									
Trade balance (Y tril)	1.6	7.2	7.7	0.8	3.2	3.7	0.8	4.0	4.0
Current balance (\$100 mil)	1,956	2,665	2,723	1,853	1,980	2,040	103	685	683
Current balance (Y tril)	21.4	28.2	28.8	20.3	21.9	22.5	1.0	6.3	6.2
(% of nominal GDP)	3.9	5.0	5.1	3.7	3.9	4.0	0.2	1.1	1.1
<b>Real GDP components (chained [2011]; y/y %)</b>									
Private final consumption	-1.0	-0.1	0.8	-0.2	0.1	0.6	-0.8	-0.2	0.2
Private housing investment	1.4	-1.5	0.1	1.3	-1.5	0.1	0.1	0.0	0.0
Private fixed investment	-0.8	-1.4	1.4	0.0	0.2	1.4	-0.8	-1.6	0.0
Government final consumption	2.6	1.2	1.0	2.5	1.1	1.0	0.1	0.1	0.0
Public fixed investment	3.7	0.7	-0.8	4.1	0.3	-0.8	-0.4	0.4	0.0
Exports of goods and services	-2.2	1.0	1.6	-1.8	0.1	1.5	-0.4	0.9	0.1
Imports of goods and services	-1.6	0.0	1.2	-0.4	-0.3	1.0	-1.2	0.3	0.2
<b>Major assumptions:</b>									
1. World economy									
Economic growth of major trading partners	2.7	3.1	3.3	2.9	3.0	3.3	-0.2	0.1	-0.0
Crude oil price (WTI futures; \$/bbl)	55.6	40.0	40.0	56.6	52.0	52.0	-1.0	-12.0	-12.0
2. US economy									
US real GDP (chained [2012]; y/y %)	2.2	1.9	2.0	2.2	2.0	2.0	0.0	-0.1	-0.0
US Consumer Price Index (y/y %)	2.0	2.0	2.0	2.0	2.0	2.0	-0.0	-0.0	-0.0
3. Japanese economy									
Nominal public fixed investment (y/y %)	5.4	1.8	0.0	5.7	1.4	0.0	-0.4	0.4	0.0
Exchange rate (Y/\$)	108.5	105.0	105.0	108.9	109.7	109.7	-0.4	-4.7	-4.7
(Y/€)	120.8	118.0	118.0	120.9	119.0	119.0	-0.1	-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.

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## Quarterly Forecast Tables

## 1.1 Selected Economic Indicators

	2018			2019			2020			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3 (E)	2018	2019 (E)	2018	2019	
Nominal GDP (SAAR; Y tril)	549.2	545.5	546.7	552.7	556.0	558.2	549.9	546.3	548.4	552.4	547.1	554.0	
Q/q %	0.3	-0.7	0.2	1.1	0.6	0.4	-1.5	-0.7					
Q/q %, SAAR	1.1	-2.7	0.9	4.4	2.4	1.7	-5.8	-2.6					
Y/y %	1.2	-0.6	-0.9	0.9	1.3	2.3	0.5	-1.2	0.1	0.7	0.2	1.2	
Real GDP (chained [2011]; SAAR; Y tril)	534.9	530.4	533.6	536.5	539.5	539.7	529.9	524.1	533.6	533.0	532.6	536.1	
Q/q %	0.5	-0.8	0.6	0.5	0.6	0.0	-1.8	-1.1					
Q/q %, SAAR	2.0	-3.3	2.4	2.2	2.3	0.1	-7.1	-4.3					
Y/y %	1.0	-0.3	-0.3	0.8	0.9	1.7	-0.7	-2.3	0.3	-0.1	0.3	0.7	
Contribution to GDP growth (% pt)													
Domestic demand	0.5	-0.7	1.0	0.1	0.8	0.3	-2.3	-1.3	0.4	-0.0	0.3	0.8	
Foreign demand	0.0	-0.2	-0.4	0.5	-0.3	-0.3	0.5	0.2	-0.1	-0.1	-0.0	-0.2	
GDP deflator (y/y %)	0.1	-0.3	-0.6	0.1	0.4	0.6	1.2	1.2	-0.2	0.9	-0.1	0.6	
Index of All-Industry Activity (2010=100)	105.9	105.5	106.4	105.9	106.4	106.9	103.6	100.4	105.8	104.2	105.8	105.5	
Q/q %; y/y %	0.5	-0.3	0.8	-0.4	0.4	0.4	-3.1	-3.1	0.8	-1.5	1.1	-0.3	
Index of Industrial Production (2015=100)	104.3	103.6	105.0	102.4	103.0	102.5	98.3	97.6	103.8	100.3	104.2	101.2	
Q/q %; y/y %	0.8	-0.7	1.3	-2.5	0.7	-0.5	-4.0	-0.8	0.2	-3.3	1.1	-2.8	
Index of Tertiary Industry Activity (2010=100)	105.9	105.8	106.7	106.7	106.9	107.9	104.9	100.7	106.2	105.1	105.9	106.5	
Q/q %; y/y %	0.5	-0.1	0.9	-0.0	0.2	1.0	-2.8	-4.0	1.1	-1.1	1.2	0.5	
Corporate Goods Price Index components (2015=100)													
Domestic Company Goods Price Index	101.0	101.9	102.0	101.2	101.6	101.0	102.2	100.9	101.5	101.4	101.3	101.5	
Y/y %	2.6	3.1	2.2	0.9	0.6	-0.9	0.2	-0.2	2.2	-0.1	2.6	0.2	
CPI (excl. fresh food; 2015=100)	101.0	101.1	101.5	101.3	101.7	101.6	102.1	101.9	101.2	101.8	101.0	101.7	
Y/y %	0.8	0.9	0.9	0.8	0.8	0.5	0.6	0.5	0.8	0.6	0.8	0.7	
Unemployment rate (%)	2.4	2.4	2.4	2.5	2.4	2.3	2.3	2.4	2.4	2.3	2.4	2.4	
Government bond yield (10 year; %)	0.04	0.10	0.07	-0.04	-0.10	-0.22	-0.09	-0.13	0.04	-0.13	0.07	-0.11	
Trade balance (SAAR; Y tril)	3.8	0.1	-1.0	0.3	-1.0	0.5	1.9	5.1	0.7	1.6	1.2	0.6	
Current balance (SAAR; \$100 mil)	1,944	1,667	1,518	1,776	1,740	1,778	1,964	2,342	1,735	1,956	1,741	1,840	
Current balance (SAAR; Y tril)	21.2	18.6	17.1	19.6	19.1	19.1	21.4	25.3	19.2	21.4	19.2	20.1	
(% of nominal GDP)	3.9	3.4	3.1	3.5	3.4	3.4	3.9	4.6	3.5	3.9	3.5	3.6	
Exchange rate (Y/\$)	109.1	111.5	112.9	110.2	109.8	107.3	108.7	108.1	110.9	108.5	110.4	109.0	
(Y/Euro)	129.0	130.5	128.2	125.3	122.9	118.9	121.5	119.8	128.3	120.8	130.0	122.2	

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

	2020			2021			2022		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)	2020 (E)	2021 (E)	2020 (E)	2021 (E)
Nominal GDP (SAAR; Y tril)	555.4	559.3	561.0	562.3	564.1	565.8	567.7	569.7	559.3	566.7	555.3	564.8
Q/q %	1.7	0.7	0.3	0.2	0.3	0.3	0.3	0.3				
Q/q %, SAAR	6.9	2.8	1.2	1.0	1.3	1.2	1.4	1.4				
Y/y %	-0.1	0.2	2.0	2.9	1.6	1.2	1.2	1.3	1.3	1.3	0.2	1.7
Real GDP (chained [2011]; SAAR; Y tril)	530.4	533.5	534.6	535.3	536.2	537.1	538.3	539.4	533.2	537.6	530.4	536.5
Q/q %	1.2	0.6	0.2	0.1	0.2	0.2	0.2	0.2				
Q/q %, SAAR	4.9	2.3	0.8	0.6	0.6	0.7	0.9	0.8				
Y/y %	-1.7	-1.1	0.9	2.1	1.1	0.7	0.7	0.8	0.1	0.8	-1.1	1.2
Contribution to GDP growth (% pt)												
Domestic demand	1.2	0.7	0.2	0.1	0.1	0.1	0.2	0.2	-0.1	0.7	-1.3	1.1
Foreign demand	-0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.1	0.2	0.0
GDP deflator (y/y %)	1.6	1.3	1.1	0.8	0.5	0.5	0.5	0.5	1.2	0.5	1.3	0.6
Index of All-Industry Activity (2010=100)	102.7	103.4	103.6	103.7	103.9	104.1	104.3	104.6	103.3	104.1	102.3	103.8
Q/q %; y/y %	2.3	0.6	0.2	0.1	0.2	0.2	0.2	0.2	-0.9	0.8	-3.0	1.5
Index of Industrial Production (2015=100)	98.2	99.0	99.4	99.7	100.1	100.6	101.1	101.7	99.0	100.8	98.2	100.1
Q/q %; y/y %	0.6	0.8	0.4	0.4	0.4	0.5	0.5	0.5	-1.3	1.8	-3.0	1.9
Index of Tertiary Industry Activity (2010=100)	103.8	104.4	104.6	104.7	104.8	104.9	105.1	105.2	104.3	104.9	103.2	104.8
Q/q %; y/y %	3.0	0.6	0.2	0.1	0.1	0.1	0.2	0.1	-0.7	0.6	-3.0	1.5
Corporate Goods Price Index components (2015=100)												
Domestic Company Goods Price Index	99.5	99.7	99.9	100.0	100.2	100.4	100.7	100.9	99.8	100.6	100.0	100.3
Y/y %	-2.1	-1.3	-2.3	-0.9	0.7	0.7	0.8	0.9	-1.6	0.8	-1.5	0.3
CPI (excl. fresh food; 2015=100)	101.8	101.7	101.7	101.6	102.1	102.1	102.2	102.2	101.7	102.2	101.8	102.0
Y/y %	0.1	0.1	-0.4	-0.2	0.3	0.4	0.5	0.6	-0.1	0.4	0.1	0.2
Unemployment rate (%)	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Government bond yield (10 year; %)	-0.16	-0.16	-0.16	-0.16	-0.16	-0.16	-0.16	-0.16	-0.16	-0.16	-0.15	-0.16
Trade balance (SAAR; Y tril)	7.5	7.1	7.1	7.2	7.3	7.5	7.8	8.0	7.2	7.7	6.7	7.5
Current balance (SAAR; \$100 mil)	2,702	2,637	2,653	2,667	2,682	2,706	2,736	2,767	2,665	2,723	2,584	2,698
Current balance (SAAR; Y tril)	28.4	27.7	27.9	28.0	28.2	28.4	28.7	29.1	28.2	28.8	27.3	28.3
(% of nominal GDP)	5.1	5.0	5.0	5.0	5.0	5.0	5.1	5.1	5.0	5.1	4.9	5.0
Exchange rate (Y/\$)	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.8	105.0
(Y/Euro)	118.0	118.0	118.0	118.0	118.0	118.0	118.0	118.0	118.0	118.0	118.4	118.0

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)

	2018			2019			2020			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3 (E)	2018	2019 (E)	2018	2019	
Gross domestic expenditure	534.9	530.4	533.6	536.5	539.5	539.7	529.9	524.1	533.6	533.0	532.6	536.1	
Q/q %, SAAR	2.0	-3.3	2.4	2.2	2.3	0.1	-7.1	-4.3					
Y/y %	1.0	-0.3	-0.3	0.8	0.9	1.7	-0.7	-2.3	0.3	-0.1	0.3	0.7	
Domestic demand	534.7	531.2	536.8	537.2	541.8	543.3	530.9	524.2	534.8	534.7	533.6	538.0	
Q/q %, SAAR	2.0	-2.6	4.3	0.3	3.4	1.1	-8.8	-5.0					
Y/y %	0.5	-0.2	0.2	0.9	1.3	2.3	-1.1	-2.4	0.4	-0.0	0.3	0.8	
Private demand	401.1	398.0	403.2	403.6	405.9	406.3	393.5	386.3	401.4	397.7	400.4	402.1	
Q/q %, SAAR	1.8	-3.0	5.3	0.4	2.3	0.4	-12.0	-7.1					
Y/y %	0.4	-0.5	0.0	1.0	1.2	2.1	-2.5	-4.3	0.2	-0.9	0.1	0.4	
Final consumption	299.0	298.3	299.5	299.6	301.3	302.7	294.3	287.3	299.0	296.2	298.8	299.3	
Q/q %, SAAR	0.9	-0.9	1.5	0.2	2.3	1.8	-10.6	-9.3					
Y/y %	-0.3	0.2	-0.0	0.4	0.7	1.4	-1.8	-4.1	0.1	-1.0	-0.0	0.2	
Residential investment	14.9	15.0	15.2	15.4	15.4	15.6	15.2	15.2	15.1	15.4	15.1	15.4	
Q/q %, SAAR	-9.1	0.6	6.9	6.0	-0.8	5.0	-9.7	-0.8					
Y/y %	-9.8	-7.4	-2.9	0.7	3.0	4.3	0.0	-1.6	-4.9	1.4	-6.7	2.0	
Non-residential investment	86.8	83.1	86.8	86.4	87.1	87.3	83.2	83.1	85.7	85.1	85.4	86.0	
Q/q %, SAAR	8.8	-16.1	18.8	-1.7	3.2	0.9	-17.3	-0.4					
Y/y %	4.5	-0.6	2.0	1.4	0.4	5.4	-4.4	-3.7	1.7	-0.8	2.1	0.7	
Change in inventories	0.3	1.6	1.7	2.1	2.1	0.8	0.8	0.8	1.5	1.1	1.1	1.4	
Public demand	133.6	133.2	133.6	133.6	135.9	137.0	137.4	137.9	133.4	137.0	133.2	135.9	
Q/q %, SAAR	2.5	-1.3	1.2	0.2	6.9	3.2	1.4	1.3					
Y/y %	0.9	0.9	0.8	0.6	1.9	2.9	2.9	3.2	0.8	2.7	0.8	2.1	
Government final consumption	106.9	107.1	107.8	107.4	109.2	110.0	110.3	110.6	107.2	110.0	107.1	109.2	
Q/q %, SAAR	0.5	0.6	2.7	-1.5	6.8	3.0	0.9	1.4					
Y/y %	0.8	0.9	1.3	0.5	2.1	2.8	2.3	3.0	0.9	2.6	0.9	1.9	
Fixed investment	26.6	26.0	25.7	26.3	26.7	27.0	27.2	27.2	26.1	27.1	26.0	26.8	
Q/q %, SAAR	10.9	-8.9	-4.2	8.5	7.1	4.5	2.8	0.8					
Y/y %	1.6	1.0	-1.0	1.0	1.0	3.9	5.5	3.9	0.6	3.7	0.3	2.9	
Change in inventories	0.1	0.1	0.0	-0.0	-0.0	-0.0	-0.0	-0.0	0.0	-0.0	0.1	-0.0	
Net exports of goods and services	-0.4	-1.3	-3.8	-1.3	-2.8	-4.1	-1.6	-0.7	-1.7	-2.3	-1.5	-2.4	
Exports of goods and services	94.2	92.0	93.5	91.8	92.1	91.5	91.4	88.1	92.9	90.8	93.4	91.7	
Q/q %, SAAR	2.8	-9.0	6.7	-7.3	1.6	-2.8	-0.3	-13.6					
Y/y %	5.9	1.7	1.1	-2.1	-2.2	-0.5	-2.2	-3.9	1.6	-2.2	3.4	-1.8	
Imports of goods and services	94.6	93.3	97.3	93.1	94.9	95.6	93.0	88.8	94.6	93.1	94.9	94.2	
Q/q %, SAAR	2.7	-5.5	18.3	-16.3	8.2	2.8	-10.2	-16.8					
Y/y %	2.9	2.9	4.2	-1.2	0.2	2.6	-4.4	-4.4	2.2	-1.6	3.4	-0.8	

Source: Compiled by DIR.

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

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

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

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

	2020			2021			2022			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)	2020 (E)	2021 (E)	2020 (E)	2021 (E)	
Gross domestic expenditure	530.4	533.5	534.6	535.3	536.2	537.1	538.3	539.4	533.2	537.6	530.4	536.5	
Q/q %, SAAR	4.9	2.3	0.8	0.6	0.6	0.7	0.9	0.8					
Y/y %	-1.7	-1.1	0.9	2.1	1.1	0.7	0.7	0.8	0.1	0.8	-1.1	1.2	
Domestic demand	530.7	534.6	535.6	536.3	537.0	537.7	538.7	539.5	534.2	538.1	531.1	537.2	
Q/q %, SAAR	5.1	2.9	0.8	0.5	0.5	0.5	0.7	0.6					
Y/y %	-2.0	-1.6	0.9	2.3	1.2	0.6	0.5	0.6	-0.1	0.7	-1.3	1.1	
Private demand	392.5	396.1	396.9	397.4	397.9	398.4	399.1	399.8	395.6	398.7	392.9	398.0	
Q/q %, SAAR	6.5	3.7	0.8	0.5	0.5	0.5	0.7	0.7					
Y/y %	-3.2	-2.5	0.9	2.9	1.3	0.6	0.5	0.6	-0.5	0.8	-2.3	1.3	
Final consumption	293.3	296.5	296.9	297.3	297.6	298.0	298.5	299.0	295.9	298.1	293.4	297.7	
Q/q %, SAAR	8.7	4.5	0.5	0.5	0.5	0.5	0.6	0.6					
Y/y %	-2.6	-2.0	0.9	3.5	1.5	0.5	0.5	0.6	-0.1	0.8	-2.0	1.5	
Residential investment	15.1	15.1	15.1	15.1	15.1	15.1	15.2	15.2	15.1	15.2	15.1	15.1	
Q/q %, SAAR	-0.8	-0.5	0.0	-0.0	0.2	0.2	0.3	0.3					
Y/y %	-1.7	-3.1	-0.6	-0.4	-0.1	0.1	0.2	0.3	-1.5	0.1	-1.8	-0.0	
Non-residential investment	83.3	83.7	84.1	84.4	84.6	84.9	85.2	85.5	83.9	85.1	83.6	84.8	
Q/q %, SAAR	0.8	2.0	1.9	1.4	1.2	1.2	1.4	1.4					
Y/y %	-4.4	-4.3	1.2	1.5	1.6	1.5	1.2	1.3	-1.4	1.4	-2.8	1.4	
Change in inventories	0.8	0.8	0.8	0.6	0.5	0.4	0.3	0.2	0.7	0.3	0.8	0.4	
Public demand	138.2	138.5	138.7	138.9	139.1	139.3	139.6	139.7	138.5	139.4	138.3	139.2	
Q/q %, SAAR	1.0	0.7	0.7	0.5	0.6	0.6	0.7	0.5					
Y/y %	1.6	1.1	0.9	0.7	0.7	0.6	0.6	0.6	1.1	0.6	1.7	0.7	
Government final consumption	110.9	111.2	111.4	111.7	112.0	112.3	112.5	112.8	111.3	112.4	111.0	112.1	
Q/q %, SAAR	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0					
Y/y %	1.6	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.2	1.0	1.7	1.0	
Fixed investment	27.3	27.3	27.3	27.2	27.1	27.1	27.1	27.0	27.3	27.1	27.3	27.1	
Q/q %, SAAR	1.2	-0.5	-0.3	-1.3	-0.8	-0.8	-0.3	-1.3					
Y/y %	2.0	1.0	0.4	-0.3	-0.6	-0.8	-0.9	-0.8	0.7	-0.8	1.8	-0.6	
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	-0.9	-1.7	-1.6	-1.5	-1.4	-1.2	-0.9	-0.7	-1.5	-1.1	-1.3	-1.3	
Exports of goods and services	91.2	91.5	91.9	92.2	92.5	92.9	93.4	93.9	91.7	93.2	90.7	92.8	
Q/q %, SAAR	14.8	1.4	1.6	1.2	1.4	1.8	2.2	2.2					
Y/y %	-1.0	0.0	0.5	4.5	1.4	1.5	1.7	1.9	1.0	1.6	-1.1	2.3	
Imports of goods and services	92.1	93.2	93.5	93.7	93.9	94.1	94.4	94.6	93.2	94.3	92.0	94.0	
Q/q %, SAAR	15.6	4.7	1.2	0.8	0.9	0.9	1.1	1.0					
Y/y %	-2.9	-2.6	0.5	5.4	1.9	1.0	0.9	1.0	0.0	1.2	-2.3	2.3	

Source: Compiled by DIR.

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

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

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

E: DIR estimate.

## 3.1 Nominal Gross Domestic Expenditure (¥ tril)

	2018			2019			2020			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3 (E)	2018	2019 (E)	2018	2019	
Gross domestic expenditure	549.2	545.5	546.7	552.7	556.0	558.2	549.9	546.3	548.4	552.4	547.1	554.0	
Q/q %, SAAR	1.1	-2.7	0.9	4.4	2.4	1.7	-5.8	-2.6					
Y/y %	1.2	-0.6	-0.9	0.9	1.3	2.3	0.5	-1.2	0.1	0.7	0.2	1.2	
Domestic demand	546.2	544.6	549.4	550.5	555.6	558.2	547.1	539.8	547.5	549.9	545.8	552.6	
Q/q %, SAAR	1.7	-1.2	3.6	0.8	3.8	1.9	-7.7	-5.2					
Y/y %	1.2	0.6	0.5	1.2	1.8	2.5	-0.5	-2.0	0.9	0.4	0.9	1.2	
Private demand	408.9	407.9	413.6	412.7	415.5	417.0	405.9	398.0	410.7	408.8	409.4	412.5	
Q/q %, SAAR	1.2	-0.9	5.6	-0.8	2.7	1.5	-10.3	-7.5					
Y/y %	0.9	0.2	0.7	1.3	1.6	2.2	-1.9	-3.6	0.8	-0.5	0.8	0.8	
Final consumption	303.6	304.5	305.7	305.2	307.3	309.2	302.4	294.5	304.7	303.2	304.4	305.8	
Q/q %, SAAR	-0.5	1.2	1.6	-0.7	2.9	2.5	-8.6	-10.0					
Y/y %	0.1	0.9	0.5	0.4	1.2	1.4	-1.1	-3.5	0.5	-0.5	0.6	0.5	
Residential investment	16.3	16.3	16.6	16.9	16.9	17.1	17.0	17.0	16.5	17.0	16.4	17.0	
Q/q %, SAAR	-6.5	1.4	7.8	5.7	0.3	6.4	-3.1	-0.4					
Y/y %	-7.8	-5.9	-1.4	1.8	3.7	5.1	2.4	0.8	-3.4	3.0	-5.0	3.2	
Non-residential investment	88.6	85.6	89.3	88.7	89.2	90.1	85.9	85.9	88.0	87.6	87.5	88.4	
Q/q %, SAAR	8.8	-13.1	18.9	-2.6	1.9	4.2	-17.5	-0.0					
Y/y %	5.2	0.1	2.7	2.2	0.8	5.6	-4.3	-3.2	2.5	-0.5	2.8	1.0	
Change in inventories	0.4	1.5	1.9	1.9	2.1	0.6	0.6	0.6	1.5	1.0	1.1	1.3	
Public demand	137.3	136.6	135.8	137.7	140.1	141.2	141.3	141.8	136.8	141.1	136.4	140.1	
Q/q %, SAAR	3.3	-1.9	-2.3	5.7	7.0	3.3	0.1	1.6					
Y/y %	2.3	1.9	-0.1	1.1	2.3	3.5	3.8	3.1	1.3	3.2	1.4	2.7	
Government final consumption	108.6	108.5	107.9	109.3	111.0	111.7	111.3	111.7	108.5	111.4	108.3	110.8	
Q/q %, SAAR	0.7	-0.5	-2.0	5.0	6.5	2.6	-1.5	1.7					
Y/y %	2.1	1.7	-0.3	0.7	2.4	3.2	2.8	2.3	1.0	2.7	1.1	2.3	
Fixed investment	28.6	28.1	27.9	28.5	29.1	29.5	30.0	30.1	28.2	29.7	28.0	29.3	
Q/q %, SAAR	14.0	-7.4	-2.8	9.0	8.8	6.3	6.3	1.4					
Y/y %	3.7	2.7	0.9	2.6	2.2	5.2	7.5	5.8	2.4	5.4	2.1	4.5	
Change in inventories	0.1	0.1	0.0	0.0	0.0	-0.0	-0.0	-0.0	0.0	-0.0	0.1	-0.0	
Net exports of goods and services	3.1	1.0	-2.7	2.2	0.4	0.0	2.8	6.4	0.8	2.4	1.3	1.4	
Exports of goods and services	101.6	101.3	101.6	98.0	97.7	96.1	95.6	91.5	100.6	95.2	101.4	96.8	
Q/q %, SAAR	3.6	-1.1	1.3	-13.6	-1.3	-6.1	-2.3	-16.0					
Y/y %	7.9	3.7	1.4	-3.1	-3.6	-4.8	-6.4	-6.5	2.3	-5.3	4.6	-4.5	
Imports of goods and services	98.6	100.3	104.3	95.8	97.3	96.1	92.8	85.0	99.7	92.8	100.1	95.4	
Q/q %, SAAR	7.3	7.5	16.8	-29.0	6.5	-4.7	-13.2	-29.4					
Y/y %	8.6	11.4	9.3	-1.4	-1.0	-4.1	-11.3	-11.0	6.8	-6.9	9.0	-4.6	

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)

	2020			2021			2022			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)	2020 (E)	2021 (E)	2020 (E)	2021 (E)	
Gross domestic expenditure	555.4	559.3	561.0	562.3	564.1	565.8	567.7	569.7	559.3	566.7	555.3	564.8	
Q/q %, SAAR	6.9	2.8	1.2	1.0	1.3	1.2	1.4	1.4					
Y/y %	-0.1	0.2	2.0	2.9	1.6	1.2	1.2	1.3	1.3	1.3	0.2	1.7	
Domestic demand	545.8	550.3	551.9	553.2	554.8	556.2	557.8	559.5	550.2	556.9	546.8	555.3	
Q/q %, SAAR	4.5	3.3	1.2	0.9	1.2	1.0	1.2	1.2					
Y/y %	-1.7	-1.4	0.9	2.5	1.6	1.1	1.0	1.2	0.1	1.2	-1.0	1.5	
Private demand	403.5	407.7	408.9	409.8	411.1	412.2	413.4	414.8	407.4	412.7	404.4	411.5	
Q/q %, SAAR	5.7	4.1	1.2	0.9	1.2	1.1	1.2	1.3					
Y/y %	-2.8	-2.2	0.8	3.0	1.8	1.1	1.1	1.3	-0.3	1.3	-2.0	1.7	
Final consumption	299.8	303.4	304.1	304.8	305.8	306.6	307.5	308.5	302.9	306.9	300.4	306.0	
Q/q %, SAAR	7.4	4.9	0.9	0.9	1.3	1.0	1.2	1.3					
Y/y %	-2.4	-1.8	0.6	3.5	2.0	1.0	1.1	1.2	-0.1	1.3	-1.8	1.9	
Residential investment	17.0	17.0	17.0	17.0	17.1	17.1	17.1	17.1	17.0	17.1	17.0	17.1	
Q/q %, SAAR	-0.0	0.3	0.6	0.4	0.6	0.6	0.7	0.7					
Y/y %	0.7	-0.8	0.0	0.3	0.4	0.6	0.6	0.7	0.0	0.6	0.2	0.5	
Non-residential investment	86.1	86.6	87.1	87.5	87.9	88.2	88.6	89.0	86.9	88.4	86.4	88.0	
Q/q %, SAAR	1.2	2.4	2.3	1.8	1.6	1.6	1.8	1.8					
Y/y %	-3.5	-4.0	1.7	1.9	2.1	1.9	1.6	1.7	-0.9	1.8	-2.3	1.8	
Change in inventories	0.6	0.6	0.6	0.5	0.4	0.3	0.2	0.2	0.6	0.3	0.6	0.4	
Public demand	142.3	142.7	143.0	143.3	143.7	144.0	144.4	144.7	142.8	144.2	142.4	143.9	
Q/q %, SAAR	1.4	1.0	1.1	0.8	1.0	1.0	1.1	0.8					
Y/y %	1.4	1.0	1.4	1.0	1.1	1.0	0.9	0.9	1.2	1.0	1.7	1.0	
Government final consumption	112.1	112.4	112.8	113.1	113.4	113.8	114.1	114.5	112.5	113.9	112.2	113.6	
Q/q %, SAAR	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2					
Y/y %	0.9	0.5	1.5	1.2	1.2	1.3	1.1	1.2	1.0	1.2	1.3	1.2	
Fixed investment	30.2	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.2	30.3	
Q/q %, SAAR	2.0	0.3	0.5	-0.5	0.0	0.0	0.5	-0.5					
Y/y %	3.6	2.5	1.1	0.5	0.2	-0.0	-0.0	0.0	1.8	0.0	3.2	0.2	
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	9.6	8.9	9.1	9.2	9.3	9.6	9.9	10.2	9.2	9.8	8.5	9.5	
Exports of goods and services	93.4	93.8	94.2	94.6	95.0	95.6	96.2	96.8	94.0	95.9	93.2	95.4	
Q/q %, SAAR	8.5	1.8	2.0	1.6	1.8	2.2	2.6	2.6					
Y/y %	-4.6	-2.6	-1.2	3.3	1.9	2.0	2.0	2.4	-1.3	2.1	-3.7	2.3	
Imports of goods and services	83.8	84.8	85.2	85.4	85.7	86.0	86.3	86.6	84.8	86.2	84.7	85.9	
Q/q %, SAAR	-5.8	5.1	1.6	1.2	1.3	1.3	1.5	1.4					
Y/y %	-14.0	-11.8	-8.1	0.4	2.4	1.4	1.3	1.4	-8.6	1.6	-11.2	1.3	

Source: Compiled by DIR.

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

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

E: DIR estimate.

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

	2018			2019			2020			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3 (E)	2018	2019 (E)	2018	2019	
Gross domestic expenditure	102.7	102.9	102.5	103.0	103.1	103.4	103.8	104.2	102.8	103.6	102.7	103.3	
Q/q %, SAAR	-0.2	0.2	-0.4	0.5	0.0	0.4	0.3	0.4					
Y/y %	0.1	-0.3	-0.6	0.1	0.4	0.6	1.2	1.2	-0.2	0.9	-0.1	0.6	
Private final consumption	101.5	102.1	102.1	101.9	102.0	102.1	102.7	102.5	101.9	102.4	101.9	102.2	
Q/q %, SAAR	-0.3	0.5	0.0	-0.2	0.1	0.1	0.6	-0.2					
Y/y %	0.3	0.8	0.6	0.1	0.4	0.0	0.7	0.6	0.4	0.4	0.6	0.3	
Private residential investment	108.8	109.0	109.2	109.2	109.5	109.8	111.8	111.9	109.1	110.7	108.8	110.1	
Q/q %, SAAR	0.7	0.2	0.2	-0.1	0.3	0.3	1.8	0.1					
Y/y %	2.2	1.6	1.6	1.1	0.6	0.7	2.3	2.5	1.6	1.6	1.8	1.2	
Private non-residential investment	102.0	102.9	103.0	102.7	102.4	103.2	103.2	103.3	102.7	103.0	102.5	102.8	
Q/q %, SAAR	-0.0	0.9	0.0	-0.2	-0.3	0.8	-0.0	0.1					
Y/y %	0.7	0.7	0.7	0.7	0.5	0.2	0.1	0.5	0.7	0.3	0.6	0.4	
Government final consumption	101.6	101.3	100.1	101.7	101.6	101.6	100.9	101.0	101.2	101.3	101.2	101.5	
Q/q %, SAAR	0.0	-0.3	-1.2	1.6	-0.1	-0.1	-0.6	0.1					
Y/y %	1.2	0.8	-1.6	0.1	0.2	0.4	0.6	-0.7	0.1	0.1	0.3	0.3	
Public fixed investment	107.5	108.0	108.3	108.5	108.9	109.3	110.3	110.4	108.1	109.8	107.6	109.3	
Q/q %, SAAR	0.7	0.4	0.3	0.1	0.4	0.4	0.9	0.1					
Y/y %	2.1	1.7	1.9	1.6	1.3	1.2	1.9	1.8	1.8	1.6	1.8	1.5	
Exports of goods and services	107.8	110.1	108.7	106.8	106.0	105.1	104.6	103.8	108.3	104.9	108.6	105.6	
Q/q %, SAAR	0.2	2.1	-1.3	-1.7	-0.7	-0.9	-0.5	-0.7					
Y/y %	1.9	2.0	0.3	-1.0	-1.5	-4.3	-4.2	-2.7	0.8	-3.2	1.1	-2.8	
Imports of goods and services	104.1	107.5	107.2	102.9	102.5	100.6	99.7	95.7	105.4	99.7	105.5	101.4	
Q/q %, SAAR	1.1	3.3	-0.3	-4.0	-0.4	-1.9	-0.8	-4.0					
Y/y %	5.5	8.3	5.0	-0.2	-1.2	-6.5	-7.2	-6.9	4.6	-5.5	5.4	-3.9	

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)

	2020			2021			2022			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)	2020 (E)	2021 (E)	2020 (E)	2021 (E)	
Gross domestic expenditure	104.7	104.8	104.9	105.0	105.2	105.3	105.5	105.6	104.9	105.4	104.7	105.3	
Q/q %, SAAR	0.5	0.1	0.1	0.1	0.2	0.1	0.1	0.1					
Y/y %	1.6	1.3	1.1	0.8	0.5	0.5	0.5	0.5	1.2	0.5	1.3	0.6	
Private final consumption	102.2	102.3	102.4	102.5	102.7	102.9	103.0	103.2	102.4	103.0	102.4	102.8	
Q/q %, SAAR	-0.3	0.1	0.1	0.1	0.2	0.1	0.1	0.2					
Y/y %	0.2	0.2	-0.3	0.0	0.5	0.5	0.6	0.6	0.0	0.6	0.2	0.4	
Private residential investment	112.1	112.3	112.5	112.6	112.7	112.8	113.0	113.1	112.4	112.9	112.2	112.8	
Q/q %, SAAR	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1					
Y/y %	2.4	2.3	0.6	0.6	0.5	0.4	0.4	0.4	1.5	0.4	2.0	0.5	
Private non-residential investment	103.4	103.5	103.6	103.7	103.8	103.9	104.0	104.1	103.5	103.9	103.4	103.8	
Q/q %, SAAR	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1					
Y/y %	0.9	0.3	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.5	0.4	
Government final consumption	101.0	101.1	101.2	101.2	101.3	101.4	101.4	101.5	101.1	101.4	101.1	101.3	
Q/q %, SAAR	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1					
Y/y %	-0.7	-0.5	0.4	0.2	0.3	0.3	0.2	0.2	-0.1	0.2	-0.4	0.2	
Public fixed investment	110.7	110.9	111.1	111.3	111.5	111.8	112.0	112.2	111.0	111.9	110.8	111.7	
Q/q %, SAAR	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2					
Y/y %	1.6	1.4	0.7	0.8	0.8	0.8	0.8	0.8	1.1	0.8	1.4	0.8	
Exports of goods and services	102.4	102.5	102.6	102.7	102.8	102.9	103.0	103.1	102.5	102.9	102.8	102.8	
Q/q %, SAAR	-1.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1					
Y/y %	-3.6	-2.6	-1.7	-1.2	0.5	0.5	0.3	0.4	-2.3	0.4	-2.6	0.0	
Imports of goods and services	90.9	91.0	91.1	91.2	91.3	91.4	91.5	91.6	91.0	91.4	92.1	91.3	
Q/q %, SAAR	-5.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1					
Y/y %	-11.4	-9.5	-8.5	-4.7	0.5	0.4	0.3	0.4	-8.6	0.4	-9.1	-0.9	

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.

E: DIR estimate.

## 5.1 Contribution to Real GDP Growth by Component

	2018			2019			2020			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3 (E)	2018	2019 (E)	2018	2019	
<b>1) Q/q %</b>													
GDP growth rate	0.5	-0.8	0.6	0.5	0.6	0.0	-1.8	-1.1	0.3	-0.1	0.3	0.7	
Domestic demand	0.5	-0.7	1.0	0.1	0.8	0.3	-2.3	-1.3	0.4	-0.0	0.3	0.8	
Private demand	0.3	-0.6	1.0	0.1	0.4	0.1	-2.4	-1.4	0.2	-0.7	0.1	0.3	
Private consumption	0.1	-0.1	0.2	0.0	0.3	0.3	-1.5	-1.3	0.0	-0.5	-0.0	0.1	
Residential investment	-0.1	0.0	0.0	0.0	-0.0	0.0	-0.1	-0.0	-0.1	0.0	-0.2	0.1	
Private fixed investment	0.3	-0.7	0.7	-0.1	0.1	0.0	-0.7	-0.0	0.3	-0.1	0.3	0.1	
Change in private inventories	-0.1	0.2	0.0	0.1	-0.0	-0.2	0.0	0.0	0.0	-0.1	-0.0	0.1	
Public demand	0.2	-0.1	0.1	0.0	0.4	0.2	0.1	0.1	0.2	0.7	0.2	0.5	
Government final consumption	0.0	0.0	0.1	-0.1	0.3	0.1	0.0	0.1	0.2	0.5	0.2	0.4	
Public fixed investment	0.1	-0.1	-0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.2	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	0.0	-0.2	-0.4	0.5	-0.3	-0.3	0.5	0.2	-0.1	-0.1	-0.0	-0.2	
Exports of goods and services	0.1	-0.4	0.3	-0.4	0.1	-0.1	-0.0	-0.6	0.3	-0.4	0.6	-0.3	
Imports of goods and services	-0.1	0.2	-0.7	0.8	-0.4	-0.1	0.5	0.8	-0.4	0.3	-0.6	0.1	
<b>2) Y/y %</b>													
GDP growth rate	1.0	-0.3	-0.3	0.8	0.9	1.7	-0.7	-2.3	0.3	-0.1	0.3	0.7	
Domestic demand	0.5	-0.2	0.3	0.9	1.3	2.3	-1.1	-2.4	0.4	-0.0	0.3	0.8	
Private demand	0.3	-0.4	0.1	0.8	0.9	1.6	-1.8	-3.2	0.2	-0.7	0.1	0.3	
Private consumption	-0.2	0.1	-0.0	0.2	0.4	0.8	-1.0	-2.3	0.0	-0.5	-0.0	0.1	
Residential investment	-0.3	-0.2	-0.1	0.0	0.1	0.1	0.0	-0.0	-0.1	0.0	-0.2	0.1	
Private fixed investment	0.6	-0.1	0.3	0.3	0.1	0.8	-0.7	-0.7	0.3	-0.1	0.3	0.1	
Change in private inventories	0.1	-0.1	-0.2	0.3	0.3	-0.2	-0.2	-0.3	0.0	-0.1	-0.0	0.1	
Public demand	0.2	0.2	0.2	0.2	0.5	0.7	0.7	0.8	0.2	0.7	0.2	0.5	
Government final consumption	0.2	0.2	0.3	0.1	0.4	0.5	0.4	0.6	0.2	0.5	0.2	0.4	
Public fixed investment	0.1	0.1	-0.1	0.1	0.0	0.2	0.3	0.2	0.0	0.2	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	0.5	-0.2	-0.5	-0.2	-0.4	-0.6	0.4	0.1	-0.1	-0.1	-0.0	-0.2	
Exports of goods and services	1.0	0.3	0.2	-0.4	-0.4	-0.1	-0.4	-0.7	0.3	-0.4	0.6	-0.3	
Imports of goods and services	-0.5	-0.5	-0.7	0.2	-0.0	-0.5	0.8	0.8	-0.4	0.3	-0.6	0.1	

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

	2020			2021			2022			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)	2020 (E)	2021 (E)	2020 (E)	2021 (E)	
GDP growth rate	1.2	0.6	0.2	0.1	0.2	0.2	0.2	0.2	0.1	0.8	-1.1	1.2	
Domestic demand	1.2	0.7	0.2	0.1	0.1	0.1	0.2	0.2	-0.1	0.7	-1.3	1.1	
Private demand	1.2	0.7	0.1	0.1	0.1	0.1	0.1	0.1	-0.4	0.6	-1.7	1.0	
Private consumption	1.2	0.6	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	0.4	-1.1	0.8	
Residential investment	-0.0	-0.0	0.0	-0.0	0.0	0.0	0.0	0.0	-0.0	0.0	-0.1	-0.0	
Private fixed investment	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.1	-0.2	0.2	-0.4	0.2	
Change in private inventories	0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.1	-0.1	-0.1	-0.1	
Public demand	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.2	0.4	0.2	
Government final consumption	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.2	
Public fixed investment	0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	0.0	-0.0	0.1	-0.0	
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	-0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.1	0.2	0.0	
Exports of goods and services	0.6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	-0.2	0.4	
Imports of goods and services	-0.6	-0.2	-0.1	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.2	0.4	-0.3	
<b>2) Y/y %</b>													
GDP growth rate	-1.7	-1.1	0.9	2.1	1.1	0.7	0.7	0.8	0.1	0.8	-1.1	1.2	
Domestic demand	-2.0	-1.6	0.9	2.3	1.2	0.6	0.5	0.6	-0.1	0.7	-1.3	1.1	
Private demand	-2.4	-1.9	0.7	2.1	1.0	0.4	0.4	0.5	-0.4	0.6	-1.7	1.0	
Private consumption	-1.5	-1.1	0.5	1.9	0.8	0.3	0.3	0.3	-0.1	0.4	-1.1	0.8	
Residential investment	-0.0	-0.1	-0.0	-0.0	-0.0	0.0	0.0	0.0	-0.0	0.0	-0.1	-0.0	
Private fixed investment	-0.7	-0.7	0.2	0.3	0.2	0.2	0.2	0.2	-0.2	0.2	-0.4	0.2	
Change in private inventories	-0.2	0.0	0.0	-0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
Public demand	0.4	0.3	0.2	0.2	0.2	0.2	0.1	0.2	0.3	0.2	0.4	0.2	
Government final consumption	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	
Public fixed investment	0.1	0.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.0	0.0	-0.0	0.1	-0.0	
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	0.5	0.0	-0.1	-0.1	0.1	0.1	0.2	0.2	0.1	0.2	0.0	
Exports of goods and services	-0.2	0.0	0.1	0.8	0.2	0.3	0.3	0.3	0.2	0.3	-0.2	0.4	
Imports of goods and services	0.5	0.5	-0.1	-0.9	-0.3	-0.2	-0.2	-0.2	-0.0	-0.2	0.4	-0.3	

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

	2018			2019			2020			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2018	2019	2018	2019	
	(E)									(E)			
<b>1) World economy</b>													
Economic growth of major trading partners													
Y/y %	4.2	3.7	3.5	3.2	3.1	2.9	2.9	2.0	3.7	2.7	3.9	3.0	
Crude oil price (WTI futures; \$/bbl)	67.9	69.4	59.3	54.9	59.9	56.4	56.9	49.4	62.9	55.6	64.9	57.0	
Y/y %	41.0	44.1	7.3	-12.7	-11.8	-18.7	-4.2	-10.1	17.3	-11.5	27.6	-12.1	
<b>2) US economy</b>													
Real GDP (chained [2012]; \$ bil; SAAR)	18,598	18,733	18,784	18,927	19,022	19,121	19,221	19,311	18,760	19,169	18,638	19,073	
Q/q %, SAAR	3.5	2.9	1.1	3.1	2.0	2.1	2.1	1.9					
Y/y %	3.2	3.1	2.5	2.7	2.3	2.1	2.3	2.0	2.9	2.2	2.9	2.3	
Consumer Price Index (1982-84 avg=100)	250.6	251.9	252.7	253.3	255.2	256.3	257.8	259.2	252.1	257.1	251.1	255.7	
Q/q %, SAAR	2.2	2.1	1.3	0.9	3.0	1.8	2.4	2.2					
Y/y %	2.7	2.6	2.2	1.6	1.8	1.8	2.0	2.4	2.3	2.0	2.4	1.8	
Producer Price Index (Final demand; 2009.Nov=100)	115.9	116.6	117.4	117.3	118.3	118.5	118.7	119.6	116.8	118.8	116.2	118.2	
Q/q %, SAAR	2.9	2.2	2.9	-0.3	3.3	0.7	0.8	3.0					
Y/y %	3.0	3.0	2.8	1.9	2.0	1.7	1.2	1.9	2.7	1.7	2.9	1.7	
FF rate (%)	2.00	2.25	2.50	2.50	2.50	2.00	1.75	0.75	2.50	0.75	2.50	1.75	
(Target rate for the forecast period, end-period)													
Government bond yield (10 year; %)	2.92	2.93	3.03	2.65	2.33	1.80	1.79	1.34	2.88	1.82	2.91	2.14	
<b>3) Japanese economy</b>													
Nominal government final consumption													
Y tril; SAAR	108.6	108.5	107.9	109.3	111.0	111.7	111.3	111.7	108.5	111.4	108.3	110.8	
Q/q %, SAAR	0.7	-0.5	-2.0	5.0	6.5	2.6	-1.5	1.7					
Y/y %	2.1	1.7	-0.3	0.7	2.4	3.2	2.8	2.3	1.0	2.7	1.1	2.3	
Nominal public fixed investment													
Y tril; SAAR	28.6	28.1	27.9	28.5	29.1	29.5	30.0	30.1	28.2	29.7	28.0	29.3	
Q/q %, SAAR	14.0	-7.4	-2.8	9.0	8.8	6.3	6.3	1.4					
Y/y %	3.7	2.7	0.9	2.6	2.2	5.2	7.5	5.8	2.4	5.4	2.1	4.5	
Exchange rate (Y/\$)	109.1	111.5	112.9	110.2	109.8	107.3	108.7	108.1	110.9	108.5	110.4	109.0	
(Y/€)	129.0	130.5	128.2	125.3	122.9	118.9	121.5	119.8	128.3	120.8	130.0	122.2	

Source: Compiled by DIR.

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

## 6.2 Major Assumptions

	2020		2021			2022			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)	2020 (E)	2021 (E)	2020 (E)	2021 (E)
<b>1) World economy</b>												
Economic growth of major trading partners												
Y/y %	2.9	3.1	3.1	3.3	3.3	3.2	3.3	3.3	3.1	3.3	2.8	3.2
Crude oil price (WTI futures; \$/bbl)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	42.3	40.0
Y/y %	-33.2	-29.1	-29.7	-19.0	0.0	0.0	0.0	0.0	-28.1	0.0	-25.8	-5.5
<b>2) US economy</b>												
Real GDP (chained [2012]; \$ bil; SAAR)	19,388	19,484	19,581	19,678	19,776	19,869	19,968	20,067	19,533	19,920	19,441	19,823
Q/q %, SAAR	1.6	2.0	2.0	2.0	2.0	1.9	2.0	2.0				
Y/y %	1.9	1.9	1.9	1.9	2.0	2.0	2.0	2.0	1.9	2.0	1.9	2.0
Consumer Price Index (1982-84 avg=100)	260.3	261.6	262.8	264.0	265.3	266.7	268.0	269.2	262.2	267.3	261.0	266.0
Q/q %, SAAR	1.7	1.9	1.9	1.9	2.0	2.0	2.0	1.8				
Y/y %	2.0	2.0	1.9	1.8	1.9	1.9	2.0	1.9	2.0	2.0	2.1	1.9
Producer Price Index (Final demand; 2009.Nov=100)	120.1	120.6	121.1	121.6	122.2	122.7	123.3	123.8	120.9	123.0	120.4	122.5
Q/q %, SAAR	1.6	1.8	1.7	1.7	1.8	1.8	1.8	1.7				
Y/y %	1.5	1.8	2.0	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.7
FF rate (%)	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
(Target rate for the forecast period, end-period)												
Government bond yield (10 year; %)	0.88	1.11	1.21	1.23	1.22	1.22	1.22	1.22	1.11	1.22	1.14	1.22
<b>3) Japanese economy</b>												
Nominal government final consumption												
Y tril; SAAR	112.1	112.4	112.8	113.1	113.4	113.8	114.1	114.5	112.5	113.9	112.2	113.6
Q/q %, SAAR	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2				
Y/y %	0.9	0.5	1.5	1.2	1.2	1.3	1.1	1.2	1.0	1.2	1.3	1.2
Nominal public fixed investment												
Y tril; SAAR	30.2	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.2	30.3
Q/q %, SAAR	2.0	0.3	0.5	-0.5	0.0	0.0	0.5	-0.5				
Y/y %	3.6	2.5	1.1	0.5	0.2	-0.0	-0.0	0.0	1.8	0.0	3.2	0.2
Exchange rate (Y/\$)	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.8	105.0
(Y/€)	118.0	118.0	118.0	118.0	118.0	118.0	118.0	118.0	118.0	118.0	118.4	118.0

Source: Compiled by DIR.

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

E: DIR estimate.