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Japan's Economic Outlook No. 205 (Summary)

The Corona Crisis and the Global Economy: In this Report we Examine the Following Issues. (1) The Problem of Excessive Debt in the Advanced Nations, (2) Debt Risk in the Emerging Nations, and (3) The Effects of a Fragmented Supply Chain

Japan to see real GDP growth of -5.5% in FY20, and +3.0% in FY21. Meanwhile, nominal GDP growth is seen at -4.4% in FY20, and +2.7% in FY21.

Mitsumaru Kumagai

Economic Research Dept.

Keiji Kanda

Hikaru Sato

Mikio Mizobata

Masahiko Hashimoto

Akane Yamaguchi

Yutaro Suzuki

Wakaba Kobayashi

Munehisa Tamura

Megumi Wada

Kazuma Kishikawa

Tomoko Yazawa

Summary

- **Revised economic outlook: FY2020 -5.5%, and FY2021 +3.0%:** The GDP growth rate registered negative growth for the second consecutive quarter during Jan-Mar period of 2020. The Apr-Jun period is expected to suffer the greatest effects of the COVID-19 pandemic, and is expected to record a decline of more than 20% q/q annualized. The main scenario of this outlook assumes that the COVID-19 epidemic will be on the way to being brought under control by somewhere around June, with the real GDP growth rate seen at -5.5% in FY2020. However, the possibility that the process of bringing the pandemic completely under control could slide into CY2021 and beyond is not small. If this happens, the FY2020 real GDP growth rate could suffer a major deterioration at -10.1%, and the risk of a financial crisis occurring as a result would increase. Possibilities are that the unemployment rate may rise by around 5%pt at worst, making additional economic measures to uphold business and maintain employment urgently needed.

- **(1) Risk of excessive debt due to Corona Disaster:** The rapid decline of the global economy has brought increasing worries regarding the spread of debt risk. Debt has already accumulated to high levels worldwide in the private sector non-financial industries as well as in the public sector, and is likely to remain a concern for some time. As for private non-financial sector debt, pressure to reduce it could increase at any time. Private sector debt reduction is considered to be related, to a degree, to decline in economic growth rate because of decline in investment, but the point is to what extent. As for public sector debt, an increase in the short-term is unavoidable due to the necessity of governments carrying out economic measures. However, caution is necessary here since fiscal capacity differs depending on the country. On the other hand, there is also concern that economic growth could be hampered by excessive government debt continuing in the long-term. Maintaining fiscal discipline is likely to become more important in the future.
- **(2) What will happen in the emerging nations (precaution required):** Risk of default in the emerging nations is increasing due to the COVID-19 pandemic. Countries with the highest risk out of a total of eighteen emerging nations taking into consideration four factors –risk of default as of 2019, risk of spread of COVID-19 infections, the low price of crude oil, and extent to which default on loans would have a ripple effect reaching other countries – are South Africa, Saudi Arabia, Russia, Brazil, and Turkey. If debt risk comes to the surface, the creditors of these countries, for the most part advanced nations such as the US and the UK, will also experience negative effects. Spain suffered especially major economic impact due to the COVID-19 pandemic. Its fiscal condition was already bad even before the pandemic. The emergence of risk of default in emerging nations will make Spain's fiscal condition even worse, and this could cause negative effects in the European countries.
- **(3) The ripple effects of stagnant production due to supply chain problems:** The COVID-19 pandemic has caused not only a crisis in demand, but a crisis in supply as well. We analyzed the possible ripple effects using an international input-output table and found that the ripple effect per unit of production would be large for Taiwan and Korea, but small for the US, Europe and China. However, if we also take into consideration the scale of industry, the importance of China is huge for the global supply chain, both in supply and demand. The US, Europe, Japan, and China have all built a supply chain network with neighboring countries, and they have an interdependent relationship. This suggests that if the US and Europe suffer from stagnant production, the recovery of China's economy will be hindered. Japan is easily influenced by issues of supply from foreign countries in its automobile industry and other industries, and it is possible that downward pressure on Japan's production will continue due to supply constraints.
- **BOJ's monetary policy:** During the period covered by this outlook, the CPI is expected to register year-to-year declines in FY2020 and FY2021. A strong need for support of corporate financing is expected to continue due to the rapid deterioration of the economy. Hence we expect the BOJ to maintain its current monetary easing policy, with additional easing measures taken as necessary.
- **Our assumptions**

Public works spending is expected to grow by -0.5% in FY20, and +3.1% in FY21.

Average exchange rate of Y107.1/\$ in FY20, and Y107.0/\$ in FY21.

US real GDP growth of -4.8% in CY20 and +3.2% in CY21.

Main Economic Indicators and Real GDP Components

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	FY19 (Estimate)	FY20 (Estimate)	FY21 (Estimate)	CY19	CY20 (Estimate)	CY21 (Estimate)
Main economic indicators						
Nominal GDP (y/y %)	0.7	-4.4	2.7	1.3	-4.2	1.7
Real GDP (chained [2011]; y/y %)	-0.1	-5.5	3.0	0.7	-5.4	1.9
Domestic demand (contribution, % pt)	0.1	-4.6	2.3	0.8	-4.5	1.4
Foreign demand (contribution, % pt)	-0.2	-0.8	0.7	-0.2	-0.8	0.5
GDP deflator (y/y %)	0.8	1.1	-0.3	0.6	1.2	-0.2
Index of All-industry Activity (y/y %)*	-1.3	-7.1	3.1	-0.3	-7.3	1.8
Index of Industrial Production (y/y %)	-3.7	-5.3	3.8	-2.8	-6.3	3.0
Index of Tertiary Industry Activity (y/y %)	-0.7	-8.1	3.2	0.5	-10.8	1.6
Corporate Goods Price Index (y/y %)	0.1	-4.1	0.3	0.2	-2.8	-1.0
Consumer Price Index (excl. fresh food; y/y %)	0.6	-1.3	-0.8	0.7	-0.6	-1.2
Unemployment rate (%)	2.4	4.7	4.0	2.4	4.1	4.3
Government bond yield (10 year; %)	-0.12	-0.02	-0.02	-0.11	-0.04	-0.02
Balance of payments						
Trade balance (Y tril)	0.6	4.8	8.3	0.6	3.5	7.7
Current balance (\$100 mil)	1,818	2,324	2,741	1,840	2,156	2,674
Current balance (Y tril)	19.8	24.9	29.3	20.1	23.2	28.6
(% of nominal GDP)	3.6	4.7	5.4	3.6	4.4	5.3
Real GDP components (Chained [2011]; y/y %; figures in parentheses: contribution, % pt)						
Private final consumption	-0.6 (-0.3)	-5.9 (-3.3)	3.2 (1.8)	0.1 (0.1)	-5.8 (-3.2)	2.1 (1.2)
Private housing investment	0.3 (0.0)	-8.4 (-0.2)	-0.8 (-0.0)	2.0 (0.1)	-8.6 (-0.3)	-2.2 (-0.1)
Private fixed investment	-0.9 (-0.1)	-7.4 (-1.2)	1.3 (0.2)	0.7 (0.1)	-7.3 (-1.2)	-0.3 (-0.0)
Government final consumption	2.4 (0.5)	1.2 (0.2)	0.7 (0.2)	1.9 (0.4)	1.5 (0.3)	0.9 (0.2)
Public fixed investment	3.3 (0.2)	-0.9 (-0.0)	3.2 (0.2)	2.9 (0.1)	-0.8 (-0.0)	3.9 (0.2)
Exports of goods and services	-2.7 (-0.5)	-17.2 (-2.9)	12.1 (1.8)	-1.6 (-0.3)	-16.9 (-3.0)	8.5 (1.2)
Imports of goods and services	-1.7 (0.3)	-11.8 (2.1)	6.7 (-1.1)	-0.7 (0.1)	-12.3 (2.1)	5.3 (-0.7)
Major assumptions:						
1. World economy						
Economic growth of major trading partners	1.6	-2.2	5.4	3.0	-3.7	5.2
Crude oil price (WTI futures; \$/bbl)	54.7	28.5	30.0	57.0	32.5	30.0
2. US economy						
US real GDP (chained [2012]; y/y %)	1.7	-5.4	4.6	2.3	-4.8	3.2
US Consumer Price Index (y/y %)	1.9	0.7	2.5	1.8	0.9	2.3
3. Japanese economy						
Nominal public fixed investment (y/y %)	5.0	-0.5	3.1	4.5	0.2	3.7
Exchange rate (Y/\$)	108.7	107.1	107.0	109.0	107.5	107.0
(Y/€)	120.9	116.0	115.8	122.2	117.1	115.8

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 205)			Previous outlook (Outlook 204 Update)			Difference between previous and current outlooks		
	FY19	FY20	FY21	FY19	FY20	FY21	FY19	FY20	FY21
Main economic indicators									
Nominal GDP (y/y %)	0.7	-4.4	2.7	0.7	1.3	1.3	-0.0	-5.7	1.3
Real GDP (chained [2011]; y/y %)	-0.1	-5.5	3.0	-0.1	0.1	0.8	0.1	-5.5	2.2
Domestic demand (contribution, % pt)	0.1	-4.6	2.3	-0.0	-0.1	0.7	0.1	-4.5	1.6
Foreign demand (contribution, % pt)	-0.2	-0.8	0.7	-0.1	0.2	0.1	-0.1	-1.0	0.6
GDP deflator (y/y %)	0.8	1.1	-0.3	0.9	1.2	0.5	-0.1	-0.1	-0.8
Index of All-industry Activity (y/y %)*	-1.3	-7.1	3.1	-1.5	-0.9	0.8	0.2	-6.2	2.3
Index of Industrial Production (y/y %)	-3.7	-5.3	3.8	-3.3	-1.3	1.8	-0.4	-4.0	2.0
Index of Tertiary Industry Activity (y/y %)	-0.7	-8.1	3.2	-1.1	-0.7	0.6	0.4	-7.4	2.6
Corporate Goods Price Index (y/y %)	0.1	-4.1	0.3	-0.1	-1.6	0.8	0.2	-2.4	-0.5
Consumer Price Index (excl. fresh food; y/y %)	0.6	-1.3	-0.8	0.6	-0.1	0.4	0.0	-1.2	-1.2
Unemployment rate (%)	2.4	4.7	4.0	2.3	2.5	2.5	0.0	2.2	1.5
Government bond yield (10 year; %)	-0.12	-0.02	-0.02	-0.13	-0.16	-0.16	0.01	0.13	0.14
Balance of payments									
Trade balance (Y tril)	0.6	4.8	8.3	1.6	7.2	7.7	-1.0	-2.4	0.6
Current balance (\$100 mil)	1,818	2,324	2,741	1,956	2,665	2,723	-138	-340	19
Current balance (Y tril)	19.8	24.9	29.3	21.4	28.2	28.8	-1.6	-3.3	0.5
(% of nominal GDP)	3.6	4.7	5.4	3.9	5.0	5.1	-0.3	-0.3	0.3
Real GDP components (chained [2011]; y/y %)									
Private final consumption	-0.6	-5.9	3.2	-1.0	-0.1	0.8	0.4	-5.8	2.5
Private housing investment	0.3	-8.4	-0.8	1.4	-1.5	0.1	-1.1	-7.0	-0.9
Private fixed investment	-0.9	-7.4	1.3	-0.8	-1.4	1.4	-0.1	-6.0	-0.1
Government final consumption	2.4	1.2	0.7	2.6	1.2	1.0	-0.1	0.0	-0.2
Public fixed investment	3.3	-0.9	3.2	3.7	0.7	-0.8	-0.4	-1.5	4.0
Exports of goods and services	-2.7	-17.2	12.1	-2.2	1.0	1.6	-0.5	-18.1	10.4
Imports of goods and services	-1.7	-11.8	6.7	-1.6	0.0	1.2	-0.1	-11.9	5.5
Major assumptions:									
1. World economy									
Economic growth of major trading partners	1.6	-2.2	5.4	2.7	3.1	3.3	-1.1	-5.3	2.2
Crude oil price (WTI futures; \$/bbl)	54.7	28.5	30.0	55.6	40.0	40.0	-0.9	-11.5	-10.0
2. US economy									
US real GDP (chained [2012]; y/y %)	1.7	-5.4	4.6	2.2	1.9	2.0	-0.4	-7.3	2.7
US Consumer Price Index (y/y %)	1.9	0.7	2.5	2.0	2.0	2.0	-0.1	-1.3	0.6
3. Japanese economy									
Nominal public fixed investment (y/y %)	5.0	-0.5	3.1	5.4	1.8	0.0	-0.3	-2.3	3.1
Exchange rate (Y/\$)	108.7	107.1	107.0	108.5	105.0	105.0	0.2	2.1	2.0
(Y/€)	120.9	116.0	115.8	120.8	118.0	118.0	0.1	-2.0	-2.2

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

	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	
Nominal GDP (SAAR; Y tril)	549.0	545.5	546.3	552.5	555.9	558.1	549.5	545.2	548.1	552.1	546.9	553.7	
Q/q %	0.3	-0.6	0.1	1.1	0.6	0.4	-1.5	-0.8					
Q/q %, SAAR	1.1	-2.5	0.6	4.6	2.5	1.6	-6.0	-3.1					
Y/y %	1.1	-0.6	-1.0	0.9	1.3	2.3	0.5	-1.2	0.1	0.7	0.2	1.3	
Real GDP (chained [2011]; SAAR; Y tril)	534.6	530.1	533.1	536.5	539.4	539.4	529.4	524.9	533.4	533.1	532.4	535.9	
Q/q %	0.4	-0.8	0.6	0.6	0.5	0.0	-1.9	-0.9					
Q/q %, SAAR	1.8	-3.3	2.3	2.6	2.1	0.0	-7.3	-3.4					
Y/y %	1.0	-0.3	-0.4	0.8	0.9	1.7	-0.7	-2.0	0.3	-0.1	0.3	0.7	
Contribution to GDP growth (% pt)													
Domestic demand	0.4	-0.7	1.1	0.1	0.8	0.3	-2.4	-0.7	0.4	0.1	0.3	0.8	
Foreign demand	-0.0	-0.2	-0.5	0.5	-0.3	-0.2	0.5	-0.2	-0.1	-0.2	-0.0	-0.2	
GDP deflator (y/y %)	0.1	-0.3	-0.6	0.2	0.4	0.6	1.2	0.9	-0.2	0.8	-0.1	0.6	
Index of All-Industry Activity (2010=100)	105.9	105.5	106.4	106.1	106.2	106.6	103.2	102.4	105.9	104.6	105.8	105.5	
Q/q %; y/y %	0.5	-0.3	0.8	-0.2	0.1	0.3	-3.1	-0.8	0.9	-1.3	1.1	-0.3	
Index of Industrial Production (2015=100)	104.3	103.6	105.0	102.8	102.8	101.7	98.0	98.4	103.8	99.9	104.2	101.2	
Q/q %; y/y %	0.8	-0.7	1.3	-2.1	0.0	-1.1	-3.7	0.4	0.2	-3.7	1.1	-2.8	
Index of Tertiary Industry Activity (2010=100)	102.9	102.5	103.4	103.5	103.6	104.4	101.2	100.0	103.0	102.3	105.9	106.5	
Q/q %; y/y %	0.7	-0.4	0.9	0.1	0.0	0.8	-3.1	-1.2	1.1	-0.7	1.2	0.5	
Corporate Goods Price Index components (2015=100)													
Domestic Company Goods Price Index	101.0	101.9	101.9	101.2	101.6	101.0	102.2	101.8	101.5	101.7	101.3	101.5	
Y/y %	2.6	3.1	2.2	0.9	0.6	-0.9	0.3	0.6	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	101.9	101.0	101.7	
Y/y %	0.8	0.9	0.9	0.8	0.8	0.5	0.6	0.6	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	2.4	2.4	2.4	
Government bond yield (10 year; %)	0.04	0.10	0.07	-0.04	-0.10	-0.22	-0.09	-0.07	0.04	-0.12	0.07	-0.11	
Trade balance (SAAR; Y tril)	3.8	0.1	-1.0	0.3	-1.0	0.5	1.9	1.5	0.6	0.6	1.2	0.6	
Current balance (SAAR; \$100 mil)	1,944	1,667	1,518	1,776	1,740	1,778	1,964	1,893	1,757	1,818	1,741	1,840	
Current balance (SAAR; Y tril)	21.2	18.6	17.1	19.6	19.1	19.1	21.4	20.6	19.5	19.8	19.2	20.1	
(% of nominal GDP)	3.9	3.4	3.1	3.5	3.4	3.4	3.9	3.8	3.5	3.6	3.5	3.6	
Exchange rate (Y/\$)	109.1	111.5	112.9	110.2	109.8	107.3	108.7	108.9	110.9	108.7	110.4	109.0	
(Y/Euro)	129.0	130.5	128.2	125.3	122.9	118.9	121.5	120.1	128.3	120.9	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)	518.9	525.6	531.3	535.5	539.2	540.9	542.7	544.6	527.8	541.8	530.3	539.5
Q/q %	-4.8	1.3	1.1	0.8	0.7	0.3	0.3	0.3				
Q/q %, SAAR	-17.9	5.2	4.4	3.2	2.8	1.3	1.3	1.4				
Y/y %	-6.7	-5.8	-3.3	-1.8	3.9	2.9	2.1	1.7	-4.4	2.7	-4.2	1.7
Real GDP (chained [2011]; SAAR; Y tril)	494.1	501.1	507.8	513.0	516.7	518.5	520.0	521.6	504.0	519.2	507.1	516.9
Q/q %	-5.9	1.4	1.3	1.0	0.7	0.3	0.3	0.3				
Q/q %, SAAR	-21.4	5.8	5.4	4.2	2.9	1.4	1.2	1.2				
Y/y %	-8.4	-7.1	-4.1	-2.3	4.6	3.5	2.4	1.7	-5.5	3.0	-5.4	1.9
Contribution to GDP growth (% pt)												
Domestic demand	-4.8	1.5	1.1	0.6	0.6	0.2	0.2	0.2	-4.6	2.3	-4.5	1.4
Foreign demand	-1.1	-0.1	0.2	0.4	0.1	0.1	0.1	0.1	-0.8	0.7	-0.8	0.5
GDP deflator (y/y %)	1.9	1.4	0.8	0.5	-0.6	-0.5	-0.3	0.0	1.1	-0.3	1.2	-0.2
Index of All-Industry Activity (2010=100)	95.2	96.6	97.9	98.9	99.7	100.1	100.4	100.7	97.1	100.2	97.8	99.6
Q/q %; y/y %	-7.1	1.5	1.4	1.1	0.8	0.4	0.3	0.3	-7.1	3.1	-7.3	1.8
Index of Industrial Production (2015=100)	91.7	94.4	96.3	97.3	97.7	98.2	98.8	99.4	94.7	98.2	94.9	97.7
Q/q %; y/y %	-6.7	2.8	2.0	1.1	0.4	0.5	0.6	0.6	-5.3	3.8	-6.3	3.0
Index of Tertiary Industry Activity (2010=100)	92.3	93.4	94.6	95.7	96.5	96.9	97.1	97.4	94.0	97.0	95.0	96.4
Q/q %; y/y %	-7.7	1.2	1.3	1.1	0.9	0.3	0.3	0.3	-8.1	3.2	-10.8	1.6
Corporate Goods Price Index components (2015=100)												
Domestic Company Goods Price Index	97.8	97.5	97.4	97.5	97.6	97.7	97.9	98.1	97.5	97.8	98.6	97.6
Y/y %	-3.8	-3.5	-4.7	-4.3	-0.2	0.2	0.5	0.6	-4.1	0.3	-2.8	-1.0
CPI (excl. fresh food; 2015=100)	101.3	100.7	100.3	99.8	100.1	99.7	99.7	99.4	100.5	99.7	101.1	99.8
Y/y %	-0.4	-0.8	-1.8	-2.1	-1.2	-1.0	-0.6	-0.4	-1.3	-0.8	-0.6	-1.2
Unemployment rate (%)	4.0	5.0	5.0	4.7	4.4	4.1	3.8	3.5	4.7	4.0	4.1	4.3
Government bond yield (10 year; %)	-0.03	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.04	-0.02
Trade balance (SAAR; Y tril)	3.5	4.0	5.0	6.8	7.5	8.0	8.5	9.0	4.8	8.3	3.5	7.7
Current balance (SAAR; \$100 mil)	2,171	2,212	2,350	2,565	2,651	2,711	2,772	2,833	2,324	2,741	2,156	2,674
Current balance (SAAR; Y tril)	23.3	23.7	25.1	27.4	28.4	29.0	29.7	30.3	24.9	29.3	23.2	28.6
(% of nominal GDP)	4.5	4.5	4.7	5.1	5.3	5.4	5.5	5.6	4.7	5.4	4.4	5.3
Exchange rate (Y/\$)	107.2	107.0	107.0	107.0	107.0	107.0	107.0	107.0	107.1	107.0	107.5	107.0
(Y/Euro)	116.7	115.8	115.8	115.8	115.8	115.8	115.8	115.8	116.0	115.8	117.1	115.8

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	2018	2019	2018	2019	
Gross domestic expenditure	534.6	530.1	533.1	536.5	539.4	539.4	529.4	524.9	533.4	533.1	532.4	535.9	
Q/q %, SAAR	1.8	-3.3	2.3	2.6	2.1	0.0	-7.3	-3.4					
Y/y %	1.0	-0.3	-0.4	0.8	0.9	1.7	-0.7	-2.0	0.3	-0.1	0.3	0.7	
Domestic demand	534.6	531.1	536.8	537.5	542.0	543.3	530.4	527.0	534.8	535.5	533.6	538.0	
Q/q %, SAAR	1.8	-2.6	4.4	0.5	3.4	1.0	-9.2	-2.6					
Y/y %	0.5	-0.2	0.2	0.9	1.4	2.3	-1.2	-1.8	0.4	0.1	0.3	0.8	
Private demand	401.0	397.9	403.4	403.7	406.1	406.3	393.0	389.6	401.4	398.6	400.4	402.0	
Q/q %, SAAR	1.6	-3.0	5.6	0.3	2.4	0.3	-12.5	-3.5					
Y/y %	0.4	-0.5	0.1	1.1	1.2	2.1	-2.6	-3.4	0.2	-0.7	0.1	0.4	
Final consumption	299.0	298.3	299.6	299.8	301.4	302.7	293.9	291.8	299.1	297.4	298.8	299.2	
Q/q %, SAAR	0.8	-0.9	1.7	0.3	2.2	1.8	-11.1	-2.8					
Y/y %	-0.3	0.2	-0.0	0.4	0.7	1.4	-1.9	-2.4	0.1	-0.6	-0.0	0.1	
Residential investment	14.9	15.0	15.2	15.4	15.4	15.6	15.2	14.5	15.1	15.2	15.1	15.4	
Q/q %, SAAR	-9.2	0.6	6.9	6.0	-1.0	5.0	-9.6	-16.9					
Y/y %	-9.8	-7.4	-2.9	0.7	3.0	4.3	0.0	-6.1	-4.9	0.3	-6.7	2.0	
Non-residential investment	86.8	83.1	86.8	86.4	87.1	87.3	83.2	82.7	85.7	85.0	85.4	86.0	
Q/q %, SAAR	8.5	-16.1	19.3	-1.9	3.5	0.8	-17.7	-2.1					
Y/y %	4.4	-0.6	2.0	1.4	0.5	5.5	-4.6	-4.2	1.7	-0.9	2.1	0.7	
Change in inventories	0.3	1.6	1.8	2.1	2.1	0.7	0.8	0.5	1.5	1.0	1.1	1.4	
Public demand	133.6	133.1	133.5	133.8	135.9	137.0	137.4	137.4	133.4	136.8	133.2	136.0	
Q/q %, SAAR	2.3	-1.3	0.9	0.9	6.6	3.1	1.2	0.0					
Y/y %	0.9	0.9	0.8	0.6	1.9	2.9	2.9	2.6	0.8	2.6	0.8	2.1	
Government final consumption	106.9	107.1	107.7	107.5	109.2	110.0	110.2	110.2	107.2	109.8	107.1	109.2	
Q/q %, SAAR	0.1	0.6	2.5	-0.7	6.3	3.0	0.8	0.2					
Y/y %	0.8	0.9	1.3	0.5	2.1	2.8	2.3	2.5	0.9	2.4	0.9	1.9	
Fixed investment	26.6	26.0	25.7	26.3	26.7	27.0	27.1	27.0	26.1	27.0	26.0	26.8	
Q/q %, SAAR	10.9	-9.2	-4.6	9.5	7.0	4.0	2.1	-1.6					
Y/y %	1.6	1.0	-1.0	1.0	1.0	3.9	5.5	2.6	0.6	3.3	0.3	2.9	
Change in inventories	0.1	0.1	0.0	-0.0	-0.0	-0.0	0.0	0.1	0.0	0.0	0.1	-0.0	
Net exports of goods and services	-0.6	-1.4	-4.3	-1.5	-3.1	-4.3	-1.6	-2.5	-2.0	-2.9	-1.8	-2.6	
Exports of goods and services	94.3	92.1	93.6	91.9	92.1	91.6	91.9	86.5	93.0	90.5	93.4	91.9	
Q/q %, SAAR	3.2	-8.8	6.7	-7.0	0.8	-2.4	1.7	-21.8					
Y/y %	5.9	1.7	1.3	-1.8	-2.2	-0.5	-1.8	-6.2	1.7	-2.7	3.5	-1.6	
Imports of goods and services	94.9	93.6	97.9	93.5	95.2	95.9	93.6	88.9	95.0	93.4	95.2	94.5	
Q/q %, SAAR	3.4	-5.6	20.0	-16.9	7.6	2.9	-9.3	-18.4					
Y/y %	3.2	3.0	4.9	-1.0	0.2	2.6	-4.4	-5.0	2.5	-1.7	3.7	-0.7	

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	494.1	501.1	507.8	513.0	516.7	518.5	520.0	521.6	504.0	519.2	507.1	516.9	
Q/q %, SAAR	-21.4	5.8	5.4	4.2	2.9	1.4	1.2	1.2					
Y/y %	-8.4	-7.1	-4.1	-2.3	4.6	3.5	2.4	1.7	-5.5	3.0	-5.4	1.9	
Domestic demand	501.9	509.2	514.9	518.1	521.1	522.3	523.3	524.3	511.1	522.7	513.5	521.0	
Q/q %, SAAR	-17.7	5.9	4.6	2.5	2.3	0.9	0.8	0.8					
Y/y %	-7.2	-6.3	-2.8	-1.8	3.7	2.6	1.6	1.2	-4.5	2.3	-4.5	1.5	
Private demand	366.4	371.3	375.8	378.8	381.6	382.6	383.4	384.3	373.1	383.0	376.0	381.5	
Q/q %, SAAR	-21.8	5.5	4.9	3.2	3.0	1.1	0.9	0.9					
Y/y %	-9.6	-8.6	-4.3	-3.0	4.1	3.0	2.0	1.5	-6.4	2.6	-6.5	1.5	
Final consumption	273.4	278.6	282.5	285.3	287.9	288.7	289.4	289.9	280.0	289.0	281.7	287.8	
Q/q %, SAAR	-22.9	7.8	5.7	4.0	3.6	1.2	0.9	0.8					
Y/y %	-9.2	-7.9	-3.9	-2.4	5.3	3.6	2.4	1.7	-5.9	3.2	-5.8	2.1	
Residential investment	14.3	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.9	13.8	14.1	13.8	
Q/q %, SAAR	-7.0	-11.5	-1.2	-0.8	0.0	0.4	0.8	1.2					
Y/y %	-7.4	-11.4	-9.4	-5.2	-3.5	-0.4	0.1	0.6	-8.4	-0.8	-8.6	-2.2	
Non-residential investment	78.2	78.3	79.0	79.2	79.4	79.6	79.7	80.0	78.7	79.7	79.7	79.4	
Q/q %, SAAR	-20.3	0.8	3.2	1.2	1.0	0.9	0.8	1.2					
Y/y %	-10.3	-10.5	-4.9	-4.3	1.6	1.7	0.9	1.0	-7.4	1.3	-7.3	-0.3	
Change in inventories	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.5	
Public demand	135.5	137.8	139.0	139.3	139.5	139.7	139.8	140.0	138.0	139.7	137.5	139.5	
Q/q %, SAAR	-5.3	7.1	3.6	0.7	0.6	0.5	0.5	0.4					
Y/y %	-0.1	0.6	1.3	1.5	2.7	1.3	0.5	0.5	0.8	1.2	1.1	1.5	
Government final consumption	110.8	111.1	111.4	111.6	111.8	112.0	112.1	112.3	111.2	112.0	110.8	111.8	
Q/q %, SAAR	1.9	1.1	1.0	0.8	0.7	0.6	0.6	0.5					
Y/y %	1.5	1.0	1.1	1.2	0.9	0.8	0.7	0.6	1.2	0.7	1.5	0.9	
Fixed investment	24.6	26.7	27.6	27.6	27.6	27.6	27.6	27.6	26.7	27.6	26.6	27.6	
Q/q %, SAAR	-31.0	37.0	14.8	0.3	0.0	0.0	0.0	0.2					
Y/y %	-8.1	-1.3	1.7	2.3	12.2	3.6	0.1	0.0	-0.9	3.2	-0.8	3.9	
Change in inventories	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Net exports of goods and services	-8.1	-8.4	-7.5	-5.4	-4.7	-4.1	-3.6	-3.0	-7.4	-3.9	-6.6	-4.5	
Exports of goods and services	68.7	72.9	77.2	80.9	82.5	83.5	84.5	85.5	75.0	84.0	76.3	82.9	
Q/q %, SAAR	-60.1	26.7	25.3	20.6	8.2	5.3	4.9	4.5					
Y/y %	-25.4	-20.4	-16.1	-6.4	20.0	14.6	9.6	5.7	-17.2	12.1	-16.9	8.5	
Imports of goods and services	76.9	81.3	84.6	86.3	87.2	87.7	88.1	88.5	82.3	87.9	83.0	87.3	
Q/q %, SAAR	-44.2	25.3	17.2	8.2	4.1	2.4	2.0	1.6					
Y/y %	-19.2	-15.3	-9.6	-2.9	13.4	7.9	4.2	2.5	-11.8	6.7	-12.3	5.3	

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	2018	2019	2018	2019	
Gross domestic expenditure	549.0	545.5	546.3	552.5	555.9	558.1	549.5	545.2	548.1	552.1	546.9	553.7	
Q/q %, SAAR	1.1	-2.5	0.6	4.6	2.5	1.6	-6.0	-3.1					
Y/y %	1.1	-0.6	-1.0	0.9	1.3	2.3	0.5	-1.2	0.1	0.7	0.2	1.3	
Domestic demand	546.1	544.5	549.6	550.4	555.8	558.3	546.9	543.7	547.5	551.0	545.8	552.6	
Q/q %, SAAR	1.7	-1.2	3.9	0.6	4.0	1.8	-7.9	-2.3					
Y/y %	1.2	0.6	0.5	1.3	1.8	2.5	-0.6	-1.1	0.9	0.6	0.9	1.2	
Private demand	408.8	407.8	413.8	412.8	415.7	417.0	405.5	401.1	410.8	409.7	409.4	412.5	
Q/q %, SAAR	1.1	-1.0	6.0	-0.9	2.8	1.3	-10.6	-4.3					
Y/y %	0.9	0.2	0.7	1.3	1.7	2.2	-2.1	-2.7	0.8	-0.3	0.8	0.7	
Final consumption	303.6	304.5	305.8	305.3	307.4	309.2	302.0	299.2	304.8	304.5	304.4	305.8	
Q/q %, SAAR	-0.5	1.2	1.8	-0.7	2.8	2.4	-9.0	-3.6					
Y/y %	0.1	0.9	0.5	0.5	1.2	1.4	-1.3	-1.7	0.5	-0.1	0.6	0.4	
Residential investment	16.3	16.3	16.6	16.9	16.9	17.1	17.0	16.2	16.5	16.8	16.4	17.0	
Q/q %, SAAR	-6.6	1.5	7.9	5.6	0.2	6.5	-3.1	-16.9					
Y/y %	-7.8	-5.9	-1.4	1.8	3.7	5.1	2.4	-3.8	-3.4	1.8	-5.0	3.2	
Non-residential investment	88.6	85.5	89.4	88.7	89.2	90.2	85.9	85.1	88.0	87.4	87.5	88.4	
Q/q %, SAAR	8.5	-13.1	19.6	-3.0	2.0	4.4	-17.6	-3.8					
Y/y %	5.2	0.1	2.7	2.2	0.9	5.7	-4.5	-4.0	2.5	-0.7	2.8	1.1	
Change in inventories	0.4	1.5	1.9	1.9	2.2	0.5	0.6	0.6	1.4	1.0	1.1	1.3	
Public demand	137.3	136.7	135.9	137.6	140.1	141.2	141.3	142.6	136.8	141.3	136.4	140.1	
Q/q %, SAAR	3.6	-1.9	-2.3	5.3	7.5	3.2	0.3	3.5					
Y/y %	2.3	1.9	-0.1	1.1	2.3	3.5	3.8	3.6	1.3	3.3	1.4	2.7	
Government final consumption	108.6	108.5	108.0	109.1	111.0	111.7	111.4	112.6	108.5	111.7	108.3	110.8	
Q/q %, SAAR	0.9	-0.4	-2.0	4.3	7.1	2.6	-1.2	4.5					
Y/y %	2.1	1.7	-0.3	0.7	2.4	3.2	2.9	3.2	1.0	2.9	1.1	2.3	
Fixed investment	28.6	28.1	27.8	28.5	29.1	29.5	29.9	29.9	28.2	29.6	28.0	29.3	
Q/q %, SAAR	14.0	-7.7	-3.1	9.9	8.7	5.8	5.6	-0.7					
Y/y %	3.7	2.7	0.9	2.6	2.3	5.2	7.5	4.5	2.4	5.0	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	2.8	1.0	-3.4	2.0	0.1	-0.1	2.6	1.5	0.6	1.0	1.0	1.2	
Exports of goods and services	101.7	101.5	101.7	98.2	97.6	96.1	96.0	90.2	100.7	94.9	101.4	97.0	
Q/q %, SAAR	3.9	-0.8	0.7	-12.8	-2.4	-6.1	-0.6	-22.1					
Y/y %	7.9	3.7	1.6	-2.8	-3.7	-5.0	-6.0	-8.4	2.5	-5.8	4.6	-4.4	
Imports of goods and services	98.8	100.4	105.0	96.2	97.6	96.2	93.3	88.6	100.1	93.9	100.4	95.8	
Q/q %, SAAR	7.5	6.7	19.5	-29.6	5.8	-5.3	-11.5	-18.7					
Y/y %	8.9	11.6	10.2	-1.2	-1.0	-4.1	-11.3	-8.1	7.2	-6.3	9.3	-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	518.9	525.6	531.3	535.5	539.2	540.9	542.7	544.6	527.8	541.8	530.3	539.5	
Q/q %, SAAR	-17.9	5.2	4.4	3.2	2.8	1.3	1.3	1.4					
Y/y %	-6.7	-5.8	-3.3	-1.8	3.9	2.9	2.1	1.7	-4.4	2.7	-4.2	1.7	
Domestic demand	515.2	521.4	525.6	527.5	530.2	531.3	532.5	533.6	522.6	531.9	526.9	530.3	
Q/q %, SAAR	-19.3	4.9	3.3	1.4	2.1	0.9	0.9	0.9					
Y/y %	-7.1	-6.7	-3.7	-3.2	2.8	1.9	1.2	1.2	-5.2	1.8	-4.7	0.6	
Private demand	374.9	378.7	381.7	383.5	386.0	386.8	387.8	388.7	379.7	387.4	384.4	386.0	
Q/q %, SAAR	-23.7	4.0	3.3	1.9	2.6	0.9	0.9	1.0					
Y/y %	-9.7	-9.2	-5.8	-4.7	2.9	2.1	1.5	1.5	-7.3	2.0	-6.8	0.4	
Final consumption	278.1	282.3	284.8	286.5	288.8	289.4	290.0	290.6	283.0	289.7	286.3	288.6	
Q/q %, SAAR	-25.4	6.1	3.7	2.3	3.2	0.8	0.9	0.8					
Y/y %	-9.5	-8.7	-5.7	-4.4	3.8	2.5	1.8	1.5	-7.1	2.4	-6.4	0.8	
Residential investment	15.9	15.4	15.4	15.3	15.3	15.3	15.4	15.4	15.5	15.4	15.7	15.3	
Q/q %, SAAR	-7.5	-11.9	-1.6	-1.2	0.0	0.4	0.8	1.3					
Y/y %	-5.6	-10.0	-9.7	-5.6	-3.8	-0.6	0.0	0.6	-7.8	-0.9	-7.4	-2.5	
Non-residential investment	80.3	80.4	80.9	81.1	81.3	81.6	81.8	82.1	80.7	81.7	81.8	81.4	
Q/q %, SAAR	-20.7	0.4	2.8	0.8	1.0	1.3	1.2	1.6					
Y/y %	-10.1	-11.0	-5.5	-4.8	1.3	1.5	0.9	1.3	-7.7	1.3	-7.5	-0.5	
Change in inventories	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	
Public demand	140.3	142.7	143.9	144.0	144.2	144.5	144.7	144.9	142.8	144.5	142.5	144.3	
Q/q %, SAAR	-6.2	7.0	3.3	0.3	0.6	0.7	0.6	0.6					
Y/y %	0.3	1.0	1.9	1.0	2.4	1.3	0.5	0.6	1.1	1.2	1.7	1.3	
Government final consumption	113.1	113.3	113.4	113.6	113.8	114.0	114.2	114.4	113.3	114.1	113.1	113.9	
Q/q %, SAAR	1.5	0.7	0.6	0.4	0.7	0.9	0.8	0.7					
Y/y %	1.8	1.3	2.0	0.8	0.6	0.7	0.6	0.8	1.5	0.7	2.0	0.7	
Fixed investment	27.2	29.4	30.4	30.4	30.4	30.4	30.4	30.4	29.5	30.4	29.3	30.4	
Q/q %, SAAR	-31.4	36.5	14.3	0.0	0.0	0.1	0.1	0.3					
Y/y %	-6.8	-0.4	1.6	1.9	11.9	3.4	0.0	0.1	-0.5	3.1	0.2	3.7	
Change in inventories	0.0	0.0	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	3.7	4.2	5.7	8.0	9.0	9.6	10.3	10.9	5.4	10.0	3.8	9.2	
Exports of goods and services	68.8	73.1	77.4	81.2	82.9	84.1	85.2	86.2	75.1	84.5	77.4	83.3	
Q/q %, SAAR	-66.1	27.2	25.8	21.1	8.7	5.7	5.3	4.9					
Y/y %	-29.6	-24.1	-19.2	-9.8	20.6	15.1	9.9	6.1	-20.8	12.5	-20.2	7.7	
Imports of goods and services	65.1	68.9	71.7	73.2	73.9	74.4	74.9	75.3	69.7	74.6	73.5	74.1	
Q/q %, SAAR	-70.9	25.3	17.4	8.4	4.2	2.8	2.4	2.0					
Y/y %	-33.3	-28.5	-23.1	-17.4	13.6	8.1	4.4	2.8	-25.7	7.0	-23.2	0.7	

Source: Compiled by DIR.

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

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

E: DIR estimate.

4.1 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	2018	2019	2018	2019	
Gross domestic expenditure	102.7	102.9	102.5	103.0	103.1	103.5	103.8	103.9	102.8	103.6	102.7	103.3	
Q/q %, SAAR	-0.2	0.2	-0.4	0.5	0.1	0.4	0.3	0.1					
Y/y %	0.1	-0.3	-0.6	0.2	0.4	0.6	1.2	0.9	-0.2	0.8	-0.1	0.6	
Private final consumption	101.5	102.1	102.1	101.8	102.0	102.2	102.7	102.5	101.9	102.4	101.9	102.2	
Q/q %, SAAR	-0.3	0.5	0.0	-0.2	0.2	0.2	0.6	-0.2					
Y/y %	0.3	0.8	0.6	0.1	0.4	0.0	0.7	0.7	0.4	0.5	0.6	0.3	
Private residential investment	108.8	109.0	109.2	109.2	109.5	109.9	111.8	111.8	109.1	110.7	108.8	110.1	
Q/q %, SAAR	0.7	0.2	0.2	-0.1	0.3	0.4	1.8	-0.0					
Y/y %	2.2	1.6	1.6	1.1	0.7	0.8	2.4	2.5	1.6	1.6	1.8	1.2	
Private non-residential investment	102.1	102.9	103.0	102.7	102.3	103.2	103.3	102.8	102.7	102.9	102.5	102.9	
Q/q %, SAAR	0.0	0.9	0.1	-0.3	-0.3	0.9	0.0	-0.4					
Y/y %	0.7	0.7	0.7	0.7	0.4	0.2	0.1	0.2	0.7	0.2	0.6	0.4	
Government final consumption	101.6	101.4	100.2	101.5	101.7	101.6	101.1	102.2	101.2	101.6	101.2	101.5	
Q/q %, SAAR	0.2	-0.3	-1.1	1.3	0.2	-0.1	-0.5	1.1					
Y/y %	1.2	0.8	-1.6	0.1	0.2	0.4	0.6	0.7	0.1	0.5	0.3	0.3	
Public fixed investment	107.5	107.9	108.4	108.5	108.9	109.3	110.3	110.5	108.1	109.9	107.6	109.3	
Q/q %, SAAR	0.7	0.4	0.4	0.1	0.4	0.4	0.8	0.2					
Y/y %	2.1	1.7	1.9	1.6	1.3	1.2	1.9	1.9	1.8	1.6	1.8	1.5	
Exports of goods and services	107.9	110.2	108.6	106.8	106.0	105.0	104.4	104.3	108.3	104.9	108.6	105.5	
Q/q %, SAAR	0.2	2.1	-1.4	-1.6	-0.8	-1.0	-0.6	-0.1					
Y/y %	1.9	2.0	0.3	-1.0	-1.5	-4.4	-4.3	-2.4	0.8	-3.2	1.1	-2.8	
Imports of goods and services	104.1	107.4	107.2	102.9	102.5	100.4	99.8	99.7	105.4	100.5	105.5	101.3	
Q/q %, SAAR	1.0	3.1	-0.1	-4.0	-0.4	-2.1	-0.6	-0.1					
Y/y %	5.5	8.3	5.0	-0.2	-1.3	-6.5	-7.2	-3.2	4.6	-4.6	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	105.0	104.9	104.6	104.4	104.3	104.3	104.4	104.4	104.7	104.4	104.6	104.4	
Q/q %, SAAR	1.1	-0.1	-0.2	-0.2	-0.0	-0.0	0.0	0.0					
Y/y %	1.9	1.4	0.8	0.5	-0.6	-0.5	-0.3	0.0	1.1	-0.3	1.2	-0.2	
Private final consumption	101.7	101.3	100.8	100.4	100.3	100.2	100.2	100.2	101.1	100.3	101.6	100.3	
Q/q %, SAAR	-0.8	-0.4	-0.5	-0.4	-0.1	-0.1	0.0	0.0					
Y/y %	-0.3	-0.8	-1.9	-2.1	-1.4	-1.1	-0.6	-0.2	-1.3	-0.8	-0.6	-1.3	
Private residential investment	111.7	111.5	111.4	111.3	111.3	111.3	111.3	111.4	111.5	111.3	111.6	111.3	
Q/q %, SAAR	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0					
Y/y %	2.0	1.5	-0.3	-0.4	-0.3	-0.2	-0.1	0.0	0.7	-0.1	1.4	-0.3	
Private non-residential investment	102.7	102.6	102.5	102.4	102.4	102.5	102.6	102.7	102.5	102.6	102.7	102.5	
Q/q %, SAAR	-0.1	-0.1	-0.1	-0.1	0.0	0.1	0.1	0.1					
Y/y %	0.3	-0.6	-0.7	-0.5	-0.3	-0.1	0.1	0.3	-0.4	0.0	-0.2	-0.2	
Government final consumption	102.1	102.0	101.9	101.8	101.8	101.8	101.9	101.9	101.9	101.9	102.0	101.8	
Q/q %, SAAR	-0.1	-0.1	-0.1	-0.1	0.0	0.1	0.1	0.1					
Y/y %	0.3	0.3	0.9	-0.4	-0.3	-0.1	-0.1	0.2	0.3	-0.1	0.5	-0.2	
Public fixed investment	110.4	110.3	110.2	110.1	110.1	110.1	110.1	110.1	110.2	110.1	110.4	110.1	
Q/q %, SAAR	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0					
Y/y %	1.4	0.9	-0.1	-0.4	-0.3	-0.2	-0.0	0.1	0.3	-0.1	1.0	-0.2	
Exports of goods and services	100.1	100.2	100.3	100.4	100.5	100.6	100.7	100.8	100.2	100.6	101.3	100.5	
Q/q %, SAAR	-4.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1					
Y/y %	-5.7	-4.7	-3.7	-3.7	0.5	0.5	0.3	0.4	-4.4	0.4	-3.9	-0.8	
Imports of goods and services	84.7	84.7	84.7	84.8	84.8	84.9	85.0	85.0	84.7	84.9	88.7	84.8	
Q/q %, SAAR	-15.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1					
Y/y %	-17.5	-15.6	-15.0	-14.9	0.2	0.2	0.2	0.3	-15.8	0.2	-12.5	-4.3	

Source: Compiled by DIR.

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

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

E: DIR estimate.

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	2018	2019	2018	2019	
1) Q/q %													
GDP growth rate	0.4	-0.8	0.6	0.6	0.5	0.0	-1.9	-0.9	0.3	-0.1	0.3	0.7	
Domestic demand	0.4	-0.7	1.1	0.1	0.8	0.3	-2.4	-0.7	0.4	0.1	0.3	0.8	
Private demand	0.3	-0.6	1.0	0.1	0.4	0.1	-2.5	-0.7	0.2	-0.5	0.1	0.3	
Private consumption	0.1	-0.1	0.2	0.0	0.3	0.2	-1.6	-0.4	0.0	-0.3	-0.0	0.1	
Residential investment	-0.1	0.0	0.0	0.0	-0.0	0.0	-0.1	-0.1	-0.1	0.0	-0.2	0.1	
Private fixed investment	0.3	-0.7	0.7	-0.1	0.1	0.0	-0.8	-0.1	0.3	-0.1	0.3	0.1	
Change in private inventories	-0.1	0.2	0.0	0.1	0.0	-0.3	0.0	-0.0	0.0	-0.1	-0.0	0.1	
Public demand	0.1	-0.1	0.1	0.1	0.4	0.2	0.1	-0.0	0.2	0.6	0.2	0.5	
Government final consumption	0.0	0.0	0.1	-0.0	0.3	0.1	0.0	0.0	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	-0.5	0.5	-0.3	-0.2	0.5	-0.2	-0.1	-0.2	-0.0	-0.2	
Exports of goods and services	0.1	-0.4	0.3	-0.3	0.0	-0.1	0.1	-1.1	0.3	-0.5	0.6	-0.3	
Imports of goods and services	-0.1	0.2	-0.8	0.9	-0.3	-0.1	0.4	0.9	-0.4	0.3	-0.6	0.1	
2) Y/y %													
GDP growth rate	1.0	-0.3	-0.4	0.8	0.9	1.7	-0.7	-2.0	0.3	-0.1	0.3	0.7	
Domestic demand	0.5	-0.2	0.3	0.9	1.4	2.3	-1.2	-1.8	0.4	0.1	0.3	0.8	
Private demand	0.3	-0.4	0.1	0.8	0.9	1.6	-2.0	-2.5	0.2	-0.5	0.1	0.3	
Private consumption	-0.2	0.1	-0.0	0.2	0.4	0.8	-1.1	-1.3	0.0	-0.3	-0.0	0.1	
Residential investment	-0.3	-0.2	-0.1	0.0	0.1	0.1	0.0	-0.2	-0.1	0.0	-0.2	0.1	
Private fixed investment	0.6	-0.1	0.3	0.3	0.1	0.9	-0.7	-0.8	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	0.7	0.2	0.6	0.2	0.5	
Government final consumption	0.2	0.2	0.3	0.1	0.4	0.6	0.4	0.5	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	0.1	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	-0.6	-0.2	-0.5	-0.6	0.5	-0.2	-0.1	-0.2	-0.0	-0.2	
Exports of goods and services	1.0	0.3	0.2	-0.3	-0.4	-0.1	-0.3	-1.1	0.3	-0.5	0.6	-0.3	
Imports of goods and services	-0.5	-0.5	-0.8	0.2	-0.0	-0.5	0.8	0.9	-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	-5.9	1.4	1.3	1.0	0.7	0.3	0.3	0.3	-5.5	3.0	-5.4	1.9	
Domestic demand	-4.8	1.5	1.1	0.6	0.6	0.2	0.2	0.2	-4.6	2.3	-4.5	1.4	
Private demand	-4.4	1.0	0.9	0.6	0.5	0.2	0.2	0.2	-4.8	2.0	-4.8	1.0	
Private consumption	-3.5	1.1	0.8	0.5	0.5	0.2	0.1	0.1	-3.3	1.8	-3.2	1.2	
Residential investment	-0.0	-0.1	-0.0	-0.0	0.0	0.0	0.0	0.0	-0.2	-0.0	-0.3	-0.1	
Private fixed investment	-0.9	0.0	0.1	0.0	0.0	0.0	0.0	0.0	-1.2	0.2	-1.2	-0.0	
Change in private inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.0	-0.2	-0.0	
Public demand	-0.4	0.5	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.3	0.4	
Government final consumption	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.2	
Public fixed investment	-0.5	0.4	0.2	0.0	0.0	0.0	0.0	0.0	-0.0	0.2	-0.0	0.2	
Change in public inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	
Net exports of goods and services	-1.1	-0.1	0.2	0.4	0.1	0.1	0.1	0.1	-0.8	0.7	-0.8	0.5	
Exports of goods and services	-3.4	0.8	0.8	0.7	0.3	0.2	0.2	0.2	-2.9	1.8	-3.0	1.2	
Imports of goods and services	2.3	-0.9	-0.7	-0.3	-0.2	-0.1	-0.1	-0.1	2.1	-1.1	2.1	-0.7	
2) Y/y %													
GDP growth rate	-8.4	-7.1	-4.1	-2.3	4.6	3.5	2.4	1.7	-5.5	3.0	-5.4	1.9	
Domestic demand	-7.3	-6.4	-2.9	-1.8	3.8	2.6	1.6	1.3	-4.6	2.3	-4.5	1.4	
Private demand	-7.2	-6.5	-3.2	-2.2	3.1	2.3	1.5	1.1	-4.8	2.0	-4.8	1.0	
Private consumption	-5.2	-4.5	-2.1	-1.3	2.9	2.0	1.3	0.9	-3.3	1.8	-3.2	1.2	
Residential investment	-0.2	-0.3	-0.3	-0.1	-0.1	-0.0	0.0	0.0	-0.2	-0.0	-0.3	-0.1	
Private fixed investment	-1.5	-1.7	-0.7	-0.8	0.2	0.3	0.1	0.2	-1.2	0.2	-1.2	-0.0	
Change in private inventories	-0.3	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	0.0	-0.1	-0.0	-0.2	-0.0	
Public demand	-0.0	0.2	0.3	0.4	0.7	0.4	0.2	0.1	0.2	0.3	0.3	0.4	
Government final consumption	0.3	0.2	0.2	0.3	0.2	0.2	0.1	0.1	0.2	0.2	0.3	0.2	
Public fixed investment	-0.3	-0.1	0.1	0.1	0.5	0.2	0.0	0.0	-0.0	0.2	-0.0	0.2	
Change in public inventories	0.0	0.0	0.0	-0.0	0.0	-0.0	-0.0	0.0	0.0	0.0	-0.0	-0.0	
Net exports of goods and services	-1.0	-0.8	-1.1	-0.6	0.7	0.8	0.8	0.5	-0.8	0.7	-0.8	0.5	
Exports of goods and services	-4.4	-3.5	-2.8	-1.0	2.8	2.1	1.5	0.9	-2.9	1.8	-3.0	1.2	
Imports of goods and services	3.4	2.7	1.7	0.5	-2.1	-1.3	-0.7	-0.4	2.1	-1.1	2.1	-0.7	

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	
1) World economy													
Economic growth of major trading partners													
Y/y %	4.2	3.8	3.5	3.2	3.1	2.9	3.0	-2.6	3.7	1.6	4.0	3.0	
Crude oil price (WTI futures; \$/bbl)	67.9	69.4	59.3	54.9	59.9	56.4	56.9	45.8	62.9	54.7	64.9	57.0	
Y/y %	41.0	44.1	7.3	-12.7	-11.8	-18.7	-4.2	-16.6	17.3	-13.0	27.6	-12.1	
2) US economy													
Real GDP (chained [2012]; \$ bil; SAAR)	18,598	18,733	18,784	18,927	19,022	19,121	19,222	18,988	18,760	19,088	18,638	19,073	
Q/q %, SAAR	3.5	2.9	1.1	3.1	2.0	2.1	2.1	-4.8					
Y/y %	3.2	3.1	2.5	2.7	2.3	2.1	2.3	0.3	2.9	1.7	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	258.6	252.1	257.0	251.1	255.7	
Q/q %, SAAR	2.2	2.1	1.3	0.9	3.0	1.8	2.4	1.2					
Y/y %	2.7	2.6	2.2	1.6	1.8	1.8	2.0	2.1	2.3	1.9	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	118.9	116.8	118.6	116.2	118.2	
Q/q %, SAAR	2.9	2.2	2.9	-0.3	3.3	0.7	0.9	0.4					
Y/y %	3.0	3.0	2.8	1.9	2.0	1.7	1.1	1.3	2.7	1.5	2.9	1.7	
FF rate (%)	2.00	2.25	2.50	2.50	2.50	2.00	1.75	0.25	2.50	0.25	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	1.38	2.88	1.83	2.91	2.14	
3) Japanese economy													
Nominal government final consumption													
Y tril; SAAR	108.6	108.5	108.0	109.1	111.0	111.7	111.4	112.6	108.5	111.7	108.3	110.8	
Q/q %, SAAR	0.9	-0.4	-2.0	4.3	7.1	2.6	-1.2	4.5					
Y/y %	2.1	1.7	-0.3	0.7	2.4	3.2	2.9	3.2	1.0	2.9	1.1	2.3	
Nominal public fixed investment													
Y tril; SAAR	28.6	28.1	27.8	28.5	29.1	29.5	29.9	29.9	28.2	29.6	28.0	29.3	
Q/q %, SAAR	14.0	-7.7	-3.1	9.9	8.7	5.8	5.6	-0.7					
Y/y %	3.7	2.7	0.9	2.6	2.3	5.2	7.5	4.5	2.4	5.0	2.1	4.5	
Exchange rate (Y/\$)	109.1	111.5	112.9	110.2	109.8	107.3	108.7	108.9	110.9	108.7	110.4	109.0	
(Y/€)	129.0	130.5	128.2	125.3	122.9	118.9	121.5	120.1	128.3	120.9	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)
1) World economy												
Economic growth of major trading partners												
Y/y %	-5.4	-3.7	-2.9	3.4	6.9	5.5	4.9	4.4	-2.2	5.4	-3.7	5.2
Crude oil price (WTI futures; \$/bbl)	24.1	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.5	30.0	32.5	30.0
Y/y %	-59.7	-46.8	-47.2	-34.5	24.4	0.0	0.0	0.0	-47.9	5.2	-43.1	-7.6
2) US economy												
Real GDP (chained [2012]; \$ bil; SAAR)	17,461	17,944	18,270	18,527	18,711	18,839	18,945	19,053	18,051	18,887	18,166	18,756
Q/q %, SAAR	-28.5	11.5	7.4	5.8	4.0	2.8	2.3	2.3				
Y/y %	-8.2	-6.2	-5.0	-2.4	7.2	5.0	3.7	2.8	-5.4	4.6	-4.8	3.2
Consumer Price Index (1982-84 avg=100)	255.9	257.9	259.7	261.5	263.2	264.7	266.1	267.4	258.8	265.4	258.0	263.9
Q/q %, SAAR	-4.1	3.0	2.9	2.8	2.6	2.3	2.2	1.9				
Y/y %	0.3	0.6	0.7	1.1	2.8	2.7	2.5	2.2	0.7	2.5	0.9	2.3
Producer Price Index (Final demand; 2009.Nov=100)	117.1	117.9	118.7	119.4	120.2	120.8	121.5	122.0	118.3	121.1	118.1	120.5
Q/q %, SAAR	-6.0	2.8	2.7	2.7	2.5	2.2	2.1	1.8				
Y/y %	-1.0	-0.5	-0.1	0.5	2.7	2.5	2.4	2.2	-0.3	2.4	-0.1	2.0
FF rate (%)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
(Target rate for the forecast period, end-period)												
Government bond yield (10 year; %)	0.70	0.83	0.91	0.94	0.94	0.94	0.94	0.94	0.84	0.94	0.95	0.94
3) Japanese economy												
Nominal government final consumption												
Y tril; SAAR	113.1	113.3	113.4	113.6	113.8	114.0	114.2	114.4	113.3	114.1	113.1	113.9
Q/q %, SAAR	1.5	0.7	0.6	0.4	0.7	0.9	0.8	0.7				
Y/y %	1.8	1.3	2.0	0.8	0.6	0.7	0.6	0.8	1.5	0.7	2.0	0.7
Nominal public fixed investment												
Y tril; SAAR	27.2	29.4	30.4	30.4	30.4	30.4	30.4	30.4	29.5	30.4	29.3	30.4
Q/q %, SAAR	-31.4	36.5	14.3	0.0	0.0	0.1	0.1	0.3				
Y/y %	-6.8	-0.4	1.6	1.9	11.9	3.4	0.0	0.1	-0.5	3.1	0.2	3.7
Exchange rate (Y/\$)	107.2	107.0	107.0	107.0	107.0	107.0	107.0	107.0	107.1	107.0	107.5	107.0
(Y/€)	116.7	115.8	115.8	115.8	115.8	115.8	115.8	115.8	116.0	115.8	117.1	115.8

Source: Compiled by DIR.

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

E: DIR estimate.