

26 November 2020 (No. of pages: 18)

Japanese report: 20 Nov 2020

Japan's Economic Outlook No. 207 (Summary)

Prospects for Japan's Economy with a View to the Post-Corona Era: In this Report We Examine the Following Issues. (1) US Presidential Election, (2) Digitalization, and (3) Economic Measures

Japan to see real GDP growth of -5.5% in FY20, and +3.2% in FY21. Meanwhile, nominal GDP growth is seen at -4.8% in FY20, and +3.2% in FY21.

Mitsumaru Kumagai

Economic Research Dept.

Keiji Kanda

Hikaru Sato

Masaaki Yamasaki

Masahiko Hashimoto

Shotaro Kugo

Hiroyuki Nagai

Akane Yamaguchi

Yutaro Suzuki

Wakaba Kobayashi

Munehisa Tamura

Megumi Wada

Kazuma Kishikawa

Research Division

Takuto Toyama

Summary

- **Real GDP Outlook: FY2020 -5.5%, and FY2021 +3.2%:** The real GDP growth rate for the Jul-Sep period achieved major positive growth at +21.4% q/q annualized, but growth made up for just over half of the previous period's decline. Meanwhile, the pace of recovery from the Oct-Dec period is expected to be moderate at best. The main scenario of this outlook assumes that measures to prevent the spread of COVID-19 will continue to be implemented to a degree, with the outlook for the CY2021 real GDP growth rate at +2.0%. However, explosive growth in COVID-19 infections has been occurring recently, and possibilities that a declaration of a state of emergency and lockdown orders as occurred during the months of April and May this year

will be unavoidable are increasing rapidly both in Japan and abroad. Our risk scenario is based on the assumption that explosive growth in COVID-19 infections will occur twice in Japan, the US and Europe in the first and second halves of 2021. In this case, the CY2021 real GDP growth rate is expected to decline by -0.8%. If this occurs, there is a danger that it could cause a sharp increase in the number of corporate bankruptcies, ultimately developing into a financial crisis. Although the probability is low at this time, if a financial crisis along the lines of the Great Depression were to occur, the real GDP growth rate of CY2021 could deteriorate to as low as around -8% y/y.

- **(1) Effects of a New Biden Administration on Japan's Economy:** While President-Elect Biden has pledged to raise taxes, he has suggested large-scale fiscal spending and is generally aiming for an economic stimulus policy. However, congress is expected to remain split, and it will likely be difficult to realize such a policy with the opinions of the Democratic and Republican parties in conflict. Fiscal policy is expected to boost US GDP by an average of +0.5% between 2022 and 2025. The impact on Japan's real GDP is expected to be +0.33% in 2022, +0.54% in 2023, and +0.61% in 2024. However, under the Biden administration, procurement from within the United States will be emphasized in government spending, so the impact on the Japanese economy may be limited. Furthermore, it is necessary to keep in mind the possibility that Mr. Biden's tightening of regulations may have a negative impact on the US and Japanese economies due to the possible worsening of corporate sentiment.
- **(2) Economic Revitalization through Digitalization and Challenges:** Digitization of government services is still inadequate in areas that lead to improvements in the business environment. There are many issues related to the Japanese business environment that can be solved by digital technology. If digitalization is actively promoted with the Digital Agency (tentative name) as the control tower and these issues are resolved, the real GDP growth rate per capita may increase by about 1.1% pt. Meanwhile, if the business environment is improved to the maximum while implementing regulatory reforms, the rate of increase will increase to 1.6% pt. In addition, the digitalization of government guidance will lead to the strengthening of the household safety net and the improvement of the quality of government services. The need for a stronger infrastructure will become even more necessary in the future for managing income information of Japanese citizens and bank accounts by linking them to the Social Security and Tax Number system.
- **(3) Effective Economic Measures:** Japan's economic measures during the *Corona Disaster* were implemented more quickly than during the global financial crisis of 2008, and so far they have achieved results as notable in an international comparison. However, from the viewpoint of the extent of shortage of demand as seen in the GDP gap, and in terms of the fiscal situation as seen in an international comparison, additional fiscal spending of about 3% of GDP appears to be needed. Among the policy choices envisioned for additional economic measures, including the upcoming third supplementary budget, the various "Go To Campaigns" focus on industries with harsh business environments, with relative production spillover and large employment-inducing effects. An extension of the implementation period for economic measures should be considered assuming that thorough measures to prevent the spread of COVID-19 infections will continue.
- **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. With economic recovery dragging its feet,

a strong need for support of corporate financing is expected to continue. 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 +2.3% in FY20, and +1.0% in FY21.

We see an average exchange rate of Y105.5/\$ in FY20, and Y104.0/\$ in FY21.

US real GDP growth is seen at -3.6% in CY20 and +3.6% in CY21.

Main Economic Indicators and Real GDP Components

Japan's Economic Outlook No.207

	FY19	FY20 (Estimate)	FY21 (Estimate)	CY19	CY20 (Estimate)	CY21 (Estimate)
Main economic indicators						
Nominal GDP (y/y %)	0.8	-4.8	3.2	1.3	-4.4	2.0
Real GDP (chained [2011]; y/y %)	0.0	-5.5	3.2	0.7	-5.3	2.0
Domestic demand (contribution, % pt)	0.2	-4.3	2.4	0.8	-4.1	1.4
Foreign demand (contribution, % pt)	-0.2	-1.2	0.8	-0.2	-1.2	0.6
GDP deflator (y/y %)	0.8	0.8	0.0	0.6	1.0	0.1
Index of Industrial Production (y/y %)	-3.7	-10.6	6.5	-3.0	-10.5	4.7
Index of Tertiary Industry Activity (y/y %)	-0.6	-6.9	3.6	0.5	-10.1	2.8
Corporate Goods Price Index (y/y %)	0.1	-1.8	-0.1	0.2	-1.2	-0.6
Consumer Price Index (excl. fresh food; y/y %)	0.6	-0.7	-0.3	0.7	-0.2	-0.6
Unemployment rate (%)	2.4	3.0	3.0	2.4	2.8	3.1
Government bond yield (10 year; %)	-0.12	0.01	0.02	-0.11	-0.01	0.02
Balance of payments						
Trade balance (Y tril)	0.7	1.4	4.7	0.4	1.1	4.3
Current balance (\$100 mil)	1,853	1,390	1,722	1,883	1,434	1,680
Current balance (Y tril)	20.1	14.6	17.9	20.5	15.3	17.5
(% of nominal GDP)	3.6	2.8	3.3	3.7	2.9	3.2
Real GDP components (Chained [2011]; y/y %; figures in parentheses: contribution, % pt)						
Private final consumption	-0.5 (-0.3)	-6.0 (-3.3)	3.4 (1.9)	0.1 (0.1)	-6.0 (-3.3)	2.3 (1.2)
Private housing investment	0.6 (0.0)	-9.3 (-0.3)	-0.1 (-0.0)	2.0 (0.1)	-9.0 (-0.3)	-1.9 (-0.1)
Private fixed investment	-0.3 (-0.0)	-7.7 (-1.2)	2.0 (0.3)	0.7 (0.1)	-6.3 (-1.0)	-1.2 (-0.2)
Government final consumption	2.3 (0.5)	1.9 (0.4)	1.1 (0.2)	1.9 (0.4)	1.8 (0.4)	1.5 (0.3)
Public fixed investment	3.3 (0.2)	2.2 (0.1)	1.0 (0.1)	2.9 (0.1)	2.2 (0.1)	1.4 (0.1)
Exports of goods and services	-2.6 (-0.5)	-14.2 (-2.4)	9.4 (1.5)	-1.6 (-0.3)	-13.9 (-2.4)	5.9 (0.9)
Imports of goods and services	-1.5 (0.3)	-6.9 (1.2)	3.7 (-0.6)	-0.7 (0.1)	-7.4 (1.3)	2.1 (-0.3)
Major assumptions:						
1. World economy						
Economic growth of major trading partners	1.8	-2.3	5.6	3.0	-3.2	4.6
Crude oil price (WTI futures; \$/bbl)	54.7	37.6	41.0	57.0	38.8	41.0
2. US economy						
US real GDP (chained [2012]; y/y %)	1.7	-3.8	4.5	2.2	-3.6	3.6
US Consumer Price Index (y/y %)	1.9	0.9	1.9	1.8	1.2	1.7
3. Japanese economy						
Nominal public fixed investment (y/y %)	4.9	2.3	1.0	4.5	2.9	1.3
Exchange rate (Y/\$)	108.7	105.5	104.0	109.0	106.8	104.0
(Y/€)	120.9	122.8	124.0	122.2	121.8	124.0

Source: Compiled by DIR.

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

Estimate: DIR estimate.

Comparison with Previous Outlook

	Current outlook (Outlook 207)		Previous outlook (Outlook 206 Update)		Difference between previous and current outlooks	
	FY20	FY21	FY20	FY21	FY20	FY21
Main economic indicators						
Nominal GDP (y/y %)	-4.8	3.2	-6.1	3.1	1.3	0.1
Real GDP (chained [2011]; y/y %)	-5.5	3.2	-6.1	3.4	0.6	-0.1
Domestic demand (contribution, % pt)	-4.3	2.4	-4.1	2.3	-0.2	0.2
Foreign demand (contribution, % pt)	-1.2	0.8	-2.0	1.1	0.8	-0.3
GDP deflator (y/y %)	0.8	0.0	0.1	-0.2	0.8	0.2
Index of Industrial Production (y/y %)	-10.6	6.5	-13.2	7.0	2.6	-0.5
Index of Tertiary Industry Activity (y/y %)	-6.9	3.6	-9.3	3.4	2.4	0.2
Corporate Goods Price Index (y/y %)	-1.8	-0.1	-2.4	-0.2	0.6	0.1
Consumer Price Index (excl. fresh food; y/y %)	-0.7	-0.3	-0.9	-0.5	0.1	0.2
Unemployment rate (%)	3.0	3.0	3.3	3.3	-0.2	-0.3
Government bond yield (10 year; %)	0.01	0.02	0.03	0.04	-0.01	-0.02
Balance of payments						
Trade balance (Y tril)	1.4	4.7	-4.2	-0.1	5.6	4.8
Current balance (\$100 mil)	1,390	1,722	1,129	1,615	260	108
Current balance (Y tril)	14.6	17.9	12.0	17.1	2.6	0.7
(% of nominal GDP)	2.8	3.3	2.3	3.2	0.5	0.1
Real GDP components (chained [2011]; y/y %)						
Private final consumption	-6.0	3.4	-5.8	3.4	-0.2	0.0
Private housing investment	-9.3	-0.1	-7.9	-1.6	-1.4	1.4
Private fixed investment	-7.7	2.0	-5.4	1.7	-2.4	0.3
Government final consumption	1.9	1.1	0.4	0.8	1.5	0.3
Public fixed investment	2.2	1.0	2.1	1.4	0.1	-0.4
Exports of goods and services	-14.2	9.4	-15.5	10.9	1.4	-1.4
Imports of goods and services	-6.9	3.7	-3.5	3.2	-3.3	0.4
Major assumptions:						
1. World economy						
Economic growth of major trading partners	-2.3	5.6	-2.5	5.6	0.1	0.0
Crude oil price (WTI futures; \$/bbl)	37.6	41.0	37.2	40.0	0.4	1.0
2. US economy						
US real GDP (chained [2012]; y/y %)	-3.8	4.5	-6.2	5.0	2.4	-0.5
US Consumer Price Index (y/y %)	0.9	1.9	0.9	1.9	0.1	0.0
3. Japanese economy						
Nominal public fixed investment (y/y %)	2.3	1.0	1.6	1.3	0.7	-0.3
Exchange rate (Y/\$)	105.5	104.0	106.6	106.3	-1.1	-2.3
(Y/€)	122.8	124.0	123.7	125.8	-0.9	-1.8

Source: Compiled by DIR.

Notes: Due to rounding, differences do not necessarily conform to calculations based on figures shown.

Quarterly Forecast Tables

1.1 Selected Economic Indicators

	2018			2019			2020			年度		暦年	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2018	2019	2018	2019	
名目国内総支出(兆円)	548.9	545.2	546.3	552.9	555.7	557.8	549.6	547.2	548.1	552.5	546.9	553.8	
前期比%	0.2	-0.7	0.2	1.2	0.5	0.4	-1.5	-0.4					
前期比年率%	0.9	-2.6	0.8	5.0	2.0	1.5	-5.7	-1.7					
前年同期比%	1.1	-0.6	-1.0	0.9	1.3	2.3	0.5	-0.9	0.1	0.8	0.2	1.3	
実質国内総支出(兆円, 2011暦年連鎖価格)	534.5	530.1	533.1	536.9	539.1	539.4	529.6	526.6	533.4	533.6	532.4	536.0	
前期比%	0.4	-0.8	0.6	0.7	0.4	0.0	-1.8	-0.6					
前期比年率%	1.5	-3.2	2.3	2.9	1.6	0.2	-7.1	-2.3					
前年同期比%	1.0	-0.3	-0.4	0.8	0.9	1.7	-0.7	-1.8	0.3	0.0	0.3	0.7	
内需寄与度(前期比)	0.4	-0.6	1.1	0.2	0.7	0.3	-2.3	-0.3	0.4	0.2	0.3	0.8	
外需寄与度(前期比)	-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デフレーター(前年同期比%)	0.1	-0.3	-0.6	0.1	0.4	0.6	1.2	0.9	-0.2	0.8	-0.1	0.6	
鉱工業生産指数(2015=100)	104.3	103.6	105.0	102.8	102.8	101.7	98.0	98.4	103.8	99.9	104.2	101.1	
前期比%	0.8	-0.7	1.3	-2.1	0.0	-1.1	-3.7	0.4	0.2	-3.7	1.1	-3.0	
第3次産業活動指数(2015=100)	102.9	102.5	103.4	103.5	103.6	104.4	101.2	100.1	103.0	102.3	105.9	106.5	
前期比%	0.7	-0.4	0.9	0.1	0.0	0.8	-3.1	-1.1	1.1	-0.6	1.2	0.5	
企業物価指数(2015=100)													
国内企業物価指数	101.0	101.9	101.9	101.2	101.6	101.0	102.1	101.7	101.5	101.6	101.3	101.5	
前年同期比%	2.6	3.1	2.2	0.9	0.6	-0.9	0.2	0.6	2.2	0.1	2.6	0.2	
消費者物価指数(生鮮食品除く総合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	
前年同期比%	0.8	0.9	0.9	0.8	0.8	0.5	0.6	0.6	0.8	0.6	0.8	0.7	
完全失業率(%)	2.4	2.4	2.4	2.5	2.4	2.3	2.3	2.4	2.4	2.4	2.4	2.4	
10年物国債利回り(%)	0.04	0.10	0.07	-0.04	-0.10	-0.22	-0.09	-0.07	0.04	-0.12	0.07	-0.11	
国際収支統計													
貿易収支(季調済年率、兆円)	3.8	0.1	-1.2	0.3	-1.2	0.3	1.6	2.5	0.6	0.7	1.1	0.4	
経常収支(季調済年率、億ドル)	1,977	1,689	1,533	1,831	1,810	1,794	1,994	1,820	1,767	1,853	1,757	1,883	
経常収支(季調済年率、兆円)	21.6	18.8	17.3	20.2	19.9	19.3	21.7	19.8	19.6	20.1	19.4	20.5	
対名目GDP比率(%)	3.9	3.5	3.2	3.6	3.6	3.5	3.9	3.6	3.6	3.6	3.6	3.7	
為替レート(円/ドル)	109.1	111.5	112.9	110.2	109.8	107.3	108.7	108.9	110.9	108.7	110.4	109.0	
(円/ユーロ)	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) Due to rounding, figures may differ from those released by the government.

1.2 Selected Economic Indicators

	2020		2021			2022			FY		CY	
	4-6	7-9	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)	504.6	531.1	532.7	534.9	538.5	541.8	544.7	547.3	526.3	543.3	529.4	540.2
Q/q %	-7.8	5.2	0.3	0.4	0.7	0.6	0.5	0.5				
Q/q %, SAAR	-27.7	22.7	1.3	1.7	2.7	2.5	2.2	1.9				
Y/y %	-8.9	-4.8	-3.0	-2.3	6.5	2.0	2.2	2.3	-4.8	3.2	-4.4	2.0
Real GDP (chained [2011]; SAAR; Y tril)	483.6	507.6	510.4	513.2	516.3	518.9	521.6	523.9	504.0	520.3	507.5	517.5
Q/q %	-8.2	5.0	0.5	0.6	0.6	0.5	0.5	0.4				
Q/q %, SAAR	-28.8	21.4	2.2	2.2	2.4	2.1	2.1	1.8				
Y/y %	-10.2	-5.8	-3.6	-2.6	6.7	2.2	2.2	2.1	-5.5	3.2	-5.3	2.0
Contribution to GDP growth (% pt)												
Domestic demand	-4.9	2.1	0.6	0.6	0.6	0.5	0.4	0.3	-4.3	2.4	-4.1	1.4
Foreign demand	-3.3	2.9	-0.0	-0.1	0.0	0.1	0.1	0.1	-1.2	0.8	-1.2	0.6
GDP deflator (y/y %)	1.4	1.1	0.6	0.3	-0.1	-0.2	0.0	0.2	0.8	0.0	1.0	0.1
Index of Industrial Production (2015=100)	81.8	88.9	93.6	94.1	94.7	95.3	95.8	96.0	89.4	95.2	90.5	94.7
Q/q %; y/y %	-16.9	8.8	5.3	0.6	0.6	0.6	0.5	0.3	-10.6	6.5	-10.5	4.7
Index of Tertiary Industry Activity (2015=100)	90.0	95.4	97.7	98.1	98.4	98.7	98.9	99.1	95.3	98.8	95.7	98.4
Q/q %; y/y %	-10.1	6.0	2.4	0.4	0.3	0.3	0.2	0.2	-6.9	3.6	-10.1	2.8
Corporate Goods Price Index components (2015=100)												
Domestic Company Goods Price Index	99.3	100.2	99.9	99.7	99.7	99.7	99.7	99.8	99.8	99.7	100.3	99.7
Y/y %	-2.3	-0.8	-2.2	-2.0	0.4	-0.5	-0.2	0.1	-1.8	-0.1	-1.2	-0.6
CPI (excl. fresh food; 2015=100)	101.6	101.4	101.0	100.5	100.9	100.9	101.0	100.6	101.1	100.9	101.5	100.8
Y/y %	-0.1	-0.2	-1.1	-1.4	-0.7	-0.5	0.1	0.1	-0.7	-0.3	-0.2	-0.6
Unemployment rate (%)	2.8	3.0	3.2	3.2	3.1	3.0	2.9	2.8	3.0	3.0	2.8	3.1
Government bond yield (10 year; %)	-0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.01	0.02	-0.01	0.02
Trade balance (SAAR; Y tril)	-6.6	5.5	3.1	3.7	4.0	4.6	4.8	5.4	1.4	4.7	1.1	4.3
Current balance (SAAR; \$100 mil)	733	1,507	1,675	1,643	1,648	1,669	1,760	1,811	1,390	1,722	1,434	1,680
Current balance (SAAR; Y tril)	7.9	16.0	17.5	17.1	17.1	17.4	18.3	18.8	14.6	17.9	15.3	17.5
(% of nominal GDP)	1.6	3.0	3.3	3.2	3.2	3.2	3.4	3.4	2.8	3.3	2.9	3.2
Exchange rate (Y/\$)	107.6	106.1	104.4	104.0	104.0	104.0	104.0	104.0	105.5	104.0	106.8	104.0
(Y/Euro)	118.7	124.6	123.9	124.0	124.0	124.0	124.0	124.0	122.8	124.0	121.8	124.0

Source: Compiled by DIR.

Notes: 1) Quarterly figures (excl. y/y %) seasonally adjusted, other unadjusted.

2) 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	534.5	530.1	533.1	536.9	539.1	539.4	529.6	526.6	533.4	533.6	532.4	536.0	
Q/q %, SAAR	1.5	-3.2	2.3	2.9	1.6	0.2	-7.1	-2.3					
Y/y %	1.0	-0.3	-0.4	0.8	0.9	1.7	-0.7	-1.8	0.3	0.0	0.3	0.7	
Domestic demand	534.5	531.0	536.9	537.8	541.7	543.2	530.7	528.9	534.9	536.0	533.6	538.0	
Q/q %, SAAR	1.5	-2.5	4.4	0.7	2.9	1.2	-9.0	-1.3					
Y/y %	0.5	-0.2	0.2	0.9	1.4	2.3	-1.2	-1.5	0.4	0.2	0.3	0.8	
Private demand	401.0	398.0	403.4	403.7	406.1	406.4	393.3	391.5	401.5	399.2	400.4	402.1	
Q/q %, SAAR	1.6	-3.0	5.6	0.3	2.3	0.4	-12.3	-1.8					
Y/y %	0.4	-0.5	0.1	1.1	1.2	2.1	-2.6	-2.8	0.2	-0.6	0.1	0.4	
Final consumption	299.0	298.3	299.6	299.8	301.4	302.7	294.0	291.9	299.1	297.5	298.8	299.2	
Q/q %, SAAR	0.9	-1.0	1.7	0.3	2.2	1.8	-11.0	-2.8					
Y/y %	-0.3	0.2	-0.0	0.4	0.7	1.4	-1.9	-2.3	0.1	-0.5	-0.0	0.1	
Residential investment	15.0	15.0	15.2	15.4	15.4	15.6	15.2	14.6	15.1	15.2	15.1	15.4	
Q/q %, SAAR	-8.9	0.6	6.8	5.8	-0.7	5.2	-8.9	-15.0					
Y/y %	-9.8	-7.4	-2.9	0.7	3.0	4.3	0.3	-5.2	-4.9	0.6	-6.7	2.0	
Non-residential investment	86.8	83.1	86.8	86.4	87.1	87.3	83.2	84.6	85.7	85.5	85.4	86.0	
Q/q %, SAAR	8.4	-16.0	19.3	-1.9	3.3	1.0	-17.7	7.0					
Y/y %	4.4	-0.6	2.0	1.4	0.5	5.5	-4.6	-2.0	1.8	-0.3	2.2	0.7	
Change in inventories	0.3	1.6	1.8	2.1	2.1	0.8	0.9	0.4	1.4	1.0	1.1	1.4	
Public demand	133.4	133.1	133.5	134.1	135.6	136.8	137.4	137.4	133.4	136.7	133.2	136.0	
Q/q %, SAAR	1.0	-1.1	1.2	2.0	4.6	3.6	1.6	-0.0					
Y/y %	1.0	0.9	0.8	0.6	1.9	2.9	2.9	2.2	0.8	2.5	0.8	2.1	
Government final consumption	106.7	107.0	107.7	107.8	108.9	109.9	110.2	110.2	107.2	109.7	107.1	109.2	
Q/q %, SAAR	-1.3	1.0	2.7	0.4	4.0	3.8	1.2	0.1					
Y/y %	0.8	0.9	1.3	0.5	2.1	2.8	2.3	2.1	0.9	2.3	0.9	1.9	
Fixed investment	26.6	26.0	25.7	26.3	26.7	26.9	27.1	27.0	26.1	27.0	26.0	26.8	
Q/q %, SAAR	10.5	-9.6	-4.3	10.5	6.1	3.4	2.7	-1.3					
Y/y %	1.6	1.0	-1.0	1.0	1.0	3.9	5.5	2.3	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	-0.7	-1.4	-4.3	-1.5	-3.1	-4.3	-1.6	-2.7	-2.0	-2.9	-1.8	-2.6	
Exports of goods and services	94.3	92.1	93.6	92.0	92.1	91.5	91.9	87.0	93.0	90.6	93.4	91.9	
Q/q %, SAAR	3.2	-8.9	6.6	-6.8	0.6	-2.5	1.7	-19.7					
Y/y %	5.9	1.7	1.3	-1.8	-2.2	-0.6	-1.8	-5.7	1.7	-2.6	3.5	-1.6	
Imports of goods and services	94.9	93.5	97.9	93.5	95.2	95.8	93.5	89.7	95.0	93.5	95.2	94.5	
Q/q %, SAAR	3.5	-5.7	20.0	-16.9	7.5	2.8	-9.3	-15.5					
Y/y %	3.2	3.0	5.0	-1.0	0.2	2.6	-4.4	-4.3	2.6	-1.5	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	7-9	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	483.6	507.6	510.4	513.2	516.3	518.9	521.6	523.9	504.0	520.3	507.5	517.5	
Q/q %, SAAR	-28.8	21.4	2.2	2.2	2.4	2.1	2.1	1.8					
Y/y %	-10.2	-5.8	-3.6	-2.6	6.7	2.2	2.2	2.1	-5.5	3.2	-5.3	2.0	
Domestic demand	503.0	513.2	516.1	519.2	522.1	524.4	526.4	528.2	513.2	525.4	515.8	523.1	
Q/q %, SAAR	-18.2	8.4	2.3	2.4	2.2	1.8	1.6	1.3					
Y/y %	-6.9	-5.5	-2.6	-2.0	3.7	2.2	1.9	1.8	-4.3	2.4	-4.1	1.4	
Private demand	365.8	373.4	376.1	379.0	381.5	383.6	385.5	387.0	373.8	384.6	377.2	382.4	
Q/q %, SAAR	-23.8	8.6	3.0	3.1	2.7	2.2	1.9	1.7					
Y/y %	-9.6	-8.1	-4.2	-3.5	4.2	2.7	2.4	2.3	-6.4	2.9	-6.2	1.4	
Final consumption	268.2	280.8	283.3	285.4	287.1	288.6	289.7	290.6	279.7	289.1	281.4	287.8	
Q/q %, SAAR	-28.7	20.1	3.6	3.0	2.4	2.0	1.6	1.2					
Y/y %	-10.7	-7.2	-3.6	-2.4	6.9	2.7	2.3	1.9	-6.0	3.4	-6.0	2.3	
Residential investment	14.6	13.4	13.6	13.7	13.7	13.8	13.8	13.8	13.8	13.8	14.0	13.8	
Q/q %, SAAR	-2.0	-28.1	6.1	3.2	0.8	0.8	0.8	1.2					
Y/y %	-5.5	-14.0	-10.8	-6.2	-5.6	2.7	1.4	0.9	-9.3	-0.1	-9.0	-1.9	
Non-residential investment	80.8	78.0	78.0	78.6	79.4	80.0	80.6	81.3	78.9	80.4	80.6	79.6	
Q/q %, SAAR	-16.9	-12.8	0.0	2.8	4.1	3.2	3.2	3.2					
Y/y %	-7.3	-10.5	-6.0	-7.1	-1.7	2.5	3.2	3.5	-7.7	2.0	-6.3	-1.2	
Change in inventories	2.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.4	1.3	1.2	1.3	
Public demand	137.2	139.8	140.0	140.2	140.5	140.8	141.0	141.2	139.4	140.8	138.6	140.6	
Q/q %, SAAR	-0.4	7.7	0.5	0.6	0.9	0.7	0.6	0.5					
Y/y %	1.3	2.2	1.9	2.2	2.3	0.6	0.7	0.6	1.9	1.1	1.9	1.5	
Government final consumption	109.9	112.3	112.4	112.6	112.8	113.0	113.1	113.2	111.8	113.0	111.2	112.8	
Q/q %, SAAR	-1.4	9.3	0.3	0.7	0.7	0.6	0.6	0.5					
Y/y %	1.0	2.2	2.0	2.2	2.6	0.6	0.6	0.5	1.9	1.1	1.8	1.5	
Fixed investment	27.4	27.5	27.6	27.6	27.7	27.8	27.8	27.9	27.5	27.8	27.4	27.7	
Q/q %, SAAR	5.1	1.5	1.5	0.4	1.6	0.9	1.0	0.5					
Y/y %	2.8	2.1	1.7	2.3	1.1	1.0	0.9	0.9	2.2	1.0	2.2	1.4	
Change in inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net exports of goods and services	-19.7	-5.7	-5.9	-6.1	-5.9	-5.5	-4.9	-4.3	-9.3	-5.2	-8.5	-5.6	
Exports of goods and services	71.9	76.9	80.4	81.6	83.2	84.5	85.8	87.0	77.8	85.1	79.1	83.8	
Q/q %, SAAR	-53.4	31.3	19.3	6.1	7.8	6.6	6.1	5.7					
Y/y %	-22.1	-15.7	-12.5	-6.1	15.8	9.7	6.7	6.5	-14.2	9.4	-13.9	5.9	
Imports of goods and services	91.6	82.6	86.3	87.7	89.1	90.0	90.7	91.3	87.1	90.3	87.6	89.4	
Q/q %, SAAR	9.0	-33.8	18.8	7.0	6.1	4.5	2.8	2.8					
Y/y %	-3.5	-13.8	-7.8	-2.0	-2.9	9.0	5.1	4.0	-6.9	3.7	-7.4	2.1	

Source: Compiled by DIR.

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

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

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

E: DIR estimate.

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	548.9	545.2	546.3	552.9	555.7	557.8	549.6	547.2	548.1	552.5	546.9	553.8	
Q/q %, SAAR	0.9	-2.6	0.8	5.0	2.0	1.5	-5.7	-1.7					
Y/y %	1.1	-0.6	-1.0	0.9	1.3	2.3	0.5	-0.9	0.1	0.8	0.2	1.3	
Domestic demand	546.1	544.2	549.6	550.9	555.6	557.9	547.0	545.9	547.5	551.5	545.8	552.6	
Q/q %, SAAR	1.5	-1.3	4.0	1.0	3.5	1.7	-7.6	-0.8					
Y/y %	1.2	0.6	0.5	1.3	1.8	2.5	-0.5	-0.8	0.9	0.7	0.9	1.2	
Private demand	408.8	407.7	413.7	413.1	415.6	416.9	405.6	403.5	410.8	410.4	409.4	412.5	
Q/q %, SAAR	0.9	-1.1	6.0	-0.6	2.5	1.2	-10.4	-2.1					
Y/y %	0.9	0.2	0.7	1.3	1.7	2.2	-2.0	-2.1	0.8	-0.1	0.8	0.8	
Final consumption	303.6	304.3	305.7	305.6	307.4	309.1	301.9	299.6	304.8	304.5	304.4	305.8	
Q/q %, SAAR	-0.6	1.0	1.8	-0.2	2.5	2.1	-9.0	-3.0					
Y/y %	0.1	0.9	0.5	0.5	1.2	1.4	-1.2	-1.6	0.5	-0.1	0.6	0.4	
Residential investment	16.3	16.3	16.6	16.8	16.9	17.1	17.0	16.4	16.5	16.9	16.4	17.0	
Q/q %, SAAR	-6.5	1.7	7.8	5.4	0.4	6.8	-2.5	-15.2					
Y/y %	-7.8	-5.9	-1.4	1.8	3.7	5.1	2.6	-3.0	-3.4	2.1	-5.0	3.3	
Non-residential investment	88.6	85.5	89.4	88.8	89.2	90.1	85.9	87.0	88.0	88.0	87.5	88.4	
Q/q %, SAAR	8.4	-13.1	19.8	-3.1	1.9	4.4	-17.3	5.2					
Y/y %	5.2	0.1	2.7	2.2	0.9	5.7	-4.4	-1.8	2.5	-0.1	2.8	1.1	
Change in inventories	0.4	1.5	1.9	1.9	2.2	0.6	0.7	0.5	1.4	1.0	1.1	1.3	
Public demand	137.3	136.5	135.9	137.8	140.0	141.0	141.4	142.4	136.8	141.2	136.4	140.1	
Q/q %, SAAR	3.2	-2.2	-1.8	5.8	6.4	3.0	1.1	2.8					
Y/y %	2.3	1.9	-0.1	1.1	2.3	3.5	3.8	3.2	1.3	3.2	1.4	2.7	
Government final consumption	108.5	108.4	108.1	109.3	110.8	111.6	111.5	112.5	108.5	111.5	108.3	110.8	
Q/q %, SAAR	0.2	-0.4	-1.2	4.7	5.5	2.8	-0.3	3.7					
Y/y %	2.1	1.7	-0.3	0.7	2.3	3.2	2.9	2.8	1.0	2.8	1.1	2.3	
Fixed investment	28.7	28.0	27.8	28.5	29.2	29.5	29.9	29.8	28.2	29.6	28.0	29.3	
Q/q %, SAAR	14.8	-8.7	-3.3	10.7	9.5	4.1	5.5	-0.9					
Y/y %	3.7	2.7	0.9	2.6	2.3	5.2	7.5	4.2	2.4	4.9	2.1	4.5	
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	2.8	1.0	-3.3	2.0	0.1	-0.2	2.6	1.4	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	90.7	100.7	95.0	101.4	97.0	
Q/q %, SAAR	4.0	-0.7	0.9	-13.1	-2.3	-6.0	-0.4	-20.3					
Y/y %	7.9	3.7	1.6	-2.8	-3.7	-5.0	-6.0	-7.8	2.5	-5.6	4.6	-4.4	
Imports of goods and services	98.8	100.5	105.0	96.2	97.5	96.3	93.4	89.3	100.1	94.0	100.4	95.8	
Q/q %, SAAR	7.7	6.7	19.4	-29.7	5.8	-5.0	-11.6	-16.2					
Y/y %	8.9	11.6	10.2	-1.2	-1.0	-4.1	-11.3	-7.3	7.2	-6.1	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	7-9	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	504.6	531.1	532.7	534.9	538.5	541.8	544.7	547.3	526.3	543.3	529.4	540.2	
Q/q %, SAAR	-27.7	22.7	1.3	1.7	2.7	2.5	2.2	1.9					
Y/y %	-8.9	-4.8	-3.0	-2.3	6.5	2.0	2.2	2.3	-4.8	3.2	-4.4	2.0	
Domestic demand	514.5	528.0	529.8	532.1	535.3	538.2	540.4	542.4	526.4	539.3	530.2	536.6	
Q/q %, SAAR	-21.1	11.0	1.3	1.8	2.4	2.1	1.7	1.5					
Y/y %	-7.0	-5.5	-3.0	-2.8	3.9	1.9	1.9	2.0	-4.5	2.4	-4.1	1.2	
Private demand	373.4	383.8	385.6	387.9	390.8	393.3	395.2	396.9	382.9	394.3	387.1	391.9	
Q/q %, SAAR	-26.7	11.7	1.9	2.4	3.0	2.6	2.0	1.7					
Y/y %	-9.8	-7.9	-4.8	-4.2	4.5	2.5	2.4	2.5	-6.7	3.0	-6.2	1.2	
Final consumption	274.7	287.8	289.8	291.4	293.4	295.2	296.4	297.3	286.1	295.7	288.3	294.2	
Q/q %, SAAR	-29.3	20.5	2.8	2.2	2.8	2.4	1.6	1.2					
Y/y %	-10.4	-6.8	-4.0	-2.9	6.7	2.6	2.3	2.1	-6.0	3.3	-5.7	2.0	
Residential investment	16.1	14.9	15.1	15.2	15.2	15.2	15.3	15.3	15.3	15.3	15.6	15.2	
Q/q %, SAAR	-6.5	-26.5	5.3	2.8	0.8	0.8	0.8	1.3					
Y/y %	-4.7	-13.2	-11.5	-7.1	-5.3	2.4	1.4	0.9	-9.3	-0.1	-8.3	-2.2	
Non-residential investment	81.8	80.2	79.8	80.3	81.1	81.8	82.5	83.3	80.5	82.2	82.5	81.4	
Q/q %, SAAR	-21.9	-7.8	-2.0	2.4	4.1	3.7	3.7	3.7					
Y/y %	-8.0	-11.0	-6.9	-7.8	-1.1	2.0	3.3	3.8	-8.5	2.1	-6.7	-1.3	
Change in inventories	0.8	1.0	1.0	1.1	1.1	1.1	1.1	1.1	0.9	1.1	0.8	1.0	
Public demand	141.1	144.2	144.2	144.2	144.5	144.9	145.2	145.4	143.5	145.0	143.0	144.8	
Q/q %, SAAR	-3.6	9.0	-0.1	0.2	0.9	0.9	0.9	0.7					
Y/y %	1.0	2.3	2.1	1.4	2.3	0.4	0.7	0.8	1.7	1.1	2.1	1.2	
Government final consumption	111.1	113.9	113.8	113.9	114.0	114.3	114.5	114.7	113.2	114.4	112.9	114.2	
Q/q %, SAAR	-5.1	10.4	-0.3	0.3	0.7	0.8	0.8	0.7					
Y/y %	0.5	2.1	2.2	1.2	2.5	0.3	0.6	0.7	1.5	1.1	1.9	1.2	
Fixed investment	30.0	30.3	30.4	30.4	30.5	30.6	30.6	30.7	30.3	30.6	30.1	30.5	
Q/q %, SAAR	2.8	3.9	0.7	0.0	1.6	1.1	1.1	0.5					
Y/y %	3.1	2.9	1.6	2.0	1.4	0.8	0.9	1.0	2.3	1.0	2.9	1.3	
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	-9.8	3.1	3.0	2.8	3.2	3.6	4.3	5.0	-0.2	4.0	-0.6	3.5	
Exports of goods and services	72.4	79.5	83.2	84.4	86.0	87.4	88.7	90.0	80.0	88.1	81.6	86.7	
Q/q %, SAAR	-59.4	45.5	19.7	6.1	7.8	6.6	6.1	5.7					
Y/y %	-25.9	-16.9	-13.2	-6.8	18.9	9.7	6.5	6.5	-15.8	10.1	-15.9	6.3	
Imports of goods and services	82.2	76.5	80.2	81.6	82.9	83.8	84.4	85.0	80.2	84.1	82.1	83.2	
Q/q %, SAAR	-28.2	-25.3	21.2	7.1	6.3	4.6	2.9	2.8					
Y/y %	-15.2	-20.7	-14.0	-8.5	0.5	9.6	5.2	4.1	-14.7	4.7	-14.3	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	2018	2019	2018	2019	
Gross domestic expenditure	102.7	102.8	102.5	103.0	103.1	103.4	103.8	103.9	102.8	103.5	102.7	103.3	
Q/q %, SAAR	-0.1	0.1	-0.4	0.5	0.1	0.3	0.4	0.1					
Y/y %	0.1	-0.3	-0.6	0.1	0.4	0.6	1.2	0.9	-0.2	0.8	-0.1	0.6	
Private final consumption	101.5	102.0	102.0	101.9	102.0	102.1	102.7	102.6	101.9	102.4	101.9	102.2	
Q/q %, SAAR	-0.4	0.5	0.0	-0.1	0.1	0.1	0.6	-0.0					
Y/y %	0.3	0.8	0.6	0.0	0.5	0.0	0.7	0.7	0.4	0.5	0.6	0.3	
Private residential investment	108.7	109.0	109.3	109.2	109.5	109.9	111.8	111.7	109.0	110.7	108.8	110.1	
Q/q %, SAAR	0.7	0.3	0.2	-0.1	0.3	0.4	1.7	-0.0					
Y/y %	2.2	1.6	1.6	1.1	0.7	0.7	2.3	2.4	1.6	1.5	1.8	1.2	
Private non-residential investment	102.1	102.9	103.0	102.7	102.4	103.2	103.3	102.9	102.7	102.9	102.5	102.9	
Q/q %, SAAR	-0.0	0.8	0.1	-0.3	-0.4	0.8	0.1	-0.4					
Y/y %	0.7	0.7	0.7	0.7	0.4	0.2	0.2	0.2	0.7	0.2	0.6	0.4	
Government final consumption	101.7	101.3	100.3	101.4	101.8	101.5	101.2	102.1	101.2	101.6	101.2	101.5	
Q/q %, SAAR	0.4	-0.4	-1.0	1.1	0.4	-0.2	-0.4	0.9					
Y/y %	1.2	0.8	-1.6	0.1	0.2	0.4	0.5	0.7	0.1	0.5	0.3	0.3	
Public fixed investment	107.7	108.0	108.3	108.3	109.2	109.4	110.1	110.3	108.1	109.8	107.6	109.3	
Q/q %, SAAR	1.0	0.2	0.3	0.0	0.8	0.2	0.7	0.1					
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	107.8	110.2	108.7	106.8	106.0	105.0	104.5	104.3	108.3	104.9	108.6	105.5	
Q/q %, SAAR	0.2	2.2	-1.4	-1.7	-0.7	-0.9	-0.5	-0.2					
Y/y %	1.9	2.0	0.3	-1.0	-1.5	-4.4	-4.3	-2.3	0.8	-3.1	1.1	-2.8	
Imports of goods and services	104.1	107.4	107.3	102.9	102.5	100.5	99.8	99.6	105.4	100.6	105.5	101.4	
Q/q %, SAAR	1.0	3.2	-0.1	-4.1	-0.4	-2.0	-0.6	-0.2					
Y/y %	5.5	8.3	5.0	-0.2	-1.2	-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	7-9	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	104.3	104.6	104.4	104.2	104.3	104.4	104.4	104.5	104.4	104.4	104.3	104.4
Q/q %, SAAR	0.4	0.3	-0.2	-0.1	0.1	0.1	0.0	0.0				
Y/y %	1.4	1.1	0.6	0.3	-0.1	-0.2	0.0	0.2	0.8	0.0	1.0	0.1
Private final consumption	102.4	102.5	102.3	102.1	102.2	102.3	102.3	102.3	102.3	102.3	102.5	102.2
Q/q %, SAAR	-0.2	0.1	-0.2	-0.2	0.1	0.1	0.0	-0.0				
Y/y %	0.4	0.4	-0.4	-0.5	-0.2	-0.2	0.0	0.2	-0.1	-0.0	0.3	-0.2
Private residential investment	110.4	111.0	110.8	110.7	110.7	110.7	110.7	110.7	110.7	110.7	111.0	110.7
Q/q %, SAAR	-1.2	0.6	-0.2	-0.1	0.0	0.0	0.0	0.0				
Y/y %	0.9	1.0	-0.9	-0.9	0.3	-0.3	-0.1	0.0	0.0	-0.0	0.8	-0.3
Private non-residential investment	101.3	102.7	102.2	102.1	102.1	102.2	102.3	102.4	102.1	102.3	102.4	102.2
Q/q %, SAAR	-1.5	1.4	-0.5	-0.1	-0.0	0.1	0.1	0.1				
Y/y %	-0.8	-0.6	-1.0	-0.8	0.7	-0.4	0.1	0.3	-0.8	0.1	-0.5	-0.2
Government final consumption	101.1	101.4	101.2	101.1	101.1	101.2	101.2	101.3	101.3	101.3	101.5	101.2
Q/q %, SAAR	-0.9	0.3	-0.2	-0.1	0.0	0.1	0.1	0.1				
Y/y %	-0.5	-0.1	0.2	-1.0	-0.1	-0.2	-0.1	0.2	-0.4	-0.0	0.0	-0.3
Public fixed investment	109.7	110.3	110.1	110.0	110.0	110.0	110.0	110.0	110.0	110.0	110.1	110.0
Q/q %, SAAR	-0.5	0.6	-0.2	-0.1	0.0	0.0	0.0	0.0				
Y/y %	0.3	0.8	-0.1	-0.3	0.4	-0.2	-0.0	0.1	0.1	0.0	0.7	-0.1
Exports of goods and services	100.7	103.3	103.4	103.4	103.4	103.4	103.4	103.4	102.9	103.5	103.1	103.5
Q/q %, SAAR	-3.4	2.6	0.1	0.0	0.0	-0.0	0.0	0.0				
Y/y %	-4.9	-1.4	-0.7	-0.8	2.7	0.0	-0.1	0.0	-1.9	0.6	-2.3	0.3
Imports of goods and services	89.8	92.5	93.0	93.0	93.1	93.1	93.1	93.1	92.1	93.1	93.8	93.1
Q/q %, SAAR	-9.9	3.1	0.5	0.0	0.0	0.0	0.0	-0.0				
Y/y %	-12.1	-7.9	-6.7	-6.6	3.5	0.6	0.0	0.1	-8.4	1.0	-7.4	-0.8

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	0.7	0.4	0.0	-1.8	-0.6	0.3	0.0	0.3	0.7	
Domestic demand	0.4	-0.6	1.1	0.2	0.7	0.3	-2.3	-0.3	0.4	0.2	0.3	0.8	
Private demand	0.3	-0.6	1.0	0.1	0.4	0.1	-2.4	-0.3	0.2	-0.4	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	0.3	0.3	-0.0	0.3	0.1	
Change in private inventories	-0.1	0.2	0.0	0.1	0.0	-0.2	0.0	-0.1	0.0	-0.1	-0.0	0.1	
Public demand	0.1	-0.1	0.1	0.1	0.3	0.2	0.1	-0.0	0.2	0.6	0.2	0.5	
Government final consumption	-0.1	0.1	0.1	0.0	0.2	0.2	0.1	0.0	0.2	0.5	0.2	0.4	
Public fixed investment	0.1	-0.1	-0.1	0.1	0.1	0.0	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	-0.9	0.3	-0.5	0.6	-0.3	
Imports of goods and services	-0.1	0.3	-0.8	0.8	-0.3	-0.1	0.4	0.7	-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	-1.8	0.3	0.0	0.3	0.7	
Domestic demand	0.5	-0.2	0.3	0.9	1.4	2.3	-1.2	-1.5	0.4	0.2	0.3	0.8	
Private demand	0.3	-0.4	0.1	0.8	0.9	1.6	-1.9	-2.1	0.2	-0.4	0.1	0.3	
Private consumption	-0.1	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	0.8	-0.7	-0.4	0.3	-0.0	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	0.6	0.2	0.6	0.2	0.5	
Government final consumption	0.2	0.2	0.3	0.1	0.4	0.5	0.4	0.4	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	-0.3	-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	-1.0	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	0.7	-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	7-9	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	-8.2	5.0	0.5	0.6	0.6	0.5	0.5	0.4	-5.5	3.2	-5.3	2.0	
Domestic demand	-4.9	2.1	0.6	0.6	0.6	0.5	0.4	0.3	-4.3	2.4	-4.1	1.4	
Private demand	-4.8	1.5	0.5	0.6	0.5	0.4	0.4	0.3	-4.8	2.1	-4.6	1.0	
Private consumption	-4.4	2.6	0.5	0.4	0.3	0.3	0.2	0.2	-3.3	1.9	-3.3	1.2	
Residential investment	-0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.0	-0.3	-0.1	
Private fixed investment	-0.7	-0.6	0.0	0.1	0.2	0.1	0.1	0.1	-1.2	0.3	-1.0	-0.2	
Change in private inventories	0.3	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.1	-0.0	-0.0	0.0	
Public demand	-0.0	0.5	0.0	0.0	0.1	0.0	0.0	0.0	0.5	0.3	0.5	0.4	
Government final consumption	-0.1	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2	0.4	0.3	
Public fixed investment	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	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	-3.3	2.9	-0.0	-0.1	0.0	0.1	0.1	0.1	-1.2	0.8	-1.2	0.6	
Exports of goods and services	-2.9	1.1	0.7	0.2	0.3	0.3	0.2	0.2	-2.4	1.5	-2.4	0.9	
Imports of goods and services	-0.4	1.8	-0.7	-0.3	-0.3	-0.2	-0.1	-0.1	1.2	-0.6	1.3	-0.3	
2) Y/y %													
GDP growth rate	-10.2	-5.8	-3.6	-2.6	6.7	2.2	2.2	2.1	-5.5	3.2	-5.3	2.0	
Domestic demand	-6.9	-5.5	-2.7	-2.0	3.9	2.2	2.0	1.8	-4.3	2.4	-4.1	1.4	
Private demand	-7.2	-6.1	-3.2	-2.6	3.2	2.0	1.8	1.7	-4.8	2.1	-4.6	1.0	
Private consumption	-6.0	-4.0	-2.0	-1.3	3.8	1.5	1.2	1.0	-3.3	1.9	-3.3	1.2	
Residential investment	-0.2	-0.4	-0.3	-0.2	-0.2	0.1	0.0	0.0	-0.3	-0.0	-0.3	-0.1	
Private fixed investment	-1.1	-1.7	-0.9	-1.3	-0.3	0.4	0.5	0.6	-1.2	0.3	-1.0	-0.2	
Change in private inventories	0.0	0.1	0.1	0.2	-0.2	0.0	0.0	0.0	0.1	-0.0	-0.0	0.0	
Public demand	0.3	0.6	0.5	0.6	0.7	0.2	0.2	0.2	0.5	0.3	0.5	0.4	
Government final consumption	0.2	0.4	0.4	0.5	0.6	0.1	0.1	0.1	0.4	0.2	0.4	0.3	
Public fixed investment	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	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	-3.3	-0.3	-0.8	-0.6	2.9	0.0	0.2	0.3	-1.2	0.8	-1.2	0.6	
Exports of goods and services	-3.9	-2.7	-2.2	-1.0	2.4	1.5	1.1	1.0	-2.4	1.5	-2.4	0.9	
Imports of goods and services	0.6	2.4	1.4	0.3	0.6	-1.5	-0.9	-0.7	1.2	-0.6	1.3	-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	
1) World economy													
Economic growth of major trading partners													
Y/y %	4.3	3.8	3.5	3.2	3.0	2.9	3.0	-1.6	3.7	1.8	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)	18,654	18,752	18,814	18,950	19,021	19,142	19,254	19,011	18,793	19,107	18,688	19,092	
Q/q %, SAAR	2.7	2.1	1.3	2.9	1.5	2.6	2.4	-5.0					
Y/y %	3.3	3.1	2.5	2.3	2.0	2.1	2.3	0.3	2.8	1.7	3.0	2.2	
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	118.6	116.8	118.5	116.2	118.2	
Q/q %, SAAR	2.9	2.2	2.9	-0.3	3.3	0.7	0.9	-0.3					
Y/y %	3.0	3.0	2.8	1.9	2.0	1.7	1.1	1.1	2.7	1.5	2.9	1.7	
FF rate (%) (Target rate for the forecast period, end-period)	2.00	2.25	2.50	2.50	2.50	2.00	1.75	0.25	2.50	0.25	2.50	1.75	
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	108.5	108.4	108.1	109.3	110.8	111.6	111.5	112.5	108.5	111.5	108.3	110.8	
Q/q %, SAAR	0.2	-0.4	-1.2	4.7	5.5	2.8	-0.3	3.7					
Y/y %	2.1	1.7	-0.3	0.7	2.3	3.2	2.9	2.8	1.0	2.8	1.1	2.3	
Nominal public fixed investment													
Y tril; SAAR	28.7	28.0	27.8	28.5	29.2	29.5	29.9	29.8	28.2	29.6	28.0	29.3	
Q/q %, SAAR	14.8	-8.7	-3.3	10.7	9.5	4.1	5.5	-0.9					
Y/y %	3.7	2.7	0.9	2.6	2.3	5.2	7.5	4.2	2.4	4.9	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	7-9	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 %	-4.9	-2.7	-3.5	1.9	6.1	4.6	6.0	5.7	-2.3	5.6	-3.2	4.6
Crude oil price (WTI futures; \$/bbl)	28.0	40.9	40.5	41.0	41.0	41.0	41.0	41.0	37.6	41.0	38.8	41.0
Y/y %	-53.3	-27.5	-28.7	-10.4	46.4	0.2	1.2	0.0	-31.3	9.0	-32.0	5.7
2) US economy												
Real GDP (chained [2012]; \$ bil; SAAR)	17,303	18,584	18,743	18,893	19,025	19,146	19,262	19,379	18,381	19,203	18,410	19,081
Q/q %, SAAR	-31.4	33.1	3.5	3.2	2.8	2.6	2.4	2.4				
Y/y %	-9.0	-2.9	-2.7	-0.6	10.0	3.0	2.8	2.6	-3.8	4.5	-3.6	3.6
Consumer Price Index (1982-84 avg=100)	256.3	259.5	260.6	261.4	262.6	263.9	265.0	266.1	259.4	264.3	258.7	263.2
Q/q %, SAAR	-3.5	5.2	1.7	1.2	1.8	1.9	1.7	1.8				
Y/y %	0.4	1.2	1.1	1.1	2.5	1.7	1.7	1.8	0.9	1.9	1.2	1.7
Producer Price Index (Final demand; 2009.Nov=100)	117.1	118.4	119.4	119.8	120.3	120.9	121.3	121.8	118.7	121.0	118.4	120.5
Q/q %, SAAR	-5.1	4.6	3.4	1.2	1.7	1.8	1.6	1.7				
Y/y %	-1.1	-0.1	0.6	1.0	2.7	2.0	1.6	1.7	0.1	2.0	0.1	1.8
FF rate (%) (Target rate for the forecast period, end-period)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Government bond yield (10 year; %)	0.69	0.65	0.85	0.96	1.00	1.04	1.09	1.14	0.79	1.07	0.89	1.02
3) Japanese economy												
Nominal government final consumption												
Y tril; SAAR	111.1	113.9	113.8	113.9	114.0	114.3	114.5	114.7	113.2	114.4	112.9	114.2
Q/q %, SAAR	-5.1	10.4	-0.3	0.3	0.7	0.8	0.8	0.7				
Y/y %	0.5	2.1	2.2	1.2	2.5	0.3	0.6	0.7	1.5	1.1	1.9	1.2
Nominal public fixed investment												
Y tril; SAAR	30.0	30.3	30.4	30.4	30.5	30.6	30.6	30.7	30.3	30.6	30.1	30.5
Q/q %, SAAR	2.8	3.9	0.7	0.0	1.6	1.1	1.1	0.5				
Y/y %	3.1	2.9	1.6	2.0	1.4	0.8	0.9	1.0	2.3	1.0	2.9	1.3
Exchange rate (Y/\$)	107.6	106.1	104.4	104.0	104.0	104.0	104.0	104.0	105.5	104.0	106.8	104.0
(Y/€)	118.7	124.6	123.9	124.0	124.0	124.0	124.0	124.0	122.8	124.0	121.8	124.0

Source: Compiled by DIR.

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

E: DIR estimate.