

10 December 2020 (No. of pages: 18)

Japanese report: 08 Dec 2020

Japan's Economic Outlook No. 207 Update (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 -5.3% in FY20, and +3.4% in FY21. Meanwhile, nominal GDP growth is seen at -4.5% in FY20, and +3.6% in FY21.

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Summary

- **Real GDP Outlook: FY2020 -5.3%, and FY2021 +3.4%:** The real GDP growth rate for the Jul-Sep period achieved major positive growth at +22.9% q/q annualized, but growth made up for only around 60% 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 +2.3%. However, explosive spread of COVID-19 infections has been occurring recently, and possibilities that a declaration of a state of emergency and lockdown orders of the kind that occurred during the months of April and May

this year will become unavoidable are increasing rapidly both in Japan and abroad. Our risk scenario is based on the assumption that explosive spread of 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 be at -0.4%. 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 -7%.

- **(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 its Challenges:** Digitalization 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. 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. Extension of the implementation period for economic measures will likely require thorough measures to prevent the spread of COVID-19 infections.
- **BOJ's monetary policy:** During the period covered by this outlook, 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 +3.7% in FY20, and +1.0% in FY21.

We see an average exchange rate of Y105.6/\$ in FY20, and Y104.0/\$ in FY21.

US real GDP growth is seen at -3.6% in CY20 and +3.7% in CY21.

Main Economic Indicators and Real GDP Components

Japan's Economic Outlook No.207 Update

	FY19	FY20 (Estimate)	FY21 (Estimate)	CY19	CY20 (Estimate)	CY21 (Estimate)
Main economic indicators						
Nominal GDP (y/y %)	0.5	-4.5	3.6	0.9	-4.3	2.5
Real GDP (chained [2015]; y/y %)	-0.3	-5.3	3.4	0.3	-5.3	2.3
Domestic demand (contribution, % pt)	-0.1	-4.2	2.5	0.5	-4.1	1.6
Foreign demand (contribution, % pt)	-0.2	-1.3	1.0	-0.2	-1.1	0.7
GDP deflator (y/y %)	0.9	0.9	0.1	0.6	1.0	0.2
Index of Industrial Production (y/y %)	-3.7	-10.0	7.0	-3.0	-10.2	5.4
Index of Tertiary Industry Activity (y/y %)	-0.6	-6.8	4.0	0.5	-10.1	3.1
Corporate Goods Price Index (y/y %)	0.1	-1.5	0.7	0.2	-1.1	0.4
Consumer Price Index (excl. fresh food; y/y %)	0.6	-0.6	-0.1	0.7	-0.2	-0.4
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	2.0	5.4	0.4	1.4	5.0
Current balance (\$100 mil)	1,853	1,451	1,802	1,883	1,469	1,769
Current balance (Y tril)	20.1	15.3	18.7	20.5	15.7	18.4
(% of nominal GDP)	3.6	2.9	3.4	3.6	2.9	3.3
Real GDP components (Chained [2015]; y/y %; figures in parentheses: contribution, % pt)						
Private final consumption	-0.9 (-0.5)	-6.1 (-3.3)	3.3 (1.8)	-0.3 (-0.2)	-6.1 (-3.3)	2.2 (1.2)
Private housing investment	2.5 (0.1)	-6.9 (-0.3)	0.2 (0.0)	3.9 (0.1)	-6.9 (-0.3)	-1.0 (-0.0)
Private fixed investment	-0.6 (-0.1)	-8.0 (-1.3)	2.5 (0.4)	0.1 (0.0)	-6.5 (-1.1)	-0.7 (-0.1)
Government final consumption	2.0 (0.4)	2.7 (0.5)	1.4 (0.3)	1.9 (0.4)	2.2 (0.4)	2.1 (0.4)
Public fixed investment	1.5 (0.1)	3.4 (0.2)	0.8 (0.0)	1.3 (0.0)	2.9 (0.2)	1.5 (0.1)
Exports of goods and services	-2.6 (-0.5)	-12.9 (-2.4)	9.9 (1.7)	-1.4 (-0.3)	-13.3 (-2.3)	7.2 (1.1)
Imports of goods and services	-1.2 (0.2)	-6.2 (1.1)	4.0 (-0.7)	-0.4 (0.1)	-6.7 (1.2)	2.6 (-0.4)
Major assumptions:						
1. World economy						
Economic growth of major trading partners	1.7	-2.0	5.4	2.9	-3.1	4.9
Crude oil price (WTI futures; \$/bbl)	54.7	39.1	45.5	57.0	39.2	45.5
2. US economy						
US real GDP (chained [2012]; y/y %)	1.7	-3.8	4.5	2.2	-3.6	3.7
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 %)	3.1	3.7	1.0	2.8	3.8	1.6
Exchange rate (Y/\$)	108.7	105.6	104.0	109.0	106.8	104.0
(Y/€)	120.9	123.4	126.0	122.2	122.0	126.0

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 Update)		Previous outlook (Outlook 207)		Difference between previous and current outlooks	
	FY20	FY21	FY20	FY21	FY20	FY21
Main economic indicators						
Nominal GDP (y/y %)	-4.5	3.6	-4.8	3.2	0.3	0.3
Real GDP (chained [2015]; y/y %)	-5.3	3.4	-5.5	3.2	0.2	0.2
Domestic demand (contribution, % pt)	-4.2	2.5	-4.3	2.4	0.1	0.1
Foreign demand (contribution, % pt)	-1.3	1.0	-1.2	0.8	-0.1	0.1
GDP deflator (y/y %)	0.9	0.1	0.8	0.0	0.0	0.1
Index of Industrial Production (y/y %)	-10.0	7.0	-10.6	6.5	0.5	0.5
Index of Tertiary Industry Activity (y/y %)	-6.8	4.0	-6.9	3.6	0.1	0.3
Corporate Goods Price Index (y/y %)	-1.5	0.7	-1.8	-0.1	0.3	0.7
Consumer Price Index (excl. fresh food; y/y %)	-0.6	-0.1	-0.7	-0.3	0.1	0.2
Unemployment rate (%)	3.0	3.0	3.0	3.0	0.0	0.0
Government bond yield (10 year; %)	0.01	0.02	0.01	0.02	0.00	0.00
Balance of payments						
Trade balance (Y tril)	2.0	5.4	1.4	4.7	0.5	0.7
Current balance (\$100 mil)	1,451	1,802	1,390	1,722	62	80
Current balance (Y tril)	15.3	18.7	14.6	17.9	0.6	0.8
(% of nominal GDP)	2.9	3.4	2.8	3.3	0.1	0.1
Real GDP components (chained [2015]; y/y %)						
Private final consumption	-6.1	3.3	-6.0	3.4	-0.1	-0.0
Private housing investment	-6.9	0.2	-9.3	-0.1	2.4	0.3
Private fixed investment	-8.0	2.5	-7.7	2.0	-0.2	0.5
Government final consumption	2.7	1.4	1.9	1.1	0.8	0.4
Public fixed investment	3.4	0.8	2.2	1.0	1.2	-0.1
Exports of goods and services	-12.9	9.9	-14.2	9.4	1.2	0.5
Imports of goods and services	-6.2	4.0	-6.9	3.7	0.7	0.3
Major assumptions:						
1. World economy						
Economic growth of major trading partners	-2.0	5.4	-2.3	5.6	0.3	-0.2
Crude oil price (WTI futures; \$/bbl)	39.1	45.5	37.6	41.0	1.5	4.5
2. US economy						
US real GDP (chained [2012]; y/y %)	-3.8	4.5	-3.8	4.5	0.0	0.1
US Consumer Price Index (y/y %)	0.9	1.9	0.9	1.9	0.0	0.0
3. Japanese economy						
Nominal public fixed investment (y/y %)	3.7	1.0	2.3	1.0	1.4	-0.0
Exchange rate (Y/\$)	105.6	104.0	105.5	104.0	0.0	0.0
(Y/€)	123.4	126.0	122.8	124.0	0.6	2.0

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			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)	557.5	554.1	555.3	561.0	562.4	564.3	557.4	554.8	556.8	559.7	556.2	561.3	
Q/q %	-0.0	-0.6	0.2	1.0	0.3	0.3	-1.2	-0.5					
Q/q %, SAAR	-0.2	-2.4	0.8	4.2	1.0	1.3	-4.8	-1.8					
Y/y %	1.4	-0.5	-0.5	0.5	1.0	1.9	0.4	-1.1	0.2	0.5	0.6	0.9	
Real GDP (chained [2015]; SAAR; Y tril)	555.6	551.9	554.4	557.6	558.1	559.1	548.7	545.7	554.8	552.9	554.3	555.8	
Q/q %	0.1	-0.7	0.5	0.6	0.1	0.2	-1.9	-0.5					
Q/q %, SAAR	0.2	-2.6	1.8	2.3	0.3	0.7	-7.2	-2.1					
Y/y %	1.2	-0.2	-0.2	0.3	0.6	1.3	-1.1	-2.0	0.3	-0.3	0.6	0.3	
Contribution to GDP growth (% pt)													
Domestic demand	0.0	-0.5	0.9	0.1	0.4	0.5	-2.5	-0.2	0.4	-0.1	0.5	0.5	
Foreign demand	0.0	-0.2	-0.4	0.4	-0.3	-0.3	0.6	-0.4	-0.1	-0.2	0.0	-0.2	
GDP deflator (y/y %)	0.1	-0.3	-0.3	0.1	0.4	0.6	1.5	0.9	-0.1	0.9	0.0	0.6	
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	101.1	
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	-3.0	
Index of Tertiary Industry Activity (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	
Q/q %; y/y %	0.7	-0.4	0.9	0.1	0.0	0.8	-3.1	-1.1	1.1	-0.6	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	102.1	101.7	101.5	101.6	101.3	101.5	
Y/y %	2.6	3.1	2.2	0.9	0.6	-0.9	0.2	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	-1.2	0.3	-1.2	0.3	1.6	2.5	0.6	0.7	1.1	0.4	
Current balance (SAAR; \$100 mil)	1,977	1,689	1,533	1,831	1,810	1,794	1,994	1,820	1,767	1,853	1,757	1,883	
Current balance (SAAR; Y tril)	21.6	18.8	17.3	20.2	19.9	19.3	21.7	19.8	19.6	20.1	19.4	20.5	
(% of nominal GDP)	3.9	3.4	3.1	3.6	3.5	3.4	3.9	3.6	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) 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)	511.0	539.0	542.6	545.1	548.5	552.0	555.5	558.1	534.6	553.7	537.0	550.4
Q/q %	-7.9	5.5	0.7	0.5	0.6	0.6	0.6	0.5				
Q/q %, SAAR	-28.1	23.9	2.6	1.9	2.5	2.6	2.6	1.9				
Y/y %	-9.0	-4.6	-2.7	-1.7	7.3	2.5	2.4	2.4	-4.5	3.6	-4.3	2.5
Real GDP (chained [2015]; SAAR; Y tril)	500.6	527.1	531.1	534.0	537.1	540.2	542.9	545.4	523.6	541.6	526.6	538.7
Q/q %	-8.3	5.3	0.8	0.6	0.6	0.6	0.5	0.4				
Q/q %, SAAR	-29.2	22.9	3.0	2.2	2.3	2.3	2.1	1.8				
Y/y %	-10.3	-5.7	-3.2	-2.2	7.3	2.5	2.2	2.1	-5.3	3.4	-5.3	2.3
Contribution to GDP growth (% pt)												
Domestic demand	-5.2	2.6	0.5	0.6	0.6	0.5	0.4	0.3	-4.2	2.5	-4.1	1.6
Foreign demand	-3.1	2.7	0.3	-0.0	0.0	0.1	0.1	0.1	-1.3	1.0	-1.1	0.7
GDP deflator (y/y %)	1.4	1.2	0.5	0.5	-0.0	0.0	0.2	0.2	0.9	0.1	1.0	0.2
Index of Industrial Production (2015=100)	81.8	88.9	95.0	95.0	95.7	96.3	96.8	97.1	89.9	96.2	90.8	95.7
Q/q %; y/y %	-16.9	8.8	6.8	0.0	0.8	0.6	0.5	0.3	-10.0	7.0	-10.2	5.4
Index of Tertiary Industry Activity (2015=100)	90.0	95.4	97.8	98.2	98.6	99.0	99.3	99.6	95.4	99.2	95.7	98.7
Q/q %; y/y %	-10.1	6.0	2.5	0.5	0.4	0.4	0.3	0.3	-6.8	4.0	-10.1	3.1
Corporate Goods Price Index components (2015=100)												
Domestic Company Goods Price Index	99.3	100.2	100.1	100.7	100.7	100.7	100.7	100.8	100.1	100.7	100.3	100.7
Y/y %	-2.3	-0.8	-2.0	-1.0	1.4	0.5	0.6	0.1	-1.5	0.7	-1.1	0.4
CPI (excl. fresh food; 2015=100)	101.6	101.4	101.1	100.8	101.2	101.1	101.4	101.0	101.2	101.2	101.5	101.1
Y/y %	-0.1	-0.2	-1.0	-1.1	-0.4	-0.3	0.2	0.2	-0.6	-0.1	-0.2	-0.4
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	4.3	4.7	4.8	5.3	5.4	6.0	2.0	5.4	1.4	5.0
Current balance (SAAR; \$100 mil)	733	1,507	1,815	1,751	1,735	1,751	1,838	1,884	1,451	1,802	1,469	1,769
Current balance (SAAR; Y tril)	7.9	16.0	19.0	18.2	18.0	18.2	19.1	19.6	15.3	18.7	15.7	18.4
(% of nominal GDP)	1.5	3.0	3.5	3.3	3.3	3.3	3.4	3.5	2.9	3.4	2.9	3.3
Exchange rate (Y/\$)	107.6	106.1	104.5	104.0	104.0	104.0	104.0	104.0	105.6	104.0	106.8	104.0
(Y/Euro)	118.7	124.6	124.5	126.0	126.0	126.0	126.0	126.0	123.4	126.0	122.0	126.0

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 [2015]; 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	555.6	551.9	554.4	557.6	558.1	559.1	548.7	545.7	554.8	552.9	554.3	555.8	
Q/q %, SAAR	0.2	-2.6	1.8	2.3	0.3	0.7	-7.2	-2.1					
Y/y %	1.2	-0.2	-0.2	0.3	0.6	1.3	-1.1	-2.0	0.3	-0.3	0.6	0.3	
Domestic demand	551.7	549.2	554.0	554.7	557.0	559.5	545.7	545.0	552.3	551.8	551.6	554.1	
Q/q %, SAAR	0.1	-1.8	3.6	0.5	1.6	1.8	-9.5	-0.6					
Y/y %	0.7	-0.0	0.3	0.5	1.1	1.9	-1.6	-1.7	0.4	-0.1	0.5	0.5	
Private demand	415.5	413.3	417.8	417.7	419.3	420.7	406.1	405.5	416.1	412.9	415.6	415.8	
Q/q %, SAAR	-0.2	-2.1	4.4	-0.1	1.6	1.3	-13.2	-0.5					
Y/y %	0.6	-0.3	0.1	0.4	1.0	1.8	-2.9	-2.8	0.2	-0.8	0.4	0.0	
Final consumption	303.0	302.5	302.8	302.6	303.8	305.4	295.9	294.1	302.7	299.8	302.8	301.8	
Q/q %, SAAR	0.8	-0.7	0.4	-0.3	1.6	2.1	-11.9	-2.4					
Y/y %	0.1	0.5	0.1	-0.1	0.4	0.9	-2.4	-2.7	0.2	-0.9	0.3	-0.3	
Residential investment	19.6	19.6	19.9	20.4	20.8	20.8	20.4	19.6	19.9	20.4	19.8	20.6	
Q/q %, SAAR	-10.8	-0.5	6.8	11.2	6.5	0.2	-7.2	-14.1					
Y/y %	-8.8	-7.9	-3.9	1.3	5.9	6.1	2.4	-4.0	-4.9	2.5	-6.4	3.9	
Non-residential investment	91.9	88.7	92.2	91.6	91.7	92.6	88.3	89.6	91.1	90.5	91.0	91.1	
Q/q %, SAAR	2.8	-13.3	17.1	-2.9	0.9	4.0	-17.3	5.8					
Y/y %	3.2	-0.8	1.4	0.3	-0.3	4.9	-4.6	-2.0	1.0	-0.6	1.7	0.1	
Change in inventories	1.0	2.6	2.9	3.1	3.0	1.8	1.4	2.2	2.4	2.1	2.1	2.3	
Public demand	136.2	135.8	136.2	137.1	137.7	138.8	139.7	139.4	136.2	138.9	136.0	138.4	
Q/q %, SAAR	1.0	-1.0	1.1	2.6	1.7	3.4	2.6	-0.8					
Y/y %	1.3	0.9	0.9	0.7	1.4	2.3	2.6	1.5	0.9	1.9	0.9	1.7	
Government final consumption	108.1	108.2	109.1	109.4	110.1	110.9	111.4	111.1	108.7	110.9	108.4	110.5	
Q/q %, SAAR	-0.5	0.4	3.1	1.4	2.4	3.1	1.7	-1.1					
Y/y %	1.1	0.8	1.5	0.9	1.9	2.5	2.2	1.4	1.1	2.0	1.0	1.9	
Fixed investment	28.1	27.6	27.2	27.8	27.6	27.9	28.3	28.3	27.6	28.0	27.6	27.9	
Q/q %, SAAR	8.5	-6.4	-6.1	9.1	-2.7	5.0	5.0	-0.2					
Y/y %	2.3	1.6	-0.7	0.6	-1.3	1.3	4.2	1.3	0.8	1.5	0.6	1.3	
Change in inventories	-0.0	-0.0	-0.1	-0.2	-0.0	-0.1	-0.0	0.0	-0.1	-0.0	-0.0	-0.1	
Net exports of goods and services	4.1	3.0	0.6	3.0	1.2	-0.3	3.1	0.8	2.7	1.2	2.9	1.8	
Exports of goods and services	106.4	104.1	105.9	104.2	104.1	103.6	103.8	98.3	105.1	102.4	105.5	104.0	
Q/q %, SAAR	3.6	-8.4	7.2	-6.2	-0.3	-2.1	0.8	-19.6					
Y/y %	6.1	2.1	1.7	-1.3	-2.0	-0.4	-1.9	-5.9	2.1	-2.6	3.8	-1.4	
Imports of goods and services	102.2	101.1	105.3	101.2	102.9	103.9	100.7	97.5	102.5	101.2	102.6	102.2	
Q/q %, SAAR	3.3	-4.4	17.9	-14.9	7.1	3.9	-11.9	-12.0					
Y/y %	3.3	3.3	5.0	-0.5	0.6	3.0	-4.4	-3.9	2.8	-1.2	3.8	-0.4	

Source: Compiled by DIR.

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

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

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

2.2 Real Gross Domestic Expenditure (chained [2015]; 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	500.6	527.1	531.1	534.0	537.1	540.2	542.9	545.4	523.6	541.6	526.6	538.7	
Q/q %, SAAR	-29.2	22.9	3.0	2.2	2.3	2.3	2.1	1.8					
Y/y %	-10.3	-5.7	-3.2	-2.2	7.3	2.5	2.2	2.1	-5.3	3.4	-5.3	2.3	
Domestic demand	516.8	529.8	532.1	535.3	538.3	541.0	543.1	544.9	528.8	542.0	531.4	539.5	
Q/q %, SAAR	-19.1	10.4	1.8	2.4	2.3	2.0	1.6	1.4					
Y/y %	-7.1	-5.4	-2.4	-1.9	4.1	2.1	2.0	1.9	-4.2	2.5	-4.1	1.5	
Private demand	376.6	386.3	388.5	391.4	394.0	396.2	398.1	399.8	385.9	397.2	389.7	395.0	
Q/q %, SAAR	-25.6	10.7	2.3	3.0	2.7	2.3	2.0	1.7					
Y/y %	-10.0	-8.2	-4.2	-3.8	4.6	2.6	2.4	2.3	-6.5	2.9	-6.3	1.4	
Final consumption	269.6	283.4	285.1	287.2	288.9	290.4	291.5	292.4	281.5	290.9	283.3	289.6	
Q/q %, SAAR	-29.4	22.1	2.4	3.0	2.4	2.0	1.6	1.2					
Y/y %	-11.1	-7.3	-3.6	-2.4	7.1	2.5	2.2	1.9	-6.1	3.3	-6.1	2.2	
Residential investment	19.7	18.6	18.8	18.9	19.0	19.0	19.0	19.1	19.0	19.0	19.2	19.0	
Q/q %, SAAR	2.0	-21.2	4.1	3.2	0.8	0.8	0.8	1.2					
Y/y %	-5.0	-10.5	-7.9	-3.6	-3.9	2.2	1.4	0.9	-6.9	0.2	-6.9	-1.0	
Non-residential investment	84.5	82.5	82.8	83.3	84.2	84.9	85.6	86.4	83.3	85.4	85.1	84.5	
Q/q %, SAAR	-20.8	-9.3	1.6	2.4	4.3	3.4	3.4	3.4					
Y/y %	-8.0	-10.8	-6.1	-7.1	-0.3	2.8	3.3	3.7	-8.0	2.5	-6.5	-0.7	
Change in inventories	2.7	1.8	1.8	1.9	1.9	1.9	1.9	1.9	2.1	1.9	2.2	1.9	
Public demand	140.2	143.5	143.6	143.9	144.3	144.7	144.9	145.1	142.9	144.8	141.7	144.5	
Q/q %, SAAR	2.3	9.6	0.4	0.7	1.0	1.4	0.5	0.4					
Y/y %	1.9	3.4	2.8	3.3	2.9	0.8	0.9	0.8	2.9	1.3	2.4	2.0	
Government final consumption	111.4	114.5	114.6	114.8	115.1	115.5	115.6	115.7	113.9	115.5	112.9	115.3	
Q/q %, SAAR	1.1	11.6	0.3	0.6	1.0	1.6	0.3	0.4					
Y/y %	1.4	3.3	2.9	3.4	3.2	0.9	0.9	0.8	2.7	1.4	2.2	2.1	
Fixed investment	28.8	29.0	29.0	29.1	29.2	29.2	29.3	29.3	29.0	29.2	28.8	29.2	
Q/q %, SAAR	7.8	1.9	0.9	1.1	1.1	0.4	1.0	0.5					
Y/y %	4.7	3.8	2.5	3.1	1.1	0.8	0.9	0.6	3.4	0.8	2.9	1.5	
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	-17.4	-3.0	-1.4	-1.6	-1.5	-1.1	-0.5	0.1	-5.8	-0.7	-5.2	-1.2	
Exports of goods and services	81.4	87.2	93.3	94.4	95.9	97.3	98.7	100.0	89.2	98.0	90.1	96.6	
Q/q %, SAAR	-52.8	31.2	31.1	4.9	6.6	6.1	5.7	5.3					
Y/y %	-21.9	-15.7	-10.2	-3.8	17.8	11.5	5.8	5.9	-12.9	9.9	-13.3	7.2	
Imports of goods and services	98.8	90.1	94.6	96.0	97.4	98.5	99.2	99.9	94.9	98.7	95.3	97.8	
Q/q %, SAAR	5.5	-30.8	21.6	5.7	6.1	4.5	2.8	2.8					
Y/y %	-3.7	-13.3	-6.0	-1.4	-1.6	9.3	4.8	4.0	-6.2	4.0	-6.7	2.6	

Source: Compiled by DIR.

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

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

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

E: DIR estimate.

3.1 Nominal Gross Domestic Expenditure (¥ tril)

	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	557.5	554.1	555.3	561.0	562.4	564.3	557.4	554.8	556.8	559.7	556.2	561.3	
Q/q %, SAAR	-0.2	-2.4	0.8	4.2	1.0	1.3	-4.8	-1.8					
Y/y %	1.4	-0.5	-0.5	0.5	1.0	1.9	0.4	-1.1	0.2	0.5	0.6	0.9	
Domestic demand	555.5	554.3	559.4	560.1	563.8	566.1	555.9	555.2	557.2	560.2	556.1	561.4	
Q/q %, SAAR	0.4	-0.9	3.7	0.5	2.6	1.7	-7.0	-0.5					
Y/y %	1.5	0.8	1.0	0.8	1.6	2.1	-0.6	-0.9	1.0	0.5	1.3	1.0	
Private demand	417.9	417.2	422.4	421.7	424.3	425.7	413.8	413.4	419.8	419.2	419.0	421.2	
Q/q %, SAAR	-0.2	-0.7	5.1	-0.7	2.5	1.3	-10.7	-0.4					
Y/y %	1.3	0.6	0.9	0.8	1.6	2.0	-2.1	-1.9	0.9	-0.1	1.2	0.5	
Final consumption	304.2	305.1	306.0	305.3	307.0	308.9	301.7	299.4	305.1	304.2	305.0	305.6	
Q/q %, SAAR	-0.6	1.2	1.2	-0.9	2.2	2.5	-9.0	-2.9					
Y/y %	0.6	1.3	0.7	0.1	1.0	1.2	-1.5	-1.8	0.7	-0.3	1.0	0.2	
Residential investment	20.2	20.3	20.6	21.1	21.5	21.6	21.6	20.8	20.5	21.4	20.4	21.5	
Q/q %, SAAR	-8.1	1.5	6.6	10.6	8.2	1.9	-0.8	-14.0					
Y/y %	-7.0	-6.4	-2.4	2.3	6.7	6.8	4.8	-1.5	-3.4	4.1	-4.9	5.1	
Non-residential investment	92.4	89.3	92.9	92.4	92.8	93.5	89.3	90.8	91.8	91.6	91.5	92.0	
Q/q %, SAAR	4.9	-12.7	17.1	-2.2	1.6	3.3	-16.9	7.1					
Y/y %	4.1	0.1	2.3	1.2	0.3	5.1	-4.2	-1.6	1.9	-0.2	2.5	0.6	
Change in inventories	1.1	2.5	3.0	2.9	3.0	1.6	1.2	2.3	2.4	2.0	2.1	2.2	
Public demand	137.6	137.1	137.0	138.4	139.5	140.4	142.1	141.9	137.4	141.0	137.1	140.2	
Q/q %, SAAR	2.4	-1.3	-0.4	4.2	3.2	2.7	4.9	-0.7					
Y/y %	2.1	1.4	1.2	0.9	1.7	2.4	3.9	2.2	1.4	2.6	1.6	2.3	
Government final consumption	108.8	108.8	109.1	109.9	110.8	111.5	112.5	112.2	109.1	111.7	108.9	111.3	
Q/q %, SAAR	0.0	-0.2	1.3	3.1	3.3	2.2	3.9	-1.1					
Y/y %	1.8	1.1	1.4	0.8	2.0	2.5	3.3	1.7	1.3	2.4	1.4	2.2	
Fixed investment	28.8	28.4	28.0	28.6	28.6	29.0	29.6	29.6	28.4	29.3	28.2	29.0	
Q/q %, SAAR	13.3	-5.7	-5.7	9.3	0.5	5.5	8.1	0.5					
Y/y %	4.3	3.2	1.0	2.2	-0.3	2.3	6.1	3.3	2.5	3.1	2.2	2.8	
Change in inventories	-0.0	-0.0	-0.1	-0.2	-0.0	-0.1	0.0	0.0	-0.1	-0.0	-0.0	-0.1	
Net exports of goods and services	2.0	-0.2	-4.1	0.9	-1.4	-1.8	1.5	-0.4	-0.4	-0.5	0.1	-0.2	
Exports of goods and services	102.2	102.0	102.3	98.9	98.1	96.6	96.4	91.1	101.3	95.5	101.9	97.5	
Q/q %, SAAR	4.2	-0.6	1.1	-12.8	-3.2	-5.7	-1.1	-20.1					
Y/y %	8.0	3.9	1.8	-2.6	-3.8	-5.0	-6.2	-8.1	2.6	-5.8	4.8	-4.4	
Imports of goods and services	100.2	102.2	106.4	98.0	99.4	98.4	94.9	91.5	101.7	96.0	101.8	97.6	
Q/q %, SAAR	7.9	8.2	17.6	-28.1	6.0	-3.9	-13.6	-13.7					
Y/y %	8.9	11.7	10.1	-0.6	-0.5	-3.6	-11.0	-6.8	7.4	-5.6	9.4	-4.1	

Source: Compiled by DIR.

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

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

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	511.0	539.0	542.6	545.1	548.5	552.0	555.5	558.1	534.6	553.7	537.0	550.4	
Q/q %, SAAR	-28.1	23.9	2.6	1.9	2.5	2.6	2.6	1.9					
Y/y %	-9.0	-4.6	-2.7	-1.7	7.3	2.5	2.4	2.4	-4.5	3.6	-4.3	2.5	
Domestic demand	522.2	537.7	539.9	543.0	546.3	549.5	552.3	554.4	535.8	550.8	539.1	547.8	
Q/q %, SAAR	-21.7	12.4	1.6	2.3	2.5	2.4	2.1	1.5					
Y/y %	-7.1	-5.2	-2.7	-2.4	4.6	2.2	2.2	2.2	-4.4	2.8	-4.0	1.6	
Private demand	380.9	392.3	394.5	397.3	400.2	402.9	405.5	407.3	391.4	404.1	395.6	401.5	
Q/q %, SAAR	-27.9	12.6	2.2	2.9	3.0	2.6	2.6	1.8					
Y/y %	-10.0	-7.9	-4.5	-4.2	5.1	2.7	2.7	2.7	-6.7	3.3	-6.1	1.5	
Final consumption	274.0	288.1	289.8	292.0	294.1	295.8	297.6	298.5	286.1	296.6	288.0	294.9	
Q/q %, SAAR	-29.9	22.2	2.4	3.0	2.8	2.4	2.4	1.2					
Y/y %	-10.6	-6.8	-3.9	-2.5	7.2	2.7	2.7	2.3	-6.0	3.6	-5.8	2.4	
Residential investment	20.7	19.6	19.8	19.9	20.0	20.0	20.0	20.1	20.0	20.0	20.2	20.0	
Q/q %, SAAR	-2.3	-18.9	3.6	2.8	0.8	0.8	0.8	1.2					
Y/y %	-4.0	-9.3	-8.3	-4.1	-3.4	2.0	1.3	0.9	-6.6	0.2	-5.9	-1.0	
Non-residential investment	84.9	83.0	83.3	83.7	84.6	85.4	86.2	87.0	83.7	85.9	85.8	84.9	
Q/q %, SAAR	-23.7	-8.5	1.2	2.0	4.3	3.9	3.9	3.9					
Y/y %	-8.6	-11.1	-6.6	-7.9	-0.3	2.7	3.4	4.0	-8.5	2.6	-6.8	-1.0	
Change in inventories	1.3	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.6	1.7	1.6	
Public demand	141.3	145.4	145.4	145.7	146.0	146.6	146.9	147.1	144.5	146.7	143.5	146.3	
Q/q %, SAAR	-1.5	12.0	0.0	0.7	1.0	1.6	0.7	0.6					
Y/y %	1.4	3.6	2.3	2.9	3.3	0.8	1.0	0.9	2.5	1.5	2.3	2.0	
Government final consumption	111.3	115.0	115.0	115.2	115.5	116.0	116.1	116.3	114.1	116.0	113.4	115.7	
Q/q %, SAAR	-3.3	14.1	-0.1	0.6	1.0	1.9	0.6	0.6					
Y/y %	0.7	3.1	2.1	2.8	3.6	0.9	1.0	0.9	2.1	1.6	1.9	2.1	
Fixed investment	30.1	30.4	30.4	30.5	30.6	30.6	30.7	30.7	30.4	30.6	30.1	30.6	
Q/q %, SAAR	6.0	4.1	0.5	1.1	1.1	0.5	1.0	0.5					
Y/y %	5.1	4.8	2.6	3.1	1.6	0.7	1.0	0.7	3.7	1.0	3.8	1.6	
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	-11.3	1.3	2.7	2.1	2.2	2.6	3.2	3.8	-1.3	2.9	-1.9	2.5	
Exports of goods and services	72.9	80.1	86.0	87.4	88.8	90.1	91.4	92.6	81.7	90.7	82.7	89.5	
Q/q %, SAAR	-58.9	45.2	33.2	6.6	6.6	6.1	5.7	5.3					
Y/y %	-25.7	-16.8	-10.5	-4.0	21.8	12.4	6.1	5.9	-14.4	11.0	-15.2	8.2	
Imports of goods and services	84.2	78.7	83.3	85.3	86.6	87.6	88.2	88.8	83.0	87.8	84.5	86.9	
Q/q %, SAAR	-28.3	-23.5	25.5	9.6	6.3	4.6	2.9	2.8					
Y/y %	-14.8	-20.1	-12.1	-6.7	2.5	11.2	5.7	4.1	-13.5	5.8	-13.4	2.9	

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.

4.1 Gross Domestic Expenditure, Implicit Deflators (2015=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	100.4	100.4	100.2	100.6	100.8	100.9	101.6	101.7	100.4	101.2	100.3	101.0	
Q/q %, SAAR	-0.1	0.0	-0.2	0.4	0.2	0.2	0.6	0.1					
Y/y %	0.1	-0.3	-0.3	0.1	0.4	0.6	1.5	0.9	-0.1	0.9	0.0	0.6	
Private final consumption	100.4	100.9	101.1	100.9	101.0	101.1	102.0	101.8	100.8	101.5	100.8	101.3	
Q/q %, SAAR	-0.3	0.5	0.2	-0.2	0.1	0.1	0.8	-0.1					
Y/y %	0.5	0.8	0.6	0.2	0.6	0.3	0.9	0.9	0.5	0.7	0.7	0.5	
Private residential investment	102.9	103.4	103.3	103.2	103.6	104.1	105.8	105.8	103.2	104.8	102.9	104.2	
Q/q %, SAAR	0.7	0.5	-0.0	-0.1	0.4	0.4	1.7	0.0					
Y/y %	2.0	1.7	1.5	1.1	0.7	0.6	2.4	2.5	1.6	1.6	1.7	1.2	
Private non-residential investment	100.6	100.8	100.8	100.9	101.1	101.0	101.1	101.4	100.8	101.1	100.5	101.0	
Q/q %, SAAR	0.5	0.2	0.0	0.2	0.2	-0.2	0.1	0.3					
Y/y %	0.9	0.9	0.9	0.8	0.6	0.2	0.3	0.4	0.9	0.4	0.8	0.5	
Government final consumption	100.6	100.5	100.0	100.5	100.7	100.5	101.0	101.0	100.4	100.8	100.4	100.7	
Q/q %, SAAR	0.1	-0.1	-0.4	0.4	0.2	-0.2	0.5	-0.0					
Y/y %	0.7	0.3	-0.1	-0.2	0.1	-0.0	1.1	0.4	0.2	0.4	0.4	0.3	
Public fixed investment	102.5	102.7	102.8	102.9	103.7	103.8	104.6	104.7	102.8	104.3	102.3	103.8	
Q/q %, SAAR	1.1	0.2	0.1	0.1	0.8	0.1	0.7	0.2					
Y/y %	1.9	1.6	1.8	1.5	1.0	1.0	1.8	1.9	1.7	1.5	1.6	1.4	
Exports of goods and services	96.1	98.1	96.6	94.9	94.2	93.3	92.8	92.7	96.4	93.2	96.7	93.7	
Q/q %, SAAR	0.2	2.0	-1.5	-1.8	-0.7	-0.9	-0.5	-0.2					
Y/y %	1.8	1.7	0.0	-1.3	-1.8	-4.6	-4.4	-2.3	0.5	-3.3	1.0	-3.0	
Imports of goods and services	98.0	101.1	101.0	96.9	96.6	94.7	94.3	93.8	99.3	94.8	99.3	95.6	
Q/q %, SAAR	1.1	3.1	-0.1	-4.1	-0.3	-1.9	-0.5	-0.5					
Y/y %	5.5	8.2	4.9	-0.1	-1.1	-6.4	-7.0	-3.1	4.6	-4.4	5.4	-3.7	

Source: Compiled by DIR.

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

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

4.2 Gross Domestic Expenditure, Implicit Deflators (2015=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	102.1	102.3	102.2	102.1	102.1	102.2	102.3	102.3	102.1	102.2	102.0	102.2	
Q/q %, SAAR	0.4	0.2	-0.1	-0.1	0.1	0.1	0.1	0.0					
Y/y %	1.4	1.2	0.5	0.5	-0.0	0.0	0.2	0.2	0.9	0.1	1.0	0.2	
Private final consumption	101.6	101.7	101.7	101.7	101.8	101.9	102.1	102.1	101.6	101.9	101.7	101.8	
Q/q %, SAAR	-0.2	0.0	0.0	0.0	0.1	0.1	0.2	0.0					
Y/y %	0.6	0.5	-0.3	-0.1	0.1	0.2	0.4	0.4	0.2	0.3	0.4	0.2	
Private residential investment	104.7	105.4	105.3	105.2	105.2	105.2	105.2	105.2	105.2	105.2	105.3	105.2	
Q/q %, SAAR	-1.1	0.7	-0.1	-0.1	0.0	0.0	0.0	0.0					
Y/y %	1.0	1.3	-0.5	-0.6	0.5	-0.2	-0.1	0.0	0.3	0.1	1.1	-0.1	
Private non-residential investment	100.4	100.7	100.6	100.5	100.5	100.6	100.7	100.8	100.5	100.6	100.8	100.5	
Q/q %, SAAR	-0.9	0.2	-0.1	-0.1	-0.0	0.1	0.1	0.1					
Y/y %	-0.7	-0.3	-0.5	-0.9	0.0	-0.1	0.1	0.3	-0.6	0.1	-0.2	-0.3	
Government final consumption	99.9	100.4	100.3	100.3	100.3	100.4	100.5	100.5	100.2	100.4	100.4	100.4	
Q/q %, SAAR	-1.1	0.6	-0.1	0.0	0.0	0.1	0.1	0.1					
Y/y %	-0.7	-0.1	-0.7	-0.6	0.4	0.0	0.1	0.1	-0.6	0.2	-0.3	0.0	
Public fixed investment	104.3	104.9	104.8	104.8	104.8	104.8	104.8	104.8	104.7	104.8	104.7	104.8	
Q/q %, SAAR	-0.4	0.5	-0.1	-0.0	0.0	0.0	0.0	0.0					
Y/y %	0.5	0.9	0.1	-0.0	0.5	-0.0	0.1	0.1	0.3	0.1	0.9	0.1	
Exports of goods and services	89.5	91.8	92.2	92.6	92.6	92.6	92.6	92.6	91.7	92.6	91.7	92.6	
Q/q %, SAAR	-3.4	2.6	0.4	0.4	-0.0	0.0	0.0	-0.0					
Y/y %	-4.8	-1.4	-0.4	-0.1	3.3	0.7	0.3	0.0	-1.6	1.0	-2.2	0.9	
Imports of goods and services	85.2	87.4	88.1	88.9	88.9	88.9	88.9	88.9	87.4	88.9	88.7	88.9	
Q/q %, SAAR	-9.2	2.6	0.8	0.9	0.0	0.0	0.0	0.0					
Y/y %	-11.5	-7.8	-6.4	-5.3	4.2	1.8	0.9	0.1	-7.8	1.7	-7.2	0.2	

Source: Compiled by DIR.

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

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

E: DIR estimate.

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	0.1	-0.7	0.5	0.6	0.1	0.2	-1.9	-0.5	0.3	-0.3	0.6	0.3	
Domestic demand	0.0	-0.5	0.9	0.1	0.4	0.5	-2.5	-0.2	0.4	-0.1	0.5	0.5	
Private demand	-0.0	-0.4	0.8	-0.0	0.3	0.2	-2.6	-0.1	0.2	-0.6	0.3	0.0	
Private consumption	0.1	-0.1	0.1	-0.0	0.2	0.3	-1.7	-0.3	0.1	-0.5	0.1	-0.2	
Residential investment	-0.1	-0.0	0.1	0.1	0.1	0.0	-0.1	-0.1	-0.2	0.1	-0.2	0.1	
Private fixed investment	0.1	-0.6	0.6	-0.1	0.0	0.2	-0.8	0.2	0.2	-0.1	0.3	0.0	
Change in private inventories	-0.1	0.3	0.0	0.0	-0.0	-0.2	-0.1	0.1	0.1	-0.1	0.1	0.0	
Public demand	0.1	-0.1	0.1	0.2	0.1	0.2	0.2	-0.0	0.2	0.5	0.2	0.4	
Government final consumption	-0.0	0.0	0.1	0.1	0.1	0.2	0.1	-0.1	0.2	0.4	0.2	0.4	
Public fixed investment	0.1	-0.1	-0.1	0.1	-0.0	0.1	0.1	-0.0	0.0	0.1	0.0	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	-0.2	-0.4	0.4	-0.3	-0.3	0.6	-0.4	-0.1	-0.2	0.0	-0.2	
Exports of goods and services	0.2	-0.4	0.3	-0.3	-0.0	-0.1	0.0	-0.9	0.4	-0.5	0.7	-0.3	
Imports of goods and services	-0.1	0.2	-0.7	0.7	-0.3	-0.2	0.6	0.5	-0.5	0.2	-0.6	0.1	
2) Y/y %													
GDP growth rate	1.2	-0.2	-0.2	0.3	0.6	1.3	-1.1	-2.0	0.3	-0.3	0.6	0.3	
Domestic demand	0.8	-0.0	0.4	0.5	1.1	1.9	-1.6	-1.7	0.4	-0.1	0.5	0.5	
Private demand	0.5	-0.2	0.1	0.3	0.8	1.4	-2.2	-2.0	0.2	-0.6	0.3	0.0	
Private consumption	0.1	0.3	0.1	-0.0	0.2	0.5	-1.3	-1.4	0.1	-0.5	0.1	-0.2	
Residential investment	-0.3	-0.3	-0.1	0.0	0.2	0.2	0.1	-0.1	-0.2	0.1	-0.2	0.1	
Private fixed investment	0.5	-0.1	0.2	0.1	-0.0	0.8	-0.7	-0.4	0.2	-0.1	0.3	0.0	
Change in private inventories	0.2	-0.0	-0.0	0.2	0.4	-0.2	-0.3	-0.1	0.1	-0.1	0.1	0.0	
Public demand	0.3	0.2	0.2	0.2	0.3	0.5	0.7	0.4	0.2	0.5	0.2	0.4	
Government final consumption	0.2	0.2	0.3	0.2	0.4	0.5	0.4	0.3	0.2	0.4	0.2	0.4	
Public fixed investment	0.1	0.1	-0.0	0.0	-0.1	0.1	0.2	0.1	0.0	0.1	0.0	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	0.5	-0.2	-0.5	-0.1	-0.5	-0.6	0.5	-0.4	-0.1	-0.2	0.0	-0.2	
Exports of goods and services	1.1	0.4	0.3	-0.2	-0.4	-0.1	-0.4	-1.0	0.4	-0.5	0.7	-0.3	
Imports of goods and services	-0.6	-0.5	-0.8	0.1	-0.1	-0.5	0.8	0.7	-0.5	0.2	-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	-8.3	5.3	0.8	0.6	0.6	0.6	0.5	0.4	-5.3	3.4	-5.3	2.3	
Domestic demand	-5.2	2.6	0.5	0.6	0.6	0.5	0.4	0.3	-4.2	2.5	-4.1	1.6	
Private demand	-5.3	1.9	0.4	0.5	0.5	0.4	0.4	0.3	-4.9	2.2	-4.7	1.1	
Private consumption	-4.5	2.8	0.3	0.4	0.3	0.3	0.2	0.2	-3.3	1.8	-3.3	1.2	
Residential investment	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	0.0	-0.3	-0.0	
Private fixed investment	-0.9	-0.4	0.1	0.1	0.2	0.1	0.1	0.1	-1.3	0.4	-1.1	-0.1	
Change in private inventories	0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0	
Public demand	0.1	0.7	0.0	0.0	0.1	0.1	0.0	0.0	0.7	0.4	0.6	0.5	
Government final consumption	0.1	0.6	0.0	0.0	0.1	0.1	0.0	0.0	0.5	0.3	0.4	0.4	
Public fixed investment	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.2	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	-3.1	2.7	0.3	-0.0	0.0	0.1	0.1	0.1	-1.3	1.0	-1.1	0.7	
Exports of goods and services	-2.9	1.1	1.2	0.2	0.3	0.3	0.3	0.2	-2.4	1.7	-2.3	1.1	
Imports of goods and services	-0.2	1.6	-0.9	-0.2	-0.3	-0.2	-0.1	-0.1	1.1	-0.7	1.2	-0.4	
2) Y/y %													
GDP growth rate	-10.3	-5.7	-3.2	-2.2	7.3	2.5	2.2	2.1	-5.3	3.4	-5.3	2.3	
Domestic demand	-7.1	-5.4	-2.4	-1.9	4.3	2.1	2.0	1.9	-4.2	2.5	-4.1	1.6	
Private demand	-7.6	-6.2	-3.1	-2.8	3.5	1.9	1.8	1.7	-4.9	2.2	-4.7	1.1	
Private consumption	-6.1	-4.0	-1.9	-1.3	3.8	1.3	1.2	1.0	-3.3	1.8	-3.3	1.2	
Residential investment	-0.2	-0.4	-0.3	-0.1	-0.1	0.1	0.1	0.0	-0.3	0.0	-0.3	-0.0	
Private fixed investment	-1.2	-1.8	-0.9	-1.3	-0.1	0.4	0.5	0.6	-1.3	0.4	-1.1	-0.1	
Change in private inventories	-0.0	-0.0	0.1	-0.1	-0.2	0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0	
Public demand	0.5	0.8	0.7	0.9	0.8	0.2	0.2	0.2	0.7	0.4	0.6	0.5	
Government final consumption	0.3	0.6	0.6	0.7	0.7	0.2	0.2	0.2	0.5	0.3	0.4	0.4	
Public fixed investment	0.2	0.2	0.1	0.2	0.1	0.0	0.1	0.0	0.2	0.0	0.2	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	-3.2	-0.4	-0.8	-0.4	3.2	0.3	0.2	0.3	-1.3	1.0	-1.1	0.7	
Exports of goods and services	-3.8	-2.7	-1.9	-0.7	2.9	1.9	1.0	1.0	-2.4	1.7	-2.3	1.1	
Imports of goods and services	0.6	2.3	1.1	0.3	0.3	-1.6	-0.9	-0.7	1.1	-0.7	1.2	-0.4	

Source: Compiled by DIR.

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

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

E: DIR estimate.

6.1 Major Assumptions

	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	3.7	3.4	3.1	2.9	2.9	2.8	-1.9	3.6	1.7	3.9	2.9	
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	108.8	108.8	109.1	109.9	110.8	111.5	112.5	112.2	109.1	111.7	108.9	111.3	
Q/q %, SAAR	0.0	-0.2	1.3	3.1	3.3	2.2	3.9	-1.1					
Y/y %	1.8	1.1	1.4	0.8	2.0	2.5	3.3	1.7	1.3	2.4	1.4	2.2	
Nominal public fixed investment													
Y tril; SAAR	28.8	28.4	28.0	28.6	28.6	29.0	29.6	29.6	28.4	29.3	28.2	29.0	
Q/q %, SAAR	13.3	-5.7	-5.7	9.3	0.5	5.5	8.1	0.5					
Y/y %	4.3	3.2	1.0	2.2	-0.3	2.3	6.1	3.3	2.5	3.1	2.2	2.8	
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 %	-6.9	-1.5	-2.2	2.5	8.9	3.6	4.8	4.3	-2.0	5.4	-3.1	4.9
Crude oil price (WTI futures; \$/bbl)	28.0	40.9	42.1	45.5	45.5	45.5	45.5	45.5	39.1	45.5	39.2	45.5
Y/y %	-53.3	-27.5	-25.9	-0.6	62.5	11.2	8.0	0.0	-28.5	16.2	-31.3	16.0
2) US economy												
Real GDP (chained [2012]; \$ bil; SAAR)	17,303	18,584	18,757	18,908	19,041	19,162	19,279	19,397	18,388	19,220	18,414	19,098
Q/q %, SAAR	-31.4	33.1	3.8	3.3	2.8	2.6	2.5	2.5				
Y/y %	-9.0	-2.9	-2.6	-0.5	10.0	3.1	2.8	2.6	-3.8	4.5	-3.6	3.7
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	111.3	115.0	115.0	115.2	115.5	116.0	116.1	116.3	114.1	116.0	113.4	115.7
Q/q %, SAAR	-3.3	14.1	-0.1	0.6	1.0	1.9	0.6	0.6				
Y/y %	0.7	3.1	2.1	2.8	3.6	0.9	1.0	0.9	2.1	1.6	1.9	2.1
Nominal public fixed investment												
Y tril; SAAR	30.1	30.4	30.4	30.5	30.6	30.6	30.7	30.7	30.4	30.6	30.1	30.6
Q/q %, SAAR	6.0	4.1	0.5	1.1	1.1	0.5	1.0	0.5				
Y/y %	5.1	4.8	2.6	3.1	1.6	0.7	1.0	0.7	3.7	1.0	3.8	1.6
Exchange rate (Y/\$)	107.6	106.1	104.5	104.0	104.0	104.0	104.0	104.0	105.6	104.0	106.8	104.0
(Y/€)	118.7	124.6	124.5	126.0	126.0	126.0	126.0	126.0	123.4	126.0	122.0	126.0

Source: Compiled by DIR.

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

E: DIR estimate.