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Japan's Economic Outlook No. 208 (Summary)

Vaccine Dissemination and Normalization of Global Economy: In this Report We Examine the Effects of the Spread of COVID-19, Vaccine Dissemination, and Spread of the Mutant Strain

Japan to see real GDP growth of -5.0% in FY20, +3.8% in FY21, and +2.3% in FY22. Meanwhile, nominal GDP growth is seen at -4.3% in FY20, +4.1% in FY21, and +3.0% in FY22.

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

Taisei Watanabe

Summary

- **Real GDP Outlook: FY2020 -5.0%, FY2021 +3.8%, and FY2022 +2.3%:** The main scenario of this outlook assumes that economic activity will increasingly return to normal beginning in latter half of FY2021 and throughout FY2022 with vaccinations having begun both overseas and in Japan. The outlook for real GDP growth is -5.0% in FY2020, +3.8% in FY2021, and +2.3% in FY2022. We expect growth on the high side in FY2021 and FY2022 due to progress in vaccination and the improved outlook for the US economy. However, the risk of the spread of COVID-19 infections is expected to remain great for some time, and there is a real possibility that an extension or reissuance of a state of emergency could be unavoidable. If the mutant

strain of the disease spreads in Japan, the number of deaths in FY2021 is expected to grow by about 4,800 compared to the main scenario, while personal consumption is expected to decline by about 24 tril yen. Even if the mutant strain does not spread, there is still a possibility that a state of emergency could be declared again sometime in FY2021 if the pace of vaccination is slower than expected.

- **(1) Challenges faced by Japan in international comparison of decarbonization policies:** CY2020 was a year of great social and economic turmoil due to the coronavirus crisis, but it was also a year in which countries made more concrete plans to strive toward the realization of decarbonization. In Europe, the Next Generation EU, a large fund for reconstruction, is expected to accelerate green investment, while in the United States, President Biden has set a goal of achieving decarbonization by 2050, having made an election promise to invest \$2 tril in the effort over the president's term of four years. This trend of international decarbonization highlights Japan's challenges such as the increasing risk of protectionist policies, the need for early development of new industries, and the question of how to handle the Carbon Border Adjustment Mechanism. In Japan's efforts to transform its industrial structure toward the realization of decarbonization, problems in the labor market, such as the slowness of employment adjustment, and the lack of sufficient government spending on labor market policy, will be issues in the future.
- **(2) How vaccine dissemination could change the export environment, transformed by the corona-disaster:** Global trade in goods was reduced significantly during the year 2020 due to the corona-disaster, but China's share of global trade grew rapidly as a result of the emergence of special demand for goods associated with measures to prevent the spread of COVID-19 and the new trend of working from home. While dependence on China for exports of goods related to measures to prevent the spread of COVID-19 has been weakening of late, demand for information related goods is expected to maintain underlying strength backed by the expansion of telework and its having firmly taken root in Japan, as well as efforts towards digitalization. China's export share in 2021 will settle at a level slightly higher than before the spread of the infection. Japan's exports of goods are expected to continue their recovery trend as overseas economies move toward normalization. Above all, a recovery for US manufacturing will be key to this development. As for the export of services, there should be a rapid recovery in 2022 as vaccination progresses and restrictions on immigration are relaxed, allowing for growth in the number of tourists visiting Japan from China, the US and the UK.
- **(3) The problem of post-corona debt:** The worldwide balance of debt has grown rapidly during the corona-disaster, and government debt has been the leader in this growth. The sustainability of government debt is supported by low interest rates, hence the future trend in interest rates is an important point. On the other hand, private sector debt does not pose a risk for the time being, though in certain countries, it has already reached a level which should cause concern. We recommend paying close attention to policy changes in the future as the global economy moves toward normalization. There is some tail risk here, for if the FRB's reduction in monetary easing causes a stir in the market, this could trigger capital outflows from the emerging nations. Most of the emerging nations have increased their resistance to capital outflows due to the experiences of the past, but there are still concerns regarding those countries that are more susceptible to crisis, such as Argentina, Turkey, and Kazakhstan.
- **BOJ's monetary policy:** During the period covered by this outlook, the CPI is expected to register year-to-year declines in FY2020, but then shift into the positive area at +0.4% y/y due

to economic recovery and an expected rise in the price of crude oil in FY2021. The CPI will likely rise by +0.8% in FY2022. With the spread of COVID-19 expected to continue for the long-term, the trend in prices is expected to be moderate. Hence we expect the BOJ to gradually reduce its coronavirus crisis policy a step at a time, while at the same time maintaining its monetary easing policy for some time.

■ Our assumptions

Public works spending is expected to grow by +4.7% in FY20, +1.9% in FY21, and +1.1% in FY22.

We see an average exchange rate of Y105.7/\$ in FY20, Y105.0/\$ in FY21, and Y105.0/\$ in FY22.

US real GDP growth is seen at +5.8% in CY21 and +4.1% in CY22.

Main Economic Indicators and Real GDP Components

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	FY20 (Estimate)	FY21 (Estimate)	FY22 (Estimate)	CY20	CY21 (Estimate)	CY21 (Estimate)
Main economic indicators						
Nominal GDP (y/y %)	-4.3	4.1	3.0	-3.9	2.3	3.3
Real GDP (chained [2015]; y/y %)	-5.0	3.8	2.3	-4.8	2.2	2.6
Domestic demand (contribution, % pt)	-4.2	2.4	2.5	-3.8	0.7	2.7
Foreign demand (contribution, % pt)	-0.8	1.5	-0.2	-1.0	1.5	-0.1
GDP deflator (y/y %)	0.7	0.2	0.7	0.9	0.1	0.6
Index of Industrial Production (y/y %)	-9.7	13.8	6.7	-10.0	10.8	7.6
Index of Tertiary Industry Activity (y/y %)	-7.8	4.2	4.7	-6.8	0.8	5.1
Corporate Goods Price Index (y/y %)	-1.0	2.9	0.7	-1.1	3.0	0.7
Consumer Price Index (excl. fresh food; y/y %)	-0.5	0.4	0.8	-0.2	0.1	0.7
Unemployment rate (%)	2.9	2.9	2.7	2.8	3.0	2.8
Government bond yield (10 year; %)	0.02	0.03	0.03	-0.01	0.03	0.03
Balance of payments						
Trade balance (Y tril)	4.6	10.0	9.4	3.0	9.8	9.7
Current balance (\$100 mil)	1,825	2,501	2,403	1,657	2,507	2,443
Current balance (Y tril)	19.2	26.2	25.2	17.7	26.3	25.6
(% of nominal GDP)	3.6	4.7	4.4	3.3	4.8	4.5
Real GDP components (Chained [2015]; y/y %; figures in parentheses: contribution, % pt)						
Private final consumption	-6.6 (-3.6)	3.1 (1.6)	3.4 (1.8)	-5.9 (-3.2)	0.4 (0.2)	3.8 (2.0)
Private housing investment	-7.3 (-0.3)	0.0 (0.0)	2.4 (0.1)	-7.1 (-0.3)	-1.7 (-0.1)	2.3 (0.1)
Private fixed investment	-6.7 (-1.1)	4.0 (0.6)	3.9 (0.6)	-5.8 (-1.0)	1.1 (0.2)	4.1 (0.7)
Government final consumption	3.4 (0.7)	1.2 (0.3)	-0.0 (-0.0)	2.7 (0.5)	2.1 (0.4)	0.1 (0.0)
Public fixed investment	4.5 (0.2)	1.2 (0.1)	0.5 (0.0)	3.5 (0.2)	2.4 (0.1)	0.5 (0.0)
Exports of goods and services	-11.0 (-2.0)	13.2 (2.3)	5.0 (1.0)	-12.3 (-2.1)	11.3 (1.7)	5.8 (1.0)
Imports of goods and services	-6.7 (1.2)	4.4 (-0.8)	6.6 (-1.2)	-6.8 (1.2)	1.6 (-0.2)	6.9 (-1.1)
Major assumptions:						
1. World economy						
Economic growth of major trading partners	-1.5	6.0	3.9	-2.8	5.6	4.3
Crude oil price (WTI futures; \$/bbl)	42.0	59.5	59.5	39.3	58.7	59.5
2. US economy						
US real GDP (chained [2012]; y/y %)	-3.6	7.2	3.3	-3.5	5.8	4.1
US Consumer Price Index (y/y %)	1.1	2.1	1.9	1.2	2.1	1.8
3. Japanese economy						
Nominal public fixed investment (y/y %)	4.7	1.9	1.1	4.3	2.9	1.1
Exchange rate (Y/\$)	105.7	105.0	105.0	106.8	104.9	105.0
(Y/€)	123.6	127.0	127.0	122.0	126.9	127.0

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 208)		Previous outlook (Outlook 207 Update)		Difference between previous and current outlooks	
	FY20	FY21	FY20	FY21	FY20	FY21
Main economic indicators						
Nominal GDP (y/y %)	-4.3	4.1	-4.5	3.6	0.2	0.5
Real GDP (chained [2015]; y/y %)	-5.0	3.8	-5.3	3.4	0.4	0.4
Domestic demand (contribution, % pt)	-4.2	2.4	-4.2	2.5	-0.1	-0.1
Foreign demand (contribution, % pt)	-0.8	1.5	-1.3	1.0	0.5	0.5
GDP deflator (y/y %)	0.7	0.2	0.9	0.1	-0.2	0.1
Index of Industrial Production (y/y %)	-9.7	13.8	-10.0	7.0	0.4	6.8
Index of Tertiary Industry Activity (y/y %)	-7.8	4.2	-6.8	4.0	-1.0	0.2
Corporate Goods Price Index (y/y %)	-1.0	2.9	-1.5	0.7	0.5	2.3
Consumer Price Index (excl. fresh food; y/y %)	-0.5	0.4	-0.6	-0.1	0.1	0.5
Unemployment rate (%)	2.9	2.9	3.0	3.0	-0.1	-0.0
Government bond yield (10 year; %)	0.02	0.03	0.01	0.02	0.01	0.01
Balance of payments						
Trade balance (Y tril)	4.6	10.0	2.0	5.4	2.7	4.6
Current balance (\$100 mil)	1,825	2,501	1,451	1,802	374	699
Current balance (Y tril)	19.2	26.2	15.3	18.7	3.9	7.5
(% of nominal GDP)	3.6	4.7	2.9	3.4	0.7	1.3
Real GDP components (chained [2015]; y/y %)						
Private final consumption	-6.6	3.1	-6.1	3.3	-0.5	-0.3
Private housing investment	-7.3	0.0	-6.9	0.2	-0.5	-0.2
Private fixed investment	-6.7	4.0	-8.0	2.5	1.3	1.5
Government final consumption	3.4	1.2	2.7	1.4	0.7	-0.2
Public fixed investment	4.5	1.2	3.4	0.8	1.1	0.3
Exports of goods and services	-11.0	13.2	-12.9	9.9	2.0	3.3
Imports of goods and services	-6.7	4.4	-6.2	4.0	-0.5	0.4
Major assumptions:						
1. World economy						
Economic growth of major trading partners	-1.5	6.0	-2.0	5.4	0.5	0.7
Crude oil price (WTI futures; \$/bbl)	42.0	59.5	39.1	45.5	2.8	14.0
2. US economy						
US real GDP (chained [2012]; y/y %)	-3.6	7.2	-3.8	4.5	0.2	2.7
US Consumer Price Index (y/y %)	1.1	2.1	0.9	1.9	0.2	0.2
3. Japanese economy						
Nominal public fixed investment (y/y %)	4.7	1.9	3.7	1.0	0.9	0.9
Exchange rate (Y/\$)	105.7	105.0	105.6	104.0	0.1	1.0
(Y/€)	123.6	127.0	123.4	126.0	0.2	1.0

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

	2019			2020			2021			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3 (E)	2019	2020 (E)	2019	2020	
Nominal GDP (SAAR; Y tril)	562.4	564.2	557.5	554.7	510.6	538.6	552.1	540.2	559.7	535.7	561.3	539.3	
Q/q %	0.2	0.3	-1.2	-0.5	-8.0	5.5	2.5	-2.2					
Q/q %, SAAR	1.0	1.3	-4.6	-2.0	-28.2	23.7	10.5	-8.4					
Y/y %	1.0	1.9	0.4	-1.1	-9.0	-4.7	-1.0	-2.6	0.5	-4.3	0.9	-3.9	
Real GDP (chained [2015]; SAAR; Y tril)	558.1	559.1	548.8	545.7	500.4	526.7	542.7	531.5	552.9	525.5	555.8	529.2	
Q/q %	0.1	0.2	-1.8	-0.6	-8.3	5.3	3.0	-2.1					
Q/q %, SAAR	0.3	0.7	-7.1	-2.2	-29.3	22.7	12.7	-8.0					
Y/y %	0.6	1.3	-1.1	-2.0	-10.3	-5.8	-1.2	-2.6	-0.3	-5.0	0.3	-4.8	
Contribution to GDP growth (% pt)													
Domestic demand	0.4	0.4	-2.5	-0.2	-5.2	2.6	2.0	-2.4	-0.1	-4.2	0.5	-3.8	
Foreign demand	-0.3	-0.3	0.6	-0.4	-3.1	2.6	1.0	0.3	-0.2	-0.8	-0.2	-1.0	
GDP deflator (y/y %)	0.4	0.5	1.5	0.9	1.4	1.2	0.2	0.0	0.8	0.7	0.6	0.9	
Index of Industrial Production (2015=100)	102.8	101.7	98.0	98.4	81.8	88.9	94.6	96.8	99.9	90.3	101.1	90.9	
Q/q %; y/y %	0.0	-1.1	-3.7	0.4	-16.9	8.8	6.3	2.4	-3.7	-9.7	-3.0	-10.0	
Index of Tertiary Industry Activity (2015=100)	103.6	104.4	101.2	100.1	90.0	95.6	98.3	93.5	102.3	94.4	103.1	96.0	
Q/q %; y/y %	0.0	0.8	-3.1	-1.1	-10.1	6.1	2.8	-4.8	-0.6	-7.8	0.3	-6.8	
Corporate Goods Price Index components (2015=100)													
Domestic Company Goods Price Index	101.6	101.0	102.1	101.7	99.3	100.2	100.0	102.8	101.6	100.6	101.5	100.3	
Y/y %	0.6	-0.9	0.2	0.6	-2.3	-0.8	-2.1	1.0	0.1	-1.0	0.2	-1.1	
CPI (excl. fresh food; 2015=100)	101.7	101.6	102.1	101.9	101.6	101.4	101.2	101.2	101.9	101.4	101.7	101.5	
Y/y %	0.8	0.5	0.6	0.6	-0.1	-0.2	-0.9	-0.7	0.6	-0.5	0.7	-0.2	
Unemployment rate (%)	2.4	2.3	2.3	2.4	2.8	3.0	3.0	3.1	2.4	2.9	2.4	2.8	
Government bond yield (10 year; %)	-0.10	-0.22	-0.09	-0.07	-0.01	0.02	0.03	0.03	-0.12	0.02	-0.11	-0.01	
Trade balance (SAAR; Y tril)	-1.2	0.3	1.6	2.5	-6.6	5.4	10.5	9.2	0.7	4.6	0.4	3.0	
Current balance (SAAR; \$100 mil)	1,810	1,794	1,994	1,820	733	1,515	2,527	2,525	1,853	1,825	1,883	1,657	
Current balance (SAAR; Y tril)	19.9	19.3	21.7	19.8	7.9	16.1	26.4	26.4	20.1	19.2	20.5	17.7	
(% of nominal GDP)	3.5	3.4	3.9	3.6	1.5	3.0	4.8	4.9	3.6	3.6	3.6	3.3	
Exchange rate (Y/\$)	109.8	107.3	108.7	108.9	107.6	106.1	104.5	104.6	108.7	105.7	109.0	106.8	
(Y/Euro)	122.9	118.9	121.5	120.1	118.7	124.6	124.5	126.7	120.9	123.6	122.2	122.0	

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.

1.2 Selected Economic Indicators

	2021			2022			2023		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)	2021 (E)	2022 (E)	2021 (E)	2022 (E)
Nominal GDP (SAAR; Y tril)	551.3	555.5	559.3	563.3	567.3	571.9	576.2	580.4	557.5	574.1	551.7	569.9
Q/q %	2.1	0.8	0.7	0.7	0.7	0.8	0.7	0.7				
Q/q %, SAAR	8.5	3.1	2.7	2.9	2.9	3.3	3.0	3.0				
Y/y %	7.9	3.2	1.3	4.3	3.0	2.9	3.0	3.0	4.1	3.0	2.3	3.3
Real GDP (chained [2015]; SAAR; Y tril)	541.0	544.1	547.1	550.3	553.3	556.8	559.8	562.7	545.7	558.2	540.9	555.1
Q/q %	1.8	0.6	0.5	0.6	0.6	0.6	0.5	0.5				
Q/q %, SAAR	7.3	2.3	2.2	2.3	2.3	2.5	2.2	2.1				
Y/y %	8.1	3.3	0.8	3.6	2.3	2.3	2.3	2.3	3.8	2.3	2.2	2.6
Contribution to GDP growth (% pt)												
Domestic demand	1.8	0.5	0.5	0.6	0.6	0.7	0.6	0.6	2.4	2.5	0.7	2.7
Foreign demand	0.0	0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	1.5	-0.2	1.5	-0.1
GDP deflator (y/y %)	-0.2	-0.1	0.4	0.7	0.6	0.6	0.7	0.8	0.2	0.7	0.1	0.6
Index of Industrial Production (2015=100)	99.7	102.1	104.2	106.0	107.7	109.2	110.6	111.9	102.7	109.5	100.7	108.4
Q/q %; y/y %	3.0	2.4	2.0	1.8	1.5	1.5	1.2	1.2	13.8	6.7	10.8	7.6
Index of Tertiary Industry Activity (2015=100)	96.9	97.8	98.7	99.9	101.1	102.3	103.5	104.6	98.3	102.9	96.8	101.7
Q/q %; y/y %	3.6	0.9	1.0	1.1	1.2	1.2	1.1	1.1	4.2	4.7	0.8	5.1
Corporate Goods Price Index components (2015=100)												
Domestic Company Goods Price Index	103.3	103.4	103.6	103.7	103.9	104.1	104.3	104.6	103.5	104.3	103.3	104.0
Y/y %	4.0	3.2	3.6	0.9	0.6	0.7	0.7	0.8	2.9	0.7	3.0	0.7
CPI (excl. fresh food; 2015=100)	101.3	101.9	102.2	101.8	102.2	102.5	102.9	102.7	101.8	102.6	101.6	102.4
Y/y %	-0.3	0.5	1.0	0.6	0.9	0.6	0.7	0.9	0.4	0.8	0.1	0.7
Unemployment rate (%)	3.1	3.0	2.9	2.8	2.8	2.7	2.7	2.6	2.9	2.7	3.0	2.8
Government bond yield (10 year; %)	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Trade balance (SAAR; Y tril)	9.4	10.3	10.3	9.9	9.9	9.6	9.3	9.0	10.0	9.4	9.8	9.7
Current balance (SAAR; \$100 mil)	2,479	2,497	2,527	2,502	2,465	2,420	2,385	2,344	2,501	2,403	2,507	2,443
Current balance (SAAR; Y tril)	26.0	26.2	26.5	26.3	25.9	25.4	25.0	24.6	26.2	25.2	26.3	25.6
(% of nominal GDP)	4.7	4.7	4.7	4.7	4.6	4.4	4.3	4.2	4.7	4.4	4.8	4.5
Exchange rate (Y/\$)	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	104.9	105.0
(Y/Euro)	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	126.9	127.0

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)

	2019			2020			2021			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3 (E)	2019	2020 (E)	2019	2020	
Gross domestic expenditure	558.1	559.1	548.8	545.7	500.4	526.7	542.7	531.5	552.9	525.5	555.8	529.2	
Q/q %, SAAR	0.3	0.7	-7.1	-2.2	-29.3	22.7	12.7	-8.0					
Y/y %	0.6	1.3	-1.1	-2.0	-10.3	-5.8	-1.2	-2.6	-0.3	-5.0	0.3	-4.8	
Domestic demand	557.0	559.5	545.8	544.9	516.5	529.5	539.9	527.1	551.7	528.4	554.1	532.9	
Q/q %, SAAR	1.6	1.8	-9.5	-0.6	-19.3	10.5	8.1	-9.2					
Y/y %	1.1	1.9	-1.6	-1.7	-7.1	-5.4	-1.2	-3.3	-0.1	-4.2	0.5	-3.8	
Private demand	419.3	420.6	406.1	405.5	376.2	385.9	393.8	382.0	412.8	384.5	415.8	390.6	
Q/q %, SAAR	1.6	1.2	-13.1	-0.6	-25.9	10.7	8.4	-11.4					
Y/y %	1.0	1.8	-2.9	-2.8	-10.0	-8.3	-3.2	-6.0	-0.8	-6.9	0.0	-6.1	
Final consumption	303.8	305.4	295.9	294.0	269.4	283.1	289.3	277.9	299.8	280.0	301.8	284.1	
Q/q %, SAAR	1.6	2.1	-11.9	-2.5	-29.5	22.0	8.9	-14.8					
Y/y %	0.4	0.9	-2.4	-2.7	-11.1	-7.3	-2.4	-5.5	-1.0	-6.6	-0.3	-5.9	
Residential investment	20.8	20.8	20.4	19.6	19.7	18.6	18.6	18.7	20.4	18.9	20.6	19.1	
Q/q %, SAAR	6.5	0.2	-7.3	-14.0	2.0	-21.0	0.2	1.6					
Y/y %	5.9	6.1	2.4	-4.0	-5.0	-10.5	-8.7	-4.8	2.5	-7.3	3.9	-7.1	
Non-residential investment	91.7	92.6	88.4	89.6	84.4	82.4	86.1	85.1	90.5	84.5	91.1	85.8	
Q/q %, SAAR	0.7	3.6	-16.8	5.7	-21.5	-9.2	19.4	-4.8					
Y/y %	-0.3	4.9	-4.5	-2.0	-8.1	-10.8	-2.8	-5.2	-0.6	-6.7	0.1	-5.8	
Change in inventories	3.0	1.8	1.4	2.2	2.7	1.8	-0.2	0.4	2.1	1.1	2.3	1.6	
Public demand	137.7	138.9	139.7	139.4	140.2	143.6	146.2	145.1	138.9	143.9	138.4	142.4	
Q/q %, SAAR	1.7	3.6	2.2	-0.7	2.4	10.0	7.4	-3.0					
Y/y %	1.4	2.3	2.6	1.5	1.9	3.4	4.7	4.2	1.9	3.6	1.7	2.9	
Government final consumption	110.1	110.9	111.4	111.1	111.4	114.5	116.7	115.6	110.9	114.6	110.5	113.4	
Q/q %, SAAR	2.3	3.2	1.8	-1.0	0.9	11.7	8.1	-3.9					
Y/y %	1.9	2.6	2.2	1.4	1.4	3.3	4.8	4.1	2.0	3.4	1.9	2.7	
Fixed investment	27.6	28.0	28.2	28.2	28.9	29.1	29.5	29.6	28.0	29.3	27.9	28.9	
Q/q %, SAAR	-1.9	6.1	2.5	0.3	9.2	3.6	5.5	0.6					
Y/y %	-1.3	1.3	4.2	1.4	4.7	3.8	4.7	4.8	1.5	4.5	1.3	3.5	
Change in inventories	-0.0	-0.1	0.0	0.0	-0.0	-0.0	-0.1	-0.1	-0.0	-0.0	-0.1	-0.0	
Net exports of goods and services	1.2	-0.3	3.2	0.8	-17.3	-3.2	2.9	4.5	1.2	-3.2	1.8	-4.1	
Exports of goods and services	104.1	103.6	103.8	98.3	81.4	87.4	97.1	98.2	102.4	91.2	104.0	91.2	
Q/q %, SAAR	-0.4	-2.2	0.9	-19.7	-52.9	33.2	52.3	4.5					
Y/y %	-2.0	-0.4	-2.0	-6.0	-22.0	-15.4	-6.2	0.1	-2.6	-11.0	-1.4	-12.3	
Imports of goods and services	102.9	103.9	100.6	97.4	98.7	90.6	94.3	93.7	101.1	94.4	102.2	95.3	
Q/q %, SAAR	6.8	3.6	-12.1	-11.9	5.1	-29.0	17.3	-2.4					
Y/y %	0.7	2.9	-4.5	-4.0	-3.9	-12.9	-6.2	-3.7	-1.3	-6.7	-0.4	-6.8	

Source: Compiled by DIR.

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

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

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

2.2 Real Gross Domestic Expenditure (chained [2015]; Y tril)

	2021			2022			2023			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)	2021 (E)	2022 (E)	2021 (E)	2022 (E)	
Gross domestic expenditure	541.0	544.1	547.1	550.3	553.3	556.8	559.8	562.7	545.7	558.2	540.9	555.1	
Q/q %, SAAR	7.3	2.3	2.2	2.3	2.3	2.5	2.2	2.1					
Y/y %	8.1	3.3	0.8	3.6	2.3	2.3	2.3	2.3	3.8	2.3	2.2	2.6	
Domestic demand	536.6	539.3	542.2	545.7	549.2	553.2	556.7	560.1	541.0	554.9	536.3	551.2	
Q/q %, SAAR	7.4	2.1	2.2	2.6	2.6	2.9	2.6	2.5					
Y/y %	3.8	1.8	0.5	3.6	2.3	2.6	2.6	2.7	2.4	2.6	0.6	2.8	
Private demand	391.3	393.8	396.6	399.9	403.8	407.6	411.0	414.3	395.5	409.2	390.9	405.6	
Q/q %, SAAR	10.1	2.6	2.8	3.4	3.9	3.9	3.4	3.2					
Y/y %	3.9	2.1	0.8	4.8	3.2	3.5	3.6	3.7	2.9	3.5	0.1	3.8	
Final consumption	285.7	287.3	289.3	291.7	294.5	297.2	299.7	302.1	288.5	298.4	285.1	295.8	
Q/q %, SAAR	11.7	2.3	2.7	3.4	3.8	3.8	3.4	3.3					
Y/y %	5.9	1.5	0.1	5.0	3.1	3.4	3.5	3.5	3.1	3.4	0.4	3.8	
Residential investment	18.8	18.8	18.9	19.1	19.2	19.3	19.4	19.5	18.9	19.4	18.8	19.2	
Q/q %, SAAR	1.7	1.7	2.0	2.4	2.6	2.6	2.4	2.0					
Y/y %	-4.9	1.3	1.7	1.9	2.2	2.4	2.5	2.4	0.0	2.4	-1.7	2.3	
Non-residential investment	86.6	87.5	88.2	88.9	89.9	90.9	91.7	92.5	87.8	91.3	86.7	90.3	
Q/q %, SAAR	7.4	4.1	3.2	3.6	4.5	4.5	3.6	3.2					
Y/y %	2.7	6.1	2.5	4.6	3.8	4.0	4.0	3.9	4.0	3.9	1.1	4.1	
Change in inventories	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	
Public demand	145.3	145.5	145.7	145.8	145.4	145.6	145.7	145.8	145.6	145.7	145.4	145.6	
Q/q %, SAAR	0.6	0.6	0.4	0.4	-1.0	0.4	0.4	0.4					
Y/y %	3.5	1.3	-0.3	0.5	0.1	0.1	0.0	0.1	1.2	0.1	2.1	0.2	
Government final consumption	115.7	115.9	116.0	116.1	115.7	115.8	116.0	116.1	116.0	115.9	115.8	115.9	
Q/q %, SAAR	0.6	0.6	0.4	0.4	-1.4	0.4	0.4	0.4					
Y/y %	3.8	1.2	-0.6	0.4	0.0	-0.1	-0.1	-0.0	1.2	-0.0	2.1	0.1	
Fixed investment	29.6	29.6	29.7	29.7	29.8	29.8	29.8	29.8	29.7	29.8	29.6	29.8	
Q/q %, SAAR	0.4	0.7	0.6	0.6	0.6	0.2	0.2	0.2					
Y/y %	2.4	1.8	0.5	0.5	0.7	0.5	0.5	0.4	1.2	0.5	2.4	0.5	
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	4.5	4.9	4.9	4.6	4.2	3.7	3.2	2.7	4.7	3.4	4.7	3.9	
Exports of goods and services	100.4	102.8	104.2	105.5	106.7	107.9	109.0	110.0	103.3	108.5	101.4	107.3	
Q/q %, SAAR	9.5	9.6	5.6	5.0	4.9	4.5	4.1	3.6					
Y/y %	23.5	17.5	7.2	7.3	6.2	5.1	4.7	4.3	13.2	5.0	11.3	5.8	
Imports of goods and services	95.9	97.9	99.2	100.8	102.5	104.2	105.8	107.3	98.5	105.0	96.7	103.4	
Q/q %, SAAR	10.0	8.2	5.8	6.6	6.8	6.9	6.1	5.7					
Y/y %	-2.9	8.1	5.2	7.6	6.9	6.5	6.6	6.4	4.4	6.6	1.6	6.9	

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)

	2019			2020			2021			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3 (E)	2019	2020 (E)	2019	2020	
Gross domestic expenditure	562.4	564.2	557.5	554.7	510.6	538.6	552.1	540.2	559.7	535.7	561.3	539.3	
Q/q %, SAAR	1.0	1.3	-4.6	-2.0	-28.2	23.7	10.5	-8.4					
Y/y %	1.0	1.9	0.4	-1.1	-9.0	-4.7	-1.0	-2.6	0.5	-4.3	0.9	-3.9	
Domestic demand	563.7	566.0	556.1	555.1	521.9	537.5	546.0	534.3	560.2	535.0	561.4	540.4	
Q/q %, SAAR	2.6	1.6	-6.8	-0.7	-21.9	12.5	6.5	-8.3					
Y/y %	1.6	2.1	-0.6	-0.9	-7.2	-5.2	-1.8	-3.9	0.5	-4.5	1.0	-3.8	
Private demand	424.3	425.6	413.9	413.3	380.6	392.1	398.8	387.8	419.2	389.8	421.2	396.4	
Q/q %, SAAR	2.4	1.3	-10.6	-0.6	-28.1	12.6	7.1	-10.6					
Y/y %	1.6	2.0	-2.1	-1.9	-10.1	-7.9	-3.8	-6.4	-0.1	-7.0	0.5	-5.9	
Final consumption	307.0	308.9	301.7	299.4	273.9	288.0	293.0	282.4	304.2	284.4	305.6	288.7	
Q/q %, SAAR	2.2	2.4	-9.0	-2.9	-29.9	22.2	7.2	-13.8					
Y/y %	1.0	1.2	-1.5	-1.8	-10.6	-6.8	-3.0	-5.7	-0.3	-6.5	0.2	-5.6	
Residential investment	21.5	21.6	21.6	20.8	20.7	19.6	19.6	19.7	21.4	19.9	21.5	20.1	
Q/q %, SAAR	8.2	1.9	-0.9	-14.0	-2.3	-18.7	-0.9	2.8					
Y/y %	6.7	6.8	4.8	-1.5	-4.0	-9.3	-9.3	-5.2	4.1	-7.1	5.1	-6.2	
Non-residential investment	92.7	93.5	89.4	90.8	84.7	82.9	86.3	85.4	91.6	84.8	92.0	86.4	
Q/q %, SAAR	1.3	3.4	-16.3	6.4	-24.4	-8.0	17.3	-4.0					
Y/y %	0.3	5.1	-4.2	-1.6	-8.7	-11.1	-3.7	-6.0	-0.2	-7.3	0.6	-6.1	
Change in inventories	3.0	1.6	1.2	2.3	1.3	1.5	-0.1	0.2	2.0	0.7	2.2	1.2	
Public demand	139.5	140.4	142.2	141.8	141.3	145.5	147.2	146.5	141.0	145.2	140.2	144.0	
Q/q %, SAAR	3.3	2.8	5.1	-1.1	-1.3	12.2	4.9	-1.8					
Y/y %	1.7	2.4	3.9	2.2	1.4	3.6	3.6	3.5	2.6	3.0	2.3	2.7	
Government final consumption	110.8	111.4	112.6	112.2	111.2	115.0	116.5	115.6	111.7	114.6	111.3	113.8	
Q/q %, SAAR	3.4	2.2	4.3	-1.6	-3.2	14.1	5.2	-2.8					
Y/y %	2.0	2.5	3.3	1.7	0.7	3.1	3.5	3.3	2.4	2.6	2.2	2.2	
Fixed investment	28.6	29.1	29.5	29.6	30.1	30.5	30.8	30.9	29.3	30.6	29.0	30.2	
Q/q %, SAAR	0.9	6.1	6.5	0.9	6.8	5.0	4.3	1.8					
Y/y %	-0.3	2.3	6.1	3.3	5.1	4.8	4.3	4.6	3.1	4.7	2.8	4.3	
Change in inventories	-0.0	-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	-1.4	-1.8	1.5	-0.4	-11.3	1.0	6.1	6.0	-0.5	0.5	-0.2	-1.1	
Exports of goods and services	98.1	96.6	96.4	91.1	72.9	80.4	88.9	92.1	95.5	83.7	97.5	83.4	
Q/q %, SAAR	-3.2	-5.7	-1.0	-20.2	-58.9	47.6	49.9	14.9					
Y/y %	-3.8	-5.0	-6.2	-8.1	-25.7	-16.5	-7.8	1.2	-5.8	-12.3	-4.4	-14.4	
Imports of goods and services	99.4	98.4	94.9	91.4	84.2	79.3	82.8	86.1	96.0	83.2	97.6	84.5	
Q/q %, SAAR	6.1	-3.9	-13.6	-13.8	-28.1	-21.2	18.7	17.0					
Y/y %	-0.5	-3.6	-11.0	-6.8	-14.8	-19.5	-12.9	-5.7	-5.6	-13.3	-4.1	-13.5	

Source: Compiled by DIR.

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

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

3.2 Nominal Gross Domestic Expenditure (¥ tril)

	2021			2022			2023			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)	2021 (E)	2022 (E)	2021 (E)	2022 (E)	
Gross domestic expenditure	551.3	555.5	559.3	563.3	567.3	571.9	576.2	580.4	557.5	574.1	551.7	569.9	
Q/q %, SAAR	8.5	3.1	2.7	2.9	2.9	3.3	3.0	3.0					
Y/y %	7.9	3.2	1.3	4.3	3.0	2.9	3.0	3.0	4.1	3.0	2.3	3.3	
Domestic demand	545.5	549.3	552.9	557.2	561.6	566.7	571.3	576.0	551.3	569.0	545.5	564.2	
Q/q %, SAAR	8.6	2.8	2.7	3.1	3.2	3.7	3.3	3.3					
Y/y %	4.4	2.2	1.3	4.4	2.9	3.2	3.2	3.5	3.0	3.2	0.9	3.4	
Private demand	398.3	401.6	404.9	408.9	413.5	418.2	422.5	426.9	403.5	420.3	398.1	415.8	
Q/q %, SAAR	11.3	3.3	3.4	4.0	4.6	4.6	4.2	4.2					
Y/y %	4.6	2.4	1.6	5.6	3.8	4.1	4.3	4.5	3.5	4.2	0.4	4.4	
Final consumption	291.2	293.4	295.9	298.8	302.2	305.6	308.8	312.0	294.8	307.1	290.7	303.9	
Q/q %, SAAR	13.0	3.2	3.4	4.1	4.6	4.6	4.2	4.3					
Y/y %	6.2	1.9	1.0	5.9	3.8	4.1	4.3	4.4	3.7	4.2	0.7	4.5	
Residential investment	19.8	19.9	20.1	20.2	20.3	20.5	20.7	20.8	20.0	20.6	19.9	20.4	
Q/q %, SAAR	2.5	2.1	2.4	2.8	3.0	3.2	3.0	2.8					
Y/y %	-4.0	1.6	2.4	2.5	2.6	2.9	3.0	3.0	0.6	2.9	-1.3	2.8	
Non-residential investment	87.2	88.1	88.9	89.8	90.9	92.0	93.0	93.9	88.6	92.5	87.3	91.4	
Q/q %, SAAR	8.3	4.5	3.7	4.1	4.9	5.1	4.3	4.1					
Y/y %	2.9	6.1	3.1	5.1	4.2	4.5	4.5	4.6	4.4	4.5	1.1	4.6	
Change in inventories	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Public demand	147.2	147.7	148.0	148.3	148.1	148.5	148.8	149.2	147.8	148.7	147.4	148.5	
Q/q %, SAAR	1.8	1.4	0.9	0.8	-0.6	1.0	1.0	0.9					
Y/y %	4.0	1.5	0.5	1.1	0.7	0.5	0.6	0.6	1.8	0.6	2.4	0.7	
Government final consumption	116.2	116.6	116.8	117.0	116.7	117.0	117.3	117.6	116.7	117.2	116.4	117.1	
Q/q %, SAAR	1.8	1.4	0.8	0.8	-1.0	1.0	1.0	0.9					
Y/y %	4.3	1.4	0.3	1.1	0.6	0.4	0.5	0.5	1.8	0.5	2.3	0.6	
Fixed investment	31.0	31.2	31.2	31.3	31.4	31.5	31.6	31.6	31.2	31.5	31.1	31.5	
Q/q %, SAAR	1.6	1.6	1.0	1.0	1.0	1.0	1.0	1.0					
Y/y %	3.1	2.3	1.4	1.2	1.2	1.0	1.1	1.1	1.9	1.1	2.9	1.1	
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	5.8	6.3	6.3	6.1	5.7	5.2	4.8	4.4	6.1	5.0	6.1	5.4	
Exports of goods and services	94.5	96.8	98.2	99.5	100.8	102.0	103.1	104.2	97.2	102.5	95.4	101.4	
Q/q %, SAAR	10.8	10.0	6.1	5.4	5.3	4.9	4.5	4.1					
Y/y %	29.6	20.2	10.5	8.0	6.7	5.5	5.0	4.7	16.2	5.5	14.4	6.3	
Imports of goods and services	88.6	90.5	91.9	93.4	95.1	96.8	98.3	99.8	91.1	97.5	89.3	95.9	
Q/q %, SAAR	12.2	8.7	6.2	7.0	7.2	7.3	6.6	6.1					
Y/y %	4.9	14.1	11.1	8.4	7.4	6.9	7.0	6.8	9.6	7.0	5.7	7.4	

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)

	2019			2020			2021			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3 (E)	2019	2020 (E)	2019	2020	
Gross domestic expenditure	100.8	100.9	101.6	101.7	102.0	102.3	101.7	101.6	101.2	101.9	101.0	101.9	
Q/q %, SAAR	0.2	0.2	0.7	0.1	0.4	0.2	-0.5	-0.1					
Y/y %	0.4	0.5	1.5	0.9	1.4	1.2	0.2	0.0	0.8	0.7	0.6	0.9	
Private final consumption	101.0	101.1	102.0	101.8	101.7	101.7	101.3	101.6	101.5	101.6	101.3	101.6	
Q/q %, SAAR	0.2	0.1	0.8	-0.1	-0.1	0.0	-0.4	0.3					
Y/y %	0.6	0.3	0.9	0.9	0.6	0.6	-0.6	-0.2	0.7	0.1	0.5	0.4	
Private residential investment	103.6	104.1	105.8	105.8	104.7	105.4	105.1	105.4	104.8	105.2	104.2	105.3	
Q/q %, SAAR	0.4	0.4	1.7	0.0	-1.1	0.7	-0.3	0.3					
Y/y %	0.7	0.6	2.4	2.5	1.0	1.3	-0.7	-0.4	1.6	0.3	1.2	1.0	
Private non-residential investment	101.1	101.0	101.2	101.3	100.4	100.7	100.3	100.5	101.1	100.5	101.0	100.7	
Q/q %, SAAR	0.2	-0.1	0.2	0.2	-0.9	0.3	-0.5	0.2					
Y/y %	0.6	0.2	0.3	0.4	-0.7	-0.3	-0.9	-0.9	0.4	-0.7	0.5	-0.3	
Government final consumption	100.7	100.5	101.1	100.9	99.9	100.4	99.8	100.1	100.8	100.0	100.7	100.3	
Q/q %, SAAR	0.3	-0.2	0.6	-0.1	-1.0	0.6	-0.7	0.3					
Y/y %	0.1	-0.0	1.1	0.4	-0.7	-0.1	-1.2	-0.8	0.4	-0.7	0.3	-0.4	
Public fixed investment	103.7	103.7	104.6	104.8	104.2	104.6	104.3	104.6	104.3	104.5	103.8	104.5	
Q/q %, SAAR	0.7	-0.0	1.0	0.2	-0.5	0.3	-0.3	0.3					
Y/y %	1.0	1.0	1.8	1.9	0.4	0.9	-0.3	-0.2	1.5	0.1	1.4	0.7	
Exports of goods and services	94.2	93.3	92.9	92.7	89.6	91.9	91.6	93.8	93.2	91.8	93.7	91.5	
Q/q %, SAAR	-0.7	-0.9	-0.5	-0.2	-3.3	2.6	-0.4	2.4					
Y/y %	-1.8	-4.6	-4.3	-2.2	-4.7	-1.3	-1.7	1.1	-3.2	-1.6	-3.0	-2.4	
Imports of goods and services	96.6	94.8	94.4	93.9	85.3	87.6	87.8	91.9	94.9	88.1	95.6	88.7	
Q/q %, SAAR	-0.1	-1.9	-0.4	-0.6	-9.1	2.6	0.3	4.6					
Y/y %	-1.1	-6.3	-6.9	-2.9	-11.3	-7.6	-7.2	-2.1	-4.4	-7.1	-3.7	-7.2	

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.

4.2 Gross Domestic Expenditure, Implicit Deflators (2015=100)

	2021			2022			2023			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)	2021 (E)	2022 (E)	2021 (E)	2022 (E)	
Gross domestic expenditure	101.9	102.1	102.2	102.4	102.5	102.7	102.9	103.1	102.2	102.8	102.0	102.7	
Q/q %, SAAR	0.3	0.2	0.1	0.1	0.2	0.2	0.2	0.2					
Y/y %	-0.2	-0.1	0.4	0.7	0.6	0.6	0.7	0.8	0.2	0.7	0.1	0.6	
Private final consumption	101.9	102.1	102.3	102.4	102.6	102.8	103.0	103.3	102.2	102.9	102.0	102.7	
Q/q %, SAAR	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2					
Y/y %	0.2	0.4	0.9	0.8	0.7	0.7	0.7	0.8	0.6	0.7	0.4	0.7	
Private residential investment	105.6	105.8	105.9	106.0	106.1	106.2	106.4	106.6	105.8	106.3	105.7	106.2	
Q/q %, SAAR	0.2	0.1	0.1	0.1	0.1	0.2	0.1	0.2					
Y/y %	0.9	0.3	0.7	0.5	0.4	0.4	0.5	0.6	0.6	0.5	0.4	0.5	
Private non-residential investment	100.7	100.8	100.9	101.0	101.1	101.2	101.4	101.6	100.8	101.3	100.7	101.2	
Q/q %, SAAR	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.2					
Y/y %	0.3	0.1	0.6	0.5	0.4	0.4	0.5	0.6	0.4	0.5	-0.0	0.5	
Government final consumption	100.4	100.6	100.7	100.8	100.9	101.0	101.2	101.3	100.6	101.1	100.4	101.0	
Q/q %, SAAR	0.3	0.2	0.1	0.1	0.1	0.2	0.1	0.1					
Y/y %	0.4	0.2	0.9	0.7	0.5	0.4	0.5	0.5	0.6	0.5	0.2	0.5	
Public fixed investment	104.9	105.1	105.2	105.3	105.4	105.7	105.9	106.1	105.2	105.8	105.0	105.6	
Q/q %, SAAR	0.3	0.2	0.1	0.1	0.1	0.2	0.2	0.2					
Y/y %	0.7	0.5	0.9	0.7	0.5	0.5	0.6	0.7	0.7	0.6	0.5	0.6	
Exports of goods and services	94.1	94.2	94.3	94.3	94.4	94.5	94.6	94.7	94.2	94.5	94.0	94.4	
Q/q %, SAAR	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1					
Y/y %	4.9	2.3	3.1	0.6	0.4	0.4	0.3	0.4	2.6	0.4	2.8	0.4	
Imports of goods and services	92.4	92.5	92.6	92.7	92.8	92.8	92.9	93.0	92.5	92.9	92.3	92.8	
Q/q %, SAAR	0.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1					
Y/y %	8.1	5.6	5.5	0.8	0.5	0.4	0.3	0.4	4.9	0.4	4.1	0.5	

Source: Compiled by DIR.

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

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

E: DIR estimate.

5.1 Contribution to Real GDP Growth by Component

	2019			2020			2021			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3 (E)	2019	2020 (E)	2019	2020	
1) Q/q %													
GDP growth rate	0.1	0.2	-1.8	-0.6	-8.3	5.3	3.0	-2.1	-0.3	-5.0	0.3	-4.8	
Domestic demand	0.4	0.4	-2.5	-0.2	-5.2	2.6	2.0	-2.4	-0.1	-4.2	0.5	-3.8	
Private demand	0.3	0.2	-2.6	-0.1	-5.4	1.9	1.5	-2.2	-0.6	-5.1	0.0	-4.6	
Private consumption	0.2	0.3	-1.7	-0.3	-4.5	2.8	1.2	-2.1	-0.5	-3.6	-0.2	-3.2	
Residential investment	0.1	0.0	-0.1	-0.1	0.0	-0.2	0.0	0.0	0.1	-0.3	0.1	-0.3	
Private fixed investment	0.0	0.1	-0.7	0.2	-1.0	-0.4	0.7	-0.2	-0.1	-1.1	0.0	-1.0	
Change in private inventories	-0.0	-0.2	-0.1	0.1	0.1	-0.2	-0.4	0.1	-0.1	-0.2	0.0	-0.1	
Public demand	0.1	0.2	0.1	-0.0	0.2	0.7	0.5	-0.2	0.5	0.9	0.4	0.7	
Government final consumption	0.1	0.2	0.1	-0.1	0.0	0.6	0.4	-0.2	0.4	0.7	0.4	0.5	
Public fixed investment	-0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.0	0.1	0.2	0.1	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	-0.3	-0.3	0.6	-0.4	-3.1	2.6	1.0	0.3	-0.2	-0.8	-0.2	-1.0	
Exports of goods and services	-0.0	-0.1	0.0	-0.9	-2.9	1.1	1.7	0.2	-0.5	-2.0	-0.3	-2.1	
Imports of goods and services	-0.3	-0.2	0.6	0.5	-0.2	1.5	-0.7	0.1	0.2	1.2	0.1	1.2	
2) Y/y %													
GDP growth rate	0.6	1.3	-1.1	-2.0	-10.3	-5.8	-1.2	-2.6	-0.3	-5.0	0.3	-4.8	
Domestic demand	1.1	1.9	-1.6	-1.7	-7.2	-5.4	-1.2	-3.3	-0.1	-4.2	0.5	-3.8	
Private demand	0.8	1.4	-2.2	-2.1	-7.6	-6.3	-2.4	-4.4	-0.6	-5.1	0.0	-4.6	
Private consumption	0.2	0.5	-1.3	-1.4	-6.1	-4.0	-1.3	-3.0	-0.5	-3.6	-0.2	-3.2	
Residential investment	0.2	0.2	0.1	-0.1	-0.2	-0.4	-0.3	-0.2	0.1	-0.3	0.1	-0.3	
Private fixed investment	-0.0	0.8	-0.7	-0.4	-1.2	-1.8	-0.4	-0.9	-0.1	-1.1	0.0	-1.0	
Change in private inventories	0.4	-0.2	-0.3	-0.1	-0.0	-0.0	-0.3	-0.3	-0.1	-0.2	0.0	-0.1	
Public demand	0.3	0.5	0.7	0.4	0.5	0.8	1.2	1.1	0.5	0.9	0.4	0.7	
Government final consumption	0.4	0.5	0.4	0.3	0.3	0.6	0.9	0.8	0.4	0.7	0.4	0.5	
Public fixed investment	-0.1	0.1	0.2	0.1	0.2	0.2	0.3	0.3	0.1	0.2	0.1	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	-0.5	-0.6	0.5	-0.3	-3.2	-0.4	-0.0	0.7	-0.2	-0.8	-0.2	-1.0	
Exports of goods and services	-0.4	-0.1	-0.4	-1.0	-3.8	-2.6	-1.1	0.0	-0.5	-2.0	-0.3	-2.1	
Imports of goods and services	-0.1	-0.5	0.8	0.7	0.7	2.3	1.1	0.7	0.2	1.2	0.1	1.2	

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

	2021			2022			2023			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)	2021 (E)	2022 (E)	2021 (E)	2022 (E)	
GDP growth rate	1.8	0.6	0.5	0.6	0.6	0.6	0.5	0.5	3.8	2.3	2.2	2.6	
Domestic demand	1.8	0.5	0.5	0.6	0.6	0.7	0.6	0.6	2.4	2.5	0.7	2.7	
Private demand	1.7	0.5	0.5	0.6	0.7	0.7	0.6	0.6	2.1	2.5	0.1	2.7	
Private consumption	1.5	0.3	0.4	0.4	0.5	0.5	0.4	0.4	1.6	1.8	0.2	2.0	
Residential investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	-0.1	0.1	
Private fixed investment	0.3	0.2	0.1	0.1	0.2	0.2	0.1	0.1	0.6	0.6	0.2	0.7	
Change in private inventories	-0.0	-0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.0	-0.3	-0.0	
Public demand	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.3	0.0	0.6	0.0	
Government final consumption	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.3	-0.0	0.4	0.0	
Public fixed investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	
Change in public inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	0.0	
Net exports of goods and services	0.0	0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	1.5	-0.2	1.5	-0.1	
Exports of goods and services	0.4	0.4	0.3	0.2	0.2	0.2	0.2	0.2	2.3	1.0	1.7	1.0	
Imports of goods and services	-0.4	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.8	-1.2	-0.2	-1.1	
2) Y/y %													
GDP growth rate	8.1	3.3	0.8	3.6	2.3	2.3	2.3	2.3	3.8	2.3	2.2	2.6	
Domestic demand	3.9	1.9	0.5	3.6	2.3	2.6	2.6	2.7	2.4	2.5	0.7	2.7	
Private demand	3.0	1.5	0.6	3.4	2.3	2.5	2.6	2.6	2.1	2.5	0.1	2.7	
Private consumption	3.2	0.8	0.0	2.6	1.7	1.8	1.9	1.9	1.6	1.8	0.2	2.0	
Residential investment	-0.2	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	-0.1	0.1	
Private fixed investment	0.4	0.9	0.4	0.8	0.6	0.6	0.6	0.7	0.6	0.6	0.2	0.7	
Change in private inventories	-0.5	-0.3	0.1	-0.0	-0.0	-0.0	-0.0	-0.0	-0.2	-0.0	-0.3	-0.0	
Public demand	1.0	0.3	-0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.0	0.6	0.0	
Government final consumption	0.9	0.3	-0.1	0.1	0.0	-0.0	-0.0	-0.0	0.3	-0.0	0.4	0.0	
Public fixed investment	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	
Change in public inventories	-0.0	-0.0	0.0	0.0	-0.0	0.0	-0.0	-0.0	-0.0	-0.0	0.0	0.0	
Net exports of goods and services	4.4	1.5	0.4	0.0	-0.1	-0.2	-0.3	-0.3	1.5	-0.2	1.5	-0.1	
Exports of goods and services	3.8	2.9	1.3	1.4	1.2	1.0	0.9	0.8	2.3	1.0	1.7	1.0	
Imports of goods and services	0.6	-1.4	-0.9	-1.3	-1.2	-1.2	-1.2	-1.2	-0.8	-1.2	-0.2	-1.1	

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.

E: DIR estimate.

6.1 Major Assumptions

	2019			2020			2021			FY		CY	
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	2019	2020	2019	2020	
	(E)									(E)			
1) World economy													
Economic growth of major trading partners													
Y/y %	2.9	2.9	2.8	-1.9	-6.9	-1.4	-1.0	3.4	1.7	-1.5	2.9	-2.8	
Crude oil price (WTI futures; \$/bbl)	59.9	56.4	56.9	45.8	28.0	40.9	42.7	56.2	54.7	42.0	57.0	39.3	
Y/y %	-11.8	-18.7	-4.2	-16.6	-53.3	-27.5	-24.9	22.8	-13.0	-23.4	-12.1	-31.0	
2) US economy													
Real GDP (chained [2012]; \$ bil; SAAR)	19,021	19,142	19,254	19,011	17,303	18,597	18,780	19,010	19,107	18,422	19,092	18,423	
Q/q %, SAAR	1.5	2.6	2.4	-5.0	-31.4	33.4	4.0	5.0					
Y/y %	2.0	2.1	2.3	0.3	-9.0	-2.8	-2.5	-0.0	1.7	-3.6	2.2	-3.5	
Consumer Price Index (1982-84 avg=100)	255.4	256.2	257.9	258.5	256.5	259.4	261.0	262.6	257.0	259.8	255.7	258.8	
Q/q %, SAAR	3.5	1.3	2.6	1.0	-3.1	4.7	2.4	2.6					
Y/y %	1.8	1.8	2.0	2.1	0.4	1.2	1.2	1.6	1.9	1.1	1.8	1.2	
Producer Price Index (Final demand; 2009.Nov=100)	118.3	118.5	118.7	118.6	117.2	118.4	119.5	121.5	118.5	119.1	118.2	118.4	
Q/q %, SAAR	3.5	0.5	0.7	-0.2	-4.7	4.4	3.5	6.9					
Y/y %	2.0	1.7	1.1	1.1	-1.1	-0.1	0.7	2.4	1.5	0.5	1.7	0.2	
FF rate (%)	2.50	2.00	1.75	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1.75	0.25	
(Target rate for the forecast period, end-period)													
Government bond yield (10 year; %)	2.33	1.80	1.79	1.38	0.69	0.65	0.86	1.18	1.83	0.84	2.14	0.89	
3) Japanese economy													
Nominal government final consumption													
Y tril; SAAR	110.8	111.4	112.6	112.2	111.2	115.0	116.5	115.6	111.7	114.6	111.3	113.8	
Q/q %, SAAR	3.4	2.2	4.3	-1.6	-3.2	14.1	5.2	-2.8					
Y/y %	2.0	2.5	3.3	1.7	0.7	3.1	3.5	3.3	2.4	2.6	2.2	2.2	
Nominal public fixed investment													
Y tril; SAAR	28.6	29.1	29.5	29.6	30.1	30.5	30.8	30.9	29.3	30.6	29.0	30.2	
Q/q %, SAAR	0.9	6.1	6.5	0.9	6.8	5.0	4.3	1.8					
Y/y %	-0.3	2.3	6.1	3.3	5.1	4.8	4.3	4.6	3.1	4.7	2.8	4.3	
Exchange rate (Y/\$)	109.8	107.3	108.7	108.9	107.6	106.1	104.5	104.6	108.7	105.7	109.0	106.8	
(Y/€)	122.9	118.9	121.5	120.1	118.7	124.6	124.5	126.7	120.9	123.6	122.2	122.0	

Source: Compiled by DIR.

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

6.2 Major Assumptions

	2021		2022			2023			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)	2021 (E)	2022 (E)	2021 (E)	2022 (E)
1) World economy												
Economic growth of major trading partners												
Y/y %	9.7	4.5	5.0	5.2	4.6	4.0	3.6	3.4	6.0	3.9	5.6	4.3
Crude oil price (WTI futures; \$/bbl)	59.5	59.5	59.5	59.5	59.5	59.5	59.5	59.5	59.5	59.5	58.7	59.5
Y/y %	112.5	45.4	39.4	5.9	0.0	0.0	0.0	0.0	41.8	0.0	49.1	1.4
2) US economy												
Real GDP (chained [2012]; \$ bil; SAAR)	19,344	19,666	19,915	20,085	20,228	20,347	20,461	20,573	19,753	20,402	19,484	20,280
Q/q %, SAAR	7.2	6.8	5.2	3.5	2.9	2.4	2.3	2.2				
Y/y %	11.8	5.8	6.0	5.7	4.6	3.5	2.7	2.4	7.2	3.3	5.8	4.1
Consumer Price Index (1982-84 avg=100)	263.7	264.7	266.0	267.2	268.5	269.8	271.2	272.4	265.4	270.4	264.2	269.1
Q/q %, SAAR	1.6	1.6	1.9	1.8	2.0	2.0	2.0	1.9				
Y/y %	2.8	2.1	1.9	1.7	1.8	1.9	1.9	2.0	2.1	1.9	2.1	1.8
Producer Price Index (Final demand; 2009.Nov=100)	121.9	122.4	123.0	123.5	124.1	124.6	125.2	125.8	122.7	124.9	122.2	124.3
Q/q %, SAAR	1.5	1.6	1.8	1.7	1.9	1.9	1.9	1.8				
Y/y %	4.1	3.4	2.9	1.7	1.7	1.8	1.8	1.9	3.0	1.8	3.2	1.8
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; %)	1.28	1.33	1.38	1.44	1.48	1.52	1.56	1.58	1.36	1.54	1.29	1.50
3) Japanese economy												
Nominal government final consumption												
Y tril; SAAR	116.2	116.6	116.8	117.0	116.7	117.0	117.3	117.6	116.7	117.2	116.4	117.1
Q/q %, SAAR	1.8	1.4	0.8	0.8	-1.0	1.0	1.0	0.9				
Y/y %	4.3	1.4	0.3	1.1	0.6	0.4	0.5	0.5	1.8	0.5	2.3	0.6
Nominal public fixed investment												
Y tril; SAAR	31.0	31.2	31.2	31.3	31.4	31.5	31.6	31.6	31.2	31.5	31.1	31.5
Q/q %, SAAR	1.6	1.6	1.0	1.0	1.0	1.0	1.0	1.0				
Y/y %	3.1	2.3	1.4	1.2	1.2	1.0	1.1	1.1	1.9	1.1	2.9	1.1
Exchange rate (Y/\$)	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	104.9	105.0
(Y/€)	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	126.9	127.0

Source: Compiled by DIR.

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

E: DIR estimate.