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# June 2022 Consumer Price Index

**Upward pressure led by foods continues, with Core CPI growth rate up in comparison to the previous month**

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## Summary

- Japan's June 2022 core CPI (excluding fresh foods) was at +2.2% y/y, with the growth rate up by 0.1%pt in comparison to the previous month. While upward pressure from energy weakens, foods and meals outside the home continued to strengthen in their upward pressure on the index.
- Looking at contribution by component in June 2022, energy continued to decline, while food related items grew, bringing overall growth in contribution from non-durable goods with the exception of fresh foods. Meanwhile, contribution to the index from durable goods, semi-durable goods and services grew by a small margin.
- Japan's core CPI is expected to continue experiencing upward pressure influenced by rising import prices. Both the price of goods and the price of services centering on components easily influenced by trends in import prices, especially meals outside the home, are very likely to continue to rise. On the other hand, the government's program to mitigate extreme fluctuations in the price of fuel oil are expected to prevent any sharp increases, with core CPI expected to maintain y/y growth of around +2.0%. However, depending on trends in the price of imports, core CPI could experience a further upswing.

Consumer Price Index (Y/y, %)

Chart 1

	2021 Nov	Dec	2022 Jan	Feb	Mar	Apr	May	Jun
Japan's Core CPI	0.5	0.5	0.2	0.6	0.8	2.1	2.1	2.2
Consensus								2.2
DIR Outlook								2.2
Japan's New Core-core CPI	-0.6	-0.7	-1.1	-1.0	-0.7	0.8	0.8	1.0
Tokyo 23 Wards Core CPI	0.3	0.5	0.2	0.5	0.8	1.9	1.9	2.1
New Core-core CPI	-0.4	-0.3	-0.7	-0.6	-0.4	0.8	0.9	1.0

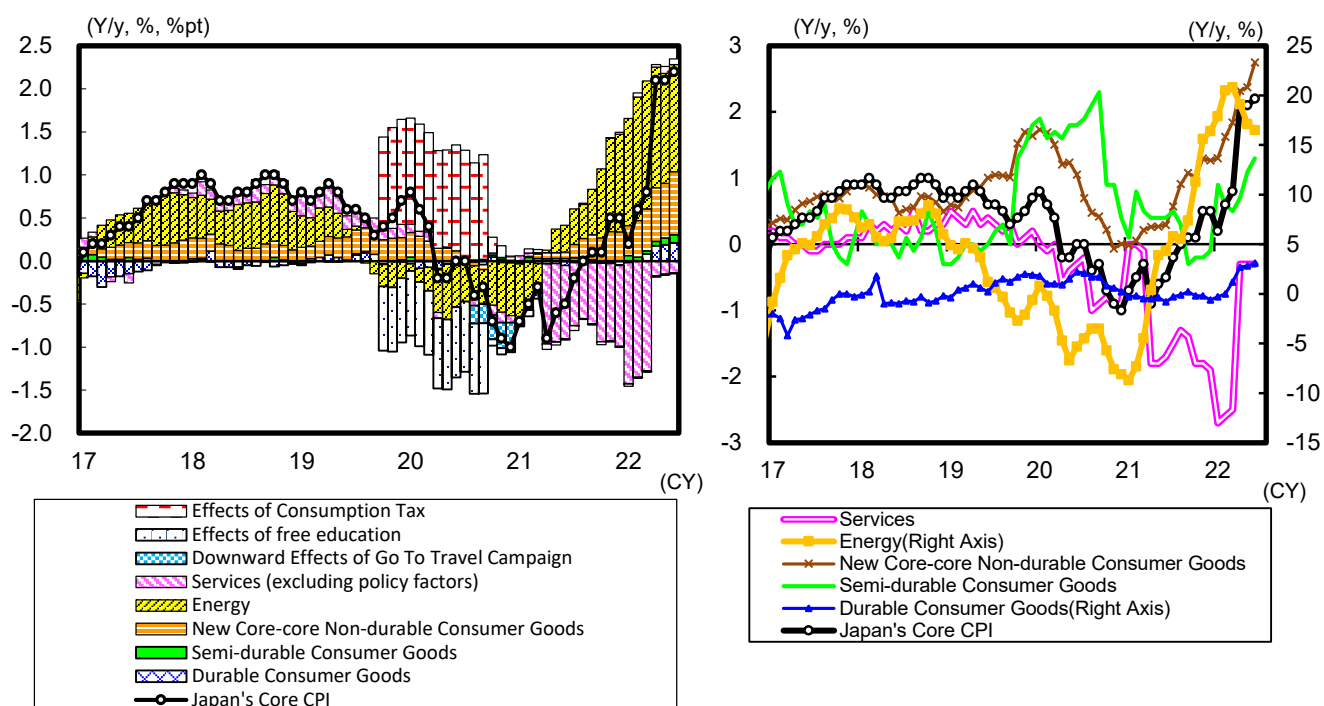
Source: Ministry of Internal Affairs and Communications; compiled by DIR.

Notes: 1) Consensus figures from Bloomberg

2) Core CPI is total excluding fresh foods, and new core-core CPI excludes fresh foods and energy.

Core CPI Y/y Comparison and Contribution Rate;  
Core CPI Components

Chart 2



Source: Ministry of Internal Affairs and Communications; compiled by DIR.

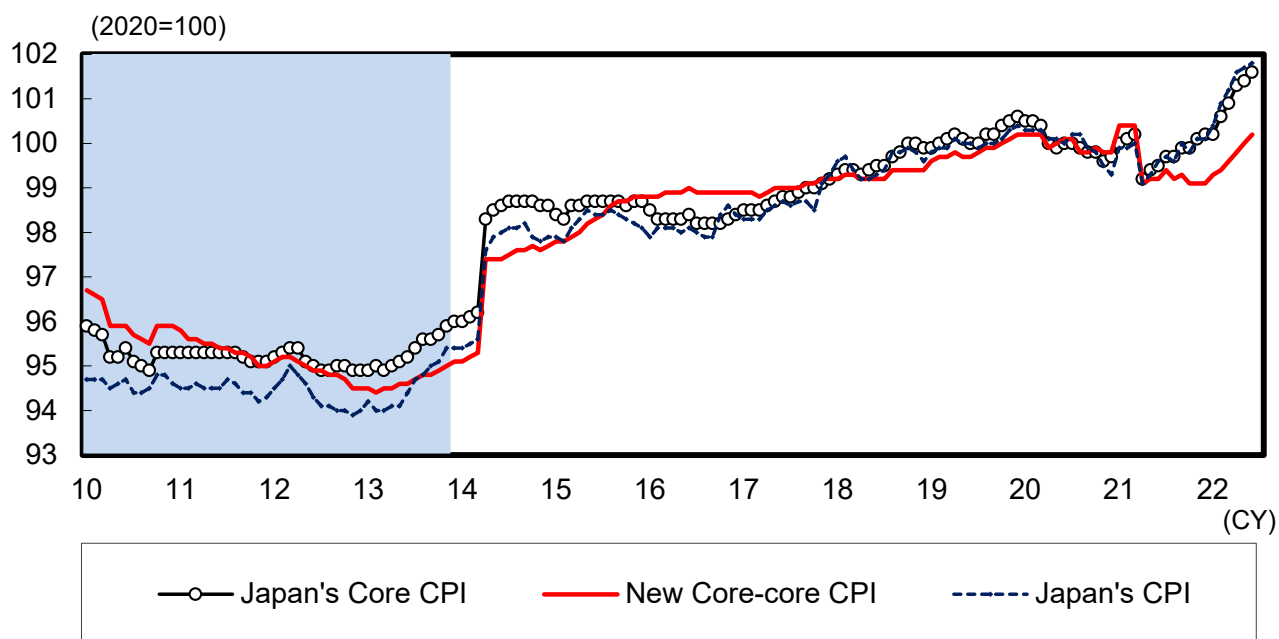
Note: 1) Core CPI is total excluding fresh foods, new core-core non-durable consumer goods is excluding fresh foods and energy.

2) Effects of consumption tax and free preschool and higher education are estimated by DIR.

3) The effects of cuts in mobile phone communication fees are not included in the Policy Factors category.

# Japan's Consumer Price Index (Seasonally Adjusted, Computed by Laspeyres' Chain Index Method)

Chart 3



Source: Ministry of Internal Affairs and Communications, Cabinet Office; compiled by DIR.

Notes: 1) Core CPI is total excluding fresh foods, and new core-core CPI excludes fresh foods and energy.

2) Shaded areas represent deflationary periods according to the government's monthly economic report.