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Apr-Jun 2022 2nd Preliminary GDP Estimate

GDP revised upwards to +3.5% q/q annualized; DIR sees fourth consecutive quarter of positive growth in Jul-Sep period

Economic Research Dept.
Keiji Kanda
Wakaba Kobayashi

Summary

- The real GDP growth rate for Apr-Jun 2022 (2nd preliminary est) was revised upwards to +3.5% q/q annualized (+0.9% q/q), in comparison to the 1st preliminary results which were at +2.2% q/q annualized. Looking at performance by major component, the extent of decline in contribution from change in private inventories was reduced by 0.1%pt in comparison to the 1st preliminary results, while private non-residential investment and other components showed a higher growth rate. While there was growth in private consumption as the spread of COVID-19 began to play itself out, production and supplies were stagnant centering on motor vehicles and household electronics due to lockdowns in China and elsewhere in Asia. Real GDI growth rate was at -0.0%, a sign that household and corporate income has not improved. This is a point requiring attention.
- The 2022 Jul-Sep period real GDP growth rate is expected to be at +3.5% q/q annualized. We expect real GDP to exceed its record high level (Apr-Jun 2018) in the Apr-Jun 2023 period. There were no restrictions on personal behaviors announced by the government despite Japan having been in its seventh wave of COVID-19 infections, and negative influence on summertime personal consumption was avoided. The COVID-19 situation continues to improve, and normalization of the economy is expected to continue through the fall.

Apr-Jun 2022 GDP (2nd Preliminary Estimate)

Chart 1

		2021			2022		
		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	
						First	Second
Real GDP	Q/q %	0.4	-0.4	1.0	0.1	0.5	0.9
	Annualized Q/q %	1.5	-1.8	3.9	0.2	2.2	3.5
Private consumption	Q/q %	0.4	-0.9	2.4	0.3	1.1	1.2
Private residential investment	Q/q %	1.6	-1.8	-1.3	-1.4	-1.9	-1.9
Private non-residential investment	Q/q %	1.0	-2.0	0.2	-0.1	1.4	2.0
Change in private inventories (contribution to real GDP growth)	Q/q % pts	0.1	0.2	-0.1	0.6	-0.4	-0.3
Government consumption	Q/q %	0.9	1.1	-0.3	0.4	0.5	0.7
Public investment	Q/q %	-2.5	-3.3	-3.7	-3.2	0.9	1.0
Exports of goods and services	Q/q %	3.0	0.0	0.6	0.9	0.9	0.9
Imports of goods and services	Q/q %	4.4	-1.1	0.4	3.5	0.7	0.6
Domestic demand (contribution to real GDP growth)	Q/q % pts	0.6	-0.6	0.9	0.6	0.5	0.8
Foreign demand (contribution to real GDP growth)	Q/q % pts	-0.2	0.2	0.0	-0.5	0.0	0.1
Nominal GDP	Q/q %	-0.3	-0.4	0.4	0.4	0.3	0.6
	Annualized Q/q %	-1.1	-1.5	1.8	1.7	1.1	2.5
GDP deflator	Q/q %	-0.6	0.1	-0.5	0.4	-0.3	-0.2
	Y/y %	-1.1	-1.1	-1.3	-0.5	-0.4	-0.3

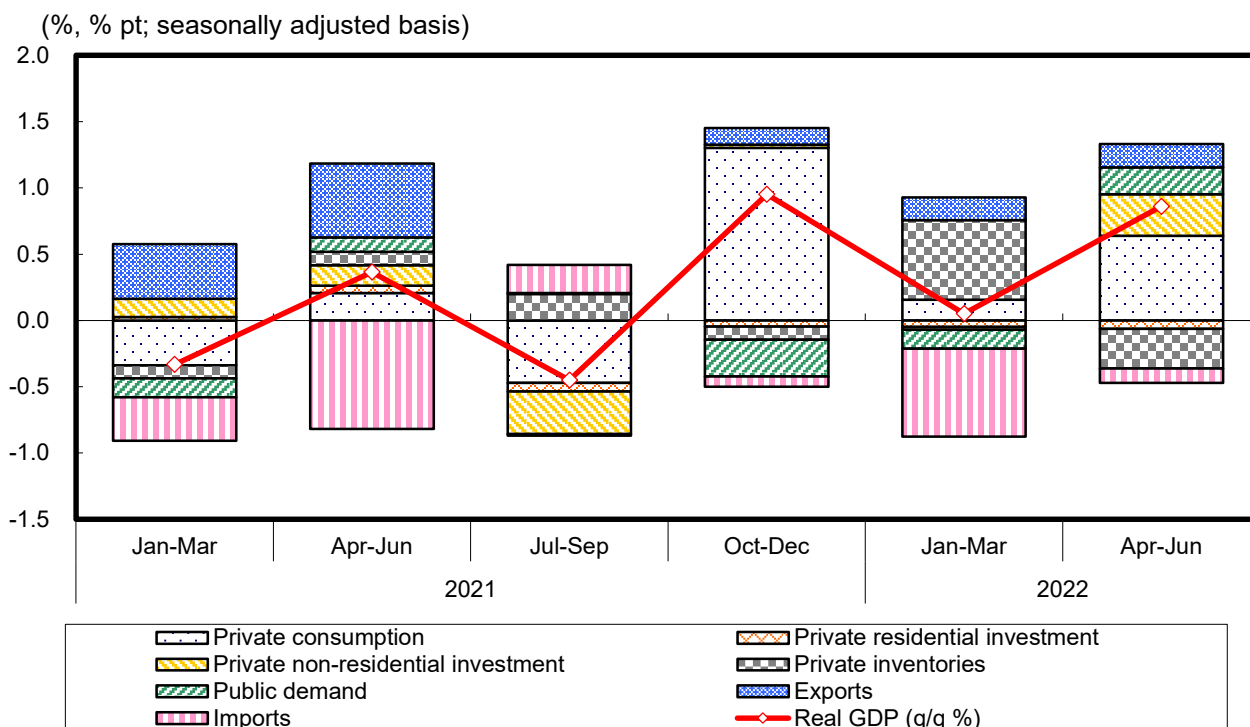
Source: Cabinet Office; compiled by DIR.

Notes: 1) Due to rounding, contributions do not necessarily conform to calculations based on figures shown.

2) Q/q figures seasonally adjusted basis.

Contribution to Real GDP

Chart 2



Source: Cabinet Office; compiled by DIR.