

21 October 2022 (No. of pages:3 )

Japanese report: 21 Oct 2022

# September 2022 Consumer Price Index

Range of price hikes expands further, with core CPI at +3.0% y/y

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## Summary

- Japan's September 2022 core CPI (excluding fresh foods) was at +3.0% y/y, with the growth rate up by 0.2%pt in comparison to the previous month. Growth rates grew for durable goods, semi-durable goods, non-durable goods (excluding fresh foods). Non-durable goods continued to bring a major boost to overall performance, while price hikes spread to many other components.
- Japan's core CPI is expected to continue experiencing upward pressure influenced by high import prices. While government policies, such as Nationwide Travel Support and the program to mitigate extreme fluctuations in the price of fuel oil, are expected to hinder growth in prices somewhat, the high price of imports will continue to spread with a time lag throughout the country in a ripple effect, and Core CPI is expected to move in the range of the upper 2% level to the lower 3% level through the FY2022 period.

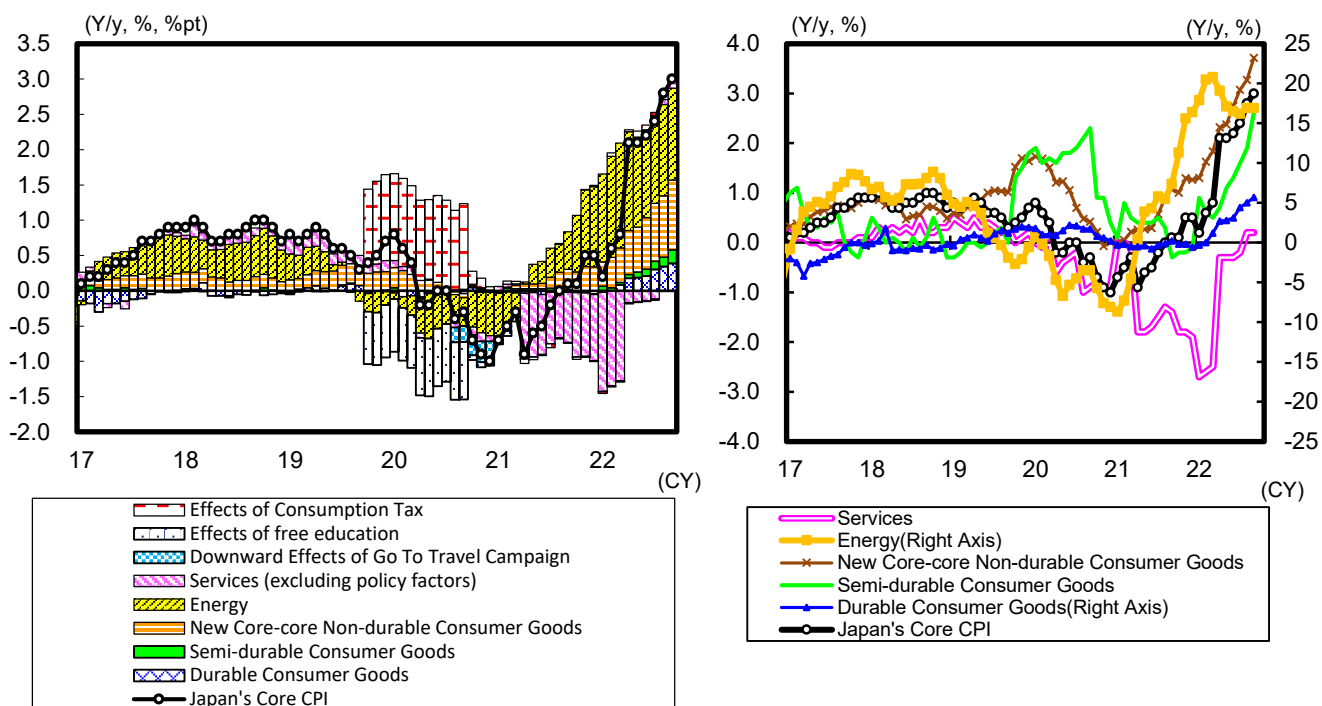
Consumer Price Index (Y/y, %)								Chart 1
	2022							
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Japan's Core CPI	0.6	0.8	2.1	2.1	2.2	2.4	2.8	3.0
Consensus								3.0
DIR Outlook								2.9
Japan's New Core-core CPI	-1.0	-0.7	0.8	0.8	1.0	1.2	1.6	1.8
Tokyo 23 Wards Core CPI	0.5	0.8	1.9	1.9	2.1	2.3	2.6	2.8
New Core-core CPI	-0.6	-0.4	0.8	0.9	1.0	1.2	1.4	1.7

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



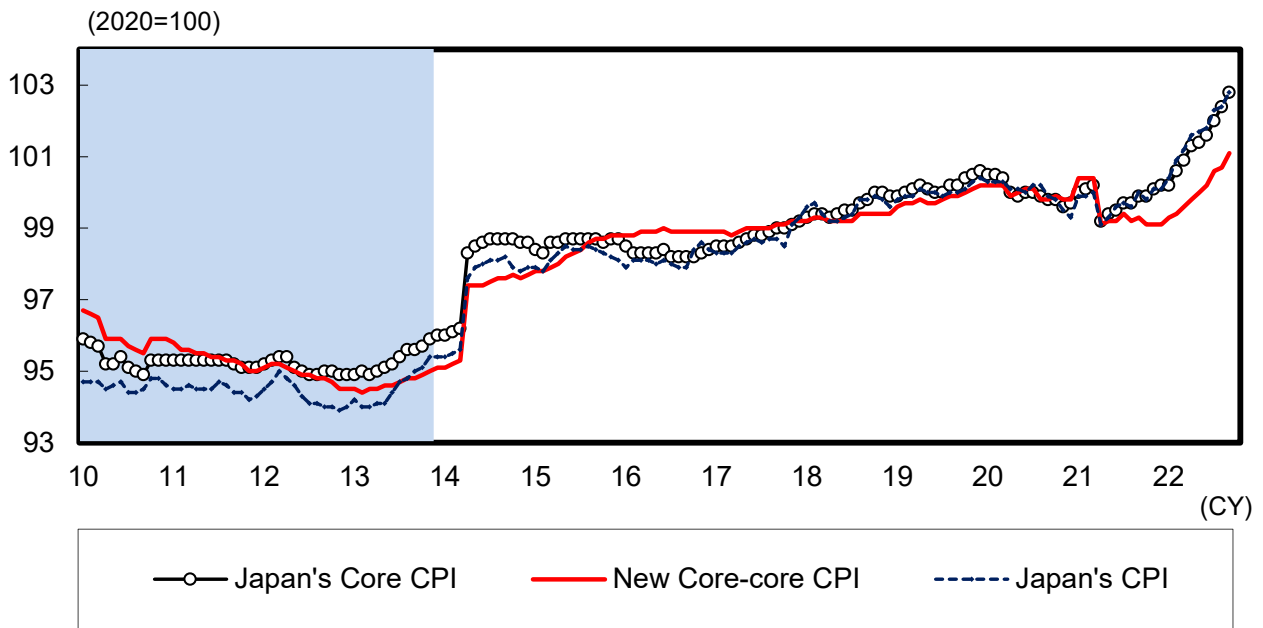
Source: Ministry of Internal Affairs and Communications; compiled by DIR.

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.