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# Oct-Dec 2022 1st Preliminary GDP Estimate

## Consumption and exports continue growth despite modest gains due to decline in inventory

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### Summary

- The real GDP growth rate for Oct-Dec 2022 (1st preliminary est) registered modest growth at +0.6% q/q annualized (+0.2% q/q). Results fell below market expectations due largely to private sector inventories, whose negative influence on the GDP growth rate was more significant than expected. However, when looking at actual circumstances, economic recovery was stronger than suggested by the GDP growth rate. Personal consumption grew despite the spread of COVID-19 infections and rising prices. Export growth accelerated, receiving a boost from the export of services due to the sharp rise in consumption by foreign tourists visiting Japan (inbound consumption).
- The outlook for the real GDP growth rate in the Jan-Mar period of 2023 sees growth of +3.1% q/q annualized. The COVID-19 infection situation is seen improving, and supply constraints in the motor vehicle industry are expected to ease further. Meanwhile, personal consumption will likely continue to recover with the effects of the government's measures to curb high energy prices. Capital expenditure is expected to achieve growth centering on the non-manufacturing industry, and while the export of goods is growing at a sluggish pace, service exports are expected to register further growth with the help of inbound consumption.

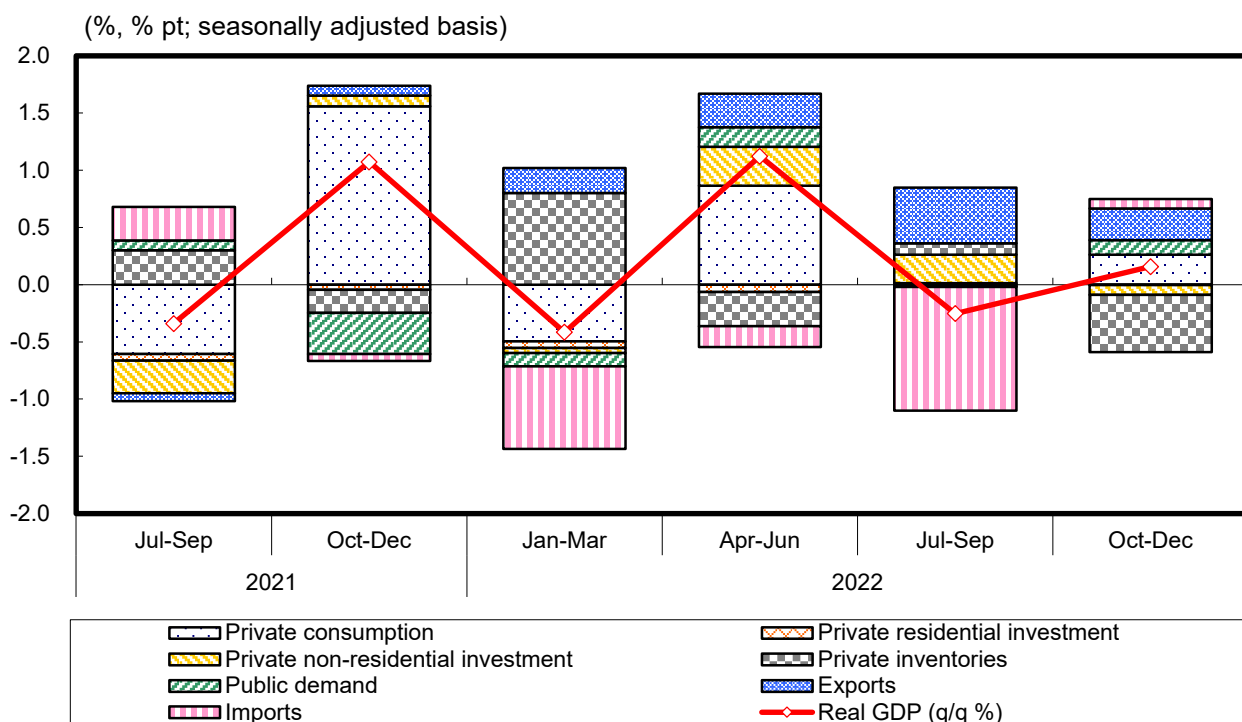
**Oct-Dec 2022 GDP (1<sup>st</sup> Preliminary Estimate) Chart 1**

		2021		2022		
		Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Real GDP	Q/q %	1.1	-0.4	1.1	-0.3	0.2
	Annualized Q/q %	4.4	-1.7	4.6	-1.0	0.6
Private consumption	Q/q %	3.0	-0.9	1.6	0.0	0.5
Private residential investment	Q/q %	-1.3	-1.7	-1.9	-0.4	-0.1
Private non-residential investment	Q/q %	0.6	-0.3	2.1	1.5	-0.5
Change in private inventories (contribution to real GDP growth)	Q/q % pts	-0.2	0.8	-0.3	0.1	-0.5
Government consumption	Q/q %	-1.1	0.5	0.8	0.1	0.3
Public investment	Q/q %	-3.2	-3.2	0.5	0.7	-0.5
Exports of goods and services	Q/q %	0.4	1.2	1.5	2.5	1.4
Imports of goods and services	Q/q %	0.3	3.8	0.9	5.5	-0.4
Domestic demand (contribution to real GDP growth)	Q/q % pts	1.0	0.1	1.0	0.4	-0.2
Foreign demand (contribution to real GDP growth)	Q/q % pts	0.0	-0.5	0.1	-0.6	0.3
Nominal GDP	Q/q %	0.7	0.2	1.0	-0.8	1.3
	Annualized Q/q %	2.8	0.9	4.2	-3.1	5.2
GDP deflator	Q/q %	-0.4	0.7	-0.1	-0.5	1.1
	Y/y %	-0.3	0.4	-0.3	-0.4	1.1

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.