

15 November 2024 (No. of pages:2)

Japanese report: 15 Nov 2024

Jul-Sep 2024 1st Preliminary GDP Estimate

Real GDP achieves positive growth for second consecutive quarter as private consumption continues to increase

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Summary

- The real GDP growth rate for Jul-Sep 2024 (1st preliminary est) was up by +0.9% q/q annualized (+0.2% q/q). While various factors brought negative influence on economic activity, such as continued price highs, some factory shutdowns due to a typhoon, and fears of a major earthquake, private consumption still achieved relatively high growth backed by the improved household income environment and provided a boost to real GDP.
- Our outlook for the real GDP growth rate in the Oct-Dec period of 2024 sees growth at around +2% q/q annualized (around +0.5% q/q) bringing positive growth for three consecutive quarters with continued recovery in private demand including private consumption. Various growth factors are seen, including normalization of production for motor vehicles, which is expected to bring an increase in production, continued improvements in the income environment, a strong appetite for capex spending on the part of corporations, and a comeback for inbound consumption.

Jul-Sep 2024 GDP (1st Preliminary Estimate)

Chart 1

		2023		2024		
		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Real GDP	Q/q %	-1.0	0.1	-0.6	0.5	0.2
Annualized	Q/q %	-4.0	0.4	-2.4	2.2	0.9
Private consumption	Q/q %	-0.4	-0.3	-0.6	0.7	0.9
Private residential investment	Q/q %	-0.9	-1.0	-2.9	1.4	-0.1
Private non-residential investment	Q/q %	-0.1	2.1	-0.4	0.9	-0.2
Change in private inventories (contribution to real GDP growth)	Q/q % pts	-0.6	0.0	0.3	-0.1	0.1
Government consumption	Q/q %	0.5	-0.1	0.3	0.1	0.5
Public investment	Q/q %	-2.0	-1.7	-1.1	4.1	-0.9
Exports of goods and services	Q/q %	0.2	2.9	-4.5	2.6	0.4
Imports of goods and services	Q/q %	0.9	2.4	-2.4	2.9	2.1
Domestic demand (contribution to real GDP growth)	Q/q % pts	-0.8	0.0	-0.2	0.7	0.6
Foreign demand (contribution to real GDP growth)	Q/q % pts	-0.2	0.1	-0.4	-0.1	-0.4
Nominal GDP	Q/q %	-0.1	0.8	-0.3	1.7	0.5
Annualized	Q/q %	-0.6	3.2	-1.0	7.0	2.1
GDP deflator	Q/q %	0.9	0.7	0.4	1.2	0.3
	Y/y %	5.3	4.0	3.4	3.1	2.5

Source: Cabinet Office; compiled by DIR.

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

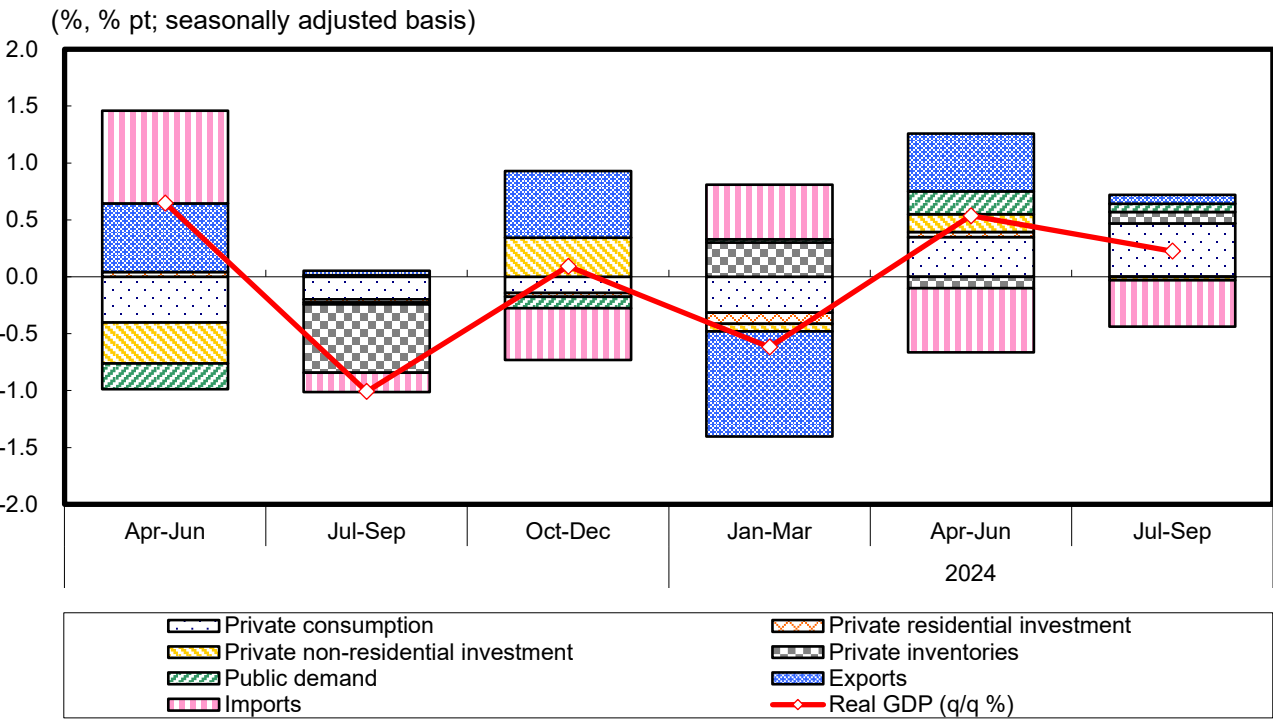
2) Q/q figures are on a seasonally adjusted basis.

IMPORTANT DISCLOSURES, INCLUDING ANY REQUIRED RESEARCH CERTIFICATIONS, ARE PROVIDED ON THE LAST TWO PAGES OF THIS REPORT.

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Contribution to Real GDP

Chart 2



Source: Cabinet Office; compiled by DIR.