

Monthly Report of Prospects for Japan's Economy

January 2018

Macro Economic Research Centre
Economics Department



The Japan Research Institute, Limited

<http://www.jri.co.jp/english/periodical/>

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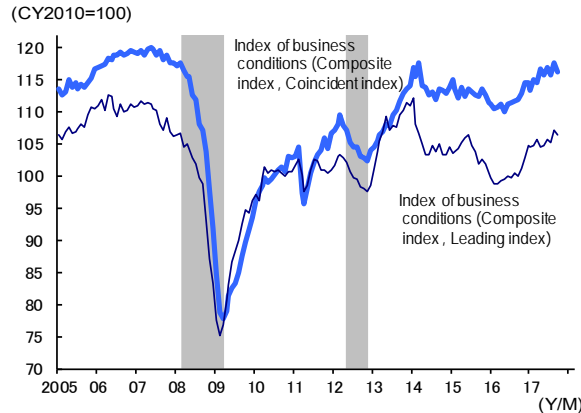
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The general situation of Japan's economy – Economic activity continues its mild recovery trend

Figure 1-1 Economic Activity

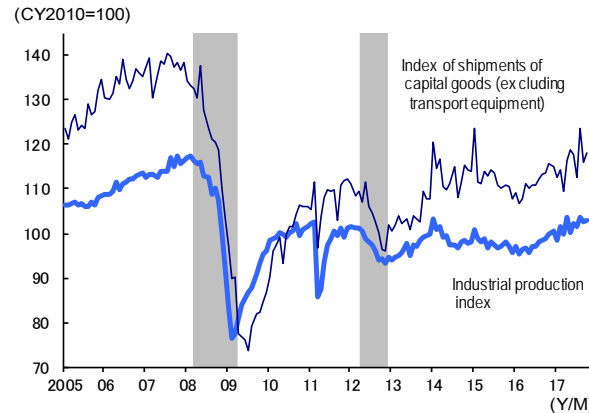
The coincident index fell month-on-month for the first time in 2 months, reflecting a decrease in shipments of investment goods and producer goods.



Source: The Cabinet Office.

Figure 1-2 The Corporate Sector

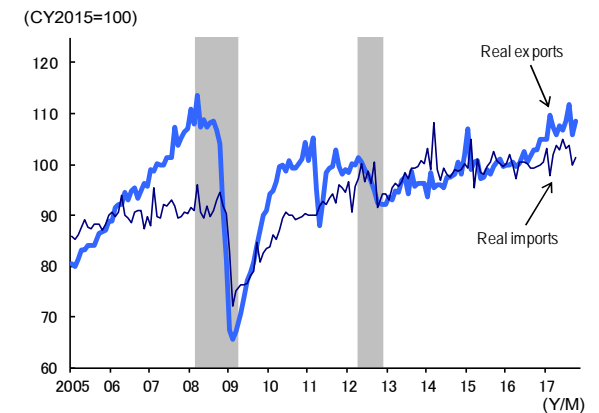
Both the production index and the index of shipments of capital goods have maintained the increasing trend on the whole, albeit while moving up and down.



Source: The Ministry of Economy, Trade and Industry.

Figure 1-3 Overseas Demand

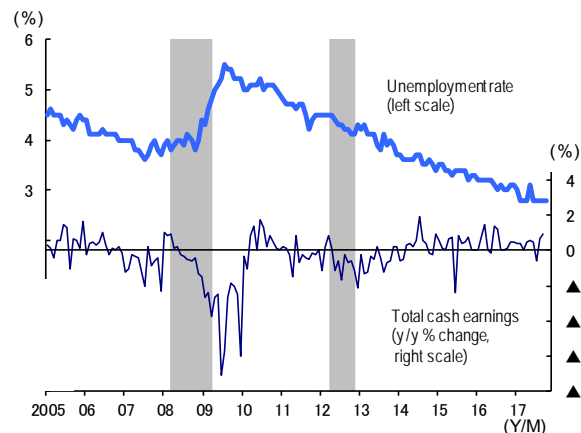
Real exports are on a rising trend in exports to Asia. Real imports increased for the first time in 2 months.



Source: The Bank of Japan.

Figure 1-4 Employment and Income

The unemployment rate stays at a low level. Total cash earnings continue a slight rise year-on-year on the whole.

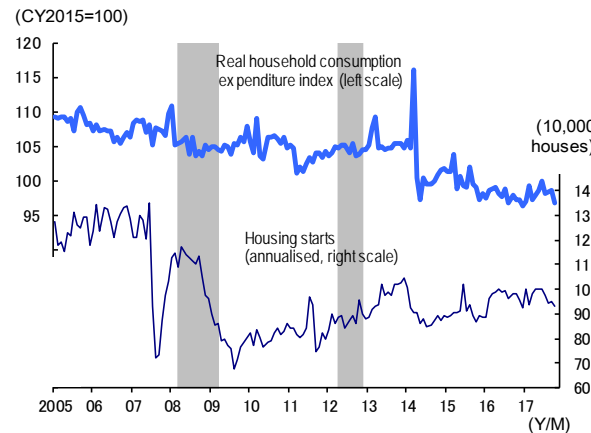


Source: The Ministry of Internal Affairs and Communications, The Ministry of Health, Labour and Welfare.

* The shaded area indicates the phase of recession.

Figure 1-5 The Household Sector

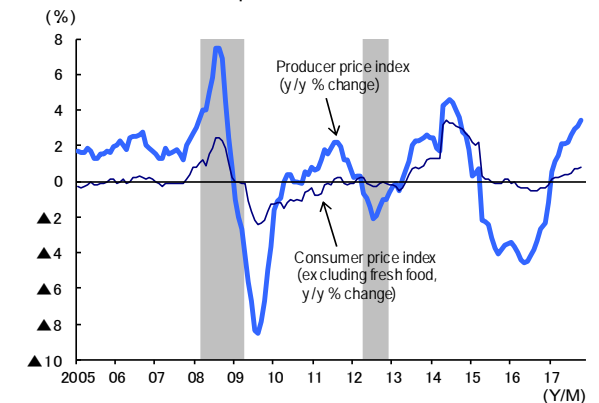
Household consumption expenditure is on a mild trend of recovery. Housing starts stay firm.



Source: The Japan Research Institute, Ltd. based on the data of The Cabinet Office, The Ministry of Land, Infrastructure and Transport.

Figure 1-6 Prices

Both producer prices and core consumer prices accelerated (slightly in the latter), affected by the rise in the crude oil price.



Source: The Japan Research Institute, Ltd. based on the data of The Ministry of Internal Affairs and Communications, The Bank of Japan.

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Production increases in the corporate sector, as the household sector also recovers mildly

◆ Economic activity has picked up mildly on the whole

Japan's real GDP in the July-September period 2017 grew by 2.5 per cent on an annualised quarter-on-quarter change basis (national accounts, the second preliminary estimates). This figure was revised upwards considerably from 1.4 per cent in the first preliminary estimates, mainly because of a large upward revision in business fixed investment.

Due to the review for GDP estimation method this time, the GDP growth rates from the beginning of 2017 were also revised upwards. Judging from these revisions, Japan's economic recovery seems to have been more solid than had been previously predicted.

Meanwhile, looking at exports by destination, exports to the US paused due to the negative effects of severe hurricanes. Yet, exports to Asia led by China, chiefly exports of electronic parts-related goods, have been on a climbing trend.

◆ In the corporate sector, production maintains its rising trend

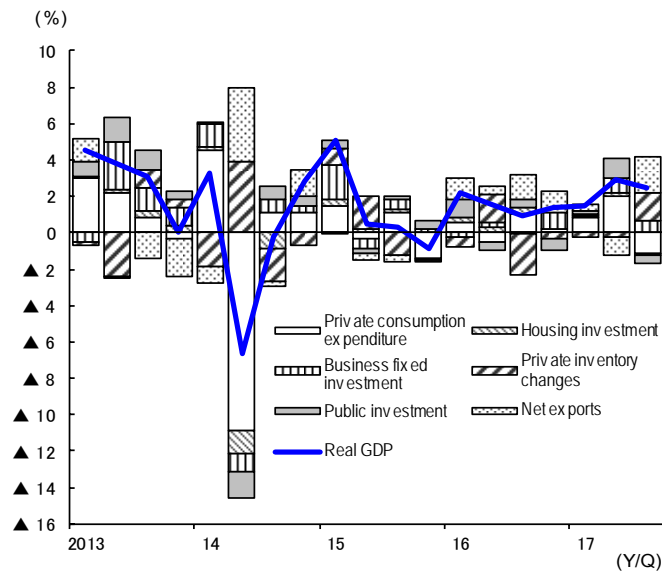
As for business activity, the industrial production index increased month-on-month in October, a rise for the first time in 2 months. Although a downswing was seen due to the stoppage of shipments in an automobile manufacturer, production as a whole picked up, driven by electrical machinery and automobile parts.

Based on the production forecast index, it is predicted that production will continue its rising trend on the whole, against the background of heightened willingness of enterprises for business fixed investment and an increase in exports.

◆ The household sector continues to recover mildly

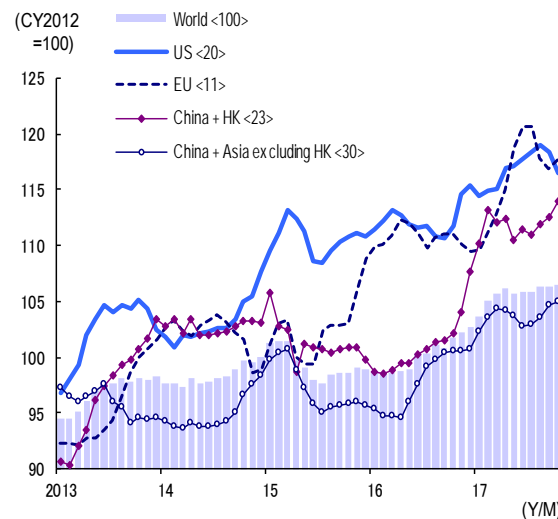
With respect to employment conditions, the number of employed persons goes on increasing, and the unemployment rate stays at a low level, as the mild economic recovery continues. The active job openings-to-applicants ratio rose to 1.54, the highest since January 1974. Reflecting the continued improvement in employment and income environments, it is predicted that private consumption expenditure will maintain its mild recovery trend.

Figure 2-1 Real GDP Change Rate by Demand Item
<the second preliminary estimates, on an annualised q/q change basis, seasonally adjusted>



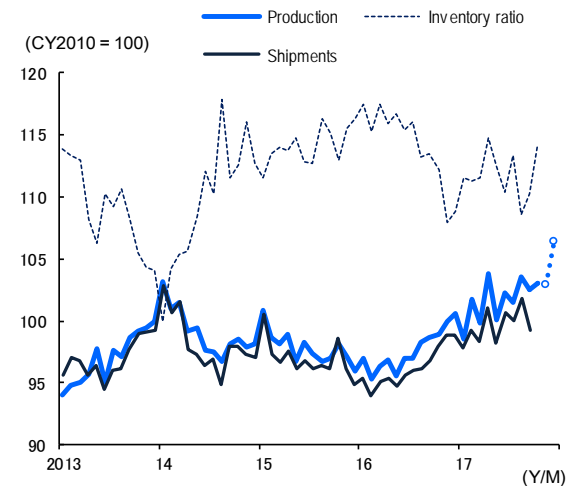
Source: The Japan Research Institute, Ltd. based on the data of The Cabinet Office.

Figure 2-2 Real Exports by Destination
<seasonally adjusted, 3-month moving averages>



Source: The Japan Research Institute, Ltd. based on the data of The Ministry of Finance, The Bank of Japan.
Note: Figures in the angle brackets show the shares in FY2016.

Figure 2-3 Indices of Industrial Production
<seasonally adjusted>



Source: The Japan Research Institute, Ltd. based on the data of The Ministry of Economy, Trade and Industry.

Note: The latest two figures in production are based on the production forecast index.

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Exports are likely to pick up moderately

◆ Inbound demand from foreign tourists to Japan goes on picking up

As for inbound demand, owing to the weak yen environments, the number of foreign tourists to Japan climbed in October, by 21.5 per cent on a year earlier, to 2.6 million persons. Also, the value spent per tourist turned to a year-on-year increase.

Looking ahead, inbound demand will likely stay firm, taking into account factors such as income among people in Asian emerging countries continues to increase, and necessary environments for foreign tourists such as accommodations are likely to improve further in Japan.

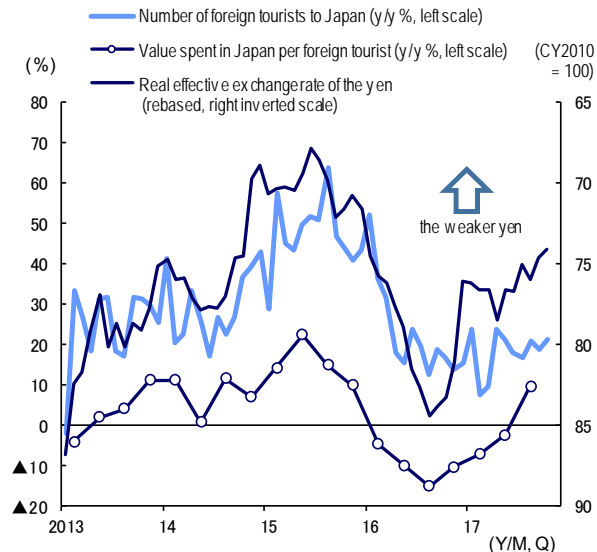
◆ Japan's exports of goods will likely continue to rise, albeit moderately

Then, observing overseas demand more widely by item, Japan's exports of electronic parts and devices continue to be firm. Global demand for ICT goes well, as shown in the fact that the forecast of World Semiconductor Trade Statistics (WSTS) on the value of worldwide shipments of semiconductors was revised upwards.

This appears to reflect heightened demand for smartphones with higher quality and increased demand for data centres for cloud computing services. Also in the medium and long term, driven by expanding demand for IoT(Internet of Things), an incorporation into automobiles, etc., it is predicted that Japan's exports of electronic parts and devices will continue their increasing trend.

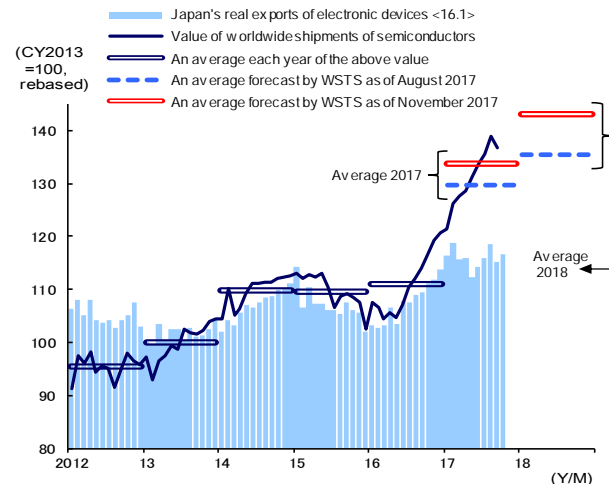
In addition, exports of capital goods is very likely to stay solid for the time being. This is mainly because worldwide demand for business fixed investment, which had been in a cautious tone from 2014 to 2016, has picked up again. The trend, such as 1) sophistication of operations in production processes in manufacturers among emerging countries, and 2) worldwide demand for factory automation (FA) and labour-saving, has served as a tail wind to Japan's exports of highly value-added industrial machines and industrial robots with high quality. It is widely known that Japan has noticeable advantages in those products.

Figure 3-1 Value Spent in Japan per Foreign Tourist <year-on-year % change>



Source: The Japan Research Institute, Ltd. based on the data of The Japan Tourism Agency, The Bank of Japan.

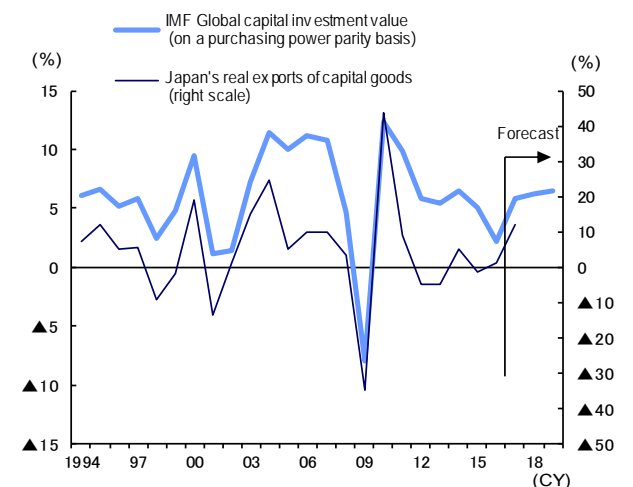
Figure 3-2 Value of Worldwide Shipments of Semiconductors and Japan's Real Exports of Electronic Devices



Source: The Japan Research Institute, Ltd. based on the data of World Semiconductor Trade Statistics (WSTS), Semiconductor Industry Association (SIA), The Ministry of Finance of Japan, The Bank of Japan.

Note: The figure in the angle brackets shows the share in the total nominal exports in FY2016.

Figure 3-3 Global Capital Investment and Japan's Exports of Capital Goods <year-on-year % change>



Source: The Japan Research Institute, Ltd. based on the data of The Ministry of Finance, The Bank of Japan, IMF.

Note: The figure of Japan's real exports of capital goods in 2017 is for the figure from January to October 2017.

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With profits continuing to be buoyant, business fixed investment will likely pick up moderately

◆ Corporate profits continue to improve

Corporate profits continue their improving trend on the whole.

Based on Financial Statements Statistics of Corporations by Industry, sales value increased in the July-September period 2017 by 0.2 per cent from the previous quarter, the fifth consecutive quarterly rise. Also, current profits kept their high level, although they declined by 1.5 per cent, a fall for the first time in 6 quarters. By contribution factor, an increase in personnel expenses has been a weighing factor.

However, profitability in Japanese enterprises has improved, as a result of having made great efforts such as the restructuring of their business. One of the fruits of the efforts is the fact that the break-even point ratio has fallen significantly. As a consequence, the situation appears to be where an increase in sales value leads to the pushing up of corporate profits directly.

Looking ahead, it is predicted that corporate profits will continue to be firm, as the yen is likely to depreciate mildly against the background of an expected widening

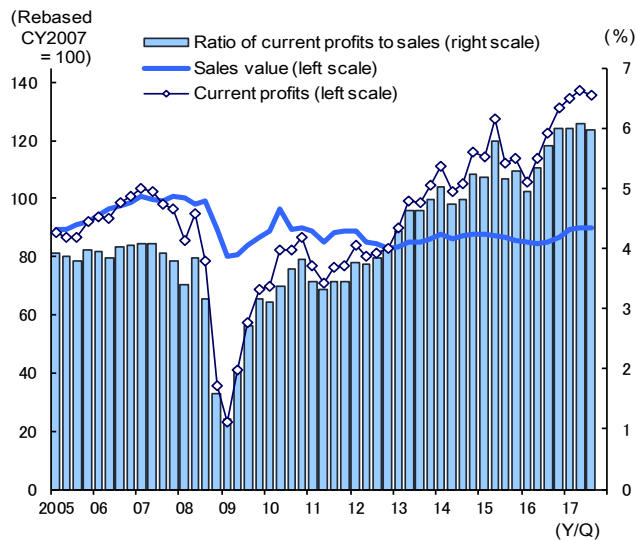
interest rate gap between the US and Japan.

◆ Business fixed investment will likely continue to pick up

As for business fixed investment, as cash held by enterprises per se is abundant, it is projected that investment in plants and equipment will increase, mainly in certain types of investment. Namely, investment for rationalisation and saving reflecting labour shortages, investment for research and development (R&D), and construction investment.

However, the attitude of enterprises strengthening production capacity eagerly has been still limited, under the circumstances where, as a population reduces, a rise in growth expectations for domestic demand is difficult to be hoped for. As it stands, a strong recovery in business fixed investment among manufacturers, driven by investment in machinery, is unable to be relied on. Accordingly, it is predicted that the pickup in business fixed investment will remain moderate.

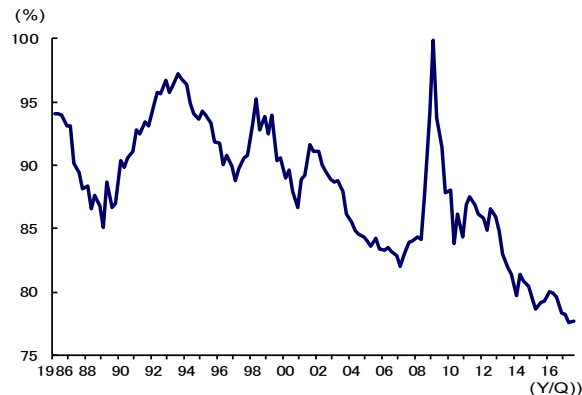
Figure 4-1 Sales Value and Ratio of Current Profits to Sales <seasonally adjusted>



Source: The Japan Research Institute, Ltd. based on the data of The Ministry of Finance.

Note: All industries except for financial institutions.

Figure 4-2 Break-even Point Ratio



Source: The Japan Research Institute, Ltd. based on the data of The Ministry of Finance.

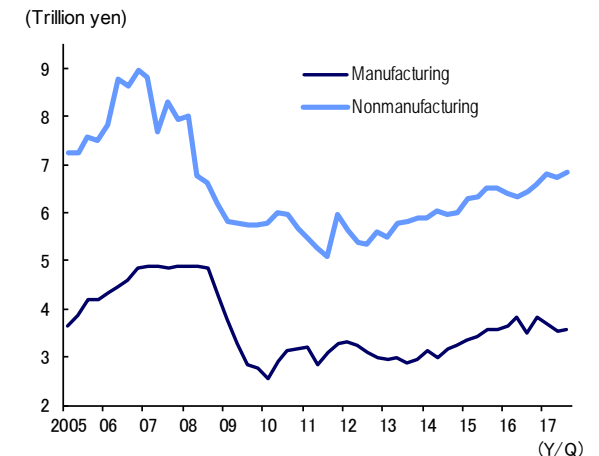
Note: The break-even point ratio = $\frac{\text{break-even point sales value}}{\text{sales value}}$

Break-even point sales value = $\frac{\text{fixed costs}}{1 - (\text{variable costs} / \text{sales value})}$

Fixed costs = personnel expenses + depreciation expenses + interest payment

Variable costs = cost of goods sold + selling and administration expenses - personnel expenses - depreciation expenses

Figure 4-3 Value of Business Fixed Investment based on Financial Statements Statistics of Corporations by Industry <seasonally adjusted>



Source: The Japan Research Institute, Ltd. based on the data of The Ministry of Finance.

Note: All industries excluding financial institutions.

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The pace of recovery in income is likely to continue to be slow

◆ Average wages have been slow to rise

Employment environments are on a mild improvement trend. In the current economic expanding phase since November 2012, the number of employed persons continues to increase, even in the situation where a population 15 years or over of age has been flat. It is particularly notable that the pace of increase this time has been at the fastest pace since the "bubble" boom period during 1986 - 91.

However, average wages have been slow to increase, even though the wages in industries where a shortage of workers has been especially serious such as transport and construction are on the rise. Analysed by size, first, it is mainly small enterprises that have raised wages. Yet, in this size of enterprises, the level of average wages has been relatively low. Second, in larger enterprises, the average rate of wage rises in negotiations this spring was almost the same as last year, with large enterprises being conscious of future uncertainties over, for example, overseas economies. In addition, bonuses this summer decreased year-on-year.

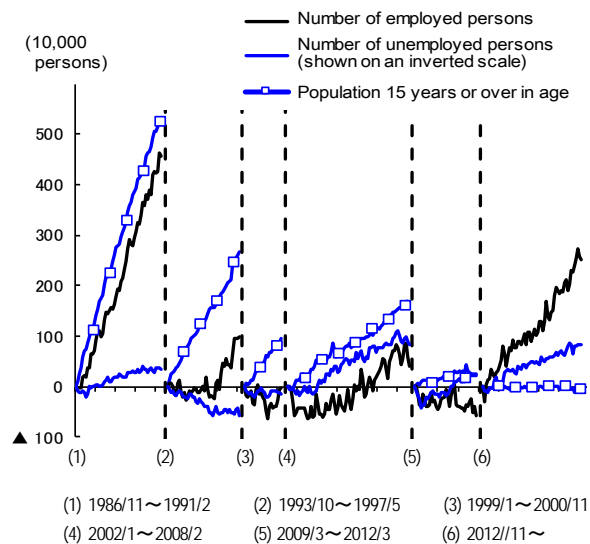
Analysed by industry, it is mainly industries with relatively lower wages that have seen a wage increase, such as 1) eating and drinking places, and accommodations, 2) health care and welfare, and 3) wholesale and retail trade. Actually, the pace of rise in average wages has slowed further after the start of FY2017.

◆ Slow pace of recovery in real income will likely continue

Looking ahead, the improvement in employment environments will likely continue, against the background of mild recovery in economic activity.

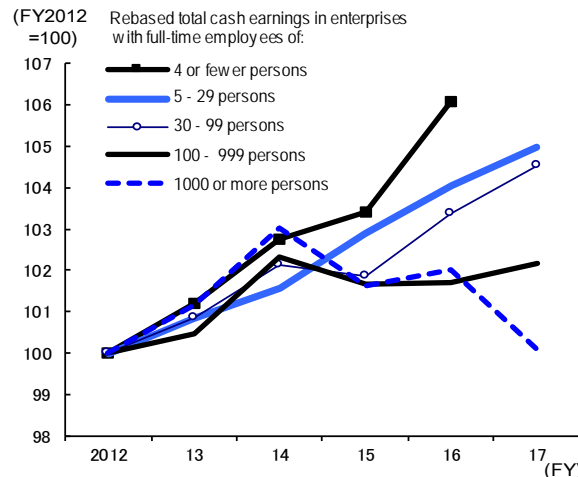
However, as for wage rises, it is predicted that the pace of rise in average wages will stay slow. Reflecting the fact that the wage increase rate in negotiations this spring stayed as low as last year, an improvement in regular-time pay this year will likely remain modest to the end of FY2017. In addition, the year-on-year change rate in consumer prices has turned positive, albeit slightly, due to energy price rises and the effect of the weaker yen. Unfavourably, this will likely add downward pressure on the real purchasing power of households.

Figure 5-1 Employment-related Indicators by Economic Expanding Phase in the Past and Present



Source: The Japan Research Institute, Ltd. based on the data of The Ministry of Internal Affairs and Communications.

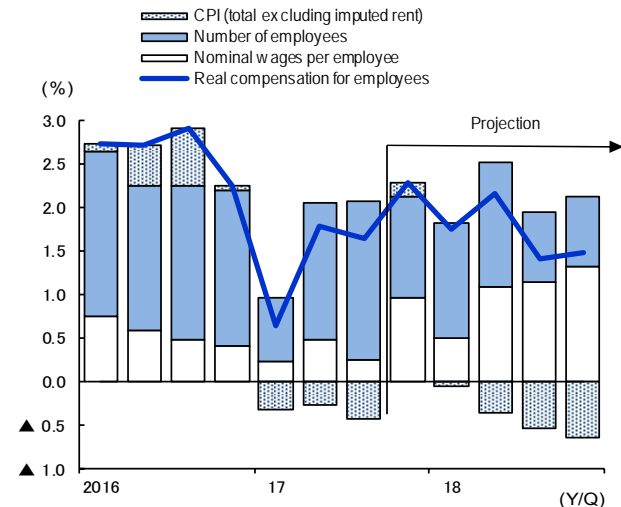
Figure 5-2 Total Cash Earnings in Full-Time Workers by Size of Enterprises <rebased>



Source: The Japan Research Institute, Ltd. based on the data of The Ministry of Health, Labour and Welfare.

Note: The figures in FY2017 are estimates which are calculated based on the year-on-year change in April-September 2017.

Figure 5-3 Contributions to the Year-on-Year Change Rate in Real Compensation for Employees



Source: The Japan Research Institute, Ltd. based on the data of The Cabinet Office, and so on.

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Private consumption expenditure is likely to recover mildly

◆ Private consumption expenditure is on a mild recovery trend

It is predicted that the mild recovery trend in private consumption expenditure will continue, reflecting a continued improvement in employment and income environments and an advance in consumer sentiment. Firm stock prices of late have also contributed to supporting the recovery in consumption as a whole.

Viewed by item, a reactionary fall in expenditure on durable goods has come to an end and demand for buying new ones has started to materialise. This reactionary fall had been originally caused by promoting measures for consumption after 2009, and a last minute surge before the rise in the consumption tax in 2014.

Although the problem of improper pre-shipment inspections and bad weather including two typhoons brought about a downswing to sales in October in automobiles and leisure services, respectively, the negative effects are likely to be temporary.

◆ Slow pace of recovery in private consumption will likely continue

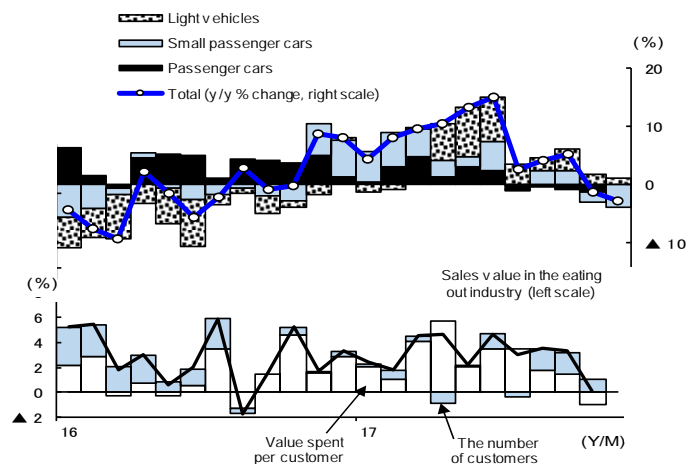
Looking ahead, the continued improvement in employment environments will likely go on bolstering the recovery in private consumption expenditure. However, the pace

of the pickup in consumption is highly likely to remain slow, because both a slow pace of wage rises and an increase in payments of social insurance premiums continue to weigh on disposable income.

Further, by age cohort, it is notable that the propensity to consume in the cohort less than the mid-30's has declined remarkably. The grounds for this are estimated to be that 1) no new attractive products or services have been produced which can boost the consumption of the younger generation powerfully, and 2) this cohort of consumers tends to be economical against the background of anxiety about their future. It is also added that 3) the ratio of households which bought a house has risen under continued low interest rate environments, and, as a result, the increased burden of mortgage (housing loan) repayments has come to have suppressed the total private consumption expenditure.

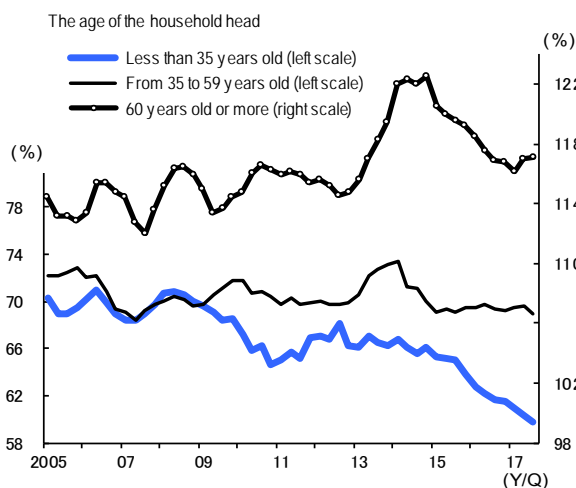
With respect to the cohort in which the head of household is 60 years old or more, taking into account the situation where the share of food and energy, the prices of which have risen, is relatively high in their total consumption, the real purchasing power in this cohort is likely to have been pushed down.

Figure 6-1 Number of Automobiles Sold and Sales Value in the Eating Out Industry <year-on-year % change>



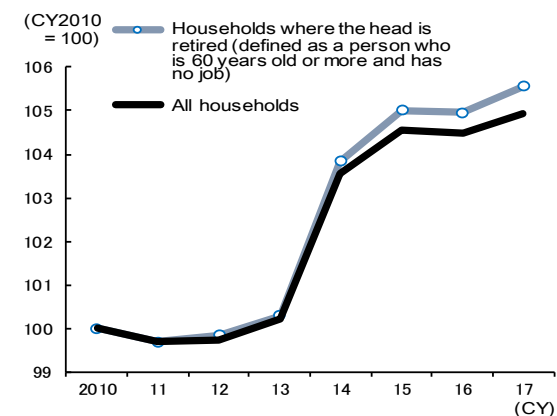
Source: The Japan Research Institute, Ltd. based on the data of Japan Automobile Dealers Association, Japan Light Vehicle and Motorcycle Association, Japan Food Service Association.

Figure 6-2 Average Propensity to Consume by the Age of the Household Head <4-quarter moving average>



Source: The Japan Research Institute, Ltd. based on the data of The Ministry of Internal Affairs and Communications.

Figure 6-3 Consumer Price Index for All Households and for Households where the Head is a Retired Person



Source: The Japan Research Institute, Ltd. based on the data of The Ministry of Internal Affairs and Communications.
Note: The figures in 2017 are for the average from January to October.

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Topics : Downswing in private consumption due to tax rise in 2019 will likely be limited

◆ The total value of burden on households amounted to 6.5 trillion yen when the consumption tax was raised in 2014

The total value of burden on households in FY2014 amounted to 6.5 trillion yen. This consisted of 5.1 trillion yen due to the rise in the consumption tax rate in April from 5 to 8 per cent, and 1.4 trillion yen stemming from the rise in income tax and social insurance premiums such as pension and national health insurance, and the reduction in pension payment.

The increase in the total value of burden was much more than the increase in the value of the total nominal income. As a result, disposable income decreased by a considerable 2.8 trillion yen, which caused the noticeable downward shift of private consumption expenditure from the linear trend calculated based on the past data.

Further, the value of burden related to income tax and social insurance premiums was added also in FY2015, which led to only mild recovery in disposable income to plus 1.1 trillion yen. This mild recovery in FY2015 was estimated to be one of the reasons for continued mildness in the recovery thereafter in private consumption

expenditure.

◆ The total value of burden in the one year after October 2019 is estimated to be about half the value in the one year from April 2014

It is estimated that the total value of burden on households in the one year after October 2019, which is 3.3 trillion yen, will be about half the value in the one year from April 2014 (6.5 trillion yen). This is because 1) the extent of the rise is smaller (April 2014: 5 to 8 per cent, October 2019: 8 to 10 per cent), 2) the reduced tax rate is scheduled to be introduced, and 3) no large amount of rise in income tax and social insurance premiums is expected.

Also, it is predicted that the rate of increase in household income in the 2019 period is likely to be more than that in the 2014 period, reflecting good corporate profits and labour shortages. As a result, even if the consumption tax rate is raised as scheduled, it is highly likely that disposable income will maintain plus in total. Accordingly, a large downward shift in private consumption expenditure will likely be avoided, and a smooth return to the linear trend will be expected.

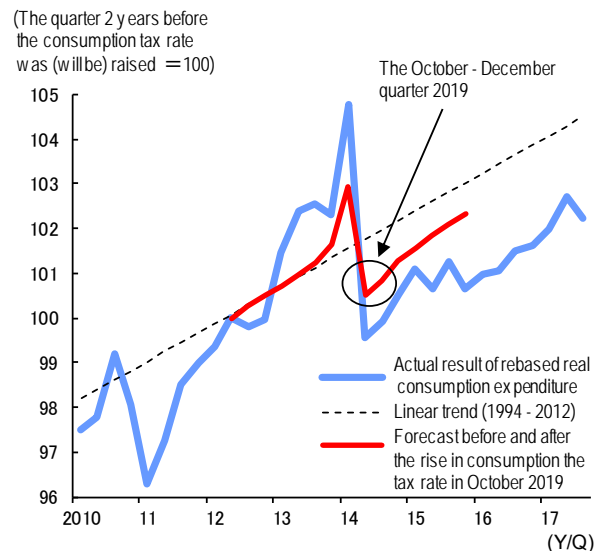
Figure 7-1 Degree of Change in Nominal Income due to Consumption Tax and Other Factors

(Difference in value from the previous fiscal year)
(Trillion yen)

	After the consumption tax rise in April 2014 (5% → 8%)		Forecast after the consumption tax rise in October 2019 (8% → 10%)
	During FY2014	During FY2015	During the one year from October 2019
Nominal income	+ 3.3	+ 2.7	+ 4.1
Consumption tax	- 5.1	± 0.0	- 2.8
Income tax and social security premiums, etc.	- 1.4	- 1.3	- 0.5
Payment to ease negative effects of consumption tax rise	+ 0.4	- 0.2	
Total	- 2.8	+ 1.1	+ 0.8

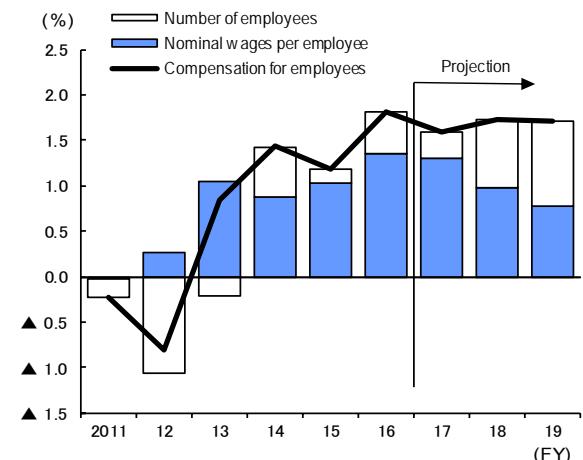
Source: The Japan Research Institute, Ltd. based on the data of The Cabinet Office.

Figure 7-2 Real Private Consumption Expenditure and Trend



Source: The Japan Research Institute, Ltd. based on the data of The Cabinet Office.

Figure 7-3 Contributions to Year-on-year Change Rate in Compensation for Employees



Source: The Japan Research Institute, Ltd. based on the data of The Ministry of Internal Affairs and Communications, The Cabinet Office.

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Prospects for Japan's economy - Projected real GDP change; 1.8% in FY2017 and 1.2% in FY2018

◆ Japan's economic activity will likely continue its recovery trend, against the background of firm demand at home and abroad

(1) Japan's real GDP in the July-September period 2017 grew by 2.5 per cent on an annualised quarter-on-quarter change basis (national accounts, the second preliminary estimates). This real GDP growth rate was revised upwards considerably from 1.4 per cent in the first preliminary estimates, mainly because of a large upward revision in business fixed investment.

Due to the review for GDP estimation method this time, the GDP growth rates from the beginning of 2017 were also revised upwards. Judging from these revisions, Japan's economic recovery seems to have been more solid than had been previously predicted.

(2) Looking ahead, it is projected that domestic private demand will stay firm, although the pace of annualised quarter-on-quarter growth rate is likely to slow down for the time being, due to the coming to an end of boosting effects of both economic measures and private inventory restoration.

Viewed by demand item, business fixed investment will likely continue its positive quarterly growth, against the background of 1) buoyant domestic construction investment in nonmanufacturing driven by redevelopment projects in metropolitan areas as well as by necessary accommodations and business logistics facilities, and 2) an increase in investment for research and development (R&D), chiefly in manufacturing.

Private consumption expenditure is expected to continue its mild recovery, bolstered by continued improvement in employment and income environments, and an advance in consumer sentiment partly supported by stock price rises. In addition, it is predicted that Japan's exports will continue their rising trend, reflecting an improvement in sentiment worldwide towards business fixed investment.

As a result, real GDP will likely grow at a pace over Japan's potential output growth rate, which is currently estimated to be about 1.0 per cent, as demand at home and abroad stays solid. Namely, it is projected that the annual real GDP growth

rate will be 1.8 per cent in FY2017 and 1.2 per cent in FY2018.

(3) With respect to economic activity in FY2019, it is predicted that the pace of real GDP growth will decelerate, because private consumption expenditure will likely be pushed down in total by the lowering purchasing power due to the rise in the consumption tax rate from 8 to 10 per cent scheduled in October 2019.

However, it is unlikely that private consumption expenditure will falter. This is because 1) the extent of the rise in the consumption tax rate in 2019 is less than that in April 2014 (from 5 to 8 per cent), 2) the reduced tax rate is scheduled to be introduced, and 3) the degree of burden such as an increase in income tax and social insurance premiums is estimated to be less than that in 2014. As a result, real GDP will likely grow by almost 1 per cent in FY2019.

◆ The year-on-year change rate in the core CPI will likely be on a gradual rising trend

(4) The core CPI, which excludes fresh food, has enlarged the extent of its year-on-year increase, albeit slightly, since having turned into positive territory in January 2017. Although the price of package tours to overseas countries fell as a reaction to significant rises on a year earlier, a rise in energy prices has pushed up the total rate of year-on-year increase.

Looking ahead, it is predicted that the year-on-year increase rate in the core CPI will stay at about 1 per cent, against the background such as an improvement in supply-demand conditions on an aggregate basis, albeit with the pace of rise in energy prices slowing down.

Figure 9 Projections for GDP Growth and Main Indicators of Japan (as of December 8, 2017)

	(seasonally adjusted, annualised % changes from the previous quarter)											(% changes from the previous fiscal year)			
	CY2017		CY2018				CY2019				CY2020	FY2016	FY2017	FY2018	FY2019
	7~9	10~12	1~3	4~6	7~9	10~12	1~3	4~6	7~9	10~12	1~3	(Actual)	(Projection)	(Projection)	(Projection)
	(Actual)	(Projection)	(Projection)	(Projection)	(Projection)	(Projection)	(Projection)	(Projection)	(Projection)	(Projection)	(Projection)	(Actual)	(Projection)	(Projection)	(Projection)
Real GDP	2.5	0.9	0.7	1.0	1.2	1.3	1.4	1.4	2.5	▲ 3.7	1.3	1.2	1.8	1.2	0.9
Private Consumption Expenditure	▲ 1.9	0.7	1.0	1.0	0.9	0.9	1.1	1.6	5.2	▲ 9.1	1.3	0.3	1.1	0.8	0.6
Housing Investment	▲ 4.0	▲ 2.6	▲ 0.4	▲ 0.2	0.8	3.2	6.4	1.9	▲ 3.1	▲ 9.8	▲ 7.2	6.2	1.7	0.3	▲ 0.3
Business Fixed Investment	4.3	3.1	2.6	3.1	3.1	2.9	2.8	2.6	2.6	2.4	2.4	1.2	3.5	3.0	2.7
Private Inventories (percentage points contribution)	(1.5)	(0.0)	(▲ 0.2)	(▲ 0.1)	(0.0)	(0.0)	(0.0)	(▲ 0.1)	(▲ 0.5)	(0.3)	(0.3)	(▲ 0.3)	(0.0)	(0.0)	(▲ 0.1)
Government Consumption Expenditure	0.2	1.0	0.9	0.9	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.5	0.6	0.8	0.8
Public Investment	▲ 9.2	▲ 4.3	▲ 4.1	▲ 1.8	0.0	0.5	▲ 1.2	▲ 0.6	0.2	0.5	0.3	0.9	1.0	▲ 2.2	▲ 0.2
Net Exports (percentage points contribution)	(2.0)	(0.2)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)	(▲ 0.4)	(1.1)	(▲ 0.0)	(0.8)	(0.5)	(0.2)	(0.1)
Exports of Goods and Services	6.0	3.3	2.4	2.7	2.9	3.0	3.0	2.8	2.8	2.6	2.6	3.4	5.0	3.0	2.8
Imports of Goods and Services	▲ 6.2	2.6	2.4	2.4	2.4	2.5	2.5	2.7	5.3	▲ 3.2	2.8	▲ 1.1	2.4	1.9	2.3
(Ref.) Domestic Private Demand (percentage points contribution)	(1.0)	(0.8)	(0.8)	(0.9)	(1.0)	(1.1)	(1.3)	(1.3)	(2.7)	(▲ 4.6)	(1.2)	(0.3)	(1.2)	(0.9)	(0.7)
(Ref.) Public Demand (percentage points contribution)	(▲ 0.5)	(▲ 0.0)	(▲ 0.0)	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)	(0.1)	(0.1)

	(% changes from the same quarter of the previous year)											(% changes from the previous fiscal year)			
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016	2017	2018	2019
Nominal GDP	2.2	2.0	2.4	1.9	1.6	1.6	1.9	1.9	2.4	1.6	1.7	1.0	1.9	1.8	1.9
GDP deflator	0.1	0.1	0.7	0.6	0.6	0.6	0.6	0.6	0.7	1.3	1.3	▲ 0.2	0.1	0.6	1.0
Consumer Price Index (excluding fresh food)	0.6	0.8	0.7	0.8	0.9	0.8	0.7	0.8	0.9	2.0	2.1	▲ 0.2	0.7	0.8	1.5
(excluding fresh food, consumption tax)	0.6	0.8	0.7	0.8	0.9	0.8	0.7	0.8	0.9	1.1	1.1	▲ 0.2	0.7	0.8	1.0
Unemployment Rate (%)	2.8	2.8	2.7	2.7	2.7	2.6	2.6	2.6	2.6	2.6	2.6	3.0	2.8	2.7	2.6
Exchange Rates (JY/US\$)	111	113	113	114	114	115	115	116	116	115	115	108	112	115	116
Import Price of Crude Oil (US\$/barrel)	50	59	61	61	61	62	62	63	63	63	63	47	56	61	63

Source: The Cabinet Office; The Ministry of Internal Affairs and Communications; The Ministry of Economy, Trade and Industry; The Ministry of Finance.

The projection figures are based on those of The Japan Research Institute, Ltd.

Note : "▲" indicates minus.