

Statement by Minoru Kiuchi, Minister of State for Economic and Fiscal Policy
On the Release of the Quarterly Estimates of GDP for January-March 2026 (First Preliminary Estimates)

May 19, 2026

1. The Quarterly Estimates of GDP for January-March 2026 (First Preliminary Estimates), released today, show that the growth rate of real GDP was 0.5% quarter-on-quarter and 2.1% on an annualized basis, marking the second consecutive quarter of positive growth.
In terms of the components, Private Consumption recorded the fifth consecutive quarterly increase and Private Non-Residential Investment the second consecutive quarterly increase, while Net Exports of Goods & Services also contributed to the growth rate, as the increase in exports outpaced the increase in imports.
2. Guided by the principle of “responsible and proactive public finances”, the Government will continue to promote bold and strategic investments through “crisis management investment” to enhance resilience against potential crisis and “growth investment”. Through these initiatives, we will ensure people feel secure and at ease in their daily lives and livelihoods while also increasing employment and income, enhancing Japan’s potential growth rate, and creating a “Strong Japanese Economy”.
3. Currently, there are signs of strong momentum in wage increases of the spring labor-management negotiations. Concerning short-term prospects, the improvement in the employment and income situation and the effects of the policies are expected to support a moderate recovery.
4. However, attention should be given to the effects of the situation in the Middle East. As an immediate response, the Government has implemented emergency measures to curb dramatic fluctuations in the price of fuel. Through alternative procurement of crude oil and the release of oil stockpiles, the Government will work to ensure a stable supply of crude oil. We will also work to ensure a stable supply and the smooth distribution of critical materials.
5. In this situation, at a Liaison Meeting of the Government and Ruling Parties yesterday, the Prime Minister requested that the policy research council chairpersons of the ruling parties urgently formulate concrete proposals to provide support for electricity and gas bills for the July–September period, with the aim of keeping them below last summer’s levels. In addition, the Prime Minister reported that she has instructed the Minister of Finance to consider financial arrangements to ensure thorough preparations to minimize risks, including one of the options the compilation of a supplementary budget. The Government will continue to closely monitor the impact of the situation in the Middle East on the Japanese economy and of price trends on households and business activities. The Government will also ensure appropriate economic and fiscal management and respond flexibly to events.