

## Fiscal 2019 Economic Outlook

December 18,2018

Approved by the Cabinet

## Main Economic Indicators

	FY2017 (Actual)	FY2018 (Estimate)	FY2019 (Forecast)	Percentage changes over the previous fiscal year					
				FY2017		FY2018		FY2019	
				% (Current prices)	% (Constant prices)	% (Approx.) (Current prices)	% (Approx.) (Constant prices)	% (Approx.) (Current prices)	% (Approx.) (Constant prices)
Gross domestic product	547.4	552.5	566.1	2.0	1.9	0.9	0.9	2.4	1.3
Private consumption expenditure	303.2	306.6	313.4	1.4	1.0	1.1	0.7	2.2	1.2
Private residential investment	17.2	16.7	17.3	1.1	▲ 0.7	▲ 2.8	▲ 4.2	3.3	1.3
Private non-residential investment	86.2	90.2	93.1	5.4	4.6	4.7	3.6	3.2	2.7
Change in Private Inventories *1	0.7	1.0	0.9	(0.1)	(0.1)	(0.1)	(0.0)	(▲ 0.0)	(▲ 0.0)
Exports of goods and services	98.2	102.5	107.4	10.5	6.4	4.4	2.7	4.8	3.0
Less: Imports of goods and services	93.3	100.7	104.7	11.7	4.1	7.9	2.8	4.0	3.3
Contribution of domestic demand				2.1	1.4	1.5	0.9	2.3	1.4
Contribution of private demand				1.7	1.3	1.3	0.9	1.8	1.1
Contribution of public demand				0.4	0.1	0.2	0.0	0.5	0.2
Contribution of external demand				▲ 0.1	0.4	▲ 0.6	0.0	0.2	▲ 0.0
Gross national income	567.3	573.3	587.8	2.2	1.6	1.1	0.5	2.5	1.6
Labor and employment	Ten thousands	Ten thousands (Approx.)	Ten thousands (Approx.)			% (Approx.)		% (Approx.)	
Total labor force	6,750	6,831	6,871			1.0		1.2	
Total employment	6,566	6,665	6,711			1.4		1.5	
Employees	5,848	5,950	6,006			1.5		1.7	
Unemployment rate	%	% (Approx.)	% (Approx.)						
	2.7	2.4	2.3						
Production	%	% (Approx.)	% (Approx.)						
Industrial production	2.9	1.4	2.4						
Prices	%	% (Approx.)	% (Approx.)						
Domestic corporate goods price index	2.7	2.7	2.0						
Consumer price index (all items)	0.7	1.0	1.1						
GDP deflator	0.1	0.0	1.1						
Balance of payments	Trillion yen	Trillion yen (Approx.)	Trillion yen (Approx.)			% (Approx.)		% (Approx.)	
Balance of goods and services	4.1	1.0	2.0						
Trade balance	4.6	1.5	1.0						
Exports	78.3	83.0	86.4	10.6		6.0		4.1	
Imports	73.7	81.5	85.4	13.4		10.6		4.8	
Current balance	21.8	20.4	22.3						
Current balance as a percentage of GDP	%	% (Approx.)	% (Approx.)						
	4.0	3.7	3.9						

\*1 Figures in parentheses represent contribution to GDP growth.

(Note1) The figures for consumer price index include all items.

(Note2) The effects of the consumption tax hike on consumer price index (all items) and GDP deflator are estimated to be approximately 0.5% point and 0.4% point, respectively. The effect of free childhood education on consumer price index (all items) is estimated to be approximately 0.3% point.

(Note3) We have assumed the real growth rate of the world GDP (excluding Japan), the yen's exchange rate, and the crude oil import price as below. These assumptions are neither projections nor outlook of the government but are solely for the sake of this preparation work.

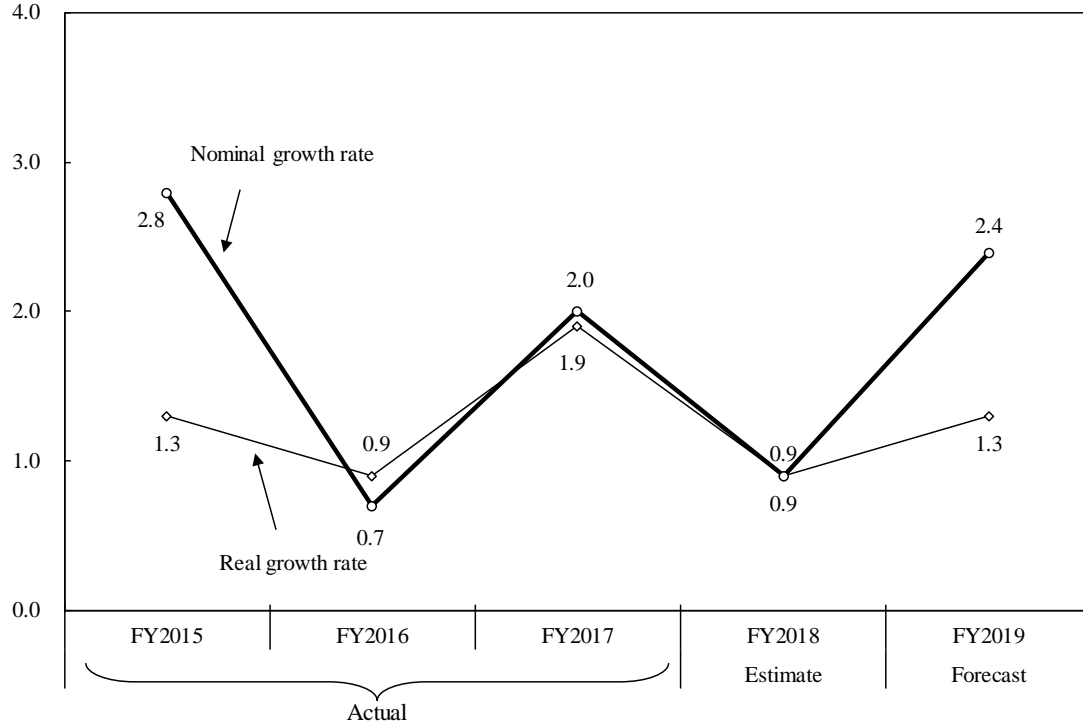
	FY2017(Actual)	FY2018	FY2019
Real growth rate of world GDP (excluding Japan) (%)	3.5	3.6	3.3
Exchange rate (yen/dollar)	110.8	111.8	113.4
Crude oil import price (dollar/barrel)	57.1	73.0	68.6

(Reference)

## Main Economic Indicators

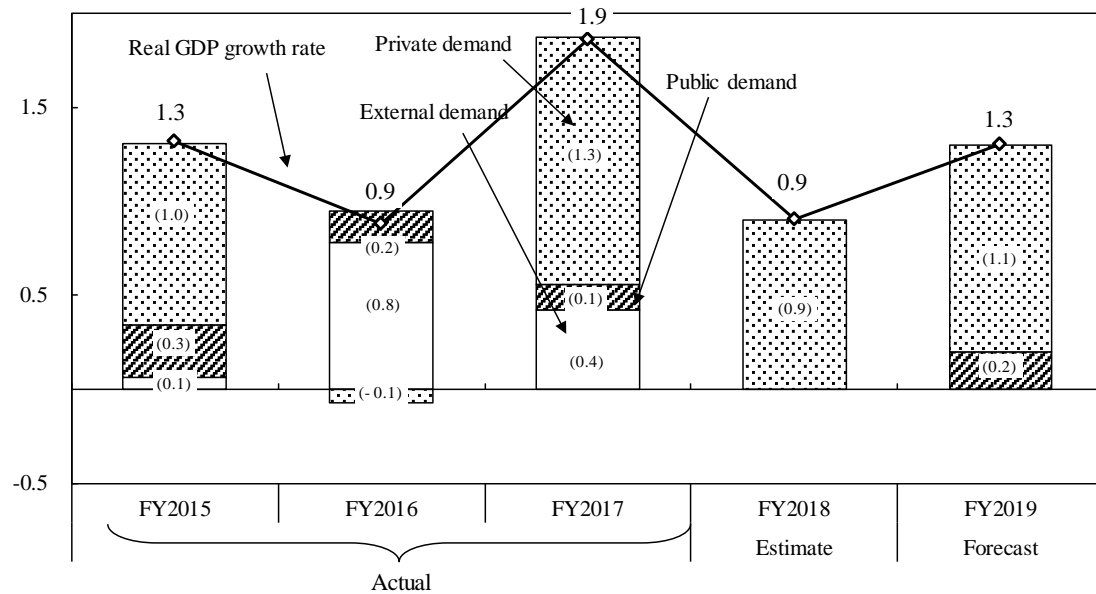
(%, or approximate %)

### 1. Gross domestic product (GDP)



(%, or approximate %)

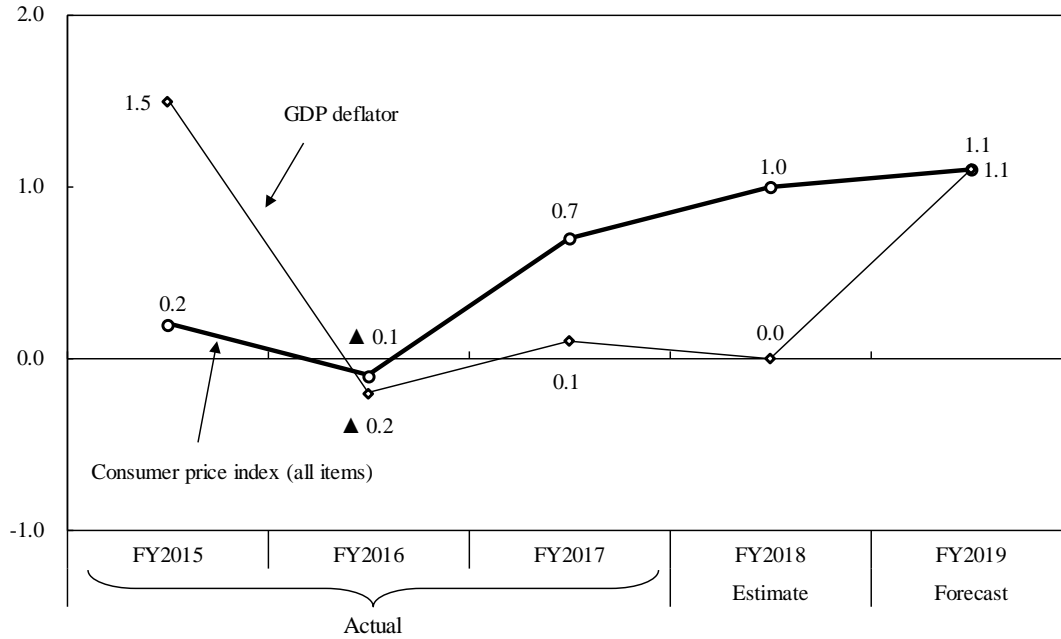
### 2. Real GDP growth rate and contributions to the real GDP growth rate



Note: Contributions of private demand, public demand and external demand show their contributions to the real growth rate.

(%, or approximate %)

### 3. Percentage change in price related indices



\* The effects of the consumption tax hike on consumer price index (all items) and GDP deflator for FY2019 are estimated to be approximately 0.5% point and 0.4% point, respectively. The effect of free childhood education on consumer price index (all items) is estimated to be approximately 0.3% point.

(%, or approximate %)

### 4. Unemployment rate and the number of employees

(Ten thousands, or approximate Ten thousands)

