

Fiscal 2020 Economic Outlook

December 18, 2019

Approved by the Cabinet

Main Economic Indicators

	FY2018 (Actual)	FY2019 (Estimate)	FY2020 (Forecast)	Percentage changes over the previous fiscal year					
				FY2018		FY2019		FY2020	
				% (Current prices)	% (Constant prices)	% (Approx.) (Current prices)	% (Approx.) (Constant prices)	% (Approx.) (Current prices)	% (Approx.) (Constant prices)
Gross domestic product	548.4	558.3	570.2	0.1	0.3	1.8	0.9	2.1	1.4
Private consumption expenditure	304.7	308.5	314.2	0.5	0.1	1.2	0.6	1.8	1.0
Private residential investment	16.5	17.0	16.9	▲ 3.4	▲ 4.9	2.9	1.5	▲ 0.3	▲ 1.9
Private non-residential investment	88.0	90.3	93.2	2.5	1.7	2.6	2.2	3.2	2.7
Change in Private Inventories *1	1.5	1.7	1.9	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)
Exports of goods and services	100.6	96.4	99.1	2.3	1.6	▲ 4.2	▲ 1.2	2.8	2.4
Less: Imports of goods and services	99.7	95.7	98.8	6.8	2.2	▲ 4.0	0.3	3.2	3.1
Contribution of domestic demand				0.9	0.4	1.8	1.2	2.2	1.5
Contribution of private demand				0.6	0.2	1.2	0.8	1.6	1.0
Contribution of public demand				0.3	0.2	0.6	0.4	0.6	0.5
Contribution of external demand				▲ 0.7	▲ 0.1	▲ 0.0	▲ 0.3	▲ 0.1	▲ 0.1
Gross national income	568.4	580.1	592.0	0.3	▲ 0.2	2.1	1.4	2.0	1.3
Labor and employment	Ten thousands	Ten thousands (Approx.)	Ten thousands (Approx.)	%		% (Approx.)		% (Approx.)	
Total labor force	6,847	6,891	6,901	1.4		0.6		0.2	
Total employment	6,681	6,730	6,744	1.8		0.7		0.2	
Employees	5,955	6,015	6,048	1.8		1.0		0.6	
Unemployment rate	%	% (Approx.)	% (Approx.)						
	2.4	2.3	2.3						
Production	%	% (Approx.)	% (Approx.)						
Industrial production	0.3	▲ 1.7	2.1						
Prices	%	% (Approx.)	% (Approx.)						
Domestic corporate goods price index	2.2	0.3	1.0						
Consumer price index (all items)	0.7	0.6	0.8						
GDP deflator	▲ 0.2	0.9	0.8						
Balance of payments	Trillion yen	Trillion yen (Approx.)	Trillion yen (Approx.)	%		% (Approx.)		% (Approx.)	
Balance of goods and services	▲ 0.0	▲ 0.1	▲ 0.4						
Trade balance	0.7	0.3	▲ 0.5						
Exports	80.3	75.9	78.0	2.6		▲ 5.5		2.7	
Imports	79.6	75.6	78.4	8.0		▲ 5.0		3.7	
Current balance	19.2	19.5	18.9						
Current balance as a percentage of GDP	%	% (Approx.)	% (Approx.)						
	3.5	3.5	3.3						

*1 Figures in parentheses represent contribution to GDP growth.

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

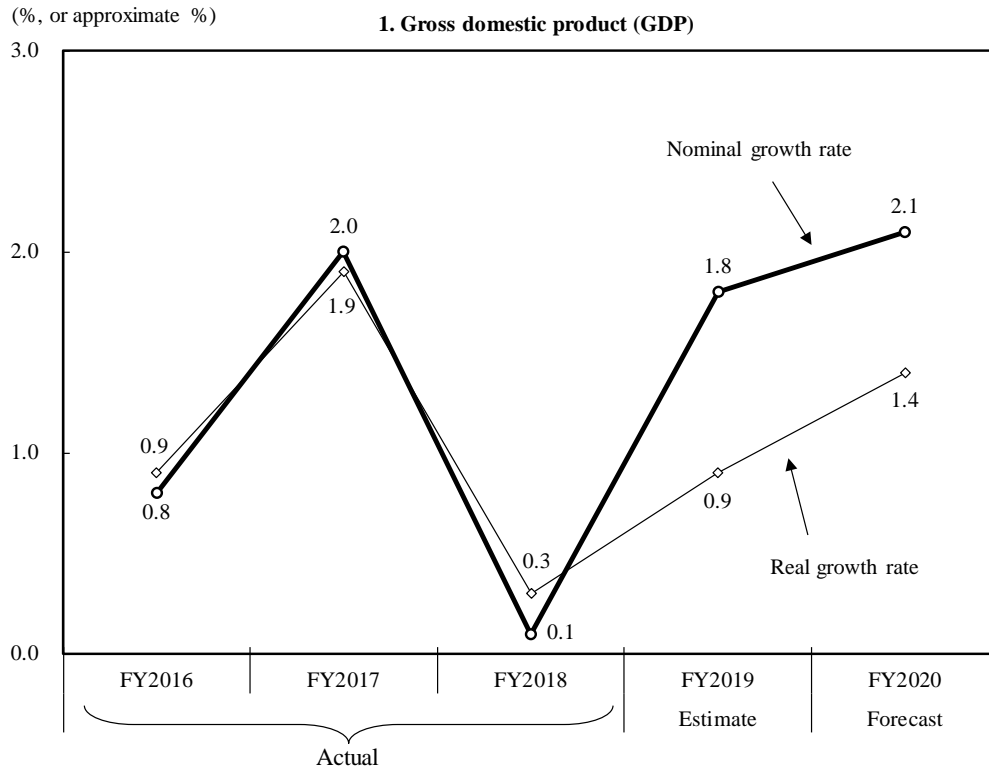
(Note2) The effects of the consumption tax hike in October 2019 on consumer price index (all items) and GDP deflator for FY2019 and FY2020 are estimated to be approximately 0.5% point and 0.4% point, respectively. The effects of free early childhood education on consumer price index (all items) for FY2019 and FY2020 are estimated to be approximately ▲0.3% point. The effects of free higher education on consumer price index (all items) for FY2020 are estimated to be approximately ▲0.1% 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.

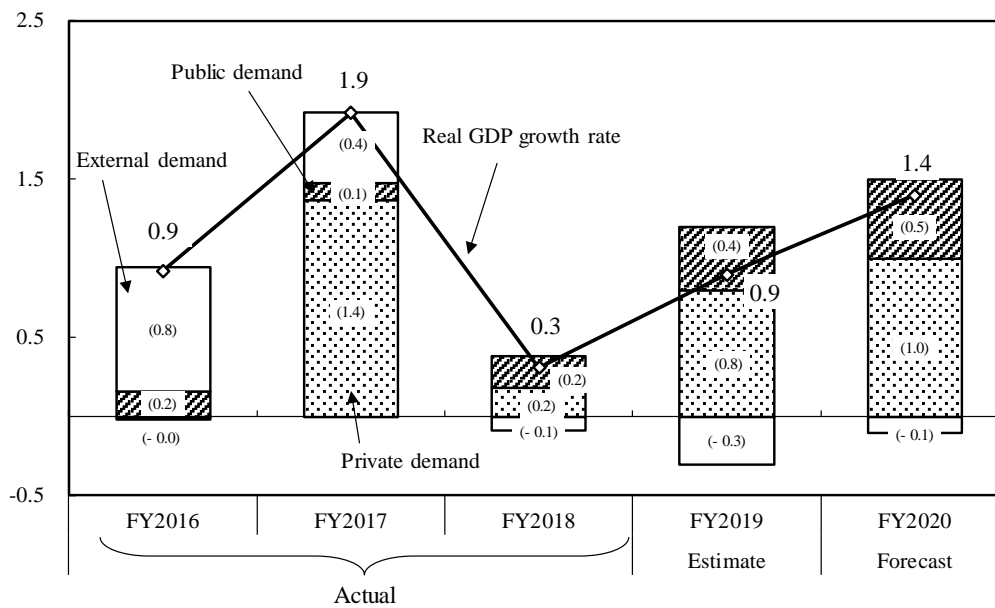
	FY2018(Actual)	FY2019	FY2020
Real growth rate of world GDP (excluding Japan) (%)	3.3	2.9	2.9
Exchange rate (yen/dollar)	110.9	108.7	108.9
Crude oil import price (dollar/barrel)	72.0	67.1	65.6

(Reference)

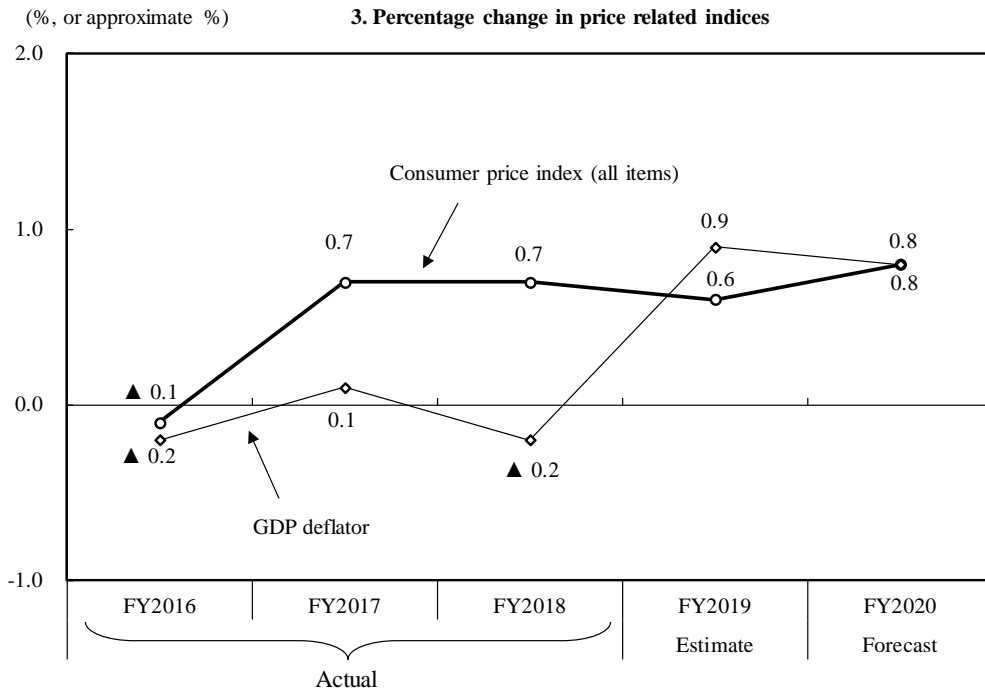
Main Economic Indicators



(%, 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.



* The effects of the consumption tax hike in October 2019 on consumer price index (all items) and GDP deflator for FY2019 and FY2020 are estimated to be approximately 0.5% point and 0.4% point, respectively. The effects of free early childhood education on consumer price index (all items) for FY2019 and FY2020 are estimated to be approximately ▲0.3% point. The effects of free higher education on consumer price index (all items) for FY2020 are estimated to be approximately ▲0.1% point.

