The Basic Facts of the Japanese Economy

August 6, 2020
Cabinet Office
Nominal and real GDP

Nominal GDP

Real GDP

Components of demand side of Japan’s GDP (CY2018)

- Private consumption (56%)
- Business investment (16%)
- Government expenditure (25%)
- Exports (19%)
- Imports (-18%)

Components of supply side of Japan’s GDP (CY2018)

- Manufacturing (21%)
  - Electricity, gas supply, etc. (8%)
  - Wholesale and retail trade (14%)
  - Machinery (7%)
  - Construction (4%)
  - Software, R&D (5%)
  - Transport and postal services, accommodation and food service, information and communications (13%)
- Non-manufacturing (79%)
  - Finance and insurance, real estate (16%)
  - Service (12%)
  - Education, Public administration, human health, etc. (16%)

Source: Cabinet Office.
## GDP: Jan – Mar. 2020 (Second Preliminary Estimates (Revised))

### Changes and contributions to changes in real GDP (seasonally adjusted)

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<tbody>
<tr>
<td>2019</td>
<td>0.6</td>
<td>0.5</td>
<td>0.0</td>
<td>-1.9</td>
<td>-0.6</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>-0.6</td>
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<tr>
<td>2020</td>
<td>-0.6</td>
<td>-2.2</td>
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</table>

| Domestic Demand (Contributions)      | (1.4)  | (1.6)  | (3.2)  | (-1.0) | (1.2)  | (0.1)  | (1.5)  | (0.4)  | (0.2)  |
|                                      | (0.1)  | (0.8)  | (0.2)  | (-2.4) | (-0.3) |        |        |        |        |

| Private Demand (Contributions)       | (1.2)  | (1.3)  | (2.4)  | (-0.9) | (0.9)  | (-0.0) | (1.4)  | (0.2)  | (-0.4) |
|                                      | (0.1)  | (0.4)  | (0.1)  | (-2.4) | (-0.3) |        |        |        |        |

| Private Consumption                  | 0.7    | 1.6    | 2.8    | -2.6   | 0.7    | -0.0   | 1.1    | 0.1    | -0.6   |
|                                      | 0.1    | 0.5    | 0.4    | -2.9   | -0.8   |        |        |        |        |

| Private Non-Residential Investment  | 4.3    | 2.4    | 7.0    | 3.4    | 1.6    | -0.4   | 4.3    | 1.7    | -0.3   |
|                                      | -0.5   | 0.9    | 0.2    | -4.8   | 1.7    |        |        |        |        |

| Private Residential Investment      | 2.9    | 5.1    | 8.3    | -9.9   | 3.7    | -1.4   | -4.9   | 0.5    | 1.4    |
|                                      | -0.2   | 1.2    | -2.3   | -4.2   |        |        |        |        |        |

| Changes in Private Inventories       | (0.0)  | (-0.1)| (-0.5) | (0.4)  | (0.2)  | (-0.1)| (0.2)  | (0.0)  | (-0.1) |
|                                      | (0.1)  | (0.0)  | (-0.3) | (0.0)  | (-0.0) |        |        |        |        |

| Public Demand (Contributions)        | (0.3)  | (0.3)  | (0.8)  | (0.0)  | (0.3)  | (0.2)  | (0.1)  | (0.2)  | (0.6)  |
|                                      | (0.1)  | (0.4)  | (0.2)  | (0.1)  | (0.0)  |        |        |        |        |

| Public Investment                    | -1.9   | 1.3    | 8.6    | -2.0   | -1.6   | 0.6    | 0.6    | 3.3    | 2.4    |
|                                      | 1.7    | 1.0    | -0.6   |        |        |        |        |        |        |

| Net Exports (Contributions)          | (-1.0)| (-0.8) | (-0.5) | (0.6)  | (0.1)  | (0.8)  | (0.5)  | (-0.1)| (-0.2) |
|                                      | (0.5)  | (-0.3) | (-0.2) | (0.5)  | (-0.2) | (0.5)  | (-0.2) |        |        |

| Exports                              | -1.6   | -1.6   | 4.4    | 8.7    | 0.8    | 3.7    | 6.4    | 1.7    | -2.7   |
|                                      | -1.8   | 0.2    | -0.6   | 0.4    | -6.0   |        |        |        |        |

| Imports                              | 5.2    | 3.8    | 7.1    | 4.2    | 0.4    | -0.9   | 3.9    | 2.5    | -1.7   |
|                                      | 1.8    | 0.7    | -2.4   | -4.9   |        |        |        |        |        |

| Nominal GDP growth rate [at annual rate] | -1.1  | 0.1    | 2.6    | 2.2    | 2.8    | 0.8    | 2.0    | 0.1    | 0.8    |
|                                         | 1.1    | 0.6    | 0.4    | -1.5   | -0.5   |        |        |        |        |

Note: Quarterly data is quarter-to-quarter change.
Source: Cabinet Office.
Active job openings-to-applicants ratio

Sources: Ministry of Internal Affairs and Communications; Ministry of Health, Labour and Welfare.
Labor Market (2) : Women and Elderly Labor Participation

Female employed person

Labor participation rate of the elderly (by age)

<Male>

Source: Ministry of Internal Affairs and Communications.
Consumption and Household Income

Private consumption (real)

Wage income of employees

Average nominal wages for full-time and part-time workers

Minimum wage per hour

Sources: Ministry of Health, Labour and Welfare; Cabinet Office.


Source: Ministry of Internal Affairs and Communications; Ministry of Health, Labour and Welfare; Cabinet Office.

Business sentiment of firms

<table>
<thead>
<tr>
<th>Year</th>
<th>All industries</th>
<th>Manufacturing</th>
<th>Non-manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>-27</td>
<td>-27</td>
<td>-26</td>
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</tbody>
</table>

Source: Bank of Japan.
Business Investment

Components of business investment (2018)
- Machinery (47%)
- Construction (24%)
- R&D (19%)
- Software (10%)

Sources: Cabinet Office; Ministry of Land, Infrastructure, Transport and Tourism.
Japan’s Trade and Investment

Japan's export values
(Share by destination, in CY 2019)

- China: 19.1%
- U.S.: 19.8%
- EU excl. U.K.: 9.7%
- U.K.: 2.0%
- ASEAN, etc.: 14.4%
- NIEs: 20.3%
- Other countries: 14.8%

Total: 76.9 trillion yen

Japan's foreign direct investment
(Outstanding, share by destination, as of end-Dec. 2018)

- U.S.: 31.3%
- EU excl. U.K.: 15.1%
- E.g. excl. U.K.: 15.0%
- ASEAN, etc.: 11.0%
- NIEs: 10.0%
- China: 7.8%
- China: 9.8%

Total: 173.7 trillion yen

The number of foreign tourists

- China: 31.88 million people
- U.S.: 31.3%
- U.K.: 9.8%
- China: 7.8%
- NIEs: 10.0%
- ASEAN, etc.: 11.0%
- Other countries: 15.0%

Current account

- Current account: Goods, Services, Secondary income, Primary income
- Trillion yen
- CY 1996 to 2019

Sources: Ministry of Finance; Bank of Japan; BIS; Japan National Tourism Organization.
Notes: "NIEs" are composed of Korea, Taiwan, Hong Kong, and Singapore; while "ASEAN etc." are rest of Asian economies.
Regional Economy

Business sentiment by region
“favorable” – “unfavorable”, %pt

Active job openings-to-applicants ratio by region
ratio

Source: Bank of Japan.
Prices and Output Gap

Core-core CPI
(Consumer Price Index excluding fresh food and energy)

Output gap

Source: Ministry of Internal Affairs and Communications.

Source: Cabinet Office.
Note: The red circles indicate the baby-boomers generation, who were born between 1947 and 1949.

(Reference 2) Healthy life expectancy

Note: Healthy life expectancy is average number of years that a person can live a daily life with no constraint due to health problems.
**How long people want to continue working**

- Don’t want to work
- Others, don’t know, no answer
- 70 years old
- 75 years old
- 80 years old
- Work as long as possible

**Walking Speed of elderly people**

- Male
- Female

**Scores of the elderly's physical strength test**

- Male
- Female

**Female Labor Participation Rate**

Source: Ministry of Education, Culture, Sports, Science and Technology.

Source: Ministry of Internal Affairs and Communications.

Source: Cabinet Office.

Source: The Japan Geriatrics Society.
Note: The sum of each status of residence is not equal to the total number, since it includes “Unknown”.