

Recent Economic Developments

February 2, 2024

**Cabinet Office
Government of Japan**

Loss of stock caused by 2024 Noto Peninsula Earthquake

- ◆ 2024 Noto Peninsula Earthquake caused extensive power and water outages, along with damage to various assets including housing, roads and ports. These outages and damages have impacted the daily lives of local citizens and may act upon a wide range of economic activities, including production, logistics and sightseeing.
- ◆ To analyze the influence of the earthquake, the Cabinet Office estimated the amount of stock loss. The estimation relied on the calculation method and damage rates of 2011 Great East Japan Earthquake and 2016 Kumamoto Earthquake, and the estimation referred to the measured Japan Meteorological Agency (JMA) Seismic Intensity and damage situation of local governments in the affected areas.
- ◆ The estimation process does not involve summing up the reported damages. Instead, it is rule-based estimation built on the JMA Seismic Intensity Scale and should be considered with width. May be subject to update if necessary.

○ Stock loss amount of Ishikawa · Toyama · Niigata (est.) About 1.1 ~ 2.6 Trillion yen

[Ishikawa	0.9 ~ 1.3]	tril.yen
	Toyama	0.1 ~ 0.5		
	Niigata	0.1 ~ 0.9		

○ Details of stock loss

tril.yen

Buildings	0.6	~	1.3
Housing	0.4	~	0.9
Non-residential	0.2	~	0.4
Social-Capital	0.5	~	1.3

Notes on estimation of housing stock loss

JMA Seismic Intensity	Local Governments	Wooden-house rate (%)	Wooden-house built by "Previous Earthquake Resistance Standards" (%)
7	Shika-Town	92.1	48.1
6+	Suzu-City	94.7	66.0
	Wajima-City*	92.7	56.4
	Nanao-City	88.3	40.1
6-	Nakanoto-Town	97.5	53.9
	Noto-Town*	95.3	61.1

- Estimated by "housing stock × damage rate" (of local governments in the affected area).
- The damage rate is referred to the rates observed in 2004 Chuetsu Earthquake and 2016 Kumamoto Earthquake.
- We set higher damage rate to the cities and towns with a high prevalence of age-old wooden housing stock (built according to "Previous Earthquake Resistance Standards").

Notes. 1 The damage rate was estimated by the Cabinet Office based on the damage reports and the JMA Seismic Intensity data from the 2004 Chuetsu Earthquake and 2016 Kumamoto Earthquake.
 2. Sources of wooden-house rate: Ministry of Internal Affairs and Communications "2018 Housing and Land Survey". We regard the wooden-housings built before 1981 as "Previous Earthquake Resistance Standards" wooden-houses. To be exact, the previous standards were applied to the buildings confirmed before June 1981,
 3. (*) Japan Meteorological Agency announced that a JMA Seismic Intensity of 7 had been observed in Wajima-City and Intensity of 6+ had been observed in Noto-Town at 6 p.m. on January 25th (JST). In this estimate, the intensity data provided is based on information available prior to the creation of the Monthly Economic Report, where the Japan Meteorological Agency announced the observed JMA Seismic Intensity of Wajima-City to be 6+.and the Intensity of Noto-Town to be 6-.

Quarterly Estimates of GDP Jul.-Sep.2023 (The 2nd preliminary)

Fig.1 GDP

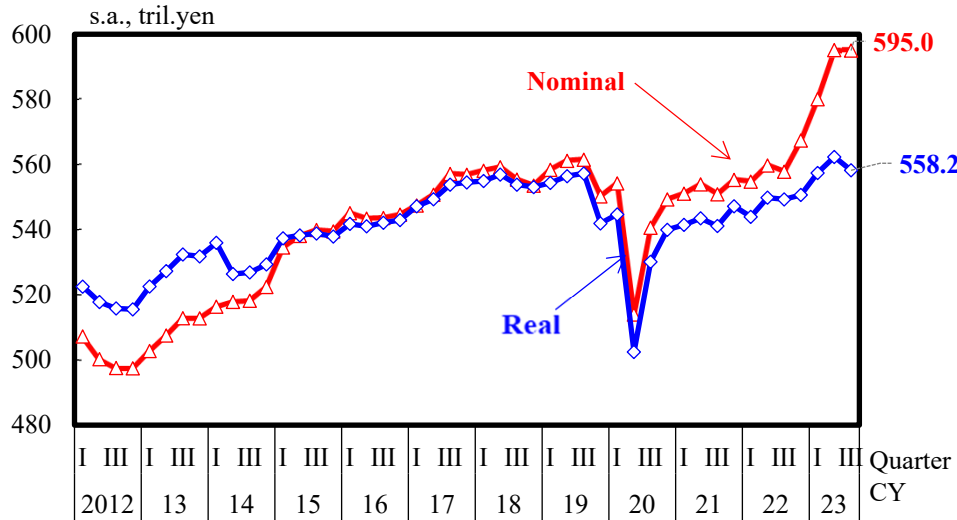


Fig.2 Real GDP growth rate

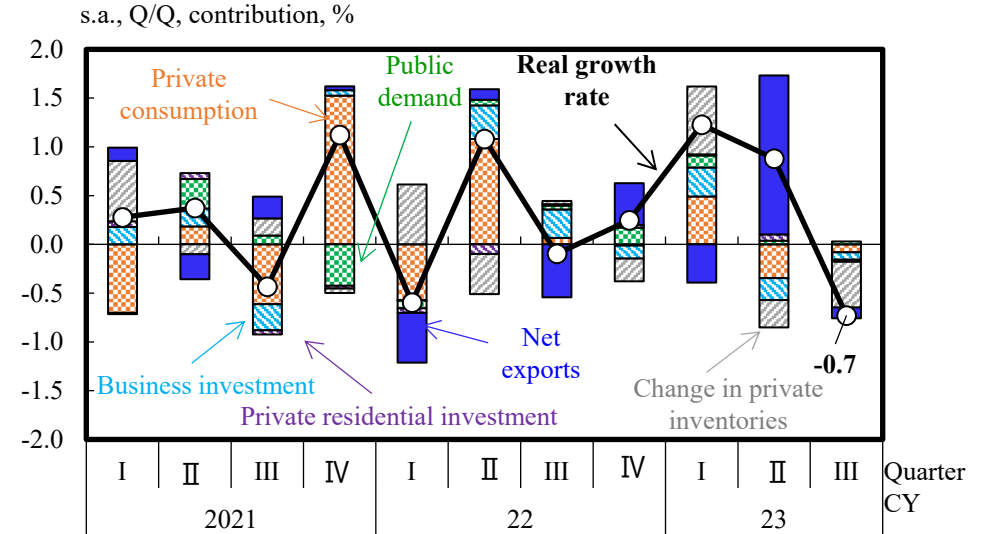


Fig.3 Private consumption

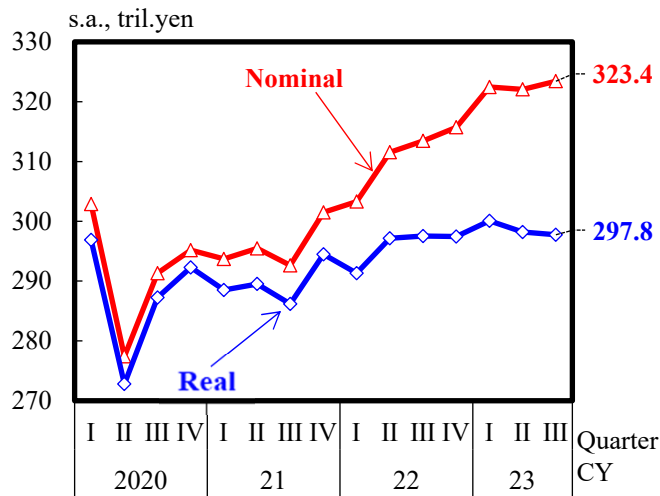


Fig.4 Private Investment

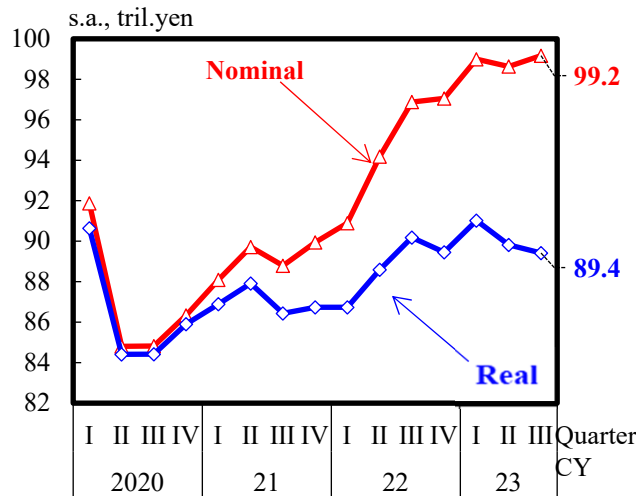
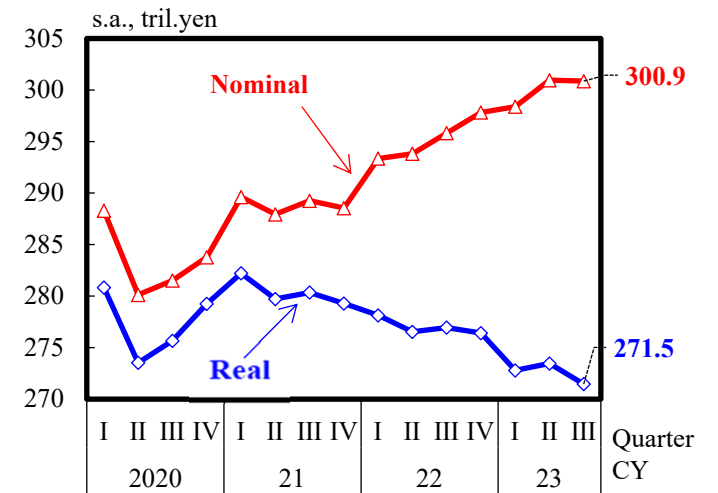


Fig.5 Employees' compensation



Corporate sector

Fig.6 Business Conditions :Non-manufacturing

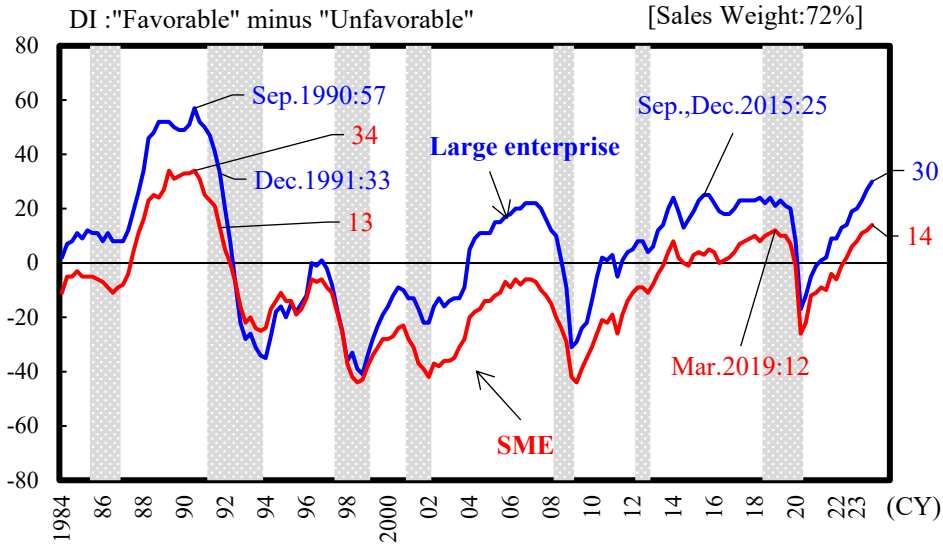


Fig. 8 Corporate profits

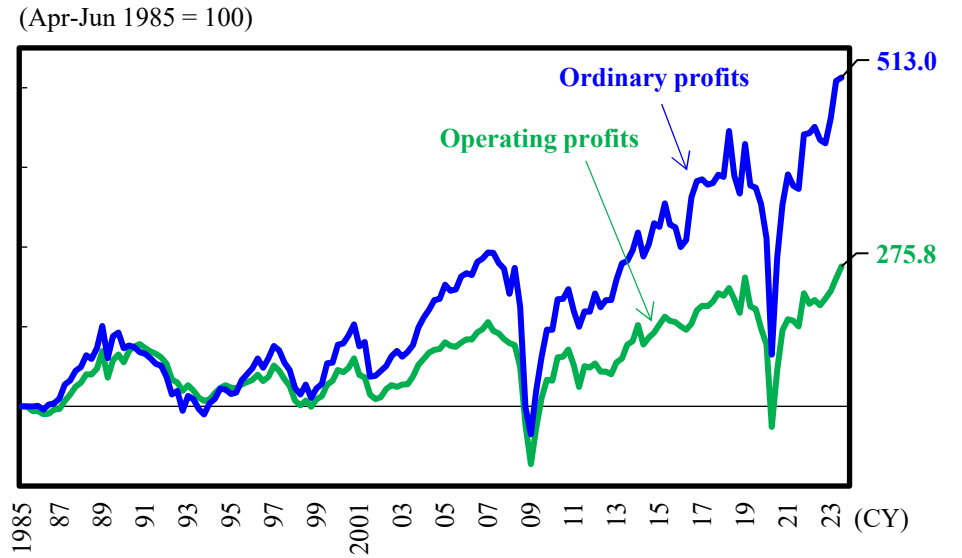


Fig. 7 Business Conditions : Manufacturing

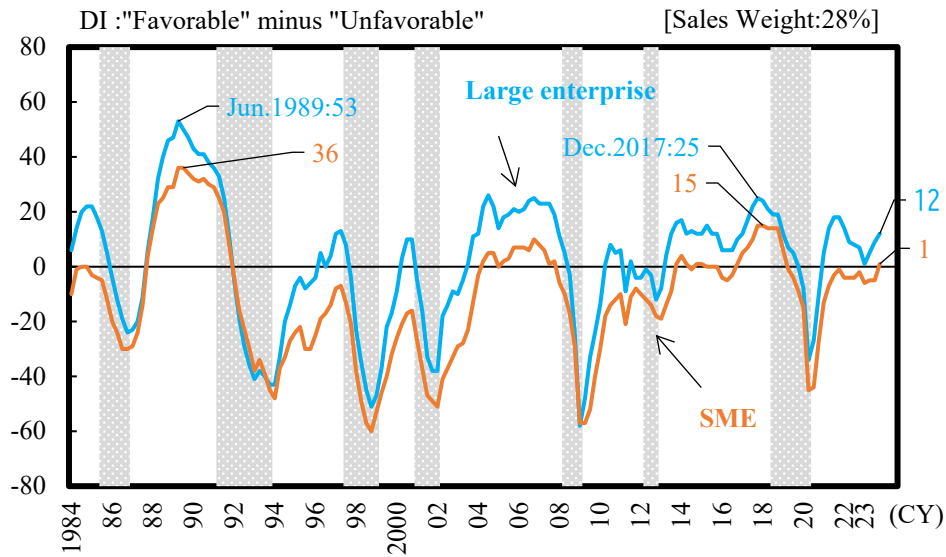
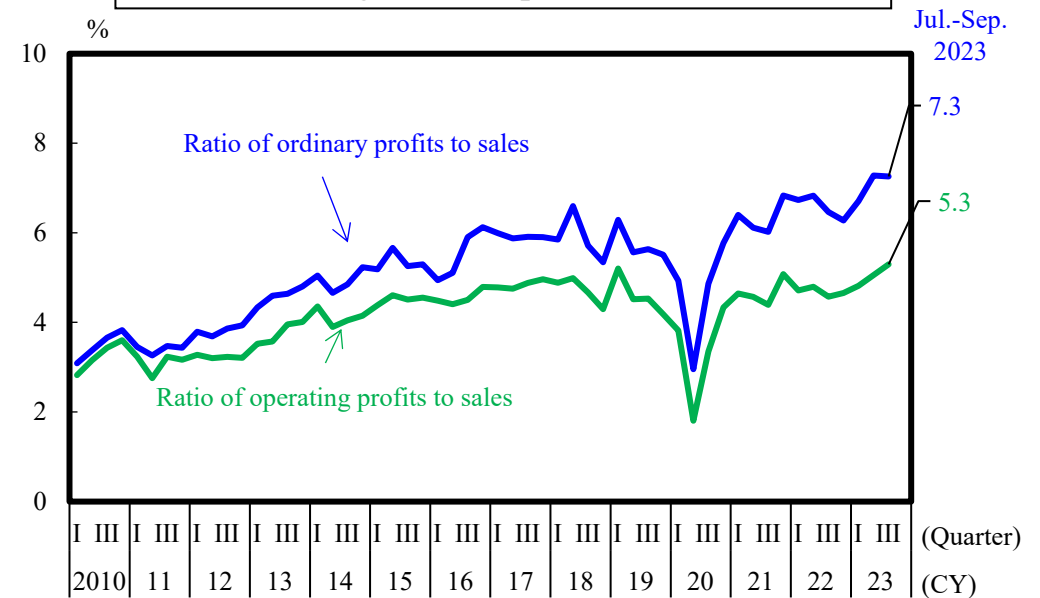


Fig. 9 Sales-profit ratio



Private Consumption and Consumer Prices

Fig. 10 Real private consumption by type

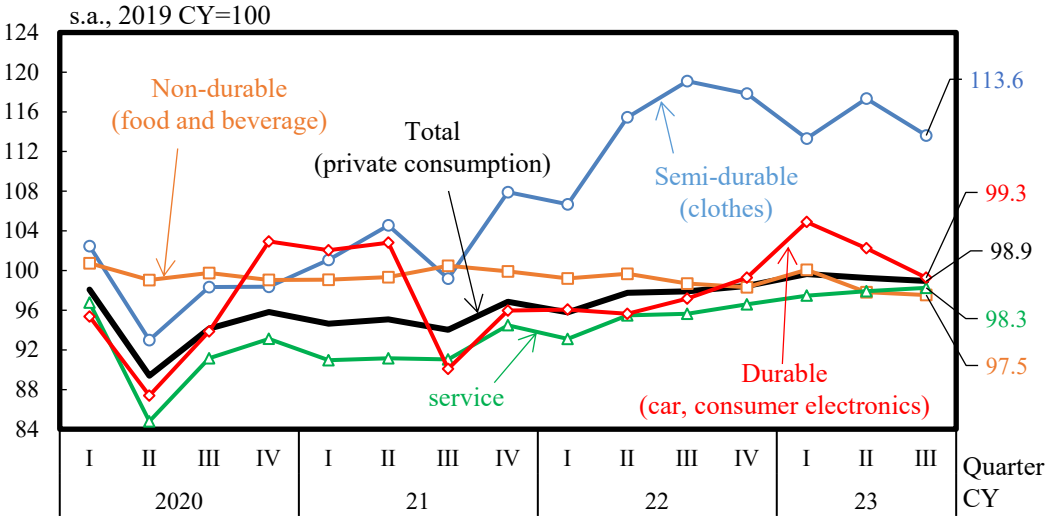


Fig.12 Consumer Price Index

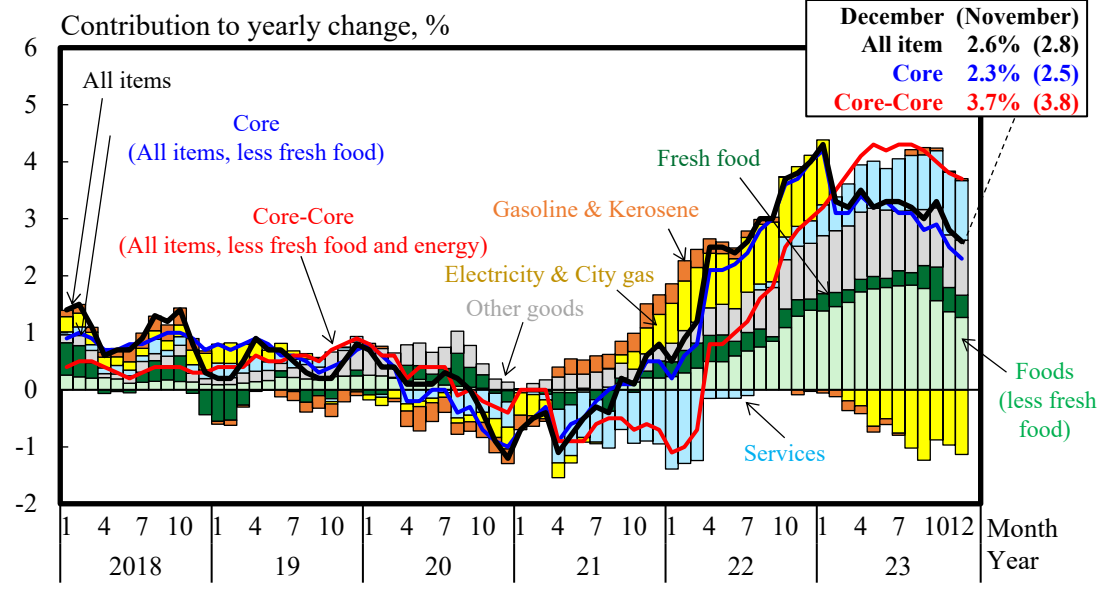


Fig. 11 Consumer confidence Index

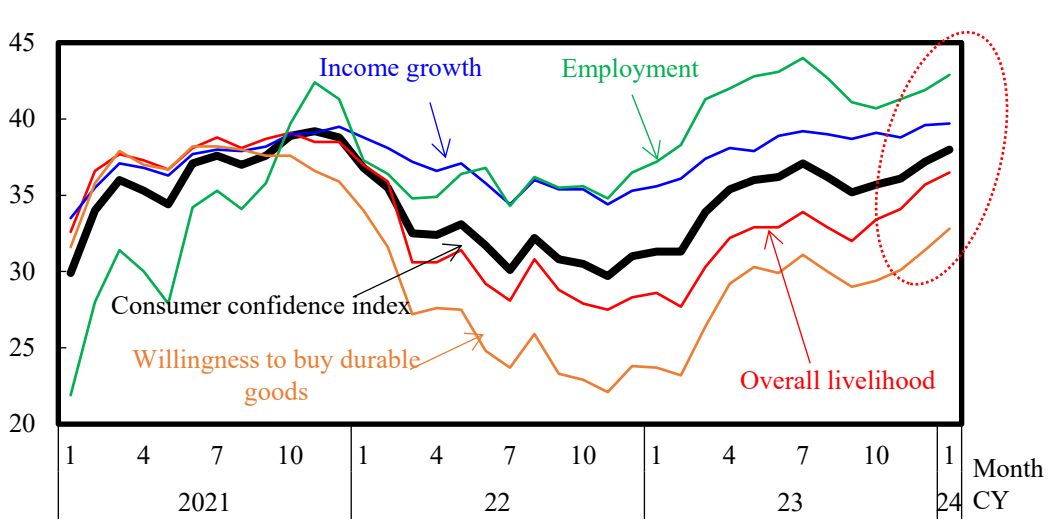
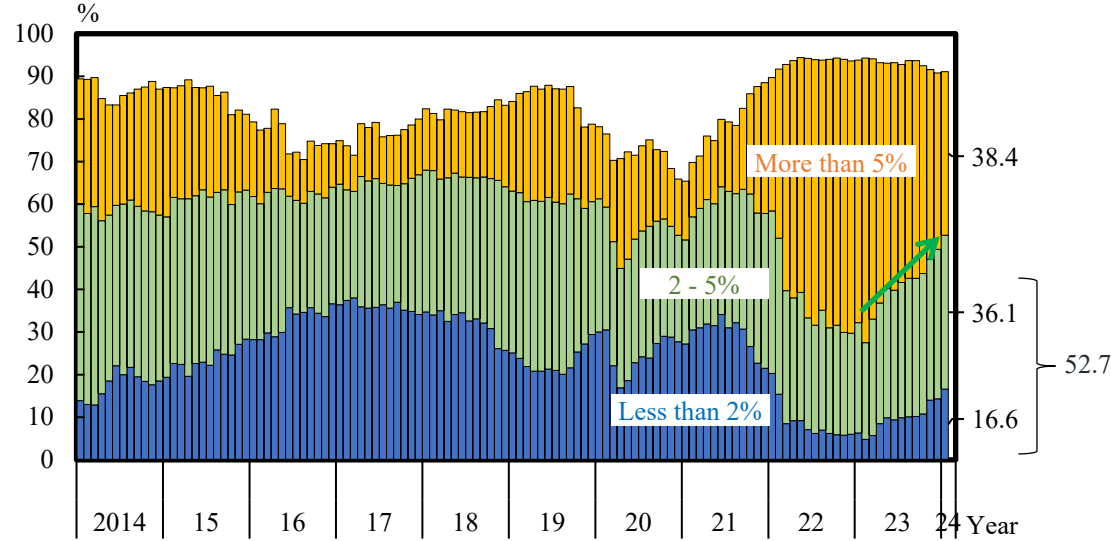


Fig. 13 Consumers' Expectation of Consumer Prices a Year Ahead



Sources: Cabinet office and Ministry of Internal Affairs and Communications

Business Investment

Fig. 14 Planned business investment (BOJ Tankan)

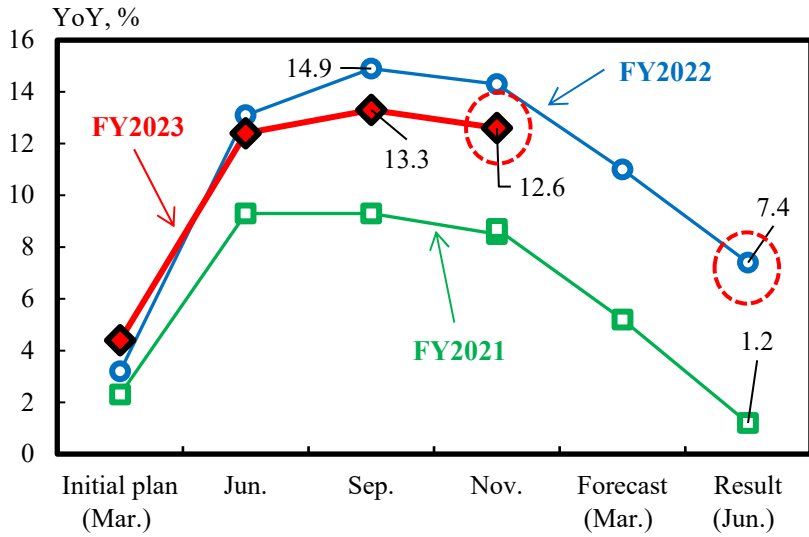


Fig. 16 Machinery orders backlog

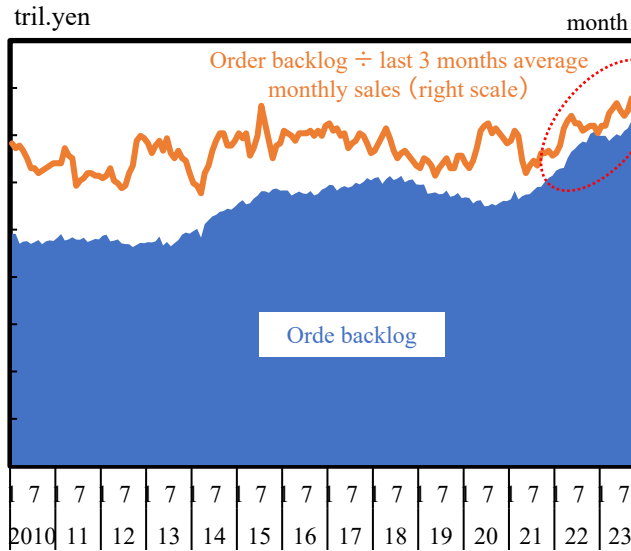


Fig. 18 Investment in software

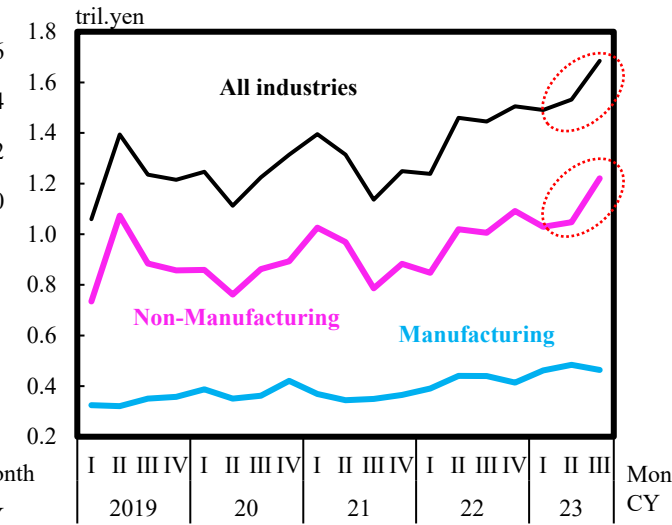


Fig. 15. Capital Goods Shipment Index & Machinery Orders

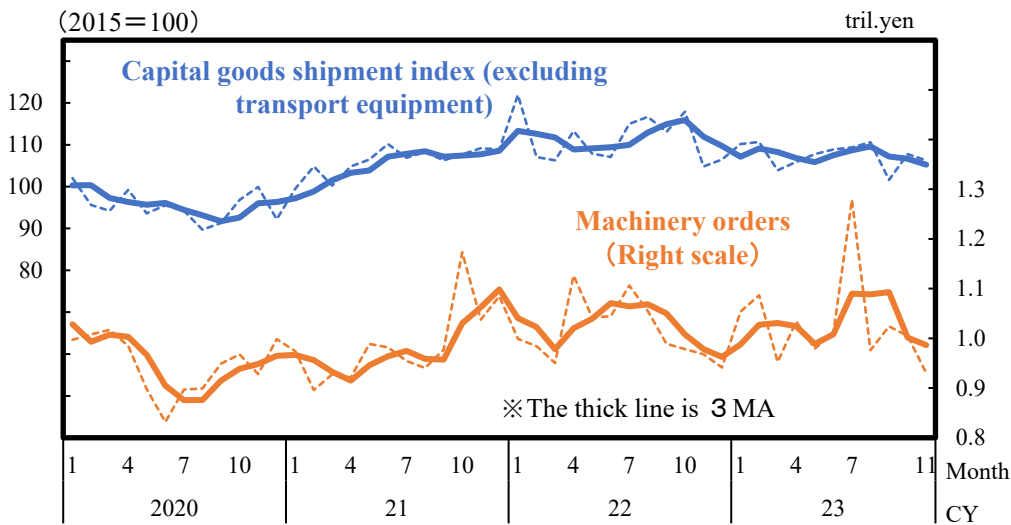
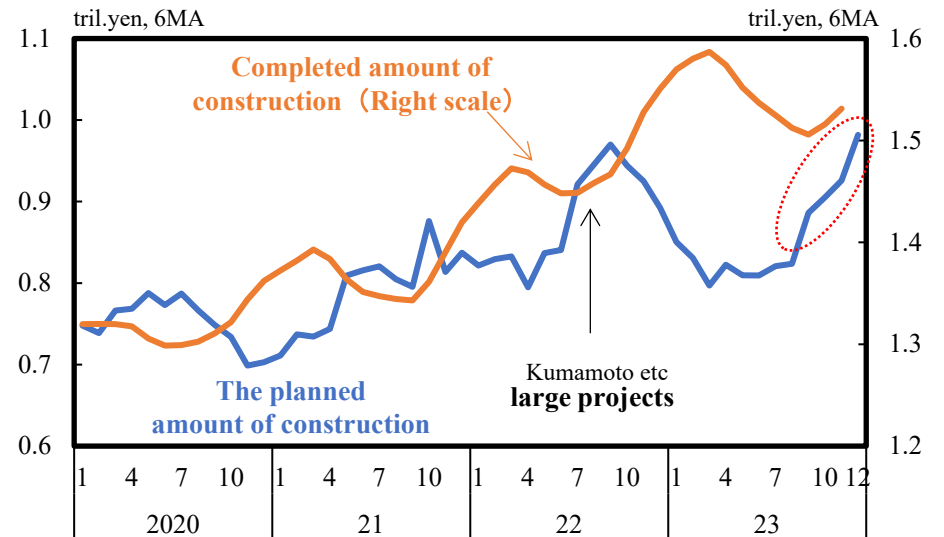


Fig.17 The Planned Amount of Non-dwelling Construction & Completed Amount of Construction



Industrial Production and Exports

Fig. 19 Industrial Production

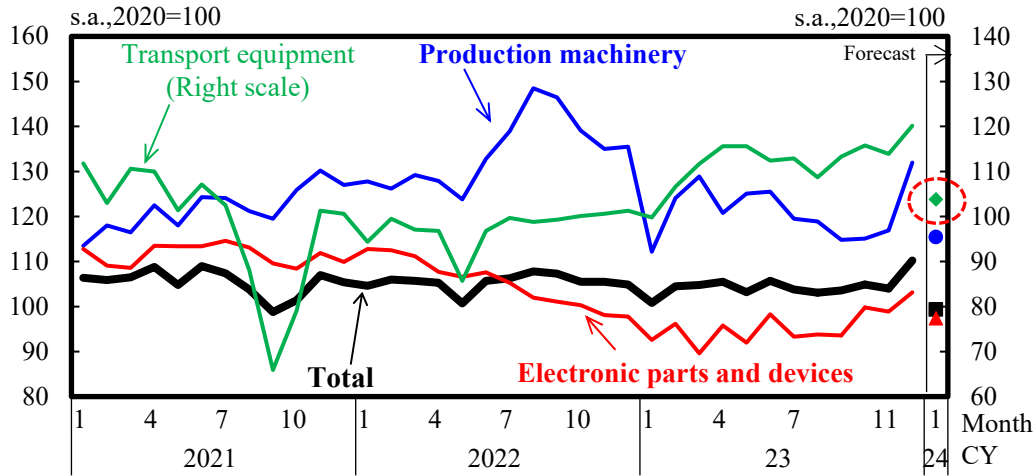


Fig. 21 Export Volume Index (by region)

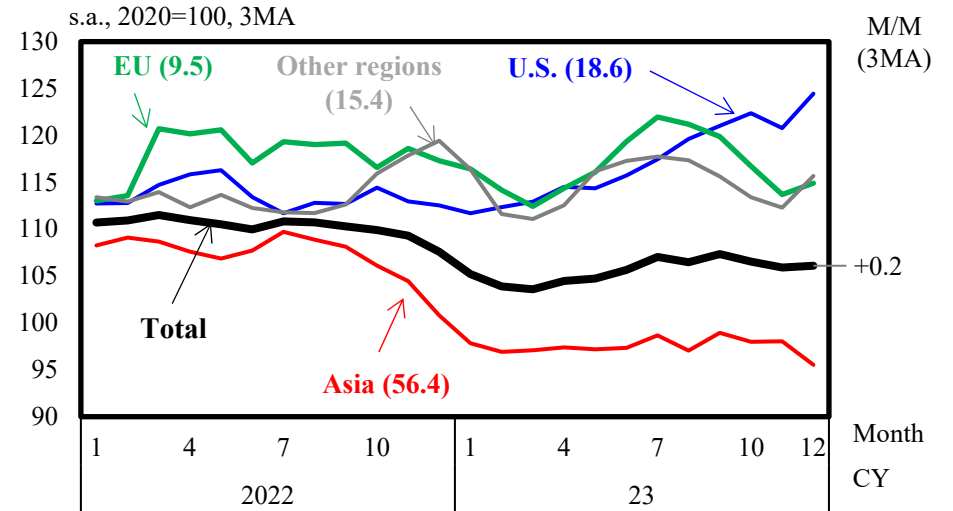


Fig. 20 Proportion Japanese Automobile Makers' Production (2023 Jan.- Nov.)

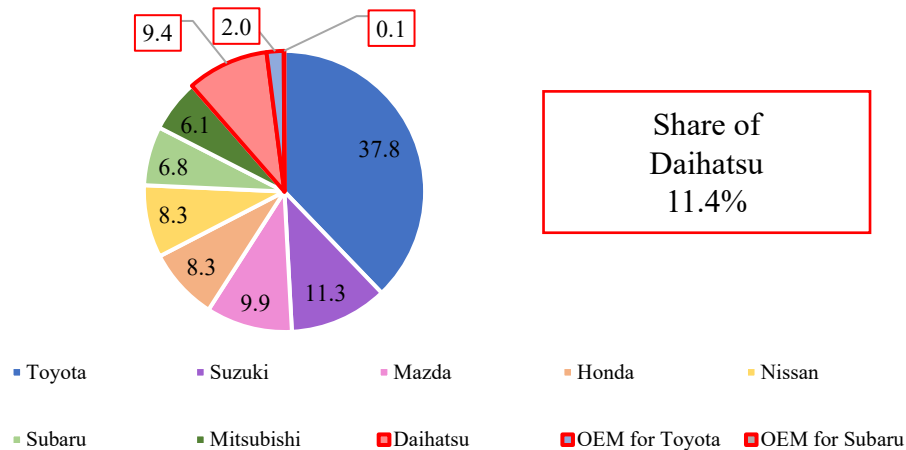
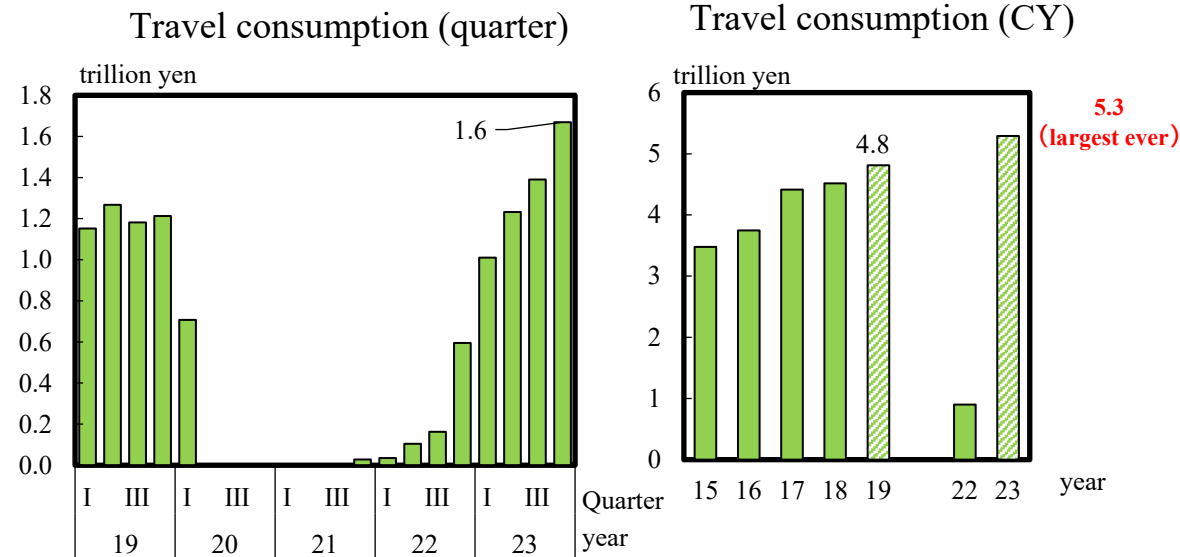


Fig. 22 Inbound



Sources: Ministry of Economy, Trade and Industry, MARKLINES, Transport; Ministry of Finance