

# **Recent Economic Developments**

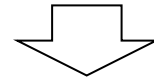
**- Monthly Economic Report, November 21 2024 -**

**Cabinet Office  
Government of Japan**

## <Assessment of the current state of the Japanese economy>

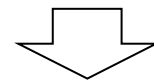
August

The Japanese economy is recovering at a moderate pace, although it remains pausing in part.



September

The Japanese economy is recovering at a moderate pace, although it remains pausing in part.



October

The Japanese economy is recovering at a moderate pace, although it remains pausing in part.

**(Unchanged since this August)**

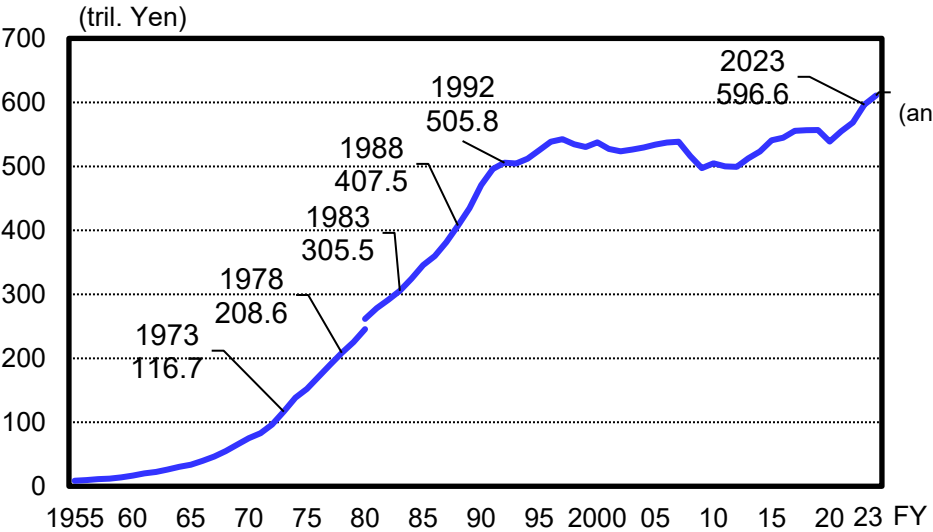
# <Assessment of the current state of the Japanese economy>

	August	September	October
Private consumption	Private consumption shows movements of picking up recently, although it remains pausing in part.	Unchanged	Unchanged
Business investment	Business investment shows movements of picking up.	Unchanged	Unchanged
Exports	Exports are almost flat.	Unchanged	Unchanged
Industrial production	Industrial production shows movements of picking up recently.	Industrial production shows movements of picking up.(→)	Industrial production is flat recently.(↓)
Corporate profits	Corporate profits are improving as a whole.	Unchanged	Unchanged
Firms' judgments on business conditions	Firms' judgments on current business conditions are improving.	Unchanged	Unchanged
Employment situation	The employment situation shows movements of improvement.	Unchanged	Unchanged
Prices	Consumer prices have been rising moderately.	Unchanged	Unchanged

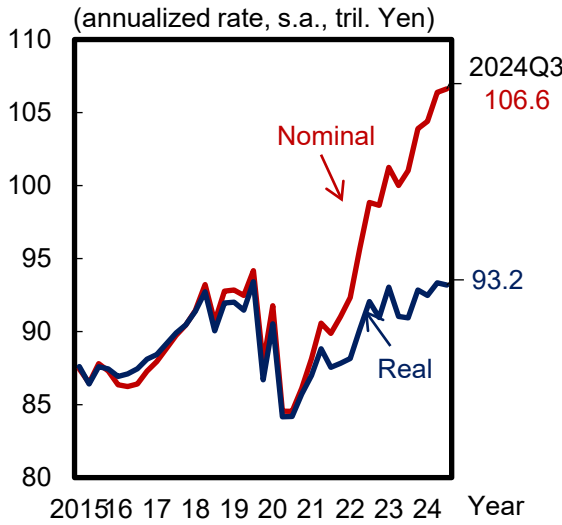
Note: ↑ denotes upward revision and ↓ denotes downward revision.

# 1. GDP (1st Preliminary Estimates for 2024 Q3)

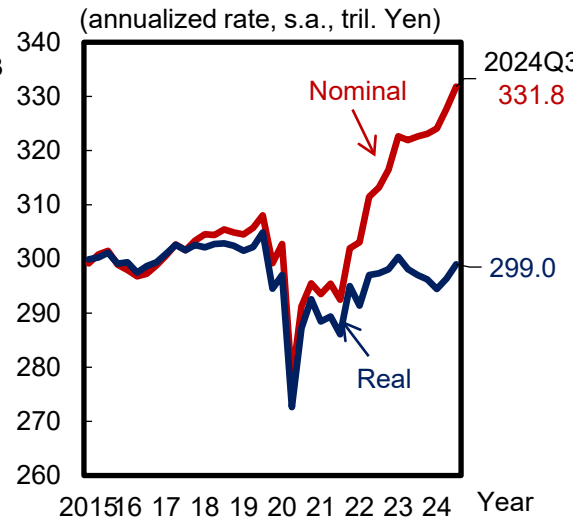
(1-1) Nominal GDP Level (FY)



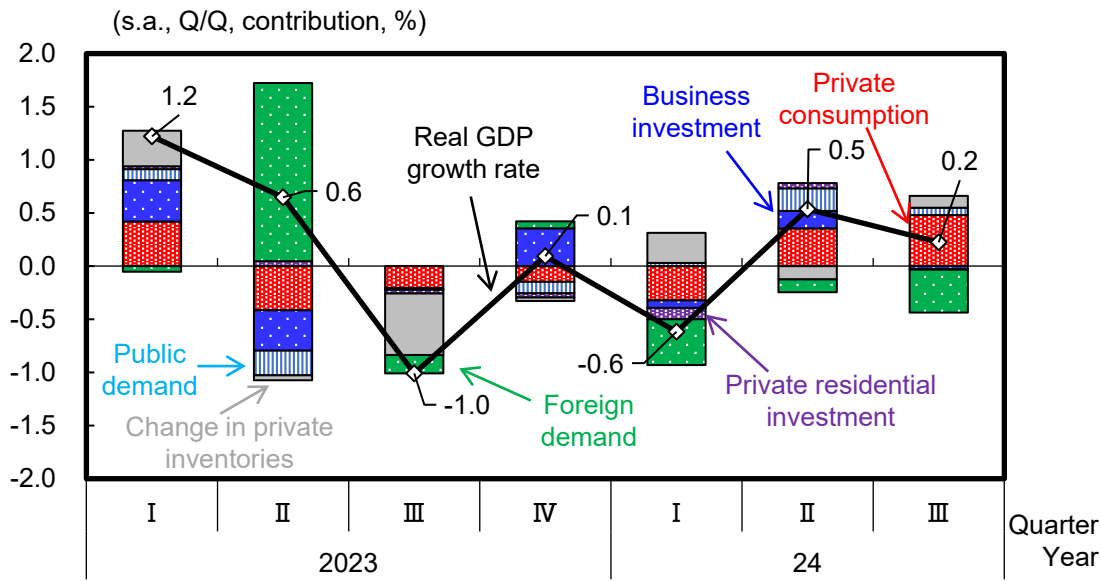
(1-3) Business Investment



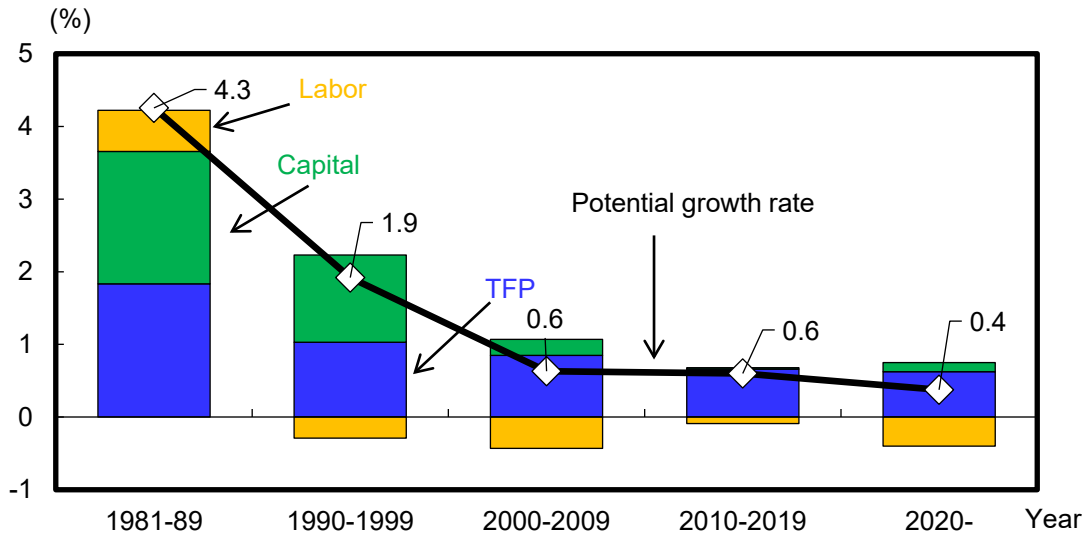
(1-4) Private Consumption



(1-2) Real GDP Growth Rate



(1-5) Potential Output Growth Rate in Japan



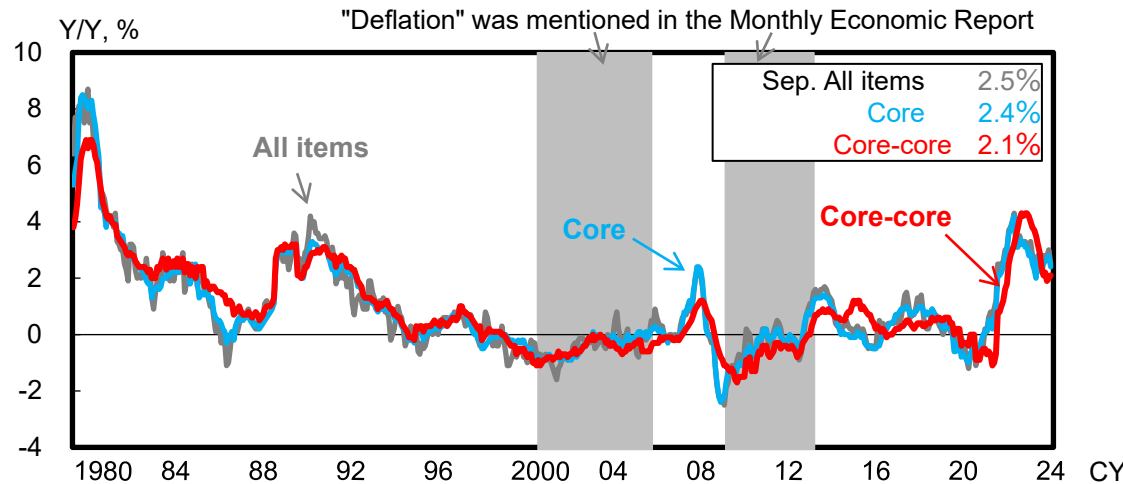
Source: Cabinet Office.

# 2. Definition of “overcoming deflation” and General Trend of Prices

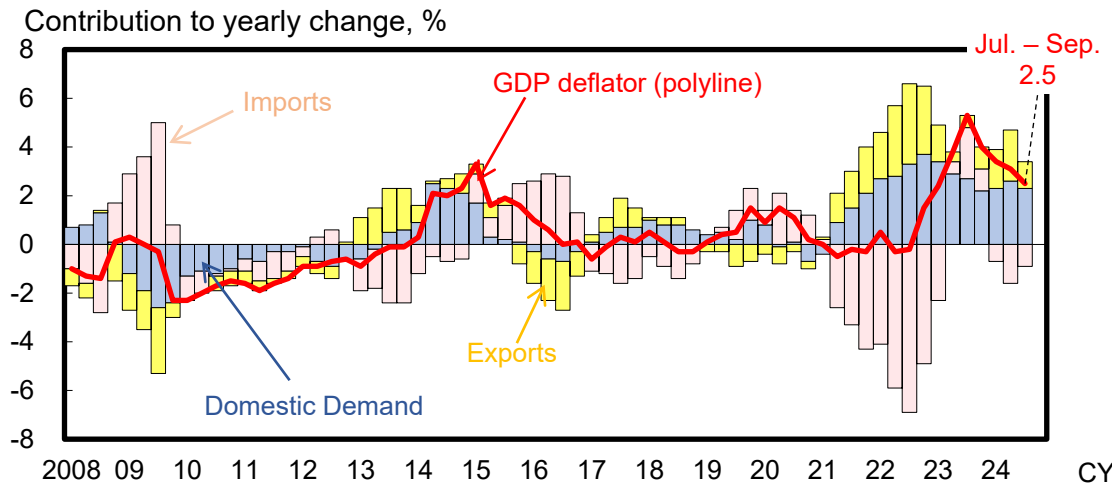
**Definition of “deflation” and “overcoming deflation” (2006.03)**

- “Deflation” is the situation where the price level continuously declines.
- “Overcoming deflation” means “there is not risk to go back to deflation”.
- To judge whether we have overcome deflation, we need to assess not only the current situation of price level, but also overall economic situation and backgrounds, to assess whether there is risk to go back to deflation.

## (2-2) Consumer Price Index growth



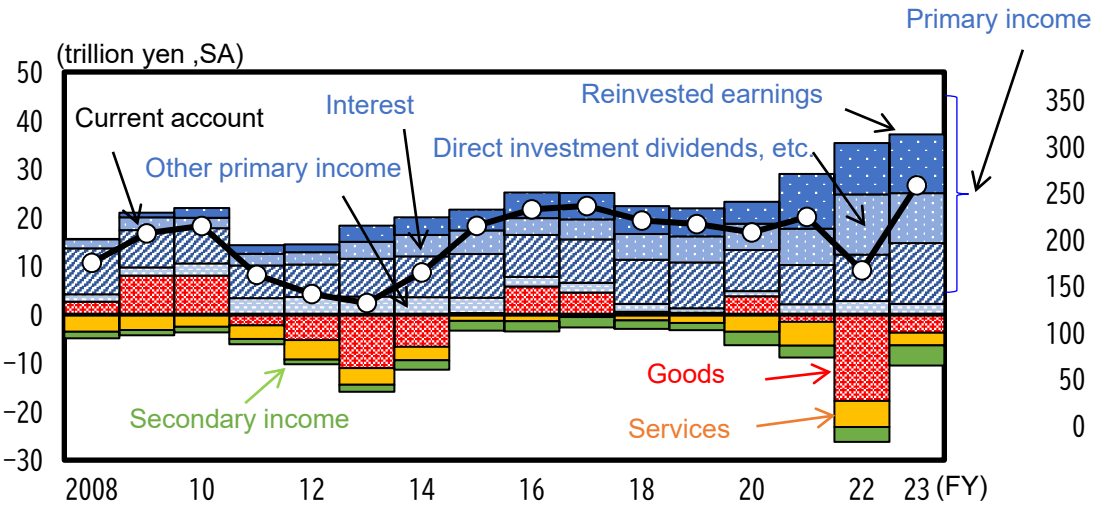
## (2-3) GDP Deflator



Source: Ministry of Internal Affairs and Communications; Cabinet Office  
 Note : The Y/Y change in the Consumer Price Index is based on excluding the impact of the consumption tax rate hike.

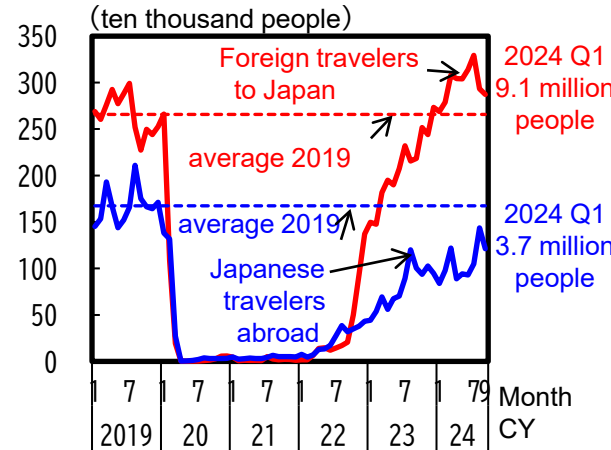
# 3. Trends in Current Account Balance

(3-1) Trend of Current account

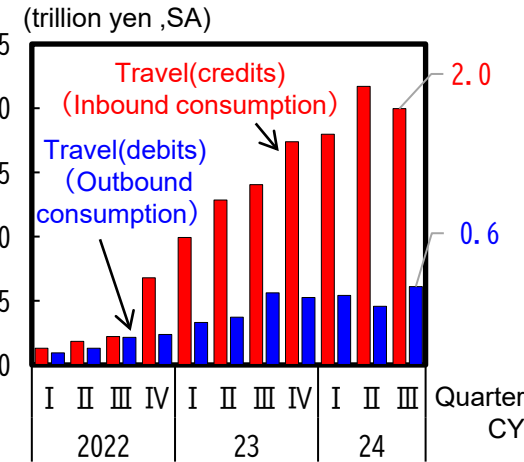


(3-3) Trends in Travel Service

① Number of Travelers



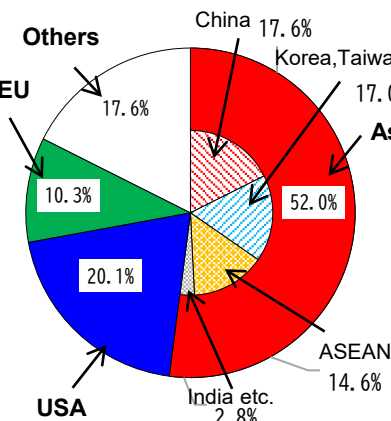
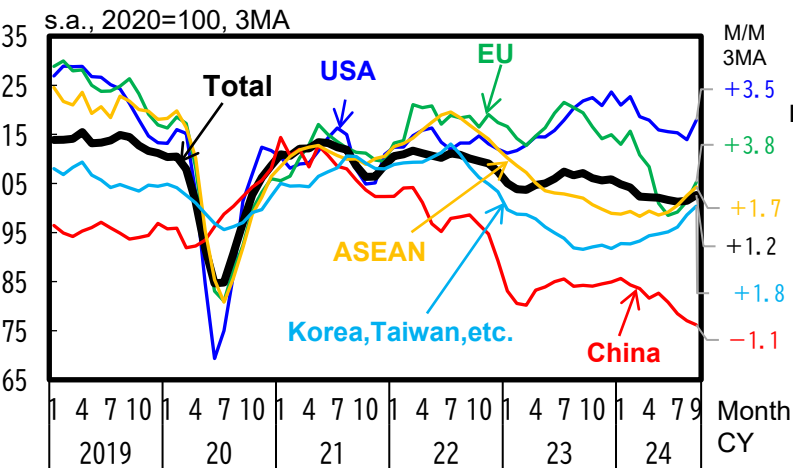
② Travel Service Balance



(3-2) Trend of Current account

① Export volume index (by region)

② Share of export value (by region) (2023)



(3-4) Balance of Service account

