## **Recent Economic Developments**

- Monthly Economic Report, February 17 2025 -

Cabinet Office
Government of Japan

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

November

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



December

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



January

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>

	November	December	January
Private consumption	Private consumption shows movements of picking up, 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 is flat recently.	Unchanged	Industrial production is flat.(→)
Corporate profits	Corporate profits are improving as a whole.	Corporate profits are improving as a whole, although the pace has become moderate.( \div )	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 recently.	Unchanged	Consumer prices have been rising.(→)

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

**Figure 1. Nominal Wage Growth** 

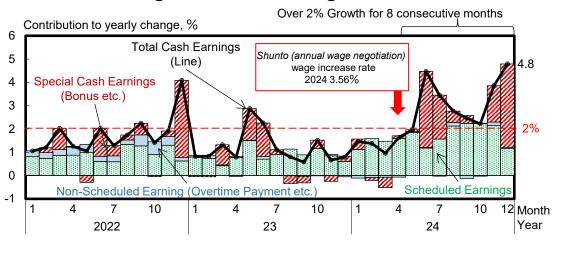


Figure 3. Scheduled Earnings by age (2022-24) (Full-time workers, establishments with 10 or more workers)

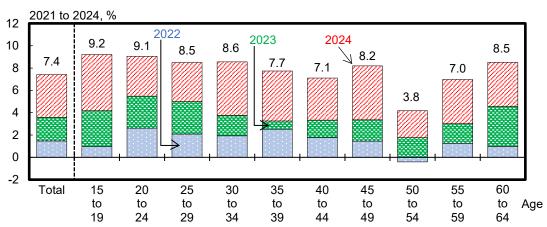


Figure 2. Real Wages Growth by Employment Type

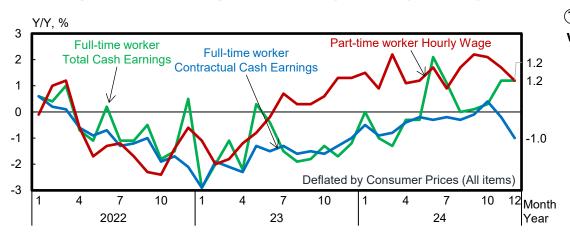
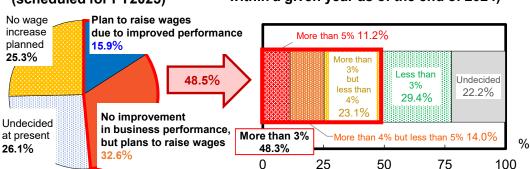
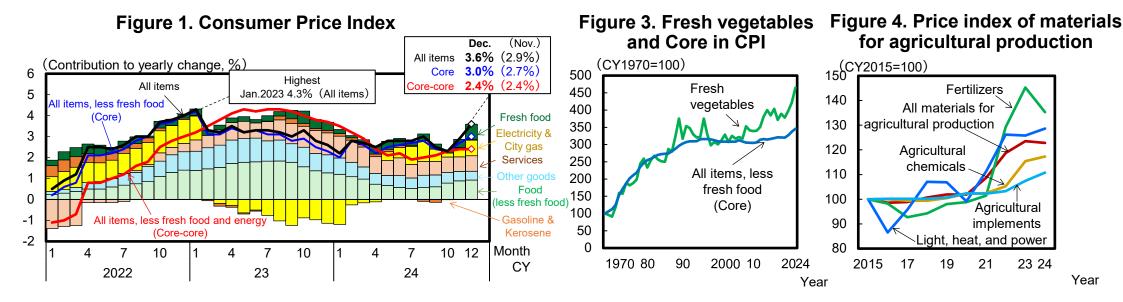


Figure 4. Wage increase for full-time employees in FY2025 (intention of small to medium enterprises)

① Intention to raise wages ② Percentage increase in total cash earning within scheduled earnings (Firms that expect to increase their wages within a given year as of the end of 2024)





(POS) (YoY, %) **1**One year from now **2**Five Years Later 12 10 (%) Cakes & candies, Cooked food, Beverages, Alcoholic beverages 100 of households responses) Meat products, Dairy products & eggs, Other processed products 10 9.2 Oils, fats & seasonings More 22.9 Cereals(Rice, Bread, Noodles) 80 than10% Daily necessities Average -All items 6 60 ─7-dav MA 5.0 5 5~10% 40 4 32.5 3 20 ess than 2~5% 2 Median 8.5 0 0 4 7 10 4 7 10 1 4 7 10 1 4 7 10 1 Month 10 10 10 1 Month 2021 22 201415 16 17 18 19 20 21 22 23 24 CY 2022 23 24

Figure 5. Households' Inflation Expectations

Figure 2. Prices of daily commodities and food products

Figure 1. Household disposable income and Figure 4. Disposable income per household and number private consumption of households 1) Disposable income and average 2 Household share by number of number of people in the household household members Saving rate(right scale) Annualized rate,s.a., tril.ven Real private consumption 25 5 people or 3 people Nominal private counsumption 340 1 person 2 people 4 people more Million yen People Real disposable income 20 500 3.5 330 Nominal disposable income 320 15 Average disposable income 310 per household 450 CY2000 18.8 16.9 11.5 10 3.0 300 290 5 400 280 270 2.5 Average number of people in 350 -5 260 CY2020 38.0 28. 16.6 11.9 5.5 the household(right scale) Quarter 300 CY 2018 19 20 21 22 23 2002 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 20 21 22 CY 50 100 % 4 Household share by number of Figure 2. Consumer household type 3 Equivalised disposable income Figure 3. Apparel sales confidence index Only married Married Single parent couple couple and and children Y/Y,% 30 45 5 Million yen Others their children 350 Single-person Sales Married couple 335.0 Consumer confidence 20 and their children 40 index 298.5 300 27.6 CY2000 18.9 31.9 7.6 14.0 295.9 10 35 Average 274.5 Single male 250 231.3 30 Only married couple -10 9.0 7.7 200 38.0 20.0 25.0 25 CY2020 Single parent and children 194.8 of which. Overall customers -20 livelihood Single female 20 4 7 1012<sub>Month</sub> 150

2002 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 20 21 22 CV

100 CY

50

CY

4 7 10

2023

Month

24 25CY

23

2021

22

Figure 1. Employment in Japan (2024 average)

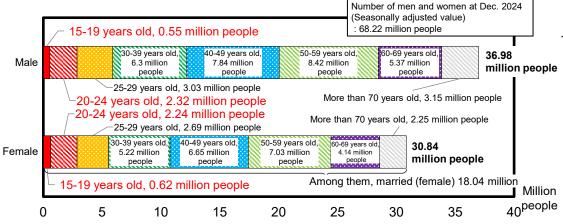
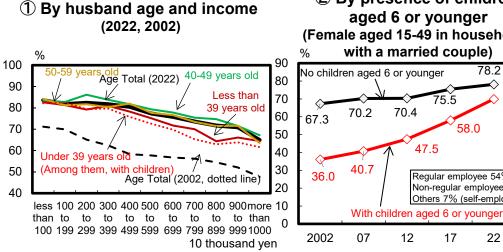


Figure 3. Percentage of married female who have work



2 By presence of children aged 6 or younger (Female aged 15-49 in households with a married couple) 78.2 No children aged 6 or younger 75.5 70.4 58.0

Regular employee 54%

Non-regular employee 39%

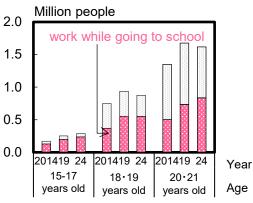
Others 7% (self-employed, etc.)

22

Year

Figure 2. Employment Trends of Young People

1 Number of Employed person (15-21 years old) Million people



2 Percentage of young people among non-regular employees

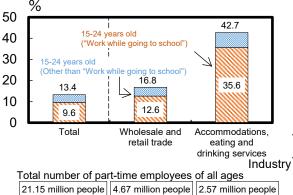


Figure 4. Trends in the number of job openings in private-sector job placement



Figure 5. Number of registered users of "Spot work" applications (total of 5 major companies)

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