# **Recent Economic Developments**

- Monthly Economic Report, March 26 2025 -

Cabinet Office
Government of Japan

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

January

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



February

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



March

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>

	January	February	March
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.	Exports have been showing movements of picking up recently.( ↑ )	Unchanged
Industrial production	Industrial production is flat.	Unchanged	Unchanged
Corporate profits	Corporate profits are improving as a whole, although the pace has become moderate.	Unchanged	Corporate profits are improving.( † )
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.	Unchanged	Unchanged

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

#### 1. Shunto (Spring wage negotiation) in FY2025

Figure 1. Shunto (Spring wage negotiation) Wage increase and Price increase



Figure 2. Base pay increase by firm size (2nd round of result)

10 thousand Yen More than 300 people 1.2 Less than 300 people Total: 12,312Yen 1.0 Less than 300 people: 9,934Yen Total More than 300 people: 12,400Yen 8.0 0.6 0.4 0.2 FY 2019 20 21 22 23 24 25

Figure 3. Percentage of companies able to raise wages over the next five years

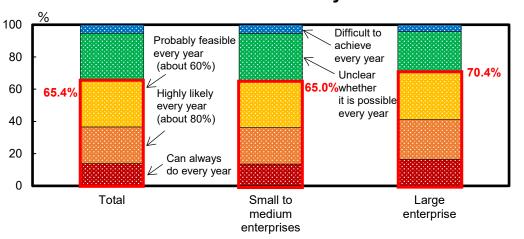


Figure 1. Nominal wage growth excluding bonus

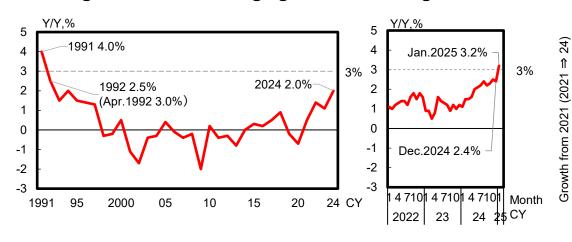


Figure 3. Wage levels and Wage Growth by industry (Full-time workers)

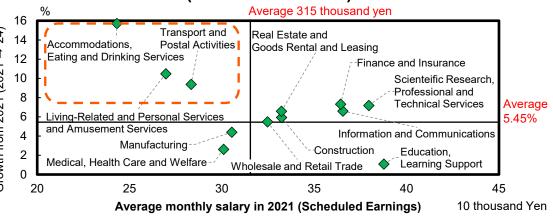


Figure 2. Real wages growth

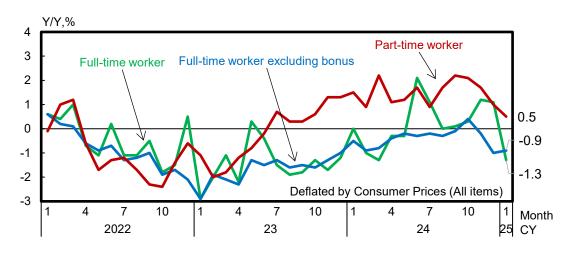
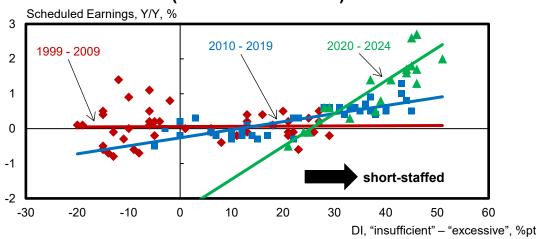


Figure 4. Labor Shortages and Wage Growth (Full-Time Workers)



### 3. Private Consumption

Figure 1. Food sales growth

Y/Y, %, 3-month moving average (trillion yen) Department stores Drugstores Sales(2024) Type of 10 business Total Foods Supermarkets 16.1 12.9 12.9 8.2 Conveniencestores 2.9 8.9 **Drugstores** 1.6 6.3 Supermarkets Convenience stores 7 10 7 10 10 1 Month 25CY 2022 23 24

Figure 2. Food prices at drugstores relative to supermarkets

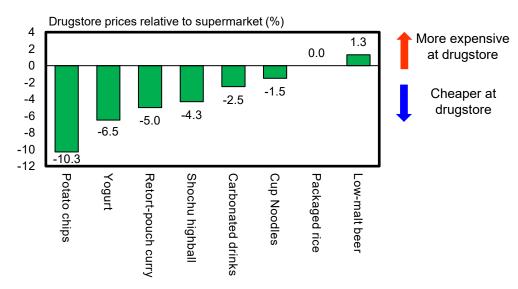


Figure 3. Domestic travel in Japan

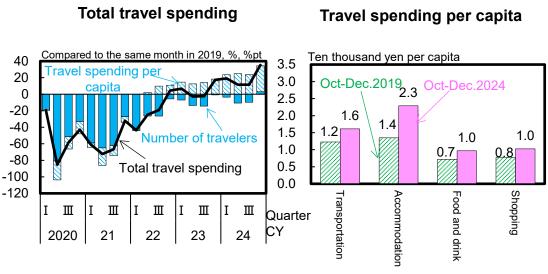
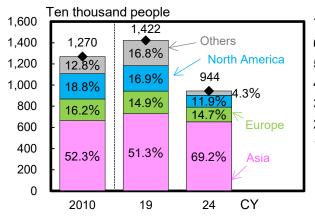


Figure 4. Overseas travel

#### **Number of travelers**



### Travel spending per capita and number of nights

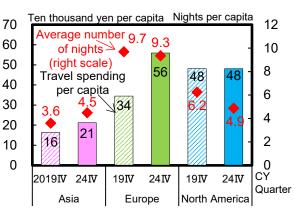


Figure 1. Japan's goods exports

**Share of export Export by region** (CY2024) 2000 Others (17.7%)s.a., 2020=100, 3MA 100 135 EU 1600 (9.3%)**Total** 125 USA 80 The U.S. 115 (19.9%)1200 105 60 India etc. 43% (3.1%)95 800 ASEAN 40 (14.3%)Korea,Taiwan,etc. Asia 75 Korea, 20 (53.1%) 400 China Taiwan,etc 65 (18.1%) 4710 4710 4710 4710 4 Month 0 China 0 **Export Share** 25CY 2019 22 23 24 (17.6%)2017

Figure 3. Intermediate Goods Exports as a Percentage of Japan's Goods Exports

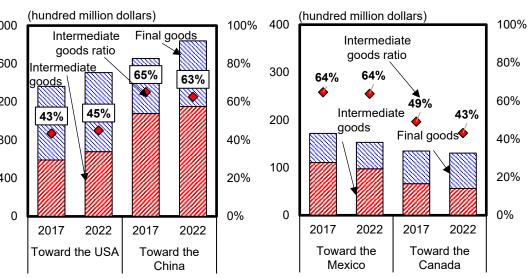


Figure 2. Business conditions (Large Enterprises)

Figure 4. Items of Japan's intermediate goods exports (CY2022)

