

Economic Outlook 2020 Japan

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Fall 2022

November 21
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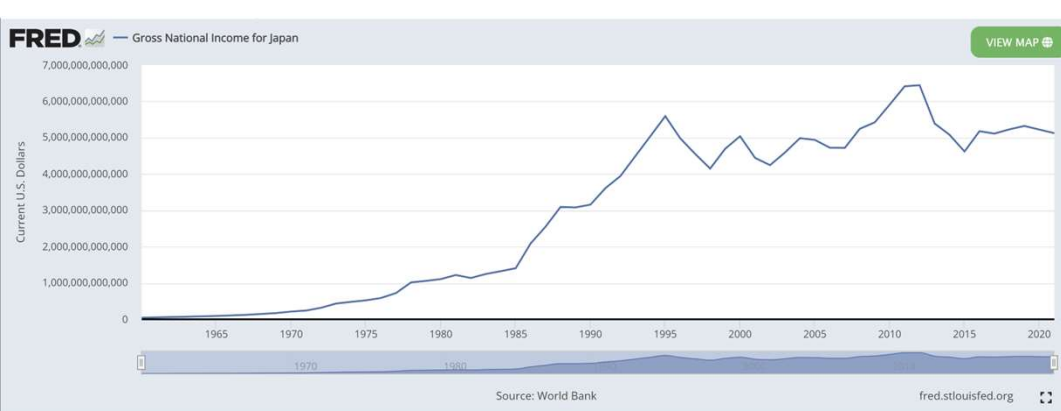
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National Income & Growth

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National Income

- Continued to increase since 1965 (\$90 billion)
- Started to decrease in 1995 (\$5.6 trillion), and hit a trough (\$4.1 trillion) in 1998.
- Reached its peak (\$6.4 trillion) in 2012.

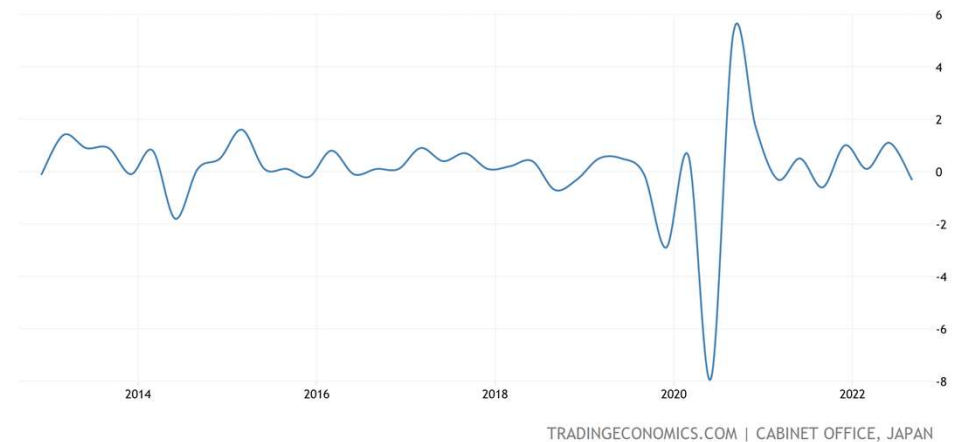


Source: FRED

<https://fred.stlouisfed.org/series/MKTGNIJPA646NWDB>

GDP Growth Trend (10 years)

- Japan's GDP growth was relatively stable until it was impacted by COVID in 2020.
- It spiked back since July 2020 and has been slightly fluctuating within 2% around 0% since then.



Source: [Japan GDP Growth Rate - 2022 Data - 2023 Forecast - 1980-2021 Historical - Calendar \(tradingeconomics.com\)](https://tradingeconomics.com/japan/gdp-growth-rate)

National Income & Growth

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Real GDP (Chained 2015 Yen)

- Continued to increase since 2002 (¥480 trillion)
- Dropped significantly during the 2008 financial crisis (from ¥528 to ¥482 trillion).
- Was at historical high in 2019 (¥557 trillion), dropped to ¥500 trillion (10-year low) during covid, but recovered to pre-Covid level by the end of 2020.



Source: FRED

[Real Gross Domestic Product for Japan \(JPNRGDPEXP\) | FRED | St. Louis Fed \(stlouisfed.org\)](#)

Japan GDP vs US GDP

- The Gross Domestic Product (GDP) of Japan was worth \$4.9 trillion US dollars in 2021.
- It is around 21.5% of the US GDP in 2021 (\$23 trillion).
- The GDP value of Japan represents 3.69 percent of the world economy. (Ranked 3rd.)
- The GDP value of the United States represents 17.20 percent of the world economy. (Ranked 1st.)

Source: World Bank

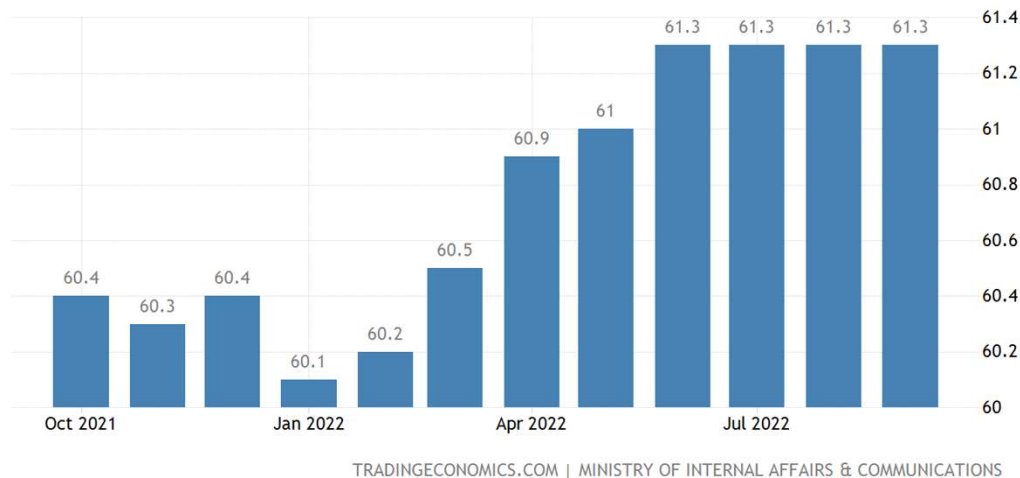
[GDP.pdf \(worldbank.org\)](#)

Labor Market Conditions

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Employment Rate

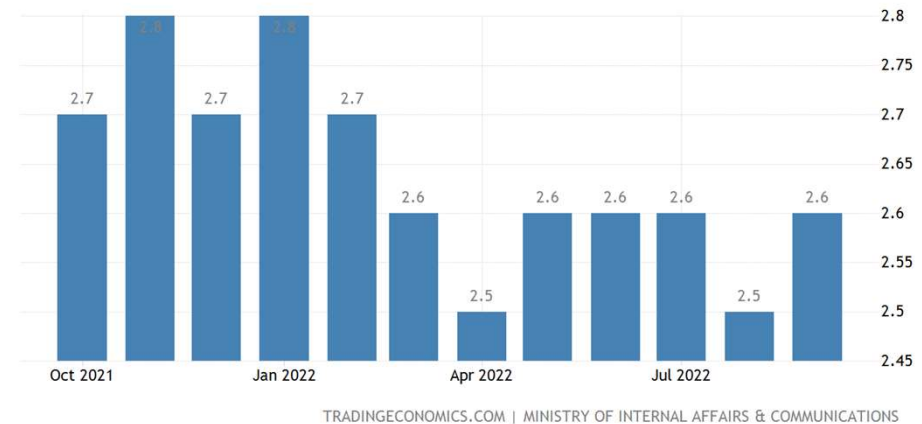
- Stayed at 61.3% from June to September 2022.
- Employment dropped to 60.1% in January 2022, but has been steadily increasing since then.



Source: [Japan Employment Rate - October 2022 Data - 1972-2021 Historical - November Forecast \(tradingeconomics.com\)](https://tradingeconomics.com/japan/employment-rate)

Unemployment Rate

- Unemployment rate was between 2.7% and 2.8% from October 2021 to February 2022.
- It dropped to around 2.5% to 2.6% and remained stable since March 2022.

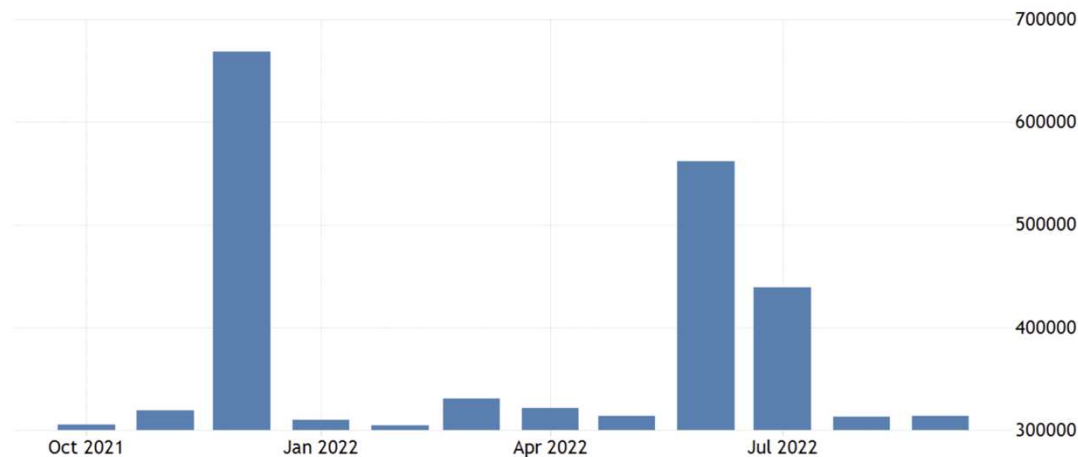


Source: [Japan Unemployment Rate - October 2022 Data - 1953-2021 Historical - November Forecast \(tradingeconomics.com\)](https://tradingeconomics.com/japan/unemployment-rate)

Labor Market Conditions

Average Monthly Wages

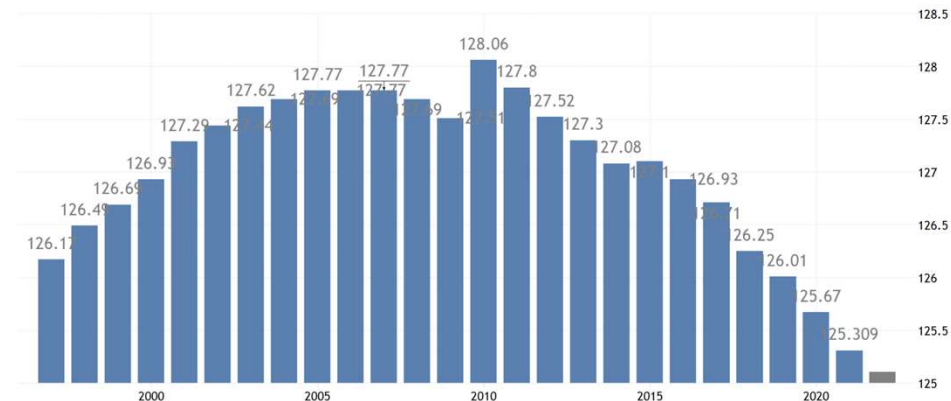
- Average Salary in Japan rose to over ¥ 650 thousand JPY in December 2021, and rose to over ¥ 550 thousand JPY in June 2022.
- In other times during the year, the average salary stayed around ¥ 310 thousand JPY.
- Average salary in Japan tend to increase and decrease seasonally.



Source: [Japan Average Monthly Wages - October 2022 Data - 1970-2021 Historical](https://tradingeconomics.com/japan/average-monthly-wages)
(tradingeconomics.com)

Population

- Population continued to decrease since 2010.
- The total population in Japan is estimated at 125.3 million people in 2021, which is the lowest since 1995.



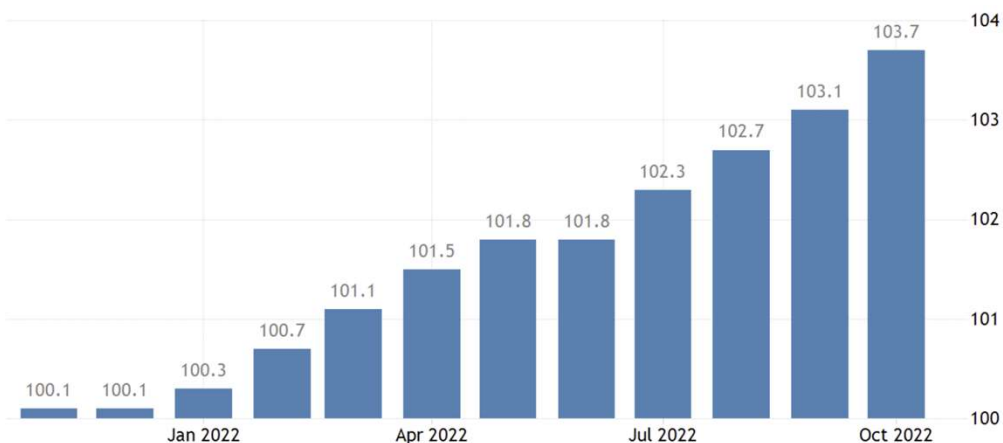
Source: [Japan Population - 2022 Data - 2023 Forecast - 1950-2021 Historical - Chart - News](https://tradingeconomics.com/japan/population)
(tradingeconomics.com)

Price Level & Inflation Rate

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Consumer Price Index

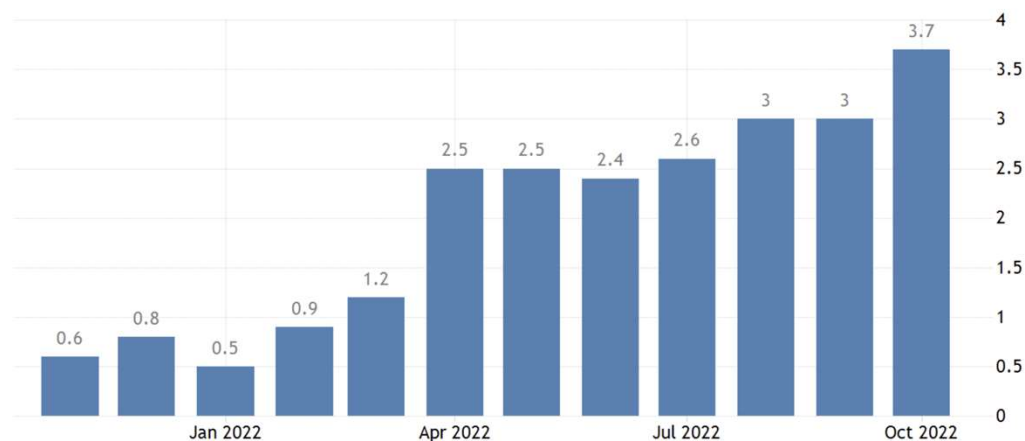
- The Consumer Price Index continued to rise since the beginning of 2022.
- It increased from 100.1 in December 2021 to 103.7 in October 2022.



Source: [Japan Consumer Price Index \(CPI\) - October 2022 Data - 1957-2021 Historical \(tradingeconomics.com\)](https://tradingeconomics.com/japan/consumer-price-index-cpi)

Inflation Rate

- Unsurprisingly, the Inflation rate also continued to rise since December 2021.
- It jumped from 1.2% to 2.5% in April, stayed constant from April to July, rose to 3% in August, then jumped to 3.7% in October.



Source: [Japan Inflation Rate - October 2022 Data - 1958-2021 Historical - November Forecast \(tradingeconomics.com\)](https://tradingeconomics.com/japan/inflation-rate)

Money & Interest Rate

Money

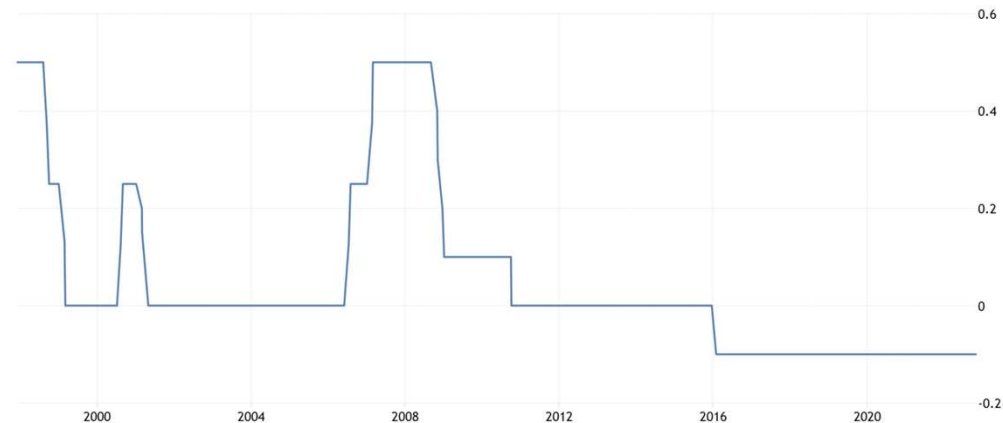
- 140.53 Japanese Yen (JPY) = 1 USD
- Banknotes (issued in 2004) have values: ¥ 1,000, ¥ 2,000, ¥ 5,000, and ¥ 10,000.
- Coins have values ¥1, ¥5, ¥10, ¥50, ¥100, and ¥500.



Source: [Interesting facts about the Japan yen \(globalexchange.hk\)](https://www.globalexchange.hk/en/monetary/monetary-facts/interesting-facts-about-the-japan-yen)

Interest Rate

- The interest rate dropped to 0% in 2011, and dropped to - 0.1% in 2016.
- It has remained constant at – 0.1% and never changed since then.



Source: [Japan Interest Rate - 2022 Data - 1972-2021 Historical - 2023 Forecast - Calendar \(tradingeconomics.com\)](https://www.tradingeconomics.com/japan/interest-rate)

Financial Markets

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Stock Market

- The Japan stock market index (Nikkei 225)
- measures the performance of 225 large, publicly owned companies in Japan.
- It has recovered from its trough in March 2020 (16,557.3).
- It has been fluctuating between 26,000 and 29,000 since the beginning of 2022.
- It is currently at the value of 27,947 (225 USD).



Source: [Japan Stock Market Index \(JP225\) - 2022 Data - 1965-2021 Historical - 2023 Forecast \(tradingeconomics.com\)](https://tradingeconomics.com)

Financial Markets

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Bond Market

- Japan's 10-year government bond yield increased from 0.050 % in December 2021 to 0.150 % in January.
- It increased to 0.225 % in February, dropped to 0.150 % in March, then rose to around 0.225 % in April.
- Japan 10-year bond yield fluctuated between 0.225 - 0.250 % from April to July.
- It dropped to 0.175 % in August, rose back to 0.225 % in September, and has been fluctuating round 0.250 % in October and November.



Source: [Japan Government Bond 10Y - 2022 Data - 1984-2021 Historical - 2023 Forecast - Quote \(tradingeconomics.com\)](https://tradingeconomics.com/japan/government-bond-yield-10y)

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