

Japanese Economic Outlook

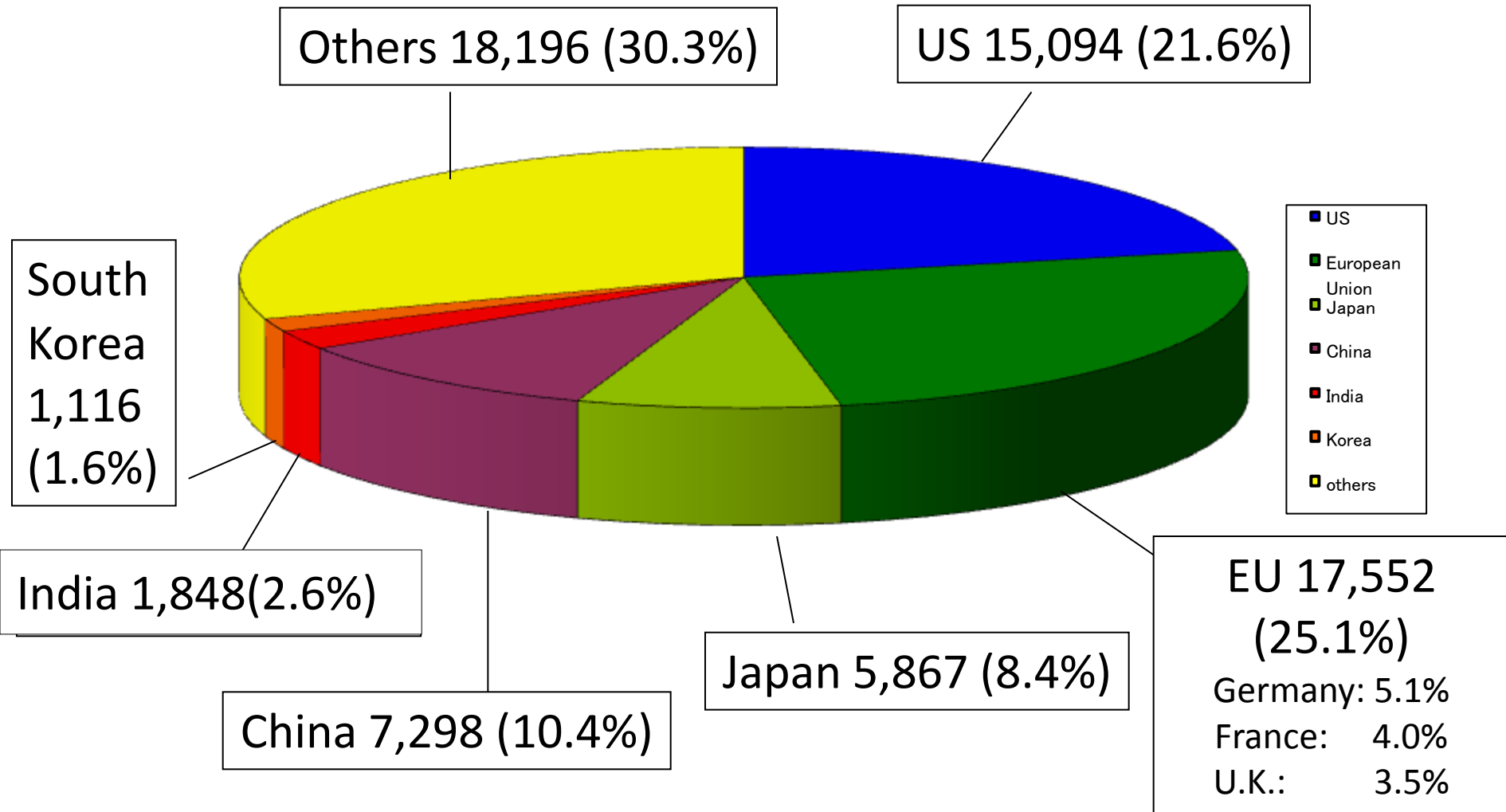
Yale University

April 4, 2013

Akira Muto

Consul-General of Japan in Boston

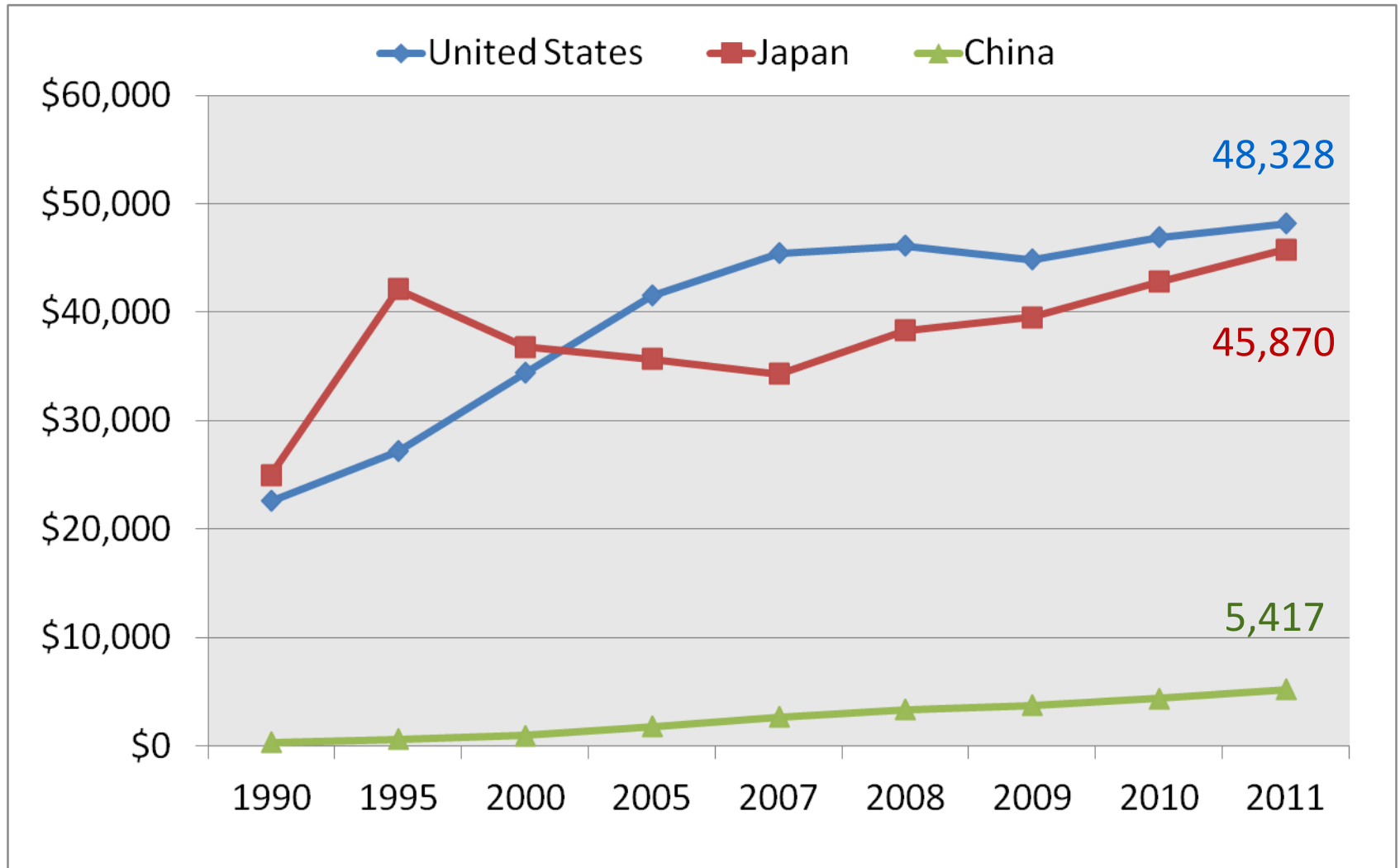
Nominal GDP in 2011 (billion \$)



Source: IMF World Economic Outlook (July 2012)

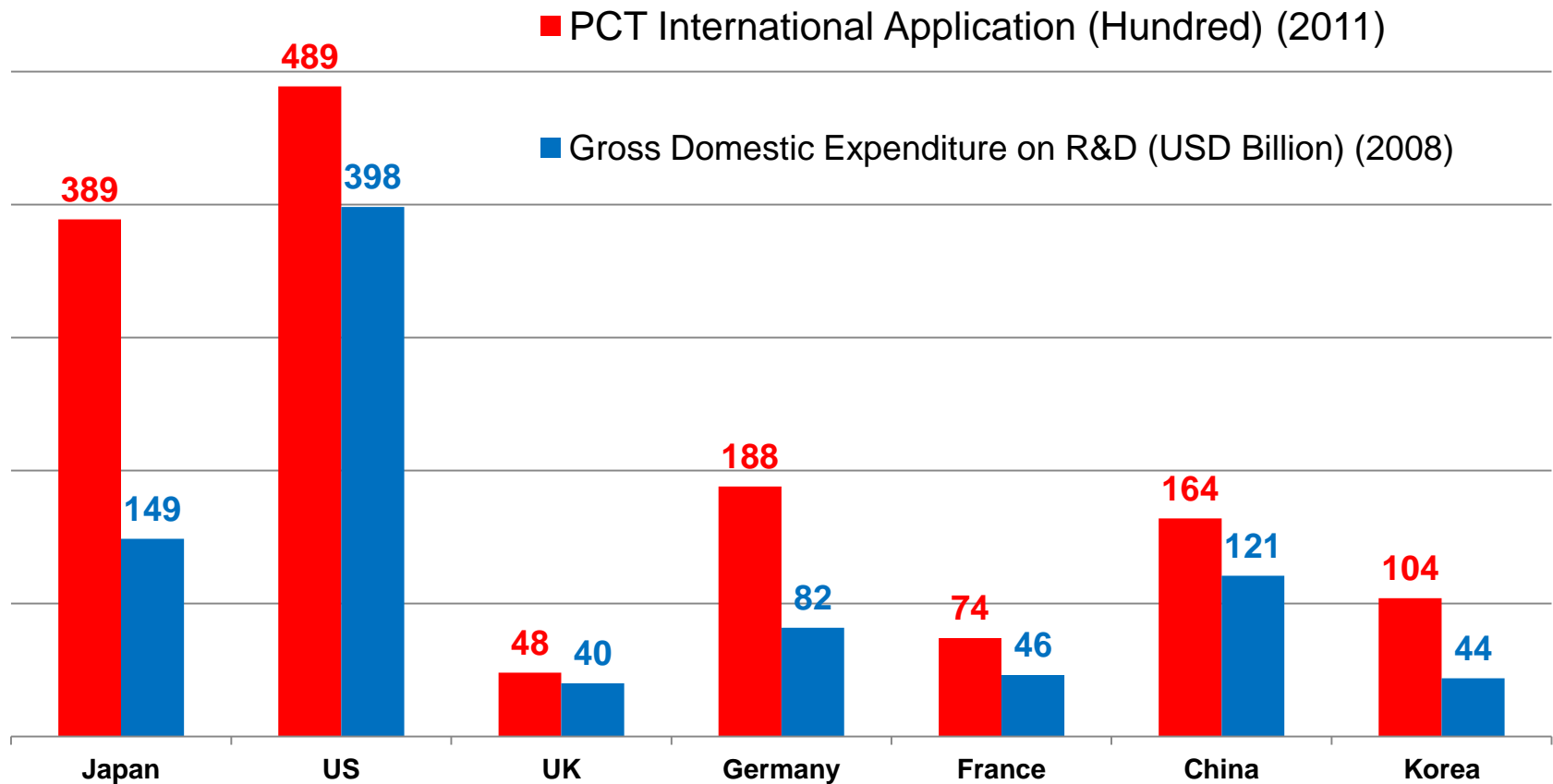
GDP per capita of Japan, U.S. and China

In US Dollars, Current Prices

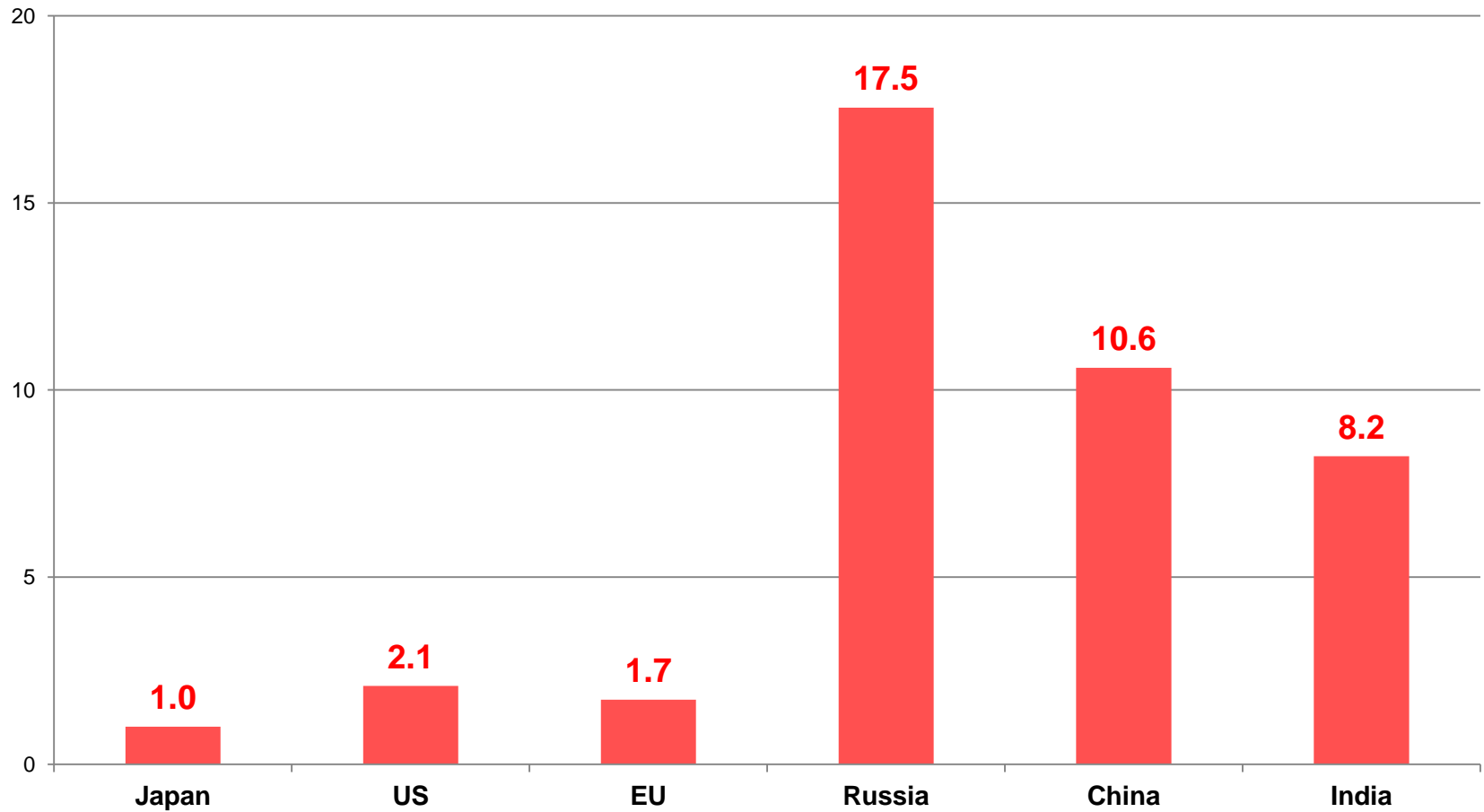


Source : IMF (note: 2011 based on IMF estimates)

Patent Applications and Gross Domestic Expenditure (Public and Private) on R&D

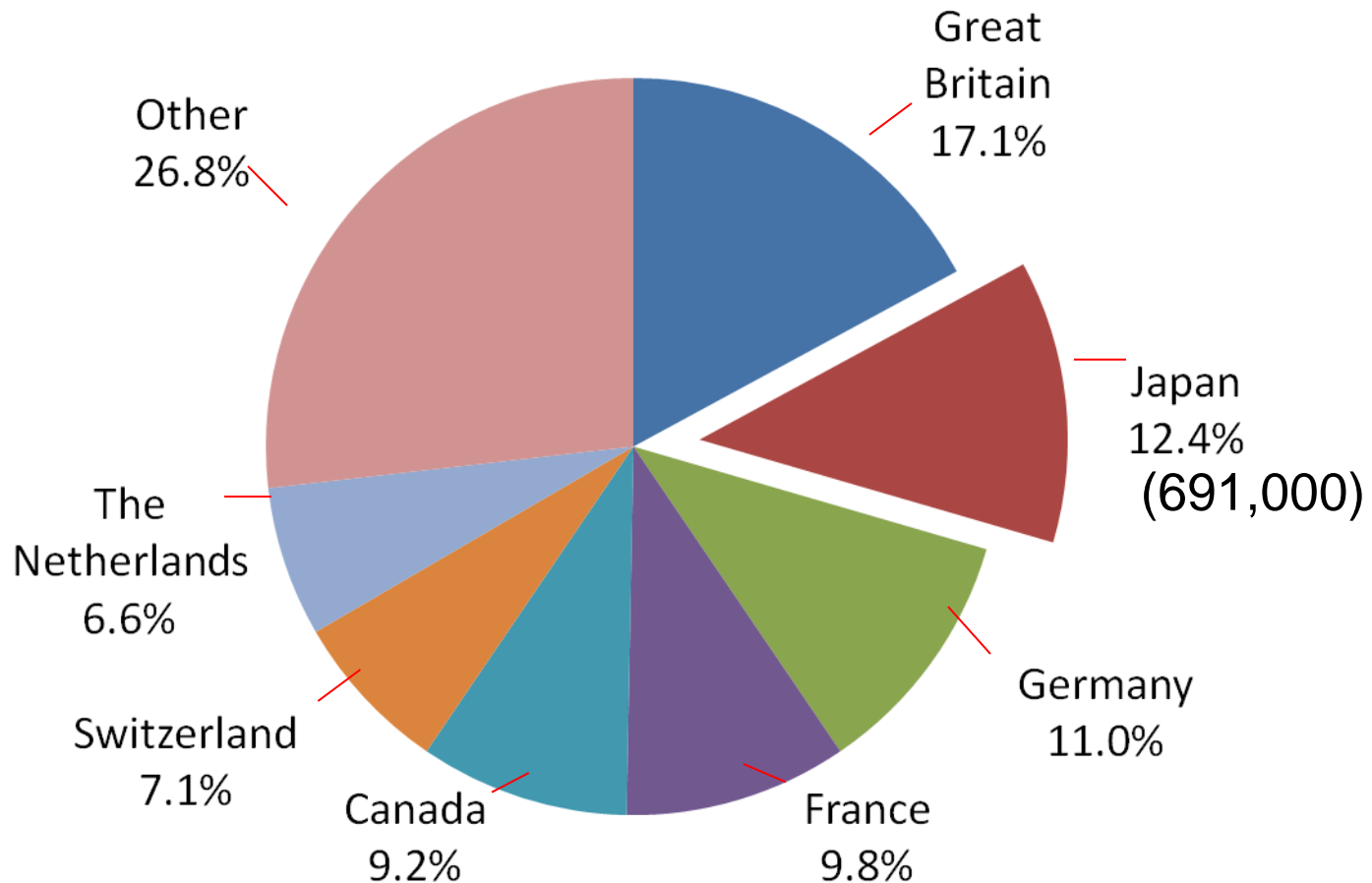


CO₂ Emission / GDP (2009)



(Source: IEA)

2009 Creation of Employment by Country of Ownership of U.S. Affiliates



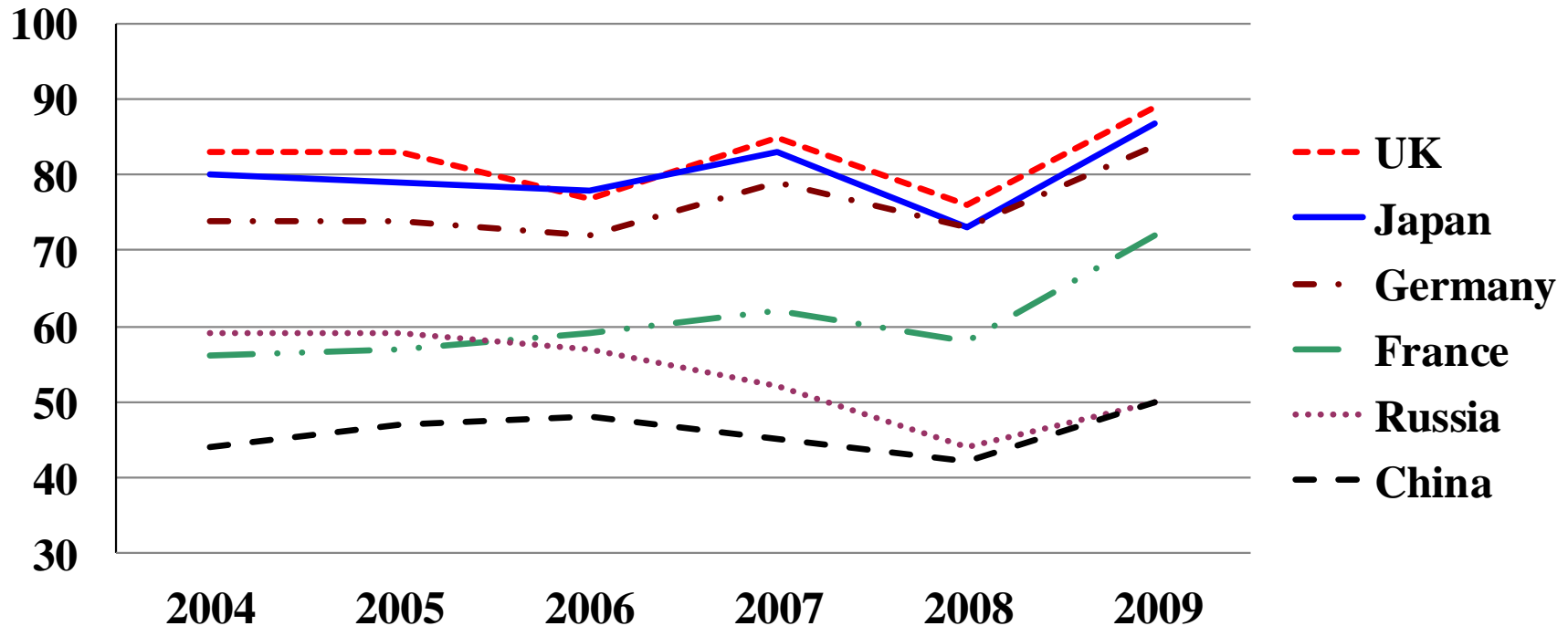
Source: U.S. Bureau of Economic Analysis FDI Statistics

U.S. View of Japan: sharing values

87% of Americans View Japan as Sharing Values with the U.S

Key Shared Values:

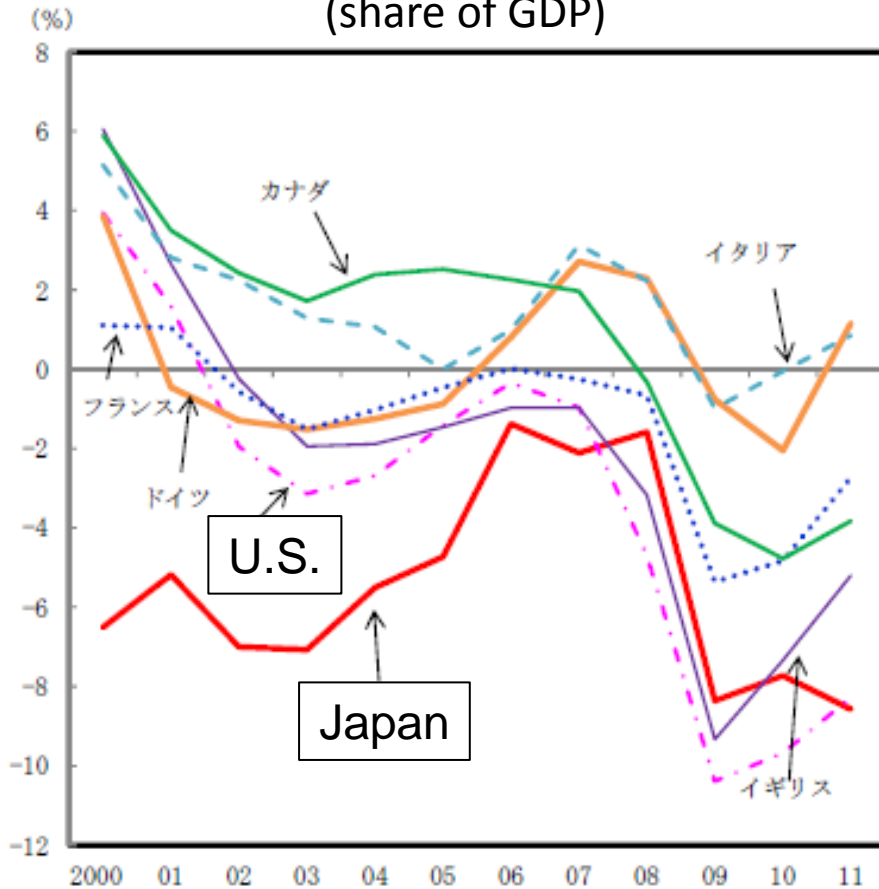
- Democracy
- Free market principles
- Human rights
- Rule of law



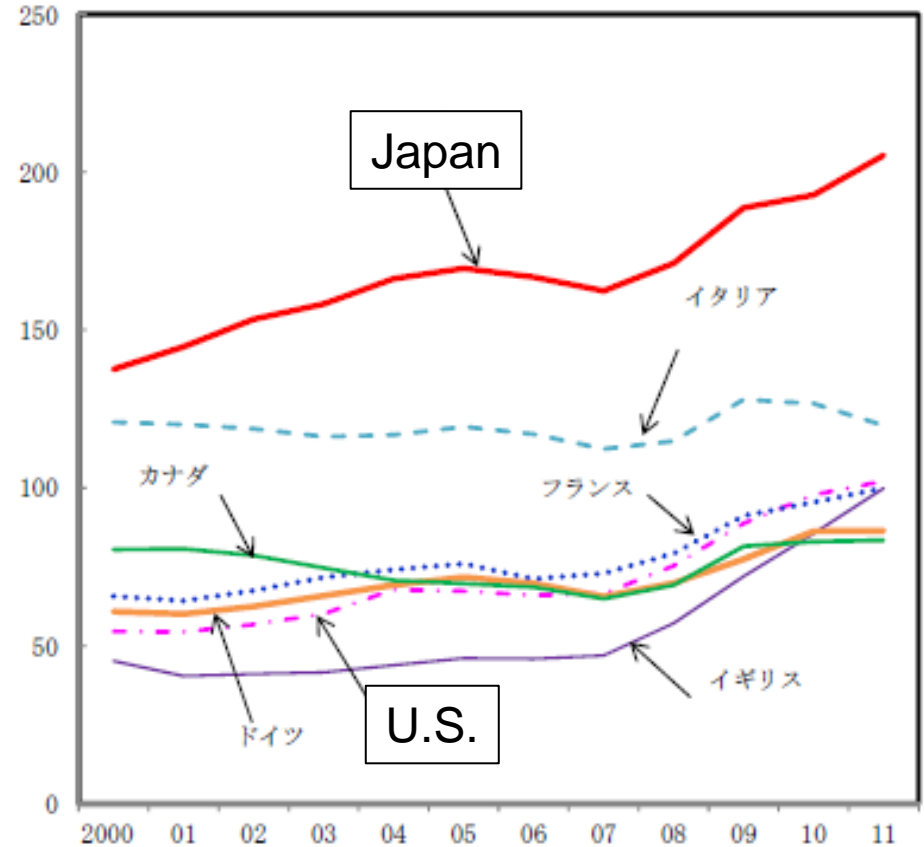
Source: Ministry of Foreign Affairs, Japan

National Government Finance

Fiscal revenue and expenditure (share of GDP)



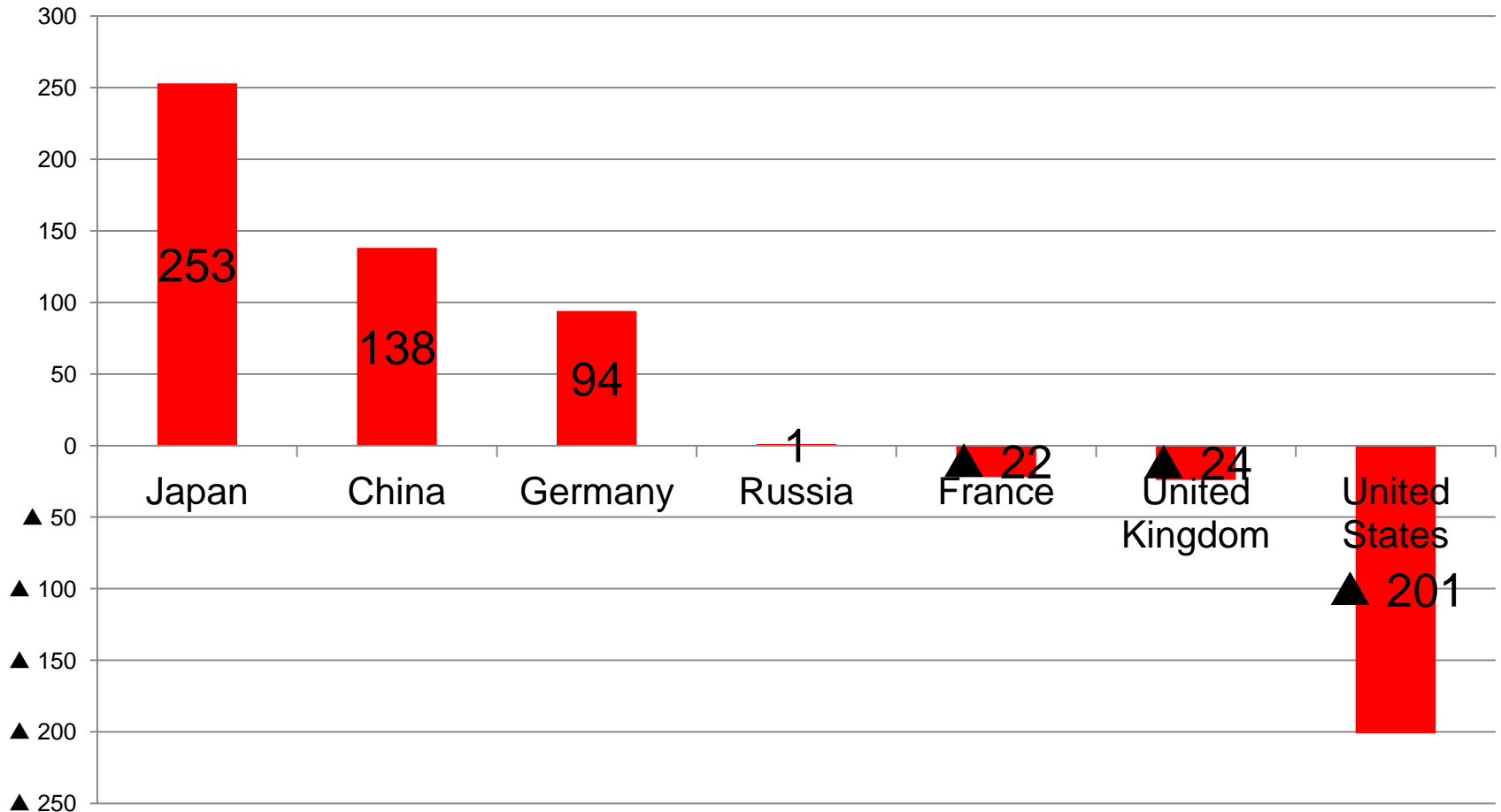
Outstanding obligation (share of GDP)



Source: OECD Economic Outlook

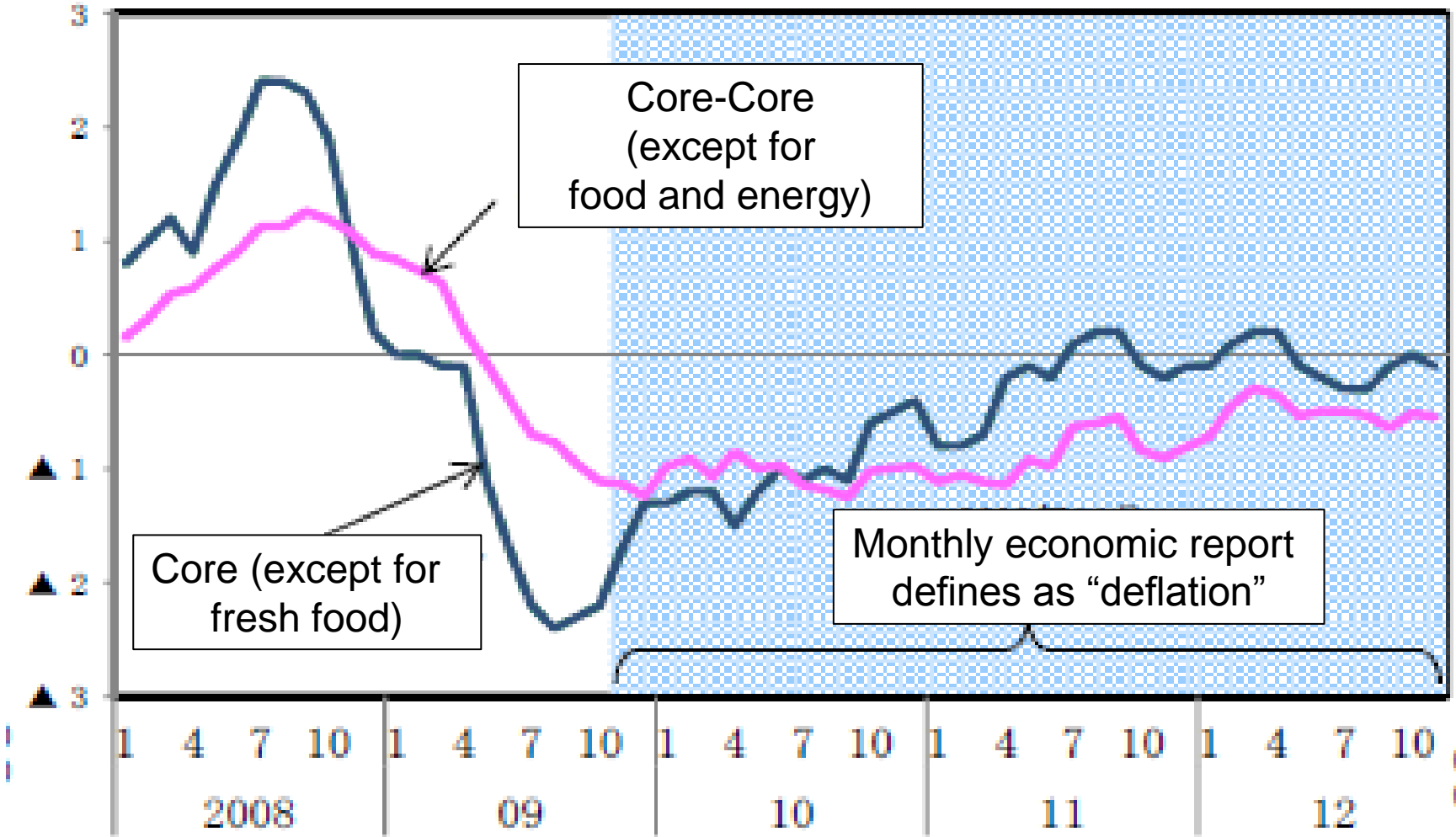
Net External Asset / Debt (2011)

(Trillion Yen)



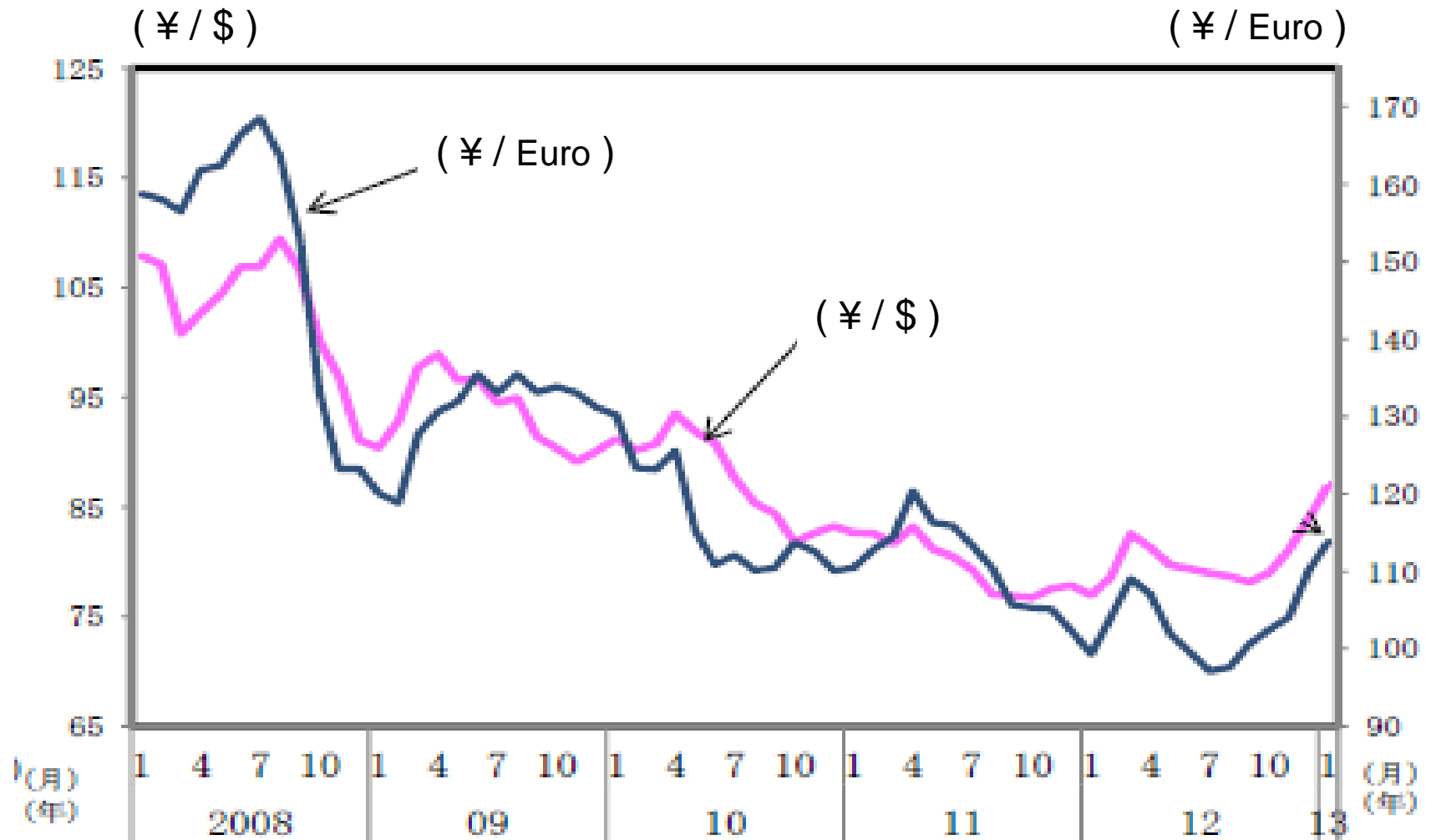
Source: International Financial Statistics, IMF

Consumer Price

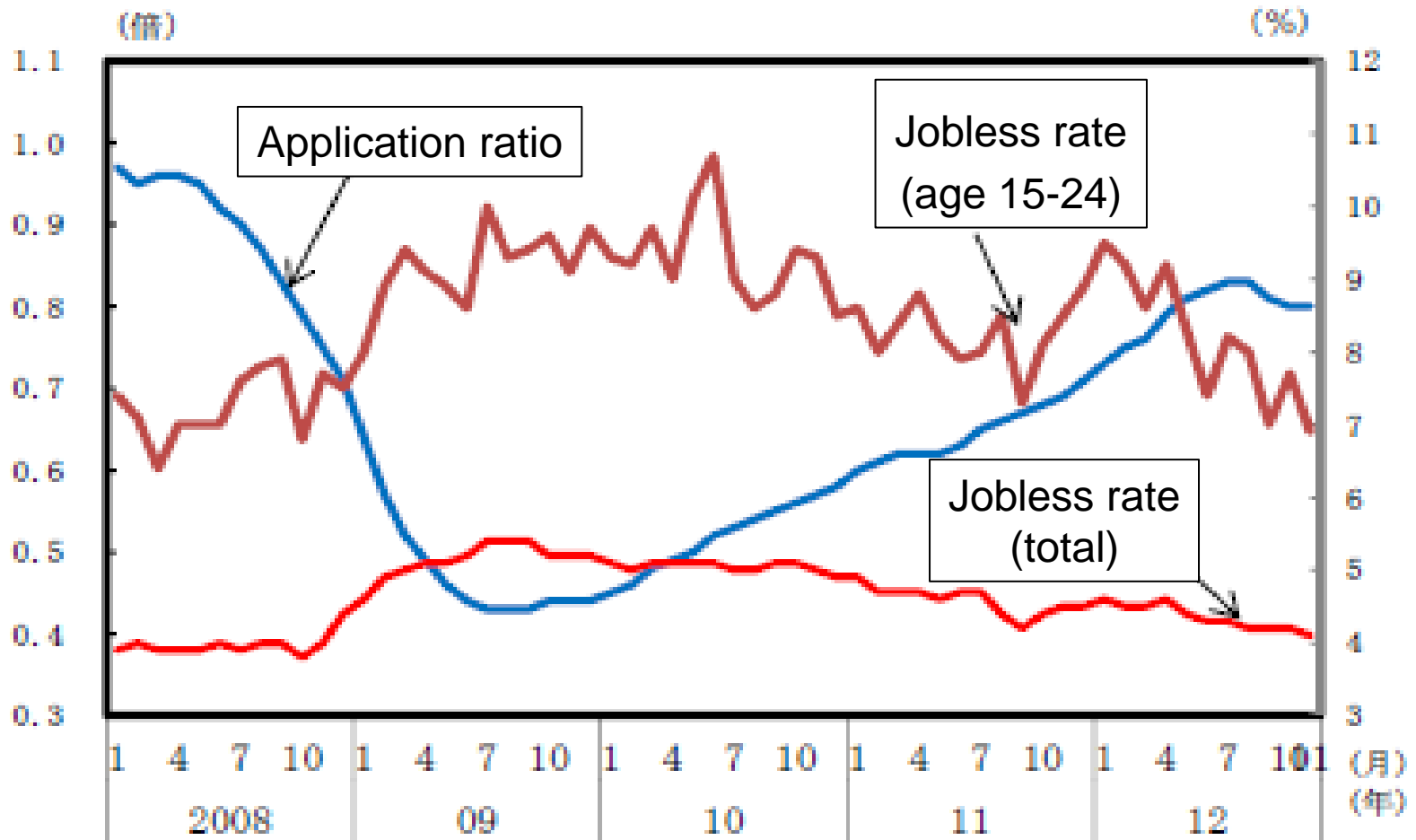


Source: Ministry of Internal Affairs

Foreign Exchange Rate



Jobless rate and application ratio



Source: Ministry of Internal Affairs

“Unemployment rate would jump up to 13 % if there were no unemployment adjustment subsidy” Kikuo Iwata

Key Features of Abenomics

Concept: Three Pronged Strategy

Bold monetary policy

Flexible fiscal policy

Growth strategy for promoting investment

Policy Actions

January 11, 2013

“Emergency Economic Measures for The Revitalization of the Japanese Economy”

Expected impact on real GDP is approximately 2%

January 22, 2013

“Joint Statement of the Government and the Bank of Japan on Overcoming Deflation and Achieving Sustainable Economic Growth”

Price stability target (2% increase in CPI)

January 24, 2013

“Basic Principles of the Budget Formulation for FY2013”

Cut PB deficit in half between FY2010 and FY2015
Achieve fiscal surplus by FY2020 (Target)

Mid- 2013

New Growth Strategy (planned)

Goal

Exit from prolonged deflation



Revitalization of the economy