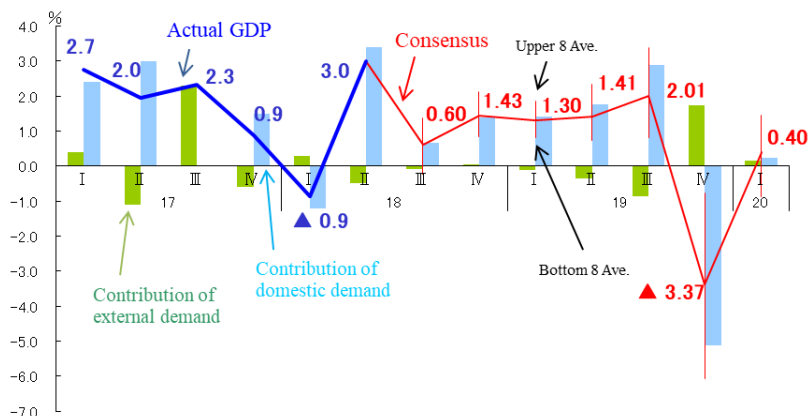


## Real GDP Growth Outlook for 3rd Quarter 2018 at 0.60%

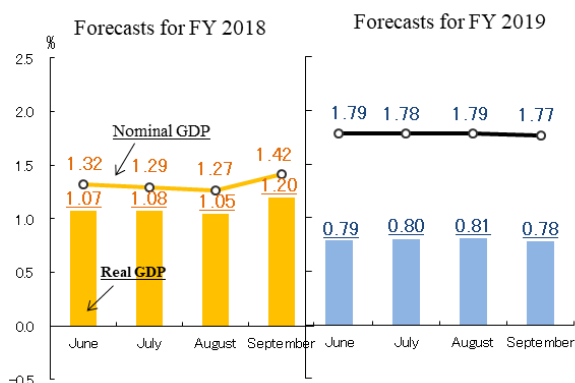
### Real GDP (Quarterly)

Professional forecasters (39 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 0.60 % this quarter, revised downward sharply from the previous survey at 1.45%. They predict growth around 1.3-1.4% until the 2<sup>nd</sup> quarter of 2019, and rush demand and its slack growth owing to the consumption tax hike.



### GDP Growth (FY)

The average rates of real GDP growth prediction are 1.20% in FY2018 and 0.78% in FY2019. The nominal figures for each fiscal year are 1.42% and 1.77%, respectively.



Contribution	FY2018	FY2019
Domestic	<b>1.2</b> (1.4/1.0)	<b>0.8</b> (1.1/0.6)
Private	<b>1.2</b> (1.4/1.0)	<b>0.6</b> (0.9/0.3)
Public	<b>0.1</b> (0.2/0.0)	<b>0.2</b> (0.3/0.1)
External	<b>▲0.0</b> (0.1/▲0.1)	<b>▲0.0</b> (0.2/▲0.3)
<b>Real GDP growth</b>	<b>1.20</b> (1.39/0.98)	<b>0.78</b> (0.95/0.55)

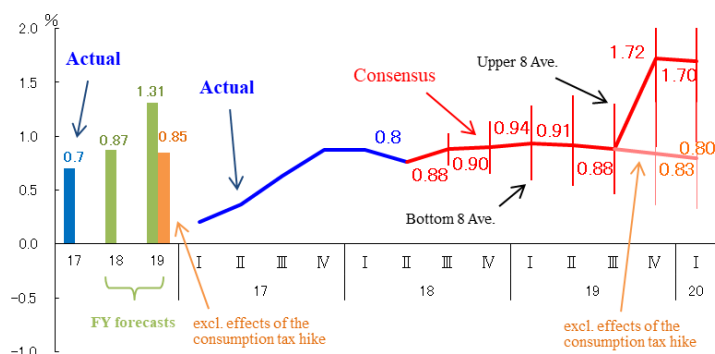
(Notes) **Consensus** (Upper 8 Ave./Bottom 8 Ave.). Contributions are approximate values.

#### (Additional question) Forecasts for FY2020

Consensus: 0.73% (Upper 8 Ave.: 1.33%; Bottom 8 Ave.: 0.21%)

### Core CPI (year-on-year)

The forecasters expect core CPI to average around 0.9% over the next five quarters and increase up to 1.72% in the 4<sup>th</sup> quarter of 2019 due to the consumption tax hike. Annual average core CPI is 0.87% in FY2018, and 1.31% in FY2019. (Note) Core CPI: All items less fresh food.



#### (Additional question) Forecasts for FY2020

Consensus (incl. effects of the consumption tax hike): 1.35%  
(Upper 8 Ave.: 1.89%; Bottom 8 Ave.: 0.63%)

Consensus (excl. effects of the consumption tax hike): 0.89%  
(Upper 8 Ave.: 1.40%; Bottom 8 Ave.: 0.36%)

Next survey will be released on or around October 10.