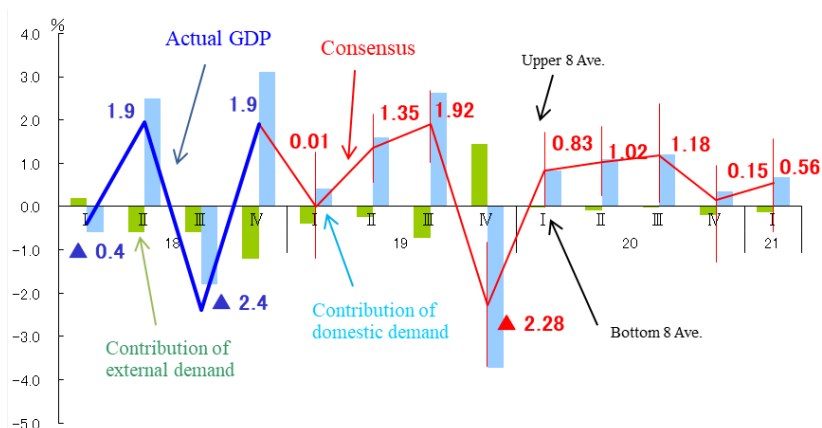


Real GDP Growth Outlook for 2019Q1 Revised Sharply Down to 0%

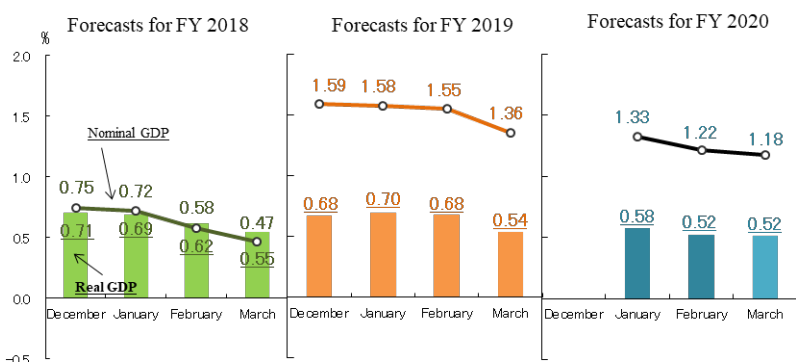
Real GDP (Quarterly)

Professional forecasters (38 forecasters surveyed) in Japan expect real GDP to grow at an annual rate of 0.01% this quarter, a sharp downward revision from the previous survey at 1.34%. They predict rush demand at 1.92% in the 3rd quarter of 2019 and its slack growth at ▲2.28% in the following quarter owing to the consumption tax hike.



GDP Growth (FY)

The average rates of real GDP growth prediction are 0.55% in FY2018, 0.54% in FY2019, and 0.52% in FY2020. The nominal figures for each fiscal year are 0.47%, 1.36%, and 1.18%, respectively.



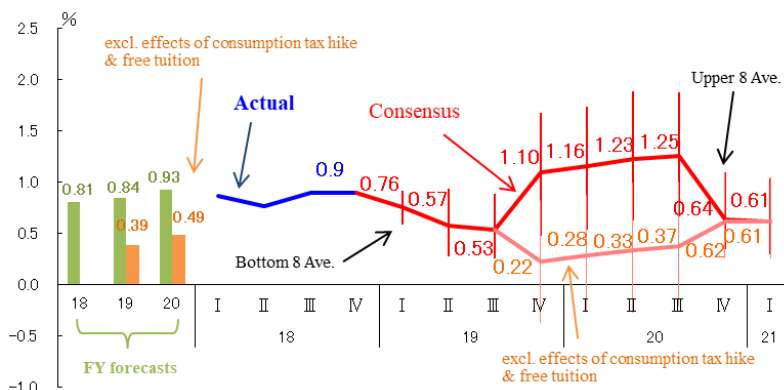
Contribution	FY2018	FY2019	FY2020
Domestic	0.8 (0.9/0.7)	0.8 (1.1/0.6)	0.4 (0.8/0.0)
Private	0.8 (0.9/0.8)	0.5 (0.8/0.3)	0.2 (0.6/▲0.2)
Public	▲0.0 (0.0/▲0.1)	0.3 (0.4/0.1)	0.2 (0.4/0.1)
External	▲0.3 (▲0.2/▲0.3)	▲0.3 (▲0.1/▲0.5)	0.1 (0.3/▲0.1)
Real GDP growth	0.55 (0.61/0.46)	0.54 (0.79/0.28)	0.52 (0.83/0.19)

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

Core CPI (year-on-year)

The forecasters expect core CPI to decrease from 0.9% to 0.53% in the 3rd quarter of 2019 and increase to 1.10% in the following quarter. Annual average core CPI is 0.81% in FY2018, 0.84% in FY2019, and 0.93% in FY2020.

(Note) Core CPI: All items less fresh food.



Next survey will be released on or around April 9.