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Bank of Japan

**Monthly Report of
Recent Economic and Financial Developments**
April 2002

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The Bank's View²

Japan's economy still continues to deteriorate as a whole, but the pace has moderated somewhat.

With regard to final demand, net exports (real exports minus real imports) are gradually starting to increase while overseas economies are clearly gaining momentum for recovery. Meanwhile, business fixed investment continues to decrease and private consumption remains weak. Moreover, housing investment remains sluggish and public investment is also declining.

Final demand overall is still weak, but exports—which have a large impact on production—are starting to turn up recently. Also, inventory adjustment is progressing further in many industries. Reflecting these developments, industrial production appears to have stopped declining and also, the deterioration in business sentiment of firms, mainly in manufacturing, has almost ceased. However, firms maintain their stance on reducing personnel expenses given persistently strong excessiveness in employment. Therefore, employment and income conditions of households continue to worsen, with the ongoing decrease in the number of employees and the growing trend in the rate of decline in wages.

Turning to the outlook, as for exporting conditions, the synchronized inventory adjustment in IT-related goods worldwide is coming to an end except for some goods such as networking equipment. Overseas economies, mainly in the U.S. and East Asia, are likely to follow a recovery path. Moreover, the yen is at low levels compared to last autumn. Under these circumstances, exports are expected to pick up moderately for the time being.

¹ This report is based on data and information available at the time of the Bank of Japan Monetary Policy Meeting held on April 10 and 11, 2002.

² The Bank's view of recent economic and financial developments, determined by the Policy Board at the Monetary Policy Meeting held on April 10 and 11 as the basis for monetary policy decisions.

Meanwhile, with respect to domestic demand, business fixed investment is expected to follow a downtrend for a while, judged mainly from leading indicators and firms' investment plans. Private consumption is also likely to remain lackluster mainly due to worsening employment and income conditions. In addition, government spending is basically projected to continue a downward trend. While the recovery in exports and the weakness in domestic demand are mixed, industrial production is expected to remain almost flat for the time being. As for the further outlook, assuming that exports will continue to recover steadily, the economy as a whole will eventually hit bottom through the increase in production and rebound in corporate profits, mainly in manufacturing.

Overall, the economic deterioration in Japan is projected to stop steadily, as production stops declining and then turns up reflecting the improvement in exporting conditions. Still, the rebound in exports is expected to be modest for a while and there also remain various uncertain factors regarding the pace of recovery in overseas economies. In addition, domestic demand continues to be weak for some time. Consequently, it will take quite a while for the economy as a whole to stop declining evidently. While the economy continues to be in a fragile state, continuous attention should be paid to the fact that unstable movements in the foreign and domestic financial markets are apt to have a negative impact on the real economy.

With regard to prices, import prices are increasing reflecting the depreciation of the yen since around the end of last year and the rise in international commodity prices. The decline in domestic wholesale prices is contracting against the background of the increase in import prices and the progress in inventory adjustment. Consumer prices continue to decline with the persisting effects of the fall in crude oil prices in the latter half of last year, while the prices of imported products and their substitutes keep on falling. Corporate service prices continue to decline.

As for the conditions surrounding price developments, the depreciation of the yen from around the end of last year and the rise in international commodity prices including crude oil are regarded as factors to support prices for the time being. However, since domestic demand is projected to remain weak for a time, the balance between supply and demand is expected to keep exerting downward pressure on prices.

Furthermore, factors such as the ongoing technological innovations in machinery, deregulation, and the streamlining of distribution channels will restrain prices. In addition, the growing trend in the rate of decline in wages may also work as a factor to push prices downward, mainly in services prices which are apt to be influenced by this aspect. Overall, prices are expected to follow a gradual declining trend for the time being. Moreover, given the high degree of uncertainty regarding future economic developments, the possibility that weak demand will further intensify downward pressure on prices continuously warrants careful monitoring.

As for the financial market, in the short-term money markets, the end-of-March outstanding balance of the current accounts at the Bank of Japan was 27.6 trillion yen as the Bank provided further ample liquidity to the money market toward the fiscal year-end in reaction to the increase in liquidity demand.

Under this condition, the overnight call rate, including transactions beyond the fiscal year-end, is steadily moving around zero percent. Moreover, interest rates on term instruments have been declining since late March when pressures on fund-raising beyond the fiscal year-end alleviated.

Yields on long-term government bonds are mainly moving around 1.4 percent recently. As for yield spreads between private bonds (bank bonds and corporate bonds) and government bonds, the widening since last fall has been constrained recently, but spreads between bonds with low credit ratings and government bonds still remain wide.

Stock prices are level on the whole.

In the foreign exchange market, the yen is currently traded in the range of 130-133 yen to the U.S. dollar.

With regard to corporate finance, private banks are becoming more cautious in extending loans to firms with high credit risks while they continue to be more active in extending loans to blue-chip companies. The lending attitudes of financial institutions as perceived by firms are becoming more severe. In corporate bonds and CP markets, the fund-raising conditions are generally favorable particularly for firms with high

credit ratings, but the issuing environment for those with low credit ratings continues to be severe on the whole.

Credit demand in the private sector continues to follow a downtrend mainly because firms are decreasing their business fixed investment while continuously reducing their debts.

Amid these developments, private banks' lending continues to decline at about 2 percent on a year-on-year basis. Meanwhile, the amount outstanding of corporate bonds issued is growing at around 2-3 percent on a year-on-year basis. The year-on-year growth rate of the amount outstanding of CP issued continues to decline, although the amount is still well above the previous year's level.

The year-on-year growth rate of the monetary base in March increased further due to heightened liquidity demand for the fiscal year-end, showing a significant increase of over 30 percent. The year-on-year growth rate of the money stock (M_2 + CDs) remained around 3.5-4.0 percent.

Funding costs for firms continue to be at extremely low levels on the whole, although market funding costs for some firms are rising somewhat.

Overall, the recent financial environment remains extremely easy on the whole in terms of money market conditions. However, the fund-raising conditions of firms with high credit risks, especially of small firms, are gradually becoming more severe as the stance of investors toward taking credit risks remains severe and the lending attitudes of private banks are becoming more cautious. Hence, the developments in the behavior of financial institutions and corporate financing continue to require closer monitoring.

The Background

1. Japan's Economy

Public investment is declining. The value of public works contracted—a metric that reflects orders—and various indicators reflecting the actual implementation of those works, have all been on a downward trend (Chart 2). The materialization of the second supplementary budget for FY2001 is anticipated to underpin public investment temporarily. However, judged from the large cut-backs in public-investment-related expenditures in the budget of both central and local governments for FY2002, public investment is basically expected to follow a declining trend.

Real exports are starting to turn up recently, mainly because overseas economies, especially the U.S. and East Asian economies, are clearly gaining momentum for recovery. Real exports in January-February (Chart 3[1]) increased somewhat compared to the fourth quarter. By type of goods (Chart 4), intermediate goods (iron and steel, and chemicals) and capital goods and parts (industrial machinery) increased mainly to East Asia such as China and South Korea. Meanwhile, IT-related goods continued to fall particularly in finished goods (telecommunications machinery, optical fiber, etc.), amid persistently sluggish IT-related investment abroad. However, exports of the NIEs—where IT-related goods have a large weight—have rebounded. Moreover, orders of IT-related goods appear to have picked up based on information from domestic firms. Considering these situations, IT-related exports of Japan are likely to start turning up in the near future.³

Real imports tend to decline, against the background of weak domestic demand. Real imports in January-February (Chart 3[1]) fell again after the rise in the fourth quarter. By type of goods (Chart 5), capital goods and parts continued to decrease amid the decline in domestic business fixed investment. Moreover, consumer goods showed a sizable decline while private consumption remained lackluster, in reaction to the increase in textile products from China in the fourth quarter. On the other hand, IT-

³ In fact, the month-to-month change in IT-related exports was almost flat in both January and February (Chart 4-1[2]). Moreover, global semiconductor shipments (Chart 6-2[1]) in January-February already turned up (mainly to Asia) by 3.5 percent compared to the fourth quarter.

related goods rose in January-February following an increase in the fourth quarter, mainly as a result of the progress in inventory adjustment.

Net exports (real exports minus real imports), in terms of the real trade balance (Chart 3[2]),⁴ are starting to turn up, reflecting the developments in real exports and imports mentioned above. The surplus of the nominal balance on goods and services in January-February expanded, due mainly to the increase in exports. This followed the upturn since the third quarter of 2001 amid the marked decrease in the number of people leaving the country after the terrorist attacks as well as the fall in crude oil prices until around the start of this year.

Regarding the future environment for foreign trade (Chart 6), the synchronized inventory adjustment in IT-related goods worldwide since the start of last year seemed to have come to an end except for some goods such as networking equipment. In these circumstances, the East Asian economies are gaining momentum for recovery due also to the expansion in domestic demand such as public investment. As for the U.S. economy, while private consumption remains solid,⁵ economic activity appeared to have turned up with the rebound in production and employment. In addition, the real effective exchange rate of the yen is at low levels compared to last autumn. Hence, the environment surrounding exports has showed further improvements. The pace of recovery in the U.S. is likely to be more rapid in the immediate future due mainly to the accumulation of inventories. However, there still remain uncertain factors regarding future developments in U.S. final demand, as adjustment in business fixed investment is still ongoing.

⁴ Strictly speaking, the real trade balance presented in Chart 3(2) differs from net exports on a GDP basis, but the changes in the real trade balance are broadly in line with those of net exports. (The real trade balance is on a customs-clearance basis and does not include trade in services, while net exports of GDP statistics are on an ownership-transfer basis and include trade in services.)

⁵ Sales of automobiles in the U.S. after the terrorist attacks increased conspicuously in October-November owing to the aggressive promotion offered by U.S. vehicle makers, such as the zero-percent financing (Chart 6-2[4]). A decrease in sales in reaction to the surge in sales—a concern of many—remains relatively small to date. Furthermore, sales shares of imported automobiles, including those from Japan, tended to rise again. Judged from these developments, such concerns have eased considerably that automobile-related exports from Japan to the U.S. may decline substantially in the foreseeable future.

Overall, exports are projected to recover modestly in the immediate future, mainly due to the rebound in activity abroad and to the effects from the yen's depreciation. On the other hand, imports are expected to follow a downtrend against the background of weak domestic demand, but the pace is likely to moderate gradually judged from the increase in imports of IT-related goods and from the cease of the decline in production, as explained below. Reflecting these developments in exports and imports, net exports are expected to follow a gradual uptrend.

Business fixed investment continues to decrease amid persistently strong excessiveness in firms' production capacity and uncertainty regarding the outlook for domestic demand. The current machinery investment in terms of aggregate supply of capital goods (excluding transport equipment) continues to decline (Chart 7-1[1]).⁶ Machinery orders (private demand, excluding shipbuilding and electric power equipment)—a leading indicator of machinery investment—in January-February decreased compared to the fourth quarter, following the fall in both the third and fourth quarters of 2001 (Chart 7-2). While manufacturing continued to decline at a somewhat slower pace, nonmanufacturing, which had been relatively steady until around last autumn, showed a marked decline in January-February. Meanwhile, construction starts (private, nondwelling use) fell in January-February after a rise in the third and fourth quarters, when large-scale construction starts related to real estate (urban redevelopment) as well as to public utilities (electricity and transportation etc.) were implemented.

With regard to the environment surrounding business fixed investment based on the Bank of Japan's *Tankan—Short-term Economic Survey of Enterprises—* of March 2002, current profits for the latter half of FY2001 were projected to decline sharply as firms, regardless of its industry and size, revised their projections considerably downward compared to the December *Tankan* (Chart 8). On the other hand, firms projected that current profits for FY2002 would rebound remarkably. Profits for the

⁶ In the *Indices of Industrial Domestic Shipments and Imports*, the aggregate supply by goods is shown by adding domestic shipments based on *Indices of Industrial Production* and the import volume based on *Foreign Trade Statistics*. Charts 7-1(1) and 12-4 show the developments in aggregate supply of capital goods (excluding transport equipment) and consumer goods. Figures for the first quarter (January-February) of 2002 are calculated by the Bank of Japan using indices of industrial shipments and real imports and exports.

first half of this fiscal year are expected to rise only slightly but an upsurge is expected for the second half. Given these forecasts, business sentiment of firms (Chart 9) in manufacturing, particularly among large firms, have almost stopped worsening, mainly reflecting the upturn in exporting conditions, and manufacturing forecasted a relatively large improvement for its outlook. In contrast, as for small nonmanufacturing firms, business sentiment still worsened and they projected a further deterioration in the future. With regard to corporate finance (Chart 10), the financial positions and lending attitude of financial institutions perceived by firms—which continued to differ according to the scale of firm—have recently become more severe.⁷

Business fixed investment plans for FY2002 reported in the March *Tankan* (Chart 11) were below the level of the previous year following a decline in FY2001 given the investment condition described above. The weakness observed for investment plans in the *Tankan* was widespread over both manufacturing and nonmanufacturing, regardless of size, at least at this stage.⁸ Judged from these investment plans and the developments in leading indicators explained before, business fixed investment is likely to follow a downtrend for a while.

Private consumption remains weak, while employment and income conditions continue to worsen. With regard to sales indicators (Charts 12-1 and 12-2), passenger car sales remained firm, bolstered by the introduction of new models. On the other hand, department store sales dropped in February (mainly in clothes) partly due to the effects of this year's warm winter, though accessories and foodstuffs remained solid. Both supermarket sales and sales of household electrical appliances were slack. Outlays for travel picked up steadily, but remained well below the level prior to the terrorist attacks in the U.S. The indices of aggregated sales—which are mainly composed of the above indicators—(Chart 12-3)⁹ remained weak on the whole, with the

⁷ Additionally, the March *Tankan* showed that firms' excessiveness in production capacity was still intensifying somewhat (Chart 7-1[2]).

⁸ However, the rate of decline in fixed investment plans of small nonmanufacturing firms was relatively small for a survey conducted at this time, before the start of the new fiscal year (Chart 11[4]).

⁹ While each sales indicator shows different movements, the indices of aggregated sales are compiled by adding the weights of various sales indicators (including a few indicators for services

year-to-year change moving around zero. Moreover, the level of aggregate supply of consumer goods (Chart 12-4) was persistently below that of the previous year. Meanwhile, according to the latest consumer survey (Chart 13[1]), consumers remained cautious amid the worsening employment and income environment. Private consumption is likely to be lackluster, while employment and income conditions continued to be harsh, as described below.

Housing investment remains sluggish, with some fluctuations (Chart 14). Construction starts in January-February continued to be weak overall and thus showed no distinct changes, although those for built for sale increased slightly. Housing investment as a whole is likely to remain stagnant for the time being amid the ongoing severe employment and income conditions of households, even though large condominiums in the city area are expected to contribute as an underpinning factor.

All told, final demand overall is still weak, but industrial production appears to have stopped declining recently, as exports—which have a large impact on production—are starting to turn up; inventory adjustment of IT-related goods and other production goods has also progressed significantly (Chart 15). By industry, the gradual upturn in electrical machinery, which is largely comprised of IT-related goods, mostly contributed to stop the decline in production overall. Moreover, transportation equipment (automobiles) is also projected to increase again in the first quarter of 2002 after the production cut-back in the fourth quarter of 2001. As for inventories (Chart 16), the adjustment has progressed further as a whole. Particularly, inventory adjustment in producer goods for electrical machinery (electronic parts, etc.) has apparently finished. Also, that in other producer goods (mainly materials) has progressed sizably, especially for iron and steel, and chemicals, exports of which are increasing. Moreover, the March *Tankan* showed that the excessiveness of inventories perceived by firms eased slightly. Under these conditions, industrial production is expected to remain almost flat for the time being, as it is influenced by weak domestic demand and in contrast bolstered by the rebound in exports as well as the progress in inventory adjustment.

consumption) to grasp the consumption trend from the supply side. For the detailed calculation method, see notes in Chart 12-3.

With regard to employment and income conditions, household income continues to weaken, reflected in the faster pace of decline in wages amid the easing supply-demand condition in the labor market (Chart 17). Among labor-market-related indicators (Chart 18), the unemployment rate inched down in January-February compared to December, but was still high. With respect to the data of the unemployed in more detail, the number of those involuntarily unemployed has been on a rising trend since the latter half of last year. Moreover, the slight fall in the unemployment rate in January-February is largely attributed to the increase in the number of discouraged workers—who give up job-searching—statistically. Rather, the year-to-year decrease in the number of the employed, comprised of employees, and self-employed workers and their family workers, has expanded. Also, the ratio of job offers to applicants—another labor-market indicator—followed a gradual downtrend. Meanwhile, the bottoming of production mentioned above has brought about a slight change in manufacturing in terms of new job offers as well as of overtime hours. The March *Tankan* also suggests that the excessiveness of employment among firms (Chart 19) in manufacturing, mainly in the processing industries, eased slightly. However, the level still remained high; the stance of firms on reducing personnel expenses is thus unlikely to ease noticeably in the near future.

Such excessiveness in employment perceived by firms has also affected wages. Nominal wages per employee tend to decline at a faster pace due mainly to the sharp drop in winter bonuses. Moreover, the base-pay hike this spring was noticeably restrained,¹⁰ and firms' intentions to revise the compensation scheme, including the annual pay rise, were observed. Judged from these developments in employment and wages, compensation of employees is expected to continue a distinct decrease while firms maintain their stance on reducing personnel expenses.

2. Prices

Import prices on a yen basis are rising compared to levels three months earlier due to the upturn in international commodity prices, such as those for nonferrous metals

¹⁰ According to the Japan Federation of Employers' Association (*Nikkeiren*) survey (interim aggregates as of April 4), the average wage increase was 1.76 percent on a year-to-year basis, below the previous year by about 0.2 percentage points.

and crude oil, and to the depreciation of the yen from near the end of last year (Chart 21).

Domestic wholesale prices are declining at a slower pace against the background of the rise in import prices described above and the progress in inventory adjustment. As for domestic wholesale prices (adjusted to exclude the effects of seasonal changes in electricity rates) in March vis-à-vis three months earlier (Chart 22),¹¹ prices of nonferrous metals continued to rise. Also, prices of petroleum products due to the increase in commodity prices as well as those of iron and steel owing to the progress in inventory adjustment, started to rise respectively. The decline in prices of machinery moderated as a result of the rise in electronic parts. On the other hand, among materials, prices of those such as pulp and paper continued to fall.

Corporate service prices continue to decrease. In February, corporate service prices (domestic supply-demand factors¹²) fell compared to levels three months earlier, mainly due to the decline in real estate services (Chart 23).

Consumer prices continue to decline. As for consumer prices (excluding fresh food) in February compared to levels three months earlier (Chart 24), general services, mainly in those of eating out, inched up. On the other hand, clothes and durable consumer goods continued to decrease and petroleum product prices (kerosene and gasoline) also kept falling. The overall year-to-year rate of decline in February (excluding fresh food) was essentially unchanged (The year-to-year change was -0.9 percent in December, -0.8 percent in January, and -0.8 percent in February.¹³) The

¹¹ Industrial and commercial electric power consumption charges are set relatively high during July-September, when the consumption volume increases substantially. To view the underlying changes in domestic wholesale prices, adjustments are made to exclude such factors that result in a large seasonal fluctuation.

¹² “Domestic supply-demand factors” of corporate service prices includes items only whose monthly price changes primarily reflect changes in domestic private demand. Specifically, items with the following properties are removed from the overall CSPI: (1) regulated fees, (2) overseas factors, and (3) fees with a large monthly fluctuation that do not necessarily reflect short-term changes in supply-demand trends. For the detailed calculation, see the note in Chart 23.

¹³ The rate of decline of consumer prices including fresh food was larger than that of prices excluding them. (The year-to-year change was -1.2 percent in December, -1.4 percent in January, and -1.6 percent in February.) This means that the year-to-year change in fresh food prices marked a large negative. This is attributable to the base effect associated with the rise in fresh food prices

decline in prices of goods remained profound. With respect to the data of goods in more detail, goods of imported products and their substitutes showed a relatively large decline, but the pace contracted slightly. On the other hand, the rate of decline of products other than those related to imports expanded somewhat (Chart 25).

As for domestic supply-demand conditions in terms of the March *Tankan* (Chart 26), firms perceived that products and services were supplied excessively. While the extent of excess supply eased slightly in manufacturing, that of nonmanufacturing intensified. Furthermore, the operating level of the domestic economy in terms of adding the weighted perceptions of production capacity and of employment conditions among firms was more or less flat following a decline for four consecutive quarters, although the level still remained significantly low. In these circumstances, the judgement of the decline in output prices among firms contracted only slightly in manufacturing mainly in materials, but firms' perceptions as a whole that output prices fell were still significantly high.

As for land prices (Chart 27), the prices of both commercial and residential land continue to decline. By region, the decline in commercial land prices slowed somewhat only in the Tokyo area.

As for the conditions surrounding price developments, the depreciation of the yen from around the end of last year and the rise in crude oil and other international commodity prices are regarded as factors to support prices for the time being. However, since domestic demand is projected to remain weak for a time, the balance between supply and demand is expected to keep exerting downward pressure on prices. Furthermore, factors such as the ongoing technological innovations in machinery, deregulation, and the streamlining of distribution channels will restrain prices. In addition, the faster decline in wages may also work as a factor to push prices downward, mainly in services prices which are apt to be influenced by this aspect. Overall, prices are expected to follow a gradual declining trend for the time being.

around the same time in the preceding year, due to poor weather such as lengthy rains and the harsh winter as well as a fall in prices this year as a result of good harvest due to the warm winter.

3. Financial Developments

(1) Financial Markets

As for interest rate developments in short-term money markets (Charts 28[1] and 29), the outstanding balance of the current accounts at the Bank of Japan at the end of March was 27.6 trillion yen, as the Bank provided further ample liquidity to the money market toward the fiscal year-end in reaction to the increase in liquidity demand, following the measures decided at the Monetary Policy Meeting on February 28 (Chart 30).

Amid this further provision of ample liquidity, the overnight call rate (uncollateralized), including transactions beyond the fiscal year-end, is steadily moving around zero percent (Charts 28[1]). As for the developments in interest rates on term instruments (Chart 29), three-month Euro-yen rates (TIBOR) have been declining since late March, when pressures on fund-raising beyond the fiscal year-end alleviated.

Yields on ten-year government bonds (newly issued 10-year JGB; Chart 28[2]) edged down mainly due to the inflow of funds from institutional investors since the start of the new fiscal year, and are mainly moving around 1.4 percent recently. As for yield spreads between government bonds and private bonds (bank bonds and corporate bonds; Charts 34 and 35), the widening since last fall has been constrained recently. The yield spreads between bonds with low credit rating and government bonds, however, still remain wide, which indicates that investors seem to be cautious toward taking credit risks.

Stock prices (Chart 36[1]) are level on the whole. This was because, while profit-taking by investors was observed after the rapid rebound in stock prices until the beginning of March, there were expectations toward the inflow of new funds from institutional investors.

In the foreign exchange market (Chart 37), the yen appreciated, reflecting the strained situation in the Middle East, after weakening mainly due to market expectations over the increase in foreign investment by domestic institutional investors. The yen is currently being traded in the range of 130-133 yen to the U.S. dollar.

(2) Monetary Aggregates and Corporate Finance

The year-on-year growth rate of the monetary base (currency in circulation + current account balances at the Bank of Japan; Chart 38) in March increased further due to the sharp rise in the current account balances at the Bank of Japan against the background of heightened liquidity demand for the fiscal-year end and also to the continued higher growth of bank notes, and is showing a significant increase of over 30 percent. (The year-on-year change was 23.4 percent in January, and 27.5 percent in February, and 32.6 percent in March.)

The year-on-year growth rate of the money stock (M_2 + CDs; Chart 39) remained around 3.5-4.0 percent. Money stock increased slightly in March compared to the previous month. (The year-on-year change was 3.5 percent in January, 3.6 percent in February, and 3.8 percent in March.) As for the second quarter, the year-on-year growth rate is projected to increase slightly compared to the first quarter as the inflow from investment trusts continues while credit demand of private firms continues to decline. (The projected year-on-year growth rate for the second quarter is around four percent.)

As for the lending attitudes of private financial institutions, financial institutions are becoming more cautious in extending loans to firms with high credit risks such as by setting a higher interest margin, while they continue to be more active in extending loans to blue-chip companies. The lending attitudes of financial institutions as perceived by firms are becoming more severe. In corporate bonds and CP markets, the fund-raising conditions are generally favorable particularly for firms with high credit ratings, but the issuing environment for those with low credit ratings continues to be severe on the whole.

Credit demand in the private sector continues to follow a downtrend mainly because firms are decreasing their business fixed investment while continuously reducing their debts.

Amid these developments, lending by private banks (monthly average outstanding balance basis; after adjustment for extraordinary factors;¹⁴ Chart 40), consisting of city banks, long-term credit banks, trust banks, regional banks, and regional banks II, continues to decline at about 2 percent on a year-on-year basis. (The year-on-year change was -2.4 percent in January, -2.4 percent in February, and -2.3 percent in March.) Meanwhile, the amount outstanding of corporate bonds issued (Chart 42) is growing at around 2-3 percent on a year-on-year basis. The year-on-year growth rate of the amount outstanding of CP issued continues to decline, although the amount is still well above the previous year's level.

Funding costs for firms continue to be at extremely low levels on the whole, although market funding costs for some firms are rising somewhat. The average contracted interest rates on new loans and discounts (Chart 44) continued to be more or less unchanged. The long-term prime lending rate was lowered by 0.2 percent to 2.1 percent on April 10. In the capital market, corporate bond issuance rates are recently rising slightly. The spread between CP issuance rates with high credit ratings and those with low credit ratings continues to widen.

The number of corporate bankruptcies (Chart 45) is recently above that of the previous year.

Overall, the recent financial environment remains extremely easy on the whole in terms of money market conditions. However, the fund-raising conditions of firms with high credit risks, especially of small firms, are gradually becoming more severe as the stance of investors toward taking credit risks remains severe and the lending attitudes of private banks are becoming more cautious. Hence, the developments in the behavior of financial institutions and corporate financing continue to require closer monitoring.

¹⁴ The figures are adjusted for (1) fluctuations from the liquidation of loans, (2) fluctuations in the yen value of foreign currency-denominated loans due to changes in exchange rates, and (3) fluctuations from loan write-offs.

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Main Economic Indicators (1)

s.a., q/q (m/m) % chg.¹

	2001/Q3	Q4	2002/Q1	2001/Dec.	2002/Jan.	Feb.	Mar.
Index of living expenditure level (all households)	-0.1	0.6	n.a.	-5.4	6.3	-0.3	n.a.
Sales at department stores	-1.2	0.1	n.a.	-3.8	2.2	-4.9	n.a.
Sales at supermarkets	-0.5	-2.5	n.a.	-2.2	0.6	-1.4	n.a.
New passenger-car registrations ³ <s.a., ann. 10,000 units>	< 317>	< 288>	< 305>	< 305>	< 319>	< 301>	< 297>
Sales of household electrical appliances (real, NEBA)	0.4	4.2	n.a.	-2.8	-2.9	1.2	n.a.
Outlays for travel (50 major travel agencies)	-3.1	-17.4	n.a.	4.2	8.8	1.6	n.a.
Housing starts <s.a., ann. 10,000 units>	< 120>	< 117>	<n.a.>	< 114>	< 125>	< 118>	<n.a.>
Machinery orders (from private sector ⁴)	-5.7	-7.8	n.a.	-0.5	-15.6	10.8	n.a.
Manufacturing	-9.7	-13.6	n.a.	-7.1	-5.5	6.3	n.a.
Nonmanufacturing ⁴	-1.4	-5.0	n.a.	2.6	-20.3	12.3	n.a.
Construction Starts (private, nonresidential use)	11.6	2.3	n.a.	-1.9	-0.1	-16.8	n.a.
Mining & manufacturing	-6.9	-16.1	n.a.	-9.6	-1.7	17.2	n.a.
Nonmanufacturing ⁵	18.4	5.8	n.a.	-1.4	5.0	-24.8	n.a.
Value of public works contracted	3.7	-3.4	n.a.	-1.0	-1.2	-3.0	n.a.
Real exports ⁶	-4.0	-1.6	n.a.	-8.8	5.6	4.1	n.a.
Real imports ⁶	-4.8	1.0	n.a.	-6.3	-0.3	4.5	n.a.
Industrial production	-4.3	-2.5	n.a.	1.5	-1.5	p 1.3	n.a.
Shipments	-3.6	-2.8	n.a.	1.5	-1.3	p 1.4	n.a.
Inventories	-2.4	-4.1	n.a.	-1.4	-1.5	p -0.6	n.a.
Inventories/shipments <s.a., 1995=100>	<116.6>	<114.5>	<n.a.>	<114.5>	<109.5>	<p 109.4>	<n.a.>
Real GDP	-0.5	-1.2	n.a.	n.a.	n.a.	n.a.	n.a.
Index of all industry activity	-1.7	-0.7	n.a.	1.0	-0.9	n.a.	n.a.

Main Economic Indicators (2)

	y/y % chg. ¹						
	2001/Q3	Q4	2002/Q1	2001/Dec.	2002/Jan.	Feb.	Mar.
Ratio of job offers to applicants <s.a., times>	<0.59>	<0.53>	<n.a.>	<0.51>	<0.51>	<0.50>	<n.a.>
Unemployment rate <s.a., %>	<5.11>	<5.43>	<n.a.>	<5.49>	<5.29>	<5.31>	<n.a.>
Overtime working hours ⁷	-5.5	-8.4	n.a.	-8.9	-6.5	p -5.4	n.a.
Number of employees	0.0	-1.0	n.a.	-0.9	-1.0	-1.4	n.a.
Number of regular employees ⁷	-0.2	-0.2	n.a.	-0.3	-0.4	p -0.3	n.a.
Nominal wages per person ⁷	-1.1	-2.5	n.a.	-3.6	-4.0	p -0.6	n.a.
Domestic wholesale price index <q/q % chg.> (3-month growth rate)	-1.1 <-0.4>	-1.4 <-0.5>	-1.4 <-0.2>	-1.5 <-0.5>	-1.5 <-0.4>	-1.4 <-0.2>	-1.3 <-0.1>
Consumer price index ⁸ <s.a., q/q % chg.> (3-month growth rate)	-0.8 <-0.2>	-0.8 <-0.2>	n.a. <n.a.>	-0.9 <-0.3>	-0.8 <-0.2>	-0.8 <-0.2>	n.a. <n.a.>
Corporate service price index ⁹ <s.a., q/q % chg.> (3-month growth rate)	-1.3 <-0.3>	-1.4 <-0.3>	n.a. <n.a.>	-1.5 <-0.3>	-1.4 <-0.3>	-1.3 <-0.2>	n.a. <n.a.>
Monetary aggregates (M ₂ +CDs) <average outstanding, y/y % chg.>	3.1	3.2	3.6	3.4	3.5	3.6	3.8
Number of suspension of transactions with banks	-8.5	5.9	n.a.	-1.2	10.5	13.6	n.a.

Notes: 1. Excludes the cases indicated inside angle brackets in the index section.

2. P indicates preliminary figures.

3. Excludes small cars with engine sizes of 660cc or less.

4. Excludes ships and demand from electric power companies.

5. Nonmanufacturing = commerce + services + agriculture & fisheries + public utilities industries, etc.

6. Some figures of Domestic wholesale price index and Export and Import price index are revised retroactively. This is incorporated into charts 20-22. Also in line with this, those of real exports and imports (charts 3-6), aggregate supply of capital goods (excluding transport equipment; chart 7-1), and estimation of consumer goods supply (chart 12-4) are also revised retroactively.

7. Data for establishments with at least five regular employees.

8. Excludes fresh food.

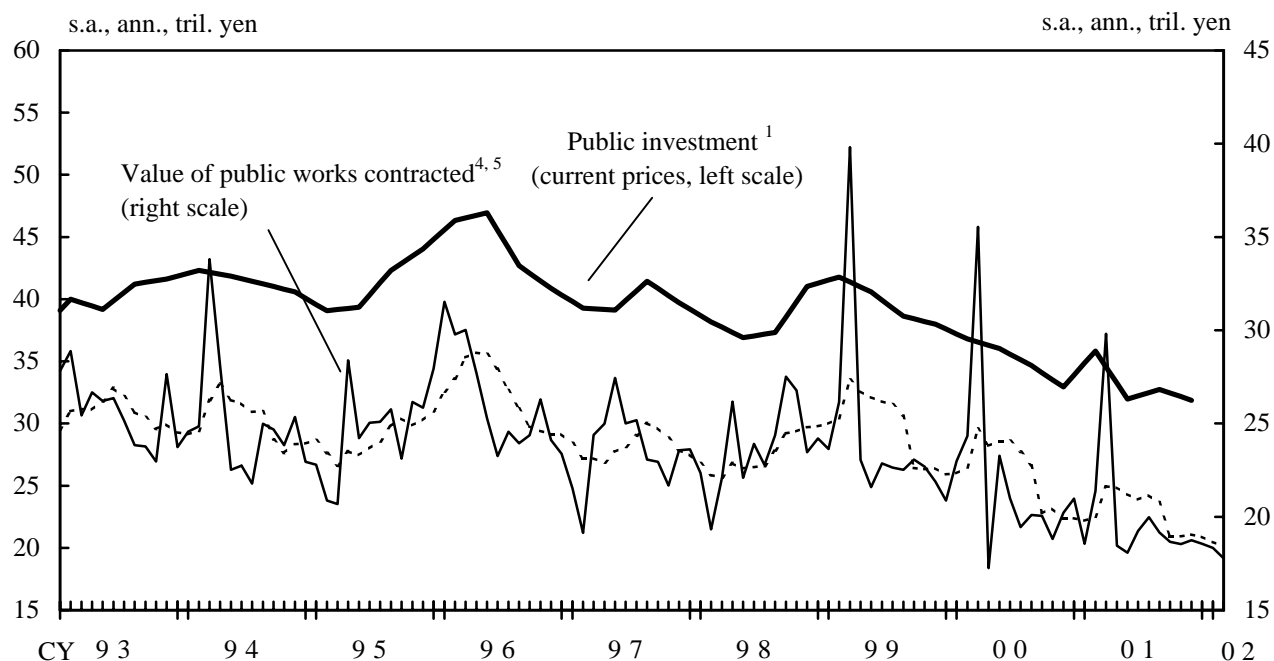
9. Domestic supply-demand factors.

10. For details on seasonal adjustments and data processing/compilation conducted by the Bank of Japan, see notes of respective charts.

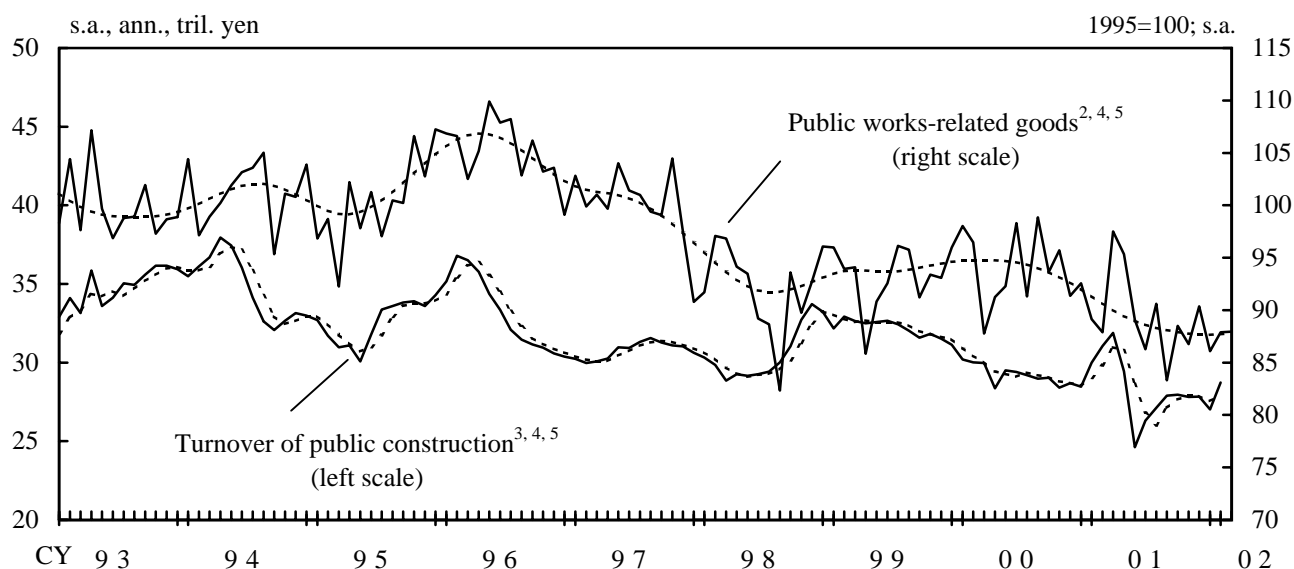
Sources: Ministry of Public Management, Home Affairs, Posts and Telecommunications, "Labour Force Survey," "Monthly Report on the Family Income and Expenditure Survey," "Consumer Price Index"; Ministry of Economy, Trade and Industry, "Current Survey of Commerce," "Indices of Industrial Production," "Indices of Tertiary Industry Activity"; Japan Automobile Dealers Association, "Domestic Sales of Automobiles"; Nippon Electric Big-Stores Association (NEBA), "Sales of Electrical Appliances"; Ministry of Land, Infrastructure and Transport, "Major Travel Agents' Revenue," "Monthly of Construction Statistics"; Ministry of Finance, "The Summary Report on Trade of Japan"; Cabinet Office, "Machinery Orders Statistics," "National Accounts"; Surety Association for Construction Companies, "Public Works Prepayment Surety Statistics"; Ministry of Health, Labour and Welfare, "Report on Employment Service," "Monthly Labour Survey"; Bank of Japan, "Wholesale Price Indexes," "Corporate Service Price Index," "Financial and Economic Statistics Monthly"; Japanese Bankers Associations, "Suspension of Transaction with Banks."

Public Investment

(1) Value of Public Works Contracted and Public Investment



(2) Shipments of Public Works-related Goods and Turnover of Public Construction



Notes: 1. Quarterly basis public investment is plotted at the middle month of each quarter.

2. Public works-related goods are weighted average of asphalt, concrete products for roads, bridges, and cement, where weights are based on 1995-basis IIP (shipment). Shipments of these goods also include those to the private sector. The data for February 2002 are preliminary.

3. Turnover of public construction is based on the public sector table in the "Integrated Statistics on Construction Works."

4. Value of public works contracted, public works-related goods, and turnover of public construction are seasonally adjusted by X-12-ARIMA (β version). As the figures of value of public works contracted and public works-related goods are seasonally adjusted on a monthly basis, the data are retroactively revised each month. Seasonal factors of turnover of public construction are calculated by using data until March 2001, and are fixed for FY2001.

5. Among the dotted lines, the line for value of public works contracted is the 6 months moving average, the line for public works-related goods is the trend cycle factor, and the line for turnover of public construction is the 3 months moving average.

Sources: Cabinet Office, "National Accounts";

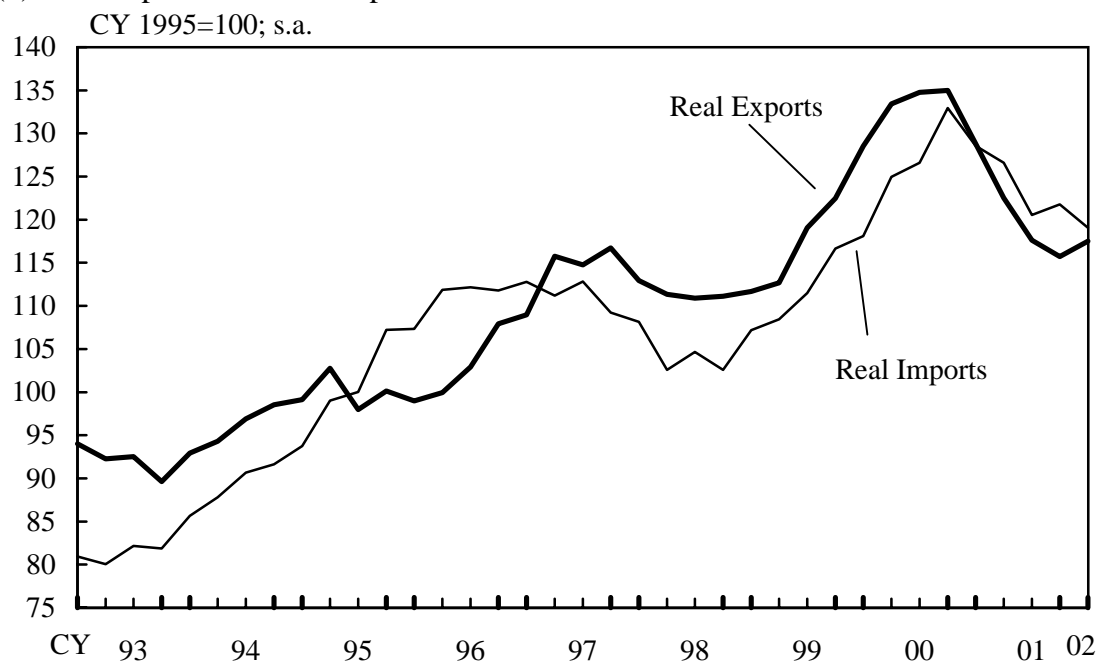
Surety Association for Construction Companies, "Public Works Prepayment Surety Statistics";

Ministry of Land, Infrastructure and Transport, "Integrated Statistics on Construction Works";

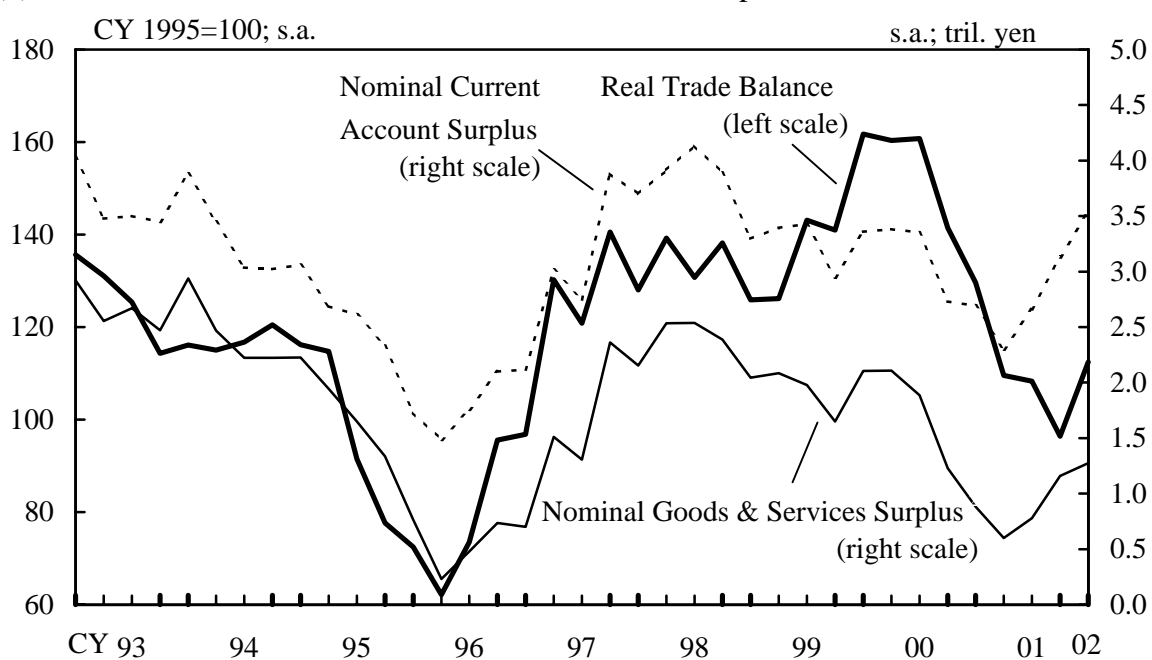
Ministry of Economy, Trade and Industry, "Indices of Industrial Production."

External Balance

(1) Real Exports and Real Imports



(2) Real Trade Balance and Nominal Current Account Surplus



- Notes: 1. Real exports/imports and the real trade balance are seasonally adjusted by X-11.
 2. Balance of payments data up to 1995/Q4 are old basis.
 3. 2002/Q1 figures are Jan.-Feb. averages converted into quarterly amount.

Sources: Ministry of Finance, "The Summary Report on Trade of Japan";
 Bank of Japan, "Balance of Payments Monthly," "Wholesale Price Indexes."

Real Exports (1) ¹

(1) Breakdown by region

		y/y % chg.		s.a. q/q % chg.				s.a. m/m % chg.			
		CY 2000	2001	2001 Q1	Q2	Q3	2002 Q4	Q1	2001 Dec.	2002 Jan.	Feb.
United States	<30.0>	11.7	-8.4	-6.6	-6.7	-3.0	-2.1	1.3	-9.1	4.3	6.6
EU	<15.9>	6.4	-10.9	1.3	-10.1	-6.3	-0.2	-7.5	-13.3	-3.1	7.0
East Asia	<38.7>	25.7	-9.7	-4.3	-5.8	-4.0	-1.0	8.2	-6.7	16.2	-7.2
China	<7.7>	27.8	11.6	10.2	-5.4	-1.9	-0.7	23.2	-9.7	45.0	-16.8
NIEs	<21.7>	25.8	-15.8	-9.4	-6.3	-3.5	-1.7	4.6	-8.4	12.0	-5.9
Korea	<6.3>	30.4	-9.1	-5.4	-8.3	7.2	-2.3	0.6	-13.4	4.0	9.8
Taiwan	<6.0>	22.5	-25.6	-16.5	-3.2	-12.1	4.7	2.7	-4.4	7.8	-7.7
ASEAN4 ³	<9.3>	24.0	-8.1	-1.7	-5.0	-6.8	0.3	4.5	-0.6	4.5	-0.6
Thailand	<2.9>	19.0	-3.9	-5.1	-4.7	-0.9	1.7	-4.6	-1.2	-8.0	8.3
Real exports		14.1	-9.0	-4.6	-4.9	-4.0	-1.6	1.5	-8.8	5.6	4.1

(2) Breakdown by type of goods

		y/y % chg.		s.a. q/q % chg.				s.a. m/m % chg.			
		CY 2000	2001	2001 Q1	Q2	Q3	2002 Q4	Q1	2001 Dec.	2002 Jan.	Feb.
Intermediate goods	<14.7>	5.3	-3.4	-1.8	-4.8	-0.5	4.2	6.8	-5.4	14.5	-6.5
Motor vehicles and their related goods	<22.1>	9.2	0.1	-7.8	3.5	5.2	0.1	-2.1	-10.7	-4.3	19.2
Consumer goods ⁴	<7.3>	13.0	-6.3	-6.0	-0.4	-2.6	-3.6	-0.5	-16.1	8.8	1.2
IT-related goods ⁵	<17.3>	25.2	-12.0	-5.7	-6.4	-9.5	-5.3	-7.0	-12.9	-0.4	0.7
Capital goods and parts ⁶	<27.5>	21.1	-15.0	-3.2	-10.2	-6.9	-4.1	3.7	-8.8	6.7	3.3
Real exports		14.1	-9.0	-4.6	-4.9	-4.0	-1.6	1.5	-8.8	5.6	4.1

Notes: 1. Seasonally adjusted by X-11. 2002/Q1 figures are Jan.-Feb. averages converted into quarterly amount.

2. Shares of each region and type of goods are shown in brackets.

3. Data for four members: Thailand, Malaysia, the Philippines, and Indonesia.

4. Excluding motor vehicles.

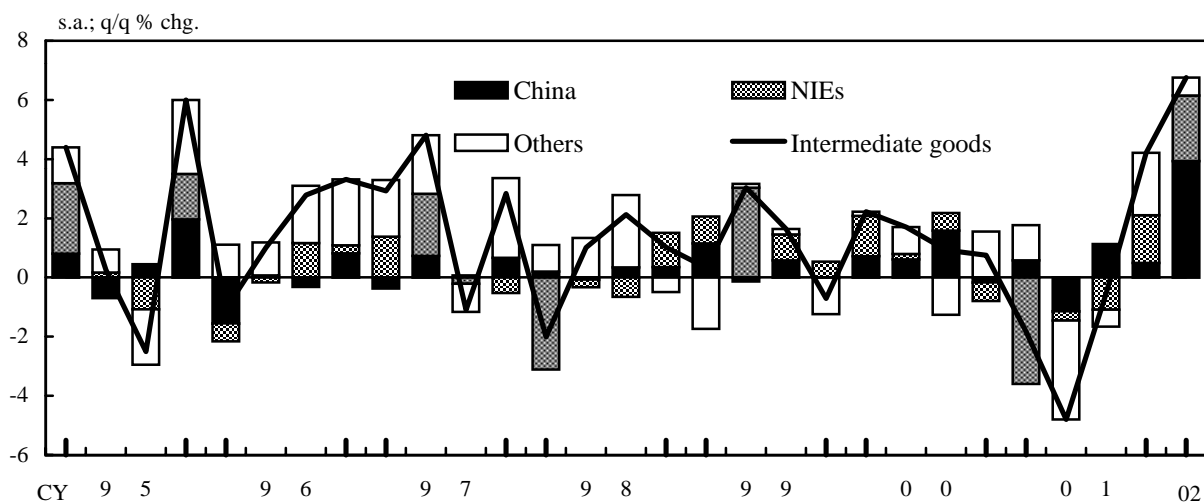
5. IT-related goods = automatic data processing machinery + telecommunication machinery + ICs + scientific, medical and optical instruments.

6. Excluding IT-related goods, power generating machinery and parts of motor vehicles.

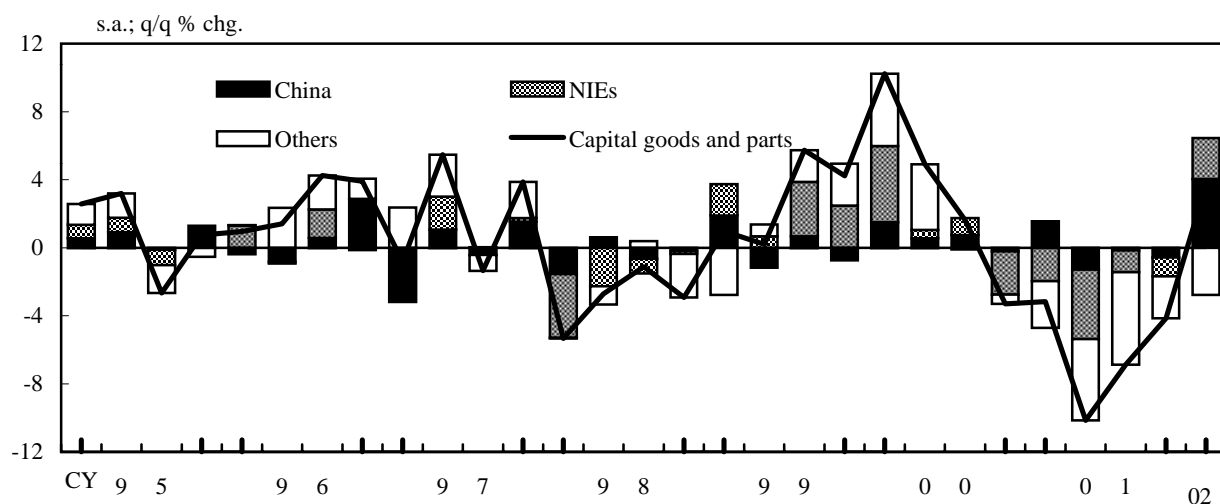
Sources: Ministry of Finance, "The Summary Report on Trade of Japan"; Bank of Japan, "Wholesale Price Indexes."

Real Exports (2)

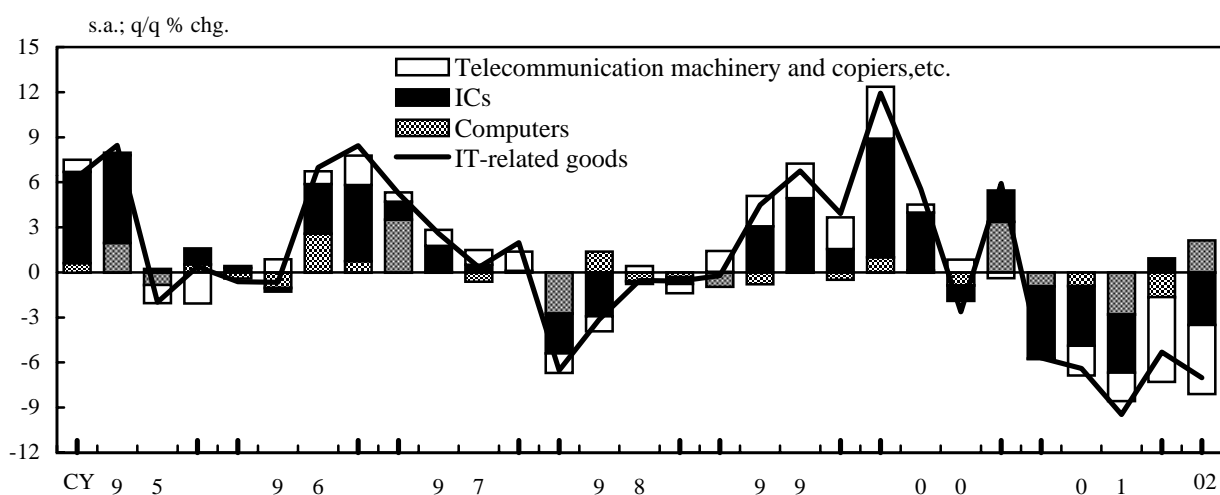
(1) Intermediate goods by region



(2) Capital goods and parts by region



(3) IT-related goods by type of goods



Note: Seasonally adjusted by X-11. 2002/Q1 figures are Jan.-Feb. averages converted into quarterly amount.
Sources: Ministry of Finance, "The Summary Report on Trade of Japan"; Bank of Japan, "Wholesale Price Indexes."

Real Imports ¹

(1) Breakdown by region

		y/y % chg.		s.a. q/q % chg.				s.a. m/m % chg.			
		CY 2000	2001	2001 Q1	Q2	Q3	2002 Q4	2002 Q1	2001 Dec.	2002 Jan.	Feb.
United States	<18.1>	7.9	-4.5	-5.5	-0.3	-9.8	-0.8	-3.1	0.2	-6.5	11.7
EU	<12.8>	8.5	3.5	2.2	-4.7	-1.3	4.0	-4.1	-2.4	1.5	-6.6
East Asia	<40.3>	25.5	1.5	-1.1	-3.9	-5.6	1.6	1.5	-7.6	2.3	9.0
China	<16.6>	28.1	13.2	5.2	-1.2	-4.2	8.3	1.8	-8.3	0.1	12.0
NIEs	<10.9>	28.4	-9.7	-5.2	-9.7	-7.5	-6.3	3.4	-5.8	5.7	6.3
Korea	<4.9>	22.5	-7.7	-2.6	-7.2	-7.4	-5.3	-4.5	-7.7	-1.4	7.1
Taiwan	<4.1>	43.6	-13.1	-7.6	-12.7	-12.6	-1.4	8.8	-2.1	10.2	5.9
ASEAN4 ³	<12.7>	20.2	0.0	-3.8	-1.4	-5.5	0.3	-0.5	-8.0	2.5	7.5
Thailand	<3.0>	19.3	5.9	-4.1	4.3	-6.0	3.5	-4.1	-4.1	-3.7	3.7
Real imports		13.3	-1.1	-3.3	-1.5	-4.8	1.0	-2.2	-6.3	-0.3	4.5

(2) Breakdown by type of goods

		y/y % chg.		s.a. q/q % chg.				s.a. m/m % chg.			
		CY 2000	2001	2001 Q1	Q2	Q3	2002 Q4	2002 Q1	2001 Dec.	2002 Jan.	Feb.
Raw materials ⁴	<26.2>	1.7	-4.9	-1.7	-2.1	-3.0	-2.1	0.4	-8.4	4.0	5.1
Intermediate goods	<12.9>	8.2	-0.3	0.3	-3.8	-4.0	-0.7	2.1	-3.3	9.2	-7.2
Foodstuffs	<12.4>	5.3	-1.7	-2.3	-1.1	-3.4	7.4	-3.4	-5.2	-1.7	1.5
Consumer goods	<11.2>	21.4	5.8	-2.7	1.3	-2.9	3.3	-7.7	-7.2	-5.4	7.8
IT-related goods ⁵	<14.8>	43.9	-2.5	-5.0	-6.1	-13.0	3.4	3.5	-3.4	0.6	7.5
Capital goods and parts ⁶	<11.9>	12.4	3.2	-3.7	-0.3	-4.5	-1.8	-4.5	-8.3	-5.1	16.1
excluding aircraft		21.5	6.0	0.5	-0.9	-7.3	-0.3	-2.4	-5.5	-0.8	6.2
Real imports		13.3	-1.1	-3.3	-1.5	-4.8	1.0	-2.2	-6.3	-0.3	4.5

Notes: 1. Seasonally adjusted by X-11. 2002/Q1 figures are Jan.-Feb. averages converted into quarterly amount.

2. Shares of each region and type of goods are shown in brackets.

3. Data for four members: Thailand, Malaysia, the Philippines, and Indonesia.

4. Raw materials = woods + ores + mineral fuel, etc.

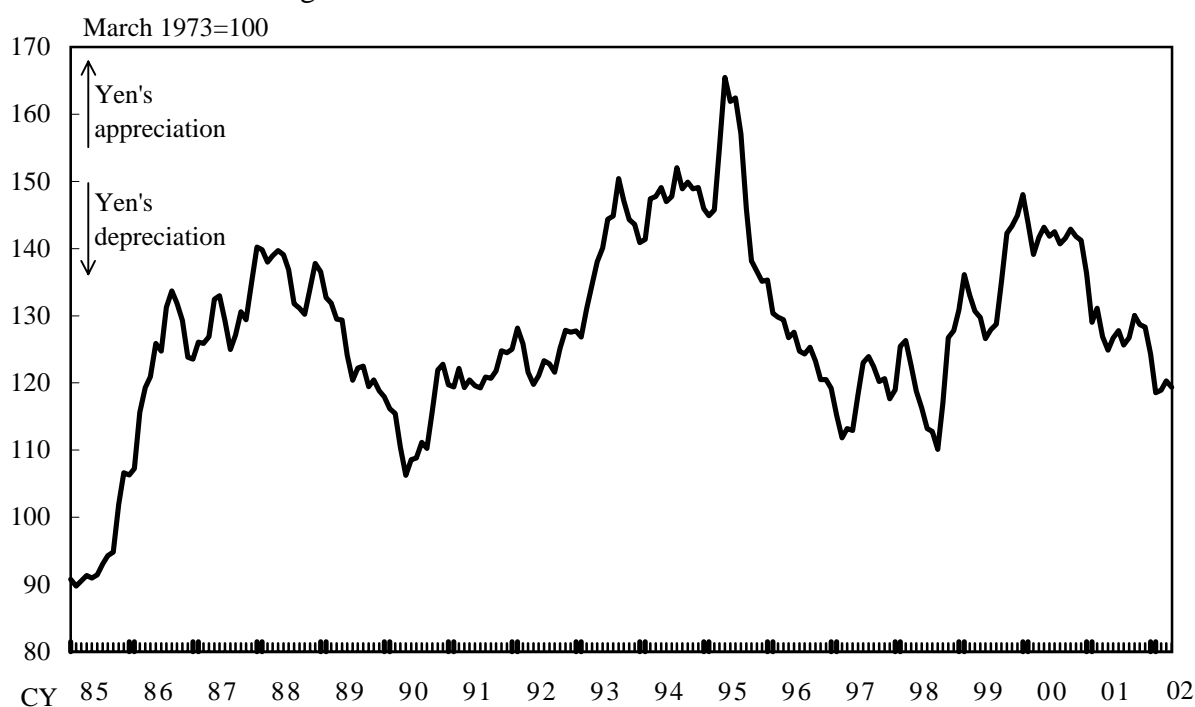
5. IT-related goods = office machinery + telecommunication machinery + ICs + scientific, medical and optical instruments.

6. Excluding IT-related goods.

Sources: Ministry of Finance, "The Summary Report on Trade of Japan"; Bank of Japan, "Wholesale Price Indexes."

Exporting Conditions (1)

(1) Real Effective Exchange Rate



Note: Monthly average. Figure for April 2002 is the average of April 1-10. Calculated by the Bank of Japan.

Figures are the index of weighted average of the yen's real exchange rates versus 15 major currencies (26 countries) which are calculated from exchange rates and price indexes of the respective countries.

(2) Real GDP Growth Rates in Overseas Economies

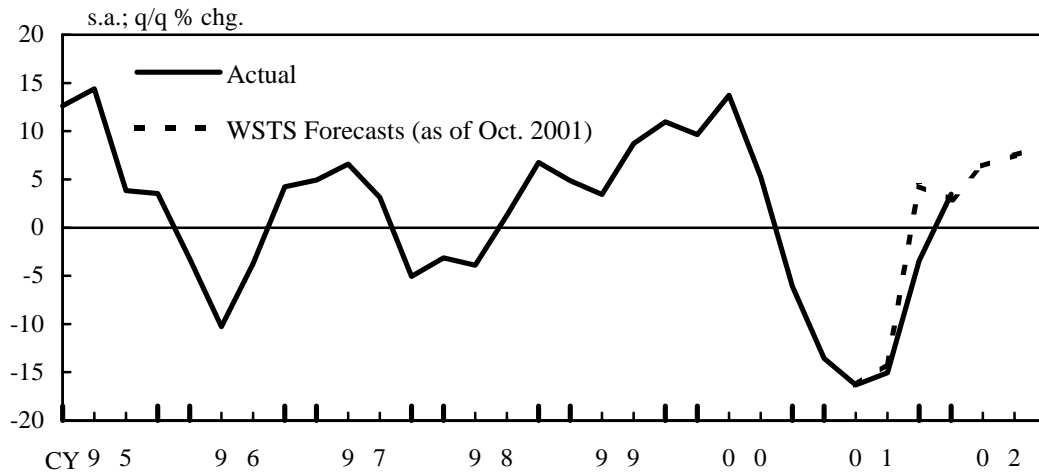
		CY99	2000	2001	2001 Q2	Q3	Q4	2002 Q1	
United States ¹		4.1	4.1	1.2	0.3	-1.3	1.7	n.a.	
European Union ¹		2.6	3.3	1.6	0.5	0.9	-0.5	n.a.	
	Germany	1.8	3.0	0.6	0.2	-0.7	-1.0	n.a.	
	France	3.0	3.6	2.0	0.8	1.8	-0.6	n.a.	
	United Kingdom	2.1	3.0	2.2	2.0	1.7	0.0	n.a.	
East Asia ²	China	7.1	8.0	7.3	(Jan-Jun) 7.9	(Jan-Sep) 7.6	(Jan-Dec) 7.3	n.a.	
	NIEs	Korea	10.9	9.3	3.0	2.9	1.9	3.7	n.a.
		Taiwan	5.4	5.9	-1.9	-2.4	-4.2	-1.9	n.a.
		Hong Kong	3.0	10.5	0.1	0.8	-0.4	-1.6	n.a.
		Singapore	6.9	10.3	-2.0	-0.5	-5.4	-6.6	-2.6
	ASEAN4	Thailand	4.4	4.6	1.8	1.8	1.6	2.1	n.a.
		Indonesia	0.8	4.9	3.3	3.8	3.1	1.6	n.a.
Malaysia		6.1	8.3	0.4	0.5	-1.2	-0.5	n.a.	
Philippines		3.4	4.0	3.4	3.2	3.3	3.8	n.a.	

Notes: 1. Quarterly data are quarter-to-quarter percent changes at annual rate.

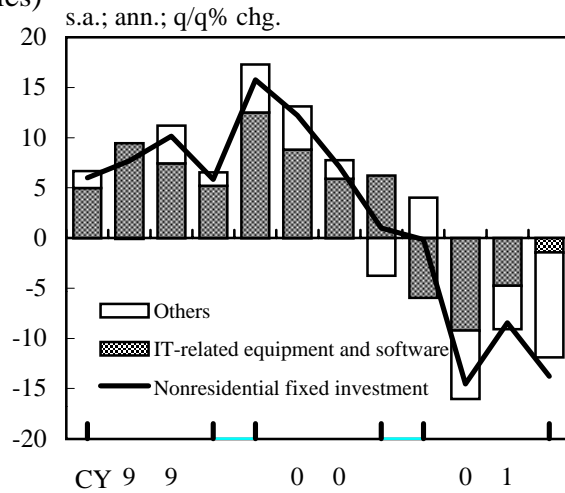
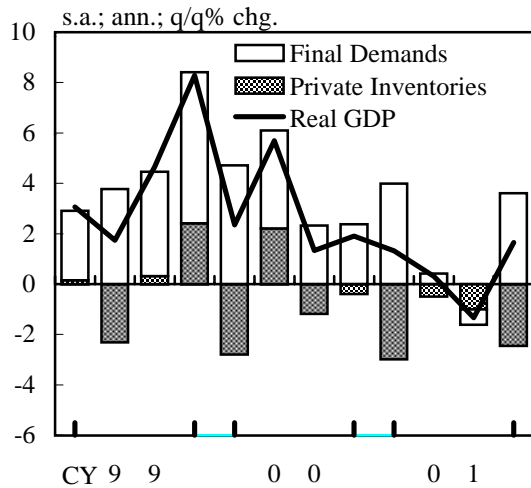
2. Quarterly data are percent changes from a year earlier.

Exporting Conditions (2)

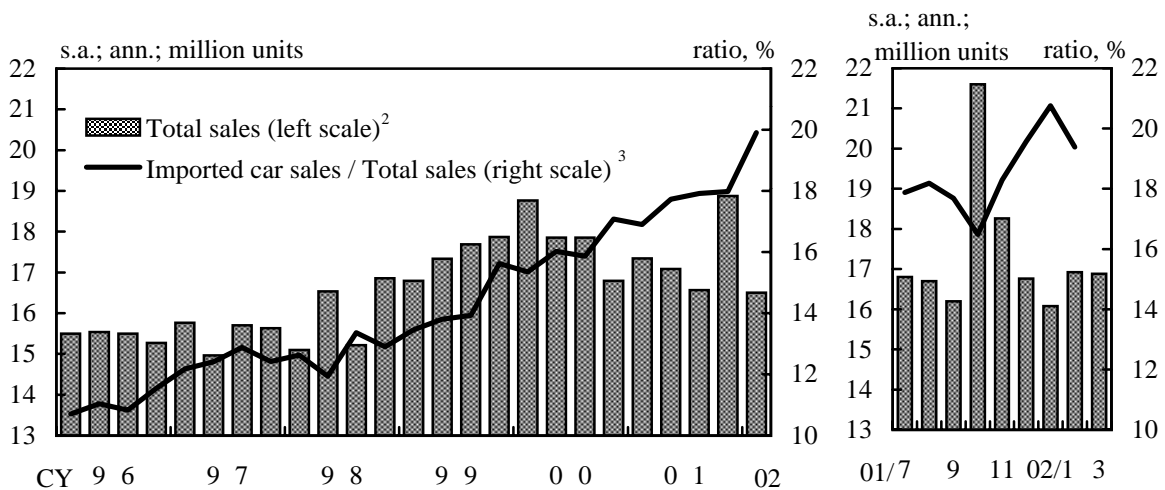
(1) World Semiconductor Shipments ¹



(2) U.S. Real GDP (Break Down by Final Demands and Inventories) (3) U.S. Nonresidential Fixed Investment



(4) Sales of Automobiles in the U.S.

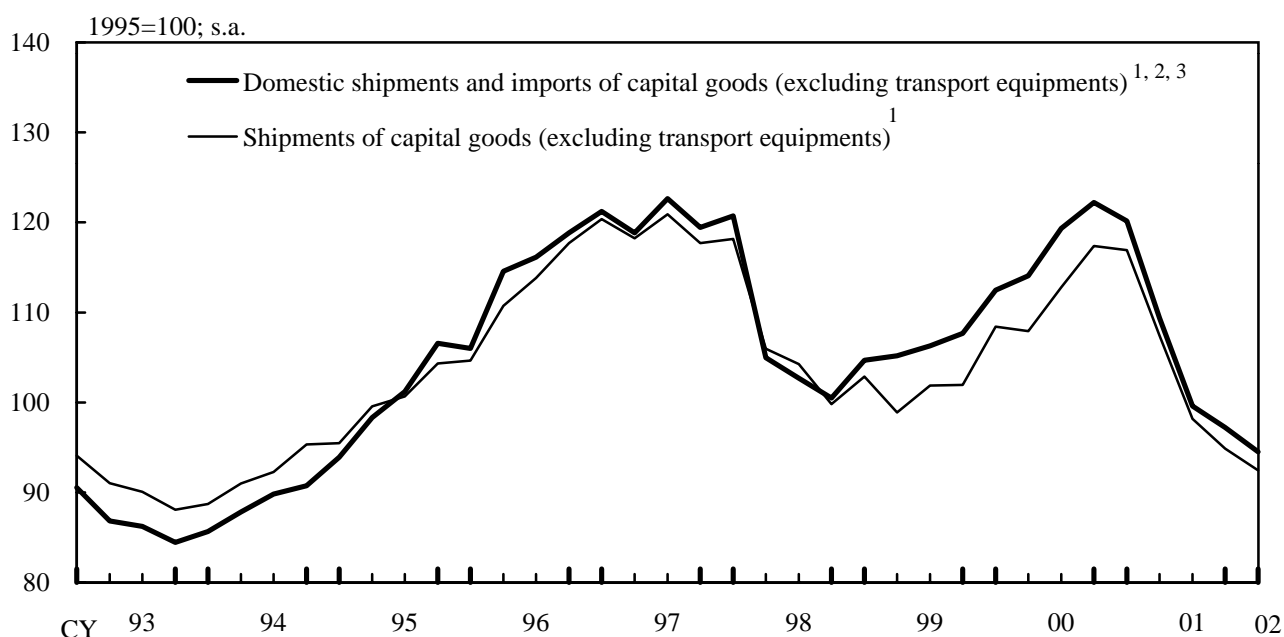


Notes: 1. Actual figures are on a real basis deflated by U.S. PPI electronic devices. Forecasts are on a nominal basis. Seasonally adjusted by X-11. 2002/Q1 figures are Jan.-Feb. averages converted into quarterly amount.
 2. March figures of Automobile Sales are calculated by adding CY 2001 average of heavy trucks (0.45mil.) to preliminary figures released by the industry (sa., ann. 16.43 mil.).
 3. 2002/Q1 figures are Jan.-Feb. averages.

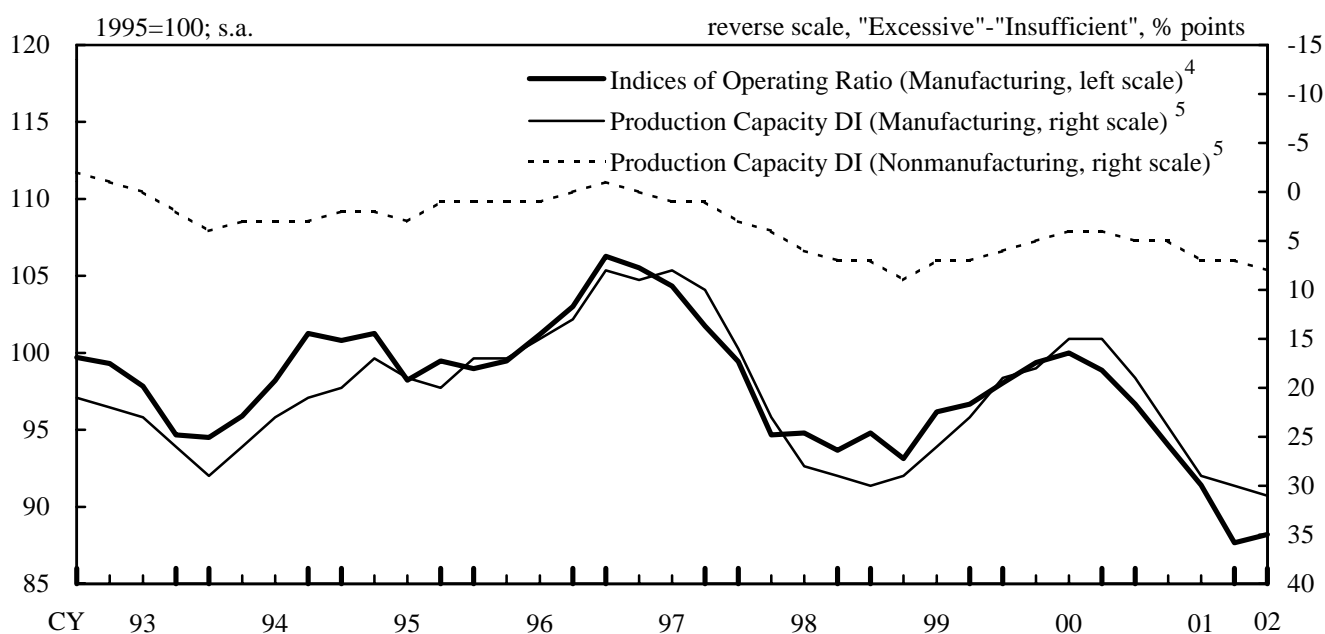
Sources: WSTS (World Semiconductor Trade Statistics), "Semiconductor Forecasts"; U.S. Department of Commerce, "National Income and Product Accounts"; CEIC Data Company.

Indicators for Business Fixed Investment (1)

(1) Domestic shipments and imports of capital goods (excluding transport equipments)



(2) Indices of Operating Ratio and Production Capacity DI



Notes:1. Figures for 2002/Q1 are those of Jan.-Feb. averages.

2. The figure for 2002/Q1 of "Domestic shipments" is calculated using Indices of Industrial Production and real exports (see chart 4-1) .

3. The figure for 2002/Q1 of "Domestic shipments and imports of capital goods (excluding transport equipments)" is calculated from the weighted average of the quarterly changes in "Imports" based on real imports and "Domestic shipments."

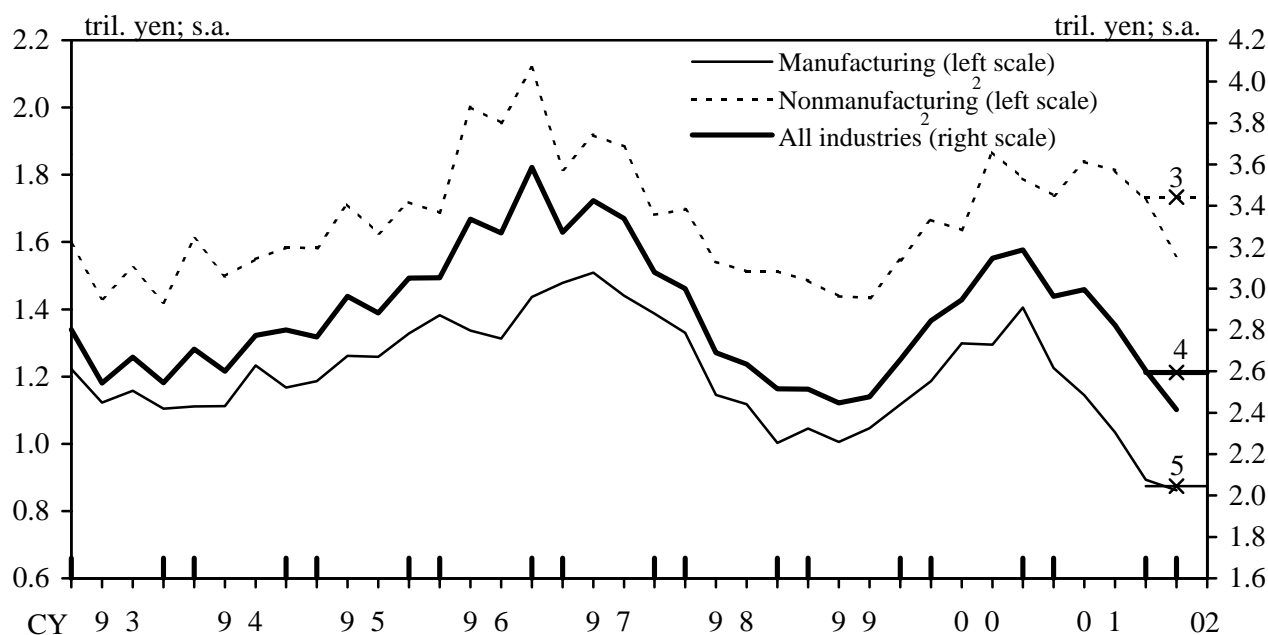
4. The figure for 2002/Q1 is that of January.

5. All enterprises.

Sources: Ministry of Economy, Trade and Industry, "Indices of Industrial Production," "Indices of Industrial Domestic Shipments and Imports"; Ministry of Finance, "The Summary Report on Trade of Japan"; Bank of Japan, "Wholesale Price Indexes," "Tankan Short-term Economic Survey of Enterprises in Japan."

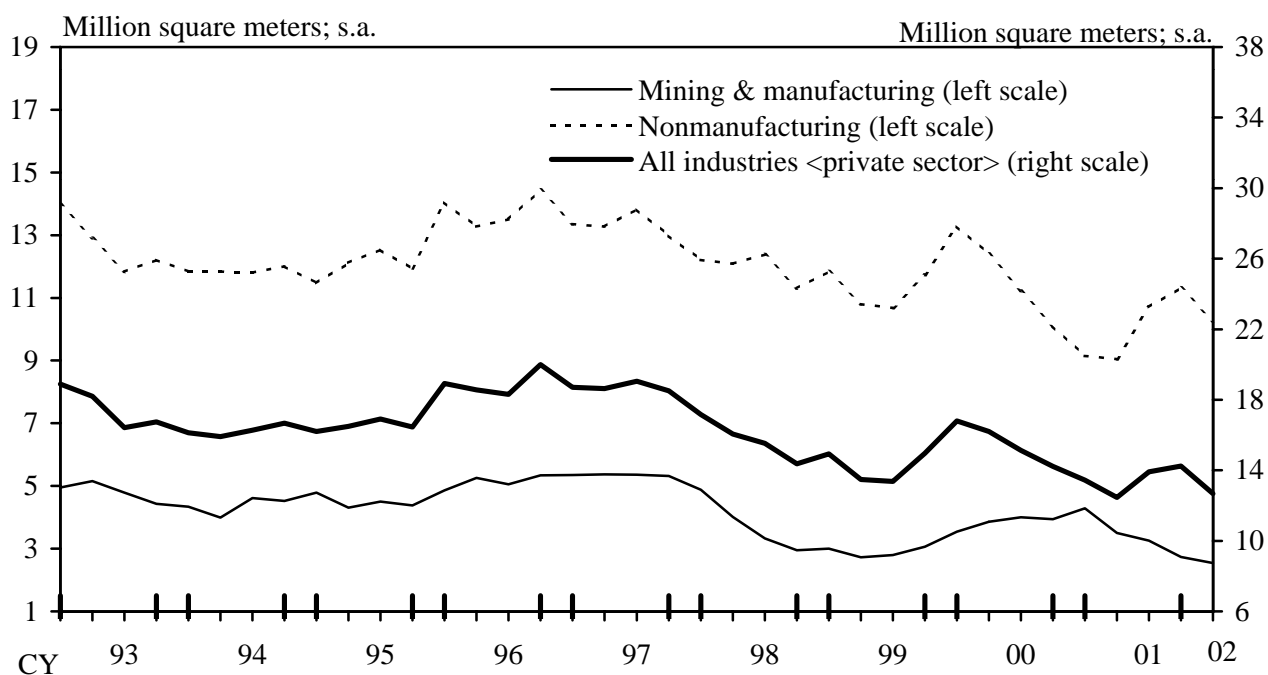
Indicators for Business Fixed Investment (2)

(1) Machinery Orders



- Notes: 1. Figures for 2002/Q1 are average of January and February in terms of quarterly amount.
 2. Excludes orders from electric power companies and shipbuilding orders.
 3. Forecast of nonmanufacturing industries for 2002/Q1.
 4. Forecast of all industries for 2002/Q1.
 5. Forecast of manufacturing industries for 2002/Q1.

(2) Construction Starts (Nonresidential)

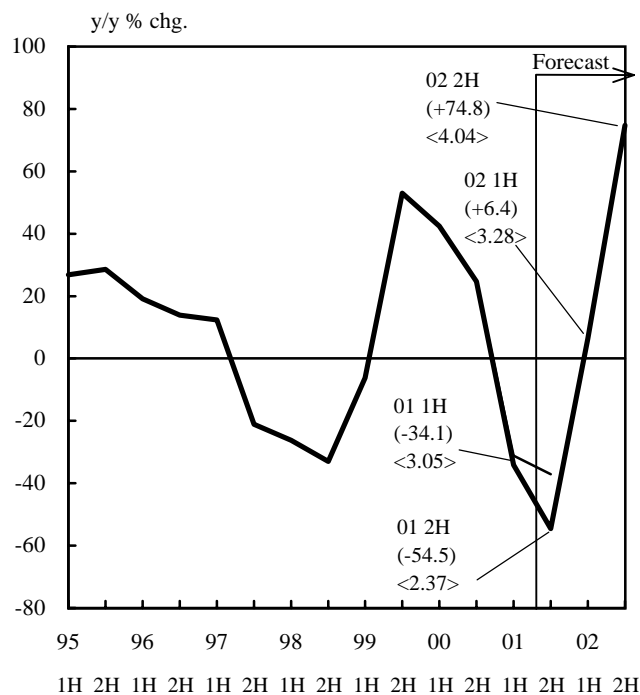


- Notes: 1. Seasonally adjusted by X-12-ARIMA (β version).
 2. Figures for 2002/Q1 are average of January and February in terms of quarterly amount.

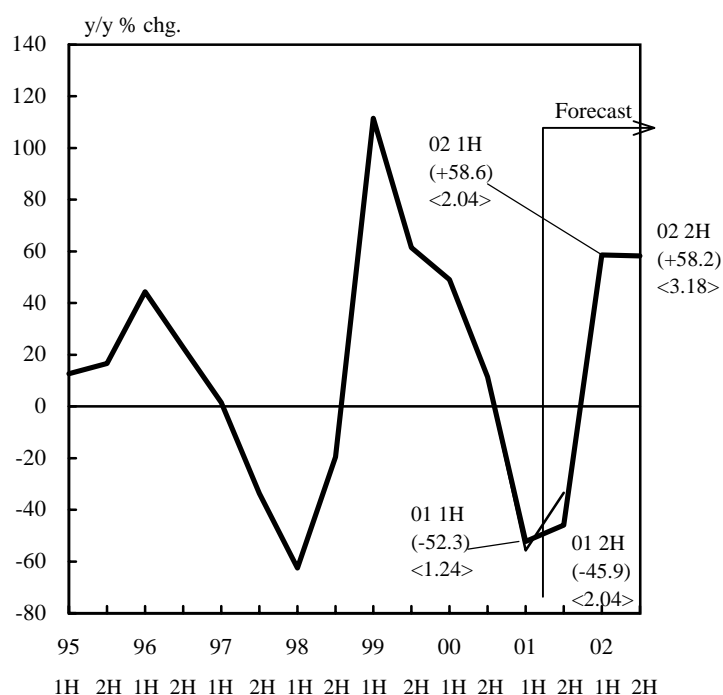
Sources: Cabinet Office, "Machinery Orders Statistics";
 Ministry of Land, Infrastructure and Transport, "Statistics Building Construction Starts."

Recurring Profit

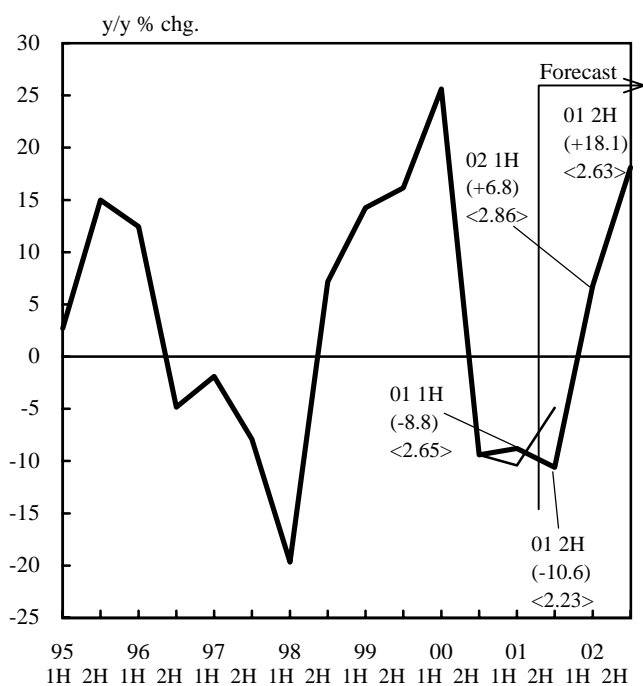
(1) Manufacturing / Large Enterprises



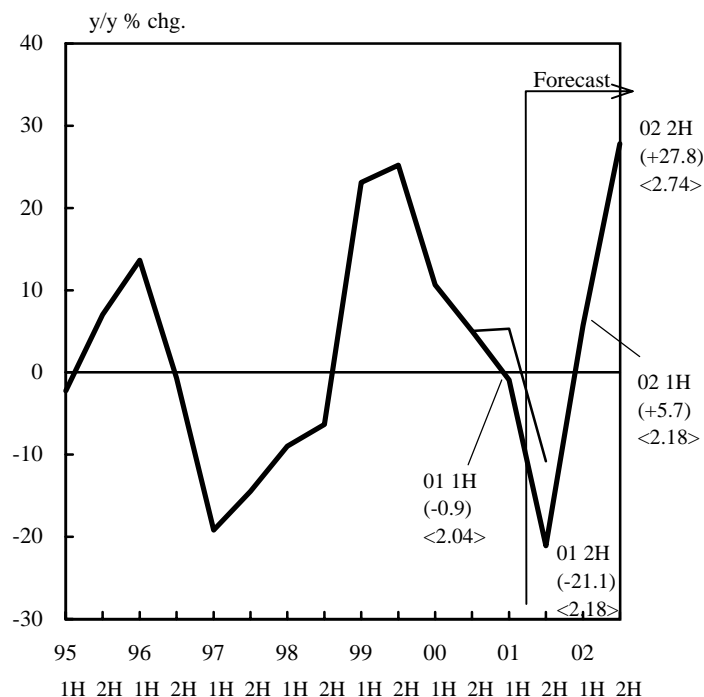
(2) Manufacturing / Small Enterprises



(3) Nonmanufacturing / Large Enterprises



(4) Nonmanufacturing / Small Enterprises



Notes: 1. The thin solid line shows the figures as of the December 2001 survey.

2. Large enterprises: 1,000 employees or more

Small enterprises: 50-299 employees (Manufacturing), 20-99 employees (Wholesaling),

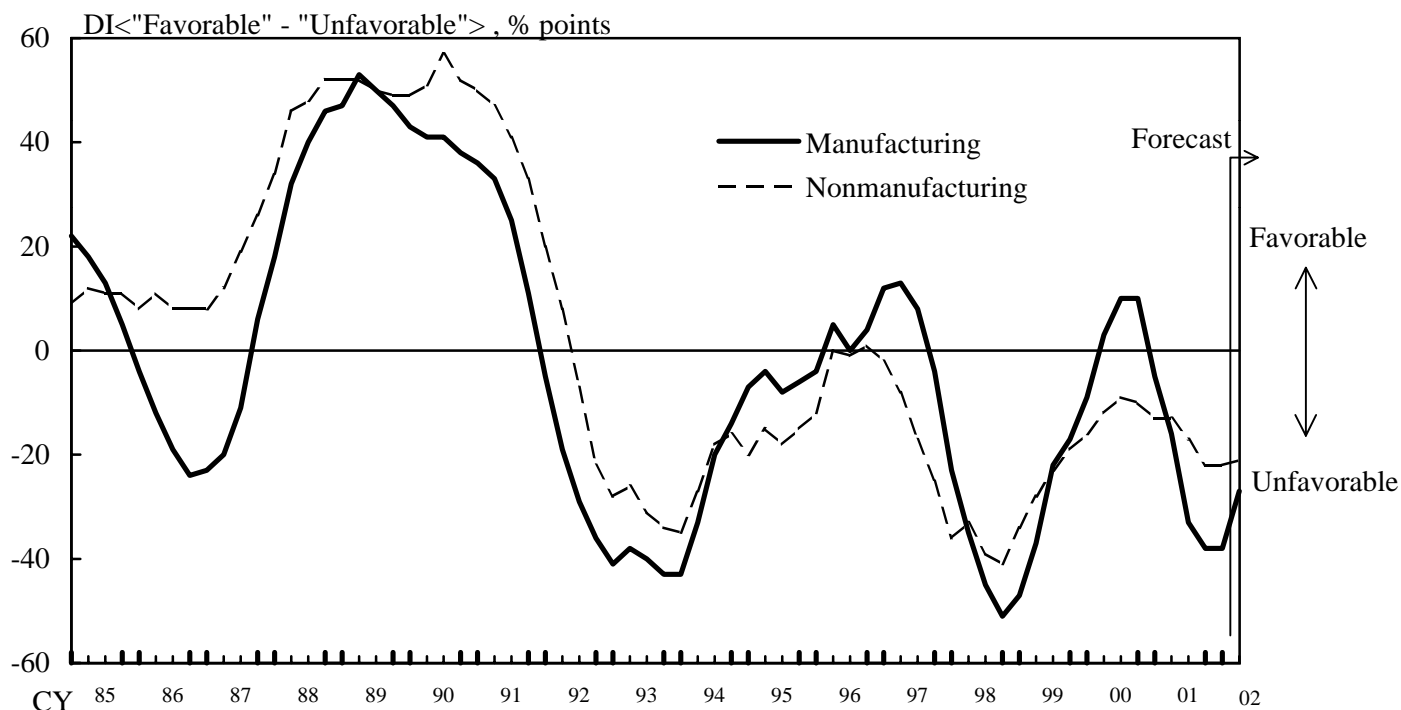
20-49 employees (Retailing, services, and leasing), 50-299 employees (Other industries)

3.(.): Recurring Profits (y/y % chg.), < >: Ratio of recurring profit to sales (%).

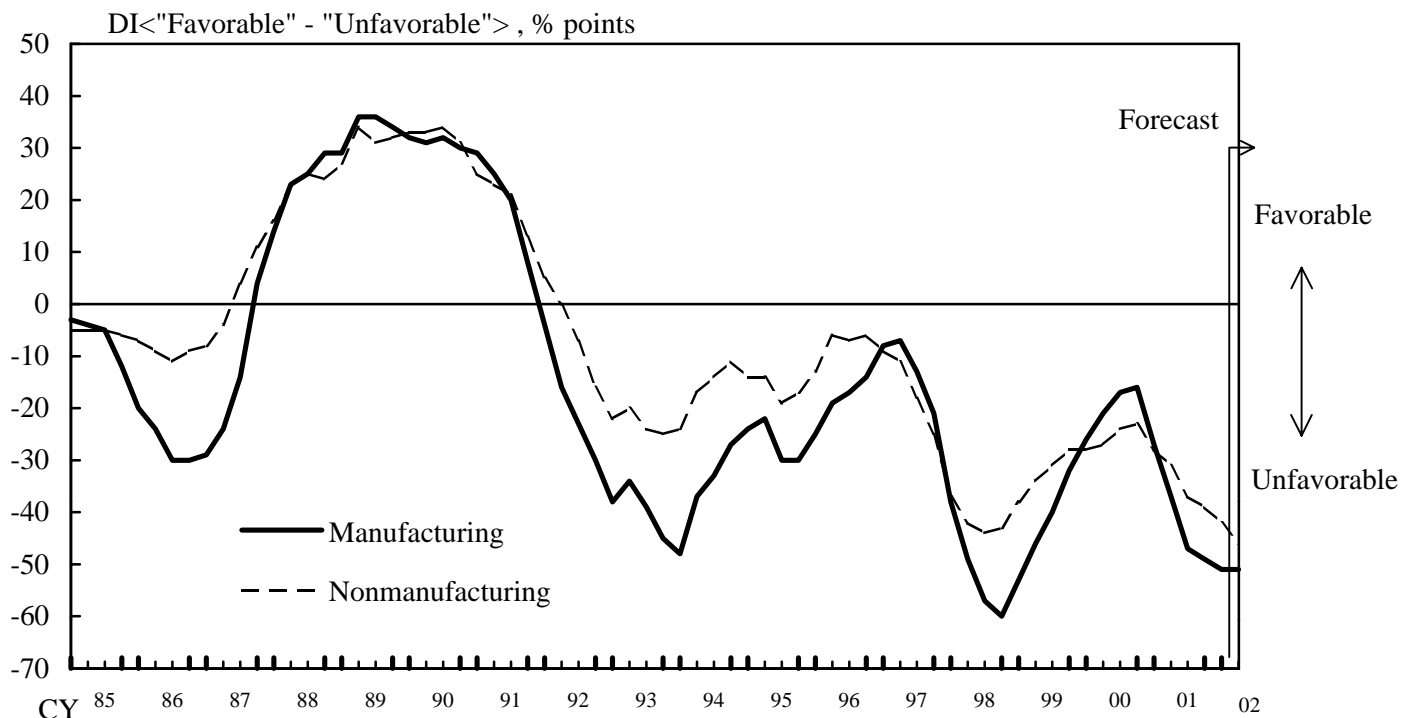
Source: Bank of Japan, "Tankan Short-term Economic Survey of Enterprises in Japan."

Business Conditions

(1) Large Enterprises



(2) Small Enterprises



Note: Large enterprises: 1,000 employees or more

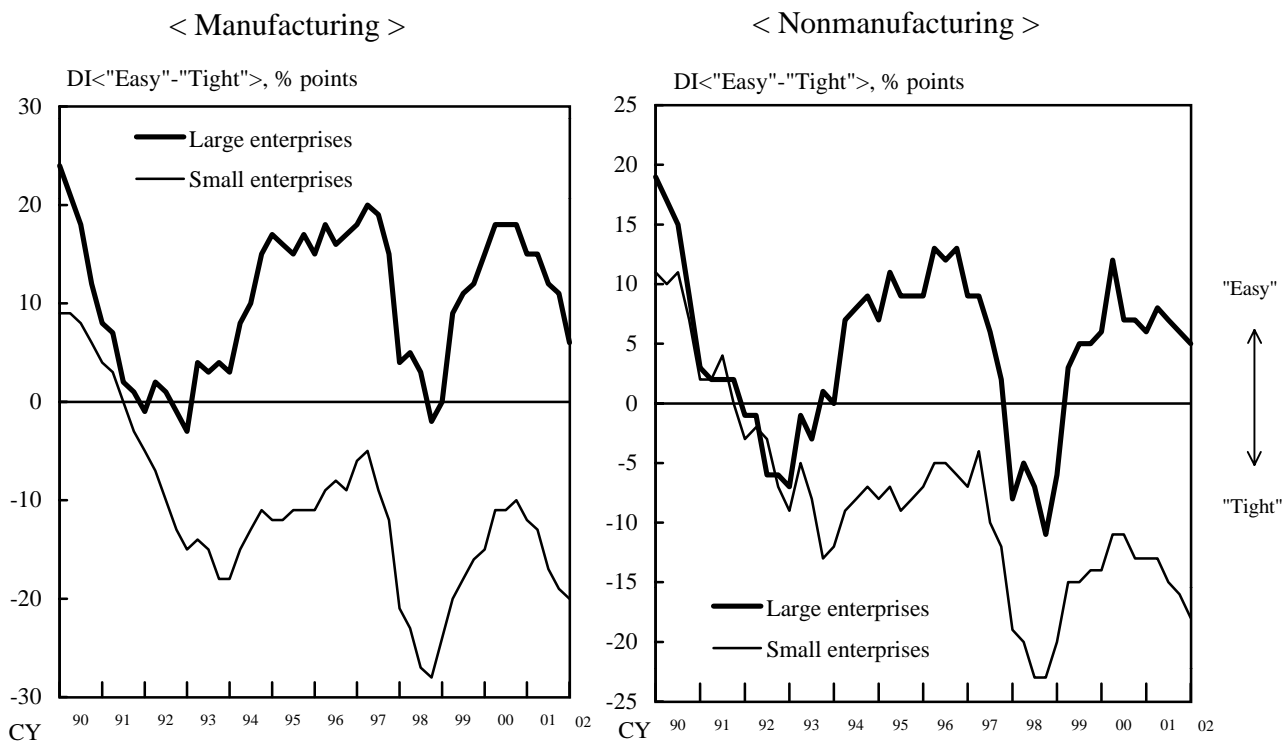
Small enterprises: 50-299 employees (Manufacturing), 20-99 employees (Wholesaling),

20-49 employees (Retailing, services, and leasing), 50-299 employees (Other industries)

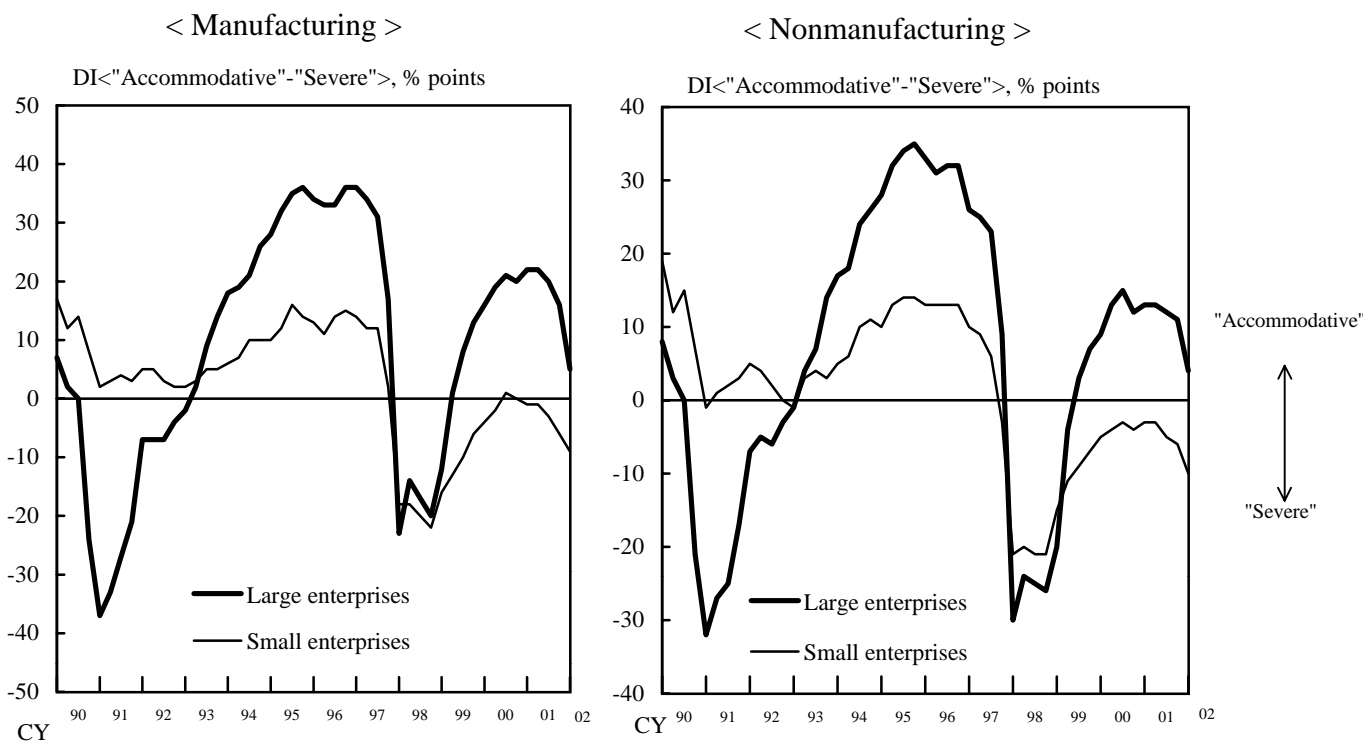
Source: Bank of Japan, "Tankan Short-term Economic Survey of Enterprises in Japan."

Corporate Finance-Related Indicators

(1) Financial Position



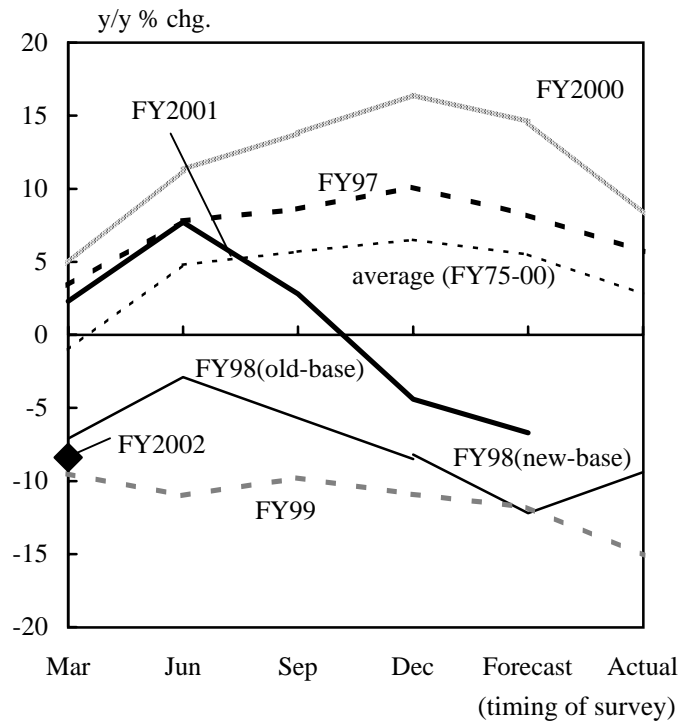
(2) Lending Attitude of Financial Institutions



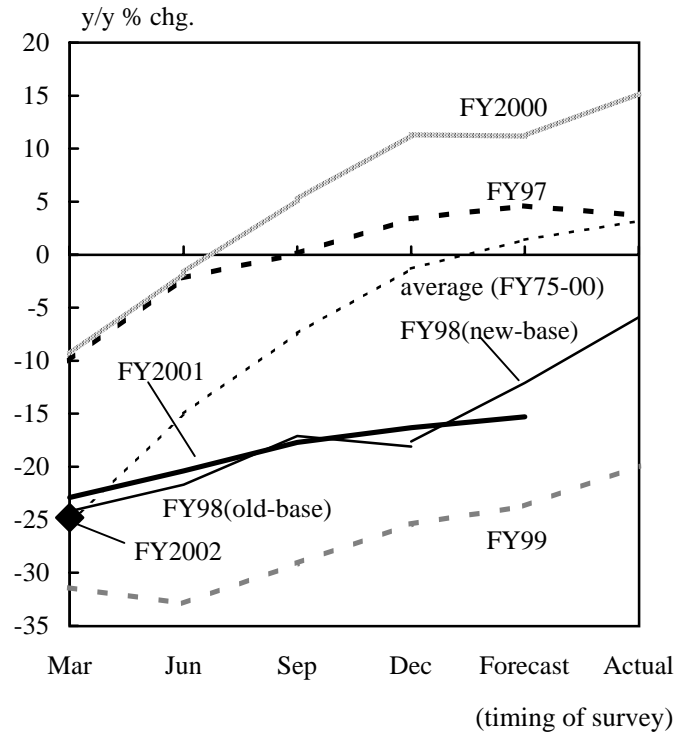
Source: Bank of Japan, "Tankan Short-term Economic Survey of Enterprises in Japan."

Business Fixed Investment Plans as Surveyed

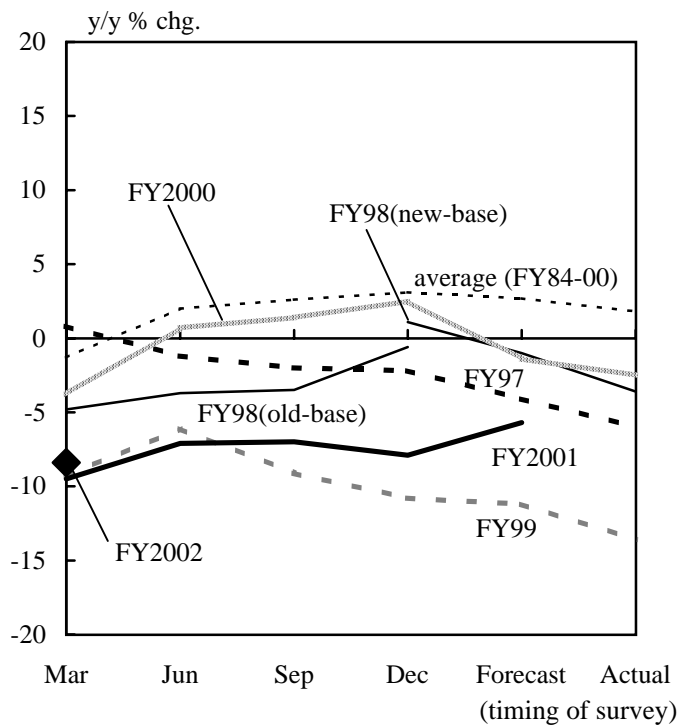
(1) Manufacturing / Large Enterprises



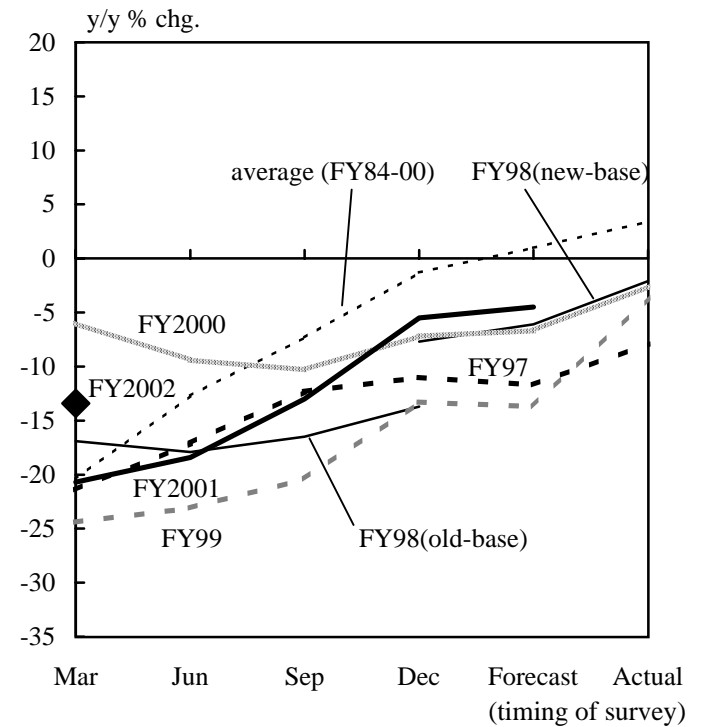
(2) Manufacturing / Small Enterprises



(3) Nonmanufacturing / Large Enterprises



(4) Nonmanufacturing / Small Enterprises



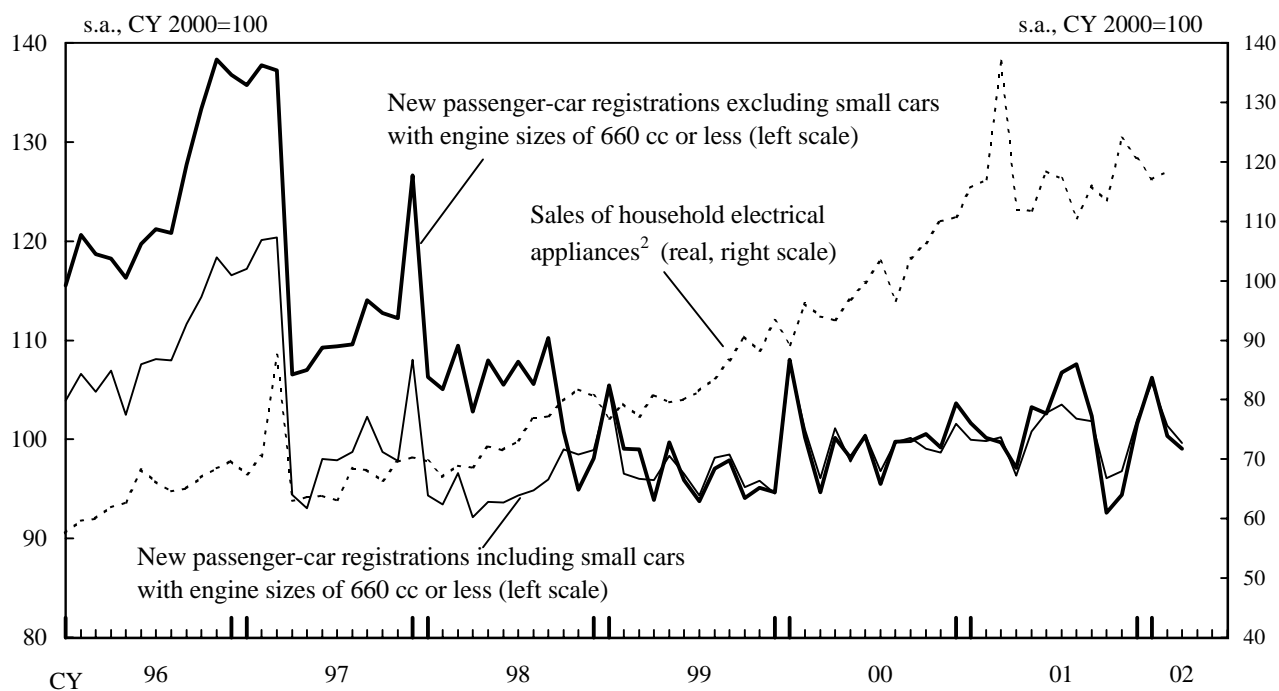
Source: Bank of Japan, "Tankan Short-term Economic Survey of Enterprises in Japan."

Private Consumption¹ (1)

(1) Household Spending

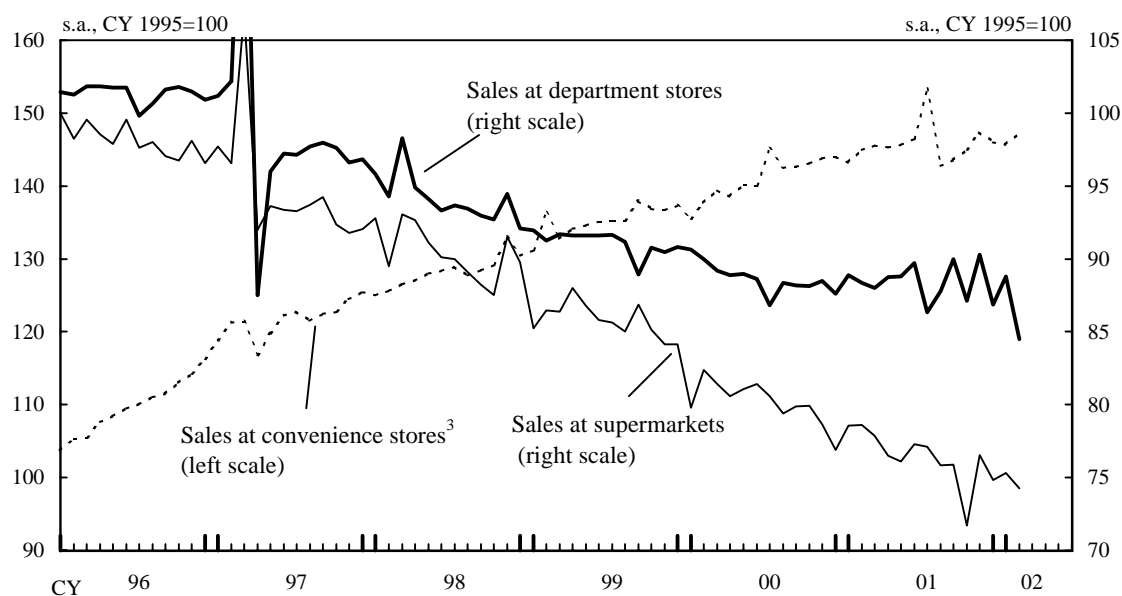
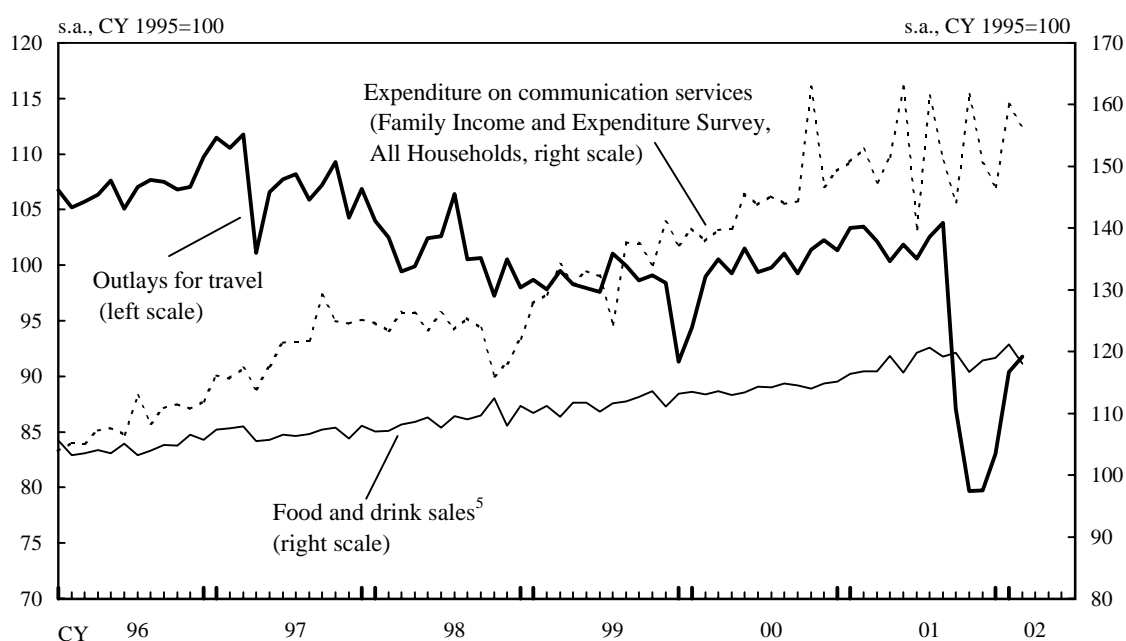


(2) Sales of Durable Goods



- Notes: 1. Seasonally adjusted by X-12-ARIMA (β version). Index of living expenditure level is seasonally adjusted by the Ministry of Public Management, Home Affairs, Posts and Telecommunications.
2. Sales at retail stores are deflated by the consumer price index for goods. Sales of household electrical appliances are the sum of its components deflated by the consumer price index (or the wholesale price index for personal computers before 1999).

Sources: Ministry of Public Management, Home Affairs, Posts and Telecommunications, "Monthly Report on the Family Income and Expenditure Survey," "Consumer Price Index"; Ministry of Economy, Trade and Industry, "Current Survey of Commerce"; Japan Automobile Dealers Association, "Domestic Sales of Automobiles"; Japan Mini Vehicles Association, "Sales of Mini Vehicles"; Nippon Electric Big-Stores Association (NEBA), "Sales of Electrical Appliances"; Bank of Japan, "Wholesale Price Indexes."

Private Consumption¹ (2)(3) Sales of Retail Stores²(4) Consumption of Services⁴

Notes: 1. Seasonally adjusted by X-12-ARIMA (β version).

2. Adjusted to exclude the effect of the increase in the number of stores (except convenience stores).

Sales at department stores, sales at supermarkets and sales at convenience stores are adjusted to exclude the effect of the rise in the consumption tax rate.

3. Sales at convenience stores until March 1997 are based on the survey conducted by the Bank of Japan.

From April 1997 they are based on the data published by the Ministry of Economy, Trade and Industry.

4. Outlays for travel and sales of food and drink are adjusted to exclude the effect of the rise in the consumption tax rate.

5. For food and drink sales, figures are calculated by the Bank of Japan using both the Japan Foodservice Association's y/y data and the 1993 data of the Foodservice Industry Survey & Research Center as a bench mark.

Sources: Ministry of Public Management, Home Affairs, Posts and Telecommunications,

"Monthly Report on the Family Income and Expenditure Survey,";

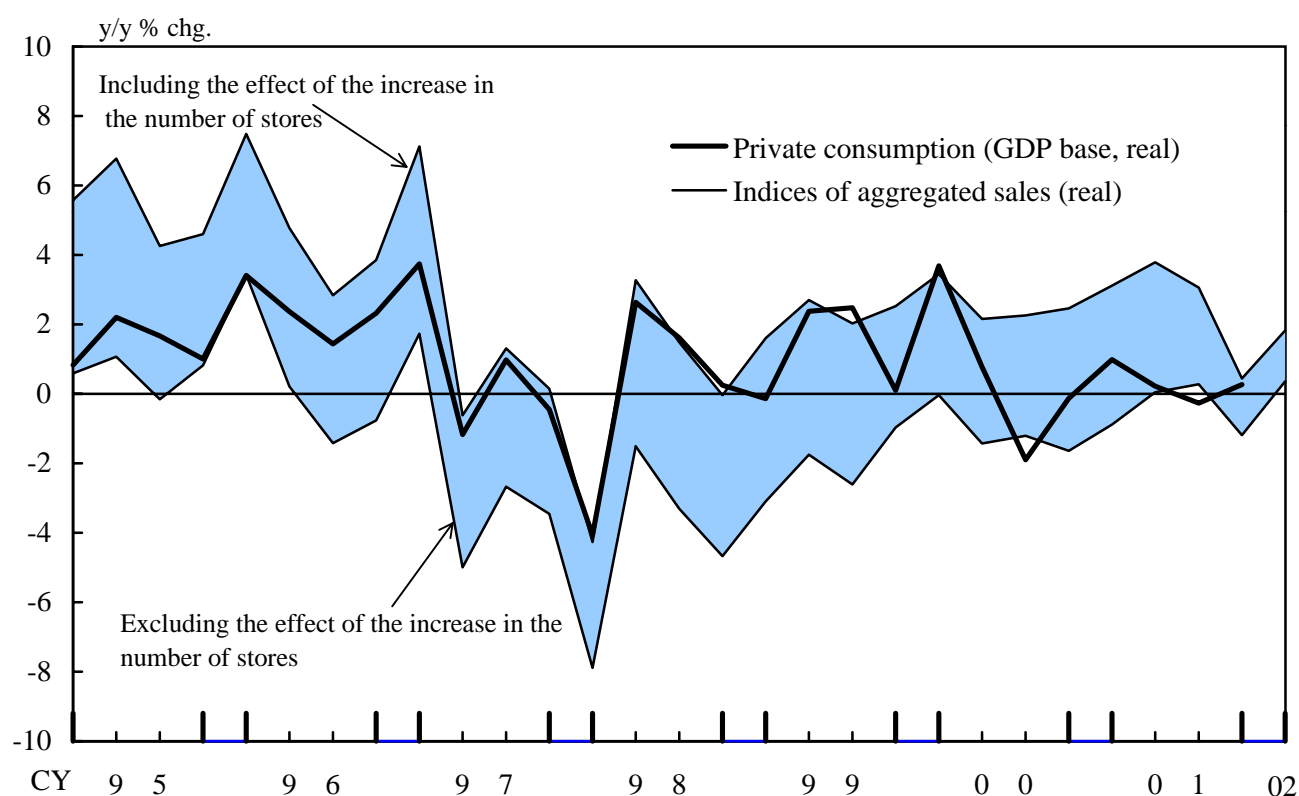
Ministry of Economy, Trade and Industry, "Current Survey of Commerce";

Ministry of Land, Infrastructure and Transport, "Major Travel Agents' Revenue";

Foodservice Industry Survey & Research Center, "Monthly Survey of Food and Drink Sales";

Japan Foodservice Association, "The Research of Food and Drink Markets."

Private Consumption (3) - Indices of aggregated sales

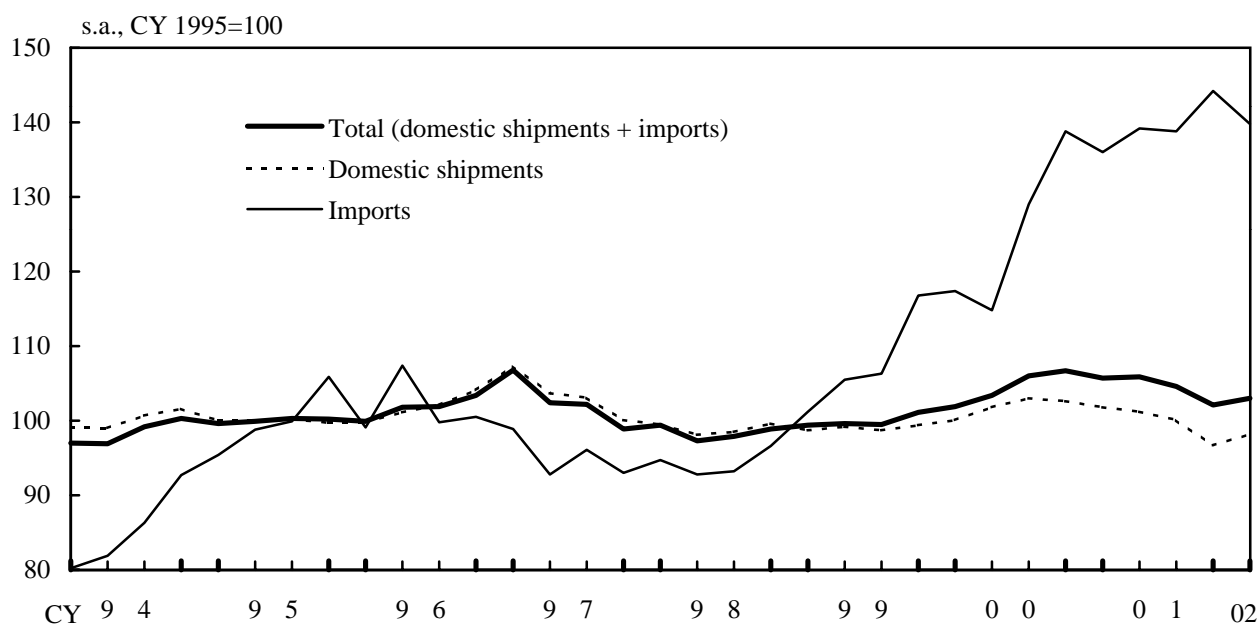


- Notes: 1. Indices of aggregated sales are the weighted sum of *Sales at department stores and supermarkets*; *New passenger-car registrations*; *Sales of household electrical appliances*; *Outlays for travel*; and *Food and drink sales*, where the weights come from the *Family Income and Expenditure Survey*. These indices of aggregated sales consist of the series including and excluding the effects of the increase in the number of stores. Indices "including the effects of the increase in the number of stores" reflect the fluctuations in sales due to changes in the number of stores caused by the opening and closing down of businesses. (Indices "including the effects of the increase in the number of stores" include sales at convenience stores.) On the other hand, those "excluding the effects of the increase in the number of stores" tend to capture consumption trends only from stores of which sales can be obtained continuously. The actual trend of private consumption is expected to be in between these two series.
2. Sales indicators in nominal terms are deflated by the corresponding items of the consumer price index or the wholesale price index.
3. 2002/Q1 figures are those of Jan.-Feb. converted to a quarterly basis.

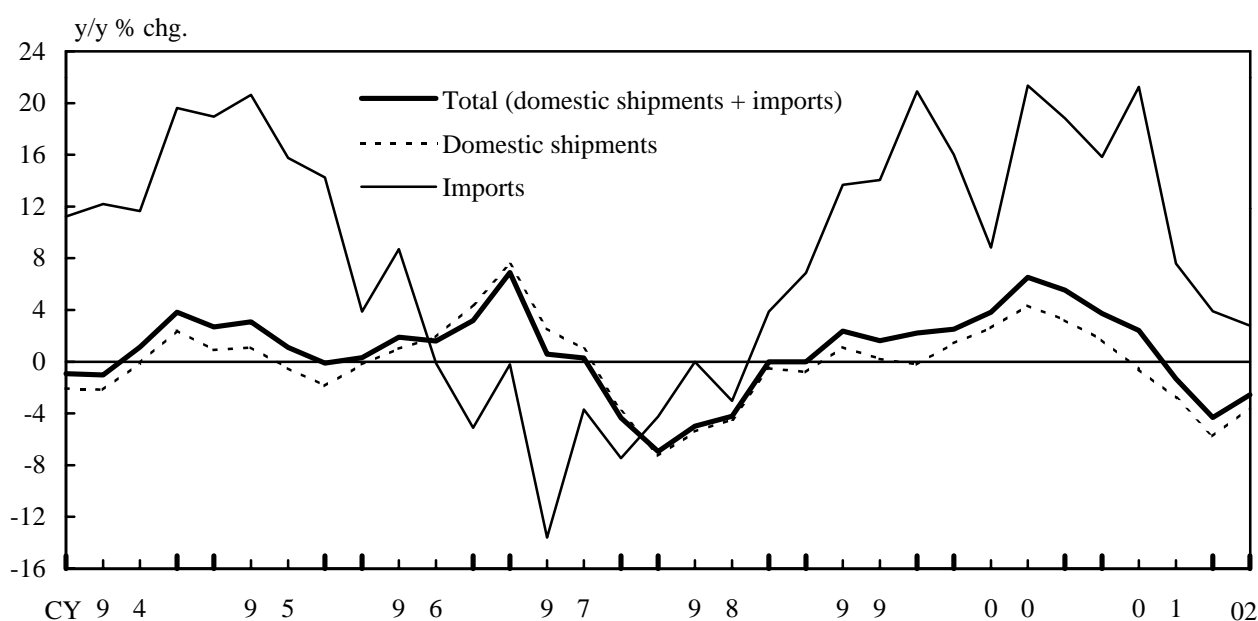
Sources: Cabinet Office, "National Accounts";
 Ministry of Economy, Trade and Industry, "Current Survey of Commerce";
 Ministry of Public Management, Home Affairs, Posts and Telecommunications, "Consumer Price Index,"
 "Monthly Report on the Family Income and Expenditure Survey";
 Bank of Japan, "Wholesale Price Indexes";
 Japan Automobile Dealers Association, "Domestic Sales of Automobiles";
 Japan Mini Vehicles Association, "Sales of Mini Vehicles";
 Nippon Electric Big-Stores Association (NEBA), "Sales of Electrical Appliances";
 Foodservice Industry Survey & Research Center, "Monthly Survey of Food and Drink Sales";
 Ministry of Land, Infrastructure and Transport, "Major Travel Agents' Revenue";
 Japan Foodservice Association, "The Research of Food and Drink Markets."

Private Consumption (4) - Estimation of consumer goods supply

(1) Level



(2) Changes from a year earlier

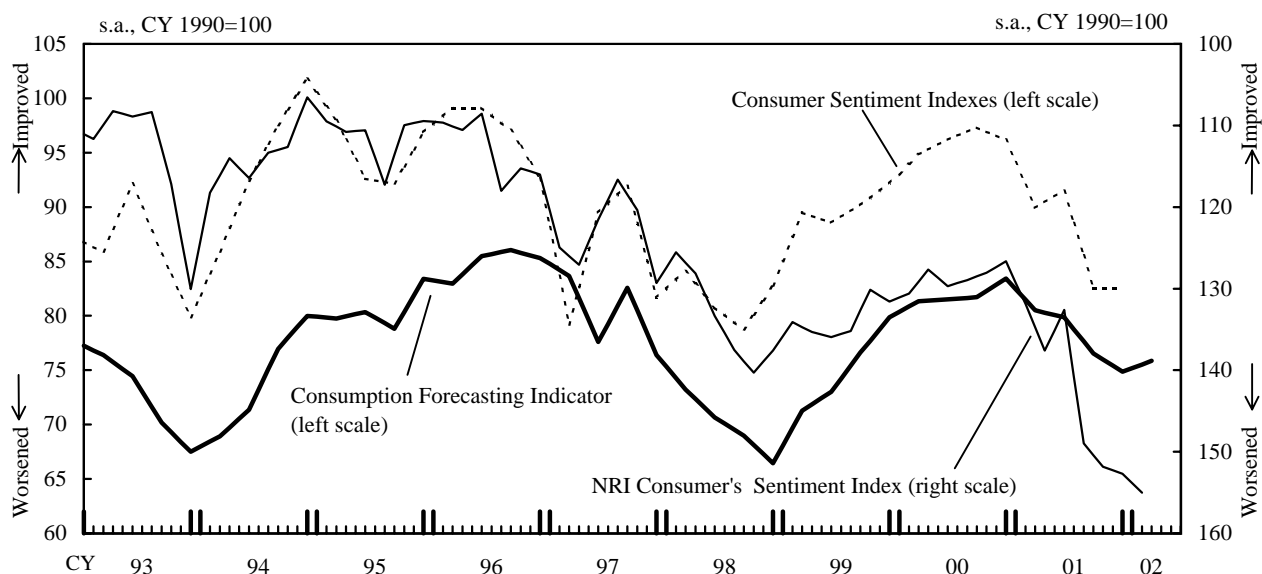


- Notes: 1. "Domestic shipments" and "Imports" are components of "consumer goods" in the *Indices of Industrial Domestic Shipments and Imports*. (The definition for "consumer goods" is the same as that in the *Indices of Industrial Production*.)
2. Figures for 2002/Q1 of "Domestic shipments" are calculated from quarterly changes of *Indices of Industrial Production* (excluding the effects of exports).
3. Figures for 2002/Q1 of "Imports" are calculated from quarterly changes of real imports.
Real imports (consumer goods) = motor vehicles + audio and visual apparatus + office machinery + foodstuffs + textiles.
4. Figures for 2002/Q1 of "Total (domestic shipments + imports)" are calculated from weighted average of the quarterly changes in "Domestic shipments" and "Imports".
5. Year-on-year changes are calculated from seasonal adjusted series.
6. 2002/Q1 figures are Jan.-Feb. averages in terms of quarterly amount.

Sources: Ministry of Economy Trade and Industry, "Indices of Industrial Production," "Indices of Industrial Domestic Shipments and Imports"; Ministry of Finance, "The Summary Report on Trade of Japan"; Bank of Japan, "Wholesale Price Indexes."

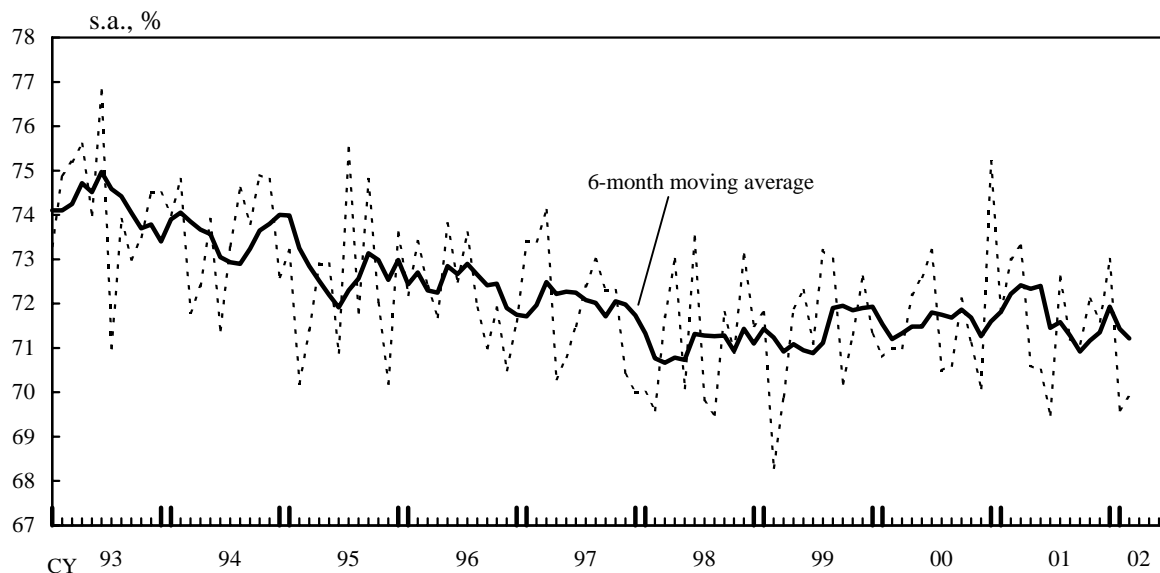
Consumer Confidence and Propensity to Consume

(1) Surveys on Consumer Confidence



- Notes: 1. Seasonally adjusted by X-11. "Consumer Sentiment Indexes" is seasonally adjusted by the Cabinet Office.
 2. Consumer Sentiment Indexes, Consumption Forecasting Indicator, and NRI Consumer's Sentiment Index are based on surveys on consumer confidence.
 3. Data are plotted at the months of each survey.
 4. "Consumer Sentiment Indexes" is surveyed by the Cabinet Office, "Consumption Forecasting Indicator" by NIKKEI RIM, and "NRI Consumer's Sentiment Index" by NRI.

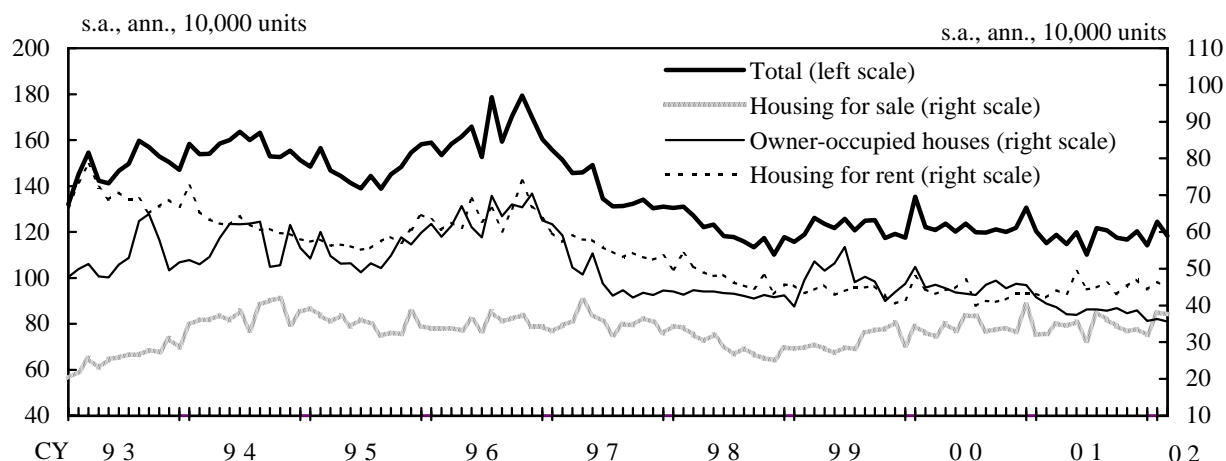
(2) Propensity to Consume (Family Income and Expenditure Survey, Workers' Households)



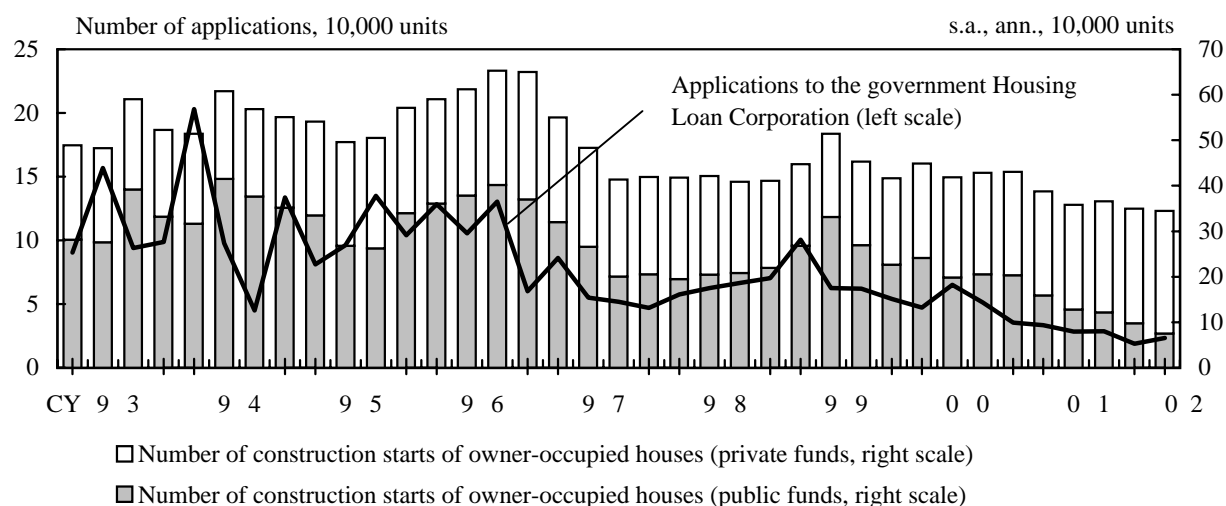
Sources: Cabinet Office, "Consumer Behavior Survey";
 Nikkei Research Institute of Industry and Markets (NIKKEI RIM), "Consumption Forecasting Indicator";
 Ministry of Public Management, Home Affairs, Posts and Telecommunications,
 "Monthly Report on the Family Income and Expenditure Survey";
 Nippon Research Institute (NRI), "Consumer's Sentiment Survey."

Indicators for Housing Investment

(1) Housing Starts

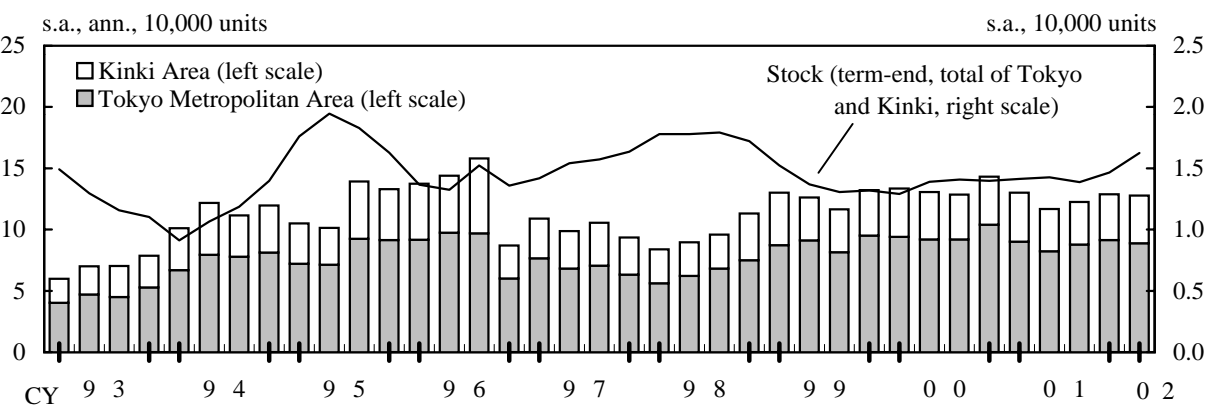


(2) Number of Applications to the Government Housing Loan Corporation
(for new owner-occupied houses)



- Notes: 1. The number of loan applications for the construction of private houses is divided by the number of days in the application term of each quarter.
 2. Figures for the number of construction starts of owner-occupied houses (private funds and public funds) for CY2002/Q1 are those of January-February averages.

(3) Sales of Condominiums

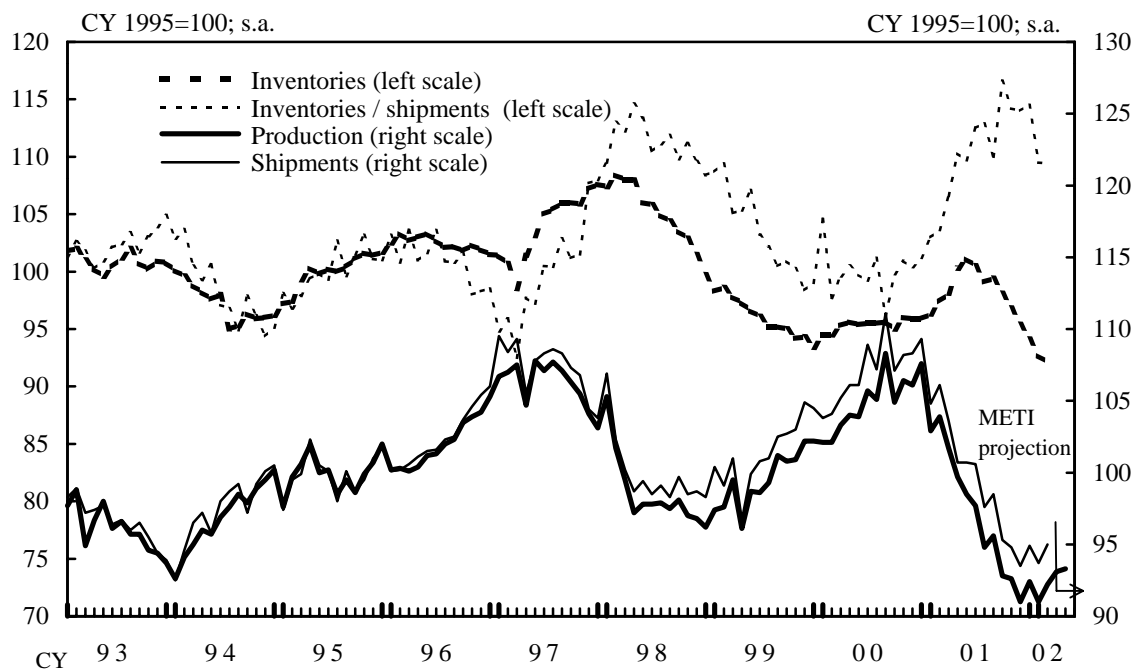


Note: Figures of total condominiums sales for CY2002/Q1 are those of January-February averages.
 Term-end stocks are those of February.

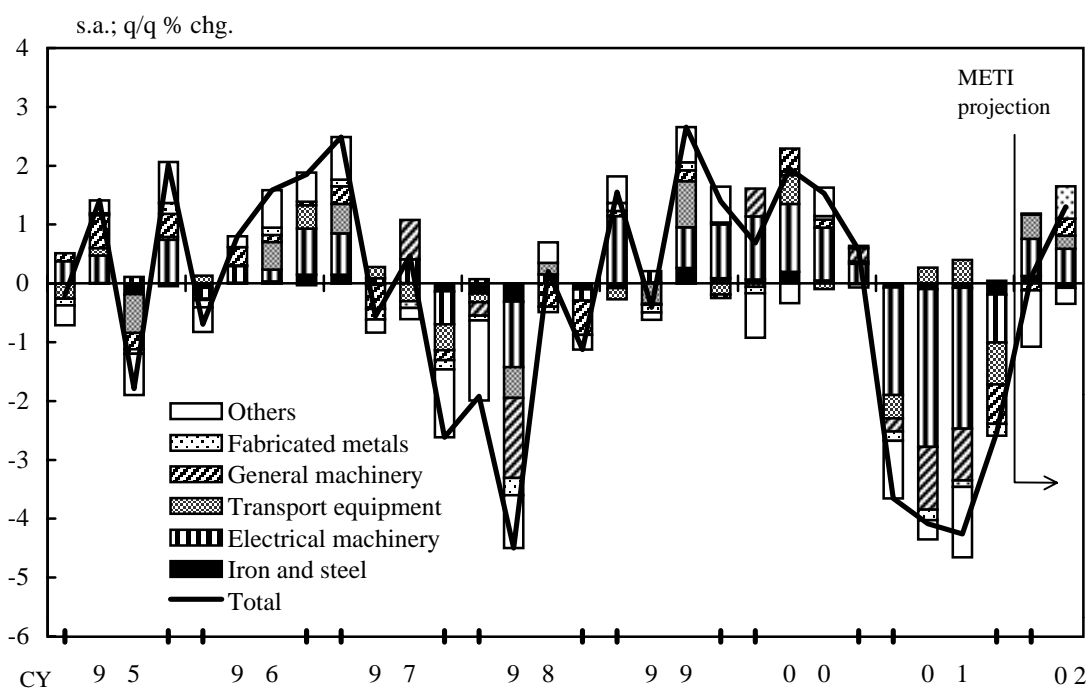
Sources: Ministry of Land, Infrastructure and Transport, "Monthly of Construction Statistics," etc.

Production, Shipments, and Inventories

(1) Production, Shipments, and Inventories



(2) Production by Industries

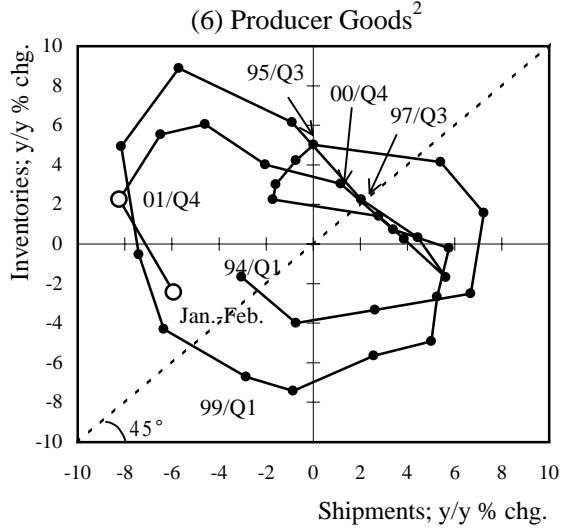
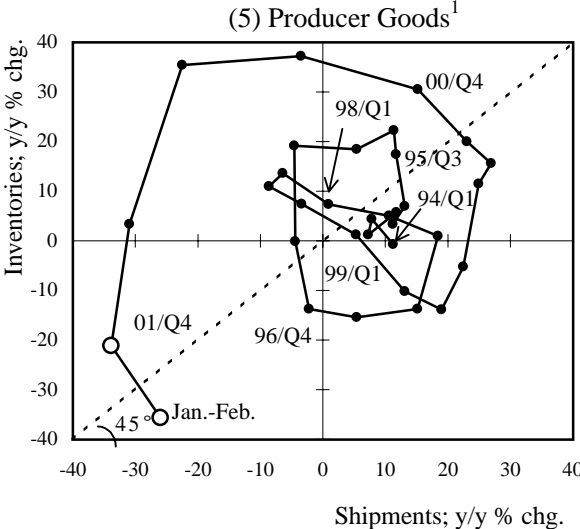
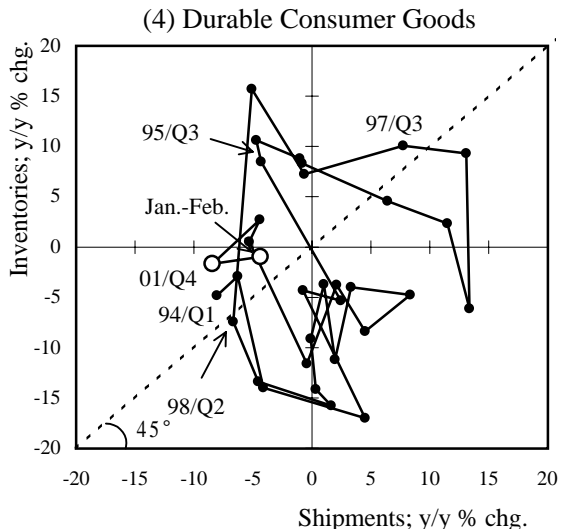
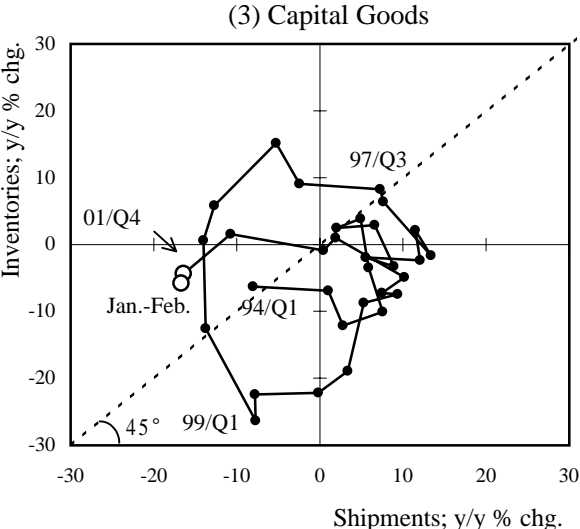
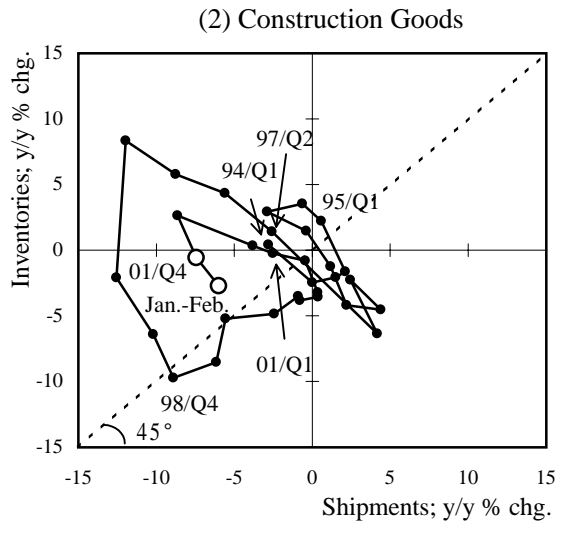
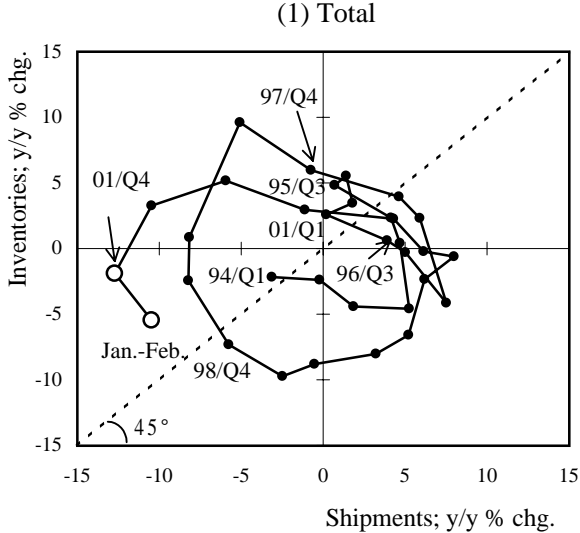


Notes: 1. Transport equipment excludes ships and rolling stock.

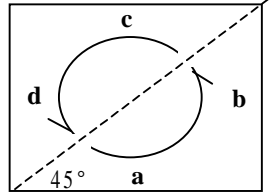
2. 2002/Q2 for METI projection is based on the assumption that production level in May and June is the same as that of April.

Source: Ministry of Economy, Trade and Industry, "Indices of Industrial Production."

Inventory Cycle



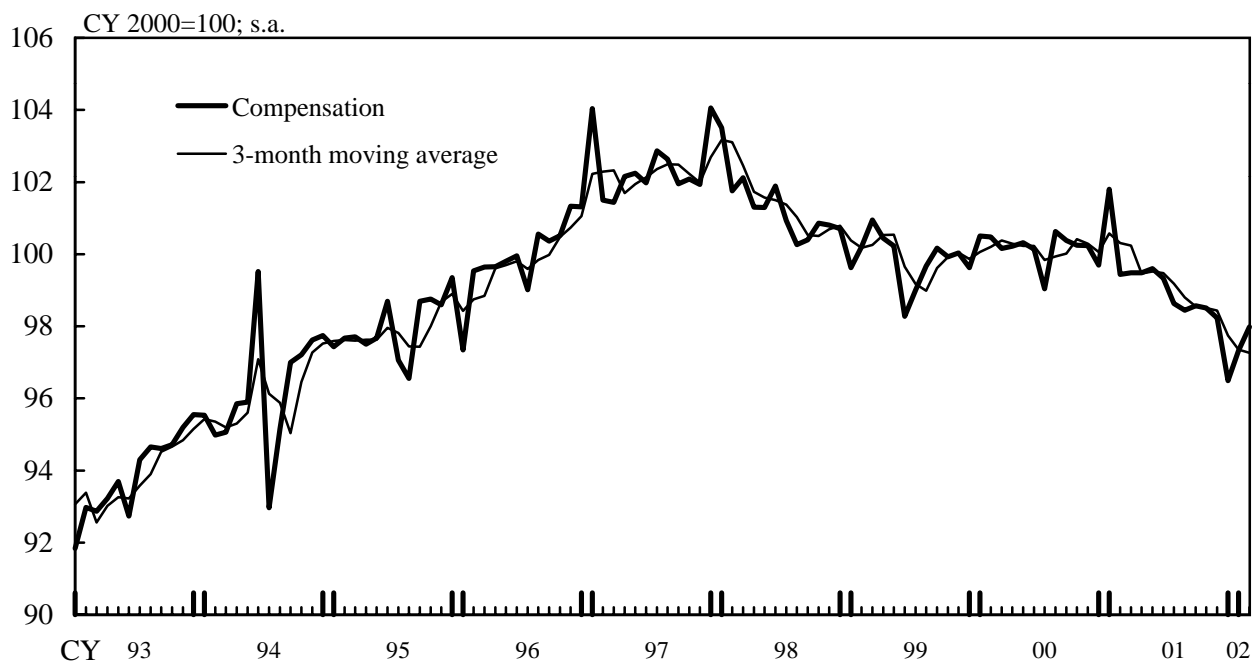
- a Shipment recovery phase
- b Intended inventory accumulation phase
- c Unintended inventory accumulation phase
- d Inventory adjustment phase



Notes: 1. Producer goods of electrical machinery.
 2. Producer goods excluding electrical machinery.
 Source: Ministry of Economy, Trade and Industry, "Indices of Industrial Production."

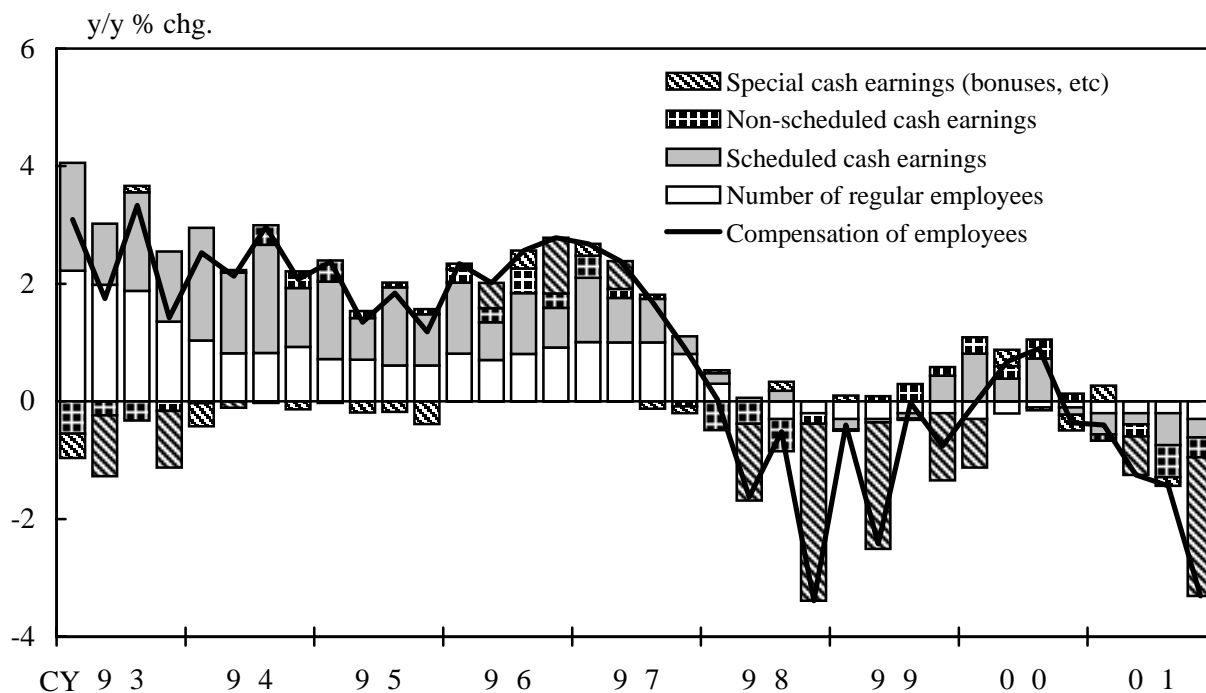
Compensation of Employees

(1) Compensation



- Notes: 1. Compensation = the index of total cash earnings \times the index of regular employees / 100 (calculated by the Bank of Japan).
 2. Seasonally adjusted by X-12-ARIMA (β version).
 3. Data for establishments with at least 5 employees. The data for Feb. 2002 are preliminary figures.

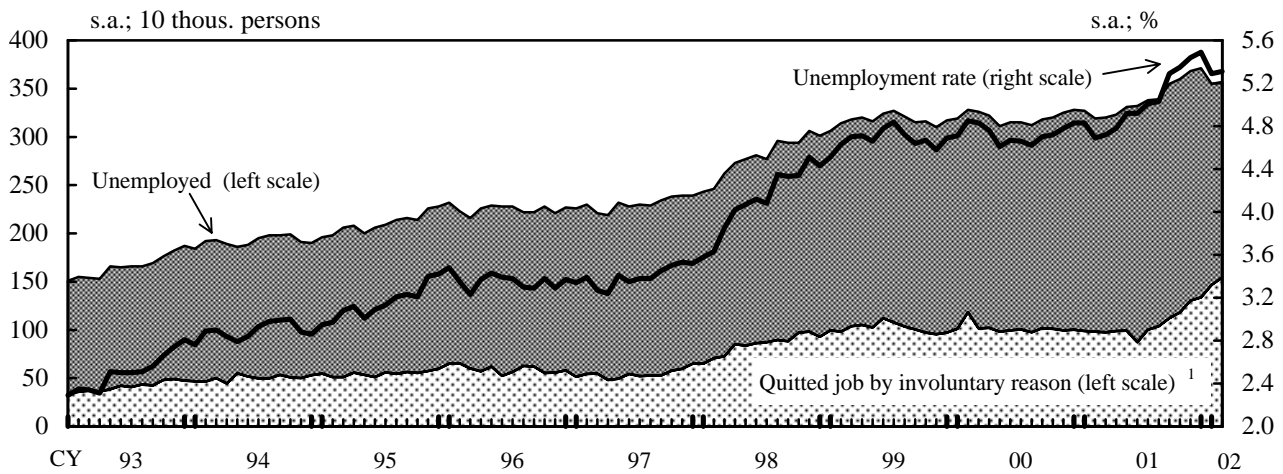
(2) Breakdown of Compensation



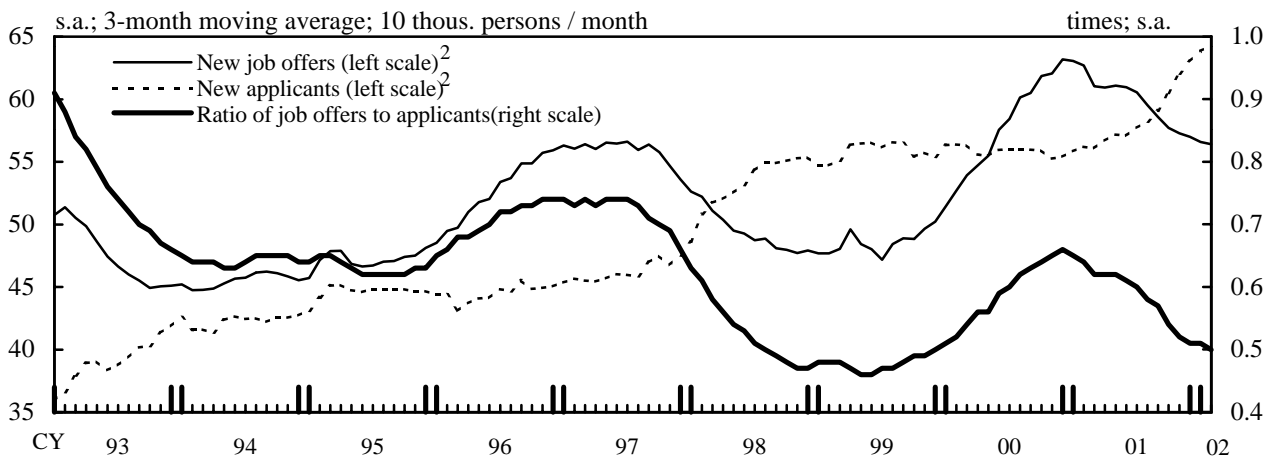
- Notes: 1. Data for establishments with at least 5 employees. The data for Feb. 2002 are preliminary figures.
 2. Q1= Mar.-May, Q2= Jun.-Aug., Q3=Sep.-Nov., Q4= Dec.-Feb.

Labor Market (1)

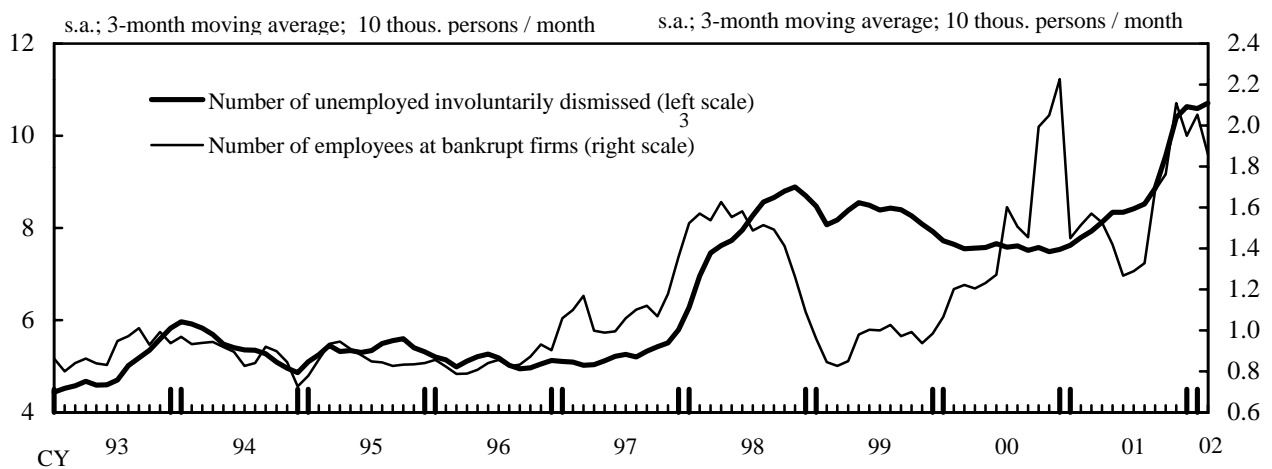
(1) The Unemployed and Unemployment Rate



(2) Ratio of Job Offers to Applicants



(3) Number of Unemployed Involuntarily Dismissed and Employees at Bankrupt Firms¹



Notes: 1. Seasonally adjusted by X-11.

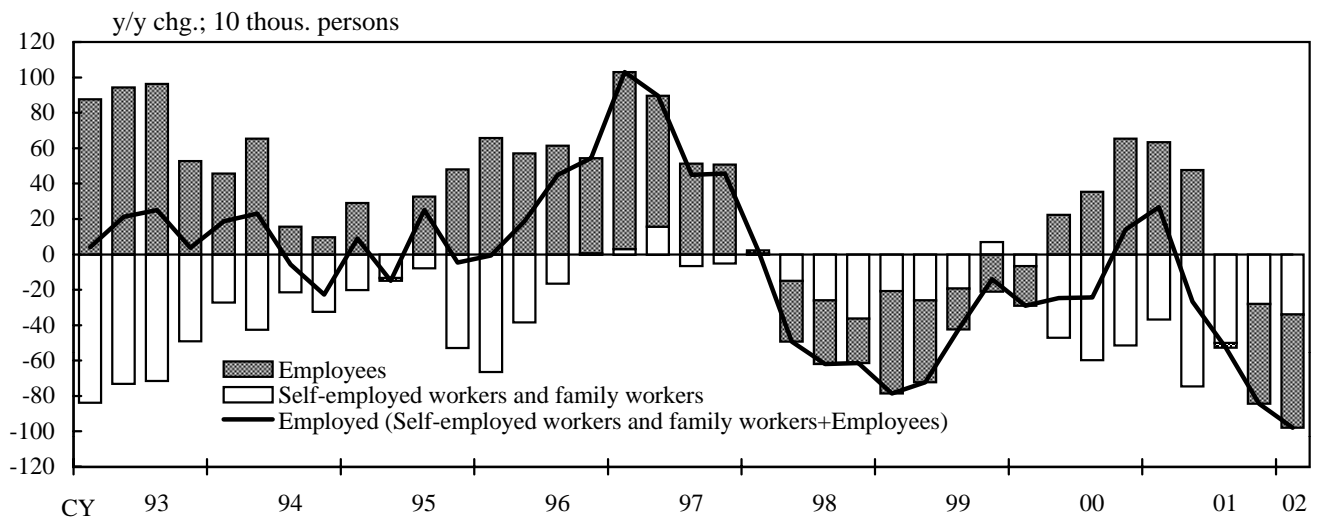
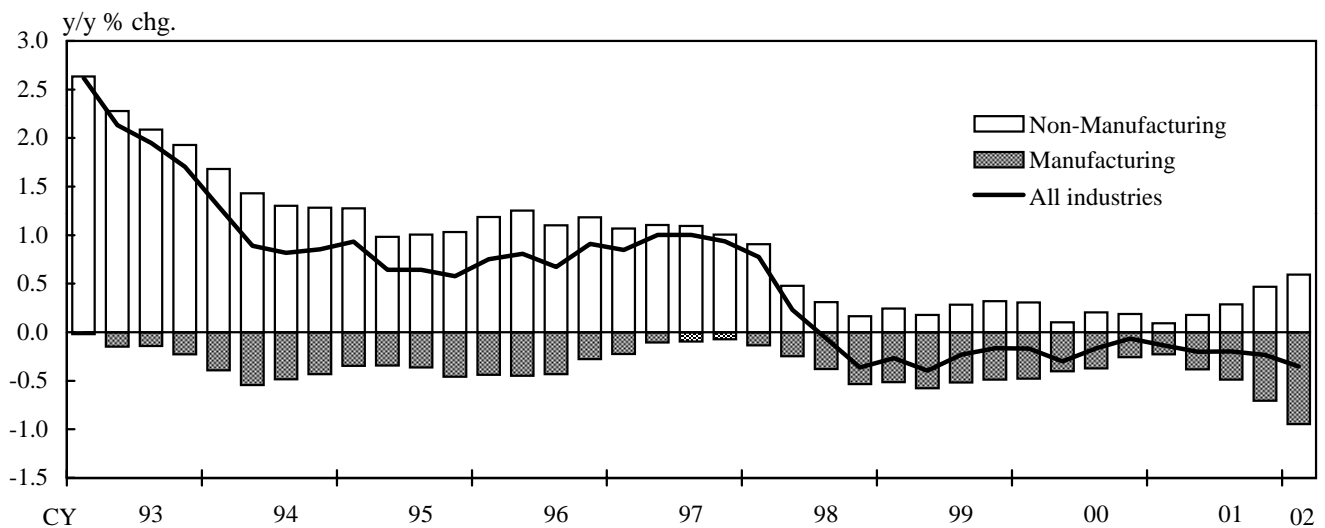
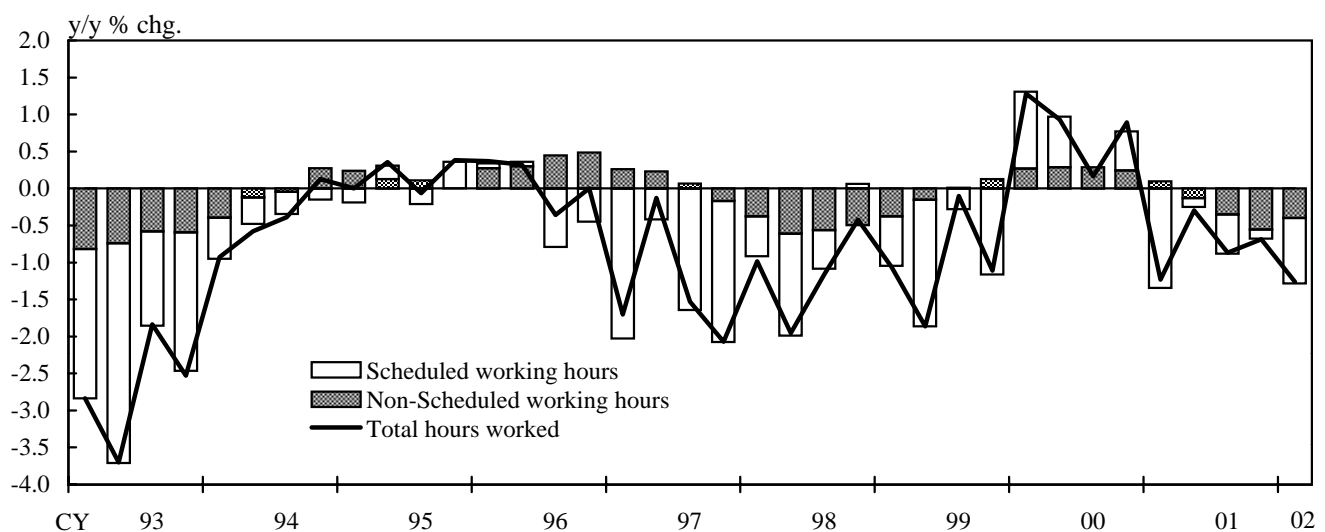
2. Exclude jobs offered to new graduates.

3. The data are based on a survey conducted by Teikoku Databank Ltd. Bankruptcies with liabilities of ten million yen or more.

Sources: Ministry of Health, Labour and Welfare, "Report on Employment Service," "Report on Employment Insurance Service"; Ministry of Public Management, Home Affairs, Posts and Telecommunications, "Labour Force Survey"; Teikoku Databank Ltd., "Japan's Business Failure."

Labor Market (2)

(1) The Employed (Labour Force Survey)

(2) Number of Regular Employees¹ (Monthly Labour Survey)(3) Actual Hours Worked¹ (Monthly Labour Survey)

Notes: 1.Data for establishments with at least 5 employees. The data for Feb. 2002 are preliminary figures.

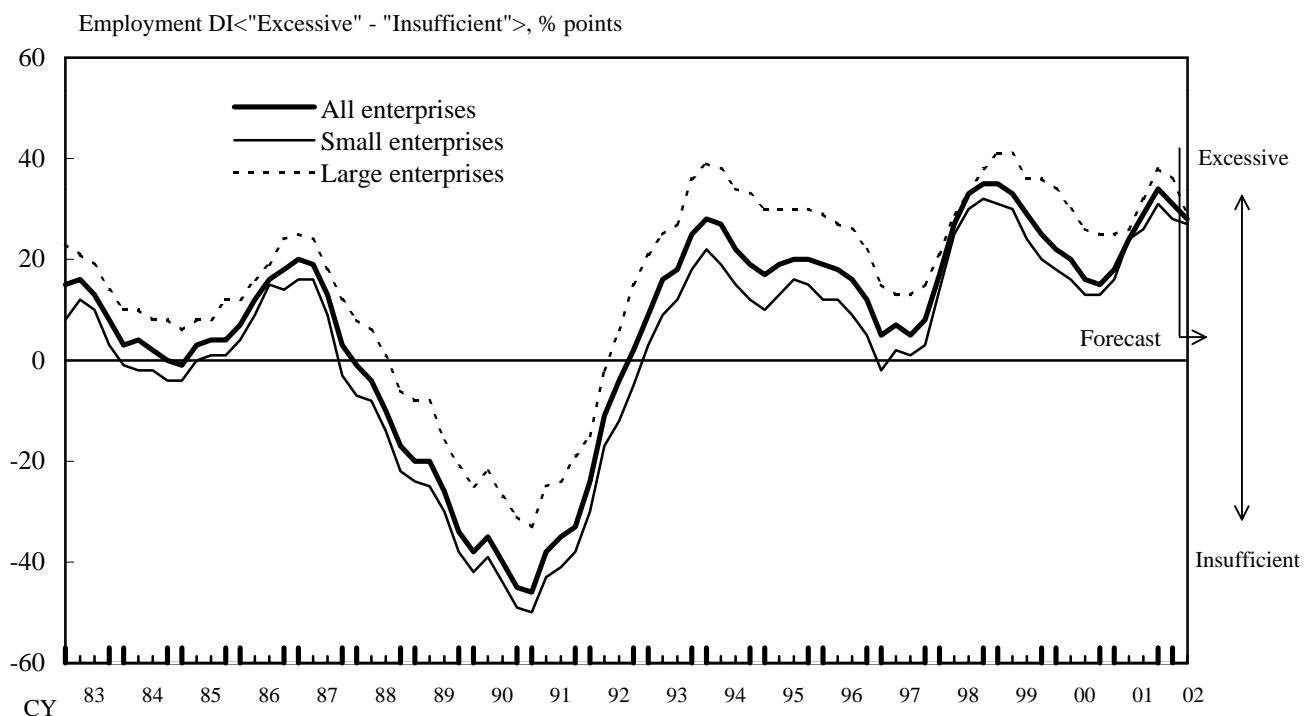
2. Figures for 02/Q1 are those of the Jan.- Feb. averages.

Sources: Ministry of Health, Labour and Welfare, "Monthly Labour Survey" ;

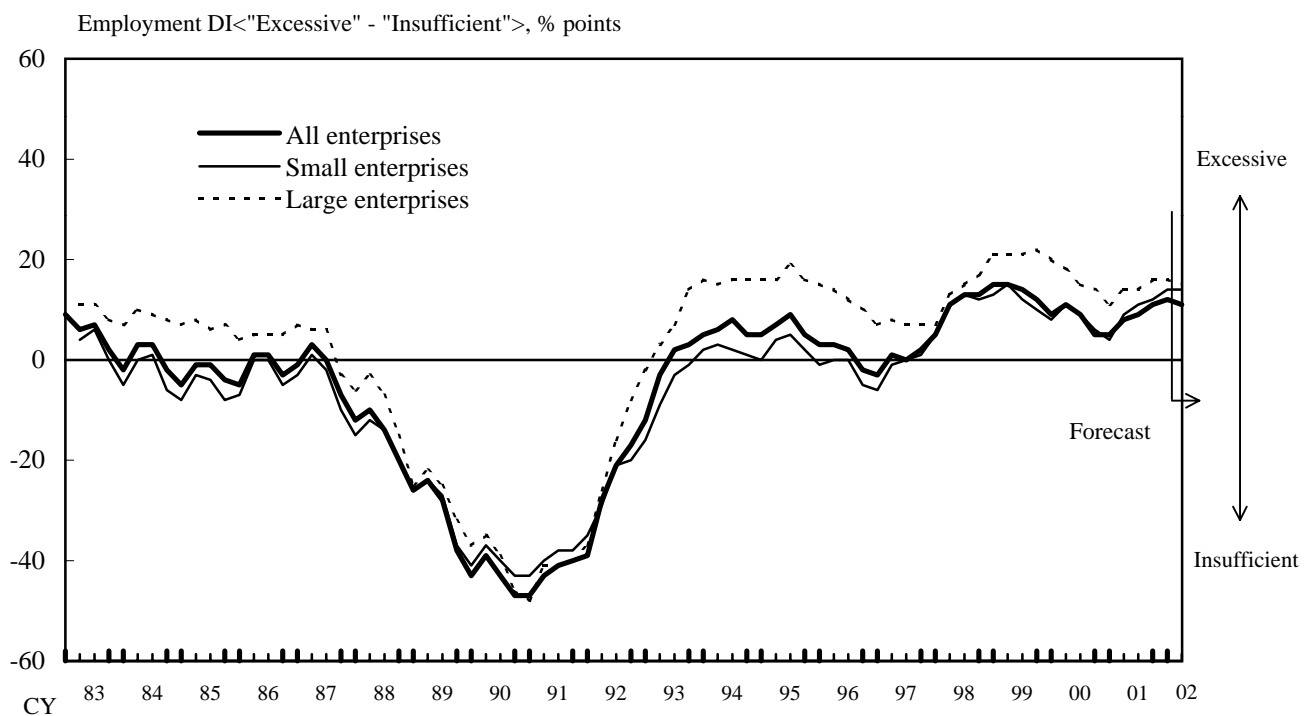
Ministry of Public Management, Home Affairs, Posts and Telecommunications, "Labour Force Survey."

Employment Conditions

(1) Manufacturing



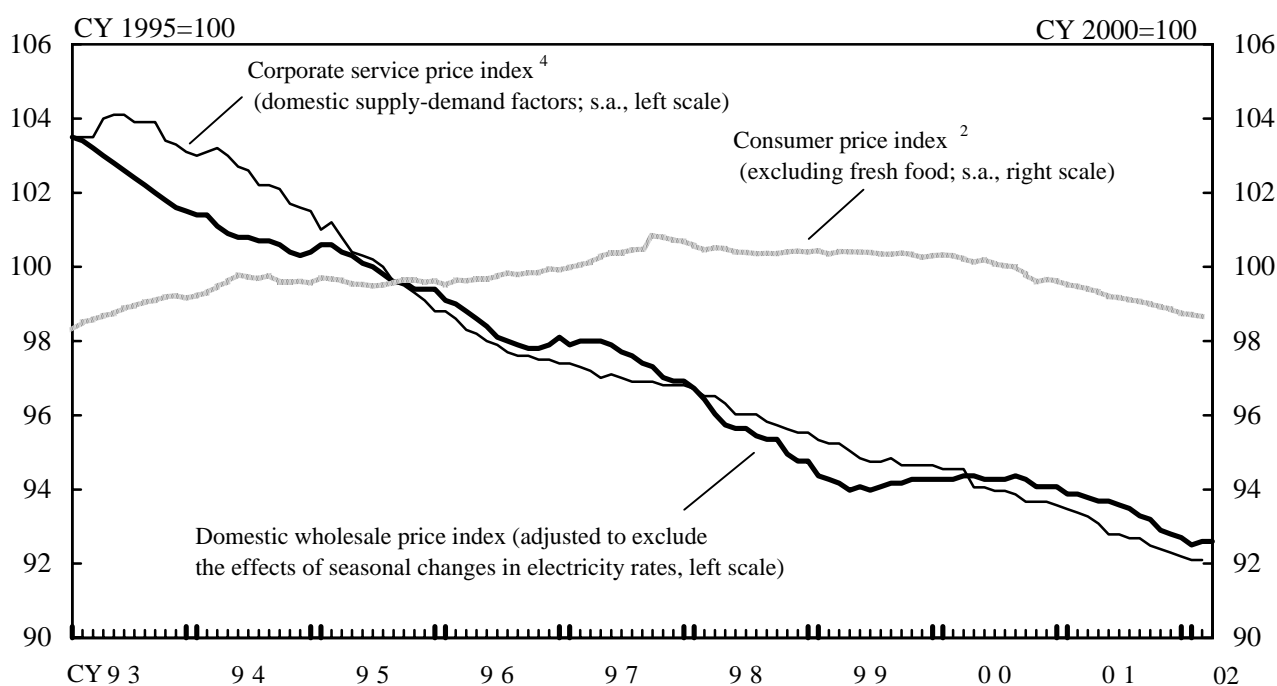
(2) Nonmanufacturing



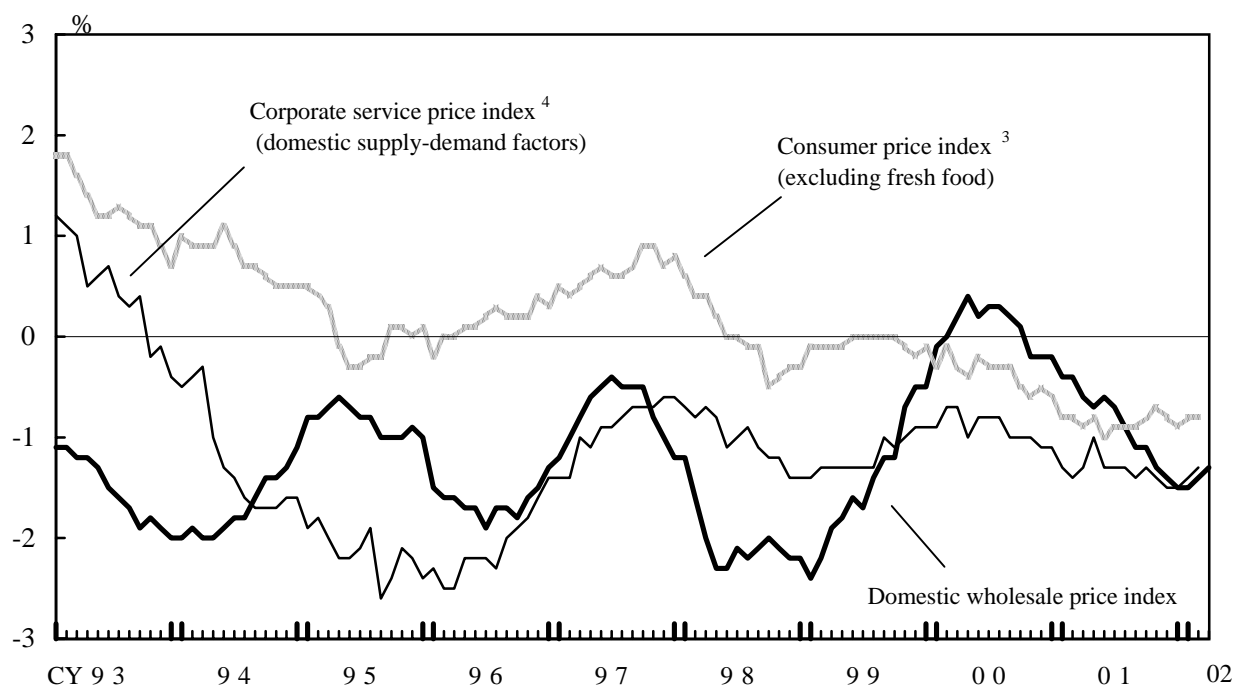
Source: Bank of Japan, "Tankan Short-term Economic Survey of Enterprises in Japan."

Prices¹

(1) Level



(2) Changes from a year earlier

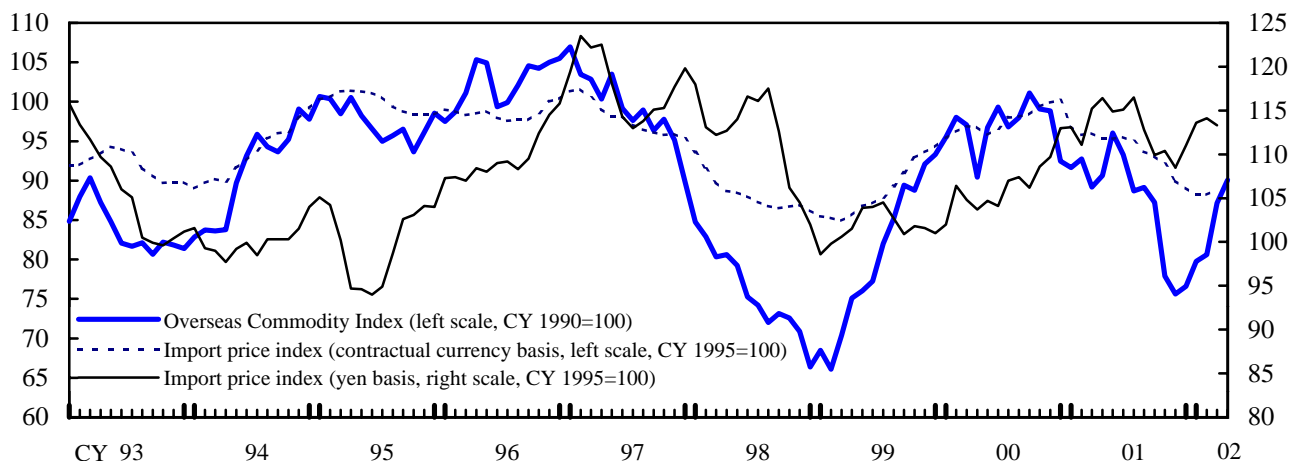


- Notes: 1. Adjusted to exclude the effects of the consumption tax hike in April 1997 on the assumption that prices of all taxable goods fully reflect the rise in the tax rate.
2. Seasonally adjusted by X-12-ARIMA (β version), based on the original series excluding package tours to overseas.
3. Data before Dec. 2000 are on the 1995 base CPI.
4. See footnote 4 in Chart 23, for definition of the Corporate service price index (domestic supply-demand factors).

Sources: Ministry of Public Management, Home Affairs, Posts and Telecommunications, "Consumer Price Index"; Bank of Japan, "Wholesale Price Indexes," "Corporate Service Price Index."

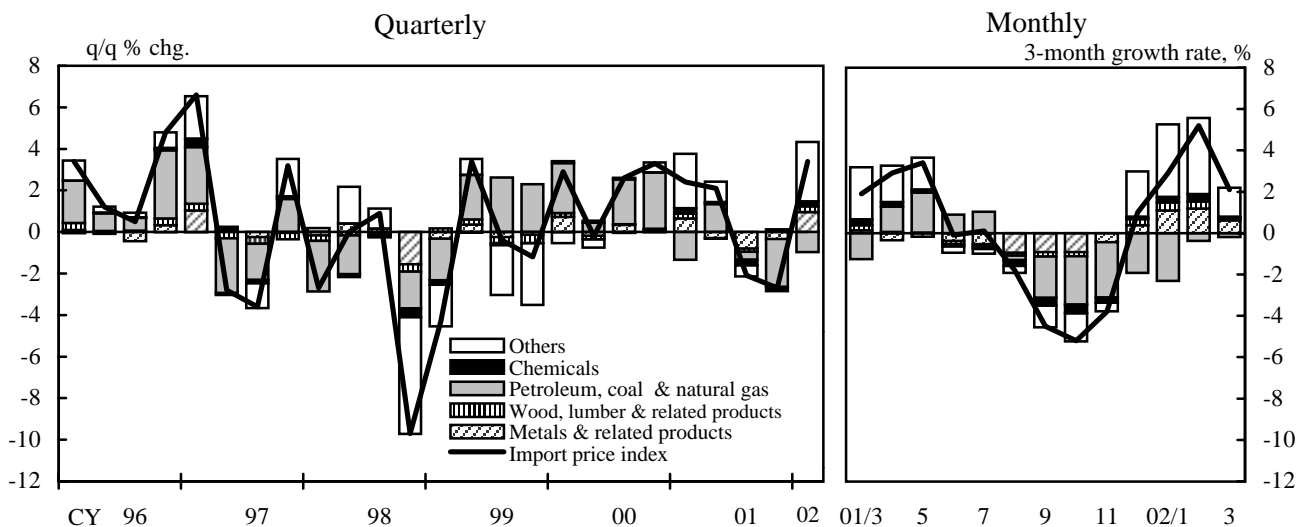
Import Prices and International Commodity Prices

(1) Import Price Index and Overseas Commodity Index

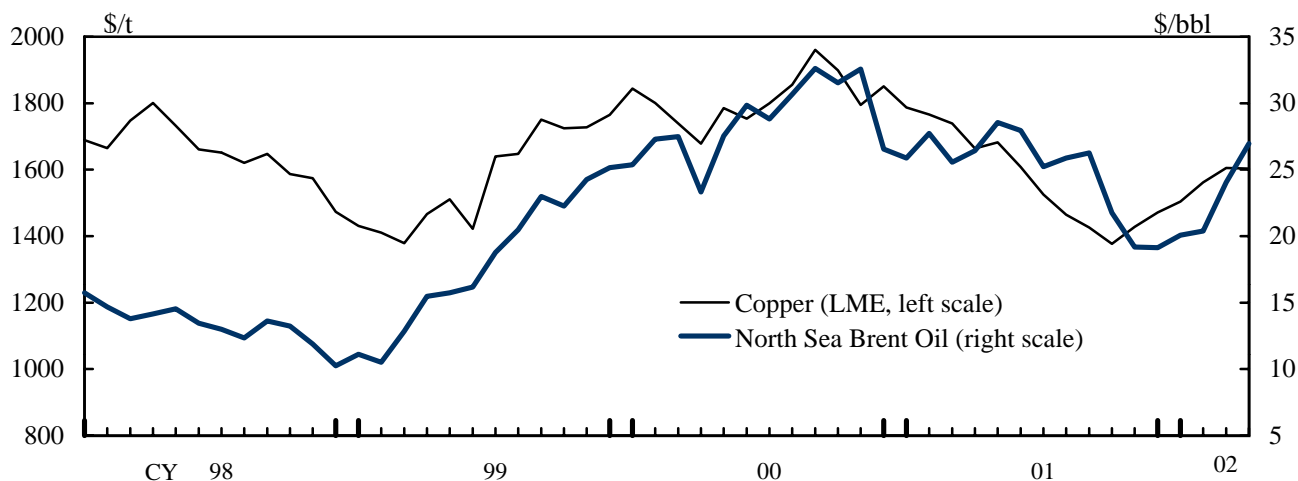


Note: Overseas Commodity Index, which is calculated by Bank of Japan, is a monthly average.
Figure for April 2002 is the average of April 1-9.

(2) Import Price Index (yen basis, changes from a quarter earlier and 3 months earlier)



(3) Oil price (spot) and Copper price (futures)

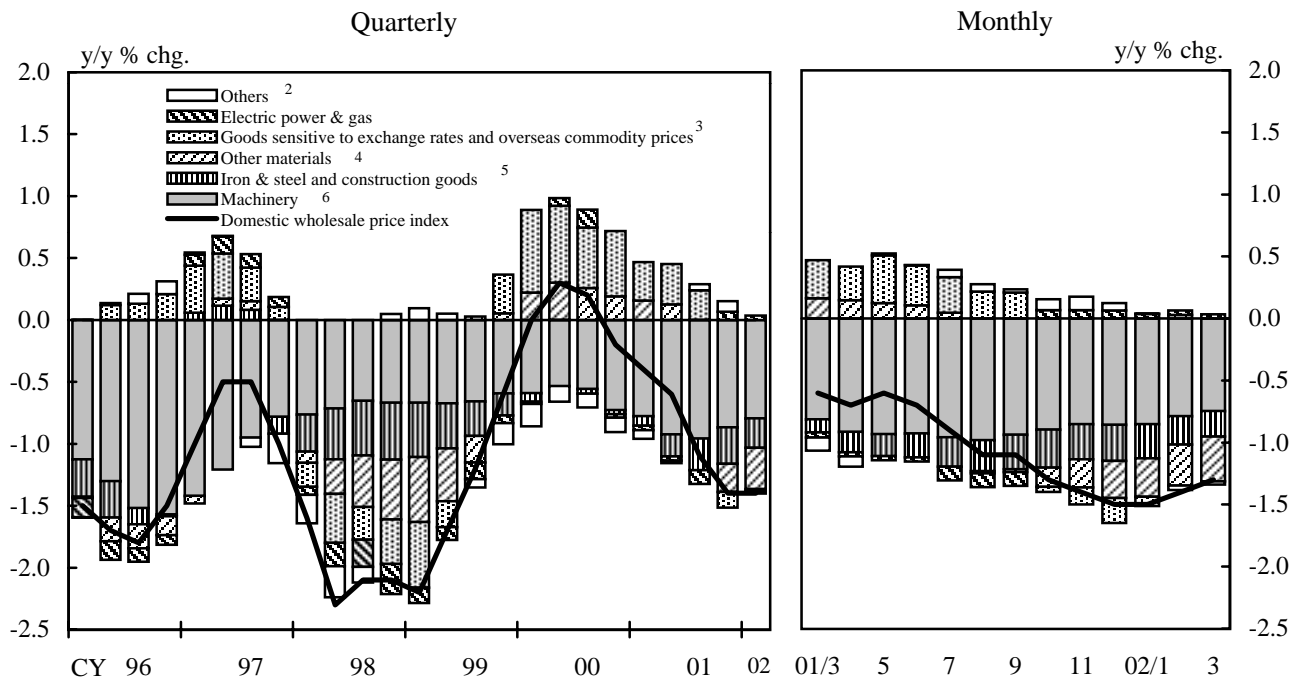
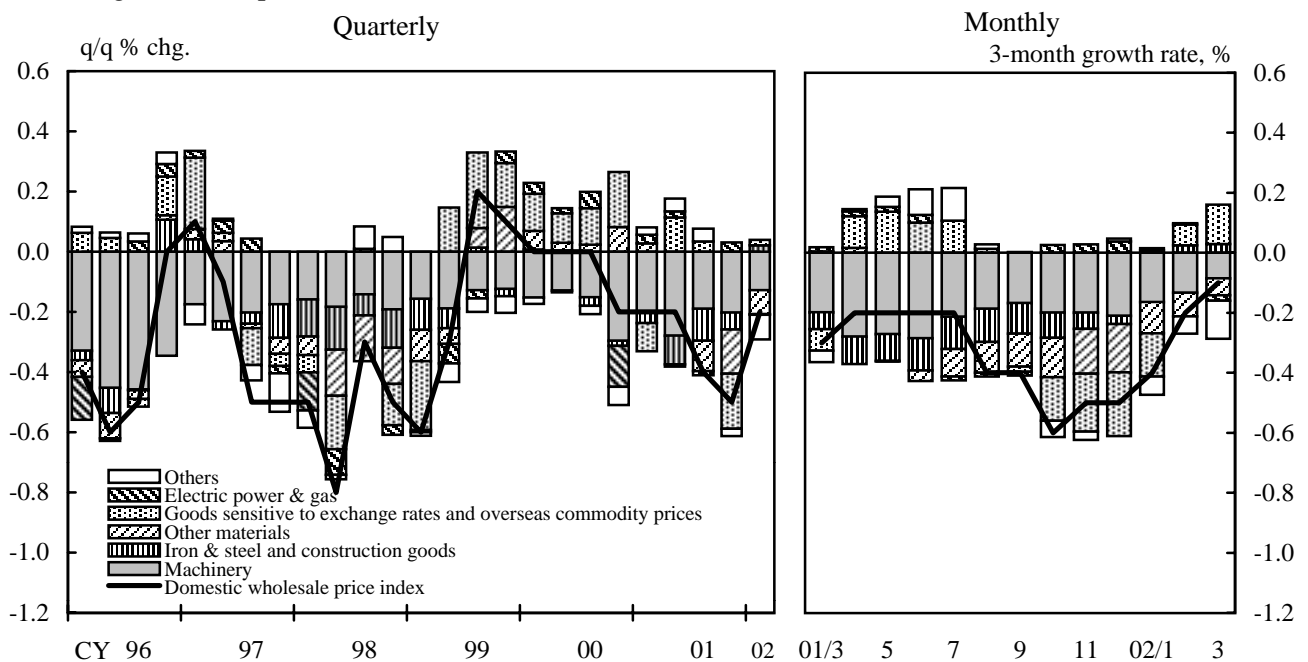


Note: Monthly averages. Figures for April 2002 are the averages of April 1-9.

Sources: Bank of Japan, "Wholesale Price Indexes," "Financial and Economic Statistics Monthly," etc.

Domestic Wholesale Price Index¹

(1) Changes from a year earlier

(2) Changes from a quarter earlier and 3 months earlier⁷

Notes: 1. Adjusted to exclude the effects of the consumption tax hike in April 1997 on the assumption that prices of all taxable goods fully reflect the rise in the tax rate.

2. Others = processed foodstuffs + other manufacturing industry products + edible agricultural, livestock & aquatic products + inedible agricultural & forestry products + mining products + water.

3. Goods sensitive to exchange rates and overseas commodity prices = petroleum & coal products + nonferrous metals.

4. Other materials = chemicals + plastic products + textile products + pulp, paper & related products.

5. Iron & steel and construction goods = iron & steel + metal products + ceramics, stone & clay products + lumber & wood products + scrap & waste.

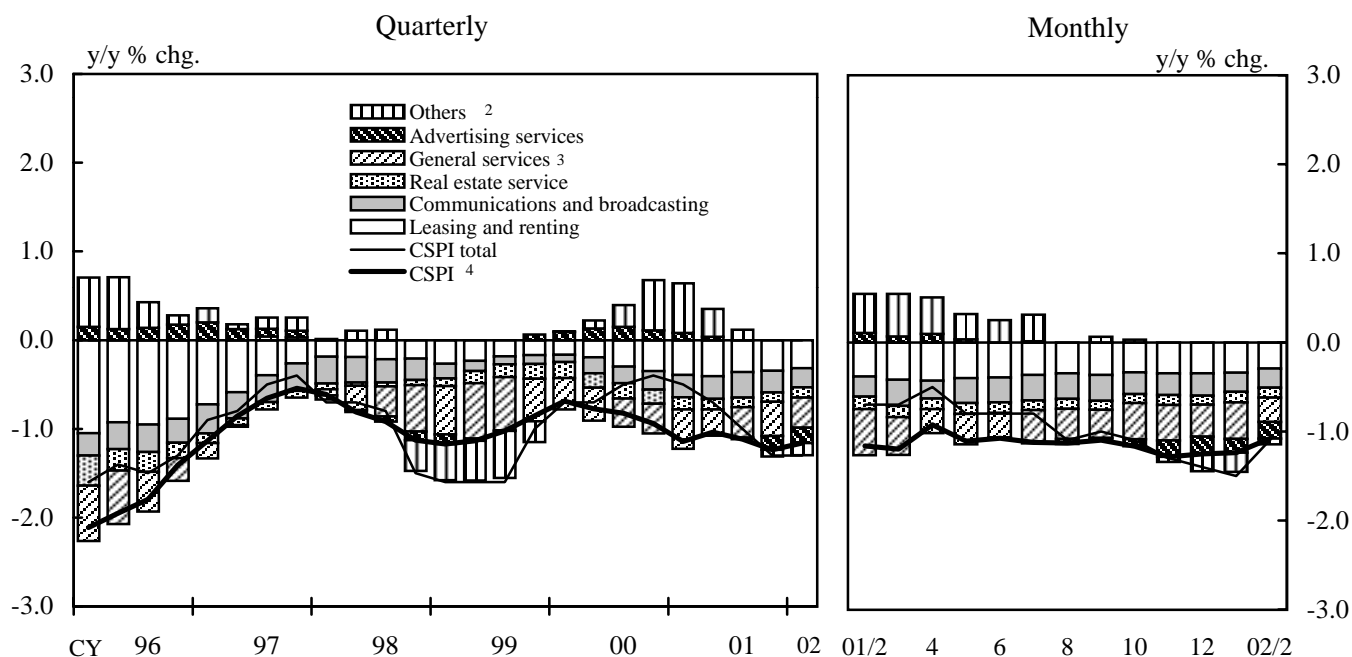
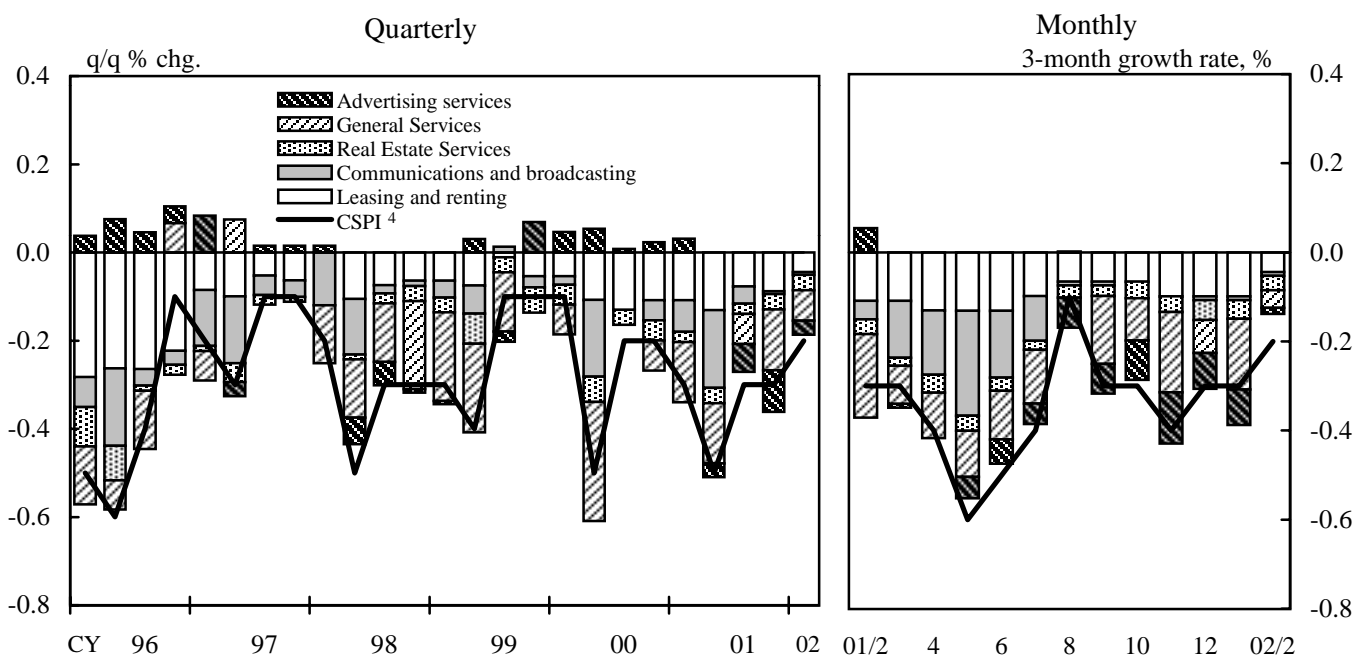
6. Machinery = electrical machinery + general machinery + transportation equipment + precision instruments.

7. Adjusted to exclude the effects of the summer-time (from July to September) hike in electricity rates.

This effect causes the Domestic Wholesale Price Index to rise by about 0.2%.

Corporate Service Price Index¹

(1) Changes from a year earlier

(2) Changes from a quarter earlier and 3 months earlier⁵

Notes: 1. Adjusted to exclude the effects of the consumption tax hike in April 1997 on the assumption that prices of all taxable goods fully reflect the rise in the tax rate.

2. Others = automobile insurance (compulsory) + railroad fares + bus fares + taxi fares + domestic air fares + tolls + postal services + sewerage disposal + ocean freight + international air freight + international air fares + securities issuance and related services (banks' procurator service for issuing debentures <excluding underwriting services>).

3. General services = finance & insurance + transportation + information services + building maintenance services + temporary worker services + machinery maintenance, etc. (excluding items in "others").

4. CSPI (domestic supply-demand factors) includes all items aside from "others" as defined above. This index mainly reflects the supply and demand conditions in the domestic private sector.

5. Television commercials in Advertising services, Sales space rental in Real estate services, and General warehousing and storage in Transportation are seasonally adjusted by X-12-ARIMA.

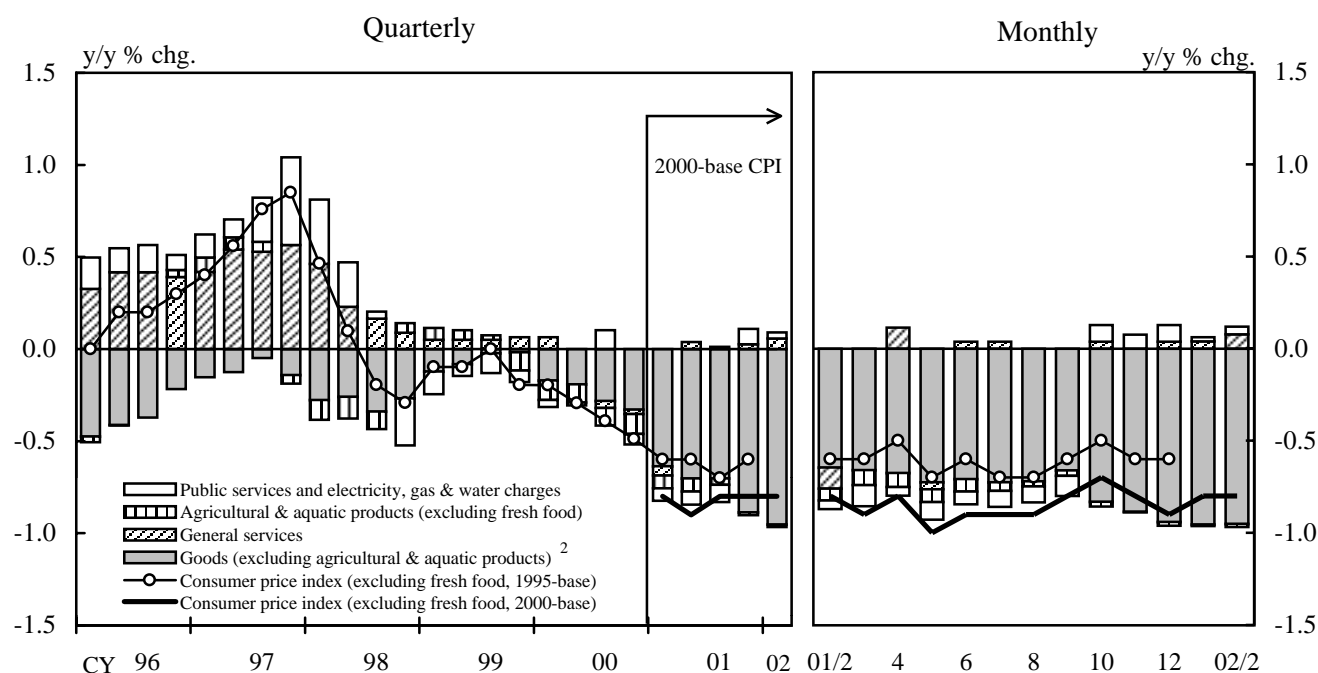
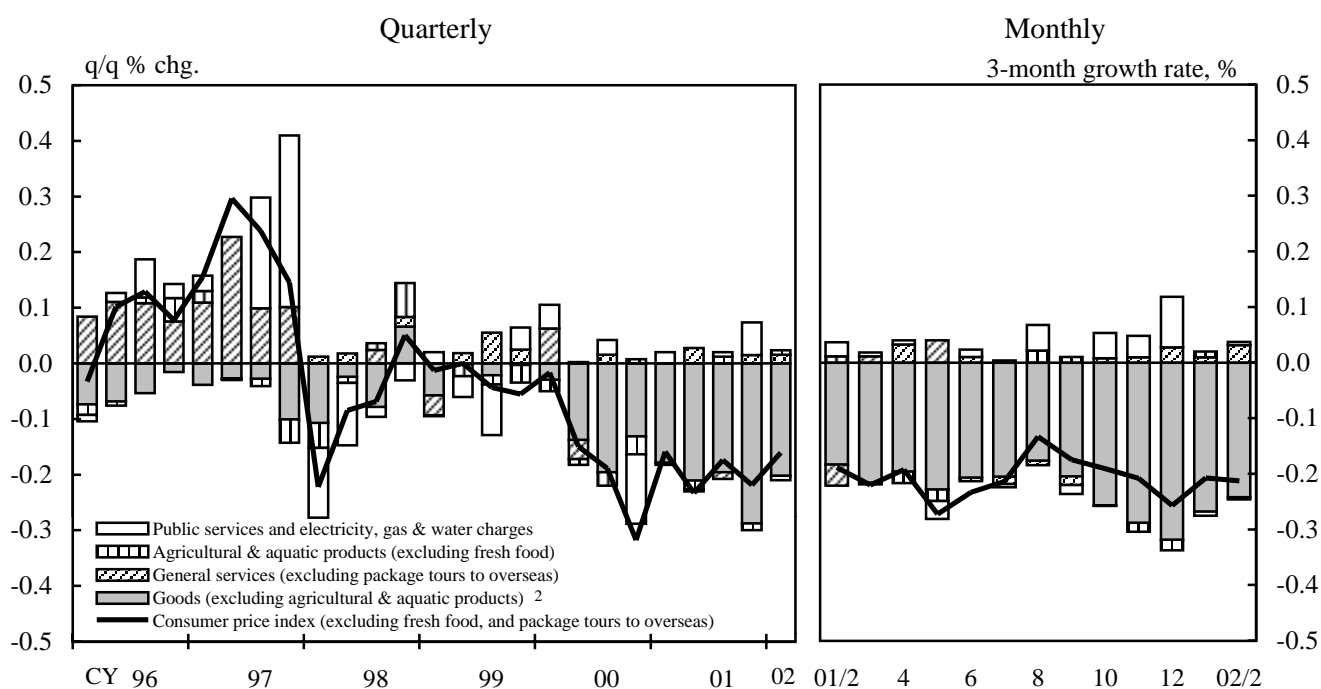
Due to seasonal adjustment every month, the series are revised retroactively every month.

6. Figures for 2002/Q1 are those of Jan.-Feb. averages.

Source: Bank of Japan, "Corporate Service Price Index."

Consumer Price Index (excluding fresh food)¹

(1) Changes from a year earlier

(2) Changes from a quarter earlier and 3 months earlier (2000-base CPI)³

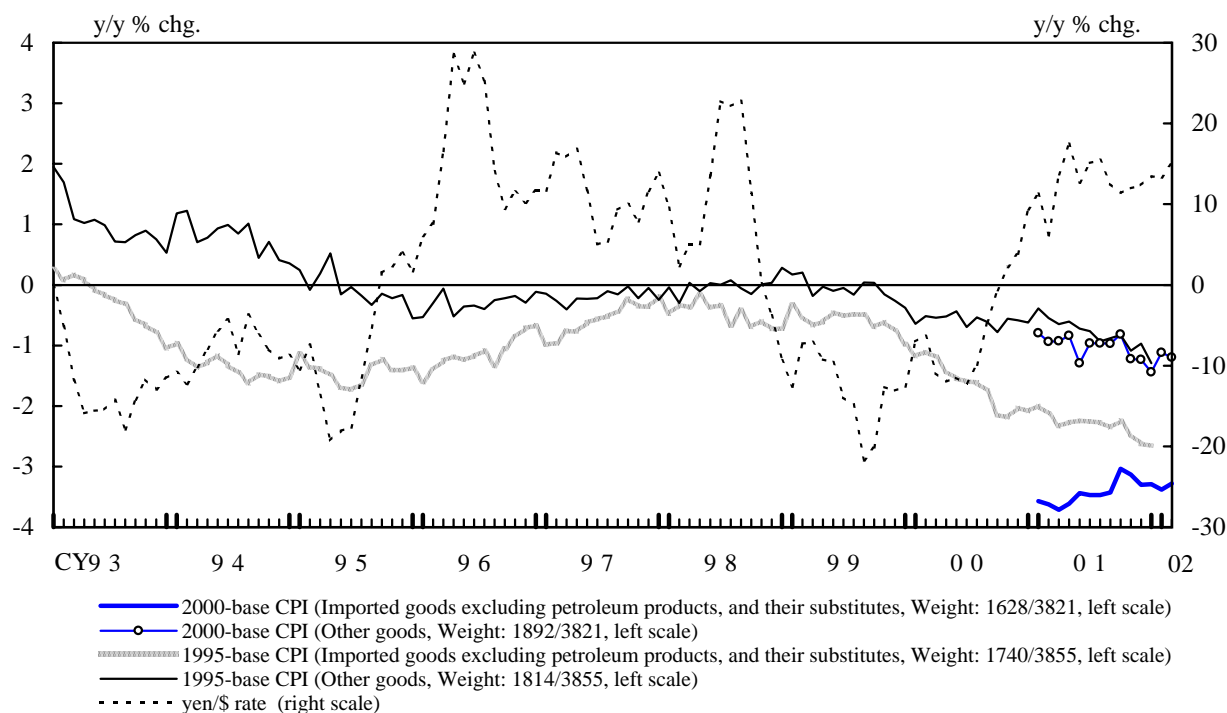
Notes: 1. Adjusted to exclude the effects of the consumption tax hike in April 1997 on the assumption that prices of all taxable goods fully reflect the rise in the tax rate.

2. The Items are basically the same as the definition published by the Ministry of Public Management, Home Affairs, Posts and Telecommunications, however electricity, gas & water charges is excluded from goods.

3. Seasonally adjusted by X-12-ARIMA (β version). Due to seasonal adjustment every month, the series are revised retroactively every month. Because of the seasonal adjustment error, there are discrepancies between the CPI and the sum of its components.

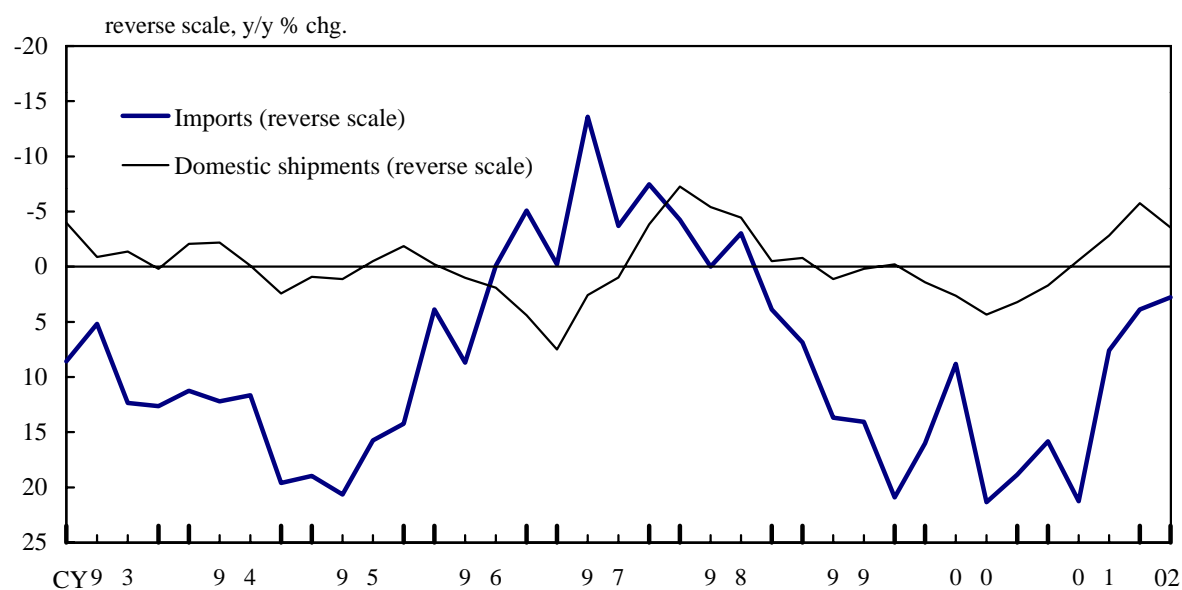
4. Figures for 2002/Q1 are those of Jan.-Feb. averages.

Source: Ministry of Public Management, Home Affairs, Posts and Telecommunications, "Consumer Price Index."

Consumer Price Index (Imported goods and their substitutes)¹(1) Comparison of imported goods and other goods in terms of CPI²

- Notes: 1. Adjusted to exclude the effects of the consumption tax hike in April 1997 on the assumption that prices of all taxable goods fully reflect the rise in the tax rate.
2. Imported goods (excluding petroleum products) consist of items common to both the Import Price Index and the Consumer Price Index, and their substitutes consist of items considered to be substitutable for import products but not covered by the Import Price Index.
3. Adjusted to exclude the effects of the special tobacco tax introduced in December 1998, and biscuits, prices of which were heavily affected by changes in monitored brands. Weight is shares in Goods (excluding agricultural & aquatic products).

(2) Consumer goods supply (Imports and Domestic shipments)

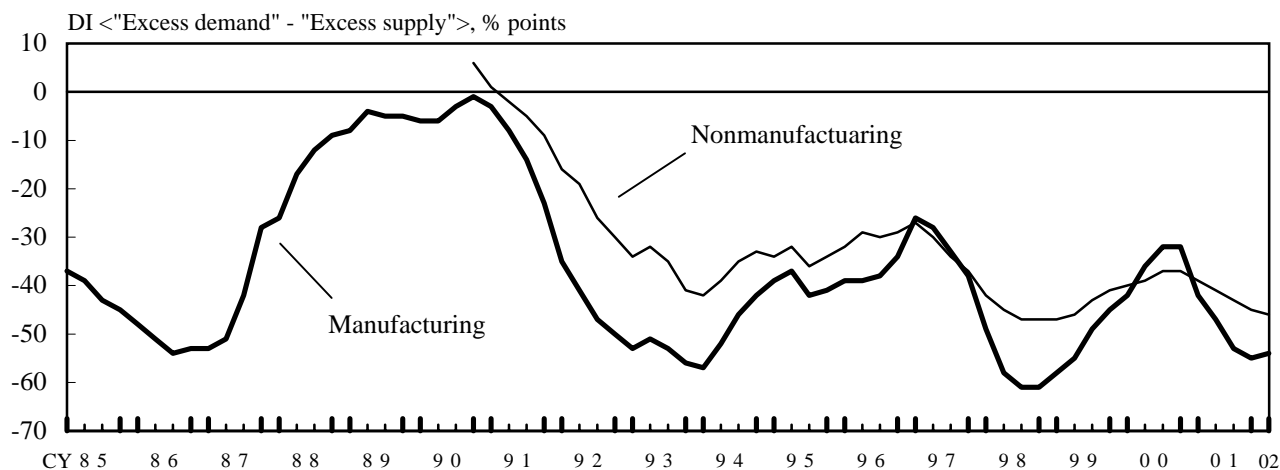
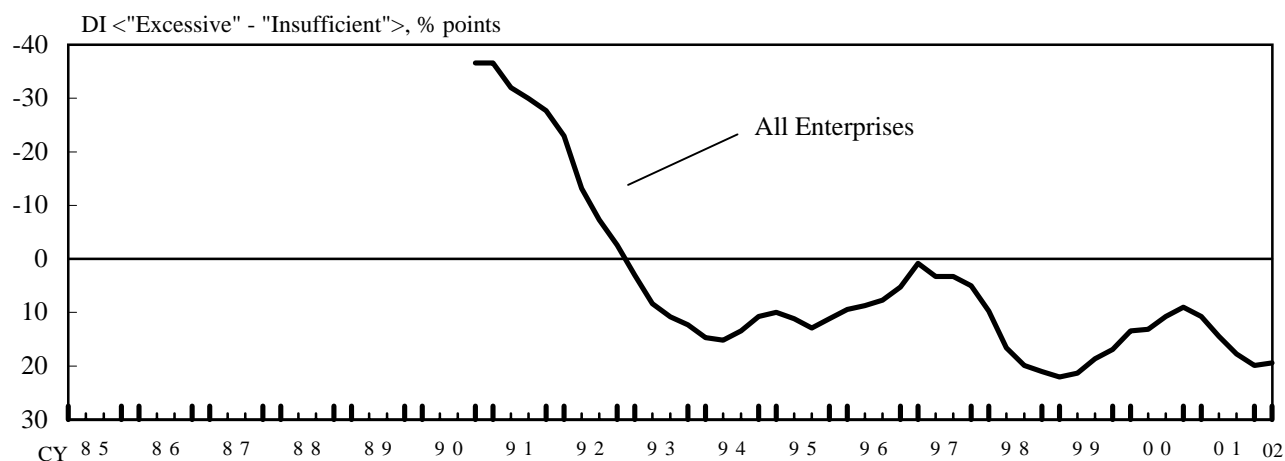


Note: See footnote Chart 12-4, for definition of the consumer goods supply.

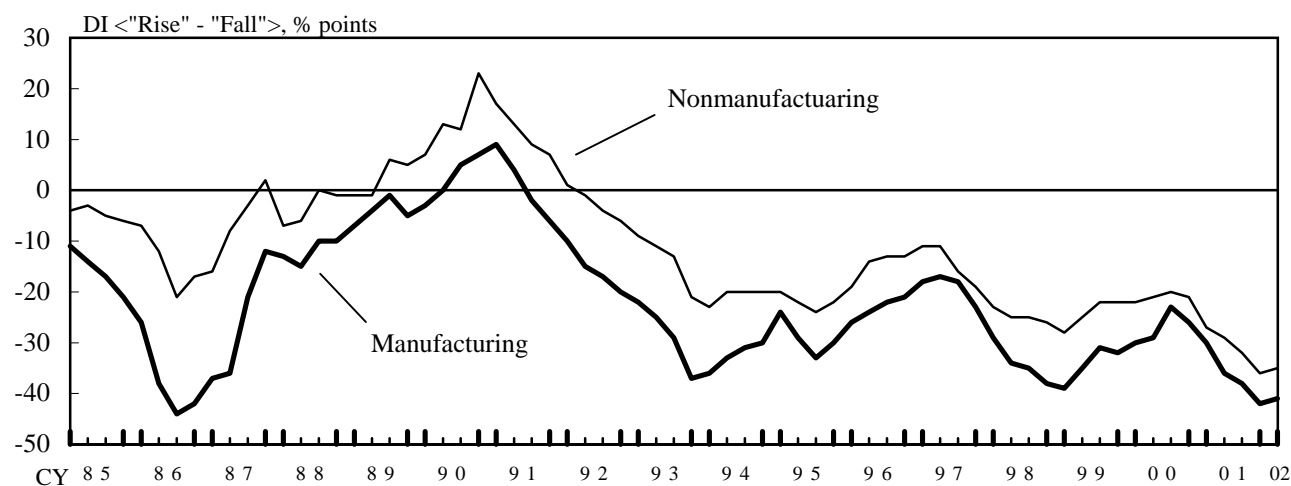
Sources: Ministry of Public Management, Home Affairs, Posts and Telecommunications, "Consumer Price Index"; Ministry of Finance, "The Summary Report on Trade of Japan"; Ministry of Economy, Trade and Industry, "Indices of Industrial Production," "Indices of Industrial Domestic Shipments and Imports"; Bank of Japan, "Wholesale Price Indexes."

Factors Contributing to the Change in Prices¹

(1) Supply and Demand Conditions for Products and Services (All Enterprises)

(2) Utilization of Capital and Labor²

(3) Change in Output Prices (All Enterprises)



Notes: 1. Figures before December 1998 are based on the pre-revision *Tankan*, and those from March 1999 are based on the post-revision *Tankan*.

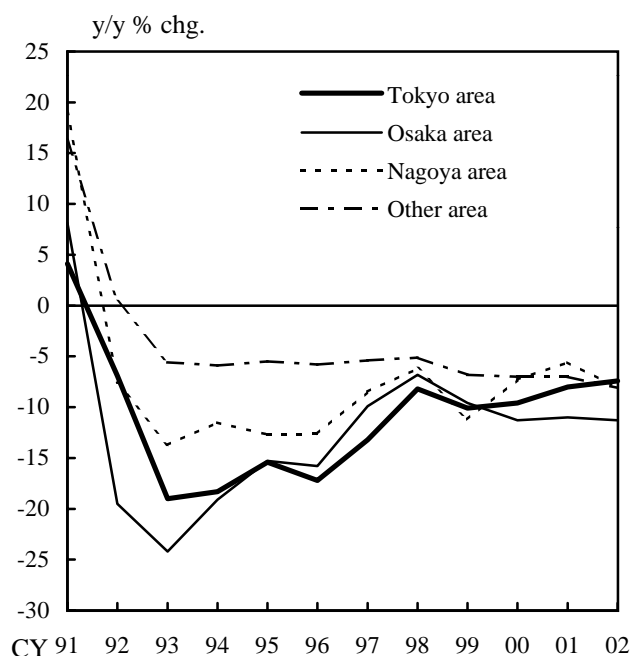
2. Figures are calculated by adding Production Capacity DI and Employment DI which are weighted by the relative share of capital and labor based on 1990-2000 average. Production Capacity DI and Employment DI are calculated as "Excessive" minus "Insufficient".

Sources: Cabinet Office, "National Accounts";
Bank of Japan, "*Tankan* Short-term Economic Survey of Enterprises in Japan."

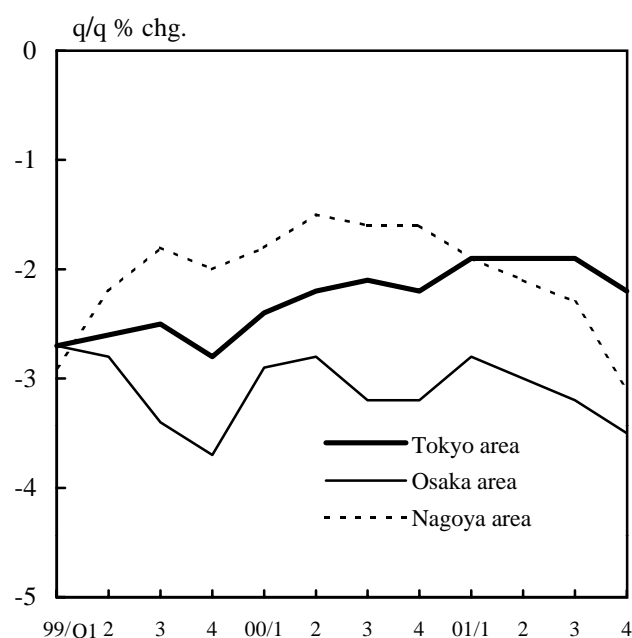
Land Prices

(1) Commercial land

(1-1) Average change (as of January 1st)

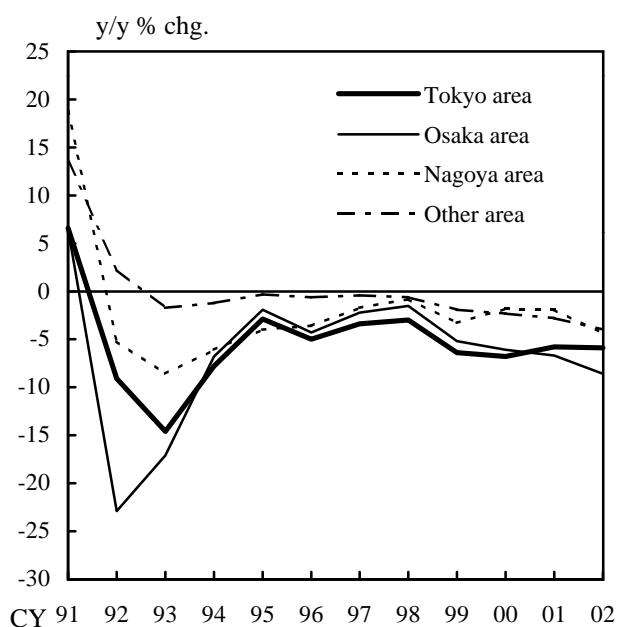


(1-2) Average change at representative locations

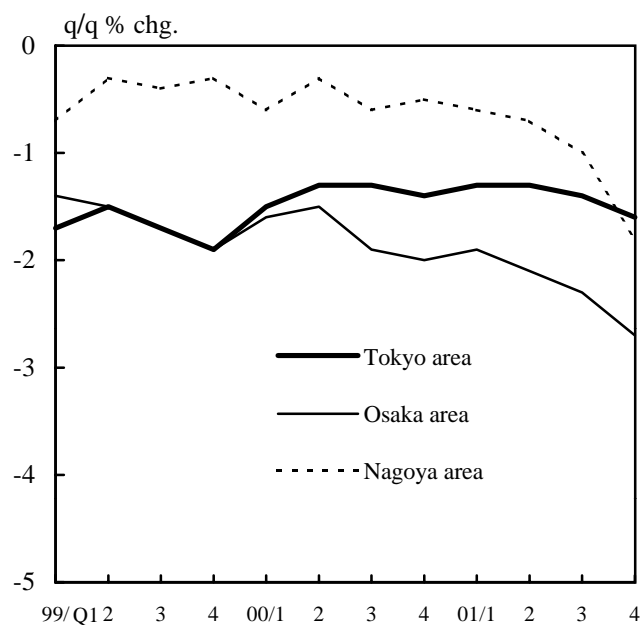


(2) Residential land

(2-1) Average change (as of January 1st)



(2-2) Average change at representative locations

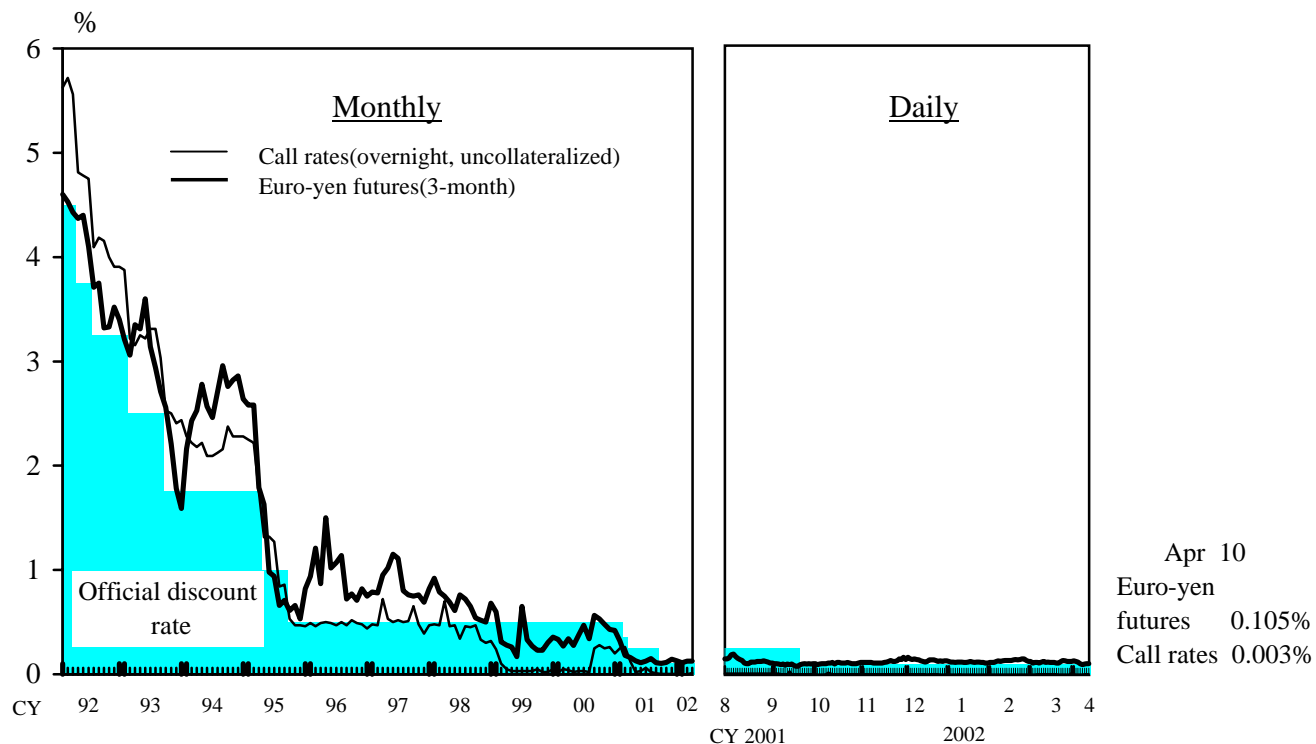


Note: "Representative locations" are the standard locations for "Publication of Land Price" and "Land prices survey by the administrative divisions," which are largely regarded as identical locations between two statistics.

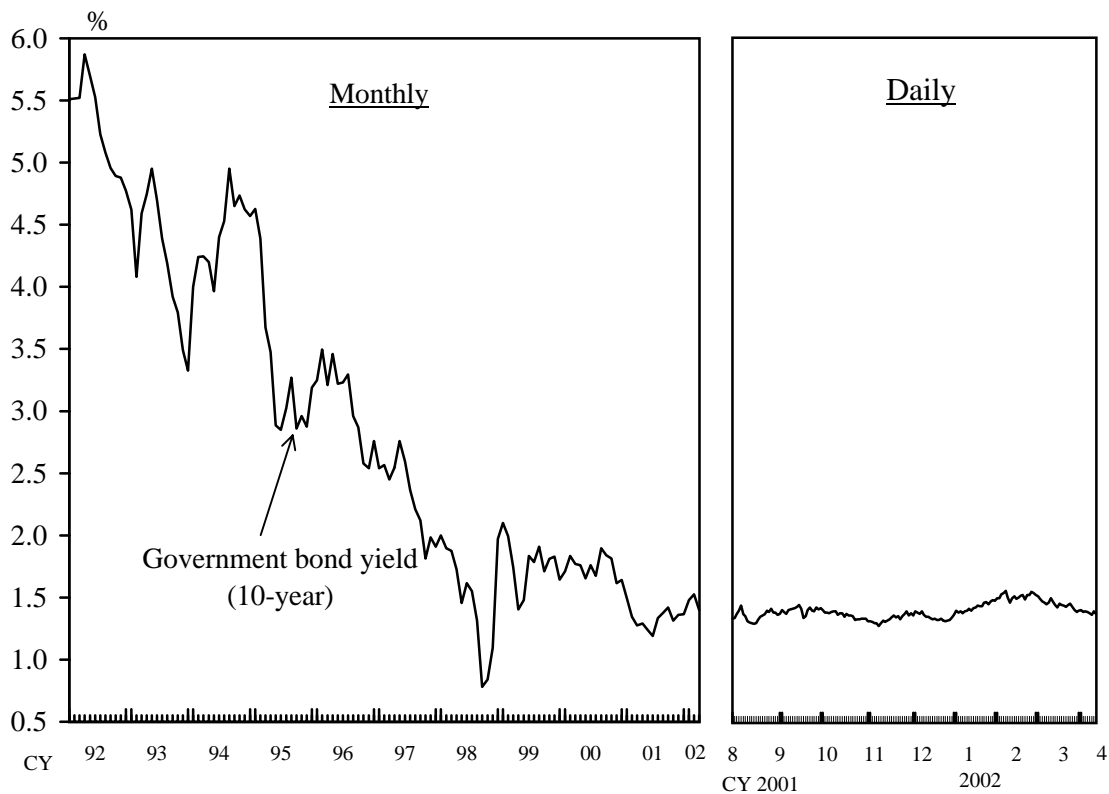
Sources: Ministry of Land, Infrastructure and Transport, "Publication of Land price,"
"Land prices survey by the administrative divisions."

Interest Rates

(1) Short-Term



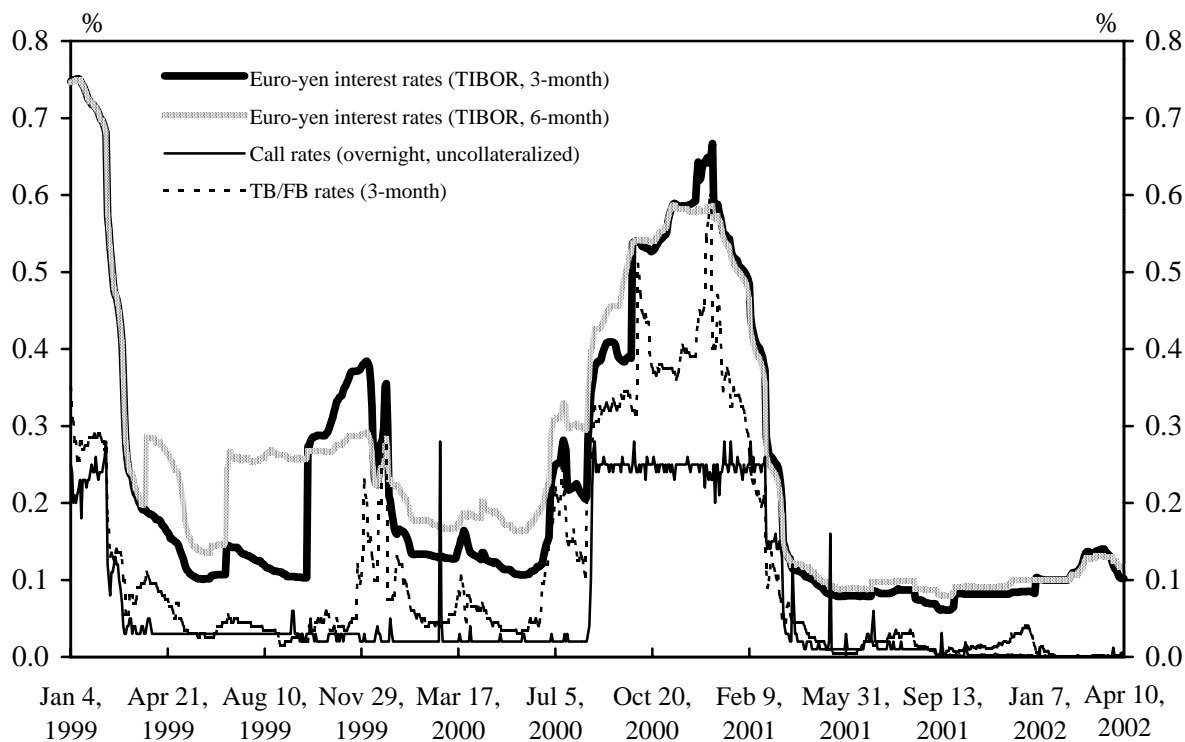
(2) Long-Term



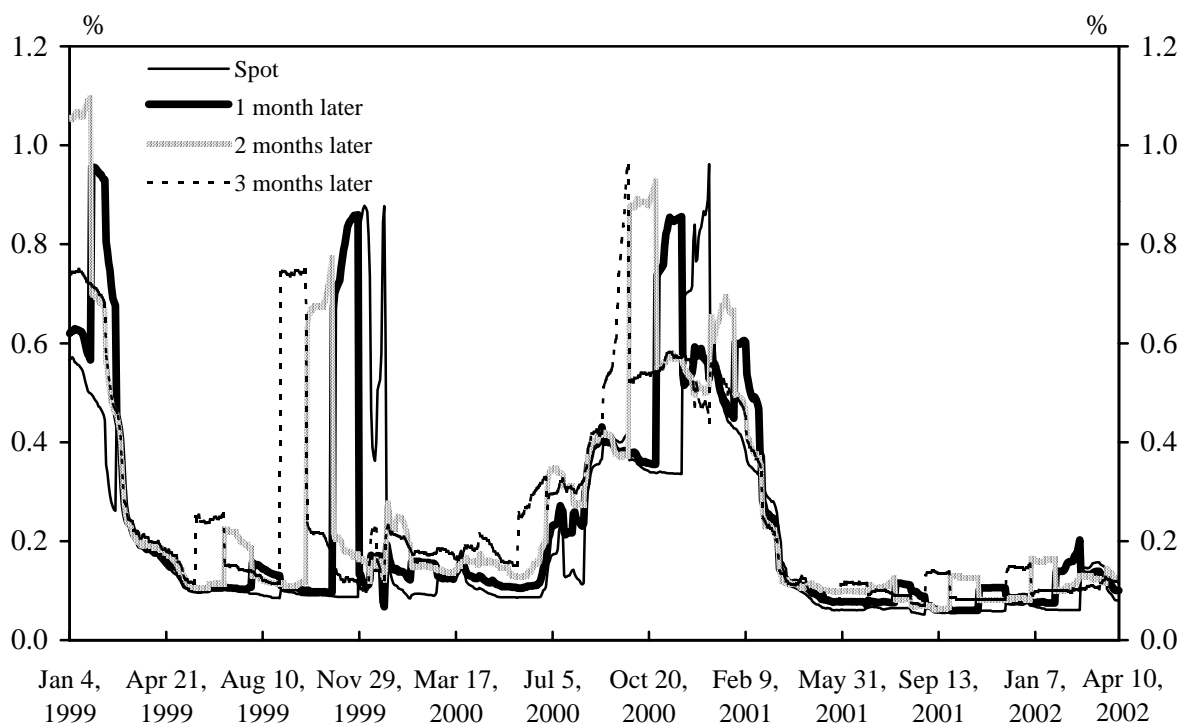
Sources: Bank of Japan; Tokyo International Financial Futures Exchange;
Japan Bond Trading Co., Ltd.

Short-Term Money Market Rates

(1) Interest Rates on Term Instruments

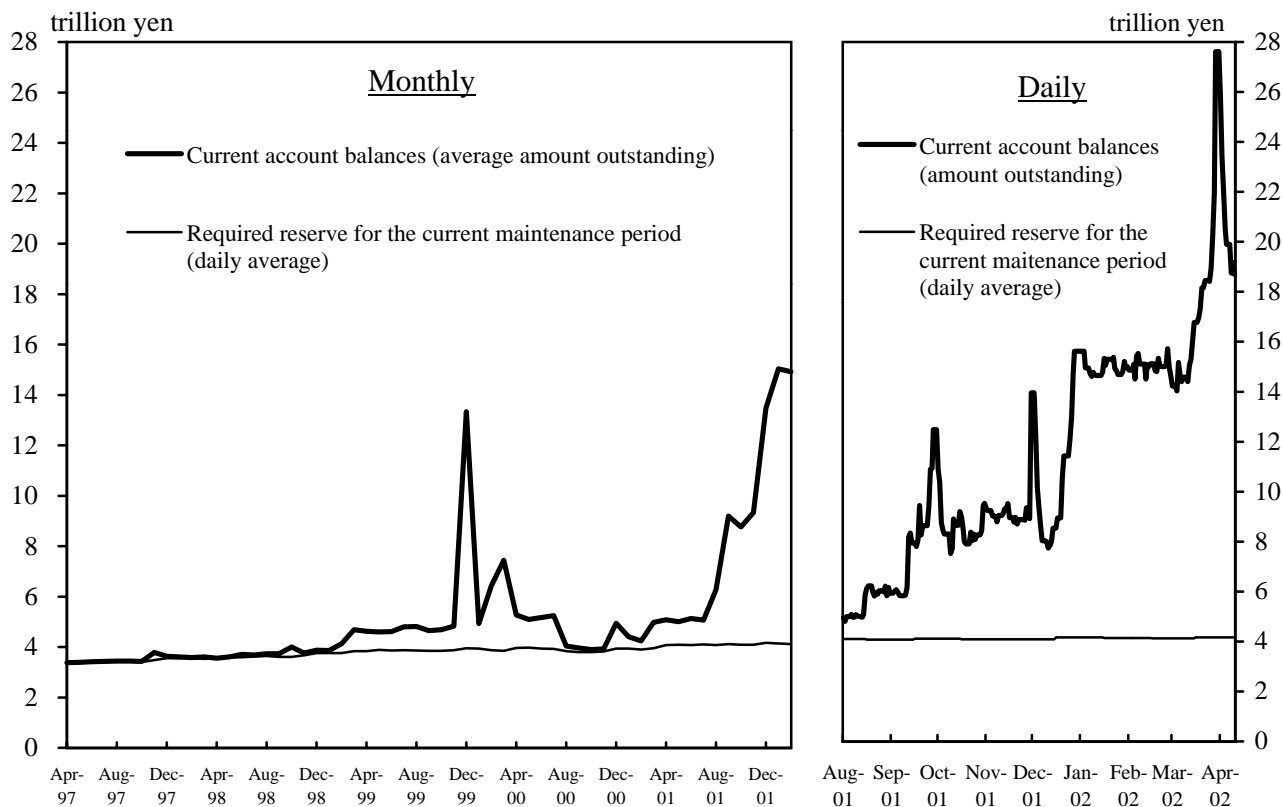


(2) Implied Forward Rate (1-Month Forward Rates Calculated from Euro-Yen Interest Rates)

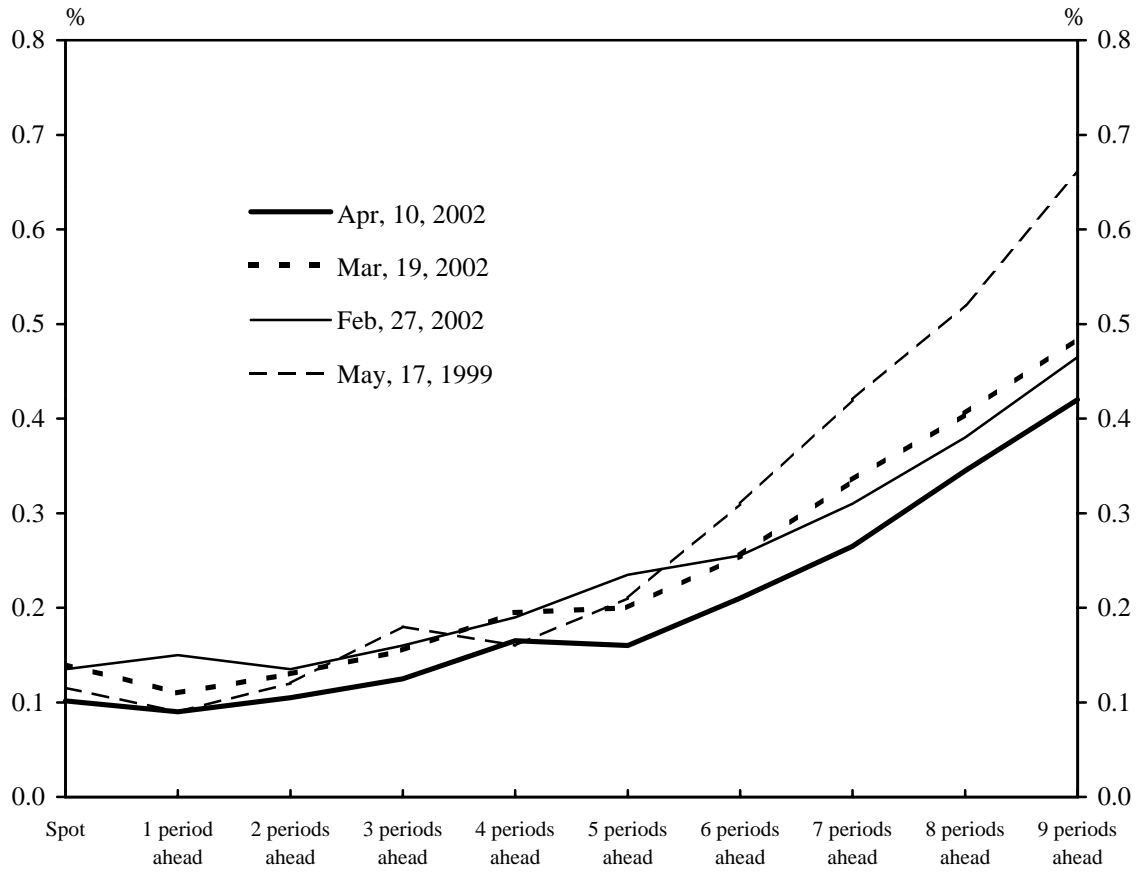


Sources: Bank of Japan; Japanese Bankers Association; Japan Bond Trading Co., Ltd.

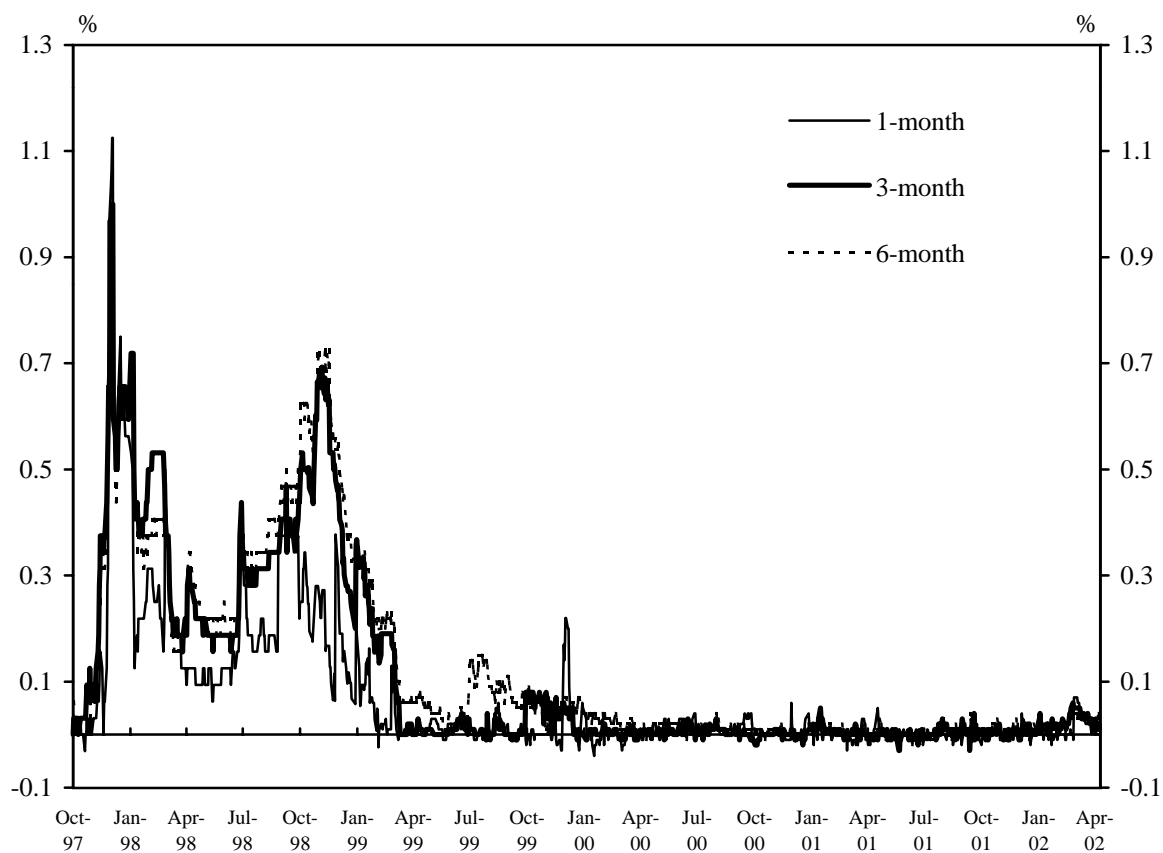
Current Account Balances at the Bank of Japan



Euro-Yen Interest Rates Futures (3-Month)



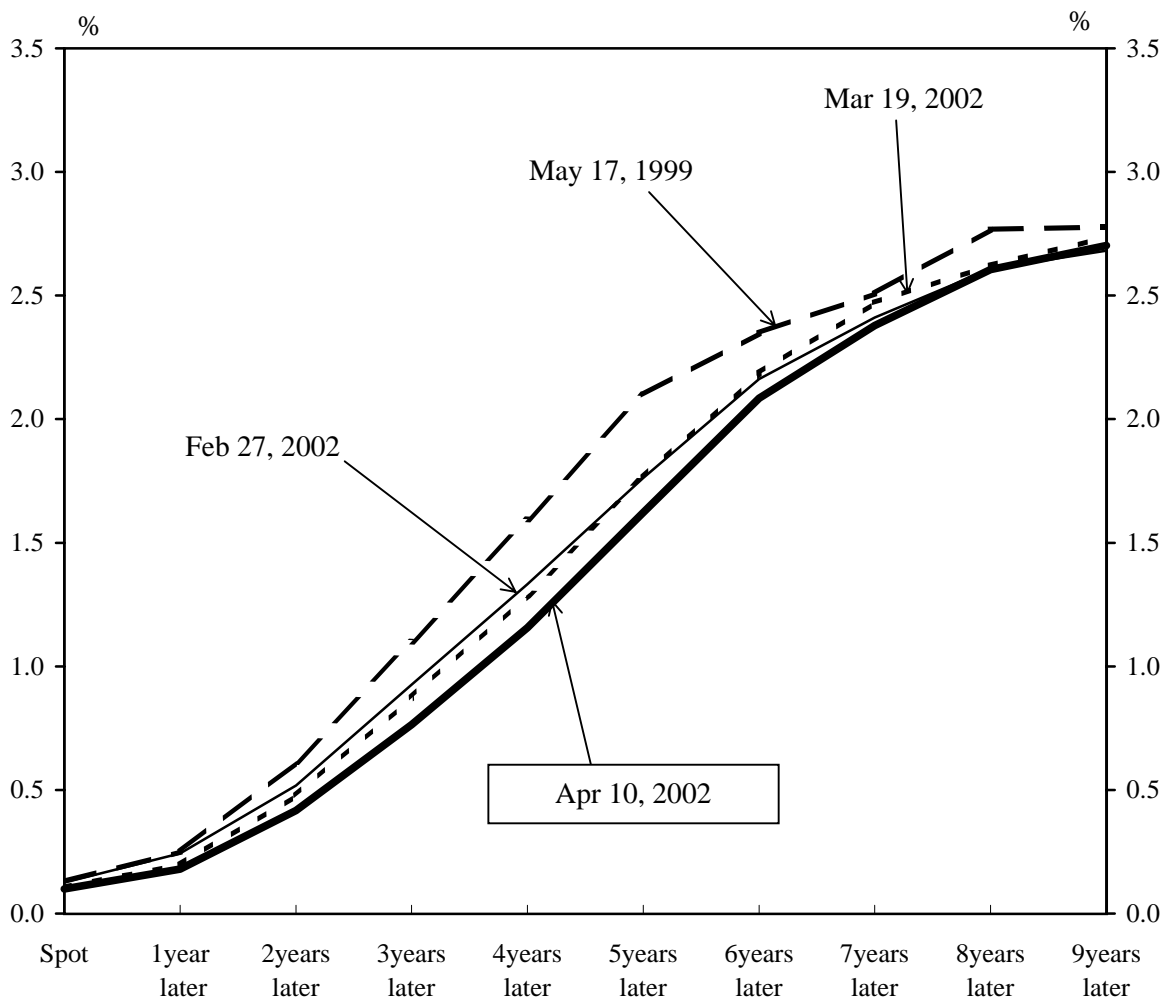
Source: Tokyo International Financial Futures Exchange.

Japan Premium in the Eurodollar Market ¹

Note: 1. Japan premium is an extra expense Japanese banks must pay for raising funds in overseas financial markets. Japan premium in this chart is calculated as follows:
Japan premium = interest rate quoted by Bank of Tokyo-Mitsubishi - interest rate quoted by Barclays Bank in the Eurodollar market (London).

Source: British Bankers' Association (BBA).

Implied Forward Rates (1-year)¹

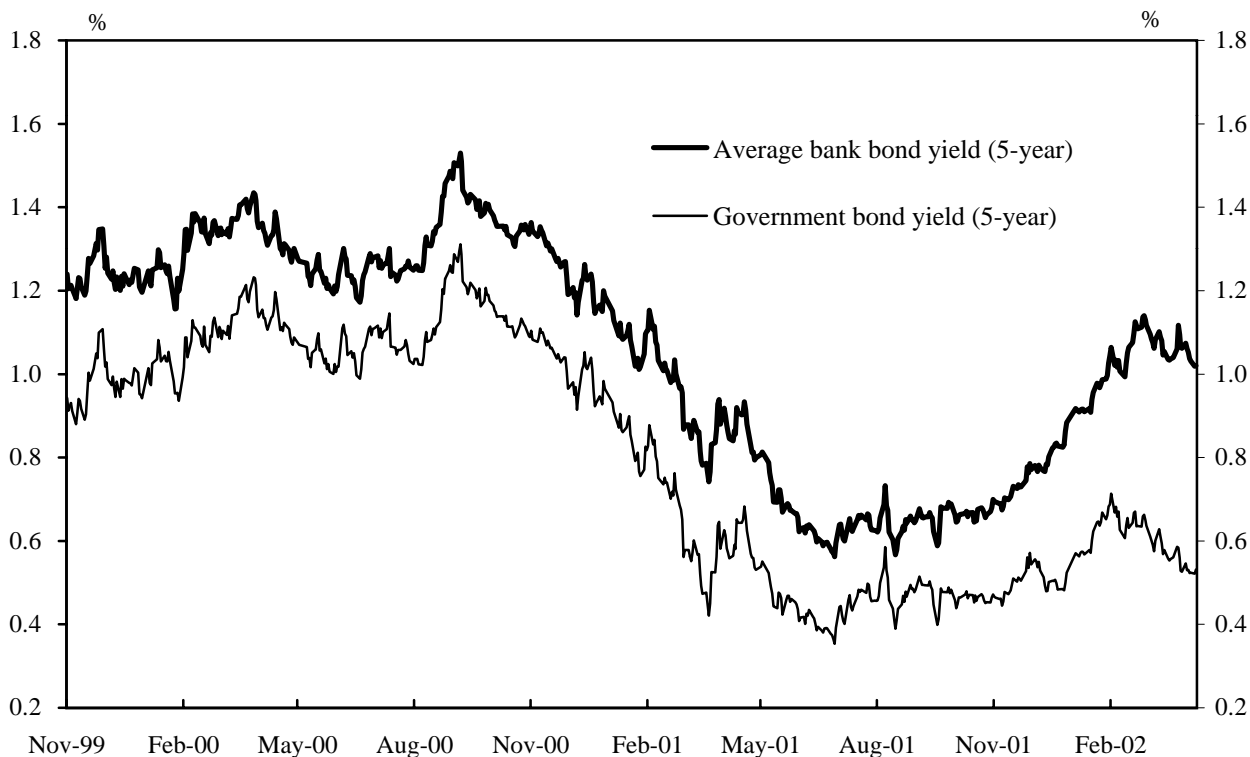


Note :Calculated from yen-yen swap rates.

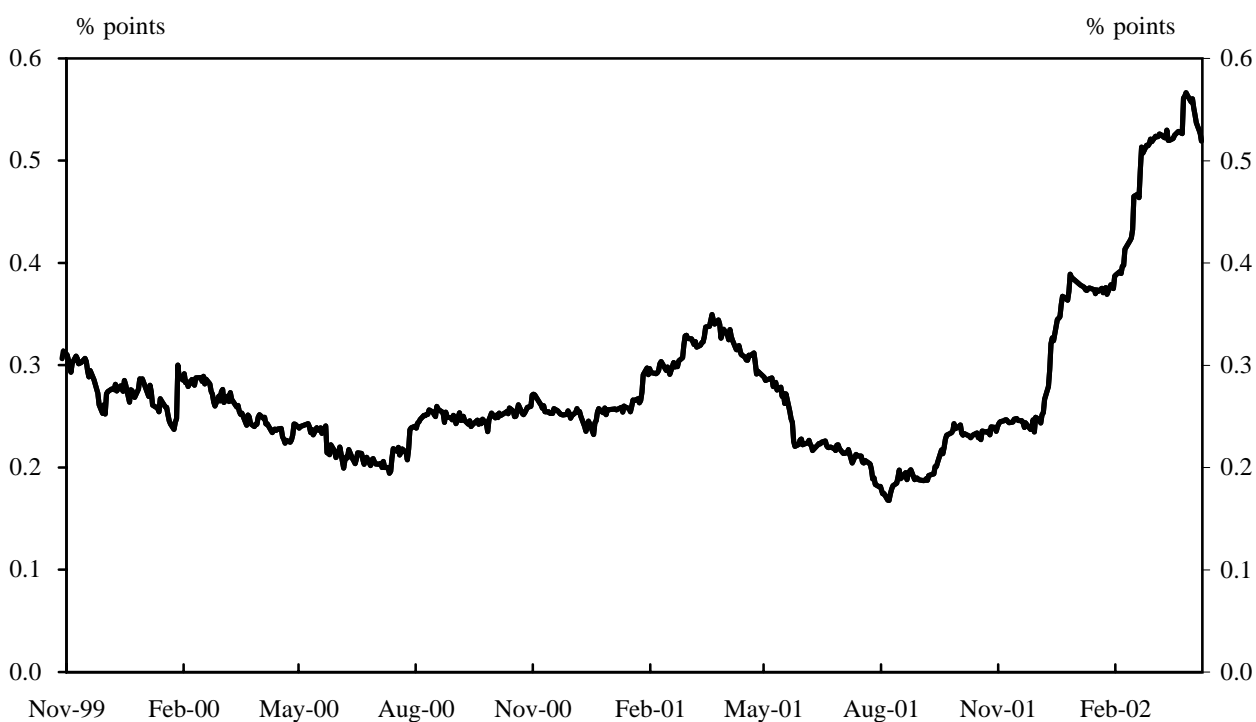
Source: Kyodo News.

Yields of Bank Bonds

(1) Bond Yields



(2) Spread of Average Bank Bond Yield and Government Bond Yield



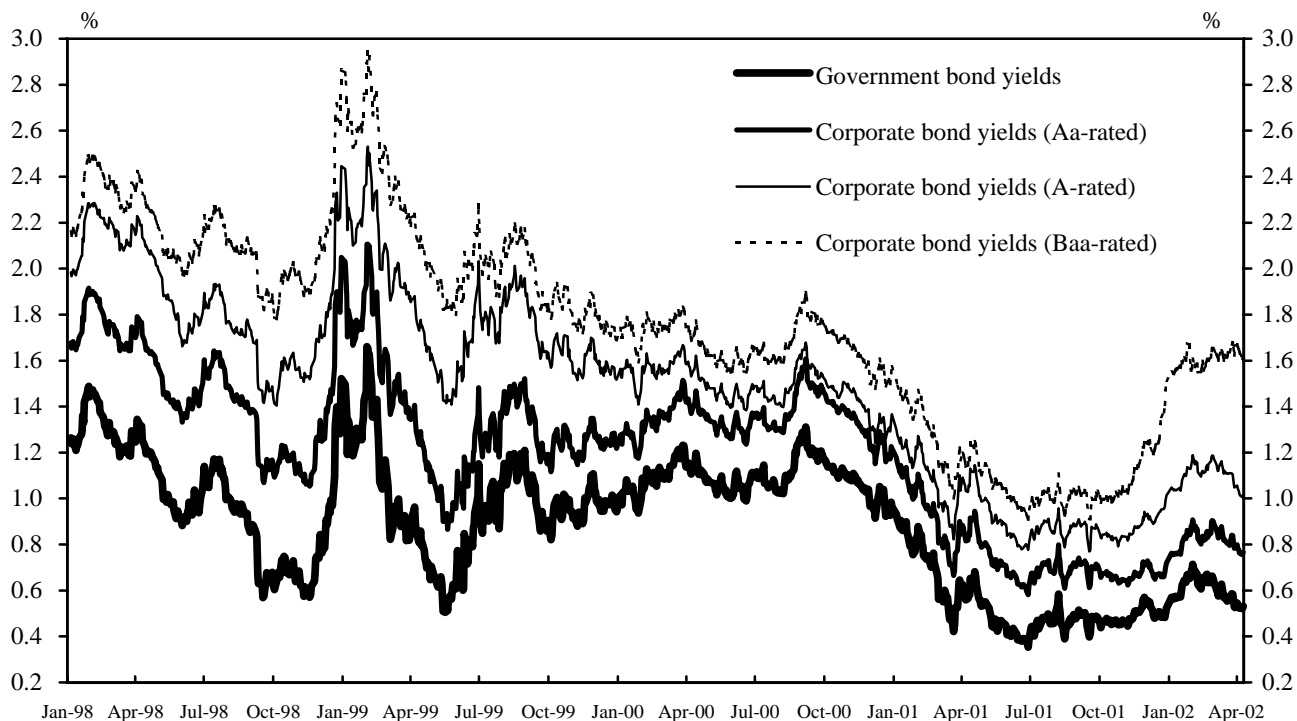
Note: 1. Yields on bonds with 5-year maturity.

2. Average bank bond yield is the average of four bank bonds.

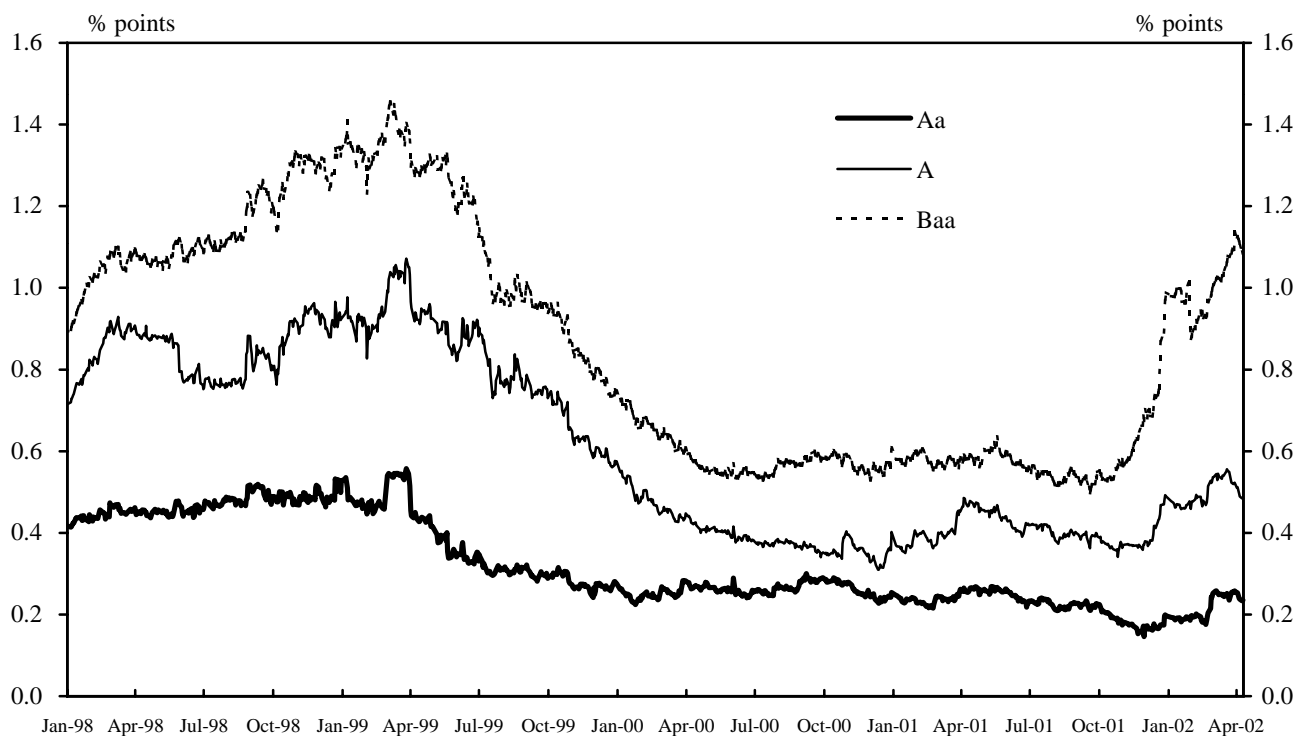
Source: Japan Securities Dealers Association, "Over-the-Counter Standard Bond Quotations."

Corporate Bond Yields ¹

(1) Yields of Government and Corporate Bonds by Rating



(2) Yield Spreads of Public and Corporate Bonds



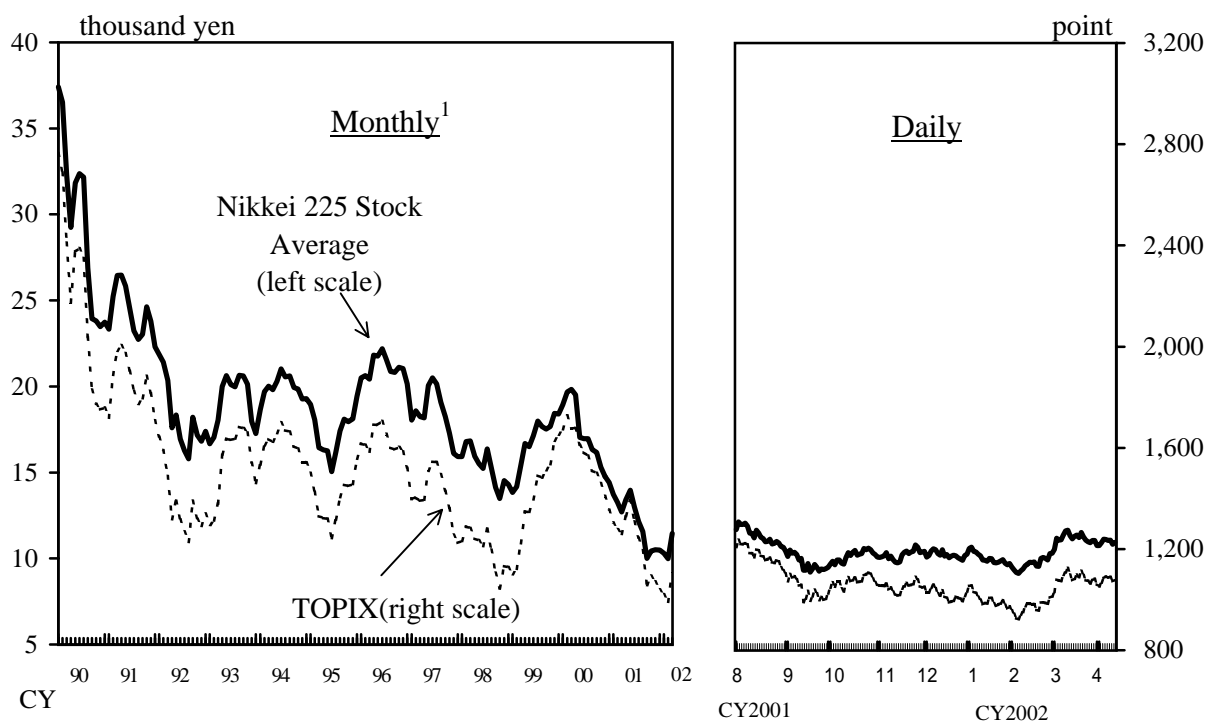
Note: 1. Yields on bonds with 5-year maturity.

The indicated ratings are of Moody's.

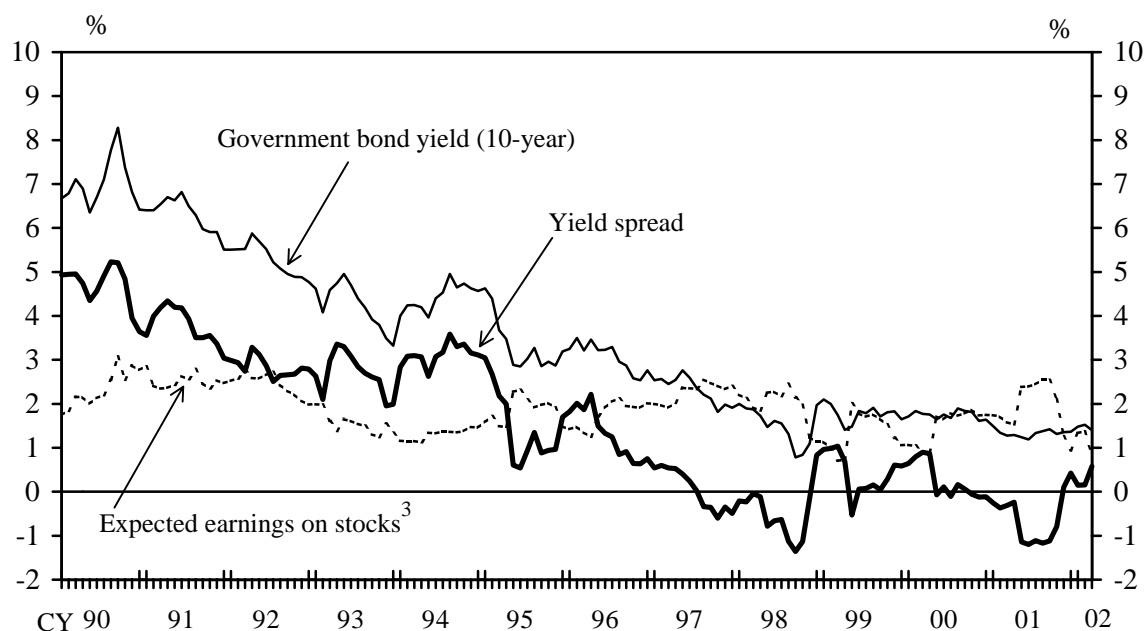
Source: Japan Securities Dealers Association, "Over-the-Counter Standard Bond Quotations."

Stock Prices

(1) Stock Prices



(2) Yield Spread²



Notes: 1. Data are monthly averages.

2. Data are at end of period.

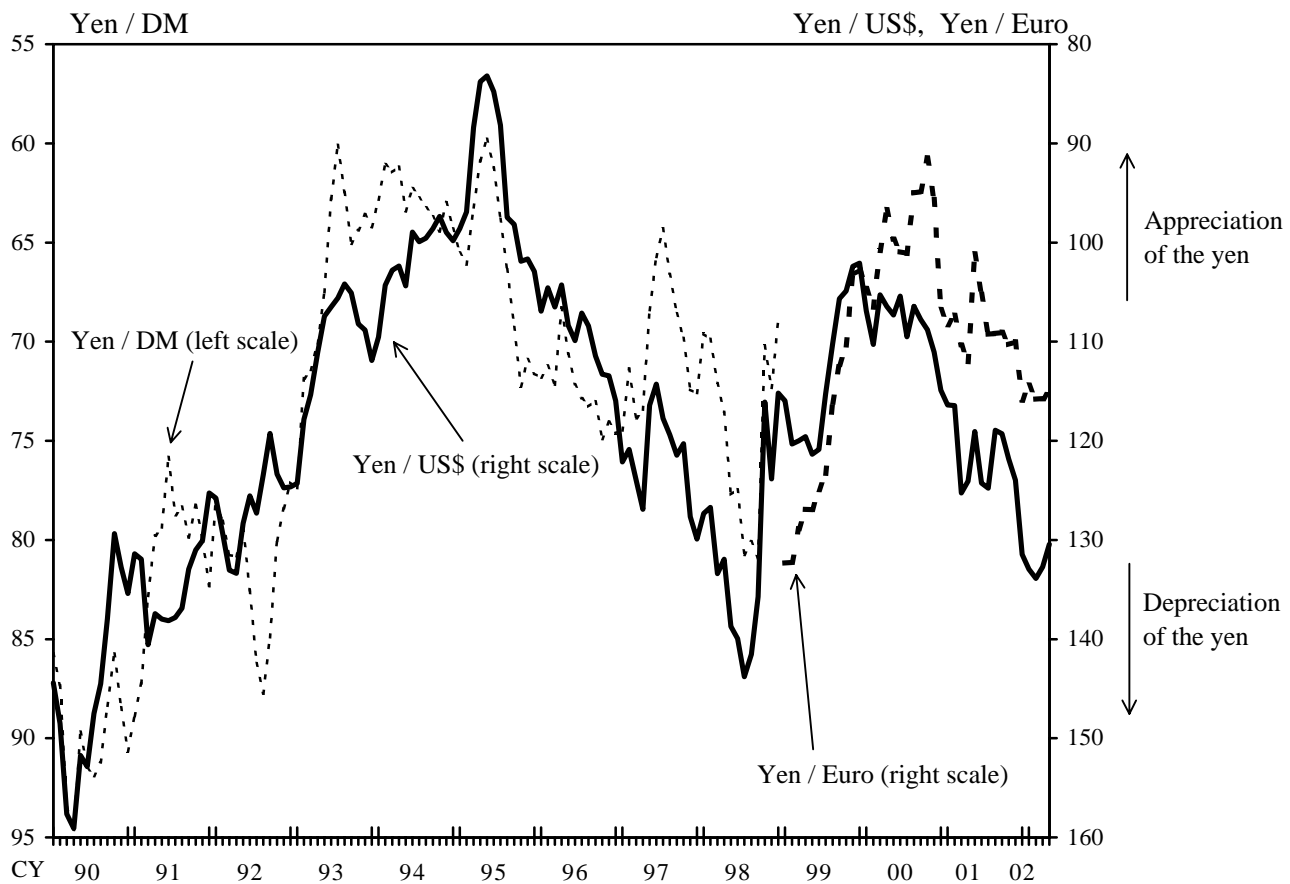
Yield spread = government bond yields - expected earnings on stocks, where expected earnings on stocks = 1/expected price earnings ratio.

3. Based on stocks listed on the TSE First Section. Excludes bank stocks.

Data (unconsolidated) are calculated by the Daiwa Research Institute.

Sources: *The Nihon Keizai Shimbun* ; Daiwa Research Institute, "*Daiwa Toushi Shiryou* (Daiwa Investment Information)."

Exchange Rates ¹

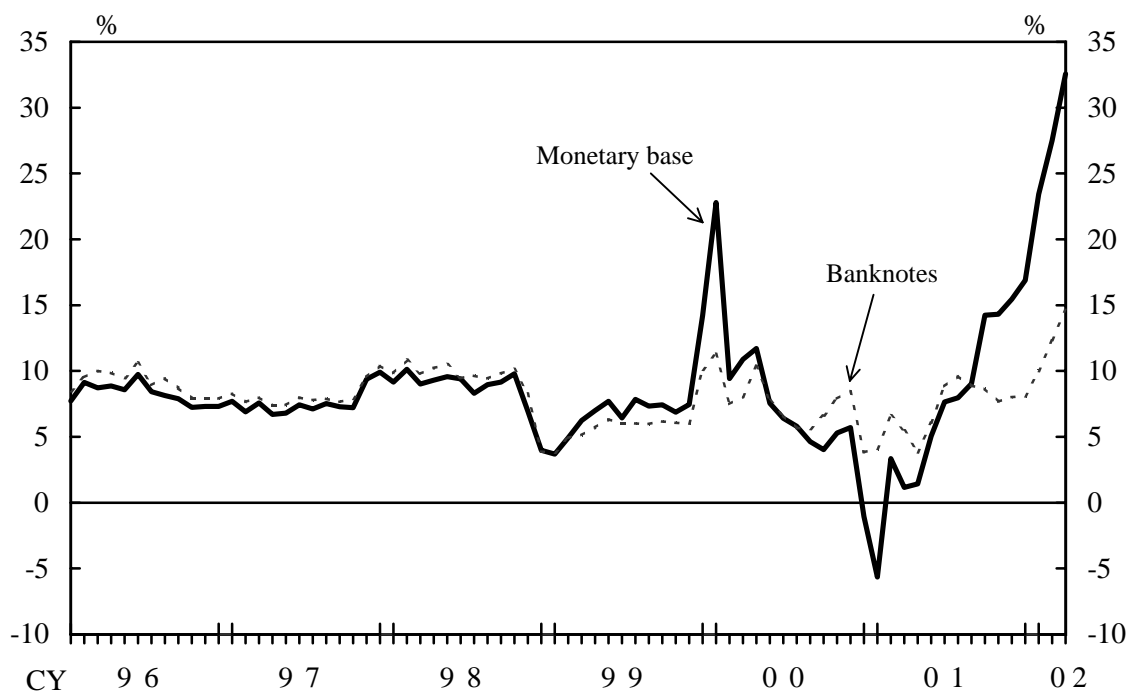


Note: 1. End of month. Data for April 2002 are as of April 10, 2002.

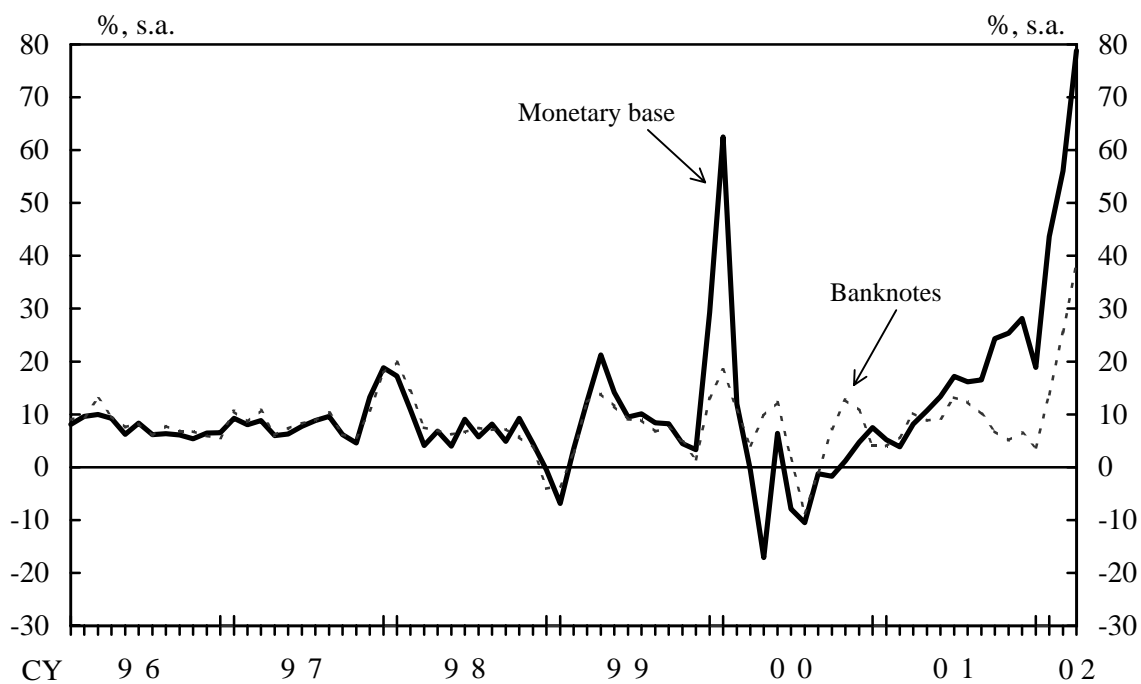
Source: Bank of Japan.

 Monetary Base

(1) Changes from a Year Earlier



(2) Changes from Three Months Earlier (Annualized)



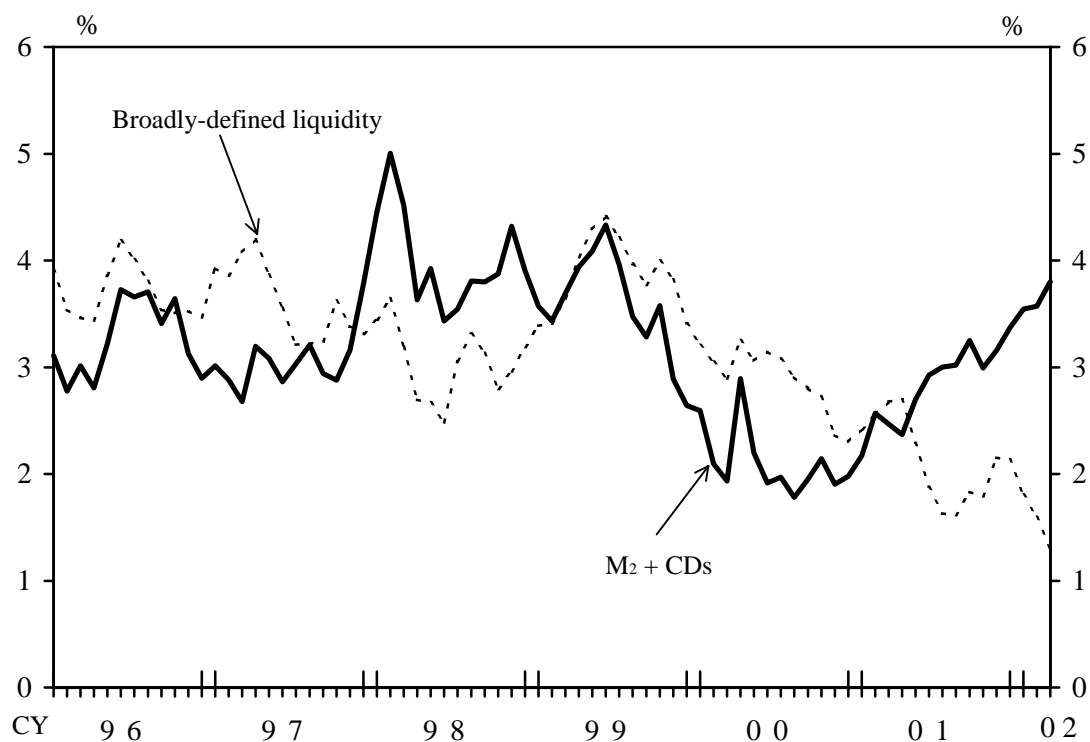
Note: Monetary base = currency in circulation (banknotes + coins) + current deposits at the Bank of Japan.

Data for currency in circulation include holdings of financial institutions.

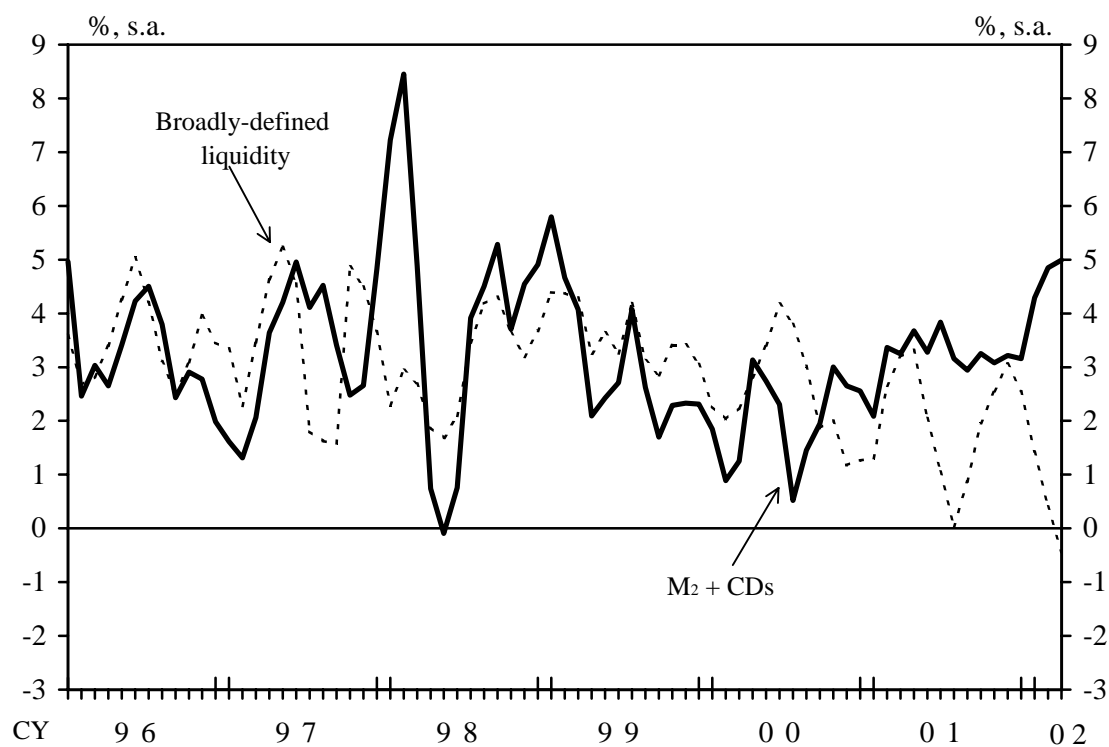
Source: Bank of Japan.

 Money Stock (M₂+CDs, Broadly-Defined Liquidity)

(1) Changes from a Year Earlier

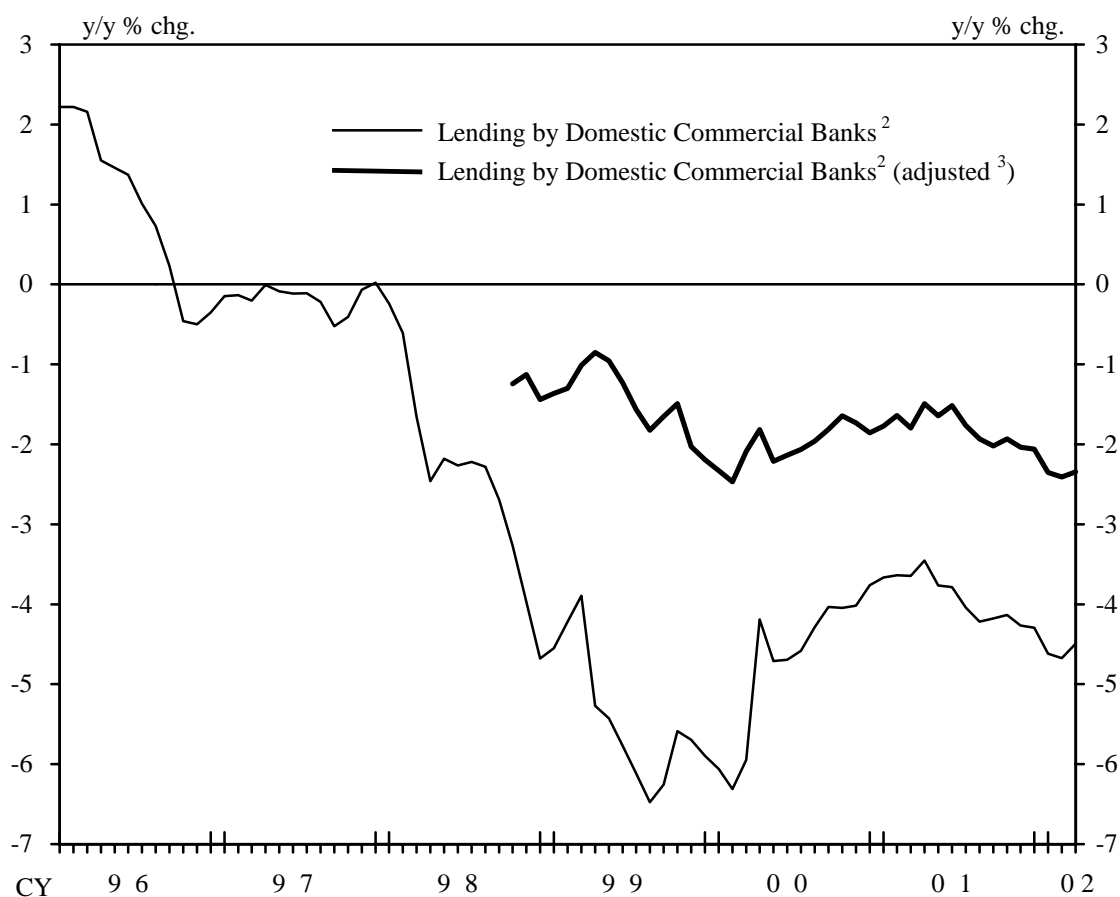


(2) Changes from Three Months Earlier (Annualized)



Note: Percent changes in average amounts outstanding.

Source: Bank of Japan.

Lending by Domestic Commercial Banks ¹

Notes: 1. Percent changes in average amounts outstanding from a year earlier.

2. "Domestic commercial banks" refers to member banks of the Japanese Bankers Association, which consists of city banks, long-term credit banks, trust banks (excluding foreign-owned trust banks and trust banks that started business after October 1993), the member banks of the Regional Banks Association of Japan (regional banks) and the member banks of the Second Association of Regional Banks (regional banks II).

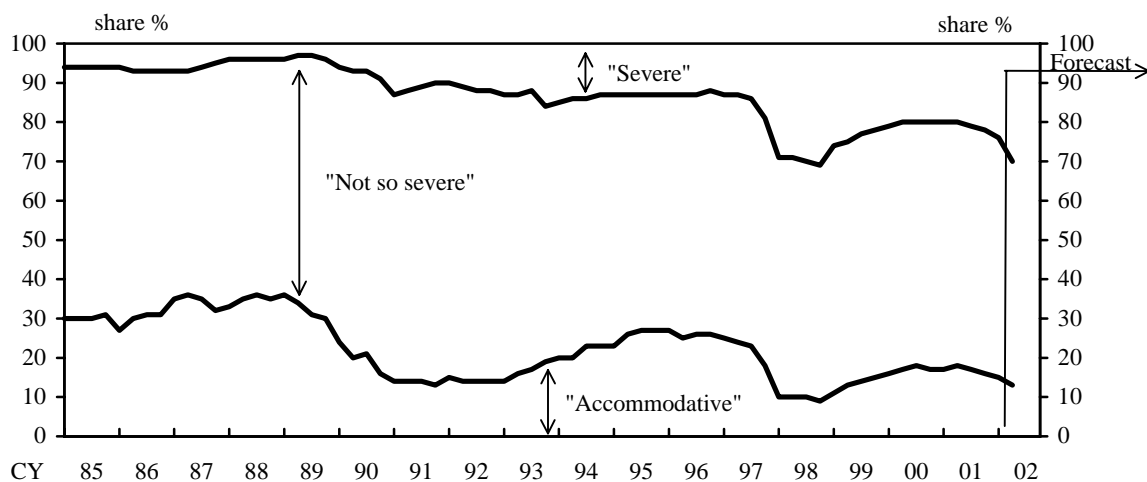
3. Adjusted to exclude

- (1) fluctuations from the liquidation of loans,
- (2) fluctuations in the yen value of foreign currency-denominated loans due to changes in exchange rates,
- (3) fluctuations from loan write-offs,
- (4) the transfer of loans to the former Japan National Railways Settlement Corporation to the General Account, and
- (5) the transfer of loans to the former Housing Loan Administration Corporation to the Resolution and Collection Corporation.

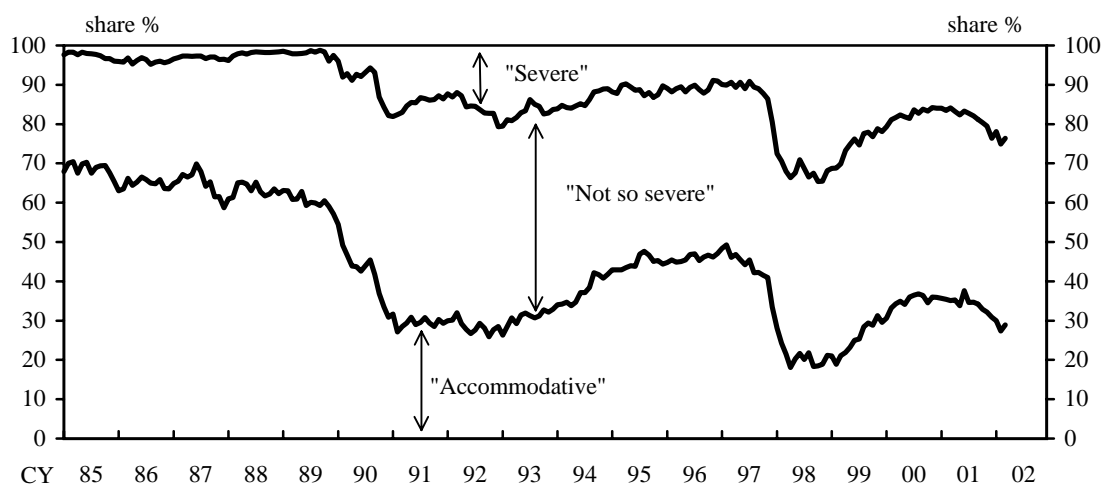
Source: Bank of Japan, "Principal Figures of Financial Institutions."

Lending Attitude of Financial Institutions as Perceived by Small Enterprises

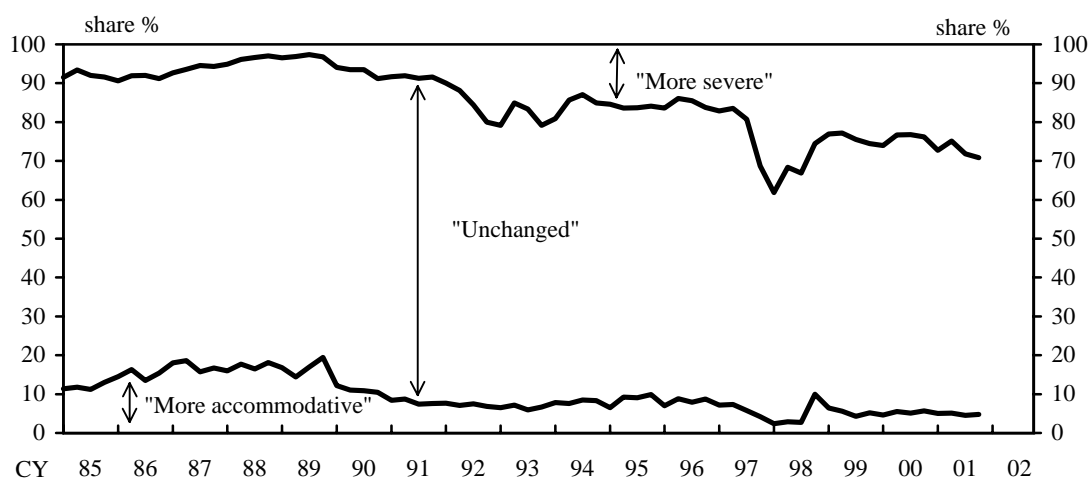
(1) "Tankan - Short-Term Economic Survey of Enterprises in Japan" (March, 2002)



(2) "Monthly Survey on Trends of Small Businesses" (Mid-March, 2002)

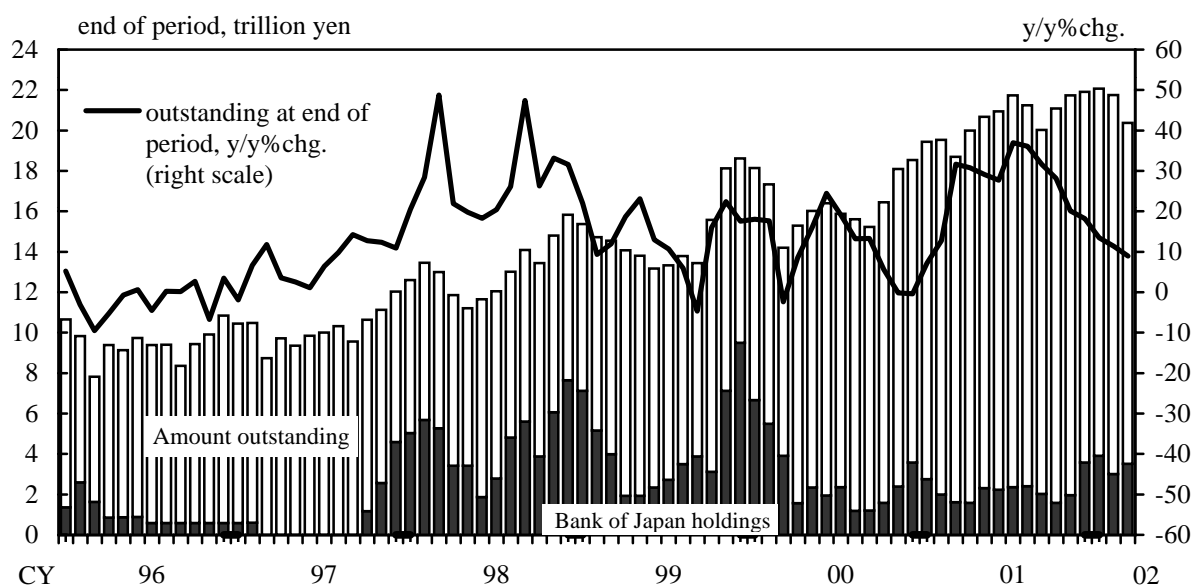


(3) "Quarterly Survey of Small Businesses in Japan" (Mid-December, 2001)



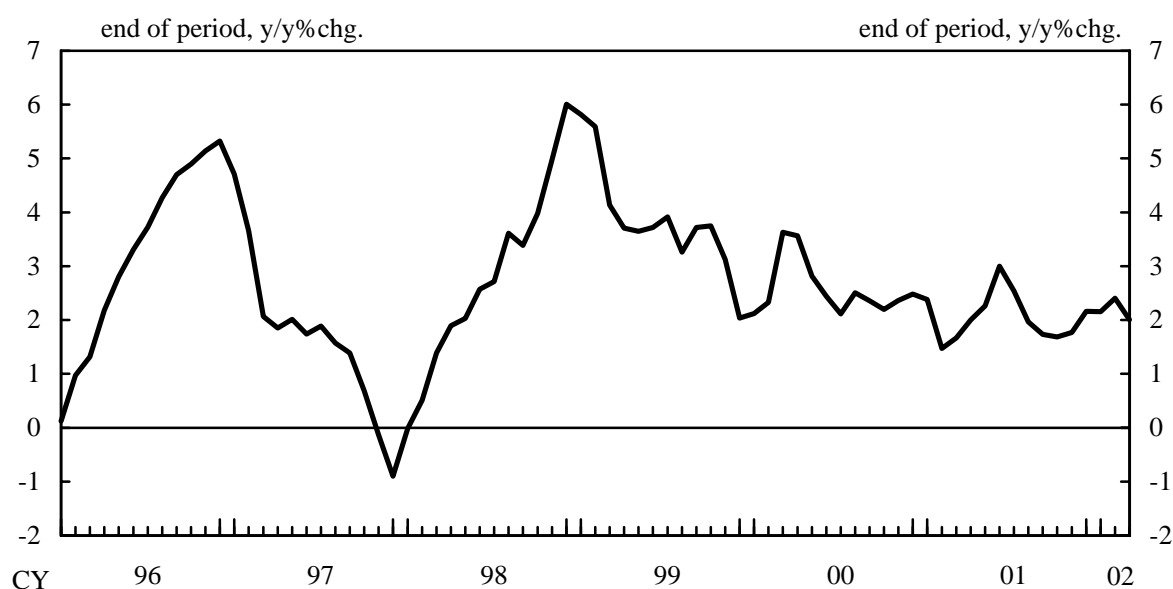
Sources: Bank of Japan, "Tankan - Short-Term Economic Survey of Enterprises in Japan" ;
 Japan Finance Corporation for Small Business, "Monthly Survey on Trends of Small Businesses";
 National Life Finance Corporation, "Quarterly Survey of Small Businesses in Japan."

Private-Sector Fund-Raising in the Capital Markets

(1) Amount Outstanding of Commercial Paper ¹(2) Issue Volume of Corporate Bonds ²

(100 million yen)

	2001/Q3	Q4	2002/Q1	2002/Jan.	Feb.	Mar.
Volume	23,779	31,733	23,568	2,571	10,724	10,273
(previous year)	(25,985)	(20,416)	(21,715)	(1,221)	(9,096)	(11,398)

(3) Amount Outstanding of Corporate Bonds (Changes from a Year Earlier) ^{2,3}

Notes: 1. Figures are those of the client financial institutions of the Bank of Japan.

Excludes those issued by banks.

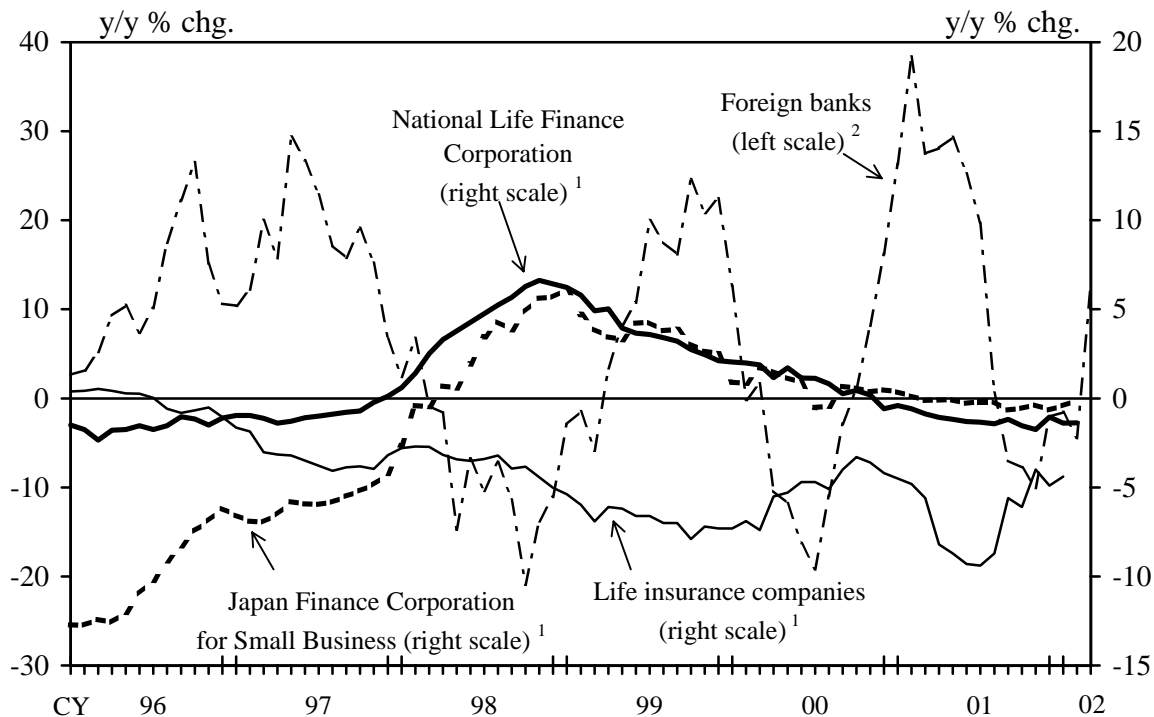
2. Includes straight bonds, convertible bonds, and bonds with warrants.

3. Estimated by the Bank of Japan.

Sources: Bank of Japan, "Principal Figures of Financial Institutions"; Japan Securities Dealers Association, "Bond Review"; IN Information Center, "Funding Eye."

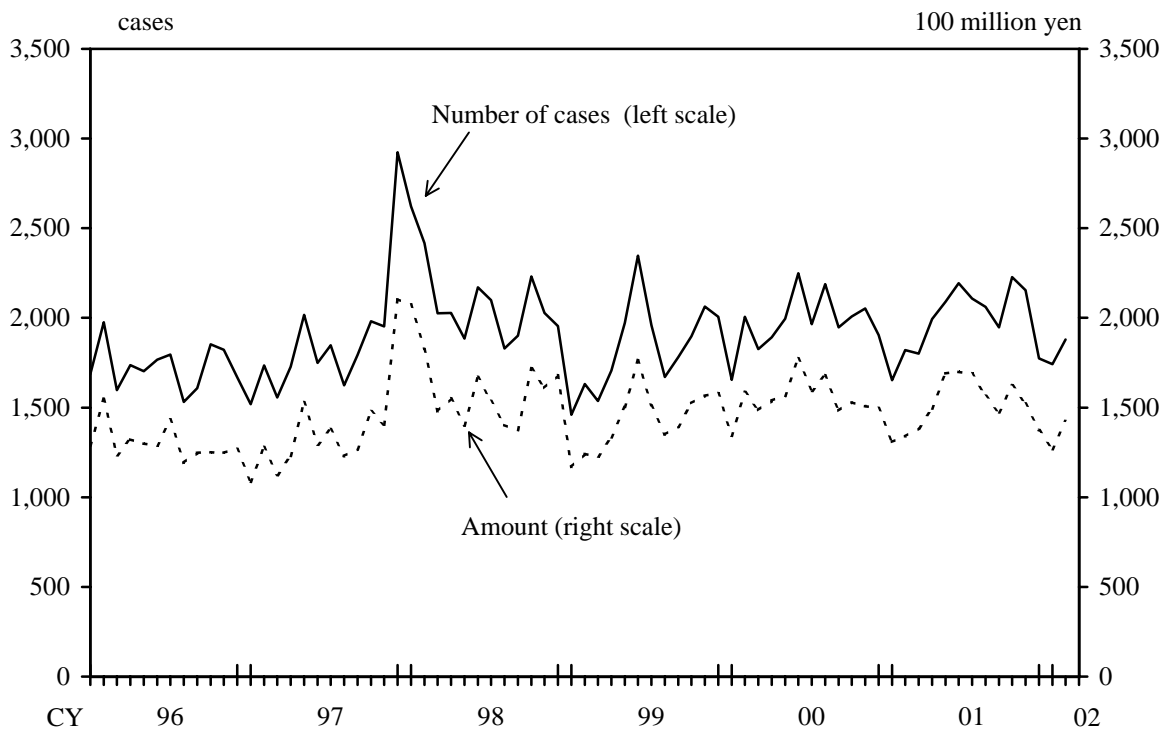
Lending by Other Financial Institutions

(1) Lending Outstanding



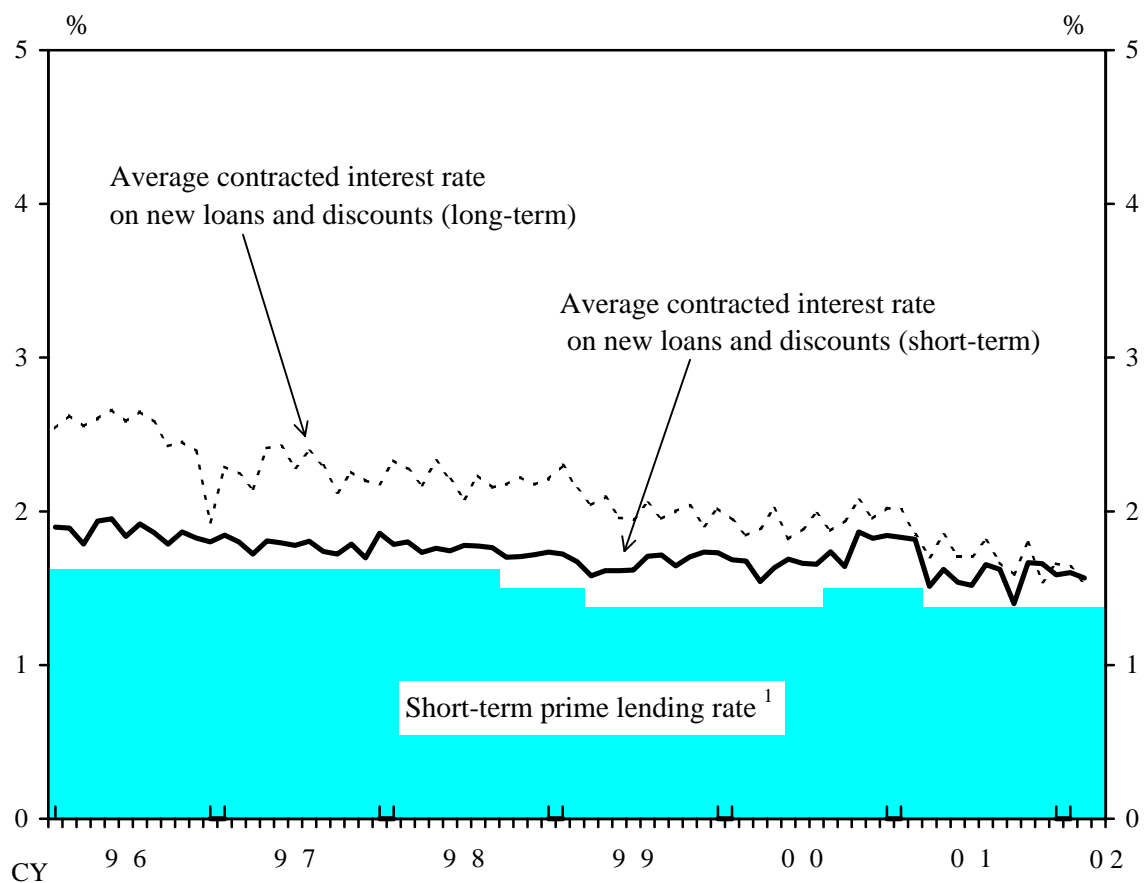
Notes: 1. Data are based on amounts outstanding at end of period.
 2. Data are based on average amounts outstanding.

(2) Application for a Loan from Japan Finance Corporation for Small Business



Sources: Bank of Japan, "Financial and Economic Statistics Monthly"; Japan Finance Corporation for Small Business, "Gyoumu Gaikyo (Business Outline)."

Lending Rates

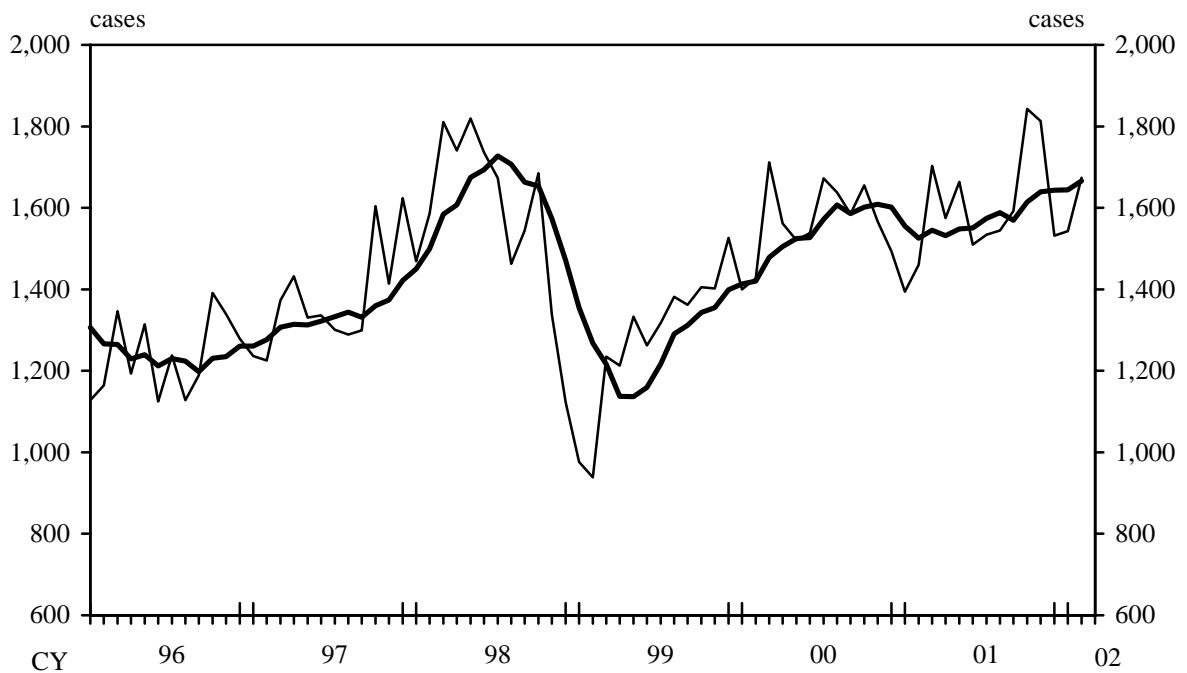


Note: 1. Data are at end of period.

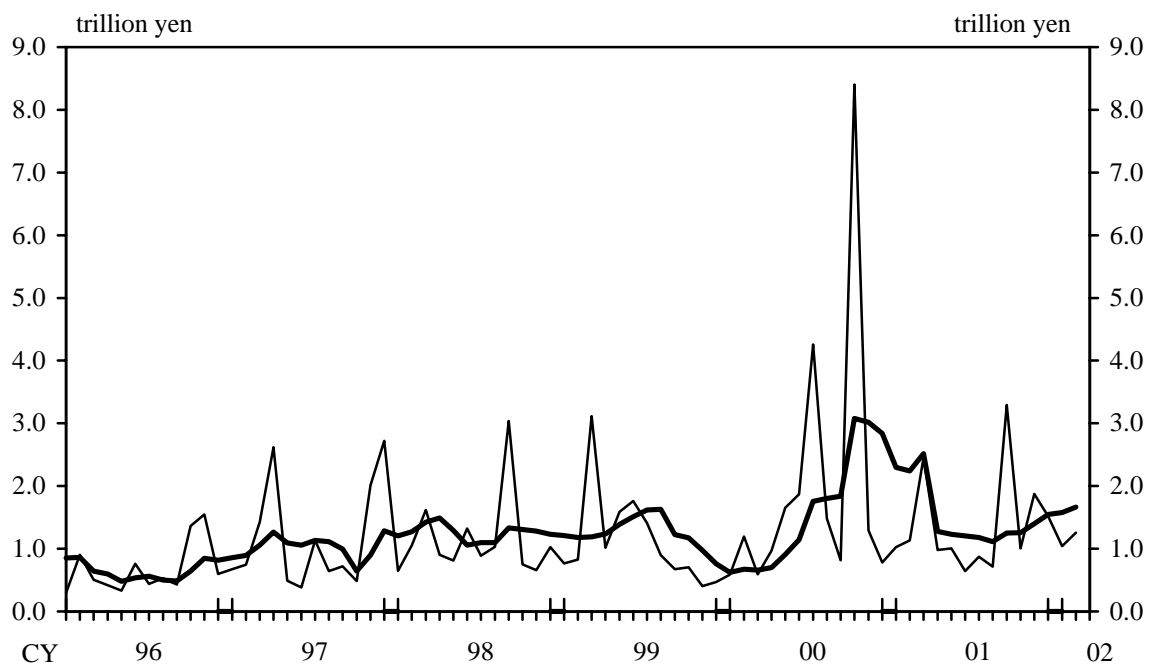
Source: Bank of Japan.

Corporate Bankruptcies

(1) Number of Cases



(2) Amount of Liabilities



Note: The bold line is the six-month moving average.

Source: Tokyo Shoko Research Ltd., "Tosan Geppo (Monthly Review of Corporate Bankruptcies)."