

Moving Forward: Japan's Economy under Quantitative and Qualitative Monetary Easing

Speech at the Japan Society in New York

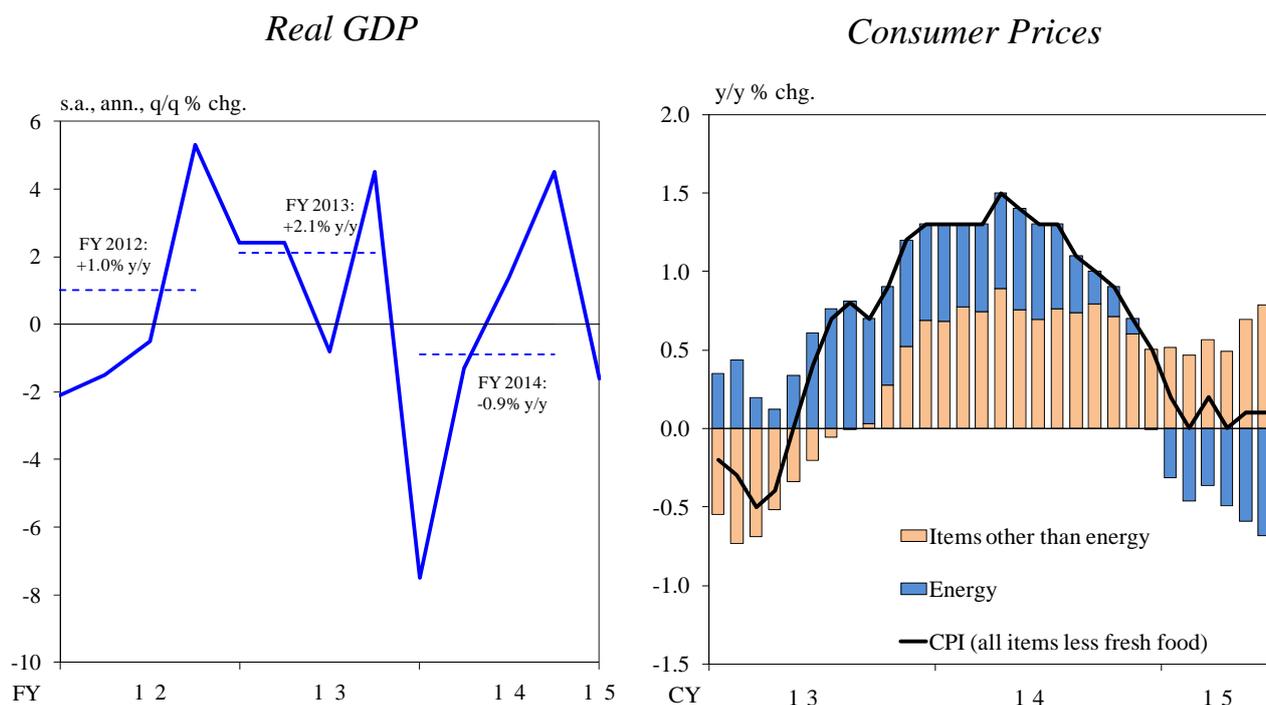
August 26, 2015

Haruhiko Kuroda

Governor of the Bank of Japan

Chart 1

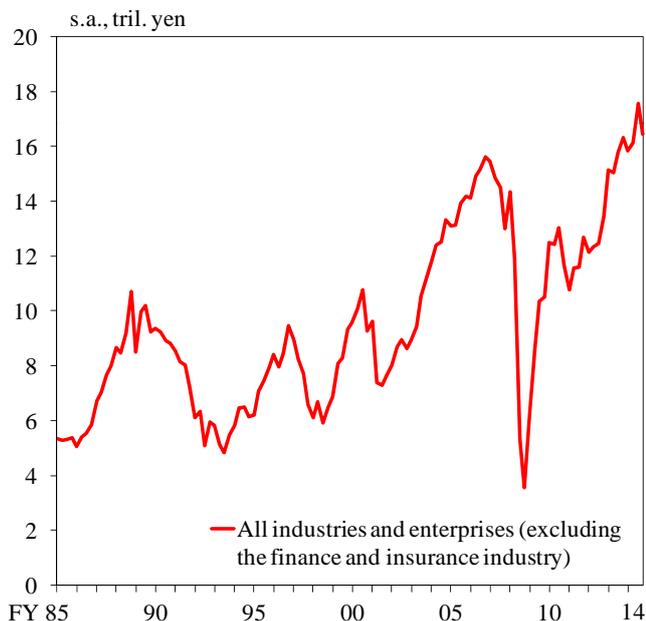
GDP and Consumer Prices



Note: Figures for consumer prices are adjusted for the direct effects of the consumption tax hike in April 2014.
Sources: Cabinet Office; Ministry of Internal Affairs and Communications.

Corporate Profits and Business Fixed Investment

Current Profits

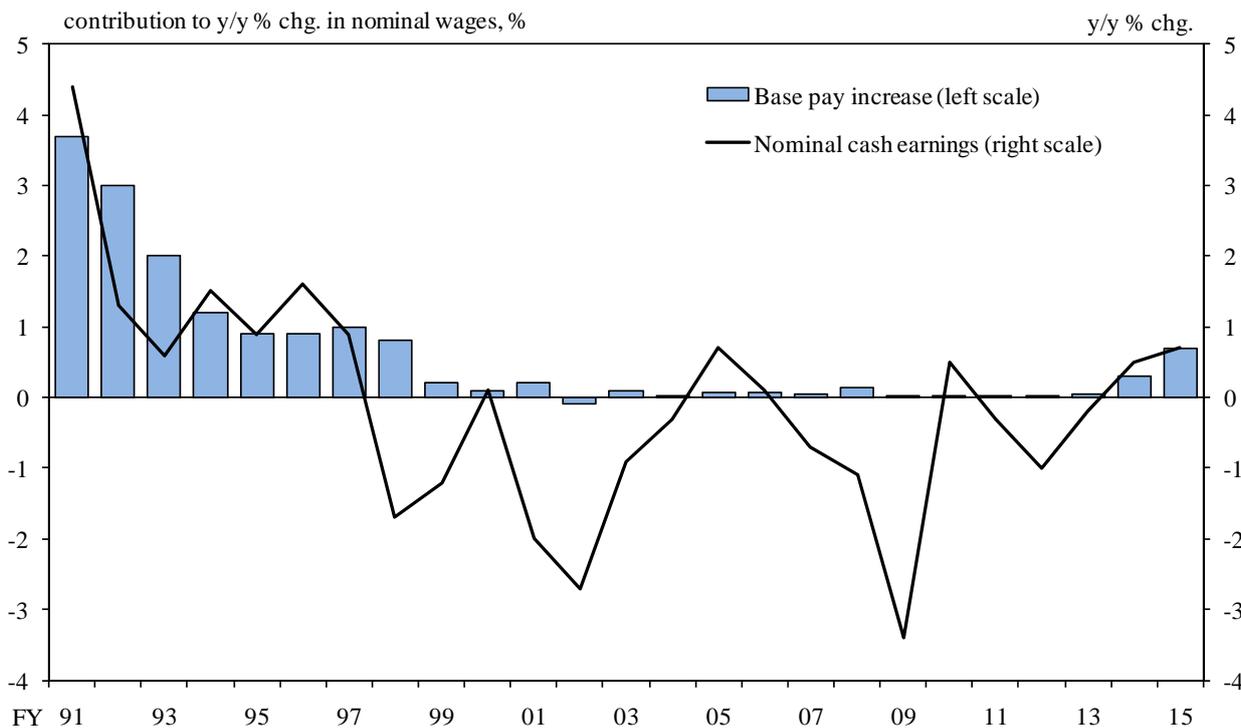


Tankan: Business Fixed Investment Plans

		y/y % chg.	
		FY2014	FY2015 (Forecast)
Large Enterprises	Manufacturing	+ 6.2	+ 17.3
	Nonmanufacturing	+ 3.3	+ 6.6
	All industries	+ 4.3	+ 10.3
Small Enterprises	Manufacturing	+ 9.1	- 5.0
	Nonmanufacturing	+ 1.3	- 15.6
	All industries	+ 3.7	- 12.1
All Enterprises	Manufacturing	+ 7.0	+ 13.1
	Nonmanufacturing	+ 3.3	+ 1.7
	All industries	+ 4.6	+ 5.6

Note: Figures for business fixed investment plans of the *Tankan* include software investment but exclude land purchasing expenses.
Sources: Ministry of Finance; Bank of Japan.

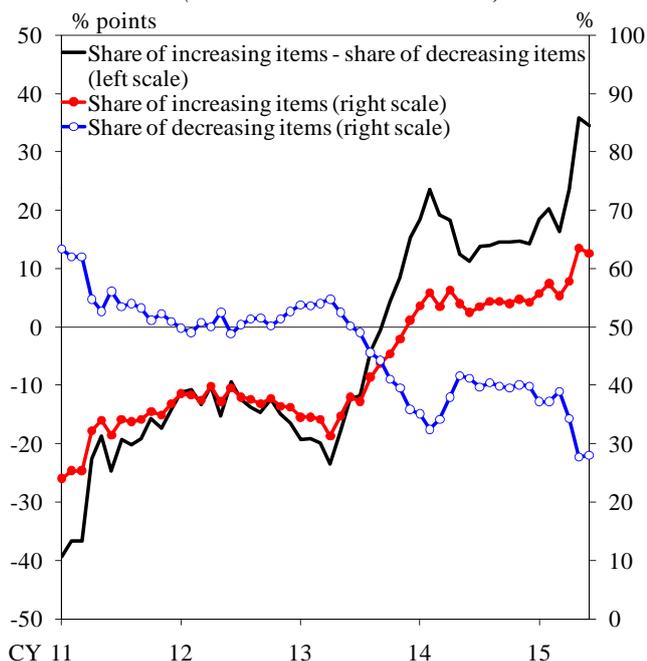
Nominal Cash Earnings and Base Pay Increase



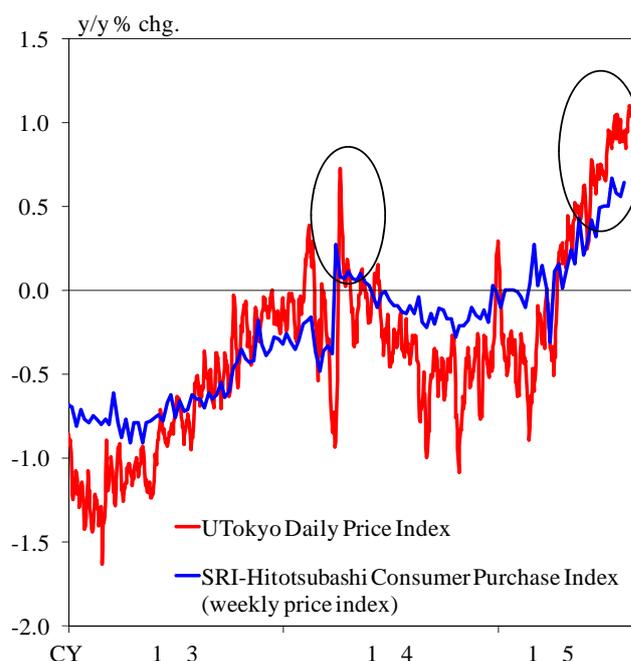
Notes: 1. The figure for fiscal 2015 for nominal cash earnings is the April-May average.
2. Figures for the base pay increase up through fiscal 2014 are taken from the Central Labour Relations Commission, and the figure for fiscal 2015 is taken from the Japanese Trade Union Confederation (RENGO).
Sources: Ministry of Health, Labour and Welfare; Central Labour Relations Commission; Japanese Trade Union Confederation (RENGO).

Price Developments

*Share of Increasing and Decreasing Items
(Consumer Price Index)*



*UTokyo Daily Price Index and
SRI-Hitotsubashi Consumer Purchase Index*

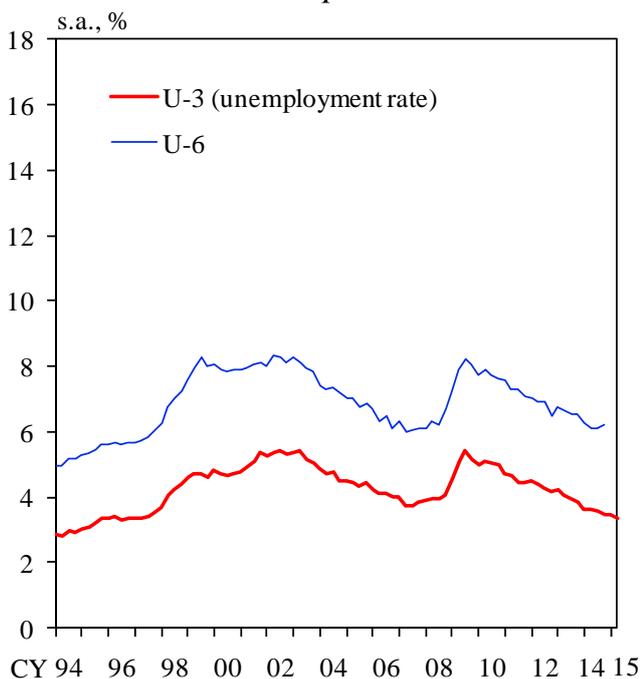


Notes: 1. The share of increasing/decreasing items is the share of items in the consumer price index (all items less fresh food) whose price indices increased/decreased from a year earlier. The price indices are adjusted for the direct effects of the consumption tax hike in April 2014.
2. The UTokyo Daily Price Index is a 7-day backward moving average.

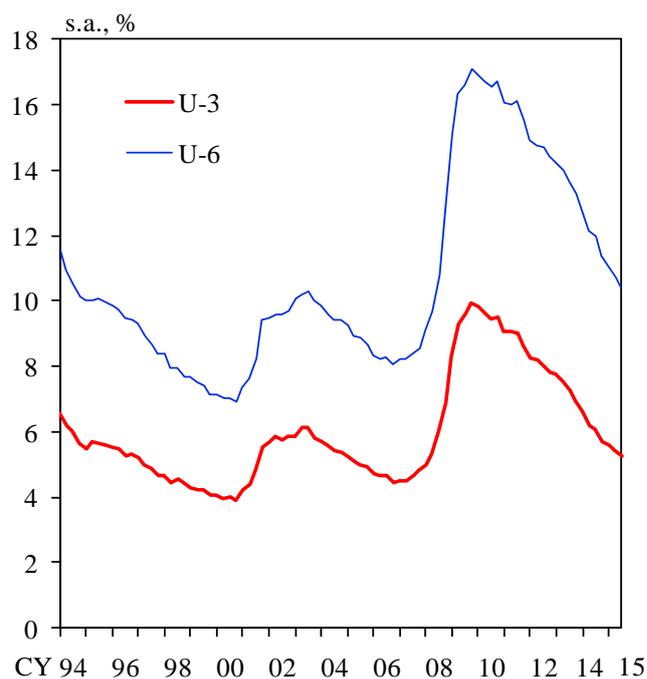
Sources: Ministry of Internal Affairs and Communications; UTokyo Daily Price Index Project; Research Center for Economic and Social Risks, Institute of Economic Research, Hitotsubashi University.

Unemployment Rates

Japan



United States



Notes: 1. Figures for 2015/Q3 in United States are those for July.

2. U-6 (Japan) = (unemployed persons + marginally attached workers + part time for economic reasons) / (labor force + attached workers). For details of its definition, see Note 2 to Chart 37 in the April 2015 *Outlook for Economic Activity and Prices*.

Sources: Ministry of Internal Affairs and Communications; BLS.

Mechanism of QQE

