

At the Turning Point

*Speech at the Meeting of Councillors of Nippon Keidanren
(Japan Business Federation) in Tokyo*

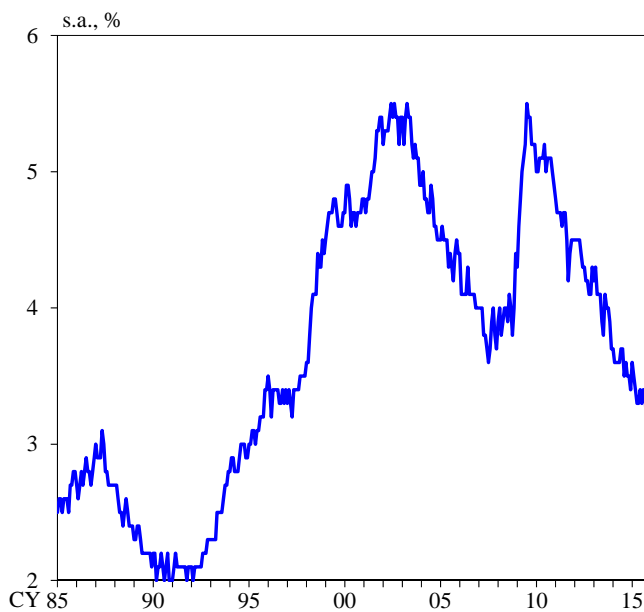
December 24, 2015

Haruhiko Kuroda
Governor of the Bank of Japan

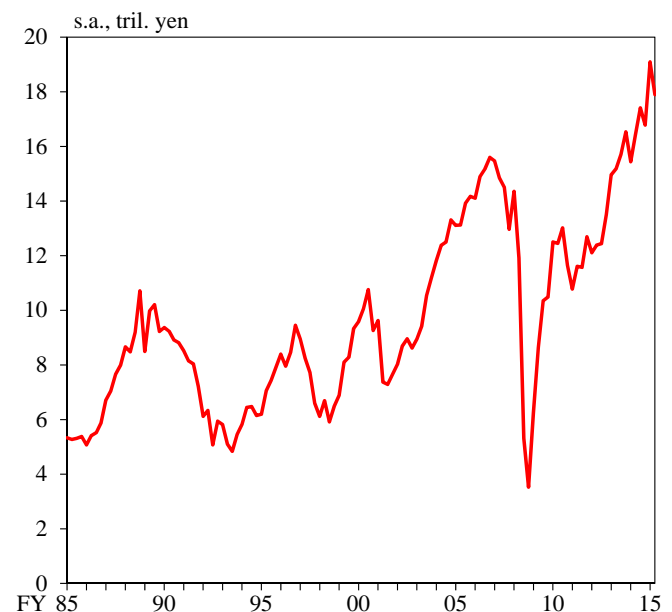
Chart 1

Labor Market and Corporate Profits

Unemployment Rate

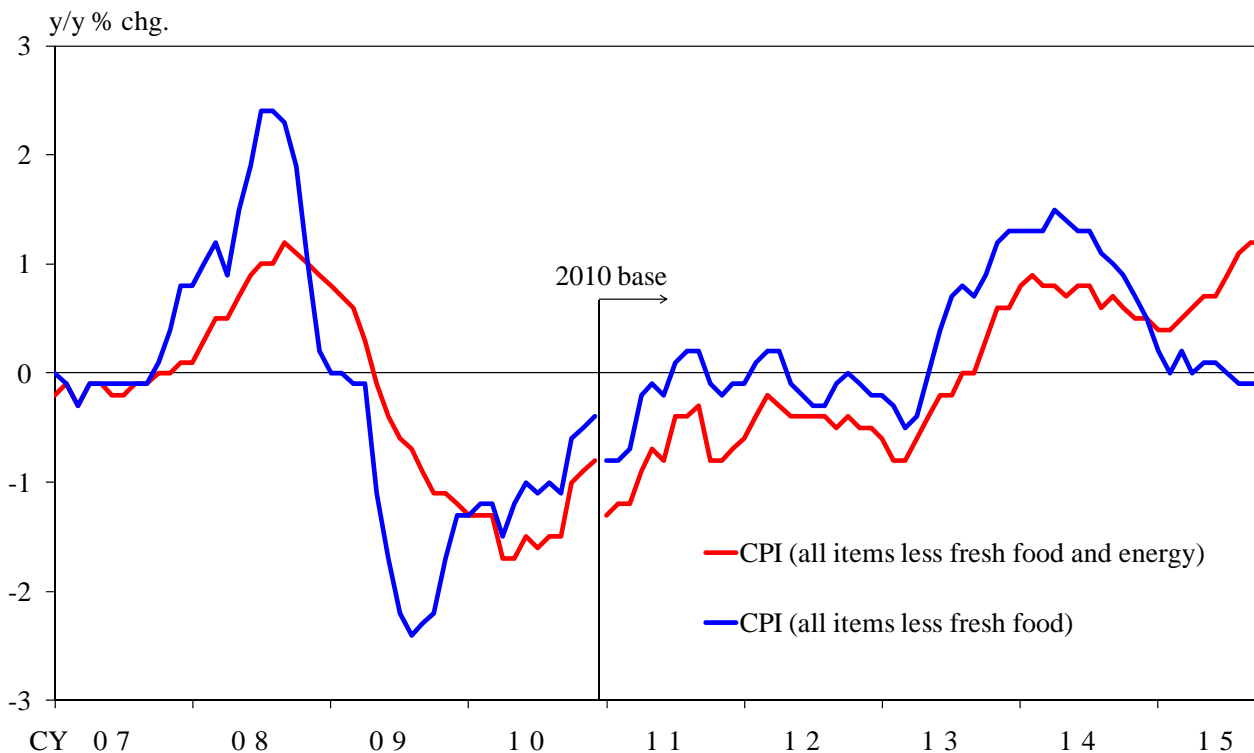


Current Profits



Note: Figures for current profits exclude those for the finance and insurance industries.
Sources: Ministry of Internal Affairs and Communications; Ministry of Finance.

Consumer Prices



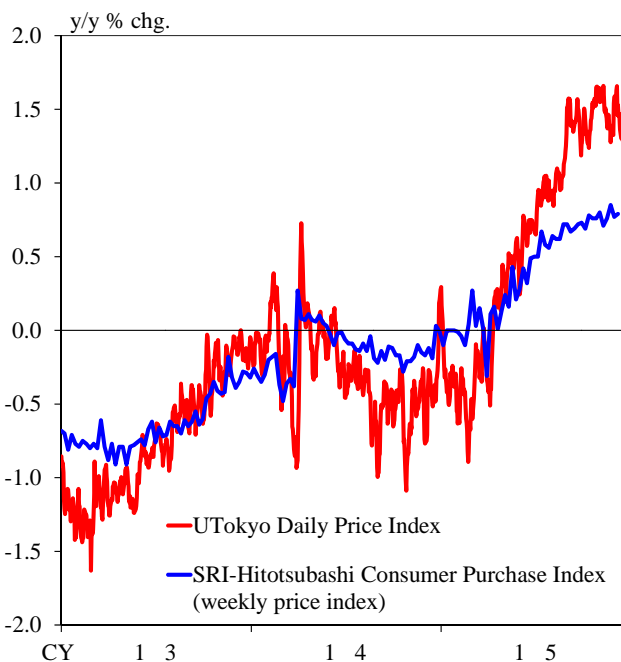
Note: Figures are estimated by adjusting the direct effects of the consumption tax hike.

Figures for the CPI (all items less fresh food and energy) are calculated by the Research and Statistics Department, Bank of Japan.

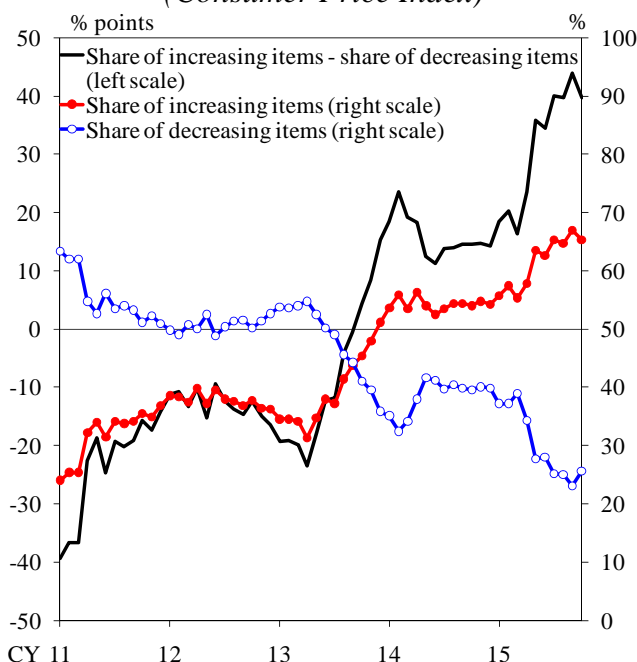
Source: Ministry of Internal Affairs and Communications.

Price Developments

UTokyo Daily Price Index and SRI-Hitotsubashi Consumer Purchase Index



Share of Increasing and Decreasing Items (Consumer Price Index)



Notes: 1. The UTokyo Daily Price Index is a 7-day backward moving average.

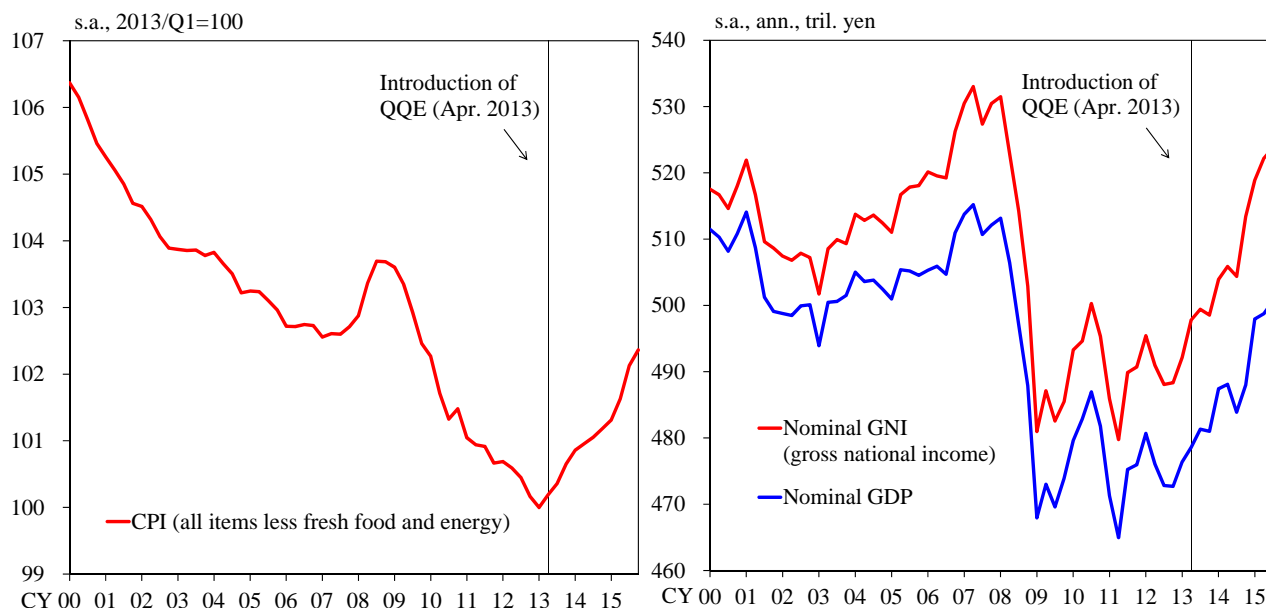
2. The share of increasing/decreasing items is the share of items in the consumer price index (all items less fresh food) whose price indices increased/decreased from a year earlier. The price indices are estimated by adjusting the direct effects of the consumption tax hike.

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

Prices and Nominal Income

Consumer Prices

Nominal Income

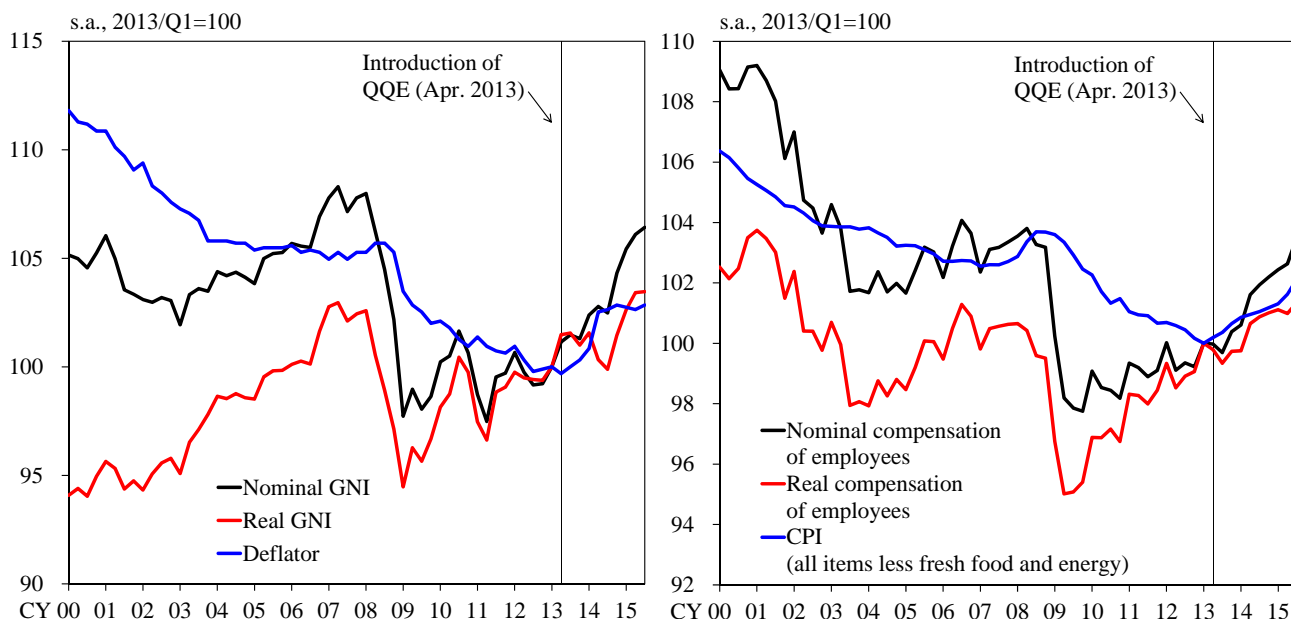


Note: Figures for the CPI (all items less fresh food and energy) are estimated by adjusting the direct effects of the consumption tax hike.
Sources: Ministry of Internal Affairs and Communications; Cabinet Office.

Real and Nominal Income

GNI (Gross National Income)

Compensation of Employees

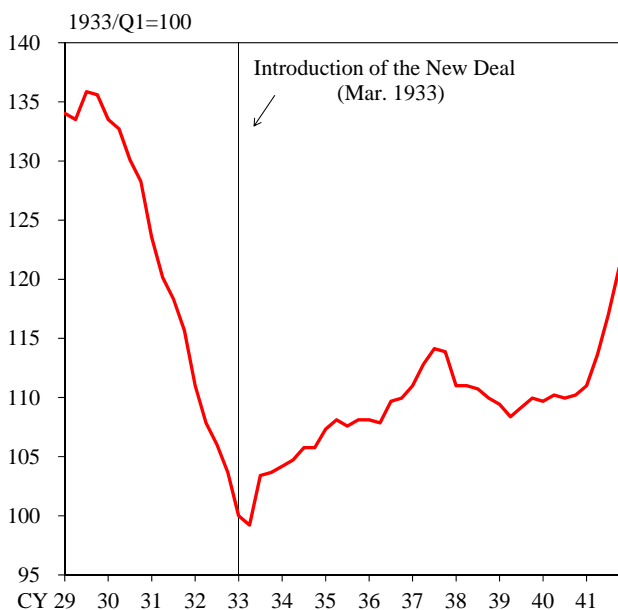


Notes: 1. Figures for the CPI (all items less fresh food and energy) are estimated by adjusting the direct effects of the consumption tax hike.
2. Real compensation of employees are estimated by deflating nominal compensation of employees by the CPI (all items less fresh food and energy).

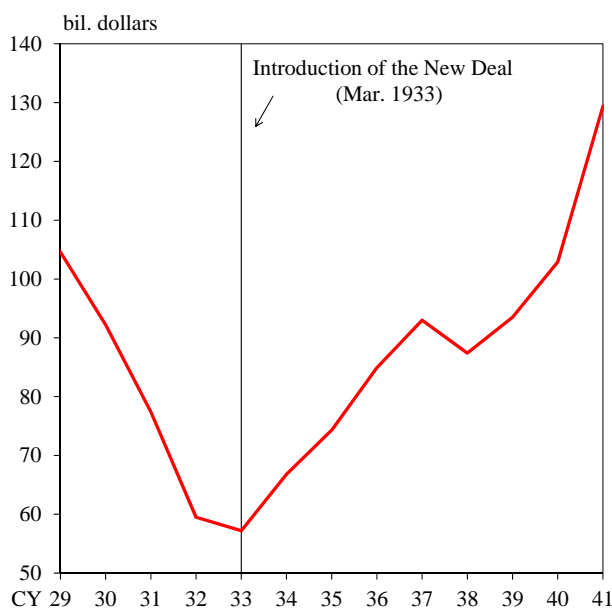
Sources: Ministry of Internal Affairs and Communications; Cabinet Office.

The Great Depression in the United States

Consumer Prices



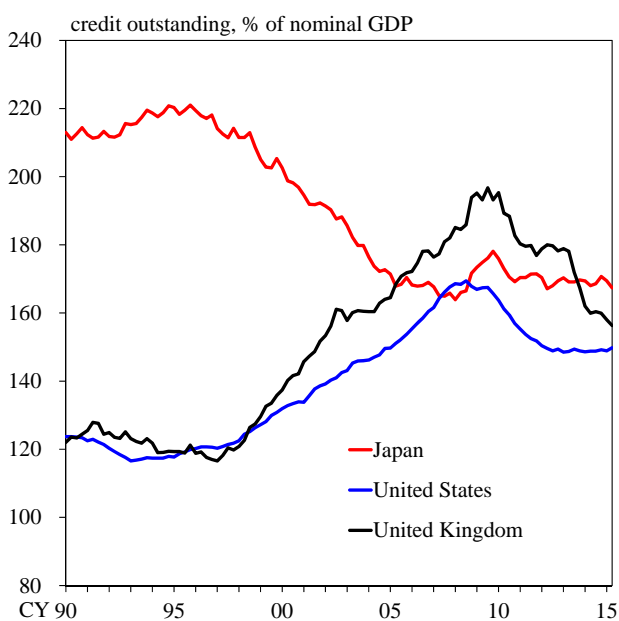
Nominal GDP



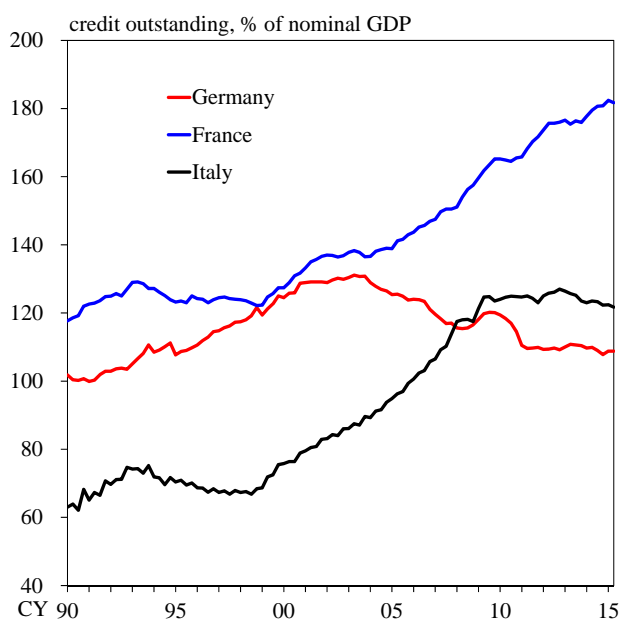
Sources: Bureau of Labor Statistics; Bureau of Economic Analysis.

Deleverage

Japan, United States, and United Kingdom



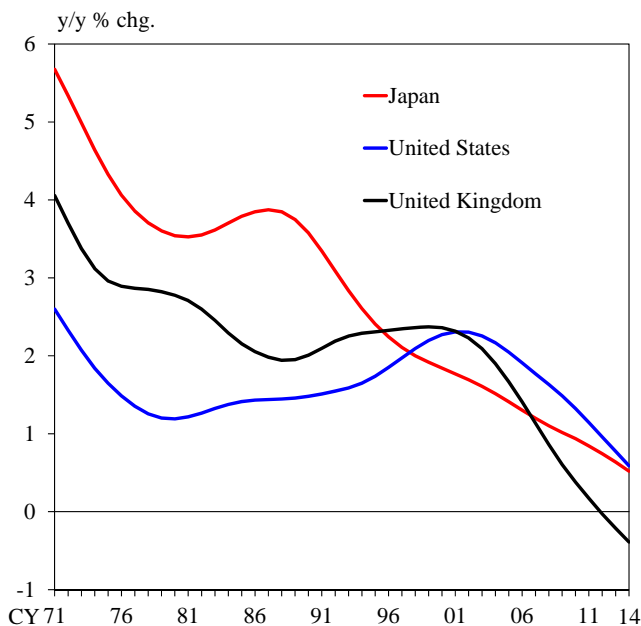
Germany, France, and Italy



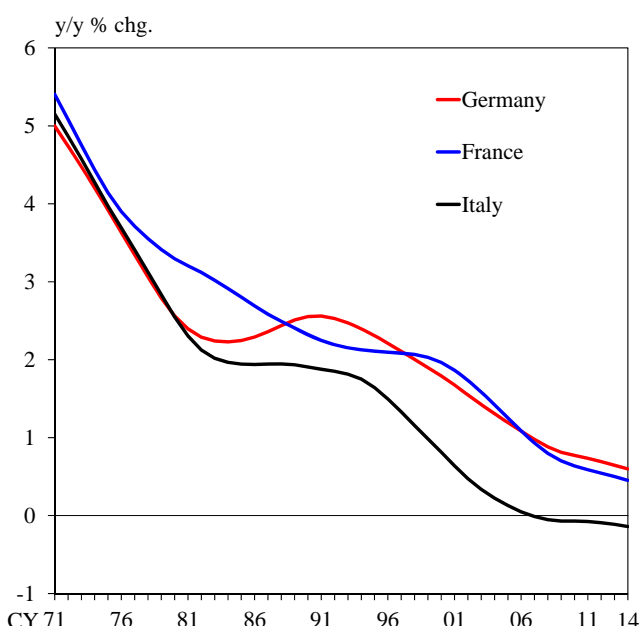
Note: Figures are the amount outstanding of credit obtained by the private non-financial sector.
Source: BIS.

Labor Productivity

Japan, United States, and United Kingdom



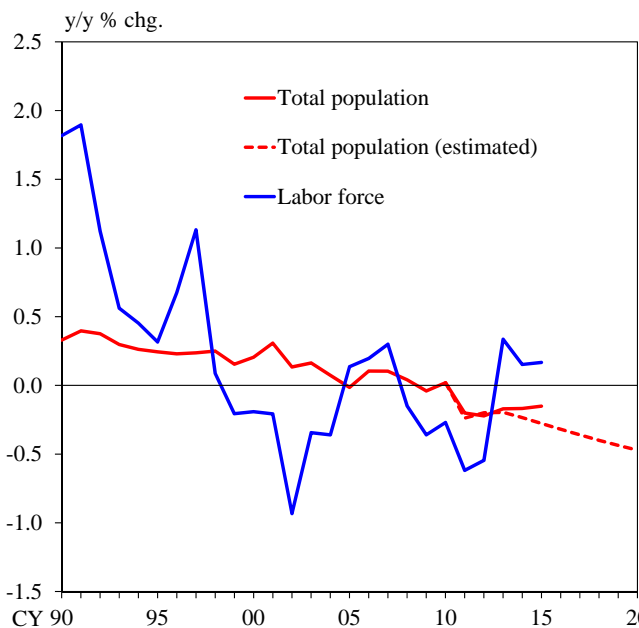
Germany, France, and Italy



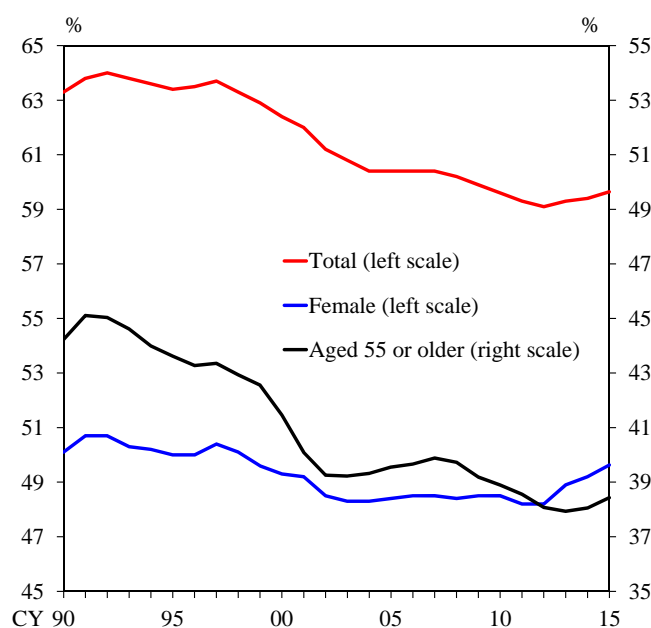
Note: These series show the trends of the year-on-year rates of change in the real GDP per hour worked, derived from the HP filter.
Source: OECD.

Labor Supply

Demographic Changes



Labor Force Participation Rate



Note: Figures for the labor force and labor force participation rates for 2015 are the January-October averages.
Sources: Ministry of Internal Affairs and Communications; National Institute of Population and Social Security Research.