

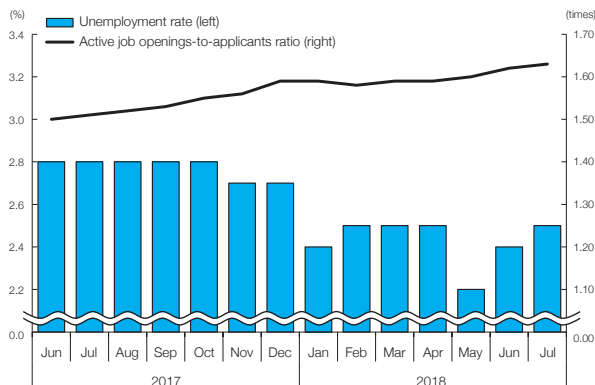
## Economy

The Japanese economy is recovering at a moderate pace. Concerning short-term prospects, the economy is expected to continue recovering, supported by the effects of the policies, while employment and income situation is improving. However, it is necessary to pay attention to the influence of the trend of trade problems on the world, the uncertainty in overseas economies and the effects of fluctuations in the financial and capital markets. (“Monthly Economic Report,”<sup>1</sup> August, 2018).

## Employment and unemployment (See Figure 1)

The number of employees in July increased by 1.14 million over the previous year. The unemployment rate, seasonally adjusted, was 2.5%<sup>2</sup>. Active job openings-to-applicants ratio\* in July, seasonally adjusted, was 1.63<sup>3</sup>.

\* Active job openings-to-applicants ratio: An indicator published monthly by MHLW, showing the tightness of labor supply and demand. It indicates the number of job openings per job applicant at public employment security offices.



Source: “Labour Force Survey”<sup>2</sup>, “Employment Referrals for General Workers.”<sup>3</sup>

Figure 1. Unemployment rate and active job openings-to-applicants ratio (seasonally adjusted)

## Wages and working hours (See Figure 2)

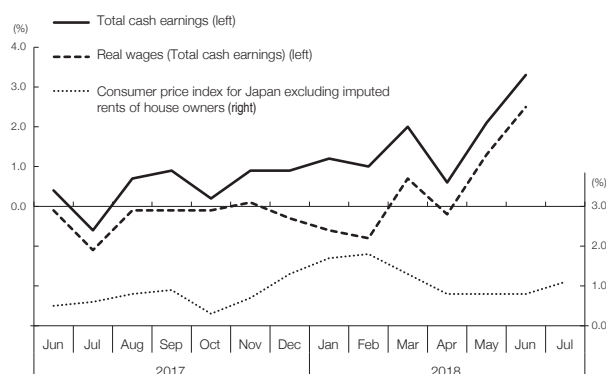
In June, total cash earnings (for establishments with 5 or more employees) increased by 3.3% and real wages (total cash earnings) increased by 2.5% year-on-year. Total hours worked decreased by 1.0% year-on-year, while scheduled hours worked decreased by 1.2%<sup>4</sup>.

## Consumer price index

In July, the consumer price index for all items increased by 0.9% year-on-year, the consumer price index for all items less fresh food rose by 0.8%, and the consumer price index for all items less fresh food and energy increased 0.3% year-on-year<sup>5</sup>.

## Workers’ household economy

In July, consumption expenditure by workers’ households increased by 0.4% year-on-year nominally and decreased by 0.7% in real terms<sup>6</sup>.



Source: “Monthly Labor Survey”<sup>4</sup>, “Consumer Price Index.”<sup>5</sup>

Figure 2. Total cash earnings/real wages annual percent change

See the websites below for details.

The Japan Institute for Labour Policy and Training, “Main Labor Economic Indicators.”

<http://www.jil.go.jp/english/estatis/eshuyo/index.html>

Notes: 1. Cabinet Office, “Monthly Economic Report” analyzes trends in the Japanese and world economics, and indicating the assessment by the Japanese government. Published once a month. <http://www5.cao.go.jp/keizai3/getsurei-e/index-e.html>

2. Ministry of Internal Affairs and Communications (MIC), “Labour Force Survey.”

<http://www.stat.go.jp/english/data/roudou/results/month/index.htm>

3. Ministry of Health, Labour and Welfare (MHLW), “Employment Referrals for General Workers.”

[http://www.mhlw.go.jp/english/database/db-l/general\\_workers.html](http://www.mhlw.go.jp/english/database/db-l/general_workers.html)

4. MHLW, “Monthly Labour Survey.” <http://www.mhlw.go.jp/english/database/db-l/monthly-labour.html>

5. MIC, “Consumer Price Index.” <http://www.stat.go.jp/english/data/cpi/index.htm>

6. MIC, “Family Income and Expenditure Survey.” <http://www.stat.go.jp/english/data/kakei/index.htm>