

## Economy

The Japanese economy is recovering at a moderate pace while weakness continuing mainly in exports. Concerning short-term prospects, weakness remains for the time being, but the economy is expected to continue recovering, supported by the effects of the policies, while employment and income situation is improving. However, attention should be given to the effects of the intensified tension over trade issues on the world economy, while the prospect of the Chinese economy, the uncertainty of situations and policies in overseas economies and the effects of fluctuations in the financial and capital markets also need attention (Monthly Economic Report,<sup>1</sup> August, 2019).

## Employment and unemployment

The number of employees in July increased by 810 thousand over the previous year. The unemployment rate, seasonally adjusted, was 2.2%.<sup>2</sup> Active job openings-to-applicants ratio<sup>3</sup> in July, seasonally adjusted, was 1.59.<sup>4</sup> (Figure 1)

## Wages and working hours

In June, total cash earnings (for establishments with 5 or more employees) increased by 0.4% and real wages (total cash earnings) decreased by 0.5% year-on-year. Total hours worked decreased by 3.3% year-on-year, while scheduled hours worked decreased by 3.4%.<sup>5</sup> (Figure 2)

## Consumer price index

In July, the consumer price index for all items increased by 0.5% year-on-year, the consumer price index for all items less fresh food rose by 0.6%, and the consumer price index for all items less fresh food and energy increased by 0.6% year-on-year.<sup>6</sup>

## Workers' household economy

In July, consumption expenditure by workers' households increased by 3.6% year-on-year nominally and increased by 3.0% in real terms.<sup>7</sup>

For details, see JILPT *Main Labor Economic Indicators* at <https://www.jil.go.jp/english/estatis/eshuyo/index.html>

Notes: 1. Cabinet Office, *Monthly Economic Report* analyzes trends in the Japanese and world economies and indicates 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>

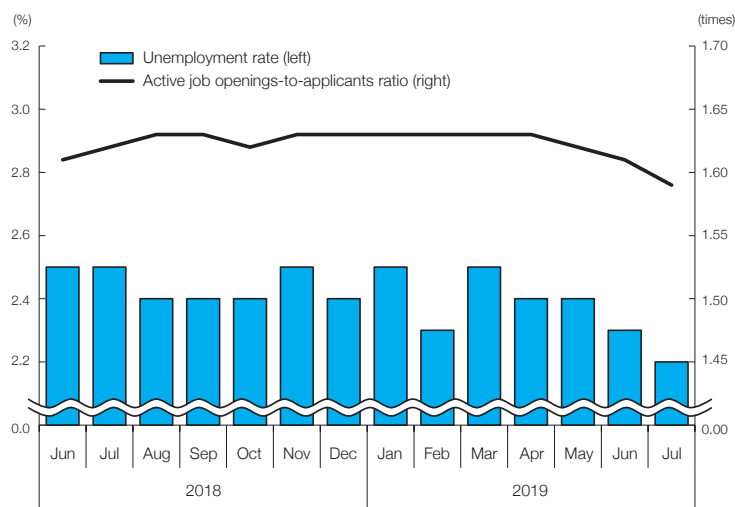
3. Active job openings-to-applicants ratio indicates the number of job openings per job applicant at public employment security offices, published monthly by Ministry of Health, Labour and Welfare (MHLW). It shows the tightness of labor supply and demand.

4. 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)

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

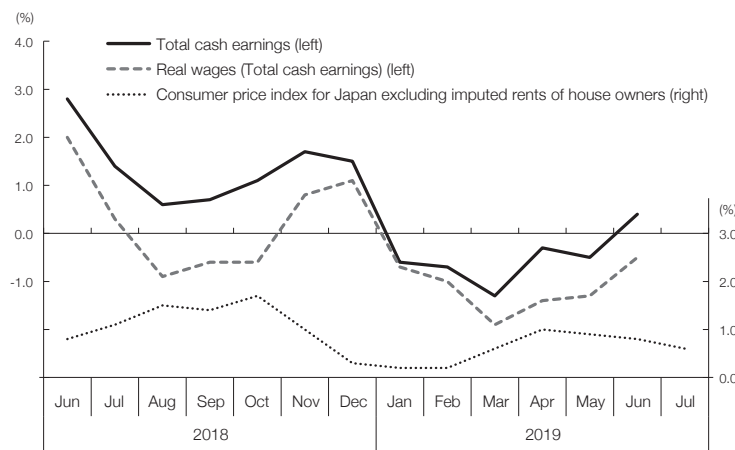
6. MIC, *Consumer Price Index*. <http://www.stat.go.jp/english/data/cpi/index.htm>

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



Source: Labour Force Survey<sup>2</sup>; Employment Referrals for General Workers.<sup>4</sup>

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



Source: Monthly Labour Survey<sup>5</sup>; Consumer Price Index.<sup>6</sup>

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