

Economy

The Japanese economy is recovering at a moderate pace, while weakness mainly among manufacturers is increasing further, as exports are continuing in a weak tone. 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 situations in overseas economies including the situations over trade issues, the prospect of the Chinese economy and the UK leaving the EU, the effects of fluctuations in the financial and capital markets, and the situations of the consumer sentiment after the consumption tax increase. (Monthly Economic Report,¹ December, 2019).

Employment and unemployment

The number of employees in November increased by 630 thousand over the previous year. The unemployment rate, seasonally adjusted, was 2.2%.² Active job openings-to-applicants ratio³ in November, seasonally adjusted, was 1.57.⁴ (Figure 1)

Wages and working hours

In October, total cash earnings (for establishments with 5 or more employees) remained the same level as the previous year and real wages (total cash earnings) decreased by 0.4% year-on-year. Total hours worked decreased by 2.3% year-on-year, while scheduled hours worked decreased by 2.4%.⁵ (Figure 2)

Consumer price index

In November, 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 0.5%, and the consumer price index for all items less fresh food and energy increased by 0.8%.⁶

Workers' household economy

In November, consumption expenditure by workers' households decreased by 0.8% year-on-year nominally and decreased by 1.4% in real terms.⁷

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. <https://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>

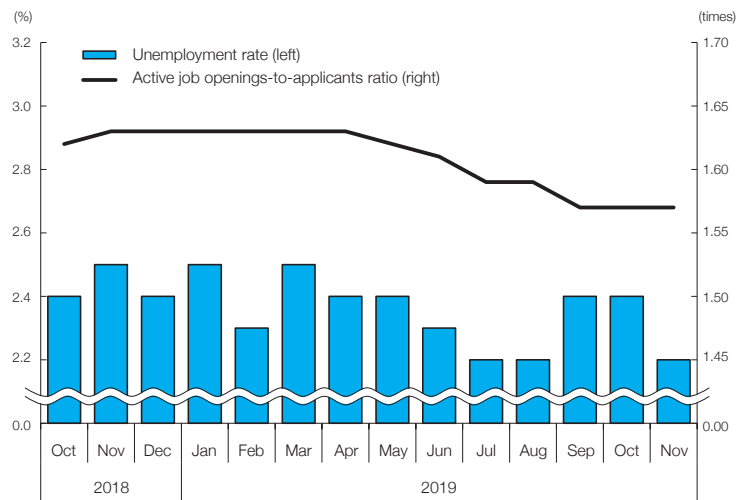
3. Active job openings-to-applicants ratio indicates the number of job openings per job applicant at public employment security offices, published monthly by Ministry of Health, Labour and Welfare (MHLW). It shows the tightness of labor supply and demand.

4. MHLW, *Employment Referrals for General Workers*. http://www.mhlw.go.jp/english/database/db-l/general_workers.html

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

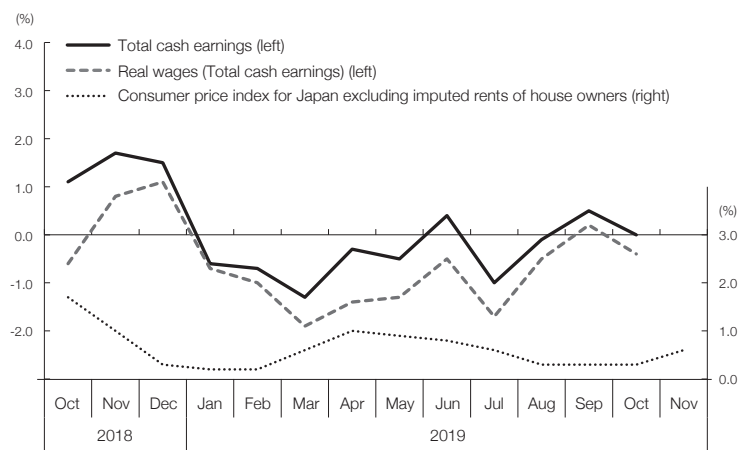
6. MIC, *Consumer Price Index*. <http://www.stat.go.jp/english/data/cpi/index.htm>

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



Source: Labour Force Survey²; Employment Referrals for General Workers.⁴

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



Source: Monthly Labour Survey⁵; Consumer Price Index.⁶

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