The First Quarter of 2013
Analysis of All Industrial Activities

Summary

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June 5, 2013
Research and Statistics Department,
Minister’s Secretariat,
Ministry of Economy, Trade and Industry
Relation between Exchange Rate and Export Value/Export Prices

【Analysis Point 1】
～Exchange-related factors contributed negatively to export value, the second largest contribution after quantum-related factors, in the recession period including the Lehman shock. In the subsequent period as well, the factors in general significantly contributed negatively.～

【Characteristics】
・If decomposed into some factors from the same quarter of the previous year of export value into such four factors as exchange-related factors, contract price-related factors, quality-related factors, and export quantum-related factors, quantum-related factors made the largest contribution both to an increase in export value in the economic expansion period before the Lehman shock and to a decrease in export value in the subsequent recession period.
・Exchange-related factors became the second largest negative contribution after quantum-related factors in the recession period including the Lehman shock, and the only factors that contributed negatively in general in the subsequent period. Compared to average of absolute values of contribution ratio, the influence of quantum-related factors was the largest, with that of exchange-related factors following.

Fig. 1 Decompose of Factors of the Export Value Index (2005=100)
Changes from the same quarter of the previous year, contribution ratio (% , % points)

Sources: “Trade Statistics of Japan” (Ministry of Finance), “Effective Exchange Rate,” “Corporate Goods Price Index” (Bank of Japan)

Fig. 2 Average of Contribution Ratio by Type of Factors at Each Economic Phase (% points)

Sources: “Trade Statistics of Japan” (Ministry of Finance), “Effective Exchange Rate,” “Corporate Goods Price Index” (Bank of Japan)
~ Looking by type of goods as well, exchange-related factors continuously contributed negatively to export value in the recession period including the Lehman shock, and in the subsequent period. ~

**Characteristics**

- By type of goods, there are characteristics as follows: 1) contract price-related factors contributed largely in chemical products, 2) quality-related factors and contract price-related factors contributed largely in electrical equipment, and 3) quantum-related factors especially contributed largely in transport equipment and general machinery.
- On the other hand, all products generally have the following points in common: 1) quantum-related factors contributed largely to an increase in export value in the economic expansion period before the Lehman shock and a subsequent decrease, 2) exchange-related factors continuously contributed negatively in the recession period including Lehman shock and the subsequent period, and 3) influence of quantum-related factors was large in general in terms of the average of absolute values of contribution ratio.

Sources: “Trade Statistics of Japan” (Ministry of Finance), “Effective Exchange Rate,” “Corporate Goods Price Index” (Bank of Japan)
【Analysis Point 3】

～About 30% of exchange-related factors are reflected in export prices on a contract currency basis.～

【Characteristics】

- As a result of an estimate using a real effective exchange rate of 1-4 quarters ago as an explanatory variable and the Export Value Index (on a contract currency basis) as an explained variable, an exchange elasticity rate of export value (% changes in export value in accordance with changes in exchange rate) came to 0.30.
- About 30% of exchange-related factors are passed on (reduced) export prices on a contract currency basis, indicating a decrease (increase) in price competitiveness in the export markets. On the other hand, about the remaining 70% are not reflected in export prices, indicating a decrease (increase) in export prices converted into yen, and a deterioration (improvement) of earnings on a yen basis.
【Analysis Point 1】
～The tourism industry is exceeding the level seen before the Great East Japan Earthquake～

【Characteristics】
- The indices of tertiary industry activity (2005=100; seasonally adjusted) for the “tourism industry” recovered from a decline after the Great East Japan Earthquake, and has exceeded the level seen before the earthquake since the fourth quarter of 2011.

![Fig. 1 Changes in the “Tourism Industry”](image)

Table 1 Breakdown of the “Tourism Industry”

<table>
<thead>
<tr>
<th>Classification</th>
<th>Weight</th>
<th>Breakdown classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Railway passenger transport</td>
<td>146.6</td>
<td>Railway passenger transport (JR) (92.9), Railway passenger transport (except JR) (53.7)</td>
</tr>
<tr>
<td>Road passenger transport</td>
<td>103.7</td>
<td>Bus (40.7), Taxi (63.0)</td>
</tr>
<tr>
<td>Water passenger transport</td>
<td>2.3</td>
<td></td>
</tr>
<tr>
<td>Air passenger transport</td>
<td>25.1</td>
<td>International air passenger transport (9.4), Domestic air passenger transport (15.7)</td>
</tr>
<tr>
<td>Transport Facilities Services For Road Transport</td>
<td>70.6</td>
<td></td>
</tr>
<tr>
<td>Automobile rental</td>
<td>10.4</td>
<td></td>
</tr>
<tr>
<td>Accommodations</td>
<td>117.7</td>
<td>Japanese style hotels (51.0), Hotels (except Japanese style hotels) (66.7)</td>
</tr>
<tr>
<td>Travel agency</td>
<td>32.9</td>
<td>Domestic travel (18.5), Overseas travel (14.2), Travel for foreigners (0.2)</td>
</tr>
<tr>
<td>Public gardens and amusement parks</td>
<td>11.6</td>
<td></td>
</tr>
<tr>
<td><strong>Tourism industry Total</strong></td>
<td><strong>520.9</strong></td>
<td></td>
</tr>
</tbody>
</table>

(Note) The numbers in parenthesis are weights. The weights in the indices of tertiary industry activity are calculated based on the value added in the “2005 Input-Output Tables for Japan” (Ministry of Internal Affairs and Communications) in the base year, and are indicated as divisions of 10,000, all adding up to 10,000.0.

Source: “Indices of Tertiary Industry Activity”
Currently many industries are exceeding the level seen before the Great East Japan Earthquake, centering on travel agency business, which is considered to be linked to other sectors in the tourism industry.

Table 3 Trends and Consideration of Tourism Industry Activity after 2010

<table>
<thead>
<tr>
<th>Classification</th>
<th>Indices of Tertiary Industry Activity (2005=100, seasonally adjusted)</th>
<th>Indices of Tertiary Industry Activity (2005=100, seasonally adjusted), etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Comparison of the period before the Earthquake</td>
<td>Trends and consideration from 2010, before the earthquake, to the current</td>
</tr>
<tr>
<td></td>
<td>(fourth quarter of 2010) with the current period (first quarter of 2013)</td>
<td>period (first quarter of 2013)</td>
</tr>
<tr>
<td></td>
<td>Point difference</td>
<td>Level</td>
</tr>
<tr>
<td>Tourism industry</td>
<td>1.0</td>
<td>Increase</td>
</tr>
<tr>
<td>Travel agency</td>
<td>5.2</td>
<td>Increase</td>
</tr>
</tbody>
</table>
| Domestic travel                 | 10.7| Major increase         | ・Domestic travel declined in the third quarter of 2010, and further dropped in the first and second quarters of 2011 due to the earthquake. However, it substantially increased in the third quarter, exceeding the level seen before the earthquake until the third quarter of 2012, when it declined again. It has increased since the fourth quarter. 
・A decrease in the handling amounts of package tours in real terms after the earthquake was mainly caused by a decline in the number of participants of package tours. |
| Overseas travel                 | -0.5| Same level             | ・Overseas travel declined in the fourth quarter of 2010, reflecting the influence of the situation surrounding the Senkaku Islands and other factors, and further dropped in the first and second quarters of 2011 due to the earthquake. However, it had remained on an upward trend since the third quarter, boosted by a continuing strong yen. Since the first quarter of 2012, it increased and exceeded the level seen before the earthquake until the third and fourth quarters of 2012, when it decreased mainly due to a repeat of the rising tension between Japan and China. 
・It turned to an increase in the first quarter of 2013, but the range of growth was small, reflecting a continuing weak yen and other factors. 
・A decrease in the handling amounts of package tours in real terms after the earthquake was mainly caused by a decline in the number of participants of package tours. |
| Tourists from Abroad            | 92.0| Major increase         | ・Tourists from Abroad declined in the fourth quarter of 2010, reflecting a continuing strong yen, rising tension between Japan and China, and other factors, and further dropped substantially in the first and second quarters of 2011 due to the earthquake. It substantially increased in the third quarter, and exceeded the level seen before the earthquake in the second quarter of 2012, while it declined in the third and fourth quarters of 2012 due mainly to a continuing strong yen and a repeat of the tension between Japan and China. 
・In the first quarter of 2013, it substantially increased due mainly to an increase in the number of tourists from Asia, including South Korea and Taiwan, boosted by a continuing weak yen. 
・A decrease in the handling amounts of package tours in real terms after the earthquake was mainly caused by a decline in the number of participants to package tours. Unit price per travel continued to negatively grow. |
| Accommodations                  | 4.8 | Increase               | Accommodations business declined in the fourth quarter of 2010, and further dropped in the first and second quarters of 2011 due to the earthquake. However, it substantially increased in the third quarter, and has exceeded the level seen before the earthquake since then. |
| Hotels (except for Japanese-style hotels) | 9.9 | Increase               | ・Hotels (except for Japanese-style hotels) declined in the first and second quarters of 2011 due to the earthquake. However, it substantially increased in the third quarter, reflecting a recovery of domestic travel and other factors. In the first and second quarters of 2012, it increased and exceeded the level seen before the earthquake due mainly to a recovery of travel for foreigners as well. Although it declined again in the third quarter, it has increased since the fourth quarter. 
・Japanese style hotels substantially increased in the third quarter of 2011, reflecting a recovery of domestic travel and other factors. However, it has been on a downward trend since the fourth quarter. 
・Note that the background of recovery from the earthquake includes a recovery of demand from relevant parties to rehabilitation and reconstruction in the disaster areas and disaster victims, and of business demand, in addition to a recovery of domestic travel and travel for foreigners. |
<p>| Japanese-style hotels           | -0.6| Decrease               |                                                                                       |</p>
<table>
<thead>
<tr>
<th>Service</th>
<th>Change (Q4/Q1 2012)</th>
<th>Type</th>
<th>Note</th>
</tr>
</thead>
</table>
| Public gardens and amusement parks        | 11.8                 | Major increase | • Public gardens and amusement parks substantially declined in the first and second quarters of 2011 due to the earthquake. However, in the third quarter, they substantially increased, reflecting the recovery of domestic travel, with which they are positively correlated. They increased and exceeded the level seen before the earthquake in the first and second quarters of 2012. They declined again in the third and fourth quarters, but increased in the first quarter of 2013.  
• The 2012 Survey of Selected Service Industries shows that the number of visitors and sales of amusement parks & theme parks in 2012 increased compared both with a year and two years earlier.  
• The decline in sales of amusement parks & theme parks in real terms after the earthquake was mainly caused by a decrease in the number of visitors. |
| Passenger transport, etc.                | 1.0                  | Increase     | Passenger transport business, etc. declined in the fourth quarter of 2010, and further dropped in the first quarter of 2011 due to the earthquake. However, it turned to an increase in the second quarter, and increased due mainly to a recovery of travel agency business since then, until the third quarter of 2012, when it declined again. It has increased since the fourth quarter. |
| Railway passenger transport              | 1.9                  | Increase     | Railway passenger transport declined in the first quarter of 2011 due to the earthquake, but turned to an increase in the second quarter, and has been on an upward trend since then, reflecting the recovery of domestic travel, the recovery of business demand, and other factors. It has increased and exceeded the level seen before the earthquake since the second quarter of 2012.  
• Abolishment of the upper limit system of expressway tolls (1000 yen on weekends and holidays) became a boost for recovery. |
| Road passenger transport                 | 0.6                  | Increase     | Road passenger transport declined in the fourth quarter of 2010, and further dropped in the first quarter of 2011 due to the earthquake. However, it turned to an increase in the second quarter, and has been on an upward trend since then, reflecting a recovery of domestic travel, a recovery of business demand, and other factors. It exceeded the level seen before the earthquake in the first quarter of 2012, but declined again in the second and third quarters. It has increased since the fourth quarter. |
| Water passenger transport                | -0.8                 | Decrease     | Water passenger transport declined in the fourth quarter of 2010, and further dropped in the first and second quarters of 2011 due to the earthquake. Reflecting a recovery of domestic travel and other factors, it turned to an increase in the third quarter, and remained at the same level seen before the earthquake from the fourth quarter of 2011 to the second quarter of 2012, while it declined again in the third quarter. It has increased since the fourth quarter, but has fallen below the level seen before the earthquake. |
| Air passenger transport                  | 5.3                  | Increase     | Air passenger transport declined from the second quarter of 2010 to the second quarter of 2011. It has been on an upward trend since the third quarter. Since the first quarter of 2012, it has exceeded the level seen before the earthquake boosted by starting new service of low-cost carriers and other factors.  
• Variation width of air passenger transport after 2010 is the largest among the passenger transport business, etc. |
| International air passenger transport    | 5.4                  | Increase     | International air passenger transport substantially declined from the second quarter of 2010 to the second quarter of 2011. In the background, there were effects of the situations surrounding the Senkaku Islands, the occurrence of the earthquake, and other factors, as with overseas travel, with which international air passenger transport is positively correlated. It had been on an upward trend since the third quarter, and had increased and exceeded the level seen before the earthquake since the fourth quarter. However, it declined in the third and fourth quarters of 2012 mainly due to a repeat of the rising tension between Japan and China. It increased in the first quarter of 2013. |
| Domestic air passenger transport          | 5.3                  | Increase     | Domestic air passenger transport declined in the third quarter of 2010, and further dropped in the first and second quarters of 2011 due to the earthquake. However, it has been on an upward trend since the third quarter, and has exceeded the level seen before the earthquake since the second quarter of 2012. |
| Transport facilities services for road transport | -2.6                | Decrease     | Transport facilities services for road transport declined in the first quarter of 2011 due to the earthquake, and has been getting better and then worse again since then.  
• Note that it remained at a high level in the third and fourth quarters of 2010 due mainly to the conducting of a pilot program doing away with expressway tolls. |
| Automobile rental                        | 5.5                  | Increase     | Automobile rental was on an upward trend from the second quarter of 2010 to the first quarter of 2012. Note that there had been an increase in demand centering on three disaster-stricken prefectures (Iwate, Miyagi, and Fukushima Prefectures) due to the earthquake since the first quarter of 2011. It has been on a downward trend since the second quarter of 2012. |

(Note) The levels are evaluated as “decrease” for point difference of -0.6 and lower, “same level” for ±0.5, “increase” for 0.6-10.0, and “major increase” for 10.1 and more.

Source: Data from “Indices of Tertiary Industry Activity,” etc.
【Analysis Point 3】

The expenditure elasticity value of package tour costs in relation to stock prices and wages was higher than the total consumption expenditures, showing large potential demand for travel in leisure activity. ～

【Characteristics】

- An estimate of a travel consumption function using stock prices and wages as explanatory variables, and package tour costs as an explained variable produced the following results: consumption expenditures of package tour costs increase (decrease) by 0.23% in line with a 1% rise (drop) in stock prices, and increase (decrease) by 2.76% in line with a 1% increase (decrease) in wages.
- The expenditure elasticity value of package tour costs in relation to stock prices and wages was higher than the total consumption expenditures, showing large potential demand for travel in leisure activity.
- Although there is a need to consider exchange trends and other various factors, a future rise in stock prices and wages leads to the potential for an increase in consumption expenditures of package tours in 2013, resulting in growth of travel agency business.

Fig. 15 Breakdown of Consumption Expenditures of Package Tour Costs

Fig. 16 Breakdown of (Total) Consumption Expenditures

Table 2 Potential Demand for Travel (2012)

Amid the declining birth rate and the aging of society in Japan, the tourism industry—one of the growth industries expected as a draw card for economic revitalization—is expected to grow centering on travel agent business in the future.
1. Trends of All Industrial Activities

(1) Outline of all industrial activities (first quarter of 2013)

Industrial activities showing some signs of recovery

【Characteristics】
- The indices of all industrial activities decreased by 0.4% from the previous quarter, down for the first time in two quarters.
- In spite of increases in the indices of industrial production and construction industry activity, those of tertiary industry activity declined.

Changes in the Indices of All Industrial Activities (2005=100)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>%Change from the Previous Quarter (Year)</td>
<td>-0.5</td>
<td>1.0</td>
<td>-1.3</td>
<td>-0.9</td>
<td>2.1</td>
<td>0.5</td>
<td>-0.1</td>
<td>-0.1</td>
<td>-0.5</td>
<td>0.3</td>
</tr>
<tr>
<td>%Change from the Same Quarter of the Previous Year</td>
<td>95.4</td>
<td>96.4</td>
<td>95.1</td>
<td>94.2</td>
<td>96.2</td>
<td>96.7</td>
<td>96.6</td>
<td>96.5</td>
<td>96.0</td>
<td>96.3</td>
</tr>
</tbody>
</table>

Notes: 1. Since the Indices of Agriculture, Forestry & Fisheries Production contain no data corresponding to the Indices of All Industrial Activities for quarters, these figures were calculated without them.
2. The annual values and % change from the same quarter of the previous year are original indices, and others are based on seasonally adjusted indices.
(2) Outline of industrial activities
~Industrial production showing signs of moderate recovery~

1) Production trends

【Characteristics】
・The indices of industrial production for the first quarter of 2013 increased by 2.2% from the previous quarter, up for the first time in four quarters.
・By type of goods, although non-durable consumer goods decreased, increases were observed in durable consumer goods and producer goods, etc.
・By type of business, 12 industries, including the transport equipment industry, increased, while four industries, including the electronic parts and devices industry, decreased.

2) Production trends by item

【Characteristics】
＜Major items that increased during the first quarter of 2013＞
i) Large passenger cars (for the first time in four quarters)  
   ・Due to an increase in exports to the United States, etc.
ii) Metal oxide semiconductor ICs (Memory) (for the second consecutive quarter)  
   ・Due to an increase in demand for smartphones for exports to Asian countries, etc.
iii) Drive, transmission and control parts (for the first time in three quarters)

＜Major items that decreased during the first quarter of 2013＞
i) Active matrix LCDs (Middle and small) (for the first time in three quarters)  
   ・Due to a decrease in exports to Asian countries, etc.
ii) Active matrix LCDs (Large) (for the first time in two quarters)
iii) Machining centers (for the fourth consecutive quarter)

Changes from the Previous Quarter by Item and Contribution Ratio(Note) (first quarter of 2013)

<table>
<thead>
<tr>
<th>Items that Contributed to Increase</th>
<th>Changes from the Previous Quarter (%)</th>
<th>Contribution ratio (% points)</th>
<th>Items that Contributed to Decrease</th>
<th>Changes from the Previous Quarter (%)</th>
<th>Contribution ratio (% points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Large passenger cars</td>
<td>14.3</td>
<td>0.86</td>
<td>ii) Active matrix LCDs (Middle and small)</td>
<td>-9.2</td>
<td>-0.15</td>
</tr>
<tr>
<td>ii) Metal oxide semiconductor ICs (Memory)</td>
<td>24.9</td>
<td>0.29</td>
<td>iii) Active matrix LCDs (Large)</td>
<td>-13.4</td>
<td>-0.11</td>
</tr>
<tr>
<td>iii) Drive, transmission and control parts</td>
<td>11.6</td>
<td>0.27</td>
<td>iv) Machining centers</td>
<td>-26.3</td>
<td>-0.11</td>
</tr>
<tr>
<td>iv) Large trucks</td>
<td>19.5</td>
<td>0.19</td>
<td>v) LEDs</td>
<td>-25.8</td>
<td>-0.09</td>
</tr>
<tr>
<td>v) Photovoltaic modules</td>
<td>23.0</td>
<td>0.19</td>
<td>v) Cellular telephones</td>
<td>-29.1</td>
<td>-0.08</td>
</tr>
</tbody>
</table>

Note: Degree of contribution to total growth rate of 2.2% (% points)
3) Shipment trends

**Characteristics**

- The indices of industrial shipments for the first quarter of 2013 increased by 3.4% from the previous quarter, up for the first time in four quarters.
- By demand, shipments for domestic demand increased for the first time in three quarters, and shipments for exports increased for the first time in four quarters.
- By type of goods, although non-durable consumer goods decreased, increases were observed in durable consumer goods and producer goods, etc.

**Changes in Export Shipments and Domestic Shipments in relation to the Indices of Industrial Production**

(2005=100, seasonally adjusted)

**Ratio to the Previous Quarter, Contribution Ratio to Growth Rate**

**Changes in the Indices of Industrial Shipments**

(by type of goods)

(2005=100, seasonally adjusted)

**Ratio to the Previous Quarter, Contribution Ratio to Growth Rate**
4) Inventory trends

**Characteristics**

- The inventory cycle for the first quarter of 2013 was as follows.
  - **(i) Mining and manufacturing**
    - • Remained at an inventory adjustment stage
  - **(ii) Final demand goods**
    - • Shifting from an expanding inventory stage to an unintended decreasing stage of inventory
  - **(iii) Producer goods**
    - • Remained at an inventory adjustment stage

**Changes in Inventory Cycle**

- **Mining and manufacturing**
- **Final demand goods**
- **Capital goods (excluding transport equipment)**
- **Durable consumer goods**
- **Producer goods**
- **General machinery**
- **Electronic parts and devices**
- **Chemicals**
5) Inventory ratio trends

【Characteristics】

・The inventory ratio for the first quarter of 2013 increased by 7.3% from the previous quarter, up for the ninth consecutive quarter.
・Looking at changes in inventory ratio by type of factors, although inventory-related factors decreased, shipment-related factors for both domestic and exports increased.

Changes in Contribution Ratio to Inventory Ratio by Type of Factors

Notes: 1. The contribution is broken down as follows:

\[
\frac{\Delta S}{S} = \frac{\Delta S}{\Delta I} + \frac{\Delta D}{\Delta I} + \frac{\Delta E}{\Delta I}
\]

where \(S\) is Shipment, \(D\) is Domestic shipment, \(E\) is Export, \(I\) is Inventory, \(\Delta\) is change from the same quarter of the previous year.

2. The inventory ratios used here are released values (the weighted average of the indices of the inventory ratio for each item was obtained to provide an aggregated value).

3. The indices of inventory ratio calculated by dividing the indices of producers’ inventories (average during the period) by the indices of producers’ shipments (average during the period) were used for breaking down the contribution ratio.

Sources: “The Indices of Industrial Domestic Shipments and Exports,” “The Indices of Industrial Domestic Shipments and Imports”
(3) Outline of tertiary industry activities
～ Tertiary industry activities remaining flat～

Trends for the quarter

【Characteristics】

・Tertiary industry activities for the first quarter of 2013 decreased by 0.4% from the previous quarter, down for the first time in seven quarters.
・By type of business, seven major categories out of 13, including the wholesale trade and retail trade industry, showed decreases. On the other hand, three industries, including the finance and insurance industry, increased.

Changes in Indices of Tertiary Industry Activities of Major Industry Sectors (2005=100, seasonally adjusted)

<table>
<thead>
<tr>
<th>Type of business (Division)</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary Industry</td>
<td>97.9</td>
<td>96.5</td>
<td>96.2</td>
</tr>
<tr>
<td>%Change from the Previous Quarter (Year)</td>
<td>-1.4</td>
<td>-1.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>%Change from the Same Quarter of the Previous Year</td>
<td>-0.3</td>
<td>-0.3</td>
<td>-0.3</td>
</tr>
<tr>
<td>Electricity, Gas, Heat Supply &amp; Water</td>
<td>90.9</td>
<td>101.4</td>
<td>98.7</td>
</tr>
<tr>
<td>%Change from the Previous Quarter (Year)</td>
<td>-3.4</td>
<td>-1.4</td>
<td>-1.0</td>
</tr>
<tr>
<td>%Change from the Same Quarter of the Previous Year</td>
<td>-1.1</td>
<td>-1.1</td>
<td>-1.0</td>
</tr>
<tr>
<td>Information &amp; Communications</td>
<td>107.0</td>
<td>107.8</td>
<td>106.9</td>
</tr>
<tr>
<td>%Change from the Previous Quarter (Year)</td>
<td>-0.2</td>
<td>-0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>%Change from the Same Quarter of the Previous Year</td>
<td>-1.1</td>
<td>-1.1</td>
<td>-1.0</td>
</tr>
<tr>
<td>Accommodations, Eating and Drinking Services</td>
<td>100.8</td>
<td>101.4</td>
<td>101.3</td>
</tr>
<tr>
<td>%Change from the Previous Quarter (Year)</td>
<td>-0.3</td>
<td>-0.3</td>
<td>-0.3</td>
</tr>
<tr>
<td>%Change from the Same Quarter of the Previous Year</td>
<td>-1.1</td>
<td>-1.1</td>
<td>-1.0</td>
</tr>
</tbody>
</table>

Note: The line graph shows the indices of tertiary industry activities of six major industries.

Changes in Indices of Tertiary Industry Activities (2005=100)

<table>
<thead>
<tr>
<th>Type of business (Division)</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary Industry</td>
<td>97.9</td>
<td>96.5</td>
<td>96.2</td>
<td>96.2</td>
<td>96.2</td>
<td>96.2</td>
</tr>
<tr>
<td>%Change from the Previous Quarter (Year)</td>
<td>-1.4</td>
<td>-1.0</td>
<td>-1.0</td>
<td>-1.0</td>
<td>-1.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>%Change from the Same Quarter of the Previous Year</td>
<td>-0.3</td>
<td>-0.3</td>
<td>-0.3</td>
<td>-0.3</td>
<td>-0.3</td>
<td>-0.3</td>
</tr>
<tr>
<td>Electricity, Gas, Heat Supply &amp; Water</td>
<td>90.9</td>
<td>101.4</td>
<td>98.7</td>
<td>98.7</td>
<td>98.7</td>
<td>98.7</td>
</tr>
<tr>
<td>%Change from the Previous Quarter (Year)</td>
<td>-3.4</td>
<td>-1.4</td>
<td>-1.0</td>
<td>-1.0</td>
<td>-1.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>%Change from the Same Quarter of the Previous Year</td>
<td>-1.1</td>
<td>-1.1</td>
<td>-1.0</td>
<td>-1.0</td>
<td>-1.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>Information &amp; Communications</td>
<td>107.0</td>
<td>107.8</td>
<td>106.9</td>
<td>106.9</td>
<td>106.9</td>
<td>106.9</td>
</tr>
<tr>
<td>%Change from the Previous Quarter (Year)</td>
<td>-0.2</td>
<td>-0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>%Change from the Same Quarter of the Previous Year</td>
<td>-1.1</td>
<td>-1.1</td>
<td>-1.0</td>
<td>-1.0</td>
<td>-1.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>Accommodations, Eating and Drinking Services</td>
<td>100.8</td>
<td>101.4</td>
<td>101.3</td>
<td>101.3</td>
<td>101.3</td>
<td>101.3</td>
</tr>
<tr>
<td>%Change from the Previous Quarter (Year)</td>
<td>-0.3</td>
<td>-0.3</td>
<td>-0.3</td>
<td>-0.3</td>
<td>-0.3</td>
<td>-0.3</td>
</tr>
<tr>
<td>%Change from the Same Quarter of the Previous Year</td>
<td>-1.1</td>
<td>-1.1</td>
<td>-1.0</td>
<td>-1.0</td>
<td>-1.0</td>
<td>-1.0</td>
</tr>
</tbody>
</table>

Note: The annual figures and the changes from the same quarter of the previous year are based on the original indices, while the others are based on seasonally-adjusted indices.
## 2. Supply Trends for Final Demand

### (1) Outline of supply trends for final demand

#### 1) Supply trends of all industries

**【Characteristics】**

- Supply for final demand as a whole increased by 0.1% from the previous quarter, up for the second consecutive quarter.
- Overall industrial supply for consumption decreased by 0.2% from the previous quarter, down for the fifth consecutive quarter.
- Overall industrial supply for investment increased by 0.4% from the previous quarter, up for the second consecutive quarter.
- Exports increased by 7.1% from the previous quarter, up for the first time in three quarters, and imports increased by 2.2% (id.), up for the first time in two quarters.

### Changes in the Indices of All Industries (Final Demand Components)

(2005=100, ratio to the previous year (quarter))

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ratio to the previous year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total of final demand sector</td>
<td>-1.2</td>
<td>0.9</td>
<td>-2.5</td>
<td>-1.7</td>
<td>3.6</td>
</tr>
<tr>
<td>Mining and manufacturing (Goods)</td>
<td>-5.4</td>
<td>-1.6</td>
<td>-5.4</td>
<td>-10.8</td>
<td>14.9</td>
</tr>
<tr>
<td>Tertiary industries (Services)</td>
<td>0.3</td>
<td>1.2</td>
<td>-1.4</td>
<td>-0.3</td>
<td>1.8</td>
</tr>
<tr>
<td>Consumption</td>
<td>-0.5</td>
<td>1.1</td>
<td>-2.4</td>
<td>-0.3</td>
<td>3.1</td>
</tr>
<tr>
<td>Personal consumption</td>
<td>-1.1</td>
<td>1.1</td>
<td>-2.8</td>
<td>-0.7</td>
<td>3.5</td>
</tr>
<tr>
<td>Mining and manufacturing (Goods)</td>
<td>-3.4</td>
<td>-0.6</td>
<td>-7.0</td>
<td>-2.5</td>
<td>10.2</td>
</tr>
<tr>
<td>Tertiary industries (Services)</td>
<td>-0.3</td>
<td>1.8</td>
<td>-1.4</td>
<td>-0.3</td>
<td>2.2</td>
</tr>
<tr>
<td>Government consumption</td>
<td>0.9</td>
<td>1.1</td>
<td>-0.2</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Investment</td>
<td>-1.4</td>
<td>2.8</td>
<td>-3.3</td>
<td>-1.3</td>
<td>3.2</td>
</tr>
<tr>
<td>Public investment</td>
<td>-8.6</td>
<td>10.4</td>
<td>-2.7</td>
<td>3.0</td>
<td>-0.3</td>
</tr>
<tr>
<td>Private housing</td>
<td>0.6</td>
<td>1.8</td>
<td>1.0</td>
<td>-3.1</td>
<td>4.3</td>
</tr>
<tr>
<td>Private corporation facilities</td>
<td>0.8</td>
<td>0.5</td>
<td>-4.0</td>
<td>-1.8</td>
<td>3.9</td>
</tr>
<tr>
<td>Mining and manufacturing (Goods)</td>
<td>1.6</td>
<td>2.9</td>
<td>-5.9</td>
<td>0.1</td>
<td>8.0</td>
</tr>
<tr>
<td>Construction</td>
<td>1.5</td>
<td>-3.6</td>
<td>-0.3</td>
<td>-14.9</td>
<td>3.5</td>
</tr>
<tr>
<td>Tertiary industries (Services)</td>
<td>1.1</td>
<td>-0.1</td>
<td>-3.6</td>
<td>3.2</td>
<td>0.7</td>
</tr>
<tr>
<td>Exports</td>
<td>1.6</td>
<td>-2.9</td>
<td>-9.9</td>
<td>0.9</td>
<td>-8.9</td>
</tr>
<tr>
<td>Mining and manufacturing (Goods)</td>
<td>-0.8</td>
<td>-4.4</td>
<td>-2.3</td>
<td>9.7</td>
<td>6.9</td>
</tr>
<tr>
<td>Tertiary industries (Services)</td>
<td>-3.6</td>
<td>0.9</td>
<td>2.0</td>
<td>-11.9</td>
<td>6.5</td>
</tr>
<tr>
<td>Imports</td>
<td>2.0</td>
<td>1.1</td>
<td>-0.5</td>
<td>0.7</td>
<td>-1.4</td>
</tr>
<tr>
<td>Mining and manufacturing (Goods)</td>
<td>5.5</td>
<td>-0.6</td>
<td>2.8</td>
<td>-4.1</td>
<td>5.5</td>
</tr>
<tr>
<td>Tertiary industries (Services)</td>
<td>-8.3</td>
<td>6.8</td>
<td>-4.4</td>
<td>-5.4</td>
<td>1.6</td>
</tr>
</tbody>
</table>

**Notes:**

1. As the indices of all industries (final demand components) are calculated using various statistical data, preliminary figures are used for some basic data. Therefore, note that the indices of the previous quarters have been corrected to the revised figures.

2. Ratios to the previous year are original indices and other figures are based on seasonally adjusted indices.

Source: “The Indices of All Industries Activity”
2) Supply trends for consumption

【Characteristics】
・Looking at the trends of consumption in the first quarter of 2013, in terms of supply from mining and manufacturing, the overall supply of durable consumer goods increased by 11.8% from the previous quarter, up for the first time in four quarters. While non-durable consumer goods decreased by 0.2% (id.), down for the second consecutive quarter.

Changes in Overall Supply of Durable Consumer Goods
(2005=100, seasonally adjusted)

Source: “The Indices of Industrial Domestic Shipments and Imports” (estimates)

Changes in Overall Supply of Non-durable Consumer Goods
(2005=100, seasonally adjusted)

Source: “The Indices of Industrial Domestic Shipments and Imports” (estimates)
3) Supply trends for investment

【Characteristics】
- The trends of investment in the first quarter of 2013, in terms of supply from mining and manufacturing (overall supply of capital goods), increased by 2.9% from the previous quarter, up for the first time in three quarters.

Changes in Supply from Mining and Manufacturing
(Overall Supply of Capital Goods)
(2005=100, seasonally adjusted)

Source: “The Indices of Industrial Domestic Shipments and Imports” (estimates)
(2) Outline of exports and imports

1) Export trends

【Characteristics】
・Looking at the trends of exports for the first quarter of 2013 (on a quantity basis), in terms of the indices of all industries (final demand components), exports of goods (the mining and manufacturing industry) increased by 7.1% from the previous quarter, and exports of services (the tertiary industry) increased by 8.8% (id.), resulting in a 7.1% increase from the previous quarter for all exports.
・By region, exports of goods to East Asia, ASEAN, Europe and the Middle East increased, while those to the United States decreased.

2) Import trends

【Characteristics】
・Looking at the trends of imports for the first quarter of 2013 (on a quantity basis), in terms of the indices of all industries (final demand components), imports of goods (mining and manufacturing industry) increased by 3.5% from the previous quarter, and imports of services (the tertiary industry) increased by 3.5% (id.), resulting in a 2.2% increase from the previous quarter for all imports.
・By region, imports of goods from the Middle East, Europe, ASEAN, the United States and East Asia increased.

Notes: 1. The export index by region is estimated by rearranging the trade statistics into shipment index groups, and the import index by region is estimated by rearranging the trade statistics into supply index groups.
2. The names of each country or region are as follows:
ASEAN: Singapore, Thailand, Malaysia, the Philippines, Indonesia, Vietnam, Myanmar, Laos, Brunei and Cambodia
East Asia: Republic of Korea, Taiwan and China (including Hong Kong)
Middle East: Iran, Iraq, Bahrain, Saudi Arabia, Kuwait, Qatar, Oman, Israel, Jordan, Syria, Lebanon, the United Arab Emirates, Gaza and Yemen
Sources: “The Indices of Industrial Domestic Shipments and Exports,”
“The Indices of Industrial Domestic Shipments and Imports” (both estimates)