

Japan's Consumer Prices in 2009

Overview

Japan's general index of consumer prices stood at 100.3 in 2009 (2005=100), down 1.4% from the previous year.

The general index excluding fresh food stood at 100.3, down 1.3% from the previous year.

The general index excluding food (excluding alcoholic beverages) and energy stood at 98.6, down 0.7% from the previous year.

The main factors in change of price index in 2009 were as follows.

- “Gasoline” and “Kerosene” fell drastically due to steep fall of oil price which hiked in previous year.
- “Electricity” and “Gas” fell due to fall in the price of oil and liquefied natural gas.

- “Delivery fees (in national hospital and in public hospital)” rose mainly due to start of the Japan obstetric compensation system for cerebral palsy, which is a system to provide monetary compensation for babies with severe cerebral palsy related to brain injuries during childbirth, and their families.
- “National expressway tolls” fell mainly due to the expansion of discount for vehicles equipped with ETC system.
- “Durable goods” such as “TV sets (LCD)” and “Personal computers” fell mainly influenced by technical progress and performance upgrade for them.
- “Package tours to overseas” fell due to fall in the price of fuel surcharge.

Figure 1 Consumer Prices: General Index and Change from the Previous Year

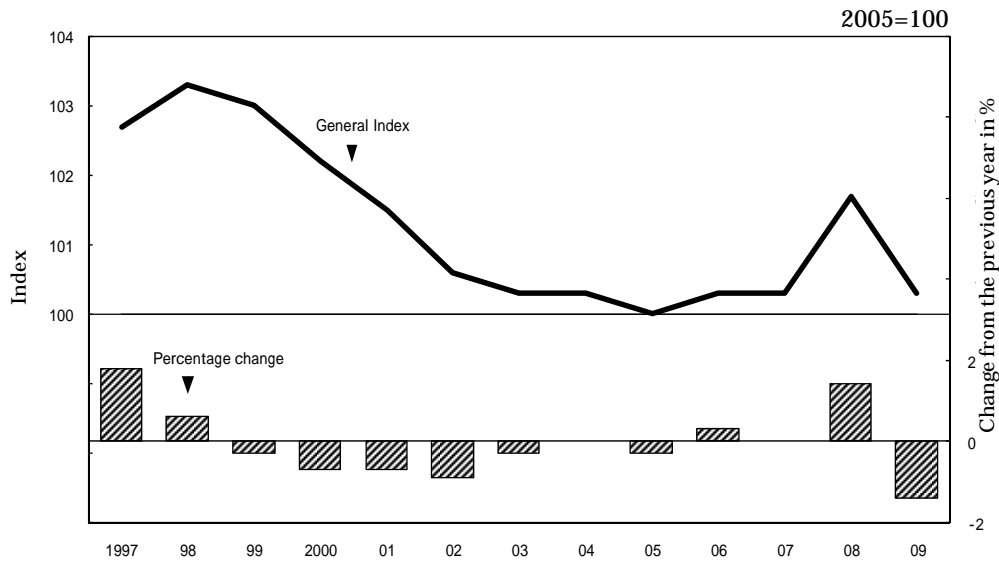


Table 1 Index and Change from the Previous Year of “General”, “General, excluding fresh food”, and “General, excluding food(excluding alcoholic beverages) and energy” 2005=100

		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General	Index	102.7	103.3	103.0	102.2	101.5	100.6	100.3	100.3	100.0	100.3	100.3	101.7	100.3
	Change from the previous year(%)	1.8	0.6	-0.3	-0.7	-0.7	-0.9	-0.3	0.0	-0.3	0.3	0.0	1.4	-1.4
General, excluding fresh food	Index	102.3	102.7	102.7	102.2	101.4	100.5	100.2	100.1	100.0	100.1	100.1	101.6	100.3
	Change from the previous year(%)	1.7	0.3	0.0	-0.4	-0.8	-0.9	-0.3	-0.1	-0.1	0.1	0.0	1.5	-1.3
General, excluding food (excluding alcoholic beverages) and energy	Index	102.9	103.6	103.5	103.1	102.2	101.3	101.0	100.4	100.0	99.6	99.3	99.3	98.6
	Change from the previous year(%)	1.6	0.7	-0.1	-0.4	-0.9	-0.8	-0.3	-0.6	-0.4	-0.4	-0.3	0.0	-0.7

(1) The general index

In 2006, although the price of “Durable goods” and “Mobile telephone charges” fell, that of “Petroleum products” rose continuously, in addition to a rise in “Fresh vegetables” resulting from unfavorable weather condition, a rise in “Recreational services” such as “Package tours to overseas”, and the effect of a raise of the cigarettes tax rate. As a result, the index rose 0.3%.

In 2007, the index unchanged from the previous year. Some items in “Food” and “Cigarettes” rose in addition to a rise in “Energy” such as “Gasoline” and “Kerosene” which showed a steep rise in the last half of the year, although “Mobile telephone charges” and “Durable goods” such as “TV sets (LCD)” fell.

In 2008, the index rose 1.4% mainly due to a rise in “Petroleum products” and many items in “Food” because of hike in the oil price and cereals respectively. Over 1% was the first time in 11 years.

(Figure 1, Figure 2, Table 1)

(2) Sub-indices for ten major groups in 2009

As for sub-indices for ten major groups, “Housing” fell 0.2% from the previous year, mainly due to a fall in “Rent”. “Fuel, light & water charges” fell 4.2%, mainly due to a fall in “Other fuel & light (Kerosene)”. “Furniture & household utensils” fell 2.2%, mainly due to a fall in “Household durables”. “Clothes & footwear” fell 0.9%, mainly due to a fall in “Clothes”. “Medical care” fell 0.1%, mainly due to a fall in “Medicines & health fortification”. “Transportation & communication” fell 4.9%, mainly due to a fall in “Private transportation” which contains “Gasoline”. “Reading & recreation” fell 2.5%, mainly due to a fall in “Recreational durables”. “Miscellaneous” fell 0.4%, mainly due to a fall in “Toilet articles”.

On the other hand, “Food” rose 0.2%, mainly due to a rise in “Cakes & candies”. “Education” rose 0.9%, mainly due to a rise in “School fees”.

(Table 2)

Figure 2 General Index

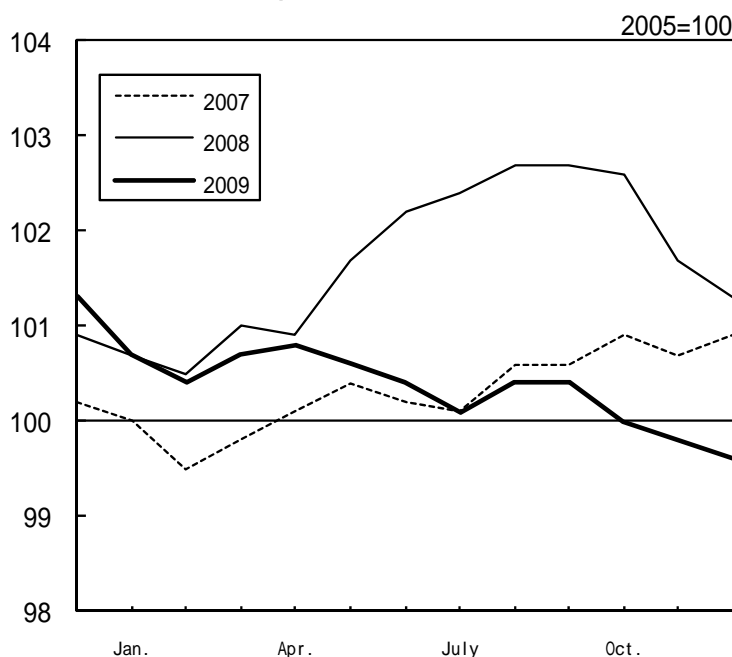


Table 2 Change from the Previous Year and the Degree of Contribution by Ten Major Groups

	General	Food	Housing	Fuel, light & water charges	Furniture & household utensils	Clothes & footwear	Medical care	Transportation & communication	Education	Reading & recreation	Miscellaneous
Change from the previous year (%)	-1.4	0.2	-0.2	-4.2	-2.2	-0.9	-0.1	-4.9	0.9	-2.5	-0.4
Contribution to annual change	-1.4	0.05	-0.04	-0.31	-0.07	-0.04	0.00	-0.68	0.03	-0.26	-0.02

(3) Sub-indices by goods and services classification in 2009

Goods index fell 2.4% from the previous year resulting from the fall in “Petroleum products”, which rose substantially previous year due to a hike

in the price of oil.

Services index fell 0.2% mainly due to a fall in “Services related to communication, reading & recreation” such as “Package tours to overseas”. (Figure 3)

Figure 3 Changes from the Previous Year of Goods and Services

