



Statistics Bureau of Japan (SBJ) News Bulletin

March 16, 2011

2010 Consumer Price Index decreases

[Introduction]

The SBJ released the 2010 calendar year Consumer Price Index (CPI) on January 28, 2011.

The CPI is an index that measures the average price movements of a fixed set of various goods and services purchased by households throughout the country. The data are utilized for various policies, measures, the revision of pensions, etc.

At the end of every month, the SBJ also releases preliminary figures of the monthly CPI for the Ku-area of Tokyo for the current month. In the following month, the final monthly figures for the whole country are released. Every April, the average index figures for the fiscal year are released.

[Summary]

Japan's "All items" index of consumer prices stood at 99.6 in 2010 (2005=100), a decrease of 0.7% over the previous year.

The "All items index excluding fresh food" stood at 99.3, dropping by 1.0%.

The "All items index excluding food (excluding alcoholic beverages) and energy" stood at 97.4, a decrease of 1.2%.

Main factors behind the change of the price (index) in 2010 were as follows:

- "High school fees, public" and "High school fees, private" fell drastically due to the introduction of new subsidies for tuition and enrollment fees for high schools.
- "Durable goods", such as "TV sets (LCD)" and "Personal computers", fell mainly because of technical innovation and quality upgrades.
- "Fresh vegetables" rose because of the bad weather conditions such as low temperature, lack of sunlight in spring or intense heat in summer.
- "Food, excluding fresh food" went down mainly because of the fall in the price of "Cereals".
- "National expressway tolls" fell mainly owing to the toll-free expressway pilot program.
- "Energy" rose mainly because of the rise in the price of "Gasoline" and "Kerosene".
- "Cigarettes" went up mainly due to a rise of the cigarettes tax rate.
- "Other miscellaneous" rose mostly due to a rise in the price of accident insurance.

By basic classification

Eight of the ten major groups of the CPI declined over the last year. Among them, "Food" declined by 0.3% from the previous year, mainly due to a fall in "Cereals". "Housing" fell by 0.4%, mainly due to a fall in "Rent". "Fuel, light & water charges" went down by 0.2%, mainly because of a fall in "Electricity". "Furniture & household utensils" fell by 4.6%, mainly due to a fall in "Household durables". "Clothes & footwear" fell by 1.2%, mainly due to a fall in "Clothes". "Medical care" fell by 0.5%, mainly owing to a fall in "Medical supplies &

STATISTICS BUREAU, MINISTRY OF INTERNAL AFFAIRS AND COMMUNICATIONS, JAPAN

19-1, Wakamatsu-cho, Shinjuku-ku, Tokyo 162-8668, Japan

Phone: 81-3-5273-1116 Fax: 81-3-5273-1180 E-mail: stat-general@soumu.go.jp

Website: www.stat.go.jp/english/

appliances". "Education" fell by 9.6%, mainly due to a fall in "School fees". "Reading & recreation" declined by 1.7%, mainly due to a fall in "Recreational durables".

On the other hand, "Transportation & communication" rose by 1.0%, mainly due to a rise in "Private transportation" which contains "Gasoline". "Miscellaneous" went up by 1.3%, mainly due to a rise in "Cigarettes".

By goods and services classification

The "Goods" index fell by 0.6% from the previous year resulting from a fall in "Industrial products" such as "TV sets (LCD)".

The "Services" index fell by 0.9% mainly due to a fall in "Public Services" which contains "High school fees, public". This was because "High school fees, public" fell as a result of new subsidies for tuition and enrollment fees for high schools.

Figure1-1: Consumer Prices: Index

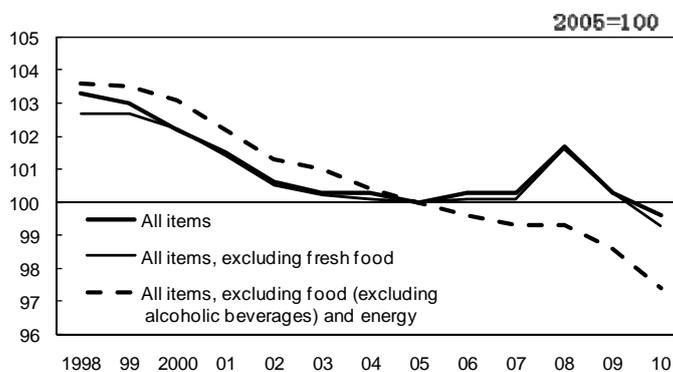
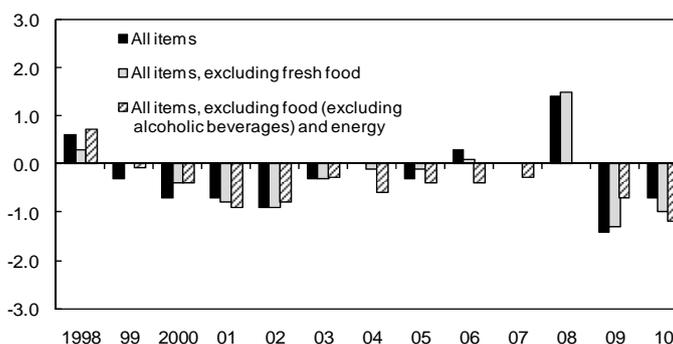


Figure1-2: Consumer Prices: Change from the Previous Year



(Source) Consumer Price Index (SBJ)

The 2010 results for Japan were released on January 28, 2011, and the Annual Report will be published in March.

For further details, see the website below.

<http://www.stat.go.jp/english/data/cpi/index.htm>