

Introduction to JIDEA Base Line and Japanese Economy - Recent Simulation in JIDEA7.8 -

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New Features of JIDEA7.8

- I-O Table (2001 - 2004) revised to extend
- Intermediate Coefficient re-calculated
- PSeidel revised
- All functions re-estimated

JAPAN INTERINDUSTRY DYNAMIC ECONOMETRIC ANALYSIS (JIDEA7.8)

Version 7.8

Yr	M	Q	P	GDPR	Cons	Inv	Exp	Imp	Outr	Wage/E	Infl	Emp	GrGDPr
6	3			524.1	383.8	135.1	80.7	75.5	968.1	4.239	0.07	63820	1.38
7	10	2	3	536.8	389.2	137.5	87.2	77.1	993.5	4.198	0.25	64959	2.43
8	8	2	3	520.4	375.8	130.1	88.7	74.0	964.8	4.248	0.34	62512	-3.04
9	8	2	2	504.3	364.0	125.7	86.3	71.7	935.0	4.234	-0.78	60129	-3.10
10	13	3	2	505.0	363.5	127.5	87.2	73.3	937.0	4.295	0.91	59764	0.13
11	12	3	3	509.6	366.8	128.5	88.9	74.6	945.9	4.354	0.44	59839	0.92
12	17	1	3	514.1	370.3	129.2	90.4	75.8	954.5	4.413	0.26	59889	0.89
13	10	2	3	516.0	370.8	130.1	92.0	76.8	958.9	4.481	1.16	59653	0.37
14	11	3	3	519.1	374.1	130.7	92.4	78.1	964.4	4.570	0.66	59520	0.60
15	11	3	3	520.8	375.2	131.8	93.0	79.2	967.8	4.646	0.90	59239	0.32
16	12	2	3	524.9	378.7	132.2	94.5	80.4	975.5	4.718	0.36	59209	0.79
17	14	2	3	527.8	380.7	132.5	95.9	81.4	981.2	4.782	0.49	59052	0.56
18	12	3	2	531.9	384.3	132.8	97.4	82.6	988.8	4.854	0.31	59008	0.78
19	16	3	3	534.9	386.4	133.2	98.8	83.6	994.5	4.920	0.49	58842	0.56
20	16	1	3	537.8	388.7	133.4	100.2	84.5	1000.0	4.989	0.39	58665	0.55

The JIDEA model simulation is done. Use Vam or Compare to view results.

Total execution time: 21 seconds

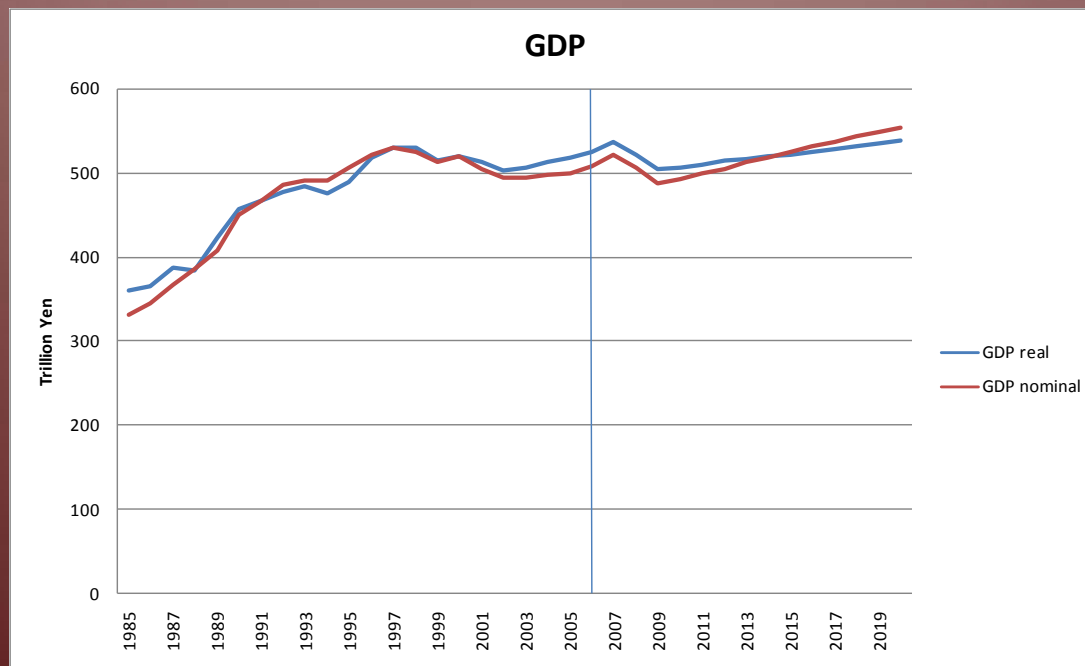
New Base Line

- Subprime loan shock reflected
- Low economic performance assumed
- Population decrease
- Labor productivity trends to continue
- Yen exchange rate fixed to 117.8 at 2007
- Government investment fixed at 2006

GDP Components by Expenditure Category

(Trillions Yen of year 2000)

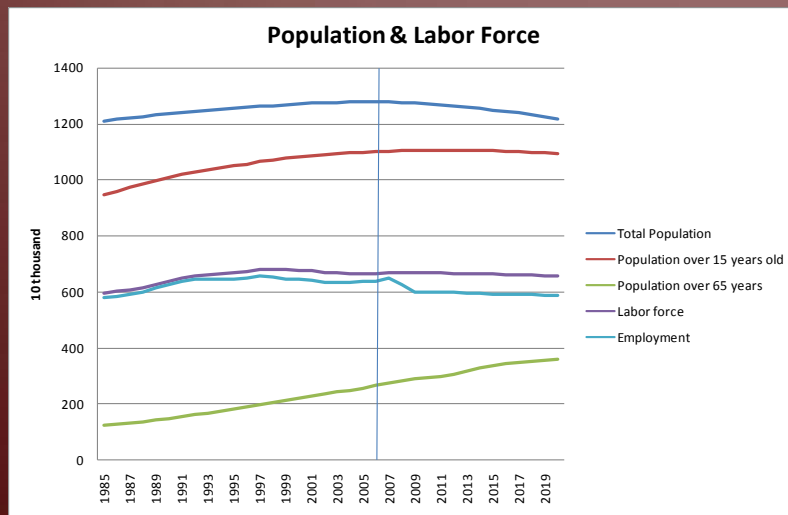
	Actual				Predicted		
	1990	1995	2000	2005	2010	2015	2020
GDP	456.518	489.182	518.893	516.916	504.969	520.773	537.82
Consumption	310.029	360.22	385.883	384.207	363.515	375.173	388.69
Business Cons.	18.882	19.48	19.171	18.689	19.249	19.219	19.251
Household Cons.	228.128	265.906	280.99	287.169	269.265	277.785	288.028
Government Cor	63.019	74.834	85.722	78.349	75.001	78.169	81.411
Investment	143.084	134.068	129.684	128.071	127.535	131.847	133.403
Private Inv.	107.798	93.295	93.639	97.262	96.231	100.543	102.099
Government Inv.	32.641	38.639	35.768	29.022	28.458	28.458	28.458
Inventory Chg.	2.645	2.133	0.277	1.787	2.846	2.846	2.846
Foreign Demand	3.405	-5.106	3.326	4.638	13.919	13.753	15.726



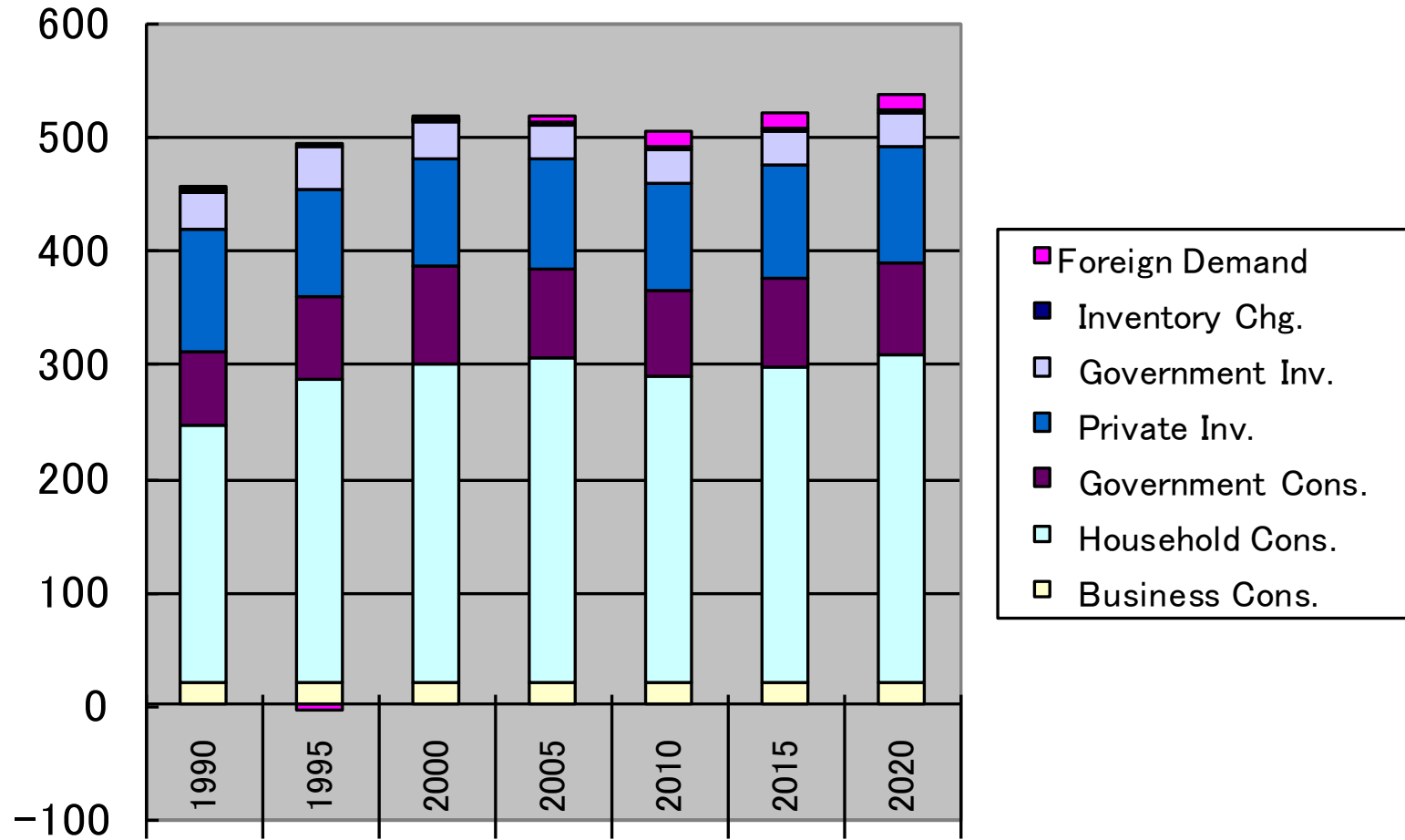
Population & Labor Force

(10 thousand of person)

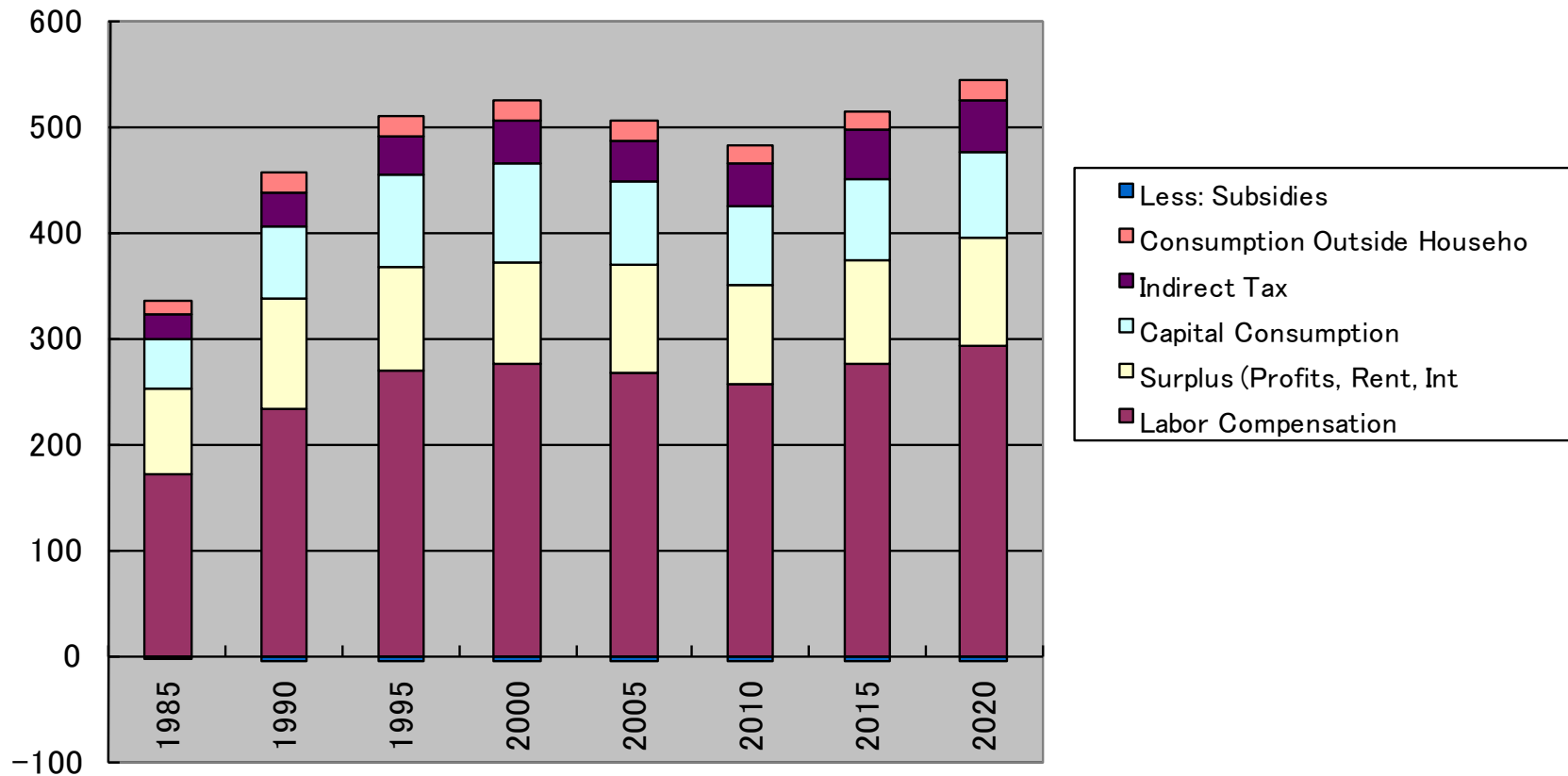
	1990 Actual	1995 Actual	2000 Actual	2005 Actual	2010 Predicted	2015 Predicted	2020 Predicted
Population	1236.1	1255.7	1269.3	1278.1	1270	1249.8	1219.3
Over 15 years	1008.9	1051	1083.6	1100.7	1106.7	1105.6	1095.1
Over 65 Years	149	182.6	220	257.7	293.7	336.6	360.1
Labor Force	638.4	666.6	676.6	665	667.1	663	655.4
Employed	624.9	645.7	644.6	635.6	597.6	592.4	586.7
Not Employed	13.4	21	32	29.4	69.5	70.6	68.7
Unemp. rate(%)	2.1	3.2	4.7	4.4	10.41	10.65	10.49
Lab. Particip. Rate(%)	63.28	63.43	62.44	60.42	60.28	59.96	59.85
Over 65 Years rate(%)	12.05	14.54	17.34	20.16	23.13	26.93	29.54
Labor Productivity	1364.88	1391.885	1470.466	1510.261	1567.798	1633.686	1704.601
Hours worked	1840.8	1757.4	1668.2	1649.4	1669.6	1676.1	1680.8



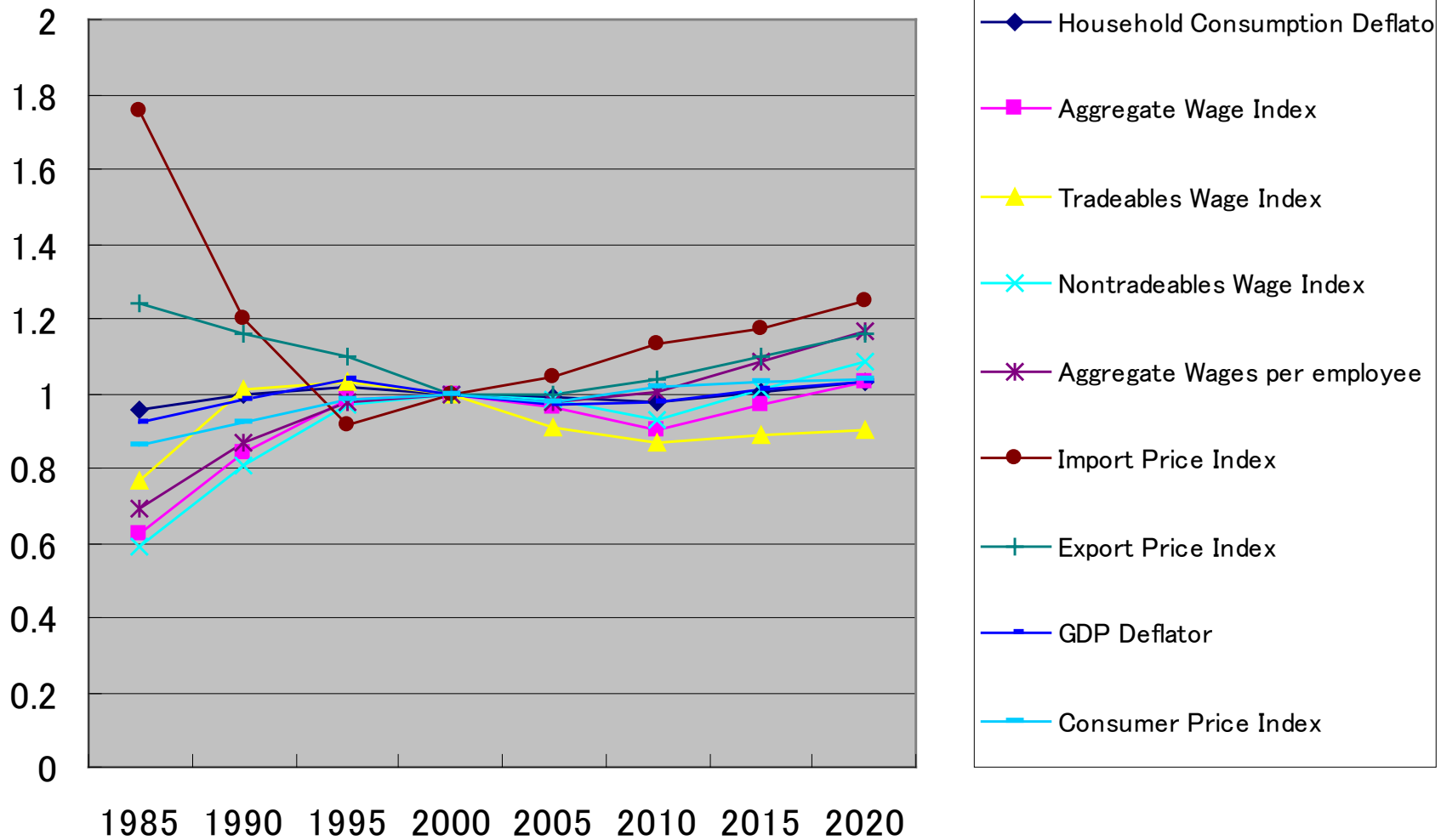
GDP Components by Expenditure (Trillion of 2000 Yen)



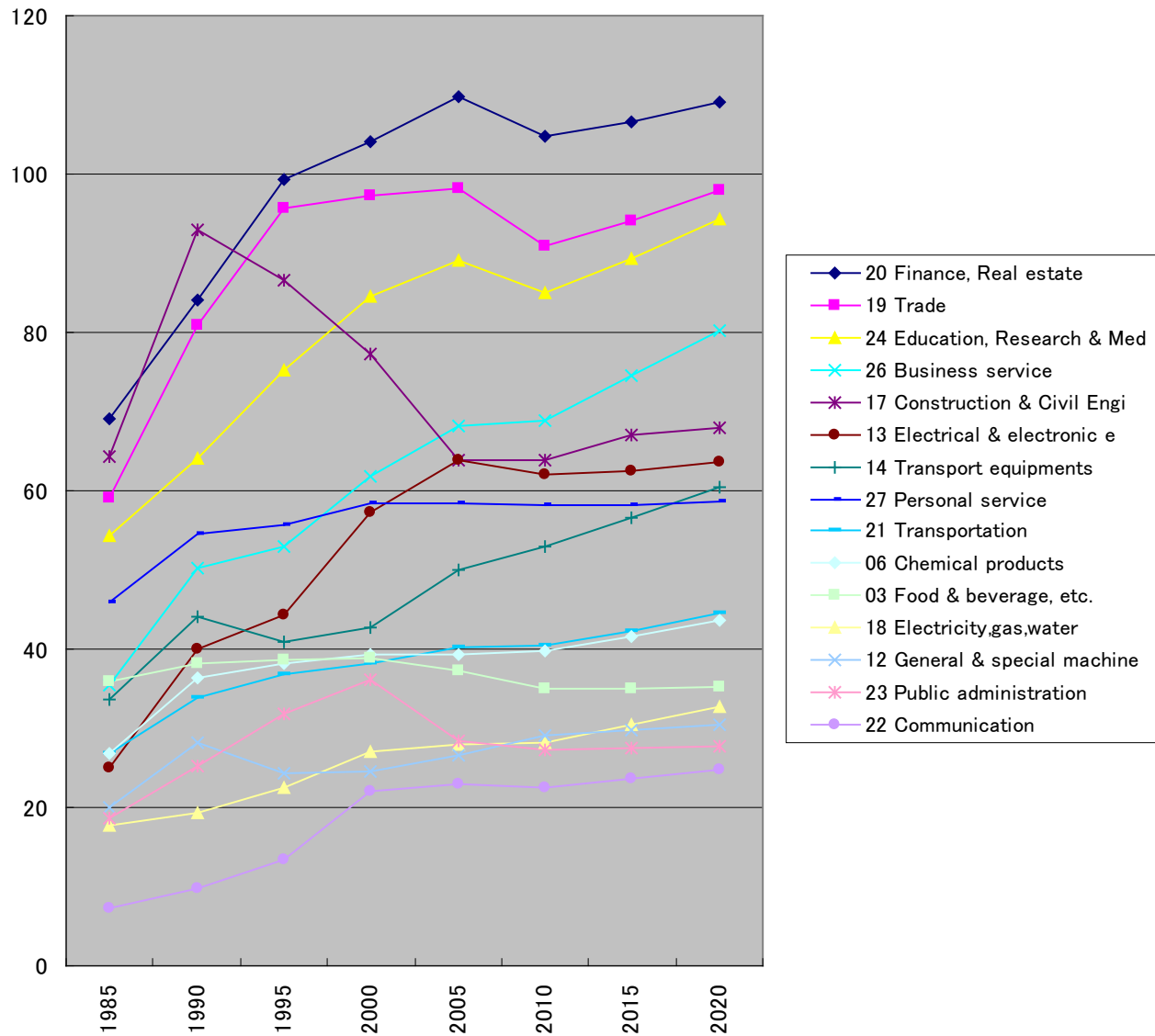
Current Price GDP by Income Categories (Trillion Yen)



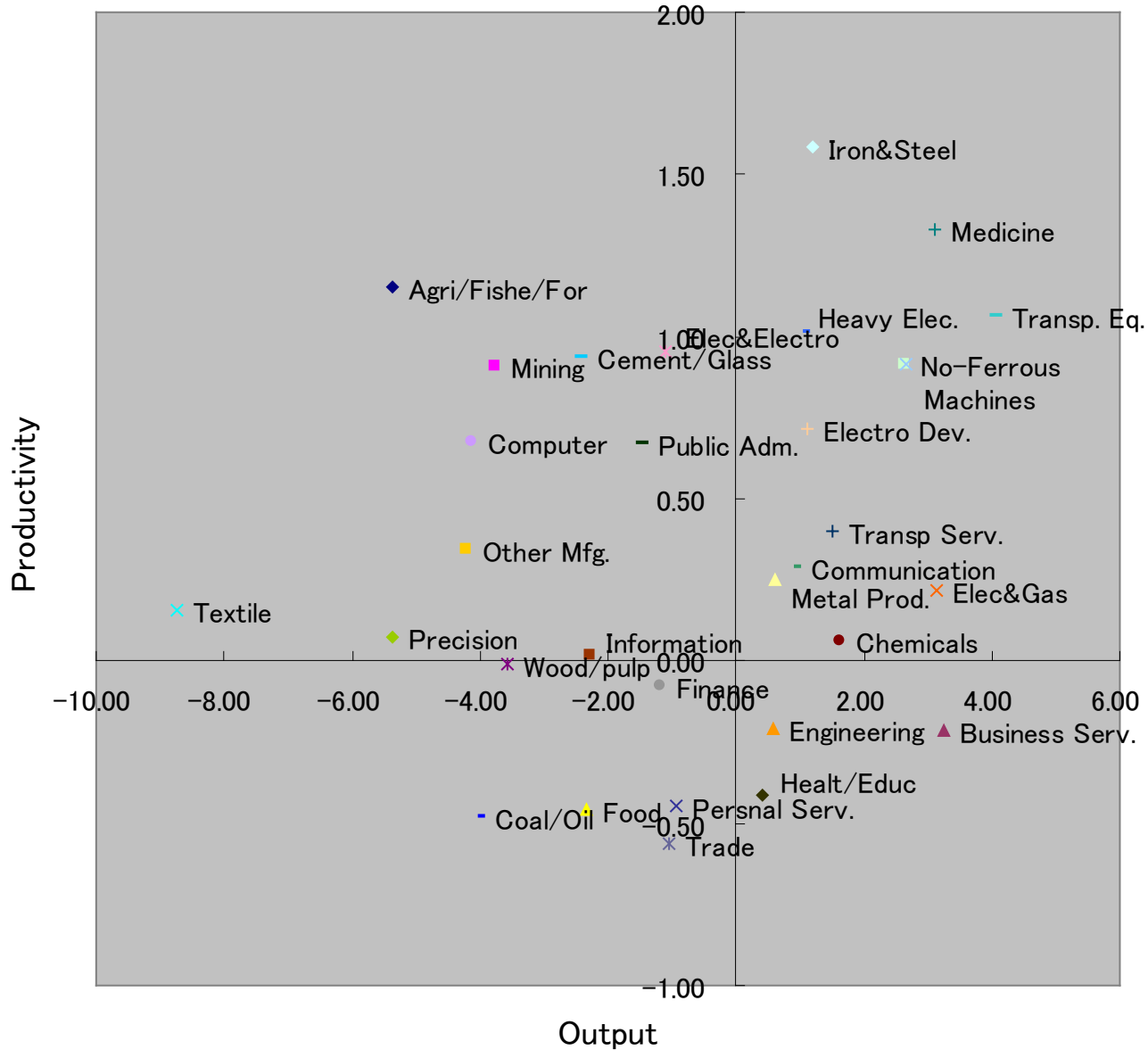
Price Index (2000=1)



Output by Top 15 Sectors (Trillion of 2000 Yen)



Production & Productivity Growth(2020/2005) : Deviation



Labor share and productivity in Japan

$$\sigma_{85} = 0.037 + 0.095 \log \pi_{85} \quad \text{Adj } R^2 = 0.344$$

(0.47) (5.87)

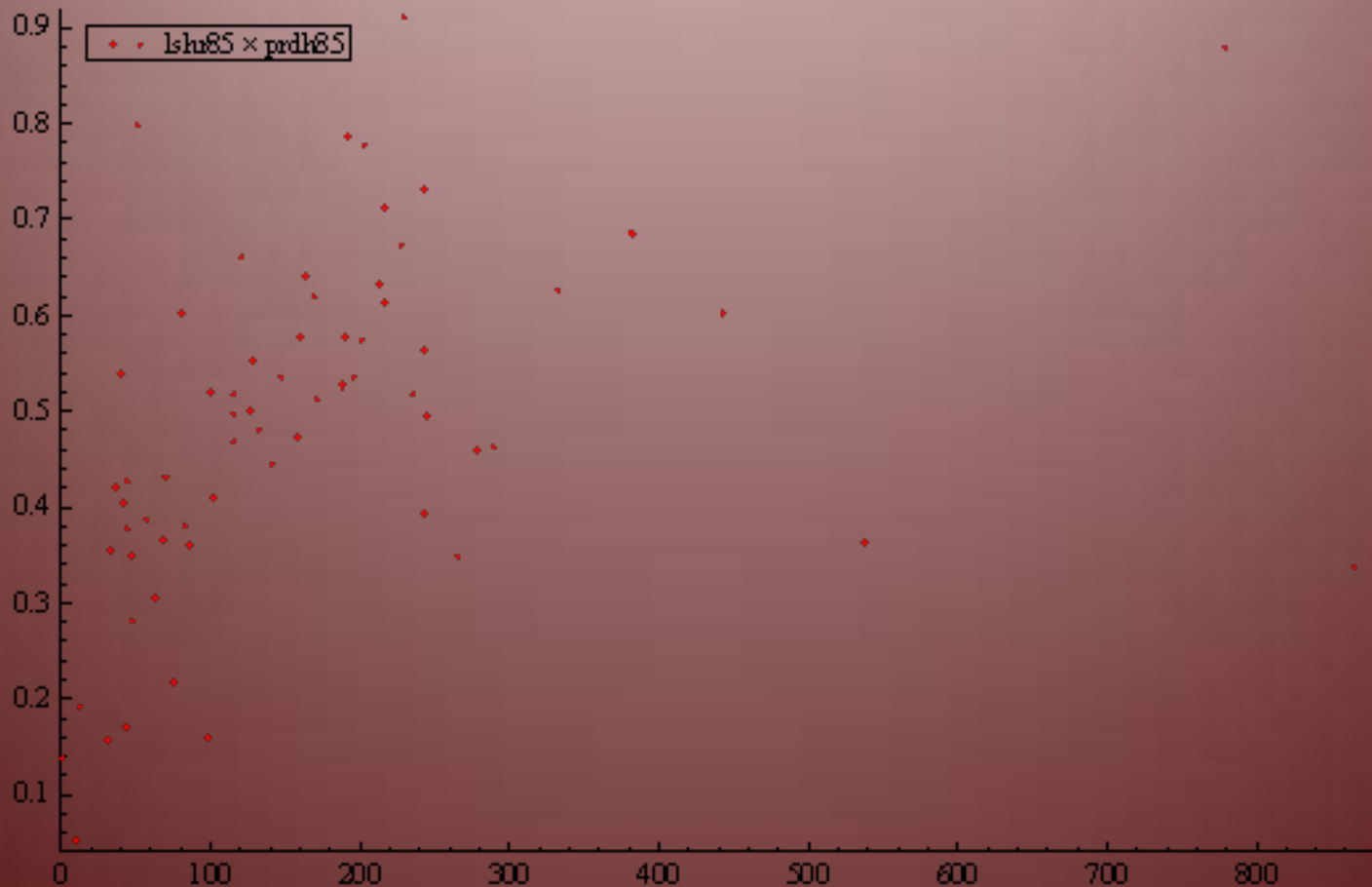
$$\sigma_{95} = 0.054 + 0.101 \log \pi_{95} \quad \text{Adj } R^2 = 0.453$$

(0.87) (7.34)

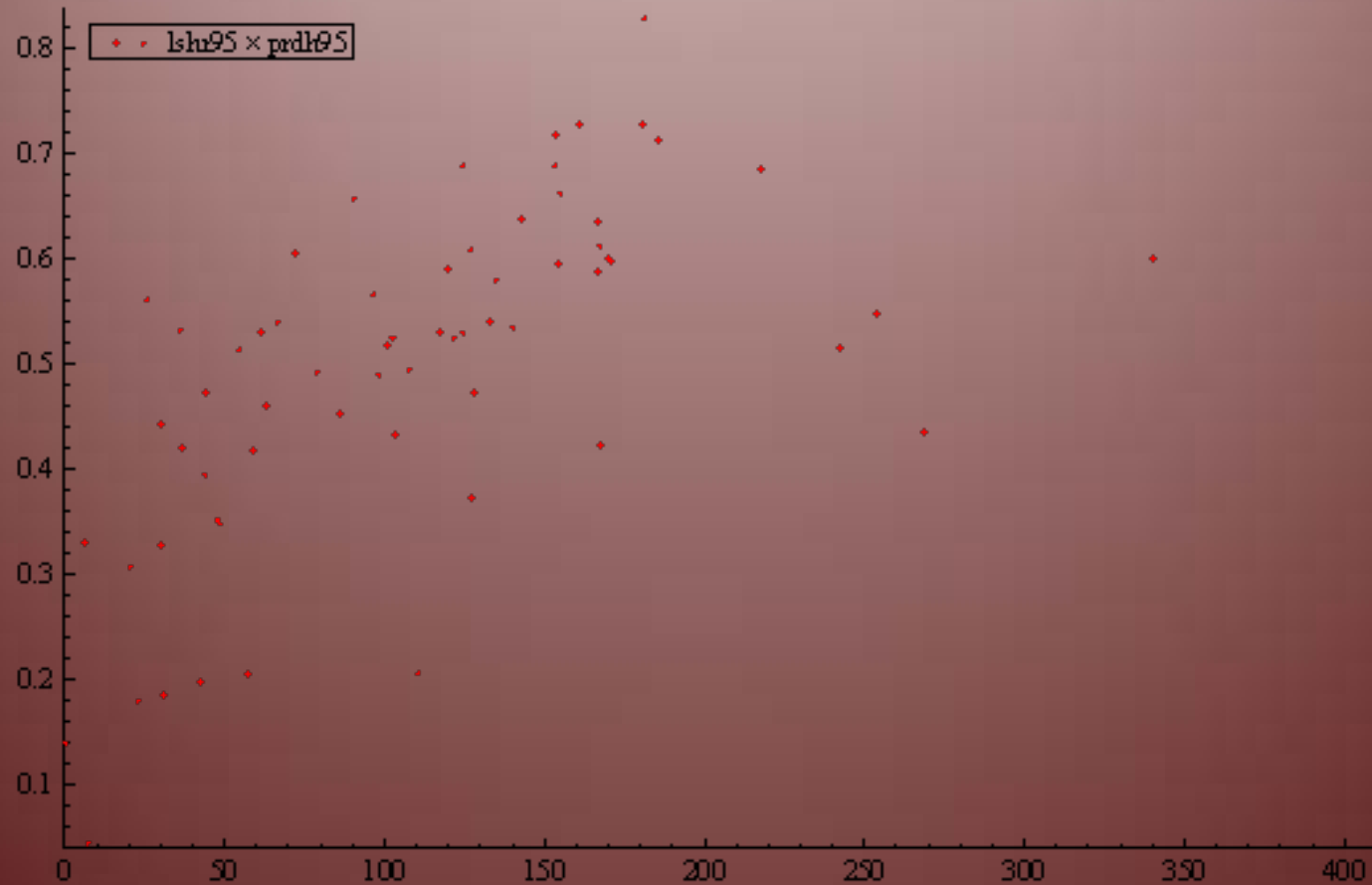
$$\sigma_{05} = 0.049 + 0.107 \log \pi_{05} \quad \text{Adj } R^2 = 0.504$$

(0.87) (8.13)

Productivity and labor share in 1985



Productivity and labor share in 1995



Productivity and labor share in 2005

