

Japan's Economy and Monetary Policy

Initial Remarks at the 2015 U.S. Monetary Policy Forum Held in New York

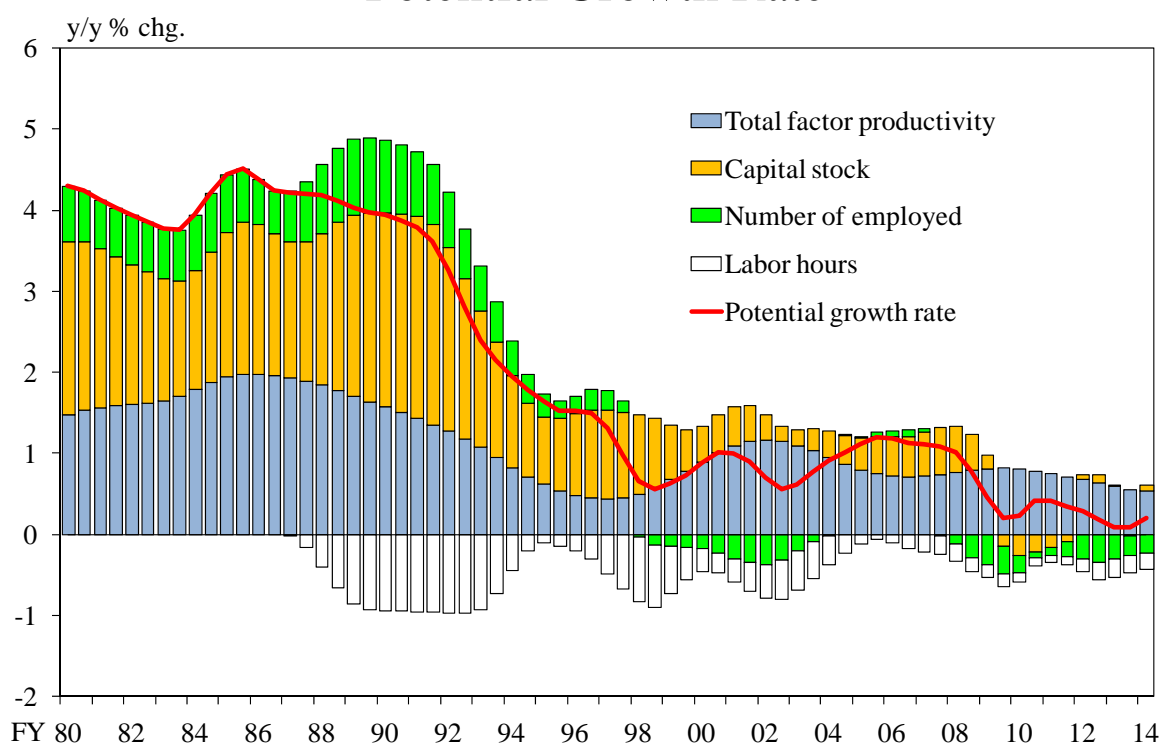
February 27, 2015

Hiroshi Nakaso

Deputy Governor of the Bank of Japan

Chart 1

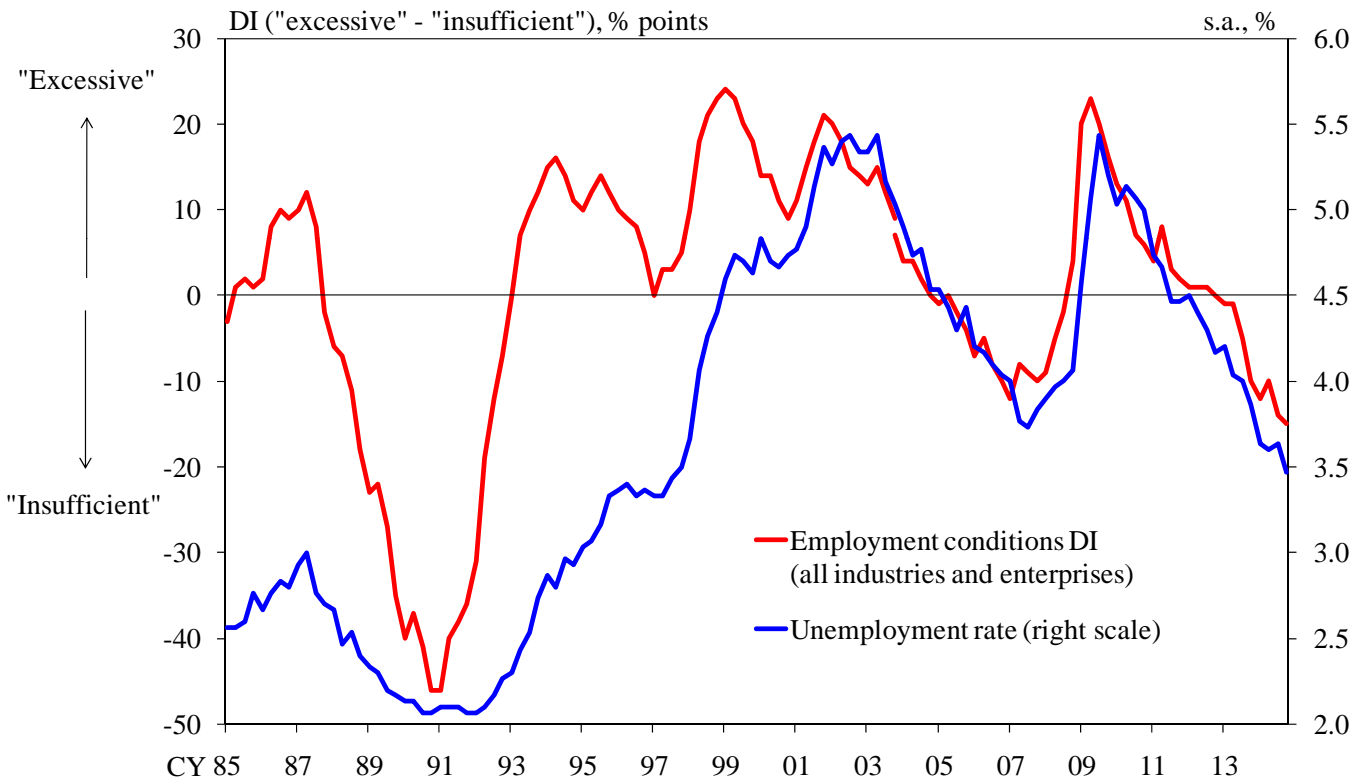
Potential Growth Rate



Note: The potential growth rate is estimated by the Research and Statistics Department, Bank of Japan. For the estimation procedures, see "The New Estimates of Output Gap and Potential Growth Rate," Bank of Japan Review Series, 2006-E-3. Figures for the first half of fiscal 2014 are those of 2014/Q2.

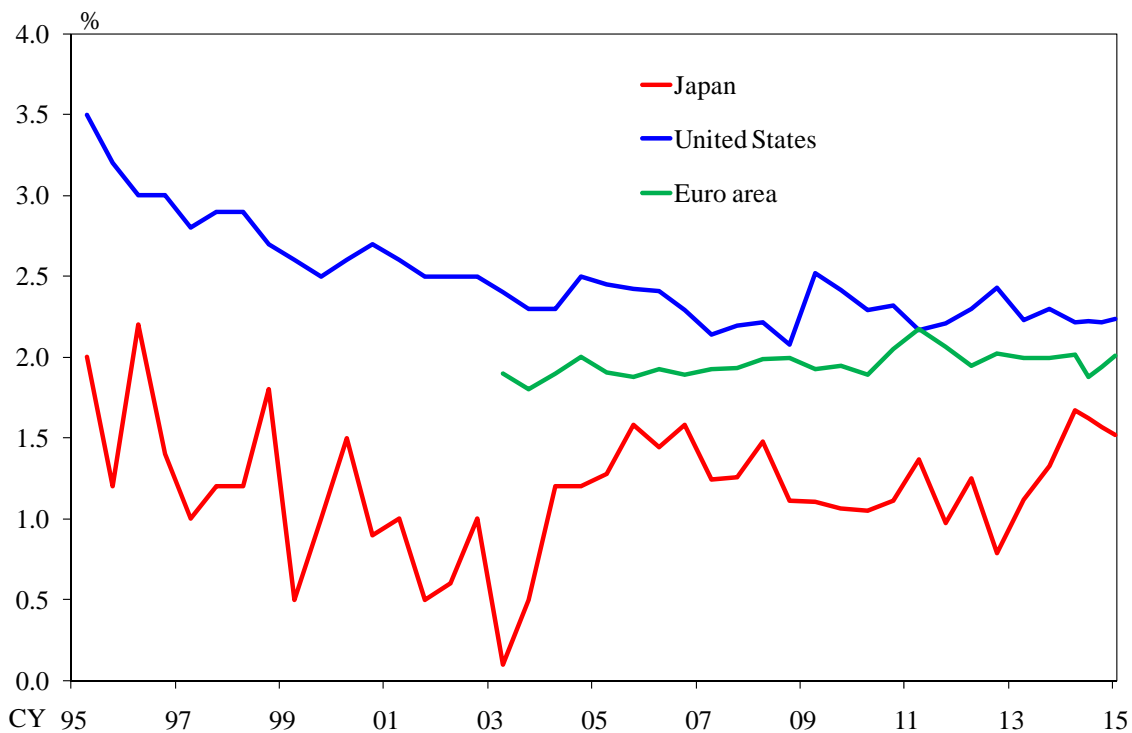
Sources: Cabinet Office; Bank of Japan; Ministry of Internal Affairs and Communications; Ministry of Health, Labour and Welfare; Ministry of Economy, Trade and Industry, etc.

Labor Utilization



Sources: Bank of Japan; Ministry of Internal Affairs and Communications.

Inflation Expectations in Advanced Economies



Notes: 1. Figures are inflation expectations 6 to 10 years ahead, taken from the "Consensus Forecasts."

2. Figures are compiled every January, April, July, and October. Those up through April 2014 are compiled every April and October.

Source: Consensus Economics Inc.