

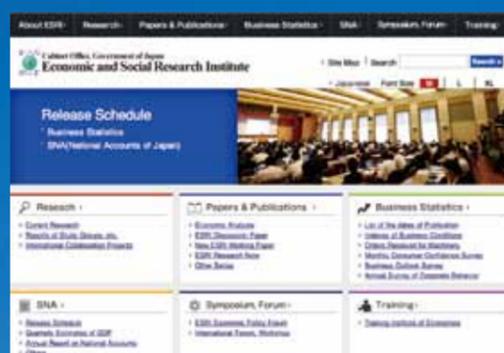
Economic and Social Research Institute, Cabinet Office

www.esri.go.jp



Public Transport

- 5-minute walk from Kokkai-Gijidomae Station on the Marunouchi and Chiyoda Subway Lines (Exit No. 3)
- 10-minute walk from Kasumigaseki Station on the Hibiya, Chiyoda, and Marunouchi Subway Lines (Exit No. A13)
- 9-minute walk from Toranomon Station on the Ginza Subway Line (Exit No. 6 or No. 11)
- 6-minute walk from Tameike-Sanno Station on the Namboku Subway Line (Exit No. 8)



ESRI Website

<http://www.esri.go.jp/index-e.html>

The ESRI English-language website provides access to the latest information on ESRI's research activities, including statistics (business statistics, SNA, etc.), research products (discussion papers, etc.), and summaries of forums and workshops. ESRI also issues a monthly e-mail magazine "ESRI Tsushin" (in Japanese only) featuring updated information. Users can subscribe to "ESRI Tsushin" through the ESRI website.



About ESRI

The Economic and Social Research Institute (ESRI) was founded in January 2001 with the expansion of the functions and scope of the Economic Planning Agency's Economic Research Institute under the reorganization of Japan's central government ministries and agencies. As the Cabinet Office's think tank, ESRI provides a vital bridge between theory and policy.

The principal mission of ESRI is to conduct theoretical and experimental research related to economic activities and policies, social activities, and other issues. Moreover, ESRI also trains and develops human resources to spearhead policy research.

In addition, ESRI compiles estimates for gross domestic product (GDP) and other statistics in the System of National Accounts (SNA). ESRI publishes both Quarterly Estimates of GDP and the Annual Report on National Accounts. Moreover, ESRI compiles and publishes Composite Indexes (indexes of business conditions) and other business statistics. All of these are indispensable as basic infrastructure for economic analysis. The duties performed by ESRI are therefore vital for making policy judgments and proposals based on factual observation and analysis. In future, ESRI will continue to tackle various tasks such as conducting research in line with the problem awareness of people involved in sites of policy, improving analytical techniques when conducting research, increasing the accuracy and usefulness of various statistics, strengthening collaboration with various fields including academia, and training government economists.

Training

Conduct training on economic theory, econometrics, skill and training for foreign trainees, etc.

Business Statistics

Compile Indexes of Business Conditions, and conduct Surveys of Corporate Activities and Consumer Behavior.

System of National Accounts (SNA)

Compile Quarterly Estimates of GDP (QE) and the Annual Report on National Accounts.

Symposiums/ Forums

Organize the ESRI Economic Policy Forum and various symposiums.

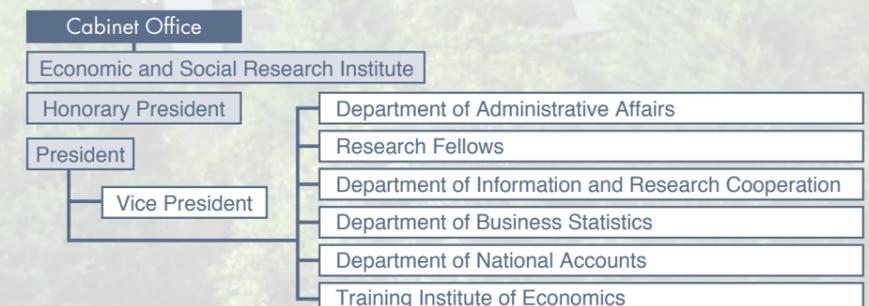
Research/ Publications

Conduct theoretical and empirical analysis to support policy formulation and planning. Issue "ESRI Discussion Papers," "Economic Analysis" and others.

History of the Economic and Social Research Institute (ESRI)

- July 1958 The Economic Research Institute (ERI) is established within the Economic Planning Agency.
- June 1990 The Department of Research Cooperation is established.
- May 1996 The Department of National Income is reorganized and renamed the Department of National Accounts.
- April 2000 The Department of Research Cooperation is reorganized and renamed the Department of Information and Research Cooperation.
- January 2001 ERI is reorganized as part of the Cabinet Office and renamed the Economic and Social Research Institute (ESRI) (the Department of Administrative Affairs, the Department of Business Statistics and the Training Institute of Economics are established), to the present.

Organization Chart



Research/ Publications

ESRI conducts theoretical and empirical research to support the formulation and planning of economic and fiscal policy as well as social policy, and is engaged in disseminating its research products and raising public awareness. In pursuing its mission, ESRI places emphasis on collaborating with the Council on Economic and Fiscal Policy and the departments of the Cabinet Office.

01 Samples of Research Topics

→ Developing and maintaining econometric models, etc.

- Maintaining and improving the Short-Run Macroeconometric Model of the Japanese Economy
- Developing a dynamic stochastic general equilibrium model (DSGE model)
- Developing a computable general equilibrium model (CGE model)

→ Economic analysis based on microdata

- Research on household behavior, including household structure, distribution of assets owned, consumption and savings
- Research on birth rate decline
- Research on educational output, etc.

→ Research on social indexes

- Survey research on social indexes

→ Local research

- Research on cross-sector collaboration
- Research on regional revitalization and area management

→ Disaster prevention, mitigation and reconstruction

- Research on policy directions for disaster prevention and mitigation
- Research on the process of business site reconstruction after an earthquake disaster

→ International matters

- Research on the potential of the Asian economic zone
- Research on a basis for innovation helping to strengthen international competitiveness

02 Special Projects

→ Research on the bubble economy and deflation

ESRI conducted a research project entitled “The Japanese Economy and Macroeconomic Policies from the Beginnings of the Bubble to the Overcoming of Deflation”. The aim of the project was to provide accurate and factual descriptions of economic trends and policies over a quarter of a century from the emergence of the bubble to its collapse, followed by a period of deflation. It also aimed to inspect and evaluate these trends and policies, convey the results of introspection and the lessons learnt to posterity, and contribute to future policy deployment. The research results were divided into the following three groups (Research Series, 11 volumes in all).

• Analysis and Evaluation

The mechanism of the causes and effects of economic phenomena that occurred in the period in question are analyzed, while both domestic and overseas dialog on various policies and evaluations of policies are enumerated scientifically and analytically.

• History

The state of the Japanese economy since the 1980s and outlines of various policy measures are factually described and compiled in a collection of relevant data. In addition, people who were involved in policy or corporate management, etc., in that era are interviewed, and the results are presented as oral history.

• International Collaboration Projects

Research themes are invited from researchers in Japan and overseas, and Japan’s economic bubble, deflation and the long period of stagnation are analyzed. Besides this, international conferences are also held to discuss the lessons to be learnt from Japan’s experience.

03 Research Products

→ Discussion Paper Series

Discussion papers present the results of research conducted by ESRI researchers for the purpose of soliciting comments from a broad range of scholars and research institutes and applying them in future research.

Papers published so far can be viewed at http://www.esri.go.jp/en/archive/e_dis/e_discus-e.html.

→ Economic Analysis Series

This series features a wide scope of refereed papers on empirical analysis of important economic and social issues. Submissions for this series are accepted from both ESRI and external researchers. The decision to publish a submitted paper is made by the President of ESRI, who is also the Chief Editor of this series, with examination by several anonymous reviewers and advice from the Editorial Committee.

→ Economic & Social Research (ESR)

This is a series of booklets providing information on ESRI research results, policy measures by the departments responsible for economic and fiscal policy in the Cabinet Office, etc.



04 International Collaboration Projects

ESRI holds international forums, symposiums, and other events to discuss the key economic policy issues of the day, attended by top experts from Japan and overseas. In particular, with the cooperation of NBER (the National Bureau of Economic Research), an international conference debating various problems regarding the macro economy, including finance and fiscal administration, has been held every year since 2001.

ESRI also engages in international joint research projects together with expert Japanese and overseas researchers, as well as universities, research institutes, and others.

Symposiums/ Forums

ESRI holds the ESRI Economic Policy Forum, which takes the form of a panel discussion on research outcomes and is open to the public, and others.

ESRI Economic Policy Forum

The ESRI Economic Policy Forum has been held as a forum for debate (panel discussion) since 2001. Topics are chosen from among current important policy issues, including ones for which there are divergent policy arguments. The forum aims (1) to clarify policy issues, (2) to contribute to policymaking, and (3) to stimulate broad discussion of issues by organizing public debates and exchanges of views among economists and other experts. The forum is open to the public, and audience participants are solicited from the general public. Each forum features a keynote speech and panel discussion followed by free discussion, which is open to the floor.



Joint seminars

To examine the latest developments in the economy and investigate policy issues to revitalize Japan’s economy, ESRI held a joint seminar with two other research institutes, the Policy Research Institute of the Ministry of Finance (PRI) and the Research Institute of Economy, Trade and Industry (RIETI), on October 17, 2013.

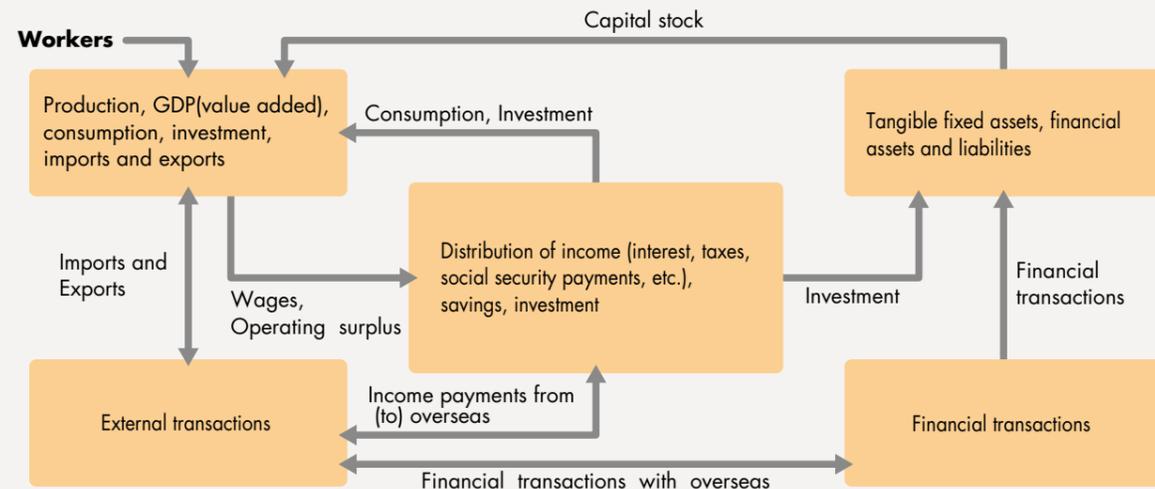
On March 5th, 2014, ESRI held the “ESRI-RIETI-JILPT Joint Seminar on Women’s Economic Activities” with two other research institutes, the Japan Institute for Labour Policy and Training (JILPT) and RIETI. The seminar examined the response to the declining birth rate and the promotion of women’s employment and work-life balance. The aim was to hold an in-depth discussion on the advancement of women’s role in the economy, which is one of the key issues of Abenomics.



System of National Accounts (SNA)

The System of National Accounts (SNA) consists of a series of macroeconomic indicators that provide a comprehensive picture of the national economy. ESRI utilizes a wide range of economic statistics and conducts its own surveys and research to estimate indicators with which to measure the nation's economic scale and activities, including income, consumption, and investment as well as GDP fiscal year figures and GDP quarterly estimates (QE).

System of National Accounts



SNA provides a comprehensive and systematic record of a nation's economic activity which can be compared internationally. Concretely, SNA is comprised of Production, Distribution (income and receipt and payment of transfer among corporations, government, and individuals), Expenditure (consumption of individuals and government, capital formation of corporation and government, and so on), Accumulative process of assets or liabilities, and the stock as the result. Japan's System of National Accounts is based on the international standards adopted by the United Nations (1993SNA), so it can be readily compared with those of OECD member countries and

other nations throughout the world. In response to the "2008SNA" standards newly adopted by the UN, ESRI is currently preparing for a shift to this standard by around 2016. Additionally, ESRI supports "Prefectural Accounts" for individual prefectures throughout Japan. Apart from SNA, ESRI also estimates a series of "satellite accounts," which cover certain economic and social activities that are not "productive activities" in the strict sense (activities that are not assessed as productive activities in a market economy). Satellite accounts include "Environmental and Economic Accounting" (SEEA), etc.

GDP

GDP measures a nation's total value added for a given period of time and is a representative indicator of national economic power. It is also an important indicator of business conditions. Quarterly Estimates of GDP (QE) play a central role in gauging the current trends in the Japanese economy. QE has a particularly strong impact, as evidenced by the fact that many Japanese think tanks and market analysts issue their own projections of QE shortly before the official release of this indicator. Given the need for timeliness, as a rule, QE is released within six weeks of the end of each quarter.

Training

To develop human resources to spearhead policy research, ESRI provides training for the acquisition of knowledge and skills needed to survey and analyze economic and social activities. It also provides training in econometric analysis and economic theory to Cabinet Office personnel and other central government officials and training for government personnel in foreign countries.

Examples of Training Programs

- Training in econometric analysis (beginners, practical, microdata analysis, etc.)
- Training in economic theory (System of National Accounts, etc.)
- Skill training (Excel, economic analysis software, etc.)
- Training for government personnel in foreign countries



Business Statistics

ESRI compiles various statistics that accurately reflect current and future economic developments. These statistics are widely used in assessing business trends and cycles, and are also utilized by the government as basic reference materials in its implementation of economic policies.

Indexes of Business Conditions

These are comprehensive indexes of business conditions compiled for the purpose of gauging current business conditions. They are derived by integrating indexes of production, employment, and various other key indicators that are sensitive to changes in economic activities. The index's amplitude of change provides essential information on the tempo of economic expansion (or contraction).

Determination of Business Cycle Reference Dates (the Economic Peak and Trough)

ESRI determines business cycle reference dates (the peaks and troughs among turning points of main economic indicators) to compare economic activities across business cycles.

	Trough	Peak	Trough
11th Cycle	Nov. 1986	Feb. 1991	Oct. 1993
12th Cycle	Oct. 1993	May 1997	Jan. 1999
13th Cycle	Jan. 1999	Nov. 2000	Jan. 2002
14th Cycle	Jan. 2002	Feb. 2008	Mar. 2009
15th Cycle	Mar. 2009	Apr. 2012 <small>(provisional)</small>	Nov. 2012 <small>(provisional)</small>

Corporate Activities

To gauge corporate activities, ESRI conducts a "Survey of Orders Received for Machinery," a "Business Outlook Survey" and an "Annual Survey of Corporate Behavior."

- ➔ **Survey of Orders Received for Machinery**
This is a survey of monthly orders received for machinery by machinery manufacturers, and the quarterly outlook for orders received in the following term. It provides timely information on trends in capital investment.
- ➔ **Business Outlook Survey**
Covering approximately 16,000 companies, this survey analyzes corporate assessments and forecasts for the economy, as well as sales, current profit, and capital investment amounts. This survey is jointly managed with the Ministry of Finance.

- ➔ **Annual Survey of Corporate Behavior**
This survey poses a series of questions to companies listed on the first and second sections of the Tokyo and Nagoya stock exchanges. Questions relate to firms' view of business conditions, such as expected rates of economic growth, trends in capital investment and break-even foreign exchange rates.

Consumer Behavior

In the area of consumer behavior, ESRI conducts the "Consumer Confidence Survey." This survey provides timely information on consumer perceptions, price expectations, planned expenditures on services, and possession/replacement principle consumer durables. A consumer confidence index is computed as an indicator of consumption behavior.

System of National Accounts (SNA)

Business Statistics

Key Indicators Compiled by ESRI

Title of Statistic	Frequency of Publication
Annual Report on National Accounts	Annually (generally in December)
Quarterly Estimates of GDP	Twice quarterly (first and second preliminary estimates)
Quarterly Estimates of Gross Capital Stock of Private Enterprises	Quarterly
Annual Report on Gross Capital Stock of Private Enterprises	Annually (generally in March)
Prefectural Accounts	Annually (generally in June)
Indexes of Business Conditions	Twice monthly (preliminary release and revision of preliminary release)
Orders Received for Machinery	Monthly
Orders Received for Machinery (Forecast)	Quarterly (released with Orders Received for Machinery for March, June, September and December)
Business Outlook Survey	Quarterly (June, September, December and March)
Annual Survey of Corporate Behavior	Annually (generally in February)
Consumer Confidence Survey	Monthly