Japan's Economy Teeters at the Brink — Economic Forecast for Fiscal 2002

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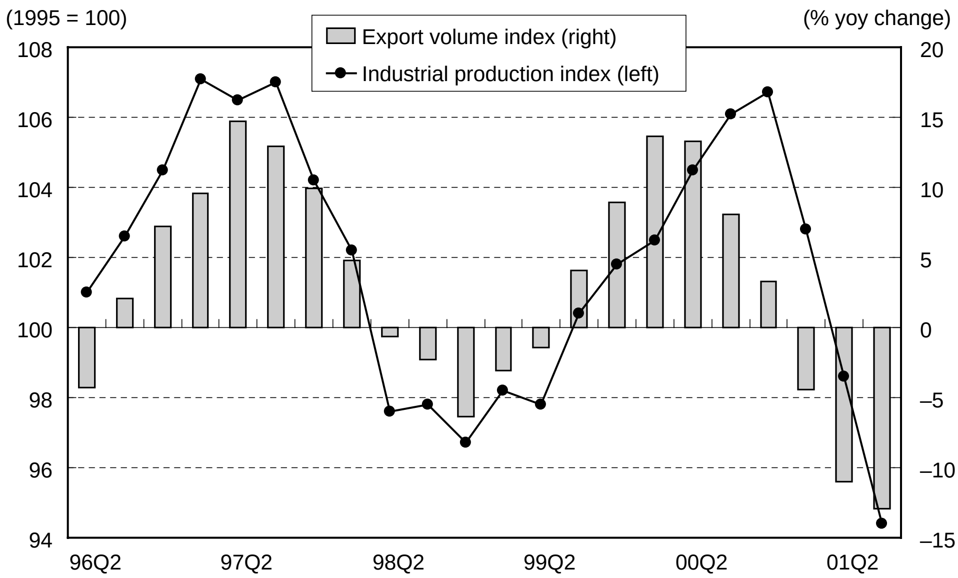
1. The Economy's Continued Deterioration

The economic recovery that began in Spring 1999 was declared to have peaked out in October 2000. Then came the U.S. economic slowdown, dampening exports in 2001 and dragging down industrial production to a post-bubble low in October. Corporate earnings growth, which had been positive up to fiscal 2000, also turned downward: the *Quarterly Statistics of Financial Statements of Incorporated Enterprises* showed a double-digit earnings decline in the July-September quarter.

Figure 1 Industrial Production and Export Volume



Sources: Ministry of Economy, Trade and Industry, *Industrial Production Indexes;* Ministry of Finance, *Summary of Foreign Trade*.

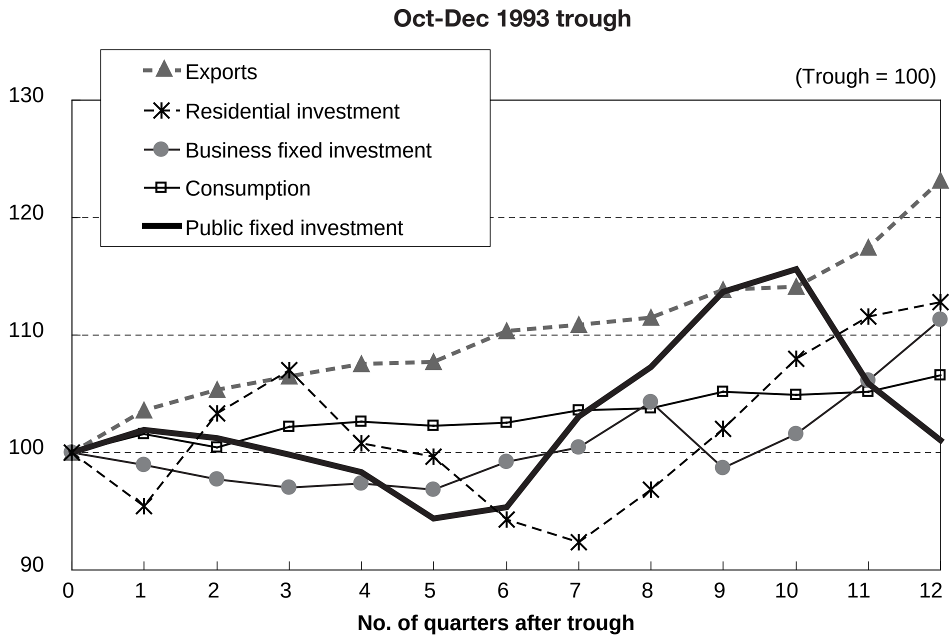
Weakness in the corporate sector, by prompting job cuts and labor cost cuts, has spilled over into the household sector. Unemployment reached 5% in July 2001, and progressed to 5.4% in October. In April 2001, year-on-year growth in newly employed persons turned negative, and in September the total number of employed persons also began shrinking. In addition, the effective ratio of job openings to seekers has been trending downward. Thus the recent job and income environment has been worsening in all respects.

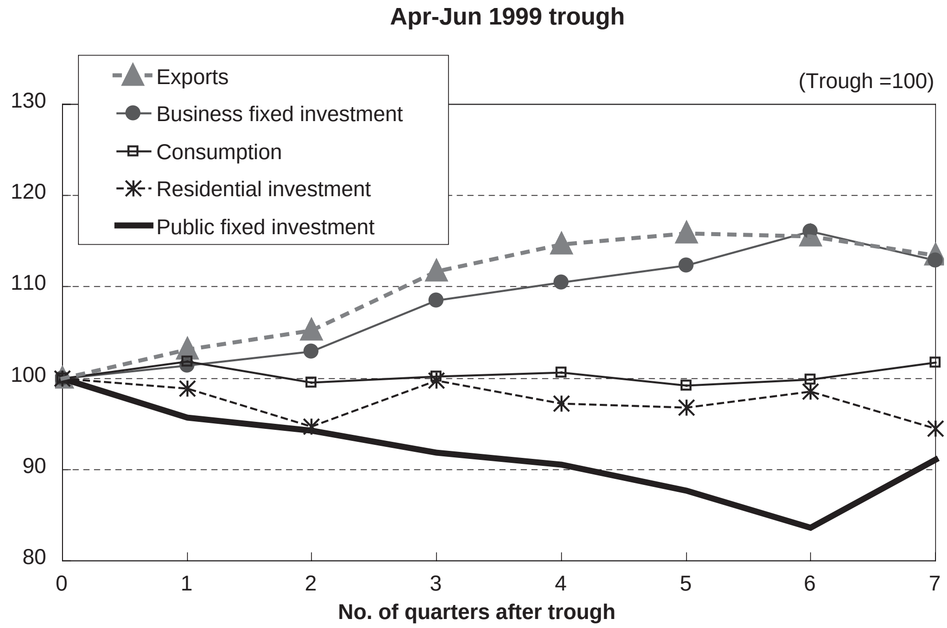
Monthly labor statistics show that not only non-scheduled cash earnings but even scheduled cash earnings are trending downward. While summer bonuses only fell 1.1% from the previous year, this figure represents the average of companies that actually paid out bonuses; the situation is actually more serious because the proportion of companies not paying bonuses has risen. Growth in nominal employee compensation, which had maintained an annual pace of approximately 1% from fiscal 2000, decreased to 0.7% year-on-year in April-June 2001, and turned negative to -1.2% in July-September. This indicates that the weakness previously limited to the corporate sector has spread to the household sector. In the July-September 2001 quarter, real private final consumption expenditure fell 1.7% sequentially, marking the second major consecutive decline following April-June. Thus the deteriorating job and income environment has also dampened consumer confidence, and thereby further constrained household consumption.

2. Recovery Will Depend on External Demand

Given the weakness in industrial production and corporate earnings, a decline in business fixed investment is inevitable in fiscal 2002. Rising unemployment and limited wage growth indicate that the outlook for consumption is bleak. In addition to the inevitable weakness in private demand, chances are slim for a policy-induced economic recovery in the near term. Fiscal policy may be able to boost demand and cause a temporary upturn, but cannot bring about sustained growth. Given the present policy emphasis on structural reform, policymakers will likely shun significant fiscal spending aimed solely at stimulating the economy. Moreover, with policy interest rates hovering near zero, further monetary easing will have little effect in stimulating residential investment and business fixed investment. Thus monetary policy alone cannot alleviate the deflationary conditions and bring about a recovery.

Figure 2 Previous Economic Recovery Patterns





The recovery that began in Spring 1999 was driven by export growth from the sustained U.S. economic expansion and recovery in Asia following the currency crisis. This export growth fueled growth in industrial production and corporate earnings, which in turn revived business fixed investment. However, the earnings recovery did not persist long enough to boost wages and bonuses and revive private consumption. Today, with no signs of recovery on the domestic front, economic recovery will depend heavily on external demand. Thus the primary concern is when the U.S. economy will recover.

3. Lingering Concerns About the U.S. Economy

After a strong run during most of the 1990s, the U.S. economy fell into recession in April-June 2001, and posted a real sequential growth rate of -1.1% in July-September. Initial concerns that the events of September and war in Afghanistan would prove disastrous for the economy have shifted to relieved optimism because of the war's rapid progress and smaller than expected overall negative impact. However, the economy's main weakness prior to September 11 has not been alleviated — that the household savings rate has risen from its abnormally low level and dampened consumption. Due to the series of monetary easing actions and fiscal measures taken after September 11, the economy should bottom out and start recovering during 2002. But the sustainability of the recovery remains in question. The economy is not likely to repeat its strong performance of the 1990s, and despite a recovery, is predicted to grow only 0.3% in 2002. Moreover, the risk of a prolonged recession similar to what Japan has experienced in the post-bubble era cannot be discounted.

Europe's economy has also slowed down. While the introduction of euro notes and coins in 2002 should heighten the benefits of the single currency, some initial confusion during the transition period will be unavoidable. With fiscal stimulation at issue in Europe, the problem arises of how to deal with fiscal deficits. Although the economic growth rate will turn upward in mid 2002, the pace of recovery will be modest. The economy is predicted to grow 1.5% in 2001, and 0.5% in 2002. The euro should undergo a gentle correction from its present undervaluation, but if the dollar's continued strength is undermined by the shrinking outflow of funds to the U.S., a flight of funds could strengthen the euro significantly.

4. Japan's Economy in Fiscal 2002

(1) Fiscal Policy Assumption: No Large Increase in Public's Burden

In the initial fiscal 2002 budget, Prime Minister Koizumi plans to limit government bond issuance to ¥30 trillion. With a negative real economic growth rate and continued deflation predicted for the next fiscal year, the inevitable shortfall in tax revenue will make the bond issuance target unachievable barring significant spending cuts. The bond issuance target, which is regarded as a springboard for public corporation and other reforms, is likely to be compiled into the initial budget by resorting to non-tax revenue sources. However, in the same way that the fiscal 2001 second supplementary budget has tapped into the government debt consolidation fund, the actual outcome will effectively exceed the ¥30 trillion limit by borrowing from special accounts. There is also a large risk that the ¥30 billion limit will succumb to a downward revision of estimated tax revenue or to additional fiscal stimulus measures during the next fiscal year.

Since tax revenue is supposed to decline during economic downturns due to the automatic economic stabilizing function of public finances, if this stabilizing function is overridden with spending cuts and steady bond issuance, the economy will only deteriorate further. From this perspective, regarding fiscal policy from fiscal 2003 onward, the Council on Economic and Fiscal Policy is right in proposing an alternative to the bond issuance target: that the government not grow larger than its present size (in terms of overall spending). Possible specific targets include the size of spending and its ratio to GDP.

In our forecast, our fiscal policy assumption is that while public works spending will be reduced 10% in the fiscal 2002 initial budget, public fixed capital formation will decline 7.4% nominally from the previous year due to the public works carryover from the fiscal 2001 second supplementary budget. Also, while there may be minor tax increases in individual areas, we assume that no major increases will occur in taxes or premiums for pensions and health insurance.

(2) Monetary Policy Assumption: Continued Easing

Since implementing quantitative easing in March, the Bank of Japan has gradually bolstered its easing measures. During this time, while the growth of the monetary base has picked up, money supply (M2+CD) growth has remained in the mid 3% range. With fiscal measures on hold, expectations for a stimulus effect have turned to monetary measures, spurring a search for additional monetary policy tools such as an expanded scope for funding operations, purchase of foreign-denominated assets, and inflation targets. However, none of these is likely have a large stimulative effect. Thus during fiscal 2002, the consumer price inflation rate is very unlikely to stay above zero, which means that the real short-term interest rate will remain at zero.

With the economic slowdown prompting significant monetary easing in the U.S., the Japan-U.S. interest rate differential is shrinking, suggesting that the yen will not weaken significantly. But the U.S. economy is predicted to bottom out before Japan around mid 2002, causing the dollar to strengthen against the yen. Toward the end of the fiscal year, if signs of recovery appear in Japan, the strong dollar will undergo a correction.

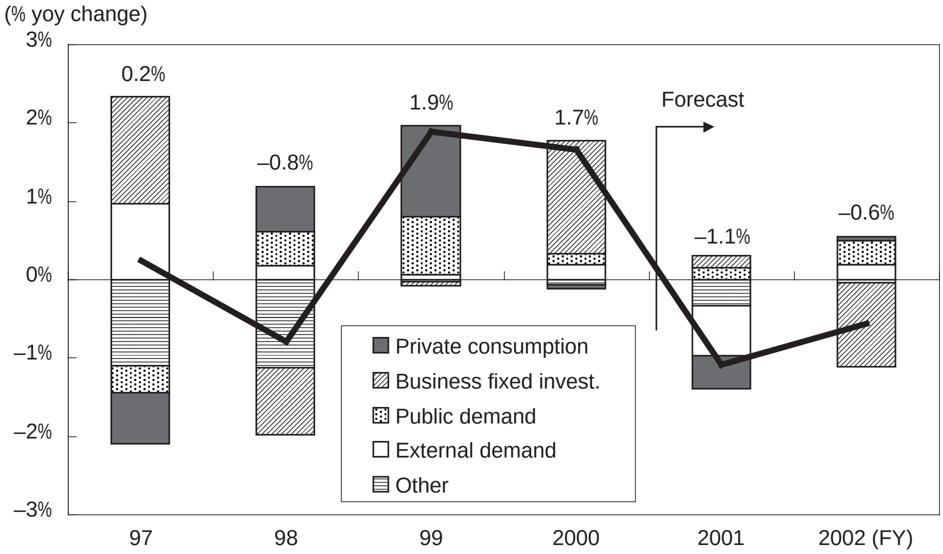
(3) Japan's Economy Continues Negative Growth

In fiscal 2001, business fixed investment managed to grow 0.9% led by the non-manufacturing sector. However, the recent sharp drop in industrial production is expected to depress investment even further in the manufacturing sector, causing investment to decline 6.3% in real terms in fiscal 2002. Due to poor corporate earnings, bonuses will fall and the job and income environment will deteriorate further in fiscal 2002. Weakness in income and consumer confidence will combine to extend the consumption slump, causing private consumption expenditure to post a real decline of -0.8% and nominal decline of -2.2% in fiscal 2001. In fiscal 2002, consumption will decline -1.4% nominally, and increase only

0.1% in real terms. Private residential investment will also continue declining at a -7.9% real pace in fiscal 2001, and -1.2% pace in fiscal 2002.

Considering that private sector demand will decline -1.4%, while public fixed capital formation will also decline due to fiscal structural reforms, the real economic growth rate will be -1.1% in fiscal 2001, and remain negative at -0.6% in fiscal 2002.

Figure 3 Real GDP Growth Rate



Source: Economic and Social Research Institute, Cabinet Office, *Preliminary Quarterly GDP Estimates.*

Assuming that the U.S. economy bottoms out in mid 2002, Japan will start a modest recovery at the end of the fiscal year. Export growth to the U.S. and Asia will stimulate business fixed investment and industrial production. Considering the time lag from the time the U.S. economy bottoms out, Japan's recovery is likely to occur in the second half of fiscal 2002.

5. Structural Reform and Japan's Economy

(1) The Nature of Structural Problems

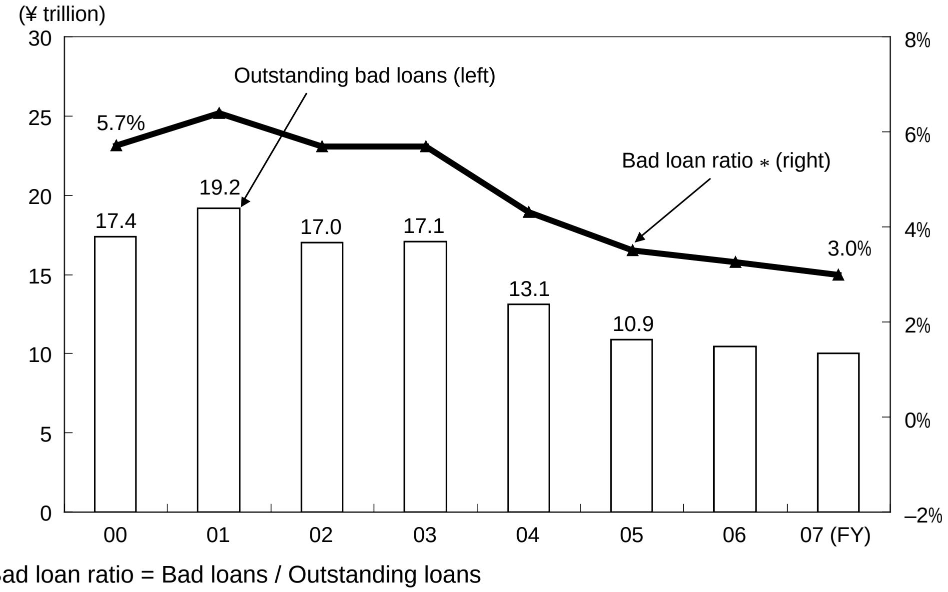
While there is a consensus that Japan's economy since the 1990s has been plagued not by cyclical demand factors but by structural factors, the consensus breaks down regarding the exact nature of structural problems. Since demand-side policies such as massive public works spending have failed to revive the post-bubble economy on a sustained basis, some would argue that the problem lies not on the demand side but the supply side. However, deflationary conditions and rising unemployment clearly indicate that the problem lies on the demand side. The problem is that the weak demand is not a cyclical condition but structurally rooted. The Koizumi government's structural reforms have a supply-side orientation in that they seek to eliminate inefficient government operations. Admittedly, supply-side efficiency is a critical issue for the economy, especially since aging is expected to reduce the labor force and thereby restrict the economy's supply-side growth potential. But the reforms would reduce current fiscal spending, and thus impede the economic recovery that is so urgently needed. It is mistaken to think that by carrying out the structural reforms, the economy will recover eventually.

(2) Problem Loans Will Weigh Heavily Unless the Economy Recovers

Another mistake is to think that the economy will recover once problem loans are completely disposed of. The importance placed on problem loan disposal is derived from concerns about financial system instability and the waning effectiveness of BOJ monetary policy. However, while disposing of the bad loans and stabilizing the financial system are important objectives, unless the recession is dealt with first, solution of the bad loan problem will remain elusive for three reasons.

First, while the government aims to complete disposal in two to three years, postponing recovery efforts during this time would cause new bad loans to crop up, leaving the total amount unchanged. While the bad loan problem of financial institutions has weighed heavily on the post-bubble economy, the economy must first recover enough to keep more loans from going bad. Using the Financial Services Agency's outlook for bad loan disposal, we estimated the amount of bad loans that would surface each year and the amount that could be disposed of. What becomes clear is that to reduce the ratio of bad loans to total outstanding loans, loan-wary banks must extend new loans, while existing loans must also be kept from going bad. Thus rather than leading to recovery, the disposal of bad loans is actually dependent on recovery.

Figure 4 Bad Loan Situation of 15 Major Banks



Note: Bad loan ratio = Bad loans / Outstanding loans
Source: Compiled from report of FSA Council on Economic and Fiscal Policy meeting held on August 23, 2001.

Second, there is a high risk that the bad loan problem will recur. Supposedly, the injection of public funds would revive banks to financial health, which would enable them to rescue struggling companies, and thereby return the economy to normal. But given the flagging economy, even if banks could clear off bad loans and repair their balance sheets, many companies would ultimately fail to recover, causing more bad loans to pile up in the banking sector — putting us back at square one.

Third, monetary policy is unlikely to regain effectiveness. With debt-burdened companies intent on reducing new borrowing, growth in new loans will be restrained. The ratio of bank loans to nominal GDP, which has remained elevated since the bubble era, needs to decline. But that ratio will have to rise once before the recovery can proceed, and this is difficult to imagine under present conditions. Banks may be able to improve their risk-taking ability and facilitate financing of venture companies and growth sectors to some extent. But we should not expect BOJ monetary easing to produce a macroeconomic effect by leading to money supply growth.

6. Issues in Expanding Consumption

The bubble economy of the late 1980s was caused by economic policies that sought to achieve an economic recovery led by business fixed investment. For about five years, business fixed investment drove demand and kept the economy in equilibrium. But since consumption growth lagged behind, demand could not keep pace with the supply-side expansion created by investment, causing excess capacity and spawning nonperforming loans. Uneven growth between business investment and consumption inevitably keeps the economy in disequilibrium. The only way for the economy to resume a sustained expansion course is to stimulate consumption growth. Weakness in consumption demand is the key structural problem confronting Japan's economy.

The allocation to labor, which has remained high following the bubble's collapse, must decline if corporate earnings are to improve. Wage growth will probably remain suppressed even if deflationary conditions ease up. For consumption to expand in these conditions, the propensity to consume must rise.

Japan's households are restraining consumption for three reasons: (1) anxiety about retirement life, (2) inefficiency of household asset formation, and (3) anxiety regarding short-term economic cycles.

The biggest problem is anxiety regarding retirement life. In light of the population's rapid aging, the Koizumi administration should make pension and other social security reforms a top priority. Households have been growing increasingly anxious about retirement life. Younger generations in particular are apprehensive about the uncertain outlook for the troubled pension system. Given the strong anxiety about retirement life, there is also a risk that even if the deflation ends, the resulting decline in real financial assets would cause households to save more. To expand consumption, the government must allay anxieties that cause households to save excessively — that is, it must tackle the structural problem of stabilizing the social security system including pensions, health care, and long-term care.

Another way to expand consumption is to improve how households accumulate and use assets. While households hold substantial assets, the composition of assets hinders consumption growth. There are two problems with the asset composition: (1) the large proportion of residential assets, which have low liquidity, and (2) the blurred distinction between savings and insurance.

Regarding the first problem, it is possible to expand consumption among older persons by enhancing the liquidity of residential assets, which comprise the largest part of wealth. Although housing needs change in the course of a lifetime — marriage, family life, and life after the children become independent — once people buy a home, it is difficult to move to a new one. This is why elderly couples tend to continue living in dwellings that are too big for their needs. But if they could move to a smaller dwelling and cash in part of the residential assets for living expenses, they would need to set aside fewer funds for retirement life. To facilitate these periodic moves during people's lifetimes, it is important that high transaction costs be reduced, particularly taxes associated with real estate transactions. In addition, ways must be found to enhance the liquidity of residential assets with reverse mortgages and other means.

Another way to expand consumption is to revise housing policies that are biased toward home ownership. For example, tax rules favor home ownership over investing in rental housing, and thereby impede the formation of a rental housing market. While buying a home is a major motive of household savings, people would probably be less compelled to buy if an adequate supply of good rental housing existed. If the need for moving is considered, rental housing can be a more logical choice in many cases. Thus revising the tax system as well as housing policies biased toward home ownership will not only expand investment in rental housing, but reduce people's need to save for home purchases, and thereby encourage consumption.

Regarding the second problem, the blurred distinction between savings and insurance makes excessive savings necessary. It is often pointed out that household financial assets are biased toward low-return, liquid savings deposits. But this has some economic rationality, since these liquid savings deposits complement the large proportion of residential assets, which are illiquid. The problem is that the choice of financial assets produces excess savings without alleviating anxieties about retirement life. With insurance such as lifelong annuities, people would need to set aside only enough retirement funds to meet the average life expectancy. But individuals saving for retirement on their own must set aside enough funds in case they live beyond the average life expectancy. In that case, while the aggregate amount of retirement savings is more than needed, some individuals could still deplete their savings by living longer than expected.

Moreover, even if people do save enough to cover expected retirement living expenses and contingencies such as long-term care or medical care, an unexpectedly severe contingency could still deplete savings. On the other hand, while everyone may be at risk for such contingencies, not everyone will encounter them; or, one person may encounter several contingencies. It is thus essentially a mistake to deal with these risks out of savings rather than by purchasing appropriate insurance coverage. By abolishing the general incentives for savings and encouraging households to purchase insurance, the amount of required savings could be reduced throughout Japan. Households could then enjoy more financial security at less cost, reduce their anxiety about retirement life, and thus expand consumption.

Finally, it is critical to prevent consumer confidence from being rocked by short-term business cycles. The worsening job and income environment, including an unemployment rate of 5.4%, have depressed consumer confidence to 1997 and 1998 levels. Unemployment is predicted to rise further to 6.3% in late fiscal 2002. With employee compensation declining, if consumer confidence collapses and consumption slumps, there is serious risk that we will face a vicious cycle of declining sales and further job and income setbacks. Preventing this risk requires that fiscal and monetary policies help protect jobs and otherwise prop up the economy. For the structural reforms, the greatest risk is losing momentum due to an economic downturn, and to avoid this we must continue fiscal spending to sustain a certain level of public demand and job creation.

Economic Forecast for the U.S.

(% seq. change annualized, unless otherwise noted)

	2000	2001	2002	2001				2002			
				1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
		forecast	*forecast*				*forecast*	*forecast*	*forecast*	*forecast*	*forecast*
Real GDP	4.1	1.1	0.3	1.3	0.3	–1.1	–1.1	–0.8	1.5	2.6	2.8
Personal consumption expend.	4.8	2.8	1.1	3.0	2.5	1.1	0.8	0.1	1.3	2.2	2.0
Business fixed investment	7.6	–2.0	–5.8	1.9	–9.7	–6.3	–10.2	–7.8	–4.7	1.6	4.7
Inventory investment (contrib.)	–0.1	–1.0	0.5	–2.6	–0.4	–0.8	0.4	1.0	1.4	0.5	0.5
Government expenditure	2.7	3.1	1.4	5.3	5.0	0.8	1.1	1.3	1.2	1.2	1.4
Net exports (contrib.)	–0.9	–0.1	–0.2	0.7	–0.1	–0.1	–0.4	–0.2	–0.2	–0.0	–0.3
Producer price index	3.7	2.5	1.0	3.9	3.4	1.8	1.1	0.2	0.3	1.7	1.9
Consumer price index	3.4	2.9	1.5	3.4	3.4	2.7	1.9	1.3	1.0	1.4	2.1
Unemployment rate (average)	4.0	4.8	6.2	4.2	4.5	4.8	5.7	6.1	6.3	6.3	6.3
10-year Treasury note yield (%)	6.0	5.0	5.2	5.1	5.3	5.0	4.8	5.1	5.2	5.3	5.4

Economic Forecast for the Euro Area

(% yoy change unless otherwise noted)

	2000	2001	2002	2001				2002			
				1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
		forecast	*forecast*				*forecast*	*forecast*	*forecast*	*forecast*	*forecast*
Real GDP	3.4	1.5	0.5	2.5	1.7	1.3	0.6	0.1	0.2	0.4	1.1
Domestic demand (contrib.)	2.8	0.9	0.4	1.6	1.0	0.4	0.2	–0.0	–0.0	0.5	1.2
Private final consumption exp.	2.6	1.8	0.6	2.0	1.7	1.8	1.6	0.8	0.3	0.4	0.9
Fixed capital formation	4.4	–0.6	–0.3	1.0	–0.2	–1.4	–1.8	–1.6	–0.8	–0.0	1.3
External demand (contrib.)	0.6	0.7	0.0	0.8	0.7	0.9	0.4	0.1	0.2	–0.1	–0.1
Nominal GDP	4.7	3.7	2.1	4.5	4.1	3.6	2.8	1.9	1.6	1.9	2.9
Consumer price index (HICP)	2.4	2.6	1.5	2.6	3.2	2.7	2.1	1.8	1.2	1.4	1.7
Unemployment rate (%)	8.9	8.4	8.5	8.4	8.4	8.4	8.4	8.5	8.5	8.5	8.4
Current account bal. (GDP ratio)	–0.9	–0.3	0.1	–0.6	–0.7	–0.1	0.1	0.1	0.1	0.2	–0.1
ECB interest rate (%)	4.8	3.3	3.0	4.8	4.5	3.8	3.3	2.8	2.8	2.8	3.0

Note: Policy interest rate is at end of period.

Economic Forecast for Japan

(% sequential change unless otherwise noted)

	FY 00	FY 01	FY 02	FY 2001				FY 2002				FY 01
				4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	previous
		forecast	*forecast*				*forecast*	*forecast*	*forecast*	*forecast*	*forecast*	*forecast*
Real GDP (seq. change)	1.7	–1.1	–0.6	–1.2	–0.5	–0.1	–0.4	–0.1	0.0	–0.1	0.1	–0.9
(seq. change, annualized)				–4.8	–2.2	–0.4	–1.7	–0.2	0.1	–0.2	0.3	
(yoy change)				–0.4	–0.5	–1.0	–2.4	–1.0	–0.4	–0.7	–0.2	
Domestic demand (contrib.)	1.5	–0.5	–0.7	–0.9	–0.6	–0.0	–0.4	–0.1	–0.1	–0.2	0.0	–0.5
Private demand (contrib.)	1.3	–0.6	–1.1	–0.4	–0.8	–0.1	–0.7	–0.2	–0.1	–0.0	0.0	–0.5
Public demand (contrib.)	0.1	0.2	0.3	–0.5	0.2	0.1	0.3	0.1	0.0	–0.2	0.0	0.0
External demand (contrib.)	0.2	–0.6	0.2	–0.3	0.1	–0.1	–0.0	0.0	0.2	0.1	0.0	–0.4
Private final consumption expend.	–0.1	–0.8	0.1	–1.1	–1.7	0.6	–0.1	0.1	0.1	0.1	0.2	0.4
Residential investment	–1.5	–7.9	–1.2	–6.4	1.0	1.0	–1.4	–0.9	0.9	–1.1	–0.7	–8.6
Business fixed investment	9.3	0.9	–6.3	2.6	1.1	–2.8	–3.2	–1.5	–1.1	–0.7	–0.6	–3.0
Govt. final consumption expend.	4.4	3.2	3.8	1.6	0.1	0.5	1.5	1.0	1.1	0.4	1.6	2.6
Public fixed capital formation	–7.4	–4.9	–5.2	–10.3	3.2	–0.7	0.8	–1.2	–2.6	–3.7	–4.0	–5.8
Exports	9.4	–9.6	–2.4	–4.9	–3.3	–1.7	–1.8	–0.8	0.6	1.5	1.0	–7.1
Imports	9.6	–4.9	–5.1	–2.6	–4.6	–1.0	–2.1	–1.3	–1.2	0.0	0.8	–4.5
Nominal GDP	–0.3	–2.4	–1.8	–1.5	–0.8	–0.2	–1.3	0.2	–0.4	–0.5	–0.9	–2.1

Forecast assumptions:	*(FY01)*	*(FY02)*
U.S. economic growth rate	1.1%	0.3%
Dollar/yen rate	¥122	¥121
Crude oil price	$24.10	$23.20

Major Indicators

(% unless otherwise noted)

	FY 00	FY 01	FY 02	FY 2001				FY 2002				FY 01
				4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	previous
		forecast	*forecast*				*forecast*	*forecast*	*forecast*	*forecast*	*forecast*	*forecast*
Industrial production (seq. ch.)	4.0	–11.1	–4.7	–4.1	–4.3	–3.4	–2.0	–0.5	0.2	–0.3	0.4	–8.6
Domestic wholesale prices (yoy ch.)	–0.1	–1.2	–1.6	–0.6	–1.0	–1.5	–1.6	–1.8	–1.9	–1.5	–1.4	–0.8
Consumer prices (yoy ch.)	–0.5	–0.9	–1.1	–0.7	–0.8	–0.9	–1.0	–1.2	–1.3	–1.0	–0.9	–0.8
(excl. fresh food)	–0.4	–1.0	–1.1	–0.9	–0.8	–1.1	–1.1	–1.2	–1.3	–1.1	–1.0	–0.9
Current account balance (¥ tril.)	12.1tr	11.2tr	12.7tr	8.2tr	11.8tr	12.4tr	12.3tr	12.4tr	13.3tr	12.6tr	12.4tr	10.1tr
(ratio to nominal GDP)	2.4	2.2	2.6	1.6	2.4	2.5	2.5	2.5	2.7	2.6	2.5	2.0
Unemployment rate (%)	4.7	5.3	6.1	4.9	5.1	5.5	5.8	6.0	6.1	6.2	6.3	5.1
Housing starts (million units)	1.21m	1.16m	1.13m	1.15m	1.21m	1.16m	1.13m	1.13m	1.14m	1.12m	1.12m	1.17m
10–year JGB yield (%)	1.6	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.3
Dollar rate	¥111	¥122	¥121	¥123	¥122	¥123	¥123	¥124	¥122	¥120	¥118	¥119

Sources: ESRI, Preliminary Quarterly GDP Estimates; Ministry of Economy, Trade and Industry, *Industrial Production Indexes*;Ministry of Public Management, Home Affairs, Posts and Telecommunications, *Consumer Price Indexes*; others.