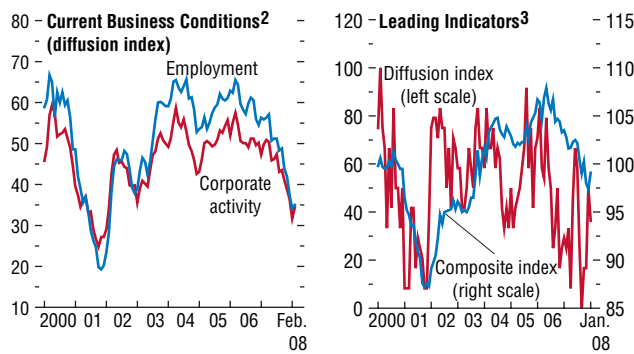
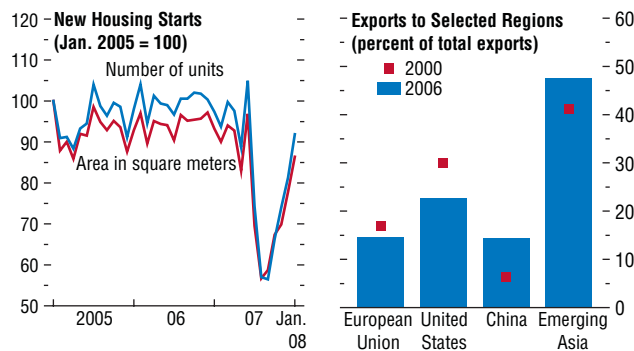
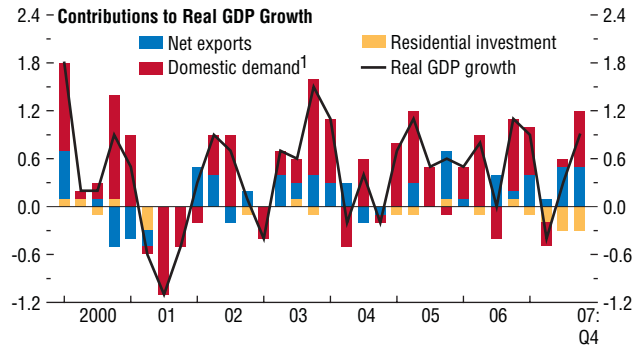


Figure 2.3. Japan: Will Domestic Demand Be Able to Support Growth?

Although construction activity is expected to recover, the recent driver of growth—net exports—is vulnerable to weakening global growth prospects. Business sentiment and leading indicators reflect rising concerns over the fallout from weaker global growth.



Sources: Haver Analytics; and IMF staff calculations.

¹Excluding residential investment.

²Diffusion indices from Economy Watcher Survey.

³Leading indicators from Economic and Social Research Institute.