

## 《日本消费税上调或影响经济恢复》

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Japan is pushing forward its economic recovery efforts, under Japanese Prime Minister Abe's aggressive economic policies. However, there are worries that a recent consumption tax raise may cause a negative impact on the recovery and narrow consumers' appetites.

A fair crowd of people took to the streets in central Tokyo as the Golden Week holiday season started. Helped by the warm weather, many Japanese are expected to travel, or out on a family shopping excursion.

However, experts say Japan will see a slight decline in consumption this year, due to the recent sales tax hike from April 1st.

"We should see, say 2 percent decline in consumption during April to June quarter, if annualized 8 percent decline in consumption, that would reduce Japan's growth rate by probably a half of that, so one percent," said Masayuki Kichikawa, chief Japan economist, Bank of America-Merrill Lynch.

It has been a month since the consumption tax was raised from 5 percent to 8 percent. Some worry of its negative impact on the economy, slowing the pace of recovery. But being out here in a Tokyo shopping street, seems only had a little effect to the consumer sentiment.

Many Japanese said they have factored in the two-step consumption tax hike from early stages, and remain optimistic that the economy will continue on the recovery track.

Public opinion surveys showed that 75 percent of the respondents say they are feeling the burden in increased in spending, but when asked if they will limit household spending, around 65 percent replied they would not.

Experts say public confidence is reflected by mid to small companies regaining their strength, but some industries are still feeling the lag time of economic benefits.

"Probably the feeling should be very different between the manufacturing sector and non-manufacturing sector, actually the macro data are telling us that, it is the smaller companies who are doing better under Abenomics," said Masayuki Kichikawa.

Subcontractors in manufacturing sector are still feeling the pressure, as large manufacturers are still cautious on Capital expenditure and orders.

Some experts say it will take about a year for the smaller business in manufacturing sectors to start gaining benefits in economic recovery. Which translates to Japan's stable growth and regaining its strong consumption power.