

Projection of Labour Supply and Demand

- The Japan Institute for Labour Policy and Training (JILPT) conducts labour supply and demand estimates based on reports such as Population Projections for Japan (2023 revision), etc.
- For the estimate, three scenarios are set regarding economic growth rate and labour participation:

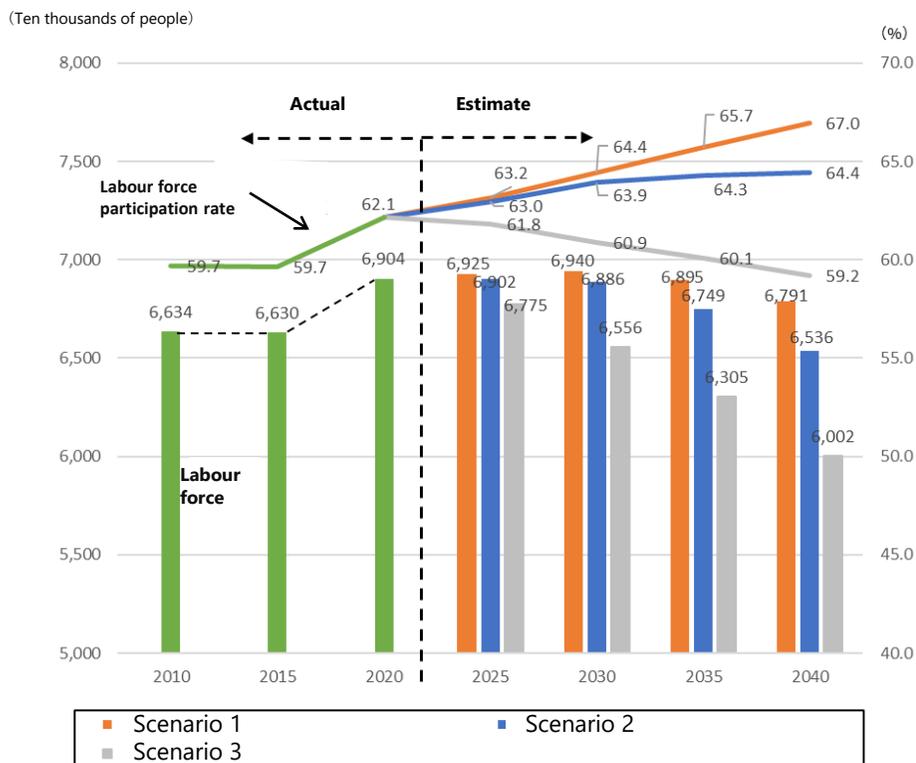
[Scenario 1] Achieving Growth and Advancing Labour Participation Scenario: This scenario involves various economic and employment policies leading to the expansion of markets in growth sectors, along with progress in the participation of women, elderly individuals, and others in the labour market.

[Scenario 2] Baseline Growth Rate and Gradual Labour Participation Scenario: This scenario assumes a certain degree of economic growth and progress in the participation of women, elderly individuals, and others in the labour market due to various economic and employment policies being implemented to some extent.

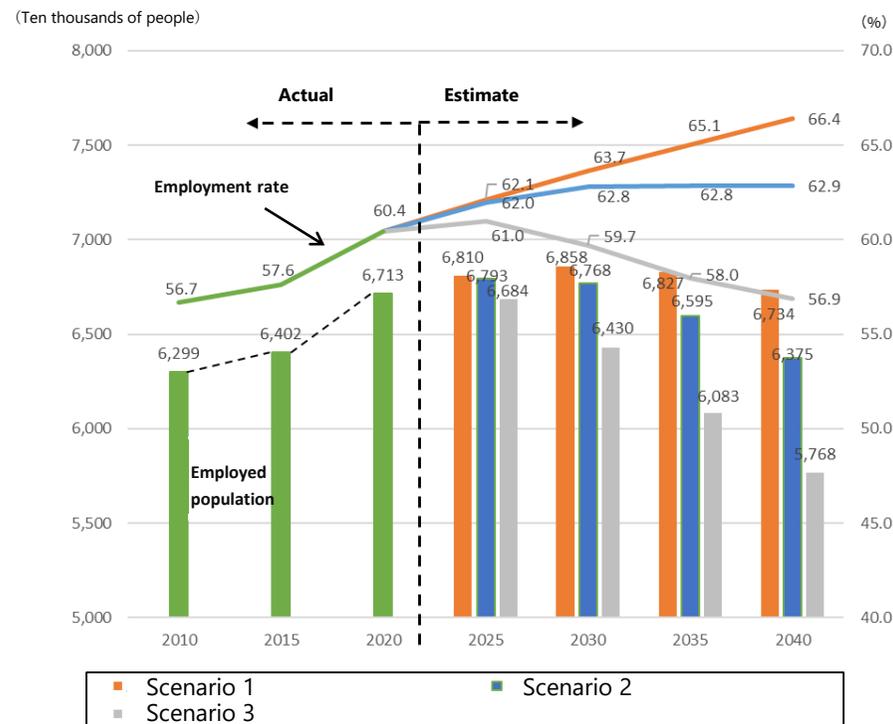
[Scenario 3] Zero Per Capita Growth and Current Labour Participation Scenario: This scenario assumes an economic situation with zero per capita growth and no progress in labour participation from the situation of 2022.

Note: Regarding the economic growth rate, Scenario 1 follows the "Growth Realization Case" of the Cabinet Office's "Estimates on the Mid- to Long-term Economic and Fiscal Situation" (submitted to the Economic and Fiscal Policy Council on January 22, 2024), while Scenario 2 adheres to the "Baseline Case" of the same estimates.

Projection of Labour Force and Labour Force Participation Rate



Projection of Employed Population and Employment Rate



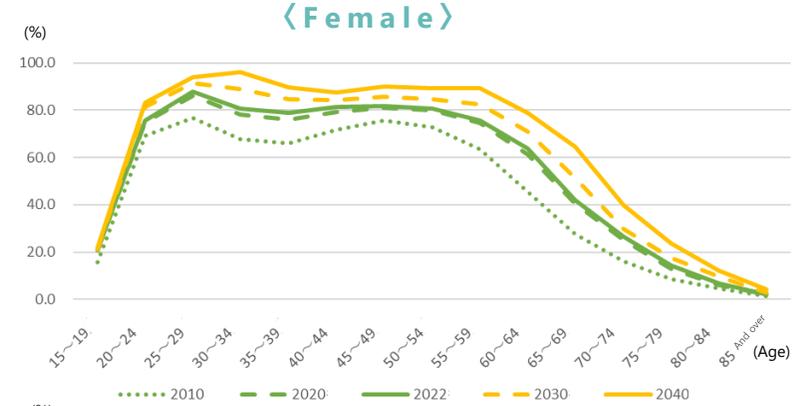
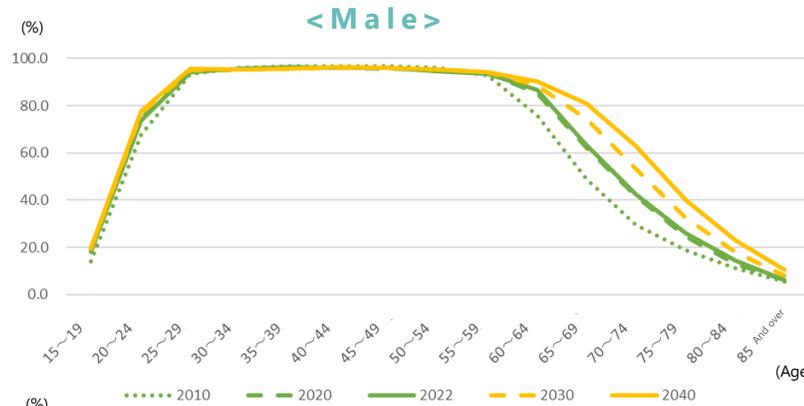
The labour force population of foreigners is projected to increase from 1.8 million in 2020* to 4.53 million in 2040 under Scenario 1, 4.33 million under Scenario 2, and 4.14 million under Scenario 3.

*The figure is estimated based on the allocation of the "unknown" labour force status in the national census and other data.

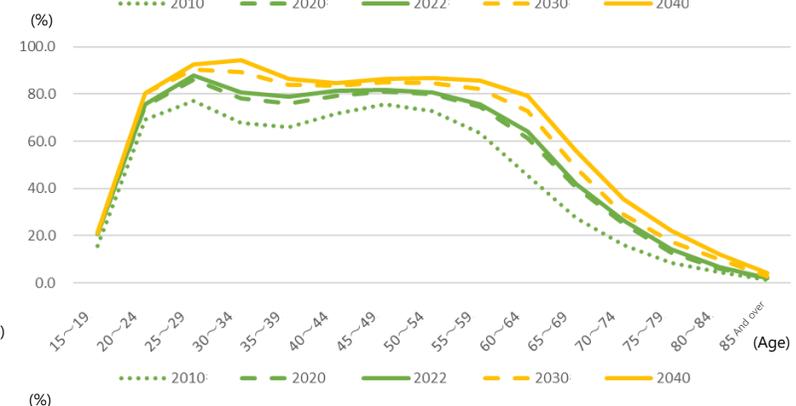
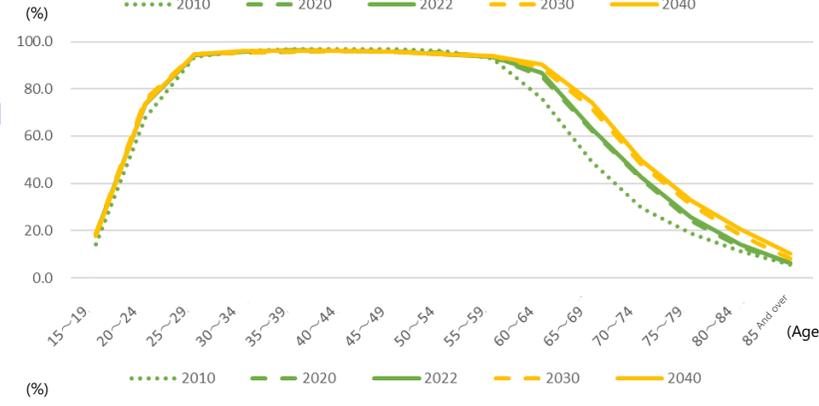
Age-specific Labour Force Participation Rates

○When looking by age group, in scenario 1 and scenario 2, the labour force participation rates of women and the elderly increase.

(1) Achieving Growth and Advancing Labour Participation Scenario



(2) Baseline Growth Rate and Gradual Labour Participation Scenario



(3) Zero Per Capita Growth and Current Labour Participation Scenario

