

Japan

This annex refers to the rating action release of 24 April 2020

Annex I: Summary of core variable scorecard (CVS) and qualitative scorecard (QS)¹

Implied rating of core variable scorecard (CVS)		a
Weight	Qualitative scorecard (QS)	
35%	Growth potential of the economy	Weak
	Economic policy framework	Strong
	Macro-economic stability and sustainability	Neutral
30%	Fiscal policy framework	Weak
	Debt sustainability	Very weak
	Market access and funding sources	Very strong
15%	Current account vulnerability	Strong
	External debt sustainability	Strong
	Vulnerability to short-term external shocks	Very strong
10%	Perceived willingness to pay	Neutral
	Recent events and policy decisions	Strong
	Geopolitical risk	Neutral
10%	Banking sector performance	Neutral
	Banking sector oversight and governance	Strong
	Financial imbalances and financial fragility	Neutral
QS adjustment (notches)		1
Additional considerations (notches)		0
Final rating		A+ NEG

Annex II: Selected indicators

	2015	2016	2017	2018	2019	2020F
GDP per capita (USD, '000s)	34.6	38.8	38.3	39.3	40.8	-
Real GDP, % change	1.2	0.5	2.2	0.3	0.7	-5.2
CPI, % change	0.8	-0.1	0.5	1.0	0.5	0.2
General government balance, % of GDP	-3.8	-3.7	-3.1	-2.4	-2.8	-7.1
Central government debt, % of GDP	231.6	236.3	235.0	237.1	237.7	255.0
Current account balance, % of GDP	3.1	4.0	4.2	3.5	3.6	-
Gross external debt, % of GDP	67.1	74.6	74.4	81.3	83.1	-

Source: IMF, Japan Ministry of Finance, Haver, Scope Ratings GmbH

Annex III: Economic development and default indicators

IMF Development Classification ²	AE
10Y CDS spread as of 23 April 2020	35.6

¹ The weighting and explanation of all rating factors are described in Scope's 'Public Finance Sovereign Ratings' methodology, available on www.scooperatings.com

² AE = advanced economy; EMDE = emerging market and developing economy