

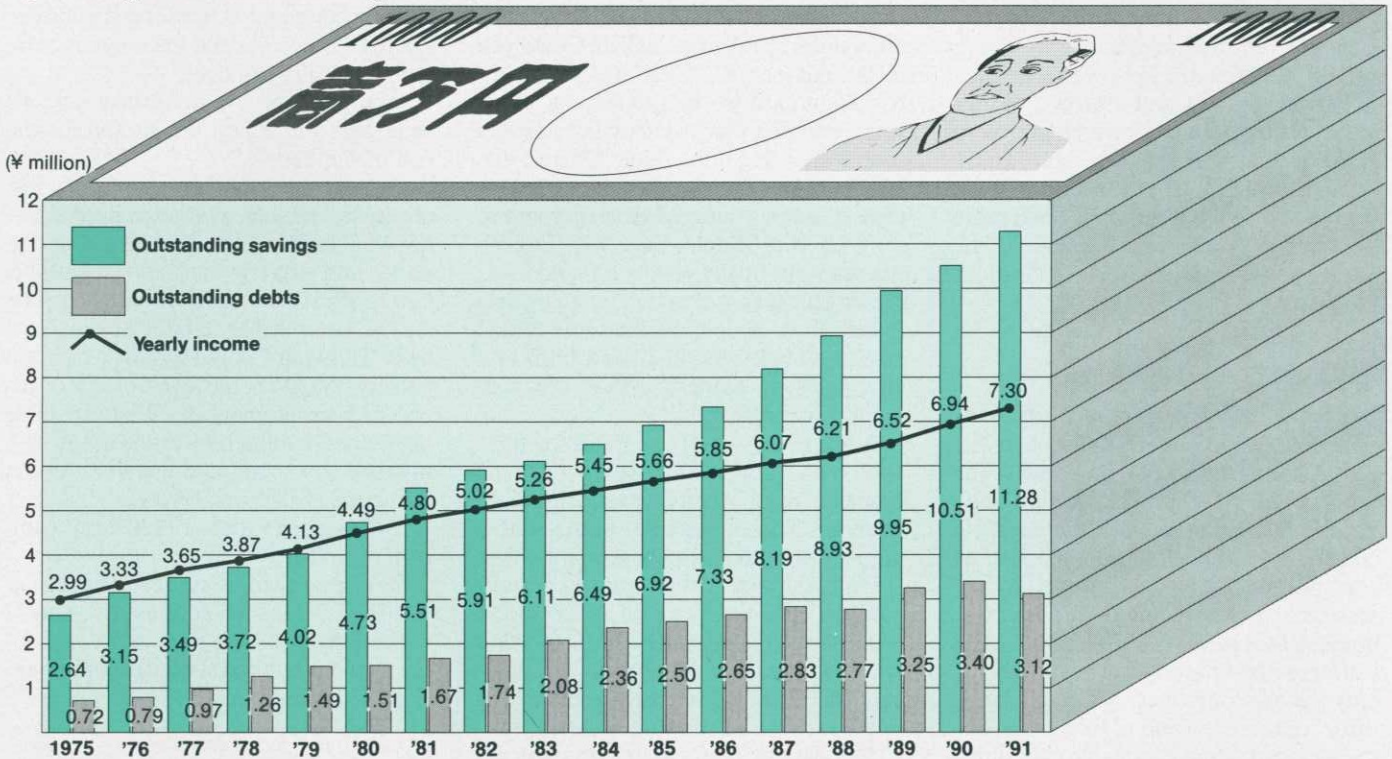
# Consumers Beat the Bubble

As the "bubble economy" has collapsed, future prospects for the Japanese economy remain uncertain. However, some economists argue that Japanese consumers are living a better life now than during the bubble period. Commodity prices have remained stable. Japanese people can now buy a house at a

price 30% lower than before. The employment rate is almost 100%. And almost as if Japanese consumers had been unaffected by the bubble deflation, savings have continued to steadily rise and consumers are spending more on services (Figs. 1 & 2). Some overseas critics even go so far as to blame this

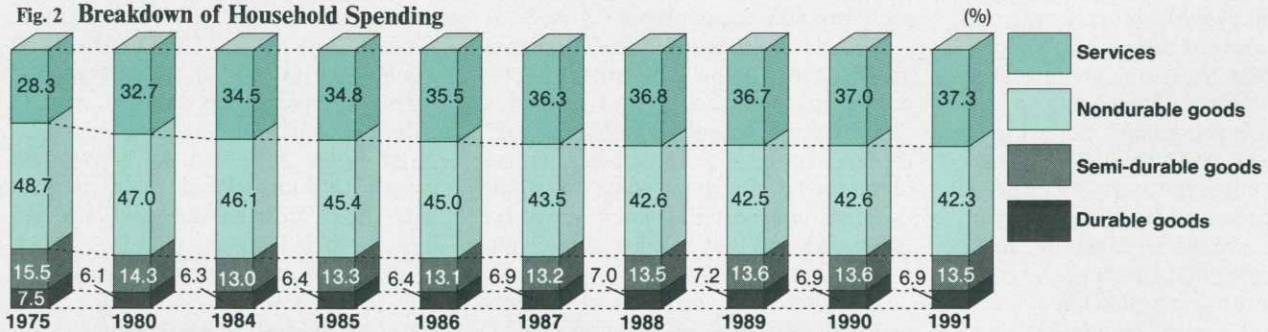
Japanese propensity to save for delaying a global business recovery. It is true, however, that Japanese investment is welcomed throughout the world, not only in the former Soviet Union and Eastern Europe.

Fig. 1 Changes in Household Savings and Debts



Note: Figures are for working households.  
Source: Statistics Bureau, Management and Coordination Agency, March 1992

Fig. 2 Breakdown of Household Spending



Note: Figures are for all households nationwide.  
Source: Statistics Bureau, Management and Coordination Agency, March 1992