

# **IMPACTS OF INCREASING IN ELECTRICITY RATES AND FUEL PRICES ON JAPANESES ECONOMY AND INDUSTRIES**

In Japan, electricity rates have risen due to the increase in yen-based fuel prices and a revision of electricity rates. Under these circumstances, stagnations of the Japanese economy and industrial activities are of national concern. This report has two sensitivity simulations for measuring the impact of the rise in fuel price and electricity rates on the Japanese economy and industries from 2012 to 2013, using a system connecting Macro-econometric and Input-Output models. Moreover, to estimate the influence of the surge of fuel prices on electricity rates, we utilize a simple framework based on the electricity rate system in Japan.

This paper is organized as follows. Following an introduction, the second section explains the empirical methodology and the third reports on estimation results, followed by concluding remarks.