

TDB Trends Research

Research & Summary for July 2017

Economy boosted by active construction investment and intense heatwave

- Large companies exceeding 50 points for the first time in 3 years and 4 months –
(Companies researched: 23,767 ; Valid responses: 10,093; Response rate: 42.5%; Survey start date: May 2002)

Overview of July 2017: Recovery continues

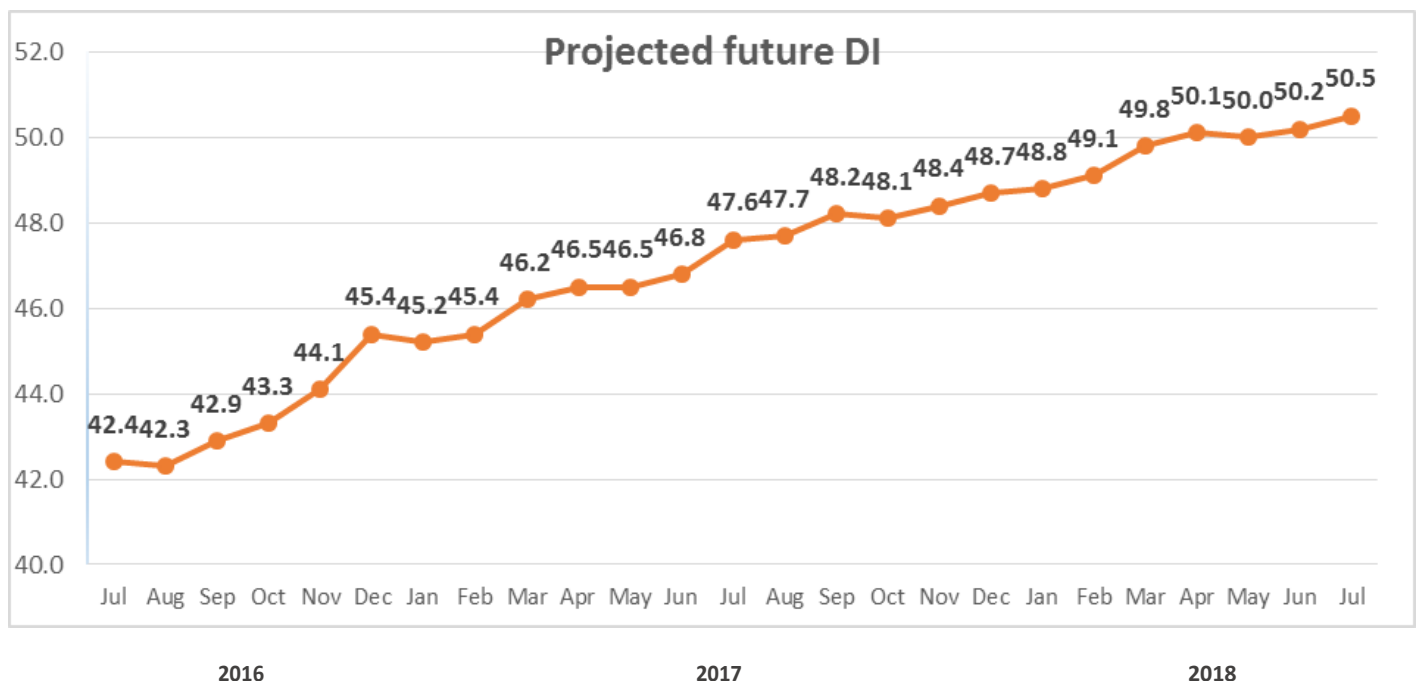
The economic diffusion index (DI) in July 2017 was 47.6, up 0.8 points from the previous month. This reflects an improvement for two consecutive months.

Recovery of the domestic economy continued, with large companies and the construction industry exceeding 50 points boosted by active construction investment and intense heatwave.

Future outlook: Recovery trend continues

The recovery trend in the domestic economy is expected to continue, buoyed by construction-related work and capital investment, in addition to continued strong exports.

- By industry: Seven of the 10 industries have improved. Improvement in 'construction' rippled across relevant sectors, such as building materials.
- By size: 'Large companies' recovered to above the 50 point level for the first time in 3 years and 4 months.
- By region: Nine of the 10 regions have improved on the back of a pickup in disaster recovery and restoration work.



*Economic DIs are calculated based on the structural ARIMA model, in which economic statistics are incorporated to the ARIMA model.

Economic Diffusion Index (Economic DI) 1/2

	Jul. 16	Aug. 16	Sep. 16	Oct. 16	Nov. 16	Dec. 16	Jan. 17	Feb. 17	Mar. 17	Apr. 17	May. 17	Jun. 17	Jul. 17	Ratio to the PrFDious Month
Large Firms	46.6	45.7	46.5	46.5	47.0	48.4	48.2	48.3	48.9	49.4	49.9	49.8	48.9	▲ 0.9
Small to Medium-sized Firms	41.3	41.4	41.9	42.4	43.3	44.5	44.4	44.6	45.4	45.7	45.6	46.0	45.4	▲ 0.6
Micro Firms	40.3	40.6	41.3	41.9	42.9	43.9	43.5	44.1	44.4	44.5	44.4	44.4	44.4	0.0
Total	42.4	42.3	42.9	43.3	44.1	45.4	45.2	45.4	46.2	46.5	46.5	46.8	46.2	▲ 0.6

		Jul. 16	Aug. 16	Sep. 16	Oct. 16	Nov. 16	Dec. 16	Jan. 17	Feb. 17	Mar. 17	Apr. 17	May. 17	Jun. 17	Jul. 17	Ratio to the PrFDious Month
Agriculture,Forestry,Fisheries		42.5	40.1	41.8	41.2	44.6	47.3	43.3	45.1	45.5	47.0	45.4	45.3	44.6	▲ 0.7
Finance		45.1	43.7	44.5	44.1	45.2	45.9	46.4	45.5	45.6	46.0	46.4	46.3	45.2	▲ 1.1
Construction		46.5	46.9	48.1	48.6	49.2	49.7	49.2	49.5	49.3	49.0	49.5	49.5	49.2	▲ 0.3
Real Estate		47.8	47.3	47.0	46.2	47.7	48.7	49.3	49.9	49.4	49.7	50.7	49.4	47.7	▲ 1.7
Manufacturing	Food,BEWerages,Livestock Feed	43.0	42.1	41.8	42.2	42.2	43.4	41.9	42.1	42.7	43.0	42.6	43.5	42.2	▲ 1.3
	Textile,Textile Products,Clothing	37.0	37.8	37.3	36.6	36.7	38.0	36.3	37.7	38.6	38.8	39.4	37.8	36.7	▲ 1.1
	Construction Materials,Furniture, Ceramics,Stone and Clay Products	40.5	40.7	40.5	41.7	42.5	43.5	43.3	42.8	43.2	42.4	43.4	43.4	42.5	▲ 0.9
	Pulp, Paper and Paper Products	40.4	39.4	39.1	40.1	40.3	43.0	43.3	42.0	42.0	42.9	42.5	43.4	40.3	▲ 3.1
	Publishing,Printing	33.5	32.8	33.7	34.4	35.0	35.7	33.9	34.6	36.5	35.6	33.4	35.1	35.0	▲ 0.1
	Chemical	43.3	41.8	44.0	43.8	45.5	48.2	47.5	47.9	48.5	49.9	50.3	50.2	45.5	▲ 4.7
	Steel,Nonferrous Metals,Mining	38.7	39.8	41.4	42.5	44.3	45.7	45.9	46.2	47.0	47.5	47.3	49.6	44.3	▲ 5.3
	General Machinery	44.9	44.3	45.3	46.7	47.9	50.3	49.9	51.1	52.9	54.1	54.5	54.8	47.9	▲ 6.9
	Electrical Machinery	41.9	41.5	42.6	44.5	44.4	45.5	46.3	47.1	47.8	48.6	49.3	49.7	44.4	▲ 5.3
	Transportation Machinery,Equipment	44.0	44.9	44.2	46.9	46.6	48.6	49.5	49.3	52.5	50.3	52.0	52.7	46.6	▲ 6.1
	Precision Machinery, Medical Instruments and Equipment	42.6	43.2	44.8	44.0	44.8	46.3	46.7	49.4	48.1	50.0	51.7	51.5	44.8	▲ 6.7
	Other	39.1	35.7	37.7	37.3	39.4	39.6	39.2	41.3	41.3	40.1	38.2	38.5	39.4	0.9
	Total	41.2	40.9	41.8	42.7	43.5	45.2	44.8	45.4	46.3	46.7	46.9	47.5	43.5	▲ 4.0
Wholesale	Food,BEWerages	41.1	40.4	39.9	39.9	40.1	41.5	40.6	40.4	41.0	41.7	42.7	41.8	40.1	▲ 1.7
	Textile,Textile Products,Clothing	33.5	34.5	32.9	31.9	33.1	34.0	33.7	33.4	32.6	34.7	34.5	35.0	33.1	▲ 1.9
	Construction Materials, Furniture,Ceramics, Stone and Clay Products	39.0	38.9	39.9	40.3	42.6	43.2	42.1	42.6	42.8	41.8	43.2	42.8	42.6	▲ 0.2
	Paper Products,Stationery,Books	35.9	36.3	37.4	36.1	37.5	37.7	38.6	38.4	38.3	38.5	36.1	38.4	37.5	▲ 0.9
	Chemical	39.5	39.4	39.6	40.9	40.4	43.1	44.4	42.8	44.5	46.0	45.1	45.3	40.4	▲ 4.9
	Recycled Resources	29.4	35.0	33.8	36.9	44.0	49.5	49.1	50.0	54.9	49.5	49.0	51.8	44.0	▲ 7.8
	Steel,Nonferrous Metals, Mining Products	35.7	36.0	35.5	36.8	39.6	42.6	42.5	42.9	44.0	43.5	41.3	43.1	39.6	▲ 3.5
	Machinery,Equipment	40.9	40.5	41.2	41.6	42.5	44.2	44.8	44.3	45.8	46.3	46.1	46.6	42.5	▲ 4.1
	Other	38.0	38.7	38.2	37.6	37.9	39.9	40.1	39.2	39.9	41.1	42.0	41.4	37.9	▲ 3.5
	Total	38.8	38.9	39.0	39.3	40.4	42.1	42.2	41.8	42.8	43.2	43.1	43.4	40.4	▲ 3.0

Economic Diffusion Index (Economic DI)2/2

		Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Ratio to the PrFDious Month
Retail	Food,BEWerages	40.7	40.0	39.5	37.6	37.7	40.6	37.4	41.5	41.4	39.0	39.9	42.9	41.4	▲ 1.5
	Textile,Textile Products,Clothing	33.8	32.8	28.0	27.6	32.4	31.3	32.7	29.0	30.9	31.8	33.9	34.4	30.9	▲ 3.5
	Drugs,Sundries	42.5	42.5	42.0	38.3	41.1	42.0	43.5	46.0	44.3	46.0	46.4	44.4	44.3	▲ 0.1
	Furniture	36.1	35.4	33.3	37.5	37.5	30.0	33.3	38.1	33.3	35.7	35.7	40.7	33.3	▲ 7.4
	Electrical Household Appliances, Information Machinery	40.2	37.9	42.7	41.2	37.8	38.6	40.5	39.9	43.0	41.7	38.1	41.9	43.0	1.1
	Motor Vehicles,Motor Vehicle Parts	39.8	40.1	42.3	39.3	40.2	41.0	43.5	46.3	47.7	41.9	41.5	44.4	47.7	3.3
	Special Merchandise	37.6	36.7	38.1	36.5	36.3	37.1	38.3	39.1	38.8	38.3	39.1	39.8	38.8	▲ 1.0
	Various Merchandise	43.2	39.9	40.6	41.7	44.4	44.6	42.0	45.3	44.6	44.3	45.0	48.7	44.6	▲ 4.1
	Other	46.7	47.2	50.0	46.7	46.7	46.7	45.8	45.8	40.0	40.0	41.7	41.7	40.0	▲ 1.7
	Total	39.3	38.4	39.3	37.5	38.3	39.1	39.4	40.9	41.1	39.8	40.2	42.1	41.1	▲ 1.0
Transportation,Warehousing		41.5	42.0	42.7	44.0	44.4	46.1	45.0	43.8	45.6	47.0	46.8	45.7	45.6	▲ 0.1
	Restaurants	45.3	42.2	39.0	37.0	38.0	37.5	42.3	39.0	45.1	45.0	41.1	43.0	45.1	2.1
	Postal,Telecommunicati ons	52.6	51.1	52.0	53.7	57.7	46.2	55.1	52.8	58.3	54.2	51.3	56.9	58.3	1.4
	Electricity,Gas,Water,Heat	42.9	46.3	43.8	43.3	50.0	41.7	50.0	52.4	47.2	52.4	52.4	57.1	47.2	▲ 9.9
	Leasing,Rentals	45.9	47.2	47.4	49.0	49.3	48.9	47.9	48.2	50.1	48.9	50.2	50.0	50.1	0.1
	Lodging, Hotels	47.8	50.0	49.0	49.4	44.3	47.5	43.5	45.6	49.4	48.9	49.4	47.9	49.4	1.5
	Recreation	37.1	38.0	38.1	37.8	37.0	36.9	37.7	37.1	39.2	39.1	40.9	40.8	39.2	▲ 1.6
	Broadcasting	43.6	44.4	44.0	47.9	50.0	49.0	45.6	47.8	47.8	47.8	46.7	42.9	47.8	4.9
	Maintenance,Guarding,Testing	46.3	46.4	47.0	47.0	48.2	47.1	47.4	47.8	48.6	49.4	48.9	49.7	48.6	▲ 1.1
	Advertising	38.9	39.2	39.0	39.8	38.9	40.9	38.6	39.8	41.0	42.3	41.8	40.6	41.0	0.4
Service	Information	53.0	52.2	52.6	52.3	52.7	53.2	54.3	54.8	55.3	56.1	55.6	55.7	55.3	▲ 0.4
	Labor Dispatching	52.4	52.7	51.8	52.5	51.4	54.4	54.4	50.8	54.6	55.8	52.3	54.8	54.6	▲ 0.2
	Special Services	50.5	48.8	50.3	50.8	50.3	52.8	51.9	51.8	52.6	53.2	52.3	52.3	52.6	0.3
	Medical,Welfare,Public Health	41.6	42.6	44.1	43.5	43.6	44.0	43.6	44.7	46.4	47.7	47.9	48.3	46.4	▲ 1.9
	Education	48.2	43.1	45.0	45.6	43.1	43.7	46.7	44.4	43.7	41.1	43.5	42.1	43.7	1.6
	Other	46.6	48.2	47.5	47.4	47.9	47.9	47.1	49.6	50.1	50.0	49.3	50.8	50.1	▲ 0.7
	Total	47.8	47.7	47.9	48.1	48.2	48.7	48.8	49.1	50.4	50.9	50.4	50.7	50.4	▲ 0.3
		38.8	40.1	39.4	41.5	38.6	39.5	39.9	40.8	40.2	42.1	41.7	42.2	40.2	▲ 2.0
	Other														

		Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Ratio to the PrFDious Month
	Hokkaido	40.5	40.6	41.0	42.1	42.5	42.6	42.2	43.2	43.9	44.3	46.1	45.7	42.5	▲ 3.2
	Tohoku	43.4	42.9	43.6	44.7	44.8	44.6	44.2	43.6	44.7	45.2	45.4	45.4	44.7	▲ 0.7
	kitakanto	41.5	41.1	42.3	42.3	43.3	45.0	44.9	44.2	45.4	46.6	46.4	47.0	45.4	▲ 1.6
	minamikanto	43.4	43.2	43.5	44.0	45.0	46.1	46.3	46.5	47.1	47.4	47.3	47.7	47.1	▲ 0.6
	Hokuriku	39.4	39.6	40.2	40.1	41.8	43.0	43.4	42.8	44.1	44.3	45.3	45.9	44.1	▲ 1.8
	Tokai	43.1	43.1	43.7	43.6	44.2	46.4	45.7	45.9	46.6	46.8	46.4	47.3	46.6	▲ 0.7
	Kinki	40.5	40.4	41.1	41.6	42.4	43.7	43.7	44.1	45.1	45.2	44.7	44.9	45.1	0.2
	Chugoku	42.4	42.2	43.0	43.6	43.9	45.8	44.6	45.1	46.3	46.1	46.0	46.5	46.3	▲ 0.2
	Shikoku	44.6	44.5	45.6	45.1	45.8	47.2	46.2	46.5	46.1	46.9	46.8	47.0	46.1	▲ 0.9
	Kyushu	44.2	44.7	45.1	45.6	46.7	48.0	48.1	49.0	48.7	49.1	49.5	48.9	48.7	▲ 0.2

1.Region

Hokkaido	540	Tokai	1,152
Tohoku	623	Kinki	1,657
kitaKanto	713	Chugoku	564
minamikanto	3,271	Shikoku	312
Hokuriku	542	Kyushu	736
		Total	10,110

2.Industry (10 Industries 51 Lines of business)

Agriculture,Forestry, Fisheries		56
Finance		131
Construction		1,472
Real Estate		300
Manufacturing 3,223	Food,Beverages,Livestock Feed	333
	Textile,Textile Products,Clothing	113
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	230
	Pulp, Paper and Paper Products	100
	Publishing,Printing	190
	Chemical	411
	Steel,Nonferrous Metals,Mining	503
	General Machinery	444
	Electrical Machinery	338
	Transportation Machinery,Equipment	98
	Precision Machinery,Medical Instruments and Equipment	77
	Others	94
Wholesale 3,959	Food,Beverages	346
	Textile,Textile Products,Clothing	184
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	333
	Paper Products,Stationery,Books	105
	Chemical	265
	Recycled Resources	36
	Steel,Nonferrous Metals,Mining Products	310
	Machinery,Equipment	914
	Others	351

Retail 480	Food,Beverages	68
	Textile,Textile Products,Clothing	34
	Drugs,Sundries	28
	Furniture	8
	Electrical Household Appliances,Information Machinery and Equipment	37
	Motor Vehicles,Motor Vehicle Parts	66
	Special Merchandise	130
	Various Merchandise	48
	Others	5
Transportation, Warehousing		429
Service 1,384	Restaurants	36
	Telecommunications	13
	Electricity,Gas,Water,Heat	6
	Leasing,Rentals	121
	Lodging, Hotels	29
	Recreation	54
	Broadcasting	15
	Maintenance,Guarding,Testing	151
	Advertising	113
	Information	414
	Labor Dispatching	58
	Special Services	210
	Medical,Welfare,Public Health	107
	Education	17
	Others	138
Others		41
Total		10,110

3.Size

Large Firms	2,159	21.4%
Small to Medium-sized Firms	7,951	78.6%
micro Firms	2,519	24.9%
Total	10,110	100.0%