**TDB Trends Research**

**Research & Summary for May 2019**

***Domestic Economy may have entered a recession phase***

*- Negatively affected by the US-China trade conflict and the long holidays -*

（Companies researched: 23,169; Valid responses: 9,555; Response rate: 41.2%; Survey start date: May 2002）

**Overview of May 2019: Possibility of entering a recession phase**

The economic diffusion index (DI) in May 2019 was 45.4, down 1.4 points from the previous month, and worsened for the sixth consecutive month. Intensified US-China trade conflict coincides with emerging negative effects associated with the long holidays, and domestic economy may have entered a recession phase.

**Future outlook: Uncertainty has further intensified**

Uncertainty about the future domestic economy has further intensified, such as how the US-China trade conflict will turn out, in addition to concerns about declining consumption due to the consumption tax hike.

By industry : All ten industries worsened. The long holidays have had a negative effect.

By size : Business confidence of “SMEs” have significantly deteriorated, being largely impacted by the US-China trade conflict.

By region : All ten regions worsened. A downturn in urban areas exerted downward pressure on all regions.

2018 2019 2020

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





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| Appendix | | | |  |  |  |  |  |  |  |  |  |  |  |
| 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 | | |
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