

Economic DI worsened for the third month in a row, with sluggish year-end demand

~ Domestic economy has entered a recession phase, with manufacturing industry's continuing downturn ~

(Companies researched: 23,652; Valid responses: 10,292; Response rate: 43.5%; Survey start date: May 2002)

Overview of December 2019: Recession phase

The economic diffusion index (DI) in December 2019 was 42.5, down 1.1 points from the previous month, and worsened for the third consecutive month in a row. Domestic economy seems to have entered a recession phase, although there are some positive factors.

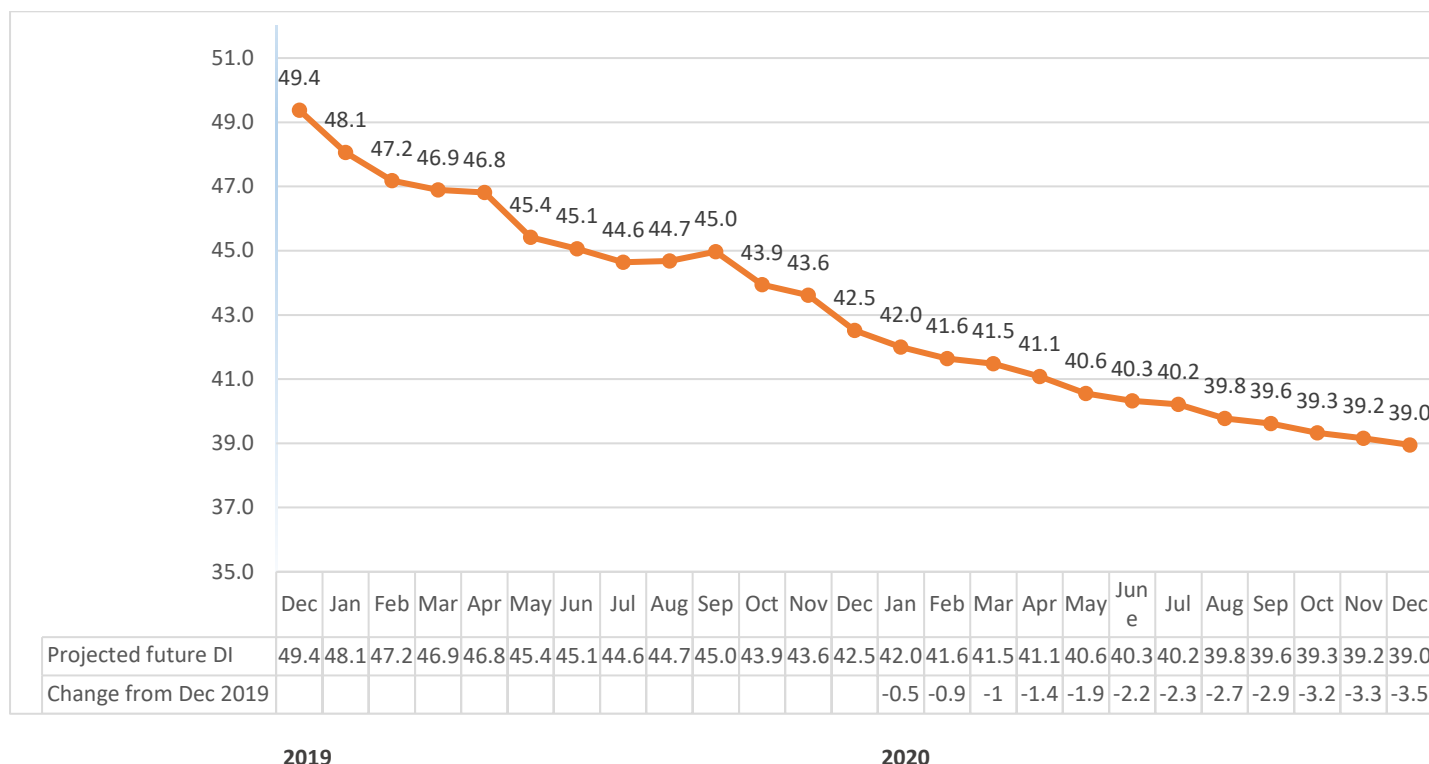
Future outlook: Moderate recession continues

With many causes of concern, such as the consumer spending trend and a global economic slowdown, uncertainty about the domestic economy has further intensified.

By industry: Nine of the ten industries deteriorated. Manufacturing industry deteriorated for the eighth month in a row.

By size: All sizes deteriorated for the third month in a row. "Large enterprises" significantly deteriorated for the first time in five years and eight months.

By region: There was deterioration in 36 prefectures in nine of the ten regions. Urban depression was noticeable.



*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

	12. 18	1. 19	2. 19	3. 19	4. 19	5. 19	6. 19	7. 19	8. 19	9. 19	10. 19	11. 19	12. 19	Ratio to the PrFDious Month
Large Firms	51.7	50.6	49.8	49.8	49.7	48.8	48.7	47.7	47.9	48.0	47.1	47.0	45.7	▲ 1.3
Small to Medium-sized Firms	48.8	47.4	46.5	46.2	46.1	44.6	44.2	43.9	43.9	44.2	43.2	42.8	41.7	▲ 1.1
Micro Firms	48.2	47.0	46.5	46.3	46.2	44.5	44.1	43.8	44.2	45.1	43.9	43.5	42.1	▲ 1.4
Total	49.4	48.1	47.2	46.9	46.8	45.4	45.1	44.6	44.7	45.0	43.9	43.6	42.5	▲ 1.1

	12. 18	1. 19	2. 19	3. 19	4. 19	5. 19	6. 19	7. 19	8. 19	9. 19	10. 19	11. 19	12. 19	Ratio to the PrFDious Month	
Agriculture, Forestry, Fisheries	40.7	41.8	41.7	42.3	41.3	40.5	43.2	39.1	41.5	41.8	42.3	42.5	41.7	▲ 0.8	
Finance	46.5	46.1	45.2	45.9	45.1	44.7	44.8	45.1	44.7	45.8	45.4	46.8	44.5	▲ 2.3	
Construction	54.1	53.9	53.6	53.6	52.8	51.7	51.6	51.7	52.1	53.1	52.1	52.2	51.6	▲ 0.6	
Real Estate	49.7	49.1	47.5	47.4	48.7	47.6	48.3	47.4	46.5	48.0	45.9	46.0	44.2	▲ 1.8	
Manufacturing	Food, BEWverages, Livestock Feed	43.0	41.6	40.6	40.6	42.2	41.3	40.3	40.4	41.1	39.8	39.1	39.9	0.2	
	Textile, Textile Products, Clothing	41.3	37.7	38.8	39.2	39.0	36.6	36.5	36.4	36.9	36.3	36.1	34.6	▲ 2.0	
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	48.3	47.1	45.5	44.1	45.7	45.4	43.5	43.8	45.2	44.1	44.8	43.8	40.2	▲ 3.6
	Pulp, Paper and Paper Products	49.3	44.6	45.2	44.1	45.7	43.0	41.7	39.6	42.3	42.8	40.2	41.7	40.6	▲ 1.1
	Publishing, Printing	35.0	33.5	33.2	34.4	35.6	34.3	33.9	32.5	33.1	34.1	33.0	32.7	32.9	0.2
	Chemical	50.2	48.1	46.3	45.4	46.2	43.9	42.5	41.9	41.8	41.0	41.2	40.6	40.1	▲ 0.5
	Steel, Nonferrous Metals, Mining	52.5	50.4	48.0	45.4	45.5	42.9	41.8	41.5	41.2	40.4	39.8	38.1	37.6	▲ 0.5
	General Machinery	55.9	52.5	51.4	48.9	49.0	46.0	45.1	44.0	41.5	41.1	40.8	39.9	38.4	▲ 1.5
	Electrical Machinery	50.5	49.2	47.6	46.0	44.7	43.1	43.0	42.8	43.9	41.2	42.2	40.5	40.4	▲ 0.1
	Transportation Machinery, Equipment	53.8	52.3	50.9	49.3	49.4	48.1	47.5	46.4	43.4	42.3	43.5	41.2	40.9	▲ 0.3
	Precision Machinery, Medical Instruments and Equipment	54.0	51.3	48.6	45.5	47.3	44.4	42.4	43.9	43.4	42.0	41.3	42.0	39.9	▲ 2.1
	Other	42.8	42.7	42.1	45.3	40.2	40.2	40.2	38.0	40.7	41.8	37.4	38.4	38.0	▲ 0.4
	Total	49.2	47.1	45.8	44.5	44.8	42.9	42.0	41.5	41.4	40.6	40.3	39.6	38.6	▲ 1.0
	Wholesale	Food, BEWverages	41.1	39.4	40.5	40.5	41.1	40.8	40.4	38.8	39.0	38.8	38.1	37.9	37.4
Textile, Textile Products, Clothing		34.3	34.0	32.0	33.6	33.2	33.2	31.6	29.8	30.8	31.6	28.8	28.8	26.5	▲ 2.3
Construction Materials, Furniture, Ceramics, Stone and Clay Products		47.8	47.4	46.5	46.4	45.6	44.7	43.8	44.7	44.6	46.0	45.1	43.4	43.1	▲ 0.3
Paper Products, Stationery, Books		39.3	37.9	36.0	39.0	39.2	39.0	36.4	37.0	37.1	38.0	37.7	36.3	35.0	▲ 1.3
Chemical		47.7	45.3	44.3	44.3	44.2	41.8	41.2	42.7	42.0	42.7	41.0	40.4	39.0	▲ 1.4
Recycled Resources		47.6	39.8	45.6	48.6	41.0	40.2	37.1	32.8	32.8	30.6	34.8	29.0	33.3	4.3
Steel, Nonferrous Metals, Mining Products		50.2	46.3	45.0	43.7	43.4	40.8	40.4	39.0	38.8	37.6	38.0	37.0	34.8	▲ 2.2
Machinery, Equipment		50.0	48.4	46.9	46.5	45.9	44.2	44.4	43.8	43.3	44.6	42.7	42.3	41.7	▲ 0.6
Other		43.9	41.9	41.2	42.5	42.7	40.6	40.6	40.2	40.2	40.7	37.9	37.6	37.1	▲ 0.5
Total		46.3	44.4	43.6	43.7	43.3	41.9	41.4	41.0	40.8	41.4	39.9	39.3	38.4	▲ 0.9

Economic Diffusion Index (Economic DI)2/2

		12. 18	1. 19	2. 19	3. 19	4. 19	5. 19	6. 19	7. 19	8. 19	9. 19	10. 19	11. 19	12. 19	Ratio to the PrFDious Month
Retail	Food,BEWerages	42.8	43.4	41.5	42.5	42.5	44.8	42.9	41.5	41.3	41.8	40.5	40.2	38.4	▲ 1.8
	Textile,Textile Products,Clothing	34.0	30.9	32.7	38.9	39.1	36.9	36.6	34.6	36.5	37.9	32.7	31.5	28.7	▲ 2.8
	Drugs,Sundries	44.4	44.8	39.7	39.7	40.9	41.0	38.5	40.0	37.7	40.6	35.8	37.3	40.2	2.9
	Furniture	35.4	38.9	33.3	33.3	38.9	39.6	48.5	40.9	45.0	53.0	33.3	26.9	31.8	4.9
	Electrical Household Appliances, Information Machinery and Equipment	43.1	39.0	40.7	38.9	41.7	39.1	43.5	34.3	38.9	45.0	34.3	32.3	38.1	5.8
	Motor Vehicles,Motor Vehicle Parts	42.2	44.6	44.3	45.2	43.3	41.5	42.5	39.2	41.1	41.4	34.5	31.4	31.9	0.5
	Special Merchandise	43.2	41.9	41.3	40.8	42.1	41.3	41.1	40.6	40.7	43.5	38.2	39.1	36.0	▲ 3.1
	Various Merchandise	44.7	42.9	41.9	43.5	43.3	43.8	44.7	39.3	38.9	43.1	36.5	36.5	36.2	▲ 0.3
	Other	35.7	35.7	31.3	33.3	43.8	39.6	46.3	41.7	41.7	40.5	48.1	40.7	47.9	7.2
	Total	42.3	41.6	40.8	41.4	42.1	41.6	42.0	39.5	40.2	42.6	37.0	36.1	35.8	▲ 0.3
Transportation,Warehousing	50.5	49.1	48.2	48.1	48.2	46.7	45.6	44.5	45.5	46.0	44.9	45.1	42.6	▲ 2.5	
Service	Restaurants	40.7	37.9	41.0	37.8	42.9	40.6	42.9	39.6	38.1	43.6	37.3	39.4	40.7	1.3
	Postal,Telecommunication s	54.5	60.0	57.6	62.1	57.6	56.7	60.0	58.3	60.6	56.9	56.1	59.5	52.8	▲ 6.7
	Electricity,Gas,Water,Heat	61.9	57.4	57.4	56.3	58.3	55.6	54.5	54.2	52.6	51.3	51.2	52.2	47.4	▲ 4.8
	Leasing,Rentals	55.7	55.0	52.0	52.7	54.1	50.9	52.5	51.8	51.7	53.5	54.5	53.1	50.4	▲ 2.7
	Lodging, Hotels	45.7	44.9	44.2	42.3	41.0	50.0	44.9	40.3	39.9	47.2	41.3	42.0	39.1	▲ 2.9
	Recreation	39.3	38.9	37.8	41.0	38.8	42.0	41.5	41.8	40.9	38.7	38.2	40.7	37.5	▲ 3.2
	Broadcasting	36.7	40.5	44.4	43.3	41.7	44.1	43.3	41.1	45.2	43.1	42.9	41.7	38.2	▲ 3.5
	Maintenance,Guarding,Testing	50.7	50.7	51.0	50.0	48.1	48.2	48.8	49.3	49.8	48.6	49.1	47.3	46.6	▲ 0.7
	Advertising	41.7	40.4	40.1	40.3	40.7	40.5	40.7	40.4	38.9	40.3	40.4	39.6	37.8	▲ 1.8
	Information	59.3	60.1	59.0	60.3	59.6	58.0	57.8	58.5	58.7	57.7	57.4	57.8	56.2	▲ 1.6
	Labor Dispatching	59.0	57.2	54.6	53.8	53.5	53.9	52.8	52.7	51.0	53.2	53.3	50.9	46.2	▲ 4.7
	Special Services	53.6	53.5	52.8	52.5	51.5	49.5	50.1	49.9	51.1	51.8	51.5	50.8	49.9	▲ 0.9
	Medical,Welfare,Public Health	47.4	47.5	46.5	47.1	46.9	47.8	47.0	48.7	46.5	47.3	46.5	48.5	47.7	▲ 0.8
	Education	46.2	38.5	44.7	45.8	44.2	43.6	44.0	41.1	39.5	40.0	42.4	37.8	43.1	5.3
	Other	52.0	50.2	49.7	49.0	50.2	47.9	48.5	47.9	48.3	48.4	47.9	47.9	45.6	▲ 2.3
Total	52.7	52.4	51.7	51.9	51.6	50.6	50.8	50.8	50.7	51.0	50.6	50.4	48.8	▲ 1.6	
Other	46.6	44.1	48.3	45.2	44.9	43.2	42.6	44.1	43.2	42.1	43.1	40.4	41.7	1.3	
		12. 18	1. 19	2. 19	3. 19	4. 19	5. 19	6. 19	7. 19	8. 19	9. 19	10. 19	11. 19	12. 19	Ratio to the PrFDious Month
	Hokkaido	45.2	43.9	44.4	44.6	45.5	45.3	45.1	45.7	46.4	46.6	45.7	45.0	43.8	▲ 1.2
	Tohoku	45.4	44.4	43.1	42.8	43.1	42.2	41.9	41.7	41.7	43.2	41.9	42.2	40.9	▲ 1.3
	kitakanto	48.5	45.8	44.8	44.7	44.3	43.1	42.5	42.5	42.6	42.2	40.9	40.0	40.0	0.0
	minamikanto	50.1	49.0	48.1	47.8	47.7	46.0	46.0	45.5	45.7	46.1	45.5	45.5	44.3	▲ 1.2
	Hokuriku	48.6	47.7	46.3	45.3	45.3	44.6	44.2	43.5	44.1	43.5	42.1	40.4	39.5	▲ 0.9
	Tokai	51.8	50.1	48.6	48.4	48.0	46.8	45.8	44.7	45.0	45.2	43.6	42.7	41.8	▲ 0.9
	Kinki	49.7	48.4	47.6	47.3	46.9	45.0	44.6	44.0	43.8	43.9	42.2	41.9	40.5	▲ 1.4
	Chugoku	48.7	47.7	47.2	46.7	47.2	45.6	45.5	45.0	44.8	45.0	44.0	43.6	42.6	▲ 1.0
	Shikoku	48.4	46.8	47.6	46.8	46.9	46.7	44.8	43.1	43.8	43.9	44.4	44.0	43.8	▲ 0.2
	Kyushu	50.7	49.7	48.5	48.6	48.3	46.9	47.0	47.6	46.3	47.1	46.5	46.8	45.1	▲ 1.7

Appendix

1. Region

Hokkaido	494	Tokai	1,071
Tohoku	619	Kinki	1,631
kitaKanto	712	Chugoku	537
minamikanto	3,127	Shikoku	281
Hokuriku	548	Kyushu	681
		Total	9,701

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		50
Finance		121
Construction		1,450
Real Estate		293
Manufacturing 3,223	Food, Beverages, Livestock Feed	299
	Textile, Textile Products, Clothing	104
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	213
	Pulp, Paper and Paper Products	97
	Publishing, Printing	169
	Chemical	389
	Steel, Nonferrous Metals, Mining	474
	General Machinery	424
	Electrical Machinery	312
	Transportation Machinery, Equipment	97
	Precision Machinery, Medical Instruments and Equipment	71
Others	91	
Wholesale 3,959	Food, Beverages	333
	Textile, Textile Products, Clothing	179
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	321
	Paper Products, Stationery, Books	89
	Chemical	267
	Recycled Resources	34
	Steel, Nonferrous Metals, Mining Products	291
	Machinery, Equipment	873
	Others	326

Retail 480	Food,Beverages	69
	Textile,Textile Products,Clothing	29
	Drugs,Sundries	22
	Furniture	11
	Electrical Household Appliances,Information Machinery and Equipment	35
	Motor Vehicles,Motor Vehicle Parts	68
	Special Merchandise	135
	Various Merchandise	46
	Others	8
Transportation,Warehousing		438
Service 1,384	Restaurants	50
	Telecommunications	6
	Electricity,Gas,Water,Heat	13
	Leasing,Rentals	120
	Lodging, Hotels	26
	Recreation	52
	Broadcasting	17
	Maintenance,Guarding,Testing	161
	Advertising	97
	Information	463
	Labor Dispatching	57
	Special Services	260
	Medical,Welfare,Public Health	116
	Education	29
Others	180	
Others		38
Total		10,292

3.Size

Large Firms	2,007	19.5%
Small to Medium-sized Firms	8,285	80.5%
micro Firms	2,787	27.1%
Total	10,292	100.0%