**TDB Trends Research**

**Research & Summary for March 2019**

 *Manufacturing industry’s downturn continues mainly in machinery-related businesses Domestic economy has worsened for four months in a row*

（Companies researched: 23,181; Valid responses: 9,712; Response rate: 41.9%; Survey start date: May 2002)

**Overview of March 2019: Signs of entering a recession phase**

The economic diffusion index (DI) in March 2019 was 46.9, down 0.3 points from the previous month, and worsened for the fourth consecutive month. A downturn in the manufacturing industry and increased cost burden, etc., became the negative factors, and there is a possibility that the domestic economy has partially entered a recession phase.

**Future Outlook: Uncertainty has further intensified**

 While a large-scale event, etc., will be a positive factor for the domestic economy, uncertainty has further intensified with overseas risks in addition to sluggish exports and a slowdown in capital investment.

By industry : The economic DI fell below 50 for all 12 businesses in the “manufacturing” industry.

By size : ”SMEs” worsened for the fourth consecutive month. The earnings environment is also severe due to an increase in purchase prices.

By region : Eight of the ten regions worsened partially due to overseas economies and the tendency for warmer winters.

 2018 2019

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







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| Appendix1.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  |

 

 

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|  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% |