**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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