**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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| 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 | | |





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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% | | |