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July 8, 2019

Regional Economic Report (Summary)

July 2019

Bank of Japan

This report summarizes the reports from all regional research divisions, mainly at the Bank's branches in Japan, and is based on data and other information gathered for the meeting of general managers of the Bank's branches held today. The English translation is based on the Japanese original.

I. Regional Economic Assessments (Overview)

According to assessments from regions across Japan, all nine regions reported that their economy had been either expanding or recovering. The background to this was that domestic demand had continued on an uptrend, with a virtuous cycle from income to spending operating in both the corporate and household sectors, although exports and production had been affected by the slowdown in overseas economies.

Compared with the previous assessment in April 2019, all nine regions reported that their assessments were unchanged. However, a somewhat increasing number of firms were pointing to heightening uncertainties over the outlook for overseas economies and their impacts, reflecting, for example, the U.S.-China trade friction.

Comparison of Previous and Current Assessments by Region

Region	Assessment in April 2019	Changes from the previous assessment[1]	Assessment in July 2019
Hokkaido	The economy has been recovering moderately.	⇨	The economy has been recovering moderately.
Tohoku	The economy has continued to recover moderately, although some weakness has been observed in part.	⇨	The economy has continued to recover moderately, although some weakness has been observed in part.
Hokuriku	The economy has been expanding moderately.	⇨	The economy has been expanding moderately.
Kanto-Koshinetsu	The economy has been expanding moderately, although exports and production have been affected by the slowdown in overseas economies.	⇨	The economy has been expanding moderately, although exports and production have been affected by the slowdown in overseas economies.
Tokai	The economy has been expanding.	⇨	The economy has been expanding.
Kinki	The economy has continued to expand moderately.	⇨	The economy has continued to expand moderately, although some weakness has been observed in part.

[1] With regard to the changes from the previous assessment, arrows pointing to the upper right or lower right indicate changes in the pace of improvement or deterioration compared with the previous assessments, respectively. For example, an acceleration in the pace of improvement or deceleration in the pace of deterioration is indicated with an arrow pointing to the upper right. A horizontal arrow pointing to the right indicates that the pace of improvement or deterioration in economic conditions is unchanged compared with the previous assessment.

Chugoku	The economy has been expanding moderately.	⇨	The economy has been expanding moderately.
Shikoku	The economy has been recovering.	⇨	The economy has been recovering.
Kyushu-Okinawa	The economy has been expanding moderately.	⇨	The economy has been expanding moderately.

II. Assessments of Components by Region

Region	Public investment	Business fixed investment	Private consumption
Hokkaido	Has been more or less flat	Increasing moderately	Recovering as a trend, although some weakness has been observed in some indicators
Tohoku	Declining, although it remains at a high level, primarily in construction orders related to the restoration and reconstruction following the earthquake disaster	Has been more or less flat	Has been resilient
Hokuriku	Increasing	Has been more or less flat at a high level	Picking up steadily, as the employment and income situation continues to improve steadily
Kanto-Koshinetsu	Has been more or less flat at a high level	Increasing	Increasing moderately, albeit with fluctuations
Tokai	Has been at a relatively high level	Has continued to increase, both in manufacturing and nonmanufacturing	Increasing moderately
Kinki	Has begun to pick up	Increasing	Increasing moderately on the whole, with the spending behavior of households improving, mainly on the back of the favorable employment and income situation

Chugoku	Increasing, amid the restoration- and reconstruction-related demand following the heavy rain in July 2018	Increasing moderately	Picking up
Shikoku	Increasing	Has been at a high level	Picking up steadily
Kyushu-Okinawa	Has been at a high level	Increasing	Increasing moderately on the back of improvement in the employment and income situation

Region	Housing investment	Production	Employment and income
Hokkaido	Has been relatively weak	Bottoming out	Supply and demand conditions in the labor market are tightening; household income is recovering
Tohoku	Declining, with reconstruction demand following the earthquake disaster having peaked out, although it is still at a high level	Has been more or less flat	The employment and household income situation is improving
Hokuriku	Increasing	Has been relatively weak, although it remains at a high level	The employment and household income situation is improving steadily
Kanto-Koshinetsu	Has been more or less flat	Has been relatively weak	Household income has been on a moderate increasing trend, albeit with fluctuations, as supply and demand conditions in the labor market have continued to tighten significantly
Tokai	Has been on a pick-up trend	Has been on an increasing trend on the whole, although some weakness has been observed in part	Supply and demand conditions in the labor market are tightening and household income has continued to improve

Kinki	Picking up	Some weakness has been observed recently	With the steady tightening of supply and demand conditions in the labor market, the number of employees is rising and household income is increasing moderately as well
Chugoku	Picking up	Increasing as a trend	The employment and household income situation has continued to improve steadily
Shikoku	Has been more or less flat	Has been relatively weak in part	Supply and demand conditions in the labor market have been tightening and household income is picking up moderately
Kyushu-Okinawa	Has been at a high level, mainly on the back of the low interest rate environment	Has been relatively weak on the whole	Supply and demand conditions in the labor market have continued to tighten steadily, and household income has been on a moderate increasing trend

Appendix: Prefectures Included in Each Region

Region	Prefectures
Hokkaido	Hokkaido
Tohoku	Aomori, Iwate, Miyagi, Akita, Yamagata, and Fukushima
Hokuriku	Toyama, Ishikawa, and Fukui
Kanto-Koshinetsu	Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa, Niigata, Yamanashi, and Nagano
Tokai	Gifu, Shizuoka, Aichi, and Mie
Kinki	Shiga, Kyoto, Osaka, Hyogo, Nara, and Wakayama
Chugoku	Tottori, Shimane, Okayama, Hiroshima, and Yamaguchi
Shikoku	Tokushima, Kagawa, Ehime, and Kochi
Kyushu-Okinawa	Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima, and Okinawa

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