



April 8, 2019

Regional Economic Report (Summary) April 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 reports from regions across Japan, the economy has continued to either expand or recover in all nine regions. Compared with the previous assessment in January 2019, with the effects of the slowdown in overseas economies on exports and production being pointed out, five regions (Kanto-Koshinetsu, Tokai, Kinki, Chugoku, and Shikoku) left their assessments unchanged, while three regions (Tohoku, Hokuriku, and Kyushu-Okinawa) revised down their assessments. Meanwhile, the Hokkaido region revised up its assessment, due to the dissipation of downward pressure stemming from the 2018 Hokkaido Eastern Iburi Earthquake.

The background behind these assessments was that domestic demand had continued to show firm developments, with a virtuous cycle from income to spending operating in both the corporate and household sectors. Specifically, although exports and production have been affected by the slowdown in overseas economies recently, business fixed investment has continued on an increasing trend, with corporate profits staying at a favorable level on the whole. Private consumption has been increasing moderately, albeit with fluctuations, against the background of steady improvement in the employment and income situation.

Comparison of Previous and Current Assessments by Region

Region	Assessment in January 2019	Changes from the previous assessment ¹	Assessment in April 2019
Hokkaido	The economy has been recovering moderately as a trend, and downward pressure due to the effects of the 2018 Hokkaido Eastern Iburi Earthquake has continued to ease.		The economy has been recovering moderately.
Tohoku	The economy has continued to recover moderately.		The economy has continued to recover moderately, although some weakness has been observed in part.
Hokuriku	The economy has been expanding.		The economy has been expanding moderately.
Kanto-Koshinetsu	The economy has been expanding moderately.		The economy has been expanding moderately, although exports and production have been affected by the slowdown in overseas economies.

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.

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.
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, with its growth gaining a more solid footing.		The economy has been expanding moderately.

II. Assessments of Components by Region

Region	Public investment	Business fixed investment	Private consumption
Hokkaido	Bottoming out	Increasing moderately	Recovering as a trend, although some weakness has been observed in some indicators; tourism demand has been favorable
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, mainly in nonmanufacturing	Increasing moderately
Kinki	Bottoming out	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	Picking up, amid the restoration- and reconstruction-related demand following the heavy rain in July 2018	Has been at a high level, although momentum has come to a pause	Picking up
Shikoku	Increasing moderately	Has been at a high level	Picking up steadily
Kyushu-Okinawa	Has been at a high level	Increasing as a trend	Increasing moderately on the back of improvement in the employment and income situation

Region	Housing investment	Production	Employment and income
Hokkaido	Has been more or less flat	Weakening somewhat	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 moderately	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 recently	Household income is increasing moderately 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	Has been on a moderate increasing trend	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	The employment and household income situation has continued to improve steadily
Shikoku	Bottoming out recently, although it had declined, chiefly in housing for rent	Has been relatively weak recently 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 is 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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