

March 26, 2001
Research and Statistics Department
Bank of Japan

Addition of “software investment” and related change of release forms in
Short-term Economic Survey of Enterprises in Japan ,TANKAN

From the March 2001 TANKAN survey, “software investment” is being added. In the release forms, “software investment” and “software and fixed investments” will also be added. Please see Appendix 1.

--The “Fixed Investment of Financial Institution Survey” will be changed in the same way.

Due to this addition, the tables on p. 4-5 in the “TANKAN Summary”, published on the first release day, will be changed as shown in Appendix 2.

--As for “The Comprehensive Data Set” which is up-loaded to our Web site on the second release day, a few pages including the new items will be added. There is no change in the “TANKAN Outline”.

The nominal yen-denominated figures of “software investment” will be released on the first release day, April 2, which will only occur for the March 2001 survey, since it is the first survey to include the software investments.

--From June, these figures will be published on the second release day, which is the same as the other nominal yen-denominated figures in TANKAN.

Addition of “Software Investment” from March survey 2001 to TANKAN

1. Definition

The amount of computer software investment newly capitalized as intangible fixed assets during the term.

-- Outlays for capitalized investment for software both for sale and for internal use.

This definition is different from that of “computer software investment” in the SNA (System of National Accounts), which is the amount of sales* of order-made software in the information service industry. As a result, **“software investment” in the TANKAN survey is the amount of both order-made and self-developed software investment newly capitalized as intangible fixed assets.** “Computer software investment” in the SNA includes outlays for order-made software including these booked as expenses, but does not include outlays for self-developed software.

* Including sale to governments and financial institutions (All enterprises TANKAN does not include them).

Difference in coverage between TANKAN and SNA<conceptual diagram>

		capitalized as intangible fixed assets	expenses
For sale	Order-made		
	Self-developed		
For Internal use	Order-made		
	Self-developed		

TANKAN

SNA

Note: This table is made from the view of the accounting operations of firms ordering software, or the demand side. “Computer software investment” in the SNA is based on supply side statistics, thus the purpose, “for sale” or “not for sale”, does not matter.

2. Nominal Yen-denominated Figures

(100 million yen)

		FY 2000	FY 2001	Percentage share within software and fixed investments
Large enterprises	Manufacturing			
	Non-manufacturing			
	All industries			
Middle-sized enterprises	Manufacturing			
	Non-manufacturing			
	All industries			
Small enterprises	Manufacturing			
	Non-manufacturing			
	All industries			
ALL enterprises	Manufacturing			
	Non-manufacturing			
	All industries			

In this March survey the figures above are released on the first day. From the next survey, they will be released on the second day, as are the other nominal yen-denominated figures in TANKAN.

TANKAN Summary (March 2001)

108th Short-Term Economic Survey of All Enterprises in Japan
175th Short-Term Economic Survey of Principal Enterprises in Japan

Appendix 2

April 2, 2001
Research and Statistics Department
Bank of Japan

Number of sample enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises				
Large enterprises				
Medium-sized enterprises				
Small enterprises				
Principal Enterprises				
(Memo) Financial institutions	-	-		

Responding Period: February 23rd to March 30th.

Memo: Average of predicted exchange rates expected by large manufacturing enterprises

(yen per US dollar)

	FY2000		FY2001	
	1H	2H	1H	2H
Dec 2000 survey			-	-
Mar 2001 survey				

1. Business Conditions

(Net percentage of respondents who reported "Favorable")

	Large enterprises						Medium-sized enterprises						Small enterprises					
	Dec 2000 survey		Mar 2001 survey				Dec 2000 survey		Mar 2001 survey				Dec 2000 survey		Mar 2001 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Manufacturing																		
Textiles																		
Lumber & wood products																		
Pulp & paper																		
Chemicals																		
Petroleum & coal products																		
Ceramics, stone & clay																		
Iron & steel																		
Nonferrous metals																		
Food & beverages																		
Processed metals																		
Industrial machinery																		
Electrical machinery																		
Shipbuilding & heavy machinery																		
Motor vehicles																		
Precision machinery																		
Basic materials																		
Processing																		
Nonmanufacturing																		
Construction																		
Real estate																		
Wholesaling																		
Retailing																		
Transportation																		
Communications																		
Electric & gas utilities																		
Services																		
Leasing																		
All industries																		

	All Enterprises			
Manufacturing				
Nonmanufacturing				
All industries				

- (Notes) 1. Response rate = The number of enterprises responding to the question of Business Conditions (or that of financial institutions responding to the question of Fixed Investments) / The number of sample enterprises * 100
2. Actual result: Judgement at the time of the survey, Forecast: Judgement at the time of three months hence.
Changes in revision of actual results = "Actual results of current survey" minus "Actual results of the previous survey".
Changes of forecast = "Forecast of current survey" minus "Actual results of current survey".

1. Business Conditions (Continued)

(Net percentage of respondents who reported "Favorable")

	Principal Enterprises					
	Dec 2000 survey		Mar 2001 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision		
Manufacturing						
Textiles						
Pulp & paper						
Chemicals						
Petroleum refining						
Ceramics, stone & clay						
Iron & steel						
Nonferrous metals						
Food & beverages						
Processed metals						
Industrial machinery						
Electrical machinery						
Shipbuilding & heavy machinery						
Motor vehicles						
Precision machinery						
Basic materials						
Processing						
Nonmanufacturing						
Construction						
Real estate						
Wholesaling						
Retailing						
Transportation						
Communications						
Electric & gas utilities						
Services						
Leasing						
All industries						

<Memo> Percentage share of the number of respondents choosing each alternative (Actual result)

(%,% points)

	Dec 2000 survey			Mar 2001 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises	Large enterprises	Medium-sized enterprises	Small enterprises
Manufacturing						
1.Favorable						
2.Not so favorable						
3.Unfavorable						
Nonmanufacturing						
1.Favorable						
2.Not so favorable						
3.Unfavorable						

(Note) Business Conditions DI = Percentage share of enterprises responding for "Favorable" minus "Unfavorable"

2. Supply and Demand Conditions, Inventories, and Prices

(% points)

		Large enterprises					
		Dec 2000 survey		Mar 2001 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Supply and demand conditions for products and services: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing Basic materials Processing						
Supply and demand conditions for products overseas: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing Basic materials Processing						

Inventory level of finished goods and merchandise: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing Basic materials Processing						
Wholesalers' inventory level: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing Basic materials Processing						

Change in output prices: Diffusion index of "Rise" minus "Fall"	Manufacturing Basic materials Processing						
Change in input prices: Diffusion index of "Rise" minus "Fall"	Manufacturing Basic materials Processing						

(% points)

		Small enterprises					
		Dec 2000 survey		Mar 2001 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Supply and demand conditions for products and services: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing Basic materials Processing						
Supply and demand conditions for products overseas: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing Basic materials Processing						

Inventory level of finished goods and merchandise: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing Basic materials Processing						
Wholesalers' inventory level: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing Basic materials Processing						

Change in output prices: Diffusion index of "Rise" minus "Fall"	Manufacturing Basic materials Processing						
Change in input prices: Diffusion index of "Rise" minus "Fall"	Manufacturing Basic materials Processing						

3. Sales and Current Profits

Sales

		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing				-
	Domestic Sales				-
	Exports				-
	Nonmanufacturing				-
Medium-sized enterprises	Manufacturing				-
	Nonmanufacturing				-
Small enterprises	Manufacturing				-
	Nonmanufacturing				-
All Enterprises	All industries				-
Principal Enterprises	Manufacturing				-
	Nonmanufacturing				-

(Year-to-year growth rate, %)

1H FY2000	2H FY2000		1H FY2001		2H FY2001	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
				-		-
				-		-
				-		-
				-		-
				-		-
				-		-
				-		-
				-		-

Current Profits

		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing				-
	Basic materials				-
	Processing				-
	Nonmanufacturing				-
Medium-sized enterprises	Manufacturing				-
	Nonmanufacturing				-
Small enterprises	Manufacturing				-
	Nonmanufacturing				-
All Enterprises	All industries				-
Principal Enterprises	Manufacturing excluding petroleum refining				-
	Nonmanufacturing excluding electric & gas utilities				-

(Year-to-year growth rate, %)

1H FY2000	2H FY2000		1H FY2001		2H FY2001	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
				-		-
				-		-
				-		-
				-		-
				-		-
				-		-
				-		-
				-		-

Ratio of Current Profit to Sales

		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing				-
	Nonmanufacturing				-
Medium-sized enterprises	Manufacturing				-
	Nonmanufacturing				-
Small enterprises	Manufacturing				-
	Nonmanufacturing				-
All Enterprises	All industries				-
Principal Enterprises	Manufacturing excluding petroleum refining				-
	Nonmanufacturing excluding electric & gas utilities				-

(%, % points)

1H FY2000	2H FY2000		1H FY2001		2H FY2001	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
				-		-
				-		-
				-		-
				-		-
				-		-
				-		-
				-		-
				-		-

(Note) Adjustment ratios are calculated as the percentage change of the figures between present and previous surveys.

4. Fixed Investments

Fixed Investments (Year-to-year growth rate, %)

		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing				-
	Nonmanufacturing				-
	All industries				-
Medium-sized enterprises	Manufacturing				-
	Nonmanufacturing				-
	All industries				-
Small enterprises	Manufacturing				-
	Nonmanufacturing				-
	All industries				-
All Enterprises	Manufacturing				-
	Nonmanufacturing				-
	All industries				-

Software Investment (Year-to-year growth rate, %)

		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing		-		-
	Nonmanufacturing		-		-
	All industries		-		-
Medium-sized enterprises	Manufacturing		-		-
	Nonmanufacturing		-		-
	All industries		-		-
Small enterprises	Manufacturing		-		-
	Nonmanufacturing		-		-
	All industries		-		-
All Enterprises	Manufacturing		-		-
	Nonmanufacturing		-		-
	All industries		-		-

Software and Fixed Investments (Year-to-year growth rate, %)

		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing		-		-
	Nonmanufacturing		-		-
	All industries		-		-
Medium-sized enterprises	Manufacturing		-		-
	Nonmanufacturing		-		-
	All industries		-		-
Small enterprises	Manufacturing		-		-
	Nonmanufacturing		-		-
	All industries		-		-
All Enterprises	Manufacturing		-		-
	Nonmanufacturing		-		-
	All industries		-		-

Production Capacity (Net percentage of respondents who reported "Excessive capacity")

		Dec 2000 survey		Mar 2001 survey		
		Actual result	Forecast	Actual result	Changes in revision	Forecast
Large enterprises	Manufacturing					
	Nonmanufacturing					
	All industries					
Medium-sized enterprises	Manufacturing					
	Nonmanufacturing					
	All industries					
Small enterprises	Manufacturing					
	Nonmanufacturing					
	All industries					
All Enterprises	Manufacturing					
	Nonmanufacturing					
	All industries					

5. Employment

Employment Conditions (Net percentage of respondents who reported "Excessive employment")

		Dec 2000 survey		Mar 2001 survey		
		Actual result	Forecast	Actual result	Changes in revision	Forecast
Large enterprises	Manufacturing					
	Nonmanufacturing					
	All industries					
Medium-sized enterprises	Manufacturing					
	Nonmanufacturing					
	All industries					
Small enterprises	Manufacturing					
	Nonmanufacturing					
	All industries					
All Enterprises	Manufacturing					
	Nonmanufacturing					
	All industries					
Principal Enterprises	Manufacturing					
	Nonmanufacturing					
	All industries					

Number of Employees (All industries) (Year-to-year growth rate, %)

	Mar 2000	June 2000	Sept 2000	Dec 2000
Large enterprises				
Medium-sized enterprises				
Small enterprises				
All Enterprises				
Principal Enterprises				

Hiring New Graduates *(All industries)

(special survey for December) (Year-to-year growth rate, %)

	FY2000	FY2001
Large enterprises	-	-
Medium-sized enterprises	-	-
Small enterprises	-	-
All Enterprises	-	-
Principal Enterprises	-	-

*Percentage change of scheduled figures against the actual figures of the previous year.

6. Corporate Finance

Financial Position (All industries) (Diffusion index of "Easy" minus "Tight", % points)

	Dec 2000 survey		Mar 2001 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision	Changes	
Large enterprises						
Medium-sized enterprises						
Small enterprises						
All Enterprises						
Principal Enterprises						

Lending Attitude of Financial Institutions(All industries)

(Diffusion index of "Accommodative" minus "Severe", % points)

	Dec 2000 survey		Mar 2001 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision	Changes	
Large enterprises						
Medium-sized enterprises						
Small enterprises						
All Enterprises						
Principal Enterprises						

Change in Interest Rate on Loan (All industries) (Diffusion index of "Rise" minus "Fall", % points)

	Dec 2000 survey		Mar 2001 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision	Changes	
Large enterprises						
Medium-sized enterprises						
Small enterprises						
All Enterprises						
Principal Enterprises						

Liquidity Ratio (All industries) (months)

	Mar 2000	June 2000	Sept 2000	Dec 2000
Large enterprises				
Medium-sized enterprises				
Small enterprises				
All Enterprises				
Principal Enterprises (Seasonally adjusted)				

$$\text{Liquidity Ratio} = \frac{\text{Quarter-end balance of cash, deposits, and short-term investment in securities}}{\text{Monthly average sales during the fiscal year which covers the related quarter}}$$

7. Overseas Activities (special survey for June and December)

Overseas Production and Investments(Manufacturing) (Year-to-year growth rate, %)

		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Overseas production	-	-	-	-
	Share of overseas production	-	-	-	-
	Overseas investments	-	-	-	-
	Share of overseas investments	-	-	-	-
Principal Enterprises	Overseas production	-	-	-	-
	Share of overseas production	-	-	-	-
	Overseas investments	-	-	-	-
	Share of overseas investments	-	-	-	-

(Notes) 1. In principle, overseas production and investments of affiliates are aggregated.

2. Partly includes yen conversion estimates in the case of foreign currency dominated transaction.

3. Percentages share of overseas production
= Value of overseas production / (Value of sales + Value of overseas production) * 100

Percentages share of overseas investments
= Value of overseas investments / (Value of domestic investments + Value of overseas investments) * 100

4. The figures include respondents with no overseas affiliates.

Appendix: Fixed Investments of Financial Institutions

(Year-to-year growth rate, %)

		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Fixed Investments of Financial institutions	Banks				-
	Securities companies				-
	Insurance companies				-

		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Software Investment of Financial institutions	Banks		-		-
	Securities companies		-		-
	Insurance companies		-		-

		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Software and Fixed Investments of Financial institutions	Banks		-		-
	Securities companies		-		-
	Insurance companies		-		-

(special survey for June and December) (Year-to-year growth rate, %)

		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Investments for Computerizing of Financial institutions	Banks	-	-	-	-
	Securities companies	-	-	-	-
	Insurance companies	-	-	-	-

(Note) Figures in parentheses are the number of respective financial institutions.

No change on P.6 to P.10 (graphs).