



October 15, 2019

# Regional Economic Report (Summary) October 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, production, and business sentiment had been affected by the slowdown in overseas economies.

Compared with the previous assessment in July 2019, the Hokkaido region revised up its assessment, whereas the other eight regions reported that their assessments were unchanged.

Meanwhile, there were many reports from firms regarding their views on overseas demand, their fixed investment stance, and the effects of the October 2019 consumption tax hike.

### Comparison of Previous and Current Assessments by Region

Region	Assessment in July 2019	Changes from the previous assessment <sup>1</sup>	Assessment in October 2019
Hokkaido	The economy has been recovering moderately.		The economy has been expanding 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, although some weakness has been observed in part.		The economy has continued to expand moderately, although some weakness has been observed in part.

<sup>1</sup> 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, although some weakness has been observed in part.
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	Increasing	Increasing moderately	Recovering as a trend, albeit with fluctuations
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	Picking up	Increasing	Increasing moderately on the whole, albeit with fluctuations due to such effects as of the consumption tax hike

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, albeit with fluctuations
Kyushu-Okinawa	Has been at a high level	Increasing	Increasing moderately on the back of improvement in the employment and income situation, albeit with fluctuations due to such effects as of the consumption tax hike

Region	Housing investment	Production	Employment and income
Hokkaido	Has been relatively weak	Has been more or less flat	Labor market conditions 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	Has been more or less flat at a high level	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 labor market conditions have continued to be significantly tight
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	Labor market conditions are tightening and household income has continued to improve

Kinki	Picking up	Some weakness has been observed recently	Labor market conditions have continued to be tight and household income is increasing moderately
Chugoku	Has been more or less flat	Some weakness has been observed recently	The employment and household income situation has continued to improve steadily
Shikoku	Increasing	Has been relatively weak in part	Labor market conditions have continued to be tight 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	Labor market conditions have continued to be tight 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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Regional Research Division, Research and Statistics Department

Tel: +81-3-3277-1357

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