



January 15, 2020

# Regional Economic Report (Summary) January 2020

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, in terms of such items as business fixed investment and private consumption, 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 shown some weakness, mainly affected by the slowdown in overseas economies and natural disasters.

Compared with the previous assessment in October 2019, three regions (Hokuriku, Tokai, and Chugoku) revised down their assessments, whereas the other six regions reported that their assessments were unchanged.

### Comparison of Previous and Current Assessments by Region

Region	Assessment in October 2019	Changes from the previous assessment <sup>1</sup>	Assessment in January 2020
Hokkaido	The economy has been expanding 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 is becoming widespread.
Hokuriku	The economy has been expanding moderately.	↘	The economy has continued on an expanding trend, although the pace has moderated further.
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 on a moderate expanding trend, although it has been mainly affected by the slowdown in overseas economies and natural disasters.
Tokai	The economy has been expanding.	↘	The economy has been expanding moderately.
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, although some weakness has been observed in part.		The economy has been on a moderate expanding trend, albeit at a somewhat slower pace.
Shikoku	The economy has been recovering.		The economy has been recovering, although some weakness has been observed in part.
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, albeit with fluctuations due to such effects as of the consumption tax hike
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	Has been on a moderate increasing trend, although a reactionary decline after the consumption tax hike has been observed
Kinki	Increasing moderately	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, albeit with fluctuations due to the consumption tax hike
Shikoku	Increasing	Has been at a high level	Picking up steadily, albeit with fluctuations due to such effects as of the consumption tax hike
Kyushu-Okinawa	Has been at a high level	Increasing	Increasing moderately on the back of the favorable 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 relatively weak	Labor market conditions are tightening; household income is recovering
Tohoku	Declining further, although it remains at a high level, with reconstruction demand following the earthquake disaster having peaked out and rental housing starts having shown some weakness	Weakening	The employment and household income situation is improving
Hokuriku	Has been more or less flat at a high level	Has been relatively weak	The employment and household income situation is improving steadily
Kanto-Koshinetsu	Has been more or less flat	Declining recently, due partly to the effects of natural disasters	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 relatively weak	Labor market conditions are tightening and household income has continued to improve

Kinki	Has been more or less flat	Some weakness has been observed	Labor market conditions have continued to be tight and household income is increasing moderately
Chugoku	Has been more or less flat	Has been relatively weak	The employment and household income situation has continued to improve steadily
Shikoku	Has been relatively weak	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 relatively weak recently, although it remains at a high level, mainly in housing for rent	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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