



April 12, 2018

Regional Economic Report (Summary) April 2018

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, six regions (Hokuriku, Kanto-Koshinetsu, Tokai, Kinki, Chugoku, and Kyushu-Okinawa) reported that their economy had been expanding or expanding moderately, and three regions (Hokkaido, Tohoku, and Shikoku) noted that the economy had continued to recover moderately. These reports were based on the assessments that the virtuous cycle from income to spending had been maintained, as labor market conditions had continued to tighten steadily and private consumption had improved, while exports had been on an increasing trend with overseas economies growing firmly.

Compared with the previous assessment in January 2018, the Shikoku and Kyushu-Okinawa regions revised up their assessments based on the improvement in private consumption. On the other hand, the Hokkaido region revised down its assessment, due mainly to public investment having turned downward as construction orders related to restoration following the typhoon disaster in summer 2016 had come to a halt. Meanwhile, the other six regions reported that their assessments were unchanged.

Comparison of Previous and Current Assessments by Region

Region	Assessment in January 2018	Changes from the previous assessment ¹	Assessment in April 2018
Hokkaido	The economy has been recovering.		The economy has been recovering moderately.
Tohoku	The economy has continued to recover moderately.		The economy has continued to recover moderately.
Hokuriku	The economy has been expanding.		The economy has been expanding.
Kanto-Koshinetsu	The economy has been expanding moderately.		The economy has been expanding moderately.
Tokai	The economy has been expanding.		The economy has been expanding.

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 assessments.

Kinki	The economy has been expanding moderately, with its growth becoming more solid.		The economy has been expanding moderately at a steady pace.
Chugoku	The economy has been expanding moderately.		The economy has been expanding moderately.
Shikoku	The economy has continued to recover moderately.		The economy has been recovering.
Kyushu-Okinawa	The economy has been expanding moderately.		The economy has been expanding moderately, with its growth gaining a more solid footing.

II. Assessments of Components by Region

Region	Public investment	Business fixed investment	Private consumption
Hokkaido	Has turned downward	Increasing moderately	Recovering as a trend, although some weakness has been observed in some indicators recently
Tohoku	Has been at a high level, primarily in construction orders related to the restoration and reconstruction following the earthquake disaster, although the value of public works contracted -- a figure that reflects the situation of orders for public construction works -- has been below the previous year's level	Has been on a moderate increasing trend	Has been resilient
Hokuriku	Increasing	Increasing	Picking up steadily, as the employment and income situation continues to improve steadily
Kanto-Koshinetsu	Has lost some of its growth momentum	Increasing	Increasing moderately, albeit with fluctuations
Tokai	Has been at a relatively high level	Has continued to increase across a wider range of firm sizes	Recovering moderately

Kinki	Has begun to bottom out	Has been on an increasing trend	Increasing moderately on the whole, with the spending behavior of households improving, mainly on the back of the favorable employment and income situation
Chugoku	Has been more or less flat	Increasing	Picking up
Shikoku	Picking up and running at a high level	Increasing moderately	Picking up
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	Declining moderately	Has been more or less flat	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	Increasing moderately	Supply and demand conditions in the labor market have continued to improve; household income has been on a moderate increasing trend
Hokuriku	Has been more or less flat	Has been more or less flat at a high level	The employment and household income situation is improving steadily
Kanto-Koshinetsu	Has been relatively weak	Has been on an increasing trend	Household income is increasing moderately as supply and demand conditions in the labor market continue to tighten steadily
Tokai	Weakening	Has been on an increasing trend	Supply and demand conditions in the labor market are tightening and household income has continued to improve

Kinki	Has been relatively weak	Has been on an 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	Has been more or less flat	Increasing	The employment and household income situation has continued to improve steadily
Shikoku	Has been at a relatively high level, although it has turned downward chiefly in housing for rent	Has continued to show signs of a pick-up, albeit with fluctuations	Supply and demand conditions in the labor market have been on a tightening trend 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, amid continued reconstruction demand following the Kumamoto Earthquake	Has been at a high level on the back of strong overseas demand	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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