

Domestic economy has picked up moderately, albeit at a low level

~ Downside risks remain large
due to the future status of infections ~

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(Companies researched: 23,695; Valid responses: 11,448; Response rate: 48.3%;
Survey start date: May 2002)

< Overview of November 2020: Picking up >

The economic diffusion index (DI) in November 2020 was 35.4, up (1.6 points) from the previous month for the sixth consecutive month. The domestic economy continued to pick up moderately, although it slowed slightly towards the end of the month.

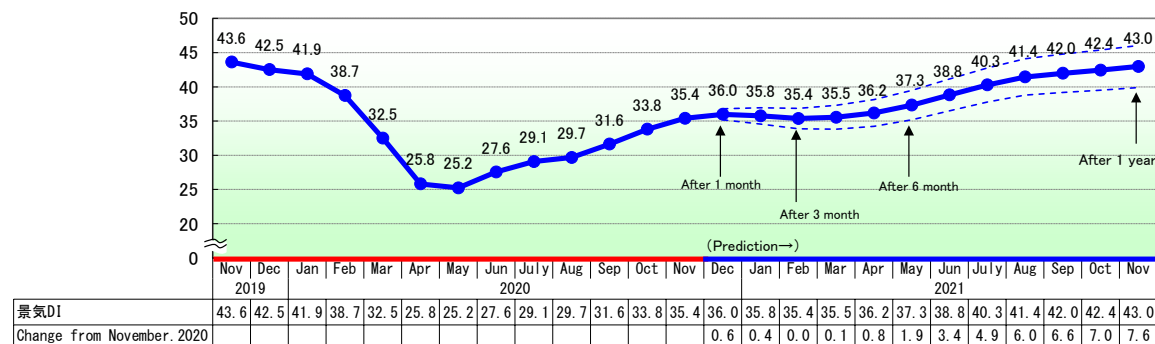
< Future outlook: Moderately upward, albeit temporarily stagnant >

The economy is expected to improve gradually, albeit with downward risks associated with the response to the ongoing resurgence of infection.

By industry : Business confidence was positive in nine industries, with a pickup centered on the sightseeing-related sectors.

By size : Business confidence was positive in all sizes for the sixth consecutive month. The capacity utilization rate is also gradually improving.

By region : Of the ten regions, business confidence was positive in nine, but the resurgence of infection became a negative factor.



Economic Diffusion Index (Economic DI)1/2

	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Ratio to the Previous Month
Total	43.6	42.5	41.9	38.7	32.5	25.8	25.2	27.6	29.1	29.7	31.6	33.8	35.4	1.6
Large Firms	47.0	45.7	45.3	42.0	34.8	28.2	28.1	30.1	31.7	32.4	33.9	36.4	37.6	1.2
Small to Medium-sized Firms	42.8	41.7	41.1	38.0	32.0	25.3	24.6	27.0	28.5	29.1	31.1	33.3	34.9	1.6
Micro Firms	43.5	42.1	41.4	38.8	32.3	25.4	24.6	27.8	29.4	30.0	32.0	33.9	35.2	1.3

	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Ratio to the Previous Month	
Agriculture,Forestry,Fisheries	42.5	41.7	38.4	37.9	32.8	28.2	25.1	29.6	31.4	31.0	30.3	34.4	38.7	4.3	
Finance	46.8	44.5	44.8	42.2	33.3	27.3	28.7	32.4	31.5	32.6	35.3	38.3	37.7	▲ 0.6	
Construction	52.2	51.6	50.0	47.8	41.5	33.9	33.5	36.3	37.5	38.4	40.4	41.1	41.8	0.7	
Real Estate	46.0	44.2	45.9	42.0	31.6	21.9	23.5	29.2	32.5	33.1	35.6	36.4	36.8	0.4	
Manufacturing	Food,BEWerages,Livestock Feed	39.7	39.9	38.0	34.5	28.4	24.8	24.6	27.2	29.6	30.5	32.0	34.2	36.0	1.8
	Textile,Textile Products,Clothing	34.6	32.6	30.5	29.3	23.2	16.7	17.7	17.9	19.8	20.3	23.5	24.7	26.8	2.1
	Construction Materials,Furniture, Ceramics,Stone and Clay Products	43.8	40.2	39.9	37.2	33.4	29.2	26.5	28.1	28.3	29.8	31.3	35.1	35.4	0.3
	Pulp, Paper and Paper Products	41.7	40.6	37.3	32.0	29.2	24.0	21.4	19.3	21.0	22.9	24.1	26.2	29.2	3.0
	Publishing,Printing	32.7	32.9	30.9	29.7	23.1	16.8	14.4	16.0	15.8	18.8	20.4	21.9	22.7	0.8
	Chemical	40.6	40.1	39.0	35.8	32.1	27.5	25.3	25.9	27.3	27.8	31.1	34.4	37.7	3.3
	Steel,Nonferrous Metals,Mining	38.1	37.6	36.3	32.9	29.0	23.6	21.5	20.8	22.3	23.6	25.4	29.2	33.1	3.9
	General Machinery	39.9	38.4	37.3	35.4	31.1	25.3	23.6	23.5	24.6	25.0	26.5	29.1	31.7	2.6
	Electrical Machinery	40.5	40.4	41.0	38.5	32.7	27.6	26.1	27.0	27.5	27.7	28.9	33.0	34.8	1.8
	Transportation Machinery,Equipment	41.2	40.9	39.4	36.5	34.2	22.2	18.2	18.1	21.2	24.2	27.8	34.9	36.3	1.4
	Precision Machinery, Medical Instruments and Equipment	42.0	39.9	40.4	39.0	34.8	27.2	26.3	28.6	28.1	29.6	30.2	32.7	35.5	2.8
	Other	38.4	38.0	36.9	36.8	31.1	20.7	19.8	23.9	25.2	22.8	26.3	29.0	29.6	0.6
	Total	39.6	38.6	37.6	34.9	30.3	24.7	23.0	23.6	24.9	25.9	27.8	31.0	33.3	2.3
Wholesale	Food,BEWerages	37.9	37.4	37.3	33.1	25.6	21.3	21.0	24.5	27.3	27.2	30.2	32.0	31.6	▲ 0.4
	Textile,Textile Products,Clothing	28.8	26.5	26.2	22.0	16.4	10.3	11.4	15.8	18.2	18.0	19.4	22.6	22.3	▲ 0.3
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	43.4	43.1	42.8	38.5	34.4	27.9	27.7	29.6	30.2	30.4	31.7	33.9	35.9	2.0
	Paper Products,Stationery,Books	36.3	35.0	34.9	33.5	27.5	22.0	19.1	19.0	21.9	23.2	24.0	26.9	26.7	▲ 0.2
	Chemical	40.4	39.0	38.7	35.5	33.2	28.9	27.4	27.6	29.2	29.5	30.1	32.3	36.1	3.8
	Recycled Resources	29.0	33.3	30.8	27.1	21.2	18.7	18.8	23.8	24.5	27.8	30.2	32.9	38.7	5.8
	Steel,Nonferrous Metals, Mining Products	37.0	34.8	33.9	31.9	27.8	23.2	22.8	24.0	24.5	25.3	26.4	30.5	32.1	1.6
	Machinery,Equipment	42.3	41.7	41.2	38.2	33.0	25.9	25.1	27.4	29.0	28.6	30.6	33.1	34.6	1.5
	Other	37.6	37.1	36.7	31.5	26.5	21.4	19.8	23.1	25.1	25.4	27.6	30.6	33.0	2.4
	Total	39.3	38.4	37.9	34.4	29.4	23.7	23.0	25.3	27.0	27.1	28.9	31.5	33.0	1.5

Economic Diffusion Index (Economic DI)2/2

		Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Ratio to the Previous Month
Retail	Food,BEWerages	40.2	38.4	39.1	36.7	25.8	26.3	27.4	30.8	30.7	29.1	34.0	38.8	37.0	▲ 1.8
	Textile,Textile Products,Clothing	31.5	28.7	28.0	24.2	16.2	11.4	8.8	23.6	24.7	24.0	19.9	27.8	23.7	▲ 4.1
	Drugs,Sundries	37.3	40.2	37.7	34.7	27.5	28.7	25.3	32.7	32.7	31.3	32.6	33.3	29.8	▲ 3.5
	Furniture	26.9	31.8	31.9	29.2	22.6	10.8	15.5	31.7	40.0	38.9	38.5	37.5	38.9	1.4
	Electrical Household Appliances, Information Machinery and Equipment	32.3	38.1	38.2	36.0	28.4	19.3	21.9	33.8	29.8	30.5	30.6	34.2	33.3	▲ 0.9
	Motor Vehicles,Motor Vehicle Parts	31.4	31.9	36.7	32.9	27.9	17.0	15.8	25.4	29.3	29.3	32.4	34.6	40.2	5.6
	Special Merchandise	39.1	36.0	35.2	34.7	27.4	20.2	19.9	27.7	30.2	30.0	31.6	33.9	33.3	▲ 0.6
	Various Merchandise	36.5	36.2	37.4	34.4	29.3	32.3	29.9	34.5	40.9	36.9	37.0	37.6	37.3	▲ 0.3
	Other	40.7	47.9	48.1	43.9	31.8	26.9	30.6	31.8	26.7	25.9	33.3	33.3	34.8	1.5
Total		36.1	35.8	36.3	34.1	26.7	21.2	21.1	29.1	31.0	30.3	32.1	34.8	35.0	0.2
Transportation,Warehousing		45.1	42.6	39.5	34.0	27.7	22.4	22.7	21.5	24.2	25.4	28.1	30.1	32.5	2.4
Service	Restaurants	39.4	40.7	41.0	32.3	14.2	4.3	5.5	13.8	13.7	12.7	14.5	18.2	21.0	2.8
	Postal,Telecommunications	59.5	52.8	64.6	57.1	50.0	30.3	33.3	43.3	41.7	42.6	46.7	41.7	47.2	5.5
	Electricity,Gas,Water,Heat	52.2	47.4	52.4	46.7	40.5	28.4	32.4	34.4	34.9	42.5	42.5	40.4	40.0	▲ 0.4
	Leasing,Rentals	53.1	50.4	50.8	46.9	34.0	27.8	29.1	30.2	31.4	32.7	34.5	34.9	37.5	2.6
	Lodging, Hotels	42.0	39.1	38.5	23.2	7.0	1.5	2.9	4.8	5.1	6.0	12.4	27.2	28.8	1.6
	Recreation	40.7	37.5	39.4	35.7	17.0	5.6	9.3	11.5	17.5	22.9	22.4	23.7	29.0	5.3
	Broadcasting	41.7	38.2	38.1	38.9	29.8	22.9	22.5	26.7	25.6	34.5	33.3	34.4	38.6	4.2
	Maintenance,Guarding,Testing	47.3	46.6	46.4	42.6	36.0	27.5	26.6	29.9	33.2	34.1	36.5	38.5	38.5	0.0
	Advertising	39.6	37.8	40.0	34.1	21.3	11.3	10.7	14.3	19.0	18.0	20.4	21.1	22.3	1.2
	Information	57.8	56.2	56.5	54.2	43.9	33.7	34.0	35.8	37.2	37.9	38.9	40.1	41.6	1.5
	Labor Dispatching	50.9	46.2	49.2	42.5	34.1	21.0	20.0	25.3	24.6	25.4	26.7	29.2	34.3	5.1
	Special Services	50.8	49.9	50.3	45.8	40.4	31.4	32.2	35.0	36.7	36.1	40.0	40.7	42.5	1.8
	Medical,Welfare,Public Health	48.5	47.7	47.8	43.2	35.9	26.4	26.1	30.5	29.9	31.0	31.4	33.6	34.9	1.3
	Education	37.8	43.1	41.4	40.0	29.7	13.9	18.8	28.0	29.5	31.7	34.0	34.7	34.0	▲ 0.7
Other	47.9	45.6	46.2	39.8	29.2	21.2	21.8	26.6	28.7	28.4	31.1	31.6	31.4	▲ 0.2	
Total		50.4	48.8	49.5	45.1	35.3	25.8	26.1	29.4	31.2	31.8	33.9	35.1	36.8	1.7
Other		40.4	41.7	42.7	39.2	29.8	24.4	26.2	27.1	29.3	28.8	31.5	28.2	29.4	1.2

		Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Ratio to the Previous Month
Hokkaido		45.0	43.8	42.4	39.0	31.0	28.4	27.5	30.6	32.3	33.4	34.4	36.0	34.4	▲ 1.6
Tohoku		42.2	40.9	38.8	36.7	30.7	26.0	25.3	28.5	29.7	30.4	32.6	34.4	36.0	1.6
kitakanto		40.0	40.0	39.4	36.9	31.8	25.8	24.5	26.2	27.1	28.0	30.6	33.2	36.6	3.4
minamikanto		45.5	44.3	44.5	41.1	34.1	26.3	25.5	28.4	29.7	30.4	32.3	34.2	35.3	1.1
Hokuriku		40.4	39.5	37.6	35.6	29.7	24.9	25.1	26.5	27.5	28.5	30.0	31.8	34.7	2.9
Tokai		42.7	41.8	40.6	37.3	31.4	23.7	23.4	25.3	27.0	27.7	30.3	32.6	35.6	3.0
Kinki		41.9	40.5	39.8	36.3	30.4	23.9	23.8	25.9	27.8	28.1	29.5	32.4	34.1	1.7
Chugoku		43.6	42.6	41.2	39.0	33.8	27.0	25.7	27.2	29.4	29.7	32.0	34.3	35.5	1.2
Shikoku		44.0	43.8	42.7	39.5	36.4	30.8	28.5	30.3	30.5	31.5	32.6	33.9	35.3	1.4
Kyushu		46.8	45.1	45.2	41.5	35.3	27.5	27.4	29.7	32.5	31.8	34.2	36.9	37.7	0.8

Appendix

1. Research Subjects (Companies researched: 23,686; Valid responses: 11,363; Response rate: 48.0%)

Appendix

1. Region

Hokkaido	584	Tokai	1,286
Tohoku	784	Kinki	1,851
kitaKanto	850	Chugoku	657
minamikanto	3,495	Shikoku	384
Hokuriku	613	Kyushu	859
		Total	11,363

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		72
Finance		130
Construction		1,863
Real Estate		369
Manufacturing (3,138)	Food, Beverages, Livestock Feed	384
	Textile, Textile Products, Clothing	119
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	246
	Pulp, Paper and Paper Products	105
	Publishing, Printing	186
	Chemical	435
	Steel, Nonferrous Metals, Mining	544
	General Machinery	505
	Electrical Machinery	336
	Transportation Machinery, Equipment	112
Precision Machinery, Medical Instruments and Equipment	77	
Others	89	
Wholesale (2,986)	Food, Beverages	389
	Textile, Textile Products, Clothing	204
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	349
	Paper Products, Stationery, Books	105
	Chemical	291
	Recycled Resources	37
	Steel, Nonferrous Metals, Mining Products	314
	Machinery, Equipment	929
	Others	368

Retail (452)	Food, Beverages	68
	Textile, Textile Products, Clothing	31
	Drugs, Sundries	19
	Furniture	12
	Electrical Household Appliances, Information Machinery and Equipment	34
	Motor Vehicles, Motor Vehicle Parts	90
	Special Merchandise	141
	Variou Merchandise	46
	Others	11
	Transportation, Warehousing	
Service (1,818)	Restaurants	54
	Telecommunications	12
	Electricity, Gas, Water, Heat	20
	Leasing, Rentals	121
	Lodging, Hotels	33
	Recreation	58
	Broadcasting	19
	Maintenance, Guarding, Testing	189
	Advertising	104
	Information	494
	Labor Dispatching	72
	Special Services	303
	Medical, Welfare, Public Health	119
Education	24	
Others	196	
Others		47
Total		11,363

3. Size

Large Firms	2,019	17.8%
Small to Medium-sized Firms	9,344	82.2%
micro Firms	3,393	29.9%
Total	11,363	100.0%

2. Research Items

- *Business Confidence (current, in 3 months, in 6 months, in 1 year)
- *Business Conditions (sales, purchasing and selling unit price, inventory, capacity utilization ratio, number of employees, overtime work hours)

3. Research Period and Methodology

Internet-based survey conducted November 16 – 30 2020

The explanation of the Economic Diffusion Index

Research Purpose/Researched Terms

TDB Economic Trend Research (started from May 2002) is a monthly statistical survey conducted for over 20,000 nationwide corporations on their general business activities including the current condition and future outlook of the industry business performance and operating climate. The primary purpose of such a survey is to assess the current state of Japan's economy.

Selection of the Subject Corporations

Companies of all sizes in all domestic industries are eligible to participate in the survey.

DI Calculation

The DI (Diffusion Index) is calculated by multiplying the number of responses for each assessment category by the number given in parentheses in the table below, to a seven-level assessment rated by companies.

Selection category	Extremely good	good	fairly good	neither good nor bad	fairly bad	bad	very bad
points	6	5	4	3	2	1	0
number of responses for each category	N ₆	N ₅	N ₄	N ₃	N ₂	N ₁	N ₀

Economic DI

$$= \frac{\text{Total of (Points for each category} \times \text{Number of responses for each category)}}{\text{Number of valid responses} N} \times \frac{1}{6} \times 100$$

$$= \frac{\sum_{i=0}^6 i \times N_i}{N} \times \frac{1}{6} \times 100$$

An economic DI of 50 is **the point separating good and bad**, so a DI over 50 means “good,” and below 50 means “bad.” (The numbers are rounded off to one decimal place.) No weight is given according to a company's size, and calculations are made on the basis of “one company, one vote.”

Size Classification

Industry	Large Firms	Small to Medium-Sized Firms (Micro Firms included)	Micro Firms
Manufacturing and Other Industries*	Capital: More than 300 million yen and No. of Employee: Over 300	Capital: Below 300 million yen or No. of Employee: Below 300	No. of Employee: Below 20
Wholesale Trade	Capital: More than 100 million yen and No. of Employee: Over 100	Capital: Below 100 million yen or No. of Employee: Below 100	No. of Employee: Below 5
Retail Trade	Capital: More than 50 million yen and No. of Employee: Over 50	Capital: Below 50 million yen or No. of Employee: Below 50	No. of Employee: Below 5
Service**	Capital: More than 50 million yen and No. of Employee: Over 100	Capital: Below 50 million yen or No. of Employee: Below 100	No. of Employee: Below 5

Note1: Large Firms refer to companies that rank in the top 3% in terms of sales volume according to the type of business, among small to medium-sized corporations excluding micro firms, which are defined in Small and Medium Enterprises Basic Act.

Note2: Small to Medium-Sized Firms refer to companies that rank in the bottom 50% in terms of sales volume according to the type of business, among those not categorized as small to medium-sized corporations in Small to Medium-Sized Enterprises Basic Act.