



April 10, 2017

Regional Economic Report (Summary) April 2017

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, the Hokuriku and Tokai regions reported that their economy had been expanding moderately, and the other seven regions noted that the economy had continued its moderate recovery trend. These reports were based on the assessments that a virtuous cycle from income to spending had been maintained in both the corporate and household sectors, while overseas economies had continued to grow at a moderate pace.

Compared with the previous assessment in January 2017, the Hokuriku region revised its assessment upward, mainly on the back of production increases -- including those in electronic parts and devices and semiconductor production equipment bound for overseas -- as well as the steady pick-up in private consumption. Meanwhile, the other eight regions reported that their assessments had remained unchanged.

Comparison of Previous and Current Assessments by Region

Region	Assessment in January 2017	Changes from the previous assessment ¹	Assessment in April 2017
Hokkaido	The economy has been recovering moderately.	⇒	The economy has been recovering moderately.
Tohoku	The economy has continued its moderate recovery trend.	⇒	The economy has continued its moderate recovery trend.
Hokuriku	The economy has continued to recover.	↗	The economy has been expanding moderately.
Kanto-Koshinetsu	The economy has continued its moderate recovery trend.	⇒	The economy has continued its moderate recovery trend.
Tokai	The economy has been expanding moderately.	⇒	The economy has been expanding moderately.
Kinki	The economy has been recovering moderately.	⇒	The economy has been recovering moderately.
Chugoku	The economy has been recovering moderately.	⇒	The economy has been recovering moderately.

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.

Shikoku	The economy has continued to recover moderately.	⇒	The economy has continued to recover moderately.
Kyushu-Okinawa	The economy has been recovering moderately.	⇒	The economy has been recovering moderately.

II. Assessments of Components by Region²

Region	Public investment	Business fixed investment	Private consumption
Hokkaido	Increasing moderately	Has turned upward	Recovering on the back of steady improvement in the employment and income situation
Tohoku	Has been at a high level, primarily in construction orders related to the restoration following the earthquake disaster	Increasing moderately	Has been resilient
Hokuriku	Increasing, mainly reflecting the progress in construction related to the extension of the route for the Hokuriku Shinkansen Line to Tsuruga and the implementation of the supplementary budget in response to the government's economic measures	Increasing steadily, due to (i) large-scale investment to expand the production capacity of industries facing strong demand and (ii) investment in retailing for opening new stores and renovating existing stores, as well as to (iii) labor-saving investment in response to labor shortages and investment to improve business efficiency -- including software investment -- both seen across a wide array of industries	Picking up steadily, due to steady improvement in the employment and income situation and also supported by the upturn in consumer sentiment
Kanto-Koshinetsu	Has been more or less flat	Increasing	Has been resilient
Tokai	Has begun to increase	Has continued to increase steadily	Picking up moderately

² This section, which previously had been presented in both the text and chart, will be provided only in the chart from this issue onward.

Kinki	Has recently been more or less flat	Has been on an increasing trend	Has been resilient, amid improvement in the employment and income situation
Chugoku	Picking up	Increasing moderately	Has been resilient
Shikoku	Picking up, albeit with fluctuations	Increasing moderately as a trend, although there were moves at some firms to postpone or delay investment	Picking up moderately
Kyushu-Okinawa	Has begun to pick up as a whole, amid increasing orders	Has begun to turn upward, assisted in part by improvement in corporate profits	Has begun to recover as a whole, due to (i) the ongoing replacement demand for durable goods seen mainly in areas affected by the earthquake and (ii) moves to purchase high-end products and other items in line with improvement in consumer sentiment, although tourism has been weak

Region	Housing investment	Production	Employment and income
Hokkaido	Picking up moderately	Virtually flat	Supply and demand conditions in the labor market are improving steadily; household income is recovering
Tohoku	Has been at a high level	Picking up moderately	The employment and household income situation is improving
Hokuriku	Increasing steadily, chiefly in housing for rent	Increasing steadily	The employment and household income situation is improving steadily

Kanto-Koshinetsu	Picking up	Picking up moderately	Household income is increasing moderately, as supply and demand conditions in the labor market continue to improve steadily
Tokai	Has continued to pick up, albeit with fluctuations	Increasing moderately	Supply and demand conditions in the labor market are tightening and household income has continued to improve
Kinki	Has recently been more or less flat	Increasing moderately	With supply and demand conditions in the labor market continuing to improve, the number of employees is rising and household income is increasing moderately as well
Chugoku	Increasing moderately	Has been more or less flat	The employment and household income situation has continued to improve steadily
Shikoku	Picking up	Has recently shown signs of a pick-up, albeit with fluctuations	Supply and demand conditions in the labor market have continued to improve steadily and household income is picking up moderately
Kyushu-Okinawa	Has been at a high level	Has been at a high level on the back of strong overseas demand, as moves -- including those to restore production -- continue to take place in areas affected by the earthquake	Supply and demand conditions in the labor market are improving steadily and household income is picking up, albeit with fluctuations

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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