

A spike in the number of infections put a crimp in the economy

~ The effects of heavy rainfalls and prolonged rains also exerted downward pressure, with a significant drop related to consumer spending ~

e-mail : keiki@mail.tdb.co.jp

(Companies researched: 24,458; Valid responses: 11,170; Response rate: 45.7%; Survey start date: May 2002)

< Overview of August 2021: Temporarily at a standstill >

The economic diffusion index (DI) in August 2021 was 39.2, down 1.5 points from the previous month, and worsening for the first time in three months. Due to the surge in the number of infected people combined with the effects of record rainfalls, the domestic economy has temporarily come to a standstill.

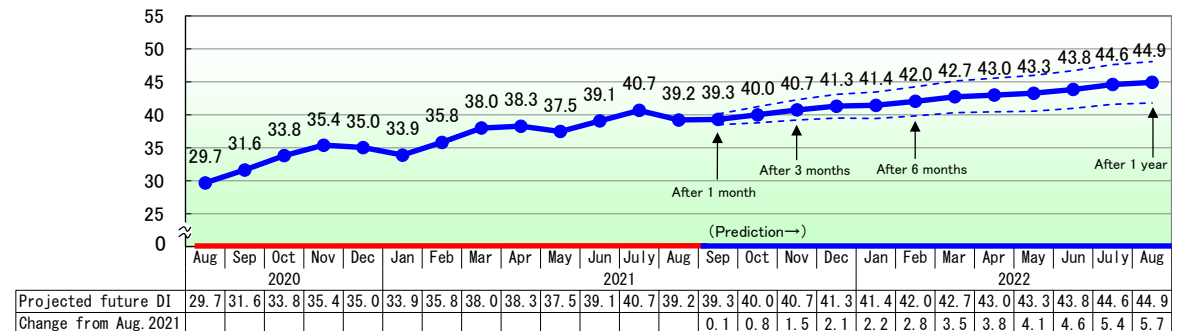
< Future outlook: After temporary stagnation, gradual recovery >

The economy is expected to continue a gradual recovery, although it is temporarily stagnant due to the declaration of a state of emergency, etc.

By industry: The economy worsened in nine of the ten industries. A significant drop was particularly evident in consumer spending-related businesses.

By size: The economy worsened in all sizes for the first time in three months. A worsening was prominent among food and beverage-related SMEs.

By region: All ten regions worsened for the first time in three months. The expanded and extended state of emergency had an impact.



*: Economic DIs are calculated based on the structural ARIMA model, in which economic statistics are incorporated to the ARIMA model.

Economic Diffusion Index (Economic DI)1/2

	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Ratio to the Previous Month
Total	29.7	31.6	33.8	35.4	35.0	33.9	35.8	38.0	38.3	37.5	39.1	40.7	39.2	▲ 1.5
Large Firms	32.4	33.9	36.4	37.6	37.4	36.3	38.2	40.2	40.8	40.2	41.9	42.9	41.4	▲ 1.5
Small to Medium-sized Firms	29.1	31.1	33.3	34.9	34.5	33.4	35.3	37.5	37.7	36.9	38.5	40.2	38.8	▲ 1.4
Micro Firms	30.0	32.0	33.9	35.2	34.2	32.8	34.7	36.7	36.3	35.6	37.1	38.4	37.4	▲ 1.0

	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Ratio to the Previous Month	
Agriculture,Forestry,Fisheries	31.0	30.3	34.4	38.7	35.4	30.9	33.8	35.0	37.5	37.7	39.1	38.5	37.0	▲ 1.5	
Finance	32.6	35.3	38.3	37.7	35.6	36.1	38.3	39.2	38.3	39.5	41.7	42.8	39.7	▲ 3.1	
Construction	38.4	40.4	41.1	41.8	40.9	39.4	40.6	41.6	41.4	40.0	41.6	42.7	42.5	▲ 0.2	
Real Estate	33.1	35.6	36.4	36.8	36.4	35.5	38.3	40.6	40.8	39.4	40.9	41.8	39.4	▲ 2.4	
Manufacturing	Food,BEWerages,Livestock Feed	30.5	32.0	34.2	36.0	32.5	30.7	30.8	34.4	35.2	33.6	34.0	35.5	32.8	▲ 2.7
	Textile,Textile Products,Clothing	20.3	23.5	24.7	26.8	26.1	24.5	26.0	26.8	28.7	29.2	29.3	31.0	29.3	▲ 1.7
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	29.8	31.3	35.1	35.4	36.0	37.3	37.2	37.8	39.3	38.6	40.1	42.5	41.2	▲ 1.3
	Pulp, Paper and Paper Products	22.9	24.1	26.2	29.2	29.3	27.6	29.4	33.0	34.3	33.5	34.9	37.2	36.6	▲ 0.6
	Publishing,Printing	18.8	20.4	21.9	22.7	21.8	20.2	22.2	26.0	27.2	24.2	27.1	27.4	25.6	▲ 1.8
	Chemical	27.8	31.1	34.4	37.7	39.3	38.0	40.9	43.3	44.2	44.3	44.5	46.3	45.0	▲ 1.3
	Steel,Nonferrous Metals,Mining	23.6	25.4	29.2	33.1	34.3	33.9	37.0	39.3	40.5	39.9	43.4	46.4	45.1	▲ 1.3
	General Machinery	25.0	26.5	29.1	31.7	33.5	33.6	36.9	41.2	42.1	42.2	43.7	45.9	46.6	0.7
	Electrical Machinery	27.7	28.9	33.0	34.8	35.5	36.1	39.6	42.6	43.2	42.8	45.0	46.8	45.9	▲ 0.9
	Transportation Machinery,Equipment	24.2	27.8	34.9	36.3	40.1	40.1	40.3	45.3	45.2	45.3	47.1	50.6	48.2	▲ 2.4
	Precision Machinery,Medical Instruments and Equipment	29.6	30.2	32.7	35.5	37.1	37.9	42.4	44.6	45.6	48.7	49.1	50.5	50.9	0.4
	Other	22.8	26.3	29.0	29.6	31.9	31.5	31.4	34.1	35.3	33.0	34.1	37.6	33.9	▲ 3.7
Total	25.9	27.8	31.0	33.3	33.9	33.4	35.6	38.5	39.5	39.0	40.6	42.7	41.5	▲ 1.2	
Wholesale	Food,BEWerages	27.2	30.2	32.0	31.6	29.5	26.8	29.2	30.7	30.1	29.4	30.7	31.3	29.1	▲ 2.2
	Textile,Textile Products,Clothing	18.0	19.4	22.6	22.3	22.7	21.2	19.8	23.9	23.1	21.7	22.5	22.8	21.2	▲ 1.6
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	30.4	31.7	33.9	35.9	36.1	34.7	34.8	36.7	37.2	36.5	36.3	37.8	37.7	▲ 0.1
	Paper Products,Stationery,Books	23.2	24.0	26.9	26.7	28.3	26.3	29.3	32.2	32.4	30.6	31.4	31.2	29.2	▲ 2.0
	Chemical	29.5	30.1	32.3	36.1	35.7	34.3	37.7	39.1	40.9	40.7	42.0	42.4	40.7	▲ 1.7
	Recycled Resources	27.8	30.2	32.9	38.7	44.4	45.6	42.4	45.4	55.1	53.4	52.0	53.7	51.4	▲ 2.3
	Steel,Nonferrous Metals,Mining Products	25.3	26.4	30.5	32.1	34.0	32.6	33.4	36.0	37.2	37.5	38.7	41.1	41.1	0.0
	Machinery,Equipment	28.6	30.6	33.1	34.6	34.4	34.6	36.7	39.5	40.1	39.0	40.7	43.1	41.3	▲ 1.8
	Other	25.4	27.6	30.6	33.0	31.6	29.0	31.3	34.4	34.1	32.2	35.5	36.6	33.0	▲ 3.6
	Total	27.1	28.9	31.5	33.0	32.8	31.6	33.3	35.8	36.2	35.3	36.8	38.3	36.6	▲ 1.7

Economic Diffusion Index (Economic DI)2/2

		Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Ratio to the Previous Month
Retail	Food,BEverages	29.1	34.0	38.8	37.0	34.6	33.8	33.1	34.1	32.8	32.6	34.9	37.5	36.0	▲ 1.5
	Textile,Textile Products,Clothing	24.0	19.9	27.8	23.7	22.0	22.7	21.4	23.3	25.0	21.2	20.3	25.0	21.4	▲ 3.6
	Drugs,Sundries	31.3	32.6	33.3	29.8	31.3	30.2	32.5	31.1	35.8	29.3	31.4	32.5	33.3	0.8
	Furniture	38.9	38.5	37.5	38.9	35.4	34.4	36.7	38.9	42.7	40.6	39.8	36.9	34.6	▲ 2.3
	Electrical Household Appliances, Information Machinery and Equipment	30.5	30.6	34.2	33.3	29.5	28.3	36.3	34.4	37.8	30.8	35.8	37.7	33.8	▲ 3.9
	Motor Vehicles,Motor Vehicle Parts	29.3	32.4	34.6	40.2	37.2	35.7	37.6	37.0	38.3	38.6	40.7	40.5	36.8	▲ 3.7
	Special Merchandise	30.0	31.6	33.9	33.3	34.7	32.6	35.5	35.9	34.6	34.5	34.8	34.3	32.6	▲ 1.7
	Various Merchandise	36.9	37.0	37.6	37.3	39.2	38.7	36.2	37.3	32.2	31.1	33.0	35.6	27.3	▲ 8.3
	Other	25.9	33.3	33.3	34.8	33.3	30.3	33.3	35.0	40.5	25.0	33.3	35.7	37.0	1.3
Total		30.3	32.1	34.8	35.0	34.2	32.9	34.5	34.9	34.7	33.1	34.5	35.4	32.7	▲ 2.7
Transportation,Warehousing		25.4	28.1	30.1	32.5	31.5	30.0	31.7	33.9	34.5	33.7	34.5	36.3	36.0	▲ 0.3
Service	Restaurants	12.7	14.5	18.2	21.0	15.3	10.3	12.8	18.9	14.9	13.0	20.5	19.7	14.8	▲ 4.9
	Postal,Telecommunications	42.6	46.7	41.7	47.2	38.9	46.3	38.1	43.8	38.9	40.5	27.8	42.9	39.6	▲ 3.3
	Electricity,Gas,Water,Heat	42.5	42.5	40.4	40.0	38.6	42.5	39.5	47.1	40.4	41.2	45.0	40.8	44.4	3.6
	Leasing,Rentals	32.7	34.5	34.9	37.5	36.2	33.5	32.8	35.0	35.4	35.0	38.1	41.0	37.4	▲ 3.6
	Lodging, Hotels	6.0	12.4	27.2	28.8	11.9	3.4	4.4	10.9	8.6	5.6	11.6	13.0	10.0	▲ 3.0
	Recreation	22.9	22.4	23.7	29.0	27.0	24.0	25.8	33.1	25.8	29.5	29.2	34.8	29.2	▲ 5.6
	Broadcasting	34.5	33.3	34.4	38.6	42.2	36.3	42.6	51.0	42.7	42.7	42.2	42.2	38.9	▲ 3.3
	Maintenance,Guarding,Testing	34.1	36.5	38.5	38.5	38.6	36.3	37.5	40.4	39.2	40.8	42.7	41.9	41.6	▲ 0.3
	Advertising	18.0	20.4	21.1	22.3	22.5	20.2	24.7	26.5	25.6	23.4	27.5	27.5	26.8	▲ 0.7
	Information	37.9	38.9	40.1	41.6	41.2	41.3	43.6	45.5	45.2	44.9	46.8	48.2	46.7	▲ 1.5
	Labor Dispatching	25.4	26.7	29.2	34.3	31.5	31.6	33.6	34.1	35.8	35.5	36.2	41.9	38.4	▲ 3.5
	Special Services	36.1	40.0	40.7	42.5	41.0	38.8	42.9	43.6	43.5	41.5	43.4	47.3	44.4	▲ 2.9
	Medical,Welfare,Public Health	31.0	31.4	33.6	34.9	34.8	32.7	34.7	37.1	39.1	39.2	41.2	42.1	41.1	▲ 1.0
	Education	31.7	34.0	34.7	34.0	34.0	33.3	34.0	32.1	35.7	37.1	38.7	40.3	37.5	▲ 2.8
Other	28.4	31.1	31.6	31.4	32.6	30.9	34.2	34.5	34.8	35.2	35.8	37.4	34.7	▲ 2.7	
Total		31.8	33.9	35.1	36.8	35.7	33.9	36.5	38.5	37.9	37.5	39.7	41.5	39.1	▲ 2.4
Other		28.8	31.5	28.2	29.4	30.8	29.5	30.5	34.4	34.1	33.3	35.5	34.7	35.3	0.6

		Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Ratio to the Previous Month
Hokkaido		33.4	34.4	36.0	34.4	33.0	32.4	33.9	35.3	36.2	34.5	37.1	38.3	38.0	▲ 0.3
Tohoku		30.4	32.6	34.4	36.0	35.4	33.8	35.4	36.8	38.0	37.7	39.3	40.0	38.4	▲ 1.6
kitakanto		28.0	30.6	33.2	36.6	35.9	34.9	37.2	39.2	39.7	39.5	41.2	42.7	41.5	▲ 1.2
minamikanto		30.4	32.3	34.2	35.3	35.2	34.0	35.9	38.4	38.7	38.4	39.8	41.0	40.0	▲ 1.0
Hokuriku		28.5	30.0	31.8	34.7	35.0	32.7	34.6	38.2	38.6	37.1	39.2	40.6	39.1	▲ 1.5
Tokai		27.7	30.3	32.6	35.6	35.3	34.1	36.1	38.4	38.9	37.9	39.4	42.0	40.0	▲ 2.0
Kinki		28.1	29.5	32.4	34.1	33.9	33.1	35.5	37.4	37.0	36.2	38.1	40.3	38.7	▲ 1.6
Chugoku		29.7	32.0	34.3	35.5	34.8	34.5	36.2	37.7	37.8	36.0	37.9	39.0	38.2	▲ 0.8
Shikoku		31.5	32.6	33.9	35.3	35.4	33.8	35.4	37.5	36.4	35.8	37.6	38.2	36.9	▲ 1.3
Kyushu		31.8	34.2	36.9	37.7	36.9	35.3	37.0	39.0	39.5	37.5	38.3	40.5	37.4	▲ 3.1

Appendix

1. Research Subjects (Companies researched: 24, 458; Valid responses: 11,170; Response rate: 45.7%)

1. Region

Hokkaido	529	Tokai	1,282
Tohoku	695	Kinki	1,956
kita Kanto	840	Chugoku	662
minamikanto	3,268	Shikoku	419
Hokuriku	593	Kyushu	926
		Total	11,170

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		78
Finance		110
Construction		1,822
Real Estate		367
Manufacturing (3,038)	Food, Beverages, Livestock Feed	369
	Textile, Textile Products, Clothing	116
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	222
	Pulp, Paper and Paper Products	103
	Publishing, Printing	180
	Chemical	413
	Steel, Nonferrous Metals, Mining	539
	General Machinery	499
	Electrical Machinery	321
	Transportation Machinery, Equipment	114
Precision Machinery, Medical Instruments and Equipment	71	
Others	91	
Wholesale (2,891)	Food, Beverages	383
	Textile, Textile Products, Clothing	187
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	336
	Paper Products, Stationery, Books	105
	Chemical	279
	Recycled Resources	35
	Steel, Nonferrous Metals, Mining Products	302
	Machinery, Equipment	912
Others	352	

Retail (479)	Food, Beverages	75
	Textile, Textile Products, Clothing	39
	Drugs, Sundries	22
	Furniture	13
	Electrical Household Appliances, Information Machinery and Equipment	39
	Motor Vehicles, Motor Vehicle Parts	81
	Special Merchandise	157
	Various Merchandise	44
Others	9	
Transportation, Warehousing		526
Service (1,809)	Restaurants	61
	Telecommunications	8
	Electricity, Gas, Water, Heat	15
	Leasing, Rentals	124
	Lodging, Hotels	45
	Recreation	69
	Broadcasting	18
	Maintenance, Guarding, Testing	186
	Advertising	97
	Information	475
	Labor Dispatching	63
	Special Services	286
Medical, Welfare, Public Health	116	
Education	32	
Others	214	
Others		50
Total		11,170

3. Size

Large Firms	1,869	16.7%
Small to Medium-sized Firms	9,301	83.3%
micro Firms	3,327	29.8%
Total	11,170	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 Aug 18 – 31 2021

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 24,000 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.