

Rising caution towards Trump's tariffs suppressed the domestic economy

~ Amid increasing uncertainty in the global economy,
the economic climate is expected to remain weak ~

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(Companies researched: 26,590; Valid responses: 10,735; Response rate: 40.4%; Survey start date: May 2002)

< Trend in April 2025: Weak domestic economy >

The Economic Diffusion Index (DI) in April 2025 declined by 0.8 points from the previous month to 42.7, the first deterioration in two months and the lowest level since February 2023, which marked the final stage of the COVID-19 pandemic.

The domestic economy was rapidly cooling due to the impact of "Trump's tariffs" on corporate performance and stagnation in consumer spending due to future uncertainties.

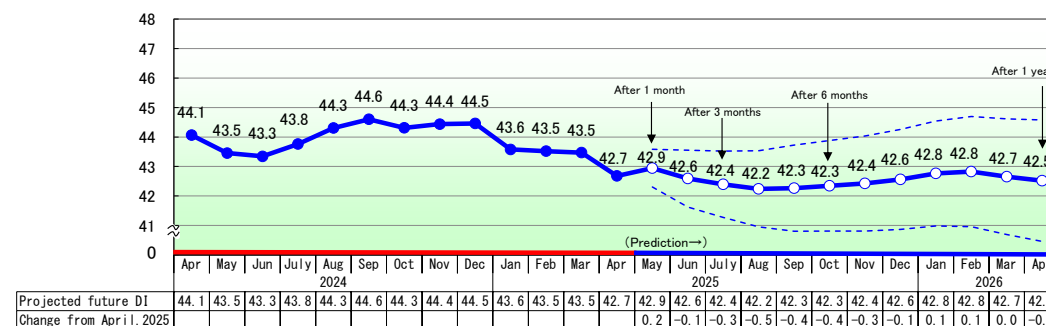
< Future outlook: Remain weak >

Amid increasing uncertainty in the global economy, the domestic economy is expected to remain weak for the time being.

By industry: Worsened in 9 out of 10 industries, with heightened caution towards Trump's tariffs.

By scale: All scales worsened, with the decline in "large firms" and manufacturing industries having a ripple effect.

By region: Worsened in 9 out of 10 regions, with the regional economic sentiment being suppressed by the Trump shock.



*: The economic forecast DI is calculated using the Forecast Combination method of the results of the ARIMA model and the structural equation model.

Economic Diffusion Index (Economic DI)1/2

	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	Ratio to the Previous Month
Total	44.1	43.5	43.3	43.8	44.3	44.6	44.3	44.4	44.5	43.6	43.5	43.5	42.7	▲ 0.8
Large Firms	47.9	47.9	48.0	48.2	48.2	48.5	48.3	48.3	48.7	48.1	48.2	47.9	46.7	▲ 1.2
Small to Medium-sized Firms	43.4	42.6	42.5	42.9	43.6	43.9	43.6	43.7	43.7	42.8	42.7	42.7	42.0	▲ 0.7
Micro Firms	42.3	41.2	41.6	41.8	42.5	43.0	42.7	42.7	42.6	41.5	41.6	41.6	41.0	▲ 0.6

	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	Ratio to the Previous Month
Agriculture,Forestry,Fisheries	42.0	43.7	41.9	41.2	43.3	47.8	46.3	46.7	43.7	45.1	46.8	47.0	47.5	0.5
Finance	48.8	48.0	47.6	48.5	48.1	47.3	48.0	46.9	47.2	47.0	47.0	47.8	46.2	▲ 1.6
Construction	46.6	46.0	46.4	46.9	47.3	47.8	47.8	48.1	47.6	46.9	46.7	46.7	45.9	▲ 0.8
Real Estate	49.3	47.7	48.0	48.2	47.5	48.5	47.2	47.5	48.2	47.6	47.5	47.6	46.9	▲ 0.7
Manufacturing	Food,BEWerages,Livestock Feed	44.4	42.9	42.7	42.7	43.5	43.8	42.9	42.9	42.6	42.3	41.2	40.4	0.2
	Textile,Textile Products,Clothing	38.1	37.4	37.3	36.1	36.5	36.3	35.7	36.7	36.3	35.1	38.1	36.8	▲ 1.6
	Construction Materials,Furniture, Ceramics,Stone and Clay Products	38.0	37.9	37.5	39.0	39.5	39.5	38.9	39.2	40.8	38.8	40.1	38.4	0.2
	Pulp, Paper and Paper Products	36.4	35.3	34.4	36.0	36.7	37.3	37.8	36.5	38.8	35.8	36.8	37.9	0.2
	Publishing,Printing	34.1	33.3	32.8	32.8	34.4	34.5	33.2	34.2	33.6	33.5	33.9	32.9	0.4
	Chemical	40.9	41.0	41.0	41.0	42.6	43.6	43.9	43.4	42.5	42.5	42.8	41.6	0.8
	Steel,Nonferrous Metals,Mining	38.0	36.5	36.4	37.4	39.0	39.2	39.0	39.7	38.5	38.0	36.5	38.1	▲ 3.0
	General Machinery	39.6	39.9	39.8	41.2	41.9	41.2	42.3	41.9	41.3	40.9	40.1	39.1	▲ 1.6
	Electrical Machinery	40.7	41.0	42.5	42.5	42.9	44.1	42.8	43.5	43.0	43.1	43.4	40.9	▲ 2.5
	Transportation Machinery,Equipment	40.2	41.0	42.1	44.2	43.5	41.0	42.1	41.3	41.7	43.3	39.9	42.9	▲ 4.7
	Precision Machinery, Medical Instruments and Equipment	42.9	41.9	46.5	44.5	43.9	44.0	43.8	46.4	48.4	47.3	46.3	46.9	▲ 1.6
	Other	42.5	41.3	43.0	40.8	42.3	41.7	38.2	38.9	40.1	39.2	41.4	41.0	0.4
	Total	39.7	39.2	39.4	39.8	40.7	40.8	40.8	40.7	40.1	39.8	39.6	38.5	▲ 1.1
Wholesale	Food,BEWerages	44.6	42.9	42.5	42.3	43.8	44.1	43.2	42.4	44.0	41.8	42.2	41.3	0.0
	Textile,Textile Products,Clothing	35.2	36.3	36.3	35.8	36.5	34.2	34.5	33.7	34.4	34.5	33.8	34.6	1.2
	Construction Materials, Furniture,Ceramics, Stone and Clay Products	37.8	36.0	36.4	37.5	38.2	37.5	38.6	39.2	38.9	39.3	38.0	38.9	▲ 0.7
	Paper Products,Stationery,Books	38.4	36.4	35.2	36.3	37.2	37.8	37.8	39.4	37.3	35.4	39.8	40.0	▲ 2.2
	Chemical	41.8	42.9	41.4	43.4	44.5	44.3	43.0	43.5	44.2	43.3	43.2	42.9	▲ 1.7
	Recycled Resources	40.9	44.3	43.1	44.4	40.5	36.8	38.9	38.5	40.3	36.5	42.1	36.2	▲ 0.4
	Steel,Nonferrous Metals, Mining Products	36.5	34.7	34.6	36.2	34.7	36.1	36.3	36.4	34.7	34.0	33.7	33.3	▲ 0.5
	Machinery,Equipment	43.6	43.4	43.4	43.5	44.0	44.5	44.0	43.9	44.5	43.2	43.6	43.7	▲ 1.4
	Other	40.3	41.1	39.9	40.8	41.8	41.5	41.7	42.1	42.3	40.7	41.1	41.5	▲ 0.7
	Total	41.0	40.5	40.1	40.7	41.3	41.4	41.2	41.3	41.5	40.3	40.6	40.7	▲ 0.9

Economic Diffusion Index (Economic DI)2/2

		Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	Ratio to the Previous Month
Retail	Food,BEWerages	44.7	43.2	42.6	41.3	44.0	43.3	40.0	40.6	39.7	38.5	38.6	39.6	41.8	2.2
	Textile,Textile Products,Clothing	40.4	40.2	36.3	36.9	37.2	36.9	34.5	39.1	40.0	38.1	35.4	34.8	35.0	0.2
	Drugs,Sundries	41.8	42.1	41.0	41.4	40.3	41.0	40.4	42.5	41.5	42.0	39.1	40.6	35.4	▲ 5.2
	Furniture	33.3	28.7	27.2	35.8	30.7	31.3	33.3	34.7	36.4	31.3	34.5	28.2	36.3	8.1
	Electrical Household Appliances, Information Machinery and Equipment	44.3	40.8	43.2	46.1	46.1	45.3	43.8	38.8	42.6	43.0	42.3	42.3	41.4	▲ 0.9
	Motor Vehicles,Motor Vehicle Parts	41.4	42.3	43.4	39.2	39.0	38.9	42.3	39.3	39.5	39.6	38.9	42.9	40.5	▲ 2.4
	Special Merchandise	40.2	38.7	38.6	39.7	40.0	39.9	38.8	38.0	38.1	37.3	38.5	38.2	37.5	▲ 0.7
	Various Merchandise	42.9	44.6	44.4	45.5	43.9	41.3	39.6	42.4	39.6	38.8	39.5	39.5	36.0	▲ 3.5
	Other	44.4	47.6	44.4	42.2	37.8	44.0	39.3	45.6	44.4	37.5	41.2	39.3	43.3	4.0
	Total	41.7	40.7	40.3	40.3	40.5	40.3	39.7	39.4	39.5	38.6	38.6	39.2	38.6	▲ 0.6
Transportation,Warehousing		43.1	43.3	43.4	42.6	45.0	45.4	44.7	45.9	45.7	42.9	42.5	43.3	41.9	▲ 1.4
Service	Restaurants	52.0	49.4	48.1	49.4	52.5	49.3	46.2	47.5	49.5	45.5	43.6	45.1	46.2	1.1
	Postal,Telecommunications	61.7	56.7	52.8	51.9	50.0	40.7	57.4	53.0	57.6	50.0	48.6	53.3	48.7	▲ 4.6
	Electricity,Gas,Water,Heat	46.9	40.7	41.7	43.6	37.5	38.9	44.4	45.8	39.7	45.0	44.4	41.0	47.1	6.1
	Leasing,Rentals	49.4	49.7	49.0	48.6	50.2	48.4	49.7	49.5	51.0	51.1	49.8	52.2	48.7	▲ 3.5
	Lodging, Hotels	60.4	55.1	52.1	53.8	53.4	55.3	56.9	60.0	56.9	55.4	52.8	53.9	54.8	0.9
	Recreation	46.3	46.2	44.6	47.5	43.2	48.4	47.9	45.8	45.6	46.2	46.5	44.0	45.4	1.4
	Broadcasting	52.8	45.1	45.6	47.2	42.2	46.8	46.2	51.6	53.0	47.5	49.0	50.8	49.2	▲ 1.6
	Maintenance,Guarding,Testing	46.0	47.5	46.1	47.3	48.2	48.1	47.9	48.9	48.3	46.3	49.0	46.6	46.5	▲ 0.1
	Advertising	47.5	46.1	43.6	43.9	43.6	45.8	46.2	46.2	48.3	45.5	46.0	45.7	45.5	▲ 0.2
	Information	55.4	54.5	54.1	54.1	53.9	55.1	53.7	54.0	53.8	54.0	53.7	52.7	52.7	0.0
	Labor Dispatching	50.6	48.6	48.5	49.2	49.2	50.2	49.3	48.4	50.0	50.8	47.2	47.1	48.5	1.4
	Special Services	51.7	49.9	50.5	51.8	50.6	51.3	50.9	50.0	50.0	49.8	49.5	49.6	49.0	▲ 0.6
	Medical,Welfare,Public Health	42.9	43.6	44.4	44.0	44.2	44.6	44.2	41.9	43.6	42.4	41.9	42.5	42.0	▲ 0.5
	Education	44.6	43.9	47.4	50.9	47.7	48.7	46.9	47.0	49.0	46.0	43.9	46.8	42.2	▲ 4.6
	Other	49.1	47.5	47.2	48.0	48.6	47.9	47.2	47.7	48.3	46.6	47.1	46.8	46.4	▲ 0.4
	Total	50.9	49.7	49.2	50.0	49.8	50.4	49.8	49.9	50.2	49.2	49.0	48.7	48.4	▲ 0.3
Other		42.1	37.8	37.5	40.1	41.3	39.8	42.9	40.0	39.6	41.7	40.8	41.7	40.2	▲ 1.5

		Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	Ratio to the Previous Month
Hokkaido		42.8	42.4	42.8	44.1	45.0	45.4	44.1	43.8	43.6	41.8	41.8	41.7	42.0	0.3
Tohoku		39.2	38.6	39.2	39.1	39.7	40.7	40.2	40.6	40.1	38.9	38.6	38.3	37.9	▲ 0.4
kitakanto		41.4	40.9	40.7	41.2	42.1	42.3	42.4	42.4	41.9	41.1	41.4	40.7	40.5	▲ 0.2
minamikanto		46.6	45.8	45.6	46.1	46.6	46.7	46.5	46.4	46.8	46.0	46.0	46.2	45.5	▲ 0.7
Hokuriku		42.4	42.3	40.7	41.4	41.8	42.6	42.2	42.2	41.7	40.5	41.0	40.6	40.2	▲ 0.4
Tokai		43.2	43.0	43.3	43.9	43.7	44.3	43.9	44.1	44.0	43.7	43.5	43.1	41.4	▲ 1.7
Kinki		43.7	42.6	42.5	42.9	43.5	44.0	43.8	43.8	44.2	43.1	43.2	43.5	42.7	▲ 0.8
Chugoku		42.6	42.8	42.6	43.6	43.9	44.0	43.6	44.5	44.1	43.0	42.6	42.9	41.4	▲ 1.5
Shikoku		41.2	40.2	39.9	39.4	40.5	40.7	41.2	41.3	40.1	40.1	40.3	41.4	39.6	▲ 1.8
Kyushu		47.6	46.4	46.5	46.2	47.3	46.9	46.4	47.2	47.6	46.4	46.3	45.7	44.8	▲ 0.9

Appendix

1. Research Subjects (Companies researched: 26,590; Valid responses: 10,735; Response rate: 40.4%)

1. Region

Hokkaido	488	Tokai	1,169
Tohoku	775	Kinki	1,713
kitaKanto	869	Chugoku	732
minamikanto	3,151	Shikoku	385
Hokuriku	551	Kyushu	902
		Total	10,735

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		112
Finance		165
Construction		1,601
Real Estate		436
Manufacturing (2,482)	Food, Beverages, Livestock Feed	293
	Textile, Textile Products, Clothing	108
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	179
	Pulp, Paper and Paper Products	77
	Publishing, Printing	168
	Chemical	323
	Steel, Nonferrous Metals, Mining	435
	General Machinery	423
	Electrical Machinery	267
	Transportation Machinery, Equipment	85
	Precision Machinery, Medical Instruments and Equipment	64
	Others	60
Wholesale (2,308)	Food, Beverages	313
	Textile, Textile Products, Clothing	143
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	258
	Paper Products, Stationery, Books	111
	Chemical	213
	Recycled Resources	47
	Steel, Nonferrous Metals, Mining Products	227
	Machinery, Equipment	714
	Others	282

Retail (894)	Food, Beverages	143
	Textile, Textile Products, Clothing	71
	Drugs, Sundries	65
	Furniture	28
	Electrical Household Appliances, Information Machinery and Equipment	74
	Motor Vehicles, Motor Vehicle Parts	135
	Special Merchandise	289
	Various Merchandise	74
	Others	15
Transportation, Warehousing		424
Service (2,279)	Restaurants	119
	Telecommunications	13
	Electricity, Gas, Water, Heat	17
	Leasing, Rentals	93
	Lodging, Hotels	90
	Recreation	104
	Broadcasting	22
	Maintenance, Guarding, Testing	296
	Advertising	112
	Information	501
	Labor Dispatching	88
	Special Services	404
	Medical, Welfare, Public Health	102
	Education	45
	Others	273
Others		34
Total		10,735

3. Size

Large Firms	1,617	15.1%
Small to Medium-sized Firms	9,118	84.9%
micro Firms	3,665	34.1%
Total	10,735	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 April 16 - 30 2025

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 27,000 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

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

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

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.