

## The domestic economy at a standstill

~ Although the year-end demand served as a positive factor, the rise in fuel prices exerted a downward pressure ~

e-mail : [keiki@mail.tdb.co.jp](mailto:keiki@mail.tdb.co.jp)

(Companies researched: 26,721; Valid responses: 10,935; Response rate: 40.9%; Survey start date: May 2002)

### < Trend in December 2024: Standstill >

The economic diffusion index (DI) in December 2024 increased by 0.1 points from the previous month to 44.5. Despite marking an improvement for two consecutive months, the growth was meager.

Although year-end demand was a positive factor, the market remained at a standstill, with only slight improvement, as higher fuel prices were a downside factor.

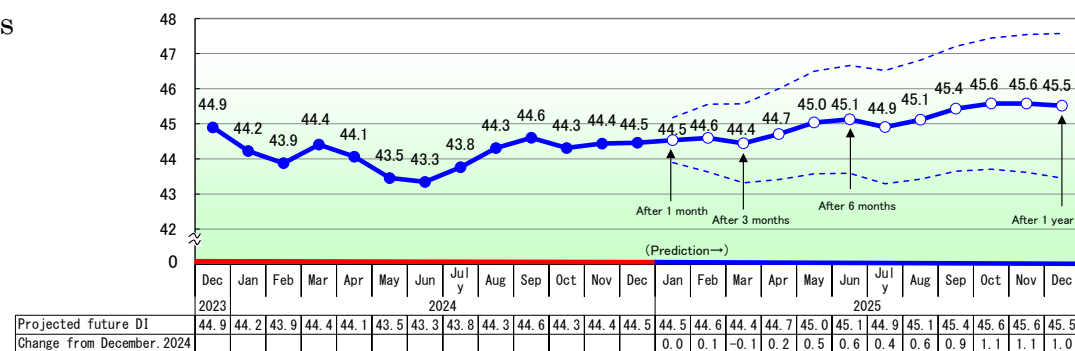
### < Future outlook: Remain unchanged >

The economy is expected to remain flat going forward, with the focus on continued growth in real wages.

By industry: Both improvements and deteriorations were observed in 5 industries respectively, leading to a division in business sentiment across these industries.

By scale: "Large firms" showed improvements for the first time in three months, while "micro firms" experienced a downturn.

By region: Worsened in 7 out of 10 regions, with the surge in prices of materials and gasoline serving as negative influences.



\*: 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

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Ratio to the Previous Month
Total	44.9	44.2	43.9	44.4	44.1	43.5	43.3	43.8	44.3	44.6	44.3	44.4	44.5	0.1
Large Firms	48.1	47.9	47.7	48.0	47.9	47.9	48.0	48.2	48.2	48.5	48.3	48.3	48.7	0.4
Small to Medium-sized Firms	44.3	43.6	43.2	43.8	43.4	42.6	42.5	42.9	43.6	43.9	43.6	43.7	43.7	0.0
Micro Firms	43.3	42.6	42.4	42.9	42.3	41.2	41.6	41.8	42.5	43.0	42.7	42.7	42.6	▲ 0.1

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Ratio to the Previous Month
Agriculture,Forestry,Fisheries	40.5	40.3	41.2	42.4	42.0	43.7	41.9	41.2	43.3	47.8	46.3	46.7	43.7	▲ 3.0
Finance	47.0	47.7	47.7	49.2	48.8	48.0	47.6	48.5	48.1	47.3	48.0	46.9	47.2	0.3
Construction	47.2	47.7	47.5	47.0	46.6	46.0	46.4	46.9	47.3	47.8	47.8	48.1	47.6	▲ 0.5
Real Estate	47.5	48.1	48.3	49.3	49.3	47.7	48.0	48.2	47.5	48.5	47.2	47.5	48.2	0.7
Manufacturing	Food,BEWerages,Livestock Feed	44.6	43.6	43.4	44.8	44.4	42.9	42.7	43.5	43.8	42.9	42.9	42.6	▲ 0.3
	Textile,Textile Products,Clothing	40.1	37.9	37.7	39.0	38.1	37.4	37.3	36.1	36.5	36.3	35.7	36.7	▲ 0.4
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	40.3	39.9	38.1	38.7	38.0	37.9	37.5	39.0	39.5	39.5	38.9	39.2	1.6
	Pulp, Paper and Paper Products	38.5	37.3	35.7	36.4	36.4	35.3	34.4	36.0	36.7	37.3	37.8	36.5	2.3
	Publishing,Printing	34.2	32.4	34.6	35.3	34.1	33.3	32.8	32.8	34.4	34.5	33.2	34.2	▲ 0.6
	Chemical	42.2	42.6	39.9	41.2	40.9	41.0	41.0	41.0	42.6	43.6	43.9	43.4	▲ 0.9
	Steel,Nonferrous Metals,Mining	42.0	39.7	38.3	38.3	38.0	36.5	36.4	37.4	39.0	39.2	39.0	39.7	▲ 1.2
	General Machinery	40.6	39.3	40.6	39.7	39.6	39.9	39.8	41.2	41.9	41.2	42.3	41.9	▲ 0.6
	Electrical Machinery	42.5	43.6	42.5	41.4	40.7	41.0	42.5	42.5	42.9	44.1	42.8	43.5	0.7
	Transportation Machinery,Equipment	44.7	41.6	39.3	41.6	40.2	41.0	42.1	44.2	43.5	41.0	42.1	41.3	0.4
	Precision Machinery,Medical Instruments and Equipment	44.3	43.9	43.3	45.5	42.9	41.9	46.5	44.5	43.9	44.0	43.8	46.4	2.0
	Other	39.9	41.9	44.7	45.5	42.5	41.3	43.0	40.8	42.3	41.7	38.2	38.9	1.2
	Total	41.5	40.4	39.8	40.2	39.7	39.2	39.4	39.8	40.7	40.8	40.8	40.7	▲ 0.1
Wholesale	Food,BEWerages	45.7	43.1	43.7	44.5	44.6	42.9	42.5	42.3	43.8	44.1	43.2	42.4	1.6
	Textile,Textile Products,Clothing	36.3	36.9	36.8	37.1	35.2	36.3	36.3	35.8	36.5	34.2	34.5	33.7	0.7
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	38.9	38.0	37.8	37.6	37.8	36.0	36.4	37.5	38.2	37.5	38.6	39.2	▲ 0.3
	Paper Products,Stationery,Books	40.7	39.6	38.2	40.1	38.4	36.4	35.2	36.3	37.2	37.8	37.8	39.4	▲ 2.1
	Chemical	45.4	44.4	42.2	43.2	41.8	42.9	41.4	43.4	44.5	44.3	43.0	43.5	0.7
	Recycled Resources	43.8	42.9	41.7	39.9	40.9	44.3	43.1	44.4	40.5	36.8	38.9	38.5	1.8
	Steel,Nonferrous Metals,Mining Products	38.2	37.3	34.9	35.3	36.5	34.7	34.6	36.2	34.7	36.1	36.3	36.4	▲ 1.7
	Machinery,Equipment	44.7	43.7	43.4	43.5	43.6	43.4	43.4	43.5	44.0	44.5	44.0	43.9	0.6
	Other	42.9	42.0	41.1	42.5	40.3	41.1	39.9	40.8	41.8	41.5	41.7	42.1	0.2
	Total	42.7	41.6	40.9	41.4	41.0	40.5	40.1	40.7	41.3	41.4	41.2	41.5	0.2

## Economic Diffusion Index (Economic DI)2/2

		Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Ratio to the Previous Month
Retail	Food,BEWerages	46.4	45.5	43.8	45.3	44.7	43.2	42.6	41.3	44.0	43.3	40.0	40.6	39.7	▲ 0.9
	Textile,Textile Products,Clothing	40.0	36.3	40.2	36.5	40.4	40.2	36.3	36.9	37.2	36.9	34.5	39.1	40.0	0.9
	Drugs,Sundries	46.1	45.8	45.4	44.1	41.8	42.1	41.0	41.4	40.3	41.0	40.4	42.5	41.5	▲ 1.0
	Furniture	32.7	34.0	32.1	30.3	33.3	28.7	27.2	35.8	30.7	31.3	33.3	34.7	36.4	1.7
	Electrical Household Appliances, Information Machinery and Equipment	42.7	41.8	42.3	45.8	44.3	40.8	43.2	46.1	46.1	45.3	43.8	38.8	42.6	3.8
	Motor Vehicles,Motor Vehicle Parts	39.7	42.4	41.2	40.9	41.4	42.3	43.4	39.2	39.0	38.9	42.3	39.3	39.5	0.2
	Special Merchandise	38.3	37.8	37.7	40.2	40.2	38.7	38.6	39.7	40.0	39.9	38.8	38.0	38.1	0.1
	Various Merchandise	44.1	42.7	40.9	44.6	42.9	44.6	44.4	45.5	43.9	41.3	39.6	42.4	39.6	▲ 2.8
	Other	51.3	40.3	44.0	39.7	44.4	47.6	44.4	42.2	37.8	44.0	39.3	45.6	44.4	▲ 1.2
	Total	41.5	40.8	40.6	41.4	41.7	40.7	40.3	40.3	40.5	40.3	39.7	39.4	39.5	0.1
Transportation,Warehousing		44.5	43.5	41.9	43.1	43.1	43.3	43.4	42.6	45.0	45.4	44.7	45.9	45.7	▲ 0.2
Service	Restaurants	54.0	50.3	48.0	51.3	52.0	49.4	48.1	49.4	52.5	49.3	46.2	47.5	49.5	2.0
	Postal,Telecommunications	54.2	56.1	51.9	54.2	61.7	56.7	52.8	51.9	50.0	40.7	57.4	53.0	57.6	4.6
	Electricity,Gas,Water,Heat	42.7	41.7	43.6	43.6	46.9	40.7	41.7	43.6	37.5	38.9	44.4	45.8	39.7	▲ 6.1
	Leasing,Rentals	51.6	50.3	50.5	51.7	49.4	49.7	49.0	48.6	50.2	48.4	49.7	49.5	51.0	1.5
	Lodging, Hotels	56.9	51.3	55.3	60.6	60.4	55.1	52.1	53.8	53.4	55.3	56.9	60.0	56.9	▲ 3.1
	Recreation	47.9	46.3	46.3	47.2	46.3	46.2	44.6	47.5	43.2	48.4	47.9	45.8	45.6	▲ 0.2
	Broadcasting	43.3	44.1	47.1	47.4	52.8	45.1	45.6	47.2	42.2	46.8	46.2	51.6	53.0	1.4
	Maintenance,Guarding,Testing	46.9	47.3	46.7	46.7	46.0	47.5	46.1	47.3	48.2	48.1	47.9	48.9	48.3	▲ 0.6
	Advertising	45.1	46.2	47.0	45.5	47.5	46.1	43.6	43.9	43.6	45.8	46.2	46.2	48.3	2.1
	Information	56.3	56.1	55.7	55.3	55.4	54.5	54.1	54.1	53.9	55.1	53.7	54.0	53.8	▲ 0.2
	Labor Dispatching	50.0	48.8	50.6	49.8	50.6	48.6	48.5	49.2	49.2	50.2	49.3	48.4	50.0	1.6
	Special Services	50.3	50.5	51.4	52.4	51.7	49.9	50.5	51.8	50.6	51.3	50.9	50.0	50.0	0.0
	Medical,Welfare,Public Health	43.2	44.4	43.2	44.7	42.9	43.6	44.4	44.0	44.2	44.6	44.2	41.9	43.6	1.7
	Education	44.4	43.7	43.1	46.3	44.6	43.9	47.4	50.9	47.7	48.7	46.9	47.0	49.0	2.0
	Other	48.1	47.5	48.5	49.1	49.1	47.5	47.2	48.0	48.6	47.9	47.2	47.7	48.3	0.6
	Total	50.9	50.2	50.4	51.0	50.9	49.7	49.2	50.0	49.8	50.4	49.8	49.9	50.2	0.3
Other		42.8	41.3	41.2	41.1	42.1	37.8	37.5	40.1	41.3	39.8	42.9	40.0	39.6	▲ 0.4

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Ratio to the Previous Month
Hokkaido	43.3	41.6	41.8	42.4	42.8	42.4	42.8	44.1	45.0	45.4	44.1	43.8	43.6	▲ 0.2
Tohoku	40.3	40.2	38.8	39.3	39.2	38.6	39.2	39.1	39.7	40.7	40.2	40.6	40.1	▲ 0.5
Kitakanto	43.0	40.9	41.7	42.0	41.4	40.9	40.7	41.2	42.1	42.3	42.4	42.4	41.9	▲ 0.5
Minamikanto	46.6	46.5	46.6	47.2	46.6	45.8	45.6	46.1	46.6	46.7	46.5	46.4	46.8	0.4
Hokuriku	42.5	40.0	39.8	41.4	42.4	42.3	40.7	41.4	41.8	42.6	42.2	42.2	41.7	▲ 0.5
Tokai	44.8	44.4	43.1	43.7	43.2	43.0	43.3	43.9	43.7	44.3	43.9	44.1	44.0	▲ 0.1
Kinki	44.6	43.6	43.2	43.6	43.7	42.6	42.5	42.9	43.5	44.0	43.8	43.8	44.2	0.4
Chugoku	43.9	44.3	43.2	43.1	42.6	42.8	42.6	43.6	43.9	44.0	43.6	44.5	44.1	▲ 0.4
Shikoku	42.5	42.2	41.0	41.1	41.2	40.2	39.9	39.4	40.5	40.7	41.2	41.3	40.1	▲ 1.2
Kyushu	49.0	48.3	48.1	48.5	47.6	46.4	46.5	46.2	47.3	46.9	46.4	47.2	47.6	0.4

## Appendix

### 1.Research Subjects(Companies researched: 26,721; Valid responses: 10,935; Response rate: 40.9%)

#### 1.Region

Hokkaido	497	Tokai	1,191
Tohoku	779	Kinki	1,777
kitaKanto	867	Chugoku	729
minamikanto	3,240	Shikoku	376
Hokuriku	535	Kyushu	944
Total		10,935	

#### 2.Industry (10 Industries 51 Lines of business)

Agriculture,Forestry,Fisheries		138
Finance		182
Construction		1,640
Real Estate		458
Manufacturing (2,586)	Food,Beverages,Livestock Feed	300
	Textile,Textile Products,Clothing	111
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	184
	Pulp, Paper and Paper Products	82
	Publishing,Printing	178
	Chemical	332
	Steel,Nonferrous Metals,Mining	448
	General Machinery	436
	Electrical Machinery	273
	Transportation Machinery,Equipment	104
	Precision Machinery,Medical Instruments and Equipment	74
	Others	64
Wholesale (2,377)	Food,Beverages	313
	Textile,Textile Products,Clothing	151
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	270
	Paper Products,Stationery,Books	114
	Chemical	219
	Recycled Resources	31
	Steel,Nonferrous Metals,Mining Products	226
	Machinery,Equipment	760
	Others	293

Retail (794)	Food,Beverages	125
	Textile,Textile Products,Clothing	88
	Drugs,Sundries	53
	Furniture	22
	Electrical Household Appliances,Information Machinery and Equipment	68
	Motor Vehicles,Motor Vehicle Parts	138
	Special Merchandise	240
	Various Merchandise	48
	Others	12
Transportation,Warehousing		433
Service (2,290)	Restaurants	124
	Telecommunications	11
	Electricity,Gas,Water,Heat	13
	Leasing,Rentals	100
	Lodging, Hotels	101
	Recreation	111
	Broadcasting	22
	Maintenance,Guarding,Testing	272
	Advertising	127
	Information	530
	Labor Dispatching	74
	Special Services	394
	Medical,Welfare,Public Health	117
	Education	50
	Others	244
Others		37
Total		10,935

#### 3.Size

Large Firms	1,717	15.7%
Small to Medium-sized Firms	9,218	84.3%
micro Firms	3,666	33.5%
Total	10,935	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 December 16 2024 - January 6 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 <sub>6</sub>	N <sub>5</sub>	N <sub>4</sub>	N <sub>3</sub>	N <sub>2</sub>	N <sub>1</sub>	N <sub>0</sub>

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.