

1 May 2024 (No. of pages: 2)

Japanese report: 30 Apr 2024

# March 2024 Industrial Production

## Index grows for first time in three months as production resumes at motor vehicle factories

Economic Research Dept.  
**Kiyoka Ishikawa**

### Summary

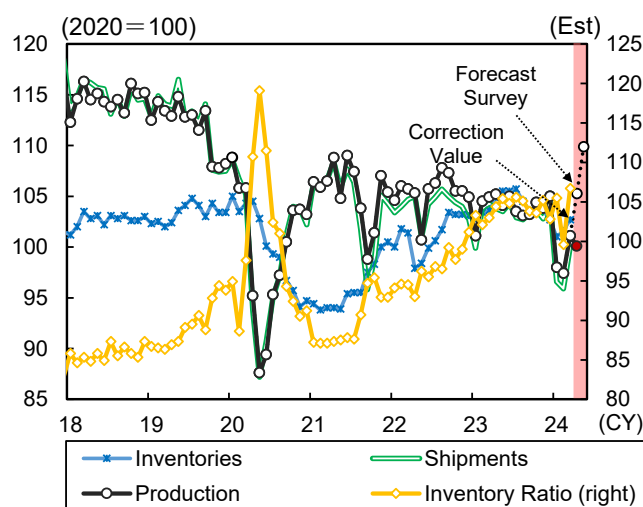
- The March 2024 indices of industrial production grew for the first time in three months by +3.8% m/m. Production resumed at motor vehicle factories, and this encouraged growth in production for the motor vehicles industry. Production increases were seen especially in large passenger cars and large trucks. As for other industries, production increases occurred in production machinery and electronic parts and devices backed by the recovery in the silicon cycle. The Ministry of Economy, Trade, and Industry has left its economic assessment unchanged at "Industrial Production fluctuates indecisively, but has weakened."
- As for the future of industrial production, the indices are expected to continue marking time. The silicon cycle, having entered a recovery phase, and the resumption of operations at the factories of motor vehicle makers, is expected to provide underlying support for production. On the other hand, the economic slowdown in the US and Europe will likely bring downward pressure.
- The March 2024 Indexes of Business Conditions are to be published on May 9, 2024, and the leading index is expected to be down by -0.4pt to 111.4, while the coincident index is expected to be up by +2.4pt to 114.0. Based on the predicted value, the underlying tone for March 2024 has automatically been left unchanged at "signaling a possible turning point."

**Industrial Production (m/m %; SA basis) Chart 1**

	2023							2024			Mar
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb		
Industrial Production	0.9	-1.4	-0.4	0.1	1.2	-0.6	1.2	-6.7	-0.6	<b>3.8</b>	
Market consensus (Bloomberg)										3.3	
DIR estimate										3.2	
Shipments	0.8	-1.3	-0.2	0.6	0.3	-0.8	1.6	-7.5	-0.7	<b>4.3</b>	
Inventories	0.0	0.2	-1.1	-0.9	0.0	0.0	-0.9	-1.7	0.6	<b>1.1</b>	
Inventory ratio	-0.6	0.8	-0.5	-1.2	-0.2	1.5	-2.3	2.6	-5.6	<b>7.1</b>	

Source: Ministry of Economy, Trade, and Industry; Bloomberg; compiled by DIR.

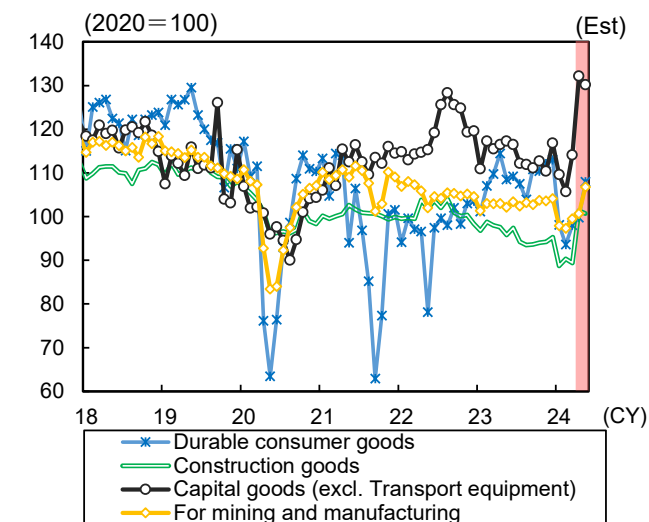
**Production, Shipment, and Inventories Chart 2**



Source: Ministry of Economy, Trade, and Industry (METI), compiled by DIR.

Note: The predicted value of the Production Forecast Survey (the red circle) is the Correction Value for the Indices of Industrial Production (mode).

**Production Index and Breakdown by Types of Goods Chart 3**



Source: Ministry of Economy, Trade, and Industry (METI), compiled by DIR.

Note: Values for most recent 2-months of production index from METI Production Forecast Survey.