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# 2020 Economic Outlook

Mizuho Research Institute Ltd.

## 1. Chief Economist's perspective – global economic trends and the focus of attention in 2020

The year 2020 marks a major turning point and the start of a new decade. This also sets the stage for the full-fledged age of "Reiwa" marking the accession of Japan's new emperor. While the global economy should continue to follow a gradual expansion, it is also standing at a major crossroad.

### (1) International order and international strategy under the New Cold War

The year 2019 was rocked by trade negotiations and the exchange of punitive tariffs between the US and China. Hopefully, the year 2020 will bring about the rise of a "deal" (agreement) oriented mindset. US President Donald Trump faces the presidential election in November and Chinese President Xi Jinping faces a slowing economy, meaning that both countries face a greater necessity to stabilize their economies and markets. However, US-China détente (easing of tensions) may only turn out to be short-lived and superficial. The entry of the world's first and second largest economies into a New Cold War holds grave consequences. The US defines China as a clear threat to its security. Trade tensions between the US and China is not just a matter of trade imbalance, but also an issue of competitive superiority in high-tech and military technology, and in turn, of global hegemony. There are concerns that the US and China will follow a path toward decoupling (division) while maintaining a certain degree of interdependence. Decoupling risks associated with the New Cold War between the US and China will continue to depress capital investment of global corporations, and in turn serve as downward pressure upon the global economy. Under these circumstances, it will be necessary to diversify risks and build resilience in global businesses and supply chains while assessing the consequences of US-China relations.

### (2) The US presidential election casts a spotlight on how capitalism should function

The US presidential election is the main political event in 2020. Since it is unlikely, as a rule of thumb, that the incumbent president will lose in a sustained economic expansion, the natural outcome would be a Trump victory. However, Donald Trump's approval rating has been hovering low, below 50%. Just as in the Trump victory four years ago, the unexpected could unfold. If Elizabeth Warren is chosen to run for the Democratic Party and she wins the election, the landscape of the US and the world economy will change considerably. Heavier taxes on the wealthy and large corporations; a ban on fracking (hydraulic fracturing) in shale oil and gas extraction; tighter financial regulation; the realization of universal insurance and restrictions upon private insurance. While she describes herself as a "capitalist to my bones", her leftist policies will have a major impact on industry. Of course, the significance of her policies may not be denied altogether. Her policies may be persuasive in terms of income distribution and environmental protection. Widening disparities and problems related to income distribution, as well as problems related to demographic change and aging, are contributing to the declining growth rates of the US and the global economy.

Elizabeth Warren also has a theory about splitting up tech giants. It is said that the US Department of Justice has already launched an antitrust investigation against tech giants such as the "GAFA" (Google, Apple, Facebook, Amazon) in the fall of 2019. It is not only in the US but the European Commission and the Japan Fair Trade Commission that are raising questions about tech giants' data monopolies in Europe and Japan. Tech giants will be a central theme of debate in the global economy in 2020.

**(3) Monetary and fiscal policy under low growth, low inflation and low interest rates**

In addition to the economic slowdown, demographic changes, the expansion of online shopping, and changes in the socio-economic structure, such as the expansion of the sharing economy, are contributing to the establishment of a worldwide disinflationary trend. Deflationary pressures are also building on producer prices along with the slump in the global manufacturing sector.

Amid lingering downside risks to the global economy, the scope for monetary policy is narrowing. Japan and the eurozone, which are adopting negative interest rates, are aware of the negative effects of such policies, leading to questions regarding the conduct of monetary policy. Given the narrow leeway for further interest rate cuts, fiscal policy will become more important than ever. In Japan, a large-scale economic stimulus package was announced at the end of 2019. Despite doubts about the effectiveness of the package, the flexible stance toward fiscal spending is worthy of commendation. Attention should be paid upon policy responses by the eurozone which is faced with an ongoing economic slump and the US in the run-up to the presidential election.

Meanwhile, it is also necessary to keep a close eye upon the side effects of a prolonged excessively accommodative monetary environment. In the US and Europe, there is a trend where companies that are relatively inferior in creditworthiness have been increasing their debt in the form of high-yield corporate bonds and leveraged loans. If credit discipline among companies and investors is turning lax due to a global capital glut, this is a trend which cannot be overlooked. In terms of corporate debt, we should also pay close attention to China's excessive debt problem, in other words, the potential non-performing loan problem of banks. I believe that the sustainability of corporate debt overseas will be an important theme for the global economy in 2020.

Although our main scenario outlook is the persistence of a low inflation environment, it is necessary to pay a certain amount of attention to the rise of inflation as a tail risk. The labor markets of developed market countries is near full employment. Globalization is retreating along with US protectionism and the New Cold War between the US and China. Furthermore, there are also discussions on the regulation of tech giants and expansion of fiscal spending. Keeping in mind that all these issues are, in theory, factors pushing up prices, we shall examine their impacts.

### (4) In pursuit of a sustainable and dynamic economic and industrial model

The Japanese understands best that neither monetary easing nor fiscal stimulus will serve as a trigger of economic revitalization. Above all, raising productivity is essential to raising Japan's secular growth rate. Amid the progress of digitalization in all facets of economic activity, it will become increasingly important to enhance the competitiveness of organizations, and thereby the economy, through corporate and social reforms that utilize digital technologies (DX: Digital Transformation). While the process will naturally reveal the superiority or inferiority of industries and enterprises, the key to improving productivity is to enhance the metabolic function of the economy through deregulation and various support measures.

The movement to set Sustainable Development Goals (SDGs) proposed by the United Nations as a management target is spreading in Japan and overseas. There are expectations that "Environment, Social, Governance (ESG) investments" by investors will encourage the expansion of corporate value and social welfare in the medium to long run. According to the Global Sustainable Investment Alliance (GSIA), ESG investment worldwide reached $30.7 trillion in 2018. There is also a rising trend of divestment, in a bid to exclude corporations in violation of ESG from investment.

Responses to climate change is a pressing issue. The European Commission has been advocating a new "European Green Policy" under the leadership of its new president, Ursula von der Leyen who assumed office in December 2019. This should have an impact on the course of international debate. However, it should be noted that there is a difference in degree of commitment to climate change among major countries which may lead to a new global rift, and that the reinforcement of environmental regulations may serve as a drag upon economic activity in the short term. How to accelerate resource conservation and decarbonization while giving due consideration to economic efficiency. How to create new markets while rebuilding sustainable business models. These are issues which should be addressed by Japan and Japanese corporations.

**[ The global economy in 2020: Five issues viewed in terms of "D Words" ]**

| The issues | Key issues and the "D-words" |
|---|---|
| (1) The New Cold War between the US and China | • **Deal, Détente or Decoupling?** |
| (2) US presidential election | • **President Donald Trump or the Democratic Party nominee?**<br>✓ Focus of attention upon Elizabeth Warren, who is advocating a review of the Distribution of income |
| (3) Monetary and fiscal policy | • **Future course of Debt and fiscal Deficit**<br>✓ Demography is the background factor of secular stagnation<br>✓ In Japan and Europe, the scope for interest rate cuts is limited, making fiscal policy more important (Deficit).<br>✓ The side effects of a prolonged low interest rate environment amid continued low inflation (Disinflation). Growing Debt and rising Defaults |
| (4) Data economy | • **Digitalization and Data economy**<br>✓ Digital Transformation (DX)<br>✓ Data monopoly and the Big Tech |
| (5) SDGs and ESG | • **Challenging Development and growth**<br>✓ Increase of divestment in a bid to exclude investment in corporations in violation of ESG |

(Katsuyuki Hasegawa, Chief Economist)

## 2. Outlook on the global economy in 2020: the economy is forecast to bottom out in the first half and pick up in the second half of the year

◆ In 2020, the global economy should be able to avert further deterioration, underpinned by a policy mix of accommodative monetary policy and expansionary fiscal policy among the major countries of the world, in addition to the expected recovery of the IT cycle. We expect the global economy to gradually bottom out in the first half of the year, leading to a moderate recovery in the second half. However, given the weak momentum of the recovery, and prospects that the annual growth rates of many of the countries such as the US and China will fall on a year-on-year basis, economic growth of the overall forecast area should remain weak, remaining around the level in 2019.

◆ Among the risk factors are the re-escalation of trade tensions between the US and China, political problems in Europe, and the deterioration of geopolitical risks such as the situation in the Middle East and demonstrations in Hong Kong. In particular, as the US-China trade tensions stem from conflicts over technology and security, uncertainties persist, given high hurdles toward a comprehensive agreement. Depending on developments in future negotiations, the possibility of a re-escalation of tensions may not be ruled out entirely.

**[ Outlook on the global economy ]**

(Y-o-y % change)

| | 2016 Calendar year | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| Total of forecast area | 3.5 | 4.0 | 3.9 | 3.2 | 3.3 |
| Japan, US, Eurozone | 1.6 | 2.4 | 2.1 | 1.7 | 1.3 |
| US | 1.6 | 2.4 | 2.9 | 2.3 | 1.8 |
| Eurozone | 1.9 | 2.5 | 1.9 | 1.2 | 1.1 |
| UK | 1.9 | 1.9 | 1.4 | 1.3 | 1.1 |
| Japan | 0.5 | 2.2 | 0.3 | 0.9 | 0.3 |
| Asia | 6.4 | 6.2 | 6.2 | 5.2 | 5.4 |
| China | 6.7 | 6.8 | 6.6 | 6.1 | 5.9 |
| NIEs | 2.7 | 3.3 | 2.8 | 1.6 | 1.6 |
| ASEAN5 | 5.0 | 5.3 | 5.2 | 4.8 | 4.9 |
| India | 8.7 | 6.9 | 7.4 | 5.1 | 6.0 |
| Australia | 2.8 | 2.5 | 2.7 | 1.8 | 2.0 |
| Brazil | - 3.3 | 1.3 | 1.3 | 1.0 | 2.0 |
| Mexico | 2.9 | 2.1 | 2.1 | 0.1 | 1.0 |
| Russia | 0.3 | 1.6 | 2.3 | 1.0 | 1.8 |
| Japan (FY) | 0.9 | 1.9 | 0.3 | 0.8 | 0.5 |
| Crude oil prices (WTI, USD/bbl) | 43 | 51 | 65 | 57 | 58 |

Note: The shaded areas indicate forecasts. The total of the forecast area is calculated upon the GDP share (PPP) by the International Monetary Fund (IMF).
Sources: Made by MHRI based upon IMF and statistics of relevant countries and regions

## 3. Outlook on the Japanese economy in 2020: even though a serious recession should be avoided, the economy will remain on weak footing

- While the Japanese economy in 2020 should be able to avoid a serious recession triggered by a reactionary dip subsequent to the Tokyo 2020 Olympic Games, we expect the low rate of growth to persist. While exports should gradually pick up, consumption is expected to be sluggish and capital investment is set to slow down. Thus, we expect that the Japanese economy will continue to be supported by public demand in 2020.

- The upturn of IT demand should prove a positive factor for exports. However, prospects are that export growth will remain mild as the global economy falls short of a full-fledged recovery. Capital investment should gradually come under greater adjustment pressures amid lackluster expectations on future growth. Even though a major adjustment in capital investment should be averted due to support by investment to address the labor shortage, the growth of capital investment should slow down. Furthermore, since corporations are growing more cautious about recruitment and wage hikes due to the weak recovery of corporate earnings, personal consumption is expected to remain tepid for some time. Public demand should continue to expand, due to factors such as the implementation of economic stimulus measures.

- The core CPI (all items, less fresh food), excluding factors such as the impact of the consumption tax hike and the introduction of free education, is expected to rise only modestly, given the lack of upward pressure on prices due to tepid domestic demand.

### [ Outlook on the Japanese economy ]

| | | 2018 FY | 2019 | 2020 | 2019 Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | 2020 Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | 2021 Jan-Mar |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GDP (real) | Q-o-q % ch | 0.3 | 0.8 | 0.5 | 0.6 | 0.5 | 0.4 | -1.2 | 0.4 | 0.3 | 0.3 | 0.3 | 0.2 |
| | Q-o-q % ch p.a. | — | — | — | 2.6 | 2.0 | 1.8 | -4.8 | 1.4 | 1.4 | 1.0 | 1.3 | 0.7 |
| Domestic demand | Q-o-q % ch | 0.4 | 1.0 | 0.2 | 0.3 | 0.8 | 0.6 | -1.4 | 0.3 | 0.3 | 0.2 | 0.2 | 0.1 |
| Private sector demand | Q-o-q % ch | 0.2 | 0.6 | -0.1 | 0.3 | 0.5 | 0.6 | -2.0 | 0.4 | 0.2 | 0.1 | 0.2 | 0.1 |
| Personal consumption | Q-o-q % ch | 0.1 | 0.2 | 0.0 | 0.2 | 0.6 | 0.5 | -2.1 | 0.4 | 0.3 | 0.2 | 0.2 | 0.1 |
| Housing investment | Q-o-q % ch | -4.9 | 1.6 | -4.7 | 1.1 | 0.5 | 1.6 | -2.2 | -1.8 | -1.3 | -1.1 | -0.9 | -0.5 |
| Capital investment | Q-o-q % ch | 1.7 | 2.0 | 0.9 | -0.2 | 0.9 | 1.8 | -1.7 | 0.7 | 0.4 | 0.4 | 0.2 | 0.2 |
| Inventory investment | Q-o-q contribution, % pt | (0.0) | (-0.0) | (-0.1) | (0.1) | (-0.1) | (-0.2) | (0.1) | (0.0) | (-0.1) | (-0.1) | (0.1) | (0.0) |
| Public sector demand | Q-o-q % ch | 0.8 | 2.4 | 1.2 | 0.1 | 1.6 | 0.7 | 0.1 | 0.0 | 0.6 | 0.4 | 0.2 | -0.0 |
| Government consumption | Q-o-q % ch | 0.9 | 2.2 | 0.7 | -0.3 | 1.6 | 0.7 | 0.0 | 0.0 | 0.3 | 0.1 | 0.2 | 0.1 |
| Public investment | Q-o-q % ch | 0.6 | 3.2 | 3.1 | 2.0 | 1.6 | 0.9 | 0.2 | 0.0 | 1.5 | 1.6 | 0.3 | -0.4 |
| External demand | Q-o-q contribution, % pt | (-0.1) | (-0.3) | (0.3) | (0.4) | (-0.3) | (-0.2) | (0.2) | (0.0) | (0.1) | (0.1) | (0.1) | (0.1) |
| Exports | Q-o-q % ch | 1.6 | -0.9 | 3.0 | -2.1 | 0.5 | -0.6 | 0.7 | 0.7 | 0.8 | 0.9 | 1.0 | 1.0 |
| Imports | Q-o-q % ch | 2.2 | 0.6 | 1.3 | -4.1 | 2.1 | 0.3 | -0.6 | 0.4 | 0.4 | 0.5 | 0.5 | 0.4 |
| GDP (nominal) | Q-o-q % ch | 0.1 | 1.3 | 1.1 | 1.3 | 0.6 | 0.6 | -1.7 | 1.4 | 0.5 | 0.4 | -0.8 | 1.3 |
| GDP deflator | Y-o-y % ch | -0.1 | 0.5 | 0.6 | 0.1 | 0.4 | 0.6 | 0.3 | 0.8 | 0.9 | 0.9 | 0.3 | 0.3 |
| Domestic demand deflator | Y-o-y % ch | 0.5 | 0.4 | 0.6 | 0.3 | 0.4 | 0.2 | 0.4 | 0.7 | 0.7 | 0.8 | 0.4 | 0.4 |

Note: The shaded areas indicate forecasts.
Source: Made by MHRI based upon the Cabinet Office, *National Accounts*

## 4. Outlook on the financial markets in 2020: a low interest rate environment will continue worldwide

◆ **The financial markets in 2020** A low interest rate environment is expected to continue worldwide. Even though the global economy should gradually bottom out in the first half of 2020, the strength of recovery is expected to be weak. Amid the persistence of a low interest rate environment, we expect that Japan, the US and Europe all will retain their current monetary policy stance. Market concerns will tend to rise, given the high hurdles toward a full agreement in US-China trade negotiations.

◆ **Japanese and US stock markets** Despite a temporary market fall, given the fading optimism on US-China trade negotiations, a mild upturn is expected from the turn of the year along with the improvement of corporate earnings. Even so, the stock markets may turn volatile, swayed by the course of the US presidential election and US-China trade negotiations.

◆ **Government bonds** The yield on 10-yr US treasury bonds should follow a gradual uptrend, reaching nearly 2%. Given lingering speculation on a Fed rate cut, the breadth of the rise should be limited. The rise of the yields on 10-yr JGBs and 10-yr German government bonds will be muted as the ECB and BOJ adhere to a strong monetary easing stance.

◆ **Foreign exchange rate** A mild appreciation of the yen is expected, as the dollar will tend to come under dollar-weakening/yen-strengthening pressures in the run-up to the US presidential election. With respect to EUR/USD exchange rates, the euro should remain weak against the backdrop of weak eurozone economic fundamentals.

**[ Outlook on the financial markets ]**

| | | 2018 FY | 2019 FY | 2020 FY | 2019 Oct-Dec | 2020 Jan-Mar | 2020 Apr-Jun | 2020 Jul-Sep | 2020 Oct-Dec | 2021 Jan-Mar |
|---|---|---|---|---|---|---|---|---|---|---|
| Japan | | | | | | | | | | |
| Interest rate on Policy-Rate Balances | (%) | -0.10 | -0.10 | -0.10 | -0.10 | -0.10 | -0.10 | -0.10 | -0.10 | -0.10 |
| Euroyen TIBOR | (3-mo, %) | 0.06 | 0.05 | 0.05 | 0.01 | 0.05 | 0.05 | 0.06 | 0.06 | 0.06 |
| Interest rate swaps | (5-yr, %) | 0.08 | -0.05 | 0.05 | -0.08 | 0.00 | 0.00 | 0.05 | 0.10 | 0.10 |
| Newly-issued JGBs | (10-yr, %) | 0.05 | -0.10 | -0.05 | -0.12 | -0.05 | -0.05 | -0.05 | 0.00 | 0.00 |
| Nikkei average | (JPY) | 21,973 | 22,000 | 23,300 | 23,000 | 22,500 | 23,000 | 23,000 | 23,500 | 23,500 |
| US | | | | | | | | | | |
| Federal Funds rate | (End of period, %) | 2.25～2.50 | 1.50～1.75 | 1.50～1.75 | 1.50～1.75 | 1.50～1.75 | 1.50～1.75 | 1.50～1.75 | 1.50～1.75 | 1.50～1.75 |
| Newly-issued US treasury bonds | (10-yr, %) | 2.87 | 1.95 | 1.95 | 1.80 | 1.80 | 1.90 | 1.90 | 2.00 | 2.00 |
| Dow Jones average | (USD) | 25,056 | 26,800 | 27,800 | 27,500 | 27,000 | 27,500 | 27,500 | 28,000 | 28,000 |
| Eurozone | | | | | | | | | | |
| ECB deposit facility rate | (End of period, %) | -0.40 | -0.50 | -0.50 | -0.50 | -0.50 | -0.50 | -0.50 | -0.50 | -0.50 |
| German government bonds | (10-yr, %) | 0.35 | -0.35 | -0.25 | -0.40 | -0.40 | -0.30 | -0.30 | -0.20 | -0.20 |
| Foreign exchange rate | | | | | | | | | | |
| USD/JPY | (USD/JPY) | 111 | 108 | 107 | 109 | 108 | 108 | 106 | 106 | 106 |
| EUR/USD | (EUR/USD) | 1.16 | 1.11 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 |
| Crude oil price (WTI nearest term contract) | (USD/bbl) | 63 | 57 | 59 | 57 | 56 | 58 | 59 | 60 | 60 |

Note: The shaded areas indicate forecasts. The forecasts are the averages of the relevant periods. However, the interest rate on Policy-Rate Balances, the federal funds (FF) rate and the ECB deposit facility rates are end-of-period rates.
Source: Made by MHRI based on Bloomberg

## 5. Outlook on Japan's industrial sector in 2020: domestic and external demand expected to be tepid reflecting the slowdown of overseas economies

◆ Japan's industrial sector should follow firm footing in some sectors due to the progress of digitalization, despite the weakness of both domestic and external demand reflecting the slowdown of overseas economies stemming from factors such as US-China trade tensions.

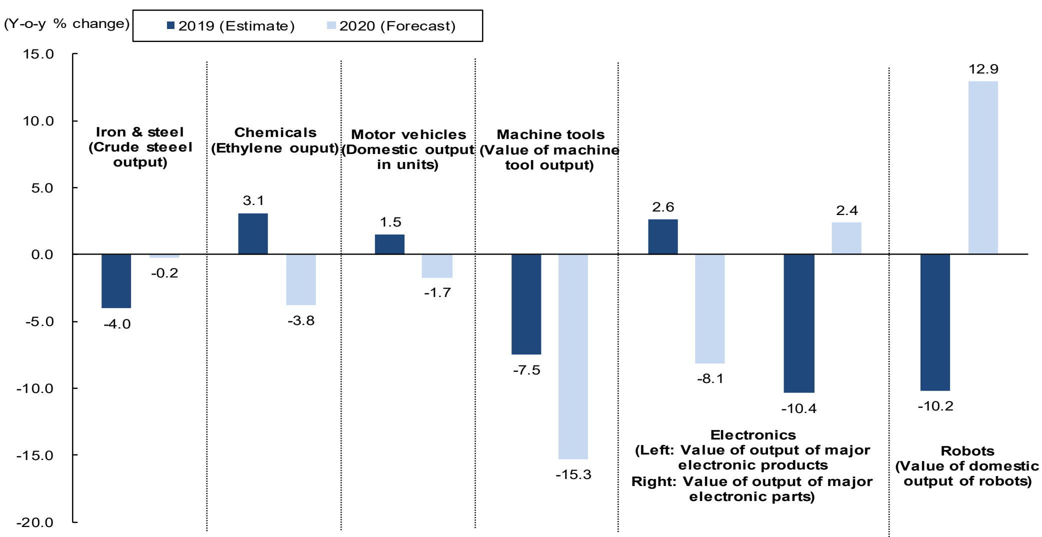
◆ **The Manufacturing Sector** Despite the decline of domestic production reflecting the slowdown of both the domestic and overseas economies, output of key electronics parts and robots should follow firm footing due to the rise of investment for digitalization.

- **Basic materials sectors** In the iron & steel sector, crude steel output will fall slightly along with the fall of demand among manufacturers of motor vehicles and industrial machinery. Turning to chemicals, domestic production is forecast to decline due to the decline of exports by plants with low cost competitiveness along with the easing of the supply-demand balance due to the operation of large overseas plants and the fall of market prices.

- **Processing sectors** With respect to motor vehicles, production is expected to decrease because overall exports are likely to stay flat, with US-bound exports falling due to the slowing US market, and domestic sales are expected to fall in a reactionary dip to the front-loading of demand in the run-up to the consumption tax hike. As for machine tools, production is expected to decline as order backlogs of manufacturers are following a downtrend along with the slowdown of the domestic and overseas economies.

  On the other hand, production of key electronics parts should grow, reflecting factors such as the recovery of the semiconductor market due to inventory adjustments from 2019 onward. Production of robots is expected to rebound owing to semiconductor-related capital investment as well as the expansion in users of robots to such industries as motor vehicle parts and electronics parts, metal processing and plastics processing.

**[ Outlook on domestic output growth in key manufacturing sectors ]**




Note: 1. Major electronics products cover personal computers (including tablet PCs), flat-screen TV sets, mobile phones and white goods (six items including refrigerators, washing machines, vacuum cleaners, dishwashing machines, microwave ovens, and air-conditioners). Major electronics parts cover semiconductors and electronic parts

2. Calendar year-basis.

3. The growth rates are forecasts by the Industry Research Department of Mizuho Bank (as of December 5, 2019).

Source: Made by Industry Research Department, Mizuho Bank, based upon The Japan Iron and Steel Federation, Ministry of Economy, Trade and Industry, Ministry of Finance, The Heavy & Chemical Industries News Agency, materials of Japan Automobile Manufacturers Association, Inc., Japan Machine Tool Builders' Association, and the website of Japan Robot Association, etc.

◆ **The Nonmanufacturing Sector** Despite concerns regarding a reactionary dip after the consumption tax hike, information services and telecommunications should follow firm footing due to the spread and growth in usage of digital technology.

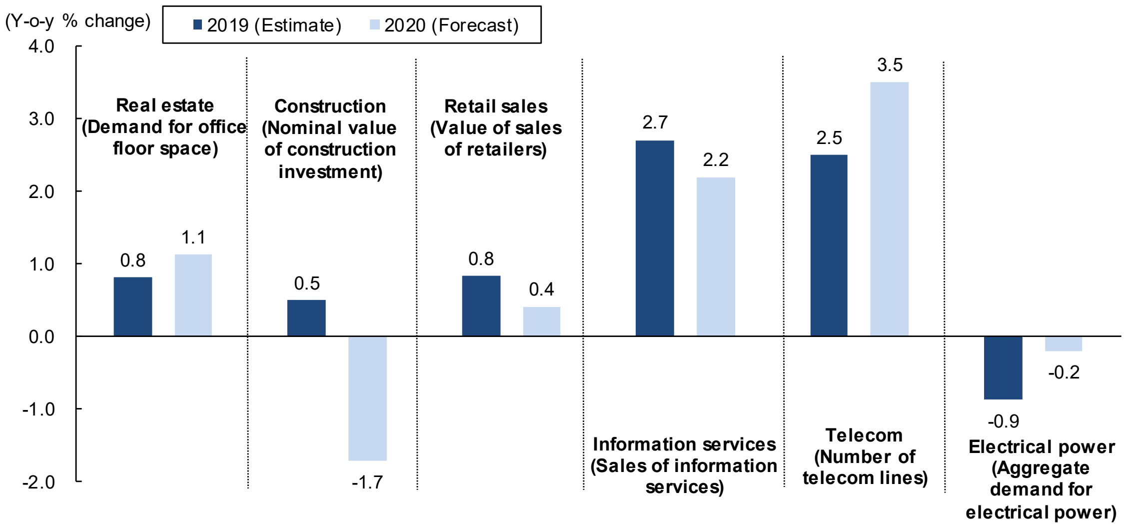
- **Real estate (offices)** The floor area of office buildings for rent should rise gradually, leading to the ongoing decline of the vacancy rate and rise of rents. Turning to construction, private-sector non-residential investment is forecast to rise from the previous fiscal year due to an ample backlog of construction orders. However, we expect private housing investment to fall in reaction to the front-loading of demand for built-for-sale houses and privately-owned houses ahead of the consumption tax hike. As a result, overall construction investment is forecast to decline.

- **Retail sales** Despite concerns regarding the deterioration of consumer sentiment, we expect a mild rise of retail sales, given the flat to gradual rise of income growth and forecasts that measures such as the reduced tax rate on certain items and free education will serve to underpin consumer spending. Furthermore, consumption by foreign visitors to Japan should remain strong. Even though the unit price of shopping is levelling out or declining, our view stems from the increase in number of foreign visitors to Japan reflecting factors such as the rise in awareness on Japan due to the hosting of the 2020 Tokyo Olympic Games.

- **Information services** We expect the strong growth of information services, driven by updates and renewals of existing systems, the expansion of IT-related investment among user companies, and the rise of investment to address the shortage of labor. We also forecast the solid growth of telecommunications services, due in part to the commencement of commercial 5G services among carriers.

- **Electrical power** Demand for electrical power is expected to fall slightly. Amid the sluggish growth of demand due to the slowdown of the economy, the energy-saving effect of devices should push down demand.

**[ Outlook on domestic demand growth among key nonmanufacturing sectors ]**




Note: 1. Fiscal years for the nominal value of construction investment, information services and telecommunications, and calendar years for others.
2. Retail sales exclude motor vehicles and fuel retailers.
3. The growth rates are forecasts by the Industry Research Department of Mizuho Bank (as of December 5, 2019).

Source: Made by Industry Research Department, Mizuho Bank, based upon data releases by Miki Shoji Co., Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Internal Affairs and Communications, and Agency for Natural Resources and Energy, etc.

(Kosuke Akatsuka, Industry Research Department, Mizuho Bank)