

Rise of Domestic Market

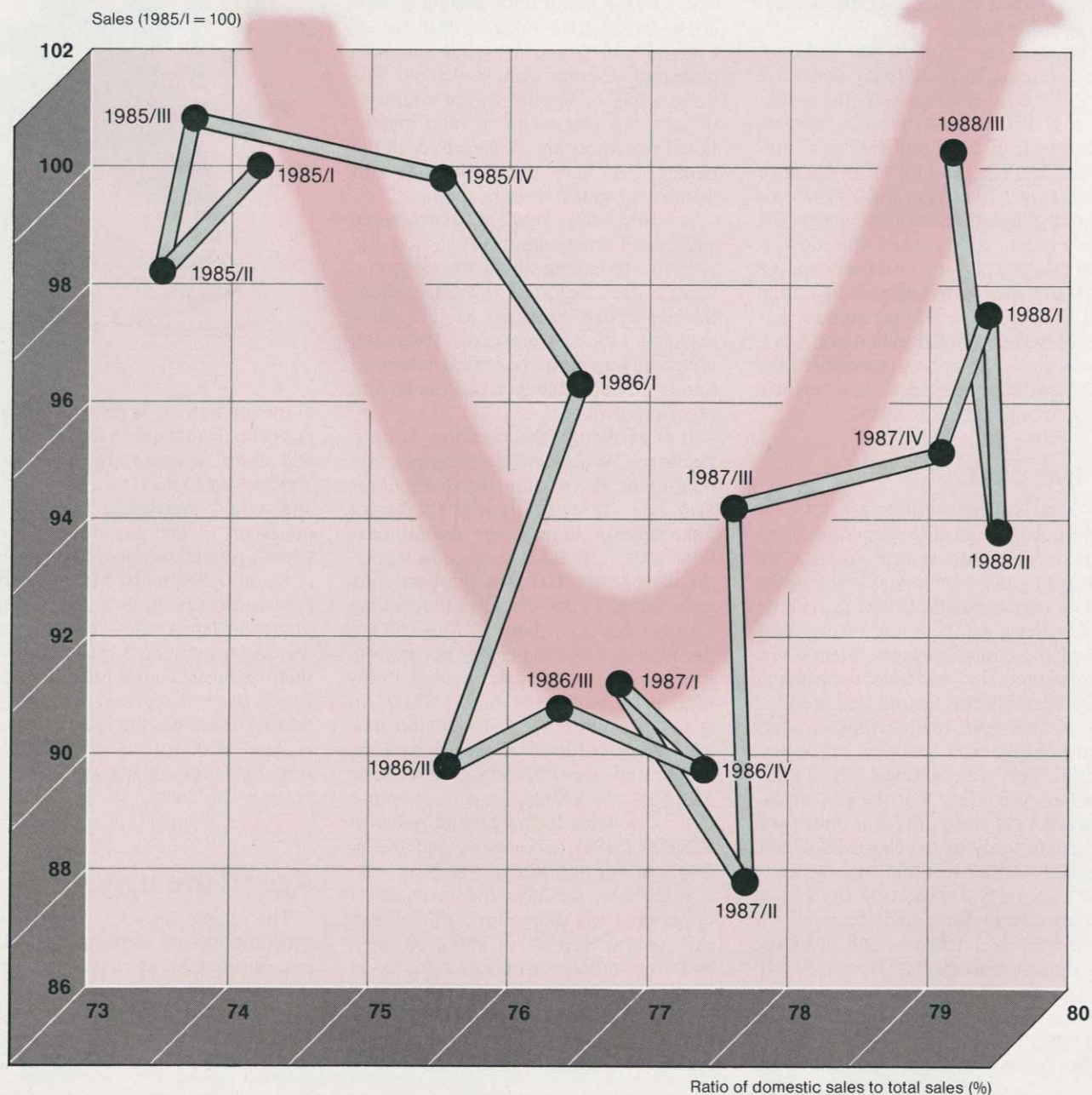
Japanese manufacturing industries saw their sales decline in the second half of 1985 as the yen began to appreciate drastically against the U.S. dollar, aggravating export profitability and slashing the volume of exports.

The Japanese economy rebounded

after the third quarter of 1987, primarily led by growing domestic demand.

Manufacturing industries have since turned their eyes toward the domestic market. Sales have begun to surge, with an appreciable rise in the ratio of domestic sales to overall sales.

Upturn in Sales of Japanese Manufacturing Industries and Their Shift toward Domestic Market



Notes: 1. I-IV represent the first to the fourth quarter of the year.
 2. Vertical scale shows index of sales with the first quarter of 1985 taken as 100.
 3. Horizontal scale shows the ratio of domestic sales to overall sales.
 Source: Bank of Japan "Survey on Short-term Corporate Economic Outlook"