

Economy Watchers Survey

November 2015

OVERVIEW OF THE MONTH

The DI for current economic conditions in November fell by 2.1 points from the previous month to 46.1.

The household activity-related DI dropped mainly because the retail-related DI declined. The corporate activity-related DI increased as the DIs for the manufacturing and non-manufacturing sectors rose. The employment-related DI went up.

The DI for future economic conditions in November decreased by 0.9 points from the previous month to 48.2.

While the employment-related DI rose, the household activity- and corporate activity-related DIs dropped.

On a seasonally adjusted basis, the DI for current economic conditions declined by 1.3 points from the previous month to 50.4 while the DI for future economic conditions rose by 1.1 points from the previous month to 51.7.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy has continued moderate recovery, although some effects of trends involving the Chinese economy have been seen. For the future, concerns are seen over the Chinese economic situation, terrorist attacks and other overseas conditions, while expectations regarding tourism demand, fuel price drops and improvements in employment are observed.

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SUMMARY OF CHARACTERISTIC REASONS**FOR THE ASSESSMENT OF THE ECONOMY**

National

(Assessments) **A**, Better; **B**, Slightly better; **C**, Unchanged; **D**, Slightly worse; **E**, Worse**1. Current conditions**

<i>Household activity</i>	
B	<ul style="list-style-type: none"> As foreign tourists increased, the number of customers expanded by some 50% from a year earlier, though with spending per customer remaining unchanged. (Southern Kanto: Urban hotel)
C	<ul style="list-style-type: none"> As the number of foreign tourists remained high, spending per room by domestic customers rose to a high level. As our hotel's occupancy rate has reached an upper limit, we cannot expect any more rise in the number of customer-occupied rooms. (Kinki: Urban hotel)
D	<ul style="list-style-type: none"> Although November usually sees coat sales driving overall sales, coats are failing to sell this November due to high temperatures throughout the month. (Hokuriku: Department store) As the first half of November saw warm weather, winter clothing sales were very sluggish. In line with the trend, the number of visitors has remained slack, with early late-year gift orders slumping. (Kyushu: Department store)

<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> At small and medium-sized manufacturing companies as our trading partners, profit is improving thanks to declines in fuel and raw material prices. (Tokai: Financial business)
C	<ul style="list-style-type: none"> The number of public works orders from central government agencies and their value have remained low (Tohoku: General contractor)

<i>Employment</i>	
C	<ul style="list-style-type: none"> As the ratio of job offers to applicants has remained high, demand for workers is increasing from nursing care facilities that have striven to recruit workers. But applicants for nursing care jobs are so limited that little progress has been made in matching nursing care job offers to job seekers. (Chugoku: Temporary staffing company)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> Much-awaited new vehicles will be launched next month. These competitive products could stimulate an increase in overall vehicle sales. (Kyushu: Auto dealer) Usually, tourism loses momentum in winter. Given the overall conditions, however, the positive effects of increasing foreign tourists on local economies may continue. (Hokkaido: Tourist spot)
C	<ul style="list-style-type: none"> As prices are being raised for food products and other daily living necessities, housewives are tightening their purse strings. (Chugoku: Shopping street)
D	<ul style="list-style-type: none"> We don't see any factor leading the economy to pick up. We are concerned about slack consumption, as the growing conversation regarding the next consumption tax increase prompts consumers to become defensive. (Tokai: Supermarket)

<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> A favorable factor is a drop in crude oil prices, which has lowered fuel costs and led to some good prospects. (Northern Kanto: Transporter)

D	· Global terrorist attacks and the slack Chinese economy will destabilize markets, leading the overall economy to decelerate growth. (Kinki: Metal products manufacturer).
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Employment

C	· Although companies have increased job offers, they have not necessarily proposed good working conditions accompanying labor shortages. (Shikoku: Employment security office)
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