

# Economy Watchers Survey

## September 2015

---

### OVERVIEW OF THE MONTH

The DI for current economic conditions in September fell by 1.8 points from the previous month to 47.5.

The household activity-related DI dropped mainly because the retail-related DI declined. The corporate activity-related DI fell as the DIs for both the manufacturing and non-manufacturing sectors decreased. The employment-related DI also declined.

The DI for future economic conditions in September rose by 0.9 points from the previous month to 49.1.

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

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 and price hikes, while expectations regarding premium gift tickets are observed.

---

Released on October 8, 2015 (in Japanese)  
by the Director-General for Economic Assessment and Policy Analysis, Cabinet Office  
Nagata-cho 1-6-1, Chiyoda-ku, Tokyo 100-8914  
Telephone: 03-6257-1576  
Internet: <http://www.cao.go.jp>

**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****Household activity**

<b>B</b>	<ul style="list-style-type: none"> <li>Premium gift tickets' effects have improved overall business conditions. (Tohoku: General retailer [Books])</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>Domestic and overseas travelers in the Silver Week consecutive holidays increased as much as in the Golden Week holidays. After the consecutive holidays, however, mainly overseas travel demand dropped back. (Shikoku: Travel agency)</li> <li>As stock prices have declined in both Japan and the United States in line with the deterioration of Chinese economic conditions, customers have become nervous. Customers holding shares have indicated some sentiment changes. (Kinki: Other specialty shop [Jewelry])</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>As lingering summer heat in September is not as severe as usual, drink and ice cream sales are slack and overall sales have slipped far below year-before levels. (Tokai: Convenience store)</li> <li>As travelers to Okinawa Prefecture are increasing thanks to a growing number of foreign travelers as seen in August, foreign users of rental cars are expanding. However, Japanese travelers' rental car reservations have declined, forcing overall reservations to slip below year-before levels. (Okinawa: Other services (Car-rental))</li> </ul>

**Corporate activity**

<b>B</b>	<ul style="list-style-type: none"> <li>Thanks to the effects of the Silver Week consecutive holidays this month, factory visitors were more than usual. Sales are growing smoothly. (Northern Kanto: Food manufacturer)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>Substantial growth in foreign travelers has led mainly confectionery makers and sightseeing bus operators to enjoy brisk business performance. Hotels and inns in Sapporo and its vicinity have posted high operating rates. Capital spending on hotel construction and refurbishment has been active thanks to the growing number of foreign travelers to Japan and the planned imminent opening of the Hokkaido Shinkansen bullet train line. (Hokkaido: Financial business)</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>Order receipts are scarce as overseas orders have declined due to China's economic slowdown. (Southern Kanto: Metal products manufacturer)</li> </ul>

**Employment**

<b>C</b>	<ul style="list-style-type: none"> <li>Demand for engineers as temporary staff is still firm and unlikely to decline in the immediate future. (Tokai: Temporary staffing company)</li> </ul>
----------	--

**2. Future conditions****Household activity**

<b>B</b>	<ul style="list-style-type: none"> <li>Toward the year-end, consumers' buying capacity will increase with bonus income expected. (Tokai: Supermarket)</li> <li>We expect the situation will grow brighter in the lead up to the year-end shopping season. Given the deadline for premium gift tickets, some additional sales are likely to emerge. (Southern Kanto: Home electric appliance retail store)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>We are concerned about the impacts of negative factors including stock price drops and a fall in inbound demand under the Chinese economy's instability. (Kinki: Department store)</li> </ul>

---

<b>D</b>	<ul style="list-style-type: none"><li>As price hikes have led customers to tighten the purse strings in daily life scenes, the number of visitors to our store has remained below year-before levels. (Chugoku: Supermarket)</li></ul>
----------	--

---

***Corporate activity***

---

<b>B</b>	<ul style="list-style-type: none"><li>Our business conditions will improve in November and December thanks to expected capital spending in our client industries toward the year-end. (Tokai: Electrical machinery and equipment manufacturer)</li></ul>
<b>C</b>	<ul style="list-style-type: none"><li>Since two to three months ago, production orders from clients have declined considerably. This is attributable to the deterioration in the Chinese market. We are now uncertain about future production volume. (Kyushu: Precision machinery and tool manufacturer)</li></ul>
<b>D</b>	<ul style="list-style-type: none"><li>As prices of imported raw materials rise further toward the year-end in the future, we are revising costs mainly at the production division. However, the price hike is likely to affect our profitability. (Hokuriku: Food manufacturer)</li></ul>

---

***Employment***

---

<b>C</b>	<ul style="list-style-type: none"><li>Although new job offers have remained above a certain level, many job offers are from restaurant service and other sectors in which job seekers are limited, failing to produce employment growth. (Hokuriku: Employment security office)</li></ul>
----------	---

---