

Economy Watchers Survey

September 2017

OVERVIEW OF THE MONTH

The DI for current economic conditions in September (seasonally adjusted) went up by 1.6 points from the previous month to 51.3.

The household activity-related DI went up mainly because the retail-related DI increased. The corporate activity-related DI went up as the DI for the non-manufacturing sector increased. The employment-related DI decreased.

The DI for future economic conditions in September (seasonally adjusted) went down by 0.1 points from the previous month to 51.0.

The corporate activity-related DI increased, and the employment-related DI remained unchanged, while the household activity-related DI decreased.

On a not seasonally adjusted basis, the DI for current economic conditions remained unchanged from the previous month at 49.6 and the DI for future economic conditions rose by 0.3 points to 50.4.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy is steadily picking up. As for the future, while concerns over labor shortages and the overseas situation exist, growth mainly in orders and capital investment is continuously expected.

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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"> Sales seem brisk even among those other than foreign tourists and high net worth individuals, who have been driving up sales. (Southern Kanto: Department store) This year, the temperature started to fall earlier than usual, with brisk sales of seasonal goods, especially items such as thin cardigans. Sales of summer goods, which performed poorly, are picking up after price cuts. (Chugoku: Supermarket) We see more customers coming to restaurants than in the same month last year. Despite spending per customer staying at a low level, consumers seem keener to spend on food. (Tohoku: High-end restaurant)
D	<ul style="list-style-type: none"> A decline has been observed in the volume of traffic amid a typhoon that passed nearby. (Hokkaido: Others who can capture trends of services [Ferry])
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> New services related to the internet of things, security, and e-commerce are spreading among customers, with more requests for visiting to explain about such services, and opportunities to offer proposals. (Chugoku: Telecommunications company)
D	<ul style="list-style-type: none"> We have accepted slightly fewer inquiries so far this month. Ordinary, smaller orders are coming, but inquiries for larger contracts are rarer than before. (Kinki: Machinery & equipment)
<i>Employment</i>	
C	<ul style="list-style-type: none"> The National Sports Festival is being held here, and tourism, restaurants, and advertising, among others, are performing quite well. At the same time, employers are suffering from more serious labor shortages. (Shikoku: Temporary staffing company)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> For many events to be held in October, we have received more reservations so far, expecting our business to pick up at last. An increasing number of foreign tourists come from Asia, and many banquets are held. Things look promising. (Kyushu: High-end restaurant) New models of smartphones are being put on the market one after another, and we expect the winter sales campaign to get more exciting. (Shikoku: Communications)
C	<ul style="list-style-type: none"> Until the general election of the House of Representatives is over, fewer customers will go shopping, with some decline in sales. The Chinese government has imposed restrictions on tours to Japan, one of the causes for anxiety for future developments. (Tokai: Department store)
D	<ul style="list-style-type: none"> Effects of the new Hokuriku Shinkansen after its opening are fading away, and reservations made mainly by group tourists for the coming three months declined by almost 10% from the same month last year. (Hokuriku: Theme park)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Telecommunication business for SMEs is performing relatively well. That seems to have been achieved through our efforts of problem-solving oriented marketing to satisfy needs of customers. (Hokuriku: Telecommunications company)
D	<ul style="list-style-type: none"> Labor shortages are pushing up costs. The increased cost is difficult to pass down to sales prices as we fear we would lose cost-competitiveness, seeing fewer orders made with us. (Shikoku: Chemical industry)
<i>Employment</i>	
B	<ul style="list-style-type: none"> Job offers are trending upward, mainly among manufacturers. Employers have yet to secure a sufficient number of workers, and it seems that the current shortage of job seekers will continue for the time being. (Tohoku: Private employment agency)