

Economy Watchers Survey

November 2018

OVERVIEW OF THE MONTH

The DI for current economic conditions in November (seasonally adjusted) went up by 1.5 points from the previous month to 51.0.

The household activity-related DI went up mainly because the housing-related DIs increased. The corporate activity-related DI went up as the DI for the manufacturing sector increased. The employment-related DI increased.

The DI for future economic conditions in November (seasonally adjusted) went up by 1.6 points from the previous month to 52.2.

The household activity-, corporate activity-, and employment-related DIs all increased.

On a not seasonally adjusted basis, the DI for current economic conditions rose by 1.3 points from the previous month to 49.0 and the DI for future economic conditions rose by 0.5 points from the previous month to 50.4.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy has recovered moderately. As for the future, while concerns over cost increases and developments of trade issues exist, expectations regarding year-end and New Year events, among others, are observed.

Released on December 10, 2018 (in Japanese) by the Director-General for Economic Assessment and Policy Analysis, Cabinet Office
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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"> Blessed with fine weather in November, spending per customer stays at a high level. (Southern Kanto: Convenience store) After impacted by the Heavy Rain Event of July 2018, the 13 prefectures Fukko Wari discount campaign is facilitating the business. (Shikoku: Travel agent)
C	<ul style="list-style-type: none"> Tourists are returning, with foreign visitors seen among them. Pushed up by the three consecutive holidays in November, customers increased by 27% from the previous year. Junior employees, having been carrying out several initiatives for increasing the customer turnover at lunch time, are achieving results. (Hokkaido: High-class restaurant)
D	<ul style="list-style-type: none"> Perhaps because it is too warm this winter, heaters sold poorly in November. Monthly sales fell below the level last year. (Hokkaido: Electrical appliance retailer)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> New alcoholic beverages are selling nicely, with gradual growth of exports to Southeast Asia and Europe. (Koshinetsu: Food and kindred products)
C	<ul style="list-style-type: none"> Prices of construction materials have been rising in a short supply, with a chronic labor shortage in certain types of job. (Kinki: Construction)
<i>Employment</i>	
B	<ul style="list-style-type: none"> Requests for dispatch are growing steadily. Not only are requests as a whole increasing, but also individual employers call for more temporary workers at a time. (Okinawa: Temporary manpower company)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> Consumers have been reluctant to spend, especially for clothing. Now hearing the news that employees will receive more generous bonuses on the average than last year, we expect a rather buoyant sentiment among customers. (Southern Kanto: Department store) Inquiries are growing about overseas tours for the Golden Week next year. For the longer spring holiday season than in ordinary years, we expect better sales of more expensive and profitable products, such as tours to Europe and the United States. (Southern Kanto: Travel agent) Having seen tables booked earlier, we have a high expectation for business into the year-end. Few customers talk about possible economic slowdown. (Kyushu: Standard class restaurant)
D	<ul style="list-style-type: none"> The weather forecast predicts a warm winter. Poor sales of seasonal goods would impact the business. (Hokuriku: Supermarket)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Businesses are highly willing to invest capital for adapting to labor shortage in Japan, and the current conditions seem to continue for the time being. (Tokai: Electrical machinery, equipment & supplies) Despite persistently high prices of fuel oil amid uncertainties around the world, freight, including that of existing clients, is rather growing. (Shikoku: Transport)
<i>Employment</i>	
B	<ul style="list-style-type: none"> As Osaka has been officially chosen as host city for the World Expo 2025, and inbound tourism demand, quite strong at the moment, seems to grow further, with expected increases in job offers for preparation work. (Kinki: Help wanted ads at newspaper publisher)