

Economy Watchers Survey
April 2020

OVERVIEW OF THE MONTH

The DI for current economic conditions in April (seasonally adjusted) went down by 6.3 points from the previous month to 7.9.

The household activity-related DI went down mainly because the housing-related DI decreased. The corporate activity-related DI went down mainly because the DI for the manufacturing sector decreased. The employment-related DI decreased.

The DI for future economic conditions in April (seasonally adjusted) went down by 2.2 points from the previous month to 16.6.

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

On a not seasonally adjusted basis, the DI for current economic conditions fell by 6.4 points from the previous month to 9.5 and the DI for future economic conditions fell by 1.0 points from the previous month to 17.7.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: Impacted by the spreading Novel Coronavirus infection, the economy is in very serious difficulties and is further deteriorating. As for the future, conditions are expected to grow more difficult.

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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>	
C	<ul style="list-style-type: none"> As consumers voluntarily restrict outings amid the spreading of the Novel Coronavirus infection, the number of products bought by customers is increasing thanks to a rise in consumer demand for eating at home and the concentration of customers' shopping in the weekend. As the situation changes day by day, however, we cannot foresee future conditions. (Tohoku: Supermarket)
E	<ul style="list-style-type: none"> In response to the state of emergency declaration, we voluntarily restricted business operations, shortening business hours for food floors and shutting down other floors every weekend. Since just before the holiday-studded Golden Week, however, we have transitioned to a temporary business suspension, doing little business. (Tohoku: Department store) In response to calls for preventing the Novel Coronavirus infection from expanding, we have had no choice but to shorten business hours and close some branches. Since the state of emergency declaration, customers have decreased further. (Tokai: High-class restaurant) As the prefecture has declared a state of emergency regarding the Novel Coronavirus infection, the movement of people and number of customers have declined, leading to a fall in our sales. (Okinawa: Convenience store)
<i>Corporate activity</i>	
E	<ul style="list-style-type: none"> As automakers have shut down their manufacturing lines, some 30% of our manufacturing employees are not working. (Tokai: Transportation equipment) As we have continued business while preventing the Novel Coronavirus infection from expanding, costs for the prevention have been swelling. As measures against the infection fail to lead to any increase in our sales, we are concerned that our profit rate will worsen. (Kinki: Construction)
<i>Employment</i>	
E	<ul style="list-style-type: none"> A growing number of companies have decided not to renew temporary worker contracts expiring in May or June. Requests for new temporary workers are being cancelled or revised. (Kyushu: Temporary manpower company)

2. Future conditions

<i>Household activity</i>	
D	<ul style="list-style-type: none"> The future of the taxi industry is uncertain. Future conditions depend on when the impact of the Novel Coronavirus infection will end. In the absence of people's homecoming visits or travel during the holiday-studded Golden Week, we are uncertain and concerned about our future. (Tokai: Taxi driver)
E	<ul style="list-style-type: none"> As consumers are expected to refrain from going out on tourism or leisure even if the state of emergency declaration is lifted, we cannot expect any traditional number of visitors. (Northern Kanto: Theme park) Even ahead of bonus sales campaigns, we are uncertain about whether consumers are ambitious to buy luxury goods. Given the current disastrous situation, consumers may remarkably refrain from spending money. (Chugoku: Auto dealer)

	<ul style="list-style-type: none">Even if Japan goes in the direction of ending the Novel Coronavirus infection, the future will remain uncertain unless other countries go in the same direction simultaneously. So, we cannot predict consumer spending in Japan's tourism industry. (Kyushu: Travel agency)
<i>Corporate activity</i>	
D	<ul style="list-style-type: none">While the impact of the Novel Coronavirus infection on future orders from China is decreasing, domestic orders are declining substantially. (Southern Kanto: Chemical industry)
E	<ul style="list-style-type: none">While the amount of highly profitable cargoes for manufacturers has declined substantially year on year, we have seen an increase in the amount of less profitable cargoes for mail orders. This trend is likely to continue in the immediate future. (Kinki: Transport)
<i>Employment</i>	
E	<ul style="list-style-type: none">As inquiries about employment adjustment subsidies are increasing, we predict a future increase in applications for the subsidies. As an increasing number of business establishments have been closed, economic conditions are likely to worsen. (Chugoku: Other employment trend watcher)