

Economy Watchers Survey

April 2021

OVERVIEW OF THE MONTH

The DI for current economic conditions in April (seasonally adjusted) went down by 9.9 points from the previous month to 39.1.

The household activity-related DI went down mainly because the food and beverage-related DI decreased. The corporate activity-related DI went down mainly because the DI for the non-manufacturing sector decreased. The employment-related DI decreased.

The DI for future economic conditions in April (seasonally adjusted) went down by 8.1 points from the previous month to 41.7.

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

On a not seasonally adjusted basis, the DI for current economic conditions fell by 10.1 points from the previous month to 39.4 and the DI for future economic conditions fell by 7.1 points from the previous month to 41.5.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: Weakness is seen in the economic rebound as the severe impact of the Novel Coronavirus infection is lingering. As for the future, concerns are growing about the infection trend.

Released on May 13, 2021 (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: <https://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**

<i>Household activity</i>	
B	<ul style="list-style-type: none"> We are benefitting from demand for stay-at-home goods that is expanding again due to the renewed spread of the Novel Coronavirus infection. (Shikoku: Supermarket)
D	<ul style="list-style-type: none"> As shopping center visitors have considerably declined due to the redeclaration of a state of emergency, convenience stores are in a severe situation. (Southern Kanto: Convenience store)
E	<ul style="list-style-type: none"> In this prefecture, restaurants have been requested to shorten business hours. Recently, nighttime sales have been considerably sluggish. (Hokuriku: Standard-class restaurant) As we have been requested to be closed under a state of emergency declaration, food and cosmetics floors alone have been open since the 25th day. (Kinki: Department store)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> We do not feel any extreme decline in general economic sentiment. Our sales rose from three months ago. (Tohoku: General contractor)
E	<ul style="list-style-type: none"> While there are sales through the Internet, we see few visitors at our factory under the impact of the state of emergency declaration and the implementation of priority measures such as for prevention of the spread of disease in nearby prefectures. Orders from restaurants and accommodation facilities have declined dramatically. (Koshinetsu: Food manufacturer)
<i>Employment</i>	
D	<ul style="list-style-type: none"> Under the impact of the spread of the Novel Coronavirus infection, a rising number of companies have been curtailing recruitment over a long time. The trend is conspicuous particularly in living-related, entertainment service, food service and accommodation service sectors. (Southern Kanto: Employment security office)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> As people stay at home longer, we hope that air-conditioner and air purifier sales would increase. (Hokuriku: Home electric appliance retail store)
D	<ul style="list-style-type: none"> As Novel Coronavirus vaccination is failing to make smooth progress, the future remains uncertain and the economy is likely to take much time to recover. (Tohoku: Shopping street) Ahead of the holiday-studded Golden Week, accommodation reservations are sluggish in response to a state of emergency declaration for other prefectures. In the future, our business situation will worsen slightly. (Chugoku: Urban hotel)
E	<ul style="list-style-type: none"> Restaurants have been requested to shorten business hours since mid-April. As a state of emergency was declared for the metropolitan area and people have been requested to voluntarily restrict outing during the holiday-studded Golden Week and are encouraged to telework on business days, the food service industry is not in a position to be bullish. (Kyushu: Snack bar)
<i>Corporate activity</i>	
A	<ul style="list-style-type: none"> Amid semiconductor shortages under the Novel Coronavirus catastrophe, we have received customers' plans to see a further increase in semiconductor-related orders.

	(Kyushu: Electrical machinery, equipment & supplies)
C	<ul style="list-style-type: none">Events and advertisements planned for this summer may go in the direction of voluntary cancellation under the impact of recently spreading Novel Coronavirus variants. (Tokai: Ad agency)
<i>Employment</i>	
D	<ul style="list-style-type: none">Although job offers had been recovering slightly, they have begun to be affected by Novel Coronavirus variants, which are feared to discourage companies from recruiting workers. (Kyushu: Temporary manpower company)