

Economy Watchers Survey February 2021

OVERVIEW OF THE MONTH

The DI for current economic conditions in February (seasonally adjusted) went up by 10.1 points from the previous month to 41.3.

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

The DI for future economic conditions in February (seasonally adjusted) went up by 11.4 points from the previous month to 51.3.

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

On a not seasonally adjusted basis, the DI for current economic conditions rose by 10.6 points from the previous month to 40.7 and the DI for future economic conditions rose by 11.5 points from the previous month to 53.0.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy has been rebounding, although the severe impact of the Novel Coronavirus infection is lingering. As for the future, the rebounding is likely to continue, though with concerns remaining about the infection trend.

Released on March 8, 2021 (in Japanese) by the Director-General for Economic Assessment and Policy Analysis,
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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"> While the state of emergency declaration is still in place, the situation is slightly better than in January. Sales have rebounded to some 70% of the year-before level. The recovery trend in urban regions is weaker than in other regions. (Tokai: Convenience store) As consumers seek entertainment at home or nearby locations, there is demand mainly for food. At local food sales and Valentine's Day fairs, luxury goods are selling faster than others, indicating consumers' remarkable demand for more expensive goods as rewards for themselves. (Hokuriku: Department store) As business hour restrictions have been lifted, customers are increasing, though slightly. Due to the recent voluntary restrictions on outings, however, people have toughened their self-restraint regarding outings. (Kyushu: General restaurant)
E	<ul style="list-style-type: none"> As the state of emergency declaration is not yet lifted, with the Go to Travel campaign still suspended, we see few customers or sales. (Southern Kanto: Travel agent)
<i>Corporate activity</i>	
C	<ul style="list-style-type: none"> We retain robust orders related to automotive and construction machinery areas. (Northern Kanto: Machinery & equipment)
E	<ul style="list-style-type: none"> Since the second state of emergency declaration was issued, stores have increasingly been closed. Tenants have been requesting cuts in rents, leading us to feel that the economy is deteriorating. (Kinki: Real estate business)
<i>Employment</i>	
B	<ul style="list-style-type: none"> Thanks to a decline in the number of new Novel Coronavirus infections and media reports on vaccination, job offers have been increasing, though only slightly. Responses to job offers have been favorable. Job offers from nursing care, construction, and other labor-short sectors have been robust. (Hokkaido: Job information magazine publisher)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> We hope that human traffic will gradually increase as Novel Coronavirus vaccination begins. (Hokkaido: Taxi driver) The number of new Novel Coronavirus infections is following a downtrend. If the number goes down as it becomes warm towards spring, consumption on eating-out, tourism, and renewed lifestyles will become active. (Tokai: Supermarket) As the state of emergency declaration is lifted, visitors will increase. We feel that as consumers release their stay-home stress, their appetite for spending may increase further. (Kinki: Home electric appliance retail store)
C	<ul style="list-style-type: none"> Even if Novel Coronavirus infections calm down, elderly people may continue to refrain from going out. (Tokai: Clothing retailer)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Multiple requests for estimating costs for suspended hotel construction projects came apparently in anticipation of an end to the Novel Coronavirus disaster, leading us to hope that business sentiment in the construction industry will pick up slightly. (Hokkaido:

(Provisional translation)

	General contractor)
D	· While the state of emergency declaration is likely to be lifted at the end of February, no decline in Novel Coronavirus infections has come into sight. For the immediate future, we are likely to remain plagued with difficulties amid uncertainties. (Kinki: Other manufacturer [Footwear])
<i>Employment</i>	
B	· As both job offers and seekers are increasing, we expect to become busy next month towards the end of the current fiscal year. (Southern Kanto: Temporary staffing company)