

Economy Watchers Survey

March 2021

OVERVIEW OF THE MONTH

The DI for current economic conditions in March (seasonally adjusted) went up by 7.7 points from the previous month to 49.0.

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

The DI for future economic conditions in March (seasonally adjusted) went down by 1.5 points from the previous month to 49.8.

The household activity-, and corporate activity-related DIs fell though the employment-related DI rose.

On a not seasonally adjusted basis, the DI for current economic conditions rose by 8.8 points from the previous month to 49.5 and the DI for future economic conditions fell by 4.4 points from the previous month to 48.6.

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.

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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"> Since the state of emergency declaration was lifted, visitors and sales volume have been gradually increasing. In particular, the sales volume of rice balls, breads, beverages and other everyday goods has been rising. (Tokai: Convenient store) As the state of emergency declaration has been lifted, we see shopping of goods related to spring school graduation and entrance, inhouse transfers, moving, etc. (Kyushu: Department store)
C	<ul style="list-style-type: none"> As spring vacation has come in the wake of the lifting of the state of emergency declaration, customers have been gradually coming back. (Hokuriku: Tourist inn)
E	<ul style="list-style-type: none"> We are seriously affected by the Novel Coronavirus infection. As we have been requested to reduce business hours from March 25, the daily number of visitors has remained close to zero. (Tohoku: Standard-class restaurant)
<i>Corporate activity</i>	
A	<ul style="list-style-type: none"> Inquiries about data centers and IoT have clearly increased. Apparently due to the change of the business year, sales volume has been increasing. (Chugoku: Telecommunications company)
D	<ul style="list-style-type: none"> Orders have slipped below year-before levels for all products. A decline in orders from restaurants has been great. (Tokai: Food manufacturer)
<i>Employment</i>	
C	<ul style="list-style-type: none"> Job offers for graduates in 2022 are seen as usual. Companies are activating recruitment. Some students have already received job offers. (Kyushu: School [university])

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> Demand related to motivations such as school entrance and graduation is recovering from the year-before bottom. Casual wear demand as well is rising back slowly. (Tohoku: Clothing retailer) As customers' demand for shopping is growing due to their voluntary restrictions on outings under the impact of the Novel Coronavirus infection, we expect that people would gradually increase outings and shopping following the lifting of the state of emergency declaration. (Tokai: Department store)
C	<ul style="list-style-type: none"> An uptrend of new Novel Coronavirus infections has not been stemmed, and how vaccination would be promoted is uncertain. In particular, an increase in new infections in Osaka has been remarkable, with a new state of emergency declaration expected. We feel uneasy about the future. (Kinki: Standard-class restaurant)
E	<ul style="list-style-type: none"> While the state of emergency declaration was lifted in the Tokyo metropolitan region, our prefecture issued its own state of emergency declaration due to a dramatic increase in new infections, urging restaurants to reduce business hours. We are uncertain about the future. (Tohoku: Taxi driver)
<i>Corporate activity</i>	
A	<ul style="list-style-type: none"> As customers have asked us to increase production further, we plan to expand capital

	investment and employment. (Kyushu: Electrical machinery, equipment & supplies)
D	· As the fourth wave of Novel Coronavirus infections is growing likelier, events, tourism, eating and drinking, wedding ceremonies, etc. remain in difficult situations. (Northern Kanto: Ad agency)
<i>Employment</i>	
B	· While job offers are weak, we see a slow uptrend in job offer ads. (Hokkaido: Job information magazine publisher)