

Economy Watchers Survey February 2023

OVERVIEW OF THE MONTH

The DI for current economic conditions in February (seasonally adjusted) went up by 3.5 points from the previous month to 52.0.

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

The DI for future economic conditions in February (seasonally adjusted) went up by 1.5 points from the previous month to 50.8.

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

On a not seasonally adjusted basis, the DI for current economic conditions rose by 4.5 points from the previous month to 51.0 and the DI for future economic conditions rose by 2.9 points from the previous month to 52.0.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy is rebounding moderately. As for the future, the moderate rebound is expected to continue, while there is concern about the impact of price hikes.

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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"> Events and concerts are becoming frequent, while the numbers of passengers on international and domestic flights are getting back to normal. Foreign tourists are also increasing. We feel that the economy is getting better gradually. (Tokai: Taxi driver) Clothing for spring events, such as school entrance and graduation ceremonies, and gifts and return gifts are selling well. While consumers are holding down consumption for themselves, demand for gifts for important persons is getting back to the levels seen before the Novel Coronavirus pandemic, centering on Valentine's Day, school entrance and graduation, and bridal gifts. (Hokuriku: Department store)
C	<ul style="list-style-type: none"> Egg prices, which had been stable for a long time, have begun to rise remarkably, although consumers are not necessarily refraining from buying eggs. While vegetable and fruit prices are low thanks to normal weather conditions, price hikes for various goods are gradually affecting purchases. (Tokai: Supermarket)
D	<ul style="list-style-type: none"> Electricity cost hikes are exerting downside pressure on corporate and family consumption. On business streets, people are cutting down lunch spending. Purchases have declined some 10%. (Kinki: Convenience store)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Since professional baseball teams began to hold camps in February, tourists from other prefectures have seemed to increase considerably. The number of foreign tourists has also become remarkable. Thanks to such tourists, foodstuff sales for business and souvenir purposes have continued to increase. (Okinawa: Food manufacturer)
C	<ul style="list-style-type: none"> Orders for medical supply containers are rising again after plunging due to the Novel Coronavirus pandemic, but our profits are not increasing amid purchasing and electricity cost hikes. (Southern Kanto: Plastic products manufacturer)
<i>Employment</i>	
C	<ul style="list-style-type: none"> Job seeker entries for industry and job categories are greatly uneven. Job seekers have remarkably decreased for small-sized companies and the services industry, making it more difficult for them to secure human resources. (Hokkaido: Job advertisement magazine producer)

2. Future conditions

<i>Household activity</i>	
A	<ul style="list-style-type: none"> Restrictions on people from China and mask regulations are being relaxed, while the Novel Coronavirus disease is set to be downgraded to a Category 5 infectious disease. Restrictions on outings will thus be eased definitely. (Kinki: Department store)
B	<ul style="list-style-type: none"> Group tour reservations for April and beyond are increasing. Group sizes for group tours had been small, but 30-person or larger group tours are rising now. Overseas group tour applications for April and beyond are also emerging, though being less brisk than domestic ones. Travel demand is recovering visibly from a plunge. (Tohoku: Travel agency)
C	<ul style="list-style-type: none"> Food products prices are planned to rise further from April. As reported wage hikes are falling short of covering price increases, customers remain thrifty. Consumers limit

	spending to food, clothing and housing purposes, with luxury goods sales stagnating. In the future, the store may be more crowded with customers on discount days. (Chugoku: Supermarket)
D	<ul style="list-style-type: none">Under the severe impact of price hikes for daily commodities, food products and energy, no aggressive consumption has been seen. Our customers may become considerably cautious. (Southern Kanto: Clothing retailer)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none">Given massive automobile order backlogs after the suspension of some production lines, our business operations will remain brisk in the future. The robot industry will also continue to be busy thanks to investment in new production lines for electric vehicles. (Northern Kanto: General machinery and equipment manufacturer)
D	<ul style="list-style-type: none">As big electricity bill hikes are planned for the immediate future in addition to cost increases for main raw materials, auxiliary materials, fuels, transportation and other areas, the problem is how far we can pass cost hikes on to our products prices. The prospect of profit will remain very bad in the immediate future. (Hokuriku: General machinery and equipment manufacturer)
<i>Employment</i>	
B	<ul style="list-style-type: none">While we are revising staffing fees, more companies than normal are raising wages this year. As companies are increasing wages not only for their own employees but also for temporary staff workers, the hikes will be reflected in staffing fees from April. (Kyushu: Temporary staffing company)