

Economy Watchers Survey September 2023

OVERVIEW OF THE MONTH

The DI for current economic conditions in September (seasonally adjusted) went down by 3.7 points from the previous month to 49.9.

The household activity-related DI went down mainly because the retail-related DI decreased, though the food and beverage-related DI increased. 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 September (seasonally adjusted) went down by 1.9 points from the previous month to 49.5.

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 2.4 points from the previous month to 50.4 and the DI for future economic conditions fell by 0.3 points from the previous month to 49.7.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy has continued moderate recovery, though with a pause seen. As for the future, the recovery at a moderate pace 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"> On successive holidays this month, we saw a considerable increase in the number of tourists, including inbound foreigners. In line with the increase, food service and other sales expanded substantially. Goods sales have returned to the levels we saw before the Novel Coronavirus outbreak. (Shikoku: Shopping street) In addition to education group tours, which are increasing smoothly, needs are emerging for other group tours. While day trippers are still dominant, inbound foreign tourists are increasing gradually. (Northern Kanto: Travel agency)
D	<ul style="list-style-type: none"> As price hikes still continue, customers are buying rice balls, boxed lunches and other staple food products while being concerned about prices. Customers have become more responsive to campaign and discounted goods, indicating that they are sensitive to prices. Sales per customer are falling. (Hokkaido: Convenience store) Guests have failed to increase as much as expected, indicating that the special tourism demand seen after the end of Novel Coronavirus restrictions has calmed down. Guests from outside this prefecture decreased 2% from June apparently due to a pullback in the special tourism demand and in response to gasoline price hikes. (Koshinetsu: Urban hotel)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Restaurants have remained crowded even since after the Obon homecoming season thanks to various events, group tours, and increasing inbound foreign tourists. As consumers have switched to shopping at physical shops, mail order sales are decreasing. We are urgently required to secure and train personnel and revise cost management measures. (Tohoku: Food manufacturer)
D	<ul style="list-style-type: none"> Our business partners' plant operations have remained stagnant longer than expected. Their difficulties have continued due to fuel and raw materials price hikes. (Southern Kanto: Other services [Waste management])
<i>Employment</i>	
C	<ul style="list-style-type: none"> Construction job offers have continued to decrease, apparently affected by building materials price hikes. Job offers are levelling off in September after continuing to increase. (Okinawa: Employment security office)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> In the autumn tourist season, reservations by domestic group day-trippers are coming remarkably. (Chugoku: High-end restaurant) In the top tourist season, reservations mainly for lodging are increasing smoothly. As various events are revived, our hotel is filled with reservations for a rising number of future days. Year-end party reservations are returning to the normal trend seen before the Novel Coronavirus outbreak. Unless another expansion of Novel Coronavirus infection triggers voluntary restrictions, our business conditions will go in a good direction. (Southern Kanto: Urban hotel)
C	<ul style="list-style-type: none"> Due to successive price hikes, consumers are growing more conservative. (Kinki:

	Department store)
D	· We fear sluggish sales of seasonal goods in a warm winter. (Hokuriku: Electrical appliance retailer)
<i>Corporate activity</i>	
B	· As auto industry trade fairs have been resumed, business sentiment will pick up. (Tokai: Transportation machinery and tool manufacturer)
D	· Calendar and other printing orders for the year-end season are being cancelled or scaled down due to materials price hikes. (Southern Kanto: Publishing, printing & allied industries)
<i>Employment</i>	
C	· While job offers for autumn events and year-end sales campaigns are increasing, the decline in the young population makes it difficult for us to provide workers. So, we recommend the utilization of senior human resources. (Kyushu: Temporary staffing company)