

Economy Watchers Survey

October 2016

OVERVIEW OF THE MONTH

The DI for current economic conditions in October (seasonally adjusted) rose by 3.0 points from the previous month to 49.3.

The household activity-related DI rose mainly because retail- and services-related DIs increased. The corporate activity-related DI increased mainly because the DI for the manufacturing sector rose. The employment-related DI also increased.

The DI for future economic conditions in October (seasonally adjusted) rose by 1.5 points from the previous month to 51.4.

All the household activity-, corporate activity- and employment-related DIs increased.

On a not seasonally adjusted basis, the DI for current economic conditions rose by 1.4 points from the previous month to 46.2 and the DI for future economic conditions by 0.5 points to 49.0.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy is picking up. As for the future, while concerns mainly over increases in fuel prices and other costs exist in some quarters, continued growth in orders and job offers are expected.

Released on November 9, 2016 (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: <http://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>	
A	<ul style="list-style-type: none"> While October is usually a busy month, this year October sees a great number of group tour travelers, including inbound foreign tourists. Internet reservations are brisk. We see the best conditions in years. (Northern Kanto: Urban hotel)
B	<ul style="list-style-type: none"> Blessed with good weather, we see a large number of customers visiting here benefiting mainly household goods shops and restaurants. Some brightness is seen in sales of goods in general. (Tohoku: Shopping street)
C	<ul style="list-style-type: none"> As weather is rather stable, sales are increasing somewhat. We would appreciate the current trend continuing permanently. (Southern Kanto: Shopping street)
D	<ul style="list-style-type: none"> The number of visitors is failing to grow so much. The number of contracts is very stagnant. As a result, the number of sales deals is decreasing. (Southern Kanto: Housing-related specialty shop)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> We have smoothly secured public works and private sector construction orders. Inquiries about construction are continuing to come, indicating customers' ambition for capital investment. (Hokkaido: General contractor) As orders are stable, business is very easy to do. We are going in a good direction. (Kyushu: Electrical machinery and equipment manufacturer)
C	<ul style="list-style-type: none"> As mainly manufacturing and distribution industry customers are highly interested in information security goods, our opportunities to make proposals are increasing. (Chugoku: Telecommunications company)
<i>Employment</i>	
B	<ul style="list-style-type: none"> All industries are increasing new job offers. In particular, temporary and other job offers from manufacturing and entertainment sectors are growing. (Kyushu: Employment security office)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> Reservations for the several coming months and trends at restaurants in our vicinity indicate that reservations have been obtained earlier than usual. As large reservations have been made, we expect business to become slightly better. (Tohoku: High-end restaurant) Entering the year-end selling season, we expect to see growing inquiries from customers. We think that a new service launched this month may accelerate the growth. (Hokuriku: Telecommunications company)
C	<ul style="list-style-type: none"> While we have no factors leading customers to loosen their purse strings, a forecast increase in winter bonuses at large enterprises prompts us to place hopes on bonus sales campaigns. (Kinki: Electric appliance retailer) As the overseas vacation schedule for the year-end and New Year holiday season is difficult, reservations are likely to center on cheap tours from January 3. (Shikoku: Travel agency)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Semiconductor, medical equipment and other orders are likely to increase in the future as well. In line with the trend, labor shortages are emerging. Orders for other manufactures are generally increasing. (Tohoku: Metal industry cooperative association) Expected orders are increasing. (Tokai: General machinery and equipment manufacturer)
D	<ul style="list-style-type: none"> While cargo traffic is sluggish, we are concerned about an upward trend of diesel oil prices. If diesel oil

	prices rise further, our profitability will deteriorate. (Hokuriku: Transporter)
<i>Employment</i>	
B	· Job placement websites for the next fiscal year have been opened already, leading us to feel a vigorous atmosphere. (Okinawa: School [Vocational school])