

Economy Watchers Survey

April 2019

OVERVIEW OF THE MONTH

The DI for current economic conditions in April (seasonally adjusted) went up by 0.5 points from the previous month to 45.3.

The household activity-related DI went up, though the housing DI decreased, because the services DI increased. The corporate activity-related DI went up as the DI for the manufacturing sector increased. The employment-related DI decreased.

The DI for future economic conditions in April (seasonally adjusted) went down by 0.2 points from the previous month to 48.4.

The household activity-related DI increased while the corporate activity-, and employment-related DIs decreased.

On a not seasonally adjusted basis, the DI for current economic conditions rose by 0.3 points from the previous month to 47.0 and the DI for future economic conditions rose by 0.6 points from the previous month to 48.5.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy has shown some weakness in its recovery. As for the future, there are concerns observed about situations overseas.

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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>	
A	<ul style="list-style-type: none"> Tourists disperse over a longer Golden Week holiday period this year, and last-minute demand is increasing. (Kinki: Travel agent)
B	<ul style="list-style-type: none"> Business is showing a modest pickup with some stimulus to consumers, such as sales campaigns for celebrating a new era name of Reiwa and ten consecutive holidays of the Golden Week. (Hokkaido: Supermarket)
C	<ul style="list-style-type: none"> In contrast to a robustness of tourism-related consumption before a longer Golden Week holiday period, consumers seem to hold down other spending. (Tokai: Department store) Spending per customer is high, but we see fewer customers during the Golden Week as many people go on an outing or make a tour. (Shikoku: Electrical appliance retailer)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> We have received more orders before the Golden Week than in ordinary years as customers are building up a stock for the ten consecutive holidays. Sales have increased by 20% on a year-on-year basis. (Tohoku: Food and kindred products) Amid expectations concerning the change of the era name, expenditure for events and one-off investment for sales campaigns are increasing. Growth is observed, especially in increased contracts our clients offer, in comparison to the level three months ago. (Kinki: Ad agency)
<i>Employment</i>	
D	<ul style="list-style-type: none"> Some electric machinery manufacturers and components suppliers say they will reduce new recruits. Impacted by sluggish sales of cell phones and the trade dispute between the United States and China, they are scaling down their recruitment plans. (Southern Kanto: Private employment agency)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> We expect continued strength in sales of expensive goods, such as imported luxury watches and paintings, especially among wealthy customers, until the scheduled consumption tax increase. (Hokuriku: Department store) With the change to a new era name of Reiwa, people feel like to find something new. Many customers come to buy a little expensive goods as a reward for themselves. (Kyushu: Electrical appliance retailer)
D	<ul style="list-style-type: none"> The slowdown of the Chinese economy will cast a shadow on bookings of guests from the manufacturing sector. (Tokai: City hotel) After spending much to enjoy the ten consecutive holidays in May, consumers will get thrifty, spending less in the rest of the month. (Hokuriku: Supermarket)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Office demand seems to remain strong for the time being. As a landlord of properties located in the center of Tokyo, we feel confident of our business into the future. (Southern Kanto: Real estate)
E	<ul style="list-style-type: none"> We produce parts for customers. They have abruptly stopped placing orders or offering us unofficial order schedules. The same experience is reported by many other parts suppliers. (Southern Kanto: Fabricated metal products)
<i>Employment</i>	
C	<ul style="list-style-type: none"> With uncertainty appearing in the economy, some employers would be more cautious of recruitment. (Koshinetsu: Job information magazine)