

# Economy Watchers Survey

March 2019

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## OVERVIEW OF THE MONTH

The DI for current economic conditions in March (seasonally adjusted) went down by 2.7 points from the previous month to 44.8.

The household activity-related DI went down mainly because the services DI decreased. The corporate activity-related DI went down as the DI for the manufacturing sector decreased. The employment-related DI decreased.

The DI for future economic conditions in March (seasonally adjusted) went down by 0.3 points from the previous month to 48.6.

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 remained unchanged from the previous month at 46.7 and the DI for future economic conditions fell by 2.0 points from the previous month to 47.9.

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, while there are concerns observed about situations overseas, expectations are emerging regarding a change in era name in accord with imperial succession and the following ten consecutive holidays.

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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>B</b>	<ul style="list-style-type: none"> <li>The number of customers, having returned to the same level as last year, is showing a recovery trend. In addition, spending per customer stays again roughly 5% above the last-year level. The improvement seems to come mainly from steady growth of demand from those who start a new life this spring, and a one-off increase of demand during a rebate campaign by a cash-less payment service company. (Southern Kanto: Electrical appliance retailer)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>Some of the customers who at first booked an expensive tour for the Golden Week seem to be shifting to a little lower-priced plan. (Shikoku: Travel agent)</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>We started raising prices of food products in March. Higher-priced products sell quite poorly, and consumers are turning remarkably thrifty. (Tohoku: Supermarket)</li> <li>In March, with rainy weather and extreme changes in temperature between days, sales were poor both in winter and spring clothes. Fewer people came shopping in the first place. (Kinki: Clothing shop)</li> </ul>
<i>Corporate activity</i>	
<b>C</b>	<ul style="list-style-type: none"> <li>We receive many offers, but most of them turn out to be unprofitable as steel frame prices and subcontract costs are rising. (Southern Kanto: Construction)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>We worry that slowdown of the world economy would make some impact on our business, for example, in the form of decreased capital investment. (Tohoku: Transportation equipment)</li> </ul>
<i>Employment</i>	
<b>C</b>	<ul style="list-style-type: none"> <li>Small and medium businesses still have grave difficulty in recruitment. They receive few contacts even after job-placement ads they put in newspapers again and again. Having failed to hire new graduates, many employers are turning to recruiting people in mid-career. (Hokuriku: Help wanted ads at newspaper publisher)</li> </ul>

**2. Future conditions**

<i>Household activity</i>	
<b>A</b>	<ul style="list-style-type: none"> <li>Over the ten consecutive holidays during the Golden Week, we again expect growth of guests with increases of people visiting tourist spots around here and more visits of inbound tourists, as well as events and other programs organized to attract tourists. (Koshinetsu: Amusement park)</li> </ul>
<b>B</b>	<ul style="list-style-type: none"> <li>New models of cars have been put on the market just at the beginning of the new business year, and new customers are expected to come. Some of them may last-minute buyers before the consumption tax increase. But little decline in sales would follow as another several new models are scheduled to go on the market. (Tokai: Automobile)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>We have some expectation for nice sales during the 10 consecutive holidays of the Golden Week. But given consumption fatigue that may follow, no significant difference would be observed in the end. (Tohoku: Standard class restaurant)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>In addition to uncertainty in international affairs and the global economy, unpredictability is also growing in Japan. Material and personnel costs in real terms will continue rising. (Kyushu: Architect's office)</li> </ul>
<i>Corporate activity</i>	
<b>D</b>	<ul style="list-style-type: none"> <li>Some of our clients have decided to cut their advertising expenditure for the new business year. (Kinki: Ad agency)</li> <li>Amid the slowdown of the Chinese economy, some of our customers, especially those with a higher weight of exports in their business, are going to reduce and adjust production. We expect declines in sales and profits. (Chugoku: Chemical industry)</li> </ul>
<i>Employment</i>	

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<b>D</b>	· Now we often hear about slowdown of the Chinese economy and its impact on the manufacturing sector. A subsidiary of a major manufacturer has adopted the four-day workweek system as a means of production and inventory adjustment. (Koshinetsu: Private employment agency)
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