

Economy Watchers Survey

November 2019

OVERVIEW OF THE MONTH

The DI for current economic conditions in November (seasonally adjusted) went up by 2.7 points from the previous month to 39.4.

The household activity-related DI went up as the food and beverage DI increased. The corporate activity-related DI went down as the DI for the manufacturing sector decreased, though that for the non-manufacturing sector increased. The employment-related DI decreased.

The DI for future economic conditions in November (seasonally adjusted) went up by 2.0 points from the previous month to 45.7.

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

On a not seasonally adjusted basis, the DI for current economic conditions rose by 2.9 points from the previous month to 39.2 and the DI for future economic conditions rose by 1.9 points from the previous month to 45.5.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy has shown weak movement in its recovery. A reactionary decline in demand after a last-minute increase before the consumption tax increase are observed in some sectors. As for the future, while there are concerns observed about situations overseas, expectations for recovery are emerging.

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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"> Continuing from last month, a growing number of customers choose to pay on a cashless system. As they can find many low-price goods among stationery, many of them use “¥500 service points,” privileges offered by cashless payment service system operators, for the first time at our shop. (Southern Kanto: High street shop [stationery]) A fall in sales is becoming moderate compared with three months before as impact of the consumption tax increase is fading out. (Chugoku: Standard class restaurant)
C	<ul style="list-style-type: none"> Even though two months after the consumption tax increase, its impact is still observed in jewelry, cosmetics, women’s clothing and men’s wear. As a higher temperature continues, winter clothes and goods are also selling poorly. (Chugoku: Department store)
D	<ul style="list-style-type: none"> With service point programs available, a growing number of customers choose to pay on a cashless system rather than by cash. A significant decline in spending per customer after the consumption tax increase has pushed sales down below the last year’s level, causing a tough situation. (Kyushu: Convenience store)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> We are working at full capacity as reconstruction work after disasters has got started, on top of ordinary work. (Northern Kanto: Construction)
D	<ul style="list-style-type: none"> Affected by trade disputes between the United States and China, new orders have decreased in some sectors. Increasing transport and personnel costs are also weighing on business. (Hokuriku: Plastic products)
<i>Employment</i>	
D	<ul style="list-style-type: none"> Despite a moderate level of jobs they offer, many businesses, especially manufacturers, see the state of the economy rather pessimistically. (Kinki: Job placement office)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> Now, immediately after the consumption tax increase, sales have fallen to the bottom. With a presentation of new models to be held early in the new year, we expect to see business picking up. (Hokkaido: Automobile shop) We expect a recovery from a decrease in demand after the consumption tax increase as a reaction to a last-minute increase. Consumers should be willing to buy again as the Christmas season and the New Year are approaching. (Tokai: Department store) Now in the year-end party season, amusement areas are busy at night, especially at weekends. At daytime, shopping buildings and complexes are also more crowded. (Kyushu: Taxi driver).
D	<ul style="list-style-type: none"> Shoppers seem more cautious, and in the first half of December, they are likely to be thriftier. They are also likely to be more sensitive to prices and more hesitant to buy anything other than what they really need. (Tohoku: Supermarket)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Into the end of the second decade of the 21st century, the first New Year with the new emperor, and the year of the Tokyo Olympic Games, stores and streets will get alive in the battle for sales during the year change period, with increased freight. (Shikoku: Transport)
D	<ul style="list-style-type: none"> With poor overseas demand, we have no prospect of sales increase. (Koshinetsu: Machinery & equipment)
<i>Employment</i>	
C	<ul style="list-style-type: none"> With continuing labor shortage, the number of jobs offered seems to stay robust. (Southern Kanto: Temporary manpower company)