

# Economy Watchers Survey

## September 2019

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### OVERVIEW OF THE MONTH

The DI for current economic conditions in September (seasonally adjusted) went up by 3.9 points from the previous month to 46.7.

The household activity-related DI went up, though the housing-related DI decreased, because the retail-related 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 September (seasonally adjusted) went down by 2.8 points from the previous month to 36.9.

The household activity-, corporate activity-, and employment-related DIs all fell.

On a not seasonally adjusted basis, the DI for current economic conditions rose by 3.1 points from the previous month to 45.7 and the DI for future economic conditions fell by 2.4 points from the previous month to 36.7.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy has shown weak movement in its recovery. A last-minute rise in demand before the consumption tax increase is observed in some sectors. As for the future, there are concerns observed about the consumption tax increase and 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>	
<b>A</b>	<ul style="list-style-type: none"> <li>With a last-minute rise in demand before the consumption tax increase, sales this month have exhibited a large increase, up 50% on a year-on-year basis. Especially large increases have been recorded in major appliances including television, refrigerator, and washing machine. (Chugoku: Electrical appliance retailer)</li> </ul>
<b>B</b>	<ul style="list-style-type: none"> <li>Daily necessities and alcoholic beverages are selling well as consumers are stocking up on them before the consumption tax increase. (Hokkaido: Supermarket)</li> <li>Customers are more aware of the consumption tax increase when considering what to buy. They come to buy earlier cosmetics and women's winter clothes for later use. Luxury goods, such as jewelry and watches, are also selling well. (Hokuriku: Department store)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>In the ready-built house market, few last-minute contracts before the consumption tax increase are seen even in September. More customers opt for benefits given to home buyers after the tax increase. (Southern Kanto: Housing sale company)</li> </ul>
<i>Corporate activity</i>	
<b>B</b>	<ul style="list-style-type: none"> <li>Before the modification of the consumption tax rate, orders for printing are increasing. (Kinki: Publishing, printing industries)</li> <li>Business is getting brisk both in public- and private-sector construction work. (Shikoku: Construction)</li> </ul>
<i>Employment</i>	
<b>D</b>	<ul style="list-style-type: none"> <li>Remarkable declines are observed in job offers as manufacturers, leading employers, expect continued uncertainty in orders they will receive. (Koshinetsu: Private employment agency)</li> </ul>

**2. Future conditions**

<i>Household activity</i>	
<b>B</b>	<ul style="list-style-type: none"> <li>Thanks probably to the point program for cashless payment and other rewards, rooms are booked earlier for October and November than for September. (Koshinetsu: Tourist inn)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>With a sign of weakness observed in the number of foreign tourists, that of visitors remained almost unchanged from the previous year. We fear further declines amid deteriorations of the Japan-Korea relationship and situations in Hong Kong. (Hokkaido: Sightseeing spot)</li> <li>Despite a reduced tax rate for some items and a range of relief measures that kick in after the consumption tax increase, consumer sentiment should be weakening. (Northern Kanto: Convenience store)</li> <li>We have no expectation for good sales after the consumption tax increase in October with a reactionary decline in demand after a temporary rise in September. (Southern Kanto: High street shop [Home appliances])</li> </ul>
<i>Corporate activity</i>	
<b>C</b>	<ul style="list-style-type: none"> <li>Despite some data that suggest the peaking out of impacts brought by the US-China trade disputes, few SMEs feel the worst is over as if now engulfed by waves of negative consequences that have come to them later. (Kyushu: Electrical machinery, equipment &amp; supplies)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>Little last-minute increase in demand was observed before the consumption tax increase. Consumers are expected to be reluctant to buy for some time after the tax increase. Many manufacturers have decided to adjust production. (Kinki: Transport)</li> </ul>
<i>Employment</i>	
<b>D</b>	<ul style="list-style-type: none"> <li>As the countdown to the consumption tax increase has started, employers are more reluctant to hire. There is not positive element that may give a boost to the economy. (Northern Kanto: Job placement office)</li> </ul>