

Economy Watchers Survey

February 2020

OVERVIEW OF THE MONTH

The DI for current economic conditions in February (seasonally adjusted) went down by 14.5 points from the previous month to 27.4.

The household activity-related DI went down mainly because the food and beverage-related DI decreased. The corporate activity-related DI went down mainly because the DI for the non-manufacturing sector decreased. The employment-related DI decreased.

The DI for future economic conditions in February (seasonally adjusted) went down by 17.2 points from the previous month to 24.6.

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

On a not seasonally adjusted basis, the DI for current economic conditions fell by 13.2 points from the previous month to 27.4 and the DI for future economic conditions fell by 16.3 points from the previous month to 26.6.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: Impacted by the spread of Novel Coronavirus infection, the economy is rapidly falling into difficulties. As for the future, more difficult conditions are expected.

Released on March 9, 2020 (in Japanese) by the Director-General for Economic Assessment and Policy Analysis, Cabinet Office
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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>	
C	<ul style="list-style-type: none"> Despite a general decline of consumer confidence, we see slightly more customers at the store as they come to buy disinfectant and other infection control goods amid the spread of the Novel Coronavirus infection. That helps total sales of the month stay at the same level as before. (Tohoku: High street shop [Pharmaceuticals])
E	<ul style="list-style-type: none"> In addition to decreased foreign tourists amid the spread of the Novel Coronavirus infection, tourist facilities and hotels see increasing cancellations by Japanese sightseers. They suffer significant damage as hit directly by the turmoil in February, high tourist season in winter. (Hokkaido: Travel agent) The impact of the Novel Coronavirus is evident in declines of customers coming on weekends and holidays. Monthly average sales also have declined by more than 8%. Sales in volume also declined, especially in perishables and other food, by around 10%. (Northern Kanto: Department store) The impact of the Novel Coronavirus has been evident since mid-February. With the request by the government for self-restraint of going out, we are experiencing a larger decline of customers than ever before. (Southern Kanto: Standard class restaurant)
<i>Corporate activity</i>	
D	<ul style="list-style-type: none"> Many events have been called off amid the spread of the Novel Coronavirus infection, and organizers have canceled orders for prints they intended to distribute there. (Kinki: Publishing, printing industries)
E	<ul style="list-style-type: none"> The Novel Coronavirus is giving significant impact. Especially, remarkable declines are observed in orders from consignors who import goods from China to have them distributed in Japan. (Kyushu: Transport)
<i>Employment</i>	
C	<ul style="list-style-type: none"> Job fairs have been canceled to prevent the spread of Novel Coronavirus infection. (Hokuriku: School [university])

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> We expect larger sales as more people eat and drink at home amid the spread of the Novel Coronavirus infection. (Tokai: Supermarket)
D	<ul style="list-style-type: none"> Despite some factors that may allow us to expect a sales increase, such as new-model-release events, we foresee conditions would get worse, given potentially prolonged impact of the Novel Coronavirus. (Koshinetsu: Automobile shop) Nobody knows when the Novel Coronavirus infection will be put under control. We expect declines in the number of customers as more people will refrain from going out. (Kinki: Convenience store)
E	<ul style="list-style-type: none"> The spread of the Novel Coronavirus infection is giving significant impact on the entire hotel industry. A prolonged epidemic would inevitably produce significant impact on events scheduled for coming months. We might have to cancel or postpone them. A pile of cancellations in a high season would give us so serious damage that could not be made up for later. Things would be getting more difficult. (Southern Kanto: City hotel)
<i>Corporate activity</i>	
D	<ul style="list-style-type: none"> With damage given by the spread of the Novel Coronavirus infection to tourism, a key industry, a sense of crisis is growing among businesses in the prefecture, and some of them refrain from sales promotion activities for the time being. (Okinawa: Ad agency)
E	<ul style="list-style-type: none"> Shipment of products and ingredients from China would come to a halt amid the spread of the Novel Coronavirus infection. We fear that we might not be able to produce products ourselves or purchase

	products to supply. (Shikoku: Food and kindred products)
<i>Employment</i>	
D	<ul style="list-style-type: none">• Nobody knows when the Novel Coronavirus infection will be put under control. A range of industries, such as manufacturing, tourism, and restaurant business, have fallen into difficulties, a situation that should produce negative impact on job offers. (Chugoku: Job information magazine editor)