

**Economy Watchers Survey**  
**March 2020**

**OVERVIEW OF THE MONTH**

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The DI for current economic conditions in March (seasonally adjusted) went down by 13.2 points from the previous month to 14.2.

The household activity-related DI went down mainly because the services 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 March (seasonally adjusted) went down by 5.8 points from the previous month to 18.8.

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 11.5 points from the previous month to 15.9 and the DI for future economic conditions fell by 7.9 points from the previous month to 18.7.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: Impacted by the spreading Novel Coronavirus infection, the economy is in very serious difficulties. As for the future, conditions are expected to grow even more difficult.

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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>C</b>	<ul style="list-style-type: none"> <li>Sales are growing substantially due to school closures and consumers' switching from eating-out to eating at home. Given that the number of visitors has not changed dramatically in the past several months, the current sales growth cannot be attributed to any economic pickup. (Hokkaido: Supermarket)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>Under the prolonged impacts of the Novel Coronavirus infection, the numbers of foreign tourists and domestic visitors have both been decreasing. As late-hour visitors in particular have decreased, growth in confectionery and prepared food sales has failed to cover a sales decline through a fall in the number of visitors. (Kinki: Convenience store)</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>As corporate entertainment, inter-industry, corporate farewell and other party reservations have been cancelled one after another due to the Novel Coronavirus infection, the number of visitors for the Japanese-style restaurant division has plunged to some 30% of the year-earlier level. (Hokuriku: High-end restaurant)</li> <li>Due to the Novel Coronavirus infection, overseas travel sales have crashed devastatingly. Domestic travel sales have failed to grow due to voluntary restraints on traveling. (Kyushu: Travel agency)</li> </ul>
<i>Corporate activity</i>	
<b>D</b>	<ul style="list-style-type: none"> <li>While construction orders have weakened, we cannot plan the completion of construction projects in the absence of materials coming from China under the Novel Coronavirus infection. Depending on details of construction projects, we refrain from receiving orders. (Koshinetsu: General contractor)</li> <li>The Novel Coronavirus infection has forced plants to be closed and supply to be suspended in many cases. (Tokai: Transportation machinery and tool manufacturer)</li> </ul>
<i>Employment</i>	
<b>E</b>	<ul style="list-style-type: none"> <li>As sales have dramatically declined particularly in hotel, food service and tourism industries, we see a rapidly rising number of requests for consultations about subsidies and business closures (Koshinetsu: Employment security office)</li> </ul>

**2. Future conditions**

<i>Household activity</i>	
<b>D</b>	<ul style="list-style-type: none"> <li>Due to the Novel Coronavirus infection and the postponement of the Tokyo Olympics, we expect sluggish sales of video devices, including TVs. (Hokuriku: Home electric appliance retail store)</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>With no sign of the Novel Coronavirus infection being put under control, party reservations have been cancelled almost completely. We are in a severe situation where we could go bankrupt if the current conditions remain unchanged for two to three months. (Northern Kanto: City hotel)</li> <li>The impact of the Novel Coronavirus infection has been growing day by day. Failing to expect any dramatic recovery within several months, we would seriously consider adjusting daily business hours and weekly business days. (Kinki: Department store)</li> <li>As the Tokyo Olympics have been postponed, with events cancelled for the holiday-studded Golden Week in early May, we can hardly have any long-term vision. Depending on the future Novel Coronavirus infection, we could be forced to consider closing our theme park. Further business deterioration is inevitable. (Chugoku: Theme park)</li> </ul>
<i>Corporate activity</i>	
<b>D</b>	<ul style="list-style-type: none"> <li>Exports to and imports from Asia have been suspended due to the Novel Coronavirus infection. We expect to see trade with China beginning to be resumed next month. But we are uncertain about any recovery in trade with other regions. (Tohoku: Transporter)</li> </ul>

<b>E</b>	<ul style="list-style-type: none"><li>As the postponement of the Tokyo Olympics has led relevant construction projects to be put off, we cannot expect any recovery in steel consumption for the immediate future. (Chugoku: Iron and steel industry)</li></ul>
<b><i>Employment</i></b>	
<b>C</b>	<ul style="list-style-type: none"><li>Due to the spreading Novel Coronavirus infection, we can hardly have any long-term vision of corporate earnings. If earnings deterioration is signaled, we would be prepared to see employment contracts being terminated for part-time and other non-regular workers, and temporary staff demand falling. (Hokkaido: Temporary staffing company)</li></ul>