

**Economy Watchers Survey**  
**May 2020**

**OVERVIEW OF THE MONTH**

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The DI for current economic conditions in May (seasonally adjusted) went up by 7.6 points from the previous month to 15.5.

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

The DI for future economic conditions in May (seasonally adjusted) went up by 19.9 points from the previous month to 36.5.

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

On a not seasonally adjusted basis, the DI for current economic conditions rose by 5.9 points from the previous month to 15.4 and the DI for future economic conditions rose by 19.6 points from the previous month to 37.3.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy is in very serious difficulties under the impact of the Novel Coronavirus infection, but deterioration is coming to a halt. As for the future, conditions are expected to remain difficult, but expectations for improvements are seen.

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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**

<b><i>Household activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>As requests for voluntary restrictions regarding the Novel Coronavirus infection have been lifted gradually and businesses have been reopened smoothly, customers are increasing. Although sales are limited to less than half the normal level, we feel that consumer sentiment is certainly rising. (Kinki: Department store)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>As a trend of eating at home is still in progress, sales concentrating in food and daily necessities are abundant. (Southern Kanto: Supermarket)</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>Sales in May declined 85% year on year as the movement of people came to a halt under the state of emergency declaration in the holiday-studded Golden Week, which usually is our busiest period. (Koshinetsu: Urban hotel)</li> <li>We were closed from late April to the first half of May to cope with the Novel Coronavirus infection. We have reopened business as usual, but customers have been limited. (Tokai: Standard class restaurant)</li> </ul>
<b><i>Corporate activity</i></b>	
<b>D</b>	<ul style="list-style-type: none"> <li>The impact of the spread of the Novel Coronavirus infection has been enormous. As the number of new infections has decreased, cargo traffic has picked up a little. However, we remain in serious difficulties. (Kyushu: Transport)</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>This month's sales have been halved from the same month last year. Production lines for automobiles are completely closed. (Northern Kanto: Machinery &amp; equipment)</li> </ul>
<b><i>Employment</i></b>	
<b>D</b>	<ul style="list-style-type: none"> <li>As recruitment activities stagnate under voluntary restrictions accompanying the spread of the Novel Coronavirus infection, job offer information is far less than usual. (Okinawa: School [vocational school])</li> </ul>

**2. Future conditions**

<b><i>Household activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>We have decided to reopen business from June 1 while shortening daily business hours. We are at the bottom now with business closed and hope to gradually restore business as usual. (Hokkaido: Tourist spot)</li> <li>A decline in sales of home electric appliances as daily necessities has been limited. Air conditioner sales are expected to grow in anticipation of heat waves this summer. The government's special cash handouts will contribute to improving business conditions. (Chugoku: Home electric appliance retail store)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>While the state of emergency declaration has been lifted, the number of visitors has failed to smoothly return to the normal level, leading us to remain cautious. As the movement of people between prefectures is limited, our business pickup is difficult to achieve. (Tohoku: Convenience store)</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>Although the state of emergency declaration has been lifted, car-rental reservations have remained far slower than normal. Tourism demand will take more time to return to the normal level. (Okinawa: Other services [Car-rental]).</li> </ul>
<b><i>Corporate activity</i></b>	

<b>B</b>	<ul style="list-style-type: none"><li>Requests are growing for mobile terminals and networking for telework and web teaching classes. (Tohoku: Telecommunications company)</li></ul>
<b>D</b>	<ul style="list-style-type: none"><li>Due to the impact of the Novel Coronavirus infection, we have received production reduction notices from our customers. We are concerned that our business conditions will remain sluggish. (Kyushu: Precision machinery and tool manufacturer)</li></ul>
<b><i>Employment</i></b>	
<b>C</b>	<ul style="list-style-type: none"><li>As some automobile manufacturers or plants move to resume exports and make plans for the production of popular and new models through around September in order to restore their production arrangements to those before the spread of the Novel Coronavirus infection, we hope to see some improvements in business conditions. As other manufactures or plants are not doing so, however, the overall situation may remain unchanged. (Tokai: Outsourcing business)</li></ul>