

Economy Watchers Survey September 2020

OVERVIEW OF THE MONTH

The DI for current economic conditions in September (seasonally adjusted) went up by 5.4 points from the previous month to 49.3.

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 manufacturing sector increased. The employment-related DI increased.

The DI for future economic conditions in September (seasonally adjusted) went up by 5.9 points from the previous month to 48.3.

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 5.4 points from the previous month to 48.7 and the DI for future economic conditions rose by 6.1 points from the previous month to 47.1.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy is rebounding, although difficulties remain under the impact of the Novel Coronavirus infection. As for the future, rebounding is expected to continue, even though concerns are seen about the infection trend.

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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"> Vehicle sales, though falling short of increasing year on year, have risen back to some extent. An increasing number of families are visiting our shop. Their conversations indicate that they are no longer worried too much about the Novel Coronavirus infection. (Tohoku: Auto dealer) Our hotel occupancy rate has risen close to 50%, though falling short of reaching the August level. In particular, the rate remained close to 100% during a four-day weekend in September, leading us to become busy after a long hiatus. Our sales have increased substantially from three months earlier thanks to the Go to Travel campaign. (Southern Kanto: Urban hotel) The number of customers has increased slightly from June. During September's four-day weekend, many customers came from outside this prefecture. (Chugoku: Standard class restaurant)
D	<ul style="list-style-type: none"> People have come back to the streets, leading to a lively atmosphere. But elderly people still refrain from going out. Consumption is not necessarily strong. (Shikoku: Shopping street)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Our shipments plunged in May and June due to the Novel Coronavirus infection before narrowing their year-on-year decline to a small one in September. In particular, vehicle component shipments are rebounding. (Kinki: Chemical industry)
D	<ul style="list-style-type: none"> Sales at our customers have risen back, though failing to reach the levels seen before the Novel Coronavirus outbreak. Spending on Novel Coronavirus infection countermeasures has been increasing, which is squeezing earnings and cash flow. (Chugoku: Financial industry)
<i>Employment</i>	
C	<ul style="list-style-type: none"> The number of job offers has sharply decreased year on year in all industries due to the Novel Coronavirus infection. Particularly, hotel, food service and living-related service sectors have substantially reduced job offers. While most manufacturers see their future course as uncertain, some feel a recovery. (Hokuriku: Employment security office)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> As people become familiar with new lifestyles, human traffic is likely to gradually grow busy, including year-end homecoming visits. The economy will thus become slightly better. (Hokkaido: Supermarket) As Novel Coronavirus infections have calmed down, a rising number of people are going out thanks to the Go to Travel campaign. As people become familiar with new lifestyles, we can expect some level of consumption. (Southern Kanto: Department store) Novel Coronavirus infection countermeasures have diffused widely. We place great hopes on the effects of Tokyo's participation in the Go to Travel campaign. (Kyushu: Tourist hotel)
D	<ul style="list-style-type: none"> Price hikes for cigarettes and the so-called third beer are very unfavorable for us under the lingering impact of the Novel Coronavirus infection. We are very worried about the sales trend from October. (Tokai: Convenience store)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> We see a sign of gradual recovery in export and import cargo traffic. In domestic cargo traffic, transactions postponed due to the Novel Coronavirus infection have begun to be implemented. (Tohoku: Transporter)
C	<ul style="list-style-type: none"> As the impact of the Novel Coronavirus infection is still lingering, our business conditions depend heavily on overseas situations. Although some auto-related products are selling well, our overall sales are almost levelling off. (Tokai: Electrical machinery, equipment & supplies)
<i>Employment</i>	
B	<ul style="list-style-type: none"> We think that labor shortages would be felt as human traffic becomes busier. However, business conditions have still been worse than a year earlier. (Tokai: Newspaper publisher [Help wanted ads])