

## **Economy Watchers Survey**

### **August 2021**

#### **OVERVIEW OF THE MONTH**

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The DI for current economic conditions in August (seasonally adjusted) went down by 13.7 points from the previous month to 34.7.

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 August (seasonally adjusted) went down by 4.7 points from the previous month to 43.7.

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

On a not seasonally adjusted basis, the DI for current economic conditions fell by 13.4 points from the previous month to 34.3 and the DI for future economic conditions fell by 5.4 points from the previous month to 41.7.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy's rebound is weakening under the impact of the Novel Coronavirus infection. As for the future, the economy is expected to bounce back due to progress in vaccination, etc., although concerns are growing about the infection trend at home and abroad.

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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 the Novel Coronavirus infection is spreading again, we are benefiting from a rebound in stay-at-home consumption. (Shikoku: Supermarket)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>Our overall business environment is worsening further as the number of visitors and sales of clothing, food and other goods are continuing to decline due to an increase in the number of new Novel Coronavirus infections and the extension of a state of emergency declaration in this prefecture. (Southern Kanto: Department store)</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>We have no option but to remain almost closed as this prefecture has been added to those subject to the national government's state of emergency declaration in the wake of the prefectural government's state of emergency declaration and the national government's implementation of priority measures such as for prevention of the spread of disease. Although we are selling takeout meals, sales have decreased substantially at our restaurant, which has originally focused on liquor and food services. (Northern Kanto: Standard-class restaurant [bistro])</li> <li>We saw many visitors thanks to good weather and a three-day weekend in early August, but the number of visitors declined substantially due to a long rainy period in our busiest time of mid-August and the implementation of priority measures such as for prevention of the spread of disease and a state of emergency declaration in late August. (Tokai: Leisure complex)</li> </ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>While sales of goods for hotel and other commercial services are sluggish, those of goods for the Obon festival and food products are continuing to recover. (Okinawa: Food manufacturer)</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>Under the impact of the Novel Coronavirus infection, rental office and store contracts have continued to be cancelled. Contract cancellation is widespread, covering from rental offices and stores to large ones. (Kinki: Real estate business)</li> </ul>
<b><i>Employment</i></b>	
<b>D</b>	<ul style="list-style-type: none"> <li>As new Novel Coronavirus infections are increasing again, a sense of rebound has become uncertain, leading to a slowdown in job offers from retailers, restaurants, etc. that had begun to rebound. (Koshinetsu: Employment security office)</li> </ul>

**2. Future conditions**

<b><i>Household activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>As the impact of the Novel Coronavirus pandemic is expected to peak in August or September due to the spread of vaccination, human traffic on streets is predicted to rebound. Toward the end of the year, consumers' demand for more expensive goods as rewards for themselves may emerge after their long patience. Even if they continue to voluntarily restrict outing, consumer confidence may increase, leading to more gorgeous Christmas parties at home, etc. (Kinki: Department store)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>While the impact of semiconductor shortages is weakening, component procurement from Southeast Asia has problems under the Novel Coronavirus pandemic. As automobile</li> </ul>

	<p>production is greatly affected, ordered vehicles cannot be delivered. (Tokai: Automobile dealer)</p> <ul style="list-style-type: none"><li>While vaccination is making progress, the current pace of the Novel Coronavirus infection is predicted to continue until the end of the year due to the spread of variant strains of the virus. (Kyushu: Taxi driver)</li></ul>
<b>E</b>	<ul style="list-style-type: none"><li>We see no reservations coming for October and November. School trip reservations for October have begun to be cancelled. Dinner and party reservations for our restaurant sector have remained zero. (Okinawa: Tourist hotel)</li></ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"><li>Under the second state of emergency declaration, companies that had been negative about telework have begun to pave the way for telework. (Tohoku: Telecommunications company)</li></ul>
<b>D</b>	<ul style="list-style-type: none"><li>The impact of international supply chain disruptions under the Novel Coronavirus pandemic is spreading further, indicating that it would not be easy to restore earlier-planned production paces. We are concerned that the impact would spread to non-automobile sectors. (Northern Kanto: Machinery and equipment)</li></ul>
<b><i>Employment</i></b>	
<b>C</b>	<ul style="list-style-type: none"><li>As overseas component supply has been stalled under the impact of the Novel Coronavirus infection, semiconductor and other component shortages have forced domestic plants to suspend operation in the automobile-related sector, where production had earlier been brisk. We are concerned about the future trend. (Tokai: Outsourcing business)</li></ul>