

Economy Watchers Survey December 2021

OVERVIEW OF THE MONTH

The DI for current economic conditions in December (seasonally adjusted) went up by 0.1 points from the previous month to 56.4.

The household activity-related DI went up mainly because the retail-related DI increased, though the food and beverage-related DI decreased. The corporate activity-related DI went down mainly because the DI for the manufacturing sector decreased. The employment-related DI increased.

The DI for future economic conditions in December (seasonally adjusted) went down by 4.0 points from the previous month to 49.4.

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

On a not seasonally adjusted basis, the DI for current economic conditions rose by 0.1 points from the previous month to 58.6 and the DI for future economic conditions fell by 5.1 points from the previous month to 49.5.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy is rebounding, although the impact of the Novel Coronavirus infection is still lingering. As for the future, concerns are seen about cost hikes and the Novel Coronavirus infection trend at home and abroad, including variant infections, while the economy is likely to continue rebounding.

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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>	
A	<ul style="list-style-type: none"> Human movement has recovered to some extent since the state of emergency declaration was lifted. “My first purchase in two years” has become a remarkable key phrase for not only cold weather protection goods but also formal clothing. Stay-at-home goods are selling well, including New Year dishes and Christmas cakes. (Southern Kanto: Department store)
B	<ul style="list-style-type: none"> As Novel Coronavirus infections have calmed down, air passengers have been increasing. Air ticket reservations for Christmas and year-end holidays are brisk, indicating that demand is recovering for homecoming and other customary trips and for winter tourism, including snowboarding. (Hokkaido: Travel agent) While many people have got used to staying at home under the Novel Coronavirus pandemic, a rising number of people, including youths, hope to attend small Christmas and year-end parties. (Tokai: Bar)
E	<ul style="list-style-type: none"> Gasoline and kerosene prices remain high in line with crude oil price hikes. Food prices are also rising due to raw material cost hikes, leading consumers to become more thrifty. (Tohoku: Supermarket)
<i>Corporate activity</i>	
A	<ul style="list-style-type: none"> As Novel Coronavirus infections have calmed down, customers are preparing to place procurement orders. Their inquiries about procurement to use up their annual budgets have increased in the past two to three months. Demand is clearly increasing for data center use and for information and communication technology goods for digitalization. (Chugoku: Telecommunications company)
D	<ul style="list-style-type: none"> As prices of major raw materials have risen substantially, we are requesting our customers very reluctantly to accept relevant price hikes. Our business conditions have worsened a little. (Northern Kanto: Chemical industry)
<i>Employment</i>	
B	<ul style="list-style-type: none"> Job offers are recovering as demand is rising back in food service, tourism and accommodation sectors due to a rising number of customers amid a dramatic decline in Novel Coronavirus infections. As consumers have got used to life with the Coronavirus and become more active, we feel that the economy is now picking up. (Kinki: Newspaper publishing company [Job placement ads])

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> We are concerned about future Novel Coronavirus variant infections. If third vaccinations start with new infections calming down, however, the economy will pick up in reaction to stagnation to date. (Koshinetsu: Supermarket)
C	<ul style="list-style-type: none"> As crude oil prices stay high, gasoline prices may remain high. As consumers are likely to remain thrifty, no recovery in sales volume can be expected. (Tohoku: Other specialty shop [Gas station]) Novel Coronavirus variant infections are increasing day by day. Although there are fewer critical patients, future conditions are uncertain, given our past experiences. We cannot be

	optimistic. (Kinki: Department store)
D	<ul style="list-style-type: none">Year-end and new year accommodation reservations are stagnant. We are concerned that the resurgence of Novel Coronavirus variant infections and fuel and food price hikes would suppress eating out, traveling and other leisure consumption. (Hokuriku: Urban hotel)
<i>Corporate activity</i>	
A	<ul style="list-style-type: none">As production is recovering at a local automaker, we will grow busier in the future. (Chugoku: Transportation equipment manufacturer)
D	<ul style="list-style-type: none">While market sentiment is rising, we are concerned due to many uncertain factors, including the impact of Novel Coronavirus infections, parts procurement delays through global electronic component shortages, and raw materials price hikes. (Shikoku: Ordinary machinery and instrument manufacturer)
<i>Employment</i>	
A	<ul style="list-style-type: none">Job seekers' responses to job offers are slow. Unless working conditions are improved, job seekers will tend to wait and see. Although job offers from companies that have improved telework conditions under the Novel Coronavirus disaster are attracting job seekers, offers similar to those before the disaster have difficulty in matching job seekers. (Kyushu: Temporary staffing company)