

**Economy Watchers Survey**  
**June 2021**

**OVERVIEW OF THE MONTH**

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The DI for current economic conditions in June (seasonally adjusted) went up by 9.5 points from the previous month to 47.6.

The household activity-related DI went up mainly because the food and beverage-related DI increased, though the housing-related DI decreased. 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 June (seasonally adjusted) went up by 4.8 points from the previous month to 52.4.

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

On a not seasonally adjusted basis, the DI for current economic conditions rose by 9.0 points from the previous month to 45.4 and the DI for future economic conditions rose by 5.8 points from the previous month to 52.6.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy is rebounding, although the severe impact of the Novel Coronavirus infection is lingering. As for the future, the economy is expected to continue the rebound due to progress in vaccination, etc., although concerns exist 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*****Household activity***

<b>B</b>	<ul style="list-style-type: none"> <li>While deliveries are postponed somewhat due to semiconductor shortages, sales to consumers are slightly growing. (Tohoku: Auto dealer)</li> <li>As our business hours were lengthened thanks to the lifting of a state of emergency this month, customers are going on outings to enjoy shopping and eating, contributing to our sales growth. (Kinki: Department store).</li> <li>As our prefecture's state of emergency has been lifted, the number of customers has gradually been recovering. Due to the impact of vaccination, events are prospering, with thorough anti-infection measures taken. (Kyushu: General restaurant)</li> </ul>
	<ul style="list-style-type: none"> <li>As the state of emergency has been extended, hotel and party reservations have increasingly been cancelled. The number of our customers has declined along with sales year on year. (Okinawa: Tourist hotel)</li> </ul>

***Corporate activity***

<b>B</b>	<ul style="list-style-type: none"> <li>As a state of emergency has been imposed on our prefecture, demand for Internet sales has considerably increased. Consumers who refrain from outings under the Novel Coronavirus pandemic have found the convenience of e-commerce anew. (Chugoku: Transport)</li> </ul>
	<ul style="list-style-type: none"> <li>We had expected slightly better economic conditions but still see stagnant sales of goods for commercial use under an extended state of emergency. Sales of goods for residential use are falling back to normal levels after growth. (Kinki: Food manufacturer)</li> </ul>

***Employment***

<b>C</b>	<ul style="list-style-type: none"> <li>Job offers to students graduating in 2022 have been made in a business-as-usual manner, with companies' recruitment being active. The number of students reporting unofficial job offers seems to be increasing from the previous month. (Kyushu: School [University])</li> </ul>

**2. Future conditions*****Household activity***

<b>B</b>	<ul style="list-style-type: none"> <li>We hope that the number of customers will increase as the spread of vaccination instills a feeling of security among consumers. We can expect growth in television and other sales through the implementation of the Tokyo Olympics. (Hokkaido: Home electric appliance retail store)</li> </ul>
	<ul style="list-style-type: none"> <li>We hope that the effects of the Tokyo Olympics and vaccination will change the atmosphere. Although our business is still far from a recovery, we expect to see an increase in reservations in the future. (Tokai: Urban hotel)</li> </ul>
	<ul style="list-style-type: none"> <li>If a signal of an end to the Novel Coronavirus pandemic comes into sight due to progress in vaccination, customers' appetite for spending will grow, leading to an economic pickup. (Chugoku: Department store).</li> </ul>

  

<b>D</b>	<ul style="list-style-type: none"> <li>Novel Coronavirus infections would increase through growing human traffic in summer vacations and the Obon festival period depending on vaccination status, triggering voluntary restriction policies again. (Chugoku: Theme park)</li> </ul>

***Corporate activity***

<b>A</b>	<ul style="list-style-type: none"> <li>Major customers have requested us to increase equipment and human resources to cope</li> </ul>
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	<p>with further production expansion. (Kyushu: Electrical machinery, equipment &amp; supplies)</p>
<b>D</b>	<ul style="list-style-type: none"><li>Building materials price hikes amid shortages in imported materials for wooden houses have begun to push up house construction prices. We are worried about the postponement of new house construction deals. (Kinki: General contractor)</li></ul>
	<p><b><i>Employment</i></b></p>
<b>B</b>	<ul style="list-style-type: none"><li>If vaccination is completed for aged people by the end of July as planned, the hospital bed supply-demand balance would ease, with restrictions on restaurants being eliminated. We expect to see restaurant and accommodation sectors being rejuvenated soon to improve economic conditions. (Hokkaido: Job information magazine publisher)</li></ul>