

Economy Watchers Survey

May 2021

OVERVIEW OF THE MONTH

The DI for current economic conditions in May (seasonally adjusted) went down by 1.0 points from the previous month to 38.1.

The household activity-related DI went down mainly because the food and beverage-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 May (seasonally adjusted) went up by 5.9 points from the previous month to 47.6.

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

On a not seasonally adjusted basis, the DI for current economic conditions fell by 3.0 points from the previous month to 36.4 and the DI for future economic conditions rose by 5.3 points from the previous month to 46.8.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: Weakness is seen in the economic rebound as the severe impact of the Novel Coronavirus infection is lingering. As for the future, concerns exist about the infection trend, but hopes are seen toward the rebound through progress in vaccination, etc.

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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"> As white goods sales are brisk under the impact of the Novel Coronavirus pandemic, business confidence has become relatively high. (Kinki: Electrical appliance retailer)
C	<ul style="list-style-type: none"> Consumer confidence does not seem to have declined from three months earlier. Demand is robust for stay-at-home goods, including additional contracts for higher Internet speeds and pay television channels. (Chugoku: Telecommunications company)
E	<ul style="list-style-type: none"> As sales have more than halved due to business hour restrictions and an alcoholic beverage ban, business confidence is considerably bad. (Southern Kanto: General restaurant) We have been requested to close on Saturdays and Sundays under a state of emergency declaration and have limited sales to food and cosmetics. The number of visitors and sales on weekdays have dramatically declined. (Chugoku: Department store)
<i>Corporate activity</i>	
A	<ul style="list-style-type: none"> Under the impact of the Novel Coronavirus pandemic, semiconductor-related production is increasing. (Kyushu: Electrical machinery, equipment & supplies)
D	<ul style="list-style-type: none"> As many of our trading partners report annual sales and profit declines, we feel that business confidence is worsening. (Kinki: Financial industry)
<i>Employment</i>	
C	<ul style="list-style-type: none"> Job offers have increased from earlier levels but are somewhat stagnant. Regular employee recruitment is weak with recruitment criteria rising, indicating employers' cautious attitude. (Koshinetsu: Private employment agency)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> We hope that business confidence will improve as the Novel Coronavirus infection calms down through progress in vaccination. The travel season is upon us, which will also benefit us. (Hokkaido: Tourist hotel) If human movement recovers through the lifting of the state of emergency declaration and the implementation of priority measures such as for prevention of the spread of disease and the expansion of Novel Coronavirus vaccination, consumer sentiment will improve. (Northern Kanto: Department store) We hope that the economy would recover as the fourth Novel Coronavirus infection wave calms down through the spread of vaccines. We expect demand to expand for drinking at home during the Tokyo Olympics. (Kyushu: Convenience store)
E	<ul style="list-style-type: none"> As the state of emergency declaration is expected to be extended next month in Osaka Prefecture, we see no factor enabling us to break through the current difficulties. (Kinki: Taxi driver)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> We place hopes on the effect of Novel Coronavirus vaccines. International cargo traffic seems to be recovering as container shortages are resolved. We hope that the recovery will spill over to domestic distribution. (Southern Kanto: Transport)
D	<ul style="list-style-type: none"> Under the impact of semiconductor shortages, informal orders for automobile-related

	products for June and July are declining. (Kinki: Fabricated metal products)
<i>Employment</i>	
B	<ul style="list-style-type: none">· Vaccination for working people will be the key. Given talks about the attraction of companies into this prefecture and plant expansion deals, we will become hopeful if the employment market returns to a job seekers market. (Tohoku: Employment security office)