

## **Economy Watchers Survey November 2021**

### **OVERVIEW OF THE MONTH**

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The DI for current economic conditions in November (seasonally adjusted) went up by 0.8 points from the previous month to 56.3.

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 decreased.

The DI for future economic conditions in November (seasonally adjusted) went down by 4.1 points from the previous month to 53.4.

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 2.3 points from the previous month to 58.5 and the DI for future economic conditions fell by 3.7 points from the previous month to 54.6.

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, the economy is likely to continue rebounding, while concerns about cost hikes are seen along with uncertainties about the infection trend at home and abroad.

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Released on December 8, 2021 (in Japanese) by the Director-General for Economic Assessment and Policy Analysis,  
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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>A</b>	<ul style="list-style-type: none"> <li>As the number of visitors is picking up, with outing and event opportunities increasing, sales of goods such as clothing and apparel are rising. Visitors to restaurants that were earlier plagued with severe business conditions are increasing. Both goods and services sales are picking up. (Hokuriku: Other retailer [Shopping center])</li> </ul>
<b>B</b>	<ul style="list-style-type: none"> <li>Since early November, after the state of emergency declaration was lifted, visitors have been gradually increasing. However, we are not seeing as many late night visitors as we did before the Novel Coronavirus infection outbreak. The number of nighttime visitors is likely to stay low, taking much time to recover. (Southern Kanto: Standard-class restaurant)</li> <li>As the state of emergency declaration and the implementation of priority measures such as for prevention of the spread of disease have been lifted, new orders are increasing, with business travel orders beginning to grow. (Shikoku: Travel agent)</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>Gasoline, kerosene and food price hikes are leading customers to tighten their purse strings. (Tohoku: Supermarket)</li> </ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>As Novel Coronavirus infections in the Tokyo metropolitan region have calmed down, human traffic is growing active. Visitors from other prefectures have rapidly increased. The number of visitors to our company has been recovering. Since new wine produced in this prefecture was released on November 3, shipments have been increasing year on year. (Koshinetsu: Food manufacturer)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>As building materials prices are still rising, deliveries remain unstable. While the price hikes are attributable not only to the Novel Coronavirus infection, the future outlook is uncertain. We hope to see the stabilization of building materials prices and deliveries. (Kinki: General contractor)</li> </ul>
<b><i>Employment</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>As business operations have become normal at restaurants, part-time job offers have been increasing. Thanks to growing orders from automobile component makers, manufacturers are increasing temporary job offers. (Northern Kanto: Job placement office)</li> </ul>

**2. Future conditions**

<b><i>Household activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>As the end of the year approaches, consumers are increasingly buying leisure and event goods. Demand for consumption related to occasions and ceremonies, such as school graduation and entrance, and changes in lifestyles disappeared for the second straight year, but we expect to see the demand rise in the new year. Our trading partners are moving to secure products. (Kinki: Department store)</li> <li>The rising number of tourists leads us to expect further economic recovery if current conditions continue (Kyushu: Taxi driver)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>Toward the year-end party season, which is our busiest period in a year, we see some personal reservations. However, corporate or group reservations are scarce, with robust sales failing to be secured. (Southern Kanto: High-class restaurant)</li> </ul>

<b>D</b>	<ul style="list-style-type: none"><li>There is a sign of spreading infections with a new Novel Coronavirus variant. In addition, food, gas and electricity price hikes may exert adverse effects on the economy, making future business conditions severer. (Northern Kanto: Clothing shop)</li></ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"><li>Automakers have told us that auto production would increase as component and semiconductor shortages improve to some extent. (Tokai: Transportation equipment)</li></ul>
<b>C</b>	<ul style="list-style-type: none"><li>As high fuel prices exert pressure on distribution business operators, we expect a rising number of such business operators to raise fares and fees. Given concerns about another spread of infections with a new Novel Coronavirus variant from abroad, future economic conditions are uncertain. (Shikoku: Transport)</li></ul>
<b><i>Employment</i></b>	
<b>C</b>	<ul style="list-style-type: none"><li>While manufacturers' job offers are brisk, there are concerns about raw materials price hikes. Although job offers from the accommodation and food service industries are robust, they mismatch job seekers who hope to avoid industries vulnerable to the Novel Coronavirus infection, leading the economy to remain weak. (Chugoku: Employment security office)</li></ul>