

## **Economy Watchers Survey October 2021**

### **OVERVIEW OF THE MONTH**

---

The DI for current economic conditions in October (seasonally adjusted) went up by 13.4 points from the previous month to 55.5.

The household activity-related DI went up mainly because the food and beverage-related DI increased. The corporate activity-related DI went up mainly because the DI for the non-manufacturing sector increased. The employment-related DI increased.

The DI for future economic conditions in October (seasonally adjusted) went up by 0.9 points from the previous month to 57.5.

The household activity-, and employment activity-related DIs rose though the corporate-related DI fell.

On a not seasonally adjusted basis, the DI for current economic conditions rose by 12.9 points from the previous month to 56.2 and the DI for future economic conditions rose by 1.6 points from the previous month to 58.3.

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

---

Released on November 9, 2021 (in Japanese) by the Director-General for Economic Assessment and Policy Analysis,  
Cabinet Office

Nagata-cho 1-6-1, Chiyoda-ku, Tokyo 100-8914

Telephone: 03-6257-1576

Internet: <https://www.cao.go.jp>

**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>Since Kanazawa City lifted the implementation of priority measures such as for prevention of the spread of disease on October 1, citizens have gradually begun to go out more frequently. At the same time, tourists and business travelers have been increasing. (Hokuriku: Standard-class restaurant)</li> </ul>
<b>B</b>	<ul style="list-style-type: none"> <li>As the state of emergency declaration has been lifted, group tours using aircraft have begun to recover. New Hokkaido tour styles and municipal tourism support programs have been resumed to stimulate tourism demand. Preparations for post-corona life are expanding. (Hokkaido: Travel agent)</li> <li>As Novel Coronavirus infections have calmed down, the number of visitors to our store has been increasing gradually. However, the increase is slower than expected. Apparently, consumer behavior has altered, making it difficult for any rapid change to occur. (Tokai: Department store)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>New automobile production has declined substantially due to Novel Coronavirus infections and the semiconductor shortage. Automobile dealers have no cars to sell, plaguing us with extreme sales shortages. Business conditions remain very severe. (Kyushu: Automobile dealer)</li> </ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>As restrictions on events have been eased due to the lifting of the state of emergency declaration, attractive events have been proposed slowly. Inquiries about events are increasing unusually. (Southern Kanto: Publishing, printing &amp; allied industries)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>Due to the semiconductor shortage and delays in component arrivals from abroad under the Novel Coronavirus pandemic, capacity utilization rates have plunged in automobile-related industries. (Kinki: Metal products manufacturer)</li> </ul>
<b><i>Employment</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>Job offers are generally increasing, including those not only from manufacturers but also from retail, food service and accommodation industries. A rising number of business establishments are complaining about labor shortages that might have become an impediment to growth. (Tohoku: 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 prefectural discounts for citizens and other demand-stimulating measures have been launched, with Novel Coronavirus infections calming down, reservations have begun to increase gradually. We expect our business conditions to slightly improve in two to three months. (Hokuriku: Theme park)</li> <li>If new Novel Coronavirus infections decline at the current pace, eating-out and traveling may be reinvigorated. However, there are numerous matters of concern, including raw material price spikes and uncertainties about visitors from abroad. No optimism can be warranted now. (Kinki: Urban hotel)</li> <li>As Novel Coronavirus vaccination rates are rising, we are hopeful that restrictions will be</li> </ul>

	increasingly lifted on restaurants and tourists. (Okinawa: General retailer [Liquor])
<b>D</b>	<ul style="list-style-type: none"><li>Although Novel Coronavirus infections are ending, hikes in gasoline, electricity, gas and food prices, and other factors that could exert financial pressure on households are emerging, leading us to be concerned that consumers would become thrifter toward the coming winter. (Hokkaido: Supermarket)</li></ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"><li>As new Novel Coronavirus infections are likely to decline further, we expect that a growing number of people would go out and go on excursions. Sales are believed likely to recover gradually and post year-on-year growth. (Tokai: Real estate business)</li></ul>
<b>E</b>	<ul style="list-style-type: none"><li>Prices of iron and other raw materials are spiking, squeezing our earnings substantially. Last month, we requested clients to allow us to pass raw material price hikes on to them and some of them accepted the request. As material prices have risen further since then, our business condition remains very severe. (Chugoku: Metal products manufacturer)</li></ul>
<b><i>Employment</i></b>	
<b>B</b>	<ul style="list-style-type: none"><li>If tourism and services industries recover, job offers will definitely be generated, leading things to go in a favorable direction. (Southern Kanto: Temporary staffing company)</li></ul>