

Economy Watchers Survey September 2021

OVERVIEW OF THE MONTH

The DI for current economic conditions in September (seasonally adjusted) went up by 7.4 points from the previous month to 42.1.

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 September (seasonally adjusted) went up by 12.9 points from the previous month to 56.6.

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 43.3 and the DI for future economic conditions rose by 15.0 points from the previous month to 56.7.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy is showing signs of rebounding, although the severe 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 the infection trend at home and abroad.

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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"> Sales, the number of visiting customers, and spending per customer are all increasing year on year. As vaccination has made progress, customers' appetite for spending might have increased gradually. (Hokuriku: Beauty shop)
C	<ul style="list-style-type: none"> While the number of visiting customers remained small due to the continued implementation of priority measures such as for prevention of the spread of disease and the extended state of emergency declaration, our daytime business operations during the three-day weekend in September were a little more vigorous. The whole of the month featured voluntary restrictions. (Tokai: High-class restaurant) Sales, including those of luxury goods that had been brisk, were very poor from the middle of last month to early this month under the impact of the spreading Novel Coronavirus infections. Since after mid-September, however, sales have been recovering gradually. (Kinki: Department store)
D	<ul style="list-style-type: none"> Under the strong impact of business regulations and outing restrictions accompanying the state of emergency declaration, it is difficult to obtain new room reservations. We have no choice but to cut room charges, facing tough times. (Kinki: Urban hotel)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Deliveries to hotels have been resumed. Those to airports have restarted for the first time in four months. Liquor orders from food service providers have gradually increased. Deliveries to customers are becoming active toward the lifting of the state of emergency declaration. (Okinawa: Transport)
D	<ul style="list-style-type: none"> Automakers have been forced to cut production by more than 20% due to shortages in semiconductor supply and component imports from abroad under the Novel Coronavirus pandemic. In line with this trend, we have reduced production by 20-30%, mainly for automakers. (Kinki: Metal products manufacturer)
<i>Employment</i>	
C	<ul style="list-style-type: none"> Job offers have remained steady. Those from manufacturers, traffic security service providers and temporary staff agencies for manufacturers have increased a little. (Kinki: Employment security office)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> As the state of emergency declaration is lifted at the end of September to pave the way for liquor to be served until 8 p.m. next month, our sales will surely increase. (Southern Kanto: Standard-class restaurant) We expect to see growth in shopping regarding domestic short trips, and ceremonial and other events as vaccination spreads mainly among aged people. We hope that apparel sales will recover from the past sluggishness. (Hokuriku: Department store)
C	<ul style="list-style-type: none"> While automobile orders have remained robust, deliveries to customers are uncertain under the impact of vehicle production cuts, making it difficult for us to estimate how much brisk orders would lead to sales toward the end of the current business year in March. (Hokuriku:

	<p>Automobile dealer)</p> <ul style="list-style-type: none">While prefectural government requests to cut business hours were lifted on September 26, human traffic is still limited. As the vaccination rate is rising, we hope that the daily number of new Novel Coronavirus infections will decline from October, allowing the economy to recover. (Shikoku: Taxi driver)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none">We estimate that the food service and tourism industries would gradually recover as the state of emergency declaration and the implementation of priority measures such as for prevention of the spread of disease are lifted. (Shikoku: Food manufacturer)
D	<ul style="list-style-type: none">Building materials prices are continuing to spike and are expected to retain an uptrend. Due to this, customers' ambition to place orders is affected. (Southern Kanto: General contractor)
<i>Employment</i>	
B	<ul style="list-style-type: none">Progress will be made in vaccination and the state of emergency declaration will be lifted in October. The services and other industries are likely to recover. (Tohoku: Temporary staffing company)