

Economy Watchers Survey

April 2022

OVERVIEW OF THE MONTH

The DI for current economic conditions in April (seasonally adjusted) went up by 2.6 points from the previous month to 50.4.

The household activity-related DI went up mainly because the services-related DI increased. 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 April (seasonally adjusted) went up by 0.2 points from the previous month to 50.3.

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

On a not seasonally adjusted basis, the DI for current economic conditions rose by 1.8 points from the previous month to 50.7 and the DI for future economic conditions fell by 0.4 points from the previous month to 48.0.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy is rebounding despite the lingering impact of the Novel Coronavirus infection. As for the future, concerns are seen about cost hikes, including the impact of the Ukraine situation, while hopes are placed on a rebound, with worries about the Novel Coronavirus infection trend easing.

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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"> While the daily number of new Novel Coronavirus infections has ceased to decline, local government-sponsored discounts are being used increasingly toward the holiday-studded golden week. The number of tourists during the golden week has recovered to more than 70% of its normal level. Although prices are increasing amid the unstable global situation, Japan's accommodation market might have bottomed out. (Tohoku: Travel agency) Since the implementation of priority measures such as for prevention of the spread of disease was ended in March, human traffic has been recovering. As commuting workers and students have increased, a large majority of stores are posting year-on-year increases in sales and visitors. (Tokai: Convenience store)
D	<ul style="list-style-type: none"> As new car deliveries have been delayed considerably due to semiconductor shortages, a rising number of people are giving up on purchasing new cars. (Tohoku: Automobile dealer) Crude oil and other raw material price hikes, the yen's depreciation and the impact of the Ukraine crisis are certainly leading to food price increases. As unit prices have risen, customers have reduced consumption quantity and are shifting to lower-priced goods. Consumers increasingly anticipate continued price hikes, beginning to tighten their purse strings. (Kinki: Supermarket)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> As a rising number of people have received third Novel Coronavirus vaccination shots, human traffic has increased. As restaurants have increasingly resumed business operations while implementing Novel Coronavirus infection prevention measures, economic sentiment has improved somewhat. (Kinki: Food manufacturer)
C	<ul style="list-style-type: none"> Raw material shipment arrivals from overseas have continuously been delayed, with shipping costs rising. Our order receipts are decreasing as cost hikes have been passed on to sales prices. (Kyushu: Transport)
<i>Employment</i>	
A	<ul style="list-style-type: none"> As major and other enterprises have begun to recruit new graduates for next spring, we are receiving many job offers. Some enterprises have approached us for the first time, leading us to feel brisk recruitment demand. (Okinawa: School [vocational school])

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> Tourist traffic is growing somewhat, but it is still at a far lower level than before the Novel Coronavirus outbreak. As for the future, the holiday-studded golden week will become the year's first turning point. On the premise of a decline in the number of new Novel Coronavirus infections, we hope to see a recovery in the entire tourism industry and an increase in the number of tourists. (Hokkaido: Tourist spot) Customers' recent buying behavior indicates their gradual restoration of bullish consumption. If Novel Coronavirus infections calm down, demand is likely to increase for fashion, sundry items and travel goods for the summer vacation season. (Kinki: Department

	store)
D	<ul style="list-style-type: none"> While the impact of price hikes from April on sales is limited, supply shortages affect sales. In addition to prolonged semiconductor shortages, lockdowns in Shanghai and the Ukraine crisis are contributing to electrical appliance supply shortages. Bad factors have been working in combination. (Kyushu: Electrical appliance retailer)
E	<ul style="list-style-type: none"> While timber prices are forecast to rise further due to the Ukraine crisis, other building material prices continue to increase. We have no choice but to pass these material price hikes on to housing prices, failing to see housing prices peaking. As a result, we see a luxury housing sales decline as inevitable. (Hokuriku: Housing dealer)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> As the number of new Novel Coronavirus infections follows a downtrend, we expect to see an increase in the number of event plans towards summer. (Tokai: Advertising agency)
D	<ul style="list-style-type: none"> Russia's invasion into Ukraine and the yen's depreciation have led to growing requests for price hikes for petroleum products, raw materials and transportation services, indicating inflation that would affect our earnings. (Chugoku: Wood and wood products company)
<i>Employment</i>	
B	<ul style="list-style-type: none"> As the implementation of priority measures such as for prevention of the spread of disease has been ended, normal life has been restored. The number of job offers has exceeded the level seen two years ago, leading us to feel an economic recovery. (Kinki: Temporary staffing company)