

## **Economy Watchers Survey**

### **January 2022**

#### **OVERVIEW OF THE MONTH**

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The DI for current economic conditions in January (seasonally adjusted) went down by 19.6 points from the previous month to 37.9.

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

The DI for future economic conditions in January (seasonally adjusted) went down by 7.8 points from the previous month to 42.5.

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

On a not seasonally adjusted basis, the DI for current economic conditions fell by 22.7 points from the previous month to 35.9 and the DI for future economic conditions fell by 5.9 points from the previous month to 43.6.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy's rebound is weak due to the impact of the Novel Coronavirus infection. As for the future, concerns are seen about cost hikes and the Novel Coronavirus infection trend at home and abroad, while hopes are placed on a rebound.

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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>B</b>	<ul style="list-style-type: none"> <li>Due to the spread of the Omicron variant of the Novel Coronavirus, elementary and other schools have been shut down one after another. Frozen food, instant noodles, sweet buns and other lunch food have rapidly begun to sell well. (Hokkaido: Supermarket)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>Until mid-January, the number of visitors to our store exceeded the year-before level under low temperatures, with clothing and other winter goods selling well. In the second half of the month, however, aged visitors in particular decreased clearly due to the rapid spread of the Omicron variant of the Novel Coronavirus. Restaurant reservation cancellations and other specific actions indicating declining consumption have emerged. (Kinki: Department store)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>Due to the big impact of spreading infections with the Omicron variant of the Novel Coronavirus, the number of travelers has turned down in the wake of a recovery. Events have gradually been cancelled. (Northern Kanto: Travel agency)</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>In early January, customers visited our restaurant on weekend nights at a usual pace, despite a considerable increase in the number of new Novel Coronavirus infections in Tokyo. Since the implementation of priority measures such as for prevention of the spread of disease, however, weekend reservations have been cancelled one after another. In the absence of reservations, restaurants have plunged into difficulties again. (Southern Kanto: Standard-class restaurant)</li> </ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>Orders are picking up. Due to a wood shock and container shortages, however, construction has been delayed, leading our sales to slip below earlier estimates. (Shikoku: Wood and wood products company)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>Our sales have been decreasing due to the postponement of regular business operations under the Novel Coronavirus infection spread and a decline in management operations through employees' Novel Coronavirus infections. Fuel and materials price hikes have continued to push up costs, leading profit declines to expand. (Northern Kanto: Real estate business)</li> </ul>
<b><i>Employment</i></b>	
<b>D</b>	<ul style="list-style-type: none"> <li>Although job offers had been increasing smoothly, the implementation of priority measures such as for prevention of the spread of disease has forced job offers to decrease from three months earlier. (Tokai: Temporary staffing company)</li> </ul>

**2. Future conditions**

<b><i>Household activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>We hope that our sales would become brisk at the peak of spring goods sales as Novel Coronavirus infections calm down by the start of the new fiscal year thanks to third vaccination shots and oral drugs. (Tohoku: Department store)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>Food prices are planned to rise in spring. Given wage stagnation and price hikes, the economy has little chance to get better. (Kinki: Supermarket)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>Although we expect that the economy would begin to recover if new Novel Coronavirus</li> </ul>

	<p>infections peak out, the timing for this is uncertain. (Hokkaido: Tourist hotel)</p> <ul style="list-style-type: none"><li>Until the implementation of priority measures such as for prevention of the spread of disease is lifted, human traffic will remain sluggish. If a state of emergency is declared again in response to a further increase in infections with the Omicron variant of the Novel Coronavirus, no economic recovery may be expected for the immediate future. (Kyushu: Convenience store).</li></ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"><li>As overseas conditions indicate that infections with the Omicron variant of the Novel Coronavirus would calm down faster than earlier expected, we are hopeful about future economic reopening. (Hokkaido: Other services [construction machinery leasing])</li></ul>
<b>D</b>	<ul style="list-style-type: none"><li>As a decline in materials is coupled with driver shortages and substantial delays in truck deliveries amid semiconductor shortages to limit our capacity, we expect to see difficulties in securing sufficient sales. (Tokai: Transport)</li></ul>
<b><i>Employment</i></b>	
<b>C</b>	<ul style="list-style-type: none"><li>While job offers are increasing, no improvement is seen in working conditions. Therefore, it has remained difficult to match job offers with job seekers. (Kinki: Private employment agency)</li></ul>