

**Economy Watchers Survey**  
**November 2022**

**OVERVIEW OF THE MONTH**

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The DI for current economic conditions in November (seasonally adjusted) went down by 1.8 points from the previous month to 48.1.

The household activity-related DI went down mainly because the food and beverage-related DI decreased, though the housing-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 November (seasonally adjusted) went down by 1.3 points from the previous month to 45.1.

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

On a not seasonally adjusted basis, the DI for current economic conditions fell by 1.4 points from the previous month to 49.7 and the DI for future economic conditions fell by 1.8 points from the previous month to 46.4.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy is showing signs of rebounding. As for the future, there is concern about the impact of price hikes, while hopes are placed on the 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**

<i>Household activity</i>	
<b>B</b>	<ul style="list-style-type: none"> <li>While some consumers are refraining from purchasing goods due to price hikes for many goods, sales are rising slightly thanks to an increase in spending per customer. (Tokai: Convenience store)</li> <li>Foreign guests have increased substantially, accounting for about 80% of breakfast customers on some days. Many foreign guests are from South Korea, Taiwan, and Southeast Asia outside of China, and from Europe. Even on weekdays, our hotel is fully occupied, forcing us to suspend room sales. On an increasing number of days, we are forced to coordinate breakfast schedules. Our problem is how to secure housekeeping and food service staff. (Kinki: Urban hotel)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>As new Novel Coronavirus infections in our prefecture have increased rapidly, the number of visitors has decreased. Rising inflation has led customers to become conservative and limit spending to the minimum necessary. (Tohoku: Department store)</li> <li>Waves of raw materials price hikes have caused our purchase prices to go higher and higher. Prices of some goods increase every time when we purchase them. Such price hikes, though inevitable, affect our profits. (Northern Kanto: General restaurant)</li> </ul>
<i>Corporate activity</i>	
<b>B</b>	<ul style="list-style-type: none"> <li>Local automakers' domestic production is still limited to 80% of their capacity, but vehicle price hikes are contributing to their recovery. So orders at their affiliate parts manufacturers have followed an uptrend, leading their plants to come closer to regular operation. (Chugoku: Financial business)</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>The yen's depreciation had been contributing to increasing exports, but it has lost such effect as foreigners have gradually begun to refrain from purchasing Japanese products. Furthermore, domestic price hikes have intensified, indicating growing adverse effects of the yen's depreciation. (Kinki: Electrical machinery, equipment &amp; supplies)</li> </ul>
<i>Employment</i>	
<b>B</b>	<ul style="list-style-type: none"> <li>A considerable number of visitors came to tourist spots here in the picnic season, but most of them are day trippers. Job offers from retail and other sales firms for autumn and winter goods sales are vigorous. Job offers from manufacturers have uniformly indicated little change. Remarkable in the construction industry are extension, reconstruction, and new construction following demolition. (Northern Kanto: Temporary staffing company)</li> </ul>

**2. Future conditions**

<i>Household activity</i>	
<b>A</b>	<ul style="list-style-type: none"> <li>An economic recovery can be expected to come thanks to the increasing number of foreign tourists and nationwide travel support campaigns. In fact, local coupons are used more frequently than expected, contributing to our earnings. (Kyushu: Supermarket)</li> </ul>
<b>B</b>	<ul style="list-style-type: none"> <li>As nationwide travel support campaigns are almost certain to be extended into January and the eighth wave of Novel Coronavirus infections has peaked and is expected to calm down in one month, we expect to see travel demand growth in the year-end and new year season and in January. Travel demand will increase further if the campaigns are extended into</li> </ul>

	February and March. (Tokai: Travel agency)
<b>D</b>	<ul style="list-style-type: none"> <li>As various price hikes are planned in January and February, business conditions are likely to remain severe. (Hokuriku: General retailer [Books])</li> <li>While customers have seemingly become used to the Novel Coronavirus outbreak, the impact of price hikes has been emerging. Some of our regular repeat customers have visited our restaurant less frequently than earlier, indicating slightly worse business conditions for us. (Chugoku: General restaurant)</li> </ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>As demand for industrial machines and motorcycles has remained robust both domestically and internationally, orders are likely to stay brisk. As the impact of major raw materials price hikes and semiconductor shortages spreads, however, the key is whether we can produce goods to meet brisk orders. (Hokuriku: General machinery and equipment manufacturer)</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>We expect that companies will tighten their purse strings as further energy price hikes and labor cost spikes push up manufacturing costs and squeeze their profit. (Southern Kanto: Precision machinery and tool manufacturer)</li> </ul>
<b><i>Employment</i></b>	
<b>C</b>	<ul style="list-style-type: none"> <li>Price hikes and the yen's depreciation have prevented recruitment from being invigorated much. The current situation is likely to continue for the immediate future. (Shikoku: Private employment agency)</li> </ul>