

## **Economy Watchers Survey September 2022**

### **OVERVIEW OF THE MONTH**

---

The DI for current economic conditions in September (seasonally adjusted) went up by 2.9 points from the previous month to 48.4.

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

The DI for future economic conditions in September (seasonally adjusted) went down by 0.2 points from the previous month to 49.2.

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

On a not seasonally adjusted basis, the DI for current economic conditions rose by 4.8 points from the previous month to 49.6 and the DI for future economic conditions rose by 1.7 points from the previous month to 49.3.

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, hopes are placed on the rebound, while there is concern about the impact of price hikes.

---

Released on October 11, 2022 (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>The number of customers per group has been increasing along with group reservations, which are still limited. If the number of customers per group rises from one or two to four or five, it will make a difference in terms of festivity and mood at our bistro. (Northern Kanto: Standard-class restaurant [bistro])</li> </ul>
<b>B</b>	<ul style="list-style-type: none"> <li>As limited-period sales of luxury brand goods for wealthy people, local food fairs and other events or goods of interest to customers are attracting shoppers, sales are increasing greatly. In the apparel sector, brands that sell better than in 2019 before the Novel Coronavirus outbreak are emerging due to rising demand related to travel and ceremonies, though in a limited manner. (Hokuriku: Department store)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>Verbal discount offers are increasing. An increasing number of customers are requesting prices to be lowered through the fine-tuned adjustment of estimates. (Kinki: Electrical appliance retailer)</li> <li>While large typhoons have affected sales, continuing price hikes have become a factor behind a decline in consumer confidence. Due to price hikes, purchase volume and customers have decreased substantially. Customers are tightening their purse strings. (Kyushu: Supermarket)</li> </ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>Our business sentiment has improved as our overall work volume has increased thanks to the resumption of projects that had been postponed under the Novel Coronavirus pandemic, a recovery in imports and growing construction orders towards the fiscal year end. (Tokai: General contractor)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>While metal prices remain high, spikes in energy costs and raw material prices are squeezing earnings. (Chugoku: Nonferrous metal producer)</li> </ul>
<b><i>Employment</i></b>	
<b>C</b>	<ul style="list-style-type: none"> <li>Job offers are substantially increasing year on year mainly in food service and accommodation sectors. On the other hand, wage hikes have made little progress, leading to a mismatch between job offers and seekers. The increase in job offers has failed to lead to an economic recovery. (Southern Kanto: Employment security office)</li> </ul>

**2. Future conditions**

<b><i>Household activity</i></b>	
<b>A</b>	<ul style="list-style-type: none"> <li>We place hopes on the commencement of a nationwide tourism support campaign and the deregulation of foreign travelers to Japan next month. Autumn school trips are robust. Given many positive factors, our business confidence will improve. (Southern Kanto: Travel agency)</li> </ul>
<b>B</b>	<ul style="list-style-type: none"> <li>As various events are scheduled to take place towards the turn of the year on the same scales as before the Novel Coronavirus pandemic for the first time in three years, consumer sentiment will grow more and more. Given that hopes on the calendar market have increased year on year, the economy can be expected to grow. (Hokkaido: Department store)</li> </ul>

<b>D</b>	<ul style="list-style-type: none"><li>An even wider range of products will be subjected to price increases towards the end of the year. As the impact of the yen's depreciation arises in the future, prices of food products, including imported fresh food, will continue to increase. Our business conditions will remain severe as customers' growing pursuit of lower prices is coupled with the impact of a supermarket oversupply. (Kinki: Supermarket)</li></ul>
<b>E</b>	<ul style="list-style-type: none"><li>As prices of many liquor products are scheduled to increase in October, customers are buying a lot during September. In the immediate future, sales may thus post a reactionary decline. (Shikoku: General retailer [Liquor])</li></ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"><li>As events have been resumed gradually, we place hopes on rising demand for advertisements and printing. (Tohoku: Publishing, printing industries)</li></ul>
<b>C</b>	<ul style="list-style-type: none"><li>Manufacturers complain that even as orders increase, production fails to meet delivery requirements due to price hikes and raw materials shortages. As the business environment grows uncertain due to raw materials price hikes and the termination of interest-free, unsecured loans, business operators are focusing on price negotiations, the expansion of sales channels and other measures that they can take now. (Southern Kanto: Financial business)</li></ul>
<b><i>Employment</i></b>	
<b>D</b>	<ul style="list-style-type: none"><li>As the adverse impacts of hikes in raw materials and other prices are spreading gradually among business operators, we are insecure about future recruitment plans. (Kinki: Private employment agency)</li></ul>