

Economy Watchers Survey

April 2023

OVERVIEW OF THE MONTH

The DI for current economic conditions in April (seasonally adjusted) went up by 1.3 points from the previous month to 54.6.

The household activity-related DI went up mainly because the retail-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 April (seasonally adjusted) went up by 1.6 points from the previous month to 55.7.

The household activity-, corporate activity-, and employment-related DIs all rose.

On a not seasonally adjusted basis, the DI for current economic conditions rose by 0.5 points from the previous month to 55.7 and the DI for future economic conditions rose by 1.1 points from the previous month to 55.2.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy is rebounding. As for the future, the rebound is expected to continue, while there is concern about the impact of price hikes.

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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"> Even while prices continue to rise, inbound foreign tourists are increasing. Domestic tourists are also increasing and spending more on accommodation. The accommodation industry feels an increase in consumption. (Kinki: Urban hotel) Sales are better than three months ago. As it gets warmer, people are going out and dressing up. So we are busy now. Customer sentiment is growing brighter, indicating an economic pickup. (Kyushu: Beauty shop)
C	<ul style="list-style-type: none"> As visitors increase, drinks and sweets are selling well. However, sales volume is slowing down for bento lunches and desserts due to price hikes. (Hokkaido: Convenience store)
D	<ul style="list-style-type: none"> Due to price hikes, consumers are refraining from buying electrical appliances other than necessities. (Hokuriku: Home electrical appliance retail store)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> As parts shortages at automakers have been resolved gradually, they are prepared to increase production. (Southern Kanto: Transportation machinery and tool manufacturer)
D	<ul style="list-style-type: none"> House orders have decreased substantially. The custom-built house market has shrunk some 10% and sales have slowed down for houses built for sale. Housebuilders are reducing housing starts. We hope for a future rebound. (Chugoku: Wood and wood products company)
<i>Employment</i>	
B	<ul style="list-style-type: none"> We see a gradual increase in the number of cases in which employers recruit new workers even by raising annual wage caps if job seekers want more income than that offered by employers. (Chugoku: Private employment agency).

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> As summer events have been scheduled to be held soon, depending on the situation after the holiday-studded Golden Week, we see few factors indicating a decrease in human traffic. (Northern Kanto: Standard-class restaurant [bistro]) As movement restrictions under the Novel Coronavirus pandemic have been lifted, we expect an increase in demand for summer kimono for fireworks and other events this year. In addition, we expect demand from inbound foreign tourists. (Southern Kanto: Clothing shop)
C	<ul style="list-style-type: none"> Raw materials prices will continue to rise in the immediate future. We are agonizing over whether to secure our profit or make special efforts to secure customers by keeping our sales prices unchanged. Our business sentiment may remain unchanged in the immediate future. (Tokai: Standard-class restaurant)
D	<ul style="list-style-type: none"> A reactionary decline in travel demand may come after the current increase. The termination of travel support by national and prefectural governments may be a factor leading to a travel demand decrease. (Hokkaido: Travel agency)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> In the future, demand for tourist souvenirs and food for holidaymakers may continue to

	increase due to the termination of restrictions related to the Novel Coronavirus pandemic and a rise in the number of domestic tourists. (Okinawa: Food manufacturer)
D	· While our order receipts are robust, we may have difficulty securing profits amid further energy cost hikes. (Tohoku: Metal products manufacturer)
<i>Employment</i>	
C	· Tourism-related employment will increase as the Novel Coronavirus disease is downgraded to Category 5. However, the manufacturing industry may remain affected by semiconductor shortages and price hikes. The overall employment situation may remain unchanged. (Koshinetsu: Employment security office)