

Economy Watchers Survey

June 2023

OVERVIEW OF THE MONTH

The DI for current economic conditions in June (seasonally adjusted) went down by 1.4 points from the previous month to 53.6.

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 down mainly because the DI for the manufacturing sector decreased. The employment-related DI decreased.

The DI for future economic conditions in June (seasonally adjusted) went down by 1.6 points from the previous month to 52.8.

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

On a not seasonally adjusted basis, the DI for current economic conditions fell by 0.9 points from the previous month to 53.6 and the DI for future economic conditions fell by 1.2 points from the previous month to 53.6.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy is recovering at a moderate pace. As for the future, the recovery at a moderate pace is expected to continue, despite a pause seen in the recovery tempo, after the Novel Coronavirus has been reclassified as a Category V Infectious Disease.

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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>	
A	<ul style="list-style-type: none"> As people have become almost no longer aware of the Novel Coronavirus despite fluctuations in the number of new infections, travel reservations have returned to the level seen before the Novel Coronavirus pandemic. As group tours and their plans have increased, travel is growing constantly irrespective of summer or the Obon festival vacation. (Tokai: Travel agency)
B	<ul style="list-style-type: none"> Although South Koreans had been dominant among inbound foreign tourists until recently, tourists from various countries are now seen thanks to increasing cruise ship port calls. In particular, weekends are crowded with them. As the rainy season started, people are increasingly using taxis for commuting. (Kyushu: Taxi driver)
C	<ul style="list-style-type: none"> Growth in the daily number of visitors to our store is slowing down. Due partly to bad weather, daily numbers of visitors decreased year on year on some days. The impact of the breakaway from the Novel Coronavirus pandemic is waning. (Chugoku: Convenience store)
D	<ul style="list-style-type: none"> In particular, air conditioner sales are failing to grow, slipping below year-earlier levels. (Shikoku: Electrical appliance retailer)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> As auto parts procurement shortages have been almost resolved, automakers are expanding production. (Southern Kanto: Transportation equipment manufacturer)
D	<ul style="list-style-type: none"> We feel that orders from customers and parent companies are held down apparently due to price hikes for raw materials and other purchases. (Northern Kanto: General machinery and equipment manufacturer)
<i>Employment</i>	
B	<ul style="list-style-type: none"> New job offers have turned upward. Job offers from accommodation and food service sectors are increasing. Among manufacturers, food and beverage producers are increasing job offers, while electronic component and machinery/equipment makers are reducing job offers. (Tohoku: Employment security office)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> As summer and autumn festivals are planned to take place normally for the first time in four years, streets are expected to get back on their feet. (Tohoku: Shopping street) As the Novel Coronavirus has been downgraded to a Category 5 infectious disease, foreign visitors are increasing in a manner to boost their demand. While prices are likely to continue increasing, rising prices are growingly seen as natural. (Kyushu: Electrical appliance retailer)
C	<ul style="list-style-type: none"> As restrictions regarding the Novel Coronavirus outbreak have been eased, even cautious people have begun to move. The economy, though being unlikely to get even better, may retain the present status for the immediate future. (Kyushu: Shopping street)
D	<ul style="list-style-type: none"> As energy price hikes are accompanied by other price increases, consumers are likely to further limit spending. (Hokuriku: Clothing shop)

Corporate activity

B • While this prefecture is likely to grow even livelier toward August as the summer gift season and the prefecture's busiest month, we are concerned about the impact of a rapid increase in new Novel Coronavirus infections in the prefecture. (Okinawa: Food manufacturer)

D • Durable consumer goods sales are failing to grow as procurement cost hikes through the yen's depreciation are coupled with consumption's shift from goods to services. (Koshinetsu: Electrical machinery and equipment manufacturer)

Employment

C • While some industries' business performance is rising, rural wages have failed to increase, indicating that a pickup has yet to spill over to every corner of the national economy. (Tokai: Newspaper company)
