

Economy Watchers Survey

March 2023

OVERVIEW OF THE MONTH

The DI for current economic conditions in March (seasonally adjusted) went up by 1.3 points from the previous month to 53.3.

The household activity-related DI went up mainly because the housing-related DI increased. The corporate activity-related DI went up mainly because the DI for the manufacturing sector increased. The employment-related DI increased.

The DI for future economic conditions in March (seasonally adjusted) went up by 3.3 points from the previous month to 54.1.

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 4.2 points from the previous month to 55.2 and the DI for future economic conditions rose by 2.1 points from the previous month to 54.1.

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"> As Novel Coronavirus infections have calmed down, consumption is increasing slightly. Under good weather conditions amid the cherry blossom season, cold food, iced coffee and beer are selling well. (Koshinetsu: Convenience store) As people have been left free to decide whether to wear masks under the relaxation of restrictions regarding Novel Coronavirus infections, and small dining and drinking parties to celebrate entrance exam success, school graduation, job assumptions and job transfers have increased, spending per customer and sales are recovering close to the levels seen in December, three months ago. (Chugoku: General restaurant)
D	<ul style="list-style-type: none"> Despite the relaxation of mask-wearing rules as a positive factor, growth in the number of visitors is slowing down due to price hikes. In particular, price hikes are greatly affecting middle and lower-income customers. (Hokkaido: Department store) Sales of goods for people starting a new chapter in life are less than assumed and centering on lowest-price ones. Furthermore, visitors are fewer. The year-on-year fall in sales has become remarkable. (Southern Kanto: Electric appliance retailer)
<i>Corporate activity</i>	
A	<ul style="list-style-type: none"> Sales have not decreased despite price revisions in March. Although mail orders have decreased due to price revisions, food and goods consumption is robust thanks to increased human traffic for weekend events. (Tohoku: Food manufacturer)
D	<ul style="list-style-type: none"> While we have completed sales price revisions in response to an end to materials price spikes, the housing market is failing to recover from a plunge, forcing our order receipts to slip below year-earlier levels. Furthermore, electricity price hikes are squeezing our profits. (Shikoku: Wood and wood products company)
<i>Employment</i>	
B	<ul style="list-style-type: none"> Due to price hikes, we are requesting our client companies to raise hourly pay for temporary employees. Some 10% of these companies have accepted the request. The percentage is greater than expected. (Kinki: Temporary staffing company)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> As Novel Coronavirus disease is downgraded to Category 5, our business conditions may become even better. As festivals during the holiday-studded Golden Week are implemented without restrictions this year, we hope that many domestic and foreign tourists will visit this region. (Tohoku: General retailer [Liquor]) As a change in mask-wearing rules and the downgrade in the Novel Coronavirus disease to Category 5 free people from restrictions and make it easier for them to go traveling, we expect that accommodation demand will remain as long as nationwide travel support is sustained. (Hokuriku: Urban hotel)
D	<ul style="list-style-type: none"> As prices of various food products and electricity are rising, money for buying clothing might have decreased. (Southern Kanto: Clothing shop) As wages fail to rise much despite continuing price hikes and increased energy costs,

	consumers continue to refrain from buying goods other than daily necessities. (Tokai: Supermarket)
<i>Corporate activity</i>	
A	<ul style="list-style-type: none">As automobile production recovery plans have begun to be implemented, we expect to respond fully to production expansion. In addition, new production plans for robots are scheduled to start. (Northern Kanto: Machinery and equipment)
C	<ul style="list-style-type: none">We see signs of the economy recovering from the previous year. However, raw materials and fuel prices are expected to rise continuously, making it difficult for us to secure profits. (Kyushu: Furniture manufacturer)
<i>Employment</i>	
B	<ul style="list-style-type: none">Job offer trends indicate that as a race to recruit workers arises on a recovery in tourism-related sectors, successful recruitment is likely to depend on whether employers can improve wages and other working conditions. (Okinawa: Employment security office)