

Economy Watchers Survey

October 2023

OVERVIEW OF THE MONTH

The DI for current economic conditions in October (seasonally adjusted) went down by 0.4 points from the previous month to 49.5.

The household activity-related DI remained unchanged mainly because the housing-related DI decreased, though the food and beverage-related DI increased. The corporate activity-related DI went down mainly because the DI for the non-manufacturing sector decreased. The employment-related DI decreased.

The DI for future economic conditions in October (seasonally adjusted) went down by 1.1 points from the previous month to 48.4.

The household activity-related DI decreased, and the corporate activity-related DI remained unchanged, while the employment-related DI increased.

On a not seasonally adjusted basis, the DI for current economic conditions fell by 0.5 points from the previous month to 49.9 and the DI for future economic conditions fell by 0.1 points from the previous month to 49.6.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy has continued moderate recovery, though with a pause seen. As for the future, the recovery at a moderate pace is expected to continue, while there is concern about the impact of price hikes.

Released on November 9, 2023 (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**

| <i>Household activity</i> | |
|----------------------------------|---|
| B | <ul style="list-style-type: none"> Inbound foreign tourists and tourism demand are increasing. During this autumn tourist season, local customers are going out actively. (Hokuriku: General restaurant) The number of visitors increased 80% year on year in August and 83% in September, indicating a recovery. As it became cooler after the mid- and late-summer heat, human traffic is growing. (Tokai: Theme park worker) |
| D | <ul style="list-style-type: none"> In Hokkaido where energy costs are high, our customers grow conservative and thrifty as temperatures fall. They refrain from buying non-price-competitive confectionery and sundry goods at convenience stores. (Hokkaido: Convenience store) Our customers seem to have limited their purchases to the minimum necessary as indicated by drops in additional or impulsive purchases. (Shikoku: Electrical appliance retailer) |
| <i>Corporate activity</i> | |
| B | <ul style="list-style-type: none"> Stable computer chip supply is expected to lead demand from manufacturers and remain high. (Chugoku: Transport) |
| C | <ul style="list-style-type: none"> While our sales have grown due to raw material price and distribution cost hikes, we are in a tough situation, with our profits squeezed. (Koshinetsu: Food manufacturer) |
| <i>Employment</i> | |
| C | <ul style="list-style-type: none"> While overall new job offers are decreasing, job offers from industries such as information services, cargo transportation, and technical services are increasing substantially. We do not feel that overall new job offers are dwindling. (Southern Kanto: Employment security office) |

2. Future conditions

| <i>Household activity</i> | |
|----------------------------------|--|
| B | <ul style="list-style-type: none"> In the run-up to the first yearend and new year season holidays after the end of the Novel Coronavirus crisis, we expect to see growth in the number of visitors and sales as human traffic increases as seen during the Obon festival holidays. (Chugoku: Department store) As inquiries about year-end parties mainly from our corporate customers are increasing gradually, we feel an economic pickup after the Novel Coronavirus crisis. (Southern Kanto: High-end restaurant) |
| D | <ul style="list-style-type: none"> As consumers become more conservative and thriftier due to price hikes, we expect to see a moderate decrease in consumption. (Tohoku: Supermarket) |
| E | <ul style="list-style-type: none"> Given the forecast of a warm winter, we cannot expect growth in seasonal goods sales. (Northern Kanto: Electrical appliance retailer) |
| <i>Corporate activity</i> | |
| B | <ul style="list-style-type: none"> Our production is increasing a little faster than planned. (Kyushu: Transportation machinery and tool manufacturer) |
| D | <ul style="list-style-type: none"> While materials prices are likely to continue rising, price negotiations are not expected to make smooth progress. (Southern Kanto: Publishing, printing industries) |
| <i>Employment</i> | |
| B | <ul style="list-style-type: none"> As new job offers are likely to arise from late this year to next year, more and more job |

(Provisional translation)

| |
|---|
| seekers are expected to find jobs, leading to a slightly better economic sentiment. (Hokuriku: Temporary staffing company) |
|---|
