

Economy Watchers Survey December 2024

OVERVIEW OF THE MONTH

The DI for current economic conditions in December (seasonally adjusted) went up by 0.5 points from the previous month to 49.9.

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

The DI for future economic conditions in December (seasonally adjusted) went down by 0.6 points from the previous month to 48.8.

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

On a not seasonally adjusted basis, the DI for current economic conditions rose by 0.8 points from the previous month to 49.0, and the DI for future economic conditions fell by 1.5 points from the previous month to 46.9.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy has continued moderate recovery. As for the future, the recovery at a moderate pace 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 human traffic increased particularly towards the end of the year, sales at stores at stations and other transportation hubs were significantly higher than a year earlier. (Tokai: Convenience store) We are increasingly hearing from customers that winter bonuses increased more than expected. Our sales volume has increased since the bonus payment period. (Shikoku: Electrical appliance retailer)
D	<ul style="list-style-type: none"> As prices have increased for daily necessities, customers' awareness of prices has become even more critical. Customers who purchase luxury goods are more limited than ever. (Southern Kanto: Department store) Grape tomato, cabbage, and other prices have generally soared like never before, making it difficult for ordinary customers to buy our goods. (Northern Kanto: General retailer [vegetables and fruits])
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Ad sales have increased slightly year-on-year. In particular, mainly mail-order sales companies and drugstores have increased their ads to take advantage of Black Friday and other events. (Koshinetsu: Newspaper sales agent (advertising))
D	<ul style="list-style-type: none"> Requests for quotations have decreased from earlier levels and orders have lost momentum. There are many reasons for concern due to soaring prices and energy costs. (Koshinetsu: Electric machinery and apparatus manufacturer)
<i>Employment</i>	
C	<ul style="list-style-type: none"> Job offers from companies remain at a high level. While there is a relatively large number of engineering and sales job offers, it is difficult to find human resources that match them. In that sense, the situation is not bad, but it is quite difficult to find adequate human resources. (Southern Kanto: private employment agency)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> Since cold weather is forecast to continue, we expect winter goods sales to remain brisk. (Tohoku: Clothing store) Chinese tourists have been steadily increasing since last summer. We place hopes on the relaxation of visa requirements for Chinese tourists. Lunar New Year hotel reservations from Asia are robust mainly through overseas online reservation sites. (Tokai: Urban hotel)
D	<ul style="list-style-type: none"> Since unit food prices are rising amid the absence of reasons for their decline in the immediate future, we expect a decline in consumption volume and consumers' shift to cheaper goods. (Kinki: Supermarket) Sales are expected to decline due to a decrease in consumption amid price hikes and an increase in reservation cancellations caused by spreading infectious diseases, such as influenza. (Kyushu: General restaurant)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Capital investment projects starting over the next two to three months are increasing,

	leading us to expect business conditions to improve slightly. We place hopes on a last-minute surge in demand from companies that will close their annual accounts at the end of March. (Hokuriku: Telecommunications company)
D	<ul style="list-style-type: none">We export domestically produced products to North America as our main market. Although there are no major changes in the North American market itself, our business conditions will deteriorate slightly due to the impact of policy and tariff revisions following the planned change of the U.S. president. (Chugoku: Ordinary machinery and instrument manufacturer)
<i>Employment</i>	
D	<ul style="list-style-type: none">There are fewer job seekers than usual. While posting job offers on multiple websites, we see job applications continuing to decrease. (Kyushu: Temporary staffing company)