

## **Economy Watchers Survey**

### **July 2024**

#### **OVERVIEW OF THE MONTH**

---

The DI for current economic conditions in July (seasonally adjusted) went up by 0.5 points from the previous month to 47.5.

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

The DI for future economic conditions in July (seasonally adjusted) went up by 0.4 points from the previous month to 48.3.

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

On a not seasonally adjusted basis, the DI for current economic conditions rose by 1.0 points from the previous month to 48.3 and the DI for future economic conditions fell by 0.6 points from the previous month to 48.6.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy has continued moderate recovery, though it has shown some weakness recently. 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 August 8, 2024 (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**

<b><i>Household activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>Thanks to an increase in the number of inbound tourists and demand associated with summer vacations, our hotel's occupancy has remained high. Our average daily rate in August is significantly higher than a year earlier. (Kinki: Urban hotel)</li> <li>Intense heat has continued since the end of the rainy season in early July, leading seasonal goods to sell well. As domestic demand is brisk due to a fixed-amount tax cut and bonus sales campaigns, high-priced durable goods are selling well. Sales to inbound tourists remain robust. (Southern Kanto: Electrical appliance retailer)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>High temperatures have discouraged people from going out, leading our sales to decline. (Kyushu: Shopping street)</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>As prices of goods and services continue to rise, consumers are growing even thriftier. (Tohoku: Supermarket)</li> </ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>This is the time of year when over-the-counter sales of towels peak. Towel sales this year are brisk. Orders are robust for small towels, particularly for inbound tourists, and easy-to-buy souvenirs. (Shikoku: Textile industry)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>Prices of expendables, such as paper and ink, are soaring. Furthermore, the order rate is declining. (Southern Kanto: Publishing, printing &amp; allied industries)</li> </ul>
<b><i>Employment</i></b>	
<b>C</b>	<ul style="list-style-type: none"> <li>Job applications are weaker than job offers, failing to match offers. Labor shortages have thus continued. (Okinawa: Temporary staffing company)</li> </ul>

**2. Future conditions**

<b><i>Household activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>As the full bloom of autumn leaves is approaching in the Tohoku region, we expect that the number of inbound tourists will increase. (Tohoku: Urban hotel)</li> <li>High-priced goods have continued to sell well, indicating the emerging impact of summer bonus and spring wage hikes. As the government resumes subsidies for electricity and gas bills from August to October, economic sentiment may become somewhat better. (Chugoku: Department store)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>Due to rising prices, customers have remained budget-minded longer than expected earlier. (Chugoku: Shopping street)</li> <li>We expect that heat waves will remain severe, affecting demand for autumn goods. (Southern Kanto: Clothing retailer)</li> </ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>Due to a recovery in automobile-related production, orders for products for automobiles and motorcycles have increased. In addition, the depreciation of the yen has worked as a tailwind for us, leading to our robust exports. (Hokuriku: Ordinary machinery and instrument manufacturer)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>While orders are on a gradual upward trend, there are concerns about profitability due to hikes in manufacturing costs, such as raw materials and logistics costs. (Okinawa:</li> </ul>

(Provisional translation)

	Ceramic, clay, and stone products manufacturer)
<b><i>Employment</i></b>	
<b>C</b>	<ul style="list-style-type: none"><li>The number of new job openings, though decreasing in the manufacturing industry, is increasing in the accommodation and food service industries. Overall, there has been no major change. (Hokuriku: Employment Security Office)</li></ul>