

## **Economy Watchers Survey November 2024**

### **OVERVIEW OF THE MONTH**

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The DI for current economic conditions in November (seasonally adjusted) went up by 1.9 points from the previous month to 49.4.

The household activity-related DI went up mainly because the retail-related DI increased, though the service-related DI decreased. 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 November (seasonally adjusted) went up by 1.1 points from the previous month to 49.4.

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 1.6 points from the previous month to 48.2, and the DI for future economic conditions rose by 0.4 points from the previous month to 48.4.

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**

<b><i>Household activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>Although the numbers of foreign and domestic tourists declined over the past two months, both have increased since the beginning of November. While local customers' appetite for spending remains depressed, an increase in consumption by foreign and domestic tourists is contributing to a general rise in our sales. (Hokkaido: Department store)</li> <li>Since mid-November, temperatures have dropped at last, leading to an increase in the number of customers who come to our store to look for winter items, such as knitwear and coats. (Kyushu: Clothing shop)</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>Prices are rising, leading customers to hold down spending on beauty care. (Tohoku: Beauty shop)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>A reasonable amount of turnout is failing to bring about robust sales. Although price hikes usually boost spending per customer, it is currently declining. (Hokuriku: Shopping street)</li> </ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>Our shipments for electrical components of motorcycles and four-wheeled vehicles, as well as home electrical appliances and electronic devices, are somewhat brisk. (Kinki: Chemical industry)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>The 2024 problem (possible labor shortages in construction and transportation due to the law limiting overtime) has delayed the progress of construction, leading to a decrease in order volume. In the future, construction progress will remain stagnant due to this problem. (Shikoku: Wood and wood products company)</li> </ul>
<b><i>Employment</i></b>	
<b>D</b>	<ul style="list-style-type: none"> <li>Although job openings had been skewed toward caregiving and nursing jobs earlier, the scope of job openings has widened slightly. However, many companies complain that they are having difficulty finding jobseekers who respond to classified ads. Labor shortages are becoming remarkable. (Tohoku: Newspaper publishing company [Job placement ads])</li> </ul>

**2. Future conditions**

<b><i>Household activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>As the reluctance to buy due to price hikes has calmed down, we are placing our hopes on demand for spring goods as well as that for winter goods under seasonal temperature changes. (Southern Kanto: Department store)</li> <li>Recent media reports on price cuts for electricity and gas, which are vital for everyday life may have a positive impact on consumer behavior. As cold weather is likely to continue this year, seasonal products and cold protection goods are expected to sell well. Even if taking food price hikes into account, we predict consumption to increase. (Tokai: Supermarket)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>Due to the forecast of colder weather than the previous year, the number of visitors is expected to decrease by 2-3%. Since almost all expenses have risen, our profits will decrease from the previous year. (Southern Kanto: Golf course)</li> <li>As prices continue to rise, we see no factors that will improve in the future. (Kinki: Standard class restaurant)</li> </ul>

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***Corporate activity***

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**B** · Since some of our business partners are moving their production operations back to Japan from China, we can expect an increase in orders for consumables used for production facilities. (Tokai: Ceramic, clay, and stone products manufacturer)

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**E** · As orders are expected to decline further in the future, it is conceivable that the economy will deteriorate due to the impact of U.S. tariffs. (Kyushu: Electrical machinery equipment manufacturer)

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***Employment***

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**B** · As there is still a strong sense of labor shortage among companies, their race to secure human resources for the new fiscal year is expected to become fiercer. (Chugoku: Temporary staffing company)

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