

## **Economy Watchers Survey October 2024**

### **OVERVIEW OF THE MONTH**

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The DI for current economic conditions in October (seasonally adjusted) went down by 0.3 points from the previous month to 47.5.

The household activity-related DI went down mainly because the housing-related DI decreased, though the service-related DI increased. The corporate activity-related DI went up because the DI for the manufacturing sector increased. The employment-related DI increased.

The DI for future economic conditions in October (seasonally adjusted) went down by 1.4 points from the previous month to 48.3.

The household activity-, corporate activity-, and employment-related DIs all fell.

On a not seasonally adjusted basis, the DI for current economic conditions fell by 1.0 points from the previous month to 46.6, and the DI for future economic conditions fell by 1.2 points from the previous month to 48.0.

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>A</b>                         | <ul style="list-style-type: none"> <li>Group bookings are brisk for event and academic conference participants and group tourists organized by travel agencies. In addition, many inbound tourists use our hotel for leisure purposes. The occupancy rate for individuals and groups is up 10% year on year. (Hokuriku: Urban hotel)</li> </ul>  |
| <b>B</b>                         | <ul style="list-style-type: none"> <li>While sales have remained at around 100% of the year-before level due to price hikes, the number of visitors has risen back to the year-before level at last. (Tohoku: Convenience store)</li> </ul>  |
| <b>D</b>                         | <ul style="list-style-type: none"> <li>As sharp rice price hikes are accompanied by other food price increases, customers are defending their livelihoods by reducing purchase volume and the frequency of store visits. (Kyushu: Supermarket)</li> <li>This month, the number of visitors is about 10% lower than usual. Originally, October is an off-season month for us, featuring decreases in the number of visitors and purchases per customer. After air conditioners sold well amid extremely hot weather in summer this year, we now see a reactionary decline in sales. (Tokai: Electrical appliance retailer)</li> </ul> |
| <b><i>Corporate activity</i></b> |  |
| <b>B</b>                         | <ul style="list-style-type: none"> <li>Although the high summer season has ended, personal goods consumption is robust due to an upward trend continuing for school trip students and inbound tourists, as well as frequent events in October. (Okinawa: Food manufacturer)</li> </ul>   |
| <b>C</b>                         | <ul style="list-style-type: none"> <li>While revenue is up from the previous year, greater expenditure means that profits are not increasing. While capital investment is increasing, labor and other costs are rising even faster. (Tohoku: Transport)</li> </ul>   |
| <b><i>Employment</i></b>         |  |
| <b>C</b>                         | <ul style="list-style-type: none"> <li>Job offers for clerical positions popular among job seekers are decreasing. On the other hand, there is a certain number of job openings for salespersons, digital transformation-related personnel, system engineers, etc. (Kinki: Temporary staffing company)</li> </ul>  |

**2. Future conditions**

| <b><i>Household activity</i></b> |  |
|----------------------------------|--|
| <b>B</b>                         | <ul style="list-style-type: none"> <li>While the weather remains unstable, there are many requests for heavy winter clothing and cold-weather goods due to sharp temperature changes. We are looking forward to the year-end and New Year shopping season and increasing inbound tourists. (Southern Kanto: Department store)</li> <li>Reservations for year-end parties in November and December are few for groups of 20 or more while increasing for groups of less than 20 people. (Kyushu: High-end restaurants)</li> </ul> |
| <b>C</b>                         | <ul style="list-style-type: none"> <li>As customers are expected to remain thrifty in the future, it may be difficult to maintain sales volume. (Chugoku: general retailer [food])</li> </ul>  |
| <b>D</b>                         | <ul style="list-style-type: none"> <li>As prices continue to rise faster than income, customers' purchasing power is declining relatively. This has a negative impact on the condominium market. (Hokkaido: housing dealer)</li> </ul>   |
| <b><i>Corporate activity</i></b> |  |

|                          |  |
|--------------------------|--|
| <b>B</b>                 | <ul style="list-style-type: none"><li>As the yen has depreciated more than expected and caused imported goods prices to rise, domestic products may be gaining an advantage. (Koshinetsu: Food manufacturer)</li></ul>   |
| <b>E</b>                 | <ul style="list-style-type: none"><li>As we have raised prices several times over several years while increasing estimated prices due to rising materials costs, it has become difficult to get approval on estimates. The situation will become increasingly severe. (Southern Kanto: Publishing, printing &amp; allied industries)</li></ul>   |
| <b><i>Employment</i></b> |  |
| <b>C</b>                 | <ul style="list-style-type: none"><li>Many industries are concerned about the negative impacts of labor shortages, high raw material prices, and price hikes on business performance. At the moment, the number of job openings is strong. In the future, however, it cannot be ruled out that the deterioration of business performance will lead to job insecurity. (Southern Kanto: Employment security office)</li></ul> |