

Economy Watchers Survey September 2024

OVERVIEW OF THE MONTH

The DI for current economic conditions in September (seasonally adjusted) went down by 1.2 points from the previous month to 47.8.

The household activity-related DI went down mainly because the service-related DI decreased, though the food and beverage-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 September (seasonally adjusted) went down by 0.6 points from the previous month to 49.7.

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

On a not seasonally adjusted basis, the DI for current economic conditions fell by 0.7 points from the previous month to 47.6, and the DI for future economic conditions remained unchanged from the previous month at 49.2.

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.

Released on October 8, 2024 (in Japanese) by the Director-General for Economic Assessment and Policy Analysis,
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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"> While the unit prices of products are rising, the number of visitors has remained unchanged year on year. Unit price hikes have been fully reflected in our sales. (Southern Kanto: Convenience store) Partly due to the continued strong performance of domestic tourists, the number of visitors has remained high since August. Visitors during consecutive holidays were abundant. Rising demand from inbound tourists is also a plus. (Hokkaido: High-end restaurant)
D	<ul style="list-style-type: none"> In the previous month, sales increased significantly, mainly for food products, as consumers stepped up preparations for disasters, such as earthquakes and typhoons. As such preparations calmed down somewhat this month, consumers have become reluctant to buy goods again. Sales volume is stagnating. (Kinki: Supermarket) As the hot days have continued, autumn goods sales have been sluggish. Consumers are growing thrifter amid price hikes. (Tohoku: Clothing shop)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Price revisions and wage increases are progressing together. (Chugoku: Textile industry)
C	<ul style="list-style-type: none"> Construction materials prices are rising after the signing of construction contracts. Deliveries are becoming unstable. In addition, there is a shortage of skilled workers. Our business environment remains severe. (Kinki: General contractor)
<i>Employment</i>	
C	<ul style="list-style-type: none"> While the number of job offers is increasing slightly, new offers are added to older ones that have been left unfilled. Although there is a certain number of job applicants, it is difficult to match job offers to applicants, resulting in an increase in the number of companies that have failed to resolve labor shortages. (Shikoku: Job information magazine)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> We believe that our business environment will become slightly better than at present as consumers begin to go out to buy day-to-day necessities amid slightly cooler weather after heat waves. (Kyushu: Shopping street) We are in an environment where wage hikes absorb price increases. (Kinki: Supermarket)
C	<ul style="list-style-type: none"> As consumption is expected to slow down due to product price hikes from October, we are growing pessimistic about a recovery in the number of visitors. (Shikoku: Convenience store)
D	<ul style="list-style-type: none"> Rice prices have increased 30-40%. As staple food prices rise so much, consumers tighten their purse strings further. In this situation, consumers cannot be expected to grow willing to buy goods. The mood of society is not so good. (Tokai: Shopping street)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> As orders for artificial intelligence-related products are expected to increase, we predict that the increase will gradually exert a direct impact on our economic sentiment. (Southern Kanto: Electric machinery and apparatus manufacturer)
D	<ul style="list-style-type: none"> These days, sales of our products are slowing down apparently due to successive price

	hikes. We are somewhat worried about the future. (Northern Kanto: Ceramic, clay and stone products manufacturer)
<i>Employment</i>	
B	<ul style="list-style-type: none">· In the manufacturing industry, orders are brisk, leading companies to post job offers. We often hear that while companies want to hire and train young people, there are not so many young job applicants. (Southern Kanto: Employment security office)