

**Economy Watchers Survey**  
**April 2025**

**OVERVIEW OF THE MONTH**

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The DI for current economic conditions in April (seasonally adjusted) went down by 2.5 points from the previous month to 42.6.

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

The DI for future economic conditions in April (seasonally adjusted) went down by 2.5 points from the previous month to 42.7.

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 3.2 points from the previous month to 44.6, and the DI for future economic conditions fell by 3.2 points from the previous month to 43.4.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy has recently shown some weakness in its recovery. As for the future, in addition to the prolonged concern about price hikes, there is growing concern about the impact of U.S. trade policy, while hopes are placed on wage increases.

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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>Since the tourist season started early this month, the number of Japanese visitors has been increasing towards the holiday-studded golden week. Inbound tourists are increasing steadily while the majority is shifting from Asians to Westerners. (Northern Kanto: Travel agency)</li></ul>
<b>D</b>	<ul style="list-style-type: none"><li>Due to financial market turmoil accompanying the U.S. tariff policy, wealthy customers with financial assets have become more hesitant to purchase luxury goods. (Southern Kanto: Department store)</li><li>New vehicle sales are slowing. In addition to the fact that the backlog of orders is decreasing due to the normalization of supply, new vehicle orders are declining due to soaring vehicle and gasoline prices amid general price hikes. (Koshinetsu: Auto dealer)</li></ul>
<b>E</b>	<ul style="list-style-type: none"><li>Due to general price hikes, there are quite a few customers who have limited money to spend. It seems that electrical appliances are currently being put on the back burner. (Northern Kanto: General retailer [Electrical appliances])</li></ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"><li>With the opening of Expo 2025 Osaka, Kansai, the number of foreign tourists stopping at supermarkets and other places has increased. Their beverage purchases at the stores they stop by have increased, contributing to an improvement in our sales. We see the effect of our selling of many products related to the Expo. (Kinki: Food manufacturer)</li></ul>
<b>E</b>	<ul style="list-style-type: none"><li>Capital investment by companies in this region has been stagnant due to uncertainties about future trends of automobile tariffs. (Tokai: Iron and steel industry).</li></ul>
<b><i>Employment</i></b>	
<b>D</b>	<ul style="list-style-type: none"><li>Unexpected developments, such as labor cost and raw material price hikes and U.S. tariffs, have led local manufacturers to become cautious. (Chugoku: 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>During Expo 2025 Osaka, Kansai, which lasts until October, the number of visitors to our store is expected to remain at a high level. Their consumption may be combined with price hikes to boost our sales. (Kinki: Convenience store)</li></ul>
<b>D</b>	<ul style="list-style-type: none"><li>Soaring prices of various goods and uncertainties caused by the U.S. tariff issue will make our customers thriftier. (Southern Kanto: Supermarket)</li><li>With no signs of inflation abating, spending on clothing is expected to remain subdued. As it is difficult to provide low-priced products due to soaring raw material prices, our business conditions will stay severe in the future. (Hokkaido: Clothing store)</li></ul>

	<ul style="list-style-type: none"> <li>Price hikes on our menu amid soaring ingredient prices have prompted our customers to cut the frequency of their visits to our restaurant, leading to a decrease in the total number of visitors to our restaurant. As the impact of rising prices continues in the future, the economy is expected to decline. (Kinki: General restaurant)</li> </ul>
<b><i>Corporate activity</i></b>	
<b>B</b>	<ul style="list-style-type: none"> <li>Orders received by major house builders are on a recovery trend. We assume that our order receipts will recover from the second quarter. It is essential to transition to a system that can generate profits by passing price hikes on to our customers. (Shikoku: Wood and wood products company)</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>Due to the impact of the U.S. administration's tariff hikes, we hear concerns about future decreases in orders and price reduction pressure from business partners. (Hokuriku: Textile industry)</li> </ul>
<b><i>Employment</i></b>	
<b>D</b>	<ul style="list-style-type: none"> <li>There is concern that automobile-related companies will move in the direction of restricting spending due to the impact of U.S. tariffs, although we are yet to see any specific cases. If such restrictions come, business inquiries to our company will decrease. (Tokai: Temporary staffing company)</li> </ul>