

**Economy Watchers Survey**  
**August 2025**

**OVERVIEW OF THE MONTH**

---

The DI for current economic conditions in August (seasonally adjusted) went up by 1.5 points from the previous month to 46.7.

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

The DI for future economic conditions in August (seasonally adjusted) went up by 0.2 points from the previous month to 47.5.

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 0.8 points from the previous month to 46.3, and the DI for future economic conditions fell by 0.3 points from the previous month to 46.7.

The assessment of Economy Watchers indicated in this survey can be summarized as follows: The economy is showing movements of picking up. As for the future, the rebound is expected to continue, despite concern about price hikes and the impact of U.S. trade policy.

---

Released on September 8, 2025 (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>A</b>                         | <ul style="list-style-type: none"> <li>Although we had been worried that many people would refrain from going sightseeing or leisure due to the continued intense heat, this tourist spot has been very crowded with tourists everyday thanks to good weather. We see a record number of visitors for August. There is no atmosphere of refraining from tourism due to high prices. The number of individual domestic visitors is particularly remarkable. Foreign visitors have remained numerous. (Hokkaido: Tourist spot)</li> </ul>                                           |
| <b>B</b>                         | <ul style="list-style-type: none"> <li>Although consumption by inbound tourists has remained flat, it has not deteriorated. On the other hand, domestic customers' consumption of high-value-added luxury goods, such as jewelry and watches, is recovering moderately. In particular, our proposals for customers with whom we have strategically deepened relations are popular. (Southern Kanto: Department store)</li> </ul>                                                                                                                                                  |
| <b>D</b>                         | <ul style="list-style-type: none"> <li>As the extreme heat has discouraged people from going out and prevented summer vacation from being a high season for outdoor entertainment, the outdoor industry is struggling. In addition, the rain that lasted for several days during the Obon holiday led almost all the reservations to be canceled. (Chugoku: Theme park)</li> <li>As the price of daily necessities has risen and increased the financial burden on consumers, there is no room for consumers to spend money on home purchases. (Tokai: Housing dealer)</li> </ul> |
| <b><i>Corporate activity</i></b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>B</b>                         | <ul style="list-style-type: none"> <li>Beverage storage warehouses are operating at full capacity as arrivals and shipments are more than usual under the continued intense heat. (Tokai: Transport)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                   |
| <b>D</b>                         | <ul style="list-style-type: none"> <li>While costs continue to rise, the market is quite weak, making it difficult for us to pass cost hikes on to our product prices. (Kinki: Other manufacturer [Footwear])</li> </ul>                                                                                                                                                                                                                                                                                                                                                          |
| <b><i>Employment</i></b>         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>D</b>                         | <ul style="list-style-type: none"> <li>We see many job openings both for new graduates and mid-career job seekers and a high job opening-to-applicant ratio. While it is said that the economy is good when the job opening-to-applicant ratio is high, prolonged labor shortages and soaring labor costs have prevented many small- and medium-sized enterprises from doing business as planned, especially in the service industry. (Shikoku: Job information magazine publisher)</li> </ul>                                                                                    |

**2. Future conditions**

| <b><i>Household activity</i></b> |
|----------------------------------|
|----------------------------------|

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>B</b>                  | <ul style="list-style-type: none"> <li>As customers have become accustomed to price increases, spending per customer regarding replacement demand is expected to rise. (Tohoku: Electrical appliance retailer)</li> <li>Hotel reservations have been brisk. In addition, consumers might have become accustomed to high prices and price hikes and increased their spending power, leading us to become bullish. If the current flow of people and atmosphere continue towards the autumn tourism season and the end of the year, our earnings are likely to grow significantly. (Koshinetsu: Urban hotel)</li> </ul> |
| <b>D</b>                  | <ul style="list-style-type: none"> <li>Prices are still high, leading us to predict sluggish consumer sentiment. Although some wealthy people are spending money robustly, the consumption behavior of the middle class is cautious. (Northern Kanto: Department store)</li> <li>As vegetable and other various prices have risen considerably, we cannot place hopes on our future business. (Kinki: Standard-class restaurant)</li> </ul>                                                                                                                                                                           |
| <b>Corporate activity</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>B</b>                  | <ul style="list-style-type: none"> <li>We have so far remained unaffected by U.S. tariffs and other factors and are performing better than we planned in the previous month. We expect annual production at our customers to be more than planned. (Kyushu: Transportation machinery and tool manufacturer)</li> </ul>                                                                                                                                                                                                                                                                                                |
| <b>D</b>                  | <ul style="list-style-type: none"> <li>Due to the impact of U.S. tariffs, our customers are revising production plans. (Chugoku: Transportation machinery and tool manufacturer)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Employment</b>         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>C</b>                  | <ul style="list-style-type: none"> <li>In response to the fact that a higher minimum wage hike than in the previous year has been recommended, we hear from job seekers that they are willing to work and are placing hopes on higher wages. On the other hand, small- and medium-sized enterprises, which account for the majority of employers in our jurisdiction, are failing to fully pass labor and material cost hikes on to their product prices. (Kyushu: Employment security office)</li> </ul>                                                                                                             |