

Economy Watchers Survey
December 2025

OVERVIEW OF THE MONTH

The DI for current economic conditions in December (seasonally adjusted) went down by 0.1 points from the previous month to 48.6.

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

The DI for future economic conditions in December (seasonally adjusted) went up by 0.2 points from the previous month to 50.5.

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

On a not seasonally adjusted basis, the DI for current economic conditions rose by 0.5 points from the previous month to 48.5, and the DI for future economic conditions fell by 0.7 points from the previous month to 48.1.

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

Released on January 13, 2026 (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"> We have raised our prices due to general price hikes, but our customers understand these increases. While large group banquets like those seen before the COVID-19 pandemic have decreased, small group banquets at relatively high prices are dominant now. (Northern Kanto: Standard-class restaurant) There is tourist demand for accommodation towards the end of the year. Although inbound tourists from China have decreased, there is demand both from tourists and businesspeople. Regarding restaurants and banquets, there is demand for year-end parties. (Tokai: Urban hotel)
C	<ul style="list-style-type: none"> Due to the impact of price hikes, deliveries to restaurants have not increased during the year-end party season, and year-end gift sales have also failed to grow. (Shikoku: General retailer [liquor])
D	<ul style="list-style-type: none"> Although it is time for the year-end sale, the number of visitors to the shopping street is small. While grocery stores are busy, the number of visitors and sales at other stores are declining. Customers' appetite for spending has decreased due to price hikes. (Kyushu: Shopping street)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Electronic device prices are still on an upward trend, exerting a very positive impact on our company. (Southern Kanto: Electrical machinery and equipment manufacturer)
D	<ul style="list-style-type: none"> While our costs have increased due to price rises, we have failed to make progress in passing these costs on to our services. (Chugoku: Telecommunications company)
<i>Employment</i>	
C	<ul style="list-style-type: none"> Although companies enjoy brisk business and continue to recruit workers, some are still plagued with labor shortages, while others lack the financial resources needed to deal with raw material, fuel, and labor cost hikes, almost reaching their limit. Companies are thus becoming increasingly polarized. (Tokai: Employment security office)

2. Future conditions

<i>Household activity</i>	
B	<ul style="list-style-type: none"> Clothing sales are brisk despite clothing price hikes amid general price increases. Ahead of the peak season for key life events two to three months away, we predict that consumers will maintain their appetite for spending. (Southern Kanto: Department store) As falling gasoline prices and scarce snowfall encourage customers to expand their range, we expect to see an increase in the number of customers from faraway locations. (Hokkaido: Supermarket)

D	<ul style="list-style-type: none">As the impact of price hikes is seen, reservations are sluggish. We are concerned that people will increasingly refrain from eating out. (Tohoku: Standard-class restaurant)There is concern that a decline in inbound tourists from China will be prolonged without a sign of recovery. Demand for visits to the Milano Cortina Olympics is limited, failing to trigger any recovery in overseas tourism demand. (Kinki: Travel agency)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none">Economic conditions are expected to improve slightly due to fare revisions and lower fuel prices. (Hokuriku: Transport)
C	<ul style="list-style-type: none">There are concerns about the impact of rising interest rates on corporate cash flow and personal loan repayments, and the economic recovery is not expected to gain momentum. The economic situation will remain unchanged for the time being. (Kyushu: Financial business)
<i>Employment</i>	
B	<ul style="list-style-type: none">From around January every year, job openings and seekers gradually increase. As the most dynamic period of the year is coming, our business is likely to recover slightly. (Chugoku: Temporary staffing company).