

Economy Watchers Survey
July 2025

OVERVIEW OF THE MONTH

The DI for current economic conditions in July (seasonally adjusted) went up by 0.2 points from the previous month to 45.2.

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

The DI for future economic conditions in July (seasonally adjusted) went up by 1.4 points from the previous month to 47.3.

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

On a not seasonally adjusted basis, the DI for current economic conditions rose by 0.4 points from the previous month to 45.5, and the DI for future economic conditions rose by 0.1 points from the previous month to 47.0.

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.

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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"> Sales are increasing by about 3% year on year. Customers seem to be getting used to high prices. Since price increases have become the norm at supermarkets and drugstores, more and more people are buying even high-priced products without hesitation. In the past, customers were reluctant to buy when a product price rose from 100 yen to 128 yen. However, these days, due apparently to the spread of electronic money and other non-cash payment methods, even products with odd prices are selling well. It seems that as the reluctance to buy has faded due to increasing non-cash payments, sales in value and volume have rebounded. (Hokuriku: Convenience store) Due to the extreme heat, sales of summer clothes that are cool to the touch are brisk. (Kyushu: Clothing store)
D	<ul style="list-style-type: none"> Due to the intense heat caused by abnormal weather that has continued since June, the number of customers visiting during the day is very low. (Koshinetsu: Shopping street) Inbound tourists' buying has continued on a substantial year-on-year decline. In particular, Chinese people's buying of high-value goods has slowed down. (Southern Kanto: Department store)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> As the U.S. tariff problem has subsided, the future has become a bit more foreseeable. (Hokuriku: General machinery and equipment manufacturer)
E	<ul style="list-style-type: none"> In order to secure profits as the source of wage increases, we are gradually increasing contract prices for business partners. However, ongoing material cost hikes have been coupled with an increase in the cost of mandatory heat stroke measures, making it difficult to secure profits. (Northern Kanto: Real estate business)
<i>Employment</i>	
C	<ul style="list-style-type: none"> Job seekers are slow to respond to job openings. Even when they find a job, many of them soon find that the job is unsuitable and quit. (Okinawa: Temporary staffing company)

2. Future conditions

<i>Household activity</i>	
A	<ul style="list-style-type: none"> Our business sentiment is improving as bookings are brisk for group tours and sports events, such as the National Sports Festival and the National Health and Welfare Festival for the Elderly (Nenrin-pic), during the autumn tourist season. Although tour costs are rising due to price hikes, applications for participation in tours and events are steadily increasing. (Tokai: Travel agency)
B	<ul style="list-style-type: none"> Although there is no particular change in the number of purchases, there is less talk about refraining from consumption to save money, even as prices continue

	to rise. Consumers' tendency to purchase goods that they judge to be necessary may become stronger. (Chugoku: Telecommunications company)
D	<ul style="list-style-type: none"> As food prices are scheduled to rise, the trend of refraining from buying is expected to continue for a while in the current situation where income growth does not accompany price hikes. (Shikoku: Convenience store) As customers seem to be hesitant to go out amid the abnormal heat, we can't expect the situation to improve at least in September. (Tokai: Standard-class restaurant)
<i>Corporate activity</i>	
B	<ul style="list-style-type: none"> Although there are still many uncertainties, the resolution of the U.S. automobile tariff issue has made it easier to make future plans, contributing to improving cargo traffic. (Kinki: Metal products manufacturer)
D	<ul style="list-style-type: none"> The tariff rate on automobile exports to the United States was decided at 15% but automakers have not disclosed specific information about future domestic production. Although the situation will not change in the short term, it will become a factor working to reduce our sales in the future. (Southern Kanto: Transportation machinery and tool manufacturer)
<i>Employment</i>	
B	<ul style="list-style-type: none"> As U.S. tariffs have settled at 15%, contracts that had been postponed may begin to be concluded. (Kinki: Temporary staffing company)