

Economy Watchers Survey
August 2026

OVERVIEW OF THE MONTH

The DI for current economic conditions in August (seasonally adjusted) went up by 0.7 points from the previous month to 46.4.

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

The DI for future economic conditions in August (seasonally adjusted) went up by 2.5 points from the previous month to 48.3.

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 46.2, and the DI for future economic conditions rose by 1.9 points from the previous month to 47.4.

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, although uncertainty remains about the situation in the Middle East and there is also concern about the impact of natural disasters.

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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**

<i>Household activity</i>	
B	- Thanks to the good weather, our tourist spot was bustling with domestic tourists, especially families, during the summer vacation season. We have heard that there have been many visitors this year at various tourist spots in this prefecture. (Koshinetsu: Tourist spot) - As interest rates have become positive amid continued price increases, more people are acting proactively, rather than holding back on purchases. (Southern Kanto: Housing dealer)
C	As prices have been rising almost every month recently, consumers have become extremely cautious about shopping. In this situation, we strongly feel that consumers are selecting stores with lower prices when shopping. (Southern Kanto: Shopping street)
D	Until around mid-August, we were performing better than usual. Since then, however, the number of visitors to our store has plunged due to the intense heat, creating a very tough situation for us. (Shikoku: Clothing store)
<i>Corporate activity</i>	
C	- Consumption has slowed due to the intense summer heat, direct hits from typhoons, and earthquakes and heavy rains in various Japanese regions. (Chugoku: Textile industry) - Business is progressing smoothly, as several of our top customers by order volume are operating at full capacity, with our largest customer in particular requesting earlier deliveries and additional orders. (Tokai: Ceramic, clay, and stone products manufacturer)
<i>Employment</i>	
B	Although concern remains about rising prices and the situation in the Middle East, we feel that job openings are growing stronger across all job categories and sectors, with inquiries increasing. (Tohoku: Temporary staffing company)

2. Future conditions

<i>Household activity</i>	
B	Although the Obon festival and summer travel season is over, our business environment is expected to improve thanks to the continuing leisure season. (Tohoku: Taxi driver)
C	As product price hikes have come to a lull, customers are beginning to feel a sense of accepting current prices. After a certain period of time, prices are likely to become more acceptable. (Kinki: Auto dealer)
D	Current price trends show that, although rice prices have dropped significantly year on year, prices for other goods continue to rise. With food prices expected to rise one after another in early autumn, customers will further tighten their purse strings. (Hokkaido: Supermarket)

	As the situation in the Middle East remains uncertain, we are unsure about when it will again become difficult to obtain construction materials. (Kyushu: Electrical appliance retailer)
<i>Corporate activity</i>	
B	Although there are challenges, such as labor shortages and rising prices, progress is expected in pending projects for logistics center reorganization and new logistics facility development. (Okinawa: Transport)
D	While production at our major clients is currently progressing as planned, we are greatly concerned about how the Middle East situation and the impact of the 2026 Kumamoto Earthquake will affect future production. (Northern Kanto: Transportation machinery and tool manufacturer)
<i>Employment</i>	
B	As shortages of goods and raw materials are gradually easing, there are a sense of stability in business continuation and expectations for employment expansion. (Hokuriku: School [University])