

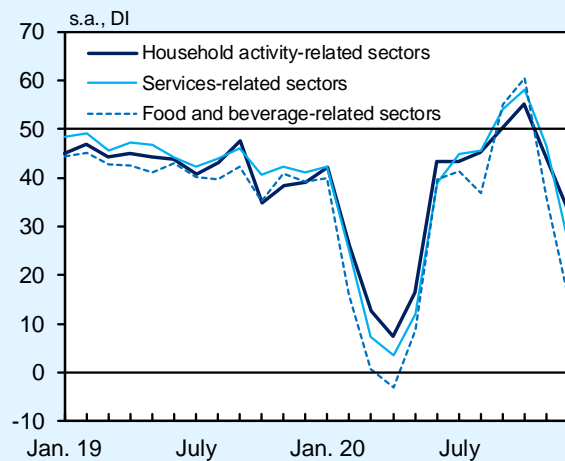
**(Box 4) Developments in Private Consumption since a Resurgence of COVID-19**

This box examines developments in private consumption up to the latest possible period amid a resurgence of COVID-19 since November 2020 while making use of high-frequency data and anecdotal information from firms.

With regard to face-to-face services consumption, which has been susceptible to the impact of COVID-19, that for dining out and travel in particular has picked up through around mid-November, partly encouraged by the "Go To" campaign. However, subsequently, downward pressure on such consumption has increased, mainly due to the resurgence of COVID-19, a resultant suspension of the "Go To Travel" campaign, and the reinstatement of the state of emergency.

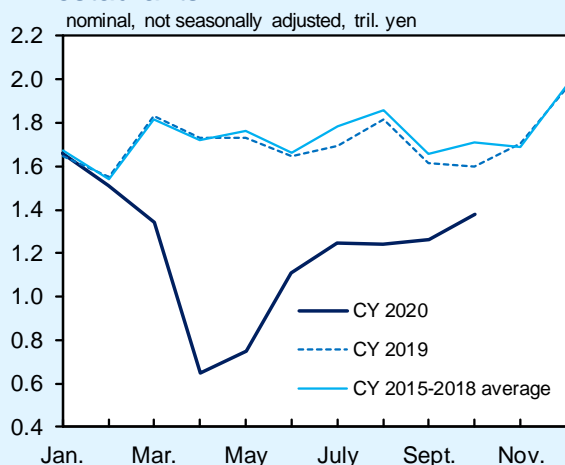
Looking at developments through the end of 2020 in the current economic conditions DI (household activity-related) of the *Economy Watchers Survey*, it continued to improve from the bottom hit in April and exceeded 50 for the September-October period; however, it has deteriorated markedly for two consecutive months since November, mainly for food and beverage-related sectors and services-related sectors including those related to leisure facilities as well as travel and transportation (Chart B4-1). As a seasonal feature, consumption for October through December has a particularly large weight in that for the whole year, and this is especially the case for December, when consumption is stimulated by such factors

**Chart B4-1: Economy Watchers Survey**



Source: Cabinet Office.  
Note: Figures are for the current economic conditions DI.

**Chart B4-2: Seasonality in Sales at Restaurants**

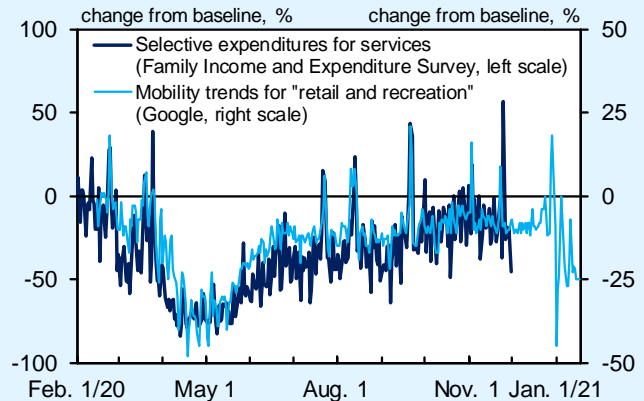


Source: Ministry of Internal Affairs and Communications.

as demand for visiting hometowns, year-end sales, and demand for year-end parties (Chart B4-2). Due to the fact that the number of people going outside was constrained and events were restricted during the peak season at year-end, the resurgence of COVID-19 may have had a larger impact on sales at restaurants and travel agencies, as well as on their business sentiment.

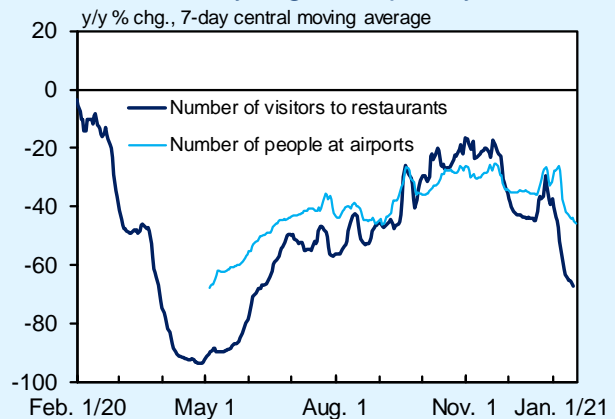
Downward pressure on dining out and travel seems to have increased since the turn of January 2021, with the continuing increase in the number of confirmed cases and in response to the declaration of a state of emergency by the government. Looking at high-frequency data that provide location tracking information, mobility trends for "retail and recreation" -- which have high correlation with selective expenditures for services -- were on a downtrend from the second half of November, when fluctuations are smoothed out, and have plunged since the turn of this year with the reinstatement of the state of emergency (Chart B4-3). The year-on-year rate of change in the number of visitors to restaurants declined markedly in negative territory for December, reflecting requests for business hour cuts and self-restraint from having year-end parties, and has further decelerated since the turn of January due to the reinstatement of the state of emergency (Chart B4-4). The number of people at major airports, which is said to reflect developments in domestic travel, has continued to decrease, with the ongoing suspension of the "Go To Travel" campaign. In interviews with firms, some have said that the year-on-year rate of change in the transaction value of domestic travel for January has declined further in negative territory.

**Chart B4-3: Mobility Trends and Selective Expenditures for Services**



Sources: Ministry of Internal Affairs and Communications; Google LLC "Google COVID-19 Community Mobility Reports." <https://www.google.com/covid19/mobility/>. Accessed: January 21, 2021.  
 Notes: 1. The baseline is the median on the corresponding day of the week during the 5-week period from January 3 to February 6, 2020.  
 2. Figures for selective expenditures for services are the sum of expenditure on public transportation, recreational services (accommodation services, etc.), and meals outside the home. The latest figure is for November 30.  
 3. Figures for mobility trends for "retail and recreation" are mobility trends for places such as restaurants, shopping centers, and theme parks. The latest figure is for January 17.

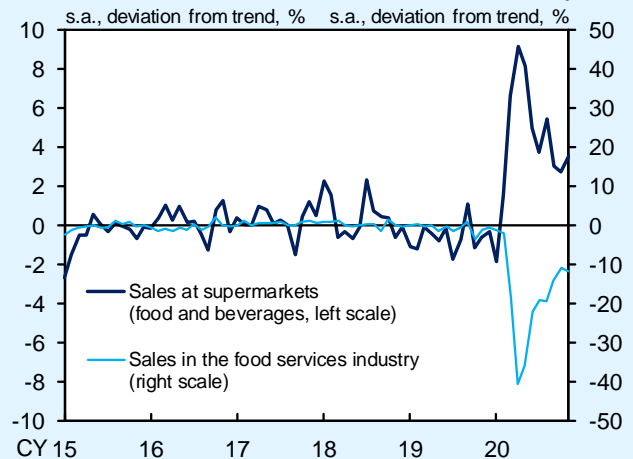
**Chart B4-4: Number of People Going Out as Indicated by High-Frequency Data**



Sources: TableCheck Inc.; NTT DOCOMO, Inc.  
 Notes: 1. Figures for the number of visitors to restaurants show the number of visitors per restaurant, and are for about 5,200 restaurants that have installed the reservation and customer management system for restaurants provided by TableCheck Inc. The latest figure is the average for January 12-18.  
 2. Figures for the number of people at airports are the averages for New Chitose Airport, Haneda Airport (the average of Terminals 1 and 2), Osaka International Airport, Fukuoka Airport, and Naha Airport. The latest figure is the average for January 14-20. Figures are adjusted for differences between weekdays and weekends/holidays.

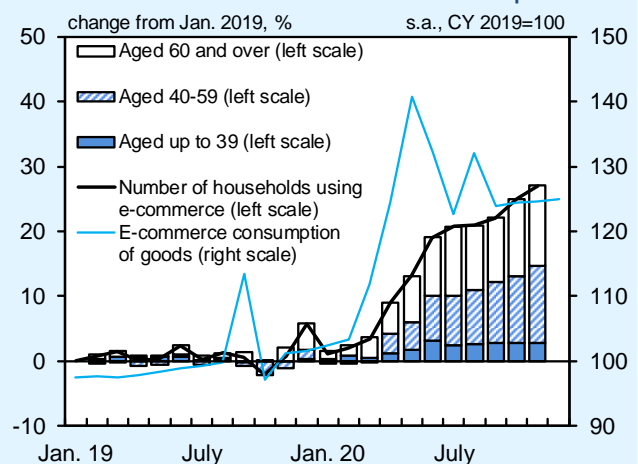
While face-to-face services consumption has been stagnant, as mentioned above, goods consumption seems to have remained steady on the whole, supported by an expansion in online consumption and an increase in stay-at-home consumption, despite being pushed down by a decrease in winter bonuses. In this regard, a clear negative correlation has been seen since the outbreak of COVID-19 last year between sales of food and beverages at supermarkets and sales in the food services industry (Chart B4-5). When demand for dining-out services declines in reflection of the spread of COVID-19, demand for goods for eating at home increases and, in terms of overall consumption, this eases to some extent downward pressure stemming from the impact of COVID-19. Such steady demand for goods seems to have been also supported by an accelerating shift to e-commerce since the outbreak. In fact, looking at a consumption indicator based on credit card transaction data, online consumption of goods has increased significantly since last spring (Chart B4-6). In addition, with regard to households using e-commerce, their number -- including senior households, for which the proportion of users had been low -- has been on a clear increasing trend, indicating that e-commerce users have become more diverse.

**Chart B4-5: Sales of Food and Beverages and Sales in the Food Services Industry**



Sources: Ministry of Economy, Trade and Industry; Japan Foodservice Association, "Market Trend Survey of the Food Services Industry."  
 Note: The trend is a linear trend from January 2015 to December 2019.

**Chart B4-6: E-Commerce Consumption**



Sources: Ministry of Internal Affairs and Communications; NOWCAST, Inc./ JCB, Co., Ltd., "JCB Consumption NOW."

Notes: 1. Figures for the number of households using e-commerce are the number of households ordering over the Internet. Figures are for two-or-more-person households and compiled by the age of the household head.  
 2. Figures for e-commerce consumption of goods are from the reference series in "JCB Consumption NOW," which take changes in the number of consumers into account. Seasonally adjusted based on staff calculations.