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Japan’s restaurant business sentiment rose to 48.7 in October

The Economy Watchers Survey showed a second straight monthly increase, leaving restaurants below the 50-point neutral mark but stronger than the 46.1 national reading

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Japan’s restaurant industry reported a stronger view of business conditions in October even as sentiment across the broader economy weakened, according to the Japanese government’s Economy Watchers Survey released on Tuesday, November 10.

The seasonally adjusted current conditions index for the restaurant sector rose 2.0 points to 48.7 in October. That was the sector’s second straight monthly increase and its highest reading in the three-month stretch cited in the survey. The same measure

stood at 46.2 in August and 46.7 in September.

The improvement in restaurants came in contrast to the headline reading for the overall survey. Japan’s general current conditions index fell 0.9 points in October to 46.1 from 47.0 in September, showing a weaker assessment of economic activity among respondents as a whole.

The Economy Watchers Survey is one of Japan’s regular measures of business sentiment based on responses from workers in sectors seen as close to day-to-day economic conditions. In the restaurant category, respondents reflect activity in food service businesses included in the official survey. The current conditions index measures how respondents judge business compared with three months earlier, while the outlook index captures expectations for the coming two to three months.

Under the survey’s framework, a reading of 50 marks stability. A figure above 50 means more respondents reported improvement than deterioration, while a figure below 50 means negative responses still outnumbered positive ones. Even after October’s gain, the restaurant sector’s current conditions reading remained 1.3 points below that neutral line.

The sector’s outlook also improved. The restaurant expectations index rose to 45.1 in October from 43.9 in September. That increase suggested a somewhat less pessimistic view of near-term business prospects, but it still left the sector 4.9 points below the 50-point benchmark.

The data pointed to a gradual rebound in sentiment in food service after weaker readings earlier in the period. Moving from 46.2 in August to 48.7 in October, the restaurant current conditions index gained 2.5 points over two months. That pace of improvement was notable because it came during a month when the broader survey moved in the opposite direction.

The divergence suggested that restaurants were seeing firmer operating conditions than many other parts of the economy covered by the survey. Still, the October figures did not show a full return to neutral sentiment. Both the assessment of current activity and the outlook for the next several months remained in negative territory under the

survey’s methodology.

The figures were published by Japan’s Cabinet Office in its monthly release and accompanying tables on Tuesday, November 10. The October survey offered a mixed picture for the country’s consumer-facing economy, with restaurants showing clearer improvement than the national headline index even as neither measure rose above the stability threshold.