

Japan August Service Sector Sentiment hits 7-year Low

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Japan's service sector sentiment worsened to a fresh seven-year low in August, a government survey showed on Monday, underscoring weakness in personal consumption.

The survey of workers such as taxi drivers, hotel staff and restaurant staff -- called 'economy watchers' for their proximity to consumer and retail trends -- showed their confidence about current economic conditions fell to 28.3 from 29.3 in July.

That was the fifth straight month of decline and the lowest level since 27.2 marked in October 2001. The outlook index, indicating the level of confidence in future conditions, stood at 32.0 in the August survey, up from 30.8 in July.

Consumer sentiment has worsened in recent months on high energy and food prices, clouding the outlook for personal consumption as Japan's economy heads into a recession.

Japan measures a recession as a downturn in the economic cycle, which varies from the more widely used definition of two straight quarters of economic contraction.

Source: Forbes