Japanese Inbound & Outbound Travel
Market Update

Japan Association of Travel Agents
May 2017
**Global Trend (results)**

- International Tourists Arrival: 1,235 million
- Average Annual Growth Rate: 3.9% (2005-2016)
- By Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Arrivals</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>620 M</td>
<td>2%</td>
</tr>
<tr>
<td>Asia &amp; the Pacific</td>
<td>300 M</td>
<td>8%</td>
</tr>
<tr>
<td>Americas</td>
<td>200 M</td>
<td>4%</td>
</tr>
<tr>
<td>Africa</td>
<td>58 M</td>
<td>8%</td>
</tr>
<tr>
<td>Middle East</td>
<td>54 M</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: UNWTO
Global Trend (forecast)

Source: UNWTO
Japanese Inbound & Outbound Travel

(Unit: Thousand)

- Inbound
- Outbound

Source: JNTO
Japan’s Inbound by Nationals (2016)

- **China**: 6.37M (26.5%)
- **Korea**: 5.09M (21.2%)
- **Taiwan**: 4.17M (17.3%)
- **Hong Kong**: 1.84M (7.7%)
- **Thai**: 0.90M (3.7%)
- **USA**: 1.24M (5.2%)

**Total**: 24.04M

**Asia**: 20.10M (83.6%)
- **East Asia**: 17.47M (72.7%)
- **Southeast Asia**: 2.51M (10.4%)

**Europe**:
- **UK**: 1.24M (5.2%)

**Source**: JNTO
Japan’s Inbound by Nationals (2016)

(Unit: Thousand)

- Korea
- China
- Taiwan
- Hong Kong
- Thailand
- USA


19th Japan Foundation for International Tourism
Number of Visits by Nationals

Source: Japan Tourism Agency
Chinese Outbound Travel  2011-2015

(Unit: Thousand)

Total excl. HK & Macau  (Ten thousands)

- Thailand
- Korea
- Japan
- Taiwan

Source: UNWTO
Korean Outbound Travel 2011-2015

(Unit: Thousand)

Source: UNWTO
Japanese Outbound Travel 2011-2015

(Unit: Thousand)

Source: UNWTO
Japanese Outbound Travel by Age (2015)

- [Share of Seniors]
  - NZ (47%)
  - Canada (35%)
  - Spain (34%)
  - ME, Africa (30%)

- [Share of Repeaters]
  - 2-3 times (12%)
  - 4-5 times (12%)
  - 6-9 times (16%)
  - 10-19 times (24%)
  - ≥20 times (30%)

Source: Ministry of Justice, JTB Report 2016
Liberalization of Travel

1964  Japanese overseas travel was liberalized.
1987  “Ten-million plan” to send 10 million to abroad.
1990  Outbound exceeded 10 million.
2003  “Visit Japan Campaign” to promote inbound tourism.
2009  Individual tourist visa for Chinese.
2013  Visa waiver for Thai & Malaysian.
2014  Visa waiver for Indonesian with IC passport.

※ Most nationals from Asia, Europe & Americas are visa-free.
Relaxation of Tax for Tourists

2014 • Consumption tax exempted for consumable products.
• Downtown duty-free shop opened in Tokyo, Fukuoka.

2016 • Minimum purchase for consumption tax exemption
≥¥10,000 → ≥¥5,000.

2017 • Duty-free at arrival airport
• About 40,000 tax-free shops around Japan
• Another downtown duty-free shop opened in Tokyo.
Consumption by Foreigners

China: ¥1,475B [PERCENTAGE]
Taiwan: ¥525B [PERCENTAGE]
Korea: ¥358B [PERCENTAGE]
Hong Kong: ¥295B [PERCENTAGE]
USA: ¥213B [PERCENTAGE]
Philippines: ¥37B [PERCENTAGE]
Indonesia: ¥31B [PERCENTAGE]
UK: ¥53B [PERCENTAGE]
France: ¥48B [PERCENTAGE]
Canada: ¥42B [PERCENTAGE]
Australia: ¥110B [PERCENTAGE]
Singapore: ¥59B [PERCENTAGE]
Thailand: ¥115B [PERCENTAGE]
Vietnam: ¥44B [PERCENTAGE]
Malaysia: ¥52B [PERCENTAGE]
USA: ¥181B [5.2%]

Total: ¥3.7 trillion Spent by Foreigners In 2016

Source: Japan Tourism Agency
## Per Capita Spending in JPY and in Local Currency

### In JPY

<table>
<thead>
<tr>
<th>Region</th>
<th>Amount (JPY)</th>
<th>YoY</th>
<th>In Local</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>231,504</td>
<td>-18.4%</td>
<td>RMB14,276</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>125,854</td>
<td>-11.1%</td>
<td>TWD37,585</td>
<td>1.6%</td>
</tr>
<tr>
<td>Korea</td>
<td>70,281</td>
<td>-6.5%</td>
<td>KRW755,706</td>
<td>8.3%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>160,230</td>
<td>-7.0%</td>
<td>HKD11,517</td>
<td>4.4%</td>
</tr>
<tr>
<td>USA</td>
<td>171,418</td>
<td>-2.4%</td>
<td>USD1,587</td>
<td>9.4%</td>
</tr>
<tr>
<td>All regions</td>
<td>155,896</td>
<td>-11.5%</td>
<td>USD1,443</td>
<td>-0.2%</td>
</tr>
</tbody>
</table>

Source: Japan Tourism Agency
From Shopping to Experiencing?
Consumption Trends

[All Nationalities]
- Shopping (38%), Hotels (27%), Food (20%), Transport (11%)

[Country Specific]
- China: Shopping (53%), Hotels (19%), Food (17%)
- Korea: Shopping (28%), Hotels (31%), Food (25%)
- Taiwan: Shopping (37%), Hotels (27%), Food (21%)
- USA: Shopping (15%), Hotels (41%), Food (24%)
- UK: Shopping (13%), Hotels (44%), Food (23%)

[Per Capita]
Australia (¥246,866), China (¥231,504), Spain (¥224,072), Italy (¥198,000), France (¥189,006), Vietnam (¥186,138)

Source: Japan Tourism Agency
Airport Concessions

7 Airports in Hokkaido
- Sendai Airport
  - July 2016
- Shizuoka Airport
  - 2019
- Takamatsu Airport
  - April 2018
- Fukuoka Airport
  - April 2019
- Kansai & Osaka Airports
  - April 2016
- Hiroshima Airport
  - Under review
- Niigata Airport
  - Under review

Local Specialty Restaurant

Walk-through Duty-free in KIX
KIX Network in IATA 2017 Summer
Connected with 32 cities(!) in mainland China

Source: Kansai Airports
## Government’s Goals for Tourism
(March 2016)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inbound arrivals</td>
<td>19.7M</td>
<td>40M</td>
<td>60M</td>
</tr>
<tr>
<td>Consumption by foreigners</td>
<td>\3.5T</td>
<td>\8T</td>
<td>\15T</td>
</tr>
<tr>
<td>Stays in regional areas</td>
<td>28.2M</td>
<td>70M</td>
<td>130M</td>
</tr>
<tr>
<td>Foreign repeaters</td>
<td>11.6M</td>
<td>24M</td>
<td>36M</td>
</tr>
<tr>
<td>Consumption by Japanese</td>
<td>\20.4T</td>
<td>\21T</td>
<td>\22T</td>
</tr>
</tbody>
</table>
## Metropolitan Airports’ Expansion Plan

<table>
<thead>
<tr>
<th></th>
<th>By 2020</th>
<th>Beyond 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Haneda</strong></td>
<td>Runway Capacity +13 thousand/yr.</td>
<td>New Runway</td>
</tr>
<tr>
<td></td>
<td>Flight Route +23～26 thousand/yr.</td>
<td></td>
</tr>
<tr>
<td><strong>Narita</strong></td>
<td>Air Traffic Control +20 thousand/yr.</td>
<td>Runway Extension</td>
</tr>
<tr>
<td></td>
<td>High-speed Exit Taxiway +20 thousand/yr.</td>
<td>New Runway</td>
</tr>
<tr>
<td></td>
<td>Shorter Night Curfew +α</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>750 thousand/yr. +80 thousand/yr. ⇒ Additional 220 slots/day</td>
<td></td>
</tr>
</tbody>
</table>

Source: Ministry of Land, Infrastructure, Transport and Tourism
訪日中国人の年齢・性別構成

毎年観光客に占める割合は、全体で49.5%、観光客で41.1%です。

出典：観光庁「訪日外国人消費動向調査（平成26年）」に基づき、日本政府観光局（JNTO）が作成