

“Travel Balance” Turned Positive! – Contribution to Economy Expected

1. What is “Travel Balance” ?

The “travel balance” is calculated by subtracting the amount Japanese travelers spend abroad from the amount spent by visitors to Japan. It is one of the items of balance of services under a statistics called balance of payments announced by the Ministry of Finance Japan every month.

2. Latest Trend

On June 9, the Ministry of Finance announced April balance of payments (provisional). The travel balance was the surplus of 17.7 billion yen which turned positive after almost 44 years since July 1970 when World Expo was held in Osaka. Surplus of travel balance means that the amount spent by visitors to Japan was more than that of Japanese travelers spent abroad. This was mainly due to the increase in number of tourists to Japan thanks to weakening JPY and relaxed visa rules for Southeast Asian countries.

According to Japan National Tourist Organization (JNTO), a total of 1.23 million foreign tourists visited Japan in April, up 33.4% year on year. As a single month, it has broken the historical high for two consecutive months. In Asia, visitors in April from Taiwan (+48,400), Thailand (+28,300) and Hong Kong (+14,900) increased substantially from the previous month. The number of tourists from Taiwan, Thailand, Philippines and Vietnam hit a record high.

On the other hand, the number of Japanese traveled abroad declined for four consecutive months to 1.19 million (-4.4% y-o-y). It has peaked out in 2012 (18.49 million) and declined to 17.43 million (-5.5% y-o-y) in 2013 and continued to decline month on month in year 2014.

2014 Monthly Visitor Arrivals

(Unit : Persons)

	January	Change (%, y-o-y)	February	Change (%, y-o-y)	March	Change (%, y-o-y)	April	Change (%, y-o-y)
Grand Total	944,009	41.2	880,020	20.6	1,050,500	22.6	1,231,500	33.4
Asia	766,525	48.6	722,395	22.1	-	-	-	-
Korea	255,517	9.0	231,502	-1.2	192,100	-7.2	194,000	-5.0
China	155,605	115.2	138,236	70.9	184,200	80.1	190,600	90.3
Taiwan	196,923	76.9	191,235	27.3	208,500	41.4	257,900	30.3
Hong Kong	63,503	103.3	64,809	14.6	64,400	8.4	79,300	44.1
Thailand	27,161	68.7	34,334	72.6	71,100	58.5	99,400	65.1
Singapore	10,888	53.2	10,370	2.3	16,400	22.3	18,700	28.2
Malaysia	13,961	83.5	14,109	28.5	23,400	74.6	25,200	71.2
Indonesia	7,129	6.8	6,527	32.2	14,300	7.2	16,900	8.8
Philippines	9,160	22.1	7,495	48.4	12,700	4.3	29,700	129.5
Vietnum	6,707	34.2	7,419	70.5	11,100	63.7	17,900	47.5
India	6,887	9.1	4,982	2.0	6,900	18.0	7,400	14.2
Others	13,084	28.4	11,377	23.6	-	-	-	-
Europe	56,833	13.3	58,659	11.5	-	-	-	-
North America	74,503	18.0	65,201	13.6	-	-	-	-
Oceania	40,928	17.4	29,567	23.8	-	-	-	-
Others	5,220	13.5	4,198	4.6	-	-	-	-

(Note) 1. Jan.-Feb. figures are provisional and Mar.-Apr. figures are estimated by JNTO.

2. “-” indicates that the figures are not available currently.

(Source) SMAM, based on JNTO data.

3. Future Outlook

Growth strategy of Abenomics aims to almost double the number of visitors to Japan by year 2020 to 20 million per annum by attracting more foreign tourists. The government has already relaxed visa rules to the people of Thailand and Malaysia which has pushed the number of visitors to Japan from those countries higher. 2020 Olympic games in Tokyo and the development of the legalization of casino are the two key events which could further increase the number of foreign tourists to Japan in the future.

Japan is known for a safe country to live as well as for its world-class tourist resources with a variety of culture, historical monuments and beautiful seasonal scenery. Positive effect to the economy could be expected with the sustainable increase of foreign tourists to Japan supported by the charm it has and by the government promotion.

Visitor Arrivals & Japanese Overseas Travelers

(Unit : Persons)

	2010	2011	change	2012	change	2013	change
Visitor Arrivals	8,611,175	6,218,752	-27.8%	8,358,105	34.4%	10,363,904	24.0%
Japanese Overseas Travelers	16,637,224	16,994,200	2.1%	18,490,657	8.8%	17,472,748	-5.5%

(Note) 1. JNTO compiled the data of the Ministry of Justice and recalculated it to bring the visitor figures in line with the international standards.

2. The figures for 2013 is provisional.

(Source) SMAM, based on JNTO data

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