

Keywords to Look Back for year 2015

“Inbound Tourism Consumption” is Expanding

“爆買い(Shopping spree)” won the “Buzzword-of-the-year Award” sponsored by U-Can Inc. for year 2015. It reflects the recent shopping spree of foreign visitors in Japan. “爆” was ranked second for “Kanji* of the year” selected by Japan Kanji Aptitude Testing Foundation. The number of foreign visitors for year 2015 is expected to increase almost + 50% YoY to around 20 million. Increase of foreign visitors is an important keyword for the Japanese economy as additional ripple effect can be expected on top of its direct impact to the economy.

* Kanji are Chinese characters used in Japanese. For instance, “爆” is pronounced as “Baku”, meaning explosion.

Point 1

Number of foreign visitors had grown to 20 million per year

Global rank of popularity is still low, but has large potential to expand

- Total number of foreign visitors to Japan from January to November 2015 increased by + 48% YoY to around 18 million and is likely to reach almost 20 million for year 2015. Year 2016 is expected to surpass 20 million by far. If we look into numbers by country, China stands out for the number of visitors increased, however, visitors from almost all countries and regions (especially from South Korea, Hong Kong and Taiwan) have also increased.
- However, internationally, the number of visitors are still small as France ranks number 1 with 84 million visitors, followed by US with 75 million and in Asia, China and Thailand have 56 million and 25 million respectively (in year 2014), which suggests that Japan still has a large potential to expand its number.

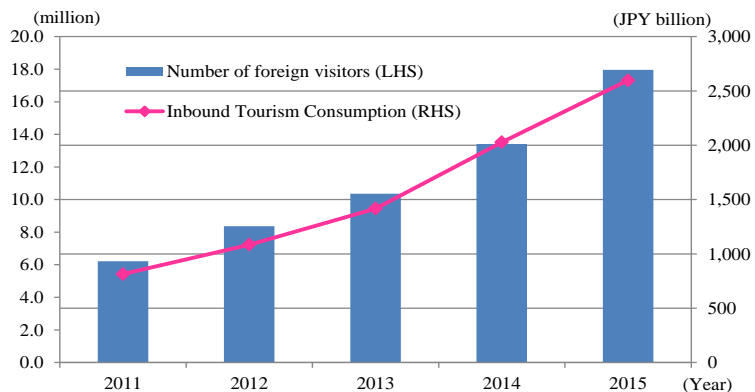
Point 2

Future economic effects are tremendous

Consumption is expected to expand to JPY 4 trillion per year

- Total Trip Expenditure in Japan by foreign visitors for Jul.-Sep. 2015 seems to have exceeded JPY 1 trillion for the first time for a single quarter.
- Wide-spread and large-scaled ripple effects are expected, such as construction of lodging facilities like hotels and retail shops, investment to enhance transportation capacity and increase of capex to produce goods for tourists. Positive effect to employment can also be expected as a ripple effect.

“Number of Foreign Visitors and Inbound Tourism Consumption”



(Note) Data period is from 2011 to 2015. For year 2015, data for “Number of foreign visitors” is till November and for “Inbound Tourist Consumption” till September. October and November data used for “Number of foreign visitors” are estimated by Japan National Tourism Organization (JNTO).

(Source) SMAM, based on data of JNTO for “Number of foreign visitors” and Japan Tourism Agency for “Inbound Tourism Consumption”.

Changed from social phenomenon to an important industry. Future development will be a focal point.

■ New target to be set within FY2015

Japanese government is aiming to develop tourism into a key industry. As the population decreases and the aging of the Japanese society progresses, increasing the number of foreign visitors to Japan is one of the key national strategies. Before March 2016, the government is expected to announce a new target number of foreign visitors per year and details of policy measures.

■ Enhancement of capacity to accept foreign visitors is critical

Currently, shortage of lodging facilities, chartered buses and parking space, and congested customs and immigration facilities are outstanding issues in order to accept foreign visitors to Japan. As for lodging facilities, ordinances for “private residents temporarily taking lodgers” have already been approved in Osaka Prefecture and Ota Ward of metropolitan Tokyo. The Japanese government is also considering to ease regulations in order to expand “private residents temporarily taking lodgers”.

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