

“Foreign Visitors”, continuing to grow in Japan

The number of foreign visitors are reported in the “Number of foreign tourists visiting Japan” statistics released by the Japan National Tourist Organization (JNTO). The statistics for the last 2 months show estimated “numbers of tourists” from 20 countries and regions which have a large number of tourists to Japan, as well as provisional numbers of incoming tourists from 38 countries and regions. Also, provisional figures for 3 months ago and before are reported, based on statistics of Ministry of Justice. Confirmed numbers are announced in the following year.

Point 1

“Number of foreign tourists visiting Japan” increased 18.0% YoY to 2.08 million in April 2016

Growth pace slowed due to Kumamoto Earthquake

- The “Number of foreign tourists visiting Japan” in April 2016 was released by JNTO on May 18th. The number rose 18.0% YoY to 2.08 million. This was a record high figure for two consecutive months. However, pace of growth has slowed from January (+ 52% YoY), February (+ 36% YoY) and March (+ 32% YoY) due to Kumamoto Earthquake and difficulty of hotel booking during Golden Week holiday (collection of national holidays) despite that April is cherry blossom season.

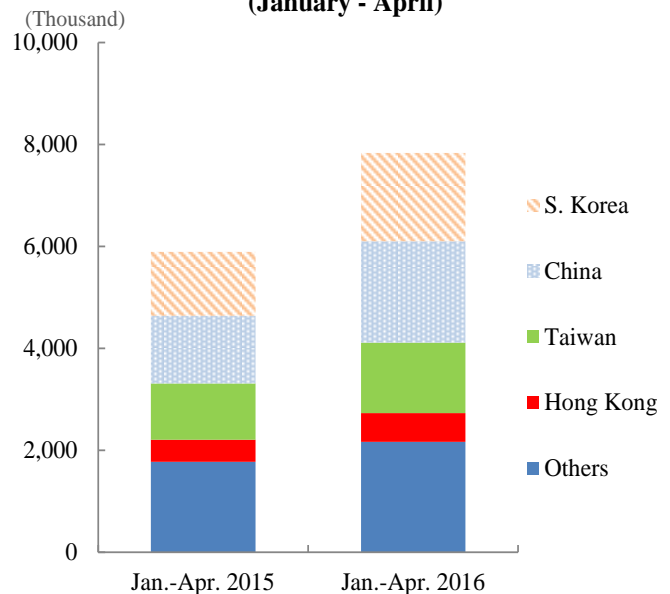
Point 2

Visitors from Asia continued to lead the increase

Total number of foreign visitors for Jan.-Apr. 2016 increased by 32.9% YoY

- The number of visitors from all of the 20 surveyed countries saw increase from the previous month. The number of tourists from Taiwan, Thailand, Indonesia, Philippines, Vietnam, India and France renewed their historical highs as a single month in April. Total number of visitors during Jan.-Apr. 2016 increased 32.9% YoY to 7.83 million. Largest number of visitors were from China that increased 49.5% to 1.99 million.
- The number of visitors continued to increase YoY, despite its pace being slowed as travelers from Korea, a neighboring country to Kyushu region where Kumamoto Earthquake struck on 14th April 2016, canceled their bookings. It seems that (i) “Visit Japan” promotion, (ii) expansion of air route and (iii) increase of passenger boats coming to Japan, are contributing to the increase.

“Number of foreign tourists visiting Japan”
(January - April)



(Source) SMAM, based on JNTO data.

Expectation on government measures to double number of foreign tourists visiting Japan to 40 million by year 2020

- It is expected that growth pace of foreign visitors will pick up after June, although Kumamoto Earthquake will still have negative impact on inbound tourism consumption in May, as regions other than Kyushu (where Kumamoto locates) are not so much being affected and the Earthquake is settling down.
- The Japanese government announced “Tourism Vision to Support the Future of Japan” in the end of March this year. The government considers tourism as a pillar of PM Abe’s growth strategy to achieve GDP target of JPY 600 trillion and revitalize regional economies. The government set a medium-term target of doubling the number of foreign visitors to 40 million by year 2020 and tripling to 60 million by year 2030, from about 20 million in year 2015. In concrete, measures such as (i) relaxation of visa requirements, (ii) introduction of rules for so-called “minpaku”, private lodging services (renting private homes and rooms), (iii) making use of cultural treasures such as opening Akasaka Palace State Guest House to public and (iv) reform of rigid tour guide-interpreter license exams, are expected to be put in place. The impact of these measures will draw key attention going forward.

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