

JAPAN TOURISM



Japan: the world's fastest growing travel destination

In 1995, a modest 3.3 million travelers went to Japan, a fascinating land of ancient temples, neon skyscrapers, snow-capped mountains and sandy beaches. That year it was the 34th most visited country on the planet, according to the United Nations World Tourism Organization (UNWTO), behind the likes of Bulgaria, Ukraine and Belgium.

Growth was steady, if unspectacular, for the next decade or two. In 1998, 4.1 million overseas travelers spent at least one night on Japanese soil, making it the 33rd most visited nation. In 2005, 6.7 million went, moving it to 32nd on the list. It rose one more place, to 31st, in 2010, when foreign arrivals totaled 8.6 million.

The country took a hit after the Fukushima nuclear disaster in March 2011, and in 2012, visits fell to 8.4 million. Since 2013, however, something remarkable has happened.

Annual arrivals have soared by more than 20 million, making Japan - by some distance - the decade's fastest growing major destination. The UNWTO estimates that 28.7 million overseas travelers stayed in Japan in 2017, a rise of 334 per cent since 2010. It is suddenly the 12th most visited country on the planet.

2018 Breakdown of Visitor Arrivals by Country/Area

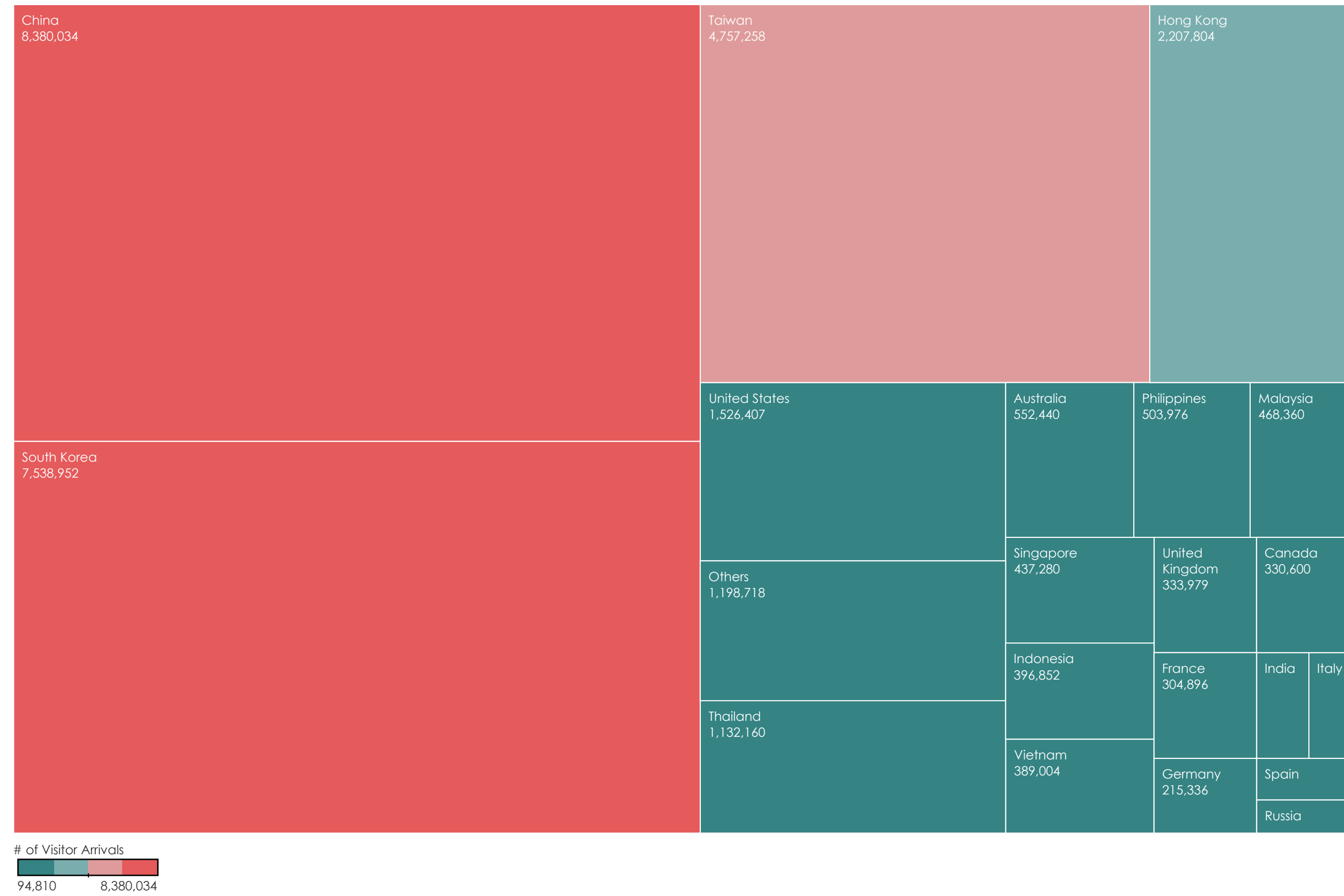
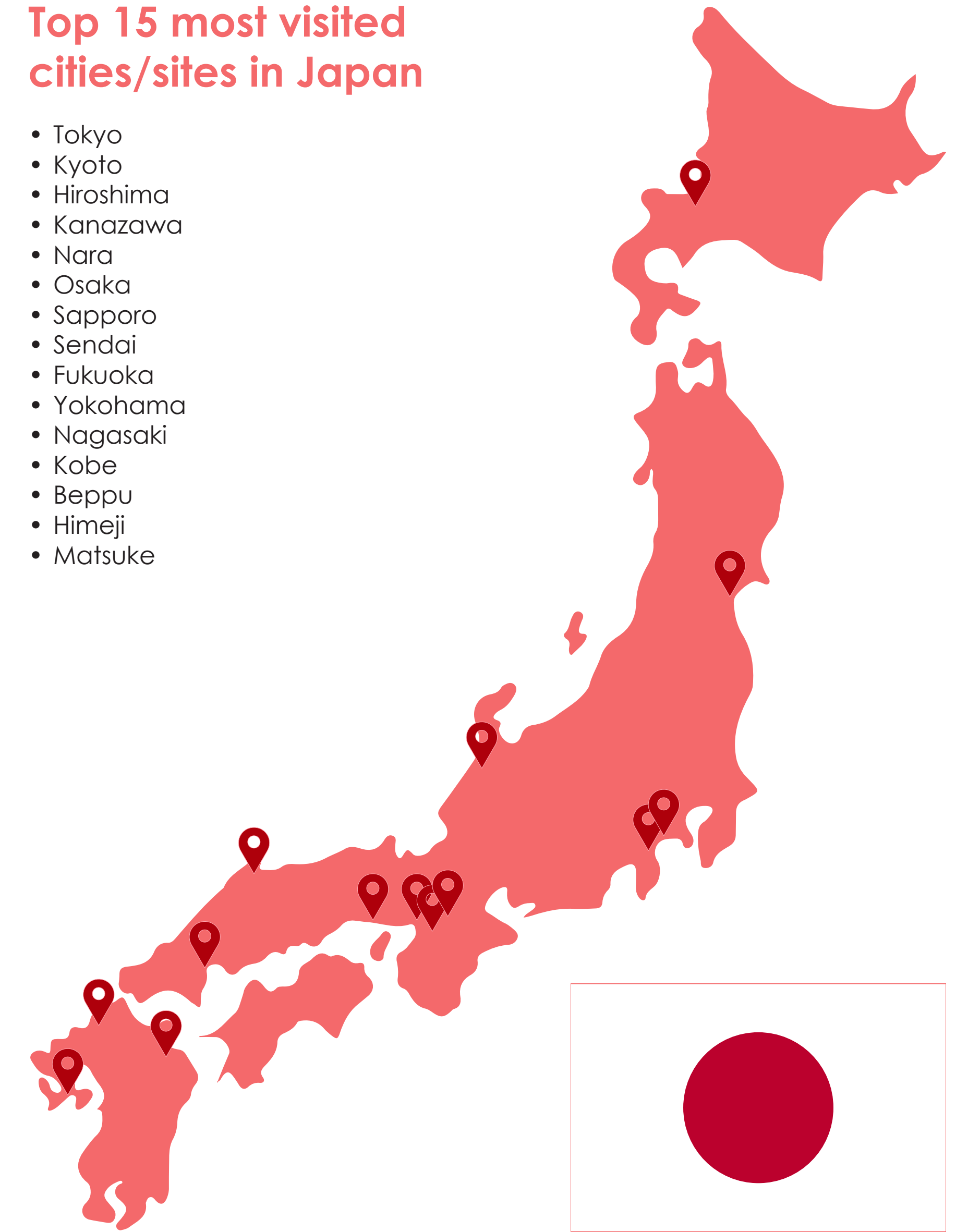


Figure 1.1 - Treemap displaying the breakdown of visitor arrivals by country/area in 2018. China comes at first with 8,380,034 visitors, South Korea with 7,538,952 at second, and United States with 1,526,407 at fifth.

Top 15 most visited cities/sites in Japan

- Tokyo
- Kyoto
- Hiroshima
- Kanazawa
- Nara
- Osaka
- Sapporo
- Sendai
- Fukuoka
- Yokohama
- Nagasaki
- Kobe
- Beppu
- Himeji
- Matsuke



Trends in Visitor Arrivals to Japan by Month and Purpose of Visit in 2018

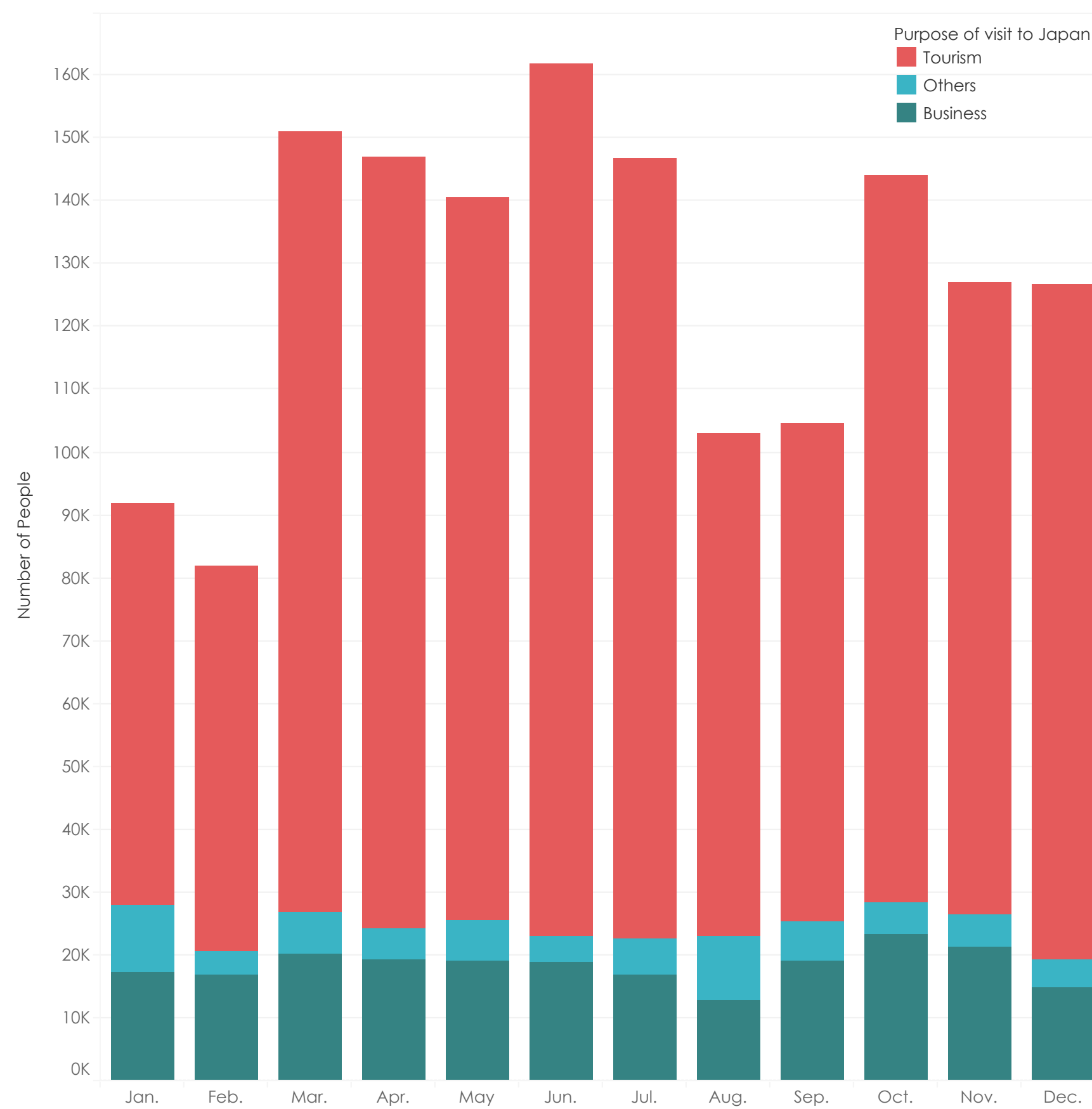


Figure 2.1 - Bar graph depicts people visiting Japan and their purpose of visiting by month. A large portion of people are visiting due to tourism, while a much smaller portion visit due to business matters.

Fueling Japan's boom

Japan's rise demonstrates the value of cutting red tape. In 2013 the country relaxed visa restrictions for visitors from Thailand, Malaysia, Indonesia, Philippines and Vietnam. Since 2015 it has been slowly easing restrictions for Chinese citizens. In 2017 it became easier for Azerbaijani travelers to visit and this year those from India and Ukraine were the latest to benefit. A total of 66 nationalities can now visit Japan as a tourist without a visa.

The rise of the Chinese tourist has also fueled Japan's boom. In the first year of the new millennium, a modest 10.5m overseas trips were made by Chinese residents. Fast forward to 2017 and the figure was 145m - an astounding increase of 1,380 per cent. In less than two decades China has grown from travel minnows to the world's most powerful outbound market, leapfrogging the US - and leaving it in its wake. According to the UNWTO, Chinese tourists overseas spent \$261.1bn in 2016, up from around \$10bn in the year 2000 (the figure for 2017 is likely to top \$300bn). Collectively, America's globetrotters parted with a relatively paltry \$123.6bn.

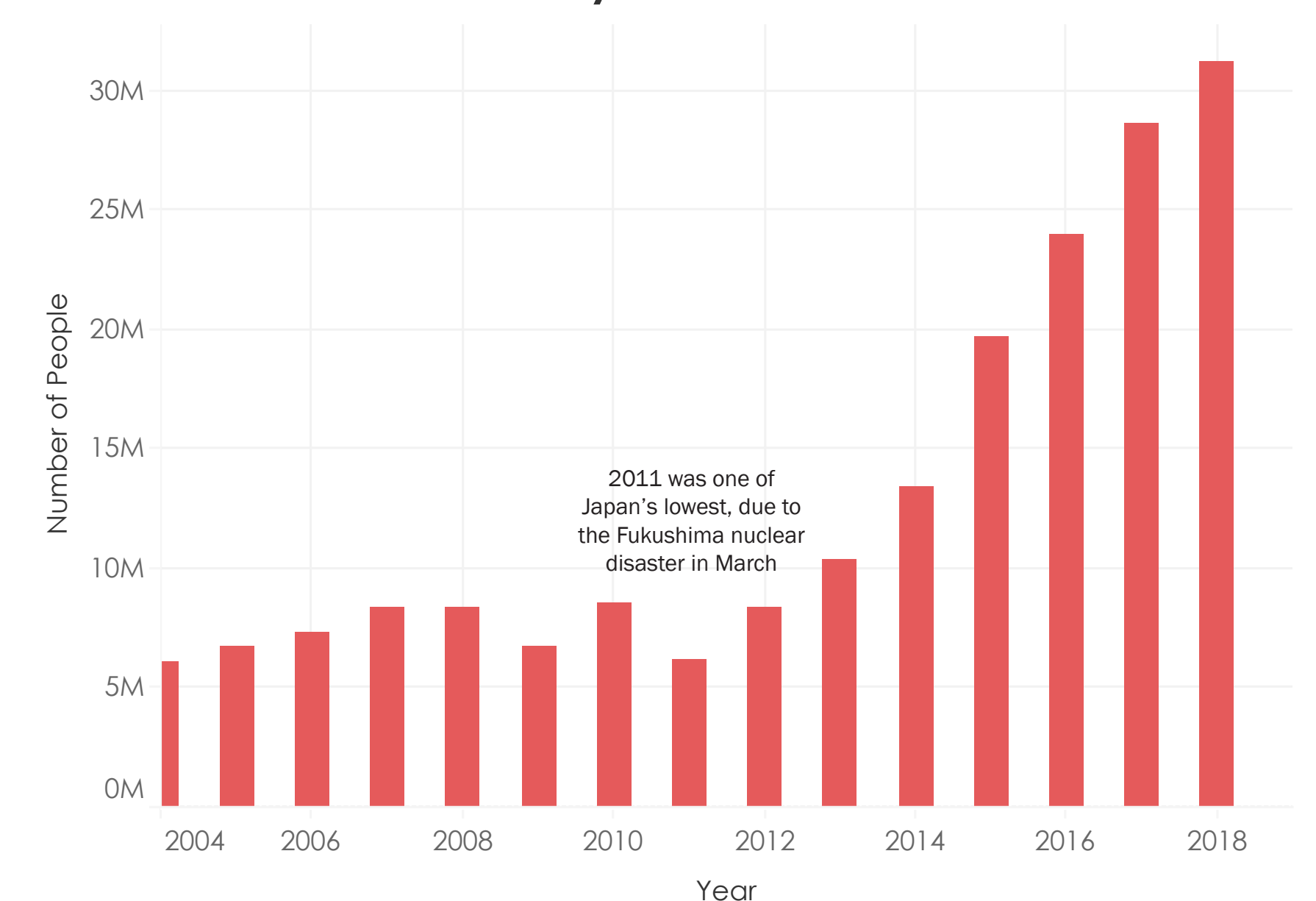
In 2014 China overtook South Korea



as Japan's biggest source market and now provides more than six million annual visitors. For comparison, just over one million travel to Japan from the US each year.

The falling value of the Japanese yen has been another factor. One US dollar bought around ¥80, on average, in 2012. That rose to ¥98 in 2013, ¥112 in 2014, and more than ¥120 in 2015. It currently stands at around ¥110, still way up on the start of the decade. Sterling goes further too, with one pound currently worth about ¥147 - up from ¥129 in 2012.

Trends in Visitor Arrivals by Year



Trends in Visitor Arrivals to Japan and Japanese Overseas Travelers by Month in 2018

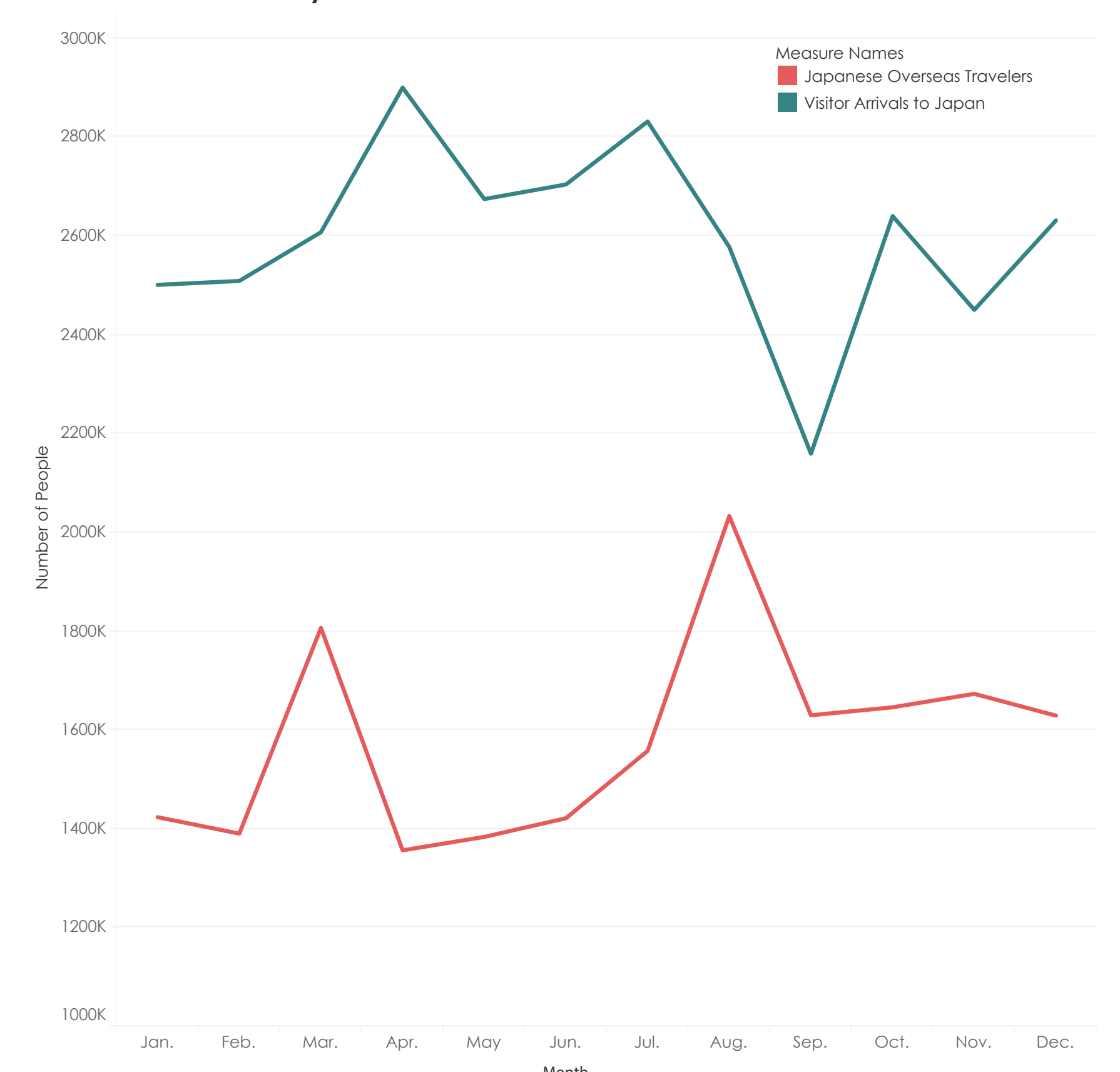


Figure 4.1 - Additional line graph detailing the months in the year 2018 of Figure 3.1.

Quick overview of tourism in Japan

- From 1995 to 2012, the annual number of tourists going to Japan increased from 3.3 million to 8.4 million, a growth rate of about 6% each year.
- In 2018, Japan had attracted a total of 31 million tourists internationally.
- The *Travel and Tourism Competitive-ness Report 2017* ranks Japan 4th out of 141 countries overall, which was the best in Asia.
- A total of 8.4 million were visitors from China alone in 2018.
- Chinese travelers are the highest spenders in Japan by country, spending an estimated 196.4 billion yen (\$2.4 billion) in 2011, or almost a quarter of total expenditure by foreign visitors.
- The Japanese government hopes to receive 40 million foreign tourists every year by 2020.

Trends in Visitor Arrivals to Japan and Japanese Overseas Travelers by Year

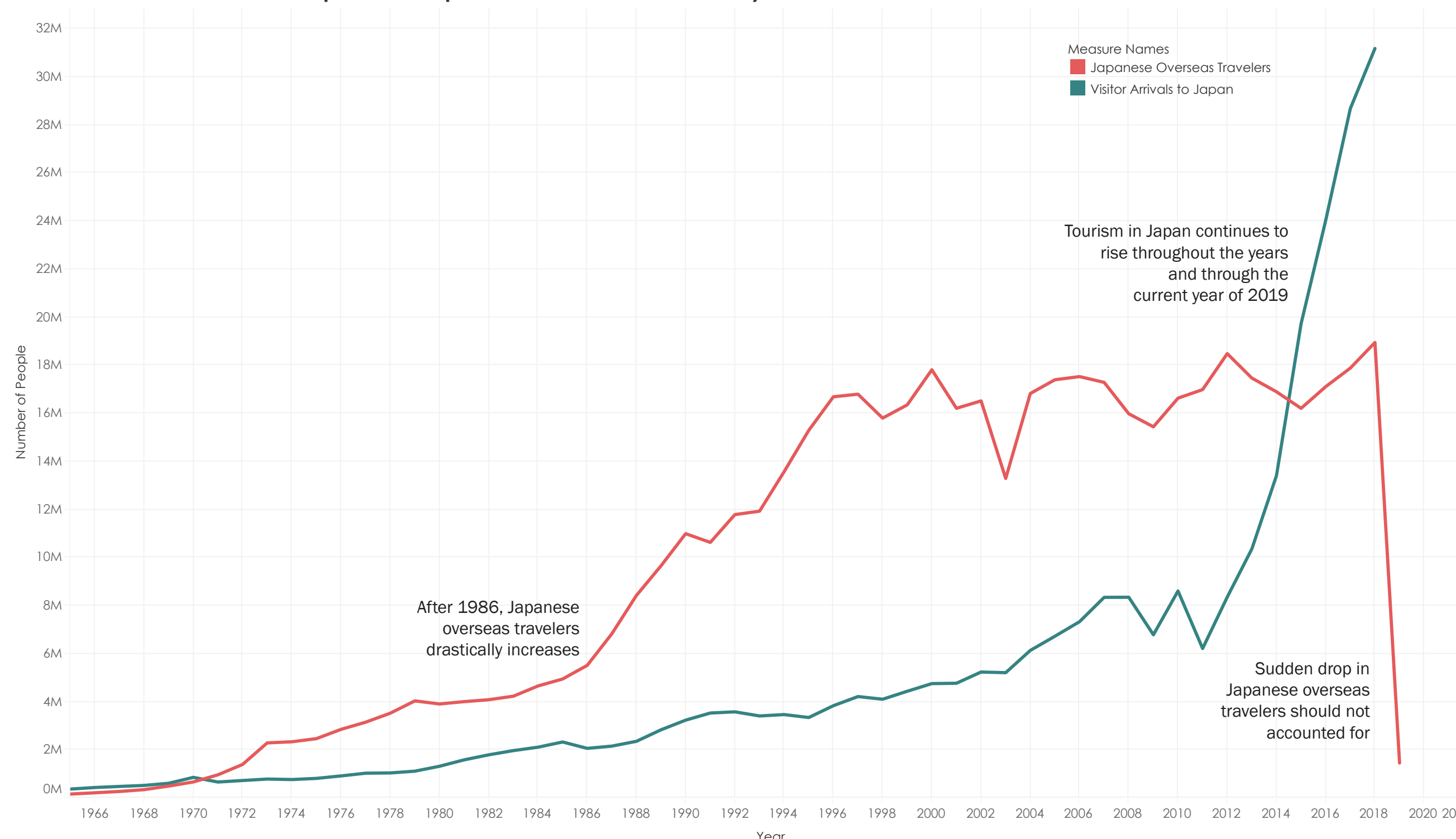


Figure 3.1 - Line graph depicts visitor arrivals to Japan and Japanese people traveling overseas according to year. It is shown that international people outside of Japan who visit, have been increasing over the years due to tourism.

References: "Japan Tourism Statistics." Japan Tourism Statistics | Japan National Tourism Organization (JNTO), statistics.jnto.go.jp/en/.

Smith, Oliver. "How the World's Fastest Growing Travel Destination Is Becoming the next Overtourism Battleground." The Telegraph, Telegraph Media Group, 29 May 2018, www.telegraph.co.uk/travel/destinations/asia/japan/articles/japan-fastest-growing-travel-destination/.