

Voluntary Report – Voluntary - Public Distribution

Date: December 15, 2022

Report Number: JA2022-0112

Report Name: Visitors Return Boosting Economic Activity for Restaurant and Hotel Industry

Country: Japan

Post: Tokyo ATO

Report Category: Agricultural Situation, Agricultural Trade Office Activities

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Report Highlights:

The return of international visitors to Japan has started to offer glimpses of positive economic activity among the hotel and restaurant industries. Hotels experienced guest stay increases of 32.5 percent year over year, to 42.1 million, up 5.8 percent compared to October 2019. October restaurant sales soared to nearly 15 percent year over year on an all-store basis, levels not seen since before the global pandemic. Japan's reopening and travel promotion efforts have laid a strong foundation for economic recovery heading into the new year.

International Travel Resumes

On October 11, the Government of Japan (GOJ), eliminated COVID-19 travel restriction measures, opening travel up to international visitors. The Ministry of Foreign Affairs also reverted back to e-VISAs for certain countries under specified conditions. To date (January – September 2022), Japan has received 1,028,508 visitors. As a result, the economic activity throughout Japan has boosted sales at hotels and restaurants.

Note: This is the first preliminary international visitor data released by the Japan tourism agency. This information may be updated and published on December 26.

Hotels Welcome Visitors

International guest stays were still lower compared to 2019, however, guest stays on a per-night basis increased 38 percent from 2021. The occupancy rate was approximately 53 percent overall for October, an increase from September. The chart below highlights the breakdown of accommodation type: ryokans accounted for 39.2 percent, 52.6 percent for resort hotels, 61.9 percent for budget hotels and 59.6 percent for city hotels.

International Guest Nights & Accommodation Type (by percentage)

	Overall	Ryokan "Inn"	Resort Hotel	Business Hotel	City Hotel	B&B (%)
Sept. 2022	49.5	35.9	47.7	59.6	54.3	23.1
Sept. 2019	-13.9	-3.5	-12.1	-16.7	-25.0	-13.6
Sept. 2021	+18.3	+16.6	+23.0	+19.3	+23.5	+6.9
Oct. 2022	52.6	39.2	52.6	61.9	59.6	23.7
Oct. 2019	-11.0	-0.3	-5.2	-15.4	-21.0	-9.0
Oct. 2021	+11.8	+9.1	+17.3	+10.8	+18.6	+4.8

Source: Japan Tourism Agency

The total number of guest stays increased to 73.1 percent from 2021 but was still down overall from 2019 by 19.2 percent to 39.4 million guest nights. The chart below highlights the number of guest nights and the top three destinations by guest nights.

Destinations	Number of Guest Nights	2019 comparison
Sept. 2022 Overall	39.4 million	-19.2 percent
Tokyo	4.7 million	-29.1 percent
Hokkaido	3.2 million	-1.8 percent
Osaka	2.5 million	-33.0 percent

Source: Japan Tourism Agency

The top overseas visitors by country were the United States, accounting for approximately 20 percent of visitors, followed by South Korea, accounting for approximately 9 percent; China, accounting for 7 percent; Thailand and Germany accounting for 3 percent respectively; Taiwan and Hong Kong accounting for 2 percent

respectively. Combined, these overseas visitors accounted for approximately 46 percent of the total visitors to Japan.

In terms of travel expenditures by international visitors from July to September 2022 (survey data from Sapporo, Haneda, Narita, Chubu, Kansai, Fukuoka, and Naha), expenditures totaled an estimated JPY 163.1 billion or 310,000 per day. Expenditures were higher than usual as a result of longer stays for business travelers.

Nationwide Tourism Stimulated by “GO Travel” Campaign

For Japanese domestic travelers, expenditures increased, driven by GOJ’s “Go Travel” Campaign. In the third quarter of 2022, Japanese travel consumption totaled a JPY 5.3 trillion. The campaign launched in October and runs through the end of December, however, was recently extended into 2023 (dates to be announced). The campaign subsidizes travel related expenses, with amounts varying by prefecture. Some of the specific subsidies offer domestic travelers a regional voucher for a JPY 3,000 for weekday use and a JPY 1,000 for holiday use. These regional vouchers can be used at restaurants and other local business at the traveler’s destination. Travel spending per traveler was up 21.6 percent year on year to a JPY 42,322, and also represents a 7.1 percent increase compared to 2019, according to the latest visitor statistics by the Japan Tourism Agency.

Restaurants Enjoy Increased Activity, Sales Soaring Nearly 15 percent Year on Year

According to recently released data by the Japan Food Service Association, restaurant sales in Japan in October soared to nearly 15 percent year over year on all-store basis. Restaurant sales increased year on year for the 11th consecutive month as customer visits increased attributed by the GOJ’s nationwide travel discount program and the complete relaxation of border control measures for COVID-19. Menu price hikes also boosted the value of sales. In the reporting month, restaurant sales exceeded the pre-pandemic level for the first time since March 2021, when the association began comparing latest data with levels before the COVID-19 crisis.

Attachments:

No Attachments.