

Toward a timely reading of “the signs of change” in tourism

**The Number of Foreign Visitors and Visit Ratio by Prefecture**

Advance estimation of monthly indexes: August report

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**Main points**

● **Review of data published by JNTO in September**

▶ According to JNTO estimates (Figure 1 and Table 1), **the total number of foreign visitors in Japan in August was 25,900 (51,100 in July), therein including the participants to the Tokyo Paralympic Games.** While the number surpassed the monthly average of the first half of 2021 (16,049 visitors) for the second consecutive month, a comparison with August 2019 shows a -99.0% decline.

▶ The top five foreign visitors by nationality were: USA (3,000), China (2,400), France (1,800), Korea (1,600), and the UK (1,300).

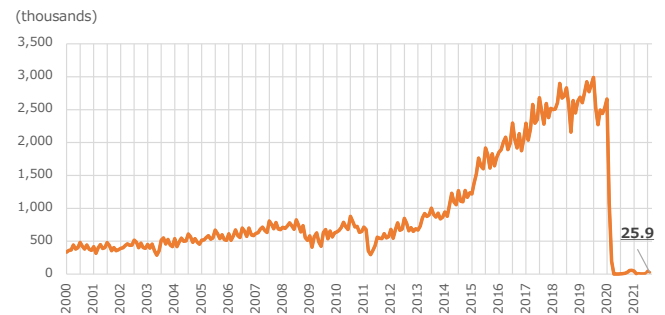
▶ According to JNTO, **the total number of foreign visitors in June was 9,251 (provisional figure).** Relative to the pre-pandemic June 2019, it declined by -99.7%. By travel purpose, the numbers are as follows (percentage change is relative to June 2019): tourism, 1,657 (-99.9%), business, 1,121 (-99.3%), and other purposes, 6,473 (-94.3%) respectively (Figure 2 and Table 3).

▶ The top five foreign visitors by nationality and travel purpose in June are listed below. Tourism: USA (414), UK (169), Korea (107), China (102), France (57). Business: China (231), Korea (115), USA (105), Vietnam (73), UK (59). Other purposes: China (1,640), USA (643), Korea (613), Indonesia (428), Philippines (350).

▶ Vaccination is a key factor for resuming international travel. Among the countries with a high share of their population fully vaccinated (as of 15 Sep) we can count Spain (76.1%), UK (64.9%), Italy (64.8%), France (63.7%), Germany (62.1%), and the USA (53.4%) (Figure 3). As vaccination moves forward across Europe, countries are relaxing their border restrictions. The UK, Italy and France scrapped quarantine measures for fully-vaccinated travelers from certain countries. Despite concerns over the spread of the Delta variant, if border restrictions will be lifted according to the plan, there are hopes that business and leisure travel will recover.

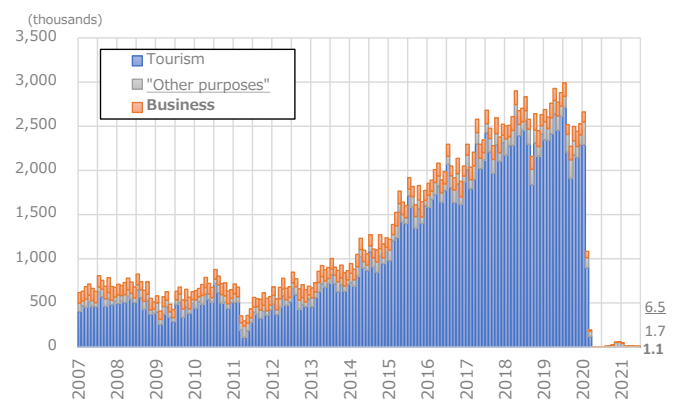
▶ Japan's vaccination rollout has accelerated and reached 54.8% on Sep 19, surpassing the USA (54.7%). The Japanese government decided to shorten the quarantine period from 14 to 10 days for fully inoculated travelers from abroad. However, even with this measure, Japan continues to enforce strict border restrictions by comparison with the European countries. As a result, the number of foreign visitors is expected to remain low for the time being, making a rapid recovery unlikely.

Figure 1 Number of foreign visitors



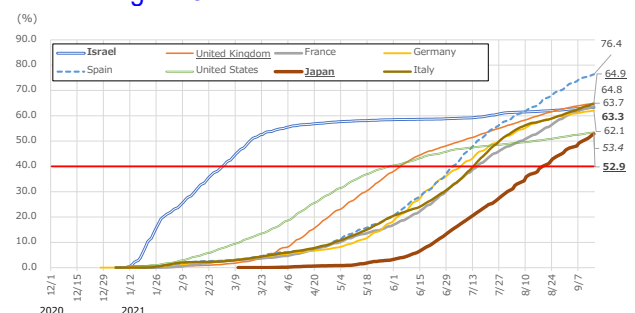
Source: based on data published by the Japan National Tourism Organization (JNTO). Note: the numbers are final for the period up until 2020, provisional for Jan-Jun 2021, and estimated for Jul-Aug 2021.

Figure 2 Number of foreign visitors by travel purpose



Source: JNTO  
Note: the number of “tourists” is obtained by deducting the number of “business travelers” from the total number of “short-term visitors” and it also includes those who are visiting relatives or friends. “Other purposes” refers to those other than tourism and business, including studying, training, as well as diplomatic and official ones.

Figure 3 Vaccination rollout situation



Source: based on “Our world in data” (as of 15 Sep)  
Note: shows the percentage of fully-vaccinated people.

\*Please note that the contents of this report have been partially changed starting with Nov 2020 due to the fact that the statistical survey used so far, the *Foreign Visitors Survey* (Japan Tourism Agency), is not currently being conducted.

Topics 1

**●Kansai's international trade in goods and services in August and service industry trends in July**

▶ In August Kansai's total exports rebounded from last year's low base and **rose by +26.2% YoY, increasing for the sixth consecutive month** (+25.0% YoY in July) (Figure 4). By commodity, **the exports of semiconductors and other electronic components logged a new record high for August**, largely thanks to other Asian markets. In addition, **the exports of construction and mining equipment to the US and EU were also strong**. Meanwhile, total imports expanded by +30.6% YoY, marking the seventh successive month of positive growth (+17.3% in July). As a result, Kansai's trade balance stood at JPY 216.9 billion, marking the 19<sup>th</sup> consecutive month of surplus (+5.2% YoY). The total trade amount (imports plus exports) expanded by +28.2% YoY, marking the eighth straight month of positive growth (+21.4% YoY in July).

▶ As shown in Figure 5, Kansai's China-bound exports increased by +14.7% YoY in August, marking the 15<sup>th</sup> straight month in positive territory (+17.0% YoY in July). Exports of plastics, and semiconductors and semiconductor manufacturing equipment made positive contributions. Imports from China strengthened by +32.3% YoY, marking the third successive month of expansion (+11.9% YoY in July). Imports of clothing and accessories, and heating and cooling equipment contributed positively.

▶ The number of international arrivals at Kansai International Airport (KIX) in August totaled 2,476. Decreasing from the previous month (2,776), the number continues to be lower than the monthly average of the first half of 2021 (3,772), and 99.6% less by comparison with the pre-pandemic August 2019 (Figure 6). The number of Japanese departures was 5,778, increasing from the previous month (2,998). Nevertheless, relative to August 2019, the decline is -98.6%. Due to the fact that most of the participants to the Tokyo Olympic and Paralympic Games arrived on Narita and Haneda airports, the hope that these events would bring more passengers to KIX did not materialize.

▶ **In July the overall situation of the services industry deteriorated due to reemergence of the virus and following state of emergency, but some sectors saw improvements.** The Index of Tertiary Industry Activity (seasonally adjusted: 2015 average=100), which reflects the economic activity within the services sector, dropped by -0.6% MoM to 96.6, marking the first decline in two months (Figure 7). The fourth state of emergency was declared in Tokyo starting July 12, which had a negative impact mainly on the retail industry. On the other hand, the index of face-to-face services\* logged the second consecutive month of increase, expanding by +0.4% MoM to 79.8. The lodging and other living-related services recovered partially due to the Tokyo Olympics.

▶ Among the Tertiary Industry Activity Indices, the tourism-related index\*\* (2015 average=100) was 70.5, increasing by +5.2% MoM (Figure 7). The aforementioned Tokyo Olympics led to a significant improvement in the travel and air passenger transportation industries, resulting in the second consecutive month of growth (+6.5% in June).

\*Face-to-face services include transportation, lodging, restaurants, food services, living-support and personal services, and the leisure industry.

\*\*Tourism-related indices are weighted averages of each of the tertiary industry activity indices corresponding to the classification of the Tourism Agency's Travel and Tourism Satellite Account: railroad passenger transportation, road passenger transportation, water passenger transportation, air passenger transportation, passenger transportation, other rental services, car rental, lodging, restaurants, food services, travel, movie theaters, theaters and entertainment companies.

Figure 4 Evolution of Kansai's foreign trade

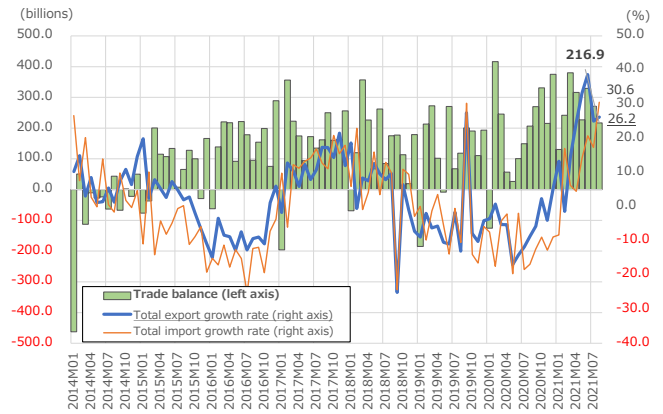
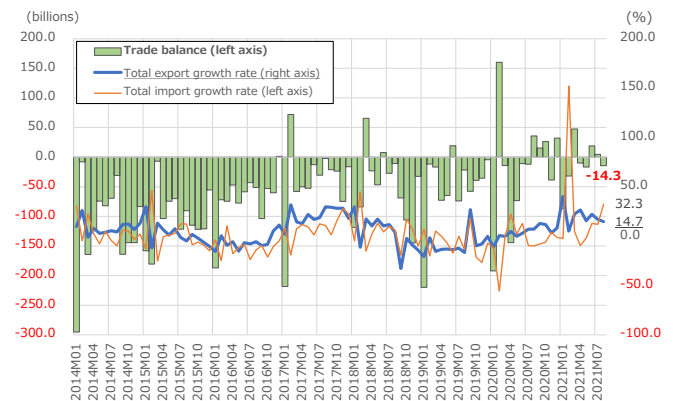
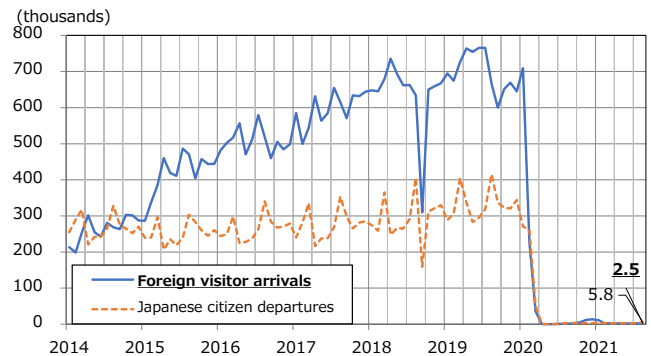


Figure 5 Evolution of Kansai's trade with China



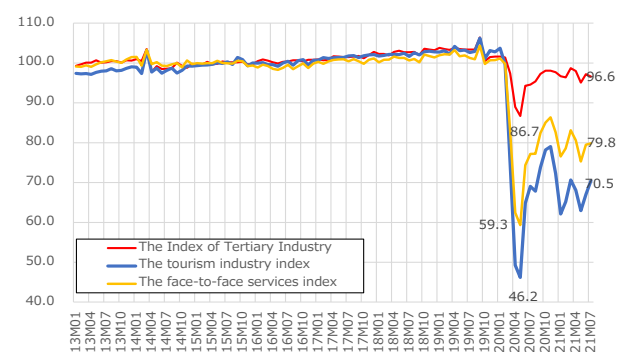
Source: based on Osaka Customs Preliminary Data for Kansai Area.

Figure 6 Evolution of the number of foreign visitor arrivals at KIX



Source: based on Immigration Control statistics. The numbers for August are preliminary figures.

Figure 7 Tourism-related face-to-face services in the tertiary industry: 2015 average=100



Source: based on "Indices of Tertiary Industry Activity" (METI)

## Topics 2

### ●Total number of overnight guests in June in the Greater Kansai area

▶ In June, the total number of overnight guests in the Greater Kansai area was 3.2974 million. Relative to pre-pandemic June 2019, the decline rate was -65.7% (Table 1). The decline decelerated from the previous month (-72.2%).

The third state of emergency in Kyoto, Osaka, and Hyogo prefectures was lifted on June 20, but the situation did not improve.

▶ The total number of Japanese overnight guests in Kansai was 3.2644 million. Relative to June 2019, the decline rate was -51.5%, decelerating from the previous month (-62.6%, see Table 1 and Figure 8). The largest number of guests was in Osaka Prefecture (1.0418 million), followed by Kyoto (586.0 thousand), Hyogo (495.1 thousand), Mie (318.5 thousand), Wakayama (202.3 thousand), Shiga (161.0 thousand), Tottori (147.9 thousand), Fukui (145.7 thousand), Tokushima (96.1 thousand), and Nara (70.1 thousand). Wakayama and Tottori prefecture have implemented programs to stimulate internal travel (“Wakayama Refresh Plan 2nd” and “#WeLove San’in Campaign”, respectively). This led to a significant MoM deceleration of the decline rate relative to June 2019.

▶ The total number of foreign overnight guests was 33.0 thousand. Relative to the same period of 2019, the decline rate was -98.9% (-98.6% in May) (Table 1 and Figure 9). The largest number of foreign guests was in Osaka Prefecture (17.6 thousand), followed by Hyogo (5.6 thousand), Kyoto (4.8 thousand), Shiga (1.4 thousand), Tottori (1.1 thousand), Mie (1.0 thousand), Fukui (0.9 thousand), Wakayama (0.3 thousand), Tokushima (0.3 thousand), and Nara (0.2 thousand).

▶ In June the total number of within-prefecture guests in the Greater Kansai area was 913.2 thousand (-32.1% relative to June 2019), while the total number of other-prefecture guests was 2.2523 million (-71.1% relative to June 2019) (Figure 10). The decline rates decelerated from the previous month (-37.1% and -77.7%, respectively). Of the total, the share of within-prefecture guests was 27.7%, while the percentage of other-prefecture guests was 68.3%.

▶ As for July, the total number of foreign guests is likely to increase on a national level due to the Tokyo Olympics. The same is expected in Kansai, considering that it will host a number of pre-Games training camps for foreign athletes.

Figure 8 Evolution of the total number of Japanese overnight guests by prefecture

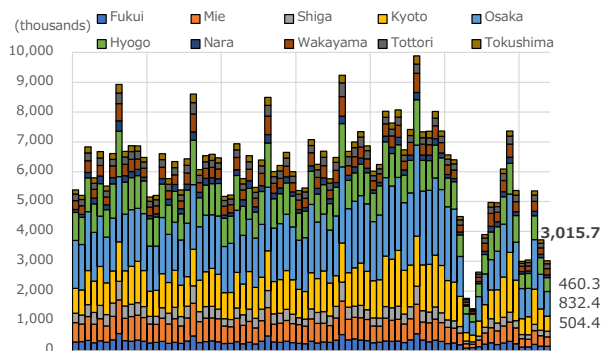


Figure 9 Evolution of the total number of foreign overnight guests by prefecture

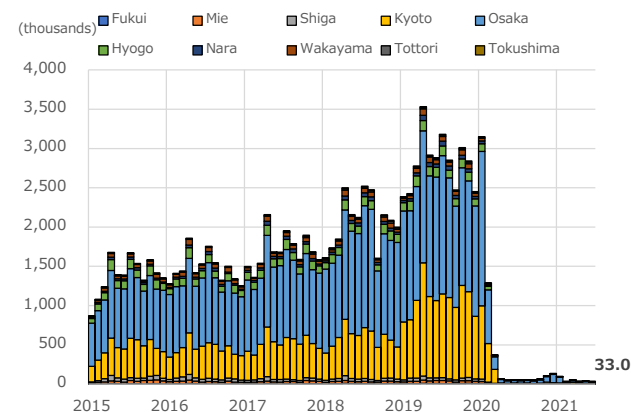
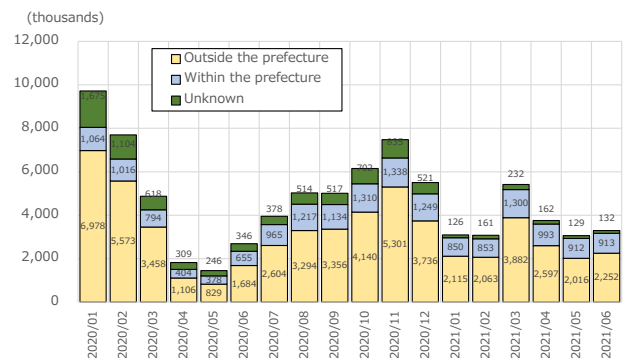


Figure 10 Evolution of the total number of overnight guests by residence



Note: The number of other-prefecture guests includes guests of foreign nationality.

Table 1 Evolution of the total number of overnight guests in Kansai

June. 2021	Total			Japanese overnight guests			Foreign overnight guests		
	Total number of overnight guests (thousands)	Growth rate: Relative to 2020 (%)	Growth rate: Relative to 2019 (%)	Total number of overnight guests (thousands)	Growth rate: Relative to 2020 (%)	Growth rate: Relative to 2019 (%)	Total number of overnight guests (thousands)	Growth rate: Relative to 2020 (%)	Growth rate: Relative to 2019 (%)
Fukui	146.5	8.3	-48.2	145.7	8.0	-46.9	0.9	88.9	-90.2
Mie	319.4	40.3	-51.4	318.5	40.8	-48.6	1.0	-37.7	-97.4
Shiga	162.4	26.4	-55.9	161.0	26.0	-52.1	1.4	97.1	-95.7
Kyoto	590.8	14.2	-75.9	586.0	16.3	-60.0	4.8	-63.6	-99.5
Osaka	1,059.4	23.9	-72.4	1,041.8	26.4	-54.1	17.6	-43.1	-98.9
Hyogo	500.6	15.0	-51.9	495.1	14.2	-46.2	5.6	250.3	-95.4
Nara	70.3	-1.0	-67.8	70.1	-0.7	-59.6	0.2	-56.1	-99.6
Wakayama	202.6	41.7	-42.8	202.3	42.0	-32.6	0.3	-46.2	-99.5
Tottori	149.0	49.4	-32.0	147.9	49.4	-27.4	1.1	60.3	-93.0
Tokushima	96.3	34.7	-47.9	96.1	34.5	-45.2	0.3	92.9	-97.2
Kansai (6 pref.)	2,586.1	20.3	-68.7	2,556.3	21.6	-53.2	29.8	-37.1	-98.9
<b>Kansai (8 pref.)</b>	<b>3,297.4</b>	<b>22.9</b>	<b>-65.7</b>	<b>3,264.4</b>	<b>23.9</b>	<b>-51.5</b>	<b>33.0</b>	<b>-34.3</b>	<b>-98.9</b>
Japan	19,596.6	24.2	-57.2	19,351.7	24.2	-46.6	244.9	22.2	-97.4

Source: based on *Overnight Travel Statistics Survey* by Japan Tourism Agency (figures 8~10 and Table 1)

Table 2 Foreign visitors in August 2021 (JNTO estimates) (comparison with 2019)

Country/Area	Total			Total		
	2019	2021	Growth	2019	2021	Growth
	Aug	Aug	rate(%)	Jan-Aug	Jan-Aug	rate(%)
Grand Total	2,520,134	25,900	-99.0	22,144,937	173,300	-99.2
Major countries total (excl. S.Korea)	2,107,548	15,490	-99.3	16,587,050	114,700	-99.3
South Korea	308,730	1,600	-99.5	4,733,063	11,700	-99.8
China	1,000,639	2,400	-99.8	6,583,524	29,300	-99.6
Taiwan	420,279	400	-99.9	3,360,344	3,600	-99.9
Hong Kong	190,260	100	-99.9	1,504,959	800	-99.9
Thailand	49,589	300	-99.4	806,386	2,000	-99.8
Singapore	19,698	90	-99.5	255,497	600	-99.8
Malaysia	19,827	200	-99.0	280,713	1,200	-99.6
Indonesia	16,160	600	-96.3	257,248	3,300	-98.7
Philippines	31,470	400	-98.7	364,361	3,600	-99.0
Vietnam	43,709	400	-99.1	337,718	22,400	-93.4
India	13,308	300	-97.7	119,470	4,100	-96.6
Australia	26,951	500	-98.1	388,730	2,600	-99.3
U.S.A.	117,828	3,000	-97.5	1,149,817	13,900	-98.8
Canada	27,568	500	-98.2	240,622	2,500	-99.0
Mexico	4,800	200	-95.8	45,085	1,000	-97.8
United Kingdom	26,213	1,300	-95.0	240,839	5,900	-97.6
France	30,851	1,800	-94.2	225,795	5,500	-97.6
Germany	17,264	1,000	-94.2	154,336	4,200	-97.3
Italy	22,804	600	-97.4	111,138	2,800	-97.5
Russia	8,321	800	-90.4	73,266	2,800	-96.2
Spain	20,009	600	-97.0	87,202	2,600	-97.0
Middle East	6,254	700	-88.8	59,137	2,200	-96.3
Others	97,602	8,110	-91.7	765,687	44,700	-94.2

Table 3 The number of foreign visitors by purpose of visit in June 2021 (JNTO provisional figures) (comparison with 2019)

Country/Region	Total			Tourism			Business			Others		
	2019	2021	Growth	2019	2021	Growth	2019	2021	Growth	2019	2021	Growth
	Jun	Jun	Rate(%)	Jun	Jun	Rate(%)	Jun	Jun	Rate(%)	Jun	Jun	Rate(%)
Total	2,880,041	9,251	-99.7	2,614,533	1,657	-99.9	151,577	1,121	-99.3	113,931	6,473	-94.3
Korea	611,867	835	-99.9	568,756	107	-100.0	28,323	115	-99.6	14,788	613	-95.9
China	880,651	1,973	-99.8	813,189	102	-100.0	32,195	231	-99.3	35,267	1,640	-95.3
Taiwan	461,085	300	-99.9	444,467	29	-100.0	10,395	29	-99.7	6,223	242	-96.1
Hong Kong	209,030	53	-100.0	204,751	8	-100.0	3,333	9	-99.7	946	36	-96.2
Thailand	62,984	139	-99.8	56,814	6	-100.0	3,484	5	-99.9	2,686	128	-95.2
Singapore	47,264	40	-99.9	43,854	14	-100.0	3,076	6	-99.8	334	20	-94.0
Malaysia	30,534	106	-99.7	27,185	6	-100.0	2,280	28	-98.8	1,069	72	-93.3
Indonesia	49,290	472	-99.0	43,203	17	-100.0	2,260	27	-98.8	3,827	428	-88.8
Philippines	46,842	392	-99.2	40,168	22	-99.9	2,348	20	-99.1	4,326	350	-91.9
Vietnam	35,419	416	-98.8	15,939	10	-99.9	3,530	73	-97.9	15,950	333	-97.9
India	15,359	68	-99.6	7,360	7	-99.9	5,244	6	-99.9	2,755	55	-98.0
Australia	37,283	116	-99.7	33,353	45	-99.9	2,913	18	-99.4	1,017	53	-94.8
US	175,491	1,162	-99.3	151,928	414	-99.7	18,571	105	-99.4	4,992	643	-87.1
Canada	25,402	110	-99.6	22,764	44	-99.8	1,857	26	-98.6	781	40	-94.9
Mexico	5,676	83	-98.5	5,027	49	-99.0	472	16	-96.6	177	18	-89.8
UK	25,801	338	-98.7	19,413	169	-99.1	4,981	59	-98.8	1,407	110	-92.2
France	21,317	195	-99.1	16,084	57	-99.6	3,769	28	-99.3	1,464	110	-92.5
Germany	15,697	183	-98.8	10,558	40	-99.6	4,274	42	-99.0	865	101	-88.3
Italy	11,357	101	-99.1	8,657	31	-99.6	1,995	25	-98.7	705	45	-93.6
Russia	8,844	145	-98.4	6,421	26	-99.6	1,582	14	-99.1	841	105	-87.5
Spain	9,762	108	-98.9	8,581	44	-99.5	780	9	-98.8	401	55	-86.3
Middle East	7,747	114	-98.5	4,822	14	-99.7	1,369	10	-99.3	1,556	90	-94.2
Others	85,339	1,802	-100.0	61,239	396	-100.0	12,546	220	-100.0	11,554	1,186	-99.9

Source: based on data published by the Japan National Tourism Organization (JNTO) on Sep 15, 2021

Note: see Figure 2 note for details regarding definitions of travel purposes.