

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: December report

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Main Points

Review of data published by JNTO in January

According to JNTO estimates (Figure 1 and Table 2), **the total number of foreign visitors in Japan in December was 12,100**. The number is lower than the previous month (20,700) due to the fact that the Japanese government suspended new entries of foreign nationals. Consequently, **in 2021 the total number of foreign visitors was 245,896, the lowest number on record since data started to be collected in 1964 (352,832)**. The decline is -94.0% relative to 2020, and -99.2% relative to 2019.

The top five foreign visitors by nationality in December were: China (1,800), India (1,200), Korea (1,100), the USA (1,000), and Taiwan, Indonesia and Vietnam (300 each). On the other hand, the top five in 2021 is as follows: China (42,300), Vietnam (26,500), the USA (20,000), Korea (19,000), and India (8,800).

According to JNTO, **the total number of foreign visitors in October was 22,113 (provisional figure)**. Relative to the pre-pandemic October 2019, the decline is -99.1% (Figure 2 and Table 3). By travel purpose, the numbers are as follows (the percentage change is relative to October 2019): tourism, 2,287 (-99.9%), business, 2,506 (-98.5%), other purposes, 17,320 (-89.0%). Partially as a result of shortening the quarantine period for vaccinated individuals, the number has increased from the previous month for all categories (data for September: tourism, 1,124; business, 1,676; other purposes, 14,920).

Since January 2022, **some European countries have started to relax border restrictions** despite the spread of the Omicron variant. For instance, in the UK and France, where the Omicron variant became dominant and has rendered travel restrictions ineffective, the authorities are gradually lifting border restrictions. In addition, since December 2021, both countries are focusing on accelerating their booster vaccination campaigns as a countermeasure to the Omicron threat (booster vaccination rate: 53.9% in the UK; 45.0% in France; Figure 3). Considering that fully vaccinated individuals are exempt from quarantine upon arrival, the vaccination rate is an important factor for easing border restrictions (Japan’s booster vaccination rate: 1.5%).

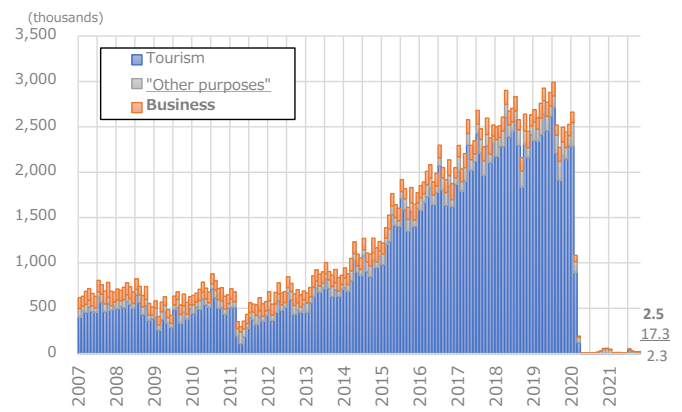
Unlike in some European countries, **in Japan border controls remain strict**. New entry for foreigners was suspended on November 30, and on January 11, 2022 the measure was extended until the end of February. While Japan mulls allowing some foreign students into the country in order to complete their studies, large scale relaxation measures are still a faint possibility, and the number of foreign visitors is likely to remain low for the time being.

Figure 1 Number of foreign visitors



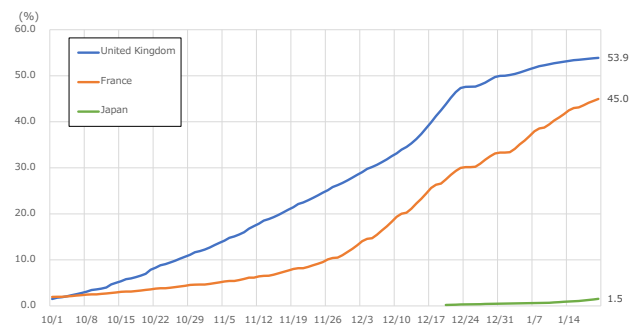
Source: based on data published by Japan Tourism Organization (JNTO).
Note: the number are final for the period up until 2020, provisional for Jan-Oct 2021, and estimated for Nov-Dec 2021.

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 Booster vaccination rates



Source: based on Our World In Data (as of Jan 20)

*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 December and service industry trends in November

▢ In December Kansai's **total exports rose by +18.5% YoY**. Despite decelerating from the previous month (+22.9% YoY), the positive trend has continued for ten months (Figure 4). By commodity, **the exports of semiconductors and other electronic components to other Asian markets were the main contributors**. As a result of soaring energy prices, **imports also rose by +32.3% YoY for the 11th consecutive month** (+39.3% in November). As a result, Kansai's trade balance stood at JPY 287.8 billion, marking the 23rd month of surplus. However, as imports increased at a faster rate than exports, the trade surplus shrank by -22.8% YoY for the second successive month (-60.4% in November). For the whole 2021 year, exports and imports expanded for the first time in three years by +21.0% YoY, and +17.8% YoY, respectively, while the trade balance grew by +39.8% YoY for the second consecutive year.

▢ Kansai's China-bound exports increased by +14.9% YoY in December, marking the 19th straight month in positive territory (Figure 5). However, positive growth decelerated from the previous month (+20.6% YoY in November). Imports from China also increased by +23.5% YoY, accelerating from the previous month (+19.4% YoY) and marking the seventh consecutive month of expansion. For the whole 2021 year, China-bound exports rose by +18.4% YoY for the second consecutive year, with plastic and semiconductors and other electronic components being the main export commodities. Imports also expanded by +15.6% YoY for the first time in three years, with clothing and accessories, and communication equipment being the main import commodities.

▢ The number of international arrivals and Kansai International Airport (KIX) in December totaled 2,727, decreasing from the previous month (3,678). Relative to the same month of 2019, the decline rate is -99.6% (Figure 6), reflecting the aforementioned ban on new entry for foreign nationals. **The total number of international arrivals in 2021 was 41,119 (-95.9% YoY), the lowest number on record since the airport was opened in 1994 (248,806)**. In December, the number of outbound departures by Japanese nationals was 4,247 (-98.8% relative to December 2019), decreasing from the previous month (4,467). The total number in 2021 was 43,970 (-92.7%), showing that outbound tourism demand has mostly disappeared, much like in the case of inbound tourism.

▢ **In November, the services industry indices have improved due to a better COVID-19 epidemiological situation**. The Index of Tertiary Activity (seasonally adjusted: 2015 average=100), which reflects the economic activity within the services sector, increased by +0.4% MoM to 98.2 for the third consecutive month (+1.9% MoM in October, Figure 7). Likewise, the index of face-to-face services* grew by +4.1% MoM to 87.5 for the third straight month (+8.2% MoM in October). Both indices improved significantly due to the low number of new infection cases and the relaxation of COVID-19-related restrictions. Particularly, **the situation in the eating and drinking places, and take-out and delivery sectors ameliorated for the third successive month** (+8.2% MoM).

▢ The tourism-related index** (2015 average=100) increased by +6.7% MoM to 80.1, the highest level since February 2020 (99.7, Figure 7). The travel subsidy campaigns run by each prefecture played an important role in stimulating the **accommodation (+14.7% MoM, expanded for two continuous months), and travel (+45.3 YoY, expanded for three continuous months) sectors**.

*Face-to-face services include transportation, accommodation, eating and drinking places, take-out and delivery 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 made by 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, accommodation, eating and drinking places, take-out and delivery services, travel, movie theaters, theaters and entertainment companies.

Figure 4 Evolution of Kansai's foreign trade

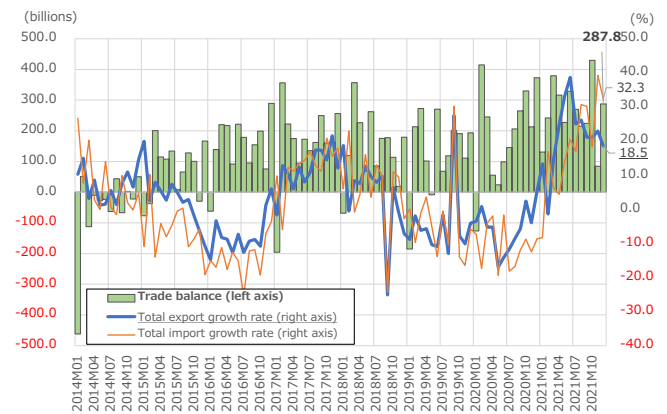
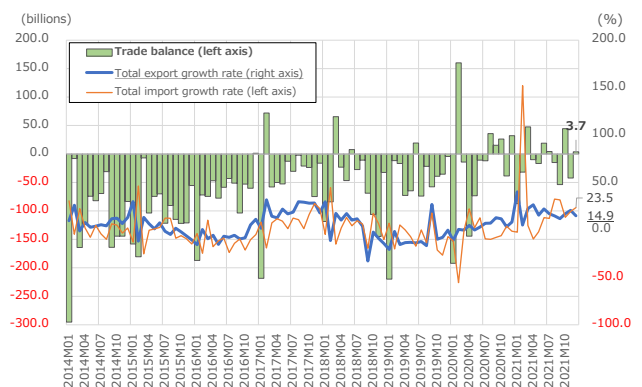
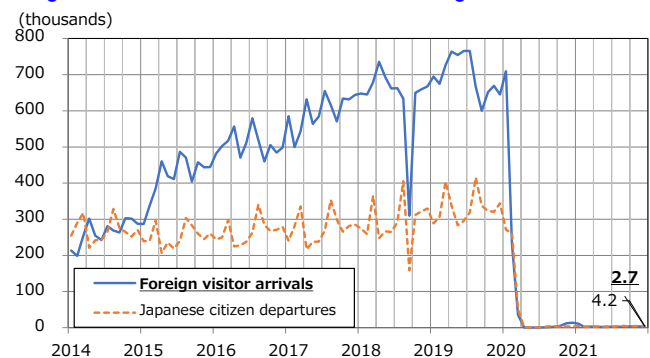


Figure 5 Evolution of Kansai's trade with China



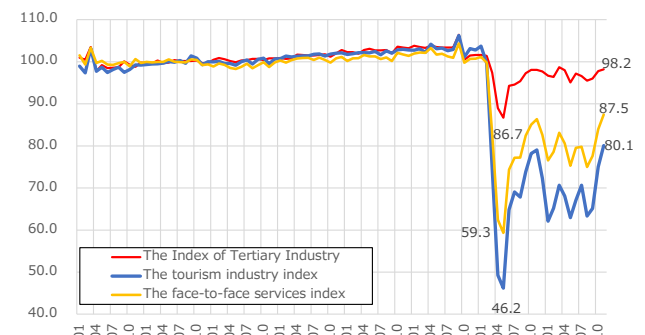
Source: based on *Osaka Customs Preliminary Data for Kansai Area*

Figure 6 Evolution of the number of foreign arrivals at KIX



Source: based on *Immigration Control Statistics*. The numbers for December are preliminary figures.

Figure 7 Tourism-related, face-to-face services, and tertiary industry indices: 2015 average=100



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

Topics 2

● **Total number of overnight guests in October in the Greater Kansai area**

▶ According to Japan Tourism Agency (JTA), in October the total number of overnight guests in the Greater Kansai area was 5.7368 million. Relative to the pre-pandemic October 2019, the decline rate is -44.7%, decelerating from the previous month (-58.7%, Table 1). The number of overnight guests improved significantly as a result of lifting the quasi- and the full state of emergency nationwide on September 30, 2021.

▶ The total number of Japanese overnight guests was 5.6923 million. Relative to October 2019, the decline rate is -22.7%, decelerating from the previous month (-45.3%, see Table 1 and Figure 8). By prefecture, the largest number of guests was in Osaka Prefecture (1.8259 million), followed by Kyoto (1.1496 million), Hyogo (866 thousand), Mie (470.9 thousand), Wakayama (362.1 thousand), Shiga (260.1 thousand), Fukui (240.2 thousand), Tottori (202.9 thousand), Nara (160.3 thousand), and Tokushima (154.3 thousand). Remarkably, the number of Japanese overnight guests in Wakayama Prefecture surpassed that from two years earlier.

▶ In October, the total number of foreign overnight guests was 44.5 thousand. Relative to October 2019, the decline rate is -98.5% (-98.4% in September, see Table 1 and Figure 9).

▶ By residence, overnight guests from the same prefecture totaled 1.4721 million (+20.9%), while the number of overnight guests from other prefectures was 4.0533 million (-52.6%), figures which correspond to 25.7% and 70.7% of the total, respectively. It is noteworthy that in the case of guests from the same prefecture, the expansion rate turned positive (from -9.9% in September), while in the case of guests from outside the prefecture, the decline rate ameliorated significantly (-65.0% in September) (all percentage changes are relative to the same month of 2019).

▶ In November, the total number of overnight guests nationwide was 35.615 million (preliminary figure). Relative to November 2019, the decline rate is -28.3%, which represents an improvement by comparison with the previous month (-36.9%, 31.567 million guests). As the travel subsidy campaign periods were extended and the target population expanded to residents from outside the prefecture, it is expected that the positive trend in Kansai will continue as well.

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

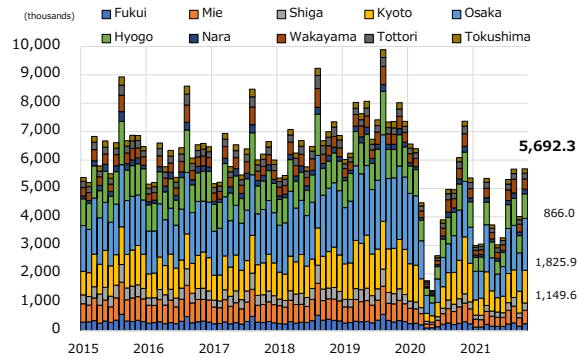


Figure 9 Evolution of the total number of foreign overnight guests by prefecture

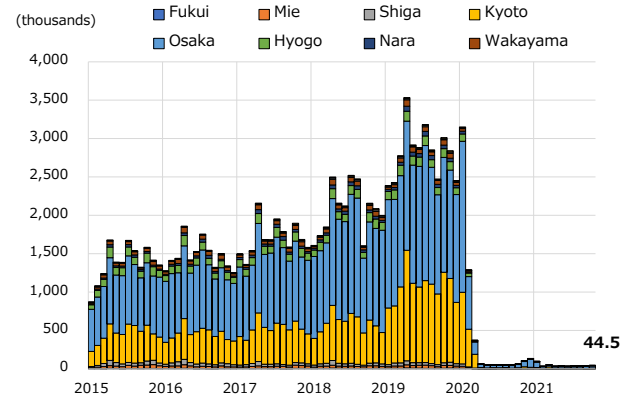
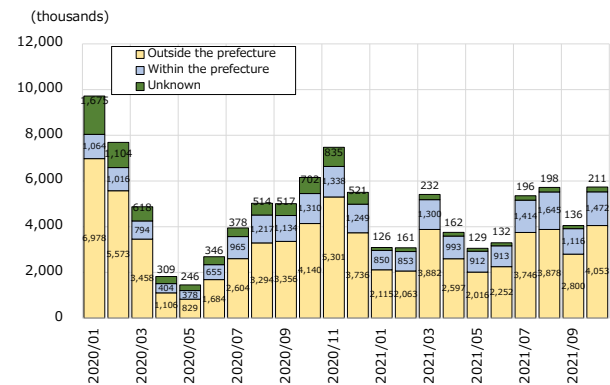


Figure 10 Evolution of the total number of overnight guests by residence



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

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

Oct. 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	241.3	-6.5	-21.8	240.2	-6.7	-20.1	1.1	53.4	-86.0
Mie	472.3	-18.2	-30.0	470.9	-18.2	-26.3	1.4	2.1	-96.0
Shiga	260.7	-10.0	-33.7	260.1	-9.8	-27.5	0.5	-65.1	-98.5
Kyoto	1,158.3	-14.9	-58.3	1,149.6	-14.9	-28.1	8.7	-19.4	-99.3
Osaka	1,851.1	2.3	-53.4	1,825.9	3.3	-26.3	25.3	-39.2	-98.3
Hyogo	870.7	-5.9	-21.7	866.0	-6.0	-13.2	4.7	23.2	-95.9
Nara	161.2	-5.3	-30.2	160.3	-5.6	-13.8	0.9	88.9	-98.1
Wakayama	363.2	-3.9	-13.1	362.1	-3.8	4.1	1.0	-38.6	-98.5
Tottori	203.4	-13.9	-15.8	202.9	-13.8	-10.8	0.5	-33.3	-96.2
Tokushima	154.7	5.6	-35.8	154.3	5.4	-32.1	0.4	215.4	-97.0
Kansai (6 pref.)	4,665.1	-5.4	-47.6	4,624.1	-5.1	-22.5	41.0	-31.3	-98.6
Kansai (8 pref.)	5,736.8	-6.7	-44.7	5,692.3	-6.5	-22.7	44.5	-29.1	-98.5
Japan	31,567.2	-9.2	-36.9	31,268.4	-9.3	-21.4	298.8	-1.1	-97.1

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

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

Country/Area	Total			Total		
	2019	2021	Growth rate(%)	2019	2021	Growth rate(%)
	Dec	Dec		Jan-Dec	Jan-Dec	
Grand Total	2,526,387	12,100	-99.5	31,882,049	245,900	-99.2
Major countries total (excl. S.Korea)	2,188,107	6,520	-99.7	25,083,459	160,840	-99.4
South Korea	247,959	1,100	-99.6	5,584,597	19,000	-99.7
China	710,234	1,800	-99.7	9,594,394	42,300	-99.6
Taiwan	348,269	300	-99.9	4,890,602	5,100	-99.9
Hong Kong	249,642	70	-100.0	2,290,792	1,250	-99.9
Thailand	164,936	200	-99.9	1,318,977	2,700	-99.8
Singapore	100,376	50	-100.0	492,252	860	-99.8
Malaysia	78,250	60	-99.9	501,592	1,800	-99.6
Indonesia	59,203	300	-99.5	412,779	5,300	-98.7
Philippines	81,542	200	-99.8	613,114	5,500	-99.1
Vietnam	30,606	300	-99.0	495,051	26,500	-94.6
India	11,739	1,200	-89.8	175,896	8,800	-95.0
Australia	72,653	100	-99.9	621,771	3,300	-99.5
U.S.A.	144,498	1,000	-99.3	1,723,861	20,000	-98.8
Canada	35,132	100	-99.7	375,262	3,600	-99.0
Mexico	6,499	40	-99.4	71,745	1,120	-98.4
United Kingdom	27,750	200	-99.3	424,279	7,300	-98.3
France	20,261	200	-99.0	336,333	7,000	-97.9
Germany	13,639	100	-99.3	236,544	5,200	-97.8
Italy	11,196	70	-99.4	162,769	3,570	-97.8
Russia	8,833	80	-99.1	120,043	3,760	-96.9
Spain	7,295	60	-99.2	130,243	3,050	-97.7
Middle East	5,554	90	-98.4	95,160	2,830	-97.0
Others	90,321	4,480	-95.0	1,213,993	66,060	-94.6

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

Country/Region	Total			Tourism			Business			Others		
	2019	2021	Growth Rate(%)	2019	2021	Growth Rate(%)	2019	2021	Growth Rate(%)	2019	2021	Growth Rate(%)
	Oct	Oct		Oct	Oct		Oct	Oct		Oct		
Total	2,496,568	22,113	-99.1	2,177,382	2,287	-99.9	162,020	2,506	-98.5	157,166	17,320	-89.0
Korea	197,281	1,921	-99.0	155,972	123	-99.9	23,643	224	-99.1	17,666	1,574	-91.1
China	730,631	4,009	-99.5	645,903	143	-100.0	31,428	424	-98.7	53,300	3,442	-93.5
Taiwan	413,701	425	-99.9	395,168	52	-100.0	11,103	77	-99.3	7,430	296	-96.0
Hong Kong	180,562	144	-99.9	176,031	30	-100.0	3,356	38	-98.9	1,175	76	-93.5
Thailand	145,333	195	-99.9	138,912	27	-100.0	3,710	14	-99.6	2,711	154	-94.3
Singapore	41,937	66	-99.8	38,030	33	-99.9	3,395	11	-99.7	512	22	-95.7
Malaysia	48,864	237	-99.5	45,071	16	-100.0	2,763	23	-99.2	1,030	198	-80.8
Indonesia	34,094	454	-98.7	26,605	35	-99.9	3,137	7	-99.8	4,352	412	-90.5
Philippines	64,690	867	-98.7	57,161	51	-99.9	2,915	6	-99.8	4,614	810	-82.4
Vietnam	46,510	995	-97.9	16,131	14	-99.9	4,033	26	-99.4	26,346	955	-96.4
India	13,929	1,487	-89.3	6,068	28	-99.5	5,244	53	-99.0	2,617	1,406	-46.3
Australia	51,563	284	-99.4	46,906	92	-99.8	3,547	26	-99.3	1,110	166	-85.0
US	153,363	2,035	-98.7	127,454	422	-99.7	20,501	191	-99.1	5,408	1,422	-73.7
Canada	37,667	302	-99.2	34,305	87	-99.7	2,365	57	-97.6	997	158	-84.2
Mexico	7,385	47	-99.4	6,702	18	-99.7	467	14	-97.0	216	15	-93.1
UK	68,401	360	-99.5	59,330	89	-99.8	6,788	82	-98.8	2,283	189	-91.7
France	39,457	423	-98.9	33,306	107	-99.7	4,367	74	-98.3	1,784	242	-86.4
Germany	26,276	352	-98.7	19,780	93	-99.5	5,264	110	-97.9	1,232	149	-87.9
Italy	14,731	228	-98.5	11,088	50	-99.5	2,477	63	-97.5	1,166	115	-90.1
Russia	14,348	346	-97.6	11,262	84	-99.3	2,299	47	-98.0	787	215	-72.7
Spain	13,739	130	-99.1	11,720	26	-99.8	1,069	27	-97.5	950	77	-91.9
Middle East	11,955	194	-98.4	9,873	31	-99.7	1,244	37	-97.0	838	126	-85.0
Others	140,151	6,612	-100.0	104,604	636	-100.0	16,905	875	-99.9	18,642	5,101	-99.7

Note: see the Figure 2 note for details regarding the definitions of travel purposes.
Source: based on data published by JNTO on January 19, 2022.