

Chapter 4

INBOUND TOURISM IN KANSAI: A FY 2020 RETROSPECTIVE AND OUTLOOK

The COVID-19 pandemic had an unprecedented impact on both the economy and people's flow, its effects on Japan being even more profound than those of the 2008 Global Financial Crisis or the 2011 Great East Japan Earthquake. Countries around the world imposed strict border enforcement measures to limit the spread of the virus, which also led to severe restrictions on people's flow. Despite experiencing steady growth prior to the COVID-19 outbreak, inbound tourism demand in Japan in general and Kansai in particular has virtually evaporated due to the disruptions in both international and domestic travel, and prospects for recovery are not yet in sight.

In last year's *Economic Outlook* (Chapter 4, Section 1) we argued that "although the current COVID-19 pandemic has caused a crisis in inbound tourism, it also provides an opportunity to review past strategies and reshape the tourism industry into a more sustainable one." In other words, inbound tourism must transition from its volume-driven mindset to a more sustainable one. With that in mind, this year's *Economic Outlook* will shed light on the realities that underpin the inbound tourism industry and its strategies.

This chapter is structured as follows. In Section 1, we take a look at key statistics in order to analyze how the absence of inbound tourism demand has affected the economy. In Section 2, we discuss the findings of a survey targeting the tourism departments of the Kansai prefectures. Thus, we identify the main issues that DMOs (Destination Management/Marketing Organizations) are facing in terms of inbound tourism strategy, and shed light on their role in regional tourism. In Section 3 we focus on DMOs in the Kansai prefectures, summarizing their activities and policies, and examining their characteristics from multiple perspectives. Section 4 provides a quantitative overview of the tourism industry in Japan based on the travel and tourism satellite accounts. In addition, we conduct an original analysis of the tourism industry using the extended 2017 Input-Output table. We clarify the position of the tourism industry in the national economy in terms of the employment and income it generates, and of its impact on other industries.

Lastly, in Section 5, we conduct an inter-industry relationship analysis of the pandemic impacts on the tourism industry in 2020. We estimate the decrease in consumption by foreign visitors as well as the decline in domestic travel, including the ripple effect of the “Go To” travel campaign.

Section 1

A FY 2020 RETROSPECTIVE: THE COVID-19 PANDEMIC AND ITS IMPACT ON EACH PREFECTURE

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1. Introduction

In this section we will first review the state of the tourism industry, therein including inbound tourism, which was severely hit by the COVID-19 pandemic. Subsection 2 examines inbound tourism-related trends for 2020 and 2021, while Subsection 3 examines domestic tourism trends. In addition, we discuss the economic effects of anti-COVID-19 measures. Lastly, in Subsection 4 we review the analytical perspectives required by future inbound tourism strategies as a preparatory step toward the analysis in the next section.

2. Trends in inbound tourism

In this subsection we provide a timeline of the border enforcement measures imposed by the Japanese government starting with 2020, which affected mainly foreign travelers. Then, we analyze the impact of these measures on the number of foreign visitors (including the number of foreign arrivals at Kansai International Airport, hereinafter referred to as KIX), and on travel consumption.

(1) Border enforcement measures in Japan

Table 4-1-1 shows the chronology of Japan’s border enforcement measures targeting foreigners since 2020. Hubei (China) was the first province to be added to Japan’s entry ban list on February 1, 2020, after the first reports of COVID-19 infections had emerged. It was soon followed by other regions in Asia, and then Europe. By August 30, 2020 the entry ban list covered 159 regions and countries. This led to an almost complete disappearance of foreign visitors and inbound tourism demand.

While strict border control is still the norm, starting with the second half

Table 4-1-1

Border enforcement measures

Implementation date	Border enforcement measure
Feb 1, 2020	An entry ban is imposed on travelers from Hubei Province, China.
Jul 29	The Residence Track framework is implemented in collaboration with Thailand and Vietnam.
Aug 30	Japan expands the entry ban list from 146 to 159 countries.
Sep 1	Resident card holders are allowed re-entry.
Sep 8	Cambodia, Taiwan, Malaysia, Myanmar, and Laos are added to the Residence Track framework.
Sep 18	The Business Track framework is implemented in collaboration with Singapore.
Sep 30	Singapore is added to the Residence Track framework.
Oct 1	New entry permits can be issued for medium and long-term residents such as employees and foreign students, provided that their respective companies/institutions can guarantee they respect the quarantine measures.
Nov 1	Japan removes the following territories/countries from the entry ban list: Australia, South Korea, Singapore, Thailand, Taiwan, China (including Hong Kong and Macau), New Zealand, Brunei, and Vietnam. Vietnam is added to the Business Track framework.
Dec 28	Japan decides to temporarily ban new entry for all foreign nationals.
Jan 14, 2021	The Business Track and Residence Track frameworks are suspended.

Source: Prepared based on press releases by the Ministry of Justice, and the Ministry of Foreign Affairs.

of 2020 some measures were relaxed, mainly for exchange students and business travelers. On July 29, 2020 the government announced the implementation of a “Residence Track” framework¹⁾ targeting long-term residents from Thailand and Vietnam, where the epidemiological situation had stabilized. Starting on September 1, 2020, resident card holders were allowed re-entry. In addition, during the same month, Singapore was added to the aforementioned Residence Track scheme, while a “Business Track” framework²⁾ was introduced for short-term residents. Since October 1, 2020, it has been possible to issue new entry permits for employees of companies and organizations that can guarantee quarantine measures, such as 14 days of self-isolation, and on November 1, 2020 entry restrictions for business travelers from Singapore, Thailand, and South Korea were lifted under certain conditions. Despite some requirements such as self-isolating and refraining from using public transportation for 14 days after

1) The Residence Track framework, despite allowing entry for citizens from certain partner countries, does not exclude them from the two week-long self-isolation period. This system is mainly for long-term residents such as expatriate staff.

2) The Business Track entrants are allowed to conduct business activities within a limited scope during the 14-day self-isolation period under certain conditions such as submitting a “Schedule of Activities in Japan.” This system is mainly for short-term business travelers.

entering Japan, quarantine measures at arrival or departure have been relaxed.

Despite gradually lifting the border restrictions, starting with December 29, 2020 the government decided to suspend new entries for all foreign nationals due to the worsening epidemiological situation around the world. Moreover, as the virus continued to spread, a new state of emergency was imposed starting with January 8, 2021, and the Business Track and Residence Track frameworks were halted starting with January 14, 2021.

(2) Trends in the number of foreign visitors and their expenditure

As already mentioned, in 2020 the lack of foreign visitors due to strict border restrictions led to an almost non-existent inbound tourism expenditure. Next, we will analyze the data regarding the number of foreign visitors and their expenditure while comparing it to the pre-pandemic figures.

Figure 4-1-1 shows the annual evolution of the number of foreign visitors since 2010. Until the pandemic outbreak, the number of foreign visitors was on a steady upward trend despite the 2011 Great East Japan Earthquake and the natural disasters that hit Japan in 2018. However, in 2020 it reached only 4,115,828 (-87.1% YoY, provisional figure), as the COVID-19 pandemic brought severe restrictions on international mobility. The number of East Asian visitors, who comprise approximately 70% of the total of foreign visitors, also saw a sharp decline (Table 4-1-2).

While foreign visitor numbers saw an overall sharp decline, there are certain differences depending on the category. Figure 4-1-2 shows the monthly evolution of foreign visitor numbers by purpose of travel (tourism, business,

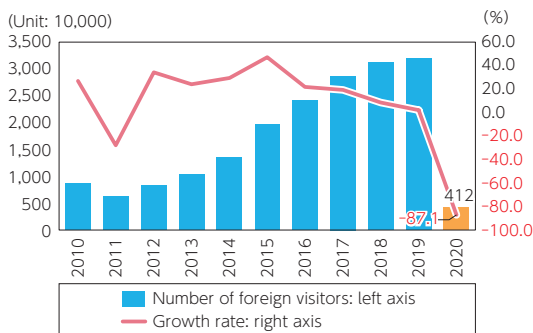


Figure 4-1-1

Evolution of foreign visitor numbers and annual growth rate: 2010-20

Source: Prepared based on *Foreign Visitors Statistics*, published by the Japan National Tourism Organization (JNTO)

Table 4-1-2

Foreign visitor numbers by nationality: 2019-2020 comparison

Country/ Region	2019			2020		
	Number of visitors	Change (%, YoY)	Share (%)	Number of visitors	Change (%, YoY)	Share (%)
Total	31,882,049	2.2	100.0	4,115,828	-87.1	100.0
South Korea	5,584,597	-25.9	17.5	487,939	-91.3	11.9
China	9,594,394	14.5	30.1	1,069,256	-88.9	26.0
Taiwan	4,890,602	2.8	15.3	694,476	-85.8	16.9
Hong Kong	2,290,792	3.8	7.2	346,020	-84.9	8.4
Thailand	1,318,977	16.5	4.1	219,830	-83.3	5.3
Singapore	492,252	12.6	1.5	55,273	-88.8	1.3
Malaysia	501,592	7.1	1.6	76,573	-84.7	1.9
Indonesia	412,779	4.0	1.3	77,724	-81.2	1.9
Philippines	613,114	21.7	1.9	109,110	-82.2	2.7
Vietnam	495,051	27.3	1.6	152,559	-69.2	3.7
India	175,896	14.2	0.6	26,931	-84.7	0.7
UK	424,279	27.0	1.3	51,024	-88.0	1.2
France	336,333	10.3	1.1	43,102	-87.2	1.0
Germany	236,544	9.8	0.7	29,785	-87.4	0.7
Italy	162,769	8.5	0.5	13,691	-91.6	0.3
Russia	120,043	26.6	0.4	22,260	-81.5	0.5
Spain	130,243	9.5	0.4	11,741	-91.0	0.3
USA	1,723,861	12.9	5.4	219,307	-87.3	5.3
Canada	375,262	13.5	1.2	53,365	-85.8	1.3
Mexico	71,745	4.8	0.2	9,528	-86.7	0.2
Australia	621,771	12.5	2.0	143,508	-76.9	3.5

Source: Prepared based on *Foreign Visitors Statistics*, published by the Japan National Tourism Organization (JNTO)

and other purposes).³⁾ Between February 2020, and February 2021, the number of foreign tourists and business travelers saw a consistent YoY decline which exceeded -90%. On the other hand, the drop rate of the number of visitors in the “other purposes” category fluctuated substantially, after bottoming out in May 2020 (-99.1% YoY). These fluctuations are partly the result of border relaxation measures implemented since July 2020 such as “Residence Track,” which allowed entry for mid- to long-term residents such as foreign students and technical trainees. Due to the gradual easing of entry requirements, the rate of decline

3) According to JNTO, 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 of friends. “Other purposes” refers to purposes other than tourism and business, including studying and training, as well as diplomatic and official ones.

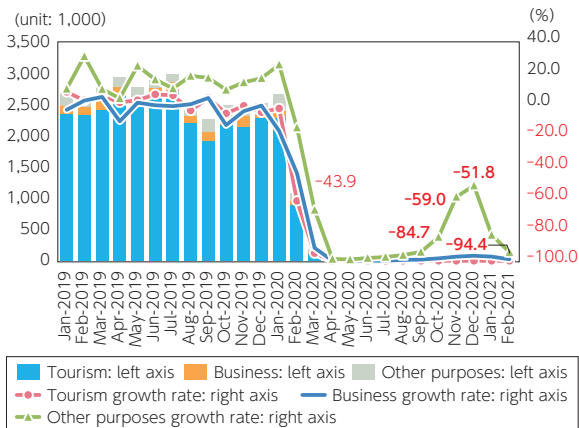


Figure 4-1-2

Foreign visitor numbers by travel purpose

Source: Prepared based on *Foreign Visitors Statistics*, published by the Japan National Tourism Organization (JNTO)

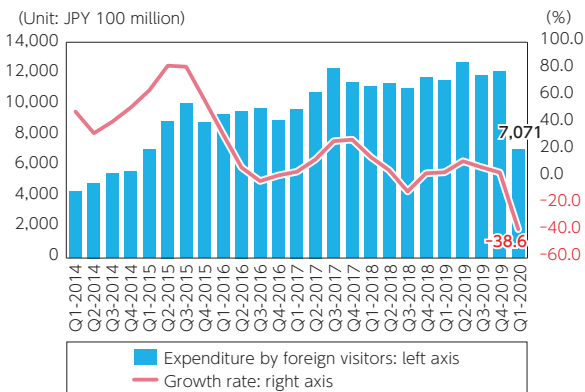


Figure 4-1-3

Evolution of expenditure by foreign visitors: 2014-2020

Note: Due to methodological changes applied in 2018, there may be some inconsistencies in comparisons with data from 2017 and earlier.

Source: Prepared based on *Consumption Trends of International Visitors to Japan Survey*, published by the Japan Tourism Agency (JTA).

shrank to -51.8% YoY in December 2020. However, after Japan decided to suspend the Business Track and Residence Track schemes on January 14, 2021, the decline deepened once again to over -90%.

Figure 4-1-3 shows expenditure by foreign visitors and its evolution. Between 2014 and 2015, Japan experienced an inbound tourism demand boom, and

as a result of so-called “shopping sprees” (*bakugai*) expenditure saw quarterly increases of over 80%. Subsequently, despite the impact of exchange rate fluctuations⁴⁾ and natural disasters, inbound tourism expenditure recorded a record high of JPY 4.8135 trillion in 2019 (see [Figure 4-1-4](#) in the Annex). However, in 2020 Q1 expenditure was only JPY 707.1 billion (-38.6% QoQ) due to the pandemic-induced border closures. We anticipate that it will take time for expenditure by foreign visitors to return to its pre-pandemic levels.

(3) Number of foreign arrivals at Kansai International Airport: 2019-20

Like the rest of Japan, Kansai was not spared from the lack of foreign visitors. [Table 4-1-3](#) shows a 2019-2020 comparison in terms of the number of foreign arrivals by nationality at Kansai International Airport (hereinafter referred to as KIX). In 2019 the total number of foreign arrivals was 8,378,039, the highest number on record since the airport opened. Considering the geographic proximity, the share of arrivals from East Asia is higher than on a national level. Particularly, the share of Chinese arrivals was as high as 39.4% in 2019, surpassing the national average of 30.1% by 9.3% pt. However, in 2020 the total number dropped substantially to 1,011,186 (-87.9% YoY) as a result of border closures. By nationality, the largest number of arrivals was from China (370,923, -88.8% YoY), decreasing to a mere tenth of the 2019 level.

4) As we pointed out in the 2019 Japanese-language edition of APIR's *Economic Outlook* (Chapter 5, Section 1), in 2015 the exchange rate was 1 USD=120 JPY, but in 2016 the yen strengthened against the dollar, reaching 1 USD=110 JPY. In general, as the yen appreciates, goods and services in Japan become more expensive; therefore expenditure is expected to decrease.

Table 4-1-3 Foreign arrivals numbers at KIX: 2019-2020 comparison

Country/ Region	2019			2020		
	Number of arrivals at KIX	Change (%, YoY)	Share (%)	Number of arrivals at KIX	Change (%, YoY)	Share (%)
Total	8,378,039	9.6	100.0	1,011,186	-87.9	100.0
South Korea	1,510,776	-30.2	18.0	134,522	-91.1	13.3
China	3,302,710	43.6	39.4	370,923	-88.8	36.7
Taiwan	1,098,555	4.2	13.1	152,469	-86.1	15.1
Hong Kong	604,787	-1.9	7.2	76,090	-87.4	7.5
Thailand	310,615	18.6	3.7	42,645	-86.3	4.2
Singapore	114,459	25.7	1.4	11,024	-90.4	1.1
Malaysia	150,760	-1.5	1.8	19,919	-86.8	2.0
Indonesia	85,643	12.5	1.0	18,396	-78.5	1.8
Philippines	198,265	50.4	2.4	41,318	-79.2	4.1
Vietnam	148,247	55.9	1.8	37,263	-74.9	3.7
India	21,599	17.7	0.3	2,470	-88.6	0.2
UK	59,632	34.5	0.7	6,849	-88.5	0.7
France	61,340	18.7	0.7	6,532	-89.4	0.6
Germany	35,255	15.3	0.4	4,093	-88.4	0.4
Italy	24,571	22.1	0.3	1,830	-92.6	0.2
Russia	9,496	81.5	0.1	1,640	-82.7	0.2
Spain	28,072	10.8	0.3	1,625	-94.2	0.2
USA	220,341	24.6	2.6	21,903	-90.1	2.2
Canada	55,437	15.7	0.7	5,567	-90.0	0.6
Mexico	4,574	18.8	0.1	467	-89.8	0.0
Australia	94,752	17.9	1.1	18,068	-80.9	1.8

Source: Prepared based on *Immigration Control Statistics* (Ministry of Justice).

3. Domestic tourism trends in 2020-21: COVID-19 response

As already mentioned in the previous subsection, both inbound tourism demand, which until the COVID-19 pandemic had experienced steady growth, and Japan's outbound tourism demand have virtually disappeared and their recovery is not yet in sight. Under these circumstances, encouraging domestic tourism becomes all the more important. Figure 4-1-4 compares Japan's total travel expenditure in 2019 with 2020. In both years, Japan's domestic tourism generated the largest share of the total. In 2020, the restrictions imposed on people's flow during the states of emergency led to a significant drop in domestic tourism expenditure, which was approximately JPY 9.9 trillion (-54.5% YoY). In order to stimulate demand for domestic travel, the Japanese government decided to start

the “Go To Travel” subsidy program in the second half of 2020. In the following, we will look at the dynamics of domestic travel during the COVID-19 crisis and the “Go To Travel” program as a measure to stimulate demand.

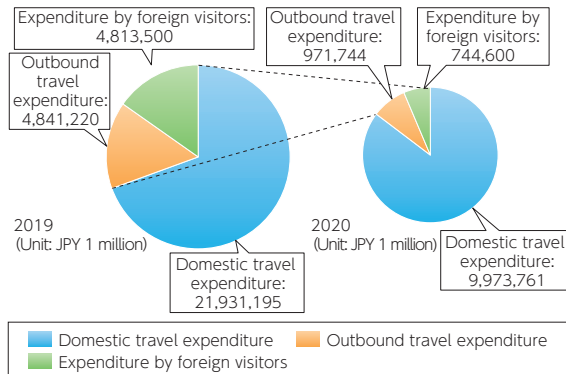


Figure 4-1-4

Travel expenditure: 2019-2020 comparison

Note: Outbound travel by Japanese nationals is counted as services imports and it includes overseas travel-related payments. Moreover, due to the COVID-19 pandemic, collecting data for Q2, Q3, and Q4 of 2020 was suspended. For this reason, the expenditure generated by foreign visitors in 2020 is an estimate calculated using the travel expenditure per capita in Q1 2020.

Source: Prepared based on *Travel and Tourism Consumption Trend Survey* and *Consumption Trends of International Visitors to Japan Survey*, published by the Japan Tourism Agency (JTA).

(1) Trends in the total number of Japanese overnight guests

We will begin our analysis of domestic tourism during the COVID-19 pandemic by looking at the trends in the total number of Japanese overnight guests. Figure 4-1-5 shows the total number of Japanese guests nationwide and in the Greater Kansai area⁵⁾ as reflected in the *Overnight Travel Statistics Survey*, published by the Japan Tourism Agency (JTA). The number of guests has bottomed out both nationwide (-81.6% YoY) and in Kansai (-84.6% YoY) in May 2020, during the state of emergency (April 7-May 25).

After the state of emergency was lifted and economic activities resumed, the rate of decline started to shrink. Partly due to the “Go To Travel” campaign, which was launched in July 2020, by November the situation further improved (nationwide: -16.1% YoY, Kansai: -14.8% YoY). However, in December, when the campaign was temporarily suspended due to the virus resurgence, the rate of decline expanded once again. By February 2021, the effect of the “Go To Trav-

5) Greater Kansai include the following 10 prefectures: Fukui, Mie, Shiga, Kyoto, Osaka, Hyogo, Nara, Wakayama, Tottori, and Tokushima.

el” campaign wore off, and the rate of decline returned to a level similar to July 2020, when the campaign first started (nationwide: -46.5% YoY, Kansai: -48.0% YoY). In addition, Figure 4-1-6 shows the total number of overnight guests by residence. In April and May 2020, the ratio of guests from other prefectures decreased, while the ratio of guests from the same prefecture increased both nationwide and in Kansai, due to restrictions imposed on inter-prefectural travel during the state of emergency. Since June 2020, the ratio of guests from other prefectures returned to an upward trend due to restrictions on inter-prefectural travel being relaxed and the “Go To Travel” campaign. However, the ratio of guests from the same prefecture still increased as a result of the fact that an increasing number of tourists preferred to avoid regions where the virus was spreading, choosing instead to travel closer to home.⁶⁾

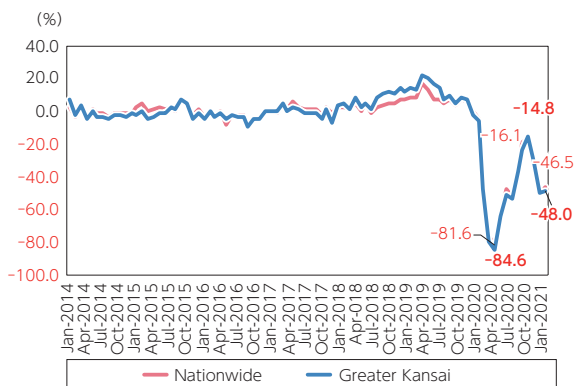


Figure 4-1-5

Growth rate of total number of Japanese overnight guests: Jan 2014-Feb 2021

Note: the figures are final for the period up until 2019, and preliminary for 2020-21.

Source: Prepared based on *Overnight Travel Statistics Survey*, published by the Japan Tourism Agency (JTA).

6) Campaigns ran by each prefecture to stimulate intra-prefectural travel also played an important role. For more details, see the 2021 Japanese-language edition of APIR’s *Economic Outlook* (Chapter 5, Section 1).

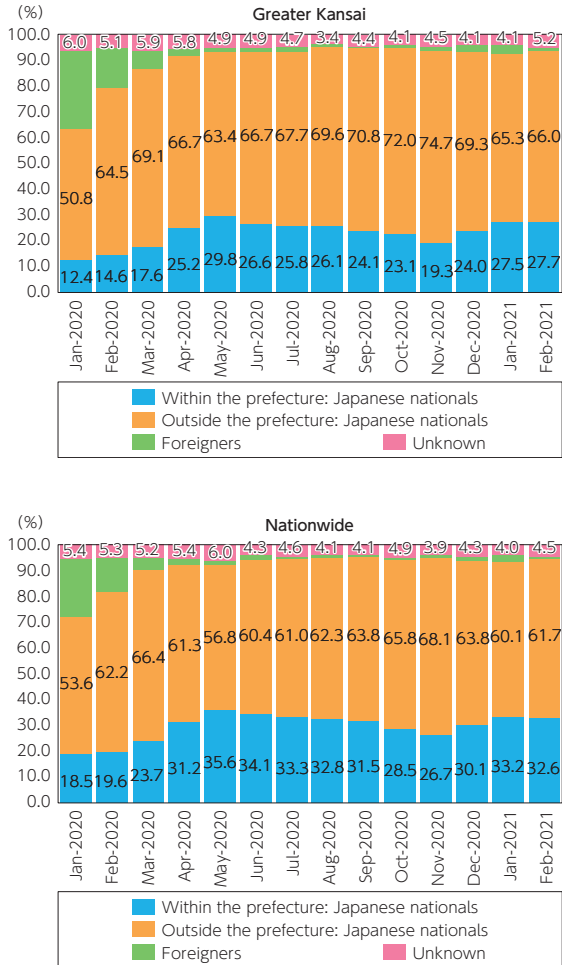


Figure 4-1-6 Ratio of overnight guests by residence: Jan 2020-Feb 2021

Note: The figures for 2020-21 are preliminary.
 Source: Prepared based on *Overnight Travel Statistics Survey*, published by the Japan Tourism Agency (JTA).

(2) Trends in domestic travel spending

Next, we review the trends in domestic travel expenditure. Due to the measures taken to contain the spread of the virus, both the number of domestic travelers and travel expenditure decreased sharply. Figure 4-1-7 shows the expansion rate of domestic travel expenditure in Japan in general and Kansai in particular. Both across the country and in Kansai, the effects of pandemic started to be felt

in Q1 2020. As a state of emergency was imposed in Q2, the growth rate slumped to -83.2% YoY nationwide, and to -87.2% YoY in Kansai, both surpassing the -80% threshold. In Q3, due to the reopening of economic activities and the start of the “Go To Travel” campaign, the rates of decline began to shrink, reaching -56.6% YoY nationwide, and -52.4% YoY in Kansai after bottoming out in Q2. The recovery trend continued in Q4, when the rate of decline reached -45.0% YoY nationwide, and -42.7% YoY in Kansai. However, the “Go To Travel” campaign was suspended in December, and a new state of emergency was declared in January 2021, which prompted a downward trend in Q1 2021. As a result, the nationwide rate of decline was 50.1% YoY, while in Kansai it was -54.6% YoY, also due to the fact that the state of emergency covered Kyoto, Osaka, and Hyogo prefectures.

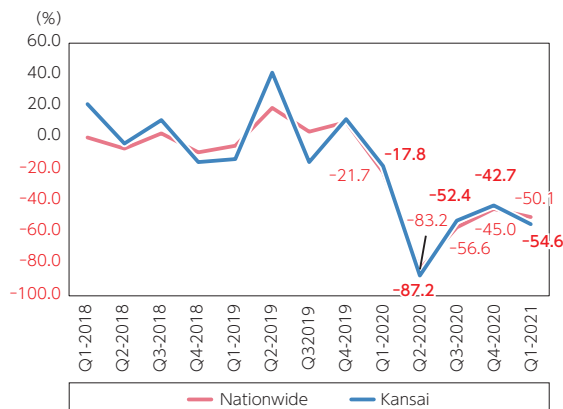


Figure 4-1-7

Domestic travel expenditure growth rate: Q1 2018-Q1 2021

Note: The figures for Q1 2021 are preliminary.

Source: Prepared based on *Travel and Tourism Consumption Trend Survey*, published by the Japan Tourism Agency (JTA).

(3) “Go To Travel” campaign

In order to stimulate the depressed travel demand, the government initiated the “Go To Travel” campaign. In this subsection, we review the effects of the campaign, while looking at its development and performance.⁷⁾ The campaign, which initially excluded Tokyo, started on July 22, 2020, and by the end of the

7) In Chapter 2, Section 1, Subsection 5 of this issue, the economic effects of the “Go To Travel” campaign are analyzed by using the *Family Income and Expenditure Survey*. In addition, in Chapter 4, Section 5 we analyze the pandemic-induced decrease in tourism expenditure and the economic effect of the “Go To Travel” campaign by using the input-output table.

month it had generated approximately 2,140,000 overnight stays. After Tokyo was included on October 1, the number grew to 51,860,000 at the end of October, an increase of 22,050,000 from the end of September. On December 14, the campaign was temporarily suspended, but counting guests who checked out on December 28 brings the total number of overnight stays to at least 87,810,000 (Figure 4-1-8).⁸⁾

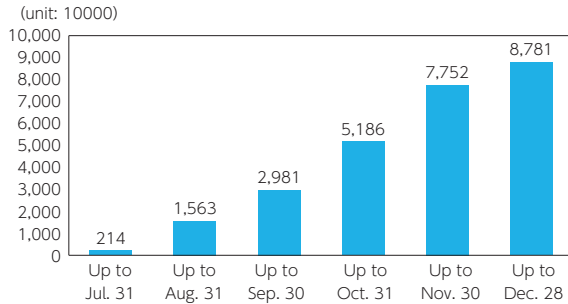


Figure 4-1-8

Number of overnight stays by “Go To Travel” campaign participants

Note: The figures include estimative preliminary numbers and are not definitive.

Source: Prepared based on *Performance of the Go To Travel Campaign* by the Japan Tourism Agency

Next, we look at the discounts offered by the “Go To Travel” campaign. By September 15, 2020 the campaign had offered JPY 73.5 billion in discounts, and after Tokyo was included, the sum rose to JPY 188.6 billion by October 31. Until the campaign’s temporary suspension, the amount of discounts provided came to a total of JPY 408.2 billion. In addition to discounts, regional coupons also became available, which increases the total amount of subsidies to JPY 539.9 billion (Figures 4-1-9 and 4-1-10).

8) According to the Japan Tourism Agency, the number of “Go To Travel” campaign participants who tested positive for COVID-19 was 411 (as of the end of May 2021). In addition, there are no report of the virus spreading to hotel or tourist facility employees. In November 2020, the Novel Coronavirus Infectious Disease Control Subcommittee declared that “As of now, there is no evidence that the *Go To Travel* campaign is a major factor in the spreading of the virus.”

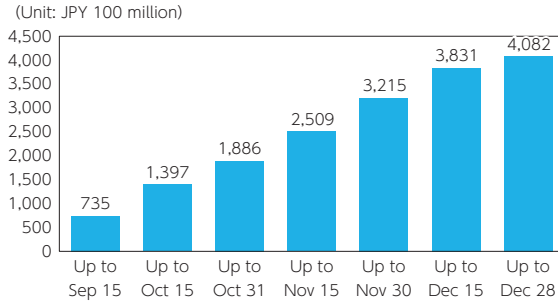


Figure 4-1-9 Amount of discounts offered by the “Go To Travel” campaign

Note: The figures include estimative preliminary numbers and are not definitive.
 Source: Prepared based on *Performance of the Go To Travel Campaign* by the Japan Tourism Agency.

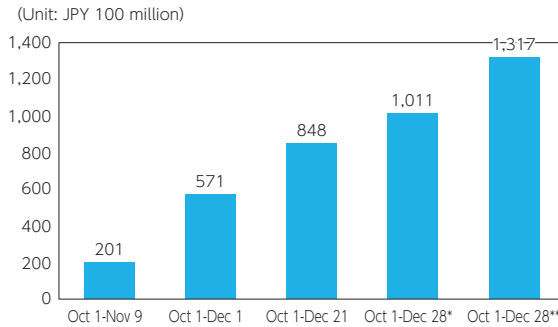


Figure 4-1-10 Amount of regional coupons used

Note: The figures include estimative preliminary numbers and are not definitive. * counts the redemption requests received by the Go To Travel Office by January 4, while ** counts the redemption requests received by February 1.
 Source: Prepared based on *Performances of the Go To Travel Campaign* by the Japan Tourism Agency.

The “Go To Travel” campaign also had an impact on prices. **Figure 4-1-11** shows the YoY change of accommodation fees as reflected by the Ministry of Internal Affairs and Communications’ Consumer Price Index. While in July 2020, at the beginning of the campaign, the change was -4.5% YoY, in October the decline deepened to -37.1% YoY. The campaign offers discounts of up to 35% of the accommodation fee, so since Tokyo was included, the increasing travel demand drove the fees down. However, since then the campaign was suspended and the effect of discounts wore off, so in April 2021 the rate of decline shrank back to -5.7% YoY.

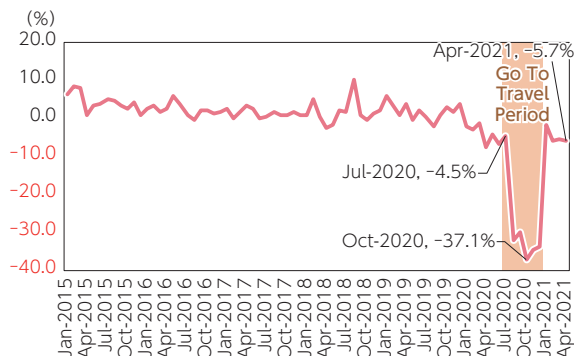


Figure 4-1-11

Consumer Price Index: accommodation fees (YoY):
Jan 2015-Apr 2021

Note: 2020 average=100.

Source: Prepared based on *Consumer Price Index* by the Ministry of Internal Affairs and Communications.

4. The future of inbound tourism

As already stated, inbound tourism demand is expected to require more time to recover. While the government's measures to stimulate demand were effective to a certain extent, their positive effect faded once the "Go To Travel" campaign was suspended due to the resurgence of COVID-19. The progress of vaccination is important when considering the prospects for recovery of inbound tourism demand.⁹⁾ In July 2021 the EU, where the vaccination rate is relatively high, has adopted a "Digital COVID Certificate," which facilitates travel for vaccinated individuals. On the other hand, despite its higher vaccination rate, Japan still maintains strict border enforcement measures, and the outlook for border relaxation remains uncertain. The absence of foreign visitors provides a good opportunity to review past strategies and identify their issues. Considering that, in last year's Economic Outlook we provided new analytical perspectives for future inbound tourism strategies (see the Venn diagram A below). This year we further examined these analytical perspectives, and interviewed each prefecture's tourism authority, while having in mind the concept of "tourism regionalization." The next section compares and examines each prefecture's tourism strategy based on those survey results.

9) For details about the vaccination rollout situation, see Section 5 of "COVID-19 Chronology."

Box1 An analytical perspective for future inbound tourism strategies

In the 2020-21 edition of *Kansai and the Asia Pacific Economic Outlook*, Chapter 4, Section 5, we examined inbound tourism strategies in anticipation of the post-pandemic era. As illustrated in Figure 4-1-12, we pointed out that an inbound tourism demand analysis must take into consideration safety, security and comfort as fundamental factors, in addition to brand power, innovation, and tourism regionalization. We defined safety as “a physical condition in which there is no imminent danger to the visitor and his or her property,” security as “a condition in which there is no cause for concern for the visitor in case something unforeseen happens,” and comfort as “being able to enjoy a relaxed and stress-free travel experience.” We further argued that “when all these conditions are met, it can be assumed that tourists will feel satisfied with their travel experience” (p. 220).

A: Last year's Venn diagram



B: Updated Venn diagram

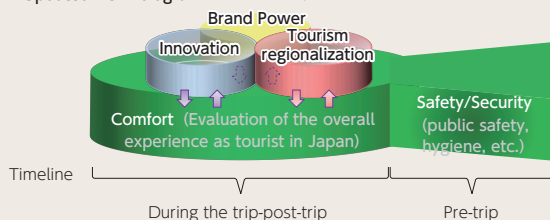


Figure 4-1-12

An analytical perspective for future inbound tourism strategies

Source: APIR

From a foreign visitor’s perspective, safety and security are factors which influence decision-making before the trip, while comfort is what the visitors should feel during and after the trip. Based on the “before, during and after” time-frame, we can change the base layer of the Venn diagram as illustrated in version B. To be specific, visitors expect to feel safe and secure before they decide to choose Japan as their destination. After arrival, the feeling of comfort can be earned through first-hand tourism experience. By considering these three elements, it is possible to enhance the tourism experience before and during the trip, and solve concerns that might appear while traveling. We must go further than offer a superficially enjoyable experience, and gain the visitors’ confidence by meeting their expectations and even surpassing them. Thus, if we can instill the feeling of comfort even before the trip, it may be possible to raise foreign visitors’ expectations.

References

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