

“Foreign Visitors”, Reaching 20 Million a Year

The number of foreign visitors can be found in the “Number of foreign tourists visiting Japan” statistics released by the Japan National Tourist Organization (JNTO). The statistics for the last 2 months show estimated “numbers of tourists” from 18 countries and regions which have a larger number of tourists to Japan. Also, the Ministry of Justice releases provisional numbers of incoming tourists from 36 countries and regions for 3 months ago and before. Confirmed numbers are announced in the following year.

Point 1

Likely to achieve well ahead of the government’s initial target date
Total visitors till September this year was 14.49 million, increased 49% YoY

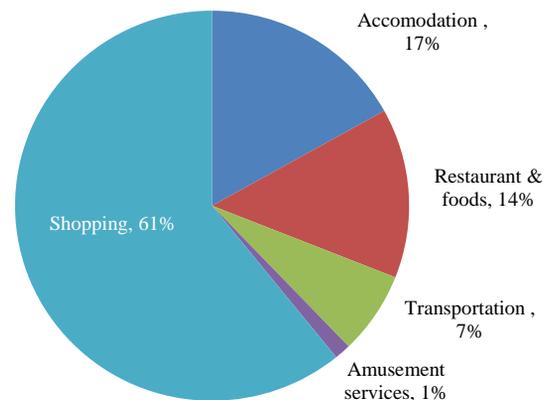
- The “Number of foreign tourists visiting Japan” in September was released by JNTO on October 21st, rising 46.7% YoY to 1.61 million. The number of visitors from most of the countries increased, continued to be led by China with a growth of +99.6% YoY having the biggest share of 30.5%.
- The Japanese government had initially set 2020 as the target year of expanding the number of foreign visitors to 20 million a year, but we may achieve it as early as this year. The government has now changed its target to welcome 30 million foreign visitors in the coming future.

Point 2

Economic effect of JPY 3.5 trillion is expected
Led by consumption by Chinese travelers

- According to the “Consumption Trend Survey for Foreigners Visiting Japan”, released by the Japan Tourism Agency in July 2015, Total Trip Expenditure per person (consumed in Japan excluding roundtrip airfare, etc.) rose +23% YoY to JPY 177,000. Meanwhile, Average Expenditure per Purchaser of Chinese travelers was JPY 285,000.
- Assuming 20 million foreign visitors spend JPY 177,000 per person, the economic effect will be about JPY 3.5 trillion. Actually, phenomena such as rising accommodation fees for hotels, lengthening of the delivery period of a sightseeing bus up to 1 year and increase in department store sales have been observed.

Breakdown of Average Expenditure per Purchaser
(Chinese Travelers, JPY285,000)



(Note) Data is from “Consumption Trend Survey for Foreigners Visiting Japan” (April-June 2015).
 (Source) SMAM, based on the Japan Tourism Agency data.

No negative impact of global equity market plunge and the China slowdown can be seen so far

■ No notable change in the number of foreign visitors

There was an uncertainty over the increase of foreign visitors' numbers due to the global equity market plunge and the China slowdown since August this year. Nevertheless, no notable change in the number of foreign visitors have been observed in September. The slowdown of growth in numbers of August can most likely be attributed to the refraining from travel before the long holiday of Guoqing Jie (Anniversary of the founding of the Peoples Republic of China) in October.

■ The Spirit of “Omotenashi” or Japanese hospitality, is well appreciated

The number of Chinese travelers increased as the spirit of Japanese hospitality, cleanliness, shopping information were widely spread through messages written on internet bulletin boards by those who visited Japan, in addition to the weaker yen and issuance of multiple entry visas from January 2015.

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