

“Golden Week holidays” reflects economic recovery

JTB Corp, the largest travel agency in Japan releases the “Travel Survey for Golden Week” prior to the early May holiday season every year. The 47th survey this year contains popular destinations and travel budget for the travelers who stay more than one night departing during the period from April 25 to May 5. This is a useful research to assess consumer confidence. The peak of the travels seems to be between May 2 and 6 in the second half of the holiday week this year.

Point 1

Tourists number will rise to new record after two year respite Domestic trip increases, while overseas trip decreases due to weaker JPY

- JTB released the “Travel Survey for Golden Week 2015” on April 2, which shows the total number of travelers is expected to increase 2.9% y-o-y to 23.86 million, hitting all time high after two year respite. The domestic trip is estimated to increase on the back of upbeat economy, while the overseas trip is anticipated to decrease slightly with weak JPY and international affairs. In addition, the holiday sequence might affect the number of overseas trips to decrease as it is difficult to take a long break.
- Total travel consumption expenditures are estimated to grow 6.9% y-o-y to JPY 968.3 billion. The expenditures of both domestic and overseas trip are estimated to increase. The budget for travelers seems to expand led by wages gain.

Travel data for Golden Week Holidays 2015 vs. 2014

	Units	2015 GW Holidays			2014 GW Holidays	
		Estimates (Numbers)	Change, y-o-y		Final Estimates (Numbers)	Change, y-o-y (%)
			(Numbers)	(%)		
Total Number of Travelers	thousand people	23,861	+678	+2.9%	23,183	-0.6%
Domestic Travelers		23,359	+680	+3.0%	22,679	-0.5%
Overseas Travelers		502	-2	-0.4%	504	-5.8%
Ave. Expense of Domestic T.	JPY	35,800	+1,400	+4.1%	34,400	-4.2%
Ave. Expense of Overseas T.		263,000	+13,500	+5.4%	249,500	+8.1%
Total Travel Expenses	JPY billion	968.3	+62.3	+6.9%	906.0	-3.8%
Domestic T. Expenses		836.3	+56.1	+7.2%	780.2	-4.6%
Overseas T. Expenses		132.0	+6.2	+4.9%	125.8	+1.9%

- (Note) 1. Number of travelers is a cumulative total number of people. Average expense is an amount spent by each person at one travel plan.
 2. Number of domestic travelers counts only who stay out. (includes only sightseeing and homecoming travel)
 Number of overseas travelers is the number of those who travel abroad. (including overseas business trip)
 3. Average expense of domestic travel includes expenses spent during travel such as travel expense, hotel charge, souvenir expense and food expense
 4. Average expense of overseas travel includes fuel surcharge. Excludes expenses spent overseas such as souvenir expense.

(Source) SMAM, based on JTB data

Point 2

Hokuriku becomes a popular destination as a bullet train was extended

“Neighbour countries” and “a standard destination” are popular for overseas travelers

- Hokuriku region gained a popular travel destination among domestic travelers as Hokuriku Sinkansen (bullet train) was opened recently. Other popular destinations include “Universal Studio Japan” which opened a popular attraction site of “Hurry Potter,” and Hokkaido which was the location of a popular soap opera and renovated Himeji Castle. In the survey, the most popular travel was a “car trip” spurred by low petroleum price.
- For overseas travel, popular destinations were “neighbour countries” such as Taiwan, Thailand and Vietnam and “a standard destination,” Hawaii as it would be difficult to take a long break due to holiday sequence this year.

Future Outlook

Full-fledged consumption recovery by improvement of consumer sentiment is expected

■ Consumer confidence improved by economic recovery

The latest survey shows an improvement of consumer confidence that travelers are likely to increase travel budget. As to the survey on lodging place, travelers answered to stay at “Japanese-style hotel” and “hotel” more than “parent’s or friend’s house.” The survey as a whole reflects the economic recovery of Japan.

■ Higher expectation of full-fledged consumption recovery

The increase in domestic travel and the sharp increase in the number of foreign travelers led by weaker JPY are both expected to be a solid support for full-fledged domestic consumption recovery. The consumption recovery is increasingly expected due to improvement of consumer confidence led by higher wage growth than the previous year.

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