



# Japan Fact Sheet

## Japan Overview

Japan is Hawai'i's largest international market and dynamic plans are being launched to grow interest in our islands. Hawai'i continues to thrive in an increasingly competitive travel environment. Instead of dropping prices and standards, HTJ is elevating its strategy. The organization is coming up with unique marketing campaigns to draw in new corporations to promote Hawai'i. It also nurtures established travel partners in Hawai'i and Japan to ensure that Hawai'i remains a preferred vacation destination for Japanese travelers.

## January 2020 Quick Facts<sup>1</sup>

Visitor Expenditures: \$184.4 million  
 Primary Purpose of Stay: Pleasure (116,147) vs. MCI (5,293)  
 Average Length of Stay: 5.97 days  
 First Time Visitors: 29.0%  
 Repeat Visitors: 71.0%

| JAPAN MMA (by Air)                  | 2018      | 2019P     | % Change 2019 vs 2018 | 2020* Forecast | % Change 2019 vs 2020 Forecast | YTD Jan. 2020P | YTD Jan. 2019P | % change YTD |
|-------------------------------------|-----------|-----------|-----------------------|----------------|--------------------------------|----------------|----------------|--------------|
| Visitor Expenditures* (\$ Millions) | 2,144.7   | 2,187.2   | 2.0%                  | NA             | NA                             | 184.4          | 172.1          | 7.1%         |
| Visitor Days                        | 8,892,748 | 9,121,996 | 2.6%                  | NA             | NA                             | 768,565        | 723,314        | 6.3%         |
| Arrivals                            | 1,489,778 | 1,545,806 | 3.8%                  | NA             | NA                             | 128,686        | 120,424        | 6.9%         |
| Per Person Per Day Spending* (\$)   | 241.2     | 239.8     | -0.6%                 | NA             | NA                             | 239.9          | 238.0          | 0.8%         |
| Per Person Per Trip Spending* (\$)  | 1,439.6   | 1,414.9   | -1.7%                 | NA             | NA                             | 1,432.7        | 1,429.4        | 0.2%         |
| Length of Stay (days)               | 5.97      | 5.90      | -1.1%                 | NA             | NA                             | 5.97           | 6.01           | -0.6%        |

*\*Dept. of Business, Economic Development & Tourism (DBEDT) 2020 forecasts were not available at the time of report publication.*

## Contact Information

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<sup>1</sup> 2020 and 2019 visitor data are preliminary. 2018 visitor data are the final numbers and reflect updated airfare statistics from DIO Mi Airline database, data from the National Travel and Tourism Office, and final passenger counts from Airline Traffic Summary reports.

## Market Summary

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- In 2019, spending by Japanese visitors rose 2.0 percent to \$2.19 billion. Visitor arrivals (+3.8% to 1,489,778) and visitor days (+2.6%) increased while daily visitor spending (-0.6% to \$241 per person) was down slightly compared to 2018. In January 2020, visitor spending rose 7.1 percent to \$184.4 million. Visitor arrivals (+6.9% to 128,686) and visitor days (+6.3%) increased and daily visitor spending (+0.8% to \$240 per person) was up slightly compared to January 2019.
- In 2019, 94.6 percent of Japanese visitors went to O‘ahu, 10.9 percent visited the island of Hawai‘i, 3.0 percent visited Maui, and 1.6 percent visited Kaua‘i. In January 2020, 93.3 percent of Japanese visitors went to O‘ahu, 12.6 percent visited the island of Hawai‘i, 3.1 percent visited Maui, and 1.3 percent visited Kaua‘i.
- In 2019, 37.7 percent of Japanese visitors were True Independent who made their own travel arrangements. In January 2020, the portion of Japanese True Independent visitors was 44.9 percent.
- In 2019, 31.7 percent of Japanese visitors were first timers to Hawai‘i. In January 2020, first time visitors comprised 29.0 percent.
- In 2019, air capacity from Japan declined (-2.1%) from 2018 to 1,999,204 scheduled seats. In January 2020, scheduled air seats increased 1.2 percent to 176,196 seats.

## Market Conditions

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- The exchange rate was at 109.34 JPY to USD in January 2020, maintaining relative stability. Economists forecast the Japanese Yen to moderately advance over the US Dollar. This may lead to greater perceived purchasing power amongst Japanese travelers.
- Economists are warning of a technical recession in course for Japan as the negative impacts of the Coronavirus outbreak threatens to compound the relatively poor performance of the Japanese economy in 2019 Q4. GDP data published on February 10<sup>th</sup> came in well below forecasts set at -3.7 percent, causing many economists to make downward revisions for 2020 economic forecasts.
- The Coronavirus outbreak continues to spread in Japan with over 600 recorded cases. The Japanese Government is being criticized for being too slow in restricting entry of visitors from China as a main reason for the wide dispersion of the virus. With Japan’s aging population and strong work ethic, high risk scenarios are created for the outbreak to continue.
- Despite the negative effects of the Coronavirus outbreak, travels to Hawai‘i in January 2020 remain mostly unaffected. Although cancellation of outbound travels had occurred, most were for Asian destinations. However, numerous factors such as the Golden Week holidays being shorter in 2020, the Summer Olympic Games, and the Coronavirus outbreak is prompting weaker bookings from March 2020 onwards.
- Japanese outbound travelers grew by 5.1 percent year over year in November 2019, allowing for total outbound travelers to reach initially targeted numbers of 20 million, finishing at 20,080,648.

- Round trip fuel surcharge rates remain at 12,000 yen for tickets issued from December 1, 2019.
- ANA continues operation of their first and second Airbus A380 aircraft in the ANA Blue livery and Emerald Green livery, with frequency of the A380 at 10 flights per week. ANA has received their third A380 aircraft in the Sunset Orange livery, set for use from July 2020. This will increase A380 service to 14 flights per week.
- Airlines with service to Honolulu has announced plans from the expansion of international flight slots at Haneda. Delta Air Lines will be shifting all air service from Narita to Haneda, including their Honolulu route. Hawaiian Airlines will be introducing a new daily service to be operated from Haneda to Honolulu. Japan Airlines will be shifting two flights from Narita to Honolulu to be from Haneda. All Nippon Airways has not expressed their allocation of additional slots to be used for Honolulu routes. The expansion of international flight slots at Haneda in 2020 will be beneficial for Japanese travelers as Haneda Airport is located closer to the city center, improving convenience for consumers, while also creating more options for connection flights for those in regional cities.
- Hawaiian Airlines launched direct flight service to Fukuoka on November 26, 2019 departing Honolulu on Tuesdays, Fridays, Saturdays and Sundays. Additionally, Hawaiian Airlines also began sales for their third daily service from Haneda Airport set to launch on March 28, 2020.

## Distribution by Island

| JAPAN MMA (by Air) | 2018      | 2019P     | % Change<br>2019 vs 2018 | YTD Jan.<br>2020P | YTD Jan.<br>2019P | % change<br>YTD |
|--------------------|-----------|-----------|--------------------------|-------------------|-------------------|-----------------|
| O'ahu              | 1,399,307 | 1,462,696 | 4.5%                     | 120,078           | 115,713           | 3.8%            |
| Maui County        | 50,000    | 47,778    | -4.4%                    | 4,126             | 4,535             | -9.0%           |
| Maui               | 48,450    | 45,935    | -5.2%                    | 4,003             | 4,479             | -10.6%          |
| Moloka'i           | 1,200     | 1,926     | 60.5%                    | 165               | 45                | 263.5%          |
| Lāna'i             | 1,763     | 2,276     | 29.1%                    | 77                | 71                | 7.9%            |
| Kaua'i             | 24,806    | 24,915    | 0.4%                     | 1,677             | 2,459             | -31.8%          |
| Island of Hawai'i  | 176,499   | 168,640   | -4.5%                    | 16,220            | 11,804            | 37.4%           |

## Airlift

| Departure<br>City | 2020    |         |         |         |           | 2019    |         |         |         |           | %CHANGE |       |       |       |        |
|-------------------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-----------|---------|-------|-------|-------|--------|
|                   | Q1      | Q2      | Q3      | Q4      | Annual    | Q1      | Q2      | Q3      | Q4      | Annual    | Q1      | Q2    | Q3    | Q4    | Annual |
| JAPAN             | 513,251 | 544,047 | 580,097 | 556,424 | 2,193,819 | 505,898 | 475,392 | 517,124 | 500,790 | 1,999,204 | 1.5     | 14.4  | 12.2  | 11.1  | 9.7    |
| Fukuoka           | 14,456  | 14,456  | 14,734  | 14,456  | 58,102    | 14,916  | 6,780   | 0       | 5,560   | 27,256    | -3.1    | 113.2 | NA    | 160.0 | 113.2  |
| Nagoya            | 36,611  | 37,973  | 41,124  | 36,806  | 152,514   | 36,411  | 38,473  | 42,328  | 36,904  | 154,116   | 0.5     | -1.3  | -2.8  | -0.3  | -1.0   |
| Osaka             | 101,374 | 95,758  | 104,823 | 102,608 | 404,563   | 134,549 | 105,119 | 98,893  | 102,814 | 441,375   | -24.7   | -8.9  | 6.0   | -0.2  | -8.3   |
| Sapporo           | 10,842  | 10,842  | 11,120  | 10,842  | 43,646    | 12,232  | 10,842  | 11,676  | 10,842  | 45,592    | -11.4   | 0.0   | -4.8  | 0.0   | -4.3   |
| Tokyo HND         | 75,892  | 160,706 | 162,472 | 163,696 | 562,766   | 72,180  | 72,982  | 73,784  | 73,784  | 292,730   | 5.1     | 120.2 | 120.2 | 121.9 | 92.2   |
| Tokyo NRT         | 274,076 | 224,312 | 245,824 | 228,016 | 972,228   | 235,610 | 241,196 | 290,443 | 270,886 | 1,038,135 | 16.3    | -7.0  | -15.4 | -15.8 | -6.3   |

Source: Diio Mii airline schedules, updated February 26, 2020.

## Group vs. True Independent; Leisure vs. Business

| JAPAN MMA (by Air)              | 2018      | 2019P     | % Change<br>2019 vs 2018 | YTD Jan.<br>2020P | YTD Jan.<br>2019P | % change<br>YTD |
|---------------------------------|-----------|-----------|--------------------------|-------------------|-------------------|-----------------|
| Group vs True Independent (Net) |           |           |                          |                   |                   |                 |
| Group tour                      | 256,350   | 244,804   | -4.5%                    | 16,874            | 20,465            | -17.5%          |
| True Independent (Net)          | 591,168   | 582,079   | -1.5%                    | 57,819            | 49,825            | 16.0%           |
| Leisure vs business             |           |           |                          |                   |                   |                 |
| Pleasure (Net)                  | 1,243,669 | 1,330,940 | 7.0%                     | 116,147           | 105,443           | 10.2%           |
| MCI (Net)                       | 96,102    | 87,687    | -8.8%                    | 5,293             | 7,988             | -33.7%          |
| Convention/Conf.                | 17,355    | 12,374    | -28.7%                   | 1,328             | 826               | 60.8%           |
| Corp. Meetings                  | 3,372     | 3,988     | 18.3%                    | 46                | 97                | -52.0%          |
| Incentive                       | 77,439    | 72,589    | -6.3%                    | 3,936             | 7,247             | -45.7%          |

## First Timers vs. Repeat Visitors

| JAPAN MMA (by Air) | 2018 | 2019P | % Change<br>2019 vs 2018 | YTD Jan.<br>2020P | YTD Jan.<br>2019P | % change<br>YTD |
|--------------------|------|-------|--------------------------|-------------------|-------------------|-----------------|
| 1st timers (%)     | 33.1 | 31.7  | -1.3                     | 29.0              | 26.9              | 2.1             |
| Repeaters (%)      | 66.9 | 68.3  | 1.3                      | 71.0              | 73.1              | -2.1            |

## Tax Revenue

| JAPAN MMA (by Air)                         | 2018   | 2019P  | % Change<br>2019 vs 2018 | YTD Jan.<br>2020P | YTD Jan.<br>2019P | % change<br>YTD |
|--|--------|--------|--------------------------|-------------------|-------------------|-----------------|
| State tax revenue generated* (\$ Millions) | 250.35 | 255.31 | 2.0%                     | 21.52             | 20.09             | 7.1%            |

\*State government tax revenue generated (direct, indirect, and induced)