



AUTHORITY

## 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.

### Year-to-date August 2020 Quick Facts<sup>1</sup>

Visitor Expenditures: NA (Not available)  
 Primary Purpose of Stay: Pleasure (253,207) vs. MCI (19,316)  
 Average Length of Stay: 5.91 days  
 First Time Visitors: 31.8%  
 Repeat Visitors: 68.2%

JAPAN MMA (by Air)	2018	2019	% Change 2019 vs 2018	2020* Forecast	% Change 2019 vs 2020 Forecast	YTD Aug. 2020P	YTD Aug. 2019	% change YTD
Visitor Expenditures* (\$ Millions)	2,144.7	2,248.3	4.8%	NA	NA	NA	1,455.9	NA
Visitor Days	8,892,748	9,306,767	4.7%	NA	NA	1,742,300	6,121,180	-71.5%
Arrivals	1,489,778	1,576,205	5.8%	NA	NA	294,568	1,029,549	-71.4%
Average Daily Census	24,364	25,498	4.7%	NA	NA	7,141	25,190	-71.7%
Per Person Per Day Spending* (\$)	241.2	241.6	0.2%	NA	NA	NA	237.8	NA
Per Person Per Trip Spending* (\$)	1,439.6	1,426.4	-0.9%	NA	NA	NA	1,414.1	NA
Length of Stay (days)	5.97	5.90	-1.1%	NA	NA	5.91	5.95	-0.5%

\*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 visitor data are preliminary. 2019 and 2018 visitor data are the final numbers and reflect updated airfare statistics from DIO Mi Airline database, and final passenger counts from Airline Traffic Summary reports.

## Market Summary

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Due to the COVID-19 pandemic, all passengers arriving from out-of-state during August were required to abide by a mandatory 14-day self-quarantine. Exemptions include travel for essential reasons like work or healthcare. The U.S. Centers for Disease Control and Prevention (CDC) also continued to enforce its “No Sail Order” on all cruise ships.

In August, 220 visitors arrived from Japan compared to 160,728 visitors a year ago. Visitor spending data were not available.

- Through the first eight months of 2020, arrivals decreased 71.4 percent to 294,568 visitors. Visitor days declined 71.5 percent. The average daily census showed 7,141 visitors per day, a 71.7 percent drop compared to the first eight months of 2019.
- Through the first eight months of 2020, 93.3 percent of Japanese visitors went to O‘ahu, 12.2 percent visited the island of Hawai‘i, 2.8 percent visited Maui, and 1.3 percent visited Kaua‘i. The portion of Japanese True Independent visitors was 38.5 percent. First time visitors comprised 31.8 percent.
- Through the first eight months of 2020, scheduled air seats decreased 64.8 percent to 466,630 seats.
- In 2019, spending by Japanese visitors rose 4.8 percent to \$2.25 billion. Both visitor arrivals (+5.8% to 1,576,205) and visitor days (+4.7%) increased while daily visitor spending (+0.2% to \$242 per person) was similar to 2018. The average daily census showed 25,498 visitors per day in 2019, an increase of 4.7 percent compared to 2018.
- In 2019, 94.7 percent of Japanese visitors went to O‘ahu, 10.8 percent visited the island of Hawai‘i, 3.0 percent visited Maui, and 1.6 percent visited Kaua‘i. In 2019, 37.7 percent of Japanese visitors were True Independent who made their own travel arrangements; and 31.9 percent of Japanese visitors were first timers to Hawai‘i.
- In 2019, air capacity from Japan declined (-2.1%) from 2018 to 1,999,204 scheduled seats.

## Market Conditions

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- The exchange rate was at 106.04 JPY to USD in August 2020, continuing to gain slight strength over the US dollar despite the nation being in a recession with a recent surge in COVID-19 cases, indicating that the currency market has continued to act rationally. A significant reason for this is that foreign exchange markets often regard the Japanese yen as a safe haven status when international tensions rise, as can be seen with the continued heightening of tensions between China and the United States.
- Yoshihide Suga was chosen as the next prime minister of Japan at a meeting of the country’s conservative Liberal Democratic Party. Suga previously served as the Cabinet secretary under the Abe administration and won 377 of 534 votes. Election analysts stated that Suga was selected as party leaders believed that he was the best candidate for continuing the policies set forth under Abe. He stated that he will continue to hold combatting the COVID-19 pandemic as a priority in guiding recovery of the economy.
- The government is working to introduce testing centers for COVID-19 at Narita, Haneda and Kansai International Airports, along with inside the metropolitan city centers of Osaka and Tokyo. The screening centers are being established to mitigate spread of COVID-19 as the government begins to urge domestic travels and seeks reopening of international borders.

- Unemployment rates in Japan increased slightly from June to 2.9 percent in July. Although the Labor Ministry urged companies to not let temporary workers go at the end of August when their quarterly contracts end, many employers remained hesitant to renew contracts as effects of the pandemic continued to spread.
- New cases of COVID-19 have started to decline in Tokyo, where most of the nation's cases were clustered. Tokyo had maintained the highest alert levels for the prefecture on their own scale for two consecutive months but have begun preparations to lower the alert status by one level. This will allow for more restrictions to be lifted within the city, along with the potential inclusion of Tokyo within the government's "Go To Travel" campaign.
- Although travels continue to be restricted for Japanese travelers, a variety of destinations have begun various initiatives including the sharing of information, contents, seminars, etc. geared specifically towards the Japanese market in anticipation of the resumption of travels.
- The Japanese government has announced a stimulus package reaching approximately 117.2 trillion Yen, after revising the supplementary budget to incorporate a universal cash handout of 100,000 yen to all individuals to boost the declining Japanese economy. Other measures the Government has been taking to mitigate contraction include expanded lending programs and moratoriums on tax payments for struggling businesses.
- Instead of returning to full originally scheduled operations, airlines will be phasing in their return of service. Travel agencies will also be focusing initially on recovery of domestic travel demand as the Japan Tourism Agency issued recovery funds for the travel industry focused on revitalizing domestic and inbound tourism.
- ANA, JAL and Hawaiian Airlines announced that they will be resuming limited passenger services between Hawai'i and Japan in October. A list of currently announced flight changes for Hawai'i is as follows:
  - All Nippon Airways: suspension of nearly all services through October 31; 2 special flight services to be operated on 10/15 and 10/19.
  - Delta Air Lines: suspension of all services through October 24.
  - Hawaiian Airlines: suspension of all services through September 30. Resumption of 1 weekly flight from Narita to Honolulu in October, departing from Narita on Saturdays and Narita on Thursdays.
  - Japan Airlines: Suspension of most services through September 30. Special flights to be operated from Haneda on: 8/1, 8/10, 8/20, 8/30, 9/15, 9/29, 10/11 and 10/24.
  - United Airlines: suspension of all services through September 30.
  - Korean Air: suspension of all services through October 24.
  - Air Asia X: suspension of all services until further notice.

## Distribution by Island

JAPAN MMA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Aug. 2020P	YTD Aug. 2019	% change YTD
O'ahu	1,399,307	1,492,753	6.7%	274,828	976,378	-71.9%
Maui County	50,000	48,524	-3.0%	8,476	33,200	-74.5%
Maui	48,450	46,684	-3.6%	8,137	31,993	-74.6%
Moloka'i	1,200	1,941	61.8%	421	1,086	-61.2%
Lāna'i	1,763	2,300	30.5%	133	1,542	-91.4%
Kaua'i	24,806	25,333	2.1%	3,710	15,776	-76.5%
Island of Hawai'i	176,499	170,686	-3.3%	35,910	106,558	-66.3%

## Airlift

Departure City	2020					2019					%CHANGE				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
JAPAN	465,328	744	158,672	542,618	1,167,362	505,898	475,392	517,124	500,790	1,999,204	-8.0	-99.8	-69.3	8.4	-41.6
Fukuoka	13,622	4,726	14,456	32,804	14,916	6,780	5,560	27,256	8.7	160.0	20.4				
Nagoya	32,280	7,170	33,288	72,738	36,411	38,473	42,328	36,904	154,116	-11.3	-83.1	-9.8	-52.8		
Osaka	92,526	26,542	97,616	216,684	134,549	105,119	98,893	102,814	441,375	-31.2	-73.2	-5.1	-50.9		
Sapporo	10,008	3,614	10,842	24,464	12,232	10,842	11,676	10,842	45,592	-18.2	-69.0	0.0	-46.3		
Tokyo HND	60,685	744	46,650	163,260	271,339	72,180	72,982	73,784	292,730	-15.9	-99.0	-36.8	121.3	-7.3	
Tokyo NRT	256,207	69,970	223,156	549,333	235,610	241,196	290,443	270,886	1,038,135	8.7	-75.9	-17.6	-47.1		

Source: Diiio Mii airline schedules. Updated July 29, 2020.

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

JAPAN MMA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Aug. 2020P1/	YTD Aug. 2019	% change YTD
Group vs True Independent (Net)						
Group tour	256,350	246,490	-3.8%	50,660	160,583	-68.5%
True Independent (Net)	591,168	594,917	0.6%	113,446	397,529	-71.5%
Leisure vs business						
Pleasure (Net)	1,243,669	1,360,644	9.4%	253,207	899,156	-71.8%
MCI (Net)	96,102	85,595	-10.9%	19,316	56,778	-66.0%
Convention/Conf.	17,355	12,527	-27.8%	3,948	9,298	-57.5%
Corp. Meetings	3,372	4,068	20.6%	883	2,292	-61.5%
Incentive	77,439	70,254	-9.3%	14,852	46,018	-67.7%

1/ Note: Beginning August 2020, certain categories reflect only domestic data (italicized) as international data were not available.

## First Timers vs. Repeat Visitors

JAPAN MMA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Aug. 2020P1/	YTD Aug. 2019	% change YTD
1st timers (%)	33.1	31.7	-1.3	31.8	31.3	0.5
Repeaters (%)	66.9	68.3	1.3	68.2	68.7	-0.5

1/ Note: Beginning August 2020, certain categories reflect only domestic data (italicized) as international data were not available.

## Tax Revenue

JAPAN MMA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Aug. 2020P	YTD Aug. 2019	% change YTD
State tax revenue generated* (\$ Millions)	250.35	262.43	4.8%	NA	169.94	NA

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