



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 September 2020 Quick Facts ¹

Visitor Expenditures: NA (Not available)
 Primary Purpose of Stay: Pleasure (253,224) vs. MCI (19,316)
 Average Length of Stay: 5.92 days
 First Time Visitors: 31.8%
 Repeat Visitors: 68.2%

	2018	2019	% Change 2019 vs 2018	2020* Forecast	% Change 2019 vs 2020 Forecast	YTD Sep. 2020P	YTD Sep. 2019	% change YTD
JAPAN MMA (by Air)								
Visitor Expenditures* (\$ Millions)	2,144.7	2,248.3	4.8%	NA	NA	NA	1,652.4	NA
Visitor Days	8,892,748	9,306,767	4.7%	NA	NA	1,744,079	6,971,475	-75.0%
Arrivals	1,489,778	1,576,205	5.8%	NA	NA	294,647	1,173,477	-74.9%
Average Daily Census	24,364	25,498	4.7%	NA	NA	6,365	25,537	-75.1%
Per Person Per Day Spending* (\$)	241.2	241.6	0.2%	NA	NA	NA	237.0	NA
Per Person Per Trip Spending* (\$)	1,439.6	1,426.4	-0.9%	NA	NA	NA	1,408.1	NA
Length of Stay (days)	5.97	5.90	-1.1%	NA	NA	5.92	5.94	-0.4%

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

Contact Information

Hawai'i Tourism Authority: Minami Aoki, Market Manager
 Tel: (808) 973-2262
minami.aoki@gohta.net

Hawai'i Tourism Japan: Eric Takahata, Managing Director
 Tel: (808) 942-4114
etakahata@htjapan.jp

¹ 2020 visitor data are preliminary. 2019 and 2018 visitor data are the final numbers and reflect updated airfare statistics from DIIO Mi Airline database, and final passenger counts from Airline Traffic Summary reports.

Market Summary

Due to the COVID-19 pandemic, all passengers arriving from out-of-state during September were required to abide by a mandatory 14-day self-quarantine. Exemptions include travel for essential reasons like work or healthcare. On August 11, a partial interisland quarantine was reinstated for anyone traveling to the counties of Kaua'i, Hawai'i, Maui, and Kalawao (Moloka'i). The U.S. Centers for Disease Control and Prevention (CDC) continued to enforce the "No Sail Order" on all cruise ships.

According to the Ministry of Foreign Affairs of Japan, all Japanese nationals returning to Japan from abroad are called upon to wait 14 days at a location designated by the quarantine station chief and to refrain from using public transportation.

In September, 79 visitors arrived from Japan compared to 143,928 visitors a year ago. Visitor spending data were not available.

- Through the first nine months of 2020, arrivals decreased 74.9 percent to 294,647 visitors. Visitor days declined 75.0 percent. The average daily census showed 6,365 visitors per day, a 75.1 percent drop compared to the first nine months of 2019.
- Through the first nine 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 nine months of 2020, scheduled air seats decreased 68.8 percent to 467,002 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

- The exchange rate was at 105.74 JPY to USD in September 2020. The US dollar has been gaining ground against the Japanese yen and economists forecast this trend to continue. With the yield of US government bonds being increased for both 10-year and 30-year bonds recently, the US dollar has become more attractive against safe-haven assets such as the Japanese yen.
- The Japanese government loosened entry restrictions for all countries and territories for mid to long-term travelers such as business travelers and exchange students from 10/1. They have also begun considering the exemption of mandatory 2-week quarantine for citizens and persons with residency status upon their return to Japan. Although details are yet to be determined, travelers will have to submit a detailed plan of activities and avoid public transportation.
- The Ministry of Foreign Affairs announced that they are considering the lowering of travel advisories issued for all countries and territories. They stated that there is potential for the

advisory levels to be lowered to Level 1, asking citizens to exercise caution or to lift it completely. Currently, over 150 countries and territories remain placed at Level 3, warning against all travels.

- The government is working to enhance the number of coronavirus tests at Narita, Haneda and Kansai airport to 20,000 per day following the recent relaxation of entry restrictions. With the government being in talks with 16 economies including South Korea, China, Taiwan, Singapore, Thailand and Vietnam for reopening business travels, enhancement of testing capability at airports will be essential in raising the capacity of inbound travelers that the country can accept.
- Unemployment rates in Japan increased slightly from July to 3.0 percent in August, reaching levels not seen in over 3 years. More business operators have become unable to maintain their workforce after consumer demand declined and some were forced to shorten operation hours. By industry, the accommodation and restaurant services sectors were the hardest hit by the pandemic. Economists forecast the unemployment rate to rise to the lower half of the 3 percent range by the end of 2020 and then decline at a moderate pace.
- Cases of COVID-19 have started to see some decline in Tokyo, with new cases reported falling to below 300 on most days. The government continues to urge citizens to exercise caution, especially amongst younger individuals as people in their 20s and 30s continue to hold the largest proportion of cases.
- The travel industry continues to take significant hits as travel restrictions continue to be imposed. Most direct flights between Japan and Hawai'i remain suspended, with many airlines officially announcing that suspension will extend through to the end of November. Major travel agencies are also canceling all international tour products from the lack of airlift and continued travel restrictions.
- A list of currently announced flight changes for Hawai'i is as follows:
 - All Nippon Airways: suspension of nearly all services through November 30; 2 special flight services to be operated on 11/7 and 11/21
 - Delta Air Lines: suspension of all services through March 21, 2021.
 - Hawaiian Airlines: suspension of nearly all services through November 30. Resumption of 1 weekly flight from Narita to Honolulu in October.
 - Japan Airlines: Suspension of most services through November 30. Special flights to be operated from Haneda on: 8/1, 8/10, 8/20, 8/30, 9/15, 9/29, 10/11, 10/24, 11/10 and 11/23.
 - United Airlines: suspension of all services through December 17.
 - Korean Air: suspension of all services through November 30.
 - Air Asia X: suspension of all services through November 30.

Distribution by Island

JAPAN MMA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Sep. 2020P	YTD Sep. 2019	% change YTD
O'ahu	1,399,307	1,492,753	6.7%	274,905	1,111,747	-75.3%
Maui County	50,000	48,524	-3.0%	8,477	38,356	-77.9%
Maui	48,450	46,684	-3.6%	8,138	36,980	-78.0%
Moloka'i	1,200	1,941	61.8%	421	1,345	-68.7%
Lāna'i	1,763	2,300	30.5%	133	1,654	-91.9%
Kaua'i	24,806	25,333	2.1%	3,710	18,575	-80.0%
Island of Hawai'i	176,499	170,686	-3.3%	35,911	123,415	-70.9%

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	930	127,983	594,985	505,898	475,392	517,124	500,790	1,999,204	-8.0	-99.8	-99.8	-74.4	-70.2
Fukuoka	13,622	0		4,726	18,348	14,916	6,780		5,560	27,256	-8.7	100.0		-15.0	-32.7
Nagoya	32,280	0	0	7,409	39,689	36,411	38,473	42,328	36,904	154,116	-11.3	100.0	-100.0	-79.9	-74.2
Osaka	92,526	0	0	27,436	119,962	134,549	105,119	98,893	102,814	441,375	-31.2	100.0	-100.0	-73.3	-72.8
Sapporo	10,008	0	0	3,614	13,622	12,232	10,842	11,676	10,842	45,592	-18.2	100.0	-100.0	-66.7	-70.1
Tokyo HND	60,685	744	930	43,148	105,507	72,180	72,982	73,784	73,784	292,730	-15.9	-99.0	-98.7	-41.5	-64.0
Tokyo NRT	256,207	0	0	41,650	297,857	235,610	241,196	290,443	270,886	1,038,135	8.7	100.0	-100.0	-84.6	-71.3

Source: HTA analysis based on scheduled Seats from Diio Mi flight schedules as of October 27, 2020, subject to change.

Group vs. True Independent; Leisure vs. Business

JAPAN MMA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Sep. 2020P1/	YTD Sep. 2019	% change YTD
Group vs True Independent (Net)						
Group tour	256,350	246,490	-3.8%	50,660	179,055	-71.7%
True Independent (Net)	591,168	594,917	0.6%	113,474	451,994	-74.9%
Leisure vs business						
Pleasure (Net)	1,243,669	1,360,644	9.4%	253,224	1,028,326	-75.4%
MCI (Net)	96,102	85,595	-10.9%	19,316	60,794	-68.2%
Convention/Conf.	17,355	12,527	-27.8%	3,948	10,229	-61.4%
Corp. Meetings	3,372	4,068	20.6%	883	2,590	-65.9%
Incentive	77,439	70,254	-9.3%	14,852	49,023	-69.7%

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 Sep. 2020P1/	YTD Sep. 2019	% change YTD
1st timers (%)	33.1	31.7	-1.3	31.8	31.4	0.5
Repeaters (%)	66.9	68.3	1.3	68.2	68.6	-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 Sep. 2020P	YTD Sep. 2019	% change YTD
State tax revenue generated* (\$ Millions)	250.35	262.43	4.8%	NA	192.88	NA

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