



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 November 2020 Quick Facts¹

Visitor Expenditures: NA (Not available)
 Primary Purpose of Stay: Pleasure (253,515) vs. MCI (19,337)
 Average Length of Stay: 5.97 days
 First Time Visitors: 31.9%
 Repeat Visitors: 68.1%

	2018	2019	% Change 2019 vs 2018	2020* Forecast	% Change 2019 vs 2020 Forecast	YTD Nov. 2020P	YTD Nov. 2019	% change YTD
JAPAN MMA (by Air)								
Visitor Expenditures* (\$ Millions)	2,144.7	2,248.3	4.8%	NA	NA	NA	2,037.4	NA
Visitor Days	8,892,748	9,306,767	4.7%	NA	NA	1,764,665	8,495,564	-79.2%
Arrivals	1,489,778	1,576,205	5.8%	NA	NA	295,354	1,439,570	-79.5%
Average Daily Census	24,364	25,498	4.7%	NA	NA	5,268	25,436	-79.3%
Per Person Per Day Spending* (\$)	241.2	241.6	0.2%	NA	NA	NA	239.8	NA
Per Person Per Trip Spending* (\$)	1,439.6	1,426.4	-0.9%	NA	NA	NA	1,415.3	NA
Length of Stay (days)	5.97	5.90	-1.1%	NA	NA	5.97	5.90	1.2%

*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 DIO Mi Airline database, and final passenger counts from Airline Traffic Summary reports.

Market Summary

Beginning October 15, passengers arriving from out-of-state and traveling inter-county could bypass the mandatory 14-day self-quarantine with a valid negative COVID-19 NAAT test result from a Trusted Testing and Travel Partner. A new policy went into effect on November 24 requiring all trans-Pacific travelers participating in the pre-travel testing program to have a negative test result before their departure to Hawai'i, and test results would no longer be accepted once a traveler arrives in the state. Kaua'i, Hawai'i Island, Maui, and Moloka'i also had a partial quarantine in place in November. Lāna'i residents and visitors were under a stay-at-home order from October 27 to November 11. In addition, the U.S. Centers for Disease Control and Prevention (CDC) continued to enforce the "No Sail Order" on all cruise ships.

Starting November 6, travelers from Japan could bypass Hawai'i's mandatory quarantine with a negative test result from a trusted testing partner in Japan. However, most Japanese nationals returning from abroad must quarantine for 14 days except for qualified business travelers who returned from overseas trips lasting one week or less. These business travelers must have proof of a negative coronavirus test and they were restricted to only commute between work and home.

In November, 524 visitors arrived from Japan compared to 131,536 visitors a year ago. Of the 524 visitors, 428 arrived on international flights from Japan and 96 came on domestic flights. Visitor spending data were not available.

- Through the first 11 months of 2020, arrivals decreased 79.5 percent to 295,354 visitors. Visitor days declined 79.2 percent. The average daily census showed 5,268 visitors per day, a 79.3 percent drop compared to the first 11 months of 2019.
- Through the first 11 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 31.9 percent.
- Through the first 11 months of 2020, scheduled air seats decreased 74.2 percent to 471,788 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

- Prime Minister Yoshihide Suga instructed Cabinet ministers to register a third supplementary budget for fiscal 2020 to finance an economic stimulus package to support businesses affected by COVID-19 pandemic. This third supplementary budget includes funding for extension of the

government's Go To Travel subsidy campaign beyond late January to continue stimulating consumption, especially tourism sector and helping businesses maintain employment. For the current 2020 fiscal year, parliament has already enacted two supplementary budgets totaling about ¥57 trillion for COVID19 stimulus measures under the administration of Shinzo Abe, with issuance of nearly ¥46 trillion of deficit-covering bonds. The draft extra budget is likely to be submitted to next year's ordinary Diet session convening in January.

- Government suspended city of Osaka and Sapporo from Go to Travel for 3 weeks until 12/15, amid a nationwide surge in new COVID-19 infections. Reservations made before the announcement will be canceled and reimbursed, and the impact on local businesses compensated, by the central government. Selective suspension of the campaign is intended to buffer hard-hit areas where the health care system is at risk of being overwhelmed.
- Japan's economy grew an annualized 21.4 percent in the third quarter, rebounding sharply from a record postwar slump in a sign the country is gradually emerging from the damage caused by the coronavirus pandemic. Many analysts expect any further rebound in the economy to be moderate as persistent weakness in consumption and a resurgence in infections at home and abroad clouds the outlook.
- The expansion in gross domestic product (GDP) compared with a median market forecast for an 18.9 percent gain. It marked the first increase in four quarters and followed a 28.8 percent plunge in April-June. On a quarter-on-quarter basis, the economy grew 5.0 percent, faster than forecasts of 4.4 percent and pulling out of recession. Private consumption rose 4.7 percent in July-September from the previous quarter, rebounding from a plunge in April-June blamed on lockdown measures aimed at preventing the spread of the virus. External demand added 2.9 percent points to GDP growth due to a rebound in overseas demand that pushed up exports by 7.0 percent.
- Japan's assessment of the economy indicators shows a gradual recovery in the month of October. The Consumer Confidence Index (seasonally adjusted series) in October 2020 was 33.6, up 0.9 points from the previous month. With the employment adjustment subsidy by the government, unemployment remains low as 3.1 percent for October.
- Ministry of Foreign Affairs lifted Level 3 advisories against all travel to nine nations and jurisdictions including China, South Korea, Vietnam and Australia. The warnings have been downgraded to Level 2 - guidance to avoid nonessential travel because each place has managed to control the COVID-19 outbreaks within their borders. The coronavirus task force decided to lift the entry ban against the nine nations and territories.
- Finalizing China to start business track in Mid-November. This is available for short business trip and long stay for Expatriates. For short term business travelers must provide negative test with the movement planning (that exempt the 2 weeks quarantine). This is the 4th country that Japan started business track after Singapore, Korea and Vietnam.
- JATA and ANTA submitted the request to political parties, Japan Tourism Agency, Airlines, Airport organization to establish "Restricted Business Track (Managed Travel)" for the preparation of Tokyo Olympic in July 2021. 14 counties (Korea, China, Singapore, Hong Kong, Thailand, Vietnam, Mongolia, Laos, Cambodia, Brunei, New Zealand and Australia) are considered. Hawai'i is included as requested areas since it is a high Japanese outbound destination.

- ZIPAIR announced the inaugural flight from Narita starting on 12/19. By end of January 2021, the airline will operate a total of 13 round-trip flights between Narita and Honolulu.

<u>NRT to HNL</u> ZG2 NRT dept: 20:15pm, HNL arrive: 7:55am	Dates: 12/19, 22, 25, 26, 28, 29, 30 1/2, 3, 4, 8, 9, 10, 16, 23, 30
<u>HNL to NRT</u> ZG1 HNL dept: 9:55am, NRT arrive: 14:30pm (next day)	Dates: 12/1, 22, 25, 26, 28, 29, 30 1/2, 3, 4, 8, 9, 10, 17, 24, 31

- Japan Airlines announced that they will be continuing operation of special services to Honolulu from Haneda: 6 flights in December, and 4 flights in January 2021.
- All Nippon Airways will be operating 2 flights in December, and 2 flights in January 30.
- Hawaiian Airlines announced that flights from Narita will be increased to 4 weekly flights from December 21. Additionally, they will resume services from Haneda at 3 times per week from December 23, and from Kansai at 3 times per week from December 21.

Distribution by Island

JAPAN MMA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Nov. 2020P	YTD Nov. 2019	% change YTD
O'ahu	1,399,307	1,492,753	6.7%	275,506	1,363,099	-79.8%
Maui County	50,000	48,524	-3.0%	8,504	45,427	-81.3%
Maui	48,450	46,684	-3.6%	8,165	43,815	-81.4%
Moloka'i	1,200	1,941	61.8%	421	1,664	-74.7%
Lāna'i	1,763	2,300	30.5%	133	2,024	-93.4%
Kaua'i	24,806	25,333	2.1%	3,723	23,400	-84.1%
Island of Hawai'i	176,499	170,686	-3.3%	35,984	154,519	-76.7%

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 Nov. 2020P1/	YTD Nov. 2019	% change YTD
Group vs True Independent (Net)						
Group tour	256,350	246,490	-3.8%	50,662	223,630	-77.3%
True Independent (Net)	591,168	594,917	0.6%	113,771	543,835	-79.1%
Leisure vs business						
Pleasure (Net)	1,243,669	1,360,644	9.4%	253,515	1,248,781	-79.7%
MCI (Net)	96,102	85,595	-10.9%	19,337	77,306	-75.0%
Convention/Conf.	17,355	12,527	-27.8%	3,965	11,876	-66.6%
Corp. Meetings	3,372	4,068	20.6%	903	3,869	-76.7%
Incentive	77,439	70,254	-9.3%	14,852	62,694	-76.3%

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 Nov. 2020P1/	YTD Nov. 2019	% change YTD
1st timers (%)	33.1	31.7	-1.3	31.9	32.0	-0.2
Repeaters (%)	66.9	68.3	1.3	68.1	68.0	0.2

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 Nov. 2020P	YTD Nov. 2019	% change YTD
State tax revenue generated* (\$ Millions)	250.35	262.43	4.8%	NA	237.82	NA

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