

Toward a timely reading of “the signs of change” in tourism

The Number of Foreign Visitors and Visit Ratio by Prefecture

Advance estimation of monthly indexes: February report

Main points

● Review of data published by JNTO in March

▶ According to JNTO estimates (Figure 1 and Table 1), **the total number of foreign visitors in February was 7,400 (-99.3% YoY), reaching its lowest level since August 2020, and marking the 17th consecutive month of negative growth.** The government decided to extend the state of emergency and the strict entry restrictions, leading to a significant drop from the previous month (the number of foreign visitors in January was 46,500).

▶ The top five inbound nationalities were: China (1,700 visitors), Korea (900 visitors), India (600 visitors), Taiwan and the USA (400 visitors each). Noticeably, the number of visitors from Vietnam decreased drastically from 20,000 in January to just 200 in February.

▶ The number of visitors from China, India, Taiwan and the USA decreased for the 13th consecutive month, while the number of Korean visitors dropped for the 20th consecutive month. In the case of Vietnamese visitors, the decline rate accelerated from -60.3% YoY in January to -99.5% YoY in February, marking the 12th month of continuous decline.

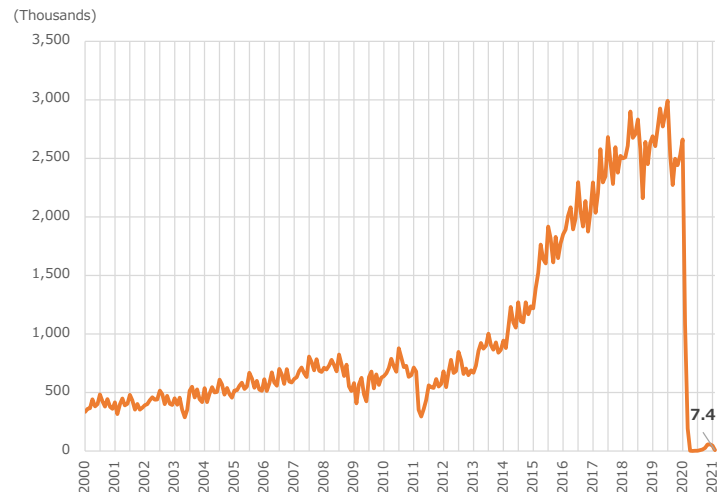
▶ The state of emergency was lifted country-wide on March 21. However, considering that the government decided to keep in place the strict entry restrictions for the time being, the number of foreign visitors is expected to remain negligible.

▶ According to JNTO, **the total number of foreign visitors in December was 58,673 (provisional figure, -97.7% YoY).** By travel purpose, the numbers are as follows: tourism, 1,557 (-99.9% YoY), business, 4,051 (-96.7% YoY), and other purposes, 53,065 (-51.8% YoY) (Figure 2 and Table 2). By travel purpose, the number of foreign visitors decreased for 15 consecutive months in the case of tourism and business, and for 11 months in the case of the “other purposes”.

▶ The top five inbound nationalities by travel purpose in December are listed below. Tourism: USA (417 visitors), China (136 visitors), Korea (123 visitors), UK (84 visitors), Germany (82 visitors). Business: China (1,006 visitors), Korea (812 visitors), Taiwan (202 visitors), Russia (198 visitors), Thailand (158 visitors). Other purposes: China (17,223 visitors), Vietnam (15,651 visitors), Indonesia (3,209 visitors), Philippines (2,192 visitors), Korea (1,873 visitors).

▶ **Provisional data shows that in 2020 the total number of foreign visitors was 4,115,828 (-87.1% YoY).** By travel purpose, all categories saw drastic declines: tourism, 3,312,228 (-87.7% YoY), business, 216,028 (-87.7% YoY), other purposes, 587,572 (-68.5% YoY). The number of tourists reached its lowest level since 2004 (3,839,661), turning to negative growth for the first time in nine years.

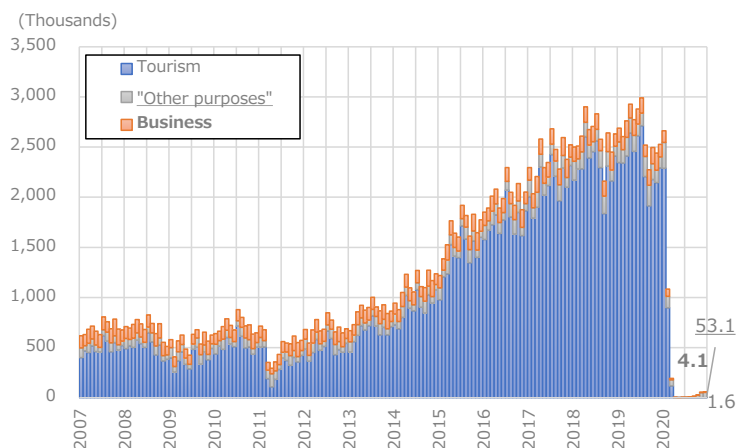
Figure 1 Number of foreign visitors



Source: based on data published by the Japan National Tourism Organization (JNTO).

Note: the numbers are final for 2019, provisional for 2020, and estimated for January and February 2021.

Figure 2 Number of foreign visitors by travel purpose



Source: JNTO

Note: the number of “tourists” is obtained by deducting the number of “business travelers” from the total number of “short-term visitors” and it also includes those who are visiting relatives or friends. “Other purposes” refers to those other than tourism and business, including studying, training, as well as diplomatic and official ones.

*Please note that the contents of this report have been partially changed starting with Nov 2020 due to the fact that the statistical survey used so far, the *Foreign Visitors Survey* (Japan Tourism Agency), is not currently being conducted.

Topics 1

● Kansai's goods and services foreign trade in February

▶ **The number of foreign visitors arriving at Kansai International Airport (hereinafter referred to as KIX) in February totaled 1,879, down 99.2% YoY, and marking the 13th consecutive month of decline (figures 3 and 4).** The number had been gradually recovering since Nov 2020, exceeding 10,000 for 3 months in a row, only to drop again in February, as a new state of emergency was declared. Thus, the number of foreign visitors reached its lowest level since Aug 2020, when it was 1,615. The number of Japanese departures was 2,800, decreasing for the 14th consecutive month (-98.9% YoY).

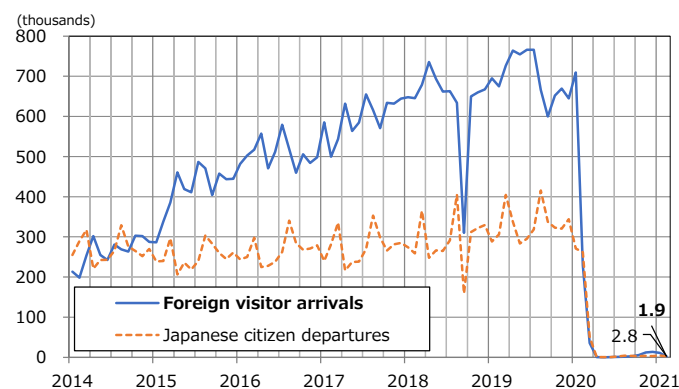
▶ **Over one year has passed since the WHO has declared the COVID-19 outbreak a Public Health Emergency of International Concern (PHEIC) on Jan 30, 2020.** The total number of foreign visitors arriving at KIX between Feb 2020 and Jan 2021 was 312,548, declining by -96.3% YoY from 8,392,500 during the previous year. The monthly average also decreased considerably from 700,000 to 26,000.

▶ In Figure 4, we compare the evolution of foreign arrival numbers at KIX following the Global Financial Crisis, the Great East Japan Earthquake, and the COVID-19 outbreak. Since Feb 2020, when the first border restrictions were implemented, foreign visitors have all but disappeared. Considering the extension of the state of emergency and the continued strict entry restrictions, it is difficult to expect a recovery.

▶ **Due to the fact that in 2021 the Chinese New Year was celebrated in February, Kansai's total exports dropped by -1.4% YoY for the first time in three months.** On the other hand, **total imports expanded for the first time in 17 months (+16.9% YoY).** As a reaction to the expected decline in production during the Chinese holidays, imports from China expanded significantly. Consequently, Kansai's trade balance stood at JPY 242.8 billion, marking the 13th consecutive month of surplus. The total trade amount (imports and exports) expanded by +6.1% YoY, marking the second month of positive growth (+1.9% YoY in January) (Figure 5).

▶ As shown in Figure 6, **Kansai's China-bound exports increased by +5.1% YoY in February, marking the ninth straight month in positive territory.** The growth decelerated from the previous month (+40.1% YoY in January), but this large difference can be explained by the fact that in 2020 the Chinese New Year was celebrated in January. Thanks to the increasing number of Chinese working from home, China-bound exports of plastics and other materials used in computer manufacturing made a positive contribution. On the other hand, imports from China grew by +151.9% for the first time in three months. In Feb 2020, as China's economic activity came to a halt due to COVID-19, imports fell sharply. The figure for Feb 2021 reflects the rebound from that decline. Clothing and communication equipment were the main contributors to the increase in imports.

Figure 3 Evolution of the number of foreign visitor arrivals at KIX



Source: based on Immigration Control statistics.

The numbers for Feb 2021 are preliminary figures (in Figure 4 as well)

Figure 4 Recovery paths from economic shocks

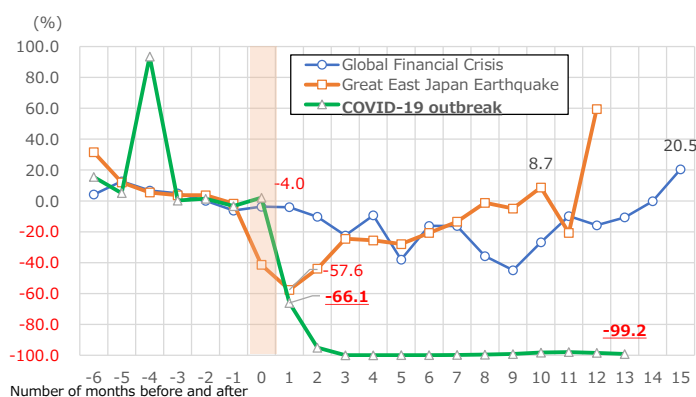


Figure 5 Evolution of Kansai's foreign trade

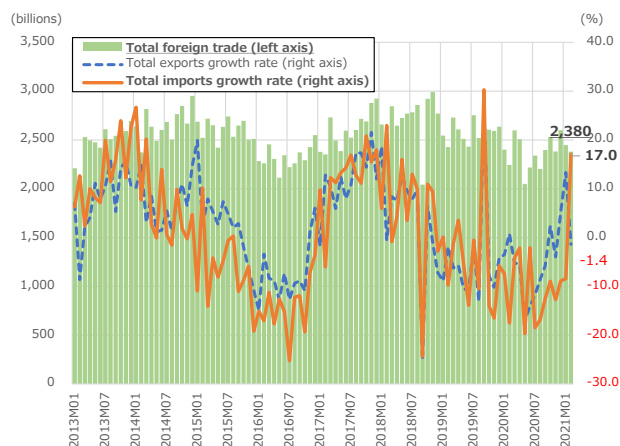
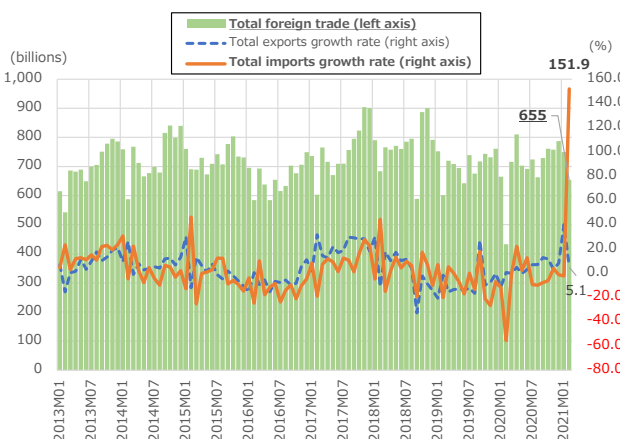


Figure 6 Evolution of Kansai's trade with China



Source: based on Osaka Customs Preliminary Data for Kansai Area.

Topics 2

● Total number of overnight guests in December in the Greater Kansai area

►In December, the total number of overnight guests in Greater Kansai dropped for the 12th consecutive month by -47.0% YoY. Due to the fact that the government's "Go to Travel" campaign was suspended temporarily, the decline rate accelerated from the previous month (-36.0% YoY). In addition, as the state of emergency was re-imposed in Kyoto, Osaka and Hyogo prefectures starting with Jan 14 due to the resurgence of COVID-19 infections, the number of guests is expected to decrease even further in January.

►In December, the total number of Japanese overnight guests was 5.069 million, shrinking for the 12th consecutive month (-31.2% YoY). The decline rate expanded from the previous month (-14.8%, Figure 7). The largest number of guests was in Kyoto Prefecture (1.2271 million, -22.8% YoY), followed by Osaka (1.1895 million, -53.2% YoY), Hyogo (880.9 thousand, -17.2% YoY), Mie (526.1 thousand, -16.2% YoY), Wakayama (307.7 thousand, -11.5% YoY), Shiga (251.8 thousand, -23.0% YoY), Fukui (229.2 thousand, -27.3% YoY), Tottori (179.5 thousand, -15.1% YoY), Tokushima (157.9 thousand, -9.8% YoY) and Nara (119.4 thousand, -26.2% YoY) (Figure 8). The decline accelerated relative to the previous month in all prefectures, except for Tokushima.

►The total number of foreign overnight guests was 131.2 thousand (-94.7% YoY), declining for the 11th successive month (Figure 9). The decline rate improved slightly from the previous month (-96.0 YoY), but it still exceeds the 90% threshold (Figure 9). The largest number of foreign guests was in Osaka Prefecture (102.6 thousand, -92.7% YoY), followed by Kyoto (12.5 thousand, -98.4% YoY), Hyogo (5.9 thousand, -93.4% YoY), Wakayama (3.4 thousand, -90.9% YoY), Mie (2.6 thousand, -90.6% YoY), Shiga (1.5 thousand, -95.2% YoY), Tottori (0.9 thousand, -93.8% YoY), Fukui (0.8 thousand, -90.9% YoY), Nara (0.6 thousand, -98.1% YoY) and Tokushima (0.4 thousand, -96.5% YoY) (Figure 10).

►In 2020, the total number of overnight guests in Kansai was 56,290,000 (-54.6% YoY), shrinking for the first time in four years. Therein, the total number of Japanese guests was 51,700,000 (-42.6% YoY), dropping for the first time in three years. The total number of foreign guests was 4,590,000 (-86.4% YoY), dropping for the first time in nine years. The second half of 2020 saw a partial recovery in the number of Japanese guests thanks to travel incentive programs such as the "Go to Travel" campaign, but during the first half of 2020, consumers' self-restraint in going out due to the state of emergency had an important impact. Meanwhile, strict border enforcement measures continue to keep the number of foreign guests low.

Figure 7 Evolution of the total number of Japanese overnight guests in Kansai

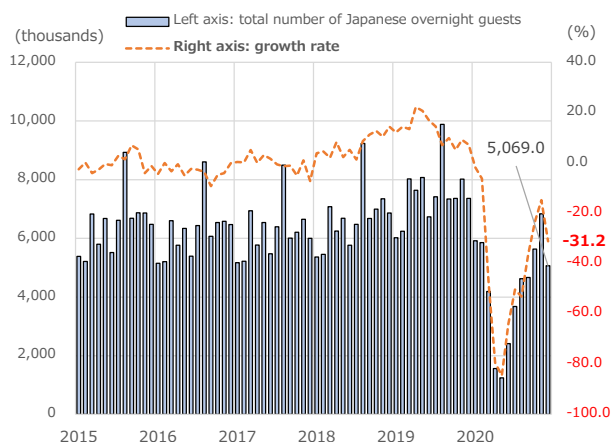


Figure 8 Evolution of the total number of Japanese overnight guests by prefecture

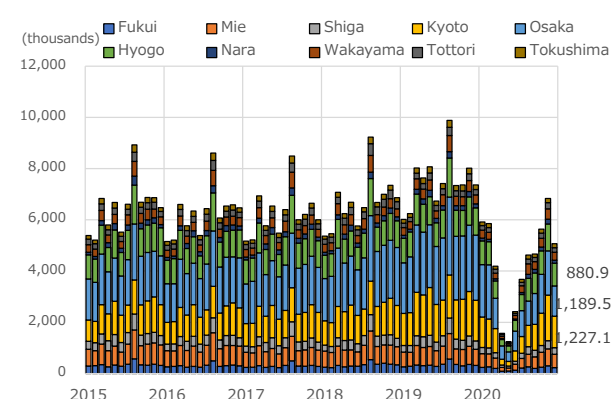


Figure 9 Evolution of the total number of foreign overnight guests in Kansai

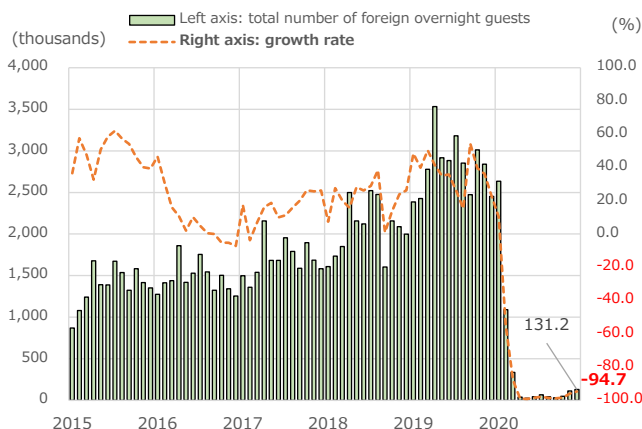
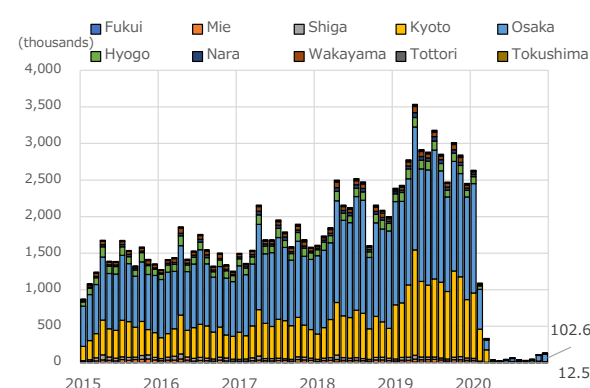


Figure 10 Evolution of the total number of foreign overnight guests by prefecture



Source: based on data from *Overnight Travel Statistics Survey*, Japan Tourism Agency (figures 7~10)

Table 1 Foreign visitors in February 2021 (JNTO estimates)

Country/Area	Total			Total		
	2020	2021	Growth rate(%)	2020	2021	Growth rate(%)
	February	February		Jan-Feb	Jan-Feb	
Grand Total	1,085,147	7,400	-99.3	3,746,169	53,900	-98.6
Major countries total (excl. S.Korea)	883,174	4,380	-99.5	3,140,236	42,530	-98.6
South Korea	143,896	900	-99.4	460,708	3,400	-99.3
China	87,220	1,700	-98.1	1,012,010	11,900	-98.8
Taiwan	220,420	400	-99.8	681,659	1,000	-99.9
Hong Kong	115,613	40	-100.0	334,971	240	-99.9
Thailand	97,957	90	-99.9	210,491	790	-99.6
Singapore	19,551	50	-99.7	49,731	140	-99.7
Malaysia	26,589	70	-99.7	71,418	270	-99.6
Indonesia	24,691	200	-99.2	62,231	1,100	-98.2
Philippines	39,728	200	-99.5	93,316	1,200	-98.7
Vietnam	39,905	200	-99.5	90,329	20,200	-77.6
India	6,582	600	-90.9	20,466	1,500	-92.7
Australia	48,522	30	-99.9	133,836	130	-99.9
U.S.A.	73,373	400	-99.5	190,716	1,600	-99.2
Canada	17,601	20	-99.9	46,532	120	-99.7
Mexico	2,968	20	-99.3	7,609	80	-98.9
United Kingdom	18,645	70	-99.6	42,965	370	-99.1
France	17,123	80	-99.5	33,604	680	-98.0
Germany	10,937	50	-99.5	22,126	450	-98.0
Italy	4,718	30	-99.4	11,639	230	-98.0
Russia	6,702	90	-98.7	15,101	290	-98.1
Spain	4,329	40	-99.1	9,486	240	-97.5
Middle East	2,086	30	-98.6	6,351	130	-98.0
Others	55,991	2,090	-96.3	138,874	7,840	-94.4

※ <:less than

Table 2 The number of foreign visitors by purpose of visit in Dec 2020 (JNTO provisional figures)

Country/Region	Total			Tourism			Business			Others purposes		
	2019	2020	Growth Rate(%)	2019	2020	Growth Rate(%)	2019	2020	Growth Rate(%)	2019	2020	Growth Rate(%)
	Dec	Dec		Dec	Dec		Dec	Dec		Dec	Dec	
Total	2,526,387	58,673	-97.7	2,292,029	1,557	-99.9	124,260	4,051	-96.7	110,098	53,065	-51.8
Korea	247,959	2,808	-98.9	210,261	123	-99.9	22,621	812	-96.4	15,077	1,873	-87.6
China	710,234	18,365	-97.4	645,786	136	-100.0	32,067	1,006	-96.9	32,381	17,223	-46.8
Taiwan	348,269	975	-99.7	332,446	48	-100.0	10,054	202	-98.0	5,769	725	-87.4
Hong Kong	249,642	287	-99.9	245,797	15	-100.0	2,847	63	-97.8	998	209	-79.1
Thailand	164,936	683	-99.6	160,472	13	-100.0	2,496	158	-93.7	1,968	512	-74.0
Singapore	100,376	121	-99.9	97,736	16	-100.0	2,300	41	-98.2	340	64	-81.2
Malaysia	78,250	300	-99.6	75,655	4	-100.0	1,807	131	-92.8	788	165	-79.1
Indonesia	59,203	3,322	-94.4	54,273	40	-99.9	1,989	73	-96.3	2,941	3,209	9.1
Philippines	81,542	2,319	-97.2	75,778	35	-100.0	2,083	92	-95.6	3,681	2,192	-40.5
Vietnam	30,606	15,713	-48.7	10,055	14	-99.9	2,766	48	-98.3	17,785	15,651	-12.0
India	11,739	1,628	-86.1	5,264	17	-99.7	3,839	104	-97.3	2,636	1,507	-42.8
Australia	72,653	164	-99.8	68,892	20	-100.0	2,052	34	-98.3	1,709	110	-93.6
US	144,498	1,348	-99.1	124,956	417	-99.7	14,447	157	-98.9	5,095	774	-84.8
Canada	35,132	183	-99.5	32,839	65	-99.8	1,401	20	-98.6	892	98	-89.0
Mexico	6,499	49	-99.2	6,138	8	-99.9	224	4	-98.2	137	37	-73.0
UK	27,750	353	-98.7	22,695	84	-99.6	3,397	49	-98.6	1,658	220	-86.7
France	20,261	449	-97.8	16,403	75	-99.5	2,473	46	-98.1	1,385	328	-76.3
Germany	13,639	296	-97.8	9,799	82	-99.2	2,954	55	-98.1	886	159	-82.1
Italy	11,196	153	-98.6	9,662	31	-99.7	1,163	15	-98.7	371	107	-71.2
Russia	8,833	389	-95.6	7,032	18	-99.7	1,259	198	-84.3	542	173	-68.1
Spain	7,295	134	-98.2	6,509	14	-99.8	495	21	-95.8	291	99	-66.0
Middle East	5,554	104	-98.1	4,504	9	-99.8	747	19	-97.5	303	76	-74.9
Others	90,321	8,530	-99.9	69,077	273	-100.0	8,779	703	-99.9	12,465	7,554	-99.4

Source: based on data published by the Japan National Tourism Organization (JNTO) on Mar 17, 2021

Note: see Figure 2 note for details regarding definitions of travel purposes.