

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: November report

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**Main Points**

**●Review of data published by JNTO in December**

▶ According to JNTO estimates (Figure 1 and Table 3), the total number of foreign visitors to Japan in November was 20,700. While this represents a decrease from October (22,100), the number has remained above the 20,000 threshold for two consecutive months. Some border relaxation measures, such as allowing entry for fully-vaccinated short-term business travelers and international students, were implemented starting with November 6, however, their effect appears to have been limited.

▶ The top five foreign visitors by nationality were: China (3,200), Korea (2,000), Vietnam (1,800), India (1,600), and the USA (1,400).

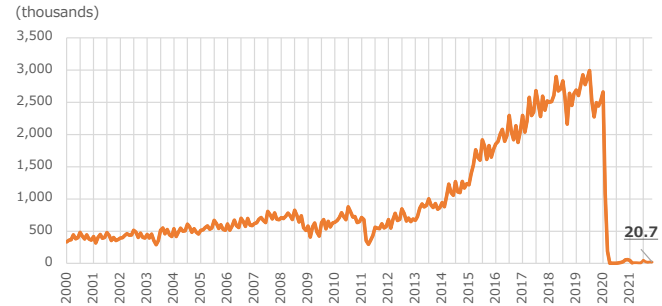
▶ According to JNTO, **the total number of foreign visitors in September was 17,720 (provisional figure)**. Relative to the pre-pandemic September 2019, it declined by 99.2% (Figure 2 and Table 4). By travel purpose, the numbers are as follows (percentage change is relative to September 2019): tourism, 1,124 (-99.9%), business, 1,676 (-98.9%), other purposes, 14,920 (-92.7%). After increasing temporarily due to the Tokyo Olympic and Paralympic Games, the number of tourists returned to its previous low level (July: 42,621; August: 13,304).

▶ The top five foreign visitors by nationality/region and travel purpose in September are listed below. Tourism: USA (229), China (89), Middle East (73), Korea (72), France (56). Business: China (362), Korea (235), USA (114), Germany (87), UK (54). Other purposes: China (3,509), Korea (1,917), USA (1,314), Vietnam (993), Indonesia (487).

▶ **Nations around the world have started to impose stricter border control measures due to the spreading of the new Omicron variant.** While until recently most countries were relaxing the travel restrictions for fully-vaccinated people, the surge of the Omicron variant worldwide reverted these measures. Due to a worsening epidemiological situation, the main Western countries have started to administer vaccine booster shots. The booster vaccination rates are 38.6% in the UK, 28.9% in Germany, 24.2% in France, and 22.5% in Spain (Figure 3) and. Despite increasing booster vaccination rates, the outlook is uncertain as the virus continues to spread rapidly.

▶ The Japanese government has also imposed tougher border control measures out of fear of the Omicron variant. Starting with Nov 8, new visas could be issued for fully-vaccinated foreigners under certain conditions, but this measure was suspended temporarily effective Nov 30. While in Japan the number of new infections is comparatively low, concerns over the Omicron variant could lead to more border restrictions. Considering this, the number of foreign visitors in December is likely to remain low.

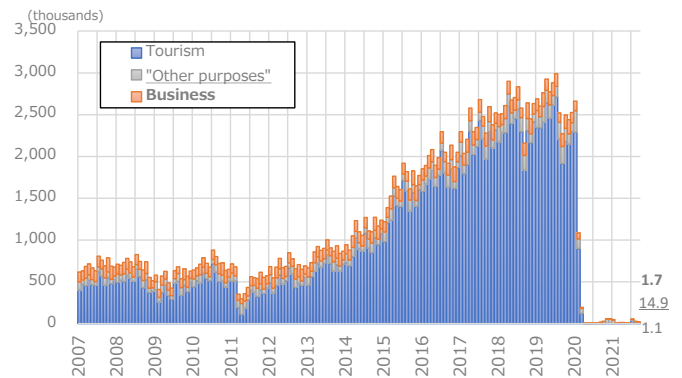
Figure 1 Number of foreign visitors



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

Note: the number are final for the period up until 2020, provisional for Jan-Sep 2021, and estimated for Oct-Nov 2021.

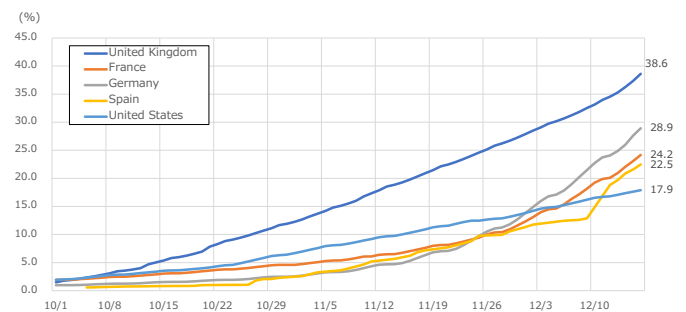
Figure 2 Number of foreign visitors by travel purpose



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.

Figure 3 Booster vaccination rates



Source: based on Our World In Data (as of Dec 16)

\*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 international trade in goods and services in November and service industry trends in October**

▶ In November Kansai's total exports **rose by +22.9% YoY, marking the ninth consecutive month of expansion** (+21.1% YoY in October, Figure 4). By commodity, **strong exports of semiconductors and other electronic components** to other Asian markets, and **of motors** to the United Arab Emirates led to a **new monthly record high of total exports**. Due to soaring raw materials and mineral fuel prices, total imports also expanded by +39.2% YoY for the tenth successive month (+18.2% YoY). As a result, Kansai's trade balance stood at JPY 88.4 billion, marking the 22<sup>nd</sup> consecutive month of surplus. However, considering that imports increased at a faster rate than exports, the trade surplus shrank by -60.3% YoY for the first time in two months.

▶ Kansai's China-bound exports (Figure 5) increased by +20.6% YoY in November, marking the 18<sup>th</sup> straight month in positive territory and accelerating from the previous month (+17.1% YoY). Exports of semiconductors and other electronic components, and non-ferrous metals had a positive contribution. Imports from China also expanded by +19.4% YoY for the sixth consecutive month (+13.2% YoY in October). Organic compounds, and clothes and accessories were the main contributors.

▶ The number of international arrivals at Kansai International Airport (KIX) in November totaled 3,678, slightly decreasing from the previous month (3,743). Compared to the same month of 2019, the figure represents a -99.5% drop (Figure 6). As already mentioned, the border relaxation measures taken in November seem to have had a limited impact. Outbound departures by Japanese citizens totaled 4,467, increasing from the previous month (4,160), but still -98.6% less relative to November 2019, reflecting the weak outbound travel demand.

▶ In October, the activity indices of the services sector saw some improvements partly due to relaxed measures on industries dining at bars and restaurants. The Index of Tertiary Activity (seasonally adjusted: 2015 average=100) increased by 1.5% MoM to 97.4 for the second successive month (+0.5% MoM in September). The stable pandemic situation allowed the government to loosen restrictions on restaurants and lift the ban on serving alcohol. The index of face-to-face services\* increased by +8.4% MoM to 84.1 for the second consecutive month (+3.4% MoM in September), largely due to improvements in sectors such as eating and drinking places, and take-out and delivery services (+26.3% MoM).

▶ The tourism-related index\*\* (2015 average=100) increased by +14.6% MoM to 74.6 (Figure 7). Lifting the state of emergency also eliminated restrictions on domestic travel, which in turn led to a significant expansion in the accommodation industry (+41.2% MoM), for the second consecutive month.

▶ Compared to Q3 2021 average, in October the tertiary industry, face-to-face services, and tourism-related indices increased by +1.4%, +8.6%, and +12.4%, respectively.

\*\*Face-to-face services include transportation, accommodation, eating and drinking places, take-out and delivery services, living-support and personal services, and the leisure industry.

\*\*Tourism-related indices are weighted averages of each of the tertiary industry activity indices corresponding to the classification made by the Tourism Agency's Travel and Tourism Satellite Account: railroad passenger transportation, road passenger transportation, water passenger transportation, air passenger transportation, passenger transportation, other rental services, car rental, accommodation, eating and drinking places, take-out and delivery services, travel, movie theaters, theaters and entertainment companies.

Figure 4 Evolution of Kansai's foreign trade

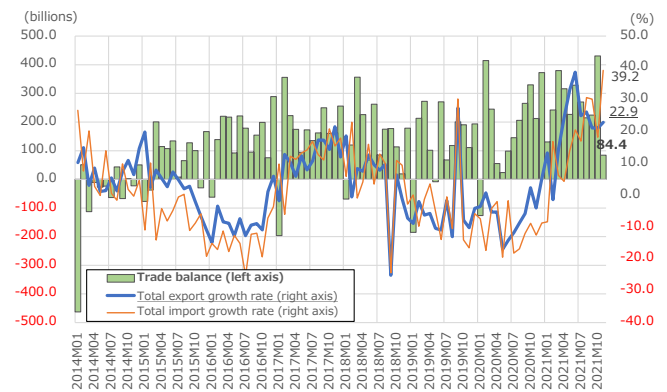
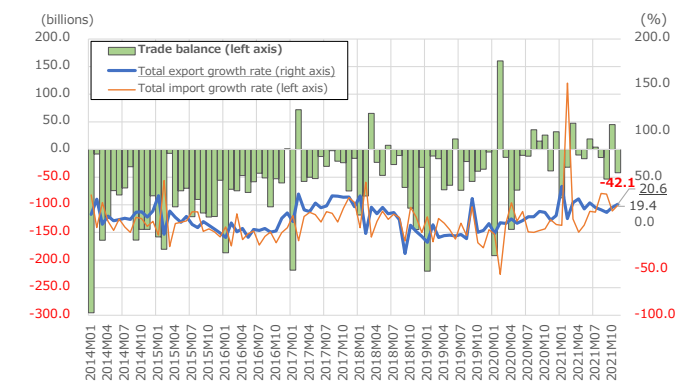
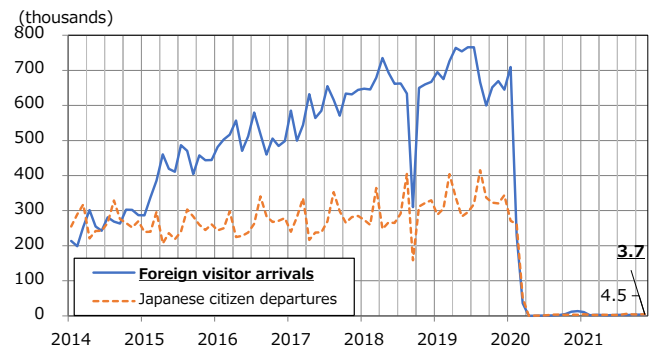


Figure 5 Evolution of Kansai's trade with China



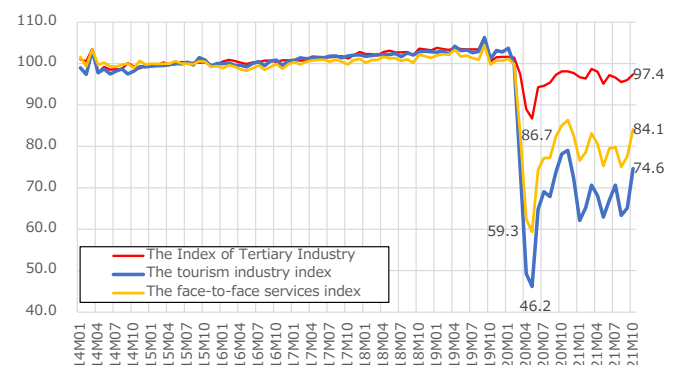
Source: based on Osaka Customs Preliminary Data for Kansai Area

Figure 6 Evolution of the number of foreign arrivals at KIX



Source: based on Immigration Control Statistics. The numbers for November are preliminary figures.

Figure 7 Tourism-related, face-to-face services, and tertiary industry indices: 2015 average=100



Source: based on Indices of Tertiary Industry Activity (METI).

## Topics 2

### ●Total number of overnight guests in September in the Greater Kansai area

- ▶ In September, the total number of overnight guests in the Greater Kansai area was 4.0518 million. Relative to the pre-pandemic September 2019, the decline rate is -58.7%, accelerating from the previous month (-49.5%, Table 1). The state of emergency imposed for the fourth time in Mie, Shiga, Kyoto, Osaka and Hyogo prefectures (until Sep 30) had a negative impact on number of overnight guests.
- ▶ The total number of Japanese overnight guests was 4.0129 million. Relative to September 2019, the decline rate is -45.3%, accelerating from the previous month (42.5%, see Table 1 and Figure 8).
- ▶ The total number of foreign overnight guests was 38.9 thousand. Relative to September 2019, the decline rate was -98.4% (-98.6% in August, see Table 1 and Figure 9).
- ▶ In October, the total number of overnight guests nationwide was 32.9 million (preliminary figure). Relative to October 2019, the decline rate is -34.3%, which represents a significant improvement by comparison with the previous month (-54.0%, 22.427 million guests). On the background of this recovery is the fact that the state of emergency and the quasi-emergency COVID-19 measures ended on Sep 30. The autumn leaves season and the various prefecture-level travel subsidy campaigns are expected to lead to an increasing number of overnight guests in Kansai as well.
- ▶ On Nov 19, the Japan Tourism Agency announced that it will expand the areas covered by each prefecture's travel subsidy campaign, including in Kansai. Presently, five prefectures expanded the target area of their campaigns, while three decided to extend the campaign period (Table 2).

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

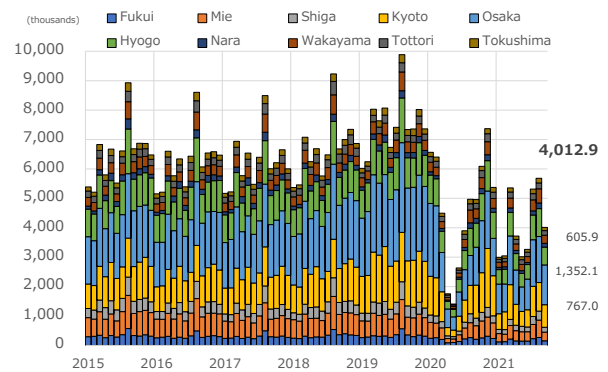


Figure 9 Evolution of the total number of foreign overnight guests by prefecture

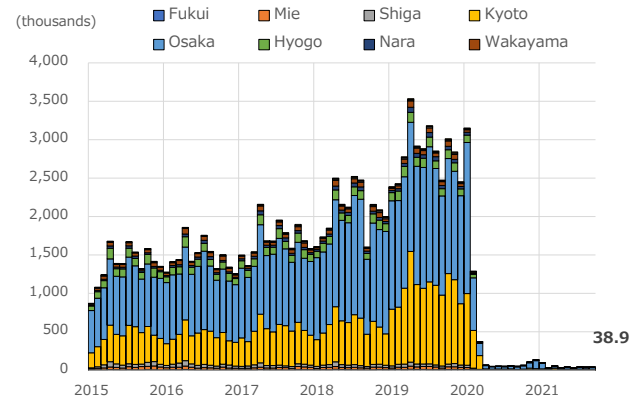


Table 1 Evolution of the total number of overnight guests in Kansai

Sep. 2021	Total			Japanese overnight guests			Foreign overnight guests		
	Total number of overnight guests (thousands)	Growth rate: Relative to 2020 (%)	Growth rate: Relative to 2019 (%)	Total number of overnight guests (thousands)	Growth rate: Relative to 2020 (%)	Growth rate: Relative to 2019 (%)	Total number of overnight guests (thousands)	Growth rate: Relative to 2020 (%)	Growth rate: Relative to 2019 (%)
Fukui	158.7	-24.8	-56.5	157.8	-25.1	-56.0	0.9	78.4	
Mie	295.3	-35.8	-52.6	294.6	-35.8	-51.0	0.7	-55.1	
Shiga	164.3	-37.1	-59.9	163.7	-37.0	-57.3	0.7	-44.1	
Kyoto	771.2	-31.4	-68.6	767.0	-31.4	-50.0	4.2	-35.2	
Osaka	1,377.7	4.0	-63.4	1,352.1	4.7	-45.4	25.6	-22.5	
Hyogo	610.4	-25.9	-45.5	605.9	-26.1	-40.9	4.5	27.6	
Nara	128.6	-20.2	-41.2	128.1	-20.0	-27.7	0.5	-45.3	
Wakayama	276.7	-15.1	-33.6	276.2	-15.0	-24.7	0.5	-41.6	
Tottori	157.7	-15.5	-31.2	156.9	-15.7	-28.5	0.8	39.0	
Tokushima	111.2	-12.8	-46.2	110.7	-12.9	-43.8	0.4	19.4	
Kansai (6 pref.)	3,329.0	-17.2	-60.3	3,293.0	-17.2	-44.8	36.1	-21.8	
<b>Kansai (8 pref.)</b>	<b>4,051.8</b>	<b>-19.1</b>	<b>-58.7</b>	<b>4,012.9</b>	<b>-19.1</b>	<b>-45.3</b>	<b>38.9</b>	<b>-20.8</b>	
Japan	22,427.3	-21.4	-54.0	22,153.2	-21.8	-45.3	274.1	21.4	

Source: based on *Overnight Travel Statistics Survey* by Japan Tourism Agency (figures 8~9 and Table 1).

Table 2 Travel subsidy campaigns in Kansai

	Campaign name	Campaign period (accommodation fee discounts)	Target demographic
Fukui	Special Deal Fukui Campaign (Japanese: <i>Fukui de Otoku Kyanpen</i> )	Oct 1, 2021~Dec 31, 2021※	Residents within the prefecture
Mie	Mie Discount Travel Coupon (Japanese: <i>Mie Toku Toraberu Kupon</i> )	Part 3: Dec 1, 2021~Dec 31, 2021	Residents within the prefecture
Shiga	Let's travel in Shiga now! (Japanese: <i>Ima koso Shiga wo tabi shiyō</i> )	Part 4: Jul 9, 2021~Dec 31, 2021	Residents within the prefecture
Kyoto	Rediscover the Charm of Kyoto Project (Japanese: <i>Kyoto Miryoku Sai-hakken Tabi Purjekuto</i> )	Oct 22, 2021~Feb 28, 2022	Residents within the prefecture
Osaka	Welcome to Osaka Campaign 2021 (Japanese: <i>Osaka Irasshai Kyanpen 2021</i> )	Nov 24, 2021~Feb 28, 2022	Residents within the prefecture
Hyogo	Support your hometown! Let's travel in Hyogo Campaign (Japanese: <i>Furusato Oeni Hyogo wo Tabi Shiyō Kyanpen</i> )	Advance sale for accommodation and travel tickets: Oct 14, 2021~Feb 28, 2022 OTA reservations are eligible for discounts: Phase 1: Nov 12, 2021~Dec 2, 2021 Phase 2: Dec 3, 2021~Feb 28, 2022	Residents within the prefecture
Nara	Now is the time for Nara - Campaign 2021 (Japanese: <i>Ima Nara Kyanpen 2021</i> )	Dec 1, 2021~Feb 28, 2022※	Residents within the prefecture
Wakayama	Wakayama Refresh 3rd Plan (Japanese: <i>Wakayama Rifuresshu Puran 3rd</i> )	~Dec 31, 2021	Residents within the prefecture
Tottori & Shimane	#WeLove San'in Campaign	~Jan 31, 2022	Residents of Shimane and Tottori prefectures
Tokushima	"Let's all support Tokushima" Discounts (Japanese: <i>Minna de! Tokushima Oen Wari</i> )	Oct 1, 2021 (discount campaign restarted)~Mar 10, 2022	Residents within the prefecture

Note: Changes from the previous month are shown in red. Travel subsidy campaigns will be launched in succession as soon as coordination among prefectures is achieved.

Source: based on various documents presented by authorities in each prefecture (as of Dec 24, 2021).

Table 3 Foreign visitors in October 2021 (JNTO estimates) (comparison with 2019)

Country/Area	Total			Total		
	2019	2021	Growth rate(%)	2019	2021	Growth rate(%)
	Nov	Nov		Jan-Nov	Jan-Nov	
Grand Total	2,441,274	20,700	-99.2	29,355,662	233,800	-99.2
Major countries total (excl. S.Korea)	2,136,550	12,540	-99.4	22,895,352	154,050	-99.3
South Korea	205,042	2,000	-99.0	5,336,638	17,800	-99.7
China	750,951	3,200	-99.6	8,884,160	40,500	-99.5
Taiwan	392,102	400	-99.9	4,542,333	4,700	-99.9
Hong Kong	199,702	100	-99.9	2,041,150	1,100	-99.9
Thailand	140,265	200	-99.9	1,154,041	2,500	-99.8
Singapore	65,295	100	-99.8	391,876	800	-99.8
Malaysia	64,987	100	-99.8	423,342	1,700	-99.6
Indonesia	37,213	700	-98.1	353,576	5,000	-98.6
Philippines	64,763	500	-99.2	531,572	5,400	-99.0
Vietnam	41,892	1,800	-95.7	464,445	26,200	-94.4
India	14,863	1,600	-89.2	164,157	7,600	-95.4
Australia	48,327	200	-99.6	549,118	3,200	-99.4
U.S.A.	148,993	1,400	-99.1	1,579,363	19,000	-98.8
Canada	33,316	400	-98.8	340,130	3,500	-99.0
Mexico	6,494	50	-99.2	65,246	1,090	-98.3
United Kingdom	37,709	500	-98.7	396,529	7,100	-98.2
France	24,290	300	-98.8	316,072	6,700	-97.9
Germany	19,525	300	-98.5	222,905	5,200	-97.7
Italy	12,350	200	-98.4	151,573	3,500	-97.7
Russia	13,142	300	-97.7	111,210	3,600	-96.8
Spain	10,535	90	-99.1	122,948	2,960	-97.6
Middle East	9,836	100	-99.0	89,606	2,700	-97.0
Others	99,682	6,160	-93.8	1,123,672	61,950	-94.5

Table 4 The number of foreign visitors by purpose of visit in August 2021 (JNTO provisional figures) (comparison with 2019)

Country/Region	Total			Tourism			Business			Others		
	2019	2021	Growth Rate(%)	2019	2021	Growth Rate(%)	2019	2021	Growth Rate(%)	2019	2021	Growth Rate(%)
	Sep	Sep		Sep	Sep		Sep	Sep		Sep		
Total	2,272,883	17,720	-99.2	1,913,105	1,124	-99.9	154,051	1,676	-98.9	205,727	14,920	-92.7
Korea	201,252	2,224	-98.9	152,617	72	-100.0	21,633	235	-98.9	27,002	1,917	-92.9
China	819,054	3,960	-99.5	705,154	89	-100.0	33,159	362	-98.9	80,741	3,509	-95.7
Taiwan	376,186	390	-99.9	354,624	37	-100.0	10,766	49	-99.5	10,796	304	-97.2
Hong Kong	155,927	120	-99.9	150,763	15	-100.0	3,395	31	-99.1	1,769	74	-95.8
Thailand	62,057	153	-99.8	54,621	39	-99.9	3,310	4	-99.9	4,126	110	-97.3
Singapore	29,147	70	-99.8	25,124	5	-100.0	3,435	11	-99.7	588	54	-90.8
Malaysia	28,778	231	-99.2	23,871	2	-100.0	2,525	8	-99.7	2,382	221	-90.7
Indonesia	25,021	518	-97.9	17,652	28	-99.8	2,475	3	-99.9	4,894	487	-90.0
Philippines	37,758	441	-98.8	30,576	34	-99.9	2,565	10	-99.6	4,617	397	-91.4
Vietnam	38,325	1,012	-97.4	9,383	14	-99.9	3,466	5	-99.9	25,476	993	-96.1
India	15,895	493	-96.9	6,269	11	-99.8	6,054	46	-99.2	3,572	436	-87.8
Australia	60,498	121	-99.8	55,570	18	-100.0	3,593	18	-99.5	1,335	85	-93.6
US	127,190	1,657	-98.7	100,459	229	-99.8	19,973	114	-99.4	6,758	1,314	-80.6
Canada	28,525	220	-99.2	25,379	27	-99.9	1,934	25	-98.7	1,212	168	-86.1
Mexico	6,282	24	-99.6	5,523	8	-99.9	416	2	-99.5	343	14	-95.9
UK	49,580	277	-99.4	41,325	41	-99.9	5,845	54	-99.1	2,410	182	-92.4
France	26,530	484	-98.2	20,157	56	-99.7	3,725	51	-98.6	2,648	377	-85.8
Germany	22,768	319	-98.6	16,328	53	-99.7	4,537	87	-98.1	1,903	179	-90.6
Italy	13,354	220	-98.4	10,551	23	-99.8	1,784	42	-97.6	1,019	155	-84.8
Russia	10,454	231	-97.8	7,261	12	-99.8	2,085	17	-99.2	1,108	202	-81.8
Spain	11,472	126	-98.9	9,942	9	-99.9	808	14	-98.3	722	103	-85.7
Middle East	8,678	268	-96.9	6,863	73	-98.9	1,071	39	-96.4	744	156	-79.0
Others	118,152	4,161	-100.0	83,093	229	-100.0	15,497	449	-100.0	19,562	3,483	-99.8

Note: see the Figure 2 note for details regarding the definitions of travel purposes.  
Source: based on data published by JNTO on December 15, 2021.