

## Japan's "Visitor Arrivals" revised its record high

Trend in number of foreign tourists is reported in the "Visitor Arrivals", statistics released by the Japan National Tourist Organization (JNTO). The estimated "Visitor Arrivals" from top 20 countries and regions of the previous month are released in the end of following month. Foreign visitors to Japan surpassed 20 million for the first time in October 2016. Under Japanese economic growth strategy known as "2016 Japan Revitalization Strategy", Abe administration had set the target to welcome 40 million "Foreign Visitors" by year 2020.

### Point 1

#### "Visitor Arrivals" in 2016 recorded 24 million

**Grew by 21.8% YoY, surpassing 20.03 million for the first time**

- The "Visitor Arrivals (estimate)" in December 2016 was released by JNTO on 17<sup>th</sup> January. The number rose + 15.6% YoY to 2.05 million. This was a record high for the month of December. For calendar year 2016, total number of "Visitor Arrivals" rose +21.8% YoY to about 24.03 million which is a record high since 1964 when JNTO started taking statistic. Ratio of "Visitor Arrivals" of East Asia (South Korea, China, Taiwan, Hong Kong) has increased further to 72.7% from 71.9% of previous year.

#### "Visitor Arrivals"

Country/Region	CY2015	CY2016	(%)
S. Korea	4,002,095	5,090,300	27.2
China	4,993,689	6,373,000	27.6
Taiwan	3,677,075	4,167,400	13.3
Hong Kong	1,524,292	1,839,200	20.7
Thailand	796,731	901,400	13.1
Singapore	308,783	361,800	17.2
Malaysia	305,447	394,200	29.1
Indonesia	205,083	271,000	32.1
Philippines	268,361	347,800	29.6
Vietnam	185,395	233,800	26.1
India	103,084	123,000	19.3
Australia	376,075	445,200	18.4
USA	1,033,258	1,242,700	20.3
Canada	231,390	273,100	18.0
UK	258,488	292,500	13.2
France	214,228	253,400	18.3
Germany	162,580	183,300	12.7
Italy	103,198	119,300	15.6
Russia	54,365	54,800	0.8
Spain	77,186	91,800	18.9
Others	856,606	980,000	14.4
<b>Total</b>	<b>19,737,409</b>	<b>24,039,000</b>	<b>21.8</b>

(Note) YoY change. Visitor Arrivals of CY2016 is estimated figure by JNTO.  
(Source) SMAM, based on JNTO data.

### Point 2

#### Tourists from Indonesia recorded the highest growth

**All countries and regions saw double digit growth except for Russia**

- With regard to year-on-year growth rate of "Visitor Arrivals" by countries and regions, Indonesia recorded the highest increase of + 32.1% YoY followed by Philippines of + 29.6% and Malaysia of + 29.1%, all of which marked sharp increase of almost 30% YoY. Although, China which contributes most to Japan's growing inbound tourists saw a fall from + 107.3% YoY in 2015 to + 27.6% in 2016, its growth remains relatively strong compared to other countries and regions. All of countries and regions except Russia saw double digit growth. "Visitor Arrivals" of Russia remained almost flat from the previous year as Japanese tourism market was affected by slower demand of overseas travel due to stagnant economy of Russia.

## Important to appeal charm of Japan globally, in order to further increase number of “Foreign Visitors”

- In 2016, “Visitor Arrivals” of all countries and regions except Russia revised their record highs. The reasons of constant increase in number of “Foreign Visitors” in Japan is due to continuous promotion of so called “Visit Japan Campaign” by the Japanese government in addition to (i) increase in number of port calls by cruise ships, (ii) increase in number of air routes and flights to Japan, (iii) relaxation of visa application and (iv) expansion of duty free items. For example, the Japanese government opened special website in China to promote a hands-on visitor experience as solo travelers are increasing there and in South Korea broadcasting commercial film under the buzzword of “Japan - the more you visit, the more you get to know”. Among increasing inbound tourists, there are visitors who initially came to Japan to buy big-ticket items, which we have often seen, became repeaters after experiencing Japan’s charms such as traditional Japanese cuisine. In order to achieve target of inviting 40 million foreign visitors by 2020 by the Japanese government, we need to make an appeal about “charm of Japan” globally, in order to further increase fans of Japan.

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