



AUTHORITY

## 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 December 2019 Quick Facts<sup>1</sup>

Visitor Expenditures: \$2.19 billion  
 Primary Purpose of Stay: Pleasure (1,330,940) vs. MCI (87,687)  
 Average Length of Stay: 5.90 days  
 First Time Visitors: 31.7%  
 Repeat Visitors: 68.3%

	2018	2017	% Change 2018 vs 2017	2019 Forecast (Quarter 3 2019)	% Change 2018 vs 2019 Forecast	YTD Dec. 2019P	YTD Dec. 2018	% change YTD
JAPAN MMA (by Air)								
Visitor Expenditures* (\$ Millions)	2,144.7	2,160.0	-0.7%	2,208.0	2.9%	2,187.2	2,144.7	2.0%
Visitor Days	8,892,748	9,082,588	-2.1%	9,309,479	4.7%	9,121,996	8,892,748	2.6%
Arrivals	1,489,778	1,525,343	-2.3%	1,589,452	6.7%	1,545,806	1,489,778	3.8%
Per Person Per Day Spending* (\$)	241.2	237.8	1.4%	237.2	-1.7%	239.8	241.2	-0.6%
Per Person Per Trip Spending* (\$)	1,439.6	1,416.1	1.7%	1,389.2	-3.5%	1,414.9	1,439.6	-1.7%
Length of Stay (days)	5.97	5.95	0.2%	5.86	-1.9%	5.90	5.97	-1.1%

\*Excludes supplemental business spending

### Contact Information

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<sup>1</sup> 2019 visitor data are preliminary. January – June 2019 data were updated with immigration statistics from the National Travel and Tourism Office (NTTO).

2018 and 2017R visitor data are the final numbers and reflect updated immigration statistics from NTTO; updated airfare statistics from DIIO Mi Airline database, and final passenger counts for Airline reports

## Market Summary

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- In 2018, visitor spending decreased slightly (-0.7%) to \$2.14 billion. Arrivals dropped 2.3 percent to 1,489,778 visitors, while daily spending was up (+1.4% to \$241 per person) compared to 2017. In 2019, spending by Japanese visitors increased 2.0 percent to \$2.19 billion. Visitor arrivals (+3.8% to 1,489,778) and visitor days (+2.6%) increased while daily visitor spending (-0.6% to \$241 per person) was down slightly compared to 2018.
- In 2018, 93.9 percent of Japanese visitors went to O'ahu, 11.8 percent visited the island of Hawai'i, 3.3 percent visited Maui, and 1.7 percent visited Kaua'i. In 2019, 94.6 percent of Japanese visitors went to O'ahu, 10.9 percent visited the island of Hawai'i, 3.0 percent visited Maui, and 1.6 percent visited Kaua'i
- In 2018, 39.7 percent of Japanese visitors were True Independent who made their own travel arrangements. In 2019, the portion of Japanese True Independent visitors was 37.7 percent.
- In 2018, 33.1 percent of Japanese visitors were first timers to Hawai'i. In 2019, first time visitors comprised 31.7 percent.
- In 2018, air capacity from Japan increased (+2.7%) from 2017 to 2,042,595 scheduled seats. In 2019, scheduled air seats declined 2.1 percent to 1,999,204 seats.

## Market Conditions

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- The exchange rate was at 109.12 JPY to USD in December 2019, maintaining relative stability through much of 2019. Economists forecast the Japanese Yen to moderately advance over the US Dollar. This may lead to greater perceived purchasing power amongst Japanese travelers.
- The consumption tax hike to 10 percent in October 2019 has increased pressures on the Japanese economy, with consumption declining by 5.1 percent. Despite the initial dip, the Bank of Japan maintained optimism, indicating that the negative effects were minimal when compared with the 2014 tax hike.
- The continued trade disputes between Japan and Korea are impacting travel between the two countries. Japanese outbound travels to Korea declined by 13.8 percent and inbound travels declined by 65.1 percent in November.
- Japanese outbound travelers in November declined year over year (-1.9%) for the first time in 1 year and 9 months. Year to date travelers maintains a healthy +6.0 percent growth in November, making growth of 1.5 percent necessary to reach goals for 20 million outbound travelers.
- Social unrest in Hong Kong may prompt Japanese visitors to alter travel itineraries to other destinations including Hawai'i from the traditionally popular destination. Japanese consumers show tendencies to be risk averse and avoid potentially dangerous situations. Japanese visitors to Hong Kong declined by 59.2 percent in November.
- Round trip fuel surcharge rates remain at 12,000 yen for tickets issued from November 1.

- ANA continues operation of their first and second Airbus A380 aircraft in the ANA Blue livery and Emerald Green livery, with frequency of the A380 at 10 flights per week. ANA has received their third A380 aircraft in the Sunset Orange livery, set for use from July 2020. This will allow for flight frequency of the A380 to be increased to 14 flights per week.
- Airlines with service to Honolulu has announced plans from the expansion of international flight slots at Haneda. Delta Air Lines will be shifting all air service from Narita to Haneda, including their Honolulu route; Hawaiian Airlines will be introducing a new daily service to be operated from Haneda to Honolulu; Japan Airlines will be shifting two flights from Narita to Honolulu to be from Haneda; All Nippon Airways has not expressed their allocation of additional slots to be used for Honolulu routes.
- The expansion of international flight slots at Haneda in 2020 will be beneficial for Japanese travelers as Haneda Airport is located closer to the city center, improving convenience for consumers in the region, while also creating more options for connection flights for those in regional cities.
- Hawaiian Airlines launched direct flight service to Fukuoka on November 26th, departing Honolulu on Tuesdays, Fridays, Saturdays and Sundays. Additionally, Hawaiian Airlines also began sales for their third daily service from Haneda Airport set to launch on March 28.

## Distribution by Island

JAPAN MMA (by Air)	2018	2017R	% Change 2018 vs 2017	YTD Dec. 2019P	YTD Dec. 2018	% change YTD
O'ahu	1,399,307	1,454,594	-3.8%	1,462,696	1,399,307	4.5%
Maui County	50,000	57,207	-12.6%	47,778	50,000	-4.4%
Maui	48,450	55,583	-12.8%	45,935	48,450	-5.2%
Moloka'i	1,200	2,421	-50.4%	1,926	1,200	60.5%
Lāna'i	1,763	2,288	-22.9%	2,276	1,763	29.1%
Kaua'i	24,806	25,442	-2.5%	24,915	24,806	0.4%
Island of Hawai'i	176,499	183,907	-4.0%	168,640	176,499	-4.5%

## Airlift

Departure City	2019					2018					%CHANGE				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
JAPAN	505,898	475,392	517,124	500,790	1,999,204	479,110	495,286	551,990	516,209	2,042,595	5.6	-4.0	-6.3	-3.0	-2.1
Fukuoka	14,916	6,780		5,560	27,256	14,464	17,176	18,984	14,916	65,540	3.1	-60.5		-62.7	-58.4
Nagoya	36,411	38,473	42,328	36,904	154,116	35,252	37,748	40,696	35,950	149,646	3.3	1.9	4.0	2.7	3.0
Osaka	134,549	105,119	98,893	102,814	441,375	103,535	117,672	131,871	138,797	491,875	30.0	-10.7	-25.0	-25.9	-10.3
Sapporo	12,232	10,842	11,676	10,842	45,592	10,317	10,842	11,120	10,842	43,121	18.6	0.0	5.0	0.0	5.7
Tokyo HND	72,180	72,982	73,784	73,784	292,730	71,250	72,982	73,784	73,784	291,800	1.3	0.0	0.0	0.0	0.3
Tokyo NRT	235,610	241,196	290,443	270,886	1,038,135	244,292	238,866	275,535	241,920	1,000,613	-3.6	1.0	5.4	12.0	3.7

Source: Diio Mii airline schedules, updated January 10, 2020.

## Group vs. True Independent; Leisure vs. Business

JAPAN MMA (by Air)	2018	2017R	% Change 2018 vs 2017	YTD Dec. 2019P	YTD Dec. 2018	% change YTD
Group vs True Independent (Net)						
Group tour	256,350	271,978	-5.7%	244,804	256,350	-4.5%
True Independent (Net)	591,168	538,394	9.8%	582,079	591,168	-1.5%
Leisure vs business						
Pleasure (Net)	1,243,669	1,267,850	-1.9%	1,330,940	1,243,669	7.0%
MCI (Net)	96,102	95,192	1.0%	87,687	96,102	-8.8%
Convention/Conf.	17,355	15,813	9.7%	12,374	17,355	-28.7%
Corp. Meetings	3,372	4,843	-30.4%	3,988	3,372	18.3%
Incentive	77,439	76,223	1.6%	72,589	77,439	-6.3%

## First Timers vs. Repeat Visitors

JAPAN MMA (by Air)	2018	2017R	% Change 2018 vs 2017	YTD Dec. 2019P	YTD Dec. 2018	% change YTD
1st timers (%)	33.1	34.8	-1.7	31.7	33.1	-1.3
Repeaters (%)	66.9	65.2	1.7	68.3	66.9	1.3

## Tax Revenue

JAPAN MMA (by Air)	2018	2017R	% Change 2018 vs 2017	YTD Dec. 2019P	YTD Dec. 2018	% change YTD
State tax revenue generated* (\$ Millions)	250.35	252.13	-0.7%	255.31	250.35	2.0%

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