



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 June 2020 Quick Facts¹

Visitor Expenditures: NA (Not available)
 Primary Purpose of Stay: Pleasure (253,200) vs. MCI (19,313)
 Average Length of Stay: 5.89 days
 First Time Visitors: 31.9%
 Repeat Visitors: 68.1%

| JAPAN MMA (by Air) | 2018 | 2019P | % Change 2019 vs 2018 | 2020* Forecast | % Change 2019 vs 2020 Forecast | YTD June 2020P | YTD June 2019P | % change YTD |
|-------------------------------------|-----------|-----------|-----------------------|----------------|--------------------------------|----------------|----------------|--------------|
| Visitor Expenditures* (\$ Millions) | 2,144.7 | 2,187.2 | 2.0% | NA | NA | NA | 1,023.7 | NA |
| Visitor Days | 8,892,748 | 9,121,996 | 2.6% | NA | NA | 1,732,604 | 4,283,187 | -59.5% |
| Arrivals | 1,489,778 | 1,545,806 | 3.8% | NA | NA | 294,295 | 734,247 | -59.9% |
| Average Daily Census | 24,364 | 24,992 | 2.6% | NA | NA | 9,520 | 23,664 | -59.8% |
| Per Person Per Day Spending* (\$) | 241.2 | 239.8 | -0.6% | NA | NA | NA | 239.0 | NA |
| Per Person Per Trip Spending* (\$) | 1,439.6 | 1,414.9 | -1.7% | NA | NA | NA | 1,394.2 | NA |
| Length of Stay (days) | 5.97 | 5.90 | -1.1% | NA | NA | 5.89 | 5.83 | 0.9% |

**Dept. of Business, Economic Development & Tourism (DBEDT) 2020 forecasts were not available at the time of report publication.*

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¹ 2020 and 2019 visitor data are preliminary. 2018 visitor data are the final numbers and reflect updated airfare statistics from DIO Mi Airline database, data from the National Travel and Tourism Office, and final passenger counts from Airline Traffic Summary reports.

Market Summary

Due to the COVID-19 pandemic, all passengers arriving from out-of-state during June were required to abide by a mandatory 14-day self-quarantine. Exemptions include travel for essential reasons like work or healthcare. The interisland quarantine was in effect for the first half of June, ending on June 15. The U.S. Centers for Disease Control and Prevention (CDC) also continued to enforce its “No Sail Order” on all cruise ships.

In June 2020, there were 40 visitors from Japan compared to 126,592 visitors in June 2019. Visitor spending data were not available.

- Through the first half of 2020, arrivals decreased 59.9 percent to 294,295 visitors. Visitor days declined 59.5 percent. The average daily census showed 9,520 visitors per day, a 59.8 percent drop compared to the first half of 2019.
- Through the first half 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 half of 2020, scheduled air seats decreased 52.5 percent to 466,072 seats.
- In 2019, spending by Japanese visitors rose 2.0 percent to \$2.19 billion. Both 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. The average daily census showed 24,992 visitors per day in 2019, an increase of 2.6 percent compared to 2018.
- 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 2019, 37.7 percent of Japanese visitors were True Independent who made their own travel arrangements; and 31.7 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

- The exchange rate was at 107.56 JPY to USD in June 2020, maintaining stable value over the USD through the COVID-19 pandemic. The Bank of Japan’s expanded stimulus to help companies hit by COVID-19 by pledging to buy an unlimited amount of bonds to keep borrowing costs low continues to assist in maintaining stability of the currency.
- Economists forecast that the Japanese economy will contract by 5.3 percent throughout the current fiscal year, which would be the largest decline since comparable data became available in 1994. They also speculated that the economy will likely rebound 3.3 percent in the following year. It is likely for the Japanese economy to take 1 – 2 years to fully return to normal levels as overseas markets are likely to lag in recovery from the pandemic.
- The travel industry is taking significant hits as an increasing amount of travel restrictions are being imposed. All direct flights between Japan and Hawai‘i are currently suspended, with most airlines announcing that the suspension will extend throughout August. Major travel agencies are also canceling all of their international tour products from the lack of airlift.

- Instead of returning to full originally scheduled operations, airlines will be phasing in their return of service. Travel agencies will also be focusing initially on recovery of domestic travel demand as the Japan Tourism Agency issued recovery funds for the travel industry focused on revitalizing domestic and inbound tourism.
- The government is working to introduce testing centers for COVID-19 at Narita, Haneda and Kansai International Airports, along with inside the metropolitan city centers of Osaka and Tokyo. The screening centers are being established to mitigate spread of COVID-19 as the government begins to urge domestic travels and seeks reopening of international borders.
- All airlines have suspended flights as travel demand declines and travel restrictions are imposed. A list of currently announced flight changes for Hawai'i is as follows:
 - All Nippon Airways: suspension of all services through August.
 - Delta Air Lines: suspension of all services through October 24.
 - Hawaiian Airlines: suspension of all services through August.
 - Japan Airlines: suspension of all services through August.
 - United Airlines: suspension of all services through August 3.
 - Korean Air: suspension of all services through August.
 - Air Asia X: suspension of all services through July.

Distribution by Island

| JAPAN MMA (by Air) | 2018 | 2019P | % Change 2019 vs 2018 | YTD June 2020P | YTD June 2019P | % change YTD |
|--------------------|-----------|-----------|--------------------------|-------------------|-------------------|-----------------|
| O'ahu | 1,399,307 | 1,462,696 | 4.5% | 274,544 | 576,595 | -52.4% |
| Maui County | 50,000 | 47,778 | -4.4% | 8,472 | 20,090 | -57.8% |
| Maui | 48,450 | 45,935 | -5.2% | 8,133 | 19,611 | -58.5% |
| Moloka'i | 1,200 | 1,926 | 60.5% | 421 | 573 | -26.5% |
| Lāna'i | 1,763 | 2,276 | 29.1% | 133 | 728 | -81.7% |
| Kaua'i | 24,806 | 24,915 | 0.4% | 3,699 | 10,052 | -63.2% |
| Island of Hawai'i | 176,499 | 168,640 | -4.5% | 35,894 | 60,716 | -40.9% |

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 | 158,672 | 542,618 | 1,167,362 | 505,898 | 475,392 | 517,124 | 500,790 | 1,999,204 | -8.0 | -99.8 | -69.3 | 8.4 | -41.6 |
| Fukuoka | 13,622 | | 4,726 | 14,456 | 32,804 | 14,916 | 6,780 | | 5,560 | 27,256 | -8.7 | | | 160.0 | 20.4 |
| Nagoya | 32,280 | | 7,170 | 33,288 | 72,738 | 36,411 | 38,473 | 42,328 | 36,904 | 154,116 | -11.3 | | -83.1 | -9.8 | -52.8 |
| Osaka | 92,526 | | 26,542 | 97,616 | 216,684 | 134,549 | 105,119 | 98,893 | 102,814 | 441,375 | -31.2 | | -73.2 | -5.1 | -50.9 |
| Sapporo | 10,008 | | 3,614 | 10,842 | 24,464 | 12,232 | 10,842 | 11,676 | 10,842 | 45,592 | -18.2 | | -69.0 | 0.0 | -46.3 |
| Tokyo HND | 60,685 | 744 | 46,650 | 163,260 | 271,339 | 72,180 | 72,982 | 73,784 | 73,784 | 292,730 | -15.9 | -99.0 | -36.8 | 121.3 | -7.3 |
| Tokyo NRT | 256,207 | | 69,970 | 223,156 | 549,333 | 235,610 | 241,196 | 290,443 | 270,886 | 1,038,135 | 8.7 | | -75.9 | -17.6 | -47.1 |

Source: Diio Mii airline schedules. Updated July 29, 2020.

Group vs. True Independent; Leisure vs. Business

| JAPAN MMA (by Air) | 2018 | 2019P | % Change 2019 vs 2018 | YTD June 2020P | YTD June 2019P | % change YTD |
|---------------------------------|-----------|-----------|--------------------------|-------------------|-------------------|-----------------|
| Group vs True Independent (Net) | | | | | | |
| Group tour | 256,350 | 244,804 | -4.5% | 50,657 | 101,134 | -49.9% |
| True Independent (Net) | 591,168 | 582,079 | -1.5% | 113,314 | 225,710 | -49.8% |
| Leisure vs business | | | | | | |
| Pleasure (Net) | 1,243,669 | 1,330,940 | 7.0% | 253,194 | 526,942 | -52.0% |
| MCI (Net) | 96,102 | 87,687 | -8.8% | 19,311 | 37,598 | -48.6% |
| Convention/Conf. | 17,355 | 12,374 | -28.7% | 3,948 | 7,194 | -45.1% |
| Corp. Meetings | 3,372 | 3,988 | 18.3% | 879 | 1,386 | -36.6% |
| Incentive | 77,439 | 72,589 | -6.3% | 14,852 | 29,471 | -49.6% |

First Timers vs. Repeat Visitors

| JAPAN MMA (by Air) | 2018 | 2019P | % Change 2019 vs 2018 | YTD June 2020P | YTD June 2019P | % change YTD |
|--------------------|------|-------|--------------------------|-------------------|-------------------|-----------------|
| 1st timers (%) | 33.1 | 31.7 | -1.3 | 31.9 | 32.4 | -0.5 |
| Repeaters (%) | 66.9 | 68.3 | 1.3 | 68.1 | 67.6 | 0.5 |

Tax Revenue

| JAPAN MMA (by Air) | 2018 | 2019P | % Change 2019 vs 2018 | YTD June 2020P | YTD June 2019P | % change YTD |
|--|--------|--------|--------------------------|-------------------|-------------------|-----------------|
| State tax revenue generated* (\$ Millions) | 250.35 | 255.31 | 2.0% | NA | 98.16 | NA |

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