



## Japan Fact Sheet

### Japan Overview

The Hawaii Tourism Authority (HTA) selected a.Link LLC. (aka Hawaii Tourism Japan) for Brand Marketing Management Services in Japan. Japan has long been Hawaii's largest source of international visitors. While the coronavirus pandemic significantly reduced the number of Japanese visitor arrivals, Hawaii Tourism Japan (HTJ) will leverage the regions' longstanding ties and the Safe Travel Program which it launched in Japan to advance tourism recovery efforts in 2021.

### January 2021 Quick Facts<sup>1</sup>

Visitor Expenditures: \$4.8 million  
 Primary Purpose of Stay: Pleasure (776) vs. MCI (43)  
 Average Length of Stay: 20.25 days  
 First Time Visitors: 21.3%  
 Repeat Visitors: 78.7%

| JAPAN MMA (by Air)                  | 2019      | 2020      | %<br>Change<br>2020 vs<br>2019 | 2021*<br>Forecast | YTD Jan.<br>2021P | YTD Jan.<br>2020 | %<br>change<br>YTD |
|-------------------------------------|-----------|-----------|--------------------------------|-------------------|-------------------|------------------|--------------------|
| Visitor Expenditures* (\$ Millions) | 2,248.3   | NA        | NA                             | 1,158.4           | 4.8               | 184.4            | -97.4%             |
| Visitor Days                        | 9,306,767 | 1,785,502 | -80.8%                         | 5,140,740         | 23,587            | 768,565          | -96.9%             |
| Arrivals                            | 1,576,205 | 297,243   | -81.1%                         | 864,618           | 1,165             | 128,686          | -99.1%             |
| Average Daily Census                | 25,498    | 4,878     | -80.9%                         | 14,084            | 761               | 24,792           | -96.9%             |
| Per Person Per Day Spending* (\$)   | 241.6     | NA        | NA                             | 225.3             | 203.5             | 239.9            | -15.2%             |
| Per Person Per Trip Spending* (\$)  | 1,426.4   | NA        | NA                             | 1,339.8           | 4,121.6           | 1,432.7          | 187.7%             |
| Length of Stay (days)               | 5.90      | 6.01      | 1.7%                           | 5.95              | 20.25             | 5.97             | 239.1%             |

\*Dept. of Business, Economic Development & Tourism (DBEDT) 2021 annual forecast (Quarter 4, 2020).

### Contact Information

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<sup>1</sup> 2020 visitor data are preliminary. 2019 visitor data are the final numbers and reflect updated airfare statistics from DIIO Mi Airline database, and final passenger counts from Airline Traffic Summary reports.

## Market Summary

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During January, most passengers arriving from out-of-state and traveling inter-county could bypass the State's mandatory 10-day self-quarantine with a valid negative COVID-19 NAAT test result from a Trusted Testing Partner through the state's Safe Travels program. All trans-Pacific travelers participating in the pre-travel testing program were required to have a negative test result before their departure to Hawai'i. On December 2, 2020 Kaua'i County temporarily suspended its participation in the state's Safe Travels program, making it mandatory for all travelers to Kaua'i to quarantine upon arrival. However, starting January 5, 2021 Kaua'i County rejoined the Safe Travels program for inter-island arrivals, allowing inter-island travelers who have been in Hawai'i for more than three days to bypass the quarantine with a valid test result. Also starting January 5 on Kaua'i, trans-Pacific travelers were given the option of participating in a pre- and post-travel testing program at a "resort bubble" property as a way to shorten their time in quarantine. The counties of Hawai'i, Maui and Kalawao (Moloka'i) also had a partial quarantine in place in January. In addition, the U.S. Centers for Disease Control and Prevention (CDC) continued to enforce the "Conditional Sailing Order" on all cruise ships.

In January, the Japanese government reinstated a travel ban for most arriving passengers to contain the spread of the mutated strain of COVID-19. Returning Japanese nationals were required to present a medical certificate showing a negative COVID-19 test result taken within 72 hours before their flight. They also had to self-isolate for two weeks and were prohibited from using public transportation. Travelers from Japan could bypass Hawai'i's mandatory 10-day quarantine with a valid negative test result from a Trusted Testing Partner in Japan.

- In January 2021, 1,165 visitors arrived from Japan compared to 128,686 visitors a year ago. Of the 1,165 visitors, 1,124 arrived on international flights from Japan and 41 came on domestic flights. Visitors from Japan spent \$4.8 million (-97.4%), and their daily spending was \$204 per person, per day (-15.2%).
- In January 2021, there were 59 (-90.9%) scheduled flights from Japan, with 15,595 (-91.1%) seats. Nearly all flights were postponed except for limited service from Osaka (2,780 seats, -92.2%), Tokyo-Haneda (6,552, -73.6%) and Tokyo-Narita (6,263, -93.4%).
- In 2020, arrivals decreased 81.1 percent to 297,243 visitors. Visitor days declined 80.8 percent. The average daily census showed 4,878 visitors per day, an 80.9 percent drop compared to 2019.
- For 2020, 93.3 percent of Japanese visitors went to O'ahu, 12.1 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 38.9 percent. First time visitors comprised 32.2 percent.
- In 2020, scheduled air seats decreased 75.8 percent to 483,574 seats.
- In 2019, spending by Japanese visitors rose 4.8 percent to \$2.25 billion. Both visitor arrivals (+5.8% to 1,576,205) and visitor days (+4.7%) increased while daily visitor spending (+0.2% to \$242 per person) was similar to 2018. The average daily census showed 25,498 visitors per day in 2019, an increase of 4.7 percent compared to 2018.
- In 2019, 94.7 percent of Japanese visitors went to O'ahu, 10.8 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 31.9 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

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- Ministry of Internal Affairs Communications (MIAC) announced 2020 Consumer Price Index declined 0.2 percent in January 2021 for the first time in four years. Due to the COVID19, low purchasing demand and discount on accommodation by Go to Travel campaign were the reasoning of CPI fall (MIAC assumption).
- Due to the surge of COVID19 in Japan, the government announced 2nd state of emergency to 4 prefectures (Tokyo, Kanagawa, Chiba & Saitama) on January 7, followed by additional 7 prefectures on January 13. This totaled 11 prefectures were under restriction until February 7. Unlike the 1st state of emergency in April 2020, no business/school closure was mandated, but business must close the door by 8pm. At the same time, the government announced the vaccine supply schedule to medical workers/health professional by end of February 2021, soon after senior citizens are qualified, then starting end of May 2021, the vaccine will be available to general public.
- Because of 2nd state of emergency, economists forecasted personal consumption especially outing and dining are expected decline in 1st quarter 2021 and expected 1 trillion-yen (= \$10 billion) loss in between January and March 2021. The economic recovery from the previous state of emergency was speedy and some of the industries may not be affected this time, economists said. Ministry of Health, Labor and Welfare reported over 79,000 were laid off in 2020.
- Japan government started requiring PCR test negative proof for all entry (both returning residents and foreign nationals with permit) to Japan on January 13. At the same period, United States also announced 72 hours prior departure PCR test negative proof are required to all foreign nationals and returning citizens from foreign country including 2-4 years old starting January 26. With this restriction, this became hurdle for all travelers to U.S.
- Discussion of Tokyo Olympic was the hot topic in Japan. Due to the COVID19 case increase, many media internationally reported concern of cancellation of the Olympic. However, International Olympic Committee (IOC) expressed the continuation of managing Tokyo Olympic in summer 2021 with 3 scenarios of spectators (1: as normal, 2: 50% capacity & 3: no spectators) With no spectator, it is expected 90 billion yen lose from tickets sales.
- Due to the change of working environment, stay home work became the norm and idea of Workcation (Work + Vacation) and Bleisure (Business + Leisure) are more acceptable and in Japanese society. Regional areas are under product development of these new lifestyle and conducting monitor tours as well as creating infrastructure accommodating the needs.
- Travel agencies are shifting to non-traditional business models, especially DX (Digital Transformation) and digital contents development. For example, HIS strengthen the online tour experiences already. As an alternative from printed pamphlet, they tried to increase the demand and business from online tour experience. NTA, another example, merged the FIT and Group department to strengthen the resources and knowledge to compete in the market.
- Airline operation in January: Total 59 flights with 15,337 air seats operated in January by ANA, Hawaiian, JAL, Zip Air.
- Suspension: Delta (until 3/27) United (until 4/1) Korean (Indefinitely).

## Distribution by Island

| JAPAN MMA (by Air) | 2019      | 2020    | % Change<br>2020 vs 2019 | YTD Jan.<br>2021P | YTD Jan.<br>2020 | % change<br>YTD |
|--------------------|-----------|---------|--------------------------|-------------------|------------------|-----------------|
| O'ahu              | 1,492,753 | 277,354 | -81.4%                   | 1,139             | 120,078          | -99.1%          |
| Maui County        | 48,524    | 8,551   | -82.4%                   | 13                | 4,126            | -99.7%          |
| Maui               | 46,684    | 8,212   | -82.4%                   | 13                | 4,003            | -99.7%          |
| Moloka'i           | 1,941     | 421     | -78.3%                   | 1                 | 165              | -99.2%          |
| Lāna'i             | 2,300     | 133     | -94.2%                   | 1                 | 77               | -98.3%          |
| Kaua'i             | 25,333    | 3,723   | -85.3%                   | 2                 | 1,677            | -99.9%          |
| Island of Hawai'i  | 170,686   | 36,014  | -78.9%                   | 39                | 16,220           | -99.8%          |

## Airlift

|           | 2020    | 2019      | %<br>CHANGE |
|-----------|---------|-----------|-------------|
| JAPAN     | 483,574 | 1,999,204 | -75.8       |
| Fukuoka   | 13,622  | 27,256    | -50.0       |
| Nagoya    | 32,280  | 154,116   | -79.1       |
| Osaka     | 93,916  | 441,375   | -78.7       |
| Sapporo   | 10,008  | 45,592    | -78.0       |
| Tokyo HND | 67,721  | 292,730   | -76.9       |
| Tokyo NRT | 266,027 | 1,038,135 | -74.4       |

Source: HTA analysis based on scheduled Seats from Diio Mi flight schedules.

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

| JAPAN MMA (by Air)              | 2019      | 2020P 1/ | % Change<br>2020 vs 2019 | YTD Jan.<br>2021P 1/ | YTD Jan.<br>2020 | % change<br>YTD |
|---------------------------------|-----------|----------|--------------------------|----------------------|------------------|-----------------|
| Group vs True Independent (Net) |           |          |                          |                      |                  |                 |
| Group tour                      | 246,490   | 50,668   | -79.4%                   | 47                   | 16,874           | -99.7%          |
| True Independent (Net)          | 594,917   | 115,650  | -80.6%                   | 1,018                | 57,819           | -98.2%          |
| Leisure vs business             |           |          |                          |                      |                  |                 |
| Pleasure (Net)                  | 1,360,644 | 254,875  | -81.3%                   | 776                  | 116,147          | -99.3%          |
| MCI (Net)                       | 85,595    | 19,382   | -77.4%                   | 43                   | 5,293            | -99.2%          |
| Convention/Conf.                | 12,527    | 3,980    | -68.2%                   | 8                    | 1,328            | -99.4%          |
| Corp. Meetings                  | 4,068     | 930      | -77.1%                   | 18                   | 46               | -61.2%          |
| Incentive                       | 70,254    | 14,855   | -78.9%                   | 17                   | 3,936            | -99.6%          |

1/ Note: Beginning August 2020, certain categories reflect only domestic data (italicized) as international data were not available.

## First Timers vs. Repeat Visitors

| JAPAN MMA (by Air) | 2019 | 2020P 1/ | % Change<br>2020 vs 2019 | YTD Jan.<br>2021P 1/ | YTD Jan.<br>2020 | % change<br>YTD |
|--------------------|------|----------|--------------------------|----------------------|------------------|-----------------|
| 1st timers (%)     | 31.7 | 32.2     | 0.5                      | 21.3                 | 29.0             | -7.7            |
| Repeaters (%)      | 68.3 | 67.8     | -0.5                     | 78.7                 | 71.0             | 7.7             |

1/ Note: Beginning August 2020, certain categories reflect only domestic data (italicized) as international data were not available.

## Tax Revenue

| JAPAN MMA (by Air)                         | 2019   | 2020P | % Change<br>2020 vs 2019 | YTD Jan.<br>2021P | YTD Jan.<br>2020 | % change<br>YTD |
|--|--------|-------|--------------------------|-------------------|------------------|-----------------|
| State tax revenue generated* (\$ Millions) | 262.43 | NA    | NA                       | 0.56              | 21.52            | -97.4           |

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

As of February 24, 2021, Japan Fact Sheet