



AUTHORITY

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.

Year-to-Date February 2021 Quick Facts¹

Visitor Expenditures: \$7.2 million
 Primary Purpose of Stay: Pleasure (1,203) vs. MCI (54)
 Average Length of Stay: 19.2 days
 First Time Visitors: 20.9%
 Repeat Visitors: 79.1%

JAPAN MMA (by Air)	2019	2020	% Change 2020 vs 2019	2021 Annual Forecast*	YTD Feb. 2021P	YTD Feb. 2020P	% change YTD
Visitor Expenditures* (\$ Millions)	2,248.3	NA	NA	454.4	7.2	348.3	-97.9%
Visitor Days	9,306,767	1,785,502	-80.8%	1,998,302	35,638	1,447,028	-97.5%
Arrivals	1,576,205	297,243	-81.1%	347,802	1,859	248,896	-99.3%
Average Daily Census	25,498	4,878	-80.9%	5,475	604	24,117	-97.5%
Per Person Per Day Spending* (\$)	241.6	NA	NA	227.4	202.3	240.7	-15.9%
Per Person Per Trip Spending* (\$)	1,426.4	NA	NA	1,306.4	3,878.7	1,399.2	177.2%
Length of Stay (days)	5.90	6.01	1.7%	5.75	19.17	5.81	229.7%

*Dept. of Business, Economic Development & Tourism (DBEDT) 2021 annual forecast (Quarter 1, 2021).

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¹ 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

During February 2021, 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. Kaua'i County continued to temporarily suspend its participation in the Safe Travels program for trans-Pacific travelers, but inter-island travelers who had been in Hawai'i for more than three days could bypass the quarantine with a valid test result. Trans-Pacific travelers to Kaua'i 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 and Maui also had a partial quarantine in place in February. In addition, the U.S. Centers for Disease Control and Prevention (CDC) continued to enforce the "Conditional Sailing Order" on all cruise ships.

In February, all travelers, including returning Japanese nationals were required to quarantine for 14 days. In addition, the Japan government required proof of a negative PCR test for all entry into Japan.

- In the first two months of 2021, Japanese visitors spent \$7.2 million (-97.9%), and their average daily spending was \$202 per person (-15.9%). There were 1,859 visitors from Japan compared to 248,896 visitors in the same period last year. The average daily census showed 604 visitors per day compared to 24,117 visitor per day in the first two months of 2020.
- In the first two months of 2021, there were 88 (-92.9%) scheduled flights from Japan, with 23,033 (-93.2%) seats. Nearly all flights were postponed except for limited service from Osaka (3,892 seats, -94.2%), Tokyo-Haneda (9,542, -80.2%) and Tokyo-Narita (9,599, -94.7%).
- For all of 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

- Japan's economy expanded more than expected in Quarter 4, 2020 based on government data. According to private research institutes, 2021 GDP predicted to grow 3.9 percent compared to the previous year. Due to the 2nd state of emergency, consumption decreased in Quarter 1, 2021. However, many economists are optimistic for recovery starting Quarter 2. Twelve private think-tank forecasted 2021 real GDP growth between 5.1 percent and 3.3 percent.
- Japan government announced extension of the 2nd state of emergency to 10 prefectures except Tochigi prefecture until March 7, 2021 due to the COVID-19 surge.
- Ministry of Health, Labor and Welfare (MHLW) announced the extension of Employment adjustment subsidy until end of April to support all business entries including larger corporations. This is the government support of business industries affected by COVID-19 and 2nd state of emergency.
- Starting February 17, 2021, Japan launched its COVID-19 inoculation drive administering the vaccine to Tokyo hospital workers, as Prime Minister Suga attempts to beat the odds and host the Olympics this summer. Healthcare workers were among the first of some 40,000 medical professionals targeted to receive the initial shipments of the vaccine. They will be followed by 3.7 million more medical personnel, then 36 million people age 65 and over.
- It was estimated that the economic impact of the Tokyo Olympics and Paralympics would be approximately 20 trillion Japanese yen in Tokyo Prefecture alone, and about 32 trillion Japanese yen nationwide. The Japanese government expected long-lasting social, economic, and cultural benefits from the 2020 Summer Olympics and Paralympics. According to estimates from January 2021, the Japanese government and other entities involved in hosting the Tokyo 2020 Summer Olympic Games would lose approximately 640 billion Japanese yen if the event was postponed. In case the Olympic Games were canceled altogether, the loss would amount to an estimated 4.5 trillion Japanese yen.
- Japan National Tourism Organization (JNTO) announced Japanese outbound for January 2021 as 48,700 passengers (-96.5% vs 2020). Since April 2020, the number of outbound travelers has declined around 90 percent consecutively in the last 10 months.
- Airline operation: Total 29 flights with 7,438 air seats to Hawai'i in February 2021 by ANA, Hawaiian and JAL. March 2021 forecast: Total 30 flights with 7,684 seats. April 2021 forecast: Total 34 flights with 8,798 seats.
- Suspension: Delta (until 3/27) United (until 4/1) Korean (Indefinitely).

Distribution by Island

JAPAN MMA (by Air)	2019	2020	% Change 2020 vs 2019	YTD Feb. 2021P	YTD Feb. 2020P	% change YTD
O'ahu	1,492,753	277,354	-81.4%	1,807	232,332	-99.2%
Maui County	48,524	8,551	-82.4%	32	6,962	-99.5%
Maui	46,684	8,212	-82.4%	32	6,651	-99.5%
Moloka'i	1,941	421	-78.3%	1	392	-99.7%
Lāna'i	2,300	133	-94.2%	2	117	-97.9%
Kaua'i	25,333	3,723	-85.3%	12	3,120	-99.6%
Island of Hawai'i	170,686	36,014	-78.9%	58	30,049	-99.8%

Airlift

Departure City	2021					2020					%CHANGE				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
JAPAN	30,654	156,568	496,011	504,188	1,187,421	465,328	744	930	16,572	483,574	-93.4	20,944.1	53,234.5	2,942.4	145.6
Fukuoka	0	4,726	14,456	14,456	33,638	13,622	0	0	0	13,622	-100.0	NA	NA	NA	146.9
Nagoya	0	7,170	21,988	21,988	51,146	32,280	0	0	0	32,280	-100.0	NA	NA	NA	58.4
Osaka	5,004	29,044	77,347	82,248	193,643	92,526	0	0	1,390	93,916	-94.6	NA	NA	5,817.1	106.2
Sapporo	0	2,502	7,228	10,008	19,738	10,008	0	0	0	10,008	-100.0	NA	NA	NA	97.2
Tokyo HND	12,500	47,712	163,902	164,128	388,242	60,685	744	930	5,362	67,721	-79.4	6,312.9	17,523.9	2,961.0	473.3
Tokyo NRT	13,150	65,414	211,090	211,360	501,014	256,207	0	0	9,820	266,027	-94.9	NA	NA	2,052.3	88.3

Source: HTA analysis based on scheduled Seats from Diio Mi flight schedules as of March 18, 2021, subject to change.

Group vs. True Independent; Leisure vs. Business

JAPAN MMA (by Air)	2019	2020P 1/	% Change 2020 vs 2019	YTD Feb. 2021P 1/	YTD Feb. 2020	% change YTD
Group vs True Independent (Net)						
Group tour	246,490	50,668	-79.4%	47	44,986	-99.9%
True Independent (Net)	594,917	115,650	-80.6%	1,709	95,657	-98.2%
Leisure vs business						
Pleasure (Net)	1,360,644	254,875	-81.3%	1,203	212,537	-99.4%
MCI (Net)	85,595	19,382	-77.4%	54	18,453	-99.7%
Convention/Conf.	12,527	3,980	-68.2%	9	3,730	-99.8%
Corp. Meetings	4,068	930	-77.1%	28	849	-96.7%
Incentive	70,254	14,855	-78.9%	17	14,223	-99.9%

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 2020 vs 2019	YTD Feb. 2021P 1/	YTD Feb. 2020	% change YTD
1st timers (%)	31.7	32.2	0.5	20.9	31.5	-10.5
Repeaters (%)	68.3	67.8	-0.5	79.1	68.5	10.5

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 2020 vs 2019	YTD Feb. 2021P	YTD Feb. 2020	% change YTD
State tax revenue generated* (\$ Millions)	262.43	NA	NA	0.84	40.65	-97.9%

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