

Japan

Tourism in the economy and outlook for recovery

In 2019, tourism accounted for 2.0% of Japan's GDP. Following the COVID-19 pandemic, international visitors fell to 4.1 million in 2020, down by 87% from 2019. The inbound tourism expenditure in 2020 was JPY 1.2 trillion, a 77.1% decrease from the previous year. In 2021, international arrivals decreased to 246 000, a 99% decrease compared to pre-pandemic levels.

Asian markets remain the key source of inbound visitors for Japan, accounting for 3.4 million international tourists in 2020, or 83%.

The domestic market was relatively less impacted. In 2021, the total number of domestic overnight trips was 141.8 million, down 54.5% compared to 2019. According to the National Tourism Survey, this contributed to JPY 7 trillion, or 76.1% of total tourism expenditure.

Japan is working on the recovery of domestic demand as a first step in the recovery of the tourism economy.

Tourism governance and funding

The Japan Tourism Agency, an external body of the Ministry of Land, Infrastructure, Transport and Tourism, takes a leading role in tourism policy and its co-ordination. The Agency represents Japan on issues relating to tourism and the promotion of Japan as a tourist destination. It executes the Visit Japan campaign and other marketing activities through Japan National Tourism Organization (JNTO).

A Ministerial Council for the Promotion of Japan as a tourism-oriented country attended by all ministers unifies government efforts on tourism. A cross-ministerial budget has enabled numerous projects to be delivered. This budget has been maintained and now includes a subsidy to support historic landscapes, cultural tourism centres and national parks. The private sector is invited to regular Tourism Strategy Promotion Council meetings as experts in the field to give their opinion on relevant topics.

Local government's role is to improve the attractiveness of local destinations. The national government supports regional initiatives by providing statistical data, initiating area-wide co-operation and supporting regional development. Destination management organisations, in co-operation with stakeholders, including national and local governments, formulate and co-ordinate the implementation of strategies for destinations.

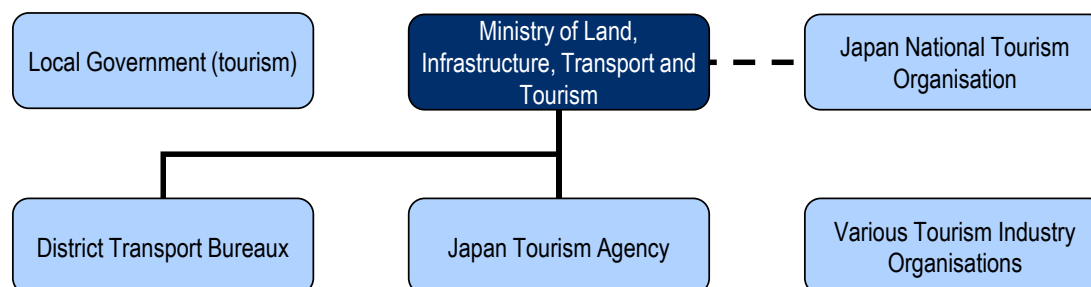
The Japan Tourism Agency's budget for 2022 was JPY 142.6 billion (twice the 2019 budget of JPY 71.1 billion). This includes JPY 8 billion from a new international tourist tax established in January 2019. The budget is broken down as follows:

- JPY 10 billion is allocated to create signature products and services which are profitable and contribute to the local economy.
- JPY 13 billion is allocated to preparing the receiving environment for inbound tourists (e.g. multi-language signboards, cashless systems, automation of immigration processes).

- JPY 100 billion is allocated towards revitalisation and adding higher value to existing tourist destinations.

In addition, the Japan National Tourism Organization receives an operating expenses subsidy of JPY 6.5 billion from the central government to implement projects, including promoting travel to Japan.

Japan: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Land, Infrastructure, Transport and Tourism, 2022.

Tourism policies and programmes

In December 2020, Japan formulated the Policy Plan to Prevent the Spread of Infection and Restore Demand for Tourism, focusing on the post-pandemic period. The plan includes improvements to productivity and the diversification of demand, both of which have been areas of concern for some time.

The main short-term focus is on stimulating demand for domestic travel (see box below). Key areas set out in the Policy Plan include:

- **The revival of hotels, traditional inns and tourist areas:** a subsidy and expanded financing system, specifically for restoring tourist facilities and creating high-quality environments based on regions' regeneration plans.
- **Product development:** provision of a richer product to attract domestic and international tourists, enriching tourism resources using digital technology, creating tourist sites that are profitable and attractive and enabling visitors to gain a deeper experience in local areas. This involves collaboration with tourism operators and destination management organisations, together with a wide range of stakeholders such as transport businesses, the fishing industry, agriculture, and local suppliers.
- **Popularisation of 'workcations':** creating travel opportunities and equalising travel demand by promoting workcations (work and vacation), bleisure (business and leisure), and the use of satellite offices by implementing model projects that improve the environment for both companies and the community.

While the number of tourism business closures increased significantly, the number of bankruptcies in the accommodation and travel sectors was fewer than during the global financial crisis (2008-09) and the Great East Japan Earthquake (2011) due to government support measures.

Additional measures for the revival of international business tourism include introducing new technology and knowledge necessary for hosting hybrid meetings, incentive, conference and events (MICE) events that combine face-to-face and online participation and the acquisition of international accreditation for infectious disease control at MICE-related facilities.

To address the issue of low productivity in the tourism sector (relative to other sectors), recovery plans involve initiatives to increase revenue through value-added services and introduce new demand while

reducing the costs of digital transformation technologies. The aim is to have a stronger tourism sector with improved labour productivity and wages.

Various initiatives will be promoted in anticipation of the post-COVID era to reconstruct a tourism sector that supports local economies. Such initiatives include increasing repeat visitors and length of stay and creating a more profitable product.

Go To TRAVEL campaign in Japan

The Go To TRAVEL campaign was launched in July 2020 to stimulate the recovery of domestic travel demand during the pandemic by offering discounts on travel prices and issuing coupons for use in travel destinations. The scheme subsidised 35% of accommodation and day trip expenses for domestic travel. In addition, visitors received a regional coupon for 15% of the cost of accommodation or day trips, which could be used in the travel destination.

The campaign led to at least 88 million guest nights in accommodation facilities, with financial support totalling at least JPY 540 billion. The economic effects of the campaign impacted widely throughout Japan, with many tourist facilities reporting that the coupons led to an increase in sales and customers.

Due to the dynamic health situation, Japan introduced various support measures designed to create an environment in which it is easy for visitors to cancel their plans. Operators who do not charge cancellation fees are compensated financially in lieu of cancellation fees. The compensation is calculated at 35% of travel costs, or 50% for travel around the New Year period.

The Go To TRAVEL campaign was suspended at the end of 2020. However, the Government is implementing a regional tourism business financial support scheme and a discount programme for districts where the pandemic has subsided. Moreover, the Nationwide Travel Support programme started in October 2022 as a measure to continue to stimulate domestic travel demand.

Statistical Profile

Japan: Domestic, inbound and outbound tourism

	2017	2018	2019	2020	2021
TOURISM FLOWS, THOUSAND					
Domestic tourism¹					
Total domestic trips	647 510	561 779	587 103	293 408	268 208
Overnight visitors (tourists)	323 328	291 052	311 624	160 703	141 768
Same-day visitors (excursionists)	324 182	270 727	275 478	132 705	126 440
Nights in all types of accommodation	429 906	443 726	480 265	311 309	313 457
Hotels and similar establishments	421 781	435 959	472 615	307 462	310 784
Other collective establishments	8 126	7 767	7 650	3 847	2 673
Private accommodation	..	..	..	..	..
Inbound tourism²					
Total international arrivals	28 691	31 192	31 882	4 116	246 p
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
China (People's Republic of)	7 356	8 380	9 594	1 069	42 p
Viet Nam	..	..	..	..	27 p
United States	1 375	1 526	1 724	219	20 p
Korea	7 140	7 539	5 585	488	19 p
Nepal	..	..	..	..	12 p
Nights in all types of accommodation	79 691	94 275	115 656	20 345	4 317
Hotels and similar establishments	79 401	93 892	115 297	20 100	4 276
Other collective establishments	289	383	359	245	41
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	17 889	18 954	20 081	3 174	512
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Top destinations					
..
..
..
..
..
TOURISM RECEIPTS AND EXPENDITURE, MILLION JPY					
Inbound tourism					
Total international receipts	4 146 454	4 999 529	5 364 344	1 228 714	..
International travel receipts	3 819 713	4 648 362	5 020 374	1 142 541	..
International passenger transport receipts	326 741	351 168	343 970	86 174	..
Outbound tourism					
Total international expenditure	2 890 814	3 104 607	3 175 483	727 647	..
International travel expenditure	2 040 138	2 232 381	2 318 068	587 350	..
International passenger transport expenditure	850 677	872 226	857 416	140 298	..

.. Not available; p Provisional data

1. Trips from demand side surveys; Nights from supply side surveys.

2. Arrivals from demand side surveys; Nights from supply side surveys.

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/kd3pwy>


Japan: Enterprises and employment in tourism

	Number of establishments ¹	Number of persons employed				
	2016	2017	2018	2019	2020	2021
Total	796 440	..	..	..	..	..
Tourism industries	796 440	6 192 000	6 450 840	6 568 380	..	..
Accommodation services for visitors	..	..	..	..	..	..
Hotels and similar establishments	48 963	586 380	638 330	658 050	..	..
Food and beverage serving industry	590 847	3 366 620	3 586 800	3 604 080	..	..
Passenger transport	33 571	937 560	910 530	924 260	..	..
Air passenger transport	922	45 040	56 670	56 170	..	..
Railways passenger transport	4 277	262 030	241 810	261 490	..	..
Road passenger transport	23 028	562 940	555 380	539 200	..	..
Water passenger transport	5 344	67 550	56 670	67 400	..	..
Passenger transport supporting services	66 772	630 490	646 060	651 540	..	..
Transport equipment rental	..	..	..	..	..	..
Travel agencies and other reservation services industry	..	..	..	..	..	..
Cultural industry	..	..	..	..	..	..
Sports and recreation industry	56 287	670 940	669 120	730 450	..	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
Other industries	4 544 343	60 640 000	61 555 160	62 046 620	..	..

.. Not available

1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/ug7f2w>

Japan: Internal tourism consumption

Million JPY

	2019		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	23 369 164	5 343 761	29 145 212
Tourism characteristic products	14 456 661	3 629 621	18 518 568
Accommodation services for visitors	4 003 348	1 498 966	5 934 601
Food and beverage serving services	3 002 180	1 100 095	4 102 275
Passenger transport services	5 636 276	810 257	6 446 532
Air passenger transport services	2 412 756	360 706	2 773 462
Railways passenger transport services	2 490 048	365 337	2 855 384
Road passenger transport services	626 887	81 795	708 682
Water passenger transport services	106 585	2 419	109 004
Passenger transport supporting services	..	..	..
Transport equipment rental services	353 414	66 721	420 135
Travel agencies and other reservation services industry	352 212	24 352	376 563
Cultural services	394 119	64 758	458 877
Sports and recreation services	715 112	64 473	779 585
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	8 912 503	1 714 140	10 626 643
Tourism connected products	8 061 075	1 690 802	9 751 877
Non-tourism related consumption products	851 428	23 338	874 767
Non-consumption products	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/vslpbx>



From:
OECD Tourism Trends and Policies 2022

Access the complete publication at:

<https://doi.org/10.1787/a8dd3019-en>

Please cite this chapter as:

OECD (2022), “Japan”, in *OECD Tourism Trends and Policies 2022*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/01136652-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.