

## Travel Trends and Prospects for 2002

**Domestic Travel Remains Firmly at Last Year's Levels**  
**Overseas Travel Will Recover Rapidly from Early in the Spring**  
**Foreign Visitors to Japan to Top Five Million for the First Time, as Part of New Age of Overseas Exchanges**

JTB Corp. has just published the results of a survey of projected travel trends in 2002. The survey covers all journeys by Japanese travelers (including business travel and traditional vacations to the family home) where more than one night is spent away from home, and is based on projected trends in various economic indicators, actual journeys taken, and questionnaires answered by travel-industry representatives. It is the 22<sup>nd</sup> such survey since the first, in 1981, and shows the following results.

	Predictions for 2002		Estimates for 2001	
		%age		%age
Cumulative total no. of travelers	340,130,000	99.7	341,310,000	99.4
No. of domestic travelers	323,490,000	99.5	325,110,000	99.9
No. of overseas travelers	16,640,000	102.7	16,200,000	90.9
Average expenditure (per person, per journey)				
On domestic travel	¥36,280 (\$279)	99.2	¥36,573 (\$281)	99.0
On overseas travel	¥328,142 (\$2,524)	97.6	¥336,211 (\$2,586)	99.5
Total travel expenditures	¥17.197 trillion (\$132.281 billion)	99.2	¥17.337 trillion (\$133.361 billion)	96.1
On domestic travel	¥11.736 trillion (\$90.278 billion)	98.7	¥11.890 trillion (\$91.464 billion)	98.9
On overseas travel	¥5.460 trillion (\$42.002 billion)	100.3	¥5.447 trillion (\$41.897 billion)	90.5
Average no. of journeys	2.67	-0.01	2.68	-0.02
No. of overseas visitors to Japan	5.14 million	108.7	4.73 million	99.4

**Notes:** Domestic expenditures include all costs from leaving home to return. Overseas expenditures include locally purchased items such as souvenirs and meals. Dollar amounts are calculated, for information purposes only, at ¥130/US\$. Percentages are those of the previous year's figures.

## Prospects for 2002

*The total number of travelers* is expected to reach *340.13 million (99.7% of the previous year)*. The economy is in recession, and is not projected to be on the road to recovery until the second half of 2002. However, this year brings with it positive factors including the following: 1) Holidays create eight long (three-day) weekends this year; 2) True, five-day working weeks will be introduced at all public kindergartens and primary and secondary schools; 3) A second runway will come into service at Narita Airport; 4) It is a year of public exchanges between Japan, China and Korea.

In view of these factors, we expect continued solid figures for travel demand, led by families going on vacation during their children's holidays.

- **Number of Domestic Travelers**

This is expected to reach *323.49 million, or 99.5% of the preceding year*. We expect a continuation of the "Universal Studio Japan" and "Tokyo Disney Resort" effect. Furthermore, there are scheduled *hotel openings--of the Shinagawa Prince Hotel Executive Tower and Four Seasons Hotel Marunouchi* in the center of Tokyo and the *Hotel Nikko Bayside Osaka* adjacent to Universal Studios Japan in Osaka. Increased hotel capacity is expected to support continued strong trends in city sightseeing activity.

Meanwhile, there will be the opening of a number of up-market accommodations in Hokkaido such as The Windsor Hotel Toya and the Annex to the Musashitei at Asarigawa Hot Springs, not to mention *ryokan* at Kawaguchiko and elsewhere which are remodeling to create guest rooms with attached open-air baths. In addition to the deep-rooted popularity of hot springs, we expect further increases in interest for accommodations that aim for an authentic individual appeal. Also, with the staging of Soccer's World Cup, we can expect an increase in domestic travel between venues and with other domestic regions.

- **Number of Overseas Travelers**

This is expected to reach *16.64 million, or 102.7% of the preceding year*. Reservations with JTB for "LOOK JTB" overseas package tours (taking place from January through April) have trended upwards since December 2001, as the international situation has settled down. In addition, since Narita Airport's second runway is coming into service and the number of charter flights allowed at Haneda International Airport will be expanded to 70 per week, we expect that increased availability of flights to Asia and those to be offered to new destinations should have a positive impact. Due to the above, the outlook is for a full-fledged recovery in overseas travel to begin early in the spring, based mainly on individual consumer demand.

**Average expenditure on travel** is expected to be ¥36,280/\$279 for domestic travel (99.2% of the previous year), and ¥328,142/\$2,524 for overseas travel (97.6% of the previous year).

Domestic travel should be on a par with last year, reflecting solid consumption patterns. As for overseas travel, there are a number of factors boosting travel costs such as weakening of the yen, increases in hotel room charges and the introduction of airline insurance fees. Turning to destinations, the US is expected to see a decrease while Asian destinations will increase, resulting in a decline in average expenditures.

**Total expenditure on travel** is expected to reach ¥17.197 trillion (\$132.281 billion), 99.2% of the previous year.

Total expenditure on overseas travel should come to ¥5.460 trillion (\$42.002 billion), virtually the same (100.3%) as the previous year.

**Overseas visitors to Japan** are projected at 5.14 million, or 108.7% of the previous year.

2002 happens to be the 30<sup>th</sup> anniversary of the normalization of relations between Japan and China, a year of public exchanges between Korea and Japan, and the 10<sup>th</sup> anniversary of the normalization of relations between China and Korea: these should give impetus to personal and cultural exchanges between Japan, China and Korea, meaning that a full-fledged new era of international exchange is now dawning. Also, the outlook is for significant increases in the number of visitors from Asia, with Narita Airport's second runway coming into service and with Japan acting as a host nation for the Soccer World Cup for the first time.

### Estimated Results for Travel in 2001

**The total number of travelers** is estimated to have reached 341.31 million (99.4% of the previous year).

- **Number of Domestic Travelers**

*This is expected to be virtually the same as the previous year (99.9%), or 325.11 million.* Supported by factors such as the opening of Universal Studios Japan, Tokyo Disney Sea, and the popularity of hot springs, the number of travelers served by our tour operators exceeded that of the previous year, and sightseeing tours showed highly favorable trends. However, due to the effects of the current recession, we experienced a decline in business demand. As a result, we see the number of domestic travelers as approximately the same as last year.

- **Number of Overseas Travelers**

Due to the impact of the September 11 terrorist attacks on the United States, there was a substantial decline in the number of people leaving the country between September and December. As a result, *there was a total of 16.20 million travelers for the year, 90.9% of the previous year's figure.*

Since the end of major restrictions on overseas tourism in 1964, this is only the fourth in which the number of overseas travelers dropped below the previous year's level. Compared with the previous three such occasions--the second oil shock (1980, 96.8% of the previous year's figure), the Gulf War (1991, 96.7% of the previous year's figure), and the year of negative economic growth (1998, 94.1% of the previous year's figure)--last year's decline is the biggest. In particular, there was a heavy impact from travel to the mainland United States, Hawaii, and Guam/Saipan, which are the destinations of choice for about 30% of Japanese travelers.

**Average expenditure per person:** reflecting sound trends in consumption, *average domestic travel expenditures were ¥36,573/\$281 (99.0% of the previous year's figure), and the average overseas travel expenditure was ¥336,211/\$2,586 (99.5% of the previous year's figure).*

**Overall expenditure on travel** was ¥17.337 trillion (\$133.361 billion), or 96.1% of the previous year's figure.

**Overseas visitors to Japan:** With positive factors such as theme park openings and the promotion of Japanese-Korean exchanges, there were favorable conditions for the first half of the year. But, due to the impact of the terrorist attacks, there were fewer travelers arriving from September to December. As a result, the *number of overseas visitors to Japan is projected at 4.73 million, or 99.4% of the previous year.*

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