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Projected Travel Trends for Summer 2002 (July 15~Aug. 31)

Desire for Travel Strong in the Summer Holidays after the World Cup,
Travelers to Total 76.17 Million (100.7% of last year).
Theme Parks and Nature for Domestic Travel, China & Asian Beaches for Overseas.
Careful Spending Continues, Expenditure Running at 95.7% of 2001.

JTB Corp. has just released the projection of travel trends for those taking overnight or longer trips during the summer vacation (July 15 to August 31). Estimates were based on a questionnaire survey of 2,200 travelers, bookings with JTB offices, airline reservations, and industry trends. This year marks the 34th such survey since the first in 1969. Results are shown below.

Table 1: Projections

		Projected for Summer 2002 July 15~Aug. 31	Change from Prev. Year	Figures for Summer 2001 July 15~Aug. 31
Total Number of Travelers		76.17 million	100.7%	75.62 million
	Domestic Travelers	73.69 million	101.0%	72.96 million
	Overseas Travelers	2.48 million	93.4%	2.66 million
Average Expenditure per Person per Journey		¥39,497/$335	95.7%	¥41,272/$350
	Domestic Expenditure	¥33,654/$285	95.8%	¥35,115/$298
	Overseas Expenditure	¥213,091/$1,806	101.4%	¥210,149/$1,781
Total Expenditure on Travel		¥3,008.5bn/$25.50bn	96.4%	¥3,121.0bn/$26.45bn
Average Length of Trip		3.8 days	-0.1	3.9 days

Note 1: Overseas expenditure projected from JTB average of overseas travel expenditure. (Excludes locally purchased souvenirs, etc.)

Note 2: Yen amounts calculated, for information only, at a nominal rate of ¥118/US$.

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Characteristics of Summer Vacation 2002 (July 15-August 31)

• Strong Demand Promises 76.17 million Travelers, 100.7% of Previous Year

Those answering that they were "going on a trip" in our summer travel questionnaire were 35.2% of the total, 2.9 percentage points over the share of those who "went on a trip with at least one overnight stay" last summer. The desire to travel remains strong.

• Overseas Travelers Drop Back to 2.48 Million, 93.4% of Previous Year

1. Private industry surveys of the average size of semi-annual bonuses paid this summer predict that they will be between 2.7 and 4.4% lower than last year.
2. The monthly employment statistics for May (published by the Ministry of. Health, Labor and Welfare) show that salaries were down 1.8% on the year before.
3. In our travel questionnaire, those citing concerns over "uncertain economic future" as their reason for not traveling were 19.3% of the total, 3.2 percentage points higher than last year (see Table 5).

These and similar factors suggest that reduced employment income this summer is leading to a downturn in overseas travel. However, significantly higher expectations of the economy give grounds for hope of improvements from the autumn.

• "Careful" Spending Trend Well Established

Travel expenditures per person are expected to be 39,497 yen or $335 (95.7% of the previous year), domestic travel contributes 33,654 yen or $285 (95.8%) to this, and overseas travel 213,091 yen or $1,806 (101.4%). This will result in total travel expenditures of 3,008.5 billion yen or $25.50 billion (96.4%).

The "careful" spending trend in domestic travel is now well established, as indicated by the increase of 2.0 percentage points to 27.1% in those who say they share accommodation facilities with "family or acquaintances."

Overseas travel expenditures will increase, partly due to the weaker yen exchange rates that prevailed from autumn 2001 through spring 2002, with increases in the average costs of package tours. The result is expected to take average expenditures higher than last year.

The questionnaire reveals the following attitudes to travel expenditures; the share of those responding that they wanted to "reduce costs and increase the frequency of travel" was up 1.1 percentage points at 14.5%, while "increase costs and reduce the frequency" was up 1.5 percentage points to 4.9%, and "want to reduce travel expenditure" was up 0.5 percentage points to 26.8%. Together, these indicate at attitude reflecting the desire to travel with specific content or attractions.

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• More Trips to Last "1 night 2 days" and "2 nights 3 days," with Generally Wider Distribution and an Average Duration 0.1 day Shorter this Year (down to 3.8 days)

Corporate summer holidays, at 7.9 days, are 1.1 days shorter than the maximum of 9.0 days they reached last year, according to a study by the Ministry of Health, Labor and Welfare.

The questionnaire reveals increases in trips of "two nights three days" (by 3.6 percentage points to 36.5%) and of "one night two days" (by 0.4% to 32.9%), and if we include trips of "three nights four days," together they account for 86% of all trips. Overall, there is a slight tendency for the length of trips to decrease (see Table 7).

In terms of JTB's package tours, peak departures cluster around Saturday August 10. Smaller peaks are also observed in the first half of the second week in July, around Monday August 26, Saturday July 20 and Saturday September 14. The move to avoid the peak season and form a wider distribution is clearly gathering momentum.

Overseas travel

**• Favored High-Growth Destinations will be China and Asian Beaches
In Terms of Numbers, it will be Europe, Korea and the US Mainland.**

China seems set to register a large increase to 252,000 visitors from Japan, 112% of the previous year, due to celebrations of the 30th anniversary of the reopening of diplomatic relations between the two countries, a large increase in airline flights and the opening up of new routes to Chengdu and Chongqing, with an enhanced lineup of excursion-type package tours.

Indonesia at 80,000 (108.1% of the previous year), Thailand at 130,000 (99.2%) and Malaysia at 41,000 (91.1%) are popular more for their beach resorts than their cities (see Table 4).

In Europe, England has done well with bookings associated with its popularity in Soccer's World Cup, the Harry Potter movie, and the 100th anniversary of publication of the Peter Rabbit books. The Czech Republic, Hungary, Croatia and Slovenia are the popular destinations among central European nations..

Table 2: Three Fastest Growing Destinations

Order	Destination	Numbers	Growth
1st	China	252,000	112.0%
2nd	Indonesia	80,000	108.1%
3rd	Australia	106,000	101.0%

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Table 3: Three Most Popular Destinations

Order	Destination	Numbers (%age of 2001)
1st	Europe	337,000 (98.0%)
2nd	Korea	337,000 (98.0%)
3rd	US Mainland	289,000 (85.0%)

• Summer will See More Free Independent Travel Leading a US Recovery.

JTB sales for July and August reveal that although bookings for package tours were running at about 80%, those for discounted airline tickets at JTB Group companies ran at a healthy 120% for July and 101% for August. It seems that the ability to take summer holidays according to plan is encouraging such free independent travel (FIT).

The US Mainland has been struggling to compete against other destinations in package tours, but in sharp contrast FIT bookings were running at 102% in July and 96% in August, with FIT leading a real recovery.

Table 4: Projected Number of Overseas Visitors, Summer 2002 (July 15-August 31)

Destinations		Year 2002	Change	Year 2001
Grand Total		2,480,000	93.4%	2,660,000
Southeast Asian Total		1,222,000	98.1%	1,246,000
	China	252,000	112.0%	225,000
	Taiwan	113,000	92.6%	122,000
	Hong Kong	103,000	96.3%	107,000
	Korea	337,000	98.0%	344,000
	Thailand	130,000	99.2%	131,000
	Singapore	72,000	86.7%	83,000
	Indonesia	80,000	108.1%	74,000
	Malaysia	41,000	91.1%	45,000
North American Total		741,000	83.4%	888,000
	Hawaii	216,000	81.2%	266,000
	Guam/Saipan	168,000	82.8%	203,000
	US Mainland	289,000	85.0%	340,000
	Canada	68,000	97.1%	70,000
European Total		337,000	98.0%	344,000
Oceania Total		136,000	98.6%	138,000
	Australia	106,000	101.0%	105,000
	New Zealand	19,000	90.5%	21,000
	South Pacific Islands	11,000	91.7%	12,000
Others (Africa, Middle East, South America)		48,000	98.0%	49,000

The figures for 2001 are estimated from various national tourism authority publications and 2000 Japanese Immigration Authority statistics for embarkation/disembarkation.

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Table 5: Reasons for Not Traveling (multiple choice)

Reason Cited (in order)		%	Increase/Decrease
1.	Job, etc.	27.8	-3.1
2.	No particular reason	23.6	+2.3
3.	Crowded	23.1	+1.5
4.	Family situations	22.0	+7.9
5.	Uncertain economic future	19.3	+3.2
6.	Budget constraints	18.4	+0.6
7.	No extended days off	13.4	+3.3
8.	Health reasons	11.5	+3.4
9.	Doing something else	8.0	+0.2
10.	Expensive prices	3.5	+1.6
11.	Recent or upcoming travel	3.1	-0.8
12.	Cannot get reservations	0.7	+0.4

Table 6: Changing Outlook Regarding Future Travel Expenditures
(by survey month, difference from previous year in parentheses)

	June 2002	June 2001	June 2000
Want to spend more	14.0 (-1.9)	15.9 (±0.0)	15.9 (+2.1)
Reduce cost and increase frequency	14.5 (+1.1)	13.4 (-0.9)	14.3 (+1.4)
Increase cost and reduce frequency	4.9 (+1.5)	3.4 (+0.3)	3.1 (-2.6)
Keep cost and frequency the same	36.1 (-1.7)	37.8 (+2.7)	35.1 (-3.5)
Want to spend less	26.8 (+0.5)	26.3 (-1.7)	28.0 (+2.9)

Table 7: Number of Travel Days

Number of days	%	Increase/Decrease
1 night 2 days	32.9	+0.4
2 nights 3 days	36.5	+3.6
3 nights 4 days	16.7	-0.2
4 nights 5 days	3.7	-1.6
5 nights 6 days	2.2	-2.9
6 nights 7 days	1.4	+0.2
7 nights 8 days	2.2	-0.6
8 nights or more	3.4	+0.4

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Survey Methodology

Survey locations:	Some 200 locations throughout Japan
Survey timing:	June 5 through 13, 2002
Respondents:	Individual men and women, aged 15 through 79
Size of sample:	2,200 respondents
Selection:	Multi-level, stratified, random.
Response rate:	63.1%
Survey content:	Travel involving at least one night away from home between July 15 and August 31, 2002 (including overseas travel but excluding travel for business purposes).
Methodology:	Individual interviews

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