NEWS

For Immediate Release

January 9, 2003
(Translation of Japanese Release Dated January 9)

Travel Trends and Prospects for 2003

Tourist Travel Demand Remains Firm Despite Recession
Overseas Travelers to Reach 103.1% of Last Year--Domestic, Little Change
5.5 Million to Visit Japan in ASEAN Exchange Year
Chinese Visitors to Exceed 500,000 for the First Time

JTB Corp. has just published the results of a survey of projected travel trends in 2003. 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, plus overseas visitors to Japan, and is based on projected trends in various economic indicators, actual journeys taken, and questionnaires answered by travel-industry representatives. It is the 23rd such survey since the first, in 1981, and shows the following results.

	Predictions for 2003		Estimates for 2002	
		% age		% age
Cumulative total no. of travelers	335,820,000	99.7	336,920,000	99.6
No. of domestic travelers	318,970,000	99.5	320,570,000	99.5
No. of overseas travelers	16,850,000	103.1	16,350,000	100.8
Average expenditure (per person, per journey)				
On domestic travel	¥35,846 ($299)	99.0	¥36,208 ($302)	99.2
On overseas travel	¥309,181 ($2,577)	99.9	¥309,490 ($2,579)	97.6
Total travel expenditure	¥16.644 trillion ($138.700 billion)	99.9	¥16.667 trillion ($138.892 billion)	98.6
On domestic travel	¥11.434 trillion ($95.280 billion)	98.5	¥11.607 trillion ($96.725 billion)	98.7
On overseas travel	¥5.210 trillion ($43.417 billion)	103.0	¥5.060 trillion ($42.167 billion)	98.4
Average no. of journeys	2.63	-0.01	2.64	-0.02
No. of overseas visitors to Japan	5.50 million	106.2	5.21 million	109.2

Note : 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 ¥120/US$. Percentages are those of the previous year's figures.

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Prospects for 2003

Total Number of Travelers

The desire for tourist travel remains strong, centering on the middle-aged and elderly (who tend to fund their purchases from savings rather than from income, and are attracting widespread attention in various forms of personal consumption) and on women in their thirties, who place a high value on individuality. Behind this high desire for travel, which is becoming increasingly personalized, there appear to be three main factors:

1. Unlike the purchase of things, it does not lead to a sense of satiety.
2. It can be enjoyed in many different ways, in line with themes or interests.
3. It can be used to put oneself in the most desirable places at the best times.

On the other hand, there is no end in sight for Japan's severe economic situation, and strong negative influences can be expected on business travel and on travel by the younger generations who pay for it out of salary income. Demographic factors also suggest that the numbers of those traveling to the family home will decrease. There are few major events to stimulate travel this year.

In view of these factors, ***the total number of travelers is estimated at 335.82 million (99.7% of the previous year)***

- **Number of Domestic Travelers**
  This is expected to reach ***318.97 million, or 99.5% of the preceding year***. Families play a large role in travel within Japan, and this year there are eight long (three-day) weekends. The fact that all public schools have taken the lead in going over to a five-day week also means more opportunities for parents to travel with their children. Domestic travel may also benefit from the attractions planned for overseas visitors to Japan.

- **Number of Overseas Travelers**
  This is expected to reach ***16.85 million, or 103.1% of the preceding year.***
  We can expect increases reflecting a rebound among the middle-aged and elderly and women in their thirties (generally the most motivated to travel) who put off their plans in the January-April period under the influence of the terrorist attacks on the U.S., and then because of the soccer World Cup in June. On the other hand, the severe economic outlook will have a negative influence on business travel and younger, salaried travelers. It is not possible at this time to estimate the possible influence of major developments in the Middle-East situation.

The most popular tourist destinations, reflecting the desire for "the genuine article," will include Europe and China, with their many historical and cultural sites, while the beaches and cities of Asia will retain their popularity. In other words, destinations popular with the middle-aged and elderly, and with women in their thirties, will continue to do well. Strong trends are also expected in business and tourist travel to China and other Asian destinations under the influence of the large increase in flights that followed the opening of the provisional new runway at Narita International Airport.

Average Expenditure on Travel

This is expected to be ***¥35,846/$298 for domestic travel (99.0% of the previous year), and ¥309,181/$2,577 for overseas travel (99.9% of the previous year).***
Domestic travel expenditures should be on a par with last year, reflecting ongoing consumption patterns stressing cost-performance. For overseas travel, there are a number of factors boosting travel costs such as the weakness of the yen and increases in hotel room charges, but increases in travel to Chinese and Asian destinations and in travel by individuals, with downward pressures on prices, will hold average expenditures to about last year's level.

Number of Overseas Visitors to Japan

These are projected at 5.50 million, or 106.2% of the previous year.
This is the start of "Visit Japan" year, and coincides with a year of exchanges between ASEAN and Japan. Both business and tourist travel should be favorably impacted, causing the number of overseas visitors to Japan to increase.
Three years after the ban on group travel to Japan from China was lifted, the number of Chinese visitors is expected to exceed 500,000 for the first time.
Japanese inbound tourism must compete with the nations of Asia and the worldwide reputation of Europe as a tourist attraction, but quite apart from its economic effect, international exchanges at the personal level are an influence for peace, and it has now been taken up as a national priority. Local governments now also attach greater importance to inbound tourism than in the past. Steady efforts are being made to beautify towns in the ways so often seen in the West, and policies and investment are playing a central role in improving language skills and providing more and better information. These efforts should result in further increases in the number of overseas visitors to Japan.

Provisional Estimates for Travel in 2002

The total number of travelers is estimated to have reached ***336.92 million (99.6% of the previous year).***

- Number of Domestic Travelers
  This is expected to be 99.5% of the previous year, or 320.57 million.
  Under the effects of three-day holidays, theme parks, and the popularity of hot springs, tourist travel remained strong. Business travel, on the other hand, was affected by the poor economic situation, and demand dropped. The result appears to have been a very slight decline in the total numbers.

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- **Number of Overseas Travelers**
  The effects of the September 11 attacks persisted through the first four months of 2002, and in June and July the soccer World Cup tended to encourage the postponement of travel plans. These factors reduced the number of Japanese going overseas in the first half of the year. However, with the significant increase in airline seats on flights to Asia that followed the opening of the provisional runway at Narita International Airport, and with a number of three-day holidays occurring in and after September, the combination of a strong desire to travel with a rebound from the unnaturally low figures the year before brought about an increase in the second half of the year.

- **Average Expenditure per Person**
  The ***average domestic travel expenditure is put at ¥36,208/$302 (99.2% of the previous year's figure), and the average overseas travel expenditure at ¥309,490/$2,579 (97.6%).*** These figures reflect strong trends in consumption.

- **Overall Expenditure on Travel**
  This is put at ***¥16.667 trillion ($138.892 billion), or 98.6% of the previous year's figure.***

- **Overseas Visitors to Japan**
  This is ***projected at 5.21 million, or 109.2% of the previous year.*** In the 30th year of the normalization of relations between China and Japan, which was also a year of cultural exchanges with Korea, visitors from East Asia increased, with a major contribution from exchanges with the citizens of other nations as a result of the World Cup.

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	Travelers (millions) (and % of prev. year)			Average Expenditure (per person, Yen)		Total Expenditure (billions of Yen)			Average No. of Journeys	Overseas visitors (million)
	Total	Domestic	Overseas	Domestic	Overseas		Domestic	Overseas		
1990	322.53	311.54	11.00	37,666	559,965	17,892	11,734	6,158	2.61	3.24
	102.5%	102.2%	113.8%	104.4%	103.6%	110.3%	106.7%	117.9%	0.07	114.1%
1991	328.33	317.70	10.63	39,406	526,968	18,123	12,520	5,604	2.65	3.53
	101.8%	102.0%	96.7%	104.6%	94.1%	101.3%	106.7%	91.0%	0.04	109.2%
1992	331.23	319.44	11.79	40,303	502,742	18,802	12,874	5,928	2.66	3.58
	100.9%	100.5%	110.9%	102.3%	95.4%	103.7%	102.8%	105.8%	0.01	101.4%
1993	328.09	316.16	11.93	39,194	441,075	17,655	12,392	5,264	2.63	3.41
	99.1%	99.0%	101.2%	97.2%	87.7%	93.9%	96.3%	88.8%	-0.03	95.2%
1994	333.86	320.29	13.58	38,566	404,798	17,849	12,352	5,497	2.67	3.47
	101.8%	101.3%	113.8%	98.4%	91.8%	101.1%	99.7%	104.4%	0.04	101.7%
1995	332.38	317.08	15.30	37,911	386,851	17,939	12,021	5,918	2.65	3.35
	99.6%	99.0%	112.7%	98.3%	95.6%	100.5%	97.3%	107.7%	-0.02	96.5%
1996	339.42	322.73	16.69	38,081	404,139	19,037	12,290	6,747	2.7	3.84
	102.1%	101.8%	109.1%	100.4%	104.5%	106.1%	102.2%	114.0%	0.05	114.7%
1997	341.70	324.90	16.80	38,538	396,482	19,183	12,521	6,662	2.71	4.22
	100.7%	100.7%	100.6%	101.2%	98.1%	100.8%	101.9%	98.7%	0.01	109.9%
1998	334.53	318.73	15.81	38,076	384,140	18,208	12,136	6,072	2.64	4.11
	97.9%	98.1%	94.1%	98.8%	96.9%	94.9%	96.9%	91.1%	-0.07	97.3%
1999	336.04	319.68	16.36	37,391	369,965	18,005	11,953	6,052	2.65	4.44
	100.5%	100.3%	103.5%	98.2%	96.3%	98.9%	98.5%	99.7%	0.01	108.1%
2000	343.26	325.44	17.82	36,942	337,900	18,043	12,022	6,021	2.7	4.76
	102.1%	101.8%	108.9%	98.8%	91.3%	100.2%	100.6%	99.5%	0.05	107.2%
2001	338.40	322.18	16.22	36,498	317,100	16,902	11,759	5,143	2.68	4.77
	98.6%	99.0%	91.0%	98.8%	93.8%	93.7%	97.8%	85.4%	-0.02	100.3%
2002	336.92	320.57	16.35	36,208	309,490	16,667	11,607	5,060	2.64	5.21
	99.6%	99.5%	100.8%	99.2%	97.6%	98.6%	98.7%	98.4%	-0.02	109.2%
2003	335.82	318.97	16.85	35,846	309,181	16,644	11,434	5,210	2.63	5.5
	99.7%	99.5%	103.1%	99.0%	99.9%	99.9%	98.5%	103.0%	-0.01	105.6%