For Immediate Release

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# Summer Vacation Travel Trends for July 15 - Aug. 31

**A Time for Leisurely Travel, with Friends or Family, to Distant Destinations...**
**Overseas Travel Recovers to 75% of the Previous Year,**
**Driven by Demand for Oceania, Europe and Hawaii.**
**Domestic Travel Continues Strong (at 101.1% of Previous Year).**

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 35th such survey since the first in 1969. Results are shown below.

## Table 1: Projections

| | | Projected for Summer 2003 July 15-Aug. 31 | Change from Prev. Year | Figures for Summer 2002 July 15-Aug. 31 |
|---|---|---|---|---|
| Total Number of Travelers | | 76.36 million | 100.3% | 76.12 million |
| | Domestic Travelers | 74.53 million | 101.1% | 73.69 million |
| | Overseas Travelers | 1.83 million | 75.3% | 2.43 million |
| Avge. Domestic Expenditure | | ¥33,923/$283 | 100.8% | ¥33,654/$280 |
| Avge. Overseas Expenditure | | ¥222,893/$1,857 | 104.6% | ¥213,091/$1,776 |
| Total Expenditure on Travel | | ¥2,936.2bn/$24.47bn | 97.9% | ¥2,997.8bn/$24.98bn |
| | Domestic Travel | ¥2,528.3bn/$21.07bn | 101.9% | ¥2,480.0bn/$20.67bn |
| | Overseas Travel | ¥407.9bn/$3.339bn | 78.8% | ¥517.8bn/$4.315bn |
| Average Length of Trip | | 3.6 days | -0.2 | 3.8 days |

**Note1 :** Average expenditures are calculated per person, per journey.

**Note2 :** Overseas expenditure is projected from the JTB average of overseas travel expenditure. (Excludes locally purchased souvenirs, etc.)

**Note3 :** Yen amounts calculated, for information only, at a nominal rate of ¥120/US$.

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# Characteristics of Summer Vacation 2003 (July 15-August 31)

## 1. At Last! Bright News (Social & Economic) for the Travel Environment

- Corporate summer holidays, at 8.7 days, are running 0.9 day longer than last year (according to a Ministry of Health, Labor and Welfare survey).
- For the first time in years there is news that summer bonuses will increase this year.
- The Bank of Japan´s Tankan (short-term outlook) has improved, share prices are up, and there is other encouraging economic news.
  *The discouraging environment* for travel (both social and economic) over the past two years has begun to show signs of improvement.

## 2. Signs of Recovery from the Effects of the Iraq War and SARS Epidemic

- Since mid-June, there are destinations (Hawaii, Europe, and Oceania) for which JTB overseas package tour bookings are running at higher levels every week than the year before. There are also many enquiries from those wanting to travel within a month.
- A survey performed by the JTB Foundation in early May revealed strong intentions to travel early, by the summer vacation period, particularly among repeat travelers.
  *We are already leaving the effects of the Iraq War and SARS Epidemic behind.*

## 3. Desire to Travel Continues Strong

- Ongoing Japan Tourism Marketing Co. opinion surveys conducted since mid-March 2003 all show that about 60% of respondents "want to travel."
- In a survey of travelers´ desire to travel in the summer vacation period, those who replied they "want to travel" amounted to 33.3%, 4.3 percentage points higher than a similar survey last year, for those spending at least one day away from home.
  *With demand for travel unsaturated, market potential remains high.*

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- **Numbers of Travelers within Japan Hold Up Well, Overseas Travelers Recover to 75% of Previous Year.**

  *Travelers within Japan promise to reach a healthy 74.53 million, 101.1% of last year´s figure. For overseas travelers,* April numbers were only 58% of 2002, and May only 44.9%, but despite these major declines, *the summer vacation total promises to recover to 1.83 million (75.3%).* This means the combined total should reach 76.36 million (100.3% of last year).

- **Average Travel Expenditures Largely Unchanged from Last Year.**

  Average travel expenditures per person for *domestic travel are expected to be 33,923 yen or $283 (100.8% of last year).* For *overseas travel* they are expected to increase to *222,893 yen or $1,857 (104.6%)* thanks to a reduction in travel to closer destinations in Asia (particularly China) and a correspondingly larger proportion of travel to Europe, the U.S. and Canada, Oceania and other more remote destinations.
  The result should take total expenditures on travel to ¥2,936.2 billion or $24.47 billion, only slightly less (97.9%) than the previous year.

- **The Higher Proportion of Domestic Travel Slightly Shortens Average Trip Duration. Dispersion of the Travel "Peak" Continues.**

  *Average trip duration, at 3.6 days, is expected to be 0.2 less than last year.* The survey shows that those intending to spend one night and two days away from home, or three nights and four days, are on the increase; the higher proportion of domestic travel works to reduce average trip duration, see the appended tables ( page 5 ) for details.
  For JTB overseas packaged tours, *departures peak around Saturday August 9,* with lesser peaks in the third week of July, the third week of September, and the last week of August. There is an increasing tendency to postpone summer vacations at least until September, and *the summer vacation peak is expected to become more evenly distributed in future.*

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## Overseas Travel Characteristics

- **The Recovery in Overseas Travel Demand is Driven by Oceania, Hawaii and Europe; Business and Free, Independent Travel ( FIT ) Take the Lead.**

**Table 2: The Three Destinations Suffering the Lowest Declines**

| Lowest Decline | | 2nd Lowest | | 3rd Lowest | |
|---|---|---|---|---|---|
| **Oceania** | **116,000 (89.9%)** | **Hawaii** | **193,000 (89.8%)** | **Europe** | **275,000 (85.4%)** |

**Note:** Numbers are Japanese overseas travelers, percentages are those of the corresponding figures in 2002.

- **Recovery is Reflected in Bookings for JTB Overseas Packaged Tours (LOOK JTB).** The above three areas suffered little direct effect from the Iraq War and the SARS epidemic. The recovery is clearly shown in the bookings for JTB overseas packaged tours. *New bookings made between June 14 and July 4 are running at levels of 98.7% of the previous year for Oceania, 116.6% for Europe, and 103.1% for Hawaii.*

- **Demand is Basically Strong for Family Travel, where Overseas Travel Offers Unique Experiences.** Australia, with 88,000 (90.7% of last year) and Hawaii, with 193,000 (89.8%) are popular destinations with families on their summer vacation. *The fact that families are not changing over to domestic travel shows the basic strength of family demand for overseas travel.*

- **Tours with Clear Objectives Remain Popular.** In Europe, Switzerland and Austria attract those who go hiking or to listen to music. Chartered flights to North America are used by hikers in Alaska and by Major League Baseball fans. Other popular destinations were central and northern Europe, and Russia, which was celebrating the 300th anniversary of the founding of St. Petersburg.

- **In Southeast Asia** *Korea (with 272,000, 82.4% of the previous year) did well.*

- **Mainland China and Taiwan, etc.,** *experienced a recovery of business travel, and the summer seems likely to become a springboard for thorough recovery of tourist demand in and after the autumn.*

- Recovery in business and FIT numbers is leading the way this time as it did after the 9.11 terrorist attacks on the U.S.

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**Table 3: Projected Number of Overseas Visitors, Summer 2003 (July 15-August 31).**

| Destinations | | Year 2003 | Change | Year 2002 |
|---|---|---|---|---|
| **Grand Total** | | **1,830,000** | **75.3%** | **2,430,000** |
| **Southeast Asian Total** | | **856,000** | **67.6%** | **1,267,000** |
| | China | 170,000 | 64.9% | 262,000 |
| | Taiwan | 66,000 | 59.5% | 111,000 |
| | Hong Kong | 56,000 | 51.9% | 108,000 |
| | Korea | 272,000 | 82.4% | 330,000 |
| | Thailand | 88,000 | 71.0% | 124,000 |
| | Singapore | 50,000 | 66.7% | 75,000 |
| | Indonesia | 48,000 | 70.6% | 68,000 |
| | Malaysia | 25,000 | 69.4% | 36,000 |
| **North American Total** | | **555,000** | **82.8%** | **670,000** |
| | Hawaii | 193,000 | 89.8% | 215,000 |
| | Guam/Saipan | 116,000 | 74.4% | 156,000 |
| | US Mainland | 205,000 | 85.1% | 241,000 |
| | Canada | 41,000 | 70.7% | 58,000 |
| **European Total** | | **275,000** | **85.4%** | **322,000** |
| **Oceania Total** | | **116,000** | **89.9%** | **129,000** |
| | Australia | 88,000 | 90.7% | 97,000 |
| | New Zealand | 17,000 | 85.0% | 20,000 |
| | South Pacific Islands | 11,000 | 91.7% | 12,000 |
| **Other** (Africa, Middle East, South America) | | **28,000** | **71.8%** | **39,000** |

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## Table 4: Reasons for Not Traveling (multiple choice)

| Reason Cited (order) | % | Increase/Decrease |
|---|---|---|
| 1. Job, etc. | 22.0 | -5.8 |
| 2. No particular reason | 21.2 | -2.4 |
| 3. Crowded | 19.6 | -3.5 |
| 4. Budget constraints | 18.8 | +0.4 |
| 5. Uncertain economic future | 18.8 | -0.5 |
| 6. Family situation | 16.9 | -5.1 |
| 7. No extended days off | 9.9 | -3.5 |
| 8. Health considerations | 9.5 | -2.0 |
| 9. Recent or upcoming travel | 8.5 | +5.4 |
| 10. Doing something else | 6.9 | -1.1 |
| 11. Expensive prices | 2.6 | -0.9 |
| 12. Cannot get reservations | 0.5 | -0.2 |

## Table 5: Changing Outlook Regarding Future Travel Expenditures (by survey month, difference from previous year in parentheses)

| | June 2003 | June 2002 | June 2001 |
|---|---|---|---|
| Want to spend more | 14.9 (+0.9) | 14.0 (-1.9) | 15.9 (±0.0) |
| Reduce cost and increase frequency | 12.1 (-2.4) | 14.5 (+1.1) | 13.4 (-0.9) |
| Increase cost and reduce frequency | 4.1 (-0.8) | 4.9 (+1.5) | 3.4 (+0.3) |
| Keep cost and frequency the same | 36.0 (-0.1) | 36.1 (-1.7) | 37.8 (+2.7) |
| Want to spend less | 29.9 (+3.1) | 26.8 (+0.5) | 26.3 (-1.7) |

**Note:** Because Tables 4 and 5 reflect multiple answers, totals do not equal 100%.

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## Table 6: Number of Travel Days

| Number of days | % | Increase/Decrease |
|---|---|---|
| 1 night 2 days | 35.5 | +2.6 |
| 2 nights 3 days | 33.8 | -2.7 |
| 3 nights 4 days | 17.9 | +1.2 |
| 4 nights 5 days | 3.0 | -0.7 |
| 5 nights 6 days | 4.0 | +1.8 |
| 6 nights 7 days | 1.2 | -0.2 |
| 7 nights 8 days | 2.1 | -0.1 |
| 8 nights or more | 0.9 | -2.5 |

## Survey Methodology

| | |
|---|---|
| Survey locations: | Some 200 locations throughout Japan |
| Survey timing: | June 4 through 13, 2003. |
| Respondents: | Individuals of both genders, 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, 2003 (including overseas travel but excluding travel for business purposes). |
| Methodology: | Individual interviews |

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**(For Reference) Table 7: Long-term Trends in Summer Vacation Travel**

| | No. of travelers (millions) | | | Avge. Expenditures (yen) | | Total Expenditure (billion yen) | No. of Days |
|---|---|---|---|---|---|---|---|
| | Total | Domestic | Overseas | Domestic | Overseas | | |
| | (Lower rows are percentages of the same figure the previous year) | | | | | | (difference) |
| 1987 | 73.95 | 72.52 | 1.425 | 31,414 | 259,087 | 2,647.3 | 3.9 |
| | | | | | | | |
| 1988 | 74.06 | 72.37 | 1.695 | 35,687 | 244,319 | 2,996.8 | 3.8 |
| | 100.1% | 99.8% | 119.0% | 113.6% | 94.3% | 113.2% | -0.1 |
| 1989 | 66.98 | 65.13 | 1.848 | 35,863 | 263,620 | 2,823.0 | 3.7 |
| | 90.4% | 90.0% | 109.0% | 100.5% | 107.9% | 94.2% | -0.1 |
| 1990 | 71.87 | 69.77 | 2.106 | 37,921 | 271,792 | 3,218.2 | 3.7 |
| | 107.3% | 107.1% | 114.0% | 105.7% | 103.1% | 114.0% | ±0 |
| 1991 | 75.51 | 73.36 | 2.145 | 41,770 | 256,300 | 3,614.0 | 3.7 |
| | 105.0% | 105.1% | 101.9% | 110.1% | 94.3% | 112.3% | ±0 |
| 1992 | 75.84 | 73.63 | 2.217 | 43,455 | 248,867 | 3,751.3 | 3.7 |
| | 100.5% | 100.4% | 103.4% | 104.0% | 97.1% | 103.8% | ±0 |
| 1993 | 72.61 | 70.32 | 2.293 | 40,014 | 220,745 | 3,319.9 | 3.7 |
| | 95.7% | 95.5% | 103.4% | 92.1% | 88.7% | 88.5% | ±0 |
| 1994 | 79.16 | 76.61 | 2.549 | 38,599 | 219,200 | 3,515.8 | 3.6 |
| | 109.0% | 108.9% | 111.2% | 96.5% | 99.3% | 105.9% | -0.1 |
| 1995 | 78.82 | 75.74 | 3.076 | 39,037 | 209,200 | 3,600.2 | 3.8 |
| | 99.6% | 98.9% | 120.7% | 101.1% | 95.5% | 102.4% | +0.2 |
| 1996 | 80.25 | 77.12 | 3.131 | 38,092 | 223,100 | 3,636.2 | 3.6 |
| | 101.8% | 101.8% | 101.8% | 97.6% | 106.6% | 101.0% | -0.2 |
| 1997 | 82.54 | 79.36 | 3.184 | 38,300 | 217,100 | 3,730.7 | 3.8 |
| | 102.9% | 102.9% | 101.7% | 100.5% | 97.3% | 102.6% | +0.2 |
| 1998 | 83.56 | 80.47 | 3.088 | 37,534 | 202,800 | 3,646.6 | 3.8 |
| | 101.2% | 101.4% | 97.0% | 98.0% | 93.4% | 97.7% | ±0 |
| 1999 | 85.64 | 82.48 | 3.160 | 36,333 | 199,695 | 3,627.7 | 3.9 |
| | 102.5% | 102.5% | 101.7% | 96.8% | 99.8% | 99.6% | +0.1 |
| 2000 | 85.81 | 82.58 | 3.230 | 35,243 | 201,827 | 3,562.2 | 3.8 |
| | 100.2% | 100.1% | 102.2% | 97.0% | 101.1% | 98.2% | -0.1 |
| 2000 revised | 74.23 | 71.59 | 2.640 | 35,832 | 206,065 | 3,109.4 | 3.9 |
| | | | | | | | |
| 2001 | 75.62 | 72.96 | 2.660 | 35,115 | 210,149 | 3,121.0 | 3.9 |
| | 101.9% | 101.9% | 100.8% | 98.0% | 102.0% | 100.4% | ±0 |
| 2002 | 76.12 | 73.69 | 2.430 | 33,654 | 213,091 | 2,997.8 | 3.8 |
| | 100.7% | 101.0% | 91.4% | 95.8% | 101.4% | 96.1% | -0.1 |
| 2003 | 76.36 | 74.53 | 1.830 | 33,923 | 222,893 | 2,936.2 | 3.6 |
| | 100.3% | 101.1% | 75.3% | 100.8% | 104.6% | 97.9% | -0.2 |

**Note:** Through 2000, the figures are for July 1 - Aug. 31. From 2001, they are for July 15 - Aug. 31. For the year 2000 only, the figures have been revised and restated for the period July 15 - Aug. 31.