

## Travel Prospects for 2005

### EXPO 2005 Aichi Opens on March 25

--EXPO 2005 to take Overseas Visitors up 16.4% (a cool million) to a total of 7.1m.--  
 --Domestic Travel Also to Rise a Healthy 1.9% Thanks to the EXPO Effect.--  
 --Mature and Business Travelers' Demand to Take Overseas Travel up 3.6% to 17.4m.-

-JTB Corp. has just published the results of a survey of projected travel trends in 2005. 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 25th such survey since the first, in 1981, and shows the following results.

	Predictions for 2005		Estimates for 2004		
		% age	Provisional	% age	Initial
Cumulative total no. of travelers	344,400,000	+2.0	337,650,000	-0.0	344,700,000
No. of domestic travelers	327,000,000	+1.9	320,850,000	-1.1	328,200,000
No. of overseas travelers	17,400,000	+3.6	16,800,000	+26.4	16,500,000
Average expenditure (per person, per journey)					
On domestic travel	¥35,400 (\$337)	-0.1	¥35,450 (\$338)	-0.4	¥35,195 (\$335)
On overseas travel	¥306,200 (\$2,916)	-1.3	¥310,370 (\$2,956)	-6.2	¥312,873 (\$2,980)
Total travel expenditure	¥16.910 trillion (\$161.05 billion)	+1.9	¥16.588 trillion (\$157.98 billion)	+4.0	¥15.622 trillion (\$148.78 billion)
On domestic travel	¥11.580 trillion (\$110.29 billion)	+1.8	¥11.374 trillion (\$108.32 billion)	-1.5	¥11.445 trillion (\$109.00 billion)
On overseas travel	¥5.330 trillion (\$50.76 billion)	+2.2	¥5.214 trillion (\$49.66 billion)	+18.6	¥4.177 trillion (\$39.78 billion)
Average no. of journeys	2.70	+0.06	2.64	-0.01	2.65
No. of overseas visitors to Japan	7.1 million	+16.4	6.1 million	+17.0	6.0 million

**Note :** Amounts in US dollars are calculated, for information purposes only, at a nominal rate of ¥105/US\$. Domestic expenditures include all costs from leaving home to return. Overseas expenditures include the cost of the overseas travel itself. Both domestic and overseas expenditures include locally purchased items and meals but exclude other expenses before or after the journey (clothing, hand luggage, photography, etc). Numbers of overseas visitors to Japan have been estimated but not the amounts to be spent.

## Prospects for 2005

The main factors encouraging travel in 2005 will be **EXPO 2005 Aichi Japan, the opening of the new Centrair airport in central Japan, and the 40th anniversary of the normalization of diplomatic relations between Japan and Korea (2005 will be the "Year of Japan-Korea Friendship")** .

### Domestic Travel

Supported by continuing strong desire to travel, the number of domestic travelers is expected to reach 327 million (up 1.9% on the year). The main factors encouraging domestic travel will be:

- (1) The effects of EXPO 2005 Aichi, targeting an attendance of 15 million people.
- (2) No less than nine three-day weekends (there were only four in 2004). This, with the widespread adoption of the five-day week, has made it easier for families to travel.
- (3) Interest in the registration of the *Shiretoko* peninsula as a World Heritage Site, which is expected in July.

Average expenditures on domestic travel (per person, per journey) will be virtually the same as last year, at ¥35,400 (\$337), only 0.1% down.

### Overseas Travel

The middle-aged have a very strong desire to travel, and this, with buoyant demand for business travel to Asia in general, China in particular and the United States promises to take the total number of overseas travelers to over 17 million for the first time since 2000. At an estimated 17.4 million, this would be 3.6% more than the year before, and the second highest total ever. Other factors behind this increase include:

- (1) The start of a "Silk Road" TV series by NHK which will stimulate interest in Northeast China particularly among the middle aged.
- (2) The opening of Central Japan's Centrair International Airport which will serve as a convenient hub for transfers to and from regional airports.
- (3) More direct flights to China Korea and Hawaii etc., from regional airports.

On the other hand, there are bound to be some ongoing effects of the Sumatran earthquake and tsunami damage, although the affected region only represents some 2% of the total Japanese travel market, so the effect on the market as a whole will not be that great.

Average expenditures on overseas travel are expected to decline by 1.3% over the previous year, reflecting the increase in travelers visiting closer destinations in China, Korea and Asia in general, but total expenditures will rise by 2.2% to ¥5.33 trillion (\$49.66 billion).

### **Overseas Visitors to Japan**

The effects of the "Visit Japan" campaign, the attractions of EXPO 2005 Aichi in attracting visitors, and the fact that visitors from Taiwan and Korea will no longer need visas to enter Japan are expected to take numbers to 7.1 million, a one-million increase over the previous year (+16.4%).

### **The Three Main Topics in Tourism for 2005**

#### **EXPO 2005 Aichi Japan --A Powerful Stimulus to Domestic and Inbound Travel.**

This international exposition, with its theme of "Nature's Wisdom," will run for 185 days from March 25 through September 25 and is planned to attract 15 million visitors (150,000 of them from overseas)

Regions throughout Japan and many leading Japanese corporations will be joined by 130 nations as exhibitors, and there are also initiatives by private citizens, with many private organizations expected to take part. There will be a zone providing forest experiences and the program includes other experiences of nature using guide/interpreters. The latter are expected to enhance the already high interest in such experiential tourism on the domestic market. There are also high expectations of many visitors from East Asia

#### **The Opening of Centrair--An International Airport Stimulating Inbound and Outbound Travel**

The opening of this new international airport just off the coast at Tokoname City, Aichi Prefecture, on February 17, will encourage overseas travel by the residents of central Japan It will provide 955 flights a week. It is also expected to serve as a hub for regional airports feeding through to international flights, and to be used by overseas visitors to Japan

## **40th Anniversary of Restored Diplomatic Relations with Korea "2005, Japan-Korea Friendship Year"**

### **Stimulating Inbound and Outbound Travel**

This year has been set by both nations as a year of Japanese-Korean friendship, which will start with a major cross-cultural festival in February. Many events are planned for cultural exchanges in various fields.

Broadcasts of Korean TV serials have been astonishingly popular in Japan and this kind of cultural exchange is set to continue. Flights between Kinpo ( Seoul ) and Haneda ( Tokyo ) airports have increased, and visas are no longer needed by visitors from Korea. The joint summit meeting at the end of 2004 sought to encourage a major increase in the number of visitors traveling between the two countries from the present four million to five million a year.

### **A Summary of Trends in 2004**

#### **Domestic Travel**

##### **Numbers: A 1.1% Decline to 320.08 million**

The first half of 2004 saw more domestic travel than the previous year, but from the summer there were heat waves, typhoons, and a major earthquake in Niigata Prefecture, all of which restrained demand. The total for the year is expected to be 1.1% down.

##### **Average Expenditure**

This is put at ¥35,454 (\$338), 0.4% less than the previous year.

#### **Overseas Travel**

##### **Numbers: An Estimated 16.8 million (26.4% up)**

Many travelers have been making for destinations in East Asia and Micronesia and for Hawaii and numbers overall have been trending at about the level in 2002. Business travel to China has been a positive factor, and there was a large increase in visitors to Korea under the influence of popular Korean TV serials broadcast in Japan.

Over the year, numbers seem to have exceeded the 16.5 million registered in 2002, and seem headed for a total of 16.8 million.

## **Average Expenditure**

This is put at ¥310,370 (\$2,956), a 6.2% decrease from the previous year.

## **Overall**

**Numbers: 337.65 million (essentially unchanged)**

**Total Expenditure: ¥16.588 trillion (\$157.98 billion)**

## **Overseas Visitors to Japan**

**Numbers: The total is put at 6.1 million (17% up on the previous year)**

The number of overseas visitors to Japan was quick to recover from the effects of the SARS epidemic and showed healthy trends throughout the 2004 year. With the "Visit Japan" campaign in full swing, and the abolition of visa requirements for visitors from Hong Kong in April, there were significant increases in the numbers of visitors from East Asia and the United States. Numbers of European and Australian visitors were also well up on 2003.

For the year as a whole, the total appears certain to break the six million barrier.

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### Statistics for 1990~2003, Preliminary Figures for 2004, and Projections for 2005

	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	322.54	311.54	11.00	37,666	559,965	17,894	11,735	6,160	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	18,121	12,519	5,602	2.65	3.53
	101.8%	102.0%	96.6%	104.6%	94.1%	101.3%	106.7%	90.9%	+0.04	109.2%
1992	331.23	319.44	11.79	40,303	502,742	18,802	12,874	5,927	2.66	3.58
	100.9%	100.5%	110.9%	102.3%	95.4%	103.8%	102.8%	105.8%	+0.01	101.4%
1993	328.09	316.16	11.93	39,194	441,075	17,654	12,392	5,262	2.63	3.41
	99.1%	99.0%	101.2%	97.2%	87.7%	93.9%	96.2%	88.8%	-0.03	95.2%
1994	333.87	320.29	13.58	38,566	404,798	17,850	12,352	5,497	2.67	3.47
	101.8%	101.3%	113.8%	98.4%	91.8%	101.1%	99.7%	104.5%	+0.04	101.7%
1995	332.38	317.08	15.30	37,911	386,851	17,940	12,021	5,919	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	19,035	12,290	6,745	2.70	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	19,182	12,521	6,661	2.71	4.22
	100.7%	100.7%	100.6%	101.2%	98.1%	100.8%	101.9%	98.8%	+0.01	109.9%
1998	334.54	318.73	15.81	38,076	384,140	18,209	12,136	6,073	2.64	4.11
	97.9%	98.1%	94.1%	98.8%	96.9%	94.9%	96.9%	91.2%	-0.07	97.3%
1999	336.04	319.68	16.36	37,391	369,965	18,006	11,953	6,053	2.65	4.44
	100.4%	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	337,877	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	2.66	4.77
	98.6%	99.0%	91.0%	98.8%	93.9%	93.7%	97.8%	85.4%	-0.02	100.3%
2002	340.42	323.90	16.52	35,553	313,483	16,694	11,516	5,179	2.67	5.24
	100.6%	100.5%	101.8%	97.4%	98.9%	98.8%	97.9%	100.7%	+0.01	109.8%
2003	337.81	324.51	13.30	35,592	330,769	15,948	11,550	4,398	2.65	5.20
	99.2%	100.2%	80.5%	100.1%	105.5%	95.5%	100.3%	84.9%	-0.02	99.5%
2004	337.65	320.85	16.80	34,450	310,370	16,588	11,374	5,214	2.64	6.10
	100.0%	98.9%	126.4%	99.6%	93.8%	104.0%	98.5.3%	118.6%	-0.01	117.0%
2005	344.40	327.00	17.40	35,400	306,200	16,910	11,580	5,330	2.70	7.10
	102.0%	101.9%	103.6%	99.9%	98.7%	101.9%	101.8%	102.2%	+0.06	116.4%