

Year-End/New-Year Travel Trends Dec. 23, 2005 ~ Jan. 3, 2006

**For the First Time in Five Years Overseas & Domestic Travelers and Average Expenditures All Increase.
Europe, N.America & Oceania Power Second Annual Increase in Travelers.
Okinawa, Kyushu and Hokkaido are Popular Domestic Destinations.
Departures are Being Delayed Until the New Year.**

12/23	24	25	26	27	28	29	30	31	1/1	2	3	4	5	6	7	8	9	10
NH	Sa	Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa	Su	NH	Tu
----- Period covered by the survey (on a departure basis) -----																		

Note: NH stands for National Holiday. When one falls on a Sunday, the Monday is given off instead.

JTB Corp. has just released the projection of travel trends for those taking trips with at least one night away from home during the 12-day year-end/New-Year season (Dec. 23, 2005 to Jan. 3, 2006 on a departure basis). Estimates were based on a questionnaire survey of 2,200 travelers, bookings with JTB offices, airline reservations, and industry trends. This year marks the 37th such survey since the first in 1969. Results are shown below.

Table 1: Projections

	Projected for 2005/2006 Year-end/New Year	Change from Prev. Year	Figures for 2004/2005 Year-end/New Year
Total Number of Travelers	29,736,000	+1.3%	29,358,000
Domestic Travelers	29,112,000	+1.3%	28,739,000
Overseas Travelers	624,000	+0.8%	619,000
Avg. Domestic Expenditure	¥35,162/\$293	+ 2.0%	¥34,472/\$287
Avg. Overseas Expenditure	¥203,392/\$1,695	+ 3.8%	¥195,923/\$1,633
Total Expenditure on Travel	¥1,150.5bn/\$9.59bn	+ 3.5%	¥1,112.0bn/\$9.27bn
Domestic Travel	¥1,023.6bn/\$8.53bn	+ 3.3%	¥990.7bn/\$8.26bn
Overseas Travel	¥126.9bn/\$1.06bn	+ 4.6%	¥121.3bn/\$1.01bn
Average Length of Trip	3.8 days	+ 0.2	3.6 days

Notes 1: Average expenditures are calculated per person, per journey.

Notes 2: Overseas expenditure is projected from the JTB average of overseas travel expenditure. (Excludes locally purchased souvenirs, etc.)

Notes 3: Dollar amounts calculated, for information only, at a nominal rate of ¥120/US\$.

Characteristics of Year-End/New-Year Travel

1. There Will be More Travelers, Both Domestic and Overseas, than Last Year.

The number of domestic travelers is put at 29.11 million (up 1.3% on the year) and that of overseas travelers at 624,000 (similarly up 0.8%), which should take the overall total to 29.74 million (up 1.3%).

The year-end/New-Year holiday will generally run for the four days from Saturday Dec. 31 through Tuesday Jan. 3. Despite the fact that the unfavorable sequence of days, similar to last year, would seem to make longer journeys less likely, better corporate results and higher bonuses, etc., give the first encouraging prospects for some time, and more people are expected to travel both within Japan and overseas, and to take longer trips. Questionnaire respondents expressing an intention to travel increased by 0.9 percentage points over last year, showing strong motivation to travel. The appended table of "Reasons for Not Traveling," (Table 6) shows fewer people citing "Home budget restrictions" (3.1 percentage points down from last year) and "The economy is in recession" (1.0 percentage point down). This year's trends are as follows:

- **More Will Be Leaving for Overseas in the New Year.**

Although the sequence of holidays is unfavorable, the number of those going overseas is showing healthy trends. In addition to the usual year-end peak, more overseas travelers are choosing to depart in the New Year, and this is increasing the total over the year-end/New-Year period. This year is also characterized by a large number of travelers who are taking holidays to link up with the national holiday on January 9 (Coming of Age Day), and use the long break to visit more remote destinations in Europe, N.America, etc.

- **More Remote Destinations Within Japan Are Also Popular.**

The questionnaire revealed that more Japanese were traveling to Hokkaido (7.7%, up 1.9 percentage points), Kyushu (10.1%, up 1.1pts) and Okinawa (3.2%, up 1.5pts). Travel to more remote destinations is proving popular.

2. Increases in the Cost and Duration of Travel.

Average expenditures, at ¥35,162 (\$293), promise to be up 2.0% on the year for domestic travel and, at ¥203,392 (\$1,695), up 3.8% for overseas travel.

The slight increase expected for average domestic expenditures is attributed to the popularity of more remote destinations and longer trips. For overseas travel, in addition to the popularity of more remote destinations there is an additional effect from the surcharges made for higher fuel costs, and expenditures will increase. However, if we deduct the effect of the surcharges, the increase for overseas travel is only 0.8%.

The average length of trips, thanks to the preference for more remote destinations both within Japan and overseas, will increase slightly by 0.2 of a day to 3.8 days.

The influence of increases in the numbers of travelers and in average expenditures is expected to take the total spent to ¥1,150.5bn or \$9.59bn (a rise of 3.5%), the first such rise for five years.

3. Clearer Reasons for Traveling--or Not Traveling

Respondents to the questionnaire with clear intentions both to travel and not to travel increased. Those expressing vaguer intentions ("Probably will go" and "Probably won't go") both decreased. It appears that those wishing to travel at the year-end/New-Year period tend to examine carefully the sequence of holidays, the cost of travel, the situation at the destinations, make a deliberate decision where they will go, and actively implement their travel plans.

Overseas Travel Characteristics

- **Despite the Unfavorable Sequence of Holidays, Remoter Destinations Do Well...**

This year, like last, the unfavorable sequence of holidays did not seem to give much encouragement for increases in travel to more remote destinations, but demand for travel to such destinations in Europe, Oceania and N. America, etc., is strong, see Table 2. Europe is showing noticeable increases in January departures. Since 2000, Coming of Age Day has been celebrated on the second Monday in January, and it looks as if a consistent pattern has developed of taking days off linked to this national holiday and making use of the comparatively lower charges that prevail then to take longer holidays. In comparison with year-end travel, these travelers show sensitivity to cost performance and changing attitudes to taking days off, and they take good advantage of the lower air fares that come into effect with the New Year.

Top-selling Italy is the most popular destination for year-end/New-Year travel. Scandinavia and Eastern Europe are more popular this year, too. Unique destinations that are also popular include Africa and the Middle East (Egypt, Morocco, Tunisia and Dubai). These appear to be chosen as places to escape the cold, and to be selected by more experienced travelers, so we can expect these new destinations to come into the spotlight for year-end/New-Year travel.

In the United States, the West Coast is more popular than it has been for some time thanks to the influence of the Disneyland 50th anniversary celebrations.

- **Asia is More Popular with Those Exploring Towns on Foot.**

In Asia, there were fears that the remaining influence of the Tsunami on Phuket and of terrorist attacks on Bali Island would cause a large fall in travelers to these two major beach resorts, but the fall over the year-end/New-Year period has been less than expected. On the other hand, the decline has been at least partially compensated for by the popularity of tourism to cities with beautiful night-time illuminations like Singapore, Hong Kong, Bangkok and Vietnam (Ho Chi Minh and Hanoi).

Until now, Asia was virtually synonymous with the popularity of its beach resorts, but here we see a realization that its cities are attractive to explore on foot.

- **A Double Peak in Departures.**

With the consistent New Year departures for overseas destinations, there are two departure peaks. As usual, the larger peak will be on December 29 & 30, and this year it will be joined by January 2 & 3, when many departures for overseas are concentrated.

Reference: Destinations Attracting the Most Travelers

(Note: More details for this year are provided in the accompanying table.)

	2005/2006		2004/2005	
	Destination	Numbers	Destination	Numbers
1st	Korea	85,000	China	88,000
2nd	Europe	78,000	Korea	87,000
3rd	China	73,000	Europe	75,000

Survey Methodology

- Survey locations : Some 200 locations throughout Japan
- Survey timing : November 4 through 14, 2005
- Respondents : Individuals of both genders, aged 15 through 79
- Size of sample : 2,200 respondents
- Selection : Multi-level, stratified, random
- Response rate : 54.1%
- Survey content : Travel involving at least one night away from home with departures between December 23, 2005, and January 3, 2006 (including overseas travel but excluding commercial or other business travel).
- Methodology : Individual interviews

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Table 2 Trends in Numbers of Travelers (Dec. 23, 2005 - Jan. 3, 2006)

				(units, thousands) Some duplication
		2005/2006	2004/2005	% of Prev. Year
Totals		624.0	619.0	100.8%
Asian Subtotal		336.0	341.0	98.5%
	Korea	85.0	87.0	97.7%
	China	73.0	88.0	83.0%
	Hong Kong	33.0	32.0	103.1%
	Taiwan	41.5	36.0	115.3%
	Thailand	41.0	35.0	117.1%
	Singapore	16.0	15.0	106.7%
	Indonesia	13.0	16.0	81.3%
	Malaysia	7.5	7.0	107.1%
	Others	26.0	25.0	104.0%
North American Subtotal		48.0	46.0	104.3%
	US Mainland	41.5	40.0	103.8%
	Canada	6.5	6.0	108.3%
Hawaii		61.0	60.0	101.7%
Guam, Saipan		52.0	51.0	102.0%
European Subtotal		78.0	75.0	104.0%
S. Pacific Subtotal		40.5	38.0	106.6%
	Australia	30.0	28.0	107.1%
	New Zealand	7.0	7.0	100.0%
	S. Pacific Islands	3.5	3.0	116.7%
Others (Middle East, Africa, Latin America)		8.5	8.0	106.3%

Table 3 Fellow Travelers (single answers)

	%	Diff. From Prev. Year
Family	72.8	-8.0
Children (up to Junior Highschool)	43.5	+6.2
Spouse only	14.1	-6.8
Family, friends & acquaintances	2.8	-2.3
Others	12.4	-5.1
Friends & acquaintances	12.4	+5.1
Group (fellow workers, etc.)	0.6	+0.5
Alone	13.6	+2.3

Table 4 Purpose of Travel

	Different questions this year (multiple answers)	%	Diff. From Prev. Year
1	To show up at family gathering in parents' house	49.2	-3.9
2	To relax at hot springs, etc.	22.6	+0.6
3	To serve and enjoy the family	21.5	+2.3
4	To enjoy the New Year feeling	14.7	-1.1
5	To eat delicious food, etc.	14.1	-1.2
6	This is the only time we can travel together.	13.6	-0.5
7	To enjoy Nature and scenery	10.7	-1.2
8	It's the only time you can make a long journey	7.3	+0.5
9	Staying home is so boring.	7.3	+2.2
10	Theme parks and leisure facilities	4.0	-2.8

Table 5 Length of Journey (in days, single answers)

	%	Diff. From Prev. Year
1 night 2 days	30.8	-1.0
2 nights 3 days	31.8	+1.3
3 nights 4 days	16.4	-2.1
4 nights 5 days	5.1	+0.6
5 nights 6 days	7.0	+0.2
6 nights 7 days	0.7	-0.4
7 nights 8 days	2.9	+0.6
Over 8 days	4.8	+0.8

Table 6 Reasons for Not Traveling (multiple answers)

		%	Diff. Fr. Prev. Yr.
1	I'd rather relax at home.	54.3	+0.2
2	It's too crowded	33.8	+1.3
3	Travel costs too much.	22.0	+1.5
4	Can't take time off because of work, etc.	19.1	+1.3
5	No special reason	13.5	+0.3
6	Home budget restrictions	10.1	-3.1
7	Domestic situation	9.3	-3.2
8	The economy is in recession	9.9	-1.0
9	Family holidays clashed.	4.2	-1.0
10	I wanted to do something other than travel.	5.1	+0.8
11	Health reasons.	4.2	-0.1
12	Couldn't make the booking I wanted to.	4.2	+2.3
13	Wanted to buy something other than travel.	1.7	+0.7
14	This year the holidays fall inconveniently.	0.8	-0.1

Table 7: Trends in the Numbers of Travelers for the Year-End/New-Year Travel Season (Dec. 23 – Jan. 3) from 1988 to 2005

Year	Travelers (thousands) (and % of previous year)			Average Expenditure (per person, Yen)		Total Expenditure (billions of Yen)	No. of Days (& change from prev. yr.)
	Total	Domestic	Overseas	Domestic	Overseas		
1988/1989	24,980	24,600	380	38,716	281,000	1,059.2	4.0
	91.3%	91.1%	111.1%	112.3%	96.2%	102.7%	+0.2
1989/1990	28,076	27,670	400	44,466	275,000	1,342.2	4.0
	112.4%	112.5%	106.8%	114.9%	97.9%	126.7%	+0.1
1990/1991	28,221	27,780	441	44,445	304,000	1,368.7	4.0
	100.5%	100.4%	108.6%	100.0%	110.5%	102.0%	0.0
1991/1992	31,152	30,690	462	44,854	284,000	1,507.7	4.1
	110.4%	110.5%	104.8%	100.9%	93.4%	110.2%	0.0
1992/1993	25,446	24,980	466	43,720	262,000	1,214.4	4.1
	81.7%	81.4%	100.9%	97.5%	92.3%	80.5%	+0.1
1993/1994	25,403	24,870	533	40,379	239,000	1,131.5	4.2
	99.8%	99.6%	114.4%	92.4%	91.2%	93.2%	+0.1
1994/1995	26,755	26,200	555	37,458	229,000	1,108.3	3.8
	105.3%	105.3%	104.1%	92.8%	95.8%	97.9%	-0.4
1995/1996	27,227	26,620	607	35,666	225,800	1,086.5	4.0
	101.8%	101.6%	109.4%	95.2%	98.6%	98.0%	+0.2
1996/1997	28,754	28,070	684	36,370	242,120	1,291.0	4.5
	105.6%	105.4%	112.7%	102.0%	107.2%	118.8%	+0.5
1997/1998	28,931	28,295	636	35,820	243,570	1,168.4	3.9
	100.6%	100.8%	93.0%	98.5%	100.6%	90.5%	-0.6
1998/1999	28,332	27,701	631	34,750	224,550	1,104.3	3.8
	97.9%	97.9%	99.2%	97.0%	92.2%	94.5%	-0.1
1999/2000	27,567	27,106	461	33,986	222,152	1,023.5	3.7
	97.3%	97.9%	73.1%	97.8%	98.9%	92.7%	-0.1
2000/2001	29,885	29,230	655	36,766	223,284	1,220.8	3.5
	108.4%	107.8%	142.1%	108.2%	100.5%	119.3%	-0.2
2001/2002	30,227	29,727	500	37,216	216,927	1,214.8	3.7
	101.1%	101.7%	76.3%	101.2%	97.2%	99.5%	+0.2
2002/2003	29,254	28,653	601	35,390	225,170	1,149.4	3.9
	96.8%	96.4%	120.2%	95.1%	103.8%	94.6%	+0.2
2003/2004	29,296	28,710	586	34,576	224,940	1,124.5	3.7
	100.1%	100.2%	97.5%	97.7%	99.9%	97.8%	-0.2
2004/2005	29,358	28,739	619	34,472	195,923	1,112.0	3.6
	100.2%	100.1%	105.6%	99.7%	87.1%	98.9%	-0.1
2005/2006	29,736	29,112	624	35,162	203,392	1,150.5	3.8
	101.3%	101.3%	100.8%	102.0%	103.8%	103.5%	+0.2

Graph 1 Trends in Year-End/New-Year Travelers

