Economic Short Comment (05 Apr 2024)

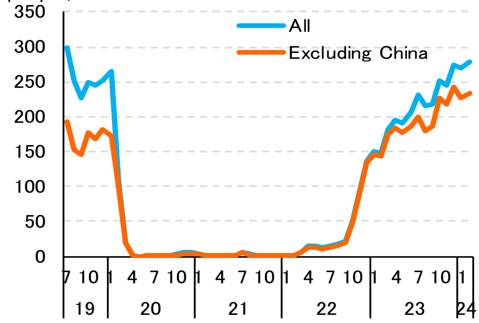
Inbound visitor destinations have changed before and after COVID
～ With noticeable concentration in specific regions ～

● Smooth Recovery of Inbound Tourism

Inbound tourism continues to recover steadily. In the most recent February 2024, the number of visitors reached 2.87 million, surpassing the pre-pandemic level (February 2019) by 7% (an increase of 180,000 people) as shown in Figure 1. While visits from China are still lagging behind in recovery, non-Chinese visitors have already significantly exceeded pre-pandemic levels.

These positive trends not only support hotel demand but also contribute to increased sales in department stores. Amid prolonged inflation and less-than-rosy domestic consumption, the growth of inbound tourism has become a valuable positive factor for overall demand.

【Figure 1】 Trend in the Number of Inbound Visitors



(source) JNTO「Inbound Foreign Visitor Numbers」

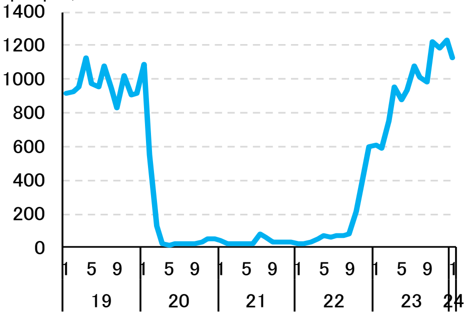
● Regional Disparities in Inbound Visits

However, it's important to note that recent inbound tourism trends highlight concentration in specific regions. Judging the destinations of inbound visitors based on accommodation data reveals this clear pattern.

For instance, comparing recent accommodation data (January 2024) with pre-pandemic data (January 2019), the total number of overnight guests has increased by approximately 2 million, reaching 11.23 million (as shown in Figure 2). However, this growth is not evenly distributed across all regions. Only 21 out of the total prefectures have surpassed the January 2019 levels, accounting for less than half of all prefectures.

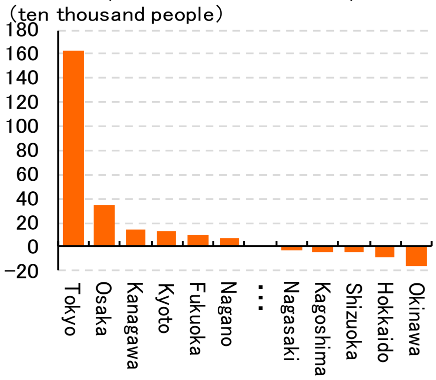
Notably, the most significant increases occur in four prefectures: Tokyo, Kanagawa, Osaka, and Kyoto. When combining the increased numbers from these four regions, it exceeds 2 million visitors (as shown in Figure 3). On the other hand, Hokkaido has experienced a decrease of 100,000 visitors, and Okinawa has seen a decline of 160,000 visitors, highlighting substantial regional disparities.

【Figure 2】 Total Number of Inbound Visitors' Accommodation



(source) JTA「Accommdation Travel Statistics Surbey」

【Figure 3】 The change in the total number of overnight visitors to Japan. (Jan2019 → Jan2024)



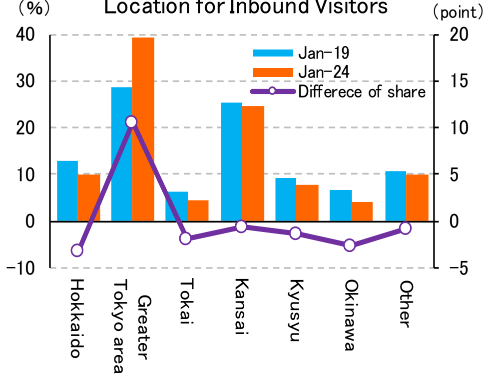
(source) JTA「Accommdation Travel Statistics Surbey」

● Concentration of Inbound Accomodation in the Greater Tokyo Area

As a result of these trends, the regional share of total overnight stays has rapidly expanded in the Greater Tokyo Area (as shown Figure 4). It has increased from 29% in January 2019 to 39% in January20 24, representing a significant 10-point rise.

In contrast, for the Kansai region, although the total number of overnight guests has increased by 440,000, the regional share has decreased by 0.7 points. This situation illustrates a clear concentration trend toward the Greater Tokyo Area. Recognizing that 40% of accommodation stays are concentrated in this region holds significant implications for the overall inbound consumption. After all, the distribution of inbound consumption is closely tied to the distribution of accommodation locations.

【Figure 4】
Changes in the Distribution of Accommodation Location for Inbound Visitors



（source）JTA「Accommdation Travel Statistics Surbey」

(Reference)
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