

Japan's tourism bouncing back to pre-pandemic levels

- A Monitor Desk Report

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The World Travel & Tourism Council's (WTTC) 2023 Economic Impact Research (EIR) this week reveals Japan's Travel & Tourism sector's GDP contribution is forecast to reach USD 285.5 billion (JPY 37.6 trillion) this year.

This figure is only 6.8pc shy of to the 2019 pre-pandemic high of USD 306.5 billion (JPY 40.3 trillion), and by end of year the sector could represent 6.8pc of the total economy.

Despite the effects of the pandemic spanning into 2023 in Japan, WTTC is forecasting for the sector to create around 470,000 jobs this year, to reach nearly 5.6 million. This means around one in twelve workers in Japan, are directly or indirectly employed in the Travel & Tourism sector.

While the sector is still shy of 300,000 jobs to reach pre-pandemic levels, by the end of this year it will only be 5.2pc below 2019 levels.

International visitor spend in Japan is forecast to surge by 553.4pc this year to

reach USD 16.8 billion (JPY 2.2 trillion), still 57.6pc below the 2019 peak.

A look back on last year

Last year the sector's GDP contribution grew by 50.5pc to reach more than USD 257 billion (JPY 33.9 trillion), representing 6.2pc of the economy.

The sector saw jobs increase in 2022, from the previous year, to nearly 5.1 million jobs nationally – one in 13 jobs across Japan.

International visitor spend in Japan declined in 2022 as the effects of prolonged travel restrictions continued to have a chokehold on the sector. International visitor spend declined a by more than 31pc, remaining 93.5pc below 2019 levels.

Domestic visitor spend grew by 61.6pc last year, virtually returning to 2019 levels, only 0.2pc behind.

Julia Simpson, WTTC President & CEO, said: "Travel & Tourism is an important driver of economic growth and job creation to Japan. We predict a significant boost to the global Travel & Tourism sector as residents begin to travel once again.

"The economic ripple effect of this sector is awe-inspiring. It stimulates job creation, from tour guides and hotel staff to local artisans and transportation providers.

"International travel will be essential to achieve the long-awaited recovery. We must nurture and support this sector, finding innovative ways to attract visitors and ensure their comfort. By doing so, we not only boost our economy but also support livelihoods and local communities."

Hiroyuki Takahashi, JTB Corp. Chairperson of the Board, said: "As the global demand to visit Japan is extremely high and growing, we, JTB Corp., are working together with the public and private sectors and developing new tourism attractions to expand the capacity in rural areas.

"Adventure tourism would be the innovative driver to address to these demands and challenges.

"With a commitment to sustainability, innovation, and unforgettable experiences, we envision a future where Japan's Travel & Tourism sector thrives."

Isao Takashiro, JAT Chairman and CEO, said: "Thanks to the government's efforts and a resurgence in travel demand, our domestic terminal passengers have rebounded to pre-pandemic levels. This remarkable recovery showcases the resilience of our sector.

"Haneda Airport's international terminal is on track to surpass 18 million passengers by the end of this year, despite challenges faced. With increased slots and capacity, and anticipated growth in inbound demand, we project exceeding 25 million passengers by 2025."

"As an essential gateway to Japan, we remain committed to enhancing the passenger's experience, with new international flight facilities and attractive commercial amenities."

In 2022, the top source markets for international visitors to Japan were South Korea (24pc), mainland China (10pc), Taiwan, China (10%), U.S. (8pc) and Hong Kong, China (7pc).

What does the next decade look like?

The global tourism body is forecasting that the sector will grow its GDP contribution to USD 353.4 billion (JPY 46.5 trillion) by 2033, nearly 8pc of the Japanese economy, and will employ 6.7 million people across the country, with one in ten Japanese residents working in the sector.

Asia-Pacific

In 2022, the Asia-Pacific Travel & Tourism sector contributed USD 1.6 trillion to the regional economy, but this is still 50pc behind the 2019 peak. WTTC forecasts the region's GDP contribution from the sector will reach more than USD 2.6 trillion in 2023 – just 16pc below the 2019 highpoint.

The sector employed over 155 million people across the region in 2022, an increase of 8.7 million from the previous year but still 15pc behind pre-pandemic levels. WTTC forecasts the sector will fully recover the jobs lost during the pandemic by the end of 2024 or the beginning of 2025.

For more information, please visit [wttc.org](https://www.wttc.org)

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