JATA News Release
Japan Association of Travel Agents
Zen-Nittu Kasumigaseki Bldg., 3-3 Kasumigaseki 3-chome, Chiyoda-ku, Tokyo 100-0013, Japan
PHONE:[+81] 3 3592 1244 FAX[+81] 3 3592 1268 URL http://www.jata net.or.jp

March 16, 2017

Survey of Travel Market Trends – March 2017, 4th quarter

The Japan Association of Travel Agents (JATA) asks all member companies to register as survey monitors. JATA conducts the quarterly Survey of Travel Market Trends involving 567 registered companies. The results of the 4th quarter (January-March) survey are shown below.

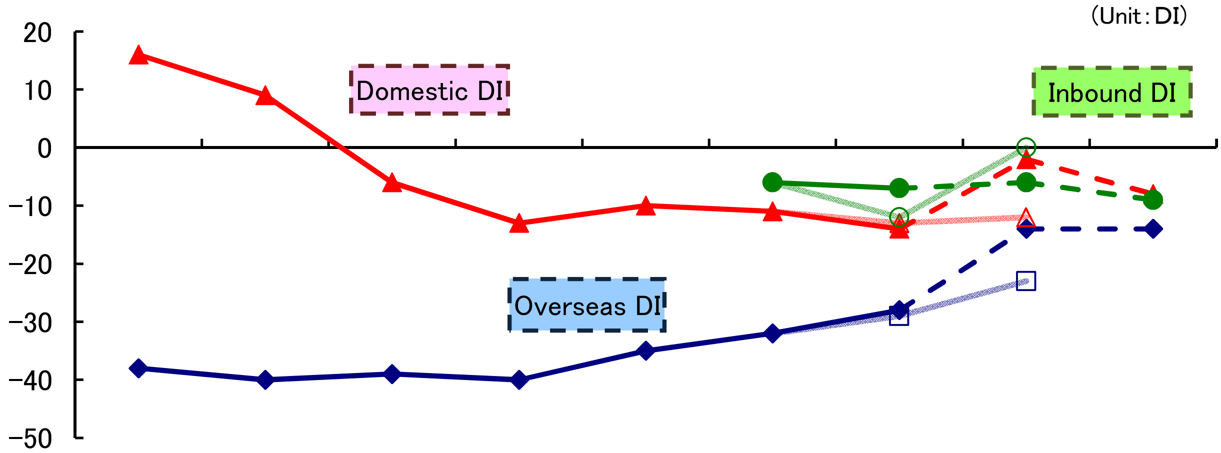
●Overseas travel DI improved by 4 points compared to the previous quarter and reached −28

○During the next three months, it is expected to improve by 14 points and reach −14
○In six months, the DI will grow again by 14 point, up to −14

●Inbound travel DI dropped 1 point from the −6 level of the previous quarter

○During the next quarter, it is expected to improve 1 point and reach −6
○During the second quarter of FY 2017, it will decrease by 2 points, and fall to −9

(Unit：DI)



	1 1/2 years ago Jul.-Sep	1 year and 3 months ago Oct.-Dec.	1 year ago Jan.-Mar.	9 months ago Apr.-Jun.	6 months ago Jul.-Sep.	3 months ago Oct.-Dec.	Current Jan.-Mar.	3 months later Apr.-Sep.	6 months later Jul.-Sep.
Overseas overall	-38	-40	-39	-40	-35	-32	-28 ※-29	-14 ※-23	-14
Domestic overall	16	9	-6	-13	-10	-11	-14 ※-13	-2 ※-12	-8
Inbound overall	-	-	-	-	-	-6	-7 ※-12	-6 ※0	-9

※ Outlook as of Decemmber 2016

■About the Survey of Travel Market Trends

The Japan Association of Travel Agents (JATA) asks all member companies to register as survey monitors. JATA conducts the quarterly Survey of Travel Market Trends involving 567 registered companies and publishes the results.
The Survey of Travel Market Trends is designed to grasp trends in the travel market based on responses to questions on current conditions and those anticipated over the next three months.
The survey asks participating companies to rate their sales results for each destination and customer segment by choosing from three categories: "good," "average," and "poor." For items outside their business scope, respondents select "do not handle." Each share of "good," "average," and "poor" is then divided respectively by the denominator, which is equal to the total number of responses minus the "do not handle" (including "no reply") responses. Finally, each share is processed into the Diffusion Index (DI) by subtracting the percentage of "poor" from the percentage of "good."
The highest possible index figure is +100, and the lowest is -100. In FY 2016, online travel agencies (OTA) will be included in the market trends survey with information/outlooks for the following two quarters. The 3-rd quarter survey will provide data from travel companies

◆Survey Overview

Survey area:	Japan nationwide
Survey target:	JATA member company management
Survey method:	Internet survey
Survey period:	February 7 to 23, 2017
Registered companies:	567
Responding companies:	282
Response rate:	49.7%

◆Business classificatio

The Survey of Travel Market Trends analyzes business conditions based on business content.
A definition of each business classification and the number of survey respondents are shown below.

業態名	定義	社数	比率
Full-service travel agency	A large-scale travel agency with a national network that provides a full range of travel products	39	13.8%
Overseas travel wholesaler	A dedicated overseas travel wholesaler	17	6.0%
Overseas travel specialist agency	A travel agency with a business volume of more than 5 billion yen, 80% of which is related to overseas travel	13	4.6%
Domestic travel wholesaler	A dedicated domestic travel wholesaler	3	1.1%
First-tier retail agency	Other than the above, a travel agency with a business volume of 3 billion yen or higher	21	7.4%
Second-tier retail agency	Other than the above, a travel agency with a business volume of less than 3 billion yen	132	46.8%
In-house travel agency	A travel agency which mainly handles travel arrangements for its parent company	34	12.1%
Online travel agency	Companies whose business is based on internet sales	4	1.4%
Inbound tour travel agency	Companies which Offer mostly inbound tours	19	6.7%

For more information about this survey, contact JATA's Public Relations Committee.
These data are available at http://www.jata-net.or.jp
TEL: [+81] 3 3592 1244

■Business Activity in the Overseas Travel Market Overall

Business Activity in the Overseas Travel Market Overall
The business activity was 4 points over the previous quarter, reaching −28. General travel

Overall

The overall business activity grew by 4 points and, exceeding the forecast by 1 point, reached −28. General travel agencies (−14), saw their business activity improve by 28 points, overseas tour wholesalers (−40) by 1 point, retailers (−19) by 4 points, and in-house travel agencies (−17) by 3 points. Hawaii (+2) grew by 3 points, America & Canada (−28) by 1 point, Europe (−42) by 24 points, and Micronesia (−28) by 3 points.

Current situation (January – March) **Asia, despite performing worse than the previous quarter, keeps its leading position. Europe is on the road to recovery.**

・Hawaii and South Korea are enjoying steady demand. Europe, which suffered from a decline in demand, is gradually recovering (1st tier/ General travel agency)
・It seems that the students travel has improved during the January – March quarter (1st tier/ General travel agency)
・Overseas travel in general has become more active compared to the October – December quarter and is up to −28 (four points over the previous quarter)

Forecast for the next two quarters **Hawaii and Asia will continue to perform well. Europe will stay on the recovery track.**

・Though the senior market is expected to perform well during the next quarter, the devaluation of the yen and reintroduction of the fuel surcharges are likely to have a slight effect on this segment (1st tier/ General travel agency)
・Travel to Europe is recovering, with family travel (couples) and honeymooners leading the trend (1st tier/ Retailer)
・During the next quarter (April – June), overseas travel is expected to grow by 14 points and reach −14. During the second quarter of FY 2017 (July – September), once again it will reach −14, after improving by 14 points.

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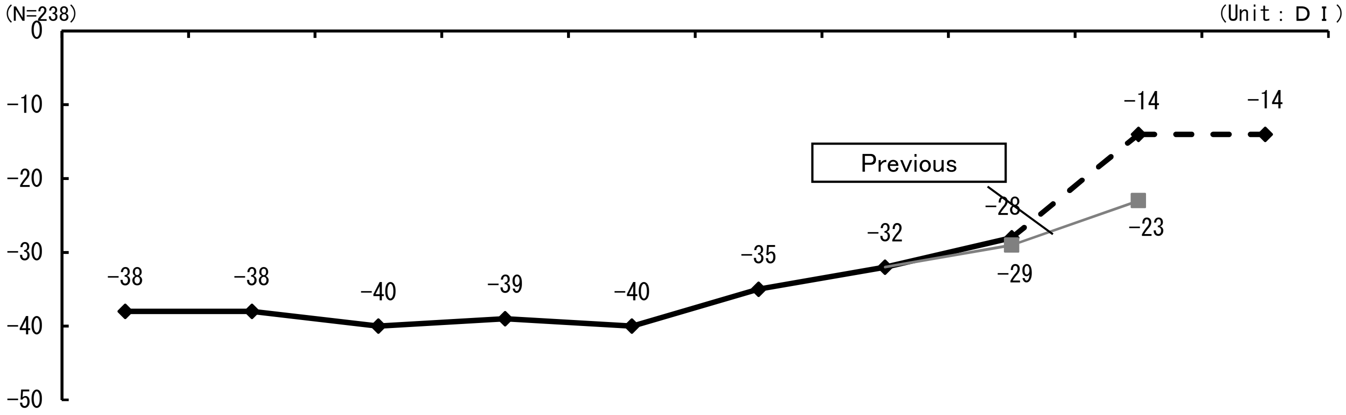

2 years ago Jan.−Mar.	1 1/2 years ago Jul.−Sep.	1 year and 3 months Oct.−Dec.	1 year ago Jan.−Mar.	9 months ago Apr.−Jun.	6 months ago Jul.−Sep.	3 months ago Oct.−Dec.	Current Jan.−Mar.	3 months later Apr.−Jun.	6 months later Jul.−Sep.
-38	-38	-40	-39	-40	-35	-32	**-28** **※-29**	-14 ※-23	-14

※ Outlook as of June 2016

	1 1/2 years ago Jul.−Sep.	1 year and 3 months Oct.−Dec.	1 year ago Jan.−Mar.	9 months ago Apr.−Jun.	6 months ago Jul.−Sep.	3 months ago Oct.−Dec.	Current Jan.−Mar.	3 months later Apr.−Jun.	6 months later Jul.−Sep.
Full-service travel agency	-49	-68	-71	-63	-49	-42	**-14**	8	18
Overseas travel wholesaler	-55	-61	-53	-48	-44	-41	**-40**	-6	6
Overseas travel specialist agenc	-12	-6	-18	-6	-27	8	**-16**	8	-9
First-tier retail agency	-45	-57	-39	-38	-40	-23	**-19**	19	-5
Second-tier retail agency	-39	-37	-36	-39	-33	-35	**-37**	-30	-25
In-house travel agency	-26	-19	-22	-40	-25	-20	**-17**	-7	-14
Online travel agency	-	-	-	-50	-33	-50	**-50**	-100	-67

◆Trends in Overseas Travel Demand (by destination segment)

In spite of losing points, Asia keeps its leading position.
Hawaii grows to step over in positive territory.

・At present, Asia is 4 points below the level of the October – December quarter but still ranking high. Hawaii improved by 3 points, consolidating its position. Europe with 24 points more than the previous quarter maintains the recovery trend. Oceania is 10 points weaker and seems to be set for a further decrease. America & Canada, Micronesia, South Korea and China have not shown any significant changes.
・During the April – June quarter, Asia is expected to grow by 3 points and again consolidate its leading position. Hawaii will be one point stronger and maintain its high ranking. Europe and China are expected to grow by 6 and 7 points respectively, continuing their recovery.

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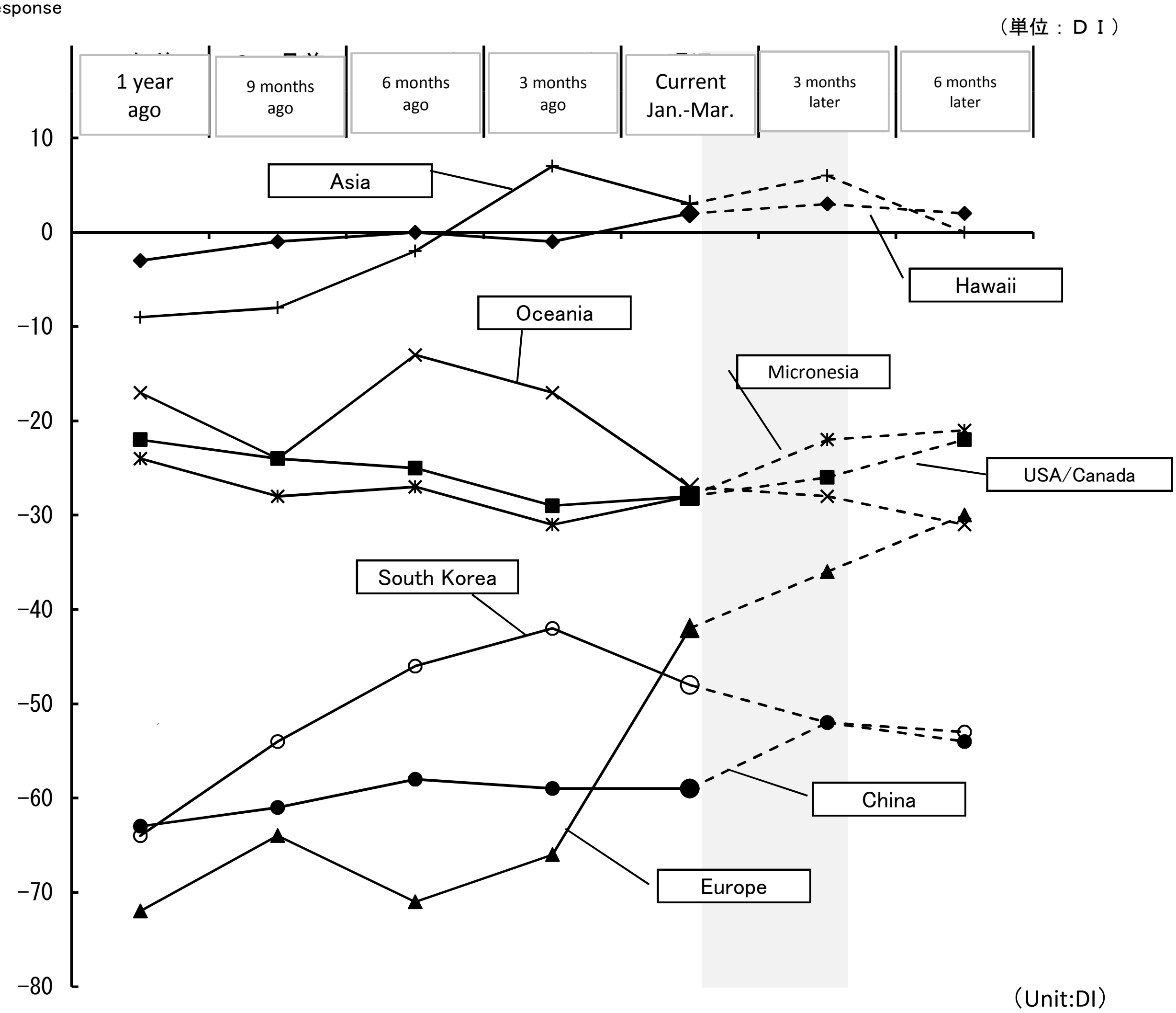


(Unit:DI)

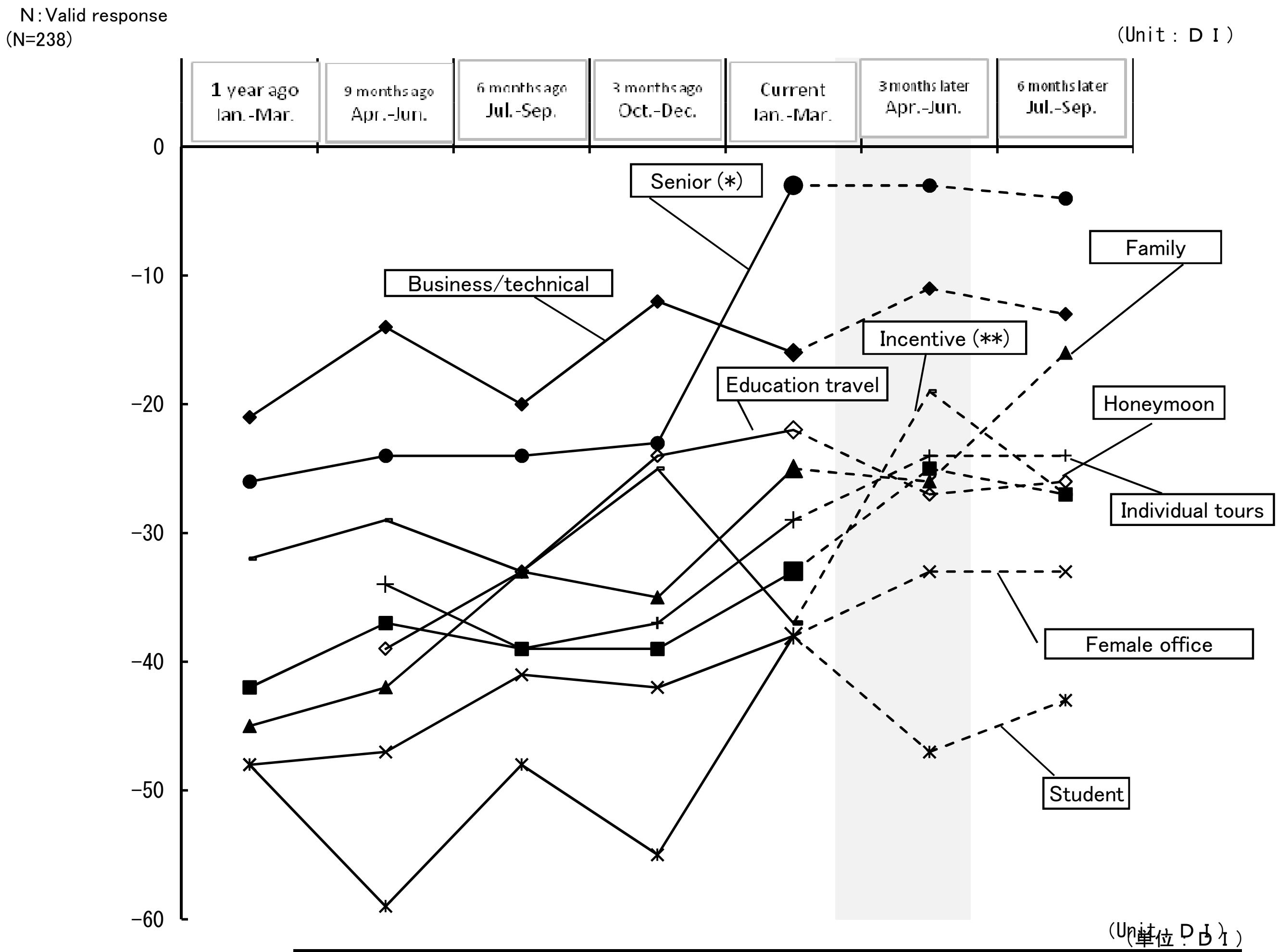
	1 year ago Jan.-Mar.	9 months ago Apr.-Jun.	6 months ago Jul.-Sep.	3 months ago Oct..-Dec.	**Current** Jan.-Mar.	3 months later Apr.-Jun.	6 months later Jul.-Sep.
Hawaii	-13	-3	-1	-1	**2**	3	2
USA/Canada	-29	-22	-24	-29	**-28**	-26	-22
Europe	-43	-72	-64	-66	**-42**	-36	-30
Oceania	-34	-17	-24	-17	**-27**	-28	-31
Micronesia	-37	-24	-28	-31	**-28**	-22	-21
Asia	-17	-9	-8	7	**3**	6	0
China	-64	-63	-61	-59	**-59**	-52	-54
(of which, South Korea)	-74	-64	-54	-42	**-48**	-52	-53

◆Trends in Overseas Travel Demand (by customer segment)

At present, seniors, solo travelers, students, and family are showing strong growth. Incentive travel and business/technical visits are showing a downward trend.

・Compared to the previous quarter (October – December), the senior market is 20 points better and is the best performing segment at present. The family, students and solo travel segments have gotten stronger by 10, 17 and 8 points respectively. By improving by 4 and 2 points respectively, working women and students segments have not shown any sizeable changes.

・During the April – June quarter, the seniors will still lead the travel demand. Incentive travel and business/technical visits will improve by 18 and 5 points correspondingly. Honeymooners will be 8 points stronger, working women will grow by 5 points and solo travelers will improve by 5 points.



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	1 year ago Jan.-Mar.	9 months ago Apr.-Jun.	6 months ago Jul.-Sep.	3 months ago Oct..-Dec.	**Current Jan.-Mar.**	3 months later Apr.-Jun.	6 months later Jul.-Sep.
Honeymoon	-46	-42	-37	-39	**-33**	-25	-27
Family	-50	-45	-42	-35	**-25**	-26	-16
Female office worker	-48	-48	-47	-42	**-38**	-33	-33
Student	-61	-48	-59	-55	**-38**	-47	-43
Senior (*)	-26	-26	-24	-23	**-3**	-3	-4
Individual tours	-	-	-34	-37	**-29**	-24	-24
Incentive (**)	-39	-32	-29	-25	**-37**	-19	-27
Business/technical visit	-17	-21	-14	-12	**-16**	-11	-13
Education travel	-	-	-39	-24	**-22**	-27	-26

* Senior: Customers aged 60 or older.

** Incentive: Travel offered as an incentive to business and organization employees.

■Inbound travel overall

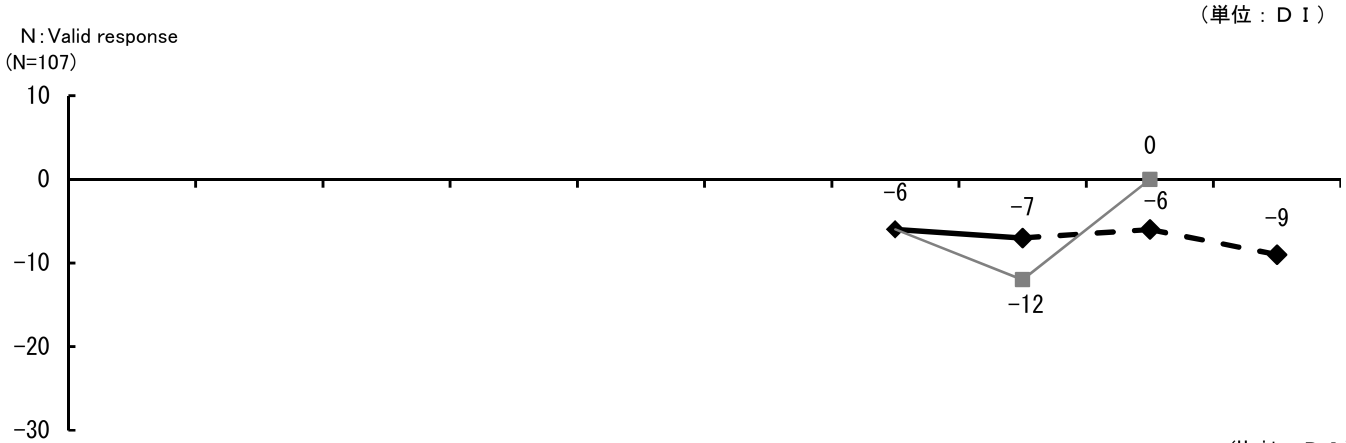
Inbound travel is 1 point down at present but at −7 it is 5 points higher than the forecast.
General travel agencies improved their business activity by 9 points.

Overall
Inbound travel DI decreased 1 point but is 5 points higher than the forecast. The business of general travel agencies expanded by 9 points reaching +16.
Hokkaido is 5 points up reaching +9 and maintaining its high ranking. Kyoto, Osaka and Kobe, in spite of losing a point, are at the top with +11.

Current situation (January - March)
・The number of detours to local destinations away from the established Tokyo - Kyoto - Osaka route increased (1st tier/ General travel agency)
・The number of foreign visitors to Hokkaido’s Snow Festival grew significantly. Tourist flows dispersed as tourists visited not only Sapporo but snow festivals in Eastern Hokkaido (1st tier/ General travel agency)
・Inbound travel DI fell 1 point below that of the previous quarter down to −7.

Forecast for the next two quarters
Tokyo, Osaka and Kyoto will see an increase in their DI.
・As Easter falls in the middle of April, the number of European and American visitors is expected to be higher than last year’s. Foreign visitors arriving on cruise tours are also expected to increase (1st tier/ General travel agency)
・The number of inquiries regarding the cherry blossom season is very big and we are struggling to meet the demand for accommodation while the prices are increasing (1st tier/ General travel agency)
・During the April - June quarter, inbound travel DI will grow by 1 point up to −6. In the second quarter of FY 2017 (July - September) DI is expected to drop 2 points down to −9.

（単位：ＤＩ）



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2 years ago Jan.-Mar.	1 1/2 years ago Jul.-Sep.	1 year and 3 months Oct.-Dec.	1 year ago Jan.-Mar.	9 months ago Apr.-Jun.	6 months ago Jul.-Sep.	3 months ago Oct.-Dec.	Current Jan.-Mar.	3 months later Apr.-Jun.	6 months later Jul.-Sep.
-	-	-	-	-	-	-6	**-7** **※-12**	-6 ※0	-9

	1 1/2 years ago Jul.-Sep.	1 year and 3 months Oct.-Dec.	1 year ago Jan.-Mar.	9 months ago Apr.-Jun.	6 months ago Jul.-Sep.	3 months ago Oct.-Dec.	Current Jan.-Mar.	3 months later Apr.-Jun.	6 months later Jul.-Sep.
Full-service travel agency	-	-	-	-	-	7	**16**	8	4
First-tier retail agency	-	-	-	-	-	-18	**-12**	-12	-12
Second-tier retail agency	-	-	-	-	-	-10	**-21**	-26	-22
In-house travel agency	-	-	-	-	-	0	**-25**	-19	-25
Online travel agency	-	-	-	-	-	25	**100**	100	100
Inbound tour travel agency	-	-	-	-	-	-13	**-10**	5	-6

◆Current trends in inbound travel (by destination)

At present, Hokkaido is 5 points up, at +9. Tokyo Metropolitan Area is at +6 after a 2-point increase. During the next quarter, the Tokyo Metropolitan Area DI will increase by 4 points, up to

・At present, Hokkaido, at +9, is 5 points over the October – December quarter. The Tokyo Metropolitan Area is also 2 point over the previous quarter, standing at +6. Tohoku fell 14 points, down to −44. The Golden Route got to −1 after seeing a 3-point decline.
・The next quarter (April – June) will see the DI of The Tokyo Metropolitan Area grow by 4 points and reach +10. Osaka and Kyoto will reach +17, after a positive growth of 6 points. The Golden Route will step into positive territory and reach +6, which is 7 points higher than its DI at present. Kyushu will be on the increase, growing by 9 points and reaching −29.

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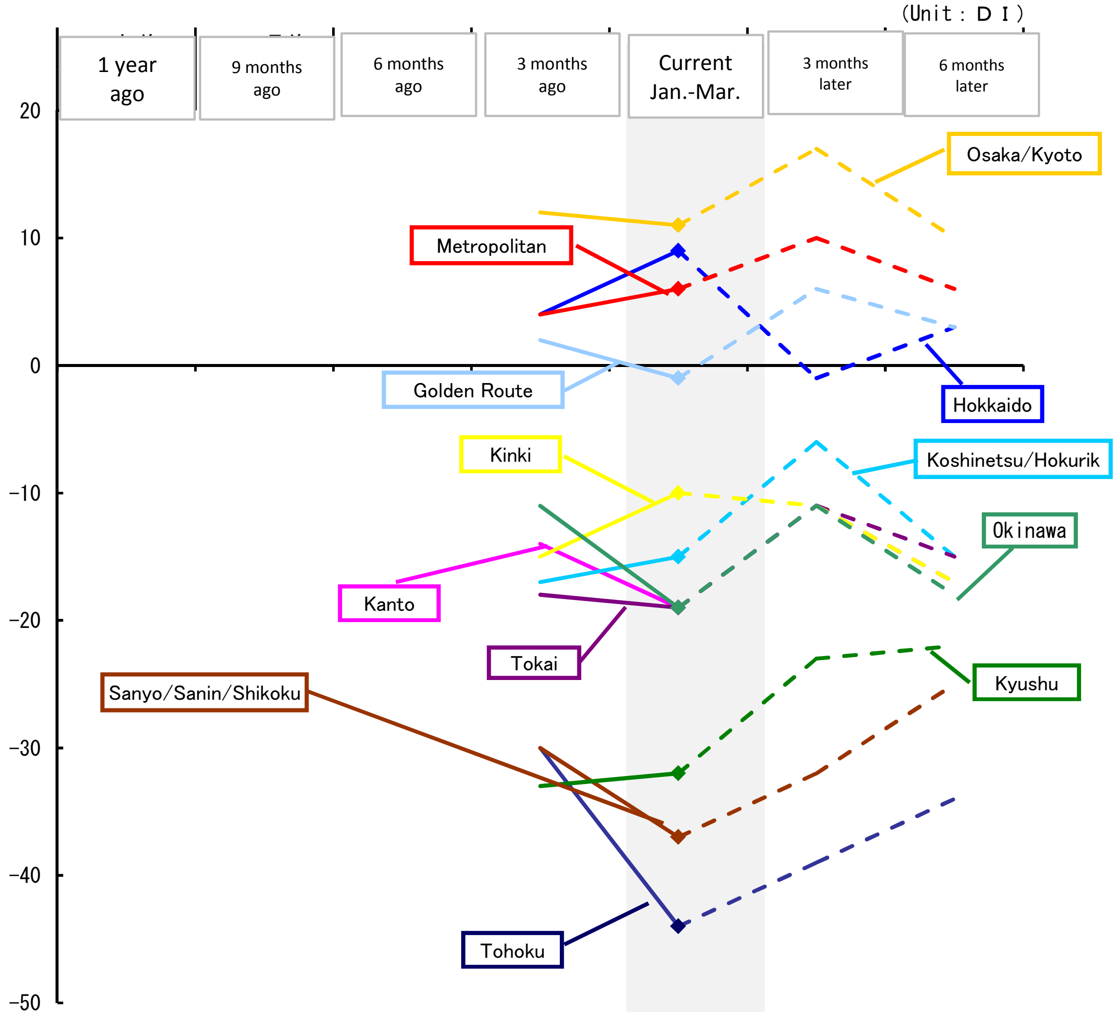

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	1 year ago Jan.-Mar.	9 months ago Apr.-Jun.	6 months ago Jul.-Sep.	3 months ago Oct..-Dec.	**Current Jan.-Mar.**	3 months later Apr.-Jun.	6 months later Jul.-Sep.
Hokkaido	-	-	-	4	**9**	-1	3
Tohoku	-	-	-	-30	**-44**	-39	-34
Kanto	-	-	-	-14	**-19**	-11	-17
Golde Route(Kanto⇔Kansai)	-	-	-	2	**-1**	6	3
Metropolitan area	-	-	-	4	**6**	10	6
Koshinetsu/Hokuriku	-	-	-	-17	**-15**	-6	-15
Tokai	-	-	-	-18	**-19**	-11	-15
Osaka/Kyoto	-	-	-	12	**11**	17	10
Kinki	-	-	-	-15	**-10**	-11	-17
Sanyo/Sanin/Shikoku	-	-	-	-30	**-37**	-32	-25
Kyushu	-	-	-	-33	**-32**	23	-22
Okinwa	-	-	-	-11	**-19**	-11	-18

◆Inbound travel market trends (by market segment)

・Inbound travel demand in general is lower than that of the October – December quarter and is showing a downward trend. FIT dropped 2 points, down to +9. Group travel fell 17 points, down to −28. MICE is 22 points down at −39.
・Inbound travel in general is expected to grow during the next quarter. FIT will reach +15 after a 6-point increase. Group travel will be at −22 after a 6-point improvement. MICE is expected to reach −34 after a 5-point increase.

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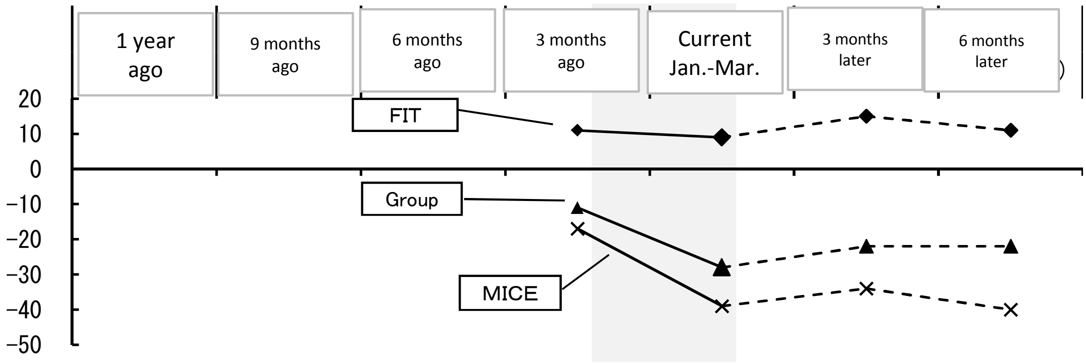

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	1 year ago Jan.-Mar.	9 months ago Apr.-Jun.	6 months ago Jul.-Sep.	3 months ago Oct..-Dec.	**Current** Jan.-Mar.	3 months later Apr.-Jun.	6 months later Jul.-Sep.
ＦＩＴ	-	-	-	11	**9**	15	11
Ｇｒｏｕｐ	-	-	-	-11	**-28**	-22	-22
ＭＩＣＥ	-	-	-	-17	**-39**	-34	-40

◆Inbound market trends (by source market)

・Demand from Taiwan grew 8 points over the previous quarter (October – December) and stands at the highest-ranking +22 level. Demand from South-East Asia stepped into negative territory after losing 2 points.
・During the next quarter (April – June), Taiwan will still maintain its top ranking at +14 despite losing 6 points. Demand from South-East Asia will grow by 4 points up to +2. Demand from China will show no significant change despite decreasing by 1 point down to −16.

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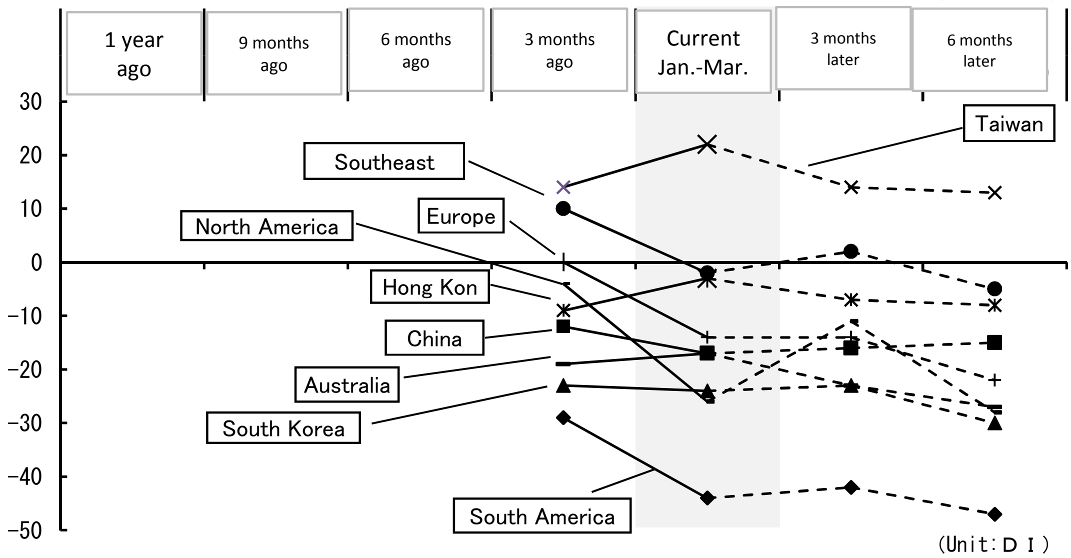

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	1 year ago Jan.-Mar.	9 months ago Apr.-Jun.	6 months ago Jul.-Sep.	3 months ago Oct..-Dec.	**Current** Jan.-Mar.	3 months later Apr.-Jun.	6 months later Jul.-Sep.
China	-	-	-	-12	**-17**	-16	-15
South Korea	-	-	-	-23	**-24**	-23	-30
Taiwan	-	-	-	14	**22**	14	13
Hong Kong	-	-	-	-9	**-3**	-7	-8
Southeast Asia	-	-	-	10	**-2**	2	-5
Europe	-	-	-	0	**-14**	-14	-22
North America	-	-	-	-4	**-26**	-11	-28
South America	-	-	-	-29	**-44**	-42	-47
Australia	-	-	-	-19	**-17**	-23	-27