JATA News Release
Japan Association of Travel Agents
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JATA19-
Jun. 2019

Survey of Travel Market Trends – June 2019, 1st quarter

The Japan Association of Travel Agents (JATA) asks all member companies to register as survey monitors. JATA conducts a quarterly Survey of Travel Market Trends involving 660 registered companies. The results of the 1st quarter survey are shown below.

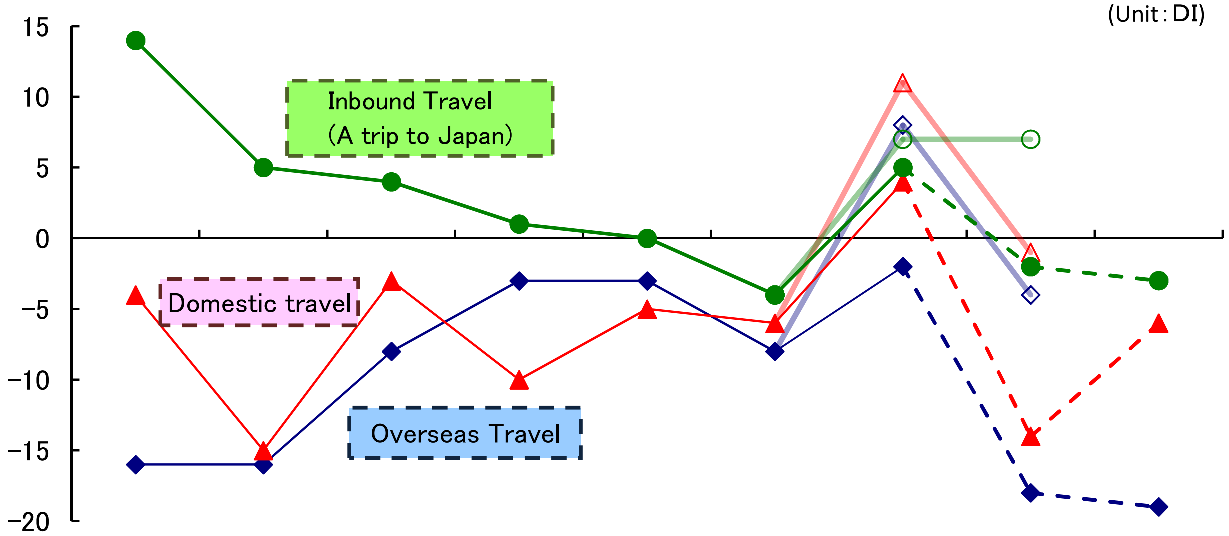
Overseas Travel DI
The Overseas travel DI increased by 6 points from the level of the previous quarter (January – March) and reached -2 level. During the next quarter (July – September), it is expected to decrease by 16 points and get down to -18. In the third quarter of 2019 (October – December), DI will drop by 17 points from the current level and reach -19.

◆At present, thanks to the 10 consecutive holidays of the Golden Week and the increase of visitors to Asian destinations, the DI scored the best record for the past two years. However, it didn't reach the forecasted level and remained in negative territory. During the next quarter, due to a Golden Week recoil, it is expected to decrease.

Inbound Travel DI
This quarter's inbound travel DI grew by 9 points over that of the January – March quarter and reached +5 points. In July – September, the inbound DI will lose 7 points and drop down to -2. During the 3rd quarter (October – December), the DI is expected to be 8 points lower than the current level and reach -3.

◆At present, the DI is in positive territory, thanks to the increase of visitors from China and Southeast Asia. The outlook for the next two quarters is that DI will drop and step into negative territory. The FIT market is going strong but as the group packages and MICE travel experience a downward trend, the DI continues to decrease.

(Unit：DI)



	One and a half ago Oct.-Dec.	1 year 3 months ago Jan.-Mar.	1 year ago Apr.-Jun.	9 months ago Jul.-Sep.	6 months ago Oct.-Dec.	3 months ago Jan.-Mar.	Current situation Apr.-Jun.	3 months later Jul.-Sep.	6 months later Oct.-Dec.
Overall overseas travel	-16	-16	-8	-3	-3	-8	-2 ※8	-18 ※-4	-19
Overall overseas trave	-4	-15	-3	-10	-5	-6	4 ※11	-14 ※-1	-6
Overall inbound travel	14	5	4	1	0	-4	5 ※7	-2 ※7	-3

※a perspective last time

■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 660 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.

◆Survey Overview

Survey area: Japan nationwide
Survey target: JATA member company management,Member of Japan Council Travel Agents for Chinese Visitors.
Survey method: Internet survey
Survey period: May 20(Monday),2018 to June 7(Friday),2019
Registered companies: 660
Responding companies: 312
Response rate: 47.3%

◆Business classification

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.

Classification	Business scope	Number of companies	Ratios
First Category Travel Company	Travel companies that organize and sell overseas and domestic package tours and also make travel arrangements for clients as agents.	194	62.2%
Second Category Travel Company	Travel companies that organize domestic package tours and sell overseas and domestic tours, make arrangements for overseas and domestic tours and make travel arrangements for clients as an agent.	49	15.7%
Third Category Travel Company	Travel companies that sell overseas and domestic tours, and also make travel arrangements for clients as an agent. These travel companies also sell domestic package tours in specific regions with specific payment conditions.	69	22.1%

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

■Overall Business Activity in the Outbound Travel Market (By customer segment)

Thanks to the 10 consecutive holidays of the Golden Week, both the business in general and number of travelers fared well. However, both figures were lower than the general DI for the quarter.
Although 1st tier travel agencies saw their DI increase, 2nd tier and 3rd tier agencies slid into negative territory.

Overall

Overseas travel in general is 6 points over the level of the previous quarter (January – March). It is expected, however, to decline significantly during the July – September quarter.
While the number of travelers is in positive territory at present, it is expected to get into negative territory during the next quarter (July – September).
In terms of business category, 1st tier travel agencies saw their DI grow by 12 points, while the business of 2nd tier agencies did not show much change and 3rd tier travel agencies recorded a noticeable 11-point decrease.

Current situation (April – June). Incentive group travel is going strong. Asia is performing well.

Overseas travel as a whole is 6 points stronger than the previous quarter, at -2 level. The number of travelers is 14 points higher.

・Thanks to the demand for Golden Week travel, April and May have seen healthy sales. / (1st tier travel agency)

・Despite the unabated appetite for overseas travel, agencies have had to accommodate to the financial concerns of customers by lowering product prices. / (1st tier travel agency)

・Demand for East and Southeast Asia is going strong. / (3rd tier travel agency)

Overlook for the next quarter (July – September)
Business trips and incentive travel are expected to decline in volume due to global economic uncertainty.
Despite the fact that the quarter covers the summer holiday season, demand for overseas travel is expected to decline due to the boomerang effect of the strong Golden Week.

The overall DI of overseas travel is expected to drop by 16 points and get down to -18 during the next quarter. In the 3rd quarter (October – December), the DI is expected to decrease further by one point reach -19 level.

The number of overseas travelers during the next quarter (July – September), is expected to drop by 23 points, down to -9. In the October – December quarter, it will grow by 2 points and reach -7 level.

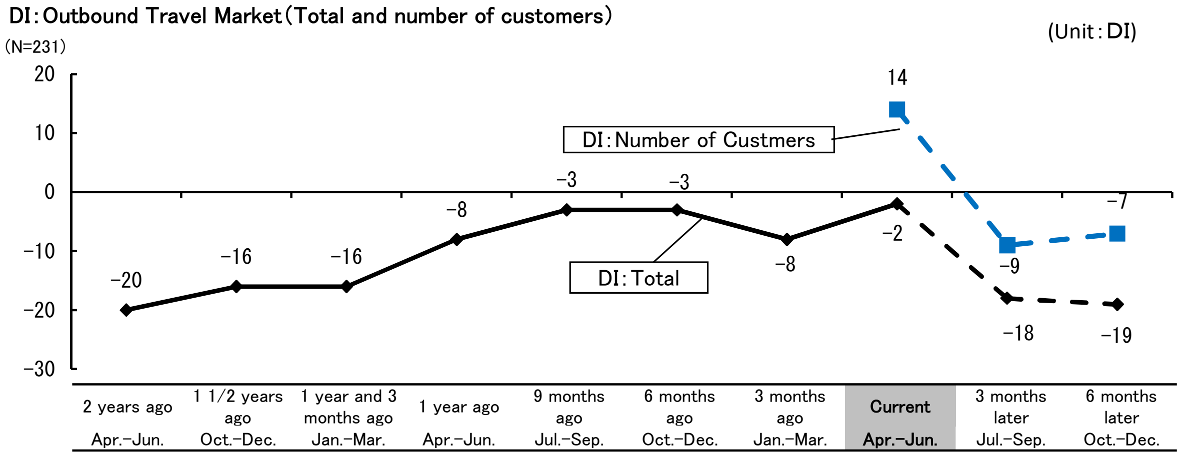
Despite the holiday season, there is a high possibility of decline in the 2nd quarter (July – September). / (1st tier travel agency)

・The business has begun to gradually feel the impact of the economic frictions experienced by the U.S.A. However, companies seem to continue doing business as well as usual and given that there are no risk-events, demand can be expected to remain steady. / (1st tier travel agency)

・In spite of the Obon holidays in August and the Silver Week in September, the summer holiday demand has not increased. / (1st tier travel agency)

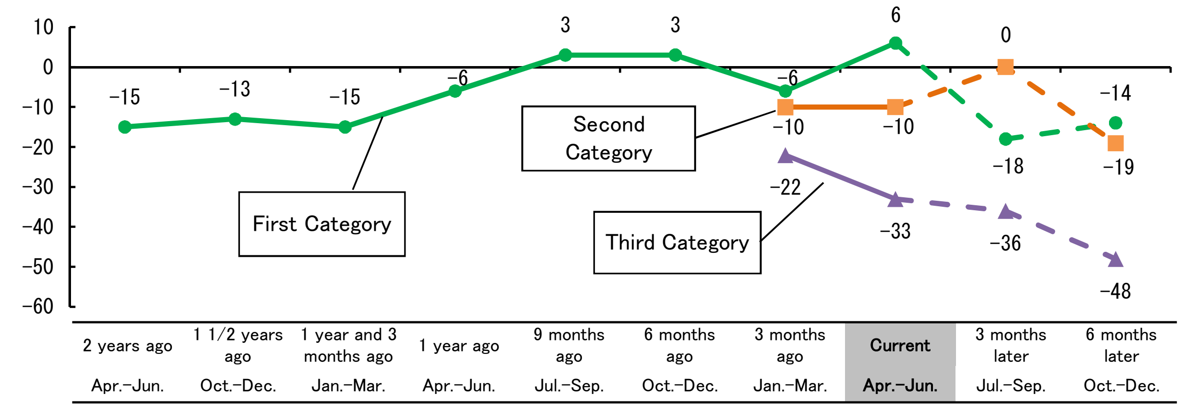
・Young FIT customers book online, demand by senior customers is in decline due to aging of the segment. / (1st tier travel agency)

DI:Outbound Travel Market(Total and number of customers)



※"Number of customers DI" was newly heard from this survey.

DI: Business classification



※"Second Category" and "Third Category" are divided from the March 2019 survey, so there is no previous data.

◆Trends in Overseas Travel (By destination)

- When compared to the previous quarter (January – March), Asia showed the strongest growth of 5 points, reaching +19 level. Although the Asia has maintained the highest DI, the current level is still 10 points higher than that of the same quarter of the previous year.
- During the next quarter (July – September), demand for all destinations is expected to decline. Asia, in particular, is expected to lose 15 points.

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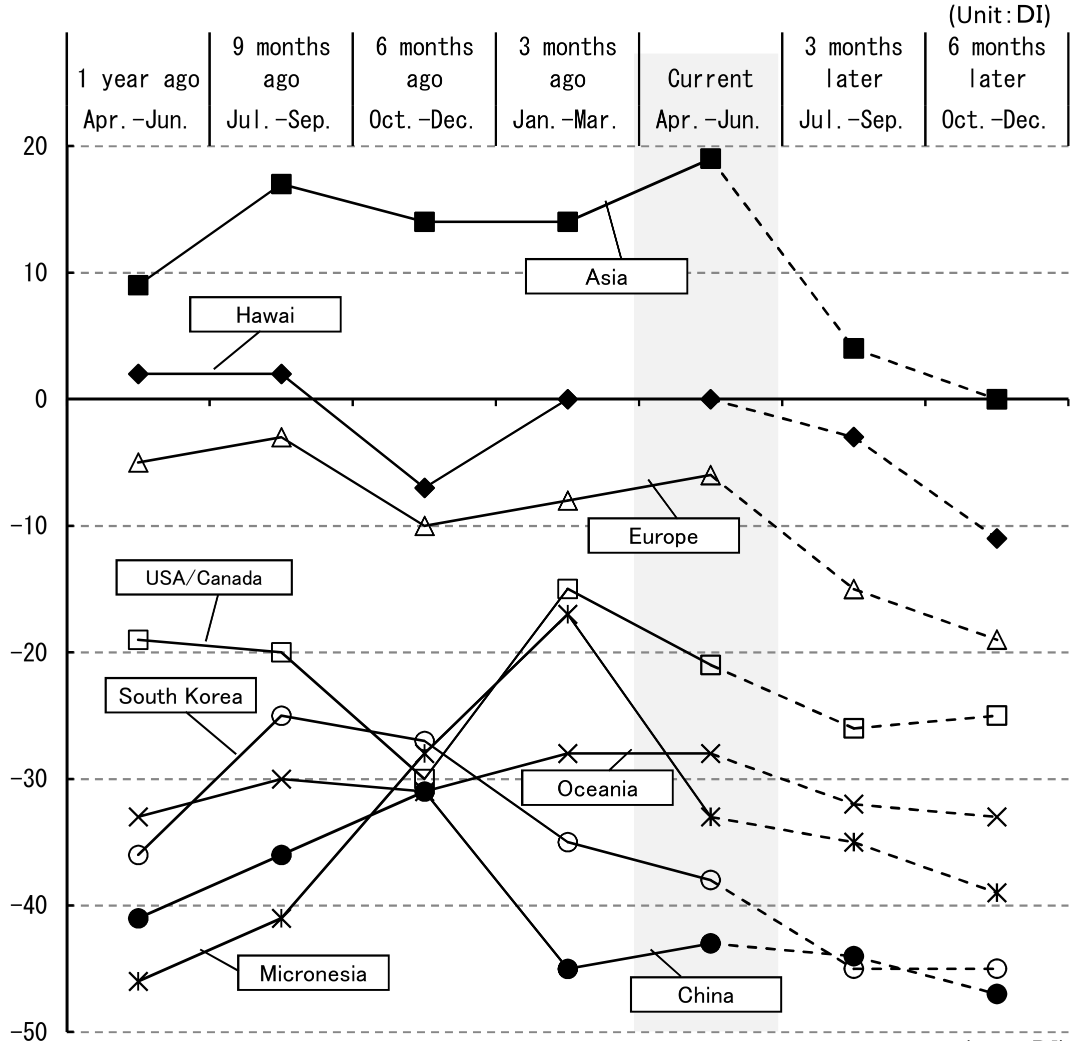
(N=231)



(Unit：DI)

	1 year ago Apr.–Jun.	9 months ago Jul.–Sep.	6 months ago Oct.–Dec.	3 months ago Jan.–Mar.	Current Apr.–Jun.	3 months later Jul.–Sep.	6 months later Oct.–Dec.
Hawaii	2	2	-7	0	**0**	-3	-11
USA/Canada	-19	-20	-30	-15	**-21**	-26	-25
Europe	-5	-3	-10	-8	**-6**	-15	-19
Oceania	-33	-30	-31	-28	**-28**	-32	-33
Micronesia	-46	-41	-28	-17	**-33**	-35	-39
Asia	9	17	14	14	**19**	4	0
China	-41	-36	-31	-45	**-43**	-44	-47
South Korea	-36	-25	-27	-35	**-38**	-45	-45

◆Trends in Overseas Travel (Group packages)

- Compared to the previous quarter (January – March), demand by all market segments is up, with the incentive tours in particular showing an increase of 11 points.
- During the July – September quarter, incentive tours are expected to decline by 9 points and technical visits by 6 points while educational tours will increase by 6 points.

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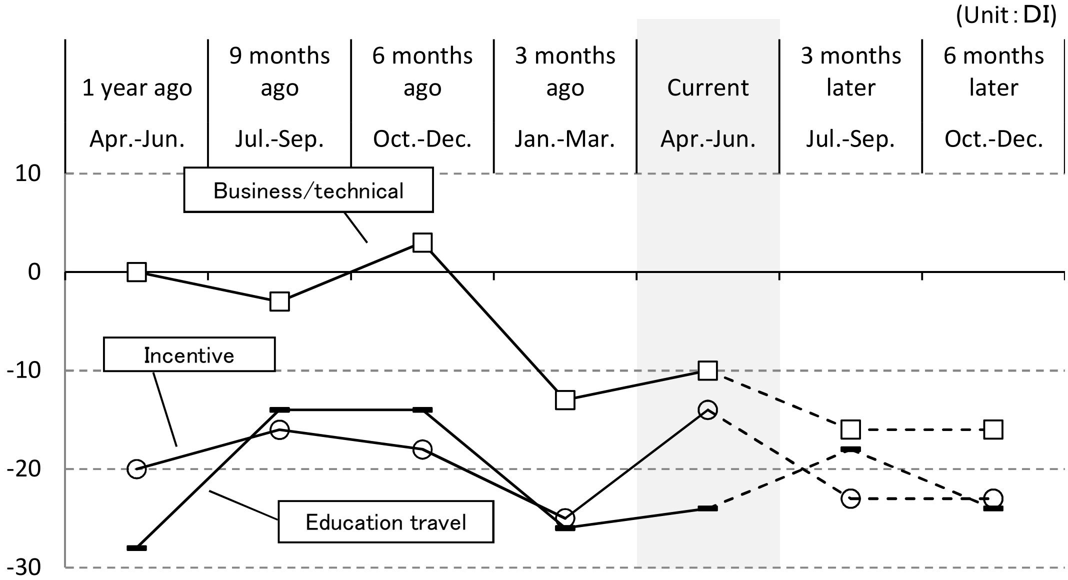
(Unit：DI)



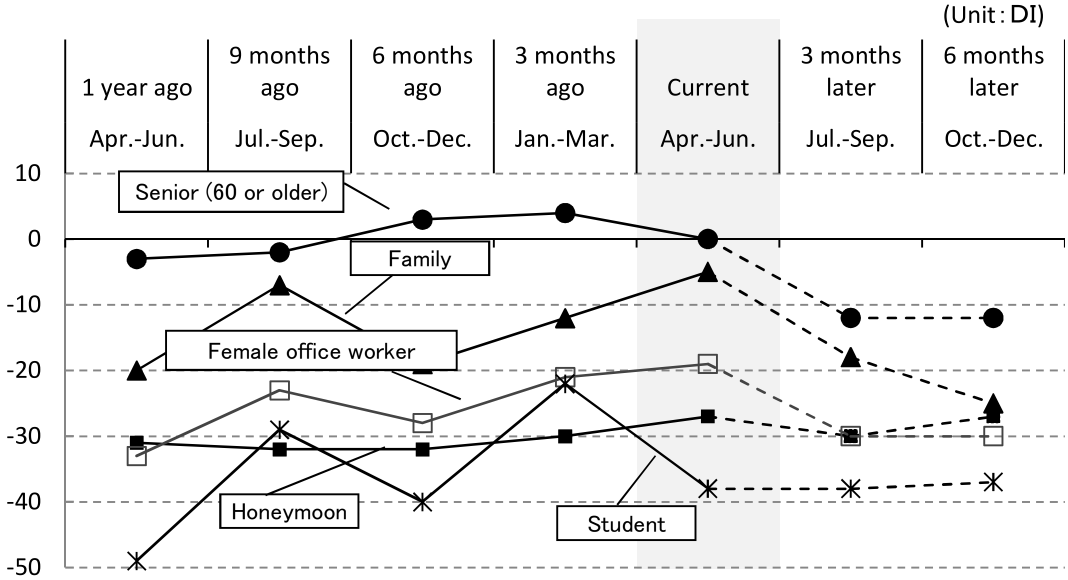
	1 year ago Apr.–Jun.	9 months ago Jul.–Sep.	6 months ago Oct.–Dec.	3 months ago Jan.–Mar.	Current Apr.–Jun.	3 months later Jul.–Sep.	6 months later Oct.–Dec.
Incentive	-20	-16	-18	-25	**-14**	-23	-23
Business/technical visit	0	-3	3	-13	**-10**	-16	-16
Education travel	-28	-14	-14	-26	**-24**	-18	-24

◆Trends in Overseas Travel (FIT customers)

- Compared to the January – March quarter, demand for honeymoon travel, family travel and working women travel has increased. Among them, family travel has stood out with a 7 point increase.
  Student travel dropped by 16 points but it is still 10 points over its level at the same quarter of the previous year.
- In the second quarter (July – September), all customer segments – with the exception of students – are expected to demonstrate weaker demand. Significant decrease in demand is expected from the family segment (−13), the senior segment (−12), and the working women segment (−11).

N：valid response
(N=231)

(Unit：DI)



	1 year ago Apr.–Jun.	9 months ago Jul.–Sep.	6 months ago Oct.–Dec.	3 months ago Jan.–Mar.	Current Apr.–Jun.	3 months later Jul.–Sep.	6 months later Oct.–Dec.
Honeymoon	-31	-32	-32	-30	**-27**	-30	-27
Family	-20	-7	-19	-12	**-5**	-18	-25
Female office worker	-33	-23	-28	-21	**-19**	-30	-30
Student	-49	-29	-40	-22	**-38**	-38	-37
Senior (60 or older)	-3	-2	3	4	**0**	-12	-12

■Overall Business Activity in the Inbound Travel Market

Inbound travel DI continues to decline slightly. However, the business activity as well as the number of visitors in April – June have reached positive territory after 1.5 years of decline.
All business categories have seen larger business volumes, with the exception of 3rd tier travel

Overall

Inbound travel in general gained 9 points over the level of the January – March quarter and recovered, stepping back into positive territory.
The number of visitors also got above the zero level, showing DI similar to those of the overall business activity.
All business categories are performing well, with 1st tier travel agencies seeing a 10-point increase and a healthy recovery from the previous quarter.

Current situation (April – June).—All indicators show positive growth.

Inbound travel DI is 9 points higher than the previous quarter, currently at +5 level. The number of visitor DI is at +6.

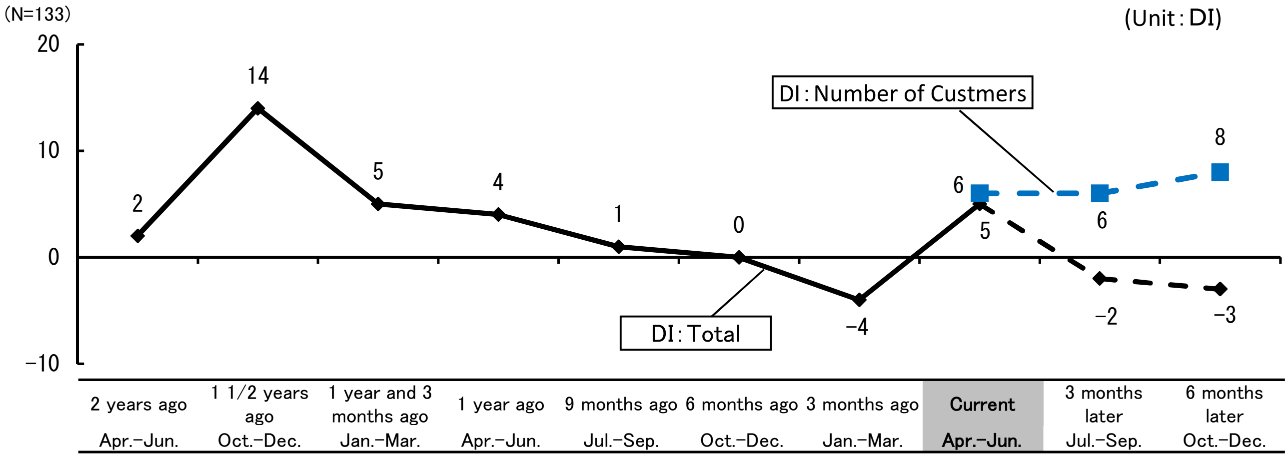
・Tokyo and Kansai are going strong as hotel bookings have become easier. / 1st tier travel agency
・The shift to FIT travel in the American and European markets stands out. / 1st tier travel agency
・Group package visitors from Vietnam are increasing. / 1st tier travel agency
・Chinese visitors are increasing while group tours are on the decrease. / 3rd tier travel agency

2nd quarter (July – September) —Inbound travel DI is expected to decrease but the number of visitors will remain the same

The outlook is for a 7-point decline in the inbound travel DI, as it is expected to reach -2 level during the next quarter (July – September). During the 3rd quarter (October – December), the DI will decline by 1 point and get down to -3.
The number of visitors is expected to remain more or less the same during the July – September quarter. In the 3rd quarter (October – December), it will grow by 2 points up to +8.

・The purpose of travel has shifted from shopping to other, more diversified objectives sought after by FIT visitors. / 2nd tier travel agency
・The purpose of travel to Japan is very clear and the ability to deliver the desired services is the only game-maker / 1st
・A large portion of package travelers are shifting to FIT travel. / 3rd tier travel agency

DI:Intbound Travel Market(Total and number of customers)



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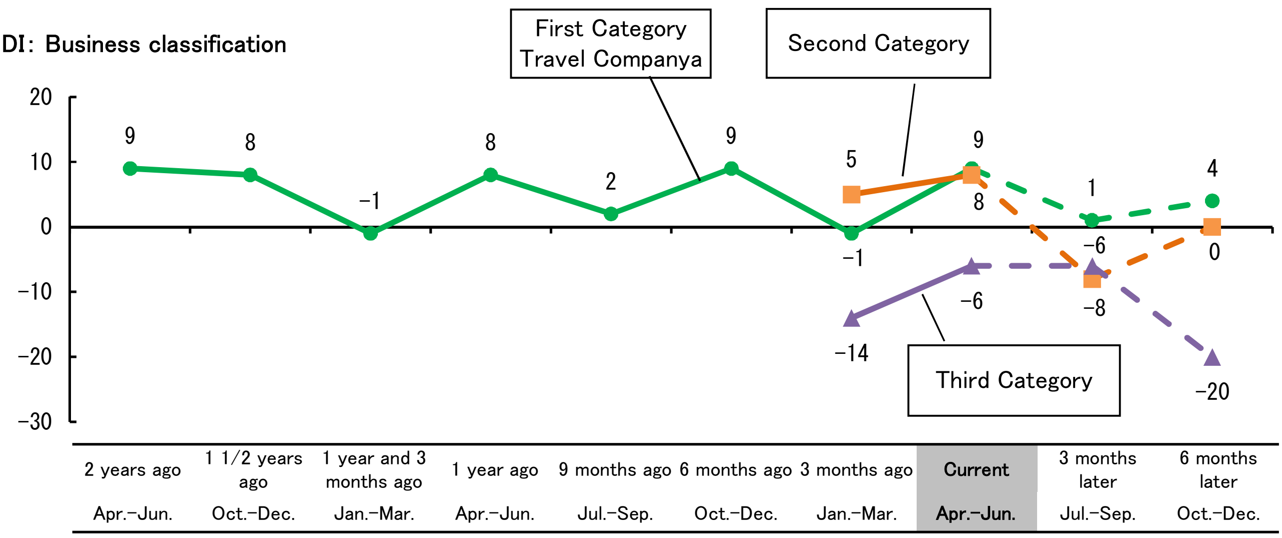
DI: Business classification



※"Second Category" and "Third Category" are divided from the March 2019 survey, so there is no previous data.

◆Trends in Inbound Travel (By destination)

- Compared to the January – March quarter, Chu-Shikoku and Kyushu are respectively 14 and 12 points better. Demand for Hokkaido is 12 points below the level of the previous quarter and significantly weaker than the same quarter of the previous year (2018).
- During the next quarter (July – September), Hokkaido is expected to improve by 6 points, Tohoku by 5 points and demand for other destinations is expected to grow, too.

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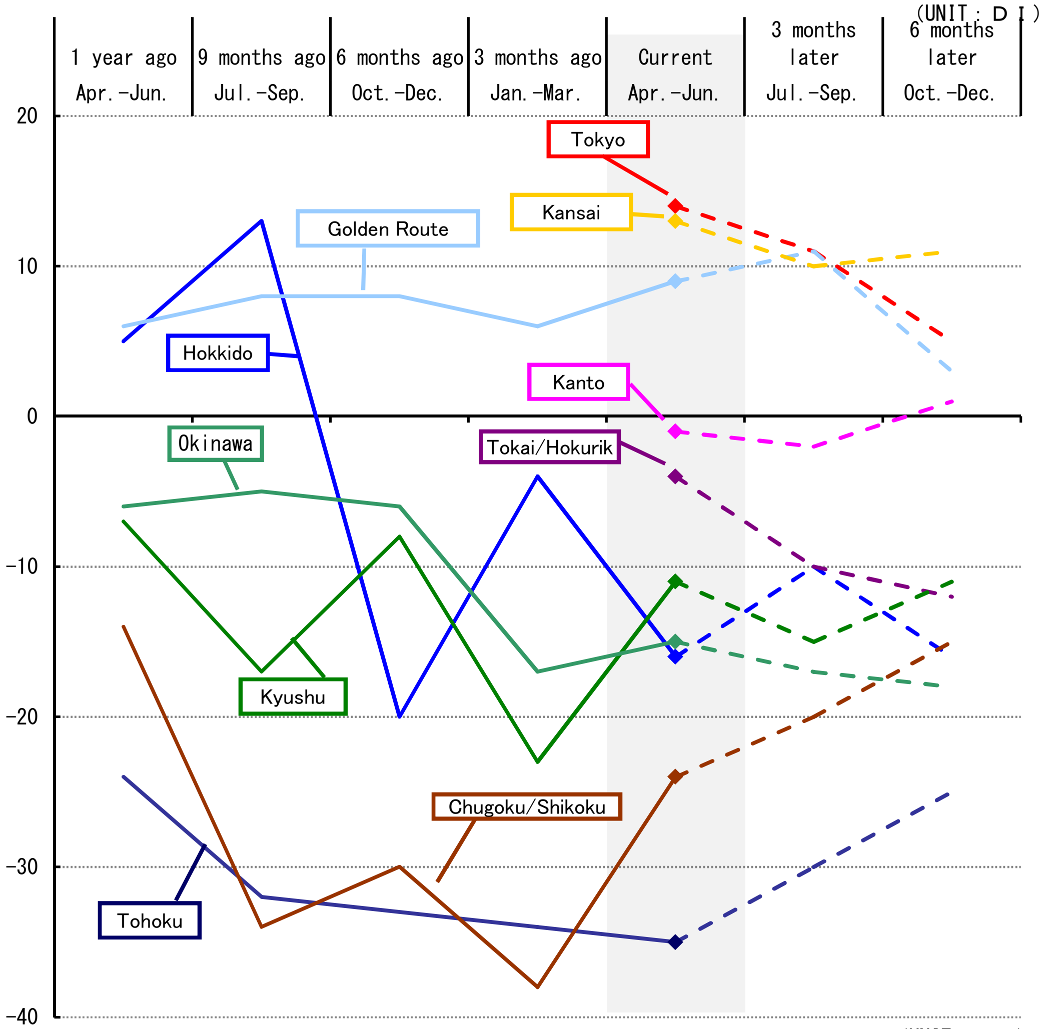

(UNIT：ＤＩ)

	1 year ago Apr.-Jun.	9 months ago Jul.-Sep.	6 months ago Oct.-Dec.	3 months ago Jan.-Mar.	Current Apr.-Jun.	3 months later Jul.-Sep.	6 months later Oct.-Dec.
Hokkaido	5	13	-20	-4	**-16**	-10	-16
Tohoku	-24	-32	-33	-34	**-35**	-30	-25
Kanto	-	-	-	-	**-1**	-2	1
Tokyo	-	-	-	-	**14**	11	5
Tokai/Hokuriku	-	-	-	-	**-4**	-10	-12
Kansai	-	-	-	-	**13**	10	11
Chugoku/Shikoku	-14	-34	-30	-38	**-24**	-20	-15
Kyushu	-7	-17	-8	-23	**-11**	-15	-11
Okinwa	-6	-5	-6	-17	**-15**	-17	-18
Golden Route (Kanto⇔Kansai)	6	8	8	6	**9**	11	3

"Kanto", "Tokyo (including TDR)", "Tokai / Hokuriku", and "Kansai" have no previous data because the listening method was changed in this survey.

◆ Trends in Inbound Travel (By customer segment)

- Different segments have shown improvement or little fluctuation compared to the previous quarter. FIT travel in particular stands out as it is 12 points stronger.
  Compared to the same quarter of 2018, demand for MICE and group package tours is respectively 23 and 12 points weaker.
- During the July – September quarter, all demand by segments is expected to either decline or remain unchanged. FIT is expected to remain in positive territory, above zero.

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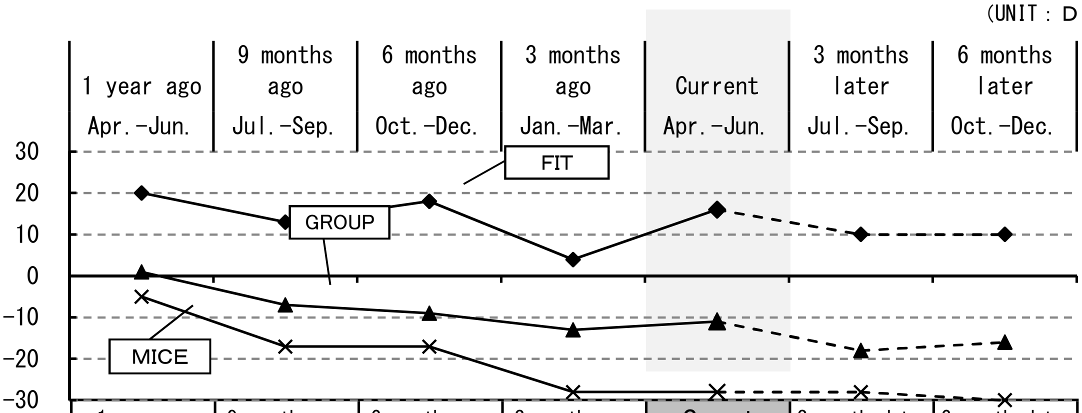

	1 year ago Apr.–Jun.	9 months ago Jul.–Sep.	6 months ago Oct.–Dec.	3 months ago Jan.–Mar.	Current Apr.–Jun.	3 months later Jul.–Sep.	6 months later Oct.–Dec.
FIT	20	13	18	4	**16**	10	10
GROUP	1	-7	-9	-13	**-11**	-18	-16
MICE	-5	-17	-17	-28	**-28**	-28	-30

◆Trends in Inbound Travel (By Source market)

- Compared to the January – March quarter, South America and Europe are respectively 21 and 15 points stronger. The majority of source markets are on the increase and the number of well-performing markets is larger than that of the same period of the previous year.
  On the other hand, Taiwan is 6 points down and demand from South Korea is 5 points weaker.
- During the next quarter (July – September), demand from all source market with the exception of Australia and South America is expected to decline.

N：valid response
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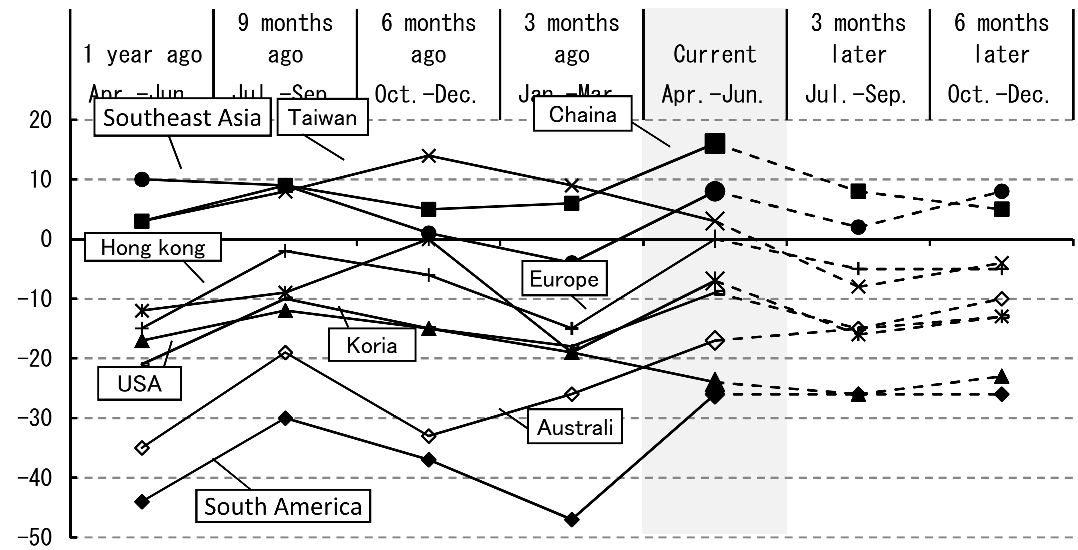

	1 year ago Apr.–Jun.	9 months ago Jul.–Sep.	6 months ago Oct.–Dec.	3 months ago Jan.–Mar.	Current Apr.–Jun.	3 months later Jul.–Sep.	6 months later Oct.–Dec.
China	3	9	5	6	**16**	8	5
South Korea	-17	-12	-15	-19	**-24**	-26	-23
Taiwan	3	8	14	9	**3**	-8	-4
Hong Kong	-12	-9	0	-19	**-7**	-16	-13
Southeast Asia	10	9	1	-4	**8**	2	8
Europe	-15	-2	-6	-15	**0**	-5	-5
North America	-21	-10	-15	-18	**-9**	-15	-13
South America	-44	-30	-37	-47	**-26**	-26	-26
Australia	-35	-19	-33	-26	**-17**	-15	-10