

JAPAN'S TOURISM: GROWING VISITOR NUMBERS AND LACK OF STAFF



Japan's inbound tourism has made a spectacular recovery since its reopening, and the country is now experiencing a massive improvement in visitor numbers.

In January 2023, the recovery rate of Japan's tourism industry stood at around 56%, including mainland China. Excluding China, the recovery rate was 76%.

Experts also point out that **tourists are also spending more time in Japan, leading to a higher rate of consumption per person.**

Inflation in Japan remains relatively low, making the country an affordable destination for travelers. Even if hotel rates are increasing due to a large number of visitors, tourists are still spending money in Japan.

However, labor shortages in Japan's tourism industry make it difficult for hotels to adjust their occupancy rates.

While occupancy rates at major Tokyo hotels currently hover around 70%, they are struggling to keep up with visitor demands amid staff shortages in various departments such as food and beverage and housekeeping.

Despite these challenges, tourism demand in Japan is higher than ever and bookings for the upcoming cherry blossom season are breaking records. Japanese inbound tour operators identify Europe, the US, Latin America, and Asia (especially for high-end travel) as its key source markets for inbound travel to Japan.

Tourists from Southeast Asia, particularly Singapore, are showing strong interest in traveling to Japan.

Air connectivity to Japan has also improved significantly, with a current rate of 40% compared to 2019, including flights from China. This rate is expected to increase as Chinese tourists return in force in April or May.

Experts predict that Japan's tourism industry will return to normal by the end of 2023. However, the lack of manpower remains a persistent problem that must be solved in order to provide high-quality services to all visitors.

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