

HOTEL PRICES IN JAPAN CLOSE TO 30-YEAR HIGH



Hotel prices in Japan surged to a nearly three-decade high in March, a direct result of the cheap yen and the cherry blossom season luring a record number of tourists. The average cost of a hotel room per day in March was approximately ¥20,986 (about \$136), the highest since August 1997 and a significant rise of nearly 20% from last year. Upsurge the yen's 34-year low against the dollar, making Japan an alluring destination for inbound tourists. The average hotel occupancy rate also climbed to 78%.

In March, Japan received a record number of 3.1 million visitors as the yen hit a 34-year low against the dollar, making the country an alluring destination for tourists.

Compared to the previous year, there has been an increase of 69.5% in the number of visitors to the archipelago. Additionally, there has been an increase of 11.6% in the number of visitors in March 2019, just before the COVID-19 pandemic. The increase in global tourism, the Japanese cherry blossom season, and the Easter holidays abroad are some of the contributing factors to this record.

Other factors that have attracted visitors include the current weakness of the yen compared to the dollar and euro, making Japan quite affordable for Americans and Europeans. As a result, the number of visitors from the United States (+64.3%) and Germany (+66.1%) has also increased considerably. Since October 2020, monthly visitor numbers to Japan have exceeded 2019 levels. The archipelago was closed to foreigners during the pandemic. Still, the government has been working to bring them back in large numbers since 2022, as they are seen as a welcome addition to support consumption in the country.

According to experts, the rise in hotel prices in Japan can be attributed to a labor shortage. As occupancy rates are high and labor is scarce, hotel rates are increasing to cover the costs. **The demand from inbound tourists is also high, making raising hotel prices in Japan obvious.**

The weakening of the yen has increased holidaymakers' spending. According to data from the Japan Tourist Agency, foreign visitors spent ¥1.75 trillion from January to March, an increase of 52% from 2019. Furthermore, shoppers are taking advantage of the discounted prices of luxury goods.

Hotel prices in Japan may continue to rise if foreign demand increases. However, with a weak yen, hotels remain affordable for foreign tourists.

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