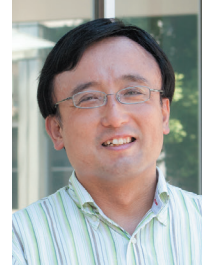


# Is Japan's Accommodation Service Industry Finally Overcoming the Coronavirus Pandemic?



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## Will Easing of Border Control & Travel Support Measures Have Positive Impact?

One of the Japanese industries hardest hit by the coronavirus pandemic from early 2020 was the accommodation service industry. Restrictions on movements and border control measures against tourists coming from overseas have resulted in a huge decline in the number of guests, both Japanese and foreign. On the other hand, the government did not seek restrictions on movement during the seventh wave of the expansion of infections in the summer of 2022, as it had before, to aim at “balancing measures against infectious disease and social and economic activities”. On border control measures also, the maximum number of entrants was raised to 50,000 people per day in September 2022, followed by the removal of the upper limit for entrants in October, and the ban on entry of individual foreign tourists was also lifted. Moreover, support measures for domestic travel have also been put forward. How have such changes in policies impacted Japan's accommodation service industry?

In my September/October 2020 article (Impact of the Coronavirus Pandemic on the Japanese Economy as Seen in the Overnight Travel Statistic Survey) of this series, the drop in the number of guests during the early stages of the coronavirus pandemic was confirmed using the “Overnight Travel Statistics Survey” by the Japan Tourism Agency (JTA). In this issue, let us observe the recovery of the accommodation service industry by using the most recent Overnight Travel Statistics Survey.

## Guest Nights for 2022 Already Surpassing the Previous Year with Cumulative Total to October

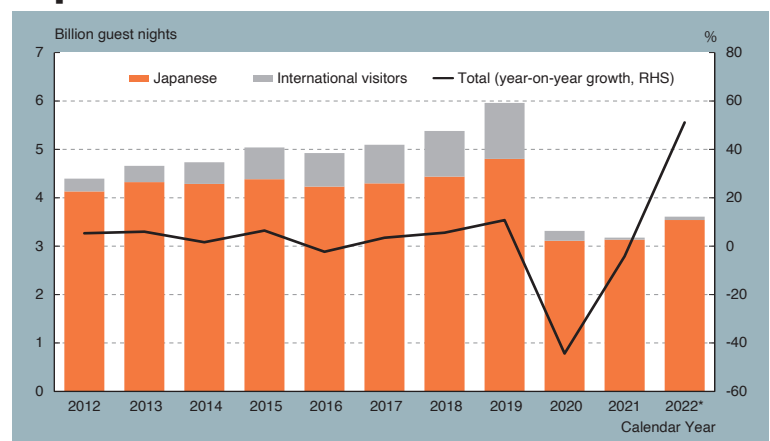
The Overnight Travel Statistics Survey is conducted every month by the Japan Tourism Agency. First preliminary figures are released at the end of the following month and data such as the total number of guest nights, total number of guest nights of international visitors, total number of guests by different accommodation facility

types, and room occupancy rates can be grasped. The number of guest nights counts, for example, three guest nights when one person stays for three nights, and these are aggregated on a monthly basis. Second preliminary figures are released at the end of the month after next, and the first preliminary figures are revised, as well as data from the different prefectures also being revealed. At the time this article was written, first preliminary figures for October 2022 and second preliminary figures for the months of September and before have been obtained from data being released on Nov. 30.

*Chart 1* shows the trend in total number of guest nights for each year. In 2019, before the coronavirus pandemic, the total number of guest nights had expanded to approximately 6 billion (4.8 billion guest nights for Japanese and 1.2 billion guest nights for international visitors), but dropped to 3.3 billion in 2020, and continued to decline in 2021 (a decrease of 4%).

On the other hand, looking at the cumulative total up to October 2022, the total number of guest nights was 3.6 billion, surpassing the 2020 and 2021 levels. Comparing this to the cumulative total up to October 2021, it is an increase of 51.1%. Guest nights for the Japanese were a cumulative total of 3.5 million by October 2022,

CHART 1  
**Trend in total number of guest nights in Japan**



Note: \*The number in 2022 is the total from January to October.  
Source: “Overnight Travel Statistics Survey”, Japan Tourism Agency

surpassing the 2020 and 2021 levels. Guest nights for international visitors remain at 0.1 billion, but have surpassed the 2021 level with the cumulative total up to October 2022.

## Room Occupancy Rates Nearing the 2019 Level

Chart 2 shows the trends in room occupancy rates for each month. Annual average room occupancy rates were trending at more than 60% from 2016 to 2019, but remained around half for 2020 at 34.5% and for 2021 at 33.1%. In the fall of 2020, a domestic travel support measure called “Go To Travel” was launched and contributed to the rise in room occupancy rates, but this support measure was halted by the end of 2020 on the back of a rise in the number of infections. As restrictions on movements continued, room occupancy rates for 2021 also remained low.

Signs of change to this trend were seen in the spring of 2022. While border control measures were still in place, it was the first Golden Week with no restrictions on movements in three years, and room occupancy rates in April and May exceeded 50%, coming closer to the average year (around 60%). From then onwards, there were no restrictions on movements and room occupancy rates continued to rise by August.

Further, what requires attention when looking at room occupancy rates data is the range of revisions from the first preliminary figures to the second preliminary figures. Factors such as response rates are speculated to have an impact, but from January to August in 2022 room occupancy rate were revised upwards from 3.9 points to 9.1 points between the first preliminary figures and the second preliminary figures.

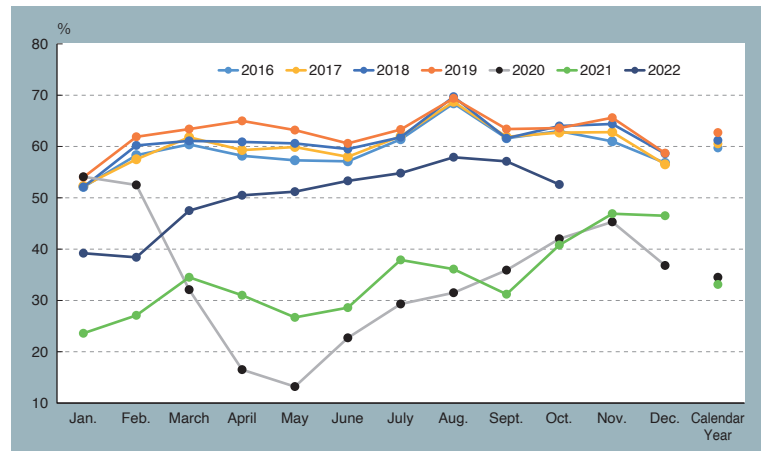
The first preliminary figure for September 2022 was 46.9%, but the second preliminary figure which was released on Nov. 30 was 57.1%, an upward revision of 10.2 points. The first preliminary figure for October 2022 was 52.6%, down from September, but it is likely to be revised upwards in the second preliminary figure which will be released at the end of December. Going forward, how close it will reach the room occupancy rate for an average year will be closely watched.

What is the room occupancy rate by different prefectures from looking at the January to September 2022 average?

Chart 3 compares the average value of room occupancy rates by prefecture for January to September 2022 as revealed in the second preliminary figure with the average room occupancy rate value for the period January to September for 2015 to 2019, which is considered to be the average year level. As mentioned before, while the recovery in room occupancy rate is continuing in 2022, the

CHART 2

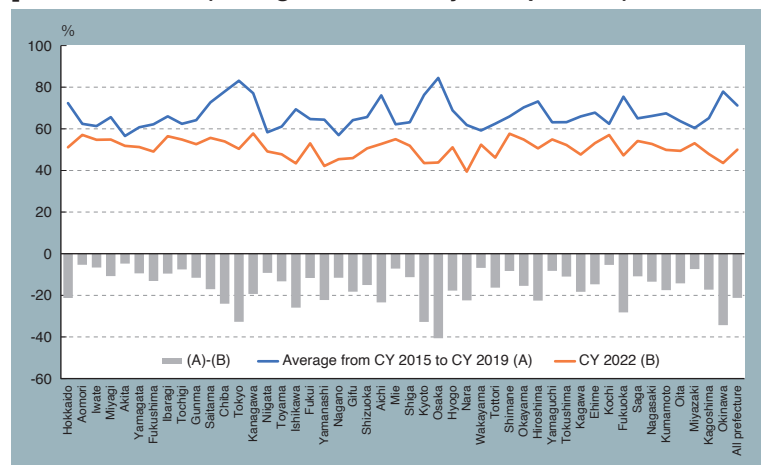
## Trends in room occupancy rates



Source: “Overnight Travel Statistics Survey”, Japan Tourism Agency

CHART 3

## Trends in room occupancy rates by prefecture (average from January to September)



Source: “Overnight Travel Statistics Survey”, Japan Tourism Agency

average room occupancy rate for the period January to September is still far below the average year.

The top prefectures which are seeing drops in occupancy rates are Osaka (negative 40.6 points), Okinawa (negative 34.3 points), Kyoto (negative 32.8 points), Tokyo (negative 32.7 points), and Fukuoka (negative 28.2 points). How much these negative ranges will shrink by the end of 2022 should also be closely watched.

**Note:** This article was written based on information obtained by Nov. 30, 2022.

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Calendar year, Quarter and Month	Real GDP		Nominal GDP		IIP rate of increase over previous year/term (month) (%)	CPI (All terms, less fresh food) rate of increase over previous year/the same term (month) of the previous year (%)
	Amount (trillion yen)	Rate of increase over previous year/term (%)	Amount (trillion yen)	Rate of increase over previous year/term (%)		
2014	529.8	0.3	518.8	2.0	2.0	2.6
2015	538.1	1.6	538.0	3.7	-1.2	0.5
2016	542.1	0.8	544.4	1.2	0.0	-0.3
2017	551.2	1.7	553.1	1.6	3.1	0.5
2018	554.8	0.6	556.6	0.6	1.1	0.9
2019	552.5	-0.4	557.9	0.2	-3.0	0.6
2020	528.9	-4.3	539.1	-3.4	-10.4	-0.2
2021	540.2	2.1	549.4	1.9	5.6	-0.2
2021/4th Qtr.	544.4	1.2	551.9	0.9	0.2	0.4
2022/1st Qtr.	542.0	-0.5	552.9	0.2	0.8	0.6
2nd Qtr.	547.9	1.1	558.2	1.0	-2.7	2.1
3rd Qtr.	546.8	-0.2	554.1	-0.7	5.8	2.7
2022/March	—	—	—	—	0.3	0.8
April	—	—	—	—	-1.5	2.1
May	—	—	—	—	-7.5	2.1
June	—	—	—	—	9.2	2.2
July	—	—	—	—	0.8	2.4
Aug.	—	—	—	—	3.4	2.8
Sept.	—	—	—	—	-1.7	3.0
Oct.	—	—	—	—	-3.2	3.6
Sources	"SNA (National Accounts of Japan)", Cabinet Office				"Indices of Industrial Production", Ministry of Economy, Trade and Industry	"Consumer Price Index", Statistics Bureau, Ministry of Internal Affairs and Communications

Calendar year, Quarter and Month	Foreign Trade Statistics									
	Exports amount (trillion yen)	Exports rate of increase over previous year/ the same term (month) of the previous year (%)	Imports amount (trillion yen)	Imports rate of increase over previous year/ the same term (month) of the previous year (%)	Exports amount to US (trillion yen)	Exports to US rate of increase over previous year/ the same term (month) of the previous year (%)	Imports amount from US (trillion yen)	Imports from US rate of increase over previous year/ the same term (month) of the previous year (%)	Exports amount to EU (trillion yen)	Exports to EU rate of increase over previous year/ the same term (month) of the previous year (%)
2014	73.1	4.8	85.9	5.7	13.6	5.6	7.5	10.7	6.4	8.2
2015	75.6	3.4	78.4	-8.7	15.2	11.5	8.1	6.9	6.7	4.4
2016	70.0	-7.4	66.0	-15.8	14.1	-7.1	7.3	-9.2	6.5	-2.8
2017	78.3	11.8	75.4	14.1	15.1	6.9	8.1	10.5	7.1	9.5
2018	81.5	4.1	82.7	9.7	15.5	2.4	9.0	11.4	7.7	7.8
2019	76.9	-5.6	78.6	-5.0	15.3	-1.4	8.6	-4.2	7.4	-3.0
2020	68.4	-11.1	68.0	-13.5	12.6	-17.3	7.5	-13.7	6.3	-15.1
2021	83.1	21.5	84.8	24.6	14.8	17.6	8.9	19.4	7.7	21.4
2021/4th Qtr.	22.4	15.7	24.1	37.6	4.1	10.6	2.4	34.0	2.0	12.6
2022/1st Qtr.	22.0	14.5	25.3	34.6	3.9	17.6	2.6	28.9	2.1	14.0
2nd Qtr.	23.9	15.9	28.6	40.8	4.3	15.7	2.7	21.6	2.3	17.4
3rd Qtr.	25.6	23.2	32.0	47.6	4.8	30.0	3.2	42.5	2.4	27.2
2022/March	8.5	14.7	8.9	31.3	1.5	23.8	0.9	18.2	0.8	16.8
April	8.1	12.5	8.9	28.3	1.5	17.5	0.9	15.3	0.8	19.2
May	7.3	15.8	9.6	48.8	1.3	13.6	0.9	24.2	0.7	10.5
June	8.6	19.3	10.0	46.0	1.6	15.7	1.0	25.2	0.8	22.2
July	8.8	19.0	10.2	47.3	1.6	14.1	1.1	46.8	0.8	31.7
Aug.	8.1	22.0	10.9	49.8	1.5	33.8	1.1	40.5	0.7	16.7
Sept.	8.8	28.9	10.9	45.8	1.7	45.3	1.1	40.3	0.8	33.2
Oct.	9.0	25.3	11.2	53.5	1.8	36.6	1.1	47.1	0.9	28.1
Sources	"Trade Statistics of Japan", Ministry of Finance									

Calendar year, Quarter and Month	Cash salary amount rate of increase over previous year/the same term (month) of the previous year (%)	Active job openings-to-applicants ratio (time(s))	Unemployment rate (%)	M2 rate of increase over previous year/ the same term (month) of the previous year (%)	Balance of payments		Yen/\$ rate (averaged during the term)
					Trade balance (trillion yen)	Current balance (trillion yen)	
2014	0.5	1.09	3.6	3.4	-10.5	3.9	105.8
2015	0.1	1.20	3.4	3.6	-0.9	16.5	121.0
2016	0.6	1.36	3.1	3.4	5.5	21.4	108.8
2017	0.4	1.50	2.8	4.0	4.9	22.8	112.2
2018	1.4	1.61	2.4	2.9	1.1	19.5	110.4
2019	-0.4	1.60	2.4	2.4	0.2	19.3	109.0
2020	-1.2	1.18	2.8	6.5	2.8	15.8	106.8
2021	0.3	1.13	2.8	6.4	1.7	21.6	109.8
2021/4th Qtr.	0.0	1.17	2.7	4.0	-0.6	3.7	113.7
2022/1st Qtr.	1.5	1.21	2.7	3.5	-1.9	4.9	116.2
2nd Qtr.	1.5	1.25	2.6	3.3	-3.8	2.4	129.6
3rd Qtr.	1.7	1.32	2.6	3.4	-5.5	2.5	138.4
2022/March	2.0	1.22	2.6	3.5	-0.1	3.2	118.5
April	1.3	1.23	2.5	3.4	-0.7	1.1	126.1
May	1.0	1.24	2.6	3.1	-2.0	0.8	128.7
June	2.0	1.27	2.6	3.3	-1.1	0.5	133.9
July	1.3	1.29	2.6	3.4	-1.2	0.9	136.7
Aug.	1.7	1.32	2.5	3.4	-2.5	0.7	135.3
Sept.	2.2	1.34	2.6	3.3	-1.8	0.9	143.1
Oct.	1.8	1.35	2.6	3.1	-1.9	-0.1	147.2
Sources	"Monthly Labour Survey", Ministry of Health, Labour and Welfare	"Employment Referrals for General Workers", Ministry of Health, Labour and Welfare	"Labour Force Survey", Statistics Bureau, Ministry of Internal Affairs and Communications	"Money Stock", Bank of Japan	"Balance of Payments", Ministry of Finance		Bank of Japan

Calendar year, Quarter and Month	Foreign Trade Statistics									
	Imports amount from EU (trillion yen)	Imports from EU rate of increase over previous year/ the same term (month) of the previous year (%)	Exports amount to Asia (excluding China) (trillion yen)	Exports to Asia (excluding China) rate of increase over previous year/ the same term (month) of the previous year (%)	Imports amount from Asia (excluding China) (trillion yen)	Imports from Asia (excluding China) rate of increase over previous year/ the same term (month) of the previous year (%)	Exports amount to China (trillion yen)	Exports to China rate of increase over previous year/ the same term (month) of the previous year (%)	Imports amount from China (trillion yen)	Imports from China rate of increase over previous year/ the same term (month) of the previous year (%)
2014	7.5	6.9	26.1	3.5	19.4	6.2	13.4	6.0	19.2	8.6
2015	7.8	4.6	27.1	3.7	18.9	-2.6	13.2	-1.2	19.4	1.3
2016	7.4	-5.0	24.7	-8.7	16.2	-14.5	12.4	-6.5	17.0	-12.4
2017	8.0	7.0	28.0	13.3	18.6	14.8	14.9	20.5	18.5	8.5
2018	8.8	10.6	28.8	2.9	20.0	7.8	15.9	6.8	19.2	4.0
2019	8.8	0.3	26.6	-7.6	19.0	-5.3	14.7	-7.6	18.5	-3.9
2020	7.8	-12.1	24.1	-9.4	17.2	-9.4	15.1	2.7	17.5	-5.1
2021	9.4	21.4	30.2	25.0	20.7	20.6	18.0	19.2	20.4	16.4
2021/4th Qtr.	2.5	24.9	8.2	22.9	5.7	29.0	4.9	12.0	5.6	16.5
2022/1st Qtr.	2.6	24.1	8.2	18.8	6.2	29.1	4.3	7.0	5.5	16.6
2nd Qtr.	2.9	20.8	9.2	24.7	6.9	39.2	4.6	0.5	5.8	17.3
3rd Qtr.	2.7	8.4	9.5	23.3	7.7	46.4	5.1	14.4	6.7	33.0
2022/March	0.9	16.5	3.1	18.4	2.2	25.6	1.7	2.9	1.9	19.0
April	1.0	25.4	3.1	20.3	2.2	27.7	1.5	-5.9	1.7	-5.5
May	1.0	18.8	2.9	28.6	2.3	52.7	1.4	-0.2	2.0	25.8
June	0.9	18.1	3.2	25.9	2.3	38.9	1.7	7.4	2.2	33.3
July	0.8	7.3	3.3	26.1	2.5	42.3	1.8	12.8	2.2	34.7
Aug.	0.9	-1.7	3.0	20.9	2.6	49.6	1.6	13.4	2.2	34.3
Sept.	1.0	19.7	3.2	22.6	2.6	47.2	1.7	17.1	2.3	30.1
Oct.	1.1	40.2	3.2	22.0	2.7	54.2	1.7	7.7	2.4	39.3
Sources	"Trade Statistics of Japan", Ministry of Finance									