Slowdown in Inbound Demand



Author Nobuo Iizuka

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Number of Foreign Visitors to Japan Declining

Signs are showing of a slowdown in the consumption activities of foreign tourists to Japan (inbound demand), which has underpinned Japan's service exports in recent years. The cumulative total number of foreign visitors to Japan, which the Japan National Tourism Organization (JNTO) releases every month, was down for the period January to August by 2.7% year-on-year. It had recovered sharply since bottoming out in 2021 during the coronavirus pandemic, and by 2024 it had exceeded the pre-pandemic 2019 level, increasing to over 40 million visitors in 2025. The total number of overnight stays of foreign visitors as reported in the "Survey on Overnight Stay Travel" (Japan Tourism Agency) also shows a continuing year-on-year decline since March 2026.

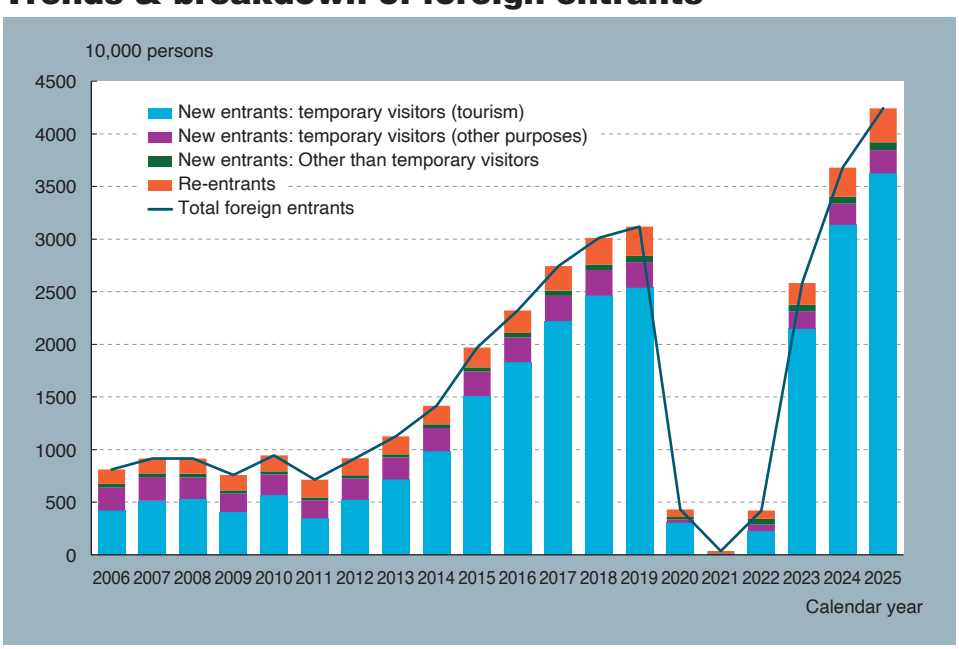
On the other hand, as written in the July/August 2023 issue of this series, the number of foreign visitors to Japan also includes foreign nationals entering the country for reasons other than tourism. Therefore, in this month's article, I will examine the trend in recent years by using the "Immigration Control Statistics" (Ministry of Justice) which is the basic survey of the number of foreign visitors to Japan.

"Temporary Visits" for Tourism Are 85% of Foreign Visitors

The number of foreign nationals entering Japan as reported in the "Immigration Control Statistics" was 42.43 million in 2025. Compared to 2006, this is an approximately fivefold increase. *Chart 1* shows the breakdown, with those planning to stay in Japan for 90 days or less (temporary visits) for the purpose of tourism accounting for 85% of the total, at 36.24 million. Although it was zero in 2021 during the coronavirus pandemic, by 2024 it had exceeded the pre-pandemic 2019 level. Since the percentage was about half of all foreign nationals entering Japan in 2006, it can be shown that temporary visits for the purpose of tourism have been the driving force behind the recent increase in the number of foreign visitors.

CHART 1

Trends & breakdown of foreign entrants



Source: "Immigration Control Statistics", Ministry of Justice

China Not the Driving Force Behind Recovery from Pandemic

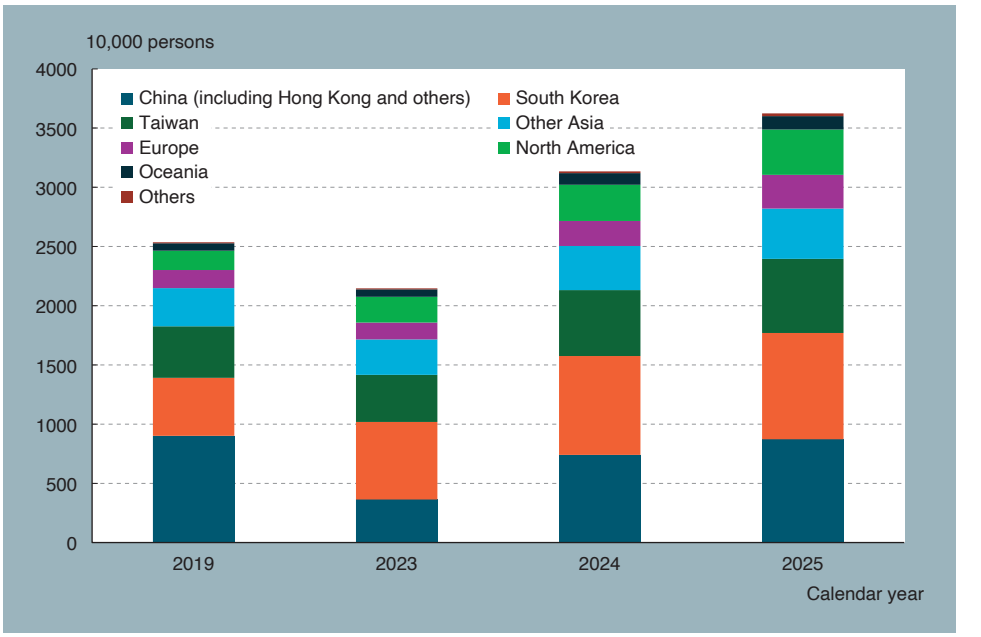
A breakdown of new entries to Japan for temporary visits for the purpose of tourism is available by country and region. Approximately 60% (6.73 million people) of the increase (10.87 million) between 2019 and 2025 was attributed to a

rise in tourists from Asia *(Chart 2)*. Whilst Asia has traditionally accounted for over 80% of foreign tourists visiting Japan, tourists from India and the ASEAN region have also increased, in addition to those from South Korea (4.07 million) and Taiwan (1.90 million) which have historically accounted for a large share. Furthermore, the number of tourists from China in 2025 was still 520,000 less than in 2019. Although the number had been on the rise following the slump during the coronavirus pandemic, even in 2025 it still did not reach the 2019 level.

Germany (219,000) contributed the most to the increase in tourists from Europe (1.30 million), followed by the United Kingdom, France and other countries. Nearly 80% of the increase in tourists from North America (2.20 million) were from the United States. It can be said that diversification in countries of origin for tourists is gradually progressing.

CHART 2

Foreign temporary visitors for tourism by country/ region



Source: "Immigration Control Statistics", Ministry of Justice

Cumulative Total of Temporary Visitors in Jan.-July Unchanged

The number of foreign nationals entering Japan for the purpose of tourism is released only in the annual report of the "Immigration Control Statistics". Since tourism accounts for over 90% of "temporary visits", trends in this category are thought to be heavily impacted by tourism demand.

The cumulative total for the period January to July 2026 is almost the same compared to the same period the previous year. There is no evidence of a fall as seen in the decline in the total number of foreign visitors to Japan. However, the number of visitors from Asia, which had been the driving force until 2025, contributed negatively by 1.4%. Visitors from China fell by over 50% and the increase in visitors from South Korea and Taiwan was not enough to offset this decline. The increase in visitors from Europe and North America was also not strong enough. Prime Minister Sanae Takaichi's remarks regarding a contingency in Taiwan led to the Chinese government's call for Chinese people to refrain from traveling to Japan and this had an impact, among other factors.

NOTE: This article was based on available information as of Sept. 30, 2026

Article translated from the original Japanese by Mio Kawashima.

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Nobuo Iizuka is a professor of the Department of Economics at Kanagawa University. He worked for the *Nihon Keizai Shimbun (Nikkei)* and the Japan Center for Economic Research for more than 20 years, and is one of the most highly-regarded commentators on Japanese business and the economy.

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 (%)		
2018	580.9	0.8	569.2	0.7	0.6	0.9
2019	579.1	-0.3	571.8	0.5	-2.6	0.6
2020	554.3	-4.3	554.1	-3.1	-10.4	-0.2
2021	574.2	3.6	573.7	3.5	5.4	-0.2
2022	581.3	1.2	584.5	1.9	-0.1	2.3
2023	586.5	0.9	616.7	5.5	-1.3	3.1
2024	586.9	0.1	636.9	3.3	-2.6	2.5
2025	593.7	1.2	666.4	4.6	-0.3	3.1
2025/3rd Qtr.	592.4	-0.4	668.9	0.3	-1.1	2.9
4thQtr.	594.0	0.3	675.0	0.9	0.3	2.7
2026/1st Qtr.	596.8	0.5	680.1	0.8	2.5	1.7
2nd Qtr.	599.0	0.4	689.2	1.3	0.2	1.5
2026/Jan.	—	—	—	—	4.3	1.9
Feb.	—	—	—	—	-2.0	1.5
March	—	—	—	—	-0.4	1.7
April	—	—	—	—	0.5	1.4
May	—	—	—	—	0.1	1.4
June	—	—	—	—	1.9	1.6
July	—	—	—	—	-0.2	1.8
Aug.	—	—	—	—	-2.4	1.7
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 (%)
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	84.9	24.8	14.8	17.6	8.9	19.6	7.7	21.4
2022	98.2	18.2	118.5	39.6	18.3	23.1	11.8	31.9	9.4	22.0
2023	100.9	2.7	110.4	-6.8	20.3	11.0	11.6	-1.7	10.4	10.9
2024	107.1	6.2	112.7	2.1	21.3	5.1	12.7	9.8	10.0	-3.9
2025	110.4	3.1	113.3	0.5	20.4	-4.3	12.9	1.8	10.1	1.3
2025/3rd Qtr.	27.2	0.3	27.9	-3.1	4.7	-12.8	3.3	5.7	2.5	2.1
4thQtr.	29.9	4.9	29.7	2.6	5.4	-2.5	3.4	12.6	2.8	9.8
2026/1st Qtr.	29.7	10.5	30.2	5.8	5.2	-3.1	3.4	9.9	2.8	19.1
2nd Qtr.	30.9	17.0	31.5	15.9	5.6	11.5	4.2	34.4	2.9	20.6
2026/Jan.	9.2	16.8	10.4	-2.6	1.5	-5.1	1.1	3.2	0.8	29.6
Feb.	9.6	4.0	9.5	10.3	1.8	-8.0	1.1	8.5	0.9	14.0
March	11.0	11.5	10.4	11.0	1.9	3.4	1.2	18.1	1.0	16.1
April	10.5	14.8	10.2	9.9	1.9	9.5	1.2	24.3	1.1	27.0
May	9.5	16.8	9.9	12.5	1.7	12.3	1.3	26.1	0.9	14.0
June	10.9	19.3	11.3	25.4	1.9	12.9	1.6	52.6	1.0	20.2
July	11.5	23.2	12.2	27.9	2.1	22.0	1.8	58.1	1.0	19.1
Aug.	10.0	19.3	11.2	28.0	1.7	24.9	1.7	55.2	0.9	11.0
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)	
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	16.0	106.8
2021	0.3	1.13	2.8	6.4	1.8	21.5	109.8
2022	2.0	1.28	2.6	3.3	-15.5	11.4	131.4
2023	1.2	1.31	2.6	2.5	-6.6	22.5	140.5
2024	2.8	1.25	2.5	1.7	-2.7	29.3	151.5
2025	2.3	1.22	2.5	1.2	-0.6	32.2	149.6
2025/3rd Qtr.	2.4	1.21	2.5	1.3	0.2	10.7	147.5
4thQtr.	2.2	1.19	2.6	1.7	0.7	7.3	154.1
2026/1st Qtr.	3.0	1.19	2.7	1.8	0.5	9.6	156.9
2nd Qtr.	3.7	1.18	2.5	2.3	0.2	8.1	159.4
2026/Jan.	2.5	1.18	2.7	1.6	-0.6	0.9	156.8
Feb.	3.4	1.19	2.6	1.7	0.3	3.9	155.2
March	3.1	1.18	2.7	2.0	0.8	4.8	158.6
April	3.6	1.18	2.5	2.3	0.3	3.9	159.3
May	3.3	1.17	2.5	2.5	-0.0	4.1	158.3
June	4.0	1.18	2.5	2.2	-0.1	0.1	160.7
July	4.3	1.18	2.4	2.1	-0.4	3.0	162.5
Aug.	3.8	1.18	2.5	2.0	-0.7	4.1	158.8
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 (%)
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	9.5	21.8	30.2	25.0	20.7	20.6	18.0	19.2	20.4	16.4
2022	11.4	21.1	36.4	20.6	28.6	37.8	19.0	5.7	24.8	21.9
2023	11.4	-0.2	34.7	-4.6	27.6	-3.4	17.8	-6.5	24.4	-1.7
2024	12.0	4.7	38.0	9.4	28.6	3.7	18.9	6.2	25.3	3.6
2025	12.8	6.6	41.1	8.2	29.1	1.6	18.8	-0.4	26.7	5.5
2025/3rd Qtr.	3.2	-1.3	10.3	4.9	7.2	-3.3	4.7	0.5	6.5	2.5
4thQtr.	3.3	6.0	11.0	8.6	7.6	3.3	5.1	1.8	7.3	5.6
2026/1st Qtr.	3.3	6.1	11.5	15.4	8.0	7.6	4.9	11.5	7.3	12.6
2nd Qtr.	3.3	3.3	11.8	20.5	8.8	30.2	5.3	17.0	7.6	18.8
2026/Jan.	1.0	-1.1	3.7	23.3	2.7	-1.2	1.5	32.0	2.6	0.6
Feb.	1.1	3.1	3.7	8.9	2.4	7.0	1.4	-11.0	2.3	35.5
March	1.2	16.7	4.2	15.0	2.9	17.9	2.0	17.7	2.3	8.9
April	1.0	3.9	4.0	16.3	2.9	30.1	1.8	15.5	2.6	15.0
May	1.1	4.7	3.6	20.2	2.7	29.6	1.7	17.9	2.4	13.7
June	1.1	1.7	4.2	24.9	3.2	30.8	1.8	17.6	2.6	27.9
July	1.1	-2.3	4.3	23.8	3.3	37.7	2.0	25.8	2.8	26.2
Aug.	1.1	20.4	3.9	21.7	3.1	34.5	1.8	20.5	2.4	22.5
Sources	"Trade Statistics of Japan", Ministry of Finance									