

# Battle for Leisure Money

Leisure is big business in Japan. According to the Leisure Development Center's 1990 *White Paper on Leisure*, leisure spending amounted to about ¥63 trillion (\$485 billion) or 16.2% of nominal GNP in 1989. The figures are expected to be even higher for 1990 with the very successful International Garden and Greenery Exposition in Osaka, the mass migration to the beaches in the face of scorching summer heat and other summer vacation spending.

Belying this surface robustness, leisure in Japan is still in its infancy in many ways. Although improving, the climate is still one of reluctant and hard-won leisure. For example, more and more companies are giving two days off every week, but this only covered 29.5% of all Japanese workers in 1988 (as opposed to 100% in the United States and West Germany). Also, most Japanese workers do not even take all of the paid vacation that they have coming to them (the figures being nine days for Japan, 19 for the U.S. and 29 for West Germany in 1988).

In addition Japanese work a lot of overtime (253 hours as opposed to 203 hours in the U.S. and 83 hours in West Germany in 1988). And even for children, not only are the schools open on Saturdays, they also have cram schools and other lessons that keep them from enjoying much free time when school is out.

Despite this, leisure spending is a steadily increasing factor in Japanese personal consumption. Just as young people brought up to take the surfeit of material goods for granted have now become the mainstay of the leisure market, the Japa-

nese lifestyle and values have started to place a greater emphasis on leisure and quality of life. Fewer and fewer Japanese feel guilty about enjoying themselves, and more and more are taking the initiative in leisure activities.

In 1991, the traditional leisure pursuits unable to keep up with this quest for better living will fall by the wayside and will be replaced by sports, tourism and other entertainment. It is worth taking a closer look at travel in this context.

For some years domestic travel growth has been sluggish at best, but this trend has been reversed with the completion of the Seikan Tunnel linking Honshu and Hokkaido, the Seto Ohashi Bridge linking Honshu and Shikoku, and other developments over the last few years. As a result, the industry did very well in 1990, buttressed by near-capacity crowds at Tokyo Disneyland, the emergence of other urban playlands with sophisticated information and recreational facilities, the boom in local expositions, strong resort development, the magazine-fed attention to good eating and hot springs, and the strong effort made by Japan's many travel companies.

The Japanese have not, however, been neglecting overseas travel. Some 9.66 million Japanese traveled overseas in 1989, and overseas travel easily topped the 10 million mark in 1990, amounting to about 11 million. The yen's appreciation since 1985 has made overseas travel seem much cheaper to the average Japanese, and this combination of low price and classy image has appealed to the Japanese mentality to make overseas travel a



Photo: Kyodo News Service

Young women discuss winter vacations. The travel boom looks likely to continue in 1991.

very trendy, middle-class thing to do. And while older people are traveling in part to keep up with the Tanakas, younger Japanese hop a plane just as casually as they do the local train.

Even though the major travel agents have had to price their package tours (airline tickets and hotel accommodations included) for the latter half of fiscal 1990 somewhat higher to reflect higher overseas costs, reservations are still running 20 to 30% above the same period of 1989.

Looking ahead to 1991, it is unlikely that this travel boom will end because of anxieties about the Gulf, higher interest rates, the plunging stock market or other factors. Rather, travel is expected to continue strong as the tight labor market means that people have more discretionary income.

Yet not all is bright. The travel companies themselves face a number of pressing problems. Because this industry is a labor-intensive service business with low levels of capital investment, it is very accessible to entry by companies with little in the way of financial resources. As a result, there is fierce competition. This has recently been compounded by the need to provide travel-information networks and to beef up the number of outlets if a company wants to survive in this jungle. In short, it looks as though the industry itself will have little leisure in 1991. ■

(Tetsuo Nagashima, economist)

## Japanese Leisure Spending

(¥ billion except for overseas travelers)

	1985	1986	1987	1988	1989
<b>Leisure market</b>	48,199	51,502	53,967	58,679	63,454
<b>Domestic travel and entertainment</b>	5,376	5,633	5,956	6,499	6,975
<b>Overseas travel</b> (income from international routes)	437	431	467	539	614
<b>Number of Japanese traveling overseas</b> (million)	4.94	5.51	6.82	8.42	9.66

Sources: *White Paper on Leisure* and Ministry of Transport statistics