



Spending by Japanese travellers will almost recover in 2025 and exceed 2019 levels in 2026. Visitation is not expected to recover to 2019 levels until 2026.

Market Insights

Regenerative Tourism

Led by government initiatives, there is increasing awareness and attention toward sustainability in Japan. To meet customers' expectations on responsible and mindful travel, tour companies are trying to adapt sustainable practices into both their tours and their day-to-day operations.

Shared Values

In addition to safety and cleanliness, travel aligned to values and purpose have become priorities in selecting travel destinations. High Value Guests (HVGs) are looking for premium products to meet their passion points. They stay longer in one place and want authentic experiences while contributing to the community, being responsible and feeling welcomed.

Legendary Experiences

Story based legendary experiences that are uniquely Canadian are differentiating Canada from other competitive destinations. Canada's strengths for High Value Guests (HVGs) are nature, wildlife, and people – all aspects that can tie into story-based experiences and connections to place. Increasing popularity in adventure travel and awareness of indigenous experiences will also be advantageous for Canada.

Market Forecast (as of Fall 2022)¹

Spending and visitation levels (% relative to 2019)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Spend	100	12	14	25	53	83	99	115	122	126	130	134
Visitation	100	12	5	20	51	79	94	107	113	115	118	120

● 0%-50% ● 50%-75% ● 75%-100% ● 100%-120% ● 120%+

The following are the context and assumptions used to develop the Fall 2022 Market Forecast:¹



Travel sentiment and covid restrictions

- Being among the last countries to lift all restrictions has created a reluctance to take long-haul trips, which will slow the recovery of travel from Japan.



International travel conditions

- Fear of Covid infection is reducing the desire for outbound travel.
- In 2019, Japan ranked as the 6th largest source of eTA applications. Over the first eleven months of 2022, eTA application from Japan have been very slow to recover.



Economy

- Japan is expected to see GDP growth of 0.9% in 2023 and is expected to achieve the weakest GDP growth among key markets between 2019 and 2030.
- The yen has depreciated significantly relative to the Canadian dollar. In 2022, Canada was significantly more expensive for visitors from Japan.
- Despite the introduction of a new economic package by the Government of Japan designed to keep inflation muted, and bolster economic security, low confidence and real disposable income are expected to hold back consumer spending, which will impact propensity toward outbound travels.

¹ Tourism Outlook Forecast Highlights, Fall 2022.



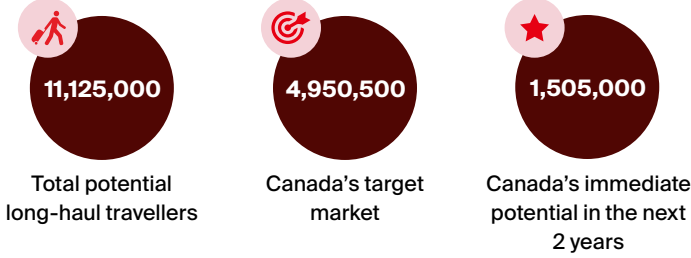
Total Long-Haul Travellers

Japanese aged 18 and older who have taken a long-haul leisure trip outside of East Asia (e.g., China, Hong Kong, Macau, Japan, South Korea, and Taiwan) in the past three years, or plan to take such a trip in the next two years.

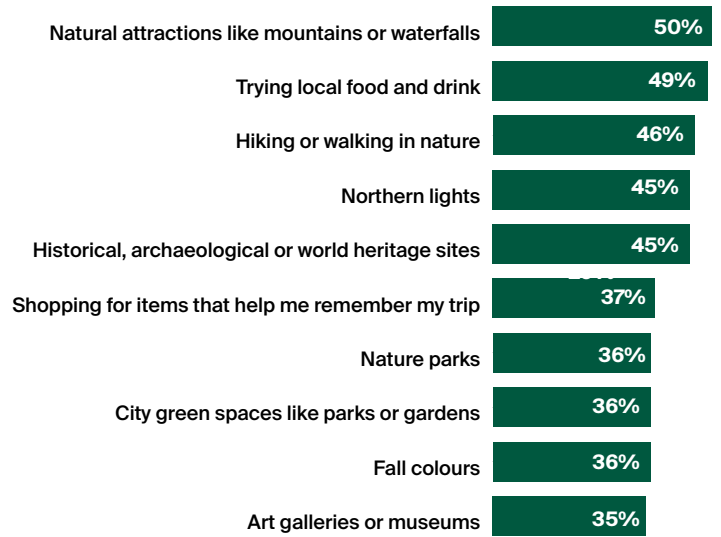
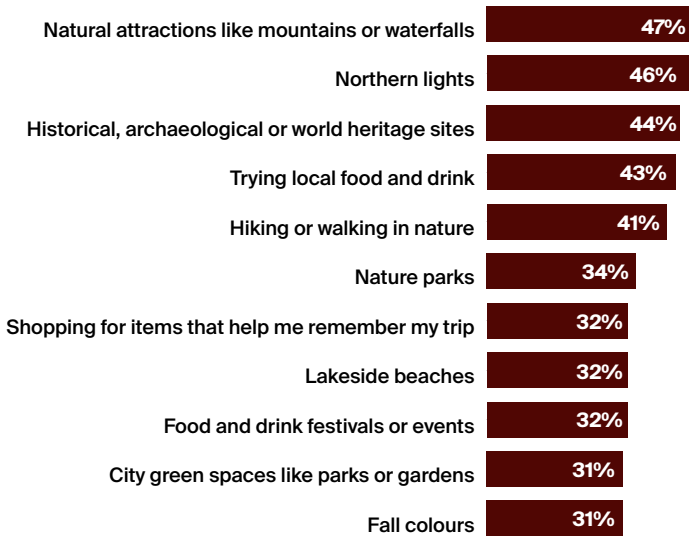
High Value Guests

High value guests (HVGs) immerse themselves in a destination, embrace heritage and culture, and genuinely seek to leave the destination better than they found it. They tend to be more affluent and educated than the average traveller. They share a curiosity for deeper, richer experiences.

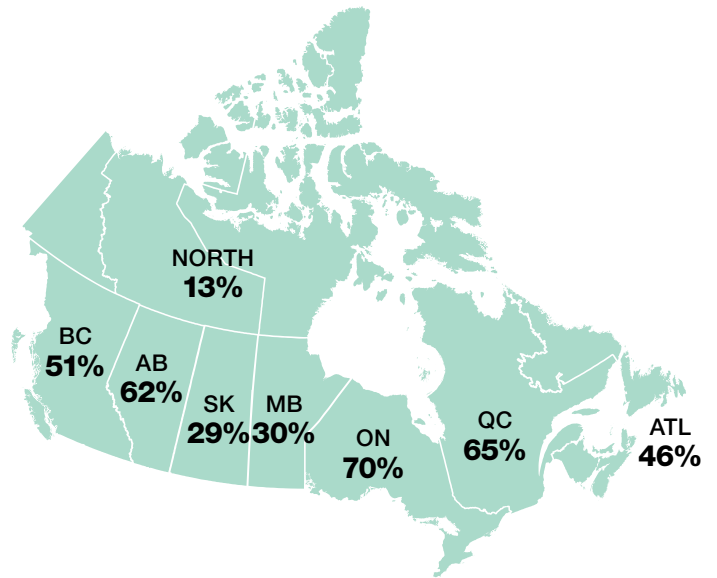
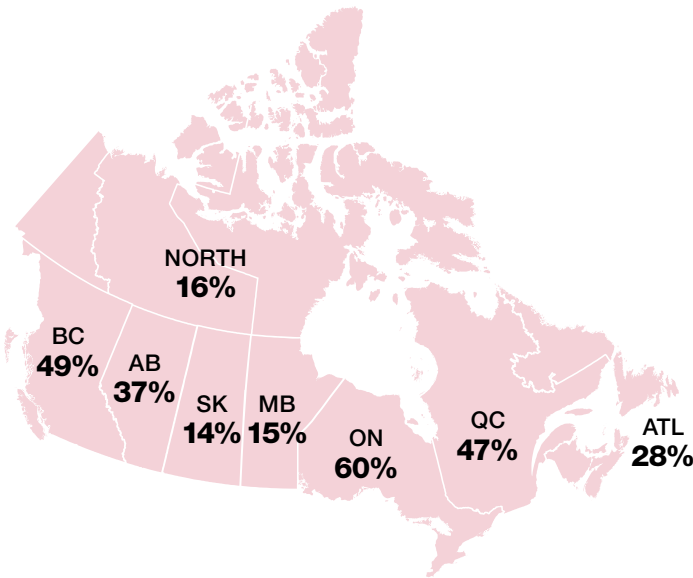
Potential Market Size²



Top Activities of Interest While on Vacation³



Likelihood to Visit Canadian Regions (Next 2 Years)³



Travel Agent Usage for Future Trip to Canada³

NET Definitely / Very / Somewhat Likely
89%

NET Definitely / Very / Somewhat Likely
89%

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² Global Market Sizing 2022.
³ Global Tourism Watch 2021.