



Spending by Japanese travellers will recover in 2025, visitation is not expected to recover to 2019 levels until 2026.

Market Forecast Insights

Japan has been the second slowest market to recover, behind China. Visitation was down 55% in 2023, relative to 2019, with 113,000 overnight arrivals from Japan. Spending is projected to reach 55% of 2019 levels by the end of the year. However, the Japanese market is expected to continue to rebound in 2024. Both spending and visits are projected to grow by over 50% in 2024.

- Spending by Japanese travellers will recover in 2025, reaching 118% of 2019 levels.
- Visitation will recover in 2026.
- In 2025, Canada will welcome 229,000 Japanese visitors who are projected to spend \$591 million.

Market Forecast Highlights¹

Spending and visitation levels (% relative to 2019)

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Spend | 100 | 12 | 12 | 34 | 55 | 87 | 118 | 126 | 144 | 153 | 156 | 157 |
| Visitation | 100 | 12 | 5 | 20 | 45 | 69 | 91 | 106 | 117 | 122 | 123 | 124 |

● 0%-50%
 ● 51%-75%
 ● 76%-100%
 ● 101%-120%
 ● 121%+

Forecast Context and Assumptions¹

Travel Sentiment

- As of December 2023, 13% of Japanese survey respondents indicated that they were planning an international holiday in the next 12 months. This was the lowest percentage among Destination Canada's overseas markets.²
- Thirty-three percent of Japanese travellers said they did not plan to take a holiday (either international or domestic) at all in 2024, the highest percentage among markets.²
- However, other research also finds that travel was the top item Japanese consumers wanted to spend money on in 2024.

International Travel Conditions

- Japanese outbound travel has been slower to recover than most markets. In 2025, total outbound travel from Japan is expected to only be at 99% of 2019 levels, while outbound travel for the entire world will have reach 112%.

Economy³

- Japan is expected to see GDP growth of 2.0% in 2023 and 0.7% in 2024. Overall economic growth is expected to be weak, averaging less than 1.0% per year from 2025 to 2030.
- The yen has depreciated significantly relative to the Canadian dollar in recent years, reducing the purchasing power of the Japanese traveller. The Yen is expected fall relative to \$CAD in 2024 as well, then slowly strengthen in the coming years.

The DC Tourism Outlook Fall 2023 has been adjusted from 2023 to 2025 to reflect the latest arrival numbers.

¹ DC Tourism Outlook Forecast, Fall 2023

² YouGov Global Travel Profiles | December 2023

³ Oxford Economics



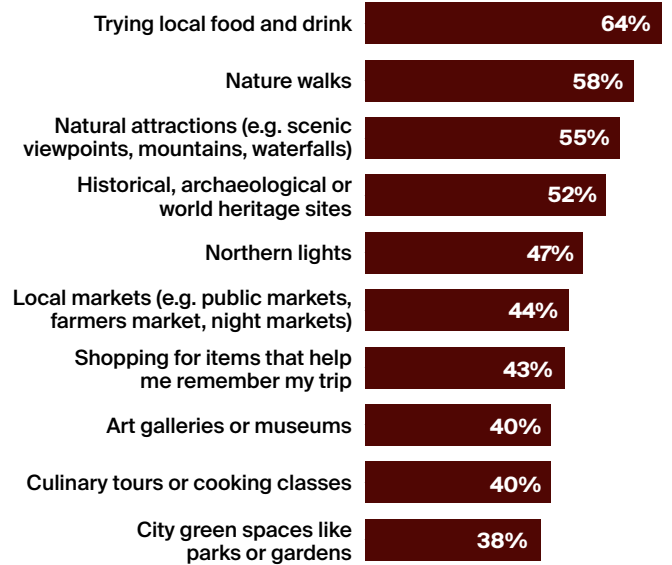
Total Long-Haul Travellers

Japanese aged 18 and older who have taken a long-haul pleasure 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 a such a trip in the next two years.

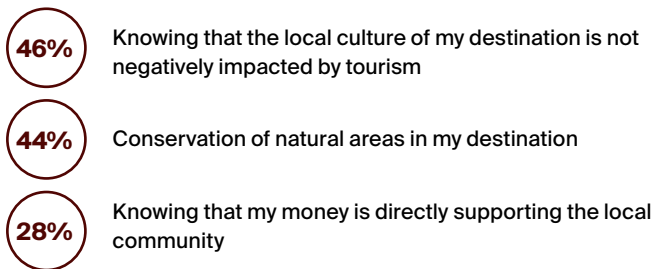
Potential Market Size⁴



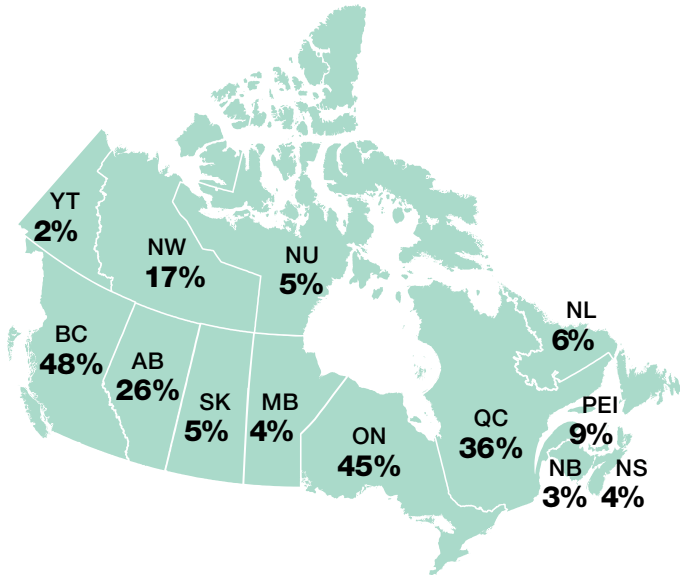
Top Activities of Interest While on Vacation⁴



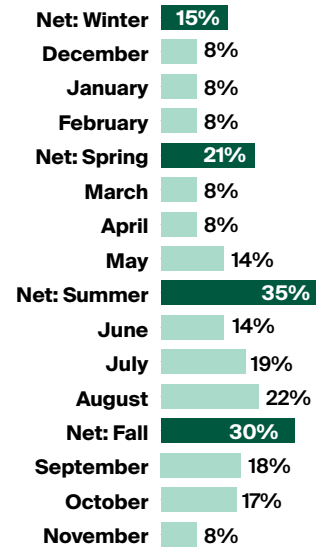
Top 3 Most Important Sustainability Efforts⁴



Likelihood to Visit Canadian Regions (Next 2 Years)⁴



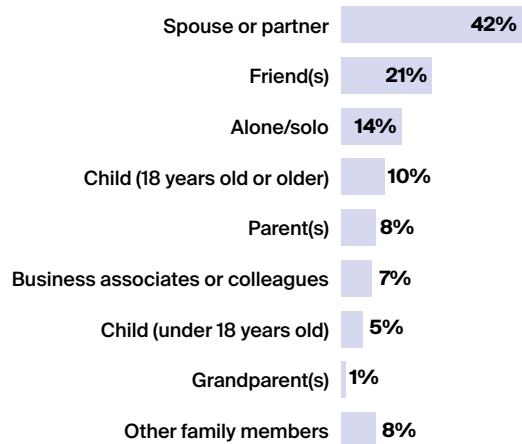
Canada Consideration By Seasons⁴



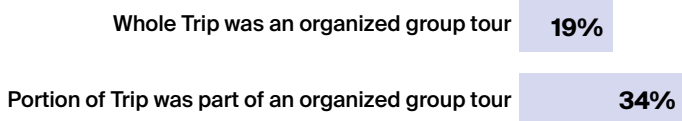
Travel Agent Usage for Most Recent Trip⁴



Travel Party of Recent Trip⁴



Organized Tour Usage for Recent Trip⁴



For further information, please contact:

Masayo Hando | Managing Director | T +81-90-6181-1694 | hando.masayo@destinationcanada.com

⁴ Global Traveller Research Program 2023.