



COVID-19 Impact and Recovery Report: Japan

Updated: October 27, 2020

This report provides a snapshot of the situation in Japan. It includes the following sections:

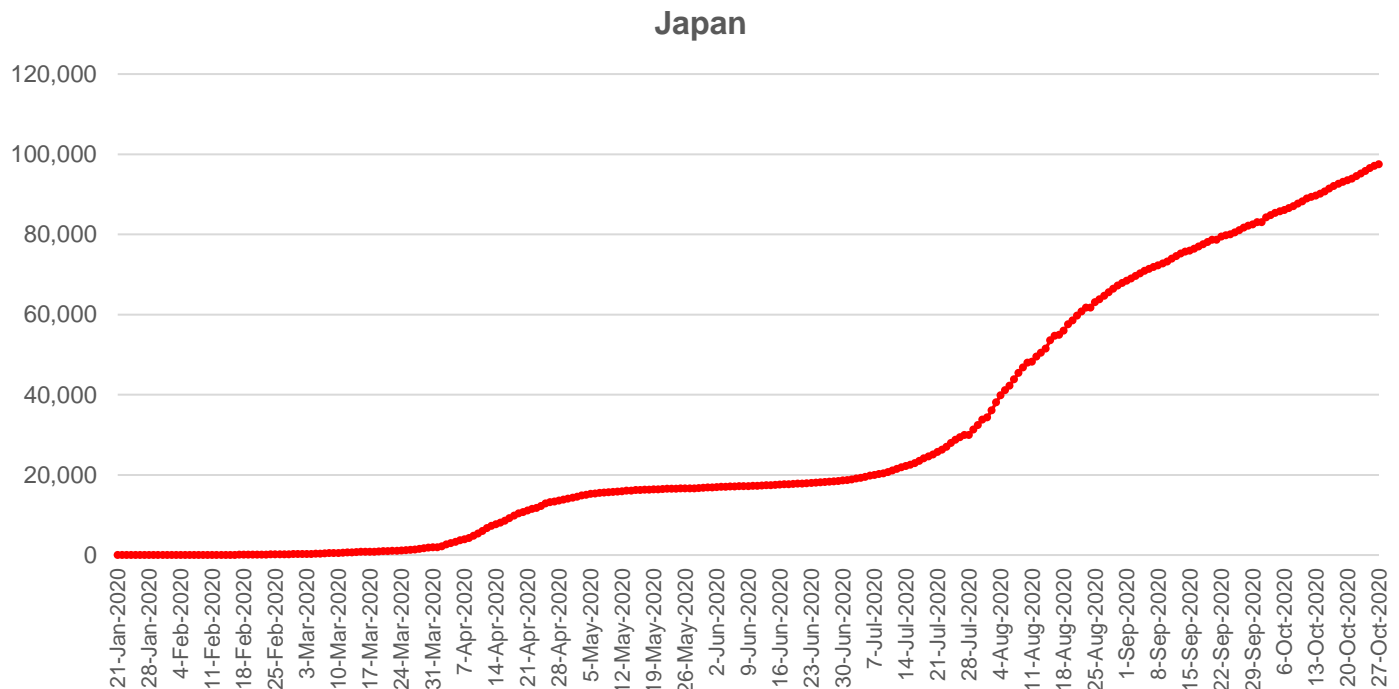
1. **COVID-19 Cases and Related Restrictions:** The number and growth rate of cases as of a certain date. Given the fluidity of the situation, these numbers may become outdated very quickly, however the intent is to provide context for analysis and a sense of the scale. It also provides the known travel bans and restrictions in the country.
2. **Estimated Impacts on Travel to Canada:** The effects of COVID-19 on tourism revenue in Canada. This includes estimated spend inside the country, but excludes spending on transportation to get to Canada.
3. **Recovery Signals:** The comprehensive approach to understanding when the market is recovering from a travel perspective based on data and analysis in partnership with Google, the travel industry, International Air Transport Association (IATA) and more. Destination Canada uses this information to estimate the stage of recovery of the market.
4. **Methodological Notes:** An explanation of the methodologies in the different sections and relevant sources.

1. COVID-19 CASES AND TRAVEL RESTRICTIONS IN Japan

As of October 27, 2020, the COVID-19 pandemic is on an **upward** trajectory in Japan in terms of the reported number of confirmed cases and deaths. Current numbers:¹

- Total Confirmed: 98,146 (The number of confirmed cases resumed an upward trajectory since July 7, 2020, with more than 10% increase week-over-week for 7 consecutive weeks. The upward trend has slowed down since Sep 1, 2020)
- Total Deaths: 1,726
- Total Recovered: 89,465

Confirmed COVID-19 Cases



Source: European CDC (as of October 27, 2020)

Effective March 18, 2020, Canada closed its borders to non-Canadian citizens/permanent residents.²

As of July 22, 2020, the government announced a domestic travel subsidy, the Go To Travel campaign, for all residents except those in Tokyo. The campaign provides up to half of the costs of travels through discounts and coupons. As of October 1, 2020, Tokyo was included in the campaign.³

The following foreign nationals are currently denied permission to enter Japan, unless there are exceptional circumstances:⁴

- 1) Foreign nationals who have stayed in specific areas, including Canada and the United States, within 14 days prior to their applications for landing. The table can be found [here](#).
- 2) Chinese foreign nationals who have passports issued in Hubei Province or Zhejiang Province.

2. ESTIMATED IMPACTS ON TRAVEL TO CANADA

As of October 25, 2020, based on data from payment cards, Statistics Canada, cancellations of previously planned trips, new bookings and forward-looking scheduled air capacity, Destination Canada estimates the economic impact from COVID-19 on Canada to be as outlined below.

Estimated Change in Tourism Export Revenue Compared to 2019 (\$M)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total 2020
\$ change compared to 2019 (\$M)	-\$0.4	\$0.4	-\$16.0	-\$26.4	-\$35.3	-\$36.5	-\$51.4	-\$76.5	-\$66.8	-\$40.1	-\$29.5	-\$29.2	-\$407.7
% change	-1.8%	1.5%	-59.6%	-94.4%	-96.2%	-97.1%	-97.7%	-97.4%	-98.8%	-99.5%	-99.5%	-97.9%	-86.1%

Source: Destination Canada Estimates (data as of October 25, 2020)

Estimated Change in Tourism Export Revenue Compared to 2019 by Province (\$M)

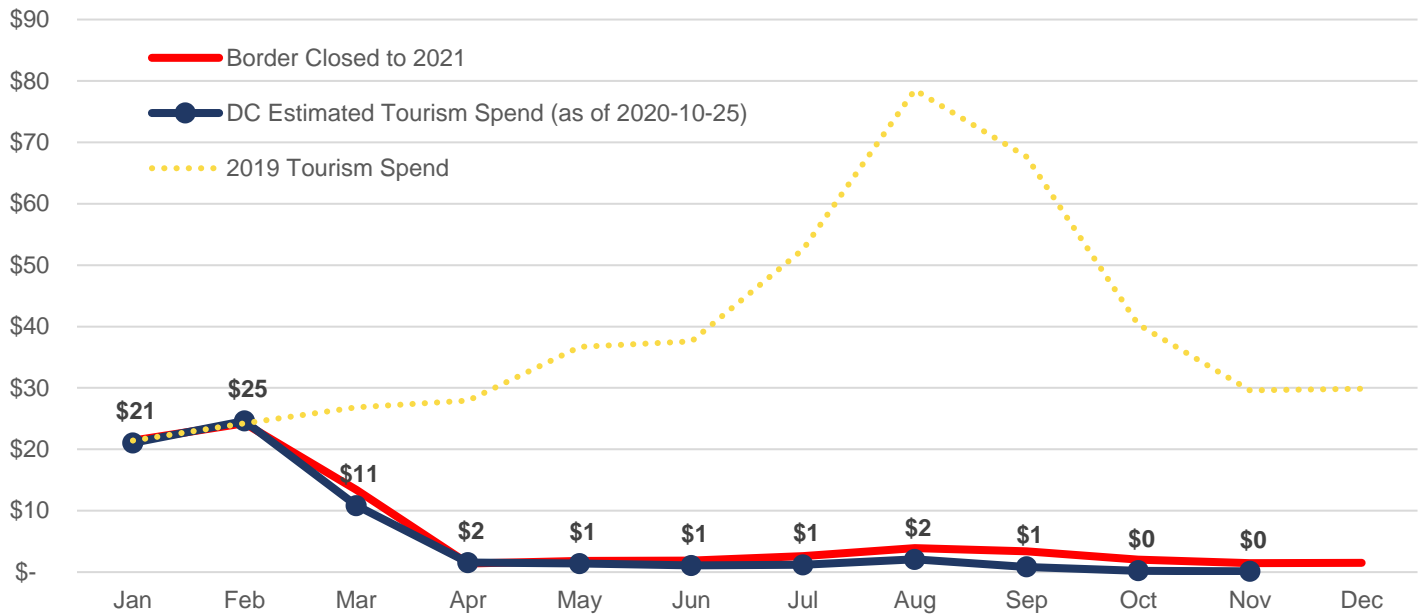
	CAN	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL	NORTH
Jan - Dec	-\$407.7	-\$153.4	-\$51.2	-\$4.9	-\$6.1	-\$116.2	-\$34.0	-\$4.4	-\$5.6	-\$5.7	-\$4.0	-\$22.2

Source: Destination Canada Estimates (data as of October 25, 2020)

In order to understand the impact of COVID-19 on the Canadian economy, Destination Canada has developed a series of models and scenarios. The graph below compares our estimated spend to a scenario that the **Borders are Closed to 2021** (where non-essential travel in Canada is not possible until 2021). More information on these scenarios can be found [here](#).

Assessing the current trajectory of COVID-19 against these models allows Destination Canada and its partners to understand the speed and scale of recovery.

Estimated Tourism Spend versus Border Closed to 2021 Scenarios, as of October 25, 2020 (\$M)



Source: Destination Canada Estimates, Tourism Economics Estimates

As Japanese travellers generally book their travel to Canada up to one month in advance, we do not currently have enough data to estimate the spend past November, 2020. Destination Canada currently assesses that the estimated tourism spend in October and November is on track to fall almost on par with the Border Closed to 2021 Scenario.

3. RECOVERY SIGNALS

In response to COVID-19, Destination Canada has established a framework and analytical approach to identify signals from consumer and industry behaviour to understand when, where and at what pace travel and tourism will resume. Destination Canada collaborated with partners in destination marketing, media, technology and travel to identify these indicators and signals. The framework has identified multiple phases of recovery, which aligns with user sentiment and intent to travel. The summary of the methodology and terms can be found in Section 4. Methodological Notes.

The framework below provides analysis on when travellers may be considering, planning and reserving travel.

<p>Destination Canada's Assessment of the Japanese market:</p>	<p>II Domestic</p>	<p>Starting July 22, 2020, the government has been providing discount coupons for travellers taking day trips and staying overnight in paid accommodation. Tokyo is included in the campaign as of October 1, 2020. The domestic travel subsidy has encouraged domestic travel within Japan. Domestic trips are now being considered, planned, and booked.</p>
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Assessment Summary:

	Phase				Analysis
	I COVID-19 Response	II Domestic	III Tentative Int'l	IV Regularized Int'l	
Travel Search Index		●	●	○	After declining since late-January, 2020, YOY international travel searches have been trending up from the week ending May 10, 2020, to June 21, 2020, with some fluctuations, and stayed almost stable up to the week ending August 30, 2020. The upward trend has been resumed since then, despite some fluctuations since the week ending September 20, 2020. Destination Canada assesses that Japanese have resumed their search for international travel.
Accommodation Searches	●	●	○	○	After declining since late January, 2020, YOY domestic accommodation search queries have been trending upward from the week ending April 26, 2020, to June 28, 2020, and has been fluctuating since then. Destination Canada's in-market intelligence indicates that Japanese have resumed domestic travel. Therefore, we assess that accommodation search is in domestic phase.
Rate of Hotel Booking	●	●	○	○	After declining since mid-January, 2020, YOY domestic accommodation bookings have been trending up from the week ending May 10, 2020 to June 28, 2020, and have switched back to the downward trend since then. Destination Canada's in-market intelligence indicates that Japanese have resumed domestic travel. Therefore, we assess that accommodation booking is in domestic phase.
Rate of Air Travel		●	○	○	Domestic air capacity in October has resumed to around three-quarters of 2019 level.
New COVID Cases	●	○			The number of weekly new cases in Japan decreased from the peak of 3,613 the week ending April 19, 2020, to 265 the week ending May 24, 2020. The upward trend resumed from end of June, reaching the peak of 10,702 at the week ending August 9, 2020. Then switched to a downward trend up to the week ending September 27, 2020. It has been on a mild upward trend since then.
Activities Search Index	●	●	●	○	After declining from early-January to early April, the YOY international activity search queries almost plateaued for around three months, followed by a sharp spike late June and downward trend in July. The number of queries have almost plateaued with a mild upward trend since then. Destination Canada assesses that Japanese have resumed searching for international activities. Our in-market intelligence indicates that domestic activity search is resumed as well.

Legend: Current phase ● Not there yet ○ Signal not applicable □

Travel to Canada Assessment:

	Analysis
Travel Search Index	After declining from end of January to mid-April, the YOY travel search queries have stabilized, remaining lower than domestic and international queries.
Accommodation Searches	After declining from end of January to mid-April, the YOY accommodation search queries have stabilized, remaining lower than domestic and almost on par with international accommodation search queries.
Rate of Hotel Booking	After declining from mid-February to mid-April, the YOY accommodation bookings have stabilized, remaining lower than domestic and almost on par with international accommodation bookings.
Rate of Air Travel	Air capacity to Canada is quite low, at around one-quarter of 2019 level. Air bookings for travel from Japan to Canada for the remainder of 2020 continues to decline.
Activities Search Index	After declining from mid-February to early April, and slight increase up to early-May, the YOY international activity search queries almost plateaued at the level almost on par with domestic, and slightly lower than international activity search queries.

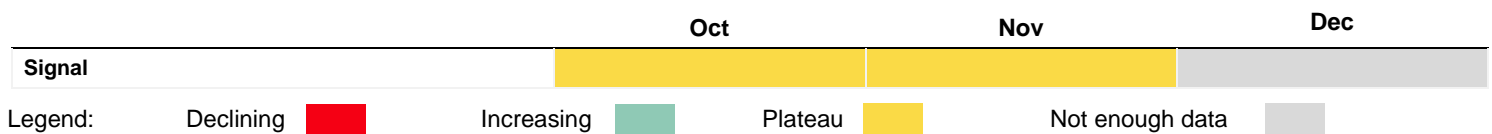
Future Planned Travel

The chart below provides an assessment of when travellers are booking travel to Canada. This assessment is based on changes to net planned travel (new bookings, less cancellations) from the country to Canada, compared to past travel behaviour.

- A 'declining' signal indicates that the year-over-year net planned travel is falling week over week and is likely not a period currently being considered for travel.
- A 'plateau' signal indicates no change week over week.
- An 'increasing' signal indicates there is an increase in year-over-year net planned booking, week over week and that this time period is being considered for travel to Canada.

A 'not enough data' signal indicates that travellers do not normally book that far in advance so we cannot assess the signal at this time.

Planned Travel for Japan to Canada compared to 2019, as of October 25, 2020



4. METHODOLOGICAL NOTES

I. COVID-19 Cases: The intention for this section is to provide context on impact and recovery analysis by providing a snapshot in time of the state of the pandemic and government restrictions. For the most current information on COVID-19 in that country, readers are encouraged to seek information from official government sources.

II. Estimated Impacts: The estimates are based on data from spending on credit and debit cards in Canada for January, February and March 2020, normalized against Statistics Canada data. For April 2020 onwards, forward-looking air booking and cancellation data for return tickets from IATA accredited travel agencies is used. Destination Canada estimates that these IATA bookings account for 65% of the air travel market from Japan to Canada in 2019.

Also used in the analysis is the forward-looking scheduled air capacity. These impacts are based on modelled estimates from 2018 spending data, adjusted for travel growth, and using payment card data from 2019 and 2020 wherever possible. The analysis should be taken as indicative only.

Based on in-market intelligence, we know that travel agents and operators have prioritized repatriation of clients in areas with outright travel bans (e.g. Middle East, India, Peru) and are not processing cancellations normally. Different airlines also use various systems to re-book travel, some of which are incenting late rebooking (i.e. closer to the original date of travel). As such, the forward booking data may over-represent the amount of travel that will happen and should be taken as an upper bound.

III. Recovery Signals: The Recovery Measures are listed in their order of importance in understanding travel behaviour, with the primary measures in black and supporting measures in dark grey. A brief description of each measure is provided below.

Destination Canada has developed a framework to understand the phases of recovery of the travel market. These phases are:

- I. **COVID-19 Response:** Governments are responding with measures such as shelter-in-place orders and mandatory quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.
- II. **Domestic Travel:** Travel by multiple means (air, car, trains, etc.) within the country, across prefecture boundaries.
- III. **Tentative International Travel:** Some international travel, likely only required travel such as family-related or urgent business. There may be some leisure travel as some less risk-averse travellers seek to capitalize on reduced prices or increases availability. Airlines may not have restored international routes beyond major hubs.

- IV. **Regularized International Travel:** Regular international travel. Some business meetings and events are re-introduced and attended, and leisure travel is closer to pre-COVID-19 levels.

A filled-in dot in the Assessment Summary table signifies that Destination Canada assesses we are in that phase of travel. An empty dot means we have not yet reached that indicator and the crossed off box would signify that the measure does not apply for that phase of recovery. Some measures are currently being developed and will be updated as progress is made.

Description of the Measures

- **Travel Intent Search Index:** Google search engine queries for travel-related keywords in 2020 compared to 2019 searches, broken down by week (i.e. week of April 19, 2020 vs week of April 19, 2019). Available for each market's domestic, international and Canada-specific travel search terms.
- **Rate of Accommodation Searches:** Weekly searches in 2020 for accommodation on a major online travel agency (OTA) against a rate of 2019 weekly searches, broken down by week. Available for each market's domestic, international and Canada-specific accommodation searches. This is provided as a rate rather than a volume of searches.
- **Rate of Accommodation Bookings:** Accommodation bookings in 2020 on a major OTA against a rate of 2019 bookings, broken down by week. Available for each market's domestic, international and Canada accommodation bookings. This is provided as a rate rather than a volume of bookings.
- **Rate of Air Travel:** The volume of forward-looking 2020 air bookings by month to Canada versus 2019 air bookings, broken down by week. By comparing against the 2019 average of when travel was booked for and when it was booked, this establishes the amount of impact against each month of travel. When appropriate, this assessment is supplemented by analysis of the forward-looking planned air seat capacity within a country and to other countries.
- **Weekly New COVID-19 Confirmed Cases:** The weekly total of new confirmed COVID-19 cases, as provided by the European Centre for Disease Prevention and Control. Number of cases in the market and within Canada will likely be a determining factor for both governments allowing phased return of travel, as well as consumer confidence in traveling to a market.
- **Attractions & Events Search Index:** Google searches for attraction and event-related keywords in 2020 compared to 2019 searches, broken down by week. Available for each market's domestic, international and Canada-specific attraction, and event-related search terms. This is provided as an index rather than a volume of searches.

Sources:

¹ Johns Hopkins Coronavirus Resource Center, October 27, 2020 5 pm (PST)

<https://coronavirus.jhu.edu/map.html>

² <https://nationalpost.com/news/canada/trudeau-travel-restrictions-ban-coronavirus-covid19-canada>

³ <https://www.japan-guide.com/news/0053.html>

⁴ <https://www.japan.travel/en/coronavirus/>