



BANK OF JAPAN



Data sources and compilation of import/export of travel services

Toshie Kori

International Department, Bank of Japan

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Introduction

T ravel :

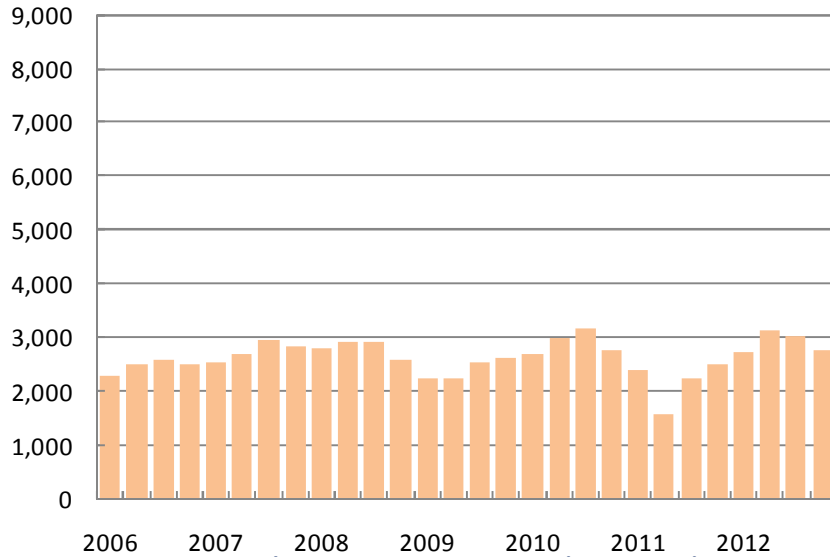
Travel is not a specific product; rather, it encompasses a range of goods and services consumed by non-residents in the economy that they visit. Travel is defined as covering goods and services for own use or to be given away, acquired from an economy, by non-residents during visits to that economy. It covers stays of any length, provided that there is no change in residence. (MSITS 2010, 3.115)

Travel includes goods and services acquired by persons undertaking study or medical care while outside the territory of residence. It also includes acquisitions of goods and services by seasonal, border and other short-term workers in the economy of employment. (MSITS 2010, 3.116)

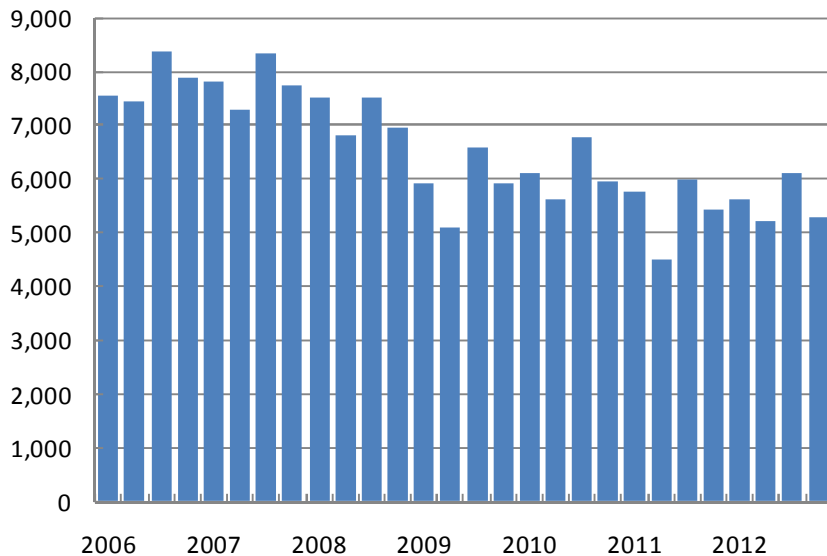
→ Travel services are disseminated as a part of Balance of Payments, compiled by Bank of Japan, and disseminated by the BOJ and Ministry of Finance on a monthly basis.

Import/export of travel service

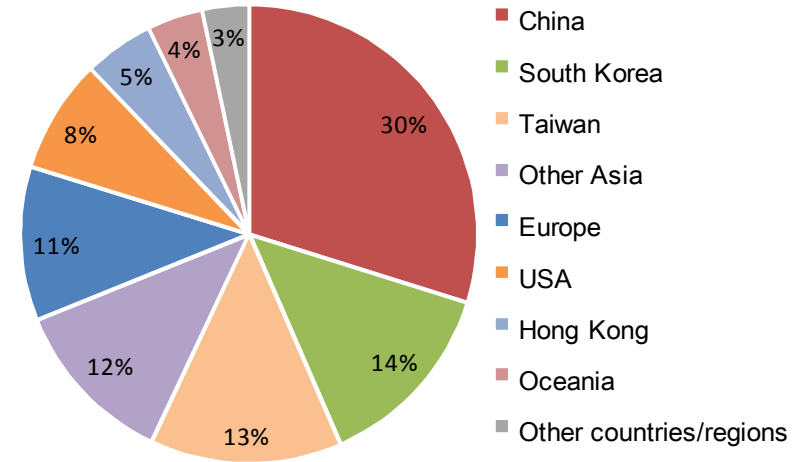
Japan's travel services (export)



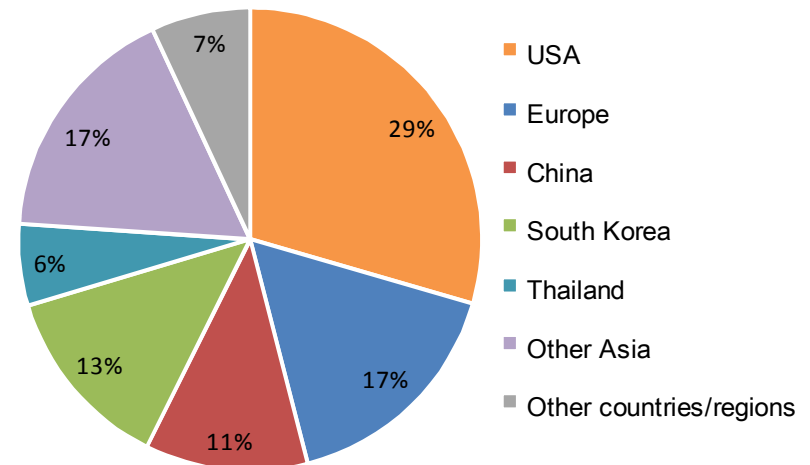
Japan's travel services (import)



Export of travel services by partner country <2012>



Import of travel services by partner country <2012>



Compilation method of Japan's travel

Change in the method for compiling Japan's travel

- ❑ Japan changed the compilation method of travel in 2006.
- ❑ Until 2005, Japan used "component approach," which focuses on the means of payment used by travelers to pay for goods and services.
- ❑ In 2006, Japan employed new compilation method, "expenditure approach," which directly estimate the amounts spent by travelers to pay for goods and services.

Component approach

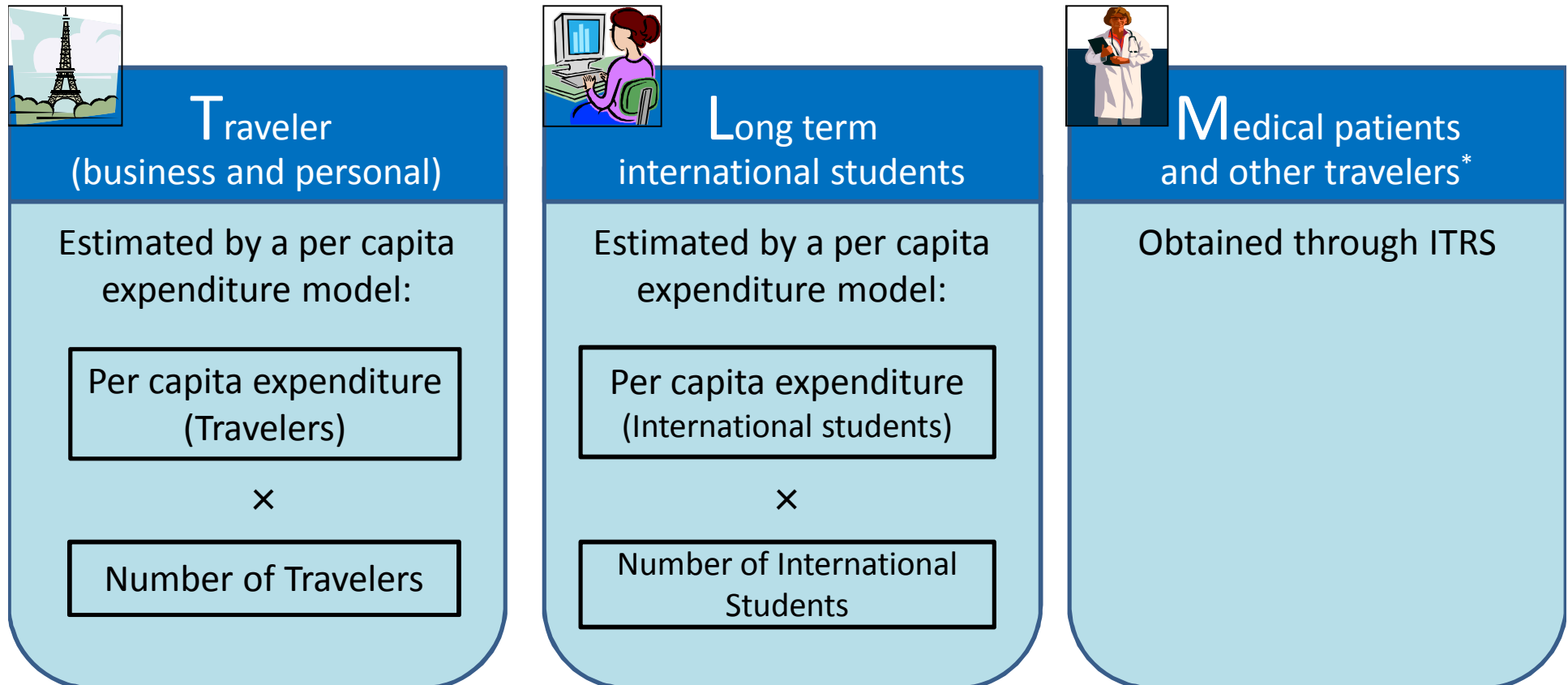
- Travel based on "component approach" is compiled by combining following data;
 - ✘ ITRS (package tours and other large-lot payments/receipts)
 - ✘ Cross-border payments using credit cards
 - ✘ Japanese and foreign currencies used by travelers:
 - Japanese and foreign currencies exchanged
 - Amounts of Japanese currency obtained by foreign visitors to Japan prior to their arrival in Japan
 - Japanese currency withdrawn from cash dispensers and automatic teller machines in Japan by foreign visitors.
- These data are combined to estimate the value of goods and services assumed to have been acquired by travelers.
- However, there are some disadvantages in the above compilation method.

Component approach

- Disadvantages of "component approach" are as follows.
 - 1) Difficult to exclude settlement of transactions that do not fall under travel, such as;
 - ✘ cross boarder payments using credit cards for personal imports or downloads of software via the Internet.
 - ✘ foreign currencies exchanged by residents for investment.
 - 2) Expenditures of international students cannot be properly estimated.
 - 3) The time of currency exchange does not correspond to the time of consumption.

Expenditure approach

- Japan's travel services are estimated based on expenditure approach
 - ✘ Estimate travel service by multiplying per capita expenditures by number of travelers
 - ✘ Expenditures of travelers and international students are estimated separately
 - ✘ ITRS is used as supplementary source



* Travelers that are not captured through survey, such as medical patients receiving medical care abroad, short term international students, and all-expenses-paid travelers. 8

Current data source and compilation of export and import of travel

Data source for travel export



T raveler (business and personal)

Estimated by a per capita expenditure model:

Per capita expenditure
→ **Border survey**

×

Number of Travelers
→ **Administrative source**



L ong term international students

Estimated by a per capita expenditure model:

Per capita expenditure
→ **Personal survey to international students**

×

Number of International Students
→ **Other source**



M edical patients and other travelers*

Aggregate receipt of high expenses that are not covered in the survey, such as medical expenses for patients receiving medical care in Japan, tuition fees for short term students, expenses for all-expenses-paid trip
→ **ITRS**

* Travelers that are not captured through border survey, such as medical patients receiving medical care abroad, short term students, and all-expenses-paid travelers.

Data source for travel export (per capita expenditures)

- Per capita expenditures for inbound travel are derived from border survey (*Consumption Trend Survey for Foreigners Visiting Japan*) conducted by Japan Tourism Agency (JTA).
 - ✗ The survey was first conducted in April-June 2010.
 - ✗ In order to estimate per capita expenditure by country of origin, individual questionnaire data are provided by JTA to Bank of Japan.

- Sites: 10 airports and 1 sea port
- Frequency: Quarterly
- Period: Jan-Mar, Apr- June, July-Sep, Oct-Dec
- Sample size: 26,000 persons / year
(6,500 persons / each time)
- Target: Foreigners who are about to leave Japan
- Method: Hearing by examiners
- Conducted by: Japan Tourism Agency

Data source for travel export (per capita expenditures)

Estimated per capita expenditures of foreign visitors by nationality

Nationality	Result of 2011 survey				Result of 2012 survey			
	Sample size (persons)	a. Package tour fees or fares for round trip (expenses prior to travel) (yen/prerson)	b. Expenses spent during stay in Japan (yen/prerson)	c. Total expenses (= a+ b) (yen/prerson)	Sample size (persons)	a. Package tour fees or fares for round trip (expenses prior to travel) (yen/prerson)	b. Expenses spent during stay in Japan (yen/prerson)	c. Total expenses (= a+ b) (yen/prerson)
Total	27,115	86,820	113,917	200,737	28,736	86,823	111,983	198,806
R.P. Korea	5,643	46,131	63,614	109,745	5,870	39,288	61,983	101,271
Taiwan	4,860	66,795	82,508	149,302	5,384	69,115	85,266	154,381
Hong Kong	1,587	72,271	95,381	167,652	1,748	68,027	109,934	177,962
R.P. China	4,181	75,777	164,358	240,134	4,641	83,798	160,154	243,953
Thailand	900	92,482	117,963	210,445	1,129	86,392	104,893	191,285
Singapore	318	89,915	130,164	220,079	605	90,041	112,665	202,706
Malaysia	385	95,416	134,757	230,173	546	102,488	105,676	208,164
India	501	103,762	135,938	239,700	573	100,708	150,182	250,890
UK	739	149,482	148,897	298,379	860	147,296	149,830	297,126
Germany	679	161,686	131,354	293,039	692	141,087	143,054	284,141
France	532	149,882	147,964	297,846	653	127,397	155,858	283,254
Russia	325	97,001	205,207	302,208	562	103,500	165,782	269,283
United States	2,944	139,139	134,405	273,545	2,750	153,810	130,244	284,054
Canada	555	130,221	135,583	265,805	637	135,841	148,983	284,825
Australia	686	148,842	176,564	325,407	668	139,671	175,433	315,103
Others	2,280	148,815	159,909	308,724	1,418	141,717	141,039	282,757

(source) Consumption Trend Survey for Foreigners Visiting Japan, Japan Tourism Agency

(note) Figures shown in this table are estimates of JTA, and do not equal to those used for travel services.

Data source for travel export (number of travelers)

- ❑ Number of foreign travelers visiting Japan is derived from immigration control data.

Number of travelers by partner country

Total number of foreign nationals officially authorized landing in Japan
by country of origin

(Source: Ministry of Justice)

—

The number of those who do not correspond to travelers

(Source: Ministry of Justice)

- ❑ Purpose of entry (status of residence, 27 types) is issued to every foreign national entering Japan, in accordance with his/her purpose of entry and stay.
 - Number of foreign nationals entering Japan by type of activities are available.

Data source for expenditures of international students

Foreign students studying in Japan

Per capita expenditures

(Source: Survey on international students studying in Japan, Japan Student Services Organization)

×

Number of foreign students

(Source: Japan Student Services Organization)

Data source for travel import



T raveler (business and personal)

Estimated by a per capita expenditure model:

Per capita expenditure
→ **Household survey**

×

Number of Travelers
→ **Administrative source**



L ong term international students

Estimated by a per capita expenditure model:

Per capita expenditure
→ **Administrative source**

×

Number of International Students
→ **Administrative source**



M edical patients and other travelers*

Aggregate payment of high expenses that are not covered in the survey, such as medical expenses for patients receiving medical care abroad, tuition fees for short term students, expenses for all-expenses-paid trip
→ **ITRS**

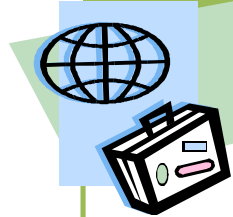
* Travelers that are not captured through household survey, such as medical patients receiving medical care abroad, short term students, and all-expenses-paid travelers.

Data source for travel import (per capita expenditures)

- Per capita expenditures for outbound travel are derived from household survey (*Factual survey of the overseas travel situation*) conducted by private research institution (Japan Tourism Marketing Co.).
 - ✘ In order to estimate per capita expenditure by destination, Bank of Japan purchase individual questionnaire data from JTM.

- Frequency: Annual
- Period: Every February
- Sample size: Approximately 2,500 persons, 4,00 times of trip
- Target: Individual who traveled overseas in previous year, living in Tokyo , Osaka, Aichi and are at least 15 years old
- Method: Respondents with experience of overseas travel in previous year are selected by internet survey. Questionnaires are mailed to the respondents and mailed back upon completion.
- Conducted by: Japan Tourism Marketing Co.

Data source for travel import (number of travelers)



Number of Japanese travelers (total)

Number of Japanese nationals leaving Japan
(source: Ministry of Justice)

X

Percentage of Japanese nationals returning to Japan within a year
(previous year's figure)
(source: Ministry of Justice)



Number of Japanese travelers by destination



Number of Japanese travelers (estimated above)

X

Percentage of a region for the number of passengers leaving Japan
by air (including both Japanese and foreign travelers)
(source: Ministry of Land, Infrastructure, Transport and Tourism)

X

Percentage of a country in the region for Japanese passengers
leaving Japan using Japanese airlines
(source: Japanese airline companies)

Data source for expenditures of international students

Japanese students studying abroad

Per capita expenditures
(Average amount of scholarship paid by the Japanese government)

(Source: Ministry of Education, Culture, Sports, Science and Technology)

×

Number of Japanese students

(Source: Ministry of Education, Culture, Sports, Science and Technology)

Remaining challenges

Challenges in compiling of travel

□ Need improvement in source data: per capita expenditures

- ✘ Per capita expenditures of foreign travelers visiting Japan was improved as Japan Tourism Agency started quarterly boarder survey ("*Consumption Trend Survey for Foreigners Visiting Japan*") in 2010. But data source for Japanese travelers still needs improvements, as the sample size is small, and is infrequent.
- ✘ There are not enough information about tuition fees and living costs, which might differ from country to country. So, per capita expenditures for long term international students need verification, whether it reflects the reality.

□ Need improvement in estimation method: number of travelers

- ✘ The number of travelers is quite accurate, as movement of natural persons are captured when leaving or entering Japan. However, it is difficult to distinguish travelers and those not correspond to travelers. Thus, number of travelers is estimated with some assumptions. There might be some rooms for further improvement.

Appendices

(Appendix 1) Tourism Nation Promotion Basic Plan (March 2012)

(Appendix 2) Official statistics concerning tourism

(Appendix 3) Outline of Consumption Trend Survey for Foreigners Visiting Japan

(Appendix 4) Outline of Consumption Trend Survey for Foreigners Visiting Japan

(Appendix 1) Tourism Nation Promotion Basic Plan (March 2012)

Tourism is one of the pillars of Japan's growth strategy, and also contributes greatly to the recovery from the Great East Japan Earthquake.

In March 2012, new "Tourism Nation Promotion Basic Plan" was approved by the Cabinet, and Japanese government will steadily implement the plan to move towards becoming a tourism nation.

To take further steps in these 5 years to overcome the current issues surrounding tourism and propel the growth of Japan, "broadening of the base of tourism" and "improvement of the quality of tourism" have been laid out as the approach of the strategies for this basic plan.

Maintenance and improvement of tourism related statistics (promotion of maintenance, improvement and utilization of tourism related statistics) has also been enhanced in the basic plan.

Tourism Nation Promotion Basic Plan (March 30, 2012 Japan Tourism Agency) can be obtained from JTA's web site.

<http://www.mlit.go.jp/kankocho/en/kankorikkoku/kihonkeikaku.htm6>

	Objectives to achieve	Actual performance
Increase in Domestic Consumption by Tourism	1. Domestic travel consumption → 30 trillion yen by <u>2016</u>	2009: 25.5 trillion yen
Expansion/ Improvement of International Tourism	2. Number of foreign visitors to Japan → Increase to 18 million by <u>2016</u> , aiming at the long-term target of increase to 25 million by the begging of 2020	2010 : 8.61 million 2011 : 6.22 million 2012 : 8.36 million
	3. Satisfaction of foreign visitors to Japan → Seek to increase, by <u>2016</u> , the ratio of respondents who answer “Very satisfied” in the foreign visitor consumption trends survey to 45% and the ratio of respondents who answer “Definitely want to visit again” to 60%	2011 : 43.6% of the respondents answered “Very satisfied” and 58.4% answered “Definitely want to visit again”
	Number of international conferences held → Target a 50% or higher increase, by <u>2016</u> , in the number of international conferences held in Japan, aiming at becoming the number one conference host country in Asia	2010: 741 international conferences were held
	Number of Japanese travelers going overseas → Increase to 20 million by <u>2016</u>	2010 : 16.64 million 2011: 16.99 million 2012 : 18.49 million
Expansion/ Improvement of Domestic Tourism	Number of nights per person spent for domestic travels by Japanese people → Increase to 2.5 nights per year by <u>2016</u>	2010 : 2.12 nights
	Traveler satisfaction of tourist areas → Increase, by <u>2016</u> , the ratio of respondents (visitors to each tourist area) who select “Very satisfied” as the answer to the "Overall satisfaction" question to 25% and the ratio of respondents who select “Strongly agree” to the "Intent to re-visit" question to 25%	No actual performance data

(Appendix 2) Official statistics concerning tourism

Inbound/outbound tourism

- ❑ Number of Inbound Tourists
- ❑ Number of Japanese Tourists Who Travel Abroad
- ❑ JNTO Survey on Travel Destinations by Foreigners Visiting Japan (this survey has ended)
 - A survey about foreign visitors' visitation rates by prefecture, purposes of visits, etc.
- ❑ Consumption Trend Survey for Foreigners Visiting Japan (2010 onward)

Domestic tourism

- ❑ National Tourism Survey
 - These surveys concern consumptions for domestic travels, the number of overnight travels by Japanese people, etc. Based on these surveys, the ripple effects of tourism on production and the TSA are also analyzed and the results are released.
- ❑ Accommodation Survey
 - The total and actual numbers of guests lodging in each region, capacity and room occupancy rates, etc. are surveyed quarterly and results are released.
- ❑ Statistics on Inbound Tourists by Prefecture
 - In 2010, the Tourism Agency established common standards for statistical methods used to understand the trends in inbound tourists, and individual prefectures began surveys based on these standards. In the future, comparison among regions will be possible.

Tourism-related industries

- ❑ Status of handling by major travel agents
 - Information on total proceeds, agent organized travel turnover status, etc. is released.
- ❑ Survey on Status of Ryokan (Japanese-style inn) Operation
 - Based on the results of hotel business surveys conducted by the Japan Ryokan & Hotel Association, the trends in region-specific capacity occupancy rate, etc. are released.
- ❑ Regional Tourism Economic Survey (start in 2010)
 - The purpose of this survey is to understand the basic structure of tourism industry (number of business operators, turnover size, employment/work status, etc.).

(source) General Information of Tourism Statistics in Japan, Japan Tourism Agency

(note) Statistics/survey conducted by the Japan Tourism Agency (JTA) are shown in red, those conducted by the Japan National Tourism Organization (JNTO) are shown in blue

Tourism statistics and related information can be obtained from
<http://www.mlit.go.jp/kankocho/en/siryou/toukei/index.html>

General Information of Tourism Statistics in Japan (March 22,2013 Japan
Tourism Agency) can be obtained from
<http://www.mlit.go.jp/kankocho/en/kouhou/general.html>

(Appendix 3) Outline of Consumption Trend Survey for Foreigners Visiting Japan

1. Target of the survey

Foreign visitors who are about to leave Japan, excluding those who have stayed here for one year or longer, permanent residents, spouses of Japanese, spouses of permanent residents, long-term residents, and other people living in Japan, transit passengers not entering Japan, and members of aircraft/ship crew.

2. Places of survey

International airline/seaway terminal boarding lobbies of principal airports/seaports (11 locations) over the country (New Chitose Airport, Sendai Airport, Narita Airport, Haneda Airport, Niigata Airport, Chubu International Airport, Kansai Airport, Hiroshima Airport, Fukuoka Airport, Naha Airport, and Hakata Seaport)

3. Period of the survey conducted and sample size for each survey (result of 2012 survey)

	Period of the survey	Sample size	
			Effective sample
1 st quarter	13 Jan (Mon) - 21, Feb (Tue), 2012	7,220	7,180
2 nd quarter	10 May (Thu) – 18, June (Mon), 2012	7,181	7,132
3 rd quarter	19 July (Thu) – 2, Sep (Sun), 2012	7,191	7,161
4 th quarter	13 Oct (Sat) – 25 Nov (Sun), 2012	7,311	7,263

4. Method of survey

A hearing survey is conducted by examiners who speak foreign languages using a touch-panel PC supporting 10 languages or a questionnaire. The languages are English, Korean, Traditional Chinese, Simplified Chinese, Thai, French, German, Russian, Italian, and Spanish.

Outline, data, analyses of the survey can be obtained from the JTA web site;

<http://www.mlit.go.jp/kankocho/en/siryou/toukei/shouhityousa.html>

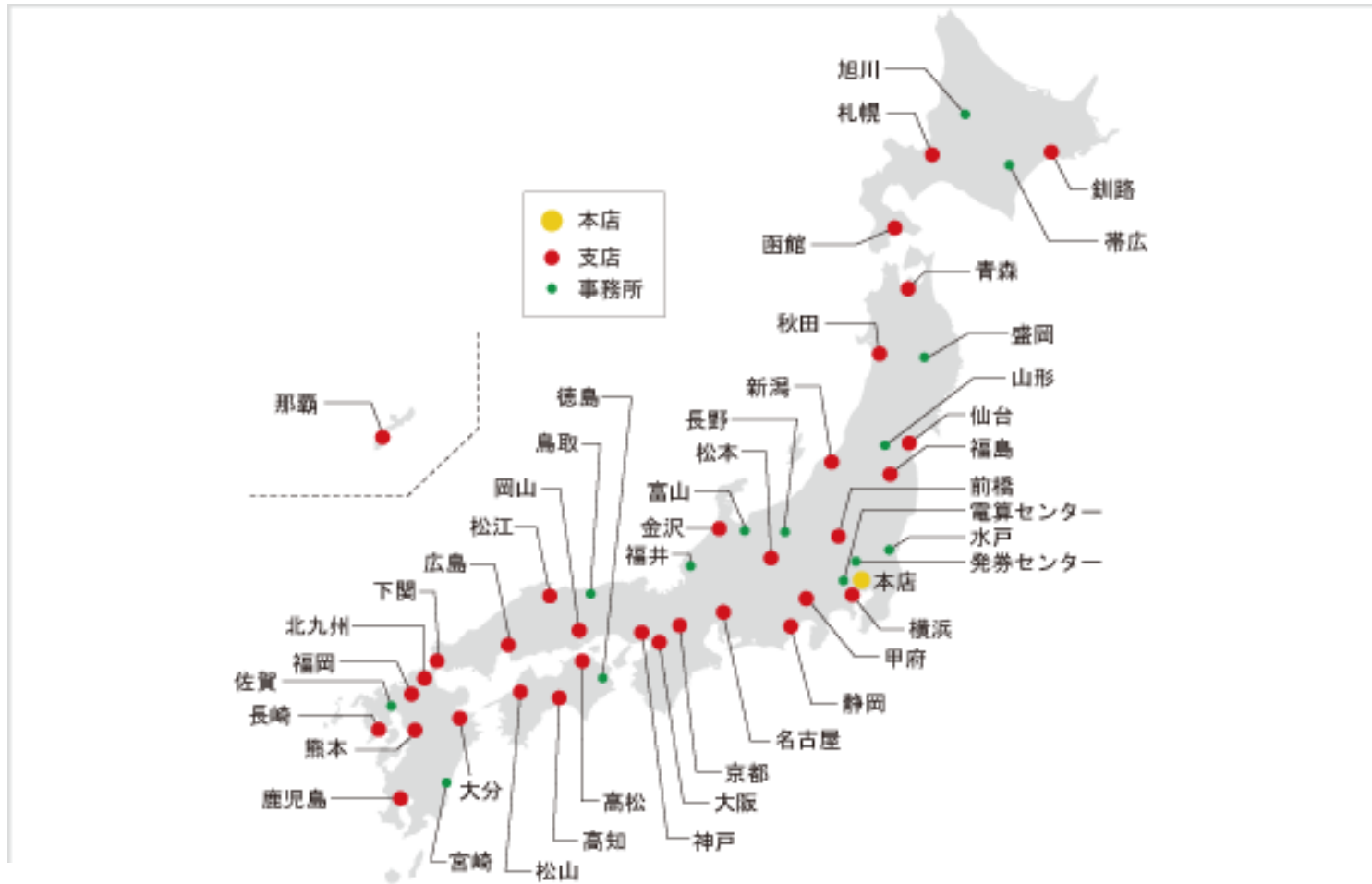


(Appendix) Status of residence of foreign national entering Japan
and the period of stay under Japan's immigration control

Status of Residence	Period of Stay
Diplomat Official	During mission up to 5Y, 3Y, 1Y, 30 days, 15 days
Professor, Artist, Religious activities, Journalist, Investor/business manager, Legal/accounting services, Medical services, Researcher, Instructor, Engineer, Specialist in humanities/international services, Intra-company transferee, Skilled labor	up to 5Y, 3Y, 1Y, 3M
Entertainer	up to 3Y, 1Y, 6M, 3M, 15 days
Technical intern training	up to 1Y, 6M
Cultural activities	up to 3Y, 1Y 6M, 3M
Temporary visitor	up to 90 days, 30days, 15 days
College student, Pre-college student	up to 4Y, 3Y, 2Y, 1Y, 6M, 3M
Trainee	up to 1Y, 6M, 3M
Dependent	up to 5Y, 4Y, 3Y, 2Y, 1Y, 6M, 3M
Designated activities	up to 5Y, 4Y, 3Y, 2Y, 1Y, 6M, 3M
Permanent resident	Indefinite
Spouse or child of Japanese national, Spouse or child of permanent resident, Long-term resident,	up to 5Y, 3Y 1Y, 6M

(source) Immigration Bureau, Ministry of Justice

Thank you!!



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