

## Consumption of “Foreign Visitors”, Positive to Land Prices

The number of foreign visitors can be found in the “Number of foreign tourists visiting Japan” statistics released by the Japan National Tourist Organization (JNTO). The statistics for the last 2 months show estimated “numbers of tourists” from 18 countries and regions which have a larger number of tourists to Japan. Also, the Ministry of Justice releases provisional numbers of incoming tourists from 36 countries and regions for 3 months ago and before. Confirmed numbers are announced in the following year.

### Point 1

#### Number of “foreign visitors” is likely to reach 20 million

#### Number of visitors from mainland China continues to increase

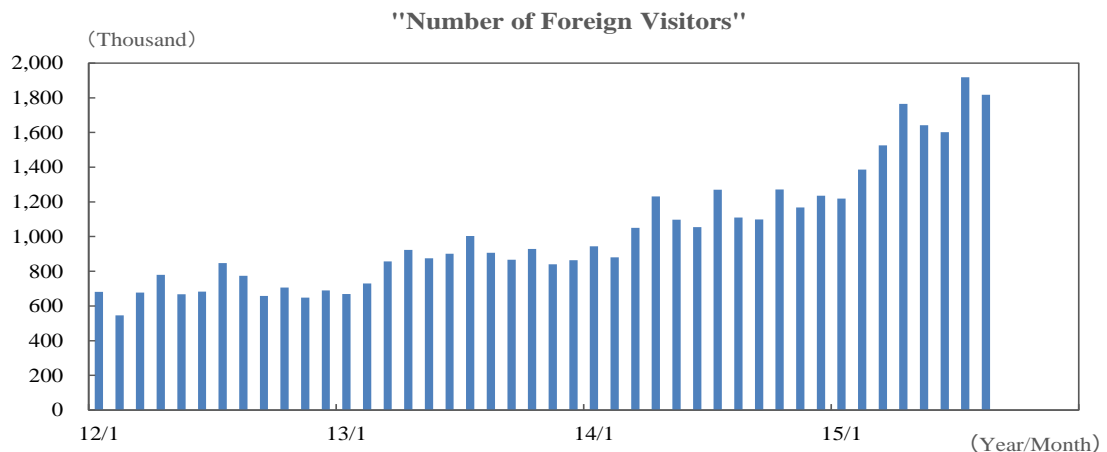
- The “Number of foreign tourists visiting Japan” in August was released by JNTO on September 16<sup>th</sup>, rising 63.8% YoY to 1.82 million. This was a record high for a single month, showing no impact of the China slowdown. The government’s target of receiving 20 million foreign visitors a year by 2020 will be almost achieved this year, if the average rate of increase from January to August were to continue.
- The number of visitors from mainland China increased 2.3 times YoY and marginally MoM as well, despite the concern over the economic slowdown in China. The number of visitors from other Asian countries and regions also showed a positive trend.

### Point 2

#### “Inbound tourism consumption” continues expanding

#### Positively affecting land prices of commercial areas

- August Duty-free goods sales (excluding newly-listed expendable items since last October) released by the Japan Department Stores Association on September 18<sup>th</sup> expanded 2.9 times YoY confirming that favourable “inbound tourism consumption” is continuing.
- According to the “Nationwide land price survey for year 2015” released by the Ministry of Land, Infrastructure, Transport and Tourism on September 16<sup>th</sup>, land prices of commercial areas of the 3 Major Urban Areas (Tokyo, Osaka and Nagoya) rose for three consecutive years. The survey reports the backdrop being robust demand of retail outlets due to an increase of visitors, including foreign tourists, mainly to the central commercial areas of the major cities. The increase of “foreign visitors” seems to be positively affecting land prices of these commercial areas.



**■ Government measures are also contributing**

The government’s measures such as relaxation of visa requirements, expansion of duty free item ranges and overseas “Visit Japan” promotion activities have contributed to increase the number of “foreign visitors”. The government will further focus on measures to increase foreign visitors towards the 2020 Tokyo Olympic Games.

**■ Expectation on solid consumption of “foreign visitors”, going forward**

Expansion of “inbound tourism consumption” by “foreign visitors”, which is also influencing land prices, is having a stronger impact on the economy. The presence of “foreign visitors” is likely to grow stronger going forward.

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