

## Osaka to host the “World Expo” What would be the impact on economy?

The 2025 International Exposition (“World Expo”) was decided to be hosted by Osaka last month. In Osaka prefecture, the large scale “World Expo” is going to be held for the first time in 55 years since 1970 Osaka Expo. For Japan, it is for the first time in 20 years since 2005 Aichi Expo. By hosting the “World Expo”, positive economic impact is expected as large number of visitors will visit the site.

### Point 1

#### Approximately 30 million visitors are expected from May to November 2025

**To accommodate a large number of guests, building new hotels and rental of empty houses are being discussed**

- The main site of Expo 2025 will be located in Yumeshima Island for 185 days from May 3rd to November 3rd 2025. The number of visitors is expected to be 28 million to 30 million. For accommodations, it is expected to be about 107,000 guests per day at its peak during the period. Current accommodation capacity around Osaka is about 117,000 guests per day which is enough to cater the estimated number of guests, however, building new hotels, rental of empty houses and utilization of ships near the venue as lodging facilities are under discussion.

### Point 2

#### Economic ripple effect of consumer spending is estimated to be around JPY 1.1 trillion

**Overall effect including those related to construction and operation expenses is about JPY 1.9 trillion**

- According to the test calculation by Ministry of Economy, Trade and Industry, the economic ripple effect related to (1) construction of the event site by sponsors and exhibitors would be JPY 0.2 trillion, and (2) operating expenses including site management fee and exhibition cost would be around JPY 0.2 trillion, if there are 30 million visitors. Also, nationwide ripple effect of both events are expected to be doubled to JPY 0.4 trillion, respectively.
- Moreover, consumption on transportation, accommodation, shopping and service by the guests is estimated to be around JPY 0.7 trillion, whose nationwide ripple effect is estimated to be JPY 1.1 trillion.

# Possibility of Osaka prefecture to invite Integrated Resort (IR) after decision of hosting “World Expo”, is to be watched

- Environmental friendliness is one of the focal points of Expo 2025. They are planning to showcase smart energy by using fuel cell and storage battery, and transportation with autonomous cars and fuel cell buses. After the “World Expo”, Osaka prefecture, based on “Yumeshima Development Plan”, is also planning to (1) build an original international entertainment foothold to be a key Japanese tourist destination and to (2) deliver technologies and knowhow in and out of Japan that lead to create new businesses, mainly from the convention center used as exhibition hall and conference hall.
- At the same time, Osaka prefecture is aiming at inviting IR next to “World Expo” site in Yumeshima Island. IR is expected to be allowed to operate in maximum of 3 areas in Japan by first half of 2020s. If Osaka prefecture will be chosen as IR site, the multiplier effect with “World Expo” scheduled to be held after inauguration of the IR, is expected.

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