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Will “Go To Campaign” Act as a Catalyst for Tourism?

“Revitalization Discounts”: Analyzing effectiveness of policy, and Future Prospects

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Summary

- In recent years, the tourism industry has attracted attention as a pillar of growth strategy and as a key to regional revitalization. The total number of hotel guests and tourist spending reached record highs in 2019. However, the impact of measures to prevent the spread of COVID-19 has resulted in nearly zero foreign visitors to Japan, and the number of Japanese tourists has declined sharply as well. As a result, the tourism industry has suffered a catastrophic blow.
- After the Kumamoto Earthquake (April 2016) and the Hokkaido Eastern Iburi Earthquake (September 2018), the "Revitalization Discount" program, which subsidizes a portion of travel expenses, supported the recovery of tourism demand. These measures contributed to the recovery in the number of tourists, which had declined significantly, not only in the accommodations industry but also in tourism-related industries such as retail stores, restaurants, and taxis, which boosted regional business confidence. However, while accommodation expenses were kept down by the "Revitalization Discounts," in terms of travel consumption, the effect of pushing up tourism consumption other than accommodations was limited.
- In August, the government will launch the “Go To Campaign” to stimulate demand in industries devastated by the Corona Disaster. Among them, in the tourism industry, a "Go To Travel Campaign" is planned, which provides coupons for travel products available through travel agencies. There are three suggestions for the campaign, based on the experience of the "Revitalization Discounts." First, combining regional coupons and other programs falling under the "Go To Campaign" could contribute to boosting spending. Next, it will be necessary to decentralize travel destinations and periods in order to avoid concentration on popular tourist destinations. Further, the promotion of micro-tourism and the use of personal cars is another proposal. Finally, it is expected that the outbound demand to date will be replaced by domestic tourism through measures to fill some of the lost inbound demand.

Attention

This report is a summary translation. The official document is only in Japanese.