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# Impact of Resumption of Go To Travel Campaign and Appropriate Policy Approach

*Economic effect of resuming business seen at 3.7 tril yen, creating demand for 210 million guest nights*

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## Summary

- With drastic improvement in the status of COVID-19 infections, leading to the full cancellation of the Declaration of Emergency and special stricter measures to prevent further spread, expectations for the recovery of face-to-face service consumption are increasing. This report focuses on travel amongst the face-to-face services, and examines regional tourism business support which is expected as a demand-stimulating measure. In addition, the economic benefits of the resumption of the Go To Travel Campaign will be indicated, and measures to stimulate demand will be examined.
- We estimated the economic effects (GDP-based) expected when the Go To Travel Campaign is resumed, and found that the direct effect will be 2.8 tril yen, and when the ripple effects are included, the result is 3.7 tril yen. When converted to the number of guest nights, it creates demand for 210 million guest nights, and if used at the same pace as in October and November 2020, the campaign can keep going for 8.9 months.
- In reviewing the Go To Travel Campaign system, the following points are required in addition to the use of vaccinations and test certificates currently under consideration. First, a standard for stopping the Campaign at the time of spread of infection should be set in advance, so that confusion such as the previous cancellation response will not occur. In addition, there is concern that demand will decline sharply after the end of the program as a reaction to the large policy effect. Therefore, it is also important to devise measures such as gradually lowering the discount rate.

### Attention

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