Daiwa Institute of Research

22 September 2025 (No. of pages: 1)

Japanese report:16 September 2025

Trump Tariffs Raise Yellow Flag for Inbound Tourism

While there is significant room for growth in Chinese tourists, the situation for other countries remains challenging

Economic Research Dept. **Akane Yamaguchi**

Summary

- Inbound tourism in the first half of 2025 saw approximately 1.3 times more foreign visitors to Japan and roughly double the consumption expenditure compared to the same period in 2019. The increase in consumption expenditure was driven not only by the rise in visitor numbers and inflation but also by higher real per capita travel spending. Countries and regions experiencing greater yen-based purchasing power showed a tendency toward increased real per capita travel spending, with service expenditures by expense category showing particularly notable growth.

- Considering the trends in outbound travel from South Korea, China, Taiwan, and the United States—which account for nearly 70% of all inbound visitors to Japan—the pace of inbound growth is expected to slow going forward. While Japan's share as a travel destination remains stable at a high level in South Korea and Taiwan, the number of outbound travelers from these regions is currently showing weakness. In the US, the tendency to choose Japan as a travel destination is strengthening, but the number of outbound travelers has been struggling to grow since early in 2025. Meanwhile, China's outbound traveler numbers have not yet reached pre-pandemic levels due to the impact of its economic slowdown, suggesting significant potential for future growth.