

Introduction of Regional Tourism Economic Survey

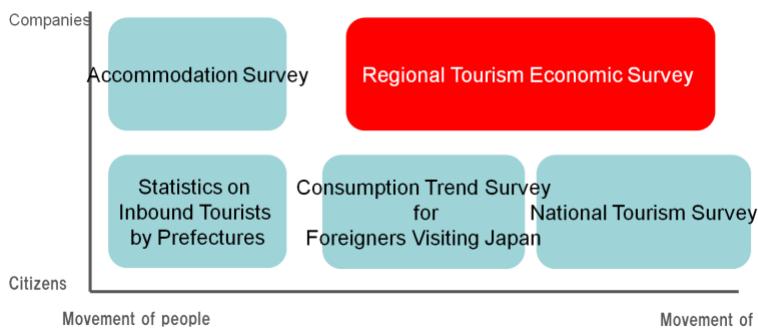
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Yoshihito Sakuramoto
Chief Official
Japan Tourism Agency

Regional Tourism Economic Survey is to clarify structure of tourism from an industrial point of view

- The conventional tourism statistics did not survey from a viewpoint of companies x money so that it was difficult to understand quantitative economic effects created by the demand for tourism.
- Regional Tourism Economic survey is conducted to correct such shortcoming.

Position of tourism statistics



Transparency of the tourism industry increases by conducting the Regional Tourism Economic Survey

- By conducting Regional Tourism Economic Survey, we can understand the structure of the tourism industry as follow.
 - By surveying the number of enterprises in the tourism industry
 - How many enterprises depend on tourism.
 - By surveying sales ratio of tourism
 - How important the tourism industry is in regional economy.
 - By surveying local content ratio of the tourism commodities
 - How the regional economy is affected when the number of tourists decreases
- In this way, by understanding the structure of the tourism industry, we can utilize survey results as basic data for promoting tourism, improving by comparing to other regions, making better investment decisions.

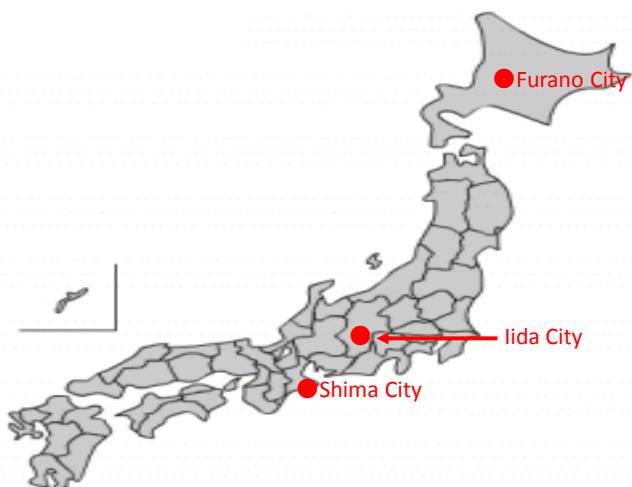
Schedule for implementing Regional Tourism Economic Survey

Schedule		
2010 Pilot Survey 1 (implemented in November 2010) <ul style="list-style-type: none">➢ Verifying a method of conducting the survey, a method of creating a list of population, sample design, etc. <p>【Target areas and number of enterprises】</p> <ol style="list-style-type: none">1) Furano City, Hokkaido (550 enterprises)2) Iida City, Nagano (1,370 enterprises)3) Shima City, Mie (1,052 enterprises)	2011 Pilot Survey 2 (planned to be implemented In November 2011) <ul style="list-style-type: none">➢ Conducted by the method in line with the full-scale survey and final verification on functionality of survey sheets, etc. is verified <p>【Target areas and number of enterprises】</p> <p>About 50,000 enterprises</p> <p>About 100 target areas nationwide</p>	2012 Full-scale Survey (planned to be implemented in July 2012) <ul style="list-style-type: none">➢ Approval from the Statistics Bureau➢ Implementation of the full-scale survey <p>【Target areas and number of enterprises】</p> <p>About 100,000~200,000 enterprises (plan)</p> <p>About 500 target areas nationwide (plan)</p>

Outline of FY2010 Pilot Survey for “Regional Tourism Economic Survey”

1. Objective of survey
 - To clarify the size (sales, employment, etc.) of the tourism industry and economic effects in the region by preparing basic data on the tourism industry.
 - To obtain basic data for implementing measures for promoting tourism.
2. Target areas, number of target enterprises and method of survey
 - Furano City, Hokkaido : 550 enterprises, distribution and collection by mail
 - Iida City, Nagano : 1,370 enterprises, distribution by mail and collection by interviewer
 - Shima City, Mie : 1,052 enterprises, distribution and collection by mail
3. Target category of enterprises
 - Categories of tourism industries provided by UNWTO + Some service industries not provided by UNWTO

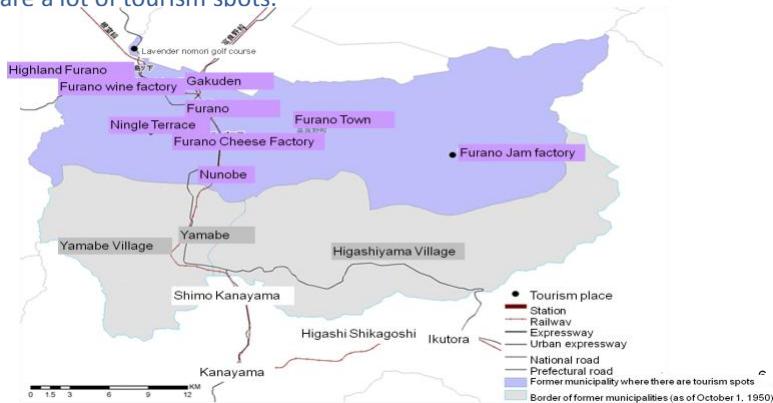
The location of target areas of pilot survey in Japan





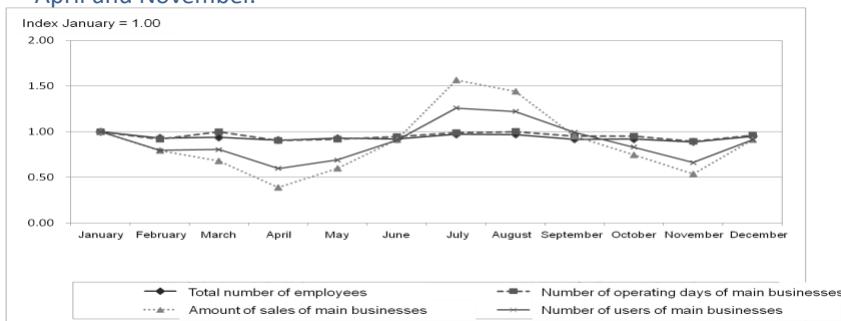
Pilot survey was conducted in former Furano Town

- Current Furano City is consist by 3 former old town and village.
- The pilot survey was conducted in former Furano Town (blue) where there are a lot of tourism spots,



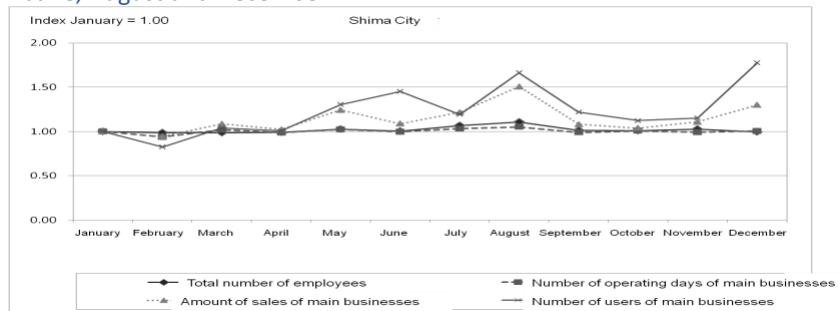
Seasonal variation is large in terms of sales and number of users of the tourism industry in Furano City

- “The total number of employees” and “the number of operating days of main businesses” are flat throughout the year.
- “The amount of sales of main businesses” and “the number of users of main businesses” tend to increase in July and August and to decrease in April and November.



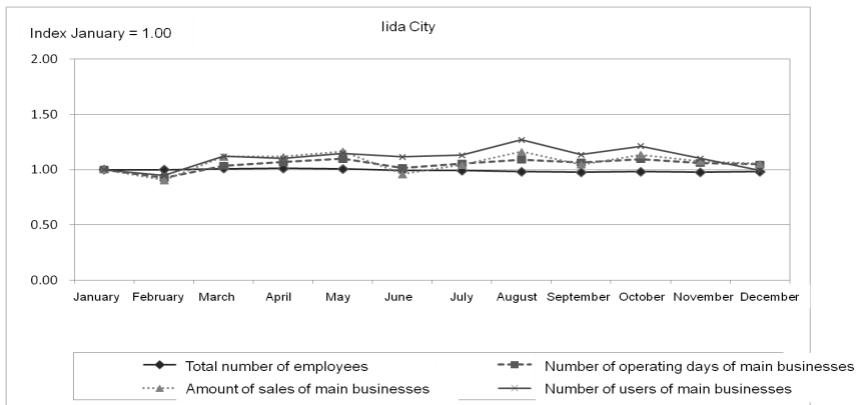
【Reference】Status of monthly variation of Shima City

- “The total number of employees” and “the number of operating days of main businesses” are flat throughout the year.
- “The amount of sales of main businesses” tends to increase in May, August and December and “the number of users of main businesses” in June, August and December.



【Reference】Status of monthly variation of Iida City

- Although “the number of users of main businesses” increases moderately in August and October, all items are flat throughout the year.

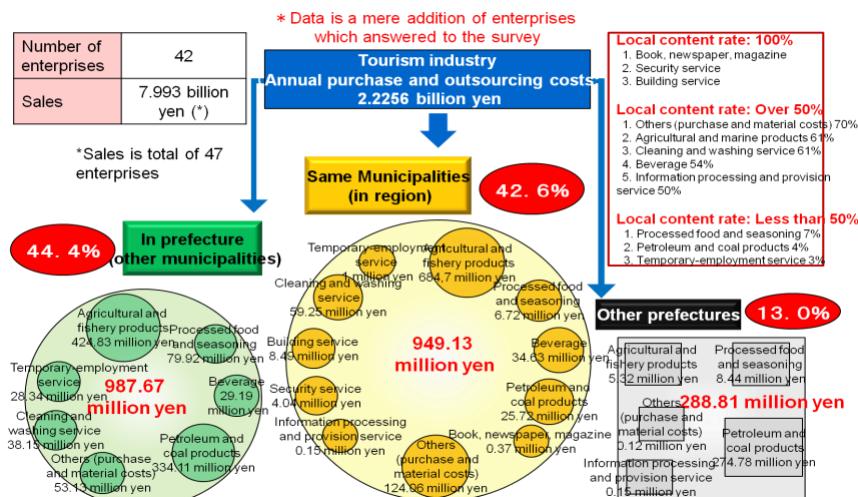


Accommodation industry depends about 85% on the demand for tourism in Furano City

- In particular, tourism accounts for 12.8% in the Food and drink service industry, while it accounts for 84.7% in the Accommodation industry.

	Number of enterprises	Sales (unit: ten thousand yen)			Number of employees (full-time/other types)		
		a	b	Ratio of sales related to tourism by industry b/a	Ratio of tourism in each industry b/c	Seasonal employment d	Ratio of seasonal employment in each industry d/c
All enterprises related to tourism	57	5,094,727	270,753	100.0%	5.3%	1,230	119 9.7%
Tourism-related enterprises	1) Retail industry	20	1,271,489	15,894 5.9%	1.3%	551	37 6.7%
	2) Passenger transport industry	1	38,091	0 0.0%	0.0%	50	0 0.0%
	3) Real estate lease industry	4	2,334				
	4) Object lease industry	2	16,080	4,699 1.7%	29.2%	6	0 0.0%
	5) Accommodation industry	20	263,279	223,073 82.4%	84.7%	366	56 15.3%
	6) Food and drink service industry	19	210,306	26,962 10.0%	12.8%	130	16 12.3%
	7) Life-related service, entertainment industry	4	11,782	125 0.0%	1.1%	4	0 0.0%
	8) Social education industry						
	9) Others	7	3,281,366				
	No answer	10		0 0.0%		123	10 8.1%

Effects of the tourism industry on regional economy in Furano City





Part-time employees account for 41% in the number of employees of tourism-related enterprises

Number of employees by category

		Male	Female	Total	Number of answers from male	Number of answers from female
①	One-man business owner	25	6	31	25	7
②	Unpaid family of one-man business owner	2	10	12	3	10
③	Paid executive (excluding unpaid executive)	46	12	58	14	13
④	Permanent employee (full-time employee)	485	142	627	25	27
⑤	Permanent employee (part-time employee)	148	235	383	17	28
⑥	Seasonal employee (part-time jobs other than ⑤)	36	83	119	8	22
Total		742	488	1230		
(Regular employment ① ~④)		558	170	728		
(Irregular employment ⑤ +⑥)		184	318	502		

Number of employees by month

	Total	Number of answers
JAN.	1,205	49
FEB.	1,099	48
MAR.	1,106	48
APR.	1,091	49
MAY.	1,119	49
JUN.	1,107	49
JLY.	1,170	49
AUG.	1,168	49
SPT.	1,125	50
OCT.	1,130	50
NOV.	1,090	50
DEC.	1,143	49

Total number of employees in Furano City
10,885 (as of June 1, 2006)

Ratio of irregular employment = 41% (male = 25%, female = 65%)



33.7% of target enterprises are member of Japan Travel and Tourism Association

- There are many enterprises that answered “Not applicable.” This indicates that many enterprises think that they are not related to tourism.

	Applicable		No answer	
	Number of answers	Ratio	Number of answers	Ratio
Member of Japan Travel and Tourism Association	57	33.7%	3	1.8%
Posted on pamphlets for tourists prepared by municipalities	33	19.5%	3	1.8%
Posted on travel guidebooks, magazines, etc.	35	20.7%	3	1.8%
Not applicable	102	60.4%	3	1.8%

33.7% of target enterprises provide tourists with products and services

- 33.7% of enterprises (total number of answers: 169) answered that they sold products to tourists and provided them with services.

	Number of answers	Ratio
Sold products to tourists and provided them with services	57	33. 7%
Did not sell products to tourists nor provide with services	109	64. 5%
No answer	3	1. 8%

21.1% of target enterprises invests in plant and equipment

- In Furano City, the ratio of the answer “invested in plant and equipment” is relatively high among the three cities.

	Furano City		Shima City		Iida City	
	Number of answers	Ratio	Number of answers	Ratio	Number of answers	Ratio
Invested in plant and equipment	12	21. 1%	12	14. 5%	9	13. 8%
Not invested in plant and equipment	41	71. 9%	53	63. 9%	55	84. 6%
No answer	4	7. 0%	18	21. 7%	1	1. 5%
Total	57	100. 0%	83	100. 0%	65	100. 0%

Sole proprietorship account for 54.4%

- The ratio of sole proprietorship is low in Furano City and Shima City compared to that of Iida City.

	Furano City	Shima City		Iida City		
	Number of answers	Ratio	Number of answers	Ratio	Number of answers	Ratio
Company limited (including private limited company), mutual company	24	42. 1%	33	39. 8%	18	27. 7%
Joint company, partnership corporation	0	0. 0%	0	0. 0%	0	0. 0%
Limited liability company	0	0. 0%	0	0. 0%	0	0. 0%
Corporation other than company	2	3. 5%	3	3. 6%	1	1. 5%
One-man management	31	54. 4%	47	56. 6%	46	70. 8%
Foreign company	0	0. 0%	0	0. 0%	0	0. 0%
Organization other than corporation	0	0. 0%	0	0. 0%	0	0. 0%
No answer	0	0. 0%	0	0. 0%	0	0. 0%
Total	57	100. 0%	83	100. 0%	65	100. 0%

Average amount of capital is 325 million yen

- Amount of capital and ratio of foreign capital as of December 31, 2009
- The average amount of Furano City is between that of Shima City and Iida City.

		Total	Number of answers	Average	No answer
Furano City	Amount of capital or investment, amount of fund (ten thousand yen)	747. 070	23	32. 481. 3	34
	Ratio of foreign capital (%)	0	8	0. 0	49
Shima City	Amount of capital or investment, amount of fund (ten thousand yen)	1, 351. 014	27	50, 037. 6	56
	Ratio of foreign capital (%)	0	18	0. 0	65
Iida City	Amount of capital or investment, amount of fund (ten thousand yen)	19, 367	17	1, 139. 2	48
	Ratio of foreign capital (%)	0	12	0. 0	53



Amount of investment in tangible and intangible fixed assets is about 34.5 billion yen

- The amount of investment in tangible and intangible fixed assets of Furano City is much larger than that of other two cities.

	Furano City		Shima City		Iida City	
	Amount of investment	Number of answers	Amount of investment	Number of answers	Amount of investment	Number of answers
Amount of investment in tangible fixed assets (ten thousand yen)	3, 440, 816	10	13, 609	12	21, 268	9
Amount of investment in intangible fixed assets (software) (ten thousand yen)	4, 060	6	200	2	251	3
Amount of acquisition of intangible fixed assets (goodwill, etc.) (ten thousand yen)	0	1	100	2	29	3



【Sole proprietorship】 Average amount of sales is 38.04 million yen

- The amount of sales and costs are almost equal.

	Total	Number of answers	Average
Amount of sales (ten thousand yen)	106, 499	28	3, 804
Total amount of costs (ten thousand yen)	83, 842	22	3, 811
Salaries and wages (ten thousand yen)	4, 480	18	249
Rent (ten thousand yen)	2, 590	11	235
Allowance for depreciation (ten thousand yen)	3, 201	21	152
Tax and dues (ten thousand yen)	1, 098	22	50



【Corporation】 Average amount of sales is about 365 million yen

- Sales commission is relatively high (about 55 million yen).

	Total	Number of answers	Average
Sales (ten thousand yen)	692, 885	19	36, 468
Cost of sales (ten thousand yen)	490, 331	16	30, 646
Selling expenses and general administration costs (ten thousand yen)	118, 705	14	8, 479
Purchase / material costs (ten thousand yen)	161, 477	16	10, 092
Gross salary (ten thousand yen)	163, 652	17	9, 627
Welfare expenses (ten thousand yen)	10, 990	15	733
Rent of movable and immovable properties (ten thousand yen)	4, 402	12	367
Allowance for depreciation (ten thousand yen)	42, 887	15	2, 859
Tax and dues (ten thousand yen)	10, 916	16	682
Subcontracting cost (ten thousand yen)	12, 200	8	1, 525
Sales commission (ten thousand yen)	55, 088	10	5, 509
Advertisement expenses (ten thousand yen)	3, 780	14	270
Employee education costs (ten thousand yen)	275	5	55
Interest due (ten thousand yen)	5, 829	12	486



17.2% of enterprises directly sell products to individual tourists (1)

- 17.2% of enterprises (total number of answers: 169) answered that they earned more revenue from “individual tourists (direct sales)” among enterprises whose amount of sales (or its ratio) is high.
- Enterprises which directly sell their products to individual tourists gain 56.1% of sales from individuals on average. The average ratio of sales through e-commerce (business transactions through the Internet, etc.) is 26.9%.

17.2% of enterprises directly sell products to individual tourists (2)

	Target from which revenues were earned		Ratio of e-commerce	
	Number of answers	Average	Number of answers	Average
Individual tourists (direct sales) *including foreigners	29	56. 1%	11	26. 9%
Individual tourists (in the case where commissions are paid to other companies/organizations) *including foreigners	16	29. 8%	8	17. 8%
Companies / organizations *including foreign companies and organizations	15	39. 8%	4	17. 8%

43.5% of enterprises judge tourists by their appearance(1)

- “Appearance of tourists and communications with them” account for 43.5% of the criteria for judging the ratio of tourism. It is higher than the ratio of other criteria.



43.5% of enterprises judge tourists by their appearance(2)

	Total	Number of answers	Ratio
Frequency of visit by users	12	46	26. 1%
Appearance of users and communications with them	20	46	43. 5%
Products and services purchased	1	46	2. 2%
Customer information such as membership card	6	46	13. 0%
Place of boarding, destination (taxi, etc.)	6	46	13. 0%
Means of visit, car number	6	46	13. 0%
Others	14	46	30. 4%

Number of answers
10

【Example of answer】

1. Purpose of use is confirmed every time
2. Reservation (confirmed at the time of reservation)
3. Lodging list, etc. (conformed by it)
4. Confirmed by guest book