Japan Travel & Tourism could approach pre-pandemic levels next year

Sector will boost national economic recovery

More than 680,000 jobs could be created over the next 10 years

London, UK: The World Travel & Tourism Council (WTTC) has revealed the Travel & Tourism sector in Japan will provide a significant boost to the nation’s economic recovery next year, with its GDP contribution set to reach near pre-pandemic levels.

The forecast from WTTC’s Economic Impact Report (EIR) shows the sector’s contribution to Japan’s GDP could reach nearly ¥40 trillion by the end of 2023, just 2.2% below 2019 levels.

The data also reveals employment will surpass pre-pandemic levels, recovering more than 23,000 jobs, to reach more than 5.8 million by the end of the year.

Over the next decade, Travel & Tourism’s GDP is expected to grow at an average of 2.6% annually, more than three times the 0.7% growth rate for the country’s overall economy, to reach more than ¥46.7 trillion (7.8% of the total economy).

The forecast also reveals the sector is expected to create nearly 683,000 jobs over the next decade, averaging more than 68,000 new jobs every year, to reach more than 6.2 million employed by the end of 2032.

By the end of this year, the report shows the sector’s contribution to GDP is expected to grow a staggering 60% to more than ¥36.2 trillion, amounting to 6.5% of the total economic GDP.

While employment levels in the sector are expected to grow at a slower rate (1.9%), by the end of this year, more than 5.6 million will work in the sector.

Julia Simpson, WTTC President & CEO, said: “After the pain suffered by Japan’s Travel & Tourism, the outlook for the future is much brighter.”
“Following two years of restrictions to mobility, which damaged the sector, there are reasons for optimism as the sector is finally seeing the light at the end of the tunnel.

“But there is still work to be done. Removing testing and facilitating international travel will further boost the sector’s growth and fast-track the recovery.”

Before the pandemic, Japan’s Travel & Tourism sector’s contribution to GDP was 7.3% (¥40.8 trillion) in 2019, falling to just 3.5% (¥18.4 trillion) in 2020, which represented a shocking 54.8% loss.

The sector also supported 5.8 million jobs in 2019, falling to just below 5.3 million in 2020, when the pandemic devastated the sector.

The global tourism body’s latest EIR report also reveals that 2021 saw the beginning of the recovery for Japan’s Travel & Tourism sector.

Last year, its contribution to GDP climbed 22.9% year on year, to reach ¥22.7 trillion.

The sector also saw a recovery of more than 210,000 Travel & Tourism jobs, representing a positive rise of 4% to reach 5.5 million.

The sector’s contribution to the economy and employment could have been higher if it weren’t for the impact of the Omicron variant, which led to the recovery faltering around the world, with many countries reinstating severe travel restrictions.