# TOURISM

Japanese outbound travel has grown at an exceptional rate over the past 30 years, from 130 000 visits abroad in 1964 to 15.3 million in 1995. Incentives to travel include a substantial appreciation of the yen against foreign currencies, government programs that actually encourage outbound travel, changes in Japanese lifestyle, and extremely competitive promotional efforts by the travel industry. Despite the slowing of economic growth, industry observers predict that by the end of this century, more than 20 million Japanese will travel overseas annually. The support by the Japanese Ministry of Transport for increased bidirectional tourism has been provided through its program "Two-Way Tourism 21," aimed at promoting broad-based international tourism now and into the 21st century.

Japan is a sophisticated market of growing importance that is undergoing considerable change in travel purchase behaviour. Japanese consumers are becoming wiser and more selective, seeking value over brand. Although tour group travel is still significant, there is an increase in independent travel and a tendency toward staying longer in one place and in "off-peak" seasons. The composition of Japanese overseas travellers is more varied than ever before, including new segments (e.g., "full-moon couples — 45 to 54 years") and new fast-growing regions, particularly Kansai and Tokai. All these changes require a long-term commitment to the market and bear a significant impact on the Canadian marketing program in Japan in order to adequately respond to these new consumer needs. In addition, the competition for a greater share of this shifting yet lucrative market is becoming increasingly intense. Australia and nearby Asian destinations remain key competitors, fuelled significantly by major marketing campaigns and Japanese investment in those regions. The United States also continues to receive a large number of Japanese visitors.

Japan ranks as Canada's most important overseas market in terms of tourism revenues, generating $661.4 million in 1995 (excluding international airfares), an increase of 20.5 per cent over 1994. Overnight Japanese visits increased by 22.4 per cent in 1995, to reach 589 300. With a spending per trip of $1,122 and a spending per day of $189 (the highest yield per day of any of our major markets), potential incremental revenue of the Japanese travel market is significant, each market point share representing incremental revenue of $80 million for Canada.

Japan travel to Canada is a key contributor to the tourism sector, which has a significant impact in the Canadian economy. In 1995, tourism activities provided close to half a million jobs for Canadians and contributed $41.8 billion to our gross domestic production. Tourism is ranked fourth in terms of export earnings, and the tourism industry has important links to other sectors of the Canadian economy. Japanese businesses are investing in the Canadian tourism sector, particularly in hotel and resort properties throughout Canada, including Toronto, Banff, Vancouver, Whistler and Victoria. Major Japanese travel companies have established their own operations and liaison offices in Canada, creating employment and displaying their long-term commitment to promoting Canada as a travel destination.

In recognition of the growing economic importance of tourism, the Canadian Tourism Commission (CTC), under the