



GSR ANALYTIX

INSIGHTS
REAL
OPPORTUNITIES

HOTELS & HOSPITALITY MAGAZINE

HOTELS • DESTINATIONS • TOURISM

ISSUE 26/05

JAPAN

TOKYO

JAPAN AFTER DARK



KYOTO

The Soul of Timeless Japan



HOKKAIDO

Nature in Every Season



OKINAWA

Japan's Island Paradise



**PLUS GLOBAL
SECTORAL NEWS**

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TOKYO

Japan After Dark

Tokyo is a city where centuries-old tradition meets one of the world's most dynamic urban landscapes. Ancient temples and historic neighbourhoods stand alongside neon districts, skyscrapers and cutting-edge technology.

From Shibuya and Shinjuku to Asakusa and Ginza, every district reveals a different side of the Japanese capital. Visitors can move from traditional shrines and street markets to luxury shopping, fine dining and spectacular night views within a single day.

Energetic, sophisticated and endlessly surprising, Tokyo is more than a metropolis — it is where Japan's past, present and future come together.

TOKYO HIGHLIGHTS

SHIBUYA

The energetic face of modern Tokyo, famous for its lights, shopping and legendary crossing.

ASAKUSA

Tokyo, centred around historic Sensō-ji Temple and traditional streets.

SHINJUKU a window into old Skyscrapers, entertainment and dazzling nightlife make it one of Tokyo's most exciting districts.



KYOTO

The Soul of Timeless Japan

Kyoto is the cultural heart of Japan, where centuries of history live on through ancient temples, wooden townhouses, peaceful gardens and traditional neighbourhoods. Once the imperial capital, the city remains one of the country's strongest symbols of heritage and refinement.

From the lantern-lit streets of Gion to the temples of Higashiyama and the bamboo paths of Arashiyama, Kyoto offers a slower and more intimate side of Japan. Each district reveals a different layer of tradition, spirituality and everyday life.

Elegant, atmospheric and deeply rooted in history, Kyoto is more than a destination — it is a living connection to Japan's past.

KYOTO HIGHLIGHTS

GION

Kyoto's historic geisha district, known for traditional wooden streets, tea houses and evening atmosphere.

KIYOMIZU-DERA

One of Kyoto's most celebrated temples, offering sweeping views across the city and surrounding hills.

ARASHIYAMA

Famous for its bamboo grove, riverside scenery, temples and tranquil natural setting.



HOKKAIDO

Nature in Every Season

Hokkaido reveals a very different side of Japan — vast landscapes, dramatic mountains, volcanic lakes and some of the country's most spectacular seasonal scenery. Japan's northern island is known for its open spaces, fresh air and strong connection to nature.

In winter, Hokkaido becomes one of Asia's premier snow destinations, attracting skiers and snowboarders from around the world. During the warmer months, lavender fields, national parks, hiking routes and crystal-clear lakes transform the island into a completely different experience. Wild, spacious and refreshingly peaceful, Hokkaido is where Japan's natural beauty takes centre stage.

HOKKAIDO HIGHLIGHTS

NISEKO

One of Japan's leading ski destinations, famous for deep powder snow and international resorts.

FURANO

Known for colourful flower fields, rolling countryside and some of Hokkaido's most iconic summer landscapes.

SHIRETOKO

A UNESCO-listed wilderness of mountains, forests, waterfalls and rich wildlife on Hokkaido's northeastern coast.



OKINAWA

Japan's Island Paradise

Okinawa offers a completely different side of Japan — tropical islands, turquoise seas, white-sand beaches and a relaxed subtropical atmosphere far removed from the pace of the country's major cities.

The region is known for its coral reefs, clear waters, traditional Ryukyu culture and distinctive island cuisine. From beach resorts and marine activities to historic castles, local villages and scenic coastal drives, Okinawa combines natural beauty with a cultural identity all its own. Warm, colourful and easy-going, Okinawa is where Japan meets the Pacific — a destination built around sea, sunshine and island life.

OKINAWA HIGHLIGHTS

ISHIGAKI

A tropical gateway known for beautiful beaches, coral reefs and some of Okinawa's clearest waters.

MIYAKOJIMA

Famous for white-sand beaches, turquoise lagoons and dramatic coastal scenery.

SHURI

The historic heart of the former Ryukyu Kingdom, centred around Shuri Castle and Okinawa's unique cultural heritage.

Discover
**JAPAN'S
OTHER PLACES**

6 DESTINATIONS IN JAPAN
BEYOND TOKYO, KYOTO, HOKKAIDO AND OKINAWA





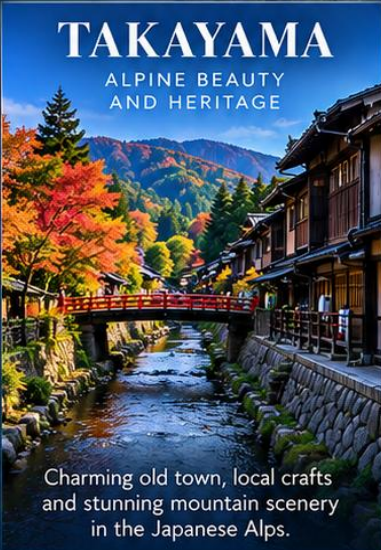
日本
JAPAN
MORE
TO EXPLORE

KANAZAWA
TRADITION MEETS ART



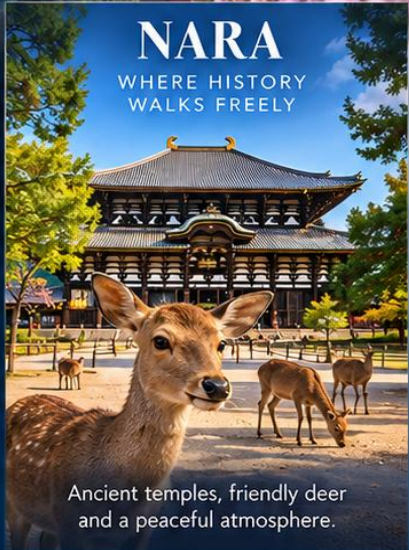
Historic districts, beautiful gardens and a rich traditional culture.

TAKAYAMA
ALPINE BEAUTY AND HERITAGE



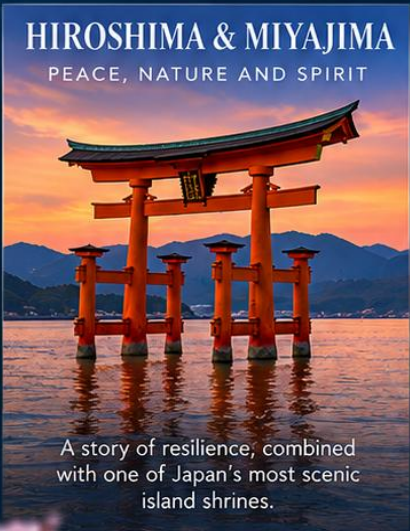
Charming old town, local crafts and stunning mountain scenery in the Japanese Alps.

NARA
WHERE HISTORY WALKS FREELY



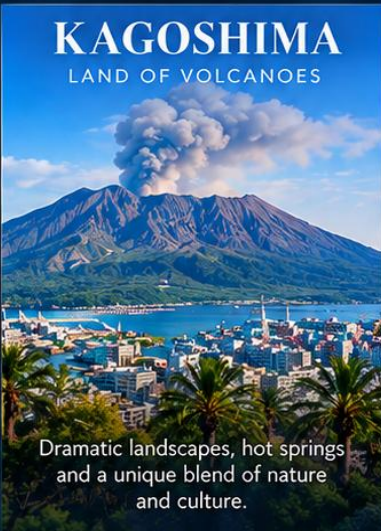
Ancient temples, friendly deer and a peaceful atmosphere.

HIROSHIMA & MIYAJIMA
PEACE, NATURE AND SPIRIT



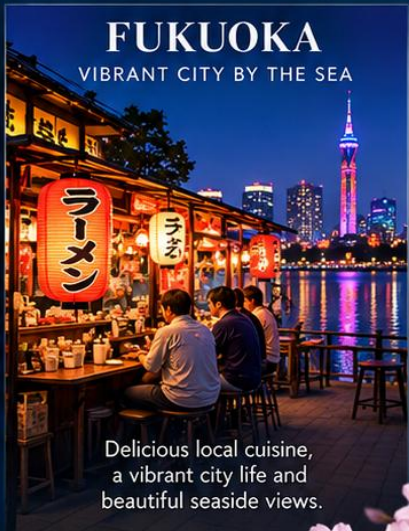
A story of resilience, combined with one of Japan's most scenic island shrines.

KAGOSHIMA
LAND OF VOLCANOES



Dramatic landscapes, hot springs and a unique blend of nature and culture.

FUKUOKA
VIBRANT CITY BY THE SEA



Delicious local cuisine, a vibrant city life and beautiful seaside views.

JAPAN — A WHOLE NEW SIDE AWAITS



MORE THAN A DESTINATION
A DIFFERENT JAPAN AWAITS



GSR ANALYTIX
TRAVEL • PEOPLE • PLACES • INSIGHTS

JAPAN TOURISM:

LOCAL SECTORAL SNAPSHOT / BY THE NUMBERS

Market Size

Japan Tourism Market (2026): \$556.1 billion, growing at 4.8% CAGR to reach \$846.5bn by 2035

Japan Hospitality Market: \$49.34 billion in 2026, projected to hit \$60.35bn by 2031 (4.12% CAGR)

Japan Business Travel Market: \$73.83 billion in 2026, forecast to reach \$120.96bn by 2034 (6.37% CAGR)

Japan Cultural Tourism Market: \$58.7 billion in 2025, projected to reach \$113.3bn by 2035 (6.8% CAGR)

Consumer Spend

Average spend per international visitor: ¥244,457 in Q2 2026, a record high, up 3.3% year-on-year

Total international visitor spending: ¥9.5 trillion in 2025, up 16.4% year-on-year

Accommodation is the largest spend category at 37% of total international visitor spending

Structure & Channels

Mid & upper-mid-scale properties hold 38.87% of the hospitality market by accommodation class (2025)

Service apartments are the fastest-growing accommodation class, at 6.95% CAGR through 2031

74 countries hold visa-free access to Japan as of 2026

Kanto (Tokyo) and Kinki (Osaka/Kyoto) regions capture the majority of international overnight stays

Access & Targets

100 airports nationwide; 28 offer international service, though only 5 (Narita, Haneda, Kansai, Fukuoka, New Chitose) handle major intercontinental traffic

Government targets for 2030: 60 million annual visitors and ¥15 trillion in travel spending

Sources: JNTO, Japan Tourism Agency, Mordor Intelligence, Dimension Market Research, IMARC

JAPAN TOURISM

Local sector outlook & opportunities,
second half of 2026: capacity, not demand, is now the sector's defining constraint.

TREND

Japan's inbound tourism moves past its post-pandemic surge into a more uneven phase. Foreign arrivals topped **42 million** in 2025, tracking similarly in 2026 despite choppy monthly growth — a sharp drop in Chinese visitors has been offset by record inflows from South Korea and Taiwan. The weak yen keeps drawing high-spending, long-stay Western travellers, pushing nationwide hotel rates past **¥23,000** average daily rate. Domestic demand moves the other way: guest-nights fell 3.5% as four straight years of negative real wages curb Japanese travel.

42M+

Foreign visitors, 2025

¥23,000

Nationwide average daily hotel rate

-3.5%

Domestic guest-nights, YoY

RISK

Capacity, not demand, is now the binding constraint. Over **72%** of accommodation providers report understaffing, and WTTC projects Japan's tourism workforce will sit **29% below** demand by 2035 — the largest relative shortfall of any major economy. Hotel and ryokan numbers have fallen by 600+ since 2019, as soaring construction costs push operators toward refurbishments over new builds. New costs are landing directly on the sector too: the departure tax triples to ¥3,000 from July 2026, and Kyoto's revised lodging tax adds up to ¥10,000/night on luxury stays.

72%

Accommodations reporting understaffing

-29%

Projected workforce shortfall by 2035

¥3,000

Departure tax from July 2026 (was ¥1,000)

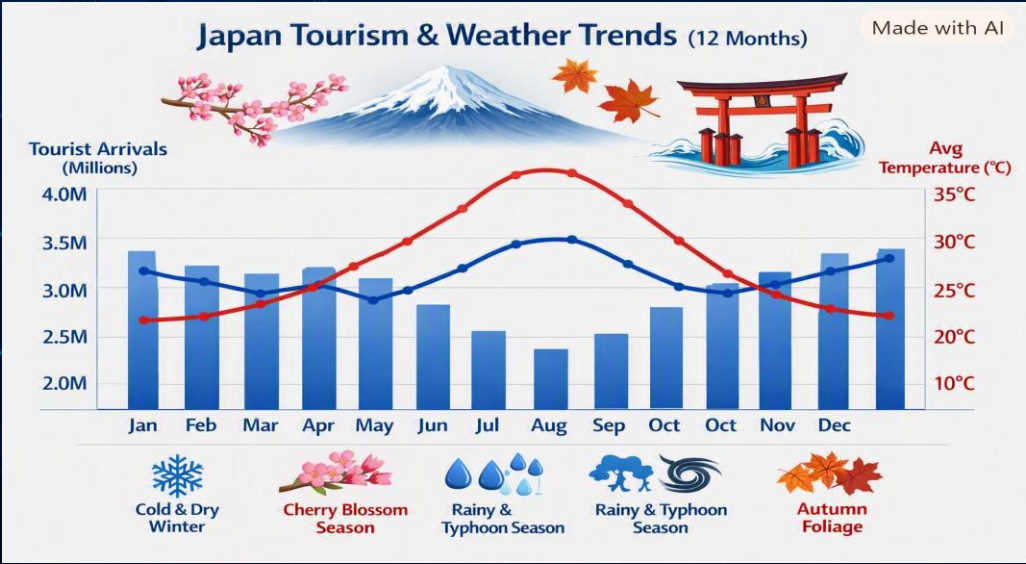
OPPORTUNITY

The sector's direction is a shift from volume to value. Long-stay, experience-oriented travel is the primary growth vector, backed by apartment-style hotels and hotel-condominium formats from new market entrants. Regional dispersal — steering visitors to lesser-known prefectures and craft/culinary experiences — spreads spending and eases pressure on saturated hotspots. Expanded foreign-worker visas and rising wages remain the clearest levers for unlocking understaffed room inventory. Operators who can staff up and price for premium, long-stay demand still face a genuine growth window in 2026.

Japan: Annual Climate and Fair Traffic Overview

Japan’s tourism and fair activity follow a clear seasonal rhythm shaped by its diverse climate. The year begins with cold, dry winter months (January–February), when inbound travel remains steady thanks to ski resorts and New Year events. As temperatures rise in March and April, cherry blossom season drives a surge in both leisure visitors and international fairs, especially in Tokyo and Osaka. May offers mild weather and high participation in trade exhibitions before the rainy season starts in June. Summer (July–August) brings heat and humidity, slightly reducing fair attendance but sustaining tourism through coastal and festival travel. September marks the end of typhoon season and a gradual recovery in business events. Autumn (October–November) is the most balanced period — pleasant temperatures, vibrant foliage, and strong fair traffic across technology, design, and food sectors. December closes the cycle with cooler air and stable visitor numbers, supported by winter illumination events and year-end fairs.

Overall, Japan’s fair traffic peaks in **spring and autumn**, aligning with optimal weather and global travel demand, while **summer and winter** maintain niche tourism flows tied to seasonal experiences.



20 JAPAN'S POPULAR HOTSPOTS

TRADITION • NATURE • CULTURE • MODERN LIFE

*More Than a Destination
A Lifetime of Experiences*



JAPAN
ALWAYS
AMAZES

1 TOKYO

A Dynamic Metropolis
of Endless Discoveries

2 KYOTO

Timeless Temples
and Traditional Beauty

3 OSAKA

Food, Fun and
Friendly Vibes

4 HOKKAIDO

Nature's Wonderland
in Every Season

5 OKINAWA

Tropical Paradise
in Japan's South

6 NARA

Where History
Comes Alive

7 HIROSHIMA

A City of Peace
and New Beginnings

8 MIYAJIMA

A Sacred Island
of Natural Beauty

9 KANAZAWA

Samurai Heritage
and Refined Culture

10 TAKAYAMA

Historic Town
in the Japanese Alps

11 SHIRAKAWA-GO

Fairy-Tale Villages
in the Mountains

12 MATSUMOTO

A Majestic Castle
and Alpine Views

13 NIKKO

Shrines, Nature
and Spiritual Serenity

14 HAKONE

Onsen, Views and
Mount Fuji

15 KAMAKURA

Coastal Temples
and a Relaxed Atmosphere

16 FUJI FIVE LAKES

Stunning Views
of Japan's Iconic Peak

17 NAGANO

Nature, Wellness
and Outdoor Adventures

18 KOBE

Fine Dining
and Harbor Views

19 FUKUOKA

A Vibrant City
with Great Food

20 SENDAI

Green City
with a Warm Welcome

EXPLORE JAPAN
FIND YOUR STORY



JAPAN
ENDLESS INSPIRATION

**GLOBAL TOURISM NEWS / 2026****GULF POWERS AHEAD AS BROADER MIDDLE EAST TAKES A HIT**

Gulf destinations are pulling away from the region's broader slowdown. Dubai is on course to pass 25 million international overnight visitors in 2026, keeping its position as the world's most-visited city, while Saudi Arabia's Vision 2030 tourism investment and Qatar's post-World Cup hospitality build-out continue to draw capital and visitors, backed by a wave of Gulf-based aviation and hospitality expos this autumn.

The contrast with the rest of the region is stark: even as Gulf arrivals climb, the wider Middle East recorded a 14% drop in international arrivals in the first quarter, driven by conflict-related disruption elsewhere in the region — underlining how unevenly "Middle East growth" is now distributed, and how much of the region's tourism story now runs through three or four cities rather than the region as a whole.



**GLOBAL TOURISM NEWS / 2026****CHINA CLOSES IN ON THE TOP OF
GLOBAL TOURISM**

China's international visitor spending climbed to \$135 billion, up 10.5% year-on-year and above pre-pandemic levels, putting its tourism sector on track toward \$1.8 trillion in total value. The driver is visa policy: arrivals from visa-exempt markets have grown fivefold since 2020, adding nine million visitors in 2025 alone — the largest single-year increase recorded by any country globally, outpacing the 5.4% growth rate of international arrivals worldwide.

WTTC forecasts 5.3% sector growth for China in 2026 and a 6.5% average annual rate through 2036, positioning the country as a genuine long-term challenger to the world's established top tourism economies rather than a temporary post-pandemic rebound story.



GLOBAL TOURISM NEWS / 2026**EUROPE'S TRAVELLERS ARE STAYING
CLOSER TO HOME**

European international visitor spending is forecast to grow 7.1% in 2026, nearly double the 3.7% global average, as travellers increasingly choose destinations closer to home amid geopolitical uncertainty elsewhere. Southern Europe is leading the region's momentum: Italy's tourism sector is expected to grow 3.8%, with Spain and Türkiye both forecast at 3.7%, outperforming their wider economies, while smaller markets such as the Netherlands (+5% arrivals) and Austria (+3%) post steady gains of their own. The pattern reframes Europe's 2026 story — not a boom, but a rotation of demand toward destinations perceived as stable, accessible and within easier reach of home.



GLOBAL TOURISM NEWS / 2026

GLOBAL GROWTH NORMALISES AFTER THE POST-PANDEMIC SURGE

UN Tourism recorded 307 million international arrivals in Q1 2026, up 2% year-on-year — solid, but a clear step down from the 34% and 11% surges of 2023 and 2024, and from the 4% pace of 2025 as a whole. WTTC still expects travel & tourism to contribute \$12 trillion to the global economy in 2026 (9.9% of global GDP) and support 376 million jobs, roughly one in nine worldwide. Even UN Tourism's own expert panel reflects the shift in mood, scoring 2026 confidence at 126 out of 200 versus 129 for the year before. The read for operators: the recovery phase is over, and 2026 is the first year the sector has to grow on genuine demand rather than pent-up rebound.

Sources: WTTC, UN Tourism (World Tourism Barometer), eTurboNews



GLOBAL TOURISM:**GLOBAL SECTORAL SNAPSHOT / BY THE NUMBERS****Market Size**

Global Travel & Tourism economic contribution (2026): \$12 trillion, 9.9% of global GDP, supporting 376 million jobs worldwide (WTTC)

Global Travel Market: \$1.82 trillion in 2026, growing at 7.91% CAGR to reach \$3.34 trillion by 2034

Global Online Travel Agency (OTA) Market: \$561.3 billion in 2026, growing at 6.29% CAGR to reach \$761.33 billion by 2031

Regional Distribution

North America leads by value at roughly \$637 billion (2025), followed by Asia-Pacific (~\$473 billion) and Europe (~\$315 billion)

Asia-Pacific is the fastest-growing major region at a 6.6% CAGR through 2033, with the Middle East close behind at 6.4%, both outpacing North America (~5.2%) and Europe (~5.2%)

Market Structure

Online Travel Agencies (OTAs) account for roughly 55% of global travel bookings across hotels, airlines and packaged tours, versus direct-supplier channels

OTA share climbs to around 77% within Europe's hotel segment specifically; global online travel bookings are projected to reach \$1.2 trillion by 2026

Booking Holdings, Expedia Group, Airbnb, Trip.com, Google Travel and Hopper rank among the sector's dominant platforms

Distribution Channels

Leisure travel accounts for roughly 62.7% of total tourism demand, ahead of business travel

Short trips dominate travel patterns: trips of 7 days or less make up 54.2% of overall travel activity

Emerging Momentum

Smart tourism, AI-powered booking and personalization tools are increasingly shaping how trips are planned and sold

Sustainable and experience-led travel continues to gain share as a stated priority for both operators and travelers, alongside growing demand for personalized, health-conscious trip design

Sources: WTTC, Fortune Business Insights, Mordor Intelligence, Cognitive Market Research, Future Market Insights (FMI), Mize/The Business Research Company

TOURISM : GLOBAL SECTOR OUTLOOK & OPPORTUNITIES

(Trend – Risk – Opportunity)

TREND

The global travel and tourism industry enters the second half of 2026 navigating a similar mix of pressure and appetite. Travellers worldwide remain enthusiastic about travel — WTTC still expects the sector to contribute \$12 trillion to global GDP this year — but growth has normalised after the post-pandemic surge, and travellers have grown sharply more selective about where and how they spend, favouring shorter trips (54% of activity is now 7 days or less) and rewarding operators who compete on experience, convenience and price transparency at once.



Sustainability has shifted from marketing language to measurable operational practice — carbon disclosure, energy use and fleet or property decarbonisation are now treated as core commercial issues rather than talking points. Direct booking and loyalty channels are emerging as standalone competitive battlegrounds against OTA dominance. Structurally, the industry is moving toward smaller, more cost-efficient formats: boutique and serviced-apartment concepts, modular hotel builds, and agile, experience-first offerings that cut overhead and speed up openings



RISK

Cost and capacity volatility remain the dominant risk across major destinations. Accommodation costs have surged in high-demand markets — hotel construction costs have nearly doubled from pre-2020 levels in several countries — while energy costs and currency swings continue to squeeze already-thin margins, pushing operators toward refurbishment over new-build and toward flexible, demand-responsive pricing. Labor remains an equally serious constraint: WTTC projects a 43-million-worker global shortfall by 2035, with hospitality alone facing an 8.6-million gap (18% below required levels) — worst in Japan (29%), Greece (27%) and Germany (26%) — driving up wages, turnover and service-quality risk. Rising cost-of-living pressure is compounding this from the demand side, softening domestic and short-haul travel budgets even as international arrivals hold up, while new accommodation and departure taxes aimed at managing overtourism add further cost on both sides of the transaction. A fast-growing digital risk layer — cybersecurity and payment-security exposure, plus heavier dependence on OTA distribution — is rising in step with expanding online booking and personalization.

OPPORTUNITY

Despite the pressure, the sector's underlying growth trajectory remains strong. The clearest opportunities cluster around three areas: experience and premiumisation, as the shift from volume to value rewards long-stay, personalized and locally-rooted travel over transactional visits; format innovation, with apartment-style hotels, hotel-condominium models and modular builds lowering the capital barrier to new markets and destinations; and geographic diversification, as emerging regions — the Gulf, Central and South America, Southeast Asia — post growth well above the global average and visa liberalization (China's fivefold rise in visa-exempt arrivals since 2020; Japan's 74 visa-free countries) continues to open new source markets. Targeted infrastructure investment and workforce visa expansion in several major markets are creating room for reinvestment even amid cost pressure. Operators treating labor strategy, technology and sustainability as competitive advantages rather than compliance burdens are best positioned to outperform a sector that remains resilient even as it restructures.

Sources: WTTC, UN Tourism, Mordor Intelligence, Colliers, JNTO



SAVE THE AMAZON





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