

July 8, 2009
Ministry of Finance
Bank of Japan

Updating of Source Data for "Travel" in the Balance of Payments Statistics

The Ministry of Finance and the Bank of Japan have updated the source data for "travel" in the balance of payments statistics, a component of services in the current account, beginning with the revised figures for the January-March quarter of 2009 and the May 2009 preliminary figures.

1. Current Compilation Method (Expenditure Approach)

Japan's current compilation method for "travel"¹ employs the expenditure approach,² which estimates the amounts paid by travelers to acquire goods and services from the economies in which they are traveling. In this approach, a major part of the total amount is calculated as the product of (1) per capita expenditures of travelers and (2) the number of travelers.

To determine per capita expenditures of foreign travelers and Japanese travelers abroad, the result of a questionnaire survey concerning travel expenditures ("International Travelers' Survey on Expenditures") conducted by the Bank of Japan in fiscal 2005 is used.³ As for the number of travelers, the numbers of foreign travelers and Japanese travelers abroad are estimated mainly from the data compiled

¹ According to the IMF's *Balance of Payments Manual* (fifth edition), a traveler is "an individual staying, for less than one year, in an economy of which he is not a resident," namely, the Japanese economy in the case of foreign visitors, and foreign economies in the case of Japanese travelers abroad. "Travel" covers the goods and services acquired by such travelers in their countries of travel.

² Regarding the current compilation method, refer to "Change in the Method for Compiling 'Travel' in the Balance of Payments Statistics," available on both the Ministry of Finance's web site (<http://www.mof.go.jp/bop/ebprelease08.pdf>) and the Bank of Japan's web site. (http://www.boj.or.jp/en/type/release/zuiji_new/nt_cr_new/ntbop15.htm)

³ For the outline of the "International Travelers' Survey on Expenditures" conducted in fiscal 2005, refer to "The Outline of Survey Results on Expenditures for Traveling to Japan and Traveling Abroad," available on the Bank of Japan's web site. (http://www.boj.or.jp/en/type/release/zuiji_new/nt_cr_new/ntbop14.htm)

by the Ministry of Justice and by the Japan National Tourist Organization (JNTO), respectively.

2. Explanation of Updates

The source data for compiling both "credit" and "debit" of per capita expenditures of travelers have been updated from the figures for fiscal 2005 to make them the latest available. For "credit," the results of a questionnaire survey concerning travel expenditures of visitors to Japan conducted by the JNTO is adopted (survey period: December 2007). For "debit," the results of "JTB Report 2008: All About Japanese Overseas Travelers," a questionnaire survey concerning travel expenditures of Japanese travelers abroad conducted by Japan Tourism Marketing Co., is used (survey period: calendar year 2007).

Expenditures that cannot be fully grasped by the expenditure approach continue to be estimated from other source data and are recorded under "travel."

For example, expenditures of long-term international students (those staying in Japan or abroad for one year or more)⁴ are estimated using data published by government agencies and other organizations on the number of long-term international students and the per capita expenditures of international students (such as tuition and living expenses). Other examples are business travel expenditures (such as accommodation) of the host company for foreign or Japanese travelers invited, and expenses for medical care received by patients in an economy in which they are not residents. Among such expenditures, data on large expenses continue to be obtained from "reports on payments and receipts." These expenditures are added to the expenditures derived from the expenditure approach to estimate the total amount of "travel."

⁴ Goods and services acquired by international students and medical patients are included in "travel" regardless of the length of their stay.

Reference: Estimation of "Travel" for 2008 Using Updated Source Data

(billion yen)

	Released figures (a)			Estimated figures (b) (based on updated source data)			Difference (b) - (a)		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
Jan. 2008	93.0	244.6	-151.6	92.8	204.6	-111.8	-0.2	-40.0	39.8
Feb.	91.7	247.6	-155.9	93.1	209.0	-116.0	1.3	-38.6	39.9
Mar.	96.2	260.0	-163.8	96.7	212.7	-116.0	0.5	-47.3	47.8
Apr.	103.4	216.8	-113.5	103.0	185.3	-82.3	-0.4	-31.5	31.2
May	97.0	231.5	-134.5	98.1	199.4	-101.3	1.0	-32.1	33.1
Jun.	90.8	231.6	-140.8	92.9	200.4	-107.5	2.1	-31.2	33.3
Jul.	108.7	241.6	-132.9	110.2	207.3	-97.1	1.5	-34.4	35.8
Aug.	96.0	265.2	-169.2	97.0	228.2	-131.2	1.0	-37.0	38.0
Sept.	85.8	246.6	-160.7	85.7	213.1	-127.4	-0.1	-33.5	33.3
Oct.	100.7	241.3	-140.6	101.5	205.1	-103.6	0.8	-36.2	37.0
Nov.	80.5	227.5	-147.0	80.6	191.2	-110.6	0.1	-36.4	36.4
Dec.	74.7	227.5	-152.8	75.5	192.7	-117.1	0.8	-34.8	35.6
Total for 2008	1,118.6	2,881.8	-1,763.1	1,127.0	2,448.9	-1,321.9	8.4	-432.9	441.3