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Travel Agency Activities in Japan



Hideo Ishihara

**Economic Statistics Division, Statistics Bureau
Ministry of Internal Affairs and Communications
Japan**

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1 Definition of service being collected

The Japan Standard Industrial Classification (JSIC) has a group “Travel agency” which defines establishments engaged in “Travel agency activities.”

Table 1 JSIC definition of groups of “Travel agency”

Groups	Definition
7911 Travel operator	This class comprises establishments engaged in acts such as entering contracts for the provision of transportation, accommodation, or other services on behalf of the providers or of travelers.
7912 Travel agency	This class comprises establishments engaged in entering contracts as agents for persons practicing travel business.

2 Standard classification structure

The Japan Standard Industrial Classification (JSIC) is composed of four stages, namely Divisions (1-digit level), Major groups (2-digit level), Groups (3-digit level), and Details (industries) (4-digit level). The Thirteenth Revision has been available since October, 2013.

Table 2 The structure of JSIC Rev.13 (Travel agency)

Divisions	Major groups	Groups	Details	Name of class
N				LIVING-RELATED AND PERSONAL SERVICES AND AMUSEMENT SERVICES
	79			MISCELLANEOUS LIVING-RELATED AND PERSONAL SERVICES
		791		TRAVEL AGENCY
			7911	Travel operator
			7912	Travel agency

Table 3 The structure of ISIC Rev.4 (Travel agency)

Section	Division	Group	Class	Name of class
N				Administrative and support service activities
	79			Travel agency, tour operator, reservation service and related activities
		791		Travel agency and tour operator activities
			7911	Travel agency activities
			7912	Tour operator activities
		799	7990	Other reservation service and related activities

Table 4 Comparing JSIC to ISIC (Travel agency)

ISIC rev.4	JSIC rev.13
7911 Travel agency	7911 Travel operator 7912 Travel agency

The ISIC “7911 Travel agency” is divided into JSIC “7911 Travel operator” and “7912 Travel agency.”

In Japan, Travel agency is a business activity operated by a registration system.

Under the system, according to the scope of their operations, travel agencies are classified into Class 1 travel operator, Class 2 travel operator, Class 3 travel operator, Tourism zone-specific travel agency and travel agency.

Class 1, Class 2, Class 3 and Tourism zone-specific travel agency are classified as JSIC “7911.”

They are allowed to make travel plans and to deal with agent-organized tours conducted by other companies as an agent.

Travel agency is classified as JSIC “7912,” and is allowed to deal with travel business as an agent for its own company.

3 Surveys of turnover

Turnover of Travel agency is collected by two statistical surveys and one administrative record, the Monthly Survey on Service Industries (monthly survey and annual survey), the Economic Census for Business Activities (periodic census, every five years) and the Travel services provided by the major travel agencies (monthly).

3.1 Monthly Survey on Service Industries (monthly survey and annual survey)

The name of the monthly survey conducted in Japan is the “Monthly Survey on Service Industries (MSSI).” This survey started in July, 2008 and the results of October of the same year and every month after are released on a monthly basis. The survey objective is to identify monthly trends in sales (incomes) and persons working at the location for service industries. For this reason, the survey covers not only Travel Agency but also a wide range of service industries¹. Other than turnover information, the survey collects the number of persons working at the location of establishment², the type of legal organization, amount of capital and so on.

The survey was revised on January, 2013. Before the revision, the survey was conducted on establishments in all industries which the survey covered. After the revision, the survey on enterprises³ was introduced in addition to the survey on establishments.

¹ Industries covered by the survey: “Information and communications,” “Transport and postal activities,” “Real estate and goods rental and leasing,” “Scientific research,” “Professional and technical services,” “Accommodations, eating and drinking services,” “Living-related and personal services and amusement services,” “Education, learning support,” “Medical, health care and welfare,” and “Services, n.e.c.”

² The term “persons working at the location of establishment” means all persons who are engaged in the business of the establishment or enterprise, etc. on the business day nearest to the end of the month (for annual survey, the end of June) (excluding dispatched or temporarily transferred employees to other enterprise, but including those who work as dispatched or temporarily transferred employees from another enterprise).

³ The term “enterprise” includes a corporation (excluding foreign companies) which is conducting business activities, an establishment of individual proprietorship, a part of public enterprises, etc. operated by an enterprise and the national government or a local government.

The survey on enterprises is conducted on industries that do not fit a survey by sampling establishments and on enterprises with capital, investment, or funds of 100 million yen or more which highly influence total turnover. The survey on enterprises collects turnover by business activities.

The survey on establishments is conducted on establishments that do not belong to enterprises covered by the survey on enterprises.

For “79 Miscellaneous living-related and personal services,” the MSSSI covers enterprises and establishments engaged in “791 Travel Agency,” “792 Ceremonial Occasions” and so on.

Within the MSSSI, an expanded survey which collects more survey items from more survey entities is conducted once a year. Turnover by business activities by prefecture is collected in the expanded survey. The result of “791 Travel Agency” is tabulated in the expanded survey.

The Monthly Survey on Service Industries is not mandatory.

3.2 Economic Census for Business Activity (periodic census, every five years)

The Economic Census in Japan is the census which covers all establishments and enterprises of all industrial sectors (except those engaged in Agriculture, Forestry and Fisheries) at the same point in time. There are two censuses in Japan. One is the “Economic Census for Business Frame” and the other is the “Economic Census for Business Activity.” The “Economic Census for Business Frame” attaches a high value to identifying establishments and enterprises and figuring out the structure of enterprises. The “Economic Census for Business Activity” attaches a high value to figuring out economic activities. Both of them are separately conducted every five years (However, the first Economic Census for Business Activity was conducted in 2012 and the next one is to be conducted four years later. After that, it is planned to be conducted every five years).

Financial items such as turnover information were surveyed by the Economic Census for Business Activity in February, 2012. Other than turnover information, the census collects type of legal organization, number of employees, major industry of establishment, cost of the entire enterprise and so on.

3.3 Travel services provided by the major travel agencies (monthly)

Japan Tourism Agency collects turnover from fifty major travel agencies and releases the results. This survey is not statistical survey but is statistics derived from administrative records

4 Unit of measurement to be collected

4.1 Monthly Survey on Service Industries (monthly and annual)

The basic measurement units for “791 Travel agency” are the establishment and the enterprise by capital size.

The survey on enterprises collects the total amount of turnover and turnover by business activity⁴ of a month.

The survey on establishments collects the total amount of turnover of the whole establishment of a month as turnover of the principal industry of the establishment.

The turnover information collected by the SBJ is income for supply of services and sales of articles in an enterprise and establishment whose principal industry is the service industry. It includes costs such as purchase amount and salary.

The SBJ collects up to four business activities of service industries which are highest in turnover since January, 2013.

Turnover by principal industry of establishment and enterprise⁵, and turnover by industry of business activity⁶ are provided on a monthly, quarterly, yearly and fiscal yearly basis as the results of turnover information.

⁴ The SBJ has collected up to four business activities of service industries which are highest in turnover since January, 2013.

⁵ Total turnover of enterprises and establishments classified into principal business activity of those enterprises and establishments.

⁶ Since January, 2013.

Results are released by 2-digit level (including some 3-digit level for yearly basis). Results of “791 Travel agency (yearly basis)” are released for Travel agency in the annual survey. The unit of money for turnover collected is yen, Japanese currency.

4.2 Economic Census for Business Activity (periodic census, every five years)

The basic measurement units are establishment and enterprise. The SBJ distributes questionnaires to enterprises. In the case of enterprises which have multiple establishments, the SBJ also distributes questionnaires about establishments under its control to its headquarters and asks them to fill the questionnaires in for the entire organization.

The annual amount of turnover information is surveyed. For each enterprise (including single-unit establishment), the total amount of turnover and turnover by industry of business activity is collected. Turnover by industry of business activity is collected at 1-digit industry level. For enterprises engaged in some industries including Travel agency, turnover of its principal industry is captured also in more detail at 3-digit industry level and some 4-digit level (only top 10 classes).

In principle, for establishments under the control of enterprises, their principal industries are grasped by 4-digit industry level. However, because it is not possible to grasp turnover of travel agency by establishments, they are not collected.

Collecting turnover by business activities would lead to the capture of turnover information of service industry which is conducted as secondary activities.

Preliminary results of the 2012 Economic Census for Business Activity were released in January, 2013 (by 1-digit level of all industries) and March of the same year (by 2-digit industry level of “Manufacturing”). Final results of the 2012 Economic Census for Business Activity started to be released in August, 2013. For Travel agency, turnover by 3-digit industry level was released in February, 2014. At that time, total amount of turnover by principal industry of enterprises, turnover by industry of business activity including secondary industry of enterprises and so forth were released.

4.3 Travel services provided by the major travel agencies (monthly)

The basic measurement unit is the enterprise. The survey collects turnover by business activities such as overseas travel, domestic travel and overseas visitors.

5 Market conditions and constraints

5.1 Number of enterprises and establishments

According to the results of the Economic Census for Business Activity which was conducted as of the 1st of February, 2012, the number of enterprises engaged in “791 Travel Agency” is 4767 and the number of establishments engaged in travel agency is 8881.

Table 5 The number of enterprises and establishments engaged in “791 Travel Agency”
on the 1st of February, 2012

JSIC Groups	JSIC Industries	Enterprises	Establishments
791 Travel Agency	791 Travel Agency	4767	8881

(Source: Economic Census for Business Activity by SBJ, METI)

5.2 Turnover and number of persons working at the location of establishment

According to the results of the Monthly survey on Service Industries (Annual survey) which was conducted as of 30th of June, 2013, turnover information of “791 Travel agency” is 4.7 trillion yen and the number of persons working at the location of establishment for Travel agency is 106 thousand (annual average).

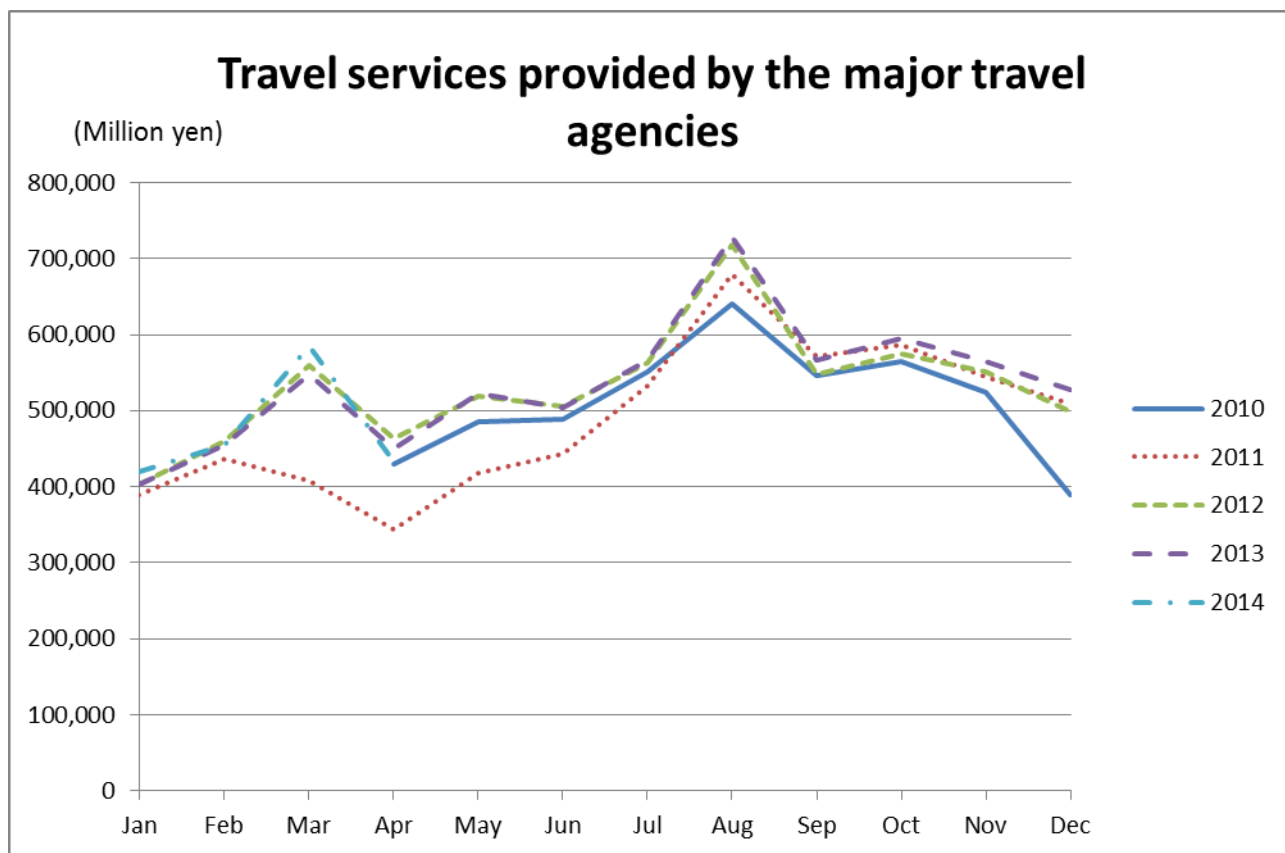
Table 6 Turnover and number of persons working at the location of establishment
for “791 Travel Agency”

	Turnover (million yen)	Number of persons working at the location of establishment
2013	4.7	106,400

(Source: MSSSI by SBJ)

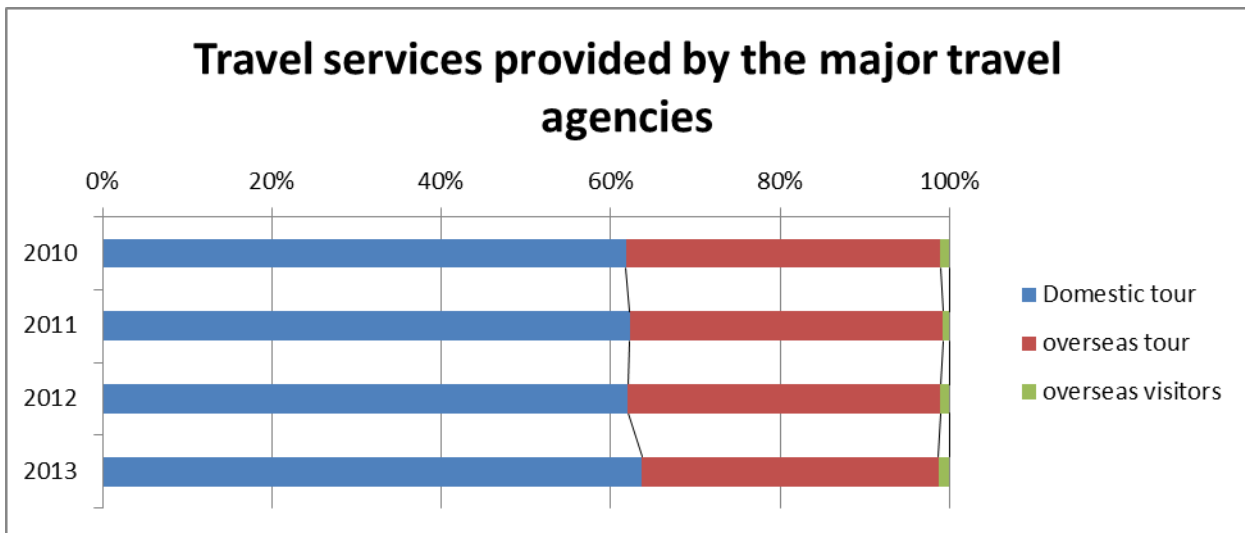
5.3 Trends in turnover

Turnover of travel agency has seasonal features. Figure 1 shows that March and August are peaks in the year. This is because many students have a long vacation for the end of the school year in March and most Japanese people take summer vacation in August. In March 2011, however, the Great East Japan Earthquake caused most people to refrain from traveling. As a result, turnover of 2011 decreased far below that in a normal year.



(Based on Travel services provided by the major travel agencies by JTA)

Figure 2 shows that “Domestic tour” accounts for about 60% of the turnover of travel agencies. On the other hand, “Overseas visitors” accounts for only 1%.



(Based on Travel services provided by the major travel agencies by JTA)

6 Evaluation of standard vs. definition and market conditions

To reflect the change of industrial structure, the JSIC is revised at certain intervals.

At the present moment, there is no apparent problem with the JSIC.

7 Turnover data methods and criteria for choosing various output methods

7.1 Monthly Survey on Service Industries (monthly survey)

The MSSSI is a sample survey. The survey frame is the results of the “2009 Economic Census for Business Frame (the census was conducted for the first time in 2009).”

Within the MSSSI, the survey on establishments and the survey on enterprises are conducted (See 3.1).

The survey on enterprises is an inventory survey. The survey on establishments selects survey entities by stratified sampling by industries and number of persons working at the location of establishment.

Questionnaires are distributed and collected by mail in principal. However, for some situations enumerators collect questionnaires by visiting survey entities whose questionnaire have not been sent back and if the number of persons working at the location of establishment is ten or less. If the survey entity desires, they can submit the filled out questionnaires via the internet.

Results are tabulated as a total of the survey on enterprises and the survey on establishments.

For the results of the monthly survey, the preliminary results are released two months after the survey month and the final results are released five months after the survey month.

For the results of the annual survey, the preliminary results are released six months after the survey month and the final results are released at the end of the year after the survey was conducted.

7.2 Economic Census for Business Activity (periodic census, every five years)

Questionnaires are distributed and collected for single-unit enterprises by enumerators and for multi-unit enterprises by mail by the relevant authorities (entrusted private enterprise). If the multi-unit enterprise desires so, they can submit the filled out questionnaires via the internet.

During the 2012 Economic Census for Business Activity, turnover of all enterprises and establishments of travel agency were collected for the first time.

Preliminary tabulations were released in January and March, 2013. Final tabulations started to be released in the end of August, 2013. Along with turnover, expenses, amount of capital investment, amount of value added and so forth were released, and that enables a more detailed grasp on the current status of economic activity of enterprises conducting travel agency.

7.3 Travel services provided by the major travel agencies (monthly)

The Japan Tourism Agency collects turnover from fifty major travel agencies and releases the monthly and annual results.

8 Evaluation of comparability of turnover data with price index practices

In Japan there are two price indices monitoring the service industry: the Consumer Price Index (CPI) by the Statistics Bureau of Japan (SBJ) and the Corporate Services Price Index (CSPI) by the Bank of Japan. CPI is available for Travel Agency, but CSPI is not available.

The items of the CPI are as shown in Table 7.

The weight for the CPI is calculated by household consumption expenditure obtained from the Family Income and Expenditure Survey, so turnover data is not used for weighting.

Table 7 CPI items for Travel agency

Charges for Package overseas tours

9. Summary

The JSIC is used as a classification for Travel agency. The classes for this industry in the JSIC are more detailed than those in the ISIC.

Turnover for Travel agency is tabulated at 2-digit industry level as “Miscellaneous living-related and personal services” every month by the MSSJ.

The Japan Tourism Agency conducts Travel services provided by the major travel agencies.

The SBJ revised the survey methods of the MSSSI in January, 2013 to improve the accuracy of the turnover results. By the revision, the survey on enterprises was introduced to survey on Travel agency in addition to the survey on establishments. Therefore, we can grasp turnover by industry of business activities of the enterprises whose primary industry is Travel agency.

In the future, grasping the condition by industry of business activities will become more important along with diversification of business activities of enterprises. The MSSSI has just started to grasp turnover by industry of business activities and the SBJ will continue to focus on it.

During the 2012 Economic Census for Business Activity, turnover of all enterprises and establishments of Travel agency were collected for the first time. Along with turnover, expenses, amount of capital investment, amount of value added and so forth were released, and that will enable a more detailed grasp of the current status of economic activity of enterprises conducting Travel agency.

The SBJ will continue to work on further analyses and solve challenges by applying the characters of each statistical survey related to turnover of Travel agency.