Characteristics of New Tourism Nation Promotion Basic Plan



O Direction of Reviewing Basic Plan

As tourism is one of the pillars in a country's growth strategy, we will take measures to break through the obstacles set by a falling population and decreasing birth rate/aging population in a situation where the economy has been long stagnant and regions exhausted. In addition to seeking tourism demand from the Asia region seeing rapid economic growth, we will also pursue activities such as rejuvenation of local economies and expansion of employment opportunities.

<The Situation Surrounding Tourism>

- Intensification of battle by foreign countries to attract visitors
- · Presence of risk of decrease in foreign visitors to Japan caused by external factors of macro economics, diplomatic relations, etc.
- Necessity to capture not only new visitors to Japan but also repeaters too
- Increase in non-domestic travelers demographic from decreased relative appeal of trips, etc.

Necessity to expand tourism related business and improve quality of tourism

- · Capture of tourist markets in South-east Asia, etc., Wealthy classes/Middle classes, etc., where sudden growth is expected
- Cultivation of next destination in Golden route
 Information transmission
- Increase quality of tourist area and tourism services
- Increase length of stay and expenditure of tourists etc.

OFundamental principles of measures to become a tourism nation

Added "Post-disaster recovery" pillar, in light of the Great East Japan Earthquake.

(1) Post-disaster recovery (2) Development of national economy (3) Enhancement of mutual international understanding 4 Stabilization and Improvement of people's lives

OTargets for becoming a tourism nation

- Add satisfaction indices (Satisfaction of foreign visitors to Japan, Traveler satisfaction for tourist areas) to fundamental targets in order to increase the quality of tourist areas and tourism services.
- Beneath Standard targets, add a new "Reference index". (Expenditure of foreign visitors to Japan, Employment effect, Regional domestic travel expenditure, etc.)
 - 1) Domestic travel expenditure 2) Number of international visitors to Japan 3 Satisfaction of international visitors to Japan 4 Number of international conferences held ⑤ Number of Japanese travelers going overseas ⑥ Average annual days stay of domestic tourist trips ⑦ Traveler satisfaction for tourist areas

OMeasures for government to undertake comprehensively and systematically to become a Tourism Nation

Tourism is supported by a wide range of measures made by diverse range of persons involved, including increased appeal of areas through such activities as formation of good landscapes and town maintenance and improvement, increased exchange of people via maintenance of transport networks and others, as well as increased appeal of trips by use of diverse tourism resources including cultural assets and rural areas. It is important to proceed while increasing relationships between related ministries and various related parties. Specifically, in the main measure (item 4) where the Japan Tourism Agency should take up a leadership role, and measures which should be undertaken by the government as a whole.

- ① Building of appealing tourist areas preferred nationally/internationally (branding of tourist regions, wide-range cooperation across multiple regions, etc.)
- 2 Implementation of promotion of visits to Japan by All Japan 3 Strengthening international competition in MICE field, including international conferences
- **4** Promotion of time-off reform

ONecessary items to comprehensively and systematically pursue strategies to become a Tourism nation

While receiving advice from intellectuals as necessary, inspect fulfillment of targets, state of progress of measures at the beginning of each year, and evaluate policy effectiveness. The Japan Tourism Agency will work with related ministries to reflect applicable inspection/evaluation results in the following year's strategies.



Target	Target for becoming a Tourism Nation	Reference index for becoming a Tourism Nation
Increase in National Expenditure due to Tourism	1. Domestic travel expenditure [2009: 25.5 trillion yen] 30 trillion yen by 2016	 (1) Domestic tourist trip with accommodation expenditure
		(2) Employment Effect of Tourism 5.39 million people equivalent by 2016
Improvement /Expansion of International Tourism	2. Number of international visitors to Japan [2010 performance: 8.61 million people] [2011 estimate: 6.22 million people] 18 million people by 2016	(1) Increase in number of lodging foreign visitors to Japan for non- golden route areas 24 million people level by 2016
		(2) Number of repeaters in international visitors to Japan 10 million people level by 2016
	3. Satisfaction of international visitors to Japan [2011: "Very satisfied" 43.6% and "Definitely want to visit again" 58.4%] "Very satisfied" 45% level, "Definitely want to visit again" 60% level	
	4. Number of international conferences held [2010: 741] Increase by more than 50% to become biggest conference nation in Asia by 2016	(1) Number of foreign visitors to Japan participating in international conferences, exhibitions, training, etc.1.7 million people by 2016
	5. Number of Japanese travelers going overseas [2011 estimate: 16.99 million people] 20 million people	(1) Number of young Japanese travelers going overseas 3 million people by 2016
Improvement /Expansion of Domestic Tourism	6. Average annual days stay of domestic tourist trips with accommodation [2010: 2.12 nights] (2.5 nights)	(1) Percentage of citizens making domestic tourist trips without accommodation 40% level by 2016 (Of this, in particular, young demographic rate 40%)
		(2) Average annual days stay of domestic tourist trips of young demographic Annual average: 3 nights by 2016
	7. Domestic traveler satisfaction for tourist areas [no actual performance data] ("Very satisfied / Definitely want to visit again" 25% level)	(3) Domestic travel expenditure to main destination regions other than 3 main cities Annual: 12 trillion yen by 2016



Increase in National Expenditure due to Tourism

1. Domestic travel expenditure

Achieve 30 trillion yen by 2016. [2009 performance: 25.5 trillion yen]

[Approach]

Target values = Prediction based on trend + Added demand from implementing measures

1) Predictions based on trends

Regarding Trips with accommodation, Day trips, Overseas travel (domestic) and Inbound travel, by return to performance trend from 2004 – 2009, they are expected to grow.

→Trips with accommodation: 14.05 trillion ven, Day trip: 5.12 trillion ven, Overseas travel (domestic): 1.82 trillion ven, Inbound travel: 1.73 trillion yen

Total 22.73 trillion yen [2016 Expenditure Trend Forecast]

2Added demand from implementing measures

OTrips with accommodation Day trip

Trips with accommodation and Day trip expected to increase from measures



"6. Japanese days stay per person for domestic tourist trips" goal

ONumber of Japanese travelers going overseas

Number of Japanese travelers going overseas expected to increase from measures



"5. Number of Japanese travelers going overseas"goal

ONumber of international visitors to Japan

Number of international visitors to Japan expected to increase from measures



"2. Number of international visitors to Japan"goal

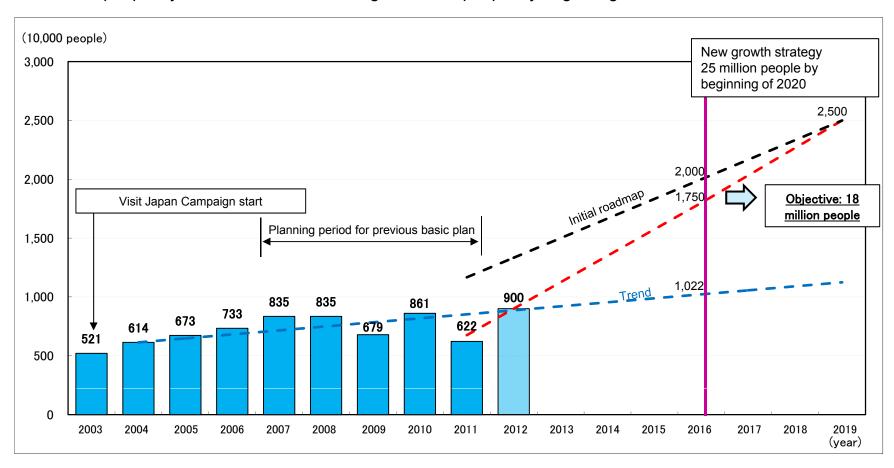


Improvement/Expansion of International Tourism

2. Number of international visitors to Japan Achieve 18 million people by 2016. [2010 performance: 8.61 million people], [2011 estimate: 6.22 million people]

[Approach]

Reach 18 million people by 2016 in mind for reaching 25 million people by beginning of 2020.





Improvement/Expansion of International Tourism

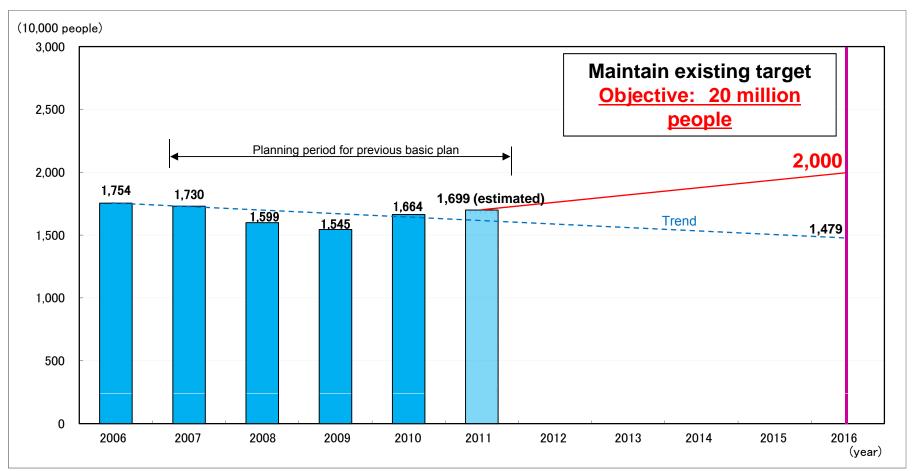
5. Number of Japanese travelers going overseas
Achieve 20 million people by 2016. [2011 estimate: 16.99 million people]

[Approach] As the Number of Japanese travelers going overseas has increased as a result of such Circumstances as the strong yen, maintain existing targets.



Objective:20 million people

Reference: JATA (Japan Association of Travel Agents) Visit World Campaign (VWC) target: Number of Japanese travelers going overseas: 20 million people



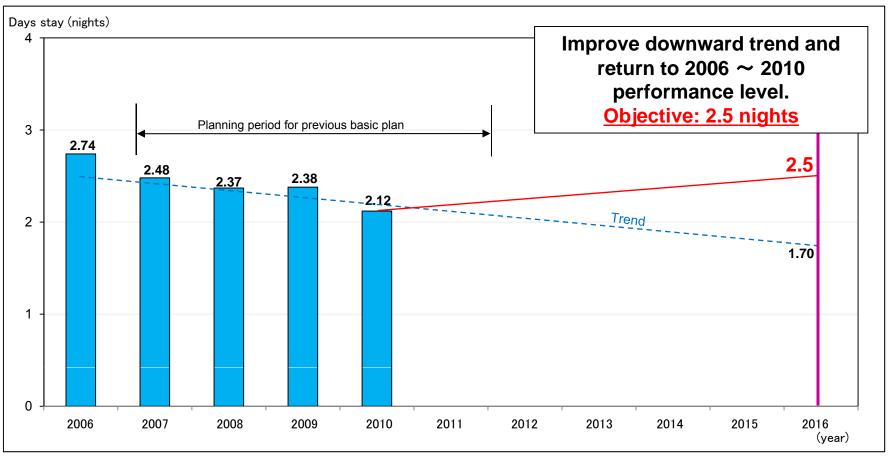


O Improvement/Expansion of Domestic Tourism

6. Japanese days stay per person for domestic tourist trips
Achieve annual value of 2.5 nights by 2016. [2010 performance: 2.12 nights]

[Approach]

Regarding Japanese days stay per person for domestic tourist trips, by taking measures such as offering appealing travel products, and creating of appealing tourism destinations, stop downward trend, and return to <u>level of past 5 years (2006 ~ 2010 performance (average: approx. 2.42 nights).</u>





O Increase in National Expenditure due to Tourism

(1. Domestic travel expenditure)

3Added effect setting from measures

OTrips with accommodation/Day trip (%Based on 2010 data)

- Trips with accommodation: In demographic who do not take trips with accommodation (64.4%), approx. 4 out of 10 people newly took overnight trip; Of those who took trip with accommodation (35.6%), approx. 4 out of 10 people stayed +1 night in a year
- •Day trip : People went on day tourist trips approx. +0.4 times more

ONumber of Japanese travelers going overseas

- In (2004 - 2009) trend analysis, this is 14.79 million people in 2016 but is expected to increase to 20 million people from measures

ONumber of international visitors to Japan

- In (2004 - 2009) trend analysis, this is 10.22 million people in 2016 but is expected to increase to 18 million people from measures

4 Evaluation result

OThe following expenditure are estimated as added effects of measures.

Measure	International visitors to Japan in 2016	18 million
Basic expenditure (2016)		22.73
Implemented measures	Tourist trip with accommodation	3.47
	Day tourist trip	1.20
	Overseas travel (domestic)	0.64
	Inbound travel	1.32
	Sub-total	6.63
Total		29.35



Objective: 30 trillion yen

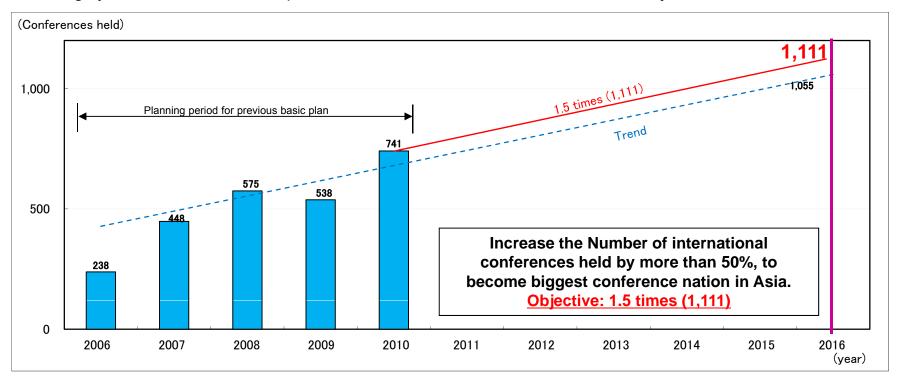


O Improvement/Expansion of International Tourism

4. Number of international conferences held Aim to increase the Number of international conferences held in Japan by more than 50% by 2016, to become the biggest conference nation in Asia. **Number of conferences held in 2016: over 1,111 [2010 performance: Number of international conferences held: 741]

[Approach]

Predict the number of conferences held in 2016 by using future efforts to sustain Japan's past trend of holding international conferences and compare this with the main competitor countries' past and future numbers. Doing so, predict roughly the level to be at the top in Asia and build on this further to set a final objective.





O Improvement/Expansion of International Tourism

3. Satisfaction of International visitors

Aim to make the percentage of those who answer "Very satisfied" in the International visitor consumption trends survey 45% level and those who answer "Definitely want to visit again" 60% level by 2016. [2011 performance: Answer rates of "Very satisfied": 43.6% and "Definitely want to visit again": 58.4%]

[Approach]

As nature and landscape largely effect the Tourism field satisfaction and Intent to re-visit, it is in no way easy for all areas to improve this, so aim to increase answer rates for "Very satisfied" and "Definitely want to visit again" from current values.

Reference: "Increase percentage of travelers who felt "Extremely welcomed" from current 19%." : Visit Britain 2010 – 2011 Business Plan

7. Traveler satisfaction for domestic tourist areas

In the Traveler satisfaction for domestic tourist areas survey, raise both the rate of those who answered "Very satisfied" for Overall satisfaction, and "Definitely want to visit again" for Intent to re-visit 25% level by 2016. [No actual performance data]

[Approach]

As an indicator of the level of attractiveness felt by tourists to tourist areas, set up "Overall satisfaction" evaluation which includes not only services offered but also non-service aspects such as climate. Additionally, as an indicator of the link with further Tourism promotion, set up the indicator of "Intent to re-visit" which is more direct than "Overall satisfaction". Due to it being in no way easy for all areas to improve the level of satisfaction and Intent to re-visit of Tourism field being greatly affected by nature and landscape, and based on other similar research, set the goal for answer rate to "25% level".

Reference 1: Evaluation technique research project to increase attractiveness of tourist areas (Research from beginning of Jan. ~ mid-February 2010): Japan Tourism Agency Answer rates of Overall satisfaction "Very satisfied": 23.1%, Intent to re-visit "Strongly agree": 24.0% (Research area: 50 areas nationwide; No. of survey answers: 11,626)

Reference 2: 2011 First Basic Survey(CS Royalty Survey)interim report(Research from July ~ September 2011): Society of Destination Management Research ((foundation) Japan Travel Bureau)

Answer rates of Overall satisfaction "Very satisfied": 18.6%, Intent to re-visit "Strongly agree": 14.5% (Research area: 49 areas nationwide; No. of survey answers: 7,073)



<Reference index>

- 1. (1) Japanese domestic tourist trip with accommodation expenditure of 18 trillion yen by 2016 [2009: 17.4 trillion yen] Japanese domestic day tourist trip expenditure of 6.5 trillion yen[2009: 5.5 trillion yen] International visitors to Japan expenditure: 3 trillion yen by 2016[2009: 1.2 trillion yen]
- 1. (2) Employment effect 5.39 million person amount equivalent by 2016[2009: 4.62 million person amount]
- 2. (1) Increase in length of stay by international visitors to Japan to so-called non-Golden route areas (areas excl. Tokyo, Chiba, Osaka, Kyoto): 24 million people level by 2016[2010: approx. 10 million people]
- 2. (2) Repeater numbers in international visitors to Japan, mainly from markets with many repeaters (South Korea, Taiwan, Hong Kong, Singapore): 10 million people level by 2016[2010: 5.15 million people]
- (1) Number of foreign visitors to Japan participating in international conferences, exhibitions, training, etc. 1.7 million people by 2016
 [2010: 1.3 million people]
- 5. (1) Number of young Japanese (20-29 years old) travelers going overseas: 3 million people by 2016 [2010: 2.7 million people]
- 6. (1) Percentage of citizens who do not go on domestic tourist trip with accommodation in one year: 40% level by 2016 (Of these, in particular, percentage in young demographic is 40% level)[2010: 64.4%)(percentage in young demographic: 63.6%)]
- 6. (2) Length of stay per young Japanese traveler taking domestic tourist trips with accommodation: Annual average of 3 nights by 2016 [2010: 2.56 nights]
- 6. (3)Domestic travel expenditure to main destination regions other than 3 main cities 12 trillion yen by 2016 [2010: 10.1 trillion yen] ※ Only expenditure during travel

Measures for government to undertake comprehensively and systematically



The following are the main strategies that the Japan Tourism Agency should perform the lead role in.

- 1. Creating appealing tourism destinations preferred at home and overseas (Branding of tourism areas and wide-range cooperation of multiple areas, etc.)
- •In circumstances where tourism areas are competing internationally to attract tourists, prompt formation of high appeal tourism areas which are preferred at home and abroad and can compete internationally is necessary.
- To achieve this, <u>regarding tourism areas able to represent Japan</u>, <u>perform such activities as persistent evaluation</u>, <u>strategically promote creation of tourism destinations</u> according to area stage of activity.
- •Strengthen wide-range cooperation of multiple areas to build excursion/stay routes with themes to fully use of the potential of Japan's diverse tourism resources,.
- Promote creative, innovative activities from all over Japan.
- Try to enhance environment to accept foreign tourists, promote tourism in major cities, participate in tourism industry and nurture human resources in the Tourism field.
- To promote creation of good landscapes following the creating tourism destinations ideals, town maintenance and improvement, and cultural assets and activities using tourism resources farming experiences, form tie-ups and cooperative work with related ministries and agencies, local government, Japan Travel and Tourism Association (plc), etc.

2. Implementation of Promotion of visits to Japan by All Japan

- •To win against various foreign countries in attracting visitors, expansion of effective and efficient customer attraction is needed in middle classes in developing countries such as Southeast Asia expected to see remarkable growth in the future, markets with long periods of stay including Europe, America, and Australia, and in the wealthy demographic where expenditure is expected to be huge.
- •To achieve this, ① <u>pursue more functional/effective promotion methods according to foreign consumers taste not covered by existing promotion system/methods,</u>
 ② Not only the Japan Tourism Agency / Japan National Tourist Organization, <u>realize a strong visit Japan promotion system by All Japan by strengthening ties between related ministries and agencies, local government and economic world including diplomatic offices.</u>
- •To collect information/strengthen business operations for each market at foreign local level, strengthen system of Japan National Tourist Organization overseas offices made up of highly specialist staff.
 - ※ Japan National Tourist Organization (Independent administrative agency International Promotion Agency, or based on the 「Review of Independent administrative agency system and organization basic plan」 (approved by cabinet on 20th January 2012), the new class of organization like the Japan National Tourist Organization aimed for creation by April 2014, which is expected to adopt the functions of the Japan National Tourist Organization)

- •MICE International conferences or exhibitions have wide economic significance, such as size of economic ripple effects on area economies, and creation effect of business opportunities and innovation. In recent years, the international attraction/competition between major Asian nations and others has been intensifying, with the fear that Japan will lose relative competitiveness.

 •In response to this, it is necessary to perform the following to strengthening international competitiveness of the government-backed MICE field.
 - ① enhance thorough marketing strategy of each attraction unit such as clarification of targets making use of strengths
 - ② <u>strengthening competitiveness of MICE industry</u> and <u>maintenance of acceptance environments related to MICE</u> through strengthening functionality of parties concerned with attraction, and such activities as in-depth selection and focus

4. Promotion of time-off reforms

- •To arouse area economies by spurring latent demand and expanding fluid population, promotion of time-off reforms is needed
- Promote efforts to change in national thinking towards holidays such as maintenance of working environments in which it is easy to take holidays, diversification/relaxation of children's holidays.
- •Regarding actual implementation of long holiday-taking decentralization decentralizing setting of long holidays for each area, examine this further based on effects on citizen's life and economic activities after the earthquake, and public consensus.

Measures for government to undertake comprehensively and systematically



The following are measures which the whole government should take.

1. Consideration of Social Capital improvement etc. contributing to Tourism promotion and others

When carrying out work such as Social capital improvement which contribute to Tourism promotion and others, such as Creation of tourism destinations/Town
maintenance and improvement, Road maintenance and improvement, and Preservation/Utilization and other of river areas and others, link Representative departments
and agencies and Tourism-related departments and agencies when carrying out maintenance and improvement for Tourism promotion and Tourism exchange.

2. Sports Tourism Promotion

- Based on the "Sports Tourism Promotion Basic Policy" (established in 2011), as well as promoting establishment of area sports commissions, summarizing/transmitting information, <u>Establish Sports Tourism Promotion Cooperative Organization</u> responsible for Attraction/hosting support of international sports events.
- Using the experience of Japan winning the 2019 Rugby World Cup, work on bidding for 2020 Tokyo Paralympics.

3. International Hub Airport Maintenance and Improvement, and others

(Haneda airport)

•Promote development into a 24-hour International hub airport. Increase <u>Day-and-night Annual Arrival/Departure Capacity to 447,000 by 2013 at the earliest</u>. As a basis, add 30,000 daytime slots to the current 60,000 international routes (30,000 daytune, 30,000 late-night and early morning). Promote Expansion of international passenger terminal and apron ets., and Extension of runway C.

(Narita airport)

- Based on local agreements, expanded to 250,000 in 2011 and 270,000 in 2012. At the earliest, expand Annual Arrival/Departure Capacity to 300,000 in 2014.
- <u>Strengthening of LCC acceptance system</u> such as Maintenance of Business jet terminal in 2011, and Online application for use of business jet arrival/departure slots and parking in 2012 at the earliest.

(Kansai International Airport)

• Renewal/Strengthening as International hub airport from revenue improvement and development into LCC hub by management integration with Itami airport strategies.

4. Overseas promotion of Cool Japan

•Communication of excellent aspects of our country in "Cool Japan" overseas : e.g. fashion, food, lifestyle items, traditional arts, etc.

5. Expediting/streamlining of visa issuance procedures

• <u>Promotion of fast and smooth visa issuance procedures</u> to improve movement of people between countries. Improve convenience of applicants to promote bilateral movement of people between countries.

6. Expediting/streamlining of immigration procedures

- For promotion as a tourism nation, <u>produce fast and smooth immigration procedures</u> with the aim of reducing the waiting time needed for checks at airports to less than 20 minutes.
- •Following investigation results from the "Immigration administration review meeting for 25 million foreign visitors" (private advisory panel to the Minister of Justice),

 <u>Examine future immigration check methods, and determine ad-hoc measures from implementable policies</u> regarding smooth and strict checks which can be performed in a short time.

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Measures for government to undertake comprehensively and systematically



7. Promotion of comprehensive Open Skies campaign including metropolitan airports

- · Aim to achieve an Open Skies campaign which includes metropolitan airports.
- •Increase the Open Skies campaign which includes countries/regions of the U.S., East Asia and ASEAN, to pursue further expansion of the international airport network.

8. Strengthen Tourism exchange and cooperation between Japan, China and South Korea

- Expand scale of human flows between the 3 nations to 26 million people by 2015. (2010 5th Japan-China-Korea Tourism Ministers Meeting Joint Statement, 2011 4th Japan-China-Korea Summit Declaration by leaders)
- Strengthening of ties between the 3 nations concerning crisis management in the event of a disaster. Promotion of Japan-China-Korea Tourism Golden route, etc., to increase Tourism exchange. (2011 6th Japan-China-Korea Tourism Ministers Meeting Joint Statement)

9. Increase/Utilization of foreign students

- <u>Aim to achieve 300,000 foreign students to Japan, and 300,000 Japanese students, etc., overseas</u>, expand mutual credit recognition with foreign universities, promote acceptance of foreign educational staff/university students, and promote employment support for foreign students and others.
- Strengthening of activities to increase the overseas experience of Japanese university students study/work support and others, attracting foreign students, utilizing foreign students to improve environment for accepting foreign guests, utilizing each information transmission tool or network for foreign students to communicate Japan tourism's appeal, etc.

10. Promotion of travel by baby boomers and young travelers, Strengthening of Zero demographic countermeasures

• By taking each of the measures set in the basic plan, try to promote baby boomer travel, enliven demographic who go on trips, and promote travel by Zero and young demographic.

11. Set prices according to travel service contents

• For public services and accommodation, examine/promote handling of a diverse range of traveler needs.

12. Maintenance of travel environment according to consumer needs

•To arouse travel demand by older demographic, after accurately grasping their needs, examine measures for offering of high-quality travel services, and maintain an environment to be able to go on trips easily.

13. Cultivation of new tourism fields

- Promotion of each new tourism type (Ecotourism, Green Tourism, Health Tourism, Sports Tourism, Fashion/Food/Movies/Animation/Flowers, etc.).
- Arousal of travel demand of young demographic by demonstrating tests to grasp real situation of travel by young demographic, and collecting/spreading success stories.
- Continued <u>Promoting of creation of extended stay tourism destinations</u> by boosting demand related to extended stay tourism, by area.
- Promotion of tourism linked to medical care by maintaining an environment to accept foreign patients and others, and such as diversification/adding higher value to travel tours linked to medical care.