

Chapter 3

Realizing a World-Class Tourist Destination and Building a Beautiful Nation

Section 1

Trends in Tourism

1 Significance of a Tourism Nation

Tourism is an industrial segment of vital importance to Japan, for it helps the nation maintain regional vitalities to keep up with its social development by capturing global demands, as from rapidly advancing Asian nations, to expand the nonresident population visiting from both at home and abroad in a decreasing population and aging society with falling birthrates, and also consolidate its position in an international community by promoting deeper global mutual understanding through two-way exchanges with the nations abroad.

2 Tourism Situation

(1) Japanese Domestic Tourism Consumption

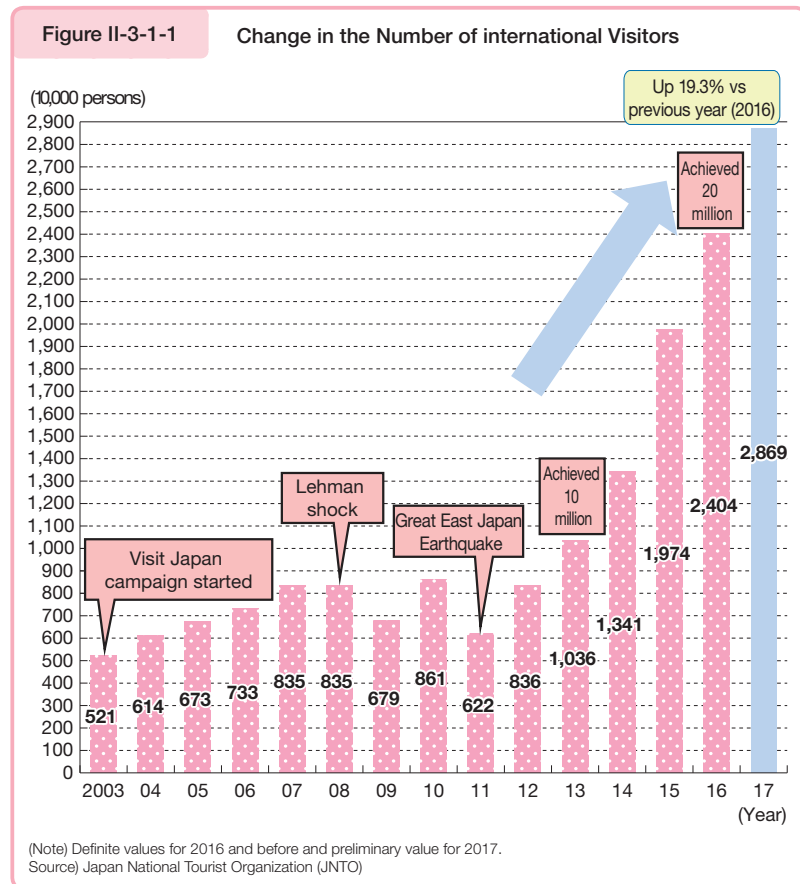
Japanese domestic tourism consumption in 2017, including overnight trips and same-day trips, was 21.1 trillion yen (up 0.8% from the previous year).

Breaking down Japanese domestic tourism consumption, spending on overnight travel was 16.1 trillion yen (up 0.3% from the previous year) and spending on same-day trips was 5.0 trillion yen (up 2.3% from the previous year).

(2) Number of international Visitors to Japan

The number of international visitors in 2017 increased to 28.69 million (up 19.3% from the previous year), and has been reached record high for the fifth consecutive year.

By nationality and region, China accounted for about 7.36 million, followed by South Korea with about 7.14 million. Each number of visitors from China and South Korea exceeded 7 million for the first time ever in all markets. By market, the following 20 markets registered their annual record highs: South Korea, China, Taiwan, Hong Kong, Thailand, Singapore, Malaysia, Indonesia, the Philippines, Vietnam, India, Australia, the United States, Canada, the United Kingdom, France, Germany, Italy, Russia and Spain.



(3) Tourism Consumption by Foreign Visitors to Japan

With the increase in the number of foreign visitors, tourism consumption by foreign visitors in 2017 reached a record high of 4,416.2 billion yen (up 17.8% from the previous year).

By nationality and region, China accounted for 1,694.7 billion yen (up 14.9% from the previous year), followed by Taiwan with 574.4 billion yen (up 9.5% from the previous year), South Korea with 512.6 billion yen (up 43.3% from the previous year), Hong Kong with 341.6 billion yen (up 15.9% from the previous year), and the United States with 250.3 billion yen (up 17.5% from the previous year). These top five countries accounted for 74.6% of total travel spending by foreign visitors in 2017.

(4) Number of Repeaters among Foreign Visitors to Japan

The number of repeaters among foreign visitors in 2017 was 17.61 million (up 23.5% from the previous year).

Taiwan and Hong Kong especially produced high rates of repeaters, with the percentage of travelers in 2017 visiting for their second time or more being 83.4% and 80.1%, respectively.

(5) Total Number of Guest Nights of International Visitors in the Outlying Areas

The total number of guest nights of international visitors in the outlying areas in 2017 (Preliminary figures) was 31.88 million (up 15.8% from the previous year). Year on year, this exceeds that for the three major metropolitan areas (which were up 10.2%), with large increases by prefecture in Aomori (up 60.3% from the previous year), Oita (up 59.3% from the previous year), and Saga (up 51.9% from the previous year).

(6) Percentage of International Conferences of Those Held in Major Asian Countries

The number of international conferences held in Japan in 2017 was 414 (up 1% from the previous year), ranking 7th in the world after France. Japan's share of international conferences out of those held in major Asian countries was 27.8%, remaining in the top position in Asia.

(7) Number of Japanese Going Overseas

The number of Japanese who went overseas in 2017 was 17.89 million (up 4.5% from the previous year), an increase for the second year in a row.

Section 2**Initiatives to Realize a World-Class Tourist Destination**

On May 30, 2017, the Ministerial Council on the Promotion of Japan as a Tourism-Oriented Country decided on a "Tourism Vision Realization Program 2017" as a short-term action plan for the "New Tourism Strategy to invigorate the Japanese Economy." Based on this program, the government made united efforts to promote various measures to realize a world-class tourist destination.

1**Enhancing the Appeal of Tourism Resources as a Cornerstone of Regional Revitalization****(1) Opening Appealing Public Facilities and Infrastructure to the Public**

The MLIT promoted infrastructure tourism to encourage regional promotion by utilizing and opening infrastructure as tourism resources, such as expanding the number of tours held at the Metropolitan Area Outer Underground Discharge Channel.

Column**Promotion of Tourism and Regional Development through Infrastructure Tourism**

There has been a surge of interest in infrastructure tourism, which utilizes dams, bridges, ports, and world-class civil engineering technology as tourism resources to promote tourism and regional development. In addition to its role in revitalizing regions around infrastructure, infrastructure tourism is also expected to contribute to promoting greater understanding of infrastructure development, maintenance and management when visitors observe, experience and enjoy up close infrastructure that are assets specific to each region.

Regional development bureaus and other public agencies are actively organizing facility tours and tie-up schemes with private sector travel agencies, and information on nationwide infrastructure tours is provided through an infrastructure tourism portal site that opened in January 2016. Many people join these tours, as they allow visitors to see things that they cannot see every day. The number of tours offered by private sector companies has increased from 32 in FY2016 to 80 in FY2017, and tours are offered with cooperation between infrastructure and the local community, such as discharge of water from a dam for tourists plus local dining. Additionally, we are incorporating new perspectives, such as through solicitation of ideas from university students around the country, and promoting regional revitalization using infrastructure as tourism resources. We invite you to also participate in an infrastructure tour and see, learn, enjoy and experience infrastructure in Japan.



Yanba Dam (Gunma Pref.)



Amagikita Road (Shizuoka Pref.)



Port of Ube (Yamaguchi Pref.)



Sendohirakomon Lock (Aichi Pref.)

Source) MLIT

(2) Increasing the Attraction of Tourist Sites through the Preservation and Utilization of Tourism Assets with Excellent Scenery

From such viewpoints as creating pleasing landscapes, promoting tourism, keeping the driving environment safe and comfortable, and making roads disaster-ready, we promoted the removal of utility poles by promoting simultaneous development during construction of new roads or widening of existing roads and by implementing model construction works to introduce low-cost methods.

Additionally, based on the Act on Promotion of Utility Pole Removal, we moved forward with the formulation of a plan to comprehensively, systematically, and quickly promote the removal of utility poles.

Furthermore, through workshops for all prefectures and municipalities, we encouraged municipalities that are major tourist sites to develop landscape plans. We also made multilingual information boards in national government parks.

Through cooperation with private-sector operators, we integrated rivers and towns, promoting the formation of favorable spaces that appeal to travelers, such as the establishment of open cafes and riverbeds by private-sector operators using measures to ease permission rules on exclusive use for river sites.

(3) Promoting Tourism Town Development Using Historical Resources such as Japanese Traditional Houses

In order to make use of historical resources such as Japanese traditional houses as an accommodation, etc., which are unused assets in local communities, and connect that to regional revitalization, we cooperated with ministries concerned to respond to inquire from local communities by setting up a consultation hotline about Japanese traditional houses and providing support such as dispatching experts. Also, in order to promote the revival of Japanese traditional houses using small investments, such as through crowd funding, we amended the Act on Specified Joint Real Estate Ventures in December 2017 and worked on spreading and raising awareness of the newly created small-scale specified joint real estate ventures.

(4) Development of New Tourism Attractions

From September 2017, we began holding meetings to consider enhancement of tourism resources to make foreign visitors stay enjoyable and raise their consumption. Then in March 2018, we compiled tourism policies to enhance the experiential tourism and to improve satisfaction of experiences.

(5) Improving Extensive Sightseeing Routes to a World-class Level

In order to encourage the formation of extensive sightseeing routes with themes and stories that help draw foreign visitors to the countryside, we supported initiatives to encourage foreign visitors to tour an area, including enhancement of stay-contents using regional tourism resources and promotion of target cities, focusing on specific model courses in 11 routes across Japan. We also dispatch experts to each region to help identify an area's attractions and challenges, suggest measures, and help improve the skills of relevant persons in the community.

We also used a “Theme-based Tourism Program for Drawing Visitors to the Countryside” to support networked regions, in order to attract visitors to the countryside with specific tourism resources such as sake breweries or movie/TV shooting locations.

Additionally, as part of the promotion of sake tourism, in a 2017 tax system revision we created an “export alcohol market system” that exempts from liquor tax as well as consumption tax alcoholic beverages sold to foreign visitors by alcoholic beverage manufacturers at places of manufacture that have received approval as a location selling for-export alcoholic beverages. The purposes include increasing awareness of alcoholic beverages made in Japan and promoting their export.

Furthermore, in October 2017, we released the latest two-years' (2015 and 2016) of FF-Data, which enables users to grasp the movement of foreign visitors in Japan (modes of transportation used and routes taken within the country). It is expected that this information will be used to analyze sightseeing routes and for the planning and revision of strategic promotion measures.

We also used big data in an effort to strengthen quick-impact congestion measures by making smart use of the capacity and space of existing roads and parking lots. Specifically, in the Furano/Biei region of Hokkaido, we implemented congestion measures using wide shoulders to separate vehicles waiting to park from through traffic as well as a park & bus ride scheme from a temporary parking lot. At the Hitachi Seaside Park in Ibaraki, we conducted a pilot program of a reservation system to encourage the use of surrounding parking lots through smooth, reliable parking during the season when the *Bassia scoparia* (summer cypress) are displaying their autumn colors.

(6) Promoting Formation of “Tourism Nation Showcases”

In order to form model cases for drawing foreign visitors to the countryside, we selected Kushiro City, Kanazawa City, and Nagasaki City and are supporting the promotion of “Tourism Nation Showcase Implementation Plans” which each of the cities formulated through opinion-exchanging meetings for relevant ministries and the three cities.

(7) Revival of Tourism in Tohoku Region and Responses to Natural Disasters such as the Torrential Rain in Northern Kyushu

We designated 2016 as the “First Year of Tohoku Tourism Recovery” and are taking various measures to further promote tourism revival initiatives in Tohoku^{Note}.

In response to the torrential rain that struck northern Kyushu in July 2017, we disseminated information on the allure of tourist sites in northern Kyushu through bloggers and media to Japanese travelers and through travel company solicitations and SNS to foreign visitors.

When Mt. Kusatsu-Shirane (Mt. Moto-Shirane) erupted in January 2018, we disseminated accurate information through the websites of the Japan Tourism Agency and the Japan National Tourist Organization (JNTO) in an effort to prevent reputational damage.

Note Refer to Section 4-2, Chapter 1 for Revival of Tourism in Tohoku.

2 Innovating the Tourism Industry to Boost its International Competitiveness and Develop It into a Core Industry

(1) Comprehensive Review of Tourism-related Regulations and Systems and Response to *minpaku* (Private Lodging) Services

On January 4, 2018, the Act to Amend the Licensed Guide Interpreters Act and the Travel Agency Act went into effect, in order to respond to the overwhelming shortage of interpreter guides and cases such as malicious land operators bringing tourists to souvenir shops on condition of receiving large kickbacks. The act's contents included the abolition of regulations on monopolization of the interpreter guide business while keeping in place a monopoly on the name, ensuring the quality of interpreter guides, introduction of a registration system for land operators, and deregulation of travel services limited to a specific area.

Also, in light of the content of a plan to implement regulatory reform (approved by the Cabinet on June 2, 2016) and of the final report of the review meeting on *minpaku* services (compiled in June 2016), the Private Lodging Business Act was established in June 2017 to promote *minpaku* services that meet needs under appropriate regulations, and we prepared governmental and ministerial ordinances.

Column

Spread of Sound *Minpaku* through Enactment of the Private Lodging Business Act

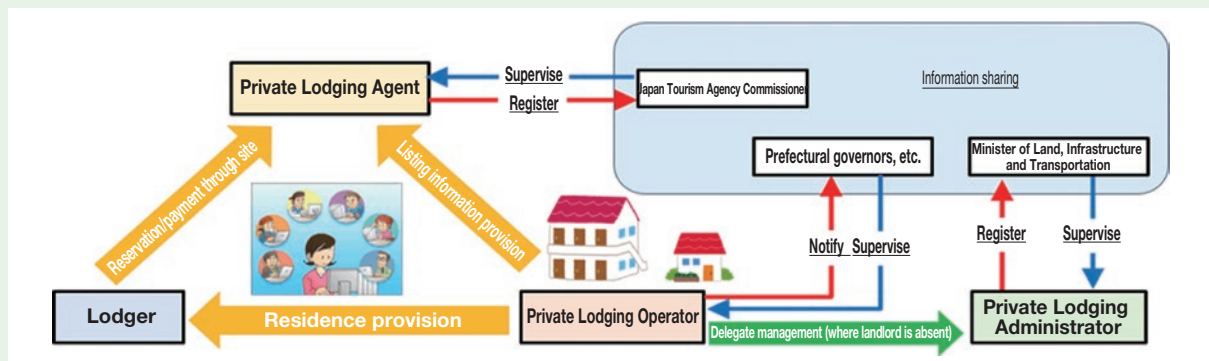
The Private Lodging Business Act was passed on June 9, 2017 and promulgated on June 16.

In recent years, the number of foreign visitors to Japan has been increasing rapidly and is expected to continue increasing in the future. Reliably securing accommodation for these travelers has become a pressing issue. Additionally, some foreign visitors would like to use accommodation services in residential houses. At the same time, residential houses that are empty or that have empty rooms are on the increase, and their owners who provide accommodation services would like to make effective use of them as accommodation facilities.

Given this situation, “*minpaku* (private lodging) services” have been increasing in Japan, creating a pressing need to utilize them for becoming a world-class tourist destination. On the other hand, issues with *minpaku* services include the fact that safety and hygiene are not ensured and neighborhood trouble caused by noise and trash handling is a societal problem. The Private Lodging Business Act was enacted to deal with these issues.

The act stipulates that persons who engage in the private lodging business must notify their prefectural governor, etc. and take measures to run the business in an appropriate manner, including measures to ensure hygiene and explanations for preventing noise.

After the act was passed, we made preparations, in coordination with organizations concerned, for spreading sound *minpaku*, and formulated relevant regulations, including government and ministerial ordinances and guidelines. The act went into effect on June 15, 2018.



Source) Japan Tourism Agency

(2) Developing and Enhancing Tourism Management Personnel Based on Industry Needs

We took initiatives at each level—the top, core, and working levels—to develop and secure personnel in the tourism field.

With respect to the top level, with the objective of developing human resources who can drive Japan's tourism industry overall, we considered curricula through industry-university-government cooperation and conducted symposia including publicity and awareness building. Our aim was to establish bases to continually develop management personnel for tourism at the graduate school level (including MBAs) at Hitotsubashi University and Kyoto University in 2018.

Regarding personnel at the core level, we horizontally extended an educational program conducted at Otaru University of Commerce in FY2015 and offered courses at six universities—Wakayama University and Oita University, chosen in FY2016, and Aomori University, Kagoshima University, Toyo University, and Meikai University, chosen in FY2017—to increase managerial capabilities in the regional lodging industry.

As for working level personnel, as a response to the labor shortage in the tourism industry, we conducted a survey of long-term internships for students hoping to enter the tourism industry and held online courses and seminars on leading-edge model cases, in order to encourage the use of the latent workforce of seniors and women wanting to work.

(3) Quick Resolution of the Shortage of Accommodation Facilities and Provision of Accommodation Facilities that Meet Diverse Needs

Based on notifications sent out in June 2016 related to the creation of a system for relaxing floor area ratios, which is focused on development of accommodation facilities, we carried out positive initiatives and also made accommodation facilities eligible for financial support from the general incorporated foundation Organization for Promoting Urban Development (hereinafter simply called MINTO).

(4) Formation and Development of World-class DMOs

Toward the formation and development in each part of the country of DMOs^{Note}, which are corporations that handle the management and marketing of tourism regions, we registered 198 corporations in a DMO registration system and provided assistance for initiatives in each region in three ways: information, personnel, and financial/monetary support.

(5) Continual Operation of the Tourist Area Regeneration/Revitalization Fund and Deployment of Fiscal Resources to Become a Next-generation Tourism-oriented Country

The Regional Economy Vitalization Corporation of Japan (REVIC), which has entered into a comprehensive collaboration with the Japan Tourism Agency, had set up 12 tourism revitalization funds by the end of FY2017 in different regions together with local financial institutions. These funds have provided investment and loans to 39 projects, contributing to area-wide regeneration/revitalization of tourist areas. The Japan Tourism Agency supported REVIC's initiatives, including the provision of information on businesses with high relevance to REVIC's initiatives and efforts to get the word out about the funds, including through its website.

Also, with a view toward expanding and reinforcing the foundations of tourism, in order to make Japan an advanced tourism nation, an International Tourist Tax was created as a tax for promoting tourism (the system is expected to begin on January 7, 2019). The source of funds is to be applied to uses that win the understanding of those paying the tax, including Japanese traveling abroad, based on the relationship between the benefits and burden, that are highly advanced and demonstrate good cost effectiveness, and that are in line with the important policy issues, including regional development, that Japan faces.

Note DMO: Destination Management/Marketing Organization.

Column

Establishment and Utilization of the International Tourist Tax to Promote Tourism

○ Background

In order to grow tourism into a key industry of the nation, and make Japan an “advanced tourism nation”, there is a need to secure stable fiscal resources for developing higher-level tourism measures that will accommodate the expected further increase in tourism demand. The “Tourism Vision to Support the Future of Japan,” established in March 2016, called for examination the securing of fiscal resources from the beneficiaries of a tourism nation, with a view toward achievement of goals including 40 million foreign visitors in 2020. Accordingly, a council of experts established in the Japan Tourism Agency in September 2017 carried out the examination. We requested amendment of the tax system based on the interim report issued by the council in November 2017, and the International Tourist Tax was created in the “FY2018 Large Package of Tax Revisions” compiled in December. Under the tax scheme, 1,000-yen tax will be levied per departure for overseas beginning January 7, 2019, as a tax for the promotion of tourism.

○ How the revenues from the International Tourist Tax will be used

The “Basic Policy for the Use of the International Tourist Tax (Provisional Name)” (decided by the Ministerial Council on the Promotion of Japan as a Tourism-Oriented Country in December 2017) allocates revenues from the tax to the three purposes indicated below. In the FY2018 budget, revenues of 6 billion yen from collection of the tax starting on January 7, 2019, will be allocated, in accordance with the policy, to measures/projects with especially high novelty and urgency.

(i) Development of an environment for stress-free and comfortable travel

- Development of the CIQ structure by installing facial recognition gates and computerized gates for customs inspection areas using state-of-art technologies
- Multilingual support etc. using ICT and construction of information platforms regarding travel safety information

(ii) Simplification of access to information on Japan’s diverse attractions

- Utilization of digital marketing using the JNTO website etc.

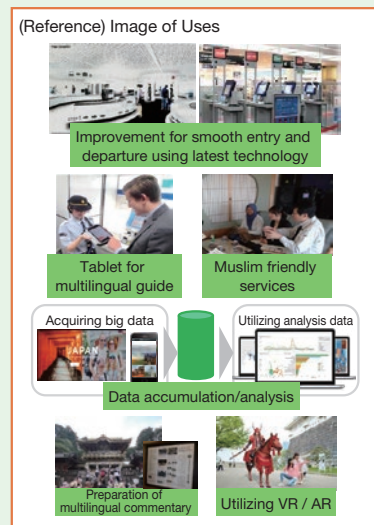
(iii) Improved satisfaction levels with regard to experiences and stays in regions, through the development of tourism resources

- Preparation of multilingual commentaries regarding cultural properties and national parks etc.
- Development of new tourism content for sightseeing in Japan and nurturing of state-of-the-art tourism that exploits the latest technologies such as VR

For the FY2019 budget forward, when tax revenues will be collected for the entire fiscal year, rigid budget allocation is to be avoided and, to ensure renewal each fiscal year, revenue uses are to be considered, in light of the opinions of private sector experts, in the process of budget compilation.

Taxpayers	International tourists departing from Japan by aircraft or ship regardless their purpose or nationality (international tourists)
Exclusion and Exemptions	<ul style="list-style-type: none"> • Crew members • Persons subject to deportation • Persons leaving Japan by an official airplane or ship such as presidential aircraft • Transit passengers who leave Japan within 24 hours after entry • Passengers who planned to travel between third countries but happened to stop by Japan due to emergency condition such as inclement weather • Passengers who planned to depart for a foreign country but happened to return to Japan due to emergency condition such as inclement weather • Passengers under 2 years of age (Note) Certain foreign diplomats and military personnel dispatched to Japan departing for official purpose
Tax rate	JPY1,000 per departure for overseas
Collection / payment	(i) Collection and payment by carriers Airlines and cruise lines shall collect tax from their passengers and make payment — by the end of the month after the next month of departure. (ii) Payment by tourists If leaving not with carriers but with private vessel such as private jet, passengers— shall make payment by the time of boarding.
Application period	Effective from Monday, January 7th, 2019 (Excluding certain departures based upon a contract of carriage signed prior to the date)
Effective date	Monday, January 7, 2019

Source) Prepared by the MLIT based on the "About the International Tourist Tax Bill" by the Ministry of Finance



Source) Japan Tourism Agency

(6) Strategic Advancement of Visit Japan Promotions With the Post Olympic and Paralympic Period in Mind and Strengthening of Foreign Publicity on Japan’s Diverse Attractions to Encourage Inbound Tourism

In February 2018, the Japan Tourism Agency and JNTO commenced the Enjoy My Japan Global Campaign with the objective of increasing recognition of Japan as a travel destination, in order to further promote in-bound tourism from Europe, North America, and Australia. Digital technologies were used to disseminate advertisements and information mainly online.

We established a new department dedicated to digital marketing in the JNTO and staffed it with personnel experienced in ICT. We also renovated the organization’s website, started using an app and Instagram, established a system to begin analyzing access across the website, and took other steps to develop the infrastructure for digital marketing.

(7) Promotion of MICE

With a view toward further strengthening Japan’s international competitiveness in MICE events, in July 2017, we established Relevant Ministries’ MICE Support Interim Action Plan, regarding measures to be implemented by relevant ministries cooperatively, and in August 2017, we established Interim Report of MICE International Competitiveness Enhancement Committee, regarding the MICE industry and measures related to relevant ministries and organizations. In line with these guidelines, we strengthened our initiatives, including with the creation, in November 2017, of a Committee on Enhancing Competitiveness of Global MICE Cities to enhance the functions of each convention bureau. We also provided support to improve conference facilities that help the business activities of global companies.

(8) Strategic Relaxation of Visa Requirements

China and India are target markets for strategic relaxation of visa requirements under the Tourism Vision. We partially simplified application procedures for travelers from those countries and, for China, we issued multiple-entry visas to visitors going to the six prefectures of the Tohoku region^{Note} and, for India, we expanded the kind of people eligible for multiple-entry visas. Also, we adopted a visa waiver for United Arab Emirates nationals based on a pre-registration system and took measures to relax visa requirements for CIS and Eastern European countries.

Note Aomori Prefecture, Iwate Prefecture, Miyagi Prefecture, Akita Prefecture, Yamagata Prefecture, and Fukushima Prefecture

(9) Stimulation of Educational Travel to Japan

In light of the Tourism Vision, we conducted inbound matching for educational travel to Japan through a centralized point of contact at the JNTO. We also conducted invitation programs for educators and others from cities in Taiwan and elsewhere.

(10) Enhancement of Tourism Education

We collected advanced case examples and formulated model classes so that children can learn about attractive historical and cultural tourism resources in their communities and other parts of Japan and communicate the appeal of those resources on their own.

(11) Stimulation of Outbound Travel by Young People

We established the Outbound Promotion Council in the Japan Association of Travel Agents and conducted seminars. Also, in order to consider concrete policies for stimulating outbound travel by young people, we launched the Review Committee for Stimulation of Outbound Travel by Young People in the Japan Tourism Agency in December 2017 and held three review meetings to produce guidelines for stimulation measures.

3 Ensure All Visitors May Enjoy a Satisfying, Comfortable and Stress-free Sightseeing Experience

(1) Realization of Innovative Immigration Control Using Cutting-edge Technologies

In coordination with the relevant ministries, installation of “Bio Carts” that use the waiting time for passport control to acquire biometric information in advance were expanded from 3 to 15 airports. In October 2017, Haneda Airport became the first to install the facial recognition automated gates for Japanese people returning to Japan.

Furthermore, body scanners were installed at eight airports, including Naha and Kagoshima, and high performance automatic explosives detectors were newly installed in some major airports, including Haneda Airport.

(2) Promotion of “Integrated Tourism/Town Revitalization” through Private Sector Town Development Activities

We are promoting the establishment of networks of clear, easy-to-use walking spaces by supporting the development of information signs around terminal stations and barrier-free transportation facilities and walking spaces.

In order to attract investments from abroad and promote exports of urban development, we also moved forward with examination of the City Future Gallery concept (tentative name) that introduces the attractions of Japanese cities.

(3) Improving the Environment for Visitor Experience in Japan

We provided support for multilingual services in public transportation and tourist information centers, the development of free public wireless LAN environment, and installation of sit-down toilets in public restrooms.

We also provided support for costs to cope with inbound travelers in approximately 600 Japanese inns, hotels, and other accommodation facilities.

We continued to spread information about the consumption tax-free system for foreign visitors, including the reduction of the lower limit purchase amount for general goods, in an effort to expand tax-free shops, including in the countryside. Also, from the perspective of improving convenience for foreign visitors and making tax-free sales procedures more efficient for tax-free shop operators, under certain conditions (special packaging, etc.) we will make transactions where the total amount of general goods and consumables is 5,000 yen or more eligible as tax-free sales from July 2018, and from April 2020 we will make tax-free sales procedures electronic.

We also carried out initiatives to make Michi-no-Eki (Roadside Stations) into sites for the dissemination of local information by encouraging inbound responses such as the establishment of tax-free shops and tourist information centers and the development of free public wireless LAN spots at Michi-no-Eki.

(4) Enhancing Systems for Receiving Foreign Patients to Enable Adequate Responses to Emergency and Non-emergency Cases

In FY2017, in coordination with the Ministry of Health, Labour and Welfare and with the cooperation of prefectural governments, we created and disseminated a list of approximately 1,260 medical institutions that can receive foreign travelers. Also, we continued to encourage foreign visitors to subscribe to travel insurance that they can get after arriving in Japan so that they can receive treatment without worrying about medical costs.

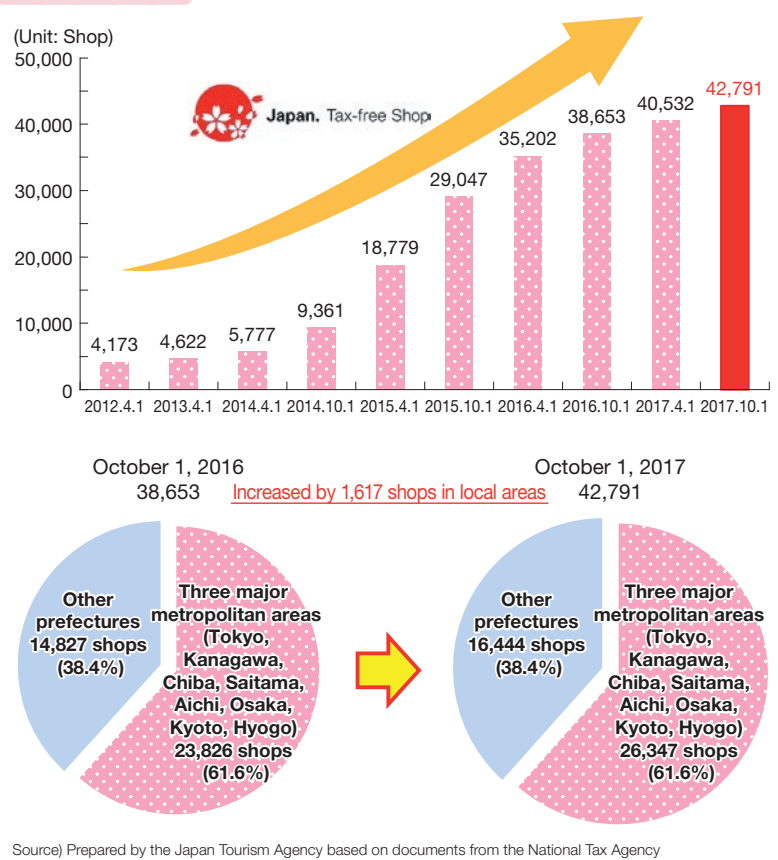
(5) Establishing "Regional Economic Development Corridors"

To enhance the system of sales outlets for Japan Rail Pass tickets so as to help further draw foreign visitors to the countryside, in March 2018, we expanded the sales locations in Japan from 16 to 55 train stations and airports.

Furthermore, to accelerate the flow of people, goods and encourage local revitalization by creating an environment with choices among diverse, easy-to-use modes of transportation, we promoted the strengthening of inter-mode connections, focusing on buses. In April 2016, the Shinjuku Expressway Bus Terminal, which is one of the largest bus terminals in Japan, opened at the Shinjuku Station South Exit, consolidating 19 expressway bus stops that had been scattered around the Shinjuku Station West Exit. In FY2017, we moved forward with an examination aimed at development of consolidated transportation terminals, using a system that allows the construction of highways and buildings in the same space, in the areas around Shinagawa Station and Kobe-Sannomiya Station. On March 28, 2018, at the Shinjuku Expressway Bus Terminal, we began a demonstration testing for a new expressway bus location system that uses ETC2.0 as a common platform. Going forward, we will expand the companies and routes participating in the demonstration testing in an effort

Figure II-3-2-1

Change in the Number of Tax-Free Shops



to further enhance convenience, and we will also look into expansion to other terminals.

In order to create road signs that are easy for all users to understand, including foreign visitors, we introduced a “numbering” system for expressways, in addition to route names, for Japan’s developing expressway network. Cooperating with the different road administrators, we pushed forward with the development, aiming to be almost complete by 2020. Also, we improved the display of English on road information signs at 49 major tourist sites nationwide and other places in coordination with the information signs of various organizations and also promoted the display of the names of tourist sites on intersection name signs at famous tourist destinations and places of interest.

Expressway companies have implemented fixed-price expressway passes for given areas, such as the Hokkaido area, for foreign visitors using rental cars, and the first fixed-price expressway pass covering the entire country began in October 2017.

Additionally, to encourage the creation of new services related to boat travel, 18 zones have been established as of the end of March 2018 under the “Model Zones for Boat Travel Revitalization” system that began in April 2016.

To secure means of transportation for tourists in depopulated areas, the “Private Car Compensated Passenger Transport System” was expanded to tourists, including foreign visitors, in National Strategic Special Districts. We established a review committee in Yabu City, Hyogo Prefecture and conducted a review. In December 2017, a plan for the Yabu City district was established and approved.

The new transportation-policy-guide-book *Pearls of Wisdom for Ensuring Regional Mobility 2017*—was made to help municipal officers plan transportation policies to attract foreign tourists visiting rural areas in Japan.

(6) Strengthening Regional Airports’ Gateway Function and Encouraging LCC Services

In order to encourage the attraction of visitors to Japan through the opening of international air routes, in July 2017, we approved 27 airports nationwide as “airports that help encourage travels to Japan.” We also provided support to open new international routes and increase the number of flights, including by LCCs, and to upgrade the environment for receiving travelers.

Additionally, the JNTO exhibited and engaged in business negotiations at international aviation trade fairs and carried out joint advertising in each market in conjunction with the new routes and the increase in the number of flights.

Also, we advanced procedures and examination for consignment of airport operation to the private sector, including Takamatsu Airport, Fukuoka Airport, Kumamoto Airport, seven airports in Hokkaido, and Hiroshima Airport, with the aim of revitalizing airports by making use of private-sector wisdom and funds.

Furthermore, we carried out initiatives to expand the arrival and departure capacity at airports, including facility maintenance needed to revise flight routes at Haneda Airport, construction of rapid exit taxiways at Narita Airport, construction of a terminal exclusively for LCCs at Chubu Airport, and construction of additional runways at Fukuoka Airport and Naha Airport.

(7) Further Expanding the Ability to Receive Cruise Ships

To attain the goal of achieving five million foreign visitors from cruise ships in 2020, which was set out in the Tourism Vision, we carried out initiatives aimed at “zero rejections” of cruise ship port calls. This included the upgrading of mooring posts and fenders for receiving large cruise ships using existing stock and the establishment in FY2017 of a subsidy system (project to make functional improvements for receiving international cruise passengers) for local governments and other organizations conducting projects to ensure the convenience and safety of cruise passengers.

Also, a bill to amend the Port and Harbor Act so as to create an arrangement system that would allow priority use of quays to private businesses that develop passenger facilities and make them available for use by the general public at ports designated by the Minister of Land, Infrastructure and Transportation was enacted in June 2017 and went into effect in July. On July 26, 2017, we designated six ports as “international passenger ship hub formation ports” that apply the new system based on the law. On February 27, 2018, we additionally selected Kagoshima Port as a “port at which to form an ‘international cruise hub through private-public partnership’.”

Furthermore, we held seminars for local travel companies in Malaysia and Philippines as well as business negotiation meetings between cruise ship companies and port administrators with the cooperation of the National Cruise Vitalization Conference. We also enhanced the website for centrally disseminating specifications of port facilities and tourist infor-

mation around ports of call.

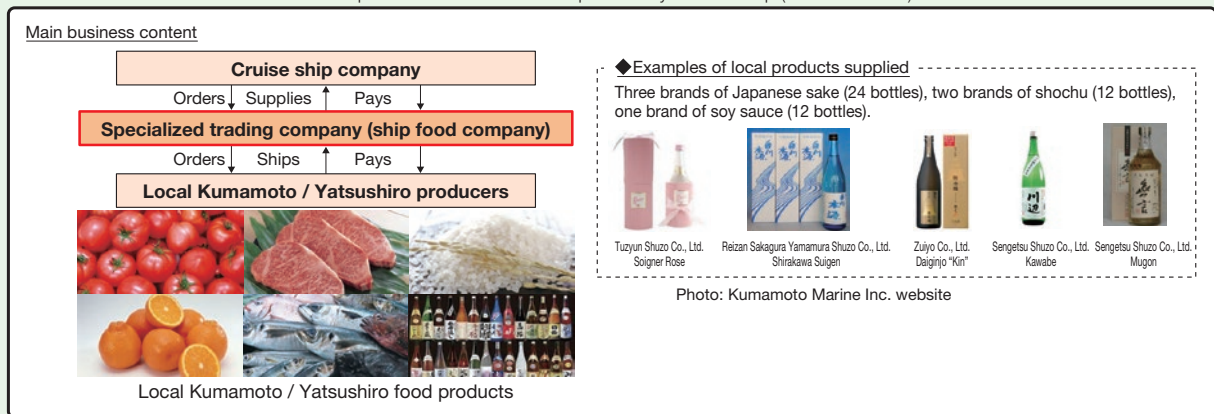
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Economic Effect of Port Calls by Cruise Ships

When a cruise ship calls at a port, a lot of tourists go ashore all at once, which not only has a direct economic effect through their dining, tourism, and shopping but also creates ripple effects such as spurring production and employment in related industries due to this tourism consumption. For example, when a large cruise ship called at Kumamoto Prefecture's Yatsushiro Port in January 2017, a local company supplied it with Japanese sake, which resulted in the items supplied, such as soy sauce and salmon, increasing gradually. In September 2017, a group of local companies established a specialized trading company with the purpose of widely procuring provisions such as beverages and agricultural, livestock, and fisheries products from local producers and selling them to cruise ships.

In this way, tourism consumption and new businesses are being created all over the country as a result of the acceptance of cruise ships.

Example of economic effect of a port call by a cruise ship (Yatsushiro Port)



Source) MLIT

(8) Innovating the Environment for Using Public Transportation

We created a common format for delivering the information, such as timetables and routes, needed for route searching between transportation operators and route searching service providers, in order to enable route searching that covers public transportation nationwide. We also conducted demonstration testing to organize issues, with a view toward efficient utilization of the common platform.

Beginning in March 2018, the Central Japan Railway Company gradually introduced station numbering at 176 stations on nine lines heavily used by foreigners in the Nagoya/Shizuoka urban area as well as the Takayama Line and the Central Line. The West Japan Railway Company introduced station numbering at 266 stations on 12 lines in the Kinki area by March 2018. Also, discussions were held in a review committee composed of relevant persons, established in February 2018, with a view toward improving routes on which numbering has already been introduced and encouraging its introduction on routes that do not yet have numbering.

Demonstration tests were conducted on an app that calculates taxi fares in advance of journeys from August to October 2017 and on ride sharing from January to March 2018. Also, a demonstration test was conducted on a luxury taxi reservation service that can handle foreign languages.

To reduce foreign travelers' inconvenience of carrying large suitcases onto trains, we promoted hands-free travel that offers temporary storage of luggage at airports and stations as well as delivery of luggage to airports, hotels, and homes outside Japan. (Locations approved to use the common Hands-Free Travel logo mark: 222, as of March 2018)

(9) Promoting Universal Design Ahead of the 2020 Tokyo Olympics and Paralympics

Based on the Universal Design 2020 Action Plan decided in February 2017, it has been decided to make large train stations more barrier-free and to promote the development of a high level of barrier-free environments across Japan, with a view toward assuring the success of the 2020 Tokyo Olympics and Paralympics and the future beyond the Games. In conjunction with this, in February 2018, we submitted to the Diet a bill to partially amend the Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc., and in March 2018, we amended the barrier-free transportation standards.

We encouraged the introduction of barrier-free buses and taxis. With respect to tourism, we examined the production of customer reception manuals for lodging facilities, tour businesses, and tourism regions. We also examined the ways that travel consultation counters and lodging facilities should disseminate information. We also started a program to support the renovation of local inns and hotels to make them barrier-free.

We formulated Policies on Road Sign Improvements toward the Tokyo 2020 Olympic and Paralympic Games for Tokyo Metropolis as well as Chiba, Saitama, and Kanagawa prefectures. We improved road signs based on these policies, including the improvement of English signs, use of route numbers, use of pictograms and reversed characters. (As of November 2017, we started upgrading the signs in Tokyo Metropolis and three prefectures.)

Furthermore, with regard to roads around major railway stations and tourist destinations nationwide, we focused on supporting the adoption of universal design in walking spaces, such as the plazas in front of stations.

Additionally, we supported barrier-free improvements, such as the construction of elevators and platform doors at stations related to the 2020 Tokyo Olympic and Paralympic Games.

At airports, we established numerical targets related to the handling of passenger terminal buildings. In order to improve traveler convenience, we relocated the taxi stands at Haneda Airport's international terminal.

Section 3 Building a Beautiful Nation Blessed with Pleasing Landscapes, etc.

1 Pleasing Landscape Formation

(1) Accelerating Community Development Leveraged by the Landscape Act, etc.

Efforts to form pleasing landscapes have been accelerated by landscape administrative bodies^{Note} based on the Landscape Act, which numbered 698 groups as of the end of March 2017, with 538 of them pursuing their own landscape plans. Further, the number of municipalities that formulated ministerial ordinances pursuant to the Outdoor Advertisement Act, which is prefectural administrative affairs, by becoming landscape administrative bodies, rose to 89 groups as of April 1, 2017, and comprehensive formation of pleasing landscape is ongoing.

Note A landscape administrative body is a prefecture, government-ordinance-designated city, core city or any municipality that handles landscape administrative affairs (those based on the provisions of Section 1 to 4 of Chapter 2 and Chapters 4 and 5 of the Landscape Act) upon prior consultation with the governor of its prefecture.

(2) Approaching Landscape Discussions as Part of Social Capital Development

To move ahead with landscape-conscious social capital development, a scheme of making post-project predictions and assessments of landscapes and factoring them into project plans while hearing diverse opinions from the local residents, academic experts and others has been pursued.

(3) Accelerating Removal of Utility Poles

From the viewpoints of creating pleasing landscapes, promoting tourism, keeping the driving environment safe and comfortable, and making roads that are prepared for disasters, we moved forward with the removal of utility poles through simultaneous development when constructing new roads or widening existing roads and through demonstration testing for introduction of low-cost methods.

Also, based on the Act on Promoting Removal of Utility Poles, we moved ahead with the formulation of a plan for promoting removal of utility poles, in order to comprehensively, systematically, and swiftly promote such measures.

(4) Promoting the “Japan Scenic Trails” campaign

The “Japan Scenic Trails” campaign has been promoted with the view of furthering roadside landscape designs and greening by leveraging regional resources and collaborating with various entities in order to help realize a tourism-oriented country and contribute to regional revitalization. As of the end of March 2018, 141 routes had been registered as Scenic Trails. Activities include those that help form pleasing landscapes and add to the charms of roadside localities by working in conjunction with Michi-no-Eki (Roadside Stations).

(5) Promoting Landscape-conscious Road Design

We revised draft Road Design Guidelines, which are general and technical guidelines on road improvement combining aspects of aesthetic landscape safety, smoothness of traffic, and comfort, in light of social requests such as reconstruction of road spaces. At the same time, we formulated Guidelines on Landscape-conscious Auxiliary Road Structures setting forth landscape considerations when considering the installation or updating of road furniture, with the purposes of making qualitative improvements in roads and contributing to the formation of a beautiful, refined country and the creation of pleasant, enriched living environments.

(6) Promoting the Development of Waterfront Spaces, etc.

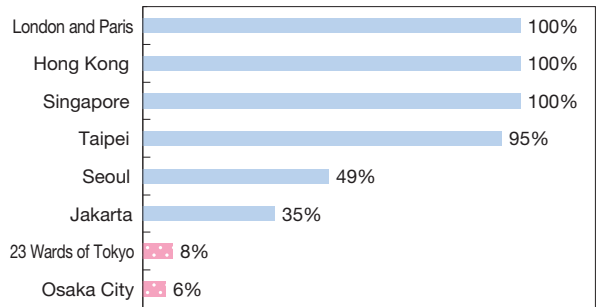
The practice of the concept of nature-rich river works has been promoted in all river restoration projects to preserve and create the habitat, growing and breeding environments of living organisms inherent in rivers and diversities of river landscape while keeping the rivers in harmony with local livelihood, history, and cultures with the workings of nature taken into consideration. In order to revitalize rivers and towns connected to them from the mouth of river to the source, we use “resources” such as regional landscape, history, culture and tourism infrastructure and “wisdom” with regional ideas, formulate river-town planning with coordination among municipalities, private businesses, local residents, and river administrators, and promote the formation of favorable spaces where rivers and towns integrate. Specifically, we provide support through the river environment project to preserve/restore and create a favorable river environment, make exceptions to the permission rules on exclusive use for river sites in order to open river spaces, create a water resource area vision that aims to revitalize water source regions leveraging dams, and promote the Mizubering Project, which provides the wide public with opportunities to find value in rivers.

Other ongoing efforts directed at regenerating and creating waterside environments include putting treated sewage wa-

Figure II-3-3-1

Present Status of Underground Utility Cables in Japan Compared with Major European and Asian Cities

[Present status of the removal of utility poles in Japan compared with major European and Asian cities]



*1 2004 status for London and Paris, surveyed by overseas power survey companies (in terms of total cable length)

*2 2004 status for Hong Kong, surveyed by the Infrastructure Development Institute (in terms of total cable length)

*3 2001 status for Singapore, according to “POWER QUALITY INITIATIVES IN SINGAPORE, CIRED2001, Singapore, 2001” (in terms of total cable length)

*3 2013 status for Taipei, surveyed by the MLIT (in terms of road extension)

*4 2017 status for Seoul, according to 2017 Korean electricity statistics (in terms of total cable length)

*5 2014 status for Jakarta, surveyed by the MLIT (in terms of road extension)

*6 End of FY2016 status for Japan, surveyed by the MLIT (in terms of road extension)

Source) MLIT

ter to use in babbling water channels. The conservation and creation of excellent waterside environments is also ensured by the implementation of appropriate wastewater treatment.

2 Community Development Leveraging Nature and History

(1) Developing National Government Parks to Contribute to the Preservation, Utilization, etc., of Japan's Indigenous Culture

The development of National Government Parks has been driven to ensure the preservation, utilization, etc. of Japan's superb indigenous culture. A total of 17 National Government Parks are already open. In FY2017, facilities were constructed in Asuka-Nara Palace Site Historical National Government Park and other locations. Also, in November 2017, the cabinet approved the establishment of the Meiji Kinen Oiso Teien (Meiji Memorial Oiso House and Garden) as part of measures related to the 150th anniversary of the Meiji Restoration.

(2) Preserving Historic Landscapes in Ancient Capitals

In Japan's ancient capital, such as Kyoto, Nara, and Kamakura, restrictions are placed on constructing new buildings, etc., making additions and modifications to existing ones, developing housing land and so on under the Act on Special Measures for Preservation of Historic Natural Features in Ancient Cities (Ancient Capitals Preservation Law). The Act also provides for the implementation of ancient city preservation projects, such as purchasing land, and publicity, educational and other activities, to help preserve historic landscapes in these cities.

(3) Preserving and Utilizing Historic Public Buildings of Historical Value, etc.

With the aim of contributing to regional town development, we are promoting the preservation and utilization of historic government facilities locally known for a long time. We have developed the environment of historic Sabo facilities (Two Important Cultural Properties and 193 Registered Tangible Cultural Properties as of March 31, 2018) by positioning them and their surrounding environment as a core of tourism resources, thereby encouraging efforts that contribute to the formation of a new forum of human interaction.

(4) Community Development Leveraging Histories and Cultures

Historic landscape maintenance and improvement plans for 66 municipalities (as of March 31, 2018) have been accredited in order to promote community development leveraging local histories and traditional cultures and approaches pursuant to the plans supported, based on the Law on the Maintenance and Improvement of Historic Landscape in a Community (Historical Urban Development Law). In addition, we have provided renovation and other support for buildings that serve as landscape and historic resources in order to encourage the formation of pleasing scenic and historic landscapes.

Figure II-3-3-2

Promoting Tourism and Exchange Events Around Historical Flood and Sabo Facilities in the Arakawa River Basin (Fukushima City, Fukushima)



Source) MLIT

(5) Promotion of Mizubering Project

Mizubering is an initiative to provide opportunities to find a new value in rivers from outside to people and private companies leading daily lives or engaging in economic activities without being conscious of rivers around them.

Mizubering is an activity taking place in more than 60 locations nationwide aimed at realizing regional revitalization, starting from waterfronts across Japan, while creating a new social design that uses rivers as a new frontier and has various entities collaborating with each other.

The MLIT will support efforts of regional people and private companies through Mizubering so that the value of rivers can be leveraged further in order to allow them to serve their roles as regional treasures.

(6) Promoting Green Infrastructure Initiatives

Green infrastructure aims to utilize the natural environment's diverse functions (e.g., providing habitats for wildlife, forming pleasing landscapes, and controlling atmospheric warming) and obtain diverse effects such as improving local charm and the living environment and preventing/reducing disasters, in terms of both structural and non-structural issues, such as social infrastructure development and land use. With regard to this, we carry out initiatives in various fields, including the creation of rich river environments and the development of green coastal levees as well as parks and greenery that function to prevent the spread of fires.

Figure II-3-3-3

Riverbed Sketch (Miyagawa River, Takayama City, Gifu)



Source) Junior Chamber International Takayama

Figure II-3-3-4

Riverbed Created (Miyagawa River, Takayama City, Gifu)



Source) Junior Chamber International Takayama