

Chapter 3

Realizing a Tourism Nation and Beautiful Nation Building

Section 1 Trends in Tourism

1 Significance of a Tourism Nation

Tourism is a growth field of exceptional importance that helps restore the power of Japanese economy by making contributions to every sector of national economy, such as revitalizing local economies and increasing job opportunities but also drives international mutual understanding and capturing global demand, including that in rapidly advancing Asian nations.

2 Tourism Now

(1) Trends in the nation's tourism

The number of domestic pleasure trips with lodging made in 2013 averaged 2.35 overnight stays per capita (against 2.14 a year earlier). Spending on the domestic trips with lodging, including homecoming and business trips, amounted to about 15.8 trillion yen (15.3 trillion yen a year earlier), and the number of overnight stays, the number of trips taken and the amount of spending all advanced from their year earlier levels.

The number of overseas tourists in 2013 dipped 5.5% (about 1.02 million) from the previous year to about 17.47 million, with their spending in the same year falling to about 4.6 trillion yen from its year earlier level of (about 4.7 trillion yen).

(2) Trends in foreigners touring Japan

The number of inbound foreign tourists in 2013 totaled about 10.36 million (up 24% from the previous year), achieving the 10-million mark, a government-set yearly goal, for the first time since commencement of the Visit Japan Campaign in 2003.

By nationality and region, Korea accounted for about 2.46 million (up 20% from the previous year), followed by Taiwan with about 2.21 million (up 51%) and China with about 1.31 million (down 8%). By visitor market, Taiwan, Hong Kong, Thailand, Singapore, Malaysia, Indonesia, Viet Nam, India, Australia and France registered a record high each in the Visit Japan Campaign.

Spending on the inbound foreign tours in 2013 advanced 30.6% (up 332.1 billion yen) from the previous year to reach about 1,416.7 billion yen.

Column

Achieving the 10-Million-Inbound-Foreign-Tourist Mark for the First Time in History

On December 20, 2013, the 10-million-inbound-foreign-tourist mark was achieved for the first time in history.

As a consequence of successful efforts to stir inbound Japanese tourism, including an easing of the visa requirements and a promotional campaign

conducted in a unified "All Japan" effort, the number of inbound foreign tourists in 2012 virtually came back from the aftermath of the earthquake, etc. to reach about 8.36 million. In 2013, various approaches were taken to promote inbound Japanese tourism towards the achievement of 10

million inbound foreign tourists, including a package of measures taken by the whole government, with public and private sectors working in accord, such as an easing of the visa requirements for Southeast Asia since July and the implementation of an inbound Japanese tourism campaign, and the acceleration of the Visit Japan Campaign undertaken by the Japan Tourism Agency to complete by the end of the year to the extent possible and the introduction of additional new projects. Further, cooperation was sought from stakeholders both at home and abroad, including local governments, economic groups and enterprises, in hosting study tours of Japan.

These efforts resulted in the attainment of 10 million inbound foreign tourists for the first time in history on December 20 2013, the 10th anniversary year of the launch of the Visit Japan Campaign.

On December 20 on which the record 10 million was attained, a celebration ceremony was held at Narita International Airport with the presence of Minister of Land, Infrastructure, Transport and Tourism Ohta, who declared the attainment of the 10 million inbound foreign tourists and presented a Thai tourist visiting Japan on a family trip with a token and the like to mark the 10 millionth visitor to Japan.

With the new goal set on attaining another milestone of 20 million inbound foreign tourists by 2020, efforts will be carried on to disseminate information about the exceptional charms of Japan touching the world's people, such as the picturesque four seasons of the nation and rich tourism resources, and safe and clean towns and the mind of hospitality, by taking full advantage of the latest developments now grabbing global attention, such as the selection of Tokyo to host the Olympic and Paralympic Games, the registration of Mt. Fuji as a World Cultural Heritage and that of Japanese cuisine as an Intangible Cultural Property, in a bid to welcome as many inbound foreign tourists as possible.

A photo of the ceremony held to celebrate the attainment of 10 million visitors to Japan



Source) Japan Tourism Agency

(3) Trends in the tourism industry

a. Travel trade

The volume of transactions by 58 major travel agencies in FY2013 totaled about 6,485.5 billion yen (up 3.7% from the previous year), broken down into overseas tours with about 2,270.5 billion yen (down 1.0%), domestic tours with about 4,131.8 billion yen (up 6.0%) and inbound foreign tours with about 83.2 billion yen (up 26.1%).

b. Registered hotels and Japanese inns

The rate of room occupancy at major registered hotels in FY2012 stood at 73.3% (up 5.5% from the previous year). The rate of room occupancy at major registered Japanese inns advanced 58.5% (up 0.7%). Among the major registered hotels and inns, 68.1% of the hotels were in a surplus (up 20.2%), and 59.3% of the inns (up 16%).

Section 2 Approaches to Forging a Tourism Nation

Since the “Action Program toward the Realization Japan as a Tourism Nation” was approved on June 11, 2013 at a meeting of the Ministerial Conference on the Promotion of a Tourism Nation held in the Prime Minister’s initiative, the whole government, and public and private sectors have worked in accord to implement it. In the wake of the attainment of the 2013 goal of 10 million inbound foreign tourists, deliberations commenced at the meeting of the Ministerial Conference held in January 2014 towards making amendments to the existing Action Program to attain another milestone of 20 million inbound foreign tourists by 2020.

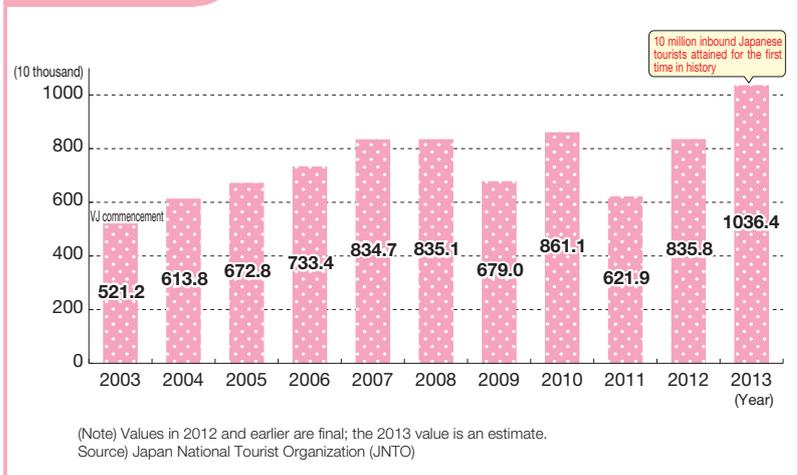
1 Creating and Promoting a Japan Brand

The Visit Japan Campaign has been run in a unified “All Japan” effort of public and private sectors to promote the charms of Japanese tourism to stir inbound Japanese tourism.

The campaign has focused on the nations holding a prospective population of visitors to Japan (Korea, China, Taiwan, Hong Kong, Thailand, Singapore, Malaysia, Indonesia, Australia, U.S., Canada, U.K., France, and Germany) by launching:

- Projects targeting overseas travel agencies, such as inviting them or putting joint tour ads;
- Projects targeting overseas consumers, such as putting overseas ads and inviting overseas media;
- Regional collaborative projects jointly implemented in a wide area by Transport Bureaus, etc. with local authorities to grab foreign tourists; and
- Approaches to promoting inbound Japanese tourism in a unified “All Japan” of with the government ministries and agencies concerned, including overseas diplomatic establishments abroad, and private enterprises.

Figure II-3-2-1 Changes in the Number of Inbound Foreign Tourists

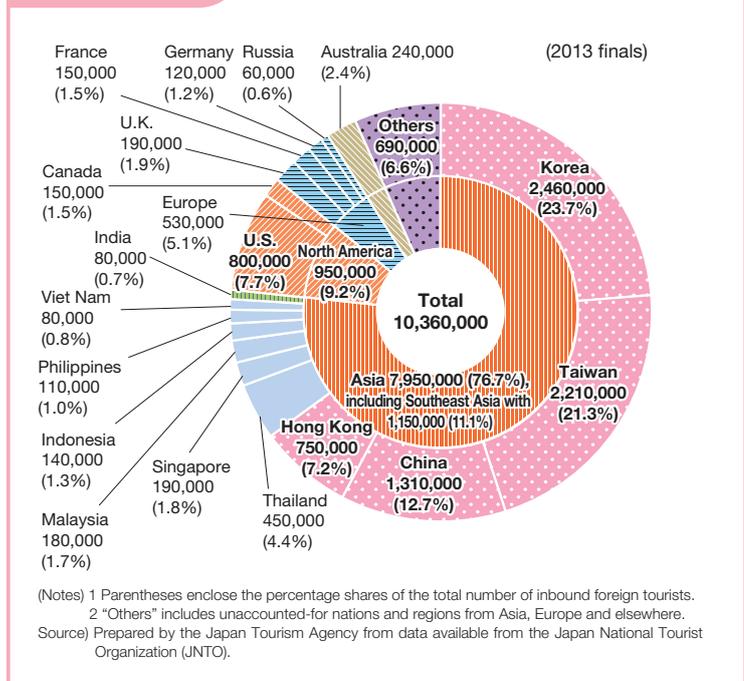


2 Fueling Japanese Travel with Eased Visa Requirements, etc.

In 2013, attention turned to recently rapidly advancing ASEAN nation. Visas have been waived for Thailand and Malaysia, multiple-entry visas introduced for Viet Nam and the Philippines and the stay period for multiple-entry visas for Indonesia extended starting from July 1 to mark 40th anniversary of ASEAN-Japan Friendship and Cooperation. Further, the introduction of multiple-entry visas has been commenced for Cambodia and Laos and for Myanmar since November 18 of the same year and January 15, 2014, respectively.

Further, in order to explore the possibility of introducing a program that allows foreigners visiting Japan for sightseeing purposes to stay longer if they meet certain requirements, which could grab long-stay demand from overseas wealthy people, overseas programs have been surveyed and discussions commenced on the basis of survey findings.

Figure II-3-2-2 Ratios of the Number of Inbound Foreign Tourists in 2013 (by nation and region)



3 Improving Reception of Inbound Foreign Tourists

To attain a milestone of 20 million inbound foreign tourists by 2020, it would be of exceptional importance to create an environment for these tourists to be able to move and stay in with comfort and smoothness and to allow them leave Japan at the end of their tours satisfied, and then come back to Japan in the future as repeat customers.

To this end, multi-language support was improved and enhanced at art galleries, museums, natural parks, tourist resorts, roads, public transportation facilities and so on during FY2013, as by formulating common guidelines from foreigners' viewpoints pursuant to the "Action Program toward the Realization Japan as a Tourism Nation" decided in June. At the 49 locations that have been designated as strategic or regional sites nationwide, the conversion of road signs from Romanized to English notation has been preliminarily pursued, with help from foreign students and the like, to make them more intelligible to visiting foreigners. Other efforts include the acceleration and simplification of the entry and departure routines at airports and ports, enhanced convenience of public transportation to meet a growing number of personal travelers, promotion of voluntary preparing of free public wireless LANs, encouragement of the installation of overseas credit card-ready ATMs and the development of an environment to host Muslim tourists.

Host environment development projects were carried out at 15 of the 49 locations nationwide in FY2013 to develop an advanced local environment for hosting inbound foreign tourists in these regions and expedite its diffusion into other regions.

Other efforts made to allow inbound foreign tourists to visit Japan and enjoy their stays with an ease of mind include the preparation of manuals for lodging and tourist facilities to guide their guests in times of natural disasters in their initial response, the development of a scheme of keeping tourists informed by means of IT (applications) and the preparation of guidelines for local governments to show how to respond to foreign tourists into their local disaster preparedness plans, etc.

As a precise solution to the diversified needs for inbound foreign tourism, improvements and upgrades have been made to the licensed interpreter-guide program, including a widened scope of exemption from the written test of the examination and introduction of examination quasi-sites. In addition, the steady implementation of a special measure has been pursued to allow people other than licensed interpreter-guides to work as a paid guide under the "General Act on Special Districts", etc.

4 Consolidating International Competitiveness in the Field of MICE

MICE^{Note} is an essential tool of capturing people and wisdom from the countries abroad into Japan. Promoting the work of attracting and hosting MICE gatherings will help create not only business opportunities and innovations but huge local economic effects as well and, what is of broad significance, augment national and urban competitiveness and power and do more. With such growing significance of MICE and an expanding market in the background, competitive Asian nations carry on vigorous campaigns to attract MICE. As Japan's MICE suffers a proportionate decline in its international competitiveness in the meantime, it needs to be boosted now.

The "Japan Is Back" strategy decided at a Cabinet meeting in June 2013 set forth a goal of "elevating Japan to hold an established position as the number one Asian nation to host international conventions by 2030." To achieve this goal, the following new measures have been taken:

- a. Selecting and fostering "Global MICE Strategic Cities" capable of winning stiffening rivalry with overseas competitive nations;
- b. Appointing those individuals who exert influence at academic conferences, etc. as "MICE Ambassadors" to promote and publicize the value of hosting international meetings; and
- c. Hosting conferences and receptions at historic buildings, in public spaces and the like to promote the use of "unique venues" demonstrating a sense of extraordinariness and regional characteristics.

Note MICE is an acronym for (Meetings), or meetings held by businesses and the like, incentive and study tours (Incentive (Travel)) conducted by businesses, (Conventions), or international conferences and (Exhibitions), or trade fairs and exhibitions.

As a result of these efforts dedicated to attracting MICE, Japan was appointed in September to host large international conventions, including the “23rd World Congress on Neurology” (7,000 participants scheduled) in 2017, the “11th International Water Association World Water Conference” (6,000 participants scheduled) in 2018 and the “22nd International Union of Nutritional Sciences” (4,500 participants scheduled) in 2021.

5 Consolidating the Tourism Industry and Developing Human Resources

(1) Consolidating the tourism industry

Following a recommendation by the “Tourism Industry Policy Review Panel” compiled in April 2013, the “Travel Industry Study Group” met with experts to probe into the future concept of the tourism industry responsive to the emergence of overseas online travel agents (OTAs) and a growing volume of Internet-based deals, review the standard from travel agent contract to catch up with evolving changes in the travel trade environment, such as the rise of new tourism nations and so on.

(2) Developing human resources in the tourism industry

Making local tourism attractive requires the lodging industry, the core of local tourism, to maintain and even boost its vitality. To this end, ambitious local and neighboring colleges worked in accord to implement a human resources development program on the young and would-be proprietors and hotels and Japanese inns to foster human resources with high managerial capabilities.

In addition, an internship model project was carried out for college students with help from tourism-related bodies and enterprises to help them develop a better understanding of the tourism industry and brew a sense of employment in it.

(3) Assuring pleasure trip safety

In the wake of an express tour bus accident on Kan-Etsu Expressway and a distress accident near the Great Wall of China that happened in 2012, and other relevant issues, the concept of organized safety management in the travel trade has been explored.

Further, approaches have been taken to ensure enhanced safety on the basis of the “Expressway and Chartered Bus Safety and Security Recovery Plan” worked out to reflect the results of discussions at a review panel held in response to the Kan-Etsu Expressway express tour bus accident.

6 Developing Attractive Tourism Area

(1) Developing attractive tourism areas with high international competitiveness

The development of “Tourism Zones” readied for the stay-and-exchange type of tourism has been promoted pursuant to the “Act on Promotion of Tourists’ Visit and Stay Through Development of Tourism Areas (Tourism Zones Development Act)” to create special-interest tourism areas with exceptional charms to appeal both at home and abroad. In FY2013, six Tourism Zones were designated, including one located in Furano and Bihoro.

In addition, local branding strategies were formulated for these six tourism areas and the implementation of “Tourism Area Branding Support Projects” consistent with these strategies was supported.

As for the “Practical Planning for Tourist Area Development” program, which puts government-controlled projects and measures into action to provide general support to approaches to tourism-driven community development, the Yatsugatake Tourism Zone was accredited in FY2013 as part of governmental support in the development, etc. of social capitals relevant to the accelerated construction of Tourism Zones. Moreover, a liaison conference was held in each Tourist Zone among the stakeholders concerned with tourism and the development of social capitals. By March 2014, field surveys had been conducted in 19 Tourism Zones (including those accredited in accordance with the Basic Policy on the Development of Tourism Zones before amendment).

(2) Supporting approaches to developing human resources to work for creating tourism areas

To accelerate voluntary, self-reliant regional approaches to developing human resources to work for creating tourism areas, the methods, etc. for human resources development tailored to specific local conditions have been formulated and tried and their nationwide dissemination and deployment has been expedited.

Tourism nation education has also been promoted to foster a “Travel Mind” among the children in collaboration of school officials keen about tourism nation education.

(3) Accelerating approaches to tourism tailored to diversified tourist needs

Releasing travel commodities tailored to diversified tourist needs by taking advantage of local characteristics, such as natural environments, agriculture, cultures and local industries, takes on growing importance. For this reason, measures to diffuse and promote locally developed travel commodities among the general consumers, travel agencies and the like were weighed and compiled into a working guide in FY2013 in the wake of a review of the measures to make for better user satisfaction in FY2012.

In addition, the Japan Tourism Agency concluded policy promotion partnerships in November 2013 with the Agency for Cultural Affairs and with the Ministry of Agriculture, Forestry and Fisheries in January 2014 to provide locally distinctive charms to suit visitors’ needs by taking advantage of local cultural properties and farming, mountain and fishing villages’ resources and also to externally disseminate information about these charms Japan-branded.

Regarding sports tourism, actions designed to introduce Japan’s sports, tourism and cultures were supported at the “Sport Accord Convention” held in May 2013 in Saint Petersburg, Russia. In July, the first meeting of “Marathon Japan” took place in Seoul, Korea in an active quest to introduce various marathon races held in Japan as attractive sports tourism resources to foreign countries.

(4) Promoting universal tourism

Approaches to consolidating local preparedness to host tourists of any kind, including those having constrained physical access to travel, such as elderly or physically challenging people, have been made and studies for accelerating the availability of universal travel commodities launched, so anybody can enjoy touring.

7 Encouraging holiday taking

The Japan Tourism Agency carried out the “Create Family Time Project,” a scheme aimed at adapting adults’ and children’s holidays to each other in a unified community effort through flexible school holiday scheduling, at 134 schools in 11 regions nationwide during FY2013 to help create travel demand.

In the meantime, the “Positive Off” movement has been driven jointly with the Cabinet Office, Ministry of Health, Labor and Welfare and Ministry of Economy, Trade and Industry to encourage businesses and groups to take a positive approach to taking and enjoying holidays (off time). As of the end of FY2013, 387 businesses and groups were in support of this movement.

8 Preparing tourism statistics

Efforts have been made to hasten the timing at which to release findings of statistical surveys on trips with lodging, the Accommodation Survey, the National Tourism Survey and the Consumption Trend Survey for Foreigners Visiting Japan. The methods of analyzing these three kinds of travel statistics have also been introduced.

In addition to these three kinds of tourism statistics, the Regional Tourism Economic Survey was conducted on about 90,000 business establishments nationwide, at the timing of the implementation of the Economic Census for Business Activity, to shed light on the basic structure of the tourism industry (number of travel agents, sales, status of employment and working employees, and so on). A preliminary report on the tourism area economic survey was released in August 2013.

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 598 groups as of September 30, 2013, with 399 of them pursuing their own landscape plans. Further, the number of municipalities that have been designated a landscape administrative body to take over the prefectural authority of formulating ministerial ordinances pursuant to the “Outdoor Advertisement Act” rose to 62 groups as of April 1, 2014 as part of the consolidated approaches to pleasing landscape formation.

(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 elimination of utility poles

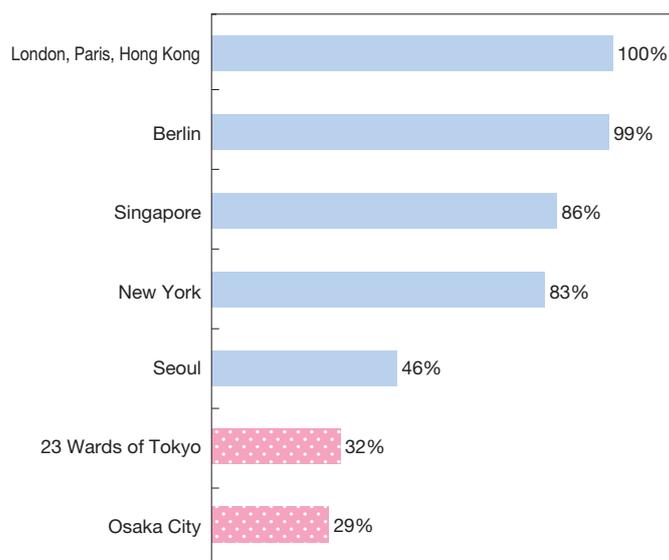
From viewpoints of forming pleasing landscapes, promoting tourism, keeping passage spaces safe and comfortable, getting roads disaster-prepared and so on, the elimination of utility poles has been driven through the dissemination, etc. of various development techniques, such as constructing new roads alone or widening existing roads as well.

(4) Driving the “Scenic Byway Japan” campaign

The “Scenic Byway Japan” campaign has been driven with a view to furthering roadside landscape designs and greening by leveraging regional resources in a collaboration of various entities to help realize a tourism nation and contribute to regional revitalization. As of the end of March 2014, 132 routes were registered as the Scenic Byways Japan. Activities that help form pleasing landscapes and add to the charms of localities roadside by working in conjunction with Michi-no-Eki.

Figure II-3-3-1

Present Status of Underground Burial of Utility Poles in Japan Compared with Major European Nations and the U.S.



(Notes) 1 2004 status for London and Paris surveyed by overseas power survey companies (in terms of total cable lengths)
 2 2004 status for Hong Kong surveyed by the Infrastructure Development Institute (in terms of total cable lengths)
 3 2012 status for Berlin surveyed by the MLIT (in terms of total cable lengths)
 4 1997 status for Singapore surveyed from overseas electric industry statistics (in terms of total cable lengths)
 5 2011 status for New York surveyed by the MLIT (in terms of total cable lengths)
 6 2011 status for Seoul surveyed by the MLIT (in terms of total cable lengths)
 7 End of FY2012 status for Japan surveyed by the Federation of Electric Power Companies of Japan (in terms of total cable lengths)
 (Underground burial ratio = Total length of underground lines / (Total length of aerial lines + Total length of underground lines) × 100)

Source) MLIT

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, Chapter 2 and Chapters 4 and 5, Landscape Act) upon prior consultation with the governor of its prefecture.

(5) Promoting the development of waterfront spaces, etc.

The development of rivers conscious of water amenity, landscapes etc. has been driven to allow them to be used as a natural space friendly to anybody through the implementation of such endeavors as “Multi-natural River Development,” “River Community Development Support Program” and “Waterside School Project,” with their indigenous nature, culture, histories, etc. taken into consideration.

Other ongoing efforts directed at regenerating and creating waterside environments from the facility spaces of sewage line and from sewage plant effluents include development of babbling water streams taking advantage of storm sewers and that of facilities for putting sewage plant effluents to use as babbling water. The conservation and creation of excellent waterside environments is also ensured by the implementation of appropriate waste water treatment.

2 Community Development Leveraging Nature and History

(1) Developing National Government Parks to contribute to the preservation, utilization, etc. of Japan's indigenous cultures

The development of National Government Parks has been driven to ensure the preservation, utilization, etc. of Japan's superb indigenous cultures. A total of 17 National Government Parks are already open, including the Asuka Historical National Government Park. In FY2013, the area surrounding the Kitora Tumulus, etc. was refurbished in the Asuka Historical National Government Park (Asuka Zone).

(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.

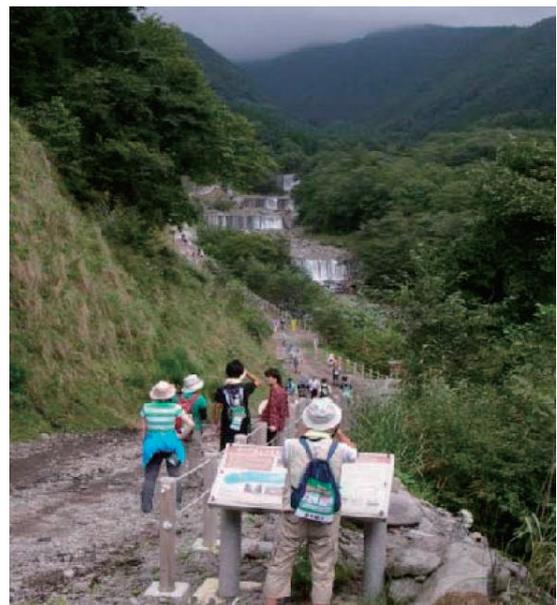
The preservation and utilization of locally long-loved governmental and other public facilities has been promoted. In addition, efforts have been encouraged to turn erosion and sabo facilities of historic significance (as of March 31, 2014, two designated Important Cultural Properties and 177 designated Registered Tangible Cultural Properties) and their ambient surroundings into a new forum of human interaction by positioning these facilities as a core of tourism resources.

(4) Promoting urban development to take advantage of histories and cultures

To promote urban development that takes advantage of regional histories and traditional cultures, “A plan for the maintenance and improvement of historic landscape plans in 44 municipalities (as of March 31, 2014) have been accredited pursuant to the “Act on Maintenance and Improvement of Historic Landscape in a Community (Historical Urban Development Law) to support activities adhering to the plans.” Further, experimental reviews and surveys have been conducted in 13 regions nationwide towards the resolution of common tasks facing the formation of historic landscape.

Inariyama Erosion Control Dam Mix (Nikko City, Tochigi Prefecture)

Tourism and exchange activities are promoted using historic sabo dam facilities that protect the communities



Source) MLIT

(5) Driving projects for creating futures of waterside and community

Efforts have been driven by local residents, businesses and administrative authorities in accord to brew attractive waterside spaces that combine beauty with stateliness and thus to conserve and create buoyant, animated natural landscapes, etc. In Tokyo in particular, associated endeavors will be promoted alongside the Sumida River and elsewhere in timing for the Olympic and Paralympic Games 2020.

Effort to enhance motivation using a logo



Column

Japan's First Cruise Train "Seven Stars in Kyushu" Just in Service

"Seven Stars in Kyushu" is a cruise train that has been in service since October 15, 2013. The lure of travel aboard of Japan's first luxury cruise sleeper train lies in the cars in which the mind and expertise of craftsmanship are unified, cuisine and hospitality packed with considerateness and care and then communication with the train crew – all derived from the regional affluence of Kyushu. "Seven" in the train name purportedly signifies the seven prefectures of Kyushu, seven principal tourism attractions in Kyushu (nature, food, spas, history and culture, power spots, human empathy and train) and the "seven-car coach."

The eight-car is furnished with seven passenger cars and one engine, with a total of 14 rooms and a maximum passenger capacity of 30. The interiors of the train are decorated with wood and fabric (cloths, textiles) in various designs to create a most superior sophisticated spatial merger of things Japanese and Western and old and new.

Two courses are selectable: three-night-and-four-day, which tours the five prefectures of Fukuoka, Oita, Miyazaki, Kagoshima and Kumamoto, and one-night-and-two-day, which covers the northern part of Kyushu, or Fukuoka, Saga, Nagasaki, Kumamoto and Oita. The three-night-and-four-day course offers lodging outside the train in the Kirishima Spa Resort.

The one-night-and-two-day

course, slated for service from August to November 2014, sells for 180,000 to 525,000 yen as of December 2013, when compared with 430,000 yen to 1,250,000 yen for the three-night-and-four-day course. Despite its pricings that possibly target wealthy travelers, the Seven Stars in Kyushu cruise train enjoys exceptional popularity as subscriptions nine times greater than the number of available seats have been received.

The launch of "Seven Stars in Kyushu" has grabbed numerous tourists from both at home and abroad, with impetus gained from the opening of services on the entire Kyushu Shinkansen Line in March 2011. A greater number of tourists are expected to visit Kyushu more for "riding and viewing" than simply local sightseeing.

Cruise Train "Seven Stars in Kyushu" website
<http://www.cruisetrain-sevenstars.jp/>



Source) Kyushu Railway Company