



DIRECTORATE FOR SCIENCE, TECHNOLOGY AND INDUSTRY

NATIONAL TOURISM POLICY REVIEW OF JAPAN

July 2002

NATIONAL TOURISM POLICY REVIEW OF JAPAN

(Note by Japan)

I. TRENDS OF TOURISM IN JAPAN

1. ECONOMIC IMPACT OF TOURISM

According to the survey by the Ministry of Land, Infrastructure and Transport (MLIT), the total amount of domestic tourism consumption in 2000 was 22.6 trillion yen (approx. 180 billion US dollars at an exchange rate of 1USD=125YEN), which was estimated to generate direct employment of 1.97 million (2.9% of total employment). The value-added of the above tourism consumption amounted to 11.2 trillion yen (90 billion dollars, 2.2% of GDP).

The sum of direct and triggered production effect concerning the above tourism consumption was estimated to be 53.8 trillion yen (430 billion yen, equivalent to 5.7% of total domestic production), which was estimated to generate 4.22 million employment (corresponds to 6.3% of total domestic employment).

Tourism industry in Japan

The contribution of the tourism industry to the overall Japanese economy is equal to the leading and typical industries such as automobile and electric machinery. The share of tourism industry in total GDP was 2.2% in 2000, whereas the automobile industry was 2.3%, telecommunication 2.0%, electricity 1.9%, and agriculture 1.5% respectively.

The share of tourism industry in total employment was 2.9% in 2000, compared with government employee 3.2%, electric machinery 3.0%, finance/insurance 3.0%, and food industry 2.3%. As the tourism market continues to grow steadily, tourism industry is expected to become the leading industry of Japan throughout the 21st century.

The contribution of the Japanese tourism industry to its national economy, however, has been relatively small compared to foreign countries. According to the survey by MLIT in 2000, for example, the share of tourism in total GDP in Australia amounted to 4.5%, followed by Chile 3.8%, New Zealand 3.4%, Canada 2.4%, the United States and Japan identically at 2.2%. Also the share of tourism in total employment in Australia was 5.4%, followed by New Zealand 4.1%, Canada 3.5%, the United States 3.5%, Chile 3.2%, and Japan 2.9% respectively.

In particular, the ratio of tourism consumption by foreign visitors to overall tourism consumption has been remarkably smaller in Japan compared with foreign countries. Based on the survey by MLIT in 2000, the ratio was only 6.2% in Japan, whereas the ratio was as high as 35.6% in France, 30.0% in Canada, 22.0% in Australia, and 20.9% in the United States respectively. (see Chart 1)

International balance of payments

In 2001 international balance of payments from travel showed a deficit of 3.6 trillion yen (28.8 billion dollars) in Japan, as a balance of international travel receipts of 0.7 trillion yen (5.6 billion dollars) and international travel expenditures of 4.3 trillion yen (34.4 billion dollars). Japanese were spending far more outside the country on tourism than foreign visitors were spending in Japan.

According to the data available in 1999, international travel expenditures of Japan reached 32.81 billion dollars, the 4th position in the world behind the United States, Germany and the United Kingdom; while international travel receipts were 3.43 billion dollars, the 31st in the world. The deficit in the international travel account of the balance of payments, amounting to 29.4 billion dollars, was the 2nd largest in the world following Germany. (see Chart 2)

2. TRENDS OF INTERNATIONAL TOURISM

Outbound flows

Overseas travel was liberalized in Japan in 1964, when the Tokyo Olympic games were held. Since then the total number of Japanese overseas travellers has risen almost consistently. In 1971 the floating yen system was initiated, and the strengthened yen reduced the cost of overseas travel for Japanese. Between 1971 and 1973, the total number of Japanese overseas travellers more than doubled, reaching to 2.3 million. In 1985 the total number of Japanese overseas travellers reached approximately 5 million, when the Plaza Accord was signed and the value of the yen rose. In 1990 the number of outbound travellers exceeded 10 million, and in 1995 the number surpassed 15 million.

In 1997 the number of Japanese travelling abroad fell by 5.9% from the previous year, dropping by 997 000, due to the weakened yen and a prolonged recession in the Japanese economy. In 2000 the number of Japanese overseas travellers reached a new record of 17.8 million. In 2001, however, the number fell down sharply, dropping by 9.0% from the previous year to 16.2 million, due to the adverse effect of the terrorist attacks in the United States. This is the sharpest decrease ever experienced in the Japanese outbound travel market. (see Chart 3)

Based on the data of 1999 by WTO, Japan was the 10th largest country in terms of sending international travellers (16.4 million) overseas. (see Chart 4)

Outbound travel by destination

The most preferred travel destination by Japanese in 2001 was the United States (including Hawaii and Guam), where 4.12 million Japanese travellers visited (18.5% drop from the previous year). The second preferred destination was China, 2.39 million Japanese visited (8.3% rise from the previous year). It is notable that China ranked the 2nd position for the first time in Japanese outbound travel market.

The 3rd position was Korea, where 2.38 million Japanese visited (3.8% drop from the previous year). The 4th was Hong Kong, 1.34 million Japanese visited (3.3% drop), and the 5th was Thailand, 1.18 million Japanese visited in 2001 (2.0% drop from the previous year).

Inbound flows

Following the gradual increase of foreign arrivals to Japan throughout the 1960s, the number of inbound travellers jumped up sharply to 854 419, an increase of 40.4% over the previous year, when Japan hosted the World Expo (Osaka) in 1970. The 1970s were the period that marked the beginning of a shift in the Japanese inbound market, from Western visitors to Asian visitors. The number of incoming Asians increased by 14.3% in 1974. The rapid economic development experienced by the Asian countries was the dominant factor in increasing the number of visitors from Asia. Explosive growth of visitors from Taiwan was seen in 1979, when restrictions on overseas travel were lifted.

In 1984 the number of foreign visitors surpassed 2 million. In 1989 Korean visitors to Japan sharply increased by 78.7% due to the complete liberalization of overseas pleasure travel. In 1990 the number of total inbound visitors to Japan exceeded 3 million (3.24 million).

In the 1990s the number of inbound visitors fluctuated depending on the economic conditions of Asian countries, the foreign exchange rate of yen, and even the Great Hanshin Earthquake in 1995. But as a basic trend, the inbound market had expanded throughout the period. In 1997 foreign visitor arrivals surpassed 4 million for the first time in history (4.22 million), 9.9% increase over the previous year.

Between 1999 and 2001, the number of inbound visitors to Japan reached a record high in three consecutive years. In 1999 the number of incoming visitors amounted to 4.44 million (8.1% up from the previous year), and in 2000 it reached 4.76 million (7.2% up). These were attributable to the recovery of inbound markets from Korea and Southeast Asia, and favourable and steady expansion of Taiwanese and US markets.

In 2001 the number of inbound visitors slightly increased and recorded 4.77 million (0.3% increase from the previous year) in spite of the terrorist incident in the United States. Of all inbound visitors in 2001, 57% were tourists, and 40% were business and/or other purpose travellers. (see Chart 3)

Inbound visitors by nationality / regions

In 2001 the largest inbound market to Japan was Korea. The number of visitors from Korea amounted to 1.13 million (6.5% up from the previous year). The second position was Taiwan; 807 000 visitors arrived in Japan (11.6% drop from the previous year). Visitors from Taiwan decreased two consecutive years due to the unprecedented economic recession.

The third position was the United States. The number of visitors was 692 000 (4.7% drop from the previous year) in 2001. Visitors from the United States decreased for the first time in seven years owing to the terrorist attacks; especially business travellers were severely affected (13.3% drop from the previous year).

The 4th position was China, with 391 000 visitors arriving in 2001 (11.3% rise from the previous year). Chinese group tour to Japan was partly liberalized based on the agreement between the two countries in September 2000. Since then Chinese visitor arrivals have been on the rise.

The 5th was Hong Kong, with 262 000 visitors (7.8% rise from year 2000), followed by the United Kingdom, 198 000 (2.6% up), Australia, 150 000 (1.5% up), and Canada, 126 000 (5.4% up). (see Chart 5)

In summary, 65% of foreign visitor arrivals came from Asia, namely 3.09 million in 2001 (1.2% up from 2000). On the other hand, the number of visitors from North America was 835 000 (3.2% down), Europe was 615 000 (1.2% up), and Oceania was 186 000 (2.3% up) respectively. The decrease of visitors from

the United States and Taiwan was compensated by the increase of visitors from other regions and countries.

Based on the available data in 1999 by WTO, Japan ranked 35th in the number of foreign visitor arrivals (4.44 million). It was only one fourth of the number of Japanese overseas travellers (16.36 million). (see Chart 4)

Effect of Terrorism attacks in the US

The number of overseas travellers from Japan during January to August 2001 was progressing slightly above the level of the previous year. However, the total number of international travellers during September to December 2001 decreased by 32.6% from the same period in the previous year. (see Chart 6)

International travel was more affected than the domestic travel. Looking at the number of air transportation passengers, the Pacific routes had been most seriously affected in terms of size and duration among all the international routes. The Asian routes have already recovered its previous year level in March, but in total, it is still 6.5% below the previous year level. Meanwhile, the domestic routes have recovered to its previous year level since January 2002. (see Chart 7)

3. TRENDS OF DOMESTIC TOURISM

Trends of overnight travel in Japan

Domestic travel in Japan has been sluggish owing to the prolonged economic recession and low personal consumption. The volume of travel activities declined four consecutive years since 1998. Based on the survey conducted by MLIT, Japanese went on an average of 2.26 overnight trips in 2001 (11.7% decrease from 2000). It is notable that business-related overnight trips were significantly decreased by 40% under the previous year.

It is also estimated that Japanese stayed an average of 4.31 nights out of all overnight trips made in 2001 (decreased by 16.8% from 2000).

Currents of pleasure travel

According to the survey by MLIT, Japanese took an average of 1.42 overnight trips for pleasure in 2001 (7% drop from 2000). This figure has decreased by 18% from the peak period in 1991 (1.73 overnight trips).

Japanese stayed an average of 2.23 nights out of all overnight trips for pleasure made in 2001 (10% down from 2000). This figure has also decreased by 28% from the peak period in 1991 (3.06 nights). (see Chart 8)

According to the survey by MLIT, the estimated expenditure for tourism was 53,500 yen per capita in 2001 (7% down from the previous year).

II. THE FRAMEWORK OF TOURISM POLICY IN JAPAN

1. ORGANIZATION OF NATIONAL TOURISM ADMINISTRATION

Establishment of the Ministry of Land, Infrastructure and Transport

In January 2001, four governmental agencies including the Ministry of Transport and the Ministry of Construction were integrated, and the new ministry, Ministry of Land, Infrastructure and Transport (MLIT) was established. The new MLIT has set up five policy goals, and carries out policy measures under the transparent division of rules between MLIT, the private sector and local governments.

The 5 goals of MLIT's Administration

1. Supporting joyful life
2. Enhancing global competitiveness
3. National Safety
4. Preserve and create a beautiful and benign environment
5. Enhancing regional diversity

Tourism promotion and development is expected to be the major field in which the synergy effect of administrative integration is fully realised, since tourism is closely related to transport policy (air, land and maritime), provision of infrastructure, regional development policy, building communities with diversity and achieving higher quality of life.

Organization of National Tourism Administration

The Department of Tourism, which is set up under the Policy Bureau of MLIT, is responsible for tourism policy and policy coordination within the Government of Japan. Under the direction of Director-General of Tourism, three divisions are organised.

The organisational chart of Tourism Department (MLIT)

1. Planning Division
Total coordination of tourism policy, research and planning, promotion of inbound tourism, international affairs, etc.
2. Regional Development Division
Regional development by tourism promotion, provision of tourism tourism-related facilities, sustainable development of tourism, registered hotels and ryokan, etc.
3. Travel Promotion Division
Supervision of travel agents, development of tourism industries, promotion of tourism demand for Japanese, consumer protection, etc.

The number of staff in the Tourism Department is approximately 50. In addition, the Tourism Division is set up in each of the ten Regional Transport Bureaus of MLIT nationwide, functioning as coordination and correspondence with local governments and tourism-related industries.

The total budget of Tourism Department in 2001 was 3.773 billion yen (30 million dollars). 2.659 billion yen (21 million dollars) of which was the subsidy to Japan National Tourist Organisation (JNTO).

(*) The total budget does not include infrastructure development within MLIT nor tourism related budget of other ministries concerned.

Organization of JNTO

Japan National Tourist Organization (JNTO), established by law in April 1964, is a non-profit statutory organization under the supervision of the Ministry of Transport designed to promote inbound travellers to Japan and to deepen their understanding of Japanese history, culture, tradition, customs and people.

Towards this end, JNTO is engaged in a diverse range of inbound tourism promotions overseas, marketing and promotion of international conventions, expansion of international interchange through grass-roots exchange programs, and support for overseas visitors through Tourist Information Centres.

Under the direction of the President and Executive Vice Presidents, the Head Office has 6 Departments that corresponds to the above activities. JNTO also has 14 Overseas Offices, and 2 Tourist Information Centres (TICs) in Japan. The number of staff in JNTO (including Overseas Offices) is 109.

JNTO is 100% owned by the Government. The Government's subscription (capital) to JNTO has been 1.547 billion yen (12 million dollars) so far. The total annual budget of JNTO in 2001 was 3.663 billion yen (29 million dollars). In 2001, 73% of the total budget was the subsidy by MLIT, and the remaining balance was the contribution or co-sponsorship by local governments and the private sector.

The organisational reform of JNTO is scheduled in 2003. JNTO, the special legal entity at present, will be transformed into the "independent administrative corporation" from the standpoint of transparency of management, efficiency of business administration and accountability of performance.

2. MAJOR GOALS OF TOURISM POLICIES

Strategic framework for promoting foreign visitors

New Tokyo International Airport (Narita Airport) opened its second runway on April 18th 2002, just in time for the 2002 FIFA World Cup Soccer games. The 2 180 metre strip increases the total number of departures and arrivals to 200 thousand a year from the current 135 000. Since Narita Airport is the Japan's gateway to the world, MLIT intends to utilise the airport strategically for promoting foreign visitors.

Welcome Plan 21

International tourism enhances mutual understanding among people in different nations of different cultures. In order for Japan to foster the long-standing friendship and trust among nations, it is highly important to facilitate overseas visitors to Japan and gain true understanding of the Japanese.

The number of Japanese overseas travellers in 2000 reached 17.8 million, while incoming foreign visitors to Japan in the same year was 4.76 million, only one fourth of outbound flows. In terms of visitor arrivals, this figure ranks Japan below neighbouring countries and other developed countries around the world. This substantial imbalance between outbound and inbound volumes is an unfavourable situation for the development of tourism in Japan.

Based on the above background, “Welcome Plan 21” or the “Plan to double the number of incoming visitors to Japan” was set up in 1997, together with the enactment of the “Law to Promote Inbound International Tourism”. To be concrete, the Ministry of Transport (MOT) decided to take all possible measures, together with parties concerned, to increase the number of incoming visitors to 8 million by 2007.

Policy measures include:

1. Provision of “International Tourism Theme Area” (Targeting areas suitable for foreign tourist promotion such as: Fuji-Hakone-Izu Area, Setouchi Inland Area etc.)
 - Drawing up foreign tourism promotion programs (by local governments)
 - Introducing preferential taxation for accommodation
6. Promotion of more inexpensive tourism
 - Introducing communal tickets exclusively for foreign tourists (so called “Welcome Card”)
 - Promoting discount fares exclusively for foreign tourists (such as the “Japan Rail Pass”)
 - Providing information concerning budget travel
7. Provision and upgrading of tourist information systems
 - Improving service at Tourist Information Centres (TICs) to accommodate the needs of foreign tourists
 - Upgrading of the JNTO website
8. Upgrading of visitor reception capabilities
 - Introducing special interpreter/tourist guide licenses for local areas etc.
9. Overseas campaign by JNTO

Visit Japan Campaign by JNTO

JNTO has been actively developing strategic promotional activities overseas in cooperation with overseas Japanese embassies, local governments, tourism industries and foreign national tourist organisations (NTOs). In particular, JNTO lays an emphasis on creating an image of Japan itself as a tourist destination, such as inherent natural beauty, art, culture, tradition, festival and food, instead of an image of industrial and manufacturing country.

In 2001 JNTO carried out numerous public relations activities for the purpose of inbound market development. In conducting the campaign, JNTO strategically varied the appealing points in correspondence to the respective market characteristics.

1. TV spot advertisements in Korea, China and Hong Kong
2. Advertisement in influential newspapers and magazines in Korea, China, Hong Kong, North America and the United Kingdom, which directly appealed to 150 million consumers in total
3. Invitation of foreign press and travel agents to Japan
4. Seminar for inbound market development

JNTO extensively upgraded its website in 2001, providing latest and attractive tourist information to all over the world in ten languages. The JNTO website (<http://www.jnto.go.jp>) was accessed by 17 million visitors in 2001.

In April 2002, JNTO, together with international airport authorities in Japan, produced a “Visit Japan promotion video”, taking the great opportunity to host the 2002 FIFA World Cup Soccer games. Minister of Land, Infrastructure and Transport Ms. Chikage Oogi appears in the promotional video in person, introducing tourist attractions of Japan and inviting foreign travellers to visit Japan. The video is shown in the cabin of incoming international flights of Japanese airlines and eight airport terminals nationwide until the end of this year.

EAST Plan (East Asian Sphere for Tourism Plan)

The 14th General Assembly of World Tourism Organization (WTO) was held in Seoul and Osaka from September 24 to October 1 in 2001. The General Assembly attracted attention of the international community as a whole, because it was the first large-scale international conference after the 11 September terrorist attacks in the United States. WTO quickly responded to the issue since terrorism may seriously affect tourism. The Resolution against Terrorism was adopted. The General Assembly was co-hosted by Japan and Korea for the first time in history, and ended up successfully with a large attendance of more than 120 countries / regions and 61 tourism ministers.

“EAST Plan” was agreed upon between tourism ministers of Japan and the Republic of Korea in Seoul in September 2001 during the WTO Conference. The plan aims to increase the tourism exchange in a broader context within East Asia. To be concrete, the two countries make efforts to double the number of bilateral tourism flows from 3 million to 6 million by 2006. Moreover both countries consider Japan and Korea as one destination and to increase the number of inbound visitors from third countries, from 6 million to 10 million by the same target year.

China-Japan Mutual Visit Year 2002

Since year 2002 is the 30th anniversary of the establishment of diplomatic relations between Japan and China, a variety of commemorative events and cultural exchange programs are planned in both countries. In this connection MLIT and CNTA (China National Tourism Administration) design to organize a large-scale mutual tourism exchange program. 5,000 Chinese people from all provinces came to Japan in May, attended the commemorative ceremony in Tokyo, and visited all over Japan afterwards in separate groups to deepen the mutual understanding and friendship.

In September this year, 10 000 Japanese tourists are scheduled to visit China in return, participating the commemorative ceremony in Beijing and grass roots exchange programs. It is indeed a good opportunity to promote Japanese culture, people and other tourist attractions to Chinese people. MLIT intends to expand the number of visitors from China through such exchange programs.

Efforts to recover travel demand after the 11 September tragedy

After the terrorist attacks last September, Japanese overseas travellers dramatically decreased. The recovery of travel demand for mainland United States has been especially slow. In February this year the United States President Mr. George W. Bush visited Japan and had a talk with the Prime Minister of Japan, Mr. Junichiro Koizumi, and, as an urgent issue, reached an agreement on further expansion of bilateral tourism exchange as well as recovery of confidence on travel safety.

In response to the summit agreement, 2 Vice-Ministerial Tourism Missions, including tourism industry representatives, were dispatched to the mainland US and Hawaii in March. More than 1,000 Japanese tourists participated in the Hawaii Mission (Visit Hawaii 1000). Moreover, the Vice-Ministerial Mission for tourism promotion was dispatched to New York in late May, including tourism industry leaders and 1000 tourists from all over Japan. The Mission offered flowers for the victims at the “Ground Zero” and attended the special commemorative ceremony held at the Metropolitan Museum of Art in New York (Visit New York 1000).

Bilateral Consultation on expansion of tourism

In April 2002, the US Secretary of Commerce Mr. Donald L. Evans visited Japan, and had a consultation with the Minister of Land, Infrastructure and Transport Ms. Chikage Oogi. As a result, the Memorandum of Understanding (MOU) on expansion of bilateral tourism exchange was agreed upon.

The MOU aims to create a non-binding tourism expansion initiative to recover promptly and expand the visitation levels by approximately 20% over the next five years from the 2001 level. In order to achieve this goal, the tourism expansion council, co-chaired and coordinated by the Minister of Land, Infrastructure and Transport for Japan and the Secretary of Commerce for the United States, is established.

Japan also holds bilateral consultation on tourism expansion with the Republic of Korea, China, Canada, Australia, and Germany, having discussions on the expansion of tourism flows in both directions and other imminent issues of mutual interest. Japan intends to use such consultations as a strategic framework to promote foreign visitors to Japan.

Framework to encourage travel demand in Japan

A new Vision for Regional Development---Tourism Based Community Development

The travel demand in Japan has been declining for more than four years due to the persistent economic recession, but it can be said that the sluggish demand is partly attributed to the degradation of tourist destinations and travel products in Japan. The underlying issue is the inability to manage resources and the tourist destinations in an integrated format. There is a clear need for tourist destinations to be managed in sustainable ways, not only preventing degradation of tourism resources but also enhancing their value, and creating a system or structure that satisfies the needs and demands of both residents and tourists.

In this context MLIT conducted a research for three years, including collection of data and best practices, and has drawn up the vision for regional development, which is called “Tourism Based Community Development”. As a result, MLIT published a “Guidebook to Tourism Based Community Development” in 2001.

Traditional tourism development placed priority on increasing visitors and advancing the industry, with less consideration for local peculiarity or impact on the living environment for local residents. On the contrary, the Vision identified three key factors for sustainable development, 1) resources, 2) living environment, 3) visitor satisfaction. Sustainable development of the entire community can be attained, while maintaining the balance of three key factors above, through integrated community development in which community serves as the principal player in tourism promotion.

The Vision was presented and introduced by Professor Yukio Nishimura at the “Millennium Conference of Tourism Leaders” held in Osaka late September last year during the 14th General Assembly of WTO, and reflected into the “Osaka Millennium Declaration” adopted by the Tourism Leaders from worldwide on 1 October 2001.

MLIT continues to play a leading role, in close cooperation with local governments and tourism industries, in an effort to enhance attractiveness of tourist destinations and product development.

Efforts to increase consecutive holidays

Although the Japanese economy has reached a very prominent level, Japanese are not always able to enjoy their nation’s higher standard of economic prosperity. Some of the major factors are the long working hours and less leisure time, even though the statistics by the Ministry of Labour show that the working hours of Japanese have been declining in recent years.

The 5-day-work-week system has spread throughout Japan; 95% of workers have enjoyed the system on a regular or periodic basis, and 57.6% of workers have enjoyed it strictly on a regular basis in 2001. In 2001, Japanese workers were allocated 18.0 annual paid holidays on average, but used only 8.9 of them, or 49.5% of these holidays. There are also 15 national holidays per year in Japan.

From 2000, by the amendment of National Holiday Act, Coming of Age Day (January 15) and Physical Education Day (October 10) are designated to be the second Monday of January and October respectively. As a result, most of Japanese workers are able to enjoy 3-consecutive-holiday in January and October. According to the survey by major travel agents, domestic travel increased by 25% during the 3-consecutive-holiday in January 2001 compared with the corresponding period in 2000. Overseas travel also increased by 21% during the same period in 2001 from the previous year.

From 2003, Ocean Day (July 20) and Respect-for-the-Aged Day (September 15) are scheduled to be the third Monday of July and September respectively. The spread effect of the consecutive holidays to the Japanese economy is estimated to be 350 to 500 billion yen (2.8 to 4 billion dollars) for each, or 1.4 trillion to 2.0 trillion yen (11.2 to 16 million dollars) in total of four holidays.

It is urgently required for Japanese to take “long-term leave” by utilising unused paid holidays, since it enhances quality of life and brings self-fulfilment. It also contributes to the revitalisation of economy through the expansion of personal consumption. It is estimated that a series of two-week leave brings the spread effect of 4.5 trillion yen (36 billion dollars) annually to the Japanese economy.

Besides, it is important to foster the environment where children can take leave at school in order to promote family travel. MLIT, together with ministries concerned and tourism industries, aims to provide the favourable environment where more people can take holidays, and to realise the “structural change of our lifestyle”.

3. OTHER POLICY GOALS WITH PRIORITY

Safety and mobility of physically handicapped and elderly travellers

Projects are under way to build the environment that improves convenience and safety of the physically handicapped and elderly travellers in tourist facilities, pavements, public transportation, accommodation, etc. For example, installation of elevators, escalators and wheel chair lifts at stations and bus/ship terminals, widening of the pavements and installation of guidance tiles for the vision-impaired.

Consumer protection on travel transactions by e-commerce

“Guidelines on the travel transactions using Internet” has been established by JATA (Japan Association of Travel Agents) and ANTA (All Nippon Travel Agents Association) in order to secure appropriate transactions using Internet. JATA and ANTA grant “the e-TBT (Electronic Travel Business Trust) mark” as a certificate to the travel agent who complies with the guideline. (70 travel agents have been granted of the mark by the end of Oct. 2001.)

Diversification of prices and services in the field of travel and transport

All stakeholders in the tourism industry are working on the diversification of prices and services for foreign visitors, aiming at changing the image of Japan as “an expensive country”. Efforts are also being made to develop new resources such as experience-oriented, self-fulfilment type tourism. An example is the “Interpretation Program” which aims to foster nature guide tours.

Provision of tourism-related infrastructure

Development of “Multi-modal transportation system” is in progress in order to produce effective and convenient traffic environment by enabling higher speed and smoother connections through the coordination in multiple transportation means of the air, land and water. Integration of airports and high-speed railway networks is, for example, under way.

4. AMBITIOUS TOURISM PROMOTION THROUGH 2002 FIFA WORLD CUP

On the 4th of February 2002, Prime Minister, Junichiro Koizumi delivered a speech on administrative policies at the beginning of the current session of the National Diet. Mr. Koizumi stated at the beginning of his speech that the World Cup offered a great opportunity for foreign people to get to know Japan or to deepen the understanding of Japan. He went on to say that, by introducing Japanese culture, tradition and abundant tourism resources to all over the world, the Koizumi administration would like to increase the number of overseas travellers to Japan, thus contributing to the vitalisation of regional economy.

Japan is at a turning point in every aspect; structural changes are in progress in industrial, economical and social systems. The historical speech by the Japanese Prime Minister symbolises the shift of industrial structure from exporting goods to exporting tourism (services).

With a view to enhance convenience and amenity of foreign visitors, and to lower barriers for foreign visitors, Japan ambitiously introduced the following measures during the 2002 FIFA World Cup. They will be evaluated for regular use in the future.

“Pre-clearance” of Immigration Procedure

Pre-clearance system was available between Japan and Korea in coordination with the Korean authorities to expedite smooth immigration procedures upon arrival.

“Multi-functional IC Card” Project

The Multi-functional IC Card was developed in coordination with the Korean authorities for the purpose of realising seamless travel between Japan and Korea.

The functions are as follows; a) Credit Card, b) Debit Card rechargeable for both YEN and WON so that the travellers do not have to carry small change in different currencies, c) Electronic Tickets for trains and buses so that passengers do not need to buy a ticket to pass through the gate.

(The Japanese Prime Minister, Mr. Junichiro Koizumi had carried the “Multi-functional IC Card” when he visited Seoul to attend the opening ceremony of 2002 FIFA World Cup Soccer games on 31st of May.)

Japan Travel Support

Central and regional call centres were established to answer the questions from foreign visitors or to solve their problems on the telephone in 10 languages, as an effort to remove language barriers.

(Refer to: <http://soccerjapan.jnto.go.jp>)

Special Fares and Rates (exclusively for foreign visitors)

Special fares and rates were offered for foreign visitors on airlines, trains, ships, hotels, ryokans and highways.

(Refer to: <http://soccerjapan.jnto.go.jp>)

“E-Airport” Project

IT based services were offered on an experimental basis at New Tokyo International Airport to realize such undertakings as; a) e-ticketing, b) high speed internet connections, c) Multi-functional IC Card, d) guidance robot for the handicapped, e) e-information providing real time flight information.

ANNEX

Chart 1

International Comparison of Tourism Industry

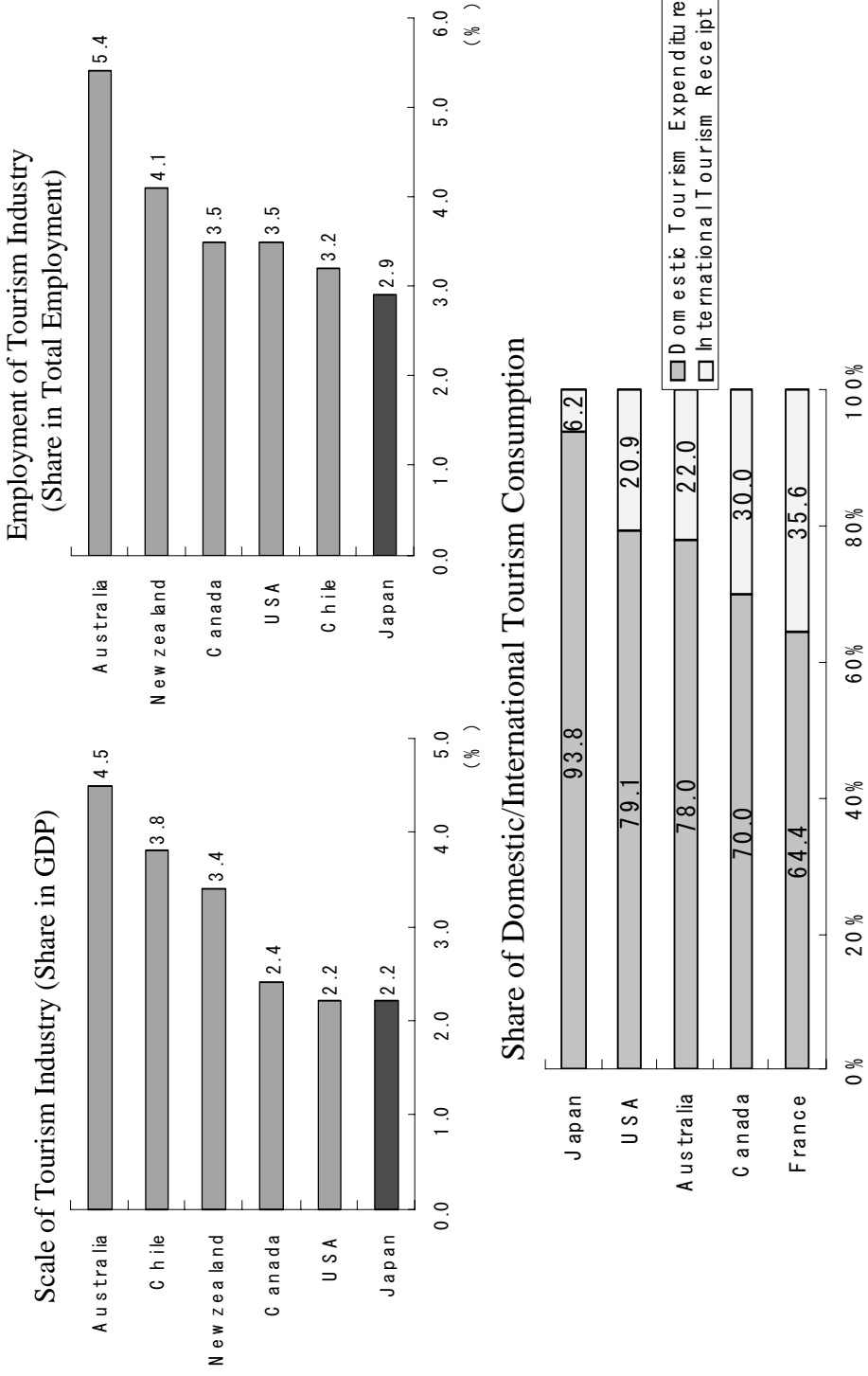
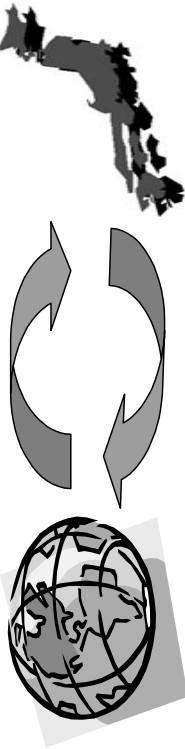


Chart 2

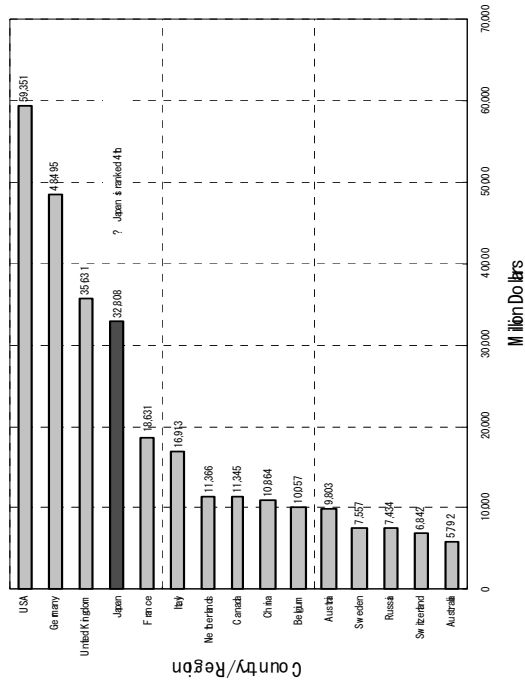
International Balance of Tourist Receipts and Expenditures

4.438 Million Visitors 35th*
 3.4 Billion Dollars* 31st*



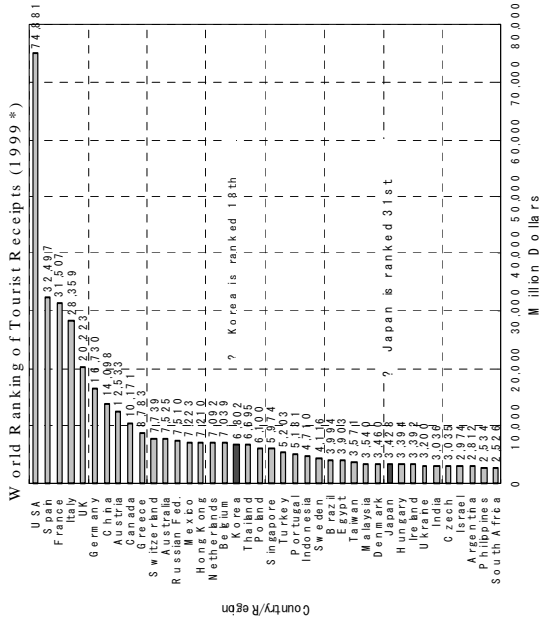
16.358 Million Travelers 10th*
 32.8 Billion Dollars* 4th*
 2000
 1999

World Ranking of Tourist Expenditures (1999*)



Balance of International Tourism Receipts and Expenditures (1999*)

Country	Balance of Payments (Million Dollars)		
	Receipts	Expenditure	Balance
Germany	16,730	48,495	-31,765
Japan	3,428	32,808	-29,380
UK	20,223	35,631	-15,408
Korea	6,802	3,975	2,827
Italy	28,359	16,913	11,446
France	31,507	18,631	12,876
USA	74,881	59,351	15,530
Spain	32,497	5,523	26,974



Data from WTO (World Tourism Organization)
 *Data for 1999 is the latest comparable from WTO statistics.

Chart 3

Foreign Visitor Arrivals and Japanese Overseas Travelers

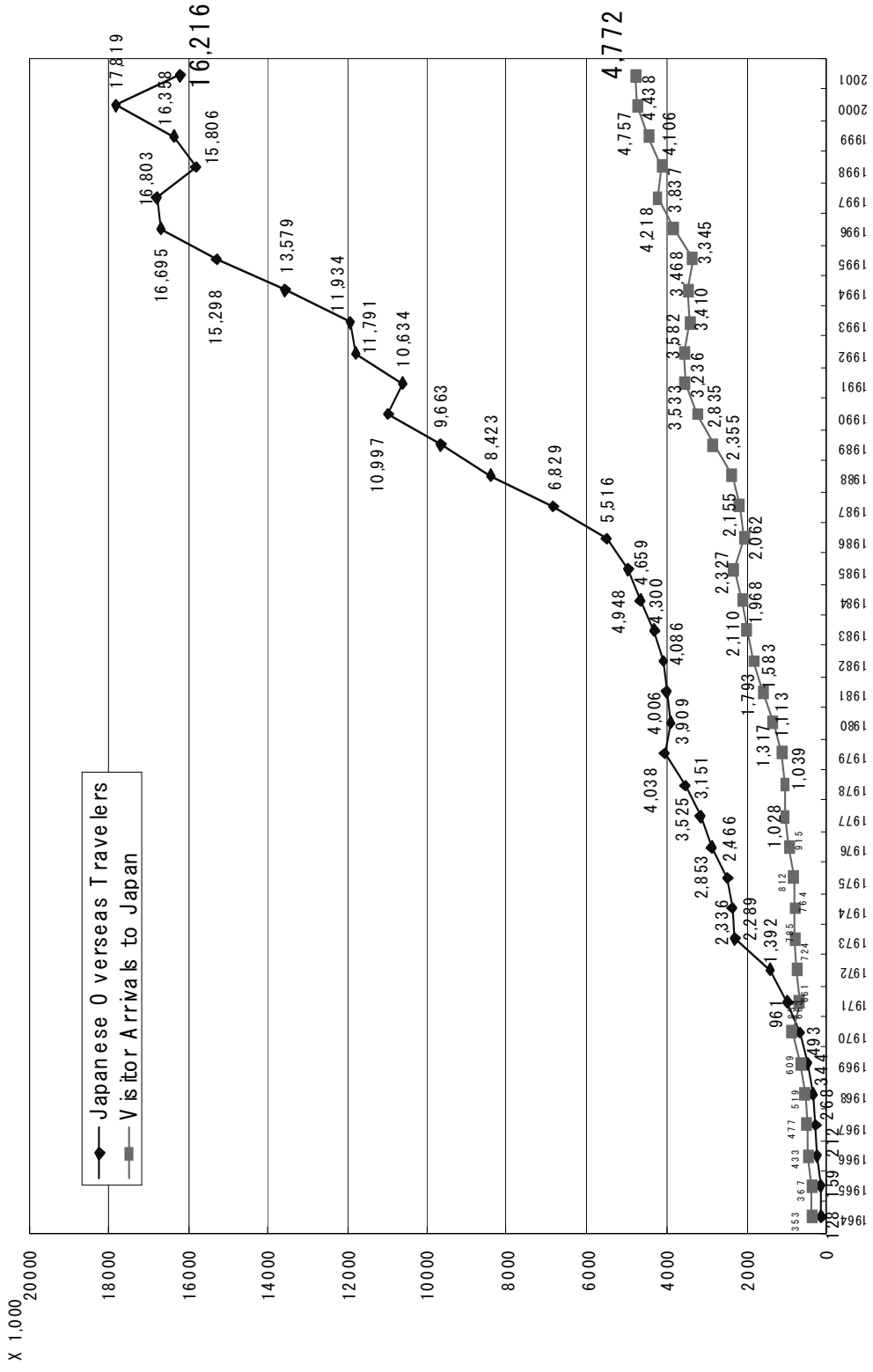


Chart 4

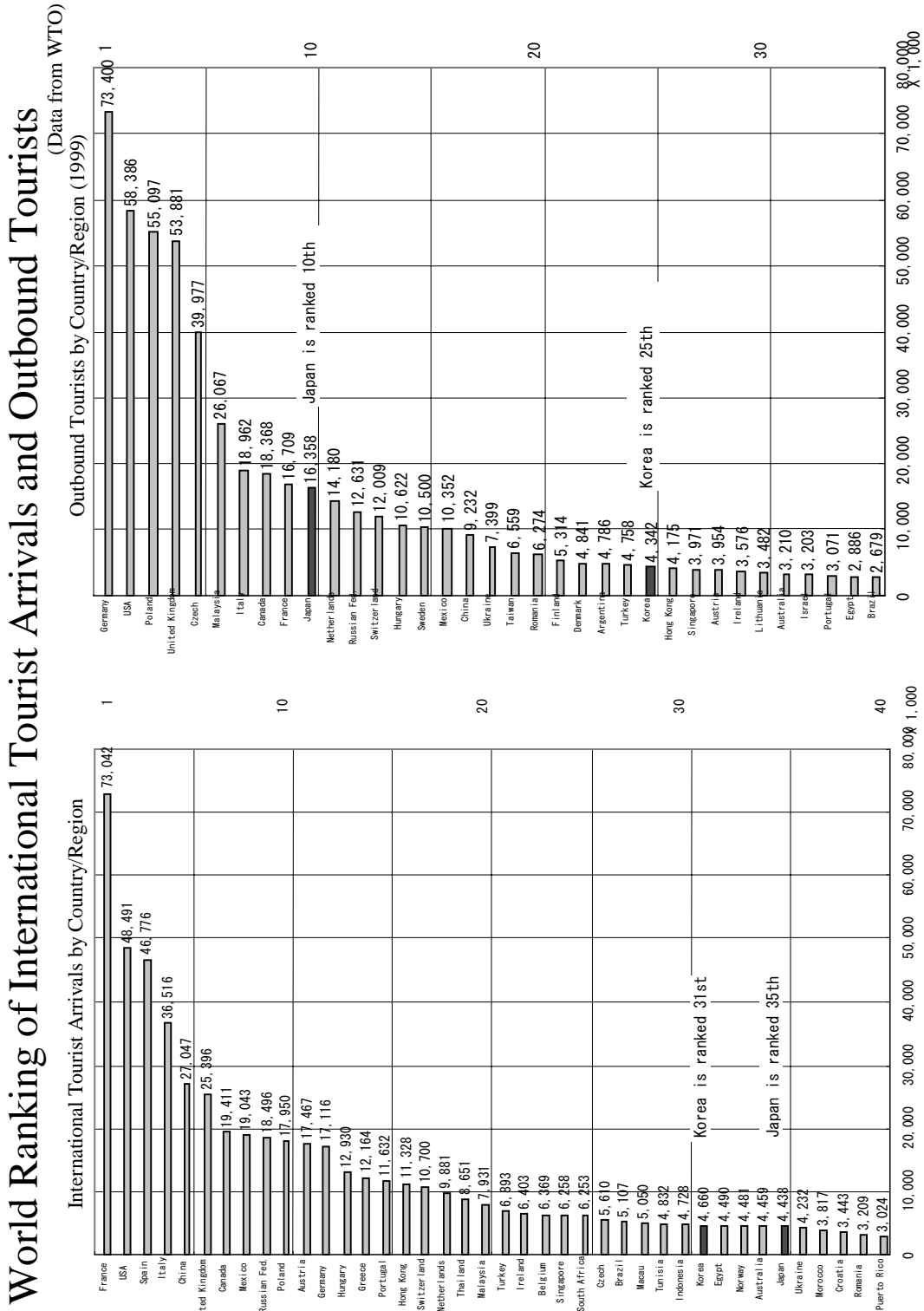


Chart 5

Visitor Arrivals by Major Market Countries/Region (China, Hong Kong, Korea, Taiwan, USA)

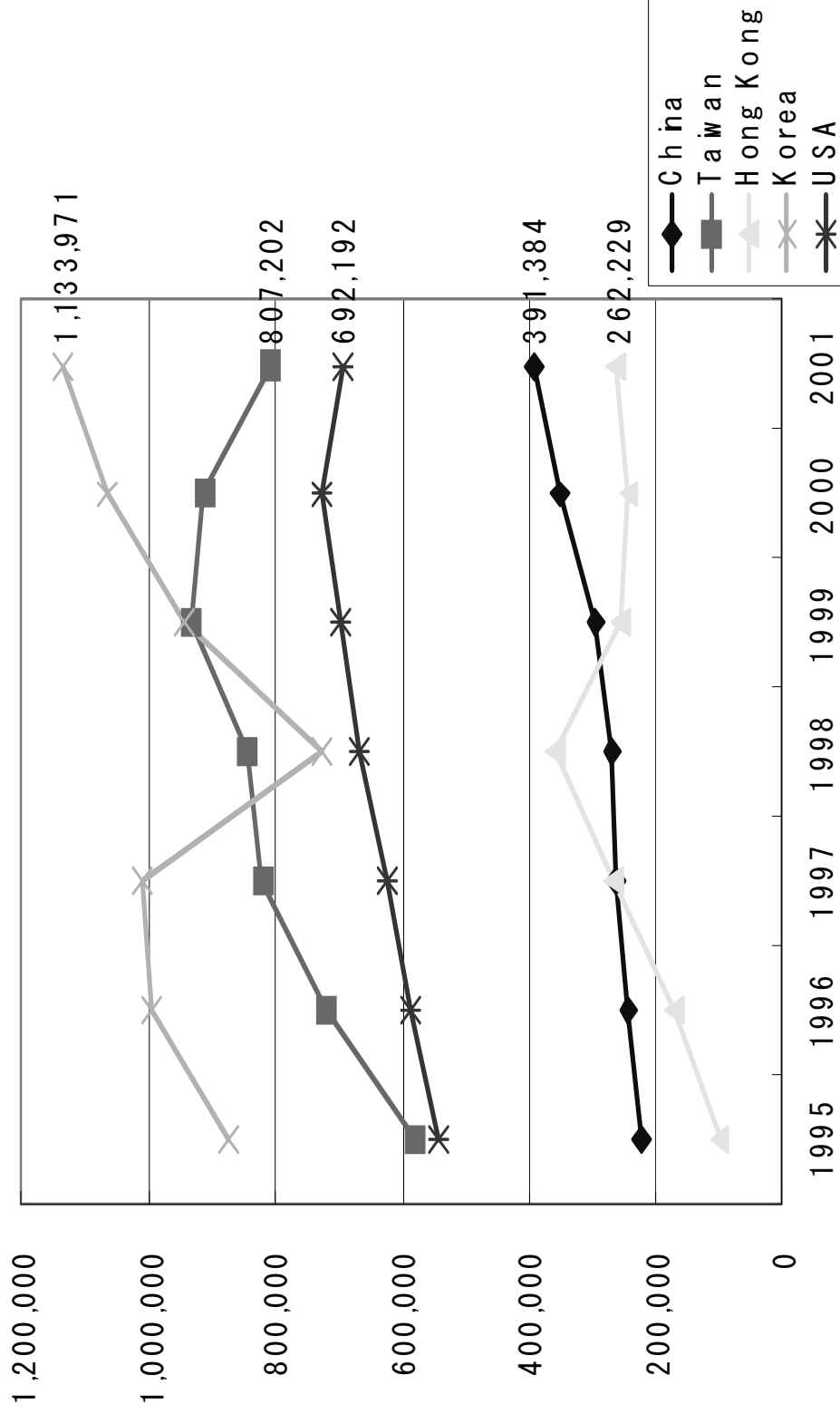


Chart 6

Yr/Yr for Number of Japanese Overseas Travelers

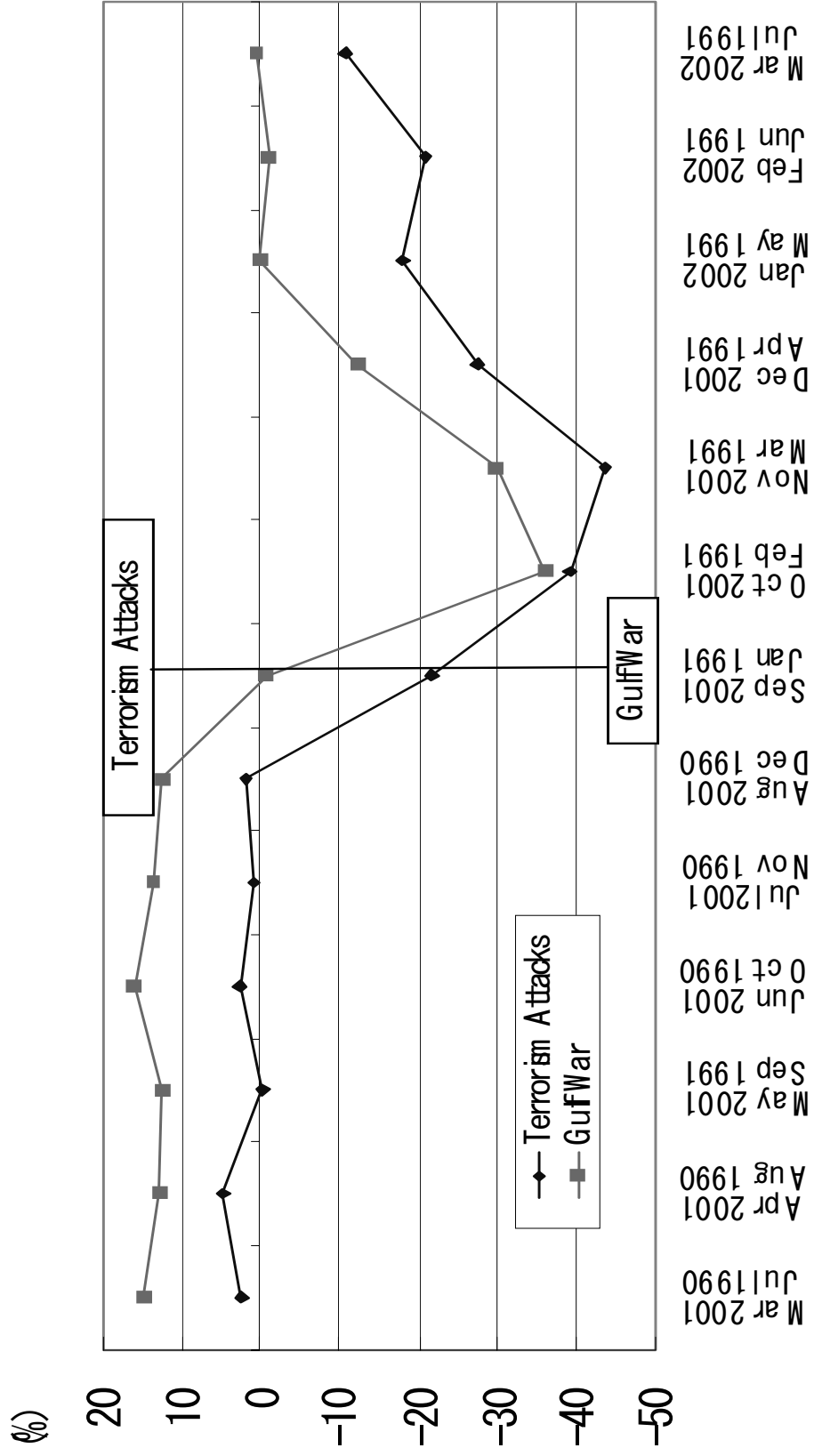
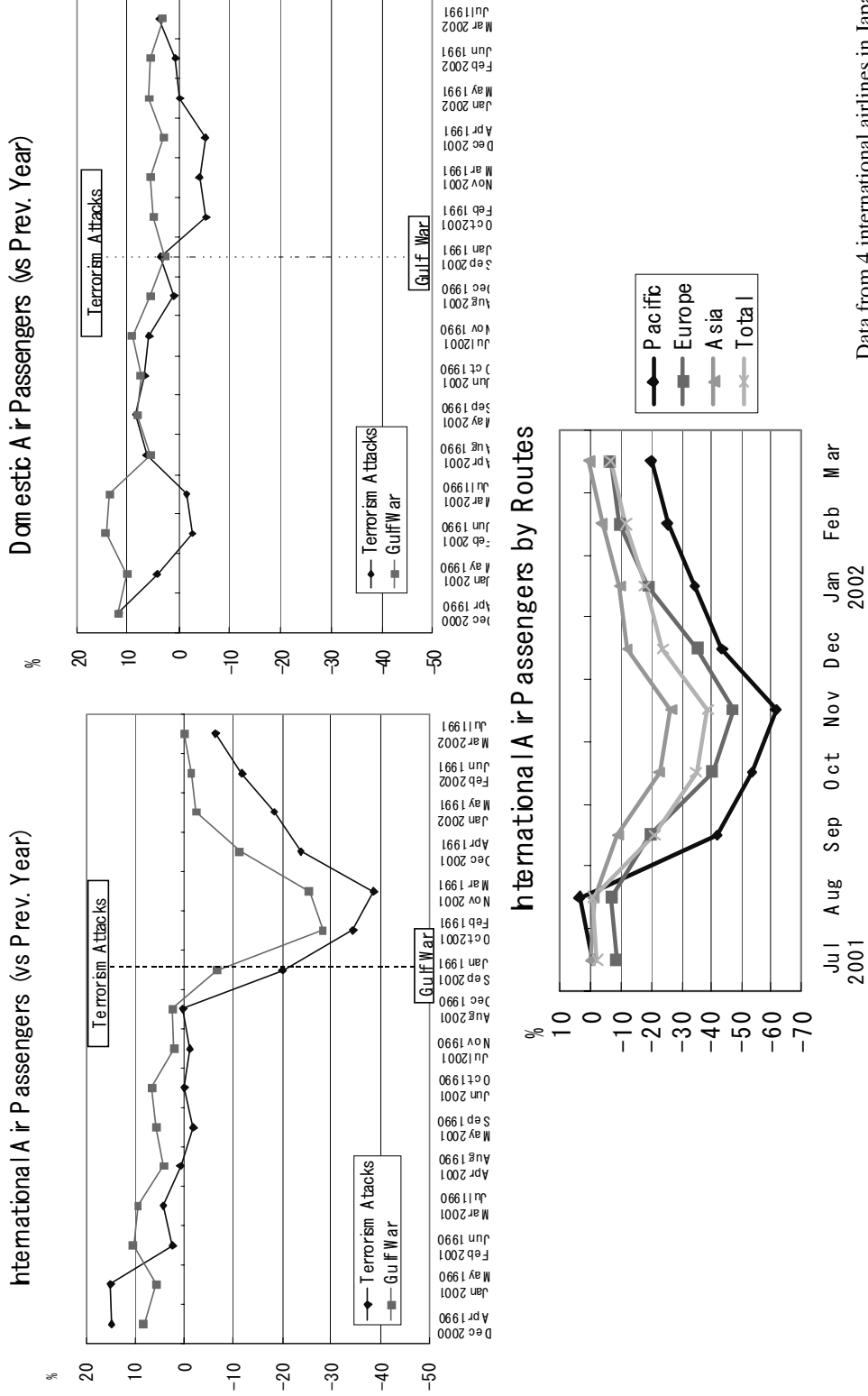


Chart 7

International and Domestic Passengers on Air Transportation



Data from 4 international airlines in Japan.

Chart 8

Average Counts Per Capita for Times of Domestic Pleasure Travel With Overnight Stay and Number of Overnight Stays

