

Japan

Tourism in the economy

The number of international visitors to Japan increased by 29.4% to reach a record high of 13.4 million people in 2014. This follows a decade where international visitors grew from 5.21 million in 2003 to exceed 10 million for first time in 2013. International visitors arrivals continued to rise in 2015, with an estimated 16.3 million arrivals between January to October 2015 (48.2% increase compared to the same period of the previous year).

Factors driving this positive international visitor growth trend include the relaxation of visa requirements, extension of the consumption tax exemption system, ongoing Visit-Japan marketing and promotion projects and positive image of Japan overseas, expansion of airline networks, and closer co-operation between government agencies and the public and private sector, as well as the depreciation of the yen. Another factor is the extensive work undertaken to improve the transport infrastructure, including expansion of arrival and departure slots at Haneda (Tokyo International) airport, opening of Naha cruise terminal and extension of the high-speed rail network connecting Tokyo with Kanazawa on the Japan Sea.

Consumption by international visitors (inbound consumption) almost doubled from JPY 1.1 trillion in 2012 to JPY 2 trillion in 2014. Consumption in the period January-September 2015 reached JPY 2.6 trillion (surpassing the full-year level achieved in 2014) and is expected to exceed JPY 3 trillion in 2015. International tourism is recognised as a significant engine for growth in the Japanese economy and is expected to continue playing an important role in economic revitalisation at national and local level.

Domestic tourism is also extremely important for the Japanese economy nationally and locally, although Japan has seen consumption in domestic tourism slacken in recent years, falling from JPY 20.2 trillion in 2013 to JPY 18.6 trillion in 2014 and influenced in part by the rise in consumption tax. The importance of further promoting domestic tourism is well recognised in Japan.

In total, tourism-related consumption (domestic and international) amounted to JPY 22.5 trillion in 2014, down slightly on 2013 (JPY 23.6 trillion) and on a par with 2012 (JPY 22.5 trillion).

Tourism directly accounted for about 2.4% of GDP and 6.9% of employment (4.47 million employees) in 2013.

Tourism governance and funding

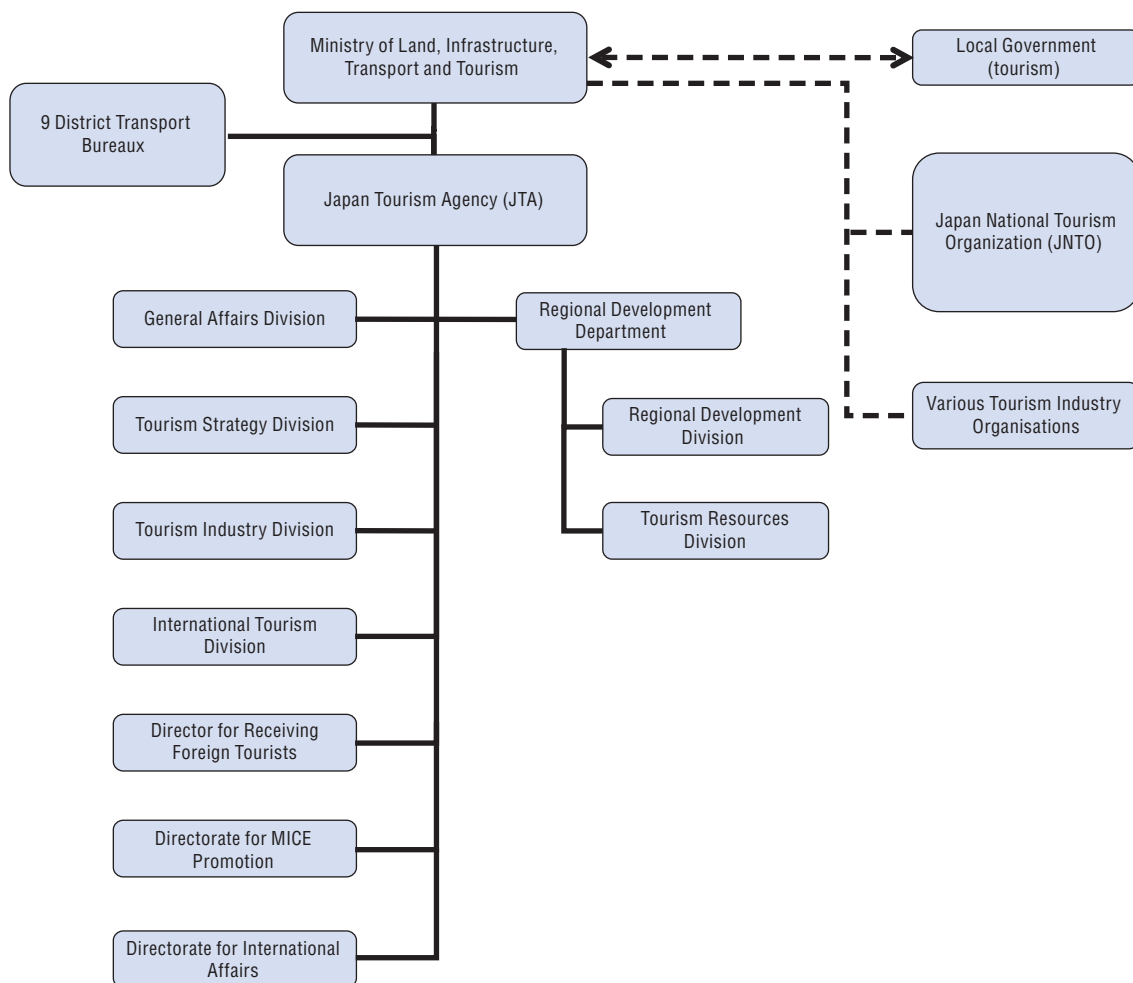
Established as an external organ of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in 2008, the Japan Tourism Agency takes a leading role in tourism policy and represents the Government on issues relating to tourism and the promotion of Japan as a tourist destination. The Japan Tourism Agency is headed by a Commissioner.

The Japan National Tourism Organisation is in charge of executing the Visit Japan Project and other marketing projects, including promotion to the MICE market. The Visit Japan Project is based on the Visit-Japan promotion policy and seeks to, among other things, communicate Japan's attractions overseas and attract visitors to Japan through overseas media campaigns and exhibitions at overseas tourism fairs.

Local governments in the regions improve local tourism resources, organise events and promotions and manage the development of human resources. They also implement strategic marketing, targeting international markets. The National Government creates the environment and offers support to boost such regional initiatives. Support includes consulting services, providing statistical data, incubating area-wide co-operation and support for regional development initiatives.

The Japan Tourism Agency budget for 2015 is JPY 10.39 billion, broken down as follows: JPY 8.45 billion for policies to promote inbound tourism; JPY 0.63 billion to support the development of tourism in regions; JPY 0.06 billion to support the tourism industry; JPY 0.46 billion to develop tourism statistics; and JPY 0.48 billion to help regenerate the Tohoku region.

Japan: Organisational chart of the tourism bodies



Source: OECD, adapted from the Ministry of Land, Infrastructure, Transport and Tourism, 2016.

A Ministerial Council on the Promotion of Japan as a Tourism-Oriented Country was established in March 2013 to unify government efforts through a whole-of-government approach to tourism. A budget was also distributed throughout the Government, including the Ministry of Economy, Trade and Industry and the Ministry of Education, Culture, Sports, Science and Technology. This has yielded many projects, such as International Tourism Support for Historical Landscapes and the Japan Localisation and Promotion (J-LOP+) subsidy, which supports operators carrying out content localisation and promotion necessary for overseas development. The Japan Tourism Agency plays a coordinating role on tourism issues with the relevant government ministries.

Tourism policies and programmes

The Ministerial Council prepared an Action Programme Towards the Realisation of Japan as a Tourism Oriented Country in 2015 with relevant tourism policies related to the Government's goals of receiving 20 million international visitors by 2020. The Action Programme 2015 aims to increase inbound travel consumption to JPY 4 trillion and create an additional 400 000 new jobs by the year Japan receives 20 million international visitors.

The Action Programme Towards the Realisation of Japan as a Tourism Oriented Country in 2015 aims to ensure Japan is fully prepared for the additional foreign visitors, support regional development, help develop tourism as a key industry of Japan, and deepen understanding of the country's history and culture around the world. It stipulates strong and concerted actions by the Government and the private sector in the following six areas:

- Strategic measures for a new era of inbound travel: To achieve the target of 20 million international visitors to Japan by 2020, and a further 30 million beyond this date, Japan seeks to spread the effects of inbound tourism to localities through measures including developing and promoting wide-area sightseeing routes and utilising local airports, and creating new seasonal demand by advertising snow attractions in winter. Future-focused promotions include initiatives for overseas youths.
- Further expand tourism and travel consumption, involve many industries in tourism-related business and strengthen the tourism industry: Expansion of tax-free shops in local areas and promotion of sales of regional products and agricultural products, in order to spread the economic effects of inbound consumption which already underpin the Japanese economy nation-wide. Introduction of industries with a broad scope of coverage into tourism related industries, to expand and upgrade services nationwide and respond to the high grade needs of international visitors.
- Create tourist areas that will contribute to regional revitalisation and promote domestic tourism: Through the formation of wide-area sightseeing routes and the establishment of DMOs, (which forms strategy and makes agreement among concerned parties from the viewpoint of Tourism Destination Management), Japan packages and advertises attractions and networks regions with a story/theme.
- Further develop the environment for receiving foreign tourists to aggressively address the anticipated increase in the number of visitors: Pre-emptive measures shall be fulfilled and strengthened to establish expeditious systems of the CIQ factor, aiming to contract waiting time to less than 20 minutes for immigration and improve the environment for foreign visitors to readily move and stay in every section with more rapidity than ever. Moreover, in accepting the rapidly increasing number of foreign

visitors, every effort shall be made in order for supply capacity of transportation facilities, such as aviation, buses or the like, and accommodation facilities not to become restraining factors. Appropriate measures such as consolidation of functions of airport gateways and the like must be taken, looking into the situation carefully.

- Actively attract overseas businesses and engage in top quality tourism exchange: Japan positively invites foreign business guests by accelerating immigration procedures for business guests through, for example, the introduction of the fast lane, and drastically fortifying measures for MICE. Japan also invites affluent people under the long-term stay system. Further, by communicating the value and attractions of cultural assets in foreign languages, Japan invites visitors highly interested in Japanese history or culture to promote mutual cultural understanding.
- Accelerate tourism promotion with various stages in mind - After Rio de Janeiro 2016, 2020 Olympics and Paralympics and After 2020: To bring about the effects of the Olympics/Paralympics nationwide, barrier-free measures to ensure people can travel securely will be accelerated. Japan will implement strategic Visit-Japan projects, with cultural programmes in each region and ongoing development of legacies of both hard and soft facets throughout Japan.

The Japan Revitalisation Strategy was revised in 2015 and includes a Recovery Plan for the revitalisation of, and improved productivity in, the service sector. For accommodation, transportation and food-service industries, the Recovery Plan stipulates making better use of IT, expansion overseas and operational improvements. It also includes a Strategic Market Creation Plan and a Global Outreach Strategy that involves tourism collaborating with peripheral industries such as food services and other unique Japanese products and services.

Efforts will be made to develop the tourism workforce and generate employment opportunities in the regions so that people, youth included, can pursue jobs in the tourism industry and continue to live and thrive in the provincial regions.

In order to respond to the rapid increase in inbound demand, it is important that active use be made of regional airports, together with a strengthening of functions at metropolitan airports. Facilitation and acceleration of immigration procedures are also necessary. Systems will be enhanced with the aim of reducing waiting times for immigration procedures at airports to 20 minutes or less.

Changes have been made to the tax regime in order to stimulate spending by incoming visitors, which extended the scope of consumables exempt from tax. Facilities have also been introduced in shopping areas to process and support tax-free shopping (Box 1.5).

As part of a new initiative by the Prime Minister aimed at making Japan a top tourism economy among advanced countries worldwide, Japan will prepare a mid-and-long-term strategy which will set out the future vision for tourism beyond the target of 20 million international visitors by 2020. The strategy will consider not only the quantitative expansion of the number of guests visiting Japan, but will also look at increasing tourism-related consumption and investment, revitalising the provincial regions and boosting the quality of tourism exchanges. Japan's aim is to create a nation truly open to the world, where international visitors come and go in regions nationwide. To this end, under Prime Minister Shinzo Abe's vigorous leadership looking toward an age in which interactive cultural exchanges will be cultivated, Japan is working to develop the necessary policies, including contributions to realise JPY 600 trillion of GDP.

Statistical profile

Table 1. Japan: Domestic, inbound and outbound tourism

	2010	2011	2012	2013	2014
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	322 800	398 819 |	413 181	432 398	428 677
Hotels and similar establishments	..	..	..	..	..
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	8 611	6 219	8 368	10 364	13 413
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
Chinese Taipei	1 268	994	1 467	2 211	2 830
Korea	2 440	1 658	2 044	2 456	2 755
China	1 413	1 043	1 430	1 314	2 409
Hong Kong, China	509	365	482	746	926
United States	727	566	717	799	892
Nights in all types of accommodation	26 023	18 416	26 314	33 496	44 825
Hotels and similar establishments	..	..	..	..	..
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	16 637	16 994	18 491	17 473	16 903
Overnight visitors (tourists)
Same-day visitors (excursionists)
Top destinations					
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TOURISM RECEIPTS AND EXPENDITURE, MILLION JPY					
Inbound tourism					
Total international receipts	1 346 086	997 594	1 291 987	1 649 825	2 206 700
International travel receipts	1 158 643	875 240	1 163 092	1 476 616	1 997 400
International passenger transport receipts	187 443	122 354	128 896	173 209	209 300
Outbound tourism					
Total international expenditure	3 439 316	3 167 255	3 266 108	3 145 219	3 023 700
International travel expenditure	2 446 177	2 171 573	2 224 813	2 131 105	2 041 800
International passenger transport expenditure	993 140	995 682	1 041 295	1 014 114	981 900

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Source: OECD Tourism Statistics (Database).


StatLink  <http://dx.doi.org/10.1787/888933320160>

Table 2. **Japan: Enterprises and employment in tourism**


	Number of establishments ¹	Number of persons employed				
	2012	2010	2011	2012	2013	2014
Total
Tourism industries	64 684	4 474 574	4 444 991	4 424 721	4 466 945	..
Accommodation services for visitors
Hotels and similar establishments	54 540	432 400	459 153	427 677	419 275	..
Food and beverage serving industry	..	1 127 863	1 105 440	1 092 878	1 064 859	..
Passenger transport	..	1 436 106	1 425 791	1 407 906	1 439 565	..
Air passenger transport	..	81 788	81 213	80 063	84 240	..
Railways passenger transport	..	412 675	420 018	417 437	427 703	..
Road passenger transport	..	728 284	712 700	694 584	678 412	..
Water passenger transport	..	213 360	211 860	215 822	249 210	..
Passenger transport supporting services	..	622 300	639 111	643 985	673 920	..
Transport equipment rental
Travel agencies and other reservation services industry	10 146	..	..	..	..	..
Cultural industry
Sports and recreation industry	..	855 904	815 496	852 275	869 325	..
Retail trade of country-specific tourism characteristic goods
Other country-specific tourism industries
Other industries

.. Not available

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1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888933320172>Table 3. **Japan: Internal tourism consumption**


Million YPY

	2013		
	Domestic tourism consumption	Inbound tourism consumption	Internal tourism consumption
Total	21 909 342	1 650 000	23 559 342
Consumption products	21 504 989	1 650 000	23 154 989
Tourism characteristic products	13 691 339	1 153 176	14 844 515
Accommodation services for visitors	3 348 057	496 406	3 844 463
Food and beverage serving services	2 420 151	302 596	2 722 748
Passenger transport services	5 320 493	319 818	5 640 311
Air passenger transport services	1 957 437	181 566	2 139 003
Railways passenger transport services	2 658 788	103 716	2 762 504
Road passenger transport services	601 347	33 335	634 682
Water passenger transport services	102 921	1 200	104 121
Passenger transport supporting services	1 057 854	0	1 057 854
Transport equipment rental services	314 148	7 839	321 987
Travel agencies and other reservation services industry	450 708	7 720	458 428
Cultural services	283 450	10 355	293 805
Sports and recreation services	496 477	8 442	504 919
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	7 813 650	496 824	8 310 474
Tourism connected products	7 369 557	496 824	7 866 381
Non-tourism related consumption products	444 093	0	444 093
Non-consumption products	404 353	0	404 353

.. Not available

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Source: OECD Tourism Statistics (Database).

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