

Japan

Tourism in the economy

Overall, the size of the tourism economy in Japan increased by 4% in 2016 to JPY 25.8 trillion.

The number of international visitors to Japan has risen from 6.2 million in 2011 – the year of the Great East Japan Earthquake – to 24.0 million in 2016. Consumption by international visitors increased from JPY 813 billion to JPY 3.8 trillion, during this period.

Arrivals grew by 21.8% between 2015 and 2016. Of the 20 main overseas markets, all except Russia set new visitation records. Foreign tourists from other Asian countries totalled around 20.4 million, a 22.7% increase over the previous year, accounting for 85% of the total number of foreign tourists visiting Japan.

The three top inbound markets are China, Korea and Taiwan. All have seen growth, although there has been some fluctuation in arrivals from Korea owing to the influence of the Kumamoto earthquakes in 2016.

Domestic tourism accounts for around 80% of the tourism economy in Japan. The number of Japanese people who travelled within Japan in 2016 reached 641 million, up 6% from the previous year. In 2016, the total spending on domestic travel was JPY 20.9 trillion, an increase of 2.7% over the previous year. The main drivers of domestic tourism are hot springs, fine cuisine, nature or theme parks, and visiting historically or culturally significant sites. Social media is having a considerable impact on domestic choices along with the availability of low cost flights.

Tourism governance and funding

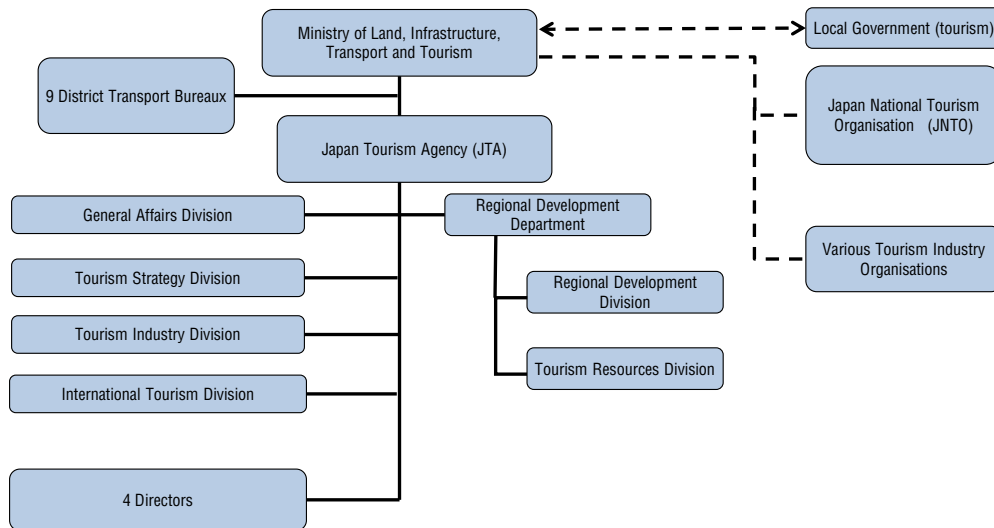
Established as an external organ of the Ministry of Land, Infrastructure, Transport and Tourism in 2008, the Japan Tourism Agency takes a leading role in tourism policy and represents the Government on issues relating to tourism and the promotion of Japan as a tourist destination. The Japan Tourism Agency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

The Japan National Tourism Organisation is in charge of executing the Visit Japan Project and other marketing activities, including promotion to the MICE market. This includes attracting visitors to Japan through overseas media campaigns and exhibitions at overseas tourism fairs.

Local governments improve local tourism resources, organise events and promotions, and manage the development of human resources. The National Government offers support to boost such regional initiatives including consulting services, providing statistical data, initiating area-wide co-operation and supporting regional development initiatives.

The Japan Tourism Agency budget for 2017 is JPY 25.6 billion (more than double its 2015 budget of JPY 10.4 billion), broken down as follows: JPY 9.4 billion for policies to promote inbound tourism; JPY 8.6 billion to support the development of tourism infrastructure; JPY 2.8 billion to support the development of tourism in regions and JPY 4.6 billion to help regenerate the Tohoku region.

Japan: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Land, Infrastructure, Transport and Tourism, 2018.

A Ministerial Council for the Promotion of Japan as a Tourism-Oriented Country was established in March 2013 to unify government efforts on tourism. A cross-ministerial budget has yielded many projects and this budgetary policy has been maintained until this year, including the International Tourism Support for Historical Landscapes subsidy. The Japan Tourism Agency plays a co-ordinating role on tourism issues with the relevant government ministries.

Tourism policies and programmes

The main factors behind the very positive growth in international arrivals in the last few years include relaxing visa restrictions and expanding the tax-free system for foreign tourists along with infrastructure improvements and better promotion.

Some of the main issues and challenges are: the creation of tourist areas of international appeal, the development of human resources for the tourism industry, and investing in additional appropriate infrastructure.

Tourism policy and planning is led by the overarching national strategy for economic growth, the Japan Revitalization Strategy 2016 – Towards the 4th Industrial Revolution. This has a target of achieving the “Biggest Post-War Goal: 600 trillion Yen GDP” by focusing on the following three challenges:

- The strategic creation of new promising growth markets,
- An “Industrial Revolution” to overcome the lack of workers and wage restrictions resulting from a decreasing population,
- The development of personnel to support the new industrial framework.

With respect to new promising growth markets, 10 Public-Private Strategic Projects have been established, with the realisation of Japan as a tourism-oriented country included as one of the projects. Tourism is the trump card for regional revitalisation and is seen as a key pillar in the growth strategy.

To realise the policies to become a tourism-oriented country, a new “Tourism Nation Promotion Basic Plan” was approved by the Cabinet, defining those policies to be enacted by the entire government. The plan, which runs from 2017-2022, establishes four basic national policies:

- The development of the private sector economy,
- The furtherance of international mutual understanding,
- The increased stability of civilian life,
- Countermeasures against the risks of fires and accidents.

In addition, the government’s action plan for tourism policies in the “Tourism Vision Realisation Programs 2017” expresses more concrete policies for the coming year and moves towards realisation of that vision.

With the 2020 Tokyo Olympics/Paralympics approaching, Japan is working on various initiatives with a view to becoming a world-class tourist destination. This involves preparing additional infrastructure to accept the expected increase in foreign tourists, dispersing tourists to local areas, revitalising tourism in disaster-struck areas, and dealing with the changing needs of tourists.

Accommodation capacity is an important issue in parts of Japan. Extra capacity is being provided by new accommodation platforms, but these need regulation. In response, a Private Lodging Business Act was introduced in June 2017, which will be enforced from June 2018. This new law defines a set of rules for operating a private lodging. It provides notification and registration systems specifically for operators of private lodgings and for agencies that act as intermediaries between the guests and the operators (Box 1.19).

Statistical profile

Table 1. Japan: Domestic, inbound and outbound tourism

	2012	2013	2014	2015	2016
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	612 750	630 950	595 221	604 715	641 079
Overnight visitors (tourists)	315 549	320 416	297 343	312 985	325 658
Same-day visitors (excursionists)	297 201	310 534	297 878	291 730	315 421
Nights in all types of accommodation	413 181	432 398	428 677	438 464	423 096
Hotels and similar establishments	404 510	422 109	419 998	430 108	414 939
Specialised establishments	..	..	..	..	..
Other collective establishments	8 670	10 289	8 679	8 356	8 157
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	8 368	10 364	13 413	19 737	24 040
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
China	1 430	1 314	2 409	4 994	6 374
Korea	2 044	2 456	2 755	4 002	5 090
Chinese Taipei	1 467	2 211	2 830	3 677	4 168
Hong Kong, China	482	746	926	1 524	1 839
United States	717	799	892	1 033	1 243
Nights in all types of accommodation	26 314	33 496	44 825	65 615	69 389
Hotels and similar establishments	26 174	33 380	44 705	65 285	69 159
Specialised establishments	..	..	..	..	..
Other collective establishments	140	116	119	330	230
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	18 491	17 473	16 903	16 214	17 116
Overnight visitors (tourists)
Same-day visitors (excursionists)
Top destinations					
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TOURISM RECEIPTS AND EXPENDITURE, MILLION JPY					
Inbound tourism					
Total international receipts	1 291 987	1 649 825	2 206 700	3 304 700	3 337 500
International travel receipts	1 163 092	1 476 616	1 997 400	3 024 000	3 337 500
International passenger transport receipts	128 896	173 209	209 300	280 700	..
Outbound tourism					
Total international expenditure	3 266 108	3 145 219	3 023 500	2 804 200	2 011 000
International travel expenditure	2 224 813	2 131 105	2 041 900	1 933 400	2 011 000
International passenger transport expenditure	1 041 295	1 014 115	981 600	870 800	..

.. Not available

Source: OECD Tourism Statistics (Database).


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

	Number of establishments ¹	Number of persons employed				
	2015	2012	2013	2014	2015	2016
Total
Tourism industries	60 512	4 424 721	4 477 798	6 431 130	6 344 990	..
Accommodation services for visitors
Hotels and similar establishments	50 628	427 677	419 227	623 250	581 020	..
Food and beverage serving industry	..	1 092 878	1 063 824	3 443 750	3 464 980	..
Passenger transport	..	1 407 906	1 443 075	1 045 760	975 090	..
Air passenger transport	..	80 063	84 240	46 980	46 890	..
Railways passenger transport	..	417 437	427 703	305 890	260 070	..
Road passenger transport	..	694 584	678 412	622 430	597 800	..
Water passenger transport	..	215 822	252 720	70 460	70 330	..
Passenger transport supporting services	..	643 985	670 410	598 950	632 960	..
Transport equipment rental
Travel agencies and other reservation services industry	9 884	..	..	..	..	..
Cultural industry
Sports and recreation industry	..	852 275	881 261	719 420	690 940	..
Retail trade of country-specific tourism characteristic goods
Other country-specific tourism industries
Other industries

.. Not available; | Break in series

1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888933640519>Table 3. **Japan: Internal tourism consumption**

Million JPY

	2015		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	21 734 935	3 304 700	25 481 302
Tourism characteristic products	13 448 260	2 022 657	15 912 584
Accommodation services for visitors	3 525 303	780 423	4 747 393
Food and beverage serving services	2 584 414	558 365	3 142 779
Passenger transport services	5 733 485	571 260	6 304 745
Air passenger transport services	2 139 175	301 037	2 440 212
Railways passenger transport services	2 940 729	217 387	3 158 116
Road passenger transport services	542 552	47 532	590 084
Water passenger transport services	111 029	5 304	116 333
Passenger transport supporting services	..	..	..
Transport equipment rental services	273 492	29 310	302 802
Travel agencies and other reservation services industry	473 783	19 993	493 776
Cultural services	267 651	24 088	291 739
Sports and recreation services	590 132	39 218	629 350
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	8 286 675	1 282 043	9 568 718
Tourism connected products	7 714 648	1 264 448	8 979 096
Non-tourism related consumption products	572 027	17 595	589 622
Non-consumption products

.. Not available

Source: OECD Tourism Statistics (Database).

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