

White Paper on Tourism in Japan, 2010

Summary

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Tourism Policy in FY2010

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State of Tourism in FY2009

Part I New Developments in Tourism Policy

Chapter 1 Promoting Tourism Policy by the Entire Government

Section 1 Tourism Administration as a Growing Field

“The realization of tourism nation” is regarded as an essential national issue for developing the Japanese economic society in the 21st century as seen in the enactment of “the Tourism Nation Promotion Basic Law” in December 2006 and the cabinet decision on “the Tourism Nation Promotion Basic Plan” in June 2007. Under such circumstances, it is necessary to promote measures for realizing a tourism nation comprehensively and systematically by the entire government by strengthening collaboration and coordination among concerned agencies and ministries in order to achieve the goals set out in the Tourism Nation Promotion Basic Plan. “The Japan Tourism Agency (JTA)” was founded on October 1, 2008 as an external bureau of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) to develop a system that enables functional and effective enforcement of operations and clarify an organization that is responsible for tourism administration.

“The MLIT Growth Strategy Conference” consisting of experts in each field has been held since October 2009 to discuss growth strategies of Japan concerning the administration of land and transportation including the realization of a tourism nation.

In addition, “the New Growth Strategy (a basic policy) Toward a Radiant Japan” of the government decided by the Cabinet in December 2009 positions the promotion of a tourism nation as one of the six growth strategy fields. Under a consciousness that tourism realizes economic growth without depending on the increase of public spending, in order to realize a tourism nation by the entire country, “the Tourism Nation Promotion Headquarters” consisting of the Minister of Land, Infrastructure, Transport and Tourism as its chief and the senior vice-ministers from all agencies and ministries was established in December 2009. The three working teams were established under the Headquarters to advance the consideration among concerned agencies and ministries; 1) “Working team on the attraction of foreign tourists” that carries out coordination for resolving issues related to the attraction of foreign tourists including a problem of issuing the tourist visa for the Chinese people, 2) “Tourism collaboration consortium” that deliberates on comprehensive promotion measures related to various tourism menus such as eco tourism, green tourism, cultural tourism, industrial tourism, medical tourism and sports tourism, and 3) “Working team on the decentralization of vacations” which deliberates on and coordinates the decentralization of vacation taking that has a great effect on the reduction of travel costs through an equalized demand for tourism, improvement of productivity of the tourism industry, stabilization of employment, etc.

Section 2 Tourism Nation Promotion Basic Plan and Its Promotion

“The Tourism Nation Promotion Basic Law” which positions the realization of a tourism nation as an essential issue for the development of Japanese economic society in the 21st century was enacted in January 2007, and based on the Law, “the Tourism Nation Promotion Basic Plan,” a master plan to promote various measures concerning the realization of a tourism nation comprehensively and systematically, was decided by the government in June 2007. This plan advocates basic principles related to measures concerning the realization of a tourism nation and the goals such as 1) raise the number of foreign tourists visiting Japan to 10 million by 2010, 2) raise the number of Japanese tourists visiting overseas to 20 million by 2010, 3) increase the amount of domestic consumption on tourist travel to 30 trillion yen by FY2010, 4) raise the average number of stays per person for domestic tourist travel by the Japanese public to 4 nights per year by FY2010, and 5) raise the number of international conferences held in Japan by more than 50% by 2011. Also, the Plan stipulates necessary measures to achieve those goals.

The entire government, mainly the Japan Tourism Agency, will promote measures to realize a tourism nation comprehensively and systematically.

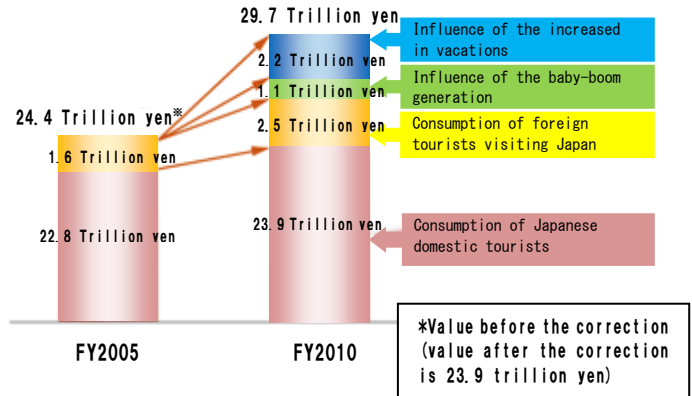
▼ Five goals to realize a tourism nation in “the Tourism Nation Promotion Basic Plan”
(Translation of column)

In accordance with the Tourism Nation Promotion Basic Law, “the Tourism Nation Promotion Basic Plan” was decided by the Cabinet on June 29, 2007. The Basic Plan stipulates the five basic goals to realize a tourism nation

- Term of Plan: Five years
- The plan is checked every year and reviewed approx. three years later

Amount of consumption on tourist travel in Japan

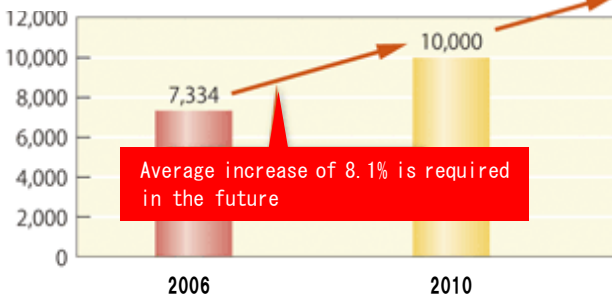
It will be raised to **30 trillion yen** by FY2010



Number of foreign tourists visiting Japan

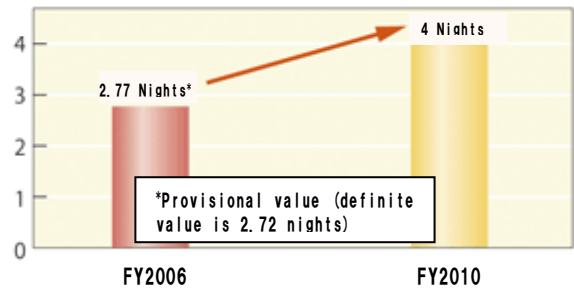
It will be raised to **10 million** by 2010 and to the same level as the number of Japanese tourists going overseas in the future.

(Unit: 1,000)



Number of stays per person in domestic tourist travel

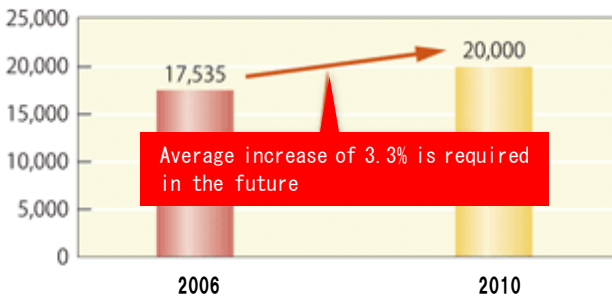
It will be raised to **four nights** by FY2010.



Number of Japanese tourists going overseas

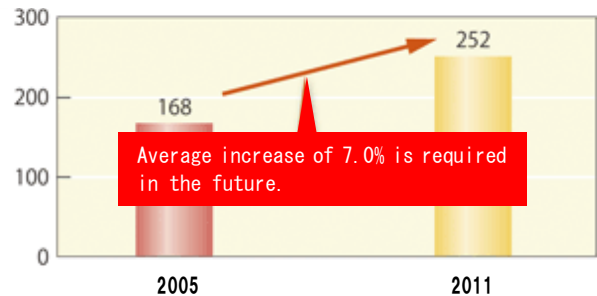
It will be raised to **twenty million** by 2010.

(Unit: 1,000)



Number of international conferences held in Japan

It will be raised by **more than 50%** by 2011.



Chapter 2 Understanding and Analyzing International Travel Patterns to Realize Tourism Nation

In this chapter, a tourism environment of other countries will be compared to that of Japan to analyze issues and to verify a future course of strategic efforts by panoramically grasping the current status of tourism.

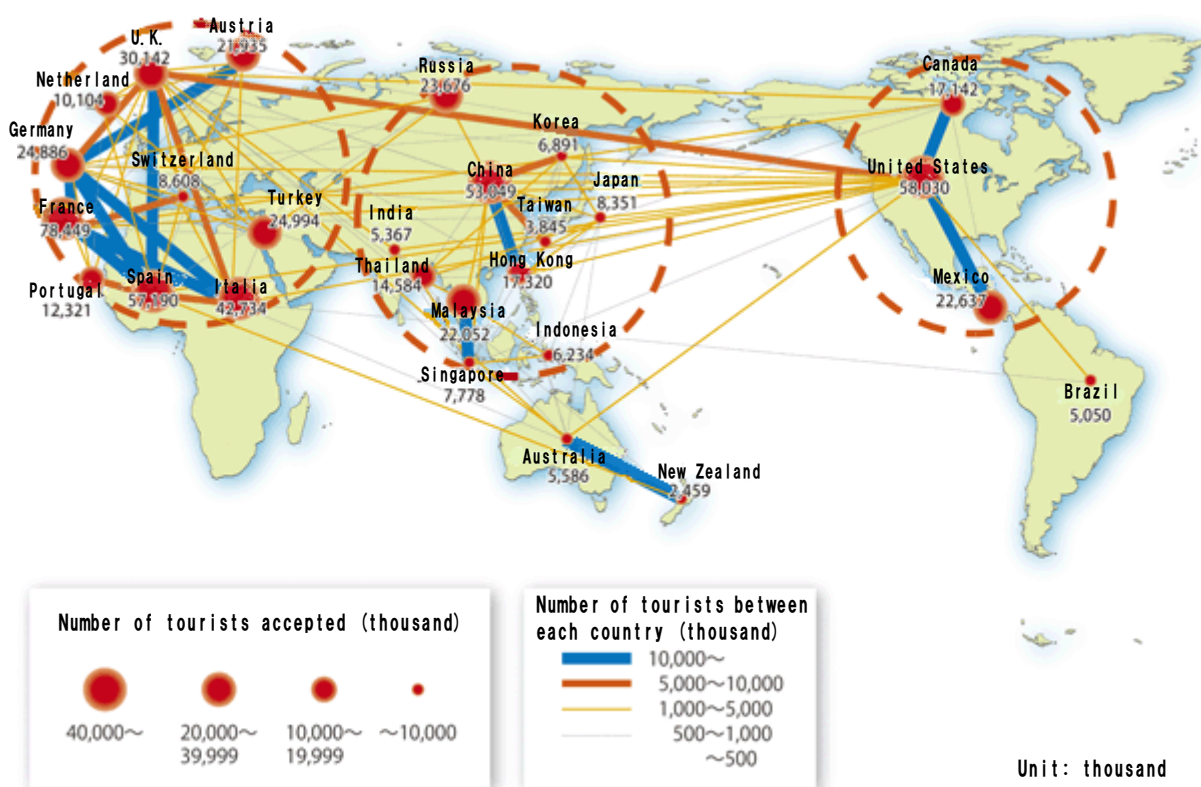
1. Current status of tourist travel in the world

(1) Change in the numbers of tourists accepted in the world

Looking at an environment that surrounds the global tourism in the 21st century, the number of tourists has been increasing although incidents that have a negative impact on tourism have occurred such as the 9-11 terrorist attacks (2001), the epidemics of severe acute respiratory syndrome (SARS) (2003) and the new influenza virus (2009) and the global financial crisis (2008). According to a quick estimation by the World Tourism Organization (UNWTO) announced in 2009, the number of international tourists accepted was 922 million in 2008, increasing over the previous year. This was the highest number ever.

Looking at the status of accepting foreign tourists by country, the top five countries are France, Spain, the United States, China and Italy. Those countries attract more tourists from neighboring countries and regions.

Current status of the number of foreign tourists accepted (2008)



Note: Created by the Japan Tourism Agency based on the "World Tourism Highlight 2009" and the "Tourism Market Trends" published by the UNWTO

(2) Current status of tourism in major countries

In order to compare the current status of tourism in major Asian and EU countries and the U.S.A., basic information such as population and GDP by country, an implementation status of tourist travel and vacation-related data that has a great impact on travel environments were collected.

Target: Japan, Korea, France, United Kingdom, Germany, Australia, United States, China (for reference)

(Note) China is for reference as statistical information was not collected completely

(i) Number of domestic overnight trip

The number of domestic overnight trips (including business trips) in FY2008 was 2.8 times in Japan. Japan is ranked as the fourth place among the seven countries excluding China that does not have any statistics data on domestic travel.

(ii) Number of stays in domestic trip

The number of stays per domestic travel in FY2008 was 2.0 in Japan. This was the last place in the seven countries excluding China that does not have any statistics data.

(iii) Total number of stays in domestic travel

The total number of stays per person in domestic travel in Japan was 5.6 nights based on 1) and 2) above, putting Japan to the last place among the seven countries.

(iv) Number of overseas travels

The number of overseas travels of the Japanese public was 0.13 and this is the second last place after China (0.03).

(v) Tourism GDP

The tourism GDP of Japan was 90.3 billion dollars (2008) and its share in the entire GDP is 1.9%.

(vi) Working hours, etc.

The annual working hours are shorter and the paid vacation days are longer in European countries. The annual working hours in Japan (1,785 hours) and the number of days of paid vacation given (substantially 18 days on average) are the same level as the United States. Current status of tourism in major countries (2008)

Current status of tourism in major countries(2008)

		Japan	Korea	France	United Kingdom	Germany	United States	Australia	China (reference)
Basic information	1) Area (km ²)	377,946	99,678	632,834	242,514	357,104	9,826,675	7,692,024	9,600,000
	2) Population	127.4 million (2009)	48.61 million	61.84 million	61.41 million	82.77 million	336.0 million	21.02 million	1,336.31 million
	3) Capital	Tokyo	Seoul	Paris	London	Berlin	Washington, D.C.	Canberra	Beijing
	4) Languages	Japanese	Korean	French	English	German	English	English	Chinese
	5) Religions	Buddhism, Shintoism	Buddhism, Protestant, Catholic, etc.	Catholic	Church of England	Catholic, Protestant, Judaism	Protestants, Roman Catholic, Judaism, other, no religion	Catholicism, Buddhism, Muslim, Hinduism, Judaism, no religion	Buddhism, Muslim, Catholicism
	6) Nominal GDP (USD) (\$)	4.917 trillion	928.7 billion	2.856 trillion	2.662 trillion	3.655 trillion	14.441 trillion	885 billion	4.327 trillion
	7) GDP per capita (USD)	38,457	19,136	46,037	43,734	44,729	47,440	46,824	3,259
Travel activities	8) Number of travels (domestic overnight trips)	2.8	2.2	3.4	1.9	2.2	3.2 (2006)	3.4	-
	9) Number of stays per travel (domestic travel)	2.0	2.7	5.8	3.2	3.4	4.4 (2005)	3.9	-
	10) Total number of domestic stays	5.6	5.9	19.7	6.1	7.5	14.1	13.3	-
	11) Number of travels (overseas) (USD)	0.13	0.25	0.39	1.12	1.04	0.21	0.28	0.03
	12) Amount of consumption per travel (domestic stays)	534	109	500 (2007)	329	292	591 (2005)	531	-
	13) Tourism GDP (USD) and its share	90.3 billion 1.9%	12 billion (2009) 1.5%	79.6 billion (2005) 3.7%	53.9 billion (2003) 3.4%	73 billion (2009) 2.1%	370 billion (2007) 2.7%	34.1 billion 3.6%	54.4 billion (2002) 4.2%
Working hours	14) Number of public holidays	15	14	13	8	9	10	20 (statutory)	11
	15) Number of days of annual paid vacation given	10~20 (statutory) average: 18	15~25 (statutory)	25 (statutory)	28 (statutory)	20 (statutory)	average: 16.9 used	20 (statutory)	5~15 (statutory)
	16) Average working hours (2007)	1,785	2,316	1,533	1,670	1,433	1,794	1,722	

Notes:

1. Created by the Japan Tourism Agency based on "White Paper on Tourism 2009" by the Japan National Tourism Organization (JNTO), "Travel legal database 2009" by the International Labour Organization, "Information by country/region" by the Japan External Trade Organization and statistical data on tourism of various countries
2. If data of 2008 is not available, the latest available data is used
3. The domestic overnight trip includes homecoming visits and business trips. The source of data of each country are as follows:

Japan	FY2008 Travel and Tourism Consumption Trend Survey
Korea	2008 National Tourism Survey
France	Memento du tourisme 2008, Memento du Tourisme 2009, Les chiffres clés du tourisme 2008
England	UK Tourist Statistics 2008
Germany	Statistischen Jahrbuch 2009
United States	U.S. Census Bureau, Statistical Abstract of the United States 2009, 2010
Australia	NVS December 2008
China	China Statistical Yearbook 2009

2 Trends of Tourist Travel in Japan, France and Korea

(1) Setting target countries

As seen in 1(2), the trend of each country's tourist travel differs to a significant degree, so that a detailed status of tourism was investigated based on "the international comparative survey on travel environment FY2009*1" which targets Japan, France and Korea, and factors which affect tourist travels and issues Japan should address were analyzed.

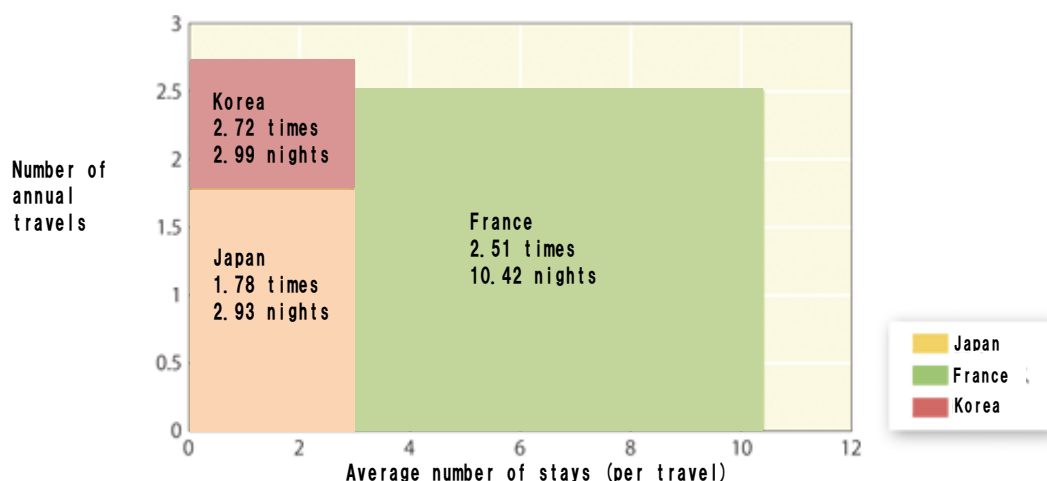
- *1 **Outline of the "the International comparative survey on travel environment FY2009 conducted by the Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism**
Period of survey: March 2010
Method of survey: Internet-based (panel survey)
Subject: 1,000 (total 3,000, allocation by population rate) in Japan, France and Korea, respectively. The tourist travels in this survey refer to the overnight tourist trips and exclude business trips and day trips.

(2) Status of tourist travels

(i) Number of trips per year, number of stays

The annual number of overnight trips in Japan in 2009 was 1.78, and this is lower than the results of France (2.51) and of Korea (2.72). The number of stays per trip in Japan was 2.93 nights, and this is also lower than the results of France (10.42) and Korea (2.99). Looking at the breakdown of the number of trips per year, the group that did not travel at all throughout the year in Japan accounted for 33.3%. This is 1.5 times as high as France (22.0%) and twice as high as Korea (16.3%).

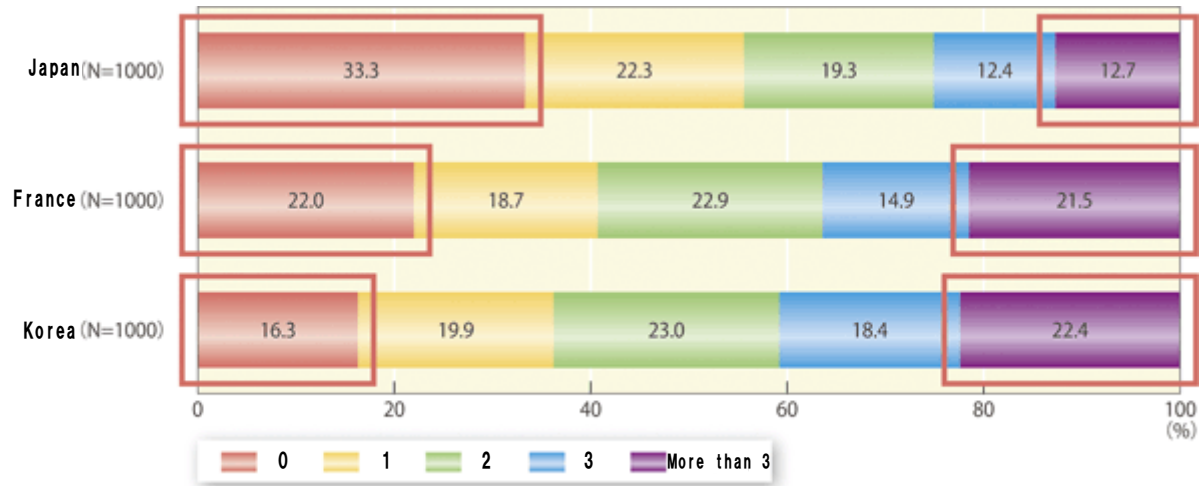
Comparison of the number of trips and the number of stays per year



Notes:

- Based on "FY2009 International Survey on Travel Environment" by the Japan Tourism Agency
- The average number of stays is an average of the three longest travels in the travels conducted in 2009

Number of overnight tourist travels



Note: Based on “FY2009 International Comparative Survey on Travel Environment” by the Japan Tourism Agency

(ii) Amount of consumption on tourism, etc.

1) Amount of consumption on tourism

The amount of consumption per domestic overnight trip in Japan is 55,186 yen. Although this is the same level as France (55,297 yen), the amount of consumption per night is more than twice (27,593 yen) as much as that of France.

Amount of consumption per domestic overnight trip and per night

		Japan (2008)	France (2007)	Korea (2008)
Amount of consumption per trip and per night	Amount of consumption per trip (yen)	55,186	55,297	11,266
	Number of stays	2.0	4.9	2.7
	Amount of consumption per night (yen)	27,593	11,285	4,173

Notes: Created by the Japan Tourism Agency based on the following materials

Japan: JTA “FY2008 Travel and Tourism Consumption Trend Survey”

France: “Memento du Tourisme 2008”

Korea: “2008 National Tourism Survey”

2) Usage of accommodations and transportations

Looking at the breakdown of usage of accommodations in domestic overnight travels, the use of paid accommodations such as hotels (44.3%) and inns (28.3%) is more common in Japan, while the use of family home and friend’s home accounts for over 50% in France and Korea. Regarding means of transportation, public transportations such as train, the Shinkansen bullet train and airplane are more common in Japan, while automobile accounts for about half as much as France (82.0%) and Korea (70.2%). This is thought to be one factor which increases the amount of consumption on tourism in Japan compared to France and Korea.

Breakdown of accommodations of domestic overnight trip by type

Breakdown by accommodation	Japan	France	Korea
Hotel	44.3%	10.4%	3.5%
Inn	28.3%	-	-
B&B, guest house, rented vacation home (Note 1)	4.1%	10.3%	31.3%
Camping site (Note 2)	1.3%	4.7%	2.2%
Family home, friend's home (Note 3)	22.4%	58.5%	55.3%
Vacation home, resort condominium (Note 4)	1.3%	10.5%	-
Others	10.0%	5.7%	-

Notes:

1. In France, Location, gite ou chambre d' hote, and in Korea, total of guest house 4.9%, motel/inn 8.0%, and condominium 8.6% and B&B 9.8%
 2. Camping in France and camp in Korea
 3. Total of relative' s home 46.1% and friend' s home 12.4% in France, family' s/friend' s home in Korea
 4. Residence socondaire de foyer in France
 5. Multiple answers in Japan and Korea
- * Data of 2008 for Japan, France and Korea
 Created by the Japan Tourism Agency based on the following materials
 Japan: JTA "FY2008 Travel and Tourism Consumption Trend Survey"
 France: "Memento du Tourisme 2009"
 Korea: "2008 National Tourism Survey"

Breakdown of means of transportation in domestic overnight trips

Means of transportation	Japan	France	Korea
Automobile (Note 1)	34.2%	82.0%	70.2%
Train (excluding the bullet train) (Note 2)	11.1%	13.5%	4.2%
Bullet train (Note 3)	16.3%	-	3.6%
Express bus, route bus (Note 4)	2.9%	1.2%	12.4%
Airplane	12.5%	1.4%	3.4%
Hired bus (Note 5)	7.4%	-	3.8%
Others	3.9%	1.8%	-

Notes:

1. Including motorbike in France
 2. Including Train a grande vitesse (TGV)
 3. Rapid train in Korea
 4. Including hired bus in France, and total of express bus 6.4% and general bus 6.0% in Korea
 5. Hired bus/tourist bus in Korea
- The longest distance among the transportations used in Japan and multiple answers in Korea
 - Data of 2008 for Japan, France and Korea
- Created by the Japan Tourism Agency based on the following materials:
 Japan: JTA "FY2008 Travel and Tourism Consumption Trend Survey"
 France: "Memento du Tourisme 2009"
 Korea: "2008 National Tourism Survey"

(iii) Status of Vacation Taking

Looking at the status of annual paid vacation taking in 2009, the average length of vacation was 8.27 days for Japan and 8.93 days for Korea, almost the same level. On the other hand, in France where continuous taking of annual paid vacations is obligated, the number of days of annual paid vacations taken is as long as 34.95 days. The number of days of vacation including Saturday, Sunday and public holidays taken for travel was longest in France (15.73 days), then came Japan (9.05 days). The result of Korea was about as half as that of Japan (4.36 days).

Looking at the relationship between the number of vacation days and the number of stays in overnight trips, the number of stays is around 2~3 nights in Japan regardless of the number of vacation days, while people use more vacation days for travel in France and Korea.

Status of vacation taking

		Japan (n=925)	France (n=878)	Korea (n=791)
Number of days of annual paid vacation taken		8.27	34.95	8.93
Longest vacation	Number of days	9.05	15.73	4.36
	Number of stays	3.27	14.62	3.46
Second longest vacation	Number of days	4.99	8.32	3.36
	Number of stays	2.73	7.38	2.78
Third longest vacation	Number of days	3.81	7.09	3.14
	Number of stays	2.41	6.38	2.36

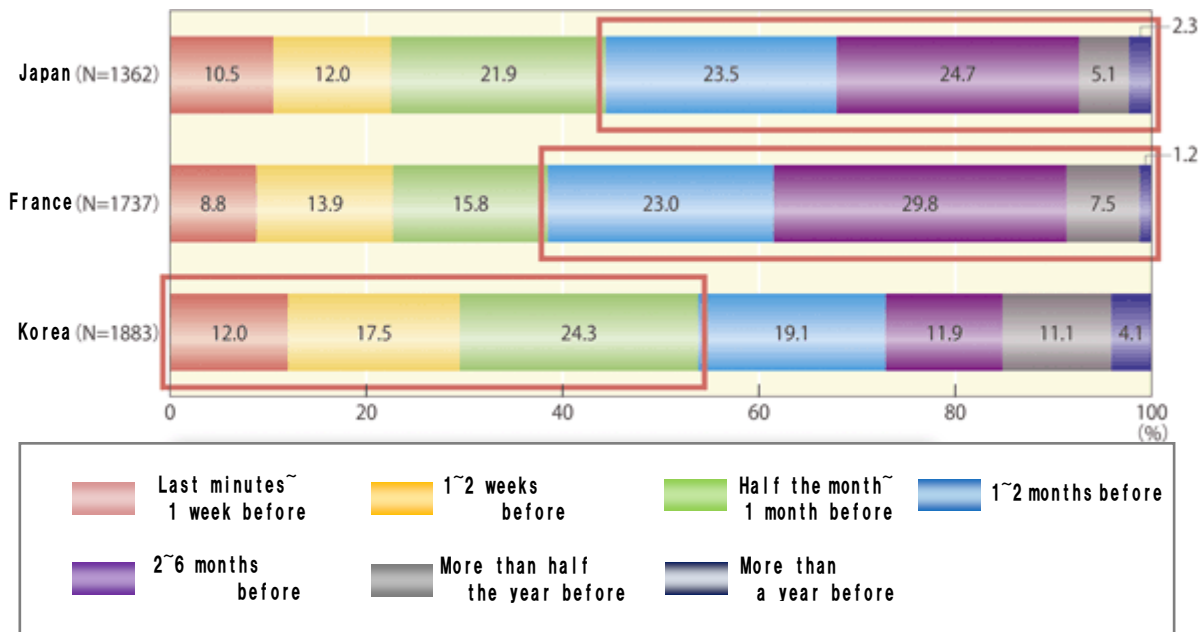
Notes

1. Based on “FY2009 International Comparative Survey on Travel Environment,” Japan Tourism Agency
2. The number of annual paid vacation days taken does not include Saturday, Sunday and public holidays
3. The number of vacation days is the three longest holidays (including Saturday, Sunday and public holidays) among the holidays used for overnight trips

(iv) Planning period and destination of overnight trip

Looking at the planning period of overnight trips, about 50% of the Koreans makes a plan in the last minutes or within 1 month from the travel. On the other hand, in Japan and France, about 60% of people make a plan more than 1 month before the travel. They tend to make a travel plan earlier.

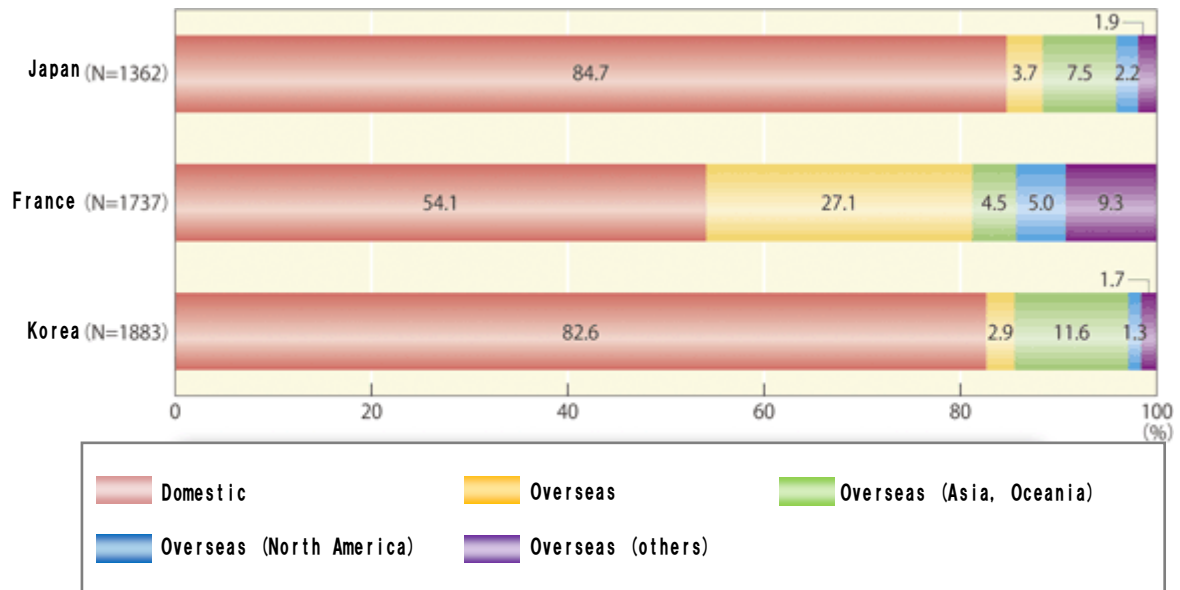
Planning period of trip



Note: Based on “FY2009 International Comparative Survey on Travel Environment,” Japan Tourism Agency

Concerning destinations for overnight trips, more than 80% of destinations account for domestic destinations in Korea and Japan, while about 50% of destinations are domestic in France.

Destinations of overnight trip



Notes:

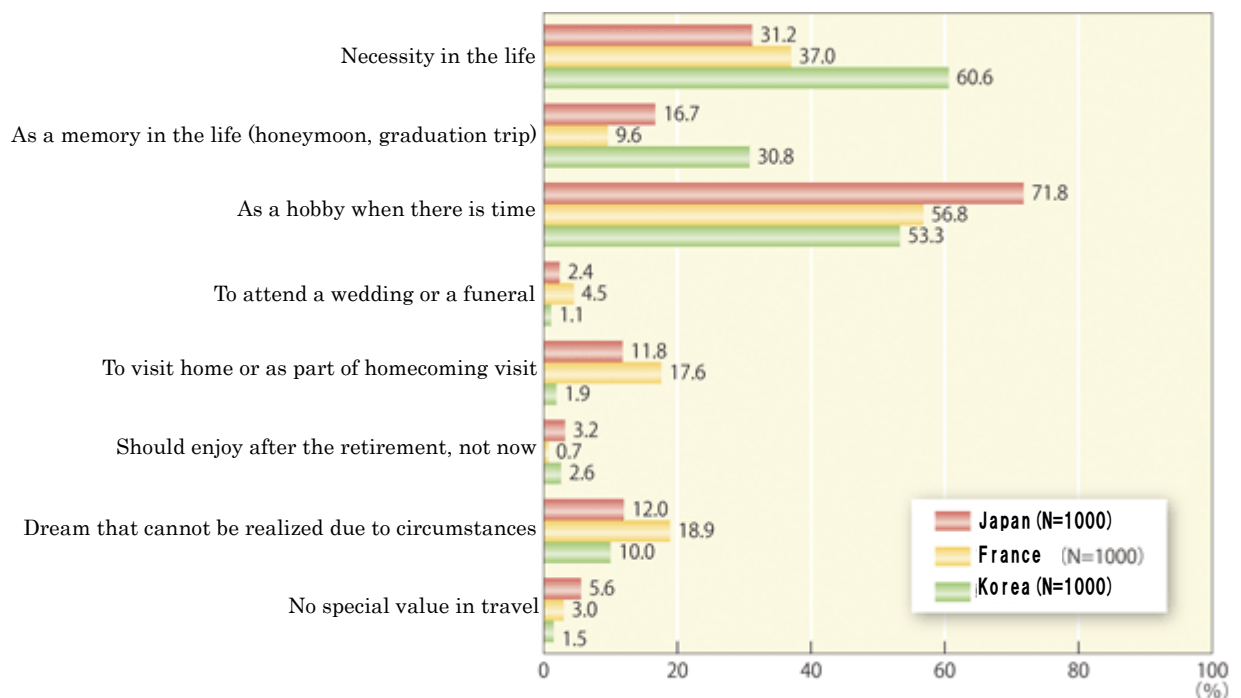
1. Based on “FY2009 International Comparative Survey on Travel Environment,” Japan Tourism Agency
2. If one visited different regions in one overnight trip, a destination where he stayed the longest is adopted for the totalization

(3) Consciousness on tourist travel

(i) Position of travel in the life

Looking at a position of travel in the life, the answer “hobby when there is time” was the most popular, then “necessity in the life” in Japan and France. On the other hand, “necessity in the life” was the most popular answer in Korea, indicating that the Koreans have a strong desire for travel in their life.

Position of travel in the life



Notes

1. Based on “FY2009 International Comparative Survey on Travel Environment,” Japan Tourism Agency
2. Up to 2 applicable answers

(ii) Expectation on travel

Concerning the expectation on travel, “relaxation and healing” was the most popular answer in all three countries. In Japan and Korea, “joy of travel itself and tasty food” was the second popular answer (about 50%), while this is not a popular answer in France (15.1%). On the other hand, “widening experiences as a human being” was the most popular answer in France (37.0%), and this is about twice as much as the standard of Japan and Korea. Those results indicate that there are different views on what the people expect of travel in Japan/Korea and France.

Expectation of travel



Notes:

1. Based on “FY2009 International Comparative Survey on Travel Environment,” Japan Tourism Agency
2. Up to 2 applicable answers

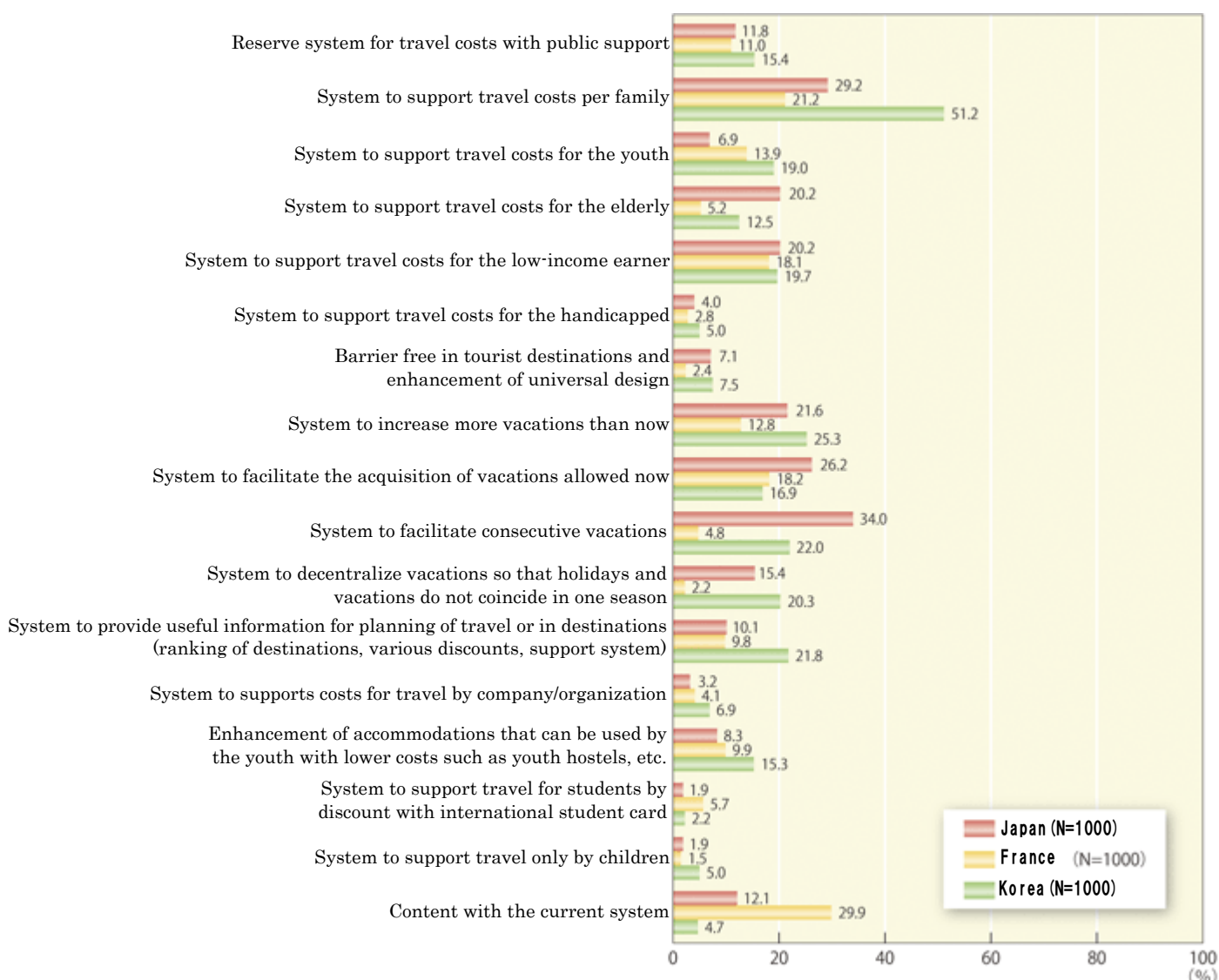
(iii) System necessary for increasing travels

As a system thought to be necessary for increasing overnight trips, “a system that facilitates easy taking of consecutive days of vacation” was the most popular answer (34.0%), then “support for costs of family trip” (29.2%) and “a system that facilitates easy taking of vacations” (26.2%) in Japan. These answers indicate that many people need systems related to the acquisition of vacations and support for family trips.

In France, “Content with the current system” was the most popular answer (29.9%), and there was a big difference from the results in Japan (12.8%) and Korea (4.7%). The systems to support travel in France such as the annual paid leave act (vacation act) and vacation checks are valued by the nation to a certain degree.

In Korea, “support for costs of family trip” was the most popular answer (51.2%). As shown in (4), the travel with family is highly valued in Korea and that is the reason why the people expect a system to support family trips.

System necessary for increasing travel



Notes:

1. Based on “FY2009 International Comparative Survey on Travel Environment,” Japan Tourism Agency
2. Up to three applicable answers

(4) Family trip

The family trip accounts for a large share in the tourist travel market*1. The analysis in the White Paper on Tourism 2009 shows the result that experiences of meaningful family trip for children tend to increase the number of family trips when they become parents. Therefore, travel experiences of children through family trip are thought to have a great impact on the trend of future tourist travel.

(i)Number of family trips

The annual number of family trips*2 in 2009 was 1.10 for Japan, and this is lower than the values of France (2.07) and Korea (1.89). Looking at the number of family trips by age of children, the number of family trips with junior high school students (1.04) and high school students (0.74) are particularly low and about as half as those of France and Korea. In France, the number of family trips is high regardless of the age of children, indicating that a custom of family trip has been deeply rooted in the people's life.

Number of family trips by age of children



Note: Based on "FY2009 International Comparative Survey on Travel Environment," Japan Tourism Agency

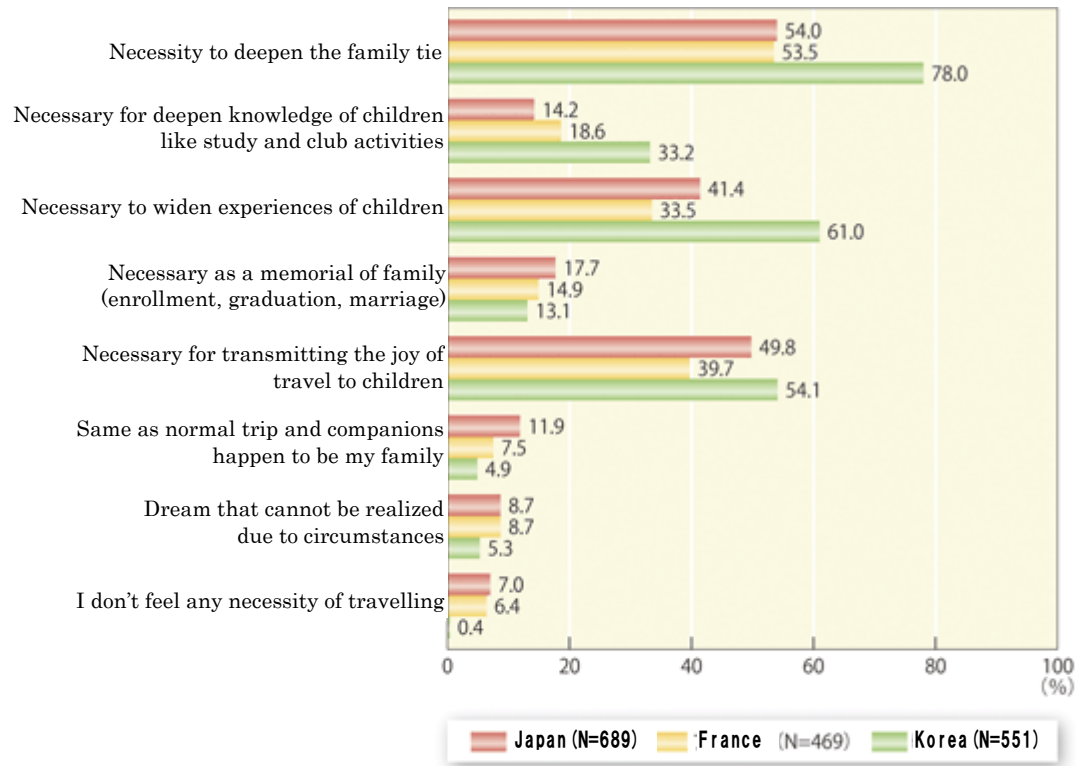
*1 According to the "Travelers Trend 2009" by the Japan Travel Bureau Foundation, the ratio of family trip in the domestic tourist travel has the biggest share of 51.4%

*2 Only family trips are subject to the survey and travels only with parents or children are not included

(ii) Consciousness on family trip

Looking at the consciousness on family trip, “necessity to deepen the family tie” was the most popular answer in three countries, but the percentage is much higher in Korea (78.0%) than Japan (54.0%) and France (53.5%). The consciousness on family trip is very strong in Korea, as shown in the results that the answer rate of other questions is also high.

Position of family trip



Notes:

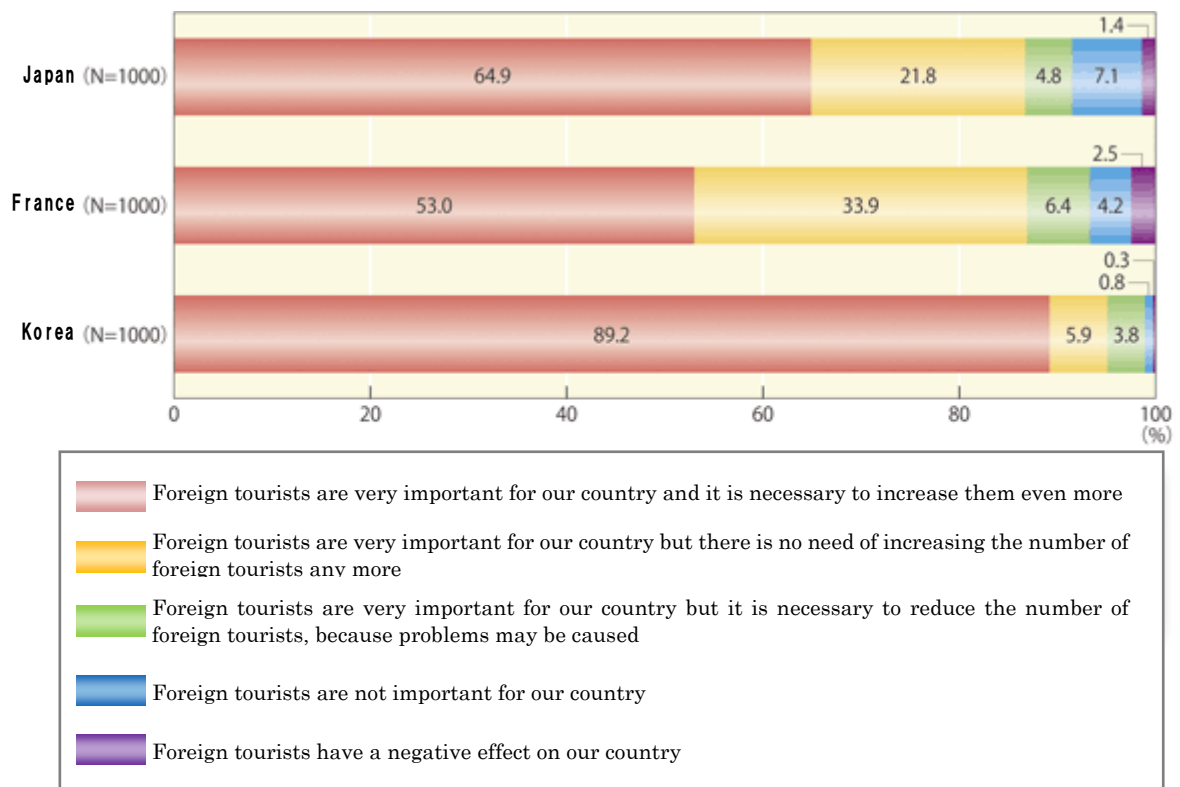
1. Based on “FY2009 International Comparative Survey on Travel Environment,” Japan Tourism Agency
2. Up to three applicable answers

(5) Consciousness on acceptance of tourists from overseas

(i) Importance of foreign tourists

Looking at the consciousness on the acceptance of foreign tourists, “it is very important and necessary to increase more” was a popular answer in Japan (64.9%) and Korea (89.2%). This indicates that consciousness on the importance of accepting foreign tourists is strong. On the other hand, in France that accepts more foreign tourists in the world, the answer that “the foreign tourists should not be accepted any more” accounted for 53.0%, and “it is important to accept foreign tourists but there is no need of increasing them any more” (33.9%) are more popular than Japan and Korea.

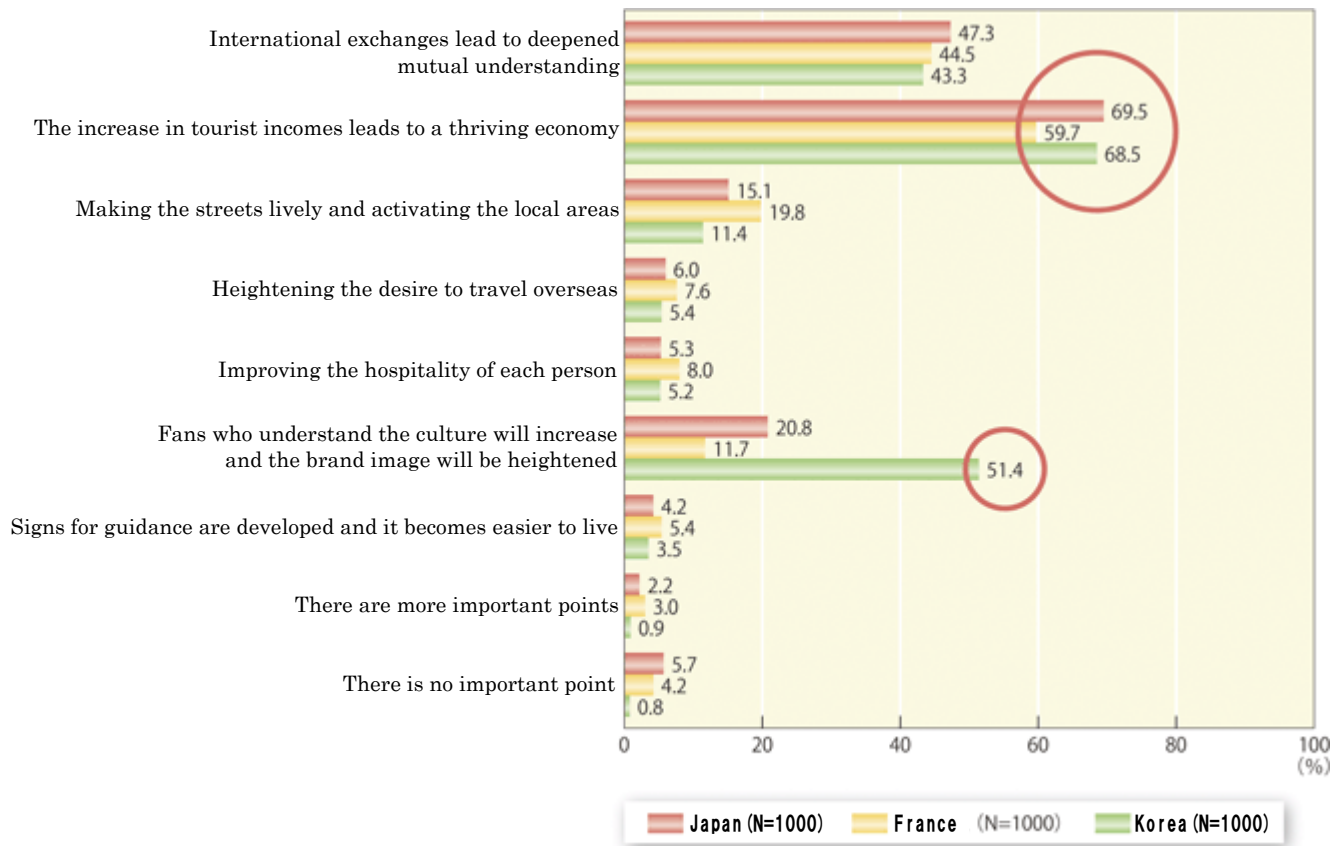
Consciousness on accepting foreign tourists



Note: Based on “FY2009 International Comparative Survey on Travel Environment,” Japan Tourism Agency (Reference) Number of foreign tourists (2008: Japan National Tourism Organization (JNTO))
 Japan: 8.35 million (28th place: 6.79 million in 2009)
 France: 78.45 million (1st place)
 Korea: 6.89 million (34th place)

Looking at reasons for thinking the acceptance of foreign tourists as important, “the increase in tourist incomes leads to a thriving economy” was the most popular answer. As for Japan, 69.5% chose this answer, then 47.3% chose “international exchanges lead to deepened mutual understanding”. In Korea, “Fans who understand the culture will increase and the brand value of Korea will be heightened” marked a high answer ratio (51.4%) compared to Japan (20.8%) and France (11.7%).

Importance of accepting foreign tourists



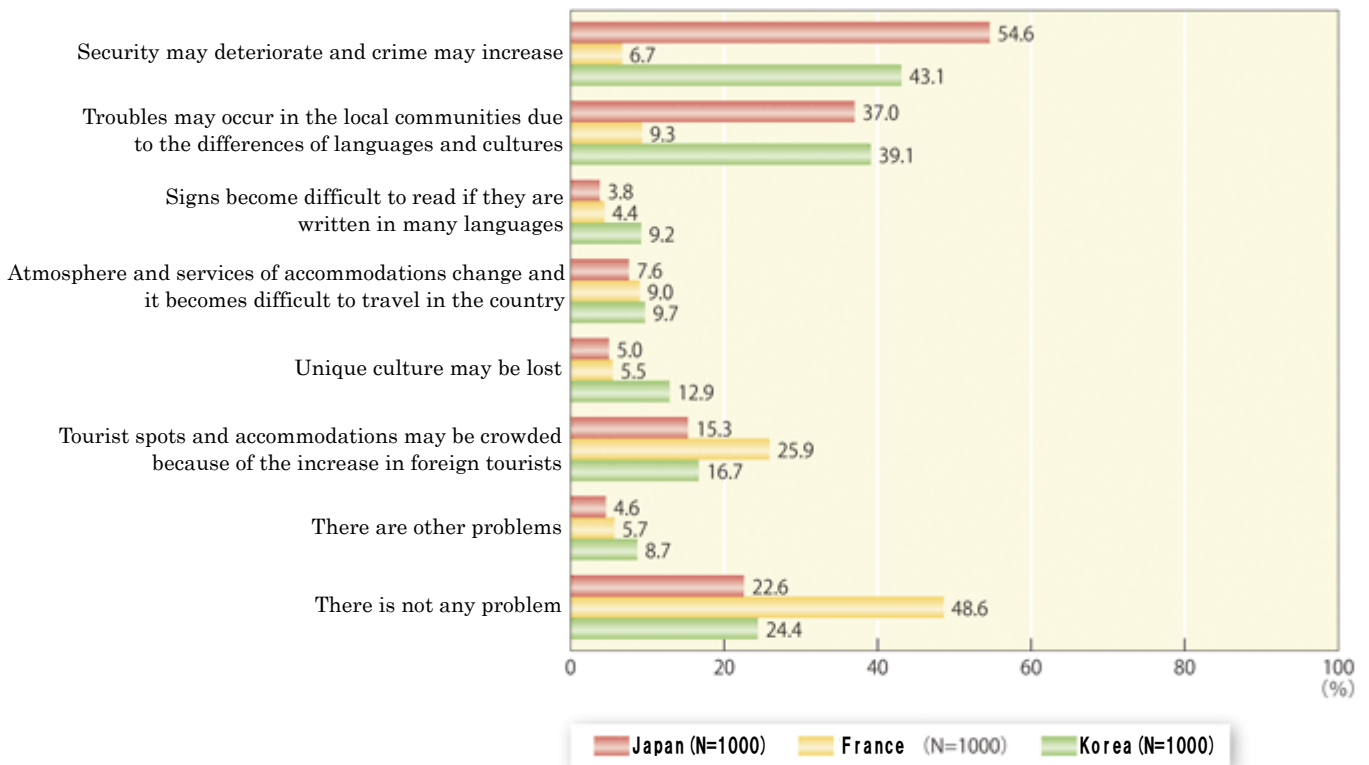
Notes:

1. Based on “FY2009 International Comparative Survey on Travel Environment,” Japan Tourism Agency
2. Up to two applicable answers

(ii) Problems in the acceptance of foreign tourists

Looking at problems in the acceptance of foreign tourists, many chose the answers concerning security in Japan and Korea such as “security will deteriorate and crime may increase,” and “troubles may occur in the local communities due to the difference of languages and cultures.” On the other hand, in France, less than 1% chose this answer. Although France accepts more foreign tourists than any other country in the world, “there is not any problem” was the most popular answer (48.6%), then “tourist spots and accommodations will be crowded because of the increase in foreign tourists” (25.9%).

Problems in the acceptance of foreign tourists



Notes:

1. Based on “FY2009 International Comparative Survey on Travel Environment,” Japan Tourism Agency
2. Up to two applicable answers

3 Future course of efforts

The standard of the number of tourist overnight trips and the number of stays is low in Japan compared to other countries. In particular, the number of family trips is about as half as that of France and Korea, which were targets of this survey. The status of vacation taking is not sufficient either in comparison with European countries. Even if a vacation is taken, the ratio of days used for travel in the vacation days is fewer than the standard of France and Korea.

The amount of consumption on domestic travel in FY2008 was 20.5 trillion yen (overnight trip 15.6 trillion yen and day trip 4.9 trillion yen). The usage of annual paid vacation is low in Japan, and many travel during long holiday seasons such as the golden week and three-day weekends combining public holidays and Saturday and Sunday. The consumption on travel concentrates in the seasons when the travel cost is high and tourist destinations and transportations are extremely crowded. It is necessary to make efforts for equalizing the demand for travel. In addition, the number of family trips remains low, and there is a significant difference of the number of family trips with junior high school/high school students from France and Korea. Taking into account the fact that the number of family trips remains high in France regardless of the age of children, it is important to make efforts with the aim of disseminating the family trip in the people's life as a precious opportunity to strengthen the family tie through parent-child interactions.

On the other hand, people often use accommodations such as hotels and inns rather than family's/friend's home, and the usage of public transportations such as train and airplane is higher. Therefore, a wider ripple effect on the consumption on travel is expected than France and Korea. It is possible to greatly contribute to the vitalization of local economy by drawing out attractions of Japanese tourism and by stimulating potential demand for tourism, because more subjects selected the answers "relaxation and healing" and "joy of travel itself and food" with respect to what they expect on travel compared to France and Korea. Under such current status, as a necessary system to increase tourist travels in Japan, many subjects selected systems related to vacation taking and decentralization of vacation, and support for family trip. This is thought to be attributable to the background that travel is concentrated in particular seasons and the number of family trips remains low. Further analyses are required to promote efforts.

In order to draw out the maximum potential of Japanese tourism, it is important to develop tourist destinations and travel products that respond to various needs in a detailed way such as family trip and long-stay trip and to address the creation of an environment in which the people can travel easier by improving systems related to vacation by comprehensive efforts of parties concerned.

Part II Status of Tourism and Tourism Measures in FY2009

Chapter 1 Current Status of Tourism

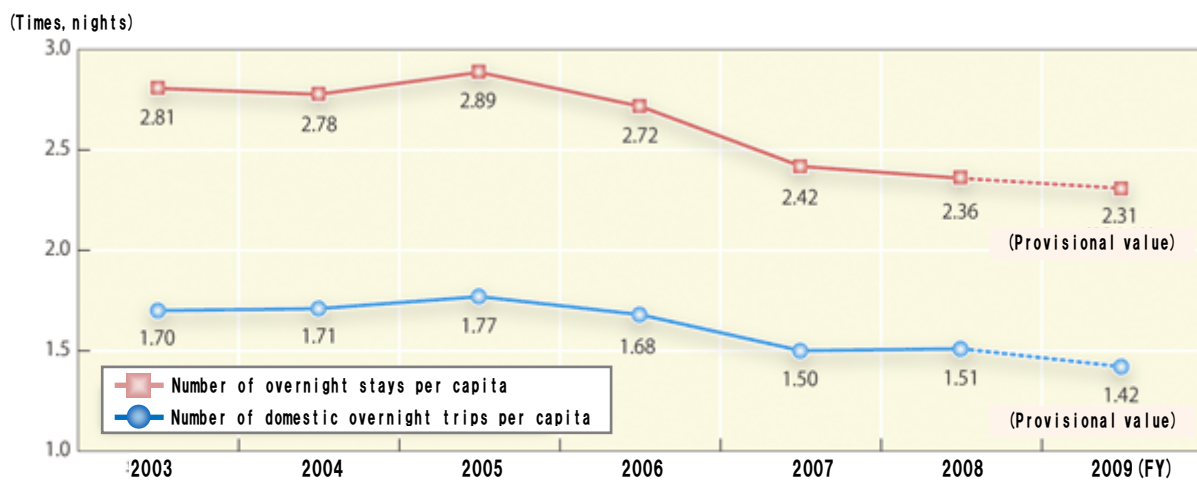
Section 1 Trends in Tourism by the Japanese Public

1 Trends in domestic overnight trips by the Japanese public

(1) Overview of domestic overnight tourist travel

The frequency of overnight domestic trips per capita of the Japanese population in FY2009 is estimated to have been 1.42 times, a decrease of 6.0% on a year-to-year basis. Meanwhile, the number of overnight stays on domestic trips per capita is estimated to be at 2.31 nights, a decrease of 2.1% on a year-to-year basis.

Changes in the frequency of domestic overnight trips and the number of overnight stays



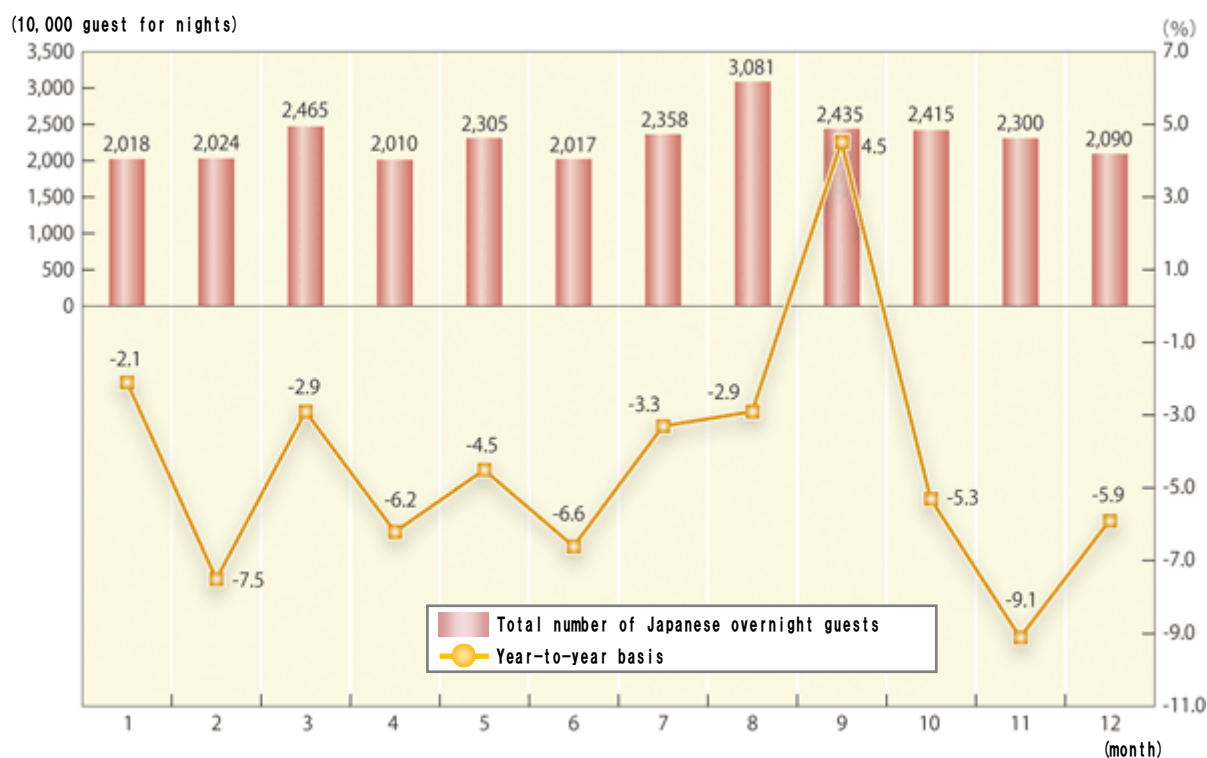
Note: Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism, “Travel and Tourism Consumption Trend Survey”

(2) General status of overnight trips

In January 2007, we started the “Overnight Trip Statistics Survey (general statistics),” which is 1) conducted under the national uniform standards, 2) aimed at all prefectures, and 3) used to survey data such as the number of guests staying in all hotels, inns and simple guesthouses with ten or more employees. According to the results of the survey, the total number of overnight guests between January and December 2009 was 292.95 million guest/nights overall, of which the total number of Japanese guests was 275.2 million guest/nights.

In terms of individual months, August was the busiest with 30.81 million guests while April was the quietest with 20.1 million. In addition, all months except September marked a negative growth on a year-to-year basis due to the economic recession continuing from 2008 except September in which the number increased because of the silver week boom.

Total Number of Japanese Overnight Guests by Month (2009)



Notes:

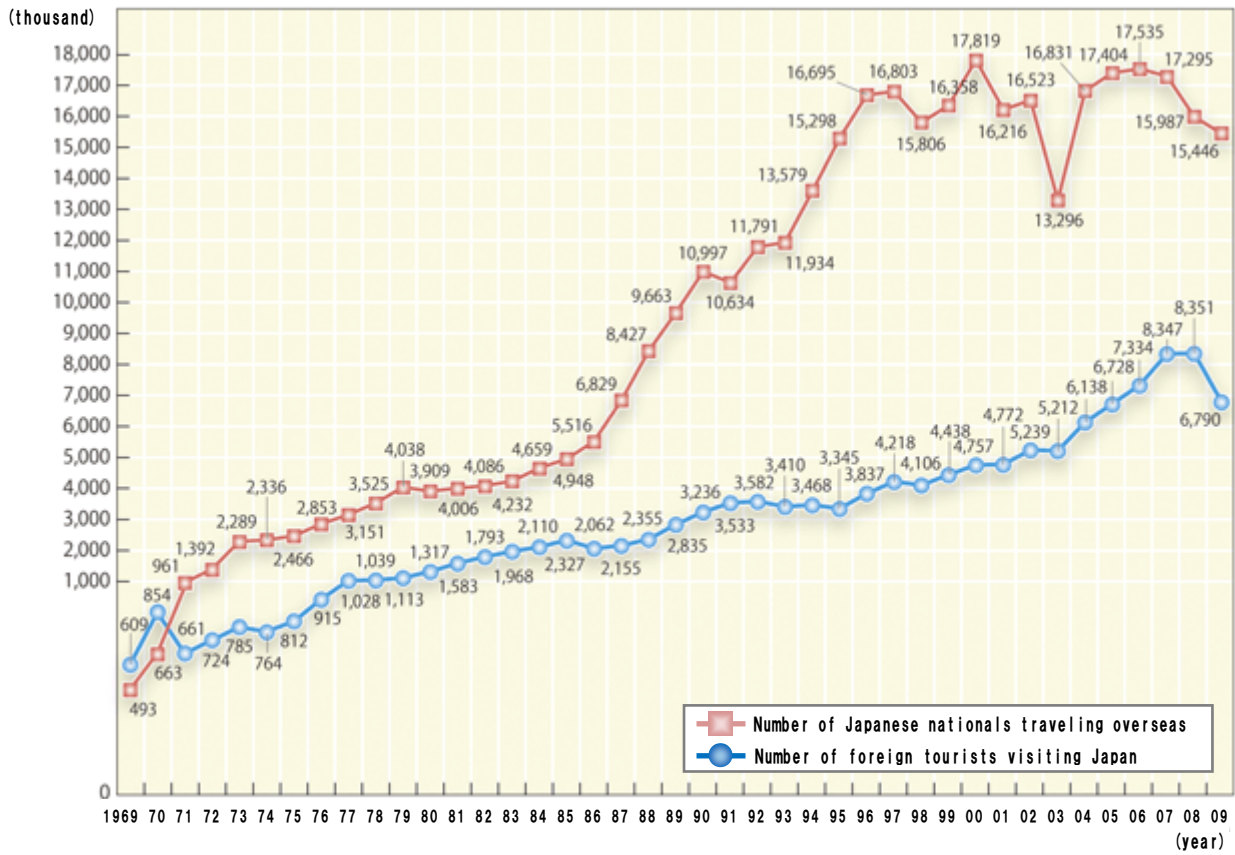
1. Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism, "Overnight Trip Statistics Survey"
2. The values do not reflect data of newly built and closed facilities in the year so that the definite values may change slightly

2 Trends in overseas travel by the Japanese public

(1) Change in the number of overseas travelers

The number of Japanese nationals traveling overseas in 2009 was around 15.45 million. Compared to the previous year, this represented a decrease of around 540,000 or 3.4% because of the influence of the global recession on Japan and the expansion of the new influenza virus, although it turned to a recovery trend after August thanks to the strong yen and the abolition of fuel surcharges.

Changes in the number of Japanese Nationals Traveling Overseas

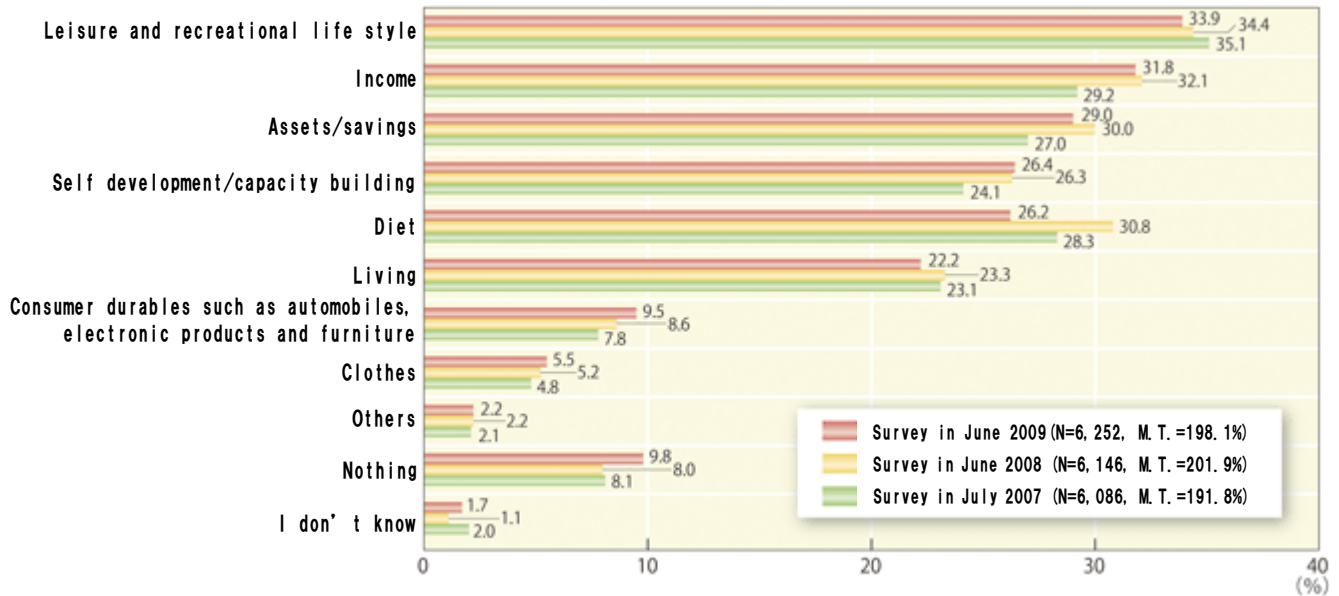


Note: Created by the Japan Tourism Agency, from data provided by the Justice Ministry and the Japan National Tourist Organization (JNTO)

3 Consciousness trends and actual status concerning travel, etc., among the Japanese public

The sectors in which most respondents wanted to place priority in their future lives were “Leisure and recreational lifestyle,” cited by 33.9%, followed by “Income” and “Assets/savings” in that order.

Priorities for Future Life



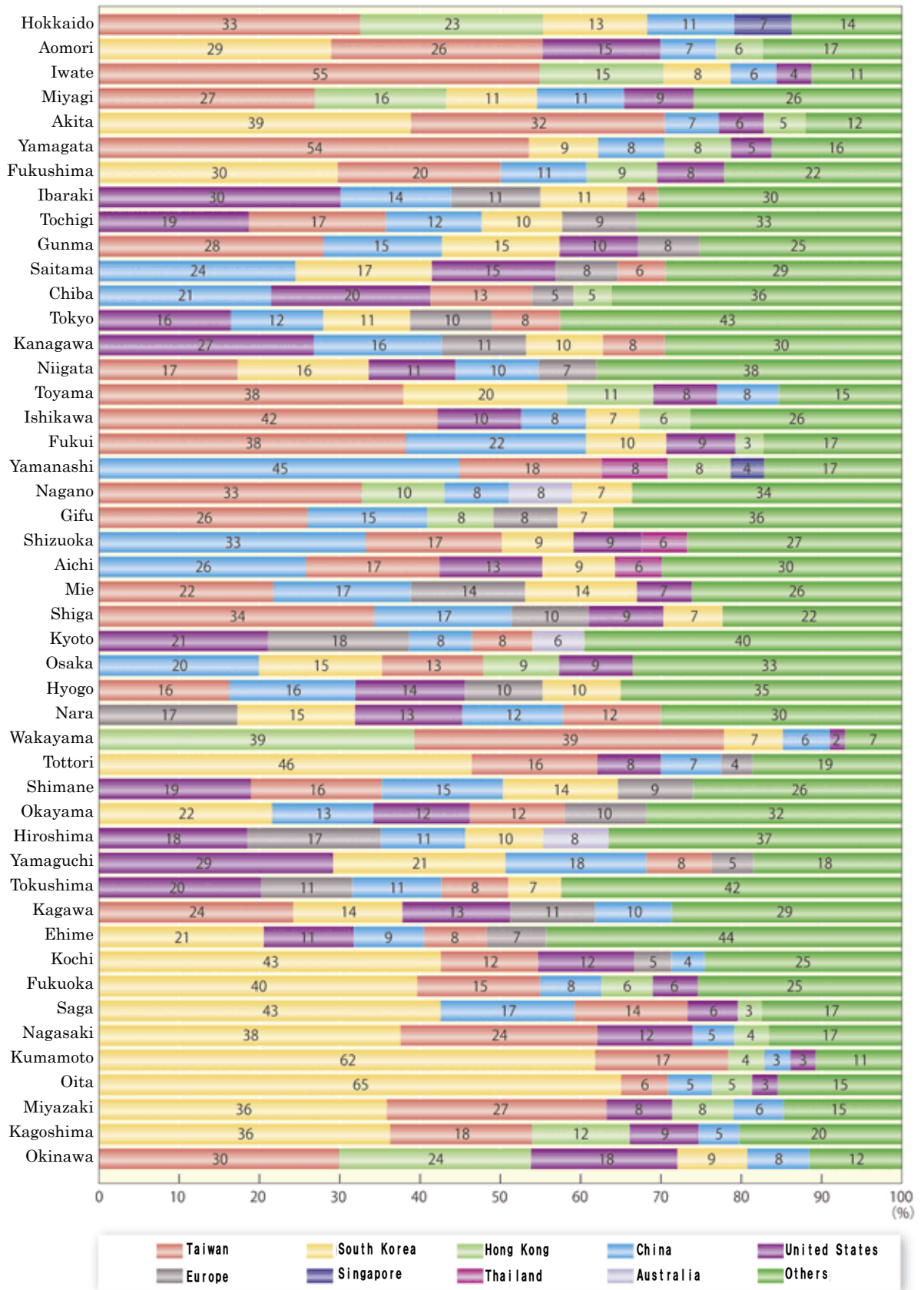
Note: Source: Government PR Office, Minister's Secretariat, Cabinet Office, “Public Opinion Survey on the National Way of Life”

Section 2 Trends in Visits to Japan by Foreign Tourists

1 Trends in overnight trips of foreign tourists

According to the results of the “Overnight Trip Statistics Survey,” the total number of foreign guests between January and December 2009 was 17.78 million guest/nights. By prefecture and country or region of origin, it is described as follows. This table shows that many of those visiting Hokkaido and Hokuriku were from Taiwan, and many visiting Tokyo and Kyoto were from America, and many visiting Kyushu were from Korea.

Composition Ratios of All Foreign Nationals Making Overnight Stays, by Prefecture and by Country or Region of Origin (2009)



Notes:

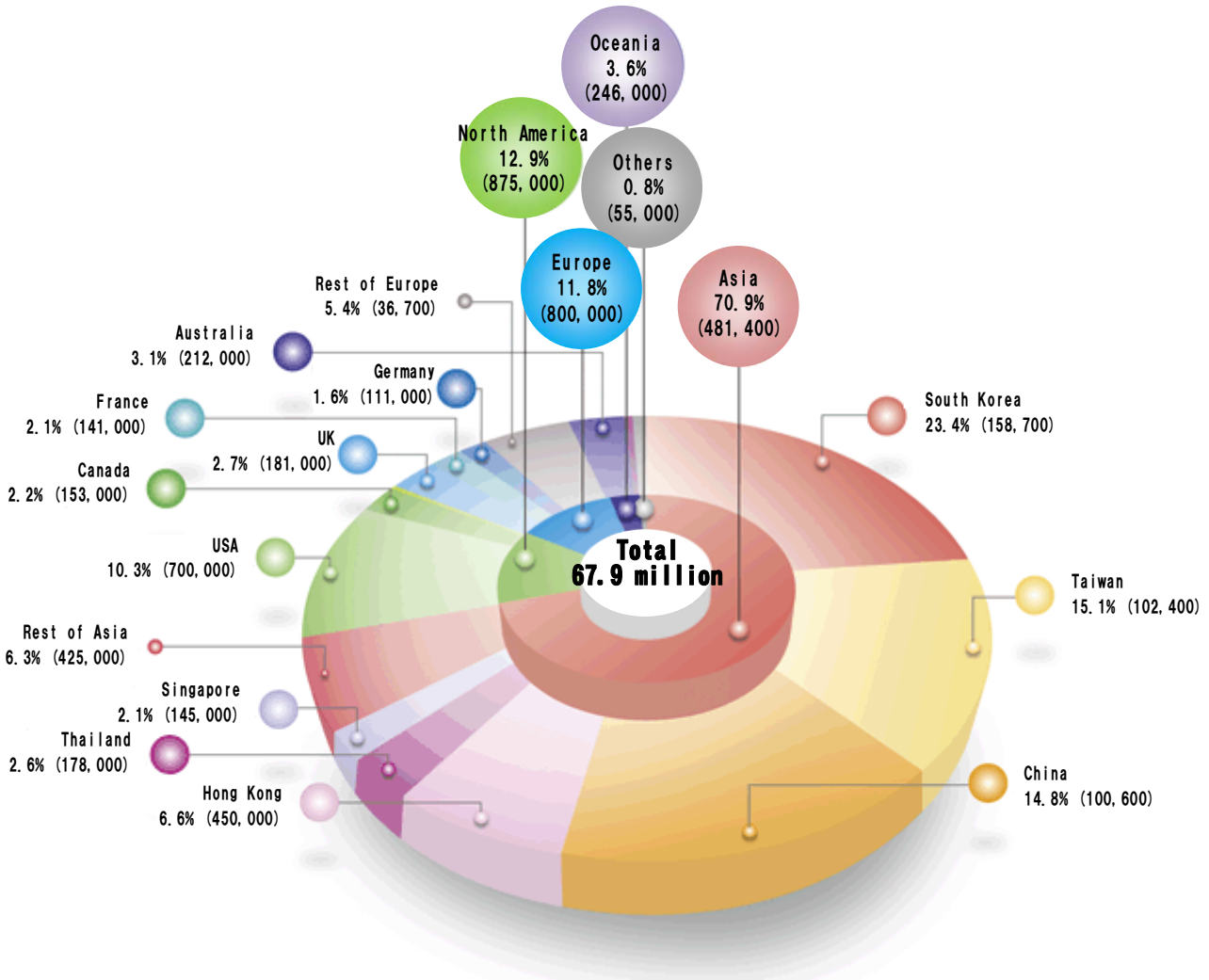
1. Source: Japan Tourism Agency, MLIT “Overnight Trip Statistics Survey”
2. “Foreign nationals” are visitors who do not have an address in Japan
3. “Europe” consists of Germany, the UK and France
4. The values do not reflect data of newly added/closed facilities in the year and the definite values may change slightly

(2) Number of travelers and their nationalities

The number of foreign travelers to Japan in 2009 was 67.9 million (18.7% decrease from the previous year), a sharp decrease from the previous year due to the global economic recession continuing from 2008, continuous appreciation of the yen and the influence of expansion of the new influenza virus.

In terms of the number of foreign travelers by continent, 4.81 million people visited from Asia (70.9%), then 880,000 from North America (12.9%), 800,000 from Europe (11.8%) and 250,000 (3.6%) from Oceania.

Proportions of Foreign Travelers Visiting Japan from Top 12 Countries by Country/Region of Origin (2009)



Notes:

1. Inner circle: Totals by continent
Outer circle: Totals by country or region
2. Prepared by the Japan Tourism Agency based on data provided by the Justice Ministry and the Japan Tourist Organization (JNTO)

2 Trends in international conventions

In 2003, Japan hosted 280 international conferences, the largest number in Asia, but in 2006, this fell to 166, putting Japan in the 4th place in Asia behind Singapore, China and South Korea. However, the number increased significantly to 448 in 2007 and 575 in 2008, putting Japan in the second place in Asia (4th place in the world).

Although the conventional statistics standards for international conferences were relaxed, the number of international conferences held in 2008 is estimated to be 241 according to the standards for target values set out in “the Tourism Nation Promotion Basic Plan.”

Section 3 Economic Effects of Travel on Japan as a Whole

1 Economic effects in FY2008

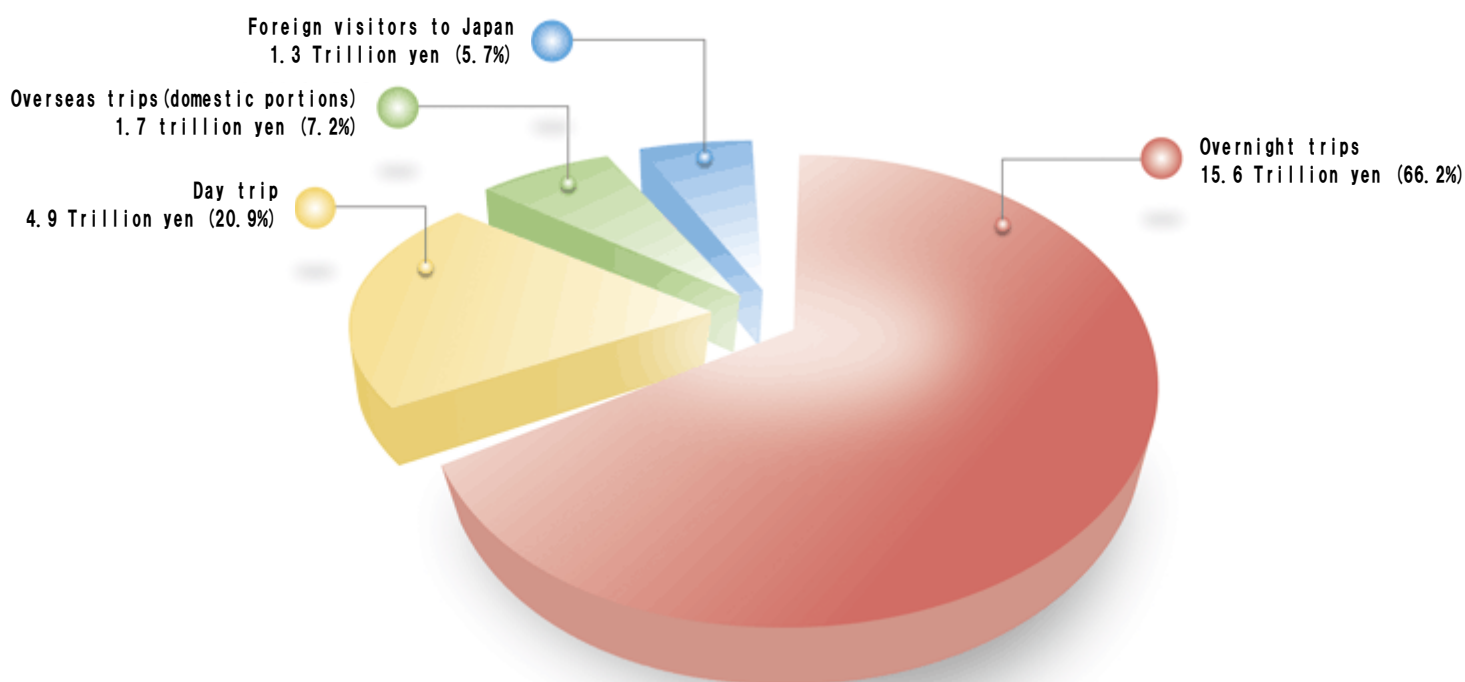
(1) Current status of travel consumption

The value of domestic travel consumption by the Japanese public in FY2008 was 15.6 trillion yen for overnight trips (an increase of 2.0% from the previous fiscal year) and 4.9 trillion yen for day trips (a decrease of 0.5% from the previous fiscal year).

The value of travel consumption by foreign visitors to Japan was 1.3 trillion yen (a decrease of 10.1% from the previous fiscal year) because of the decrease in the number of foreign visitors.

The total value of domestic travel consumption in Japan was 23.6 trillion yen (an increase of 0.3% from the previous fiscal year).

Market Breakdown of Domestic Travel Consumption of 23.6 Trillion Yen



Note:

Source: Japan Tourism Agency, MLIT, “Travel and Tourism Consumption Trend Survey”

(2) Economic effects of travel on Japan as a whole

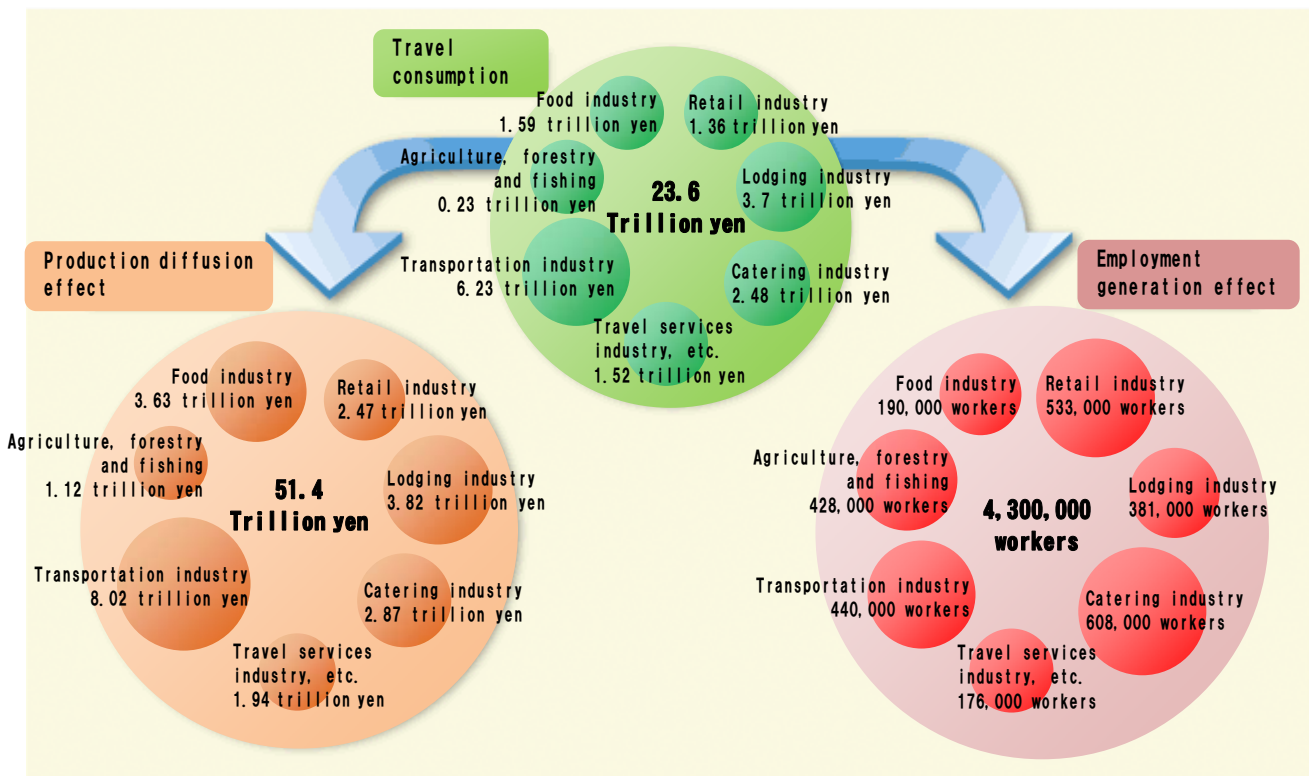
The direct economic effects on the Japanese economy due to the aforementioned domestic travel consumption of 23.6 trillion yen in FY2008 are estimated as a direct added value generation effect of 11.5 trillion yen (2.3% of gross domestic product (nominal GDP)) and an employment generation effect of 2.2 million workers (3.4% of the total number of workers).

In addition, the production diffusion effect of this travel consumption, including indirect effects, is estimated at 51.4 trillion yen (5.3% of the value of domestic production), the added value generation effect at 26.5 trillion yen (5.3% of gross domestic production (nominal GDP)), and the employment generation effect of 4.3 million workers (6.7% of the total number of workers).

(3) Economic effects of travel on Japanese industries

The travel consumption in Japan has a direct economic effect on tourism/tourism related industries and a production diffusion effect on various industries in Japan by stimulating the family consumption by employees of travel/travel-related industries.

Economic effects by industry (FY2008)



Note:

Source: Japan Tourism Agency, MLIT "Survey IX on Economic Effects on the Travel/Tourism Industries"

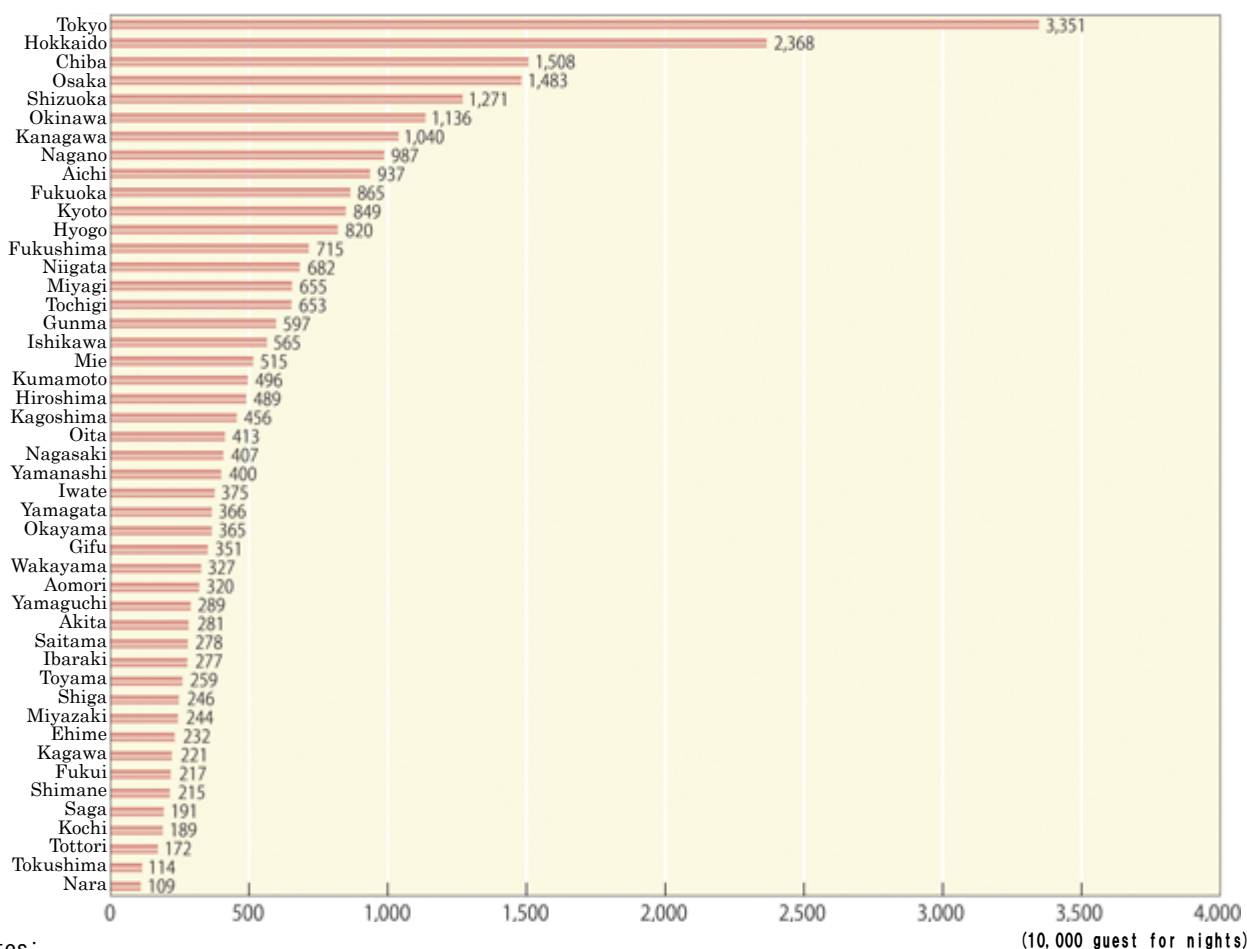
Section 4 State of Tourism in Prefectures According to the Overnight Trip Statistics Survey

1 Current status of the number of guests

(1) Total number of guests by prefecture

Viewing the total number of guests by prefecture in 2009, Tokyo was in the 1st place with 33.51 million guest/nights (11.4%), Hokkaido in the 2nd place with 23.68 million (8.1%) and Chiba in the 3rd place with 15.08 million (5.1%), these three prefectures account for about a quarter of the total.

Total Number of Overnight Guests by Prefecture (2009)



Notes:

1. Source: Japan Tourism Agency, MLIT "Overnight Trip Statistics Survey"
2. The values do not reflect data of newly added/closed facilities in the year and the definite values may change slightly

Section 5 Trends of Tourism in the World

According to the estimation by the World Tourism Organization (UNWTO), the total number of foreign tourists accepted by all countries in 2008 was 922.4 million (2.0% increase from the previous year) and the total revenue of international travel of all countries was 944.3 billion dollars (10.1% increase from the previous year), both of which continued to increase from the previous year and marked a record high.

In recent years, the number of foreign tourists accepted by the Asia Pacific region (1.2% increase from the previous year) which has experienced a rapid increase of the number of foreign tourists was lower than the world average (2.0% increase from the previous year), although it was higher than the increase rate in the Europe region (0.3% increase from the previous year). However, the growth rate of the international travel revenue of the Asia Pacific region is high (10.3% increase over the previous year), so that it is a good opportunity for Japan

to make efforts for realizing a tourism nation by promoting the visit by foreign tourists who visit neighboring countries to Japan.

Chapter 2 Creating Attractive, Internationally Competitive Tourist Locations

Section 1 Creating Attractive, International Competitive Tourist Locations

- 1 Providing quality services that draw on the characteristics of tourist locations through collaboration between local public bodies, tourism businesses and other parties concerned
 - (1) “The Tourism Spheres Development Implementation Plan” of 14 regions was newly accredited in FY2009 in addition to the plan of 16 regions accredited in FY2008 based on the “Act on Promote Visits and Stays by Tourists Through the Development of Tourism Spheres” in order to promote the formation of tourism spheres that will encourage tourism involving at least two overnight stays by the collaboration among wide parties concerned in local areas. In addition, 29 areas were selected for “the Assistance System for Tourism Spheres Development Project” that supports efforts by the private sector integrally and comprehensively.
 - (2) We held “explanatory meetings of attractive travel products proposed by local areas” to further promote attractive travel products utilizing resources unique to local areas by offering a place for matching local areas and travel agencies.
- 2 Developing hotel facilities, restaurant facilities, information facilities and other travel-related and public facilities
 - (1) Treasury loans and special tax exemption measures have been made available for the development of hotels and inns.
 - (2) “Grants for urban development” have been used to support a wide variety of projects, both “hard” and “soft.”
 - (3) Our development of travel-related and public facilities includes the development of street environments such as unique district development, scenic modification to the exteriors of housing, etc., undergrounding of power lines, development of local facilities such as roads and parks, development of a town environments such as the maintenance of visually important buildings, and road improvement taking accounting of scenic views.

Section 2 Creating Attractive Tourist Locations that Draw on Local Characteristics by Using Tourism Resources

- 1 We are promoting the protection of the national treasures, important cultural and other properties, and the world cultural heritages, as well as the promotion of the national trust movement.
- 2 We are promoting measures to protect, nurture and develop tourism resources connected with historical features such as the conservation of historical features in Kyoto and other ancient capitals and development of the Asuka area, particularly the Asuka/Heijo Palace Historical National Government Park.
- 3 We strive to protect, nurture and develop tourism resources related to natural scenic beauties such as the national and quasi-national parks, the world national heritage areas and other places of outstanding natural beauty
- 4 We strive to protect, nurture and develop tourism resources related to natural beauty by supporting efforts, mainly the preservation and utilization of visually significant buildings and trees, based on “the Landscape Act” under the “Landscape Formation Comprehensive Support Project.”

- 5 We have taken steps to protect, nurture and develop tourism resources related to hot springs and other cultures/industries, etc.

Section 3 Comprehensive Development of Transport Facilities Necessary to Promote Visits by Tourists

We have promoted the development of international transport facilities such as the Haneda International Airport and the development of Shinkansen high-speed railways, expressways, etc.

Chapter 3 Strengthening the International Competitiveness of the Tourism Industry and Developing Human Resources to Contribute to the Promotion of Tourism

Section 1 Strengthening the International Competitiveness of the Tourism Industry

We implemented projects to demonstrate improvement of the room occupancy ratio and sharing/streamlining of works, and extracted issues and sorted them out to disseminate those projects as a new business model.

In addition, we held seminars and dispatched advisors to support the facial renewal of hotel streets.

Section 2 Developing Human Resources to Contribute to the Promotion of Tourism

1 Development of Human Resources that Support the Competitive Tourism Industry

(1) Enhancing higher education by the industry-government-academia collaboration

In developing human resources in the tourism field, the Japan Tourism Agency has held “Industry-government-academia Practical Working Group on Tourism Management Education” since September 2009 to verify the adequacy of a “draft curriculum model for developing tourism management human resources” through public lectures utilizing it and a possibility of applying the draft model to adult education.

In addition, “the Working Group on the Utilization of Internship” was held in order to enhance and disseminate the content of internship education.

Based on the discussions at the two working groups, the fifth “Review Meeting on Industry-government-academia Collaboration for Tourism-related Human Resources Development” was held in March 2010 to deliberate among parties concerned on how to disseminate the tourism management education and further strengthen the industry-government-academia collaboration.

(2) Strengthening tourism management

In order to develop human resources that involve in the business management of hotels, inns, etc., and regional management, the JTA provided the support for developing a program to nurture management specialists in tourist spots. As an achievement of such efforts, the courses “Service Management” and “Hospitality Management” were opened in the MBA course of graduate schools, and we deliberated on a particular system of the industry-academia collaboration for the purpose of following up the said courses.

2 Developing human resources that play a role in developing attractive tourism areas

“Tourism Charisma Classes,” which aim to develop human resources that will take care of promoting local tourism, were held in 8 districts.

In addition, in order to promote efforts for developing human resources that are responsible for autonomous and sustainable development of tourism destination by each district, the “Review Meeting on Human Resources Development Guidelines for Formation of Tourist

Destination” was held and “draft guidelines on human resources development for formation of tourist destination” were formulated. Moreover, a “website for supporting the development of human resources that are responsible for developing tourist areas” was opened in March 2010 to share information among districts.

3 Developing generations that take care of districts and tourism in the future

The JPO has promoted “tourism nation education” in collaboration with parties concerned by awarding the Commissioner prize for efforts such as “the National Tourism Nation Education Contest” and “the Tourism Koshien” held under collaboration among education officials and tourism-related organizations, and by providing introducing tourism supplementary reading materials made by Miyagi, Yamagata, Miyazaki, Okinawa prefectures.

Chapter 4 Promoting International Tourism

Section 1 Encouraging Visits by Foreign Tourists

1 Prioritized and effective PR on the attraction of tourism in Japan

(1) Overseas PR on the attraction of tourism in Japan

(i) Overview of the Visit Japan Campaign

The increase of foreign tourists supplements diplomacy among the nations by enhanced mutual understanding through opportunities for the Japanese and foreigners to exchange, contributes to the safety guarantee, and has effects of vitalizing local economies and creating job opportunities due to the increase of influx of the people from neighboring countries where the economy is rapidly growing under problems such as a falling population caused by the declining birthrate and aging population.

Therefore, the government and the private sector have integrally promoted “the Visit Japan Campaign” that disseminates the attraction of Japanese tourism in overseas and supports the creation of visit-Japan travel products. The number of foreign tourists visiting Japan was 5.21 million in 2003 when this campaign started and it has steadily increased since then. However, the number decreased significantly to 6.79 million in 2009 due to the global economic recession continuing from the fall 2008, a recent appreciation of the yen, and the epidemic of the new influenza virus since the spring 2009.



December 2009
Advertisement on tram
(street car) in Hong Kong

(ii) Projects in the Visit Japan Campaign

Twelve countries and regions (South Korea, Taiwan, China, Hong Kong, Thailand, Singapore, USA, Canada, UK, Germany, France and Australia) where foreign tourists visiting Japan are expected to increase have been identified as priority markets. There, we have implemented PR activities to promote the trip to Japan.

Meanwhile, India, Russia and Malaysia have been identified as promising markets for promotion since FY2007, and market surveys were conducted. The results show that the demand for trip to Japan will be expected to increase, so that they have been identified as priority markets since FY2010.

In addition, six countries and one region (Italia, Spain, Indonesia, the Philippines, Vietnam, Mexico and the Gulf nations) have been identified as promising markets since FY2009 and strategic market surveys are being conducted to implement effective promotion.

As contents of projects to promote the travel of foreign tourists to Japan, we have used measures such as invitation of foreign media to Japan, support for their coverage, advertisement on TV commercials in overseas, information provision by the website and exhibitions on the travel expo held in other countries. The purpose of those projects are to heighten the interest in Japan as a tourist destination, increase the demand for the travel to

Japan, support for creating and selling attractive visit-Japan travel products through the invitation of persons in charge of foreign travel agencies to Japan and business negotiations with Japanese travel agencies, and attract the educational trip to Japan for expanding exchanges of the young generation.

(2) Transmission of information at foreign bases

The Japan National Tourist Organization (JNTO) has set up 13 overseas offices and actively implemented activities for the purpose of publicizing and promoting the attraction of tourism in Japan, supporting the creation and sales of visit-Japan travel products to local travel agencies, providing consultation services to local public bodies and private businesses in Japan, and most importantly contributing to “the Visit Japan Campaign” to increase the number of foreign tourists visiting Japan.

In addition, the JNTO operates a portal site of information on the travel to Japan in 9 languages to increase the degree of recognition of Japan as a tourist destination and support visitors to Japan in creating travel plans and making various bookings.

Various PR cultural projects have been held at diplomatic missions such as embassies and Consulate generals in addition to holding “The Visit Japan Campaign Promotion Local Committee” has been held with the top of the diplomatic mission as its chairman, exhibiting at the travel expo and travel fairs held in other countries, holding lectures under the themes related to tourism at an ambassador’s/consul general’s residence or a PR cultural center. Moreover, the JNTO has made efforts to comprehensively introduce the traditions and modern cultures of Japan, state-of-the-art technologies, beautiful natural beauty, the attraction of rural areas through local mass media and the Internet.

(3) Overseas PR on local attractions

Each Regional Transport Bureau, etc., implement “the Visit Japan Campaign regional projects” in collaboration with local public bodies and others.

(4) Besides the efforts mentioned above, the JNTO has promoted the dissemination of culture by artists and cultural figures, and the dissemination of information on Japanese food, Japanese ingredients, pop culture and Japanese contents, and the strengthening of information provision through networking and international broadcasting.

2 Providing information on the cost of domestic transport, accommodation and other aspects of tourist travel

(1) Providing information on travel costs

As efforts in line with “the Visit Japan Year,” a winter campaign (January to March 2010) was implemented for a limited time to provide foreign tourists who came to Japan during that period with discounted products. In order to increase the effectiveness of this campaign, the winter campaign has been continuously publicized to implement PR activities for reasonable travel to Japan in all markets of the “Visit Japan Campaign” since the summer 2009.

(2) Promoting measures to encourage information provision by public transport businesses, etc.

Under the “Foreign Tourist Visit Promotion Act,” in areas that are used with particular frequency by foreign tourists, public transport businesses (247 businesses as of April 2009) and others are implementing the “projects for measures to encourage the provision of information” in foreign languages.

3 Promoting the convening of international conferences and other international scale events

The number of international conferences held in Japan increased from 448 in 2007 to 575 in 2008. Although Japan could not reach Singapore (637) to assume the 1st place in Asia, it

ascended from the 5th to the 4th place in the world. Various efforts have borne fruits. However, competitors in Asia such as Singapore and South Korea, the United States and Australia are actively promoting not only international conferences but also the entire MICE (Meeting, Incentive travel, Convention, Event/Exhibition). Thus, it is also necessary for Japan to promote not only international conferences but also the entire MICE, because those events other than international conferences have a great significance for the increase of foreign tourists visiting Japan, economic effects and internationalization/vitalization of local areas.

To this end, “the MICE Promotion Action Plan” which summarizes particular roles the government and related bodies should play, the content of activities and terms thereof was formulated in July 2009. This Action Plan states that the government and related bodies shall collaborate to promote MICE. Therefore, “the MICE Promotion Council” consisting of the heads of MICE related organizations was established in December 2009 to further strengthen the collaboration among parties concerned.

***MICE is an abbreviation of Meetings by businesses, Incentive/seminar travels by businesses, international Conventions, Events/Exhibitions**

4 Developing an environment to accept foreign tourists such as the improvement of measures related to immigration of foreign tourists, improvement of translator guidance services and others

(1) Expeditious and smooth visa issuance procedures

The visit-Japan visa issuance is facilitated by issuing a visa within 5 working days from the application. In addition, 63 countries and regions are subject to the visa waiver program for tourists.

In China, about 378,000 visas were issued for group trip in 2009, about 8% increase over the previous year. The issuance of visa to individuals who have economic resources has been permitted since July 2009 in response to the request for freer travel with a small group.

While the visa issuance will be further facilitated, immigration officers will be increased and the visa examination system will be updated in order to prevent the illegal stay.

(2) Expeditious and smooth immigration procedures

We have strived to reduce the time required for immigration procedures at the arrival by dispatching immigration officials to local airports and ports where no immigration officials are stationed and effectively utilizing “the secondary examination” and “the Advanced Passenger Information System (APIS)” that prevent the delay of examination of other passengers by examining a passenger whose purpose of visit is suspicious in another room at the time of landing examination. In addition, efforts were made to reduce the waiting time for arrival examination at an arriving port by conducting the examination on shipboard before arriving in a port in the case of ocean-going cruise ships with more than 2,000 passengers.

(3) In addition, we strive to develop tourist information offices for foreign tourists, enhance the licensed guide system and disseminate volunteer guides.

(4) We strive to promote the improvement of guidance for foreigners at museums, art museums, national theaters, national parks, etc.

Section 2 Promoting Global Interchange

1 Promoting cooperation with governments of other nations

(1) Strengthening trilateral tourism exchanges and cooperation between Japan, China and South Korea

The 4th China-Japan-Korea Tourism Ministerial Meeting and related events were held in

Aichi prefecture and Gifu prefecture in October 2009, and a joint announcement was issued for the purpose of further promoting tourism exchanges and cooperation between the three countries.

In addition, the 5th China-Japan-Korea Tourism Ministerial Meeting will be held in China in September 2010 to continue to strengthen tourism exchanges and cooperation between the three countries.

(2) Promoting efforts for bilateral tourism exchanges

(i) Promotion of tourism exchanges between Japan and Korea

In the “24th Japan-Korea Tourism Promotion Council” held in Korea in December 2009, opinions on the promotion and expansion of tourism exchanges between the two countries were exchanged. Japan and Korea agreed to intensively implement projects and large-scale events for activating tourism exchanges through a wide variety of fields such as arts/cultures including movies/dramas by setting the year 2010 as “Visit Japan Year” in Japan and the years from 2010 to 2012 as “Visit Korea Years” in Korea.

(ii) Commencement of the tourist visa system for individuals in China

The number of Chinese tourists using the visit-Japan visa system for group trip has steadily increased. In addition, the issuance of tourist visa for individuals apart from “group trip” started at foreign diplomatic missions in Beijing, Shanghai and Guangzhou since July 2009 in response to the request for a freer travel with a small group if they satisfy certain requirements.

(iii) Japan-Hong Kong tourism exchange year commemorative projects

We set the year 2009 as “the Japan-Hong Kong Tourism Exchange Year” and promoted tourism exchanges between Japan and Hong Kong by “the opening ceremony” held in Hong Kong in January 2009, creation of joint logo/posters, and the joint exhibition at the International Travel Expo Hong Kong. However, taking into account the situation that the number of visitors between the two countries decreased significantly in May and June due to the epidemic of the new influenza virus, the Tourism Exchange Year was extended to March 31, 2010 and PR activities on the travel to Japan were implemented at the “Chinese New Year Parade.”



(3) We provided support for international tourism promotion through the UNWTO and the Organization for Economic Co-operation and Development (OECD) and tourism promotion in developing countries.

2 Promoting regional exchanges between Japan and other countries

(1) Promoting overseas travel by Japanese citizens

In order to promote the overseas trip of the young generation, we implemented efforts such as an awareness survey on overseas travel, analysis of factors that inhibit overseas travel and holding of symposia in collaboration with tourism-related parties.

(2) Making use of sister and friendship city agreements

Sister and friendship city exchange projects are being implemented via the “Visit Japan Campaign regional collaboration projects.”

3 Promoting international youth exchanges

(1) Promoting educational trips to Japan

The “National Council for the Promotion of Educational Trips to Japan,” a joint public-private sector organization, promoted efforts to encourage educational trips to Japan.

(2) Promoting exchanges with young people from other countries

Young people from other countries have been invited to Japan to take part in a variety of exchange projects. In particular, a total of 7,500 young people were invited from East Asian countries in FY2009 based on the “21st Century East Asia Youth Exchange Plan.”

Chapter 5 Improving the Environment for Encouraging Tourist Travel

Section 1 Making Tourist Travel Easier and Smoother

1 Encouraging holiday taking

To advance specific considerations on the promotion of holiday taking, etc., a questionnaire survey was conducted to analyze the actual status of holidays of parents and children, and the recognition of the nation on vacation. In addition, the “Vacation Symposium” was held in February 2010 to discuss the changes in awareness on vacation, issues concerning methods of taking vacations and specific measures from a viewpoint of economy, industry, work and education, etc., and dissemination and awareness-raising activities of the vacation reform were implemented.

2 Easing the concentration of demand for tourist travel in specific seasons

Holidays of elementary and junior high schools are being made flexible, through measures such as setting holidays that draw on unique features of the region, autumn holidays, two-term system, school holidays linked to local events, and so on.

The “Working Team on Vacation Decentralization” was established under the Tourism Nation Promotion Headquarters in December 2009 to promote the decentralization of vacation taking that have various effects such as the reduction of travel costs by equalizing the demand for tourist travel, the improvement of productivity of the tourism industry and the stabilization of employment integrally and comprehensively by the government. The related ministries and agencies advanced the consideration.

3 Protecting the interests of consumers in connection with tourism

The method of displaying fuel surcharges was changed. In addition, a guidance was provided for the appropriate application of “the fair competition convention on the display of travel souvenirs” in order to secure fair competition of travel souvenirs.

4 We strived to enhance public understanding of the significance of tourism by holding the “Travel Fair 2009” and the “JATA World Travel Fair 2009” and others.

Section 2 Improving Hospitality Towards Tourists

1 Developing facilities related to travel

In order to develop easy-to-understand signboards in tourist areas, we strived to diffuse and publicize the “Guidelines for Signboards to Revitalize Tourism,” and demonstration experiments were conducted to verify which guidance display model is more convenient for foreigners taking into account a situation that foreign tourists from China, Taiwan and Korea

are increasing in recent years.

- 2 We strived to promote regional brands by enhancing the introductions to Japan's outstanding traditional food culture as well as other aspects of Japan's lifestyle culture and industries, developing attractive products that harness national or regional characteristics, and implementing the "VJC Attractive Souvenirs of Japan Contest 2010."

Section 3 Enhancing Convenience for Tourists

- 1 Developing travel-related facilities so that the elderly or disabled, foreigners and other tourists who require special consideration may use them smoothly, and improving the convenience of these facilities
 - (1) As well as promoting barrier-free conversion for travel-related facilities and others, we drew up the check sheets for planning and creating travel products to promote tourism based on the rationale of universal design.
 - (2) We strived to increase the efficiency of road transport by expanding the information provision range of the Vehicle Information and Communication System (VICS).
- 2 We promoted the provision of information on tourism using information and communications technologies by providing the "Online Land Web System" and by introducing a parking guidance system that provides users with information such as the location of parking and its availability.

Section 4 Ensuring the Safety of Tourist Travel

- 1 As well as providing meteorological and other information, we promoted the provision of information on the state of occurrence of accidents, disasters, etc., in tourist locations both in Japan and abroad, by for example rigorously informing of disaster-prone areas, evacuation sites and evacuation routes, etc.
- 2 We addressed issues such as preventing the occurrence of accidents during tourist travel, including safety measures for public transport, road/marine transport and hotel facilities, response to accidents or incidents overseas and safety measures for the same.
- 3 The "Countermeasure Manual for Harmful Rumors of Infectious Diseases in Tourism-related Industries" was established concerning measures the parties concerned should take at the time of occurrence of infectious diseases in the future such as providing accurate information to Japan and other countries to raise awareness of the parties concerned, as travel-related industries were severely damaged after the new influenza virus was found in May 2009 by the increase in cancel of tours, etc.

Section 5 Opening Up New Fields of Tourist Travel

In order to support community-based efforts related to new tourism such as green tourism and eco tourism in each region, each Regional Transport Bureau is offering consultancy by travel agencies and experts, supporting the implementation of monitor tours, and producing manuals and case study collections to promote the commercialization of travel merchandise. In addition to this, we strived to disseminate and publicize "new tourism" by holding seminars for tourism concerned parties.

Deliberations have been made on comprehensive promotion measures of various menus such as eco tourism, green tourism, culture tourism, industrial tourism, medical tourism, sports tourism, etc., by the collaboration of related ministries and agencies in the "Tourism Collaboration Consortium" established under the Tourism Nation Promotion Headquarters since January 2010.

Section 6 Conserving Environments and Scenic Views in Tourist Locations

In addition to preserve environments in tourist locations, we are striving to protect scenic landscapes in tourist locations, by for example promoting the application of the Landscape Act, diffusion and publicizing its basic principles, enhancing systems related to outdoor advertising in tourist locations, and supporting town development that harnesses history, culture and local features.

Section 7 Developing Statistics on Tourism

1 Developing statistics on Tourism by the Japanese nation

As for the “Overnight Trip Statistics Survey,” survey items to grasp the number of occupied rooms of hotels and inns were added to publicize the room occupancy ratio by municipality. As for the “Travel and Tourism Consumption Trend Survey,” a method of survey was revised to grasp the annual travel ratio by the Japanese nation and the average number of trips. In addition, the “Common Standards for Inbound Tourist Statistics” was formulated in December 2009 which specifies the standardization of survey methods and estimation methods adoptable by local public bodies for statistics related to day-trip tourists and other tourists.

In addition, in order to encourage future researchers and practitioners of tourism policies to conduct studies, the commissioner prize of the Japan Tourism Agency was founded for “research papers on empirical analyses utilizing tourism statistics” and the awards were given by the Commissioner in March 2010.

2 Introduction of TSA

In order to create TSA (Tourism Satellite Account) which has been widely introduced at an international level) to conduct international comparison of economic effects of tourism, a method of establishing Japanese TSA in compliance with the standards for formulation (TSA:RMF08) of the UNWTO was considered, and a final report was prepared in march 2010.

Tourism Policy in FY2010

Chapter 1 Creating Attractive, Internationally Competitive Tourist Locations

Section 1 Creating Attractive, Internationally Competitive Tourist Locations

- 1 Securing the provision of quality services that harness the characteristics of tourist locations through collaboration between local public bodies, tourist businesses and other parties concerned
- (1) In order to promote the development of attractive and internationally competitive tourist locations and the visits and stays of tourists from Japan and other countries, we provide comprehensive support for tourism promotion efforts made integrally by parties concerned such as private local organizations, local public bodies, tourism-related parties and local residents. In addition, in order to support business operators that address the autonomous town development, we provide support for establishing “town development business operators (tourism community development platform)” on a pilot basis and for summarizing issues and solutions thereof in organizing a system.
- (2) We support the development of environments for realizing high-value added and attractive services utilizing regional resources such as a unique industry in the region under the scheme of the “Project for Promoting Industrial Vitalization of Regional Attraction/Exchanges.”
- 2 Developing hotel facilities, restaurant facilities, information facilities and other travel-related and public facilities

In order to address a further expansion of the number of foreign tourists visiting Japan, services provided in foreign languages at hotels will be enhanced through providing necessary information and developing human resources.

Section 2 Forming Attractive Tourist Destinations That Harness the Characteristics of a Region by Making Use of Tourism Resources

- 1 Protecting, nurturing and developing tourism resources related to cultural properties
- We take steps to preserve and utilize cultural assets and to promote the national trust movement.
- 2 Protecting, nurturing and developing tourism resources related to areas of outstanding natural beauty
- We strive to disseminate the concept of nature protection, protect and make use of national/quasi national parks, conserve and manage the world natural heritage sites in an appropriate manner.
- 3 Protecting, nurturing and developing tourism resources related to hot springs, other cultures and industries

In order to support efforts for conquering the handicap of remote islands located in the open sea compared to the main islands, tourism of remote islands will be promoted by expanding the “Survey on Regional Revitalization Promotion for Island Development” implemented in FY2009 as the “Support Project of Revitalizing Remote Islands’ Energy.”

Section 3 Comprehensively Developing Transport Facilities Necessary to Encourage Visits by Tourists

Transport facilities such as international hub airports and expressways will be developed.

Chapter 2 Strengthening the International Competitiveness of the Tourism Industry and Developing Human Resources to Contribute to the Promotion of Tourism

Section 1 Strengthening the International Competitiveness of the Tourism Industry

For creating new business models of the tourism industry and facial revitalization of hotel streets, issues and problems will be analyzed by following up the already implemented demonstrative projects. Then, know-how thereof will be disseminated and publicized so that the productivity and international competitiveness of the tourism industry will be improved and strengthened.

Section 2 Training Human Resources to Contribute to Promoting Tourism

We strive to practice the “curriculum model for developing human resources for tourism management” considered in the “Working Group on Practicing the Industry-Government-Academia Collaboration Concerning Tourism Management Education” at universities and disseminate the tourism management education through courses for adults. In addition, we will address the implementation of “joint studies by collaboration between industry and academia,” because there are needs of such studies both in the tourism industry and in universities as found out at the “Review Meeting on Collaboration between Industry, Government and Academia for Developing Human Resources in Tourism.”

Chapter 3 Promoting International Tourism

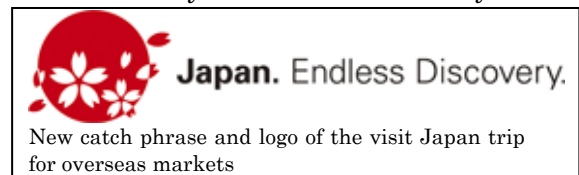
Section 1 Promoting Visits to Japan by Foreign Tourists

1 Prioritized and effective PR on the attraction of tourism in Japan

- (1) The year 2010 is set as the “Visit Japan Year” and an intensive campaign period will be set including the provision of various discounts and benefits by cooperation of private businesses, etc. India, Russia and Malaysia have been newly added to the priority markets where the number of tourists visiting Japan is expected to expand, and the visit Japan travel will be promoted in all 15 markets to achieve the goal.

In addition, new goals for the number of foreign tourists visiting Japan after 2010 were set as 15 million by 2013 and 30 million in the future, and the “30 Million Foreign Tourists Program” was set to achieve those goals.

In particular, a new catch phrase/logo, “Japan. Endless Discovery.” which means that “you can encounter endless thrills in Japan,” was introduced from FY2010. Furthermore, a famous idol group “Arashi” agreed to cooperate with us voluntarily as “tourism nation navigator,” an appropriate image leader as icon of Japan.



- (2) The Japan National Tourist Organization (JNTO) investigates and analyzes the latest local needs utilizing its overseas offices and effective PR activities have been implemented in line with each market. In FY2010, the JNTO will strengthen the transmission of information on tourism in Japan through its website, the support for overseas media coverage to improve the degree of recognition of Japan, the development of human resources in the overseas travel industry, and the support for creating and selling innovative tours to exploit new demand for overseas travel agencies.
- (3) The “Japan International Content Festival (Co Festa),” which has been held for the purpose of strengthening the information transmission of contents in overseas, will be held as “Co Festa in Shanghai” in June FY2010 in accordance with the Shanghai Expo. We strive to exhibit at events in other countries and cooperate with them.

We try to promote deeper understanding and confidence building on Japan by actively

utilizing Japanese pop culture which is very popular among the youth worldwide in recent years.

- (4) In order to create a business model targeting the foreign affluent people who look for high-quality tourism, we promote the establishment of Japanese “Luxury Travel Market.”

2 Promoting the convening of international conferences and other international scale events

In order to promote not only international conferences but also the entire MICE (meeting, incentive travel, convention, event/exhibition), we intensively and actively appeal to the world that Japan is an ideal place for MICE by setting the year 2010 as the “Japan MICE Year.” We will publicize the significance of MICE, as it is not widely understood in Japan. In line with this, efforts for developing an environment to promote MICE will be made such as human resources development, internationalization of domestic conferences and a survey on the future course of MICE facilities.



3 Improving measures for entry to and departure from Japan by foreign tourists, improving interpreter-guide services, and other measures for welcoming foreign tourists

- (1) The visa is issued for Chinese tourists not only for a group tour but also an individual visit to Japan. The requirements for visa issuance of individual visit to Japan will be relaxed since July 2010 (the visa will be issued to those who have certain positions in their occupation and economic resources” and applications will be accepted at all seven diplomatic missions in mainland China, and the travel agencies that are allowed to handle the visa issuance will be expanded from 48 to 290). In order to respond to an expected increase in applications, the visa examination system will be organized at the embassy and the general consulates.
- (2) We strengthen efforts for reducing the waiting time for landing examination at an arriving port by providing on-shipboard examination services before the entrance to a port for ocean-going cruise ships with more than 2,000 passengers. In addition, “examination booth concierges” who assists in the examination procedures for entrance to and departure from Japan will be placed effectively at airports and port where regular services are offered and the annual number of entrants is large to further reduce the waiting time.
- (3) “Review Committee on Interpreter Guides” has been held since June 2009 to review the interpreter-guide system. A conclusion is expected to be drawn by June 2010.

Section 2 Promoting International Exchanges

As the “6th APEC Tourism Ministerial Meeting” will be held in September 2010 in Nara prefecture, full-fledged efforts will be made for the meeting.

In addition, tourism promotion, sustainable tourism development and development of human resources in the tourism field will be implemented in FY2010 in cooperation with the Japan ASEAN Center and the UNWTO (including the Asia-Pacific Center).

Chapter 4 Improving the Environment for Encouraging Tourist Travel

Section 1 Making Tourist Travel Easier and Smoother

Specific measures for the decentralization of holiday taking which is positioned as a priority strategic field to be addressed by the entire nation will be considered at the “Working Team on the Decentralization of Holidays.”

In addition, the “demonstrative project on the promotion of taking and decentralizing vacations (project for enjoying family time)” will be implemented in the local areas for the

purpose of “enjoying family time” in which the parents and their children take a rest together by promoting the paid vacation taking in companies and flexibly setting school vacations.

Section 2 Ensuring the Safety of Tourist Travel

We provide the mayors at all levels with the support for making a judgment on evacuation. In addition, we start to provide “Thunder now cast” and “Tornado occurrence accuracy now cast” to announce weather warnings and advisories with indicating a name of municipality as well as prevent and alleviate disasters caused by gusts of wind and thunders that occur locally and developed rapidly.

Section 3 Opening up New Fields of Tourist Travel

The tourism department was established in the largest international short-film festival “Short Shorts Film Festival 2010” as a “promotion of cultural tourism,” and productions sent from all over Japan and a film created by the Japan Tourism Agency “Heaven’s Island” will be screened in the festival to utilize them as a tool of tourism promotion.

In addition, the government and the private sector will actively and integrally implement PR activities as the “promotion of medical tourism.” To that end, we will strive to promote comprehensively and strategically the development of an environment for the travel and acceptance of foreign patients as well as diversified and high-value added medical tourism tours utilizing regional characteristics.

As the “promotion of sports tourism,” in order to further disseminate sports tourism which realizes interactions of sports and tourism, we comprehensively implement awareness-raising activities, various efforts for support, participation in local councils and provision of advice to them in cooperation with related ministries and agencies.



A scene from “Heaven’s Island” a film created by the Japan Tourism Agency

Section 4 Protecting Environments and Scenic Views in Tourist Locations

The formation of an optimal-sized “regional cycle sphere” according to characteristics of recycling resources will be promoted utilizing regional characteristics. As one example of the efforts in the tourism sector, there is a project to make compost out of the leftovers from hotels and to use agricultural products cultivated by using the compost for hotel’s menus.

Section 5 Establishing Statistics on Tourism

We will expand targets of the Overnight Trip Statistics Survey and the Travel and Tourism Consumption Trend Survey, newly create statistics on travel consumption by foreign tourists visiting Japan, and consider methods of survey for conducting a survey on the sales of tourism business operators and working environment.