Urban Regeneration and Sustainable Tourism

- Laws, Policies, Strategies and Structures – National Perspective from Japan

June 11th, 2018

Japan Tourism Agency

1. Circumstances Surrounding Tourism

Trends in and Future Projections of Population Decline as well as Falling Birthrate and Aging Population

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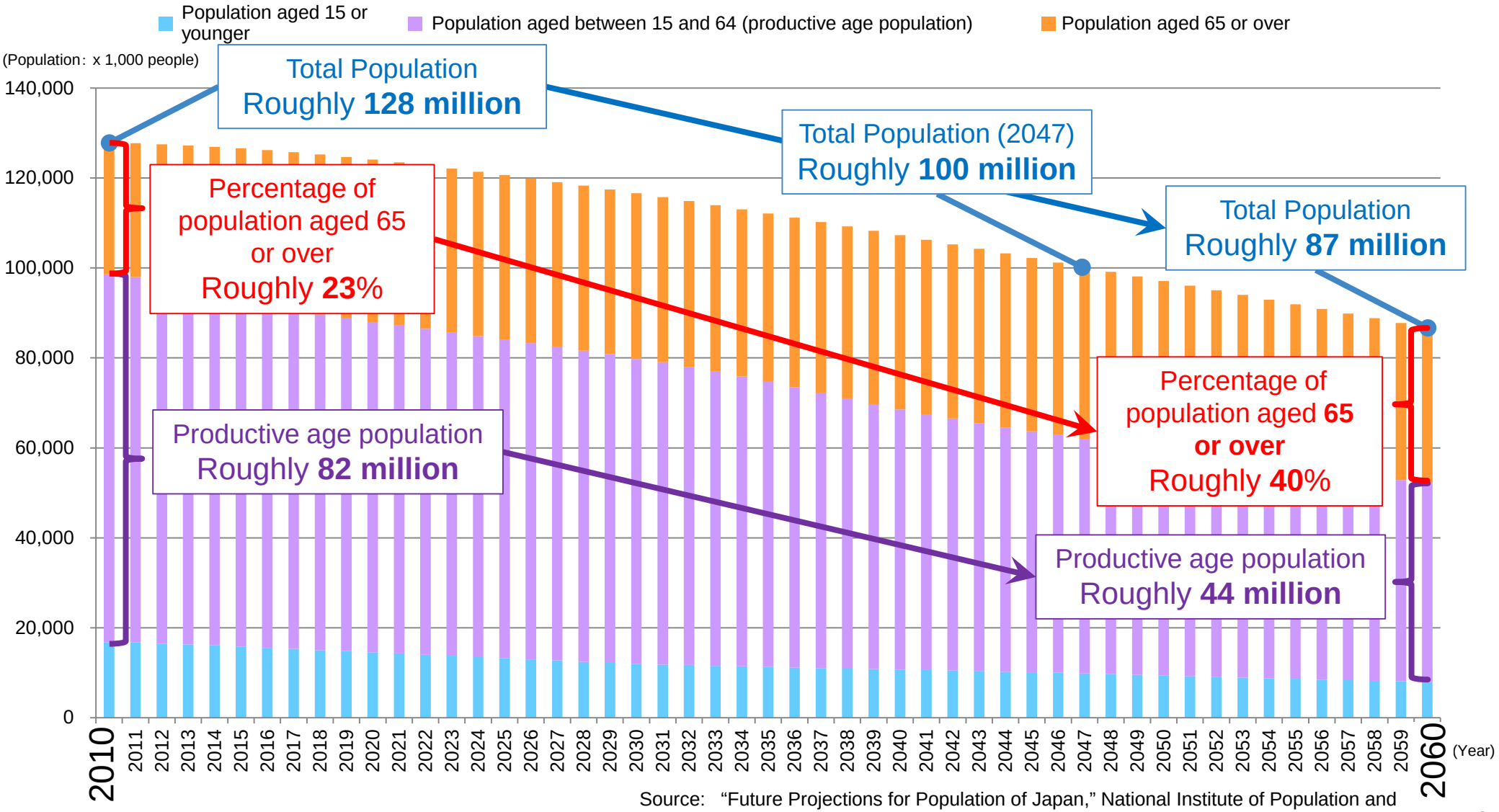
- ○ The population is projected to decline continuously, reaching as low as 100 million by the year 2047.
- ○ The birthrate is declining and the population is aging at a rapid rate and it is projected that roughly 40 percent of the total population will be 65 or older by the year 2060.
- ○ Due to such trends, the productive age population in 2060 is projected to drop to nearly half of the current figure by the year 2060.



Source: "Future Projections for Population of Japan," National Institute of Population and Social Security Research (moderate-range projection)

Economic Impact of Growth in Number of Visitors (2017) (provisional figures)

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○ Annual consumption per permanent settler (1.25 million yen) when calculated in terms of travel consumption, amounts to 8 foreign visitors, 25 travelers on overnight trips, and 80 travelers on day trips.

Population of permanent settlers = 126.79 million

Annual consumption per capita = 1.25 million yen

Travel consumption

Foreign travel to Japan
4.4 trillion yen

Domestic travel (not including overseas legs) :
21.1 trillion yen

Overnight trips 16.1 trillion yen
Day trips 5.0 trillion yen

Foreign visitors to Japan

28.69 million

Travel expenditures per traveler per trip
153,921 yen

+

Domestic travelers (overnight + day trips)

648.09 million <cumulative total>

Overnight trips: 325.72 million
Day trips: 322.36 million

Consumption per traveler per trip
Overnight trips 49,625 yen
Day trips 15,602 yen

Decline

Consumption if population of permanent settlers decreases by 1

Growth

Amounts to 8 foreign travelers

or

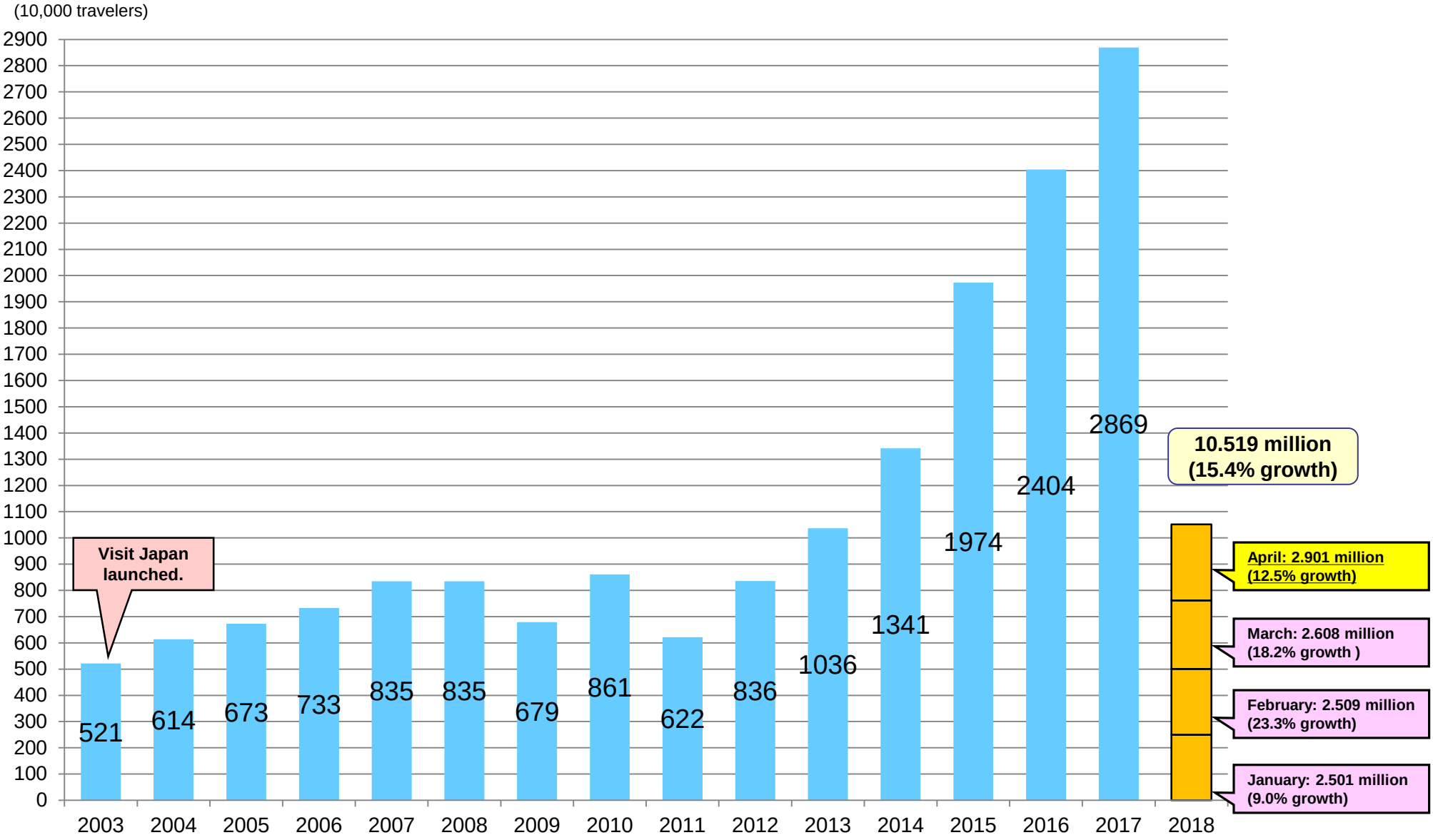
Amounts to 25 domestic travelers (overnight trips)

or

Amounts to 80 domestic travelers (day trips)

Population of permanent settlers is based on the current population estimate as of July 1, 2017 (Ministry of Internal Affairs and Communications) and the annual consumption per permanent settler is based on the 2017 household budget survey (Ministry of Internal Affairs and Communications).
Number of overseas trips to Japan under travel consumption was calculated based on the consumer survey on foreign visitors to Japan (2017) and number of domestic trips was calculated based on the Consumer Survey on Travel and Tourism (2017).
Number of foreign travelers to Japan was calculated based on figures announced by the JNTO (2017) and number of domestic travelers was calculated based on the consumer survey on travel and tourism (2017).
Consumption per traveler per trip for overseas trips to Japan was calculated based on the consumer survey on foreign travelers to Japan (2017) and travel consumption per person per trip for domestic travel (overnight and day trips) was calculated based on the consumer survey on travel and tourism (2017).
Number of travelers if population of permanent settlers decreases by one was calculated by subtracting the annual consumption per permanent settler from the consumption per traveler per trip for visitors to Japan and domestic travelers. (*Materials compiled by Japan Tourism Agency)

Trends in Number of Foreign Visitors to Japan



Note: Figures from 2016 or earlier are definite figures, figures from 2017 and January and February of 2018 are provisional figures, figures from March and April 2018 are estimated figures, and the percentages indicate year over year trends.

Source: JNTO (Japan National Tourism Organization)

Number of foreign travelers to Japan in 2017 According to Country or Region as well as Percentages Compared with Total Number of Travelers

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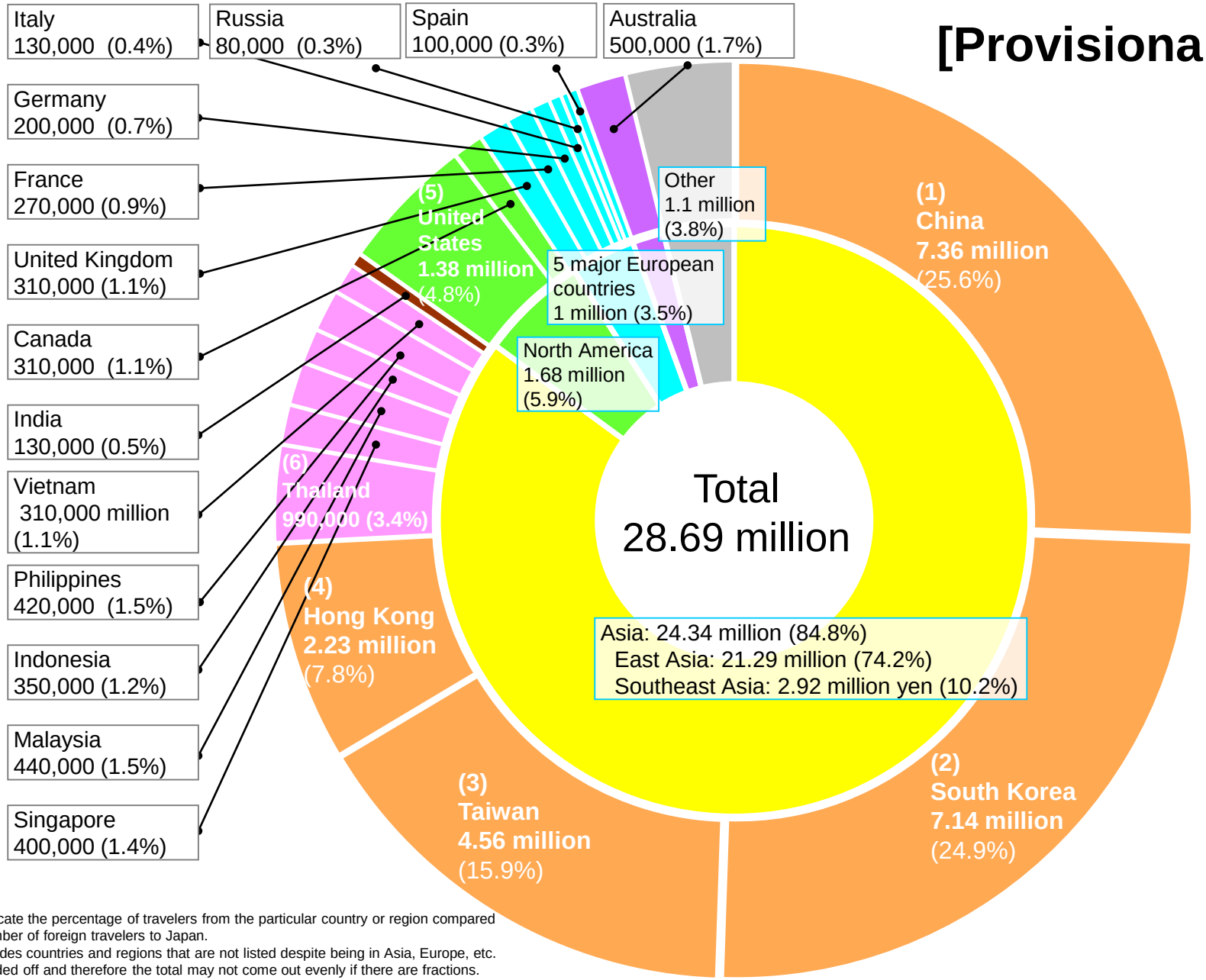
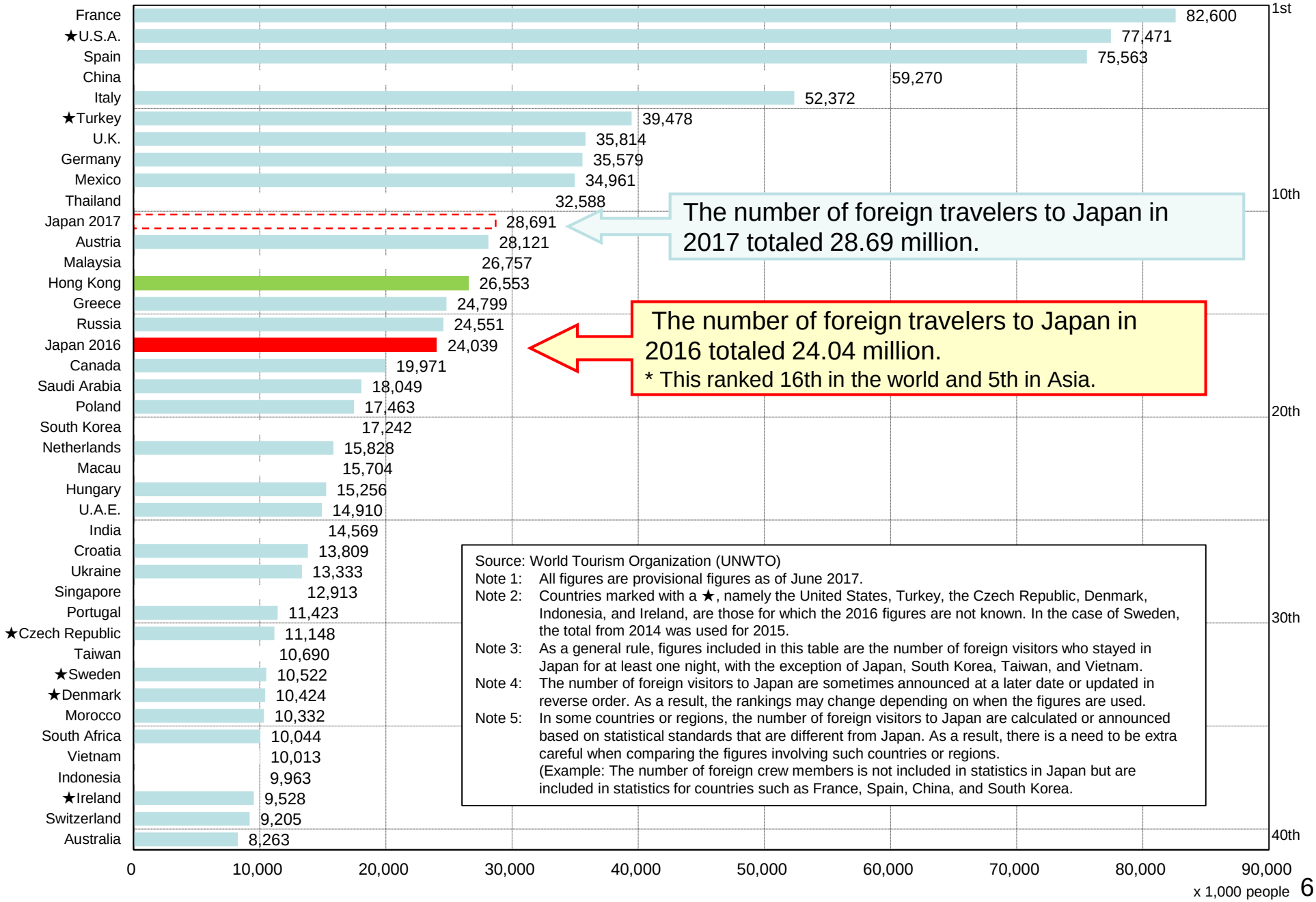
[Provisional figures]



* Figures in ( ) indicate the percentage of travelers from the particular country or region compared with the total number of foreign travelers to Japan.
* "Other" also includes countries and regions that are not listed despite being in Asia, Europe, etc.
* Figures are rounded off and therefore the total may not come out evenly if there are fractions.
* Compiled by Japan Tourism Agency based on JNTO (Japan National Tourism Organization).

Country-by-Country Comparison for Number of Foreign Visitors (2016)



Source: World Tourism Organization (UNWTO)

Note 1: All figures are provisional figures as of June 2017.

Note 2: Countries marked with a ★, namely the United States, Turkey, the Czech Republic, Denmark, Indonesia, and Ireland, are those for which the 2016 figures are not known. In the case of Sweden, the total from 2014 was used for 2015.

Note 3: As a general rule, figures included in this table are the number of foreign visitors who stayed in Japan for at least one night, with the exception of Japan, South Korea, Taiwan, and Vietnam.

Note 4: The number of foreign visitors to Japan are sometimes announced at a later date or updated in reverse order. As a result, the rankings may change depending on when the figures are used.

Note 5: In some countries or regions, the number of foreign visitors to Japan are calculated or announced based on statistical standards that are different from Japan. As a result, there is a need to be extra careful when comparing the figures involving such countries or regions.
(Example: The number of foreign crew members is not included in statistics in Japan but are included in statistics for countries such as France, Spain, China, and South Korea.

Travel Consumption by Foreign Visitors to Japan

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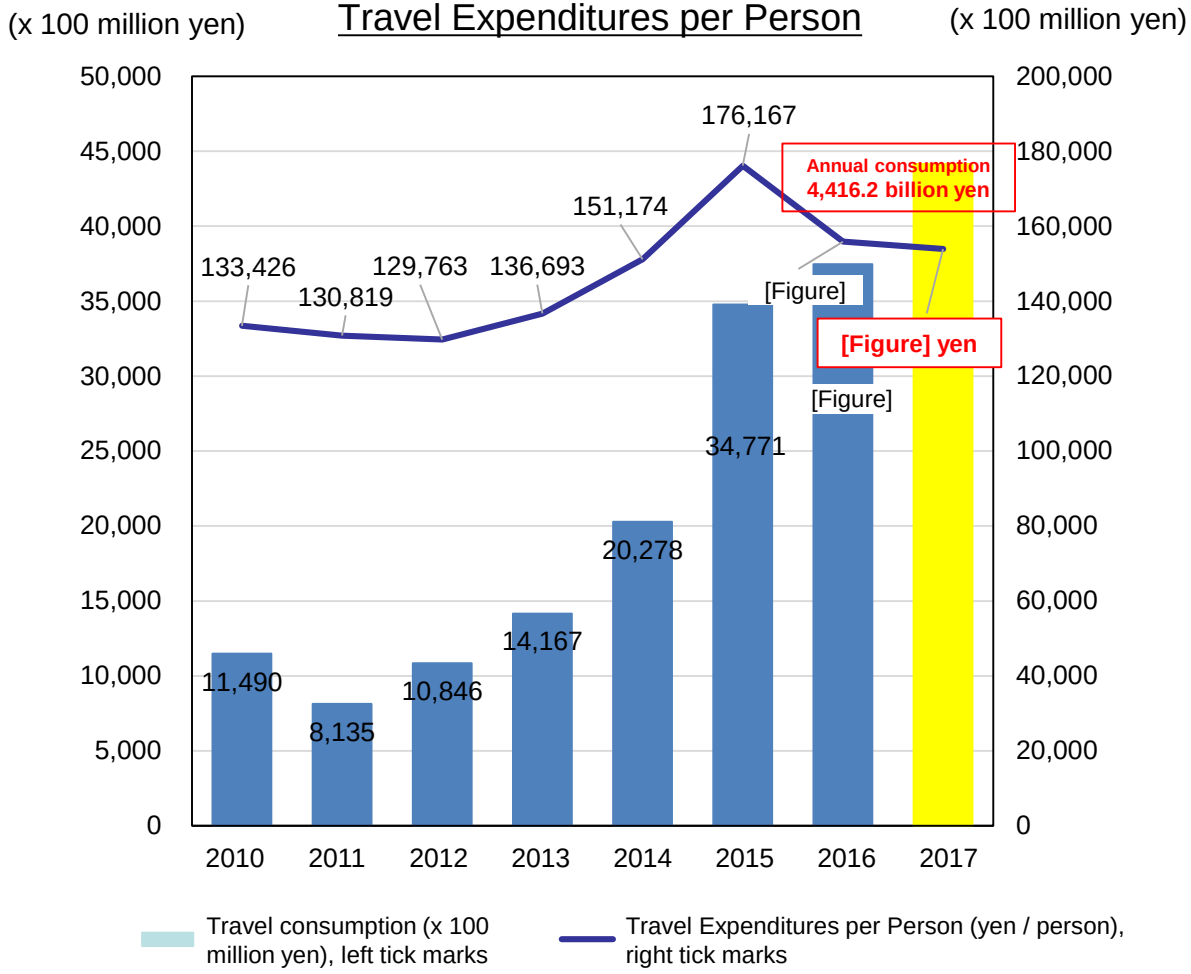
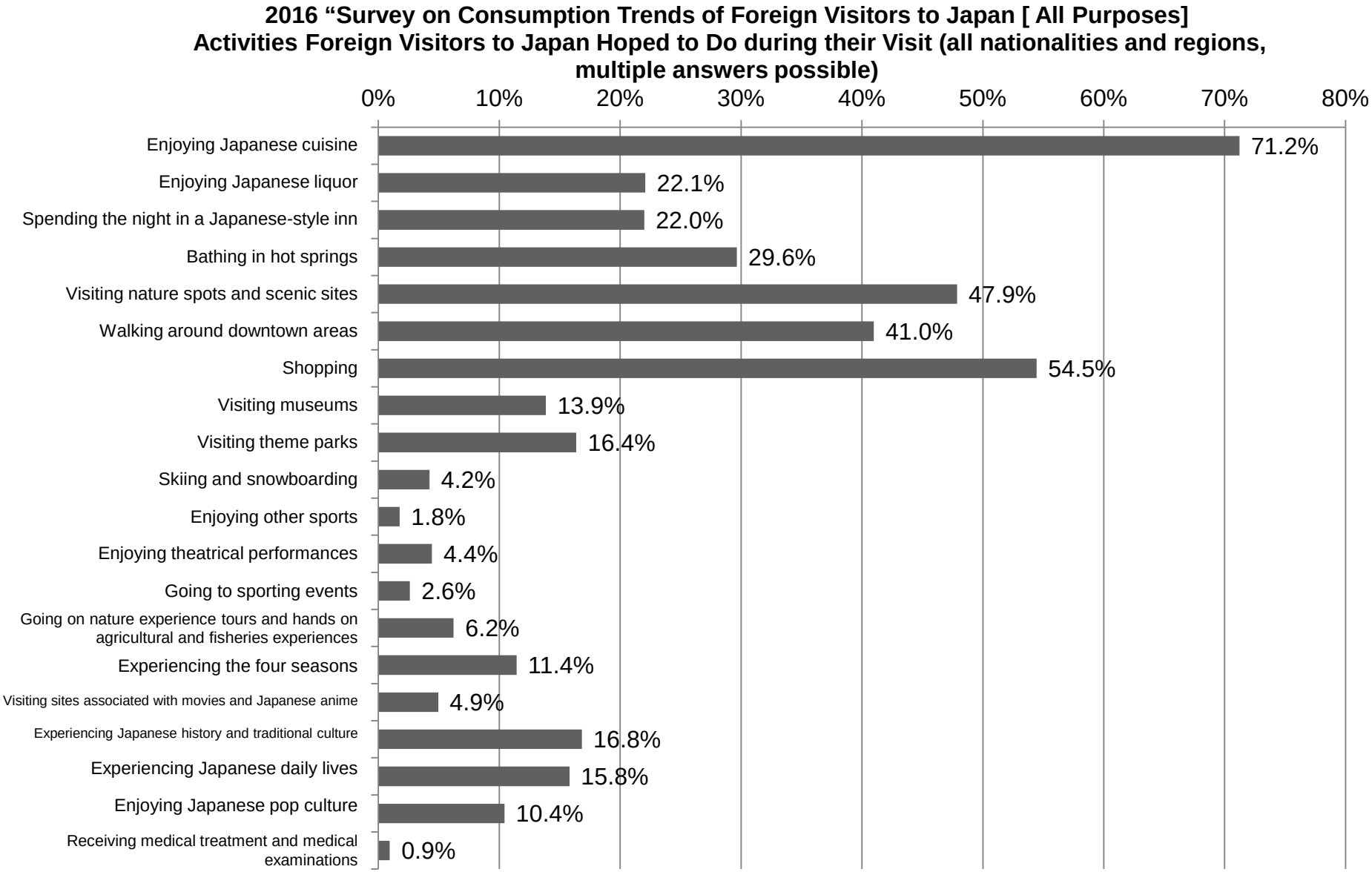
○ Travel consumption by foreign visitors to Japan in 2017 amounted to 4.4162 trillion yen, a year over year growth of 17.8%, which was a record high.
Travel expenditures per person amounted to 153,921 yen, a year over year decrease of 1.3%.

○ In looking at travel consumption according to country or region, China had the highest mark at 1.6947 trillion yen. This was followed by Taiwan , South Korea, Hong Kong, and the United States. These five countries accounted for 76.4% of total travel consumption.

Trends in Travel Consumption and Travel Expenditures per Person



(Reference) Activities Foreign Visitors to Japan Hoped to Do during their Visit



Source: "Survey on Consumption Trends of Foreign Visitors to Japan" (Japan Tourism Agency)

2017 Top Ten Ranking of Popular Tourist Spots among Foreign Visitors to Japan

1st: Fushimi Inari-taisha Shrine (Kyoto, Kyoto)

2nd: Owl cafe Akiba Fukurou (Chiyoda, Tokyo)

3rd: Hiroshima Peace Memorial Museum (Hiroshima Peace Memorial (Genbaku Dome), Hiroshima Peace Memorial Park) (Hiroshima, Hiroshima)

4th: Itsukushima Shrine (Hatsukaichi, Hiroshima)

5th: Todai-ji Temple (Nara, Nara)

6th: Kiyomizu-dera Temple (Kyoto, Kyoto)

7th: Shinjuku Gyoen National Garden (Shinjuku, Tokyo)

8th: Kinkaku-ji Temple (Kyoto, Kyoto)

9th: Hakone Open-Air Museum (Hakone, Kanagawa)

10th: Okunoin Temple, Mount Koya (Koya, Wakayama)

Source: "FY 2017 Ranking of Popular Tourist Spots among Foreign Visitors to Japan," TripAdvisor

2. Japan’s Tourism Strategy

About the Conference on Tourism Vision to Support the Future of Japan

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Conference on Tourism Vision to Support the Future of Japan

Setting a new target for the next generation and considering the measures that are necessary in meeting that target in light of the fact that the target of 20 million foreign visitors to Japan is within reach.

[Moderator] Prime Minister of Japan
[Deputy moderator] Chief cabinet secretary, Minister of Land, Infrastructure, and Transportation
[Constituent members] Deputy Prime Minister, Minister in Charge of Regional Revitalization, Minister in Charge of Promoting Dynamic Engagement of All Citizens, Minister of Public Management, Home Affairs, Posts and Telecommunications, Minister of Justice, Minister of Foreign Affairs, Minister for Health, Labour and Welfare, Minister of Economy, Trade and Industry
(Key figures from private sector)

Itaru Ishii:	President of Ishii Brothers' Co., a travel guide publisher
Shinichi Inoue:	President and CEO of Peach Aviation Limited
Masayuki Onishi:	Representative of the Tsuruga Group
Mayumi Oda:	Okami (chief service manager) at Kagaya (a Japanese-style inn)
Koji Karaike:	Chairman of Kyushu Railway Company
David Atkinson:	President of Konishi Decorative Arts and Crafts
Yonsuku Lee:	Visiting professor at Osaka International University

<Moderator: Prime Minister Shinzo Abe>

Tourism Vision to Support the Future of Japan Work Group

[Chair] Chief Cabinet Secretary
[Acting chair] Minister of Land, Infrastructure, and Transportation
[Constituent members] Deputy chief cabinet secretary, special advisor to the prime minister Assistant chief cabinet secretary , heads of relevant ministries and agencies, etc.

<Chair: Chief cabinet secretary 〉

March 30, 2016: Tourism Vision to Support the Future of Japan formulated.

Vision of Tourism that Supports a Future Japan: New Numerical Targets

Results of the Abe Cabinet Over the Past Five Years

Implemented **bold reforms**, such as strategically loosening visa requirements, expanding duty-free system, strengthening customs control system, and expanding the flight network.

	(2012)		(2017)
• Visitor arrivals to Japan grew about 3.5 fold to 28.69 million	8.36 million	→	28.69 million
• Travel spending by visitor arrivals to Japan rose about 4 fold to 4.4 trillion yen	1.0846 trillion yen	→	4.4161 trillion yen

Challenge of new goals

Visitor arrivals to Japan	2020: **40 million** (about 2x compared to 2015)*	2030: **60 million** (about 3x compared to 2015)*
Travel spending by visitor arrivals to Japan	2020: **8 trillion yen** (more than 2x compared to 2015)*	2030: **15 trillion yen** (more than 4x compared to 2015)*
Accumulated number of foreign national guests at accommodations in regions	2020: **70 million** (slightly less than 3x compared to 2015)*	2030: **130 million** (more than 5x compared to 2015)*
Number of repeat visitor arrivals to Japan	2020: **24 million** (about 2x compared to 2015)*	2030: **36 million** (about 3x compared to 2015)*
Travel spending by Japanese within Japan	2020: **21 trillion yen** (about 5% increase compared to recent 5-year average)*	2030: **22 trillion yen** (about 10% increase compared to recent 5-year average.)*

* Figures in parenthesis are comparison to 2015, which the Tourism Vision was formulated.

Perspective 1. Increasing Appeal of Tourism Resources and Using As Foundation for Regional Vitalization (1)

1. Public facilities

Broadly open appealing public facilities to Japanese and then the world.

—Show the world unique Japanese spaces full of the essence of Japanese craft—

State Guest House, Akasaka Palace
Open to the general public all year round since April 19, 2016.

Kyoto State Guest House
After opening to the public on a trial basis April 28–May 9, 2016, open to the general public all year round since July 21.

Hofburg Imperial Palace (Austria)

It is possible to tour the imperial palace as a tourist facility during the day. Part of it is open to the general public and can used for receptions, etc.

Overall view of imperial palace

Interior of the palace

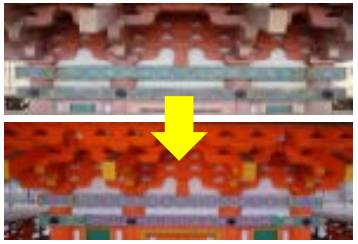
2. Cultural Assets

Shift from "giving priority to preserving" cultural assets to "promoting understanding" from a tourist perspective and then making use of them.

—From set-aside cultural assets to special cultural assets—

By 2020, develop 200 tourist sites, primarily cultural assets, throughout Japan, launch 1,000 projects, such as easy-to-understand multi-language explanations, and strengthen focused support.

Develop from a tourist site perspective
(Thatched-roof private houses in Ouchi-juku Fukushima.



Expand restoration work and beautify
(Restore beauty of the three-level pagoda of Kiyomizudera.)

Multi-language easy-to-understand explanations
(Nikko Toshogu Museum)

Use for weddings, etc.
(Industry Club of West Japan Hall)

Perspective 1. Increasing Appeal of Tourism Resources and Using As Foundation for Regional Vitalization (2)

3. National Parks

Transform national parks to world-class national parks.

—Transform parks into quality spaces that people from throughout the world come to spend their vacation—

For 8 parks[1] throughout Japan, clarify parts that should be protected and parts that should be used for tourism, leverage private sector skills, and make concentrated improvements to transform the parks into areas for use and experiences and use by 2020.

1. Select 8 candidate parks by July 25.

Yellowstone National Park (U.S.)

Tourists facilities and programs are offered so that tourist can experience rich nature. Some of the operating costs are covered with entrance and concession fees.

View wild animals up close

Tours provided by expert guides

Trip explanations by visitor centers

Appealing hotels

4. Scenery

Create a Scenery Plan for major sightseeing spots.

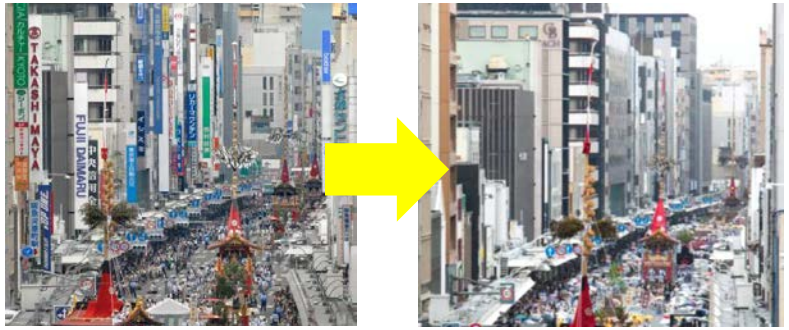
—Create unforgettable spots and easily recognizable spots—

In general, create a Scenery Plan for all prefectures and half of municipalities by 2020. The national government will dispatch teams of experts to regions and provide thorough support for the efforts.

- Scenery Plans for 20 prefectures and 472 municipalities had been created by September 30, 2015.

Kyoto-shi

Implement integrated efforts that combine preservation of historical structures and Landscape Act regulations with other activities such as standardizing outside ads and Regional Council activities.



Shijo-dori, where efforts are being made to standardize outside ads (2007→ 2015)

Perspective 2. Reforming the Tourism Industry, Increasing Its International Competitiveness, and Transforming It Into a Core Industry for Japan

5. Tourism Industry

Review old regulations and transform the tourism industry into one that values productivity.

Promote and support an integrated package that includes fundamentally reviewing regulations and systems (interpreter guides, land operators, travel industry, etc.), developing top-class managers, formulating B&B rules, increasing productivity of the B&B industry.

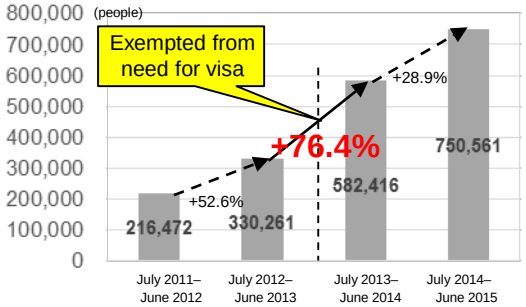
6. Market Development

Develop new markets and implement and achieve both long stays and greater consumption.

Move forward with various efforts including promotions that target Europeans, Americans, and Australians and the wealthy, strategically loosening visa of requirements, supporting efforts to attract MICE, and improving accessibility of the Greater Tokyo area for business jets.

Impact of loosening visa requirements

Number of Visitor Arrivals from Thailand
(exempted from need to obtain visa starting July 1, 2013)



Loosen visa requirements for five countries in the future
- China
- Philippines
- Vietnam
- India
- Russia

7. Tourism site management

Restore and reinvigorate distressed hot spring areas and provincial cities through future-oriented management.

Develop 100 world-class DMOs throughout Japan by 2020. Use various measures such as tourism site restoration, reinvigoration funds, and deregulation, and make the most of private sector skills to achieve stable, sustainable tourism-oriented urban development.

Yudanaka Onsen (Yamanouchi-machi, Nagano)

Regional Economy Vitalization Corporation of Japan (REVIC) and local financial institutions invested in the hot spring Yudanaka Onsen restoration project through a fund.

Yudanaka Onsen

Renovated closed traditional Japanese inns, restaurants, and bars.

Perspective 3. Creating an Environment in Which All Tourists Can Comfortably Enjoy Stress-Free Tourism

8. Stay environment

Dramatically improve soft infrastructure and provide the most comfortable stay in the world.

Transform customs inspections through the use of advanced technology and achieve various objectives including creating stress-free communication and transportation environment, introducing cashless tourism, and use of universal design.

9. Local community exchanges

Complete the construction of regional revitalization corridors making it possible to comfortably travel anywhere in Japan.

– Make is possible to enjoy traveling from one end of Japan to the other –

Make is possible to purchase Japan Rail Pass even after arriving in Japan. Increase access to tourism sites by opening new Shinkansen lines and airport concession, etc.

Launch operation of the Hokkaido Shinkansen

Integrate operation of several airports (New Chitose)

10. Days off

Transform how people work and take time off and realize a society full of activity.

– Make it possible for each Japanese to enjoy work and time off –

Increase the percentage of people who take annual paid time-off to 70% by 2020. Furthermore, move forward with various other efforts including introducing a system that makes it easy for families to take time off and level tourism demand by spreading out when people take time off.

Creating family time (Hitoyoshi-shi, Kumamoto)

All elementary and junior high schools in the city are closed on days traditional local festivals are held and local companies are encouraged to take paid time off.

Okunchi Festival

Regional council

（質疑応答用スライド）

FY2018–FY2020 Overall Goal of Travel-to-Japan Promotions

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In order to achieve various goals in 2020, such as 40 million visitor arrivals to Japan and 8 trillion in travel spending by visitor arrivals to Japan, it is necessary to attract people from markets throughout world that are expected to see growth in travel to Japan, including not only Asia, where 80% of visitor arrivals to Japan come from now, but also Europe, U.S., and Australia, where there are an insufficient number of visitor arrivals from compared to the size of the foreign travel market.

Change promotion plan to a **three-year plan** starting in FY2018 in order to make the most of the growing focus on Japan because of the Tokyo Olympics and Paralympics.

FY2018 → FY2019 → FY2020 (Olympic/Paralympic)

During the three year period (FY2018–2020), the goals will be appropriately revised taking into consideration various factors including revisions to strategies developed by outside consultants and results of market surveys.

Main points of the 3-year travel-to-Japan promotion goals

- Taking into consideration differences between **the Asian market, where there is strong awareness of traveling to Japan,** and **those in Europe, U.S., and Australia, where there is little awareness,** set **issues and responses by target** for each of 20 priority markets based on individual characteristics of the market and **improve strategic aspects** of the promotion.
  - For Asia, **further capture demand by repeat visitors**, who are growing in number, and strengthen response to **more diverse needs of individual travelers** and people who have not yet visited Japan.
  - In order to **develop new demand**, particularly in Europe, U.S., and Australia, move forward with promotions that effectively increase interest in and desire to travel to Japan through the use of digital marketing technology that targets people who frequently travel for long periods overseas but are not aware of Japan as a travel destination Japan (**group uninterested in travel to Japan**) (**fully implement a global visit Japan campaign**).
  - For Europe, U.S., and Australia, **utilize outside consultants**, analyze the results of market research, etc. and revise items such as target and content of appeals. Especially, conduct **more advanced promotions** by being sure to attract people who are not interested in visiting Japan.
- **Make the most of digital marketing** and strive to understand market trends and develop more advanced promotions through big data analysis.
- Strengthen promotions to **attract wealthy visitors and long-stay visitors** in order to increase travel spending by visitors arrivals to Japan.
- Work to promote efforts to **attract new routes for airlines and cruise ships, etc.**
- **Move forward with efforts to increase the appeal of local areas** by communicating the diverse appeal through partnerships with local governments and other entities, etc.
- **Create demand for travel to Japan all year round** through measures that target slow periods, etc.

Necessity to Formulate/Establish Japanese Version DMO

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DMO: Destination Management/Marketing Organization

A corporate body to act as a leader in tourism-based regional development which incorporates scientific approach while involving a variety of stakeholders in the region = Formulate/establish "Japanese Version DMO" in various areas

Promote "economically viable" tourist regions which try to invite visitors in an effective/efficient manner utilizing regional resources as much as possible

Collaboration with a variety of stakeholders

Collaborate with a variety of stakeholders while incorporating internal/external human resources and knowhow

Japanese Version DMO
- Consensus building among a variety of stakeholders
- Formulation of marketing strategy on the basis of data
- Management/branding of the tourist spots

Accommodation facilities
- Improve individual facilities
- Introduce quality assurance

Commerce and industry
- Develop specialty product
- Obtain tax-free store license

Government
- Formulate tourism development plan
- Develop infrastructure (scenery, road, airport, harbor, etc)
- Protect/utilize cultural assets
- Tourism education
- Traffic measures
- Various support measures

Agriculture, forestry and fisheries
- Provide agricultural experience program
- Product development by sixth industrialization

Transport business operators
- Ensure secondary transportation
- Prepare special excursion tickets for tourists

Restaurants
- Provide "local foods"
- Be ready for multiple languages and Muslim tourists

Local residents
- Understanding for tourist region development
- Scheme to let local citizens function as a tourist guide

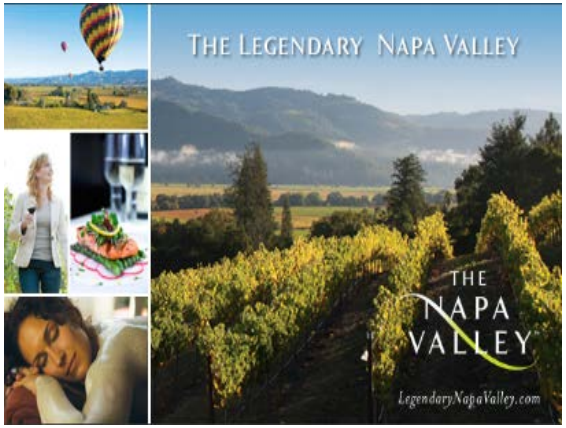
Development of an attractive tourist region supported by all stakeholders in the region
Strategy-based unified dissemination of information and promotion

Attract tourists

Regional revitalization by way of tourism

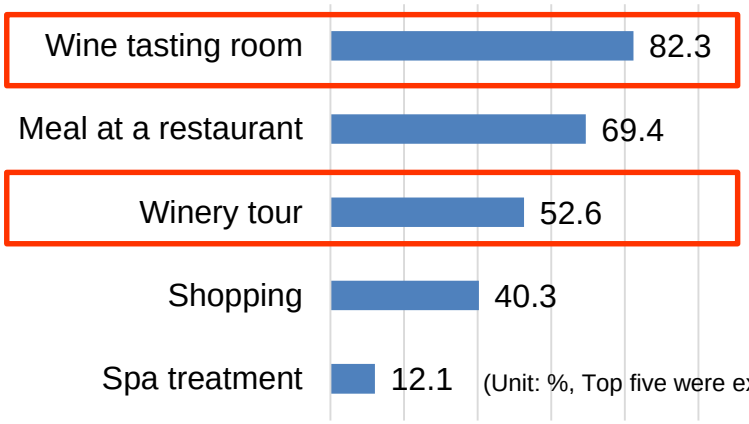
Overseas DMO: Efforts of Napa County, California

Establishment of regional brand centering on winery



Appealing the attractiveness as a tourist spot including food etc where "beautiful vineyard" is the core image

Reason for visit (tourist resources/attractions)



(Unit: %, Top five were extracted)

Ripple effect on wine industry

- **As the number of winery increases, employment expands**
- **The amount of expenditure for wine-related tourism industry was $1.05 billion, 47.1% increase compared with 2006**

	2006	2011	Rate of increase
Number of winery	542	789	45.6%
Number of wine-related employment*	39,900 people	46,000 people	15.3%
Wine-related wages paid*	$1.5 billion	$2.1 billion	40.0%
Wine-related tourism industry expenditure	$0.714 billion	$1.05 billion	47.1%

* Including direct & indirect

New Tourism Region Support Program for Promotion of Wide-area Excursion Tourism

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Program Outline

Carried out by DMO as a key player for the purpose of promoting excursion of tourists such as foreign visitors traveling around respective regions. Regional stakeholders cooperate to provide support for those programs that try to attract tourists and let them stay.

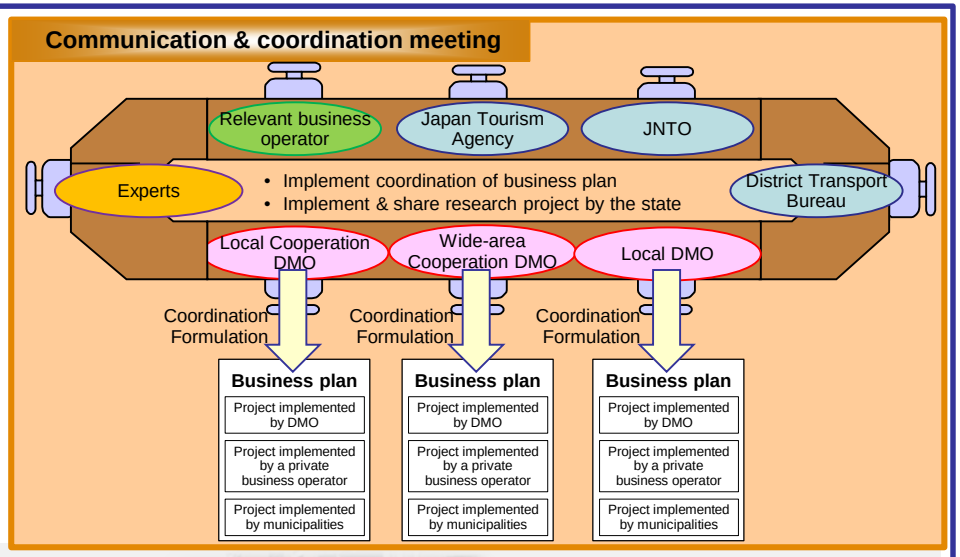
Support Scheme

- **Target projects for subsidy**

  The following projects aiming to attract foreign tourists that are incorporated into the business plan formulated by respective DMO (please note that only those that went through coordination process at the communication & coordination meeting which is held at each regional block are targeted)

  * DMO (coordinator of tourism region development): Destination Management/Marketing Organization

(1) Research & planning
(2) Improvement on contents of stay
(3) Development of environment for promotion of wide-area excursion tourism
(4) Dissemination of information & promotion



Concrete image of support

Hold periodical strategy meeting

Prepare & provide visit/stay program taking advantage of local resources

(c)Tezuka Productions

Sale of unified transport pass for foreign tourists

Organize a business meeting

- **Body targeted by the subsidy:**

  Implementing body of a project which has been incorporated into the business plan
  (DMO and other private business operators or local governments which implement those projects that cater for needs of foreign tourists)

- **Subsidy rate:**

  Fixed amount (research & planning)

  Half of the project cost (improvement on contents of stay, development of environment for promotion of wide-area excursion tourism, dissemination of information & promotion)

  * For continuous project, second year: Two fifth; third year: One third

Example of DMO: Provision of Attractive Contents Taking Advantage of Local Originality and Ingenuity

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Reproduction & utilization of historical resources such as old private residence

➤ (general incorporated association) NOTE (Shinoyama city, Hyogo, etc)

- Historic areas which have been suffering from decreasing/aging population have been **regenerated taking advantage of vacant houses and historic culture in the area and operated as accommodation and so on**.
- In Shinoyama city, **attractive townscape of castle town etc has been successfully realized** where **over 40 old residences have been regenerated** and **there are many hotels, restaurants, cafes, and craft centers along the street** thanks to their efforts to invite entrepreneurs and business operators.

* Photos provided by NOTE

Promotion of farm stay, development & provision of experience-based program at agricultural/mountain/fishery village

➤ (general incorporated association) Soranosato (Miyoshi city, Tokushima etc)

- Trying to attract **inbound visitors and tourists for hands-on educational program** through collaboration with **about 170 farmers** in mountainous area who are happy to let visitors stay in their farm.
- At respective farms, **local residents take a leading role to provide a variety of interesting hands-on program** such as **experience of unique lifestyle, agriculture and traditional cooking which cannot be experienced in other areas**.

* Photos provided by Soranosato

What is Airbnb?

Airbnb … Provides online platform which connects so-called hosts (providers) who have home stay accommodation facilities and the guest (lodger)
(Head office: *USA*; Contracting body: *Ireland*)

System

Choose the one you want to stay from the list

Host approves the booking of the guest and the guest goes there to stay

After the stay, the host and the guest evaluates each other

Current status in Japan

- Handling approx. 48,000 properties nationwide
- Used by approx. 1.3 million travelers in 2015
- Travel destinations of the guest are in all 47 prefectures (Tokyo: 47%; Osaka: 23%; Kyoto: 15%, others: 15%)

(Source: Data published by Airbnb & their website)

Current status in the world

- Handling approx. 2.5 million properties in over 34,000 cities in 191 countries
- Used by approx. 60 million travelers in 2015

(Source: Data published by Airbnb & their website)

Recent report etc

- The number of inbound visitors who used Airbnb <u>amounted to</u> more than <u>3.7 million in 2016</u> (A level twice as much as 2015)
- Around 10% of over 20 million inbound visitors may have used their service

Outline of the Private Lodging Business Act

Background & necessity

- In the past few years, private lodging service became rapidly popular In Japan as well
- Responding to diversified accommodation needs and tight accommodation demand and supply situation
- To ensure public hygiene and prevent troubles with local residents etc, and in response to illegal private lodging service which operates hotel business without license, and so on

Outline

1. Establishment of a concerning private lodging business operators

(1) Notification to the prefectural governor is required
(the maximum days for the service per year is 180 days (stays) and a mechanism to reflect the actual situation of the area will be created)

(2) In case of owner-occupied type, the operator is obliged to implement measures to ensure proper operation of lodging business (ensuring the health of lodgers, explanation about noise prevention, response to complaint, creation & preparation of lodger's registry book, provision of signs etc)

(3) In case of owner-absent type, they are obliged to entrust those measures mentioned above to a private lodging agent

(4) The prefectural governor will implement supervision concerning private lodging business operators

* On behalf of prefectures, cities which have a public health center (ordinance-designated cities, core cities, etc) and special ward (23 wards in Tokyo) can provide supervision (including reception of notification) & establish ordinances

2. Establishment of a scheme concerning private lodging administrators

(1) Registration with the Minister of Land, Infrastructure, Transport and Tourism is required

(2) Obliged to implement measures to ensure proper operation of private lodging business (explanation of the contents of contract to private lodging business operators) and implement the measures specified in 1 (2) (except for display of signs) on behalf of the operator

(3) The Minister of Land, Infrastructure, Transport and Tourism implements supervision in relation to private lodging administrators

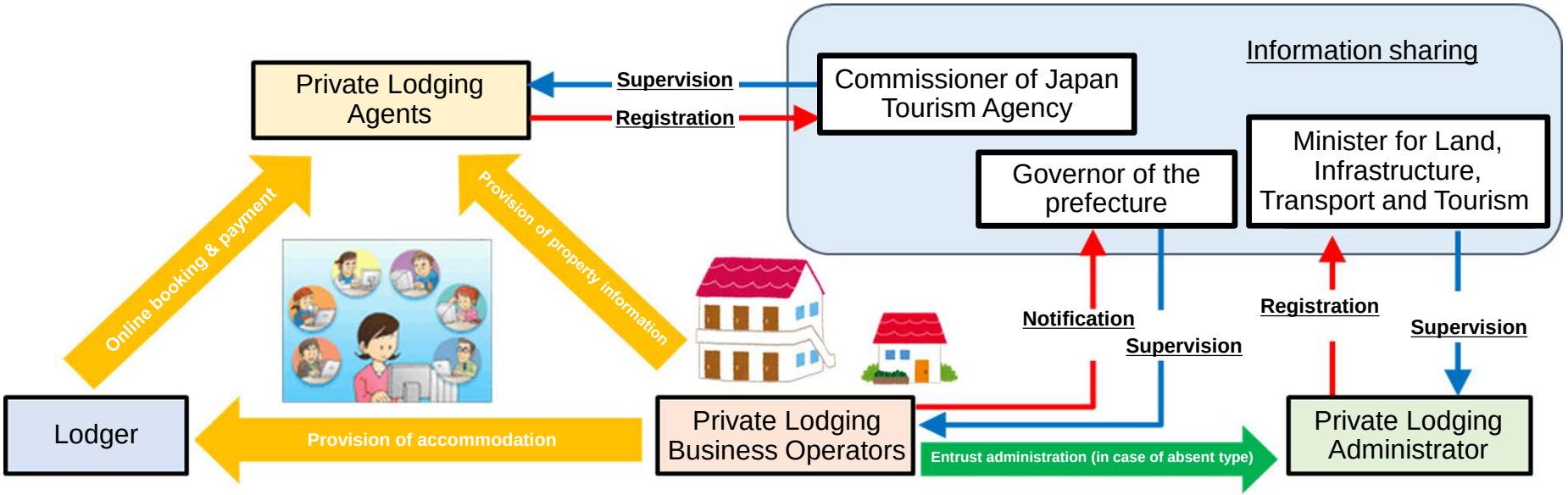
3. Establishment of a scheme concerning private lodging agents

(1) Registration with the Commissioner of Japan Tourism Agency is required

(2) Obliged to implement measures to ensure proper operation of private lodging agent business (explanation of the contents of contract to the lodger, etc)

(3) The Commissioner of Japan Tourism Agency implements supervision in relation to private lodging agents

○ **Date Issued:** 16 June 2017 ○ **Date of enforcement:** 15 June 2018



Revision of Licensed Guide Interpreters Act in Response to Rapid Increase of Inbound Tourists Visiting Japan

国土交通省 観光庁

○ Drastic revision of licensed guide interpreters system including discontinuation of monopoly system in response to shortage of licensed guide interpreters and diversification of guide needs <partial revision of Licensed Guide Interpreters Act>

[In relation to the Regulatory Reform Implementation Plan (decision at a Cabinet meeting on 2 June 2016)]

<Current situation & challenge>

1. As the number of foreigners visiting Japan is increasing rapidly, it is necessary for us to let them visit country and regional areas more.
2. Current licensed guide interpreters are mostly in large cities and, in terms of language, largely in English.
3. As the interest and taste of travelers are widely different, needs for guide interpreters are diversified. (Example: I would like to know more about traditional culture, I would like to experience kimono wearing, etc)
4. The number of regionally recognized special guide interpreters has increased in designated district etc. (As of June 2016, 1,376 in 25 districts)

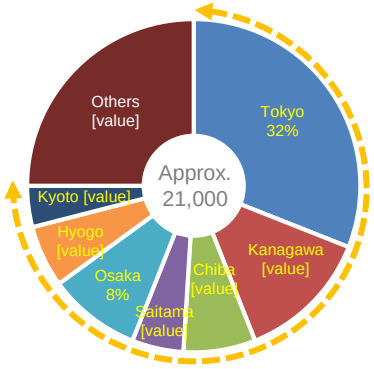
[Details of the Act]

<Discontinuation of monopoly system by Licensed Guide Interpreters & response to diversification of needs>

1. Discontinue business monopoly system while maintaining title-monopoly system.
2. Recognize special case of local guide nationwide as a local guide interpreter.
3. Revision of exam subjects for National Licensed Guide Interpreters (addition of some subjects related to guide interpreter's practice).
4. National Licensed Guide Interpreters are now obliged to take periodical training course.

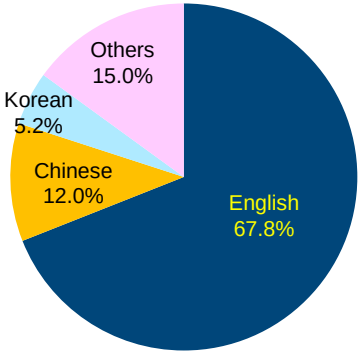
Mostly in large cities

(Large cities : Three-fourths)



Largely in English

(English : Two-thirds)



[Measures other than those included in the Act]

○ **Improvement on the quality of non-licensed guide**

- Those without license are encouraged to take those training courses that are taken by the licensed guide interpreters

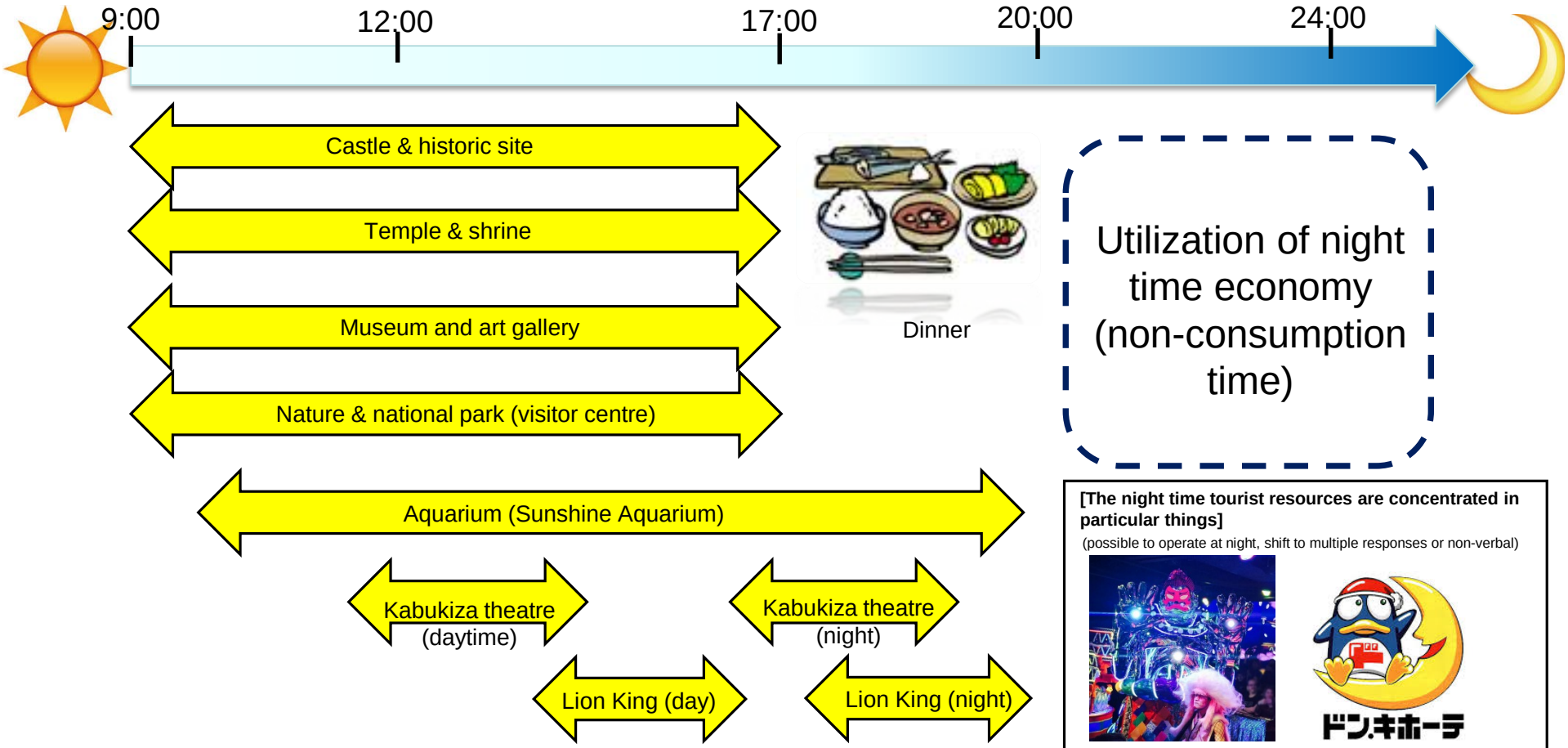
○ **Prevention of malicious guide interpreters**

- Give guidance to travel agents and land operators, by way of guidelines etc, to the effect that they should employ licensed guide interpreters as a matter of priority
- Establish a database for licensed guide interpreters to provide an environment where guides of high quality are firstly chosen by also encouraging non-licensed guides to join.
- In relation to those foreign travel agents who make malicious arrangement, we provide information to the tourism authority of respective country and ask them to regulate & give guidance in accordance with law and regulations of their country.

Promotion of Night Time Economy

Travel expenses foreign visitors spend in Japan

Travel expenditure by foreign visitors = **Number of foreign travelers** × **Amount of money they spend per day** × **Number of days in Japan**

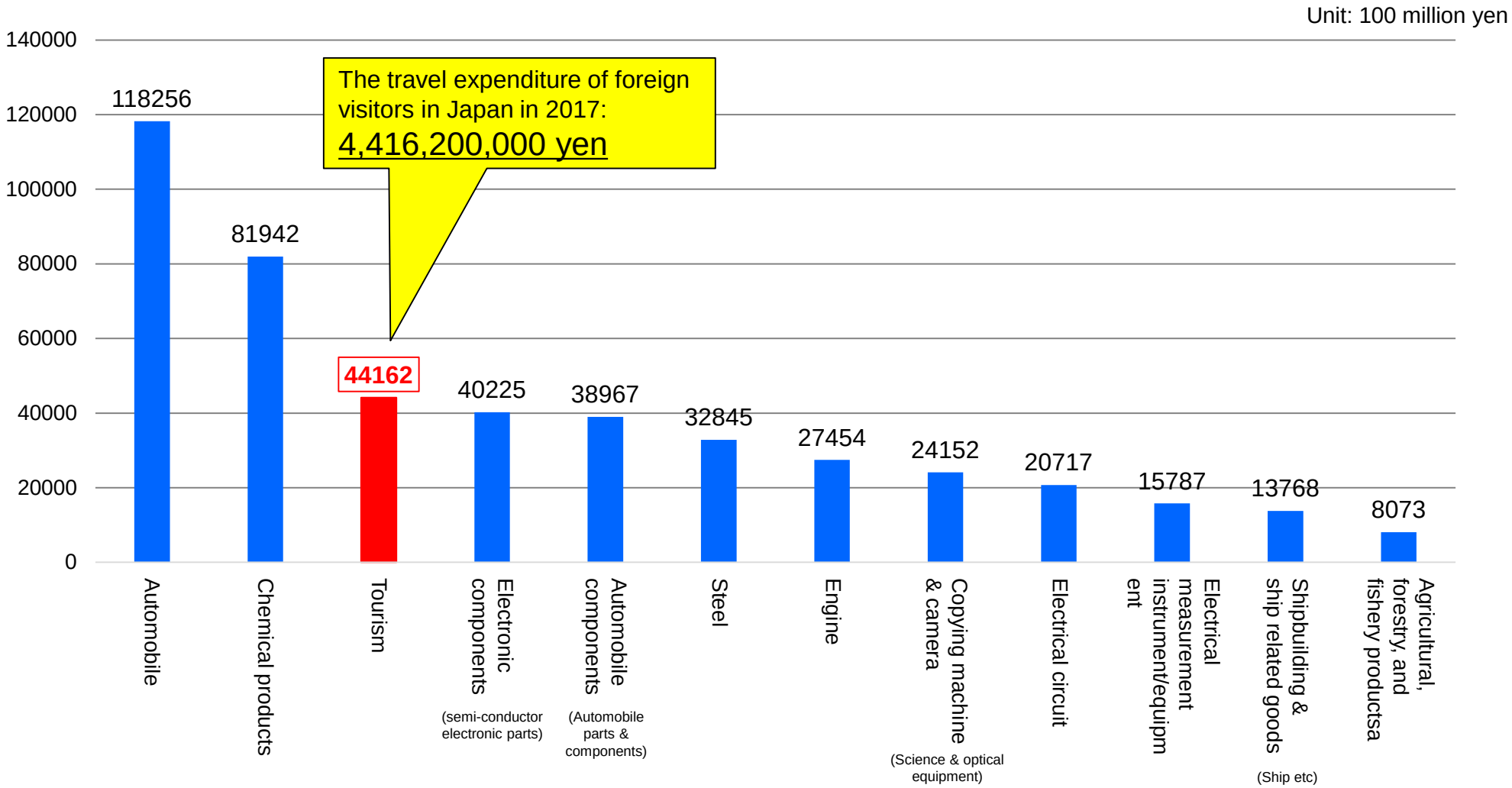


Japanese tourist resources are concentrated in the day time

Creation of new tourist expenditure

Travel Expenditure by Foreign Visitors in Japan Compared with Amount of Export Product by Product (2017)

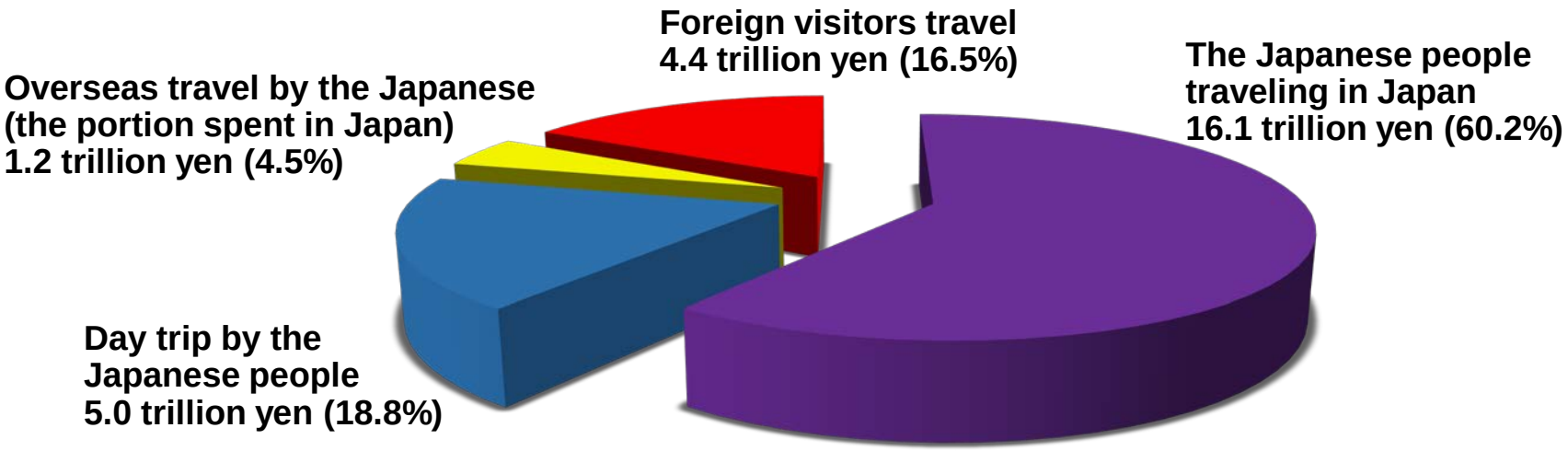
○ The travel expenditure of foreign visitors in Japan in 2017 was 4,416,200,000 yen, a level more than the amount of export of electronic components.



* The amount for those products other than tourism and agriculture, forestry, and fisheries products are confirmed figures of Trade Statistics (Ministry of Finance)
* The amount for agriculture, forestry, and fisheries products are data announced by the Ministry of Agriculture, Forestry and Fisheries, the first announcement for 2017
* The product name in the bracket is the product name used in the trade statistics

Amount of Travel Expenditure in Japan (2017 (Confirmed Figure))

26.7 Trillion yen



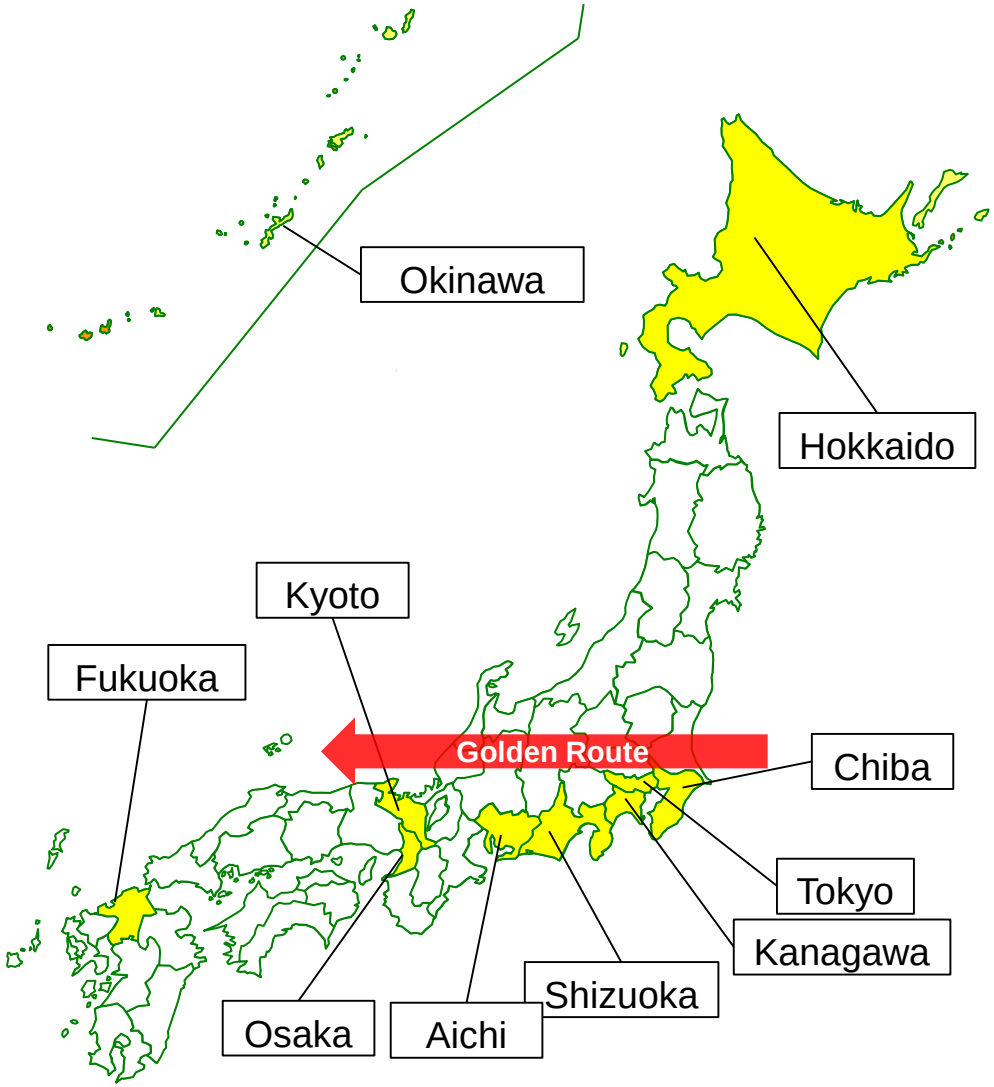
Calculation based on Japan Tourism Agency's “Survey on the Trend of Travel & Tourism Expenditure" and "Consumption Trend Survey for Foreigners Visiting Japan"

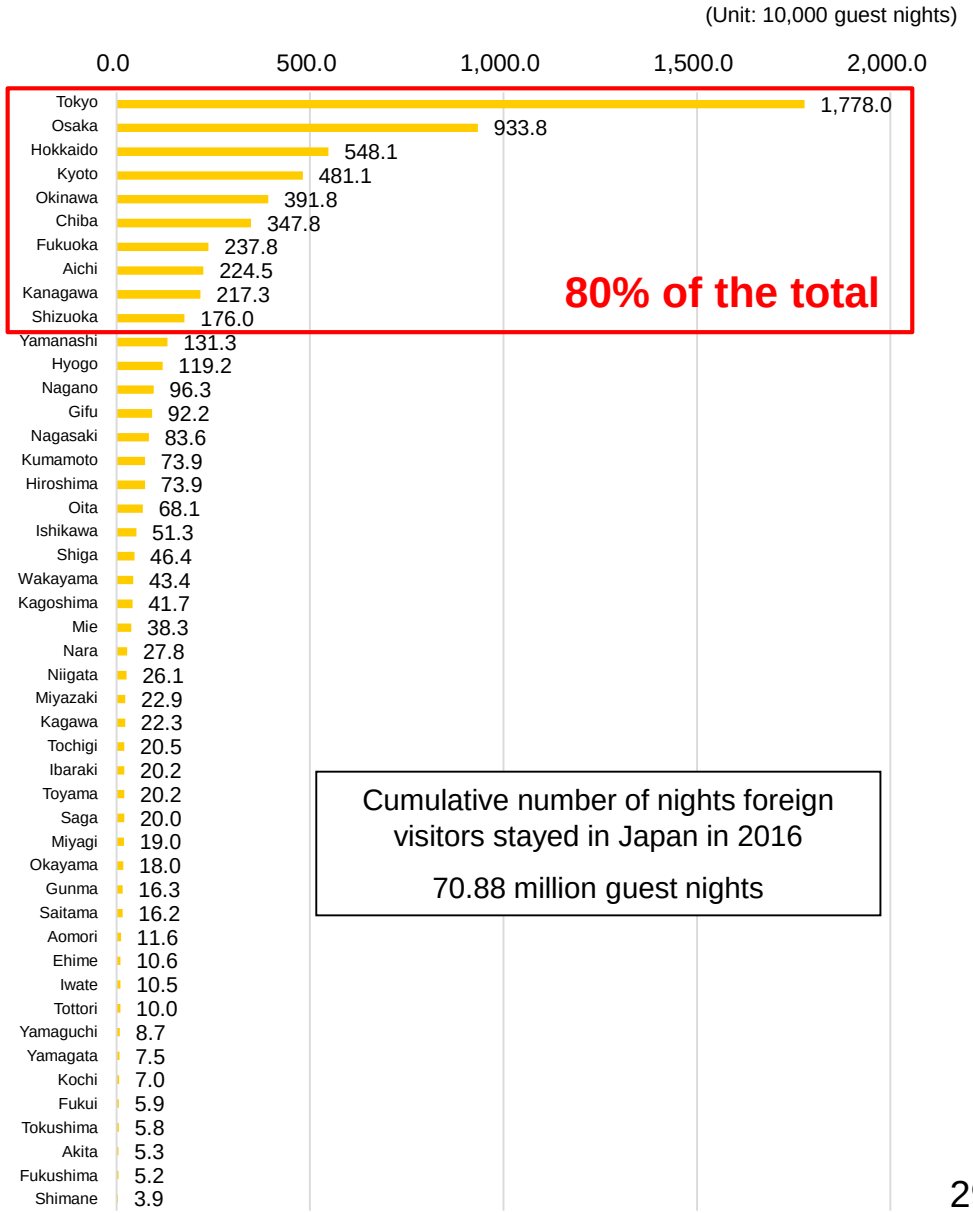
Trend of travel expenditure (2010-2017)

Unit: Trillion yen

	2010	2011	2012	2013	2014	2015	2016	2017
Domestic travel by the Japanese requiring accommodation	15.4	14.8	15.0	15.4	13.9	15.8	16.0	16.1
Domestic day trip by the Japanese people	5.1	5.0	4.4	4.8	4.5	4.6	4.9	5.0
Overseas travel by the Japanese (the portion spent in Japan)	1.1	1.2	1.3	1.2	1.1	1.0	1.1	1.2
Foreign visitors’ travel	1.1	0.8	1.1	1.4	2.0	3.5	3.7	4.4
Total	22.7	21.8	21.8	22.8	21.6	24.8	25.8	26.7

Cumulative Number of Foreign Visitors Stayed in Each Prefecture in Total (2016)





Cumulative number of nights foreign visitors stayed in Japan in 2016

70.88 million guest nights