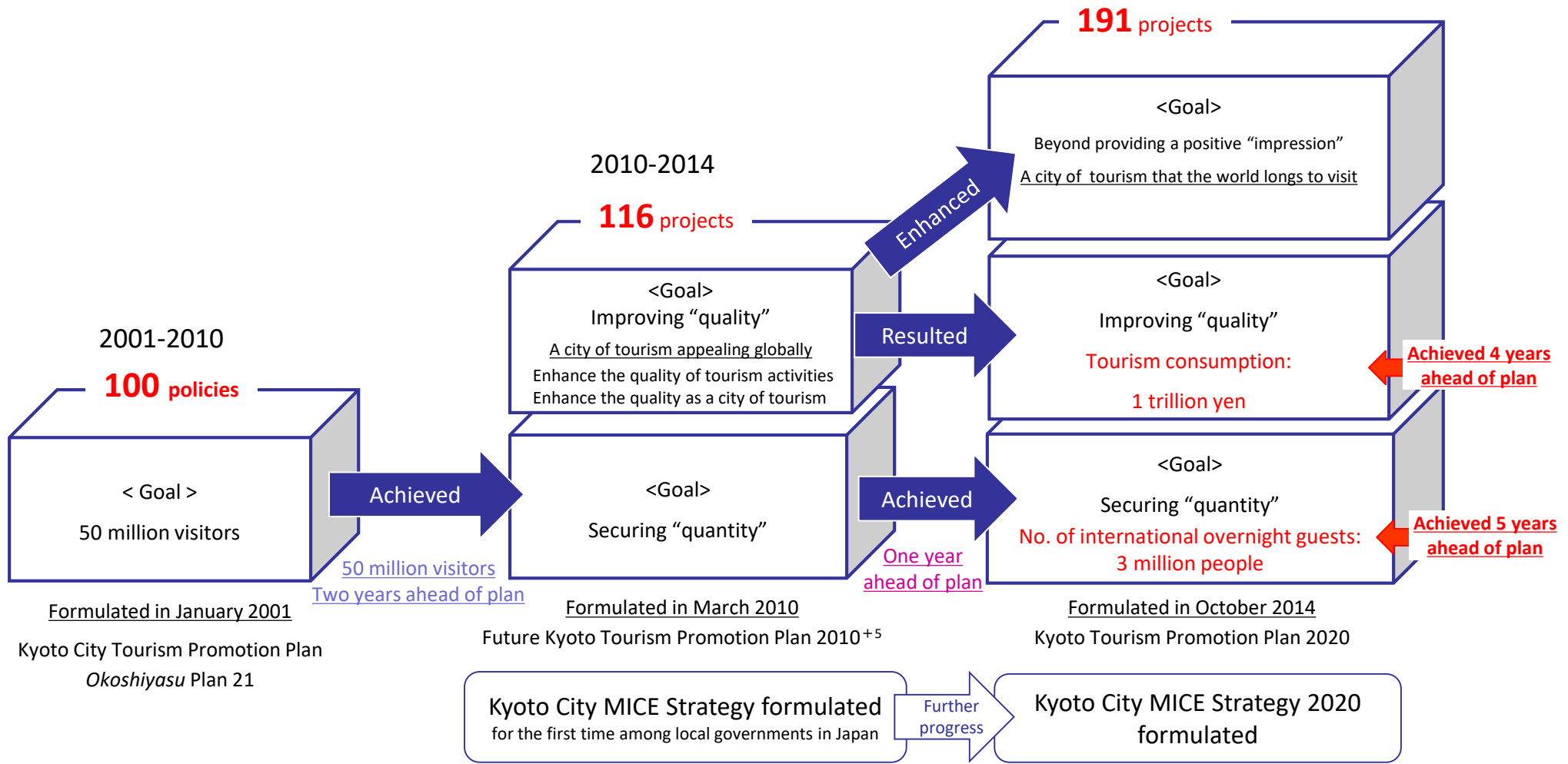


Recent Changes of Tourism Policies of Kyoto City

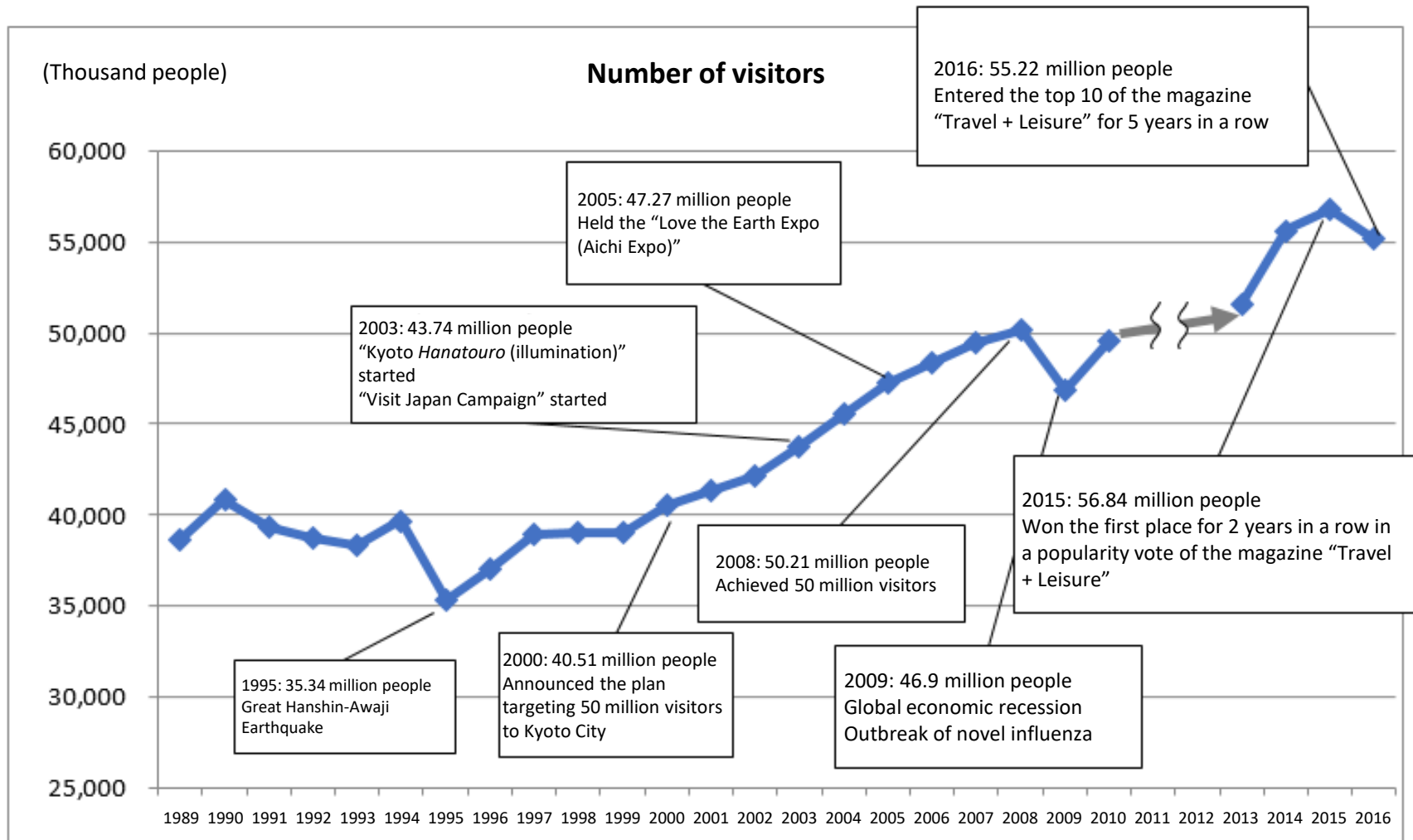
- From "Quantity" to "Quality" -

- 4 pillars
- Human resource development and community development
 - Improvement of attractiveness and attraction methods
 - Appealing attractiveness Communication
 - MICE Strategy



Number of Visitors to Kyoto (2016)

Achieved 55.22 million visitors, maintaining the level of 55 million visitors for 3 years in a row



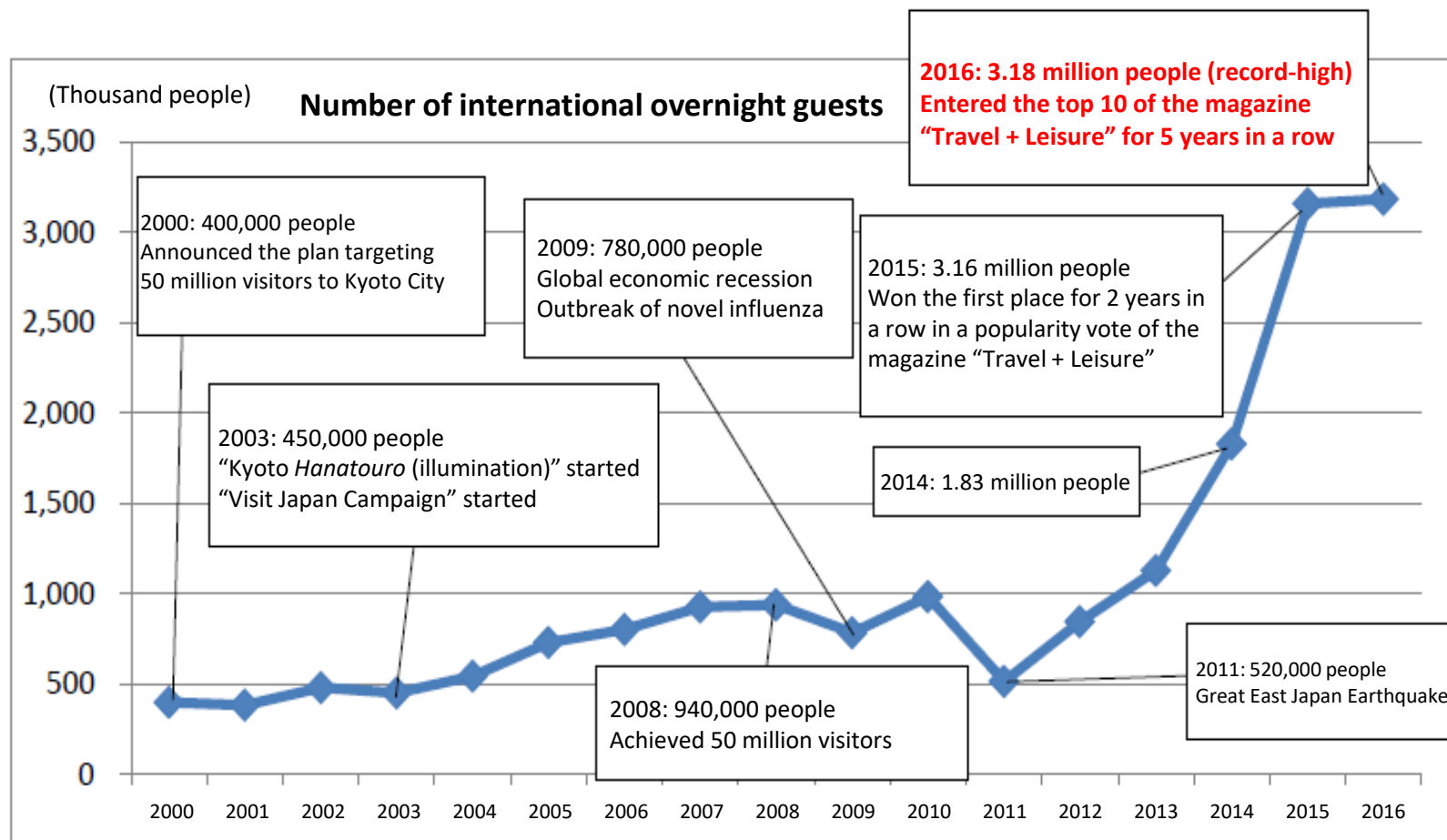
(Note) For 2011 and 2012, the number of visitors was not estimated due to the change in the survey method.

No. of International Overnight Guests (2016)

Achieved record-high of 3.18 million visitors (increased by approx. 0.6% (20,000 visitors) from the previous year)

⇒ Among 14.15 million overnight guests, 1 of approx. 4 – 5 people was inbound.

⇒ In 2020, it is estimated to reach approx. 4.4 million people (to approx. 6.3 million people) (policy to expand and attract accommodations).



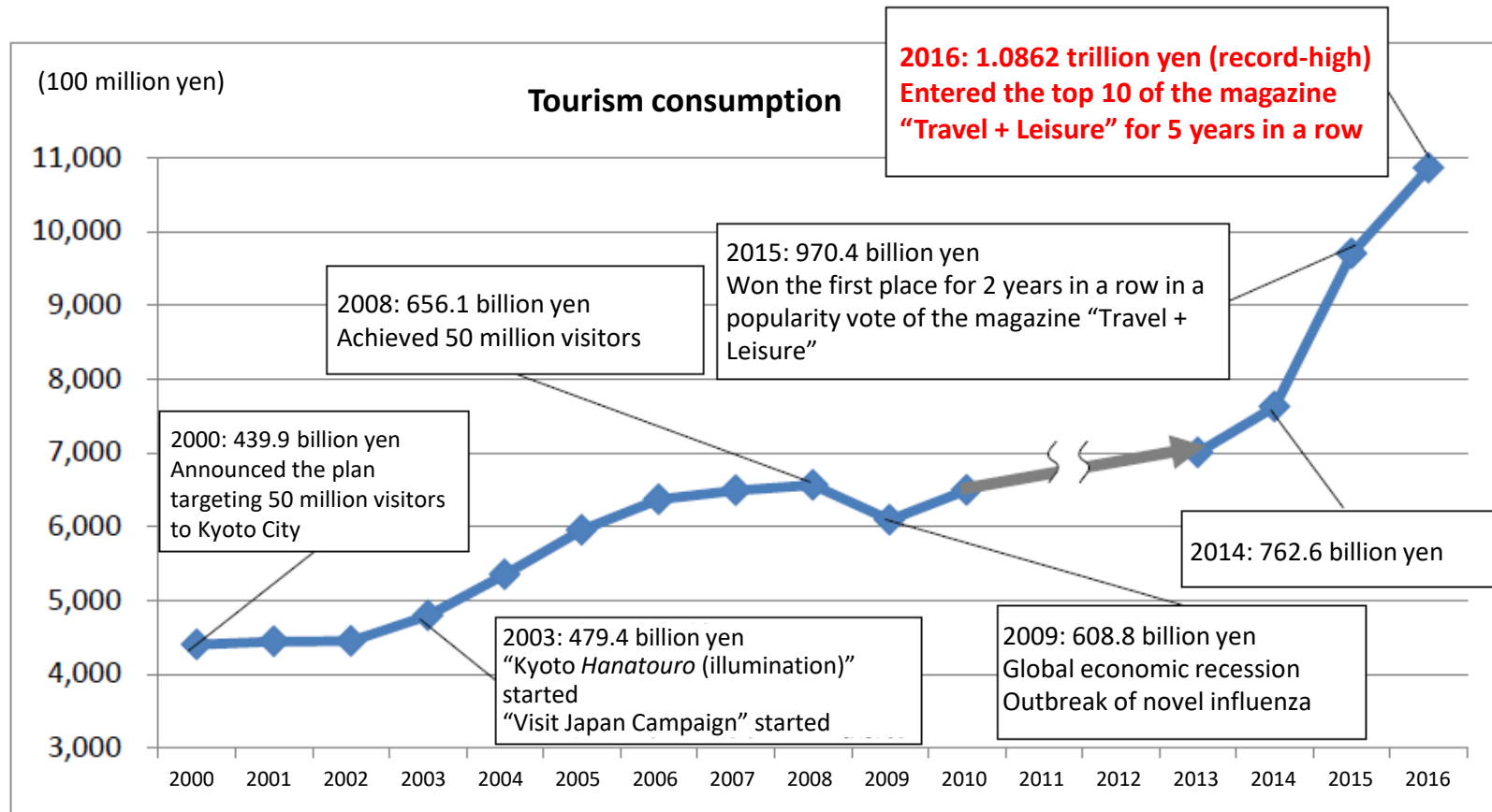
*The number of overnight guests in unpermitted vacation rental facilities is not included.

Source: 2016 Kyoto General Tourism Survey

Tourism Consumption in Kyoto City (2016)

Increased by 11.9% from the previous year and achieved the record-high amount.

Achieved the 2020 target “tourism consumption of 1 trillion yen” 4 years ahead of plan!



(Note) For 2011 and 2012, as the number of visitors was not estimated due to the change in the survey method, the total of tourism consumption cannot be calculated.

[PLAN EXPANDED] KYOTO TOURISM PROMOTION PLAN 2020⁺¹

☆ Goal achievement of the Kyoto Tourism Promotion Plan 2020

- **No. of international overnight guests: 3 million people, achieved 5 years ahead of plan**
(2013 result: 1.13 million people ⇒ 2016 result: 3.18 million people)
- **Tourism consumption: 1 trillion yen, achieved 4 year ahead of plan**
(2013 result: 700.2 billion yen ⇒ 2016 result: 1.0862 trillion yen)



Upward revision of the goal to 1.3 trillion yen

WHILE ACHIEVING SIGNIFICANT RESULTS, VARIOUS PROBLEMS HAVE ALSO ARISEN.

- Rapid increase of foreign visitors and the manner problems
- Increase in unpermitted vacation rental facilities
- Concentration and congestion of visitors
- Intensification of competition among domestic tourist spots
- Tourism economic effects have not been widely spread.
- Insufficient mechanism for the promotion of traditional industries and cultures
- Visitors have not been able to fully enjoy the profound attractiveness.
- The personnel engaged in the tourism and service industries are insufficient.

New environmental changes

- Complete transfer of the Agency for Cultural Affairs to Kyoto
- Establishment of the accommodation tax system
- Increase of foreign visitors to Japan (upward revision of the national goal)
- The 2025 problem (decrease in the domestic market)

Response to problems and environmental changes



Harmony between civic life and tourism



**Maintenance of domestic visitors
Improvement to attract foreign visitors**



Securing and development of the personnel

From Concentration to Dispersion

Correction of 3 concentrations: time (morning/night sightseeing), season (fluctuations in business), and place (concentration in specific places)

Dispersion of hours

Morning/night sightseeing promotion



Dispersion of seasons

Implementation of tourism campaign



Hanatouro and Kyo-no-tanabata



Kyoto restaurant winter special

Kyoto heritage, traditional culture, and craftsmanship
Expansion of hands-on tours

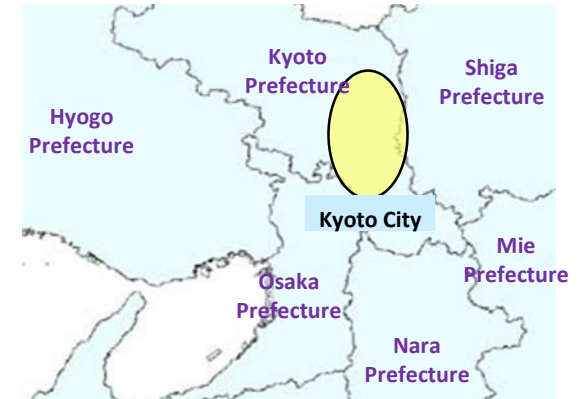


京都レストラン
ウィンタースペシャル
Kyoto Restaurant Winter Special



Dispersion of places

Collaboration between communities and businesses



- In the Kyoto City area, Yamashina, southern Fushimi, Nishikyo Ward, northern Ukyo Ward (Takao and Keihoku), and Sakyo Ward (Ohara, Hanase, etc.) are in a severe condition, in spite of their potential attractiveness.
- Collaboration with not only places within Kyoto City, but also the whole area of Kyoto Prefecture and Kansai region is required.

Support for the independent initiatives of each area

Finding and appealing of profound attractiveness of diverse areas

Dispersion of visitors to the whole area of the city and community revitalization

- Content and product development
- Local brand promotion
- Development of the acceptance environment

Expansion of Good Quality Accommodations and Adjustment of Vacation Rentals

1. General counter to expand and attract *ryokan* (Japanese-style inns) and hotels
2. System to attract superior accommodations

- "Superior" accommodations do not mean luxury accommodations for the rich but those to realize the revitalization of Kyoto economy and communities.
- The "system to attract superior accommodations" is the system to attempt to realize the "superior accommodation plan," which incorporates the items expected for superior accommodations ("superior accommodation candidate requirements") that the community residents who work on attracting accommodations to contribute to community revitalization, businesses who work on encouraging to start accommodations utilizing local attractiveness, as well as Kyoto City considers to attract.

Superior accommodation candidate requirements

Common requirements

- (1) The plan shall make the most of the attractiveness of surrounding areas.
- (2) The plan shall contribute to stable employment creation and revitalization of local economy.
- (3) The plan shall harmonize with communities.
- (4) The plan shall utilize the products within the city and of traditional industries.
- (5) The plan shall contribute to the municipal principles and policies for disaster prevention and welfare.

* Other than these requirements, the proposals to facilitate community contribution and revitalization to contribute to both accommodation users and community residents are also widely invited according to the local characteristics and problems.

Each facility type

(1) Luxury type

Accommodations that provide superior lodging experiences and services, as well as where guests can be satisfied with profound attractiveness and culture of Kyoto.

(2) MICE type

Accommodations with the functions to contribute to the revitalization of local industries, including MICE functions.

(3) Local resource utilization type

Facilities that provide services particularly utilizing local resources such as the characteristics of places and buildings.

3. Strengthening of the guidance to adjust illegal "vacation rental" facilities and the ordinance according to the new vacation rental law

Introduction of Accommodation Tax to Solve New Problems

Roles required for Kyoto

Preserve and create the distinctive history, nature, and culture of Kyoto, and inherit them to the future.
⇒ To enhance the urban dignity and attractiveness, further promotion of various initiatives is required.

Necessity to secure the financial resources and the way to share the burden

Due to the increase of visitors to Kyoto, problems such as development of the receiving environment and traffic congestion measures have arisen. ⇒ **Some affect civic life.**

To further improve administrative services, it is also reasonable to ask visitors to Kyoto to bear a certain burden from the perspective of the relations between benefit and burden.

For the following reasons:

- Length of stay is long and the level to receive benefits of administrative services is high.
- Consumption during the stay is relatively large.
- It is possible to grasp accommodations and guests.

Introduction of accommodation tax was determined.

***November 2017: The assembly passed the ordinance.**

○ Outline of the system

Taxpayers

All the guests, including hotels, ryokan, simple lodging, and so-called illegal vacation rentals.

Tax rates

Accommodation charge	Tax
Less than 20,000 yen	200 yen
20,000 yen or more and less than 50,000 yen	500 yen
50,000 yen or more	1,000 yen

*School trip students are exempted from taxation.

○ Purposes of use

- Promote the initiatives to enable both residents and visitors to feel the dignity and attractiveness of Kyoto.
E.g.: Cultural properties protection and historical townscape conservation, creation of comfortable walking spaces, and development of the personnel engaged in the tourism and cultural activities
- Develop the receiving environment in response to the changing situation surrounding tourism such as the increase of visitors to Kyoto.
E.g.: Securing of the safety of visitors to Kyoto, improvement of visitor information signs, and expansion of toilets in tourist spots
- Strengthen the information dissemination on the attractiveness of Kyoto inside and outside of the country
*For the “conservation and inheritance of *Kyo-machiya* townhouses,” “measures for road and public transport congestion,” and “adjustment of illegal vacation rentals,” which have become problems in the recent years, the initiative will be also taken in the future using accommodation tax as the financial resources.

○ Effective date

October 1, 2018

*On February 9, 2018, the consent on the new establishment of accommodation tax will be obtained from the Minister of Internal Affairs and Communications.

Initiatives to Improve and Strengthen FY2018 Accommodation Tax as Financial Resources

Solving the current tourism problems promptly and prioritizing the application to the initiatives to harmonize with civic life.

(1) Measures for congestion

Implementing the project of the size of 3.7 billion yen, also utilizing the general fund in addition to accommodation tax of 1.9 billion yen.

As the concentration of visitors to Kyoto on part of tourist spots leads to the congestion of the surroundings of tourist spots and public transport, improve and strengthen the initiatives to solve these problems.: **500 million yen**

(2) Measures for vacation rentals

As vacation rentals, which are rapidly increasing these days, affect civic life of the surrounding areas due to the noise and waste-dumping by users, strengthen the system to report, monitor, and guide the illegal and improper vacation rentals.: **150 million yen**

(3) Support for accommodation businesses

As the cooperation of accommodation businesses is essential to introduce accommodation tax, implement burden reduction measures for accommodation businesses and support measures towards strengthening the management.: **50 million yen**

(4) Development of the receiving environment

As the development of tourism infrastructure (multilingualization of convenient facilities and expansion of toilets for visitors) and visitors' manner measures have become problems, improve also the satisfaction of civic life through developing such receiving environment.: **400 million yen**

(5) Promotion of distinctive culture of Kyoto and beautiful landscape conservation

While handing over the Japanese history and culture accumulated in Kyoto and the landscapes woven by them to the next generation firmly, promote the measures to further improve the urban dignity and attractiveness of Kyoto.: **600 million yen**

Direction of the Future Initiatives

Realization of a Sustainable International Tourist City

- Provision of high quality tourism
- Harmony with civic life
- To rich civic life
- Contribution to the tourism-oriented country

