

Japan Tourism Agency Launched

Targeting 20 Mil. Foreign Visitors by 2020

By Hiroshi OKABE

Photo: Kyodo News

The government launched the Japan Tourism Agency in October, an across-the-board organization in charge of national policy for tourism promotion, aiming to “make tourism a major industry contributing to nation-building.” In 2007, a record 8.35 million foreign tourists visited Japan, rewriting an annual record for the fourth consecutive year. Compared globally, however, Japan’s figure was about one-ninth the world’s top rank – 79 million foreign visitors to France; Japan ranked 30th throughout the world and seventh among Asian countries. As stagnation of regional economic activity has become a major social problem in Japan, the government hopes tourism will provide a spark for its revitalization.

Under a basic tourism promotion program adopted in June 2007, the government set the targeted number of foreign visitors at 10 million per year by 2010. As achievement of the target has come in sight, the Ministry of Land, Infrastructure, Transport and Tourism set a new goal in June this year of attracting 20 million foreign tourists by 2020. With the proportion of foreigners expected to increase in urban areas and tourist spots after achieving the target, the ministry has hammered out a policy stressing the need for building an open society, which may be called a “second opening” of Japan following its 19th-century opening to foreign countries.

If the number of foreign visitors reaches 20 million a year, their spending on travel, accommodation, etc. will swell to ¥4.3 trillion, 3.1 times the fiscal 2006 level, according to estimates by the ministry. One out of six guests staying at domestic hotels and inns will be foreigners. The ministry projects the economic ripple effect of increased tourist arrivals from abroad will be worth ¥15.8 trillion,



An aerial view of the tip of the Shiretoko Peninsula, a UNESCO natural heritage site

creating 850,000 new jobs, because they will revitalize not only hotels and tourist agencies but also the financial and agriculture/forestry/fisheries industries as well.

In the town of Niseko, Hokkaido, investments in the property market, including resort villas, have been vigorous as many skiers from Australia visit the town, seeking to enjoy excellent snow quality. On golf courses in the Tohoku region in northeastern Japan, golfers from foreign countries like South Korea are flocking. In Tokyo’s Tsukiji fish market, often called the “kitchen of Tokyo,” tourists from China, South Korea and other countries are standing in a long queue in front of a *sushi* bar, with restaurant guidebooks in their hands. “Business without foreign customers is unthinkable,” a *sushi* chef says. A growing number of *sushi* chefs in Tsukiji are beginning to learn everyday Korean and other languages.

One challenge the tourism industry faces is to foster human resources for tourism-related businesses such as hotel service staff and overseas tour

conductors. Japanese universities have established faculties specializing in tourism one after another. The number of universities with tourism faculties is expected to reach 40 in April next year, with their combined enrollment capacity exceeding 4,000 students. “If such a learning environment is realized, the tourism industry will be revitalized, boosting demand for human resources with expertise and a high degree of professional skill,” a ministry official says.

The Japan Tourism Agency faces the challenge of how to convey Japan’s tourism potential to the rest of the world. There are lots of world-class tourist sites around the country, such as energetic summer festivals held in various parts of the Tohoku region, the vast wilderness of Shiretoko National Park in Hokkaido, designated as a UNESCO World Heritage site, and the Seto Inland Sea glittering in sunset. How to establish a better environment for accepting foreign visitors while sending out information about tourist spots to the world is likely to be one key to Japan’s economic revitalization.

Tata Motors Seen Entering Japan Market

Preparing for Listing on Tokyo Stock Exchange

Photo: Kyodo News

Tata Motors Ltd., India's biggest automaker, is laying the groundwork for listing on the Tokyo Stock Exchange (TSE) as the first-ever Indian company to go public in Japan, possibly by the end of this year. Tata will be the first case of utilizing the Japan Depositary Receipt (JDR) system introduced to attract overseas companies. Tata is known to be growing fast through an aggressive merger and acquisition (M&A) strategy. Therefore, its apparent eagerness for entry into Japan has raised speculation that Tata is seeking to secure a steppingstone to the takeover of a Japanese auto parts maker.

Tata officials, explaining the TSE listing plan, say an abundance of personal financial assets in Japan is very attractive to the company. Some predict that Tata, which requires enormous amounts of funds for capital spending and other

purposes, will be able to raise ¥100 billion or so through the listing.

Tata is engaging keen attention across the world through its aggressive activities as typified by the takeover of Britain's high-end car brand *Jaguar*. The TSE is now going all out to invite the listing of Asian companies against the background of the successive delisting of European and American firms. As part of this effort, a TSE delegation led by Chairman Taizo Nishimuro visited India in the summer of last year. Since Indian regulations bar domestic firms from being directly listed on foreign stock markets, the delegation eagerly exhorted them to issue JDRs for listing on the TSE.

Tata's listing of its JDRs, originally slated for this summer, has been delayed under the impact of a global downswing in stock prices. The market-



Tata's much-touted Nano model shown at a New Delhi motor show

ing of *Nano*, Tata's much-vaunted inexpensive car priced at about ¥250,000, will also have to wait until after the originally scheduled starting month of October. Tata officials are fretting over what they describe as "the worst environment for listing." Apparently, the ongoing drive to have fast-growing Indian firms listed as a prime mover for invigorating the Japanese stock market will have to clear not a few hurdles.

Shortage of Physicians Vexing Japan

Gov't to Increase Medical Students

An acute shortage of physicians has prompted the Japanese government to do an about-face in regard to its policy on medical students. For more than a quarter century, the government has pursued a policy of curbing the number of physicians and reducing that of students at medical colleges on the grounds that an increase in physicians would spell a rise in expenses for medical care to the detriment of national finances. Of late, however, it has turned to a policy of increasing the number of physicians by greater enrollment of medical students.

There are approximately 270,000 physicians throughout Japan. In terms of the number of physicians per 100,000 people, however, the average of the member countries of the Organization for Economic Cooperation and Development (OECD) is half as many again as the number in Japan. It may seem strange that such a shortage of

physicians has developed in Japan, the No.2 economic power. The fact is, however, that the deteriorating national finances have made it impossible to supply sufficient physicians to the fast-aging population.

The Ministry of Health, Labor and Welfare's budget for fiscal 2009 envisages a 70% increase in expenditures for enhancing medical care compared with the previous year in line with its policy of reinforcing assistance to first-aid facilities and hospitals for regional medical service. But it takes nearly 10 years to turn out a full-fledged physician. An increase in medical students, therefore, cannot be a quick solution to the current shortage of physicians. Numerous problems remain to be resolved. They include how many more physicians will be needed to ensure the quality and safety of medical treatment, where funding should be sought, and whether or

not it is all right to maintain the existing medical care system.

Apprehensions are spreading among the ruling coalition that "such a situation as witnessed in Britain during the reign of Margaret Thatcher's Conservative Party could also befall Japan." In the Britain of those days, a sharp cut in expenditures for medical care brought about such a shortage of physicians and nurses that the number of patients waiting for hospitalization hit a peak of more than two million, which resulted in deepening people's distrust of the government and eventually triggered a change of government. Indications are that how best to cope with the shortage of physicians will also become a key point at issue in the forthcoming House of Representatives election.

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