

Tourism Big Bang & Making Japan a Tourism-oriented Nation

By Shuzo ISHIMORI

Upheaval over Tourism

Japan has long made light of tourism because it did not think tourism was an important national priority. After World War II, Japan became an economic superpower by aggressively promoting economic reconstruction based on expansion of external demand, using “*monozukuri*” (manufacturing) and “foreign trade” as “two wheels of one cart.” However, it became clear that the conventional national design alone based on the two wheels of *monozukuri* and trade was not sufficient to sustain the country due to economic globalization following the end of the Cold War and economic stagnation in the aftermath of the collapse of the 1980s economic “bubble.”

Against that background, the administration of Prime Minister Junichiro Koizumi came into being in 2001 and launched numerous structural reforms. Koizumi changed the situation surrounding tourism overnight. In January 2003, he launched a panel to explore ways of making Japan a tourism-oriented nation and personally

thus help revitalize itself economically and culturally. The domestic goals of tourism-oriented nation-building are “regional revitalization” through tourism in the short term and “revitalization of beautiful Japan” and the “realization of a culture-creating nation” in the medium to long term.

Japan’s Global Competitiveness in Tourism

The World Economic Forum (WEF), known for hosting the annual Davos Forum, releases a travel and tourism competitiveness report every year. Its 2009 report covers 133 countries and regions, ranking their competitiveness by using 14 indicators. In the year’s overall rankings, Japan placed 25th, making it a medium-developed country rather than an advanced country in terms of tourism. Although Japan was rated highly in “ground transport infrastructure” (ranked 8th) and “cultural resources” (10th), it ranked only 131st (third from the bottom) in terms of “affinity for travel and tourism”



presided over it to discuss the direction of that policy. The minister of land, infrastructure and transport was given a new portfolio of the minister in charge of nation-building based on tourism. Thus, 2003 has become a year to remember as “the first year of tourism-oriented nation-building.” Koizumi was Japan’s first prime minister to place tourism high on the national agenda. In 2006, the Basic Act for Promoting a Tourism-Oriented Country was enacted, and in October 2008, the Japan Tourism Agency was created as an arm of the Ministry of Land, Infrastructure, Transport and Tourism.

This shift of policy can be attributed to both international and domestic factors. The former is to respond to the increasingly dynamic movement of people on a global scale, while the latter is to revitalize regional economies, using tourism as a core program. Since a “tourism big bang” is expected in Asia in the 2010s, Japan intends to promote its development as a tourism nation in response to an anticipated dramatic increase in foreign tourist arrivals and

and 83rd in government policy priority given to tourism. Japan was given low marks because tourism “is not perceived to be a priority for the government,” according to the report.

In fiscal 2006, domestic travel consumption totaled 23.5 trillion yen and its spillover effect on production was worth 52.9 trillion yen, accounting for 5.6% of domestic output in the inter-industry relations table. Its value-added effect was 28.3 trillion yen, equivalent to 5.6% of nominal gross domestic product (GDP). The tourism industry employed 4.42 million workers, or 6.9% of total jobs in Japan. Indeed, the industry underpins the Japanese economy, but in reality its importance is not fully recognized.

Japan is intrinsically a “treasure island with charms of tourism.” What makes Japan attractive is that it is striving to live in harmony with nature and pursue beauty while permitting the coexistence of what is traditional and modern. Another aspect of its attractiveness is the coexistence of industrial dynamism and cultural atmosphere,

and of things Japanese and Western. What is also important is the fact that Japan is blessed with beautiful natural scenery, while law and order and discipline are maintained in society.

Japan's mass culture such as pop music, *anime*, computer games, *manga*, films, fashion, traditional cuisine, architecture, electronic equipment and character goods are accepted in many countries as being associated with "cool Japan." In terms of mass culture, Japan is seen as the world's largest cultural superpower. In other Asian countries, in particular, Japan's mass culture has widely spread among young people, causing a large impact on their lifestyles.

Challenges in Japanese Tourism

In 2003, the Japanese government launched a "Visit Japan Campaign" (VJC) in a bid to achieve the goal of "10 million foreign visitors to Japan by 2010." In 2008, foreign visitors numbered 8.35 million, an increase of about 60% over 2003. By 2015, the number of Chinese traveling overseas is forecast to reach 100 million. Japan must successfully attract some of the Chinese travelers, but the simplification of visa procedures for Chinese people is indispensable for the purpose. In promoting inbound tourism, the greatest hurdle is the awareness of Japanese people toward foreign visitors. In a poll, 32% of respondents said they "don't want the number of foreign visitors to increase." A majority – 53% – saw "no need to offer visa exemptions or simplify visa procedures for foreigners." It is thus essential to rectify this closed mindset of the Japanese public.

World tourism is characterized by bipolarization between inexpensive and luxury travel. In the United States and Europe, some 30%

of air travelers are flying low-cost carriers (LCCs, or budget airlines) and the liberalization of aviation through "open skies" agreements is spreading. However, Japanese airports in the Tokyo metropolitan area are not ready to take advantage of this trend. Important priorities for Japan will be to promote the acceptance of LCCs, and exempt visas or streamline visa procedures for Asian tourists. At the same time, countries are vying with one another to attract luxury travelers as there are more than 10 million wealthy people (with personal assets of 100 million yen or more each) around the world. But Japan is not ready in this area, either. The Service Industries Division of the Japanese Ministry of Economy, Trade and Industry has completed a survey of the luxury travel market, launching a program to build a system for hosting wealthy tourists. It is essential for Japan to improve the "quality of tourism" rather than increase the "volume of tourism" from now on.

ment businesses. In Japan, however, it has yet to be introduced because it is still regarded as gambling, which is banned in principle. Moreover, the tourism industry should be promoted not only from the viewpoint of the travel, accommodation and transport sectors, but from a broader industrial base, as symbolized by cooperation among agriculture, commerce and industry.

Tourism-oriented nation-building is not just a response to the expected tourism big bang in Asia. Rather, it is a national design to change the way Japanese people live through tourism and increase their welfare. For tourism-led nation-building, Japan must devise a scheme to make workers take all paid holidays, only 46% of which are spent today. Fortunately, postwar baby-boomers are retiring from their jobs in large numbers, giving birth to the so-called "vacation-home tourism" in which people living in large cities ply between the urban area and the countryside where they have vacation homes. In Japan, however, only 2% of all households now own vacation homes, whereas their ownership ratio is 18% in Sweden and 15% in the United States. The ratio is expected to rise in Japan. In terms of the size of this tourism market, about four million households are projected to make vacation-home trips by 2012. It is estimated that a huge market of nearly 8 trillion yen will be formed, comprising 5 trillion yen in initial investment (such as the construction of vacation homes) and 2.9 trillion yen in living expenditure, including expenses for services. If this comes into reality, it will make an enormous contribution to boosting domestic demand.

At the other end of the spectrum is a drop in the number of young people who travel. However, there is a trend toward "*otaku* tourism" (my-style tourism). Young people are not so interested in conven-



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In recent years, many Asian cities boast thriving casino entertain-

tional package tours organized by travel agencies, but they are increasingly choosing what might be called "media content-induced tourism" in which they visit regions where their favorite *anime* or *manga* stories were set. New forms of travel, such as medical tourism involving medical care and pleasure trips, will also grow in importance. To take up the challenge of tourism-oriented nation-building is, conversely, to take up a challenge for "tourism innovation." Working for tourism innovation through the collaboration of citizenry, industry, government and academia should open the way for "the highroad to successful tourism-based nation-building." **JS**

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