

# Happy Holidays Ahead

The Western custom of long vacations has yet to catch hold in Japan. At present, the practice is to take a summer vacation lasting at most a week. According to a survey by the Ministry of Labor, the average annual paid vacation of Japanese corporate employees in 1986 was 7.5 days. In 1985, annual working hours totaled 2,168 hours, about 200 hours more than for Americans and Britons and some 500 hours more than for French and West German workers.

Yet while the statistics seem unpromising, there is a growing trend in Japan to spend time at resorts. This springs from rising living standards, a mounting desire for leisure activities and a yearning for nature accompanying the spread of urbanization. There seems no doubt that the demand for resorts—protracted occupancy rest and relaxation centers—will mount in the years to come as Japanese society matures and its population ages. Furthermore, there is also a national policy motive for pushing resort development—the expansion of domestic demand and promotion of regional economies.

The prime example is the Comprehensive Resort Area Development Law promulgated in 1987. This law seeks to tap the vitality and creativity of the private sector to vigorously promote resort development. To this end, it provides for the central and local governments to give preferential tax treatment and loans to participating private enterprises. The public sector will also promote road construction and other infrastructure development and ease regulations related to such development.



Clients booking their holidays at a vacation club. At present, most people in Japan have a summer vacation of no longer than a week.

Photo: Club Mediterranee K.K.

At present, municipal governments are selecting sites and drawing up concepts for eligible resort areas. Those which obtain central government approval will be launched as private business ventures. Given the current stagnation in regional industries characterizing the changes in industrial structure and accelerating urbanization, local governments have great expectations for resort development.

The public sector is not alone. There is brisk activity as well in the private sector which will actually carry out the development plans. In the past, resort development in Japan was mostly the territory of developers affiliated with private railway companies. Today, enterprises in many other industries are also entering the

field. Even smokestack industries like steel, shipbuilding and heavy machinery are looking to the resort business to help their structural adjustments. Resorts, they believe, can be an efficient way to put to use their idle land and create employment opportunities for surplus workers. As far as these companies are concerned, resort development is one step toward business diversification.

Japan is blessed with a natural environment perfect for marine resorts in summer and ski resorts in winter. However, it would be premature to expect a full-blown resort business to blossom overnight. It will take many years before Japan reaches the level of the Western industrialized countries in this area, although attempts are being made to stir up leisure-related demand by shortening working hours. Another problem is the present concentration of vacations in the summer season. Lodging facilities at resorts have to charge exorbitantly high rates to make up for the off-season which lasts the greater part of the year.

Many problems thus remain to be solved before the resort business can be made fully viable. The resort business in Japan is still in the gestation stage. ■

(Hisashi Nakamura, senior economist)

## Lodging at Recreation Resorts

	1981	1982	1983	1984	1985	1986
<b>Number of lodgers</b> (1,000 persons)	144,000 (2.9)	136,000 (-5.5)	140,000 (2.9)	158,000 (12.9)	163,000 (3.2)	144,000 (-11.7)
<b>Number of nights lodged</b> (1,000 nights)	304,000 (21.6)	273,000 (-10.2)	269,000 (-1.5)	282,000 (4.8)	309,000 (9.6)	258,000 (-16.5)
<b>Annual per capita spending</b> (¥)	41,700	42,200	45,000	48,000	47,700	46,500

Note: Figures in parentheses represent percentage growth over the previous year.  
Source: Prime Minister's Office