

Dialogue on Inbound Travel Power of the Capital City of Tokyo Expected to Boost Inbound Travel; Key Phrases are Attraction of Repeaters and Dispersion of Demand to Local Regions



Kazuaki Maruo

Chairperson of Inbound Travel Promotion Committee, Japan Association of Travel Agents (CEO of Nippon Travel Agency Co., Ltd.)



Chieko Sugisaki

Director of the Tourism Division, Bureau of Industrial and Labor Affairs, Tokyo Metropolitan Government

Since it has been decided to hold the Olympics and Paralympics in Tokyo for the first time in 56 years, the city is expected to play a role in attracting inbound travel to Japan overall as preparations are made for the era of 20 million inbound travelers, including drawing up a branding strategy and a policy for improving the environment to welcome international tourists who will visit Japan in 2020. We talked with Kazuaki Maruo, chairperson of JATA's Inbound Travel Promotion Committee that proposed policy recommendations for inbound travel in April this year, and Chieko Sugisaki, director of the Tourism Division in the Tokyo Metropolitan Government, about the future of Japan's inbound market with an eye on 2020 and thereafter.

Twenty Billion Yen Fund Established for Environmental Improvements to Welcome International Travelers

---- Tell us about the current condition and the issues involved in international inbound travel to Tokyo.

Sugisaki The trends in international travelers who visit Japan and inbound travel to Tokyo are essentially linked since around two-thirds of all inbound travelers visit Tokyo. In 2014, the number of inbound travelers set a new record, at 13.41 million persons, and of those, 8.87 million were inbound travelers who visited Tokyo. With the number of international travelers rapidly increasing, there are more than a few cases where they experience some sort of inconvenience. In addition to communication issues including difficulty with the language and issues revolving around the telecommunications environment such as the inadequacy of free WiFi, there is an increase in Muslim travelers particularly from Southeast Asia, and so a major topic is how everyone can get along together pleasantly against the backdrop of diverse cultures and customs.

---- What sorts of measures are you promoting specifically?

Sugisaki Based on these issues, the Tokyo Metropolitan Government prepared a policy to improve the environment to welcome international travelers. Based on the five points of (1) improvement and strengthening of multilingual capabilities, (2) utilization of telecommunications technology, (3) introduction of standard services as an international tourism city, (4) implementation of measures that give consideration to diverse cultures and customs, and (5) assurance of safety and security, local governments, businesspersons, and wards, cities, towns, and villages are cooperating to promote initiatives. For this

policy to improve the environment for international travelers, a new fund of 20 billion yen was established in the budget to set a long-term vision and numerical goals for the Tokyo Metropolitan Government and to promote initiatives based on this policy up to 2020. Initiatives are being promoted in response to the actual conditions of the metropolitan area and each area in the wards, cities, towns, and villages. The areas visited by many international travelers are being particularly designated as priority areas, and the metropolitan government is taking the lead in promoting improvements on its own initiative.

"The Third Opening of the Country" Will Bring True Globalization

---- What are your views on the establishment of a fund of a scale of 20 billion yen and the initiatives of the Tokyo Metropolitan Government, which is promoting specific actions?

Maruo To go into the background of what is occurring, I myself think that the current increase in inbound travel probably represents the "third opening of the country" in Japanese history. Taking the Great East Japan Earthquake in 2011 as the bottom, the number of inbound international tourists has risen sharply from 8.358 million in 2012 to 10.364 million in 2013 and 13.413 million in 2014. This year as well, the cumulative total from January through May displayed growth of over 40% year-on-year. In continuation from the "opening of Japan to the world" that occurred when the black ships from the West arrived and brought about the Meiji Restoration, if one considers 1945 when the war ended and new values entered Japan to be the "second opening of the country," then I think that the sharp increase in inbound international travelers starting in 2013 may truly be called the "third opening of the country." Also, from 1975 onward when major Japanese companies began global expansion, the word "globalization" came to be used frequently, but I feel that the fact that a massive number of international travelers are actually coming to Japan may also be "globalization" in the true sense of the word. Meanwhile, through a survey by the Japan National Tourist Organization (JNTO), it became clear that there is significant dissatisfaction among inbound international travelers with aspects of communication including the availability of WiFi. So, I think it is wonderful that the Tokyo Metropolitan Government is undertaking initiatives spelled out in specific measures based on the five points.

---- Could you please tell us again about JATA's initiatives for and approach to inbound travel.

Maruo As we stated in the policy recommendations submitted to the Japan Tourism Agency in April this year, we must plan for improvements in quality simultaneously with expansion of volume. I think that what links volume and quality is repeat travelers. With demand for inbound travel to Japan rapidly expanding, problems are surfacing in what may be called bottlenecks in hotels, tour buses, and certified guides in Japan. To promote the resolution of such problems, it is necessary to promote the dispersion of inbound travel demand to local regions. However, I think it will be the expansion of the number of repeat travelers that will resolve the two issues of quality improvement and dispersion of demand to local areas. We organized the policy recommendations into matters that require urgent action and issues with which we should engage with an eye on the era of 20 million inbound international travelers. The initiatives of the Tokyo Metropolitan Government are important actions that are expected to produce a ripple effect across Japan.

Discovering the Attractions of Local Areas through Inbound Travel Business Meetings

---- JATA's policy recommendations incorporate "establishment of a local Japan brand" as a topic for achieving

20 million inbound travelers.

Maruo The point for the inbound market henceforth is how much inbound international travelers will visit local areas. We need to firmly establish the local brand of these areas and properly deploy the necessary promotions. We recommend that it is necessary to construct and transmit a brand as a whole rather than individual areas so that promotions can be deployed in widespread manner. The Wide-Area Tourism Route Formation Promotion Project promoted by the Japan Tourism Agency is a good example of that approach.

--- What is the approach of the Tokyo Metropolitan Government to regional tourism collaboration?

Sugisaki Attraction of international travelers has economic effects, and it is important to spread those effects to local areas as well. Since advertising the attractions of Japan as a whole will lead to attraction of repeat travelers, I think it would be good if we compare and contrast the attractions of Tokyo and the local areas and promote initiatives in each area so that its brand stands out. In Tokyo in January this year, a council was launched consisting of representatives of six prefectures in the Tohoku region, Sendai City, and transportation facilities such as railways and aviation with the aim of regaining demand for travel in the Tohoku region where the number of international travelers has not recovered to the level prior to the Great East Japan Earthquake and to create bases where travel can be expanded. Rather than developing tours around a wide area, we are working on developing routes that connect two points such as Tokyo and Aomori or Tokyo and Akita. We would like to develop such routes that originate in Tokyo not only to Tohoku but to points across all of Japan by 2020.

Maruo In June this year, JATA held the first JATA Inbound Business Talks in Maebashi City, Gunma Prefecture. A total of 138 persons participated from the local governments in Gunma and Tochigi prefectures, tourism associations, and tour operators, and a seminar was also held together with the business talks. With attention being paid to attraction of inbound international travelers as a new means of regional stimulation for "regional revitalization," JATA Inbound Business Talks were held as part of the activities to strengthen promotion of dispersion of demand to local areas. Under the concept of "Metropolis Plus One," we are experimenting with having international travelers who are visiting Tokyo spend a night in the environs outside of Tokyo, such as the northern Kanto region. The travel industry would like to find attractive contents in each region and introduce it when offering materials as inbound travel products to customers overseas. In a pattern that combines domestic metropolitan areas and their suburbs, we plan to hold JATA Inbound Business Talks across Japan.

(This dialogue was held on July 13, 2015.)

Outbound Japanese Travelers Down 4.9% in First Half to 7,622,800

Inbound International Travelers Up 46.0% to 9,139,900, a New Record

According to preliminary figures released on July 22 by the Japan National Tourism Organization (JNTO), the number of outbound Japanese travelers in June this year amounted to 1,189,000, a decrease of 7.8% year on year. Moreover, the first half of this year as a whole was down 4.9% year on year, at only 7,622,800.

With these latest figures, the number of outbound Japanese has displayed a decrease year-on-year for the thirteenth consecutive month since last June. Moreover, the size of the decline, which

reached the double digits with the 10.5% drop year on year in February this year, subsequently displayed improvement for four consecutive months with decreases of 3.9% in March, 3.7% in April, and 1.5% in May. However, June resulted in a widening of the decline once again with a 7.8% decrease.

Nevertheless, in the Survey of Travel Market Trends - June 2015, 1st quarter released by JATA, an improving trend appeared, including a slump in travel to Europe in the three-month outlook, in addition to an outbound travel DI that rose 2 points from -38 to -36 for the period ending in March. With vacation opportunities in the summer, overseas travel demand is expected to shift into an expansionary trend.

Meanwhile, the number of international travelers visiting Japan in June this year increased 51.8% year on year to 1,602,200, surpassing the 1,056,000 figure of June 2014, which was the previous record for that month, by approximately 547,000. The cumulative total for the first half of this year rose 46.0% year on year to 9,139,900, and this also surpassed the previous record of 6,260,000 inbound international travelers set in the first half of 2014 by a little over 2,880,000.

JNTO analyzes the increase in inbound international travelers in June this year as being due to the ongoing weakening of the yen, expansion of air routes, a significant increase in ports of call by cruise ships, exemptions and easing of requirements for visas in recent years, and expansion of consumption tax exemptions since last October, in addition to the start of the summer season and ongoing deployment of inbound travel promotions. By market, travelers from China amounted to 462,000, the highest figure for a single month in any market. The US exceeded 100,000 for the first time in a single month in the Europe, US, and Australian markets. In addition, Taiwan and Hong Kong also posted the highest figures for a single month, and new records were set for June in 17 markets excluding Indonesia, the UK, and Russia. Moreover, the South Korean market where there was concern over the impact of Middle East Respiratory Syndrome (MERS) increased by only 21.2% year on year, showing a significant slowdown in its growth rate, but the figure for June was a record-setting 252,000.

2015 Visitor Arrivals & Japanese Overseas Travelers (Unit: Persons)

Month	Visitor Arrivals			Japanese Overseas Travelers		
	2014	2015	Change %	2014	2015	Change %
1 Jan.	944,009 (730,519)	1,218,393	29.1 (33.9)	1,253,404	1,235,612	-1.4
2 Feb.	880,020 (688,902)	1,386,982	57.6 (75.2)	1,404,873	1,257,154	-10.5
3 Mar.	1,050,559 (802,434)	1,525,879	45.2 (54.1)	1,596,751	1,534,026	-3.9
4 Apr.	1,231,471 (1,020,474)	*1,764,691	43.3	1,189,132	1,144,833	-3.7
5 May.	1,097,211 (892,577)	*1,641,800	*49.6	1,280,765	*1,262,179	*-1.5
6 Jun.	1,055,273 (866,883)	*1,602,200	*51.8	1,289,029	*1,189,000	*-7.8
7 Jul.	1,270,048 (1,080,552)			1,414,912		
8 Aug.	1,109,569 (903,919)			1,783,127		
9 Sep.	1,099,102 (846,241)			1,520,863		
10 Oct.	1,271,705 (1,029,922)			1,417,766		
11 Nov.	1,168,427			1,355,246		
12 Dec.	1,236,073			1,397,520		
1~6 Jan.-Jun.	6,258,543 (5,001,789)	*9,139,900	*46.0	8,013,954	*7,622,800	*-4.9
1~12 Jan.-Dec.	13,413,467 (10,880,604)			16,903,388		

◆Note 1. The figures for Jan.-Nov.2014 are provisional, while * stands for the preliminary figures estimated by JNTO.
◆Note 2. Provisional and definitive figures for Visitor Arrivals are compiled by JNTO (source: Ministry of Justice), and provisional and definitive figures for Japanese Overseas Travelers are provided by the Ministry of Justice.
◆Note 3. The figures in () represent the number of tourists among the total.

Special Message from Mr. Xu Jing, Regional director for Asia and the Pacific, UNWTO Collaboration with JATA Supports the Development of International Tourism



Mr. Xu Jing

First of all, on behalf the World Tourism Organization, a United Nations specialized agency for tourism, and its Secretary-General Dr. Taleb Rifai, I would like to extend my warmest congratulations on the celebration of JATA Tourism EXPO Japan 2015. It is heartening to note the participation of over 150 countries at this year's event, which is a reflection of the very important role JATA has been playing over the years in international tourism.

The JATA Tourism EXPO Japan has become one of the largest comprehensive travel events in the world bringing tourism stakeholders from both the public and private sectors, not only from Japan but from the Asia and Pacific and the rest of the world.

I would like to place on record UNWTO's appreciation of JATA's activities in Asia and the Pacific under the chairmanship of Mr. Tagawa, whose strong and able leadership as well as his attention to international tourism has contributed to the growth of tourism in the region. Recent demonstration of his leadership qualities can be seen from achievements such as partnerships with KOTFA, organizing 1,000 travel agents MEGA FAM trip to the Republic of Korea, and supporting 3,000 private sector tourism professionals to China this May.

International tourism in Asia is growing rapidly. In 2014, Asia and Pacific welcomed 263 million international tourists, and the region earned US\$377 billion in tourism receipts accounting for 23% of worldwide arrivals and 30% of receipts.

Japan's solid and consistent growth in inbound tourism and its endeavours towards the achievement of 20 million tourists by 2020 are bearing fruit as shown in the increase in its international tourist arrivals of +29.4% in 2014 over the previous year, which is the highest growth in North East Asian countries according to the UNWTO World Tourism Barometer of June 2015.

As for the latest statistics, data for the first four months of 2015 shows that international tourism demand continued to be robust between January and April 2015 with tourist arrivals increasing 4% worldwide. Almost all regions enjoyed strong growth. Destinations worldwide received some 332 million international tourists (overnight visitors) between January and April 2015, 16 million more than the same period last year, corresponding to an increase of 4%. This result follows an increase of 4.3% in 2014 and consolidates the upwards trend of international tourism in recent years (+4.5% international tourist arrivals a year on average since 2010).

The theme of this year's JATA Tourism Expo "Move. See. Feel" presents an appeal to the sensorial experience which is fundamental and indispensable to tourism. In order that tourism, as an industry, can drive the socio-economic phenomenon, all stakeholders of tourism including local communities should collaborate to motivate tourists to visit the destination and to have a unique experience, which is in harmony with UNWTO's objective of tourism as a sustainable and competitive industry.

Two years have passed since UNWTO and JATA signed a Partnership agreement. Both organizations have made substantial achievements together since 2013. Last year in 2014, 12 prominent and outstanding entities in the tourism industry signed the UNWTO Global Code of Ethics. A follow up to this will be

the launch of the Japan Tourism Award for Responsible Tourism in collaboration with UNWTO.

UNWTO and JATA will combine their efforts by cooperating and implementing joint programmes, with the aim of better responding to the current needs of UNWTO and JATA members and to support the policy initiatives of the Government of Japan. The overall aim of the cooperation is to enhance the role of the tourism sector, and to strengthen the promotion and development of the tourism industry so that it is economically viable, socially responsible and environmentally sustainable. In so doing, efforts will be made to adopt relevant recommendations and best practices at the international level.

In light of the foregoing UNWTO is pleased to collaborate with JATA in establishing the new Japan Tourism Award for Responsible Tourism, which is associated with sustainable tourism, and thus is in line with UNWTO's programme on the Global Code of Ethics for Tourism.

This Award will be conferred on a distinguished organization and company for its outstanding contribution to responsible tourism growth. Within the framework of the Japan Tourism Award, I am pleased to welcome "The Japan Tourism Award for Responsible Tourism in collaboration with UNWTO".

The establishment of this award aims to expand and deepen the understanding of the Global Code of Ethics for Tourism amongst public and private sectors of the tourism industry and local communities, and to promote responsible tourism growth.

I hope more and more organizations and enterprises in tourism will try to emulate the role model of responsible tourism through this award and I look forward to the award ceremony to be held in the JATA Tourism EXPO.

Regarding the international tourism forum in the EXPO, UNWTO is very pleased that JATA has chosen "Tourism and Culture" as its theme of international tourism forum this year. It shows undoubtedly that JATA as the leading organization of the Japanese tourism industry recognizes the importance of culture and will work towards ensuring that Japan and Asia and Pacific can lead the world in terms of sustainable tourism. The importance of tourism and culture was highlighted at the UNWTO/UNESCO World Conference on Tourism and Culture in Siem Reap, Cambodia this February. This conference brought together, for the first time, Ministers of Tourism and Ministers of Culture with the objective to identify key opportunities and challenges for a stronger cooperation between these highly interlinked fields.

It is equally heartening to note that the panel discussions will focus on a wide range of topics, including governance models, the promotion, protection and safeguarding of culture, innovation, the role of creative industries and urban regeneration.

On September 27th, the international tourism community will celebrate the World Tourism Day. I would like to take this opportunity to draw attention to this day to all participants of JATA Tourism EXPO. It will be celebrated under the theme of "One billion tourists, one billion opportunities" this year.

International tourist arrivals reached to 1.135 billion in 2014. UNWTO forecasts a growth in international tourist arrivals of between 3% and 4% in 2015.

As you can see, tourism is globally growing but at the same time, tourism generates opportunities for local communities and industries which can be part of the solution to foster socio-economic development and job creation. I am extremely happy to celebrate this day in Japan this year.

Given our strong collaboration with JATA, that is also a reassuring affiliate member, I wish an outstanding success to JATA Tourism Expo 2015 and I would like to congratulate the Japanese tourism sector on the immense support, cooperation and leadership in their efforts to achieve sustainable tourism development.