

**Promoting the creation of an environment to make Japan a
tourism-oriented country**
**–Creating a foundation for the growth of tourism as a next generation major
industry in Japan– (Summary)**

May 9th, 2012

Awareness of the issues

It is estimated that going forward in Japan, the decline in population will accelerate, and the scale of the economy will shrink. The domestic manufacturing industry is hollowing out due to globalization. Amid such a situation, it is anticipated that as a next generation leading industry in Japan, the tourism business will contribute to economic growth, expanded employment, and regional revitalization.

In order to achieve vigorous growth in the medium to long term, we propose the following four points for improvement of the delivery of information, convenience for tourists visiting Japan, and tourism business infrastructure development.

Proposal 1: Resume government discussions toward achieving decentralization of holidays

- Demand for tourism in Japan is concentrated only on the specified periods in which many national holidays are gathered. As a result, the operating ratio of tourist facilities and the transportation industry is low, hindering new investment. This problem could be ameliorated by following the example of France, which has successfully decentralized its holidays.
- Decentralizing holidays was under discussion by the Japanese government until one year ago, but the discussion is currently suspended by a cabinet decision taken in the wake of the Great East Japan Earthquake disaster. Discussion should be resumed regarding the final proposal being considered by the ruling party to *Implement decentralization of autumn holidays in two or three regions.*

Proposal 2: Incorporate private sector business management sense, techniques, and the like in the management of local airports

- In Europe, the open skies policy, privatization of airports, and spread of Low Cost Carriers (LCC) created a synergistic effect, which promoted competition with rival public transportation agencies. This effect led to a reduction of administrative cost and revitalization of regions as well as increase in the demand for tourism.

- This year, a bill was submitted to the Diet that would allow for private management of airports in Japan as well, promoting the introduction of private sector management sense and techniques to implement management reform in local airport operations. The potential communal use of Self Defense Force airfields will also be examined.

Proposal 3: Improve the use of information and the way of service from the perspective of tourists visiting Japan

- (1) Delivery of information overseas by the Japanese government
 - The government and Japanese National Tourism Organization (JNTO) will certainly convey information on safety with respect to the Fukushima Daiichi Nuclear Power Plant accident.
- (2) Promoting initiatives in each region
 - National and local regulatory reforms will be promoted, enhancing the appeal of tourism in each region. For example, the feasibility of the vacation rental system, whose current interpretation under the law is unclear, will be examined.
- (3) Information and services provided by business operators and the like
 - Improve policies to remove impediments for tourists visiting Japan from overseas—including being unable to reserve bullet train seats online or purchase tickets with a credit card at train stations, by providing subsidies and low interest loans.
- (4) Promote publishing and handling information that only individual operators have
 - Promote the use and application of information that only certain business operators would have. Lodging industry and railroad industry operators, for example, should post information to the global standard reservation system—Global Distribution System (GDS).

Proposal 4: Create a system for *growth money* to flow into the tourism business

- Our nation boasts world leading personal financial assets, but funding for the tourism business has declined. As a result, improvements in facilities have not progressed, particularly in the local lodging business.
- In order to encourage investment, the government will create a system of tax reductions for investment through the Act on Special Measures Concerning Taxation. Special depreciations or tax credits will be provided to lodging facilities that meet specific requirements.

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