

# Japan

## Tourism in the economy

In 2017, tourism GDP accounted for 2.0% of total GDP and 9.6% of total employment, or 6.5 million employees. Recent growth in tourism to Japan has been very significant with international arrivals rising from 28.7 million in 2017 to 31.2 million in 2018, up 8.7%, and another record high for the sixth consecutive year. Revenues from international tourists rose 18% from JPY 3.8 trillion to JPY 4.5 trillion between 2016 and 2018. Travel exports accounted for 21.8% of total service exports in 2018.

To put this growth into perspective, there were 6.2 million international arrivals in 2011 and this five-fold increase in visitor numbers makes Japan one of the fastest growing inbound tourism economies in the OECD. This performance also extends to individual markets where highs were also recorded in 19 of the 20 principal inbound markets, the only exception being visits from Hong Kong.

Domestic tourism by Japanese citizens is also of major economic importance with residents taking 561.8 million trips, down 13.2% over 2017, spending JPY 20.5 trillion in 2018 – representing some 80% of total revenues from tourism. This was a decrease of 3.0% compared with the previous year due to the incidence of typhoons and other natural disasters.

## Tourism governance and funding

Established in 2008 as an external body of the Ministry of Land, Infrastructure, Transport and Tourism, the Japan Tourism Agency takes a leading role in tourism policy and its coordination, representing the Government on issues relating to tourism and the promotion of Japan as a tourist destination. The Agency is in charge of executing the *Visit Japan* campaign and other marketing activities.

A Ministerial Council for the *Promotion of Japan as a Tourism-Oriented Country* attended by all ministers was established in 2013 to unify government efforts on tourism. A cross-ministerial budget has enabled numerous projects to be delivered and this budget has been maintained, and now includes a subsidy to support historic landscapes. The private sector is invited to regular “Tourism Strategy Promotion Council” meetings (with Cabinet Ministers in attendance) as experts in the field to give their opinion on relevant topics.

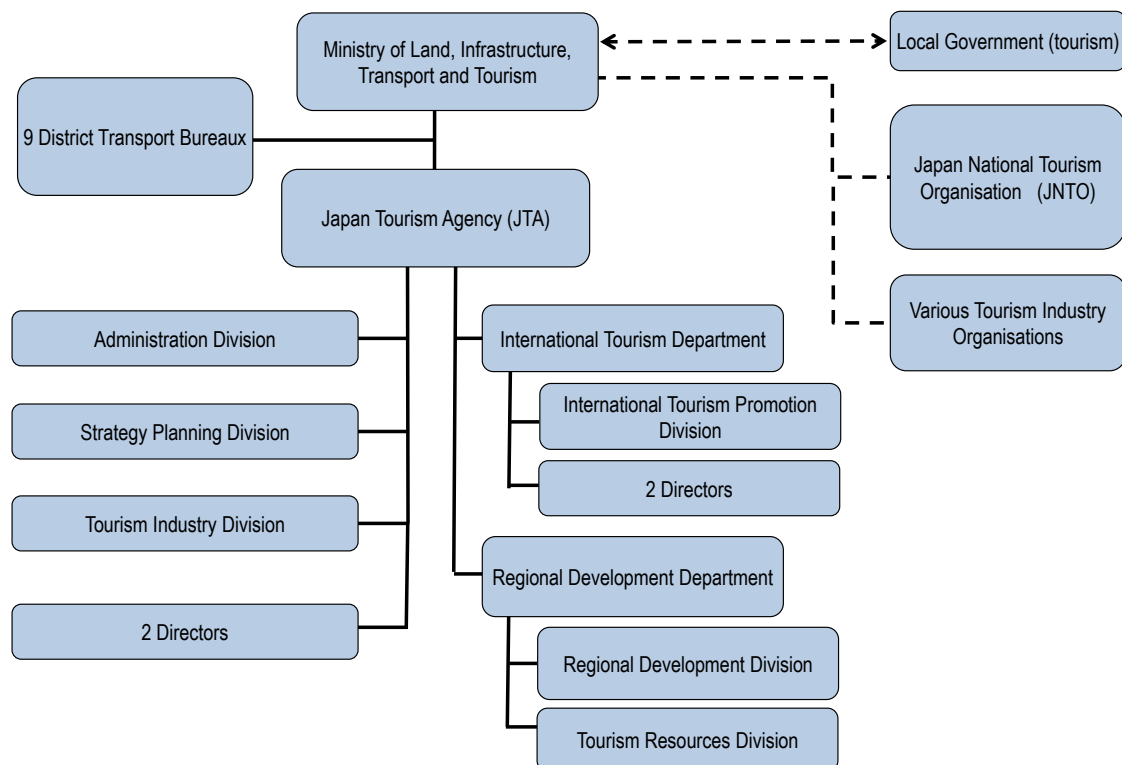
Local government’s role is to improve the attractiveness of local destinations. The national government offers support to boost regional initiatives by providing statistical data, initiating area-wide co-operation and supporting regional development.

The Japan Tourism Agency’s budget for 2019 is JPY 71.1 billion. The budget is 2.8 times more than the 2017 budget of JPY 25.6 billion, due to the inclusion of a contribution of JPY 48.5 billion as a result of a new international tourist tax established in January 2019 after a planning and consultation period of 18 months.

The budget is broken down as follows:

- JPY 27.9 billion allocated to creating an environment that is stress-free and suitable for travellers including improved border procedures and higher quality public transport.
- JPY 14.9 billion towards easier access to information emphasising the appeal of travelling in Japan and strengthening tourism and other related industries.
- JPY 22.4 billion towards improving quality of visitor experience and welcome in regional areas by maintaining local cultural and natural tourism resources.
- JPY 4.5 billion to help revitalise the Tohoku region.

### Japan: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Land, Infrastructure, Transport and Tourism, 2020

### Tourism policies and programmes

While Japan's proximity to Asian tourism markets is undoubtedly a factor in its recent growth, the Government has also been instrumental in supporting the sector. Proactive policy measures have included easing visa requirements, enabling tax free shopping, enhancing infrastructure and improving visitor services. Japan also introduced the Private Lodging Business Act in 2018, requiring anyone operating a peer-to-peer accommodation rental business must notify the prefectural governor and register their interest (Box 1.17). Tourism contributes to the country's economic and structural challenges, aids the regeneration of local areas and is an important means to revitalise areas struck by natural disasters. Some of the current challenges faced by Japan include the development of internationally competitive destinations which have a critical mass of quality visitor attractions; putting in place training and skills frameworks to enable more appropriately qualified staff to sustain a high quality industry; and strengthening marketing and promotional mechanisms for greater effectiveness. The 2020 Olympic and Paralympic Games in Tokyo present a

further opportunity for international profiling. A further structural challenge is Japan's declining and ageing population.

Another principal concern is encouraging tourism development that is both inclusive and sustainable given recent growth trends. While Japan has not yet experienced the 'problems of success' that have affected other high profile global destinations, it has nevertheless recognised the need for focussed and sustainable policies and related measures to effectively develop and manage a dynamic sector.

All regional and local governments have recognised these issues alongside the Government which in 2016 developed a long term strategy to 2030. The *New Tourism Strategy to Invigorate the Japanese Economy* is complemented by a medium term plan entitled the *Tourism Nation Promotion Basic Plan* which sets out a comprehensive and agreed set of measures to be taken by ministries across government from 2017. Collectively these documents represent the agreed tourism policies and measures to be delivered by the Government and its agencies. The Government reviews all regulations for their impact on tourism and accommodates any changes as necessary, setting and adapting goals with reference to UNWTO forecasts and other experts to shape and modify the plans as necessary.

Partnership with the private sector is considered vital with regular dialogue with business groups such as the Japan Travel and Tourism Association. The Government is promoting the establishment and development of these private sector-led DMOs (including with subsidies for staff costs, training) in order to develop local tourism policies, after the establishment of the Japanese version of DMO registration system in 2015. DMOs play an increasingly central role in tourism related regional development in collaboration with local government.

In October 2019, reflecting the importance of the UN Sustainable Development Goals, the JTA hosted the G20 Tourism Ministers' Meeting in Hokkaido, with the theme of maximising tourism's contribution to the UN Sustainable Development Goals.

The Government of Japan has established the *Sustainable Tourism Promotion Headquarters* that deals with the implementation of the Sustainable Development Goals. In 2019, *Towards the Advancement of Sustainable Tourism* was published; this comprehensive approach to the development of the sector also defines the nature and scope of future initiatives. These include co-operation between local governments and the Japan Tourism Agency at major tourist destinations, such as Kyoto, to develop measures to control overcrowding and related social impacts. The Agency will promote sustainable tourism by developing a more widespread use of its *Sustainable Tourism Index* based on international standards and encouraging local government and DMOs to manage destinations using the Index to gain a fuller understanding of what is a complex and dynamic sector.

## Statistical Profile

## Japan: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
<b>TOURISM FLOWS, THOUSAND</b>					
<b>Domestic tourism<sup>1</sup></b>					
Total domestic trips	595 221	604 715	641 079	647 510	561 779
Overnight visitors (tourists)	297 343	312 985	325 658	323 328	291 052
Same-day visitors (excursionists)	297 878	291 730	315 421	324 182	270 727
Nights in all types of accommodation	428 677	438 464	423 096	429 906	443 726
Hotels and similar establishments	419 998	430 108	414 939	421 781	435 959
Other collective establishments	8 679	8 356	8 157	8 126	7 767
Private accommodation	..	..	..	..	..
<b>Inbound tourism<sup>2</sup></b>					
Total international arrivals	13 413	19 737	24 040	28 691	31 192
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
China	2 409	4 994	6 374	7 356	8 380
Korea	2 755	4 002	5 090	7 140	7 539
Chinese Taipei	2 830	3 677	4 168	4 564	4 757
Hong Kong, China	926	1 524	1 839	2 232	2 208
United States	892	1 033	1 243	1 375	1 526
Nights in all types of accommodation	44 825	65 615	69 389	79 691	94 275
Hotels and similar establishments	44 705	65 285	69 159	79 401	93 892
Other collective establishments	119	330	230	289	383
Private accommodation	..	..	..	..	..
<b>Outbound tourism</b>					
Total international departures	16 903	16 214	17 116	17 889	18 954
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Top destinations					
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
<b>TOURISM RECEIPTS AND EXPENDITURE, MILLION JPY</b>					
<b>Inbound tourism</b>					
Total international receipts	2 206 705	3 304 571	3 631 816	4 146 454	4 999 528
International travel receipts	1 997 479	3 023 970	3 337 661	3 819 713	4 648 360
International passenger transport receipts	209 226	280 601	294 156	326 741	351 168
<b>Outbound tourism</b>					
Total international expenditure	3 023 332	2 814 762	2 812 638	2 890 814	3 104 527
International travel expenditure	2 041 869	1 933 762	2 011 010	2 040 138	2 232 293
International passenger transport expenditure	981 463	881 000	801 628	850 677	872 234

.. Not available

1. Trips from demand side surveys; Nights from supply side surveys.

2. Arrivals from demand side surveys; Nights from supply side surveys.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934077198>

## Japan: Enterprises and employment in tourism

	Number of establishments <sup>1</sup>	Number of persons employed				
	2014	2014	2015	2016	2017	2018
<b>Total</b>	<b>842 359</b>	..	..	..	..	..
<b>Tourism industries</b>	<b>842 359</b>	<b>6 431 130</b>	<b>6 346 990</b>	<b>6 440 900</b>	<b>6 483 850</b>	..
Accommodation services for visitors	..	..	..	..	..	..
Hotels and similar establishments	52 387	623 250	581 020	579 830	610 560	..
Food and beverage serving industry	619 711	3 443 750	3 464 980	3 521 170	3 505 440	..
Passenger transport	36 811	1 045 760	975 980	966 490	973 690	..
Air passenger transport	897	46 980	46 910	47 050	46 780	..
Railways passenger transport	5 054	305 890	260 600	284 250	272 040	..
Road passenger transport	25 204	622 430	598 100	564 610	584 710	..
Water passenger transport	5 656	70 460	70 370	70 580	70 160	..
Passenger transport supporting services	71 424	598 950	633 290	646 940	654 870	..
Transport equipment rental	..	..	..	..	..	..
Travel agencies and other reservation services industry	..	..	..	..	..	..
Cultural industry	..	..	..	..	..	..
Sports and recreation industry	62 026	719 420	691 720	726 470	739 290	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
<b>Other industries</b>	<b>4 847 007</b>	<b>59 502 870</b>	<b>59 873 010</b>	<b>60 411 100</b>	<b>61 017 150</b>	..

.. Not available

1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934077217>

## Japan: Internal tourism consumption

Million JPY

	2017		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
<b>Total</b>	..	..	..
<b>Consumption products</b>	<b>22 519 868</b>	<b>4 146 454</b>	<b>27 117 447</b>
Tourism characteristic products	13 855 753	2 705 868	17 012 746
Accommodation services for visitors	3 714 472	1 076 939	5 242 536
Food and beverage serving services	2 748 162	766 037	3 514 198
Passenger transport services	5 677 561	131 293	6 382 513
Air passenger transport services	2 145 451	34 545	2 490 900
Railways passenger transport services	2 829 756	29 195	3 121 706
Road passenger transport services	590 561	60 715	651 276
Water passenger transport services	111 793	6 838	118 631
Passenger transport supporting services	..	..	..
Transport equipment rental services	301 844	43 027	344 871
Travel agencies and other reservation services industry	449 165	22 462	471 627
Cultural services	327 185	35 371	362 556
Sports and recreation services	637 363	57 081	694 444
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	8 664 115	1 440 586	10 104 700
Tourism connected products	8 092 770	1 418 344	9 511 114
Non-tourism related consumption products	571 345	22 242	593 587
<b>Non-consumption products</b>	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934077236>



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