

Interview with Ryoichi Matsuyama, President, Japan National Tourism Organization (JNTO)

Tourism as a Foreign Policy Tool & Engine for Growth

By *Japan SPOTLIGHT*

The number of tourists visiting Japan has been dramatically increasing, and is estimated to be almost 19 million during fiscal year 2015, more than three times as many as in 2011 when the Great East Japan Earthquake and subsequent nuclear power plant disaster in Fukushima discouraged many people from visiting Japan due to safety concerns.

How is it that Japan has recovered its popularity as a tourist destination so rapidly? The Japan National Tourism Organization (JNTO), an independent administrative agency, has been working hard to promote inbound tourism in Japan. Mr. Ryoichi Matsuyama, president of the JNTO, worked for Mitsui & Co., Ltd for many years as a top business executive, stationed at a number of overseas offices, and also served as Japanese ambassador to Botswana from 2008 to 2011. He has drawn on his colorful background and international experience in his mission to turn Japan into a tourism superpower. *Japan SPOTLIGHT* interviewed him to discuss the outlook for tourism in Japan.

JS: The number of tourists coming to Japan today is significantly increasing. How rapidly are these numbers growing?

Matsuyama: The number of tourists visiting Japan from overseas dropped to 6,220,000 in 2011. However, since then it has been continuing to increase, to 8,360,000 in 2012, 10,360,000 in 2013 and 13,410,000 in 2014. In 2015, so far, it has increased by 48.2% over the previous year and is predicted to reach more than 19 million towards the end of fiscal year 2015, if no particular impediments arise during the year.

JS: In 2011 when we were in the midst of misery and confusion after the March 11 disaster, we were truly worried about a significant decline in tourists coming to Japan from overseas. But the number of tourists hit a new high in 2013 and has continued to grow. This is phenomenal, isn't it?

Matsuyama: Yes, indeed. I believe this is the outcome of the efforts of all people engaged in promoting tourism in Japan. In 2003, the administration of Prime Minister Junichiro Koizumi started a "Visit Japan Campaign" mainly organized by the Ministry of Land, Infrastructure, Transport and Tourism. This campaign targeted a



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figure of 10 million tourists in 2010. It was not achieved, probably due to the global economic crisis triggered by the Lehman Shock in 2008. It was finally achieved in 2013, two years after the great disaster of 2011. It was in 2013 that the Abe administration set a new target of 20 million tourists by 2020, exactly at the same time as it was decided that the Olympics and Paralympics would be held in Tokyo in 2020. We are coming closer to this target with our prediction of 19 million tourists visiting Japan towards the end of this fiscal year in 2015.

JS: We can probably achieve our new target easily before 2020. Are you going to set a new target towards 2020?

Matsuyama: That's not certain yet. A numerical goal is important, but I think the "quality of tourism" is becoming even

more important than numerical goals after having achieved one numerical target. I think the key merit of tourism should be to encourage international contacts and mutual understanding among nations, and friendship among people of different nationalities. To achieve this, I would like tourists coming to Japan to stay in the country as long as possible and communicate with Japanese people as much as possible. This is our ultimate goal in the promotion of tourism. As they stay longer in Japan, their consumption within the country would also increase.

Interview 2

We should promote such mutual understanding and its positive impact upon our economy as the goal of tourism rather than the numerical target that we have pursued so far. All nations today are competing fiercely to get as many tourists as possible, since tourists provide an immediate source of money. In terms of Japanese GDP, the construction industry and tourism industry are almost the same size — the former accounting for about 27 trillion yen and the latter 24 trillion yen. We would consider the construction industry a basic industry in terms of its substantive impact upon the whole economy, while tourism is not generally considered a key industry for the nation but rather a business catering to people's leisure and pastime requirements. But in terms of size, the two industries are about the same. So I would like to develop the concept of tourism as one of our key industries, like construction. For this purpose as well, we should do our best to enhance the “quality of tourism” by encouraging tourists to stay longer in Japan and consume more within the country.

Quality of Tourism Now

JS: According to the *Nikkei* newspaper, visiting tourists' overall consumption in Japan has finally exceeded 3 trillion yen per year. We imagine tourists' consumption to be the most powerful engine for promoting personal consumption growth. Is this right?

Matsuyama: Yes, it is. Last year, tourists' consumption exceeded 2 trillion yen. I guess towards the end of 2015 the amount would reach around 3 trillion yen. Consumption by tourists coming from overseas to Japan should be counted as exports. Our automobile exports total around 10 trillion yen and steel exports a little less than 4 trillion yen, and auto components exports around 3.5 trillion yen. Therefore, if tourists' consumption stays between 3 trillion yen and 4 trillion yen, it means the tourism industry would be as big as the steel industry and the auto components industry.

JS: As you mentioned, one important mission of tourism is to promote mutual understanding among nations. In this light, do you think we can mitigate the current political tensions between Japan and China or South Korea by expanding tourism?

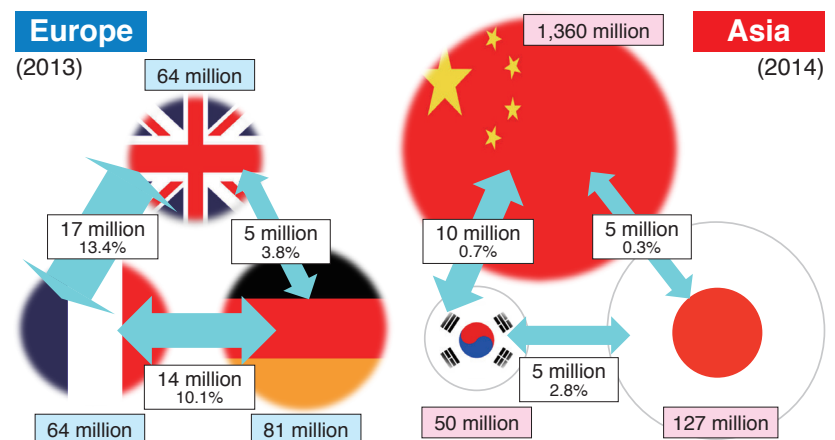
Matsuyama: Yes. Looking at the current exchange of tourists between Japan, China and South Korea, we see 10 million tourists between China and South Korea, and 5 million between Japan and China, and also 5 million between Japan and South Korea. In total we have 20 million tourists among these three countries. In the case of Europe, we see 14 million tourists between Germany and France, which corresponds to around 10% of the total populations of both countries. We have 17 million tourists between France and the United Kingdom (*Chart 1*).

In attempting to catch up with such large numbers of tourists between these three nations in Europe, the Tourism Ministers Annual Meeting of Japan, China and South Korea, which was restarted in 2015 after a four-year absence, achieved an agreement on three points after good discussions. The first is that we should raise the number of tourists between the three nations from 20 million to 30 million. The second is that for this purpose the three nations strengthen collaboration in organizing a “Visit East Asia Campaign” to attract tourists from all over the world. In the past, we have had round tours organized by travel agents in Japan covering several places such as London, Paris and Rome, so likewise we could organize round tours of Tokyo, Beijing and Seoul by collaborating to promote tourism in East Asia.

The third consensus is that we should improve the “quality of tourism”. Tourists must know about manners in a foreign country. Our travel agents will be mostly engaged in promoting manners that should be observed by tourists, such as refraining from talking loudly in public, for example. I believe improving the manners of tourists would lead to better mutual understanding between peoples and friendship. So I hope our trilateral relations will gradually

CHART 1

Exchanges of tourists & percentages in Europe & Asia



Note: The figures in the blue and pink boxes are the populations of each country.
Source: Japan National Tourism Organization (JNTO)

improve.

Germany and France had been at war repeatedly up until the end of World War II. But with the Élysée Treaty concluded about 50 years ago, they agreed to hold frequent meetings of their top leaders and youth exchanges between the two nations. Thanks to this, there have been about 8.5 million youth exchanges between the two nations and their mutual understanding has been greatly promoted. Following in their footsteps, I suggested at the Ministers Meeting in 2015 that we should establish a system of youth exchanges between Japan, China and South Korea. I believe that such exchanges can boost tourism and deepen mutual understanding among the three nations, once these young people become a certain age. It is notable that young Chinese people coming here seem to have a positive impression of Japan and the Japanese — they say such things as “Japanese are very kind” or “There are no soldiers on the streets.”

Crucial Factors for Successful Tourism

JS: I guess the largest number of tourists in Japan come from China. Where else do many of the tourists come from?

Matsuyama: As of September 2015, the biggest increases in tourism to Japan have come from China, Hong Kong, Vietnam, the Philippines, South Korea, Singapore, Italy, Taiwan, Spain and Canada.

JS: As you said, this success in attracting a large number of tourists from all over the world must be due to the efforts of all the people engaged in tourism promotion. But in addition to that, what else do you think has worked well in attracting the attention of the world to Japan?

Matsuyama: The Abe administration has been working well to explain Japanese economic policy and foreign policy to other countries, and to promote a “strong Japanese economy” to the rest of the world. The government has also made it easier for tourists coming from overseas to get a visa to enter the country and has also amended tax exemption measures for them.

At this point we are thinking of how to change potential overseas tourists’ thinking from the “Japan we would like to visit some day” to the “Japan we would like to visit now”. This must be JNTO’s mission.

It is certainly true that Japan is one of the top-ranking countries, like Italy, in terms of its image as a high-quality tourist spot, according to the global rankings of tourism. But in reality, in terms of the number of visiting tourists, 13 million overseas tourists in 2014 was only 22nd in the world and 7th in Asia, while 80 million tourists

visited France and 20 million visited Malaysia in the same year. So Japan is not yet a country that tourists want to visit now. Our job is to change their minds and have them visit Japan right now, not some day in the future.

JS: What do you think would contribute most to reviving Japanese tourism from its low point following the earthquake and nuclear disaster?

Matsuyama: Since my inauguration as president of the JNTO in October 2011, I have been making great efforts to send correct and precise information overseas about the disaster and the level of radioactive contamination from the crippled nuclear power station. We have been constantly saying that the level of radioactive contamination is as low as in Europe almost everywhere in Japan. We also invited about 1,000 press and tourism industry people to the disaster-hit area to observe the situation there and persuade them of its safety. We made a film of visiting VIPs such as Lady Gaga talking about their impressions spontaneously and made it open to the public on a site called “Japan Now on Video”. We are convinced that the key to reassuring people about safety is to disseminate factual information and have our visitors experience this on site.

JS: Japanese animation and cuisine often seem to attract attention to Japan these days. Would they also contribute to an increase in tourists to Japan?

Matsuyama: Animation, or more generally the pop culture of Japan denoted by the slogan “Cool Japan”, could create an incentive for some to visit Japan, and I think Japanese cuisine is now a trigger for people to visit. The motivation to visit Japan differs from region to region. For example, shopping is a big motivation for Asian tourists, while learning about history and culture is the principal motivation for European and American tourists.

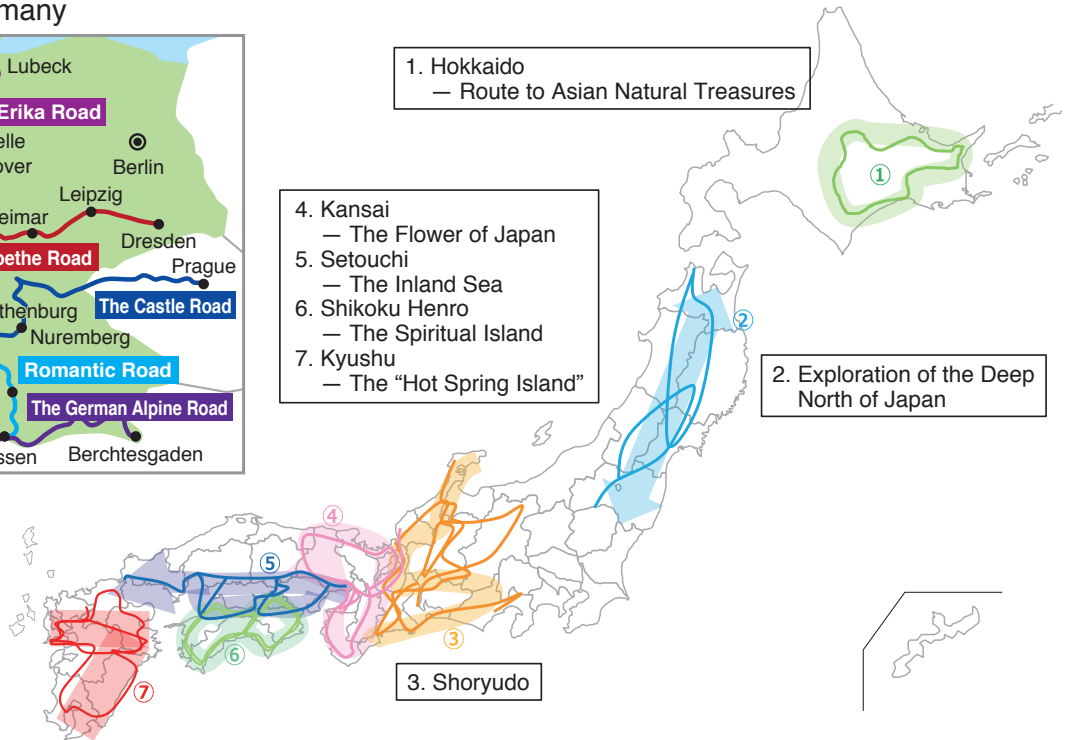
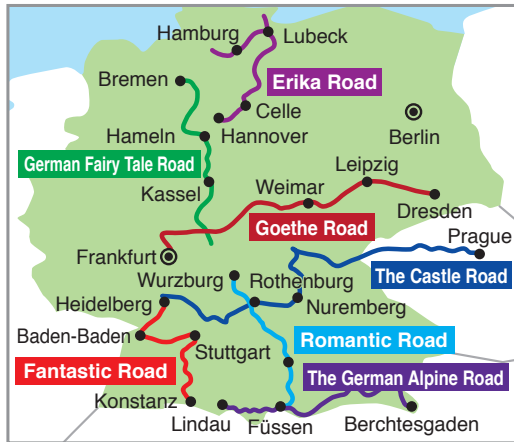
JS: More specifically, in order to make people want to visit now, you will need to develop destination management organizations (DMOs) in Japan and professional experts on tourism, won’t you?

Matsuyama: Yes. I would say there are two key issues here. Today 70% of overseas tourists are concentrated on Tokyo or Osaka. How we can get them to visit regional places from there will be a big issue for us. How well can we promote the attractions of other localities? In many local areas, they are discussing about how DMOs should contribute to tourism development as a platform of tourism promotion. The JNTO would like to work with them and support them by providing know-how on tourism and a range of advice to

CHART 2

Seven routes for amazing round trips to discover new charms in Japan

Seven Roads in Germany



1. Hokkaido
— Route to Asian Natural Treasures

4. Kansai
— The Flower of Japan
5. Setouchi
— The Inland Sea
6. Shikoku Henro
— The Spiritual Island
7. Kyushu
— The “Hot Spring Island”

2. Exploration of the Deep North of Japan

3. Shoryudo

Source: Japan National Tourism Organization (JNTO)

encourage activities to enhance local values. The quality of tourism must also be improved. In welcoming tourists we need to meet their requests, such as expanding free Wi-Fi areas or increasing multi-language signs or directions.

Another issue we are now working on is to develop a round trip route. There is the Romantic Road in southern Germany, a concept the national tourism organization came up with to attract overseas tourists after the end of World War II. We are now planning to create such a round trip route over a wide region of Japan. Seven routes were selected in 2015 (Chart 2). We are now expecting a lot from DMOs as the core planners of such round trip routes.

JS: The popular tourist spots in Japan seem to be quite limited, such as Kyoto, Nara, and Hida Takayama. Are you trying to increase them by this new initiative?

Matsuyama: Yes. We are working hard to attract as many tourists as possible to regional places. There must be so many hidden treasures for tourists which are not yet well known in Japan. The local people

must seriously work on their own to attract tourists and make their areas well known to the world. The JNTO is now engaged in a campaign recommending that local governments and tourism agencies change their principal efforts from attracting Japanese tourists to attracting foreign tourists.

Currently, tourism in Japan accounts for consumption worth about 22 trillion yen, but only 7% of that amount is spent by overseas tourists. In France, this percentage is 34% and in South Korea it is 47%. This means in Japanese tourist spots, 93% of consumption is by domestic tourists. In the countryside, local people engaged in the tourism business tend to think of 99% of the tourists visiting their areas as Japanese or domestic. If these local people started attracting overseas tourists in earnest, there would be a high growth of tourism in those areas.

JS: Are there any factors other than food that would make a tour of Japan one of the most popular trips for overseas visitors? In France, for example, in addition to French cuisine they have fashion, opera and various other attractions.

Matsuyama: We would like to promote “the national character of the Japanese themselves” in attracting overseas tourists. We Japanese regard ourselves as “honest, diligent, orderly and rule abiding”, and able to work well even in the midst of the chaos following the disaster in 2011. Our products, like home electric appliances or Nambu ironware, are examples of distinguished Japanese craftsmanship, and aspects of Japanese lifestyle might also attract foreign tourists, such as life in the countryside. Such values indigenous to Japanese would be key to promoting the country as a tourist destination.

We should provide good guidance with brochures in multiple languages that explain to foreign visitors the historical and cultural background of our various regions. At the moment, such guidebooks are available only in Japanese. The local people working on preserving their region’s cultural inheritance should prepare such guidebooks with pride and confidence.

It is also necessary for us to preserve scenic views, as they could also be considered as a cultural inheritance. In any old European city, scenic views of the old parts are rigorously maintained. It is forbidden to change the appearance of buildings in an old city, even though their interiors can be changed. In Japan we also have many scenic spots in our cities, but we are not so conscious of the need to maintain their appearance. Even in Kyoto, the most touristic city in Japan, we see modernized buildings popping up that damage the view of the whole city. We have to change our attitude and recognize the value of a city’s appearance and preserve it as much as possible.

Towards the Tokyo Olympics & Paralympics

JS: The Tokyo Olympics and Paralympics in 2020 would be a good opportunity to attract many more overseas tourists to Japan, wouldn’t it?

Matsuyama: Yes, and besides the Olympics the Rugby World Cup will be held in Japan in 2019, and in 2021 the World Masters Games for athletes over 25 years old, organized every four years, will be staged in the western part of Japan (Kansai). These Games usually have about 25,000 athletes participating, and in Kansai they are planning to invite 50,000 in 2021. If the participating athletes’ families and friends also come to Japan and if they all enjoy their stay and visits to tourist spots after the games, the economic impact would be very significant.

We are thinking about how to disseminate this possible positive



This is a famous view of Mt. Fuji used on the cover of the Michelin Green Guide Japan (2015), taken from a point near Arakunayama Sengen Park in Yamanashi Prefecture. The site is a popular tourist spot as it offers a fine view of Mt. Fuji and the city of Kyoto at the same time.

impact among local regions beyond Tokyo and Kansai. The International Olympic Committee obliges the host country to organize cultural promotion programs on the occasion of the Olympics Games. In London, they have held around 160,000 such programs during the four years since the Olympics that have attracted about 43 million people.

In Japan, the Ministry of Education, Culture, Sports, Science and Technology has 200,000 programs planned and aims to invite 50 million people to join them.

It is often said that we should maintain a “legacy of the Olympics”. We would like to leave five legacies for tourism as follows: 1) barrier-free infrastructure, 2) ecological communities, 3) greater national brand recognition, 4) distribution of foreign tourists among regions, and 5) active volunteer participation. We hope to achieve these “software” goals towards 2020 or thereafter as a legacy of the Tokyo Olympics in a mature city, making a clear distinction from the Tokyo Olympics in 1964, when the development of “hardware” for high economic growth was the legacy. **JS**

Written with the cooperation of Naoko Sakai who works for the NPO Yokohama Community Design Lab and is also a Hama-link Project leader and writer of the Yokohama Keizai Shimbun.