

# GENERAL TRENDS, COMPARISON WITH WEST EUROPEAN MARKETS, AND ASPECTS WITH RELEVANCE TO SOUTH PACIFIC ISLAND COUNTRIES

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## 1. Number of Overseas Japanese Travellers (1964-1986)

After monetary liberalization of overseas travel in 1964, overseas travel by Japanese has continued to increase dramatically, encouraged by steady growth in national income and free time, and the rapid development of package tours. The remarkable two-digit percentage increases, skyrocketing to 40-60%, continued until the sudden slowdown caused by the first oil crisis in 1973 (Fig. 1). An upward trend survived, however, and in two years, the percentage of growth returned to a two-digit figure.

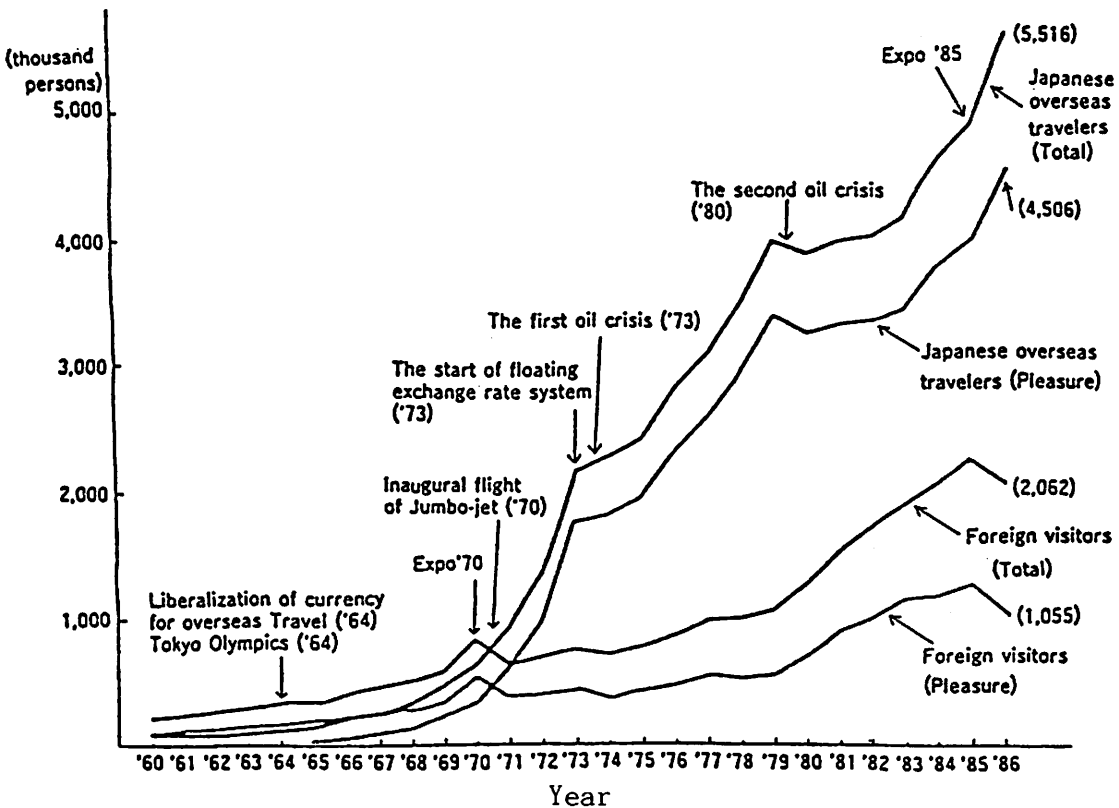


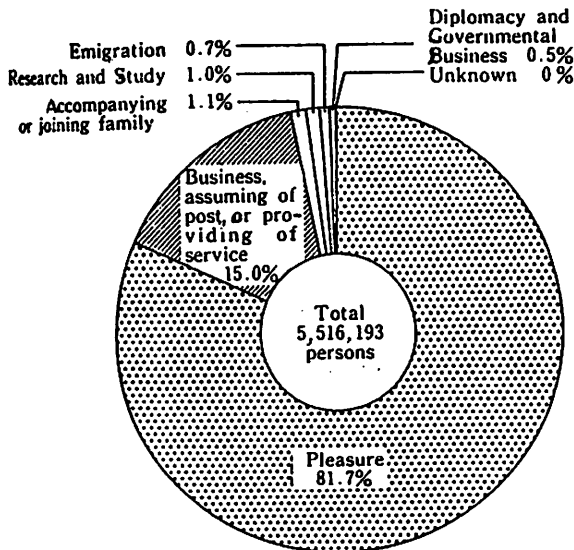
Fig. 1. Number of Japanese Travelling Abroad (1960-1986)

In 1980, however, the growth of the Japanese overseas travel market experienced its first setback since monetary liberalization. This was caused by the second oil crisis which devalued disposable income of wage-earning households and instilled in them a grim economic outlook for the future, combined with successive rises in international air fares. This downward tendency continued up to the end of the first half of 1981, but the latter half of the year saw a revival of sustained growth with an increase of 5.6%. The 1979 level was surpassed for the first time in 1982. The years 1984 and 1985, respectively, exhibited an increase of 10.1% and 6.2% over the previous years. Owing to an enormous increase in Japanese travellers going abroad because of the rapid appreciation of Japanese yen, 1986 showed a two-digit increase to 5,516,193 persons.

After an impressive 11.5% growth in 1986 over the previous year, the number of Japanese overseas travellers in 1987 is estimated to have jumped another 23.9%, reaching an all-time record of 6,832,000. This boom has been spurred most importantly by a further surge in the overseas buying power of the yen.

## 2. Japanese Overseas Travellers by Purpose (1986)

In 1986, 4,506,186 persons (81.7% of total overseas travellers) travelled for pleasure, for an increase of 12.0% over the previous year (Fig. 2). Those who travelled for business and other purposes collectively showed an increase of 9.3% to 1,010,007 persons.

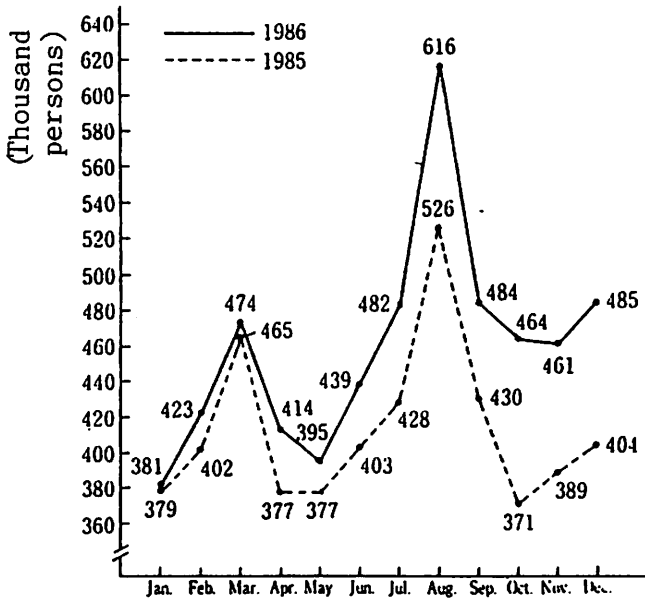


Source: Ministry of Justice, Japan.

Fig. 2. Distribution of Outgoing Japanese Travellers by Purpose (1986)

### 3. Seasonal Fluctuation (1986)

The peak months in 1986 were August (615,657 departures) during the summer holiday season, December (484,743), and March (474,276); while the smallest number of Japanese travellers departed in January (381,013) (Fig. 3). October recorded the biggest increase of 25.0% over the same month in 1985. November and December also had marked increases of 18.3% and 19.8%, respectively.



Source: Ministry of Justice, Japan.

Fig. 3. Seasonal Fluctuation in Japanese Overseas Travellers

### 4. Destinations (1986)

According to the 1986 statistics compiled by the Japanese Ministry of Justice, the number of Japanese travellers to Asia was 2,702,568 accounting for 49.0% of total Japanese overseas travellers. This was followed by North America with 1,923,244 (34.9%), Europe with 579,807 (10.5%), and Oceania with 248,242 (4.5%).

The USA, including Hawaii and Guam, was visited by 1.84 million Japanese, and was the most popular destination. Following the USA, Taiwan (686,370), South Korea (591,780), Hong Kong

(361,293), China (334,301), Singapore (240,562), France (170,314), the UK (132,392), Thailand (128,099), and the Philippines (127,601) were favoured destinations. These ten destinations accounted for 83% of all Japanese overseas travel.

#### 5. Destinations, 1980-1986 Growth

Between 1980 and 1986, the total number of Japanese overseas travellers increased 41.1% or by 1,606,860. During the period, Asia grew fastest (43.8%) among the regions of the world followed by North America (33.6%), Europe (11.7%), Oceania (10.5%), Africa (0.5%), and South America (0.1%).

#### 6. Age and Sex: 1986 and 1980-1986 Growth

Of all Japanese overseas travellers in 1986, males totaled 3,579,973 (64.9% of the total), up 10.4% (337,984) over 1985 and females numbered 1,936,220 (35.1%), up 13.5% (229,843). Travellers in their 20s totaled 1,506,336 (27.3% of the total), those in their 30s, 1,262,820 (22.9%), 40s, 1,038,611 (18.8%), 50s, 814,753 (14.8%), and 60s, 577,654 (10.5%). Males accounted for 64.9% of all Japanese overseas travellers, outnumbering females in all age brackets except for the teens and 20s. Females in their 20s (829,061) outnumbered males by 151,786; there is a high propensity for unmarried female workers, who are often under the financial support of their parents and equipped with abundant disposable income and free time to travel. The number of overseas travellers drastically declines in absolute terms in females in their 30s (282,936) and 40s (200,335) and were not even comparable to male travellers in the same age brackets, who numbered 979,884 (30s) and 838,276 (40s).

Between 1980 and 1986, when the number of Japanese overseas travellers increased by 1,606,860 or a hefty 41.1%, female overseas travellers in their teens grew most impressively at 117.3%, followed by male travellers in their teens and over 70 (both 96.8%). Female travellers in their 20s increased 75.3% and made up 22% of the 1,606,860-person growth. Generally the age groups under 30 and over 50 registered higher growth during the period except for the males in their 20s who increased only 28%. The elderly, after fulfilling their responsibility for children's education and paying off housing loans, could afford to spend a relatively larger part of their discretionary income for travel. A government household survey in 1986 indicated that people over 60 have the highest propensity to spend disposable income for consumption of goods and services and save less than 10% of such income.

## 7. Comparison of Overseas Travel from West Europe and Japan

How do the Japanese overseas travellers compare with those from West Europe in terms of volume and character? Findings reported in "Pleasure Travel Market to North America - June 1987" based on research conducted by Market Facts of Canada Limited for Tourism Canada and the US Travel and Tourism Administration reveals some similarities and dissimilarities between overseas travellers from the UK, West Germany, France, and Japan. During October and November 1986, approximately 1,500 people each in the four countries' target markets (18 years of age or older who had taken an overseas vacation of four nights or longer by plane in the past three years or who intended to take such a vacation in the next two years) were interviewed.

The size and volume of the four countries' target markets were as shown in Table 1. Notably Japan with its larger population had the lead in number of pleasure travellers (4.7 million), but West Germany had the lead in number of pleasure trips (4.3 million).

Heading the list of similarities were those things that travellers from all countries typically did on their vacation and what they looked for in an overseas destination. Common elements in this regard included those listed in Table 2.

One product area that demonstrated high appeal to travellers from all four countries was sand and surf, as shown by the presence of one or more of the following on each country's list of top 10 travel activities: swimming, visiting the seaside, or sunbathing/beach activities. In terms of preference for beach resorts, Japanese were no different from West Europeans.

There was encouraging evidence from the destinations currently visited to suggest that whatever appeals to them, travellers from each country were equally likely to travel long distances to find it. Specifically, 15% of Japanese travellers had visited their preferred choice of travel destinations in the past three years (Europe) and 15-18% of European travellers had visited their preferred choice (Asia, including Japan).

The respondents were asked about the type of travel (touring or a package tour, a visit to friends and relatives, resort, city, theme park, business/pleasure, etc.). This proved to be a major aspect that distinguished European and Japanese travellers. Touring was the norm for the Japanese (42% for the Japanese as compared with 33% for the French, 23% for the British, and 2% for the Germans). A visit to friends and relatives (VFR) was more typical of European travellers (52% for the British, 38% for the

Table 1. Size and Volume of Travel Markets in Four Countries

	No. of interviews	Population (18 years or over)	Incidence of target market	Size of target market	Average no.of trips	Volume* of target market
Japan	1,519	88,900,000	5.3%	4,710,000	.8	3,768,000
UK	1,618	41,300,000	4.9%	2,020,000	1.3	2,626,000
West Germany	1,481	48,100,000	8.9%	4,280,000	1.0	4,280,000
France	1,484	40,500,000	7.1%	2,880,000	1.1	3,168,000
Total travellers:				13,890,000	Total trips:	3,842,000

\* Based on trips in the past three years of four nights or more by plane to destinations outside Japan, the Far East, China, and Southeast Asia for Japan, or outside Europe and North Africa for the remaining countries.

Table 2. Travel Activities and Desirable Destination Features for Travellers from 4 Countries

Travel activities mentioned most often	Most desired features in a destination
- Dining out in restaurants	- Outstanding scenery
- Sightseeing in cities	- Value for money/inexpensive travel
- Shopping	- Sunny climate
- Taking pictures/filming	- Personal safety
- Visiting scenic landmarks	- Friendly local people
	- Different culture

Germans, and 30% for the French as compared with 6% for the Japanese). Consistent with this, Japanese travellers mentioned guided excursions among their most frequent activities (top 5) and European traveller mentioned that they sampled local foods while on vacation.

"Resorts" were much less preferred by the Japanese (18%) than by the Germans (38%) but more than by the British (10%) and the French ("outdoor" - 7%).

Another major aspect in which the Japanese and Europeans differed greatly was the period of time both for planning travel and actually travelling. The Japanese typically vacationed for a shorter period (an average of 11 vs. 26-28 nights away from home) and took less time to decide his or her destination (10 vs. 24-29 weeks before departure). This relation between length of time away and planning time is, the report points out, frequently observed in travel research, suggesting that one's choice of destination for a shorter stay is decided at shorter notice and susceptible to more influences than one's choice of destination for a longer stay (e.g., visits to friends or relatives in the case of European travellers).

According to segmentation in terms of benefit of travel, 28th of the Japanese travellers were "quiet getaway travellers" looking for an escape from the demands of home and a busy job, to where they can feel safe and secure to rest, and perhaps indulge in luxury. This segment seems to be more relevant to vacationing on the beach than three other segments established, i.e., "social travellers"(30%), "adventure getaway travellers"(22%), and "being and seeing travellers" (pure sightseers)(20%). The Japanese inclination to get away was weaker than that of the British (31%) and stronger than the Germans ("escape" - 19%).

Segmentation of Japanese travellers in terms of travel product preference revealed that "rural beach travellers" accounted for 20% and "developed resort travellers" (enjoying the seaside,

water sports, golf, tennis, and so on at the same time they enjoy first-class hotels, night life, and entertainment, and casinos and gambling) 13%. "Sports and entertainment travellers," also relevant to beach resorts, accounted for 24%. These beach-related products compared favourably with others, i.e., culture comfort (21%), culture and nature (13%), and amenities (12%). Rural beach travellers accounted for 17% of the British (segmented as beach travellers), 20% of the German, and 18% of the French travellers. Developed resort travellers occupied 15% of the British, 12% of the German, and 14% of the French target markets.

These specific findings clearly suggest the Japanese market is no less penetrable for rural beach or developed beach resort products than European markets.

#### 8. "Relaxation" for Japanese Travellers

In the context of beach resorts, a disinclination to rest, a salient feature of Japanese travellers' psychographics often self-professed by various age and occupational groups, seems to discourage them from long, quiet vacations on a beach. "A Study of the Japanese International Travel Market" by the US Travel and Tourism Administration completed in July 1985, which looked into the qualitative, subjective factors that the Japanese look for in vacations, appears to confirm that observation. As shown in Table 3 the Japanese are less excited about the idea of "just relaxing and doing nothing" than all other factors.

Possibly, "to get away" and "to relax and do nothing at all" are different matters for them. Coupled with, or attributable to, their relatively short travel period, this disinclination may substantially reduce the prospects for more and longer vacations on quiet beaches by Japanese. For some time, they may typically continue touring to experience as many products as possible and thus attempt to satisfy their divergent curiosities or to fulfill a sense of accomplishment.

Table 3. Psychographics of Japanese Travellers

Psychographic factor	Agree*	Score**
When I travel abroad I prefer to be on a prepaid package tour	57	2.32
When I travel abroad I prefer to be on a guided tour	47	2.64
The nicest vacation is one where I can just relax and do nothing	37	2.85



When I go on vacation I look for adventure and an opportunity to escape from the ordinary	48	2.63
Night life is an important part of a good vacation	48	2.68
It is important that I stay at the best places on vacation	43	2.81
I prefer to visit a new country on each trip I take abroad	54	2.43
I prefer to visit countries that have old monuments and other historical buildings	66	2.19
I like to visit countries with important museums and art galleries	60	2.35
I always like to mix with local people and experience local customs	66	2.19
One of the best parts of travelling is to visit new cultures and see new ways of living	64	2.18
When I go on a trip I prefer to arrange my own sightseeing schedule	57	2.29
Shopping is an important part of a good vacation	56	2.47
I like to visit places where I've been able to learn things that help me in education and business	44	2.74
Food is an important part of a good vacation	78	1.86
Sunshine is an important part of a good vacation	72	1.91

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\* Strongly or slightly agree.

\*\* Scoring is based on a scale of 1 through 5, with 1 being strong agreement and 5 being strong disagreement.

Source: "A Study of the Japanese International Travel Market" by the US Travel and Tourism Administration

## 9. Profile of Visitors to South Pacific Island Countries

"The 20th Survey on Japanese Overseas Air Travellers" published by Mainichi Shimbun based on a questionnaire answered by 2,326 Japanese travellers who had just returned to the New Tokyo International Airport and four other international airports (Osaka, Nagoya, Fukuoka, and Haneda) in July 1987 provides a profile of Japanese visitors grouped by some 40 countries/areas visited on the trips they had just finished. Twenty-three of the respondents or 1.5% of the total had returned from South Pacific island countries. The smallness of the sample hampers any legitimate profiling of Japanese visitors to South Pacific island countries, although female travellers were more likely to visit the islands than male travellers (2.0% vs. 1.2%). For both males and females, those in their 30s had the highest propensity to visit the South Pacific (2.6% and 4.3%, respectively, of males and females in their 30s). Among honeymooners, 12.1% as compared with 1.9% of sightseers had chosen that destination.

## 10. Image of South Pacific Island Countries

The respondents were asked to rank destinations of the world in terms of the extent to which those destinations would, according to the respondents' image/impression, satisfy their specific desires. In the image of Japanese travellers, South Pacific island countries ranked fifth among some 40 countries/areas named by the respondents in terms of "beautiful nature," surpassing Hawaii (ninth), Saipan (23rd), and Guam (24th). Switzerland, Canada, Austria, and New Zealand in that order were believed to have the most beautiful nature.

The South Pacific ranked mediocre in "respondents' familiarity with the destination" (23rd after Hawaii and Guam, which ranked first and 13th, respectively), "security" (20th after Hawaii, Guam, and Saipan which ranked first, 11th, and 15th, respectively), "kindness of the local people" (21st after Hawaii at first, Guam at 11th, and Saipan at 16th), and "local life and customs" (22nd surpassing Hawaii). The South Pacific island countries ranked poor in "shopping" (36th after Hawaii at fourth and Guam at 13th) and "culture and history" (37th surpassing Hawaii and Guam which ranked 38th and 39th, respectively).

## 11. Preferred Destinations for Future Trips

After ranking the destinations in terms of expected degree of satisfaction of specific desires according to the images those respondents had, the Mainichi Shimbun's survey ranked the destinations in terms of which destinations the respondents would like to visit for general satisfactions. Interestingly, there was

considerable rearrangement between the rank orders of the countries visited on the current trip and the countries they wanted to visit for general satisfaction on their next trip. The respondents ranked the South Pacific island countries 12th (9.6%, 145 respondents) on the list of the countries they preferred to visit for general satisfaction on their next overseas trip although the area ranked 34th (1.5% of respondents) among 36 countries which the respondents had visited in current travel. (Australia was ranked first as a preferred destination as it was in the Mainichi Shimbun's 19th survey in 1986, but was 24th among the countries actually visited.)

For general satisfaction, males were more likely to want to visit the South Pacific islands (11.3% vs. 7.5%). Corresponding to actual visitors to those destinations, for both males and females the 30s was the most likely age group to hope for a visit (13.6% of males and 12.8% of females in their 30s followed by "under 30" and 40s in both sexes). The desire to visit South Pacific island countries for general satisfaction by occupational category was 11.7% for managers, 11.8% for ordinary employees, 6.9% for unmarried female workers, 11.1% for teachers, 16.1% for self-employed, 5.5% for professionals, 9.3% for housewives, 8.3% for students, and 4.7% for unemployed. The more overseas travel a respondent had experienced, the more likely he or she was to hope to visit the South Pacific (5.9% for first-timers, 7.1% for 2-4-timers, 10.6% for 5-10-timers, and 15% for those who had travelled abroad "11 times or more").

## 12. Preferred Types of Travel for the Future

The rank order of the preferred types of travel for the respondents' next overseas trip differed substantially from that for their current trip. "Leisurely stay" was the most preferred type of the next overseas travel, although on the current trip they had spent more of their time in shopping, touring, sampling local foods, and swimming than in relaxing. It can be surmised that the dream of Japanese travellers just to relax in the South Pacific island countries and other destinations with beautiful nature often is either frustrated by lack of free time or overwhelmed by the last-minute urge to accomplish more than "relaxing and doing nothing at all on the actual trip. The apparent discrepancy between Mainichi's rank order of preferred types of overseas travel (top priority for "leisurely stay") and psychographical analysis by the US Travel and Tourism Administration of Japanese travellers (lowest priority for "just relaxing and doing nothing") may possibly be explained by the fact that the respondents to the Mainichi survey (62% of whom had spent 10 days or less on their trip were mostly just back from hectic touring. This would also be consistent with the observation made earlier,

"leisurely stay" and "just relaxing and doing nothing" refer to different affairs.

### 13. South Pacific Countries as Destinations for Specific Purposes

Besides ranking the preferred types of travel, the Mainichi Shimbun's survey ranked about 60 destinations in terms of specific types preferred by the respondents for actual future travel. (This exercise seems to duplicate in part that of ranking destinations by specific images held by the respondents. Common factors included in "images" and "types of actual trip" are nature, history, and shopping where responses given are generally consistent.) South Pacific island countries ranked high in three types: third in terms of "sports travel," fourth in "nature-oriented travel," and fifth in "leisure-style travel." They were mediocre in "adventure travel" (18th), "local life and customs-oriented travel" (22nd), and "shopping tour" (32nd). They rated rather low in "sightseeing" (35th), "entertainment- and art-oriented travel" (36th), "history-oriented travel" (41st), and "gourmet travel" (44th).

### 14. Recent Trends in the Japanese Domestic Travel Market

It is misleading to regard Japanese travel demand as static. When travel industry officials share perceptions on new trends in domestic travel, the emphasis is shifting from temporary escape from the burdens of work and household responsibilities to pursuit of individual interest in sports, self-education, and specific forms of nature appreciation. As far as domestic travel in Japan is concerned, touring in large groups, which has been traditionally dominant and accounted for more than half the travel demand two decades ago, has declined to approximately one-third of total demand. In contrast, travel by families and small groups of friends have grown steadily. Thus the travel market is now equally split into three typical patterns: large organized groups (affinity groups such as corporate employees and students, and purchasers of package tours); families; and small groups of friends. Since a significant portion of travel in large groups is organized by business corporations and educational institutions and therefore is not voluntarily chosen, the overwhelming preference of individual Japanese travellers is independent rather than organized forms of travel.

The dramatic increase in young female travellers, apparently supported by the expanding female work force whose wages are rising faster than those of males, largely explains the increased travel in small groups. Women are less likely to be involved in corporate-related travel, are more independent than older tourists (touring), and are more susceptible to the influence of travel

trends. Their major concern is often whether their destination is fashionable rather than valuable. They may not necessarily be more individualistic than before, but their destinations and types of travel are certainly unconventional and undergoing changes. Whatever their choice, they are more likely than previously to stay longer in one place on holiday.

Domestic travel by families has become popular in parallel with the increase in disposable income, motorization, and changed Japanese attitudes toward family life. More time and attention are being given to the family at the expense of unconditional loyalty to the company as the workaholic tradition weakens slightly.

#### 15. New Trends in Overseas Travel Markets

Overseas travellers from Japan are more dependent on organized tours (39.9%) than are domestic travellers (13.5%). However, new trends in domestic travel extend beyond Japan. Japanese overseas travellers are now more experienced, better informed, and more often have interested in specific tourist objectives and activities. Wholesalers of mass produced package tours who previously satisfied a large majority of first-time travellers are now compelled to market a greater variety of prearranged products to meet special requirements or to limit their role to provision of essentials (air transport and/or accommodations) for those who would rather design their own tour.

Development of products that cannot be mass produced has pushed up costs for suppliers. The relationship between the first and subsequent overseas destinations actually visited by travellers is being followed up. New tours being marketed include silver wedding anniversary and retirement celebrations. Pretravel installment payment plans with the benefit of substantial tour price discounts have been introduced in an effort to retain as many clients as possible. A new sales approach is selling products directly to customers through newspaper advertisements, thus eliminating all distribution costs.

#### 16. Longer Japanese Vacations

Assuming that the steady growth of discretionary income and strong yen continue, many travel experts agree that a further large increase expansion in the Japanese travel market is likely when Japanese workers start taking longer vacations. It is estimated that 65% of overseas tourist traffic from Japan is concentrated during only 60 days of the year, during the year-end and New Year holidays, the so-called Golden Week (consecutive national holidays in May combined with a weekend), and the summer vacation

period (August). Most company employees feel they cannot take a long vacation except during those special periods. Although most company employees receive 15 paid holidays (plus 17 national holidays), they only use half of them, rarely consecutively. Employees are reluctant to burden co-workers and in many cases do not feel that the company atmosphere encourages them to take a long vacation.

The average 1986 work hours of the Japanese (2,168 hours including over-time) are considerably more than in USA and West European countries (1,924 hours in the USA, 1,952 hours in the UK, 1,659 hours in West Germany, and 1,643 hours in France). In September 1987, the Japanese Parliament amended the Labour Standards Law to make the 40-hour work week official. Earlier the cabinet had decided to take measures to encourage a five-day work week and a summer vacation longer than a week as well as shortening of work hours. Such decisions were in part motivated by the idea that more free time would lead to more spending which would then help reactivate domestic consumption and help moderate the country's export pressure. The leisure industry is said to account for about 15% of GNP, or about \$350 billion, and the amount is expected to double by the year 2000. Thus, longer holidays for Japanese are not a regulatory issue but a matter of workplace atmosphere or social acceptance.

#### 17. Honeymooners

According to a survey by the Sanwa Bank in 1987 there were some 700,000 weddings in Japan with average related expenditures of \$58,500, of which \$7,770 was spent for the honeymoon trip. The honeymoon trip marked in Japan was thus worth \$5.5 billion in 1987. Out of the approximately 700,000 newlywed couples, some 85% travel overseas. A JTB survey in 1987 showed that the most popular honeymoon destination was Australia (24.1%), followed by Hawaii (18.5%), US mainland (16.5%, including US mainland/Hawaii at 11.4%), Europe (11.7%), and New Zealand (7.9%). South Pacific island countries accounted for 3%.

It is noted that the market share of the popular honeymoon trip destinations for the Japanese has undergone a series of major changes. In 1970, when overseas travel accounted for 13% of all honeymoon trips, overseas honeymoon trips were predominantly to Guam (60%) and Hawaii (36%). In 1975, Hawaii (52.8%), Guam (25.3%), and the US West Coast (2.8%) were among the most popular. In 1980 the share of Australia was negligible. Choice of destinations by newlyweds, as illustrated above, is highly susceptible to the influence of trends and affected by travel experiences before marriage.

"Plan to Double Overseas Travel" by Ministry of Transport  
(Translated by Travel Journal International)

# Ministry of Transport "Plan to Double Overseas Travel"

## Looking Ahead to an Era of Ten Million Japanese Overseas Travellers

On September 14, the Japanese Ministry of Transport first unveiled details of a major outbound travel promotion project aimed at doubling the number of Japanese overseas travellers from the fiscal 1986 level of 5.52 million to ten million by the end of 1991. In the following article, Travel Journal International takes a look at different aspects of the ministry's plan.

Reflecting an increase in median incomes and leisure time and the wide availability of package tour products, outbound travel by Japanese has been steadily rising over the past few years.

Another contributing factor, the "super yen" has been instrumental in boosting the number of Japanese overseas travellers past the five million mark for the first time ever in 1986.

While the growth of Japan's overseas travel market has been quite impressive in recent years, the 1986 annual total accounts for only 4% of the country's entire population. In comparison, 39% of the population of Great Britain travels outside of the country each year, while the figure is 34% for West Germany, 16% for France, 12% for the United States and 10% for Australia.

As Japan seeks to further stabilize its position as a member of the international community, increased overseas travel by Japanese is seen as one of the best ways for the country to contribute to the economic growth of developing countries and correct its balance of payments.

Overseas Travellers by Share of Population, 1985

COUNTRY	Overseas Travellers / Population (%)	Overseas Travellers (X 1,000)	Total Population (X 1,000)	Top Three Destinations (%)
Japan	4.1 **85 = 4.5%	4,948	120,750	U.S.A. (33.9) Taiwan (12.5) Korea (9.7)
United Kingdom	38.5	21,771	56,820	France (20.8) Spain (19.2) Ireland (7.5)
France	16.0	8,828	55,170	Spain (19.9) Italy (12.2) Portugal (14.9)
West Germany	34.3	20,900	61,020	Italy (20.0) Spain (18.6) Australia (14.9)
U.S.A.	11.8	28,337	239,280	Canada (43.3) Caribbean (12.5) Mexico (12.7)
Canada	64.2	13,745	25,370	U.S.A. (84.4) Great Britain (4.1) Caribbean (3.4)
Australia	9.8	1,512	15,760	New Zealand (16.7) Great Britain (13.7) U.S.A. (9.5)
New Zealand	11.6	378	3,250	Australia (48.7) Pacific Islands (13.1) Great Britain (8.9)
Korea	1.2	484	41,060	Japan (34.4) U.S.A. (21.8) Saudi Arabia (11.4)
Hong Kong	20.8	1,133	5,460	Taiwan (25.8) Japan (17.0) Thailand (12.1)
Taiwan	4.4	847	19,293	Japan (46.9) U.S.A. (19.4) Hong Kong (20.9)

## Aim of the Program

The goal of the government's "Ten Million" Program is to double the number of Japanese overseas travellers from 5.52 million in 1986 to ten million within five years.

Japanese overseas travellers have increased steadily in recent years, topping the five million mark last year for the first time.

In view of the revenue-generating potential of Japan's growing outbound travel market, countries of the world welcome Japanese guests with open arms.

Australia, for one, is projecting that Japanese visitors will total one million per year by the end of the century, a figure which would make Japan the largest supplier of inbound travellers to the Oceania country.

**Historic & Predicted Growth of Australia's Inbound Travel Market by Supplier Country**

	1975	1980	1985	1990	1995	2000
New Zealand	154	307	245	350	395	450
Japan	24	49	108	360	600	1,000
Other Asian Countries	50	90	163	335	550	900
England	73	131	159	295	420	600
Other European Countries	53	112	142	260	425	700
U.S.A.	64	111	197	445	670	1,000
Canada	15	28	41	80	110	150
Others	83	77	88	150	180	200
<b>Total</b>	<b>516</b>	<b>905</b>	<b>1,143</b>	<b>2,275</b>	<b>3,350</b>	<b>5,000</b>

While some industry analysts foresee an annual growth of 12% in outbound travel during the next five years, an estimate based on Japan's GNP, yen/foreign currency exchange rates and other financial factors puts the 1991 total at no more than eight million.

Accordingly, many see the establishment of policy initiatives as vital in helping Japan achieve its goal of expanding outbound travel to ten million within the next five years.

## The Significance of Overseas Travel Promotion

### A. Promotion of International Friendship

Promotion of overseas travel by Japanese is significant in that it serves as a tool to create mutual understanding between people of different countries and to sharpen the international sense of Japanese individuals.

Japan is actively promoting inbound travel through the Japan National Tourist Organization (JNTO) and efforts are underway to improve the nation's international tourism model areas and increase the number of international conventions held in Japan.

**Balance of Trade & Travel Payments, Japan & West Germany, 1985-1986**

	Year	BALANCE OF TRADE			BALANCE OF TRAVEL EXPENDITURES			B/A
		Export	Import	Balance (A)	Income	Expenditures	Balance (B)	
West Germany	1985	173,464	145,076	28,388	5,960	14,702	-8,742	30.8%
	1986	228,645	175,253	53,392	7,872	20,766	-12,894	24.1%
Japan	1985	174,015	118,029	55,986	1,137	4,814	-3,677	6.6%
	1986	205,591	112,764	92,827	1,463	7,229	-5,766	6.2%

\*X US\$10,000,000

### B. Correction of Balance of Payments with Trading Partners

Increased outbound travel by Japanese serves as a stimulant for the economies of other countries and helps correct the current trade imbalance between Japan and its trading partners. By taking on its responsibility as a world



economic power, Japan's standing in the international community will be further stabilized.

Recognizing the economic and diplomatic merits of outbound travel promotions, the Japanese government in July, 1985 introduced an Improved Market Access Action Program Outline which, among other topics, stressed how a number of developing countries are dependent on the revenue-generating inbound Japanese tourist.

**Japan's Projected Balance of Travel Payments Predicated on 10 Million Outbound Travel Market**

	Japanese Overseas Travellers (X 1,000)	Travel Payments (X \$10 million)	Inbound Foreign Travellers (X 1,000)	Travel Receipts (X \$10 million)	Balance of Payments (X \$10 million)
1986	5,516	7,229	2,062	1,463	-5,766
1991	10,000	13,105	**2,650 - 2,960	1,880 - 2,100	-11,005 - -11,225
Growth	4,484	5,876	588 - 898	417 - 637	-5,239 - -5,459

**C. Internationalization of Small Cities**

Promotion of overseas travel combined with a strong national network of international tourism zones and a boost in the number of international conventions contributes to the internationalization of local airports and surrounding communities.

**Japanese Overseas Travellers by Prefecture of Residence, 1986**

Place of Residence	No. of Overseas Travellers	Share (%)	O.S. Travel/Population (%)	Place of Residence	No. of Overseas Travellers	Share (%)	O.S. Travel/Population (%)
Hokkaido	108,048	2.0	1.9	Shiga	44,918	0.8	3.8
Aomori	18,352	0.3	1.2	Kyoto	134,883	2.4	5.2
Iwate	20,164	0.4	1.4	Osaka	461,652	8.4	5.3
Miyagi	49,237	0.9	2.2	Hyogo	268,630	4.9	5.1
Akita	16,646	0.3	1.3	Nara	69,735	1.3	5.3
Yamagata	24,424	0.4	1.9	Wakayama	32,460	0.5	3.0
Fukushima	40,712	0.7	1.9	Tottori	13,287	0.2	2.1
Ibaragi	85,888	1.6	3.1	Shimane	13,315	0.2	1.7
Tochigi	59,132	1.1	3.1	Okayama	53,539	10.0	2.8
Gunma	60,014	1.1	3.1	Hiroshima	95,587	1.7	3.4
Saitama	272,355	4.9	4.6	Yamaguchi	43,381	0.8	2.7
Chiba	303,776	5.5	5.8	Tokushima	16,830	0.3	2.0
Tokyo	1,224,833	22.2	10.3	Kagawa	27,623	0.5	2.7
Kanagawa	531,574	9.6	7.1	Ehime	32,336	0.6	2.0
Niigata	51,873	0.9	2.1	Kochi	15,034	0.3	1.8
Toyama	33,535	0.6	3.0	Fukuoka	190,623	3.5	4.0
Ishikawa	35,633	0.6	3.1	Saga	25,710	0.5	2.9
Fuku	26,899	0.5	3.3	Nagasaki	36,254	0.7	2.3
Yamanashi	31,137	0.6	3.7	Kumamoto	47,590	0.9	2.6
Nagano	76,329	1.4	3.6	Oita	28,912	0.5	2.3
Gifu	73,230	1.3	3.6	Miyazaki	18,828	0.3	1.6
Shizuoka	142,589	2.6	4.0	Kagoshima	29,293	0.5	1.6
Aichi	294,927	5.3	4.5	Okinawa	39,918	0.7	3.4
Mie	54,218	1.0	3.1	Total	5,516,193	100.0	4.5

**Specific Measures**

To effectively carry out overseas travel promotions, both public and private sectors must join hands to improve airport facilities, create longer holidays, educate individuals about overseas travel safety and support countries which are carrying out tourism industry development programs.

**A. Campaign to Promote Overseas Travel**

**1. Use of Government Publications**

Government-produced pamphlets should be distributed for the purpose of instructing Japanese on necessary overseas travel safety precautions and encouraging longer work holidays by Japanese.

**2. Designation of Tourism Weeks**

To boost overseas travel, seasonal tourism promotions, including a "Season of the Sea" campaign should be implemented. Additional promotional campaigns should be scheduled along side the Ministry of Labor's "Hot Week" summer holiday campaign.

Acting on an October 1985 recommendation of economic ministers, the Ministry of Transport and with the International Trade and Industry and Home Affairs Ministries will kick off an overseas travel campaign in November, which has been designated "Relaxation Month."

3. P R Activities Abroad

The Ministry of Transport will hold meetings with national tourist offices of a number of countries, hold briefings for foreign correspondents and seek the support of the Foreign Press Center in publicizing Japan's overseas travel promotion campaigns.

B. Promotion of Overseas School Excursions

1. School Excursions

Overseas excursions by school groups, on the rise in recent years, are considered an important part of the Japanese education system.

Under the guidance of the Japanese Ministry of Education, overseas school excursions are seen as one effective way to increase mutual understanding between Japanese and foreign citizens.

While public school boards have set cost and time guidelines for overseas excursions, some prefectural school boards have banned overseas travel by aircraft, thus limiting the number of destinations which students may choose from.

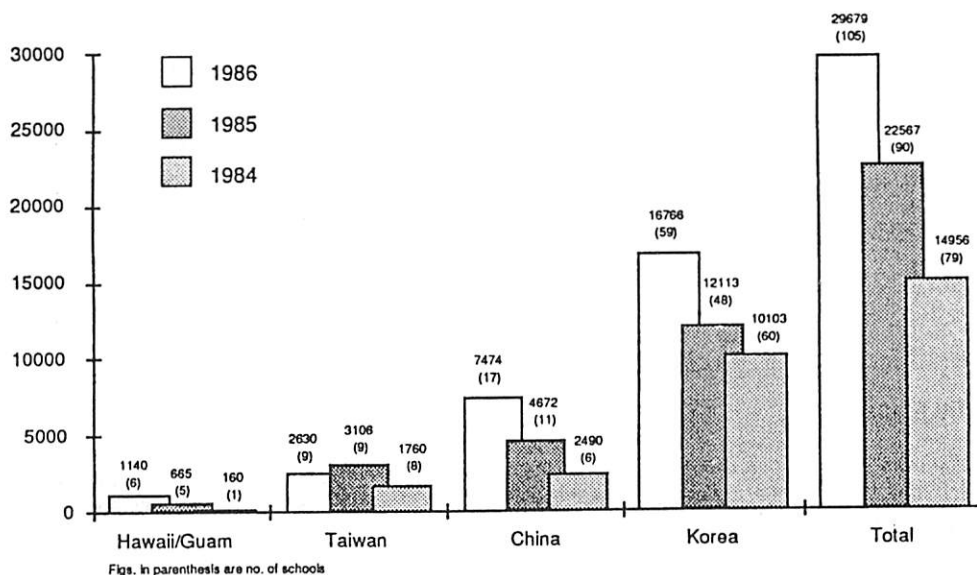
Private schools, on the other hand, are not subject to such strict regulations.

2. Problems Surrounding School Overseas Excursions

a. Safety

Fears of parents and school board members over the possibility of airline and ship accidents and student illness during the course of overseas excursions has become an obstacle to the implementation of overseas excursion programs.

Japanese Overseas School Excursions, 1984-1986



b. Use of Aircraft

International charter flights for school trips are currently under consideration. Planning is also underway to combine return flights of several different school groups in the case a school charters a flight for only the first half of the journey.

c. Financial Considerations

Many fear that the implementation of regular overseas excursions will create an unnecessary financial burden on parents and force school authorities to reconsider the amount of financial aid distributed to students from families on welfare.

**Duration & Cost of Overseas School Excursions by Point of Departure, 1986**

Point of Departure	Domestic & Overseas School Excursions (Average)		Private high school		Overseas School Excursions			
	Length	Average Cost <sup>1</sup>	Length	Average Cost <sup>1</sup>	Length	Average Cost <sup>1</sup>	Length	Average Cost <sup>1</sup>
Sapporo	6 days, 5 nights	¥85,000	7 days, 6 nights	¥119,000	8 days, 7 nights	¥160,000		
Morioka	6 days, 5 nights	¥66,000	6 days, 5 nights	¥87,000	7 days, 6 nights	¥150,000		
Ohmiya	5 days, 4 nights	¥80,000	5 days, 4 nights	¥73,000	5 days, 4 nights	¥110,000		
Tokyo	4 days, 3 nights	¥57,000	5 days, 4 nights	¥84,000	5 days, 4 nights	¥100,000	China - 5 days, 4 nights	¥127,000
							Hawaii - 6 days, 4 nights	¥180,000
Kanazawa	6 days, 5 nights	¥60,000	6 days, 5 nights	¥80,000	5 days, 4 nights	¥100,000	China - 5 days, 4 nights	¥150,000
Nagoya	4 days, 3 nights	¥45,000	5 days, 4 nights	¥81,000	5 days, 4 nights	¥100,000	Taiwan - 5 days, 4 nights	¥120,000
Osaka	5 days, 4 nights	¥55,000	5 days, 4 nights	¥88,000	5 days, 4 nights	¥80,000	China - 6 days, 5 nights	¥140,000
Hiroshima	4 days, 3 nights	¥55,000	5 days, 4 nights	¥55,000	4 days, 3 nights	¥80,000		
Yamaguchi								
Fukuoka	6 days, 5 nights	¥65,000	6 days, 5 nights	¥86,000	5 days, 4 nights	¥57,000		
Okinawa	7 days, 6 nights	¥90,000	7 days, 6 nights	¥90,000	6 days, 5 nights	¥87,000		
Min. Average		¥58,000		¥76,000				

<sup>1</sup> Per person

3. Promotion of Overseas School Excursions

While full implementation of regular overseas excursion programs by Japanese schools faces numerous constraints, there is a general consensus regarding the value of such travel. The establishment of "sister-school" relations, the incentive of foreign language study and basic social training are but a few of the merits that go along with overseas school excursion programs.

A number of private schools, while setting up exchanges with students of overseas schools, are providing students with religious education at overseas institutions.

In addition to promotional efforts of individual schools, the National Educational Trip Research Institute, the Foundation of Japan-China Youth Travel and the Japan School Tours Bureau are also making efforts to develop the overseas school excursion market.

To encourage increased participation in overseas school excursions, the Japanese Ministry of Transport is holding promotion forums and other activities for officials of public education boards and private schools.

C. Support for Tourism Promotion Ventures

1. Support for Establishment of Goodwill Offices

a. Japan is cooperating with individuals and groups through the Overseas Travel Promotion Forum and through other channels to assist countries which are unable to maintain tourist offices in Japan or in Japanese cities other than Tokyo.

Japan has major travel generating markets other than Tokyo and the establishment of tourism promotion offices in the urban centers of these markets promotes internationalization.

It is therefore worthwhile for countries concerned to create overseas travel promotion offices at local airports and/or in prefectural capitals with the help of local public organizations interested in internationalizing their airports and tourism model zones.

b. Support for Overseas Travel Promotion Fairs

The government will study measures to aid less wealthy nations in participating in promotional fairs in Japan.

c. ASEAN Overseas Travel Promotion

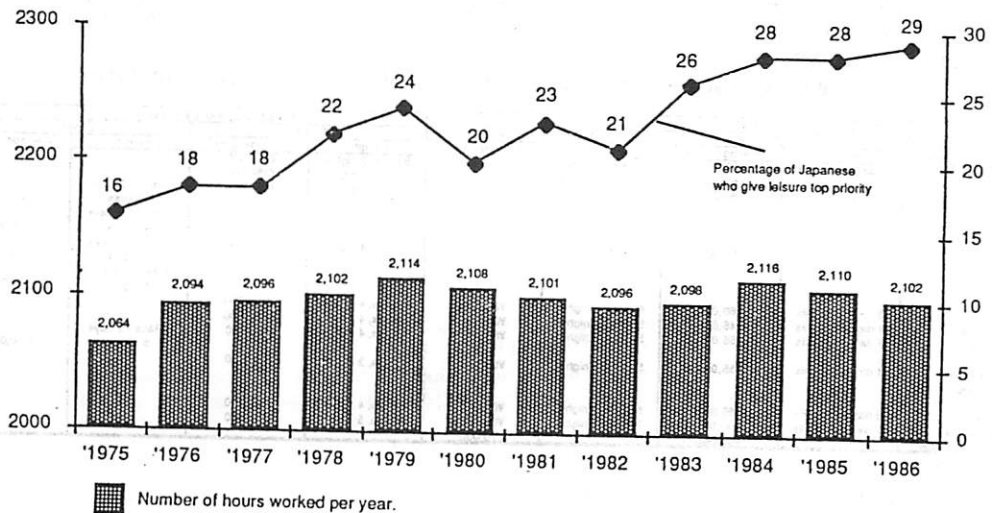
Japan will allocate funds to the ASEAN Promotion Centre on Trade, Investment and Tourism (ASEANCENTRE) to assist with campaigns promoting travel by Japanese to ASEAN member countries.

D. Promotion of Extended Consecutive Holidays

1. Promotion of Extended Consecutive Holidays

Despite the growing desire of the Japanese people to enjoy leisurely vacations, average annual working hours are not declining. It is therefore desirable to promote longer holidays and establish a long holiday system, e.g., a second "Golden Week" holiday campaign.

Changes In Japanese Work & Leisure Habits, 1975-1986



2. Improvement in the Quality of Overseas Travel

The number of Japanese overseas travellers should be increased to improve the quality of overseas travel. At the same time, it will be necessary for Japanese to extend the length of stay per trip. The Overseas Travel Promotion Forum should discuss ways of promoting extended vacations.

Length of Stay Abroad of Japanese Travellers, 1980-1986

	'1980	'1981	'1982	'1983	'1984	'1985	'1986
- 5 days	56.1	55.4	54.6	54.1	53.3	51.8	52.6
6-10 days	21.8	22.8	23.8	24.6	25.5	26.2	26.6
11-15 days	8.3	8.1	8	8	8.1	8.2	7.8
16-20 days	2.7	2.7	2.7	2.6	2.7	2.6	2.6
21 days-1 month	2.8	2.9	2.8	2.7	2.7	2.9	3
1-2 months	2.2	2.2	2.2	2.2	2.1	2.2	2.3
2-3 months	0.8	0.8	0.8	0.8	0.8	0.8	0.8
3-6 months	1.3	1.4	1.4	1.4	1.3	1.4	1.4
6 months or more	4	3.7	3.7	3.6	3.6	3.9	2.9
Total	100	100	100	100	100	100	100

Average Length of Stay Abroad of Japanese Travellers by Year

'1975	'1976	'1977	'1978	'1979	'1980	'1981	'1982	'1983	'1984	'1985	'1986
8.7	8.2	8	8.1	8.3	8.1	8.6	8.7	8.7	8.5	8.8	8.8

3. Adjustments in Japan's Holiday System

In order that Japanese families may enjoy overseas trip together, measures to adjust the schedules of school-age children and working parents must be taken. The low percentage of middle-aged working females travelling abroad is directly attributed to housekeeping responsibilities and the education of children. The need for increased PR activities promoting international travel by middle-aged mothers should be dealt with.

4. Trends in Western Industrialized Countries

Statistics show that paid holidays for Japanese workers are far shorter than those of West Germans. In some European countries, government legislation guarantees workers uninterrupted holidays of as long as two weeks, as in the case of France.

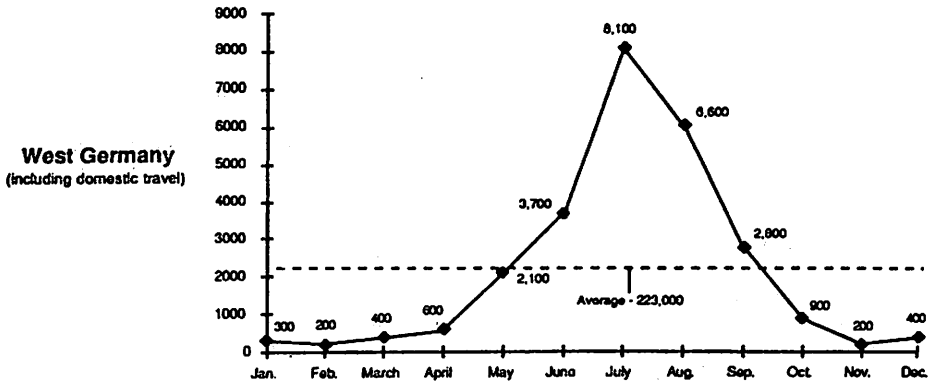
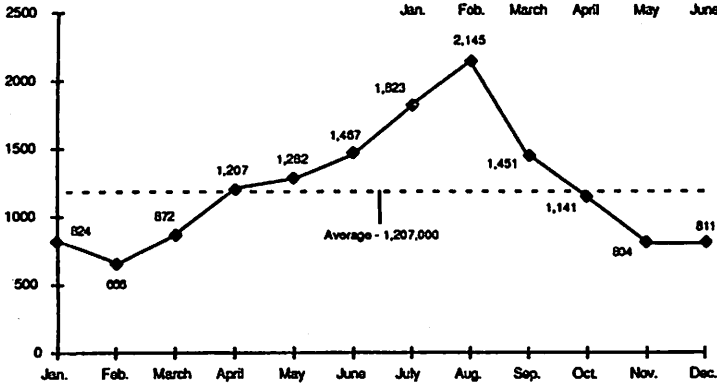
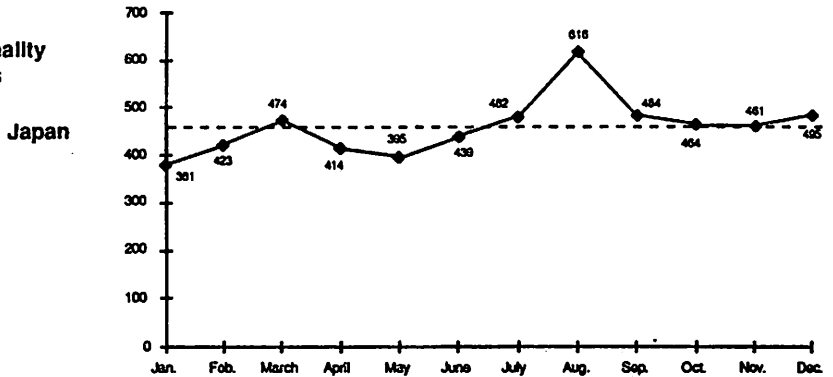
On the whole, overseas travel by Japanese as well as other nationalities peaks in August.

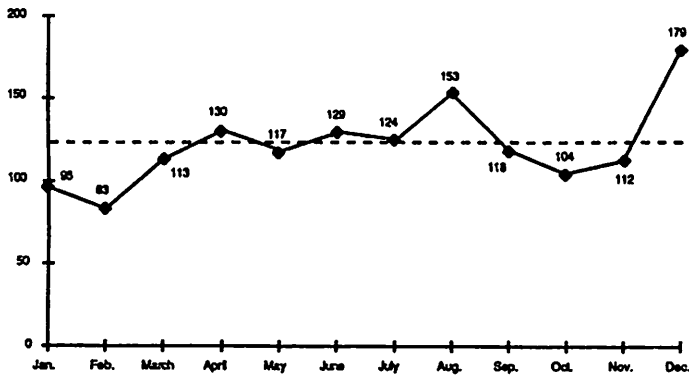
**Paid Holidays of Japanese & West German Workers Compared**

Country		1970	1975	1980	1981	1982	1983	1984	1985	1986
W. Germany	Holidays Alloted	-	23	26	27	28	28.5	29	29	-
	Holidays Alloted (A)	11.6	-	14.4	-	15.1	14.8	14.8	15.2	14.9
Japan	Holidays Used (B)	7.2	-	8.8	-	8.7	8.8	8.2	7.8	7.5
	A/B	62.1	-	81.3	-	57.6	59.5	55.6	51.6	50.3

Note: While West German workers generally use all of their annual holidays, Japanese workers do not.

**Overseas Travel Seasonality of Selected Nationalities**





Australia

### E. Promotion of International Tourism Development

#### 1. Requests for Increased Tourism Investment Abroad

Japanese business interests currently have investments in hotels, railways, airlines, real estate companies and other travel and tourism related business overseas. While such investment is very large, requests for further increases in Japanese international investment have been received. The Ministry of Transport will aggressively promote and encourage further investment abroad.

#### 2. Promotion of Increased International Tourism Development by Japan

##### a. Tourism Development Cooperation

##### 1. Research

Carry out research through the International Tourism Development Institute of Japan, the Overseas Travel Promotion Forum, the Japan International Cooperation Agency (JICA) and OECF.

##### 2. Investment

Provide information and advise to Japanese firms interested in international tourism investment. Arrange systems for the provision of financing through the Japan Import-Export Bank.

##### 3. Reception of International Missions

Through the Overseas Travel Promotion Forum provide assistance and support for tourism development missions visiting Japan from abroad.

##### 4. Dispatch of International Tourism Development Missions

##### b. Civil Aviation Negotiations

Carry out negotiations with a view toward promoting increases in international air transport capacity.

##### c. Tourism PR Assistance, Travel Industry Employee Training, Dispatch of Specialists

#### 3. Increase in High Level Government-to-Government Communications

### F. Promotion of Travel Industry Exchanges

#### 1. Requests for Exchange of Travel Industry Workers from Asia/Pacific Region

At a meeting of Japanese and Australian ministries in January 1987, Australia requested that Japan allow hotel employees to undergo training in Japan. Meanwhile Fiji, Vanuatu and Indonesia have urged Japan to send travel officials to train their local industry personnel.

#### 2. Acceptance of Trainees

##### a. Government Level

Through the Japan International Cooperation Agency, Japan is conducting a two-month training program annually for twenty travel agency employees from developing countries, holding Ministry of Transport and Japan National Tourist Organization (JNTO)-sponsored seminars.

b. Private Level

The government has entrusted the non-profit International Tourism Development Institute of Japan to conduct training for staff of hotels, souvenir shops and other travel-related interests to promote cooperation in the tourism sector.

3. Dispatch of Officials

a. Government Officials

Officials of the Japanese Ministry of Transport, through JICA, are being sent to official tourism agencies of developing countries.

b. Private Sector Officials

The center is dispatching tourism experts to hotels and other tourism interests of developing countries to encourage travel industry cooperation.

G. Dispatch of Overseas Travel Promotion Missions

To make overseas travel easier for Japanese and to eliminate complex travel procedures, Japan is dispatching travel promotion missions comprised of government officials and travel industry representatives for talks with foreign government and tourism industry leaders.

Such missions have already been sent to Australia and China and preparations are underway for a mission to visit Thailand.

Mexico, Canada, Great Britain, Indonesia, South Korea and other countries have requested that Japan send similar delegations to their countries.

H. Steps to Ensure Safety of Japanese Overseas Travellers

1. JNTO

The Japan National Tourist Organization is producing a series of manuals designed to ensure safe overseas travel by Japanese. The manuals provide potential overseas travellers with helpful information on the AIDS epidemic while providing instructions on how to avoid becoming the target of theft.

2. Safety Measures and Medical Care for Japanese

The surge in Japanese overseas travellers has increased the need for more Japanese-speaking physicians abroad.

In addition, discussion on other necessary safety measures will be taken up by the Overseas Travel Promotion Forum and at other international travel meetings.

3. Avoiding Trouble Abroad

The government is assisting travel industry organizations in taking precautionary measures to help Japanese travel overseas without trouble. It is also promoting improvements to prevent the development of a bad impression of Japan abroad.

I. Promotion of Overseas Tourism Promotion by Destination

Overall, Japanese overseas travellers favor Asian and North American destinations while in the package tour sector, Hawaii, Guam and Saipan are the three most popular destinations.

It is vital that the Japanese government study measures to encourage travel to new destinations.

1. Tourism Promotion by Destination

International events such as Australia's bicentennial, the Summer Olympics in South Korea and one hundredth anniversary commemorations of Japan-Thailand and Japan-Mexico commerce and friendship treaties should be utilized to further encourage outbound travel by Japanese.

2. Promotion of Overseas Events

The Overseas Travel Promotion Forum and similar organizations should increase promotion of overseas events to encourage travel by Japanese to a wider variety of destinations.

**Japanese Overseas Travel Demand by Destination, Purpose, 1985**

<b>Total</b>	<b>4,94,800</b>	<b>Sightseeing</b>	<b>2,781,000</b>	<b>Package Tour</b>	<b>1,594,000</b>
<b>Europe 437,000</b>	<b>10.50%</b>	<b>Europe 236,000</b>	<b>8.50%</b>	<b>Europe 177,000</b>	<b>11.10%</b>
<b>North America</b> 1,174,000 35.20%	Cont. U.S./Canada 866,000 17.50% Hawaii 559,000 11.20% Guam, Saipan 322,000 6.50%	<b>North America</b> 1,173,000 42.50%	Cont. U.S./Canada 353,000 12.80% Hawaii 501,000 19.10% Guam, Saipan 301,000 10.90%	<b>North America</b> 812,000 51.00%	Cont. U.S./Canada 113,000 7.10% Hawaii 408,000 25.60% Guam, Saipan 297,000 18.30%
<b>Asian Countries</b> 2,076,000 46.60%	China 288,000 5.80% Korea 331,000 6.70% Hong Kong 331,000 6.70% Taiwan 619,000 12.50% Other 420,000 8.50%	<b>Asian Countries</b> 1,195,000 43.30%	China 148,000 5.40% Korea 198,000 7.20% Hong Kong 217,000 7.30% Taiwan 350,000 12.70% Other 281,000 10.70%	<b>Asian Countries</b> 504,000 31.60%	China 100,000 6.30% Korea 153,000 3.30% Hong Kong 88,000 5.50% Taiwan 54,000 3.40% Other 209,000 13.10%
<b>Oceania 202,000</b>	<b>4.10%</b>	<b>Oceania 139,000</b>	<b>5.00%</b>	<b>Oceania 82,000</b>	<b>5.20%</b>
<b>Other 64,000</b>	<b>1.30%</b>	<b>Other 38,000</b>	<b>1.30%</b>	<b>Other 18,000</b>	<b>1.10%</b>

**J. Improvement of Overseas Travel Procedures**

To carry out successful overseas travel promotions, Japan must increase immigration offices and other travel-related government agencies and expand its travel promotion budget.

**1. Improvement of Immigration Procedures**

**a. Expansion of Working Holiday System**

The "Working Holiday" system, originated between commonwealth countries, was first joined by Japan during the Ohira cabinet when Japan signed an agreement with the Australian government. Since then, Japan has concluded similar pacts with Canada and New Zealand.

**b. Simplification of Japan-South Korea Visa Procedures**

The South Korean government has waived visa requirements for Japanese individuals as well as school groups visiting Cheju Island and Japan is exploring the possibility of having visa requirements waived for other parts of the country.

**c. Passport Review**

While the number of Japanese travelling to Hawaii and Guam has risen dramatically, so have complaints regarding the issuance of visas to U.S. destinations. Implementation of an automatic passport issuance system should be considered as one method of speeding up procedures.

**d. Improvement of Group Immigration Procedures**

Requests made to government authorities by package group travellers themselves for quicker visa processing is one effective method of bringing about change.

**e. Improvement of Other Overseas Travel Procedures**

The Overseas Travel Promotion Forum and other organizations should discuss steps to overcome difficulties in overseas travel procedures.

**2. The Ministry of Transport will study immigration procedures in other countries through overseas travel promotion missions and international conferences.**



#### K. Development of Overseas Souvenir Markets

##### 1. Development of Attractive Souvenirs

Some developing countries, while stressing the growth of their inbound tourism markets, have failed to produce attractive souvenirs and gifts which foreign guests can purchase as mementos for friends and relatives at home.

As part of international cooperation, overseas travel promotion missions from Japan are planning to advise such countries on the development and production of attractive souvenirs.

##### 2. Promotion of Overseas Shopping

###### a. Tax Incentives

One step taken to encourage shopping abroad by Japanese was the increase in the nation's duty-free quota from ¥100,000 to ¥200,000 beginning in July 1987.

###### b. Quicker Custom/Immigration/Quality (CIQ) Operations

The Overseas Travel Promotion Forum will request that the government simplify customs and quarantine procedures so that overseas travellers can bring home a wider variety of goods from abroad.

##### 3. Home-Delivery of Goods Purchased Overseas

To ease handling of baggage and souvenirs, and to encourage shopping overseas, the use of international home-delivery services will be actively promoted.

#### L. Improvement of Overseas Travel Information

The strong increase in outbound travel by Japanese necessitates the provision of more accurate and timely information on various overseas destinations.

The Japanese government is requesting that JNTO, foreign national tourist offices and travel agencies supply more diversified data on events, hygiene and safety and immigration procedures in addition to tourist and sightseeing spots.

#### M. Tax Incentives for Company Travel

##### 1. Present Measures

•• Company trips of no more than three days, two nights, more than 50% company-funded and participated in by more than half of all employees are tax-free.

•• The tax-free clause, originally applying only to domestic company trips, was expanded to include overseas travel beginning in January 1987.

##### 2. Request for Fiscal 1988 Tax Reform — A Revision on Income Tax Guidance

The Ministry of Transport will request that the length of tax-free company trips be expanded to four days, three nights.

#### N. Mutual Understanding Through Top Level Interaction

Requests by officials of South Korean, Australian and Chinese tourism-related organizations for Japanese to visit their respective countries are being heard at bilateral talks.

While international friendship begins at the personal level, various problems arise due to differences in language and customs, thus making frequent contact through top-level talks vital to successful international communication.

#### O. Use of Local Airports

In order to make greater use of local airports, it is necessary for demand for flights to and from such facilities be stimulated.

The travel and airline industries, local governments and other industrial sectors should make efforts to spur demand.

To achieve this objective, the Ministry of Transport will implement the following measures:

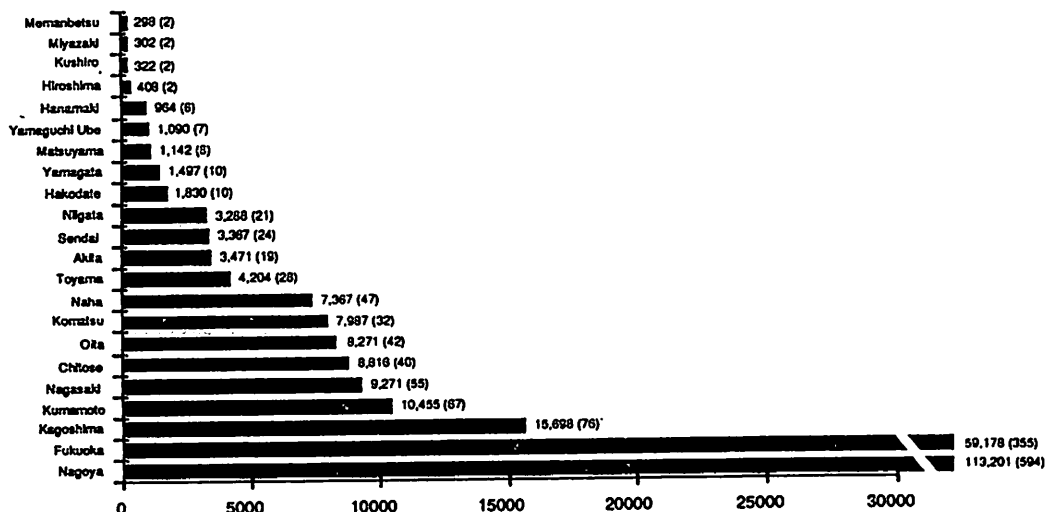
### 1. Use of Charter Flights

The ministry will call for an increase in charter flights during aviation talks.

While continuing to emphasize a balance of aviation rights, the ministry will also institute more flexible policies toward the operation of charter flights which contribute to increased demand for takeoffs from local airports.

#### Overseas Charter Flight Passengers by Point of Departure, 1986

( ) Number of Charter Flights [One-way]



### 2. Creation of Consulting Office for the Internationalization of Local Airports

The ministry will seek the understanding of local governments regarding the framework of international air transport and a balance of aviation rights on a bilateral basis.

An office will be set up within the ministry's International Transport and Tourism Bureau to promote the operation of charter flights to and from local airports. The office will advise local governments on ways of achieving the internationalization of their airport facilities.

### P. Expansion of Discount Fares

Air fares of international flights departing from Japan have declined in real terms in recent years in relation to Japan's consumer price index. This, coupled with the small number of fare hikes in economy fares, has led to an increase in the number of Japanese travelling overseas.

Additional steps in the area of air fares will be taken to further promote outbound travel by Japanese.

#### 1. Expansion of Discount Fares

Measures will be taken to increase spouse, family and youth discount fares and to make available advance purchase discounts and other individual discount fares.

In addition, procedures for approving discount fares will be speeded up to bring about prompt implementation and expansion of such fares.

#### 2. Correction of Fare Differentials by Destination

Efforts will be made to narrow fare differentials by reducing air fares for flights from Japan, raising those of flights from abroad and boosting the number of available discount fares.

Additionally, the ministry will actively support an International Air Transport Association campaign to switch from the current FCU (Fare Construction Unit) system to a special drawing rights system.

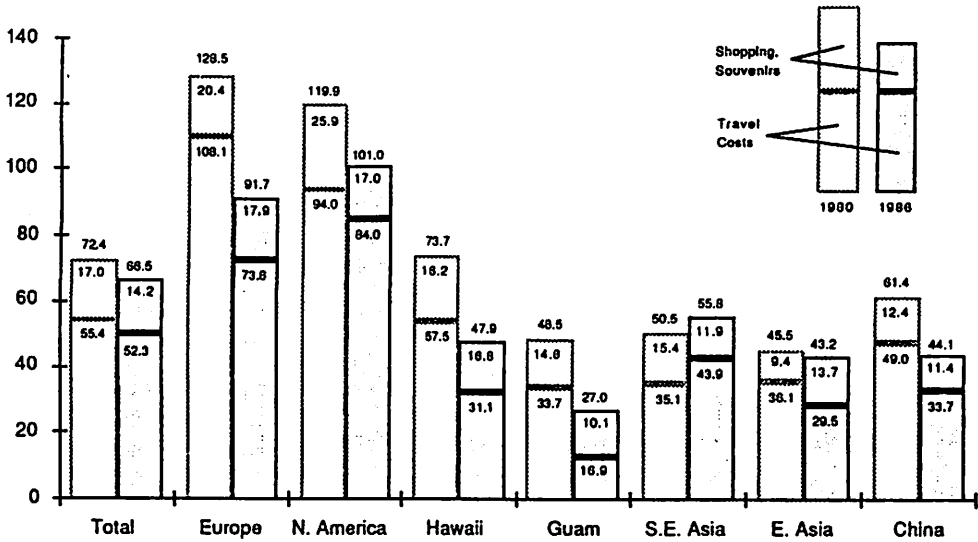
### Q. Promotion of Transport Capacity to Fully Meet Demand

Since the majority of Japanese travelling overseas do so by air, the country must strive to improve capacity at its airports so that it can successfully conduct outbound travel promotions. At present, the country's air transport

supply is unable to keep up with the growing demand for overseas travel.

Japan will also promote double and triple tracking within its airline industry, improve its system for monitoring air traffic demand and expand air capacity to keep up with the growing demand.

**Changes In Travel and Shopping Costs of Japanese Travellers by Destination, 1980-1986**



\*Results of a survey taken November 4-7, 1980 and November 11-14, 1986.

**Seat Capacity & Load Factor on Ex-Japan Flights, 1986**

	Travellers Departing from and Arriving In Japan	Seats on Flights Departing from and Arriving In Japan	Load Factor (%)
China	743	1230	60.4
Hong Kong	2110	2823	74.7
Taiwan	2244	2909	77.9
Korea	2679	3484	76.9
Other Asian Countries	2112	2844	74.3
Oceania	409	567	72.1
Guam/Saipan	919	1315	69.9
Hawaii	1685	2216	76
Continental U.S.	3430	5102	67.2
Europe/Soviet Union	1347	1875	71.8
<b>Total</b>	<b>17,678</b>	<b>24,365</b>	<b>72.6</b>

Note: Travellers, seats X 1,000

**R. Increase in Overseas Cruises**

**1. Objective**

As Japanese work holidays become longer, it is expected that ocean cruises will increase in popularity.

Considering the size of the Japanese cruise market (only 74,000 of the 2.5 million world total), the Ministry of Transport feels it is necessary to create a climate more conducive to the promotion of overseas cruises.

**2. Specific Measures**

The Ministry of Transport is seeking a long term, low-interest loan of ¥3.6 billion from the Japan Development Bank to be used towards construction of an ¥8 billion, 20,000-ton luxury liner.

### S. Promotion of Overseas Cruises

Although it is projected that international cruises will become increasingly popular among Japanese, expansion of this market is expected to be difficult considering that neither the length of Japanese holidays nor the waters surrounding Japan are suitable for ocean cruises.

To encourage increased participation in international cruises, the following steps are being considered.

#### 1. Overseas Cruise Campaign

A campaign to advertise pleasure cruises through travel agencies and the mass media will be carried out, as will efforts to counter psychological barriers such as fear of seasickness and the attitude that cruises are expensive and boring.

#### 2. Invitations to Foreign Cruise Ships to Make Port Calls in Japan

Because of a limited number of passenger ships in Japan, it is highly desirable for the country to promote port calls by foreign passenger vessels to heighten Japanese awareness of the enjoyment of overseas cruises.

Accordingly, Japan will improve port facilities and promote inland tours from Japanese ports.

While local governments of cities such as Yokohama and Kobe have already set up committees to discuss visits by foreign luxury liners, a nationwide group consisting of shipping firms, sub agents and travel agencies will be established to study ways of more effectively promoting port calls.

#### 3. Others

Some local governments in Japan have expressed interest in opening ferry routes between Japan and neighboring countries. The Ministry of Transport plans to open an office within its International Transport and Tourism Bureau to evaluate the possibility of implementing such ferry services.

### T. Promotion of "Floating universities"

The University of Pittsburgh is conducting a "floating University" program aboard the Hong Kong-registered "Universe", offering accredited courses as part of its regular curriculum.

Another overseas institution, Michigan State University, conducts on-the-job training aboard the "Michigan" in Lake Biwa as a means of promoting student exchanges.

Although only a few Japanese marine colleges are carrying out "floating university" programs as part of their regular curriculum, the adoption of such programs is seen as one way of creating a greater awareness of overseas cruises.

The Prime Minister's office and some local governments are conducting overseas training programs aboard passenger ships.

### U. Overseas Travel Promotion Forum

In line with the Ministry of Transport's program to promote a doubling of Japanese overseas travellers to ten million per year within five years, officials of travel agencies, airlines, tourism investment and development firms, banks, foreign national tourist offices and local governments have formed the Overseas Travel Promotion Forum within the the International Tourism Development Institute of Japan.

The purpose of the forum is to:

- Conduct overseas travel promotion campaigns,
- Hold meetings on overseas travel promotions by industry sector, focusing on overseas school excursions, internationalization of local airports and invitations for port calls by foreign passenger ships.
- Collect and supply data on international travel promotions as well as overseas tourism conditions.
  - a. Gather and distribute to members information on overseas travel promotion and foreign tourism investment.
  - b. Set up an office to discuss ways other countries can effectively promote themselves in the Japanese market.
- Consult foreign governments on overseas travel promotion campaigns.
  - a. Encourage wider participation by members in forum-supported overseas travel promotion missions.
  - b. Hears requests of various travel-related industries regarding travel procedures and relays them to foreign governments.