

Strategy for revitalizing the cruise tourism industry of Okinawa prefecture

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Abstract

The number of foreign tourists to Japan topped 10 million in 2013 and 30 million in 2018. Among them, cruise passengers numbered 416,000 in 2014, recording surplus in international travel index for the first time in 55 years. As of 2017, the number of cruise passengers to Japan was 2,533,000, up 27.2 % from the previous year and the total number of cruise ship calls climbed to 2,765 times (2,014 times for foreign cruise lines, 751 times for Japanese lines), up 37.1 % from 2016, hitting record highs. The number of Asian cruise passengers is expected to exceed 5 million in 2020 and Japanese ports are seeing a sharp increase in foreign cruise lines. Especially, Okinawa has formulated various policies with the goal to reach 1 million passengers in 2020 as shown by accelerating environmental improvement of cruise ports to revitalize local communities through tourism policy. The prefecture is implementing “Okinawa Tourism Roadmap 2014” with a target of 10 million tourists and one trillion yen of tourism revenue by 2021. This study aims to examine the status of the Japanese cruise tourism industry and present a strategy for revitalizing cruise tourism.

Keywords: Japan, Okinawa, tourism industry, cruise, tourist

1. Introduction

The number of foreign tourists to Japan topped 10 million in 2013 and 30 million in 2018. According to the announcement of the Japan National Tourism Organization (JNTO) in 2017, the goal is to reach 40 million in 2020 and 60 million in 2030.¹⁾ The reasons for the increase in foreign visitors are: 1) a weak yen and a growing middle class population in countries like China, Taiwan and Hong Kong; 2) effects of promotional programs such as “Visit Japan” conducted by the Japanese government since 2004; and other projects to promote Japan as an attractive tourism destination, e.g. easier entry requirements like visa waiver and excise exemption. Besides, Japanese authorities’ push to expand aviation lines including LCC (low cost carrier) and cruises, and through

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1) The Japanese government is implementing reform policies for relieving visa conditions, expanding the duty free system and constructing a substantial immigration control system under the slogan of an “advanced tourism country.” In January 2017, the government revised the basic tourism act (1963) and launched a cabinet meeting to push ahead with a plan to be a tourism destination country. In new growth strategy decided in the meeting in June 2010, seven strategic areas were set as basic measures to rebuild the economy financing social security. Among them are the “strategy for becoming a world-renowned tourism country and boosting local communities” and “goals of generating 10 trillion yen in economic ripple effects and 560,000 jobs and increasing foreign tourists to 20 million by early 2020 and to 30 million afterwards”. Action programs 2014 and 2015 to be a world-renowned tourism country “modified the goals to 40 million by 2020 and to 60 million in the future because the target of 20 million foreign tourists was fulfilled early.” They also presented “new targets in term of travel consumption of foreign tourists: 8 trillion yen in 2020 and 15 trillion yen in 2030. The number of foreign tourists is sharply increasing every year: 10,363,934 in 2013, 13,423,467 in 2014, 19,737,409 in 2015, 24,039,700 in 2016, and 31,191,900 in 2018.

preparation against terrorism and infectious diseases (JTA, 2017b) also had a big influence on foreign visits.

Then, why do foreigners decide to visit Japan? It is mainly because of a great interest in Japanese food, history and culture, beautiful nature, scenery, and hot springs and shopping (Development Bank of Japan, 2016). Meanwhile, inbound tours to Japan is popular since neighboring Asian countries developed a broad interest in Japan, which is accompanied by the economic growth of the middle class population in these countries. Consequently, Japan enjoys better travel account balance, more employment, and growth of local companies. Indirectly, such a prosperous tourism industry is turning into improvement of national and local images and export.

In particular, the marine tourism is reaping benefits from the increasing number of tourists; foreign cruise passengers numbered 416,000 in 2014, recording surplus in international travel index for the first time in 55 years.²⁾ The call number of ocean cruise ships in Japan is on the rise and that of cruise tourists to Japan exceeded one million in 2015. These conditions heighten expectations for the tourism industry and local development.³⁾ The number of Asian cruise passengers is forecast to top 5 million in 2020 (MLIT, 2016, June 2). Furthermore, the number of foreign cruise ships making calls at Japanese ports is also expected to increase.

In this trend, the number of foreign tourists using ocean routes via cruise and regular ships berthing at Okinawa is skyrocketing. However, there are much to be improved such providing buses that connect ports and tourist sites and qualified tour guides. So, it is necessary to increase local governments' participation in the systematical management of ports as well as to recognize the importance of attracting cruise tourists and its effect again. To tackle the above issues, this paper addressed 1) facility improvement and 2) expansion of services centered around gate functions and ports of call, regarding main ports located in Okinawa Prefecture as a model for the Japanese cruise tourism. This study aims to present a strategy to promote the Okinawan cruise tourism based on the understanding of the Japanese cruise tourism.

2. Status of cruise tourism across Japan

Cruise ship tourists visit the area located around the port of call in high numbers and in turn, activate local consumption and exchanges with communities. Therefore, cruise tourism contributes much to local development. The positive and great impact on local development is why the Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT) set a goal of achieving 5 million cruise passengers in 2020⁴⁾ in the "Vision for Tourism to Support Future Japan, March 2016", and actively proceeds with it.

As of 2017, the number of cruise passengers to Japan was 2,533,000, up 27.2 % from the previous year (see Table. 1) and that of cruise ship calls was 2,765 times (2,014 times for foreign cruise lines, 751 times for Japanese lines), up 37.1 % from 2016, reaching record highs (see Figure 1). Especially, the port call number of cruise ships operated by foreign cruise lines exceeds the existing record high thanks to an increase in Chinese port calls.

2) According to the announcement of MLIT (2015), the number of foreign cruise passengers to Japan reached a record high of about 416,000 in 2014, up 2.4 times from the previous year and the combined number of calls of Japanese and foreign lines was 1203 times, the highest ever (the number of calls of foreign lines at Japanese ports was also the highest). The announcement pointed that the reason is more cruise ship calls from China and growing number of cruise ships from and to Japan operated by foreign lines. Besides, the Japanese Ministry of Finance announced on May 13, 2015 regarding the balance of payments in 2014 that the income (inbound) was 2234.4 billion yen while the payment (outbound) was 2245.4 billion yen, recording 209.9 billion yen of surplus in the balance of travel for the first time in 55 years since 1959.

3) Cabinet meeting to push ahead with tourism promotion plan (2015).

4) Policy Affairs Research Council of the Liberal Democratic Party of Japan (2016).

Comparing port call numbers, No.1 attraction of foreign lines was Hakata Port with 326 calls (No.1 of the previous year: 328 calls) followed by Nagasaki Port with 267 calls (No.2 of the previous year: 224 calls) and Naha Port with 224 calls (No.3 of the previous year: 193 calls). In terms of regions, West Japan near China and Taiwan hosted the highest number of calls.⁵⁾

Table 1. Foreign entrants via cruise ships (unit: persons)

	Number of foreign entrants	Change in number of persons	Annual growth rate
2013	174,000	-	-
2014	416,000	242,000	139.1%
2015	1,116,000	700,000	168.3%
2016	1,992,000	876,000	78.5%
2017	2,533,000	541,000	27.2%

By the way, the call number of cruise ships run by Japanese lines is 751. Comparing port call numbers, No.1 attraction was Yokohama Port with 121 calls (No.1 of the previous year: 87 calls) followed by Kobe Port with 73 calls (No.2 of the previous year: 72 calls) and Naha Port with 30 calls (No.3 of the previous year: 31 calls). For nationalities of foreign passengers, Taiwan on top with 40 % and No.2 is mainland China with about 10 % and then followed by the US with 2 %, showing the largest number of cruise passengers came from Taiwan and mainland China.⁶⁾

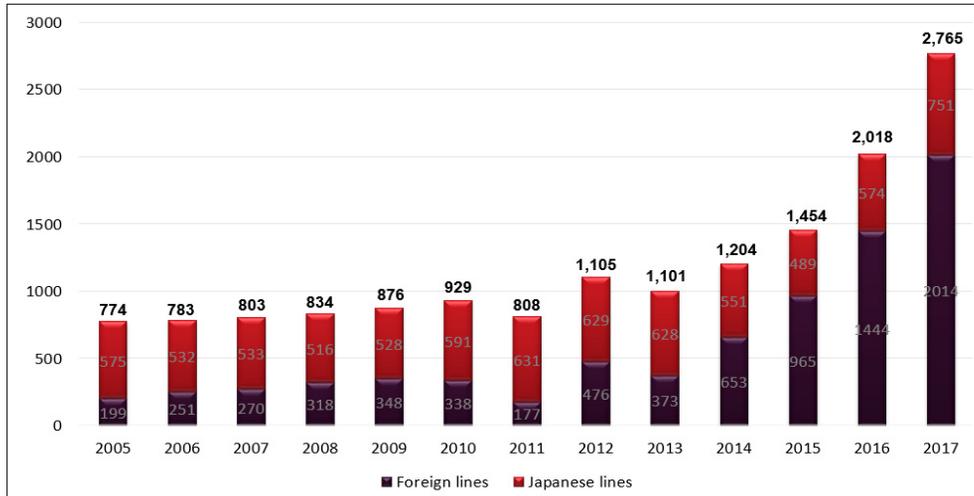
Figure 1 illustrates call numbers of cruise ships in Japan by year, demonstrating a drastic jump since 2014. Particularly, the number of foreign cruise ships grows rapidly mainly because of rising calls of cruise liners from Taiwan, Hong Kong and mainland China (Ports and Harbors Bureau of MLIT, 2016a). Such phenomenon stemmed from that fact that for political reasons between South Korea and China, Chinese ships could not enter Jeju Island or Busan in Korea, their previous transits, and went to adjacent Japanese ports.⁷⁾ Another reason is that Okinawa endeavored to help cruise ships anchor easily by investing heavily in facility improvement including enlargement of main docks to accommodate fast increasing number of foreign ships along with more tourists.

5) Cabinet meeting to push ahead with tourism promotion plan (2015).

6) Cabinet meeting to push ahead with tourism promotion plan (2015).

7) At the end of 2016, South Korea came into severe political conflict with China over the domestic deployment of THAAD (Terminal High Altitude Area Defense, core element of the US missile protection system used to protect the military force, equipment, populated areas and key facilities from short-and medium-range ballistic missile attacks.). As a result, China prohibited and restrained its people from going sightseeing in S. Korea, delivering a fatal blow to the Korean economy. Due to such a political impact, the number of foreign tourists to S. Korea nosedived from 17.24 million in 2016 to 13.33 million in 2017. The number of foreign cruise ship visits to Korea also reduced drastically from 415 in 2015, 791 in 2016, and 236 in 2017.

Figure 1. Port call numbers of cruise ships in Japanese areas



Source: MLIT (2018)

Traditionally, the biggest demand in the cruise industry originates from the rich class. But recent economic development in Asia and income growth resulted in an increase in demand from a wider range of people compared to the past. To a degree that the word “a new era of cruise” is coined, growth in the cruise market is remarkable. In addition, the North American market represents 7.2% of the total market amidst fierce competition in the Caribbean Sea.⁸⁾ The recent emergence of large cruise ships lead to dropout of medium ones. It is viewed as a turning point for revival of the Japanese cruise industry that world-renowned Princess Cruise, Royal Caribbean International, and Costa Cruise started operating ocean cruise trips from and to Japan from 2013 (Ports and Harbors Bureau of MLIT, 2015).

As shown in Table 2, four cruise lines are in operation in Japan and one of their ships is a charter ship. Regarding the annual schedule, there are Middle Course (30 days) and Long Course (100 days) trips such as trips around the world in April, October and January, respectively.⁹⁾ The schedule for other periods is determined considering seasonal change and festival and event schedules. Japanese cruise lines are keen on promoting more familiar national cruise ship experiences to Japanese who are still unfamiliar with cruises. The merit of Japanese ships is to be able to set challenging routes and have more options for ports of call. As Japanese passengers in particular hold high expectations for ports of call, new ports should be identified to satisfy repeaters. Japan is doing its best to create a business-friendly environment for cruise ship operators; the country has 162 ports and supports cruise ships which want to visit ports with poor facilities and conditions by operating tender boats for passengers (MLIT, 2018).

8) Cruise lines established organizations and share market expansion efforts, introduction efforts to cruise and statistics, etc. A representative organization is US-based CLIA (Cruise Lines International Association) which was founded in 1975 and has 60 cruise firm members mainly in North America. <https://www.cruising.org/cruise-vacationer>

9) More than 400 foreign cruise ships are in operation worldwide. Since three Japanese ships in operation depart from and arrive at Yokohama or Kobe, first-time cruise tourists can enjoy travel comfortably.

Table 2. Japanese cruise ships

Name	Owner company	Volume	Overall length	Max. capacity
Asuka II	NYK Line	50,142 tons	241m	800 persons
Pacific Venus	Japan Cruise Line	26,561 tons	183m	644 persons
Nippon Maru	Mitsui OSK Lines	21,903 tons	167m	532 persons
Hujimaru (for charter)	Mitsui OSK Lines	23,235 tons	167m	600 persons

Ports of call for Japanese and foreign lines have different features. For the former, big port cities are more popular and for the latter, West Japan is the area of choice. Foreign lines probably select ports with local cultures and amusement spaces. In this regard, Okinawa with its unique culture and amusement spaces will be a popular destination for cruise tour.

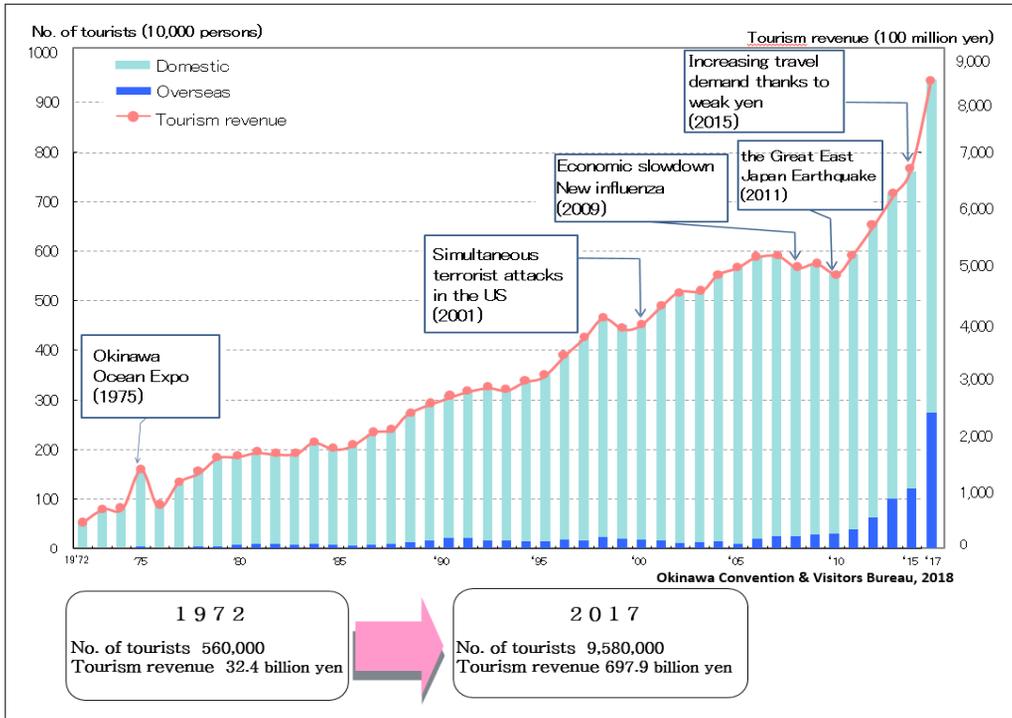
3. Status of cruise tourism of Okinawa

As described earlier, entry of foreign cruise lines to Japan is concentrated in West Japan, namely, ports of Hakata and Nagasaki in Kyushu and Naha in Okinawa. In the light of a rising number of tourists coming from Taiwan, China and Southeast Asia, the cruise tour industry is predicted to grow in the coming years. focus is on the popularity of Okinawa as a cruise ship destination.

As of the end of 2017, the number of tourists to Okinawa surpassed the 9 million mark for the first time and broke all records for five straight years, reaching 9,579,900, up as many as 810,700 from the previous year. Among them, among them, the number of domestic customers was 6,887,900, an increase by 247,800 persons (3.7 %) year on year. The number of foreign tourists broke records for 10 years straight and set a historical record of 2,692,000 in 2017, up 26.4 % or 562,900 y-o-y (see Figure 2). Owing to such a hike, tourism revenue expanded 5.7 % from the previous year, and reached unseen levels for the five straight years (Okinawa Prefectural Department of Culture, Tourism and Sports, 2017). The reasons for the y-o-y increase are: joint promotion of Okinawa and the private sector had a positive effect on increasing awareness of the area; local passengers grew as a result of expanded aviation routes for direct flights to remote islands; and the tourism-related budget sharply increased using Okinawa promotion special promotion grant. Another main reason is a rise in the number of calls of cruise ships from Southeast Asia due to Okinawan special actions like fuel tax incentives.

To maintain this momentum of increasing cruise tourists, Okinawa Prefecture set a goal of 10 million tourists in 2021 and one trillion yen of tourism income per person. Going further, Okinawa developed a tourism strategy which smoothly connects a tourist attraction system of travel agencies, airlines and shipping companies and a tourist service system of tourist facilities, airports, harbors, hotels, etc. Furthermore, the prefecture is implementing its roadmap (Okinawa Prefectural Department of Culture, Tourism and Sports, 2017).

Figure 2. Trend of the number of tourists and tourism revenue of Okinawa

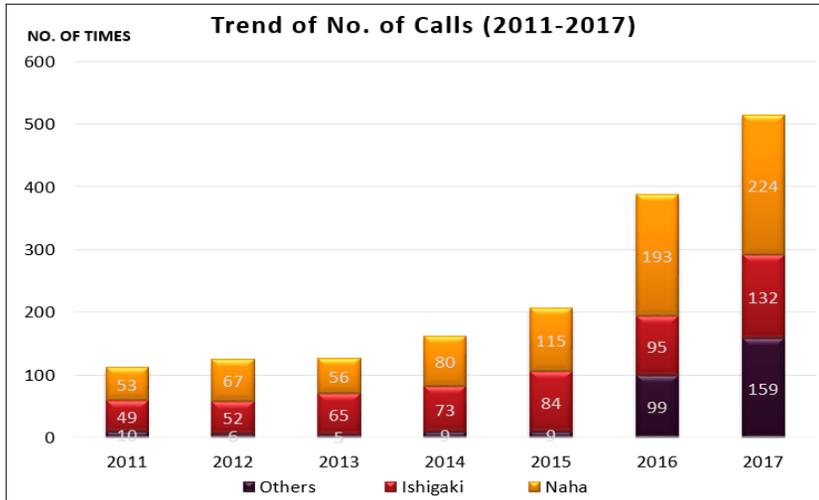


Because Okinawa is located at the south end of Japan and oriented towards Taiwan, China and Southeast Asia, it has a great potential as a port of call for Southeast Asian cruise. This led Asian cruise of Princess Cruise to be berthed at Okinawa from 2006 to 2008, and Costa Cruise in 2007 and Royal Caribbean International in 2008, which means Okinawa has become a popular port of call (Okinawa Prefecture, 2017).

Besides, Okinawa boasts abundant natural environment and unique culture of the Ryukyu Kingdom. The area not only has plenty of tourism resources like Churaumi Aquarium, and cultural resources like traditional markets and Peace Street, but also permits tourists to buy duty-free goods anytime anywhere. Also, Okinawa's distant islands possess unique scenery and its coral reef or Hoerwatching holds great potential for cruise tourism. They are so popular that they are included every year in the schedule of domestic and foreign lines.

Figure 3 represents the number of cruise port calls at Okinawa. In 2017, cruise ships stopped in Okinawa Prefecture 515 times, up 33 % from 2016 (387 times) and this number is the highest-ever. Looking at the number of calls for each port, the number for Naha Port is 224 (second in the nation, 16 % increase), Ishigaki Port 132 (third in the nation, 39 % increase), Hirara Port 130 (12th, 51 % increase), and that for Nakagusuku Port is 15 (88 % increase) (MLIT, 2018).

Figure 3. Okinawan port calls of cruise ships



Source: Okinawa General Bureau, Cabinet Office (2018)

4. Revitalization of Okinawan cruise tourism industry

4.1 Improvement of facilities

The “Action Program to Realize a Tourism Destination Country (2015)” points to challenges in upgrading the environment for cruise ships e.g. improvement of transfer routes between ships and buses and betterment of logistics terminals such as maintenance of free-of-charge wireless LAN environment to cope with rising calls and large ships. To address the issues, Japan conducts the “Leading Project to Facilitate the Entry of Cruise Ships” (MLIT, 2015) for big 8 ports like Hakata, Nagasaki and Naha Ports and Hiroshima and Shimizu Ports.¹⁰⁾

Moreover, the “Vision for Tourism to Support Future Japan (2016)” of the Japanese government set a goal to turn the Northeast Asian Seas into a world class cruise market on a par with the Caribbean Sea by

10) Cabinet meeting to push ahead with tourism promotion plan (2015).

1. Supply of rental buses and international taxis: To supply rental buses and address traffic congestion, partner with local governments and business operators. Secure parking and waiting space according to local conditions and respond to foreign languages through automatic translation smartphone apps.
2. Better response to multi-languages: To respond to multi-languages, remove “language barriers” by developing multi-language translation apps, navigation services, maps, etc. To offer multi-language information using ICT and advance navigation services, enable correct location data to be obtained in areas hard to use satellites, and promote tourist-only open data and establish a portal site for tourism/transportation facilities or events.
3. Enhancement of the interpreter tour guide system: By enhancing the interpreter tour guide system, increase the number of paid interpreter tour guides and introduce the “local tour guide system” to help local governments nurture tour guides on their own.
4. Facilitation of the free wifi LAN environment: Improve communication circumstances in various ways. Widen the frequency range of wifi LAN; install free wifi LAN at public facilities like cultural assets or museums; provide SIM cards or mobile wifi routing services; and lower roaming rates.
5. Introduction of a common pass for art galleries, museums, tourism facilities and others: Introduce a common pass for using tourism facilities, public transportation agencies, art galleries, museums, etc.
6. Promotion of convenient tourism services: To bolster tourist services, promote “empty-hand tourism” that enables tourists to freely tour by reinforcing temporary storage services of baggage or shopping items for foreign tourists and delivering them to their hotels and departure places; and comprehensively implement duty-free and delivery procedures.

accommodating rising Asian demand for cruise tour. To that end, Japan strives to 1) provide emergency maintenance of port facilities and a port of call matching service for cruise ships to enable “No Rejection” of their entry, 2) pioneer new cruise routes to for example, Seto Inland Sea or Southwest Islands and 3) become an international hub by improving passenger terminals using interest-free loans.¹¹⁾

Maintenance work e.g. construction, maintenance and revamping of quay walls is in progress or their plans are in the making five big terminals in Okinawa (Naha Port, Motobu Port, Nakagusuku Port, Ishigaki Port, Hirara Port). In Naha Port with the lion’s share, maintenance is being conducted for a class of max. 110,000 tons for passengers so that it can host 220,000 tons of ferries and cruise ships at the same time, for a class of max. 130,000 tons of the quay wall for cargo and for a class of max. 160,000 tons at a new port dock. With regard to future plans, Okinawa will secure budget to early launch the maintenance of a 220,000-ton class of the second terminal capable of accommodating ferries and is examining whether to allow ferries to enter the international container terminal. Motobu Port is improving its wharf to prepare for entry of large ferries of more than 70,000 tons and plans to enable cruise ships of the 200,000 ton class to be berthed in order to become a cruise ship hub based on partnership between the public and private sector (aimed to start services in 2020). Nakagusuku Port compensates for Naha Port as a cruise port with capacity to accommodate 40,000-ton class ships. It proceeds with maintenance for acquiring a bigger capacity for 50,000-ton class ships. In January 2016, the cruise promotion contact association for Nakagusuku Port was organized and has upgraded the Port by enhancing a cruise entry system. Ishigaki Port has a history of hosting a 70,000-ton class ship using the multi-purpose terminal in Hamasaki-cho district. In the case of berthing of “Golden Princess”, a 100,000 ton class, the port blocked the offing and implemented piston transport with tender boats. Now, it accommodates 70,000-ton class ships and plans to build a second terminal with capacity of 140,000-ton class ships. Finally, Hirara Port is temporarily receiving up to a 50,000-ton class using the cargo ship bus in Shimozaki district by blocking the offing and doing piston transport with tender boats. Currently, a construction project is under way for 140,000-ton class cruise ships with the goal of opening in 2020 (Okinawa Prefectural Department of Culture, Tourism and Sports, 2017).

Areas without a cruise port have to consider the temporary measure adopted by Ishigaki Port and Hirara Port in Okinawa that transports passengers using tender boats. It seems to be a good alternative considering the low cost since a cruise port requires an enormous amount of expenses for construction and maintenance.

The next method to improve facility is a face recognition entry system. If such cutting edge system of Japan is installed in airports or harbors and allows passengers to use automated gates, the system will remove such trouble as immigration procedure and lengthen their period of stay. If so, Okinawa can come up with various programs and attract more passengers.

The Okinawan tourism industry has developed around Naha, home to its prefectural office. However, the surrounding area saturated by many tourists suffer from many problems. Therefore, it is necessary to consider the relocation of Yanbaru National Park designated as a national park in 2016 and Churaumi Aquarium, the biggest in Japan to the north central area. On the other hand, it is highly possible to develop Ishigaki Port and Hirara Port as gates to Miyako Island in order to disperse cruise passengers. The reason is that the island is 400 km away from mainland Okinawa. Besides, the Islands' beautiful nature and ocean resort proved an important factor in attracting more cruise tours.

Since 2014, MLIT has held a national cruise revitalization conference (Ports and Harbors Bureau of MLIT, 2016) in cooperation with foreign cruise lines and the Japan Tourism Agency (JTA) to facilitate calls of cruise ships. The conference consisted of 114 port managers and local governments (as of the end of October, 2015).

11) Policy Affairs Research Council of the Liberal Democratic Party of Japan (2016).

Via its website, MLIT sends real-time information on tourism and port facility specification necessary for foreign cruise lines in examining entry to Japan.

More calls of cruise ships are needed to accomplish the government's goal of five million cruise passengers and more budget should be secured to improve facilities. To that end, concrete simulations ought to be conducted to revamp port facilities and to use existing facilities based on changes in present and future demand. Additionally, there is a need for measures in adjacent port areas such as countermeasures against traffic jam on land or street parking and for the preparation of information centers and tour guides.

With the recent popularity of casual cruise, global cruise ships become larger to make more profits. But the length of quay walls and depth of water are insufficient to accommodate these bigger ships. As a result, ports are being developed across the country to help large ships enter logistics terminals. Still, there are a few pitfalls. First, the terminals which were not originally built with the purpose of accommodating passengers have no CIQ (customs, immigration and quarantine) and tourism information centers for surrounding areas. Secondly, a flood of container and cargo vehicles and cruise passengers may cause dangerous situations. Thirdly, in case of cruise ship calls, cargo loading and unloading must be suspended or limited significantly. These may be obstacles to attraction of cruise tourists to Japan.

4.2 Improvement of services

Okinawa foresees a strong increase in tourism revenue thanks to its warm climate, cultural heritage of the Ryukyu Kingdom and image as an island of peace which it acquired as a place of intense fighting during the Second World War. Actually, Okinawan revenue mainly comprises tourism revenue related to marine sports resorts, battle fields, historic sites, etc. Besides, Okinawa has eager anticipation of the tourism industry with the 21st century vision of transforming the recently returned US army base into a tourism revenue source.

Demands of cruise passengers usually vary depending on their nationality (JTA, 2017a). First, Japanese passengers are usually old and have plenty of time and budget. They are very interested in culture, traditional crafts and entertainment and food, and require high levels of service including entertainment and meals characteristic for the port region. Furthermore, Japanese passengers prefer distant islands which are hard to visit without a cruise ship. When they go to a beautiful place, they tend to purchase expensive items if they want. Chinese and Taiwanese cruise tourists generally choose for basic cruises with low rates and thus these cruises often include a lot of young people. Besides conventional tourism, they are also quite interested in shopping electronics or cheap clothing apart from conventional tourism. By contrast, Europeans and Americans have a keen interest in both culture and historic and cultural sites unique to ports of call and local specialties and T-shirts (Shibasaki, 2011).

With high expectations about economic effects earned from increasing calls of cruise ships, positive results were announced from a survey conducted when a cruise ship whose departure and arrival place is Shanghai entered Naha Port in 2012. Cruise passengers spent on average 38,000 yen per person and bought food and clothing together with cosmetics in most cases. The consumption effect reaches 2 billion yen under the assumption that one passenger spends on average 400,000 yen and a cruise ship accommodates 1,000 persons and the number of its calls is 50 (Okinawa Prefecture, 2016). A survey of the Ports and Harbors Bureau of MLIT announced that economic effects at ports of call for big cruise ships are estimated 30,000 ~ 40,000 yen per person and that they are even greater at departure and arrival places. The Bureau added that Naha Port showed the 2nd largest economic effects following Yokohama Port and that the average amount of per-person consumption is 38,000 yen, generating the economic effect of about 140 million yen per visit (Ports and Harbors Bureau of MLIT, 2015).

Meanwhile, the increasing popularity of Japan as a cruise ship destination also has some negative effects.

Many ports suffer from difficulties such as a lack of transportation, e.g. taxis and buses used for local tour after passengers get off the cruise ship; a lack of tour guides, currency exchanges and duty-free shops and incomplete card services; poor wi-fi use, etc. In addition, because of insufficient mooring facilities, 85 ships could not make calls, incurring an economic loss of 7.5 million yen from 2015 to 2017 (Okinawa economic news, 2017).

4.2.1. Expansion of gateway function

As part of revitalization of the cruise tourism industry, several strategies are necessary to expand the gateway function for extending the time of stay of cruise ships. First, CIQ should be accelerated. For example, active review ought to be made on introduction of the automatic tax settlement method and integrated immigration inspection system and, if needed, a system to finish immigration inspection at the time of departure. In the “2016 Report on Okinawan Cruise Strategy Program” with respect to the time for CIQ procedures, diverse countermeasures are on the table. One of them is to shorten waiting time for immigration inspection at the airport to less than 20 minutes (Okinawa Prefecture, 2017). In addition, Okinawa has sought to increase the number of automated gate users to expedite and facilitate foreign travelers’ immigration procedures, and they simultaneously reviewed how to apply ICT technology to PNR (Passenger Name Record) by introducing face recognition technology for immigration check. Okinawa is coordinating with target countries and areas to start overseas on-board inspection where cruise ships prepare for landing screening in advance before arriving at Japanese ports, including receiving personal ID information in international waters under the condition that the immigration inspector boards on the cruise ship to save time. The CIQ mechanism requires more measures in response to increase in cruise tourists, the lack of immigration inspectors and the phenomenon of illegal entry that is taking place by abusing the ship tourism permission system.

Besides, now that more than 1,000 passengers get off at once from a big cruise ship, several ports of call have difficulty in seeking tour guides speaking English or Chinese. In some cases, temporary guide volunteers cause complaints from passengers due to their lack of professionalism (Heo, 2016). In response, cruise port cities had to pay more attention to nurturing professional personnel for cruise tours such as tour guides. On-board promotion also plays an important role in increasing egress passengers and their activities with great impact on the economy of port cities. To increase demand, public-private joint PR and events are in need of support. Additionally, assistance to hold cruise briefing sessions and product PR sessions is crucial together with stronger marketing efforts through continued cooperation and networking with international cruise organizations and cruise lines.

4.2.2 More opportunities for port calls

Cruise passengers are attractive in that they spend a lot of money relative to the short duration of their stay. For instance, Star Cruise, which frequently visits Okinawa stays for roughly 9 hours. Because of the immigration procedures that take up to 2 hours for immigration procedures, passengers can tour on land for about 5~6 hours. According to the survey on foreign tourists in Okinawa Prefecture, which was implemented in 2013 (Okinawa Prefecture, 2013), the average consumption per cruise passenger on the Okinawa mainland was 18,693 yen. On the other hand, the average consumption per route passenger was 74,072 yen except for lodging expenses. Considering route passengers stay for five days on average, divide the amount by five days and the result is 15,000 yen a day. In other words, cruise passengers spend more on an hourly basis than route passengers. In addition, if the total consumption is estimated simply based on the above amount, it becomes a whopping 30 million yen per port for one landing of 1,500 persons from Star Cruise (crew).

Economic ripple effects deriving from the port call of cruise ships are classified into direct and indirect effects. The former comes from local product sales including indigenous products and the latter from increasing

employer income and industrial production, and reproduction resulting from consumption of local items. Cruise tour visitors are expected to create more economic benefits than tourists using airplanes. For instance, when the consumption of a regular tourist who spends 5 days at the destination is converted, the number amounts to 15,000 yen a day while for a cruise tourist, it is 26,000 yen, 1.6 times higher. For example, Phantom of the Seas is a cruise ship which falls in the highest size category. When it entered Naha Port in 2015, the passengers totaled 4,180 persons with 1,500 crew members. They spent 138,000 yen per person and the economic effect of one port call approached 650 million yen (Okinawa Prefecture, 2016).

An important point for cruise ships to select and decide ports of call is stature among others. Then, since the 9/11 attacks, safety is especially vital. Another consideration is economic merits and hospitality of and exchanges with residents. For departure and arrival places, what matters is convenient boarding, well-equipped transportation, facilities provided by the passenger terminals, simple immigration procedures and so on. For ports of call to be tourist hot spots, tourist resources, a substantial amount of local tours and characteristic tourist events are of importance.

According to the 2017 Tourism White Paper published by JTA (2017b), 62.3% of Japanese return from trips overseas within 5 days, 24.1% within 10 days, and 13.6% within 15 days. Many Japanese tourists may want short cruise tours. Unlike Europeans, Japanese people rarely take a long vacation. In this regard, a strategy to absorb middle income earners is needed. It is also necessary to examine the ways to create substantial cruise tours by mitigating the so called 30 day rule¹²⁾ (Okinawa Prefecture, 2016) and it is necessary for travel companies to expand the casual cruise market using casual cruise ships of Japanese lines and foreign-based lines.

Most ocean cruise ships visiting Japan are for short cruises departing from China and Taiwan. To spread them to various areas, not just West Japan, there should be incentives to attract more cruises from and to America and ASEAN countries. Port sales and system expansion for foreign lines, which encompasses both facility and service sides, are also essential. Hence, a strong collaboration of public and private sectors is required to attract foreign companies.

5. Conclusion

The Japanese government set up goals of increasing achieving foreign travelers to 40 million in 2020 and 60 million in 2030 in the “Vision for Tourism to Support Future Japan (2016).” 2017 statistics on foreign tourists announced by JNTO show that the numbers of travelers from neighboring Korea, China and Taiwan and the US and Europe are on the rise and that a hike in number of cruise ships visiting Japan contributes to such a rise. So, foreign tourists are predicted to greatly help the Japanese economy. It is expected that since foreign cruise tourists to Japan lodge in the ship, Tokyo Olympics and Paralympics held in 2020 and local cities can accommodate more tourists with fewer accommodation facilities. To achieve government goals, promotion activities should be actively performed to lure cruise ships that can host a number of tourists at once.

Future tourism policy must not be limited to simple quantitative expansion. It has to be converted into a process where foreign travelers experience Japanese historical and cultural charms and unique local cultures, and deeply participate in and understand Japanese lives. It means that the policy should create additional objectives to become a “destination country offering quality tourism” that foreigners want to visit again. Besides, a discussion on how to stimulate the local economy and generate jobs for the local population is also

12) The 30 day rule was enacted by the Japanese Ministry of Transport in 1991 according to the Immigration Control and Refugee Recognition Act. The rule require cruise ships to leave for a new foreign tour within 30 days after completing the latest tour. To resolve this issue, Japanese lines had to make new products, which hindered their operating schedules. The rule was eased to 60 days in 2015.

of great importance.

Observed effects of the cruise industry not only include economic benefits, such as boosting the local economy and employment, but also social and environmental benefits such as the encouragement of cultural exchanges and environmental preservation. However, negative aspects like deformation of communities in ports of call and destruction of ports or marine environment should not be neglected. Accordingly, measures to address those negative aspects and convert them into merits must be established.

The number of cruise ships calls in the port of Okinawa reached an all-time high of 528 in 2018. The popularity of the well-positioned prefecture will only grow with the Chinese market expanding and cruise departure/arrival places like Shanghai or Hong Kong heading south. But, because that cruise tourists stay for a short term and have limits in consumption, a measure is necessary to increase both the number of ports of call and the duration of their stay. This year, a public-private organization was set up under the auspice of Okinawa in order to introduce AI and IoT. Furthermore, a consortium of local banks, in pursuit of a cashless society, has conducted a sophisticated demonstrative experiment. If Okinawa can overcome many challenges relying on technology or new business, it will become an advanced hub for tourism business as well as a tourist attraction.

This study has its own limitations and future tasks to deal with. Since it is based on literature such as Japanese papers and reports, it could not explain a number of matters concerning Okinawa's strategy to promote cruise tourism. Compared to Japan, the US boasts a huge amount of research data. Therefore, it is necessary to convert the pilot study data to a database and incorporate them into the research on Okinawa. Moreover, there should be an interview survey (qualitative research) on agencies and in-charge persons involved in the Okinawan cruise policy; and empirical study through a questionnaire survey (quantitative research) on actual cruise tourists to Okinawa.

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