

# STEPS Students Report

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## 1. Introduction

Japan welcomes more tourists every year. According to the Japan National Tourism Organization (JNTO), the annual number of tourists in 2017 increased by 19.3%, reaching to 28.7 million people. The number is rising recently because of reinforcement of Japan's tourism and foreign people's growing interests in Japan.

That holds true for Russian tourists. The number of Russian tourists traveling to Japan is 77,200 in 2017, increasing 41% compared with 2016. The main reason is that Japan has eased the visa regulation decided by Prime Minister Shinzo Abe and President Vladimir Putin in the meeting on December 2016. It is also because more flights from East Russia are coming to Japan, and the airfares went down. JNTO said that the number was expected to increase even more.

However, this does not mean that it is enough. Considering that Russia has more than 100 million people and is a neighboring country, Russia has a potential to send more tourists to Japan. I will discuss what is needed to encourage more Russian tourists to come to Japan. I believe that that goes same to Japanese people as well, but that is not the topic in this report.

## 2. Current situations

### 2.1 Russian Tourists who visit foreign countries

According to statistics from The Federal Agency for Tourism of the Russian Federation, the most attractive country for Russian tourists is Finland (Table 1). It reveals that almost three million tourists visited Finland in 2016. The second attractive was China with 1.7 million tourists, and Japan comes the 37th. However, it should be noted that Japan welcomes more than 70 thousand tourists in 2017, which would make its rank slightly higher.

Places	Countries	2015	2016	Increase of numbers (%)
1	<b>Finland</b>	3,066,658	2,894,394	-6
2	<b>China</b>	1,284,324	1,676,214	31
3	<b>Estonia</b>	1,476,915	1,511,413	2
4	<b>Poland</b>	1,321,767	1,103,532	-17
5	<b>Germany</b>	1,111,448	1,057,388	-5
6	<b>Thailand</b>	675,089	866,597	28
7	<b>Cyprus</b>	550,327	812,741	48
8	<b>Turkey</b>	3,460,325	797,304	-77
9	<b>Spain</b>	692,996	789,769	14
10	<b>Greece</b>	633,585	782,476	23
11	<b>Italy</b>	661,917	709,813	7
12	<b>Lithuania</b>	742,758	693,319	-7
13	<b>Tunisia</b>	48,550	624,040	1185
14	<b>Bulgaria</b>	412,967	535,291	30
15	<b>UAE</b>	472,195	499,211	6
16	<b>France</b>	407,657	393,360	-4
17	<b>Vietnam</b>	321,001	392,269	22
18	<b>Czech Republic</b>	361,173	367,474	2
19	<b>Latvia</b>	311,737	338,839	9
20	<b>Israel</b>	298,801	302,877	1
25	<b>South Korea</b>	166,207	199,446	20
37	<b>Japan</b>	45,795	47,343	3
<b>Total</b>		<b>34,390,169</b>	<b>31,658,706</b>	<b>-8</b>

Table 1. Number of trips of citizens of the Russian Federation with the purpose of tourism to foreign countries in 2016

Sources: The Federal Agency for Tourism of the Russian Federation

## 2.2 Foreign tourists in Japan

According to JNTO, the top four countries whose citizens come to Japan are all Asian

countries and regions: China, South Korea, Taiwan, and Hong Kong (Table 2). Although United States ranks fifth and Australia seventh, most of the tourists to Japan is from Asia. Russia ranks 20th with 77,200 tourists. However, it is remarkable that the number increased by 41% mainly because of the relaxation of visa requirements, which will be discussed later in this report.

Place	Countries & regions	2016	2017	Increase of numbers (%)
1	China	6,373,564	7,355,900	15
2	South Korea	5,090,302	7,140,200	40
3	Taiwan	4,167,512	4,564,000	10
4	Hong Kong	1,839,193	2,231,500	21
5	United States	1,242,719	1,375,000	11
6	Thailand	901,525	987,200	10
7	Australia	445,332	495,100	11
8	Malaysia	394,268	439,500	11
9	Philippines	347,861	424,100	22
10	Singapore	361,807	404,100	12
20	Russia	54,839	77,200	41
<b>Total</b>		<b>24,039,700</b>	<b>28,691,100</b>	<b>19</b>

Table 2: The number of tourists to Japan in 2017

Source: JNTO

### 3. Issues

#### 3.1 Visa requirements

Visas are endorsements on a passport issued by governments allowing the bearers to come to the nation. The most common visas are tourist, business, and in-transit ones. Depending on one's nationality, one can travel to other countries without visas. When a country eases the visa requirement to citizens of another, more travelers are expected because of the less complicated procedures.

### 3.1.1 Japan's visa requirements on Russian tourists

According to the Ministry of Foreign Affairs of Japan, the relaxation of visa requirements for Russians came in effect on January 1, 2017. The relaxation of visa requirements for short-term stay for nationals of the Russian Federation was decided when Russian President Vladimir Putin visited Japan.

It stated that the multiple entry visas (terms of validity: 3 years, period of stay: 30 days maximum) for short-term stay (for various purposes, including tourism) will be newly introduced in addition to existing single-entry visas. It also abolished the letter of reference from a guarantor to invite individual travelers as well.

As the majority of Russian tourists in Japan used to obtain visas at travel agencies, many Russian had an image that Japan was not a destination for regular people. Now that individual travel is possible after the visa relaxation on January 2017, the target is expanded to individual tourists. After the relaxation, the number of visa applicants in January increased by 56%. The number will be likely to keep growing up.

### 3.1.2 Other countries' visa regulations on Russian tourists

South Korea is a good example of the effectiveness of visa exemption. After the Russian-Korean summit talks with Russian President Vladimir Putin and the former South Korean President Park Geun-hye, the last four years have seen a sharp rise in the number of Russian visitors for tourism purpose (Table 3).

Year	Tourists
2013	91770
2014	146109
2015	121380
2016	154765
2017	187277

Table 3: The number of Russian people for tourism purpose

During the summit talks they agreed to abolish visa requirements between the countries. The agreement, signed on November 13, 2013, stated that tourists from Russia can stay in South Korea for up to 60 days and vice versa. The total period of authorized stay in the territory of the other country must not exceed 90 days per six months.

### 3.1.3 Solution

Japan also can abolish the visa requirements to encourage more Russian tourists to visit Japan. However, it is inevitable to consider the migrants issue despite the huge benefit of the exemption. Many labor migrants from Russia and former Soviet Central Asian republics work in South Korea illegally. As Japan has a very rigorous refugee screening process, which is called "Japan's closed door" by some critics, it might take a long time for Japan to have a visa free rule.

In that case, it might be more realistic for Japan to relax the visa policy instead of the abolishment. Electronic visa could be one such example.

There was a change on Russian visa policy for Japan recently. A visa-free policy for tourists visiting Russia's Far East started on August 8, 2017. All the foreign travelers have to fill in an electronic visa four calendar days prior to the departure. Invitations or confirmations are no longer needed. The electronic visa can be obtained for free and is valid for 30 days. The countries whose citizens can use this visa are: Algeria, Bahrain, Brunei, India, Iran, Qatar, The People's Republic of China, The Democratic People's Republic of Korea, Kuwait, Morocco, Mexico, The United Arab Emirates, Oman, Saudi Arabia, Singapore, Tunisia, Turkey besides Japan. If the electronic visa seems to be effective, Japan can introduce the visa for Russian tourists as well.

### 3.2 The number and cost of transports

Far Eastern Russia is comparatively close to Japan. It takes only two and a half hours from Vladivostok to Tokyo by air. However, the number of flights and destinations from Vladivostok is limited. As of 22 February 2018, there are only one flight from Vladivostok to Tokyo almost every day. The flight from Khabarovsk, Yuzhno-Sakhalinsk to Tokyo are offered only twice a week. On the other hand, there are four flights from Vladivostok to Seoul.

Table 4 is the list of prices of the cheapest flight from Vladivostok to Seoul, Tokyo and Shanghai in 2018. It is clear that the average airfare of the year is almost the same, ranging from 16614 to 18380.4 Japanese Yen. The lowest price of each month's airfare to Tokyo is 15,001 Yen, which is the cheapest of all the airfares on this list.

Month	Seoul	Tokyo	Shanghai
3	16853	15001	18316
4	16317	20286	18018
5	16853	15095	18316
6	16347	23260	-
7	16317	15001	18637
8	16853	23329	-
9	16245	15391	-
10	16317	15162	-
11	17130	15142	-
12	17176	15140	18615
Average	16641	17281	18380.4

Unit: Japanese Yen

Table 4: The cheapest flight from Vladivostok to Seoul, Tokyo and Shanghai in 2018  
(There was not enough information on the flights from Vladivostok to Shanghai.)

For people in Far Eastern Russia, there are no big differences of airfares to neighboring countries. There is a big potential for Japan to promote itself as tourist attractions for the Far Eastern Russian tourists. If the number of tourists from Vladivostok increases, the number of flights and destinations are also expected to increase.

There is also a ferry from Vladivostok to Sakaiminato, a city in the middle of West Japan every week starting at 305 USD.

On the other hand, quite a big price gap was seen in airfares from Moscow to the major East Asian cities (Table 5). Table shows the cheapest flight each month from Moscow to Seoul, Tokyo and Shanghai. The ticket to Tokyo is the most expensive in the high tourist season, although the ticket to Seoul is more expensive in the second half of 2018. There are one or two flights to Tokyo every day, while there is two to Seoul and three to Shanghai.

Month	Seoul	Tokyo	Shanghai
3	36256	113435	37068
4	33841	51975	37799
5	35351	38126	37241
6	35467	38126	40988
7	47734	47938	48169
8	47985	41534	-

9	55145	38264	-
10	47539	40185	-
11	55559	31840	-
12	47892	34448	-
Average	44276.9	47587.1	40253

Unit: Japanese Yen

Table 5: The cheapest flight from Moscow to Seoul, Tokyo and Shanghai in 2018  
(There was not enough information on the flights from Moscow to Shanghai.)

In addition to the airfare, the destination also affects how much it costs during the stay. When both the airfare and the costs during the stay are expensive, the destination is not chosen as often.

Cost of Living plus Rent Index is an estimation of consumer goods prices including rent comparing to New York City. In 2018, the index in Japan is 57.17, which means that it costs approximately 40% less in Japan than in New York City. Japan ranks 18th, while South Korea ranks 25th (with the value of 54.22), and China ranks 65th (31.93). It is likely that foreign tourists in Japan purchase less products or less expensive goods. Or it is possible that potential travelers to Japan could decide to travel to another country with lower index.

### 3.3 The amount of information

#### 3.3.1 Current situations

Japan has only 11,270 Russians. That means that Japan has in its territory few people who can provide its latest information.

Scarcity is also seen in advertisement of Japanese tourism. Several Russian people claimed that they have never seen the promotion videos. There used to be no tourism promotion offices of Japan in Russia, until the Moscow office was built in 2017.

Japan set up a tourism promotion office in Moscow in 2017. The government has made efforts to increase tourism as a key to improve the economy. The office will provide Japan's travel information for Russian potential tourists, collect latest information of the travel trend in Russia, and work with travel agencies of both countries. It is a big advantage for Japan to promote itself face-to-face, not just online. The office was opened to make Japan "closer" to Russian tourists.

The office deal with not only Russia but also neighboring countries including the

Commonwealth of Independent States (CIS) countries. The opening ceremony was held on 16 February.

### 3.3.2 Korea's tourism promotion

Korean government has known that the tourism from Russia can have a big potential. One of the most promising types of tourism is medical tourism, which comes to the top of all the themed travels that are written on the website Visit Korea, organized by National Tourism Organization of Korea. They promote themselves as a new leader in the medical tourism industry through advanced medical technologies, relatively affordable medical costs, fast and efficient diagnostics and therapeutic services, and cutting-edge hardware.

They have two offices in Russia (Moscow and Vladivostok) so that they can provide authentic cultures and latest information of their country.

### 3.3.3 Japan's tourism promotion in future

To promote tourism in Japan, it is necessary for Japan to know the tourists' demands and the advantage of Japan. JNTO has found that many Russian expected to have unique cultural experiences of religions and Japanese cuisines. Most Japanese believe in both Shintoism and Buddhism, but mostly more as a moral code deeply connected to its culture than as religions themselves. Although Japanese do not worship regularly, most people practice rituals in each lifetime moment. There are number of Shintoism shrines and Buddhism temples across the country.

Japan has a variety of foods and some of them are popular overseas. In Moscow or Saint Petersburg, it is not difficult to find Japanese restaurants providing sushi, ramen or other foods.

Being volcanically active, Japan has a large number of hot springs, or onsen. As Russia has sauna, or banya, many Russians are interested in the Japanese counterpart.

Many Russians look to Okinawa for sun and sea. Okinawa is a group of southern islands of Japan, and it has some of the most popular beaches in the country. On the other hand, some go skiing in Nagano as it has different style from Russian although Russia is also a snowy country.

It is also critical to set the target. Most Russians tourists are from Moscow, Saint



Petersburg, and Far Eastern Russia. Among those JNTO has set the main target in Moscow and Saint Petersburg. 66.5% of tourists have never been to Japan before, and they are likely to go to the major sites. On the contrary, some people have already visited Japan for business purpose, and it is not difficult for others to get information, as Far Eastern Russia is comparatively close from Japan. Shopping and health are also one of the top themes for tourists from Far Eastern Russia.

Because many Russian people regard Japan as a country of cutting-edge technologies, Japan can offer electronics or other products. Although many products are expensive, some products are less expensive when bought in Japan.

Electronics stores in Japan are as big as department stores, with clerks who know everything about their products. Nowadays they start to offer English and Chinese guides as well, who will give customers a detailed and easy explanations.

Without exchange rates and trade costs, many Japanese electronics are cheaper in Japan. Because of the tax exemption for foreign purchasers, 8% consumption tax is not necessary to be paid.

Table 7 is the comparison of the electronics prices online in Russia and Japan. The prices are investigated via Ozon.ru and Amazon.com.

	Russia	Japan
Canon Camera EOS6D	168912.1	111700
Sony Dualshock 4	8531	6567

Table 7: The price of electronics online in Russia and Japan (unit = yen)

1 Ruble = 1.9 Yen (26 February 2018)

Tax included, postage excluded

Some Western products can also be less expensive in Japan. Take an example of the prices of new iPhones (Table 8).

	Russia	Japan
iPhone 8	108281	85190.4
iPhone 8 Plus	123481	96984
iPhone X	151981	121824

Table 8: The price of new iPhones online in Russia and Japan (unit = yen)

1 Ruble = 1.9 Yen (26 February 2018)

Tax included, postage excluded

#### 4. Conclusion

Though the section was not established in this report, politics is also one of the most key elements when it comes to tourism. Because of few intercultural communications between Russia and Japan, the reputations of the country to the other is easily affected by the bilateral relationship.

During 2014 to 2016, a few Russian tourists visited abroad because of tough economic situation. The downfall of ruble has cut their income up to 50% at its worst. However, in late 2016 the economic situation in Russia has shown considerable signs of stabilization. Russians are starting to travel abroad actively again.

2018 is marked as Japan-Russia Year of Culture, in which the culture, sports and many other things about Japan are going to be introduced in Russia, and vice versa. Some documents on bilateral events have been signed in an attempt to develop the relationships between the countries. JNTO aims to have 250,000 Russian tourists in 2019.

#### 5. Acknowledgements

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