

Yumeshima Development Concept (Draft)

Toward the Creation of a Global Tourism Hub



Introduction

“Osaka Growth Strategy” (December 2016 version), jointly formulated by the Osaka Prefectural Government and Osaka City Government, calls for the city to become “a metropolis that exerts a presence in the world, driving the growth of Japan.” Toward this goal, we will strive to create “an international entertainment city” so as to reinforce our “ability to attract people from Japan and overseas” listed as one source of growth.

Necessary to make this a reality, we believe, is the creation of a global tourism hub, one to serve as a symbol of Osaka and to attract attention from Japan and around the world. And, for this, Yumeshima, conveniently located on Osaka Bay, is optimally situated.

In October 2014, (a) three organizations from the Kansai business community, (b) the Osaka Prefectural Government, and (c) the Osaka City Government established the “Committee for Yumeshima Development Concept,” an organizational framework in which to deliberate the formation of this global tourism hub. This Group presented its “Yumeshima Development Concept (Draft) Interim Report” in February 2015.

To fill out the ideas presented therein, Osaka City Government began to solicit suggestions from, primarily, private entities eager to participate in the Yumeshima development. Its “Public Invitation of Ideas for Developing a Global Tourism Hub in Yumeshima,” issued May 2016, received 12 proposals (four from overseas).

As for the directionality to be taken toward the realization of this concept to develop Yumeshima into a global tourism hub, Osaka City Government, serving in a central administrative role and in reference to the ideas submitted in response to its “Public Invitation of Ideas,” created a draft proposal and presented it to the “Committee for Yumeshima Development Concept” for discussion and debate. This paper, “Yumeshima Development Concept (Draft),” comes as a compilation of such deliberations.

Further impetus was provided by the December 2016 enactment of the so-called IR promotion act (Act on Promoting Development of Areas for Specified Integrated Resort Facilities) and progress with a movement to host the 2025 World Exposition at Yumeshima. These and other developments mean that Yumeshima will continue to gain prominence as a global tourism hub.

This concept is intended to serve as a guideline for the creation of a global tourism hub on Yumeshima through public/private sector collaboration. We anticipate that policy formulation for this concept will act to (a) raise interest in this project among an increasingly large number of people in Japan and overseas, and (b) induce them to participate.

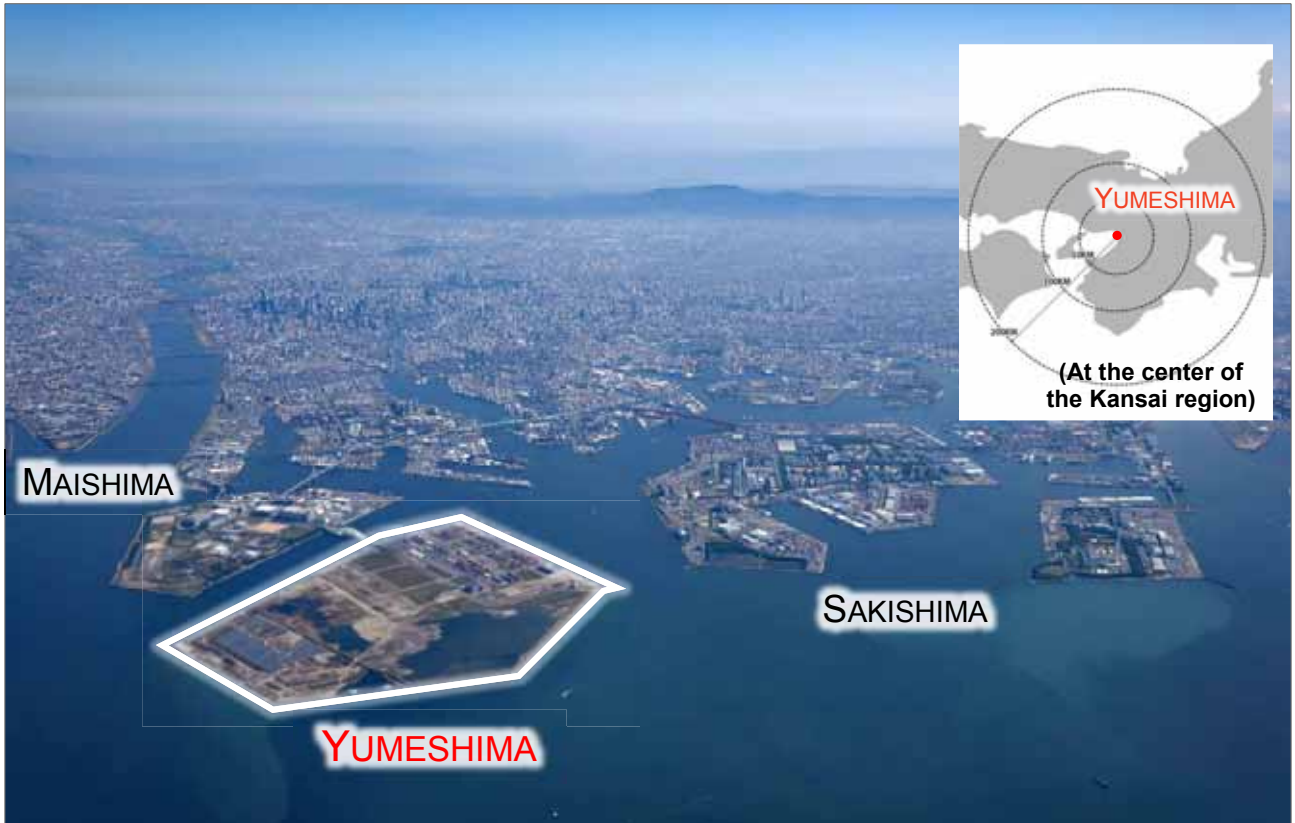
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01 An Overview of Yumeshima

- Yumeshima is an artificial (reclamation) island located within the Port of Osaka, itself in central Osaka Bay. The island is fairly large, with an area of approximately 390ha.
- Land reclamation is essentially complete on the north-central portion of the island. Reclamation works continues within the south-central portion.
- The Yumeshima Container Terminal, rated as a high-standard facility, lines the eastern bank. It is already in operation.
- Along the western bank is a waste processing site, within which is located a substantial “megasolar” power plant.



02 Osaka: Current Situation, Future Direction

○ We focus on “tourism” and “visitor appeal” to attract people, goods, and investment to the area. These elements are to support the growth of Osaka into the future and add to its international appeal.

1. Osaka: Current Situation

- **Economy** : A prolonged slump in the domestic economy: growth in Asian economies; a recent uptrend in trade (import/export) value
- **Society** : An aging society with fewer children; a surge in tourists from Asia (much spending by overseas tourists); an increase in visitors to Japan (alleviation of visa requirements; etc.); an increase in international conferences/conventions
- **Environment** : Hostings of large international events (major world sports event, etc.)

(1) Economy: slump in domestic economy

○ Regional production fell upon after the Lehman shock.

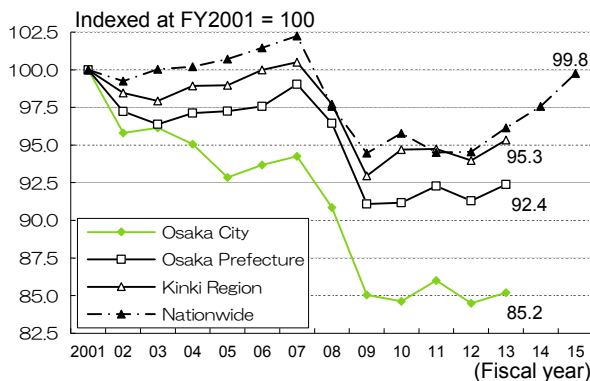


Figure: Progression of gross regional product (nominal)¹

(2) Economy: growth in Asian economies

○ As measured by real GDP, Japanese economic growth has remained essentially flat over the last decade, while the economies of Indonesia and PRC have doubled or nearly tripled.

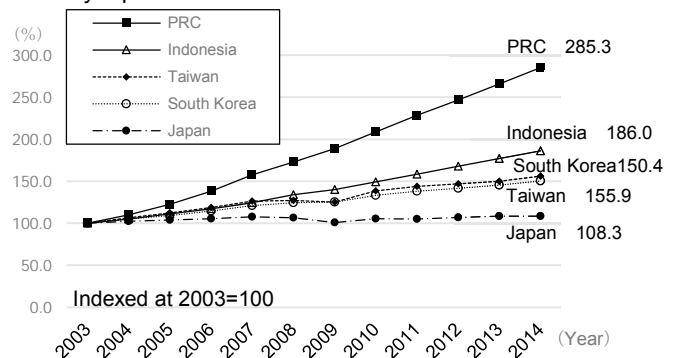


Figure: Progression of GDP among Asian countries/regions²

(3) Economy: recent uptrend in trade value

○ Since 2000, Osaka has accounted for a gradually rising proportion of nationwide trade (import/export) value.

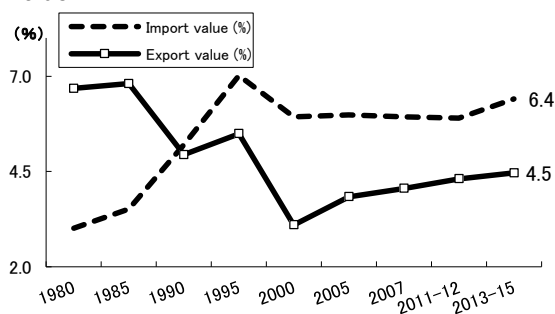


Figure: Progression of nationwide import/export value³

(4) Society: an aging society with fewer children

○ Even as the overall population of Osaka Prefecture falls, the number of people age 65 or over continues to rise.

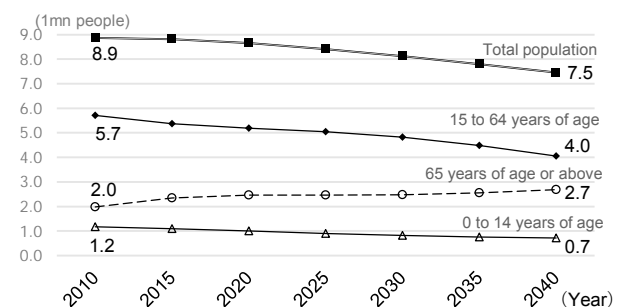


Figure: Population progression for Osaka Prefecture⁴

¹ Source : *The Outline of Osaka Economy (2017)*, Osaka City Government Economic Strategy Bureau

² Source : *World Economic Outlook Database*, International Monetary Fund

³ Source : *The Outline of Osaka Economy (2017)*, Osaka City Government Economic Strategy Bureau

⁴ Source : *Population Projections for Japan (March 2013)*, National Institute of Population and Social Security Research

(5) Society: a surge in tourists from Asia (much spending by overseas tourists), an increase in visitors to Japan (alleviation of visa requirements; etc.)

- Following a relaxation in visa requirements and the like, the number of foreign tourists to Japan has surged in recent years. For Osaka, such traffic has tripled, exceeding even Tokyo in terms of growth.
- There has also been a surge in flights operated by LCC (low cost carrier) airlines, with progressively more flights serving Kansai International Airport.
- Tourists from Asian countries/regions (PRC, Hong Kong, Taiwan) spend more than average during their stays in Japan.

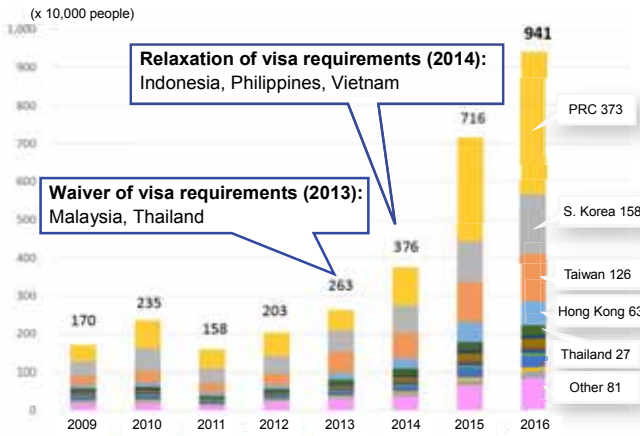


Figure: Progression of foreign visitors to Osaka⁵

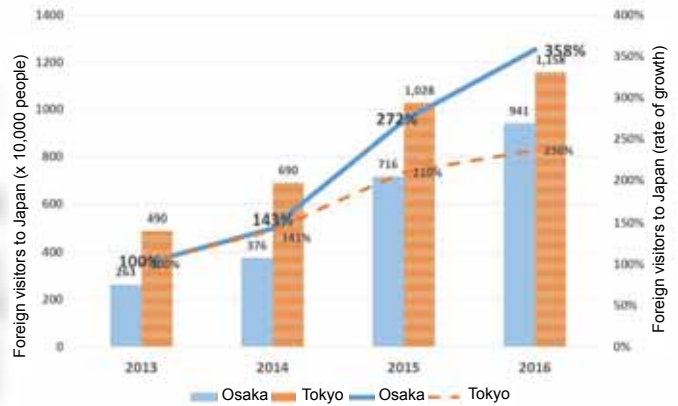


Figure: Progression of foreign visitors to Osaka, Tokyo⁶

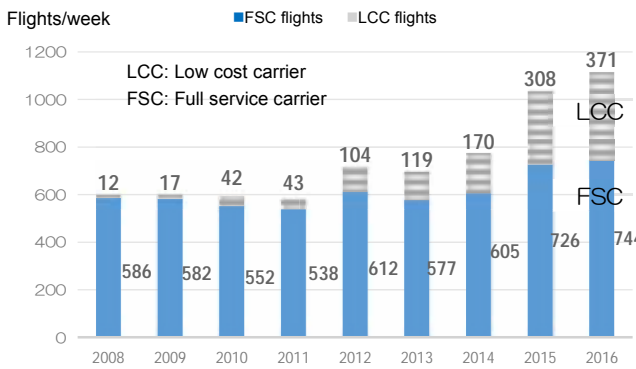


Figure: Passenger flights into Kansai International Airport⁷

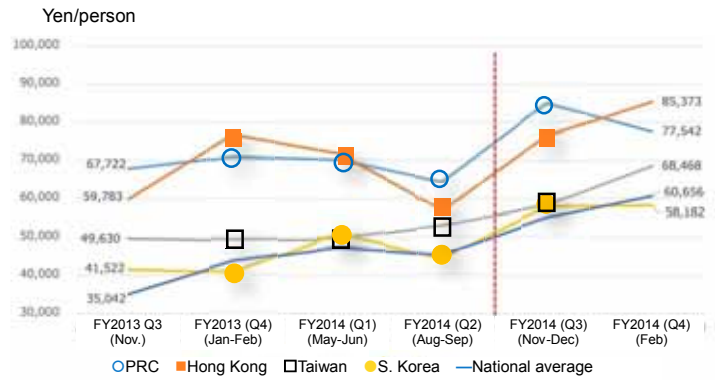


Figure: Average spending by foreign visitor to Osaka⁸

(6) Society: an increase in international conferences/conventions

- The number of conferences/conventions held within Asia increased by nearly 30% from 2006 through 2015.
- Osaka ranks fourth within Japan (115th globally) in terms of international hostings.

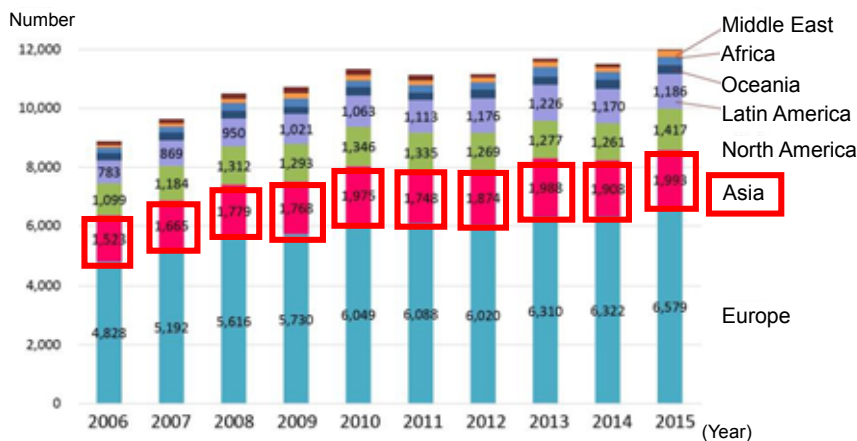


Figure: Number of international conferences/conventions by continent/region (2006-15)⁹

City	2015		
	Japan rank	No.	Global rank
Tokyo	1st	80	28th
Kyoto	2nd	45	57th
Fukuoka	3rd	30	85th
Osaka	4th	23	115th
Yokohama	5th	22	117th
Sapporo	6th	18	139th
Nagoya	7th	14	182th
Kobe	8th	13	191th
Okinawa	8th	13	191th
Sendai	10th	9	254th
Tsukuba	10th	9	254th
Nara	12th	8	276th
Chiba	13th	7	301th
Kanazawa	14th	6	335th
Kita-Kyushu	15th	5	373th

Table: Number of international conferences/conventions by city (Japan)¹⁰

⁵ Source : Press Release (2016), Osaka Convention & Tourism Bureau

⁶ Source : Announcement, Osaka Convention & Tourism Bureau

⁷ Source : *International Scheduled Flight Plans (2016 summer schedule) for Kansai International Airport*, Kansai International Airport

⁸ Source : Study of Overseas Traveler Trends at the Kansai International Airport, Osaka Convention & Tourism Bureau

⁹ Source : *A Modern History of International Association Meetings (1963-2012)*, ICCA Statistics Reports (2013-15), International Congress and Convention Association (ICCA)

¹⁰ Source : ICCA Statistics Reports (2014, 15)

(7) Environment: Hosting of large international events

- A number of globally sporting events are planned, including the Rugby World Cup (2019 Japan) and the 2020 Tokyo Olympics/Paralympics.
- Officials are moving to host the 2025 World Exposition in Yumeshima.
- Osaka and the Kansai region are rich in history, culture and cuisine. Such events provide an excellent opportunity to make the outside world aware of these and their appeal, thereby attracting even more tourists into the future.

Item	Details
Site	Yumeshima (Konohana-ku, Osaka City)
Attendance	Approx. 30 million
Nationwide economic contribution (est.)	Approx. ¥2.3 trillion (plus approx. ¥4.1 trillion in indirect derivative effects)
Site construction costs (est.)	¥120-130 billion

Table: 2025 World Exposition: overview of 2025 basic concept¹¹

Fiscal year	Events
2019	Rugby World Cup (2019 Japan)
2020	Games of the XXXII Olympiad (2020 Tokyo Olympics) 2020 Summer Paralympics (2020 Tokyo Paralympics)
2021	Kansai World Masters Games 2021

Table: Event schedule

2. Osaka: Potential

- **Economy** : A concentration of life science, green (environmentally friendly) industries, etc.
- **Society** : Rich in tourism assets; a concentration of world historical/cultural heritage sites; numerous universities and research institutes
- **Environment** : Proximity to international airports and port facilities (convenient access); well-developed transportation/logistics network; etc.

(1) Economy: a concentration in life sciences, “green” (environmentally friendly) industries

Society: numerous universities and research institutes

- The Kansai area is home to many universities and internationally renowned research institutes. These, together with government-sponsored industrial agencies and private-sector entities (corporations) in a variety of industries/fields, anchor a number of industry clusters.
- Industry-government-academia collaborative efforts are being advanced within such fields as medicine/pharmacology/biotechnology, energy & the environment, life sciences, and “green” industries.

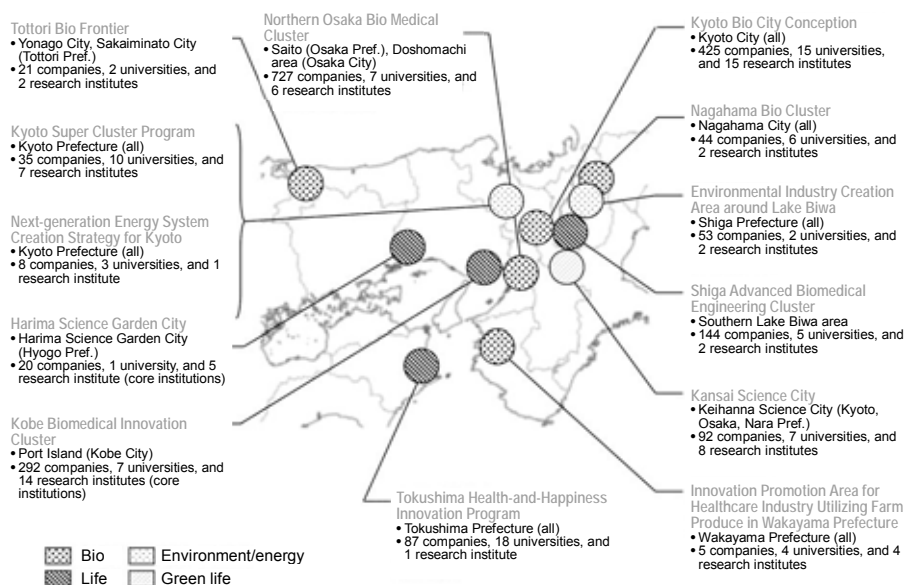


Figure: Industry clusters in life sciences, “green” industries, etc.¹²

¹¹ Source : Basic Concept: the 2025 World Expo, Osaka Prefectural Government

¹² Source : Kansai—Restoring Vitality to Japan, Kansai Regional Industrial Vision, Regional Industrial Promotional Section, Union of Kansai Governments

(2) Society: rich in tourism assets; a concentration of world historical/cultural heritage sites

- Kansai is rich in tourism assets, including many and world/cultural heritage sites.
- Osaka is located at the center of it all, providing easy access to these and other attractions with a highly developed transportation infrastructure.



Figure: Travel time, the Port of Osaka to airport, nearby cities¹³

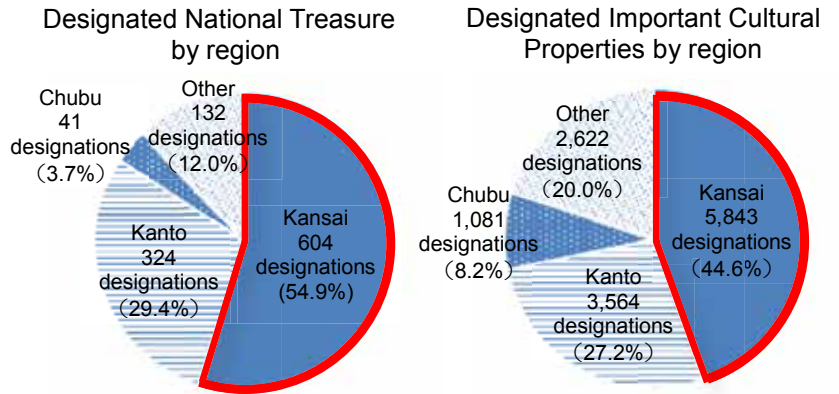


Figure: Regional breakdown of National Treasures and Important Cultural Properties¹⁴

- The Minister of Land, Infrastructure and Transport has approved a plan to develop two more “extensive sightseeing routes” — the Flower of Japan, KANSAI and the Inland Sea, SETOUCHI — to link together attractive and interesting sites having some shared theme or story.
- A good number of cruise ships visit Kinki region ports, some on domestic routes and others on international ones. There were 145 such port visits in 2014, of which 51 international; and 141 in 2015, of which 65 international.¹⁵ Note the increase in international port visits.

(4) The Flower of Japan, KANSAI

(Union of Kansai Governments; Kansai Economic Federation; The Foundation of Kansai Regional Promotion)

(5) The Inland Sea, SETOUCHI

(The Inland Sea, SETOUCHI Tourism Authority, Setouchi Kanko Route Yukyaku Sokushin Kyogikai)

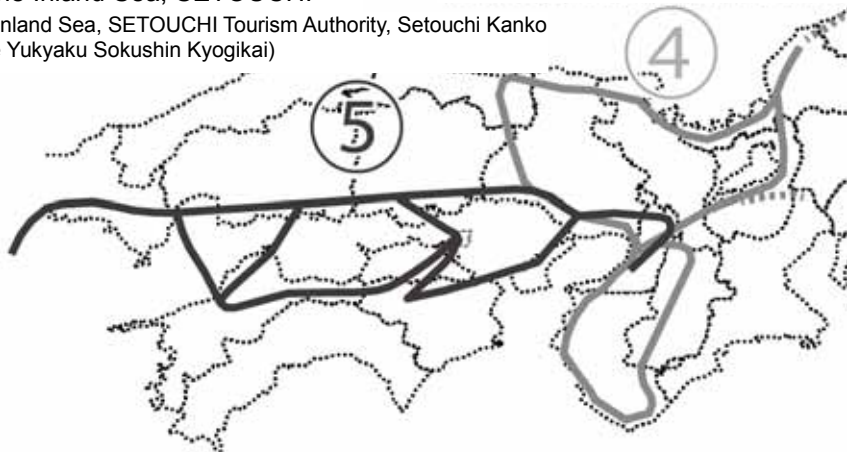


Figure: Two extensive sightseeing routes¹⁶

¹³ Source : *Port of Osaka 2015/2016*, the Port & Harbor Bureau, City of Osaka

¹⁴ Source : *Important Cultural Properties* (as of January 1, 2017), Agency for Cultural Affairs

¹⁵ Source : Interview with Industrial Port Policy Division, Ports & Harbor Bureau, Ministry of Land, Infrastructure, Transport and Tourism

¹⁶ Source : Plan for the Formation of a Kansai Route under the wide area sightseeing tour initiative, Regional Sightseeing, Culture and Sports Promotion Agency, Union of Kansai Governments (May 28, 2015)