



U.S. Chamber of Commerce
International Affairs
Asia

U.S.-Japan
Business Council



Travel, Tourism and Transportation



As the world faces growing uncertainty, including Russia's prolonged invasion of Ukraine and conflicts in the Middle East, it is important for Japan and the United States, which share universal values, to further strengthen their cooperation and extend that partnership throughout the Indo-Pacific region and, ultimately, across the world. Travel, tourism, and transportation ("TTT") provide an irreplaceable bridge for deepening mutual understanding and are important elements in promoting peace among people around the world.

Within this context, travel, tourism, and transportation continue to serve as essential foundations for mutual understanding and the creation of new value, while also contributing to regional economic revitalization and job creation. Although travel between Japan and the United States has increased through initiatives and events such as the 2024 U.S.-Japan Tourism Year and the 2026 FIFA World Cup, sustained efforts will continue to be needed to deepen two-way understanding and exchanges. The 2028 Olympic Games in Los Angeles may also provide an opportunity to encourage further travel between the two countries.

The Japan-U.S. Business Council and the U.S.-Japan Business Council (collectively, the "Councils") make the following recommendations to both governments to promote sustainable growth through cooperation between the public and private sectors. We believe our efforts will contribute not only to the growth of the TTT industries, but also to the broader social and economic development of Japan and the United States by fostering new business models and innovation, expanding the use of digital technologies, and addressing workforce shortages. Stronger people-to-people ties and multilayered exchanges will also serve as a driving force behind the close relationship between our two countries.

1. Promoting Two-Way Exchanges and Travel to Regional Destinations

Promoting two-way exchanges and attracting visitors to regional destinations are also essential. By effectively communicating regional resources - including history, nature, cuisine, sports, manga, and anime - and leveraging soft power such as culture and shared values, both countries should encourage the flow of people and goods to regional communities in each direction.

Exchanges through the more than 450 sister-city relationships between Japan and the United States can also serve as a catalyst. Educational travel in which Japanese students guide visiting American students, and American students guide visiting Japanese students, could not only address the shortage of guides but also foster sustained exchanges and develop globally minded human capital. Initiatives that combine education and exchange should be advanced through public-private cooperation and cross-ministerial coordination in both countries.

At the same time, accommodation capacity is a precondition for regional dispersion. Where lodging options are limited, visits remain day trips and spending within the community does not grow. A diverse accommodation ecosystem - from hotels and ryokan to short-term rentals in existing housing - enables longer stays in regional destinations and is particularly well suited to American travelers, who tend to value local engagement and distinctive experiences. Both governments should pursue predictable and consistent regulatory frameworks so that this diversity of accommodation is sustained, which in turn ensures that educational and sister-city exchanges have places to stay in the communities they visit.

As a foundation for seamless exchange and travel, we hope that the longstanding, high level of trust between Japan and the United States will enable smoother and more reliable mutual entry procedures through advance screening

under ESTA and Japan's version of ESTA (JESTA), which is scheduled to be introduced in 2028.

2. Investment to Support Growth in Both Japan and the United States

Investment in digital technologies and emerging technologies, including autonomous mobility (self-driving taxis, robotaxis, and flying cars), is essential to developing tourism infrastructure and addressing labor shortages resulting from population decline. Research, development, and demonstration projects for these technologies are advancing through public-private cooperation and will help drive growth in both countries. In particular, given that autonomous taxis are already becoming established in American society, investment to enable their deployment in Japan is urgently needed.

Investment in human capital development must also be advanced to strengthen the competitiveness and sustainable development of the tourism industry.

Programs that contribute to human capital development, such as the JICE and JET programs, should be further expanded through closer public-private cooperation, including by increasing the number of host organizations. The contraction of Japanese studies in the United States also raises concerns about its potential impact on future mutual understanding and policymaking. Public-private collaboration is urgently needed to develop researchers and secure academic positions.

Investment in tourism infrastructure should also encompass accommodation capacity. In many regional destinations, new hotel development is difficult to justify commercially, and utilizing existing housing stock - including Japan's approximately nine million vacant homes - as short-term rental accommodation offers the most capital-efficient means of expanding lodging capacity. Both governments should support investment models and regulatory environments that enable such use, including participation by individual and small-scale operators.

3. Japan-U.S. Leadership in Developing Common Frameworks and Advancing Technological Innovation in the Asia-Pacific Region

Building on the active movement of people and goods, the Asia-Pacific region needs shared principles and common frameworks. Japan and the United States should play central roles in promoting cooperation aimed at sustainable development across the region, establishing a platform that strengthens the energy security needed to maintain transportation systems - including access to critical minerals and crude oil - and generating vitality throughout the broader regional economy.

Next-generation air mobility, including flying cars, has the potential to transform urban transportation, disaster preparedness and response, and tourism development. Japan and the United States should exercise leadership in the Asia-Pacific region by supporting research and development; developing takeoff and landing sites; advancing rulemaking, including the international standardization of operating requirements and safety standards; and creating the regulatory and infrastructure conditions needed for adoption.

The sustainable development of the tourism industry also requires greater efficiency through digital technologies. In particular, the use of AI and data will shape the industry's competitiveness. Advancing rulemaking and implementation in parallel in such areas as autonomous driving, Mobility as a Service (MaaS), cross-industry data sharing, and AI-enabled operational efficiency can reduce staffing requirements, enable unmanned operations, and strengthen the resilience of the tourism industry as a whole. By working together to advance these measures, Japan and the United States can lead the international community in the field of tourism.

4. Pursuing Sustainability

The pursuit of sustainability in travel, tourism, and transportation remains an important priority. Although decarbonization is essential, it is important to take a "multi-pathway" approach that does not depend on a single technology and instead deploys a range of options - including hydrogen, synthetic fuels, and biofuels - according to local conditions. In the aviation sector, the governments and industries of Japan and the United States should also work together to establish a stable supply of sustainable aviation fuel (SAF) and ensure its

competitiveness.

We also look to both governments to design systems that ensure everyone working in the travel, tourism, and transportation sectors - regardless of ethnicity, race, religion, sex, age, or any other status - can benefit from the technologies and services described in these recommendations and have access to employment opportunities. We further call on both governments to support the development of tourism resources that create business opportunities for regional small and medium-sized enterprises, as well as initiatives undertaken by startups.

In the accommodation sector, making use of existing buildings is itself a decarbonization measure. Converting and reusing existing housing stock avoids the embodied carbon of new construction while adding capacity where it is needed. A more distributed accommodation base also helps disperse visitor concentration and mitigate the strain that overtourism places on host communities.

We further ask that support for regional small and medium-sized enterprises and startups extend to individuals and micro-entrepreneurs, including those who host travelers in their own homes. Hosting offers flexible earning opportunities to women, older workers, and residents of regional communities, and broadens participation in the tourism workforce in line with the inclusive principles set out above. At the same time, hosting travelers in private accommodations has led to some disputes with neighbors, particularly in urban areas. Effective measures to address neighborhood concerns, strict compliance with laws and regulations, and management systems that use digital technology are also needed.

The travel, tourism, and transportation sectors of Japan and the United States should achieve sustainable growth, deepen exchanges between the two countries, and contribute to the development of regional and global economies.