

## Removal of Ban on Wholesale Sales through Easing of Charter Rules —Expansion of Travel Demand and Strengthened Tourism Promotion Anticipated

Based on the request of the Japan Association of Travel Agents (JATA), etc., the Ministry of Land, Infrastructure, Transport, and Tourism (MLIT) will partially revise “Service of International Charter Flights Arriving in or Departing from Japan”. The revision will remove the ban on wholesale sales of seats as inclusive tour products in the Inclusive Tour Charter (ITC). We talked with the members of the Charter Working Group of JATA’s Overseas Tour Promotion Committee which put together the request submitted to the MLIT concerning the significance of the revision of the charter rules and their expectations of what it means for the future.

### —Development of Demand in Regional Markets Anticipated

-----In light of the request that JATA made, what are the main points of the revision?



**Jun Kawano**  
Group Leader  
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**Kawano** : There were several large themes, but the major point is that wholesale sales of seats as inclusive tour products, including seats for units, shall be permitted in the Inclusive Tour Charter (ITC). This means that not only charterers but also Class 1 travel operators who have direct contracts with the charterers can sell inclusive tour products. Through promotion of utilization of ITC with wholesale seat sales, it is expected that expanded travel demand and strengthened tourism promotion will be facilitated.

### —Gist of Rule Easing Made Known to the Entire Industry

-----From your viewpoint as travel agency staff, what do you think of this revision?



**Masahiko Kawahara**  
Group Sub-Leader  
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**Kawahara** : Given the intention behind the revision, I think it will probably lead to an expansion of charter flights mainly from regional airports. As a travel agency, we would like to be engaged in that expansion. I am not talking just as a single company. I think it would be best to promote collaboration by involving airline companies to discuss what form reinvigoration of charters should take, and at the same time, make the gist of the rule easing known to the entire industry.

**Nagasako** : Charters are good material for travel agencies to work with, but they also carry the problem of high risk. I see this as the first step toward expanding the charter market.

**Kawano** : There are four benefits for travel agencies: the barrier has been lowered for travel agencies to participate in the charter business, it is easier to organize a series of charter flights, sales will also be easier, and continuing the charting business will be easier. Charter flights not only help travel agencies but also contribute greatly to regional economies, including many local companies such as airline food catering companies. So, I think we must take steps to gain the understanding of local governments and regional airports regarding this rule revision.

### —Preparation of Charter Guidelines

-----Are there issues that require attention in order to create better charter products from here forward?

**Kawano** : JATA’s Working Group not only made the revision request to the MLIT but adopted the idea of doing what it can on its own as its theme. It established an orientation for dealing with the issue of exclusive agents and prepared guidelines for checking the terms and conditions for organizing charters.



**Masayo Nagasako**  
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**Nagasako** : We are using the International Aviation Charter Terms and Conditions Confirmation on an in-house basis because if we want to sell long-distance flights to places such as Europe, which are in demand, we must deal with off-line carriers that do not have regular flights to Japan, and travel agencies bear not only the sales risk but also the service risk. I think it would be good if we could make some sort of rules or standard practice so that we can bear the risk with peace of mind.

**Kawahara** : We would like to utilize the Terms and Conditions Confirmation as it is extremely useful. The service risk does not involve only monetary risk and business continuation risk. If customers are waiting and the aircraft does not fly, I think it damages the entire industry significantly.

**Kawano** : General sales agents are not licensed as travel businesses, so we will request that each agent register as an air transport agent. I think that we can all promote the sound development of the charter market by using the same Terms and Conditions Confirmation.

(This talk session was held on April 16.)