

minutes of walking. In June, the first oceangoing passenger ship is scheduled to arrive at the cruise terminal which is being built on the site of the old Kai Tak Airport, and this will provide a new material for tourism. We would be happy to have travel agencies plan cruises on large passenger ships.

Working on Development Together from the Product Planning Stage

Kikuma: Mr. Leung just spoke about mindset, and I also think that the partnership between Japanese travel agencies and local tour operators must change significantly. For our switch to value creation in the travel industry which we have set as a goal, it is important to switch from partnerships in which we request help with purchasing and onsite arrangements to partnerships in which we create products together from the product planning stage.

Tagawa: As Mr. Tai mentioned, Hong Kong has wonderful raw materials, and I think what is needed is the ability to design trips that utilize those materials so that travelers can enjoy a wonderful time at the destination.

Leung: The basic things that Japanese tourists enjoy the most are first shopping, second dining, and third the night view of the city. However, looking at shopping, I think we need to drill down deeper into their preferences. They shop not only for the so-called brand names and luxury items but also, for example, for mid-price items. In designer goods, there are not only the top brand designers but also local designers. So, I think we need to offer diverse options. In dining, there is more than Chinese restaurants. There are the top-class Michelin-starred restaurants, and recently in the Michelin Guide, small local restaurants are also listed.

Cooperative Efforts with Other Countries Needed

Kikuma: Looking at outbound travel from Japan overall, one thing stands out. Growth is sluggish at the classic tourist destinations which have long been popular in both Asia and Europe. In Hong Kong's case, the city is a place that evokes images of bygone days among Japanese people. I think it may be important to establish a new "Hong Kong trip" image.

Tagawa: Looking back on my early days in the industry, it was a time when Hong Kong was positioned as the gateway to ASEAN countries. Everything started in Hong Kong. Middle-aged and senior travelers who know the Hong Kong of the olden days are starting to travel again, and so perhaps we need cooperative efforts that combine Hong Kong with other countries. Also, if I may speak frankly about Japanese people, I think that the amount of repeat business from Japanese travelers is determined by whether or not they think they are highly esteemed at the destination. In part for the sake of showing esteem for Japanese travelers, further boosting of the level of hospitality will become an important theme from here forward.

Hsu: Eighty percent of our association members specialize in business from Japan, and they are extremely passionate about providing service to all Japanese tourists. Henceforth, we will reorganize our business, repackage the services we offer in Hong Kong, and present new suggestions.

Kikuma: I hope you will visit Japan in September with many of your association members to attend the JATA Tourism Forum & Travel Showcase. I think it would be good to hold a large meeting with JATA planners who plan Hong Kong trips and to discuss future plans for Hong Kong together.

Travelers Drop 11.8% in May, to 1,262,000 —Cumulative Decline of 7.2% for January through May

According to figures on the number of outbound Japanese travelers released by the Japan National Tourist Organization (JNTO) on June 19, the figure for May declined by 11.8% year on year, to 1,262,000 persons, marking the second consecutive month of double-digit decline, following April's decrease of 12.3%. Outbound travelers during the five months from January through May numbered 6,943,000, a drop of 7.2% year on year.

Last year's annual figure for outbound travelers reached 18,490,000, an increase of 8.8% year on year, breaking through the 18-million mark for the first time ever. This year, the January figure continued the positive trend, with a 2.2% increase year on year, but negative figures were recorded consecutively from February through April.

May's decline, at 11.8%, represents a slight shrinkage of the decrease compared to April's 12.3% decline, but the double-digit decrease during two consecutive months indicates that there is no slowdown in the waning of demand for overseas trips.

Meanwhile, inbound foreign visitors amounted to 875,400 persons in May, an increase of 31.2% year on year. The number of inbound foreign visitors declined 1.9% year on year in January, but double-digit growth was maintained thereafter for four months, at 33.5% in February, 26.7% in March, 18.4% in April.

Looking at the figure for inbound foreign visitors in May, the previous record was set in May 2008, with 736,000 visitors. In May 2013, that record was surpassed by 139,000 persons, breaking the 800,000-person mark in May for the first time. The figure for May 2013 was also the third highest ever, behind April 2013 (923,000 persons) and July 2010 (878,000 persons).

In JNTO's analysis of this favorable trend in the inbound market, "the number of foreign visitors displayed significant growth because the desire to visit Japan was stirred by continuous promotion of travel to Japan, which was assisted by the expansion of airline seat supply and weakening of the yen."

Japanese Overseas Travelers (Unit: Persons)			
Month	2012	2013	Change (%)
1 Jan.	1,331,144	1,360,639	2.2
2 Feb.	1,572,587	1,430,633	-9.0
3 Mar.	1,737,033	1,652,417	-4.9
4 Apr.	1,410,963	1,237,000	-12.3
5 May.	1,431,204	1,262,000	-11.8
6 Jun.	1,481,674		
1~6 Jan.-Jun.	8,964,605		
7 Jul.	1,598,016		
8 Aug.	1,964,041		
9 Sep.	1,622,996		
10 Oct.	1,470,289		
11 Nov.	1,434,503		
12 Dec.	1,436,172		
1~5 Jan.-May.	7,482,931	6,943,000	-7.2
1~12 Jan.-Dec.	18,490,622		

JAPAN NATIONAL TOURISM ORGANIZATION