

Toward Sound Development and Raising the Position of the Travel Industry JATA Special Policy Study Committee Compiles an Interim Report

The JATA Special Policy Study Committee compiled an interim report in June this year, including a basic policy comprised of seven items, an action plan comprised of nine items, and implementation reporting. Mr. Hiromi Tagawa, Committee Chairman, presented the outline of the interim report at the 57th JATA Regular General Assembly held on June 19. The following is a summary of Mr. Tagawa's presentation.

—Hampering Systems Should Be Reviewed Promptly—

In June last year at the board meeting held after the JATA Regular General Assembly, board members decided to set up the Special Policy Study Committee. The committee has studied policies for the past year to develop a basic plan for FY2013 and subsequent years for the purpose of promoting JATA's activities in keeping with severe environmental changes within and outside the industry.

One month after the start of the committee, the Japan Tourism Agency (JTA) set up a Tourism Policy Study Committee to discuss, for the first time since the establishment of the agency, how the industries, which have a direct role in tourism (such as the travel and hotel industries), should be and how to strengthen them.

I brought the discussions of the JATA committee directly to the table of the JTA committee because the two committees were heading in the same direction and I was a member of the JTA committee. Similarly, in a reverse way, I brought discussions of the JTA committee, including the review of the Travel Agency Act, to the table of the JATA committee, and tried to iron out the differences between the two committees.

The proposal made by the JTA committee in April this year mentioned that travel industries abroad can currently offer various services to Japanese customers transnationally in a way that differs from the framework of the Japanese systems as a result of the rapid globalization of the economy and corporate activities, progress in information technology, etc. The proposal pointed out that it is necessary to review hampering systems, if any, promptly from a modern perspective in order to compete with these foreign rival companies.

The proposal clearly mentioned a review of the Travel Agency Act and other current systems, pointing out the necessity of a prompt review from a modern perspective. I, too, feel that this is very important.

—Use the JTA proposal for the Development of the Travel Industry—

The interim report of the JATA Special Policy Study Committee sets JATA's three tasks/missions: (1) evolution into a value-creating industry, (2) boosting new demand, and (3) promotion of Japan as a tourism-oriented country.

It is my understanding that these three have been upheld continually for years. However, as I mentioned earlier, JTA proposed a large framework to the travel industry, and JATA needs to respond to the question of how JATA can realize that framework by developing details in a way that will lead to the development of the travel industry. In this context, these three are the same old tasks/missions but carry different significance. I hope that you will understand this point.

The interim report includes nine items in the detailed action plan. Several symbolic points are as follow:

The first point is a fuel surcharge. A fuel surcharge causes a productivity problem for travel agencies, and it is somewhat unclear to consumers. According to the JTA proposal, it is necessary to review it promptly from a modern perspective. Please understand that this is the very reason why JATA submitted a request to the Commissioner of JTA, which supervises the travel industry.

The second point is revitalization of the international air charter business. In May this year, air carriers were allowed to sell package tour/unit seats wholesale to other travel agencies.

The door to the resolution of the fuel surcharge and the charter business, which are major issues for the travel industry, has opened, even if only slightly, so we need to establish a new era, using this opportunity effectively.

The third point is inbound business. JATA started the Quality Assurance System for Tour Operators, so how JATA upgrades this system will be called into question.

901,000 Foreigners Visit Japan in June, up 31.9% —Up 22.8% to 4.955 million in the First Half—

The number of foreigners who visited Japan in June this year reached 901,000, up 31.9% year-on-year.

The number of inbound foreigners nationals decreased by 1.9% year-on-year in January this year but maintained a two-digit increase for five months, with an increase of 33.5% year-on-year in February, 26.7% in March, 18.4% in April, and 31.2% in May.

The number in June this year exceeded the June 2012 figure of 683,000 by 218,000, marking a record high. By country/area, the number of inbound foreigners nationals from the following countries set new records: South Korea, Taiwan, Hong Kong, Thailand, Singapore, Malaysia, Vietnam, India, and France.

A total of 4.955 million foreigners nationals visited Japan in the first half, setting a new record and exceeding the 2012 figure of 4.034 million by 921,000 and surpassing the record-setting first-half 2008 figure of 4.337 million by 618,000.

In JNTO's assessment, significant growth occurred in June despite the fact that it is off-season due to advertising, support for tour product development, post-earthquake recovery of willingness to visit Japan, and lower travel costs as a result of weaker yen.

Countries-Areas set new records for Jun.			
Country/Area	2012 Jun.	2013 Jun.	Change (%)
South Korea	152,131	211,500	39.0
Taiwan	125,702	227,000	80.6
Hong Kong	44,208	74,700	69.0
Thailand	13,608	20,500	50.6
Singapore	13,216	21,700	64.2
Malaysia	8,445	9,800	16.0
Vietnam	3,529	6,300	78.5
India	5,620	7,000	24.6
France	8,667	11,400	31.5

Visitor Arrivals (Unit: Persons)			
Month	2012	2013	Change (%)
1 Jan.	681,786	668,610	-1.9
2 Feb.	546,451	729,460	33.5
3 Mar.	676,662	857,024	26.7
4 Apr.	779,481	923,017	18.4
5 May.	667,046	875,400	31.2
6 Jun.	682,932	901,100	31.9
7 Jul.	847,194		
8 Aug.	774,239		
9 Sep.	658,239		
10 Oct.	705,848		
11 Nov.	648,548		
12 Dec.	689,679		
1~6 Jan.-Jun.	4,034,358	4,954,600	22.8
1~12 Jan.-Dec.	8,358,105		

Japan National Tourism Organization (JNTO)