

### Newly Integrated - World Leading Travel Event in Asia

**"JATA Tourism EXPO Japan" to be held in September 25-28, 2014**



JATA-Tabihaku2013

Major changes have been made to Tabi Fair and JATA Tabihaku and in 2014 these previously separately held events will be merged. This will bring together not only the tourism industry but also the power of other industries and regions to promote overseas travel, Japan inbound travel, and domestic travel, efforts will be taken through ALL JAPAN, and, as the name says, this will be the world class travel event and promote Japan as a major tourism country both at home and abroad.

This is the best chance for regions to showcase their attractions and provide the greatest opportunity for tourism representatives to exchange information and hold business discussions while also informing consumers about "the power of travel" and proposing many ways to enjoy a travel life to make this a comprehensive travel event that creates a movement.

This opportunity was also taken to change the name to JATA Tourism EXPO Japan. The EXPO will be held for four days September 25-28, 2014 (Thu-Sun). It will consist of the four events of an "Exhibition" attended by many representatives from over 150 countries and regions as well as from throughout Japan, an "International Tourism Forum" where experts discuss the latest travel trends, a "Business Meeting" where suppliers and travel companies from Japan and overseas will meet together under one roof (VISIT JAPAN Travel Mart [Organizer: Japan Tourism Agency, Japan National Tourism Organization (JNTO)] will be held concurrently) and an "Awards Ceremony" where companies, groups, people, and excellent travel products that have contributing to spurring demand are recognized.

JATA Tourism EXPO Japan is the focus of many industry representatives as the industry flagship event where they and general consumers will be able to exchange information while being exposed to the latest travel industry information.

#### <Travel Showcase>

As the ideal forum for showcasing destinations, JATA Tourism EXPO Japan will provide abundant opportunities for travel professionals to exchange travel information and conduct effective business meetings, while inspiring consumers through the power of travel. It will be an all encompassing event showcasing the many facets of travel and the creative and varied lifestyle information and trends that spring from it.

Travel professionals from over 150 countries and regions will exhibit in the event where they can directly interact with the 150, 000 visitors.

#### <International Tourism Forum>

Recognizing an important role of Japan as a leading tourism

nation in Asia and the Pacific, International Tourism Forum will present a place to discuss, share and disseminate latest tourism trends and strategic views in the field of overseas travel, domestic travel and inbound travel for sustainable tourism growth.

#### <Business Meeting>

This is a comprehensive business meeting that includes business discussions for domestic travel as well as for outbound business. The 1st day for appointments and the 2nd day is for open sessions. Take your BtoB networking to the next level!

In addition, a media meeting with media companies will be held to help you expand sales channels in the future!

#### <Awards Ceremony>

Corporate, organization, and individual awards are presented for contribution to destination promotion development and spurring travel demand and for excellent tourism posters that contribute to attracting customers as well as the most excellent travel products for overseas and domestic travel.



#### <<JATA Tourism EXPO Japan>>

Purpose : JATA Tourism EXPO Japan, internationally recognized as one of the largest travel events in the world, will present Japan as a tourism nation to the world, further developing outbound, inbound and domestic travel by bringing together the combined strengths of not only the tourism industry, but all industries in Japan and its local communities.

**Organizers** : Japan Travel and Tourism Association(JTTA), Japan Association of Travel Agents (JATA)

**Sponsors** : Ministry of Land, Infrastructure, Transport and Tourism (MLIT); MLIT Japan Tourism Agency; Ministry of Internal Affairs and Communication; Ministry of Foreign Affairs; Ministry of Agriculture, Forestry and Fisheries; Ministry of Education, Culture, Sports, Science and Technology; Tokyo Metropolitan Government; JNTO; JETRO

**Event Period** : Four days September 25-28, 2014 (from Thursday to Sunday)

●25th (Thu) Trade and Press Day

Business Meeting [Day 1], JAPAN NIGHT

●26th (Fri) Trade and Press Day

International Tourism Forum, Business Meeting [Day 2]

●27th (Sat) General Public Day

Travel Showcase

●28th (Sun) General Public Day

Travel Showcase

\* On September 25 (Thu) and 26 (Fri) :Admission is for industry representatives only.

\* September 27 (Sat) and 28 (Sun) :Ticket sales are closed 30 min before the event ending time.

**Location** : Tokyo Big Sight East Hall 1, 2, 3, 6

The Official Website for JATA Tourism EXPO Japan is now Open! Event information will be updated regularly, so please check it out often! <http://t-expo.jp/en/>

# Perspective of the “Attempt to Create Value” in the Upcoming Half Century; The Role of Travel Agencies in the Development of a Mature Outbound Travel Market

The JATA Management Forum was held at the Royal Park Hotel in Nihonbashi-Kakigara-cho, Tokyo, on February 26. At the subcommittee meeting on the theme of “The Travel Business in the Coming 50 Years,” a lively discussion took place that surveyed the travel business in the coming 50 years in an effort to lay the groundwork for creation of new value, which was part of the theme of the forum.

**Theme: Thinking about outbound travel in the travel business in the upcoming 50 years**

Moderator: Tatsuo Hayashida, Chairman, NOE Corp.

Panelist: Haruo Ushiba, Deputy Representative Director and Principle Analyst, Japan Aviation Management Research

Panelist: Hiroki Jinnai, Senior Manager, Travel Industry, Google Japan, Inc.

Panelist: Takahiro Kanda, Executive Director, World Travel System Inc.

Panelist: Tetsunori Dambara, Managing Director, Miki Tourist

Panelist: Shuichi Tezuka, General Manager, Overseas Travel Division, Club Tourism International Inc.

## Transformation of the Outbound Travel Market Over 50 Years

The moderator, Tatsuo Hayashida, gave an account of the “transformation of the outbound travel market” during the 50 years since the deregulation of overseas travel. He recalled that immediately following deregulation, the price of the “9 Days in Hawaii” tour was 364,000 yen, but at the beginning of 2014, the price in absolute terms had dropped by more than half for nearly identical content, to 180,000 yen. Also, whereas the outbound market grew unidirectionally in the twentieth century, it has fluctuated annually



Tatsuo Hayashida

in the twenty-first century, starting with 9-11 in 2001. Hayashida concluded his presentation with the expectation that “although we have experienced repeated ups and downs, I feel confident that the market will grow steadily from here forward to reach 20 million persons in 2016.”

Next, Takahiro Kanda of World Travel System Inc. discussed the current tough situation in his presentation “Current State and Future Outlook for Flight Ticket Distribution.” He noted, “The plane seats that we can sell are only decreasing in number” due to direct sales by airlines, smaller aircraft, and fewer Y class seats, etc. However, he added, “In some cases, small and medium travel agencies are finding themselves in interesting situations.” The premise is that travel agencies will work to increase their capabilities and their ability to offer travel ideas. In the case of flight tickets to popular destinations during peak season, for example, if the agencies know that there are carrier fares that can be reserved and sold one year ahead, “seats can be secured regardless of the size of the travel agency,” as well as easier than ever before. Kanda concluded by saying, “The business of securing and arranging outbound flight tickets is no longer highly profitable, but undoubtedly this is the killer contents in the age of 20 million outbound travelers. Putting ‘knowledge is power’ into action will allow small and medium travel agencies to fight on par with major travel agencies.”

In his presentation on “The Future of Securing Hotels and Land-based Arrangements,” Tetsunori Dambara of Miki Tourist reported on changes in the power relationship between the land-based arrangers and the hotels and bus companies. Due to more active movement of people in the EU and the effects of low-

cost carriers (LLCs), utilization of hotels has risen overall. In addition, due to the rise of online travel agents and online direct sales of rooms available at the last minute, hotels no longer need the services of land-based arrangers as much as they formerly did. Dambara noted that “before, we ‘sold rooms for the hotels,’ but now, ‘the hotels let us sell rooms.’ The priority given to suppliers is declining, particularly in Japan where they repeatedly make large reservations and then cancel them and there is the bothersome travel itinerary booking guarantee.” He warned, “If we leave this situation as it is, we won’t have anything to sell even if we do have customers.”

## Airline Industry and Travel Market in 50 Years

Haruo Ushiba of Japan Aviation Management Research presented on the theme “Aviation in 50 Years.” In 20 years, aviation demand is predicted to be 85 to 110 million persons on domestic routes and 110 million to 175 million on international routes. He estimates that “in 50 years, demand on international routes will swell to three or four times the current level.” However, a lack of capacity for departures and arrivals at airports in the Tokyo metropolitan area will become apparent around the year 2020, and he pointed out, “Unless we resolve the problem of departure/arrival capacity, it will be difficult to achieve the goal of 30 million inbound visitors.” Moreover, the LLCs’ share of international routes will increase to 50% of Asian routes in 20 years. Estimating that LLCs will supply 50% of all routes in 2050, he commented, “The concept of ‘LCC’ itself will disappear. Hiroki Jinnai of Google Japan Inc. spoke about “The Role of Google in Tourism Infrastructure.” Touching on the state of IT usage among consumers, he said that already one out of three people on the earth is connected to the Internet, and he presented data predicting that 5 billion people will be connected in 2025. As a fact that substantiates the rapid spread of mobile IT, he reported, “Looking at the number of times people searched the Internet using travel-related words on different devices, the number of those using smartphones surpassed those using PCs” in August 2013 in Japan.



The presenter who predicted that people’s interest will shift from outbound trips to trips into outer space in 50 years was Shuichi Tezuka of Club Tourism

International Inc. He predicted that language and cultural barriers will be swept away by advances in IT, outbound trips will become more common due to the development of hypersonic transport, and trips to remote areas and polar regions will become ordinary. Meanwhile, as examples of things that will not change in 50 years, Tezuka mentioned “the excitement of visiting unknown places” and “the impression made when travelers’ initial expectations are exceeded.” To offer this kind of excitement and impressiveness, he said that travel agencies will need to seek to “create new value.”

Following the presentations, the moderator, Tatsuo Hayashida, asked the panelists questions one by one. In response, regarding the airport capacity problem, Haruo Ushiba pointed out, “It is important to develop infrastructure and to boost air-traffic control capacity, but the major point is whether or not flights in the air space over Tokyo will be permitted.” Tetsunori Dambara, who said that the current situation of securing local reservations should not be left as it is, suggested a path to resolution, saying, “We must create value so that they will have an attitude of respect for their partners and so that we are recognized as valuable sales partners.”

# Network Enhancement by Increasing Arrival/Departure Slots at Haneda and Narita Boosting Airport Capacity for 2020 and Beyond

Following the increase of international arrival/departure slots at Haneda Airport from 30,000 to 60,000 during daytime hours, Narita Airport is scheduled to increase to 300,000 slots during the next fiscal year. In this way, the expansion of airport capacity in the Tokyo metropolitan region is progressing steadily.



Akihiko Tamura

We spoke with **Akihiko Tamura, Director-General of the Civil Aviation Bureau in the Ministry of Land, Infrastructure, Transport, and Tourism**, concerning aviation administration in preparation for 2020, the year of the Tokyo Olympics and Paralympics.

### Role-sharing of Narita and Haneda in Expansion of Two-way Tourism

---At the end of March, the arrival/departure slots during daytime hours at Haneda increased from 30,000 to 60,000. Please tell us about the current condition and future outlook for airports in the Tokyo metropolitan area, including the capacity expansion in progress at Narita Airport.

Tamura: The capacity expansion underway at Haneda and Narita is the basis for carrying out various aviation policies. Enhancement of the network is very important for attracting as many routes as possible to the metropolitan area, so that we have more flights both arriving from other countries and departing Japan for other countries. If we don't add capacity, we cannot ensure enhancement of the network, and capacity expansion is necessary for the growth of the new companies which have recently appeared known as LCCs. At Haneda, approximately 450,000 slots became available starting from March 30 as planned; that has expanded the international network, where there is high demand, and the number of convenient routes for business travelers has increased. The increase in arrival/departure slots at Haneda is particularly meaningful because Haneda is a hub for domestic routes, so it can offer convenient connection between international and domestic flights and the benefits will be felt not only in Tokyo but nationwide. For this reason, I strongly anticipate that the increase will lead to positive developments from here forward.

---What are your views on the role-sharing between Haneda and Narita?

Tamura: As I briefly mentioned, I think that high-demand business routes will be central at Haneda Airport. Since Narita Airport has a very well-balanced route network that extends worldwide to include Europe, the US, and Asia, etc., I think Narita Airport can continue to develop by fully utilizing its network to serve the demand not only for arrivals/departures to and from Japan but also for connecting flights. Furthermore, LCCs have been scheduling more and more flights recently,

resulting in remarkable strides in the improvement of domestic routes. In the future, positive effects can be expected from the presence of LCCs, such as the improvement of connections between international and domestic flights at Narita. In any case, as for flight demand in the metropolitan area, flights won't sell unless we fully utilize the capacities of Narita and Haneda, so I think we should continue to enhance the network and allow these two airports to compete in the positive sense.

### Using Charter Flights to Expand Outbound Travel Demand

---The prediction is that the airport capacity of the Tokyo metropolitan area will again be stretched as we approach 2020. Moving forward, what is the plan for expanding airport capacity in the metropolitan area?

Tamura: We are currently studying how to further boost the functions of metropolitan airports in the aviation subcommittee of the Council of Transport Policy. I want to line up all the options on the table and then ascertain what measures are possible. Among the possible measures will be both development of infrastructure and development of know-how and services. I think we'll be able to disclose a list of the options soon. The next step will be to work out which of the pinpointed items are feasible, together with the stakeholders. Originally, our demand predictions were made prior to the decision to hold the Olympics and Paralympics in Tokyo, so that element was not included in our suppositions. Even if we assume fairly modest economic growth, the metropolitan area's airport capacity will grow tight in the mid-2020s, so we'll be looking for ways to increase the capacity even slightly. There are likely to be options that require time and options that can be implemented relatively quickly, so I want to study the various possibilities, including what we can accomplish by 2020 and what we should keep in mind to do after that.

---Turning our attention to charter regulations, last year regulations were partially relaxed as requested by JATA. Please tell us about the revitalization of regional airports through the utilization of charter flights in the future.

Tamura: Since the charter regulations were relaxed at the request of the travel industry, the revitalization of regional airports will probably depend on how much the travel industry utilizes charter flights. As has been pointed out before, the percentage of people from regional areas who travel out of the country is lower than that from the greater Tokyo metropolitan area, and so if attractive charter flights go into operation, that situation may improve. Conversely, the fact that demand is currently small means that there is room to develop demand, and so I sincerely hope that everyone in the travel industry will do their best to boost demand for outbound trips.