

# Seminars by Leading Names on “Shining Future of the Travel Industry” 108 Companies, 276 People Participate in JATA Management Forum 2015

On February 18, JATA held the JATA Management Forum 2015 at Roppongi Academy Hills 49 in Roppongi, Tokyo. There were 108 companies and 276 people participating in the 23rd annual forum this year, under the theme of “Shining Future of the Travel Industry – Thinking about the Future of Travel Industry.” At this management seminar, besides the keynote address and special lecture, a change was made from the previous panel discussion format to a seminar format. Participants listened intently to highly specialized lectures by leaders in their respective fields on themes that are attracting attention as current management issues, such as promotion of action by women and utilization of women as human resources, overseas business deployment, the true nature of marketing, and innovation.

### Countdown to the Age of 40 Million Person Exchanges



Hiromi Tagawa

In his opening greeting at the forum, JATA Chairman Hiromi Tagawa mentioned that the number of inbound foreign travelers in 2014 reached 13,413,600 persons, up 29.4% YOY, to set a new record. He recognized, “Two-way exchanges of 30 million people has become a reality, and as we approach the 2020 Tokyo Olympics and Paralympics, we are beginning the countdown to the age of 40 million person exchanges, with 20 million outbound travelers and 20 million inbound travelers.”



Shigeto Kubo

Meanwhile, due to the impact of international strife and terrorism in addition to the weakening yen, the number of outbound Japanese travelers in 2014 was just 16.90 million, down 3.3% YOY, he pointed out. After explaining that “the risk of the Islamic State (ISIL) is becoming a large hindrance to travel; the government has instructed us to fully utilize the warnings from the Ministry of Foreign Affairs and to communicate them to customers,” he called on travel agents, saying, “I would like for tours to be carried out according to plan only upon a full understanding of the risk, and to cancel travel to highly risky areas.”

While emphasizing that “our mission is to utilize the network of travel agencies, transmit accurate information, and endeavor to prevent the expansion of harmful rumors,” Tagawa said, “I think perhaps there has been no previous age when ‘the power of exchanges’ through travel has been as necessary as it is

now.” He once again called attention to the idea that “tourism exchanges promote mutual understanding and create the foundation for peace” including in relationships with Japan’s neighboring countries of China and South Korea.

In South Korea, JATA conducted a Mega Fam tour last December in which approximately 1,000 persons from member agencies participated as a strategic move for exchange programs this year, which marks the 50th anniversary of normalization of diplomatic relations. Tagawa revealed that, in continuation from the JATA Board Meeting held in Beijing in March, preparations are underway for an exchange by a large delegation from the public and private sectors that will visit China in May. He indicated, “JATA will work on the issues that concern us one by one,” and he requested the cooperation of all related parties, including JATA member agencies.

### Inbound Travel as a 2 Trillion Yen Export Industry

Shigeto Kubo, commissioner of the Japan Tourism Agency, who presented greetings as a guest of honor, spoke concerning the inbound market which saw 13.41 million inbound foreign travelers in 2014, saying “Consumption by inbound travelers surpassed 2 trillion yen, and inbound travel has come to have a major presence as an export industry.” Kubo noted that the export value of Japan’s shipbuilding industry, which supported the post-war economy and currently is at a world-class level, is 1 trillion and some hundreds of millions of yen, and he stressed the fact that inbound travel has grown into an export industry that surpasses shipbuilding. He announced, “We expect everyone in the travel industry to create travel products and provide high-quality service for inbound foreign travelers.”

Speaking about the number of outbound travelers which has been low key since setting a record of 18.50 million persons in 2012, Kubo said, “To achieve a tourism-oriented country, two-way exchanges are indispensable. We want to work to revive those.” He appealed, “I want you to strive to stimulate outbound travel demand by offering, as travel professionals, outbound travel products that meet the diverse needs of travelers.”

Together with a request to the travel industry for cooperation to expand tourism exchanges with China and South Korea, Kubo declared his intention for “the Japan Tourism Agency to provide solid cooperation so that there is even more bustling activity than last year” at the JATA Tourism Expo Japan, which got off to a successful start in 2014.

## <Keynote Address> Becoming a “Tourism-oriented Country” Important Also for Japan’s Economic Growth Making Human Resource Training the Highest Priority Goal of the National Strategy A Country That Make Overseas Investors Want to Invest



**Yasuchika Hasegawa**  
 Representative Director,  
 Chairman of the Board,  
 and CEO of Takeda  
 Pharmaceutical Company  
 Limited  
 Chairman of Japan  
 Association of Corporate  
 Executives

At this year’s Management Forum, Yasuchika Hasegawa, Representative Director, Chairman of the Board, and CEO of Takeda Pharmaceutical Company Limited and Chairman of Japan Association of Corporate Executives, presented the keynote address on the theme of “Issues for Japan in Pursuing Sustainable Economic Growth.”

Hasegawa talked about Japan currently being in a transition stage from “centralization” of the wealth redistribution system to “decentralization/federalism,” which may be regarded as a system for redistribution of the burden.

He pointed out, “The conventional way of doing things which aims for balanced development of the nation by reapportioning wealth collected by the central government to the regions is no longer relevant in an age when the question is how to apportion the negative legacy or burden.” He recognized that “basically, it is necessary to make a clear distinction from the conventional approach which consists of transferring financial resources, authority, and human resources, respecting local autonomy, and expanding what will expand.”

As efforts to regenerate Japan, Hasegawa stressed the importance of boosting the synergistic effects of increased labor power investment multiplied by increased market freedom and attractiveness multiplied by increased productivity, while simultaneously creating a virtuous cycle to actualize sustainable growth in the following form: improvement of corporate performance→investment expansion→increased employment and income→expansion of consumption.

He pointed out, “Given the decrease in the working population due to the overall population decline, we need to respond to the decline of the working population by promoting participation in the workforce by women and senior citizens, while taking measures to halt future population decline.

Hasegawa explained, “It is said that what determines economic growth is the invested labor power, invested capital, and improvement of productivity, but to increase the invested capital, it is important to raise the attractiveness of the market and to expand the investment from overseas.” Looking at foreign direct investment (FDI) as a percentage of the gross domestic product (GDP), Japan’s is only 4%. That is one-tenth of the average of OECD member countries, which is 30%. Hasegawa points out, “The fact that country of Japan has gotten along at such a low level is, in a sense, amazing, but given the decline and the aging of the working population, if Japan is not recognized as a country which other countries definitely want to invest in, it will be quite difficult to maintain economic growth.” Based on this, the movement to make Japan a tourism-oriented nation that aims to expand two-way exchanges holds an extremely important key for Japan’s future economic growth in the sense that it involves advertising the attractiveness of Japan as a country to world.

## Transformation and Reform with Strong Leadership

Hasegawa, referring to Japan’s inbound travel market which recorded more than 13 million foreign visitors for the first time last year, called on the travel industry, saying, “The 13 million figure is a transit point, and we must aim further, for 20 million and 30 million.”

Speaking about the reason for the sharp increase in the number of inbound visitors, Hasegawa noted that, on one hand, the relaxation of visa requirements which was hammered out by the Abe Administration’s Industrial Competitiveness Council, was a major factor. He also pointed out as a future topic, “One wonders whether we can offer true Japanese-style hospitality to such a large a number of foreign travelers.”

To have foreign travelers think, “I’m glad I came to Japan” and “I want to go to Japan again,” Hasegawa stressed, “We must change our mindset so that not only those in the tourism industry but the entire nation is conscious of ‘hospitality.’”

In conclusion, Hasegawa also pointed out that, as environmental changes due to globalization accelerate more and more, strong leadership is required from corporate leaders just as much as from political leaders. He emphasized, “In an age such as this, doing nothing carries the greatest risk. Leaders need to stare calmly at reality, predict the future without diverting their eyes from inconvenient truths, and have the resolve and the courage to implement the necessary transformations and reforms for their own organizations to survive and flourish, without putting them off even if they are painful.

At the same time, Hasegawa again mentioned the importance of human resource training because Japan is said to be a technology-oriented country, and it is human resources that support a technology-oriented country. He underscored, “It is necessary to make human resource training the highest priority goal of the national strategy, while at the same time creating a nation and companies that attract talented people from all over the world.”

## Number of Outbound Japanese in January Fell 1.2% Inbound Foreign Visitors Set New Record for January

2015 Visitor Arrivals & Japanese Overseas Travelers (Unit: Persons)

Month	Visitor Arrivals			Japanese Overseas Travelers		
	2014	2015	Change %	2014	2015	Change %
1 Jan.	944,009 (730,519)	*1,298,400	*29.1	1,253,404	*1,238,060	*-1.2
2 Feb.	880,020 (688,902)			1,404,873		
3 Mar.	1,050,559 (802,434)			1,596,751		
4 Apr.	1,231,471 (1,020,474)			1,189,132		
5 May.	1,097,211 (892,577)			1,280,765		
6 Jun.	1,055,273 (866,883)			1,289,029		
1~6 Jan.-Jun.	6,258,543 (5,001,789)			8,013,954		
7 Jul.	1,270,048 (1,080,552)			1,414,912		
8 Aug.	1,109,569 (903,919)			1,783,127		
9 Sep.	1,099,102 (846,241)			1,520,863		
10 Oct.	1,271,705 (1,029,922)			1,417,766		
11 Nov.	1,168,427			1,355,246		
12 Dec.	*1,236,100			*1,397,000		
7~12 Jul.-Dec.	*7,155,000			*8,889,000		
1~12 Jan.-Dec.	*13,413,600			*16,903,000		

◆Note 1. The figures for Jan.-Nov.2014 are provisional, while \* stands for the preliminary figures estimated by JNTO.  
 ◆Note 2. Provisional and definitive figures for Visitor Arrivals are compiled by JNTO (source: Ministry of Justice), and provisional and definitive figures for Japanese Overseas Travelers are provided by the Ministry of Justice.  
 ◆Note 3. The figures in ( ) represent the number of tourists among the total.