

Paving the Road to “Global Standard Tourism”

Travel Contract with Terms and Conditions Have Been Relaxed

Japanese travel agents operate on the basis of the “General terms and conditions of travel contracts.” The Travel Agency Law postulates that to conduct travel business travel agencies have to prepare and submit for the approval of the Commissioner of the Japan Tourism Agency a travel contract with terms and conditions which ensure strict consumer protection. However, the general terms and conditions of travel contracts have also been criticized for preventing travel agents from responding to and acting in accordance with international business practices.

While engaging in consumer protection activities JATA holds a firm belief that aligning with global business practices will improve the overseas travel market in Japan and thus has stood for the relaxation of the requirements imposed on travel agencies applying for approval of their travel contracts.

The conditions described below have been relaxed as a result.

1. Order-made package tours for groups and individual travelers: revision of the guarantee of tour itinerary

When the “Hotel List” (a list of overseas hotels compiled by the travel agency) is published in the tour pamphlet and the travel agency upgrades the initially booked hotel, the agency will not have to pay compensation to the customer for the change. (This, however, will be the case only when both hotels are included in the “Hotel List.”) This change rescinds the “compensation payment for the change of hotel” and as a result improves hotel booking conditions.

2. Group package tours: revision of the terms and conditions regarding cancellation charges

Under the new terms and conditions it will be possible to charge customers with the airfare for tours starting from and ending in Japan (limited to APEX, PEX, and LCC fares) as cancellation fee for tour cancellations made by them. This revision will avert “multiple simultaneous reservations” and reservations made “just in case.” In addition to the change described in (1) above, the revision of the terms and conditions of cancellation charge is expected to result in making feasible hotel and air seat reservations only.

3. The above changes will be included in the general terms and conditions of travel contracts. Travel agents, however, have to obtain a supplementary approval from the Commissioner of the Japan Tourism Agency to become eligible to implement them.

- Applications will be accepted by local authorities in charge of travel business authorization (district transport bureaus) from August 1st, 2015.

- Travel agents that have obtained a supplementary approval can implement the relaxed terms and conditions from October 1st, 2015 onward.

Japanese Overseas Travelers Decrease 6.7% in July

Foreign Visitors Set a New Record of 51.0% increase

According to data released by the Japan National Tourism Agency (JNTO) on August 19th, the number of Japanese who traveled abroad in July was 1.32 million, a 6.7% drop

compared to the same month last year. From January to July this year, the number of overseas travelers decreased by 5.1%, falling to 8,944,500. The downward trend which set in in June last year, has continued for 14 months. Notwithstanding, the range of negative growth year-on-year from May (-1.5%) to June (-7.6%) shrank to -6.7% in July.

The foreign arrivals in Japan grew by 51.0% to 1.918 million in July and exceeded the year-on-year record of 1.27 million arrivals in June 2014. The number also outstripped the all-time high record of 1.765 million visitors in April this year, becoming the new highest monthly score on year-on-year basis. The number of foreign visitors from January to July this year has already exceeded the 10-million point as 11,058,300 foreigners visited Japan, a 46.9% increase from the same period of last year.

According to JNTO’s analysis, promotion of travel to Japan in the period up to the summer holiday season, expansion of flight networks, increase of cruise tours, the 23rd World Scout Jamboree in Kirara-hama, Yamaguchi, visa waivers and deregulations in recent years, a boost of shopping tour demand after the introduction of the tax exemption system in October last year, are seen as the main contributors to the growth.

In terms of source markets, China grew by 105.1% up to 577,000 compared to the same month last year. All source markets consolidated the upward trend, with Taiwan, Hong Kong, and Indonesia building up to the highest ever monthly numbers.

The other 15 markets – Korea, Thailand, Singapore, Malaysia, the Philippines, Vietnam, India, Australia, the USA, Canada, Britain, France, Germany, Italy and Spain – showed double digit increase scoring the best ever monthly records in July.

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)	1,218,393	29.1 (33.9)	1,253,404	1,235,612	-1.4
2 Feb.	880,020 (688,902)	1,386,982	57.6 (75.2)	1,404,873	1,257,154	-10.5
3 Mar.	1,050,559 (802,434)	1,525,879	45.2 (54.1)	1,596,751	1,534,026	-3.9
4 Apr.	1,231,471 (1,020,474)	1,764,691	43.3	1,189,132	1,144,833	-3.7
5 May.	1,097,211 (892,577)	1,641,734	*49.6	1,280,765	1,262,103	*-1.5
6 Jun.	1,055,273 (866,883)	*1,602,200	*51.8	1,289,029	1,190,805	*-7.6
7 Jul.	1,270,048 (1,080,552)	*1,918,400	*51.0	1,414,912	*1,320,000	*-6.7
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 (943,831)			1,355,246		
12 Dec.	1,236,073 (1,074,350)			1,397,520		
1~7 Jan.-Jul.	7,528,591 (5,001,789)	*11,058,300	*46.9	9,428,866	*8,944,500	*-5.1
1~12 Jan.-Dec.	13,413,467 (10,880,604)			16,903,388		

◆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.