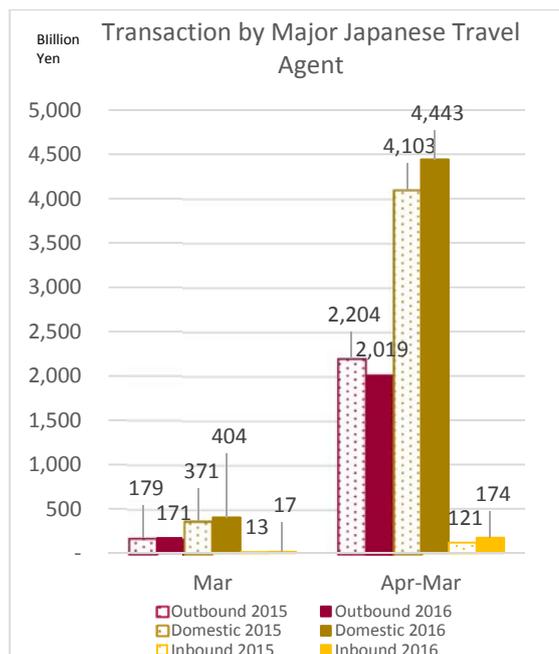
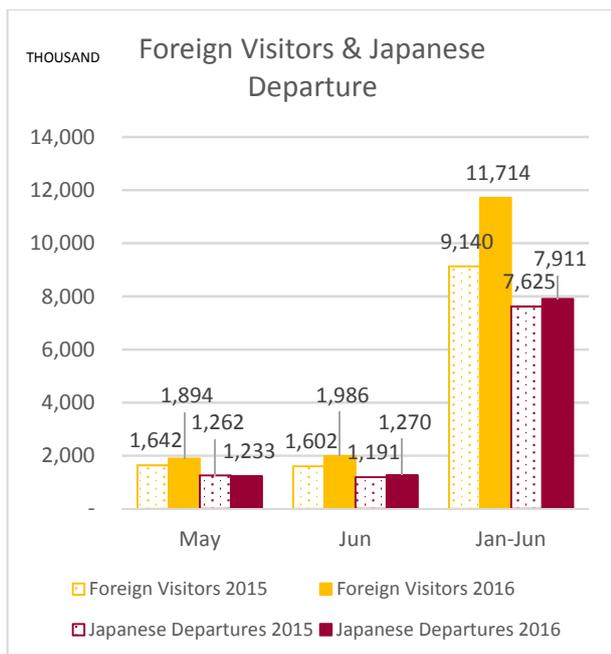


Japan Travel Market & JATA Activity Update

Bimonthly Report, May-June 2016 Issue

1. DATA



Foreign Visitors & Japanese Departure

The foreign visitors to Japan in May grew by 15.3% on year-on-year basis, up to 1,894,000. In June, the increase was 23.9%, up to 1,986,000. During the first half of the fiscal year a total of 11,714,000 or 28.2% more foreigners visited Japan compared to the same period last year. The first half of the fiscal year set a record, surpassing the 10-million mark for the first time and becoming the highest ever half-year total in the history of Japanese inbound travel. (The previous record was set in the first half of FY 2015 when 9.14 million foreigner traveled to Japan.)

The number of Japanese traveling abroad in May was 1,233,000 or 2.3% smaller than the same month of the previous year and in June, year-on-year basis, 1,270,000 or 6.7% more Japanese traveled overseas. Although overseas travel grew for the first four months of 2016 – from January to April – it decreased in May and grew again in June. In the first quarter of the fiscal year 7,911,000 Japanese traveled abroad, which is a first time first-quarter increase for the past four-years.

Transaction by Major Japanese Travel Agent

Compared to the same month last year, overseas travel decreased by 4.8% in March and the total number of overseas travelers in FY 2015 (April 2015 – March 2016) was 8.4% smaller than that of the previous year. Foreign visitors grew by 31.7% in March and the total for FY 2015 reached a 44.4% increase. Domestic tour bookings were

8.9% more than those in March 2015 and during the year – from April 2015 to March 2016 – 8.3% more people traveled on domestic tours compared to the previous fiscal year. The total number of tours for the year was 3.2% up.

2. MARKET TRENDS & TOPICS

Outbound

Market

Tour sales at major travel agencies decreased by 4.8% in March due to the negative influence of the simultaneous terrorist attacks in Paris and devaluation of the yen. This led to a decrease in tour sales on year-on-year basis, with Europe leading the negative trend. On the other hand, North American destinations and Oceania have shown signs of recovery.

Inbound

Market

The tour sales of major travel agencies grew by 31.7% in March (year-on-year). The visits from Vietnam, Philippines, Indonesia and other South-East Asian countries continued the positive trend thanks to visa waivers introduced for those source markets.

Domestic

Market

Compared to the same month last year, domestic travel grew by 8.9% in March. The positive effect of the Hokuriku shinkansen continues with the region enjoying a steady visitor flow.

JATA Activity



The Japan Association of Travel Agents initiated the “Enjoy Japan to the Full!” campaign on April 1, 2014, promoting the increase of domestic overnights. The first commercial, run from the beginning of the campaign, featured popular artists WORLD ORDER and was produced in Hokuriku, which at the time had attracted attention with the extension of the Hokuriku Shinkansen tracks. In April 2015, JATA released a promotional video shot in Kyushu, which had garnered popularity as a destination for inbound travelers. The second video for the year was released in July the same year, and again, introduced the

Tohoku region.

In fiscal year 2016, the campaign is scheduled to introduce Fukushima with a promotional video of WORLD ORDER titled “Miwa’s Tour Diary” released in April.



<http://asobitsukuse.jp/>

3. HOT NEWS

Mr. Tagawa Chairman of JATA delivers a presentation at the First World Conference on Tourism for Development held in Beijing, China



Mr. Hiromi Tagawa, Chairman of JATA made a presentation at the First World Conference on Tourism for Development, hosted by the United Nations World Tourism Organization (UNWTO) and the Government of the People’s Republic of China at the Great Hall of the People in Beijing, on May 19th. Mr. Tagawa emphasized the “Power of Exchange” which promotes mutual understanding and the “Power of Travel” which contributes to world peace.

The conference, attended by 1,000 participants from more than 100 countries, followed the United Nations Summit held in September 2015 in New York and reflected the 2030 Agenda for Sustainable Development Goals which were set in 2001 as Millennium Development Goals.

Mr. Tagawa expressed gratitude for the international support for Kumamoto which was hit by a major earthquake in April this year. He explained that the range of the damage is limited and the people of Northern and Southern Kumamoto are looking forward to welcoming visitors as usual.

At the conference, the participating ministers signed the Beijing Declaration on Sustainable Tourism as a drive for Development and Peace. They pledged that every country should advance the contribution of tourism to the achievement of the 2030 Agenda for Sustainable Development and the SDG’s, recognizing tourism as an important tool for development and peace.

9th Japan-Taiwan Summit held in Yilan, Taiwan Committee on expansion of bilateral exchange to 6 million



The 9th Japan-Taiwan Summit was held in Yilan from May 19th to May 22nd.

The theme of the summit organized by JATA, the Japan Travel and Tourism Association (JTTA) and the Taiwan Visitors Association was “Check up on the present situation of bilateral exchange and re-discover the attractiveness of Japan and Taiwan as travel destinations.” The summit was attended by 116 delegates from Japan and 139 delegates from Taiwan. The Japanese delegates included Mr. Kazuaki Maruo, Vice Chairman of JATA, Mr. Norio Yamaguchi, Chairman of JTTA, Mr. Keizo Hamada, Governor of Kagawa prefecture, Mr.

Tokihiro Nakamura, Governor of Aichi prefecture and other 36 travel-industry professionals.

The meeting chairperson summarized that, in order to quickly achieve the six-million mark in bilateral exchange, a new committee would be set to tackle the expansion of the two-way travel and draw a 2020 plan for bilateral exchange. While promoting railroad use and shared resources to travelers in both directions, the involved parties would strengthen the promotion of the national cuisines of Japan and Taiwan.

The 10th Japan-Taiwan summit will be held in Shikoku, Japan, in 2017.

Tourism EXPO Japan

Be part of the world. Travel.

Commitment to the recovery of overseas travel and the support for the regions hit by earthquakes

Organizers: Japan Travel and Tourism Association, Japan Association of Travel agents

Date: September 22nd – 25th

Venue: Tokyo Big Sight, Belle Salle Nihonbashi, Tokyo



The Organizing Committee of Tourism EXPO Japan announced the outline of Tourism EXPO Japan 2016 on May 25th.

In its third year as one of the world’s largest travel trade events and in order to stimulate outbound, inbound and domestic travel, this year’s Tourism EXPO Japan will be held under the theme “Be part of the world. Travel.” Under the keyword “travel” it will showcase the attractions of the numerous participating countries and regions. According to Mr. Hiromi Tagawa, Chairman of the Organizing Committee, the catch phrase relates to “Japan as the world’s power engine,” “The travel industry as the power which moves people and regions and changes the future,” and “Advancement to the year of culmination and leap forward.”

Demand stimulus activities will be conducted at the overseas travel exhibition while the domestic travel exhibition will host disaster recovery support and other activities. In addition, the international tourism forum, held under

Zen-Nittu Kasumigaseki Bldg., 3-3 Kasumigaseki 3-chome, Chiyoda-ku, Tokyo 100-0013, Japan
PHONE:[+81] 3 3592 1244 FAX[+81] 3 3592 1268 URL <http://www.jata.net.or.jp>

the new name “JATA Tourism EXPO Japan Forum” will concentrate on the theme “New Opportunities for Sustainable Destinations – Japan and the World” and showcase the tourism potential of Asia.

As tourism EXPO Japan will be the first international event held in Tokyo after the Rio de Janeiro Olympics, Chairman Tagawa said that “Tokyo should make an appeal as an international city and the industry should promote the exchange with overseas visitors and visits to Tourism EXPO Japan to the international community.”

JATA inbound travel business meeting in Shizuoka JATA members and representatives of 53 local authorities and industry players attended the meeting

JATA held the 3rd Inbound Business Meeting at the Convention Arts Center, Shizuoka, on May 30th. Approximately 130 participants, including representatives of Shizuoka local authorities, tourism associations, travel companies and JATA members, took part in the meeting.

At separate business sessions, 37 professionals of 12 JATA member companies, met with local authorities, 51 representatives of 41 business operators and local authorities participated in the 385 separate business sessions. The feedback from JATA member companies included comments like “We obtained information about many new attractions in the local areas,” “We got to know about new travel resources and facilities,” “We learned which source markets they target and what their sales points are,” etc.

Local authorities and travel companies appreciated the fact that two or more representatives from every company took part in the session. They also said that the presentations made during the meeting were very informative and would be used for reference, etc. Furthermore, when asked about effective measures and policies for expanding inbound tourism, 24% of the local authorities and business organizations said that they believe that inspection tours aiming at new product design are the most effective, 21% said that business meetings between Japanese travel agencies and tourism facilities in local areas were the best way to advance their business, while 16% said that participation in overseas travel fairs and business meetings were the most effective for them.

UNWTO conference on Tourism and Technology held by the Japan Tourism Agency & UNWTO



Mr. Hiromi Tagawa, Chairman of JATA, and Mr. Yoshinori Ochi, Director of the Board and Secretary General of JATA, participated as speakers in the UNWTO Conference on Tourism and Technology which was held jointly by UNWTO and the Japan Tourism Agency in Nara on June 2nd.

The conference was the first one held in Japan after Japan became an Executive Council Member of UNWTO in September last year. Representatives of 25 countries and 400 Japanese delegates took part in the conference. The 28th Joint Meeting of the UNWTO Commission for East Asia and the Pacific and the UNWTO Commission for South Asia

was held on June 3rd. A number of discussions and presentations took place during the two-day event.

At the Conference on Tourism and Technology, Mr. Tagawa talked about JATA's cooperation with UNWTO at Tourism EXPO Japan and international meetings, the expansion of human exchange and the linkage between technology and travel.

Among the three themes discussed during the second session "Challenges and opportunities of new technology for tourism destinations," Mr. Ochi, Director of the Board and Secretary General of JATA, spoke about the evolution of Japanese travel agencies into hybrid travel agents. "While the travel industry is working to put new technology into use, some legacy travel agents have begun to hybridize their business by implementing a new business model based on parallel use of online and counter sales. Mr. Ochi also talked about "smart tourism," giving examples of smart glasses use at travel destinations.

Aiming at the recovery of travel demand: Showcasing the appeal of France as a travel destination Food, Art and Lively France

JATA held a festival themed "Food, Art and Lively France: See, Experience and Taste France Day" at Marunouchi Maru Building on June 3rd as a part of its Visit France Campaign. The campaign aims at stimulating the decreased demand for travel to France, offer new tour products and tap into new customer pools.

60th General Assembly Meeting of JATA

Mr. Tagawa emphasized the determination of the Japanese travel industry to position itself as a value creating industry and to support the recovery of Kumamoto and Tohoku by sending tourists to the two regions.



The 60th Annual General Assembly Meeting of JATA was held in Keidanren Kaikan, Otemachi, Tokyo, on June 20th. At the meeting, JATA presented the report of its activities in FY 2015, approved the election of new executive officers and revealed the business plan for FY 2016.

In his opening address to the assembly, Chairman Tagawa referred to the Kumamoto Earthquake in April and said that JATA should ensure dissemination of accurate information about accommodation and other travel facilities in the earthquake-hit areas. He also said that JATA is committed to raising donations and organizing volunteer activities and that 'we have reached the stage where we can help recovery through tourism.' Mr. Tagawa revealed that the travel industry initiated a campaign with the catch phrase "Support through travel. Let's visit Kyushu!" and added "we are determined to provide recovery support "by using our power to send customers."

He also added that travel and technology revolutions have changed the environment in which the travel industry works and the time has come when travel companies have to rethink their value. He emphasized that "for the

sake of the recovery of overseas travel, which we have been working for since the beginning of the year, it is important that we identify the source of our power.” “Adjusting to the changes in the environment, we should consider in positive terms tapping into new markets and new technology and aim at becoming a value creating industry.”

“Through the power of planning, the power of arrangement and the power of guiding which are the source of the power of the travel industry, we can strive to create travel demand, revitalize local areas, set the framework for inbound travel, ensure safe travel and, by doing so, establish the travel industry as a value-creating industry. To achieve this, we have to devise and implement an appropriate policy and adequate measures,” said Mr. Tagawa in conclusion.

At the Extraordinary Board Meeting, Mr. Tadashi Shimura was elected President of JATA, succeeding Mr. Tatsuro Nakamura. Before becoming President of JATA Mr. Shimura held the positions of Deputy Director General, Japan Tourism Agency, MLIT, and, until March this year, Executive Director, New Kansai International Airport Company.

Ad-hoc Forum on Recovery of Travel to Europe

On June 24th, JATA held an “Ad-hoc Forum on Recovery of Travel to Europe.” The forum, which was attended by travel agency representatives and other industry professionals, was held in an attempt to speed up the recovery of travel to Europe which has been slow after the terrorist attacks in Paris and Brussels. During the first part of the forum, travel agencies, national tourism authorities, airlines and tour operators got together for a workshop while in the second part, there was a panel discussion on how to revitalize demand and sell tours to Europe under the adverse circumstances at present. In the third part, JATA presented the new outline of the activities of Team EUROPE, based on European Capitals of Culture. The action plan for 2016 includes inspection tours to Pafos (Cyprus) and Aarhus (Denmark) – the cities designated as European Capitals of Culture 2017 – and new product design.

4. AROUND THE WORLD

The following is a list of courtesy calls to JATA from May to June 2016.

Mrs. Jurgita Kazlauskienė, Director General of the State Department of Tourism of the Republic of Lithuania, visited Mr. Tatsuro Nakamura, President of JATA, on May 13th, Friday

http://www.jata-net.or.jp/about/jata/visit/2016/160513_lithuania.html#lithuania

H.E. Mr. Rudi Vervoort, Minister President of the Brussels capital region visited Mr. Hiromi Tagawa, Chairman of JATA, on May 17th, Tuesday

http://www.jata-net.or.jp/about/jata/visit/2016/160517_belgium.html#belgium

Mr. Edward B. Murray, Mayor of Seattle, visited Mr. Hiromi Tagawa, Chairman of JATA, on May 17th, Tuesday

http://www.jata-net.or.jp/about/jata/visit/2016/160517_seattle.html#seattle

Zen-Nittu Kasumigaseki Bldg., 3-3 Kasumigaseki 3-chome, Chiyoda-ku, Tokyo 100-0013, Japan
PHONE:[+81] 3 3592 1244 FAX[+81] 3 3592 1268 URL <http://www.jata-net.or.jp>

Mr. Andrew Hogg, Regional General Manager, North Asia, Tourism Australia, visited Mr. Hiromi Tagawa, Chairman of JATA, on May 26th, Thursday

http://www.jata-net.or.jp/about/jata/visit/2016/160526_australia.html#australia

Mr. Paul E. Pennikook, Director of Tourism, Jamaica Tourist Board, visited Mr. Tatsuro Nakamura, President of JATA, on May 31st, Tuesday

http://www.jata-net.or.jp/about/jata/visit/2016/160531_jamaica.html#jamaica

Ms. Florence Berthout, Mayor of the 5th Arrondissement of Paris, France, visited Mr. Hiromi Tagawa, Chairman of JATA, on June 1st, Wednesday

http://www.jata-net.or.jp/about/jata/visit/2016/160601_france.html#france

Ms. Hu Chun, Assistant General Manager, Chongqing Airport Group Co., Ltd., Chongqing, China, visited Mr. Tatsuro Nakamura, President of JATA, on June 7th, Tuesday

http://www.jata-net.or.jp/about/jata/visit/2016/160607_china.html#china

H.E. Ms. Venetia Sebudandi, Ambassador of the Republic of Rwanda in Japan, visited Mr. Tatsuro Nakamura, President of JATA, on June 10th, Friday

http://www.jata-net.or.jp/about/jata/visit/2016/160610_rwanda.html#rwanda