

### Evolving toward a “Value-Creating Industry” Three Integrated Roles Important to Promote a Tourism Nation



JATA held its 59th Regular General Assembly and a Board of Directors meeting at Keidanren Hall in Otemachi, Tokyo, on June 24. At the general assembly, the FY2014 business report, financial reports, and the appointment of new directors were approved. The FY2015 business plan and policy recommendations on overseas, domestic, and inbound travel were also reported.

#### Active Initiatives for Policy Issues

At the general assembly, Mr. Hiromi Tagawa, chairman of JATA, cited in his speech JATA's three missions in this drastically changing era: (1) Evolving toward a value-creating industry, (2) stimulating new demand, and (3) promoting a tourism nation. He explained that JATA is promoting initiatives for these missions.

Reviewing the year since his appointment as JATA chairman, Mr. Tagawa emphasized that he has tried to achieve the recommendation that he made to strengthen the operating bases of member companies in June 2012 when he served as the chairman of the JATA Special Committee for Policy Study. He pointed out the importance to JATA of (1) being involved in the policymaking process for such issues as the revision of the Travel Agency Act and relevant systems, cancellation fee rules, fuel surcharge, and the Act on the Elimination of Discrimination against Persons with Disabilities to be enforced from April next year, (2) reflecting the opinions of the travel industry to strengthen the operating bases of member companies, and (3) aiming to create an environment which enables the travel industry to evolve into a value-creating industry.

JATA's recommendations for the revision of the Travel Agency Act and relevant systems were consolidated through deliberations by a study group set up in the Japan Tourism Agency so that online travel agents (OTA) would not be the only ones to enjoy advantages. With regard to the rules on cancellation fees, JATA discussed how to improve the rules with the Japan Tourism Agency. JATA also held a regular meeting with the Japan Civil Aviation Bureau concerning the integration of the fuel surcharge into airfare. At the same time, the JATA Chairman submitted requests directly to the head of the bureau to make the rules transparent. However, the bureau has not provided a sufficient response to the industry's requests. Therefore, JATA intends to continue to work on this issue.

Chairman Tagawa revealed that JATA is preparing appropriately for the Act on the Elimination of Discrimination against Persons with Disabilities, which is expected to have a great impact on the business of member companies, by such means as setting up a special committee. For the recruitment and development of human resources, the largest managerial resource of travel companies, JATA plans to establish a joint internship and guidance scheme and to further improve seminars and training systems.

#### JATA Serving as an Engine for All-Japan Efforts

Chairman Tagawa also referred to the initiatives taken to improve the relationship with China and South Korea, the largest markets for Japan's travel industry, to create new demand. In particular, as part of the Japan-China Tourism &

Cultural Exchange Project through which Mr. Tagawa visited China as the executive committee chairman, Chinese President Xi Jinping attended the exchange meeting held at the Great Hall of the People and emphasized the importance of private-sector exchanges. According to Mr. Tagawa, President Xi's stance will “change the tide significantly.”

Regarding the promotion of a tourism nation, Chairman Tagawa pointed out that the travel industry plays a very important role because inbound travel is positioned as a “vehicle for local creation” and the travel industry integrates domestic travel, inbound travel, and bilateral exchange. The chairman emphasized that JATA aims to develop the JATA Tourism EXPO Japan, which is a platform for the three integrated functions and an engine for all-Japan efforts to promote tourism, into the world's best event.

Mr. Shigeto Kubo, commissioner of the Japan Tourism Agency, also mentioned the 2nd JATA Tourism EXPO Japan to be held in September this year. In his guest speech, Mr. Kubo said, “I expect that the EXPO will be more successful than last year as one of the world's biggest tourism events that stimulates demand for overseas travel among Japanese people and provides an opportunity to promote two-way tourism.” At the same time, the commissioner requested the travel industry to develop tour products which stimulate overseas travel demand among Japanese people for the expansion of bilateral exchange.

#### Policy Recommendations for the Era of 40 Million People Mutual Exchange

JATA submitted policy recommendations on overseas, domestic, and inbound travel to the Japan Tourism Agency in April this year for the “era of mutual exchange among 40 million people” which is expected to be achieved in 2020. At the JATA general assembly, committee chairpersons who consolidated the policy recommendations explained the demand creation to be achieved by the travel industry and the approach to overcome issues by all-Japan efforts through cross-ministry/agency efforts and public-private partnership.

Mr. Jungo Kikuma, vice chairman of JATA and chairman of the Outbound Travel Executive Committee which consolidated an overseas travel policy recommendation entitled “To Achieve 20 Million Overseas Travelers in the Era of Mutual Exchange among 40 Million - Realization of an exchange-oriented country through two-way tourism,” pointed out the current situation, saying, “The environment surrounding overseas travel is very tough. Safe areas for overseas travel are decreasing, and our business areas are shrinking due to the global threat of terrorism, concerns over infections, etc.” According to Mr. Kikuma, travel companies' product planning and other creative efforts are not enough to expand the overseas travel market in such a tough business environment and to increase the number of travelers to 20 million in 2020.

The Outbound Travel Executive Committee set up three task forces to overcome these issues. In particular, the Policy Recommendation Task Force has repeatedly held discussions to prepare a recommendation that requests the government to revise the overseas travel framework to achieve 20 million travelers. Vice Chairman Kikuma explained, “The task force submitted a policy recommendation to the Japan Tourism Agency based on the idea that we need to appeal not only to the Japan Tourism Agency but also to Japan's ministries and agencies in charge of policy measures related to overseas travel, such as the Ministry of Education, Culture, Sports, Science and Technology and the Ministry of Foreign Affairs.”

Vice Chairman Kikuma explained the policy recommendation on overseas travel, saying, “The recommendation was consolidated from a long-term perspective, considering the large framework surrounding overseas travel and trying to stimulate the government through the Japan Tourism Agency while involving other ministries and agencies.” Seeking understanding, he said, “We do not expect an immediate effect in the next year or the year after that. The recommendation is based on a long-term perspective and aims at a large impact so that the significance of overseas travel will increase in the future.”

## Aiming at bringing all American states as exhibitors in 2016

### Joint meeting by JATA and Brand USA in Orlando



JATA and Brand USA held a joint meeting on June 1st, during the 47th International Pow Wow in Orlando. The meeting was attended by 27 travel industry professionals, including Mr. Hiromi Tagawa, Chairman of JATA; Mr. Yoshiharu Matsumoto of the JATA Outbound Travel Promotion Committee; Mr. Toru Furusawa, Chairman of the Japan-USA Travel Promotion Task Force and other seven representatives of the Japanese side; Mr. Chris Thompson, President & CEO of Brand USA; Mr. Yoichi Hayase, Representative of Brand U.S.A. for Japan and other eight representatives from the USA side; Mr. Roger Dow, President & CEO of the U.S. Travel Association and three other representatives; Mr. Takashi Hirowaki, Chairman of the Visit U.S.A. Committee Japan; Mr. Mitsutoshi Saku, Vice-Chairman of the Visit U.S.A. Committee Japan; seven governmental officials from the U.S.A. The attendants exchanged information and opinions on the activities which were carried out after last year's meeting.

During the meeting, it was confirmed that Japan was among the top five major source markets for the U.S. A. A joint goal was set by JATA and Brand U.S.A. which should be achieved through cooperation in marketing activities by the two organizations. JATA has set the goal of 20 million overseas travelers by 2020 and despite the slight decrease in the number of outbound travelers in 2014, the target of 4.5 million Japanese visitors to the U.S.A established in the MOU signed by JATA and Brand U.S.A. remains unchanged. As the U.S.A. has been positioned to become "featured country" at the JATA Tourism EXPO Japan 2016, both the Japanese and American sides agreed to do their best to have the largest ever number of states exhibiting in 2016.

In addition, the participants exchanged opinions over detailed ideas about the promotion of travel exchange between Japan and the U.S.A. and agreed on the following points. (1) In order to support the expansion of future sales, it is important that travel agencies be able to secure the necessary number of air seats and receive suggestions on tour contents from American players, which will help them offer quality products to their customers. (2) Brand U.S.A. and JATA should organize familiarization tours and strengthen educational programs. (3) JATA and Brand U.S.A. will continue to cooperate for events and other activities.

It was also revealed by the United States Department of Homeland Security that detailed preparations for the preclearance at Narita airport have begun.

## Number of Outbound Japanese Fell 2.4% to 1.25 million

### Negative growth continues to abate in May

According to the data released by the Japanese National Tourism Organization (JNTO) on June 17, 1.25 million Japanese traveled abroad in May, which is 2.4% short of the number of

the same period last year. It also is the 12th consecutive month of negative growth since June last year. The double-digit fall of 10.5% in February shrank to 3.9% in March and 3.7% in April, showing a continued improvement before the vacation season when a reversal of the negative figures is expected.

The inbound travel in May this year increased by 49.5% to 1.642 million, which is the highest ever record for May and which exceeds last year's record (1.097 million) by 545,000 visitors. Being the month between cherry blossoms and summer vacation, April showed a somewhat sluggish growth in previous years. However, there has been no slowdown in inbound travel since the beginning of this year and as a result on a month-to-month basis it was marked by 1.765 million foreign arrivals, which also made it the highest ever record for April and the second best record in the inbound travel history.

The analysis by JNTO shows that in addition to the overseas promotion of Japan, the cheap yen, the increase in air flights, visa waiver programs and eased visa requirements, increase in the consumption tax refunds, as well as the market environment and aggressive promotion of inbound travel to Japan have all contributed to the expansion of the foreign visits.

A look at individual source markets, reveals that Taiwan, Hong Kong, and India recorded the best ever figures this term and 18 of the 20 major source markets (Britain and Russia being the exceptions) also scored the best results ever. East Asia in particular marked a 61.5% growth by South Korea, 133.6% by China, and 70.3% by Hong Kong, a significant expansion of inbound travel. With the addition of Taiwan, the 4 markets sent 1.163 million visitors, which is more than 70% of all foreign arrivals in May.

As many source markets will enter the vacation season in June, foreign visitor arrivals are expected to expand further. However, with the increase of MERS cases in South Korea, JNTO warns that market movements should be observed with caution.

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)	*1,764,700	*43.3	1,189,132	1,144,833	-3.7
5 May.	1,097,211 (892,577)	*1,641,800	*49.6	1,280,765	*1,250,000	*-2.4
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.	1,236,073			1,397,520		
1~5 Jan.-May.	5,203,270 (4,134,906)	*7,537,800	*44.9	6,724,925	*6,421,600	*-4.5
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.

## 2016, the Milestone “STEP” year for the Tourism EXPO Japan As a Year for the Grand Design of the Overall Project Frame



Chairman Tagawa



President Minami

The Tourism EXPO Japan Promotion Office outlined the Tourism EXPO Japan 2015 at a news conference held in Zen-Nitsu Kasumigaseki Bldg, Kasumigaseki Tokyo on May 28th. JATA Chairman Mr. Hiromi Tagawa, who also serves as Chairman of the Tourism EXPO Japan Steering Committee, talked about the “EXPO” which will be held as a comprehensive travel event for a second consecutive year. The “hop” 2015 year follows the 2014, which was the “hop” year, and precedes the “jump” year of 2016, which the Steering Committee are determined to make a milestone year in the preparation for the 2020 Tokyo Olympics.

Last year’s Tourism EXPO Japan 2014, marked the integration of the JATA “TABIHAKU” and the organized by the Japan Travel and Tourism Association “TABI Fair Japan.” Tourism EXPO Japan 2014 was held simultaneously with VISIT JAPAN Travel Mart and VISIT JAPAN MICE Mart, both organized by the Japan Tourism Agency and the Japan National Tourism Organization(JNTO). In order to promote overseas, domestic and inbound tourism and appeal to the world the image of Japan as a “tourism nation”, the event mobilized the travel and tourism industry and invited other industries in addition to local areas and regional authorities. The event, which was visited by more than 150,000 people, received high recognition both domestically and overseas as Asia’s leading travel trade event.

Mr. Tagawa revealed intentions to introduce a new program and approach to the event and with a sight set on the 2020 Tokyo Olympics create an integral grand design frame for the travel and tourism industry.

In 2016, the mid-term point of the preparations, Tokyo will be introduced as the next Olympic host at the Rio de Janeiro Olympics. Mr. Tagawa emphasized that, as the world’s attention will focus on Japan, the best efforts will be made to ensure that Tourism EXPO Japan is a great leap forward and therefore a must-visit event for everybody from the travel and tourism industry.

Mr. Yoichi Minami, President of the Japan Travel and Tourism Association, said “Including the 3,000-strong Japanese mission to China in May this year, travel in Asia has surged and the expectations towards Tourism EXPO Japan have grown.” “We will strengthen the presentation of the five main elements of the program – the International Tourism Forum and Symposium, outbound and domestic business meeting, the exhibition, commendation events and Japan Night – and deliver the message “Japan has become a tourism power,” Mr. Minami added, expressing determination for success.

Mr. Tagawa said that the International Tourism Forum this year will be themed “Tourism and Culture” as JATA is working to better interact with UNWTO. The forum will

focus on the development of a tourism industry which will be able to contribute to both preservation of cultural heritage and regional development. Furthermore, this year for the first time, a renewed commendation ceremony named “Japan Tourism Awards” will appraise the achievements of organizations, businesses, and individuals in different fields. Mr. Tagawa mentioned that a new award – “The Japan Tourism Award for Responsible Tourism” – has been established in collaboration with UNWTO, putting the awards in a global perspective. The new award is a result of the close cooperation between JATA and UNWTO based on the agreement for comprehensive partnership signed in 2013.

In addition, this year’s Tourism EXPO Japan will offer a new framework for cooperation with regions through the “Premium Destination Partner” sponsorship category. The framework allows cooperation with overseas and



Mr.Minami, Mr.Tagawa and Nobuyuki Ikeda, Chief Operating Officer of JATA Tourism EXPO Japan

home country regions and a tie-up with their promotional activities. It is also expected to be the main force in attracting more guests to the event and to help maximize the effect of the promotional activities conducted by the partner countries and regions.

### JATA Tourism EXPO Japan 2015

- Date: September 24 through September 27, 2015
- Venue: Tokyo Big Sight and Marunouchi Area, Tokyo
- Program:
  - International Tourism Forum
    - Venue: Big Sight Conference Tower, Marunouchi JP Tower
    - Outbound and Domestic Business Meetings, Media Meeting
      - Venue: Tokyo Big Sight East Exhibition Hall
    - Travel Showcase
      - Venue: Tokyo Big Sight East Exhibition Hall 1-5
    - Award Project "Japan Tourism Award"(New!)
      - Venue: JP Tower Hall and Conference
  - JAPAN NIGHT
    - Venue: Marunouchi area
- Organizer:
  - Japan Association of Travel Agents
  - Japan Travel and Tourism Association
- Support(tentative):
  - Ministry of Land, Infrastructure, Transport and Tourism
  - Japan Tourism Agency
  - Ministry of International Affairs and Communications
  - Ministry of Foreign Affairs
  - Ministry of Agriculture, Forestry and Fisheries
  - Ministry of Economy, Trade and Industry
  - Tokyo Metropolitan Government
  - Japan National Tourism Organization
  - Japan External Trade Organization