Overview of Japan’s Sustainable Tourism Development

Japan Association of Travel Agents
April 24 2013
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About Japan Association of Travel Agents

• Japan Association of Travel Agents (JATA) is committed to the growth of the outbound, inbound and domestic travel market through the collection and provision of information on travel operations and international exchange, identifying issues, streamlining business operations, working to improve infrastructure, and eliminate barriers that discourage Japanese travel.

• Members (as of January 2013):
  – Active members: 1,130 licensed travel agencies
  – Associate Members: 497 companies
  – Domestic Allied Members: 91 companies
  – Overseas Allied Members: 590 companies
About Japan Association of Travel Agents

• **Field of Activities**
  – Outbound Travel
  – Inbound Travel
  – Domestic Travel
  – Social Contributions

• **Objectives**
  – To generate new demand for travel
  – To respond to changes in the travel business environment
  – To promote business compliance and risk management
  – To boost development of human resources
  – Activities to reinforce public relations
  – Projects to support members’ interests and purposes
Japan Inbound & Outbound 2008 ~ 2012

(Unit: Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outbound</td>
<td>15,987,250</td>
<td>15,445,684</td>
<td>16,637,224</td>
<td>16,993,000</td>
<td>18,490,000</td>
</tr>
<tr>
<td>Inbound</td>
<td>8,350,835</td>
<td>6,789,658</td>
<td>8,611,175</td>
<td>6,218,752</td>
<td>8,368,100</td>
</tr>
</tbody>
</table>

Data Source: JNTO and JATA
Number of Japanese Overseas Travelers per Month
2010 ~ 2012

(Unit: Thousands)

Data Source: Japan National Tourism Organization (JNTO)
Overall Prospects for
Japanese Overseas Travel in 2013

The number of Japanese overseas travelers in 2013 is expected to increase approximately by 3% over the previous year.

• Opportunities to support substantial increase
  – Strong economic recovery of Japan
  – Aggressive marketing actions by leading international airlines
  – Increase in International flight slots at major international airports in Tokyo, Nagoya, Osaka, Fukuoka and local airports
  – Expanded booking channels (e-commerce, media advertisement, etc.)

• Target Market
  – Leisure Market: Female (20’s and 30’s), Senior and Family
  – Business travelers

• Target Sightseeing Destinations
  – Hawaii, Southeast Asia, Europe and US Mainland
  – SIT and South America

• Threats - Unfavorable Events for Future Growth
  – Strong Japanese yen
  – Unexpected environment issues
  – Uncertainty of safety issues
Annual Number of Japanese Overseas Travelers per Year 2008 ~ 2015 (Actual & Forecast)

(Unit: Thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Travelers</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>15,987</td>
<td>-7.6%</td>
</tr>
<tr>
<td>2009</td>
<td>15,445</td>
<td>-3.4%</td>
</tr>
<tr>
<td>2010</td>
<td>16,637</td>
<td>+7.7%</td>
</tr>
<tr>
<td>2011</td>
<td>16,994</td>
<td>+2.1%</td>
</tr>
<tr>
<td>2012</td>
<td>18,490</td>
<td>+8.8%</td>
</tr>
<tr>
<td>2013</td>
<td>19,000</td>
<td>+2.7%</td>
</tr>
<tr>
<td>2014</td>
<td>19,500</td>
<td>+2.6%</td>
</tr>
<tr>
<td>2015</td>
<td>20,000</td>
<td>+2.5%</td>
</tr>
</tbody>
</table>

Data Source: JNTO and JATA
Japanese Outbound Travel by Region in 2009, 2012 and 2015 ~ growth in 6 years

(Unit: Thousands)

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</tr>
</thead>
<tbody>
<tr>
<td>China &amp; Korea</td>
<td>+ 950,000</td>
<td>+ 5000</td>
<td>+ 2,400,000</td>
<td>+ 1,120,000</td>
<td>+ 38%</td>
<td>+ 15%</td>
</tr>
<tr>
<td>SE Asia</td>
<td>+ 2,400,000</td>
<td>+ 2,400,000</td>
<td>+ 2,400,000</td>
<td>+ 2,400,000</td>
<td>+ 55%</td>
<td>+ 280,000</td>
</tr>
<tr>
<td>America</td>
<td>+ 1,120,000</td>
<td>+ 1,120,000</td>
<td>+ 1,120,000</td>
<td>+ 1,120,000</td>
<td>+ 14%</td>
<td>+ 1,120,000</td>
</tr>
<tr>
<td>Europe &amp; Africa</td>
<td>+ 280,000</td>
<td>+ 280,000</td>
<td>+ 280,000</td>
<td>+ 280,000</td>
<td>+ 15%</td>
<td>+ 280,000</td>
</tr>
<tr>
<td>Oceania</td>
<td>+ 50,000</td>
<td>+ 50,000</td>
<td>+ 50,000</td>
<td>+ 50,000</td>
<td>+ 12%</td>
<td>+ 50,000</td>
</tr>
</tbody>
</table>

Data Source: JNTO and JATA
Future Travel & Tourism in Asia

According to JATA forecast, tourism in Asia during the next 20 years will grow by 4-5% every year based on expanded aviation infrastructure.

The challenges to the travel industry for sustainable tourism growth are:

• Two-way tourism development
• Establishing the legal basis facilitating international travel (e.g. Visa issues)
• Improving travel facilities and infrastructure in tourist areas in order to improve tour quality
• Establishing international measures for securing safety for international travelers based on previous experience
Future Travel & Tourism
Sustainable Tourism Growth in Asia

Sustainable Tourism Growth in Asia

- Travel Safety & Emergency Measures
- Two-way Tourism
- Government Facilitation for Overseas Travel Environment
- Travel Quality & Improvement of Services
In order to develop two-way tourism in the Japanese international travel market, JATA will continuously take a leadership role. One of the most practical plans is to form and activate tourism working groups.
On March 11, 2011, a M 9.0 earthquake hit the north-eastern coast of Japan and triggered unprecedented over 10-meter high tsunami waves.

The total number of the death and missing remains over 20,000, and the number of disaster refugees is over 310,000.

Economy of the northeastern Japan suffered severely due to the unprecedented disaster.

A nuclear power plant in Fukushima prefecture (240 kilometers away from Tokyo) was severely damaged, leading to electric power cuts.

The increased risk of nuclear disaster caused many issues to the travel industry in Japan.
On March 11, unprecedented earthquake and tsunami hit the northern Japan. On April 15, JATA issued “Tourism Recovery Declaration” under the encouraging motto “Cheer up Japan! Smile through Travel.” Based on the Recovery Declaration, JATA conducted joint promotion actions targeting general consumers extensively in May, June and July aiming at a speedy recovery. Also, we attended overseas tourism workshops and meeting to share the up-to-date recovery information after the event.
Strategy for Speedy Recovery
Joint recovery actions for domestic, out & inbound travel

Encourage general consumers by saying, “Do business as usual. Do Travel as usual.” Promote Domestic Travel first. Then, encourage Outbound Travel and Inbound Travel.

The 1st Step: Cheer up Japan, Smile through Travel Promotion for Japanese domestic travel

The 2nd Step: Encourage Japanese Overseas Travel

The 3rd Step: Promotion of Japan inbound travel
Comparison Chart between 2010 and 2011
Japanese Overseas Travelers and Visitor Arrivals

(Growth %: 2011/2010)

Outbound
Inbound

Data Source: Japan National Tourism Organization (JNTO)
The JATA “Tabihaku” Travel Showcase (formerly the JATA Tourism Forum and Travel Showcase) started in 1977 as one of Asia’s largest tourism events with a goal to stimulate demand in the tourism industry.

Date: September 12 ~ 15, 2013  
Place: Tokyo, Japan  
Expected Number of Participating Countries:  
  Over 150 countries with 750 companies/organizations  
Visitors: 130,000 people  
Events:  
  Tourism Forum  
  International Business Meeting  
  Awards Commendation  
  Travel Showcase (exhibition for both B2B and B2C)
Four Major Events:

- **JATA Tourism Forum**
  - Inbound symposium
  - Outbound symposium
  - Market Update Seminars (such as “Maritime Silk Road”, “Risk Management”, “Eco Tourism”, “New Destination Development”, etc.)

- **JATA International Business Meeting (for two days)**
  - Inbound meeting (with 100 selected buyers and 290 sellers)
  - Outbound meeting (with 230 selected buyers and 380 sellers)
  - Media meeting (with 150 media)

- **JATA Tourism Award Commendation**
  - Tour grand prix commendation
  - Travel agency award and special award

- **JATA Travel Showcase (exhibition)**
  - Over 1,000-booth
  - Over 130,000 visitors