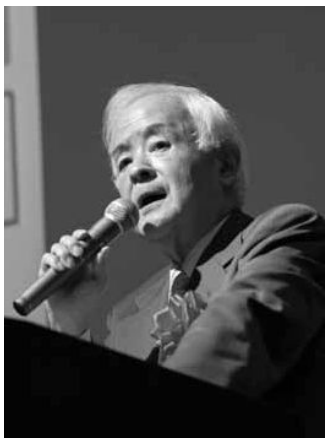
"Growing Stronger with a Global Vision! Creating New Value" The 21st "JATA Management Forum" Attracts 310 Attendees from all over Japan



The Japan Association of Travel Agents (JATA) held the 21st "JATA Management Forum 2013" at Royal Park Hotel in Nihonbashi-Kakigara-cho, Tokyo, on February 26, 2013. The overall theme of the forum was "Growing Stronger with a Global Vision! Creating New Value". Society has been changing rapidly and consumers' values have diversified greatly over the past two years since the Great East Japan Earthquake. With this background, 310 attendees from all over Japan participated in the management forum, which was designed to summarize the key challenges for the travel industry and to contribute to the management of member companies.

Mr. Mutsutake Otsuka, Senior Adviser of East Japan Railway Company, who also serves as the Vice Chairman of Japan Business Federation (KEIDANREN) and the Chairman of KEIDANREN's Committee on Tourism, delivered the keynote speech on "Is Tourism just Seeing Sights?" Mr. Otsuka first listed industrial, governmental, and academic challenges facing the current tourism industry. Among the industrial challenges, Mr. Otsuka pointed out low profitability, weak management power, high employee turnover and continuation of old-fashioned business models, and claimed that "the tourism industry lacks pride as an industry."

Mr. Otsuka cited Mr. Michael Green of the Center for Strategic and International Studies (CSIS), a U.S. think tank. In his speech at the KEIDANREN Summer Forum held in July 2011, three months after the Great East Japan Earthquake, Mr. Green pointed out that "the first key to the reconstruction is tourism." He said that tourism is the key to resolving Japan's challenges, including "rehabilitation and reconstruction from the earthquake disaster, low birth rate and aging population, regional disparities and deindustrialization", and reaffirmed the significance of tourism.

Mr. Otsuka also referred to the economic significance of tourism, including "economic ripple effect", "job-creating power" and "turning foreign demand into domestic demand", and pointed out the industry's major 'soft' contributions of "strengthening the power of software and human resources through interaction", "soft infrastructure for peace", "value of actual experience through interaction" and "local power buildup and qualitative improvement of people's lives".

Regarding current tasks for travel agents, Mr. Otsuka indicated the following three: (1) raising awareness, (2) creating new value and demand and (3) developing human resources.

With regard to raising awareness, Mr. Otsuka encouraged everyone to be "conscious" and "proud" that tourism is a national strategy and that people in the tourism industry must "make efforts to help other industries understand the importance of tourism."

Concerning the creation of new value and demand, Mr. Otsuka pointed out that we should "depart from outbound-focused tourism and promote two-way tourism" in view of the fact that the gap between the number of Japanese outbound tourists and the number of foreign inbound tourists has been widening since overtaking the latter in 1971, with the difference now standing at approximately 10 million.

Mr. Otsuka also encouraged the attendees, saying that "creating desired tours in cooperation with local people is the role of travel agents", in order to explore the value of local resources and develop new types of tours that impress many people as part of nationwide efforts to attract tourists.

The "only and greatest resource is human resources" for travel agents. Travel agents must transform themselves into companies which develop human resources, including local leaders and those who support local hospitality, in addition to their own employees. Mr. Otsuka noted that travel agents "need to work on developing human resources to demonstrate the power of tourism".

Mr. Otsuka proposed three important themes for the travel industry in the future: (1) Corporate managers should have a "dream" and "vision", (2) We should recognize that a "tourism-oriented nation" follows after a "trading nation" and "science and technology-oriented nation", and (3) We should aim to reconstruct from the earthquake disaster and stimulate the Japanese economy through tourism. He urged the attendees to "believe that tourism is an important industry for the future of Japan and other countries, stress the importance on various occasions, and act with ingenuity", and showed his determination, saying, "I am keen to work with you as a member of the key industry that will support Japan in the future."

Guidelines Released for Overseas Mountain Climbing Tour Services; Prepared following Mishap in China Last November

On February 27, Japan Association of Travel Agents (JATA) released the Supplement for Overseas Planning: Guidelines for Mountain Climbing Tour Services.

JATA drew up service guidelines for mountain climbing tours on domestic trips in September 2009 and worked to provide safe mountain climbing tour services. However, compelled by a mishap near the Great Wall of China in November last year, JATA has prepared new guidelines to promote safe and secure mountain climbing tour services overseas as well.

The circumstances and conditions of mountain climbing vary greatly depending on the country and region, and so in reality, it is extremely difficult to prepare guidelines for different countries and regions. Therefore, to put together these mountain climbing guidelines for overseas travel, JATA proceeded to supplement the existing Guidelines for Mountain Climbing Tour Services for domestic travel by adding information particular to overseas situations.

In addition to adding supplements pertaining to overseas, we also revised the current guidelines and prepared new guidelines so as to contribute to safer mountain climbing tour services. Using these guidelines, JATA aims to plan and conduct safer, more secure mountain climbing tours.

The outline of the guidelines supplement is as follows.

(1) Tour companies themselves must naturally have knowledge of the destination, but when selecting a local land operator, they must confirm that the operator has more detailed and deep knowledge of the tour courses concerned.

(2) Field surveys should be conducted with consideration for seasonal environmental variations and should be conducted during the season when the tours are planned. In the event that local land operator's staff carries out a field survey, tour companies must have a full grasp of the methods and results of the field survey.

(3) In some cases, communications equipment that can be used without a license in Japan is illegal in the destination country. So, it is necessary to check rigorously whether or not communications equipment can be used. The last resort is to have messages conveyed by a human messenger.

(4) When selecting assistant guides who are not Japanese to assist the head guide, their skill as mountain climbing guides is more important than their Japanese language ability, and this should be reflected in the selection criteria.

(5) In certain regions overseas, usage of wireless communications equipment and satellite phones is restricted, and so caution must be exercised regarding carrying in such equipment to those regions. It is desirable that emergency contact capability be constantly maintained by the parties involved in case of emergency.

In addition to the supplement pertaining to overseas tours, the following revisions and additions were also made to the existing guidelines with the aim of contributing to safer mountain climbing tour services.

(1) An explanation of the derivation of the words "mountain climbing," "trekking," and "hiking" were added. Walks for short durations on courses with little change in altitude, which are called "hiking tours" in ordinary tour travel plans, are outside the scope of these guidelines.

(2) An addition was inserted stating that even in areas where cell phones and wireless communications equipment, etc., cannot be used, a system should be prepared for swift communication in case of emergency. In cases where swift communication is impossible, the necessary preparations should be made so that participants' safety can be assured until communication is possible.

(3) When managing the itinerary, the first priority is the safety of the participants. The pre-determined itinerary should not be adhered to or enforced unreasonably at the expense of safety. The leader must take the necessary measures for appropriate itinerary management, including appropriate changes to the itinerary such as cancellation of departure or turning back for the safety of the participants, with overall consideration for the mountain climbing skills of the participants (not their skills as understood before departure but their actual skills as observed after the start of the tour), physical condition of the participants on the given day, condition of equipment, and weather conditions.

(4) Records of a tour company's verification process and condition of arrangements starting from the planning stage shall be retained in the company and shall be correlated with the following measures and results. It must never be forgotten that mountain climbing consists of "planning," "implementation," "recording," "review," and "measures."

Chairman of KATA visited JATA to meet Mr.Kikuma

Mr. Yang, Moo Seung, Chairman of KATA (Korean Association of Travel Agents), visited Mr. Jungo Kikuma, Chairman of JATA, on February 1st, Friday

During his meeting with Mr. Kikuma, Mr. Yang talked about KATA's efforts to expand Korean tourism to Japan. "We have been organizing seminars and forums and have undertaken different initiatives in order to facilitate business exchange with our Japanese partners. In order to provide even more opportunities for business communication, we are planning to work closely with authorities in local areas" said Mr. Yang.

"The number of Korean visitors to Japan has been growing. However, to increase customers' satisfaction, we are working on introducing a new system of rules and regulations for the companies that provide services to foreign tourists. We need to learn from the high quality products which the Korean travel industry offers. I believe that increasing the opportunities for business communication with local authorities will create a favorable environment for further expansion of our business" said Mr. Kikuma in reply.

Outbound Travelers Increase 2.5% in January, to 1.364 Million;
First Positive Increase in Five Months, Hope for Start of New Uptrend

According to an announcement by the Japan National Tourism Organization (JNTO) on February 19, the estimated number of outbound Japanese travelers increased in January by 2.5% year on year, to 1,364,000 persons, representing the first positive increase year on year in five months, since August 2012.

Last year, outbound travelers in the first half of the year from January through June rose by 17.5% year on year, reaching 8,964,605 persons. This high growth rate in the upper teens was in part a rebound from the temporary drop in travel demand in the first half of 2011 due to the impact of the Great East Japan Earthquake. However, looking at the second half of 2012, July and August both maintained positive growth, at 9.1% and 9.0% year on year, respectively, but subsequently, negative growth continued for four months. After switching to negative growth in September of minus 0.9% year on year, October was minus 3.1%, November was minus 3.9%, and December was minus 2.2%.

Total outbound travelers in 2012 increased by 8.8% to 18.49 million persons, breaking through the 18 million mark for the first time in history. However, because a decrease trend since September caused concern in the industry, the fact that the number of outbound Japanese travelers increased in January year on year gave the industry hope for a new uptrend in overseas travel demand.

	Japanese Overseas Travelers		(Unit: Persons)
Month	2012	2013	Change (%)
1 Jan.	1,331,144	1,364,000	2.5
2 Feb.	1,572,587		
3 Mar.	1,737,033		
4 Apr.	1,410,963		
5 May.	1,431,204		
6 Jun.	1,481,674		
1～6 Jan.-Jun.	8,964,605		
7 Jul.	1,598,016		
8 Aug.	1,964,041		
9 Sep.	1,622,996		
10 Oct.	1,470,289		
11 Nov.	1,434,503		
12 Dec.	1,436,172		
7～12 Jul.-Dec.	9,526,017		
1～12 Jan.-Dec.	18,490,622		

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Meanwhile, the number of foreign travelers who visited Japan in January is estimated to have decreased 2.4% year on year, to 668,700 persons. This is the first decrease in three months, since last October, which saw a 3.0% drop year on year.

According to JNTO's analysis, the factors behind the January decrease include the fact that the Chinese New Year, which affects travelers from China, is in February this year instead of January as it was last year as well as the ongoing conspicuous decline in tour groups from China. Even so, positive effects have been noted from the weakening yen, the progress of the Open Skies Agreement, an expanded supply of airline seats due to new air services such as low-cost carriers, and the decrease in airfares.

Looking by market, four countries set new records in January, as follow: Australia (up 42.6% year on year), Thailand (up 33.0% year on year), Indonesia (up 30.3% year on year), and Vietnam (up 38.1% year on year). In particular, more Australians usually visit Japan in January than in any other month, and they set a new record in January on a single month basis. Moreover, since April 2012, Thailand has been setting a new record each month for 10 months straight.

Applications to be Accepted from April for Certification;
JATA's Quality Assurance System for Tour Operators

Japan Association of Travel Agents (JATA) approved the Quality Assurance System for Tour Operators at its board meeting on February 15. On March 1, the website for the system was launched, and the website presents an outline of the system and the certification process. The plan is to add details concerning the certification system and how to apply starting next month. At that time, acceptance of applications will also begin. Application forms will be downloadable from the website.

JATA recognizes as an urgent task its efforts to boost the number of visitors to Japan by improving the quality of the tour operator industry and travel products, in addition to strengthening Japan's brand image by calling potential visitors' attention to the highlights of travel in Japan. Outstanding tour operators who meet predefined criteria will be certified. Assessment of tour operators will focus on their quality from the three perspectives of legal compliance, quality management and service levels, and corporate social responsibility (CSR), and improvement in these areas will depend on voluntary initiatives in the tour operator industry.

Through this, visitors to Japan will be able to enjoy safe, high-quality trips, and certified operators will receive consistent ratings from customers. Moreover, as the number of certified operators increases, the overall quality of the tour operator industry and its social presence will increase, which can be expected to increase the number of tourists visiting Japan and the number of repeaters.