

Japan's Leading Tourism and Aviation Weekly

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****Japanese visitors to Asia Pacific varied by country in July***

The number of Japanese visitors to China for July this year still grew by 16.5% to 310,000 over the same month last year due to positive rebound from the reductions after the anti-Japan demonstration in April last year. On the contrary, the number of those to Korea turned into 4.2% reduction to 173,272 for July this year although the monthly number had marked double-digit growth since May this year. For the first seven months of this year, China accepted 8.0% more Japanese visitors than a year ago, while Korea suffered from 4.5% reduction of Japanese visitors.

Japan National Tourist Organization (JNTO) reported that the number of Japanese departures for July this year was up 1.9% to 1,449,000 over the same month last year, however the growth rate was below 9.8% for May or 6.8% for June. For the first seven months of 2006, the number of Japanese departures reached 9,854,000, just 1.3% more than a year ago. It seems to be difficult to exceed all-time record 17.8 million Japanese departures in 2000.

Appealing as a World Heritage destination, Macau remarkably increased Japanese visitors by 28.6% to 15,522 for July this year, compared to a year ago, and the number of those for the first seven months of 2006 was up 22.7% to 112,973 over the same period last year. Hong Kong has also increased Japanese visitors since February this year.

Among Southeast Asian countries, Vietnam preferably increased Japanese visitors as the number of those for the first seven months of 2006 was up 22.9% to 199,910 over the same period last year, including 27,315 for July.

In the Pacific resort region, Mariana Islands including Saipan still suffered from large reduction of Japanese visitors because of smaller air capacity from Japan than before. Despite slight reduction of Japanese visitors from April to June this year, Guam succeeded in increasing those by 6.3% to 83,837 for July this year, compared to a year ago. Hawaii also reduced Japanese visitors mainly because of tight room supply.

Australia tuned into 10% reduction of Japanese visitors for July, and New Zealand has reduced those for 13 consecutive months.

Results for July 2006 (compared to July 2005)

China = 310,000 (up 16.5%)
 Korea = 173,272 (down 4.2%)
 Hong Kong = 101,269 (up 10.0%)
 Macau = 15,522 (up 28.6%)
 Taiwan = 81,142 (down 1.5%)
 Singapore = 52,280 (up 5.0%)
 Philippine = 34,634 (down 2.1%)
 Vietnam = 27,315 (up 7.5%)
 Hawaii = 116,921 (down 9.1%)
 Guam = 83,837 (up 6.3%)
 Mariana = 24,708 (down 21.1%)
 Australia = 50,400 (down 10.0%)
 New Zealand = 10,176 (down 5.1%)

Results for the first seven months of 2006 (compared to the first seven months of 2005)

China = 2,060,000 (up 8.0%)
 Korea = 1,296,364 (down 4.5%)
 Hong Kong = 727,032 (up 8.0%)
 Macau = 112,973 (up 22.7%)
 Taiwan = 644,106 (up 2.1%)
 Singapore = 331,805 (up 4.0%)
 Philippine = 253,285 (up 7.2%)
 Vietnam = 199,910 (up 22.9%)
 Hawaii = 784,068 (down 8.8%)
 Guam = 564,391 (up 3.3%)
 Mariana = 163,752 (down 24.2%)
 Australia = 368,400 (down 4.3%)
 New Zealand = 79,529 (down 11.1%)

**JATA will report "Post-20 million Overseas Travelers Plan" in October this year*

Japan Association of Travel Agents (JATA) will report "Post-20 Japanese Overseas Travelers Plan" in October this year, focusing on particular action plans for the travel industry after the current target of 20 million Japanese overseas travelers for 2007. A post-plan is now discussed under the Top Advisory Conference of JATA that has launched to discuss the future overseas travel strategies with the travel industry's vision and mission.

The Top Advisory Conference has already had four meetings since it launched this spring. The largest one of nine discussion cores is to make up an industrial policy, which primarily contains two themes: "shift into value-added creation industry" and "development of safe and peaceful travel for consumers."

The Top Advisory Conference picks five basic directions for "shift into value-added creation industry"— "demand creation," "understanding of the current situation and marketing," "development of human resources," "cooperation with the related ministries" and "cooperation with the related industries and organizations." Also, JATA intends to enhance its PR functions.

Practical discussions on "demand creation" include promotion for taking more vacations and acquiring passports, preferential tax treatment, development of charter flight operation, improvement of CIQ system and so forth. Also, the Top Advisory Conference discusses how the travel industry treats fuel surcharges in travel products because it seems to be difficult for consumers generally to understand relation between rise of fuel surcharges and overall rise of product prices.

**Fiji will run a joint tourism campaign for the Japanese market*

Fiji Visitor's Bureau and Air Pacific will develop "Tokonatsu Campaign (Everlasting Summer Campaign in English)" in the Japanese market for the second half of FY2006 (October 2006 to March 2007) to encourage potential Japanese travelers to visit Fiji. As new hotels were or will be built one after another in the island, they recognize that it is time to hammer out a new tourism campaign. According to the new campaign, travel companies are expected to offer new products for Fiji.

"Tokonatsu Campaign" will be joined by about 20 travel companies including whole sellers. Each company will produce exclusive products for the Campaign, for which a common log is used on product pamphlets. Also, different pamphlets will be issued according to customer targets.

Products will be offered at appropriate prices that can generate profits for producers. The Campaign is not for price competition with rival destinations.

For general consumers, the Campaign is featured on websites of AB-ROAD.net, Fiji Visitor's Bureau, Air Pacific and on a travel community site "4travel." In addition, the Campaign includes advertising development in JR Shibuya station and tie-up plans with media.

Through the Campaign, Air Pacific hopes to carry 25% or 30% more Japanese passengers to Fiji for the second half of FY2006 than a year earlier. Although the airline had a hard time slightly for the first five months of this year, it has increased Japanese passengers since June this year and recorded 42% growth for July and 8.5% growth for August.

The airline also expects that improvement of room availability will have a positive impact not only on the general tourist market but also on incentive or group travel market. The core target is a segment of relatively older females who are experienced-overseas travelers. Also, Fiji Visitor's Bureau expects that it is possible to increase younger females, students or families by offering reasonable products for those segments.

The Campaign is expected to be a step to approach all-time record of 47,000 Japanese visitors in 1997.

**NWA will add its Narita-Guam/Saipan flights from October*

Northwest Airlines (NWA) recently announced that it will expand its Narita-Guam flight services from one flight a day today to two flights a day from October 28 this year. Also, the airline will add one flight a week on its Narita-Saipan route for the limited period from October 29 to December 3 this year and will add another two flights a week on the route from December 15 this year, totaling ten flights a week.

On the contrary, NWA will suspend its Kansai International Airport-Saipan flights from October 28 this year. It will keep serving daily Central Japan International-Saipan flights.

The additional flights for Guam will be served with B757, which will complement the current daily B747 services. The additional flights for Saipan will be served with B747.

**KAL will fly into new Shizuoka Airport*

Korean Airlines (KAL) officially notified Shizuoka Prefecture that it will fly into Shizuoka Airport when it opens in March 2009. KAL is the third airlines to announce a flight service for the new airport, following JAL and Asiana Airlines. KAL plans to connect between Incheon (Seoul) and Shizuoka and hopes to offer daily service, depending on both business and tourist demands.

At the same time, KAL has signed MOU with JAL for cooperation at Shizuoka Airport, though details will be discussed

later on. As JAL and KAL operate code-share flights on nine routes between Japan and Korea today, it is probable for the pair to seek another code-share opportunity on Incheon-Shizuoka as well.

Asiana plans to offer four flights a week between Incheon and Shizuoka, while JAL has not decided a flight plan yet.

Shizuoka Prefecture forecasts that the new airport will be able to handle 1.06 million domestic flight passengers and 320,000 international flight passengers for the first business year. The Prefecture is making efforts to invite another international flights in addition to KAL and Asiana.

**Extension of Narita runway is finally accepted by local communities*

Four-way talks on Narita International Airport, joined by Ministry of Land, Infrastructure and Transport, Chiba Prefecture, local governments and Narita International Airport Co. (NAA), was held on September 5 to agree on increase of aircraft movements to 220,000 annually after extension of the B runway and also on expansion of the compensation area. NAA already applied to the Ministry for the plan of northward extension of the B runway to 2,500 meters on July 10 this year.

The four parties have confirmed this time that a total of 89 houses, 11 houses more than before, will be included in the compensation area, by which noise problem is supposed to be solved. Accordingly the Ministry will approve the NAA plan soon, and NAA will begin the extension work within September for completion on March 31 2010, a few months after the Haneda re-expansion program is completed.

At the same time, they have agreed that NAA must discuss with local governments again if the airport increases aircraft movements to more than 220,000 annually.

**Centrair resulted in 10% reduction of passengers for July*

Central Japan International Airport Co. reported that the number of passengers for July this year was down 10% to 1,002,800 over the same month last year mainly because of negative rebound from the special passenger growth during the Aichi Expo last year. The monthly total was broken down into 442,400 international flight passengers (down 4%) and 560,400 domestic flight passengers (down 14%).

In accordance with the reduction of passengers, the airport decreased sales of the terminal retail businesses by 22% to 2,006 million yen for July this year, compared to a year ago. While sales of duty-free-shops increased by 6% to 714 million yen, sales of general retail shops and of restaurants decreased by 35% to 784 million yen and by 27% to 580 million yen respectively.

In contrast to the reduction of passengers, Centrair increased international cargo handlings by 11% to 19,106 tons for July this year over the same month last year. The monthly total was broken down into 10,128 tons for loading (up 14%) and 8,978 tons for unloading (up 9%).

The airport handled 9,368 aircraft movements for July this year, 2% more than a year ago, comprising 3,218 for international flights (up 6%) and 6,087 for domestic flights (down 1%). The monthly total of international flight aircraft movements was broken down into 2,834 for passenger flights (up 3%), 387 for cargo flights (up 41%) and 60 for others (down 12%).

**Sojitz ties up with DLH for business aircraft charter services in Asia*

Sojitz, one of the leading trading companies in Japan, announced on September 4 that it has agreed with Lufthansa Airlines (DLH) for charter flight services by small business jet in the area of Asia. Before the tie-up with Sojitz, DLH has signed an agency contract with Marubeni Aerospace, another trading company, to provide private jet services to Japa-

