

50th Anniversary of Deregulation of Overseas Travel-Part 5

Narita Airport Opens after Overcoming Many Setbacks Contributes to Expansion of Outbound Travel amidst Surge in Demand



New Tokyo International Airport in 1978

In the mid-1970s when more than 10 years had elapsed since the deregulation of overseas travel, the surge in demand for flights outstripped the existing airport capacity. To keep pace with the growth of the expanding outbound travel market, New Tokyo International Airport (Narita Airport) was opened in May 1978. The airport, which opened after many setbacks, would contribute greatly to the achievement of

the “Ten Million Project” through “symbiosis with the local region.”

Responding to the Increasing Demand for Flights



Mr. Toru Nakamura

In August 1963, the year prior to travel deregulation, Kentaro Ayabe, Minister of Transportation in the second Ikeda Cabinet, submitted a proposal concerning the candidate sites and scale of a New Tokyo International Airport to the Council for Civil Aviation.

In June 1966, then-Prime Minister Eisaku Sato himself requested the cooperation of the governor of Chiba Prefecture with constructing a new airport in the

Sanrizuka, Narita City. The prefecture made requests to the national government concerning countermeasures for residents, and following agreement by both sides, the governor of Chiba Prefecture formally accepted the Sanrizuka plan.

Toru Nakamura, who joined the Ministry of Transportation in 1958 and served as administrative vice-minister of transportation from 1991 to 1993, was a former director of the New Tokyo International Airport Authority. He recalled, “In 1967, I returned to Japan from the US where I had been posted and began working on the Narita problem. At that time, the general public did not share our awareness of the need for a new airport to meet the demand in the aviation market. I remember that people’s viewpoints were skewed toward an interest exclusively in the “Narita conflict.”

However, in the 1970s, the demand for arrivals and departures in Japan exceeded the handling capacity of Haneda Airport. Putting planes in holding patterns in the air while they waited their turn to land and delays in take-offs became a daily occurrence. In August 1970, the Ministry of Transportation set the limit on daily arrivals and departures at Haneda Airport at 480 flights. Nakamura, who in June 1972 became manager of the International Section, Administration Department, Civil Aviation Bureau recalled, “I had trouble day after day coordinating the slots for flights, all the while thinking that since the airport had exceeded the limit of its capacity, we’ll really be in hot water if we don’t finish Narita Airport soon.”

“Symbiosis with the Local Region” Supported Development

Many people were looking forward to the opening of Narita Airport, including the government, the New Tokyo International

Airport Authority, local governments including Narita City, airline companies, affiliated companies, and those who provided the land, and finally it was realized on May 20, 1978. The opening ceremony was held at 10 am in the departure lobby of the passenger terminal’s north wing, where then-Minister of Transport Kenji Fukunaga indicated his positive hopes for Narita Airport, saying, “The harder the birth, the healthier the child grows up.”

Just as Minister Fukunaga had said, the number of Japanese passengers on international routes, which was 3.92 million persons in FY1978 when the airport opened, exceeded 5 million five years later in FY1983. Moreover, the outbound travel market expanded rapidly in the mid-1980s due to the strong yen. After the number of Japanese passengers on international routes from Narita Airport increased to 8.69 million persons in FY1987 from 6.75 million persons in the previous year, the figure suddenly hit 10.82 million in FY1988, cleanly clearing the 10 million mark.

The Ministry of Transportation prepared the Outbound Travel Doubling Plan (Ten Million Project) in September 1987, and the number of outbound Japanese tourists reached 10 million in 1990 after the government unfolded policies to enhance safety measures overseas and boosted the movement toward taking longer vacations.

Nakamura, who assumed the office of head of the International Transport and Tourism Bureau in June 1987 and took command of drawing up the Ten Million Project, reminisced, “When overseas travel was deregulated in 1964, I was working at the tourism promotion office in San Francisco. It was difficult even to imagine that the number of Japanese traveling overseas would exceed 10 million persons annually.” He emphasized, “Narita Airport faced difficulties as an inland airport, and we must not forget that the steady efforts put into ‘symbiosis with the local region’ are what lie behind the support for overseas travel demand, which has continued to grow continuously with tremendous momentum.”

Outbound Japanese Travelers Top 4 Million Annually

In 1979, the year after Narita Airport opened, outbound Japanese travelers amounted to 4,038,298 persons (up 14.6% YOY), and so in the fifteenth year after travel deregulation, the figure topped the 4 million mark for the first time.

The number of outbound Japanese sharply increased from 1,392,045 persons in 1972 to 2,288,966 persons in 1973, a 64.4% increase YOY. However, due to the impact of the first oil crisis following the eruption of the Fourth Arab-Israeli War in October 1973, the figure stood at 2,335,530 in 1974 with growth dropping to a 2.0% increase YOY. The sluggishness continued in the following year of 1975 with 2,466,326 persons representing a 5.6% increase.

However, the figure recovered to 2,852,584 persons, a 15.6% increase YOY, in 1976, followed by 3,151,431 persons (10.5% increase) in 1977 and 3,525,110 persons (11.9% increase) in 1978. Narita Airport was opened in response to this rapid expansion of the overseas travel market, and in the four consecutive years up to 1979 when the number of outbound Japanese travelers surpassed 4 million persons, it had maintained double-digit growth YOY.

Nonetheless, due to the second oil shock caused by the embargo on exports of Iranian oil during the Iranian revolution in the fall of 1978, the number of outbound Japanese travelers turned negative, declining 3.2% YOY in 1980. Thus, the sixteenth year following travel deregulation was the first year of negative growth during that period.

(Reference: Statistical Survey on Legal Migrants, Japan’s Ministry of Justice)

“JATA Tourism EXPO Japan 2014”

Outbound and Domestic Business Meeting More Enhanced Content by Merging with the Tabi Fair

The business meeting at JATA Tourism EXPO Japan 2014 will be held on September 25 and 26 in the Conference Tower of Tokyo Big Sight.

The business meeting is one of the four major events at JATA Tourism EXPO Japan together with the exhibits, International Tourism Forum, and awards ceremony. This year, in addition to the outbound business meeting and media meeting, the business meeting will also include a domestic business meeting due to the merging of the Japan Travel and Tourism Association’s Tabi Fair and JATA Tabihaku. These three will be conveniently located in the Conference Tower, and their content will be further enhanced this year.

Exhibitors at JATA Tourism EXPO Japan 2014 will outnumber those last year’s figure, which itself was a record-setting number, and a very substantial number of sellers are anticipated to participate in outbound and domestic business meeting. As of mid-June, scheduled participants in the outbound business meeting number 400 sellers from 300 companies (compared to 344 sellers from 285 companies in 2013) and 250 buyers from 100 companies (compared to 184 buyers from 65 companies in 2013). Participants in the domestic business meeting number 60 sellers from 30 companies and 50 buyers from 25 companies. At the media meeting, 150 persons from 70 media companies (compared to 104 persons from 70 companies in 2013) are expected to participate.

The first day of the business meeting will be in the form of meeting based on advance appointments where the buyers will be seated and the sellers will pay visits, and a maximum of 15 sessions of business meeting can be held. The second day will feature a day-long open session where buyers will visit the sellers’ exhibit booths, and it will be possible to more flexibly accommodate participants’ schedules.

To enable efficient planning of business meeting, we offer matching online in advance by displaying buyers’ and sellers’ information so that participants can narrow down whom they would like to meet at the business meeting.

Japan Travel and Tourism Association and JATA members may participate free of charge as buyers at the outbound and domestic business meeting. Moreover, just like last year, if they are working at a regional office (i.e., an office outside of Tokyo and the prefectures of Chiba, Saitama, and Kanagawa), the members of either organization can receive two nights of free lodging in Tokyo during the event. In the case of non-members, up to two persons from one company can participate for a fee.

The participation of many travel industry people in the business meeting will contribute to the construction of networks domestically and internationally, and so we look forward to the participation of as many travel-related personnel as possible this year as well.

Outline of Business Meeting 2014

Date/Time: September 25 (Thursday), 2014, 9:00-18:00 and September 26 (Friday), 11:00-18:00

Location: Tokyo Big Sight

【Day 1 (September 25)】Outbound Business Meeting, Domestic Business Meeting, Media Meeting

Location: Conference Tower, Tokyo Big Sight

Form: Appointment matching in advance (20 minutes per session)

*Buyers will sit at desks and be visited by sellers

*The Media Meeting is a session for the domestic Japanese media and sellers

【Day 2 (September 26)】Outbound Business Meeting and Domestic Business Meeting

Location: East Hall, Tokyo Big Sight

Form: Open session

*Buyers will visit sellers’ exhibit booths

-Conditions for Participant Registration

Buyer Participants: Japan Travel and Tourism Association members (no charge), JATA members (no charge), non-members (10,000 yen/person)

Seller Participants: Limited to exhibitors

-Online Registration for Business Meeting 2014

Here is the website for online registration↓

<http://t-expo.jp/biz/program/bms.html>

Online registration is available starting June 25.



More than 900 people from over 100 countries and regions joined business meeting last year

Report on JATA's 58th Annual General Meeting

Leadership to Make Japan a Major Tourism Nation Hiromi Tagawa, JTB President & CEO, Designated as New JATA Chairman



JATA's new administration team: Maruo, Kikuma, Tagawa and Yoshikawa (From left to right)

On June 18, JATA held its 58th Annual General Meeting and Board of Directors' Meeting at Keidanren Kaikan in Otemachi, Tokyo. JTB President & CEO Hiromi Tagawa was designated as the new chairman of JATA. At the General Meeting, in addition to approval of the FY2013 Business Report and Settlement of Accounts, new Articles of Association were approved which include promotion of travel as a trinity of outbound travel, domestic travel, and inbound travel and contribution to the development of the tourism business. (Each title is as of June 18, 2014)

Communicating Asian Tourism to the World

Presenting the opening greeting at the General Meeting was Jungo Kikuma, JATA chairman. Reviewing the highlights of JATA's activities in FY2013, he noted realizing JATA Tourism EXPO Japan as one of the largest travel events in the world in both name and fact as a result of the merging of the Japan Travel and Tourism Association's Tabi Fair and JATA Tabihaku. Moreover, by concluding a comprehensive partnership agreement with the UN World Tourism Organization (UNWTO), JATA "created a base for communicating information not only about tourism in Japan but also about tourism in Asia to the world," he emphasized. These happenings were timely in view of the travel industry's central role in fulfilling the proposal put forth by the Japan Tourism Agency's Tourism Industry Policy Review Committee to "aim to be a tourism industry that is state-of-the-art and the best in the world."

Furthermore, he explained that JATA's committees, chapter offices, and secretariat are working together as one on the issues that were highlighted through discussion in the Special Committee for Policy Study set up by JATA. He also pointed out the significance of JATA's arrangement of a place for regular meeting with the Japan Tourism Agency and the Japan Civil Aviation Bureau, thereby creating a means for sharing opinions with the administration to promote the resolution of problems shared by the entire industry, such as the fuel surcharge problem and various problems involved in the revision of the Travel Agency Act and standard terms and conditions of travel contracts.

Looking ahead, with the decision made to hold the 2020 Olympics and Paralympics in Tokyo and interest in tourism rising not only in the travel industry but also across the industrial world, he stressed, "The role that JATA has to fill is growing larger." In addition, he noted that currently there tends to be a bias toward revitalization of domestic regions through promotion of inbound travel and domestic trips, and given that outbound travel, which provides the core income for JATA members, continues to be

sluggish, he recognized, "Improvement of the environment surrounding outbound travel is a major task for our organization."

At the General Meeting, JATA Director Tatsuro Nakamura introduced the FY2014 Business Plan which is structured on a basic policy composed of eight pillars, including creation of travel opportunities by proposing improvements to the vacation system, etc., initiatives to improve the environment to strengthen the management base, and study of measures to cope with the advance of Internet distribution and globalization. In addition, vice chairman Hiromi Tagawa explained issues related to the Travel Agency Act and standard terms and conditions of travel contracts.

Promoting Tourism as a Trinity of Outbound, Domestic, and Inbound

The Board of Directors' Meeting was held following the General Meeting. Together with nominating Hiromi Tagawa, JTB President & CEO, as the new chairman of JATA, the three persons designated as vice chairmen were as follows: Jungo Kikuma, chairman & CEO of World Air-Sea Service Co., Ltd., Katsuhisa Yoshikawa, chairman of the board of KNT-CT Holdings Co., Ltd., and Kazuaki Maruo, president and CEO of Nippon Travel Agency Co., Ltd.

In his speech upon his retirement from the post of chairman, Jungo Kikuma recounted, "I have worked for two years to manage the association hand-in-glove with Vice Chairman Tagawa and Vice Chairman Yoshikawa. Given JATA's growing international presence and the rising expectations toward tourism from the nation and economic circles, JATA's functions are expanding dramatically. For JATA to demonstrate its power to the maximum in this new era on a new stage, we thought it would be good to slightly adjust the division of roles in our troika-like arrangement."

In his speech upon his assumption of the office of chairman, Hiromi Tagawa noted, "I want to continue and to develop further the initiatives started under the former chairman, Jungo Kikuma, who worked energetically to strengthen JATA's voice in the world by energizing the JATA organization, including strengthening the management base of the travel industry where there are many small and medium companies engaged in human resources development and crisis management, etc., and strengthening the cooperation with the JATA chapters and also collaboration with international institutions such as UNTWO and the Pacific Asia Travel Association (PATA)." Furthermore, in light of the fact that he has worked on issues in the travel industry as chairman of the Special Committee for Policy Study and the Special Committee on the Travel Agency Act, he expressed the desire to "energize JATA's activities to boost its stature in the travel industry while steadily putting into practice the FY2014 Business Plan which organizes and incorporates the issues in the Interim Report released at last year's General Meeting which are still not completely implemented, protecting the interests of members of the travel industry, and responding to the major changes of the times."

Chairman Tagawa clearly recognized, "To make Japan a tourism nation, it is absolutely necessary to develop the three business sectors of outbound, domestic, and inbound travel as one." He stressed, "There is no other organization besides JATA that deals with and promotes these three sectors." He sees the 2020 Tokyo Olympics and Paralympics which are boosting people's interest regarding tourism as something that will "increase JATA's influence, and at the same time, present a prime chance for JATA members to expand their business opportunities." He reaffirmed the need "to actively promote the three sectors of tourism as one."

Chairman Tagawa displayed his determination, saying, "I would like to exercise active leadership to make Japan not just a tourism nation but a major tourism nation by strengthening the presence of JATA and the Japanese tourism industry both domestically and internationally and by improving Japan's brand power."