Travel Industry Monthly Report

Aiming to Raise the Industry's Standards and Status JATA Chairman Tagawa Expresses Aspirations in Inaugural Interview

JATA Chairman Hiromi Tagawa gave his inaugural interview at Zennittsu-kasumigaseki Building in Kasumigaseki, Tokyo, on July 2, where he said, "I would like to work on raising the standards and improving the status of the travel industry overall, and at the same time, respond swiftly to the tumultuous changes in the market while also listening fully to the voices of small and medium travel agencies and regional travel agencies."

Speaking from his experience over the past two years as JATA vice chairman when he worked on travel business issues in the Special Committee for Policy Study and the Special Committee on the Travel Agency Act, he pointed out, "Given the changes in the environment surrounding the travel business, the expectations of the role of the tourism industry have become very large." Referring to the fact that the tourism industry accounts for 6.2% of employment in



JATA Chairman Hiromi Tagawa

Japan while it represents only 5% of the GDP, he said, "Few people are employed in Japan's tourism industry compared to the global average of 9%, and so as the Japanese economy grows, it is my hope that the number of people employed in the tourism industry in Japan will increase." Chairman Tagawa emphasized, "There are many supporting businesses involved in the

tourism industry, and collaboration is occurring not just in tourism itself but among all types of related businesses. New value and services are being created." In light of this, because the role filled by the travel business is not limited to Japan but extends to the global scale, he noted, "The role of JATA, as an organization that represents Japan's travel industry, is extremely large."

Given that the number of inbound foreign travelers exceeded the 10 million mark for the first time in 2013, he explained, "We are now beginning to see the trinity of the travel industry market, composed of outbound, domestic, and inbound travel, take shape." He stressed, "The balance of the three areas is important. The role of the travel industry will be vital particularly in regional economies to realize the collective strength of the three areas."

As middle income earners in Asian countries increase in number, Chairman Tagawa mentioned the growing possibility that more travelers from Asia will travel not only within Asia but will also spread out around the world. According to UNWTO, international visitors globally are expected to increase 45% between 2010 and 2020, and in Asia, an increase of 74% is expected. Chairman Tagawa noted, "With the Asian region attracting attention on a global scale, how Japan positions itself is becoming very important." Now, 50 years after deregulation of overseas

travel, Japan's travel industry has its eye on achieving 20 million outbound travelers annually. "We need to fill a role as a leader in the expanding Asian market and communicate the know-how and mechanisms we have developed over the past 50 years to other Asian countries," he proclaimed.

Chairman Tagawa listed the following as priority issues for JATA: (1) cope with the Internet age, (2) attract human resources, (3) stimulate travel demand, (4) make policy proposals, (5) promote a community-based approach, and (6) make JATA Tourism Expo Japan a success. He spoke further about these as follows.

- (1) Cope with the Internet age...With the Internet rapidly spreading and the need to win in international competition via the Web, I would like to make efforts to promote environmental improvements, including a review of the systems that are acting as obstructions.
- (2) Attract human resources...People are the deciding factor in business. I want to support the securing and training of outstanding human resources to win the competition among industries for human resources. With the cooperation of our members, I want to offer internships in the travel industry to over 100 students this summer. For local revitalization, it is also necessary to increase the number of people working in the tourism industry, such as in local governments, etc., as well as in the travel industry overall.
- (3) Stimulate travel demand...One of the roles that JATA has long filled is arrangement of promotional activities such as campaigns. Not stopping with only outbound travel and domestic travel, I also want to undertake initiatives to reach the goal of 20 million inbound foreign visitors set by the Japan Tourism Agency.
- (4) Make policy proposals...I want to actively make policy proposals that will lead to the development of the travel market and the creation of travel demand, including the issue of the vacation system and other domestic systems and practices. To boost the status of the travel industry, I would like for the tourism industry as a whole to make proposals.
- (5) Promote a community-based approach...From the aspect of regional economic revitalization, I want to promote collaboration among JATA chapters across Japan, from Hokkaido to Okinawa. There are over 90 airports in Japan, and while working to resolve CIQ (customs, immigration, and quarantine) issues, we must expand overseas travel demand with regional arrivals and departures. To transform from a tourism-oriented country into a true major tourism nation, promotion of two-way tourism is indispensable. In regional areas, I want to take a community-based approach toward promotion of outbound travel and expansion of inbound travel.
- (6) Make JATA Tourism Expo Japan a success...Soon, in September, this year's JATA Tourism Expo Japan will be held. This first annual event is orchestrated with a framework representing all of Japan, and I would like to create a successful event in collaboration with UNWTO and PATA that symbolically expresses innovative spirit of Japan's tourism industry.

Travel Industry Monthly Report

The business talks are positioned as one of the pillars in aiming to produce an event that is highly recognizable globally for featuring the outbound, domestic, and inbound trinity of travel by combining the Japan Travel and Tourism Association's Tabi Fair, JATA Tabihaku, and Visit Japan Travel Mart.

In the Business Meeting Subcommittee up to now, we have identified and dealt with issues to enable the holding of high-quality business talks, and I am confident that preparations are now in place for very productive business talks.

The domestic suppliers who participated in the Tabi Fair were focused mainly on promotion through their exhibits up to last year. This year, they can build their networks simultaneously while engaging in business talks, and we have participants from all 47 prefectures.

Suppliers were encouraged to participate in JATA Tourism Expo Japan by large travel agencies with nationwide networks in collaboration with local governments, and I think this led to their registration for the business talks.

Among overseas exhibitors, Palestine and Iraq, among others, will participate for the first time this year, and the fact that it will be possible to hold business talks with such newly-participating suppliers from overseas is a great attraction.

Following the conclusion of inbound business talks, 350 overseas buyers will be guided to the domestic exhibits and will have business talks with domestic sellers, and so I think that the unification of the trinity of outbound, domestic, and inbound in one venue truly will produce concrete results.

Previously at the media meeting, there were more than a few cases of participation by advertising staff. This year, however, we are strengthening the presence of editorial staff, in cooperation with major advertising agencies. So, participants should be able to make great use of the media meeting as a place for publicity activities.

Toward a Movement to Unify Japanese Tourism

OPublic Relations Subcommittee

Masakazu Takimoto, subcommittee chairperson (managing director and executive officer, Nippon Travel Agency)

The Public Relations Subcommittee has struggled with how to make a public relations success of this first annual event which combines events from the three areas of outbound, domestic, and inbound and which is one of the world's largest in scale.

Behind the undertaking of this new challenge lies a huge groundswell of the era, including the trend toward a tourism-oriented country promoted by the government and the national enthusiasm over the 2020 Tokyo Olympics as well as the expansion of inbound tourism which the news is reporting on almost daily as contributing to the Japanese economy.

One of the important responsibilities of the subcommittee is to ensure attendance that is fitting for one of the largest travel events in the world. Members of the Organizing Committee of JATA Tourism Expo Japan include persons from bodies in related industries, such as hotel associations and department store associations. Under the Organizing Committee is the Executive Committee, and the Public Relations Subcommittee, which is one of its subcommittees, welcomes involvement in various forms by the bodies participating in the Organizing Committee. The formation of links through such involvement will lead to the realization of a tourism-oriented country in the true sense.

I have mentioned this at various opportunities up to now, but the tourism industry has the three arrows of outbound, domestic, and inbound. While increasing the force of the three arrows and creating synergistic effects among industries such as airlines, travel, and lodging through the Organizing Committee's influence, we must boost the campaign to unify tourism in Japan.

For this, the travel industry must first forge a solid footing, each travel agency must strengthen notifications to and the awareness of its staff, and we must promote the provision of travel information to a variety of customers. These are the minimum necessary things that we must work on.

I ask everyone at JATA member companies to please work together on this.

Disaster Simulation Training

Implemented by 88 Companies on "Travel Safety Day"

Starting this year, JATA established July 1 as "Travel Safety Day," and 88 member companies across Japan conducted disaster simulation training on the day.

At the simulation training this year, the companies carried out confirmation of the safety managers' responsibilities and the emergency contact network as well as confirmation of the condition of tours in progress and the safety of tour participants.

Together with advertising the travel industry's safety measure to ordinary consumers, the event was also an opportunity to promote the purchase of travel insurance and to encourage proper usage of seatbelts, emergency exits, and so forth.

Yoshinori Ochi, secretary-general of JATA, pointed out, "We have the cooperation and recognition of government bodies such as the Japan Tourism Agency and the Ministry of Foreign Affairs, and we were able to educate the general public." He stressed the significance of the simulation training, saying, "Through the efforts of nearly 100 member companies including some that conducted simulation training for the first time, the event fostered awareness that 'the time and cost protect the company and create value."



Disaster simulation training at Tonichi Travel Service

Travel Industry Monthly Report

"JATA Tourism EXPO Japan 2014"

Sub-committee Chairpersons Talk about Attractions at One of the World's Largest Travel Events





Many people enjoyed various events last year

month, the curtain will be raised on JATA Tourism Expo Japan 2014. Anticipation is growing in Japan and abroad for this event, one of the largest travel events in the world where the three travel areas of outbound, domestic, and inbound will be united. We talked with four sub-committee

In only one

chairpersons who have been making thorough preparations for the success of the event about the attractions we have to look forward to.

Discussion on the Themes of "The Power of Travel" and "Regions"

OConference and Ceremony Subcommittee

Koji Ikehata, subcommittee chairperson (executive officer and general manager of Overseas Travel Division, KNT-CT Holdings Co., Ltd.)

As Taleb Rifai, Secretary-General of UNWTO, will highlight in his keynote address on the theme of how "the power of travel invigorates local regions," the major themes of this year's JATA Tourism Expo Japan will be "the power of travel" and "regions," and in relation to this, discussions will be held on the fields of outbound travel, domestic travel, and inbound travel.

The Japan Tourism Agency has come out with a policy to promote two-way tourism, and so the importance of two-way tourism is recognized in the national tourism policy. In the travel industry, in addition to outbound travel and domestic travel which are currently the industry's bread and butter, we are working on inbound travel not only because it still has large growth potential but also because we must consider inbound travel when thinking about how to raise the level of overall travel demand.

Initiatives are underway across Japan to attract inbound travelers, and it is also necessary to expand outbound travel to convey the attractions of each region in Japan to people overseas so that they will come to visit the regions they have heard about from Japanese travelers. Because JATA Tourism Expo Japan will be held with the cooperation of the Japan National Tourist Organization (JNTO) and the Japan Travel and Tourism Association and will enjoy the participation of local governments and local tourism-related bodies as well as the travel industry, I am confident that we will have a symposium where the participants will probe the theme of invigorating Japan through tourism.

In the panel discussion held with the cooperation of the Pacific Asia Travel Association (PATA) on the theme of "the growing ASEAN market," we will focus on ASEAN not only as a destination for outbound travel but also as a sender of inbound tourists, and we would like for the travel industry personnel participating from around the world to think about two-way tourism that can invigorate local regions.

I ask that staff at JATA member companies talk to the people in their local areas involved in tourism and local government and encourage them to actively participate in this event.

A Venue That Can Raise the Profile of Japan's Tourism Strategy

Operations and Exhibits Subcommittee

Atsushi Takahashi, subcommittee chairperson (deputy director, Marketing Department, Railway Operations Headquarters, East Japan Railway Company)

Given the merging the Japan Travel and Tourism Association's Tabi Fair and JATA Tabihaku which were held separately until last year to create JATA Tourism Expo Japan, and at the same time, the addition of the Visit Japan Travel Mart as an inbound event, I think that this year's event will be much more valuable for travelers. There are probably few people who only travel domestically and even fewer who only take outbound trips, and so from that perspective, we are creating a true comprehensive travel event for travelers.

From the exhibitors' standpoint, domestic exhibitors from around Japan will be able to see a variety of ideas and styles in the booths and events of foreign suppliers, which should serve them well when they exhibit at trade fairs in other countries. Moreover, foreign suppliers who exhibit at JATA Tourism Expo Japan will be able to deepen their understanding of tourism materials and tourism resources in the various regions of Japan.

The Visit Japan Travel Mart was limited to booth exhibits up to now, but this time, participants can visit the booths after the conclusion of the business meetings and the Travel Mart to enjoy events at the booths, and there they will be able to actually see and interact with, in concrete form, what they discussed at the business meetings. So, particularly because the expansion of the inbound travel business talks will be accompanied by domestic exhibits, I think participants will be able to have a completely different experience this time compared to past events.

Moreover, attracting inbound travel is the natural next step when one is already attracting domestic travel, and so for example, local governments and local business people could stage joint booth exhibits to further strengthen their appeal. Therefore, I look forward to many people coming to actually experience JATA Tourism Expo Japan this year and then actively expanding their participation even further in future years.

I intend to make steady efforts step by step to create a venue where we can raise the profile of Japan's national tourism strategy which has travel as the centerpiece.

"Trinity" Bears Concrete Results

©Business Meeting Subcommittee

Akihiro Hosono, subcommittee chairperson (director and general manager of Travel Marketing and Strategy Department, JTB Group Headquarters)