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***NWA has decided "zero commission" to travel agencies**

Northwest Airlines (NWA) announced on May 27 that it would abolish its ticketing commission to travel agencies. "Zero commission" will be effective on ticketing after October 1 this year. NWA says that it is one of its cost reduction efforts and to offer more transparent price system to customers.

United Airlines, American Airlines and Continental Airlines have decided to cut their ticketing commissions on international flights from 5% to 3% after July this year. The NWA decision may influence other carriers, including JAL and ANA.

Commission cut is particularly having a big impact to travel agencies that mainly deal with business travels. It is definite that the traditional business

model on ticketing between the travel industry and the airline industry has reached a turning point.

***GVB emphasizes three markets to appeal another Guam**

Guam Visitors Bureau (GVB) recently hosted the 15th Hafa Adai Study Tour 2008 for the travel industry of Japan, joined by 114 representatives from travel agencies. GVB Deputy General Manager Mary Torres said in the seminar that GVB is focusing on three markets of wedding and group, incentive and silver and senior this year, emphasizing that Guam can offer a variety of tourism attractions in addition to beach resort activities.

The wedding market of Guam today has more than 10,000 Japanese couples a year. Torres revealed that GVB hopes to increase the number of Japanese couples to 15,000 in the near future, appealing a short flight from Japan, a lot of Japanese-speaking staff and plentiful activities after wedding.

GVB is also developing a group traveler campaign in the off-season period from April to June this year, and Continental Airlines and some hotels have offered special services exclusively for groups.

A share of over 50 years old Japanese visitors to Guam reached 17% last year. GVB is appealing indigenous history, culture and nature for Japanese senior travelers. In Guam, tourist facilities to experience Chamorro cultures have been developed.

GVB will develop a summer campaign particularly for family travelers, featuring "Sakana-kun," a famous TV figure in Japan. Through such campaign efforts, GVB aims to raise a share of Japanese travelers to Guam from 5.4% today to 5.9% of all Japanese outbound travelers. The number of Japanese visitors to Guam in 2007 was down 2.2% to 932,175 over 2006, however GVB Japan Office & Sales Manager Yuji Mitsumori said, "The result was not so bad when we see that the number of available seats on flights between Japan and Guam decreased by 8.5% in 2007 compared to 2006."

GVB General Manager Gerald Perez said that GVB is trying to appeal different attractions of Guam from beach resort or shopping. One of the efforts is "One attraction in one village" to promote history and culture of Guam. Perez said that GVB would appeal diversified Guam by introducing one attraction or one charm point in each of 19 villages.

***Croatia emphasizes theme-oriented tourism and local partnership**

Eduard Tripkovic Katayama, Croatian National Tourist Board head of Japan office, said at an interview with the Wing Travel Weekly that the tourism authority is focusing on creation of theme-oriented tourism and local partnership in Central and Eastern Europe to increase Japanese visitors stably. "Croatia is getting popular among Japanese people, and Japanese visitors are actually increasing. However, we need to prepare for the future from now on," he added.

The Japan Office opened in January this year, following the New York Office. Katayama said that it is first important to raise awareness to Croatia. It is trying to expose the destination through media and to strengthen promotions to the travel industry of Japan.

Katayama also said, "Japan is one of the important markets for Croatia and a leading market in Asia. However, Japanese tourists are different from European tourists in terms of travel style. One of our roles is to fill in the gaps step by step."

According to the tourist board, the number of Japanese visitors to Croatia increased from 32,748 in 2005 to 64,751 in 2006 and further increased by about 30% to 86,000 in 2007 compared to 2006 mainly because of JAL's charter flights to the destination. The tourist board has a goal of 100,000 Japanese visitors by 2010.

Regarding creation of theme-oriented tourism, the Japan Office is introducing history, nature or food culture as an entrance to Croatia and proposing island tours by cruise ships or religious pilgrimages.

For local partnership, Katayama said, "Today a route from Zagreb to Dubrovnik seems to be regarded as only travel in Croatia. However, we have to introduce another destinations in Croatia. Croatia is diversified country with different cultures between seaside and mountainside. By introducing various travel themes, we hope to increase repeaters."

Katayama also pointed out that it is important to cooperate with tourism authorities of neighboring countries to draw Japanese people's interests in the region. "By doing so, it is possible for us to create new ideas and more attractive tourism routes," he added.

One of the issues for increase of Japanese visitors is flight capacity between Japan and Croatia. Katayama said, "Needless to say, it is excellent if scheduled flights between Japan and Croatia are available, however I understand it is difficult at this moment. I think it is better if scheduled flights are served to a gateway city to the region, such as Budapest of Hungary. Even via Paris, it may be possible to increase Japanese visitors. For that, it is essential to have partnerships with other tourism authorities in Europe."

***Japanese departures in April resulted in 8% reduction**

Japan National Tourist Organization (JNTO) recently reported that the number of Japanese departures overseas in April this year decreased by 8% to 1,187,000 over the same month last year, resulting in year-on-year reductions for 12 consecutive months. The number of those for the first four months of 2008 totaled 5,369,000, 5.0% smaller than the same period of 2007.

The reduction in April probably resulted from more hesitations to travel in China, worse sequence of holidays during this Golden Week period, rise of fuel surcharges and cooler consumers' minds to overseas travel.

On the contrary, the JNTO report finds that the number of foreign visitors to Japan in April this year increased by 9.3% to 780,200 over April 2007,

resulting in year-on-year growths for 26 consecutive months. The followings are monthly results of major 12 markets:

Korea = 203,800 (up 6.9%)
Taiwan = 140,700 (up 12.9%)
China = 103,200 (up 29.4%)
Hong Kong = 36,500 (down 4.0%)
Thailand = 35,500 (up 30.8%)
Singapore = 13,500 (up 16.9%)
Australia = 19,100 (up 8.0%)
America = 69,200 (down 7.5%)
Canada = 14,600 (down 0.6%)
U.K. = 18,900 (down 9.4%)
Germany = 11,500 (up 7.0%)
France = 17,400 (up 14.5%)
Others in total = 96,300 (up 8.9%)

***Regulatory Reform Council propose a goal of 1 million flight slots in Tokyo Metropolitan**

Council for Regulatory Reform under the Cabinet Office recently released a report on strategic use of airports in the Tokyo Metropolitan area, in which the council proposes that a total of 1 million flight slots annually, consisting of 500,000 at Haneda, 400,000 at Narita and 100,000 at other airports, should be ensured for the future. Also, the council proposes privatization of all airports in Japan and a new system for airlines to exchange their slots.

Regarding additional slots at Haneda after the re-expansion program completes in 2010, the report says that the aviation authority should emphasize international flights when it decides slot allocation and ensure more than 30,000 daytime slots for international flights.

For selection of international routes from Haneda, the report says that "appropriate routes from Haneda" include Europe or Australia routes as well. Even before the re-expansion program completes, Haneda should promote more international charter flights in the late night and early morning zone

(23:00 to 6:00) and the special time zone (6:00 to 8:30 for landing and 20:30 to 23:00 for taking off).

The report also mentions Narita: "The government and Narita International Airport Co. have to make efforts to complete the extension of the 2nd runway to 2,500 meters as soon as possible and to ensure more slots for international flights to meet growing demand.

***Japan and Vietnam agree with expansion of flight capacity**

The bilateral aviation talks between Japan and Vietnam took place in DaNang in Vietnam for two days from May 21 to 22. Both of the aviation authorities agreed with aviation liberalization between both countries and expansion of flight capacity at Narita International Airport after the extension of the 2nd runway to 2,500 meters completes in 2010.

The agreement on aviation liberalization will allow airlines of both countries to fly into any airports, except the airports in the Tokyo Metropolitan area for Vietnamese airlines, and serve any numbers of flights without any restrictions. Vietnam is the fifth country for Japan to reach an aviation liberalization agreement, based on the government-leading Asia Gateway Concept, following Korea, Thailand, Macau and Hong Kong.

Also, the agreement this time will enable both countries to increase flight capacities between Narita and Vietnam cities after the extension of the 2nd runway to 2,500 meters completes in 2010 as follows:

Japan to increase from a total 14 Hanoi and Ho Chi Minh flights a week today to 14 Hanoi flights a week and 14 Ho Chi Minh flights a week and no restriction for any other airports in Vietnam.

Vietnam to increase from a total of 11 Hanoi and Ho Chi Minh flights a week today to seven Hanoi flights a week and 14 Ho Chi Minh flights a week and 21 flights a week for other airports in Vietnam.

***Narita reduced both domestic and international flight passengers in April**

Narita International Airport Co. recently reported that the number of passengers in April this year was down 4% to 2,666,779 over the same month last year. The monthly total consisted of 2,577,322 for international flights (down 4%) and 89,457 for domestic flights (down 5%).

Out of the total international flight passengers, Japanese largely decreased by 7% to 1,275,172, while foreigners slightly increased by 2% to 834,392. Transits were down 4% to 467,758.

In April this year, the airport handled 15,958 aircraft movements in total, 1% more than April last year. The monthly aircraft movements for international flights reached 14,872, broken down into 12,416 for passenger flights (up 1%), 2,246 for cargo flights (up 1%) and 210 for others (down 13%). The number of aircraft movements for domestic flights was up 3% to 1,086.

Narita dealt with cargoes of 180,561 tons in April this year, 2% less than a year ago. The total consisted of 88,648 tons for loading and 91,913 tons for unloading.

***Centrair suffered from 5% reduction of international flight passengers in April**

Central Japan International Airport Co. recently reported that Centrair decreased passengers in April this year by 2% to 879,087 over the same month last year. Out of the monthly total, the number of international flight passengers reduced by 5% to 430,000, while the number of domestic flight passengers slightly increased by 1% to 449,087.

The number of aircraft movements was down 7% to 7,949, broken down into 3,070 for international flights (down 13%) and 4,879 for domestic flights (down 2%). The monthly total of aircraft movements for international flights

