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***New JATA Chairman emphasizes the travel industry needs evolution**

Japan Association of Travel Agents (JATA) held the 51st general assembly on June 13 to select Akira Kanai, President & CEO of Nippon Travel Agency (NTA), as new chairman. Kanai said, "We have to contribute to the tourism business and the national policy toward a tourism country in a different manner from before."

Kanai recognizes that the travel industry is now under a very severe business condition. However, he anticipates Tourism Agency that will be launched in October this year, saying that it is important for persons in charge of tourism to work together for smooth function of the new agency.

In addition, Kanai emphasized that it is necessary to reform the business structure of the travel industry, citing the famous Charles Darwin's saying: "It

isn't the strongest of the species that survive, nor the most intelligent but the ones most responsive to change.

Koji Shinmachi, who had served as JATA chairman for six years, takes office as special advisor.

***JATA budgets 130 million yen for VWC activities in FY2008**

Japan Association of Travel Agents (JATA) has the following four main activities in FY2008: making efforts to create outbound tourist demands, tackling a verity of structural issues in outbound, domestic and inbound travels, strengthening activities as a member of society and improving services for member travel companies.

In the Visit World Campaign (VWC) that has started since April this year, JATA is particularly making efforts to re-develop traditional destinations, to develop new destinations and to create new tourist demands through new ideas, such as charter flights from local cities. At the same time, JATA is addressing structural issues through deregulation efforts.

In detail, JATA is tackling deregulation for overseas school trips or educational tours, the passport acquisition campaign and an issue regarding fuel surcharges.

For the FY2008 budget, JATA has ensured 130 million yen for VWC activities and 329 million yen for outbound travel promotions as a whole, 1.6 times more than FY2007.

***Recruit survey finds Dubai attracts more attentions as a future destination**

AB-ROAD, the Japan's largest overseas travel site powered by Recruit, reported that Guam, Hawaii, Korea and Taiwan particularly were preferred as overseas travel destinations in 2007, when it recently released the result of the

overseas travel market survey to 8,153 Japanese overseas travelers. The survey also finds that Europe is still popular as a future destination.

Among family travelers with children, the most popular destinations were Guam and Oahu (Hawaii), followed by Korea, Hawaii (except Oahu), Australia, Taiwan and West Coast of America. For family travelers with parents, Korea was the top, followed by Oahu and Taiwan.

For married couple travelers, the best three destinations were Oahu, Korea and Taiwan, and for couple travelers, Korea, Oahu and Taiwan were preferred in order. For solo travelers, Korea was the most popular, followed by Taiwan and Thailand (except beaches).

Chinese destinations, such as Shanghai, ranked around 10th because the survey was conducted in late March, when negative factors, including the food security problem, were extensively broadcasted.

Asked about travel purposes, many overseas travelers answered "visiting places of historic interest and scenic beauty," "enjoying local foods" or "shopping." More than 50% of family travelers with children answered "relaxing."

In a question of where you want to travel in the future, Italy, France and Germany are the top three destinations for unmarried males, and Italy, France and U.K. are the top three destinations for unmarried females. For married couples without children Italy, Spain and France are popular, and for married couples with children, Italy, France and Australia are preferred.

It is noteworthy this time that Dubai raised its ranking in the future destination question from 30th or 40th in the last survey to around 10th in this survey in all traveler segments. Also, other islands than Oahu (9th) are more preferred by unmarried female travelers than Oahu (16th) in the future destination question.

Regarding the total travel expense combined payments in Japan before traveling with local spending, France and U.K. were the highest with around

500,000 yen on average partially because of stronger Euro. Interestingly, there was not so big difference between payments in Japan and local spending in traveling Europe, unlike other destinations.

The cheapest total travel expense was 140,000 yen for Beijing, followed by Shanghai, Korea or Taiwan at around 170,000 yen. In Oahu, Guam, Saipan, Hong Kong, Macau and Korea, local spending was higher than payments in Japan.

The survey on a process from planning to booking finds that the decision moment was 4.9 months before departure on average in 2007, earlier than 4.3 months before departure in 2006. Also, the planning start moment was 3.2 months before departure in 2007, 0.3 months earlier than 2006. The booking moment was 2.4 months before departure in 2007, 0.3 months earlier than 2006.

With regard to information sources to find overseas package tours, "internet" accounted for 40.6% of all respondents, increasing from 34.9% in 2006. The second largest source was "travel company's pamphlet" with a share of 33.5% (32.7% in 2006). On the contrary, "travel company's retail shop" lowered its share from 11.5% in 2006 to 7.0% in 2007.

***KNT to revise downward its FY2008 midterm financial forecast**

Kinki Nippon Tourist (KNT) announced on June 18 that it has revised downward its consolidated financial forecast for the FY2008 midterm period (January to June 2008), expecting that net loss will double to 5,000 million yen compared to the initial forecast. Operating revenue for the first six months of FY2008 has been revised downward to 33,100 million yen, 9.6% less than the initial forecast. Also, operating loss and recurring loss have respectively been revised downward from 2,100 million yen initially to 4,100 million yen and from 1,650 million yen initially to 4,000 million yen.

KNT explains that the revision mainly results from lower tourist demand due to high fuel surcharges and reduction of travel transactions in the China

market due to the food security problem or the earthquake in Sichuan.

KNT has also revised its financial forecast for the full year of FY2008 as follows:

operating revenue of 82,200 million yen, 1.0% less than initially forecasted

operating profit of 600 million yen, as initially forecasted

recurring profit of 1,100 million yen, 21.4% less than initially forecasted

net profit of 700 million yen, as initially forecasted

***The start-up Korean LLC hopes to fly into Japan**

Korean Airlines announced on June 15 in Seoul that its low-cost carrier (LLC) Air Korea becomes Jin Air. Jin Air CEO Jae Kun Kim said, "Jin Air's goal is to provide safe and convenient services to our valuable customers." The start-up LLC will begin its services with B737-800 on Seoul Gimpo Airport-Cheju route on July 17 this year. The airline is the third LLC in Korea, following Air Hanson and Jeju Air.

Kim also revealed that Jin Air plans to begin international flight services maybe for Japan, China or Southeast Asia next year.

The name Jin Air holds several meanings. It comes from a Chinese character, pronounced 'jin' in Korean, which means 'true' or 'genuine'. It can also be interpreted as 'jeans' which will be a part of Jin Air's staff uniforms, which represent Jin Air's ambition of providing practical, easy-to-reach yet value-added travel experience to the public. The corporate tag line is "Fly better, fly! Jin Air."

Cabin attendants wear casual uniforms of jeans and T-shirts. The brand-new airline will particularly target young generations as potential passengers.

***AAL unveils new business class seats in Japan**

American Airlines (AAL) unveiled its new business class seats in Tokyo on



You can also find out what happened in Japan at the following websites
(English news).

JAPAN TIMES: <http://www.japantimes.co.jp>

THE DAILY YOMIURI: <http://www.yomiuri.co.jp/dy>

MAINICHI DAILY NEWS: <http://mdn.mainichi-msn.co.jp>

NHK: <http://www.nhk.or.jp/english>

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