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This Week Headline

- *Minister Fuyushiba hammers out his plan on 60,000 Haneda slots for international flights
 - *"DiscoverAmerica.com" starts to strengthen promotions of traveling in America
 - *JATA and TIA expect to launch a new organization for tourism promotions
 - *Foreigner-inbound travels helped increase travel transactions for FY2007
 - *Narita celebrated its 30th anniversary with a total of 680 million passengers
 - *Kansai achieved record-high profit for FY2007
 - *JAL air transport result for March 2008 and full year of FY2007
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***Minister Fuyushiba hammers out his plan on 60,000 Haneda slots for international flights**

Minister of Land, Infrastructure and Transport Tetsuzo Fuyushiba revealed his plan to expand international flight functions at both Narita International Airport and Haneda Airport at the Council on Economic and Fiscal Policy on May 20. The Council is a consultative organ within the Cabinet Office.

The plan includes allocation of about 60,000 slots annually at Haneda Airport to international flights after the Haneda re-expansion program completes in 2010.

In detail, about 30,000 slots for a daytime zone may be allotted to Asian destinations beyond the perimeter rule, such as Beijing, Taipei or Hong Kong,

as well as short-haul destinations with high business travel demands, such as Seoul or Shanghai. In addition, for an early morning and late night zone from 23:00 to 6:00, another 30,000 slots may be allotted to scheduled flights for Europe, North America or Southeast Asia to complement Narita, which closes during the time zone.

Added 60,000 slots at Haneda and 20,000 slots at Narita after the extension of the 2nd runway to 2,500meters, the total capacity for international flights in the Tokyo Metropolitan area is expected to expand by 44% approximately to 260,000 slots annually compared to today. The Haneda idea is based on a negative forecast that Narita will never meet growing international flight demands in the future.

After Haneda starts using the fourth runway, its capacity will largely increase to 400,700 slots annually. However, the capacity will expand step by step because the air traffic control system is changed. At least, 30,000 slots during daytime will be used for international flights from the beginning when the fourth runway opens.

Open of the fourth runway will create a total of 40,000 slots during an early morning and late night zone, out of which about 10,000 slots will be allotted to domestic flights, and the rest of 30,000 slots will be used for international flights.

When all of the ongoing programs at Haneda and Narita complete, the total capacity for both domestic and international flights will reach 696,000 slots annually, which may be the largest air traffic function among major cities of Asia. However, the Ministry forecasts that the capacity will be full about ten years later.

***"DiscoverAmerica.com" starts to strengthen promotions of traveling in America**

Travel Industry Association of America (TIA) started its new travel information portal site "DiscoverAmerica.com" in Japan on May 20. TIA

Executive Vice President & COO Bruce Bommarito, who visited Japan to announce the start, said at a news conference that the portal site first focuses on top five markets of Canada, Mexico, U.K., Germany and Japan, which account for 75% of all foreign visitors to America. "I am happy to introduce it in Japan earlier than any other countries," he added.

The site is operated by TIA that took care of about 40% of the whole budget for launching it, and US Department of Commerce also invested \$3.9 million to production of the site.

"DiscoverAmerica.com" includes six categories of destinations, activities, travel reports, basic information, immigration procedures and bookings. In the category of destination, you can search information on destinations you are interested in, using a map. The category of activities offers 24 search items, such as music, theme park, national park, golfing, beach or family-oriented activity.

As a booking engine, the site uses a system of Travelocity. You can search promotion information or agents (available maybe from June or July this year) as well as hotel booking services.

TIA Japan office said that it would discuss how travel companies of Japan can be involved in the site.

***JATA and TIA expect to launch a new organization for tourism promotions**

Travel Industry Association of America (TIA) Executive Vice President & COO Bruce Bommarito said at an interview with the Wing Travel Weekly, "I appreciate Japan Association of Travel Agents (JATA)' promoting Visit World Campaign (VWC). TIA would like to cooperate with the campaign." JATA has selected nine countries and regions, including mainland America, Hawaii and Guam, as priority markets for VWC in the first half of FY2008.

He also anticipates JATA's hosting Fly & Drive FAM tours in west coast in

June and national parks in July this year, saying that Fly & Drive is still a highly potential market.

JATA and Hawaii Tourism Authority (HTA) have already launched Japan-Hawaii Tourism Conference (JHTC), a new organization to encourage more Japanese tourists to visit Hawaii. Following Hawaii, JATA aims to make a new organization for tourism promotions between Japan and mainland America, working together with TIA.

TIA is lobbying the federal government to pass a new travel promotion act, according to Bommarito. If a new act is passed, a total of around \$20 billion budget annually, \$10 billion from the federal government and another \$10 billion from private sectors, is expected to be ensured for travel promotions. TIA expects that it will be passed by the end of this year.

***Foreigner-inbound travels helped increase travel transactions for FY2007**

Ministry of Land, Infrastructure and Transport recently reported that the total travel transactions of 63 major travel companies in FY2007 (April 2007 to March 2008) increased by 2.4% to 6,818 billion yen, compared to FY2006. The total consisted of 2,703 billion yen for outbound travels (up 1.4%), 4,052 billion yen for domestic travels (up 2.8%) and 62.8 billion yen for foreigner-inbound travels (up 26.4%).

Transactions of package tour products totaled 1,879 billion yen in FY2007, 3.2% more than FY2006, with 47,901,929 customers (up 4.7%). The total was broken down into 818.2 billion yen (up 2.0%) with 4,805,590 customers (down 1.7%) for outbound travels, 1,057 billion yen (up 4.0%) with 42,891,584 customers (up 5.0%) for domestic travels and 3,315 million yen (up 29.8%) with 204,755 customers (up 31.1%) for foreigner-inbound travels.

The following companies achieved double-digit travel transactions in FY2007: JTB Business World Tokyo, iJTB, KNT Tourist, Nissin Travel Service, Hitachi Travel Bureau, JTB Global Marketing & Travel and

M-HEART Tourist.

The following companies achieved double-digit outbound travel transactions in FY2007: PTS, i.JTB, KNT Tourist, Nissin Travel Service and Hitachi Travel Bureau.

***Narita celebrated its 30th anniversary with a total of 680 million passengers**

Narita International Airport celebrated its 30th anniversary on May 20 this year. For 30 years since it opened on May 20 1978, the airport had operated about 3,540,000 aircraft movements, handled 680 million passengers and dealt with cargos of more than 40 million tons.

Narita is changing now toward the future. The 2nd runway will be completed its extension to 2,500 meters in March 2010, which will allow the airport to create additional 20,000 slots. In April 2010, Narita Rapid Railway will connect between center of Tokyo and the airport for the fastest 36 minutes. Also, the road network around the airport will be developed further.

***Kansai achieved record-high profit for FY2007**

Kansai International Airport CO. reported that it posted record high net profit of 10,800 million yen for FY2007, 10.7% more than FY2006, when it released its consolidated financial result for the full year of FY2007 on May 16. Operating revenue was up 0.4% to 106,114 million yen, recording year-on-year increases for four consecutive fiscal years.

Operating expenses increased by 1.3% to 81,090 million yen mainly because of additional expenses on open of the second runway on August 2 last year, and recurring profit was down 9.6% to 11,397 million yen.

Out of the whole operating revenue, aviation revenue was down 0.5% to

19,735 million yen in FY2007 due to the discount program for landing fee and the reduction of fuel supply facilities charges and airport usage charges.

On the contrary, non-aviation revenue was up 1.0% to 59,989 million yen in FY2007, including 19,148 million yen from the directly operating businesses, such as duty-free shops and restaurants in the terminal. The ratio of aviation revenue to non-aviation revenue was 57 to 43.

Consolidated long-term liabilities as of the end of FY2007 decreased by 64,060 million yen to 1,396,584 million yen. Out of the sum, interest-bearing liabilities amounted to 1,120,000 million yen.

In FY2007, Kansai handled 129,000 aircraft movements in total, 10.7% more than FY2006, broken down into 80,000 for international flights (up 8.0%) and 49,000 for domestic flights (up 15.4%). The number of flights a day was up 10.4% to 176.2. The number of passengers was 16,685,000 in FY2007, almost the same as FY2006. Cargo volume was up 5.5% to 847,000 tons in total.

For the full year of FY2008, the airport company forecasts operating revenue of 104,439 million yen (1.6% less than FY2007), operating profit of 20,704 million yen (17.3% less than FY2007), recurring profit of 5,888 million yen (48.3% less than FY2007) and net profit of 2,604 million yen, expecting 137,000 aircraft movements (6.2% more than FY2007) and 16.94 million passengers (1.5% more than FY2007).

***JAL air transport result for March 2008 and full year of FY2007**

[MARCH 2008]

INTERNATIONAL FLIGHT (JAL, JAS, JAA, JAL Ways)

Passengers = 1,129,228 (95.1%)

RPK = 5,099,060 thousand passenger kilometers (95.6%)

ASK = 6,966,044 thousand seat kilometers (96.5%)

Load factor =73.2%

<Results by destination>

--Trans-Pacific routes

Passengers = 229,103 (98.7%)

RPK = 1,759,050 thousand passenger kilometers (98.4%)

ASK = 2,257,484 thousand seat kilometers (102.2%)

Load factor = 77.9%

--Europe routes

Passengers = 108,582 (94.2%)

RPK = 1,017,531 thousand passenger kilometers (94.1%)

ASK = 1,301,951 thousand seat kilometers (93.3%)

Load factor = 78.2%

--Southeast Asia routes

Passengers = 380,128 (94.4%)

RPK = 1,396,135 thousand passenger kilometers (97.5%)

ASK = 1,965,478 thousand seat kilometers (96.5%)

Load factor = 71.0%

--Oceania routes

Passengers = 44,089 (79.1%)

RPK = 320,579 thousand passenger kilometers (82.3%)

ASK = 434,067 thousand seat kilometers (74.4%)

Load factor = 73.9%

--Guam

Passengers = 49,996 (89.5%)

RPK = 127,781 thousand passenger kilometers (90%)

ASK = 162,695 thousand seat kilometers (92.6%)

Load factor =78.5%

--Korea routes

Passengers = 148,823 (101.0%)

RPK = 158,728 thousand passenger kilometers (101.0%)

ASK = 211,070 thousand seat kilometers (95.8%)

Load factor = 75.2%

--China routes

Passengers = 168,507 (94.6%)

RPK = 319,256 thousand passenger kilometers (92.8%)

ASK = 633,300 thousand seat kilometers (105.7%)

Load factor = 50.4%

DOMESTIC FLIGHT (JAL, JAS, JTA, JEX, J-Air, JAC, HAC, RAC)

Passengers = 3,701,393 (95.0%)

RPK = 2,826,402 thousand passenger kilometers (95.7%)

ASK = 4,195,249 thousand seat kilometers (96.1%)

Load factor = 67.4%

[FY2007]

INTERNATIONAL FLIGHT (JAL, JAS, JAA, JAL Ways)

Passengers = 13,367,904 (99.3%)

RPK = 60,426,280 thousand passenger kilometers (96.5%)

ASK = 84,128,194 thousand seat kilometers (95.6%)

Load factor = 71.8%

<Results by destination>

--Trans-Pacific routes

Passengers = 2,739,857 (92.3%)

RPK = 21,175,458 thousand passenger kilometers (91.5%)

ASK = 26,955,246 thousand seat kilometers (90.3%)

Load factor = 78.6%

--Europe routes

Passengers = 1,341,682 (95.9%)

RPK = 12,587,842 thousand passenger kilometers (96.8%)

ASK = 16,878,987 thousand seat kilometers (99.0%)

Load factor = 74.6%

--Southeast Asia routes

Passengers = 4,345,618 (102.8%)

RPK = 15,625,573 thousand passenger kilometers (107.1%)

ASK = 23,456,551 thousand seat kilometers (102.5%)

Load factor = 66.0%

--Oceania routes

Passengers = 524,101 (72.1%)

RPK = 3,843,178 thousand passenger kilometers (75.8%)

ASK = 5,171,795 thousand seat kilometers (70.6%)

Load factor = 74.3%

--Guam

Passengers = 544,569 (102.5%)

RPK = 1,385,918 thousand passenger kilometers (102.5%)

ASK = 1,850,207 thousand seat kilometers (99.0%)

Load factor = 74.3%

--Korea routes

Passengers = 1,886,662 (110.0%)

RPK = 2,011,680 thousand passenger kilometers (112.0%)

ASK = 2,592,801 thousand seat kilometers (101.9%)

Load factor = 77.6%

--China routes

Passengers = 1,980,005 (103.6%)

RPK = 3,781,481 thousand passenger kilometers (104.3%)

ASK = 7,202,966 thousand seat kilometers (111.8%)

Load factor = 52.5%

--Others

Passengers = 5,410 (123.2%)

RPK = 15,150 thousand passenger kilometers (115.9%)

ASK = 19,642 thousand seat kilometers (120.2%)

Load factor = 77.1%

DOMESTIC FLIGHT (JAL, JAS, JTA, JEX, J-Air, JAC, HAC, RAC)

Passengers = 41,904,924 (95.3%)

RPK = 31,746,470 thousand passenger kilometers (95.7%)

ASK = 50,085,682 thousand seat kilometers (96.6%)

Load factor = 63.4%

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