

**Japan's Leading Tourism and Aviation Weekly**

Under Copyright Law Reproduction of Publication Strictly  
Prohibited Without consent of Publisher

Published every Monday by The WING Aviation Press (Koku Shimbun Sha).  
San-Miyanaga Building, 5-12 Moto-Akasaka 1-chome, Minato-ku, Tokyo 107-0051, Japan  
Phone: 81-3-3796-6646, Fax: 81-3-3796-6645  
mailto:jwtw@jwing.com , http://jwing.com/e/ (English) , http://jwing.com/ (Japanese)  
Subscription Rates: Overseas: One year \$ 215.00, Half year \$ 125.00  
Domestic (including tax): One year 26,000 Yen, Half year 15,000 Yen

***This Week Headline***

*JATA Chairman targets 18.5 million overseas travelers for 2006 .....	1
*Minister Kitagawa: "Need to achieve 7.5 million foreign visitors for 2006." .....	1
*Japanese departures for 2005 reached 17.4 million .....	2
*Guam accomplished the annual target of Japanese visitors for 2005 .....	2
*New Year's air traffic was active on domestic routes but lower on international routes .....	3
*Narita handled 1.0% more departures during New Year holidays .....	4
*Star Flyer accepts an approval for an air transport business .....	4
*SKY slumped growth, ADO increased passengers during New Year holidays .....	4
*JAL air transport result for November 2005 .....	5
*A new Russian cargo operator will fly into Japan .....	6

***\*JATA Chairman targets 18.5 million overseas travelers for 2006***

Japan Association of Travel Agents (JATA) Chairman Koji Shinmachi(Photo) declared at a news conference on January 11 this year that JATA targets 18.5 million overseas travelers for 2006, 6% more than 2005, under a JATA basic theme of "The Dynamism of Travel." He mentioned the theme: "It is time for tourism to contribute to diplomatic relations with foreign countries, to lead economy, to expand job creations and to develop cultural exchanges."



The number of Japanese overseas travelers for 2005 may remain at the 17.4 million level. Shinmachi attributes the biggest reason for the lower growth to the aggravation of relationship with China. However, he expects that the travel industry will be encouraged this year by favorable economy of Japan, Japan-China Tourism Exchange Year 2006 or Japan-Australia Exchange Year 2006 particularly.

Shinmachi added, "We understand the target of 18.5 million overseas travelers is not so easy to be completed. Without friendships with foreign countries, overseas tourism will not develop. We especially hope political relations with neighboring countries will be improved." It is one of the most important themes to achieve a goal of 20 million overseas travelers in 2007.

Shinmachi said of the goal for 2007, "It is not an ultimate goal, but just a recovery goal. We have to discuss how we should set up a goal after 20 million overseas travelers." Toward more than 20 million, tourism will need to develop as a healthy industry for society. "For that, the travel industry should make every effort to improve quality as well as quantity," he added.

*\*Minister Kitagawa: "Need to achieve 7.5 million foreign visitors for 2006."*

The Minister of Land, Infrastructure and Transport Kazuo Kitagawa(Photo) said at a New Year party for the tourism industry on January 11, "We have to decide upon a definitive goal for foreign visitors in 2006. To accomplish the ultimate target to accept 10 million foreign visitors in 2010, it is crucial to execute an annual target of 7.5 million foreign visitors this year."



It is forecasted that the number of foreign visitors to Japan for 2005 may increase by 9.2% to 6.7 million approximately over 2004 under favor of the Aichi Expo. To accomplish the target of 7.5 million foreign visitors for 2006, it is necessary to accept 11.9% more foreign visitors than the result for 2005. It is actually a high hurdle.

In the forecasts by private sectors, JTB Foundation and JTB estimate foreign visitors for 2006 at 7.3 million and 7.1 million respectively.

For the high annual target, Kitagawa said that it is particularly essential to extend tourism exchanges between Japan and China, expecting the deregulation of group travel to Japan by Chinese tourists, which has been enforced since July 2005, will work more effectively in 2006. "Through several projects related to Japan-China Tourism Exchange Year 2006, a variety of exchange programs, such as exchanges between sister cities or exchanges of young generations, will be expected to encourage potential Chinese tourists to visit Japan," Kitagawa added.

Also Korea is still an important country for Japan in developing the foreigner-inbound travel market, as Kitagawa said that 2006 should be a year to deepen tourism relations among Japan, China and Korea. Kitagawa has proposed a minister-level tourism meeting by the three nations.

Looking at the domestic tourism developments, Kitagawa said that the government will further work together with local governments to support tourism developments by each local region, as he recognizes that tourism is one of the most important policies for local governments. "I will visit as many local cities as possible to stimulate local developments by tourism," he added.

*\*Japanese departures for 2005 reached 17.4 million*

The Ministry of Justice Immigration Bureau preliminarily reported that the number of Japanese departures for 2005 was up 3.4% to 17.4 million compared to 2004. Although the result was lower than 17.8 million for 2000, it marked the second most departures ever. However, all months for the second half of 2005 except November resulted in reductions of Japanese departures primarily because of the adverse influences from the strained diplomatic relations with China and Korea.

In the meantime, the report also finds that the number of foreign visitors to Japan for 2005 was up 10.3% to 7.45 million compared to 2004. Except reentry foreign travelers, the number of new entry foreign travelers also increased by 11.1% to 6.12 million compared to a year ago. The growth rate of foreign visitors for 2004 was 18.0% due to the positive rebound from the SARS turmoil through the previous year.

The government's target of 10 million foreign visitors in 2010 is based on the above statistics excluding foreigner residents in Japan and also including transit foreigners.

*\*Guam accomplished the annual target of Japanese visitors for 2005*

Guam Visitors Bureau (GVB) recently reported that the number of Japanese visitors to Guam for December 2005 was up 4.2% to 82,677 on a preliminary data basis over the same month 2004. Including the monthly result, the total number of

Japanese visitors to Guam for 2005 increased by 5.5% to 955,154 compared to a year ago, accomplishing the initial target of 950,000 annually. Guam successfully accepted more than 950,000 Japanese visitors for the first time since 1999.

The followings are results by month:

January = 88,977 (up 11.7%)  
 February = 80,955 (up 4.3%)  
 March = 85,283 (up 6.1%)  
 April = 68,197 (up 9.2%)  
 May = 71,277 (up 3.5%)  
 June = 72,897 (up 7.0%)  
 July = 78,899 (up 1.1%)  
 August = 84,097 (down 0.7%)  
 September = 85,356 (up 2.8%)  
 October = 75,480 (up 7.6%)  
 November = 81,059 (up 10.6%)  
 December = 82,677 (up 4.2%)

*\*New Year's air traffic was active on domestic routes but lower on international routes*

Each of airlines released air transport results during this New Year holiday season at the same time on January 10 this year. The results comprehensively show that the airline industry increased passengers in the domestic flight market particularly because of much higher tourist demand for Okinawa, but decreased those in the international flight market mainly because the inactive tourist demand for China still continued.

JAL Group (JAL, JAA and JAZ) carried a total of 280,374 passengers on its international routes during the New Year period, 5.1% smaller than a year ago, providing a total of 375,436 seats (down 4.1%). The average load factor was 74.7%. Although JAL Group carried 4.5% less passengers on China routes than a year ago, JAA (Japan Asia Airways) carried 8.9% more passengers on its Taiwan routes than a year ago.

JAL Group's passenger results by destination are as follows:

Honolulu = 39,677 passengers (down 15.8%), 85.0% L/F  
 North America = 30,698 passengers (up 4.2%), 91.2% L/F  
 Europe = 28,365 passengers (down 6.8%), 78.7% L/F  
 Southeast Asia = 68,453 passengers (up 1.6%), 78.4% L/F  
 Oceania = 16,052 passengers (down 7.4%), 87.1% L/F  
 Guam = 14,482 passengers (down 36.5%), 89.4% L/F  
 Korea = 32,131 passengers (up 4.3%), 69.7% L/F  
 China = 29,488 passengers (down 4.1%), 51.2% L/F

JAL Group (JAL, JEX, JTA, RAC, JAC, HAC) increased domestic flight passengers during the 2005-2006 New Year period by 1.0% to 1,647,708 over the same period a year ago, though it reduced available seats by 2.4% to 2,579,019. The average load factor was 63.9%.

Meanwhile, ANA Group carried a total of 1,628,630 passengers on its domestic routes during the 2005-2006 New Year period, 1.2% more than a year ago, although it reduced available seats by 1.0% to a total of 2,554,169. The average load factor was 63.8%. ANA Group particularly increased passengers for Okinawa by 9.5%, for Chugoku and Shikoku by 3.6% and for Hokkaido by 2.4% compared to a year ago.

In the international flight market, ANA Group carried a total of 79,852 passengers during the 2005-2006 New Year period, 3.0% smaller than a year ago, providing a total of 113,567 seats (up 5.4%).

ANA Group's passenger results by destination are as follows:

America = 21,530 passengers (down 12%), 86.9% L/F  
 Europe = 11,921 passengers (down 2%), 81.1% L/F

China = 41,294 passengers (down 17.5%), 52.1% L/F

Asia = 53,546 passengers (up 14.5%), 79.0% L/F

Resorts = 16,919 passengers (down 8.9%), 79.7% L/F

### *\*Narita handled 1.0% more departures during New Year holidays*

Tokyo Immigration Bureau Narita Airport branch office reported on January 12 that the number of departures and arrivals at Narita Airport during this New Year holiday period (December 22 2005 to January 9 2006) was up 0.8% to about 1,431,200 on a preliminary data basis, compared to a year ago. The total was classified into about 721,600 departures (up 1.0%) and about 709,600 arrivals (up 0.6%).

In detail, Narita handled about 525,600 Japanese departures (down 2.2%) and about 521,400 Japanese arrivals (even) during the period. On the contrary, the number of foreign departures was up 10.7% to about 196,100, and also the number of foreign arrivals was up 2.2% to about 188,100, compared to a year ago.

The reduction of Japanese departures may result from continuous damages of the anti-Japan demonstrations in China to Japanese tourists or shift of a certain number of Japanese passengers from Narita to Haneda or Central Japan International Airport, according to the authority. However, it is also true that air travel demand is on a track to recover as a whole, as the report finds that the number of departures and arrivals a day during the period was about 75,300 on an average.

### *\*Star Flyer accepts an approval for an air transport business*

Star Flyer accepted an approval for an air transport business from the Ministry of Land, Infrastructure and Transport on January 11 this year. With the approval, the start-up airline will officially be able to begin serving Haneda-New Kitakyushu flights on March 16 this year, when New Kitakyushu Airport opens. Before beginning of the business, it must take inspections for its operation and maintenance facilities. Air tickets will be sold from January 16 this year.

Star Flyer President Takaaki Hori said at a news conference right after taking the business approval, "We could take a step as an airline. Putting safe operation as the first priority, we will serve different hospitality from others." Star Flyer estimates potential travelers on the route will be more than 2 million annually, however the current passenger demand on Haneda-Kitakyushu Airport is approximately 300,000 a year, about 15% of the estimated number. Hori emphasized that the airline will possibly win over potential travelers between Tokyo and Kyushu from other transportation systems.

The load factor target is 60% through a year. Also, Star Flyer aims to earn annual sales of 13 billion yen and to carry 750,000 passengers for the first business year. To achieve the business targets, the airline will particularly focus on local business travel demand in Kyushu with 12 flight frequencies daily. Also, it will develop strong marketing activities for potential passengers in the Tokyo Metropolitan area. In addition to five flights daily by JAL, Hori expects that the Haneda-New Kitakyushu route will grow into a 1.2 million-passenger market.

In prepare for possible severe competition with JAL, Hori said, "The two pioneer airlines started their businesses with only one or two airplanes. On the other hand, we will operate three airplanes for 12 return flights daily from the beginning. We are in the different business situation from the pioneer airlines."

To win the competition, Star Flyer is deepening its business relations with ANA for aircraft maintenance and a booking system. Also, an code-sharing agreement with ANA is now under discussion. With regard to aircraft maintenance, Star Flyer will rely on ANA only in an emergency case. Heavy maintenance will be conducted by Lufthansa Technik of Germany.

Star Flyer will add one more aircraft to the fleet in February 2007 to prepare for the extension of Haneda Airport's capacity in 2009.

*\*SKY slumped growth, ADO increased passengers during New Year holidays*

Skymark Airlines (SKY) reported that the number of passengers during this New Year holiday season totaled 87,522, 2.8% more than a year ago, thanks to the additional flights on Haneda-Kansai International route (opened in March 2005), on which SKY carried 9,434 passengers. On each of other three routes, SKY decreased passengers as follows:

Haneda-Fukuoka = 49,219 passengers (down 1.4%), 75.6% L/F

Haneda-Kagoshima = 17,096 passengers (down 18.4%), 58.8% L/F

Haneda-Tokushima = 11,773 passengers (down 17.3%), 50.2% L/F

During the period, SKY provided a total of 142,156 seats on the four routes, 15.1% more than those on the three routes a year ago. The average load factor was 61.6%.

In the meantime, Hokkaido International Airlines (ADO) carried more passengers on Haneda-Sapporo and Haneda-Asahikawa routes during this New Year holiday season than a year ago. Including passengers on Haneda-Hakodate route, which was opened in March 2005, ADO carried a total of 60,210 passengers during the period, 47.7% more than a year ago, providing a total of 71,004 seats (up 44.5%). The average load factor was 84.4%.

Passenger results by route are as follows:

Haneda-Sapporo = 41,026 passengers (up 18.7%), 87.3% L/F

Haneda-Asahikawa = 9,974 passengers (up 61.2%), 80.9% L/F

Haneda-Hakodate = 9,210 passengers, 79.0% L/F

*\*JAL air transport result for November 2005*

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

Passengers = 1,143,765 (92.1%)

RPK = 5,436,544 thousand passenger kilometers (95.7%)

ASK = 7,732,672 thousand seat kilometers (94.7%)

Load factor = 70.3%

<Results by destination>

Trans-Pacific routes

Passengers = 259,236 (96.9%)

RPK = 1,982,297 thousand passenger kilometers (96.8%)

ASK = 2,620,164 thousand seat kilometers (96.7%)

Load factor = 75.7%

Europe routes

Passengers = 125,195 (106.1%)

RPK = 1,166,758 thousand passenger kilometers (106.7%)

ASK = 1,620,875 thousand seat kilometers (98.4%)

Load factor = 72.0%

Southeast Asia routes

Passengers = 348,830 (90.8%)

RPK = 1,193,954 thousand passenger kilometers (92.1%)

ASK = 1,916,096 thousand seat kilometers (93.8%)

Load factor = 62.3%

Oceania routes

Passengers = 78,056 (94.9%)

RPK = 547,943 thousand passenger kilometers (92.7%)

ASK = 700,864 thousand seat kilometers (88.1%)

Load factor = 78.2%

Guam

Passengers = 50,434 (60.2%)

RPK = 126,836 thousand passenger kilometers (61.3%)

ASK = 172,236 thousand seat kilometers (58.3%)

Load factor = 73.6%

Korea routes

Passengers = 131,707 (92.5%)

RPK = 136,824 thousand passenger kilometers (95.9%)

ASK = 212,097 thousand seat kilometers (115.1%)

Load factor = 64.5%

China routes

Passengers = 150,307 (92.0%)

RPK = 281,933 thousand passenger kilometers (93.4%)

ASK = 490,339 thousand seat kilometers (99.6%)

Load factor = 57.5%

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

Passengers = 3,715,868 (95.6%)

RPK = 2,743,385 thousand passenger kilometers (97.7%)

ASK = 4,185,704 thousand seat kilometers (96.6%)

Load factor = 65.5%

*\*A new Russian cargo operator will fly into Japan*

The Ministry of Land, Infrastructure and Transport granted an international air transport license to Volga Dnepr of Russia on January 11 this year. The cargo operator has begun serving two flights weekly between Krasnoyarsk and Central Japan International Airport with B747-200F since January 14. It is the fifth Russian operator flying into Japan, following Aeroflot, Vladivostok Airlines, Dalavia Airways and Siberia Airlines.

The flights are operated under the code-sharing agreement with Nippon Cargo Airlines (NCA). According to the agreement, NCA takes care of cargo transport from Japan, while Volga is responsible for cargo transport from Russia and Frankfurt of Germany.

+++++  
= Copyright 2005 Wing Travel Division  
= The WING Aviation Press (Koku Shimbun Sha Co.,Ltd.)  
+++++