

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

*GVB sets up a goal of 1.03 million Japanese visitors for 2006	1
+Celebrating the GVB Japan Office 30th anniversary	2
+GVB is appealing safe and comfortable staying in Guam	2
*Australia launches Japan Action Plan for newly defined target segments.....	2
+Linking Japan Action Plan with Global Brand Campaign	3
*Japan and Canada will keep pace for Tourism Exchange Year 2007	3
*More flights to meet higher demand on Japan-Taiwan routes	3
*International charters to Hokkaido for 2005 were up more than 40%	4
*ANA Group increased international passengers for the first time since April	4
*ANA will also raise fuel surcharges on its international flights	5
*SNA and ANA tie up for code-sharing flights	5
*Kansai increased annual passengers for 2005	5

**GVB sets up a goal of 1.03 million Japanese visitors for 2006*

Guam Visitors Bureau (GVB) revealed at Guam Sales & Promotion Update Seminar in Tokyo on January 23 that it will launch a new brand as early as 2008 to renovate conventional views for Guam. A new brand will probably focus on nature, history or the Chamorro cultures to upgrade product quality and improve profitability in the travel industry of Guam.

The number of Japanese visitors to Guam for 2005 was preliminarily up 5.4% to 955,154 compared to the previous year. For 2006, GVB sets up a goal of 1.03 million Japanese visitors.

On the contrary, the number of available seats on flights from Japan to Guam for 2005 was just up 1% to 1,307,904 compared to the previous year, and including 8,533 seats of charter flights the total number was 1,316,000 approximately. To accomplish the annual goal and to accept more Japanese tourists, GVB hopes to ensure about 1.5 million flight seats annually.

GVB has developed “Do You Know True Guam?” campaign since November last year, particularly focusing on the intact nature in order to appeal different tourist attractions from conventional shopping or beaches. Under the campaign, GVB has been advertising through tie-ups with a variety of media, producing new posters and tourist pamphlets, developing cooperative promotional activities with travel companies and airlines and collaborating with different industries for tourism promotions.

Meanwhile, Guam is improving qualities in both hard and soft aspects. Renovations of several hotels and development of infrastructures are underway. At the same time, improvement of hospitality to tourists is enforced at a variety of tourism facilities, including Guam International Airport. Also, the Guam government is addressing cleanup campaigns in each region of the island.



+Celebrating the GVB Japan Office 30th anniversary

To celebrate the GVB Japan Office 30th anniversary, Guam Governor Felix P. Camacho, Chairman of the Committee on Tourism Senator Antonio R. Unpingco, GVB Chairman David Tydingco and GVB General Manager Gerald S.A. Perez visited Japan. At a 30th anniversary reception, Governor Camacho said, "Thirty years ago, the number of Japanese visitors to Guam was just 109. Today Guam welcomed nearly 1 million Japanese visitors annually. Tourism is the most important industry for Guam. I sincerely appreciate for cooperation from the travel industry of Japan and airlines. The government will keep supporting the tourism industry."

GVB General Manager Perez said, "We hope to let Japanese tourists know new Guam or true Guam under a new brand. We will particularly appeal sophisticated Guam to seniors, such as golfing or trekking in the nature."

The Guam government has decided to build "Guam Museum" in the Agana region to exhibit history of Guam or the Chamorro cultures. It is scheduled to open in late 2007 or early 2008.

+GVB is appealing safe and comfortable staying in Guam

GVB is going to develop promotions mainly for tourist segments of family, office lady, wedding, senior group and sport group this year. GVB is appealing safe staying in Guam regardless of daytime or nighttime for families and relax or refresh vacation in the beautiful nature for office ladies. For those segments, GVB recognizes that it is necessary to foster repeaters and to attract more tourists in summer.

Regarding wedding as a highly potential market, GVB helps suppliers grow their businesses. World Bridal will open new "St. Laguna Chapel" in P.I.C. Guam in autumn this year, and also Watabe Wedding will open "Wedding Complex" this year in addition to "Del'Anello Chapel" and "St. Leo Chapel," which Watabe has managed since January this year.

GVB will enhance marketing activities of "Vow Wedding" for seniors as well, as it offers "Anniversary Wedding" plan in cooperation with World Bridal this summer (July 20 to the end of August). Main targets are seniors who got married in Guam in 1970's.

Guam is well known as a sport island, as some J League teams, professional baseball teams and a national swimming team of Japan stayed in Guam for training camps. GVB will further appeal well-prepared sport facilities to amateur sport groups.

For general consumers, GVB will provide "Guam Live Presentations" at shopping centers in local cities of Japan, highlighting that Guam is a nature and resort island you can access in just three hours.

**Australia launches Japan Action Plan for newly defined target segments*

Fran Bailey, Minister for Small Business and Tourism of Australia (Photo), revealed at a news conference in Tokyo on January 26 that "Japan Action Plan" has been launched to encourage more Japanese tourists to visit Australia. The Plan primarily focuses on tourism promotion to general consumers, marketing and distribution measures, approaches to airlines and development of products and destinations.



For promotion to general consumers, a new brand marketing campaign will be developed for new target segments defined on consumers' values, revitalizing the ongoing "Brand Australia" campaign. For marketing and distribution measures, Tourism Australia (TA) will further work together with each State tourism authority for marketing activities toward the new target segments and for product promotions, providing the travel industry of Japan with local tourist information and particular proposals from local suppliers of Australia.

As for approaches to airlines, the Australian government will further work on airlines to develop simpler systems on booking, flight connection and airfares for Japanese tourists who travel in Australia. Also, it is re-examining the policy of volume incentive for airlines to improve profitability and increase passengers and considering introducing a common rate at air gateways in Australia through a year. In addition, introduction of a domestic flight service package exclusive for the FIT market, like "Air Pass Model" of the U.S., will be under discussion.

Minister Bailey visited JAL to reconfirm that JAL will not suspend its flights for Australia this year. Discussion will be set up to seek solutions for issues in the airline market of Japan among the related organizations, such as TA, JAL or Qantas Airways.

For development of products and destinations, experience-oriented products will be created particularly for the newly defined target segments, such as FIT, school trip, incentive tour or working holiday. To expand both of the FIT market and the package tour market, a “Fly & Drive” idea will be taken into consideration.

+Linking Japan Action Plan with Global Brand Campaign

Minister Bailey discussed issues to expand tourist demand between Japan and Australia with the travel industry and the airline industry of Japan, when she visited Japan this time. It is true that the number of Japanese visitors to Australia has recently been reducing, as the number for 2005 was down 3.5% to about 685,000 compared to the previous year. Complex factors are likely to be behind the reduction of Japanese visitors.

Minister Bailey said that it is necessary to keep examining results from the Japan Action Plan although an annual goal of Japanese visitors for 2006 is not especially set up.

Minister Bailey also expects that Japan Action Plan will create synergy effects by linking with Australia-Japan Year Exchange 2006 and also Global Brand Campaign that will start in March this year. “I hope that Australia will be a ‘best of best’ destination in the competitive Japanese market,” she added.

***Japan and Canada will keep pace for Tourism Exchange Year 2007**

The 10th Japan-Canada Tourism Regular Meeting was held in Nagoya on January 25 to agree to take actions for Japan-Canada Tourism Exchange Year 2007. Under the agreement, both tourism authorities will soon start working-level talks to discuss details, such as co-hosted events or common campaign phrase and logo for Tourism Exchange Year.

2007 will be the 120th anniversary of the open of the first scheduled shipping route between Yokohama and Vancouver. By placing 2007 as Japan-Canada Tourism Exchange Year, Japan and Canada expect that tourism exchanges between both nations will be encouraged.

In preparation for that, both nations’ tourism authorities will develop tourism promotions more actively in each nation through 2006. Positioning Canada as one of the most important international markets under the Visit Japan Campaign, Japan will first produce and distribute new tourist pamphlets with a catch copy of “Experience of elixir (temporarily)” to attract more Canadian tourists to Japan. The pamphlet will probably focus on healing or healthy Japan, introducing Japanese foods, Japanese tea, Onsen (hot spring) or Zazen experience (Zen sitting meditation).

Promotions under the Visit Japan Campaign will be extended to Vancouver and Montreal in FY2006 in addition to Toronto.

In the meantime, the tourism authority of Canada will begin the new tourism campaign of “Brand Canada-Keep Exploring” and launch a new website to send the tourism concept to general consumers in Japan. Also, it will exploit local tourist markets by joining travel fairs in local cities or hosting travel seminars nationwide.

The regular meeting highlighted necessity to activate tourist demands in local regions of both Japan and Canada. As the Japanese side particularly pointed out that it is difficult for travel agencies to purchase flight seats on domestic routes in Canada because of tight flight availability, the Canadian side expressed that it would work on the related organizations to seek solutions for the concern.

The Canadian side has also decided to support business tie-ups between Japanese carriers and newcomer airlines of Canada, to help whole sellers of Japan create travel products for Canada via American cities and to encourage Japanese carriers to increase charter flights to local cities of Canada. The Japanese side has promised to realize smoother transfer from an international flight to a domestic flight at major gateways and to develop promotions for railway travels in Japan.

The pair has also agreed to expand exchange programs between sister cities or reciprocal visit programs by young generations through FY2006.

***More flights to meet higher demand on Japan-Taiwan routes**

As travel demand between Japan and Taiwan is growing, both airlines of Japan and Taiwan will increase flights or open new routes. Air Nippon (ANK), one of the ANA Group, has increased its Narita-Taipei flights to three flights weekly since October last year and has served four temporary flights weekly on the route since the beginning of this year. Also, ANK has begun serving daily flights on Central Japan International Airport (Centrair)-Taipei route since January 10 this year. Japan Asia Airways (JAA), one of the JAL Group, has served direct flights between Narita and Kaohsiung since October last year.

At the same time, Eva Airways of Taiwan has increased to nine flights weekly from five flights weekly on Taipei-Shin Chitose (Sapporo) route since December 5 last year and to four flights weekly from two flights weekly on Taipei-Sendai route since January 16 this year. Also, the airline has added three flights weekly to the code-sharing flights with ANK on Narita-Taipei route since January 9 this year. China Airlines (CAL) has also increased to daily flights from three flights weekly on Taipei-Hiroshima route since January 21 this year.

It is expected that the growth of flights will continue this year. JAA plans to increase flights between Narita and Taipei, and ANK is considering upgrading the temporary flights today to scheduled flights. Meanwhile, CAL hopes to open a new route between Taiwan and Japan this summer, though it says that a detail plan is not decided yet.

The active flight businesses are developed to meet higher travel demand between Japan and Taiwan, as the number of Japanese travelers to Taiwan for 2005 exceeded 1 million for the first time. Also, the number of Taiwanese travelers to Japan for the first 11 months of 2005 remarkably reached 1.1 million.

JAA revealed that it has kept load factor of 60% to 70% on each route of Narita-Taipei and Narita-Kaohsiung. ANK carried 40% more passengers on its Taiwan routes for November and December last year than a year ago because it increased flights. The number of flight bookings for February and March this year has also been increasing by 30% to 50% compared to a year ago, ANK said.

CAL marked load factors of 80%'s on its Narita-Taipei flights and 70%'s on its other flights to Japan for November and December last year. For the same months, CAL also increased passengers on its Taipei-Narita flights by 1.4% compared to a year ago, and the introduction of larger A330-300 enabled CAL to carry 18% more passengers on its Taipei-Fukuoka flights than a year ago.

Eva Airways marked the annual average load factor of 85% as of the end of November 2005. Although the airline provided just 1% more available seats on its Japan routes, it successfully carried 6% more passengers.

**International charters to Hokkaido for 2005 were up more than 40%*

Hakodate Custom recently reported that the number of international charter flights to Hokkaido for calendar year of 2005 largely increased by 40.8% to 1,311 compared to a year ago. At the same time, the number of foreign entries into Hokkaido was up 24.5% to 473,573 over the pervious year.

Out of the total flights, the number of international charter flights to Hakodate and Shin-Chitose (Sapporo) Airports for 2005 increased by 55.2% to 770 with 387,435 entries (up 22.8%) compared to a year ago. The number of those to other local airports in Hokkaido was also up 24.4% to 541 with 86,138 entries (up 33.0%) compared to a year ago.

Hakodate Airport operated 442 international charter flights (up 44.0%), more than any other airports, handling 74,558 entries (up 43.1%). Shin-Chitose Airport handled 312,877 entries, more than any other airports (up 18.7%), operating 328 international charter flights (up 73.5%). Asahikawa, Obihiro and Kushiro airports each operated 221 flights, 159 flights and 153 flights through 2005.

It will be necessary to enhance CIQ systems in Hokkaido to cope with increasing international charter flights.

**ANA Group increased international passengers for the first time since April*

ANA Group recently reported that the number of international flight passengers for December 2005 was up 2.5% to 350,816 over the same month 2004 primarily because of the passenger growths on its Asia routes, including Haneda-Gimpo charter flights. The monthly growth was for the first time since April 2005.

ANA carried about 80% more passengers on its Haneda-Gimpo charter flights and about 60% more passengers on its Narita-Taipei flights for December 2005 than a year ago. On its Narita-Los Angeles route, ANA carried 17% more business class passengers than a year ago because it has introduced B777-300ER since November 2005.

On the contrary, ANA still suffered from lower tourist demand on its China flights, though it increased business travelers by around 20% for November and December last year respectively compared to a year ago.

The number of international flight passengers for the first nine months of FY2005 (April to December 2005) was down 1.4% to 2,960,150 over the same period a year ago. The average load factor for the period was 72.8%, dropping from 75.8% a year ago.

Meanwhile, ANA Group increased domestic flight passengers for December 2005 by 0.4% to 3,406,360 over the same month 2004. The monthly average load factor was 59%. The number of domestic flight passengers for the first nine months of FY2005 (April to December 2005) totaled 34,173,453, 2.5% more than a year ago. The average load factor for the period was 65.4%.

For the cargo business, which is one of the focal businesses for ANA, ANA increased domestic cargo volume by 10.6% to 48,135 tons and international cargo volume by 16.1% to 22,139 tons for December 2005 compared to a year ago. For the first nine months of FY2005 (April to December 2005), ANA handled 327,801 tons for domestic cargos, 3.2% more than a year ago, and 184,152 tons for international cargos, 2.9% more than a year ago.

**ANA will also raise fuel surcharges on its international flights*

Following JAL, ANA has decided to re-raise fuel surcharges on its international flights sold from March 1 this year.

- >From 5,000 yen to 8,000 yen per ticket on Europe, North America (including Hawaii) and Middle East flights
- >From 3,600 yen to 6,500 yen per ticket on Thailand, Singapore and Malaysia flights
- >From 1,300 yen to 3,900 yen per ticket on China (more than 2,000 km routes), Taiwan, Guam and Vietnam flights
- >From 1,300 yen to 2,700 yen per ticket on China (less than 2,000 km routes except Fukuoka-Shanghai route) flights
- >From 700yen to 1,300 yen per ticket on Korea and Fukuoka-Shanghai flights

ANA explained that the rise of fuel price is keeping longer than expected, though ANA is making efforts to cut expenses.

**SNA and ANA tie up for code-sharing flights*

Skynet Asia Airways (SNA) and ANA announced on January 26 that ANA will begin placing its flight code on SNA's Haneda-Miyazaki, -Kumamoto and -Nagasaki flights on April 1 this year. SNA already revealed a plan on the code-sharing agreement with ANA in its three-years midterm corporate plan, which was released in November last year.

Under the agreement, ANA will be in charge of selling 25% of all seats for the SNA flights at the maximum. The tie-up will help SNA earn stable revenue and ANA serve more flights on the three routes than JAL. From April 1, SNA will move from the 1st passenger terminal to the 2nd passenger terminal, the same terminal as ANA.

The code-sharing agreement with ANA will enable SNA to improve its financial condition. SNA estimates operating loss at 2,460 million yen for FY2005 ending March 31 this year, however it expects to improve to operating profit of 400 million yen for FY2006 by relying on ANA's reliability and name value. SNA flights will be informed on the ANA timetable, which is expected to upgrade the local airline's awareness in the Tokyo Metropolitan area.

Also, SNA will expand ticket agencies from about 450 to 800 by taking advantage of the ANA booking and selling system "able." From the middle of this coming February, SNA tickets will be sold at major convenience stores nationwide. In addition, SNA passengers will be able to use ANA's automatic check-in machines and automatic ticketing machines.

Another large merit is that SNA will be able to improve its flight reliability with the tie-up with ANA, including supply of parts. SNA has suffered from a lot of flight cancellations because of its poor backup system. At the same time, it has struggled with low load factors, as it resulted in load factors of 57.8% on Miyazaki flights, 49.6% on Kumamoto flights and 42.0% on Nagasaki flights in December last year.

**Kansai increased annual passengers for 2005*

Kansai International Airport Co. reported on January 25 that the number of passengers for calendar year of 2005 totaled 16,302,308, 8% more than a year ago. The annual growth was for the first time since 1999. The total was classified into 11,233,449 international flight passengers (up 4%) and 5,068,859 domestic flight passengers (up 17%).

The number of take-offs and landings for 2005 was up 8% to 110,725 times over a year ago, comprising 72,432 times for international flights (up 2%) and 38,293 times for domestic flights (up 22%). The number of take-offs and landings for international flights consisted of 58,392 times for passenger flights (up 2%), 12,628 times for cargo flights (up 3%) and 1,412 times for others (down 22%). The number of flights on a daily basis was 151.7, 8% more than a year ago. The number of passengers on a daily basis was 44,700, 8% more than a year ago.