

Japan's Leading Tourism and Aviation Weekly

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This Week Headline

- *Japan and China have agreed to promote Haneda-Hongqiao charters 1
- *GTO received 5,000 bookings for the first business year 2
- *HVN to exploit a new market by serving new flights for Laos 2
- *Overseas travelers for September this year may fall into year-on-year decline 2
- *Qatar Airways will serve daily flights between Kansai and Doha next summer 3
- *China Airlines to increase Kansai flights in this winter 3
- *ANA increased international but decreased domestic passengers in August 4
- *Centrair continued reducing passengers in August 4

****Japan and China have agreed to promote Haneda-Hongqiao charters***

Japan's Prime Minister Shintaro Abe and China's Premier Wen Jiabao agreed to promote charter flight operations between Haneda Airport and Hongqiao Airport, the other Shanghai airport, at the summit meeting on October 8, when Abe visited China for the first time as prime minister. Both leaders have shared a common recognition that it is necessary to begin charter flights to meet growing demand, particularly for possible expansion of passengers between Tokyo and Shanghai in 2010, when Shanghai Expo takes place.

The Japanese government approved international charter flights from/to Haneda Airport during the limited time from 23:00 to 6:00 next day in February 2001. After the joint statement by the leaders of Japan and South Korea, four charter flights a day between Haneda and Gimpo (Seoul) started in November 2001, and the charter flights have increased to eight flights a day since August last year.

There are three basic conditions for the international charter flight operation: 1) a destination within a flight range of 1,947 kilometers (equivalent to Haneda-Ishigaki in the domestic market), 2) an airport without scheduled flights for Narita Airport and 3) an airport to experience international charter flights for Japan to some extent.

To make it come true, it is necessary to develop a CIQ system at Hongqiao Airport because it is now a domestic-dedicated airport and also to solve a capacity issue at the airport.

However, it is probable that the charters will come true through top-down decisions by both leaders of Japan and China in the same manner as the Haneda-Gimpo charters, which smoothly came true with the top-down initiatives by former Prime Minister Junichiro Koizumi and South Korea's President Roh Moo-hyun.

**GTO received 5,000 bookings for the first business year*

Global Travel Online (GTO), the online travel company dealing with dynamic package, recently reported that it received 5,000 bookings for the first business year since it started the business on October 11 2005. The number of page views on its website (<http://GTOonline.jp>) reached 1.5 million a month, and the online travel company sold the products to more than 10,000 customers. The total bookings were broken down into half for dynamic packages and remaining half for air only. Dynamic package and air only customers were respectively 2.2 and 1.7 a booking on average.

GTO also revealed that majority customers were 30 to 50 years old males and 20 to 40 years old females. Based on the data, GTO will strengthen its business approaches to the baby boomer generation and younger females. It started offering the products for Guam, Seoul and Bali only in the beginning, but extends to 92 cities worldwide, covering a total of 2,176 hotels. Another new cities, particularly cities not to be covered by other travel agents, will be added in the portfolio.

**HVN to exploit a new market by serving new flights for Laos*

Vietnam Airlines (HVN) general manager Japan, Nguyen Duong Binh (Photo) said at a product seminar in Tokyo, "We highly expect that Luang Prabang of Laos (Lao People's Democratic Republic) will be another potential destination for the Japanese market, following Siem Reap of Cambodia, the gateway city of Angkor." The airline will begin serving four Hanoi-Luang Prabang flights with 65 seats ATR72 on October 30 this year, some of which will smoothly connect to its international flights from Japan.



Luang Prabang, which was registered as UNESCO World Heritage in 1995, is the most popular tourist destination in Laos, as it is an old city with heritage palace or temples. HVN hopes that the new flight service will contribute to expand the Japanese market for the airline in the same manner as its Ho Chi Minh City-Siem Reap flights that have started since 2000.

In addition to marketing development for Indo-China countries, HVN will continue making efforts to encourage more Japanese tourists to visit tourist and resort destinations in Vietnam, such as Hoi An, Da Lat, Nha Trang, Phan Thiet or Phu Quoc Island. Also, it will focus on school trip as a new target.

Binh also explained, "We carried a total of 234,973 Japanese passengers to Vietnam for the first eight months of this year, 21% more than a year ago. Out of all, 50% came from Kanto area. At the same time, we carried 21.5% more passengers in all for the period than a year ago." The growth rate was the best in Asia, and HVN expects to carry 20% more passengers in all this year than the last year, reaching nearly 380,000 carried passengers.

Regarding flight destinations beyond Vietnam, the airline expects to carry 152,000 Japanese passengers to Cambodia this year, about 10% more than 137,849 Japanese passengers last year. Also, it hopes that the new flight service for Luang Prabang will enable the airline to increase Japanese tourists in all to Laos, more than 22,601 Japanese tourists last year.

In the meanwhile, HVN revealed that it aims to complete e-ticketing on all of its international flights by the end of 2007, after beginning introducing e-ticketing on part of its international flights including Japan in the first quarter of 2007. At the same time, the airline is planning to develop e-ticketing interlines with GDS or CRS, with Apollo/Galileo, Sabre and Worldspan in the beginning as early as the fourth quarter of this year and with Amadeus, Axess and Infini in the first quarter of next year.

**Overseas travelers for September this year may fall into year-on-year decline*

It is forecasted that Japanese overseas travelers for September this year may reduce over the same month last year mainly because of just onetime three-consecutive holidays in September this year. Although the number of Japanese departures

reduced by 7.9% in January and 3.7% in February this year, the total number of those for the first eight months this year increased by 1.7%, compared to a year earlier. It is practically difficult this year to exceed 17.8 million overseas travelers, the record-high marked in 2000.

The number of Japanese visitors for Guam is likely to decrease by 12%, double-digit year-on-year decline for the first time since 2003, though the official result is not released yet. However, the total number of those for Guam for the first eight months of this year reached 652,000, 3.4% more than a year earlier. Guam tried to accept 1 million Japanese visitors this year, increasing from 955,000 last year, but the goal may be tough.

The trend in September can also be seen in all destinations except China, Hong Kong and Europe. Package tour products for Mainland U.S. seems to be under a severe condition particularly because of increase of FIT and the negative rebound from the boom of the Disneyland 50th anniversary last year.

Booking status for package tour products in October and November this year is better than a year ago

**Qatar Airways will serve daily flights between Kansai and Doha next summer*

Qatar Airways is planning to increase its Kansai International Airport-Doha flights from five flights a week today to seven flights a week in the next summer schedule beginning the end of March next year. At the same time, the Middle East airline will change its aircraft to A340-600 to upgrade in-flight services.

The airline has started serving the Kansai-Doha flights since April last year. It increased the service from four flights a week initially to five flights a week in June this year and will further increase to six flights a week in the winter schedule beginning late October this year.

The airline successfully maintained high load factor on the route at 73% for the first half of FY2006 (April to September 2006). Passengers transferring from domestic Haneda flights remarkably accounted for 35% or 40% of all passengers. It has a code-share agreement with ANA on the ANA's domestic flights between Kansai and other major domestic airports, such as Haneda, Sapporo or Fukuoka.

The new A340-600 equips the airline's original facilities, such as bar lounge, offering eight first class seats, 42 business class seats and 216 economy class seats. The aircraft particularly has 24 more business seats than the current A330-200 has, so that the airline will encourage more business passengers to use the flights.

Qatar is developing tourism industry in addition to major industries of oil or natural gas, as the government aims to increase foreign visitors from 500,000 for 2004 to 1.4 million by 2010. For that, the Middle East country is developing hotels, expecting to increase available rooms from 3,706 for 2004 to 7,398 for 2007. Qatar is a venue for Asian Games 2006 this December, for which a Japanese delegation of approximately 700 members will visit the country. Qatar Airways is an official airline for the big event.

**China Airlines to increase Kansai flights in this winter*

Kansai International Airport Co. announced on October 6 that China Airlines of Taiwan would increase its Kansai-Taipei flights from five flights a week today to seven flights a week in the winter schedule beginning on October 29 this year to meet inbound and outbound passengers demands.

Visitor exchanges between Japan and Taiwan have recently grown. The number of Japanese visitors to Taiwan for 2005 was up 26.6% to 1,127,184, and the number of Taiwanese visitors to Japan for 2005 was also up 12.2% to 1,180,406, compared to 2004 respectively. For the first eight months of 2006, a total of 742,934 Japanese visited Taiwan, 3.1% more than the same period last year.

The additional flights will be served with A330-300 with 36 business class seats and 277 economy class seats.

Additional flights are as follows:

CI157 departs from Kansai at 13:25 to arrive at Taipei at 15:35 on Monday and Wednesday.

CI158 departs from Taipei at 8:55 to arrive at Kansai at 12:15 on Monday and Wednesday.

**ANA increased international but decreased domestic passengers in August*

ANA reported on October 6 that the Group, including Air Nippon (ANK), carried 376,144 passengers on its international flights for August this year, 8.4% more than the same month last year. The load factor was 80.1%, higher than 77.8% in July this year.

The monthly total was broken down into 82,802 for North America (down 0.8%) with load factor of 85.4%, 47,186 for Europe (up 9.1%) with load factor of 84.6% and 246,156 for Asia and Oceania (up 11.7%) with load factor of 72.1%. The total number of international flight passengers for the first five months of FY2006 reached 1,780,347, 11.6% more than a year earlier.

On the contrary, ANA decreased domestic flight passengers for August this year by 1.8% to 4,309,338 compared to the same month last year. The total number of domestic flight passengers for the first five months of FY2006 was slightly up 0.3% to 18,985,123 over the same period last fiscal year.

**Centrair continued reducing passengers in August*

Central Japan International Airport Co. recently reported that the number of passengers for August this year was down 7% to 1,165,200 over the same month last year, when the Aichi Expo boosted domestic passengers. The airport has reduced monthly passengers for this fiscal year: down 8% in April, down 7% in May, down 11% in June and down 10% in July.

While Centrair slightly reduced international flight passengers by 1% to 503,000, it largely reduced domestic flight passengers by 11% to 662,200 for August this year, compared to a year ago.

On the contrary, the airport handled international cargos of 17,196 tons for August this year, 16% more than a year ago, broken down into 8,474 tons for loading (up 8%) and 8,722 tons for unloading (up 25%).

The number of aircraft movements for August this year was 9,390, almost the same as a year ago. The monthly total consisted of 3,288 for international flights (up 6%), including 2,884 for passenger flights, 327 for cargo flights and 77 for others, and 6,102 for domestic flights (down 3%).

At the same time, the company reported that terminal sales for August this year decreased by 19% to 2,248 million yen over the same month last year.