



EUROPEAN BUSINESS COUNCIL IN JAPAN
THE EUROPEAN (EU) CHAMBER OF COMMERCE IN JAPAN

AIRLINES

ISSUES AND RECOMMENDATIONS



REVITALISATION OF OUTBOUND TOURISM

Revitalisation of Outbound Tourism

YEARLY STATUS REPORT: Good Progress

- ❑ The Government continues to allocate substantial funds to promote Japan as a tourist destination.
- ❑ However, the EBC believes the expected demand for inbound travel, including for the 2020 Tokyo Olympics, cannot be sustainably met if outbound tourism is not also encouraged.

Revitalisation of Outbound Tourism

RECOMMENDATIONS

- ❑ The Japanese Government should continue to promote “exploring the world” initiatives with PR campaigns and should work together with tour operators and travel agencies with a focus on Europe, which yields them higher commissions.
- ❑ The Government should continue its subsidisation of passport costs for young people in order to encourage travel abroad.



HIGH COSTS AT JAPANESE AIRPORTS AND NEW TOURISM TAX PROPOSAL



High Costs At Japanese Airports & New Tourism Tax Proposal

YEARLY STATUS REPORT: No Progress

- ❑ Operating costs at Japanese airports continue to be high, with no real relief in sight.
- ❑ While demand for outbound travel to Europe has recovered, it is the commercial viability of flights that determines the addition of capacity.
- ❑ The situation may worsen if the yen rises against the euro and travel costs in Japan (including for hotel accommodation) increase, causing a negative impact on inbound numbers.

High Costs At Japanese Airports & New Tourism Tax Proposal

YEARLY STATUS REPORT: No Progress

- ❑ The risk is that airlines may temper growth at a time when it will be needed in the build up to the 2020 Olympics.
- ❑ Added to such cost issues, the Government continues to require airlines to file published fares and surcharges for approval prior to sale – a time-consuming and costly exercise not required in other major markets.



High Costs At Japanese Airports & New Tourism Tax Proposal

RECOMMENDATIONS

- ❑ The EBC recommends that all airport fees be lowered. This will encourage airlines to maintain and grow capacity and frequencies, which will enable growth in traffic to and from Japan. Current airport fees are too high, particularly in comparison with other airports in the region, which have in some cases lowered fees to ensure that airlines retain capacity even in an uncertain market environment.
- ❑ The decision by the Japanese Government to reduce specific fees at domestic airports in Japan to further encourage travel should be used as a template to lower fees at international airports.

High Costs At Japanese Airports & New Tourism Tax Proposal

RECOMMENDATIONS

- ❑ The EBC urges the Government to reconsider the value to consumers of insisting that airlines file published fares and surcharges for approval prior to sale.
- ❑ The EBC is against the implementation of the proposed new Tourism Promotion Tax as it burdens the airlines to collect it and raises costs for the consumers.



AIRPORT INFRASTRUCTURE

Airport Infrastructure

YEARLY STATUS REPORT: Limited Progress

- ❑ The EBC encourages the continued opening up of HND airport slots.
- ❑ In addition, improved “on or near airport” facilities, including for catering and cargo are needed.
- ❑ The new air corridor at HND will enable a reduction in fuel consumption through a more direct approach, which will have a positive impact on the environment.



Airport Infrastructure

RECOMMENDATIONS

- ❑ HND should be fully opened up to all international traffic, including flights to and from Europe, on a non-discriminatory basis.
- ❑ More space for catering and cargo suppliers should be allocated at HND, in order to increase efficiency and reduce costs for operators.
- ❑ Additional car park facilities should be added at HND to alleviate waiting times for parking spaces. This would improve quick access to the airport.



Airport Infrastructure

RECOMMENDATIONS

- Numbers of immigration staff should be increased at all international airports as waiting times continue to be excessively high.
- The “early landing gear down” policy at NRT should be re-evaluated in consultation with local communities, on environmental as well as cost grounds, as it results in higher fuel consumption and increases noise.
- The Government should implement the opening of the new air corridor at HND as announced.

