

Japan

Key Market Message

The Japan outbound travel market continues to be challenged by external factors, the most recent being the outbreak of H1N1 Influenza.

The significant drop in fuel surcharges from April 2009, provided some initial positive news for both package and group travel. This was tempered towards the end of the period by sharp reductions particularly in school excursion and short term language study programs in response to the outbreak of H1N1 Influenza. Accordingly, the outlook for June / July remains uncertain, with Jetstar announcing spot cancellation and operational changes to over 30 flights due to the influenza.

Moderating all of this is an exciting announcement by Qantas Airways and Japan Airlines regarding a code share service via Singapore, connecting Perth, Melbourne, Adelaide, Sydney and Brisbane available to trade from June 2009.

1. Key Market Results and Achievements

- *Podcasts featuring popular story tellers talking about their Australian World Heritage experiences have been running since January 2009. At the start of June 2009, over 47,000 downloads have been received, ranking highly on i-Tunes.*
- *The currency differential between the Australian Dollar and Yen has resulted in greater value-for-money for Japanese tourists. To leverage this 'value' message, a web-based campaign was developed and advertisements were run in national newspapers with price offers from Jetstar and wholesalers.*

2. Australian Travel Market

2.1 Market performance

- There were 42,000 Japanese visitor arrivals to Australia in March 2009; a 17.2 per cent decline compared to the same month in 2008.
- There were 27,700 visitors from Japan in April 2009; down 11 per cent relative to the same month in 2008. This brings the total for the four months to April to 133,900; representing a 20 per cent decline relative to the same period in 2008.
- The 30 per cent reduction in direct airline capacity incurred in December 2008 has impacted on travel during the period, most notably in regional Japan.

2.2 Airline Issues/Changes

- The new Qantas Airways / Japan Airlines code share services were announced in May 2009. Japan Airlines will run daily Narita – Singapore and Kansai – Singapore services, to connect with daily Qantas services to Perth and Melbourne (and three services per week to Adelaide).
- Continental Airlines announced that they would continue their four weekly services between Guam and Cairns from October 2009 onwards. Guam also has connections to a number of regional airports in Japan.
- The cancellation of group tours due to H1N1 Influenza has resulted in Jetstar cancelling the following flights from 25 May 2009:
 - Coolangatta (Gold Coast) - Kansai: 13 flights until 29 June 2009
 - Coolangatta – Cairns – Kansai: 8 flights until 30 June 2009

2.3 Trade Information Summary (including Business Events)

- The outbreak of H1N1 Influenza is having a serious impact on the Australian education market. According to travel agents more than 10,000 students have cancelled their trip in May and June 2009, with up to half postponing their departures to a later date. In addition, we predict up to 8,000 short-term language study tour cancellations could occur during July and August 2009.
- There are ten key travel agents participating in the World Heritage Campaign for the Kamiki period (March to September 2009), across Tokyo, Osaka and Nagoya.
- In conjunction with STOs and the leading Japanese trade media, Weekly Wing Travel, Tourism Australia launched a 24 page School Excursion feature for distribution to key travel agents. The publication will also be distributed during the education seminar attended by 32 school teachers on 30 May 2009 and via Tourism Australia's School website.
- On the 26 May 2009, Tourism Australia co-hosted a Business Events/ Incentive seminar and function with Kinki Nippon Tourist and Japan Airlines. The seminar targeted 20 corporate organisers.

3. Current and Upcoming Activities in Market

3.1 Consumer Marketing:

Dates	Project / Event	Partners
February – April 2009	J-WAVE program "Modaista": three young artists sent to Sunshine Coast and Gold Coast to produce art and blog their experiences.	J-Wave FM radio, Tourism Queensland, Gold Coast Tourism
January – June 2009	Podcasts - Australia's World Heritage series: eight story tellers share their experiences of World Heritage sites, navigated by DJ Robert Harris	J-Wave FM radio, STOs

Dates	Project / Event	Partners
January – June 2009	Video Streaming – Jon Kabira’s tells his stories of Australian World Heritage via video streaming on Qantas micro-site	Qantas
March – April 2009	Advocacy – “Buzz” promotion ‘Discover Australia’ to create word-of-mouth ‘noise’ via 1,800 buzz leaders	E life
April – September 2009	World Heritage Campaign: travel agent co-op in Tokyo, Osaka and Nagoya	Major travel agents
April – September 2009	Continental Airlines Campaign to promote Cairns in seven regional cities (Sapporo, Sendai, Niigata, Nagoya, Okayama, Hiroshima and Fukuoka)	Continental Airlines, Tourism Queensland, Tourism Tropical North Queensland
May 2009	Japan Airlines Charter Promotion: co-operative campaign with travel agents in Nagoya to support the Japan Airlines charter service on 1 May, which delivered 356 seats into Cairns.	Japan Airlines, Travel agents

4. Media Environment

- From 24 April 2009, all media reported the outbreak of H1N1 Influenza as a major news item. Australia was mentioned as one of the countries with confirmed cases. Media reported that some high schools were considering cancelling or postponing their upcoming overseas school trips to Australia as a result.
- Through the International Media Hosting Program (IMHP), journalists from the following media were hosted in April and May:
 - Women’s magazines: *Katei Gaho*, *Body Plus* and *Elle Japon*
 - Travel magazines: *Paper Sky*

For more information on Tourism Australia’s publicity, International Media Hosting Program (IMHP) and results, please visit www.publicity.australia.com

Alternatively for general media information visit www.media.australia.com

5. General Travel Outlook

5.1 Political and Economic Outlook

- Although the economic situation remains severe, the economy is doing slightly better than April 2009. Short-term trends indicate that increased unemployment and other effects of the global financial crisis are likely to continue to impact on the Japanese economy. *Source of information: Japan Cabinet Office, May 2009*
- The Japanese Yen – Australian dollar exchange rates were as follows:

	Exchange Rate
End March 2009	AUD 1 : JPY 67.01
End April 2009	AUD 1 : JPY 71.3
End May 2009	AUD 1 : JPY 74

- The political party in power, the Liberal Democratic Party (LDP) will look to hold a general election in September 2009.

5.2 Outbound Travel

- According to the Ministry of Justice, the total number of Japanese outbound travellers were as follows:

	Total Outbound	Year-on-Year Change
February 2009	1,359,580	down 1%
March 2009	1,419,042	down 2.5%
April 2009*	1,196,000	up 1.1%

**Estimate only*

- It has been two years since the estimated number of Japanese outbound travellers has grown. Reasons for this growth, include:
 - combination of national holidays during 'Golden Week';
 - reduction of the fuel surcharge; and
 - the appreciation of JPY.

Source of information: Japan National Tourist Organization

- According to JTB, the 2009 Golden Week (late April - early May) was the first increase during this period since 2006. JTB expected that total outbound during Golden Week would increase by ten per cent. *Source of Information: JTB, Golden Week Trends 2009*
- Arrivals figures for Australia's major competing destinations in the Japan market were as follows:

	Period	Visitor Arrivals
Hawaii	January – March 2009	down 5.9%
New Zealand	January – April 2009	down 16.7%
Singapore	January – March 2009	down 18.9%
Mainland USA	January - February only	down 20.0%
China	January – March 2009	down 15.8%
Korea	January – March 2009	up 60.7%

6. Next 60 Days

Japan						
START DATE	END DATE	MARKET	PROJECT/EVENT	TARGET AUDIENCE	LOCATION	PARTNERS
13-Jun-09	15-Jun-09	Japan	ATE 2009: 37 buyers (29 from Japan and 8 from Australia)	Travel agents	Melbourne	TVIC, Qantas
Apr-09	Sep-09	Japan	World Heritage Campaign (2009 Kamiki)	Experience Seekers	Japan	Travel agents, STOs
Apr-09	Sep-09	Japan	Continental Campaign (2009 Kamiki)	Experience Seekers	Regional Japan	CO, TQ, TTNQ, agents
1-Jun-09	1-Jun-09	Japan	IMHP: Women's magazine 'Spurluxe' featuring Melbourne	Experience Seekers	Japan	TVIC
1-Jun-09	1-Jun-09	Japan	IMHP: Women's magazine 'Eclat' featuring WA and Margaret River	Experience Seekers	Japan	TWA
12-June-09	12-June-09	Japan	IMHP: Women's magazine 'OZ magazine' featuring Sydney and World Heritage	Experience Seekers	Japan	Japan Airlines TNSW
12-June-09	12-June-09	Japan	IMHP: Women's magazine 'Spur' featuring Tasmania	Experience Seekers	Japan	TTAS
19-May-09	20-Sept-09	Japan	Sydney Marathon 2009 Promotion	Experience Seekers	Japan	Qantas, NSW
13-June-09	26-June-09	Japan	Cinema ads: World Heritage / Transformation ads in Tokyo and Osaka	Experience Seekers	Japan	
25-May-09	30-June-09	Japan	Digital: Australia.jp promotion	Experience Seekers	Japan	
1-June-09	30-June-09	Japan	Digital: JAL Co-op promotion	Experience Seekers	Japan	Japan Airlines
13/14-June-09	13/14-June-09	Japan	Newspaper advertisement: World Heritage Campaign	Experience Seekers	Japan	
Jan -09	June-09	Japan	Podcasts: Australia's World Heritage series- released 28 May and 18 June 09	Experience Seekers	Japan	STOs, J-Wave FM