

# The Future Prospects of Aviation in the Asia Pacific Region and Airports in Japan

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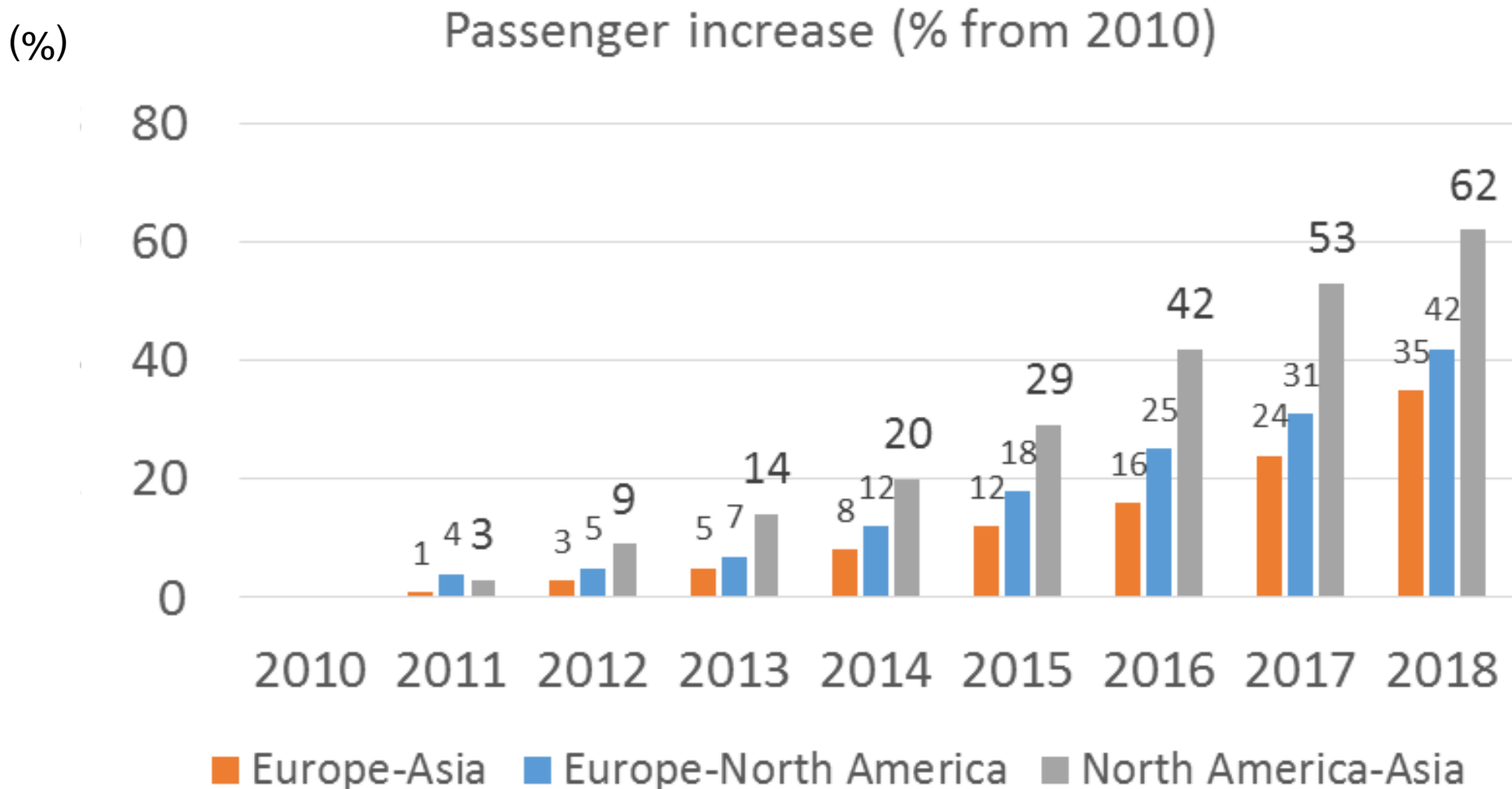
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Minister's Secretariat, MLIT

November 18, 2019

JTTRI symposium in Tokyo

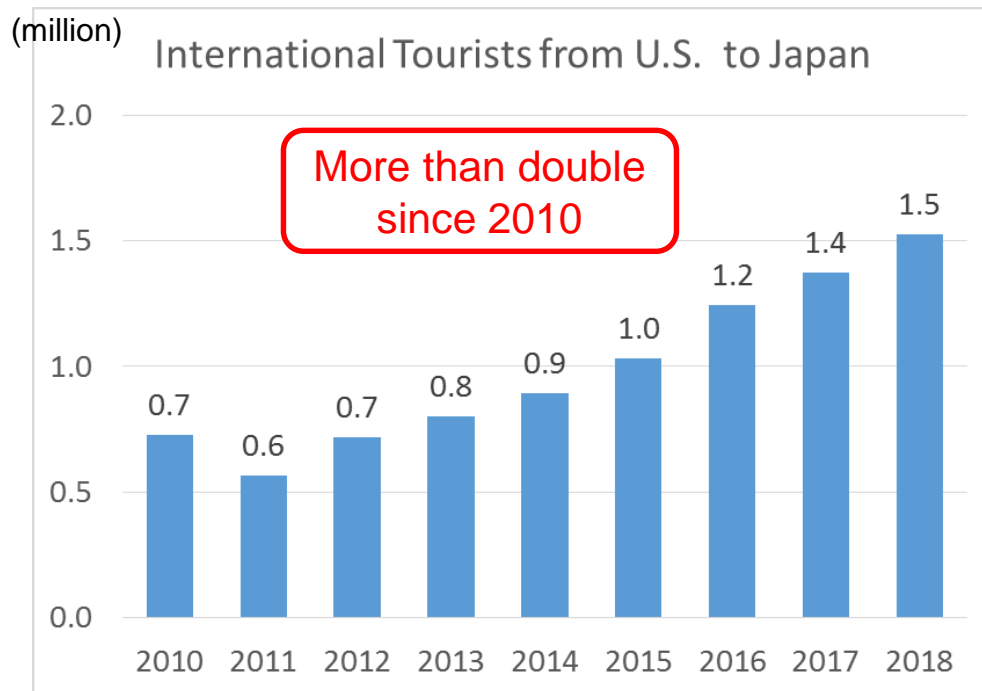
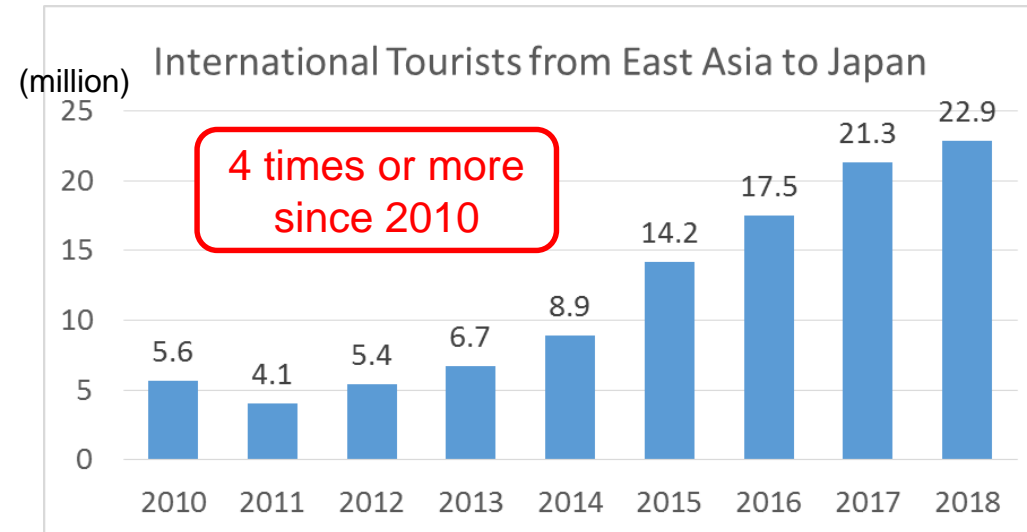
- The increase in passengers between North America and Asia surpasses that of travel between any other regions.



- The total number of international tourists to Japan exceeded 10 million in 2013.
- In 2018, it exceeded 30 million for the first time ever thanks to the steady growth of visiting tourists from Asia and other regions.

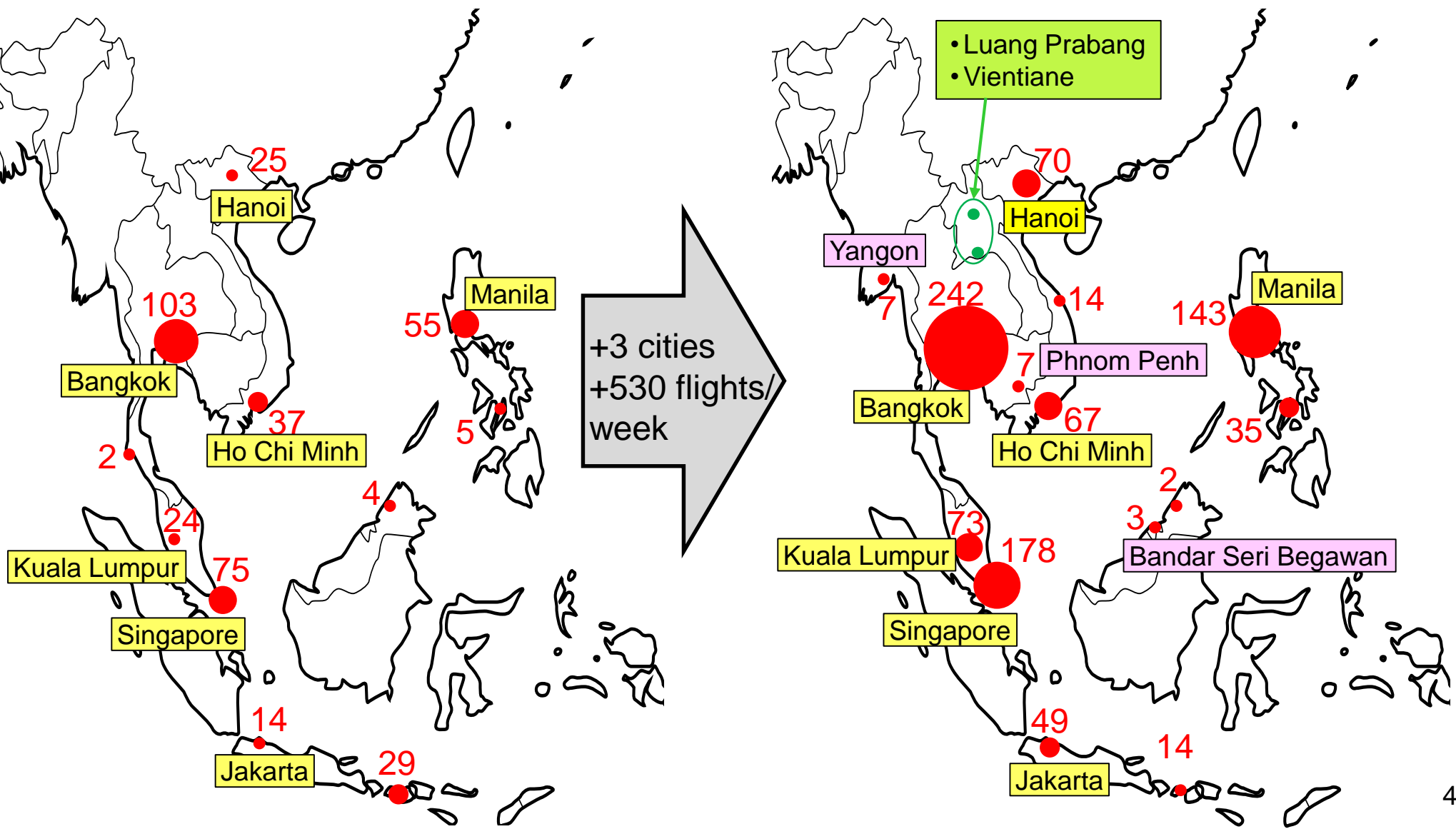


- International tourists are not only from Asia (22mil. from East Asia and 3.3mil. from Southeast Asia) but also from various regions in the world.
- The strategic “Destination Campaign” worked effectively, through customized online ads, attractive promotion based on marketing research, etc.



2010 Summer (11 cities, 373 flights/week)

2019 Summer (14 cities, 903 flights/week)



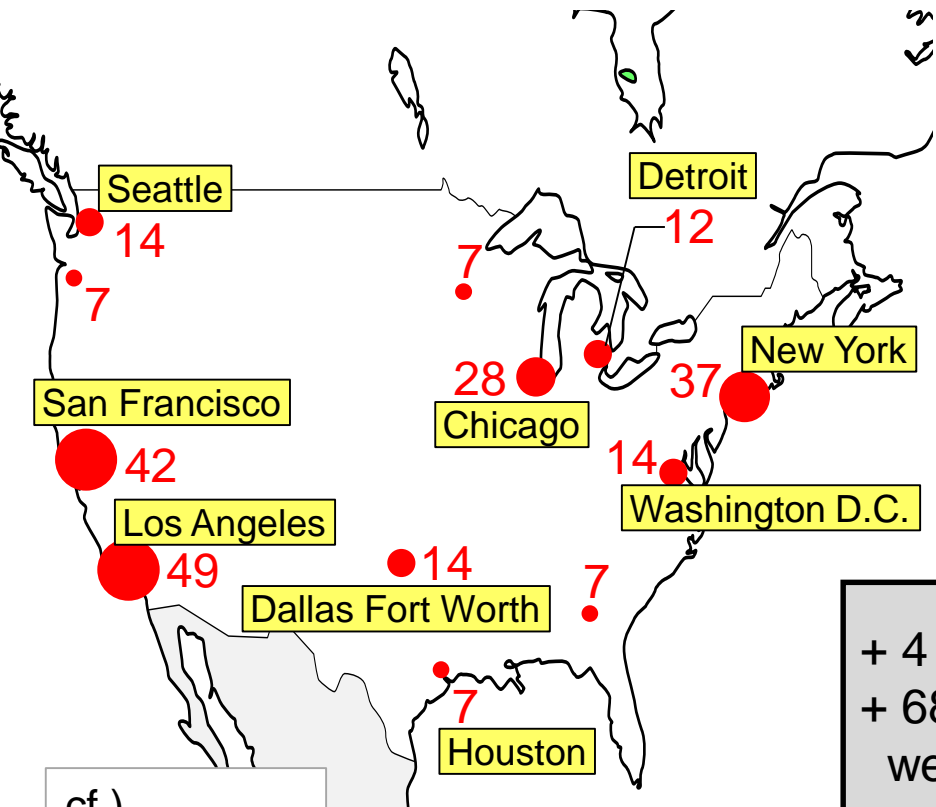
Note: Passenger flights as at the first week of each Summer schedule.

# Increased Nonstop Flights between Japan and U.S.

2010 Summer (12 cities, 238 flights/week)

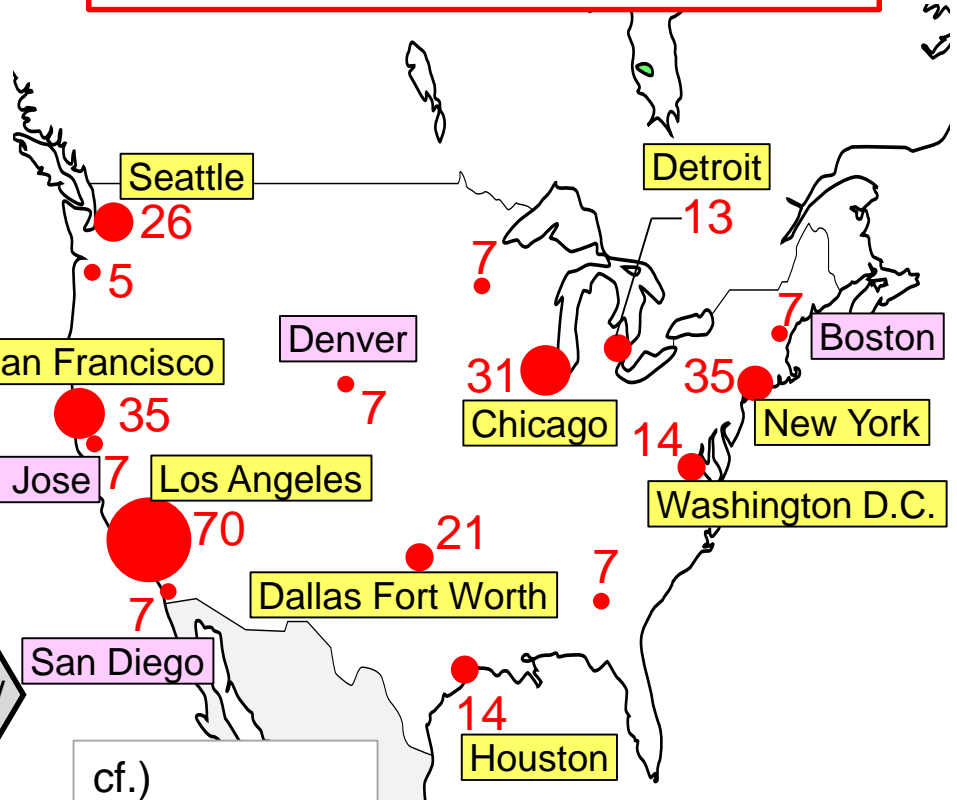
2019 Summer (16 cities, 306 flights/week)

More flights from 2020 Summer!



cf.)  
 Guam: 128  
 Honolulu: 75  
 Kona: 7  
 Saipan: 32

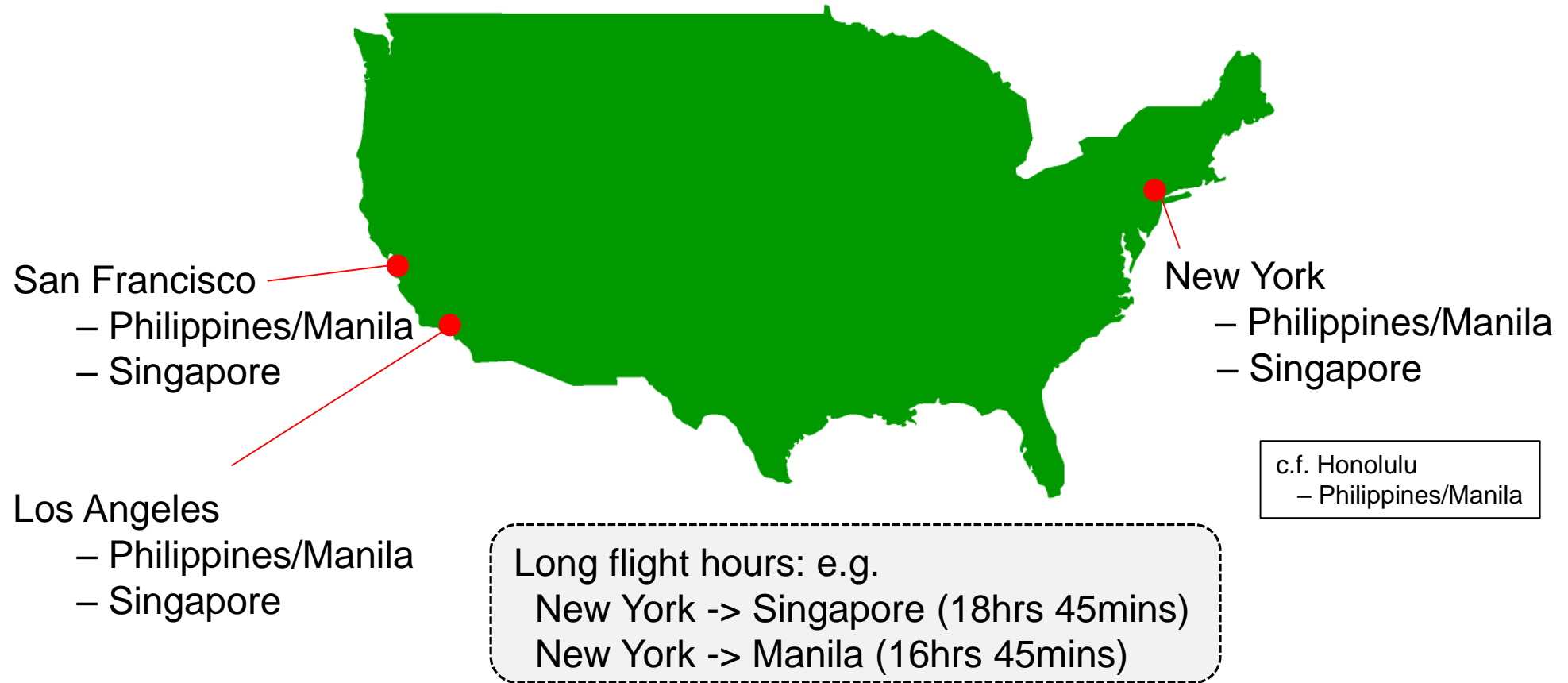
+ 4 cities  
 + 68 flights/  
 week



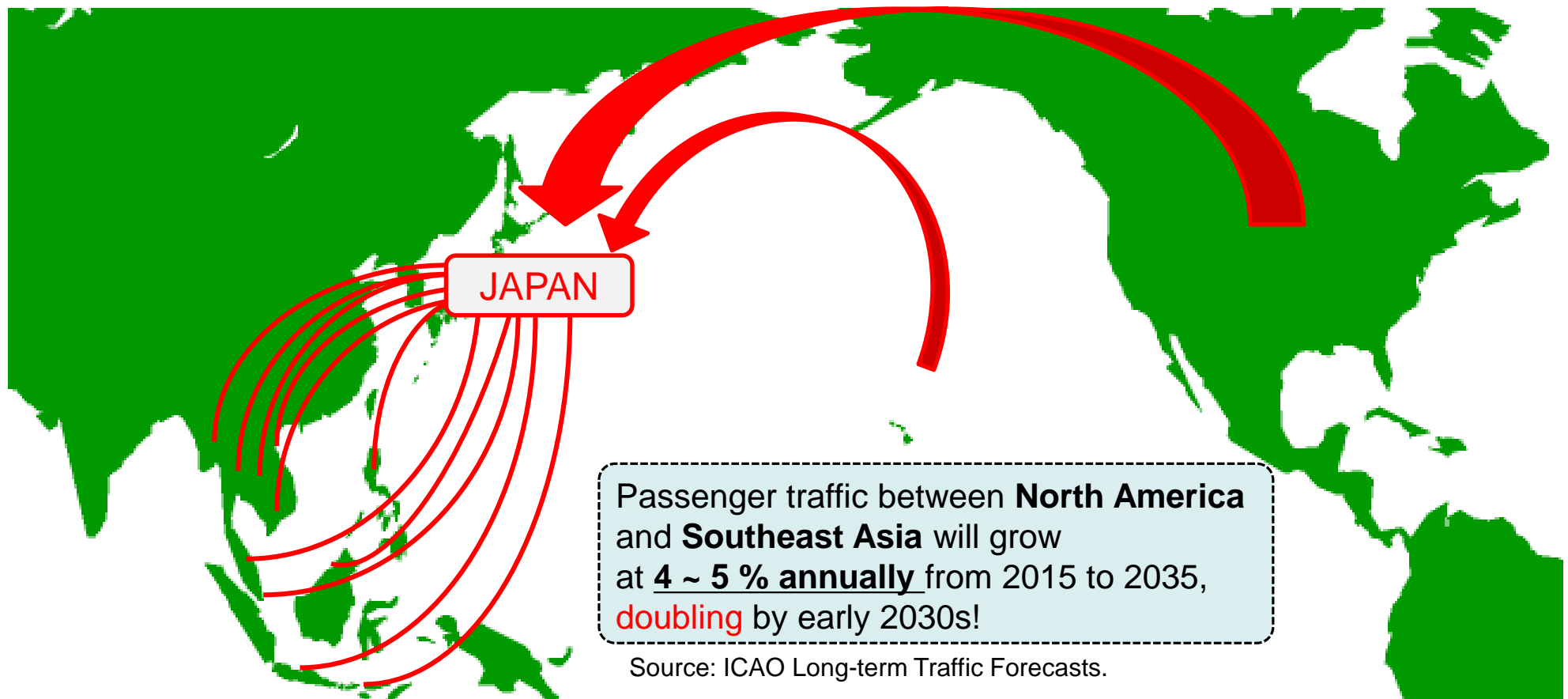
cf.)  
 Guam: 70  
 Honolulu: 137  
 Kona: 10

Note: Passenger flights as at the first week of each Summer schedule.

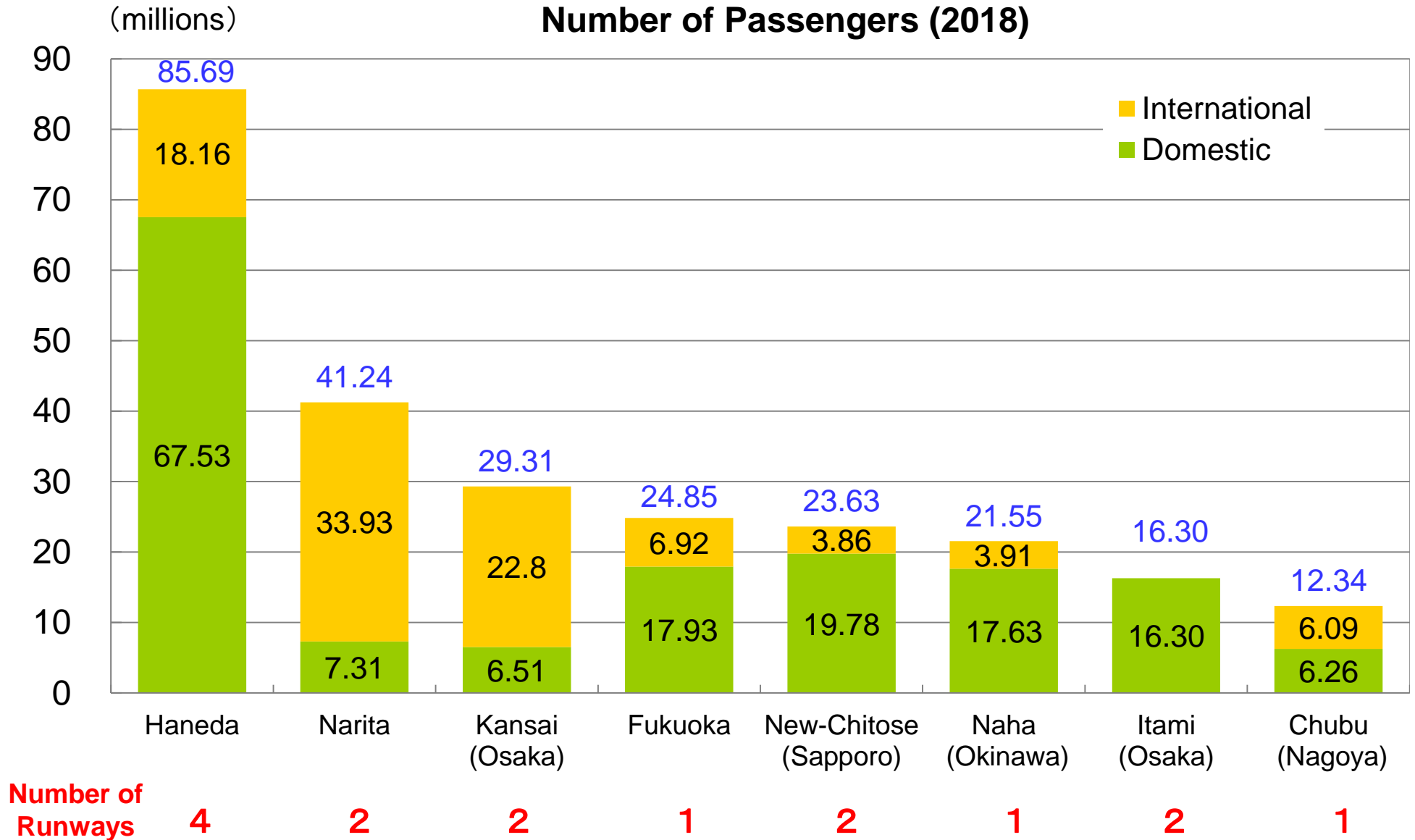
- The need for more direct flights between U.S. and Southeast Asia is triggered by new long range airplanes and increasing passenger demand for direct flights.
- Still, the number of cities in the U.S. and Southeast Asia linked by nonstop flights are limited; thus, connecting hubs are necessary between North America and Southeast Asia.



- Japan has the geographical advantage as a connecting hub between North America and Southeast Asia.
- As the number of nonstop flights between North America and Southeast Asia is limited, more frequent services between North America and Japan, as well as between Japan and Southeast Asia, can offer a wide range of choices for passengers when travelling.

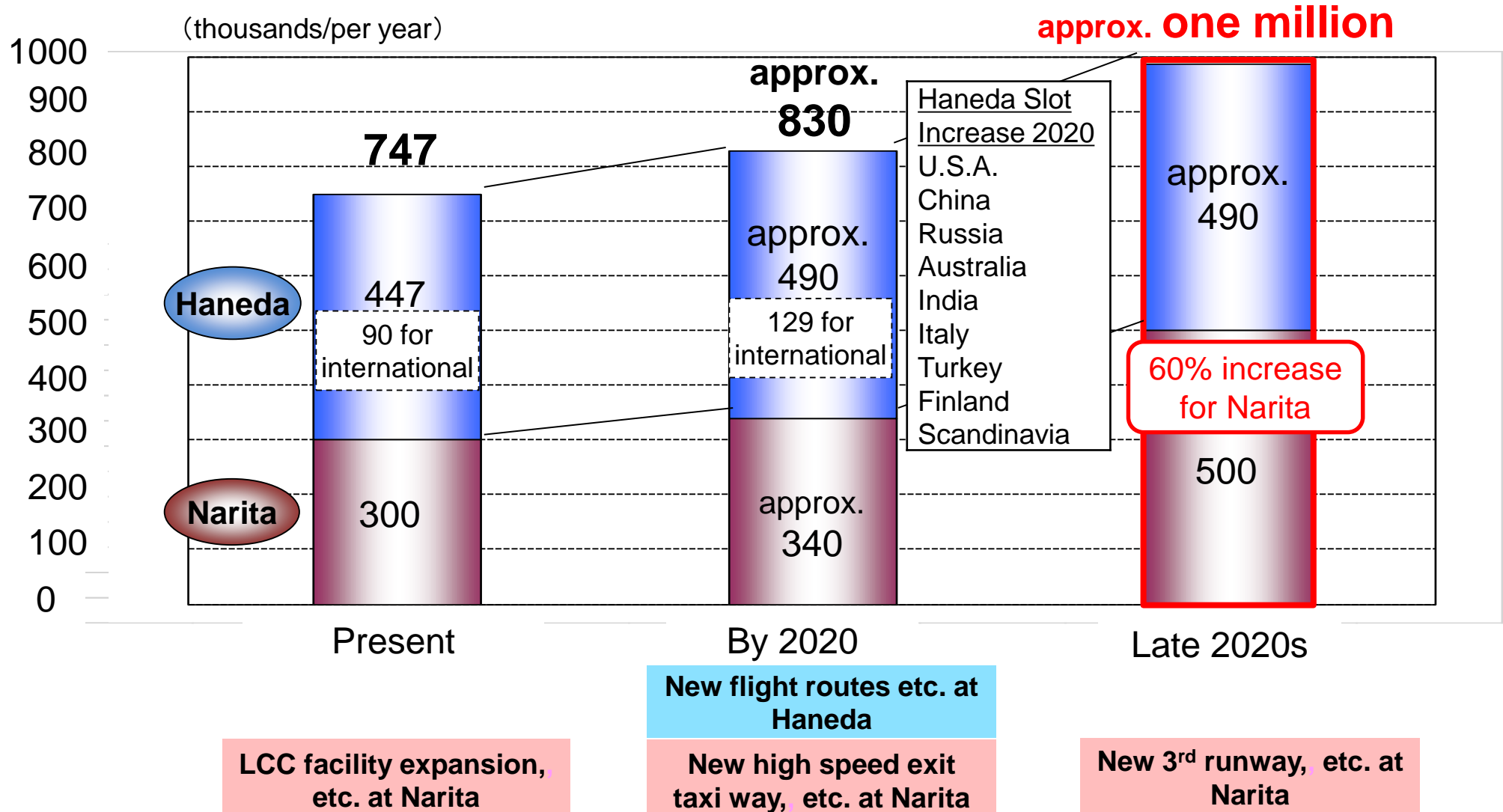






Note: Total may not be exact due to rounding.

■ Our target is one million take-offs/landings, roughly the same as New York or London, by introducing new flight routes at Haneda and a new 3<sup>rd</sup> runway at Narita, etc.

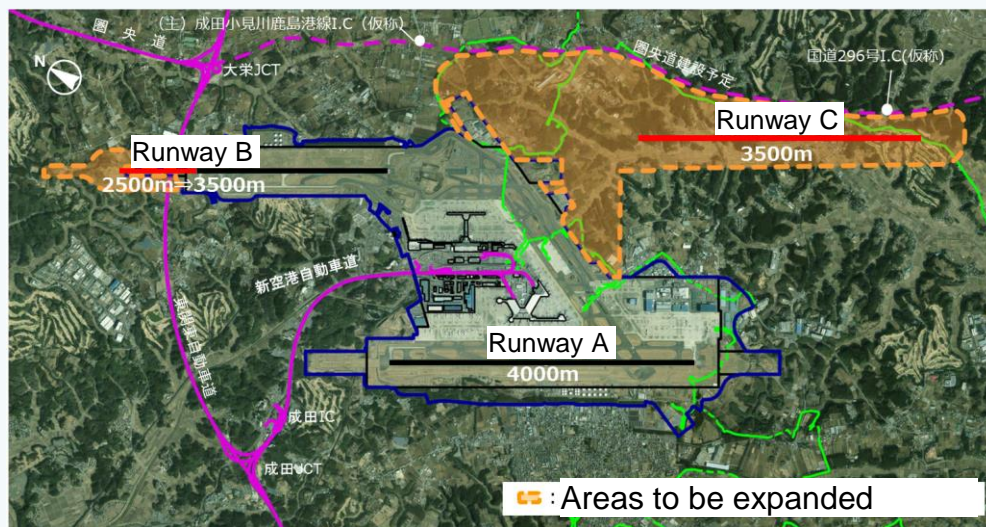


Note: Take offs and landings are counted separately (a take off and landing set is counted as two).

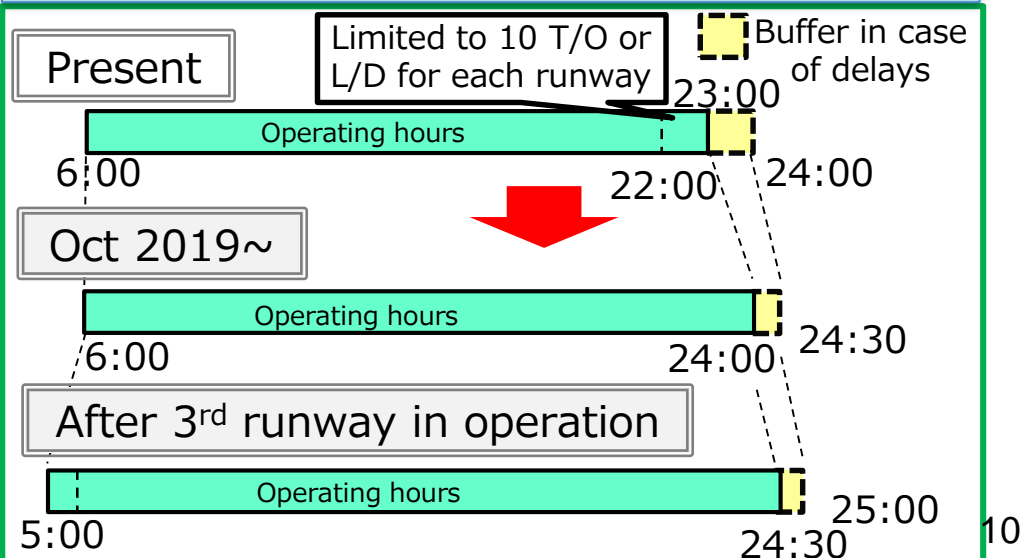
- Main international airport of the Tokyo metropolitan area
- Capacity increase targeting 500,000 from 300,000 take-offs/landings
  - 2<sup>nd</sup> runway B extension (from 2,500m to 3,500m)
  - New 3<sup>rd</sup> runway C construction (3,500m)
  - Night time slot increase by extending operating hours
- Increase of rapid train services and less expensive (approx. \$10) bus services to central Tokyo



## Runway B extension & new 3<sup>rd</sup> runway



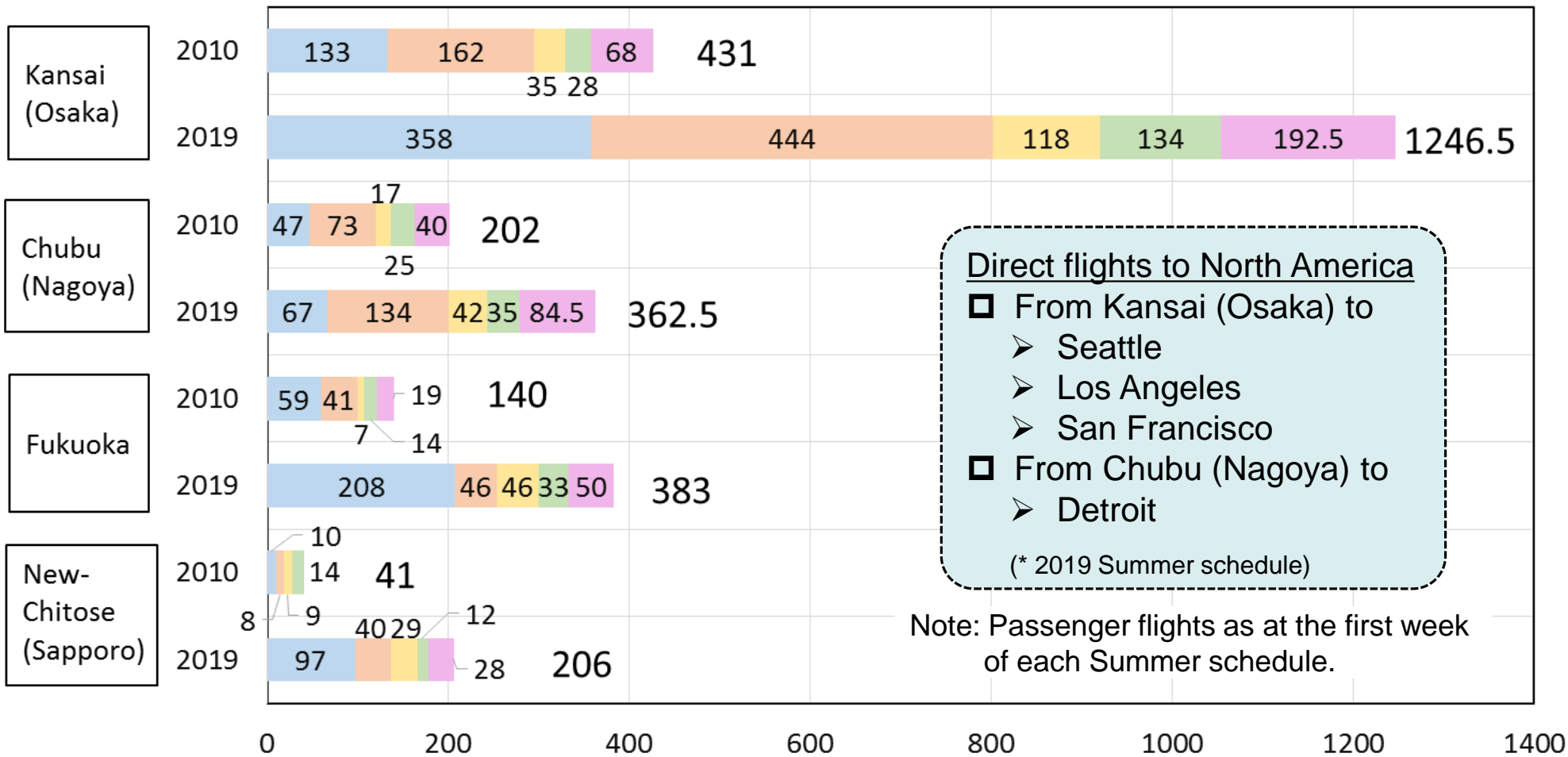
## Increase night time capacity



# Flights to Asia from Major Cities in Japan

■ Much more flights to Asia are now in service from major cities in Japan, in addition to those from the Tokyo metropolitan area.

Flights to Asia (\*1) from Osaka, Nagoya, Fukuoka, and Sapporo (Flights / week)



**Direct flights to North America**

- From Kansai (Osaka) to
  - Seattle
  - Los Angeles
  - San Francisco
- From Chubu (Nagoya) to
  - Detroit

(\* 2019 Summer schedule)

Note: Passenger flights as at the first week of each Summer schedule.

\*1 This figure does not include other asia such as South Asia, Central Asia and Macau.

- Major airports other than those in Tokyo Metropolitan area notably add more destinations in Southeast Asia.

(Flights / week)

Kansai (Osaka)			Chubu (Nagoya)			Fukuoka			New-Chitose (Sapporo)	
	2010	2019		2010	2019		2010	2019		2019
Bangkok	21	46	Bangkok	14	34	Bangkok	5	14	Bangkok	14
Denpasar	12	7	Manila	12	18.5	Manila	5	14	Kuala Lumpur	7
Manila	10	23.5	Singapore	7	7	Singapore	5	7	Singapore	4
Singapore	7	43	Hanoi	4	7	Hanoi	2	7	Manila	3
Ho Chi Minh	7	14	Denpasar	3	0	Ho Chi Minh	2	4		
Hanoi	5	21	Cebu		7	Kuala Lumpur		4		
Kuala Lumpur	4	21	Ho Chi Minh		7					
Kota Kinabalu	2	0	Jakarta		4					
Cebu		7								
Da Nang		7								
Jakarta		3								

Note: Passenger flights as at the first week of each Summer schedule.

- Strong air traffic demand from the Greater Kansai region around Osaka, the second largest population in Japan
- 24 hour operation with two runways (4,000m and 3,500m long)
- Integrated airport operations under private management which started in April 2016
- Upgrade of airport facilities: CIQ capacity increase, introduction of “Smart Security System” for the X-ray check process, and new International Terminal for Low Cost Carriers (Opened in January 2017)
- Aviation network enhancement by increasing the number of destinations in Asia



New International Terminal  
for Low Cost Carriers



- ❑ Nonstop flights to Seattle, Los Angeles, San Francisco, Honolulu, etc.
- ❑ Approx. 190 flights/week to Southeast Asia (Bangkok, Singapore, Manila, Hanoi, Kuala Lumpur, etc.)



- Strong air traffic demand from the Greater Nagoya region, the hub of major manufacturing industries, including car manufacturers and heavy industries
- Upgrade of airport facilities: New Low Cost Carrier Terminal (September 2019), new International Exhibition Center (August 2019), and Commercial Complex exhibiting “Flight of Dreams” (October 2018)
- Aviation network enhancement by increasing the number of destinations in Asia

Commercial Complex  
(FLIGHT OF DREAMS)

International  
Exhibition Center

New Commercial Complex  
showcasing the first flight test  
aircraft of Boeing B787



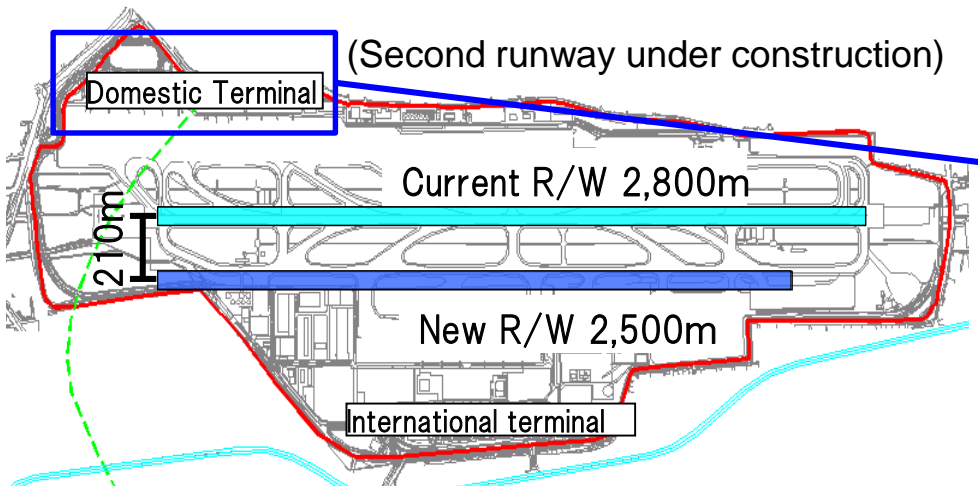
New Terminal for  
Low Cost Carriers

- ❑ Nonstop flights to Detroit and Honolulu, etc.
- ❑ Approx.80 flights/week to Southeast Asia (Bangkok, Singapore, Manila, Hanoi, etc.)



## ■ Fukuoka

Passengers/year	International: 6.92
24.85 Million	Domestic: 17.93



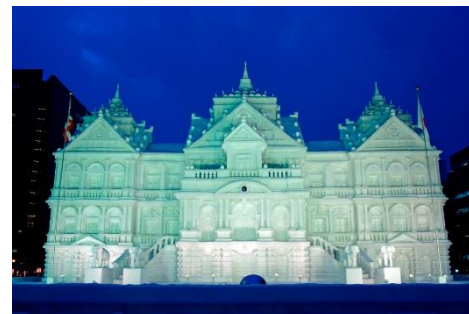
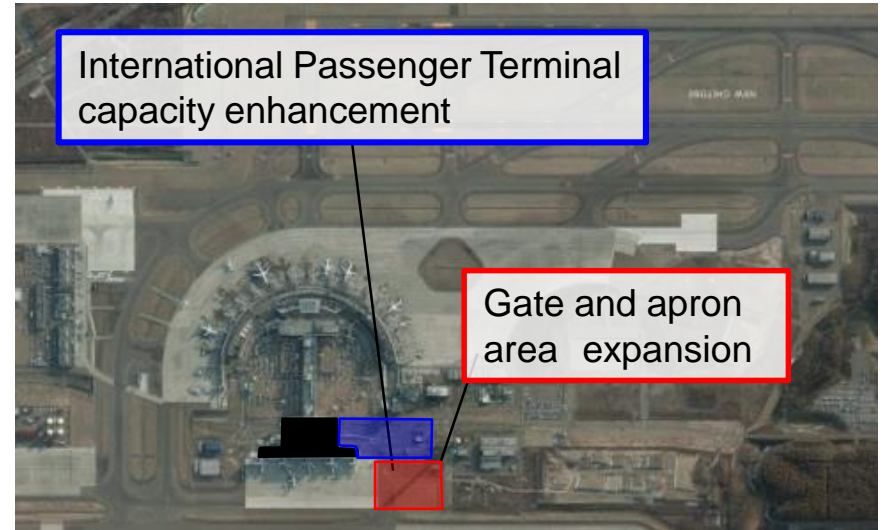
Hakata Ramen noodles

Photo: Provided by Fukuoka-city



## ■ New-Chitose (Sapporo)

Passengers/year	International: 3.86
23.63 Million	Domestic: 19.78



Sapporo Snow Festival





- Introduce advanced technologies to facilitate procedures at airports ~ “FAST TRAVEL” ~
  - Smooth process by using common check-in kiosks for multiple airlines, self baggage drops, facial recognition gates, etc.



Facial recognition gate



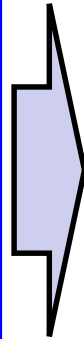
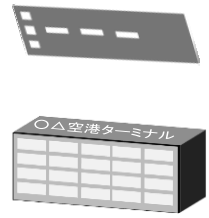
Automatic gate

## ■ Promote the integrated airport management

### Present

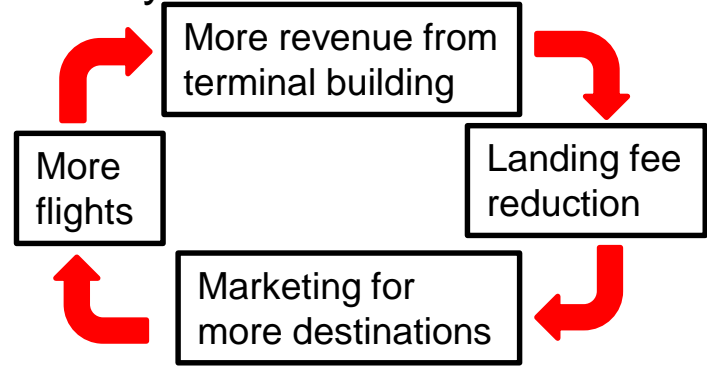
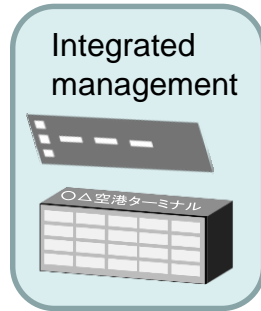
Management is separated at each airport

- Government (MLIT)  
: Aeronautical activities  
(Runways, aprons, etc.)
  - Private companies\*  
: Non-aeronautical activities  
(Terminal buildings, etc.)
- (\* In many cases, joint public-private enterprises)



### New

- Integrated airport management by outsourcing to private sectors for greater efficiency

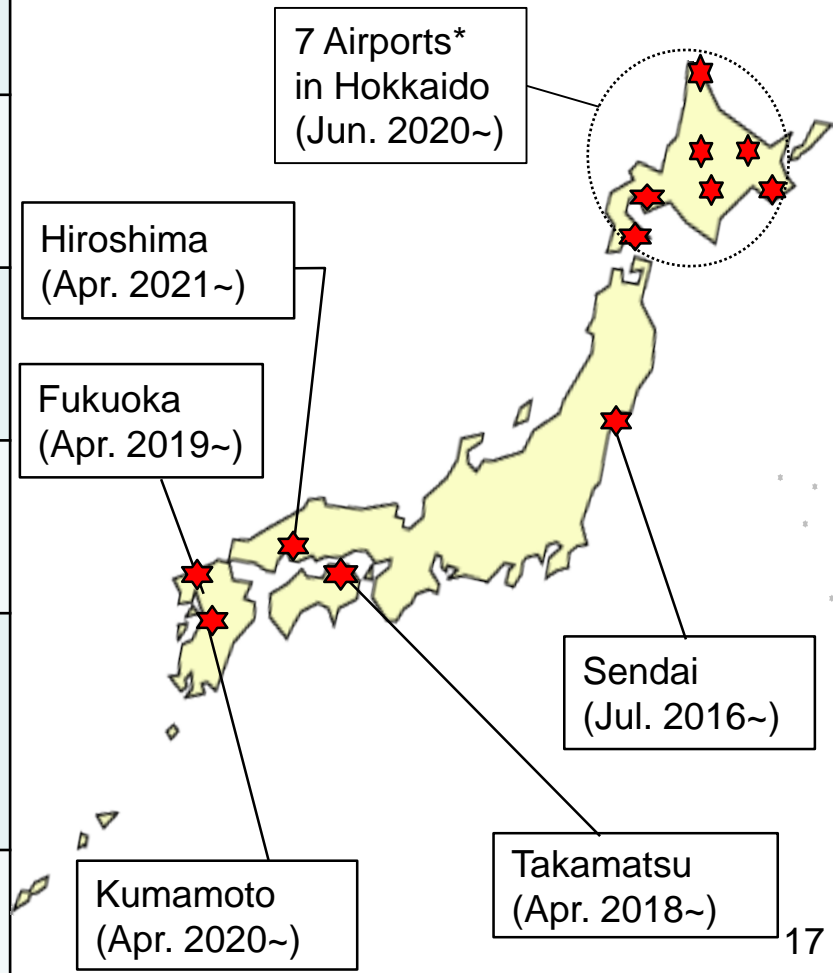


Increase visitors & boost local economy

■ More Japanese airports implement the integrated airport management.

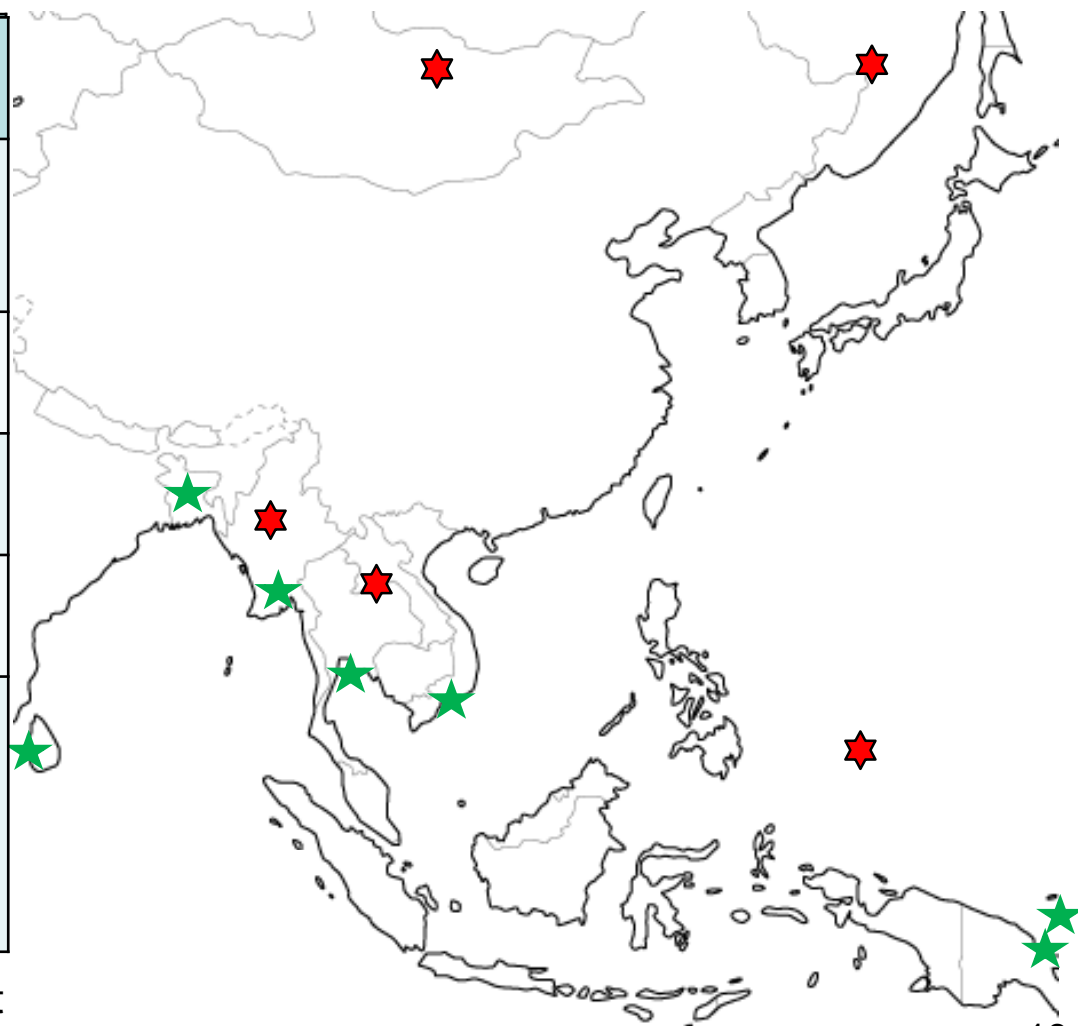
Airport	Start from	Contracted company
Sendai	Jul. 2016	Consortium led by Tokyu Corporation with member companies such as <u>Toyota Tsusho Corporation</u> .
Takamatsu	Apr. 2018	Consortium led by Mitsubishi Estate with member companies such as Taisei Corporation.
Fukuoka	Apr. 2019	Consortium led by Fukuoka Airport Holdings with member companies such as <u>Mitsubishi Corporation</u> .
Kumamoto	Apr. 2020 (Plan)	Consortium led by Mitsui Fudosan with member companies such as <u>Sojitz Corporation</u> , <u>Japan Airport Terminal</u> .
7 airports in Hokkaido (including New-Chitose (Sapporo))	Jun. 2020 (Plan)	Consortium led by Hokkaido Airport Terminal with member companies such as <u>Mitsubishi Corporation</u> .
Hiroshima	Apr. 2021 (Plan)	TBD

\* New-Chitose (Jun. 2020~), Asahikawa (Oct. 2020~), Wakkanai, Kushiro, Hakodate, Obihiro, Memanbetsu (Mar. 2021~)



- Japanese companies have been involved in the development and operations of airports abroad.

Airport	Start from	Contracted Japanese companies
Wattay, Laos	1999	JALUX <u>Toyota Tsusho Corporation</u>
Mandalay, Myanmar	Apr. 2015	JALUX <u>Mitsubishi Corporation</u>
Palau	Apr. 2019	<u>Sojitz Corporation, Japan Airport Terminal, JOIN<sup>(*1)</sup></u>
Khabarovsk, Russia	Oct. 2019	<u>Sojitz Corporation, Japan Airport Terminal, JOIN<sup>(*1)</sup></u>
Ulaanbaatar, Mongolia	Summer 2020 (Plan)	<u>Mitsubishi Corporation, JALUX, Japan Airport Terminal, Narita International Airport Corporation</u>



\*1 JOIN: Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development

- The increase in passengers between North America and Asia surpasses that of travel between any other regions.
- Due to rapidly growing international tourists to Japan, aviation networks are expanding not only between Southeast Asia and Japan, but also between North America and Japan.
- While direct flights between U.S. and Southeast Asia are increasing, the number of cities in the U.S. and Southeast Asia linked by nonstop flights are limited; thus, connecting hubs are still important between North America and Southeast Asia.
- Japan has the geographical advantage as a connecting hub between North America and Southeast Asia.
- While the international flight increase in Haneda in 2020 draws attention, Narita will be important as an infrastructure capable of meeting the future demand increase of international flights to the Tokyo metropolitan area.
- Major airports other than those in the Tokyo metropolitan area are rapidly enhancing the aviation network mainly with Asian countries. Along with this trend, airport facilities are being developed rapidly to handle more international tourists in a smooth manner.
- Integrated airport management has started in various government owned airports including Fukuoka and New-Chitose with an expectation to streamline and activate these airports and further to promote overseas development of airport management by Japanese companies.

Thank you for your attention.

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