Future of the International Air Transport in Asia-Pacific Region

Akihiko Tamura

President & CEO,
Narita International Airport Corporation

November 18, 2019

Narita Airport
Connecting Japan to the World

Table of Contents

1. Business Environment for Narita Airport

2. Narita Airport's Advantages

3. Narita Airport's Initiatives

4. Summary

Table of Contents

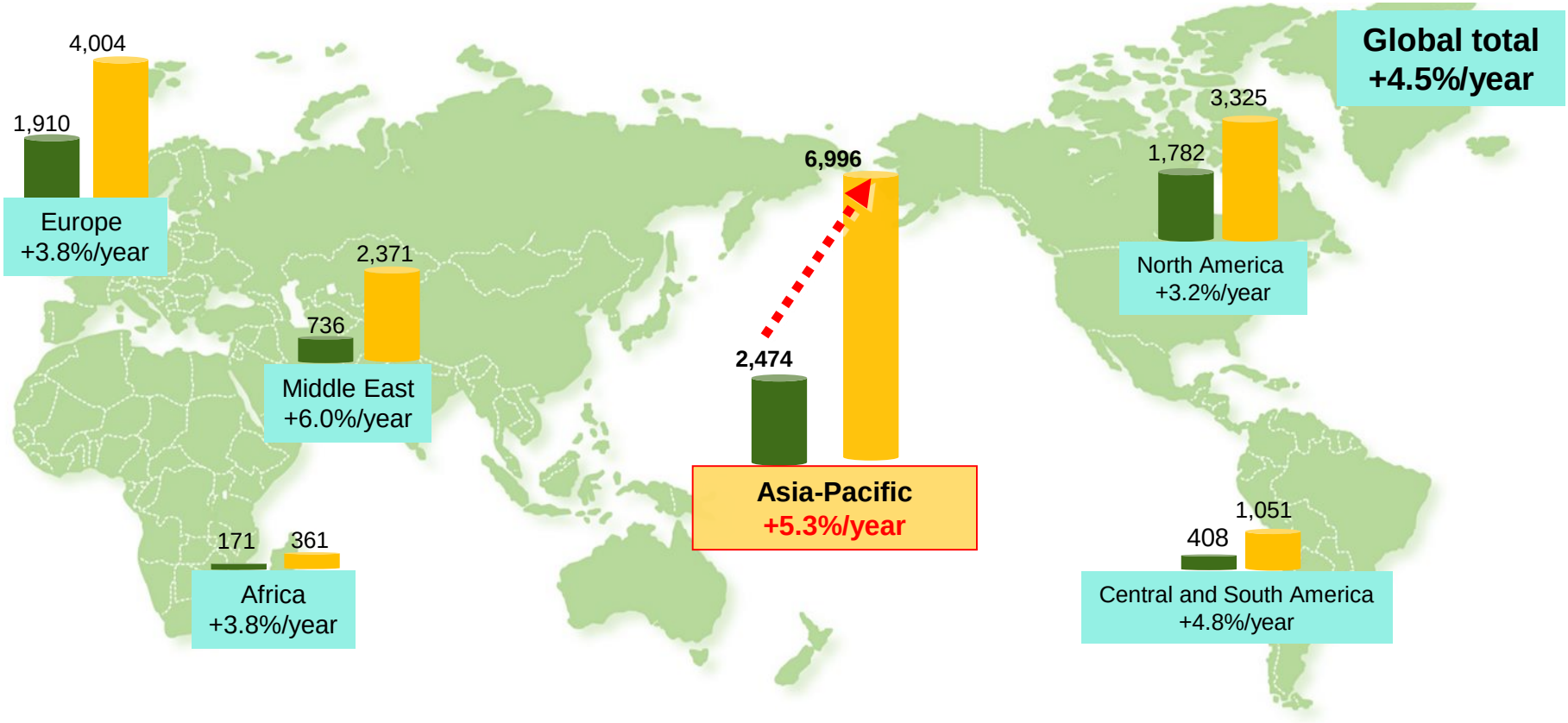
1. Business Environment for Narita Airport

2. Narita Airport's Advantages

3. Narita Airport's Initiatives

4. Summary

Forecast of global air transport passenger traffic volume (2018 to 2037)

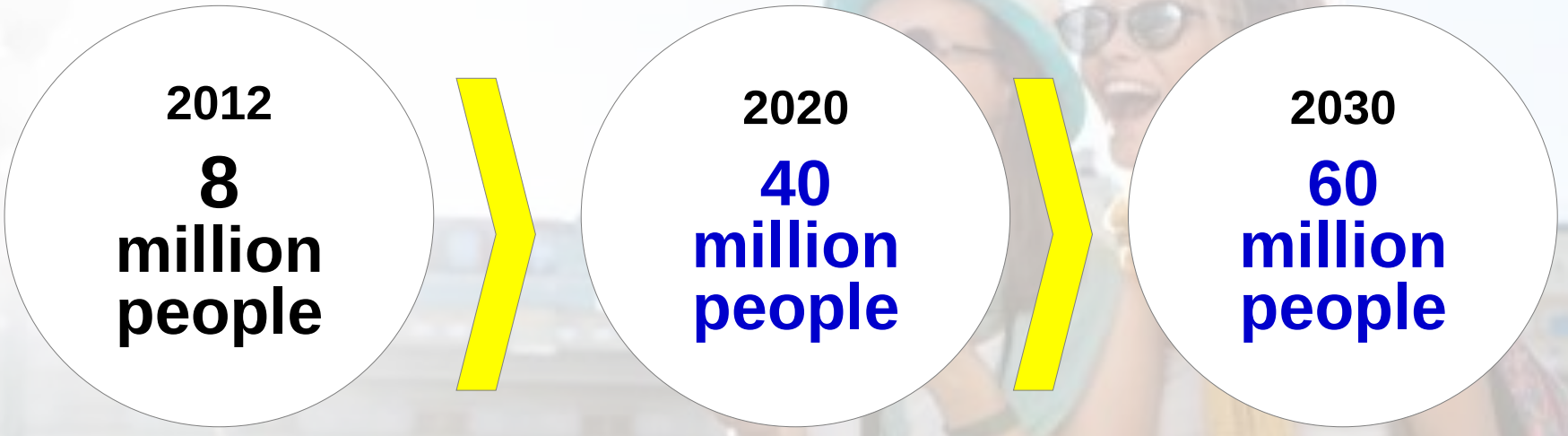


Passenger traffic in Asia is forecasted to grow at an annual average rate of above 5% over the next 20 years.

Source: Japan Aircraft Development Corporation

Japanese government's in-bound tourism policy and growing demand for visits to Japan

Target numbers of foreign tourists to Japan



Tourism Vision Realization Program 2019

- Facilitating the immigration procedure
- Improving the tourism environment
- Development of tourism resources
- Cooperation with JNTO (Japan National Tourism Organization)

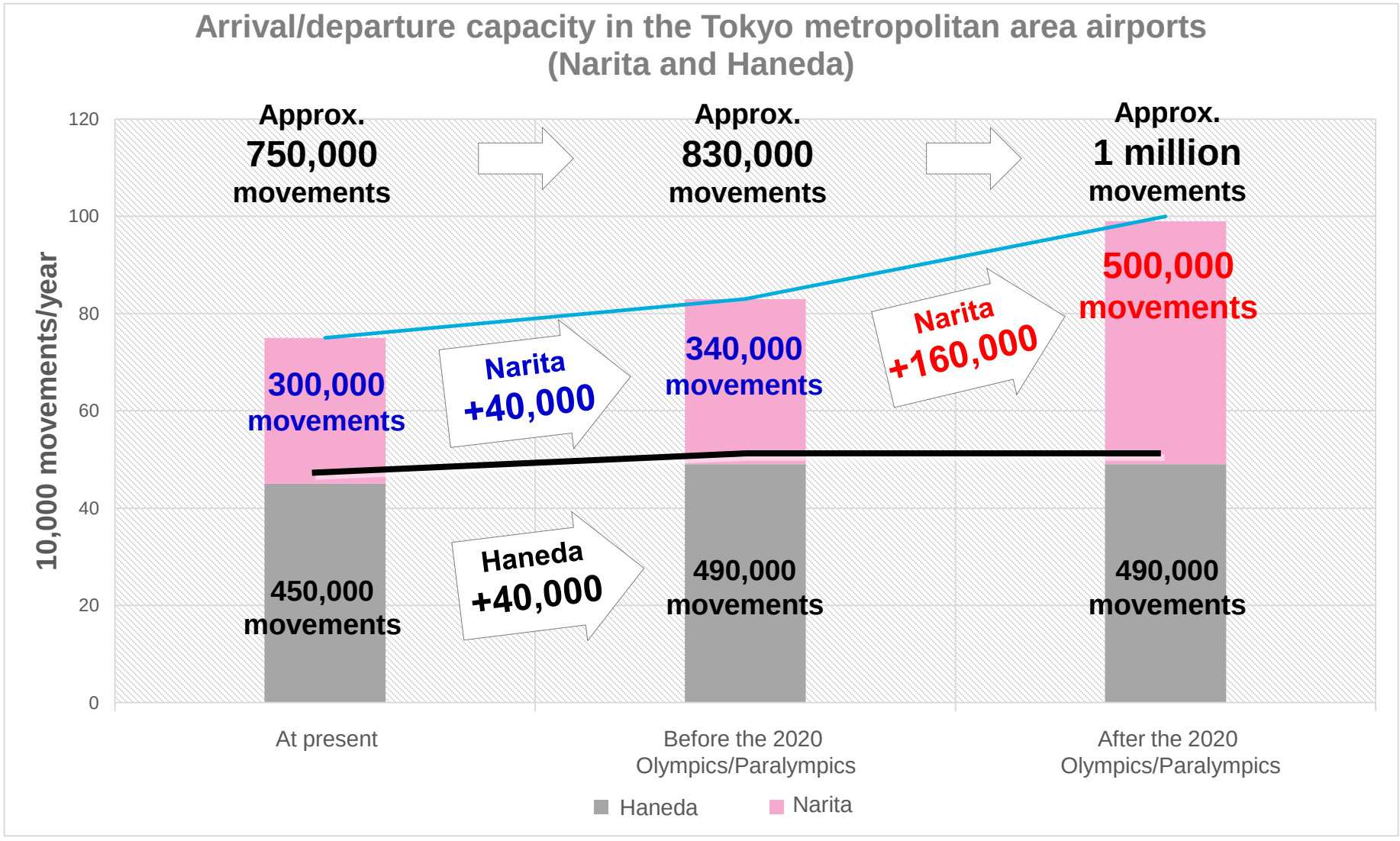
Intensifying competition between airports

Asian airports planning large-scale expansion

- Intensifying competition to attract new routes
- An opportunity to win over passengers

(Source: airports' websites, press releases, etc.)

Strengthening of the Tokyo metropolitan area airports' functionality (Annual arrival/departure capacity)



Narita's capacity and functionality enhancements

11/11
更新

Annual number of slots

300,000 slots

↓

500,000 slots

Runway

Two runways
(4000m & 2500m)

↓

Three runways
(4000m×1)
(3500m×2)

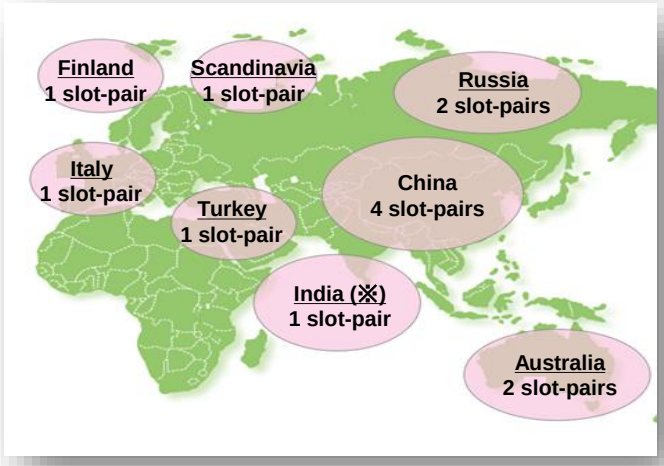
Operating hours

6 a.m. to 12 p.m.

↓

5 a.m. to 12:30 a.m.

Impact of the 3rd increase in slots at Haneda



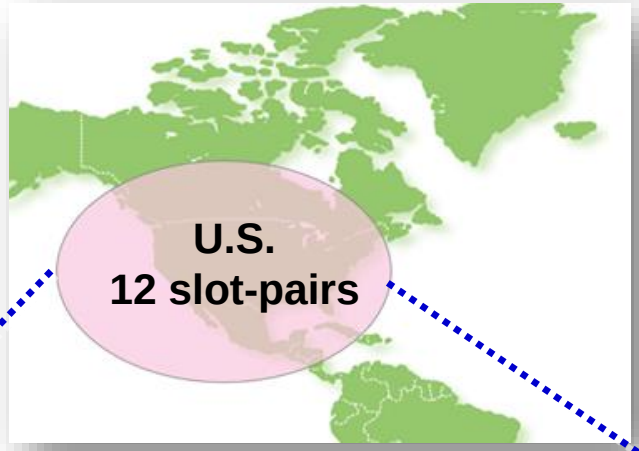


Table of Contents

1. Business Environment for Narita Airport

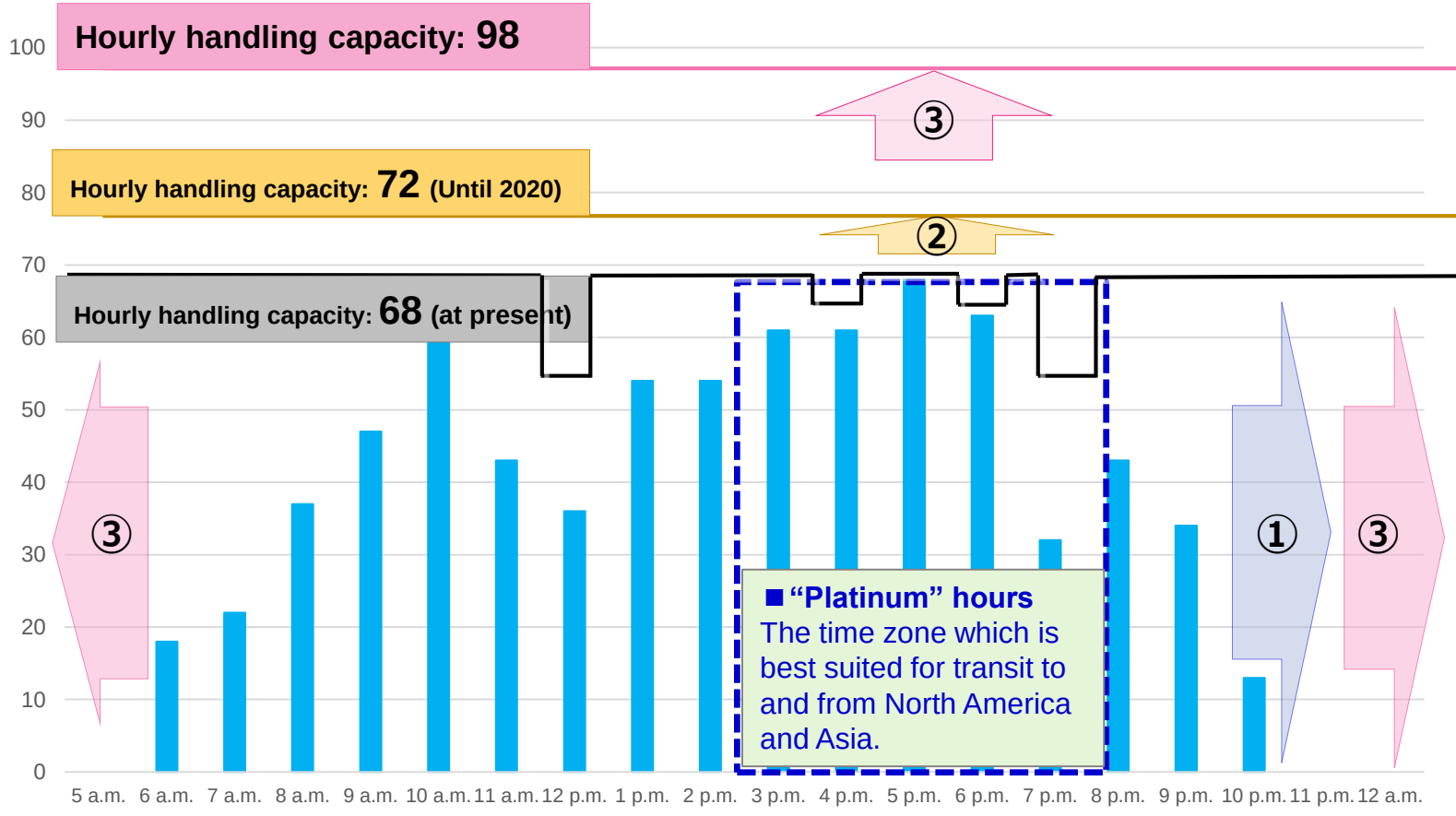
2. Narita Airport's Advantages

3. Narita Airport's Initiatives

4. Summary

Advantage (1): Increase in hourly arrival and departure slots

【Number of hourly arrivals/departures】



①2019 Winter schedule

- Extend the operating hours from 6am to 12:00am.
- Remove the restriction on number of flights operable after 22:00.

②2020 summer schedule

- Increase the hourly capacity to 72.

③After the opening of Runway C

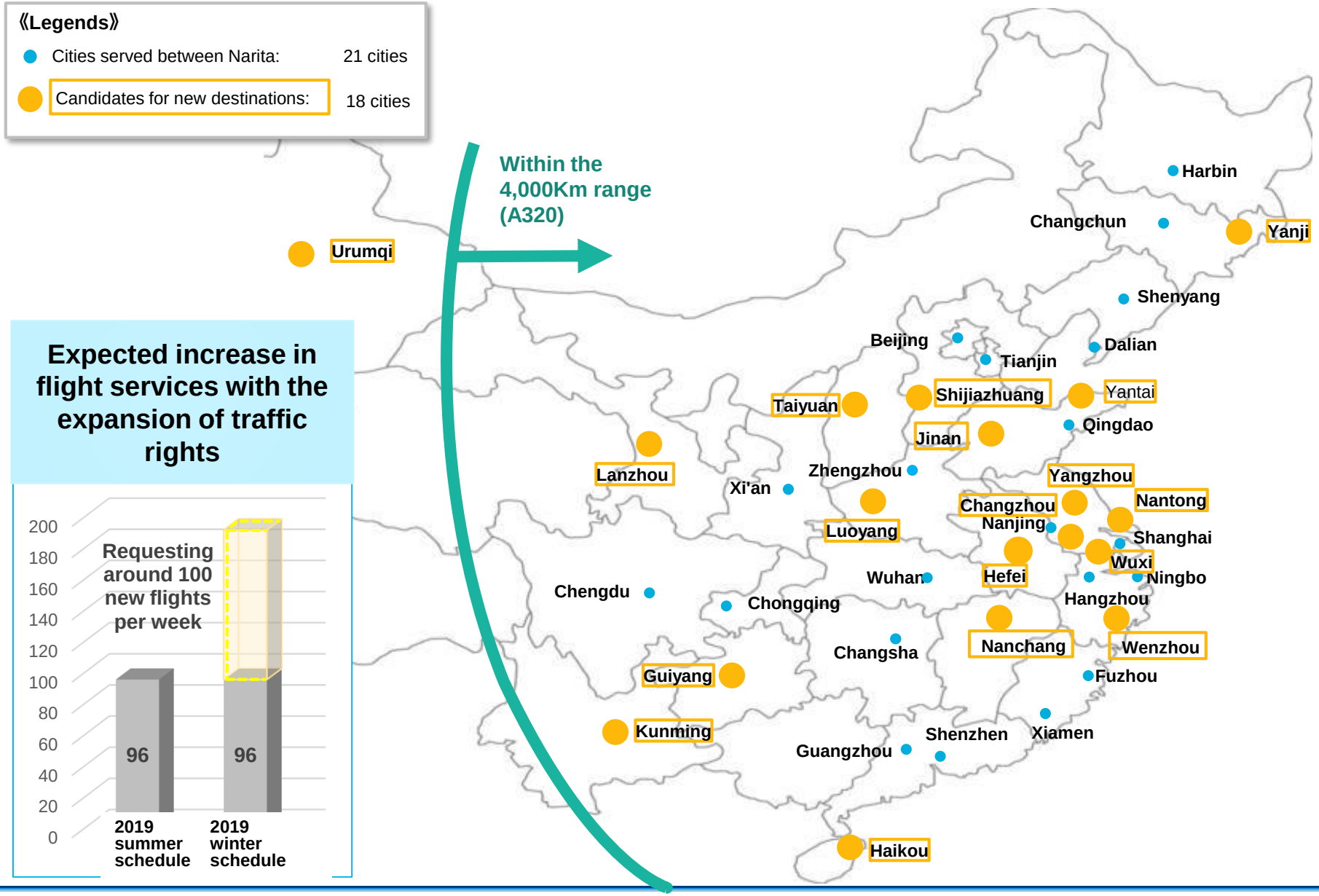
- Extend the operating hours from 5 a.m. to 12:30 a.m.
- Vary the operating hours by runway

Advantage (2): Potential for flight network expansion on China routes.

11/12 更新

《Legends》

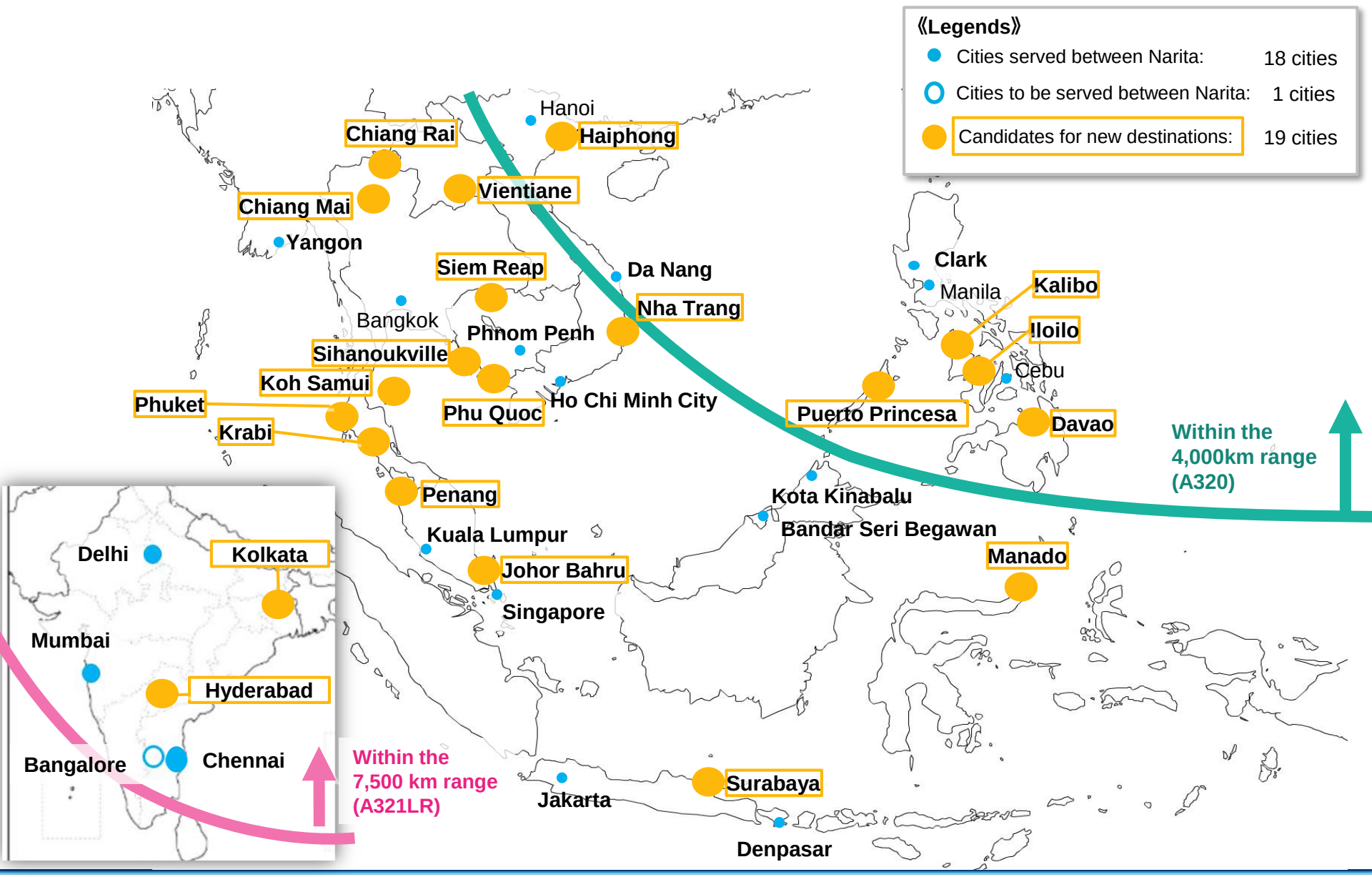
- Cities served between Narita: 21 cities
- Candidates for new destinations: 18 cities



Expected increase in flight services with the expansion of traffic rights

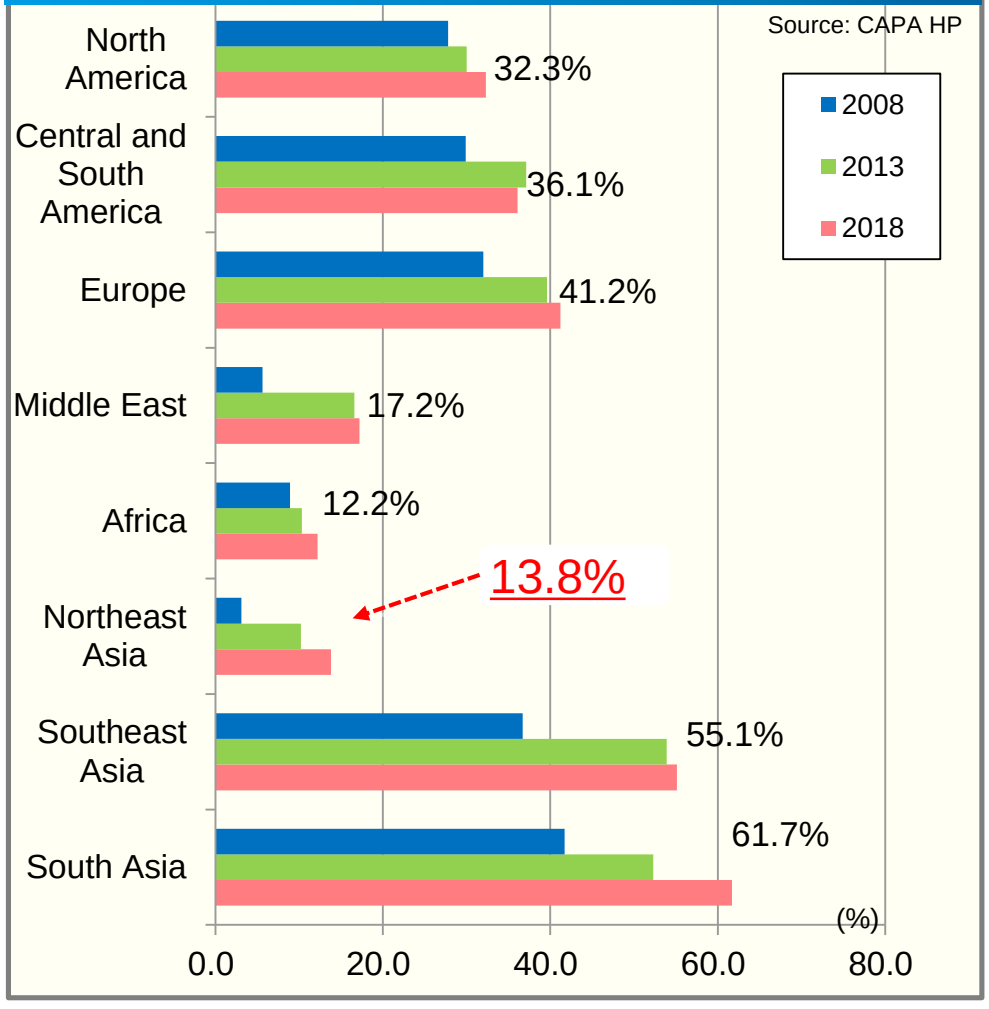
Advantage (2): Potential for flight network expansion on Southeast Asia and India routes.

11/12 更新



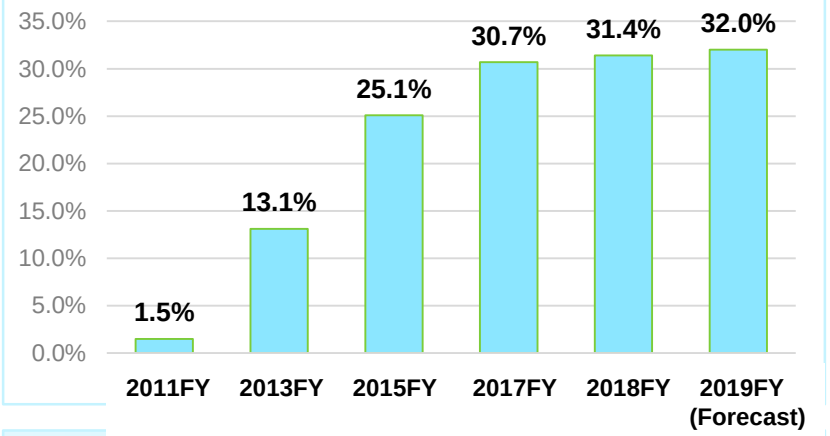
Advantage (3): Growing LCC market

LCCs' market share by region
(number of seats provided within the region)



LCCs' share at Narita Airport

Share in terms of number of flights (passenger flight services)



Share in terms of the number of passengers

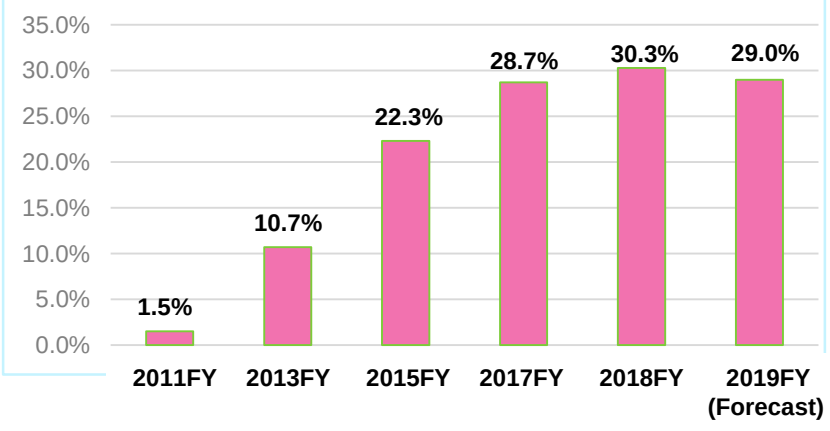


Table of Contents

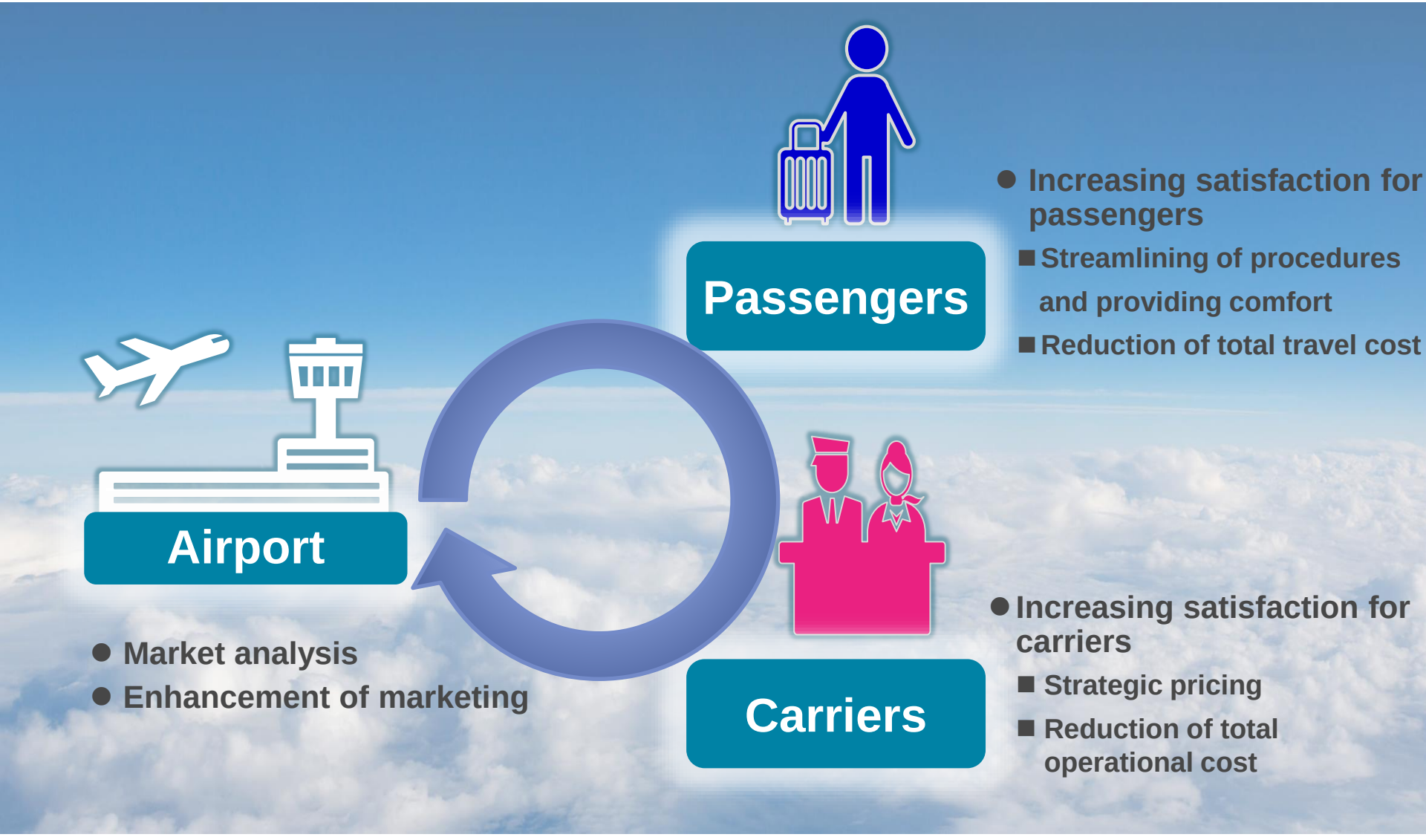
1. Business Environment for Narita Airport

2. Narita Airport's Advantages

3. Narita Airport's Initiatives

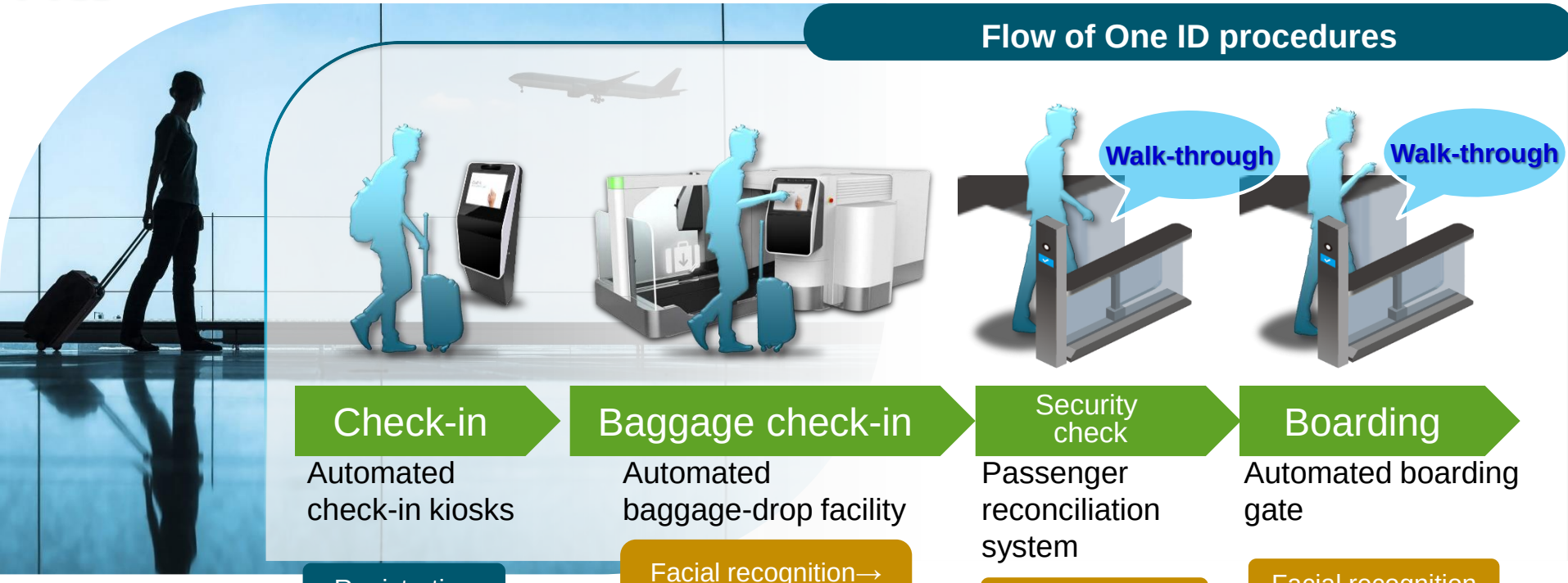
4. Summary

Key success factor is increasing satisfaction



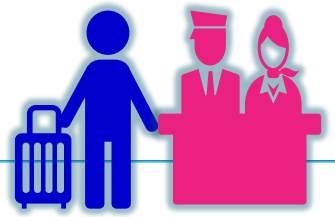
One ID facial recognition

Flow of One ID procedures



Check-in	Baggage check-in	Security check	Boarding
Automated check-in kiosks	Automated baggage-drop facility	Passenger reconciliation system	Automated boarding gate
Registration	Facial recognition→ document-free	Facial recognition	Facial recognition

The new system will be introduced at Terminal 1 south wing and at Terminal 2 by spring 2020



One-stop security

11/11
更新

- Shorten transit time
- Reduce cost

- Reduce the burden on passengers
- Increase convenience

- Ease congestion in peak hours
- Increase retail sales at airport shops

The coverage of the “one-stop security” will be expanded to all flights from the mainland United States and state of Hawaii from December 2019

Enriching incentives

Narita Airport

2013 — Incremental landing tonnage

2015 — Narita Promotional Incentives: Incremental landing tonnage; New routes

2017 — Incremental landing tonnage; New routes; Marketing activity

2019 — Incremental landing tonnage; New routes; Marketing activity; New! ↓ Morning departure bonus

20XX

Narita will continue to strategically and flexibly introduce incentive schemes

Reduction of total costs

Conduct market analysis

Implement measures (reduction of total cost)

For passengers

Expansion of the network of low-cost bus (LCB) services

Expansion of the networks of LCCs and FSCs

For carriers

Proposing a comprehensive fee and charges scheme with economic rationality.

Reduction of operational cost

Narita will become the “airport of choice” that is convenient and easy to use

Table of Contents

1. Business Environment for Narita Airport

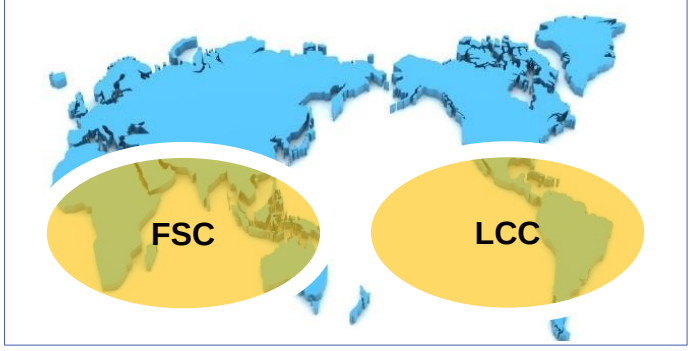
2. Narita Airport's Advantages

3. Narita Airport's Initiatives

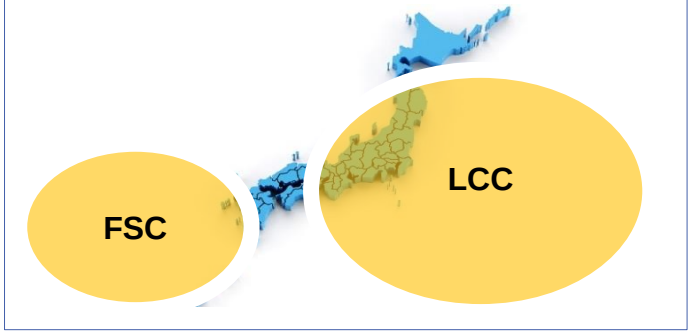
4. Summary

Narita's role

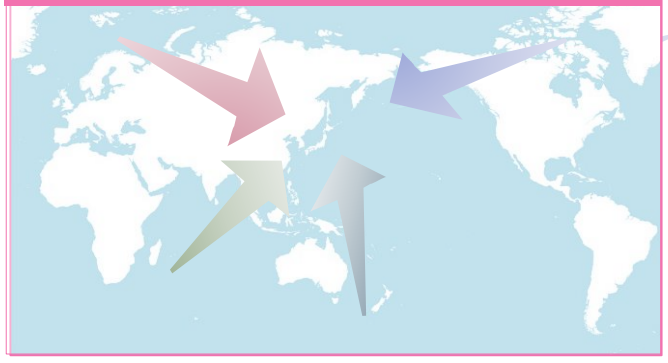
International services



Domestic services



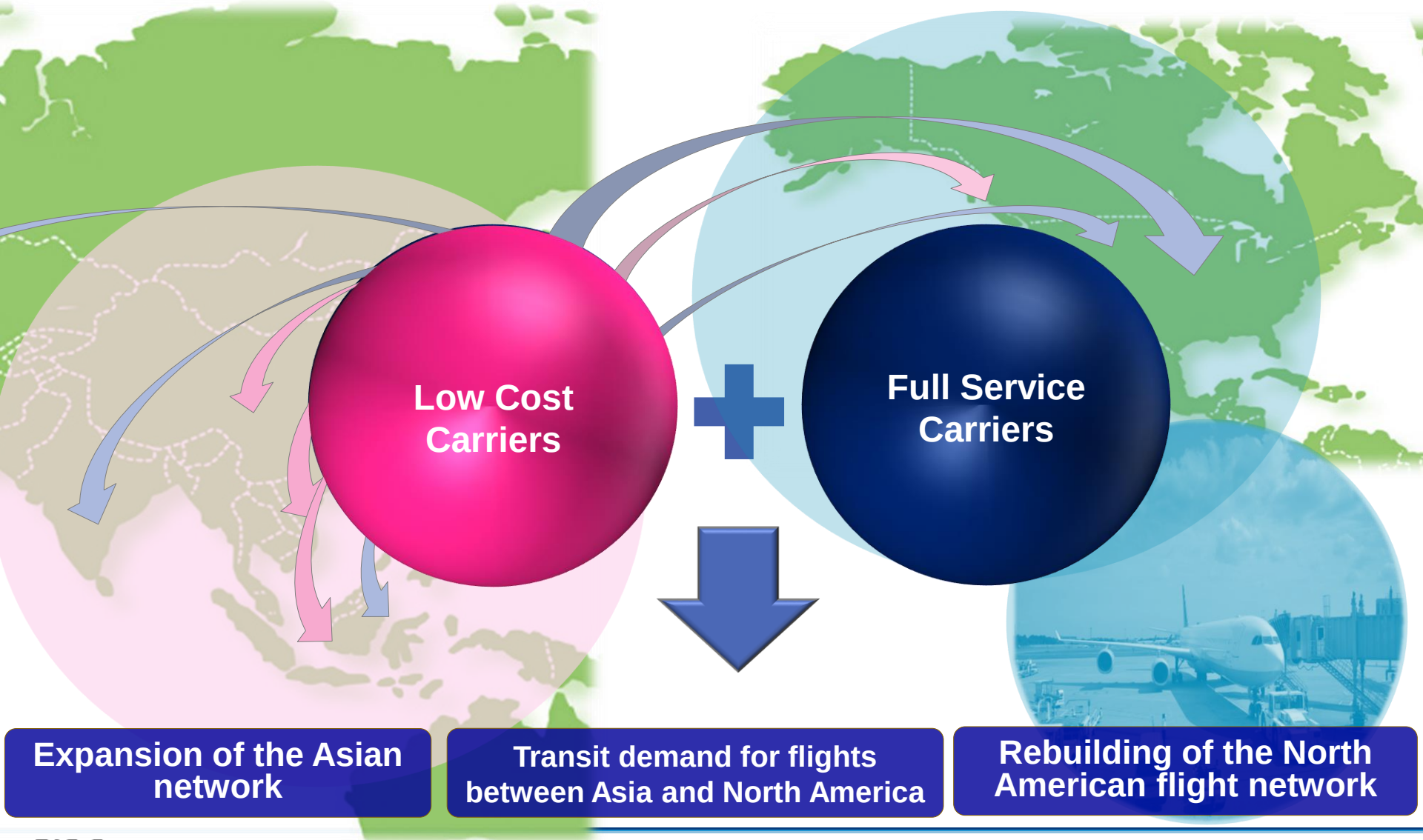
The government's in-bound tourism policy



Strengthening of Narita Airport's functionality

Narita will fulfill its role as the main arrival point in the Tokyo metropolitan area by developing a business environment that enables carriers to achieve growth.

FSCs and LCCs will act as the twin drivers of growth



Expansion of the Asian network

Transit demand for flights between Asia and North America

Rebuilding of the North American flight network

Narita Airport
Connecting Japan to the World