

# Updates on Japan's INTERNATIONAL AVIATION POLICY

- 1.Recovery from The Great East Japan Earthquake
- 2.The Growth Strategy of MLIT
- 3.Transformation of HND into a 24-hour International Hub
- 4.Drastic Functional Enhancement of Narita
- 5.Opening Japan`s Skies to Asia & the World
6. Deregulation
7. Reorganization of the Civil Aviation Bureau

**Yoshiro TAGUCHI**

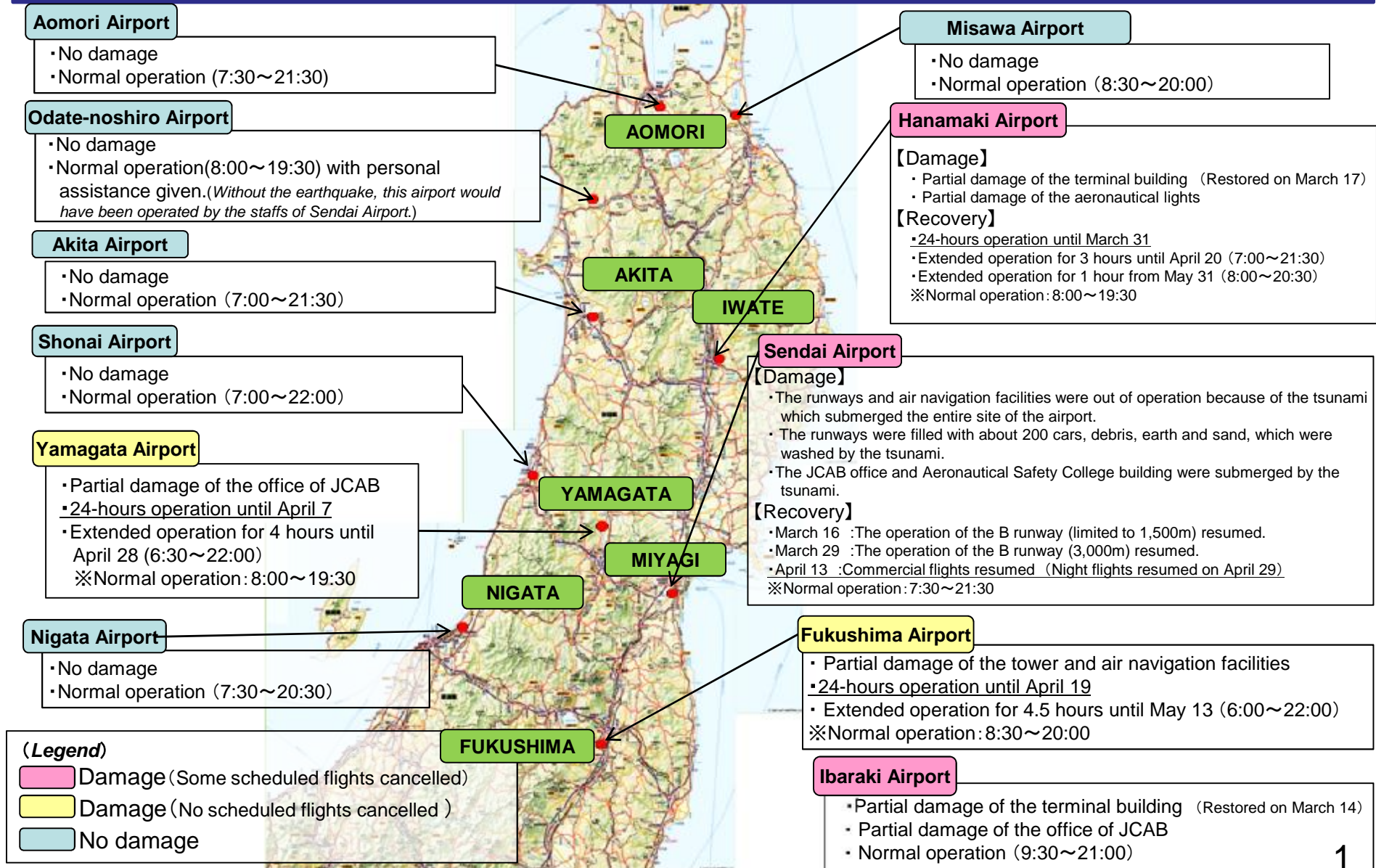
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30 Jun. 2011

# **1. Recovery from The Great East Japan Earthquake**

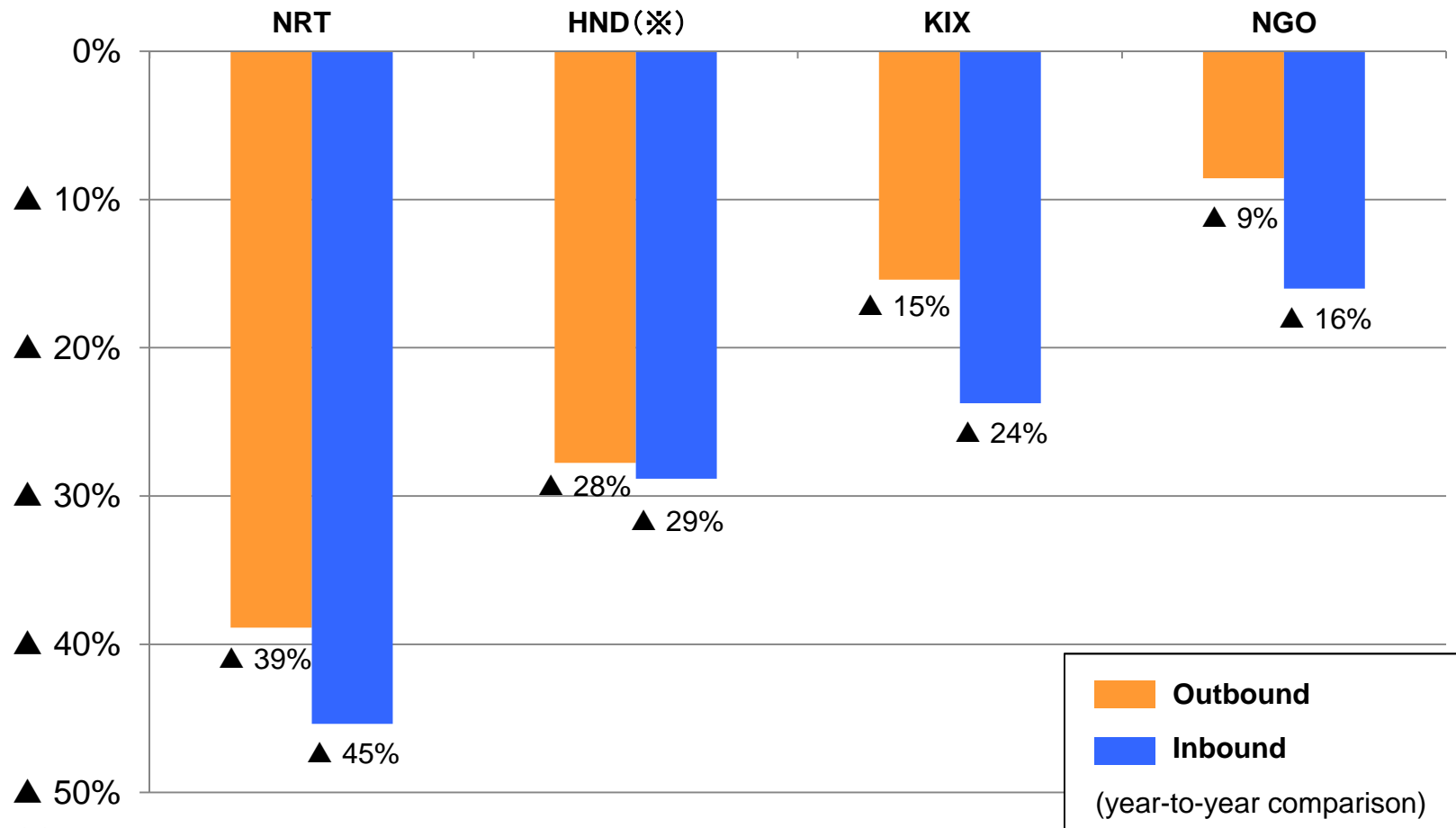
# Restoration of the Airport Facilities Damaged by The Great East Japan Earthquake

The Great East Japan Earthquake followed by the massive tsunami on March 11 submerged the entire site of Sendai Airport including the airport facilities, such as the passenger terminal building.



# Effect on Aviation Industry

## ◎ Decrease of Inbound and Outbound Passengers (3/11-4/18)



※HND: Compared to the number during the period of 3/1-3/10, 2011

## ◎ Temporary Diversion of International Air Service

After the earthquake and the nuclear power plant accident, 22 airlines diverted regular flights on 34 routes (NRT:29 HND:5) in total because crew denied to fly to and stay at Japan. However, they have gradually resumed their regular operations.

## ○ ICAO

**“No Restrictions on Travel to Japan”(3/18)**

**“Current Radiation Levels in Japan and Travel Advice”(4/1)**

**“Current Situation for Travel and Transport to and from Japan”(4/14)**

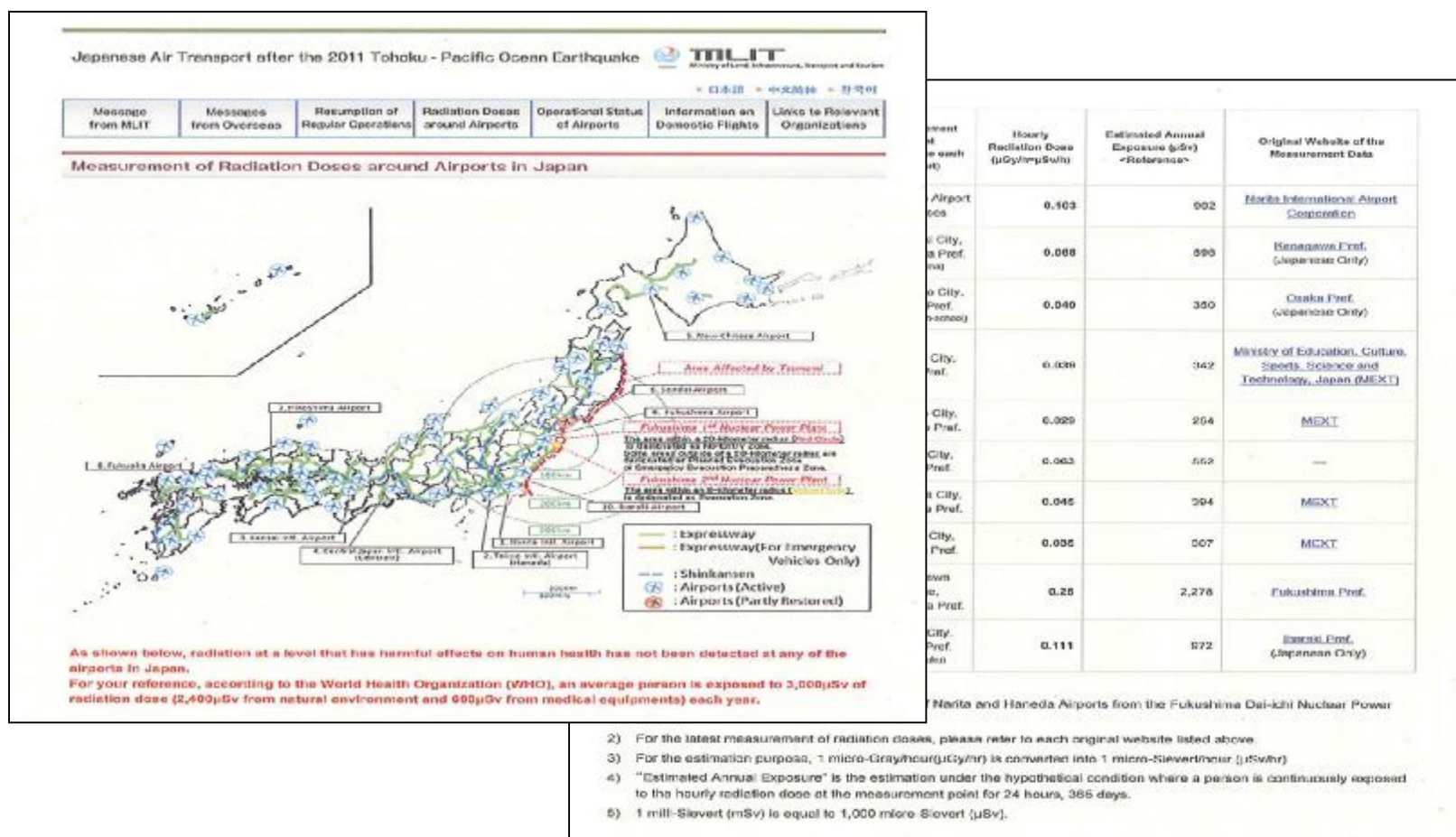
## ○ IATA

**“No Restrictions on Air Travel to Japan”(3/19)**

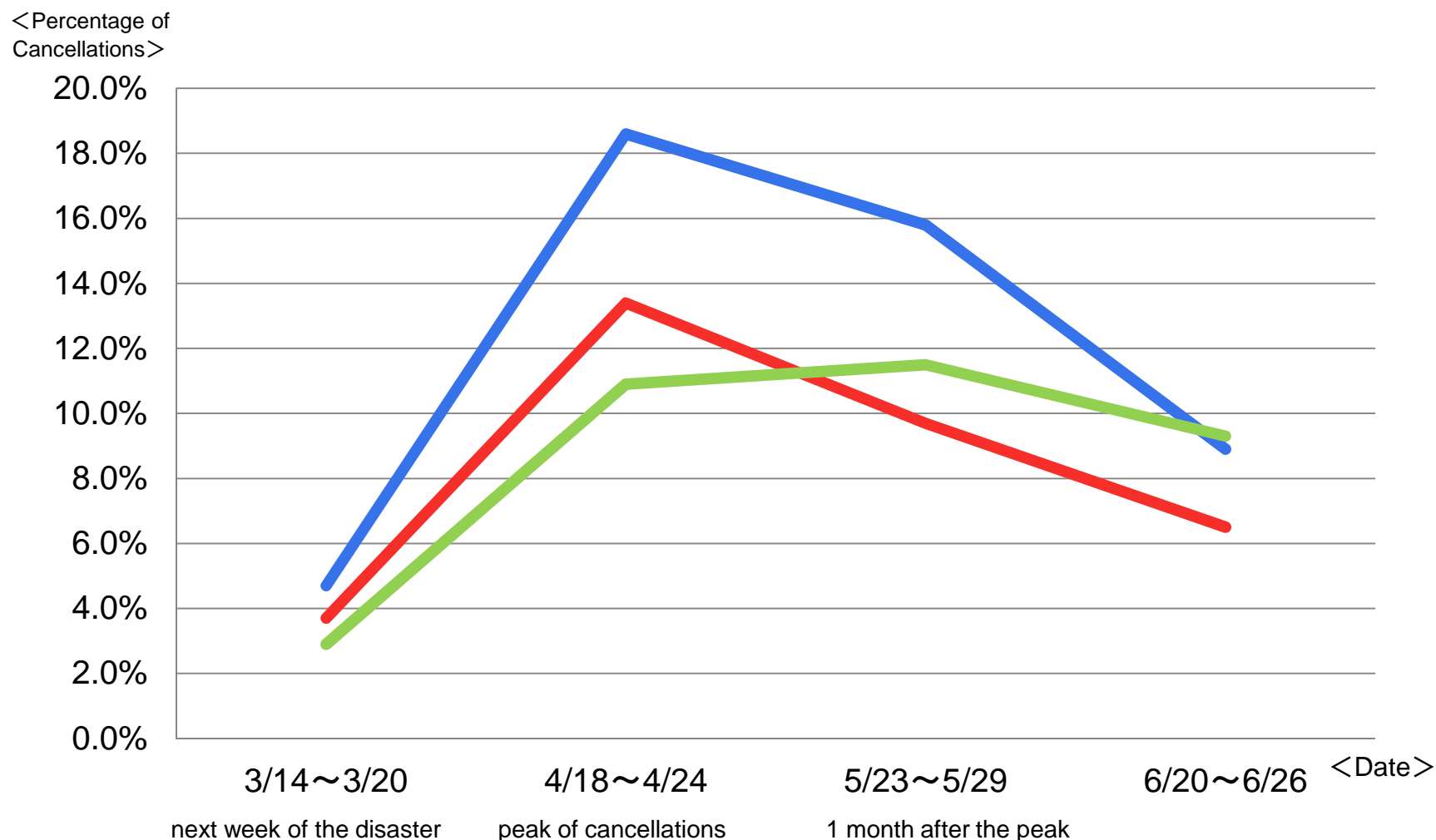
**“UN Confirms Safety of Japan Operations  
- No Recommendation for Passenger Screening”(4/1)**

## ◎ Dissemination of Accurate Information in Timely Manner

JCAB launched the dedicated web site (in four languages: Japanese, English, Chinese and Korean) in order to provide accurate information about the status of air transport of Japan, including radiation doses around airports and operational status of airports.



# Cancellation of International Flights



※Operational plan approval basis  
 ※Cancellation of International scheduled flights (domestic and foreign carriers)  
 ※Compared to the original operational plans at the beginning of 2011S

— NRT    — HND    — KIX, NGO, other airports

## **2. The Growth Strategy of MLIT**



# The Growth Strategy of MLIT

## I Opening Japan's Skies to Asia & the World (Promotion of Full-Fledged Open Skies Agreements)

- Ø Promotion of Open Skies Agreements including Tokyo with 300,000 slots per year at NRT becoming more likely
- Ø Promotion of a drastic liberalization that goes well beyond what is encompassed by traditional framework and deregulation of forwarder charter rules in order to kick-start the international air logistics business
- Ø Aiming at agreements mainly with Asian countries in order to develop Japan as a tourist destination and to encourage the market participation of new airlines including LCCs

## II Strengthening HND/NRT in order to Enhance the Interurban Competitiveness of the Tokyo Metropolitan Area

- Ø Transformation of HND into a 24-hour international hub : 90,000 annual slots for international regular service, and introduction of long-haul business routes to destinations in Asia, Europe, and North America
- Ø Positioning NRT as one of Asia's leading hub airports : Further strengthening of international flight network, enhancement of the domestic feeder routes, and encouraging participation of LCCs and business jets

### V Maintaining Essential Air Networks

- Ø Maintenance of local networks initiated by local governments
- Ø Allocation of domestic takeoff/landing slots at HND based on more market-oriented mechanisms

## III Streamlining Airport Management by Leveraging "Private-Sector Wisdom and Financing"

- Ø In the short run : Review of the structuring of annual incomes and expenditures within the airport development account
- Ø In the medium run : Optimization of airport fees (including landing fee) through the operational integration of airport-related businesses and airports themselves, and outsourcing concession to private sector or privatization

### IV Active Strengthening of Kansai International Airport (KIX) by Balance Sheet Reform

- Ø Balance sheet reform of KIX in order to revitalize KIX as a hub airport in Kansai by combining utilizing Itami Airport
- Ø Strategic operation of KIX such as positioning KIX as a cargo hub and attracting LCC participation at KIX

## VI Expanding User Benefits by Promoting LCC Participation

- Ø Consideration of construction of a terminal building for exclusive use by LCCs at hub airports such as NRT and KIX
- Ø Enabling airlines to achieve low cost operation by relaxations of technical regulations compatible with international trends

# Strengthening the International Competitiveness of Tokyo Metropolitan Airports (Haneda/Narita)

## Development of Tokyo Metropolitan Airports (infrastructure)

### Expansion of Annual Takeoff and Landing Slots at Tokyo Metropolitan Airports (Haneda/Narita)

Transformation of HND into a 24-hour International Hub

Drastic Functional Enhancements of Narita (Achieving 300,000 Annual Slots)

Annual Takeoff and Landing Slots Expansion at Tokyo Metropolitan Airports (Haneda/Narita)

## Shift to Open Aviation Policy

### Promotion of Full-Fledged Open Skies

Promotion of Full-Fledged Open Skies Agreements

Promotion of LCC(Low Cost Carrier) Participation and Business Jets Accommodation

#### 【As a nation】

Opening Japan's Sky to Asia & the World

#### 【For Users and Airlines】

- Expansion of air transportation service (Improving user convenience)
- Promotion of competition among airlines

Creating Level Playing Field for Japanese Airlines  
(ex. Reduction of Aviation Fuel Tax)

Strengthening the International Competitiveness of Tokyo Metropolitan Airports

Especially in Asia where remarkable growth is taking place

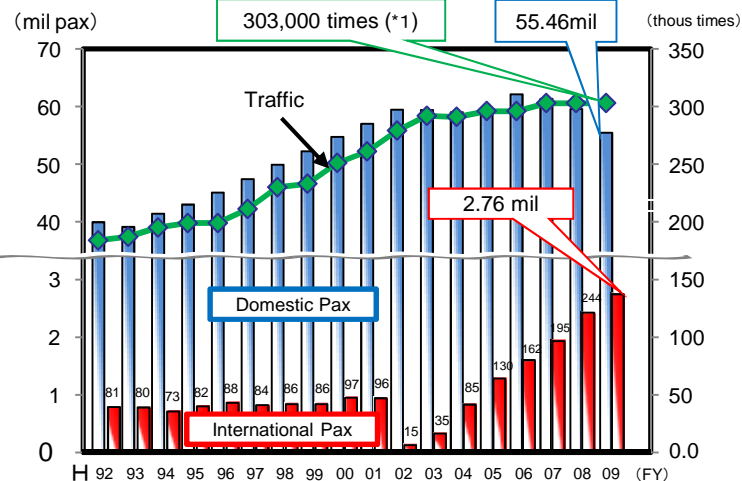
Enhance National Strength

### **3. Transformation of HND into a 24-hour International Hub**

# Current Status of Haneda Airport

- As a Hub of domestic routes, Haneda has 470 flights with 49 airports in Japan
- Largest domestic airport with about 55million domestic passengers per year in Japan.
- Established international network with 16 cities, 52 flights per day since the opening of international terminal in Oct. 2010,

## Dom. Pass. and aircraft movement

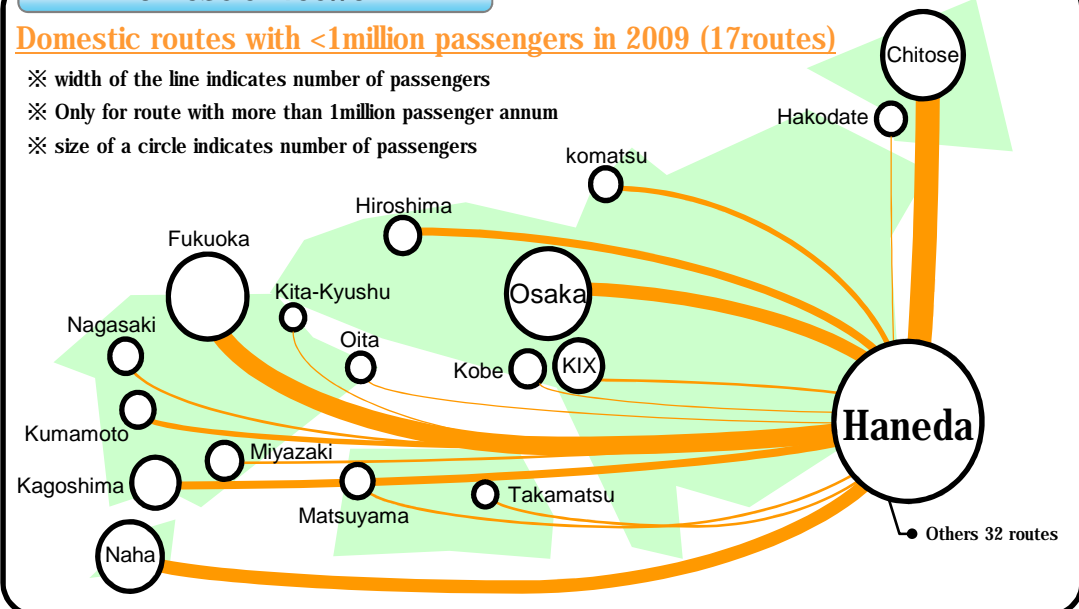


\*1 Day time hours (6:00~23:00) capacity. Excluding arrival of 6:00~8:30 and departure of 20:30~23:00.  
\*2 Based on Airport management data survey (2009) (Target: paid and unpaid passengers, regular and non-regular flights)

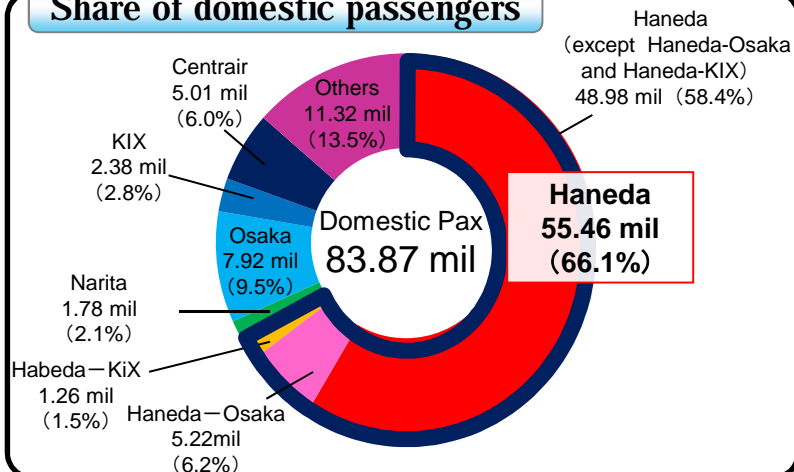
## Domestic Network

### Domestic routes with <1million passengers in 2009 (17routes)

- ※ width of the line indicates number of passengers
- ※ Only for route with more than 1million passenger annum
- ※ size of a circle indicates number of passengers



## Share of domestic passengers



## International Network

In OCT 2010, new International passenger terminal opened, re-establishing international network after 32 years

### International Network

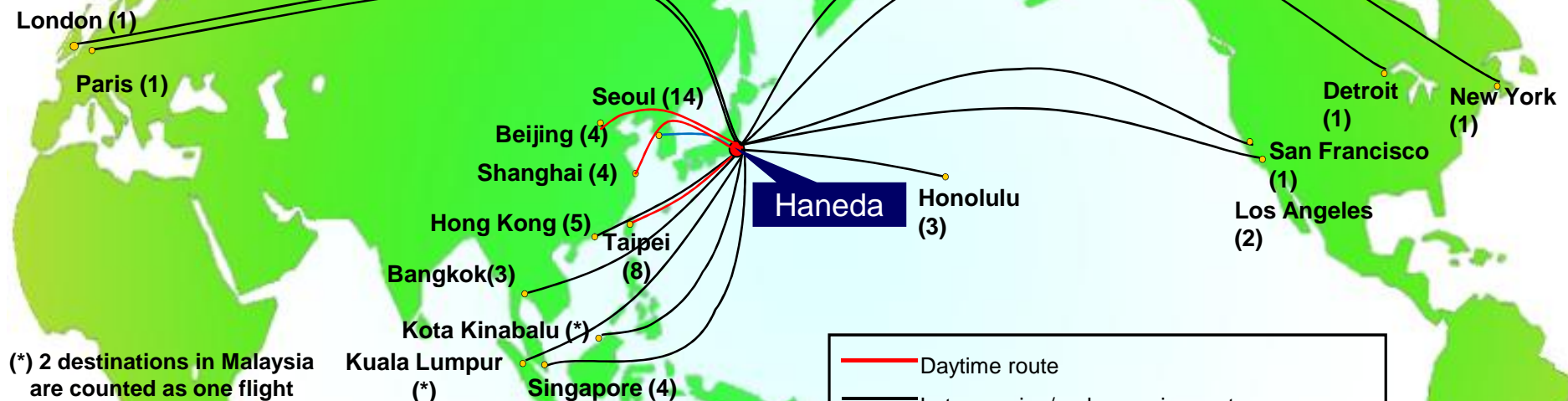
- ASIA 7 countries 9 cities  
(Korea/Taiwan/China/Hong Kong/Thai/Malaysia/Singapore)
- Europe 2countries 2cities (France/England)
- America 1 countries 5 cities (US)

# International Network of Haneda Airport(March 2011-)

Networks connecting Haneda and major cities in Europe and the United States including London, Paris, New York and Los Angeles as well as short-distanced cities in Asia such as Beijing and Shanghai were established with the start of international regular flight services at Haneda Airport in October 2010.

**Europe** 2 countries, 2 cities  
•France •UK

**North America** 1 country, 5 cities  
•U.S.A



**Asia** 7 countries/regions, 9 cities  
•Korea •Taiwan •China •Hong Kong  
•Thailand •Malaysia •Singapore

**Destination (Sum of international flights, both daytime and late-evening/early morning)**

**Maximum of 52 flights per day to 10 countries and regions and 16 cities  
(25 Japanese flights (2 airlines), 27 overseas flights (16 airlines))**

※Operational plan approval basis

※The maximum number of flights based on summer schedule in 2011



# Development of Enlargement Project of Haneda Airport and Future Plan

Development of the 4<sup>th</sup> runway (Runway D) and international flight area is underway:

- **21<sup>st</sup> October last year: Started services of Runway D and international passenger terminal building, etc.**
- **31<sup>st</sup> October last year: Started regular international flight service for the first time in 32 years**  
(30,000 during daytime and 30,000 during late-evening/early morning, 60,000 flights in total)

**International passenger terminal building**

Construction start: 1<sup>st</sup> May 2008  
Completion: 31<sup>st</sup> July 2010

Start expansion of international passenger terminal and apron to realize 90,000 international slots (60,000 daytime/30,000 late-evening/early morning) after expansion to 447,000 in FY2013 at earliest. Deploy high demand/business lines including Europe/USA and long-distance Asia.



【Reference】  
Start operation of new control tower  
(12<sup>th</sup> January 2010)

**Runway D  
(2,500m)**

Construction start: 30<sup>th</sup> March 2007  
Completion: 30<sup>th</sup> August 2010

【Photographed on 15<sup>th</sup> November 2010】

## Capacity Increase for International Flight at HND

■ Slots for international scheduled flights will increase from current 60,000 to **90,000** in total, as early as FY 2013, pending implementation of safety measures, if necessary, and completion of the terminal expansion project.

Daytime  
(0600-2300)

30,000 slots → **60,000 slots**

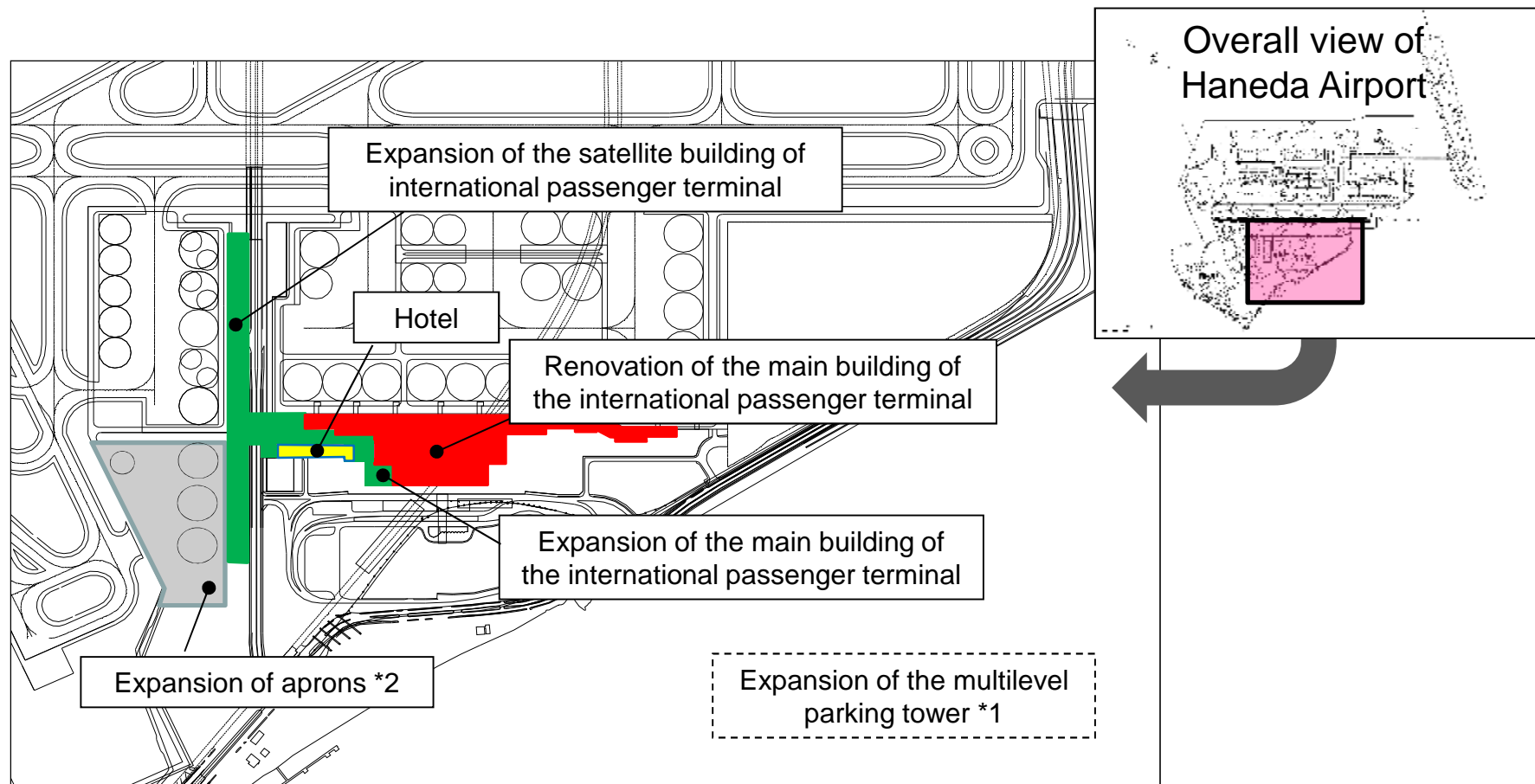
Late-night and  
early-morning hours  
(2200-0700)

30,000 slots

### Future Measures

- Expansion project of the new int'l passenger terminal is scheduled to be completed by around Mar. 2014.
- Movement restrictions will be relaxed.
- Daytime slots will be exclusively used for international flights on high-demand, business routes connecting cities of the world with Tokyo.

# Expansion of International Passenger Terminal



Expansion project of the new int'l passenger terminal is scheduled to be completed by around Mar. 2014.

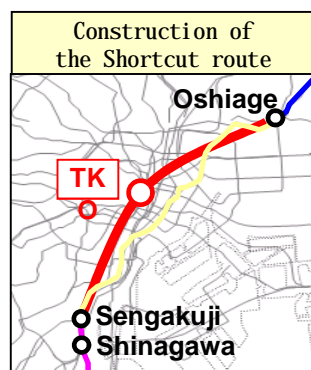
\*1 Extent of expansion, location and timing of opening will be decided according to the trend of demand.

\*2 Aprons as well as the passenger terminal building will be expanded (4 spots).



# Improving Accessibility of HND and NRT from Tokyo CBD and that of Between these Airports by Railways

To improve convenience and promote integrated operation of Haneda and Narita Airports, Narita Rapid Railway Access was opened in July 17, 2010, reducing access time drastically. Short range network around the Tokyo satiation will be examined to improve accessibility to Tokyo as well as between the two airports.

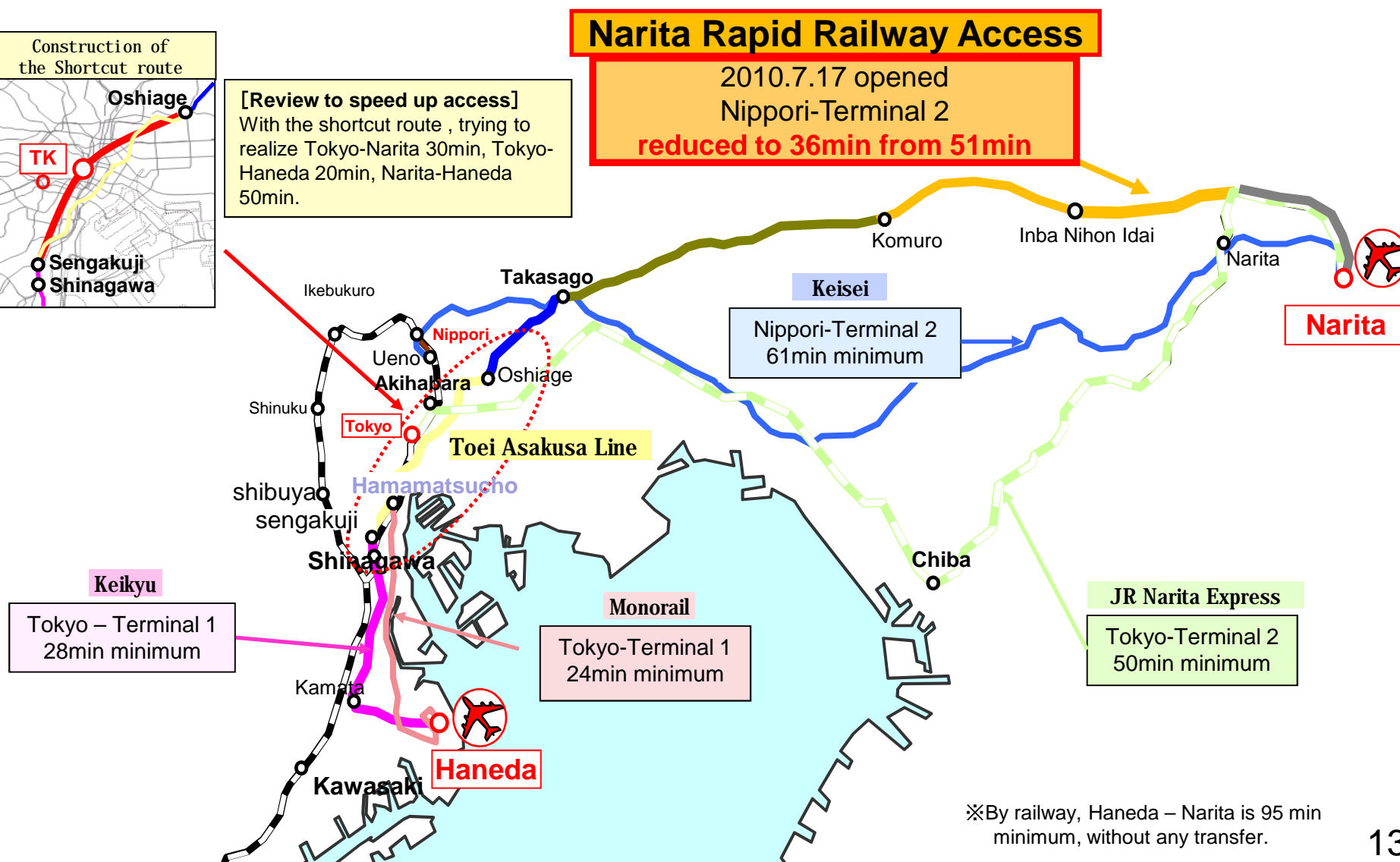


[Review to speed up access]  
With the shortcut route, trying to realize Tokyo-Narita 30min, Tokyo-Haneda 20min, Narita-Haneda 50min.

## Narita Rapid Railway Access

2010.7.17 opened  
Nippori-Terminal 2

**reduced to 36min from 51min**



※By railway, Haneda – Narita is 95 min minimum, without any transfer.

## **4. Drastic Functional Enhancement of Narita (Achieving 300,000 Annual Slots)**

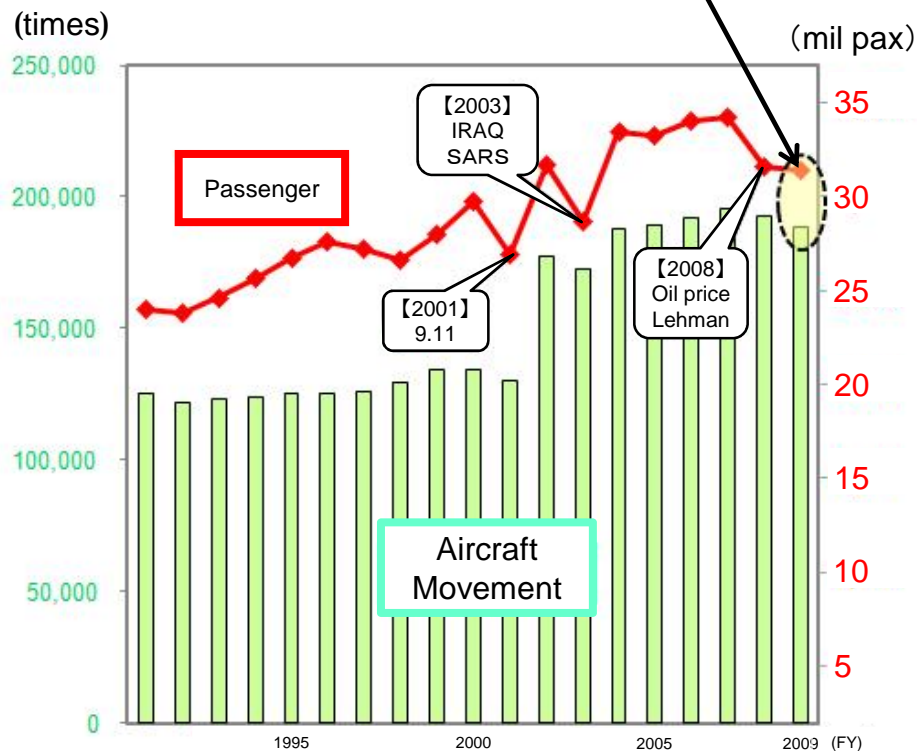
# Current Situation of Narita Airport

- Demand at Narita Airport has seen dramatic decrease after Lehman shock, but gradually coming back
- To realize original plan, it is necessary to acquire unsettled land, but there is no prospect at the moment. There are two dwellers within the premises of Narita Airport today.

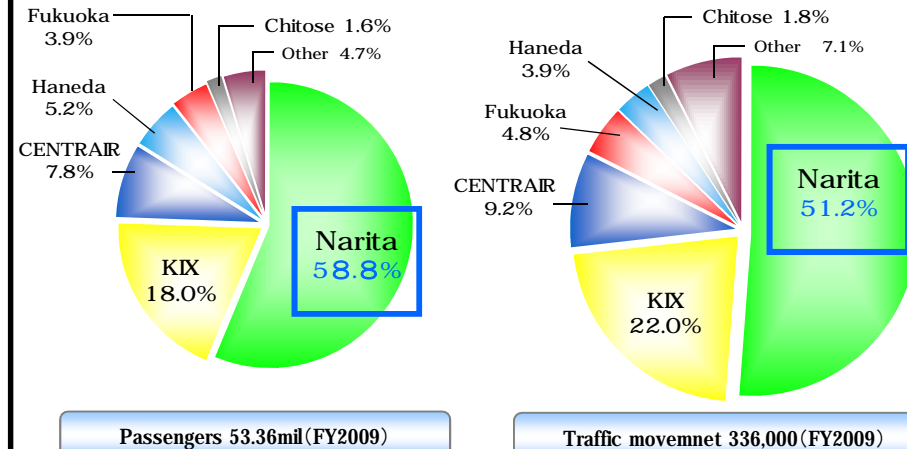
## Passengers and Aircraft Movement(dep. land.)

FY 2009

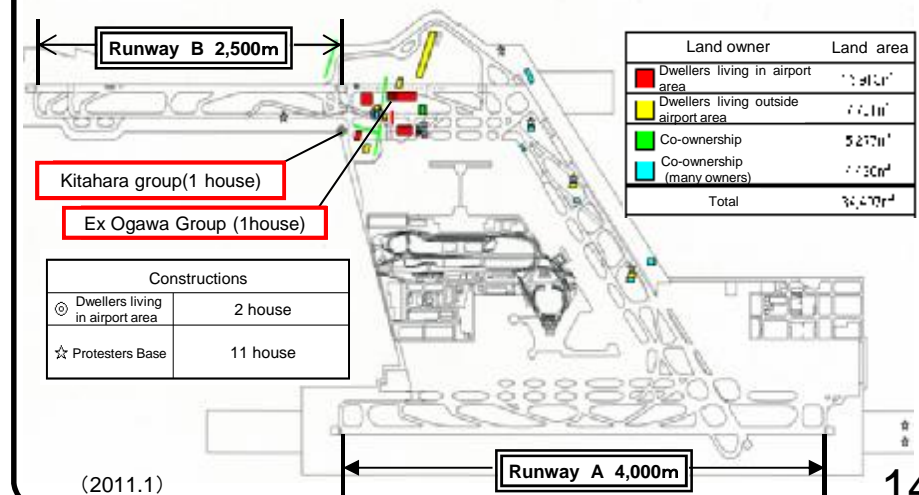
【passenger】 32.74mil  
 ( international 31.41mil  
   domestic 1.33mil )  
 【departure and landing】 190,000 (capacity 200,000)



## International Passengers by Number and Traffic



## Owner of land and construction in airport area



# International Network of Narita Airport (March 2011-)

With expansion of capacity from 200,000 to 220,000 in March 2010, Narita airport has been expanding its international network to Macau, Abu Dhabi, Dubai, Qatar and Calgary. Moreover, the number of flights on already established routes is also increasing.

## Europe 12 counties 14 cities

- U.K. • Italy • Austria
- Netherlands • Switzerland • Denmark
- Germany • Turkey • Finland
- France • Russia • Norway

## North America 2 countries 17 cities

- Canada • U.S.



## Africa/Middle East 4 countries 5 cities

- Iran • Egypt
- UAE • Qatar

## Asia 17 countries 41 cities

## Central and South America 1 country 2 cities

- Mexico

## Oceania 8 countries 11 cities

- Australia • Guam
- Tahiti • New Caledonia
- New Zealand • PNG
- Mariana Is. • Palau

International routes as of 2011

**44 countries and regions**  
**90 cities**

# Agreement to Increase Flights to 300,000 and Efforts toward Capacity Expansion at Narita Airport

Annual takeoff and landing slots at Narita Airport increased from 200,000 to 220,000 on 28<sup>th</sup> March last year. Now that an agreement was reached (13<sup>th</sup> October last year) with local people on increase of the airport capacity to 300,000 slots, the capacity will be increased gradually aimed at reaching **300,000 by the end of FY2014** at earliest.

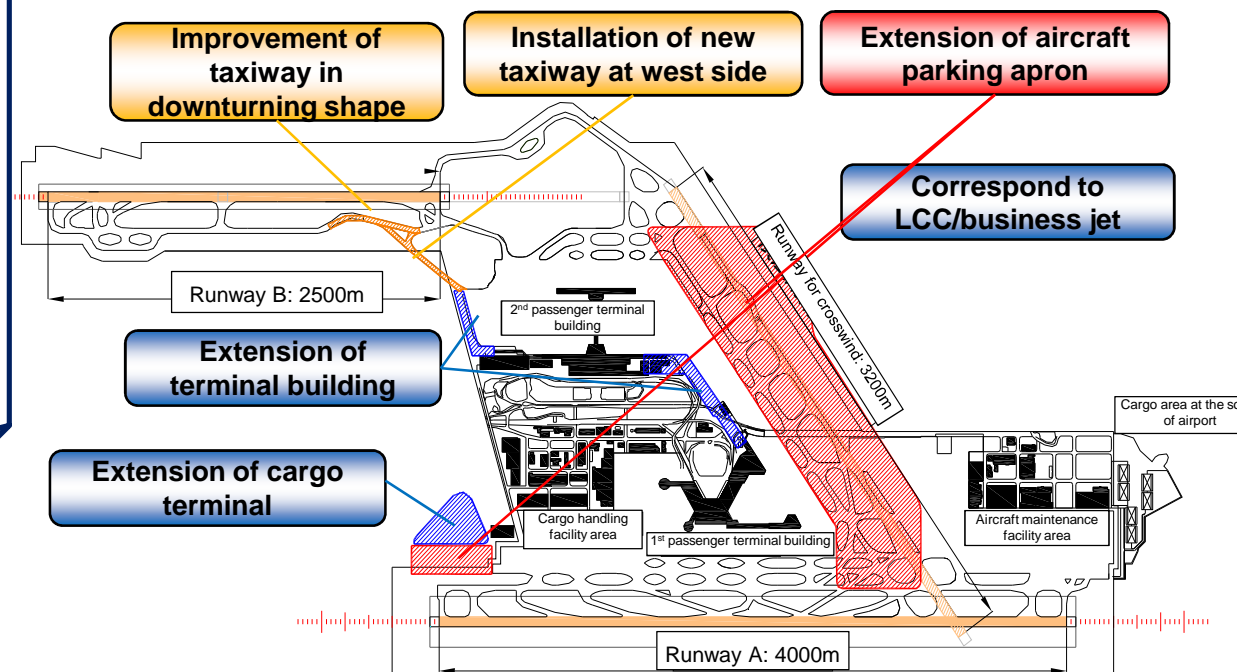
## Efforts toward achieving 300,000 slots

1. Advancement of flight control method  
Introduce simultaneous parallel takeoff and landing method in FY2011.
2. Facility improvement, etc.
  - i) Improvement of taxiway
  - ii) Extension of aircraft parking apron
  - iii) Respond to LCC (Low Cost Carrier)/business jet based on demand
  - iv) Extension of terminal (in case 270,000 or more slots)
3. Others (improvement of access, etc.)

### « Gradual expansion of airport capacity »

Current : 220,000  
End of FY2011: 250,000  
End of FY2012: 270,000  
End of FY2014: 300,000

## Outline of facility improvement in the future



### Future

Based on an agreement reached with local people, increase the airport capacity to **250,000 slots by the end of FY2011**, **270,000 by the end of FY2012** and **300,000 by the end of FY2014** at earliest.

Realize **further expansion of network**, **domestic feeder routes** and **diversification of airline services including LCC/business jet** by making the best use of capacity increase, thereby establish the position as **a hub airport in Asia**.



# Capacity Increase Plan at NRT

IATA Season		Annual Capacity	Planned Facility and Operational Improvement	
2010	W	220		
	S		Relaxation of movement restrictions	Straightening of Taxiway (R/W B)
2011	W	235	Simultaneous operations at parallel R/Ws	Additional parking stands
	S	250		
2012	W			Additional parking stands
	S			
2013	W			
	S			

(thousands per year)

**300\***

\*as early as 2014, pending substantial investment in A/P facilities based on NAA's managerial decision.

# Capacity Improvement at NRT

## IATA S2011

Sliding scale per 30 minutes  
will be revised

Sliding Scale per 30 Minutes (Applied to S11)

A + B Runway		
Arr.	Dep.	
8	16	24
11	15	26
12	14	26
13	13	26
14	13	27
15	12	27
16	11	27

## IATA W2011

Simultaneous operations at parallel  
R/Ws will be introduced

Sliding Scale per 30 Minutes (Applied to W11)

A + B Runway		Total A + B Runway Movements
Arr.	Dep.	
4	23	27
5	22	27
6	21	27
...	...	...
21	7	28
22	6	28
23	5	28

- Drastic increase of hourly limit
- More desirable time slots in peak hours

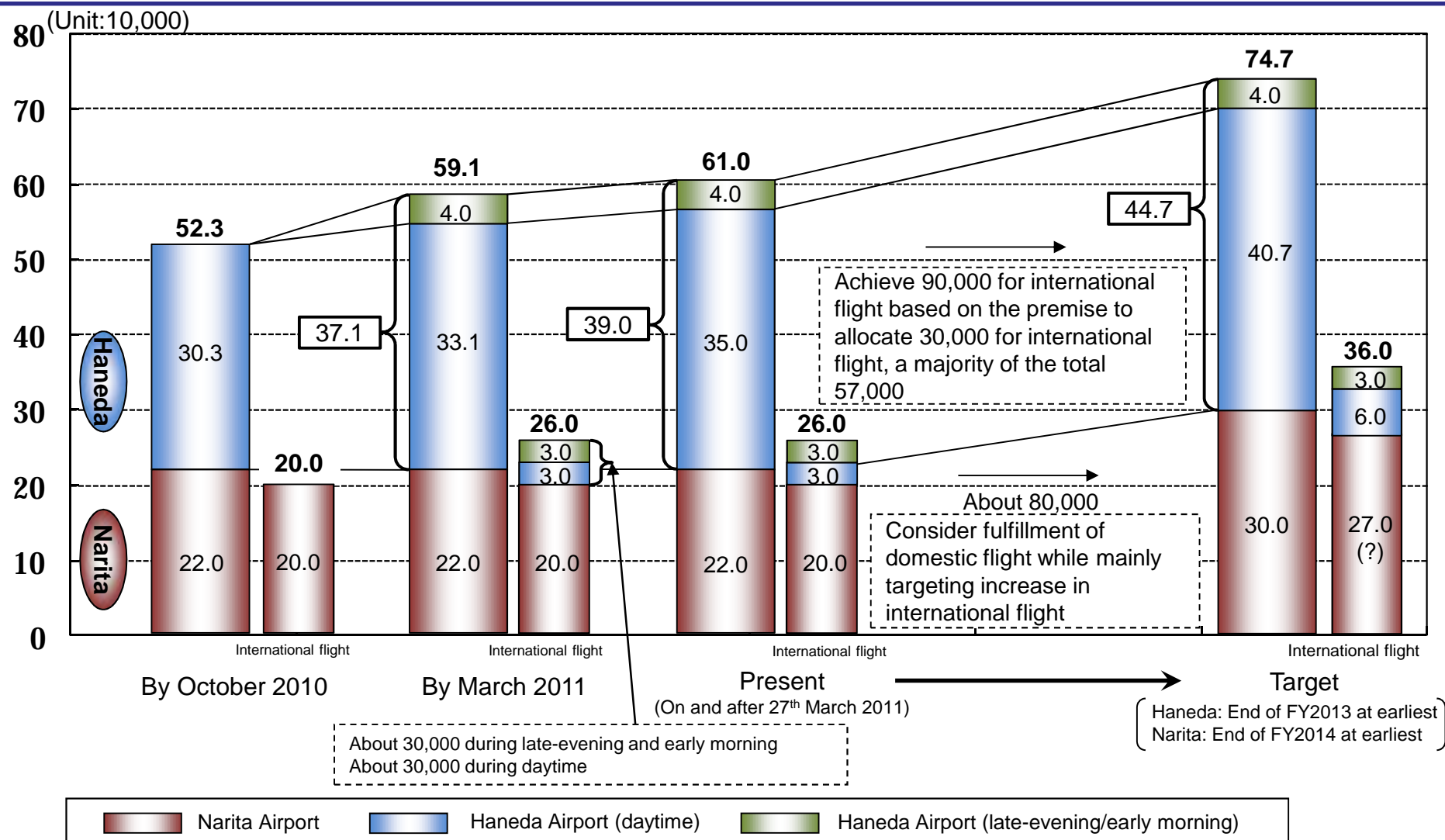
## 5. Opening Japan`s Skies to Asia & the World (Promotion of Full Fledged Open Skies)



# Increase of Takeoff and Landing Slots at Tokyo Metropolitan Airports (Haneda/Narita)

Now that the new 4<sup>th</sup> runway started its service in October last year, takeoff and landing slots of Haneda Airport will be gradually increased up to 447,000. Takeoff and landing slots at Narita Airport will also be increased to 300,000.

As a result, takeoff and landing slots of international flight at airports in capital region will increase from 260,000 (present) to 360,000 (end of FY2014).



# Promotion of Full-Fledged Open Skies Policy

“Open Skies” means mutual elimination of restrictions about the number of airlines, routes and frequencies between contracting countries and regions.

Japan is promoting “Open Skies” including Tokyo Metropolitan Airports (NRT/HND) beginning by the agreements with the United States in Oct. 2010.

## Japanese Open Skies So Far

- Japan has negotiated Open Skies with 9 countries and regions (Korea, Hong-Kong, Macau, Vietnam, Thailand, Malaysia, Singapore and Canada) since 2007.
- However, Tokyo Metropolitan Airports (NRT/HND) and 5<sup>th</sup> and 6<sup>th</sup> freedom traffic rights have been excluded from the Open Skies agreements.

## Promotion of Full-fledged Open Skies Policy



- Dramatic increase of the capacity for international flights at Tokyo Metropolitan Airports (NRT/HND) (200,000/year in 2010 → 360,000/year in 2014) by the consent of the local residents to the capacity increase of NRT to 300,000/year and further internationalization of HND.
- Full-fledged Open Skies Policy including Tokyo Metropolitan Airports (NRT/HND) and 5<sup>th</sup> freedom traffic rights.

## Schedule

- The first full-fledged Open Skies with the United States was realized on Oct. 25 2010.
- Aiming to reach agreements with major countries in 2011, Japan will promote full-fledged Open Skies actively and strategically prioritizing East Asian nations and ASEAN countries.
- Relaxation of rules & regulations on international aviation business (charter rules, tariff/pricing framework) went into effect in Oct 2010.

- Contributing to lasting economic growth of Japan through multiplication of flows of passengers, goods and money by enhancing the Japan-centered international air transportation network by promoting Open Skies with East Asian countries and ASEAN nations
- According to “New Growth Strategy” (approved by the Cabinet on Jun.18, 2010), Japan is promoting full fledged Open Skies including Tokyo Metropolitan Airports (NRT/HND). As of now, Japan has agreed with 6 countries/regions.

In the new round of bilateral consultations seeking for Open Skies, Japan will strategically determine whom to negotiate with, and in what order, taking the following elements into consideration.

• Size and maturity of the aviation markets and potential for future growth (especially 3<sup>rd</sup> and 4<sup>th</sup> traffic)

• Possibility and degree of urgency of new entry or flight increase, including those of LCCs

• Proactive stance for Open Skies

• Government capability on safety and security oversight

• Target of inbound tourism promotion

• Importance of economic and diplomatic relationship

## Agreements so far

○ U.S. Oct. 25, 2010


○ Republic of Korea Dec. 22, 2010

○ Singapore Jan. 19, 2011

○ Malaysia Feb. 24, 2011

○ Hong Kong May. 19, 2011

○ Vietnam Jun. 9, 2011

- 
- The next air Air talks with Macau etc. will be held anytime soon (date to be announced).
  - Aiming to reach agreements with major countries in 2011, Japan will promote full-fledged Open Skies actively and strategically prioritizing East Asian nations and ASEAN countries.

## **6. Deregulation**

## Relaxation of Rules & Regulations on Int'l Aviation Business

To maximize the effect of Open Skies agreement, Japan will immediately implement new rules & regulations on int'l charter flights and tariff/pricing.

### New Regulations on Int'l Charter Flights

- “Seat-only-sales for individual passengers” shall be allowed Up to 50%, regardless of on-line or off-line.
- Forwarder charter and split charter shall be allowed (including NRT and HND late night hours) when;
  - Open Skies is agreed with the country concerned
  - Reciprocity on charter rule is ensured
- “Non Objection Letter” shall be no longer required for cargo charter flights by airlines of third countries.

【Already in effect since Oct. 31, 2010】

### New Regulations on Tariff/Pricing

- Filing for approval shall be required only for the most expensive airfare applied under each sales condition, enabling airlines to flexibly set and change airfare based on market conditions.  
【Already in effect since Oct. 31, 2010】
- Airlines shall be required to show the total price, as well as price of each component that passengers must pay, such as airfare, surcharge, PSFC, and taxes.

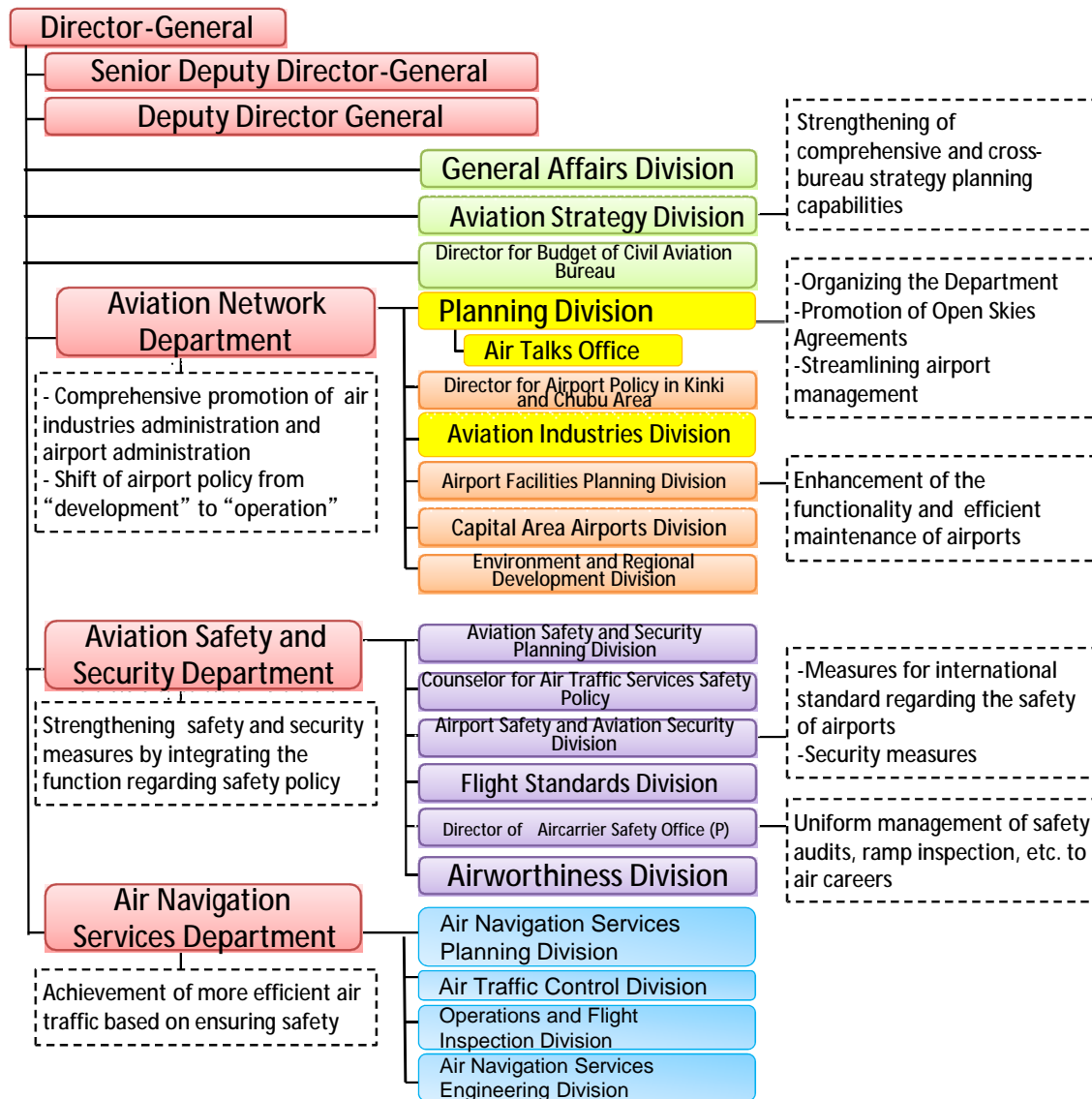
【Already in effect since Apr. 1, 2011】

## **7. Reorganization of the Civil Aviation Bureau**

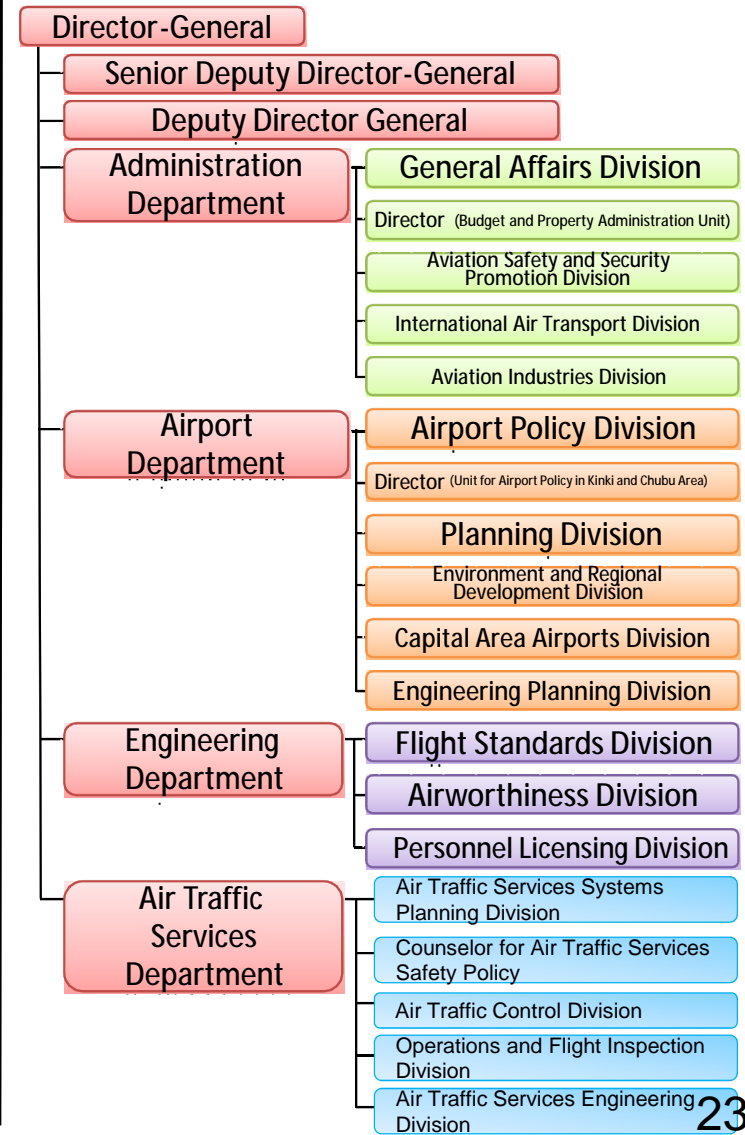
# Reorganization of the Civil Aviation Bureau **MLIT** Ministry of Land, Infrastructure, Transport and Tourism

In order to respond adequately to various challenges of the aviation administrations such as the steady promotion of the policies contained in the Growth Strategy of MLIT, the Civil Aviation Bureau will be reorganized into “Aviation Network Department”, “Aviation Safety and Security Department” and “Air Navigation Services Department” in July 2011.

<From July 1, 2011 (Schedule) >



<By June 30, 2011>



# Thank you for your attention.

## Contact:

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