

formed consortiums to jointly plan, book, and operate tour programs to a number of destinations, particularly Canada, Australia and New Zealand. The success of these joint marketing efforts has resulted in consortium tour production becoming a popular business practice.

The year also saw the introduction of a new type of package tour which allowed purchasers to select tour components from among several levels of service (e.g., class of air transport, class of accommodation, full meals, etc.). This "mix and match" package tour concept continues to be used by most of the larger travel agencies with good results.

In 1984 the overseas travel market made a dramatic recovery, growing 10.1% to reach a total 4,658,833 persons as a result of renewed interest in travel, a rebounding economy and stable tour prices. America (including Guam and Hawaii), Taiwan, Korea and Hong Kong continued to be the most popular destinations, while Oceania (mainly Australia and New Zealand) showed a very strong 21% increase to around 180,000 Japanese visitors.

The year also saw the introduction of a new travel law more strictly defining the responsibilities of travel agencies to their customers, regulating against unfair business practices such as exaggerated advertising, and clarifying the terms of travel contracts.

Overseas travel in 1985 showed a continued upward trend with a growth rate of 6.2% over the previous year. Indicative of the sensitivity of the Japanese travel market to external events, overseas travel plunged from a monthly 7-9% growth rate to -1.0% in October following the crash of a Japan Airlines jumbo jet near Tokyo but went on to post positive growth for the remainder of the year.

In 1985 Pan American Airways, one of the oldest carriers serving Japan, sold its transpacific route to United Airlines, which launched service to Japan in February of the following year.

The year 1986 was a momentous one for the Japanese travel industry and market as overseas travel surpassed the five million mark for the first time, enjoying a remarkable annual growth rate of 11.5% overall, due in part to a highly favourable yen exchange rate. While Europe fared poorly during the year due to fears about travelling to the region stemming from the Chernobyl nuclear accident, other regions, particularly Oceania and North America, enjoyed Japanese visitor growth rates of from 20% to as much as 35%, clearly pointing to the emphasis Japanese travellers place on safety while travelling abroad.

In March of 1986, Japan Airlines, until then the only Japanese airline permitted to serve overseas routes, was joined in the international air transport market by All Nippon Airways, which began scheduled service to Guam.

With the overseas travel market enjoying renewed growth following the prolonged slump which began in 1980 and continued until 1985, the travel industry of Japan had another record year in 1987 as the market grew 23.8% to reach 6.8 million travellers. Of interest to tourism marketers, the ratio of pleasure travel to business travel continued to hold annually at about 83% to 14%.

Responding to pressures from abroad concerning Japan's burgeoning balance of payments surplus, the Japanese government introduced the "Ten Million Plan", a series of policies aimed at boosting the annual Japanese overseas travel market to ten million persons by 1991. In addition, a measure was introduced making company vacations overseas of up to three days tax free. This stimulated many companies to arrange employee trips to short haul destinations such as Korea, Taiwan, Hong Kong and Guam.

Two U.S. carriers, Delta Air Lines and American Airlines, began new services to Japan, bringing the total number of airlines offering transpacific services to fifteen.

Also in 1987, construction began on New Kansai International Airport near Osaka in western Japan. It is expected to become operational in 1994/95. The new airport will greatly relieve the stresses experienced by currently operational airports such as the New Tokyo International Airport at Narita, which handles more than 60% of all international takeoffs and landings, and Osaka International Airport in Osaka, which handles around 25%.

Riding on the wave of the strong yen and increasing leisure time, the Japanese overseas travel market continued to climb in 1988, recording a 23.4% increase over the previous year to 8,426,867 travellers. Pleasure travellers accounted for 83.4% of this market. Capitalizing on the growing interest in holiday travel abroad, Australia realized a phenomenal 63.4% increase in Japanese visitors to over 350,000, triple the 110,000 figure recorded in 1985. For most other destinations, however, the growth rate was close to the overall average.

Within the travel industry a major shake-up was taking place in tour pricing following a reduction in transpacific air fares. Tours to Hawaii were being offered by the major wholesalers for as little as ¥98,000<sup>m</sup>.

Despite a 40% slump in travel to China as a result of the Tiananmen Incident and a slump in travel to

<sup>m</sup> For comparison purposes C\$1.00 = ¥115 (Aug. 1991 approximation).