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Director General & CEO

13 February 2018

H.E. Mr. Keiichi Ishii
Minister
Ministry of Land, Infrastructure, Transport and Tourism
2-1-3 Kasumigaseki Chiyoda-ku
Tokyo 100-8918
Japan

Your Excellency,

It is almost a year since we last met during my trip to your wonderful nation in March 2017. I had found our discussion and exchange of views, specifically on Japan's "Tourism Vision", enlightening and reassuring for the member airlines IATA represents and the aviation industry at large.

As you may be aware, IATA has been and is actively supporting airlines, airports and the various government agencies in Japan to further enhance capacity and improve the passenger experience, while delivering the required cost efficiency to capitalize fully on the growth potential of aviation in Japan. However, there is a clear risk that all our collective efforts will be derailed by the passing of the departure tax bill expected to be tabled at the Congress sitting soon.

The introduction of a departure tax for tourism is an irony and in contradiction to the very purpose it intends to achieve – increasing tourist arrivals into Japan. The Japanese Government would appreciate that levying an additional cost burden on passengers will only drive away existing and potential tourists and will work against realizing Japan's "Tourism Vision" of achieving 40 million visitor arrivals by 2020 and 60 million by 2030. This is especially relevant when one considers the challenging and competitive international tourism market where more and more nations are focusing on developing their attractiveness and presenting tourism offerings at a lower price point than competitor countries.

Attached to this letter is a position paper by IATA detailing our views on the imposition of a tax to fund tourism and why we strongly recommend it should not be implemented. We remain available to provide more clarification or meet your Ministry and other government agencies as required to further deliberate on this matter.

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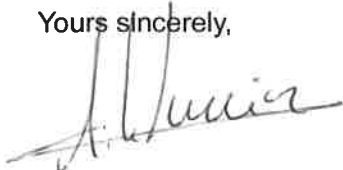
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If the departure tax bill is passed, the funds collected should be utilized for the benefit of passengers and aviation. One such possibility could be to help fund aviation security, negating the need for airlines to fund fifty percent of the security measures as dictated by Japan's security cost model. This funding model is atypical, not in line with industry norm and best practice, and is not sustainable in an environment of increasing costs. When considering global norms, Governments generally cover all security related costs, including in the United States of America, and we implore Japan to do the same.

I very much appreciate your continued support for the aviation industry and we look forward to working together more closely with the Ministry of Land, Infrastructure, Transport and Tourism to successfully deliver Japan's "Tourism Vision" and all the benefits that will accrue.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. Juniac', written over a horizontal line.

Alexandre de Juniac
Director General & CEO
International Air Transport Association

Encl.