

JAL to launch low-cost carrier ahead of 2020 Tokyo Olympics

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JAL hopes to take advantage of Tokyo 2020 to boost its low-cost offering

Japan Airlines (JAL) on Monday announced plans to launch a budget airline, hoping to take advantage of an expected expansion in the nation's low-cost market ahead of the 2020 Tokyo Olympics.

The new carrier would run medium-haul international services between Tokyo and major cities in Asia, the US and Europe from summer 2020, JAL said in a statement.

The carrier, which will be named later, will become a subsidiary of JAL, the firm said, adding it may seek other investors to expand its business model.

JAL has thus far limited its low-cost operations to its partial control of Jetstar Japan, which is owned by JAL and Australia's Qantas Group.

With the new carrier, "the company aims to create new demand, working along with the successful services provided by Jetstar Japan", it said.

In March rival ANA Holdings announced plans to integrate its low-cost carrier affiliates Peach

Aviation and Vanilla Air to create the nation's biggest budget carrier after Jetstar.

The middle-distance international carrier, which will be named Peach, is scheduled to begin services in Asia in around 2020.

Japan's low-cost carrier market is expected to expand from about 10 percent of domestic flight passengers to some 30 percent in the near future, local media said.

The Japanese government hopes to boost the number of foreign visitors from 28.7 million last year to 40 million in 2020 when the capital hosts the Summer Games.

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