

**AGENCY FOR COORDINATING MEKONG TOURISM ACTIVITIES
(AMTA)**

ASIAN DEVELOPMENT BANK (ADB)

Proceedings of the

Seventh Meeting of the Working Group on the

Greater Mekong Subregion Tourism Sector

6 - 7 April 1998

Phnom Penh, Cambodia

1. The Seventh Meeting of the Working Group on the Greater Mekong Subregion (GMS) Tourism Sector was held in Phnom Penh, Cambodia from 6 to 7 April 1998. The objectives of the Meeting were to facilitate the implementation of priority subregional tourism projects and to discuss specific areas for promoting cooperation in the tourism sector in the GMS. The Meeting was organised by the Agency for Coordinating Mekong Activities (AMTA) and the Asian Development Bank (ADB) in collaboration with the Ministry of Tourism, Cambodia.

ATTENDANCE

2. Representatives from national tourism organizations of People's Republic of China, Cambodia, Lao People's Democratic Republic (Lao PDR), Myanmar, Thailand, and Viet Nam, as well as representatives of ADB, the Economic Commission for Asia and the Pacific (ESCAP), the Pacific Asia Travel Association (PATA), and the Agency for Coordinating Mekong Tourism Activities (AMTA) participated in the Meeting. Representatives of the World Tourism Organisation (WTO), UNESCO's Principal Regional Office for Asia and the Pacific (UNESCO), Diethelm Travel, the Secretariat of the Working Group on Economic Cooperation in Cambodia, Laos and Myanmar, Pacific Consultants International (PCI), the Cambodia Association of Travel Agents (CATA), Thammasat University, Thailand Institute of Scientific and Technological Research (TISTR), and the International Tourism Development Institute of Japan (ITDIJ) also attended the Meeting. The list of participants is attached as Annex 1.

OPENING SESSION

3. In his opening statement, H.E. Dr. Thong Khon, Secretary of State of the Ministry of Tourism, Cambodia welcomed the participants to the Seventh Meeting, and expressed gratitude to the GMS member countries and other agencies such as ADB, AMTA, ESCAP, UNESCO, PATA, JODC, WTO, ITDIJ, and Diethelm Travel and First Travel who supported this meeting. He reported that Cambodia faced a 15 per cent drop in tourist arrivals last year and suggested that all the GMS countries, along with others in South East Asia fighting the present financial crisis, must now strive harder. He called for this Seventh Meeting of the Working Group to be used as a tool for creative recovery of GMS economies. He also reported significant improvement in Cambodia's international cooperation in recent years symbolised by the signing of bilateral cooperation agreements with all GMS member countries.

4. In his statement, Mr Arjun Thapan, Senior Project Specialist, Agriculture and Social Sectors Department (West), Asian Development Bank, extended the Bank's thanks and congratulations to AMTA and the Ministry of Tourism, Cambodia, for the preparation for this Seventh Meeting of the Working Group. He drew attention to the current financial crisis and suggested there may be some positive effects from the crisis in the long term if tourism businesses and indeed all the tourism industries of the GMS become tougher, more resilient and more flexible as a result. He suggested the need to reflect on where the Mekong Tourism Forum is heading in the future and speculated that the next evolutionary phase of Mekong tourism cooperation is to develop projects in which the private and public sectors work closely together. He concluded by pledging the Bank's loyalty and support to AMTA as the new heart of Mekong tourism.

5. In his statement, Mr. Santichai Euachongprasit, Director of the Agency for Coordinating Mekong Tourism Activities (AMTA), greeted participants and commented that it was heartening to realise this was the seventh meeting of the Working Group. He noted the many projects that have been implemented with support from the NTOs and international agencies. He pointed to the success of marketing projects, training projects, planning projects and studies such as the GMS North - South Tourism Flows project sponsored by the Tourism Authority of Thailand. He noted an upsurge in the popularity of the subregion among investors and tourists. He described the potential of tourism to become a major industry for the GMS, given continued cooperation and even closer relationships in future between all concerned.

ELECTION OF OFFICERS AND ADOPTION OF THE AGENDA

6. The Meeting elected Mr So Mara, Director General, Ministry of Tourism, Cambodia as Chairman and Mr. Sannya Abhay, Deputy Director General, National Tourism Authority of Lao PDR as Vice Chairman.

7. The Meeting adopted the Agenda which is attached as Annex 2.

8. Agenda notes were circulated at the Meeting to facilitate discussion. These notes are attached as Annex 3.

AGENDA ITEM 4(a): PROMOTING THE SUBREGION AS A TOURIST DESTINATION

9. The representative of PATA reported on some significant organisational changes within PATA, including a new CEO and a recent decision to shift PATA's operational headquarters from San Francisco to Bangkok. PATA's research section has also been strengthened and, as a result, PATA can now offer to be a repository of statistical and other information on tourism in the subregion. The Meeting noted this offer.

10. The representative of PATA also described the establishment of a new Office of the Environment and Culture within PATA which will become involved in environmental, cultural, and heritage tourism programmes. If GMS countries were interested, she offered that PATA could create an inventory of nature, culture and heritage tourism opportunities in the GMS. The Meeting noted this and expressed interest in such an inventory within the GMS.

11. The representative of PATA reported that the destination seminars in the Japan market which were requested at the Sixth Working Group Meeting are being planned for 1998/99 and she encouraged the GMS countries to join in PATA's regional destination briefings at trade shows such as ITB and WTM. She also reminded NTOs about the upcoming PATA Adventure Travel and Ecotourism Conference and Mart scheduled for Chiang Mai, Thailand for early February 1999 and encouraged their participation.

12. The representative of AMTA and Thailand thanked PATA for its sponsorship of the Project Coordinator's position within AMTA. He reported that AMTA has advertised for applicants for this position. He noted that AMTA is now involved in many activities in support of the Working Group's projects and he confirmed AMTA's

readiness to help coordinate the GMS promotions for the PATA Adventure Mart in February 1999.

13. The representative of Thailand presented a new tourist map of the subregion prepared by TAT and invited other countries to adopt the map's format for their own uses if they wish. He also proposed that individual country web-sites should contain links to the web-sites of the other GMS countries. These two proposals, both of which require implementation by the individual NTOs, were welcomed and adopted by the Meeting.

14. The representatives of WTO and PATA both offered that any GMS countries which are not already linked to the WTO and PATA web-sites should establish their linkage with the two organisations.

15. The representative of ESCAP informed the Meeting of the successful implementation of the joint ESCAP/WTO sponsored national Seminar on Tourism Marketing in Viet Nam in March 1998 and reported that 160 participants joined the seminar. ESCAP repeated its earlier offer to hold similar seminars in other GMS countries. The representative of Viet Nam thanked ESCAP and WTO for the seminar in March and commended the seminar concept to the other GMS countries.

16. The representative of WTO reconfirmed WTO's willingness to help the marketing efforts of the subregion. He noted recent examples of WTO's support including a GMS section in the new WTO publication entitled Asia Pacific Tourism in Figures and the forthcoming Educating the Educator's course in June 1998 in Thailand. He also reconfirmed WTO's previous offer to assist GMS representation at trade fairs and recalled WTO's success with helping the Silk Road countries with their joint promotions.

17. The representative of Thammasat University gave a presentation of preliminary findings of a Study, commissioned by TAT, to prepare a Tourism Marketing Strategy for the GMS. Her presentation addressed: the rationale for subregional cooperation; the market's desire for mixed transport modes in the GMS; the need for pacing of development; the industry's views on potentially feasible tourist routes within the GMS; target markets and characteristics of these markets; and the need for coordinated pricing strategies. She discussed alternative promotional techniques, contrasting mass marketing techniques with niche marketing techniques and advocating the latter approach for the GMS. She concluded with a request for countries to share their experiences of practical marketing techniques and then tentatively proposed that her overall marketing strategy for GMS might be based on a progression from the special interest theme of "Cultural Heritage", to the broader "Paradise Holiday" and, ultimately, to the broadest appeal of "Exotic Learning Visit". The Meeting endorsed the directions of the Study and thanked Thammasat University for the presentation.

18. The representative of Lao PDR sought clarification from PATA about how PATA can help facilitate NTO participation at trade fairs. The representative of PATA noted that PATA is a non-profit industry association. She also explained PATA's policy of free booths for developing countries at this year's PATA Travel Mart and she offered to consider ways to reduce costs for GMS countries participating at the PATA Adventure Mart in Thailand in 1999.

19. The representative of Thailand suggested the Working Group consider setting up GMS chapters in major markets to facilitate implementation of promotional activities. The Meeting agreed and asked ESCAP, in collaboration with AMTA, to prepare a paper outlining a proposed framework for such chapters. The representative of PATA suggested these chapters could cooperate with the relevant local PATA chapter to promote GMS tourism.

20. The representative of Thailand introduced a new, TAT funded video on the subregion, explaining that the video was made with the cooperation of the NTO's and it continues the focus on the subregion's jewels.

21. The representative of Cambodia spoke in support of joint promotions but asked that in future any such joint promotions should involve full participation by all countries represented in the promotion. The Meeting agreed and called on AMTA to facilitate higher levels of participation in future joint promotions.

22. The representatives of Myanmar, Viet Nam and China, while commenting on the overall very high quality of the video, also noted minor aspects of the coverage of their countries which could have been corrected or improved through more consultation at the production stage. The representative of Thailand agreed to investigate the possibility of making changes to the video to address these concerns in the shorter version of the video which is yet to be produced.

23. The representative of ADB in Cambodia commented on the need for GMS tourist promotional efforts to be complemented by corresponding attention to improvements to tourism infrastructure and strengthening of tourism institutions in GMS countries. He called on continued support from all international agencies in this regard and he noted the Bank's willingness to continue its participation in infrastructure and institutional strengthening projects.

AGENDA ITEM 4(b): SUBREGIONAL TOURISM FORUM

24. The representative of ADB outlined recent developments in this project including confirmation from CNTA that China is willing to host the Third Forum, plus the Eighth Working Group Meeting, in Kunming in late November 1998. He also reported on recent discussions between PATA, AMTA, ADB, ESCAP and CNTA about ways to improve future Forums, noting that the main recommendation from these discussions was that, while the long term goal should be to make the Forum more self-sustainable by including a travel mart, in the immediate future the Forums should continue to focus on product development issues as these are most pressing. He recommended that, for the immediate future, Forums should become more focused and results oriented and this could be achieved through the adoption of a workshop-style format.

25. The Meeting discussed other options for the format of future Forums and concluded by asking PATA to trial a workshop-style format at the third Forum in Kunming in November 1998. During the discussion, mention was made of plans for a major international exposition in Kunming from May to October in 1999 and the Meeting noted that it would be desirable if the Forum could contribute in some way to this exposition.

26. The representative of UNESCO supported the idea of a workshop-style format for the Third Forum and offered UNESCO's assistance in product development issues associated with the preservation at culture. The Meeting asked PATA to note this offer.

27. The representative of Lao PDR reconfirmed his previous offer to host the Fourth Forum. The Meeting thanked Lao PDR and accepted the offer.

28. The representative of Cambodia suggested that a future Meeting of the Working Group should consider Cambodia as a candidate for the Fifth Forum. The Meeting thanked Cambodia and noted the suggestion.

AGENDA ITEM 4(c): TRAINING THE TRAINERS IN THE BASIC SKILLS OF TOURISM

29. The representative of Thailand reported that, since the last meeting, TAT and ADB have been working together on the idea of repeating the successful Training the Trainers Study Tour. ADB has agreed to fund an expanded version of the Study Tour program. The expanded version would go beyond merely basic skill training to also include advanced training in tourism management and marketing and direct support for training units within NTOs. He informed the meeting that successful approaches have been made to two training institutions. The Dusit Thani College has agreed to assist with the basic skills component. The Mekong Institute has responded to the suggestion that it might undertake the higher level training component with a proposal for a three week course.

30. The representative of ADB added that the Bank believes support for skills development should be self sustaining, hence its willingness to help establish and strengthen training units within NTOs. He further explained the proposed format for the two, three week courses, both of which involve three participants from each GMS country. He noted that the current proposal was for the Bank to fund US \$125,000 of the total cost and TAT to fund the remaining US \$10,000.

31. The representative of China, herself a participant in the 1995 study tour, spoke warmly in support of the ADB / TAT proposal.

32. The representative of Cambodia noted that his NTO was coming to the conclusion that basic skills training should be left to the private sector and he therefore strongly agreed with ADB's view that the scope of training be expanded to public sector tourism management and marketing. The Meeting concurred and thanked ADB and TAT for this welcome progress.

33. The representative of WTO suggested that while WTO, in collaboration with ESCAP and AMTA, may continue approaching EU for funding the larger GMS Training Project, it may be time for other funding avenues to be pursued. The representative of ESCAP reported the successful meeting for the establishment of a network of Tourism Training Institutes and organization in the Asia and Pacific Region in September 1997 and the subsequent development of the network of Asia Pacific Education and Training Institutes in Tourism (APETIT). He distributed an ESCAP newsletter with details of the network and expressed the hope that all GMS countries, four of which were foundation members of the network, could benefit from its planned activities including information

management, communication links, training and advisory services, sharing experiences and research and development. The Meeting noted that these suggestions.

AGENDA ITEM 4 (d): TRAINING RESOURCE MANAGERS IN CONSERVATION AND TOURISM

34. The representative of ADB summarized progress on the Bank's environmental projects, which contain elements of training for resource management.

35. The representative of WTO recalled the statement made by the representative of UNESCO at a previous meeting and suggested that AMTA should approach UNESCO for funding of tourism activities through UNESCO's regular budget. The representative of UNESCO added that AMTA might also assist NTOs to prepare proposals to the World Heritage Fund from which funding is possible for training activities associated with the management of World Heritage sites, either cultural or natural. The Meeting noted these suggestions.

AGENDA ITEM 4 (e): MEKONG/LANCANG RIVER TOURISM PLANNING STUDY

36. The representative of ESCAP confirmed that the project report of Phase I of this study has been printed and he distributed copies to participants. He also expressed ESCAP's appreciation to ADB for its funding of subsequent follow up activities.

37. The representative of Pacific Consultants International (PCI), ADB's consultants currently implementing the Mekong/Lancang River Tourism Planning Study project, gave a comprehensive outline of the methodologies being employed in the study and the products that will result. He explained that his six member consultancy team is working closely with NTOs and the private sectors of the GMS in four country workshops and six industry seminars. He explained that key outputs of the study will include illustrated concept plans for all segments of the River and a comprehensive report on legal mechanisms for the future management and control of tourism on the River. He drew tentative conclusions about the likely results of the planning process, suggesting a step-by-step future development strategy involving: short term objectives to strengthen existing sites and plan for the future; medium term objectives to promote linear development of tourism circuits; and long term objectives associated with expanding networks, gateways, and transportation nodes and diversifying tourism products. The meeting thanked the PCI team and endorsed the general directions of the Study. The representative of PCI stated that the Study team has been specifically requested by ADB to visit all the proposed village-based tourism sites. He included in the presentation some slides of the sites already visited and a commentary on each of them. He noted that the model villages appear to be well positioned in relation to existing or potential tourist flows.

38. The representative of China sought an assurance that the long portion of the Mekong/Lancang River which runs through China will form part of the Study. The representative of PCI clarified that China had indeed made a strong case for including this segment of the river in the Study, that the consultants had supported it, and that ADB had approved the small extra costs that would be required for this.

AGENDA ITEM 4 (f): SPECIAL PROJECT 1: STUDY ON FACILITATION OF TRAVEL TO AND WITHIN THE GMS

39. The representative of ESCAP distributed copies of the recently published report on this project and informed the Meeting of a forthcoming seminar on Facilitation of Travel in Phuket in July 1998 to which one senior official from each of the GMS countries, and from 14 other countries, will be sponsored by ESCAP. He explained that ESCAP's intention was to follow up this seminar with country level activities including, possibly, national seminars to involve other agencies concerned such as Customs and Immigration. The Meeting welcomed this development.

40. The representative of Thailand suggested an inventory of bilateral and multilateral initiatives seeking to improve cross-border links and facilitate travel. He proposed that individual countries should take stock of what is happening on their borders and send this information to AMTA.

41. The representatives of China, Myanmar, and Lao PDR noted initiatives on their borders and agreed to forward information on these to AMTA. The Meeting then asked AMTA to coordinate a GMS-wide summary of facilitation of travel initiatives and then to consider ways to coordinate these initiatives with those associated with other groups such as the GMS Working Groups on Transport and Air Linkages.

42. The representative of Lao PDR noted that some of the information in ESCAP's publication is now out of date as Lao PDR has recently made a number of significant moves to facilitate cross-border travel. The representative of ESCAP agreed to update any subsequent reprints of the Report.

AGENDA ITEM 4(g): VILLAGE-BASED TOURISM

43. The representative of ADB summarised progress on this project, noting that the assessments made by the study team working on the Mekong/Lancang River Tourism Planning Study will be an important next step.

44. The representative of ESCAP reported that ESCAP, in collaboration with WTO, PATA, AIDCOM and TAT, is organizing a regional seminar on ecotourism involving 16 countries in September 1998 in Bangkok. He suggested that the proceedings at this seminar will be of relevance to this project in that it will involve some case studies of ecotourism development from elsewhere in the Region including from Malaysia.

45. The representative of UNESCO commented on progress with UNESCO's Nam Ha Ecotourism Project, reporting interest from Norway in funding Phase II of the Project. She also informed the Meeting of another project to update UNESCO's work in the early 1990s on case studies of the effects of tourism in culture and the environment in Asia. She reconfirmed UNESCO's commitment to give a presentation of case studies on village-based tourism to the Working Group.

46. The representative of AMTA reported on his assignment, on behalf of the Working Group, to meet with the Director of the Mekong Institute to discuss a previous proposal that the Institute might become the venue for the subregional training component

of the Village Tourism Project. As a result of his meeting, he recommended that it is premature to consider the nature of the training course until the individual models village projects are ready to be implemented. The Meeting thanked him and noted his report.

AGENDA ITEM 4(h): GMS NORTH-SOUTH TOURISM FLOWS

47. A study team from the Thailand Institute of Scientific and Technological Research is currently working on this project, with funding by TAT and TOR prepared with the assistance of the Working Group. Representatives of the study team briefed the Meeting on progress, noting their tentative early conclusions that future tourism development in the GMS will be in three stages: stage one being characterized by flows emanating from the major gateway; stage two being the development of additional hubs and subhubs; and stage three being full subregional tourist circuits. The Meeting thanked the members of the team for their briefing.

48. The representatives of WTO and ESCAP noted that there seemed to be many individual studies being carried out simultaneously and, while it is essential that the integrity of each study be maintained, a word of caution is warranted on the need to maintain consistency, particularly in regard to assumptions about target markets. The Meeting took note of this caution and requested AMTA to maintain an inventory of relevant studies and to coordinate between them as much as possible to avoid duplication of effort.

49. The representative of ESCAP distributed a paper on Air Transportation Linkages with Tourism Development in the GMS which was prepared by ESCAP at the request of the Sixth Working Group Meeting. He outlined the key findings from the paper and suggested that, in view of the critical importance of air transportation to the sector, ESCAP may consider undertaking a further study and subsequent seminar on the expansion of tourism in the GMS through improved air transportation.

50. The representative of Thailand spoke in favour of ESCAP's suggested study, and noted that its findings could be used to convince aviation policy makers of the benefits of liberalization. The Meeting thanked ESCAP for the paper and endorsed the suggestion of a further study.

51. The representative of ITDIJ added a comment that the airlines of the subregion might consider special promotional fares for tourists.

AGENDA ITEM 5: DATE AND VENUE OF THE EIGHTH MEETING

52. The representative of China indicated that the three days in the later part of November 1998 are likely to be selected for the Third Forum and Eighth Working Group Meeting and suggested that CNTA would liaise with AMTA about the exact dates. The representative of ESCAP informed the Meeting that ESCAP, as co organiser, would finance representation of GMS countries at this meeting. The representative of Myanmar offered to host the Ninth Working Group meeting, tentatively scheduled for April 1999.

AGENDA ITEM 6: OTHER MATTERS

53. The Meeting received advice from AMTA that the project entitled 'Six Nation Lancang and Mekong River Expedition' has not progressed and that only three of the six countries sent in letters of agreement to AMTA. The representative of Thailand spoke in favour of attempting to revive the project because he was convinced it would result in a high quality film production. He noted that the sponsor is not seeking financial support from NTOs, but rather only liaison and linkages.

54. The representative of Thailand reminded the Meeting of the resolution of the Sixth Working Group Meeting to forward a proposal to the next GMS Ministerial Meeting on special border zones for tourism. He noted Thailand's intention to invite the Golden Triangle countries to a meeting to discuss this concept, including the prospect of visa-free travel within limited areas close to the borders. The representatives of Myanmar and Lao PDR confirmed their continued interest in this concept.

55. The promoters of a project to produce an educational video and booklet for visitors to the Muang Sing area of northern Lao PDR made a comprehensive presentation to the Meeting which concluded with a request for funding for the project at US \$35,000. The representative of Lao PDR spoke in support of the project because it was concerned with the preservation of cultural values.

APPRECIATION

56. The Meeting expressed appreciation to AMTA and the Ministry of Tourism, Cambodia, for the excellent arrangements made for the meeting and the warm hospitality accorded to the participants. The Meeting also expressed gratitude to ADB for financing the travel and related costs of NTO participants.

ADOPTION OF THE REPORT

57. The report of the Seventh Meeting of the Working Group on the Greater Mekong Subregion Tourism Sector was adopted on 7 April 1998.