

Eighth Meeting of the Subregional Working Group on Tourism

Organization

The Eighth Meeting of the Working Group on the Greater Mekong Subregion (GMS) Tourism Sector was held in Kunming, China from 24 to 25 November 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 organized by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the Asian Development Bank (ADB) and the Agency for Coordinating Mekong Tourism Activities (AMTA) in collaboration with the China National Tourism Administration (CNTA).

Attendance

Representatives from national tourism organizations of Cambodia, China, Lao People's Democratic Republic, Myanmar, Thailand, and Viet Nam as well as representatives of ESCAP, ADB, the Pacific Asia Travel Association (PATA), and the Agency for Coordinating Mekong Tourism Activities (AMTA) participated in the Meeting. Representatives of UNESCO's Principal Regional Office for Asia and the Pacific (UNESCO) and Japan National Tourist Organization (JNTO) also attended the Meeting.

Opening Session

In her opening statement, Ms. Shen Huirong, Deputy Director General, China National Tourism Administration, welcomed the participants to the Eighth Meeting of the Working Group on the Greater Mekong Subregion Tourism Sector. She expressed her appreciation to ESCAP, ADB, AMTA, PATA, UNESCO and other international organizations for continued support for the Greater Mekong Subregion Tourism Sector. She remarked that successful China Tourism Year 1997 Programme had resulted in a significant increase in tourist arrivals. During January and September in 1998, China received forty-six million visitors or 11 per cent increase on the same period in the previous year. Revenue reached \$US9.1 billion, or 3.23 per cent increase. She highlighted various initiatives of CNTA to promote tourism in China including the city and country tourism'98 programme. In 1999, China would make special efforts to promote ecotourism. She hoped that participants would have a pleasant stay in Kunming.

A message from Mr. Adrianus Mooy, Executive Secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP) was delivered by Mr. Ryuji Yamakawa, Chief, Tourism Unit, Transport, Communications, Tourism and Infrastructure Development Division, ESCAP. Mr. Mooy remarked that the Working Group was one excellent example of subregional cooperation that could be a model for similar initiatives in other subregions of Asia and the Pacific. He stressed the importance of air transport linkages for further expansion of tourism in the subregion. In this connection, ESCAP would organize a seminar on expansion of tourism in the Greater Mekong subregion through improved air transportation to be held at Vientiane next year. He reported that the ESCAP Committee on Transport, Communications, Tourism and Infrastructure Development has its first session in November 1998 and endorsed an important initiative on tourism development. The Plan of Action for Sustainable Tourism Development in the Asian and Pacific Region.

In his statement, Mr. Arjun Thapan, Senior Project Specialist, ADB remarked that ADB had completed Phase II and III of the Mekong/Lancang River Tourism Planning Study. As a follow-up, ADB was considering undertaking a feasibility study for projects recommended in the Phase II/III study. ADB had started a new training-the-trainers programme comprising a basic skills component and advanced training in tourism management together with TAT. While commending the excellent work being undertaken by AMTA, Mr. Thapan expressed his hope that AMTA would play a greater role in the work of the Greater Mekong Subregion Tourism Sector. He also stressed that NTOs of the Greater Mekong Subregion should work towards taking greater ownership in implementation of priority projects. He drew attention to the current financial crisis and stressed the need for governments, private sector and international organizations to strengthen cooperation.

In his statement, Mr. Santichai Euachongprasit, Director, Agency for Coordinating Mekong Tourism Activities (AMTA), expressed his appreciation to the CNTA for making excellent arrangements for the Eighth Meeting of the Working Group. He mentioned that it was significant that the Eighth Meeting was being held in Kunming because it had played a crucial role in setting a mechanism to promote cooperation in the Greater Mekong Subregion. He remarked that the Working Group had been established following the recommendation made at the Workshop on Tourism Development in Countries along the Mekong River held at Kunming in 1994. He remarked that a number of significant achievement had been made since the establishment of the Working Group in 1995. He stressed the need for governments to made continued efforts to facilitate international travel.

Election of Officers and Adoption of the Agenda

The Meeting elected Ms. Shen Huirong, Deputy Director General, China National Tourism Administration, China as Chairperson, and Mr. Sannya Abhay, Deputy Director General, National Tourism Authority of Lao PDR, Lao PDR as Vice Chairman.

Agenda Item 4(a): Promoting the Subregion as a Tourist Destination

The representative of PATA reported on some recent significant events, including a Japan Outbound seminar held in Ho Chi Minh City in July 1998. This seminar aimed at identifying how to attract Japanese tourists to Viet Nam. The GMS was promoted at the seminar. The seminar was followed up in November, 1998 with familiarization visit by media and travel agents from Japan. PATA would be interested in doing similar activities in other GMS countries if approached.

The representative of PATA also outlined a successful communications workshop involving 40 participants held recently in Singapore. This workshop involved media presenters and addressed issues such as how to use the media in promotions, how to evaluate familiarization trips and the keys to crisis management. While only one GMS country was able to attend that seminar, other workshops of a similar nature could be held in the GMS.

The representative of PATA explained that the organization of the upcoming PATA Adventure Travel and Ecotourism Conference and Mart scheduled for Chiang Mai, Thailand in early February 1999, was proceeding well. She reported a good response so far from buyers from long haul markets, including America. The main speakers have been arranged. One display booth at the Mart has been set aside for AMTA. The GMS will also feature in one plenary session and three break-out sessions. In conjunction with the Conference, a repeat of the 1995 Myanmar Friendship Caravan is being arranged.

The representative of AMTA reported that, following on from the video and map projects described at the last Working Group meeting, AMTA was currently involved in three marketing projects. The first was the AMTA newsletter that is now being produced twice annually and will eventually be produced three times per year. The newsletter is widely circulated to the industry, including to the overseas offices of the GMS NTOs. The representative of AMTA requested countries to use the newsletter to disseminate information.

The representative of AMTA reported that the second project was the GMS booth at the upcoming PATA Adventure Travel and Ecotourism Conference and Mart. He reconfirmed AMTA's willingness to coordinate the GMS presentation at the Conference and Mart and asked all countries to send relevant promotional material in to AMTA.

The representative of AMTA explained that AMTA's third project was the GMS Tourism Marketing Strategy. He introduced the representative of Thammasat University who gave a presentation of the Study's final findings, focussing on three topics: 1) the tourism situation in the GMS countries; 2) proposed Marketing Objectives; and 3) follow-up activities.

The representative of Thammasat University reported that GMS tourist arrivals increased by an average of 12.0% per year over the five years from 1993 to 1997, faster than ASEAN's growth rate of 6.5%, East Asia's growth of 7.3% and the world market's overall growth of 4%. She also reported growth in GMS tourism receipts over that period of 13.5% per year, better than 12.1% for ASEAN and 12.7% for East Asia. She forecast visitor arrivals to grow by 6.2% per year between 1998 and 2001. She advocated a modest growth scenario to avoid environmental problems.

The representative of Thammasat University went on to explain that the GMS countries' top 10 markets account for 64.4% of total arrivals in 1997. She advocated targeting these markets, plus some fast emerging markets, in a joint marketing program aimed at increasing growth by 6% per year, increasing length of stay, building a good reputation for Mekong tourism and positioning the GMS as a world cultural tourism focus. The program's target tourists should be: in the 25-60 age group; with a 60/40 male/female ratio; higher income level; interested in culture and sensitive to conservation issues.

The Marketing Strategy proposed by the representative of Thammasat University also included a product strategy, involving fostering good quality products and selected operators with proven experiences, and a promotional strategy involving: advertising and publicity; sales promotions in off season; training for front line sales personnel and the six countries promoting together for efficiency. She called for countries to allocate a portion of their marketing budgets for joint marketing activities and to seek greater involvement of the private sector in planning and executing the Marketing Strategy. The Meeting thanked Thammasat University for a convincing presentation and an extremely comprehensive study.

The representative of ESCAP informed the meeting that ESCAP would organize a seminar on tourism promotion in Lao PDR in 1999.

The representative of Thailand reported that TAT had recently undertaken a quick survey of its overseas representative offices that revealed that the GMS countries are still sold most often in single destination packages. In all but few markets, multi-destination packages are available. Sometimes, other destinations, including Hong Kong are involved in the packages. He suggested that surveys such as this by NTOs are useful for marketing.

Agenda Item 4(b): Subregional Tourism Forum

The representative of PATA outlined preparations for the Third Mekong Tourism Forum which was to begin the following day. She explained the new forum format involving a mix of plenary sessions and break-out workshops. She reported that almost 80 people had registered.

The representative of CNTA outlined the Forum's arrangements from the hosts' side. She noted that there had been a limited response from the local industry despite repeated invitations. The Meeting expressed its gratitude to CNTA for all the organizational work that had been done.

The Meeting briefly debated the new forum format and it was agreed that this new format should be suitable while the need remains for networking, product development and marketing. The representative of ADB suggested that issues raised at the Forums should be brought onto the agenda of the next Working Group Meeting and subsequent progress in addressing the issues should be tracked by the Working Group.

Agenda Item 4(c): Training the Trainers in the Basic Skills of Tourism

The representative of Thailand reported that since the last meeting, TAT and ADB have succeeded in arranging a second program on training the trainers in tourism skills. The new, expanded version of the program includes not only basic skill training, but also advanced level training in tourism management and marketing and a program of follow up support for the establishment or strengthening of training units within NTOs. He also reported that ADB and TAT have confirmed the joint funding arrangements and that the basic skills training course was currently in progress. Three tourism trainers from five GMS countries are attending the course at the Dusit Thani College. Last minute problems prevented the participation of two of the Chinese candidates.

The representative of Thailand reported that the advanced course, planned for the New Year, is being designed for the original group of trainers from the 1995 Study Tour. He also informed the meeting that ADB is arranging to assist in the strengthening of existing training units on NTOs, or to set up new ones.

The representative of ADB reaffirmed the Bank's concern that skills development should become self-sustaining. He encouraged NTOs to intensify their own training efforts and to take ownership of the human resource development needs in the public sector of tourism.

The representative of ESCAP reported that 23 countries are actively participating in the Network of Asia-Pacific Education and Training Institutes in Tourism (APETIT) established by ESCAP in 1997. He highlighted the recent initiatives of APETIT. He notified that the first meeting of the APETIT General Council will be held at Macau in May 1999. In addition, ESCAP and WTO will organize a seminar on human resources development in tourism, which will be held in conjunction with the meeting of APETIT.

Agenda Item 4(d): Training Resource Managers in Conservation and Tourism

The representative of UNESCO reaffirmed UNESCO's commitment to this issue. She noted that five of the six GMS countries have World Heritage Sites and are therefore particularly eligible for training support from the World Heritage Fund. She explained that this support

must be applied for by countries. UNESCO has recently sent application forms and an explanatory letter to AMTA for distribution to the NTOs. Any suggestions for subregional initiatives in this field should be submitted to UNESCO.

The representative of AMTA noted AMTA's willingness to get involved with UNESCO or any other agency to assist in this area. He also reported on a meeting with Dr. Walter Jamison, a Canadian researcher based in the Asian Institute of Technology (AIT) in Bangkok, which resulted in a suggestion that the Canadian Government might be interested in assisting a subregional program of training for resource managers. It is envisaged that such a program might involve training in resource management at both a macro scale and at a micro scale. The Meeting greeted this suggestion warmly and asked AMTA to follow up on this idea with Dr. Jamison and the Canadian Government.

Agenda Item 4(e): Mekong/Lancang River Tourism Planning Study

The representative of ESCAP reconfirmed that copies of the project report of Phase I of this study are available and he expressed ESCAP's appreciation to ADB for its funding of subsequent activities.

The representative of ADB reported that the Phase II study was completed in September, 1998. He confirmed that copies of the final report were distributed to all NTOs and a small summary folder containing the concept plans was given a wider distribution. He also reported that the final stages of the study involved a well-attended industry seminar at which there were clear indications of private sector interest in tourism developments along Mekong/Lancang River. He noted that AMTA's recent newsletter has a summary of this seminar.

The representative of ADB gave an analysis of the financial implications of the Phase II study's findings. He noted that the total value of the development work proposed in the report for the medium term, until 2006, amounted to US\$420 million. Of this, \$200 million is suitable for joint public/private financing, \$120 million for solely private sector investment and \$100 million for public sector funding. He expressed the opinion that the report provides a firm basis for the GMS countries to do some financial planning.

The representative of ADB then announced that ADB was approached at the last Ministerial Meeting and asked to consider doing a feasibility study for a major project to help implement the recommendations of the Phase II study. He reported that this request is under active consideration and a decision on whether the Bank will proceed on the feasibility study will be made in the New Year. He noted that if such a project was to go ahead, it may require substantial amounts of funds to be raised by individual governments.

The representative of Thailand commended ADB and urged the individual NTOs to carefully study the report and look at its implications in detail. He suggested that NTOs may need to be advocating for some of the proposed development projects to be included in national budget forecasts.

Agenda Item 4(f): Special Project 1: Study on Facilitation of Travel To and Within the GMS

The representative of Thailand suggested that there has been sufficient study and discussion on this issue and the time is right for some action. He proposed that some model

routes should be selected and the NTOs should sit together and try to facilitate trial overland tours. He suggested routes number nine, eight and three as possible candidates. The meeting strongly endorsed this suggestion and called on AMTA to coordinate further progress on the idea. The representative of PATA spoke in favor of this practical approach and offered PATA's assistance if required.

The representative of ESCAP informed the Meeting that a joint ESCAP/WTO Seminar on Facilitation of Travel in the Asian Region had been held at Phuket in July 1998. Representatives from 16 countries, including 5 GMS countries participated. The seminar adopted recommendations for practical initiatives and actions at the national and regional level.

Agenda Item 4(g): Village-Based Tourism

The representative of UNESCO distributed information on UNESCO's plans to update its work in the early 1990's on case studies of the effects of tourism on culture and the environment in Asia and the Pacific. Included in the information was a list of ten proposed topics for a definitive series of best-practice case studies, six of which feature GMS countries. She called on NTOs to suggest other topics and to come to UNESCO with any joint funded project possibilities in this area.

The representative of UNESCO also distributed a set of guidelines on how to plan for culturally and ecologically sustainable tourism. She referred to UNESCO's pilot study in Luang Namtha in Lao PDR and offered UNESCO's assistance to the five other NTOs if they were planning village-based tourism or ecotourism developments. She asked for feedback from the NTOs about the guidelines.

The representative of Thailand spoke in favor of adopting careful approaches to tourism development in sensitive areas. He expressed concern that there seemed to be no clear way forward for this project. He suggested a range of options including: dropping the project; NTOs agreeing to implement the model village projects themselves with the support of local authorities; and following up on possible Canadian Government interest in this area which was also flagged in his recent meeting with Dr. Walter Jamison at AIT.

The representative of Myanmar noted that it was difficult for his NTO to commit many resources to its model village at present.

The representative of Lao PDR noted that his government was anxious to get the Nam Ha pilot project in Luang Namtha under way. The representative of UNESCO confirmed that phase two of this project would soon be underway.

The representative of ESCAP reported that a Seminar on Developing Ecotourism in the Asian Pacific Region, held in Bangkok in the previous week, has been attended by 16 countries, including 5 GMS countries. He noted that the achievements of the meeting included a definition of ecotourism and exposure to useful case studies from Malaysia and Thailand. He offered ESCAP's assistance to any country wishing to either receive technical advisory services from ecotourism experts from Malaysia or Thailand or to have a national level seminar on ecotourism.

Agenda Item 4(h): GMS North-South Tourism Flows

A representative of the Thailand Institute of Scientific and Technological Research presented the report of a study on this topic by his Institute which was funded by TAT. He explained that the report recommends that long term planning for tourism in the GMS should focus on the development of nine key tourism centers. The report proposes a three phase development process: the "Gateway" phase 1999 to 2001; the "Hubs and Sub-Hubs" phase 2002 to 2006; and the "GMS tourism Circuits" phase 2007 to 2013.

The representative of ESCAP announced that ESCAP will organize a Seminar on Expansion of Tourism in the Greater Mekong Subregion Through Improved Air Transportation. The seminar will involve two officials from each country, one from tourism and one from aviation. The seminar will be held next year in Lao PDR in conjunction with the previously announced seminar on tourism promotion.

The representative of Thailand spoke in favor of continued attention to air links and aviation policy. He noted that new airlines are actively seeking new, tourism oriented air linkages within the GMS.

Agenda Item 5: Establishment of GMS Chapters in Selected Markets

The representative of ESCAP introduced a paper outlining the idea of GMS tourism promotion chapters in selected markets. This paper was prepared by ESCAP in collaboration with AMTA at the request of the Seventh Working Group Meeting. He explained that the objective of the chapters would be to promote travel to the GMS. He suggested the location of chapters could be determined on the basis of market potential and the presence of GMS representative offices. He noted that Chapter membership could comprise representatives of NTOs, embassies, airlines and the local PATA chapter and that the chapters activities could include organizing destination seminars, participation in trade shows and organizing familiarization trips. He suggested the financial implications could be small.

The representative of TAT agreed that there is tremendous potential to divert tourist flows to GMS countries and there was an urgent need for the GMS countries to get organized to achieve this. He noted that some other NTO groupings have tried to establish marketing networks with varying degrees of success. He suggested that, rather than organizing chapters in the markets, the Working Group should first concentrate on getting more joint marketing actions going on behalf of the Working Group. He suggested that this could be helped by forming a Marketing Task Force to make the NTOs more active in joint projects. He also suggested continuing support for PATA's chapter networks, which have been active in GMS promotion work in the past.

The representative of CNTA spoke strongly in favor of regional joint marketing activities but cautioned that China's experience has been that it is better to operate on a project by project basis because neighboring countries do not always share the same marketing priorities. She supported the idea of a Task Force although she noted the difficulties some NTOs have with too much international travel for meetings.

The representative of Cambodia spoke in favor of continuing ESCAP's initiative on the Chapter idea if ways can be found to fund it.

The representative of the Japan National Tourist Organization offered advice on how to do marketing activities, using chapters in markets, with very little funding. He mentioned the significant impact of visiting speakers from a destination.

After subsequent discussion on the points made by the representative of TAT, it was clarified that the suggested Marketing Task Force would be a loose arrangement of people in key, active marketing positions within NTOs. The Task Force would only meet in an opportunistic way, for example at marketing events, but it would work together regularly, in between Working Group meetings, under AMTA's leadership, to carry out joint marketing programs. The essential purpose of the Task Force would be to bring the existing marketing capabilities and networks of the GMS NTOs to bear on those joint marketing projects which the individual NTOs wish to get involved with.

The representative of PATA explained the evolution of PATA's chapters over 30 to 40 years and noted PATA's experience that NTO-led chapters must have the support of the private sector to be successful.

The meeting decided to opt for the establishment of a Marketing Task Force. The chapter idea could be pursued in future when GMS countries could reach a consensus to establish chapters in major markets. AMTA was asked to take the Task Force idea further. Even as the representative of AMTA accepted this request, he expressed some discomfort about the creation of an extra layer of players in the GMS cooperation process.

Agenda Item 6: Creating Ownership – Redefining the Role of AMTA

The representative of ADB introduced this topic by calling for discussion on the questions: How can we encourage NTO's to take ownership? How can we consolidate AMTA's coordinating role? How can we involve others, including the private sector?

The representative of ADB also presented an idea for changing the way the Working Group's activities are organized, he proposed a change from the existing "project" orientation to a "program" orientation. He explained that the program approach would be more flexible and thus may encourage other organizations, including NTOs, NGOs and private sector organizations to contribute to the Working Group's objectives. He noted that the present system may be putting potential donors off because the projects have become associated with only one or two supporting agencies.

The representative of AMTA reassured the meeting that TAT will remain strongly behind AMTA but what is urgently required is more active involvement by the NTOs.

After an extensive open forum discussion on this topic, and a round speeches strongly in support of strengthening AMTA, it was agreed that the NTOs would take away for further consideration a list of options for how. NTOs might become more active in supporting AMTA in future. The options mentioned during the discussion were:

- i. Direct funding by NTOs to a special joint marketing fund for implementing Working Group projects;
- ii. Personnel seconded from NTOs to AMTA, with expenses paid by the NTOs for a certain period, during which they would also receive training;
- iii. Personnel stationed within the NTOs but allowed to devote considerable amounts of time acting for AMTA on joint marketing project as part of the Marketing Task Force;
- iv. Individual NTOs could take on the implementation of specific subregional projects under AMTA's guidance.

Agenda Item 7: Date and Venue of the Ninth Meeting of the Working Group

The Meeting accepted the offer of Myanmar to host the Ninth Working Group Meeting in April or May 1999. The representative of ESCAP informed the Meeting that ESCAP, as co-organizer, would finance the participation of GMS representatives in this meeting.

Appreciation

The Meeting expressed appreciation to the China National Tourism Administration and the Yunnan Provincial Tourism Administration for the excellent arrangements made for the meeting and the warm hospitality accorded to the participants. The Meeting also expressed gratitude to the Government of Japan for financing the travel arrangements of ESCAP sponsored participants.

Adoption of the Report

The report of the Eighth Meeting of the Working Group on the Greater Mekong Subregion Tourism Sector was adopted on 25 November 1998.