

B. FACILITATION OF TRAVEL

– Imtiaz Muqbil

1. Introduction

Travel within the Asian and Pacific region is growing faster than in any other region in the world. From 1985 to 1990, it grew by an average of 12.1 per cent annually. In 1995, over 69 per cent of the tourism in the Asian region was intraregional. This is expected to continue increasing as the Asian economic picture improves and more time is allowed for leisure trips. However, impediments to travel restrain further expansion.

Of all the various factors that impede the growth of the travel and tourism industry, one of the highest-ranked in terms of impact, according to an APEC Tourism Impediment Study in April, 1996 prepared by Dain Simpson Associates, is the imposition, processing and management of visas, border formalities and customs regulations. The APEC study outlined several impediments to growth, including (a) the cost of travel; (b) difficulties in communication, especially multi-lingual travel information and signage; (c) visas, border formalities, customs and health regulations; and (d) security.

Numerous other impediments were also identified, especially those related to legal and investment infrastructure. However, in an increasingly liberalizing and globalizing world, it is becoming clearer that visa requirements and border formalities have the potential to become the most significant impediments to the growth of travel and tourism.

The objective of this study is to suggest ways to facilitate travel and tourism flows, maximize the socio-economic benefits of tourism, and identify policy issues for the strengthening of regional tourism cooperation and promotion of intraregional tourism in the Asian and Pacific region.

Tourism remains an important source of foreign exchange and employment for developing countries. In 1994, tourism receipts for the developing countries (including international transport) represented more than 10 per cent of their total exports of goods and close to 40 per cent of the value of their commercial services exports. Although most countries still focus on the economic impact of international tourism, since the Ottawa Conference on Statistics sponsored by WTO, interest in domestic tourism is growing in developing countries. In order to measure the economic importance of tourism and its relationship with other sectors, the Ottawa Conference recommended setting up a satellite accounting system to record tourism data.

Over the period 1975 to 1995, East Asia and the Pacific expanded its share of global tourism receipts significantly, by 13.4 per cent, increasing its share from 5.3 per cent in 1975 to 18.7 per cent in 1995. Investment growth, domestic and foreign, was the most important stimulus for most of the region's economies in 1995. Attracting investors to any country is the first step to be taken in promoting tourism. Foreign investment will boost a country's economy, followed closely by an influx of leisure travelers, and then the potential is great. Some obstacles to foreign investment exist in all countries, and to improve the investment climate, host governments can take appropriate measures to eliminate or reduce the obstacles. International organizations can continue to assist financially and technically and to cooperate in resolving common problems.

In terms of value, international tourism made significant advances worldwide in 1995, attaining a growth rate of 7.5 per cent, as compared to 10.4 per cent in 1994 and 1.7 per cent in 1993.

The World Conference of Tourism Ministers, held in Osaka, Japan, in November 1994, adopted the Osaka Tourism Declaration and reached common understandings: (a) tourism, with great potential for growth, will drive economic development into the twenty-first century; (b) tourism is an effective means of income redistribution between countries and thus also contributes to a more balanced development of the world economy; and (c) tourism contributes greatly to the maintenance of global peace and the promotion of mutual understanding between the peoples of the world.

The countries in this study are at various stages of transition from their former centrally-planned economic systems to market economies. This has led to an overwhelming change in the way these countries deal with the rest of the world. With help from institutions like the International Monetary Fund, World Bank, Asian Development Bank and other lending institutions, as well as the United Nations Development Programme and ESCAP, these countries seek to join the world trading community and gain a place as members of the Generalized Agreement on Tariffs and Trade, of which many are signatories.

Over the last few years, the ongoing process of economic liberalization in these countries has made headlines. Laws have been revamped, bureaucracies changed, and systems and structures simplified as the countries compete

for investment. Billions of dollars are being expended on developing energy, transportation networks, telecommunication systems and other forms of infrastructure. The development of travel and tourism is a key component of this. Some of the countries have adequate airports and privatized airlines. Business travel is leading the way, to be followed eventually by leisure travel and niche-market travel.

This is taking place against a backdrop of changing travel patterns. The Asian and Pacific region is now one of the top generators of global travel. Many Asian and Pacific economies are considered equal partners with the developed countries of the West. Others are making rapid progress in that direction. The three sub-regions of East Asia and the Pacific taken together registered 84 million tourist arrivals in 1995, generating an estimated \$US 70 billion in tourist receipts.

This study focuses on visitor arrivals by air. This is because countries that share land-borders use other documentation in most instances, like border passes, or do not require any documentation. Facilitation of third-country nationals through land and sea borders is problematic in many emerging-economy countries because they lack proper road and rail networks, which will take at least a few years to upgrade. For the short-term, the main means of travel will be by air.

2. Country Profiles

The study covers a broad spectrum of countries, ranging from the idyllic beach resorts of the Maldives to the steppe lands of Kazakhstan, including Bangladesh, Bhutan, Cambodia, the Islamic Republic of Iran, Kyrgyzstan, Lao People's Democratic Republic, Mongolia, Myanmar, Nepal, Uzbekistan and Viet Nam. These countries are at different stages in their development of market economic structures and tourism, and not all the countries give the same level of importance to development of the tourism sector. However, it is clear that development and facilitation of travel will continue to provide all these governments with the financial support necessary for sustained economic growth.

All the countries are located in the Asian region and are to some degree considered "emerging Asian economies". Emerging economy countries are defined in this study as countries with low per capita incomes, extensive natural resources and potentially large consumer markets.

Bhutan, Kazakhstan, Kyrgyzstan, Lao People's Democratic Republic, Mongolia and Nepal are landlocked countries. Maldives is a group of 26 atolls in the Indian Ocean, with fishing as its largest industry. Tourism has been a major sector in Maldives' economy since the 1980s. Kazakhstan has the largest land area, 2,669,800 sq.km, as compared with Maldives, having the smallest land area of 300 sq.km. In terms of population, the largest country is Bangladesh, with 128,094,948 people (July 1995 estimate), while the most sparsely populated of all the countries is Maldives, with 261,310 people (July 1995 estimate).

All these countries are rich in natural resources which remain mainly untapped. The countries are some of the poorest and most densely populated in the world, with largely agricultural economies. Some countries have suffered from political conflicts which hinder growth and development. The Central Asian Republics of Kazakhstan, Kyrgyzstan and Uzbekistan have not had trouble attracting foreign business and investment, but face difficulties as they are in the midst of implementing new laws and reforming many antiquated laws that can no longer be applied to modern day global business. New policies are being implemented, but harsh climates and rugged landscapes remain problems.

Other countries that are landlocked are aiming now to become landlinked by forming unions with surrounding countries, as in the Greater Mekong Subregion. China, Cambodia, Myanmar, Thailand, and Viet Nam and perhaps Lao People's Democratic Republic are beginning to market themselves together, inviting tourists to visit the entire region. Landlinks are being upgraded, with plans to develop railway links as well as roads.

Mongolia, like the Central Asian republics, is still recovering from the loss of former Soviet aid. It is a country rich in mineral resources but with one quarter of the population living below the poverty line.

Nepal is one of the least developed nations in this study, with agriculture providing a livelihood for over 90 per cent of the population and accounting for half of GDP.

As these countries work to gain stability by implementing market economies, it is clear that tourism can benefit their economies by increasing foreign exchange earnings as well as creating employment in all sectors.

3. Tourism Facilitation Plans

Most emerging-economy countries are not prepared for large-scale tourism, and because they are not mass tourism destinations, they should not be marketed as such. It may be argued that restrictions on travel are desirable

and necessary for at least three years or until such time as the countries have had time to plan their tourism industries and put the necessary infrastructure, management and regulatory systems in place.

In view of the obvious economic benefits of travel and tourism, however, there is clearly a need for a more systematic and pragmatic approach that will pave the way for international visitors, especially business travelers followed by special interest and niche market travelers. This will facilitate visits by people with a genuine interest in the country, who can stay longer, spend more and contribute to national development.

Assuming that there are no border conflicts, the highest number of visitors to any country will often come from a neighboring country. Thus, the highest number of visitors into Australia are from New Zealand, the highest number into Singapore are from Malaysia and the highest number into Japan are from the Republic of Korea. This is because of high levels of cultural affinity between the two countries, strong VFR (visiting friends and relatives traffic), and high levels of trade contacts. The sum total of these factors, plus other factors like lower cost, lead to increased exposure in the media and a better understanding, which leads to more transportation links and visitation.

The second highest number of visitors to any country generally will come from countries in the region, especially those with no visa requirements. Thus, in the Asian and Pacific context, both Japan and the Republic of Korea have become major generators of visitors for the ASEAN countries. Singapore is another major generator. The growth potential from Hong Kong is also high.

The third highest number of visitors are from long-haul countries in Europe and North America which formed the bedrock of tourism growth into the region during the 1970s and 1980s. As the boom in intra-regional tourism begins to manifest itself, the market share of these countries will continue to decline as a proportion of the overall number of visitor arrivals.

One goal of countries should be to liberalize and harmonize rules and procedures governing cross-border access, paving the way for increased intraregional tourism. This can only be accomplished by countries communicating and finding mutually-accepted rules appropriate for the safe management of intraregional travel.

4. Visa Restrictions and the Implications

Recommendations in this report focus almost exclusively on visa formalities. By and large, there is no evidence to prove that customs and health regulations pose any kind of a significant impediment to travel. At the same time, interviews with various visa-issuance officers led to the conclusion that there is no system that cannot be breached. It can only be made more difficult through enhanced detection procedures.

A main reason for supporting strict visa regulations is that many countries do not want large numbers of tourists because of fear about the cultural, social or environmental impacts of tourism. This is particularly important in places like Lao People's Democratic Republic and Bhutan, which do not have sufficient airline capacity or hotel or tour operating facilities and cater to a limited volume of tourists. Limiting access through visa restrictions provides a natural cap on inbound movements.

Visa procedures often lead to misunderstandings, often caused by language barriers or by a lack of explicit, up-to-date information. These problems include the following:

- (a) At the receiving end, diplomatic missions are often challenged by the weight of visa issuance formalities, especially in view of the many different types of visas required (tourist, transit, business, religious trips or conventions, etc.). The paperwork has to be properly stored and filed. Money has to be kept safely. Even in small embassies, managing visa sections takes at least three local staff.
- (b) At the application end, potential tourists waste time tracking down diplomatic missions, compiling the paperwork and photographs, dispatching someone to the mission, and then waiting before the visas are issued.
- (c) In high-demand missions, there are usually queues, which means further waste of time. If documentation is not complete, more time is wasted. This problem is further aggravated if the mission accepts applications be non-citizens of a particular country who are either temporary residents or visitors to that country.

In many airports, reading the forms is a trying task. Not all of today's travelers can read or write English. Mistakes lead to further delays with high levels of frustration for both the officers and the passengers. The processing of the paperwork needed for tourism marketing and planning is also difficult. This problem is likely to get worse as the volume of tourists grows. Airport congestion not only causes airline delays but also leaves bad first and last impressions about a country. At land-border crossings, unlawful expropriation of money for visa fees is a problem in some areas.

It would however, be safe to conclude that it is not visa requirements per se that are impediments but the following:

- (a) the availability of information about their issuance,
- (b) the ease of issuance, and
- (c) the speed at which they are processed at the border-control checkpoint, mainly at the airport immigration counters.

It is often said that the travel industry is the most service-oriented of all industries. While many consul generals are conscious of that fact and seek to facilitate visa applications as efficiently as possible, the staff accepting the documentation is often less inclined to be service-minded. Many are not familiar with the requirements and ill-equipped to answer basic questions, even over the telephone. Moreover, processing the paperwork at the airport is a tedious and time-consuming activity. With few exceptions, there is a shortage of trained manpower to run the immigration stations in airports across the Asian and Pacific region.

5. Possible Solutions

One important step that needs to be taken is for ESCAP to organize a special meeting of regional tourism and immigration officers to agree on a specific plan of action to simplify and coordinate visa issuance policies. Such a meeting is long overdue. The meeting will also enable exchange of opinions on current problems and briefings from some of the more developed countries on the systems, procedures and costs of the new technologies. While immigration officials can get a full briefing on the national benefits of tourism promotion, tourism officials will in turn be able to better understand not only the problems of their own countries, but also those of other countries. Officials attending the meeting should be encouraged to prepare a list of actions that their countries could take or are planning to take to further facilitate travel.

Pending the organization of such a meeting, there are some relatively simple procedures that can be adopted by countries to facilitate visa issuance, such as:

- (a) *Standardizing documentation for visa applications:* Uniformity is important. Presently, the visa application process is confused by different needs and requirements for various nationalities and types of visas. Leisure, business, convention, religious and other purposes of travel often require different supporting documentation. This needs to be standardized and simplified.
- (b) *Granting multiple entry visas for up to two years or more:* In the absence of multiple entry visas, tour operators have to design packages that head only in one direction from one country to another because their passengers cannot backtrack. The same applies for airlines designing special promotional fares. Mixing business with pleasure becomes difficult because they often require different categories of visas.

Multiple-entry visas will facilitate business travel and accommodate the prevailing trend towards short-break holidays by people seeking to get away for a few days, usually over a long weekend. While there is a large group of travelers who book their holidays many weeks in advance, the trend is clearly shifting towards shorter holidays taken at relatively short notice. Those countries that do not have stringent visa requirements and issue visas upon arrival such as Cambodia and Maldives are clearly a priority choice in terms of destination. However, if a visa is required, having a multiple-entry visa considerably facilitates that effort.

Expanding diplomatic representations: Central Asian republics need to expand their representations in this part of the world either through the appointment of honorary consuls or by empowering other embassies to issue visas on their behalf. Moreover, it is important that these diplomatic missions should accept visa applications by mail, messenger, courier or Internet.

Providing proper information on transportation to and within the countries: Clarity of rules and regulations on these matters is vital, especially for overland crossings and cruise ships. In countries that have attained a slightly higher level of development, transportation passes that allow a passenger to get around on the subway, the bus or interregional train with the same ticket should be considered.

Setting up more transit-visa facilities: Often a large revenue earner for Asian countries is shopover or short-stay traffic. Countries like Singapore have encouraged this form of tourism, and their relatively relaxed policies for inbound tourists are fundamental to this success. Tourists are discouraged from stopping over in countries where visa regulations are complex.

Visa extensions: Many countries do not allow extensions of visas after arrival. Some allow extensions only for business visas but not tourist visas. This policy needs to be revised. Visa extensions should be allowed at least once for a 15- or 30-day period. If the policy is to discourage such extensions, then a large fee should be imposed. However, visitors should be given flexibility in lengthening their stays if they so wish.

The role of technology and the Internet: Over the last two years, telecommunications and technological advancements have considerably facilitated the international flow of information. There are various ways this can be used for visas by making all possible information about visa requirements available through one central, reliable source. It is clear that the Internet is the best instrument for global distribution of all such information. If this happens, it is essential that all data be kept up-to-date by constant monitoring to facilitate the use of this means of information dissemination. This becomes important because many travelers today do not live in the country of their citizenship. Global migration has meant that there are many expatriates living in different parts of the world. Electronic processing is clearly the easiest way to process visa applications.

6. Conclusion

The most important step is to identify exactly what kind of travel and tourism industry is required by the host country, maintaining the balance between maximizing foreign exchange earnings while minimizing negative social, cultural and environmental impact. The Central Asian republics can learn from the examples of the Greater Mekong Sub-region countries. They need to do careful studies of their tourism industries before embarking upon any facilitation exercise. These studies should identify the market potential for the countries, the places from which these tourists would originate and the kind of product development that would be required to meet their needs. Similar studies have already been done by the World Tourism Organization for countries such as Viet Nam, Cambodia and Sri Lanka.

Working in cooperation, tourism and security officials and foreign ministry officials have to agree on a uniform set of standards they consider appropriate to satisfy the needs of all involved. This coordination is vital. Currently, immigration/customs/health authorities maintain security, not promote tourism. Officials need to be educated and trained according to a set of standard rules and regulations. This would benefit the tourists, the security officers and the ministry officials and create the political will to solve problems. It would also lead to agreements on the channels and methodologies of implementation and to the most, important part of the visa process, the communication of information to visa applicants.

Technological advances offer considerable improvements over the manual methods and can save governments trouble and time in administrative work. This is an area that needs to be thoroughly investigated. Computers also allow for a wider distribution of information and make it easier to update. While institutions like the Asian Development Bank and IMF spend considerable sums of money to support the development of airports, seaports, railways and roads, they have allocated almost no funds to do research about the facilitation of travel with a focus on technology. However, such funds need to be allocated, because reconciling the interests of national security and national economic development while facilitating travel is an expensive exercise, involving global cooperation. As the volume of travel grows, it is necessary for emerging economies to bypass out-of-date methods.