

## Special Report on ASEAN Tourism

**T**he regional economic crisis has focused attention on the role that travel and tourism can play in facilitating a recovery through its powerful foreign exchange generating potential. Hard times have forced regional national tourism organisations to take a hard look at their individual and collective marketing strategies, leading to considerable outside-the-box creativity, forging of new partnerships and a rekindling of old ones.

Four of the nine countries of the Association of Southeast Asian Nations outlined their strategies and policies in media presentations at the January 1999 ASEAN Tourism Forum in Singapore. This issue of I&T highlights some significant examples of the innovations as ASEAN seeks to regain its once lofty position on the global travel and tourism stage.

### Main Strategies for Indonesian Tourism Recovery

- Empowering small and medium-scale entrepreneurs and cooperatives
- Encouraging private initiatives (with the government steering rather than rowing)
- Creating conducive climate to strengthen private initiative
- To serve, not to be served (motto for service personnel, both government and private)
- Tourism promotion should be conducted by all parties
- Coordination (rewarding rather than blaming)
- Deregulation of licensing process and eliminating the "high cost economy"

### Indonesia — Vital Statistics

- Indonesian visitor arrivals 1998: 4.60 million, down from 5.18 million in 1997

- Indonesian tourism earnings in foreign exchange: US\$4.7 billion, down from 5.4 billion in 1997
- Indonesian hotel room count as of June 1998: 185,637 rooms in 6,768 hotels, up from 152,467 rooms in 5,552 hotels in 1995
- Indonesian weekly air seat capacity at the end of 1998: 162,762 from 540 weekly flights, down from 273,294 seats and 711 flights in 1997

### Indonesian Recovery Programme

While most Indonesians do not disagree that their country has its share of problems, they do agree that the international consumer media has exacerbated them by reporting many events unfairly and out of context. Hence, adopting the it-takes-one-to-catch-one philosophy, the Indonesian tourism industry has made media familiarisation trips a linchpin of its recovery programme. More than 40 trade and consumer journalists from Germany, France, the UK and the Netherlands, Indonesia's most productive markets in Europe, have been hosted in two batches so that they can report back accurately on the real situation. Says Indonesia's new Director-General of Tourism I.Gede Ardika, "The volatile situation of the past year...[has] received negative press overseas and, though localised in Jakarta and some other cities, [has] given the impression that the whole country is unsafe. Actually, Bali and most tourist destinations have remained safe and secure."

### SIA Resumes Support

Singapore Airlines is to give about S\$2 million worth of support to get the Indonesian tourism industry moving again. Both SIA and its subsidiary SilkAir have a major interest in Indonesia, whose geographical diversity and 23 international airports provide a backdrop for Singapore's mono-destination status. The two

countries also have a bilateral aviation agreement considered quite progressive by ASEAN standards. SIA's support will include tickets and excess baggage allowance for more than 100 overseas tour operators and travel writers to visit Indonesia and for Indonesian tour operators and hoteliers to participate in international trade shows. SIA will also fly out an Indonesian cultural troupe to ITB. In late 1998, SIA launched a Bali Spectacular holiday package in the United States, Europe and Asia, backing it with S\$1 million worth of advertising and promotional support.

Cumulative Arrivals\* (mn) by Month, 1997 and 1998

Indonesia	1997	1998
January	304,488	285,510
February	622,857	547,768
March	997,807	822,510
April	1,326,220	1,111,324
May	1,653,136	1,337,082
June	2,038,173	1,634,394
July	2,444,843	1,943,715
August	2,852,826	2,295,307
September	3,250,747	2,620,594
October	3,574,412	2,953,911
November	3,891,556	3,252,861
December	4,242,205	N/A

Source: Dept. of Tourism, Arts and Culture, Indonesia. \*Air arrivals only.

Cumulative Arrivals (mn) by Month, 1997 and 1998

Philippines	1997	1998
January	177,662	186,332
February	351,569	360,330
March	533,282	548,130
April	705,850	724,360
May	867,152	885,041
June	1,038,356	1,046,611
July	1,225,548	1,222,414
August	1,409,822	1,392,095
September	1,582,031	1,557,680
October	1,770,239	1,731,880
November	1,988,829	1,932,248
December	2,222,523	N/A

Source: Dept. of Tourism, Philippines

**Note:** The charts above are based on cumulative totals for 1997 and 1998. In other words, while the arrivals at January are for that month only, the arrival figures at February are for January plus February, arrival figures at March are for January plus February plus March, etc. This allows us to consider the overall trend for each destination as the year progressed.

## The Power of VFR

**Singapore:** In 1997, Singapore's tourism analysts discovered that 406,000 visitors, or about 5.64 percent of the total, came to visit friends and relatives (VFR). As a word-of-mouth sales pitch is generally known to be the best form of advertising, particularly from a family member or friend, the Singapore Tourism Board came up with a Friends of Singapore (FoS) programme. Thousands of flyers were mailed to customers of the local telephone company SingTel, expatriate clubs in Singapore and local groupings asking members to apply for an FoS passport. Arrival and departure details of at least two visiting friends or relatives had to be provided to obtain a passport and avail of a range of special offers and discounts to various attractions, shops and hotels. A bonus points scheme was also included to encourage more frequent patronage. Dispatch of the flyers began on November 15, 1998 and will continue until May 15, 1999. The STB is hoping for at least a 50 percent increase in the number of VFR travellers in 1999.

**The Philippines:** The Philippines Department of Tourism estimates there are three million Filipinos working abroad. Not only do their remittances constitute a major source of foreign exchange earnings, but the DoT now believes they can "constitute a vast marketing network." The idea is to get the overseas Filipinos, especially the musicians, to recommend the Philippines as the next holiday destination to their employers and patrons. Details of the scheme are still being worked out but it has the full backing of President Joseph Estrada.

## Do-It-Yourself Fam Trips

Familiarisation trips for travel agents are usually structured and regimented. No longer. The Singapore Tourism Board, figuring that travel agents can best sell to free and independent travellers if they become free and independent themselves, has unbundled its agent familiarisation trips. Agents wishing to check out Singapore can now do so whenever they want rather than wait for an organised trip to come along. Armed with a FunPak of free entrance coupons to dozens of attractions, they can also do whatever they want, especially checking out places their clients may want to visit. Hotels are chipping in with free rooms, the Mass Rapid Transit with a free souvenir ticket and airlines with discounted fares. Agents need to apply for the FunPak, which is available only until September 30, 1999. The STB is hoping to generate another 3,000 travel agents over and above the 2,500 it hosts annually.

## Philippines Stresses Research

Market research is now an indispensable part of the Philippines tourism revival programme called "Rediscovery." In the first such piece of research conducted amongst visitors last year, 61.7 percent of respondents cited friends, relatives and business associates as their main sources of information on the country. Travel books/guidebooks/directories were cited by 15.6 percent with only 10.5 percent citing travel agents and an even lower 3.2 percent citing travel brochures/posters.

## Broadening Partnerships

A programme offered by Shell Philippines to let its nationwide gas stations serve as tourist information centres reflects yet another broadening of the partnership between the tourism industry and other sectors of the economy. The Philippines Department of Tourism expects other oil companies to join the effort. Many oil companies regionwide also print roadmaps and other tourism literature, in the process identifying locations of their respective gas stations. Next possible step: training gas station attendants in the art of helping visitors get around.

## Thailand — A Leader of the Pack

The Tourism Authority of Thailand is citing these six reasons for hitting its 1998 target of 7.7 million visitor arrivals:

- The devaluation of the currency from 25 baht to about 35 baht to the U.S. dollar made Thailand good value for money in its major overseas markets
- The country remained politically and economically stable
- The colourful Amazing Thailand campaign, the new niche-market programme launched in 1997 to cover the years 1998/99, had a strong global impact
- Thai Airways International, the national carrier, continued regular service to all major tourist-generating markets
- Foreign airlines, which bring in 55 to 60 percent of tourists to Thailand, made only minor changes in their route schedules. To compensate for the decline in outbound travellers from Thailand, many airlines shifted to promoting inbound tourism to maintain the viability of the routes
- The tragic hurricanes in the Caribbean last fall diverted beach-traffic business to Thailand

## Amazing Niche Markets

The Amazing Thailand 1998/99 campaign is designed to steer Thailand away from being a mass-market to a niche-market destination. The TAT has identified nine themes that take tourism right down into the grass-roots of Thai society and forge linkages with other sectors of the economy on which tourism depends, specifically agriculture, the country's traditional bedrock.

### The nine themes and the multi-sectoral links they establish:

**Shopping:** Promotes exports, especially of traditional locally made products like Thai silk, handicrafts and jewellery. A product sold to a tourist is as good as a product exported.

**Food:** Builds upon the marketing advantage of globally acclaimed Thai food and allows Thai restaurants to flourish, both in Thailand and especially abroad. Thai cooking schools are now everywhere.

**Agriculture:** Linked to food and boosts sale of Thai farm products. Same principle applies as in shopping: Agricultural produce used for the benefit of tourists is as good as agricultural produce exported.

**Arts and Lifestyle:** Encourages Thai paintings, sculpture, music and dance. Visitors are major patrons of locally created artwork. Encourages creativity, preservation of tradition and attracts young people to pursue art as a profession.

**Cultural Heritage:** Highlights the country as a melting pot of Indian, Burmese, Chinese and Khmer cultures into something distinctly Thai. All these cultures are then reflected in the arts and lifestyle theme.

**World Heritage:** Focuses on the four UNESCO-declared World Heritage sites in Thailand: the historic cities of Sukhothai and Ayutthaya, the prehistoric archaeological digs at Ban Chiang and the Thungyai Naresuan wildlife sanctuary.

**Natural Heritage:** Draws attention to the country's 79 national parks, 89 wildlife and "non-hunting" sanctuaries and 35 forest reserves which boast, among other things, 27,000 species of flowers.

**Sports:** Focused on the December 1998 Asian Games and the January 1999 FESPIC Games for the handicapped. Rekindled interest in sports.

**Gateways:** Builds bridges, literally, with Thailand's neighbours in the Greater Mekong Sub-region (Myanmar, Lao PDR, Cambodia, Vietnam, Yunnan Province). Tourism is expected to be a major contributor to the region's social and economic development.

A further objective of these themes is to convince local Thais that travel and tourism can touch every major aspect of Thai life. As domestic tourists outnumber international tourists by about six to one, the TAT is keen to build grassroots support for tourism and show how travelling can both distribute income out of the urban areas and also inculcate a greater appreciation for natural and cultural heritage.

## Intra-ASEAN Travel

Researching a paper on facilitating intra-ASEAN travel in preparation for the just-declared Visit ASEAN Millennium Year 2002, analysts in Thailand discovered an interesting nugget: there is no mention of promoting intra-ASEAN travel in the tourism promotion plans signed off by the ASEAN heads of state at their summit conference in Hanoi last December. Moving to rectify that, the Thais set "Facilitation of Seamless Intra-ASEAN Travel" as the theme of the January 2000 ASEAN Tourism Forum in Bangkok and compiled a 30-point list of suggestions on how best to do that. The Thai research makes the case that the region has an excessive fixation on attracting visitors from the industrialised democracies and that it must work harder to build travel and tourism cohesion among the nine-member grouping. Says the paper, "If children of any public school in most ASEAN countries were today asked to identify all nine members of ASEAN, they would not be able to do so."

## Thematic Tour Packaging

With special-interest and niche-market travel very much a hot issue, the numerous ASEAN and Cambodian festivals and events, cultural, archaeological and religious sites, nature and ecotourism spots, and war sites and peace memorials all have been packaged into one book called *The Wonders of Southeast Asia*. The first of its kind, the publication is aimed at helping travel planners design creative and seamless Southeast Asian tourism packages for various market segments. It was co-sponsored by Japan's Ministry for International Trade and Industry. The objective is to help enhance regional market linkages between ASEAN and Cambodia, Lao PDR and Myanmar.

Richly illustrated and tightly written, the book is available from any of the ASEAN national tourism organisations. It is a must-have for anyone seeking to diversify or enhance existing content of ASEAN tours.

## Tourism Investment Guide

Acquiring information on the investment potential in the ASEAN tourism industry has just become a whole lot easier with the publication of this detailed guide. Compiled by the Singapore Tourism Board, the guide offers a strategic overview of the rules and regulations, paperwork and permits, contacts and customs procedures governing investment in ASEAN tourism. Short summaries of the general trade development policies are also included with names, addresses and e-mail addresses of various government authorities who can help. The book was produced in recognition of travel and tourism's role as an industry of national economic importance. As many of the regional governments are rapidly amending their investment policies and practises in view of the regional economic crisis, the publication emphasises the need to update the veracity of the data by checking with the national tourism authorities before proceeding.

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The editor and PATA's Strategic Information Centre welcome suggestions for corrections or changes. Please contact Mr. Imtiaz Muqbil via e-mail at [imtiaz@loxinfo.co.th](mailto:imtiaz@loxinfo.co.th) or Mr. John M. Koldowski at [johnk@pata.th.com](mailto:johnk@pata.th.com)



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Mr. Imtiaz Muqbil, Editor & Researcher  
Mr. John M. Koldowski, Director-Strategic Information Centre