

The Age of the Silent Invaders

In its February 1999 edition, this publication listed 21 Issues and Trends that will shape travel and tourism in the 21st century. Readers who still have that issue may wish to refer back to it and see which ones were proved right and which not, or rather not yet. Indeed, we stressed the importance of seeking and maintaining that delicate and very elusive thing called "balance" in every aspect of our corporate and national goals.

In this edition, the last of the 20th century (for some anyway), we seek to build upon that trend-spotting edition, reflect on the past, ponder the present and take a fresh look at where the travel and tourism industry is heading, considering especially developments in the last 12 months, not just in the travel and tourism industry but more importantly in the world beyond.

Clearly, travel and tourism is today a major player in Pacific Asia societies and economies. A virtual unknown just 20 years ago, it has become an industry that moves about a fifth of the world's population, perhaps more than half if domestic travel and tourism is factored in.

This stupendous growth is likely to continue, fed by strong marketing campaigns by destinations, travel and tourism companies and airlines, the direct-distribution power of Internet technologies, higher purchasing power and millions of new travellers driven by the desire to "keep up with the Joneses" and experience a globalised world.

To manage this growth, countries will have to develop infrastructure and support mechanisms, not only in terms of the hardware involving bricks and mortar but also software mechanisms including training programmes, regulatory structures, security measures and law-enforcement capabilities.

That perhaps will be the simple part.

The broader difficulties come in when one considers the fact that the industry can be well and truly affected by factors outside its control. Since 1997, the two factors that hit the travel and tourism industries of many Pacific Asia countries were ecological (haze caused by forest fires) and economic (caused by underlying structural weaknesses but triggered by currency speculators).

Today, the dust stirred up by those two cataclysms is beginning to settle, or so it appears. In the process, Asia is undergoing its greatest process of social, economic, political and cultural change since the end of World War II.

No process of change takes place without creating some kind of underlying instability, rocking a few boats and creating casualties. However, today's Age of Instability can be characterised by silent invaders, unseen and invisible, which can work their magic in various forms, as follows:

- An unseen currency speculator operating from anywhere can knock the stuffing out of a country's economy

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- Movies, media and other forms of subtle communications beamed and broadcast via unseen satellites can convert thoughts, incite revolutions and change cultures
- Mere statements by the head of the US Federal Reserve Board (seen only on TV) can rally or plunge markets from one end of the world to another
- Unseen hackers and viruses working in cyberspace can deface our Web sites and/or wipe-out our data files
- Data-warehousing analysts sitting quietly in a remote head-office can analyse our purchasing patterns and know exactly when we will be in the market for a new pair of shoes or our next holiday
- Sales and marketing gurus can create campaigns that change everything from what we wear to what we eat
- Unseen cruise missiles can zoom in from afar and destroy a country

Any or all of those can affect lives and businesses with no warning whatsoever. And there's little that can be done about it — at least, not yet. Over time, however, questions will arise and the next revolution may well be the backlash against this form of intrusion and invasion.

The Consolidation of Control

Much has been written about the impact of globalisation. Indeed, it brings jobs, growth, investment, training and other opportunities. Countries are competing wildly against each other to create conditions to attract the investments of global companies.

But there is another side to globalisation, and that is the consolidation of control.

In the 21st century, a handful of multinational companies and conglomerates will control the vast majority of the world's trade in goods and services, with everybody else being a supplier of raw material, natural resources and services to these companies. Companies will exercise unprecedented control over prices and production.

Too much power will be concentrated in the hands of too few, and that includes the power to get countries to change rules and regulations. As he who has the gold will make the rules, the vast majority will dance to the tune of the minority. Democratically

elected governments will have to buckle to undemocratic multinationals for whom a country is nothing more than a pixel on a global computer screen.

There is no precedent in history to show that such a system will survive.

Multinationals are accountable to shareholders first, employees second. And shareholders want performance above all else, meaning eternal growth, profitability, high share prices and strong returns. Usually, they want it NOW!

If units fail to perform, they get closed or are merged. Some of the employees, especially those who have served the company for long, are helped to find jobs elsewhere. Many are simply let go.

How globalisation will change the nature of the travel and tourism industry is still subject to much study. At the moment, the strings are being pulled by proponents of globalisation who have nothing but positive things to say about it. Like everything else, the negative impact will set in later.

The Age of Imbalance

A number of reports issued this year by the United Nations, including the Human Development Report, World Investment Report, Trade & Development Report and the latest Global Environmental Outlook, have pointed to the dangers posed by the huge social, economic and environmental imbalances taking hold. All of them have the potential to disrupt travel and tourism.

Says the Global Environment Outlook, "Two over-riding trends characterise the beginning of the third millennium. First, the global ecosystem is threatened by grave imbalances in productivity and in the distribution of goods and services. A significant proportion of humanity still lives in dire poverty, and projected trends are for an increasing divergence between those that benefit from economic and technological development, and those that do not. This unsustainable progress of extremes of wealth and poverty threatens the stability of society as a whole, and with it the global environment.

"Secondly, the world is undergoing accelerating change, with environmental stewardship lagging behind economic and social development.

Environmental gains from new technology and policies are being overtaken by population growth and economic development. The processes of globalisation that are so strongly influencing social evolution need to be directed towards resolving rather than aggravating the serious imbalances that divide the world today.

“Resolving these imbalances is the only way of ensuring a more sustainable future for the planet and society.”

The Report adds, “The modern industrial economies of North America, Europe and parts of East Asia consume immense quantities of energy and raw materials, and produce high volumes of waste and polluting emissions. The magnitude of this economic activity is causing environmental damage on a global a scale and widespread pollution and disruption of ecosystems.”

On the other hand, in many parts of the development, another kind of environmental holocaust is unfolding. “Poverty combined with rapid population growth is leading to widespread degradation of renewable resources — primarily forests, soils and water. Many people, living in subsistence economies have few alternatives to depleting their natural resources,” which in turn leads to reduced living standards and prospects for economic improvement among rural peoples.

Mobilising Action

Solutions to these issues — social, cultural, environmental and technological — must come from cooperative action between all those involved — individuals, NGOs, industry, local and national governments, and international organisations. Specific examples include the increasing role of NGOs in multilateral agreements, the involvement of stakeholders in property rights issues, and the leading role played by some manufacturing and resource industries in setting ambitious but voluntary targets.

Actions are recommended in five areas:

- Do an objective study of how globalisation will impact on the travel and tourism industry and debate its pros and cons
- Strengthen the role of community groups and NGOs in helping them cope with the potential negative elements of globalisation

- Encourage the industry, particularly small and medium-sized enterprises, to better understand the implications of globalisation
- Stimulate action by national governments to protect the interests of consumers first and ensure that locals are prepared for globalisation and
- Increase support for and the coordination of international organisations

The Immediate Threat: Some Statistics on the State of the Global Environment

Source: Global Environmental Outlook 1999, UN Environmental Programme

- Average global per capita income has now passed US\$5,000 a year but more than 1,300 million people still live on less than US\$1 per day
- Although world military expenditure fell by an average of 4.5 per cent a year during the decade 1988-97, serious armed conflicts have been accompanied by increased pressure on ecosystems
- The private sector has enormous capacity to influence the outcome of environmental issues. In 1996, private investment was about US\$250,000 million compared to overseas development assistance of less than US\$50,000 million
- The efforts required to meet the natural resources needs of an additional 3,000 million people in the next 50 years will be immense
- A ten-fold reduction in resource consumption in the industrialised countries is a necessary long-term target if adequate resources are to be released for the needs of developing countries

Major Global Trends

- Global emissions of carbon dioxide reached a new high of nearly 23,900 million tonnes in 1996 — nearly four times the 1950 total
- Without the Montreal Protocol, levels of ozone-depleting substances would have been five times higher by 2050 than they are today
- In 1996, 25 per cent of the world’s approximately 4,630 mammal species and 11 per cent of the 9,675 bird species were at significant risk of total extinction
- If present consumption patterns continue, two out of every three persons on Earth will live in water-stressed conditions by the year 2025

- More than half the world's coral reefs are potentially threatened by human activities, with up to 80 per cent at risk in the most populated areas
- Exposure to hazardous chemicals has been implicated in numerous adverse effects on humans from birth defects to cancer. Global pesticide use results in 3.5-5 million acute poisonings a year
- Some 20 per cent of the world's susceptible dry lands are affected by human-induced soil degradation, putting the livelihoods of more than 1,000 million people at risk

Pacific Asia

- There is great pressure on land resources in the region in which some 60 per cent of the world population depends on 30 per cent of its land area
- About one million hectares of Indonesia's national forests have been destroyed by fires that burned for several months from September 1997. More than 3 million hectares of Mongolian forests were burnt in 1996
- Increasing habitat fragmentation in Southeast Asia has depleted the wide variety of forest products that used to be the main source of food, medicine and income for indigenous people
- Expansion of coastal settlements, industrial growth and increased fishing activities have placed enormous and uncontrolled pressures on coastal ecosystems and have degraded marine and coastal resources
- Demand for primary energy in Asia is expected to double every 12 years while the world average is every 28 years

The Good News: Some Key Environmental Successes

Source: *Global Environmental Outlook 1999*, UN Environmental Programme

- The ozone layer is expected to have largely recovered within half a century as a result of the Montreal Protocol
- The first international steps — the United Nations Framework Convention on Climate Change and its Kyoto Protocol — have been taken to tackle the issue of global climate change
- The public is now much more concerned about environmental issues. Popular movements in many countries are forcing authorities to make changes

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- Voluntary action taken by many of the world's major industries is reducing resource use and eliminating waste. The happy discovery that what is good for the environment can also be good for business may do much to reverse trends for which the industry itself was originally largely responsible. This “win-win” situation bodes well for the planet
- Governments in developed regions have been markedly successful in reducing air pollution in many major cities. Innovative legislation has been introduced, and the goal of zero emissions in several important areas is no longer considered utopian
- Deforestation has been halted and reversed in parts of both Europe and the North America
- Local Agenda 21 initiatives have proved an effective way of developing and implementing sustainable development policies that involve communities and political agencies alike

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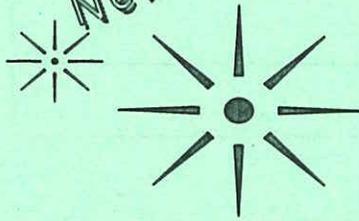
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