

## Facilitation of Travel in the Asia-Pacific Region

As part of the ASEAN Tourism Forum held in Bangkok, Thailand in January 2000, there was a conference component that focused on the theme "Towards Seamless Intra-ASEAN Travel." One of the presenters at that conference was Dr. Mohammad Rahmatullah, Director, Transport, Communications, Tourism and Infrastructure Development Division, UN Economic and Social Commission for Asia and the Pacific. He spoke of ESCAP's role in the facilitation of travel in the Asian and Pacific region. While the focus was on the ASEAN countries, the key issues identified have a much wider impact and are worth considering in terms of travel and tourism generally. For that reason we have reproduced relevant extracts of Dr. Rahmatullah's presentation here.

### Introduction

Various factors can facilitate or impede the growth of international travel and the tourism industry. The most important impediments consist of management and processing of visas, border formalities, customs regulations and health regulations. In an independent world, where most economies are becoming more liberalised and many economic activities have become globalised, it is increasingly clear that visa requirements and border formalities required by nation states could fast become the most significant obstacles to tourism development.

There are several factors that can help facilitate travel and tourism in Asia-Pacific countries. These relate to transportation infrastructure, economic liberalisation, socio-political stability, development status of the tourism industry and requirements related to

visas, travel taxes, documentation formalities, access and customs and health regulations at the border or port of entry.

Facilitating travel by reducing impediments and making border formalities easier and more efficient is clearly the sole responsibility of Governments. However, it is also clear that formalities, laws and regulations comprise a nation state's sovereign right to safeguard the health, security and well-being of its citizens and its territory. Restrictions on travel may reflect a country's national priorities where domestic social, economic and political considerations will have a direct impact on the promotion and development of tourism and access by international travellers. It is important to consider ways and means of balancing the flow of foreign tourists against the need for procedures to control the flow.

### Major Issues in the Facilitation of Travel

**Trends:** The Asia-Pacific region has exhibited strong growth rates of tourist arrivals over the last two decades. Air access has reduced both the travel time and the cost of flying. The rapid growth of Asian economies before the 1997 crisis created a growing middle class which has boosted intra-regional tourism. However, as reported by the World Tourism Organization, Asia-Pacific's share of world arrivals decreased slightly in 1998 compared to 1995 due to the economic crisis. Consequently the average annual growth rate for the Asia-Pacific slowed down considerably in the second half of 1990s. While tourist arrivals in the region have over quadrupled since 1980,

with a growth rate of more than +8.2% over the period 1980-1998, the average annual growth rates of tourist arrivals registered from 1990 to 1998 are indeed lower. During that latter period, the region as a whole achieved an average arrival growth rate in international tourist arrivals of +6% a year to reach 86.93 million of arrivals, with North-East Asia showing the highest growth at just under +7% and South-East Asia at +4.42%.

**M**any countries are taking action to mitigate the impact of the crisis and give tourism a new impetus. Tourism promotional activities are being intensified. There is also a trend towards the promotion of conservation as well as restoration of national arts and culture, and tourism resources. Sustainable tourism development is becoming a priority area.

To ensure that promotional and marketing strategies produce the desired results, governments will need to address a wide range of travel facilitation problems. These may include, among others, lack of accessibility by air, road, rail and water transport; inefficient policies and procedures for visas, customs and currency; possible threats to the health and safety of tourists; the lack of information services for tourists; a negative image if there is overpricing; shortage of trained people in the government and the tourism industry; and the complex nature of border formalities and customs regulations.

## International Access

Tourism development will be fruitless if the means of access to the destination is a barrier to arrival. There is a clear need to pursue substantial investment towards related transportation infrastructure development in order to ensure that potential tourists do not choose alternative destinations. It is also important that domestic transportation infrastructure development be equally and continuously maintained and improved.

Airports already exist in most primary and even secondary locations. However, most international airports require immediate improvement and expansion. For example, in Thailand the second Bangkok International Airport is being accelerated, along with an expansion of airports at Chiang Mai, Phuket, Had Yai and Chiang Rai. Rail improvement and construction also need to be carried out although the use of railroads for tourism purposes is generally limited to

backpackers and more adventurous and/or sensitive Foreign Independent Travellers (FIT) tourists. Similarly, improvement of road networks is seen as crucial element for the movement of tourists within the Asian region.

The Andaman Parkway Project has been designed to link Malaysia with Satun Province in South Thailand. There is also a plan to develop roads linking Thailand with the Mekong Sub-region. Sea access is not a popular mode of transportation in South-East Asia and tourist transport by waterways is rather limited due to physical constraints attached to river navigation. The limited number of tourist arrivals by sea mostly come on cruise-liners, private leisure cruisers, or border ferries. The major impediments to the improvement of this transport mode include lack of well-managed piers and rather low demand for this marine tourism type.

## Issues Related To Visa Procedures

Visa requirements and related formalities are necessary to help a Government monitor and control the entry and exit of citizens and non-citizens. Applying for a tourist visa through an embassy can facilitate travel if it is a fast, efficient and low-cost or free procedure. It becomes an impediment when it is time-consuming or when regulations are not clear or easily obtainable. Some countries' embassies may charge fees for issuing visas as a way of helping to offset costs of embassy operations, or to uphold principles of reciprocity. Countries seeking to promote tourism, as well as to facilitate travel procedures, may need to evaluate whether visa fees or formal procedures at embassies serve as disincentives, leading tourists to choose alternative destinations that have easier, lower cost or free visa services. This may not be a major factor in a tourist's choice of destination, but it could have a significant impact on his or her decision-making.

**S**ome countries have chosen to adopt a policy of convenience that relaxes regulations and visa formalities to encourage tourism. For example, some ASEAN countries have given citizens of certain tourist-generating countries visa waivers without requiring reciprocal liberalisation. It is hoped that more regional countries will move towards more flexible visa requirements such as visa-upon-arrival and/or adopt the possibility of granting a common visa on the basis of the Schengen visa formula. The

recent Laotian move to start giving visas on arrival and reducing the fee from US\$50 - to US\$30 - per person could be seen as a positive step for tourism development.

## Travel Taxes

A variety of taxes are imposed by governments to generate revenue from tourism services and activities. These can include embarkation tax, airport tax, passenger service charges, tax on airline tickets, exit taxes for residents, and so forth. Each country has to consider carefully the balance between earning revenue from taxes and the extent to which they might be disincentives for tourists. Travel and tourism industry operators must be consulted. They might feel that such taxes discriminate against their industry, add to their costs and make it difficult to compete with alternative tourist destinations.

## Other Issues

Some countries may have some regulations and restrictions designed to discourage their own citizens and residents from travelling abroad. This would include restrictive duty-free allowances for returning residents and restrictive foreign exchange controls. The rationale for such policies may be in the general national interest to overcome macroeconomic problems. However, restricting outbound travel may have a reci-

procal effect on other countries. This could discourage intra-regional tourism, if some countries try to facilitate and encourage intra-regional tourism while other countries respond by setting conditions to restrict intra-regional travel by their citizens or residents.

## Possible Actions

While it may be easy to suggest measures which would facilitate travel including, for example, complete relaxation of travel formalities, such recommendations are to be made with caution. Indeed, before any drastic move is envisaged, governments need to ensure that any recommended measures fit within a well developed plan for the tourism industry and the necessary infrastructure, management and regulatory systems have been put in place. However, in view of the economic benefits of travel and tourism, there is clearly an urgent need to initiate actions for a more systematic and pragmatic approach towards facilitation. These measures will indeed gradually induce and facilitate visits by people with a genuine interest in the country, and who can stay longer, spend more and contribute to national development.

One of the goals should therefore be to liberalise and harmonise rules and procedures governing cross-border access, paving the way for both international and intra-regional tourism expansion. This can be achieved by countries through communicating and finding a mutually accepted set of rules and measures appropriate for the safe management of international and intra-regional tourism. Thus, the potential of air, rail, road and inland water transport linkages need to be considered further. Air travel is by far the main mode of transport for tourists visiting this region. As there is a constant need to enhance access, countries should encourage more flights and adopt as far as possible aviation policies that encourage "open skies" and private sector participation. Various ministries and agencies involved in tourism and aviation policy should regularly co-ordinate their efforts to harmonise their different interests and ensure maximum accessibility. It is encouraging to see the recent reopening of international routes in Cambodia under an "open sky" policy.

While much progress has been made in formulating and developing the Asian Highway (AH) and the Trans-Asian Railways (TAR) Networks (see Sidebar), which are expected to be finalised in the course of 2000 to become operational soon thereafter, some Transit Transport Framework Agreements (TTFAs)

### Recommended Measures For Promoting Tourism

- Granting of visa on arrival/adopting simplified processing
- Adopting a single standardised, machine-readable visa format along the lines developed by the European Union's Schengen Agreement
- Exploring the possibility of using the Internet for visa application, processing and collecting/charging of fees payment
- Introducing Green and Red channels and exploring the possibility of abolishing written customs declarations in favour a selective checking at the Green channel, on a random basis based on standard criteria
- Increasing the limit on currency allowed into a country with a view to promote tourists' spending (some countries already allow the import of up to US\$10,000 without declaration)
- Conducting appropriate training programmes for immigration and customs officials to provide more efficient and courteous services and encourage more liberalised formalities

have also emerged to contribute to the smooth flow of international trade and tourism. The ASEAN Framework Agreement on the Facilitation of Goods in Transit was signed in December 1998, and the tripartite Agreement between and among the Governments of the Lao People's Democratic Republic, Thailand and Vietnam for Facilitation of Cross Border Transport of Goods and People was recently signed in November 1999. It is very important that countries pay particular attention to issues related to safety and security of tourists and thus develop preventive measures to address these issues. Efforts should include development of national policies on tourism safety commensurate with the reduction of risks to tourists, provision to tourists of appropriate information about safety and security upon arrival and the adoption of standards to ensure tourists' safety at tourism facilities and sites.

Government agencies also need to improve their co-ordination both within their own countries and amongst each other. They should endeavour to set up mechanisms to promote dialogues among government agencies involved in the tourism sector as well as between the public and private sectors in order to discuss issues related to facilitation of travel.

#### Road Transport To Get A Boost

ASEAN countries are working on improving cross-border travel among themselves. At the ASEAN Transport Ministers Meeting (ATM) held in Thailand in February 1997, ASEAN members agreed in principle to develop an integrated and harmonised trans-ASEAN transportation network within the subregion. The main objectives of this proposed ASEAN Highway Network Development are to link capitals of the ASEAN member countries, major industrial and agricultural areas, main sea ports, and border crossing points with significant trade and tourism potential. The Ministerial Understanding on the development of the ASEAN Highway Network Project was signed in Hanoi, Vietnam, on September 15-16, 1999. The following time-table for its implementation was agreed upon:

- Year 2000: completion of the Network configuration and designation of national routes
- Year 2004: installation of road signs on all designated national routes, which are to be upgraded to high standard, construction of missing links and rendering all designated cross-border points operational
- Year 2020: upgrading all designated national routes to primary road standards

## Conclusion

The recent economic and financial crisis in some parts of the Asian and Pacific region has somewhat disturbed the promising trend that the tourism industry was expected to enjoy. However, such changes provide countries with both challenges and opportunities for strengthening further national capabilities, especially in promoting regional and international tourism activities. Indeed, unexpected economic disruptions at regional and subregional levels call for remedial actions, in order to regain the continuous and uninterrupted rapid expansion that many Asian and Pacific countries, including those from ASEAN, had seen earlier in their tourism sector.

It is therefore impending on each concerned country to determine how to meet the challenges and take the opportunities offered by the forecasted positive growth still expected from intra-regional as well as international tourism. Governments should take the opportunity in this area where they have exclusive authority to adjust policies on visas, border formalities and related regulation. In fact, the period from now onwards should be appropriately used to set in place the facilitation measures required to meet the forecasted growing demand. It is also important that regional and subregional cooperation be strengthened to promote the sharing of experience, expertise and facilities towards facilitation of travel, which ultimately will lead to further expansion of both international and intra-regional tourism.

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