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A River Runs Through It

WHEN MR. Arjun Thapan, a senior representative of the Asian Development Bank (ADB), addressed the 12th meeting of the Tourism Working Group, Greater Mekong Sub-region (GMS), in Kunming, March 31, 2001, he made the following remark: "I believe that the Working Group has achieved significant progress in the areas of regional tourism marketing and capacity building and skills development and that we have succeeded in firmly establishing the GMS as a well-respected and attractive tourism destination.

"I would like to stress the significance of the cooperation which is taking place in the GMS. I am not aware of a similar cooperation about a natural resource like a river anywhere else in the world. I believe that the efforts demonstrated and the work being achieved are laudable."

The six GMS countries – Cambodia, China PRC (Yunnan province), Lao PDR, Myanmar, Thailand and Vietnam – have been developing tourism since the late 1980s. Cooperative efforts under their joint Tourism Working Group (TWG) began in the early 1990s. Exactly five years ago, in 1996, the first Mekong Tourism Forum was held. Since then, these six national tourism organisations have worked with the ADB, the Pacific Asia Travel Association (PATA) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) to galvanise a remote, rural backwater region into a major force on the global tourism stage.

Today, tourism to the entire Mekong region is growing rapidly. The five countries and one province recorded total visitor arrivals of 14.13 million in 2000, up 11.7 percent from 12.65 million in 1999. The biggest increases were recorded by Cambodia, (+26.82 percent), Vietnam (+20.11 percent) and Lao PDR (+20.01 percent).

The growth has made the Mekong region a great case study for cooperative efforts among countries with differing systems, but a commitment to change. Many of these countries were at war in one form or another until the end of the 1970s. Over time, they recognised that their immense tourism assets – fabulous temples, rich cultures and heritage – could be used to raise much-needed foreign exchange to finance education, health and social systems for their people. All it needed was a change in mindset. The 4,184-kilometre Mekong River which runs through each of those countries, provided a unique catalyst in bringing the people together.

The cooperation that emerged to plan and implement projects was facilitated by, and indeed underscored, a clear recognition at the highest levels of government of the significance of tourism for development. Once that was achieved, change came relatively quickly. Visa policies were revamped, aviation and other forms of accessibility liberalised, investment rules and regulations relaxed, border checkpoints opened, marketing and promotional efforts stepped up.

The following is a unit-by-unit roundup of how each participant has played their respective role – some slowly, others more vigorously – in line with their priorities, policies and interests. Seen in its entirety, the overall effort becomes a shining example of how regional cooperative efforts can succeed.

ADB: Since 1992, tourism has been part of a comprehensive programme of economic cooperation covering eight sectors which the ADB has supported in the GMS. The other seven are: transport, energy, telecommunications, environment and natural resource management, human resource development, trade and investment. Ten sub-regional infrastructure projects, funded by

the ADB to the tune of about US\$2 billion have been completed, or are nearing completion.

Specifically in tourism, the ADB has paid for the services of a consultant who has guided the development strategies. A number of important studies have been funded, including investment promotion, tourism infrastructure and irrigation. The bank has facilitated high-level ministerial meetings at which agreements have been reached to clear up regulatory roadblocks to movement of peoples and goods. Indeed, without the ADB's often unrecognised support, economic development in the GMS would not be where it is today.

PATA: PATA was quick to throw its marketing support behind the GMS and has maintained the momentum ever since. It has organised the annual Mekong Tourism Forum and for the first time in 2000, gave it a small mart component. PATA has also provided exhibition space at its various trade events, produced videos, press kits, maps and brochures, organised agent and media fam trips, and for two years funded the stationing of a marketing support officer at the Agency for Coordinating Mekong Tourism Activities (AMTA).

ESCAP: With significant funding from Japan, this UN body has devoted much effort towards strengthening the capabilities of Mekong government agencies to address tourism development. It was the first to do a regional study on improving facilitation within the region, a document that played a major role in paving the way for the visa-free policies that followed in some GMS countries. It has organised training programmes and courses on sustainable development and ecotourism management. It has also funded participation by senior NTO executives from some of the less well-off Mekong countries in the Tourism Working Group meetings. The GMS will continue to receive priority treatment in view of the initiative launched by the ESCAP ministers at their 56th session in 2000. The ministers declared 2000-2009 as the Decade of GMS Development Cooperation.

Cambodia: Cambodia reported visitor arrivals by air of 466,365 in 2000, up 27 percent over 1999. Based on an average length of stay of 5.5 days and average expenditure of US\$89 per person per day, the country earned an estimated tourism revenue of US\$128 million. Visitor arrivals by air have nearly doubled from 260,489 in 1996 to 466,365 in 2000, thanks primarily to

Cambodia being the first to announce an open-sky policy. Airlines can now fly to its main attraction, Angkor Wat, via its airport gateway Siem Reap without having to compulsorily first stop at Phnom Penh. As a result of this policy, air traffic to Siem Reap has boomed. From Bangkok alone, Bangkok Airways flies to Siem Reap five times a day.

When road links with Thailand, Vietnam and Lao PDR open up, and visas on arrival become available at the land border checkpoints, visitor arrivals can be expected to rise significantly again. One major regional highway under construction, will make it possible to visit Bangkok, Siem Reap, Phnom Penh and onto Ho Chi Minh City by road, with significant opportunities for packaging holidays.

Lao PDR: To mark the 25th anniversary of its socialist revolution, the government organised a Visit Laos Year campaign in 2000. In line with that, a new passenger terminal opened at Vientiane airport, funded by Japan. The other airport at Luang Prabang, a UNESCO World Heritage Site, has also been upgraded, with help from Thailand. Visas have been relaxed and visa-on-arrival facilities given to citizens of nearly all countries.

A member of ASEAN since 1997, Lao PDR has received millions of dollars worth of funding for roads and highways designed to link the landlocked country with seaports in Vietnam, Cambodia and Thailand. On August 2, 2000, a second bridge opened across the Mekong River. Funded by a grant of US\$51.2 million from Japan, the bridge will facilitate tourism to the southern provinces of Lao PDR and benefit people living far from Vientiane. Construction of a third bridge is under study.

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Myanmar: In spite of facing economic boycotts and pressure from some Western governments, Myanmar recorded 2000 visitor arrivals of 203,223 at Yangon International Airport, up 3.6 percent over the 196,158 visitors in 1999. Located on the western flank of the GMS, the country has great potential as a land-bridge between the GMS region and the South Asian countries. However, difficulties in arranging loans from international lending institutions have meant inadequate funds for building vital road-links, especially from Thailand. Due to security and political reasons, the country retains a tight visa policy that is often tightened further when incidents occur. This has seen it being over-taken in terms of visitor arrivals by fellow GMS countries like Cambodia.

A change in the investors of Myanmar Airways International could give the country new impetus. The new owners from Singapore are now looking at developing more feed from India and China. A new airport has been opened in Mandalay in Northern Myanmar, with funding assistance from the Thai government, but international airlines have been slow to start services, though this might change in the future.

Thailand: Thailand plays a critical role in the GMS. Of the 14.13 million visitors the GMS received in 2000, 9.57 million or 67.7 percent went to Thailand. The country has been promoting tourism for the last 40 years and now needs to reinvent itself and capitalise on the opportunities for tourism to its neighbouring countries. It is by far the most important hub of aviation into the other GMS destinations. The land border it shares with Cambodia, Lao PDR and Myanmar gives it an added advantage. Most of the highways being built through the region pass through Thailand.

Thailand has long followed a "prosper thy neighbour" policy. The Tourism Authority of Thailand (TAT) has funded the office costs of the agency for Coordinating Mekong Activities (AMTA) since its inception. It funds hundreds of media and travel agents on fam trips region-wide and uses its offices worldwide to promote the Mekong region. It has funded a number of consultancy studies, motor-caravans and roadshows.

Its tourist literature, press kits and Web site all feature Mekong products.

Vietnam: Speaking at a recent GMS Tourism Working Group meeting, a senior official of the Vietnam National Administration for Tourism said: "Never before has the tourism industry of

Vietnam received such strong support from the government." A national action programme for tourism has been approved at the highest levels and is being gradually implemented under a steering committee chaired by the deputy prime minister. Of the considerable amounts being invested in tourism, about US\$200 million is being ploughed into the development of four tourism complexes located in different parts of the country.

Improving relations with China (PRC) has been a major factor, especially in view of easier border crossings. With 626,476 arrivals in 2000, up 29.4 percent over 484,102 visitors in 1999, China (PRC) is now Vietnam's biggest source market. Vietnam Airlines has undergone a major revamp and is expanding its global reach. Resorts like Da Nang, which is also a gateway to three UNESCO World Heritage Sites (Hue, Hoi An and My Son) is attracting increasing airline attention since Thai Airways

International began flying there from Bangkok in October 1999. Over the next few years, the resort is expected to get more direct flights from Singapore, Chinese Taipei and Shanghai.

Yunnan Province, China (PRC): The holding of the International Horticultural Expo in 1999 gave a major fillip for tourism development to this province, whose capital, Kunming, was fabulously beautified for the event, and has remained so ever since. Yunnan tourism authorities admit that they have used the directions set by the GMS Tourism Working group to plan their tourism development. Thanks to a major clean-up programme, the pall of pollution that hung over the city in the early 1990s has gone. The local buses no longer belch black diesel smoke. In line with the economic liberalisation of China (PRC), Kunming now offers modern department stores and clean streets.

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A burst in hotel development has seen the emergence of more than 70,000 rooms in all star-rated categories. The airport has been redeveloped and a convention centre is being built. Three special tourist train services are being set up to the nearby spots of Dali, Stone Forest and Luoping. Though all visitors still need a visa, a limited visa-free policy has been instituted at the borders with Lao PDR, Myanmar and Vietnam.

Yunnan tourism officials plan to make festivals and events their unique selling proposition, focussing on the themes of flowers, arts and culture. From April 10, 2001 to May 10 2001, a China International Tourism Festival was held. Furthermore, an agreement has been reached with Shanghai city to alternate the Tourism Festival every year between the two cities, a move that will give further exposure.

The Future

The Asian Development Bank now believes that the GMS is established as a tourism destination. As a result, it wants the regional Mekong NTOs to take more ownership of the marketing efforts and ensure that the growth to come is well managed. As a result, it now wants:

- 1) The development of AMTA into a strong, professional regional marketing agency
- 2) To have GMS NTOs share the funding of AMTA's marketing activities
- 3) To replace the ADB's fund for the Mekong Tourism Forum by private sector sponsorships
- 4) Delegations to GMS meetings to include NTO heads and officials in marketing and planning, and
- 5) Financing of participation at working group meetings to eventually be borne by the NTOs.

It also wants to see the forging of "genuine public-private sector partnerships" at the national and sub-regional levels in order to map out a long-term tourism development strategy. Because this will entail strengthening of the current institutional arrangements for managing growth, the ADB is calling for the convening of a tourism ministerial conference to sign off on key policy guidance on issues that affect the joint development of tourism. Mr. Thapan said: "This body would provide the much-needed mandate to catalyse private sector involvement in the GMS tourism programme and would ensure that the tourism industry gets fully integrated into the cooperative process."

The Challenges Ahead

Political differences: Despite economic cooperation, there are still lingering political differences between the various countries and some border issues to be settled. Though there is no evidence yet that these have slowed down the pace of tourism cooperation, they remain an issue.

Positioning tourism in the overall development context: While tourism is doing well *per se*, other parts of economic development mean that the region still suffers from related difficulties like deforestation and environmental degradation. Industrialisation is being pursued in tandem with tourism development. Very often, the pollution caused by factories, oil-spills and other such problems affects tourism too.

Practising sustainable development: Due to extreme poverty in many parts of these emerging economies, local people neither understand nor really care about sustainable development. After having been left in the backwaters of the development process, their urge to get rich quick may clash with a long-term approach to the issue, with the destination paying the ultimate price.

Law enforcement: While the ADB wants the private sector to be a lead-player in tourism development, this has often not been in line with the ways tourism should be promoted. Master plans for tourism development are often ignored and laws related to everything from zoning to security are side-stepped. This will remain a major sticking point in the foreseeable future.

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