

APEC's Plans to Boost Tourism

AT THEIR first meeting July 6-7, 2000, in Seoul, Korea (ROK), ministers responsible for tourism from the Asia-Pacific Economic Cooperation (APEC) countries signed off on the APEC Tourism Charter, a collective commitment to improve the economic, cultural, social and environmental well-being of APEC member economies through tourism.

The charter was a statement of purposes and intent to further develop the significant contribution tourism makes to their economies and the goals of APEC. The ministers recognised the high level of intra-regional tourism and the experience of the recent Asian currency crisis in heightening the importance of strengthening regional economies and providing a stronger platform for sustainable development, growth and cooperation.

The ministers also recognised the many non-economic benefits of tourism, such as fostering cross-cultural understanding, promoting development and appreciation of local and indigenous cultures, arts and heritage, and the promotion of world peace.

The ministers agreed on four key policy goals:

1. Remove impediments to tourism business and investment by facilitating the mobility of skills, training and labour; remove regulatory impediments to tourism business and investment; encourage liberalisation of services related to tourism under the General Agreement on Trade in Services (GATS).

2. Increase mobility of visitors and demand for tourism goods and services in the APEC region; facilitate seamless travel for visitors; enhance visitor experiences; promote e-commerce for tourism business; enhance safety and security of visitors; foster a non-discriminatory approach to the provision of visitor facilities and services.

3. Sustainably manage tourism outcomes and impacts by pursuing policies that demonstrate an appreciation and

understanding of the natural environment and seek to protect that environment; foster ecologically sustainable development opportunities across tourism, particularly for small and medium-sized enterprises; protect the social integrity of host communities with particular attention to the implications of gender in the management and development of tourism; enhance capability building in the management and development of tourism.

4. Enhance recognition and understanding of tourism as a vehicle for economic and social development; harmonise methodologies for key tourism statistical collections, facilitate information exchange; analyse the role of tourism in member economies in promoting sustainable growth; and, expand the collective APEC knowledge base on tourism in order to identify emerging issues and assist implementation of the charter.

To implement the policy goals, tourism ministers defined a clear business plan and work programme for the APEC Tourism Working Group (TWG) and tasked it to provide regular progress reports to future ministerial meetings. APEC will work closely with PATA, the World Travel and Tourism Council (WTTC), the World Tourism Organization (WTO), the United Nations and the Organisation for Economic Co-operation and Development (OECD) to implement the charter.

The implementation mechanisms also involve a compilation of Individual and Collective Action Plans (IAPs and CAPs) by APEC economies. IAPs refer to actions an individual economy commits to undertake by itself. CAPs refer to what one economy would like to see another economy or what a cluster of economies can do together to facilitate the goals of APEC.

These plans will be coordinated by the TWG and reference three key delivery dates: 2005, 2010 and 2020, as relevant to each respective economy. The schedule may be amended and/or modified by the TWG as is deemed appropriate.

APPLICATION OF E-COMMERCE TO SMALL AND MEDIUM TOURISM ENTERPRISES (SMTEs)

E-commerce has been identified as one of five priority focus items in APEC ministerial meetings. E-commerce provides a highly effective new market access channel and information access to all institutions. However, it depends on institutions' capability to access technology and the availability of skilled human resources to manage it.

This project is designed to develop strategies for e-commerce for SMTEs like tour companies, accommodation facilities, transportation businesses, shopping and other tourism-related businesses.

The study will examine problems and solutions related to e-commerce in SMTEs; review successful cases of e-commerce which could be applied to SMTEs; boost online booking through e-commerce for SMTEs; assess the potential of telecommunication to enable SMTEs to participate in e-commerce; and analyse the attitude of the stakeholders such as government officials and tourism entrepreneurs towards e-commerce.

The wider objective is to reduce barriers to trade in tourism services and investment in SMTEs, empower SMTEs to be represented in the electronic marketplace and to network with consumers and partners in APEC regions. It will help SMTEs achieve competitive advantages and establish their niche as unique and authentic.

The project will also allow participating APEC economies, universities/institutions/non-profit organisations to build research and education capacities in this vital area.

The full process of identifying the issues, discussing and agreeing upon them is expected to be completed by the 2nd meeting of Tourism Ministers in July 2002. After that, economies will report back annually in February to assess progress, and amend the plans in line with emerging issues and trends.

To lay the groundwork for these plans, a number of research projects are to be undertaken. These were discussed at the 18th meeting of the APEC Tourism Working Group in Melaka, Malaysia, April 5-6, 2001. A summary of some of these projects follows:

Tourism Satellite Accounts

Canada and Singapore are to implement a project to promote development of Tourism Satellite Accounts (TSAs) by raising the level of awareness of their importance to APEC economies. The project will seek to harmonise methodologies for the collection and exchange of key tourism statistics.

To help Singapore and Canada prepared a detailed work plan for implementation of a TSA, APEC members are being asked to provide further information on two important areas: 1) Difficulties faced by those APEC economies which have not implemented a TSA and the support needed by those which plan to do so, and 2) Where member economies stand in terms of

adapting and implementing a TSA.

The WTO and the UN Economic and Social Commission for Asia and the Pacific (ESCAP) held a regional seminar on "Tourism Statistics and Development of Tourism Satellite Accounts" in Bangkok, February 21-24, 2001. Held with the cooperation of the Tourism Authority of Thailand and the Canadian Tourism Commission (CTC), the seminar discussed the concepts, definitions, framework, data sources and methods underlying the production of monetary and non-monetary data included in TSAs. It was well attended by participants from numerous NTOs, statistical agencies and international organisations. The CTC also organised a conference on "Tourism Satellite Accounts: Credible Numbers for Good Business Decisions," May 8-10, 2001 in Vancouver.

Canada and Singapore have proposed that APEC countries publish a reference work called, "Best Practices on the Development of TSAs." Interested APEC economies and international organisations will be invited to contribute a "best practice" case study on their experience in setting up a TSA. The publication will help APEC economies understand which approach to setting up a TSA is best suited to them and then work with that economy and the relevant international organisations to develop their own TSA.

TOURISM STATISTICAL DATABASE

An APEC Tourism Statistical Database is to be set up to provide updated information on visitor arrivals on a quarterly basis for all APEC economies. The data will be available over the APEC TWG Web site – and ultimately as part of an upcoming Tourism Information Network.

Australia is working with the World Tourism Organization to set it up. A three-year contract was signed in December 2000 and work on finalising the agreed tables has been completed. Under the schedule agreed between APEC and the WTO, data will be sought four times each year: April, July, October and January.

Best Practices in Sports and Recreation

Malaysia coordinated a project under which nine case studies were compiled showing the tourism impact of major regional and international sports events in the APEC economies. The 82-page volume is available in print, CD-ROM and Web-page format.

The case studies included:

- Australia 1999 Melbourne Cup Carnival
- Sydney 2000 Olympic Games
- Japan 2002 FIFA World Cup Korea (ROK) & Japan
- Korea (ROK) 1988 Seoul Olympic Games
- Malaysia Kuala Lumpur 1998 XVI Commonwealth Games
- Mexico 1999 FIFA Confederations Cup
- New Zealand America's Cup 1999-2000 Regatta
- Philippines Siargao International Surfing Cup
- Thailand 13th Asian Games

Prepared according to a pre-determined format, each case study provided valuable insights into a variety of approaches and opportunities related to sports and tourism development. Many critical success factors or lessons learned are described, which could become the focus of a future set of regional workshops or seminars. A similar approach and format could be adopted by the TWG to highlight the tourism significance of conferences, archaeological and historic sites or places of worship.

Improving Tourism Standards

Ensuring high standards in all APEC economies is important if they are to enjoy the benefits of tourism. However, there is growing evidence that problems are emerging in some markets, especially for some group travellers from countries such as Korea (ROK), China (PRC), Chinese Taipei and Japan.

There have been reports that some group travellers to various destinations have encountered standards at a level below

that promoted by the travel agent. They are subjected to excessive shopping trips to retail outlets, particularly duty-free stores, at the expense of popular sights and attractions. This is generally due to the commissions/kickbacks tour guides receive for delivering tourists to their stores.

Such practices can be inherent to package tours, as tour guides frequently receive no direct payment from wholesalers and are led to recover their costs by any means available. Tourists can sometimes be persuaded to purchase a tour because of its low price, without knowing they will be paying all extra hidden margins through commissions on the goods they buy.

While these practices are very much the exception, both industry and Governments have targeted these abuses. A number of initiatives are under way in some destinations, including national accreditation for all tourism businesses, a specific code of conduct for tour operators and legislation to guarantee that the highest standards are employed. An awareness campaign is being developed to advise tourists of action they can take in case of problems.

APEC is keen to raise this issue with countries that may be affected by similar practices. It is also an issue for source countries (such as those already mentioned), as some of their citizens may not be enjoying their overseas visits as much as they might.

Reducing the incidence of unethical practices would have a significant positive affect on these goals. Visitor experiences would be improved for those tourists who would return home to recommend their holiday to others, thus continuing the flow of visitors.

Many destinations believe consideration of this issue by APEC will facilitate a formal stock-take on how pervasive it is and the affect it may be having on tourism exchanges. APEC members also will gain a chance to contribute to a possible

solution by exploring a wider range of ideas and adopting a more considered and coordinated approach.

Government-to-government consideration of standards will facilitate high-level arrangements which can have a much more profound effect than specific initiatives by individual countries. A commitment by both the home and destination countries to improving tourist experiences could be very productive.

Consideration of this issue could build on ad hoc arrangements already in place involving member countries. China (PRC) is understood to have entered into a joint arrangement with Malaysia, Singapore and Thailand to help ensure that Chinese tourists are not subjected to such practices. A more detailed paper is to be tabled at the next TWG meeting in November 2001.

APEC Tourism Research Network (TRN)

This project will establish an international collaborative travel and tourism research network among APEC economies' research institutions and industry organisations. The TRN will be a key component of the Tourism Information Network which seeks to facilitate and enhance information flows in the region.

The project will allow APEC economies, universities/institutions/private sector organisations to build research and education capacities, contribute to relevant and collaborative projects, and more effectively use existing resources to enhance research cooperation within APEC. Participation by private sector and non-governmental institutions will be encouraged.

The TRN will ultimately be a consortium of research units in each of the participating economies. A detailed study is being undertaken on how best to establish and operate it.

To date, travel and tourism research has had a heavy focus on tactical marketing opportunities and collecting comparable visitor and economic data. There has been little emphasis on strategic research that would drive innovation and enable the industry to more properly address global and local economic, social and environmental issues. There are few effective collaborative linkages between existing researchers and industry groups in different countries.

Best Business Practices:

Tourists With Restricted Physical Ability

This project is designed to promote greater accessibility to tourists with restricted physical ability among APEC economies. The objective is to establish a set of standards on accessibility,

share these standards among APEC economies and have them recognised by all members.

The project will involve conducting surveys among each economy to identify best business practices, undertake a comparative analysis to assess effectiveness of standards, and identify best business practices outside the APEC region.

Tourism Occupational Skill Standards Development

This project is designed to enhance the mobility of workers within the APEC region and eventually reduce barriers to trade in tourism services and investment in tourism and travel-related industries. It will involve developing a model infrastructure for tourism and hospitality training based on industry competency standards.

Components of the model infrastructure will be piloted in those interested countries that don't have a national system in place. A series of bilateral agreements will be signed between participating economies for greater recognition and articulation of their national quality-assured training systems.

The goal is to increase movements of visitors, business people, as well as people seeking work in tourism and travel industries in APEC economies. At the same time, investors will feel more at ease knowing that their investment will be handled by their own people or people whose quality is well understood.

The project will be implemented as a joint activity of APEC member economies and the private sector in cooperation with PATA, universities, training centres in APEC countries and the ASEAN Tourism Association.

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