

GMS Tourism— A Decade Later

Considered a success so far, GMS tourism development faces several ongoing challenges

The year 2006 will mark the completion of 10 years since the countries of the Greater Mekong Sub-region (GMS) first joined forces at the 45th PATA Annual Conference in Pattaya, Thailand in 1996, in pursuit of common tourism marketing and development goals. At that time, they pledged not to repeat the mistakes of other unnamed countries that were ahead in terms of visitor arrivals.

In October 2005, the Asian Development Bank (ADB) issued a study that posed some serious questions as to whether or not that pledge has been fulfilled. Designed as a 'future strategy' for the development of tourism over the period spanning 2006-2015, the study acts, in effect, as a state of the industry report and identifies a number of areas of continuing weakness. Indeed, the study assumes wider importance because the GMS tourism promotion exercise is seen as a success story, with the potential to be replicated in other areas such as the Buddhist circuit and the Central Asian Republics.

Positioned in tourism literature as "Asia's Last Frontier," the GMS comprises Cambodia, Lao PDR, Myanmar, Thailand and Vietnam, plus Yunnan Province and the Guangxi Zhuang Autonomous Region in China (PRC). The land area of about 2.5 million sq kms hosts a combined population of almost 303 million.

In 2004, the GMS countries attracted around 18.7 million international arrivals and more than 24 million border pass tourists. By 2010, the volume of international tourism could rise to 30.6 million and, by 2015, to 46.1 million. Among the many contributing factors facilitating this potential rise in international arrivals will be:

- The ASEAN agreement for visa-free travel for ASEAN nationals, which may well be in place by 2010;
- The expansion of low-cost airline operations;
- The implementation of an open-skies agreement by Cambodia, Lao PDR, Myanmar and Vietnam;
- The Pan-Asian Highway project, which will be fully operational by 2010;
- The Pan-Asian Railway, which will be upgraded in Vietnam and Myanmar and will make an effective semi-circular linkage in the region and further expand in Southeast Asia sometime after 2012;
- Bangkok's Suvarnabhumi International Airport, which will be operational from 2006;
- The expansion of the outbound markets of China (PRC) and India to the GMS;
- The expansion of direct flights by European carriers to Kunming, China (PRC) as one possible result of the aviation and tourism agreement between China (PRC) and the European Union;
- The opening of the new Kunming airport, with a handling capacity of 15 million passengers.

As countries seek to recoup their investments in these infrastructure upgrades by facilitating people movements, there will be no shortage of growth potential in terms of visitor arrivals. Now comes the difficult part – managing that growth.

The ADB study states: "If managed strategically, tourism has the potential to generate jobs and economic benefits for people across the sub-region. Managing strategically means ensuring that the benefits of tourism are more equitably distributed among countries and, especially, to the poor. It also means minimising the negative impacts of tourism on the sub-region's cultural and natural heritage, on the environment, and on society as a whole. If these challenges are met, the tourism sector will increasingly contribute to the GMS vision, and help GMS countries achieve the Millennium Development Goals of poverty reduction, gender equality, and environmental sustainability."

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For all the GMS countries, poverty alleviation is a critical component of economic and tourism development. The GMS has high levels of poverty, especially in the rural areas. The first of eight Millennium Development Goals (MDGs) adopted by the United Nations Millennium Summit in September 2000 is to reduce extreme poverty by half by the year 2015.

These goals are supported and reflected in the ADB's policies and strategies. Hence, the study stresses that strategically-managed tourism can make a serious contribution towards poverty alleviation. However, it highlights a number of key areas of direct concern that will impact on whether or not this goal is met.

HUMAN RESOURCES DEVELOPMENT

Although tourism is dependent on qualified people to deliver the service which visitors expect of a quality destination, it is the service aspect of the industry which is most often neglected, says the study.

GMS-wide direct employment generated from international inbound tourism (excluding Myanmar) was more than 2.8 million employees in 2003. By 2010, the tourism industry will need to have over 1.2 million more qualified people to work in various sectors of the industry and by 2015, another 1.5 million.

In the GMS, human resources development (HRD) is generally equated simply with education and training, without regard to how prospective employees view the industry. There have been studies and anecdotal evidence to show that young people, even tourism graduates, do not find the industry, especially the hospitality sector, an attractive industry in which to work. The pay is low, the hours long, and some people view service as being servile.

There are very few HRD practitioners in GMS tourism, in the sense of HRD creating job satisfaction and career paths, addressing compensation issues, and stimulating life-long learning. There are no competency standards in the GMS; there is a lack of vocational skills trainers, equipment, and laboratories; a lack of teachers in the academic institutions that offer degree courses; and limited teaching materials relevant to the GMS countries and translated in their languages.

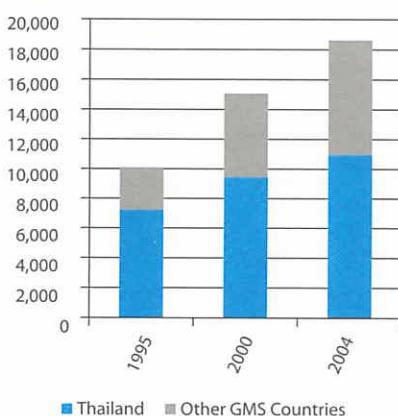
HRD is more than just education and training. It also involves knowledge, skills, and attitudes. The industry needs clear policies in the workplace as well as budgets appropriated for the development of people on a continuous basis. Women must be given an equal chance of being hired in all positions for which they are qualified and groomed for executive positions.

HRD needs a comprehensive approach – one that involves the national, provincial, and local governments; the educational and training institutions; the owners of hotels, restaurants, travel agencies and tourist transportation; and the hotel and travel agency associations working together to address the challenges posed by a fast-growing industry.

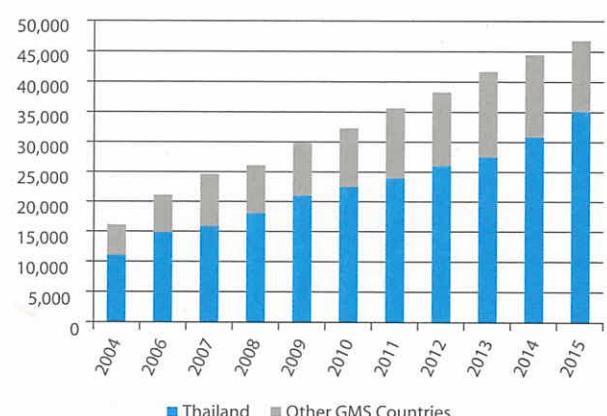
Employing a lot of people helps in achieving poverty reduction. Equally important, however, is capacity building on the local level to help host communities and local officials to develop and promote their tourism resources in a sustainable manner, with full participation by all sectors of the community – women, the youth, ethnic groups, the disabled and the elderly.

The key issues confronting the development of a more effective approach to tourism HRD in the GMS are:

Visitor Arrivals to the GMS (thousands)



Projected Visitor Arrivals to the GMS (thousands)



Source: GMS Tourism Sector Strategy, June 2005

Incremental Staff to be Trained by 2010

Main Occupational Groups	Managers	Technical	Supervisors	Skilled staff	Total
Lodging	28,002	60,671	70,005	308,021	466,699
Restaurants	19,446	42,133	48,614	213,904	324,096
Recreation & entertainment	7,778	16,853	19,446	85,561	129,639
Transportation	7,000	15,168	17,501	77,005	116,675
Souvenir outlets	6,223	13,482	15,557	68,449	103,711
Tour & travel operations	1,556	3,371	3,889	17,112	25,928
Others (including guides)	7,778	16,853	19,446	85,561	129,639
Total	77,783	168,530	194,458	855,614	1,296,385

Source: GMS Tourism Sector Strategy, June 2005

Indicative Targets for the GMS Tourism Sector

Target	Indicators	2004	2010	2015
Volume of international tourist arrivals and economic benefits.	Arrivals at GMS borders (million)	16.4	31.9	52.0
	Total tourism receipts (US\$ billion)	14.8	29.5	52.4
	Total output (US\$ billion)	22.2	44.3	78.8
	Total income (US\$ billion)	18.6	39.2	69.3
	Government revenue (US\$ billion)	2.3	4.6	8.2
	Employment (million jobs)	3.8	5.5	7.3
Distribution of international tourism and its benefits to the less-developed GMS countries ^(a)	Share of total arrivals	31%	33%	41%
	Share of total receipts	29%	30%	43%
	Share of total income	21%	22%	275
	Economic leakages ^(b)	34%	32%	24%
Poverty reduction	Estimated number of people lifted out of poverty	-	132-158 thousand	1-1.2 million

(a) Refers to the share of tourism benefits going to other GMS countries, excluding Thailand.

(b) Refers to the proportion of total output from international tourism (i.e. the value of goods and services consumed by international tourists) that is imported by the GMS, excluding Thailand.

Source: GMS Tourism Sector Strategy, June 2005

economic

Under the current volumes and patterns of visitors, the impact on most of the cultural heritage sites in the GMS is considered to be medium to acceptable. However, at several sites, the wear and tear is beginning to show. Angkor Wat in Cambodia is one such site, and Lijiang in Yunnan Province, China (PRC) is another.

Thailand's protected areas and beaches perhaps reflect the future for other GMS protected areas. Because Thailand has a longer history of nature tourism, the volume of visitors in protected areas is much higher than in other GMS countries. As a result, Thailand's environmental managers have put more visitor management structures in place.

A body of legislation exists in all of the GMS countries to protect and manage cultural heritage. All the GMS countries recognise and value the importance of their living ethnic cultural traditions. Cultural institutions express a willingness and eagerness to co-operate and share knowledge and experiences.

The GMS has four Natural World Heritage sites and relatively large tracts of forest cover still exist, especially in Myanmar. All countries have protected area systems with specific legislation and administration either planned or in place to manage ecologies that vary from coastlines and inland watersheds to alpine areas. Because access to many protected areas in the GMS is limited and difficult, many are undeveloped and sometimes pristine in nature.

However, the management capacity of protected areas is relatively weak, and the location of protected areas in remote and inaccessible areas often makes management difficult. Many of the protected areas lack resources, both financial and human, to effectively manage them. In addition, some protected areas lie in remote frontier areas along international borders, making them vulnerable to illegal activities such as logging. These conditions also make it difficult to develop alternative livelihoods for people who live in and around these protected areas.

The ethnic minorities living in and around the protected areas are often minimally involved in the management process, are generally not involved in decision-making and receive few benefits.

All GMS countries have management staff for heritage sites, who have received some degree of professional training in conservation and site protection. In addition, each country has in place sets of regulations outlining the protection and management of the sites.

Nonetheless, although the situation does differ from country to country in the GMS, many of the major tourism sites, including, or perhaps especially, World Heritage Sites, will be in danger if

current tourism management practices continue without change. Instead of tourism adding value to cultural sites, it will lessen the overall value and visitor experience of the site.

Management of the World Heritage Site Angkor Wat in Siem Reap, Cambodia illustrates some of these dangerous trends. Visitor arrivals for 2004 were nearly 800,000, and the target for 2010 is 2.5 million. Yet, certain visitors are already complaining about the crowded conditions at Angkor, indicating that the carrying capacity may have been reached under current conditions. In addition, visitors have placed excessive pressure on the local water supply, and water shortages are now common in Siem Reap.

More than 100,000 local people, many of them unauthorised, are now living within the protected zone and are placing further pressure on the dwindling water supply. The town of Siem Reap is undergoing unprecedented economic tourism development, including the establishment of large numbers of hotels aimed at mass tourism. The tourism authorities are targeting mass tourism, especially from China (PRC), Japan and Korea (ROK). The increase in these tourist numbers is also triggering a development in the local night entertainment industry which brings with it some negative social impacts.

It is predicted that if current management, protection and development of cultural and natural heritage sites continue as they are, and if the predicted volume of tourists is realised, the negative impacts on cultural heritage in the GMS will shift from barely acceptable to high. The pattern of tourism will shift from a balanced ratio of upscale and mass tourism to predominantly mass tourism. This kind of tourism will likely worsen conditions and downgrade the site.

SOCIAL IMPACT

The social impacts of tourism include trafficking of humans for exploited labour, especially children and women. Current trends indicate that a rapidly growing number of tourists within the GMS are and will continue to be "Border Tourists". This category of tourist has the most significant negative social impact on the area because the targeted destinations of "border tourists" are the expanding number of resorts and entertainment venues that are under development or being planned for the border regions. This category most likely also includes business travellers who frequent entertainment venues wherever they go.

Even the category of "passport holders" includes regional businessmen travelling to capitals and important towns and cities

? GMS countries, poverty alleviation is a critical component of and tourism development

- A weak HRD culture in the tourism industry;
- Poorly integrated HRD policy-making at the national level;
- Insufficient training of public sector officials at the national and local levels in sustainable tourism planning, development and management;
- Weak standards of service in lodging establishments and restaurants;
- Weak standards of service provided by tour operators, travel agencies, airline companies and other tourist transport;
- Low sense of customer service among tourism front liners, such as customs and immigration personnel, police and security officers and tourism information officers;
- A lack of urgency in ensuring that the quality of workers in the tourism industry is competitive with those in other destinations;
- The gap between the demand for qualified tourism workers and their supply;
- Weak tourism education and training capacities, particularly in the public-sector;
- Lack of support for private-sector participation in education and training in some countries.

ECONOMIC IMPACT

More tourism expenditure must remain in each GMS country and be equitably distributed within the country. Total expenditure by tourists within the GMS in 2004 was estimated at just over US\$12.1 billion, excluding air-fares, airport taxes and visa fees. If these are included, total receipts from international tourism rise to US\$14.78 billion.

A key element of the tourism strategy is to help reduce the high level of leakages, especially in the less-developed GMS countries, by increasing economic linkages through pro-poor tourism development and encouraging greater private-sector participation in the supply chain.

While Thailand's strong and broad-based economy gives it a high capacity to meet tourism supplies such as food, beverage, commodities, materials, transport and other goods and services, Cambodia, Lao PDR, Myanmar and Vietnam have weaker economies and higher rates of dependency on imported products.

Even though much of the tourism resources are located outside urban areas, there is a significant imbalance in the distribution of tourism income between urban and rural areas. The type and location of activities being undertaken by international tourists continue to be highly concentrated on resorts, major urban centres and major tourist sites.

SUSTAINING QUALITY

Critical to the future competitiveness of the GMS is the need to ensure high quality standards in the key areas of public facilities, food and beverage, lodging and natural and cultural heritage attractions.

In an exit survey involving more than 2,000 visitors to the GMS countries in November-December 2004, road transportation and the quality of public toilet facilities received the lowest ratings. The three poorest countries of the sub-region – Cambodia, Lao PDR, and Myanmar – received the lowest comparative ratings for hotels and food. Toilet facilities were perceived to be worst in Vietnam, Yunnan Province and Myanmar.

Overall, there were a fairly significant number of comments from the tourists expressing their general concerns about cleanliness, hygiene and pollution. Roads, airports, food outlets and guesthouses were specifically mentioned in these comments. Food safety standards also need to be addressed in order to enhance safety and sanitation of food services, especially in important tourist areas; ensure cleanliness and hygiene of food and beverage in the GMS; create a positive image for food providers; and build confidence among tourists.

There are currently a wide range of standards for the development and operation of hotel facilities, many of which are quite outmoded, and in which environmental standards are not included. The Association of Southeast Asian Nations (ASEAN) is working on establishing some common standards to help the GMS countries.

The primary objectives of the initial draft for an ASEAN hotel standard are to:

- Establish a regional classification system for environmental standards in the hotel industry;
- Encourage responsible environmental management practices;
- Create a positive image and enhance the competitiveness of ASEAN;
- Raise awareness in the regional travel and tourism industry of the importance of promoting environmental quality and preservation.

HERITAGE CONSERVATION

The GMS has a rich cultural heritage that reflects a long historical tradition. It includes ten Cultural World Heritage Sites. There are 25 primary ethnic groups in China (PRC)'s Yunnan and Guangxi provinces, 64 in Vietnam, 49 in Lao PDR, seven in Thailand, comprising nine minority language groups, and more than 100 in Myanmar alone.

in the GMS. Many of these travellers tend to be steady users of the night entertainment venues. There is also a sub-group that is known to have a sexual preference for children under the age of 18 (classified as "children" under the Convention of the Rights of the Child). Thus, given the assumption that the volume of this kind of visitor will increase significantly during the coming years, the negative social impacts from tourism in the region could well shift from medium to high.

If social impacts are not managed and serious action is not taken by the GMS governments, the increase in commercial sex venues at priority tourist sites will also contribute to the increase of HIV/AIDS infections in the GMS region. If these trends are left unchecked, the image of the region as a "sex destination" will not only continue, but grow.

Addressing this is going to be difficult. In spite of the presence of many laws, conventions and treaties, fundamental positions regarding commercial sex workers and trafficking differ significantly from country to country. For example, in China (PRC)'s Yunnan Province and in Vietnam, prostitution is illegal and both the sex worker and the client are fined or punished. Under Cambodian law, prostitution is not an offence; however, forced prostitution and trafficking is illegal.

Other important issues include:

- The lack of linguistically and culturally appropriate materials for vulnerable minorities;
- The reluctance of the tourism industry to actively engage in addressing these issues;
- The propensity for local-level police to become part of the problem, rather than the solution.

CONCLUSION

To address these issues, along with others related to marketing, infrastructure and facilitation, the ADB study came up with a package of projects that will cost roughly US\$440.7 million between 2006 and 2010 (see table).

To implement the strategy, the GMS countries have set up a Mekong Tourism Coordinating Office (MTCO) that they will independently fund. At the 55th PATA Annual Conference in April 2006, GMS tourism ministers are to meet again to assess progress and address the future challenges. It should be an interesting session.

Estimated GMS Tourism Project Costs, 2006-2010 (US\$ million)

Programmes	2006	2007	2008	2009	2010	TOTAL
Marketing and product development	0.15	0.50	1.00	1.50	1.85	5.00
Human resource development	1.00	4.28	4.28	4.28	4.28	18.10
Heritage conservation and social impact management	1.09	2.17	5.43	5.43	7.60	21.70
Pro-poor tourism development	0.68	1.35	3.38	3.38	4.73	13.50
Private sector participation	0.15	0.30	0.30	0.75	1.05	3.00
Facilitating the movement of tourists	0.61	1.63	1.45	1.45	1.60	6.75
Tourism-related infrastructure development	3.85	53.85	97.70	97.70	119.63	372.73

The full strategy, including the projects and recommendations, is available at:
<http://www.adb.org/GMS/tourism-study.asp>.

Source: GMS Tourism Sector Strategy Report, July 2005



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