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**MAJOR ISSUES IN TOURISM DEVELOPMENT IN THE
ASIAN AND PACIFIC REGION**

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Note by the secretariat

SUMMARY

Patterns of international tourism in the region have become more complex and fast-changing. As a result, there are a number of major issues and challenges that need to be considered in terms of sustainable tourism development.

The present document examines the current situation in the region as well as prospects for tourism growth. The prospects are analysed with respect to globalization, economic growth, infrastructure development, travel facilitation, intraregional tourism and emerging new markets in Asia and the Pacific.

Countries and areas in the region face a distinctive set of major challenges and issues in tourism development, and five issue areas are highlighted in this document:

- (1) Enhancing the role of tourism in socio-economic development and poverty reduction;
- (2) Facilitation of travel and development of transport and other tourism-related infrastructure;
- (3) Socio-cultural and environmental management of tourism;
- (4) Crisis and risk management in tourism;
- (5) Human resources development in the tourism sector.

Under this agenda item, separate documents dealing with issue areas 1 and 4 on poverty reduction through tourism and on crisis and risk management in tourism, are being issued. Those documents consider the issues in greater detail.

Emphasis in the present document has been placed on enhancing the contribution of tourism to socio-economic development and poverty reduction in ways that are sustainable. A set of recommendations are suggested for possible action at the national level with support from the regional level, as part of the Plan of Action for Sustainable Tourism Development in the Asian and Pacific Region (second phase, 2006-2012).

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Introduction

1. Tourism is one of the most important economic activities in the world today, because it directly generates services, products, foreign currency, employment and investments. In countries where tourism has become a flourishing service industry, it has a far-reaching economic and social impact on national development. International tourism also has complex linkages to other industries and to government development strategies and plans, which means that it affects the structure and diversity of other economic activities at the national and regional levels.

2. In 2003, international tourism receipts represented approximately 6 per cent of worldwide exports of goods and services; the share of tourism as part of service exports increased to nearly 30 per cent. In terms of growth, the tourism industry worldwide had been stagnant since 2000, but made a strong recovery throughout 2004. At the end of 2004 and in early 2005, the devastation caused by the Indian Ocean earthquake and tsunami had a significant impact on several important Asian tourism destinations.

3. A number of international and regional forces beyond direct government or private sector control, as well as extraordinary disruptions and crises, have produced a fast-changing variety of complex patterns for international tourism in the region. This document considers major issues and challenges in the tourism sector in terms of sustainable development over the long term, and in terms of crisis and risk management for the Asian and Pacific tourism industry.

I. OVERVIEW OF TOURISM IN THE ASIAN AND PACIFIC REGION

A. Overview of the current situation

4. A variety of patterns have characterized recent international tourism trends for Asia and the Pacific in terms of receipts and the number of tourist arrivals. According to the World Tourism Organization, the value of worldwide tourism receipts was US\$ 622 billion in 2004. Asia and the Pacific earned 20 per cent of that amount, or about US\$ 124 billion. Tourism industry receipts in Asia and the Pacific showed an impressive yearly growth rate of 24 per cent as compared with the world growth rate of 10 per cent. However, this represented recovery for the region from a decline in 2003 (-9.4 per cent) owing to the effects of SARS.

5. In 2004, the total number of international tourists worldwide grew by 10.7 per cent to a total of 763 million arrivals. The annual growth rate for arrivals in Asia and the Pacific was 27.8 per cent, numbering 152.9 million international tourists, or about 20 per cent of the world total. North-East Asia recorded 29.5 per cent growth in international tourist arrivals and South-East Asia 30.6 per cent growth in 2004 after a decrease of 13.7 per cent in 2003. Arrivals in South Asia grew by 16.5 per cent in 2004 and by 12.4 per cent in Oceania.

6. While tourism demand in Asia and the Pacific recovered in 2004, receipts grew somewhat more slowly than the volume of arrivals. This is related to the changing patterns of travel, which have shown a trend towards higher frequency shorter-stay trips with reduced spending by tourists, as a result of increased intraregional tourism. This trend was compounded by more competitive prices due to the entry of new low-cost airlines offering additional domestic and subregional routes. In terms of arrivals in 2004, China ranked fourth among the top 10 tourism destinations worldwide and Hong Kong, China, seventh. At the same time, in terms of international tourism receipts, China ranked seventh and Turkey eighth among the top 10 countries. Independent travel has been developing faster than conventional package tours, although many destinations, especially in South-East Asia, expect to benefit from the fast growth of the outbound Chinese tourism market.

7. The World Travel and Tourism Council (WTTC) has estimated the contribution of tourism to socio-economic development using the tourism satellite account methodology. In 2004, travel and tourism worldwide was expected to generate total demand of US\$ 5,490 billion with a direct impact that included 73.7 million jobs (2.8 per cent of total employment) and a contribution to gross domestic product (GDP) of US\$ 1,542 billion (3.8 per cent of aggregate world GDP).

8. The travel and tourism industry also has an indirect effect on all other sectors of the economy. In 2004, travel and tourism worldwide accounted for US\$ 1,289.8 billion (12.2 per cent) of all service and merchandise exports, US\$ 802.3 billion (9.4 per cent) of global capital investment and US\$ 265.3 billion (3.9 per cent) of government expenditure worldwide.

9. In 2004, the forecast for real growth in the industry worldwide was 5.9 per cent for total demand, 5.2 per cent for direct growth in GDP and 4.6 per cent for direct growth in employment. In terms of the regional distribution of total worldwide demand, North-East Asia, South-East Asia and South Asia ranked third, fourth and seventh respectively among the top nine regions in 2004. Compared with the world average for real growth of total demand in 2004 (5.9 per cent), all three main regions of Asia showed higher than average growth of demand: 10.4 per cent for South-East Asia, 9.9 per cent for South Asia and 6.6 per cent for North-East Asia.

10. The values for travel and tourism GDP showed a similar pattern. North-East Asia, South-East Asia and South Asia ranked third, fourth and seventh respectively in 2004. In terms of the GDP share, tourism in North-East Asia ranked fifth out of nine regions at 9.3 per cent, South-East Asia seventh at 7.4 per cent and South Asia ninth at 5.0 per cent. The GDP shares for the three regions were below the world average of 10.4 per cent.

11. WTTC has reported on total (direct and indirect) travel and tourism employment in terms of number of jobs for the top nine regions of the world. Tourism worldwide was expected to create almost 215 million jobs in 2004, with North-East Asia accounting for the biggest share worldwide, at almost 72 million jobs; South Asia ranked second, with about 30 million jobs, and South-East Asia

fifth, with about 20 million. In terms of the share of tourism in total employment for 2004, the global average was 8.1 per cent. In terms of the share of tourism in total employment for Asia, North-East Asia recorded 8.5 per cent, South-East Asia 8.1 per cent and South Asia 5.2 per cent.

B. Prospects for tourism growth

12. The rich and unique cultures, diverse natural environments and standards of service will continue to make destinations in the Asian and Pacific region attractive to international tourists. It is clear that the tourism industries of many countries in the region have been remarkably responsive to recent trends in demand. The region should therefore be well placed to benefit from positive prospects for the expansion of tourism worldwide.

13. The prospects for tourism growth, however, will be driven by a number of factors, including globalization, the concomitant developments in transport and tourism-related infrastructure and the development of intraregional travel. At the same time, there are a number of factors that could hinder the development of tourism, for example, visa and cross-border formalities, as well as various unforeseen shocks, for example, natural disasters, health crises and security threats, that have a direct impact on tourist arrivals. This section considers these factors and concludes with an assessment of the impact of tourism on economic growth.

1. Tourism and globalization

14. Tourism is a major world industry that is a well-established component of the most recent pattern of globalization. Developing countries have been able to use tourism in their policies as a viable economic sector to facilitate development; however, their options may be circumscribed by some globalization pressures.

15. As a result of the rapid fall in the real costs of long-distance travel, developing regions worldwide have been able to participate in the growth of international tourism. There is a potential for greater benefits for developing countries, but market shares are a source of globalization pressure. Market shares vary strongly from one country to another and within very short periods, reflecting the economic or security crises affecting different countries or regions. According to the International Labour Organization, although tourism is a global industry, its structural characteristics show that the majority of tourism receipts still accrue to the Americas and Europe, because major destinations in those regions have had the time, resources and demand needed to develop their tourism industries. Understanding the economic and social dynamics of the globalization of the tourism industry and the need for fast responses are major issues for tourism growth.

16. The globalization of travel and tourism services, including information technologies, as well as the internationalization of hotel and other tourism-related enterprises, has been driving recent developments in the tourism industry. The changing global market for tourism services as well as the impact of technological and educational progress in the tourism industry have influenced employment

and human resources development, even in countries with a large number of small and medium-sized local tourism enterprises.

17. Globalization has transformed the tourism product over time from domination by mass tourism to a diversified industry catering more for the individual needs of travellers. “New tourism” is the term used to define the transformed tourism product. This new tourism emerged from several interrelated trends in the global economy, such as overall economic growth and various other socio-economic changes, government policies, the technological revolution and new management practices.

18. The concept of new tourism includes ideas and practices related to responsible, green, alternative and sustainable tourism. Globalization has transmitted these ideas and practices worldwide, thus making the tourism industry more diversified and putting pressure on developing countries to create targeted, niche markets. Competition has become stronger and is based increasingly on diversification, market segmentation and diagonal integration, which involves the merger and conglomeration of related business activities. An important source of tourism revenue is now based on identifying, developing and promoting niche markets. Market segmentation in the form of ecotourism, cultural tourism, cruise and adventure tourism is becoming more evident and successful. New niche markets are constantly being identified in an attempt to diversify the industry further.

19. The changing consumer preferences of international tourists constitutes another aspect of globalization that is creating new challenges for developing countries. Providers of tourism services now try to gain a competitive advantage by catering for the individual needs of travellers. Tourists are actively changing the pace and direction of the tourism industry as they become more experienced travellers and change their behaviour and values. The increased travel experience, flexibility and independent nature of tourists has been generating demand for better quality, more value for money and greater flexibility in the travel experience.

20. The new tourism also reflects demographic changes as well as changing lifestyles, thus creating demand for more targeted and customized holidays since travellers now belong to a number of different lifestyle segments. The changing values of tourists are also generating demand for more environmentally conscious and nature-oriented holidays, which means that tourism providers have to pay more attention to the way people think, feel and behave. In recent years, the niche market has become a more important factor in the tourism industry, reflecting the need to diversify and customize the industry and ensure product sustainability. The main niche markets (sports travel, spas and health care, adventure and nature tourism, cultural tourism, theme parks, cruise ships, religious travel and others) hold great potential and are developing rapidly. The transformations that have created new tourism put pressure on basic ways of doing business and on government strategies and plans for national tourism development.

2. Air, road and railway linkages and other tourism-related infrastructure

21. The air transport industry is a key determinant for the development of tourism worldwide, including Asia and the Pacific. It is expanding twice as fast as the general output of the world economy, with further growth potential expected over the next two decades. In developing countries, air transport accounts for nearly 80 per cent of international tourist arrivals. The recent trend towards liberalization has been through the spread of open skies agreements, widespread airline alliances and the emergence of low-cost airlines. The main issue motivating these dynamics is the need to minimize costs while maintaining the quality of services and extending connections within regions and throughout the world.

22. Recent privatization has ended government protection for national airlines in a number of developing countries. The liberalization of air transport basically means increased market access for private carriers. Data from the International Air Transport Association and other sources show that the fastest growth in air travel is on regional flights over short and medium routes mostly served by smaller planes. The business of low-cost airlines is not easy and has been made tougher by high fuel prices. The regional aviation business is relatively fragmented, and factors affecting its growth may vary.

23. The Asian and Pacific region has become part of the surging growth in low-cost regional carriers worldwide. The critical factor for Asian regional growth is the willingness of Governments to give private operators freedom of choice in setting up and operating airlines, as long as safety regulations are tightly enforced.

24. In India, one privately owned low-cost airline overtook the nation's largest domestic carrier in 2004, according to company reports. A second low-cost private Indian airline began operations in mid-2005 to Mumbai, Delhi and Bangalore. A third low-cost airline has operated since 2003 with a strategy of serving smaller cities in India to link rural areas with Delhi and Bangalore. In the Asian and Pacific region, Australia was one of the first to offer low-cost airlines covering long distances between population clusters around its coastline. Low-cost regional carriers in South-East Asia operate in Malaysia, Singapore and Thailand. All these airlines offer links to regional neighbours and aim to operate in the China market. The first privately owned airlines are emerging in China, one based in Chengdu and one in Shanghai, and were scheduled to start operating in 2005.

25. The Asian Highway is one form of land transport infrastructure that can enhance cooperation and integration among Asian countries by facilitating increased tourism and trade that is intraregional and international in scope. Encouraging travel along the Asian Highway for tourism purposes could also clearly contribute to increased social interactions and better understanding among a great number of Asian countries. Countries linked by the Asian Highway share a wealth of historical and cultural heritage and unspoiled natural beauty. These countries could join hands in promoting tourism along

the Asian Highway and thus spread tourism development in ways that could contribute to poverty reduction in areas that are otherwise remote from tourism development. Effective development of the Asian Highway through regional and subregional cooperation could help the 32 countries along the Asian Highway to encourage greater synergies linking sustainable tourism development to poverty reduction and purposeful management of globalization.

26. Railway travel as a tourism product has the potential for creating a variety of niche markets, such as tourist trains that emphasize a variety of experiences, including scenery, cultural heritage, luxury travel, “getaways” to new environments, low-cost adventure travel and specially organized excursions. The Trans-Asian Railway has tourism potential in view of the increased awareness and acceptance that railway travel could play an important role in the national and international movement of tourists. For example, greater use of rail travel in Asia for tourism purposes could make 12 landlocked countries more accessible to tourism, even though they are far from the nearest ports and international airports. Several countries in Asia and the Pacific have successfully developed tourism products based on railway travel.

27. In addition to transport infrastructure (air, land and water), Asian and Pacific countries have to address, on a continuous basis, issues that involve maintaining, expanding and upgrading other tourism infrastructure. General infrastructure consists of public goods which local people and international tourists alike can use, such as airports, communication systems, water supply, power, and sewerage and drainage systems. Infrastructure intended for specific use by tourists includes accommodation, resort areas, tour companies, travel agency services and tourist attractions. The development and supply of most tourism infrastructure is usually provided by the private sector or by public-private sector cooperation. The major issues involved have been the constraints due to (a) lack of adequate investment capital; (b) the environmental impact of tourism infrastructure development; and (c) lack of awareness or ability to mitigate potential risks.

28. Countries in the region have already recognized that a fully developed, efficient tourism infrastructure must emphasize quality assurance and quality management standards.

3. Intraregional travel and emerging new markets

29. By building on the overall positive performance in 2004, world tourism remained strong as of June 2005, although oil prices continued to cause uncertainty, especially for the transport sector of the tourism industry, owing to high prices and volatility. According to indicators and the expert opinion of the World Tourism Organization, countries in Asia and the Pacific were expected to show strong results for tourist arrivals from intraregional source markets, especially outbound travel from China and from international markets.

30. During the first four months of 2005, the rate of growth in tourist arrivals for Asia and the Pacific was almost 9 per cent, according to the World Tourism Organization. This indicates that the

earthquake and tsunami in December 2004 only had a marginal affect on overall results, although tourism in Maldives, Sri Lanka and Thailand suffered strong effects. China's inbound market has shown a trend of rapid growth in international tourist arrivals. According to the World Tourism Organization, in 2004 China became the world's fourth most visited destination. At the same time, Hong Kong, China, entered the list of top 10 most visited destinations.

31. The Chinese outbound market has revealed an important new trend that many regional destinations had expected would help their tourism results. Over 80 per cent of outbound Chinese tourists are travelling to other Asian countries. In fact, the Asian and Pacific tourism market might become significantly restructured owing to the large number of outbound Chinese tourists and the very rapid growth rate in their numbers.

32. The new patterns of tourist flows point to the future importance of intraregional travel involving tourists from China, India and ESCAP member countries belonging to the Commonwealth of Independent States. Various new air routes have been opened and the frequency of flights has increased within the region and the larger tourist markets. The new patterns have combined with the liberalization of air transport services and encouraged the rapid growth of low-cost airlines.

33. This can help to stimulate certain types of tourism development, create more competition and make prices more attractive to tourists. Patterns of intraregional travel have been changing the structure of national tourism industries as the length of stay becomes shorter and average daily spending is higher for different tourism products and services (as compared with more well-established long-haul travellers from North America and Europe).

4. Visas, cross border entry formalities and external shocks

34. Laws, policies and procedures that affect tourism travel cover visas, border formalities and customs and reflect the sovereign function of Governments to ensure safety and security. Successful and sustainable tourism development and competition in the international tourist market depend on the extent to which tourists find their travel experiences impeded or facilitated. The Government has a crucial role in deciding how much it will liberalize, to what extent international tourism will contribute to national development and how to reduce impediments to travel and tourism.

35. Governments are constantly modifying visa requirements, costs and application procedures and related formalities owing to changing political circumstances. Visas and other entry formalities are tools that assist Governments in protecting the security of their societies and territories. Most Governments consider that national security could be threatened if visa requirements were relaxed and they might not be ready to abolish visas purely in the interest of promoting tourism. Where Governments recognize the benefits of tourism and how visas can serve as barriers, they have relaxed certain visa restrictions. However, major threats and risks to health, safety and security within

countries and towards tourists in recent years have become priority considerations for a number of countries in Asia and the Pacific.

36. While it is possible to classify various types of external shocks, outline the scope of impact and identify phased actions, each crisis or disaster is a unique event. Normal government policies, procedures and patterns of coordination in the tourism sector are immediately under pressure. The risks of panic, misinformation, overreaction or under-reaction by tourists, officials, local people and the media, add to the challenges when balancing openness to tourism against the possible threats to health and safety. Governments and national tourism industries in many countries are now encountering new challenges and risks.

5. Tourism and future economic growth

37. According to WTTC, world travel and tourism demand was expected to grow on average by 4.5 per cent per year from 2004 and 2014. Asian subregions were expected to show an even better performance, with the top three being South Asia at 8.3 per cent, South-East Asia at 6.2 per cent and North-East Asia at 5.2 per cent. The average annual growth of world travel and tourism GDP was expected to be 3.7 per cent from 2004 to 2014 and the three Asian subregions were expected to outperform this average, with South Asia ranked first at 7.1 per cent, South-East Asia second at 5.5 per cent and North-East Asia third at 4.3 per cent. The average annual growth rate for travel and tourism employment over the 10-year period up to 2014 was expected to be 1.9 per cent for the world, but South-East Asia ranked first among nine regions with 3.2 per cent, and South Asia ranked seventh at 1.7 per cent, followed by North-East Asia, which ranked eighth at 1.4 per cent.

38. When comparing the average annual rates, it is clear that growth in travel and tourism total demand and GDP would be much faster than growth in employment. In highly aggregated terms, the three main subregions of Asia were generally expected to perform well in terms of the contribution of demand and GDP to their travel and tourism industry up to 2014. They show variations in employment growth, with South-East Asia above the world average and both South Asia and North-East Asia below.

39. It is important to recall that these forecasts are made in the most general terms and are always subject to change. The prospects for economic growth do not become brighter on their own. Effective policymaking by the public sector and efficient business decisions in the private sector cover some of the factors that affect economic growth in the tourism industry. Notwithstanding other factors beyond government and business control in the globalized tourism industry, a bright future for tourism growth also depends on stakeholders acting to address those factors that hinder or constrain tourism development.

II. MAJOR CHALLENGES AND ISSUES IN TOURISM DEVELOPMENT IN THE ASIAN AND PACIFIC REGION

Overview

40. Tourism has become increasingly important for many Asian and Pacific countries that have opened their economies and drawn up strategies, policies and plans designed to sustain their national tourism industries. The significance of tourism has been growing in terms of the dynamics of national socio-economic development and the potential benefits for tourism stakeholders, while related risks have been created by complicated, new challenges.

41. The major challenges of tourism development involve the role of the industry in socio-economic development and how it might contribute to poverty reduction.¹ Generally, poverty reduction linked to tourism can be seen in terms of how to expand socio-economic benefits; how to distribute benefits to more segments of society, particularly poor people; how to minimize adverse impacts; and how to provide the necessary support to advance sound and sustainable tourism development.

42. In order to sustain tourism development as a viable socio-economic activity within the process of globalization and ensure that its contribution to poverty reduction is effective, all stakeholders must be aware of five main issue areas. Awareness and analysis in these issue areas would enable stakeholders to devise strategies, take decisions and plan actions that are appropriate at the regional, national and local levels to meet the challenges facing the tourism sector. The five issues are considered in the following sections.

A. Enhancing the role of tourism in socio-economic development and poverty reduction

43. The socio-economic benefits of tourism need to be expanded in order to have wider distribution, minimize any adverse impact and provide the support necessary to foster sound development of the tourism industry. The process of globalization, along with more widespread improved access to information and communication technologies, has increased the potential opportunities for the tourism industry to expand and make greater contributions to social and economic development. In this respect, the importance of e-tourism as a way to give developing countries the technical means to promote and market their tourism services on line was noted in the São Paulo Consensus adopted at the eleventh session of the United Nations Conference on Trade and Development, held in São Paulo, Brazil, in June 2004.²

44. In order to make use of these potential opportunities and increase the contribution of tourism, stakeholders must be aware of rapid changes in the international tourism market. For example,

¹ *Poverty Alleviation through Sustainable Tourism Development* (United Nations publication, Sales No. E.03.II.F.46).

² UNCTAD, São Paulo Consensus (TD/410).

tourism demand and the number of visitors have been growing much faster than tourism receipts, while independent travel and the demand in niche tourism markets have been growing faster than group travel to standard destinations. The widespread coverage and increased accessibility of the Internet is changing the nature of the international tourism market and the framework for choices by international tourists.

45. Tourism has been and will continue to be one of the instruments for addressing the Millennium Development Goals, as recently reflected in the WTO Declaration on Tourism and the Millennium Development Goals.³

46. The private sector, local communities and the Government have roles in building linkages, creating partnerships and encouraging local participation. The role of the Government is to create a more supportive policy and planning framework enabling participation by the poor. The Government and the private sector can increase participation by the poor in decision-making by ensuring that local people are consulted and have a say in tourism decision-making. The private sector can create pro-poor partnerships. Poor people can participate through producers' associations. The poor and the private sector can establish both formal and informal links with each other. All stakeholders can increase the flow of information by meeting periodically, and sharing news and plans to build a basis for further dialogue.

47. The benefit of specific interventions could be considered in terms of diversifying a country's economic base and spreading development to regions and groups of people that may not have benefited from other types of economic development.

48. Expanding socio-economic benefits and distributing those benefits to segments of society that include the poor require a focused approach to tourism development and management that identifies categories of poor people and then creates linkages between tourism businesses and those categories of poor people. It is necessary to have some standard indicators of what defines the conditions of poverty, such as the national poverty line for household incomes.

49. There are a number of ways to enhance linkages so that tourism makes an increased contribution to poverty reduction, enabling poor people to participate more effectively. There are many types of pro-poor tourism strategies, ranging from increasing local employment to building mechanisms for consultation. The critical factor is demonstrating that the increased benefits are going to poor people.

³ Adopted at the World Tourism Organization Meeting on Harnessing Tourism for the Millennium Development Goals, held in New York on 13 September 2005.

50. Strategies for tourism development that contribute to poverty reduction have been identified according to three categories of local benefit. The first category covers economic benefits, which include increasing local employment and wages, improving local enterprise opportunities and creating collective income sources, such as fees and revenue shares. The second category covers other livelihood benefits, such as physical, social or cultural improvements, with a focus on providing capacity-building and training, mitigating environmental impacts, addressing competing uses of natural resources, improving social and cultural impacts and increasing local access to infrastructure and services. The third category covers less tangible benefits, such as participation and involvement in partnerships, which could be enhanced at the local level by creating a more supportive policy/planning framework, increasing the participation of the poor in decision-making, building pro-poor partnerships with the private sector and increasing flows of information and communication with local stakeholders, especially the poor.

51. While tourism can contribute to the process of poverty reduction, recent disasters and crises have demonstrated significant risks when relying solely on tourism. Consequently, there is a need for agencies and ministries outside the tourism sector to devise more broadly based poverty reduction strategies and programmes that include links with the tourism sector. Broader approaches will minimize some of the employment and income-generating risks that are inherent in the tourism sector.

52. The document relating to poverty reduction through tourism being issued for the Meeting considers many of these issues in greater detail.

B. Facilitation of travel and development of transport and other tourism-related infrastructure

53. Governments of ESCAP members and associate members have the main role in creating rules and procedures covering visas, border formalities and customs regulations in order to control the flow of people, especially tourist arrivals. Both sending and receiving countries have policies on visas and related travel formalities that may reflect concerns about health, safety and security. However, there are also concerns about tourism development and travel requirements, especially when Governments make it a priority industry. There has been a general trend to liberalize policies on visas and travel formalities during the period of strong growth in international tourism. The general view since 2001, when security from terrorism threats became an issue, is that Governments have been seeking a balance between facilitation and possible needs for constraints and restrictions.

54. Constraints on tourism development have been related to the strength and scope of visa restrictions, the complexity of various procedures for obtaining visas and the general lack of clear and accurate information on visa requirements and costs. Facilitating travel by reducing impediments and increasing efficiency is a government responsibility, but could be done unilaterally, bilaterally, regionally or internationally through consultations and negotiations. Some international consultations have taken place in relation to the General Agreement on Trade in Services (GATS) through a

voluntary working group hosted by the World Tourism Organization. There have been regional and subregional initiatives in Asia and the Pacific as well as bilateral agreements. However, only exit visas from the sending country are subject to GATS consumption abroad commitments, while entry visas are not. The main issue is the need to evaluate and adjust entry visa policies and requirements that may be impeding tourism development in many Asian and Pacific countries.

55. The tourism industry can also be developed more effectively by improving infrastructure to facilitate travel and tourism. Special attention and planning that focus on accessibility are required when Governments expand and improve air, road, rail and water transport infrastructure as part of tourism development. One significant issue concerns identifying the infrastructure that needs to be upgraded at secondary airports and tourist centres outside the main urban areas in order to diversify tourist destinations.

56. In this context, the economic and social rationale for developing barrier-free tourism, identifying existing barriers and learning from best practices could be highlighted in many countries of Asia and the Pacific. Many countries have adopted strategies to attract new tourism market segments, such as senior citizens and people with disabilities. The travel needs of such new market segments have been categorized as barrier-free tourism and highlight issues of appropriate and accessible infrastructure.

C. Socio-cultural and environmental management of tourism

57. Rapid growth and increased numbers of tourists can have a combination of positive and negative impacts on the environment, society and culture. As tourism grows and expands to more locations, the negative impact could affect the long-term sustainability of tourism, especially in places where appropriate control is lacking. Sustainable tourism development must be considered as the essence of tourism and applied fully in all countries, since tourism is based on the diversity of natural, social and cultural resources which attracts tourists in the first place. Furthermore, countries and areas in Asia and the Pacific have recognized that sustainable tourism development is the only way to effectively address environmental concerns as well as contribute to economic growth, create jobs, conserve cultural heritage and authenticity, as well as contribute to cultural exchanges and increase intercultural understanding and tolerance.

58. The importance of these issues is reflected in instruments emerging from international summits and meetings. This includes the Johannesburg Plan of Implementation⁴ and the Mauritius Strategy for further implementation of the Programme of Action for the Sustainable Development of Small Island Developing States.⁵ Other international instruments that reflect the issues related to

⁴ Adopted at the World Summit on Sustainable Development, held in Johannesburg, South Africa, in August-September 2002.

⁵ Adopted at the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, held in Mauritius in January 2005.

sustainable tourism development are the *Guidelines on Biodiversity and Tourism Development*,⁶ the Global Code of Ethics for Tourism,⁷ and the Djerba Declaration on Tourism and Climate Change.⁸

59. According to the World Tourism Organization, sustainable tourism development means applying principles of (a) optimal use of environmental resources in ways that maintain the ecology and conserve natural heritage and biodiversity; (b) respect for the socio-cultural authenticity of host communities in ways that conserve their cultural heritage and values while contributing to intercultural understanding and tolerance and (c) providing all stakeholders with benefits that are fairly distributed, while ensuring the viability of long-term economic operations.

60. Important issues of sustainable tourism development include effective planning, efficient coordination, capable enforcement of legislation and more constructive governance. While many public and private sector decision makers involved in tourism planning and management have realized that environmental and cultural resources are essential components and valuable tourism assets, substantive progress in applying systematic planning based on principles that also include economic sustainability has been limited. The principles of sustainable tourism have been widely accepted, but actual implementation by national, regional and local governments, as well as by tourism entrepreneurs, has sometimes been slow and only partially successful. The issue of economic sustainability needs more comprehensive consideration along with the environmental and cultural aspects.

61. A related issue is that national environmental policies, laws and regulations are often formulated without considering the needs of the tourism sector. For example, in coastal areas where tourists travel for ecotourism, many Governments regulate through several different laws, regulations and agencies with a sector-by-sector approach that overlooks tourism. For example, there may be one law and set of regulations for pollution from factories, one for fisheries, and one for coastal building permits, all administered by different agencies. The focus would be on one issue or constituency only and could result in lack of attention to the tourism sector, as well as its interactions with other sectors. For example, if a Government establishes a marine reserve but does not use an integrated coastal zone management approach to coordinate with other coastal zone activities, the reserve may be undermined by any unmanaged activities.

62. Another issue concerns the potential for voluntary initiatives, such as certification, to achieve sustainable development objectives. Some entrepreneurs in the private sector have created and adopted voluntary initiatives in recognition of the importance of sustainable tourism, such as environmental and social codes of conduct, eco-certification systems, environmental audit

⁶ Published by the Secretariat of the Convention on Biological Diversity (Montreal, Canada, 2004).

⁷ Adopted at the thirteenth session of the General Assembly of the World Tourism Organization, held in Santiago in September-October 1999 (officially recognized by the General Assembly of the United Nations in its resolution 56/212 of 21 December 2001).

⁸ Adopted at the First International Conference on Climate Change and Tourism, held in Djerba, Tunisia, in April 2003.

programmes, environmental management systems and other self-regulation codes or schemes involving the natural or socio-cultural environment. As the term indicates, voluntary initiatives are not the result of legislation but rather are adopted freely by those who see a number of economic, social and public relations benefits.

D. Crisis and risk management in tourism

63. In recent years, tourism has been directly affected by a variety of unforeseen incidents that have affected patterns of growth and development of the industry. In the Asian and Pacific region, the tourism industry has faced greater uncertainty and vulnerability as a result of terrorist attacks, health crises and natural disasters. The risks, responses and lessons learned raise a number of important issues.

64. In terms of management, crisis and risk must be considered in a systematic manner. By its nature, a crisis is sudden and often unpredictable. There needs to be awareness about the scope of the effects, that is, limited to a single destination, an area covering several countries, a subregion, a whole region or the whole world.

65. Specific issues when responding to crises and violent incidents involve disaster awareness and preparedness; the immediate response, including the physical, psychological and combined impact; dealing with speculation and misinformation, especially in the global mass media; ways to restore the confidence of tourists and businesses; dealing with panic; and responding to reactions from other Governments, such as travel bans, advisories and restrictions. Response capabilities in terms of coordination and proactive measures concern more general issues that cover the well-being of all citizens, tourists and businesses.

66. The document on crisis and risk management in tourism being issued for the Meeting considers many of these issues in greater depth.

E. Human resources development in the tourism sector

67. The rapid growth rates in the industry have a direct impact on tourism employment and human resources development in terms of demand for professionals, specific skills and related training and education facilities. The need to develop and train the required human resources in various segments of the tourism industry has been widely recognized in Asia and the Pacific.

68. There has been progress on four main issues (identified at the Intergovernmental Meeting on Tourism Development held in 1996), but they still require consideration in view of the constraints that are still found in human resources development. The four main issues are (a) the shortage of qualified human resources, (b) gaps in the availability of tourism training infrastructure and qualified trainers and teachers, (c) the lack of attention given to the conditions of work in the tourism sector, and (d) the ongoing need for long-term national strategies and policies covering human resources development in the tourism sector.

69. In order to address some of these issues, the members of ESCAP took the initiative in 1997 and created the Network of Asia-Pacific Education and Training Institutes in Tourism (APETIT), which has grown to include 211 education and training institutes and national tourism organizations in 42 countries and areas. Closer cooperation among countries of the region is one way to overcome some constraints related to human resources development effectively, since various countries and tourism organizations and institutes possess certain strengths and expertise that could be usefully shared with other APETIT members. Networking has strengthened institutional links among tourism training institutes and formed the basis for exchanges of expertise, experience and information related to human resources development.

III. RECOMMENDATIONS AND CONCLUSIONS

70. A number of recommendations emerge from the issues presented. It is recommended that tourism development be given enhanced priority within national development planning and policymaking. It is also recognized that tourism can play a role in working towards the achievement of the Millennium Development Goals. Consequently, strategies should be formulated to expand the role of tourism in poverty reduction and socio-economic development.

A. Enhancing the role of tourism in socio-economic development and poverty reduction

71. Governments continue to consider building a supportive policy and planning framework conducive to the development of tourism aimed at poverty reduction.

72. The Government, the private sector and stakeholders are encouraged to take collaborative action to develop enterprise and employment opportunities for the poor. Such actions would include improvement of the quality of work, capacity and skills of people who are poor through training and upgrading the skills related to tourism services, including improved access to market and resource information. The capacity of local communities to manage natural resources could be strengthened in order to create awareness and enhance the environmental effects of tourism on poor people.

73. There should be awareness that established business firms which comprise the mainstream tourism sectors have already been helping poor people, for example, through employment in certain categories of work. This awareness should lead to the recognition that it is possible to do more in their role as stakeholders who can create opportunities for tourism to contribute more to poverty reduction.

74. There are actions that help facilitate the involvement of the poor in decision-making through capacity-building in local business organizations and community associations. At the same time, there is awareness that economic participation in the tourism industry poses potential risks for poor people.

75. Such issues point to the need to investigate the transmission mechanisms from tourism to poverty reduction. Assembling and disseminating case studies sheds light on these issues and highlights approaches for enhancing participation and building partnerships that promote greater involvement of poor people and communities in tourism development.

B. Facilitation of travel and development of transport and other tourism-related infrastructure

76. Various modes of transport, particularly by air, road and water, need to be improved in combination with upgraded tourism-related infrastructure to facilitate access to tourist sites. It should be possible to develop guidelines for barrier-free tourism practices within the Asian and Pacific region for services and facilities involved with transport, accommodation, tourism sites and tour programmes that can be made more accessible for tourists who have disabilities. Efforts to facilitate travel should be strengthened by considering the costs and benefits of greater liberalization of visa policies and cross-border formalities.

C. Socio-cultural and environmental management of tourism

77. It is recommended that environmental and socio-cultural considerations be better integrated into policies and plans for tourism development. Such considerations can be preceded by understanding the social, economic and technological dynamics of the globalization of the tourism industry. Major issues for tourism growth relate to how the globalization challenge affects the ability to operate under changing business conditions requiring rapid decision cycles and responsiveness to new forms of competition.

78. It is recommended that a combination of voluntary initiatives, more effective enforcement of relevant laws and an active role for civil society be initiated in order to achieve broader, more substantive progress in applying the principles of sustainable tourism development. Collaborative approaches that include the public sector, the private sector and stakeholders in planning, coordination and implementation should be encouraged at the local levels in order to preserve the cultural heritage, protect the environment and ensure more equitable distribution of economic benefits. The distribution of economic benefits and the diversification of economic activities are key considerations in the sustainable development of tourism. Codes of ethics and conduct, such as the Global Code of Ethics for Tourism of the World Tourism Organization, which applies to all stakeholders, are useful tools for promoting greater awareness and understanding of the environmental, economic and socio-cultural effects of tourism on various groups of stakeholders, including poor people.

D. Crisis and risk management in tourism

79. In view of the greater uncertainty and vulnerability of the tourism industry, it is recommended that all stakeholders give thorough, more careful attention to different types of crises and related risk management. A process with four distinct phases: awareness (risk reduction), planning (readiness), response and recovery is described further in the document on crisis and risk management in tourism. These phases provide a framework for more detailed recommendations. Emphasis is given to the role of government agencies involved in the tourism sector to add crisis and risk management analysis to ongoing destination analysis with a focus on existing or potential opportunities and threats.

80. It is also recommended that the tourism sector establish a network of national and regional crisis management centres.

E. Human resources development in the tourism sector

81. The ongoing need to develop and train the human resources required to provide tourism services effectively and efficiently leads to the recommendation that partnerships and networking to support tourism education and training be strengthened.

82. Regional cooperation in sustainable tourism development could mobilize international and regional organizations to provide supporting action in appropriate issue areas that link poverty reduction to tourism development. Multi-stakeholder groups could be involved in catalytic regional initiatives that incorporate innovative strategies as well as expand the implementation of proven approaches.

IV. ISSUES FOR CONSIDERATION BY THE MEETING

83. In order to enhance the role of tourism in poverty reduction and socio-economic development, the Meeting may wish to consider how to build linkages, create more public awareness, form partnerships and encourage local participation in sustainable tourism development. The Meeting is invited to provide guidance and recommendations about specific issue areas that could be included in the Plan of Action for Sustainable Tourism Development in the Asian and Pacific Region (second phase, 2006-2012).

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