

REGIONAL COOPERATION IN TOURISM DEVELOPMENT

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Within the United Nations system, a distinct concept has been developed on Technical Cooperation among Developing Countries (TCDC) and Economic Cooperation among Developing Countries (ECDC). Following relevant United Nations General Assembly resolution on TCDC and ECDC (325/XXIX), 3461 (XXX) and 31/119 among others, the UN Economic and Social Commission for Asia and the Pacific has passed resolution 162 (XXXII) on TCDC and 171 (XXXIII) on TCDC and ECDC. These resolutions, among others, called upon developing member countries and international organizations to consider and take necessary institutional and other measures to intensify technical and economic cooperation among the developing countries. The Commission, in passing resolution 171 (XXXIII), recognized that TCDC was an integral component of ECDC and an important means of securing development through collective self-reliance.

Assuming that to regard TCDC as a synonym for regional cooperation would not create a disturbing confusion, it can be stated that governments and the international community are thus fully aware of importance of traditional and innovative forms of international cooperation among developing countries for developmental purposes.

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This paper has been prepared in an attempt to assist the national tourism administrations of the developing member countries of the Asian Productivity Organization in their efforts to identify the areas and modalities in which they can most effectively cooperate with other countries of the region for promotion of international tourism. Regional cooperation can be interpreted in a broader sense as comprising cooperation between developing and developed countries on both a bilateral, and multilateral, basis. This paper focuses on the possibility of efficiently intensifying the cooperation in that field among the developing countries. An urgent need is commonly felt now to establish practical and effective guidelines for a form of cooperation acceptable to a majority of the countries concerned.

### Areas of Cooperation

The need to intensify cooperation among the developing countries in the field of tourism development has been emphasized in various contexts. Through discussions and studies, the countries of Asia have already identified major areas of collaboration on a regional and subregional basis. As in other fields of social and economic development, international or regional collaboration for tourism is desirable because it means a sharing of resources, the shortage of which is constantly felt at a national level.

It would be ideal, though practically not possible, for the governments of developing countries to promote resource sharing in all the specific areas of tourism development such as overseas marketing/promotion, travel facilitation, compilation of statistics, investment incentives and regulations, control of environmental and social impacts of tourism development, classifications for tourist facilities, vocational training, etc.

The broad spectrum of requirements for regional cooperation is well illustrated by the 19 regional cooperative projects designed by the special mission team for final screening for the UNDP Inter-country Programme 1982-86 on ASEAN Cooperation for Tourism - one of the major efforts in recent years by governments and international agencies for regional cooperation in the field of tourism. Upon request from the ASEAN Subcommittee on Tourism, the mission team visited all ASEAN countries. After interviewing heads of the national tourism administrations, officials of other governmental and public bodies, private sector leaders, airline officials and officials of regional bodies or associations, the following projects were designed reflecting requirements that are commonly and strongly felt by countries of ASEAN.

#### Travel Promotion Projects.

1. Cooperative study of the feasibility of opening ASEAN travel promotion offices in selected foreign cities and/or combining individual countries' field offices into cooperatively operated ASEAN offices.
2. Cooperative overseas public relations programme.
3. Cooperative tourism market study of selected tourist generating countries including travelers and travel trade.
4. Travel promotion training course.

#### Convention Marketing Projects.

1. Cooperative convention market research study of selected tourist generating countries.
2. Creation of a regional association of convention promotion organizations to share convention planning information.
3. Convention promotion training course.

#### Research Effectiveness Improvement Projects.

1. Creation of a regional association of travel researchers to share statistics, research findings and methodologies.
2. Comparative study of tourism versus other industrial development in terms of economic, social, cultural and environmental impacts.
3. Research and planning training course.

#### Research Resources Development Project.

1. Cooperative regional centre to maintain regional research resources library, conduct research and provide technical assistances.

#### Travel Facilitation Projects.

1. Creation of a regional air travel task force to study potential impact of long-haul air fare reductions, investigate various intraregional incentive fare schemes and analyze feasibility of simplifying interchanging of airline tickets.
2. Creation of a regional tourism facilitation task force to deal with border problems which deter travel within ASEAN and develop incentive schemes to improve tourist ground services.

#### Industry Performance Improvement Projects.

1. Creation of a cooperative regional handicraft development board to promote regional sharing of handicraft production and marketing expertise.

2. Creation of a regional association of regulatory officials to promote uniform regulatory practices and share regional expertise.

#### Vocational Training Projects.

1. Creation of a cooperative regional training board to establish standards for vocational training school instruction, offer regional accreditation of vocational training schools, develop trainee recruitment programmes, facilitate sharing and exchange of training materials, instructors, and trainees, etc.
2. Hotel in-service training project.

#### National Tourism Administration Training and Technical Assistance Projects.

1. NTA management training and development course.
2. Technical assistance to the region to assist NTAs in developing new organizational entities within the region for cooperative project planning, promotion and execution.

#### Need for Selective Approach

In launching a cooperative regional activity, substantial efforts are needed to identify specific problems and establish effective modalities of cooperation. Practically speaking, the governments of the developing countries can not afford to initiate cooperative actions in all areas of tourism development and test every conceivable modality; hence the need for a selective approach.

The conceivable cooperative activities appear to have varying degrees of effectiveness. For example, in some cases, findings of cooperative tourism research -- aimed at marketing of certain tourism products -- may not lead to tangible benefit in the foreseeable future, despite their accuracy. Either lack of substantial demand in the travel markets, or financial/technical unpreparedness to reflect such finding in actual measures, could be the reason.

Similarly, collective efforts for development of a certain expertise for tourism promotion could not be deemed timely unless there is a prospect for its effective utilization in the foreseeable

future. The extent of resource-sharing also varies, depending on the area and modality. With some elements of over-simplification, it can be stated that a number of countries are fully sharing financial resources when they jointly produce travel promotional aids, because production/distribution cost for a certain number of multi-country promotion materials are basically the same as that for mono-country materials. On the other hand, a cooperative travel market study where there are several study objectives may permit only marginal resource-sharing.

Furthermore, when the issues to be collectively dealt with demand drastic change in national policy or necessitate close cooperation from the private sector, it is essential that the respective countries have established a clear consensus internally. Theoretically, for example, developing countries could cooperate in appraisal, standardization and monitoring of investment concession schemes in order to avoid unproductive competition in offering such concessions. And even the establishment of a regional charter airline and tour operating company is conceivable to increase the stake in distribution of tourism products.

These issues cannot be dealt with cooperatively without full internal consensus and coordination of positions at the national level. More realistic approaches on a regional basis, such as improvement of travel facilitation measures and tourism facility classification, to be effective also requires consensus of the respective countries as a prerequisite.

Despite a clear awareness by the developing countries in Asia of the need for intensification of regional cooperation for tourism, generally their efforts in major problem areas have not been fully successful or in some cases are yet to be initiated. This points to the need to identify the areas and modalities in which cooperative efforts (1) can be readily reflected in actual tourism measures with necessary financial/technical resources being available to governments, (2) ensure most effectively maximum resource-sharing, and (3) are acceptable not only to national tourism administration but to other government departments and the private sector.

It seems essential that in the initial stage the governments accord priorities to such areas and modalities in order to create substantial outcome in regional cooperation. Successes in selected projects would form the empirical basis of long-term and overall collective efforts by developing countries who endeavour to maximize the benefit from tourism development.

In narrowing the scope of effective cooperative regional activities, the participating countries should see to it that the selected areas and modalities not only satisfy the above-mentioned criteria but, more importantly, relate to the burning issues commonly recognized by them. In order to avoid the danger of such cooperation being just for the sake of cooperation, problem identification and definition of objectives should be the first step taken.

#### Foreign Travel Market Research

As in marketing of manufactured products, the first and foremost information needed by the tourism product developer is about the demand from the markets. Who are the prospective purchasers? What type of products do the consumers need most? When and at what prices do they purchase the products? There is a long list of questions that the national tourism administration must answer when embarking on promotion of inbound international travel.

The national tourism administrations of most Asian countries have not been compelled to answer these important questions mainly because of the involvement of foreign tour operators. These tour operators, with easy access to tourists in tourist-generating countries, exert decisive influence on the trip decisions. In many cases foreign tour operators play a very effective role, showing good knowledge of the market and specialized expertise. However, as long as they continue to put salable products on the market, they are not concerned with long-term tourism development as such in a certain country. In order to ensure a long-term success, the national tourism administrations must sooner or later initiate systematic analyses of the major travel markets from their own perspective.

Most of the developing countries of Asia have not been able to conduct significant foreign travel market studies because of the exorbitant cost involved. This is an area where the developing countries can share financial, and other, resources effectively because the cost for such study does not increase proportionately to the number of participating countries. And generally a number of destination countries in a region or subregion share some segments of travel markets.

From a technical viewpoint also, cooperative foreign travel market studies by a group of destination countries have clear merit. The majority of longhaul organized tours to Asia cover a number of countries. For marketing of multi-destination products, a multi-country approach in market studies is logically more appropriate.

Foreign tourism market studies by the governments of destination countries should be aimed at technical improvement of overseas travel marketing, reduction of dependency on foreign expertise, and on the determination of optimum tourism development in quantitative and qualitative terms.

In view of these objectives, a cooperative market study should be designed to identify, among others, (1) segments of a certain market most responsive to sales approaches of tours to the region and respective countries in it, (2) the image of the region held by tourists as compared to other destination, (3) major problems that tourists are worried about in the region, (4) major bottlenecks in development and marketing of tourism products experienced by tour operators and other types of tourism enterprises, (5) effective ways of diversifying tourist resources within the region and in respective countries, and (6) potential expansion of tourist traffic.

Findings on these aspects, when combined with analysis of economic and social backgrounds of the market affecting tourism trends, would enable the governments to pinpoint the target of marketing efforts. They could then assess the potential of tourism within the framework of general economic development. Such assessment is particularly important because many of the governments, although impressed by the steady growth of international tourist traffic and its economic impacts, are not yet convinced in any way about the future tourism trends, hence the difficulty in according due intersectoral priority to tourism. It should be noted, however, that a study of international tourism trends alone cannot fully facilitate appraisal of the tourism sector unless it is combined with precise measurement of economic benefit from this sector.

Foreign market studies, as part of a cooperative regional programme, should be designed in such a way that hindrances and potentials of inbound tourism can be identified at national and regional levels. National characteristics should be defined so that competitive and complementary relationships within the cooperating countries will be established. Also, comparisons with other regions should be made, because cooperating countries compete with, and complement, other regions and countries in other regions.

#### Problems of Image

Psychological aspects of travel promotion do not seem to have drawn much attention from the national tourism administrations

of Asian countries. These aspects are particularly important in promoting long-haul travel from major travel markets with heterogeneous cultural backgrounds, namely Europe and North America. Images held by tourists about a certain destination are as essential a factor as the physical and institutional facilities provided for tourists.

The majority of European and North American tourists have only a vague idea about the various destinations in Asia. It is hard for them to distinguish between the cultural characteristics of Asian countries. Many surveys have shown that only a negligible portion of the European and American travelling public has a desire to visit Asian destinations before they see other areas. In terms of actual international tourist expenditures by Europeans and Americans, Asia and the Pacific account for only a fraction of the total. In 1978, according to available statistics, the West Germans spent only 1.8 per cent of their international tourist expenditures in Asia and the Pacific, and Americans tourist expenditures in the region were 3.3 per cent of the total.

Besides the lack of knowledge -- it cannot be denied -- there is among these foreign tourists a deep-seated concern about insecurity, troublesomeness and unsanitary conditions of trips in Asia. In promoting intra-regional tourism in Asia, which accounts for over 60 per cent of international tourist arrivals there, image problems constitute a major hindrance.

This is one of the basic and the most important areas to be effectively tackled through collective efforts among the countries in various subregions of Asia. Through the foreign market studies mentioned earlier, specific problems and hindrances common to the region or subregion should be identified and systematically analyzed.

Currently, except for a small number of tourists on F.I.T. (Foreign Independent Travel), tourists to Asian destinations prefer to travel in a group through package arrangements provided by their own tour operators. Their decisions on travel to Asian destinations largely depend on the established reputation of tour operators. It is right and proper for national tourism administrations to cooperate with foreign tour operators in such a manner that they can further promote inbound tourism to their respective Asian countries through dissemination of correct information. But this is not done in many cases. Foreign tour operators may emphasize a biased image of Asian destinations to boost their sales.



There are two activities that countries in various subregions of Asia can conduct collectively to alleviate image problems. One such activity would be joint publicity aimed at eliminating unfounded concerns and worries among prospective holiday travelers to Asia. Such an effort should constitute part of the joint tourism marketing, which would comprise market research and publicity in a broader sense. When there is some political instability in one country, tourism in neighbouring countries suffers greatly. A story of a tourist who becomes ill with endemic disease may result in cancellation of a number of group tour arrangements. Any insecure factors tend to be drastically magnified in the psychology of tourists. Since in most cases long-haul tourists visit a number of countries on a single trip to Asia -- regarding a cluster of countries as a single destination area -- a number of neighbouring countries should collaborate in methodical publicity of suitable traveling conditions.

Such publicity must be conducted through the mass media in major travel markets for it to have a far-reaching impact. And it would be essential to convince the traveling public of safety and conveniences commonly assured in all destination countries concerned because a worry about one of the countries could affect tourist traffic in the entire area. For this purpose, cooperative efforts should be made for regional familiarization trips for journalists, joint press conferences, common news releases, etc.

Another form of joint activity that could be undertaken to negate the groundless worries of tourists is a collective quality guarantee of tourism products by national tourism organizations, in cooperation with the private sector. International hotel chains, for example, utilize standardized specification of facilities/services as an essential leverage in sales promotion. As one hotel chain puts it in its ad, "no surprise is the best surprise" for anxious tourists.

In this respect, many aspects of tourism industry operations could be standardized among the cooperating countries, such as security measures of hotels, hygienic standards of restaurants, basic facilities of hotels and airports, transportation systems between airports and hotels, tourist information centres, tourist maps and other literature, etc. If uniform specifications in systems related to tourism were implemented collectively in the cooperating countries, it would drastically reduce the apprehensions and confusions of tourists. Such uniform arrangements could be effectively publicized under some easily comprehensible concept and terminology.

### Overseas Tourism Publicity

The merits of cooperative publicity among the countries are similar to those of cooperative study/research, in the sense that the cost for such activities is not directly affected by the number of countries jointly conducting them. A travel brochure can feature a number of countries, instead of one, without substantial increase in production cost. Since effective overseas tourism publicity has been deterred mainly by the exorbitant cost involved, the pooling of individually small, but collectively substantial, financial resources should be more actively promoted. Tourists from long-haul markets generally viewing a cluster of countries as a single destination area. They feel that the high cost for a long-haul trip cannot be justified unless they visit a number of destinations. Thus, joint tourism publicity can have a strong motivating power.

Intergovernmental bodies such as the East Asia Travel Association (EATA) and the Subcommittee for Tourism of ASEAN were established, solely or partly, to promote joint tourism publicity among the countries of Asia. South Asian countries organized joint tourism publicity under the umbrella of the South Asian Regional Tourism Commission. The ASEAN Promotion Centre on Trade, Investment and Tourism (ASEAN Centre), established in Tokyo to further vitalize the outbound tourism from Japan to the ASEAN region, is a new type of arrangement. Among these cooperative bodies, only EATA and ASEAN Centre have implemented tourism marketing programmes, including publicity, on a regular and continuous basis with permanent institutional arrangements. The detailed description of the objectives and activities of these two organizations is appended to this paper.

Despite all the merits of a cooperative action for tourism publicity, some aspects require technical coordination among the participating countries. There is in fact another side to the principle of joint publicity. Cooperating countries both compete with and complement each other in emphasizing tourist attractions. If for example a tourism poster is produced for a group of countries, should it feature the same kind of attractions in the respective countries, or different kinds? If the latter is the choice, who is to decide the kind of attractions for each country? Various positions and views on publicity methods may need to be coordinated for every round of activities.

One practical solution would be to base a joint publicity strategy on the findings of a joint foreign market study, and then to leave

the technical decisions to publicity professionals. Where some, or all, of the participating countries have travel promotion programmes in the same market where the regional programme is to be conducted, coordination will also be needed between the regional and national approaches. In a practical sense, the success of joint publicity activities will largely depend on an attitude of compromise in each participating country.

#### Measurement of Economic Impacts

As stated earlier, foreign travel market studies can, through examination of potential benefits from tourism, facilitate decisions with regard to the appropriate level of resource allocation for tourism. In order to precisely evaluate the existing and potential benefit of tourism, however, measurement of tourist receipts in net terms is a prerequisite. Most governments record "international tourism receipts" which correspond to "Travel Credits" in IMF standard reporting form.

But the other side of the coin, namely the foreign exchange siphoned off for importation of foreign capital/goods/services, has not been fully investigated by individual countries. The effect of tourism upon national income has not been precisely measured with appropriate appraisal methods. Macro-economic implications of employment generated directly and secondarily by tourism have not been defined systematically. Further, due to lack of relevant economic data, complementary relationships between tourism and other economic sectors have not been methodically established. Many governments are compelled to take more or less arbitrary decisions on the role of tourism. Classic complaints of national tourism administrations of the low priority accorded to tourism in development resource allocation cannot be persuasive unless they are based on the scientific appraisal of tourism in comparison with other economic sectors.

Due to the multidisciplinary and complex nature of tourism, analysis of its economic impacts will be time-consuming and will require specific knowledge of various disciplines. It seems that most of the developing countries in Asia have not initiated such research projects because they have not been able to fund the sizeable research expenditures and muster relevant expertise.

According to the 1980 PATA Annual Statistical Report published in November 1981, the national tourism administrations of Sri Lanka and the Philippines surveyed the impacts of international tourism on their economies and societies. Economic agencies and academic

institutions of ASEAN countries, in cooperation with an Australian academic institution, have launched a cooperative research programme on the role of service trades, including tourism. In India, a comprehensive cost-benefit analysis of tourism was conducted in 1975. In other countries of Asia, developed and developing, studies/surveys on the same aspect have also been implemented. However, there is still a clear need to improve and expand such works. In some countries and subregions of Asia, there are few generally accepted conclusions with respect to the macro-economic benefit of tourism in net terms. Those studies/surveys which have been conducted have not fully defined the role of tourism in general development. Any study on the impacts of tourism requires a multidisciplinary approach to be comprehensive, as extensive inquiry must be made into various related economic sectors. Financial and technical resources available to respective countries in a region should be pooled and shared for such studies.

This type of cooperation would in the initial stage facilitate the refinement of research methodology through exchange of knowledge and experience, and also would define specific research objectives. With this done, the cooperating countries would be ready to jointly conduct the study on the basis of the established common approach.

It can be expected that such cooperative study would lead to substantial standardization of appraisal criteria of the tourism sector, which in turn would lead to a common theoretical base for tourism policy formulation. However, even if a theoretical base is collectively adopted by the countries in a region, due to their peculiar economic structures the priority of the sector and the specific promotion measures of those countries would not necessarily be identical. Establishment of a common theoretical base would certainly create greater confidence in the respective governments for their tourism policies and planning.

#### Tourism Manpower Development

In most of the developing countries in the region, a dearth of skilled manpower constitutes one of the major hindrances to overall tourism development. Investments in tourism projects are significantly discouraged by a lack of reliable management and other operational skills. Almost all the developing countries in the region have imported costly tourism professionals to a disturbingly large extent. The need for improving the professionalism of national tourism administration staff in tourism research,

planning, publicity and regulation, etc. is keenly felt in many countries.

Despite strenuous efforts by governments and international organizations, the problem persists. Since 1959 governments have requested and received technical assistance from ILO in launching national tourism training institutions. One of the major restrictive factors common to all such national institutions is a shortage of qualified teaching staff, even in the training programmes of private tourism enterprises. Training staff must be versed in specific technicalities of a national tourism organization's operations, hotel and catering management, hotel crafts, travel agencies/tour operators, etc. In addition, knowledge of the socio-economic backgrounds of tourism trends is required. Training of teaching staff through government or bilateral grants and scholarships has not nurtured sufficient volume of qualified indigenous people.

To fill this need, a subregional/regional framework could be effective. These tourist-receiving countries share the same tourist-generating markets, and tourism development in the respective countries is subject to many common causative factors, both local and overseas. Because of similar -- in many cases identical -- catering requirements, these countries are in a position to launch a joint training programme. Many forms of resource-sharing can be implemented: exchange of teaching staff, curricula, trainees and other components; and upgrading of some national training centre(s) into a subregional/regional one are among them. Such centre(s) could concentrate on training of teaching staff of national and private training programmes, or offer curricula for high-level managerial categories of tourism occupation. Depending on the requirement, such centre(s) could send missions of teaching staff to respective countries.

The institutional mechanism for resource-sharing, particularly for training of tourism teaching staff and high-level managerial workers, is yet to be precisely defined at the regional level. There is a clear need for an in-depth analysis, and for providing the opportunity for developing countries to jointly study the methodology for subregional/regional cooperation for tourism manpower development.

### Concluding Remarks

This paper does not by any means negate the importance of those areas which it did not single out for elaboration. Fully recognizing the urgent needs for regional cooperation in such crucial areas as travel facilitation, international aviation and control of environmental and social impacts of tourism, etc., this paper shed light on those aspects of tourism development where regional cooperation could be most readily utilized by participating countries.

In the field of travel facilitation, progress in regional cooperation will await coordination of national positions in simplification/standardization of such items as passports and visas, customs formalities/allowances, health regulations, vehicles, and information on tourist facilities. Similarly, introduction of collective promotional airfares is also a policy matter for the respective cooperating countries. Control of any undesirable impact of tourism upon the society should be based on the analysis of cultural and religious background of the country concerned. However, exchange of knowledge and experience should be intensified in all conceivable fields of regional cooperation, irrespective of whether the final outputs are readily forthcoming or not.

APPENDIX  
TO  
"REGIONAL CO-OPERATION IN TOURISM DEVELOPMENT"  
FOR  
SYMPOSIUM ON TOURISM DEVELOPMENT -  
ECONOMIC AND SOCIAL IMPACT OF TOURISM

I. TOURISM ACTIVITIES OF THE ASEAN PROMOTION CENTRE  
ON TRADE, INVESTMENT AND TOURISM

A. Background

10. The ASEAN Promotion Centre on Trade, Investment and Tourism (hereinafter referred to as the ASEAN Centre) was formally established as an intergovernmental body upon the entry into force on 25 May 1981 of the Agreement signed on 22 December 1980 by representatives of the member countries of the Association of South-East Asia Nations (ASEAN) and Japan.

11. Prior to formalization of the ASEAN Centre, the need for it was acknowledged and it functioned with provisional status for some time. The Provisional ASEAN Promotion Centre on Trade, Investment and Tourism (hereinafter referred to as the Provisional ASEAN Centre) was declared functional on 20 December 1979 at the inaugural meeting of its Executive Board held in Tokyo. (This meeting was held pursuant to the Interim Arrangement of the Provisional ASEAN Centre which set forth the basic agreement between the Governments of Japan and ASEAN member countries with respect to objectives and activities of the Provisional ASEAN Centre. The Interim Arrangement thus constituted the predecessor to the formal Agreement establishing the setting up of the ASEAN Promotion Centre on Trade, Investment and Tourism, which hereinafter will be referred as the Agreement).

12. Pursuant to Article VI of the Agreement, the inaugural meeting of the Council of the ASEAN Centre was held on 30 June and 1 July 1981 in Tokyo. It discussed and made decisions on matters pertaining to the inauguration of the newly born intergovernmental organization such as the appointment of the secretary-general, adoption of the plan of operation and work programme, internal regulations, annual work programme, and budget for the period from 25 May 1981 to 31 March 1982. The Council decided to establish the Headquarters (the secretariat) of the ASEAN Centre in the World Import Mart Building at Ikebukuro, Tokyo, and to open and establish in the Headquarters the permanent ASEAN Exhibition Hall for Trade, Investment and Tourism.

13. As the Agreement stipulates that the Governments of Japan and the ASEAN member countries agree to set up the ASEAN Centre in Tokyo fully recognizing the urgent need to promote exports from ASEAN countries to Japan, to accelerate Japanese investment and also to further vitalize Japanese outbound tourism to those countries, the Council agreed that priority be given to the staging of exhibitions, the dispatch of trade missions, the holding of conferences and seminars on investment and public relations in respect of tourism. The Agreement specifies the activities of the ASEAN Centre as follows:

(a) To introduce and publicize in Japan products, industries, investment opportunities and tourism resources of the ASEAN member countries;

(b) To assist and advise, where appropriate, missions from and to the ASEAN countries on trade, investment and tourism which will enhance ASEAN's interest;

(c) To serve as a channel for the meaningful exchange of information relevant to the enhancement of ASEAN external trade, investment and tourism including rules and regulations concerning market access, as well as to prepare and analyze marketing data and information. Among other things, the Agreement also sets forth that:

(i) The Governments of the ASEAN countries and the Government of Japan should share the expenses of the ASEAN Centre, in accordance with the respective national laws and regulations and within the limits of their respective budgetary appropriations;

(ii) The Government of Japan should, in accordance with its relevant laws and regulations, give duty free entry and every possible facility to assist in the import of ASEAN goods and materials for promotional display and, where appropriate, for subsequent distribution of such goods and materials as free samples. The Government of Japan should also in accordance with its relevant laws and regulations give every possible facility to assist in the subsequent sales of such goods and materials.

#### B. Activities during the provisional period

14. After the inauguration of the Provisional ASEAN Centre on 20 December 1979, it was necessary to prepare a draft budget and draft work programmes for a number of periods due to the



provisionality of the Centre. The principal arm of publicizing and introducing the ASEAN products, investment opportunities and tourist attractions in the region was the Permanent Exhibition Hall in the World Import Mart Building at Ikebukuro in Tokyo displaying about 2000 items of ASEAN products and also some tourism promotion materials. The secretariat of the Provisional Centre during the period organized in spite of the limitation stemming from the provisionality a special exhibition of ASEAN furniture and wooden products and two tourism consumer presentations in Tokyo and Osaka. The Executive Board held a number of meetings including five Working Group Meetings during the provisional period and it approved the tentative work programmes and budget and also discussed matters related to the forthcoming formal ASEAN Centre.

15. At the Working Group (II) Meeting held in order to finalize the draft work programme and budget for the provisional period, member countries unanimously approved the following as the main tourism activities:

- (a) Organization of an ASEAN tourism presentation for the consumer sector (as distinct from tourist trade);
- (b) Production of an ASEAN area map;
- (c) Production of joint promotion materials;
- (d) Production of a travel film.<sup>3/</sup>

16. The head of the secretariat of the Provisional ASEAN Centre made visits to the ASEAN countries leading a small group of Japanese businessmen to discuss with the Governments major problems and their possible solutions. Regarding tourism, a strong need was felt by him for coordination of activities and objectives of the Provisional ASEAN Centre and ASEAN's Committee on Trade and Tourism. In his view, cooperation was only possible through the prior exchange of work programmes between the two bodies.

17. The details of tourism-related activities actually implemented during the provisional period are:

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<sup>3/</sup> Due to financial constraint, the production of a travel film had to be suspended. The budget originally appropriated for film production was used for organizing another consumer sector presentation.

(a) Tourism presentations directed at the general public. For the purpose of realizing the potential tourism demand in metropolitan areas of Tokyo and Osaka through projection of specific tourism resources in respective countries, two presentations were organized on 30 January 1981 in Osaka and 5 February in Tokyo. Support and cooperation was provided by a leading Japanese newspaper company, ASEAN countries' national tourist organizations and flag carriers. Both presentations were entitled "ASEAN Travel Evening" and drew large audiences - 557 and 607 respectively in Osaka and Tokyo. They had to be drawn from 1582, 3014 mail applicants respectively.

(b) Dissemination of information and intermediary services. The tourism information service of the Provisional ASEAN Centre could be divided into two categories, i.e.:

(i) Spontaneously introducing the tourist attractions to member countries to the segments of the Japanese travel market which have not been familiarized with and have not developed specific interest in these countries;

(ii) Answering detailed travel inquiries made by those who are actually planning a trip to the areas including the ASEAN region.

18. From January 1980 to March 1981, 2853 persons visited the ASEAN Exhibition Hall to obtain specific travel information. During the period, 98 inquiries by telephone and letters were answered. As an aid in providing potential tourists with up-to-date information 55,906 copies of tourists pamphlets were distributed during the period out of 61,610 which had been collected from national tourism offices of ASEAN. Additionally, 7912 copies of the "ASEAN Travel Brochure" covering the region as a whole were distributed to prospective travellers and travel agents.

### C. Financial arrangements for the provisional period

19. The total funds donated by member countries for administrative and promotional activities of the Provisional ASEAN Centre in respect of trade, investment and tourism was equivalent to \$US1,043,354 for the last 12 months preceding its formalization (25 May 1980 - 24 May 1981). This constituted the only component besides bank interest of the Provisional ASEAN Centre's revenue for the period. The amount \$US583,887 (representing 55 per cent of total expenses) was spent for administration including staff expenses, office maintenance, etc., while costs for operation

of the Exhibition Hall (including information service) accounted for 31 per cent at \$US322,454 and costs for promotional activities (including trade, investment and tourism) 14 per cent at \$US146,521.

20. The costs for administration and the Exhibition Hall operation/maintenance had the nature of overheads and were difficult to break down into respective elements of trade, investment and tourism. As far as the promotional costs were concerned, expenses for tourism activities accounted for 43 per cent of the sum at \$US 62,918.

D. Activities planned for current term  
(25 May 1981-31 March 1982) of operation

21. The work programme of the ASEAN Centre for the first term of operation in its formal capacity (25 May 1981-31 March 1982) specifies three areas of activities, namely, exhibitions and related activities, trade and investment, and tourism. Exhibition and related activities refers to permanent and specially organized export product displays at the permanent ASEAN Trade, Investment and Tourism Exhibition Hall, "in-store-exhibitions" at department stores and other commercial establishment, participation in major international trade fairs, and large-scale travel trade presentations as well. Included as supportive efforts in this category are advisory services by Japanese commodity specialists/designers for designing and selection of exhibits, production of tourism displays and related public relation works. Total budgetary allocation for this category is ¥ 115,170,000 out of which ¥ 8 million is for Japanese travel trade and tourism display materials.

22. The second category, trade and investment, comprises research, missions, seminars, technical cooperation and information and intermediary services connected with trade and investment and has no direct bearing with tourism promotion.

23. Organization of tourism presentations directed to the general public or prospective tourists as distinct from the tourism industry falls under the third category, tourism, within the framework of the ASEAN Centre's current work programme. In order to arouse stronger interest in specific tourist resources of the ASEAN countries in the unexplored segments of Japanese travel market, two presentations in metropolitan areas and one in other locality are planned, with budget allocation of ¥8,124,000.

24. Another major activity under the tourism category of the work programme is the production of tourism promotion materials planned at ¥ 21 million (¥ 18 million for a travelling film, ¥ 1.5 million for an ASEAN tourist map and another ¥ 1.5 million for leaflets).

25. Besides consumer presentations and promotion material production, ¥ 3 million and ¥ 1 million are allocated respectively for general information services and participation in the 3rd Japan Congress of International Travel scheduled for December 1981 at Tokyo.

E. Budget for tourism activities

26. The budget of revenues and expenditures for the period from 25 May 1981 to 31 March 1982 as approved at the inaugural meeting of the Council of the ASEAN Centre is as follows:

	<u>Unit - ¥ 1000 (\$US 1000</u> <u>as converted at a rate</u> <u>of ¥ 220 = \$US 1)</u>
I. Revenues	
Contribution from Japan including rent of Permanent Exhibition Hall	426 450 (1 938.4)
Contribution from the ASEAN countries	43 016 ( 195.5)
Total	459 456 (2 133.9)
II. Expenditures	
Promotional activities	
Exhibitions and related activities	115 170 ( 523.5)
Trade and investment	59 269 ( 269.4)
Tourism	33 124 ( 150.6)
Sub-total	207 583 ( 943.5)
Administration	222 601 (1 011.8)
Rent of the Permanent Exhibition Hall	39 302 (2 133.9)

## II. ACTIVITIES OF THE EAST ASIA TRAVEL ASSOCIATION

### A. Introduction

27. The East Asia Travel Association (EATA) is a regional tourist body composed of national tourist organizations, air carriers, hotel associations and travel agents' associations in the East and South-East Asia region. The constitution of EATA was adopted at its first general meeting on 4 March 1967 and has been revised a number of times so as to reflect the new interests and requirements of its members. Its membership includes Governments, airlines and allied and associate members from among others Hong Kong, Japan, Macau, the Philippines, the Republic of Korea, Singapore and Thailand. Government members are the primary official tourism organizations designated by the respective Governments.

28. Founded in 1966 as a consortium of national tourist offices in the east Asia area, EATA decided in July 1970 to enlarge its membership so as to include other important sectors of the tourist industry.

29. The countries and areas in the subregion, handicapped by their distance from the traditional travel markets in Europe and America, share a strong motivating spirit: to combine their efforts in stimulating a tourist influx to the region as it constitutes a single destination area from the travellers' point of view. The region covered by EATA offers a broad variety of tourist attractions, both natural and cultural, crowding together in a relatively small area. This fact has urged and facilitated the subregional cooperation embodied in EATA. Continued trends of mass tourism and repeated travel from long-haul travel markets are expected to provide further incentives to EATA members in further promoting their tourism potential.

### B. Objectives

30. As stipulated in its Constitution, the purpose of EATA are:

- (a) To promote tourism in the region of the member countries;
- (b) To encourage and facilitate the flow of tourists to this region from other parts of the world;

- (c) To develop regional tourist industries through close cooperation among members of the Association;
- (d) To encourage the international transport, hotel, and travel agency trades to support, and to collaborate with, the Association.

### C. Activities

31. To achieve its objectives, according to its Constitution, EATA is to undertake activities to promote:

- (a) Cooperation in travel marketing and joint publicity;
- (b) Joint research on tourism;
- (c) Improvement of tourist facilities in respective countries;
- (d) Improvement of receiving set-up for visiting tourist;
- (e) Technical cooperation in activities connected with tourism.

32. As a matter of fact, EATA has been engaged in various activities in keeping with the above objectives, but the major portion of its over-all effort has been focused on marketing in the European, North American and Australian travel markets.

#### 1. Tourism marketing

33. Through its regional chapters based in London, Paris, Frankfurt, New York, Chicago, San Francisco and Sydney, EATA has been carrying out a variety of marketing activities with the maximum impact intended on the travel industry in Europe, North America and Australia.

34. Among these activities are:

- (a) Organization of travel seminars and presentations;
- (b) Participation in trade shows and public fairs;
- (c) Issue and distribution of press releases;
- (d) Information service;

- (e) Free loan of EATA joint films and slides;
- (f) Dissemination of EATA brochures and other promotional aids.

35. It should be noted that the activities mentioned above are directly undertaken by the members of the regional chapters in the travel markets who are stationed there on a permanent basis. They are the overseas branch offices of respective national tourist organizations and airlines of member countries being assisted by local allied/associate members in specific promotion activities.

## 2. Production of promotional aids

36. Among activities under this heading may be included:

- (a) Travelogue films, The Answers in East Asia in English, German and Spanish and Faces of East Asia in English, German and Spanish;
- (b) Printed materials: "East Asia travel manual" (for trade) in English, French and German editions, and "The eight stars of the East in one holiday epic" (for consumers) also in English, French and German editions;
- (c) Posters

## 3. Other activities

37. Contacts and exchanges of experiences and "know-how" are maintained among member countries of EATA and with international organizations directly connected with tourism, such as, the Pacific Area Travel Association (PATA) and World Tourism Organization (WTO).

## D. Membership

38. There are four categories of membership in EATA, government members, airline members, allied members and associate members. Government members, by the relevant provision of the Constitution, are the primary official tourism organizations designated by the Governments of member countries and areas. Airline Members are national air carriers of the countries and areas of the government members. Allied Members are trade associations

representing hotels, tour operators and/or travel agents in the member countries and areas. Associate members are air, sea and/or land carriers, except those entitled to airline membership, which provide passenger services to, from and within the member countries and areas.

## F. Organization

### 1. General meeting

39. EATA holds a general meeting twice a year to deliberate on and to decide its general policy within the framework of its Constitution. When the situation so requires, an extraordinary general meeting may be held on the decision of the Executive Committee. At those meetings, a government member has two votes, while an airline member, the combined allied membership and the combined associate membership respectively have one vote. EATA can invite any tourist organization or travel association to attend the general meeting as an observer. The general meeting consists of the elected officers of EATA and the representative of each member.

### 2. Executive Committee

40. The Executive Committee consists of the elected officers. The Committee oversees the Secretary General's activities, provides guidance and gives advice normally by correspondence, but a special meeting is held when it is necessary.

### 3. Marketing Committee

41. The Marketing Committee meets twice a year, preceding the general meeting. It is held primarily to formulate and recommend to the general meeting new marketing policies and programmes as and when appropriate. This Committee consists of the marketing director, and one representative of each member.

### 4. Secretariat

42. The office of the Secretariat is headquartered in the Japan National Tourist Organization in Tokyo and it conducts the day-to-day business of EATA.

### 5. Regional chapters

43. Regional chapters implement the marketing activities of EATA under the supervision of the Secretary General pursuant to



decisions of the general meeting. Normally direct representatives of the marketing region from each of EATA's Government, airline, allied and associate members are the chapter members in a corresponding capacity. The funds of the regional chapters are allocated by the Secretary General in accordance with the decisions of the general meeting. The marketing regions to be served by each of the regional chapters are indicated in the annex to this paper.

#### G. Officers

44. The officers of EATA at present are: a President, a First Vice-President, a Second Vice-President, a Third Vice-President, a marketing Director and an Auditor.

45. The President is elected from the country or territory where the first general meeting of each calendar year is held and is a representative of government members. The First Vice-President is elected from the combined airline membership and is a representative of airline members. The Second Vice-President is elected from the country or territory where the Secretariat is located and is a representative of government members. The Third Vice-President is an elected representative of the combined allied membership.

#### H. Financial status

##### 1. Fiscal year

46. The fiscal year of EATA commences on 1 July. Dues and assessments are paid by each member at the beginning of the fiscal year. All necessary expenses for carrying out joint publicity and any other specific joint marketing activities conducted by EATA are shared by the members on the basis determined by the general meeting. Members of the EATA regional chapters directly engaged in such activities provide manpower on a non-reimbursable basis.

47. The membership dues and marketing assessment of EATA for fiscal year 1981/82 amount to \$US 264,100.

Annex

MARKETING REGION OF THE REGIONAL CHAPTERS

North America East Coast Chapter

- a. The following States of the United States of America:

Alabama, Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia.

- b. The following provinces of Canada:

New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, Quebec.

North America West Coast Chapter

- a. The following States of the United States of America:

Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oklahoma, Oregon, Utah, Washington, Wyoming.

- b. The following provinces of Canada:

Alberta, British Columbia, North West Territories, Yukon.

North America Central Regional Chapter

- a. The following States of the United States of America:

Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, Texas, Wisconsin.

- b. The following provinces of Canada:

Manitoba, Saskatchewan.

Australia and New Zealand Chapter      Australia and New Zealand

United Kingdom Chapter                      United Kingdom

Central European Chapter

Austria, Federal Republic of  
Germany, German speaking part  
of Switzerland

French Chapter

France, Belgium, Luxembourg,  
French speaking part of  
Switzerland