



CSA/CAP/19/DEC

**DECISIONS TAKEN BY THE UNWTO COMMISSION FOR SOUTH ASIA AND THE
UNWTO COMMISSION FOR EAST ASIA AND THE PACIFIC
AT THEIR NINETEENTH JOINT MEETING**

Islamabad, Pakistan, 25 April 2007

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UNWTO COMMISSION FOR SOUTH ASIA AND
UNWTO COMMISSION FOR EAST ASIA AND THE PACIFIC
Nineteenth Joint Meeting
Islamabad, Pakistan
25 April 2007

AGENDA

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4. Preliminary Remarks by the Secretary-General
5. Regional Activities
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6. Preparation for the 17th Session of UNWTO's General Assembly
 - 6a – Structure of the 17th Session of UNWTO's General Assembly
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7. The Organization's general programme of work
 - 7a – General framework for the UNWTO programme of work 2008-2009
 - 7b – Application of the programme of work 2006-2007
8. Update on UNWTO's STEP Initiative
9. Place and date of the twentieth joint meeting of the two Commissions

PREAMBLE

1. The nineteenth joint meeting of the UNWTO Commission for South Asia and the UNWTO Commission for East Asia and the Pacific was held in Islamabad, Pakistan on 25 April 2007. The joint meeting was held in conjunction with the 49th meeting of the UNWTO Commission for South Asia, the 45th Meeting of the UNWTO Commission for East Asia and the Pacific and the UNWTO Asia-Pacific Conference on Low Cost Carriers.

2. The meeting was chaired by **Pakistan** and co-chaired by **China**. There were forty-seven participants representing Australia, Cambodia, China, Fiji, India, Indonesia, Islamic Republic of Iran, Japan, Malaysia, Pakistan, Philippines, Republic of Korea, Sri Lanka, Thailand and Vietnam. The Associate Member, Hong Kong SAR as well as other Member States from Croatia, Egypt, Georgia and Kazakhstan were also represented. A list of participants is attached.

DECISIONS

ADOPTION OF THE AGENDA

Agenda item 1 (document CSA/CAP/19/Prov.Ag.)

3. The Secretariat requested that one more item be added to the provisional agenda to replace item 8. This item would be an update of UNWTO's STEP initiative which would be presented by the representative of SNV Netherlands based in Nepal. Therefore the original item 8 which was "place and date of the 20th meeting of the Commission" on the provisional agenda became item 9 on the agenda.

4. The provisional agenda was **adopted** with these modifications and the final agenda of the meeting is located on page 2.

COMMUNICATION OF THE CHAIRMAN

Agenda item 2 (document CSA/CAP/19/2)

5. **Pakistan**, the Chairman of the two Commissions thanked the members for granting Pakistan this valuable opportunity. The Chairman expressed his satisfaction that Pakistan's chairmanship of the meeting of the two commissions had coincided with Visit Pakistan Year. This, he said, would bring about awareness of Pakistan's tourist products. He went on to give an overview of Pakistan's tourism performance for the year 2006 and the factors that have contributed positively to this. Finally, he encouraged fellow member States to seek areas of cooperation with each other in order to combat common problems such as poorly perceived tourist image and fierce competition.

COMMUNICATION OF THE CO-CHAIRMAN

Agenda item 3 (document CSA/CAP/19/3)

6. **China**, the Co-Chairman of the joint Commission expressed satisfaction at the fact that tourism in Asia and the Pacific region had maintained a sound growth momentum in spite of unfavourable conditions such as wars, terrorist attacks, increase in fuel prices, health scares and

natural disasters. He went on to praise UNWTO's remarkable role in the development of world tourism since its establishment 60 years ago. This has played an instrumental role in UNWTO's transformation into a specialised agency of the United Nations – a situation which has greatly enhanced tourism's status within the international community. He was particularly impressed by the Organization's achievements with regard to the ST-EP initiative, as well as its commitment to quality and excellence which will soon result in the establishment of the UNWTO Centre of Excellence for Destinations. He also expressed the great importance that China attaches to its cooperation with UNWTO and attributed China's remarkable progress in the field of tourism to this cooperation. Finally, he urged fellow members of the two commissions to reinforce cooperation between themselves especially in the face of their common challenges, in order that tourism in Asia and the Pacific region, which is already on a very good track, will enjoy an even stronger growth.

PRELIMINARY REMARKS BY THE SECRETARY-GENERAL

Agenda item 4 (document CSA/CAP/19/4)

7. The remarks of the Secretary-General of the World Tourism Organization, which was delivered by the Deputy Secretary-General, centred on four major areas: the situation of international tourism, changes in the structure of the UNWTO Secretariat, the financial situation of the Organization and the major activities planned for 2007.

8. World tourism consolidated the growth phase it had entered three years back even in the midst of unfavourable global conditions such as natural disasters, hikes in fuel prices, terrorist attacks etc. All regions experienced growth with Africa leading by +8.1 per cent, followed closely by Asia and the Pacific with +7.6 per cent. In the region, India's performance was particularly remarkable (+12 per cent) doubling that of China. However, in absolute terms China received 49.6 million international tourist arrivals while India recorded 4.4 million. In fact, China overtook Italy as the fourth most visited country of the world in 2004, and as the host of the Olympic Games in 2008, the probability that it will move up to the third position is very high.

9. The effects of September 11 on the United States still linger on. Its image abroad is still tarnished by the cloud of insecurity which potential visitors seem to sense is still hovering. Consequently, while its arrivals are still below pre-September-11 levels, its neighbouring countries are also experiencing a serious dip in their arrival figures because Americans seem to have lost their love for travel.

10. The crises generated by September 11 in addition to health scares, political conflicts, terrorism and natural disasters of these last few years have left their mark on world tourism. Its growth pattern is now more moderate, more solid and more responsible. The double digit growth rate of 2000 and 2004 is going to be difficult to achieve in the immediate future. Growth rates for arrivals of 4 per cent a year will now be the norm. Shocks and crises have become so much a part of everyday living that governments, businesses, consumers and international institutions such as UNWTO have learnt to anticipate and respond effectively to them. Travellers are also taking security concerns in their stride and are treating them as just another consideration when choosing destinations.

11. The Organization has seen an increase in its membership over the last few years and this has resulted in a corresponding rise in our statutory obligations and workload. We have increased the

activities in our programme of work in response to expectations expressed by our members States as well as the obligations which stem from our new status as a specialised agency of the United Nations. This period has also coincided with the challenge of replacing some very seasoned and experienced senior staff members who are due retirement with a younger team which is professionally qualified and capable of building on the foundation built by their predecessors. Some of these are already on board and others have yet to be recruited with due consideration to geographical balance.

12. Consequently, a number of changes have been made / are planned to be made in the organizational and decision-making structure of the Organization in order to reinforce the Management team, to foster internal synergies and to ensure better coordination of the activities of the programme of work. The Management Team which used to be made up of the Secretary-General and the Deputy Secretary-General has been reinforced by the addition of an Assistant Secretary-General and a Director of Programme and Coordination making it a team of four. However, the main changes centre on the division and the content of programme activities which have been better structured because of their grouping into clusters.

13. The good financial situation of the Organization for 2006 was boosted by the payment of contribution arrears by some countries, voluntary contributions by others and the sale of publications through UNWTO's e-library.

14. Major events planned for this year include the Fifth International Forum for Parliamentarians and Local Authorities, (Tunisia, June) immediately after the 80th session of the Executive Council; the second summit on Tourism and Climate, (the technical component shall take place in Switzerland in October and the ministerial segment shall be held within the framework of World Travel Market in London in November). Other events are World Tourism Day celebrations in Sri Lanka on 27 September with the theme "Tourism Opens Doors for Women; the first major conference on Tourism, Intercultural Dialogue and Religions in Spain at the end of October; and the 17th session of the General Assembly in Cartagena de Indias, Colombia, from 22-29 November 2007.

REGIONAL ACTIVITIES - PROGRESS REPORT ON ACTIVITIES OF THE ORGANIZATION IN THE REGION

Agenda item 5a (Document CSA/CAP/19/5a)

15. The Regional Representative for Asia and the Pacific furnished the two commissions with activities the Regional Representation for Asia and the Pacific has undertaken in the region within the period under review and what it has planned for the immediate future.

16. Within the framework of the World Tourism Organization's programme of work for the biennium 2006-2007, the Regional Representation for Asia and the Pacific carried out a number of activities which focused on rural and urban tourism, human resources development, sustainable development of tourism, tourism marketing and poverty alleviation. Meetings organised under these themes include the International Rural Forum of Guiyang in China, the Seminar on Enhancing the Role of Tourism in Socio-Economic Development of Mongolia, the Seminar on Evaluating NTO Marketing Activities in Kuala Lumpur, the UNWTO Executive Training Programme on Sustainable Tourism Development held in Seoul, the Tourism Satellite Account Workshop in Kuala Lumpur, the International Conference on Metropolitan Tourism held in Shanghai and the Workshop on Indicators

of Sustainable Development of Tourism for Destinations in Lombok (Indonesia). During this period, UNWTO also agreed on a non-traditional industry partnership with Tsingdao Brewery Corporation of China to promote and develop sustainable and responsible development of tourism especially in the Asia and the Pacific region.

17. In addition to this, the Secretary-General of UNWTO was invited by China National Tourism Administration to present best tourism city awards to three Chinese cities, namely Dalian, Chengdu and Hangzhou. This culminated in the formulation of the technical criteria and standards for the selection of best tourism cities in China – a joint project between CNTA and UNWTO that has been on-going since 2001. This was with a view to establishing ways by which the quality of operation of individual cities, resorts and other individual locations within China's boundaries could be monitored and improved.

18. The immediate result of the application and implementation of this best tourism cities scheme is competition among cities in China striving for quality and excellence in the development and management of their tourism products and services. It is serving as a tool to harmonise standards of tourism facilities and services throughout China and as a benchmark against international standards. Most significantly, the Best Tourism City Scheme is laying the grounds in the region for its integration into the establishment of the Global Centre of Excellence for Destinations that UNWTO is actively preparing for.

19. Activities planned for the immediate future include the Regional Workshop on Tourism Satellite Account for South Asian Countries in Colombo, the World Tourism Conference in Kuala Lumpur, the World Tourism Day celebrations in Colombo, the Metropolitan Tourism Conference in Busan, (Republic of Korea), the First UNWTO/PATA Tourism Trends and Research Conference in Guilin (China), the Conference on Sustainable Tourism Management at Heritage Sites in Huangshan (China) and a regional study on labour skills.

20. Publications which have been produced within the period under review include the **Seven Asian Market Studies** and a **Study on Low Cost Carriers**. The market studies were the result of an in-depth study UNWTO undertook on the status of leading Asian outbound markets for Asia-Pacific destinations. It was aimed at establishing a clear picture of the present situation and the future potential of each of the markets for Asia-Pacific destinations. Seven studies were carried out to examine the outbound markets of Australia, China, Hong Kong SAR, India, Japan, Republic of Korea and Thailand. The study on low cost carriers was a joint project of UNWTO and Hong Kong Polytechnic University done with the aim to disseminate information on how low cost carriers have become one of the most contemporary developments of the tourism industry in Asia and the Pacific region. Other publications include UNWTO's **quarterly Asia-Pacific Newsletter** and the updated **Tourism Risk Management – Authoritative Guide for Managing Crises and Disasters**.

TOURISM MARKET TRENDS FOR ASIA AND THE PACIFIC IN 2006

Agenda item 5b (Document CSA/CAP/19/5b)

21. In 2006, international tourist arrivals consolidated the strong results of 2004 and 2005. It grew by 4.5 per cent over the previous year, registering a record figure of 842 million. In spite of risks

facing global tourism, such as rising oil prices, terrorism and health scares, 36 million more international tourists travelled in 2006 than in 2005.

22. Asia and the Pacific region was one of the world's best performing regions with 8 per cent increase in arrivals. Several destinations in the region registered double-digit growth. These include Macao, China (+19%), Hong Kong, China (+20%), Cambodia (+20%) and Malaysia (+16%). A major factor contributing to growth within the region was the expansion of Low Cost Carriers (LCCs) and improved direct airline capacity from important source markets such as Europe and the Middle East. 2007 also promises to be a good year in spite of concerns over avian flu.

PRESENTATION ON ACTIVITIES OF UNWTO REGIONAL SUPPORT OFFICE FOR ASIA AND THE PACIFIC

Agenda item 5c (Document CSA/CAP/19/5c)

23. The Commissions were apprised of the activities of UNWTO Regional Support Office for Asia and the Pacific based in Osaka, which aims to promote mutual understanding through international tourism exchange promotions in Asia and the Pacific region. In keeping with UNWTO's ST-EP initiative and the United Nations Millennium Development Goals, the Support Office endeavoured to redirect the attention of Japanese tourists to developing countries in order to boost their tourist arrivals and receipts. A national Seminar on Enhancing the Role of Tourism in Socio-economic Development of Mongolia was organised in Ulaanbaatar in collaboration with the Japanese and Mongolian governments. The main objective of the Seminar was to strengthen the capacity-building potential of Mongolia in the formulation and implementation of appropriate policies and strategies for the enhancement of the role of tourism in socio-economic development. Since its establishment in 1995, the Support Office has organised similar events in Vietnam, Myanmar, Laos, Cambodia and Bangladesh in collaboration with UNESCAP.

COUNTRY REPORTS ON TOURISM PERFORMANCE IN 2006

Agenda item 5d (document CSA/CAP/19/5d)

24. In 2006, International tourist arrivals to **Australia** totaled 5.5 million. This meant an increase of 0.6 % over the previous year. The tourists spent \$A 14.0 billion while in Australia which is 14.7 % more than in 2005. International tourist arrivals increased from China (8.2%), Canada (7.0%), Korea (4.2%), United Kingdom (3.6%), the United States of America (2.2%), and Germany (1.2%). Of the smaller markets, international tourists from India increased (23.1%) up to 83,700 visitors in 2006 alone (compared to 2005 estimates). International tourists decreased from some key markets including Taiwan (15.4%), Malaysia (9.5%), Japan (5.0%), Singapore (4.7%), Thailand (4.2%), Hong Kong (3.1%), and New Zealand (2.1%).

25. One thing Australia did to boost its international tourist arrivals was to launch the Action Plan for Japanese Tourism: Embracing Change report which encompassed recommendations to reinvigorate Japanese tourists to Australia by way of broadening the range of experiences they can have. Australia also staged the Commonwealth Games in Melbourne and implemented the *Australia-India Ministerial Action Plan* and the *National Tourism Investment Strategy* (NTIS). This was meant to

set infrastructure, investment, and policy recommendations for the Australian Government with regard to tourism growth.

26. Australia's current strategy is to change international consumers from "preference to visit Australia" to an "intention to visit Australia". Other strategies include implementing the Australian Government's *Tourism White Paper* relating to investments, emerging markets, and domestic tourism; developing the *National Road Tourism Strategy*; engaging in Air Services Agreement negotiations with key markets; cooperating with the Department of Immigration and Citizenship to improve access and efficiency in visa administration.

27. **Cambodia** welcomed 1.7 million international visitors in 2006 with an increase of 19.59% over the previous year which generated total tourism receipts of US\$1,049 million. With its tourism development strategies and the improvement of domestic and international cooperation, the tourism industry of Cambodia projects a steady annual growth of 25-30% until 2010 and the number of foreign visitors is estimated to increase to 2.2 million in 2008 and 3.1 million in 2010. Cambodia designed a rectangular tourism development strategy with four prioritized areas, Phnom Penh and its vicinity, cultural and historical sites including Siem Reap Angkor, the coastal zone and north-eastern ecotourism areas. Cambodia focuses on sustainable tourism development anchored in its rich cultural and natural heritage, as well as poverty alleviation, active and creative promotion of tourism, longer stay of visitors, and diversification of destinations. Important initiatives in Cambodia include an open-skies policy (also available in overland and water), facilitation of visa issuance on arrival for foreign tourists, and the policy of strengthening inter-regional tourism.

28. **China** made a remarkable progress in 2006. Its total tourism receipts amounted to US\$ 112.8 billion. China attracted 125 million inbound visitor arrivals in the year with an increase of 3.9% over 2005. More than 49.9 million foreign tourists stayed at least overnight, which increased by 6.6%. Tourism receipts from foreign exchange reached US\$ 34 million. The number of outbound tourists amounted to 34.5 billion, with an increase of 11.3%. By May 1st 2007, the Chinese government had granted the approved destination status to 132 countries and regions. Outbound group trips are also allowed to operate in 86 countries and regions.

29. The Beijing 2008 Olympic Games and Shanghai World Expo 2010 will provide the greatest opportunity for the development of Chinese tourism. The China National Tourism Organization is planning to launch a new promotion campaign for Shanghai World Expo, while it continues to promote "Olympic Games and Tourism". Thanks to this campaign, China's tourism receipts are expected to reach US\$ 47 billion in 2010. It is expected that this will create 10 million job opportunities with an average increase of 0.5 million each year.

30. Despite the attempted coup in the year 2000 which caused negative publicity and decreased tourist arrivals substantially, Fiji's campaign to promote and provide discounts proved a success to regain its tourism numbers. By re-establishing the Tourism Action Group (TAG) immediately after the coup, Fiji was able to revive its tourism industry. Falling from 400,000 visitors in 1999 to 300,000 visitors in 2000, Fiji has shown great progress by receiving 550,000 visitors in 2005 though it decreased again to 545,000 visitors in 2006.

31. Fiji Islands Trade and Investment Bureau (FTIB) have approved 932 investment projects from January 2005 to November 2006 worth an estimated \$1.8 billion. In addition to tourism projects, these numbers include sectors from agriculture, forestry, education, energy, financial services,

fishing, manufacturing, mining, real estate, transport, communication, and wholesale and retail). However, tourism projects alone accounted for 40% (373 projects), 64% of the project value (\$1.1 billion), and 77% of the forecast jobs (17,327).

32. The tourism sector has stated its goal of a "Billion Dollar" Industry by 2007. The quoted figure of tourism expenditure for 2005 was \$729 million based on the International Visitor Survey (excluding air ticket component); and according to the Tourism Satellite Account's current study for 2005, Fiji has earned \$588 million of value-added economic effect and \$1,278 million of total economic effects). Thus, Fiji expects that when the current TSA study is complete, it is likely to show that Fiji's tourism has already earned the country 2 billion dollars of total economic effect and will reach its target of 3 billion dollars if tourism continues to grow.

33. The Government of Fiji has published its National Export Strategy this year which identifies tourism as one of its Key Exports and envisions itself as "*The Key Inspirational Destination in the Pacific Rim.*" Strategies are mostly consistent with its Draft Tourism Development Plan 2007-2016 which intends to develop Fiji's unique product position, to increase competitiveness, to support and encourage new transport linkages for domestic as well as international markets, and to educate their workforce.

34. Tourist arrivals to **Hong Kong** achieved another new record in 2006. It reached 25 million visitors, with an 8% increase from 2005 and total expenditure of US\$15.3 billion (HK\$119.4 billion). Mainland China was still the largest tourist generator that year with arrivals of 13.5 million which is an increase of 8.4% from the previous year. Visitors from top long-haul markets including Europe and Australasia as well as short-haul markets from South and Southeast Asian countries grew steadily throughout the year. Hong Kong's strategies to improve its tourism include enhancing tourist attractions, service quality, promotion, and cooperation with the Mainland China.

35. The Government of Hong Kong (SAR) has been developing new tourist attractions including the Hong Kong Disneyland which opened in September 2005; a show entitled "A Symphony of Lights" launched in December 2005 at Victoria Harbour; the Hong Kong Wetland Park; and the *Ngong Ping 360* which is a cable car system on the Lantau Island.

36. Two other projects underway include the renovation of the 20-year-old Ocean Park with 70 attractions within the period of 2007-2012/13. The second is the construction of a new cruise terminal at the site of the old airport with the first berth planned to be commissioned in 2012. These major projects are expected to transform Hong Kong into a leading regional cruise hub.

37. In 2006, part of the promotion strategy of the Hong Kong Tourism Board (HKTB) was to hold mega events such as the International Chinese New Year Parade, Hong Kong Shopping Festival, and Best of Best Culinary Award. Due to the successful results of last year's mega events, the HKTB will continue to launch similar mega events in 2007. They will also continue to target family visitors, business, and young executives to stimulate growth in tourist arrivals and spending.

38. Hong Kong made efforts to improve its service quality by establishing the Quality Tourism Services Scheme, the Tourist Guide Accreditation System, and the "14-Day 100 Percent Refund Guarantee Scheme" which ensures that travel agents and retailers provide full refund to group tour visitors for purchases made during their shopping activities if arranged by the travel agents.

39. Hong Kong's other strategy is to establish close cooperation with Mainland China due to its location and close proximity. Initiatives include developing and promoting multi-destination itineraries and conducting joint overseas promotion with Mainland China. In view of the excellent performance of the Mainland market, Hong Kong is anticipating a healthy growth for the year 2007.

40. India recorded an impressive growth rate of 13% in 2006 over the previous year. International tourist arrivals amounted to 4.43 million as compared to 3.92 million in 2005. Foreign exchange earnings also grew by 14.6%. From only US\$ 5,731 million in 2005, it grew to US\$6,569 million in 2006. The Tourism Satellite Account (TSA) research results show that tourism in India has contributed 5.90% of the country's GDP and has generated up to 8.8% of its direct and indirect employment.

41. To promote India, the Ministry of Tourism has launched integrated International Media Campaigns covering its leading markets such as Europe, the U.S. and Canada, Australia, the Far East, and the Asia Pacific region. The campaign is aimed at promoting India as a must-see destination, by converting it into a destination for 365 days a year. One of the new specialized themes was 'Chasing the Monsoon' targeted for markets in west Asia. Domestic campaigns are also being done by the ministry but with a focus on culture and natural beauty of different regions, pilgrim sites, and new tourism products such as adventure and rural tourism. These campaigns also aim to highlight the 150th year of India's Freedom Struggle. Another focus was the promotion of sustainable and responsible tourism by launching Social Awareness Campaigns such as those against garbage and graffiti on monuments. Other campaigns launched this year were Pilgrimage in World Heritage Sites to celebrate the 2550 years of Mahaparinirvana of Lord Buddha as well as Yoga and Wellness.

42. Medical Tourism, Rural Tourism, Cruise Tourism, and MICE tourism have also been promoted as new products. As of now, 102 rural tourism infrastructure projects are underway and capacity building programs for 43 rural tourism sites have been started. As for the development of adventure tourism, the Ministry has issued a set of safety guidelines for land, air, and water based activities.

43. These promotions have earned India several awards including various international recognitions such as the World's Leading Responsible Tourism Project for Endogenous Tourism Project by World Travel Awards and the Euro Effies Award for its "Incredible India" campaign. The Association of British Travel Agency has ranked the country as Number 1 amongst 50 top holiday destinations for 2006. India has also been elected to represent South Asia on the Executive Council of UNWTO.

44. The Ministry has allocated about US\$425 million (Rs.1,925.00 crore) for 1,113 tourism schemes throughout the country and US\$113 million (Rs.600.44) for 24 projects to improve infrastructural facilities at tourism sites with emphasis on Buddhist Circuit, Hampi, Mahabalipuram, Attari-Wagah Border, and the North East. The Government has also launched a revised scheme to promote large revenue generating projects due to the Commonwealth Games in July 2007.

45. To meet the rising demand of accommodation, India has approved 146 new hotel projects providing a total of 12,623 rooms. With new investment laws allowing foreign investors to repatriate profit up to 100%, many proposals have been submitted for new projects. Recently, proposals of 29 Foreign Technical Collaborations (FTC) and 20 Foreign Direct Investments (FDI) have been approved by the government. To anticipate empty rooms, the Ministry of Tourism introduced

