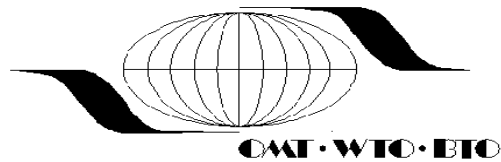


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WTO COMMISSION FOR SOUTH ASIA
Thirty-sixth Meeting
Kochi, Kerala, India
23 April 1998

REPORT



Note by the Secretary-General

The Secretary-General submits to the Commission, a report on the thirty-sixth meeting of the WTO Commission for South Asia.

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ANNEX

1. **Agenda**
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I. Brief Overview

At the invitation of the Government of India, the thirty-sixth meeting of the WTO Commission for South Asia held at the Taj Malabar Hotel in Kochi, Kerala, India on 23 April 1998.

(Indian Minister Opening Speech (2 points))

The Commission considered, amongst other matters, a tourism market report which provided statistical and analytical information on the development of international tourism in the region in 1997 and trends in tourism activities over the past ten years. The Commission expressed its opinion and comments on the contents and scope of the report and also suggested improvements that it considered necessary. The Commission was apprised of the regional and technical co-operation activities carried out by the Organization in 1997 within the region and, the planned activities for 1998-1999. In addition, the Commission heard with great interest the communication of its Chairman (Pakistan) in which the regional situation was analyzed in detail. The Deputy Secretary-General presented the document "Preliminary Remarks of the Secretary-General" which touched upon the status of the world tourism in 1997, the current economic crisis in Asia and its impact on tourism, and summarised the action initiated by the Secretariat to implement the general programme of work of the Organization in the region. The Secretary-General also informed the Commission of the salient features of the planned activities of the general programme of work.

II. Communication of the Chairman

The provisional agenda of the meeting, which was prepared and submitted by the Secretary-General, and amended by adding "Country Statements" as agenda item 5 and re-numbering the other items accordingly, was adopted by the Commission. Thereafter, the Commission received the communication of Sheikh Rasheed Ahmad, Minister for Culture, Sports, Tourism and Youth Affairs of Pakistan in his capacity as Chairman of the Commission.

Welcoming all the delegates the Chairman recorded his appreciation to the WTO Secretariat for the assistance extended to the national tourism administrations in the field of technical cooperation.

The Chairman stated that, today, people travel for a variety of reasons. Some for pure necessity but an increasing number of people travel for leisure, business, excitement, to gain knowledge of new places and other people and their life style, to explore and discover places of historic significance and myriad of other reasons. The young, the old, the rich and the not so rich, roam around the globe as the industry tries to cater for the different markets and their budgetary requirements with facilities ranging from multi-star exclusive super luxury hotels to simple guest houses. The Chairman then added that according to the WTO estimates the year 1997 saw a slow down of approximately 3.8 percent in international tourist arrivals while receipts grew by 3 percent. The slow down is largely the result of recent international crisis in South East Asian region in countries like Malaysia, Indonesia and in the Pacific region countries like the Republic of Korea and Japan. Except these regions, other areas

showed strong growth in 1997. Had there been no severe financial crunch in South East Asia and the Pacific region, the growth in world arrivals would have been close to 5.5 percent in 1997 too.

The Chairman continued by saying that despite the silver lining of Africa, Middle-East and the Caribbean, emerging as the fastest growing areas in tourist arrivals, the challenge before us now is to ensure that the tremendous gains we have been able to achieve in this industry, do not become transient success. The sustainable development of the industry must be made more than just a catch phrase and a passing fad. This is the time to look back and learn from the mistakes made in the past and take measure for protecting this multi-billion dollar industry. The Chairman expressed the hope that WTO will prove a catalyst in bringing visitors from other regions of the world to south Asia and South East Asia and the Pacific so that the tourism industry in these regions maintains the momentum of growth with further promotion of social and economic aspects.

The Chairman added that it is also time to ponder on equitable sharing of gains from tourism and that we must pay heed to the host of tourism development which should only be borne by the tourist receiving destinations which at present do not commensurately get their due share. He expressed the hope that for this purpose WTO will provide greater assistance to the tourism industry in the area of marketing and promotion techniques, human resources development, renovation and conservation of historical sites, eco-tourism, holiday resort management, etc.

The Chairman said that we must also be mindful of the pressures the industry has on the fragile environment. In the past un-checked and unplanned exploitation of tourist destination have led to the decay and demise of many holiday resorts that once were popular tourist areas, It is therefore critically important that we learn from the past and guide the future development of the industry, ensuring sustained enjoyment through preservation of eco-balance.

The Chairman noted the importance of having organized the Pan-Asia/Pacific Technical Seminar on tourism Taxation in conjunction with the WTO Commission meeting. This is a very important issue because the deliberations of the Seminar will provide policy guidelines to countries in the region on streamlining their tax structures for the tourism industry and to strike a balance between safeguarding the long-term interests of the tourism industry and optimising government revenues. He added that in Pakistan hotel and travel trade industry in terms of taxes have been reviewed as the country is deeply concerned with this problem and that the findings will be presented at the Seminar. He only indicated that baring a number of methodological problems and conceptual issues, multiplicity of taxation remains a serious problem for Pakistan too. Taxes have also to be matched with incentives and concessions being made available to this industry from the public exchequer.

The Chairman recommended that for a proper study of the whole issue, the WTO may provide funds for further research if any worthwhile policy change is to be brought about. He also recommended the provision of technical assistance to the member countries in the form of manuals, solution to conceptual problems and methods for statistical measurement of taxation on tourism so as to maintain uniformity in approach.

The Chairman concluded by expressing his heart-felt thanks to the Government of India for the excellent organization and warm hospitality provided and for having chosen such a beautiful place to hold the meetings.

III. The State of World Tourism in 1997

By congratulating the chairmanship of Pakistan and by thanking the Indian Government for its warm welcome and for the outstanding facilities it made available to the meeting, Mr. Dawid J. De Villiers, Deputy Secretary-General, presented the Preliminary Remarks of the Secretary-General to the Commission. Together with the Regional Representative for Asia and the Pacific, Dr. Harsh Varma, the Deputy Secretary-General carried out a detailed analysis on the state of world tourism in 1997 with the following salient features

Provisional estimates of the results of world tourism in 1997 last year, show that international tourist arrivals were up by 3.1 per cent, to reach a new record high of 613 millions. The receipts generated rose to 444 billion US dollars, an increase of 2.2 per cent. In 1997, the regions that enjoyed the strongest increases in arrivals were Africa (8.1 per cent), South Asia (4.8 per cent), Middle East (4.8 per cent) and Europe (3.4 per cent). In East Asia and the Pacific, on the other hand, international visitor arrivals grew by a mere 1.1 per cent, compared to some 9.6 per cent the previous year.

Last year, France was again the most visited country in the world with some 67 million arrivals, outperforming the United States and Spain. As to receipts, the United States headed the list, followed by three European countries, virtually at the same level: Italy, France and Spain.

Among the most remarkable performances of the main countries in 1997, mention should be made of those of Turkey (arrivals up by 13.5 per cent) and China (receipts up by 18.4 per cent).

So far as **South Asia** is concerned, the region recorded a growth of almost 5 per cent in tourist arrivals to touch 4.6 million. Tourism receipts reached US\$ 4.2 billion, an increase of 5.9 per cent over the previous year. The overall results of South Asia were largely determined by the positive trends of arrivals in **India** which recorded an increase of 3.8 per cent. India represents 51 per cent of total arrivals in the region while **Sri Lanka** exhibits the most spectacular growth of all South Asian destinations, with an increase of 21.2 per cent in arrivals and 22.5 per cent in receipts, reversing the negative trend of the last two years. Other destinations in the region, such as **Maldives** and **Nepal**, also performed well in 1997, reflecting a sustained growth of the long-haul European markets. On the other hand, tourist arrivals in **Pakistan** declined for the third consecutive year since 1995. Tourism receipts also recorded a decline of almost 20 per cent in 1997 after picking up by over 28 per cent in 1996.

IV. The two major events of 1998: the continuation of the Asian crisis and the prospect of the introduction of the euro.

Continuing the preliminary remarks, the Deputy Secretary-general dwelt upon **two events** which would have an impact on the tourism profile of 1998.

These are, on the one hand, **the consequences of the monetary and financial crisis that the Asia-Pacific region has faced** since the second half of 1997 and, on the other, **the prospect of the introduction of the euro.**

Those of you who participated in the Istanbul General Assembly will recall that, during one of the round table meetings, we announced to you the initial conclusions of our long-term forecasting study on world tourism trends entitled "2020 Vision".

Naturally, the Asian stock market and currency crisis and its economic, social and even political repercussions have led us to question the validity of those forecasts.

What can be gleaned from this analysis?

The **major characteristics** of the crisis are known to all:

- principal stock markets have suffered large-scale loss of value, and the fragility of the overextended financial and banking systems stood clearly manifested;
- several currencies, hitherto often pegged to the US dollar by virtually stable rates of exchange, were strongly devalued;
- numerous financial and real estate assets, often artificially overvalued, were severely and suddenly depreciated;
- the growth rates of economies sharply declined;
- unemployment and inflation levels escalated considerably, the former as a result of the lower growth rate and the latter as a consequence of the stringent rationalization of the economies;
- the burden of the public and private debt was felt in all its force and made more acute for debts denominated in foreign currencies by the necessity of having to repay them with devalued currencies and by more expensive imports;
- the services of the International Monetary Fund (IMF) were called upon, in August for Thailand, in December for the Republic of Korea, and in September and again in January 1998 for Indonesia, while other countries like Malaysia applied stringent financial policies to prevent such a necessity; and
- regional balances have shifted with Japan, the region's leading economy being weakened; with Philippines and Malaysia holding up better than Thailand, the Republic of Korea and Indonesia; and with China enjoying a position of relative strength.

The Deputy Secretary-General stated that the impact of the economic and monetary crisis, however, should be seen in relative terms. According to

IMF's estimates, the growth achieved in 1997 were 1.1 per cent for Japan, 1.7 per cent for Thailand, Indonesia, Malaysia and the Philippines, and 6 per cent for the newly industrialized countries of the region. It is a dramatic slowdown but not a recession.

Dr. De villiers then summarized the following immediate repercussions for the regional tourism industry:

- limited business travel due to the reduced level of general activity;
- decline in expenditure on leisure and holidays, especially for middle and upper class categories;
- reduced growth of interregional air traffic and slowdown in investment by local companies or airlines serving the region;
- bankruptcies, especially in the hotel and catering trades;
- staff cuts or checks on recruitment in the various branches of the tourism industry and in the transport sector.

Some preliminary figures have already shown the adverse impact of the dramatic slowdown. Hong Kong's tourist arrivals fell by 11.1 per cent last year and continued to drop by 24.6 per cent in January 1998. Indonesia was static in arrivals and its receipts fell by 9.9 per cent. In Australia, tourist arrivals from the Republic of Korea plunged 80 per cent in January this year while the Singapore Tourism Board predicted that arrivals to the country could fall by 80 per cent in 1998 after already falling 1.3 per cent in 1997. Thailand showed a 1 per cent increase in arrivals for 1997 with only a 0.4 per cent increase in receipts. And the receipts for the Republic of Korea dropped by 3.3 per cent in 1997.

As a result of the crisis and the consequent reduction in travel, orders of aircraft have been cancelled or postponed by Asian countries. It was reported that aircraft delivery by Boeing Company to the Asian airlines will be some 60 fewer than the original orders. On the hotel front, various discount schemes have emerged in order to "buy" tourist demand. Yet, many hotels, with a view to protecting themselves, are now fixing their prices in US dollars rather than the local currency, which created confusion for the tour operators and, sometimes even eliminated their competitive edge.

The crisis is still going on. The discussion between the Government of Indonesia and the IMF are continuing and unfortunately, in some parts of the country, the forest fires have resumed. There is an element of uncertainty of the crisis, and its full impact on tourism will probably emerge over a longer period of time.

In addition, the excessively rapid growth of previous years in the region resulted in certain development imbalances, such as the inadequacy of public infrastructure, the excessive indebtedness of enterprises, inadequate planning, over-capacity of hotels, the failure to adapt training systems and the damage caused to the environment. All these imbalances, if they did not worsen the crisis, at least hampered the capacity of the operators to respond to it.

The Deputy Secretary-General sent on to spell out the **foreseeable repercussions in the medium and longer term** of this monetary and stock market turmoil for the Asia-Pacific tourism industry.

The effects of the crisis, barring other significant developments, will be felt over a three-year period. Strong in 1998, the effects would be less acute but still appreciable in 1999 and 2000. Intraregional flows over the period 1995-2000 would grow by 4.6 per cent a year, instead of the 8 per cent as predicted in the WTO study "*Vision 2020*". On the other hand, arrivals from other regions would grow more strongly than predicted, insufficiently nonetheless to offset the loss of intraregional flows.

On the whole, compared to the estimates made before the crisis, the Asia-Pacific region would lose, up to the year 2000, some 11 to 12 million potential arrivals, representing a loss of earnings of some 10 per cent. This is the negative aspect that should be taken into account. The positive aspect is that beyond the year 2000, the region should recover with a strong upward trend which seems to typify the pattern of its tourism development over the last decade.

The 1997 crisis will thus bring about a standstill in tourism development. Rather than heralding a collapse, the years 1997-2000 should be a period of structural adjustment and moderate expansion towards a more sustainable and healthier development. In the longer term and, barring any new major incident, Asia-Pacific and its tourism still have a brilliant future before them.

The Deputy Secretary-General concluded pointing out that the financial crisis in Asia will result in **two major consequences expected for other regions of the world in terms of its impact on tourism.**

- a) Owing to the standstill of the economy in Japan even before the crisis, and the problems encountered by other developed economies in Asia, such as the Republic of Korea and Hong Kong, **long-haul travel from the Asian region will certainly decline.** The short term prospects for outbound tourism by the people of East Asia and the Pacific region are bleak. Outbound flows to long-haul destinations in 1998 will be much lower (a fall of 2 per cent) than the anticipated increase of 6.4 per cent in the original WTO *Tourism 2020 Vision* forecasting study.
- b) There will be a strong growth in 1998 in terms of inbound tourism to East Asia and the Pacific (EAP) from long-haul markets. Europe to EAP will grow by 15 per cent and the Americas by 12.5 per cent, while the rates will slow down in 1999 and 2000. With the devaluation of the local currencies in the region, **East Asia will become much cheaper and attractive in 1998.** Owing to the devaluated Baht, Thailand is already picking up its long-haul markets with good performances in January and February of this year. Other regions of the world, which are in competition for these long-haul markets, will have to make concerted efforts in their marketing and promotion, especially exercising caution with the prices offered to the European markets.

Dr. De Villiers then described the second event likely to have an impact on 1998 will be the introduction of the euro.

The year 1998 will mark the phase of political, legislative and technical preparation for the introduction of the single currency. As all are aware, the final decisions and, in particular, the confirmation that eleven countries will be called upon initially to participate in it, will be taken at the beginning of May. At the same time, the European Members of WTO will be meeting in Greece to examine the implications of these decisions for the European and world tourism industry.

On 1 January 1999, the phase during which the euro will become the official currency of the European Union, even if the national currencies, which will be from then onwards non-decimal fractions of the euro, will continue to be legal tender and coexist with it on the basis of parities that will have been fixed. During this transitional period, the euro will exist in the form of bank money, but its use will be optional; prices will have to be posted in both euros and national currencies, and the financial markets will work in euros.

By 1 January 2002 at the latest (some would like to advance this date), the euro will become the single currency of the entire Union. It will begin to circulate in the form of notes and coins, while the national fiduciary and divisional currencies will be swiftly withdrawn from circulation.

It is recalled that, in application of the decisions taken at the Dublin and Amsterdam summits, a new European monetary system will be created for countries that will not participate in the euro from the very beginning but that would like to do so later. These countries' currencies will have imposed on them a fluctuation margin limited to 15 per cent with respect to the euro. It should be noted that in March 1998, the drachma entered the system and should participate in it until such time as the Greek economy meets the criteria for admission to the single currency.

What consequences can this process have for the European and world tourism industry?

First of all, it appears that **the "euro area" will be the dominant force in world tourism**. The eleven countries likely to participate in it received 207 million international visitor arrivals in 1997, a figure that should be reduced to 87 million if a "consolidated" table is produced, eliminating movements between countries of the area.

In all respects, the "euro area" will gain the upper hand over its direct competitor comparable in size and wealth, the United States of America, whether this concerns the number of foreign visitors, the receipts they generate, the balance of payments surplus, or the number of nationals travelling abroad and the volume of their expenditure. The "euro area" will also be in surplus on a bilateral level in its tourist exchanges with the United States.

The **advantages** for the European tourism industry of the introduction of the euro will be substantial:

- probable stability of the new currency and reduction of the risks of exchange;
- elimination of the cost¹ of commissions charged for currency exchange (this advantage being undoubtedly more psychological than financially decisive owing to the increasing use of credit cards during tourist trips);
- prospects for enterprises to establish themselves in an extended space as it will be rendered more transparent by the comparability of prices; this consideration will apply in particular to air transport;
- journeys to the "euro area" will be made easier by the use of a single fiduciary currency during the visit to several countries on the same trip (the case, for example, of many Japanese tourists).

If therefore the euro will not bring about a revolution for the European tourism industry, once enterprises can operate freely on the single market of the Union, this will undoubtedly represent a plus for the Union.

It should be noted besides that the introduction of the euro will be concomitant, on the one hand, with the progress in establishing the Schengen area for the free movement of persons (even if the two areas do not completely match) and, on the other, with the dissemination of electronic marketing techniques facilitating distance sales of services proposed in the same unit of account. Lastly, during the same period, the liberalization of air transport in Europe, in which a major step forward was taken in April 1997, is set to continue. These three factors should combine with the introduction of the euro to facilitate tourist exchanges and movements of persons in Europe.

But above all, **two revolutions in the behaviour of the economic players are to be expected from the introduction of the single currency.**

The first will be due to the **lack of possible recourse to competitive devaluations** like those carried out in 1992 by Italy and Spain. This will apply to both tourism and trade. The travel trade of the countries of Southern Europe that are members of the Union (undoubtedly including Greece from the time that this country indicated its intention to join the euro in 2001), will no longer be able to expect their governments to artificially restore their competitive edge by monetary readjustments designed to wipe out the past increase in their prices. They should take care of this themselves and rely only on themselves.

To a lesser extent, this consideration will apply to the European countries outside the "euro area" participating in the new monetary system (see above). It should also be noted that, since the disruptions of spring 1995, the present monetary system is particularly stable and the changes of parity minimal, with the exception, of course, of the readjustment in mid-March 1998 involving a 3 per cent revaluation of the Irish pound and, above all, a 14 per cent devaluation of the drachma.

¹ Cost currently estimated at between 15 and 30 dollars per stay

What is more, the impact of the euro will be due to **the harmonization that should gradually be introduced and maintained in fiscal policies** (particularly in the area of taxation on value added) and in **budgetary and social policies** carried out as an adjunct to the single currency. In this regard, it could be said that the euro already exists, at least so far as its effects are concerned. In fact, the candidate countries have already strongly reduced their government deficits and their levels of debt; they have collectively reduced annual inflation to around 2 per cent and established a link between their interest rates.

The tourism enterprises of the area will therefore be called upon to move in almost identical economic and financial environments.

In relation to these advantages, the **drawbacks** of the introduction of the euro (very slight rise in inflation, the need to amend current contracts with countries outside the area, double system of posting prices in the intermediate period, adjustment expenditure, particularly in the computer and training fields, generally assessed at between 1 and 1.5 per cent of a year's turnover) seem secondary. The enterprises of the tourism sector are, more than others, accustomed to working with foreigners and in several languages; their adjustment should therefore be relatively easy.

Vis-à-vis the outside world, much will depend on the function that the euro will be required to play in world trade and financial exchanges, even as a reserve currency. From the time that the euro is naturally led to play a role close to that of the US dollar and would be widely accepted, visitors from Europe (the world's top generating market) would see their travel to the other regions of the world facilitated or even encouraged: they could take with them euros in the form of notes and use them widely abroad without having to change them, like today's United States nationals.

Much will also depend on the external parity of the future euro, which will be due both to the play of forces on the financial markets and to the policy followed by the new European Central Bank. If the latter were, as seems likely, to be modelled on the present practice of the Bundesbank, the euro would be a hard currency. So far as tourist exchanges are concerned, this situation would benefit non-participating countries, whether European or not. In particular, Malta, Turkey, Cyprus, Israel, Egypt and countries of North Africa would undoubtedly be somewhat favoured, unless they themselves conduct rigorous financial policies in regard to their Mediterranean competitors of the "euro area".

It is to be expected that if the pound sterling, which is the main currency that will not immediately participate in the unification process, were to be linked more closely to the euro after 1999, that would undoubtedly be at the cost of a lowering of British interest rates to align them with those of the money markets of the area. This currency would be required to fall somewhat with respect to its present parity, to the order of one pound for every three DMs. Such a development would benefit the inbound British tourism industry, but perhaps to the detriment of the countries of the area that would become dearer for the British tourist. Conversely, the Swiss franc would rediscover its traditional role as a "refuge" currency in Europe and, perhaps, be revalued, making Switzerland more expensive and travel abroad more attractive to the Swiss tourist.

V. The state of the Organization

WTO has gained further strength from its last General Assembly held in Istanbul in October 1997. This was the most important event in the history of the Organization owing to both the number and quality of the participants.

Last year, WTO welcomed six new member States, an additional Associate Member and some sixty new Affiliates. It adopted its programme of work and budget for 1998-1999 and improved its financial resources with significant reduction in the Members' contributions. The Assembly renewed its organs, elected its new Secretary-General and, designated a new Deputy Secretary-General.

Above all, the supreme body made a major choice at Istanbul: to build an effective, active and living partnership between the public and private sectors, yet without renouncing its status as an intergovernmental organization attached to the United Nations system.

This major policy will gradually be put into effect in the coming months. The Affiliate Members from the private sector have already set up a WTO Business Council. A strategy group comprising senior representatives of the two sectors will be set up to perform an advisory function for the Secretary-General. The procedures for preparing the next programme will be reviewed in order to reflect more realistically the needs of the tourism industry.

The Deputy secretary-General informed that the next session of the WTO Executive Council will be held at Lisbon, Portugal in June 1998, immediately after a ministerial conference to be held within the framework of the International Exposition (Expo'98). The Council will review the progress made and take the necessary decisions for implementing the policies established by the Assembly. It will ensure that the Organization is increasingly representative of the reality of the world tourism industry in all its diversity.

The robustness of the Organization is also mirrored in its accounts. The provisional financial results for the year 1997 show a slight surplus of income over expenditure, which will serve to achieve a global surplus of some 1.2 million US dollars over the biennium 1996-1997. Receipts, which came to 6.8 million US dollars last year, were the highest ever recorded in the history of the Organization.

Although total contributions of the States and UNDP have dropped slightly, the income drawn from interest on investments, publications and miscellaneous receipts have increased considerably. This reveals the beginning of a diversification of the Organization's resources. This movement must be encouraged if in the long term, the Organization wishes to be a little less dependent on the contributions of member States alone.

With a level of some 7.8 million US dollars, expenditure has increased as a consequence of a clear improvement in the execution of the programme. Yet, the operating costs have been contained. Payments of arrear contributions, though less than in previous years, have been substantial, amounting to over a million US dollars.

In short, the Organization is sound and healthy, both in financial terms and in the execution of programme activities.

The Deputy Secretary-General was pleased to report that the Organization was extremely active in South Asia in 1997; it intends to be equally active this year under its new programme of work. The activities carried out recently, underway or scheduled were presented in detail by Dr. Varma, under agenda item "Implementation in the region of the general programme of work of the Organization for 1998-1999" and are reported under point V.

However, the Deputy secretary-General mentioned a few salient features. Our technical cooperation project in India for preparation of a tourism master plan for the Andamans was successfully completed while some additional activities are proposed to be launched this year. As a result of our technical assistance missions, we hope to launch a full-scale programme for regional planning and human resource development for India as also a project for the preparation of a perspective plan for the State of Andhra Pradesh. Similarly, projects resulting from our missions will be launched for Maldives, Pakistan and Sri Lanka.

Despite the lack of UNDP funding for our sectoral support programme, this important arm of cooperation for development would continue out of WTO's own resources and the Organization would extend its technical assistance to the Members in the region on subjects of contemporary interest and concern to them.

The Deputy Secretary-General concluded saying that whatever we have been able to achieve in the region is in large part due to the excellent support provided to us by our Members and that he sincerely hoped that their unstinted support and cooperation would continue to be extended in equal measure to the Organization's activities in the future as well.

He added that at a time when the Organization's new programme of work for 1998 and 1999 is beginning to be implemented, this meeting comes at just the right point and that he was certain that the proceedings of this meeting will give fresh impetus to WTO's activities in the South Asian region.

VI. Country Statements

Seven countries made statements outlining a general overview of their country's tourism policy and stating their current tourism scenario with particular reference to trends in tourist arrivals and receipts, tourism marketing, public-private sector partnership in tourism, sustainable tourism development, and, strategies for meeting the challenges of the twenty first century.

Each statement is summarized below:

Bangladesh

India

Iran

Maldives

Nepal

Pakistan

Sri Lanka

VII. Activities of the Organization in South Asia

Since the Commission's thirty-fourth meeting held in Maldives in February 1997, the Secretariat carried out a number of activities in the region, said Dr. Varma in his presentation to the Commission of agenda item "Implementation in the region of the general programme of work of the Organization for 1998-1999". The presentation provided a detailed review of the Organization's activities implemented in the region for 1997 and those conducted under the core areas of the general programme of work.

1. Cooperation for Development:

i) Sectoral support/technical assistance missions

Since the Commission meeting held in Maldives in February 1997, the following missions were completed:

- India** : Tourism Planning and Human Resource Development
- India** : Formation of a National Tourism Authority
- India** : Tourism Development Programme for the State of Andhra Pradesh
- Iran** : Guidelines for restructuring the Office of the Deputy Minister for Tourism and Pilgrimage Affairs and advising the Government on the Development of Highway Facilities along Tourist Routes
- Iran** : Guidance on the Establishment of a Hotel School
- Maldives** : Formulation of a Project on the Study of the Social, Economic and Environmental Impacts of Tourism
- Sri Lanka** : Streamlining the Duty-Free Shopping System

It may be mentioned that no further requests from the Members for technical assistance are pending with the Secretariat. During the current programme period, Members are encouraged to submit their requests for technical assistance as soon as possible. While submitting their proposals, Members are requested to define the background, nature, scope and expected

outputs of the mission to enable the Secretariat to field experts having the right profiles.

ii) Technical cooperation projects

The status of the only on-going technical assistance cooperation project is as follows:

India : IND/83/002 - Development of Strategy for Environmentally Sustainable Tourism in the Andamans: Project activities are likely to be completed in 1998.

9. With regard to other technical cooperation project proposals, the following are the details:

India: A full-scale Tourism Development Programme having two major components - regional planning and human resource development. Final approval of the Government of India and UNDP is awaited.

India: Tourism Planning and Management for the State of Andhra Pradesh. This project will be fully funded by the State Government and is likely to be launched in late May/early June this year.

Maldives: Executive Development Programme for resorts. The project document is awaiting approval of the Government.

Pakistan: Tourism Development Master Plan. The project proposal has been approved by the Government. Final approval of UNDP is awaited.

Sri Lanka: Further Assistance for the Implementation of the Tourism Master Plan. The project proposal is awaiting approval of the Government and UNDP.

Sri Lanka: Tourism Infrastructure Development. The project has been approved and activities will commence in May this year.

For the pending project proposals, while the Secretariat is making every possible effort to obtain funds from UNDP field offices, the Members are once again urged to establish contacts with their government agencies, which are responsible for coordinating external technical assistance, to obtain UNDP funding for these projects.

2. Meetings in Asia

The members of the Commission participated in the **World Tourism Leaders' Meeting (WTLM) on the Social Impacts of Tourism** which was jointly organized by WTO and the Government of Philippines in Manila in May 1997. The meeting attracted representatives from 77 countries and territories including 25 ministers who debated one of the most important effects of tourism

development - its impacts on the social traditions and norms of societies. The Meeting was informed, by examples from many countries, of the beneficial impact that arose from tourism. It was recognized that although negative impacts have received much media attention, these problems could be managed through effective and appropriate policies. Participants expressed their determination to gain the support of their governments and international organizations to eradicate these negative impacts, particularly through greater involvement of communities in the tourism development process. It was agreed to support any measure to prevent the exploitation of children, youth and women arising from tourism activity and to secure this objective through the cooperation of all the stake holders in tourism.

The Meeting resulted in the **Manila Declaration on the Social Impacts of Tourism** which urged governments and the private sector to make all possible efforts to maximize the positive impact of tourism development and eradicate the negative ones. Participants also agreed to work toward the formulation and eventual adoption of a **Global Code of Ethics for Tourism**.

The WTO/UNESCO Silk Road Project made further progress with the organization of a Travel Forum in Kyoto, Japan in February 1998 whose main theme was "How to Source the Japanese Market". Two more Silk Road meetings are planned during 1998 - a Tour Operators Workshop in Almaty, Kazakstan in August/September and the Third International Silk Road Meeting in Tbilisi, Georgia in October. In addition, it is proposed to launch two significant projects for the further development and promotion of the Silk Road - one relating to the development of craft centres and the other for producing a television series on the Silk Road's tourism products.

The Commission held its thirty-fifth meeting in Istanbul, Turkey in October 1997 within the framework of the 12th session of the WTO General Assembly and elected Pakistan as its Chairman for the term running from the 12th to the 13th session of the Assembly. The Commission also recommended India and Sri Lanka for election to the Executive council.

2. Cooperation with ESCAP

The Secretariat has been working in close cooperation with the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) to assist the Members in further development of the tourism sector. The Secretariat is assisting ESCAP and the Asian Development Bank in the Mekong sub-region tourism development project. A joint ESCAP/WTO meeting on the establishment of the network of Asia-Pacific Education and Training Institutes in Tourism (APETIT) was organized in Tehran, Iran in September 1997. Plans are also being finalized to conduct a joint regional seminar on facilitation of travel in Thailand in July 1998.

4. WTO Regional Support Office for Asia

Thanks to the generous support of the Government of Japan and the Osaka Government, the Regional Support Office for Asia and the Pacific was officially opened in Osaka in 1995, which enabled the Organization to

considerably strengthen its operational activities in favour of all the countries of the Asia-Pacific region.

After having successfully conducted several important meetings in Japan since its inception, the Office organized the WTO Tourism Week in Kyoto, from 18-21 February 1998. The following events were held under the auspices of the week:

- a) Thirty-second meeting of the WTO Commission for East Asia and the Pacific
- b) Fourteenth Joint Meeting of the WTO Commission for South Asia and the WTO Commission for East Asia and the Pacific
- c) WTO/JTA Technical Seminar on Public and Private Partnership in Tourism Development
- d) WTO/APTEC Silk Road Travel Forum

It may be further mentioned that the activities of the Regional Support Office are being actively supported by the Asia-Pacific Tourism Exchange Center (APTEC) which was established in 1995 with the explicit objective of contributing to the promotion of economic development and mutual international understanding in Asia and the Pacific through international tourism exchange in the region. The Center is promoted by local authorities and business circles of the Kansai Region.

5. Publications produced for Asia and the Pacific

As a result of the conferences and seminars held in this region during the period under review, the following publications were produced by the Regional Representation for Asia and the Pacific:

- ◆ Asia Tourism Towards New Horizons
- ◆ Final Report on the WTO Silk Road Forum, Xi'an, China
- ◆ Final Report on the Asia-Pacific Ministers' Conference on Tourism and Environment, Maldives
- ◆ Final Report on World Tourism Leaders' Meeting on the Social Impacts of Tourism, Manila, Philippines
- ◆ Final Report on Pan-Asia/Pacific Technical Seminar on Tourism and Aviation, Macau

As a follow-up to the just released publication of WTO - Asia Tourism in Figures, the Secretariat plans to launch a survey of all Asian countries in order to produce a publication - Asia-Pacific Tourism Development Review, towards the end of 1998.

6. Human Resource Development

It is recalled that WTO's programme of work in education and training has been restructured so as to perform the mission of achieving quality in human resource development and, reflecting the needs of future professionals, tourism industry employers and member States.

To develop that mission, activities focus on:

- a) defining and disseminating quality standards in tourism education and training;
- b) collecting and disseminating information on educational supply and demand;
- c) strengthening national tourism administrations in terms of their own human resource needs; and
- d) defining, developing and imparting tourism training programmes that supplement or improve on existing programmes or that deal with subject areas of strategic importance for the tourism industry in member States.

After completing the initial stage of developing new education and training instruments reflecting the current state of the tourism industry and responding to the needs of member States, the WTO human resource development programme has commenced the implementation of these instruments.

Using the methodology developed in the **Quality in Tourism Education (TEDQUAL) study**, the publication “*Introduction to TEDQUAL - A Methodology*”, has been produced in English, Spanish and French. This publication is aimed at facilitating quality audits in tourism education and training and will be used in courses imparted on quality tourism education. The TEDQUAL quality audit is also intended to be used as a tool in itself to be applied to projects in the context of a tourism development plan for a country, region or a particular destination to identify quality gaps in education and training systems and to prioritize action.

The **Graduate Tourism Aptitude Test (GTAT)** is soon to be launched for pilot testing in selected education centres and will be administered in a computerized format, enabling students to receive not only a score but also an evaluation of their strengths and weaknesses. The results of this test will be recognized by all Centres in the WTO Education and Training network as well as collaborating institutions.

The terms of reference for the **WTO Ulysses Awards for Excellence in Tourism Education and Training** to cover programmes and research have been determined and this project will be launched during the next biennium.

The **WTO Education and Training Website** is now in operation, including information on the missions and objectives of the programme as well as pages for each of the fourteen Centres in the Network. It is hoped that the scope of this material can be expanded to include information on courses and scholarships available.

The WTO Internship Programme for officials of National Tourism Administrations is now in its fifth year and has been renamed the **WTO Practicum**. This year the programme will be carried out in two periods, one in May and the other in September, with two-week courses to be held at the WTO

Headquarters in Madrid. Although there is a considerable waiting list of officials who have been nominated by their Governments for past courses, a circular letter was sent to Members in January requesting further nominations of candidates. The programme will consist of a five-day course on International Tourism Policy, a technical visit to a renowned tourism site in Spain or a neighbouring country, presentations of the WTO programme of work by the heads of programme areas and regional representatives, as well as familiarization with the different departments in WTO and personal meetings with WTO officials in the areas of particular interest to the NTA officials participating in the Practicum. Earlier beneficiaries of the programme included: Bangladesh, India, Iran, Maldives and Nepal. Bangladesh has been selected for the May programme and there are vacancies for the September programme for which the Members are requested to expedite nominations.

The **International Tourism Textbook** has recently been published in English. This textbook gives a wide panorama of the problems facing international tourism today by covering such topics as the outlook on tourism, travel and tourism components and services, tourism marketing and promotion, tourism impacts, and tourism policy and planning. Primarily aimed at government officials or private sector executives who wish to update their knowledge of international tourism, this book offers a broad global view of contemporary factors affecting both the public and private sectors of tourism, and will be the basis for short courses to be held by WTO.

In conjunction with the Spanish Association of Hotel Directors (AEDH), a Conference on **Human Resources in Tourism: Towards a New Paradigm** was held on 26 and 27 January 1998 immediately prior to FITUR 1998 in Madrid. This was a significant event, gathering many of the prominent figures in world tourism, to discuss an issue which is paramount in dealing with the challenges posed by a changing society. This Conference reconsidered and analysed which management resources and functions are going to play a key role in the survival, competitiveness and success of tourism organizations in the future. There was a consensus that human resources would be a major component in this respect.

Readings in Tourism Education: Human Capital in the Tourism Industry of the 21st Century, which draws upon the proceedings of the seminar held on this subject in January 1996, is now published in a bilingual English-Spanish edition with trilingual abstracts in English, French and Spanish.

This year a **new series of courses on Human Resource Development** will be offered to cover the training necessities of the diverse regions, including such topics as TEDQUAL: Achieving Quality in Tourism Education and Training; Rural Tourism: Achieving Competitiveness for Tourism in Rural Areas; and, Education and Training Issues in Sustainable Tourism and Tourism Policy: The Role of Governments in Tourism. Any country interested in organizing a seminar should make its desire known to the WTO Secretariat so as to establish the corresponding Official Agreement setting out the obligations of both parties and to fix the dates according to the availability of professors. Since these seminars are regional-international in scope, the host country will extend invitations to other WTO member States in the area, so as to share the benefits of the training imparted. The courses will be given by renowned

instructors belonging to prestigious tourism education and training institutions worldwide and selected by the WTO Secretariat.

The sixth meeting of the **WTO Education and Training Centres Network** was held at Istanbul on 21 October 1997 with twelve out of the fourteen Centres attending. Unanimous support was given to the projects underway. It was agreed to continue and strengthen the initiative established by the Centres to provide new courses and scholarships for officials of WTO National Tourism Administrations, complementing those scholarships already offered by the French Government at the University of Paris I, Panthéon-Sorbonne and the Italian Government at the International School of Tourism Sciences of Rome.

Practical information on **scholarships and various types of financial assistance** granted for tourism studies and internships by the WTO Network of Education and Training Centres was disseminated to all Members of WTO in December 1997, and is available at the WTO Web Site. This initiative is intended to foster awareness of the study opportunities from which all the member States may benefit. It should be recalled that these scholarships are limited in number and are only for officials of National Tourism Administrations of WTO member States. Interested candidates should contact the Head of the WTO Human Resource Development Section including their curriculum vitae, which will be forwarded to the pertinent institution which will make the final selection based on academic and professional qualifications.

7. Environment and Planning

The WTO Environment Committee held its Tenth Meeting at Jakarta, Indonesia, on 13 November 1997 which was hosted by the Government of Indonesia.

The Committee meeting was preceded by a Joint WTO/WTTC Agenda 21 Think Tank Follow-up Seminar which took place on 12 and 13 November 1997. More than 100 delegates, coming mainly from Indonesia and the Asia and Pacific regions participated in the seminar, during which the representatives of Indonesia, the Maldives and the Philippines made interesting presentations on their countries' policies for sustainable tourism, including specific case studies in the latter two countries. Also, the representative of the International Union for the Conservation of Nature (IUCN) briefly presented a Sustainable Tourism Development Project in the Arctic region currently underway.

The Committee, taking into account the absence of quorum for decision-taking, and after a general discussion, convened to consult all the Committee Members on the priority areas of work that they would like the Secretariat to undertake during the current biennial Programme of Work (1998-1999).

Consequently, a consultation process with the Committee Members was undertaken requesting them, in the light of the Programme of Work of the Organization in the field of Environment, Planning and Finance, approved by the General Assembly during its tenth session (October 1997), to indicate their priority areas of work and/or specific studies concerning these subjects. Up to date, only India and Sri Lanka have replied to this survey.

At its eighth meeting, held in 1995, the Environment Committee of WTO took the decision to undertake a pilot-testing of the clean beach programme initiated in Europe under the name of "Blue Flag". After the publication of the Manual entitled "Awards for Improving the Coastal Environment - The Example of the Blue Flag", prepared jointly by the World Tourism Organization (WTO), the United Nations Environment Programme (UNEP) and the Foundation for Environmental Education in Europe (FEEE), an Agreement of Cooperation has been signed during the tenth General Assembly between the Secretary-General of WTO and the Executive-Director of UNEP for, among other matters, undertaking such pilot-testing project outside Europe.

Arrangements are currently being made with UNEP with a view to undertaking this project as soon as possible.

Finally, the Environment and Planning Section of WTO is currently involved in the organization of the World Conference on Tourism in Small Island States, with the support of UNEP. The Conference will be held in Mauritius, from 7 to 10 September 1998 and will cover the following four main subjects:

- ◆ The economic impact of tourism on small island states and its evaluation.
- ◆ Air transport and its importance for the development of tourism in the islands.
- ◆ Tourism and environmental quality in the islands, particularly in coastal areas.
- ◆ The development of nautical tourism in the islands and its environmental impact.

The Secretary-General expects a high-level participation of countries in the South Asia region at this Conference, an early invitation for which has already been sent to all Member States.

A new, enlarged version of the **Guide for the Sustainable Development of Tourism**, specially directed at **Local Planners** is under preparation. This new manual will be made up of a central volume and specific regional volumes, including one on the Middle East to take into account the economic, social and cultural differences existing in the region.

Similarly, a process of consultation has been launched with a sample of countries with a view to identifying their needs in the field of Tourism in National Parks. This will lead to the production of a revised version of the "**Guidelines: Development of National Parks and Protected Areas for Tourism**".

8. Statistics and Market Research

Since the previous meeting of the Commission, the Statistics, Economic Analysis and Market Research Section has carried out a number of activities aimed at informing Members of tourism trends and prospects on a global scale. At the same time, a series of actions were underway to promote the

implementation and application of WTO-UN Recommendations on Tourism Statistics and to help the States to appreciate and assess more accurately tourism's economic importance, both nationally and internationally.

So far as the dissemination of statistical information is concerned, in January 1998, the Secretariat prepared preliminary estimates on international tourism trends worldwide and in the various regions for the whole of 1997. This information was first announced by the Secretary-General at a press Conference at the WTO Headquarters on 27 January 1998 and subsequently revised and disseminated to all the Members and other users in a special WTO report entitled **Highlights 1998**.

With regard to statistical publications, mention should also be made of the following:

- ◆ publication of the third edition of the **Travel and Tourism Barometer** containing the first detailed data for 1997 on tourism receipts and expenditure and flows to and from the main tourism markets worldwide;
- ◆ the Secretariat is preparing the eighteenth edition of the **Compendium of Tourism Statistics** containing thirty-four basic statistical indicators illustrating tourism trends in over 190 countries and territories during the period 1992-1996; and
- ◆ the Secretariat is also in the process of concluding the fiftieth edition of the **Yearbook of Tourism Statistics**.

As part of its market research activities, WTO prepared a series of **monographs on tourism trends in the world and in the regions** presented at the meetings of the various WTO Regional Commissions. Moreover, the **monograph on the World Tourism Trends** was distributed at the General Assembly in Turkey in October 1997.

The Secretariat continued the updating of the Study on Global Tourism Forecasts to the Year 2000 and Beyond. An executive summary of this update was presented at the General Assembly in Turkey in October 1997 under the general title of "**Tourism: 2020 Vision**". This new study, structured around three pivotal points of research, will focus on:

- ◆ tourism environment and prospects to the year 2020;
- ◆ a detailed study on intraregional and long-haul tourist flows based on a sample of the main receiving and generating countries; and
- ◆ a detailed study of the main emerging market segments, including methods for attracting and promoting them.

WTO also launched a questionnaire for updating the study on the **Budgets and Promotional Activities of National Tourism Administrations (NTAs)**. The purpose of this questionnaire is to gather data on NTA budgets and their distribution according to markets and types of promotional activity up to 1997. This information will serve to update the study on the same subject prepared in 1996, in which more than 100 countries participated.

Efforts to implement the WTO- UN Recommendations on Tourism Statistics have focused on the initial preparation for the **International Conference on Statistics and Measurement of the Economic Importance of Tourism**, which WTO intends to hold in the beginning of 1999. A preparatory meeting of this Conference will be held in Mexico, in May 1998.

WTO has prepared the last edition of the “**Tourism Satellite Account (TSA)**” which was discussed during the of the Steering Committee held in Madrid on 19-20 March 1998. The Asia/Pacific Seminar on Statistics and Tourism Satellite Account will be held at Kovalam Beach Resort, Trivandrum, India, from 27 to 30 April 1998. The primary goal of the Seminar is to promote the elaboration of Tourism Satellite Account as a means for the public policy-makers and the private sector to gain a better perspective of tourism’s overall economic impact, giving them the opportunity to prioritize limited resources. It will also provide the national tourism administrations with a strategic tool to better formulate their marketing and development plans.

9. Quality of Tourism Development

A. Liberalization

The programme provides for the establishment and operation of a **Working Group on Liberalization**. The objective is to identify and work with experts who could help the Organization in representing the interests of governments and the tourism sector in the ongoing consultations and negotiations, principally carried out by the World Trade Organization and some regional groups, aimed at reducing administrative barriers to the free circulation of economic factors (demand, investment, expertise, labour) and related services, with a view to encouraging competitiveness, quality service, and sustainable development.

A more pronounced emphasis on these issues by the Organization will stimulate relevant research and policy-making discussions. It will also open new communication links with other international organizations which are active in the field but at the same time do not have the institutional capacity to focus on tourism problems.

The current resources of the Organization do not allow to dedicate due attention to these problems, therefore external assistance is needed. It should be noted down that an undertaking in the Organization similar to the one now being proposed has been the *Steering Committee on Statistics*. It has been instrumental in implementing the 1993 UN/WTO *Recommendations on Tourism Statistics* and the preparation for the new *International Conference on Statistics and the Measurement of the Economic Importance of Tourism*.

Some countries, contributors to the WTO Data Bank on measures affecting trade in tourism services (56 countries to date) have already advanced their candidatures for the group, principally from their National Tourism Administrations. It will be necessary, however, to also seek cooperation from recognized experts and researchers in the field and to secure resources to sustain this activity.

B. Tourism for All

The establishment and operation of a **Global Code of Ethics for Tourism** is one of the main features of Quality of Tourism Development. The activity was requested by a special meeting of World Tourism Leaders (Manila, Philippines, 22 May 1997). The draft terms of reference were explained in detail at the 12th session of the General Assembly. The Assembly endorsed this project and appointed members from the Regional Commissions to a Special Committee on the code preparation.

In order to speedily proceed with this project, the following resolutions and executive decisions need to be taken as a matter of urgency: appointment to the Committee of experts from the professional and non-governmental sectors; appointment of the Committee bureau; role of the Committee members in their respective Regional Commissions; the code drafting; timetable; and consultation procedures with the government, non-government and operational sectors. The Secretary-General will take the initiative to convene the Special Committee at the earliest convenience. Non-governmental groups worldwide have expressed special interest in the code and have therefore been invited to present comments and contributions, particularly by means of Internet.

It is presumed that the Special Committee members assume the task to help the Secretariat in the code drafting, consultation and promotion.

Respecting the Rights of Access to Tourism for People with Disabilities

By taking stock of the developments made in this area, since the adoption by WTO in 1991 of the policy document *Creating Tourism Opportunities for Handicapped People in the Nineties*, this exercise will basically consist of updating this document.

Status of National Tourism Promotion Activities Abroad (Representations and Promotional Material)

Based on the research carried out so far by the Organization, the work should primarily consist of drawing up a recommended standard agreement on the status of official tourism representations abroad (administrative measures of sending and receiving countries) and of recommended amendments to the New York Convention concerning custom facilities for tourism.

C. Safety and Health

Tourist Safety and Security Task Force

This WTO service was requested and its proposed terms of reference were explained in detail at the WTO Regional Seminars on Tourist Safety and Security in April 1997 in Addis Ababa, Ethiopia, and in September 1997 in Warsaw, Poland.

Preliminary consultations were held with INTERPOL. It may be necessary to survey all members of the Organization on the rationale, content

and feasibility of this project. In order to make some important parts of the project operational, it may be necessary to conclude *Memoranda of Understanding* with a few international organizations active in the field, such as ICAO, ICPO-INTERPOL, WCO, and WHO.

Revision of the International Health Regulations

The World Health Organization (WHO) has asked WTO to take part in the revision of this international agreement, to reflect, *inter alia*, the need to report on the outbreaks of emerging diseases, which can be disseminated by international travel. It can therefore be expected that the operational sector of tourism could help in this endeavour. WTO's role could be to consult the sector on the modalities of its possible cooperation in this area. Recently WHO has launched the idea of drafting a specific joint WTO/WHO agenda to include all tourist health and travel medicine matters on which both organizations might cooperate.

D. Quality Standards and Networking

Tourism Facilitation and Security Councils

To date, 52 countries have replied to a WTO Secretariat query on the modalities of such activities in their countries and the future WTO services which might be requested in this area (clearing-house function and regular consultations).

The Application of Quality Design, Parameters and Standards to Tourism Activities

The objective will be to draw up a follow-up handbook to the WTO publications *Towards Quality in Tourism* to contain practical guidelines for the use of ISO standards and certification procedures. In this regard, the Secretariat will analyse a possible WTO role in developing worldwide voluntary standards for tourism issues and activities, and to become an accreditation body for certification companies working with tourism establishments and activities and destinations.

E. International Conferences

The following international conferences are planned :

- ◆ A joint UNCTAD-WTO Expert Meeting on Tourism (Geneva, Switzerland, 8-10 June 1998)
- ◆ Strategies for Excellence and Quality in Tourism (Cracow, Poland, 8-10 October 1998), in conjunction with the third meeting of the Quality Support Committee

- ◆ A Regional conference on food safety and tourism for Africa and the Mediterranean (scheduled for November 1998 in Tunis)
- ◆ Food and Tourism (Cyprus, 1999)
- ◆ Youth Tourism Policies, to be held in conjunction with the Federation of International Youth Travel Organizations (FIYTO), planned for the year 2000.
- ◆ Senior Tourism Policies (optional, 1998 or 1999)

F. Ongoing Activities

The Organization will continue to run a special Internet service as a **Child Prostitution and Tourism Watch**. This effort is part of the Plan of Action adopted by the World Congress Against Commercial Sexual Exploitation of Children (Stockholm, Sweden, 1996) and is carried out with the help of major tourism operators in the world, the ECPAT organization, NGOs and national governments (So far, approximately 40 governments have placed their information on the Internet service mentioned above).

10. Communication and Documentation

A. Press and Communications

Activities of the Press and Communications section in 1998-1999 put new emphasis on promotion of the economic importance of the tourism industry, especially among governments through work related to the **International Conference on Tourism Economic Statistics**. The following year, the focus expands to include the general public through campaigns to prevent undesirable social, culture and environmental effects of tourism, through promotion of WTO's upcoming **Global Code of Ethics** and a traveler awareness campaign.

The programme also continues current efforts to enhance the image of the World Tourism Organization as an active leader of the entire tourism industry and central point for professional tourism information. This is accomplished through the production of professional publications, expansion and improvement of the information available on the WTO website on Internet, participation in tourism fairs, regular communication with the industry, and media relations.

The section also aims to assist WTO Members in improving their communications efforts, both media relations and crisis management, through published materials, workshops, helping organize familiarization trips for the media, and, advice when requested.

An innovative feature of the 1998-1999 programme is the creation of a Communications Advisory Committee made up of communications professionals from Member States and Affiliate members. Its purpose is to advise WTO on the programme priorities and to help implement the Organization's communication goals.

B. Documentation

In accordance with resolution 373(XII), the General Assembly last October approved the Organization's Programme of Work for 1998-1999 in which Documentation constitutes one of the major areas.

During the next biennial period, the provision of comprehensive and updated information to support the implementation of WTO's General Programme of Work and that of its Affiliate Members will continue to be a primary function of the Documentation Centre. Also, the Centre will develop and expand customer-oriented information services and products so as to meet the growing needs of Members and other external users. At the same time, priority will be given both to make information more readily accessible through the development of CD-ROM products and interactive on-line services, and to offer guidance and standards to National Tourism Administrations (NTAs) for establishing information resource centres and facilitating information access and exchange within the present global information networking development.

For this new biennium, action in the area of Documentation will focus on a number of specific activities.

Concerning **Tourism Legislation**, inventories of national laws and regulations governing the travel and tourism sector for each WTO Region will be published in 1998.

In the case of Asia and the Pacific (i.e. East Asia and the Pacific and South Asia), the regional inventory of the legislative texts compiled by country will be distributed during the first quarter of 1998. In addition, these bibliographic data will also be available on-line through the Organization's Internet site. As an initial stage, this service will be offered to Members only.

On the basis of the legal information thus collected and processed by the Documentation Centre, the Commission could consider the possibility of convening in 1998 or 1999 a **regional seminar on tourism legislation**. This technical meeting could either cover one or several aspects of the tourism activity such as Tourism Organization; Accommodation; Tourism Investment Incentives; Tourism Professions; Tourism Fiscal Policy; and Protection and Conservation of Tourism Resources/Management of Tourist Sites and Attractions.

In the field of **customized information products** proposed to meet the needs of the Centre's external users, a survey will be conducted with a view to identify information on the **on-going and planned research activities** carried out by NTAs and the operational sector (mainly the Affiliate Members). A report on the findings of this survey will be published in 1998.

In the context of the **standard-setting role** of the Organization in documentary activities, the Secretariat will prepare this year a **Handbook for the setting-up and running of information resource centres** or similar structures with tourism administrations. These guidelines will be illustrated with appropriate case studies on tourism information systems already operational in different countries and regions of the world.

Based on the first edition of the bilingual (French/English - English/French), **WTO Thesaurus on Tourism and Leisure activities**, to be published early in 1998, a **multilingual version** (including Arabic, Russian and Spanish) of this linguistic tool for technical processing and exchange in tourism information will be prepared in 1998-1999 with the voluntary contributions from Members together with the assistance from other international organizations such as UNESCO and OECD.

11. WTO Business Council

As a result of the discussions held in relation to the White Paper during the Istanbul Assembly of the Affiliate Members, a new strategy was approved, more business oriented, to provide the appropriate services to the three main constituencies:

- a) Private companies and business oriented associations
- b) Educational and research institutions
- c) National/regional/local promotion/development boards

It was also approved to frame the new strategy under a new name: "WORLD TOURISM ORGANIZATION BUSINESS COUNCIL (WTOBC)" and with its own identity-logo under the umbrella coverage of WTO.

A new WTO Business Council Board was then formed trying to cover the different members from the various regions. In the case of South Asia, due to the minimal presence of Affiliates, it is proposed to incorporate a Board member as soon as more diverse membership is obtained.

The new focus of activities for 1998 will revolve around two major worldwide topics and studies:

- a) "**Taxation on tourism**": was the subject of a previous study by Deloitte & Touche which was discussed during 1997 at various seminars worldwide. The study's final report is now ready incorporating all the additional findings from these seminars. The study was officially presented at Berlin (ITB – March '98) and is now available for further presentations.
- b) "**Evolution of leisure time and its impact on tourism**": the first findings of this study, which was commissioned to Horwath UK, have just been received which will be further analysed during 1998 in seven seminars worldwide.

The "Leisure Time" seminars will also have a new format and marketing approach by including (upon sponsorship by third parties/companies) major international "keynote speakers" (of the category of Mr. Toffler, Mr. Naisbitt,

etc.) to introduce the topic within the forecasts for the next millennium, the obvious effect being not only an intellectual enrichment of the seminars but also a better participation in terms of quantity and quality and, a substantially wider media coverage.

As an obvious result of these two activities, specifically organized by the WTO Business Council, plus the complementary ones organized by the Regional Representation, it is clearly aimed during 1998/99 to increase the memberships in the region to reflect within WTO its evident importance.

Although in 1997 no activities were organized in the region, consequent with what has been previously stated, depending on the assistance/sponsorship received, it is proposed to organize at least two seminars on the "Leisure Time" during 1998 in East Asia and the Pacific:

- a) China (possibly Shanghai in September on the occasion of the tourism fairs)
- b) Australia (dates and venue yet to be decided)

Members from the South Asia region are requested to kindly indicate their willingness to hold a similar seminar in the region in either late 1998 or 1999.

Finally, and forming part of the new "Forum of Advisors" of the WTO Business Council, various persons of the Asia-Pacific region, who in view of their individual merits, were chosen as members of this "**think tank**", will meet in June in Washington D.C. (USA) to discuss among other topics, the new approaches and programmes that must be implemented in WTO to enhance the desired progressively stronger partnership between its public and private sector members.

VIII. Next Commission Meeting

At the invitation of Pakistan, the thirty-seventh meeting will be held in this country during the first half of 1999.

This is the text used for CAP/32 Report to be kept in case it has to be used

The members of the Commission participated in the World Tourism Leaders' Meeting (WTLM) on the Social Impacts of Tourism which was jointly organized by WTO and the Government of Philippines in Manila in May 1997. The meeting attracted representatives from 77 countries and territories including 25 ministers who debated one of the most important effects of tourism development - its impacts on the social traditions and norms of societies. The meeting recognized that although negative impacts have received much media attention, these problems could be managed through effective and appropriate policies. It was agreed to support any measure to prevent the exploitation of children, youth and women arising from tourism activity and to secure this objective through the cooperation of all the stake holders in tourism.

The Meeting resulted in the Manila Declaration on the Social Impacts of Tourism which urged governments and the private sector to make all possible efforts to maximize the positive impact of tourism development and eradicate the negative ones. Participants also agreed to work toward the formulation and eventual adoption of a Global Code of Ethics for Tourism.

In 1998, three meetings are planned by the Secretariat for the Silk Road countries: the Travel Forum in Kyoto in February, the Tour Operators Workshop in Kazakstan in August or September, and the Third International Meeting on the Silk Road in Tbilisi, Georgia in October. Activities will also be initiated to implement the proposed Handicrafts Centre project as well as the TV series project within the framework of the WTO Silk Road Tourism Project .

3. Cooperation with ESCAP

The Secretariat has been working in close cooperation with the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) to assist the Members in further development of the tourism sector. The Secretariat is collaborating with ESCAP and the Asian Development Bank in the Mekong sub-region tourism development project. A joint ESCAP/WTO meeting on the establishment of the network of Asia-Pacific Education and Training Institutes in Tourism (APETIT) was organized in Tehran, Iran in September 1997. Plans are also being finalized to conduct a regional seminar on facilitation of travel in July 1998 in Thailand. WTO will participate in seminars and workshops which are being organized by ESCAP in 1998 on subjects of interest to the countries in the region.

4. WTO Regional Support Office

Thanks to the generous support of the Government of Japan and the Osaka Prefecture Government, the Regional Support Office for Asia and the Pacific was officially opened in Osaka in 1995, which enabled the Organization to considerably strengthen its operational activities in favour of all the countries of the Asia-Pacific region.

After having successfully conducted several important meetings in Japan since its inception, the Office is now taking a number of new initiatives including hosting of this WTO Tourism Week in Kyoto and a training seminar on tourism marketing in collaboration with ESCAP in Vietnam.

It may be further mentioned that the activities of the Regional Support Office are being actively supported by the Asia-Pacific Tourism Exchange Center (APTEC) which was established in 1995 with the explicit objective of contributing to the promotion of economic development and mutual international understanding in Asia and the Pacific through international tourism exchange in the region. The Centre is promoted by local authorities and business circles of the Kansai Region.

5. WTO Publications for Asia

As a result of the conferences and seminars held in this region during the period under review, five publications were released. As a follow-up to the just released publication of WTO, - *Asia-Pacific Tourism in Figures*, the Secretariat plans to launch a survey of all Asian countries in order to produce a publication - *Asia-Pacific Tourism Development Review*, towards the end of 1998.

6. Human Resource Development

It is recalled that WTO's programme of work in education and training has been restructured so as to perform the mission of achieving quality in human resource development and, reflecting the needs of future professionals, tourism industry employers and member States.

A publication, "*An Introduction to TEDQUAL*" (*Quality in Tourism Education*) has been produced. This publication is aimed at facilitating quality audits in tourism education and training and will be used in courses imparted on quality tourism education. The TEDQUAL quality audit is also intended to be used as a tool in itself to be applied to projects in the context of a tourism development plan for a country, region or a particular destination to identify quality gaps in education and training systems and to prioritize action.

The *Graduate Tourism Aptitude Test (GTAT)* is soon to be launched for pilot testing in selected education centres and will be administered in a computerized format, enabling students to receive not only a score but also an evaluation of their strengths and weaknesses. The results of this test will be recognized by all Centres in the WTO Education and Training network as well as collaborating institutions.

The *WTO Ulysses Awards for Excellence in Tourism Education and Training* to cover programmes and research will be launched during 1998-1999. The WTO Education and Training Website is now in operation. The WTO Internship Programme for officials of National Tourism Administrations is now in its fifth year and has been renamed as the "WTO Practicum". This year the programme will be carried out in two periods, one in May and the other in September, with two-week courses to be held at WTO Headquarters in Madrid.

With regard to the Educating the Educators seminar, the Tourism Authority of Thailand has expressed its desire to host an Educating the Educators seminar in Thailand during the first half of 1998.

In 1998, a new series of courses on Human Resource Development will be offered to cover the training necessities of the diverse regions, including such topics as TEDQUAL: Achieving Quality in Tourism Education and Training; Rural Tourism: Achieving Competitiveness for Tourism in Rural Areas; and, Education and Training Issues in Sustainable Tourism and Tourism Policy: The Role of Governments in Tourism.

The sixth meeting of the WTO Education and Training Centres Network was held at Istanbul on 21 October 1997 with twelve out of the fourteen Centres attending. Unanimous support was given to the projects underway. It was agreed to continue and strengthen the initiative established by the Centres to provide new courses and scholarships for officials of national tourism administrations of WTO member States, complementing those scholarships

already offered by the French Government at the University of Paris I, Panthéon-Sorbonne and the Italian Government at the International School of Tourism Sciences of Rome.

7. Environment and Planning

The WTO Environment Committee held its Tenth Meeting at Jakarta, Indonesia, on 13 November 1997 which was hosted by the Government of Indonesia. The Committee meeting was preceded by a Joint WTO/WTTC Agenda 21 Think Tank Follow-up Seminar which took place on 12 and 13 November 1997. More than 100 delegates, coming mainly from Indonesia and the Asia and Pacific region, participated in the seminar.

In the East Asia and Pacific region, the Government of the Philippines has expressed its interest in being involved in the pilot-testing of the clean beach programme under the name of Blue Flag; arrangements are currently being made with the United Nations Environment Programme (UNEP) with a view to undertaking this project as soon as possible.

The Environment and Planning Section of WTO is currently involved in the organization of the World Conference on Tourism in Small Island States, with the support of UNEP. The Conference will be held in Mauritius, from 7 to 10 September 1998 and will cover the following four main subjects:

- The economic impact of tourism on small island states and its evaluation.
- Air transport and its importance for the development of tourism in the islands.
- Tourism and environmental quality in the islands, particularly in coastal areas.
- The development of nautical tourism in the islands and its environmental impact.

8. Statistics and Market Research

Since the previous meeting of the Commission, WTO has carried out a number of activities aimed at informing Members of tourism trends and prospects on a global scale. At the same time, a series of actions were underway to promote the implementation and application of WTO-UN Recommendations on Tourism Statistics and to help the States to appreciate and assess more accurately tourism's economic importance, both nationally and internationally.

With regard to statistical publications, mention should be made of the following:

- ◆ publication of the third edition of the Travel and Tourism Barometer containing the first detailed data for 1997 on tourism receipts and expenditure and flows to and from the main tourist markets worldwide;

- ◆ the Secretariat is preparing the eighteenth edition of the Compendium of Tourism Statistics containing thirty-four basic statistical indicators illustrating tourism trends in over 190 countries and territories during the period 1992-1996; and
- ◆ the Secretariat is also in the process of concluding the fiftieth edition of the Yearbook of Tourism Statistics.

The Secretariat continued the updating of the Study on Global Tourism Forecasts to the Year 2000 and Beyond. An executive summary of this update was presented at the General Assembly in Turkey in October 1997 under the general title of “**Tourism: Vision 2020**”. This new study, structured around three pivotal points of research, focuses on:

- ◆ tourism environment and prospects to the year 2020;
- ◆ intraregional and long-haul tourist flows; and
- ◆ main emerging market segments, including methods for attracting and promoting them.

Efforts to implement the WTO-UN Recommendations on Tourism Statistics have focused on the initial preparation for the International Conference on Statistics and Measurement of the Economic Importance of Tourism, which WTO intends to hold in the beginning of 1999. A preparatory meeting of this Conference will be held in Mexico, in May 1998.

WTO has prepared the last edition of the “**Tourism Satellite Account (TSA)**” which will be discussed during the next meeting of the Steering Committee to be held in Madrid mid-March 1998.

9. Quality of Tourism Development

WTO is in the process of drawing up a recommended standard agreement on the status of official tourism representations abroad (administrative measures of sending and receiving countries) and of recommended amendments to the New York Convention concerning custom facilities for tourism.

The Organization continues to run a special Internet service as a **Child Prostitution and Tourism Watch**. This effort is part of the Plan of Action adopted by the World Congress Against Commercial Sexual Exploitation of Children (Stockholm, Sweden, 1996) and is carried out with the help of major tourism operators in the world, the ECPAT organization, NGOs and national governments.

10. Communication and Documentation

Activities of WTO's Press and Communications section in 1998-1999 put new emphasis on promotion of the economic importance of the tourism industry, especially among governments through work related to the

International Conference on Tourism Economic Statistics. The following year, the focus expands to include the general public through campaigns to prevent undesirable social, culture and environmental effects of tourism, through promotion of WTO's upcoming Global Code of Ethics and a traveller awareness campaign.

The programme also continues current efforts to enhance the image of the World Tourism Organization as an active leader of the entire tourism industry and central point for professional tourism information. This is accomplished through the production of professional publications, expansion and improvement of the information available on the WTO website on Internet, participation in tourism fairs, regular communication with industry, and media relations.

The provision of comprehensive and up-dated information to support the general programme of work will continue to be a primary function of the WTO's Documentation Centre. The Centre will develop and expand customer-oriented information services so as to meet the growing needs of Members and other external users. At the same time, priority will be given both to make information more readily accessible through the development of CD-ROM products and interactive on-line services, and to offer guidance and standards to National Tourism Administrations (NTAs) for establishing information resource centres and facilitating information access and exchange within the present global information networking development.

In 1998, a WTO publication - **Tourism Legislation**, including inventories of national laws and regulations governing the travel and tourism sector for each WTO Region will be produced. In the case of Asia and the Pacific, the regional inventory of the legislative texts compiled by country will be distributed during the first quarter of 1998. In addition, these bibliographic data will also be available on-line through the Organization's Internet site. As an initial stage, this service will be offered to Members only. On the basis of the legal information thus collected and processed by the Documentation Centre, the Commission may consider convening in 1998 or 1999 a **regional seminar on tourism legislation**. This technical meeting could either cover one or several aspects of the tourism activity such as tourism organization; accommodation; tourism investment incentives; tourism professions; tourism fiscal policy; protection and conservation of tourism resources/management of tourist sites and attractions.

11. **WTO Business Council**

Formerly known as the Affiliate Members Committee, the activities of the Council for 1998 will revolve around two major topics:

- a) "Taxation on Tourism": was the subject of a previous study by Deloitte & Touche which was discussed during 1997 at various seminars worldwide. The study's final report is now ready incorporating all the additional findings from these seminars. The study will be officially presented at Berlin (ITB – March '98) and available from then onwards for further presentations. A Asia/Pacific Seminar on Tourism Taxation is scheduled to be held at Kochi, India on 23-25 April 1998.

- b) “Evolution of Leisure Time and its Impact on Tourism”: the first findings of this study, which was commissioned to Horwath UK, have just been received which will be further analysed during 1998 in seven seminars worldwide, out of which, two are tentatively scheduled to take place in the East Asia/Pacific region, possibly one in China and the other in Australia.

VII. Next Commission Meeting

The Republic of Korea and Macau expressed their interest in hosting the thirty-third meeting of the WTO Commission for East Asia and the Pacific in the first half of 1999. The Commission requested the Secretary-General to take a decision on this at a later stage in consultation with the Chairman of the Commission.