

CSA/39/DEC
December 2000

DECISIONS TAKEN BY THE WTO COMMISSION
FOR SOUTH ASIA AT ITS THIRTY-NINTH MEETING
Sakai, Japan, 25 October 2000

AGENDA

1. Adoption of the agenda
2. WTO Tribute to the late Minister for Tourism and Civil Aviation of Sri Lanka, Hon. Mr. Dharmasiri Senanayake
3. Communication of the Chairman of the Commission
4. Presentation of the Tourism Market Trends (statistical monograph) of the region for 1999
5. Promotion of South Asia as an Emerging Tourism Destination
6. Country presentations on Joint Promotion of South Asia
7. Place and date of the fortieth meeting of the Commission

DECISIONS

CSA/DEC/1 (XXXIX)

ADOPTION OF THE AGENDA

Agenda item 1 (document CSA/39/Prov.Agenda)

The Commission,

Having considered the request made by the Ministry of Tourism of the Royal Government of Cambodia, to move provisional agenda item 5 "Information on the WTO/UNEP International Conference on Sustainable Tourism in the Islands of the Asia-Pacific Region, Sanya, Island of Hainan, China, 6-8 December 2000; and, the International Conference on Cultural Tourism, Siem Reap, Cambodia, 11-13 December 2000" to the agenda of the sixteenth joint meeting of the WTO Commission for South Asia and the WTO Commission for East Asia and the Pacific,

Having also considered the request made by the Secretary-General to move provisional agenda item 7 to the beginning of the meeting's agenda so as to commence the meeting with a tribute to the late Minister of Tourism and Civil Aviation of Sri Lanka,

Accepted both requests and **adopted** the modified agenda accordingly.

CSA/DEC/2 (XXXIX)

WTO TRIBUTE TO THE LATE MINISTER FOR TOURISM AND CIVIL AVIATION OF SRI LANKA, HON. MR. DHARMASIRI SENANAYAKE

Agenda item 2

The Commission,

Having heard the statement of the Secretary-General through which he described the life of Mr. Senanayake and his untiring contributions to the development of Sri Lanka's tourism industry and WTO's activities,

1. **Expressed** its sincere appreciation to the late Minister for his support to the Members in the region as well as for his excellent service as Chairman of the WTO Executive Council; and
 2. **Paid tribute** to him by observing a minute of silence.
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CSA/DEC/3 (XXXIX)

COMMUNICATION OF THE CHAIRMAN OF THE COMMISSION

Agenda item 3

The Commission,

Having heard the communication of the Chairman,

1. **Thanked** him for his communication;
 2. **Appreciated** his words of welcome and greetings extended to all the Members and other participants, and his words of thanks to the Members for re-electing Pakistan as Chairman of the Commission for a second consecutive term;
 3. **Noted** his comprehensive review of the results of the region's tourism industry particularly in the wake of the Asian financial crisis;
 4. **Further noted** his recommendation to the Commission to preserve its rich natural and cultural heritage while developing the industry, adapt rapidly to the application of new technology, and to raise its human development resources to international standards; and
 5. **Joined** him in thanking the Secretariat for its technical assistance to the region on numerous occasions and for its efforts to tackle the low global share in international tourism arrivals and receipts of the region by convening the Ministerial Summit on Joint Promotion and Marketing of South Asia as an attractive tourism destination.
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CSA/DEC/4 (XXXIX)

**PRESENTATION OF THE TOURISM MARKET TRENDS (STATISTICAL MONOGRAPH)
OF THE REGION FOR 1999**

Agenda item 4

The Commission,

Having listened to the detailed presentation of the statistical monograph for South Asia,

1. **Appreciated** the submission of the statistical monograph which is of immense value to the national tourism administrations in the region in their planning and marketing exercises;
2. **Noted**, that despite its positive results where the region registered the third highest growth worldwide in international tourist arrivals (8.3 per cent) which doubled the world average, South Asia still has the smallest market share of international tourism of the world (0.9 per cent). The Commission was pleased to note, however, that South Asia was the only region whose growth in international tourism receipts corresponded to its growth in international tourist arrivals (8.3 per cent) with the consequence that it recorded the second highest growth in receipts worldwide;

3. **Further noted** that the results were due to a general improvement in the quality and content of the South Asian tourism product particularly in transportation infrastructure (more airports, increased ground handling capacity, more flights and to more destinations), the range and quality of accommodation as well as the general improvement in human resources, and, the impressive amelioration of tourism marketing and promotion – long recognised as the weak point in South Asian tourism development;
 4. **Requested** the Secretariat for more analytical data as well as more elaborated information and data on other regions and destinations so as to facilitate relative assessments;
 5. **Further requested** the Secretariat for more detailed explanations on reasons for positive and negative growths and trends and redesigning the monograph so that salient features such as main charts should be brought forward to the beginning or placed separately so as to facilitate an overview of the tourism scenario worldwide and on a regional basis; and
 6. **Recommended** the Secretariat to not delay the presentation of a monograph to a regional commission meeting in case of the meeting being held late in the year but rather circulate it, even on a provisional basis, as early in the year as possible.
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CSA/DEC/5 (XXXIX)

PROMOTION OF SOUTH ASIA AS AN EMERGING TOURISM DESTINATION

Agenda item 5

The Commission,

Having considered the working document submitted by the Secretariat;

1. **Thanked** the Secretariat for its in-depth analysis of the region's tourism industry and for the practical guidelines and recommendations put forward for strengthening the region's promotional and marketing efforts;
2. **Recognised** that although South Asia's international tourism is growing, its absolute volume, share of worldwide arrivals and receipts, and pace of growth are all far below the levels required for the region's economic development and in the light of the region's outstanding natural and cultural resources;
3. **Were aware of** the poor international perception of the countries of the region and for the major need to offset these negative images through well-designed and effectively-communicated marketing and promotion activities;
4. **Recognised** that joint regional marketing and promotion initiatives are a means of making full use of their meagre resources given that destination marketing in other regions is increasing and the costs of marketing in international market places is prohibitively high; and

5. **Requested** the Secretariat to study the possibility of developing a regional tourism and promotion strategy and to prepare a project document for possible submission by WTO to a funding partner in development.

The working document (originally CSA/39/4 before the modification of the provisional agenda) prepared by WTO is attached as an Annex to this document.

CSA/DEC/6 (XXXIX)

COUNTRY PRESENTATIONS ON JOINT PROMOTION OF SOUTH ASIA

Agenda item 6

The Commission,

Presented case studies of its individual marketing and promotional campaigns. Presentations were delivered in the following order: Bangladesh, Islamic Republic of Iran, Maldives, Nepal, Sri Lanka and Pakistan. India did not deliver a presentation. The salient features of each presentation include:

1. **Bangladesh** urged fellow Member States to take advantage of the common history and the homogeneous nature of the region, combined with the burgeoning consumer class, to join hands and effectively promote intraregional tourism within the region, and, South Asia as a common destination for interregional tourism.
2. **Islamic Republic of Iran** proposed that the Member States examine the megatrends identified in WTO's Tourism 2020 Vision study with the view to identifying opportunities and strategies to maximise the benefits they can obtain through exploitation of such trends; engage in joint regional marketing and promotion through harmonization of marketing strategies and undertaking of joint campaigns (both among South Asian countries, and between South and East Asian countries), and developing region-wide public/private partnerships; set up regional web sites to "incubate" those countries in the region that do not have strong internet capabilities and promote e-tourism; facilitate travel between the countries of the region, through easement of visa requirements and use of technology; and, establish a regional tourism research centre to develop and exchange tourist market information and regulations.
3. **Maldives**, despite the unique characteristics of its tourism resources and its success in attracting an average annual growth in its tourist arrivals of 16 per cent during the course of the 1990s, recognised that it cannot afford to mount a major marketing campaign on its own and that joint regional efforts can achieve far more – both for the larger destinations in the region and for the smaller ones.
4. **Nepal** similarly agreed with Member States of the region and joint marketing and promotion would allow them to go further given the lack of resources in developing countries. Actions to be taken would include increasing intraregional tourism promotion; branding regional images for interregional tourism promotion; liberalising air policy; focusing attention on product development and tour packaging; signing a memorandum of understanding between private sector trade associations; and attracting private sector regional investment in tourism products and facilities.

5. **Pakistan** expressed its opinion that the region suffers mainly from a lack of awareness and the region's attitude towards marketing and promotion, which so far had been passive in nature, should become aggressive. Various options put forward included cooperation at trade fairs, regional advertising, and, working together, with the assistance of the WTO, towards designating 2003 as the Visit South Asia Year.
 6. **Sri Lanka** summarised previous joint promotional activities as being successful when there was solid implementation machinery supported by WTO and requested that the Secretariat play the role of the implementing agent for the regional programmes. Sri Lanka also encouraged the fellow Member States to pay attention to intraregional tourism, along the lines of the model in East Asia; organise regional events (moving from country to country each year) and use these as a central part of a joint regional approach to marketing and thereby "create an image for the region as one unified entity"; develop transport connections between all the countries of the region; and establish a forum for regular communication between the top tourism and airline officials of the countries of the region.
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CSA/DEC/7 (XXXIX)

PLACE AND DATE OF THE FORTIETH MEETING OF THE COMMISSION

Agenda item 7

The Commission,

Accepted with gratitude the offer of the Government of Bangladesh to host the fortieth meeting of the Commission in its territory during the first half of 2001.

WTO COMMISSION FOR SOUTH ASIA

Thirty-ninth Meeting

Sakai, Japan

25 October 2000

*Item 4 of the Provisional Agenda***PROMOTION OF SOUTH ASIA AS AN EMERGING TOURISM DESTINATION****Joint Marketing and Promotion of South Asia*****Principles, Priorities and Lessons***

This document serves as a background paper to the deliberations of the Thirty-ninth Meeting of the WTO Commission for South Asia on the opportunities for, and means of undertaking, concerted joint promotion of the region. Assessment and evaluation have been made of previous regional tourism marketing and promotion campaigns in various parts of the world in order to identify the key principles of, and priorities for, an effective regional approach to destination marketing, drawing on the lessons from these efforts - both positive and negative.

Tourism Performance and Prospects

The South Asia region recorded an average annual growth rate between 1995 and 1999 of 7.7%, close to double the rate of increase worldwide. Successive years' growth of 9.0%, 8.0% and 8.3% were recorded in 1997/8/9, as against aggregate global growth in those years of 3.5%, 2.9% and 4.5%. In 1999, South Asian countries achieved a record level of 5.7mn international tourist arrivals, though this still represents only 0.9% of the global total

WTO's Tourism 2020 Vision study predicts that with an expected average annual growth rate between 1995 and 2020 of 6.17% a year (as against 4.15% a year globally) the Region's share of international tourist arrivals will expand, reaching a market share of 1.20% by 2020.

While this is encouraging it clearly demonstrates that the Region will remain the smallest and even by 2020 the seven constituent members will attract in aggregate just 18.8mn international tourist arrivals out of the forecast worldwide total of 1,561mn. It is clear that this present and anticipated performance is far below that needed in a region with approaching a quarter of the world's population. The natural and cultural resources for greatly increased tourism are readily acknowledged throughout the generating market regions of the world. The opportunities are abundant and the potential enormous.

Need for Regional Collaboration

Why then is the Region likely to remain the smallest? The answer is, of course, complex and involves many aspects - some interlinked, some disparate. Infrastructure provision, product facility development, human resources development and marketing all require high capital investment beyond the means of the countries to provide to the extent needed to make the breakthrough. The role of foreign investment is vital, and the progress made to date by some of the countries in the Region in liberalising investment and operating regulations to make up for shortfalls in capital supply and operating expertise need to be built on.

Perhaps the greatest obstacle preventing the Region from achieving the desired quantum rise in tourism growth is the widespread negative perception held by many of the travel trade and prospective travelling publics in main tourist generating markets. The South Asia region has suffered over the past decade through major disturbances in almost all constituent countries. There is a widely held perception in tourist markets that most countries of South Asia are unstable and unsafe.

The WTO Tourism 2020 Vision study exhorts the countries of the Region to engage in acts of regional collaboration to compensate for their inability to mount the extensive marketing campaigns needed to counter this negative image overseas. Regional cooperation in tourism marketing and promotion is one example of such collaboration. This is not a new concept for the Region - various initiatives have been (and are being) processed through SAARC, while the South Asian Travel and Tourism Exchange was established in 1993 to package and promote the South Asian region as a holiday destination.

The time is now ripe to reinvigorate these regional marketing and promotion cooperative efforts. There are four reasons for making such an assertion:

- tourist generating markets are continuously seeking out new destinations, capable of providing a range of different experiences to cater for tourists' increasingly disparate tastes - *market changes*;
- the products of the Region complement each other and are capable of meeting the full range of discretionary tourist tastes, from beach resorts to holidays focussed on sports/adventure or arts/culture or nature - *product complementarity*;
- the fact that other regions are afflicted by problems equally as potentially damaging to their tourism sectors as experienced in South Asia and the market is increasingly looking to destination regions for undertakings of tourist safety- *market openness to reassurance*;
- our understanding of the dynamics and operation of regional marketing campaigns has evolved over the 1990s from experience of other such campaigns, so that we now possess better understanding of what works and what does not - *improved technical design and conduct of regional marketing*.

Principles of Regional Tourism Marketing Programmes

1. The programme is driven by *mutual interest and benefit* among participants. While the larger, more established countries may receive the greatest benefits, these should be in relation to inputs committed and there should be clear advantages to all members in

taking part in the programme. One of the key challenges for the Tourism Council of the South Pacific's (TCSP's) – now South Pacific Tourism Organisation (SPTO) – in designing its Visit South Pacific Year in 1995 was to ensure the benefits were balanced between the two countries with well-established tourism sectors - Fiji, French Polynesia – and those with smaller (in some cases infant) tourism sectors. The difficulty is exacerbated when international access to the region is predominantly through the large destinations. The Regional Tourism Organisation of Southern Africa (RETOSA) faces similar problems with international air capacity to South Africa far exceeding that to the other member countries leading to the bulk of tourists to the region entering it through Johannesburg (and to a lesser extent Durban and Cape Town).

2. Regional groupings suitable for regional marketing campaigns are those where the product range is not overly narrow with countries competing head-to-head with each other. *Breadth and complementarity of product range is essential.* For its highly successful European campaign for the Caribbean islands the Caribbean Tourism Organisation (CTO) focussed on the differences between the islands (ie language, culture, size and topography) rather than their prime attributes of their coastal attractions.
3. Regions whose members have greatly different political and social systems and are at widely variant stages of economic and tourism development experience problems in finding sufficient common ground for regional marketing approaches. Diversity is an asset but extreme difference can operate against the essential concept of teamwork. *Partner compatibility is necessary.* There have been several attempts to establish a regional approach to tourism for the 22 countries with Mediterranean coastlines. The most recent of these was launched through a conference in Malta in November 1995 at which the Government of Malta offered a building and facilities for the headquarters of the Mediterranean regional marketing organisation. The venture failed because the countries would not make the financial and other commitments needed. The mix of European and Arab cultures proved too difficult to assimilate while the contrast between the highly advanced tourism countries like Spain, France and Italy and the rest of the region proved an insurmountable barrier.
4. No regional marketing campaign can succeed without full commitment from all constituent member country governments and the principal private sector operators – both those from the countries of the region and those in generating markets that operate to/in the region. *Full commitment – financial, technical and human resources – from a strong public-private partnership is a prerequisite to a successful regional tourism marketing campaign.* The role of the private sector is fundamental. The limited success of the TCSP/SPTO Visit South Pacific Year 1995 was largely attributable to the fact that the private sector (both of the region and of the short haul generating markets of Australia and New Zealand) felt that it was largely kept on the “outside” and hence did not feel part of the campaigns run by the regional organisation and did not fully support them. This arose principally from the fact that there was no system of affiliate membership for the private sector in what was, until its revision of statutes and name change in 1998, an intergovernmental body.
5. Regional tourism marketing campaigns are akin to those of an NTO in that they have one or a combination of two objectives: the creation of awareness of, and interest in, a destination leading to increased visitation; and/or the facilitation of the individual country members’ and private sector’s own marketing and promotional efforts. For “new”

destination regions the former aim predominates (eg the campaigns for the Mekong, the TCSP/SPTO, RETOSA) while for regions which have established the basis for their tourism sectors a combined image creation/facilitation goal is normal eg CTO, ASEAN. *Determining the overarching goal of the campaign is vital.*

Priorities in Planning and Executing Regional Tourism Marketing Programmes

1. *Full and consultative planning.* The manifold activities involved in a regional tourism marketing campaign require meticulous planning and scheduling involving consultation with all participating governments AND key private sector players. If the planning process is not detailed or based on consensus it will not generate the level of commitment that is needed. Again, the TCSP/SPTO Visit South Pacific Year 1995 can be cited as an example in this respect.
2. *Design it professionally (ie for maximum impact and cost effectiveness) but realistically.* Too often regional marketing initiatives have foundered because activities were inappropriate for the campaign's objectives and/or were not properly researched. The temptation is to include all types of activity, aimed both at the travel trade and consumer, when instead an evaluation is needed to determine the most important target audience and the most effective means of communicating to that audience.
3. *Get the organisation right – don't cut corners.* A major component of the cost of the campaign will be the institution organising and coordinating the activities. It is vital that a formal body should be established – many failures result from the absence of a dedicated regional tourism marketing office. It is not likely that a regional programme will work if it is being conducted by the individual country members' NTOs trying to liaise with each other while simultaneously carrying out their own individual country activities.
4. *Finance is a crucial determinant – do a few things well rather than a lot superficially.* Regional tourism marketing campaigns require substantial resources (cash and product/service in kind). Most successful campaigns have involved support from major aid donor organisations, the EU having been active in this respect in the Caribbean, the Pacific and Africa. The importance noted earlier for wide and committed participation from within and outside the region is one factor in maximising support for the programme. Finance from a "partner in development" and private sector member dues to supplement the national governments' contributions are prerequisites for successful regional tourism marketing. At the planning stage, however, it is more than likely that the resources available fall short of the optimal programme designed. Under these circumstances, the guiding principle should be to focus on a more restricted range of activities to ensure that strong impact is made. Spreading the available resources too thinly to be effective is wasteful by definition. Selectivity in terms of source markets and market segments will be necessary as will maximum use of contributions in kind from the private sector (eg for familiarisation visits). The focus should always be on activities that are both *value adding* and represent *good value-for-money*.

Lessons from Other Regional Programmes

1. *Ensure all participants have their say and that a fair and equitable formula for financial (and other) contributions is devised.* This serves to dispel any possible resentment and enhances commitment.

2. *The role of the private sector is fundamental.* Its creativity and energy (and financial and in kind contributions) are vital. This gives the regional marketing organisation access to the knowledge and experience of the industry and helps ensure coordination of efforts.
3. *The regional organisation has to have credibility and standing,* both in the region and in generating markets. It needs to be formally endorsed by the region's governments and its role fully and effectively communicated throughout the relevant markets.
4. *A unique regional brand image is needed.* The essence of the regional marketing approach is that it should communicate through a message (or series of messages) that builds on, complements and strengthens, but does not duplicate, individual country messages. The challenges are: to devise a powerful regional destination image which is not just a "cobbling together" of what the countries have previously done on an individual basis but which brings the message home to the travel trade/prospective traveller that the region is a highly desirable place to visit; and to present this brand image in a way that is valid yet "fresh", and uses concepts, materials and messages that are readily acceptable to, and are in line with the travel trends of, consumers in generating markets.
5. *Regional tourism marketing programmes can be a valid and effective form of communications.* Though there are failures, the weight of evidence is that the economies of scale resulting from the collective strength of a large body of members with common interests and goals can achieve more than individual countries can, and at far lower human and financial cost.
6. *Highly skilled design and implementation are priority requirements.* The market is no longer so receptive to Visit Destination or Region Year promotions because they have proliferated to such an extent that they are no longer accorded special attention by the travel trades or travelling publics of major source markets. There are specialist skills in regional marketing programme design and execution. It is a special form of expertise. This "regionality" expertise should be an important criterion in recruitment.

Proposal for a New South Asia Regional Tourism Marketing and Promotion Strategy

For the reasons elaborated earlier in this paper and in line with the guidance gleaned from other regions' experiences with regional marketing campaigns, it is proposed that the desirability and feasibility of establishing a coordinated regional approach to the South Asia destination's marketing and promotion should be examined in detail. While the presentations by individual country member countries at this Commission meeting will be a central input to this exercise – and the content of these is not known to the writer at the time of drafting this paper - it is clear that a wider process of consultation and consideration will be needed before the merits of such a proposal can be fully evaluated.

Among the many aspects to be considered in assessing the practicability of, and support for, a regional strategy would be: finance, organisation, targets (i.e. source markets – including intra-regional, market segments, trade versus public focus), activities (in line with the targets). Consideration would be given *inter alia* to: the establishment of a common logo, the organisation of familiarisation tours for industry personnel, use of latest and emerging electronic technology techniques, formulation of multi-destination itineraries, joint participation at trade fairs and exhibitions via a South Asia Tourism Village, the celebration of a Visit South Asia Year, the

framework for an annual South Asia Travel Mart plus a whole range of other possibilities which will result from the discussions at the Commission Meeting.

A full and formal study will be needed drawing on the views of all relevant players in the Region in order to reach determination on the possibility of developing a regional tourism marketing and promotion