

DECISIONS TAKEN BY THE WTO COMMISSION FOR SOUTH ASIA  
AT ITS FORTY-SECOND MEETING

Madrid, Spain, 13 March 2002

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**WTO COMMISSION FOR SOUTH ASIA**  
**Forty-second Meeting**  
Madrid, Spain  
13 March 2002

***AGENDA***

1. Adoption of the agenda
2. Communication of the Chairman of the Commission
3. Regional activities
4. Presentation of the global and regional tourism market trends of the region for 2001 and prospects for 2002
5. Presentation of WTO's Study on the Impacts of the 11 September Crisis on South Asian tourism
6. Joint marketing and promotion of South Asian tourism in collaboration with the South Asia Travel and Tourism Exchange (SATTE)
7. Place and date of the forty-third meeting of the Commission

## PREAMBLE

1. The 42<sup>nd</sup> meeting of the WTO Commission for South Asia was held in Madrid, Spain on 13 March 2002. The meeting was held in conjunction with the 17<sup>th</sup> joint meeting of the WTO Commission for South Asia and the WTO Commission for East Asia and the Pacific and the Special Session of the WTO Commission for East Asia and the Pacific which were held in Madrid, Spain on 13 and 14 March 2002, respectively.
  2. The meeting was chaired by **Bangladesh** who called the meeting to order.
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## DECISIONS

### ADOPTION OF THE AGENDA

Agenda item 1 (document CSA/42/Prov.Ag.)

3. After reviewing the provisional agenda and taking into account that original item (7) had been taken up at the 17<sup>th</sup> joint meeting of the WTO Commission for South Asia and the WTO Commission for East Asia and the Pacific, the Chairman requested the Commission's approval to delete that item from the provisional agenda.
  4. The Commission unanimously approved this proposal and the provisional agenda was **adopted** with this modification. The final agenda of the meeting is located on page 2.
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### COMMUNICATION OF THE CHAIRMAN

Agenda item 2 (document CSA/42/2)

5. In his communication, the Chairman dwelt upon the commonalities between the South Asian nations as well as highlighting their diversity thereby encouraging the Members to work together to increase tourist arrivals to the region. He stressed that this was even more important considering the impacts of the September 11 crisis on global tourism in general, and, South Asian tourism, in particular. He strongly advocated, however, that whatever action is taken by the Members be under the concept of long-term sustainable development which would ensure the longevity of the industry particularly in regard to pollution control and protection of natural and cultural heritage from environmental degradation. He thanked WTO for its collaboration with the South Asia Tourism and Travel Exchange (SATTE) and for the compilation of an inter-active CD-ROM which would strengthen the Members' marketing and promotional strategies. He concluded by recommending that the Commission focus on evolving a strategy for the South Asia Region to exploit its tourism potential for joint promotion through exchange of travel writers/journalists and tour operators, publicity and promotional material, joint itineraries etc, and solicited WTO's financial and technical support in this regard.
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### REGIONAL ACTIVITIES

#### Agenda item 3 (document CSA/42/3)

6. The Commission complimented the Secretariat for their efforts in implementing the general programme of work of the Organization in the region through a diverse range of sectoral support missions and long-term projects.
7. The representative from **Bangladesh** requested WTO's technical assistance in strengthening public-private partnership in Bangladesh, in developing marketing and human resource development strategies for the country, and, organizing an Investors Forum for foreign direct investment. He also requested WTO to identify bankable projects for tourism development by carrying out pre-feasibility studies.
8. The representative from **India** thanked WTO for its efforts in promoting regional cooperation and requested WTO to further enhance these efforts with particular regard to South Asia's image. She also requested WTO's further assistance in institutional strengthening and awareness raising of the importance of tourism and its resultant economic and social benefits at all levels of society. She stressed the need for convergence in bringing together all the stakeholders in tourism and reducing the multiplicity of bodies involved in tourism development and promotion.
9. The representative from the **Islamic Republic of Iran** thanked the Secretariat for its current technical assistance in the formulation of a Tourism Development and Management Master Plan.
10. The representative from **Nepal** requested WTO's assistance in image enhancement and requested the Secretariat to participate in their initiative "Destination Nepal".
11. The representative from **Pakistan** also complimented the Secretariat on its efforts in developing South Asian tourism. He stressed that Pakistan was currently in a very difficult situation due to its proximity to Afghanistan and the ensuing conflict therein. He requested WTO's assistance which would alleviate this situation to whatever extent possible.
12. The delegate from **Sri Lanka** requested WTO's assistance in updating the Master Plan taking into account the changing situation the country and with the ultimate aim of poverty alleviation. He also requested more direct assistance in terms of crisis management.

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### PRESENTATION OF THE GLOBAL AND REGIONAL TOURISM MARKET TRENDS OF THE REGION FOR 2001 AND PROSPECTS FOR 2002

#### Agenda item 4

13. The WTO Department of Market Intelligence and Promotion presented the salient features of the global and regional tourism market trends for South Asia for 2001 and its prospects for 2002. These could be summarised as follows:

- world tourism in 2001 was characterised by the global economic downturn which affected all major economies and the 11 September attacks on the United States and its subsequent response.
  - given the inter-relationship between tourism and global economy, the customer response was manifested through a shift to intra-regional and domestic travel and less long-haul. Stays were of a shorter duration; travel and accommodation were in a lower category – the ultimate aim being to reduce expenditure.
  - the consumer response with regard to the September 11 attacks was more in relation to insecurity and uncertainty as to when, where and in what way the conflict would continue; general lack of confidence in the world political situation, and, the sudden change in business conditions for the tourism industry.
  - **World tourism decreased by 1.3 per cent** in 2001 with a total of **688.5 million arrivals**. **South Asia** registered an overall negative growth of **6.4 per cent** in international tourist arrivals in 2001 with **6.0 million international arrivals**. Until September 2001, South Asia registered an overall growth of 1.2 per cent in international tourist arrivals. However, the last four months of the year, it witnessed a loss of 24 per cent.
  - to date, all South Asian destinations witnessed a drop in growth rates in international tourist arrivals over 2000. The greatest decline was witnessed by **Nepal** (-22.0%), followed by **Sri Lanka** (-16.1%) followed by **I.R. of Iran** (-6.3%), **India** (-3.8%) and **Bangladesh** (-3.0%). No results were available for **Pakistan**.
  - WTO's short-term perspectives are that the general fear is fading, there is still uncertainty and volatility but the political situation is much clearer. Tourism performance in 2002 is much more dependent on economic conditions and the recovery of consumer confidence.
  - past experience has shown that tourism is very resilient and has a great capacity for recuperation.
  - short-term challenges are to overcome the "wait and see" attitude, sensitivity to price, late bookings and problems of cash flow, and pent-up demand due to postponed travel and the reduced capacity of operators. These could be overcome by improving security, increasing promotion, taking a pro-active communication approach and changing business strategies by studying price cuts very carefully, adjusting supply in volume and geographically, and, shifting from stress on volume to profitability.
14. It must be stressed that the results presented were **provisional** and the final figures would be presented by WTO during the course of the year. In the meantime, if the market situation changes rapidly, WTO would keep the countries informed on a constant and continual basis.
15. It was recommended that countries immediately reorient their marketing policies and strategies taking into account the impacts of September 11.
16. The Members appreciated WTO's efforts in constituting the **Tourism Recovery Committee** and that the conclusions and recommendations of the Committee would assist and guide them in the further development and promotion of their tourism industries.
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**PRESENTATION OF WTO'S STUDY ON THE IMPACTS  
OF THE 11 SEPTEMBER CRISIS ON SOUTH ASIAN TOURISM**

Agenda item 5 (document South Asia - Towards Recovery)

17. The Secretariat presented the conclusions and recommendations of its study on the impacts of the September 11 crisis on South Asian tourism. The study identified the main challenges/constraints to South Asian tourism to be the prevailing image. In general, there was a widely held perception that South Asia is unstable and unsafe. The further challenges were to restore air capacity, improve facilitation, work with the media, and, work to reduce travel advisories. The study identified the path to recovery to focus on regional collaboration, working with tour operators, establishing direct contact with the source markets, and, ensuring geographic market support to balance short and long-term priorities. The study also analysed each country's actions to counter the crisis and made country-specific recommendations to this effect.

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**JOINT MARKETING AND PROMOTION OF SOUTH ASIAN TOURISM  
IN COLLABORATION WITH THE SOUTH ASIA TRAVEL AND TOURISM EXCHANGE**

Agenda item 6

18. The representative of the South Asia Travel and Tourism Exchange (SATTE) informed the Members of the progress being made in the preparations of the interactive CD-ROM and photo CD. This CD-ROM, featuring all the South Asian Member States, would be the first of its kind and would serve as a valuable marketing and promotional tool for the South Asian countries. Given that certain countries had yet to provide sufficient audio-visual material for incorporation in the CD-ROM, WTO expects to release the CD-ROM at the end of June 2002.

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**PLACE AND DATE OF THE  
FORTY-THIRD MEETING OF THE COMMISSION**

Agenda item 7

19. The Commission unanimously accepted Nepal's offer to host the 43<sup>rd</sup> meeting of the Commission within its territory in 2003.

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## LIST OF PARTICIPANTS

The 42<sup>nd</sup> meeting of the WTO Commission for South Asia was attended by:

### MEMBER STATES

#### **BANGLADESH**

H.E. Mr. Shahed Akhtar, Ambassador of Bangladesh to Spain (**Chairman**)  
Mr. Md. Rafiqul Islam, commercial Counsellor, Embassy of Bangladesh  
Mr. Monir Ul Islam, Counsellor, Embassy of Bangladesh

#### **INDIA**

Mrs. Rathi Vinay Jha, Secretary, Department of Tourism  
H.E. Mr. Dilip Lahiri, Ambassador, Embassy of India  
Mr. Deepak Vohra, Minister, Embassy of India  
Mr. Aveg Agarwal, Second Secretary, Embassy of India

#### **ISLAMIC REPUBLIC OF IRAN**

Mr. Morteza Ahmadi, Director General, Training Centre, Iran Touring and Tourism Organization (ITTO), Ministry of Culture and Islamic Guidance

#### **NEPAL**

H.E. Mr. Bal Bahadur K.C., Minister for Culture, Tourism and Civil Aviation  
Hon. Mr. Lekhnath Acharya, Member of Parliament  
Mr. Vinod Jnawali, Joint Secretary, Ministry of Culture, Tourism and Civil Aviation  
Mr. Tek Bahadur Dangi, Director, Marketing and Promotion, Nepal Tourism Board

#### **PAKISTAN**

Mr. Yousaf Kamal, Federal Secretary for Minorities, Culture, Sports, Tourism and Youth Affairs

#### **SRI LANKA**

Dr. Prathap Ramanujam, Permanent Secretary, Ministry of Tourism

### OBSERVERS

#### **BHUTAN**

Mr. Sherab Tenzin, First Secretary, Permanent Mission of Bhutan to the United Nations

Mr. Navin Berry, Coordinator, South Asia Travel and Tourism Exchange  
Ms. Archana Kumari, South Asia Travel and Tourism Exchange

**PERMANENT OBSERVER – HOLY SEE**

Rvdo. Mons. Rubén M. Dimaculangan, Secretario, Nunciatura Apostólica en España

**WORLD TOURISM ORGANIZATION**

Mr. Francesco Frangialli, Secretary-General

Dr. Dawid de Villiers, Deputy Secretary-General

Dr. Harsh Varma, Regional Representative for Asia and the Pacific

Mr. Augusto Huéscar, Chief, Market Intelligence and Promotion

Mr. Masazumi Nagamitsu, Chief, WTO Regional Support Office for Asia and the Pacific

Mr. Xu Jing, Officer, Regional Representation for Asia