THE IMPACT OF ASEAN ON TOURISM

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ABSTRACT

The tourism sector, which has high inter-industry and cross-country linkages, is well suited to be the leading sector to accelerate regional economic growth and integration. International and domestic tourism are leading economic activities in the world today. Tourism has been known to generate goods and services directly and indirectly, attract foreign currency, stimulate employment, and provide opportunities for investment. ASEAN Member Countries aim to establish an integrated ASEAN Tourism Investment Zone (ATIZ) as a cornerstone of its regional tourism investment thrust. The regional tourism investment thrust involves identifying tourism areas that are attractive for joint investment promotion, developing joint action programs to overcome impediments and attract investors, and formulating strategies to promote ASEAN as a single tourism investment destination. The ultimate goal is to achieve full integration of the tourism sector across all ASEAN Member Countries through liberalization, facilitation and promotion measures, moving towards an ASEAN Economic Community. This paper discusses the role and impact of ASEAN on tourism. This paper also highlights the problems and the new plans and continuous efforts of ASEAN to boost the tourism.

Keywords: ASEAN, tourism, integration, economic growth, strategies, plans.
1. INTRODUCTION

Over the past six decades, the substantial growth in tourism activity has clearly marked tourism as one of the most remarkably important and rapidly growing sectors in the world economy. It is presently ranked fourth after fuels, chemicals and automotive products. (Tourism Highlights, 2009). For many developing countries, tourism is one of the main income sources that leads to exports of goods and services, generates employment, and creates opportunities for economic development. According to the World Tourism Organization report (2009), international tourist arrivals have continued to grow from 438 million in 1990, to 534 million in 1995, to 684 million in 2000, reaching 922 million in 2008, with an average annual growth rate of 3.8% between 2000 and 2008 (Tourism Highlights, 2009). While tourism has experienced continuous growth, it has nonetheless diversified world tourism destinations. Many new destinations have emerged alongside the traditional ones of Western Europe and North America, which are the main tourist-receiving regions. Both regions tend to have less dynamic growth in joint market shares, while Asia and the Pacific have outperformed the rest of the world in terms of an increasing share of international tourist arrivals, as well as market share of world international tourism receipts.

The World Tourism rankings are compiled by the United Nations World Tourism Organization (UNWTO) as part of their World Tourism Barometer publication, which is released three times throughout the year. In the publication, world tourism is ranked both by the number of visits and by the tourism revenue generated.

The top ten international destinations in 2009 were:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>International tourist arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>France</td>
<td>74.2 million</td>
</tr>
<tr>
<td>2</td>
<td>United States</td>
<td>54.9 million</td>
</tr>
<tr>
<td>3</td>
<td>Spain</td>
<td>52.2 million</td>
</tr>
<tr>
<td>4</td>
<td>China</td>
<td>50.9 million</td>
</tr>
<tr>
<td>5</td>
<td>Italy</td>
<td>43.2 million</td>
</tr>
<tr>
<td>6</td>
<td>United Kingdom</td>
<td>28.0 million</td>
</tr>
<tr>
<td>7</td>
<td>Turkey</td>
<td>25.5 million</td>
</tr>
<tr>
<td>8</td>
<td>Germany</td>
<td>24.2 million</td>
</tr>
<tr>
<td>9</td>
<td>Malaysia</td>
<td>23.6 million</td>
</tr>
<tr>
<td>10</td>
<td>Mexico</td>
<td>21.5 million</td>
</tr>
</tbody>
</table>

Tourism is one of the main priority sectors for ASEAN economic integration as envisaged in the Vientiane Action Programme (VAP). The ASEAN National Tourism Organizations (ASEAN NTOs) formulated a Plan of Action for ASEAN Co-operation in Tourism which includes the facilitation of investment within the region. Tourism has become a key industry and an important generator of income and employment for countries in the region. The rapid growth of tourism in recent years has attracted the interest of potential investors who are keen to be involved in this industry.

Asia-Pacific

The top ten Asia-Pacific destinations in 2009 were:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>International tourist arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>50.9 million</td>
</tr>
<tr>
<td>2</td>
<td>Malaysia</td>
<td>23.6 million</td>
</tr>
<tr>
<td>3</td>
<td>Hong Kong</td>
<td>16.9 million</td>
</tr>
<tr>
<td>4</td>
<td>Thailand</td>
<td>14.1 million</td>
</tr>
<tr>
<td></td>
<td>Country</td>
<td>Arrivals (Million)</td>
</tr>
<tr>
<td>----</td>
<td>------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>5</td>
<td>Macao</td>
<td>10.4</td>
</tr>
<tr>
<td>6</td>
<td>South Korea</td>
<td>7.8</td>
</tr>
<tr>
<td>7</td>
<td>Singapore</td>
<td>7.5</td>
</tr>
<tr>
<td>8</td>
<td>Japan</td>
<td>6.8</td>
</tr>
<tr>
<td>9</td>
<td>Indonesia</td>
<td>6.3</td>
</tr>
<tr>
<td>10</td>
<td>Australia</td>
<td>5.6</td>
</tr>
</tbody>
</table>

2. OBJECTIVES:
1. To understand the relationship between ASEAN and tourism.
2. To find the impact of ASEAN on tourism.
3. To analyze the SWOT Analysis of ASEAN Tourism
4. To know about the new plans and continuous efforts of ASEAN to boost the tourism.

3. Relationship between ASEAN and tourism:
ASEAN Member Countries are heavily dependent on international trade and tourism, and future growth is expected to be fuelled mainly by both these sectors. Increasing globalization and free trade will bring greater benefits to the ASEAN economies; however AMCs need to be vigilant against the negative consequences as well. For instance, the proliferation of multilateral environmental agreements and their implementation may bring adverse effects on ASEAN trade. The global community recognizes that trade and environment policies should be mutually supportive. However, in terms of implementation, technology, infrastructure, environmental preferences, local conditions, voluntary labeling schemes, standards, testing and certification can place onerous burdens on developing countries and skew international trade. The well endowed eco-tourism sites of ASEAN are a boon to tourists, but unsustainable management of these sites beyond their carrying capacity can bring irreversible damage. The ASEAN region is a major world tourist attraction due to its rich endowment of natural beauty and cultures. The tourism resource base, coupled with government policies and measures to promote tourism, has resulted in phenomenal growth of tourist arrivals.

The objectives of ASEAN cooperation in the tourism sector are:
(a) To develop and promote ASEAN as a single and collective tourist destination with world class standards, facilities and attractions;
(b) To enhance cooperation in the tourism sector among Member Countries, involving both public and private sectors, in order to achieve facilitation of intra-ASEAN travel and free trade and investment in tourism services; and
(c) To provide a common forum for discussion of major issues and developments in travel and tourism.

The following activities are being carried out to enhance cooperation in ASEAN tourism:
(a) Exchange of information and experiences; coordination and/or harmonization of tourism policies and programmes; marketing, training, research and information dissemination; facilitation of intra-ASEAN travel.
(b) Promotion of tourism incentives to facilitate the development of tourism infrastructure and other related travel and tourism facilities;
(c) Promotion of private sector participation and enhancing public-private sector collaboration;
(d) Closer cooperation with ASEAN Dialogue Partners and other emerging markets to promote tourism to ASEAN.
(e) Joint approaches in addressing international and regional tourism issues in areas of common interest.
(f) Marketing the ASEAN region as a single tourist destination with multi-faceted attractions and world class standards and facilities
(g) Encouraging Tourism Investments under a More Competitive Regime
(h) Developing a Critical Pool of Tourism Manpower
(i) Promoting Environmentally Sustainable Tourism
(j) Facilitating Seamless Intra-ASEAN Travel
4. Guiding Principles of ASEAN for developing tourism

Based on the discussions at the ASEAN Tourism Forum (ATF 2010) in Brunei Darussalam six overarching principles were adopted that would guide the development of the ASEAN Tourism Strategic Plan (ATSP)

Guiding Principles

Integrated and Structured Tourism Development

An integrated and structured approach will assist the ASEAN Member States to meet the various objectives of a wide range of stakeholders, enhance the positive impacts of tourism and reduce the negative ones. The ATSP’s framework is therefore designed to logically and systematically capture the multitude of factors, influences and processes, which affect the development of ASEAN tourism.

Sustainable and Responsible Development

It would be unacceptable not to see sustainability and responsibility as essential elements of the ASEAN planning and development process. An important dimension of this set of sustainability considerations is the need to ensure that not only does tourism directly benefit the disadvantaged sectors of the population but at the same time tourism does not create negative impacts such as increased housing costs or displacement as well as degradation of the environment and loss of cultural heritage.

Wide-Ranging Stakeholder Collaboration

Maintaining effective stakeholder organizations and processes are an important part of sustainable development and by extension of the ASEAN tourism planning and management process. The tourism planning process needs to further refine and develop stakeholder models that are reflective of the complexity of the ASEAN region. A major objective of any strategic plan must be to bring together stakeholders from government and the private sectors to discuss, plan, implement and monitor tourism development, and promote a cohesive and integrated mechanism for sustaining and boosting ASEAN tourism growth.

Quality Tourism Products

The development of tourism products needs to emphasize the issue of quality, as world travelers are now increasingly looking for greater variety, flexibility and quality products that offer value for money. Drawing upon a quality framework, the ATSP will provide policies that help improve the quality of service delivery. High quality tourism supply will also help ASEAN to not only meet the challenges of competitors and increase its market share but also become one of the world’s leading destinations.

Service Excellence

While promoting the growth of tourism in the region, it is vital to ensure that such growth is based on customer-focused services and meet world-class standards. Thus, the ATSP is designed to progressively raise the professionalism and service excellence standards of the tourism industry as well as establish an industry-based accreditation system in ASEAN.

Distinctive and Interactive Experiences

Many of those in the industry as well as the research community indicate that visitors are now looking for distinctive interactive experiences. This has been defined as experiential tourism, which allows for the interaction of travelers with various elements of the destination. Within the planning process emphasis has been placed on developing distinctive and interactive experiences. The ATSP will provide new strategic directions that value experience as an important new attribute. It will also focus on the enrichment of content for tourist services in combination with strategies of differentiation and customization.

5. A SWOT Analysis of ASEAN Tourism

A SWOT analysis of the ASEAN region, particularly in the contexts of promoting an integrated single destination, increasing intra-ASEAN travel and developing world-class products.

STRENGTHS

- Well-established tourism in member countries: Singapore, Malaysia, and Thailand already have high annual visitor arrivals.
- Political awareness: The importance of tourism is well recognised among many ASEAN countries, as highlighted through ministerial ASEAN meetings and summits.
- A full-time ASEAN Secretariat already exists to coordinate cooperation and integration efforts.
- Safety: ASEAN member countries have traditionally been considered safe and visitor-friendly.
- Well-developed business sectors: e.g. Singapore, Malaysia, Thailand and Indonesia are also being joined by emerging economies, such as Vietnam, Lao PDR and Cambodia.
- Well-developed entertainment options: Countries already offer shopping, nightlife activities, etc.
Well-developed linkages to external markets are in place.
Member countries have unique destination images.
World-class airports facilitate travel: e.g. Singapore Changi and Kuala Lumpur International Airport, as well as the region’s newest airport, Suvarnabhumi International Airport in Bangkok.
Diverse tourism resources within the region range from nature to culture, religion, sports, and health and wellness.
Seasonality patterns are similar for all ASEAN member countries, which is conducive to multi-country tour patterns.
Some member countries have widespread English language capability.
Well-developed intra-ASEAN tourism already exists. Short-distance travel potential is well suited to the regional population’s income.

WEAKNESSES

Countries are at different levels of inbound and outbound market maturity.
Countries are at different levels of manpower standards.
Possible competing strategies are in play: e.g. more than one country aspiring to be a strategic hub, or countries competing to be world leaders in particular attractions.
Poor infrastructure in some countries.
Progress may be slow due to extra levels of policy-making, i.e. ministries of tourism/commerce and ASEAN, which may also conflict.
Most existing collaborative networks among countries are weak.
Infrastructure improvements tend to fall outside of ASEAN initiatives.
Under-developed market intelligence remains unresolved.
Poor information and communications technologies (ICT) persist in some countries. Some member countries still focus on visitor arrival numbers, with less attention to tourism yields and dispersion.
Marketing campaigns are not integrated and lack a consistent message in building tourist destination images.
Trade and investment need to be considered, as well as inter-firm linkages.
Visas are required for travellers from outside the region.
Some source markets are niche-oriented and do not align well with a multi-destination approach.
National priorities in marketing often override regional objectives.
Time-consuming transit delays occur between countries.
Each country conveys a similar image as a tourist destination; e.g. they have similar tourism resources, such as beaches, rainforests and cultural assets.
Some countries do not have offshore tourism marketing offices.
Evidence of poverty in some countries is generally unattractive to international tourists.
Not all member countries are attractive to neighboring tourism.

OPPORTUNITIES

Proximity to large and growing Asian markets, such as China (PRC) and India, and high-expenditure markets, such as the Middle East, Japan, Chinese Taipei and Korea (ROK), could be beneficial.
Mekong tourism development initiatives could have benefits to ASEAN, e.g. infrastructure improvements.
ASEAN packages could have more variety, such as city, ecotourism, etc.
Liberalization: Ease of visa requirements and government regulation of airlines could be helpful.
Business tourism: ASEAN member countries have close economic relationships with non-ASEAN countries, e.g. India, Japan, China (PRC) and Australia.
Develop the meetings, incentives, conventions and exhibitions (MICE) market.
Special interest tours: Vietnam, for example, is promoting flower tourism in Japan.
The ASEAN region is suited to hub travel trends.
World-class events could be leveraged.
Two-way tourism could be better promoted.
Intra-regional travel could be increased for leisure, business, study and MICE.
Visiting friends and relatives (VFR) tourism: Economic migration within ASEAN countries activates VFR tourism.

THREATS

- Unstable political conditions in some countries impact tourism development.
- Regional crises, e.g. terrorism, avian flu and tsunami, discourage tourism.
- Contagious disease and its media coverage may affect international travel demand.
- Lack of crisis management readiness persists in some countries: Risk management contributes to a positive revival of tourist destinations in many cases.
- Safety and security are not consistent; conversely, unnecessarily negative travel advisories are also troublesome.
- Currency fluctuation continues to be a risk.
- Ongoing ethnic and religious conflicts are potentially problematic.
- Proliferation of high-level political objectives without frontline implementation indicates a lack of stakeholder-driven strategies.
- ASEAN campaigns have not always been highly successful, e.g. ASEAN hotel and tour ‘passes’.
- Full integration is threatened by less-mature countries having weaker voices.
- Economic and development gaps divide developed countries and least-developed countries in the region.
- The ASEAN campaign is dependent on contributions from NTOs, which tend to be low.

6. ASEAN Tourism Strategic Plan 2011-2015

The Fourteenth Meeting of ASEAN Tourism Ministers (14th ATM) was held on 17 January 2011 in Phnom Penh, Cambodia in conjunction with the ASEAN Tourism Forum 2011 (ATF 2011). Acknowledging the importance of tourism as an economic engine and a tool for development and change in the region, the Ministers adopted the ASEAN Tourism Strategic Plan (ATSP) 2011-2015. This ATSP contributes to the overall goals of the ASEAN Community by 2015 through promotion of growth, integration and competitiveness of the tourism sector and at the same time deepen social and cultural understanding as well as facilitating travel into and within ASEAN. The ATSP provides a balanced set of actions and activities to realise the following vision:

“By 2015, ASEAN will provide an increasing number of visitors to the region with authentic and diverse products, enhanced connectivity, a safe and secure environment, increased quality of services, while at the same time ensuring an increased quality of life and opportunities for residents through responsible and sustainable tourism development by working effectively with a wide range of stakeholders.”

7. Conclusion:

ASEAN tourism, which exhibits strong growth potentials, has contributed significant gains to the regional economy. ASEAN cooperation in tourism is aimed to develop and promote ASEAN as a single tourism destination product with world class attractions, standards and facilities, achieve facilitation of intra-ASEAN travel and freer trade in tourism services, and promote sustainable tourism development. Joint efforts of the Member Countries entail policy coordination and harmonization in areas such as investment policy, tourism development planning, human resources and environmental and cultural preservation. The Tourism Ministers convene formal meetings, to pave the way for developing coordinated and concrete strategies for tourism development and cooperation in ASEAN. The formation of special teams like ASEAN Crises Team for Tourism (ACTT) has also been launched by the ASEAN National Tourism Organizations (NTOs) resulting a boost in tourism.

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