

# WORLD TOURISM ORGANIZATION

COMMISSION FOR  
SOUTH ASIA



WTO/CSA/7/79/SR

## PROVISIONAL SUMMARY RECORDS

### OF THE 7TH MEETING

KATHMANDU (NEPAL) - 5 TO 9 JUNE 1979

#### Participants

##### CHAIRMAN

Mr. G.B.N. Pradhan

Secretary  
HMG Ministry of Tourism, Nepal

##### MEMBER STATES

###### BANGLADESH

Mr. M.A. Khan

Director  
Bangladesh Parjatan Corporation

###### INDIA

Mr. H. S. Gupte

Deputy Director General  
Government of India  
Department of Tourism

###### IRAN (VICE-CHAIRMAN)

Mr. Ahmad Binazir

Director General  
International Relations  
Ministry of National Guidance

###### NEPAL

Mr. Dilli Raj Uprety

Director General  
HMG Department of Tourism

Mr. Y.R. Satyal

Deputy Director  
HMG Department of Tourism

Mr. N.R. Padhye

Under Secretary  
HMG Ministry of Tourism

###### PAKISTAN

Mr. M. Jameelur Rehman Khan

Joint Secretary  
Ministry of Culture & Tourism

Mr. Mahmud Alam Kureishy

Assistant Chief  
Ministry of Culture & Tourism

SRI LANKA

Mr. H.M.S. Samaranayake

Director/Research & Planning  
Ceylon Tourist Board

Mr. S.K. Perera

Director/Trade Standards  
Ceylon Tourist Board

AFFILIATE MEMBERS

AIR INDIA

Mr. S. Sengupta

District Sales Manager, Nepal

INDIAN AIRLINES

Mr. Aben Lal

Marketing Officer

INDIA TOURISM DEVELOPMENT CORPORATION

Mr. Rabindra Seth

Divisional Manager-Publicity

NEPAL ASSOCIATION OF TRAVEL AGENTS

Mr. Raj K. Simha

President

Mr. P.P. Prasai

Vice-President

Mr. Daniel Yonzon

Secretary-General

PAKISTAN INTERNATIONAL AIRLINES

Mr. Syed Illyas Basir Ahmed

Manager, Nepal

Mr. Nasir Ali

Assistant Manager-Tours Promotion

PAKISTAN TOURISM DEVELOPMENT CORPORATION

Mr. Ashab Naqvi

Director

ROYAL NEPAL AIRLINES

Mr. D. B. Rana

Executive Chairman

Mr. Binaya Sharma

Acting Director-Marketing

Mr. D. B. Pandey

Manager-Marketing

SITA WORLD TRAVEL (I) PVT.LTD.

Mr. G. Naqshband

Director

CANDIDATE AFFILIATE MEMBERS

HOTEL ASSOCIATION OF NEPAL

Mr. Sahadev Shumsher J.B. Rana

President

Mr. C. S. Gyawali

Hon.Secretary

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Mr. Alain Bougard

Manager, Tourism  
Government & Public Affairs

NON-MEMBER STATES

BHUTAN

Mr. Sonam Dhendub Tshering	Administrative Officer Department of Tourism
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BURMA

Mr. U. Pein Fay	Second Secretary Burmese Embassy, Kathmandu
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OBSERVERS

AMERICAN SOCIETY OF TRAVEL AGENTS IDA AREA-V

Mr. K. B. Sarwal	Hon. Secretary
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HIS MAJESTY'S GOVERNMENT OF NEPAL

Mr. B. C. Bhatta	Deputy Superintendent of Police Central Immigration Office
Mr. B. P. Subedi	Chief-Training Centre Department of Civil Aviation
Mr. G. B. Shah	Under Secretary Ministry of Foreign Affairs
Mr. D. P. Shrestha	Section Officer Department of Customs

NEPAL MOUNTAINEERING ASSOCIATION

Mr. T. C. Pokharel	Secretary-General
Mr. B. P. Parajuli	Executive Member

PATA (NEPAL) CHAPTER

Mr. Prabhakar Shumsher J.B. Rana	Chairman
Mrs. Ambika Shrestha	Treasurer

TRAVEL AGENTS ASSOCIATION OF INDIA

Mr. K. B. Sarwal	Hon. Secretary-General
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TREKKING AGENTS ASSOCIATION OF NEPAL

Mr. Netra Bantawa	President
Mr. M. J. Cheney	Advisor
Mr. Bobby Chhetri	Member

WTO SECRETARIAT

Mr. R. Rawat	Deputy Secretary-General
Mr. J. M. Handy	Regional Secretary for South Asia
Mr. R. Theivendra	Programme Officer Secretariat for South Asia

### INAUGURAL SESSION

MR. DILLI RAJ UPRETY (Director-General, HMG Department of Tourism, Nepal) welcomed all those present and stated that it was an honour to host a meeting of the WTO Commission for South Asia in Kathmandu. He traced the development of tourism in Nepal over the past decade, and pointed out that it had now become the most important industry in the country. He hoped that despite the tight schedule, the visitors will find the time to study Nepal's tourism development and sample some of its tourist attractions.

MR. G.B.N. PRADHAN (Chairman, WTO/CSA) thanked His Majesty's Government of Nepal for hosting this meeting and the Department of Tourism for providing the necessary facilities and services. He pointed out that in spite of varied tourist attractions, favourable growth rates and tremendous tourist potential, the share of the South Asia region in world tourist receipts was still less than 1.5%. Perhaps, new marketing strategies and promotional techniques have to be developed to increase the flow of tourists to the region, while protecting and preserving its cultural and environmental heritage. Although numerically the smallest Commission, he felt that the CSA had contributed significantly to the work of the WTO, and this has been possible because of the united efforts and homogeneity of feelings among the Member States and Affiliate Members in the region. He stated that it was an honour to have the Hon. Minister for Industries, Commerce & Tourism of His Majesty's Government of Nepal - Mr. Hari Narayan Rajauria, present on this occasion, despite his busy schedule and numerous other preoccupations. He then invited the Hon. Minister to inaugurate the 7th Meeting of the Commission.

MR. HARI NARAYAN RAJAURIA (Hon. Minister for Industries, Commerce & Tourism, His Majesty's Government of Nepal) thanked the Commission for accepting Nepal's offer to host this meeting. He emphasized that apart from the economic benefits of tourism, it is expected to play a significant role in the promotion of international understanding, goodwill, peace and harmony among Nations, so essential to mankind today. He referred to Nepal's tourist attractions particularly its rich cultural and natural resources and stated that tourism was one of the priority sectors in the country's programme of social and economic development. The remarkable growth in the tourist industry had been due to the concerted efforts of all sectors, but the benefits of tourism should reach the masses if tourism is to serve its real purpose. He urged the countries in the region to cooperate and make collective efforts for promotion of tourism, so that the region could obtain a larger share of the benefits of world tourism. He wished the delegates success in their deliberations and a pleasant stay in Nepal, and inaugurated the 7th Meeting of the Commission.

MR. R. RAWAT (Deputy Secretary-General, WTO) regretted the inability of the Secretary-General - Mr. Robert C. Lonati, to attend this meeting due to illhealth, and stated that it was a privilege and pleasure for him to be present instead on this occasion. He outlined the aims and objectives of the World Tourism Conference to be held in Manila in September 1980, and hoped that the members of the CSA will actively participate in this Conference. He thanked His Majesty's Government of Nepal for hosting this meeting and the excellent services and facilities provided.

PROVISIONAL AGENDA

1. Adoption of the Agenda.
  2. Communication of the Chairman.
  3. Communication of the Secretary-General.
  4. Report of the Commission's Representative on the Executive Council.
  5. Report of the Commission's Representative on the Committee on Budget & Finance (CBF).
  6. Report of the Commission's Representative on the Working Party on Tourism Bill of Rights & Tourist Code.
  7. Report of the Commission's Representative on the Joint WTO/IATA Working Party.
  8. Regional Secretary's Report to the Commission.
  9. Commission Accounts.
  10. Report on the Commission's Programme of Work for 1978/79.
  11. Recommendations of the Commission's Marketing Committee.
  12. Ways of using the Studies, Reports and Handbooks prepared by WTO under the 1976/77 programme.
  13. Recommendations of the Commission's Working Party on the World Tourism Conference.
  14. Review of the Development of tourism in member countries.
  15. Any other business.
  16. Place and date of next meeting.
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I. ADOPTION OF THE AGENDA

The delegates of Nepal and India proposed and seconded the adoption of the Provisional Agenda, which had been circulated in advance by the Secretariat.

THE COMMISSION ADOPTED the Agenda consisting of 16 items.

## II. COMMUNICATION OF THE CHAIRMAN

The Chairman stated that he was glad to find all Member States belonging to the Commission except Afghanistan present at the meeting. Afghanistan had also informed that they will be participating in the meeting, and their delegation was expected to arrive any time. 8 out of 13 Affiliate Members in the region and 2 Candidate Affiliate Members (of whom one was from outside the region) were represented this time. He welcomed the presence of the Deputy Secretary-General - Mr. Rawat, the representatives from Bhutan and Burma (for the first time), and observers from TAAI, ASTA IDA Area-V, related Government Departments and trade associations in Nepal.

The Chairman referred to the decision at an earlier meeting regarding terminology of Regional Commissions, and stated that a communication was being awaited from CAP after their last meeting. He drew the attention of members to agenda items 6 and 7 which were reports on the Working Party on Tourism Bill of Rights & Tourist Code and Joint WTO/IATA Working Party. Recommendations of the Commission's Marketing Committee and Working Party on the World Tourism Conference (which met in Kathmandu the previous day) were being submitted for consideration by members under agenda items 11 and 13 respectively. Item 12 had been included in the agenda of the last two meetings, but had not been considered since members required more time to study the working paper. He sought the cooperation and assistance of members in the conduct of the meeting.

THE COMMISSION TOOK NOTE of the Communication of the Chairman.

## III. COMMUNICATION OF THE SECRETARY-GENERAL

The Deputy Secretary-General introduced the Communication of the Secretary-General (CAS/7/3) which was distributed at the meeting. He stated that the communication was posted on 17.5.79, but apparently, members had not received it before the meeting.

The delegate of Sri Lanka complimented the Secretary-General on his comprehensive report on WTO activities and sought clarification on the following matters:

1. Coordination with other organizations in tourism, particularly PATA.
2. Availability of scholarships for GUEST Study Courses.
3. WTO's role in providing technical assistance.
4. Whether WTO questionnaires are also sent to Non-Member countries.

The Chairman of the PATA (Nepal) Chapter (observer) referred to a very successful PATA Seminar held in Hong Kong, at which this region had been ~~poorly~~ represented. He felt that WTO should consult and coordinate with PATA in organizing its activities in the region, so as to avoid unnecessary duplication.

The delegate of India announced that the PATA (India) Chapter will be holding a "Development Workshop" in Goa from 18 to 20 September 1979, and invited all the members to participate in this Workshop.

The Deputy Secretary-General clarifying the points raised, stated:

1. ~~Paras~~ 20 to 25 of the communication outlined WTO's relations with other organizations. There was no conflict or competition between WTO and other organizations and it was left to the members to make the best use of all organizations according to their requirements.
2. The Mexican Government had offered a number of scholarships (some including transportation) to participants from developing countries in the CIEST Study Course. The proposal to establish a vocational training fund had been referred to the CEF, which had indicated there was no contradiction to the Statutes in this proposal.
3. WTO is an executing agency of the UNDP and in this capacity has undertaken some technical assistance projects in member countries. At the time the agreement was signed with the UNDP, very little funds were available since they had already been committed, but in the next programme some of the WTO sponsored projects such as regional advisers had been included.
4. WTO questionnaires are sent to all countries and that explains how 133 replies were received to the questionnaire on accommodation.

THE COMMISSION TOOK NOTE of the Communication of the Secretary-General and clarifications by the Deputy Secretary-General.

#### IV. REPORT OF THE COMMISSION'S REPRESENTATIVE ON THE EXECUTIVE COUNCIL

The delegate of Bangladesh presented a report on the 10th Session of the Executive Council, which was distributed later during the meeting.

The delegate of Sri Lanka sought clarification on the aims of the World Tourism Conference to be held in Manila, and on the Draft Programme Budget of the Organization for 1980/81.

The Deputy Secretary-General clarifying the points raised explained that a lot of preparatory work had already been done by the Secretariat-General for the World Tourism Conference, but the aims and agenda will be finally decided at the next General Assembly. The draft budget reflected the programme approved by the TCPC, which originally was a very ambitious one including expensive market studies.

The CBF had excluded the market studies and reduced the additional staff cadre requested. The Executive Council had approved the revised budget of approximately US\$8m. He also pointed out that there had been three candidates for the post of Secretary-General, and not two as stated in the report of the Commission's Representative.

The Deputy Secretary-General tabled document CAS/7/4/Add.1 on "Designation of Commission's Representatives on the Facilitation Committee and the Environment Committee", pursuant to the Executive Council Decision 12(X), at its 10th Session.

The delegate of Sri Lanka stated that it was not always possible for a Member State nominated as the Commission's Representative on a Committee or Working Party to attend all meetings. He suggested that the Commission nominates an alternate representative, so that the Commission can be represented at every meeting.

The Regional Secretary pointed out that in terms of the Executive Council decision, the Commission was entitled to have two representatives on each of the Committees on "Facilitation" and "Environment" during 1980.

THE COMMISSION TOOK NOTE of the report of its Representative on the Executive Council, the clarifications by the Deputy Secretary-General and DECIDED:

- (A) To nominate Iran to be on the "Facilitation Committee" in addition to Sri Lanka, and Nepal on the "Environment Committee" in addition to Afghanistan during 1980, consequent to Executive Council Decision 12(X).
- (B) If any meetings of these Committees are held during 1979, Iran and Nepal to be alternate members to Sri Lanka and Afghanistan respectively.

V. REPORT OF THE COMMISSION'S REPRESENTATIVE  
ON THE COMMITTEE ON BUDGET & FINANCE (CBF)

The Regional Secretary drew the attention of members to document WTO/CSA/7/79/5 which had been circulated in advance.

The delegate of Bangladesh stated that they had not been able to attend the 4th meeting of the CBF either, held in Madrid from 18- 20 April 1979.

The Deputy Secretary-General pointed out that the Executive Council records summarize the CBF recommendations that were adopted. He suggested that the Commission's Representatives on the CBF and TCPC should be briefed on the views of other members in the region.



VI. REPORT OF THE COMMISSION'S REPRESENTATIVE ON THE WORKING PARTY ON TOURISM BILL OF RIGHTS AND TOURIST CODE

The delegate of Pakistan presented a report on the first meeting of the Working Party, held in Madrid from 5 - 7 February 1979, which was distributed at the meeting.

In discussion the following points were made:

1. The human aspect should also be considered and not only the legal aspect in drafting the Bill of Rights and Code. Provision should be made for protection of the natural and historical environment, as well as for rules defining the rights and duties of the travel industry (Nepal).
2. Tourists should have the right to food and drink according to their own way of life in the country visited, subject to local religious constraints (SITA).
3. Tourists should respect local customs and traditions (Pakistan, Iran, Nepal).
4. Duties of tourists have been defined in paragraph 13 of the Working Party Report, although they have not been reproduced in the report submitted at the meeting (Deputy Secretary-General).
5. Various restrictions in the Member States of the region are affecting the promotion of tourist traffic, particularly incentive travel (SITA).

The Deputy Secretary-General stated that the Executive Council had approved the holding of a second meeting of the Working Party in November 1979. Any comments received from members will be submitted to this meeting.

THE COMMISSION TOOK NOTE of the report of its Representative on the Working Party on Tourism Bill of Rights & Tourist Code, and DECIDED that members should send their comments on this report before the next meeting of the Working Party in November 1979.

VII. REPORT OF THE COMMISSION'S REPRESENTATIVE ON THE JOINT WTO/IATA WORKING PARTY

The Regional Secretary drew the attention of members to document WTO/CSA/7/79/7 which had been circulated in advance. He pointed out that the comment by PIA in Annexure II that air transportation for WTO staff is provided by the Governments is not factually correct.

The delegate of India presented a report on the first meeting of the Working Party held in Madrid on 9 and 10 April 1979.

The delegate of Sri Lanka complimented India for their report and inquired as to what action had been taken on the two memoranda submitted by Mr. Kariapper.

The delegate of India explained that the question of air fares had not been discussed at the Working Party meeting. He also stated that they had not received the views of other members before the meeting, and requested the Commission to provide guidelines on the matters to be taken up at the Working Party.

The representative of IATA thanked the Commission for allowing him to attend and participate in this meeting. In the course of his statement, he made the following points:

1. WTO Executive Council has not approved the Working Party recommendation to undertake a study on air fares and other components of total tourist costs. The IATA Executive Committee had already made a budget allocation to meet its share of the costs of such a study.
2. While a number of studies and sufficient data are available on air fares, there is very little information concerning "ground" costs.
3. It is necessary to compare the relative share of each component in the cost of the total tourist package. The relative share of the air fare component seldom exceeds 10% of the total package cost.
4. Since all the components influence the scale of tourism flows, they should be studied concurrently rather than consecutively.
5. IATA is aware of discrepancies in air fares, but all airlines do not have the same structure or face similar costs. There is no international agreement on fares between Areas 2 and 3 where they are highest, and IATA cannot therefore be held responsible for these fares.

The Deputy Secretary-General explained the background to the establishment of the Working Party on a recommendation by the Mexico Conference on Tourism & Air Transport. He read out the terms of reference given to the Working Party, which clearly specified that its primary task was "to study in collaboration with ICAO air fares, with a view to finding a properly balanced solution to the problem". It was to study subsequently "with the participation of other interested international organizations all the other aspects of the problem". He also read out the Executive Council Decision on this matter, which invited the Working Party to continue its work confining itself to its terms of reference. With regard to the study recommended by the Working Party, the Executive Council had not rejected it, but submitted the proposal to the TCPC and CBF in accordance with the normal procedure. It was not necessary to establish a Working Party, if the intention was merely to commission a study. He also pointed out that the Executive Council had requested all members for their comments on their recommendations of the Working Party.

In discussion the following points were made:

1. The working party should initially study only air fares as specified in its terms of reference (Sri Lanka, India).
2. A study of all components will be useful, since the consumer is interested in the total package and not only in air fares (Indian Airlines).
2. Information is also available on ground costs, so that there should be no difficulty in working out the relative share of each component (Sri Lanka, TAAI, SITA).

The relative share of each component will vary according to the distance travelled and length of stay. The findings of an independent German study were that the air fare component constituted 40%-45% (in the case of charters) and 60%-70% (in the case of scheduled carriers) of the total cost of a package tour from Europe to Sri Lanka (Sri Lanka).

The air fare component of the cost of a 9-day package tour from U.K. to India is 65%, and for a 16-day package tour 58% (TAAI).

3. Disparities in air fares as indicated in Annexure 1 to the working paper should be of greater concern than the relative share of the air fare component. It would appear that low fares between Areas 1 and 2 are being subsidised by high fares to Area 3. The ideal solution perhaps, is to increase fares between Areas 1 and 2, but if this is not possible, the only alternative is to invite Laker to operate services to Area 3 to make the fares more competitive (TAAI).

The fare per passenger kilometre between New York and Bombay is almost double that between New York and London - US cents 2.9 compared to US cents 1.7.

Internal subsidies on certain routes (e.g. Sydney/London) make fares to this region (e.g. Sydney/Delhi) comparatively less attractive for the promotion of traffic (India).

Subsidies will continue on certain routes, but there is scope to rationalize discrepancies in air fares (Pakistan).

There are imbalances in air fares and these will continue to exist, since marketing or commercial decisions including pricing cannot be made purely on the basis of statistical equality. Factors such as capacity, traffic demand and stage length among other things, influence fare levels, and in this context if low fares are to be offered there should be an external agency to subsidise them (Indian Airlines).

Airlines have to be commercially operated and financially viable, so that if Governments want cheaper fares, they should subsidize them (Royal Nepal Airlines).

Fares on different routes cannot be compared, and Laker will not go into a market if there is no potential (IATA)

Governments should be made aware of the discrepancies in air fares and urged to remove them (Sri Lanka, India).

4. There are only two destination points selected from the region for the study recommended by the Working Party. At least one destination point from each country should be included in the study (Pakistan).

The destination points were selected to be representative of different parts of the world, since the cost per point amounts to US\$ 600 (IATA).

The delegate of India suggested that a sub-committee examines all the views expressed on this item and submits a resolution to the Commission, that can be directive to its Representative on the Working party. All the members agreed to this suggestion and to a sub-committee comprising of:

- India
- Sri Lanka
- Pakistan International Airlines
- Royal Nepal Airlines
- Travel Agents Association of India.

THE COMMISSION ADOPTED the following resolution submitted by the sub-committee:

"

- (A) To direct its Representative (India) to:

i) Impress upon the Working Party to confine its deliberations as per Executive Council Decision 15 (X), and in terms of Recommendation 9 of the Conference on Tourism & Air Transport (Mexico City) April 1978.

ii) Continue to pursue the question of the study recommended as per item 6 of the Working Party Report, in the light of Executive Council Decision 15 (X).

iii) Ensure that the interests of the South Asia region in the promotion of tourism are given due consideration while examining the question of Air Fares.

iv) Bear in mind the interests of the National Carriers of this region.

- (B) Members to send their comments on:

- i) Recommendations of the Working Party to the Secretary-General, with copy to the Commission's Representative (India).
- ii) "Comparative Study of Selected Air Fares" submitted by Mr. Lafeer Kariapper, Tourism Consultant, and PIA's comments (Annexures I and II to Document WTO/CSA/7/79/7) to the Commission's Representative (India).

#### VIII. REGIONAL SECRETARY'S REPORT TO THE COMMISSION

The Regional Secretary presented his report (WTO/CSA/7/79/8) which had been circulated in advance.

Workshop on "Facilitation": The Regional Secretary stated that the Secretariat-General had agreed to include this Workshop as part of the operational activities of the Organization in the General Programme of Work for 1979, in terms of the decision at the last Commission Meeting. He was now awaiting confirmation of the dates and arrangements from Pakistan.

The delegate of Pakistan stated that they will confirm the offer to host the workshop as soon as official clearance is obtained. He suggested that the workshop be held in August/September or December, in view of the proposed Elections in Pakistan in November.

##### THE COMMISSION DECIDED:

- (A) To hold the workshop on "Facilitation" in Pakistan during December 1979 subject to confirmation of the offer by Pakistan to host it.
- (B) Regional Secretariat to finalize the dates and arrangements in consultation with the Secretariat-General and the host country.

Operational Missions: The delegates of India and Pakistan confirmed their offers to host an operational mission.

##### THE COMMISSION DECIDED:

- (A) To arrange operational missions immediately after the workshop on the same subject.
- (B) Regional Secretariat to coordinate the arrangements in consultation with the Secretariat-General and the Member States interested in receiving these missions.

International Seminar: THE COMMISSION DECIDED to await the decision of the CAP whether any of their Member States is willing to host this seminar.

Joint Commission Meeting & Regional Seminar: The representative of TAAI stated that there was a possibility of their next Annual Convention being held in Sri Lanka in April 1980. He requested that the Regional Seminar be held just before or after their Convention, since this would be convenient to persons who want to attend both.

The delegate of Sri Lanka confirmed that this could be done once there is a decision about the TAAI Convention being held in Sri Lanka.

THE COMMISSION DECIDED that the Regional Secretariat should finalize the date (April 1980) and arrangements for the Joint Commission Meeting & Regional Seminar in consultation with the Secretariat-General, host country (Sri Lanka) and the CAP.

Commission Membership: The delegate of Pakistan stated that they had received three applications for Affiliate Membership, of which two (Travel Walji's and Sitara Travel Consultants) had been endorsed by their Government, while the third from Pakistan Services Ltd. was being processed.

The delegate of Nepal stated that the application from Hotel Association Nepal had been endorsed by their Government.

The representative of TAAI stated that they had already applied for Affiliate Membership.

THE COMMISSION DECIDED to reiterate its earlier decision:

- (A) Regional Secretary and if possible a representative from the Secretariat-General to visit Bhutan, Burma, Maldives and Mongolia before the next General Assembly, with a view to persuading these countries to join the Organization.
- (B) Member States to use their good offices in enrolling more Affiliate Members from the region, particularly National Carriers who are not yet members.

#### IX. COMMISSION ACCOUNTS

The Regional Secretary submitted the Accounts of the Commission for 1978 (WTC/CSA/7/79/9). He stated that in terms of Executive Council Decision 5 (X), two Member States had to be appointed as Honorary Auditors.

THE COMMISSION DECIDED:

- (A) To reiterate earlier decision that the Secretary-General be requested to arrange for Commission funds to be held in trust by the Regional Secretary on behalf of the Secretary-General, and to be utilized for any purpose authorized by the Commission.

- (B) To resume annual contributions to the Commission fund by Member States, which were suspended from 1978 on an earlier decision.
- (C) To appoint Bangladesh and Sri Lanka to audit the accounts of funds made available to the Regional Secretariat, as required by Executive Council Decision 5 (X).

X REPORT ON THE COMMISSION'S PROGRAMME OF WORK FOR 1978/79

The Regional Secretary introduced the Report on the Commission's Programme of Work for 1978/79 (WTO/CSA/7/79/10) which had been circulated in advance. He pointed out that some information on the progress in implementation of the measures adopted had been received from members after the preparation of the Report, and this would be reflected in the Report at the next Meeting.

R E S E A R C H

The delegate of India stated that their tourism receipts are estimated annually on the basis of a survey and hence, are not available quarterly.

The delegate of Sri Lanka inquired as to what use was being made of the comprehensive information being collected by the Secretariat. He suggested that this information should be made available to other members.

The Regional Secretary explained that the "Review of the Development of Tourism in Member Countries" submitted at each Meeting was prepared from this information.

THE COMMISSION DECIDED to continue implementation of earlier decision that Member States should send the Secretariat-General, Regional Secretariat and other Member States:

- Monthly/Quarterly and Annual tourist statistics. Quarterly Statistics to be sent within two months of the end of a quarter, and Annual Statistics by April the following year.
- Copies of surveys carried out on Tourist Demand.
- Data on Tourist Supply - accommodation and transport facilities available.
- Copies of studies carried out on Tourism Planning.
- Information on Tourism Financing - budgets, investment and incentives offered.
- Copies of all other tourist publications, particularly relating to legislation, regulations and facilitation.

THE COMMISSION DECIDED:

- (A) Member States to convey to the competent organs of the UNDP, through appropriate channels, their endorsement of the revised Preparatory Assistance Document submitted by the Secretariat-General on "Preparation of an Inter-Country Cooperative Programme in the Field of Tourism Training".
- (B) Member States to provide the information required by the Regional Secretariat to coordinate arrangements for the exchange of students, tourist officials and experts.
- (C) Regional Secretariat to coordinate arrangements for the exchange of tourist officials between Member States on familiarization tours.

S O U T H A S I A T O U R I S M D E C A D E

THE COMMISSION REITERATED its earlier decision:

- (A) Member States to establish National Committees, fully representative of public and private sectors of the tourist industry, to implement the measures adopted.
- (B) Each Member State to nominate a representative to coordinate with the National Committee and report progress quarterly to the Regional Secretariat.
- (C) To review progress in implementation of the measures adopted at Commission Meetings.

XI RECOMMENDATIONS OF THE COMMISSION'S MARKETING COMMITTEE

The Regional Secretary tabled the Report of the Marketing Committee (WTC/CSA/MC/2) which had been circulated in advance. He drew attention to the annexed working paper prepared by the Secretariat and considered by the Marketing Committee at its 2nd meeting.

Research Data (Recommendation I)

The delegate of Sri Lanka pointed out that the two publications recommended by the Committee for purchase were already available in Sri Lanka, and could be loaned to the Secretariat when needed. He felt that these publications can also be obtained free of cost from PATA by the Secretariat. He circulated information notes on two other publications listed in the working paper - "World Marketing Data & Statistics" and "International Data Monitor Study on Travel & Tourism", and stated that the purchase of these publications will be more useful.

The delegate of India supported the purchase of these two publications from Commission funds, if they can be made available to Member States when required.



THE COMMISSION AUTHORIZED the Regional Secretariat to purchase the following research publications, which are to be made available to the Member States if required:

- WORLD MARKETING DATA & STATISTICS
- INTERNATIONAL DATA MONITOR STUDY ON TRAVEL & TOURISM  
(Area 1-Western Europe & Area 3-World Developed Countries).)

Research Working Group (Recommendation II)

The delegate of India felt that obtaining experts from different Member States to undertake this work will be impractical, and it will be better to hand over this work to a professional research firm. He also inquired as to who **will** meet the costs of these experts, since Member States can hardly be expected to meet their expenses.

THE COMMISSION DECIDED:

- (A) A working group of two or three experts to examine and analyse the research data collected by the Secretariat, from the point of view of providing guidelines for a marketing programme.
- (B) To authorise the Secretariat to meet the expenses of the working group from Commission funds.

JOINT PROMOTIONAL PROGRAMME (RECOMMENDATION III)

Publicity Material:

The Regional Secretary stated that in terms of the Marketing Committee Recommendation, a quotation was received from Pakistan for printing the folder and poster. ITDC submitted a quotation at the meeting, while there had been no response from Bangladesh. Revised quotations have also been obtained from Japan. The quotation from Pakistan is the cheapest for the folder, and that from Japan for the poster. The ITDC quotation for the poster was higher than that from Japan; but cheaper for 10,000 copies, the same for 15,000 copies and higher for 20,000 copies compared to that from Pakistan. Quotations could not be obtained for the Hotel Guide and Calendar of Events without knowing the content, but these are to be produced in black and white, and it should be possible to meet their cost from Commission funds, if the members so agree.

In discussion the following points were made:

1. Quotations from within the region should be given preference, as long as their prices are competitive and the quality of production is assured (Pakistan, Iran).

If the cost of the folder and poster are taken together Pakistan's quotation is the cheapest (Iran).

Prices can be reduced further if the Government of India is willing to subsidize part of the cost (ITDC).

2. Who will be responsible for the production and for production costs (India)?

During SATY the Secretariat was entrusted with the responsibility for production through a professional firm, and the costs were met from Commission funds (Regional Secretary).

3. Print-order to be 375,000 copies of the folder (including language versions) and 15,000 copies of the poster (Iran, Pakistan, Sri Lanka, Nepal, India).
4. In terms of the above print-order and cheapest quotations received, the cost to each Member State for both the folder and the poster will be approximately US\$3800/-, on the basis of equal sharing of cost for equal coverage (Regional Secretary)

The principle of equal sharing of cost for equal coverage is acceptable (Sri Lanka, Pakistan, Iran).

Will all Member States receive equal benefits by equal sharing of cost and equal coverage (Bangladesh)?

There is no objection to proportionate sharing of costs if an acceptable formula can be applied (India).

Coverage should be on the basis of payment. If this is not acceptable, additional copies can be given to the Member States making higher payments (Pakistan).

Additional copies mean an extra burden on distribution (India).

A minimum coverage is necessary for each Member State to have any impact (Air India).

Different coverages are not desirable in the poster, but may be possible in the folder which will have twelve panels. If the front and back panels cover the region as a whole, ten panels will be available to Member States (Regional Secretary).

Each Member State should have a minimum of one panel, and the balance three panels can be offered to those who are willing to pay extra (Pakistan, India, Sri Lanka).

Airlines may be interested in the extra panels (Indian Airlines).

All airlines operating in the region can take one panel and share the cost (Air India).

Other Affiliate Members may also be interested in the extra panels (TAAI)..

Since there are only three extra panels, they are willing to take a panel each and pay the additional cost (Pakistan, India, Iran).

5. It will be desirable if all the Member States could join, but if one or two are not in a position to do so, the Commission should still go ahead with the production of the folder and the poster (India, Pakistan).

Airlines may perhaps consider covering the Member States not in a position to join (India).

Governments may not like Member States to be represented by airlines in such a venture (Pakistan).

- ) Airlines cannot be forced to project only <sup>one</sup> ~~the~~ destination (Indian Airlines).

Regional promotions have been held during SATY with only four or five Member States participating. The poster can mention and the common panels in the folder feature, all the Member States (Regional Secretary, Iran).

6. There is no purpose in publishing a Regional Hotel Guide, if the information cannot be collected in time and will be dated by the time it is published (India, Pakistan, Sri Lanka).

7. It will be useful to publish a Regional Calendar of Events (Pakistan, Sri Lanka).

#### COORDINATION OF PROMOTIONAL ACTIVITIES:

) The Regional Secretary drew attention to the replies received from overseas offices/representatives contained in the working paper. According to reports received, five Member States had participated individually at the last ITB in Berlin, and six in a similar trade fair at Utrecht (Netherlands).

The delegate of India stated that they were in favour of coordinating promotional activities of members from the region, and inquired as to who will be responsible for this coordination.

The Regional Secretary explained that the Secretariat initiates in consultation with the Member States the measures on which coordination is possible, but actual coordination has to be at the overseas level where the event takes place. It is essential therefore, particularly in the case of Member States who do not have overseas offices, to authorize representatives to participate in discussions for joint promotions.

Information Bulletin, News & Feature Releases:

The Regional Secretary circulated a copy of the new trade publication "Travel Review", which covers 5 Member States and one Non-Member State in the region. Cross Section Publications had not yet extended the scope of their publication to cover South Asia, but intended to do so shortly. In this context, there was no purpose in the Commission issuing an information bulletin which will contain the same information that appears in these two publications, at a later date.

The delegate of Iran stated that they would also like to be covered by these publications.

THE COMMISSION ADOPTED for implementation the following measures on a short-term (one to two years) joint promotional programme, for the purpose of creating a regional image:

(A) Publication of a folder (English, French, German, Japanese versions), poster, and calendar of events in the region.

i) Cheapest quotation from within the region to be accepted.

ii) Secretariat to be responsible for the production and production costs to be met from Commission funds.

iii) Print-order to be 375,000 copies of the folder (including language versions), and 15,000 copies of the poster.

iv) Minimum of one panel in the folder to be offered to each Member State and the balance three panels to India, Iran and Pakistan.

v) Folder and poster to be produced even if one or two Member States are not in a position to join. Any panels becoming available thereby to be offered to the Member States participating.

(B) Coordination of promotional activities.

i) Secretariat to coordinate arrangements for the initial supply of tourist literature from NTAs to overseas outlets of other Member States, on the basis of demand and storage constraints already indicated.

ii) NTAs to authorize overseas offices/representatives to meet, formulate proposals for cooperation in the holding of Seminars/Workshops/Presentations/Evenings and other similar promotions, and inform the Secretariat of the outcome of these meetings.

iii) Secretariat to explore the possibility of joint participation at the 1980 PATA Convention (Manila), ITB (Berlin) and any other trade events.

- (C) Provision of information and material to publications covering the region.

Consumer Publications (Recommendation III)

The Regional Secretary stated that apart from the offer from SITA World Travel (India) Pvt. Ltd. considered by the Marketing Committee, no other proposal had been received by the Secretariat.

The Deputy Secretary-General clarifying the position of the Organization stated that the Statutes did not prevent the Commission from publishing or giving its support to any publication promoting the region.

In discussion the following points were made:

1. Even if all the Member States are covered, "Indrama" cannot be considered an official publication of the Commission (Iran).

They cannot agree to the Commission sponsoring any particular publication in any particular country, especially if it is a private one (Pakistan).

2. Although they consider the SITA offer very attractive and are willing to accept it, will SITA be willing to produce an official publication on behalf of the Commission (India)?

They would be delighted to do so, but in that case the Commission will have to meet the entire cost. At present, SITA subsidizes the production of "Indrama", since four issues with a print-order of 5000 copies in each issue cost over Rs. 250,000/- only for printing and publication (SITA).

They are willing to meet their share of the cost in producing an official publication, but are the other Member States willing to do so (India, Pakistan)?

An official publication will be too costly and they cannot commit themselves without knowing their share of the cost (Bangladesh, Sri Lanka).

3. They are willing to expand the scope of "Indrama" to cover the whole region even without sponsorship from the Commission, if there can be some financial contribution or advertising guarantee (SITA).

Subject to confirmation by the Government, they are willing to offer two issues of "Focus on Pakistan" to cover the whole region as "Focus on Asia", on the same terms as SITA (Pakistan).

If both publications are already being subsidized, <sup>are</sup> they ~~are~~ willing to change their names (Iran)?

Secretariat will be informed whether the names can be changed (Pakistan, SITA).

4. Other publications may also be interested on these terms (TAAI).

There is no objection to having other publications if they are also willing to subsidize the cost (India).

The practical aspect of coordination should be considered if there is more than one publication (ITDC, Indian Airlines).

The Commission should welcome more avenues being available for promoting the region. Coordination can be done by the Secretariat and articles can be sent direct to the publisher (Pakistan).

There will be no problem with more than one publication, as long as the articles are received in time by the publisher (PTDC).

The Commission can consider at the next Meeting written offers received by the Secretariat from members within a deadline (India, Sri Lanka).

THE COMMISSION DECIDED to consider at its next Meeting written offers received by the Regional Secretariat from SITA World Travel (India) Pvt. Ltd., Pakistan or any other member before 30 September 1979, for the publication of a consumer-oriented magazine on the region.

THE COMMISSION TOOK NOTE of the Report of the Marketing Committee and REITERATED its earlier decision:

(A) To implement the following recommendations:-

- i) Regional Secretariat to collect available research data, motivational studies, reaction surveys and travel patterns of potential generating markets, from all sources.
- ii) Regional Secretariat to compile an inventory of tourism resources in the South Asia region.
- iii) The following measures to be undertaken on a short-term (1-2 years) joint promotional programme for the purpose of creating a regional image:

- Logo and Caption
- Invitations to hold travel trade conventions
- Regional familiarization tours
- Special supplements
- Special interest tours

(B) That a continuing marketing programme be drawn up after analysis of available research data.

XII. WAYS OF USING THE STUDIES, REPORTS AND HANDBOOKS  
PREPARED BY WTO UNDER THE 1976/1977 PROGRAMME

The Regional Secretary drew attention to the Note by the Regional Secretary (WTO/CSA/7/79/12) which had been circulated in advance.

The delegate of Sri Lanka stated that they were using these publications at the national level.

The Deputy Secretary-General pointed out that the working paper contained certain matters for consideration on a regional level. The Secretariat-General would like to know the follow-up action taken on these publications at both the national and regional levels, and also receive suggestions for the improvement of future publications.

The delegate of Nepal suggested that Member States be requested once more to communicate their views within a deadline.

THE COMMISSION DECIDED:

- (A) Member States to communicate their views on the working paper on "Ways of Using the Studies, Reports and Handbooks prepared by WTO under the 1976/1977 Programme" to the Regional Secretariat before 30 September 1979.
- (B) Regional Secretariat to submit matters involving consideration on a regional basis to the next Meeting.

XIII. RECOMMENDATIONS OF THE COMMISSION'S WORKING  
PARTY ON THE WORLD TOURISM CONFERENCE

The Regional Secretary tabled the recommendations of the Working Party (WTO/CSA/WP/WTC) which were distributed at the meeting. He also drew attention to the promotional measures suggested by the Secretariat-General for implementation by members.

The Deputy Secretary-General pointed out the implications of recommendation 3 (a), which was contrary to WTO Statutes. He stated that the Organization was trying to obtain additional funds from the UNDP to provide greater technical assistance, and requested the support of Bangladesh and Pakistan, who are on the UNDP Governing Council from this region, for this purpose.

The representative of ITDC stated that they had not received any material on the World Tourism Conference from the Secretariat-General.

The representative of Indian Airlines suggested adoption of the slogan "South Asia Invites You" together with the World Tourism Conference logo.

THE COMMISSION ADOPTED the following recommendations made by its Working Party:

i) SCOPE OF TOURISM - Tourism should be broad-based to cater to the needs of all segments of society, by providing appropriate facilities both for domestic and international tourists, particularly the youth and budget travellers.

ii) CORRECTING IMBALANCES - Steps should be taken to correct the present imbalance in tourist flows, so as to ensure a balanced growth of tourism throughout the world.

iii) ROLE OF WORLD TOURISM ORGANIZATION IN TOURISM DEVELOPMENT -

- Adopt a more positive and direct role in providing technical assistance to its member countries from its own resources.
- Establish an International Tourism Development Fund for financing development projects.
- Explore and mobilise other possible sources of financing specific development projects.
- Pay particular attention to the interests of developing countries in accordance with Article 3 of its Statutes.

iv) COORDINATION-ALL agencies concerned with promotion and development of Tourism should coordinate their activities, so as to avoid unnecessary waste of scarce resources and duplication of efforts.

v) ROLE OF GOVERNMENTS - Governments should pay particular attention to planned and regulated growth of tourism, so as to ensure a healthy social and cultural environment.

vi) PROMOTION OF WORLD TOURISM CONFERENCE - The World Tourism Conference should be projected to create a greater awareness of the efforts being made at national, regional and international levels to ensure the development of tourism in harmony with the social and cultural values of each country.

#### XIV. REVIEW OF THE DEVELOPMENT OF TOURISM IN MEMBER COUNTRIES

The Regional Secretary tabled the Review of the Development of Tourism in member countries (WTO/CSA/7/79/14).

The delegate of Pakistan provided figures of tourist arrivals and receipts for 1978.

The delegate of India provided figures of tourist receipts for 1978.



The delegate of Bangladesh provided figures of tourist arrivals for 1978.

The representative of Indian Airlines inquired whether the arrivals by mode of transport could not be included in the review.

The Regional Secretary explained that such particulars are included in the comprehensive review submitted to the Commission once a year.

THE COMMISSION TOOK NOTE of the Review of the Development of Tourism in member countries.

XV. ANY OTHER BUSINESS

There were no matters for discussion under this item.

XVI. PLACE AND DATE OF NEXT MEETING

The Regional Secretary pointed out that the next Meeting will be held at Torremolinos during the 3rd General Assembly in September. Commission Meetings have been held in all the Member States except Afghanistan and Sri Lanka under WTO. Afghanistan is not represented here, while the 3rd Joint Commission Meeting & Regional Seminar are to be held in Sri Lanka. There has been no offer officially from any Member State, but Bangladesh offered to host a Meeting at the last Commission Meeting.

The delegate of Bangladesh confirmed their offer to host the 9th Meeting in December 1979/January 1980.

THE COMMISSION NOTED that the 8th Meeting will be held at Torremolinos (Spain) during the 3rd General Assembly in September 1979, and ACCEPTED Bangladesh's offer to host the 9th Meeting in December 1979/January 1980.

VOTES OF THANKS

The delegate of Pakistan proposed a Vote of Thanks to the host country and to the Chairman. The Deputy Secretary-General and the Regional Secretary expressed similar sentiments, and the Commission carried the Vote of Thanks unanimously.

The Chairman thanked the Deputy Secretary-General, the Regional Secretariat and all the members for their cooperation and assistance at the Meeting. He also thanked HMG Department of Tourism for the arrangements for the Meeting.

The Chairman then declared the sessions closed.