



ORGANISATION MONDIALE DU TOURISME  
WORLD TOURISM ORGANIZATION  
ORGANIZACION MUNDIAL DEL TURISMO  
ВСЕМИРНАЯ ТУРИСТСКАЯ ОРГАНИЗАЦИЯ

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WTO COMMISSION FOR SOUTH ASIA

DECISIONS TAKEN AT ITS TWENTY-FOURTH MEETING

Islamabad, Pakistan, 29-30 May 1990

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DECISIONS

CSA/DEC/1 (XXIV)

ADOPTION OF THE AGENDA

Agenda item 1 (document CSA/24/Prov.Ag.)

The Commission,

Adopts the provisional agenda of its twenty-fourth meeting as contained in document CSA/24/Prov.Ag. submitted by the Secretary-General.

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CSA/DEC/2 (XXIV)

COMMUNICATION OF THE CHAIRMAN

Agenda item 2

The Commission,

Having heard the communication of the Chairman,

1. Thanks him for his communication;
2. Appreciates his words of welcome and greetings extended to all Members, Affiliate Members, representatives of international organizations present at the meeting and the Secretary-General and his officers in attendance;
3. Agrees with his statement that the South Asia region has vast, yet untapped potential for expansion of tourism much beyond the levels that have been achieved so far; and
4. Welcomes his proposal that the Commission and the Secretariat should harness the support and goodwill of international organizations and donor countries, particularly the EEC and the Government of Japan, and seek their assistance for the development and marketing of the tourism products in the region so that the region would be able to receive its due share of the total international tourist movements.

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CSA/DEC/3 (XXIV)

COMMUNICATION OF THE SECRETARY-GENERAL

Agenda item 3 (document CSA/24/3)

The Commission,

Having heard the communication of the Secretary-General,

1. Congratulates the Secretary-General on the proposals put forward in his communication regarding the implementation of the resolutions adopted by the eighth session of the General Assembly concerning the execution of the general programme of work for 1990-1991;
  2. Invites member States in the region to take action to persuade their Affiliate Members to become more involved in the Organization's activities;
  3. Calls upon member States to identify the issues of interest to the South Asian region, so that the Secretariat can arrange for the necessary discussions to generate concrete proposals and/or decisions;
  4. Invites member States to put forward to the Commission and the Secretariat proposals concerning themes for the conferences and/or seminars to be organized in the future; and
  5. Appreciates the offer of the Secretary-General to continue the Secretariat's support and cooperation to the joint promotional activities of the Members.
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CSA/DEC/4 (XXIV)

SUMMARY OF CONCLUSIONS OF THE SEMINAR  
ON TOURISM PRODUCT DIVERSIFICATION IN  
SOUTH ASIA

Agenda item 4 (document CSA/24/SEM)

The Commission,

Having considered the summary of conclusions of the Seminar on Tourism Product Diversification in South Asia,

1. Thanks the Secretariat for organizing the Technical Seminar;
2. Urges the Secretariat to field a sectoral support mission during the current year for a regional project for market research and survey for South Asian countries in Australia and North America;

3. Notes that market research and survey for South Asian countries in other major generating countries/regions viz. Japan and Western Europe, will be covered under the proposed EEC project and the Japanese assistance proposal; and
4. Urges the Secretariat to submit the mission report at its next meeting for the information and comments of the Members.

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CSA/DEC/5 (XXIV)

REPRESENTATION OF THE COMMISSION ON THE  
EXECUTIVE COUNCIL AND ITS SUBSIDIARY ORGANS

Agenda item 5 (document CSA/24/5)

The Commission,

Having considered the document submitted by the Secretary-General on this agenda item,

1. Thanks India for a detailed account of the proceedings of the thirty-eighth session of the Executive Council;
2. Thanks Pakistan for a detailed account of the proceedings of the Technical Committee for Programme and Coordination;
3. Thanks Sri Lanka for a very comprehensive account of the first meeting of the Committee of Experts on Security and Protection of Tourists and Tourist Facilities; and
4. Requests the Secretariat so far as possible to submit to Commission meetings summary reports on sessions of the Executive Council and meetings of the Council's subsidiary organs so that participants in future meetings may be better informed and so contribute more effectively to the work of the Commission.

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CSA/DEC/6 (XXIV)

MEMBERSHIP OF THE ORGANIZATION

(a) Approaches by the Regional Commission  
to enrol non-member States in South Asia

Agenda item 6(a) (document CSA/24/6(a))

The Commission,

Having considered the document on the agenda item submitted  
by the Secretary-General,

1. Takes note that out of the countries in the South Asia region, only two, viz. Bhutan and Myanmar have still not joined WTO; and
2. Appeals to Members to approach both potential Governments and private operational sector organizations in the region with a view to persuading them to join the Organization.

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CSA/DEC/7 (XXIV)

MEMBERSHIP OF THE ORGANIZATION

(b) Arrears in contributions to the Organization's  
budget by Commission Members

Agenda item 6(b) (document CSA/24/6(b))

The Commission,

Having considered the document submitted by the Secretary-General on this subject,

1. Calls upon the Full Members who are in arrears of their contributions to initiate action to discharge their financial obligations to the Organization without further delay, according to the procedures established by the General Assembly and the Executive Council;
2. Thanks Bangladesh and Iran for the assurances that their outstanding contributions will be settled very soon;
3. Defers the issue of arrears in contribution to the Organization's budget by Afghanistan, to its next meeting; and
4. Appeals to Full Members to approach the Affiliate Members in their respective countries who are in arrears with a view to persuading them to settle their outstanding contributions as soon as possible.

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CSA/DEC/8 (XXIV)

PROMOTIONAL ACTIVITIES OF THE  
MEMBERS OF THE COMMISSION

(a) Joint Promotional Activities

Agenda item 7(a) (document CSA/24/7(a))

The Commission,

Having discussed at length the progress report on the implementation of the joint promotional activities of the Members, submitted by the Secretary-General,

Having considered the various papers annexed to the document submitted by the Secretary-General,

I. With regard to production of joint publicity material:

(a) Consumer publications

1. Thanks Bangladesh for the assurance that their outstanding contribution of US dollars 2,800 will be settled at the earliest.

(b) Audio-visual on Himalayan Tourism

1. Thanks India and Pakistan for settling their dues on account of conversion of the audio-visual into VHS video;
2. Notes with satisfaction that Nepal is in the process of settling its outstanding contribution; and
3. Calls upon the Members who are interested in obtaining copies of the video cassette to place their orders directly with Air India, the payment for which will be billed by Air India at cost - approximately US dollars 40 per copy.

II. With regard to marketing proposal for EEC funding:

1. Draws the attention of the Members who have still not addressed an official request to the EEC supporting the marketing proposal, viz. India and Nepal, to do so without further delay;
2. Calls upon all participating Members of this project, except Sri Lanka, to supply comprehensive information on product availability and product possibilities in their respective countries and also their proposals regarding different product combinations to be tested during the surveys, to the EEC immediately and in any case, before 31 July 1990; and

3. Entrusts the Secretariat with the task of coordination of this project with the EEC and the participating countries.

III. With regard to marketing proposal for Japanese Government funding

1. Thanks the Secretariat for the very comprehensive proposal prepared and submitted to the Government of Japan; and
2. Calls upon the participating members of this project to extend their support to the proposal by addressing individual requests to the Government of Japan.

IV. With regard to inter-country technical assistance project on "Conservation of Nature and Heritage" for UNDP funding:

1. Thanks Sri Lanka for the very comprehensive "Working Paper" prepared on the subject by taking into account the two themes developed by UNDP, viz. Technology Transfer and Human Resources Development;
2. Decides that "Conservation of Nature and Heritage" should be a subject for formulation of an inter-country technical assistance project to be funded by UNDP under the Fifth Programming Cycle 1992-1996;
3. Requests the Secretariat to field a sectoral support mission during the current year with a view to preparing a Project Document for submission to UNDP for funding;
4. Urges the Members to keep primary data and other information ready for the mission; and
5. Requests the Secretariat to make available to the Members the Mission Report and the Draft Project Document for consideration at its next meeting.

V. With regard to setting up a Technical Committee on Tourism within the framework of the South Asia Association for Regional Cooperation (SAARC):

1. Thanks Sri Lanka for the detailed paper prepared on the subject;
2. Notes with satisfaction that Maldives, Nepal and Pakistan have already submitted requisite proposals in this regard to their respective Foreign Ministries; and
3. Urges the Members which have not yet taken up the matter with their Foreign Ministries, viz. India and Sri Lanka, to do so as early as possible.

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VI. With regard to preparations for South Asia Tourism  
Year - 1993:

1. Thanks Sri Lanka for preparing a detailed "Preliminary Discussion Paper" outlining the objectives, implementation procedure and activities for South Asia Tourism Year - 1993;
2. Decides to form a Steering Committee comprising representatives from each of the participating countries, to coordinate all joint promotional activities;
3. Designates Sri Lanka as the Chairman of the Steering Committee;
4. Urges the Members that participation at the Steering Committee meetings should be at a very senior level to facilitate decision-making;
5. Requests the Members to set up national committees in their respective countries comprising NTAs and private operational sector with a view to facilitating implementation of national-level activities;
6. Suggests that the respective national committees should raise contributions from the private operational sectors to fund the activities planned;
7. Accepts with gratitude the offer of Sri Lanka to draw up terms of reference of national committees;
8. Decides that the Steering Committee should meet at least twice every year depending upon the convenience of the participating countries;
9. Requests the Secretariat to be represented at the Steering Committee meetings and coordinate the Committee's activities and programmes;
10. Decides that the first meeting of the Steering Committee should be held in late September or early October 1990;  
and
11. Accepts the invitation of Sri Lanka to host the first meeting of the Steering Committee.

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CSA/DEC/9 (XXIV)

PROMOTIONAL ACTIVITIES OF THE  
MEMBERS OF THE COMMISSION

- (b) Report on the Fund-in-Trust  
administered on behalf  
of the Commission

Agenda item 7(b) (document CSA/24/7(b))

The Commission,

Having examined the document submitted under this agenda item  
by the Secretary-General,

1. Notes with satisfaction the information contained in the  
document and in the tables annexed thereto;
2. Takes note of the outstanding contributions from Members  
as at 15 May 1990; and
3. Urges Members to settle their outstanding contributions  
to the Fund-in-Trust without any further delay.

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CSA/DEC/10 (XXIV)

PROMOTIONAL ACTIVITIES OF THE  
MEMBERS OF THE COMMISSION

- (c) Information report on the celebration  
of World Tourism Day 1989

Agenda item 7(c) (document CSA/24/7(c))

The Commission,

Having taken note of the information report on World Tourism  
Day 1989,

Recognizing the importance of this day which was instituted by  
the General Assembly in order to promote greater awareness  
among local populations about the economic, cultural and poli-  
tical values of tourism as well as its real and potential  
benefits,

1. Commends member States belonging to the region that organized  
events to commemorate World Tourism Day 1989;

2. Recommends to the member States to celebrate World Tourism Day 1990, whose theme, selected by the General Assembly in its resolution 269(VIII) and inspired by The Hague Declaration on Tourism, is "Tourism: an unrecognized industry, a service to be released"; and
3. Invites the member States of the region to communicate to the Secretary-General full information on the activities they carry out to mark World Tourism Day 1990.

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CSA/DEC/11 (XXIV)

PROMOTIONAL ACTIVITIES OF THE  
MEMBERS OF THE COMMISSION

- (d) Progress report on the International  
Conference on Youth Tourism

Agenda item 7 (d) (document CSA/24/7(d))

The Commission,

Having examined the progress report submitted by the Secretary-General on preparations for the International Conference on Youth Tourism, to be held at New Delhi, India, from 28 to 31 January 1991,

1. Takes due note of the information it contains;
2. Requests the member States to take all necessary measures to ensure effective participation in the preparatory work for the Conference planned throughout 1990; and
3. Recommends to the member States that a common position should be adopted on the various items on the agenda of the New Delhi Conference.

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CSA/DEC/12 (XXIV)

GENERAL PROGRAMME OF WORK OF  
THE ORGANIZATION FOR 1990-1991

(a) Technical cooperation

Agenda item 8(a) (document CSA/24/8(a))

The Commission,

Having considered the document submitted under this agenda item  
by the Secretary-General,

1. Recognizes that technical cooperation for developing countries constitutes a particularly effective component of development assistance permitting the transfer of know-how and, at a later stage, promoting the provision of capital assistance;
  2. Recognizes the need to increase, diversify and coordinate financing sources for the growing number of tourism projects in South Asia;
  3. Notes with satisfaction the progress of projects and sectoral support missions in various member States of South Asia; and
  4. Commends the efforts of the Secretary-General to seek sources of financing other than UNDP, for the implementation of tourism projects in the developing countries and in South Asia in particular.
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CSA/DEC/13 (XXIV)

GENERAL PROGRAMME OF WORK OF  
THE ORGANIZATION FOR  
1990-1991

(b) Tourist Facilities and  
Services - Policy, Planning and Development

Agenda item 8(b) (document CSA/24/8(b))

The Commission,

Having considered the document submitted under this agenda item  
by the Secretary-General,

I. With regard to security and protection of tourists and tourist facilities:

1. Invites the Members to study, on an individual or collective basis, measures permitting them to identify shortcomings in the security and protection of tourists and tourist facilities in their countries and their personnel training needs in this field;
2. Recommends the Members to include in their strategic planning for tourism development objectives designed to ensure the security and protection of tourists and tourist facilities;
3. Requests its representative on the Committee of Experts on the security and protection of tourists and tourist facilities as well as its Members in general to participate in the meeting of this Committee and in the Round Table on Tourist Insurance to be held at Madrid, Spain, during the third week of September 1990; and
4. Recommends NTA officials and tourism professionals from the region to take part, alongside their counterparts in the health sector, in the Third International Conference on Tourist Health, to be held at Venice, Italy, from 14 to 17 November 1990 under the auspices of WHO and WTO.

II. With regard to facilitation and liberalization:

1. Notes the postponement of the eleventh meeting of the Expanded Committee; and
2. Urges the Members to convey their views on the prospects of the draft Convention and the ways in which the Facilitation Committee could proceed with its activities, to the Secretary-General before the thirty-ninth session of the Executive Council in November 1990.

III. With regard to environment:

1. Notes with satisfaction that environment has been included as one of the activities in the general programme of work of the Organization;
2. Notes with satisfaction the resumption of the activities of the Environment Committee which is due to hold its third meeting in the Netherlands from 26 to 28 September 1990;
3. Invites the Members to inform the Secretary-General of the activities and subjects they would like to see included in the section on tourism and the environment of the general programme of work;

4. Recommends the representative on the Environment Committee to take part in its third meeting; and
5. Appeals to the governmental authorities of member States to attach utmost importance to environmental issues in the development of tourism in their countries.

IV. With regard to education and training:

1. Urges the Members to make full use of WTO's continuing education programmes by nominating suitable participants for the different courses;
2. Notes with interest the various courses planned under the itinerant training programme;
3. Appreciates that four additional education and training centres will become operational during the course of this year; and
4. Requests the Members to make the best use of the new WTO correspondence courses that will be made available.

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CSA/DEC/14 (XXIV)

GENERAL PROGRAMME OF WORK OF  
THE ORGANIZATION FOR 1990-1991

(c) Marketing support activities - Information, Statistics

Agenda item 8(c) (document CSA/24/8(c))

The Commission,

Having considered the document submitted under this agenda item by the Secretary-General,

1. Notes with satisfaction the work of the Secretariat in this area;
2. Invites the Members to make the necessary arrangements to participate in the International Conference on Travel and Tourism Statistics to be held at Ottawa in the spring of 1991; and
3. Urges Members to send to the Secretariat statistical data and basic information for inclusion in WTO publications and for the establishment of a computerized data base so that it may respond to requests from Members and other users for these services.

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CSA/DEC/15 (XXIV)

PLACE AND DATE OF THE TWENTY-FIFTH  
MEETING OF THE COMMISSION

Agenda item 9

The Commission,

Accepts with thanks and appreciation the offer made by Iran to host the twenty-fifth meeting of the Commission in its territory during the first quarter of 1991.

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CSA/DEC/16 (XXIV)

OTHER MATTERS RAISED WITH THE  
PERMISSION OF THE CHAIRMAN

The Commission,

Having listened to the various proposals and statements made by the Full and Affiliate Members and the representatives of ESCAP,

1. Notes with interest the statement made by the representative of ESCAP on the activities carried out in the Asia-Pacific region in the field of tourism and appreciates his offer of cooperation with WTO, particularly in the areas of technical cooperation and human resource development; and
2. Decides to hold a Seminar, in collaboration with ESCAP, on Financing of Tourism Projects with a view to educating the Members on possible sources of funding, modalities involved, etc. and motivate financial institutions to invest in tourism-related projects in Asia, and accepts with gratitude the offer of Sri Lanka to host the Seminar during the second half of 1991.

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**LIST OF PARTICIPANTS**

**CHAIRMAN OF THE COMMISSION**

**PAKISTAN**

Kh. Shahid Hosain  
Secretary  
Ministry of Tourism

**FULL MEMBERS**

**BANGLADESH**

Dr. M. Afsarul Qader  
Deputy High Commissioner  
High Commission of Bangladesh  
Islamabad

Mr. A.M. Shahed Quaderi  
Counsellor  
Press and Culture  
High Commission of Bangladesh  
Islamabad

**INDIA**

Mr. B.K. Goswami  
Director General of Tourism

**IRAN**

Mr. Morteza Haji  
Deputy Minister for Tourism  
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Ministry of Culture and Islamic  
Guidance

Mr. Abdolnaser Mirchi  
Director General  
Tourism and Pilgrimage Service  
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Ms. Parvin Jazayeri Joneghani  
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Ministry of Culture and Islamic  
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Mr. Norolah Hosin Khani  
Expert in Cultural Affairs  
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**MALDIVES**

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Advisor  
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Mr. Shakeel Ahmad  
Joint Secretary  
Ministry of Tourism

Mr. Shah Alam Khan  
Economic Analyst  
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Mrs. Mehtab Akbar Rashdi  
Secretary (Tourism)  
Government of Sindh  
Karachi

Mr. Farid-ud-Din Ahmad  
Secretary (Tourism)  
Government of Punjab  
Lahore

Mr. Arif Hussain  
Deputy Secretary (Tourism)  
Government of Baluchistan  
Quetta

Mr. Salman Siddique  
Managing Director  
Tourism Development Corporation  
of Punjab  
Lahore

Mr. Masood Khan  
Director (IC)  
Ministry of Foreign Affairs  
Islamabad

**SRI LANKA**

Mr. P.C.S. Fernando  
Chairman  
Ceylon Tourist Board

Mr. Gamini Nissanka Jayaweera  
Assistant Director  
Ceylon Tourist Board

**HOLY SEE**

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Vicar General  
Catholic Diocese of Islamabad

**AFFILIATE MEMBERS**

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Mr. Gyan Taneja  
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Deputy Managing Director

Mr. Ashab Naqvi  
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Chairman, Region "A"

Mr. Zahoor A. Durrani  
Vice-Chairman

Mr. Iqbal Walji  
Coordinator

Mr. Akhtar Mummunka  
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Khawaja Jahan Zeb  
Zeb Travel

Mr. Shiraz Poonja  
Director  
Sitara Travels

**INTERNATIONAL ORGANIZATIONS**

**ESCAP**

Mr. Ryuji Yamakawa  
Economic Affairs Officer

**SPECIAL INVITEE**

Mr. Salman Javed  
General Manager (MIS)  
PIA  
Karachi

**WTO SECRETARIAT**

- Mr. Antonio Enríquez Savignac  
Secretary-General
- Dr. H. Varma
- Ms. Jacqueline Chartraire

**WTO CONSULTANTS**

- Mr. Robert Cleverdon
- Mr. Edward Inskeep
- Mr. Rajesh Rawat





ORGANISATION MONDIALE DU TOURISME  
WORLD TOURISM ORGANIZATION  
ORGANIZACION MUNDIAL DEL TURISMO  
ВСЕМИРНАЯ ТУРИСТСКАЯ ОРГАНИЗАЦИЯ

**Seminar Report**

on

**TOURISM PRODUCT DIVERSIFICATION IN SOUTH ASIA**

Islamabad, Pakistan, 28 May 1990

**Seminar organization and proceedings**

This Seminar was held in conjunction with the twenty-fourth meeting of the World Tourism Organization (WTO) Commission for South Asia. The organization of this Seminar represented the new policy of WTO to include seminars on currently relevant topics with its Regional Commission meetings. The Seminar topic - **Tourism Product Diversification in South Asia** - was selected based on the indications conveyed by the South Asian countries on their priority tourism issues. The Seminar participants included government officials from seven countries of the region and some WTO Affiliate Members representing the private sector.

The Seminar was inaugurated by H.E. Mr. Syed Qasim Shah, Minister for Tourism of Pakistan. The keynote speech was delivered by the Secretary-General of WTO, Mr. Antonio Enríquez Savignac. The Seminar was presided over by Mr. Khawaja Shahid Hosain, Chairman of the WTO Commission for South Asia. Mr. Rajesh Rawat was the Seminar's Moderator. Two international consultants, Mr. Robert Cleverdon of the UK and Mr. Edward Inskeep of the USA, served as the resource persons.

WTO prepared and distributed a paper on the Seminar topic, attached as Annex I. This paper reviewed the presently developed and planned tourism product of each country in the region, suggested some possible ways to improve and diversify the product, and set forth a framework for relating the tourist markets to the product and, in turn, diversifying the markets. The paper made the point that a substantial tourism product is already in place in several of the countries, while other countries still have limited product development, and that there is much potential for product and market diversification which can lead to greatly increased tourism activity in the region. The paper referred to some opportunities for regional cooperation on diversification.

The Seminar resource persons initially summarized the WTO paper focusing on various specific issues on the topic. This was followed by the participants' discussion. There was quite active participation in the discussion by virtually all country delegates and some private sector representatives. Among the subjects discussed were:

- reviews of various country product development programmes;
- recommendations on ways to achieve product and market diversification;
- improvement of the present product; and
- possibilities for regional cooperation on diversification.

The conclusions and recommendations of the Seminar were drafted for review and comment by the Commission during its meeting on 29 May 1990.

### Results of the Seminar

The results of the Seminar, as endorsed by the Commission on 29 May 1990, are reproduced in the following sections.

### Definition

The theme of tourism product diversification was defined in a broad sense for the purposes of the Seminar. It was taken to include both:

- initial product development; and
- diversification in existing tourism areas.

It was seen as relating to all types of tourism activity, i.e.:

- interregional
- intraregional
- domestic

Furthermore, the Seminar considered both:

- diversification of product (i.e. the amalgam of attractions, activities, accommodation and other facilities and services, transportation, access and networks and other infrastructure);
- diversification of market (i.e. purposes/interest and geographic markets).

### General conclusion

Product diversification is desirable in order to increase tourism activity, specifically through inter alia:

- the broadening of tourist markets;
- increasing the average length of stay and tourism receipts;
- reducing seasonality; and
- increasing repeat visitation.

However, diversification should be undertaken within the framework of, or related to, comprehensive, integrated planning, be programmed and staged within the financial, human and other resources available and associated closely to the development of markets. Diversification should supplement, not replace, the development and enhancement of the existing product.

With its unique and varied existing and potential tourism products, the South Asia region is particularly well suited to take advantage of the present global tourist market trends and lifestyle changes.

### Approach to diversification

The Seminar endorsed the approach to tourism diversification of seeking to identify development opportunities and market potential through the system of matching supply with demand.

This approach involves a rigorous, research-based exercise of:

- i. examining the many determinants of tourism demand leading to the identification of key growth market segments and market generating areas;
- ii. relating these growth markets to the tourism product (existing and possible) of the South Asian countries to identify those segments and origin markets which represent good potential for the region; and
- iii. quantifying and assessing the facility, infrastructural and other implications of these targets.

Due attention should be paid in this process to product development and related marketing activities focusing on the unique attraction features offered by the region (i.e. offering comparative advantage) and an imaginative approach should be employed such as recently developed techniques of heritage site interpretation and presentation.

A number of potential product/market developments and diversification were proposed as representing strong prospective opportunities which should be subject to detailed market assessment. These include:

- cultural and general interest tours (single and multi-country) aimed at the growing retirees markets;
- adventure tourism (constituting many different specific market segments);
- root tourism (i.e. first generation migrants and overseas born people of South Asian origin visiting their families' original homelands);
- conference and convention tourism;
- incentive tourism; and
- other special interest tourism categories.

### **Specific conclusions of the Seminar**

1. The process of matching supply and demand, selected as the region's approach to product/market diversification, requires a widespread and detailed programme of market information gathering, analysis and interpretation, i.e. **market research**. Urgent attention should be given to the design and conduct of a market research study and for this exercise to be mounted collectively by, and on behalf of, the South Asia region.
2. Irrespective of what specific product/market diversification opportunities are identified in the market research, there is a pressing need for a **promotional campaign** to be conducted to overcome generating countries' lack of awareness of the region's tourism potential and scepticism that its countries are genuine holiday tourist destinations (i.e. image building). Primary responsibility for creating a positive climate for the tourism sector rests with the National Tourism Administrations and regional organizations, such as the WTO Commission for South Asia, whose promotional activities can form the cornerstone for the region's tourism sector development.
3. In recognition of the financial constraints faced by any programme of regional promotion activities, specific suggestions were made which are likely to involve relatively low cost investment and yet establish a positive, region-wide image for tourism. These include:
  - South Asia **map of tourist features**;
  - South Asia **facilitation handbook**;
  - Portfolio of **trekking maps**; and
  - South Asia **travel trade marts** (e.g. associated with international travel trade shows).
4. Attention should be given to identifying new, and further developing existing, multi-destination **tour programmes**.
5. The programme of product/market development and diversification arising from the proposed market research programme should pay due and proper attention to the **requirements of, and impacts on, other aspects of tourism and other sectors, e.g.:**
  - trained personnel
  - local communities
  - environmental protection
  - infrastructure, and
  - utilities
6. Further **regional training and fellowships** for personnel from the tourism sector, including the private sector, is needed to ensure good quality service for the expanded tourist flow envisaged, and public education about the benefits of tourism and how the local population can participate in tourism.
7. Attention should be given to the **adoption of common facilitation procedures** among the South Asian countries.
8. Similarly, the introduction of **common standards and procedures for tourist activities** featured by two or more of the countries in the region (e.g. trekking, mountaineering) is considered an important goal to pursue.



9. The **protection of all aspects of the natural and cultural environments** is vital for tourism to succeed and be sustainable in the long run. Areas with fragile ecological environments, such as the Himalayas and small islands, should be accorded priority attention in this respect.
10. No expansion of the tourism sector on any significant scale can occur without **adequate international air access**, i.e. network, frequency and capacity of flights. The civil aviation policies, plans and programmes of the countries in the region need to be in line with their respective tourism development aims and goals.
11. Similarly, other aspects of **infrastructure and utilities** have to be integrated within the overall tourism planning exercise to ensure their capacities and standards are adequate.
12. It is of vital importance for the region's tourism **private sector to be actively involved** (both in terms of consultation and in a participatory sense) in all aspects of tourism policy, planning, management and operations.
13. A **committee should be appointed** at the earliest opportunity to coordinate the celebrations of the **1993 South Asia Tourism Year**.

#### Plan of action

Three major courses of action leading from these conclusions were approved by the WTO Commission for South Asia, i.e.:

1. A **regional market research programme** should be undertaken (in line with specific conclusion 1.)

It was decided to request WTO to field a sectoral support mission to investigate the optimal scope and coverage for a market research study and to prepare terms of reference for such a study for submission to possible funding agencies. The WTO mission would take full account of the facts that:

- i. funding applications in respect of studies in the major European markets and in Japan are presently under review; and
  - ii. there already exists selected and partial market information with the region's tourism authorities.
2. A **Steering Committee**, comprising each of the Commission's members and under the chairmanship of Sri Lanka was established to develop a programme and budget for the celebration of the 1993 South Asia Tourism Year, with its initial meeting set for late September 1990 (in line with specific conclusion 13).
  3. The South Asia Tourism Year Steering Committee would also be charged with devising and executing a **programme of promotional activities** (in line with specific conclusions 2 and 3).

Further to these three actions, the Commission drew specific conclusions 8 and 10. The former relates to common standards and procedures for tourist activities pursued or capable of being undertaken in two or more South Asian countries; the latter relates to transport policy and programmes.





Annex I

ORGANISATION MONDIALE DU TOURISME  
WORLD TOURISM ORGANIZATION  
ORGANIZACION MUNDIAL DEL TURISMO  
ВСЕМИРНАЯ ТУРИСТСКАЯ ОРГАНИЗАЦИЯ

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SEMINAR

ON

**TOURISM PRODUCT DIVERSIFICATION IN SOUTH ASIA**

Islamabad

28 May 1990

Background Paper

presented by the

World Tourism Organization

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## **TOURISM PRODUCT DIVERSIFICATION IN SOUTH ASIA**

This paper is intended to provide a framework for discussion of tourism product diversification in the South Asia region. It reviews the present tourism product and product diversification programmes underway in the various countries, and offers some possible diversification approaches as related to product development and tourism market trends. Through discussion by the seminar group, it is hoped that new ideas will emerge that can assist the region in realizing its potential for tourism development.

### **Tourism Growth and Potential in South Asia**

The total number of international tourism arrivals in the South Asia region was estimated to be 2,960,000 in 1989, a 4.2 per cent increase since 1980, and 0.79 per cent of the 405 million global arrivals in 1989. During the 1970s decade, arrivals in the region increased by 105 per cent, but experienced a slower rate of growth in the early 1980s, as did all the regions in the world because of the global recession.

Since the 1970s, interregional travel has accounted for about 60 per cent of total international travel in South Asia, with the principal market countries being the United Kingdom, Federal Republic of Germany, the USA, France, Japan, Australia and Canada. Of the intraregional travel, the heaviest two-way flows take place between India-Bangladesh, India-Pakistan and India-Sri Lanka. A considerable proportion of this intraregional travel is for the purposes of visiting friends and relatives and business activities, while most interregional travel is for holiday purposes.

International tourism receipts for South Asia were estimated to be US\$ 2.0 billion in 1989, 0.95 per cent of the worldwide total. International tourism receipts have represented slightly more than five per cent of the total annual value of exports in the region since 1980. However, for some countries, notably the Maldives and also India and Sri Lanka, tourism contributes appreciably more than that average to foreign exchange earnings. Firm figures on employment in tourism are not available but would be substantial throughout the region.

In addition to international tourism, domestic travel in South Asia comprises a major component of the tourism sector. In 1985, the total number of domestic tourist trips, including for recreation, business, religious pilgrimage, youth travel, and visiting friends and relatives, was estimated at about 500 million, of which 55-60 million stayed in commercial accommodation. Some of the countries have adopted policies to encourage and expand domestic tourism for both social reasons and as a means of generating local employment and redistributing income from more to less affluent places, especially from urban to rural areas.

Virtually all of the South Asian countries have policies for development of tourism in a controlled and logical manner. The status of tourism planning for eight of the countries in the region is described in the Appendix. These long-range and five-year tourism sector policies and plans provide guidelines which are generally being followed by the respective countries. It is gratifying that all the countries are giving increasing emphasis to

applying a sustainable development approach. There have been some recent major marketing efforts, such as the Festival of India, which have exposed Europe, North America, Japan and other market areas to the many features that South Asia has to offer tourists.

South Asia is one of the world's potentially major tourism regions in terms of its population (about 20 per cent of the global total), depth of history and cultural richness, environmental variety and wealth of attractions and activities for tourists. In recent years, considerable superstructure and infrastructure have been developed for tourism. Yet, with only about one per cent of the global international arrivals and receipts, the region is obviously not realizing its potential.

There would seem to be several possible reasons for this situation: the relatively recent emergence of South Asia as a tourism destination and the time required to "catch up" with other regions; the rather weak and not always desirable general image of South Asia in the market countries; somewhat still limited knowledge of South Asia's many tourist attractions and facilities available; considerable distance from the major market countries in Western Europe, North America and East Asia; periodic political disturbances and natural disasters in some countries or parts of countries which have been highly publicized in the international press; and less international business and convention travel to South Asia compared to some of the other tourism regions in the world. Also, the question arises whether further diversification of the tourism product would be an advantage in attracting more tourists and increasing their length of stay.

### **Review of the Existing Tourism Product**

Tourist attractions and related activities constitute the core of the tourism product. Without substantial attractions, few holiday tourists can be induced to visit an area. The attractions in South Asia encompass the full range of natural and cultural features: beautiful beach and marine environments in the Maldives; both natural and culturally based attractions including good beaches, some outstanding archaeological and historical monuments, interesting cultural traditions, scenic beauty and wildlife in Sri Lanka; impressive historical and religious monuments, great cultural diversity and richness, beaches, scenic mountains and wildlife in India; both cultural and historical features, strong religious traditions, mountain environments for trekking and climbing and wildlife in Nepal and Bhutan; archaeological and historical monuments, riverine and lake environments, beaches and some wildlife in Bangladesh; major archaeological and historical sites, distinctive cultural patterns and beaches in Myanmar; important archaeological and historical sites, cultural diversity, spectacular mountain scenery and beaches in Pakistan; and various cultural and natural features in Afghanistan and Iran.

Attraction features themselves only comprise a basis for developing tourism, but they must be reasonably accessible, properly conserved, and developed with suitable visitor facilities and services as well as marketed in order to attract tourists. Provision of visitor facilities and services now often involves more than just accommodation and organized tours. Today's increasingly sophisticated tourist markets, especially the long-haul markets, do not only want to see places; they also wish to actively become involved

with them, through participating in recreation and sports related to the natural environment, learning about the background of the archaeological, historic and religious monuments, and at least somewhat understanding the different cultures that they are experiencing. They also wish to travel in relative comfort and not worry about health and safety problems.

South Asia has made substantial progress in development of tourist facilities and services. Most of the major destinations such as the Maldives, the western and central areas of Sri Lanka, the Delhi-Agra-Jaipur Triangle, Goa, Kashmir-Ladakh, Trivandrum and other places in India, Kathmandu and Pokhara in Nepal, Paro and Thimphu in Bhutan, Dhaka and Cox's Bazar in Bangladesh, Pagan in Myanmar, Islamabad and Karachi in Pakistan have a range of good quality hotels and other facilities and services available, and have developed visitor facilities and services at their major attraction features, although at some places there is always room for improvements. Other destinations in South Asia are less well developed.

As mentioned previously, domestic tourism including youth and religious as well as general holiday travel is becoming important in South Asia. Some domestic tourists utilize the same facilities as foreign tourists while others require additional facilities. India particularly, but also other countries, have active programmes for promotion of domestic tourism and development of domestic tourist facilities.

International access to the region and its various countries is generally good and most of the international airports in the region have been recently improved and meet international standards. However, internal air access to destinations within some of the countries requires improvements, for example, in reliability of schedules and reservation services, adequacy of capacities and safety levels. This is an aspect of travel in South Asia which has been internationally publicized. However, the availability of charter flights to some destinations helps overcome this constraint. Travel facilitation procedures including immigration and customs have been improved in recent years, although the requirement for obtaining visas for entry to some countries is considered to be a nuisance by tourists. Internal road and rail transport is not always fast and too comfortable but does provide access for those tourists who do not want to travel by air. Local ground transport facilities and services are also generally adequate.

Relating back again to the requirements of tourist markets for quality services, not only in hotel and catering enterprises but also for travel and guide services and in tourism management, the education and training of employees to work effectively in tourism is essential. All the eight countries have viable hotel, catering and tourism training institutions and India has several such institutes plus the tourism management education centre in New Delhi. These institutions, some of which have been established relatively recently and are receiving international assistance, are now providing a substantial number of graduates, most of whom are entering the local tourism sector although some are going overseas for employment. Also, major hotel chains such as the Oberoi and Tai groups and some of the international chain hotels have their own training programmes.

### Opportunities for Tourism Product Diversification

Several factors must be considered in examining the possibilities for product diversification in South Asia. One of these is relating the products to the present and potential tourist markets. First, it is probably a safe assumption that based on present trends, tourism will continue expanding globally at about 4-5 per cent annually during the 1990s, so there will be an overall international tourist market potential for South Asia, plus the regional and domestic tourist markets. As mentioned, today's markets are becoming increasingly activity and participatory oriented and more sophisticated in expecting "good value for money" of attractions, facilities and services at any level of expenditure; this obviously has implications for product development in South Asia.

Tourist markets are also becoming more fragmented in terms of travel interests and geographic origin. In addition to the general interest sightseeing and relaxation market which will likely continue being an important one for most South Asian countries, the special interest markets are growing rapidly and, based on South Asia's many and unusual types of attractions, offers much potential for expansion in the region if special interest tourism products are developed. The senior citizen and retired persons markets are expanding rapidly, offering much potential for development of specialized products including special extended and off-season tours for this market group. Also, the conference and convention and incentive markets globally are steadily growing and these offer potential in South Asia.

In terms of geographic origin, the East Asian markets including Australia are expanding rapidly. Japan has already become an important market country and will likely continue growing, and other East Asian markets of the newly industrializing countries may offer potential for South Asia. In addition, of course, there is much scope for attracting more tourists from the established market countries in North America and Europe, including rapidly developing new origin countries in Europe such as Spain. These new and expanded markets may have particular touristic interests and tourism product requirements which should be investigated.

Other factors to consider are whether to focus on continuing improvement and refinement, where needed, of existing attractions and destinations or to develop new destinations based on new attractions, or a combination of these approaches. Also important is the environmental and social factor of diversifying the product through new destination development in order to relieve pressure on existing destinations which are reaching saturation levels. Besides local environmental and perhaps social problems resulting from overdevelopment and intensive use of existing destinations, these will not be attractive to tourists and depreciate the image of the country if allowed to continue developing in an uncontrolled manner. The Maldives and Nepal, for example, are now facing this situation and adopting decentralization policies.

Another consideration is the potential for regional cooperation on development through diversification, of complementary attractions among the South Asian countries or groups of countries, with organization of more regional general and special interest tours. This approach was successfully applied for combined tours of Sri Lanka and the Maldives. Bangladesh, for example, as a new destination would benefit from organization of regional tours including Bangladesh with nearby countries.



By type of attraction, there are ample opportunities for diversification in the development of both natural and cultural attractions, particularly for special interest tourists. Many of these possibilities have already been recognized by the various countries. Some of these opportunities are briefly reviewed in the following sections.

### **Maldives**

In the Maldives, the main tourism resource is the attractive small island, beach and marine environment and product diversification takes the form of establishing new resorts based on that resource. Kaafu (Male) Atoll where the capital city, international airport and most of the resorts are located is considered fully developed and, in 1988, the government approved development of some 16 new resorts in Allf (Ari) Atoll which are scheduled to be opened in the early 1990s. Concurrently, existing resorts are being upgraded to meet present market demand. Eventually, additional resorts will be developed as needed elsewhere in the country in a staged development approach. The main challenge in the Maldives will be to maintain the unique character and diversity of types of resorts and overall quality of the tourism product, and not allow overdevelopment in any one area or deterioration of the pristine marine environment.

### **Sri Lanka**

In Sri Lanka, where tourism is based on a combination of beach and cultural attractions, opportunities exist, when politically feasible, to develop new beach destinations (combined with tours to the inland cultural monuments and scenic areas) on the east coast, and to further develop and promote the Ancient Cities monuments of the Cultural Triangle as major features. The government has for some years been doing an excellent job of conservation of the archaeological sites. Some of the existing individual beach resorts on the west coast could be improved to keep them as viable quality destinations.

### **India**

India has already adopted a product diversification approach of developing new tourist attractions and destinations, especially in Southern India where tourism is oriented to beach resorts and the Southern Indian cultures and the northern mountain areas (Himachal Pradesh and elsewhere) for mountain tourism activities. Historically based on cultural tourism which will likely remain the predominant form, India's programme is to further develop beach tourism, mountain trekking, wildlife tourism, winter sports, and conference and convention and incentive market tourism. New specific tourism products include Buddha's Trail across northern India which is being developed particularly for the Japanese religious market. Orissa on the east coast is being considered for development of a combination of beach, cultural (based on the distinctive Orissan style temples, the famous Sun Temple at Konark, important Buddhist archaeological sites and Orissan cultural patterns) and some wildlife tourism. Goa on the west coast, already an important

destination with a combination of beach and historic attractions, is being further developed. India is applying some imaginative product development approaches such as the Palace On Wheels, an historic train tour, and development of the palace hotels. Much progress has been made in wildlife conservation.

India's diversification programme, which is designed for both international and domestic tourists, seems quite appropriate but it will be important to maintain and improve existing destinations, for example, controlling pollution in the lakes at Srinagar in Kashmir. Continued attention will need to be given to applying conservation measures to archaeological and historical sites and wildlife.

### **Nepal**

Nepal, which also has a well established tourism sector, is planning diversification by developing new destinations outside of Kathmandu and Pokhara. As a new product, Lumbini, the birthplace of Buddha in southern Nepal, is currently being developed and other new destinations including centres for trekking and mountain climbing are being planned. As mentioned, these new destinations, in addition to expanding the tourism product will also distribute the tourists more throughout the country, relieving some of the tourism pressure from Kathmandu and Pokhara. Nepal has adopted some progressive environmental controls with respect to trekking and mountain climbing activities, for example, requiring that portable fuel be taken on trekking and climbing trips and prohibiting cutting of trees along the trails and requiring that biodegradable garbage be buried and other litter be carried out of the trekking areas for disposal elsewhere in more suitable places. The Everest Trail, which was greatly littered with debris of past climbing expeditions, is being cleaned-up.

In addition to continuing new destination and product development, it will be important for Nepal to maintain and, where needed, to improve its present destinations, especially with respect to maintaining environmental controls and preserving the uniquely designed and architecturally detailed buildings in Kathmandu Valley. A basic environmental problem in Nepal, which affects all sectors including tourism and requires continuing attention, is widespread deforestation and consequent erosion of the mountain slopes.

### **Bangladesh**

Holiday tourism is not greatly developed in Bangladesh and opportunities exist there for development of general and special interest tourism for both the international and domestic markets. Potential exists for riverine tourism particularly in the Sunderbans area which is an important habitat for interesting wildlife, further development of lake tourism at Rangamati, further development of Cox's Bazar as a beach resort, special interest cultural tourism based on Buddhist and islamic archaeological and historical monuments located at various places in the country, general interest features in the Dhaka region, and tea plantation and bird watching tours in the Sylhet area. The tourism development programme had identified five tourism regions,

each focused on specific attractions features, for developments. All these destinations will require additional development of tourist facilities and services and, for some of them, improved transport access will be necessary.

Given limited resources for tourism and an undeveloped international market, destination development could best be approached on a staged basis in Bangladesh. Conservation of the archaeological and historic monuments and the important natural environments, especially the Sunderbans, will be essential.

### **Pakistan**

Pakistan has much potential for product diversification and product development generally, catering to both general and special interest tourists. Although Pakistan has a relatively large number of tourist arrivals, these are mostly intraregional travellers visiting friends and relatives and overseas Pakistanis visiting their families. The international holiday markets have not yet been greatly developed for Pakistan. The ancient Indus Valley civilization urban sites of Moenjodaro and Harappa are already being conserved and provide the basis for special interest tours. Taxila and other Gandhara monuments are important attractions for both general and special interest tourism. The beaches along the southern coast offer the potential for beach resort development.

Northern Pakistan offers outstanding mountain scenery and opportunities for trekking and mountain climbing. The traditional cultures of northern Pakistan could attract special interest tours but tourism would need to be carefully organized there to avoid any negative sociocultural impacts. Opening of the Karakoram Highway (KKH) into the Sinkiang area of China offers the potential for adventure tours and the government is currently developing tourist facilities along that road. A recently developed ski resort will especially appeal to domestic tourists. The government policy is to open up new tourism areas and develop tourism within the framework of Islamic religious values.

### **Myanmar**

Myanmar offers both general and special interest cultural tourism based on the impressive Pagan archaeological complex in the central part of the country, strong Buddhist cultural traditions, highly interesting temples and cultural patterns of tribal groups. Beach tourism can be further developed on the southern coast. With only limited tourism development at present, there is much need for improvement and further development of tourist facilities and services, and of the internal air transport system. The tourism plan for Myanmar sets forth a logical staged development patterns with first priority given to the Rangoon, Mandalay and Pagan destinations.

### **Bhutan**

Bhutan's attractions are the mountain scenic beauty and related trekking activity, strong Buddhist cultural traditions, distinctively styled dzongs (combination administrative and monastery complexes), temples and monasteries,

interesting architectural styles and traditional life styles. Bhutan is a special case of highly controlled tourism. Based on the principle of conservation of the culture and environment but wanting to earn some foreign exchange, the government has adopted a policy of allowing only a limited number of holiday tourists (about 2,500 annually in the late 1980s), not including those from neighbouring countries, into the country. All international tourists must come on inclusive package tours with prearranged visas and are required to spend a minimum amount of money (about US\$ 200 per person daily depending on the type of tour and season). Growth targets for international tourists are 4,000 for 1992, 5,000 for 1994 and 6,000 for 1996.

Tourism development in Bhutan is now concentrated in the western region of the country and commencing in the central region, with future development staged for further expansion of the central region and eventual opening up of the eastern region and later development of wildlife tourism in the southern region. In the case of Bhutan, the tourism product is based only on the natural and cultural environment with product diversification taking the form of tourist facilities, services and infrastructure being developed at new destinations according to the staging programme. The government requires that architectural styling of new building must reflect traditional styles and applies environmental controls. Bhutan's approach seems to be quite a reasonable one to implement the policy of highly controlled tourism in the country.

Afghanistan and Iran have considerable potential for both nature and cultural tourism and Iran is currently developing domestic tourism. Product diversification programmes in those countries will depend on the future tourism development policies adopted by the governments.

In addition to the specific product diversification opportunities within each country, the South Asia region generally would seem to have potential for further development of conference and convention tourism and the incentive tourist markets. Convention facilities exist in some countries and there are meeting facilities in all the countries. Conference and convention organizers are always looking for new and interesting venues, and South Asia particularly offers excellent opportunities of pre and post conference tours. However, conference and convention tourism is also highly competitive internationally and its feasibility must be carefully studied before proceeding with development. The incentive markets are also looking for new destinations.

Sometimes the question arises whether South Asia should consider developing "artificial" types of attractions such as theme parks. For the international markets, these would not be particularly important attractions because such specialized developments exist in their own countries. South Asia's best approach would seem to be that of basing its attractions and facilities on those unique features of the variegated natural environment and rich history and cultures of the region. However, imaginative approaches such as the Palace on Wheels in India and elephant rides in Chitwan National Park in Nepal could be further applied in the region. For example, the heritage site approach has much potential for application in South Asia. This approach, which involves designing imaginative and educational interpretations of attraction features, is one which is currently very popular with tourists and has been creatively developed in Europe and North America.

## **Marketing Issues in Product Diversification**

### **Demand Determinants**

The demand for tourism is determined both by:

- i) market forces, i.e. interest in (discretionary tourism) and need for (business travel); the supply of tourism products and services; and the ways these are distributed to the prospective tourist; and by
- ii) factors not directly related to tourism but which influence the extent and form of demand for tourist activity. This group of determinants are termed exogenous variables.

Exogenous variables affecting tourism include the following:

- . demographic and social change (i.e. population growth rate, age group growth variations, marriage trends, working women - double income households, migration trends, impact of higher education and mass media on home and recreational activity trends, free time and earlier retirement);
- . economic and financial developments (e.g. Gross Domestic Product - GDP, personal discretionary disposable income - PDDI, employment levels and types, oil prices, exchange rates, interest rates);
- . political, legislative and regulatory changes (e.g. Eastern Europe, economic development policies, environmental awareness movement, European fiscal and regulatory harmonisation, air transport liberalisation, frontier formalities for international travel);
- . technological developments (e.g. new generation transport, electronic information and reservations systems);
- . trading developments (e.g., export/import growth, transnational corporate development, global trading group links);
- . safety of travel (e.g. transport equipment and systems, terrorism).

Future developments anticipated for all these factors seem likely to produce a continued steady growth in international and domestic tourism.

Of particular relevance for the South Asian region's tourism, which has been hampered by a poor level of knowledge in tourist generating markets of its resources and facilities, is the movement towards global lifestyles.

Improved educational levels (and particularly higher education) are increasing different people's awareness and knowledge of each other. At the same time, communications technology now makes it possible for instant contact to be made between almost all parts of the world - in many cases, a live, visual contact.

These two factors combine to create a curiosity and desire to travel to other parts of the world. The dreams of previous generations have become the demands of the present generation.

One consequence of this upsurge in knowledge of, communication with, and direct experience of different countries is the adoption and, in some cases, absorption of certain facets of social behaviour and culture of one country by the peoples of other countries. There is emerging a global lifestyle, particularly in respect of food, fashion and fun. The world is becoming increasingly cosmopolitan, with all its peoples influencing each other.

This globalisation process has many impacts on, and implications for, travel and tourism. The most fundamental of these is the fact that increased travel is both a reason for, and the result of, the global lifestyle.

Travel is one of three cornerstones of this process - the others being trade and television. The resultant growth in interest in other societies fuels the desire to travel and to seek varied experiences from such travel.

### **Prospects for South Asia**

A key feature of this increased interest in travel, arising from society's greater awareness of other cultures, is that consumers are demanding new, more imaginative and varied tourism products and services. Tailor-made travel arrangements will grow at a faster pace than pre-packaged holidays over the next decade.

The package tour product is increasingly regarded as a "tired" product in need of development and innovation. In response, the major European tour operators are actively seeking to develop long haul package tour programmes to relatively underdeveloped tourist destinations.

The countries of South Asia can, therefore, be seen to be well-placed over the next decade in terms of attracting international tourists. As a relatively unexplored part of the world, South Asia will attract the independent tourist eager to learn about, and experience, new societies and cultures. At the same time, the region's countries have three key assets for tour operators seeking new destinations for their programmes, i.e.

- . relatively easy access, in terms of flight times from the major tourist generating regions of Europe, SE and E. Asia and Australia;
- . wide range of tourism resources and attractions (i.e. natural features, historical and cultural aspects, peoples and societies);
- . extremely good value - for money.

## **Marketing Strategy**

There are, of course, barriers to the realisation of this potential. Without appropriate actions related to access, facilities, training and marketing, South Asia's potential will not be realised rapidly or shared equally among the countries of the region.

Focusing on the marketing aspects, it is clear the principal barrier to overcome is lack of awareness of the region's tourism potential and scepticism that its countries are genuine holiday tourist destinations. These perceptions and attitudes apply as much to the travel trade, as to the consumers, of the major tourist generating regions.

Now, as noted, education and modern telecommunications are helping to rectify this situation. It is up to the countries of the region to accelerate this process. Hence, a key component - indeed the platform for - the region's marketing strategy is image building.

This has been the primary need ever since the countries of the region began to look towards international tourism to make a significant contribution towards their economic development. Much has been achieved, and the tide is now in the region's favour, but much remains to be done to educate and convince the growing numbers of consumers with the capability (i.e., time, money) and interest to visit more distant and relatively new tourism destinations that they should consider South Asia.

The second vital component of the region's marketing strategy is specific marketing activities directed at the most appropriate market segments. Market segmentation is the travel and tourism marketer's means of dealing with the fragmentation of tourism demand mentioned earlier, and focusing his marketing message most accurately and with maximum cost effectiveness.

The travel market is composed of many submarkets or market segments, that is, groups of consumers with similar characteristics. In application, it is assumed that each group of consumers identified as a market segment has similar purchasing habits, or at least has a high tendency to purchase a particular item. Successful travel and tourism businesses are those which have identified a particular product or service (or combination of products or services) to meet the interest, desire, or need of a certain group of consumers and then translated those opportunities, through appropriate packages of marketing and promotional activities, into custom that generated both profits for the business and satisfaction for the customer.

The same principle applies to an NTA, only in this case the product is the destination. The NTA is like an airline and most (although not all) hotels, in seeking to attract and cater for many different market segments, emphasizing different aspects of the product/service in the marketing message to each segment. Just as an airline will stress the size of the seat and the quality of the in-flight service in business class to the business traveller market segment while emphasizing the low fare to the standby travellers in economy class, so the NTA must design different messages for different categories of tourists. There is no point in talking about the best (and most expensive) hotels to budget travellers; tourists whose principal interest is in scuba diving will not be interested in detailed information about tour excursion facilities.

There are thousands of market segments within travel and tourism. They are classified not according to a set formula but according to characteristics that have relevance to a particular organization or business within the industry. Hotels might classify market segments differently than an airline, a restaurant, or an NTA would. It is common practice in the travel industry to begin the process of market segmentation by separating travellers from non travellers, visitors from non visitors, and users of certain travel services from non users. Those who travel differ with respect to certain characteristics from those who do not.

Travelling households have both higher incomes and a higher level of education. This is not surprising, since people with higher incomes have the means to travel and people with more education tend to earn higher incomes, while higher education may serve to increase people's desire to travel in order to experience and see more of life. The travel and tourism market can be broken down, or segmented, in many different ways, including travel behaviour, purpose of travel, demographics, psychographics, and interest groups.

The key task for the South Asian countries is to "match" what they can offer with the growth market segments. The main opportunities appear to be in respect of:

- . culture-oriented tours (both national and regional, multi-centre tours, with particular reference to the retirees market segment);
- . adventure tours;
- . other special interest/activity tours.



## APPENDIX

### Status of Tourism Planning in South Asia

**Bangladesh** - A national tourism planning project, which comprises a long-range strategic master plan and an action programme was completed in 1990. (United Nations Development Programme (UNDP)) and World Tourism Organization (WTO), Strategic Master Plan for Tourism - Bangladesh and Bangladesh Tourism Action Programme, WTO, Madrid, 1990).

**Bhutan** - A long-range national tourism plan was completed in 1986, and has been adopted by the Government.

**India** - A five-year (1985-1990) sector plan for tourism serves as a guide at the national level, and various tourism development policies and programmes have been adopted at the State level. In addition, tourism development plans are also drawn up on an annual basis.

**Maldives** - A long-range national tourism plan was prepared in 1983 and some of its recommendations have been adopted (Dangroup International, Tourism Development - Republic of Maldives, sponsored by the Kuwait Fund for Arab Economic Development, Copenhagen, May, 1983).

**Myanmar** - A long-range national tourism plan was completed in 1983 and has been adopted by the government; a design and feasibility study of that same planning project for three major hotels was completed in 1988. (UNDP and WTO, National Tourism Development Plan and Prefeasibility Analysis - Socialist Republic of the Union of Burma, WTO, Madrid, 1983 and 1988).

**Nepal** - A long-range national tourism plan was prepared in 1974 but not fully implemented (Bundesstelle für Entwicklungshilfe, Nepal Tourism Master Plan, sponsored by the Federal Ministry of Economic Cooperation, FRG, Frankfurt, 1974); a review and updating of that plan was made in 1984 and confirmed its basic approach (Steingenberger Consulting GmbH and Steerplan GMBH, Nepal Tourism Master Plan Review, sponsored by the Commission of Economic Communities, Frankfurt, 1984). The tourism sector of the national five-year plan provides the shorter-term guide for tourism development.

**Pakistan** - A long-range national tourism plan was formulated in the early 1960s, and a tourism action programme for 1975-1980 with a longer-range policy and structure plan element was prepared in 1974 (Sema-Metra, Tourism in Pakistan, commissioned by the United Nations, Paris/London, December, 1974). The tourism sector of the national five-year development plan serves as the current guide for tourism development.

**Sri Lanka** - A long-range national tourism plan was prepared in 1967 and adopted by the government (Harris, Kerr, Forster & Co., Belt, Collins & Assoc., et al, Ceylon Tourism Plan, sponsored by the USAID, Honolulu, 1967); this was followed a few years later with a feasibility study for some specific projects. In 1982, a tourism development structure plan for the coastal zone was formulated (Ceylon Tourist Board, Coastal Tourism Development Plan, Colombo, 1982) and is used, along with the earlier plan as the guide for tourism development. The WTO recently fielded a Sectoral Support Mission to revise and update the Tourism Master Plan.

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