

CHAIR'S REPORT
SEPTEMBER 24 - 25TH., 1996



**9th Tourism
Working
Group
Meeting**

23-26 September '96
Santiago / Chile

I. GENERAL

1. The APEC Tourism Working Group held its 9th Meeting on 24 - 25 September 1996 in Santiago, Chile. Representatives of 16 Member Economies attended the meeting. The list of participating Economies is as follows: Australia, Canada, Chile, People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Philippines, Singapore, Chinese Taipei, Thailand and United States. A representative of the APEC Secretariat attended the meeting. PATA (Pacific Asia Travel Association), WTTC (World Travel and Tourism Council), and Peru attended as Guests.

The list of participants is attached as Annex 1 (9TWG/GRAL/1).

2. The Working Group was chaired by the Host Economy/Mr. Francisco Iturbe, from the National Tourism Board of Chile, SERNATUR.

II. OPENING CEREMONY

3. The Director of the National Tourism Board of Chile, Mr. César Gómez opened the 9th Tourism Working Group Meeting and welcomed the delegates on behalf of the Host Economy, and introduced the Under Secretary of Economy, Mr. Oscar Landerretche.

Mr. Landerretche addressed the meeting and emphasized the importance that Chile allocates to the activities that characterized the overall APEC process. In this context, Mr. Landerretche pointed out that Chile is in a highly favourable position to realize the potential of tourism, both in terms of flows of internal tourism and foreign visitors and in terms of the new investment which will be needed to develop this industry. At the same time, Mr. Landerretche stated that Chile as an economy is part of the Asia-Pacific region while, simultaneously, is part Latin American, particularly the Southern Cone, with a very strong sense of responsibility and great opportunity within APEC, which could promote trade and investment, as well as economic cooperation, as a bridge between both regions. (9TWG/PLEN/1).

The Director (Program) of the APEC Secretariat, Mr. Claudio Rojas was invited to address the meeting. He thanked the Host Economy for the preparation of this meeting, and emphasized the importance of the development of the APEC process. To maintain the momentum, he encouraged the Working Group to engage in the development of the APEC process on pursuing its goals and objectives.

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9th. Tourism
Working
Group
Meeting
23-26 September 96
Santiago / Chile

III. CONSIDERATION AND ADOPTION OF THE AGENDA

5. The Draft Annotated Agenda (9TWG/PLEN/2/1) was submitted to the meeting. In consideration of the resignation of the Lead Sheperd of the Tourism Working Group, Mr. A.A. Nasution (9TWG/PLEN/9.3/1) it was suggested to address this issue at this point. The meeting was informed about Mr. Nasution's proposals for his replacement (9TWG/PLEN/9.3/2), and provided with two concept papers concerning the advice on the Rotation of Chairs and Lead Sheperd (9TWG/PLEN/2.1/1) and the Introduction on the Rotation System for Chair and Vice Chair of the Tourism Working Group (9TWG/PLEN/9.3/3).

5. It was explained that the position of the Lead Sheperd is a committment of a particular economy rather than a personal one. Nevertheless, some economies made the point that Lead Sheperd should be related to an individual that has a commitment with Working Group and supported by his/her Economy.

7. Because this matter has been raised without any previous notice, it was proposed that the Indonesian representative, Mr. I Gede Ardike act as Lead Sheperd for this meeting. Members agreed to defer discussion on the proposal of the Lead Sheperd position for the next day, to allow consultations and further consideration of this issue.

8. Members of the TWG recorded their appreciation of the significant contribution services of Mr. Nasution as Lead Shepherd.

V. REPORT FROM THE LEAD SHEPHERD

Mr. Ardike thanked the members and agreed to act in this capacity. Then he presented a written document (9TWG/PLEN/3/1) in which Mr. Nasution expressed his gratitude for the continuous support given by the Tourism Working Group during his mandate as Lead Shepherd, and provided a report on the last development since the 8th. Tourism Working Group Meeting.

Report on the APEC SOM Meetings.

9. The Director (Program) briefed the meeting on the results of the SOM's and related meetings in Cebu and Davao. He explained the implications of instructions given by SOM to the TWG. Members were informed about the several sectoral APEC Ministerial meetings held during this year. The Director (Program) explained the modalities to host these events are based on the grounds of the consensus reached by APEC Members Economies.



9th. Tourism
Working
Group
Meeting

23-26 September '96
Santiago / Chile

11. Members of the TWG were instructed by SOM Chair to complete the TILF Matrix and the Report of Joint Activities in the area of ECOTECH, for final approval and submission.

12. With some amendments, TWG agreed on the format and content of the TILF Matrix and recommended its submission by the Lead Sheperd to the Convenor responsible for the Services Area in the CTI (9TWG/PLEN/3.2/4-REV.).

13. To speed up the review process and the finalization of the Joint Report Matrix in the area of ECOTECH, a Steering Group was created and chaired by New Zealand and formed by Australia, Canada, Chile, Hong Kong, Korea and Chinese Taipei. This group was assisted by representative from the APEC Secretariat.

The group revised and updated the full range of activities developed by the TWG and incorporated new elements raised from this analysis. In the development of the Matrix the TWGS with some amendments, adopted the document (9TWG/PLEN/3.3/3-REV) attached to this Report as Annex 2.

V. REPORT FROM THE APEC SECRETARIAT

14. The Director (Program) briefed the meeting about administrative and budgetary matters. He stressed the recommendations of SOM and BAC in regard of the guidelines to be followed by the TWG in its activities. He encouraged Members to develop project proposals according to guidelines governing the APEC Central Fund and the TILF special account, with a particular emphasis on the need to develop project proposals within the time frame defined by the budgeting process.

15. Members were encouraged to develop project proposals for submission and approval by the TWG at its meeting scheduled during the first semester of each calendar year. This procedure will allow sufficient time for revision of project proposals and submission to BAC.

16. The meeting was informed on current work developed by the APEC Secretariat in support the work of the APEC Task Force instructed by SOM to review the overall management of APEC processes.

VI. REPORT ON THE STUDY ON IMPEDIMENTS TO TOURISM DEVELOPMENT IN THE APEC REGION

17. Members agreed that any further amendments required to the Consultant's Report on Impediments to Tourism Development in the APEC Region should be submitted to Australia by 18 October. The Report will then be printed prior to submission to SOM.



9th. Tourism
Working
Group
Meeting
23-26 September
Santiago / Chile 96

When approved, copies will be provided to member economies for release to a wider audience.

Recommended actions arising from the consideration of the report and the seminar are:

a.- The need to achieve joint positions or common understanding on key issues with other Working Groups of APEC, through a program of joint meetings with other APEC Working Groups.

b.- The opportunity to create a shared approach, between member economies and the private sector, on the forthcoming GATS negotiations.

c.- The need to work more closely with the private sector in overcoming the barriers to tourism growth achieved through a program of workshops with industry across the APEC Region, directed to reviewing the issues, creating awareness and agreeing the scope for initiating change.

d.- The preparation of an action plan by TWG identifying priorities for changes and strategies to overcome impediments.

e.- The need for short term actions achieving, through cooperation, initiatives to reduce barriers associated with such areas as signage, training, passenger facilitation, supported by submissions for APEC funding for those cooperative actions requiring direct expenditure.

VII. PROGRESS REPORT ON PROJECTS OF THE TOURISM WORKING GROUP

Report on the Economic Impact of Travel and Tourism in the APEC Region.

18. Australia reported that BAC had agreed to provide funding on a 50/50 basis with WTTC, at a total cost of US\$ 120,000 for a study of the Economic Impact of Travel and Tourism in the APEC Region.

The TWG discussed the scope of the study and recognized that it will provide an estimate of the total demand for travel and tourism in the region including estimates for 1997 and forecast for 2007. Australia advised that communication with the WTO indicated that this organisation was supportive of the project and the WTO's data will be used in the study where appropriate.

It was noted that the WTTC hopes to have available draft results from the study for the next meeting of the TWG. A communication strategy will be developed in consultation with the Project Steering Group for the launch and dissemination of the Report.



9th. Tourism
Working
Group
Meeting
23-26 September
Santiago / Chile 96

Report on the Feasibility of the Exchange of Tourism Statistics among APEC Member Economies through the Internet.

19. The meeting discussed a number of ways of efficiently exchanging tourism data. It also noted that the APEC Secretariat will shortly be distributing guidelines for Working Groups wishing to establish home pages on the Internet. Australia assisted by Singapore and the APEC Secretariat, was asked to bring to the next meeting a concept paper which would outline the possible use of the Internet including the content of a TWG home page and the linkages with other data sources.

Report on Tourism and Environmental "Best Practice" in APEC Member Economies. Tourism and Environment .

20. TWG, Observers and Guests were invited to prepare one "best practice" case study as set out in the project outline. The case studies are to be compiled as an APEC publication. Central funding has been approved for the purpose.

Each economy, TWG Observer and Guest will be expected to provide the resources needed to prepare its best practice case study. A list of headings to be used are set out in the project outline. All completed case studies are to be forwarded to the project coordinator (New-Zealand) by 30th. April 1997.

The Apogee Report

21. The Report Environmentally Sustainable Tourism was prepared under contract by Apogee Research Inc. for the Tourism Working Group (TWG) in 1995. The TWG agreed to publish this report as a joint publication with the World Tourism Organisation.

Delays have resulted in finalising contract and publishing arrangements. The TWG agreed to give the private publisher (Routledge Ltd., London) until 30 October 1996, to confirm its intention to publish the report. If a commitment is not received by 30 October 1996, the report should be published as part of the APEC publication series (funding has already been approved for this).

III. NEW PROJECT PROPOSALS

Meeting of Ministers In-Charge of Tourism in the APEC Region

22. The Philippines presented its proposal to convene a Meeting of Ministers in-Charge of Tourism in the APEC Region to be held sometime in 1997. Some members expressed that they do not have a Minister portfolio who directly handle tourism matters and if their respective CEO could attend instead. In this regard, the meeting agreed that the members would consult their respective authorities and submit to the Philippines their positions before December 15, 1996.



9^{th.}
Tourism
Working
Group
Meeting

23-26 September 1996
Santiago / Chile '96

Photo-exhibit on Tourist Attractions of Asia-Pacific Region

TWG agreed to the proposal of the Philippines to organize a photo-exhibit on the tourism attractions of the APEC Region during the Meetings of APEC Economic Leaders, APEC Ministerial Meeting and SOM in November 1996 in Manila. The Members were directed to submit at least five (5) slides to the Philippines with title and description not later than 15 October 1996.

Study on Promoting the Cultural and Historical Heritage of APEC Region.

TWG agreed in principle to submit a project proposal for the Review and Analysis of the Historical and Cultural Heritage of the APEC Region for funding by APEC subject to revision of the proposal. A steering committee comprising of the Philippines (lead), Malaysia, Australia, Mexico and USA would prepare the revised proposal before the BAC meeting scheduled in April 1997.

In addition, TWG agreed to submit the project for funding by APEC Central Fund, entitled Seminar-Workshop on the Promotion of Culture and History in the APEC Region.

Tourism Occupational Skill Standards Development in the APEC Region

Indonesia presented the project related with the development of an occupational skill standard in the tourism and travel industry for the APEC Region. The research will provide a list of occupational standards valid for the APEC member economies. The said standards will include all occupational works with regard to travel and tourism services. The project will encourage exchange by experts among APEC member economies.

The substantial materials and experiences on this matter within the members economies and other organisations, will be used as the basis for the study.

TWG approved, in principle, the project as presented by Indonesia and suggested the creation of a Steering Committee (New Zealand, Australia, Canada and USA) to finalize proposal and submit to the APEC Secretariat for budget approval by the BAC.

VOLUNTARY REPORTS FROM DELEGATIONS

Member Economies presented reports on the latest developments in their tourism sectors and distributed related materials.

Members were also invited to make presentations as a contribution to the activities of the



9th.
Tourism
Working
Group
Meeting
23-26 September 96
Santiago / Chile

X. OTHER BUSINESS

The participation of the Private/Business Representatives in the Tourism Working Group activities was discussed.

27. Chile proposed to incorporate private sector representatives in complementarity activities of the TWG, and established an appropriate channel of participation. It was agreed to incorporate in future Agenda a Report by the Industry Groups reflecting new initiatives of the private sector.

Non Member Participation

28. The TWG reached consensus on the participation as Guests in the TWG activities for 1997 calendar year of Peru and WTTC. Accordingly will convene this decision and obtain covering approval from SOM, through APEC Secretariat.

Timing allocation of future Meetings

29. The meeting thanked Chinese Taipei for reaffirming the invitation to host the 10th. Tourism Working Group Meeting on 13 - 16 May 1997. TWG agreed and thanked Canada for offering to host the 11th. Tourism Working Group Meeting during the second semester of 1997 and acknowledged the goodwill of the Republic of Korea to host the 12th. Working Group Meeting in the first semester of 1998. The following members offered to host the 13th TWG meeting: Mexico, Malaysia and Philippines. This issue will be addressed at the next meeting.

Lead Shepherd Position

30. The TWG agreed that the position and functions of the Lead Shepherd will be performed by a Chair together with a Deputy Chair for a one year period. At the end of the one year term, the Deputy Chair will assume the chairmanship. The Economy that is chairing the APEC Summit of that given year will be the one to assume the chairmanship of the TWG. The Economy that will chair the APEC Summit the following year will be the Deputy Chair of the TWG. As the result of the endorsing of this principle, Canada will chair the TWG starting January 1, 1997 for one year, with Malaysia acting as the Deputy Chair. For the year 1998, Malaysia will Chair the TWG and New Zealand will act as a Deputy Chair. In the interim, Indonesia kindly accepted to chair the TWG until the end of 1996 with Canada acting as the Deputy Chair.

Those Host Economies of TWG Meetings will assume and perform the role of a convenor of that particular Meeting. Starting at the 10th TWG Meeting, the proceedings of TWG Meeting will be captured in a Summary Conclusion instead of the current Chair's report.

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9th. Tourism
Working
Group
Meeting
23-26 September '96
Santiago / Chile

Other Business

31. The meeting acknowledged the need to address the issue of the overall management of the TWG and its activities to be discussed at forthcoming meetings. However, the TWG agreed, in principle, on the following duties for the TWG Chair:

- Oversee the development of the overall activities of the TWG , and liaise with other APEC fora,
- Coordinate the schedule of meetings,
- Lead the implementation of initiatives for the TWG to fulfill the instructions given by the APEC Leaders, Ministers and Senior Officials and report on the development of these issues, and
- Represent, and act as the spokesperson for, the TWG externally,
- The duty of the TWG Deputy Chair will be to assist and jointly work with the TWG Chair to fulfill the mandate given by the TWG.

32. The TWG expressed its recognition and acknowledged the valuable contribution of its funding member Mr. Hunter H.T.EU. from Chinese Taipei being this his last participation in the TWG.

XI. CONSIDERATION AND ADOPTION OF THE CHAIR REPORT

33. After a very constructive discussion, the TWG endorsed the Chair's Report as the Summary Conclusion of the 9th Tourism Working Group Meeting.

XII. CLOSING REMARKS

34. Mr. César Gómez, Director of the National Tourism Board of Chile (SERNATUR), addressed the Meeting and expressed deep gratitude of SERNATUR and Chile for having the opportunity to host this Meeting. Mr. Gómez expressed his desire that the delegates visit to Chile had been an opportunity to familiarize them with the Chilean reality and its people. Mr. Gómez commented on the work done by the TWG and the results achieved. Finally, he extended a warm invitation for the delegates to visit Chile again.

35. The meeting commented and acknowledged with appreciation the excellent arrangements done by the Host economy and the hospitality and warmth of the Chilean people. For many delegates visiting this side of the Pacific Rim, has been an opportunity to discover that "Chile is closer than you think..."