



**Asia-Pacific
Economic Cooperation**

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Brainstorming Workshop Towards APEC Green Road Promoting Responsible and Sustainable Tourism in MSMEs – Outcome Paper

Purpose: Information
Submitted by: Thailand



**47th Small and Medium Enterprises
Working Group Meeting
Port Moresby, Papua New Guinea
12-13 September 2018**

**Brainstorming Workshop towards APEC Green Road:
Promoting Responsible and Sustainable Tourism in MSMEs**

Chiang Mai, Thailand

3 - 6 September 2018

1. Overview

The Department of International Economic Affairs, Ministry of Foreign Affairs of Thailand, in collaboration with the Office of Small and Medium Enterprises Promotion (OSMEP) and the Designated Areas for Sustainable Tourism Administration (DASTA), co-organised a Brainstorming Workshop towards an APEC Green Road: Promoting Responsible and Sustainable Tourism in MSMEs during 3 – 6 September 2018 in Chiang Mai, Thailand.

The workshop was attended by representatives from 11 APEC economies including Chile, China, Indonesia, Malaysia, New Zealand, Papua New Guinea, Peru, Philippines, Thailand and Viet Nam; public and private international organisations such as the Global Sustainable Tourism Council (GSTC), the Asian Ecotourism Network (AEN), the Organization for Economic Co-operation and Development (OECD), and businesses in the tourism industry, including Booking.com.

The workshop discussed APEC economies' experiences and best practices for promotion of responsible and sustainable tourism in MSMEs. In addition, APEC participants and speakers visited eco-friendly and sustainable tourist destinations located in Chiang Mai including *POOPOOPaperPark* that introduces the unique steps involved in making paper products from elephant poop fibers; *Elephant Nature Park*, a sanctuary and rescue centre for elephants; and *Lisu Lodge* which is located in the Learning Centre for Sustainable Agricultural Development within the area of Lisu hill tribe village. Afterwards, participants had the opportunity to discuss opportunities and challenges in promoting sustainable and responsible tourism in MSMEs, as well as policy recommendations to be reported to the APEC SME Working Group and Senior Officials.

2. Key Takeaways

- There was a broad consensus that “green tourism” has the potential for further expansion, with younger generations of tourists, both from Western countries and, increasingly, from Asia becoming more conscious of the environmental impact of tourism, and increasing demand of “authentic” cultural experiences.
- Sustainability is a new luxury. There is an upward trend in sustainable and responsible tourism, as well as eco-tourism. Recent studies show that more and more travelers intend to stay in eco-friendly accommodation. These tourists were willing to pay premium for the “green tourism” experience.
- MSMEs can contribute massively to sustainable and responsible tourism industries, since they account for over 97 percent of all enterprises and employ over half of the workforce across APEC economies. The tourism industry also offers MSMEs fast track to internationalisation by expanding their customer base from local to international clients.
- Engagement with local communities and preservation of the environment become common factors of sustainable and responsible tourism in APEC economies.
- The government plays a crucial role in promoting and marketing sustainable tourism destinations. A key success factor is policy coherence, and the ability for governments to work and coordinate across public and private partners.
- Partnerships with digital platforms can promote sustainable and responsible tourism by raising awareness of customers regarding unconventional tourist destinations where local MSMEs can offer their products and services.

- Entrepreneurship skills are vital for MSMEs growth in becoming economically viable. Education systems need to incorporate training on sustainable and responsible tourism.

3. Opportunities and Challenges in Promoting Sustainable and Responsible Tourism in MSMEs

Opportunities	Challenges
<ul style="list-style-type: none"> • Growing demand for sustainable/ responsible / eco- tourism • More incentives offered by related government agencies • MSMEs’ marketability and competitiveness • Engagement of MSMEs in greener GVCs • Creation of new or related- green jobs • Improvement of environmental quality • Benefits to local communities 	<ul style="list-style-type: none"> • Relatively soft demand for sustainable / responsible / eco-tourism • Lack of awareness, knowledge and capacity on environment-friendly business practices • Green washing (false claims of eco-tourism business) • Duplication of national and international green / sustainable standards and labels • Limited investment and financing for sustainable tourism / Bias towards funding larger projects rather than smaller ones • Limited access to mainstream distribution platforms (both on-line and off-line) • Poor integration / coordination across related government agencies • Climate change and natural disasters

4. Specific and Actionable Recommendations to APEC Policymakers (based on Prioritised Actions identified by APEC Strategy for Green, Sustainable and Innovative MSMEs)

(1) **Raise green awareness among stakeholders**

- Establish channels/platforms to provide reliable information on sustainable and responsible tourism to MSMEs;
- Educate tourism businesses and the public on the environmental and financial benefits of going green, and promote green tourism branding among MSMEs;
- Foster partnerships with larger companies including those in the airlines industry to create campaigns to enhance awareness and knowledge of specific concepts of sustainable tourism;
- Evaluation of success/failures of green tourism projects in order to identify trends and potential in the green tourism business; increase participation of MSMEs in APEC-related events;
- Create an APEC-wide database for the sharing of best practices and success stories for sustainable tourism development.
- The concept of an ‘APEC Green Road’, in which “the green economy” will be an integral identity of APEC initiatives, may be further explored and developed.

(2) **Provide training and skills development for MSMEs**

- Develop simplified sustainability toolkits for MSMEs in the tourism industries;
- Provide capacity building programmes for MSMEs (e.g. sustainable tourism training programmes provided by GSTC, DASTA, etc.);
- Encourage larger companies and successful green MSMEs to provide mentorship and coaching programmes to tourism MSMEs that seek to operate in a more sustainable and environmentally-conscious manner.

(3) **Promote the compliance with related international standards and the development of an integrated policy framework, at the regional and domestic levels**

- Improve internal and financial capacities of MSMEs to comply and be certified with recognized sustainability criteria, sustainability standards and eco-labels;
- Introduce an APEC-wide indicator for green MSMEs in the tourism sector based on existing sustainability indicators and criteria (e.g. OECD Green Growth Indicators, UNEP Green Economy Indicators, GSTC criteria);
- Create a more strategic whole-of-government approach and enhance policy co-ordination among related government agencies;
- Streamline regulation requirements for green MSMEs in the region.

(4) Provide incentives and promote science, technology and innovation (STI) and internet and digital economy to expand MSME market reach

- Provide financial and non-financial incentives for innovative MSMEs, startups and social enterprises that seek to promote sustainable and responsible tourism, and promote startup accelerator programmes offered by larger firms (e.g. Booking.com's Booster and Cares Fund);
- Incorporate sustainability criteria into government support in terms of finance and investment for MSMEs;
- Encourage green financing for tourism projects;
- Attract private investments for physical infrastructure and basic public facilities to allow green and eco-destinations to be more accessible;
- Improve access of sustainable tourism-related MSMEs to mainstream online distribution platforms (e.g. AirBnb, Booking.com, Agoda, etc.)

(5) Promote green supply chain development and establish the networks for green, sustainable and innovative MSMEs

- Provide incentives for large tourism related companies to ensure that their suppliers, most of them are MSMEs, to adopt green business practices and be certified with related national / international standards;
- Establish a network of sustainable tourism related MSMEs in APEC;
- Strengthen networks between sustainable tourism related MSMEs and other sectors identified by APEC Strategy for Green, Sustainable and Innovative MSMEs;
- Promote linkages between sustainable tourism related MSMEs and local communities;
- Strengthen cross-fora collaboration among APEC sub-fora (for example, SME Working Group, Tourism Working Group, Energy Working Group, Transportation Working Group, Human Resources Working Group, Committee on Trade and Investment, Policy Partnership on Women and the Economy, Policy Partnership on Food Security, and Emergency Preparedness Working Group);
- Enhance APEC cooperation on promoting sustainable and responsible tourism in MSMEs with like-minded organisations including Organisation for Economic Co-operation and Development (OECD), World Tourism Organization (UNWTO), World Travel and Tourism Council (WTTC), Pacific Asia Travel Association (PATA), Global Sustainable Tourism Council (GSTC) and Asian Ecotourism Network (AEN), among others for wider institutional and policy knowledge, as well as avoid duplication of works.
