



**Asia-Pacific
Economic Cooperation**

2016/TWG49/004

Agenda Item: 5

Minutes of 9th Tourism Ministerial Meeting

Purpose: Consideration

Submitted by: Peru



**49th Tourism Working Group Meeting
Kokopo, Papua New Guinea
31 August – 1 September 2016**

APEC 9th TOURISM MINISTERIAL MEETING
28-29 May 2016, Lima, Peru

Minutes

May 28

1. Opening Ceremony

Welcoming address – Minister of Foreign Trade and Tourism of Peru

Chair

The Minister of Foreign Trade and Tourism of Peru, Magali Silva; welcomed the delegations and guests thanking them for their participation. She then highlighted Lima's potential of tourism and provided a short description of the capital's historical background, and its archaeological complexes such as Caral and Pachacamac, and its tourism attractions such as museums, beaches, natural resources, adventure sports and cuisine.

Minister Silva continued with a brief description of the agenda's main topics, such as developing domestic air connectivity to foster decentralized and inclusive tourism growth and enhance the tourist experience within the APEC region, towards an implementation strategy to increase air connectivity in the Asia-Pacific; the enhancement of efforts to support travel facilitation in the APEC region; the promotion of labor skills and workforce programmes to enhance tourism competitiveness in the region; fostering linkages between tourism and sustainable and inclusive development by enhancing SME development and entrepreneurship; the promotion of travel and tourism in the APEC region through partnerships and joint research with the private sector and academic institutions; guest updates and the adoption of the Lima Declaration.

2. Adoption of the Agenda

The Agenda was adopted without further comments.

3. Business Arrangements

Peru announced meeting logistics and arrangements.

4. Briefing on APEC 2016 [SOM Chair Peru / representative]

Mr. Raul Salazar, Senior Official of Peru and representative of the Ministry of Foreign Affairs of Peru presented a report on APEC 2016 Key Priorities and Developments. He stated that the meeting was a good opportunity to provide continuity in the discussions of central issues, such as quality growth strategy and to promote the inclusive agenda. He mentioned that the next APEC Meetings will be hosted by Viet Nam in 2017 and by Papua New Guinea in 2018. He underlined the fact that the high levels of inequality are still common and prevalent and could present a threat to global growth. He further mentioned the work on which APEC will focus in 2016 that will encompass the areas of enhancing regional food markets; supporting the MSMEs, which are prevalent to the economic structure so as to increase their competitiveness and productivity; and developing human capital in the field of higher and technical education. He stressed the immense economic and social benefits of tourism and its contribution to sustainable development and poverty alleviation. Finally, he stated that efforts were necessary to increase air and maritime passenger travel.

5. Reports to the Ministers

A. APEC Secretariat's Executive Director Report

Dr. Alan Bollard started by mentioning the role of APEC and the huge responsibility of the host economy for organizing the meeting, considering that this was not the only meeting taking place in Peru and mentioned the previous ones in Arequipa last week and the forthcoming ones. He presented Peru's theme for this year and expressed that APEC favors sharing experiences on big and small works, particularly on harmonization, common integration, and common platforms. He further stated that the Lima Declaration should not only give a message out but also within APEC, and listed a series of working groups within APEC such as the Business Mobility Group (BMG), the Transportation Working Group (TPTWG), the Sub-Committee on Customs Procedures (SCCP), the Counter-Terrorism Working Group (CTWG), the Policy Partnership on Science, Technology and Innovation (PPSTI), the Human Resources Development Working Group (HRDWG), the Small and Medium Enterprises Working Group (SMEWG), the Oceans and Fisheries Working Group (OFWG), with interesting initiatives.

B. TWG Lead Shepherd Report on 2015-2016 TWG Activities

After thanking Peru for hosting the ministerial meeting, the Lead Shepherd presented a report on the TWG activities of 2015 and 2016 which included the independent assessment recommendations, the TWG activities and the next steps. The report presented as well the vision statement, the mission statement and the four priority areas of the TWG. Within the TWG activities, the topics presented were the revisions to the Terms of Reference, the APEC Travel Facilitation Initiative progress, the State of APEC Tourism Report; the completed projects; ongoing projects; upcoming projects, the 2015-2016 deliverables; and the next steps, to find guidance from the ministers.

Following the Lead Shepherd's presentation, the TMM Chair opened the floor for questions.

Australia

The delegate focused on two comments; the first was a compliment that the work of the TWG is going towards the right direction, and the second was a specific remark on the need for the SOM Chair and the APEC Secretariat to participate in the meetings of the OECD committee in order to learn about the work carried out and share the experiences.

Peru

The Peruvian delegate congratulated the Lead Shepherd for the executive and precise report. She pointed out that TWG aims have been taken into consideration for developing the agenda items of the 9^o Tourism Ministerial Meeting, and hoped that during the meeting Ministers help achieve several actions as the development of a strategy to increase non-stop flights between APEC economies, identify travel facilitation actions, adopt policies and programs to ease workforce and skill shortages, promote entrepreneurship and SMEs development and enhance international cooperation.

China

The Chinese Delegate expressed deep appreciation for the Lead Shepherd's report and congratulated the efforts made by the Tourism Working Group pointing out that China will continue to support the efforts and work of the TWG.

Japan

After thanking the host economy and the Lead Shepherd's presentation, the representative of Japan referred to one specific project: Developing traveler-friendly airports which Japan supports, and shared their experience of the assessment performed at the Narita Airport in Tokyo. The representative commented that the experience had been fruitful and the assessment positive, adding that this kind of activity would certainly improve passengers' experience in airports.

Chair

Minister Silva mentioned at this point that the Lima Jorge Chavez International Airport had also been positively assessed as a best practices in developing traveler-friendly airports in the APEC Region

Indonesia

The Indonesia representative proposed a Project: "APEC Strategy for Economic Growth and Jobs in Maritime and Coastal Tourism, which has been successfully endorsed by the TWG and is co-sponsored by Malaysia and Thailand.

United States

The USA representative congratulated the LS for the independent assessment report, stating that having a focused plan will translate into achievements. He stressed the importance of traveling tourism to drive growth and inclusion although this is not always recognized. Travel facilitation is a priority for the USA and the need to balance security and facilitation is a challenge that must be addressed. He finally recommended the formation of a task force under this area to integrate the TWG work.

Thailand

The delegate of Thailand stated that some projects should be studied in depth to evaluate its implementation. He recommended expanding collaboration among APEC economies to give the right information and foster understanding between economies.

Mexico

The representative of Mexico stated the importance of these meetings for this economy, recognizing the hard work of the TWG, which implies much consensus and concrete deliverables. He recommended putting more issues on the table and encouraged APEC economies to continue working strongly on the Travel Facilitation Initiative. He added that the Lead Shepherd's report is very important and needs to be followed, and that the economies need engage in one of the activities of the TWG Strategic Plan as Champion Economies, underlining that collaboration with other fora is essential. He called upon Dr. Bollard to connect with the other groups to obtain their feedback regarding the importance of tourism in their agenda and their concerns.

Chinese Taipei

The delegate of Chinese Taipei commented that the meeting was a good learning occasion for him due to his recent designation. He congratulated the Lead Shepherd for the very inspiring report presented and considered that upcoming projects are most important, in particular those concerning inclusive tourism, which is a good opportunity for the local communities.

Chile

The delegate of Chile expressed support to the work accomplished by the TWG and complimented the report of the Lead Shepherd, stating that she looks forward to sharing experiences with the regional economies these two days.

WTTC

The WTTC representative referred to the State of APEC Tourism Report which, besides raising the statistical work, is a catalyst for growth. She stressed the importance of showing results of the tourism sector.

Chair

The Chair commented that tourism is one of the tools for sustainable growth thanked the Lead Shepherd for her report.

(Lunch)

6. Minister's Remarks on Regional Tourism Development

The Ministers were invited to provide key strategic insights with regard to tourism development from the perspective of their respective economies and on guidance on the implementation of the TWG Strategic Plan 2015-2109.

Australia

The representative of Australia started referring to the significance of tourism in employment mentioning that while domestic tourism is an important part of the equation, overseas tourism brings the most money into Australia. It comprises as well a great number of stakeholders in every state of the process. Efforts imply having a plan involving the government working with the industry to achieve tourism potential. Australia's priorities for 2020 encompass aviation capacity; connectivity as a main issue; visa facilitation; labor and skills (close to 40,000 unfilled vacancies); working with industry to build capacity, and tourism labor. The representative ended the presentation with a short video.

Canada

After thanking the host economy, the representative of Canada highlighted the tremendous importance of tourism for her country. One out of 11 people in Canada work in the tourism sector and tourism is the number one in service exports, representing 7 million jobs. Canada's strategies in the sector focuses on the following priority areas: Increasing awareness; facilitating access for travelers with safety of borders, and fostering an adequate supply of skills and labor. Canada is committed to working with stakeholders; strongly supports the tourism sector and is focusing on investing on national parks and encouraging ecotourism. Among the current efforts made by the government are the support to underrepresented sectors like aboriginals; increasing summer jobs for youth; investing on the landscapes, seascapes, flora and fauna as decided assets for enticing tourists to visit Canada, mentioning that Canada administers 46 national parks and 4 national marine conservation areas. Their plans for the forthcoming Canada's 150th anniversary celebration include expanding these sites.

Chile

The representative of Chile mentioned some key elements showing their tourism development, for example, their inbound tourism totaled 4.4 million arrivals in 2015 which represented 2.9 billion US dollars, an increase of 9% compared to 2014. One of their most important featured segments was their 5th place gained in adventure tourism and Santiago being the 2nd destination in South America. Chile's plans to achieve goals in the sector includes promoting economy; developing destinations, improving experience and diversifying products, focusing on the following lines of work: promotion, domestic tourism incentives, diversification plans, quality and human development and quality certifications. The presentation ended with short video.

China

The Chinese representative started by expressing his appreciation to the host economy and his pleasure in sharing Peru's experience and visions for the future. He was also happy to confirm Australia's comments as to how good spenders Chinese tourists were, together with the fact that China is the largest country in overseas consumption. He added that tourism is a fast-growing activity in China and mentioned some figures, such as 130 million are inbound tourists and 150 million are outbound tourists, and 22% of jobs are tourism-related. He mentioned that tourism development needed to be coordinated, green, open and that holistic tourist destinations should be built to promote comprehensive management through tourism. He further mentioned that transport and infrastructure at regional level required improvement and construction plans were needed to improve services and integrate tourism with other industries. China cannot develop in isolation and hence is very committed to enhancing cooperation with the region promoting sustainable development of tourism, to which end it is required to relax restrictions, improve policies, streamline access procedures, support APEC economies to hold events in China and encourage more direct flights and charter flights. He pointed out that the Chinese government supports tourism at all dimensions and in all levels.

Indonesia

The representative of Indonesia stated that tourism is a driving force for Indonesian economy and is one of the national priorities, being the 4th biggest industry in this economy. He added that Indonesians are optimistic and have prepared to achieve goals through diversification, visa facilities and exemptions, new airports and by launching top ten touristic destinations. Promotion efforts are also being made and the representative hoped that other economies will do the same.

Japan

The Delegate from Japan gave an overview of their new tourism perspective. The current goal was to welcome 20 million visitors by 2020, a goal that today is within reach given the tremendous growth experienced in number of travelers. Therefore, a new goal and strategy have been set: to double target of inbound travelers by 2020 to 40 million and to 60 million by 2030. The new strategy to take the tourism sector in Japan to a whole new level included several of the policies also discussed at APEC: to dramatically increase attractiveness of destinations that were not visited, making cultural and historical sites and national parks more visitor-friendly; reform tourism industry to make it more competitive and productive by reexamining regulations and removing barriers as well as relaxing visa requirements; and create environments for all tourists to travel easily and comfortably by improving immigration processes, strengthening efforts to

increase airport capacity and improving regional airports. The presentation ended with a short video.

Brunei Darussalam

Brunei Darussalam representative started by stating that one of the industries encouraged by the lower oil prices is tourism and so the focus today is to move away from the dependence on oil to tourism. Tourism growth targets for 2017 will be achieved by strengthening local production and services, focusing on local products, and opening to the private sector. He added that at present they have 69 projects focused on nature, cultural heritage, rainforest, flora and fauna, and ecotourism. Investments are also being made to modernize airports and infrastructure.

Korea

The representative of Korea congratulated Peru for the preparation of this meeting and continued stating that the United Nations had declared 2017 as the International Year of Sustainable Tourism for Development, confirming the ever-increasing role of tourism for sustainable development. He added that it is therefore meaningful that we should be gathered here today discussing tourism development. As experienced in Korea, regional tourism contributes to local economy growth and social cohesion since more than half of the population lives in rural areas, therefore the promotion of rural destinations will promote economic decentralization. The government encourages domestic tourism, now focusing on small projects of tourism that represent traditional culture with attraction for foreign visitors. This promotes local participation to benefit from tourism. Based on the traditional way of collective farming in old villages, this concept was introduced into tourism, to let local people run their own tourism business, resulting in 105 locally-run tourism businesses.

Malaysia

As stated by the Malaysia representative, tourism is a great contributor to their GDP, having totaled 25.7 million international tourists in 2015. Their target for 2016 is 27.5 million tourists and 36 million by 2020. Initiatives undertaken to reach this target include affordable luxury, family fun, business tourism, nature adventure, among other. To enhance the development of tourism, Malaysia has offered soft loans to tourism sector players; in addition, policies and strategies are geared to providing more jobs in the industry. The representative ended by announcing that in collaboration with the World Tourism Organization, Malaysia will host the 4th World Tourism Conference on 17-19 October, 2016.

Mexico

The representative of Mexico mentioned figures and key issues that Mexico will be working on in the next years. Efforts will be focused on consolidating tourism as a growth driver, not only for the economy but for job creation as well. In Mexico tourism accounts for 8.5% of GDP and it is the first employer for youth and the second employer for women. He added that they have a new Minister in the sector that has extensive experience and continued by describing the drivers behind Mexico's tourism growth: improvement in Mexico's connectivity; robust and competitive private sector; improvement of security perception; marketing strategy and permanent international presence; US economic recovery; increased funding from development and commercial banks, and a new tourism cabinet which has helped to cut bureaucracy. He further

added that their 2016-2018 strategy will focus on encouraging domestic travelling; travel facilitation, especially in the region; strengthening country brand—mentioning the recent partnership with Cirque du Soleil—national gastronomy policy, on which issue the representative thanked Peru for the assistance provided; and tourism diversification. He ended by announcing that Mexico will host the COP13 Thirteenth meeting of the Conference of the Parties to the Convention on Biological Diversity in Cancun, Mexico, 4 - 17 December, 2016 and that APEC economies will be invited to participate. The presentation was followed by a short video of Yucatan.

Papua New Guinea

The representative of Papua New Guinea thanked the host economy for the hospitality. She then briefly described the economy, located immediately north of Australia, with a population of 8 million people speaking 800 languages; a destination blessed with rich natural resources in the extractive field. However, the government is aware of the importance of tourism in sustainable development. Papua New Guinea will be hosting the 49th TWG Meeting this year. The representative added that the airport is being upgraded and they are working on human capital development, labor skills, and workforce training programs. She pointed out that as an emerging economy, Papua New Guinea does not share the large volumes of tourists' visits as other economies, but it is interesting to see its steady growth. She further mentioned that a master plan is being reviewed in line with APEC's priorities, the pillars of which are marketing and destinations, incentives, transport and infrastructure, human resources development, and institutional partnerships. She finished by saying that while this was only a brief review, there was always room for development in terms of technical assistance from APEC member economies.

Peru

The Minister mentioned some key figures of Peru's tourism development: tourist arrivals in 2015 reached 3.46 million showing a steady growth since 2011; tourism revenues grew by 50%. She highlighted the importance of domestic tourism and focusing on niches such as birdwatchers and MICE. The Lima MICE market has reached the 1st position in Latin America with 84 events, having scaled-up four positions from last year's ranking, and along this line she mentioned the evolution evidenced by the 3, 4 and 5 star hospitality industry, which grew by 30%. She also mentioned that foreign investment has been welcomed into Peruvian tourism industry and that Peru expected to raise more than US\$ 1,000 million in hospitality investment between 2016 and 2020.

Minister Silva highlighted Peruvian inclusive tourism initiatives: "Community-Based Rural Tourism" which promotes local development and inclusive growth in rural areas by engaging local, authentic communities in MSME development; "De mi Tierra, un Producto" (From my land, a product) that fosters local community development by linking tourism with a native landmark product; "Al Turista, lo Nuestro" (To the tourist, what is ours) that promotes the direct incorporation of regional products and services within the tourism value chain contributing to sustainable tourism; and "Social Tourism" which seeks to provide citizens with limited resources with opportunities to visit tourist sites and is based on solid public-private partnership. She then briefly described the Yarinacocha Pier and Kuelap Cableway projects which together total an investment of almost US\$50 million. The presentation also included a summarized description of actions been undertaken towards human capital development in tourism through CENFOTUR,

the school that includes specialization courses for youth, UNWTO –TEDQUAL certification for tourism administration, hotel management and tourism official guide and is the first vocational training school to offer professional education tourism gastronomy, with 85% employability ratio and ISO-9001-2008 standard for its quality processes. In collaboration with the Ministry of Education, CENFOTUR has provided 850 scholarships for families with limited resources and is currently working on its internationalization in cooperation with Cuba and Spain by providing international training. She highlighted that fact that for the first time, a long-standing strategy has been designed for the next 10 years, which will allow to diversity tourism markets and stop depending on Machu Picchu. The presentation ended with video.

The Philippines

The representative of the Philippines thanked Peru for the warm hospitality. He pointed out the need to review the outcomes of the tourism initiative in APEC economies.

A good idea is to look at other indicators to push for more inclusive growth to help communities and improve lives. The representative also stated that a good way to illustrate their achievement is their video, which compiles many stories of optimizing tourism for the people, a reminder also of protecting our environment and how tourism has touched the lives of the communities and as an inspiration to make a responsible and inclusive tourism. The Philippine top inbound markets in 2015 were led by Korea with 1,340,000 visitors; international tourism revenues totaled US\$5,000 million in 2015, and tourism accounted for 4.99 million jobs.

The Russian Federation

The delegate pointed out that tourism is one of the most valuable sectors. The figures presented included the following: over 30 million arrivals; 10th favorite destination for travelers; 9th in historical and cultural sites and 5th in unique natural places. In 2015, domestic tourism increased by 20%. The main goal of the sector is to develop a set of guidelines to improve tourism programs with regional connectivity. The final report on outcomes of the project on Smart Tourism Programmes may be found in APEC's website. A mobile application is currently being developed to provide travelers with all necessary information, such as culture, entertainment, transportation, etc.

Singapore

After thanking Peru for its hospitality, the representative shared some figures: 15 million visitors to Singapore with total revenues of US\$16 billion, representing 4% of this economy's GDP. Top inbound markets include many APEC members (Indonesia, China, Malaysia, Australia, Japan, and Korea). On average, Singaporeans travel four times a year. Since 2014 a concept of quality tourism was developed to make Singapore a quality destination. For the next 2 years, efforts will be focused on sharpening the marketing strategy; developing quality products and quality events, and creating value so visitors may enjoy their travel. He ended by thanking the participants of the TWG meetings of the previous days for sharing their experiences and efforts.

Chinese Taipei

The Minister of Transportation and Communications, Mr. Tan Ho Chen, shared the main figures for the following: performance of major markets in 2015; analysis of major markets for the first quarter of 2016; outbound performance for the 2011-2015 period; and contributions to the APEC

economies. He then presented a brief description of their tourism action plan, which includes the following: In plan 1: cross-area spotlights, specialty products, and global marketing; in plan 2: smart tourism; in plan 3: sustainable tourism for inclusive development. With regard to other APEC topics and Chinese Taipei's contributions, he mentioned with regard to air connectivity: Their airports served 58.15 million passengers, international regular routes totaled 221 connecting 135 cities; bilateral aviation agreements with 56 countries including 16 APEC members and open skies with USA, New Zealand, Singapore, China, Malaysia and Japan (except Narita). With regard to smart airport and expansion plan: terminal 2 is being expanded, terminal 3 being planned and total capacity to reach 82 million by 2030. In addition, the smart airport project includes several features, among them green airports, environmental management system, and aviation industry carbon management system. With regard to facilitation, the Minister mentioned visas and customs procedures: online visa application, the online entry form; the 12 second ID clearance; the automatic tax refund kiosk and the speedy link to the city. With regard to friendly airports, Chinese Taipei plans to establish a friendly-service platform and enhance visitors' experience. Finally, with regard to airport safety and anti-terrorism, its plans include strengthening airport patrols, tightening immigration inspections and security, and anti-bioterrorist attack exercises, and others in addition to international cooperation measures.

Thailand

The representative of Thailand started by thanking the host economy and continued offering some figures regarding its tourism performance during the 2015 period. In 2015, Thailand received 29.88 million international tourists and total revenues of US\$42 billion. The top ten tourist arrivals in 2015 included 7 APEC member economies. Last year, new tourism measures were implemented for travel facilitation. Thailand is targeting an 8% growth from the inbound market in 2016.

United States

The representative of the United States started by recognizing best practices learned through APEC and continued with the following figures: 75 million total international inbound travelers (6 APEC member economies were part of this inbound market); total revenues from traveling and tourism: US\$220.8 billion; travel trade surplus: US\$75.1 billion; employment from tourism exports: 1.1million. She then mentioned accomplishments by end of 2016: integrated tourism plans in place in top 11 markets; agreement to expand reciprocal trusted traveler programs with additional economies and simplifying visa processes. In addition, the representative stated that travel tourism is not perfect and government budgets are not enough so partnerships are needed with the private sector. The final item concerned the national strategy implementation which encompasses three areas: creating conditions for growth by the US government; generating demand through brand USA, and developing advocacy and marketing partnerships with the tourist industry.

Viet Nam

The Minister of Culture, Sports and Tourism, Mr. Ngoc Thien Nguyen, started by thanking the host economy for organizing the meeting and thereafter presented the major tourism indicators for his economy: 9 million international and 57 million domestic travelers; US\$15.36 billion tourism revenues evidencing a 47% growth over the previous year. The major policies and

developments included 3 newly built upgraded airports and the visa exemption program for citizens from UK, France, Germany, Spain and Italy. The Minister added that in 2017 Viet Nam will host the High Level Public Private Dialogue on Green Tourism.

7. Developing domestic air connectivity to foster decentralized and inclusive tourism growth and enhance the tourist experience within the APEC region, towards an implementation strategy to increase air connectivity in the Asia-Pacific region.

Chair

The TMM Chair provided an introduction to the topic mentioning that APEC Economies are convinced on the central role of air connectivity for development and integration, to boost the tourism sector in the region. She also mentioned that increased domestic connectivity can help decentralize tourism and that concerted efforts must be made to improve air connectivity to and within the region to support the growth of demand and allow for a more efficient travel and tourism industry in the Asia-Pacific.

Afterwards, the TMM Chair invited Thailand to begin the interventions with the outcomes of the Project “Developing Air Connectivity in the APEC region”.

Thailand

The representative of Thailand started by explaining the objective of the study “Developing Air Connectivity in the APEC Region”, in to stimulate a more efficient flow of goods, services, capital and people. The study is a market-demand based assessment and analysis of the true origin-destination passenger traffic within the APEC region. The study was proposed in 2014 and according to the timeline presented by Thailand, the final economy reports, consolidated reports and executive summary will be submitted in July this year. He highlighted the key findings that included identification of 82 potential new routes between APEC economies, mentioning that there are 210 economy pairs in the APEC region, 60% of which are connected with direct flights and 40% are not due to technological limitations. 6 more economy pairs will be connected with this project.

Chair

Following this presentation, the TMM Chair opened the floor for discussion and asked to explain the technology deficiencies that must be overcome and if they referred to aircraft technology limitations for non-stop flights.

USA

The USA representative asked for clarifications regarding whether direct flights meant non-stop flights. The Thailand representative explained the differences and that the direct flights were not necessarily non-stop flights.

Mexico

The representative stated that Mexico had two interesting news: Nippon Airways had started flights to Mexico and Mexico had received two requests from two other airlines to fly directly to Mexico and asked if this could still be included in the draft report. He further asked if connecting strategies were being taken into account in the report regarding hub connectivity.

Thailand commented that in the APEC region there are still bilateral issues in air connectivity. The representative added that the new airline flights to Mexico could still be included in the draft report as it is a practical report with recommendations that can be made feasible.

The Philippines

The Philippines representative commented that air connectivity was crucial for an archipelago like his economy as 99% of tourists came in by airplane, and expressed his appreciation for the efforts made on the connectivity issue.

Australia

The delegate from Australia commented that the study would be very useful as it provided practical data not looked at before about issues involved in developing new routes, such as traveling distance of aircraft, fueling, how far from a city may an airplane land, etc, and added that with this report it is possible to know where the gaps in connectivity are.

Chile

The Chilean representative asked if having a new hub in the Pacific could increase connectivity in the region and the Thailand representative replied that definitely that would be the case and that, for instance, Honolulu would make a great hub.

Chair

The TMM Chair congratulated Thailand for the great project and summarized the exchange of views mentioning that APEC economies have made committed efforts in improving air connectivity to and within the Asia-Pacific region, with the views of devising mechanisms to promote demand-driven air routes and air transport infrastructure. She commented that APEC member economies consider the development of a strategy on air connectivity as a crucial aspect for inclusive tourism growth, promoting more sustainable and resilience growth, greater and better quality employment, among other benefits.

She commented that Ministers welcome the progress made on the activities under the different pillars of the APEC Travel Facilitation Initiative and the projects related to Air Connectivity of the APEC Tourism Working Group, namely the project of Developing Traveler-Friendly Airports to Improve the Passenger Experience in the APEC Region and Develop Air Connectivity in the APEC Region and looked forward for complementing its outcomes with the activities conducted by Senior Officials during this APEC year.

Minister Silva then invited the participants to the evening program.

The TMM Assistant provided information regarding logistic arrangements for transportation and the dinner activity.

May 29

8. Enhancing efforts to support travel facilitation in the APEC region

Chair

The first topic opened for discussion by the TMM Chair on the second day of the meeting involved APEC's goal to achieve the target of 800 million international tourists among APEC economies by 2025 and the efforts of the member economies to consider travel facilitation initiatives in that direction, as one of the main components to achieve such goal. The initiatives include visa facilitation agreements, trusted traveler programs and information-sharing systems such as Advance Passenger Information system (APIS) and Passenger Name Record (PNR) to enhance travel in APEC economies, strengthen commercial cooperation and improve airport processes, while allowing allocation of resources to address, as well, priority security measures. The TMM Chair mentioned in her opening words the long discussions held regarding the balance required between security and travel facilitation, the Macao declaration adopted in 2014, which outlines travel facilitation initiatives, the Ministers' remarks regarding tourism being a driving force for APEC member economies and how information technology has become a key feature of travel facilitation.

She then proceeded to open the floor for discussion.

UNWTO

The representative of the UNWTO shared some of the work they have carried out on the subject of visa openness, summarizing the current situation throughout the world in this regard as a helpful instrument to better understand visa policies worldwide. He added that good progress had been made towards facilitating visa processes to achieve safe and seamless travel. He explained, for example, that in 2015 39% of the world population could travel without obtaining a traditional visa, as compared to 23% in 2008. Though progress towards visa openness is evident, still 61% of people traveling as tourists require a visa and only 15% can get a visa upon arrival. Given the availability of technology, more digital visa issuing is required.

WTTC

The WTTC representative commented about the UNWTO representative's words, that visa facilitation should also be discussed at the G20 meeting, given the benefits this would bring to the region in the creation of jobs, increase of international arrivals, etc. Though global security and terrorism are indeed key concerns, in the previous G20 meeting the Secretary of Commerce, recognized that the visa waiver program does not make traveling unsafe and that it should be maintained. She added that during the global summit there had been ministerial dialogues with CEOs that had focused on the secure and seamless travel dynamics and how the industry was impacted by quick changes, how partnerships should be encouraged between the tourism, commerce and security sectors and the introduction of the regional visa concept and further mentioned that UNWTO, IATA, ICAO and APEC were all focused on showing one voice regarding safety and travel facilitation.

United States

The representative of the United States commented that the visa facilitation issue was a top priority for the USA and, adding to the WTTC representative's comments, she explained the

productive relationship developed with Homeland Security and the great progress made in understanding that it is mutually beneficial as opposed to in the past. She also pointed out that given the increase of demand, they had worked on different ways to deliver visas and additional policies to increase security while increasing at the same time ease of travel. In this regard, their visa waiver program was fully successful and she explained it required bilateral agreements that include information sharing regarding airport security and with the understanding concerning who is traveling to the economy. Since information is refreshed every 1 or 2 years, this is actually better than the 10-year visa, as information is updated more frequently and added that a good idea could be combining the 10-year visa with periodical electronic refresh of information. She underlined that they worked closely with Homeland Security and that in border security, there were different agreements within the trusted traveler programs, making information sharing, once more, the most important issue.

Chair

The TMM Chair commented on the progress evidenced in the past year in travel facilitation in the United States.

Australia

The Australian representative commented that they were very pleased as to the way APEC is working in relation to travel facilitation, that this issue was greatly discussed in Australia as well, that border entry is now electronic. He expressed he strongly supported USA's airport-friendly policy.

Peru

The delegate of Peru thanked, in the first place, the joint efforts of the United States and Australia in the advancement of the Travel Facilitation Initiative with the cooperation of the Tourism Working Group. She also thanked the UNWTO and WTTC for their permanent research in this topic and pointed out the need for APEC member economies to strengthen efforts to reach visa agreements and, in this regard, informed that the elimination of the visa requirement for tourists between Mexico and Peru in 2012 had contributed to the significant increase of 46% in the number of travelers between the two economies. Having co-sponsored the Project "Developing Smart Traveler Programs to Facilitate International Travel in the APEC Region" under the leadership of the Russian Federation, she explained that Peru was committed to establishing a Smart Traveler Program in coordination with key stakeholders, and the development of two components: a) the tourist protection network and b) iPeru. The first component is responsible for tourist protection measures, among them the establishment of Preferential Tourism Corridors, and the second component comprises a comprehensive tourism information and assistance system with 36 service points in 15 regions of Peru, providing free official tourism information, guidance and counseling in queries and claims and tips for Responsible Travel.

Regarding security initiatives, the Peruvian representative informed that Peru had successfully launched the mobile application "Tourism Police Peru" and that steps were being taken to facilitate safe and secure travel by improving the implementation of e-Passports for Peruvians and by implementing the Advanced Passenger Information System (APIS) at the Lima Airport for a more efficient airport experience. She further expressed that bilateral and regional cooperation

were key to advancing smart travel strategies, including expansion of common visa areas and that the Advance Passenger Information System (APIS) and the Passenger Name Record (PNR) programs should be part of the security strategy in the development of smart traveling.

Papua New Guinea

The representative of Papua New Guinea explained that innovation comes with a cost and that theirs was an economy with limited resources. She thanked the efforts made in the preparation of the UNWTO report and stated that it puts Papua New Guinea in the map for consideration.

Thailand

The delegate of Thailand expressed that travel facilitation was a very important issue for their economy for various reasons, among them, the fact that Thailand is considered the Asian gateway, and he shared information regarding visa exemption, available for 49 markets and visa on arrival (VAO) available for 16 markets.

Chair

Before moving on to the next topic, the TMM Chair thanked all the Ministers and delegates for their participation in this topic and commented on the important progress made regarding the travel facilitation program and the firm commitment to continue implementing security processes. She further urged economies to make efforts in this direction so that APEC may be considered as an example in advancing travel facilitation and security procedures, and to move forward in the agenda on visa policies to allow international visitors to move more freely without diminishing security.

9. Promoting labor skills and workforce programs to enhance tourism competitiveness in the region.

Chair

The TMM Chair stressed the importance of this item of the agenda and pointed out that APEC economies are giving special attention to workforce and skill issues in order to continue developing competitive tourism and improve employment opportunities. She added that workforce and skills deficiencies prevent the global tourism sector from providing high quality service, increasing export income and attracting additional investment. On the other hand, she stated that enhancing the workforce and the development of skills would increase opportunities for labor mobility across the region, build better capacities and facilitate quality jobs that will allow making destinations great places to visit.

Australia

The representative of Australia started by stating that there are many vacancies in the tourism sector, adding that there is a need for developing programs. He also pointed out that attitude issues exist toward employment in the tourism sector as it is viewed as not attractive and that promotions are difficult to obtain and that this perspective can be solved through skill building and that he was pleased to see APEC working in this area. He mentioned that currently they had 40,000 vacancies that they were unable to fill and that this shortfall would increase in the future. He highlighted Singapore as an example of innovation to make everything more efficient.

Chair

The TMM Chair commented that this was a very important topic and it was necessary to promote tourism as a career that can create jobs, help establish own businesses, and promote gastronomy tourism and biodiversity. She also mentioned that promoting biodiversity start-ups can contribute not only to fighting climate change but also to bringing good quality life to local communities. As a second topic to share, she mentioned that the 12 countries that signed the TPP agreement eliminated all the constraints for the exchange of different professions, such as architecture, engineering and others.

Chile

The representative of Chile, co-sponsor of the project “Developing the Tourism Workforce of the Future through labour and skills development, certification and mobility in the APEC region” led by Australia, commented that this projects will help to lessen vacancies and that they were currently working in completing the qualification framework.

UNWTO

The representative of the UNWTO commented that families orient children to other careers, so a new perspective on travel and tourism as careers that offer dignified jobs and opportunities should be brought to school curricula and promoted by the ministers of education. He mentioned the example of children’s visits to the city of Lima as a clear indication that tourism is education. Another example mentioned was that of Peruvian chef Gaston Acurio, who contrary to the traditional wishes of his father for him to study Law, pursued a career in gastronomy and became a key player in Peru’s current booming gastronomy activities.

Chair

The TMM9 Chair mentioned the accomplishment with the Ministry of Education of giving 850 scholarships for young people of low-income families to study tourism. Minister Silva also mentioned the initiative of Social Tourism, which helps students from public schools to visit tourist attractions and get to know the history of their cities, in a process that is now seen by education authorities as “taking out the classroom”, raising awareness that tourism is also an educational experience. The TMM Chair finally thanked the UNWTO representative for his contribution.

Malaysia

The representative of Malaysia pointed out their practice of sharing experiences to educate the mindset of the population; so they established tourism clubs in schools to learn about this sector as currently most of the hospitality workforce is foreign. He also mentioned that the mutual recognition agreement encourages movement from one economy to another, and so he recommends working in this regard.

Japan

The delegate from Japan stated that her economy has many universities with tourism faculties but that less than 20% of students end up working in the tourism sector due to their perspective on tourism. She explained that this is because hotel operations are not productive and payments are low, so the capacity-building of managers is being addressed.

APEC Secretariat

Dr. Bollard referred to the video competition that has been started focused on young start-ups and stated that the tourism sector could take advantage of it. He suggested making it a very simple competition with a three-minute video using cell phones.

Chair

The TMM Chair thanked the Secretariat for the good initiative and remarked that in order to reach the 800 million objective, all economies need to keep pursuing their goals. She also highlighted the importance of sharing good practices to make workforce more productive and efficient for the development of the economies and suggested the APEC region as a multi-destination, promoting comprehensive systems that share training modules in the region such as the TPP.

10. Fostering linkages between tourism and sustainable and inclusive development by enhancing SME development and entrepreneurship

Chair

The TMM Chair introduced this topic explaining that tourism had been consistently identified as an important driver for economic growth, regional cooperation and development, and as expressed in the 2000 Seoul Declaration, is a key to increasing demand in the economy, a major source of sustainable employment and an effective vehicle for spreading economic gains across regions. She added that in 2010, APEC Leaders had pointed to inclusive growth as one of the five growth attributes that the region would aim to achieve. She also pointed out that Tourism is featured in three of the Sustainable Development Goals (SDGs) goals 8, 12 and 14 on inclusive and sustainable economic growth, sustainable consumption and production, and the sustainable use of oceans and marine resources, respectively. She further mentioned that the UN General Assembly has recently adopted 2017 as the International Year of Sustainable Tourism for Development and emphasized this, being a unique opportunity to expand the contribution of tourism to the three pillars of sustainability: economic, social and environmental. Before opening the floor for discussion on the impacts of interventions and on who the main beneficiaries of the tourism sector are, she expressed expectations that by the end of this year Ministers and Leaders would set a milestone in APEC history in adopting measures to increase tourism arrivals and poverty reduction and promotion of inclusive growth.

Philippines

The representative of the Philippines commented that the video his delegation had showed the previous day exemplified why tourism needed to be more inclusive than ever and thereafter, he proceeded to introduce Mr. Emmanuel San Andres, from the PSU, to present update on work done, showing benefits of tourism growth, which include GDP growth, employment, bilateral trade growth, foreign direct investment, poverty reduction and inclusive growth. The presentation showed that tourism growth rates have slowed down in the recent years and should these rates continue, APEC would fall short of its 800 million goal by 100 million. It also included an analysis of the different exogenous and endogenous factors involved and recommendations regarding travel facilitation and connectivity, as well as safety, site development, awareness building, and synergy with trade and investment strategies.

Chair

The TMM Chair thanked the enlightening presentation.

Chinese Taipei

The representative of Chinese Taipei commented about the importance of cultivating regional creativity and offered an example of what was being done in his economy regarding preserving talents in their own villages to attract travelers to the regions.

Papua New Guinea

The representative of Papua New Guinea first made some comments about the presentation by the Philippines and then spoke about sustainable tourism through volun-tourism, aiming to look at impact on local communities, to elevate indigenous involvement in creating economic impact and opportunities for themselves. She also referred to the importance of building up the capacity of tourist agencies, the private sector, local communities and academia and the need to be innovative in product offering, which must be authentic and sustainable.

United States

The representative of the USA thanked the comprehensive report and asked if reference was made to tourism in contrast to trade and how to separate tourism from trade, being tourism their largest services export. Philippines replied that reference to trade meant merchandise trade.

Korea

The representative of Korea shared some information on their experience with their project "Creative Tourism Project" that promotes job creation and encourages tourism SMEs entrepreneurship. The project involved a contest to select SMEs with business potential. The representative also stressed the importance of marketing and business promotion and the introduction of technology to the traditional tourism industry to contribute to the expansion of the tourism sector.

Australia

The Australian representative mentioned the importance of supporting tourism growth in regional Australia, as an incredibly important component of people's incomes. He added that in Australia, most tourism in the regions was domestic and the number of foreign tourists visiting regional Australia was not increasing.

Malaysia

The representative of Malaysia shared the Malaysian experience with the homestay program and the village program that include the communities in the tourism program and encourages them to obtain better income.

Chair

The TMM Chair referred to the book published by Peru on Community Rural Tourism that highlights rural community tourism entrepreneurs in Peru. This Presentation is in lines with the work presented by Peru at the XXIII Congress of Ministers and High Level Authorities in Tourism of the OAS last September.

Peru

The Peruvian representative thanked the Philippines for the final report: “Tourism Arrivals and Inclusive Growth” and for their leadership in this key endeavor. She added that Peru was firmly committed to the preparation of this Study and that as host of APEC 2016, the finalization of this draft final report was considered as one of the main deliverables for the year. She further stated Peru’s firm belief that tourism contributes to inclusive growth and that promoting tourism can contribute towards achieving the 800 million APEC tourist arrivals target by 2025. She emphasized the need to use an integrated approach to tourism as a development tool, to contribute to achieving sustainable tourism products. Another key issue mentioned was the need to advance in the APEC tourism agenda in social development through tourism and in this regard, she shared Peru’s experience in implementing social inclusion policies through tourism, mentioning the following programs: the Community-Based Rural Tourism Strategy implemented in 31 rural communities with positive results; the program “Al Turista lo Nuestro” through which local products and SMEs’ services have been introduced in the tourism value chain; “De mi Tierra un Producto”, a program that highlights landmark agricultural products of communities to develop a tourism product and which has generated 360 thousand additional visits to several destinations in Peru. She also pointed out that with the World Tourism Organization, Peru is developing a prototype in gastronomy tourism in the Puno region, which will afterwards be replicated in other regions of Peru and will promote new tourism products. Finally, she proposed to foster the use of the data sources provided by international organizations to help identify the linkages between tourism and inclusive growth, and encouraged the TWG to work closely with academic and research institutions to enhance outcomes and sustainability of TWG Projects.

Australia

The representative of Australia commented in this regard, that in terms of inclusive growth and regional dispersal, Australia had done much interesting work on this area and recommended other economies to do it as well.

PSU

The representative of the APEC Policy Support Unit (PSU) thanked participants for their feedback. He then referred to Australia’s comment and said that it would have been nice to dig into the micro details, but that unfortunately time had been short. He added that it was necessary to work with academic institutions to dig down into the micro data.

Chair

The TMM Chair thanked the views on the future of the linkages between tourism and sustainable and inclusive development by enhancing SME development and entrepreneurship, since tourism is a fundamental sector for achieving inclusive growth when making responsible use of environmental resources, respecting the authenticity of host communities and equally distributing socio-economic benefits within the destinations.

She finally mentioned that all trade and tourism figures that benefit the stakeholders shall be shared with the public through very simple and short presentations to enhance understanding of tourism across the value chain. Minister Silva thanked everyone for their participation before moving on to the next topic.

11. Promoting travel and tourism in the APEC region through partnerships and joint research with the private sector and academic institutions

Chair

The TMM Chair introduced this topic referring to the fruitful discussions on how to jointly strengthen air connectivity and travel facilitation, and foster inclusive growth through travel and tourism as a cross-sectoral activity, engaging academia and the private sector to harness their expertise.

She commented that while there are currently more than 50 APEC Study Centers (ASCs), there is little research being carried out in tourism and, therefore, this could be a good opportunity to engage these institutions with research projects aimed at showing how tourism is a driving force for economic integration and inclusive growth as this could represent a powerful tool in disseminating the work of the Tourism Working Group and building linkages with academic programs. She explained about the updating in Peru of the National Strategic Plan for Tourism, performed with ample collaboration of the private sector, academia and regional authorities and which focuses on 4 strategic pillars that also reflect APEC tourism priorities: diversification and consolidation of tourism markets, diversification and consolidation of the tourism supply, travel facilitation, and strengthening tourism institutions.

UNWTO

The UNWTO representative provided information regarding promoting travel and tourism in the APEC region through partnerships and joint research with the private sector and academic institutions and briefly listed the global reports prepared in collaboration with other institutions: the Transformative Power of Tourism, the Power of Youth Travel, Tourism in Africa: A Tool for Development, Shopping Tourism, Cultural Routes and many others already published and many more coming up, such as Sports Tourism, Clusters as a Competitive Tool in Health Tourism, Overcoming Seasonality, among others.

He explained that among the UNWTO mandates are Fostering Knowledge, Education and Capacity-building, and Partnerships for Tourism, and mentioned the solid partnerships established with the World Travel & Tourism Council and the UNWTO Themis Foundation through which the organization provides executive training. The vision of UNWTO, to bridge theory and practice, aims at closing gaps between the knowledge generators and those with the capacity to put it into practice. Its Knowledge Network Talent Development Platform is an auto-sustained network that fosters young talent development in tourism and its Knowledge Network Report – Issue Paper Series, which purpose is to provide a thorough analysis and tangible recommendations of practical subject matters that are on the forefront of policy makers and industry leaders' discussions

WTTC

WTTC thanked UNWTO for illustrating the relation between the academic and the tourism. She commented that WTTC will be sharing with their knowledge partners the topics discussed during the meeting and will be proud to continue being an invited guest of the TWG.

APEC Secretariat

The Executive Director of the APEC Secretariat commented concerning stakeholders that the APEC Business Advisory Council (ABAC) has a number of working groups, and quite a number

of them are involved in tourism. He added that it should be noted that APEC offers scholarships and internships and that the APEC study centers, a quite heterogeneous mixture of institutions, respond very well when approached with themes of interest.

Chair

The TMM Chair highlighted the very deep discussion on the importance of engaging the private sector and academia to move forward with the APEC tourism Agenda and welcomed all the remarks by members and their support to further enhance partnerships.

She mentioned that given the various stakeholders that intervene in the development of tourism in the region, it is fundamental to work together with the private sector and academia in raising awareness of the important work of the TWG and in implementing our strategies.

Minister Silva remarked that the continuous support with international organizations constitutes a network to build capacity to our programmatic priorities and to strengthen the outreach of our actions. She asked the TWG Lead Shepherd, along with the support of the APEC Secretariat and APEC economies, to make feasible the proposals made today, namely the development of an APEC Tourism Research Contest for tourism students and the APEC Public-Private Dialogue on Fostering Air Connectivity and Travel Facilitation, in order to continue implementing the way that we have paved in this Ministerial Meeting.

12. Reports from guests

UNWTO

The UNWTO representative began his presentation by stating that international tourist arrivals have experienced quite an interesting growth. The APEC economies represent 27% of the world's total and with respect to international tourism receipts; the APEC economies represent 46% of the world's total. More figures included the world's top tourism spenders: China, USA, Germany, the United Kingdom and France.

He continued with the prototypes methodology of the World Tourism Organization, which aim at creating, promoting and developing a model for tourism based on public-private cooperation and which provides a framework for action and cooperation among Member States and Affiliate Members. He added that 3 prototypes are being carried out currently: "Precious Time", which generates a premium tourism model for visitors to Madrid; "Punta del Este 365", which tackles the challenge of seasonal tourism, and "The Joyful Journey", which offers the traveler a new approach to Spanish culture by offering wineries.

He further stated the need to bring other areas into the equation, such as the United Nations Organization for Education, Science and Culture (UNESCO), the United Nations Environment Programme (UNEP), the United Nations Office on Drugs and Crime (UNODC), the International Labour Organization (ILO), the World Trade Organization (WTO), and the health and aviation sectors. He then proceeded to share the Medellin Statement on Tourism and Air Transportation for Development and the UNWTO activities with APEC economies.

Finally with regard to visa facilitation, he stated that the good news is that despite geopolitical tensions, according to UNWTO's latest annual Visa Openness Report, in 2015 the share of tourists requiring obtaining a visa prior to travelling continues to decline and is at its lowest level ever. In 2015, 39% of the world population could travel for tourism without obtaining a traditional visa prior to departure as compared to only 23% in 2008.

WTTC

The representative of WTTC expressed some reflections on what had been said about common threats and emphasized the fortitude of culture and sharing of all perspectives, concluding it was all about experience and not just numbers, that APEC's competitive position was expressed through emotion, pride and determination; the sector provides jobs, economic growth and opportunities, and that it must work on delivering careers, training, community engagement – which is becoming one of the most relevant parts. She continued reiterating that WTTC provides the data, and encouraged everyone to visit its site. She proceeded with invitation to the 17th WTTC Global Summit to take place in Bangkok, Thailand, on April 26-27, 2017. The presentation was followed by a short video called “I am travel”.

Chair

The TMM Chair thanked the contributions from the UNWTO and the WTTC regarding their insights on the future of tourism in the APEC region which are inspiring to continue collaborating in the APEC region.

13. Adoption of the Lima Declaration

Chair

The TMM Chair mentioned the main discussions held during the meeting to reach consensus on the Lima Declaration “Connecting Asia-Pacific Tourism through Travel Facilitation”.

Canada

The representative from Canada proposed some changes to the Declaration with regard to liberalization.

Singapore

Singapore's delegate commented on paragraph 11, and recommended adjustment to language, that is, to remove the phrase “based on the further liberalization of aviation policies.”

United States

The representative commented that the above-mentioned phrase seemed consistent with the agreement made by the transportation authorities, but proposed to substitute the phrase by “based upon the goal of market access liberalization,” which Singapore accepted and thanked.

Following this brief exchange of ideas, the Lima Declaration was adopted by consensus.

Chair

The TMM Chair thanked the Ministers for the adoption of the Lima Declaration and hoped that the Declaration adopted will guide APEC Tourism to an even greater competitive edge for the benefit of APEC economies.

14. Other matters

Chair

Following the adoption of the Lima Declaration, the TMM Chair invited Papua New Guinea to brief the delegates on the hosting by Papua New Guinea of the 10^o APEC TMM on 2018.

Papua New Guinea

The representative of Papua New Guinea made a short presentation about the preparations being carried out towards hosting the APEC TMM in 2018. These preparations include policy alignment under respective committees, working groups and fora and major infrastructure development. She further mentioned key achievements and strategic plans, which include hosting the 49th Tourism Working Group Meeting in August 2016 for the very first time, among other many meetings that Papua New Guinea will host in lead up to their host year.

Thereafter, the representative of Papua New Guinea extended an invitation to APEC Tourism Ministers to visit the land of a thousand different tribes and 800 languages. This was followed by brief video speech by the Minister for National Events and Sports of Papua New Guinea and a short video of the economy.

Chair

The TMM Chair thanked Papua New Guinea for their presentation and wished them a very successful TMM10. She hoped that the decisions adopted at the TMM9 will lead the way into the next Ministerial Meeting.

15. Closing remarks

Philippines

On behalf of all delegates, the representative of the Philippines expressed his gratitude to Peru for the hospitality and fruitful discussions held during the past two days. He was pleased with the many ideas proposed throughout the meeting and with key agreements reached to move closer to APEC goals. He finally thanked and congratulated Madame Chair for effectively steering the discussions.

Chair

After thanking the delegates and guests for their participation, the TMM Chair then closed the session and invited the Ministers to the press conference.