

Janaka Wijayasiri

COOPERATION IN TOURISM AMONG THE BIMST-EC COUNTRIES: PROSPECTS AND CONSTRAINTS

Abstract

The paper assesses the prospects and constraints of cooperation in the field of tourism within the framework of BIMST-EC. The current status of tourism in the world is stated by highlighting the growing importance of tourist industry, identifying the main tourist markets and destinations and purpose of international travel. The state of tourist industry in the BIMST-EC countries is also portrayed. Significant progress has been made in the tourism cooperation process. A Tourism Action Plan of the BIMST-EC has been drawn. The paper also identifies the constraints to cooperation in tourism in the region. Experiences of other regional and sub-regional organizations in their promotion of tourism in their regions are also discussed. The paper concludes with the prospects for cooperation in tourism in the BIMST-EC and the role that Japan can play as a development partner.

Mr. Janaka Wijayasiri is Research Officer, Institute of Policy Studies, Colombo. Paper presented at the Dialogue on 'Sub-regional Cooperation among the BIMST-EC Countries and the Role of Japan', organized by the Bangladesh Institute of International and Strategic Studies (BIISS) and the Japan Study Center, Dhaka University on March 11-12, 2002, with assistance from the Asia Center of the Japan Foundation, Tokyo. The article is updated as of the date of the Dialogue- Ed.

© Bangladesh Institute of International and Strategic Studies (BIISS), 2003

1. Introduction

Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Co-operation (BIMST-EC as it is known), is a fusion between SAARC and ASEAN. This trans-regional organisation was formed in June 1997 to create a dynamic and conducive environment for rapid economic development. The unique feature of this grouping is that it constitutes a bridge between South and South East Asia to enable member states to derive the benefits of a common advantage and create a network of complementarities, facilitating greater economic integration. To this end, BIMST-EC has identified six sectors, namely, trade and investment, technology, transport and communication, energy, tourism and fisheries to be mutually developed in the region. Each country has been assigned a lead role in one/two of the sectors for a three-year period after which each sector would be subject to rotation among the member countries.

Soon after the launching of BIMST-EC, its progress was been hampered with the onset of the East Asian crisis. Thailand experienced its worst economic crisis since its inception and some of the other member countries have got embroiled in their own internal political problems that have perhaps prevented them from supporting and going ahead with their allocated tasks. In hindsight, BIMST-EC decided to get the tourism sector off the ground, as it is likely to cause the least amount of hindrance to sub-regional cooperation.

To strengthen cooperation in the tourism sector among BIMST-EC member countries, a BIMST-EC Expert Group on Tourism was setup and they first met in August 1999 and subsequently in December 2000. Sri Lanka as the Lead Country on Tourism drafted the Action Plan on Tourism Cooperation together with inputs from other member countries. BIMST-EC Expert Group on Tourism consisted of government tourism officials, representatives of the tourism industry, tourism investors and international and regional organizations involved in tourism. It was

set up to formulate strategies for tourism cooperation with cooperation of UNESCAP, World Tourism Organisation and the Pacific Asia Travel Association.

The progress of the tourist sector has so far been dismal. Apart from drafting of the Action Plan, which identifies problems facing the industry in the region and measures that need to be taken, no substantial measures have been undertaken to promote tourism within the BIMST-EC region. This has largely been due to financial constraints to undertake projects earmarked in the Action Plan, lack of interests on the part of member countries to promote the region as one tourist destination, and the absence of a proper institutional framework in place to supervise the activities of the sector.

The paper is organized as follows. Section 2 examines the current status of tourism in the world, by highlighting the growing importance of tourist industry, identifying the main tourist markets and destinations and purpose of international travel. The section also discusses the future outlook for the industry. Section 3 specifically focuses on the tourist industry in the BIMST-EC countries and discusses in brief the importance placed by the respective governments on the sector and the benefits to sub-regional cooperation. Section 4 outlines the Tourism Action Plan of the BIMST-EC and examines the progress of the sub-sector to date. Section 5 identifies the constraints to cooperation in tourism in the region. Section 6 examines the experiences of other regional and sub-regional organizations in their promotion of tourism in their regions. Section 7 concludes with the prospects for cooperation in tourism in the BIMST-EC and the role that Japan can play as a development partner.

2. Current Status of Tourism in the Global Economy

Tourism has become one of the largest and fastest growing commercial activities in recent years. Since the World War II, international tourism has grown at a tremendous rate, with international average annual growth rates in tourist arrivals of over 7 percent from 1950 to 1999 (WTO, 2000). Global tourist earnings increased by an average of 12 percent during the same period.

According to the WTO Secretariat, international tourist arrivals reached 664mn. in 1999 and receipts from international tourism rose to US\$ 455 billion. Improvements in transportation and communication as well as further economic liberalisation in countries have been responsible for this healthy development.

For many countries, international tourism is an indispensable source of foreign exchange. The US is clearly the unchallenged leader with US\$ 74.4 billion in international receipts recorded in 1999. The world tourism industry provides about 115 million direct employment. The employment figure would be much higher if one takes into account the indirect employment created by the industry.

Europe and America have traditionally been the main tourist receiving regions. But with other regions in the world growing at a faster pace such as East Asia and the Pacific, these two regions' shares of the world tourist market have reduced substantially over the years, and by 1999 they accounted for 19 percent in the case of the Americas and 59 percent in the case of Europe (Table 1). East Asia and the Pacific have experienced the highest growth rate and have obtained a 15 percent share of the world market in 1999. In terms of countries visited, there has been a substantial diversification in the location of tourist destinations but they still remain concentrated. In 1999, the top 10 tourist receiving destinations represented 50 percent of the world's total number of arrivals.

Table 1: Tourist Market Share, 1999

Region	%
World	100
Africa	2.3
Americas	26.8
East Asia & Pacific	16.1
Europe	51.5
Middle East	2.2
South Asia	1.0

Source: World Tourism Organisation (1999) Market Trends: South Asia.

In terms of source markets, international tourism is still relatively concentrated in the industrialised countries of Europe, the Americas and East Asia and the Pacific. Europe generates more than half of total international tourist arrivals (Table 2). Approximately one in five arrivals originate from the Americas. East Asia and the Pacific has been the fastest growing region in the last decade and its share of outbound tourism has increased to almost 15 percent by 1998. All in all, Africa, the Middle East and South Asia generate roughly 5 percent of arrivals worldwide.

Most tourists tend to travel within their own region, and intra-regional tourism range from 65 percent in the Middle East to 87 percent in Europe (Table 3). The only exception to this is South Asia, where intra-regional tourism is low at 22 percent.

Table 2: Outbound Tourism, 1999

Region	%
World	100
Africa	2.5
Americas	19.6
East Asia & Pacific	14.6
Europe	58
Middle East	1.6
South Asia	0.9
Other	2.8

Source: World Tourism Organisation (1999) Market Trends: South Asia.

According to figures up to 1998, recreation and holidays represented the main purpose of trip, accounting for 62 percent. Business travel accounts for 18 percent of the total and the remaining 20 percent is represented by other motives, such as visiting friends and relatives, religious purposes, for health treatment, etc. In 1998, travel for leisure, recreation and holiday purposes accounted for a larger than average share in trips in South

Asia (82 percent), Americas (66 percent) and Africa (65 percent). East Asia and the Middle East saw a larger than average share of travel for business and other purposes.

Table 3: International Tourist Generating & Destination Region, 1998

		From							
		World	Africa	Americas	East Asia	Europe	Middle East	South Asia	Other
To	World	100	100	100	100	100	100	100	102
	Africa	3.9	66	0.8	0.6	2.5	10.3	1.9	13.5
	Americas	18.8	2.3	69.9	9.4	5.6	2.7	6.9	14
	East Asia	13.7	2.3	5.4	72.4	2.8	3.4	23.9	8.3
	Europe	60.3	19.3	22.8	15.7	87.4	17.1	24.2	65.4
	Middle East	2.4	8.3	0.6	1.2	1.1	64.5	21.4	0.8
	South Asia	0.8	0.8	0.4	0.7	0.7	2	22.3	0

Source: World Tourism Organisation (1999) Market Trends: South Asia.

In 2000 international tourism grew at an exceptional rate of 7.4 percent to reach a total of 699 million international arrivals. Growth in the normally buoyant tourism sector ground to a halt in 2001 and international arrivals slipped by 1.3 percent due to the terrorist attacks of September 11 in the US, and the weakening economies of major tourism generating markets. The only other year in recent times that has shown negative growth in world tourism was 1982, when international arrivals declined by 0.4 percent. The WTO predicted that growth in tourism industry would pick up by the second half of 2002, as business travel resumes and consumer confidence returns around the world.

3. Tourism in the BIMST-EC Region

In 1999, a total of 11.94 million tourists came to the BIMST-EC region, which accounts for 1.79 percent of the total tourists arrivals from the world (Table 4). Tourism in the region is very much dominated by Thailand and India, which account for 72 and 21 percent of the tourist arrivals, respectively to the region. The

other countries (Sri Lanka, Bangladesh and Myanmar) together accounted for only 7 percent of the tourists. The picture is somewhat similar with respect to receipts to the region, with most of the flows destined to Thailand and India. In 1999, a total of US\$ 10091 million flowed into the region, with Thailand receiving 66 percent and India receiving 29 percent of the total receipts.

Table 4: Top 10 Tourist Destinations and BIMST-EC Countries, 1999

Country	Arrivals (‘000)	Share of World Tourism	Rank (1-140)
France	73,042	10.93	1
Spain	51,772	7.74	2
US	48,491	7.25	3
Italy	36,097	5.40	4
China	27,047	4.05	5
UK	25,740	3.85	6
Canada	19,557	2.93	7
Mexico	19,043	2.85	8
Russia	18,496	2.77	9
Poland	17,950	2.69	10
BIMST-EC	11,940	1.79	
Thailand	8,651	1.29	20
India	2,482	0.37	45
Sri Lanka	436	0.07	87
Myanmar	198	0.03	106
Bangladesh	173	0.03	109

Source: World Bank, World Development Indicators, CD-ROM

None of the BIMST-EC countries figure among the top 10 tourist destinations in the world or the top 10 recipients in the world. Nonetheless, Thailand ranked 20 among the world's top 140 destinations in terms of the number of arrivals while India ranked at 45. The other BIMST-EC countries, ranked lower down in the table. In terms of receipts, all the countries performed relatively better. Thailand and India ranked at 18 and 31.

Table 5: Top 10 Recipients and BIMST-EC Countries, 1999

Country	US\$ m	Share of Receipts	Rank (1-110)
United States	74,448	17.97	1
Spain	32,913	7.94	2
France	31,699	7.65	3
Italy	28,357	6.84	4
United Kingdom	20,972	5.06	5
Germany	16,828	4.06	6
China	14,098	3.40	7
Austria	11,088	2.68	8
Canada	10,025	2.42	9
Greece	8,765	2.12	10
BIMST-EC	10091	2.44	
Thailand	6,695	1.62	18
India	3,036	0.73	31
Sri Lanka	275	0.07	70
Myanmar	35	0.01	94
Bangladesh	50	0.01	92

Source: World Bank, World Development Indicators, CD-ROM

Tourism is a vital industry in the BIMST-EC countries. It contributes to 13 percent of the GDP of the Thai economy and to lesser extent in the other countries in the region. Tourism also plays an important role as a generator of employment and as a source of foreign exchange. International tourism receipts to the region varied from a low of US\$ 35 million for Myanmar to a high of US\$ 6695 million for Thailand. Tourism accounted for almost 10 and 6 percent of Thailand's and India's total exports in 1999. In the other BIMST-EC countries, the respective figures were lower but foreign exchange earnings from the sector were significant, especially in the case of Sri Lanka. In Sri Lanka, tourism is the fourth largest foreign exchange generating economic activity next to traditional exports, remittances from the Middle East employment and garment exports. Not only is it an important

source of foreign exchange to these countries, tourism is also an important generator of employment, both direct and indirect forms of employment. Tourism employment varied between 5-11 percent of total employment in the region. In Thailand, the tourism sector generates almost 1 in every 8.8 jobs in the country while in Bangladesh, 1 in every 19.1 jobs are generated by the sector. The ratio for other countries varied between these two figures.

Table 6: Tourism as % of GDP, Exports, Total Employment, 2001

	Bangladesh	India	Myanmar	Sri Lanka	Thailand
Tourism % of GDP	3.5	5.2	5.7	8.7	13.1
Receipts % of Exports*	0.83	5.62	2.96	4.96	9.38
% of Total Employment	5.2	6.0	8.9	7.0	11.3
1. Direct	2.6	2.9	3.4	2.9	5.7
2. Indirect	2.6	3.1	5.5	4.1	5.6

Note: *1999; Source: World Travel and Tourism Council

In terms of tourist markets, Europe, North America, Asia and Pacific are the main markets for the BIMST-EC countries. The main markets are UK and Germany from Europe; US from the Americas and Japan from Asia and the Pacific. If one looks at tourist arrivals from the region, it becomes clear that intra-regional tourism varies from a high of 37.5 percent for Bangladesh to a low of 2.5 percent for Thailand. The region is an important market for Bangladesh as well as for India and Sri Lanka. Tourists from BIMST-EC region accounts for 22 and 11 percent of total arrivals in India and Sri Lanka, respectively. In the case of Bangladesh, India is the largest market and it alone accounted for 36.4 percent of total arrivals in Bangladesh. Similarly, India is an important source of tourists to Sri Lanka and ranks in third place after the UK and Germany. The biggest traffic to India is from neighboring Bangladesh (16.7 percent). Tourists from Sri Lanka accounted for about 4 percent of total tourists arrivals to India. For Myanmar, Thailand is an important market. In the case of Thailand, none of the countries from the region figured prominently as sources of

tourists to the country (although India came at the 13 place – not shown in the Table). On average intra-regional tourism in the region is around 7 percent, which is very low compared to intra-regional tourism around the world, which varies between 88 (for Europe) and 22 percent (for South Asia).

Table 7: Tourist Arrivals by Main Markets, 1999

Bangladesh	India	Myanmar*	Sri Lanka	Thailand**
<i>India (36.4)</i>	<i>Bangladesh (16.7)</i>	<i>Japan (14.67)</i>	UK (18.5)	Malaysia (14.34)
UK (13)	UK (13.9)	<i>Thailand (9.64)</i>	Germany (17.7)	<i>Japan (13.24)</i>
US (5.5)	US (10.2)	France (7.88)	<i>India (9.7)</i>	Singapore (6.75)
<i>Japan (4.1)</i>	<i>Sri Lanka (3.5)</i>	US (5.47)	France (7.9)	HK (6.48)
Korea (3.8)	France (3.4)	UK (4.86)	Netherlands (6.8)	Taiwan (6.15)
China (3)	Germany (3.3)	Germany (4.34)	Italy (4.5)	China (6.03)
Germany (1.7)	Canada (3.2)	Italy (3.07)	<i>Japan (3.7)</i>	Korea (5.64)
Malaysia (1.7)	<i>Japan (2.9)</i>	Australia (2.35)	Australia (3)	Germany (4.69)
Netherlands (1.6)	Australia (2.1)	<i>India (2.19)</i>	Pakistan (2.6)	US (4.26)
Singapore (1.6)	Singapore (2.1)	Switzerland (1.11)	US (2.4)	UK (3.94)
Sub-total (72.4)	Sub-total (61.3)	Sub-total (55.58)	Sub-total (76.8)	Sub-total (71.51)

Notes: *1998, **1997; Source: World Tourism Organisation (1999) Market Trends: South Asia.

Table 8: Intra-regional Tourism Matrix, 1999 (percentage)

		<i>From</i>					
		Bangladesh	India	Myanmar	Sri Lanka	Thailand	BIMST-EC
To	Bangladesh	...	36.42	Na	1.06	1.25	38.74
	India	16.70	...	0.14	4.84	0.54	22.22
	Myanmar	0.05	0.47	...	Na	3.94	4.47
	Sri Lanka	0.26	9.70	Na	...	0.98	10.94
	Thailand	0.29	1.90	Na	0.31	...	2.50
	BIMST-EC	3.69	2.26	0.03	1.24	0.21	7.46

Source: World Tourism Organisation (1999) Market Trends: South Asia.

Table 9: International tourism, number of arrivals (thousand)

	1995	1996	1997	1998	1999
Bangladesh	156	166	182	172	173
India	2124	2288	2374	2359	2482
Myanmar	117	172	189	201	198
Sri Lanka	403	302	366	381	436
Thailand	6952	7244	7294	7843	8651
BIMSTEC	9752	10172	10405	10956	11940

Source: World Bank, World Development Indicators, CD-ROM

Table 10: International tourism, receipts

	1995	1996	1997	1998	1999
Bangladesh	23	32	59	51	50
India	2609	2832	2913	2935	3036
Myanmar	38	33	34	35	35
Sri Lanka	225	173	216	231	275
Thailand	7664	8664	7048	5934	6695

Source: World Bank, World Development Indicators, CD-ROM

BIMST-EC members have recognized that tourism can make significant contribution to socio-economic development of their countries through its potential to expand the economic base, increase foreign exchange earnings, provide employment and enhance the standard of living. Tourism is a new field of economic activity in Bangladesh and the government of Bangladesh has recognized the contribution that the sector can make to the economic development of the country and has given due importance to the development of the tourism sector by declaring tourism as an industry. Recognizing the importance of tourism as a socio-economic activity and its contribution to national economy, the development of the sector is also being given high priority in India. It has been accorded an "Export Industry" status, thereby providing benefits, which are usually extended to merchandise exporters. Tourism in Myanmar was kept in low profile for almost 30 years but it has become a growth sector in the economy following the liberalization of policies in the early 1990s and the government has become committed to developing the tourism industry; for example, by establishing a Ministry of Hotels and Tourism in 1992. The government of Sri

Lanka has identified tourism as one of the five priority sectors for the promotion of economic development of the country and has declared tourism as a "Thrust Industry". The Thai government is realising well that while the rest of the exports industry, on which so much assistance has been lavished over the years, is struggling to survive in an increasingly competitive global environment, the tourism industry is bringing in valuable foreign exchange that is playing a critical role in facilitating the development of the country.

The advantages of a regional or subregional approach have been acknowledged by most countries in the region, recognizing that issues faced by governments and the tourism industry can be tackled more effectively through closer cooperation among countries. Individual countries possess certain strengths and expertise that could be usefully shared with other countries. Moreover, subregional cooperation could help to conserve scarce resources, increase cultural and economic understanding, and increase frequency of international contacts and exchanges.

4. Progress of the BIMST-EC Tourism Sector

Sri Lanka as the lead country for tourism in the BIMST-EC grouping drafted the Action Plan for Tourism at the First Expert Group Meeting on Tourism in August 1999 together with the other member countries. Main objectives of the Plan of Action on Tourism were:

- Expand the economic base;
- Increase foreign exchange earnings;
- Generate employment;
- Improve standard of living among member countries;
- Increase international awareness of the richness and diversity of ancient cultural heritage of the region;
- Identify new visions and strategies for the BIMST-EC tourism industry;
- Combine resources to maximize benefits and conserve scarce resources resulting from increased cultural, economic and international people to people contact.

The Action Plan identified issues that are confronting the industry in member countries and which need to be addressed jointly. The areas included:

- human resource development
- inadequate infrastructure development
- poor transport links (air, rail, road and sea transport connecting major tourist destinations)
- travel impediments (border formalities, visas, custom regulations, access, etc)
- environmental management of tourism and cultural preservation
- systematic research to develop new products
- poor information infrastructure (telecom and IT)
- lack of public-private sectors interactions.

On the basis of identified issues, the Action Plan, member countries agreed to cooperate in travel formalities, human resource development, strengthening transportation networks, development of new tourism products, marketing and promotional strategies, incentives for tourism investment opportunities, environmental management of tourism and cultural preservation, regulatory issues, information dissemination, and designating year 2001 as the "Visit BIMST-EC Region Year". Each member country undertook to carry out certain projects and programmes contained in the Action Plan depending on their area of expertise and specialties. Progress of these projects and programmes has been slow and little or nothing has been achieved so far to show any indication of cooperation in the tourism sector apart from the holding of two Expert Group Meetings.

4.1 Facilitation of Travel Formalities

It has been recognised that there are travel impediments (border formalities, visas, customs regulations and other regulations) in existence, which need to be overcome to promote travel within the region. Towards this end, Thailand has compiled

a report on travel formalities of the respective member countries and has distributed it among the member countries. On the basis of the report, no joint action has been taken so far to facilitate travel amongst the countries though there have been unilateral actions to ease some of the impediments to promote tourism in some of the countries. Simplification of travel formalities could significantly boost intra-regional tourism in the region.

4.2 Human Resource Development

The need to develop the required human resources in various segments of the tourism industry has become imperative as a consequence of rapid growth in tourism, rapidly changing technology and dynamic changes in the international tourism market. Major problems and constraints involving human resources development in the tourism sector include shortage of qualified manpower; shortage of tourism training infrastructure and qualified trainers; lack of strategies and policies for human resources development in the tourism sector. So far India, Sri Lanka, Thailand and Bangladesh have agreed to offer scholarships under the Action Plan to be made available for member countries for students, faculty and professional exchange programmes. India and Sri Lanka have also offered to provide their expertise in setting up of tourism training centers in other member countries. Up to date, none of the scholarships have been offered or made use of and none of the member countries have sought help to establish training centres.

4.3 Strengthening Transportation Networks

Member countries agreed that there is a need to improve transport networks (air, rail, road and sea transportation) in the region in order to connect major tourist destinations within the region. By far the most important project for BIMSTEC and the tourism sector is the development of BIMST-EC Asian Highway and the trans-Asian Railway. It is the trans-Asian highway and railway that hold the key to an ultimate link up of the region. There is also the need for air links to be established among the countries

in the region, and an open sky policy for international flights could go a long way towards the development of both intraregional and international tourism in the region.

India agreed to undertake a study to ascertain each member country's strengths, weaknesses and requirements for transportation, which would be studied to formulate recommendations. So far India has not been able to compile the report, as it has not received the information required from the fellow member countries.

4.4 Development of New Tourism Products

Member countries agreed that there is a need to develop several common tourism products in the BIMST-EC region for joint marketing in major tourist generating countries. Each country agreed to undertake individual research on the development of new products and exchange views and experiences among the member countries with regard to these products. Suggestions have been made to develop Buddhist Circuit Tourism among the member countries and to develop regional MICE tourism as far as possible.

4.5 Marketing and Promotional Strategies

Although the region has numerous places of tourist attractions, the lack of coordinated and targeted promotional campaigns means that BIMST-EC region has yet to capture the attention of major tourist markets. It was agreed that all marketing directors of tourist authorities of member countries to meet regularly to formulate and develop a common BIMST-EC marketing campaign.

4.6 Incentives for Tourism Investment Opportunities

Lack of infrastructure development is one of the main obstacles in the region due to resource constraints to undertake capital-intensive projects. To attract more investments and expand the industry member countries could offer special incentives and facilitation support in improving the tourism infrastructure, in transmission of information on relevant aspects of tourism and

encourage joint ventures in the tourist related field. Bangladesh has agreed to investigate incentives available for tourist investment opportunities in the member countries but so far this has not been followed up.

4.7 Environmental Management of Tourism and Cultural Preservation

The preservation of cultural heritage and environment is essential to the development of the tourism industry. It is essential that tourism in the region is developed and managed in such a way as to protect its assets. Towards this end, Sri Lanka assisted by the National Chamber of Commerce of Sri Lanka (NCCSL) and India assisted by the Confederation of India Industry (CII) agreed to undertake a joint study on "Environmental management and cultural preservation" in order to develop specific projects for implementation. A preliminary investigation carried out in the area revealed that the study needs expertise at a professional level for which financial assistance is needed to undertake the project.

4.8 Regulatory Issues

Thailand has compiled a report on regulatory issues for the protection of tourists and counter malpractices in member countries. On the basis of this study policy level decisions will now have to be taken, but so far there has not been a follow up to the study.

4.9 Information Dissemination

Member countries agreed of the need to develop a common website for the region and to cover all sectors under economic cooperation. The website for the region is now in operation but it is hosted by the Ministry of Foreign Affairs of Thailand. There is a need to develop a new website which would have different page/s for each country to feature their own products and would be linked to official tourist websites of each member country.

In communication with member countries, focal points were identified and it was agreed to submit quarterly reports to the focal

points in order to enable effective monitoring of projects. However, the focal points, which were initially determined, were subsequently changed.

4.10 2001 Visit BIMST-EC Region Year

Under the “Visit BIMST-EC Region Year” programme, countries agreed to organize conventions, cultural events, fashion show, food festivals in preparation of the event and during the designated year; to undertake joint marketing and promote new BIMST-EC tourism products in major tourist generating countries. However, the background work for the programme has been totally inadequate given that the idea was proposed and endorsed at the Second Ministerial Meeting in December 1998 and the launch of the project anticipated at the start of 2001, providing insufficient time to workout an effective strategy to successfully launch and observe the year. At the fourth Ministerial Meeting in December 2001, the failure of the project was acknowledged and it was postponed to 2003. The “Visit BIMST-EC Year” proposal is a step in the right direction to promote intra-regional tourism but if it is to be successful, more preparations need to be done and planned well ahead of the date of its launch. The proposal to designate the year 2003 as “Visit BIMST-EC Year” seems ambitious now, with less than a year to go. It is also important that concurrent to its launch, to develop air, road and rail links and ease travel restrictions in order to encourage intra-regional tourism.

5. Constraints

The progress of the BIMST-EC tourism sector has been constrained by a number of factors. These are outlined below.

5.1 Resource constraints

There has been a lack of funds and technical expertise to follow up the issues spelt out in the Action Plan. This has been a major obstacle in the promotion of the BIMST-EC tourism sector. The progress in the tourist sector has been slow, as the focal points in each country do not have the necessary powers and resources to

steer through the proposals agreed upon by the member countries. Experience shows that mobilization of finances for commencing of various collective programmes has been an issue for which the focal points do not have ready answers to offer. For example, the idea of designing a common brochure for the region did not materialize, as the focal point were not in a position to accept the financial implications, which amounted to US\$ 300 each!

There is a need to seek assistance from international agencies such as the ESCAP and ADB, which are very much involved in the promotion of tourism in other regional and sub-regional groupings in Asia and the Pacific. These include technical assistance in preparing feasibility studies, facilitation of cross border movements and provision of loans for project implementation. The involvement of ESCAP and ADB in the Greater Mekong Subregion (GMS) tourism sector is very notable.

ESCAP and ADB jointly established a working group on the Greater Mekong Subregion tourism sector, comprising representatives of six national tourism organizations and international organizations. The working group assists cooperation by initiating priority projects for tourism promotion among the GMS countries. ESCAP has provided assistance to national capacity-building, with focus on human resources development in the tourism-related services sector, through seminars and advisory services. It has supported the development of tourism-related infrastructure in the Greater Mekong subregion; and assisted in simplifying travel arrangements, such as immigration procedures and formalities, and in the elimination of other inconveniences to tourists. As follow-up to the studies undertaken by ESCAP and with support of the Government of Japan, ADB has completed several planning projects. ADB also plans to provide funds for a programme to help establish and strengthen training units within national tourism organizations of the Greater Mekong subregion. Like the MSG, BIMST-EC needs to find development partners and international organizations such as ESCAP and ADB as well as important donors to the region such as Japan should be approached for technical and financial assistance. The BIMST-EC Tourism

Action Plan recognizes that international and regional organizations involved in tourism could play a significant role in BIMST-EC initiatives in tourism and as such they should be approached for assistance.

5.2 Lack of interest

There has been a general lack of interest displayed on the part of member countries to promote tourism in the region despite the rhetoric of the need for cooperation in tourism and the holding of two Group of Experts meetings so far. This is evident from the lack of progress in the follow up of the Tourism Action Plan. It has also been observed that the enthusiasm of member countries of BIMST-EC evaporates soon after a Ministerial Meeting. The tourism sector is no exception. Unfortunately, the sector does not figure as an important as compared to sectors such as trade and investment, which have attracted greater attention in the grouping. There is a desire on the part of the members to form a free trade area and this can be expected to give a boost to sectoral cooperation in the region, including tourism.

The lack of interest on the part of the member countries has been compounded by the fact that the private sector, which is the main player in the industry, has not so far actively participated in the BIMST-EC activities. The private sector is identified as pivotal for all BIMST-EC activities. The promotion of cooperation in the identified projects demands for close interaction between the public and the private sectors. For the BIMST-EC tourist sector to make any headway, the private sector needs to be given a greater role and participate actively in the all sectors including the tourist sector.

The apathy on part of the member countries to cooperate in tourism sector seems to be due to competition between the countries for tourists, given that all of the countries offer a somewhat similar tourist product and compete in the same markets. However, there are several areas where coordinated strategies by the member countries could yield a win-win situation and in other areas where cooperative competition could make the industry in

the region more vibrant. Moreover, countries in the region have traditionally looked for tourists from Europe and America but with a substantial and growing middle class in the member countries who can afford to travel, there is scope to develop tourism potential among the member countries, especially since some of the BIMST-EC members are already amongst the main tourists generating countries to the region. As such the "Visit BIMSTEC Year" programme should be relaunched to promote intra-regional tourism. However, much more preparatory work needs to be done before its launch if it is to be successful. The promotion of BIMST-EC as a single destination outside the region could be pursued at a later date depending how successful the promotion of intra-regional tourism becomes.

5.3 Administration

It can be observed that there is a need to create a suitable mechanism to coordinate, consolidate, implement and monitor proposals agreed upon by the member countries. Sri Lanka as the lead country for the tourism sector is responsible for the coordination of sectoral committee meetings in the region with Eminent, Expert Groups from member countries; formulation of an action plan, perform secretarial functions to ensure satisfactory implementation of projects agreed and submission of progress reports. However, each country is responsible for the implementation of at least one or more projects in the Action Plan. Each project involves the participation of two or more countries and one of the countries undertaking a specific project has to serve as the coordinator. The countries undertaking the respective projects will have to seek the required resources, with technical assistance sought from international and regional organisations involved in tourism.

However; experience shows that not all focal points have the capacity to carry out the agreed work on a full time basis. Whatever projects they have undertaken under the Action Plan are carried out along with their other work. The absence of a full time Secretariat can lead to a state of stagnation with respect to follow

up from meetings. There has been an extended period of lull after the conclusion of the Expert Group meetings, with little or no follow up from what was agreed at the previous meetings. For example, at second meeting of the Group of Experts some of the member countries needed to be reminded to follow up on the projects that they had agreed to undertake at the first meeting. Moreover, there seems to be a lack of coordination among the focal points, which would have ensured that the tasks set and agreed by the member countries are achieved in time. For example, the report on facilitation of travel facilities compiled by Thailand had to re-distributed among the member countries as it had not reached the focal points in some of the countries. Also, the report on transportation network has been held up, as the information required from member countries to compile it has not been received. Clearly there is a need for a proper institutional framework to be in place, especially if BIMST-EC is attempting to form a FTA in the near future. At present, BIMST-EC does not even have an official Secretariat and the institutional arrangements in the BIMST-EC are very loose. In fact, the need for the setting up of a permanent Secretariat for BIMST-EC was recognised at the fourth Ministerial in December 2001.

In the meantime, Sri Lanka's lead role in the tourism sector came to an end in 2001 where upon Thailand is expected to take up the position. So far this has not taken place. Nevertheless, Thailand is considered to be in a better position than Sri Lanka to promote regional tourism in the BIMST-EC given its experience in the Mekong Sub-regional grouping. Currently, the Tourism Authority of Thailand (TAT) heads the Agency for Cooperating Mekong Subregional Tourism Activities (AMTA), which is the coordinating agency entrusted with planning, implementation and evaluation of activities of the Tourism Working Group of GMS.

6. Experiences of Other Regional Organisations

The drive to more closely integrate Asia, trade and economic development plans via regional and sub-regional cooperation blocs

is giving a major impetus to regional travel and tourism, and this augurs well for future. Travel and tourism, and transportation, figure highly on the list of development priorities of these emerging blocs. The infrastructure and telecommunication links being set in place to create this growth will facilitate travel, especially business travel, which is usually followed by leisure travel. BIMST-EC member countries are already members under existing regional and sub-regional arrangements such as ASEAN, SAARC, and Greater Mekong Sub-region.

6.1 ASEAN

Tourism cooperation is built very strongly into the guiding principles and objectives of this 10-member grouping, which was founded in 1967 by Singapore, Thailand, the Philippines, Indonesia and Malaysia. Today, it also includes Brunei, Vietnam, Laos, Cambodia and Myanmar.

ASEAN is already recognised as one of the world's major tourism destinations. While it has a high level of intra - regional traffic, some bottlenecks persist. High on the agenda of the region's leaders is the implementation of the ASEAN Free Trade Area (AFTA) by the year 2008. This will include trade liberalisation and facilitation as well as non-border measures and investment promotion activities. New areas of cooperation, such as in services and intellectual property rights are being implemented. One area that will boost intra-ASEAN travel is the Plan of Action in Transport and Communications involving 45 projects and activities in multi-modal transport, telecommunications, harmonisation of road transport laws, rules and regulations, airspace management, maritime safety and pollution, human resources, and air services liberalisation. Intra-ASEAN tourism has contributed significantly to regional economies. ASEAN tourism leaders are cooperating to develop and promote ASEAN as a single tourism destination product, facilitate intra-ASEAN travel and freer trade in tourism services, and promote sustainable tourism development. One relatively new area is liberalisation of trade in services. The

ASEAN Framework Agreement on Services was signed in December 1995 in Bangkok and talks held between 1996-98 to produce commitments on increased market access in the seven priority service sectors - air transport, business services, construction, financial services, maritime transport, telecommunications and tourism.

6.2 SAARC

The South Asian Association for Regional Cooperation (SAARC) was established on December 8, 1985 in Dhaka at the first summit of the leaders of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka.

The promotion of tourism and transport cooperation is prominent on the list of 11 SAARC activities under the Integrated Programme of Action (IPA). However, highest-priority objective is to curb the population explosion and alleviate poverty and the formidable socio-economic problems facing the people. Translating political commitments into action has been slow, mainly due to ongoing bilateral conflicts in the region.

Most SAARC countries require visas to visit each other's countries. While that may be necessitated by political reasons, it is a major impediment to the promotion of intra-regional traffic. The current visa-exemption scheme applies to 21 categories of people but covers mainly high-level judges, members of Parliament, heads of academic institutions, SAARC officials themselves, senior officials in foreign affairs and other such top categories. However, in line with the objective of the scheme to promote more people-to-people contact, an expert group has proposed nearly doubling the number of categories as well as improving the existing guide lines/procedures of the scheme.

A Tourism Committee was set up in 1991. That October, at its first meeting in Colombo, it agreed on an action plan to cooperate on training programmes, information exchange, marketing, investment, intra-regional tourism, among others. There was talk

of producing joint brochures, videos and travel guides, as well as coordinating participation in trade fairs. Some of this has been done, but has had little impact, mainly due to problems beyond the control of the travel and tourism industry.

6.3 Greater Mekong Sub-region (GMS)

GMS consists of Cambodia, Thailand, Vietnam, Laos, Myanmar and China. The 2791 miles long Mekong River physically connects all six countries. Greater Mekong Sub-region (GMS) is considered to be an East-West Corridor with huge potential for economic development through tourism. GMS has now taken several initiatives for the promotion of tourism. Some of which are: joint promotion/marketing and product development, facilitation of tourist travel, development of tourism infrastructure and related facilities, and capacity building. In order to position GMS as a single destination in the world tourist market, a website has been set up and a common brochure for the use of the tour operators has been produced. An important feature of the Mekong Regional Cooperation is the support obtained from international organizations. Working Group of the Greater Mekong Tourism Sub-region obtains support from the ADB. Concurrent to the Working Group, the GMS has established a Tourism Forum, actively supported by the PATA and the ESCAP, and brings together buyers and sellers in the sector. The foremost product is the Mekong River, which is considered very rich in biodiversity, and overall an eco tourism product by the theme of "Jewels of Mekong" has been promoted. Another important feature of the GMS is the coordinating agency – Agency for coordinating Mekong Tourism Activities (AMTA) – entrusted with planning, implementation and evaluation of activities of the Working Group. The Agency for Coordination of Mekong Tourism Activities (AMTA), established within the Tourism Authority of Thailand, serves as the secretariat of the working group.

7. Prospects

In his speech to the second BIMST-EC meeting in 1998, the Deputy Foreign Minister of Sri Lanka stated: "In our estimation progress on undertaking specific projects and its implementation have been tardy. In fact, we are still in the process of formalizing the undertakings by the member countries on the identified lead sectors and other related sub sectors". This statement remains true to date, especially with regard to the tourism sector. Tourism was identified way back in 1997 as a priority area for cooperation in the BIMST-EC region. But nothing concrete has happened on this front after almost five years. In the initial burst of enthusiasm, some members even floated the idea of a regional airline, only for it to be dismissed at a later stage. It is no surprise that the key to the success of tourism is a clear recognition by governments of the important role of tourism in the economic development of the country and taking action to develop the sector. Although BIMST-EC members have accepted the importance of the sector and the benefits from cooperation, the countries have displayed a lack of interest when it comes to implementation of projects to promote the industry in the region. In fact, some of the member countries have failed to complete projects in the Action Plan undertaken at the First Expert Group Meeting in 1999. So far none of the projects identified in the Action Plan has been implemented.

The lack of resources to follow up on the agreed projects seems to be a problem but this need not be a stumbling block as member countries could seek the support of international organizations such as the ESCAP and ADB for technical and financial assistance. Nevertheless, member countries must be ready to undertake at least a minor financial commitment, especially on some form of common brochures etc. if they are truly committed to promote tourism in the region.

The absence of an agency to coordinate, implement and monitor its activities has also contributed to the slow progress of the tourism sector. The interest of the private sector and its

involvement seem to be minimal and this does not bode well for the sector, which very much depends on the participation of the private sector and its interaction with the public sector. There is a need for active involvement of the private sector in the implementation of BIMST-EC decisions and linkages to the private sector has to be strengthened through the BIMST-EC Business Forum.

Competition between the member countries for tourists seems to explain the lack of interest on the part of member countries to cooperate on the tourism front. While the countries may be competing with one another for tourists, the diversity of landscape, climate, language and culture in the sub-region provides an opportunity to develop joint tourism packages which emphasis the uniqueness of each country and thereby differentiate their tourist products from one another. On the other hand, the countries could bank on their similarities and combine their resources to undertake joint tourism promotion and marketing activities. BIMST-EC member countries share a wealth of historical and cultural heritage, and unspoiled natural beauty. Joint tourism promotion could lay special emphasis on historical and cultural heritage. In particular, Buddhist Circuit Tourism has a good potential to attract visitors from within and outside the region. Currently there are a large number of pilgrimage tours within the region. More importantly, the development of Buddhist Circuit Tourism has received a high level of acceptability from all the member countries, and as such BIMST-EC should pursue this proposal further.

Global economic slowdown and devastating effects of the September 11 events have reached every corner of the world including the BIMST-EC countries. International arrivals to East Asia and Pacific grew by 4 percent in 2001, although the pre-September 11 growth rate was more than twice that much. In the case of South Asia, international arrivals fell by 6 percent in 2001, due mainly to the proximity of fighting in the region. Thus, the time now is opportune for member countries to strengthen their cooperation in the tourism sector in order to mitigate the

devastating effects of 2001 on the industry by promoting intra-regional tourism. All the member countries have a stake in the sector and the opportunity to enhance the tourism profile of the BIMST-EC region should not be forgone with ample tourism resources found in all of the member countries.

8. Role of Japan

Japan too can play an important role in the BIMST-EC tourism agenda. Japan has close political as well as economic links with all BIMST-EC countries. Japan is by far the biggest donor country to all BIMST-EC countries and there is considerable Japanese investment in all the countries, including the tourist industry. Together with ADB and ESCAP, Japan could be enlisted as development partner for the BIMST-EC and its assistance sought to carry out the Action Plan.

There is also close cultural and religious links between Japan and most BIMST-EC countries. Buddhism provides the common link between Japan and the BIMST-EC countries. Buddhism originated in India and there many places of worship associated with the Buddhism in India. Bangladesh too has an association with Buddhism and there are many ruins in the country as well as a Buddhist population in that country. Other three members are predominantly Buddhist although professing the Theravada school of Buddhism, which is somewhat different from the kind of Buddhism professed in Japan. However, there is considerable affection towards BIMST-EC countries in Japan because of religious affinities. Therefore, BIMST-EC could focus on joint tourist promotions in Japan, such as the promotion of Buddhist Circuits Tourism, which has the potential to attract more Japanese tourists to the region.

Bibliography

- Kelegama, Saman (2000) "Bangkok Agreement and BIMST-EC: Crawling Regional Economic Groupings in Asia", *Journal of Asian Economics*, vol. 12
- Ministry of Tourism and Sport (1999), *BIMST-EC Expert Group Meeting On Tourism Report*, 19-20 August 1999, Colombo.
- Ministry of Tourism and Sport (2000a), *BIMST-EC Second Expert Group Meeting Report*, 4-5 December 2000, Colombo.
- Ministry of Tourism and Sport (2000b) *A Review by Sri Lanka of the Progress Made by the Tourism Sector in the BIMST-EC as at 27 November 2000*, Colombo.
- Ministry of Tourism and Sport (2001), *BIMST-EC Tourism Sector - Lead Country Sri Lanka, Progress Report up to 20 April 2001*, Colombo.
- PATA (1999), "The Rise of Sub-Regional Tourism – Bloc by Bloc", September 1999, *Hotel Online Special Report*, [www. Hotel-online.com](http://www.Hotel-online.com).
- World Bank (2000), *World Development Indicators*, CD-ROM.
- World Travel and Tourism Council, (2001) *Tourism Satellite Accounting Research - Bangladesh, India, Myanmar, Sri Lanka, Thailand*, www.wttc.org
- WTO (2000), *Tourism Market Trends: South Asia*, Madrid.
- WTO (2001), *World Tourism Stalls in 2001*, New Release, www.world-tourism.org