

12th APEC Tourism Working Group Meeting
Cheju Island, Republic of Korea
13-14 May, 1998

CHAIR'S REPORT

1. WELCOME AND INTRODUCTIONS

1. Mr Jin-Bae Rhee, Assistant Minister of the Ministry of Culture and Tourism, Republic of Korea, attended the Opening Ceremony of the 12th TWG meeting and gave the welcoming address. (12TWG/1/1)
2. Mr. Rhee, in his welcoming address, introduced the major tourism policies of the republic of Korea emphasizing that Korea is trying to play a more active role to contribute to the cooperation of the APEC member economies in the tourism industry. And he wished the success of this TWG meeting.
3. The meeting was convened by Mr. Dong-Keun Song, Director of the International Tourism Division, Ministry of Culture and Tourism, Republic of Korea.
4. Ambassador Timothy Hannah, Deputy Executive Director of the APEC Secretariat also attended the Opening Ceremony and was invited to address the meeting. He thanked Mr. Song for his welcome, and encouraged all the delegates to work for the fulfillment of the goals and objectives of the APEC. He also emphasized the importance of tourism and APEC's work in the time of the economic crisis in some APEC economies.
5. Mr Shahril Bin Saat the Undersecretary of Tourism Division, Ministry of Culture, Arts and Tourism Malaysia, chaired the meeting, and on behalf of the delegates, expressed his appreciation to the Republic of Korea for organizing the 12th TWG meeting and the warm welcome of the Assistant Minister of Culture and Tourism, Republic of Korea. The Chair put special emphasis on Capacity Building, outreach to the business communities, and the promotion and usage of electronic commerce. Another important issue that needed to be seriously discussed, he said, was the currency crisis and the financial market crisis of the East Asian economies.

6. The TWG Chair welcomed the three Members-designate namely, Peru, Russia and Vietnam, which will become official APEC member economies in November 1998.
7. The list of delegates, observers and guests is attached as Annex 1.

II. CONSIDERATION AND ADOPTION OF THE AGENDA

8. The draft annotated agenda was adopted after changes were proposed. The delegate from the Philippines suggested that 'The Production of an APEC Tourism CD-ROM' be included as item 8.4 as a new project proposal. The TWG Chair introduced a document related to the terms of reference of the TWG under item 10, Other Business.

III. REPORT ON DEVELOPMENTS SINCE THE 11TH TWG MEETING

3.1 Report on Results of the APEC Leaders' and Ministers' Meetings (Vancouver, November 1997); the Senior Officials Meeting in Penang (February 1998) and its implications for the TWG

9. Mr Claudio Rojas, Program Director of the APEC Secretariat reported the results of the APEC Leaders' and Ministers' Meeting as well as the SOM. The SOM Chair has noted the need to inform WGs of priorities in tasking and to coordinate activities of WGs. (12TWG3.1/1 and 12TWG/3.1/2)

3.2 Report on the Results of the APEC Joint Fora Meeting held in Penang (February 22nd – 23rd 1998).

10. The TWG Chair Briefed the meeting on the results of the APEC Joint Fora Meeting. He introduced the purpose of the meeting and the seven issues discussed at the time. Of those issues, he emphasized the need for Capacity Building through human resources development and for attaining sustainable growth using advanced technology. (12TWG3.2/1)

3.3 Report on the BAC Meeting (March 1998) and Implications for the TWG.

11. The Chair suggested that this item should be discussed together with item 4. (12TWG/3.3)

IV. DISCUSSION OF BUDGET AND ADMINISTRATIVE MATTERS

12. The Program Director of APEC Secretariat reported the results and implications for TWG of the BAC Meeting. It is noted that this item includes samples of timetable, budget table, and contracts for project proposals.
13. To comply with BAC's directive that each forum should establish an evaluation committee, the TWG agreed that the project Steering Group (Steering Committee) should serve to evaluate the outcome of individual projects. For this purpose it was decided that in future, the Steering Group should be enlarged to include at least 3 member economies' representatives.
14. The TWG noted that the BAC requested project overseer to submit questionnaires to participants in projects and incorporate feedback in their evaluation reports. The TWG expressed interest in an early opportunity to consider the reporting format under development by BAC.
15. The TWG noted without comment the BAC guidelines on
 - Rotation of Lead Shepherd/Committee Chair (12TWG/4.3)
 - Guidelines on Information Sharing among APEC Fora (12TWG/4.2), and the
 - Checklist for Overseers of APEC-funded Projects. (12TWG/4.1)

V. REPORT BY INDUSTRY GROUPS REFLECTING NEW INITIATIVES OF THE PRIVATE SECTOR IN THE TOURISM SECTOR

16. The delegate from Hong Kong, China, in his capacity as a member of PECC-IAG, proposed a Joint APEC TWG/PECC Tourism IAG Project, 'Survey on the Impediments to private Sector Investments on Tourism Related Infrastructure and Facilities.' It was agreed that member economies will submit comments on the draft proposal to Hong Kong, and a newly defined project proposal will be circulated by electronic means to TWG

members, with the aim of having a final draft project proposal to be submitted at the 13th TWG meeting. (12TWG/5.1, 12TWG/5.2)

17. The representative of WTTC introduced a 'Proposal for Joint WTTC-APEC TWG Project to Develop and Electronic Environmental Communications Network.' He noted that the electronic system would be based on the 'ECoNETT' web site model, which is now operating as a joint European Union-WTTC project. Members expressed concern about the possible proliferation of web sites associated with APEC TWG. It is noted that linking and integrating the existing web sites is more important than establishing new ones. (12TWG/5.3)
18. The Chair suggested that a small group should be established to articulate a future framework for an APEC TWG web site, and in doing so, undertake discussion with WTTC. Canada, Singapore, Hong-Kong agreed to be volunteers.

VI. PROGRESS REPORT ON PROJECTS OF THE TOURISM WORKING GROUP (TWG)

6.1 Report on the Economic Impact of Travel and Tourism Development in the APEC Region. (12TWG6.1)

19. The representatives of WTTC noted that because of the effect of the Asian currency crisis, WTTC undertook to revise the draft report. It was noted that the data improvement and the change of methodology were reflected in the revised report. He also presented an 'Outline Communications Plan for the Final Report.' (12TWG/6.1)
20. The TWG received the report and agreed to submit to SOM that part related to the economic impact of travel and tourism development in the APEC region.

6.2 Report on the Study on Promoting the Cultural and Historical Heritage of the APEC Region. (12TWG/6.2)

21. Through the bidding process, a consultant was selected to manage a seminar-workshop on the promotion of history and culture in the APEC region. This project was officially commenced on 10 March 1998 with the awarding and signing of the contract for services. The seminar will be held in Manila, Philippines, on 16-18 June 1998.

22. The topics for this seminar will include cultural tourism, impact of tourism, economic of conservation, conserving cultural sites, interpreting history, community participation, and rationale for growth of sustainable cultural tourism in the APEC region. The Philippines invited the member economies to participate in the seminar and also requested them to extend invitations to other relevant people in their respective economies.

6.3 Report on Tourism Occupational Skill Standards Development in the APEC Region. (Draft Interim Report Was Distributed to Members.)

23. The Indonesian delegate submitted the interim report, and TWG agreed the final draft report will be submitted in October at the next TWG meeting to be held in Langkawi, Malaysia.

6.4 Report on Standardization of Symbols for Visitor Signage in the APEC Region.

24. The delegate of Chinese Taipei briefly noted that several proposals were received and the consultant would be selected soon. The steering committee was composed of Hong Kong, China; Thailand; and Chinese Taipei.

6.5 Report on Possible Tourism Database. (12TWG/6.5)

25. The Australian delegate reported on discussions with the WTO on extension of the WTO's statistical sub-series for the APEC region. The representative from PATA commented that PATA has been working on a similar project. It was agreed that the project overseer will continue to discuss options to achieve the objective with the WTO and PATA.

6.6 Report on Sustainable Development and Community Involvement. (Handout Was Distributed to Members.)

26. The Canadian delegate gave TWG a progress report. The importance of member economies submitting case study nominations by November 1998 at the latest was reiterated. The time frame of the project included the closing of nominations by November 1998, a report on the ongoing development and maintenance of a TWG website in June-August 1999, and the venue of a seminar in October 1999 to be tied in with the 15th TWG meeting.

VII. UPDATE AND REVISION OF THE CTI AND TILF MATRIX AND TWG'S COLLECTIVE ACTION PLANS. (12TWG/7)

27. The meeting agreed with a revised set of TWG's Collective Action Plans, to include issues involving investment, marketing and promotion, and technology. Also, the meeting reallocated certain collective actions according to the new set of issues/areas, and to include new projects agreed upon by the TWG. A first draft reflecting these changes is annexed to this report. The Secretariat will prepare a clean version including these changes to be circulated to member economies by electronic means.

VIII. NEW PROJECT PROPOSAL

8.1 Best cases on Tourism and Cultural Festivals in APEC Member Economies. (12TWG/8.1/1)

28. The Korean delegation introduced a project on a new project entitled "Tourism and Cultural Festivals." The APEC Secretariat commented that the format of the proposal is not consistent with present APEC guidelines. It was agreed that the Steering Committee will include the Philippines, Canada, Russia and Brunei Darussalam.

8.2 Asian Currency Crisis and other related issues.

29. The Singapore delegate presented the result of a short survey to assess the impact of the currency turmoil within the Asia Pacific region. 15 economies responded to the survey. Though the economic crisis had affected APEC economies negatively, most economies still forecasted growth in their visitor arrivals in 1998. TWG agreed that besides visitor arrival statistics, the survey should continue to identify individual action plans initiated by member economies as response to the financial crisis. A steering committee consists of Hong Kong, China; China; Malaysia and Singapore was formed to conduct a second survey. The results of the second survey would be shared at the 13th APEC TWG meeting. (12TWG/8.2/1)

8.3 Environmentally Sustainable Accommodation for Tourism

30. The Australian delegation presented a proposal for a project to present information on a range of best practice initiatives relating to the construction and operation of sustainable tourism accommodation. The TWG agreed that the project be submitted to BAC with a revised budget

because some of the items in the proposed budget are not funded by APEC. Steering committee includes Australia, New Zealand and Indonesia. (12TWG/8.3/1)

8.4 Production of CD-ROM on APEC Tourism

31. The Philippine delegation presented a proposal to produce a CD-ROM with general information on APEC to be distributed to decision makers, tourism entities and general public. A total of 4,000 copies would be produced, within 6 months upon approval of budget allocation from APEC central funds. Steering group is composed of the Philippines (project initiators) Canada, Singapore, Australia, Hong Kong, China, and the APEC Secretariat. It is commented that this project be conducted in conjunction with the Internet website establishment for efficient implementation. (12TWG/8.4)

IX. VOLUNTARY REPORTS FROM DELEGATIONS AND GUESTS

32. Russia, UNESCO, and PATA made presentation on tourism developments. The Chair requested UNESCO to present at the 13th TWG meeting information on criteria and procedures for (i) listing sites on the UNESCO World Heritage List, and (ii) potential uses of virtual reality for cultural tourism. Developments in consumer protection legislation in tourism were discussed. Japan's delegation was asked to prepare a short paper on consumer protection legislation in Japan. PATA volunteered to prepare a brief paper on the European Community Directive on Package Travel. The Chair requested that this issue be made an Agenda item for the next TWG meeting in Langkawi. Other APEC member economies tabled voluntary reports on state of tourism development, which were welcomed and noted by the group.

X. OTHER BUSINESS

10.1 Non-member Participation

33. The TWG was informed that regarding Macao's request to participate as a guest in APEC working groups, the SOM has not reached a consensus. In light of this decision, the TWG agreed to inform Macao that its request has been declined. Regarding Mongolia's request for participation in TWG as guest, the meeting agreed to ask the Secretariat to contact Mongolia and on

behalf of the TWG to clarify Mongolia's request to become a guest at TWG. When Mongolia's answer arrives, the Secretariat will circulate it to TWG members in order to seek consensus on this request, and proceed to inform the SOM to get its endorsement, if consensus is reached.

10.2 Rotation of the TWG Chair

34. The TWG agreed to maintain the system established during the Santiago meeting in 1996. Therefore, this year Malaysia will exercise the chairmanship until December 1998 and New Zealand act as Deputy Chair, and Chair of TWG, in 1999. The Chairmanship of TWG will coincide with the economy that chairs the APEC process in a particular year.

10.3 Timing and Locations of the Future Meetings

35. The TWG was informed that the 13th TWG meeting will take place in Langkawi on 11-14 October 1998. Malaysia extended a warm invitation to all economies to attend the meeting and urged the Secretariat to encourage member economies that have been unable to attend previous meetings to make every effort to ensure participation at Langkawi.
36. Also, the meeting as informed of the following tentative schedule for future meetings:

14th TWG meeting, Mexico, 1st semester 1999

15th TWG meeting, Philippines, 2nd semester, 1999

16th TWG meeting, Hong Kong, China, May 2000

10.4 Any other Business

37. The Chair introduced the Draft Terms of Reference (TOR) (12TWG/10.4/1), and the Secretariat tabled a Ministerial Statement adopted in Seattle on 19 November 1993, concerning APEC TWG TOR (12TWG/10.4/2). In order to respond to instructions from SOM to revise the TOR of APEC fora, the TWG consolidated the Chair's proposal with the Ministerial Statement, considering recent developments in the tourism sector. The TWG agreed in principle to a new TOR annexed to this document. Nevertheless, member economies were invited to provide comments on the draft TOR to the Chair, cc: APEC Secretariat, in order to have the draft TOR finalized and endorsed at the 13th APEC TWG in Langkawi.

38. In other business, the Secretariat requested instructions regarding the possibility of disseminating the Impediments Study on the Web. The TWG Chair suggested, and the meeting agreed, to resubmit this study to the SOM with a note emphasizing the value of this study and the need to develop a methodology to handle this whole issue in tourism development with other APEC fora. Also, it was agreed that the TWG will address at the next meeting in Langkawi the implementation of the second phase of this study.
39. The Secretariat also request that in implementation of all TWG's projects, Project overseers should ensure that they keep the program director well informed of relevant actions and documents associated with project implementation.
40. In compliance with APEC public policy, the Chair's summary report will be made public in 30 day's time from the conclusion of this meeting, provided there is no objection from any member economy.
41. Responding to a specific question raised by the representative of the Philippines, associated with the initiative to identify tourism as a sector for Early Voluntary Sectoral Liberalization (EVSL), the Secretariat informed the meeting on the general procedures that have been set forth for this process. In view of the above, the TWG Chair suggests that the Philippines prepare and develop an initial concept paper to be considered at Langkawi. In doing so, the Philippines will seek the cooperation of other member economies that may be interested in this initiative.

XI. CONSIDERATION AND ADOPTION OF THE CHAIR REPORT

42. The Chair's report was adopted by the meeting and economists may provide input, if any, to the TWG Chair within a time frame of 30 days.

XII. CLOSING REMARKS

43. Mr. Dong-Keun Song, Director of the International Tourism Division, Ministry of Culture and Tourism, Republic of Korea, closed the meeting by expressing his appreciation to the delegates for a productive meeting and for visiting Cheju Island. The TWG Chair, on behalf of the group, expressed appreciation for the excellent hospitality and other arrangements provided by Korea and for the opportunity to visit such an outstanding tourist destination.