



GLOBAL TOURISM
ECONOMY RESEARCH
CENTRE
世界旅遊經濟研究中心

UNWTO/GTERC

Asia Tourism Trends

2017 Edition



UNWTO/GTERC

Asia Tourism Trends



Table of Contents

Forewords

- Taleb Rifai, Secretary-General, World Tourism Organization (UNWTO) **4**
Pansy Ho, Chairman, Global Tourism Economy Research Centre (GTERC) **5**

Acknowledgements

Executive summary

Introduction

12

Chapter 1	Tourism Trends and Outlook	15
1.1	Socio-economic environment	16
1.2	Inbound tourism	19
1.2.1	Recent trends in international tourist arrivals	19
1.2.2	International tourism receipts	23
1.2.3	Top destinations in Asia and the Pacific	25
1.2.4	Inbound tourism by region of origin	27
1.2.5	Inbound tourism by mode of transport	30
1.2.6	Inbound tourism by purpose of visit	32
1.3	Outbound tourism	34
1.3.1	Destination trends and preferences	34
1.3.2	International tourism expenditure and trips	37
1.4	Tourism trends by subregion	40
1.4.1	North-East Asia	40
1.4.2	South-East Asia	43
1.4.3	Oceania	47
1.4.4	South Asia	50
1.5	Tourism prospects	54
1.5.1	Recent results and short-term outlook	54
1.5.2	Long-term outlook: tourism towards 2030	55
1.5.3	Opportunities and challenges	57



Chapter 2 The impact of technology on Asia and the Pacific tourism development and trends	59
2.1 Transportation technologies	60
2.1.1 Summary of key transport innovations over the past 50 years	61
2.1.2 Analysis of growth in air travel	61
2.1.3 Innovations in transport design in the years ahead	64
2.2 Digital technologies	70
2.2.1 Evolution of digital technologies and applications	71
2.2.2 Trends in use of the Internet and adoption of digital technologies and applications	71
2.2.3 Key innovations in digital technology for tourism	77
2.2.4 Sharing economy (or collaborative consumption) and its implications	81
2.2.5 Timeline for future implementation of new technologies and applications	82
Chapter 3 Regional collaboration in tourism in Asia and the Pacific	85
3.1 Introduction	86
3.2 Global context for regional collaboration in tourism	87
3.3 Profile of current regional collaboration frameworks in the Asia and Pacific region	88
3.3.1 Inter-regional tourism collaboration frameworks	90
3.3.2 Regional tourism collaboration frameworks	91
3.3.3 Subregional tourism collaboration initiatives	94
3.4 Challenges facing regional collaboration in tourism in the Asia and Pacific region	103
3.5 Factors shaping the future of regional collaboration in tourism in the Asia and Pacific region	105
3.6 Conclusions	107
Chapter 4 Key tourism agenda in Asia and the Pacific	109
List of acronyms and abbreviations	120
References and bibliography	122



Foreword

Taleb Rifai

Secretary-General,
World Tourism Organization (UNWTO)

The UNWTO/GTERC Annual Report on Asia Tourism Trends – 2017 Edition comes at an auspicious moment as we celebrate the International Year of Sustainable Tourism for Development as designated by the United Nations. Under the IY2017 and the theme 'Travel Enjoy Respect', the World Tourism Organization (UNWTO) is calling upon all stakeholders to engage in a change of policies and business practices that will allow us to advance sustainable tourism and its contribution to the 2030 Agenda.

The current report, the fourth in the series produced by UNWTO and the Global Tourism Economy Research Centre (GTERC), presented at the Global Tourism Economy Forum (GTEF) in Macao, China, in October, bears testimony to some of the actions and initiatives associated with IY2017.

Asia and the Pacific enjoyed exceptional performance in international tourism in 2016, recording a strong 9% increase in arrivals, far above the global average of 4% and Asia's own growth the previous year (5%). There are many factors that explain the region's solid results, but primarily it is the general economic strength of Asia and the Pacific that makes such expansion in travel possible. Asia recorded the fastest economic growth across world regions, largely driven by China and India, the top and third largest economies in Asia, respectively. Economic development has been a boost to tourism particularly through a vibrant and affluent middle-class that has sufficient disposable income to travel.

One of the main features of the tourism market in Asia and the Pacific is that 80% of travel is intraregional, with outbound demand led by China, the world's top spender and leading source market since 2012. In keeping with the special theme of the GTEF this year, the report strives to analyse the characteristics and trends of regional collaboration looking into specific programmes and projects, the function and structure of current collaboration frameworks, the challenges and opportunities and the likely evolution of collaboration in the next decade. Of special significance is China's 'One Belt, One Road' initiative in which regional collaboration plays a very important role.

Attention is also paid to technology and the digital economy in Asia Pacific tourism, its development and trends. The evolution and innovations in technology have had a major impact on transportation while the digital economy is one of the most influential factors shaping global and regional trends.

I trust that this report is of value to all tourism stakeholders and helps to better understand the recent tourism development and trends in Asia and the Pacific.

On behalf of the World Tourism Organization I wish to thank the Global Tourism Economy Research Centre, in particular Ms. Pansy Ho, its Chairman, for the commitment and support in making this study possible.

A handwritten signature in black ink that reads "Taleb Rifai".



Foreword

Pansy Ho

Chairman, Global Tourism
Economy Research Centre (GTERC)

Asia and the Pacific sustained a robust growth in 2016. The statistics in this report show that the dynamic economies in Asia and the Pacific have continued to power the region both as an inbound and an outbound regional source market in the context of global tourism; and that the momentum continues in 2017.

In 2016, Asia and the Pacific received one fourth of the world's total visitors and earned 30% of global tourism receipts. The region also accounted for 317 million outbound visitors and generated almost 40% of the world's tourism expenditures.

China was the number one destination in terms of international tourist arrivals and the second largest in international tourism receipts. China continued to be the number one outbound market in the world since 2012 in terms of trips abroad and expenditure, accounting for an impressive 55% of Asia's outbound expenditure.

Increased disposable income of the growing middle class within the region, and advance policies that provide people with more paid vacation time and more holidays, are known factors that are driving tourism growth. But we must not forget the painstaking collaborative effort, undertaken by the public and private stakeholders in the region that makes travel a standard consumption of our time.

Impactful tourism regional collaborative projects have been initiated by ASEAN and the Greater Mekong Sub-region for a number of years. With the introduction of the sweeping

Belt and Road Initiative by Chinese President Xi Jinping in 2013, regional collaboration has taken on a new meaning. Collaborative efforts in infrastructure development, transportation facilitation, trade and investment policies, information technology and communications, people-to-people exchange, and many other areas are now elevated to the inter-regional level. The future of tourism will be defined by regional collaboration.

I am deeply grateful to have the opportunity to collaborate with Secretary-General Dr. Taleb Rifai who has been GTERC's most learned advisor and trusted supporter, guiding GTERC in many different ways most notably the publication of the annual UNWTO/GTERC Asia Tourism Trends report and the organization of the annual Global Tourism Economy Forum.





Acknowledgements

The UNWTO/GTERC Annual Report on Asia Tourism Trends – 2017 Edition, the fourth in the series, to be presented in Macao, China, at the Global Tourism Economy Forum (GTEF) in October 2017, is a collaborative research project of the Regional Programme for Asia and the Pacific and the Statistics, Trends and Policy Programme of the World Tourism Organization (UNWTO). The work was carried out under the supervision of Mr. Xu Jing and Mr. John Kester, Directors of the two respective Programmes.

From the Statistics Trends and Policy Programme, Mr. Javier Ruescas led the drafting and editing work of the chapter on tourism trends. Mr. Michel Julian, Ms. Hee-Jin Cho, Ms. Julia Baunemann and Ms. Diana Oliveira contributed at different stages with drafting and revision. From the Regional Programme for Asia and the Pacific, Mr. Omar Nawaz coordinated the research project with the contribution of Ms. Hyeon-Jin Lee, Ms. Harmony Lamm and Ms. Thanh Thao Nguyen.

UNWTO wishes to acknowledge the support of Ms. Barbara CY Laam and Mr. Jason Wang of GTERC and expresses its appreciation to the following experts for their valuable contribution:

Mr. Roger Carter and Ms. Gaëlle Connolly for the chapter on ‘The impact of technology on Asia Pacific tourism development and trends’ and Mr. Ludwig Rieder for the chapter on ‘Regional collaboration in tourism in the Asia and the Pacific region’.



Executive Summary

Tourism trends and outlook

Socio-economic environment

Asia and the Pacific: the world's largest region in economic terms

- Asia is the world's largest region in economic output in US dollar terms, after its combined gross domestic product (GDP) reached USD 25.8 trillion in 2016, surpassing that of the Americas (USD 25.2 trillion) for the first time in the historical series;
- The region accounts for over one-third of the world's economy (34%), most of which in North-East Asia (25%);
- Between 2000 and 2016, Asia experienced the fastest economic growth across world regions, largely driven by China and India. The region's GDP grew above 5.0% almost every year in that period, over 7.0% in 2005 and 2006, and over 8.0% in 2007 and 2010;
- This expansion has been fuelled by increasing market liberalization, large infrastructure development and rising middle classes. China is the region's largest economy and the world's second largest, growing 6.9% and 6.7% in 2015 and 2016 respectively;

- Income levels in Asia and the Pacific have surged since the past decade, with the region's per capita GDP practically doubling, from USD 3,170 in 2005 to USD 6,240 in 2016;
- Rapid economic growth in a region with over half the world's population, coupled with rising air connectivity, market openness, travel facilitation and promotion have boosted international travel in Asia and the Pacific, both within the region (intraregional) and to/from other regions (interregional).

International tourist arrivals

Remarkable growth in tourist arrivals in 2016

- Asia and the Pacific is the second most visited region in the world after Europe and has been the fastest growing in recent years. In 2016 the region enjoyed a remarkable 9% increase in international arrivals, the highest across world regions, to reach 308 million international tourists;
- Between 2005 and 2016 Asia outperformed all world regions in terms of growth, with arrivals increasing an average 7% per year, compared to the world average of 4%. Including 2016, the region has seen seven straight years of consistently robust growth;

- By subregion, Oceania, South-East Asia and North-East Asia all enjoyed 9% growth in 2016 and South Asia 8%;
- South Asia and South-East Asia are the fastest-growing subregions in the world, with arrivals increasing an average 11% and 8% per year respectively in the period 2005 to 2016;
- In 2016, half of all international tourist arrivals in Asia and the Pacific were in North-East Asian destinations (154 million arrivals), 37% in South-East Asia (113 million), 8% in South Asia (25 million) and 5% in Oceania (16 million);
- The world ranking by international arrivals features two Asian destinations in the top ten: China (4th) with 59 million international tourist arrivals and Thailand (9th) with 33 million (2016 figures).

International tourism receipts

Asia and the Pacific accounts for 30% of global tourism receipts

- Asia and the Pacific accounts for 30% of the world's international tourism receipts, a share that has almost doubled since 2000 (from 17%);
- In 2016, international tourism receipts in Asia increased by 5% in real terms (in local currencies at constant prices), with particularly strong results in Oceania and South-East Asia (both +10%);
- Thailand is the top tourism earner in Asia and the Pacific with USD 50 billion earned in tourism receipts, after a 15% increase in 2016 and several other years of double-digit growth while China is the number two earner in Asia and number four in the world, with receipts totalling USD 44 billion, after a 5% increase in 2016.

Leading destinations in Asia and the Pacific

China and Thailand are the largest destinations in Asia

- China and Thailand are the top destinations in Asia and the Pacific in terms of international tourist arrivals and international tourism receipts;
- China is the top destination in arrivals (59 million in 2016) and the second largest in receipts (USD 44 billion), while Thailand is the top tourism earner (USD 49 billion) and number two in arrivals (33 million);
- Malaysia is the 3rd largest destination in Asia, measured in arrivals, while Hong Kong, China, is 4th and Japan 5th;
- In 2016, four destinations moved up in the Asia Pacific ranking by arrivals, compared to 2015. Malaysia and the Republic of Korea climbed one place each, and India moved up three, while Cambodia entered the top 15 at number 15.

Inbound tourism by region of origin

Intraregional tourism accounts for 80% of arrivals in Asia and the Pacific

- In 2016, intraregional tourism (originating in the same region) accounted for some 247 million international tourist arrivals in Asia and the Pacific, some 80% of the region's total;
- In North-East Asia intraregional flows account for 88% of arrivals and in South-East Asia 81%;
- Between 2005 and 2016, intraregional tourism flows (+7%) have grown faster than interregional flows (+5%), supported by rising connectivity, much of which through low-cost carrier (LCC) services;
- Europe remains the largest source of interregional travel to Asia and the Pacific, accounting for 10% of all arrivals in the region.

Outbound tourism by region of destination

North-East Asian destinations represent 55% of all intraregional travel

- Outbound travel from Asia and the Pacific – measured by arrivals in different world destinations – reached 317 million in 2016, an 8% increase from 2015;
- Asian destinations represent 78% of the region's outbound travel, while 22% corresponds to other world regions;
- North-East Asian destinations account for 55% of all intraregional travel (within the region) and 43% of outbound travel overall;
- Europe accounts for 54% of all Asian interregional travel (outside the region), measured in arrivals in destinations.

International tourism expenditure and trips

Almost 40% of the world's international tourism expenditure comes from Asia and the Pacific

- Asia and the Pacific generated USD 473 billion in international tourism expenditure in 2016 – both overnight and same-day travellers – some 39% of the world total, up from 20% in 2000. North-East Asia accounts for the largest part of this spending (74%);
- China continues to lead global outbound travel after recording double-digit growth in tourism expenditure every year since 2007, contributing to inbound growth in many destinations in Asia and the Pacific, as well as the United States and several in Europe;
- China now accounts for more than half of Asia's outbound expenditure (55%), and generates some 21% of global tourism receipts. Spending by Chinese travellers increased by 12% in 2016;
- The Republic of Korea is the 2nd largest tourism spender in the region, with USD 27 billion recorded in 2016. Australia is the 3rd largest with a USD 25 billion in tourism spending;
- China's demand for international travel can also be seen in its volume of outbound trips. Mainland Chinese travellers took 135 million trips abroad in

2016 (departures as reported by China), the majority of which to North-East Asian and South-East Asian destinations. This makes it the largest generator of trips in Asia and the world;

- Other large markets measured by departures are the Republic of Korea and India, both reporting 22 million trips in 2016, as well as Japan (17 million) and Taiwan Province of China (15 million);
- The fastest growth in trips in 2016 was reported by Iran, a 36% increase to reach 9 million departures, followed by the Republic of Korea (+16%);
- Relative to the region's population, expenditure by Asia Pacific travellers is still low, with an average spending of USD 115 per capita (travellers and non-travellers), compared with a worldwide average of USD 163;
- There are however, big differences in per capita tourism expenditure across subregions. By far the highest spending comes from Oceania (USD 732), for the same reasons mentioned above for high spending per trip in Australia and New Zealand.

Tourism prospects

- International tourist arrivals (overnight visitors) worldwide grew 6% in the first half of 2017, compared to the same period in 2016. This represents the strongest half-year results in seven years. The solid trend is underpinned by continued growth in many destinations and a recovery in those that suffered declines in 2016;
- By UNWTO region, growth was strongest in the Middle East (+9%), Europe (+8%) and Africa (+8%), followed by Asia and the Pacific (+6%) and the Americas (+3%);
- Mediterranean destinations in particular reported strong growth in the first half of 2017, with remarkable results in North Africa (+16%), Southern and Mediterranean Europe (+12%), and the Middle East (+9%);
- In Asia and the Pacific (+6%), results were led by South Asia (+12%) this six-month period, followed by Oceania (+8%), South-East Asia (+7%) and North-East Asia (+4%);
- Preliminary results for July and August 2017 point to continued growth the second half of the year, and above the long-term trend projected by UNWTO for the period 2010–2020 (+3.8%).



The impact of technology on Asia Pacific Tourism: development and trends

The chapter examines the impact of technology on tourism with special reference to Asia and the Pacific region. The chapter is divided into two sections: the first deals with innovation in transportation technologies and the second on the role of digital technologies, particularly of ICT, and its influence on tourism.

While policy changes in air transport, in the midst of deregulation, have been the principal factor behind the democratization of travel, technological advances in fuel-efficient carriers capable of flying non-stop over long distances have contributed equally to travel facilitation offering better connectivity. These policy changes and innovations originated in America and Europe but gradually spread to Asia.

Asia has held its own in technological innovations and applications in rail travel with Japan leading the way for half a century through its iconic Shinkansen train. China

has continued to make progress with high-speed trains, which has boosted domestic tourism. Technological innovations in motor vehicles (electric cars), cruise ship design and on-demand transportation along with the rapid growth of low-cost carriers (LCCs) have all shaped Asia Pacific tourism in recent years.

In the field of digital technologies the travel sector was one of the first to use computers to enhance business processes on a macro scale, notably through the Global Distribution Systems established by airlines during the 1960s. The focus of this section of the report is on the developments that have taken place since that time in the use of information and communication technologies by the travel and tourism industries; and the changes that may be expected in the years ahead. It deals with the evolution of digital technologies, trends in use of the Internet and adoption of digital technologies with an Asia and the Pacific overview making special reference to China and key online markets. It concludes with key innovations in digital technology and its applications to the sharing economy (or collaborative consumption) and its implications.

Regional collaboration in tourism in the Asia and the Pacific Region

This section of the present publication seeks to review and evaluate the role, function, benefits, costs, challenges, lessons learned in regional collaboration in tourism policy, planning, infrastructure development, investment marketing, research and product development, and likely future evolution of collaboration given the changing global economic and social environment and the context of the SDGs.

The research first provides a global context and rational for collaboration in tourism, and then identifies, profiles and discusses the current regional and subregional collaboration frameworks within the Asia and Pacific Region and between China and Eastern Europe within China's 'One Belt, One Road' initiative.

Using the existing cases, it reviews and evaluates the rationale and evolution of regional collaboration in tourism in the Asia and Pacific Region and the factors underlying its evolution.

Next, the chapter identifies and discusses some of the main challenges to collaboration in tourism in the Asia and Pacific Region and indicates ways in which these challenges could be addressed and thereon elaborates on the main factors shaping the future evolution of regional collaboration in tourism in the Asia and Pacific Region and its implications for the collaborating parties.

Finally, the study sets out the main conclusions of the review and evaluation of regional collaboration in tourism in the Asia and Pacific Region and sets out recommendations for enhancing collaboration going forward.

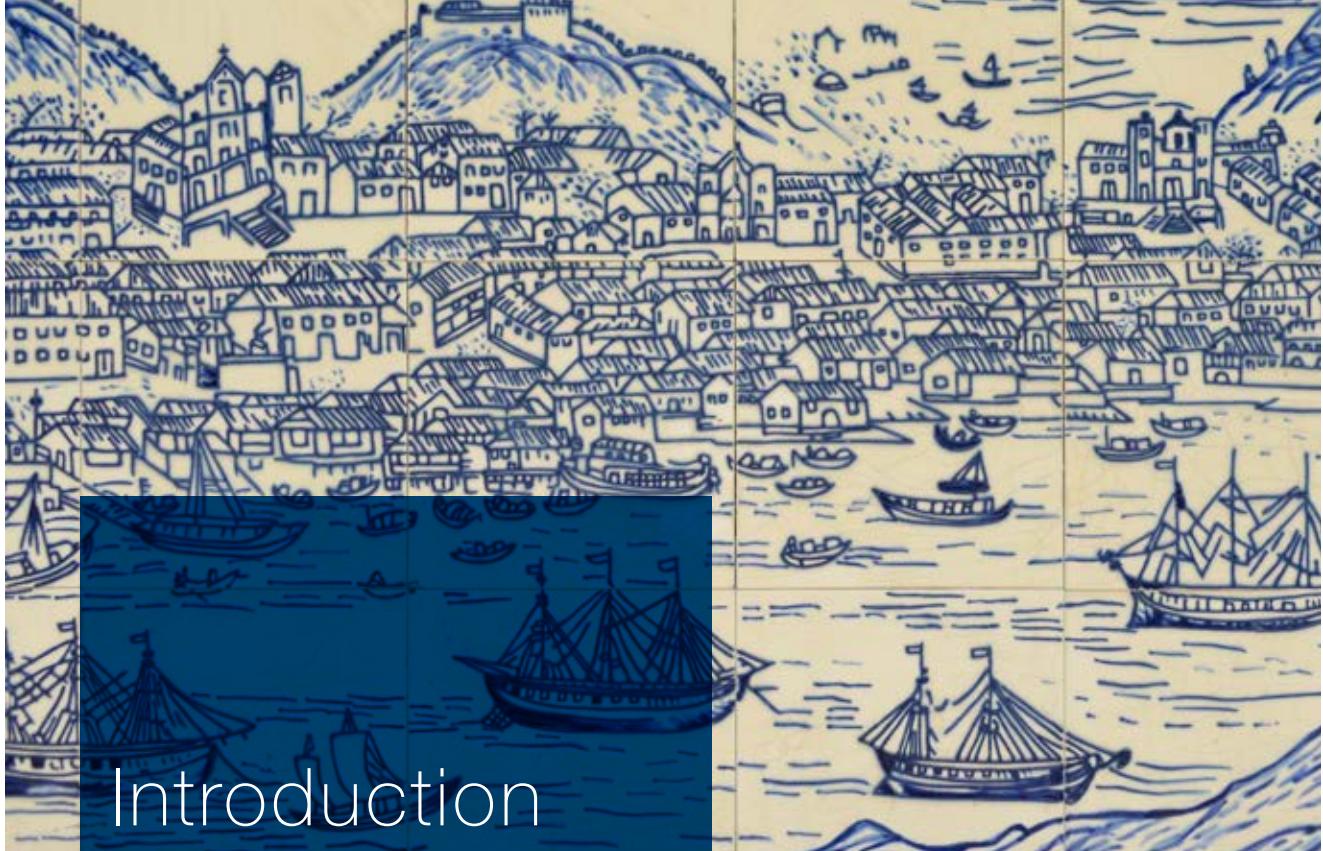
Key Tourism agenda in Asia and the Pacific

The two major components of this section concern research publications and activities related to conferences, seminars and workshops undertaken in 2017 by the Regional Programme for Asia and the Pacific (RPAP) and the Statistics, Trends and Policy Programme (STTP) either completed or due for completion in the course of the year. The following publications are noteworthy:

- *Contribution of Islamic Culture and its Impact on the Asian Tourism Market;*
- *Overview of the Meetings Industry in Asia;*
- *International Rural Tourism Development – An Asia-Pacific Perspective;*
- *Managing Growth and Sustainable Tourism Governance in Asia and the Pacific;*
- *Penetrating the Chinese Outbound Tourism Market – Successful Practices and Solutions; and*
- *New Platform Tourism Services (or the so-called Sharing Economy) – Understand, Rethink and Adapt.*

Under the banner IY2017 and theme 'Travel Enjoy Respect' UNWTO has undertaken a host of activities with the public and private sector tourism stakeholders being invited by UNWTO to share and support the initiatives.

For further details refer to:
www.travelenjoyrespect.org/
www.tourism4development2017.org/



Introduction

Unprecedented growth of Asia and the Pacific

As in previous years, global tourism continued to experience steady growth in 2016. International tourist arrivals increased to 1,235 million worldwide (+ 3.9%) and tourism receipts grew at a slightly lower rate, compared to the arrivals, of 2.6%. However, it is notable that “destinations worldwide welcomed 598 million international tourists in the first six months of 2017, some 36 million more than in the same period of 2016. At 6%, growth was well above the trend of recent years, making the current January–June period the strongest half-year since 2010”.¹

In the context of global tourism, the role of Asia and the Pacific, both as an inbound and an outbound regional source market, has to be examined carefully.

Asia and the Pacific received 25 million more visitors in 2016 to record a total of 308 million arrivals, one fourth of the world’s total, showing an exceptional increase of 9% over the previous year. This growth was fuelled by strong intra- and inter-regional source markets with all subregions performing equally well. Some of the outstanding performances came from the Republic of Korea (+ 30%), Viet Nam (+ 26%), Japan (+ 22%) and India (+ 11%) in 2016.

While inbound tourism has been a dominant force, the outbound sector should not be ignored. Driven by the strong economic environment of the region where Asia

and the Pacific has registered GDP growth surpassing 5%, a strong and vibrant middle-class has emerged with disposable income to travel. Along with advances in the region such as paid vacations, more holidays especially in the form of festive-breaks coinciding with traditional New Year and religious celebrations, travel and tourism has been the main beneficiary of the socio-economic and socio-cultural progress. Evolution of information and communications technology (ICT) has also had a profound impact on tourism.

China is the largest economy in Asia and the Pacific and the second largest in the world. As a result of its remarkable economic growth in a country with the largest population in the world, international travel from China has boomed in the last decade. Since 2012 China occupies the number 1 rank as the leading outbound market in the world both in terms of trips abroad and expenditure. It has become the key source market not only for many destinations in Asia and the Pacific but also for other destinations in the world.

A notable feature of tourism in Asia and the Pacific is that 80% of the traffic is intraregional, a similar percentage as in 2015. The dominant regional influence has been prevalent since 2006 (78%).

¹ World Tourism Organization (2017c), *UNWTO World Tourism Barometer*, Volume 15, August 2017, UNWTO, Madrid.

The impact of technology on Asia and the Pacific Tourism

The global impact of technology on society at large has been so profound that one speaks of the 21st century in terms of a paradigm shift from the industrial to the technological age. Like all other sectors, tourism has been affected by technological developments and innovations. The impact of technology on the Asia and the Pacific region is seen through its influence on transport that is the bedrock of the sector. If not for the technological advances in aircraft carriers that are bigger, faster and more fuel efficient air passenger traffic could not have increased from 300 million in 1970 to 3.6 billion in 2016. Asia-Pacific's lead in world air passenger traffic is expected to increase dramatically by 2035 to twice the level in Europe. Technological innovations have left a deep imprint on road, rail and sea transport as well: self-drive cars are already on the scene while experimentation is taking place of tubular capsules that could reach 700 miles (1127 km) per hour.

The second component of technology to impact on Asia and the Pacific tourism pertains to advances in the digital field, especially ICT. The travel industry has seen a rapid transformation as a result of ICT that has changed the pattern of bookings through the advent of FIT travel and with it to the rise in the technology savvy millennials who are today the leaders in Asia and the Pacific tourism. The surge in the outbound Chinese market is attributable to this new class of travellers. The digital technology has also had an impact on accommodation and local transport with the rise of the sharing economy (or collaborative consumption). The future of tourism in Asia and the Pacific will be profoundly shaped by the development and progress in technology.

Regional collaboration in tourism in the Asia and the Pacific region

The regional influence while being market driven has at the same time brought out features that call for an evaluation and better understanding of the regional collaboration frameworks, either economic or political, in Asia and the Pacific since they have a bearing on tourism. Thirteen regional collaboration bodies have been identified and analyzed. It is also to be noted that regional and transregional collaboration is of relevance since China's Belt and Road initiative has led to a number of collaborative economic frameworks that serve as a foundation of future alliances where public and private sector cooperation in tourism is a prominent topic.

The Global Tourism Economy Forum (GTEF) held its 6th edition in Macao, China, from 16–17 October 2017 (www.gte-forum.com) during which *UNWTO/GTERC Asia Tourism Trends, 2017 Edition* was presented. The main theme of this year's GTEF is Regional Collaboration towards a Better Future.

Agenda of tourism activities

The report concludes with the key research publications and the major events in Asia and the Pacific such as conferences, seminars and workshops undertaken in 2017 by the Regional Programme for Asia and the Pacific (RPAP) and the Statistics, Trends and Policy Programme (STTP). Sustainable tourism development has been the main focus area of UNWTO in keeping with the universal 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). The United Nations 70th General Assembly designated 2017 as the International Year of Sustainable Tourism for Development. Under the banner IY2017 and theme 'Travel Enjoy Respect' UNWTO has carried out a host of activities with the public and private sector tourism stakeholders being invited by UNWTO to share and support the initiatives. (See: www.tourism4development2017.org).

*Destinations worldwide welcomed
598 million international tourists in the
first six months of 2017, some 36 million
more than in the same period of 2016.*





Tourism trends and outlook

1



1.1 Socio-economic environment

Asia and the Pacific is the world's largest region in economic output

With a population of 4.1 billion inhabitants, Asia and the Pacific is the world's largest region demographically, accounting for more than half of the population on the planet (56%). Africa, the Americas and Europe are home to roughly 1 billion inhabitants each, and the Middle East about 0.25 billion.

Asia is also the world's largest region in economic terms, after its combined gross domestic product (GDP) reached USD 25.8 trillion in 2016, surpassing that of the Americas (USD 25.2 trillion) for the first time in the historical series. Asia now boasts the highest economic output measured in US dollars, according to data from the International Monetary Fund (IMF). The region accounts for over one-third of the world's economy (34%), most of which in North-East Asia (25%). Between 2000 and 2016, Asia experienced the fastest economic growth across world regions, largely driven by China and India. The region's GDP grew above 5.0% almost every year in that period, over 7.0% in 2005 and 2006, and over 8.0% in 2007 and 2010.

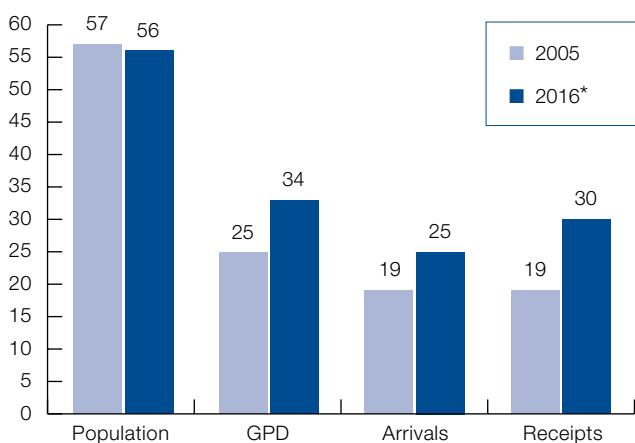
The region is home to both advanced and developing economies of varying sizes and income levels. Japan, the Republic of Korea and Australia are industrialised countries with high GDP per capita and typically lower growth rates, while China and India are large emerging

economies with huge populations and a recent history of strong economic growth. This expansion has been fuelled by increasing market liberalisation, large infrastructure development and rising middle classes. With a GDP of USD 11.2 trillion, China is the region's largest economy and the world's second largest, accounting for 44% of Asia's output. Its GDP grew 6.9% and 6.7% in 2015 and 2016 respectively. Japan (USD 4.9 trillion) is Asia and the Pacific's second largest economy and the world's third largest, while India (USD 2.3 trillion) is number 3 in the region and 7th globally.

Most of Asia and the Pacific's GDP is generated in North-East Asia (72%), particularly by China (44%) and Japan (19%), which are Asia's leading economies. India (South Asia) contributes 9% to regional GDP, while the Republic of Korea and Australia (Oceania) each account for roughly 5%. In 2016, the region's economy grew 5.4%, with China (+6.7%) and India (+6.8%) contributing the most to GDP growth in absolute terms, measured in US dollars.

Income levels have surged in Asia and the Pacific since the past decade, with the region's per capita GDP practically doubling, from USD 3,170 in 2005 to USD 6,240 in 2016, an increase of 97%. By subregion, South-East Asia recorded the highest growth (+127%), from USD 1,760 to USD 4,000. South Asia (+116%) and North-East Asia (+106%) also saw their GDP per capita more than double. Developing economies in particular have benefited from rapid industrialisation, infrastructure development and economic reforms, contributing to the region's rising income and consumption levels. China is the prime

Asia and the Pacific share in world GDP, population, international tourist arrivals and receipts (%)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

example, with GDP per capita more than quadrupling this eleven-year period, from USD 1,750 in 2005 to USD 8,110 in 2016. Myanmar, Lao People's Democratic Republic, Mongolia and Viet Nam among others, have also seen exceptional growth in per capita GDP, though from lower base numbers.

There are however, major differences in income levels across regions and countries. Oceania has a GDP per capita of USD 36,590 while South Asia has a figure of USD 1,790. Macao, China, has the highest GDP per capita in Asia and the Pacific, at USD 67,040, followed by Singapore (USD 52,960) and Australia (USD 51,850), while in China and India GDP per capita is USD 8,110 and USD 1,720 respectively.

The largest subregions in terms of population are South Asia (44%) and North-East Asia (39%), mainly due to the populations of India (1.3 billion inhabitants) and China (1.4 billion) respectively, the two most populated countries in the world. However, it is North-East Asia that accounts for the largest share of the region's economy (72%), while South Asia generates 13% of the Asia Pacific total. South-East Asia accounts for 15% of the region's total population (639 million) and 10% of its GDP. Oceania, with 40 million inhabitants, accounts for only 1% of the region's total population, but 6% of its GDP, due to Australia's comparatively larger economy.

Population and GDP by subregion

	Population					Gross domestic product (GDP)					GDP per capita				
	(billion)				Share (%)	(USD trillion)				Share (%)	(USD)				Growth (%)
	1995	2005	2015	2016*		1995	2005	2015	2016*		1995	2005	2015	2016*	
World	5.7	6.5	7.3	7.4	100	31.0	47.5	74.2	75.3	100	5,470	7,360	10,200	10,230	39
Advanced economies ¹	0.9	1.0	1.1	1.1	14.4	25.2	36.3	44.9	46.1	61.2	27,000	36,510	42,690	43,610	19
Emerging economies ¹	4.7	5.5	6.2	6.3	85.6	5.8	11.3	29.3	29.2	38.8	1,220	2,060	4,710	4,630	125
By UNWTO regions:															
Asia and the Pacific	3.2	3.7	4.1	4.1	56.1	9.0	11.7	24.8	25.8	34.2	2,770	3,170	6,070	6,240	97
North-East Asia	1.4	1.5	1.6	1.6	22.0	7.2	8.5	17.9	18.5	24.5	5,000	5,540	11,090	11,400	106
South-East Asia	0.5	0.6	0.6	0.6	8.7	0.7	1.0	2.4	2.6	3.4	1,480	1,760	3,870	4,000	127
Oceania	0.03	0.03	0.04	0.04	0.5	0.5	0.9	1.4	1.5	2.0	15,680	25,990	36,270	36,590	41
South Asia	1.3	1.5	1.8	1.8	24.9	0.6	1.3	3.1	3.3	4.3	480	830	1,700	1,790	116
Europe	0.9	0.9	0.9	0.9	12.4	10.9	16.9	20.5	20.5	27.2	12,670	19,330	22,600	22,420	16
Americas	0.8	0.9	1.0	1.0	13.4	10.2	17.1	24.9	25.2	33.5	13,100	19,290	25,350	25,470	32
Africa	0.6	0.8	1.0	1.1	14.6	0.6	0.9	1.9	1.8	2.4	870	1,140	1,810	1,690	48
Middle East	0.1	0.2	0.2	0.3	3.5	0.4	1.0	2.1	2.0	2.7	2,750	4,970	8,300	7,950	60

¹ Classification based on the International Monetary Fund (IMF), see the Statistical Annex of the IMF *World Economic Outlook*, April 2017, page 175, at: www.imf.org/external/ns/cs.aspx?id=29.

* Provisional figure or data.

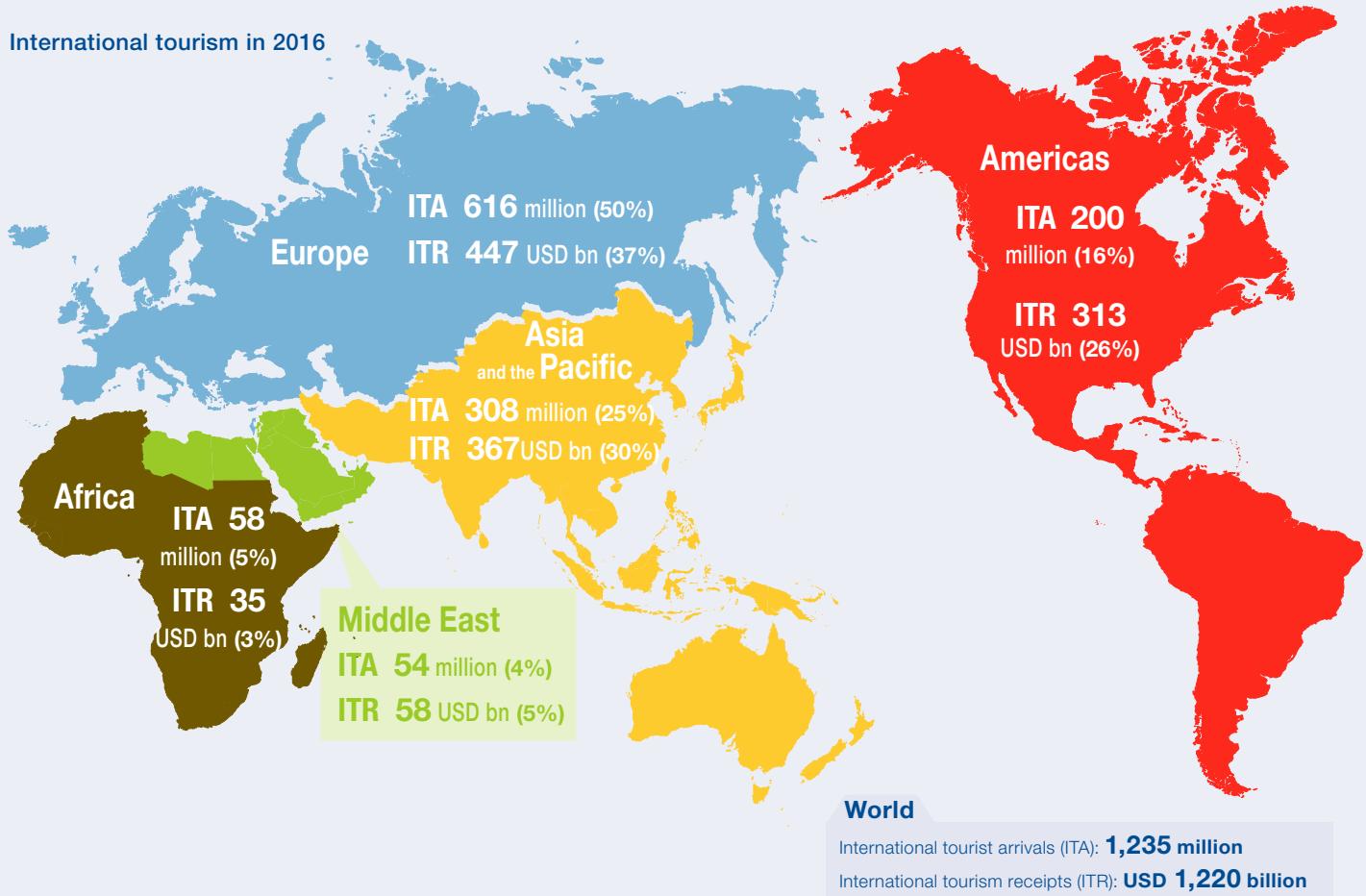
Source: Compiled by UNWTO from International Monetary Fund, *World Economic Outlook* and World Tourism Organization (2017).

Top ten economies in Asia and the Pacific

Rank	Country	Population (million)	Gross domestic product (GDP)		Real GDP (% change over previous year)	
			(USD billion)	per capita (USD)	2015	2016
World		7.4 billion	75.3 trillion	10,230	3.4	3.1
	Asia and the Pacific	4.1 billion	25.8 trillion	6,240	5.3	5.4
1	China	1,382.7	11,218	8,110	6.9	6.7
2	Japan	126.9	4,939	38,920	1.2	1.0
3	India	1,309.3	2,256	1,720	7.9	6.8
4	Republic of Korea	51.2	1,411	27,540	2.8	2.8
5	Australia	24.3	1,259	51,850	2.4	2.5
6	Indonesia	258.7	932	3,600	4.9	5.0
7	Taiwan Pr. of China	23.5	529	22,450	0.7	1.4
8	Thailand	69.0	407	5,900	2.9	3.2
9	Iran	80.5	377	4,680	-1.6	6.5
10	Hong Kong, China	7.4	321	43,530	2.4	1.9

Source: Compiled by UNWTO from International Monetary Fund, *World Economic Outlook* and UNWTO (2017).

Rapid economic growth in a region with over half the world's population, coupled with rising air connectivity, market openness, travel facilitation and promotion have boosted international travel in Asia and the Pacific, both within the region (intraregional) and to/from other regions (interregional). Asia already accounts for 30% of the world's international tourism receipts and a one-fourth of international arrivals (25%). In 2012 China became the world's top spender on international tourism and is today the fourth largest destination both in terms of arrivals and receipts. Thailand became the world's third largest tourism earner in 2016, after climbing from 12th place in only six years. The potential for tourism in this part of the world is still huge, especially from large emerging markets.



1.2 Inbound tourism

1.2.1 Recent trends in international tourist arrivals

Asia and the Pacific recorded strongest growth in arrivals in 2016

Asia and the Pacific is the second most visited region in the world after Europe and has been the fastest growing in recent years. In 2016 the region enjoyed a remarkable 9% increase in international arrivals, the highest across world regions, to reach 308 million international tourists. This represents one-fourth of the world's total. Between 2005 and 2016 Asia outperformed all world regions in terms of growth, with arrivals increasing an average 7% per year, compared to the world average of 4%. Including 2016, the region has seen seven straight years of consistently robust growth.

By subregion, Oceania, South-East Asia and North-East Asia all enjoyed 9% growth in 2016 and South Asia 8%. Two Asian subregions, South Asia and South-East Asia, are the fastest-growing subregions in the world, with arrivals growing an average 11% and 8% per year respectively in the period 2005 to 2016. Subsaharan Africa (6% per year) is the third fastest-growing.

Since 1990, the Asia Pacific region has seen steady and sometimes spectacular growth in international tourist arrivals year after year with the exception of a downturn in 2003, following the SARS outbreak, and a smaller decrease in 2009 due to the global financial and economic crisis. It became the world's second most visited region after overtaking the Americas in 2002. Asia's share of worldwide arrivals has increased steadily from 16% in 2000, to 25% in 2016.

North-East Asia accounts for half of arrivals in Asia and the Pacific

Most countries in Asia and the Pacific have benefited from tourism development in the last decades, enjoying healthy growth in international arrivals, supported by increased capacity, air connectivity and infrastructure development. In 2016, half of all international tourist arrivals in Asia and the Pacific were recorded in North-East Asian destinations (154 million arrivals), 37% in South-East Asia (113 million), 8% in South Asia (25 million) and 5% in Oceania (16 million).

Seventeen destinations in the region received 5 million international tourists or more in 2016, eight of which are in South-East Asia, six in North-East Asia, two in South Asia

and one in Oceania. These destinations drive the trend in their respective subregions.

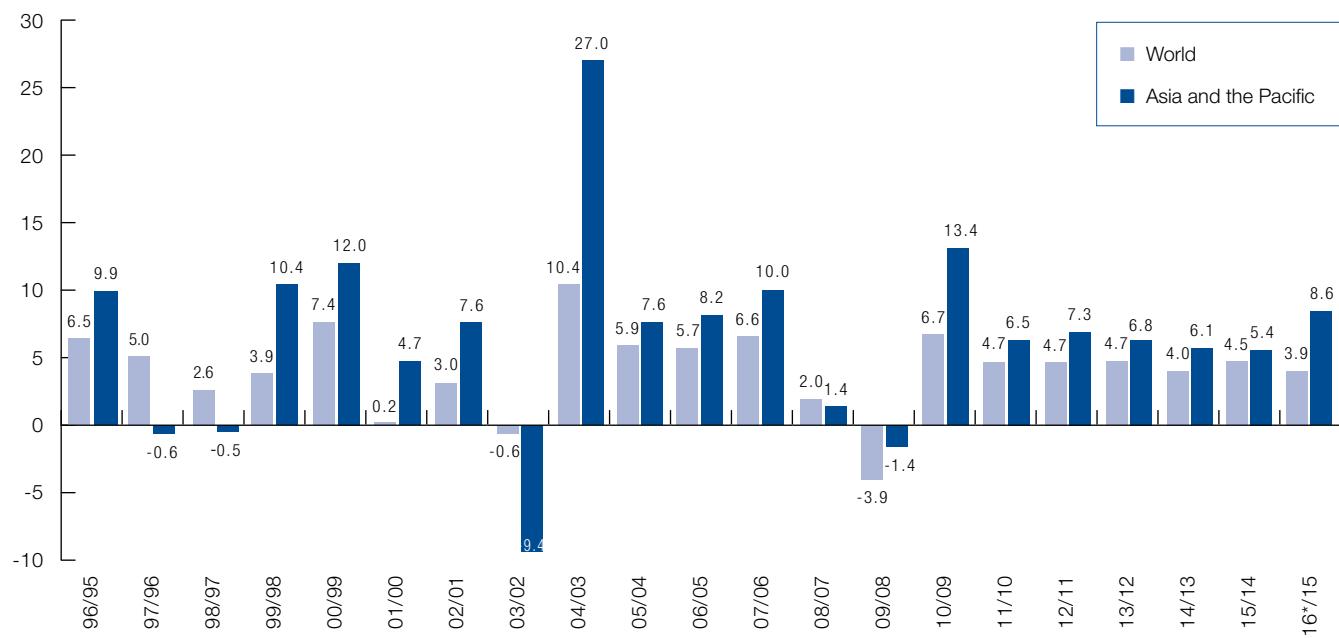
In South-East Asia, Thailand, Malaysia, Singapore, Indonesia, Viet Nam, the Philippines, Cambodia and Myanmar together account for virtually all arrivals in the subregion. Similarly, China, the two Chinese Special Administrative Regions of Hong Kong and Macao, Japan, the Republic of Korea and Taiwan Province of China represent practically the total for North-East Asia. India and Iran account for 77% of arrivals in South Asia, while Australia accounts for 53% of those in Oceania.

Other destinations usually report lower arrivals numbers in absolute terms, but these are often large relative to their population. This is particularly the case in many Pacific island destinations. In fact, Oceania has the highest arrivals per capita of all Asian subregions (39 arrivals per 100 inhabitants), about five times that of the overall region (8 per 100).

The world ranking by international arrivals features two Asian destinations in the top ten: China (4th) with 59 million international tourist arrivals in 2016 and Thailand (9th) with 33 million. Malaysia; Hong Kong, China; and Japan rank 12th, 13th and 16th respectively.

Please note that all symbols and abbreviations used in this chapter are explained at the bottom of page 26.

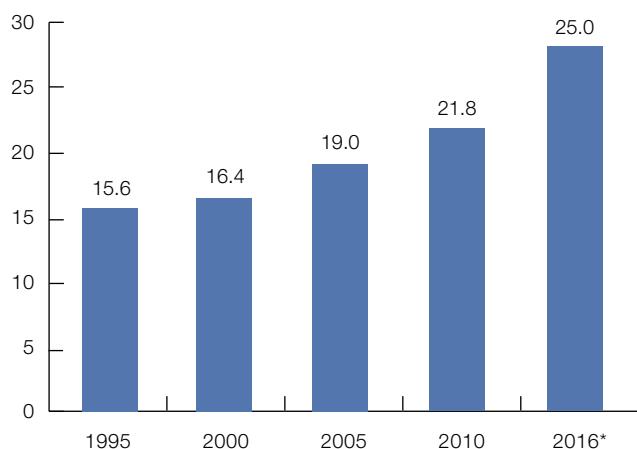
Annual growth in international tourist arrivals in Asia and the Pacific (% change)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

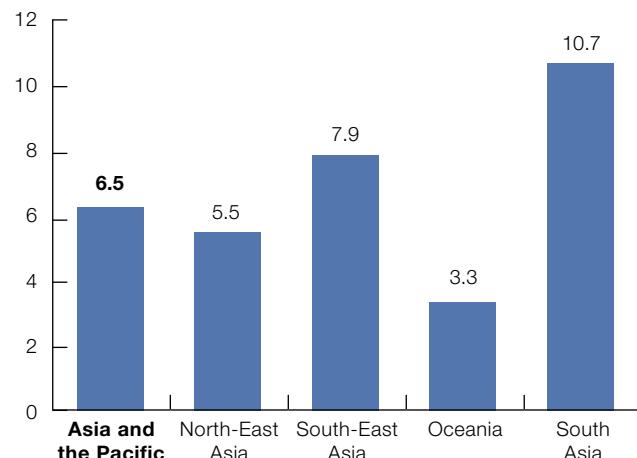
Asia and the Pacific's share of international tourist arrivals worldwide (%)



Source: World Tourism Organization (UNWTO).

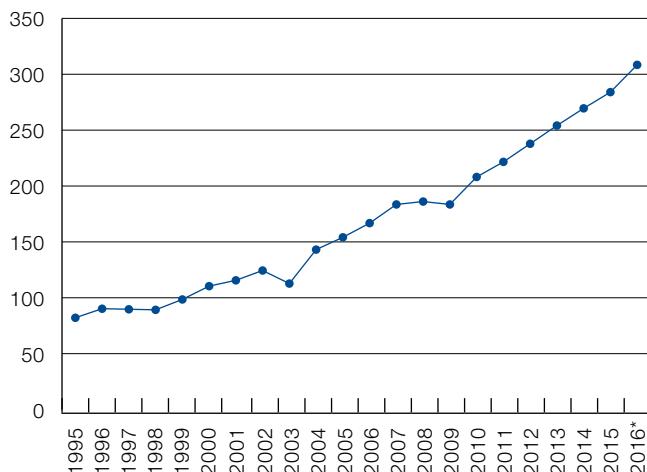
* Provisional figure or data.

Average annual growth in Asia and the Pacific's international tourist arrivals by subregion, 2005–2016 (%)



Source: World Tourism Organization (UNWTO).

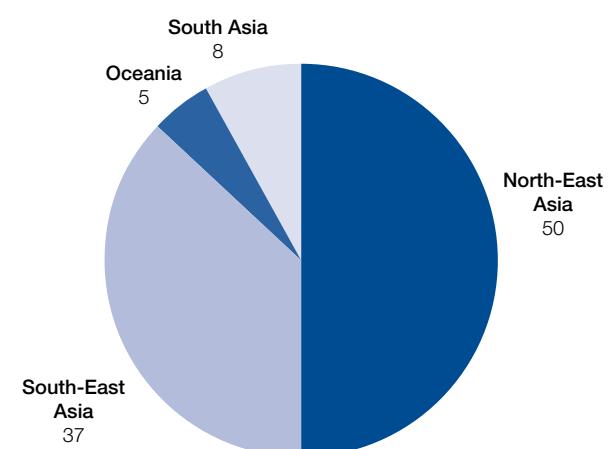
International tourist arrivals in Asia and the Pacific (million)



Source: World Tourism Organization (UNWTO).

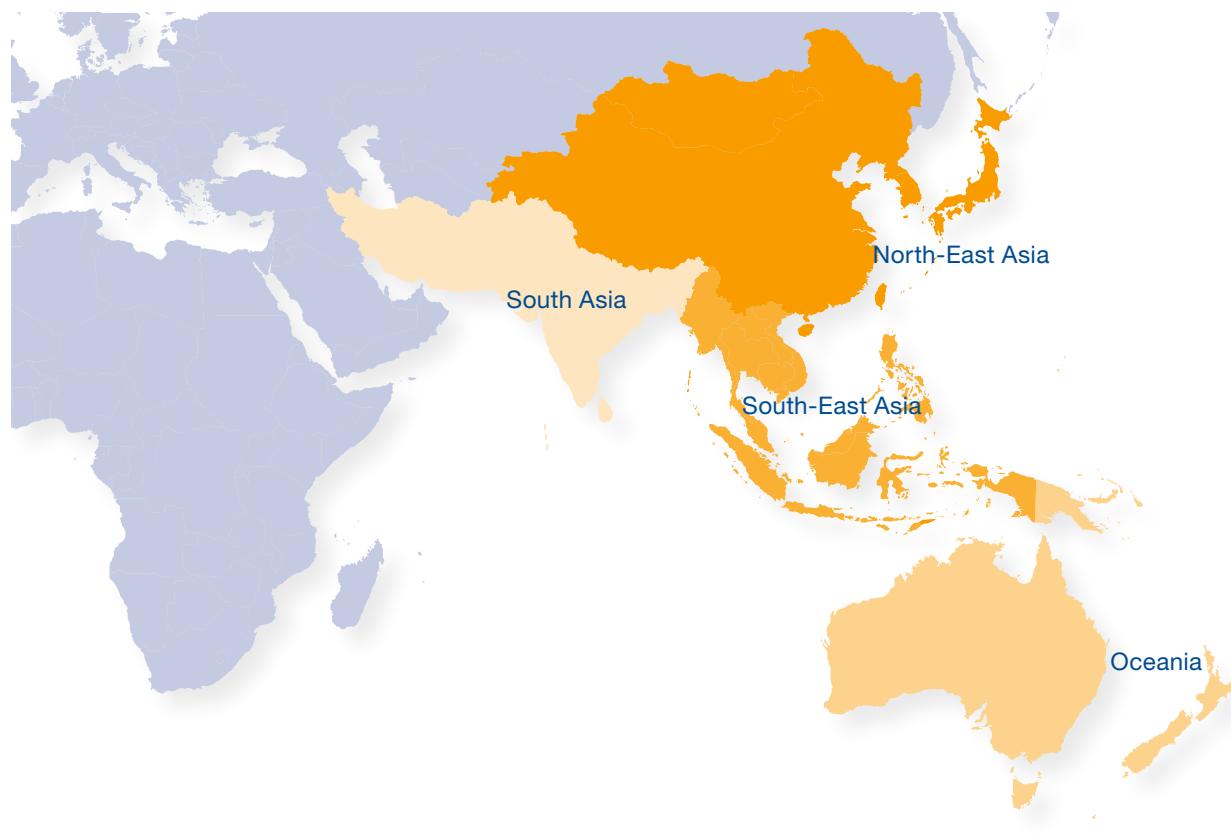
* Provisional figure or data.

International tourist arrivals in Asia and the Pacific by subregion, 2016 (% share)



Source: World Tourism Organization (UNWTO).

Asia and the Pacific subregions



International tourist arrivals by subregion

	International tourist arrivals (million)						Share (%)	Change			
	1995	2000	2005	2010	2015	2016*		(%)	15/14	16*/15	05–16*
World	526	674	809	953	1,189	1,235	100	4.5	3.9	3.9	
Advanced economies ¹	337	424	470	516	653	685	55.5	5.0	4.9	3.5	
Emerging economies ¹	189	250	339	437	536	550	44.5	4.0	2.7	4.5	
By UNWTO regions:											
Asia and the Pacific	82.1	110.4	154.1	208.1	284.0	308.4	25.0	5.4	8.6	6.5	
North-East Asia	41.3	58.3	85.9	111.5	142.1	154.3	12.5	4.3	8.6	5.5	
South-East Asia	28.5	36.3	49.0	70.5	104.2	113.3	9.2	7.4	8.7	7.9	
Oceania	8.1	9.6	10.9	11.4	14.3	15.6	1.3	7.6	9.4	3.3	
South Asia	4.2	6.1	8.3	14.7	23.4	25.2	2.0	2.3	7.6	10.7	
Europe	303.5	386.6	453.2	489.0	603.3	615.9	49.9	4.7	2.1	2.8	
Americas	108.9	128.2	133.3	150.1	192.7	199.6	16.2	5.9	3.6	3.7	
Africa	18.7	26.2	34.8	50.4	53.4	57.7	4.7	-2.9	8.0	4.7	
Middle East	12.7	22.4	33.7	55.4	55.6	53.8	4.4	0.7	-3.4	4.3	

¹ Classification based on the International Monetary Fund (IMF), see the Statistical Annex of the IMF *World Economic Outlook*, April 2017, page 175, at: www.imf.org/external/ns/cs.aspx?id=29.

* Provisional figure or data.

Source: World Tourism Organization (UNWTO).

1.2.2 International tourism receipts

Asia and the Pacific accounts for 30% of the world's international tourism receipts

The success of inbound tourism in Asia and the Pacific is also reflected in the growth of international tourism receipts. The region earned USD 367 billion in tourism receipts in 2016, or 30% of the world total, a share that has almost doubled since 2000 (from 17%). Asia's share of receipts is above its share of world arrivals (25%) indicating that tourism spending per trip in the region exceeds the world average.

In 2016, international tourism receipts in Asia increased by 5% in real terms (local currencies at constant prices), with particularly strong results in Oceania and South-East Asia (both +10%). Australia (+13%) and Thailand (+15%) led growth in those subregions respectively. Results were fuelled by strong intraregional demand, mostly from top source market China; the Republic of Korea; Australia; and Hong Kong, China. In South Asia, receipts increased 7% last year, while in North-East Asia (+0%) they were flat, partly due to the stronger currencies of Hong Kong, China; and Macao, China, which appreciated versus

others in the region. Weaker results in Taiwan Province of China, also weighed down on the subregion's total.

Looking at individual destinations, Thailand is the top tourism earner in Asia and the Pacific, with USD 50 billion earned in 2016, up 15% from 2015 and following several years of double-digit growth. Thailand is also the world's 3rd largest earner after climbing two places in 2016. China is the number two earner in Asia and number four in the world, with receipts totalling USD 44 billion last year, after a 5% increase. Hong Kong, China, ranks 3rd in the region and 9th in the world, with a figure of USD 33 billion in receipts. Top destinations are analysed in more detail in the following section 1.2.3.

International tourism receipts by subregion

	International tourism receipts (USD billion)						Change (local currencies, constant prices, %)		Share (%)	Receipts per arrival (USD)
	1995	2000	2005	2010	2015	2016*	15/14	16*/15		
World	415	495	701	961	1,196	1,220	4.0	2.6	100	990
Advanced economies ¹	313	359	481	623	773	787	2.9	1.6	64.5	1,150
Emerging economies ¹	102	136	220	338	422	433	6.4	4.4	35.5	790
By UNWTO regions:										
Asia and the Pacific	76.6	86.0	135.8	250.3	349.4	366.6	2.6	4.8	30.1	1,190
North-East Asia	31.3	39.4	64.3	123.0	167.1	168.9	-3.7	-0.2	13.9	1,090
South-East Asia	27.4	26.8	35.0	68.5	108.5	117.1	8.0	9.7	9.6	1,030
Oceania	14.5	14.9	26.6	38.7	42.3	46.7	11.6	10.1	3.8	2,990
South Asia	3.4	4.8	10.0	20.1	31.6	33.8	6.3	7.1	2.8	1,340
Europe	209.8	233.2	351.5	411.9	449.6	447.3	2.7	0.9	36.7	730
Americas	109.9	148.7	164.9	215.3	305.8	313.3	8.2	2.7	25.7	1,570
Africa	8.3	10.3	22.3	31.2	32.8	34.8	0.6	8.4	2.9	600
Middle East	10.3	16.8	26.6	52.2	58.2	57.6	7.4	-1.6	4.7	1,070

¹ Classification based on the International Monetary Fund (IMF), see the Statistical Annex of the IMF *World Economic Outlook*, April 2017, page 175, at: www.imf.org/external/ns/cs.aspx?id=29.

* Provisional figure or data.

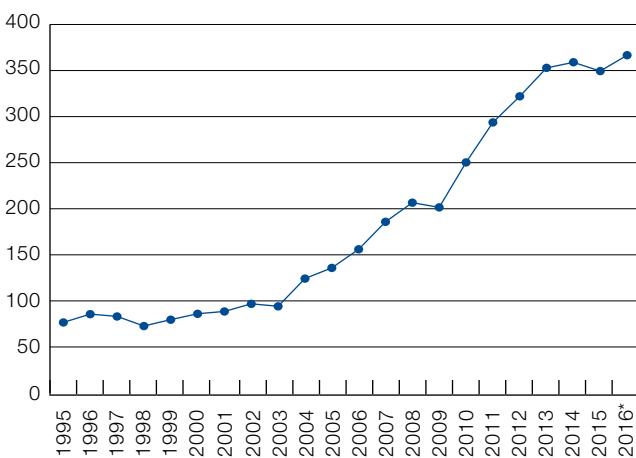
Source: World Tourism Organization (UNWTO).

Asian receipts per arrival exceed the world average

As mentioned earlier, Asia and the Pacific's share of tourism receipts exceeds its share of arrivals, revealing higher than average spending by inbound tourists in the region. Indeed, Asia earns an average USD 1,190 from every tourist (arrival), above the world average of USD 990. By subregion, Oceania has the highest relative earnings, some USD 2,990 per arrival, more than double that of South Asia (USD 1,340), and almost three times that of South-East Asia (USD 1,030).

The relatively high earnings in Oceania are due to the subregion's larger proportion of long-haul visitors, who tend to stay longer at their destination and spend more as a result. Higher levels of income per capita and thus higher prices, namely in Australia, are also an important factor.

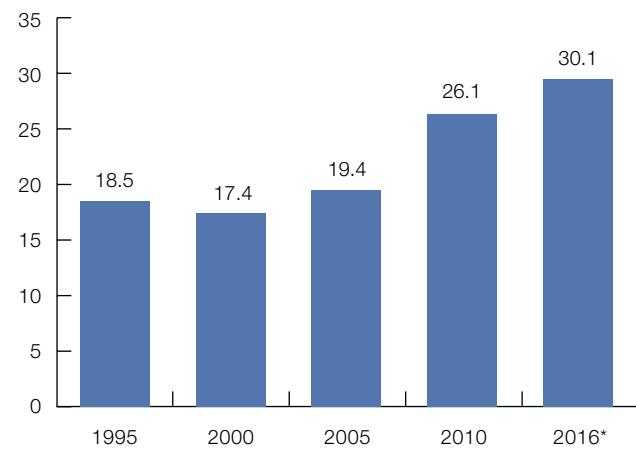
International tourism receipts in Asia and the Pacific (USD billion)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

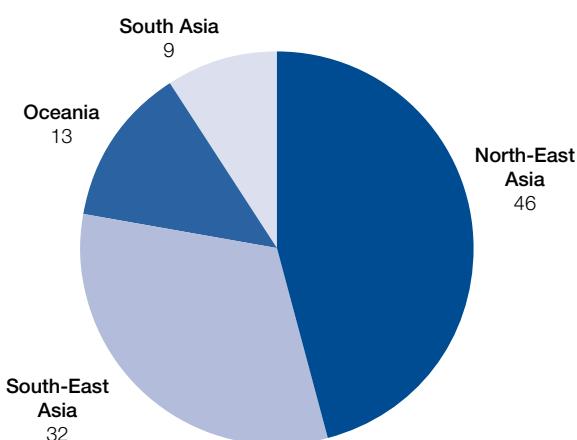
Asia and the Pacific's share of international tourism receipts (%)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

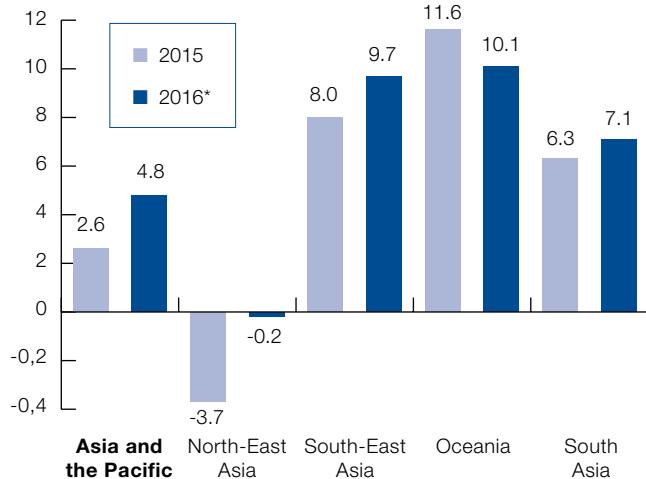
International tourism receipts in Asia and the Pacific by subregion, 2016* (% share)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

Growth in international tourism receipts in Asia and the Pacific subregions (%, real terms)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.



1.2.3 Top destinations in Asia and the Pacific

When ranking the top international tourism destinations, it is useful to take both international tourist arrivals and international tourism receipts into account. Ranked according to both indicators, it is interesting to note that fourteen of the top fifteen Asia Pacific destinations appear on both lists (though in different order), despite showing marked differences in terms of the type of tourists they attract, their average length of stay and their spending per trip and per night.

China and Thailand are the top destinations in Asia and the Pacific according to both indicators, though in inverse order. China is the top destination in arrivals (59 million in 2016) and the second largest in receipts (USD 44 billion), while Thailand is the top tourism earner in Asia (USD 50 billion) and number two in arrivals (33 million arrivals). China is also number four worldwide in both rankings, while Thailand is ninth in arrivals and third in receipts globally.

Malaysia is the 3rd largest destination in Asia, measured in arrivals (26.8 million) and 9th in receipts (USD 18 billion), while Hong Kong, China, is 4th in arrivals (26.6 million) and 3rd in receipts (USD 33 billion). Japan is 5th both in arrivals (24 million) and earnings (USD 31 billion).

Beyond these top five Asian destinations, the Republic of Korea is 6th in international arrivals (17 million) and 10th in international receipts (USD 17 billion), while Macao, China, is 7th in arrivals (16 million) and 6th in receipts

(USD 30 billion). India is 8th in arrivals (15 million) and 7th in receipts (USD 22 billion). Further down, Australia is 13th in arrivals (8 million) though 4th in receipts (USD 32 billion) due to a higher proportion of long-haul visitors to this destination, who tend to stay longer and spend more as a result.

In 2016, four destinations moved up in the Asia Pacific ranking by arrivals, compared to 2015. Malaysia and the Republic of Korea climbed one place each, and India moved up three, while Cambodia entered the top 15 at number 15. In the ranking by receipts, Japan moved up two places, while Thailand, Australia, Singapore, Korea and Indonesia all moved up one.

It is worth noting that changes in the receipts ranking not only reflect shifts in the relative performance of destinations, but in some cases also exchange rate fluctuations between local currencies and the US dollar. As receipts are quoted in US dollars, the appreciation of a local currency (against the US dollar) can result in higher earnings in dollar terms from one year to another, while its depreciation can translate into lower earnings. Exchange rate movements were not significant in 2016, though some Asian currencies depreciated slightly versus the US dollar and versus the Hong Kong dollar and the Macao pataca, which are pegged to the US dollar. By contrast, the value of the Japanese yen increased versus the US dollar last year.

Top tourism destinations in Asia and the Pacific – International tourist arrivals

Rank in:		Country	Series	Million			Change (%)	
Region	World			2014	2015	2016*	15/14	16*/15
1	4	China	TF	55.6	56.9	59.3	2.3	4.2
2	9	Thailand	TF	24.8	29.9	32.6	20.6	8.9
3	12	Malaysia	TF	27.4	25.7	26.8	-6.3	4.0
4	13	Hong Kong, China	TF	27.8	26.7	26.6	-3.9	-0.5
5	16	Japan	VF	13.4	19.7	24.0	47.1	21.8
6	20	Republic of Korea	VF	14.2	13.2	17.2	-6.8	30.3
7	22	Macao, China	TF	14.6	14.3	15.7	-1.8	9.8
8	25	India	TF	13.1	13.3	14.6	1.4	9.7
9	28	Singapore	TF	11.9	12.1	12.9	1.6	7.1
10	36	Indonesia	VF	9.4	10.4	12.0	10.3	15.5
11	31	Taiwan Province of China	VF	9.9	10.4	10.7	5.3	2.4
12	38	Viet Nam	VF	8.0	7.9	10.0	-0.2	26.0
13	40	Australia	VF	6.9	7.4	8.3	8.1	11.0
14	45	Philippines	TF	4.8	5.4	6.0	10.9	11.3
15	64	Cambodia	TF	4.5	4.8	5.0	6.1	5.0

Source: World Tourism Organization (UNWTO).

Data as collected by World Tourism Organization (August 2017).

Top tourism destinations in Asia and the Pacific – International tourism receipts

Rank in:		Country	USD billion			Per arrival (USD)
Region	World		2014	2015	2016*	
1	3	Thailand	38.4	44.9	49.9	1,530
2	4	China	44.0	45.0	44.4	750
3	9	Hong Kong, China	38.4	36.2	32.9	1,240
4	10	Australia	31.4	28.9	32.4	3,925
5	11	Japan	18.9	25.0	30.7	1,275
6	12	Macao, China	42.7	31.0	29.9	1,905
7	13	India	19.7	21.0	22.4	1,540
8	18	Singapore	19.1	16.6	18.4	1,425
9	20	Malaysia	22.6	17.6	18.1	675
10	21	Republic of Korea	17.8	15.2	17.2	1,000
11	26	Taiwan Province of China	14.6	14.4	13.4	1,250
12	29	Indonesia	10.3	10.8	11.2	935
13	32	New Zealand	8.4	9.0	9.6	2,860
14	34	Viet Nam	7.4	7.4	8.3	825
15	48	Philippines	5.0	5.3	5.1	860

Source: World Tourism Organization (UNWTO).

Data as collected by World Tourism Organization (August 2017).

Key to symbols and abbreviations

Series of International tourist arrivals and departures:

TF = International tourist arrivals at frontiers (overnight visitors, i.e. excluding same-day visitors)

VF = International visitors arrivals at frontiers (tourists and same-day visitors)

USD = United States dollar

* = Provisional figure or data

.. = Figure or data not (yet) available

. = Decimal separator

, = Thousands separator



1.2.4 Inbound tourism by region of origin

Intraregional tourism accounts for 80% of arrivals in Asia and the Pacific

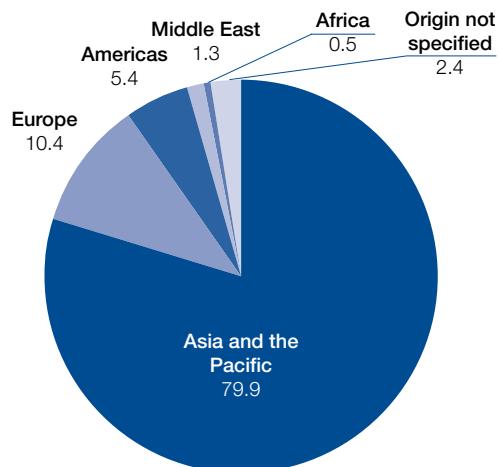
In 2016, intraregional tourism (originating in the same region) accounted for some 247 million international tourist arrivals in Asia and the Pacific, or 80% of the region's total. Interregional flows (originating outside the region) accounted for 18%, or about 55 million arrivals. Interregional tourism was led by European markets, which generated 10% of arrivals (32 million), followed by the Americas with 5%, equivalent to 17 million. Tourist flows from other regions – Africa and the Middle East – account for roughly 1% each of total arrivals in the region.

Between 2005 and 2016, intraregional tourism flows (+7%) have grown somewhat faster than interregional flows (+5%), driven by the region's strong economic growth and rising connectivity, much of which through low-cost carrier (LCC) services. According to the International Civil Aviation Organization (ICAO), low-cost carriers in Asia accounted for 31% of all passengers transported in the region, above the world average of 28%. Interregional flows to Asia have increased most from the Middle East this eleven-year period, an average 11% per year, particularly in 2012 and 2013. Flows from Europe and Africa increased an average 5% per year in both cases and from the Americas 4% per year.

In 2016, intraregional tourism in Asia grew 9%, and interregional tourism 7%. Arrivals from the Americas saw the highest increase last year (+10%), followed by those from Europe (+8%) and Africa (+2%), while those from the Middle East declined.

*Intraregional tourism in Asia
has grown faster than travel from
outside the region.*

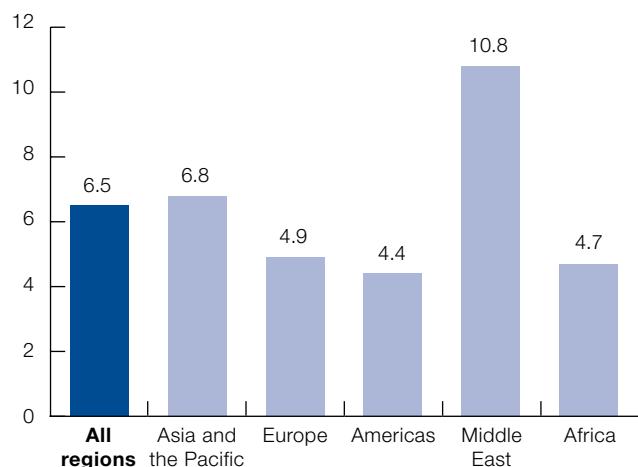
International tourist arrivals in Asia and the Pacific by source region, 2016* (% share)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

Average annual growth in international tourist arrivals in Asia and the Pacific by source region, 2005–2016* (%)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

As in all world regions, intraregional tourism predominates in Asia and the Pacific, where 80% of international arrivals originate in the region itself. In three out of four subregions this percentage is above 70%. In North-East Asia intraregional flows account for 88% of arrivals and in South-East Asia 81%. In Oceania this represents a slightly lower share (72%) given that a significant part of its intraregional tourism is actually long-haul, e.g. China to Australia. In South Asia by contrast, intraregional traffic represents only 30% of arrivals, according to limited information, as many of its source markets are outside the region. Tourism from other regions accounts for 45% of South Asia's arrivals, mostly from Europe (26% of arrivals). Data is unavailable however, for about one-fourth of arrivals in the subregion.

Europe remains the top generator of long-haul travel to Asia

Europe remains the largest source of interregional tourism for Asia and the Pacific, accounting for 10% of all arrivals, increasing 8% in 2016. This is partly explained by Europe's historical and cultural ties with some countries in Asia and the Pacific, and to considerable trade and investment between both regions. As seen earlier, South Asia (26%) has the highest proportion of European arrivals. Oceania has the second highest (15%), followed by South-East Asia (12%) and North-East Asia (6%). In absolute terms however, European arrivals are highest in South-East Asia (14 million) and North-East Asia (9 million).

The Americas are the second largest source of interregional tourism for Asia, accounting for 5% of arrivals. Across subregions, tourism from the Americas is highest in Oceania (11%) and South Asia (9%) in relative terms. In absolute terms, it is highest in North-East Asia (8 million) and South-East Asia (5 million).

Inbound tourism in Asia and the Pacific by region of origin^a

Arrivals in:	International tourist arrivals (1000)						Share in subregion (%)		Change		
	1995	2000	2005	2010	2015	2016*	2005	2016*	15/14	16*/15	05–16*
Asia and the Pacific	82,125	110,368	154,084	208,108	284,028	308,445	100	100	5.4	8.6	6.5
From:											
Asia and the Pacific	62,724	84,392	120,192	162,106	226,414	246,573	78.0	79.9	7.1	8.9	6.8
Other regions	18,037	24,158	31,727	41,496	50,922	54,516	20.6	17.7	-0.3	7.1	5.0
Africa	481	649	959	1,173	1,563	1,594	0.6	0.5	5.8	2.0	4.7
Americas	6,052	8,327	10,485	12,590	15,305	16,757	6.8	5.4	5.9	9.5	4.4
Europe	11,041	14,447	19,001	25,508	29,871	32,211	12.3	10.4	-3.5	7.8	4.9
Middle East	462	736	1,282	2,226	4,182	3,954	0.8	1.3	-0.5	-5.5	10.8
Origin not specified	1,364	1,818	2,164	4,506	6,691	7,357	1.4	2.4
North-East Asia	41,313	58,349	85,932	111,508	142,075	154,302	100	100	4.3	8.6	5.5
From:											
Asia and the Pacific	34,079	49,223	72,474	94,867	124,970	135,874	84.3	88.1	5.4	8.7	5.9
Other regions	6,881	8,825	13,168	16,295	16,807	18,122	15.3	11.7	-3.1	7.8	2.9
Africa	126	154	406	571	711	732	0.5	0.5	9.7	3.1	5.5
Americas	3,031	4,076	5,385	6,425	7,203	7,844	6.3	5.1	4.3	8.9	3.5
Europe	3,669	4,512	7,213	8,961	8,731	9,380	8.4	6.1	-7.2	7.4	2.4
Middle East	55	83	164	337	162	165	0.2	0.1	-58.4	2.2	0.1
Origin not specified	353	301	290	346	298	306	0.3	0.2
South-East Asia	28,477	36,284	48,971	70,473	104,242	113,297	100	100	7.4	8.7	7.9
From:											
Asia and the Pacific	21,204	26,740	37,599	55,377	84,354	91,756	76.8	81.0	9.4	8.8	8.4
Other regions	6,377	8,363	10,097	14,251	19,094	20,726	20.6	18.3	-0.3	8.5	6.8
Africa	195	280	303	266	395	409	0.6	0.4	-0.9	3.5	2.7
Americas	1,721	2,407	2,887	3,416	4,594	4,997	5.9	4.4	7.6	8.8	5.1
Europe	4,265	5,396	6,443	9,779	12,782	13,898	13.2	12.3	-3.5	8.7	7.2
Middle East	196	279	464	790	1,324	1,423	0.9	1.3	7.4	7.5	10.7
Origin not specified	897	1,181	1,275	844	795	815	2.6	0.7
Oceania	8,091	9,635	10,919	11,386	14,265	15,610	100	100	7.6	9.4	3.3
From:											
Asia and the Pacific	5,828	6,381	7,444	7,908	10,321	11,316	68.2	72.5	9.0	9.6	3.9
Other regions	2,188	3,162	3,369	3,452	3,915	4,256	30.9	27.3	4.3	8.7	2.1
Africa	54	99	92	110	108	112	0.8	0.7	4.1	3.9	1.9
Americas	890	1,199	1,154	1,202	1,512	1,716	10.6	11.0	7.7	13.5	3.7
Europe	1,223	1,824	2,066	2,053	2,199	2,326	18.9	14.9	2.1	5.8	1.1
Middle East	21	40	58	86	97	102	0.5	0.7	5.8	6.0	5.4
Origin not specified	75	92	106	26	29	38	1.0	0.2
South Asia	4,244	6,100	8,262	14,741	23,446	25,237	100	100	2.3	7.6	10.7
From:											
Asia and the Pacific	1,613	2,048	2,676	3,953	6,770	7,627	32.4	30.2	8.9	12.7	10.0
Other regions	2,591	3,808	5,093	7,498	11,106	11,412	61.6	45.2	2.4	2.8	7.6
Africa	106	117	158	225	350	341	1.9	1.4	6.6	-2.6	7.3
Americas	410	644	1,060	1,546	1,996	2,200	12.8	8.7	6.3	10.2	6.9
Europe	1,884	2,714	3,279	4,715	6,159	6,607	39.7	26.2	0.2	7.3	6.6
Middle East	191	333	596	1,012	2,600	2,264	7.2	9.0	4.3	-13.0	12.9
Origin not specified	40	244	493	3,290	5,570	6,198	6.0	24.6

Source: World Tourism Organization (UNWTO). * Provisional figure or data.

a) Data as collected by UNWTO (August 2017), including estimates for countries with missing data.

1.2.5 Inbound tourism by mode of transport

Airline travel accounts for 63% of all arrivals in Asia

Airline travel remains the dominant mode of transport for international tourists travelling to destinations in Asia and the Pacific, accounting for 63% of all arrivals in 2016. The share of air travel has increased in recent years, largely due to the boom in low-cost carrier (LCC) services. Surface transport accounts for 37% of arrivals in the region (31% by land and 6% over water). Much of this corresponds to travel flows between Mainland China and Special Administrative Regions Hong Kong and Macao.

By subregion, air travel is highest in Oceania – for obvious geographical reasons – accounting for virtually all arrivals in the region (99%). It is lowest in North-East Asia (55% of arrivals), where there is a higher proportion of travel by surface transport (37%). Air travel is also very significant in South Asia, where it accounts for 75% of arrivals. Despite being the dominant form of transport, air travel is growing faster than other categories year after year, boosted significantly by LCC travel. International arrivals by air grew 8% in 2015 and 11% in 2016 in Asia, compared to those by surface (2% and 5%).

The proportion of surface transport for international travel in Asia has varied over the years, rising from 37% in 1995 to 45% in 2005, but then declining to 37% again in 2016. By subregion, it accounts for 45% of arrivals in North-East Asia, 35% in South-East Asia and 25% in South Asia. In Oceania surface transport only represents 1% of international arrivals, all of which naturally corresponds to travel by sea.

The percentage of sea travel has declined moderately over the past two decades – from 9% in 1995 to 6% in 2015, though it has more than doubled in absolute terms, from 8 to 18 million arrivals respectively. Between 2005 and 2016, arrivals by sea increased an average 6% per year, the highest increase of all world regions, driven mostly by cruise tourism. Growth was particularly strong in 2016, when sea travel increased by 10%. Many cruise lines have expanded their operations in Asia and the Pacific following the recent rise in demand, particularly from China.

Arrivals in Asia and the Pacific by mode of transport^a

Mode of transport	International tourist arrivals (million)						Share (%)		Change (%)		Av. annual (%)
	1995	2000	2005	2010	2015	2016*	2005	2016*	15/14	16/15	
Total	82.1	110.4	154.1	208.1	284.0	308.4	100.0	100.0	5.4	8.6	6.5
Air	51.3	65.1	84.2	118.9	174.6	193.7	54.6	62.8	7.8	10.9	7.9
Surface	30.4	44.7	68.9	89.2	109.4	114.7	44.7	37.2	1.8	4.9	4.7
Land	22.8	35.9	59.1	75.6	93.0	96.7	38.3	31.4	1.9	4.0	4.6
Water	7.7	8.7	9.8	13.6	16.4	18.0	6.4	5.8	1.3	10.0	5.7
Not specified	0.4	0.6	1.0	0.0	0.0	0.1	0.7	0.0

Source: World Tourism Organization (UNWTO).

a) Data as collected by UNWTO (August 2017), including estimates for countries with missing data.

International tourist arrivals in Asia and the Pacific by subregion and mode of transport^a, 2016*

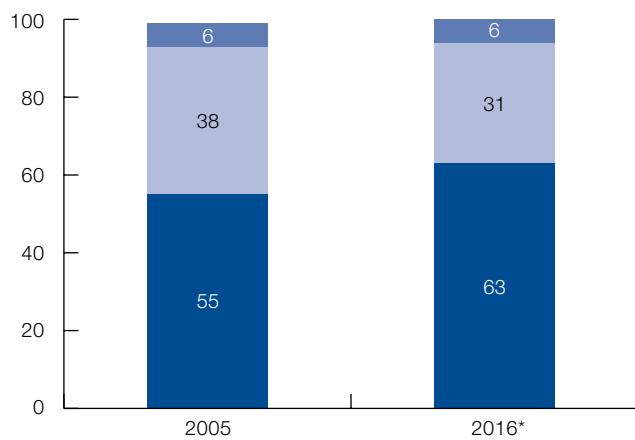
Region/subregion	Total	Air	Surface		
			Total	of which	
Total (million)	308.4	193.7	114.7	96.7	18.0
North-East Asia	154.3	85.4	68.8	56.3	12.5
South-East Asia	113.3	73.8	39.5	34.3	5.2
Oceania	15.6	15.5	0.1	0.0	0.1
South Asia	25.2	19.0	6.2	6.0	0.2
Total (%)	100	62.8	37.2	31.4	5.8
North-East Asia	100	55.4	44.6	36.5	8.1
South-East Asia	100	65.1	34.9	30.3	4.6
Oceania	100	99.1	0.9	0.0	0.9
South Asia	100	75.3	24.7	23.9	0.8

Source: World Tourism Organization (UNWTO).

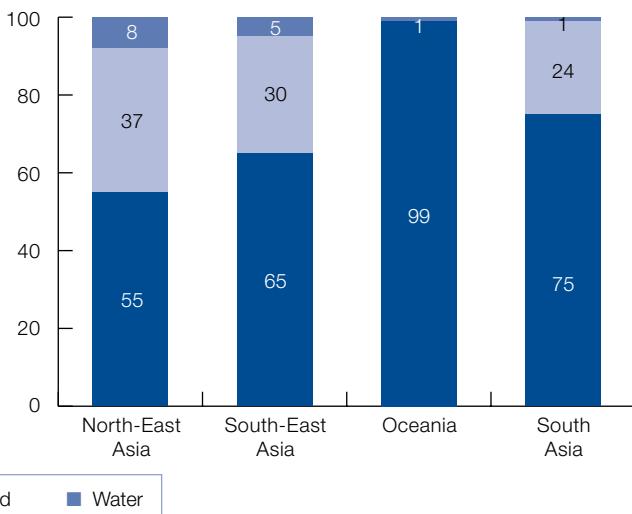
a) Data as collected by UNWTO (August 2017), including estimates for countries with missing data.

International tourist arrivals in Asia and the Pacific (%)

By mode of transport



By subregions and mode of transport, 2016*



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.



1.2.6 Inbound tourism by purpose of visit

Leisure is the purpose of travel for 54% of international tourists

Like in other parts of the world, travel for ‘leisure, recreation and holidays’ generates the highest proportion of arrivals in Asia and the Pacific (54%) – well above other categories such as ‘visiting friends and relatives (VFR), trips for health, religious and other’ reasons (22%), or ‘business and professional’ travel (11%). (The purpose for the remaining 13% of trips is not specified).

This information provides some insight about the purpose of travel in Asia and the Pacific, though figures should not be interpreted strictly. Not all countries categorise the purposes in the same way, if at all, and many travellers often make trips for multiple purposes. For example, nearly one third of arrivals in North-East Asia are not classified by purpose of visit, while they are in other subregions. Still, these percentages are similar to those for worldwide travel: 54% correspond to the leisure category, 27% to VFR and 13% to business.

VFR travel by nationals living abroad reflects the importance of migration for international tourism in the region. A large number of nationals from countries like India, Thailand, Philippines and Indonesia live and work abroad and often visit their home countries or receive visits from family and friends in their new countries of residence. There are

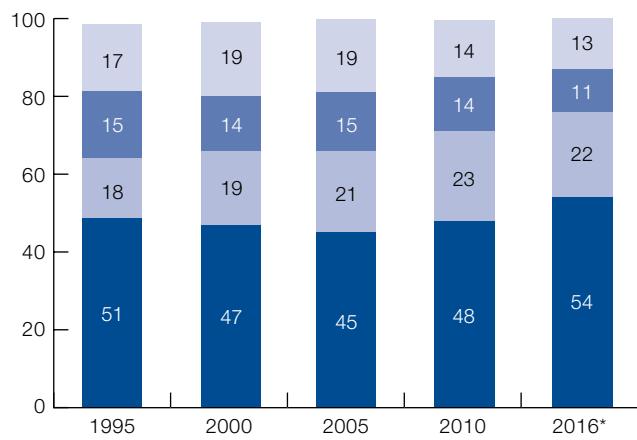
also large communities of immigrants of Chinese origin throughout South-East Asia and further afield, for whom VFR and cultural travel to and from China has become much easier.

In 2005, about 45% of Asia and the Pacific’s international tourist arrivals were for leisure, recreation and holidays. This percentage has since grown to 54% in 2016, while travel for business and professional reasons has decreased slightly, from 15% in 2005 to 11% in 2016.

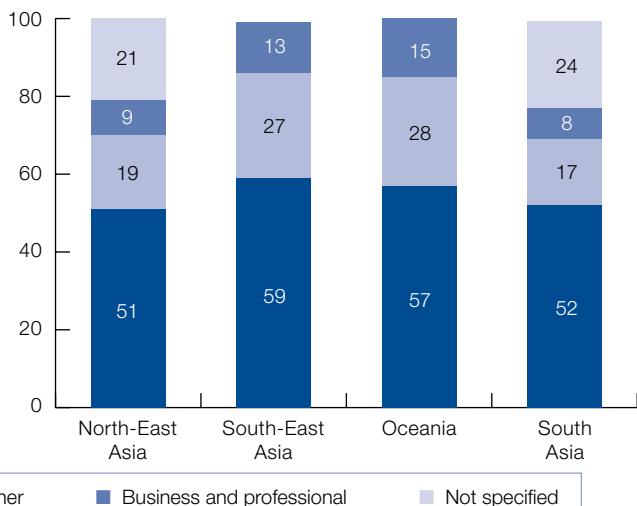
Over half of all international arrivals in Asia and the Pacific correspond to leisure trips, the same proportion as in global travel.

International tourist arrivals in Asia and the Pacific (%)

By purpose of visit



By subregions and purpose of visit, 2016*



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

Arrivals in Asia and the Pacific by purpose of visit^a

Purpose of visit	International tourist arrivals (million)						Share (%)		Change (%)		Av. annual (%)
	1995	2000	2005	2010	2015	2016*	2005	2016*	15/14	16/15	
Total	82.1	110.4	154.1	208.1	284.0	308.4	100	100	5.4	8.6	6.5
Leisure, recreation and holidays	41.9	51.8	69.7	100.1	150.5	167.2	45.2	54.2	7.6	11.1	8.3
Business and professional	12.0	15.9	22.9	29.7	31.2	33.4	14.9	10.8	-0.5	7.1	3.5
VFR, health, religion, other	14.7	21.4	32.8	48.5	65.5	69.1	21.3	22.4	3.8	5.5	7.0
Not specified	13.6	21.3	28.7	29.8	36.8	38.7	18.6	12.5

Source: World Tourism Organization (UNWTO).

a) Data as collected by UNWTO (August 2017), including estimates for countries with missing data.



1.3 Outbound tourism

1.3.1 Destination trends and preferences

Seven consecutive years of strong growth in outbound travel

Outbound travel from Asia and the Pacific – measured by arrivals in different destinations worldwide – reached 317 million in 2016, an 8% increase from 2015. It was the seventh consecutive year of robust growth in outbound tourism, after the global economic crisis in 2009. Asian outbound tourism has grown an average 7% per year between 2010 and 2016, or an aggregate 54%.

Intraregional travel (within the region) accounts for 78% of Asian outbound travel and increased 9% in 2016. Interregional travel (to other regions) represents 22% of Asian trips and grew 5% last year. North-East Asian destinations account for 55% of all intraregional travel and 43% of outbound travel overall. A large part of this is generated in the subregion itself, in particular between Mainland China and the Special Administrative Regions Hong Kong and Macao. Travel flows to and from Japan, the Republic of Korea and Singapore, are also significant. South-East Asian destinations account for 29% of all Asian outbound travel.

Europe accounts for over half of Asia's interregional travel

Asia Pacific demand for long-haul destinations is primarily for Europe, which accounts for 12% of all Asian outbound trips and 54% of all interregional trips (outside the region), measured as arrivals in destinations. Traditional destinations in Western Europe still account for most of this demand. Travel to Europe increased by 3% in 2016, but following a 13% rise in 2015.

The Americas account for 5% of all Asia Pacific outbound trips and 24% of interregional trips. Travel to the Americas grew 5% in 2016 after a 10% increase in 2014. Trips to North America accounted for virtually all Asia Pacific trips to the Americas (92%), and grew 5% in 2016.

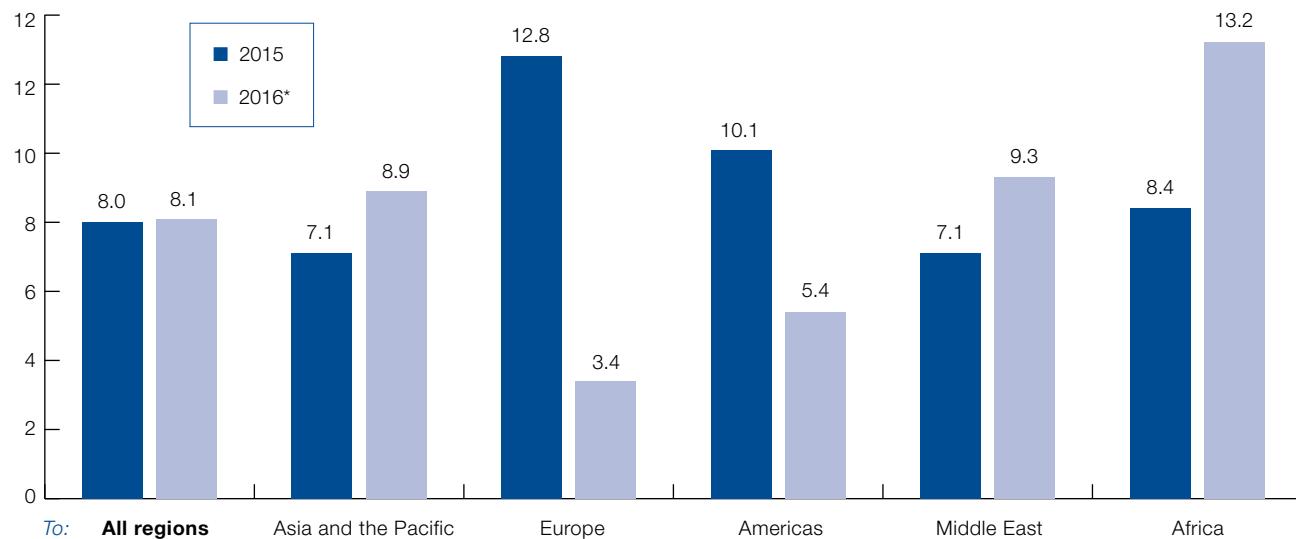
Trips to the Middle East represent 4% of Asia and the Pacific's total outbound trips and 19% of interregional trips, most of which from South Asia and South-East Asia. Asian travel to the Middle East grew 9% in 2016, the highest of all regions, though from lower base numbers. Travel to Africa is still quite low, accounting for 1% of Asian outbound trips and 4% of interregional trips.

Asian travel grows faster to interregional destinations

Between 2010 and 2016 interregional trips increased an average 8% per year, while trips within the region grew 7%. The popularity of destinations in Europe and the Americas could make interregional travel continue to grow faster, as it has in the recent past. The development of economic

links between Asia and the Middle East and with Africa is also stimulating travel outside of Asia and the Pacific, both business and leisure travel. However, intraregional travel still has considerable growth potential, as seen in the expansion of low-cost airlines and new air routes, as well as the increasing viability of cross-border trips by land, thanks to infrastructure development.

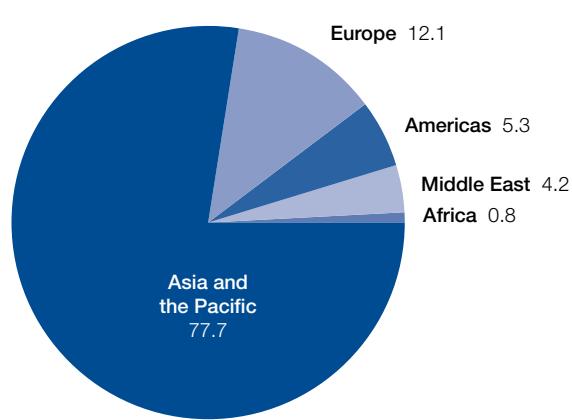
Growth in Asia and the Pacific travel to all world destination regions (% change)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

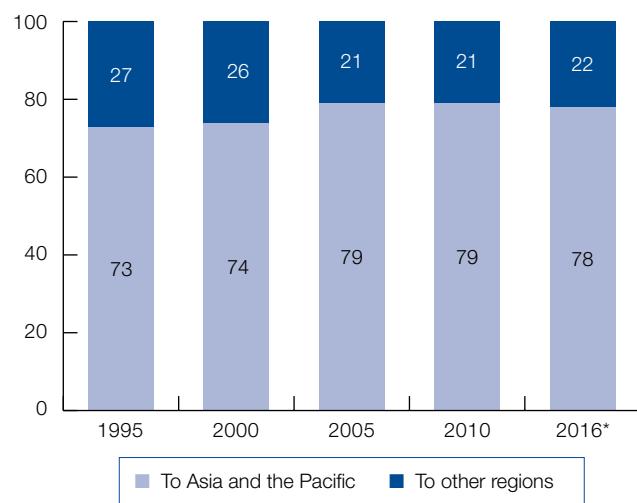
Destination region of Asia and the Pacific outbound trips, 2016* (%)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

Asia and the Pacific outbound travel: long-haul versus short-haul trips (%)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

Outbound tourism from Asia and the Pacific by subregion of destination^a

Outbound to:	International tourist arrivals (1000)						Share (%)		Change		
	1995	2000	2005	2010	2015	2016*			2005	2016*	(%)
Total	86,282	114,093	152,810	206,013	293,603	317,281	100	100	8.0	8.1	6.9
To:											
Asia and the Pacific	62,724	84,392	120,192	162,106	226,414	246,573	78.7	77.7	7.1	8.9	6.8
North-East Asia	34,079	49,223	72,474	94,867	124,970	135,874	47.4	42.8	5.4	8.7	5.9
South-East Asia	21,204	26,740	37,599	55,377	84,354	91,756	24.6	28.9	9.4	8.8	8.4
Oceania	5,828	6,381	7,444	7,908	10,321	11,316	4.9	3.6	9.0	9.6	3.9
South Asia	1,613	2,048	2,676	3,953	6,770	7,627	1.8	2.4	8.9	12.7	10.0
Interregional	23,558	29,701	32,618	43,907	67,188	70,708	21.3	22.3	11.0	5.2	7.3
Europe	12,013	14,902	17,639	23,086	37,017	38,261	11.5	12.1	12.8	3.4	7.3
Northern Europe	2,746	3,062	3,560	3,709	5,386	5,619	2.3	1.8	9.7	4.3	4.2
Western Europe	5,807	7,026	7,695	8,756	16,328	16,478	5.0	5.2	19.4	0.9	7.2
Central/Eastern Europe	1,331	1,919	2,996	4,345	5,449	6,263	2.0	2.0	8.6	14.9	6.9
Southern/Mediterranean Eu.	2,129	2,894	3,389	6,276	9,854	9,901	2.2	3.1	7.1	0.5	10.2
Americas	8,851	10,112	9,024	10,312	15,843	16,691	5.9	5.3	10.1	5.4	5.8
North America	8,538	9,698	8,413	9,550	14,653	15,427	5.5	4.9	10.8	5.3	5.7
Caribbean	68	74	77	94	163	176	0.1	0.1	19.1	8.2	7.8
Central America	56	67	100	117	161	177	0.1	0.1	24.6	9.8	5.4
South America	189	272	434	551	867	911	0.3	0.3	-4.0	5.2	7.0
Africa	552	753	1,080	1,854	2,285	2,588	0.7	0.8	8.4	13.2	8.3
North Africa	46	78	198	245	325	340	0.1	0.1	-0.2	4.5	5.0
Subsaharan Africa	506	675	882	1,609	1,960	2,248	0.6	0.7	10.0	14.7	8.9
Middle East	2.141	3,935	4,875	8,656	12,043	13,168	3.2	4.2	7.1	9.3	9.5

Source: World Tourism Organization (UNWTO).

a) Data as collected by UNWTO (August 2017), including estimates for countries with missing data

* Provisional figure or data.



1.3.2 International tourism expenditure and trips

Asia and the Pacific generates more than one third of international tourism spending

Asia and the Pacific generated USD 473 billion in international tourism expenditure in 2016 – both overnight and same-day travellers – some 39% of the world total, up from a 20% share in 2000, following several years of double-digit growth. North-East Asia accounts for the largest part of this spending (74%) with a figure of USD 349 billion, most of which from Mainland China (USD 261 billion) which alone represents 55% of the Asia Pacific total. South-East Asia accounts for 14% of tourism spending from the region while Oceania and South Asia each account for 6%.

China is the world's top international tourism spender

China continues to lead global outbound travel after recording ten years of double-digit growth in tourism expenditure, contributing to inbound volumes in many destinations in Asia and the Pacific, as well as the United States and several in Europe. Boosted by rising disposable incomes, rapid urbanisation, improved travel facilitation and the easing of restrictions on international travel, outbound tourism has grown exponentially over

the last two decades. Chinese expenditure surged from USD 13 billion in 2000 to USD 55 billion in 2010, and USD 261 billion in 2016. Spending by Chinese travellers increased 12% in 2016, up USD 11 billion from 2015. China now accounts for more than half of Asia's tourism expenditure (55%). It also generates some 71% of Asia's international tourism receipts and 21% of the world's.

China's demand for international travel can also be seen in its volume of outbound trips. Mainland Chinese travellers took 135 million trips abroad in 2016 (total departures including same-day trips, as reported by China), the majority of which to North-East Asian and South-East Asian destinations. This makes it the largest generator of trips in Asia and the world. International trips from China are 6% higher than in 2015 and more than double the market's count in 2010. However, much of this travel corresponds to land crossings to Hong Kong, China, for very short stays. The largest international departure figures in the region correspond to trips between Mainland China and Hong Kong, China, as well as Macao, China.

Other top source markets include the Republic of Korea; Australia; Hong Kong, China; and Singapore

The Republic of Korea is the 2nd largest tourism spender in the region, with USD 27 billion recorded in 2016. Australia is the 3rd largest with a spending figure of USD 25 billion, Hong Kong, China, is 4th with USD 24 billion and Singapore is 5th with USD 22 billion. Combined, these four markets represent 21% of international tourism spending in Asia and the Pacific. Other important source markets in Asia are Japan (USD 18 billion), Taiwan Province of China (USD 17 billion), India (USD 16 billion), Philippines (USD 11 billion) and Malaysia (USD 10 billion). A total of 18 markets in the region spent USD 1 billion or more on international travel in 2016.

Tourism spending per trip varies considerably across Asia Pacific markets. Australia and Singapore are the third and fifth largest spenders in the region, but generate a relatively low number of outbound trips, 10 and 9 million respectively. Thus, their average spending per trip is the highest in Asia, USD 2,500 and USD 2,330 respectively in

2016. China is the third biggest spender per trip with an average USD 1,930. New Zealand (14th in the spending ranking) has the fourth highest per trip expenditure with USD 1,530 and the Republic of Korea the fifth largest with USD 1,190.

Many of these source markets are high-income economies with relatively small populations, which results in high spending per trip, and also per capita. Huge distances between source markets and their destinations also explain higher relative spending, especially in the case of Australia and New Zealand, which lie very far from major destinations in the region, let alone in Europe or in the Americas. Tourists from these remote markets tend to travel farther afield and for longer periods of time.

On the other side of the spectrum, Hong Kong, China, has a very low expenditure per trip (USD 265), despite being the fourth largest tourism spender in absolute terms. This is the result of its sheer volume of departures, most of which are short trips to Mainland China.

Top Outbound markets in Asia and the Pacific

Rank in:		Country	International tourism expenditure (USD billion)		Per departure	Series	International departures (million)		Change (%)	
Region	World		2015	2016*			2015	2016*	15/14	16*/15
1	1	China	249.8	261.1	1,930	DT	127.9	135.1	9.7	5.7
2	7	Republic of Korea	25.3	26.6	1,190	DT	19.3	22.4	20.1	15.9
3	9	Australia	23.8	24.9	2,505	DT	9.5	9.9	3.6	5.0
4	10	Hong Kong, China	23.1	24.2	265	DT	89.1	91.8	5.4	3.0
5	12	Singapore	22.1	22.1	2,335	DO	9.1	9.5	2.5	3.8
6	16	Japan	16.0	18.5	1,080	DT	16.2	17.1	-4.1	5.6
7	19	Taiwan Pr. of China	15.5	16.6	1,135	DT	13.2	14.6	11.3	10.7
8	20	India	14.8	16.4	750	DT	20.4	21.9	11.2	7.3
9	26	Philippines	11.3	11.3	..	-
10	27	Malaysia	10.7	10.5	..	-
11	33	Thailand	7.7	8.3	..	DO	6.8	..	5.4	..
12	34	Iran	8.1	DT	6.6	9.0	..	36.1
13	36	Indonesia	7.3	7.5	..	DO	8.2	..	1.3	..
14	45	Viet Nam	3.6	4.6	..	-
15	49	New Zealand	3.7	4.0	1,530	DT	2.4	2.6	6.0	8.3
16	60	Pakistan	1.7	1.7	..	-
17	62	Sri Lanka	1.4	1.5	1,065	DO	1.4	1.4	3.4	6.8
18	68	Macao, China	1.2	DT	1.5	1.3	-4.6	-14.7

Notes: DO: departures of overnight visitors (excludes same-day visitors). DT: total departures (overnight and same-day visitors).

Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

Data as collected by UNWTO (August 2017).

High departure figures due to many short trips over land

Departures from some markets are remarkably high, as they include many short trips by land to bordering countries. This is the case of Hong Kong, China, which recorded 92 million departures in 2016, much of which to Mainland China. Inversely, Mainland Chinese travellers also make many land trips to Hong Kong, China; and Macao, China, as mentioned earlier.

Other large markets measured by departures are the Republic of Korea and India, both reporting 22 million trips in 2016, Japan (17 million) and Taiwan Province of China (15 million). The fastest growth in trips in 2016 was reported by Iran, a 36% increase to reach 9 million departures, followed by the Republic of Korea (+16%), Taiwan Province of China (+11%) and New Zealand (+8%).

Data on outbound trips should be interpreted with caution, as there are no accurate figures for many countries and, in cases where data does exist, it is heterogeneous and therefore difficult to compare across countries. In some cases departures refer to visitors overall (overnight and same-day travellers) while in others, it includes only tourists (overnight visitors). In the table, "DT" corresponds to total departures (both overnight and same-day travellers) and "DO" to departures of overnight travellers only.

It is also worth noting that the number of trips abroad (departures reported by source markets) does not correspond with the number of arrivals reported by destinations from a particular source country, since a single trip can generate arrivals in multiple destinations.

Per capita spending still low in most subregions due to huge population

Relative to the region's population, expenditure by Asia Pacific travellers is still low, with an average spending of USD 115 per capita (travellers and non-travellers), compared with a worldwide average of USD 163. This comparatively modest figure reflects the region's huge population, but also reveals the growth potential of international travel in the region, which in some markets is still limited to a relatively small part of the population. This is changing rapidly however, with the growing affluence of the middle classes and the drop in the cost of air travel – partly the result of the rapid increase in LCC services. The supply of tourism services through digital platforms, sometimes referred to as the 'sharing economy', has also made international travel more accessible to a larger part of society, both in Asia and the world overall.

There are however, big differences in per capita tourism expenditure across subregions. By far the highest spending comes from Oceania (USD 732), for the same reasons mentioned above for high spending per trip in Australia and New Zealand. This figure is almost comparable to that of Western Europe (USD 943) and Northern Europe (USD 1,204), though it contrasts sharply with that of South Asia (USD 16) and South-East Asia (USD 103) despite Singapore's high per capita expenditure (USD 3,940). On the other hand, expenditure per capita from North-East Asia (USD 215) is well above the regional average (USD 115) due to the high relative spending from Chinese Special Administrative Regions Hong Kong (USD 3,280) and Macao (USD 1,875).

Asia's tourism spending per capita reveals growth potential for international travel in the region.



1.4 Tourism trends by subregion

1.4.1 North-East Asia

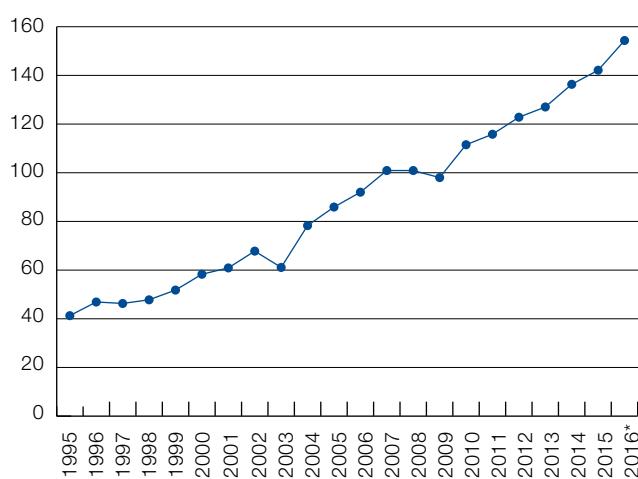
North-East Asia accounts for half the region's international arrivals

North-East Asia is the largest Asia Pacific subregion in inbound tourism, with 154 million international tourist arrivals recorded in 2016, half the region's total. The subregion has seen consistently solid growth since the year 2000, with the exception of the SARS epidemic-related downturn in 2003 and the global financial crisis in 2009.

In 2016, North-East Asia recorded a strong 9% increase in arrivals, 12 million more than in 2015. The Republic of Korea (+30%) rebounded strongly after the MERS outbreak in 2015 and Japan (+22%) enjoyed its fifth straight year of double-digit growth. Both saw robust demand from China and other major source markets, including each other. Macao, China, reported 10% growth in arrivals thanks to increasing air connectivity and important promotional efforts. In China, the subregion's largest destination, international arrivals grew 4% last year, with stronger results in the month of February due to the Chinese Lunar New Year. Taiwan Province of China posted 2% growth, while arrivals in Hong Kong, China, declined slightly.

North-East Asia has a ratio of 10 arrivals per one hundred inhabitants, slightly above the region's average (8) but below the world average of 17, pointing to some potential for growth.

International tourist arrivals in North-East Asia (million)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

International tourist arrivals by country of destination in North-East Asia

Destination	International tourist arrivals (1000)							Market share in the region (%)		Change (%)			Arrivals/100 pop. ^a
	Series	1995	2000	2005	2010	2015	2016*	2005	2016*	15/14	16*/14	05–16*	
Total		41,313	58,349	85,932	111,508	142,075	154,302	55.8	50.0	4.3	8.6	5.5	10
China	TF	20,034	31,229	46,809	55,665	56,886	59,270	30.4	19.2	2.3	4.2	2.2	4
Hong Kong, China	TF	..	8,814	14,773	20,085	26,686	26,553	9.6	8.6	-3.9	-0.5	5.5	360
Japan	VF	3,345.0	4,757	6,728	8,611	19,737	24,039	4.4	7.8	47.1	21.8	12.3	19
Korea (DPRK)
Korea, Rep. of	VF	3,753	5,322	6,023	8,798	13,232	17,242	3.9	5.6	-6.8	30.3	10.0	34
Macao, China	TF	4,202	5,197	9,014	11,926	14,308	15,704	5.9	5.1	-1.8	9.8	5.2	2,387
Mongolia	TF	108	137	339	456	386	404	0.2	0.1	-1.7	4.7	1.6	13
Taiwan Pr. of China	VF	2,332	2,624	3,378	5,567	10,440	10,690	2.2	3.5	5.3	2.4	11.0	45

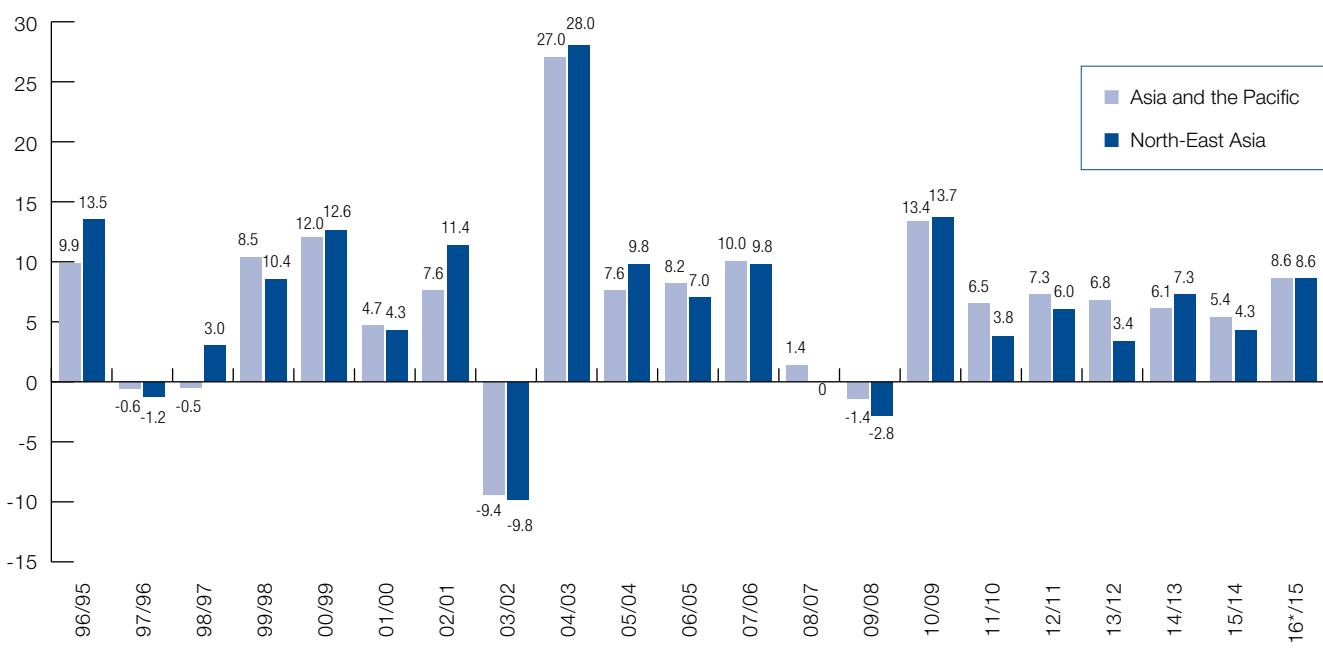
a) Compiled by UNWTO from International Monetary Fund, *World Economic Outlook*.

Data as collected by UNWTO (August 2017).

Source: World Tourism Organization (UNWTO).

Please see page 26 for symbols and abbreviations.

Annual growth in international tourist arrivals in North-East Asia (% change)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

Mixed results in tourism receipts

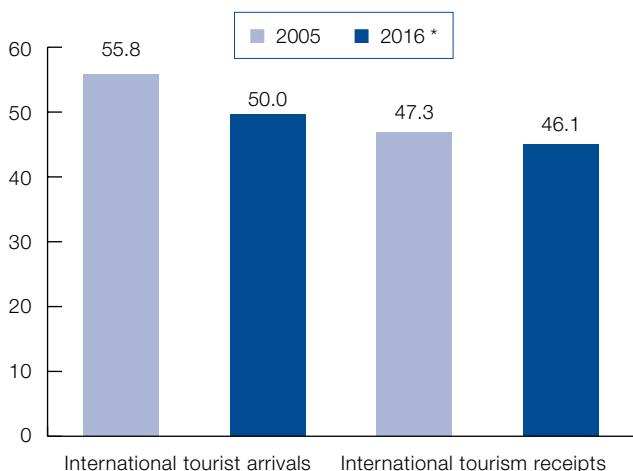
North-East Asia earned USD 169 billion in international tourism receipts in 2016, equivalent to 46% of the Asia Pacific total. The top earners in the subregion, China; Hong Kong, China; and Japan together account for almost two-thirds (64%) of the receipts in North-East Asia.

Flat growth in tourism receipts in North-East Asia last year (+0%) contrasts with a 9% increase in arrivals, partly due to lower earnings in Hong Kong, China; and

Macao, China, because of their stronger currencies. Weak results in Taiwan Province of China, also affected the subregion's total. In the Republic of Korea however, receipts grew 13% to USD 17 million, and in Japan 10% to USD 31 million (both in real terms), in line with the robust trend in arrivals.

Receipts per arrival in North-East Asia averaged USD 1,095 in 2016, below the regional average of USD 1,190, due to weaker results this year. By individual destination, Macao, China, boasts the highest receipts per arrival in

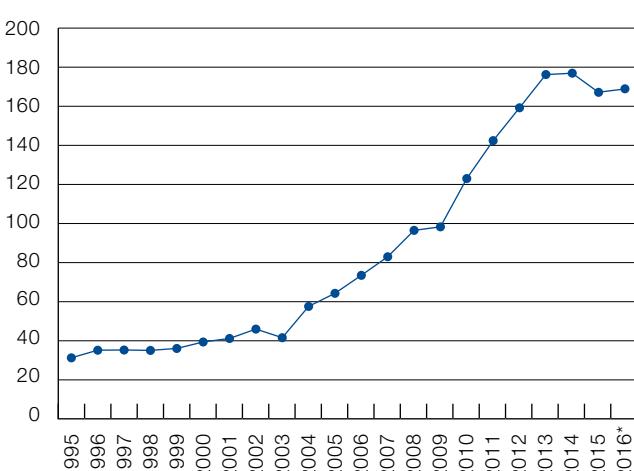
North-East Asia's share of Asia and the Pacific's international arrivals and tourism receipts (%)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

International tourism receipts in North-East Asia (USD billion)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

International tourism receipts by country of destination in North-East Asia

Destination	International tourism receipts (USD million)						Market share in the region (%)		Receipts per arrival (USD) ^{b, c}	Receipts per capita ^a (USD)
	1995	2000	2005	2010	2015	2016*	2005	2016*		
Total	31,340	39,428	64,269	122,963	167,099	168,941	47.3	46.1	1,095	104
China	8,730	16,231	29,296	45,814	44,969	44,432	21.6	12.1	750	32
Hong Kong, China	7,760	5,907	10,294	22,200	36,150	32,860	7.6	9.0	1,240	4,460
Japan	3,224.0	3,373	6,630	13,199	24,983	30,678	4.9	8.4	1,275	242
Korea (DPRK)
Korea, Rep. of	5,150	6,834	5,806	10,328	15,214	17,210	4.3	4.7	1,000	336
Macao, China	3,102	3,208	6,924	22,276	30,969	29,881	5.1	8.2	1,905	45,412
Mongolia	21	36	177	244	246	316	0.1	0.1	785	105
Taiwan Pr. of China	3,287	3,738	4,977	8,721	14,387	13,383	3.7	3.7	1,250	569

a) Compiled by UNWTO from International Monetary Fund, *World Economic Outlook*.

Data as collected by UNWTO (August 2017).

b) Last year with data available.

Please see page 26 for symbols and abbreviations.

c) Data should be interpreted with caution for countries with many same-day visitors, as receipts include same-day visits and international tourist arrivals do not.

Source: World Tourism Organization (UNWTO).



the subregion, with a figure of USD 1,905. Japan has the second highest with USD 1,275 per arrival, followed closely by Taiwan Province of China with USD 1,250 and Hong Kong, China, with USD 1,240. In China, the average tourism earnings are USD 750 per arrival.

Macao, China, also enjoys the highest receipts per capita in the subregion and in Asia overall – an exceptional USD 45,400 per inhabitant – a reflection of its small population and huge tourism receipts, much of which from its leisure and casino industries. Hong Kong, China, has the second highest tourism earnings per capita, with USD 4,460. China's receipts average only USD 32 per capita, given the country's huge population and still large potential as a tourism destination. This weighs down on the subregional average, which is USD 104 per capita, though above the Asia Pacific average of USD 89.

1.4.2 South-East Asia

Strong 9% growth in international arrivals

International tourist arrivals in South-East Asia totalled 113 million in 2016, making it the second largest subregion in Asia and the Pacific. It has a 37% share of Asia and the Pacific arrivals, up from 32% in 2005, thanks to an average growth rate of 8% per year between 2005 and 2015, above the region's 7% rate.

South-East Asia recorded a strong 9% increase in arrivals in 2016, led by top destination Thailand (+9%), which enjoyed its second straight year of strong growth, fuelled by robust demand from intraregional markets, particularly China and Japan. Viet Nam (+26%) boasted the highest relative increase in the subregion, rebounding from weak results in 2015, aided by improved air connectivity and visa exemptions for some European markets. Archipelago destinations Indonesia (+16%) and Philippines (+11%) also reported double-digit growth in 2016 after similarly strong results a year earlier. International arrivals in Singapore increased 7%, while they grew 5% in Cambodia, supported by new flight connections with regional markets. Malaysia reported an increase of 4%, picking up from weaker results in 2015.

Relative to its population, South-East Asia has a ratio of 18 arrivals per one hundred inhabitants, more than double the region's average (8) and in line with the world average of 17.

International tourist arrivals by country of destination in South-East Asia

Destination	International tourist arrivals (1000)							Market share in the region (%)		Change			Arrivals/100 pop. ^a
	Series	1995	2000	2005	2010	2015	2016*	2005	2016*	15/14	16*/15	05-16*	
Total		28,477	36,284	48,971	70,473	104,242	113,297	31.8	36.7	7.4	8.7	7.9	18
Brunei Darussalam	TF	126	214	218	219	0.1	0.1	8.6	0.3	5.1	52
Cambodia	TF	220	466	1,333	2,508	4,775	5,012	0.9	1.6	6.1	5.0	12.8	32
Indonesia	TF	4,324	5,064	5,002	7,003	10,407	12,024	3.2	3.9	10.3	15.5	8.3	5
Lao PDR	TF	60	191	672	1,670	3,543	3,315	0.4	1.1	12.0	-6.4	15.6	46
Malaysia	TF	7,469	10,222	16,431	24,577	25,721	26,757	10.7	8.7	-6.3	4.0	4.5	85
Myanmar	TF	194	416	660	792	4,681	..	0.4	..	51.9	9
Philippines	TF	1,760	1,992	2,623	3,520	5,361	5,967	1.7	1.9	10.9	11.3	7.8	6
Singapore	TF	6,070	6,062	7,079	9,161	12,052	12,913	4.6	4.2	1.6	7.1	5.6	230
Thailand	TF	6,952	9,579	11,567	15,936	29,923	32,588	7.5	10.6	20.6	8.9	9.9	47
Timor-Leste	TF	40	61	72	..	0.0	2.0	17.4	..	6
Viet Nam	VF	1,351	2,140	3,478	5,050	7,944	10,013	2.3	3.2	-0.2	26.0	10.1	11

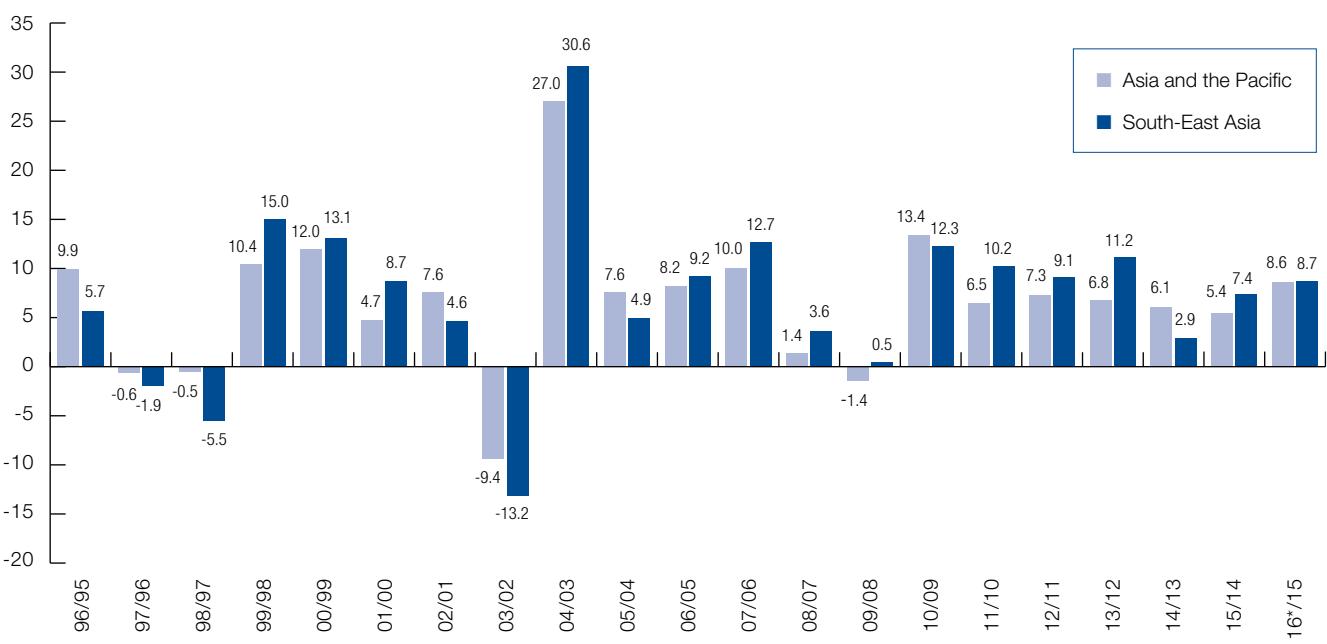
a) Compiled by UNWTO from International Monetary Fund, *World Economic Outlook*.

Data as collected by UNWTO (August 2017).

Source: World Tourism Organization (UNWTO).

Please see page 26 for symbols and abbreviations.

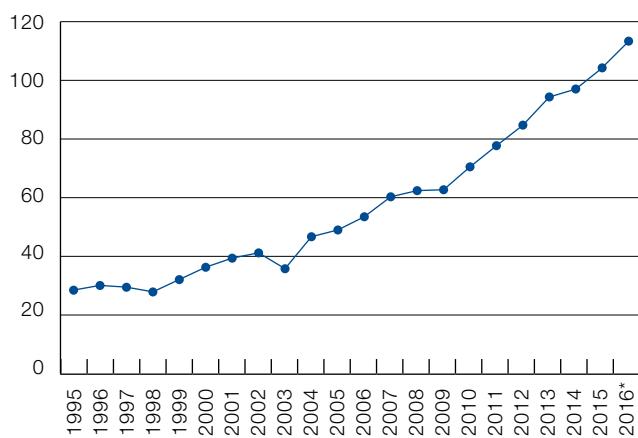
Annual growth in international tourist arrivals in South-East Asia (% change)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

International tourist arrivals in South-East Asia (million)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

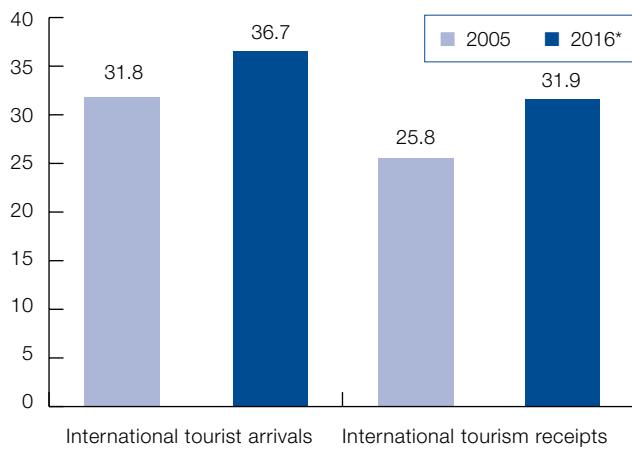
Tourism receipts increase in line with arrivals

With a total USD 117 billion earned in 2016, the subregion accounts for 32% of Asia Pacific's tourism receipts, three-fourths of which correspond to Thailand, Malaysia and Singapore (24% of the region's total). Thailand alone accounts for 43% of South-East Asia's receipts, with USD 50 billion reported in 2016.

International receipts in South-East Asia grew 10% in real terms last year (local currencies at constant prices), in line with the solid trend in arrivals. Major destinations Thailand (+15%) and Singapore (+12%) led results, fuelled by strong demand from China. Receipts in Viet Nam (+12%) and Malaysia (+9%) also grew strongly in 2016, picking up from 2015.

Receipts per arrival in South-East Asia averaged USD 1,035 last year – below the regional average of USD 1,190. The highest earnings per arrival were recorded in Thailand (USD 1,530), Singapore (USD 1,425) and Indonesia (USD 935). Tourism earnings relative to population are highest by far in Singapore (USD 3,279 per capita), followed by Thailand (USD 723) and Malaysia (USD 571). They are lowest in Myanmar (USD 42) and Indonesia (USD 43).

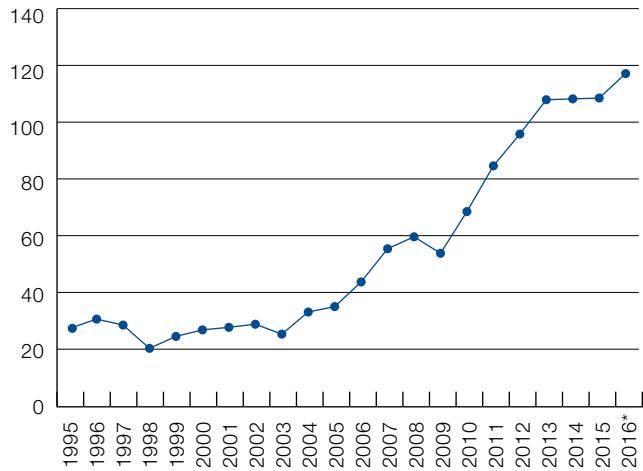
South-East Asia's share of Asia and the Pacific's international arrivals and tourism receipts (%)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

International tourism receipts in South-East Asia (USD billion)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

International tourism receipts by country of destination in South-East Asia

Destination	International tourism receipts (USD million)						Market share in the region (%)		Receipts per arrival (USD) ^{b,c}	Receipts per capita ^a (USD)
	1995	2000	2005	2010	2015	2016*	2005	2016*		
Total	27,413	26,846	35,002	68,547	108,464	117,082	25.8	31.9	1,035	183
Brunei Darussalam	191	..	147	144	0.0	660	341	
Cambodia	53	304	840	1,519	3,130	3,207	0.6	0.9	640	203
Indonesia	5,229	4,975	4,522	6,958	10,761	11,238	3.3	3.1	935	43
Lao PDR.	25	114	147	382	581	540	0.1	0.1	165	75
Malaysia	3,969	5,011	8,847	18,115	17,584	18,074	6.5	4.9	675	571
Myanmar	151	162	67	72	2,101	2,177	0.0	0.6	450	42
Philippines	1,136	2,156	2,287	2,645	5,272	5,139	1.7	1.4	860	49
Singapore	7,610	5,142	6,209	14,178	16,563	18,386	4.6	5.0	1,425	3,279
Thailand	8,043	7,489	9,576	20,104	44,922	49,871	7.0	13.6	1,530	723
Timor-Leste	31	51	58	..	0.0	805	49
Viet Nam	2,300	4,450	7,350	8,250	..	2.3	825	89

a) Compiled by UNWTO from International Monetary Fund, *World Economic Outlook*.

Data as collected by UNWTO (August 2017).

b) Last year with data available.

Please see page 26 for symbols and abbreviations.

c) Data should be interpreted with caution for countries with many same-day visitors, as receipts include same-day visits and international tourist arrivals do not.

Source: World Tourism Organization (UNWTO).

1.4.3 Oceania

Australia and New Zealand drive results in Oceania

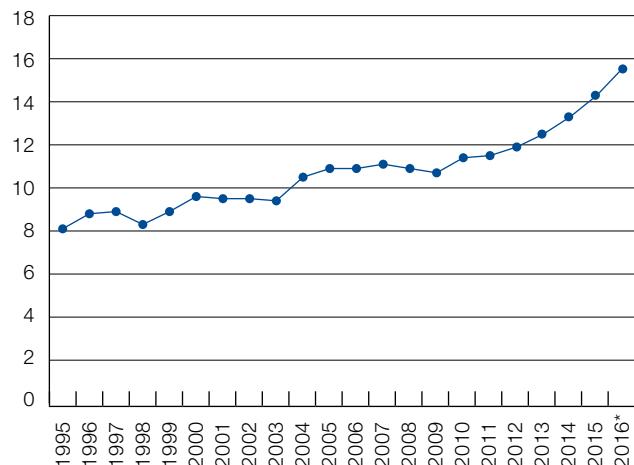
International tourist arrivals in Oceania totalled 16 million in 2016, up 9% from 2015. The region recorded an average 3% increase in arrivals per year in the period 2005 to 2016, compared to 7% in Asia and the Pacific as a whole. Oceania's share of arrivals in the region decreased from 7% in 2005 to 5% in 2016.

Australia (8 million arrivals) and New Zealand (3 million) account for 53% and 22% of Oceania's international tourist arrivals respectively, or a combined 75%. The only other destination recording more than 1 million arrivals is Guam (1.5 million), which represents about 10% of Oceania's total arrivals.

Both Australia and New Zealand enjoyed a strong 11% increase in international arrivals last year, aided by increased air connections with Asian markets. The Northern Mariana Islands and Guam enjoyed 11% and 9% growth respectively, fuelled by increasing demand from the Republic of Korea. Fiji reported a 5% while results were more mixed across smaller Pacific island destinations.

Due to its comparatively lower population density, Oceania generates the highest number of arrivals per one hundred inhabitants (39) – about five times that of Asia and the Pacific (8) and more than twice the world average (17).

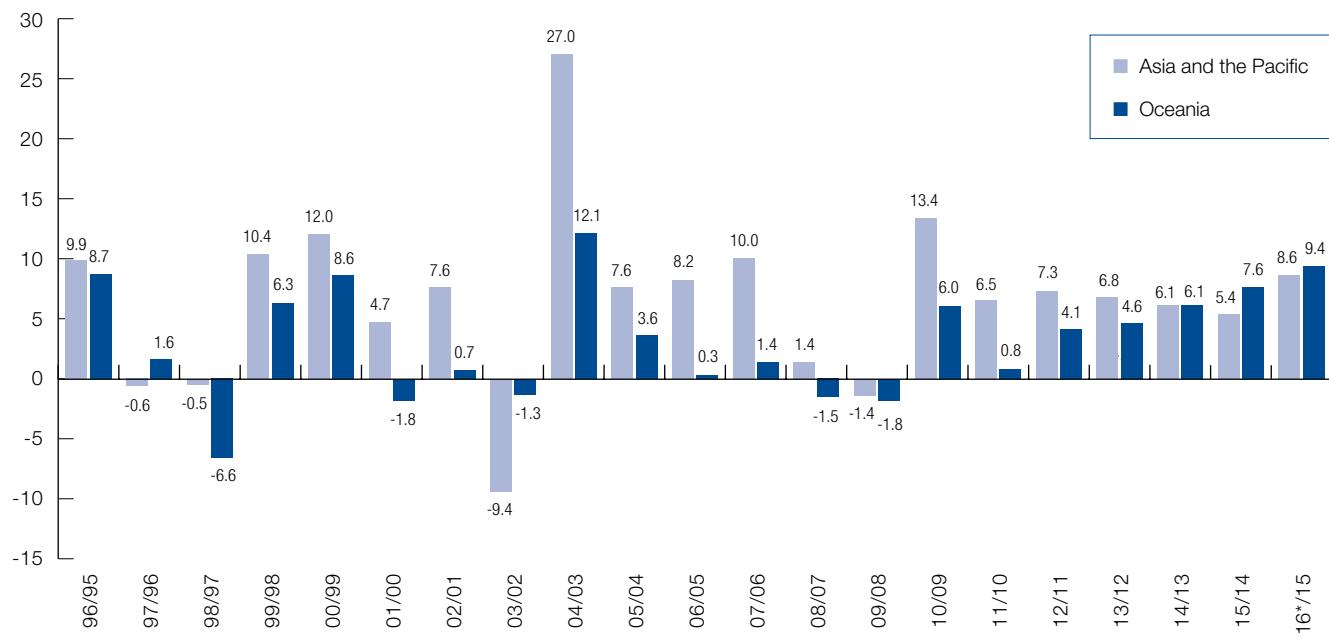
International tourist arrivals in Oceania (million)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

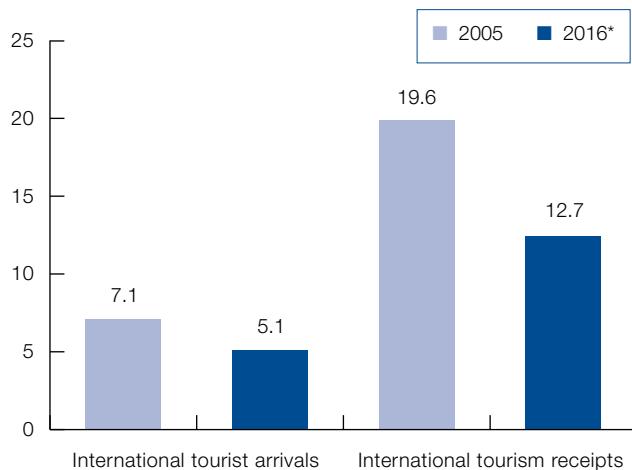
Annual growth in international tourist arrivals in Oceania (% change)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

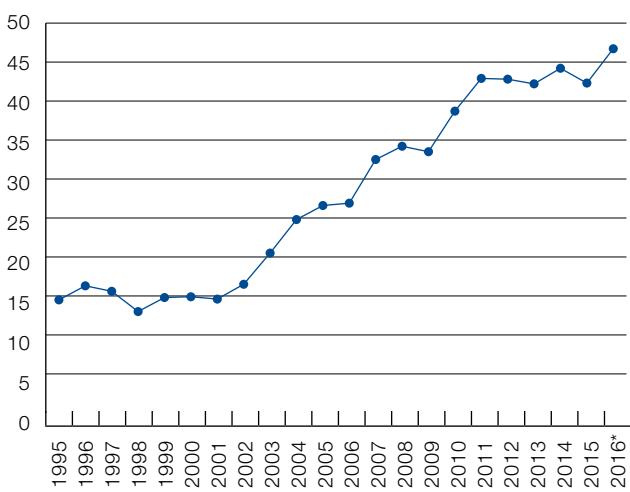
Oceania's share of Asia and the Pacific's international arrivals and tourism receipts (%)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

International tourism receipts in Oceania (USD billion)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

International tourist arrivals by country of destination in Oceania

Destination	International tourist arrivals (1000)							Market share in the region (%)		Change			Arrivals/100 pop. ^a
	Series	1995	2000	2005	2010	2015	2016*			(%)	Av. annual (%)	05-16*	
Total		8,091	9,635	10,919	11,386	14,265	15,610	7.1	5.1	7.6	9.4	3.3	39
American Samoa	TF	34	44	24	23	20	20	0.0	0.0	-5.9	-1.4	-1.8	36
Australia	VF	3,726	4,931	5,463	5,790	7,444	8,263	3.5	2.7	8.1	11.0	3.8	34
Cook Islands	TF	48	73	88	104	125	146	0.1	0.0	3.0	17.1	4.7	700
Fiji	TF	318	294	545	632	755	792	0.4	0.3	9.0	5.0	3.5	89
French Polynesia	TF	172	252	208	154	184	192	0.1	0.1	1.8	4.7	-0.7	67
Guam	TF	1,362	1,287	1,228	1,197	1,409	1,535	0.8	0.5	4.9	9.0	2.1	892
Kiribati	TF	4	5	4	5	4	6	0.0	0.0	-21.4	45.8	3.1	5
Marshall Islands	TF	6	5	9	5	6	10	0.0	0.0	23.3	55.8	0.6	18
Micronesia FSM	TF	..	21	19	45	30	30	0.0	0.0	-14.7	-2.1	4.1	29
N.Mariana Islands	VF	676	529	507	379	479	531	0.3	0.2	4.1	10.9	0.4	958
New Caledonia	TF	86	110	101	99	114	105	0.1	0.0	6.3	-7.6	0.4	40
New Zealand	TF	1,409	1,780	2,353	2,435	3,039	3,370	1.5	1.1	9.6	10.9	3.3	71
Niue	TF	2	2	3	6	8	8	0.0	0.0	4.1	1.4	9.8	629
Palau	TF	53	58	81	85	162	138	0.1	0.0	15.5	-14.7	5.0	769
Papua New Guinea	TF	42	58	69	140	184	..	0.0	..	1.1	2
Samoa	TF	68	88	102	122	134	..	0.1	..	10.9	69
Solomon Islands	TF	11	5	9	21	22	22	0.0	0.0	7.7	0.3	7.9	4
Tonga	TF	29	35	42	47	54	61	0.0	0.0	6.6	13.7	3.4	59
Tuvalu	TF	1	1	1	2	2	2	0.0	0.0	65.5	5.2	7.7	22
Vanuatu	TF	44	58	62	97	90	95	0.0	0.0	-17.3	5.7	4.0	35

a) Compiled by UNWTO from International Monetary Fund, *World Economic Outlook*.

Data as collected by UNWTO (August 2017).

Source: World Tourism Organization (UNWTO).

Please see page 26 for symbols and abbreviations.

International tourism receipts up 10% in Oceania

Oceania's international tourism receipts (USD 47 billion) account for 13% of Asia Pacific's total. The two largest destinations, Australia and New Zealand, earned 90% of the subregion's receipts and 11% of the regional total in 2016.

International tourism receipts in Oceania grew 10% in real terms (local currencies at constant prices), slightly above the increase in arrivals (9%). Results were led by major destinations Australia (+13%) and New Zealand (+7%), which both enjoyed their third consecutive year of solid growth.

Receipts per arrival in Oceania averaged USD 2,995 in 2016, the highest of all Asia Pacific subregions and well above the regional and world averages. The large distances between destinations and their source markets result in longer periods of stay and thus higher spending per trip. Receipts per arrival are particularly high in Australia (USD 3,925), a long-haul destination for most international visitors and an economy with high income levels and prices. Indeed, Australia has the third highest GDP per capita in Asia and the Pacific, after Singapore and Macao, China. Tourism earnings per arrival are also high in New Zealand (USD 2,860), French Polynesia (USD 2,535) and the Solomon Islands (USD 2,460).

International tourism receipts by country of destination in Oceania

Destination	International tourism receipts (USD million)						Market share in the region (%)		Receipts per arrival (USD) ^{b,c}	Receipts per capita ^a (USD)
	1995	2000	2005	2010	2015	2016*	2005	2016*		
Total	14,461	14,893	26,606	38,725	42,276	46,713	19.6	12.7	2,995	1,163
American Samoa
Australia	8,125	9,367	16,748	28,598	28,872	32,423	12.3	8.8	3,925	1,335
Cook Islands	28	36	91	111	0.1	..	1,440	8,441
Fiji	291	189	485	634	744	765	0.4	0.2	965	855
French Polynesia	326	..	530	406	466	..	0.4	..	2,535	1,648
Guam
Kiribati	3	5	4	4	2	3	0.0	0.0	595	29
Marshall Islands	3	3	3	4	0.0	..	1,020	97
Micronesia FSM	11	15	16	24	0.0	..	715	248
N.Mariana Islands	655
New Caledonia	108	111	149	129	158	..	0.1	..	1,385	600
New Zealand	2,938	2,870	6,473	6,522	9,050	9,638	4.8	2.6	2,860	2,031
Niue	2	..	1	2	0.0
Palau	..	45	60	73	149	..	0.0	..	915	8,254
Papua New Guinea	25	7	4	2	2	1	0.0	0.0	10	0
Samoa	35	41	73	123	141	151	0.1	0.0	1,050	777
Solomon Islands	16	4	2	44	51	53	0.0	0.0	2,460	89
Tonga	10	7	15	27	0.0
Tuvalu	1	2	0.0
Vanuatu	45	56	85	217	228	..	0.1	..	2,530	846

a) Compiled by UNWTO from International Monetary Fund, *World Economic Outlook*.

Data as collected by UNWTO (August 2017).

b) Last year with data available.

Please see page 26 for symbols and abbreviations.

c) Data should be interpreted with caution for countries with many same-day visitors, as receipts include same-day visits and international tourist arrivals do not.

Source: World Tourism Organization (UNWTO).



1.4.4 South Asia

India leads growth in South Asia with arrivals up 10%

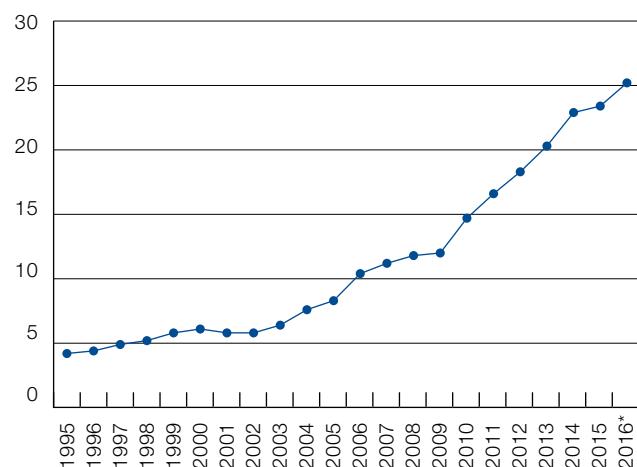
International tourist arrivals in South Asia totalled 25 million in 2016, an increase of 8% from 2015. The subregion's share of Asian arrivals has grown from 5% in 2005 to 8% in 2016 following its strong increase that period, an average 11% per year, the highest across Asian subregions.

Tourism in South Asia is dominated by India, which recorded 15 million arrivals in 2016 and Iran which received 5 million. (Note that India has revised its international tourist arrivals series upwards for 2016, 2015 and 2014 due to changes in methodology) India and Iran account for 57% and 20% of the subregion's arrivals respectively, or a combined 77%. The only other destinations recording more than 1 million arrivals are Sri Lanka (2 million) and the Maldives (1 million).

India (+10%) drove results in the subregion, while Sri Lanka (+14%) enjoyed its seventh consecutive year of double digit growth. Smaller destination Nepal (+40%) rebounded strongly, following a significant decline in 2015, after the Gorkha and Kodari earthquakes. Bhutan (+35%) also posted remarkable growth, though from lower base numbers. Island destination Maldives recorded an increase of 4%, while Iran saw a small decline.

Arrivals per capita in South Asia are significantly lower than in other subregions, due to its large population: only 1 arrival per one hundred inhabitants, in contrast with the regional average of 8. The Maldives has the highest ratio in the subregion, 363 arrivals per one hundred inhabitants, due to its small population. India, the second most populous country in the world, has a ratio of 1.

International tourist arrivals in South Asia (million)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

International tourist arrivals by country of destination in South Asia

Destination	International tourist arrivals (1000)						Market share in the region (%)	Change			Arrivals/100 pop. ^a		
	Series	1995	2000	2005	2010	2015	2016*	2005	2016*	15/14	16*/15	05-16*	2016*
Total		4,244	6,100	8,262	14,741	23,446	25,237	5.4	8.2	2.3	7.6	10.7	1.4
Afghanistan
Bangladesh	TF	156	199	208	303	0.1	0
Bhutan	TF	5	8	14	41	155	210	0.0	0.1	16.2	35.1	28.2	27
India	TF	2,124	2,649	3,919	5,776	13,284	14,569	2.5	4.7	1.4	9.7	12.7	1
Iran	TF/VF	489	1,342	1,889	2,938	5,237	4,942	1.2	1.6	5.4	-5.6	9.1	6
Maldives	TF	315	467	395	792	1,234	1,286	0.3	0.4	2.4	4.2	11.3	363
Nepal	TF	363	464	375	603	539	753	0.2	0.2	-31.8	39.7	6.5	3
Pakistan	TF	378	557	798	907	0.5	1
Sri Lanka	TF	403	400	549	654	1,798	2,051	0.4	0.7	17.8	14.0	12.7	10

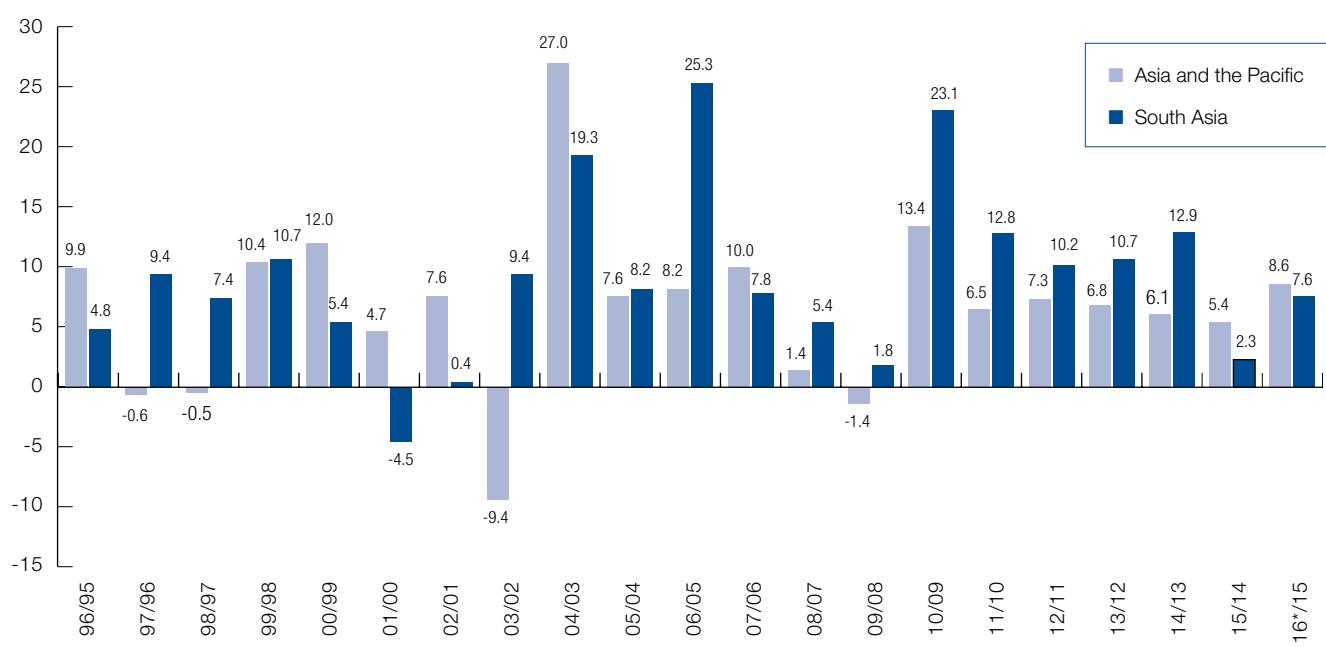
a) Compiled by UNWTO from International Monetary Fund, *World Economic Outlook*.

Data as collected by UNWTO (August 2017).

Source: World Tourism Organization (UNWTO).

Please see page 26 for symbols and abbreviations.

Annual growth in international tourist arrivals in South Asia (% change)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.

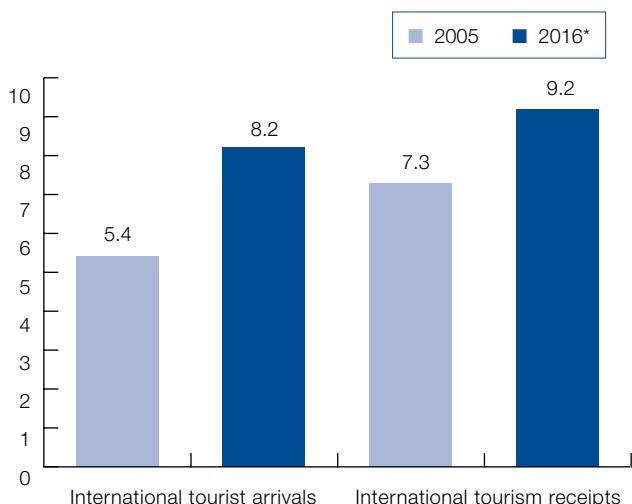
Above-average growth in receipts across the subregion

With about USD 34 billion in tourism earnings, South Asia has a lower share of international tourism receipts in Asia and the Pacific (9%). The subregion's largest destination India, earned USD 22 billion in tourism receipts, two-thirds of the total generated in South Asia, or 6% of the total Asia Pacific figure.

International receipts in South Asia increased 7% in real terms (local currencies at constant prices), well above the world average of 3%. Both Sri Lanka (+18%) and India (+14%) boasted their seventh straight year of double-digit growth in earnings. Maldives recorded an increase of 6%.

Receipts per arrival in South Asia averaged USD 1,340, above the regional average of USD 1,190 and well above the world average (USD 987). Across individual destinations, earnings per arrival are highest in the Maldives (USD 2,125), followed by Sri Lanka (USD 1,715) and India (USD 1,540). Relative to population, Maldives also stand out with an earnings figure of USD 7,713 per capita. The subregion's average is USD 19 per capita, given South Asia's huge population.

South Asia's share of Asia and the Pacific's international arrivals and tourism receipts (%)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.



International tourism receipts by country of destination in South Asia

Destination	International tourism receipts (USD million)						Market share in the region (%)		Receipts per arrival (USD) ^{b,c}	Receipts per capita ^a (USD)
	1995	2000	2005	2010	2015	2016*	2005	2016*		
Total	3,407	4,803	9,958	20,078	31,554	33,847	7.3	9.2	1,340	19
Afghanistan	86	82	49	..	0.0	..	1
Bangladesh	25	50	75	87	150	175	0.1	0.0	1,225	1
Bhutan	19	40	94	90	0.0	0.0	430	113
India	2,581	3,460	7,493	14,490	21,013	22,427	5.5	6.1	1,540	17
Iran	67	467	791	2,438	3,868	..	0.6	..	740	49
Maldives	211	321	826	1,713	2,569	2,730	0.6	0.7	2,125	7,713
Nepal	177	158	132	343	481	446	0.1	0.1	590	15
Pakistan	110	81	182	305	317	323	0.1	0.1	290	2
Sri Lanka	226	252	429	576	2,981	3,518	0.3	1.0	1,715	166

a) Compiled by UNWTO from International Monetary Fund, *World Economic Outlook*.

Data as collected by UNWTO (August 2017).

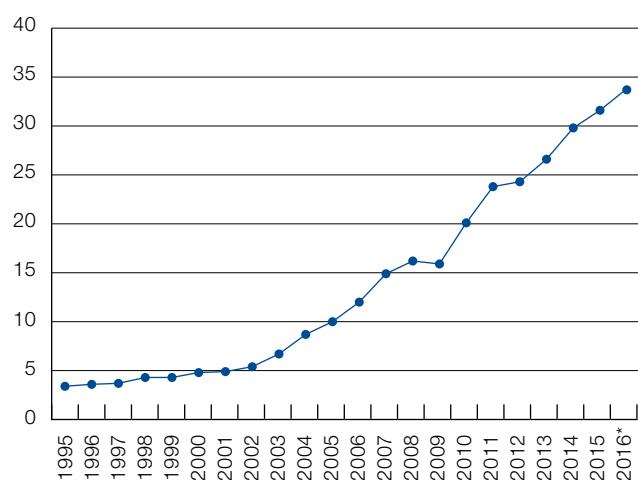
b) Last year with data available.

Please see page 26 for symbols and abbreviations.

c) Data should be interpreted with caution for countries with many same-day visitors, as receipts include same-day visits and international tourist arrivals do not.

Source: World Tourism Organization (UNWTO).

International tourism receipts in South Asia (USD billion)



Source: World Tourism Organization (UNWTO).

* Provisional figure or data.



1.5 Tourism prospects

1.5.1 Recent results and short-term outlook

Latest data for 2017 points to 6% growth in the first half of the year

According to data reported to UNWTO by destinations around the world, international tourist arrivals (overnight visitors) worldwide grew 6% in the first half of 2017 compared to the same period last year. This represents the strongest half-year results in seven years. Results are underpinned by continued robust growth in many destinations and a recovery in those that suffered declines last year.

By UNWTO region, growth was strongest in the Middle East (+9%), Europe (+8%) and Africa (+8%), followed by Asia and the Pacific (+6%) and the Americas (+3%). Mediterranean destinations in particular reported strong growth in the first half of 2017, with remarkable results in North Africa (+16%), Southern and Mediterranean Europe (+12%), and the Middle East (+9%). This trend is driven by the continued strength of many destinations, combined with a sound recovery in others that had reported declines in earlier years, such as Turkey, Egypt and Tunisia.

In Asia and the Pacific (+6%), results were led by South Asia where arrivals increased 12% in the first six months of 2017. India, the subregion's largest destination reported 15% growth this period, after recording a

10% increase in the full year 2016. Maldives saw 6% growth in international arrivals this period.

Oceania (+8%) grew above the region's average this first half of 2017, led by substantial growth in New Zealand (+8%) and Australia (+7%), its two largest destinations. Arrivals in Fiji increased 6% and in Guam 5%, compared to the same six months last year.

The trend in South-East Asia (+7%) also remained strong, with Viet Nam (+30%) driving results so far, after similarly strong performance in 2016. Indonesia (+15%), Philippines and Cambodia (both +13%) showed remarkable growth as well. Malaysia reported a small decline compared to the same months last year.

Results in North-East Asia (+4%) were more mixed, with some destinations reporting strong growth and others declines. Japan reported 17% growth this period and Macao, China (+13%), while the Republic of Korea and Taiwan Province of China both saw a decline, partly due to fewer arrivals from China. Hong Kong, China, posted a 5% increase in arrivals this six-month period.

Preliminary results for July and August 2017 as well as prospects by industry experts point to continued growth in international tourism for the second half of the year, above the 3.8% long-term trend projected by UNWTO for the period 2010-2020.

1.5.2 Long-term outlook: tourism towards 2030

... with strong potential also for long-term growth

Tourism Towards 2030 is UNWTO's updated long-term outlook, assessing the likely development of tourism over the two decades from 2010 to 2030. A broad research project, it builds on UNWTO's on-going work in the field of long-term forecasting, initiated in the 1990s. The new study replaces the earlier *Tourism 2020 Vision*, which had become a worldwide reference for international tourism forecasts.

The key outputs of *Tourism Towards 2030* are quantitative projections of international tourism demand over a 20-year period, to 2030, with 2010 as the base year. The updated forecast is enriched with an analysis of the social, political, economic, environmental and technological factors that have shaped tourism in the past, and which are expected to influence the sector in the future.

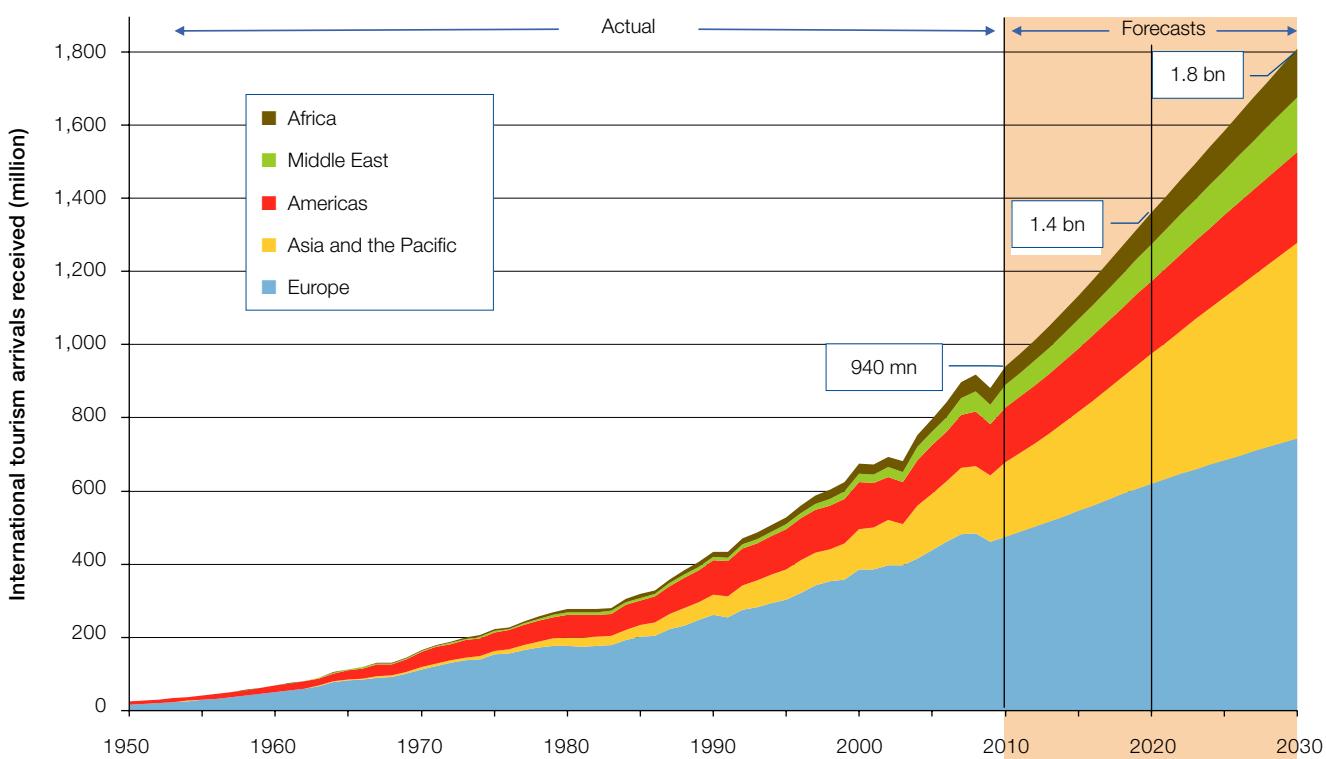
According to *Tourism Towards 2030*, the number of international tourist arrivals worldwide is expected to increase by an average of 3.3% a year over the period

2010 to 2030. Over time, the rate of growth will gradually slow, from 3.8% at the beginning of the period to 2.9% in 2030, but on top of growing base numbers. In absolute terms, international tourist arrivals are expected to increase by some 43 million a year, compared with an average increase of 28 million a year during the period 1995 to 2010. At the projected rate of growth, international tourist arrivals worldwide are forecast to reach 1.4 billion by 2020 and 1.8 billion by 2030.

Asia and the Pacific will enjoy the highest increase in arrivals

In Asia and the Pacific, international tourist arrivals are forecast to increase by 331 million to reach 535 million by 2030 (+4.9% per year), making it the region with the highest absolute gain in arrivals. The largest increase will come from North-East Asia, adding 9 million arrivals a year. By 2030 it will become the subregion to receive the most international arrivals in the world, with 293 million, surpassing Southern and Mediterranean Europe (264 million) and Western Europe (222 million). South-East Asia is expected to become the fourth most visited subregion in the world with 187 million arrivals by 2030.

Overview of tourism forecasts to 2030



Source: World Tourism Organization (UNWTO).

Increases in tourist arrivals to South Asia (36 million by 2030, an additional 15 million) and Oceania (19 million, +7 million) will be much smaller.

In terms of relative growth, however, South Asia will be the leading subregion in Asia and the Pacific with 6% growth a year until 2030, albeit from a low base. South-East Asia (+5.1% a year) and North-East Asia (+4.9%) will also continue growing at a fast pace, adding to already substantial base volumes. Growth in Oceania will be more moderate at 2.4% a year.

Thanks to its faster growth, the global market share of Asia and the Pacific will also increase (to 30% in 2030, up from 22% in 2010). As a result, Europe (forecast to rise to 41%, from 51%) and the Americas (to 14%, from 16%) will experience a further decline in their share of international tourism, mostly because of the slower growth of comparatively mature destinations in North America, Northern Europe and Western Europe.

In terms of tourist arrivals by origin, the share of intraregional arrivals in Asia and the Pacific is expected to grow further, from 79% in 2010 to 83% in 2030. Therefore, only 17% of tourist arrivals to Asia and the Pacific will be from source markets outside the region.

Asia and the Pacific is expected to record the highest absolute growth in arrivals in the period 2010–2030.

UNWTO Tourism Towards 2030: International tourism in Asia and the Pacific by subregion of destination

	International tourist arrivals received (million)					Average annual (%)					Share (%)	
	Actual data			Projections		Actual data		Projections			Actual data	Projections
	1980	1995	2010	2020	2030	2000	2010	10–30	of which	10–20	20–30	
World	277	528	940	1,360	1,809	4.4	3.9	3.3	3.8	2.9	100	100
To advanced economies ¹	194	334	498	643	772	3.7	2.7	2.2	2.6	1.8	53	43
To emerging economies ¹	83	193	442	717	1,037	5.8	5.7	4.4	4.9	3.8	47	57
Asia and the Pacific	22.8	82.0	204.0	355	535	8.9	6.3	4.9	5.7	4.2	21.7	29.6
North-East Asia	10.1	41.3	111.5	195	293	9.9	6.8	4.9	5.7	4.2	11.9	16.2
South-East Asia	8.2	28.4	69.9	123	187	8.7	6.2	5.1	5.8	4.3	7.4	10.3
Oceania	2.3	8.1	11.6	15	19	8.7	2.4	2.4	2.9	2.0	1.2	1.0
South Asia	2.2	4.2	11.1	21	36	4.3	6.6	6.0	6.8	5.3	1.2	2.0

¹ Classification based on the International Monetary Fund (IMF), see the Statistical Annex of the IMF *World Economic Outlook*, April 2017, page 175, at: www.imf.org/external/ns/cs.aspx?id=29.

Source: World Tourism Organization (UNWTO).

Data as collected by UNWTO (September 2011).

1.5.3 Opportunities and challenges

The potential for tourism development in Asia and the Pacific is still huge, though destinations must adapt to a changing business environment and increasing competition. Promoting regional collaboration, increasing connectivity and making use of technological advances can drive tourism forward, while implementing effective policies that foster sustainability.

Asia and the Pacific is the second most visited region in the world after Europe, with 308 million international tourists recorded in 2016, one-fourth of the world's total. The region experienced the fastest growth in arrivals between 2000 and 2016, an average 7% per year, compared to the world rate of 4%.

Rapid economic growth in a region with over half the world's population, together with increasing air connectivity, market openness, and travel facilitation have fueled international tourism in the recent past. Rising middle classes with growing income levels and more paid holidays have boosted demand for overseas travel throughout Asia and are expected to do so in the future. UNWTO's long-term outlook report *Tourism Towards 2030* projects an average increase of 5% per year in arrivals to reach 535 million by the year 2030, about 30% of the world total. Asian tourists are also expected to travel increasingly outside the region, as source markets become more mature and travelers more experienced.

Like in other world regions, intraregional travel will continue to dominate the growth pattern in Asia. China will have a major impact on these trends, as the world's biggest source market and Asia's top destination. Both emerging and established destinations can benefit from this expansion in travel, provided they continue offering adequate conditions with regard to business environment, travel facilitation and infrastructure development.

Regional cooperation among destinations is a significant part of this effort. Facilitating the free movement of people, goods and services, and making good use of common infrastructure are important ways to share in intraregional growth, while promoting safety and security. Adapting to the technological advances in the fields of transportation and information in particular, can also stimulate tourism. Digital connectivity is not only making travel simpler, faster and more affordable, but also offering a broader array of personalized travel and tourism options.

The rise of new platform tourism services, sometimes known as the 'sharing', or 'collaborative' economy, has expanded the range of tourism products and prices considerably, making travel more accessible and diverse. It has also created the need for adequate policies that address consumer rights and quality standards, as well as fair competition among service providers. Respect for local communities and sustainability are important issues that also require attention.

In 2017, the International Year of Sustainable Tourism for Development (IY2017) we are reminded that destinations, travelers and other tourism stakeholders must work together for a sustainable tourism sector that protects the environment, preserves the cultural heritage of destinations, and fosters respect for local communities everywhere. As a source of prosperity and jobs, tourism needs to be managed efficiently for the long-term benefit of visitors and host communities alike.

Tourism is playing a decisive role in Asia's rapid development and several upcoming mega-events and numerous infrastructure projects attest to the region's growing position as a world class destination. Three Olympic Games will be held in Asian cities in the next five years: the PyeongChang 2018 Winter Olympics (Republic of Korea), the Tokyo 2020 Summer Olympics (Japan), and the Beijing 2022 Winter Olympics (China). With such expansion comes the challenge of meeting changing traveler demands in effective and sustainable ways.





The impact of technology on Asia and the Pacific tourism development and trends

2.1 Transportation technologies

This section of the report deals with technology relating to transportation, the development of which has been fundamental in shaping the pattern of tourism today. Asia is placed within a global context where key technological developments have been shared across the globe. Some new technologies, particularly relating to rail travel and now to smart city mobility, have been initiated in Asia and then spread globally. Others, relating particularly to aircraft development, have been initiated in North America and Europe and have spread quickly to Asia.

The primary focus is on developments in air travel which has had the most significant impact on international tourism – essentially through a combination of three factors – the development of the wide-bodied jet plane and technology related to fuel efficiencies that have reduced the transport costs per seat; the advent of the low-cost carrier business model; and the Internet, which made it possible to reduce distribution costs and enable consumers to put together their own affordable packages.

However, the report also looks at land and sea travel technologies, with particular regard to engineering technology innovations that are being implemented right now or are anticipated for the next 10 to 20 years.

More specifically, this section:

- Starts with a summary of key transport innovations over the past 50 years, which have been critical shaping tourism today;
- Analyses the growth in air travel – the intensification of the network of air routes; the growth of airport and route clusters; forecasts by the aircraft manufacturers, growth in the aircraft fleet, growth in traffic flows geographically; current and anticipated growth in volume of air travel, overall and per capita; and
- Reviews the wide range of innovations in transport design that will impact on travel in the years ahead, including:
 - Airbus 'Smarter Skies' concepts;
 - Electric vehicles, driverless vehicles, urban transport sharing systems – within the framework of multi-modal mobility networks and smart cities;
 - New high-speed train technologies; and
 - Cruise ship design and onboard technologies for enhancing the guest experience.

Table 2.1 Key transport innovations that have shaped tourism today

Year	Innovation	Impact
1964	First high-speed train (the 'Bullet Train') goes into operation in Japan.	Enhanced tourism rail travel for visitors in terms of speed and quality of ground transport. Increased tourism flows around countries.
1969	First flight of the Boeing 747, the first commercial wide-body airliner.	Dramatic increases in capacity and reductions in cost of air travel.
1976	Concorde, the world's first commercial passenger-carrying supersonic aircraft, comes into operation.	Dramatic increase in speed of intercontinental air travel, but relatively low capacity and high cost. Limited demand.
1989	First mega-cruise ships launched, leading to ever-larger ships, such as state-of-the-art 'Oasis of the Seas' in 2009 (capacity: 6,300 pax).	Cruise ships effectively became large-scale resort hotels, with high quality environment and extensive range of facilities and food and beverage outlets.
2004	First commercial high-speed Maglev train starts operation between Shanghai and its airport.	Potential for much faster and smoother rail travel. Limited impact to date.
2013	Advent (just) of driverless cars.	Potential for smoother road travel with better use of travelling time (for work, entertainment etc.).

Source: TEAM Tourism Consulting (2017).

2.1.1 Summary of key transport innovations over the past 50 years

The table 2.1 highlights some of the developments in transport technology that have impacted most strongly on the shape of tourism today, in making travel more rapid, affordable and comfortable.

2.1.2 Analysis of growth in air travel

Growth of air passenger traffic and routes

The graph below gives an indication of the evolution and growth of air passenger traffic since 1970. From around 310 million passengers in 1970 it reached 3.6 billion in 2016, an over 10-fold growth within a span of a little less than five decades. An interesting case study of passenger flows that gives a good perspective to its evolution in the past three decades has been illustrated in *Evolution of Air Passengers Flows for 30 Years*.¹

The exponential growth in air passenger traffic consequently led to an intensification of the air travel routes to cater to the passenger demand. In recent years low-cost carriers (LCCs) have developed new routes to and between second and third tier cities and this is particularly evident in Asia and the Pacific region. Air Asia for example operates out of multiple hubs around Asia

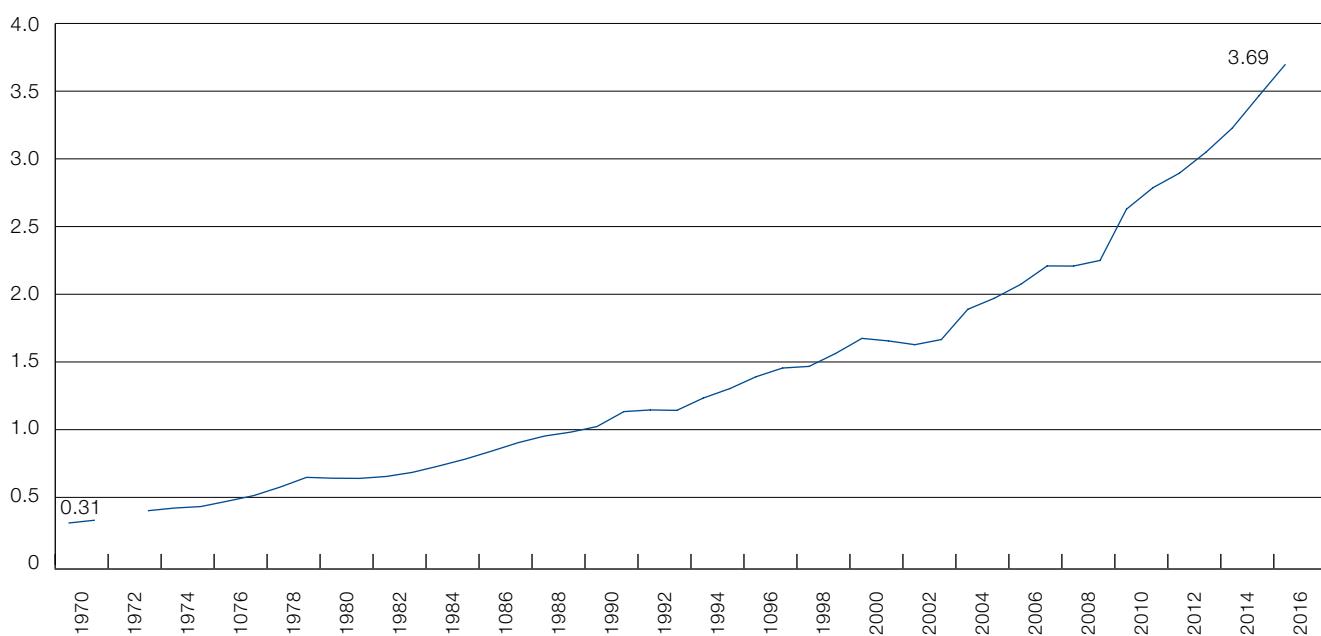
and flies to over 125 destinations in Asia and beyond (see AirAsia Route Map at: www.airasia.com).

As illustrated in the map below, airports tend to form into clear clusters, with the Asian cluster having scale and intensity broadly comparable with that of Europe and North America. This reflects the position of Asia and the Pacific as a major tourism market representing 25% of international visitors.

The densities of air traffic networks are expected to increase in both the north and south, since air traffic is forecast by Airbus to double between 2016 and 2031², with Asia and emerging markets leading the way. This confirms UNWTO's estimates that international arrivals to Asia and the Pacific will increase from the present (2016) figure of 308 million to 535 million in 2030. One of the contributory factors to this growth is that the cost of air travel will be reduced, through increasing use of larger and more economical aircraft brought about by the technological progress.

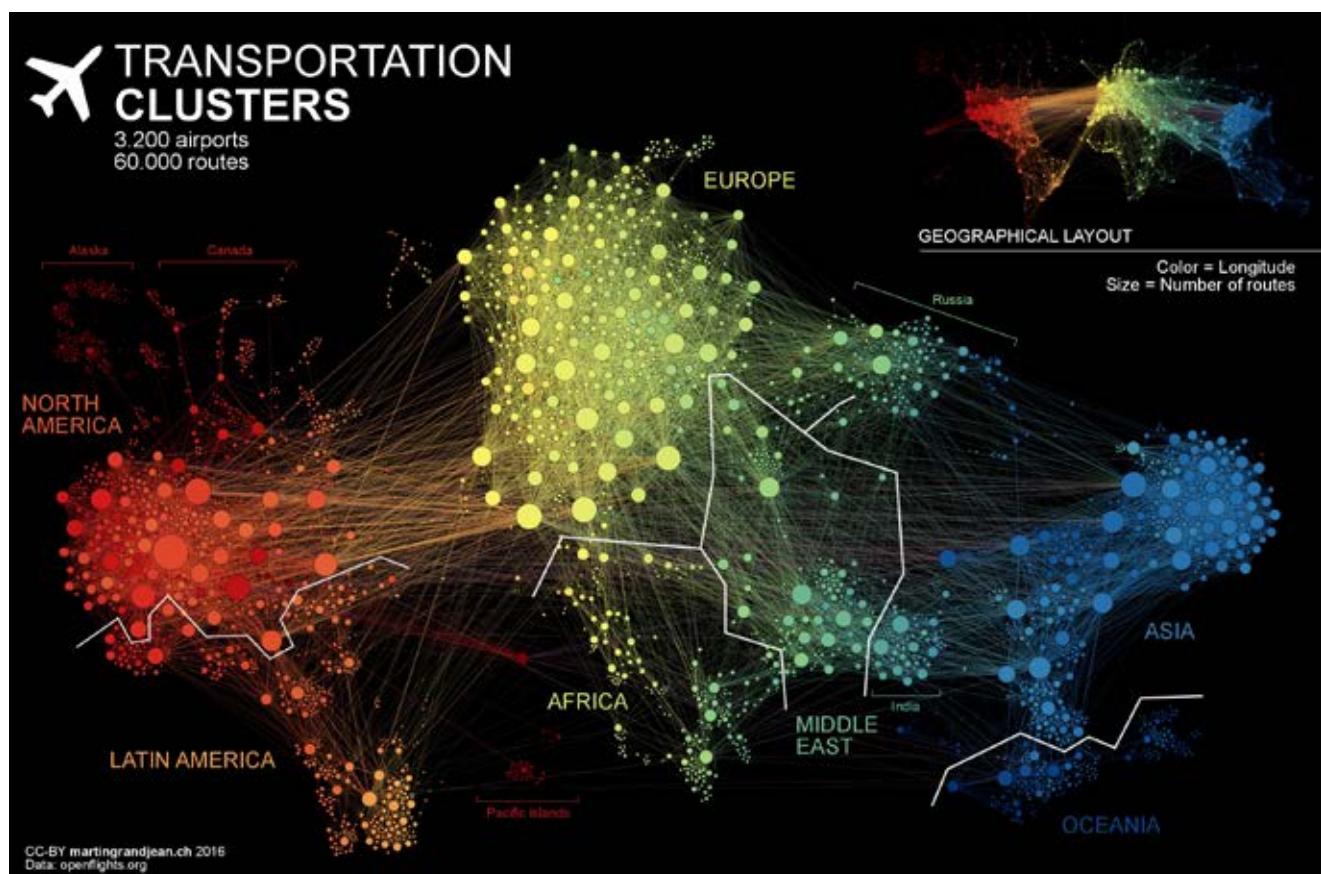
Despite competition from other means of transport such as road, rail and sea, air transport is forecast to increase its share from about 50% in 2016 to 60% by 2036. It is noteworthy that air transport growth is forecast to be highest in expanding regions. Emerging/developing regions and countries that include China, India, Middle East, rest of Asia, Africa, Commonwealth

Figure 2.1 Evolution of worldwide air passengers, 1970–2016 (billion)



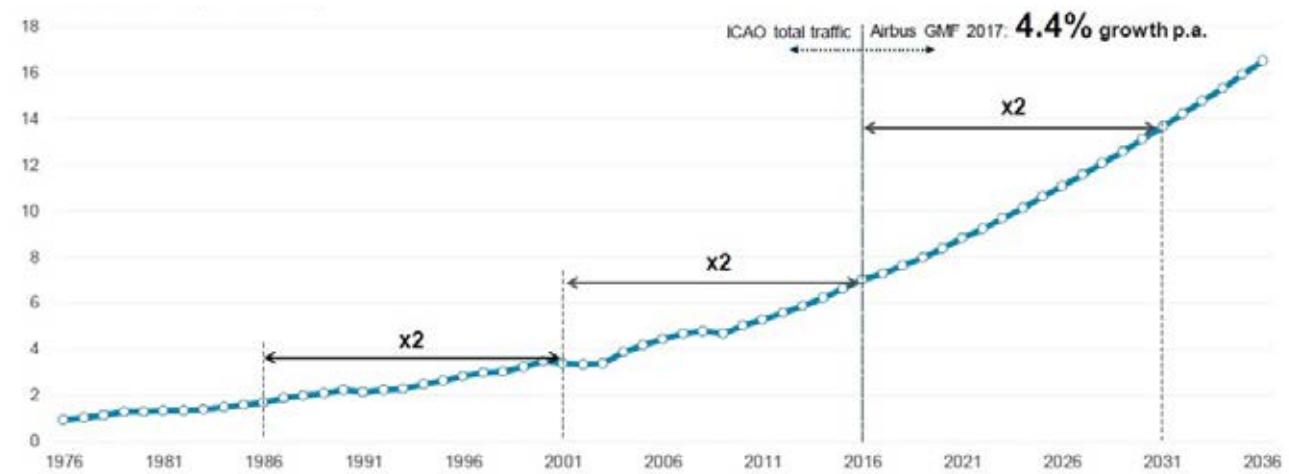
Source: The World Bank (2017), *Air transport, passengers carried* (online), available at: <https://data.worldbank.org/> (19-09-2017).

Figure 2.2 Transportation clusters



Source: Martin Grand Jean (2016), *Connected World: Untangling the Air Traffic Network* (online), available at: www.martingrandjean.ch (10-05-2017).

Figure 2.3 Air traffic doubles every 15 years – world annual traffic, 1976–2036 (RPK trillion)



Notes: RPK = revenue passenger kilometre.

GMF = global market forecast.

Source: Airbus (2017), *Growing Horizons – Global Market Forecast 2017 – 2036*, presentation by Leahy, J., based on: International Civil Aviation Organization (ICAO) and Airbus (online), available at: www.aircraft.airbus.com (11-09-2017).

of Independent States, Latin America and Central Europe with a population of 6.4 billion (2016) are expected to see a yearly revenue passenger kilometre (RPK) growth of 5.8% while advanced regions and countries (Western Europe and Israel, North America, Japan, Singapore, Republic of Korea, Australia and New Zealand) with a population of 1 billion will grow by 3.2%.³

An Airbus forecast shows the growth in trips per capita from 2016 to 2036.⁴ The expectation is that the ‘propensity to travel’ by air in the ‘emerging countries’ (which include many in Asia) will increase hugely from about 30% to 83% of the population; and that the average number of trips person in the world’s most populous nations, China and India, will also increase dramatically – in China from 0.4 trips per person to 1.3 trips and in India from 0.1 to 0.4. Comparable increases can be expected from many other Asian nations. The potential for overall growth in air travel will thus be huge.

The result is that, as shown in the next table, Asia and the Pacific’s lead in world air passenger traffic is expected to increase dramatically by 2036 to nearly twice the level in Europe. Table 2.3 shows that 50% of the top-20 traffic flows will involve Asia and the Pacific and that; Chinese domestic traffic is predicted to grow the fastest of all (3.6 times).⁵

The huge forecast increase in demand for air travel is then reflected in the anticipated growth in the fleet of aircraft, as shown in the next diagram, a ten-year fleet forecast by aircraft generation, 2015–2025. New generation aircraft are expected to increase by nearly 900% over the ten-year period in Asia and the Pacific.

Table 2.2 Global air traffic growth forecast, 2016–2036

Regions	2016 world RPK (% share)	20-year CAGR (%)	2036 world RPK (% share)
Asia and the Pacific	30.0	5.6	38.0
Europe	26.0	3.4	21.0
North America	22.0	2.6	16.0
Middle East	10.0	6.1	13.0
Latin America	5.0	4.5	5.0
Commonwealth of Independent States	4.0	4.0	4.0
Africa	3.0	5.3	3.0

Notes: The above geographical categories do not necessarily correspond to UNWTO regions.

RPK = revenue passenger kilometre.

CAGR = compound annual growth rate.

Source: Airbus (2017).

Table 2.3 Annual traffic growth by route categories, 2016–2036 (%)

Route category	Increase per leg flow
Domestic traffic, India	440
Middle East – United States of America traffic	350
Emerging Asia – China traffic	280
Domestic traffic, emerging Asia	270
Domestic traffic, China	260
China – United States of America traffic	260
Indian subcontinent – Middle East traffic	240
Emerging Asia – Middle East traffic	240
Intra-Middle East traffic	210
Developed Asia – China traffic	200
Central Europe – Western Europe traffic	160
Domestic traffic, Brazil	160
Western Europe – Middle East traffic	150
Developed Asia – emerging Asia traffic	150
South America – USA traffic	130
Western Europe – China traffic	120
Western Europe – South America traffic	100
Western Europe – USA traffic	80
Intra-Western Europe traffic	60
Domestic traffic, United States of America	50

Note: The above geographical categories do not necessarily correspond to UNWTO regions.

Source: Airbus (2017).

Table 2.4 Growth in aircraft fleet, 2015–2025 (%)

Regions	Old generation	Mid generation	New generation
Global	-70	-17	+ 531
Asia and the Pacific	-61	-7	+ 895

Note: The above geographical categories do not necessarily correspond to UNWTO regions.

Source: Harrison, M. (2016), *MRO Forecast and Market Trends – ICF International Presentation* (online), available at: www.iata.org (10-05-2017).



2.1.3 Innovations in transport design in the years ahead

Airbus 'smarter skies' concepts

Airbus unveiled its vision of sustainable aviation 2050 – a vision for 'smarter skies' towards more flights, fewer emissions and quicker passenger journey times. This goes beyond purely aircraft design to look at its operation both on the ground and in the air. The 'smarter skies' vision consists of five innovation concepts to reduce waste in the system:⁶

1. **Eco-climb:** aircraft launched through assisted take-offs using renewably-powered, propelled acceleration will allow for steeper climb from airports to minimise noise and reach efficient cruise altitudes more quickly. This approach could also minimise land use with shorter runways;
2. **Express skyways:** highly intelligent aircraft will be able to self-organise and select the most efficient and environmentally friendly routes;
3. **Free-glide approaches and landings:** this would lower emissions during the overall descent and reduce noise during the steeper approach. It would also reduce the landing speed earlier, making shorter landing distances achievable with less runway needed;
4. **Ground operations:** aircraft engines could be switched off sooner, runways cleared and ground-

handling emissions could be cut. Technology could optimise an aircraft's landing position; and

5. **Power:** the use of sustainable aviation fuels and other potential alternative energy sources will be necessary to secure supply and further reduce aviation's environmental footprint in the long term. It will allow the extensive introduction of regionally sourced renewable energy close to airports.

These 'smart skies' concepts are summarised as follows:

1. Eco-climb: Aircraft take-off in continuous 'eco-climb';
2. Express skyways: Aircraft in free flight and formation along 'express skyways';
3. Free-glide approaches and landings: Low-noise, free-glide approaches and landings;
4. Ground operations: Low emission ground operations; and
5. Power: Powering future aircraft and infrastructure.

Future-gazing by Airbus created radical blueprints for concept planes and aircraft interiors. The cabin would be an individual capsule allowing the passengers to continue their journeys by road, train or in the air to their final destination.⁷

Other air transport innovations being tested include flying cars and Jet packs but the latter is more intended for rescue work rather than leisure flights.⁸

Electric vehicles, driverless vehicles, urban transport sharing systems – within the framework of multi-modal mobility networks and smart cities

Major changes are anticipated in ground transport over the next 20 years and beyond, with a shift in focus from travel in individually owned and operated vehicles using petrol engines, to shared transport that will enable door-to-door personalised journeys, using integrated systems based on intelligent and smart technologies, with the following features:⁹

- **Connected cars:** new connected ecosystem, allowing transportation to seamlessly integrate into the technological ecosystem built for individuals;
- **Integrated mobility:** multi-modal commuting, combining door-to-door solutions using dedicated mobility platforms. Companies such as IBM and Microsoft will develop platforms by offering multiple connected services; and
- **New business models:** from on-demand transportation to offering first- and last-mile connectivity, vehicle manufacturers are innovating towards the provision of transportation experiences.”

The key dimensions of the future mobility are as follows:¹⁰

- 13.4 million electric vehicles by 2022;
- 90% of cars sold in 2020 will feature connectivity;
- The micro-mobility market is expected to explode, with over 125 models expected to be launched;
- 26.2 million car sharing members using just 0.5 million cars;
- Over 50 cities worldwide will have zero emission taxis; and
- 48 million connected cars by 2020.

These and other developments are illustrated in a video ‘The future of mobility: Ben’s journey’ by Deloitte University Press at: <https://dupress.deloitte.com>; this futuristic concept foresees frictionless automated personalized travel on demand integrating different modes of transport that is sustainable, eco-friendly and hazard free.

Electric vehicles

A key element of this vision of future mobility is the electric car, which will have a substantial impact on both transport in the home environment and on domestic tourism. In 2016, China was the world’s largest purchaser of electric vehicles, with more than 300,000 sales. The volume of sales is expected to reach more than 5 million by 2020.¹¹

Production of low-speed electric vehicles (LEVs) is growing quickly, far outpacing estimates for traditional electric car sales in China. LEVs are easier to manoeuvre through traffic and into tight parking space. Retailers are finding that they work well as delivery vehicles to meet the booming demands of e-commerce, while LEVs also meet most travel needs of the growing senior population in China.¹²

The next stage is the driverless car, technologically well advanced (in 2017) and which could be in operation from 2019/20 onwards, subject to substantial practical challenges being addressed by that time.¹³ One of the most high-profile initiatives is the Google Self-Driving Car Project; a 2016 video, explaining the challenges and opportunities is available at: www.youtube.com/watch?v=Uj-rK8V-rik.

On-demand transportation (cars and bike-sharing systems)

China is the global leader in on-demand transportation (cars and bikes sharing), with approximately 67% global share in the first quarter of 2017.¹⁴

Bike sharing is booming in China, with an estimated 20 million monthly active users (MAU) in March 2017. It is becoming a high frequency activity with for example two-third of users in Shenzhen Municipality riding on-demand bikes over three times a week. Half of trips are for commute purposes but 29% are said to be for leisure/exercise.¹⁵

Shanghai leads the world in bike-sharing schemes, with 450,000 shared bicycles, nearly all of which were introduced in the past six months, while Beijing, Shenzhen and Guangzhou had a total of 100,000 in each city.¹⁶

Unlike other sharing schemes around the world, those operated by companies such as Mobike and Ofo in China enable bicycles to be picked up and left anywhere. The bicycles can be unlocked using mobile app and scanning a QR code on the frame. Mobike's models are even GPS-tracked. This increased flexibility for users is creating more problems for city authorities and in March 2017 it led Shanghai city government to issue draft guidelines for the bike-sharing economy.¹⁷

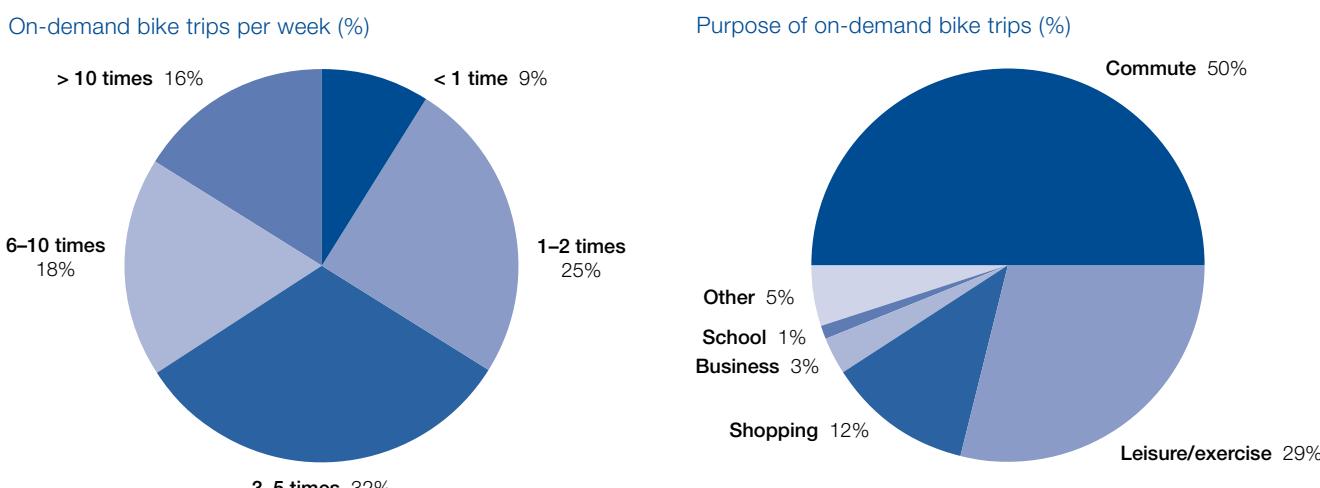
Smart cities and mobility

The vision and technologies for future mobility outlined above are integral to the concept of 'smart cities', which is now being processed as the basis for the sustainable operation of many large cities in Asia, particularly in Japan and, increasingly, China.

"The need for smarter solutions and energy-efficient living will drive and foster clusters of smart communities called smart cities. Smart cities will be measured on the level of intelligence and integration of infrastructure that connects the healthcare, energy, building, transportation, and governance sectors."¹⁸

Frost & Sullivan

Figure 2.4 Purpose of on-demand bike trips per week in China



Source: World Tourism Organization (UNWTO).

Table 2.5 China on-demand bike-sharing characteristics

Mobike product innovation	
In-bike GPS and smartphone	Bike sharing without stations. Location-based virtual red envelope drives utilization.
QR code and mobile payment	Easy unlock and low friction payment.
Ubiquity and low cost and convenience (about USD 0.15 per 30 min)	Mass adoption and bike utilization.

Source: based on: Meeker, M. (2017).



Given that cities are expected to be the primary beneficiary of tourism in the decades ahead, the efficiency and effectiveness of city services, particularly in relation to mobility, and hence the concept of smart cities, are of primary interest to tourism authorities.

The essential components of smart cities are summarised in the following list:¹⁹

- Smart city segments: energy, mobility, technology, citizens, building, infrastructure, healthcare and government;
- Companies implementing smart solutions could capture part of the potential global savings of USD 946.5 billion;
- Smart cities are expected to create huge business opportunities, with a market value of USD 1.57 trillion by 2020;
- 50% of smart cities will be located in North America or Europe; and
- There will be 26 smart cities located worldwide by 2025.

New technology (especially the Internet of things and big data) underlies every aspect of the way smart cities will function.

Hangzhou, the trade capital of the Zhejiang province in China, is another good example of smart city, supported by the Chinese government's Internet Plus initiative for smart cities. E-commerce and data management giant Alibaba (which has its headquarters in the city) and 13 other companies are working with the local government on public private partnerships to create smart service delivery systems for the city.²⁰

- Hangzhou on Palm: world's largest smart-app-based public bicycle system, Hangzhou on Palm. The system has 38,000 bicycles at over 2,500 docking points, some of which are equipped with QR codes and bilingual instructions;
- Hangzhou City Brain: project driven by Alibaba Group set to redefine city smartness with the aim of using big data to help the city 'think' and make decisions;
- Artificial intelligence initiative: aims at improving urban systems by helping citizens find out about traffic trends or pre-book parking slots through the city app for example. Furthermore, face-recognition systems and intelligent cameras will automatically help deploy public resources and amend defects in urban operations; and
- Hangzhou Resident Card: a kind of credit card with access to 13 e-services from withdrawing money from ATM, renting a bicycle, buying a bus ticket, buying groceries etc.



New high-speed train technologies

Japan has led the way in high-speed train technology for half a century – the shinkansen, developed in the 1960s, was an outstanding innovation well ahead of its time. Decades later, many other countries have followed its lead – China is the leader in developing high-speed rail (HSR) and is expected to have a network spanning more than 25,631 km by 2030.²¹

On the horizon now is a new generation of very high-speed trains, based on hyper-loop and magnetic levitation (maglev) technology. Hyperloop is ‘a new paradigm of high-speed transportation’, a cross between train and plane, designed by Elon Musk in 2013. With a projected top speed of 760 mph (1200 km/h), the Hyperloop is poised to revolutionize transportation by moving passengers between cities like Los Angeles and San Francisco in as little as 35 minutes. Hyperloop pods will travel in evacuated tubes above the ground, diminishing the drag force of atmospheric air and enabling passenger and freight transportation at high speeds with low energy consumption’.²²

Hyperloop is based on a technological concept of transport in vacuum tubes that permit the capsules to travel at very high speed (700 miles per hour or 1127 km per hour), as there is no air friction inside the apparatus.²³

Hyperloop One has unveiled nine possible routes for futuristic high-speed travel across Europe, including a 90 kilometres journey across the Baltic Sea linking Estonia

to Finland in just eight minutes. The ambitious projects have been shortlisted for the Hyperloop One Global Challenge²⁴.

Maglev is a “transport method using magnetic levitation to move vehicles without making contact with the ground”²⁵. Maglev (derived from magnetic levitation) is similar to a train but due to the lack of friction it moves faster and is expected to compete with air transport for short haul travel. The technological advance could be compared to the bullet train that was introduced in Japan 50 years ago.

Both the Hyperloop and the Maglev require appropriate infrastructure and investment, which make their functionality limited to countries that have the necessary resources.

Technological advances are not confined only to hardware. Just as with e-ticketing today, traditional methods of fare collection are expected to become obsolete by 2030. Ticketing systems in transport systems will become aware of the passenger and collect charges without the physical action of paying the fare.²⁶ A whole new culture of travel is expected on the horizon soon whose major impact will be to provide more leisure time that invariably will boost tourism.



Cruise ship design and onboard technologies for enhancing the guest experience

In the cruise sector, ships designed essentially for transportation have evolved into ships that act as large hotel resorts. The world's largest cruise ship is currently Royal Caribbean's Harmony of the Seas that can fit 6,000 passengers and 2,000 crewmembers over its 16 decks. It includes what is believed to be the tallest slide at sea, a casino, a state of the art 1,380 movie theatre, an ice skating rink, 16 restaurants, cafes and boutique shopping. It also houses a scaled down version of New York's Central Park complete with 10,587 plants and 52 trees.²⁷

Innovative technologies are also helping cruise companies to improve the guest experience to make their cruise vacation, memorable, seamless and personalised.

GPS-equipped wristbands are to be provided to passengers of the Harmony of the Seas to help them navigate the vast vessel.²⁸

At the end of 2017, Carnival Corp. is expected to launch new wearable location technology 'The Ocean Medallion' on-board Regal Princess that collects information about guests and uses it to create highly personalised experiences on board its ships. It will enable services such as sophisticated way finding, food and beverages on demand, interactive gaming, facility to make purchases etc.²⁹ Using 120 km of cable, 7000 sensors, 650 readers

and 4030 interactive portals the Regal Princess is a showpiece of modern technology that transforms a cruise ship experience to one that is an adventure in its own right.

The way in which the technology works in practice is illustrated in a short video 'Carnival's smart ship technology' available to view at: www.miamiherald.com

Robotic technologies are also going to play an increasing part in important jobs both at sea and on shore. Passengers of the Harmony of the Seas will be able to enjoy cocktails served by robot bartenders at the ship's 'Bionic Bar'.³⁰ Other examples include fire fighter robots using advanced sensors to aid firefighters on ships, hull cleaning robots, robot ship inspectors, anti-piracy robots and robotic vessels.³¹

These and other developments in cruise travel make this sector one of the most technologically advanced in transportation services that can attract more clients, particularly the young, from the traditional senior citizens and thereby broaden its client base. With the growing middle-class and millennials in Asia and the Pacific, especially in China, the cruise sector has a bright future in the region.



2.2 Digital technologies

The travel sector was one of the first to use computers to enhance business processes on a macro scale, notably through the Global Distribution Systems established by airlines during the 1960s to enable travel agents to access their inventory easily and to book multiple leg journeys on a properly scheduled basis. These and booking systems developed for the major hotel and car rental groups were upgraded constantly during the early years of widespread computing, to better meet the needs of travel agents and their customers.

During the 1980s, the scope of information and reservation systems extended, to cover other forms of travel and accommodation and to enable customers to start to make bookings directly. Many systems were developed, some successfully, some not, but there was increasing recognition of the opportunities that information and communication technologies offered to enhance customer services.

In the mid-1990s, the advent of the Internet and the World Wide Web as tools for widespread public and business use brought about a sea change in computer based information and booking systems. Applications were developed rapidly and major new players emerged on the tourism scene – Expedia (established by Microsoft), Travelocity (established by the Sabre GDS) and many more, large and small. It was a time of huge innovation in the sector, opening up the potential for major changes in businesses processes, particularly marketing and sales.

The focus of this section of the report is on the developments that have taken place since that time in the use of information and communication technologies by the travel and tourism industries; and the changes that may be expected in the years ahead.

It includes the following subsections:

- The evolution of the digital technologies and applications;
- Trends in use of the Internet and adoption of digital technologies and applications;
- Key innovations in digital technology for;
- Sharing economy (or collaborative consumption) and its implications; and
- Timeline for future implementation of new technologies and applications.

2.2.1 Evolution of digital technologies and applications

Three waves in the evolution of the digital technologies and applications since the mid-1990s can be defined as follows:

Wave 1, 1995–2005 – advent of the web and other Internet based services:

- Marketing to customers in their homes and offices; and
- Rapid development of web-based information and booking systems, many offered by new players from outside travel and tourism, such as Expedia (established by Microsoft).

Wave 2, 2005–2015 – mobile and social expand exponentially:

- Customers accessing information and booking systems whilst travelling to and within the destination;
- Reviews, mapping, photos and video come to play key role in trip planning – the customer is increasingly in control, generating large amounts of the content; and
- Electronic information distribution enhances visitor services and enables review of traditional information distribution systems.

Wave 3, 2015–2025 – the ‘Internet of Things’ and ‘Living Services’:

- The ‘Internet of Things’ and ‘Living Services’ – “A new layer of connected intelligence that will revolutionise the ability of organisations to offer interesting and increasingly indispensable digital services to consumers”³² – thereby creating the ‘Internet of Me’;
- Extended location based services, including augmented reality;
- Big data analysis to aid destination management and marketing; and to monitor performance; and
- Increasingly customised and immersive services for travellers.

Wave 4, 2025 – artificial intelligence (AI) and robotics: high levels of impact on service delivery for people travelling to and with tourism destinations, with the potential for increased efficiency of operations, more customised and in-depth services.

The following sub-sections outline underlying technology trends during the first two waves. The final part reviews the technologies and innovative applications that are anticipated during wave 3.

2.2.2 Trends in use of the Internet and adoption of digital technologies and applications

This part looks at Internet trends and adoption of digital technologies and applications globally as well as in world subregions, Asia and the Pacific (including country breakdowns) and China.

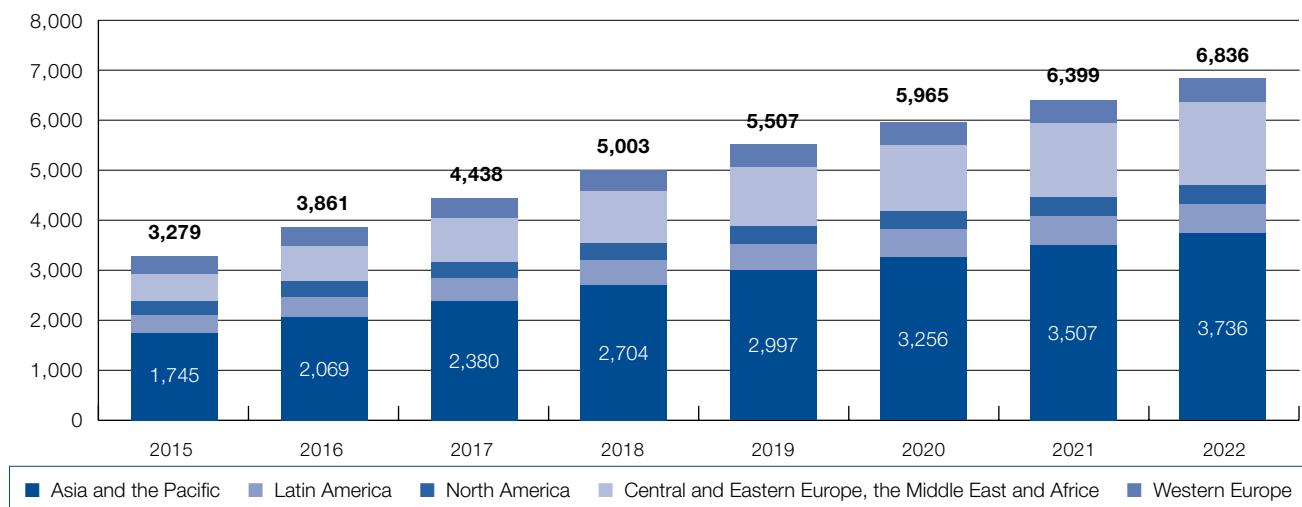
Global overview

The key features, shown in the diagrams below are:

- Continuing, steady growth (250 million per year) in the use of the Internet over the past ten years;
- Smartphone usage forecast to reduce to double between 2015 and 2021, from 3.2 billion to 6.3 billion subscriptions, with more than half the growth (1.7 billion) in Asia and the Pacific – giving the region by far the highest usage, more than 50% of the world total; and
- Around half of the world’s total social network users are in Asia and the Pacific, 1.23 billion.

Around half of the world’s total social network users are in Asia and the Pacific, 1.23 billion.

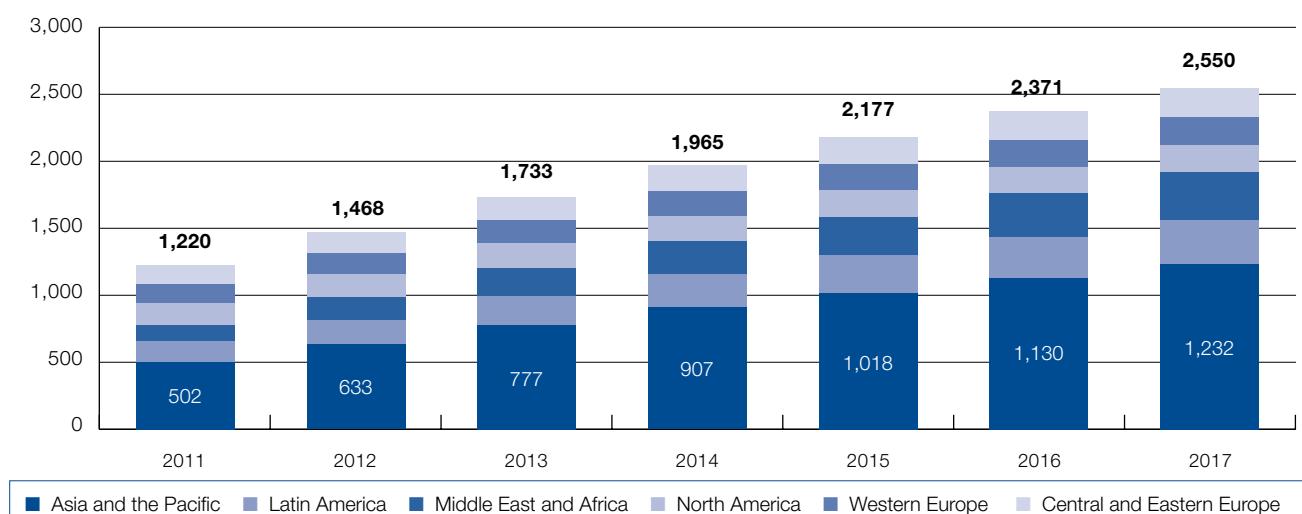
Figure 2.5 Smartphone subscriptions per region, 2015–2022 (million)



Note: The above geographical categories do not necessarily correspond to UNWTO regions.

Source: Ericsson (2017), *Ericsson Mobility Report 2017* (online), available at: www.ericsson.com/en/mobility-report (12-09-2017).

Figure 2.6 Worldwide social network users by region (million)



Note: The above geographical categories do not necessarily correspond to UNWTO regions.

Source: eMarketer (2013), 'Social Networking Reaches nearly One in Four Around the World' (online), available at: www.emarketer.com (30-05-2017).

Asia and the Pacific overview

The following tables provide the basic data on usage of digital technologies and applications in Asia and the Pacific.³³ The key features are as follows: Nearly everyone has at least a basic mobile phone, so the scope for growth is limited. Internet and social media have relatively low levels of market penetration (<50%), but, because of overall size of population, the numbers of users are large – 1.9 billion and 1.5 billion respectively and the rates of growth are high (15% and 25%).

There are distinct differences in Internet market penetration by country. There is a top group of five countries: Japan; Republic of Korea; Australia; Hong Kong, China; and Singapore – all over 80%; at the other end of the scale is India at 35%. Despite this relatively low level of penetration, because of the size of its population, China has the largest number of Internet users by far and the potential for growth is large.

Table 2.6 Key indicators of online users in Asia and the Pacific, January 2017

Indicator	Number of persons	Share of population (%)
Total population	4.153 billion^a	100
Internet users	1.909 billion	46
Active social media users	1.514 billion	36
Mobile subscriptions	3.999 billion	96
Active mobile social users	1.441 billion	35

a) Total population: 4.153 billion, of which 47% represents urban population.

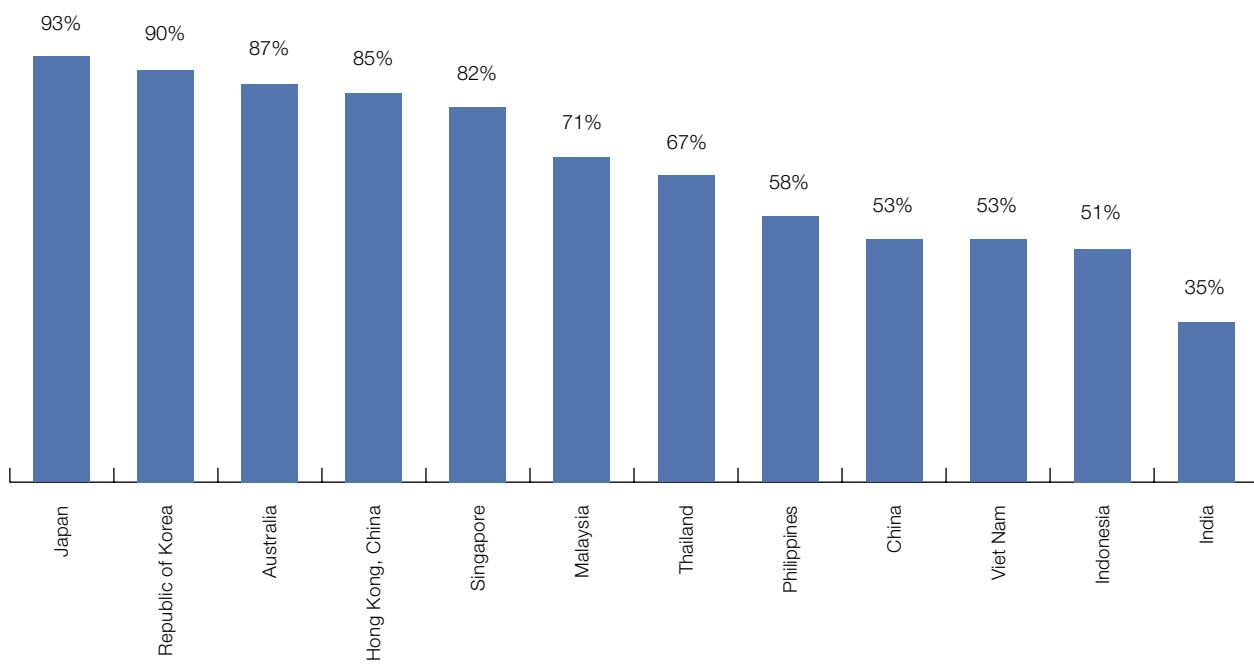
Source: based on We Are Social (2017a), Digital in 2017: Global Overview (online), available at: <https://wearesocial.com/> (30-05-2017).

Table 2.7 Growth of online users in Asia and the Pacific, January 2016–January 2017

Indicator	Increase
Internet users	+ 247 million (+ 15%)
Active social media users	+ 303 million (+ 25%)
Mobile subscriptions	+ 140 million (+ 4%)
Active mobile social users	+ 375 million (+ 35%)

Source: We Are Social (2017a).

Figure 2.7 Top Asian countries in terms of Internet penetration, January 2017 (%)



Source: We Are Social (2017a).

China overview

The following tables provide basic data for Chinese use of digital technologies. The key features are as follows:

- Nearly everyone has a mobile phone; 79% have a smart phone; 61% a laptop or PC.
- A very small proportion (2%) currently has wearable devices.
- The level of use of Internet and social media is well above the average for the Asia and the Pacific region, but well below the market leaders; the annual rates of growth are substantial – 8% and 20% respectively.
- All social media users use mobiles to access their media.

Table 2.8 Electronic device usage by adult population in China, January 2017 (%)

Device	Adult users (%)
Mobile phone (any type)	96
Smart phone	79
Laptop or desktop computer	61
Tablet computer	17
Television (any kind)	97
Device for streaming Internet content to TV	8
Wearable tech device	2

Source: We are Social (2017b), *Digital in 2017: Eastern Asia* (online), available at: <https://digitalinasia.com> (30-05-2017).

Table 2.9 Key indicators of online users in China, January 2017

Indicator	Number of persons	Share of population (%)
Total population	1,385 million^a	100
Internet users	731 million	53
Active social media users	787 million	57
Unique mobile users	1,076 million	78
Active mobile social users	787 million	57

a) Total population: 1.385 billion, of which 57% represents urban population.

Source: based on We are Social (2017b).

Table 2.10 Growth of online users in China, January 2016–January 2017

Indicator	Increase
Internet users	+ 51 million (+ 8%)
Active social media users	+ 134 million (+ 20%)
Mobile subscriptions	+ 10 million (+ 1%)
Active mobile social users	+ 210 million (+ 36%)

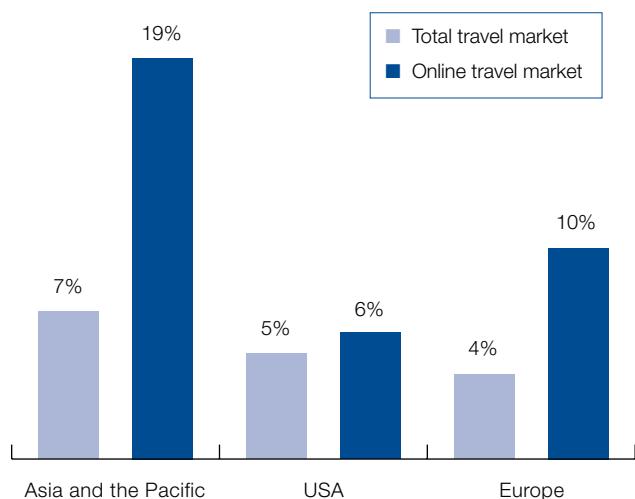
Source: We are Social (2017b).

Key online travel markets

The following graphs relate to the purchase of travel online. The key features are as follows:

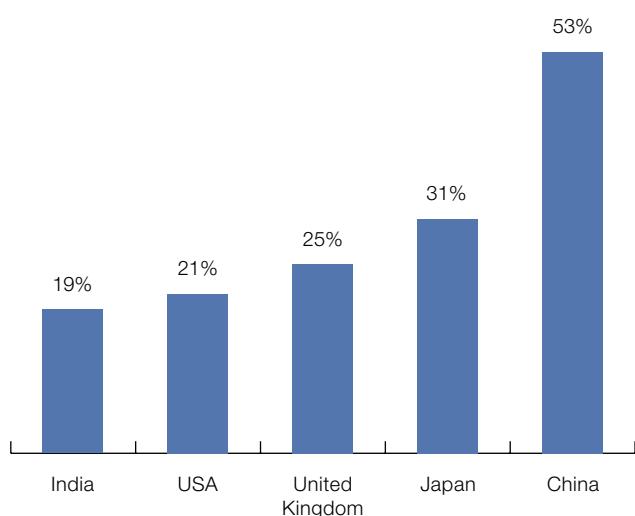
- In all Asian markets, the proportion of the online population that purchases travel online is well below the market leaders. Rates of growth are particularly high in China and (from a very low base) in Indonesia; and particularly low in Japan.
- The Asia and the Pacific online travel market is growing fast, compared with the United States of America and Europe.
- The proportion of online travel bookings made by mobile is twice as high in China as in Western markets; it is also relatively high in Japan.
- In 2002, the online travel market in the United States of America was six times the size of all of Asia and the Pacific. In 2016, Asia and the Pacific was almost equal, following a rapid growth.
- In China, the online travel market has seen dramatic rates of growth every year (by more than 40% in 2014 and 2015) and is expected to reach RMB 856 billion in 2018, five times the figure six years earlier.
- More than half the online bookings are for air travel; around 40% for hotels or packages.

Figure 2.8 Compound annual growth rate (CAGR) of overall and online travel gross bookings in USD, by region, 2013–2017 (%)



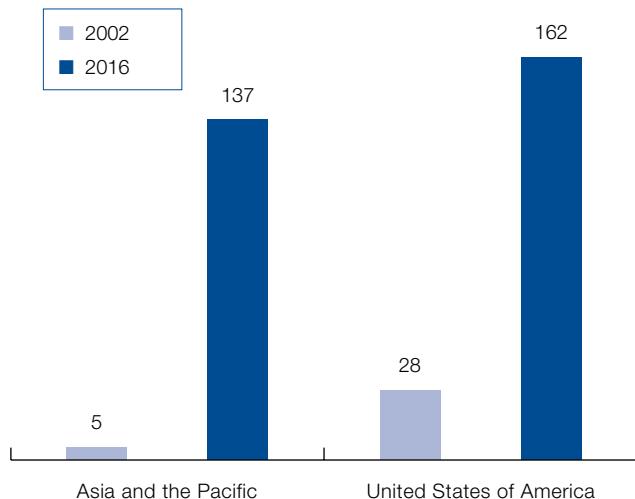
Notes: The above geographical categories do not necessarily correspond to UNWTO regions.
Europe compound annual growth rate calculated based on EUR.
Source: Phocuswright (2016), *Digital Travel in Asia Pacific 2016: Beyond Potential* (online), available at: www.phocuswright.com (30-05-2017).

Figure 2.9 Projected mobile share of online travel in selected markets, 2016 (%)



Source: Phocuswright (2016).

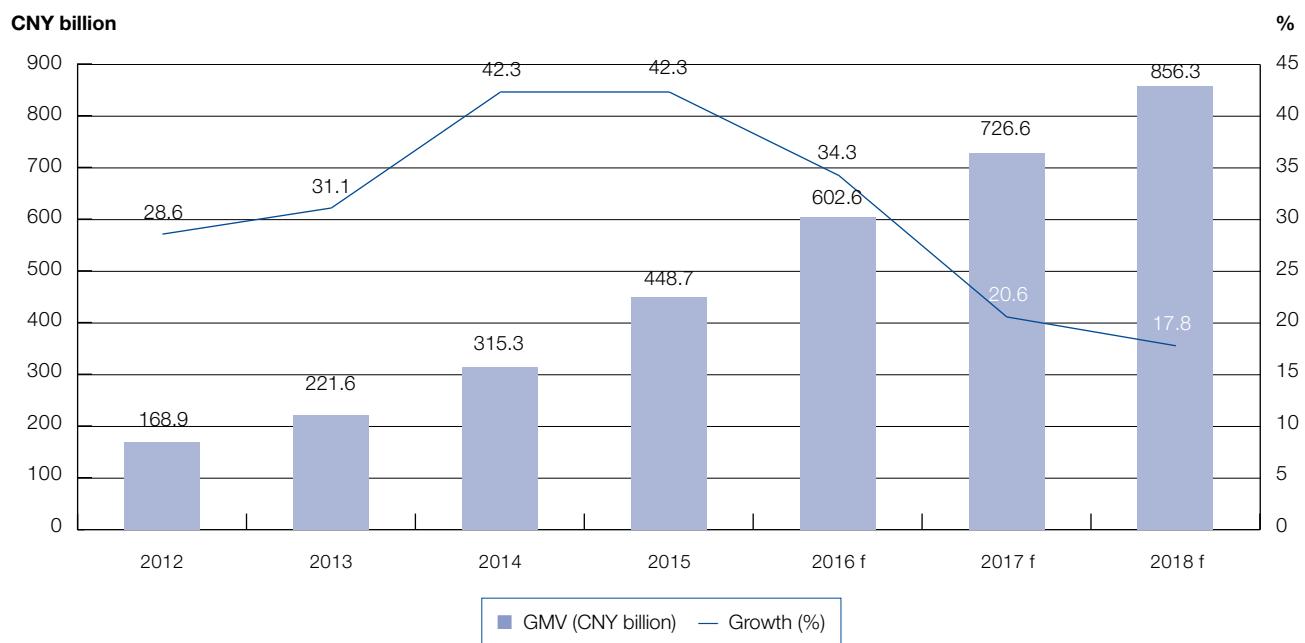
Figure 2.10 Online travel market, United States of America vs. Asia and the Pacific, 2002 and 2016 (USD billion)



Note: The above geographical categories do not necessarily correspond to UNWTO regions.
Source: Phocuswright (2016).

Smart phones will be used increasingly by tourists during their travels, not only to access services, but also to record their experiences and share them online.

Figure 2.11 Gross merchandise volume (GMV) and growth of China's online travel sector, 2012–2018

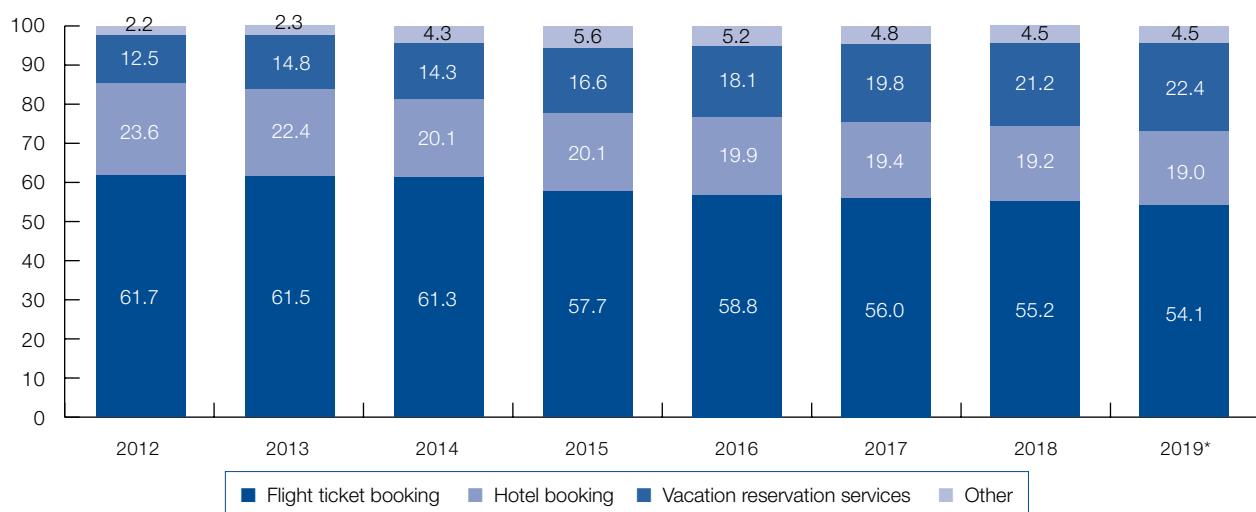


Note: f: forecast.

1. The GMV includes online direct sales of suppliers and online distribution of third-party online travel agencies (OTAs).
2. China's online travel GMV refers to total value of travel products including air tickets, hotel rooms, vacation tours, etc. booked and successfully transacted online or via Call Centre from online travel service providers.

Source: Phocuswright (2016), *Digital Travel in Asia Pacific 2016: Beyond Potential* (online), available at: www.phocuswright.com (30-05-2017).

Figure 2.12 Structure of China's online travel market, 2012–2018 (%)



Note: * = projected figure.

The data were calculated based on the financial results published by enterprises and interviews with experts in iResearch statistical model.

Source: Research Consulting Group (2017).

2.2.3 Key innovations in digital technology for tourism

The Third Wave of digital technological change is under way – a combination of disruptive new technologies and applications that will further change the ways in which people work and play, including their interaction with friends and family, with businesses and with tourism destinations.

The Internet of Things (IoT) and living services

In the words of Fjord, an Accenture Design and Innovation consultancy: “Over the next five years, sensors, the cloud, connected smart devices and real-time analytics will combine to deliver a new layer of connected intelligence that will revolutionise the ability of organisations to offer interesting and increasingly indispensable digital services to travellers”.³⁴ The technological platform, with its sensors and connections is known as the Internet of Things (IoT), and the services that it enables are being called living services.

These services will “revolutionise the ability of brands and organisations to offer interesting and increasingly indispensable digital services to customers” with consistently high quality of service between sectors and brands. Consumers will expect the variety and quality of services received whilst travelling to and within destinations to match up against those they receive at home – a key challenge for our industry.

The concept and applications of living services are illustrated in the following tables:

Table 2.11 The era of living services

Living services are the result of two forces:	<ul style="list-style-type: none">– Digitization of everything; and– Liquid expectation.
Third wave of digital:	<ul style="list-style-type: none">– 1990s: web and Internet;– 2000s: mobility; and– 2010s: living services.

Source: Accenture Digital and Fjord (2015), *The Era of Living Services* (online), available at: www.accenture.com (30-05-2017).

Table 2.12 Questions and answers about living services

Why are they called living services?	<ul style="list-style-type: none">– They are proximate to us in the environment (think wearables and nearables);– They constantly learn more about our needs, intents, preferences, and change in real time; and– They will be designed and built around our individual needs.
How will living services change our lives?	<ul style="list-style-type: none">– Collected from sensor rich objects and interactions via every-day services;– Automation of low maintenance decisions and actions; and– Long terms learning from what we do (powered by data and analytics).
Where will we experience living services?	<ul style="list-style-type: none">– Work;– Finance;– Shopping;– Families;– Bodies;– Transport;– Homes; and– Education.
Why now?	<ul style="list-style-type: none">– The Cloud;– Sensors;– Evolution of interfaces;– Big data;– Connected devices;– Network connectivity; and– Consumer expectations.
Who's doing it already?	<ul style="list-style-type: none">– Withings – smart body analyzer;– Bellabeat Leaf – Health tracker; and– Nest Protect – Smoke alarm.

Source: Accenture Digital and Fjord (2015).

Smart mobile technologies

A key component of the IoT is the smart mobile device which provides an enabling platform for services, including a wide range of personal services (e.g. health monitoring, exercise measurement, banking, payments, home management etc.) location based services, augmented and virtual reality, social networking and user generated content, route planning and navigation, movement tracking (e.g. passengers at airports).

Thus, the smart mobile device, carried by a very high proportion of domestic and international travellers, will become ever more important to them, through all stages of the customer journey.

They are being used increasingly during the course of the travel planning and booking process, in conjunction with other devices and offline media. This means that tourism authorities and businesses need to be telling a consistent story in a consistent style across different channels of communication.

Table 2.13 The rise of the mobile-app empowered traveller

Almost all travellers now come with smartphone attached	87% of global travellers use smartphones while travelling. ^a
Multi-screen travel planning and purchase (across smartphone, tablet and PC) is becoming commonplace	47% of travellers started looking for vacation ideas on one devices and completed the activity on another. ^b
Mobile apps increasingly assist smartphone-attached travellers along their journey	Around half of all smartphone users now have travel apps installed. ^c App usage for travel brands has increased by over 100% within the last year. ^d
Pre-trip: mobile apps now play an important role in travellers' planning and purchase	45% of travellers have used an app to help them plan travel. ^d 30% have used mobile apps to find hotel deals. ^e 15% have downloaded mobile apps, specific to their upcoming vacation. ^e
During trip: mobile apps are now being accessed throughout the trip	52% of travellers use apps in-destination, of those: ^e – 94% are researching things to do; – 80% are looking for maps and directions; and – 75% are searching for restaurants. 46% of leisure travellers and 61% of business travellers use a smartphone app to check into their flight. ^b 4 out of 10 travellers check-in to a location via an app during their stay. ^d
Post-trip: mobile apps now help travellers relive their experiences and plan their next ones	7 out of 10 travellers post vacation photos via social network apps during and after their trip. ^f Upon their return, travellers soon start searching for their next trip, with the most popular travel components booked via smartphone apps being: – Airline travel – 51% of users; ^b – Overnight accommodation – 45% of users; ^b and – Travel/vacation packages – 45% of users. ^b With 82% of the world's top-50 airlines now offering apps for customer loyalty and retention, frequent flyers are increasingly re-booking via a pre-installed app. ^g

Sources: a) TripAdvisor (2013), *TripBarometer Mobile & Social Survey*.

b) Google (2013), *The 2013 Traveler*.

c) Kantar Worldpanel (2013), *Mobile traveler*.

d) Expedia Media Solution and comScore (2012), *The rise of mobile: adoption, sentiment and opportunity*.

e) AppsBuilder (2013), *Tourism & Mobile Apps*.

f) Everplaces (2013), *Mobile Trends 2014 for travel & tourism*.

g) 8 Million Stories (2014), *Mobile technology usage by top airlines in the world, the UK and Ireland*.

Amadeus (2015), *Infographic – The rise of the mobile-app empowered traveller* (online), available at: www.amadeus.com (31-05-2017).

Smart phones will be used increasingly by tourists during their travels, not only to access services, but also to record their experiences and share them online; and after the trip, to remember their experiences and plan future trips.

Many major companies in travel and tourism – TripAdvisor, airlines, train companies, hotel groups etc. – are now actively encouraging their customers to use their app to make bookings and access information, enabling the company to maintain the customer relationship and promote sales throughout the customer journey – see table below. Destinations are generally slow on the uptake in this respect.

Location based services and iBeacons

When travelling to and within the destination, people will increasingly use location-based services. One way in which these will be made available or triggered is through iBeacons, transmitting to smartphones that have the relevant app. iBeacons get round the problems of poor Internet access and roaming charges.

To work, there has to be a transmitter (the iBeacon), a receiver (a smartphone + app) and content (information to be communicated).

A network of iBeacons has been established in Queensland, Australia, as shown in the next table.

Table 2.14 iBeacons network across Queensland

When?	In 2015, the iBeacons network was designed for users of the ‘This is Queensland’ app.
What?	The beacons automatically deliver information about the top things to see and do in the local area to users of the app.
Where?	150 iBeacons installed across Queensland’s 13 tourism destinations at airports, visitor information centres, national parks and other popular tourism attractions.
	The beacons are also designed to be used at major events, alerting attendees to information about the event and destination.

Source Tourism & Events Queensland (2015), *Beacons signal new way for visitors to explore Queensland* (online), available at: <http://teq.queensland.com> (29-06-2017).

In Turkey, a network of 10,000 iBeacons is in place, as shown in the table below. The medium has been demonstrated to achieve very high levels of sales conversion.

Table 2.15 Location-based services through iBeacons in Turkey, 2017

Scale	<ul style="list-style-type: none"> – 81 cities. – > 90,000 beacons: – 74% in Istanbul; – 7% in Ankara; and – 6% in Izmir.
Where are the beacons?	<ul style="list-style-type: none"> – Cafes and restaurants (30%); – Malls and supermarkets (21%); – Office buildings (14%); – Home/decoration (7%); – Banks (7%); – Airports (4%); – Metro (2%); and – Other locations (15%).
Most signals received (iBeacons receiving signals from smart devices)	<ul style="list-style-type: none"> – Cafes and restaurants (32%); – Malls (19%); – Banks (12%); – Pharmacies (8%); – Airports (7%); – Home/decoration (6%); – Offices (5%); – Metro (2%); and – Other locations (9%).
Conversion rates (rate of engagement with the notifications sent from beacons)	<ul style="list-style-type: none"> – Cafes (45%); – Malls (18%); – Airports (16%); – Banks (12%); and – Pharmacies (6%).

Source: Blesh (2017), *iBeacon Map of Turkey (infographic)* (online), available at: www.blesh.com (31-05-2017).

Artificial intelligence and its diverse applications

Artificial intelligence (AI) has many applications relevant to tourism – for example, smart/big data (enabling profiling and tracking of visitors and their behaviour), voice recognition and natural language processing (enabling automated responses and foreign language translation), machine learning (enabling travel management and automated concierge/digital personal agent services, itinerary planning), and automated services/chatbots.

Many of these applications are already operational. Web-search by Google, Yahoo and others uses AI, made more sophisticated now by the addition of voice interfaces, also using AI. Likewise, intelligent personal assistants, such as Alexa, developed by Amazon, and cognitive computing platforms like Watson developed by IBM.

One of the best-known pioneering examples in tourism was developed in 2016 for Hilton, which worked with IBM, using IBM Watson to create Connie – a robot that provides help and information to hotel guests during their stay, drawing on information from Wayblazer – a travel advice tool that also uses Watson.³⁵

Another aspect of AI that is already being used extensively in travel and tourism is big data where AI tools enable companies or organisations to gather intelligence from extensive and diverse sets of data. The main online travel agents have been using big data to understand the behaviour and requirements of individual customers and personalise their offers accordingly. A key overview of the use of big data analytics in travel and tourism, produced for the World Travel & Tourism Council by the Future Foundation, is called *Big Data – Insights for Travel & Tourism*.³⁶ The leading project in the use of big data for tourism destinations is the 'Smart Destinations' project in

Spain, led by SEGITTUR, the national agency for the use of digital technologies in tourism. SEGITTUR produced a white paper on the project in 2015.³⁷ A conference in Murcia in February 2017 demonstrated the ways in which big data is being used to provide exceptional intelligence for destination management and marketing.³⁸

Augmented reality, virtual reality and mixed reality

Virtual reality (VR) will help to enhance both marketing of destinations and services and the quality of experience, using new headsets that have come on the market over the past year. Many destination organisations, such as South African Tourism and London & Partners have experimented in the use of this new medium, to convert consumer awareness of a destination into a decision to purchase.

While visual reality (VR) seeks to replicate reality, augmented reality (AR) amplifies it, allowing users to obtain information about what they are seeing through their smart phone camera. It has a big role to play for destinations and attractions, by enhancing visitors understanding and enjoyment – helping them to understand and interpret what they can see around them – and also to identify service providers.

Augmented Reality is 'an enhanced version of the reality where live direct or indirect views of physical real-world environments are augmented with superimposed computer-generated images over a user's view of the real world, thus enhancing his/her current perception of reality'.³⁹

A good example is at Gaudi's Batlló in Barcelona, as shown below.

Table 2.16 Barcelona augmented reality (AR) tour at Gaudí's Casa Batlló

What?	Antoni Gaudí's Casa Batlló is a UNESCO World Heritage Site and a spectacular building. The AR tour show what it looked like when the Batlló family lived there.
How?	Casa Batlló use new technologies and have included new content that combines augmented reality and virtual elements to offer a much more dynamic, captivating and surprising cultural visit concept. By holding the tablet/smartphone up to different areas of the room to explore the features of the building.
How?	Casa Batlló use new technologies and have included new content that combines augmented reality and virtual elements to offer a much more dynamic, captivating and surprising cultural visit concept. By holding the tablet/smartphone up to different areas of the room to explore the features of the building.
Learn more	View video at www.casabatillo.es/en/visit/videoguide/ .

Source: Casa Batlló (n.d.), Videoguide – Augmented and virtual reality (online), available at: www.casabatillo.es/en/ (31-05-2017).



Messaging systems, with extended functionality

Messaging systems are becoming increasingly more sophisticated, with extended functionality such as information, booking, payment, networking and content sharing. The most significant example is WeChat, developed and managed in China. The website WalktheChat provides ten case studies of WeChat applications for travel and Tourism.⁴⁰ These include online booking service and flash sales; smart hotel room (control of room services); airline check-in service and flight status function; price comparisons; customer service and loyalty programme; and location-based services.

"WeChat, China's popular mobile messaging platform, is proving a global model for the future customer service and commerce via messaging."

Phocuswright (2016)

2.2.4 Sharing economy (or collaborative consumption) and its implications

A review of anticipated innovation in tourism over the next five or ten years would not be complete without reference to the sharing economy. The concept of sharing space or assets or services has grown dramatically over the past five years, and we can reasonably assume that it will evolve and grow rapidly in various ways over the years ahead.

This is not about major technological innovations, but rather about new business models that are enabled by the Internet; and the increasing desire of travellers for different types of experiences and a closer connection with people and places; and the opportunity for a much wider community to benefit from tourism.

Airbnb and Uber, as the dominant tourism related players in this new game, are the subject of intense scrutiny in many countries, and particularly in the main tourism cities – in terms of quality assurance, fulfilment of regulations, taxation, the effect on traditional businesses and the impact on residential accommodation. There are both positives and negatives, opportunities and challenges, relating to the sharing economy – as highlighted in the New Platform Tourism Services (or the so-called Sharing Economy).



2.2.5 Timeline for future implementation of new technologies and applications

It is well understood that there is a time lag between the first public awareness of new technologies and software and their practical application; that the time lag can often be ten years or more; and that initial expectations are sometimes never fulfilled.

In the context of this report, it is worth noting that many of the technologies and applications mentioned here are at least five years away from realising their full potential. In most cases they will go through a period of gestation, before they are fully developed and tested, ready for practical application. The main exceptions are virtual reality and augmented reality, which have been in gestation for many years and are moving towards extensive practical use, though even here, it will be five years or more before their potential is fully realised.

Messaging systems are becoming increasingly more sophisticated, with extended functionality such as information, booking, payment, networking and content sharing.

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Regional collaboration in tourism in Asia and the Pacific

3



3.1 Introduction

This chapter reviews and evaluates the goals, objectives, programmes and projects, challenges and lessons learned in regional collaboration in tourism in the Asia and Pacific region. It also discusses the likely evolution of collaboration given the changing global economic and social environment and the context of the United Nations Sustainable Development Goals (SGDs). The global context, scope and rational for collaboration in tourism is first discussed, followed by a review and evaluation of the rationale, function and structure of current regional collaboration frameworks in the Asia and the Pacific region. Next, the chapter discusses the challenges facing regional collaboration in the Asia and the Pacific region, and the likely evolution of collaboration in tourism over the next decade.

Almost all of the regional collaboration initiatives prioritize tourism as a key-driving sector based on the rationale that it brings people of different nations together.



3.2 Global context for regional collaboration in tourism

Regional collaboration in tourism among nation states has its roots in broader post World War II and Cold War efforts to foster peace and prosperity through collaboration driven primarily by economic factors, and in some cases such as the European Union, political integration. In the developing economies such as those of the Association of Southeast Asian Nations (ASEAN) and the Caribbean Community (CARICOM) in Central America, regional collaboration and integration has, amongst other factors, contributed to accelerating economic growth, reducing economic disparity and poverty, raising productivity and employment, and strengthening institutions as stated by the Asian Development Bank (ADB). This was achieved by encouraging closer integration of transport, trade and services such as tourism, developing intraregional supply chains, and stronger financial links, thus enabling slower moving economies to speed their expansion. More recently, regional collaboration has become an important platform for addressing global challenges such as implementing the Sustainable Development Goals (SDGs) and addressing climate change. On the other hand, as in the case of the Economic Community of West African States (ECOWAS), regional collaboration is extended to conflict resolution and the treatment of displaced persons.¹

Almost all of the regional collaboration initiatives prioritize tourism as a key-driving sector based on the rationale that it brings people of different nations together, often brings economic opportunities to where they are most needed, while its deep backward linkages create significant openings for local economies thereby contributing to more inclusive socio-economic growth. Tourism is thus seen to make major contributions to the overarching goal of peace and sustainable and inclusive prosperity that is at the heart of UNWTO's vision and mission. In this context, the regional tourism collaboration efforts across the globe have focused on destination marketing and promotion, destination/circuit and product development, tourism human resource development, greater community participation in the tourism value and supply chain, and policies and programmes designed to increase and facilitate connectivity and cross border tourist movements at regional levels. Regional collaboration initiatives in tourism are actively supported by UNWTO, other UN agencies and multi-lateral development partners such as the World Bank at the global level, and the Asian Development Bank at the regional level.



3.3 Profile of current regional collaboration frameworks in the Asia and Pacific region

In the Asia and Pacific region, the framework for regional and subregional collaboration in general, and tourism in particular, emerged out of the post-World War II and era of the Cold War and the conflicts that it generated, subsequently influenced by increasing globalization of trade, rapid changes in transportation and technology, and more recently by the recognition that development should be sustainable, inclusive and responsive to climate change as reflected in the Sustainable Development Goals (SDGs) and its forerunner, the Millennial Development Goals.

A survey of regional collaboration in tourism,² 2016 found that there are currently thirteen regional collaboration frameworks with tourism as a priority sector in the Asia and Pacific region. Of these, three are interregional in scope:

1. The Asia and Pacific Economic Cooperation (APEC) framework that may be regarded as a supraregional collaboration framework in that it overlaps all other regional and subregional tourism collaboration frameworks in the Asia and the Pacific region in addition to the Pacific states in the Americas region that are not part of the Asia and the Pacific region as defined by UNWTO;³

2. The One Belt One Road Initiative or the Belt and Road Initiative (BRI) that spans the countries of Asia, the Middle East, Africa and Europe but excludes the Pacific Island Forum and Pacific States of the Americas; and
3. The Central and East European + China (CEEC) collaboration initiative.

At the regional level, there are four main collaboration frameworks that include tourism as a priority sector:

1. The Asian Cooperation Dialogue (ACD) comprising 36 Asian states;⁴
2. The Association of Southeast Asian Nations (ASEAN) comprising the ten states of Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam;
3. The South Asia Association for Regional Cooperation (SAARC) comprising the eight states of Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka; and
4. The Pacific Islands Forum (PIF) comprising the sixteen states of Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu; and two associate members of French Polynesia and New Caledonia.

At the subregional level, there are six collaboration frameworks with tourism as a key component:

1. The Greater Mekong Subregion (GMS) comprising the five ASEAN states of Cambodia, Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam, as well as China based on Yunnan and the Guangxi Zhang Autonomous Region;
2. The Brunei – Indonesia – Malaysia – Philippine East ASEAN Growth Area (BIMP-EAGA) comprising more or less contiguous portions of the four states of Brunei Darussalam, Indonesia (Kalimantan – Sulawesi – Papua New Guinea), Malaysia (Sabah and Sarawak, and the Philippines (Mindanao and Palawan);
3. The Indonesia – Malaysia – Thailand Growth Triangle (IMT-GT) comprising the more or less contiguous portions of Indonesia (Sumatra), Malaysia (Peninsula Malaysia), and Thailand (Southern Thailand);
4. The South Asia Subregional Economic Cooperation Program (SASEC) comprising the four states of Bangladesh, Bhutan, Nepal, Maldives and Sri Lanka, and the north and north-western states of India;

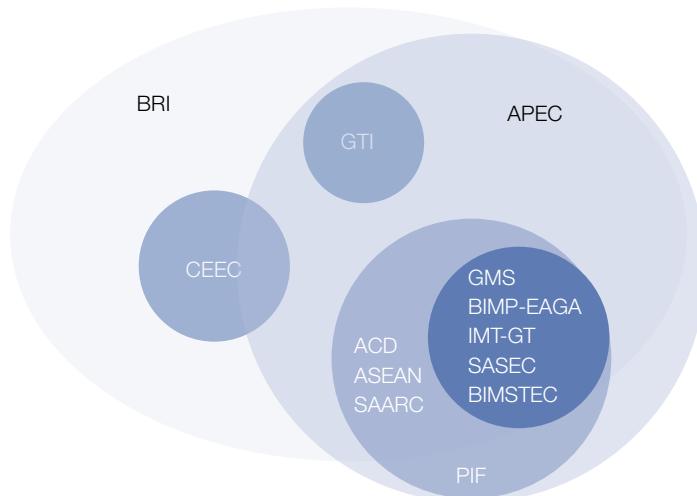
5. The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) comprising the states of Bangladesh, Bhutan, India, Nepal, Sri Lanka on SAARC, and Myanmar and Thailand in ASEAN; and

6. The Greater Tumen Initiative (GTI) comprising the contiguous portions of the China (Northeast China), Mongolia, the Republic of Korea (Rajin Sombong), and the Russian Federation (Primorsky Territory based on Vladivostok on St. Petersburg Bay).

The relationship between the three sets of collaboration initiatives identified above is presented in figure 3.1.

As noted in figure 3.1, the BRI promoted by China overlaps geographically with all other Asia and Pacific region and inter-regional collaboration frameworks such as the recently formed CEEC (Central and East European + China) except the PIF (Pacific Islands Programme). Within the region, the supraregional APEC collaboration framework overlaps geographically with all other regional and subregional frameworks except for the CEEC.

Figure 3.1 Regional Tourism Collaboration Initiatives in the Asia and the Pacific region



Notes: ACD: Asia Cooperation Dialogue.

APEC: Asia and Pacific Economic Cooperation.

ASEAN: Association of Southeast Asian Nations.

BIMP-EAGA: The Brunei – Indonesia – Malaysia – Philippines East ASEAN Growth Area.

BRI: Belt and Road Initiative.

CEEC: Central and East European + China.

GMS: Greater Mekong Subregion.

GTI: Greater Tumen Initiative.

IMT-GT: The Indonesia – Malaysia – Thailand Growth Triangle.

BIMSTEC: Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation.

PIF: Pacific Islands Programme.

SAARC: South Asia Association for Regional Cooperation.

SASEC: South Asia Subregional Economic Cooperation.



3.3.1 Inter-regional tourism collaboration frameworks

The aim of the Belt and Road Initiative (BRI) is to achieve better connectivity and economic cooperation among countries in Eurasia by linking China with the Persian Gulf and the Mediterranean Sea through Central Asia and West Asia; and connecting China with South-East Asia, South Asia and the Indian Ocean. Within this interregional framework, China is promoting the development of six economic corridors in coordination with other concerned countries:

1. China – Mongolia – Russian Federation;
2. New Asia – European Continental Bridge;
3. China – Central Asia – West Asia;
4. China, Mainland – South-East Asia;
5. China – Pakistan; and
6. Bangladesh – China – India – Myanmar.

Tourism is included as a major driver of integration based on promoting cultural exchange, connectivity, and investment using the ancient Silk Road, and the historic sea trade routes between China and Europe as corridors for land, coastal, island and sea-based cruise tourism. A good example of this type of collaboration in the inter-regional area is the UNWTO Silk Road Initiative.

The main challenge for collaboration in the tourism sector of the BRI is the difficulty to get all countries to sign onto it making it hard to drive the collaboration effort forward. Other challenges include the overlap with smaller regional and subregional initiatives leading to potential market confusion and wasted energy, the complications of coordinating with other regional and subregional tourism collaborations, and the exclusion of the Pacific Islands Programme (PIF).

The Central and East European + China (CEEC) is a recent proposal by China to promote economic integration between itself and the Central and East European states. Among a list of measures announced by China on 1 January 2015 is a proposal to establish a tourism promotion alliance between China and Central and Eastern European states to be coordinated by the Chinese Tourism Administration. The alliance would be open to participation by civil aviation authorities, travel agencies and airline companies of the member states. The main objective of the alliance is to enhance joint business promotion and tourist destination development, as well as explore the possibility of opening more direct flights between China and the 16 central and eastern European countries. The Chinese Tourism Administration plans to co-organize a tourism products promotion for China and central and eastern European countries during the China International Tourism Mart (CITM) to be held in Shanghai in autumn 2017. Maintaining an equitable balance between the states in implementing tourism collaboration initiatives may be the main challenge to implementing its goal.

The Asia and Pacific Economic Cooperation (APEC) with 26 member states,⁵ including the Asia and the Pacific region plus five of the Americas Pacific Coast states (Canada, Chile, Mexico, Peru, and the United States of America), is the only supraregional organization dealing with tourism in the Asia and Pacific region that overlaps with all other regional and subregional tourism collaboration frameworks. The overarching vision of APEC is sustainable economic growth and prosperity in the Asia and the Pacific region.

Tourism is one of a number of priority areas with the goal of fostering sustainable, inclusive, efficient and secure travel in the Asia and the Pacific region based on achieving enhanced international and domestic air connectivity; fast cross border processing; a highly competent tourism labour force; and a well-developed small business and entrepreneurship environment. While the transportation connectivity and cross border facilitation initiatives are being addressed by other working groups, the APEC Tourism Working Group Strategic Plan 2015–2019 focuses on: increasing visitor movements and expenditure as part of the APEC Connectivity Blueprint 2015–2025; stimulating investments in destination development and infrastructure; and strengthening the capabilities of industry workers and institutions in close cooperation with multilateral organizations. Achievements to date include: the report on sustainable tourism concepts, guidelines, indicators and certification; a tourism sustainability tool in travel; initiatives to promote tourism in the region; and the APEC Occupational Skill Standards System for 400 occupations. A good example of the APEC tourism collaboration approach is provided in the following case study.

Going forward over the next decade, the focus of activities will be further developing air connectivity; developing the Smart-Traveller Program; developing traveller-friendly airports; developing the tourism workforce of the future; and implementing a programme for sustainable and inclusive tourism. The APEC tourism ministers provide overall guidance, while execution is undertaken through the national tourism offices (NTOs), with coordination and monitoring undertaken by the Tourism Working Group.

The Central and East European + China (CEEC) is a recent proposal by China to promote economic integration between itself and the Central and East European states.

3.3.2 Regional tourism collaboration frameworks

At the regional level, there are four main tourism collaboration frameworks, one of which, the Asia Cooperation Dialogue (ACD) overlaps with other regional frameworks, and three non-overlapping tourism frameworks, the Association of Southeast Asian Nations (ASEAN), the South Asia Association for Regional Cooperation (SAARC), and the Pacific Islands Forum (PIF). A summary of the main goals or impacts, objectives or outcomes, and output programmes and projects designed to achieve their impact and outcomes is shown in table 3.1.

As noted in the table, the four main regional level tourism collaboration frameworks seek impacts designed to contribute to broader regional economic, social and environmental goals based on enhanced cultural exchange and people to people contact, improved competitiveness of their tourism destinations, better tourist safety and security, and more sustainable and inclusive outcomes following the SDGs. Improving transportation, ICT and cross border connectivity; joint single destination based marketing activities; adoption of facility and service and improved safety and security standards; tourism human resource development for public sector destination management and heritage site managers, hospitality personnel, and local communities; greater private sector participation; and related destination infrastructure development; are some of the main ways in which the four regional collaboration frameworks seek to achieve the desired outcomes and impacts.

The overall direction of tourism collaboration is guided by the Tourism Ministers and NTO senior officials, a tourism working group or committee structure such as in the case of ASEAN, some form of marketing implementation and secretariat support, and a generally loose coordination

Table 3.1 Summary of main regional tourism collaboration frameworks

Tourism collaboration	Desired impact and outcomes and implementation arrangements	Programmes and projects
Asia Cooperation Dialogue (ACD)	Asia is a leading hub of multicultural cooperation based on mutual understanding of cultural diversity, responsible, sustainable and safe tourism, and enhanced connectivity . Implementation currently led and by Thailand and some member states.	Promoting people to people contacts, setting up a Working Group on Tourism, intensifying joint promotions, facilitating intra-Asian tourism travel, HR capacity building, and strengthening safety and security.
Association of Southeast Asian Nations (ASEAN)	Fostering a quality tourism destination offering a unique, diverse and responsible ASEAN experience achieved through enhanced the competitiveness while ensuring that ASEAN tourism is sustainable and inclusive. Implementation is guided by the Ministers, executed by the NTOs, and implemented through various committees drawn from NTOs and the private sector.	Outputs of programmes and projects focus on: recognition of ASEAN as a destination with quality tourist facilities and services, innovative and sustainable destinations, good connectivity and cross border arrangements, strong investment flows, strong local community participation, safe and secure; and responsive to environmental protection and climate change.
South Asia Association for Regional Cooperation (SAARC)	SAARC landmass is recognized as a composite destination achieved through promotion, human resources development, and cultural and ecotourism destination development. Implementation is guided by the Ministers, executed by the NTOs, and implemented by the Working Group on Human Resources & Tourism.	The outputs of programmes and projects focus on the promotion of the SAARC region as single destination through enhanced the private sector participation, human resource development, promotion of the South Asian cultural and eco-tourism identity.
Pacific Islands Programme (PIF)	Tourism will inspire sustainable economic growth and empower the Pacific people through: increased tourism economic benefits, conserved environment and cultures, safe environment and unique Pacific hospitality visitor experience, and public and private sector and local communities working together.	Programmes and projects focus on delivering: expanded access and air services, strong cruise tourism sector, substantial investments in sustainable tourism, well-developed tourism research and statistics, highly competent tourism HR, and sustainable tourism planning and management.

Note: The above geographical categories do not necessarily correspond to UNWTO regions.

mechanism with other working groups, the private sector, and development partners. In many cases, global and major regional multi-lateral development partners such as UNWTO and the Pacific Asia Travel Association (PATA) provide marketing and capacity building support, while the Asian Development Bank (ADB) provides grant and loan financing to support tourism planning, infrastructure and capacity building initiatives.

Despite various challenges to effective regional collaboration in tourism in the non-overlapping regional collaboration frameworks, some significant achievements have been accomplished:

- All have been able to put in place a collaboration strategy or blueprint such as the ASEAN Tourism Strategic Plan 2016–2025 that provides the framework for collaborative action in marketing, sustainable and inclusive destination and product development, improving standards including safety and security, tourism human resource and entrepreneurship development, and improving transport and facilitating cross border connectivity, among others;
- ASEAN, SAARC and PIF have implemented sustained marketing strategies and programmes directed at promoting multi-country destinations as well as a broad range of culture, nature, community-based

Main achievements and forward agenda	Key challenges
<p>Achievements: ACD Blueprint, and First ACD Ministerial Meeting on Tourism (2016).</p> <p>Forward Agenda: (a) Setting up the institutional framework; (b) implementing the tourism parts of the ACD Blueprint.</p>	Obtaining full commitment of the member states, overlap with other regional and subregional collaborations, and establishing and resourcing an institutional structure for implementation.
<p>Achievements: ASEAN Tourism Strategic Plan (ATSP), marketing programme, annual ASEAN Tourism Fair, ASEAN tourism standards, Mutual Recognition Agreement on Tourism Professionals (MRA-TP), and ASEAN competency and tourism curriculum standards.</p> <p>Forward Agenda: Implementing the ATSP.</p>	Increasing private sector participation, limited resources for marketing, slow implementation of standards, MRA, and connectivity programmes, and coordinating the activities of the subregional collaboration initiatives.
<p>Achievements: Holding of the annual South Asia Tourism and Travel Show (SATTE), tourism portal www.saartourism.org and web and social media-based promotion.</p> <p>Forward Agenda: Further implementation of the 2006 SAARC Action Plan on Promotion of Tourism.</p>	Engaging the private sector; developing an updated regional tourism strategy and action plan; obtaining member state support for marketing initiatives; coordinating with SASEC and BIMSTEC subregional collaborations; standardizing the collection of tourism statistics; and adopting ITC strategies.
<p>Achievements: establishing and operating the South Pacific Tourism Organization, mounting of major promotion campaigns, holding the South Pacific Tourism Exchange.</p> <p>Forward Agenda: Continuing to implement the Pacific Tourism Strategy 2015–2019.</p>	Limited connectivity, long distances between markets and destinations, limited resources of member states, and engaging the private sector and local communities.

ecotourism, resort, meetings and events, health and wellness, and medical tourism products;

- The ASEAN tourism collaboration framework has led the way towards developing tourism facility and service standards; and
- In the human resources development area, the ASEAN collaboration in tourism has developed the Mutual Recognition Agreement (MRA) on Tourism Professionals and common Technical, Vocational, Education and Training (TVET) curriculum standards.

Achievements in the area of sustainable and inclusive destination development, improving standards for safety and security, and improving transport and facilitating cross border connectivity have been more limited as action in these areas is generally beyond the purview of the Tourism Minister and the NTOs.

3.3.3 Subregional tourism collaboration initiatives

There are six active subregional tourism collaboration frameworks that belong to one or more of the four main regional tourism collaboration frameworks. In the ASEAN region, there are three tourism subregional collaboration frameworks:

- 1 The Greater Mekong Subregion (GMS);
2. The Brunei – Indonesia – Malaysia – Philippine East ASEAN Growth Area (BIMP-EAGA); and
- 3 The Indonesia – Malaysia – Thailand Growth Triangle (IMT-GT).

In addition to the main subregional collaborations, there is also a number of smaller country cluster collaborations within such as the Cambodia – Lao People's Democratic Republic – Viet Nam Growth Triangle (CLV), the Cambodia – Lao People's Democratic Republic – Thailand Growth Triangle (CLT), The Growth Quadrangle (China, Lao People's Democratic Republic, Thailand and Myanmar), the Ayeyawady – Chao Phraya – Mekong Economic Cooperation Strategy (ACMECS), and the CLMV Tourism Cooperation Initiatives. These collaboration initiatives generally focus on highly specific objectives such as cross border destination development and marketing in the case of the CLV, CLT and Growth Quadrangle, or improving air interconnectivity and harmonization and simplification of cross border procedures in the CLMV.

Within the SAARC collaboration framework there is the South Asia Subregional Economic Cooperation Program (SASEC), and between the SAARC and the ASEAN tourism collaboration frameworks, is the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). Finally, in the East Asia portion of the Asia and Pacific region is the Greater Tumen Initiative (GTI).

Table 3.2 gives a snapshot of the six subregional collaboration frameworks in terms of the impact and outcomes they seek to achieve, the focus of their programmes and projects to deliver these, the main achievements to date, and the challenges they face going forward. This indicates that the main impact sought by the six subregional tourism collaborations focus on deepening tourism sector integration at the subregional level, and ensuring sustainable development and inclusive socio-economic growth. Enhanced physical and ICT connectivity and cross border facilitation, improved and

expanded destination infrastructure, stronger links with provincial and state governments and the private sector, tourism human resource capacity building and training, entrepreneurship and innovation, quality standards, enhanced safety and security, and creative single destination promotion are the main outcomes being sought to achieve the overall impacts.

The main programmes being undertaken to achieve the above outcomes include:

- Capacity building for state, provincial and local government public sector tourism officials and natural and cultural heritage site managers such as under the Phnom Penh Plan Training Program funded by the ADB and conducted annually in the GMS subregion, skills training for hospitality workers, and capacity building, skills training and entrepreneurship support programmes for local communities such as in the BIMP-EAGA subregion;
- Transportation and destination infrastructure development projects such as the USD 140 million South Asia Tourism Infrastructure Project in the SASEC subregion, and the USD 100 million Sustainable Tourism Development Projects in the GMS subregion;
- Programmes and projects designed to promote environmentally, socially and economically responsible tourism through knowledge and awareness building campaigns and subregional tourism forums along the lines implemented in the GMS subregion;
- Destination and product development and facility standards programmes and projects such as the development of quality ecotourism, culture and marine tourism circuits in the IMT-GT, and raising the standards of existing facilities and services in the GTI subregion;
- Policy harmonization in transportation, simplification of cross border processing and procedures such as the development of one-stop border processing and visa on arrival systems in the GMS subregion, treatment of foreign investment, and adoption and certification of standards; and
- Single destination marketing and promotion programmes by all subregions with some based on clearly defined market researched destination positioning and branding approaches such as "Mekong" in the GMS, and "Equatorial Asia" in the BIMP-EAGA subregion, supported by web-based social media

marketing and subregional industry exchanges such as the Mekong Forum in the GMS, and the GTI Tourism Exchange in the GTI subregion.

Some of the main achievements of the subregional collaborations have been:

- Clearly defined subregional tourism strategies and action plans;
- Creation of dedicated subregional tourism offices such as the Mekong Tourism Coordination Office based in Bangkok providing secretariat and joint marketing support to the GMS subregion, or the GTI Tourism Board;
- Deepening the participation of the local governments and private sector in the subregional tourism policy, planning and implementation process as illustrated by the formation of the Local Government Forum (LGF) and the BIMP-EAGA Business Council (BIMP-EAGA-BC) in the BIMP-EAGA subregion, and similar bodies in the IMT-GT, GMS, and other subregions;
- Completion of over USD 240 in tourism infrastructure improvement and expansion projects based on grant and loan financing in SASEC and GMS subregions;
- Mounting of major promotion programmes including multi-media campaigns, on-line marketing through social and business networks; and
- Tourism human resource development programmes.

The following case study illustrates the approach to the development and implementation of tourism infrastructure and capacity building in the SASEC subregion.

Some of the main challenges facing subregional collaboration in tourism include:

- Further deepening local government and private sector participation and leadership in formulating and implementing sustainable and inclusive tourism strategies, action plans and projects at the destination level;
- Further leveraging ICT in the areas subregional sustainable and inclusive destination and site development and management, knowledge sharing, capacity and skills training, cross border movements,

tourist information systems, online booking and reservation systems, and Internet marketing;

- Developing programmes and projects with strong private and local government sector buy-in to increase available resources and implementation capabilities;
- Better coordinating subregional strategies, plans, programmes and projects with their regional counterparts;
- Achieving support for priority programmes and projects not in the purview of the NTOs and local government tourism destination managers especially in the area of improving transport connectivity, harmonizing and simplifying cross border movements of tourists, investment promotion and incentives, heritage site management, and transport and utility destination infrastructure; and
- Strengthening subregional collaboration institutional arrangements and capabilities for secretariat and programme and project implementation support.

Table 3.3 shows international tourist arrivals data for APEC and the ten regional and subregional tourism collaboration frameworks covered in this chapter. In the period 2010–2015, double-digit growth in arrivals was recorded by five subregional organizations: SASEC (+20%), BIMSTEC (+16%), SAARC (+15%), GMS (+14%) and IMT-GT (+10%). The collaboration efforts have no doubt contributed to the growth and development of tourism in these destinations, though it is difficult to quantify the extent to which this is attributable to these regional frameworks. Further research would be required to study this.

As noted, between 2010 and 2015, arrivals to the regional collaboration areas have generally grown substantially with many of the subregional collaboration areas performing particularly well. Whilst it is not possible to directly attribute the extent of growth accounted for by collaboration, there is little doubt that synergies have a significant impact on overall tourism growth outcome.

Table 3.2 Summary of main subregional tourism collaboration frameworks

Tourism collaboration	Desired impact and outcomes and implementation arrangements	Programmes and projects
The Greater Mekong Subregion (GMS)	<p>Impact:</p> <p>Integrated, prosperous, equitable, and resilient tourism sector through good connectivity, competent HRD, good infrastructure, sustainable practices, and creative marketing.</p>	<p>Programmes:</p> <p>Capacity and skills development; transportation infrastructure; responsible tourism programmes; marketing; and cross border facilitation.</p>
The Brunei, Indonesia, Malaysia, Philippine East ASEAN Growth Region (BIMP-EAGA)	<p>Impact:</p> <p>Establishing the BIMP-EAGA subregion as the preferred ecotourism destination in the Asia and Pacific region through enhanced connectivity, community-based ecotourism, and coordinated approaches to heritage management.</p>	<p>Programmes:</p> <p>Well-connected subregion and cross border facilitation; community-based ecotourism; capacity building for ecotourism HR, adoption of ASEAN standards, partnership with heritage managers.</p>
Indonesia, Malaysia, Thailand Growth Triangle (IMT-GT)	<p>Impact:</p> <p>The tourism sector is a key drivers of subregional integration, innovation, and sustainable and inclusive development to be achieved through: increased interconnectivity; competitive, inclusive and sustainable destinations; strong market recognition.</p>	<p>Programmes:</p> <p>Thematic circuit development and marketing, connectivity and cross border facilitation; capacity building programmes; destination and product quality standards; and enhanced safety and security.</p>
South Asia Subregional Economic Cooperation Programme (SASEC)	<p>Impact:</p> <p>Providing well-developed, integrated, protected and sustainably managed globally branded destinations through: sustainable and inclusive multi-country circuits; and competent public and private sector HR.</p>	<p>Programmes:</p> <p>Capacity building; support infrastructure; private sector and community participation; knowledge sharing; joint promotion; and product quality and diversification.</p>
Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)	<p>Impact:</p> <p>Boosting the development of sustainable and inclusive tourism in the subregion through: improved connectivity; sustainable products; and cross border facilitation.</p>	<p>Programmes:</p> <p>Product development; travel facilitation; joint investment promotions; and tourism HRD.</p>
Greater Tumen Initiative (GTI)	<p>Impact:</p> <p>An environment that facilitates cross-border visitors to and within the GIT through simplifying border formalities, improved facilities and services, and joint promotion.</p>	<p>Programmes:</p> <p>Policy harmonization; public and private sector representation; destination and product development; joint marketing; capacity building; and adopting quality standards.</p>

Note: The above geographical categories do not necessarily correspond to UNWTO regions.

Main achievements and forward agenda	Key challenges
Achievements: GMS Tourism Sector Strategy; Mekong Tourism Office; Annual Mekong Forum; more than USD 250 million in infrastructure projects.	Challenges: Policy harmonization; greater community, local government and private sector participation; projects outside the purview of the NTOs; and coordination with the ASEAN tourism collaboration framework.
Achievements: BIMP-EAGA Community-based Ecotourism Strategy; Four pilot ecotourism projects completed; branding study-Equatorial Asia; and some improvements in air connectivity.	Challenges: Similar to the GMS but complicated by inability of one state to sign binding multi-lateral agreements.
Achievements: Occasional joint promotion and trade shows and events; introduction of ten new air routes.	Challenges: Similar to GMS and BIMP-EAGA with need for a more convergence approach on programmes and projects outside the purview of the national, state and provincial tourism offices.
Achievements: SASEC Tourism Plan, Strategy and Roadmap; implementation of the South Asia Tourism Infrastructure Development Project in Bangladesh, India, and Nepal.	Challenges: Limited stakeholder support; weak implementation arrangements; standardizing the collection of tourism statistics; weak ICT frameworks; and coordination with SAARC.
Achievements: BIMSTEC Tourism Fund; BIMSTEC Information Offices (Delhi).	Challenges: Limited private sector participation; overlapping activities with SASEC and GMS; and lack of coordination with regional frameworks.
Achievements: Production of promotional publications; and holding of an annual GTI Tourism Exchange.	Challenges: Poor international connectivity; cumbersome cross border arrangements; difficulty of some states to participate effectively; and limited private sector.

Table 3.3 Trends in international tourist arrivals in APEC and the main regional and subregional tourism collaboration frameworks

Regional organization	Tourism arrivals (x 1000)		Average annual growth (%)
	2010	2015	
1.a APEC – Asia and Pacific Economic Cooperation			
(Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Philippines; Republic of Korea; Russian Federation; Singapore; Taiwan Province of China; Thailand; United States of America; and Viet Nam)	299,451	397,980	5.9%
1.b APEC (only Asia and the Pacific region)			
(Australia; Brunei Darussalam; China; Hong Kong, China; Indonesia; Japan; Malaysia; New Zealand; Papua New Guinea; Peru; Philippines; Republic of Korea; Singapore; Taiwan Province of China; Thailand; and Viet Nam)	213,852	284,921	5.9%
2. GTI – Greater Tumen Initiative			
(China; Mongolia; Republic of Korea; and Russian Federation)	87,199	104,233	3.6%
3. ACD – Asian Cooperation Dialogue			
(Afghanistan; Bahrain; Bangladesh; Brunei Darussalam; Bhutan; Cambodia; China, India, Indonesia; Iran; Japan; Kazakhstan; Kuwait; Kyrgyz Republic; Lao People's Democratic Republic; Malaysia; Mongolia; Myanmar; Nepal; Oman; Pakistan; Philippines; Qatar; Republic of Korea; Russian Federation; Saudi Arabia; Singapore; Sri Lanka; Tajikistan; Thailand; Turkey; United Arab Emirates; Uzbekistan; and Viet Nam)	228,006	323,298	7.2%
4. PIF – Pacific Islands Programme			
(Australia; Cook Islands; Federated States of Micronesia; Fiji; French Polynesia; Kiribati; Nauru; New Caledonia New Zealand; Niue; Palau; Papua New Guinea; Republic of Marshall Islands; Samoa; Solomon Islands; Tonga; Tuvalu and Vanuatu)	9,535	12,049	4.8%
5. ASEAN – Association of Southeast Asian Nations			
(Brunei Darussalam; Cambodia; Indonesia; Lao People's Democratic Republic; Malaysia; Myanmar; Philippines; Singapore; Thailand; and Viet Nam)	70,431	104,624	8.2%
6. SAARC – South Asia Association for Regional Cooperation			
(Afghanistan; Bangladesh; Bhutan; India; Maldives; Nepal; Pakistan and Sri Lanka)	9,076	18,101	14.8%
7. BIMSTEC – Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation			
(Bangladesh; Bhutan; India; Myanmar; Nepal; Sri Lanka and Thailand)	24,105	50,505	15.9%
8. SASEC – South Asia Subregional Economic Cooperation			
(Bangladesh; Bhutan; India; Maldives; Myanmar; Nepal and Sri Lanka)	8,961	21,816	19.5%
9. GMS – Greater Mekong Subregion			
(Cambodia; China; Lao People's Democratic Republic; Myanmar; Thailand; and Viet Nam)	29,682	56,786	13.9%
10. BIMP-EAGA – The Brunei – Indonesia – Malaysia – Philippine East ASEAN Growth Area			
(Brunei Darussalam; Indonesia; Malaysia; and Philippines)	3,272	4,688	7.5%
11. IMT-GT – The Indonesia – Malaysia – Thailand Growth Triangle			
(Indonesia; Malaysia; and Thailand)	17,059	27,946	10.4%

Note: The above geographical categories do not necessarily correspond to UNWTO regions.

Sources: For 1 to 8: The World Bank (n.d.), International tourism, number of arrivals.

For 9: Greater Mekong Subregion (2017).

For 10: Statistics Indonesia (n.d.), Number of foreign guests in hotel by province 2003–2015.

Tourism Malaysia (n.d.), Tourism statistics.

Department of Tourism (n.d.), Tourism demand statistics.

For 11: Rieder, L. G. (2017).



Case study 3.1 The UNWTO Silk Road Action Plan

Launched in 2010, and led by UNWTO, the Silk Road collaboration programme combines a vast array of ancient cities, caravanserais, mountain passes, forts and watchtowers, religious sites and archaeological sites, as well as natural heritage sites, many of which are under threat, in 33 Member States between the Asia and Pacific region, Eurasia, the Middle East and Europe. As noted in the UNWTO Silk Road Action Plan 2016/2017, the overall goal of the programme is to raise the profile of Silk Road tourism and drive development that is sustainable, responsible and internationally competitive. To achieve the overall goal, the collaboration programme targets marketing, capacity building and travel facilitation.

The marketing activities have involved brand positioning market research, preparation of documentaries such as the Globe Trekker, "David Baddiel on the Silk Road" programme among others, and publication of collateral materials. Going forward, the focus is on participating in international trade shows, developing target market segment strategies, increasing on-line presence, enhancing Silk Road festivals and events, and collaborating with other thematic international tourism routes such as Maritime Silk Road, Spice Routes, Amber Routes, Great Tea Road, etc.

In the capacity building area, the focus has been on the holding Silk Road conferences, seminars and events targeting knowledge themes; protection of key heritage such as inscription of the Chang'an-Tianshan Corridor; developing new partnerships such as with the Council of

Europe, Venice Office; and engaging students and young professionals in Silk Road tourism initiatives through partnership with education and higher learning institutions. Going forward, the focus is on facilitating industry participation, promoting transnational community-based tourism initiatives such as the UNESCO/UNWTO Silk Road Heritage Corridors project; enhancing industry training and capacity development in regional areas; delivering quality experiences and products; promote Silk Road investment; further enhancing interpretation and guiding capabilities; and enhancing public private partnerships.

In the travel facilitation area, the focus has been on liberalizing visas, improving border procedures, minimizing taxation on travel, promoting air transport liberalization, and air route development through Routes Online (UBM). In 2016/2017, the focus is on: building on existing research and stakeholder conferences on the value of cross border facilitation; ongoing monitoring of cross border policy improvements and practices; further developing Silk Road travel routes; developing common road sign standard for the route; and further enhancing air connectivity to make the route more accessible, and to promote trans boundary travel and dispersal of visitors.

While significant progress has been made since the launch of the first Action Plan in 2010, much work remains to be done to achieve the ultimate vision for Silk Road tourism." In this context, the facilitation of travel in terms of increased connectivity to and within the Silk Road and seamless cross border movements remain major barriers to realizing its market potential.



Case study 3.2 Asia and the Pacific Economic Cooperation (APEC) tourism collaboration

The APEC collaboration framework focuses primarily on developing and disseminating knowledge products designed to support member states in achieving the connectivity, tourism human resources development, and sustainable and inclusive SMSE development outcomes. A good example of a recently completed knowledge product is the preparation of a study on Tourist Arrivals and Inclusive Growth, Issues Paper 11, prepared by the APEC Policy Unit,a dealing with the determinants of tourism arrivals, and the relationship between pro-poor tourism and MSMEs, and the related policy implications. The issues paper, which was completed and circulated in 2016 found that tourism development has a positive impact on poverty reduction and inclusive growth (i.e., growth in household incomes coupled with improvements in distribution). It found that every 1% increase in tourist arrivals is associated with a 0.12% reduction in the number of poor people in the region. The results also indicate that tourism contributes to inclusive growth by providing the poor with more opportunities for employment and entrepreneurial activity. The study found that enhancing the inclusiveness of tourism requires active policymaking at three levels: destination, economy, and international. Destination-level interventions involve partnerships between residents, operators, NGOs and local authorities at the tourist site itself. At the economy level, policies on business licensing and permits, skills training, land-use planning, competition

policy, and financial sector reform can benefit MSMEs in tourism. Finally, interventions at the international level include regional cooperation on responsible codes of conduct for travel providers, as well as tourism policy coordination, best practice dissemination, and capacity building.

Note: The above geographical categories do not necessarily correspond to UNWTO regions.

a) Asia Pacific Economic Cooperation Policy Support Unit (2016), *Issues Paper No 11, Tourist Arrivals and Inclusive Growth* (online), available at: <http://publications.apec.org> (10-06-2017).



Case study 3.3 Association of Southeast Asian Nations (ASEAN) tourism collaboration

The rapid growth of tourism to and within the ASEAN region over the last two decades resulted in the rapid expansion of tourist facilities and services often without regard to quality, sustainability and responsiveness to climate change, coupled with a growing shortage of professional and skilled tourism workers. To address these issues, the member states developed a framework to increase the quality of tourist facilities and services, human resources, and the mobility of tourism labour within the region. A good example of the effort to enhance the quality of services, facilities and human resources in the region is the development of the ASEAN Tourism Standards and ensuring third-party certification, as well as providing inputs into ASEAN human resource development strategy.

Based on a review of progress reported as part of the ASEAN Tourism Strategic Plan,a at the end of 2015, the ASEAN Quality Tourism Working Group (QTWG) formed to implement the programme had already completed a substantial part of its programme covering:

- The development of standards and certification processes for Green Hotels, Home-stay, Toilets, spas, security and safety, clean tourist cities, community based tourism and MICE venues;
- Preparation and dissemination of a knowledge product designed to enhance the ability of ASEAN tourism to address climate change including the development of

baseline data, and a work plan of activities to contribute to climate change mitigation; and

- Development of an ASEAN Tourism Human Resources Plan.

The certification process remains to be completed for spas, security and safety, and MICE venues, and pilot testing and training for assessors and auditors, and commissioning of all the standards remains to be completed. The establishment of the certification organizations in each country is to be implemented in the first five years of the ATSP 2016–2025. On the climate change initiative, while the basic knowledge product has been prepared, the development of a monitoring and evaluation framework based on indicators and development of a future work plan based on monitoring inputs is to be undertaken in the period between 2016–2021.

In regard to the tourism human resource development planning, the QTWG is continuing to implement the ASEAN Tourism Resource Management programme (ATRM) involving trainings and workshops dealing with specialist cruise training, cultural heritage workshops, hospitality, and ecotourism. The main challenge going forward to the implementation of the QTWG's tasks is the unwieldy nature of a country based certification system as well as the cost of delivering an effective and efficient certification system.

Note: The above geographical categories do not necessarily correspond to UNWTO regions.

a) Association of Southeast Asian Nations (2016), *ASEAN Tourism Strategic Plan 2016–2025*, ASEAN, Jakarta.



Case study 3.4 South Asia Subregional Economic Cooperation (SASEC) tourism collaboration

A key strategy of the South Asia Subregional Economic Cooperation (SASEC) Development Plan,^a has been improving access and site visitor infrastructure, sustainable destination and site management capacities, and greater community participation in the tourism supply chain of the main heritage and nature-based tourism circuits in the subregion, and the South Asia Tourism Infrastructure Development Project (SATIDP) was designed to support this.^b

At Lumbini, the birthplace of Lord Buddha in Nepal, the Project involves: (a) upgrading of Gautam Buddha Airport to regional international airport standard accessible to all Asian Markets; (b) provision of a clean air transportation system between the airport and Lumbini and within the Lumbini site; (c) construction of an iconic visitor information and interpretation center, road access improvements, provision of visitor amenities blocks, solid and liquid waste treatment; (d) capacity building for the Lumbini Development Trust and capacity building and entrepreneurship development for 12 local communities (around 40,000 population) to enable greater participation in the Lumbini tourism supply chain. The project costing USD 97.21 million is substantially completed with commissioning expected in the second half of 2017.

In the case of Bangladesh, the Project focuses upon development of cultural tourism and site restoration at four different archaeological sites in Central and Northern

Bangladesh, i.e. Shait Gombuj Mosque, Bagerhat, Mahasthangarh, and Paharpur Buddhist Monastery and Kantaji Temple at Dinajpur. Here, the project involves addressing key infrastructure and management deficiencies, and fostering community participation in nature and culture-based tourism. In order to ensure the sustainability development of tourism at these sites, the project focuses on:

1. Site restoration and conservation works;
2. Civil works and infrastructure development in support of tourism facilities and services including road works, visitor center, visitor amenities blocks, solid waste management and provision of potable water and waste water treatment;
3. Financial management, tourism promotion and capacity building of site managers; and
4. Capacity building for local communities and NGOs in order to ensure the sustainability of tourism development.

The SATIDP project covers two UNESCO inscribed sites: the Buddhist Monastery at Paharpur, and the Mosque City of Bagerhat, while the Fortified City of Mahasthangarh is on the UNESCO tentative list. The project costing USD 12 million is substantially completed.

Notes: The above geographical categories do not necessarily correspond to UNWTO regions.

- a) Asian Development Bank and South Asia Subregional Economic Cooperation Tourism Working Group (2005), *SASEC Tourism Development Plan*, ADB, Manila.
- b) Asian Development Bank (2016), *Environmental Monitoring Report, Semi-Annual Report No. 3, Nepal: Gautam Buddha Airport Upgrading Component* (online), available at: www.adb.org (10-06-2017).



3.4 Challenges facing regional collaboration in tourism in the Asia and Pacific region

The major challenge to regional collaboration stems from geographical, historical and political factors that characterize the Asia and the Pacific region. Asia and the Pacific is the world's largest region in terms of population with 4.1 billion inhabitants, about 56% of the world's total and a land surface area around 30%. The region is composed of islands and atolls as well as some of the highest mountains in the world and is surrounded by the Indian and the Pacific oceans. The historical evolution of the countries within the region has been quite different to other regions in the world. The colonial legacy of recent times has left its own imprint. Asia and the Pacific is, therefore, characterised by its physical and cultural heterogeneity rather than its homogeneity which has an enormous bearing on regional collaboration and cooperation. While tourism has made vast strides in the region it must be borne in mind that it is a service sector industry that has made inroads recently.

It is within this context that regional and subregional tourism collaboration has to be placed. Achievements of regional and subregional tourism collaboration frameworks in the Asia and the Pacific region have been appreciable, especially in the marketing and promotions area, however, many challenges remain to be effectively addressed.

The challenges can be broadly characterized in terms of how to:

- Effectively deliver key outcomes and outputs such as policy and regulatory harmonization, sustainable development and management, inclusive growth, cross border facilitation, knowledge sharing, adoption of ITC in travel operations, booking and reservations, general visitor and site information, and adoption and implementation of standards;
- Deepen the participation of local governments and the private sector; and
- Coordinate the supraregional, regional and subregional tourism collaboration agendas.

Most tourism collaboration initiatives in the region have been quite successful at marketing and promotions, and in the design of various interventions in the area of tourism infrastructure, tourism human resources development, mutual recognition agreements for tourism professionals, curriculum standards, tourism facility and destination standards, and sustainable and inclusive tourism programmes and projects, however, they have been less successful in implementing these and in shaping policy in the adoption of ICT to the tourism sector.

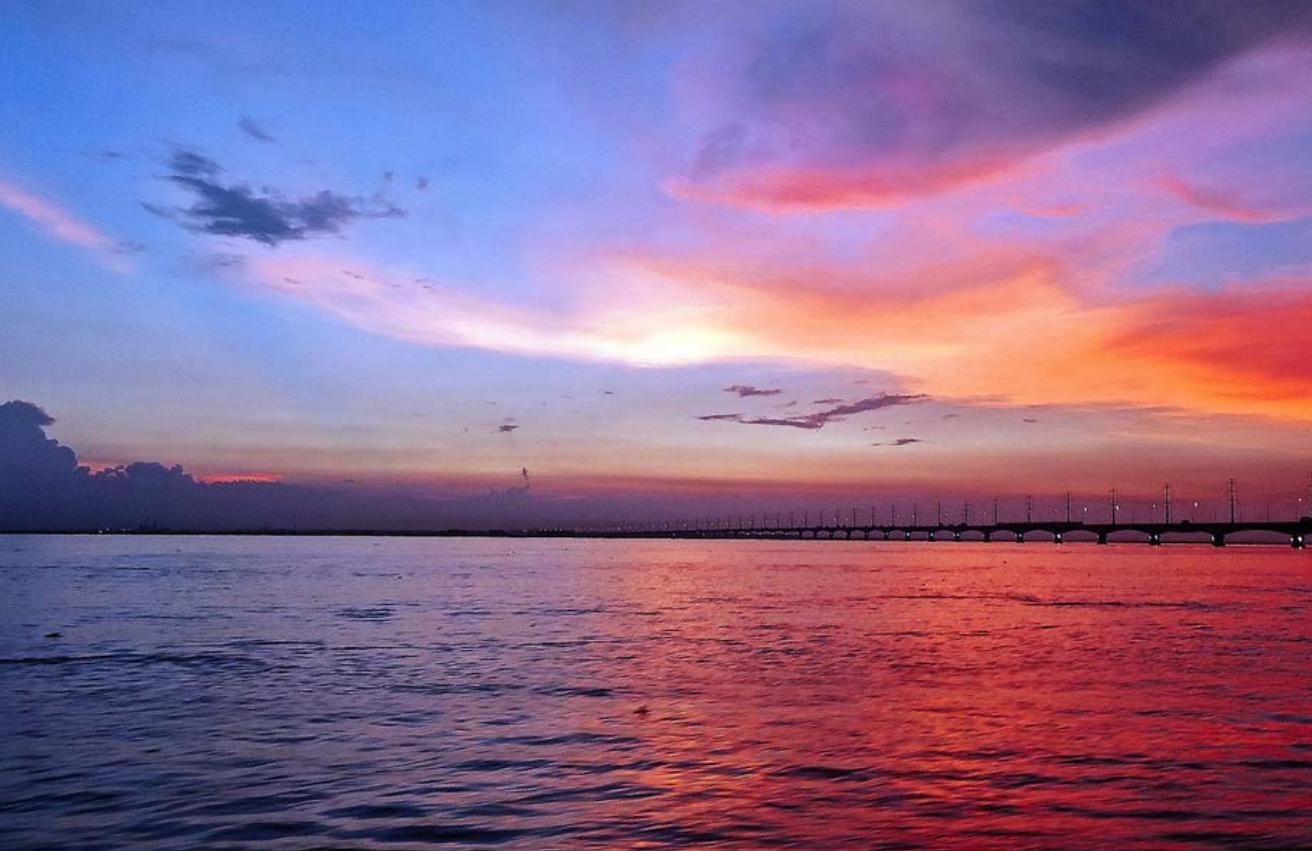
The causes of the inability to effectively implement programmes and projects can be traced to:

- Weak policy coordination, planning and project management capabilities and frameworks at the NTO level coupled with limited regional and subregional institutional resources;
- A lack of convergence policies and agreements amongst NTOs and other government agencies on the delivery of priority projects such as roads, airports, TVET, heritage site management, etc. that are not in the immediate purview of the NTOs; and
- Insufficient stakeholder support at the local government, community and private sector level.

Effective implementation probably remains the most significant challenge for the success of regional and subregional collaboration efforts in the tourism sector.

Except to a limited extent at the subregional level, most of the tourism collaboration frameworks are top down and public sector-led. Participation by the private sector in the design and implementation of marketing and promotion programmes and other initiatives has been limited to commenting upon a draft in which they have had little input. The situation is similar in the case of local government units at the state and provincial level. Deepening the participation of the private sector and the local government units is therefore a key challenge to effective implementation. To address this challenge, new institutional approaches to the design and implementation of regional and subregional tourism collaboration initiatives will need to be adopted. Whilst most of the overall frameworks have business groups such as ASEANTA in the case of ASEAN, and the BIMP-EAGA Business Council Tourism Committee, they are not effectively used in the formulation of policy, strategies, plans, and programmes. The same is true of the local government participation where, some collaboration frameworks include local government forums at the broader level; the tourism element has yet to be better developed. These observations suggest that there is a need to move to a more stakeholder inclusive approach to the formulation and implementation of subregional tourism collaboration policies, plans, programmes and projects involving a deeper level of private sector and LGU participation.

Finally, it is noted from the review and evaluation of the supraregional, regional and subregional tourism collaboration frameworks, that there is considerable overlap amongst them in outcomes such as improving transportation connectivity and facilitating cross border movements (in all collaboration frameworks), marketing and promotion (in the regional and subregional frameworks), tourism human resource development (in all collaboration frameworks), sustainable and inclusive tourism destination and product development (in all collaboration frameworks), standards and certification guidelines (in some frameworks), and stimulating investments (in most frameworks). The overlap in outcomes is a natural function of the overarching impacts that the frameworks are all seeking to achieve and it would be expected that supraregional and regional tourism collaboration frameworks would have their analogues at the subregional level. However, while this is indeed the case, the lack of effective coordination amongst the supraregional, regional and subregional tourism collaboration initiatives has resulted in duplication of effort, dilution of limited resources, confusion amongst other government agencies dealing with transport connectivity, cross border facilitation, human resources development and heritage site management. The net effect has been to make it harder to achieve progress in these areas. Greater coordination amongst the supraregional, regional and subregional levels in the identification and scope of collaboration outcomes and outputs, and regular review of these will be essential to achieving their outcomes and impacts going forward.



3.5 Factors shaping the future of regional collaboration in tourism in the Asia and Pacific region

A review of past tourism regional collaboration strategies, plans, programmes and projects, in the Asia and Pacific region indicates that up to 1990, most collaborations were regional rather than subregional in nature, focusing mainly on marketing and promotion based activities. For example, in 1992, the main thrust of regional collaboration in the ASEAN region focused on mounting “Visit ASEAN Year” campaigns and TVET curriculum development under and EU grant programme.⁶ At that time, the main institutional structure for implementing regional initiatives was the ASEAN Tourism Committee (ATC) comprising the heads of the ASEAN NTOs. Due to limited success with these initiatives, the ATC was replaced by the ASEAN Tourism Ministers with a Tourism Working Group structure with a mandate to set up a basic framework for collaboration in marketing, training, research and information dissemination, facilitation of intra-ASEAN travel, transport and passenger movement, enhanced public-private sector collaboration, and coordination of tourism policies and programmes – in short, targeting integration of the tourism sector under the AEC framework – and coinciding with the creation of various subregional and smaller country cluster tourism collaboration frameworks that now populate the ASEAN regional collaboration space. The ASEAN experience has to an extent been mirrored in the SAARC, and PIF regional collaboration frameworks where the focus of collaboration shifted from tourism promotion

to a broader set of initiatives designed to achieve more or less an integrated regional tourism sector.⁷

Going forward, in addition to the SDGs, the main factors shaping the future of regional and subregional collaboration in tourism are likely to be:

- Continued globalization and regionalization tempered by the need to make the outcomes associated with these fairer for all;
- Continued developments in transportation and ICT technology;
- Developments in conflict resolution and management of terrorism; and
- The effectiveness of existing regional and subregional collaboration initiatives to deliver the outcomes and impacts that they have set for themselves especially resident and tourist safety and security.

The current concerns about immigration and fairness in globalization and regional trade by countries such as the United States of America, the United Kingdom and others, reflects perceived and real imbalances in the outcomes generated. Thus, it may be expected that the shape of the current pattern globalization and regionalism will change towards approaches that deliver fairer outcomes for all. Meanwhile, transportation and ICT technology will continue to make travel affordable and safe, provide frictionless cross border movements, and make destinations easier



and more convenient to enjoy, as well as being safer and more secure. Offsetting this picture of safety and security are continuing conflicts and potential conflicts, as well as a rising level of terrorist incidents in the Asia and Pacific region going forward. While past efforts at resolving these conflicts at the country level have been unsuccessful, as illustrated by ongoing conflicts within the ASEAN and SAARC regional and subregional frameworks, these have been managed in ways that makes collaboration more or less effective and in many cases, essential.

Although it is challenging to effectively collaborate on the implementation of tourism projects and programmes, in general, success depends on competent NTO and secretariat professional and technical capabilities, adoption of convergence agreements with other agencies on projects outside the purview of the NTOs, strengthening of regional and subregional secretariat implementation support, coordination and monitoring and evaluation capabilities, and hopefully, better coordination of regional and subregional impacts, outcomes and outputs in the future.

Overall, the above factors are likely to further move regional and subregional collaboration in tourism towards generating sustainable and inclusive outcomes following the SDGs.

Although the tourism collaboration frameworks have achieved much over the past twenty years, significant implementation, stakeholder participation, and coordination challenges remain to be addressed.

3.6 Conclusions

Regional and subregional cooperation in tourism is a key feature of the overall economic integration and sustainable development agenda in the Asia and Pacific region. Tourism is generally seen as a key driver of economic integration given its cross border character, people to people exchange, interest in remotely located natural and cultural heritage sites and their communities, and ability through its strong backward linkages and related supply chains to provide economic opportunities for local economies outside urban areas.

Although the tourism collaboration frameworks have achieved much over the past twenty years, significant implementation, stakeholder participation, and coordination challenges remain to be addressed if they are to be more effective at contributing to broader regional goals and outcomes. Implementation of programmes and projects continues to be under-resourced while more effort needs to be made to build convergent approaches with other government agencies that control areas outside the purview of the NTOs. Much greater attention needs to be given to deepening the participation of local government and private sector stakeholders especially at the subregional level based on further improvements to the practices adopted in the BIMP-EAGA and IMT-GT subregions. Finally, while overlap between the supra regional, regional and subregional collaboration frameworks is to be expected, steps should be taken to ensure that there is no duplication in effort between them, and that, particularly their programmes and projects, are coordinated.

Regional and subregional collaboration in tourism in the foreseeable future is likely to be shaped by:

- Continued but more temporized globalization demanding greater competitiveness in terms of destinations, facilities and services, safety and security, and generating more sustainable and inclusive outcomes following the SDGs;
- Continued developments in transportation and especially in ICT technology that will make it easier connect to destinations while providing more seamless cross border processing, and management of safety and security; and
- The effectiveness of existing collaboration efforts themselves, including adoption of more holistic multi-dimensional approaches that are more focused, better coordinated, better resourced, and more effective in delivering the expected outcomes.

Chapter 3 Endnotes

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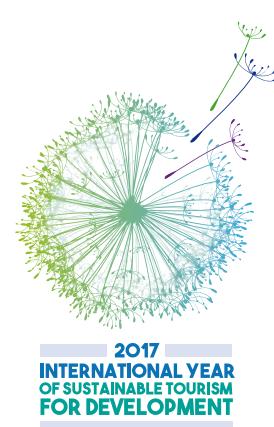


Key tourism agenda in Asia and the Pacific



This chapter highlights the key research areas and major events in Asia and the Pacific such as conferences, seminars and workshops undertaken in 2017 by the Regional Programme for Asia and the Pacific (RPAP) and the Statistics, Trends and Policy Programme. Sustainable tourism development has been the fundamental focus area of UNWTO in keeping with the global 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) of the United Nations.

2017 International Year of Sustainable Tourism for Development



The United Nations 70th General Assembly designated 2017 as the International Year of Sustainable Tourism for Development. Under the banner IY2017 and theme "Travel Enjoy Respect" UNWTO has undertaken a host of activities with the public and private sector tourism stakeholders being invited by UNWTO to share and support the initiatives. IY2017 will culminate with the Closing Ceremony of the International Year of Sustainable Tourism for Development to be held in Geneva, Switzerland in December.

Asia and the Pacific has been in particular focus with key research and activities undertaken in the region aligned to IY2017.

www.travelenjoyrespect.org
www.tourism4development2017.org



China hosts the 22nd UNWTO General Assembly

The bi-annual event, which took place in Chengdu, China on 11–16 September 2017, attracting over 1,000 delegates, discussed how to advance the contribution of tourism to the Sustainable Development Goals (SDGs) and define the actions of the Organization for the period 2018–2019. A high-level debate on tourism and the SDGs, a special session on smart tourism, the celebrations of the International Year of Sustainable Tourism for Development 2017, the conversion of the UNWTO Global Code of Ethics into an international convention and current trends of the tourism sector were all integrated into the agenda of the 22nd session of the UNWTO General Assembly. The Assembly also discussed the lines of action and key priorities of the Organization for the two coming years.

<http://media.unwto.org/press-release/2017-09-04/china-host-22nd-unwto-general-assembly>

“Tourism is at a crossroads. This Assembly is our opportunity to strengthen our sector in view of the changes it faces.”

UNWTO Secretary-General Taleb Rifai

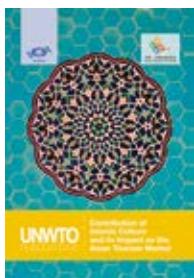
The **52nd Meeting of the UNWTO Commission for East Asia and the Pacific** (CAP) was held on Monday, 11 September 2017, and the **56th Meeting of the UNWTO Commission for South Asia** (CSA), on Monday, 11 September 2017. A total 47 delegates from CSA and 120 from CAP gave Asia and the Pacific a very high profile in keeping with the dynamism of the region as one of the leading tourism source markets.

The Regional Programme for Asia and the Pacific also launched the study on *Penetrating the Chinese Outbound Tourism Market: Successful Practices and Solutions* on 13 September 2017 and two further research studies on *Managing Growth and Sustainable Tourism Governance in Asia and the Pacific* and the *Contribution of Islamic Culture and its Impact on the Asian Tourism Market* on 15 September 2017. Details of studies enumerated hereunder.



Publications and events

Contribution of Islamic Culture and its Impact on the Asian Tourism Market



The publication *Contribution of Islamic Culture and its Impact on the Asian Tourism Market* initiated by the Regional Programme for Asia and the Pacific (RPAP) and sponsored by the China Chamber of Tourism attempts to identify and understand the needs and concerns of Muslim travellers and provide a better picture

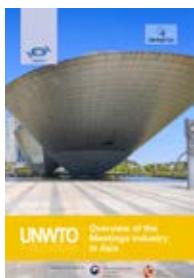
of Islamic tourism in its global, regional and country-based dimensions with particular emphasis on Asia and the Pacific which has the largest Muslim population and market in the world. The country contains 16 specific country monographs and tackles specific issues such as "halal" that are of relevance to both Muslim and the non-Muslim destinations wishing to exploit this lucrative market.

Released in January 2017, the study was formally launched on 15 September 2017 at the 22nd UNWTO General Assembly in Chengdu, China.

UNWTO Library:

www.e-unwto.org/doi/book/10.18111/9789284418053

Overview of the Meetings Industry in Asia



Overview of the Meetings Industry in Asia, released by UNWTO in June 2017, provides a comprehensive view of the linkages between business events and tourism, examines the region's key market segments and developments in the meetings industry, and – through a collection of case studies – highlights the more recent trends in Asia.

The report looks into fifteen countries in the region in terms of their strengths, weaknesses, opportunities and threats, and in terms of attracting and hosting events and providing examples on how these countries have redefined the meetings industry. The report includes two special chapters on China and the Republic of Korea.

The study initiated by the Regional Programme for Asia and the Pacific (RPAP) of UNWTO and done in collaboration with GainingEdge was sponsored by the Ministry of Culture, Sports and Tourism of the Republic of Korea and Korea Tourism Organization (KTO).

UNWTO Library:

www.e-unwto.org/doi/book/10.18111/9789284418565

International Rural Tourism Development – An Asia-Pacific Perspective



The publication *International Rural Tourism Development – An Asia-Pacific Perspective* released at the Second International Conference on Rural Tourism in Huzhou, China, 16–18 July 2017, coincides with the International Year for Sustainable Tourism for Development 2017.

It draws attention to rural/urban relationships, community empowerment and poverty alleviation through rural tourism development. The report also shines a light on rural tourism development in the Asia and the Pacific region with 14 specific case studies that show how communities have adapted a sustainable approach to rural tourism that stimulates economic growth, creates employment and improves the livelihood of communities.

This UNWTO publication, originating from the Regional Programme for Asia and the Pacific (RPAP), done in collaboration with the Pacific Asia Travel Association (PATA), was sponsored by the City of Huzhou, China. A Chinese version of the study was also released.

UNWTO Library:

www.e-unwto.org/doi/book/10.18111/9789284418824

Managing Growth and Sustainable Tourism Governance in Asia and the Pacific



The UNWTO publication on *Managing Growth and Sustainable Tourism Governance in Asia and the Pacific*, undertaken in collaboration with the Griffith Institute of Tourism of the Griffith University Australia, was released on 15 September 2017 in Chengdu China, during the 22nd UNWTO General Assembly as part of the activities associated with IY2017.

The Asia and the Pacific region has seen an unprecedented growth in tourism in recent years with the positive trend projected to continue in the future. Managing this growth has implications on planning and policy decisions that are closely dependent on sustainable tourism governance.

The report analyzes various conceptual aspects of governance in tourism related to the public and private sectors in Asia and the Pacific and its implementation at national, regional and local levels in the area. In addition, 17 destinations covering 13 countries in Asia and the Pacific are covered as case studies in the report, highlighting different approaches to sustainable tourism governance as practiced by the national tourism administrations and organizations concerned.

The lessons learned from the various case studies give an opportunity to public and private sector stakeholders to manage future tourism growth in a sustainable and responsible manner

The publication was sponsored by the Ministry of Culture, Sports and Tourism of the Republic of Korea and the Korean Tourism Organization (KTO).

UNWTO Elibrary:

www.e-unwto.org/doi/book/10.18111/9789284418909

Penetrating the Chinese Outbound Tourism Market – Successful Practices and Solutions



The publication on *Penetrating the Chinese Outbound Tourism Market – Successful Practices and Solutions*, initiated by the Regional Programme for Asia and the Pacific and the Statistics, Trends and Policy Programme of UNWTO was undertaken in collaboration with Ivy Alliance Tourism Consulting and Ms. Xu Fan, member of UNWTO Panel of Tourism Experts. The study was released on 13 September 2017 during the 22nd UNWTO General Assembly in Chengdu, China.

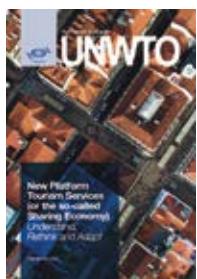
This study gives a background to the growth of Chinese tourism in terms of policy decisions, demographics, socio-economic evolution, catchment areas, and market trends, all of which have a strong bearing on the position that China occupies in the world today as the leading tourism outbound market both in terms of visitors as well as expenditure.

Of particular interest has been the growth of the millennial tourists from China who, as free independent traveller (FIT), hold a pre-eminent position in Chinese outbound traffic. The report outlines case studies – primarily of destinations in Asia and the Pacific supplemented with examples from Europe and the United States of America – that illustrate how they have successfully penetrated the Chinese outbound market with innovative promotional and marketing techniques.

UNWTO Elibrary:

www.e-unwto.org/doi/10.18111/9789284418992

New Platform Tourism Services (or the so-called Sharing Economy) – Understand, Rethink and Adapt



The UNWTO publication on *New Platform Tourism Services (or the so-called Sharing Economy) – Understand, Rethink and Adapt* is an initiative of the Statistics, Trends and Policy Programme that was released in September 2017.

New platform tourism services are defined as business models in which private individuals offer tourism goods or services to visitors through digital platforms. They span the tourism segments of information, accommodation, transport, gastronomy and other related tourism activities. The report identifies three main directions in the way forward: understanding and monitoring the new platform tourism services; rethinking regulation and addressing the interests of stakeholders involved; and finally, adapting to the market conditions based on communication, collaboration, cooperation and coordination.

By adopting to these issues it is hoped that tourism providers and destinations will be able to adapt to the challenges of new platform services and choose a differentiated approach tailored to their specific needs.

The report was prepared in collaboration with the NIT Institute for Tourism and Recreational Research in Northern Europe, Kiel, Germany.

UNWTO Elibrary:
www.e-unwto.org/doi/book/10.18111/9789284419081

The 11th UNWTO Asia Pacific Executive Training Programme

This programme on Tourism Policy and Strategy organized by the Regional Programme for Asia and the Pacific with the Papua New Guinea Tourism Promotion Authority was held from the 20–23 March 2017 in Port Moresby, Papua New Guinea.

UNWTO has been conducting this annual high-level Executive Training Programme on tourism policy and strategy in the Asia and the Pacific region since 2006. It has been an important forum for high-level policy makers of the region's National Tourism Administrations to get together and strengthen effective and responsive formulation of policies and strategies. After ten years of strong support from the Government of the Republic of Korea, it has become an iconic activity of UNWTO in the region. The theme of this year's four-day training programme was "Sustainable Tourism for Development" and was organized in conjunction with 2017 International Year of Sustainable Tourism for Development, taking into cognizance the imperative to improve resource efficiency and to protect, conserve and preserve natural and cultural heritage. In addition, emphasis was placed on initiatives to optimize the benefits of international cooperation for peace and development.

18 countries from the Asia and the Pacific region participated in the Training Programme and made country presentations.

See: <http://asiapacific.unwto.org/event/11th-unwto-asia-pacific-executive-training>

UNWTO/Chimelong Initiative

In May 2016 UNWTO and Guangzhou Chimelong Group signed a Partnership Agreement during the First World Conference on Tourism for Development in Beijing to establish the UNWTO/Chimelong Initiative, on which both parties agreed to work together to support sustainable tourism and wildlife protection through tourism.

The power of tourism to induce poverty reduction and development constituted the main focus of the UNWTO Workshop held in Guangdong, China, from 23–25 March 2017. The workshop was conducted under the framework of the above Agreement.

The event took place in a highly relevant momentum as 2017 is celebrated as the International Year of Sustainable Tourism for Development, a global campaign lead by UNWTO.

“Guangdong, one of the top economic hubs in China, is one of the best examples of what is happening in China in terms of the links between development and tourism and therefore it is a perfect location to conduct this event”, said UNWTO Secretary-General, Taleb Rifai.

“We sincerely appreciate the agreement with UNWTO that includes a number of initiatives in the field of sustainable tourism and wildlife conservation, which are very much in line with our philosophy ‘Wherever Chimelong goes, the happiness follows’ as our CEO, Su Zhigang highlights,” said Chen Wancheng, President of Guangdong Chimelong Group.

Accounting for 6.3% of GDP, tourism is one of the most important sectors in Guangdong. The province receives more than 300 million domestic tourists annually and around 35 million international tourists.

The workshop included case studies from the UNWTO ST-EP Project Great Himalaya Trail Development Programme, the UNWTO Network of Sustainable Tourism Observatories and from activities conducted by Chimelong in the Guangdong Province. Representatives of Provincial Tourist Authorities and Provincial Tourism Organizations, in particular from the Guangdong Province, stakeholders from the private sector and Chinese NGOs attended the event.

See: <http://media.unwto.org/press-release/2017-03-27/role-tourism-reducing-poverty-discussed-unwto-workshop-china>

Regional Forum on Crisis Communication

The 29th Joint Meeting of the UNWTO Commission for East Asia and the Pacific and the UNWTO Commission for South Asia (29th CAP-CSA & UNWTO) focused on crisis communication, was held in Chittagong, Bangladesh, on 15–17 May, 2017.

The 29th CAP-CSA Joint meeting which is UNWTO's principal annual event in the Asia and the Pacific region was attended by participants from UNWTO Member States, UNWTO Affiliate Members and international and regional organizations.

“With growth comes power, and with power, comes responsibility. With 1.8 billion international tourists foreseen to travel the world by 2030, we could end up with 1.8 billion opportunities or 1.8 billion disasters. These 1.8 billion travellers can and should translate into opportunities for inclusive economic growth, for more and better jobs, opportunities to protect our natural and cultural heritage, to better know and respect each other, to bond people, to distribute wealth and share prosperity”, said UNWTO Secretary-General, Taleb Rifai.

The joint meeting was preceded by a regional forum on crisis communication in tourism, with a step-by-step review of how to prepare a crisis communication plan and exchange of experiences in managing communication in situations of crisis, and of strategies for recovery.



International Conference on Tourism Statistics

On the occasion of the International Year of Sustainable Tourism for Development 2017, the Government of the Philippines and the World Tourism Organization (UNWTO) organized the 6th International Conference on Tourism Statistics held in Manila from 21–24 June 2017.

A total of 973 participants from 88 countries, among which Ministers, Chief Statisticians, private sector and key decision-makers from international organizations, gathered in Manila to discuss how to advance a rigorous, statistical approach to the measurement of sustainable tourism. To better measure is to better manage, and thus a common and robust set of data is critical for governments and stakeholders to design, implement and monitor effective sustainable tourism policies

“The Manila Conference constitutes a milestone for tourism measurement, not only by extending the current statistical standards beyond their economic focus to cover the social and environmental dimensions, but because it represents a global commitment to sustainable tourism and a recognition of its contribution to the 17 Sustainable Development Goals (SDGs) of the universal 2030 Agenda for Sustainable Development”, said UNWTO Secretary-General Taleb Rifai.

The Manila Call for Action reflects the collective vision and commitment to collaborate on the further development and implementation of a Measuring Sustainable Tourism (MTS) statistical framework. The conference is part of the

process to develop a framework to measure sustainable tourism, and builds upon and expands the two official UN statistical standards for measuring tourism adopted in 2008: the International Recommendations for Tourism Statistics 2008 and the Tourism Satellite Account: Recommended Methodological Framework 2008.

The Measuring Sustainable Tourism (MST) initiative has received full support of the United Nations Statistics Commission and is geared towards shaping and sharing a common understanding of how to measure the economic, environmental and social aspects of tourism across relevant spatial scales – global, national and subnational levels – while incorporating the possibilities opened by technological advancements and continuing to advocate for the sustainability principles of our sector.

The event is part of the calendar of official events of the International Year of Sustainable Tourism for Development 2017.

The resuming publication to this conference is available in the UNWTO Elibrary:

www.e-unwto.org/doi/book/10.18111/9789284418954

See: www.tourism4development2017.org

<http://statistics.unwto.org/mstconference>



Asia-Pacific Tourism Marketing Evaluation Workshop

The UNWTO Asia-Pacific Tourism Marketing Evaluation Workshop was held in Changshu, China, 6–8 July 2017.

The workshop was designed to draw lessons from the best practices of different NTAs/NTOs' marketing and promotional plan for the sector taking into account the quality and quantity of tourism products, the diversity of domestic, regional and international source markets, image and positioning, branding, quality and distribution of promotional materials (including e-marketing) and institutional mechanisms for marketing and promotion including public-private partnership.

19 countries from the Asia and the Pacific region were represented at the workshop which was jointly organized by UNWTO, MCSTO (Monitoring Centre for UNWTO Sustainable Tourism Observatories) and Changshu City, Jiangsu Province, China, and coordinated by the Regional Programme for Asia and the Pacific (RPAP).

See: <http://asiapacific.unwto.org/event/asia-pacific-tourism-marketing-evaluation-workshop>

Second International Rural Tourism Conference

The Second International Rural Tourism Conference took place in Anji County in Huzhou, China from 16–18 July 2017. This conference was organized and hosted by Huzhou City, China, in collaboration with the Pacific Asia Travel Association (PATA) and UNWTO. UNWTO's Regional Programme for Asia and the Pacific (RPAP) took an active role in the conference and presented the report on *International Rural Tourism Development – An Asia Pacific Perspective*. This report, in celebration of 2017 as the International Year of Sustainable Tourism for Development as decreed by the UN, presents best practices and successful strategies in rural tourism development throughout Asia and the Pacific.

The report in conjunction with the Second International Rural Tourism Conference showcased the power that tourism has to help millions of people escape poverty and improve their livelihoods. Matters relating to policy, planning, product development and marketing of rural tourism were elaborated and discussed throughout the two-day conference and technical tours which attracted around 20 international delegates and 400 local representatives.

See: <http://asiapacific.unwto.org/event/second-international-rural-tourism-conference>



11th UNWTO/PATA Forum on Tourism Trends and Outlook

The 11th UNWTO/PATA Forum on Tourism Trends and Outlook in which the Regional Programme for Asia and the Pacific and the Statistics, Trends and Policy Programme have been actively involved for over a decade was held in Guilin, China, from 10–12 October 2017. This year's forum was organized under the theme of Sustainable Tourism: Beyond Being Green, to celebrate the 2017 International Year of Sustainable Tourism for Development. The Guilin Forum provides an annual Pan-Asia and the Pacific platform for policy-makers, senior officials, researchers and industry representatives to take stock of global and regional trends and to better understand their potential impacts on tourism. The event, under the joint umbrella of the UNWTO and PATA, allowed participants to share information, analyse the current tourism situation and map out the next course of action for the future.

See: <http://asiapacific.unwto.org/event/11th-unwtopata-forum-tourism-trends-and-outlook>

Global Tourism Economy Forum (GTEF)

The GTEF celebrated the 6th anniversary of the forum in Macao, China, on 16 and 17 October 2017, where the present report *UNWTO/GTERC Asia Tourism Trends 2017 Edition* was presented, is one of the leading exchange platforms in Asia and the Pacific designed to promote sustainable development of the global tourism sector. In support of the 2017 International Year of Sustainable Tourism for Development, GTEF 2017 engaged prominent leaders in the public and private sectors in the discussion on regional collaboration and how tourism stakeholders break down barriers, find common ground and grow stronger together. The UNWTO has been closely associated with the GTEF since its inception and continues to support its initiatives.

See: <http://gte-forum.com/>

Forthcoming publications and events

Buddhist Tourism in Asia and the Pacific

The UNWTO Regional Programme for Asia and the Pacific in collaboration with the Chamber of Tourism of China (CTC) hopes to embark on a publication on *Buddhist Tourism in Asia and the Pacific* to be completed in the course of 2018. An Agreement was signed between UNWTO and CTC in Chengdu, China, on 15 September 2017 to undertake the study.

The Indian sub-continent is the cradle of Buddhism from where the religious philosophy that sprang up in the 5th century BC, along with its many offshoots, spread throughout Asia. The study is aimed at taking stock of the various tangible and intangible products related to Buddhism, in the Asian region as a whole and in specific countries in particular, to estimate their potential for future development and improvement as source markets of Buddhist tourism.

Tourism Stories



Modeled along the lines of the UNWTO's *Tourism Stories* book series, the first of which was published in 2013, a book on Thailand is planned to be published before the end of the year. It will follow the same format and theme of the previous editions of the *Tourism Stories* produced by UNWTO.

It seeks to showcase and celebrate the impact of tourism on the people working in and for tourism. Its core concept is creating a powerful, personal voice for millions of people across the global tourism community. The first book of the series captured 14 voices of tourism from countries across the globe – the people who, each and every day, woke to work in the industry, playing their part, making their impact and sharing their story.

The *Tourism Stories* book on Thailand will be produced with the support of the Ministry of Tourism and Sport of Thailand in collaboration with Cachet Consulting. The event for its official release will be in Bangkok, Thailand, in conjunction with ASEAN Tourism Forum 2018.

6th Global Summit on Urban Tourism

The World Tourism Organization (UNWTO), at the invitation of the Ministry of Tourism and Culture, Malaysia, will organize the 6th Global Summit on Urban Tourism: Sustainable and Competitive Tourism on the New Urban Agenda, from 4–6 December 2017 in Kuala Lumpur. The first Global Summit on City Tourism was held in 2012 in Istanbul, Turkey, followed by Moscow, Russian Federation; Barcelona, Spain; Marrakesh, Morocco; and Luxor, Egypt.

UNWTO's Destination Management and Quality Programme and the Regional Programme for Asia and the Pacific will coordinate the event that is being held in Asia for the first time.

See: <http://destination.unwto.org/event/6th-global-summit-urban-tourism>



List of acronyms and abbreviations

ACD	Asian Cooperation Dialogue
ACMECS	Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy
ADB	Asian Development Bank
AI	artificial intelligence
APEC	Asia and Pacific Economic Cooperation
AR	augmented reality
ASEAN	Association of Southeast Asian Nations
ATC	ASEAN Tourism Committee
ATRM	ASEAN Tourism Resource Management program
ATSP	ASEAN Tourism Strategic Plan
BIMP-EAGA	Brunei – Indonesia – Malaysia – Philippine – East ASEAN Growth Area
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BRI	Belt and Road Initiative
CAGR	compound annual growth rate
CARICOM	Caribbean Community
CEEC	Central and East Europe + China
CIS	Commonwealth of Independent States
CITM	China International Tourism Mart
CLT	Cambodia – Lao People's Democratic Republic – Thailand Growth Triangle
CLV	Cambodia – Lao People's Democratic Republic – Viet Nam Growth Triangle
ECOWAS	Economic Community of West African States
GDP	gross domestic product
GMS	Greater Mekong Subregion
GMV	gross merchandise volume
GTERC	Global Tourism Economy Research Centre



GTI	Greater Tumen Initiative
HSR	high-speed rail
ICT	information and communications technology
IMT-GT	Indonesia – Malaysia – Thailand Growth Triangle
IoT	Internet of Things
LCCs	low-cost carriers
LEVs	low-speed electric vehicles
LGF	Local Government Forum
maglev	magnetic levitation
MAU	monthly active users
MRA-TP	Mutual Recognition Agreement on Tourism Professionals
NGOs	non-government organizations
PATA	Pacific Asia Travel Association
PIF	Pacific Islands Forum
QTWG	Quality Tourism Working Group
RPK	revenue passenger kilometre
SAARC	South Asia Association for Regional Cooperation
SASEC	South Asia Subregional Economic Cooperation Program
SATIDP	South Asia Tourism Infrastructure Development Project
SATTE	South Asia Tourism and Travel Show
SGDs	Sustainable Development Goals
TVET	technical, vocational, education and training
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	World Tourism Organization
VR	virtual reality



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UNWTO/GTERC Annual Report on Asia Tourism Trends – 2017 Edition

ISBN UNWTO: (printed version): 978-92-844-1910-4 (electronic version): 978-92-844-1911-1
ISBN GTERC: (printed version): 978-99965-744-8-1 (electronic version): 978-99965-744-9-8

Published by the World Tourism Organization (UNWTO) and the Global Tourism Economy Research Centre (GTERC).

Printed by the World Tourism Organization (UNWTO), Madrid.

First printing: October 2017

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Citation: [World Tourism Organization and Global Tourism Economy Research Centre \(2017\), UNWTO/GTERC Annual Report on Tourism Trends – 2017 Edition, UNWTO, Madrid.](#)

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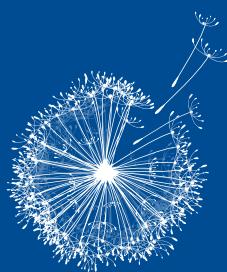
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