

## Apec Tourism Impediment Study Stage III

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### Original article

#### Abstract

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This article has the objectives to identify, update, analyze, and prioritize impediments to tourism development in order to achieve long-term environmental and social sustainability of the tourism industry and its economic impact, through human resources development. The study of this project was conducted by analyzing domestic law and regulations of the APEC economies relating to impediments to the tourism industry, analyzing the legal and institutional framework governing tourism services and investment, and conducting surveys and workshops in APEC economies, in order to provide strategic tourism liberalization and sustainable development for APEC economies;

The research results found that the impediments to tourism are the obstacles of people movement, border control, health control, taxes and fee, currency exchange, regulatory differences, languages barrier, transportation, infrastructure, telecommunication system, inefficient tourism operation. However, removing all these impediments requires strategic policy to implement the sustainability of tourism to avoid the negative impacts on the local way of life, natural resources, valuable cultural society, and economic development.

Recommendations and the use of the research result are to propose the strategic removal of tourism impediments to enhance tourism sustainability, provide the analytical finding of the impacts of the inbound and outbound tourists towards APEC economies, improve laws and regulations strengthen self-reliance of local people, standardize the health control in line with the WHO standard, effectively reserve natural resources, folk life, cultural society, human resources development, and to encourage tourists to value the local community.

**Keywords:** Tourism impediments, Sustainability of tourism Liberalization of services trade, sustainable development

## การศึกษาวิจัย อุปสรรคของการท่องเที่ยวของสมาชิกเศรษฐกิจเอเปค ระยะที่ 3

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### นิพนธ์ต้นฉบับ

#### บทคัดย่อ

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บทความวิจัยนี้มีวัตถุประสงค์เพื่อ ระบุ บ่งชี้ วิเคราะห์ และ จัดลำดับ อุปสรรคของการท่องเที่ยวเพื่อพัฒนา การท่องเที่ยวให้บรรลุความยั่งยืนทางด้านสิ่งแวดล้อมและสังคมในระยะยาวของอุตสาหกรรมการท่องเที่ยวและผลกระทบทางเศรษฐกิจผ่านการพัฒนาศักยภาพมนุษย์ การศึกษาโครงการนี้ดำเนินการโดยวิเคราะห์กฎหมายและกฎระเบียบภายในประเทศของเศรษฐกิจเอเปคที่เกี่ยวข้องกับอุปสรรคของอุตสาหกรรมการท่องเที่ยว วิเคราะห์กรอบทางกฎหมายและสถาบันที่กำกับดูแลการบริการและการลงทุนด้านการท่องเที่ยว การสำรวจและการประชุมเชิงปฏิบัติการในกลุ่มสมาชิกเศรษฐกิจเอเปค เพื่อการเปิดเสรีด้านการท่องเที่ยวเชิงกลยุทธ์อย่างยั่งยืน

ผลการวิจัยพบว่าอุปสรรคของการท่องเที่ยว ได้แก่ อุปสรรคของการเคลื่อนย้ายข้ามแดนของนักท่องเที่ยว การควบคุมชายแดน การควบคุม กำกับ ดูแลทางด้านสุขภาพ ภาษีและค่าธรรมเนียม การแลกเปลี่ยนเงินตรา ความแตกต่างด้านกฎระเบียบ อุปสรรคด้านภาษา การขนส่ง โครงสร้างพื้นฐาน ระบบโทรคมนาคม อย่างไรก็ตาม การจะจัดอุปสรรคเหล่านี้ได้ต้องอาศัยนโยบายเชิงกลยุทธ์ในการดำเนินการเพื่อความยั่งยืนของการท่องเที่ยว เพื่อหลีกเลี่ยงผลกระทบทางลบต่อวิถีชีวิตท้องถิ่น ทรัพยากรธรรมชาติ สังคมวัฒนธรรมที่มีคุณค่า และการพัฒนาเศรษฐกิจ

ข้อเสนอแนะและการใช้ผลการวิจัย โดยเสนอแนวทางการกำจัดอุปสรรคด้านการท่องเที่ยวเชิงกลยุทธ์เพื่อเสริมสร้างความยั่งยืนของการท่องเที่ยว การวิเคราะห์หาผลกระทบของนักท่องเที่ยวทั้งขาเข้าและขาออกในกลุ่มสมาชิกเศรษฐกิจเอเปค ปรับปรุงกฎหมายและกฎระเบียบทางด้านการท่องเที่ยว เพื่อเสริมสร้างการพึ่งพาตนเองของประชาชนในท้องถิ่น สร้างมาตรฐานการควบคุมสุขภาพตามมาตรฐาน WHO ส่งเสริมรักษาทรัพยากรธรรมชาติ วิถีชีวิตชาวบ้าน สังคม วัฒนธรรม พัฒนาทรัพยากรมนุษย์อย่างมีประสิทธิภาพ ส่งเสริมให้นักท่องเที่ยวเห็นคุณค่าของชุมชนท้องถิ่น

**คำสำคัญ:** อุปสรรคด้านการท่องเที่ยว อุตสาหกรรมการท่องเที่ยวอย่างยั่งยืน การเปิดเสรีการค้าบริการ

## Introduction

Tourism and Sustainable Development are very relevant in the present context of the global economy. In APEC economies, Tourism has already become a core competency sector and is becoming tourism driven economy. Tourism development is a result of technological advancement and improvements in communications. It has become one of the fastest growing industries today. Global tourism is expected to continue to expand because people are beginning to discover more and more new destinations, and the travel industry is becoming more and more organized. Both APEC developed and developing economies promote tourism as a means of generating foreign exchange, increasing employment opportunities, attracting development capital and enhancing economic interdependence and cooperation. The unawareness of some forms of mass tourism development are unsustainable in terms of the negative impacts on the environment, local way of life, indigenous wisdom, the way in which it corrupts local cultures and the manner in which any potential economic benefits are frittered away. It is from this negative premise that the thought of “sustainable tourism” takes its position to redress the impact of tourism and establish forms of new tourism that are environmentally, economically and culturally sustainable. Therefore, this research project has been initiated to find out the effective way to

improve the liberalization of tourism in line with a sustainable development and the well-being of people in APEC economies.

## APEC Commitment to Tourism liberalization

The Bogor Declaration established the target of free trade and investment in the Asia-Pacific region by 2010 for developed economies and by 2020 for developing economies. The framework for implementing the Bogor Declaration was established in the 1995 Osaka Action Agenda (OAA). The first part of the OAA sets out the Bogor liberalization and facilitation goals in fourteen specific policy areas which are expected to be achieved through a combination of individual and collective actions. The Individual Action Plans (IAPs) contain a chapter for each of these specified policy areas and report the steps that each member is taking to fulfill the objectives set out in the OAA for each action area. Under which APEC TWG Collective Action Plan has been implemented and The CAP stressed that APEC economies will identify impediments to tourism growth and formulate strategies that will improve tourism movements and investment in the Asia – Pacific region. APEC TOURISM IMPEDIMENTS STUDY STAGE I was conducted in 1996 to study and research on impediments to tourism growth in the APEC region followed by APEC TOURISM IMPEDIMENTS STUDY STAGE II conducted in 2001 discussing the trends and forecasts of tourism in the APEC

region, impediments to tourism growth, the inventory of impediments to tourism growth, impediments to individual travelers, impediments to business, and emerging issues. Field researches and workshops were conducted in various APEC economies such as Australia, Papua New Guinea, Mexico, New Zealand, Thailand, Chinese Taipei to develop in-depth profile of tourism impediments in the participating economies. Finally, APEC TOURISM IMPEDIMENTS STUDY STAGE III, which is this research project, was conducted in 2006-2008.

Consequently, APEC commitments in liberalization of tourism industry have been implemented and reaffirmed the commitment to the Policy Goals contained in the Seoul Declaration on the APEC Tourism Charter, and to support the work of the TWG in developing specific mechanisms to achieve them. The APEC Tourism Ministerial Meeting adopted the four goals of key delivery for tourism sector as followed:

***Goal 1: Remove impediments to tourism business and investment by***

- a. promoting and facilitating the mobility of skills, training and labor;
- b. promoting and facilitating productive investment in tourism and associated sectors;
- c. removing regulatory impediments to tourism business and investment; and

- d. encouraging liberalization of services trade related to tourism under General Agreement on Trade in Services (GATS).

***Goal 2: Increase mobility of visitors and demand for tourism goods and services in the APEC region by***

- a. facilitating seamless travel for visitors;
- b. enhancing visitor experiences;
- c. promoting inter- and intra-regional marketing opportunities and cooperation;
- d. facilitating and promoting e-commerce for tourism business;
- e. enhancing safety and security of visitors; and
- f. fostering a non-discriminatory approach to the provision of visitor facilities and services

***Goal 3: Sustainably manage tourism outcomes and impacts by pursuing policies that:***

- a. demonstrate an appreciation and understanding of our natural environment and seek to protect that environment;
- b. foster ecologically sustainable development opportunities across the tourism sector, particularly for small and medium sized enterprises, employment and providing for open and sustainable tourism markets;
- c. protect the social integrity of host communities with particular attention to the

implications of gender in the management and development of tourism;

d. recognize, respect and preserve local and indigenous cultures together with our natural and national cultural heritage; and,

e. enhance capability building in the management and development of tourism.

***Goal 4: Enhance recognition and understanding of tourism as a vehicle for economic and social development by***

a. harmonizing methodologies for key tourism statistical collections, consistent with activities of other international tourism organizations;

b. facilitating the exchange of information on tourism between economies;

c. promoting comprehensive analysis of the role of tourism in member economies in promoting sustainable growth; and,

d. expanding our collective knowledge base on tourism issues in order to identify emerging issues and assist implementation of the Charter.

Resulting from the 4 goals, tourism and sustainable economic development has been initiated as the main policy of APEC economies to attain these ultimate goals.

**Tourism and sustainable Economic development: The background of APEC economies and tourism**

APEC economies<sup>1</sup> are together the largest economic group of the world with immense possibilities of growth in the tourism sector with vast cultural and religious heritage, varied natural attractions. APEC economies have 62,831,970 sq.km<sup>2</sup> of area with a population of 2,925 million as per 2008 census<sup>3</sup>. The member economies are claimed to account for approximately 45% of the world's population, approximately 56% of the world GDP and about 49% of the world trade.<sup>4</sup> The APEC region has consistently been the most economically dynamic part of the world. In its first decade, APEC Member Economies generated nearly 70 percent of the global economic growth and the APEC region consistently outperformed the rest of the world, even during the Asian financial crisis. The economic success of APEC economies has resulted from various factors ranging from strategic development policy, trade and investment liberalization in an effectively proper

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1 The participating APEC economies are: Australia, Brunei Darussalam, Canada, Chile, China, Hong Kong-China, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, Chinese Taipei, Thailand, United States, and Vietnam.

<sup>2</sup> Central Intelligence Agency, USA.

<sup>3</sup> So far, APEC has 21 members whose population contributes 45 percent of the world's total. Its GDP and trade volume account for 56 percent and 49 percent of the world's total

<sup>4</sup> APEC Secretariat, Singapore.

way, political security, comparative advantages, and natural and created endowment of APEC economies.

Tourism has been regarded as a means to enhance sustainable development. APEC economies stand unique in the matter of their rich tourism experiences keeping the customs and traditions of the economies intact, at the same time receptive to new ideas and alien culture, between the Western and the Eastern world. APEC economies are blessed with unmatched natural diversity that provides immense scope for tourism. Within the vast area of APEC, this virtual paradise holds almost all the tourist attractions of the world – serene beaches, enchanting multicolored-waters, mist clad hill stations, lush forests, exotic wildlife, exciting trekking trails, scintillating waterfalls, extensive plantations, tropical islands, invigorating monsoons, Alternative medical and health centers, historic monuments, sacred pilgrim centers and temples, magical festivals, spectacular art forms, splendid cultural heritage, spectacular boat races, spicy cuisine .... and everything else that enthralls visitors. A physical quality of life, even in developing APEC. Therefore, with these properties, APEC should facilitate the liberalization of tourism but maintain sustainable development through the valued tourism. Balancing liberalized tourism and the valuable way of life, cultures, and the well-being of human in APEC society.

### **Objectives of the research**

The objectives of this research project are to:

1. Facilitate liberalization of tourism trade and investment in APEC region by identifying tourism impediments and proposing strategies for removing such impediments, and providing strategic enhancement of tourism sustainable development complying to the 4 Goals of APEC Tourism Charter.
2. Propose a favorable environment for sustainable tourism industry, strengthening market structure and institutions, balancing modern and cultural tourism, urging APEC economies to implement appropriate policies and actions to promote sustainable and sound macroeconomic policy
3. Enhance human capacity building and entrepreneurship development in tourism industry by proposing mutual liberalization of people movement in tourism market
4. Facilitate legal and institutional framework governing tourism activities, trade and investment and
5. Facilitate the exchange of tourism information among APEC member economies

### **Scope of the Study**

The scope of the study focuses on the following areas:

- Identify the main impacts of tourism (economic, social and environmental) which need to inform policy

development on the sustainability of tourism.

- Awareness of these impacts - whether from domestic, inbound or outbound tourism - are addressed in cross-government and departmental strategies on sustainable development.
- Achieve better coordination of Government input to policy development and other relevant activities at regional level and internationally.
- Review the Government's current approach to sustainable tourism, and consider what action may be needed to strengthen and promote it.
- Work with agency and industry stakeholders to promote wider take-up of principles of sustainable tourism and to identify the scope for more strategic action across Government and by the tourism industry.
- Identify measures of progress on action within Government and take them forward.

### Research study issues

Even though tourism is contributing much in the APEC economies in terms of economic, social and physical development, it is also having certain negative impacts. Unbridled and indiscriminate growth of tourism leads to

problems of pollution, environmental and ecological hazards and cultural degradation. The developed tourist destinations are affected by haphazard developments all around including unauthorized constructions, solid and liquid waste problems, traffic congestion etc. Developing tourism in a sustainable manner is the greatest concern of the Government and the players in the tourism field. APEC economies are taking all steps in promoting sustainable tourism development with focus on conservation and preservation of heritage. APEC economies have embarked on law reform such as stipulation of new legislation, the so-called Tourism Conservation, Preservation and Trade Act. They have been formulated to control the development in a kind of the Special Tourism Zones with specific guidelines for developmental activities including architectural controls. How to encourage the APEC Governments to be very cautious on ensuring quality of tourism. For example, to ensure quality in facilities and services offered by the tourism agencies such as houseboats and river cruise, Tourism Authority of each APEC economies has come out with system of classifications to grade the units based on their qualities. **Therefore, the main issue is how to create a balanced liberalized tourism and sustainable development. How to formulate the legal and institutional framework governing sustainable tourism.**

### **Expected Benefits**

The expected benefits of this research are the attainment of strategic policy for the liberalization of tourism, removal of tourism impediments in an appropriate way and preservation of the valuable local heritage and customary way of life. Stipulate effective laws

### **Research Methods**

The research in this project was qualitative research, conducted by studying law and regulations from the primary sources of the APEC member economies, studying international and regional treaties on the liberalization of trade in services focusing on tourism, including to collect the materials from APEC economies and the OECD “Inventory of obstacles to international tourism in the OECD area”. The research also studied and analyzed case laws, the problems arising from the liberalization of tourism, studied the textbooks, journals, articles, as well as the international policies of APEC member economies. The field research included to collect data, in-depth interview to the government officials involved in tourism, and to conduct the seminars and workshops on tourism in the APEC economies.

**The research has fulfilled its objectives as follows:**

**1. Facilitate liberalization of tourism trade and investment in APEC region Tourism Liberalization**

and regulation, create sufficient institutional framework governing sustainability of tourism. Enhance human resources development via capacity building of tourism agencies and services providers for better and even wealth distribution to local people.

In the Tourism sector, services can be delivered in four modes: Consumption abroad; Cross-border supply; Commercial presence; and Presence of natural person. This means that tourism liberalization is not limited only to receiving foreign tourists who consume tourism services, and local operators having opportunities to create tourism businesses. It also means liberalization of investments by foreign investors in various tourism service businesses; tour companies, hotels, restaurants, related services, sales of plane ticketing, travel agents, etc. (Mode 3 of service provision or commercial presence) and allowing natural persons from other countries, such as tourist guides to freely provide tourist services (Mode 4 of service provision). Thus, the liberalization of tourism allowing foreign investment to be applied to tourism. Although liberalization of trade in services is separated from investment, however investment in tourism is a sector of investment, and investment in tourism also benefit from provisions on investment protection and liberalization. Therefore, liberalization of tourism or removal of tourism impediments would



facilitate trade and investment in APEC region. If APEC economies would benefit from tourism even if the population in this region will be prosperous.

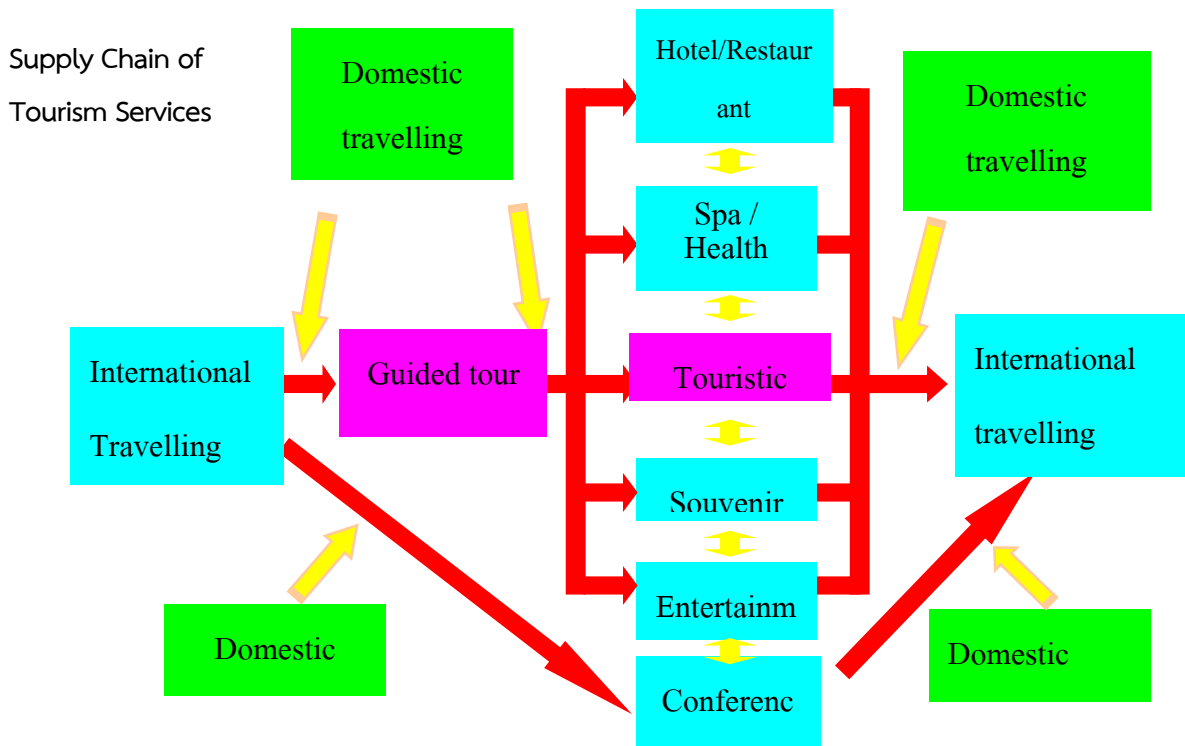
## 2. Propose a favorable environment for sustainable tourism industry: Nature of Tourism

Tourism as an economic sector benefit to the host economies naturally or culturally derived from tourist attractions. Therefore, to create friendly environment to tourists is an essential factor. Tourism industry and related businesses rely on expertise, knowledge, and experience of the operators. Existing natural and created endowments have to be further

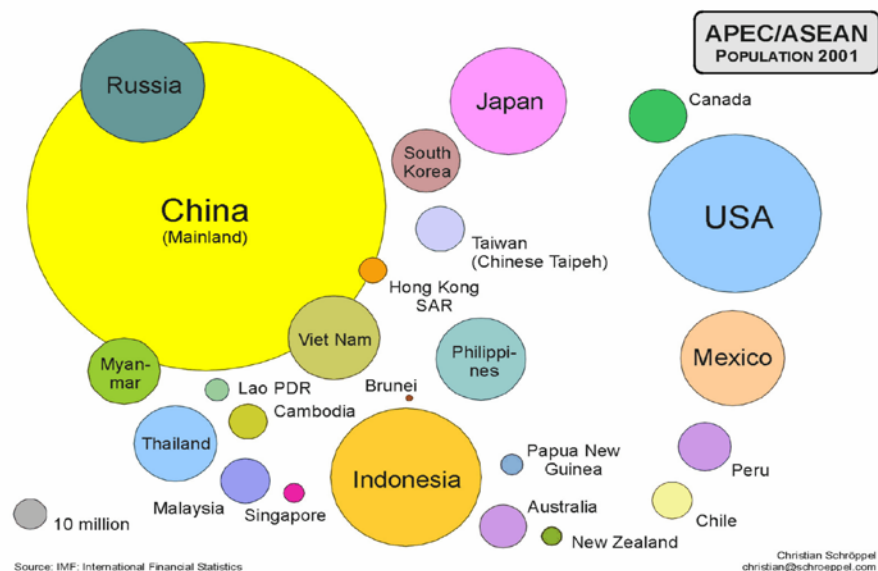
developed to create value from tourism to the APEC economies, which would be the benefit of that economy and its people. This includes the creation of jobs in the tourist industry for the people of the economy.

## Principle of tourism services liberalization under GATS

APEC liberalization of tourism has to comply with the GATT/WTO Principle. Members of GATT/WTO are committed to liberalization of tourism, a sector in the trade in services. They are obligated to reduce or remove barriers to trade in services and to provide access to their domestic markets. As mentioned earlier, there are four modes of service delivery.



Source: Adapted from the Project on the Re-structuring of Small and Medium Enterprises, Bank of Thailand



Under GATS, tourism encompasses:

- 1) Hotels and restaurants
- 2) Travel agencies and tour operators
- 3) Tourist guides

Thus, a country that liberalizes trade in services has to do so for all four modes for tourism. However, a member economy has the right not to open any sector or sub-sector, or may implement liberalization with reservations or exceptions. In addition, an economy may refrain from granting access to its market in a sector that it is still not ready to compete with multinational corporations or foreign competitors. Thus, the reservations, exceptions, or non-liberalization of certain sectors or sub-sectors has to be based on the stand-still and roll-back principles. That is, an economy shall not add more exceptions,

Human capacity building and entrepreneurship development in tourism industry are very important for sustainable tourism

reservations or restriction to an agreement on liberalization commitments. It will also have to gradually lessen exceptions to complete liberalization, except in the case of items previously exempted from the agreement. **Consequently, APEC economies have to follow this principle, the so called “bottom – up liberalization” in the process of tourism liberalization, or the gradual removal of tourism impediments, which is the creation of a favorable environment for sustainable tourism industry.**

**3. Enhance human capacity building and entrepreneurship development in tourism industry: Deregulation and/or removal of barriers to tourism liberalization**

development. To achieve this goal, the removal of the obstacles or tourism impediments is the initial step including to study the impacts of

tourism liberalization will result in the preparation of strategic human capacity building and entrepreneurship development. The existing barriers to tourism that will be diminished or removed by full liberalization under the APEC Free Trade Agreement can be summarized as follows:

#### **Tourism and national policy and regulations**

Barriers in this category include those related to tourist visas; regulations concerning aliens coming to work in tourist businesses or individuals who will come to provide services, such as tourist guides; regulations concerning restrictions in investment, shares, or lands held by business organizations engaged in tourist businesses, and regulations governing domestic and international air transportation.

#### **Potential impacts from liberalization**

1) Problems relating to the control of individuals entering and exiting the country.

2) Problems created as a result of liberalization relating to local guides and other individual services.

3) Problems of foreign investment in tourism

4) Problems of holding/using of land/tourist sites; possession of islands and tourist attractions and natural resources, which may extend to include archeological sites, forests,

resorts. (That is, APEC economy must be prepared to carefully deal with liberalization).

5) Impact on travel agencies, ticketing agents, and tour businesses

6) Impact on guest houses, restaurants, food shops, souvenir shops

7) Impact on spa and massage establishments, beauty salons, fashion business, and other tourism related businesses.

8) Impact on local residents providing services for tourists, i.e., oarsmen; operators of boats taking tourists on tours of islands, along waterways, of elephant's camps, and orchid nurseries; silk weavers; artisans making lacquer ware and handicrafts (although they may be listed under reserved vocations).

9) Impact on all types of logistic businesses

10) Impact on nursing homes, plastic surgery clinics, etc.

Therefore, deregulation and/or removal of barriers to tourism must be carefully implemented while performing capacity building of human resources in the above sectors which would be affected by the liberalization.

#### **4. Facilitate legal and institutional framework governing tourism activities: Safety and Security Issues**

Regulatory differences have been regarded as the impediment to tourism, in order to improve legal and institutional framework

facilitating sustainable development require the study of the impact towards tourism in the following issues.

#### **4.1 Safety and Security Issues**

1) Problems relating to facilitation of immigration and the issuing of visas; identification processes the inspection/ searching of incoming travelers and inspection of imported objects.

2) Problems regarding monitoring of health issues, i.e., people who may be infected with SARS, bird flu, or mad cow disease (BSE), and COVID 19 for example.

3) Problems of transnational crimes

4) Various types of security problems.

##### **Potential impact**

1) Transnational terrorist movements

2) Spreading of serious contagious diseases

3) Transnational and economic crimes

4) Smuggling of illegal items; transnational drug dealing

5) Transnational criminal groups (mafias)

6) Transnational arms deals and other security problems relating to transnational espionage

#### **4.2 Practical issues regarding administrative practices**

These include procedures in the administration, management and operation of tourism, passport and visa extensions, and

extensions of stay, tourist business contacts, interpretations of rules and regulations, and corruption.

##### **Potential impact**

1) Problems of an influx of aliens who may not be tourists.

2) Problems of people using tourism as a front to conduct other businesses

3) Problem of unemployment of local people due to trade in labor by aliens.

#### **4.3 Issues of infrastructure, culture and environment**

The infrastructure of the APEC economies should be modernized, such as roadways or other modes of transportation, telecommunications, tourist attractions, entertainment establishments, facilities such as airports, planes, ports, ships, bridges, warning systems, beaches, eco-system, environmental protection systems, and conservation of local culture and national identity.

##### **Potential impact**

1) In general, there will be a positive impact on the infrastructure. Roadways, transportation, telecommunication and communication systems, bridges, ships, ports, airports, airplanes, warning systems, etc., will be improved.

2) On the negative side, there may be social problems due to the influx of tourists which affect the rural way of life. Natural conditions may

disappear, which may lead to increased urbanization and a gradual change in local cultural identity as communities assimilate to modern cultures. Young people will imitate foreign cultures and there will be problems of conservation of culture, the environment, and national identity.

3) Foreign investment in the infrastructure may lead to the construction of private ports, foreign-owned ferry services, foreign telecommunication systems, and foreign-owned land and water transportation services.

4) Problems of toxins in the environment, if an efficient environmental protection system is not put in place.

5) Problems of sexual crimes and other crimes in entertainment places or gambling dens.

6) Spreading of sexually transmitted diseases such as AIDS.

7) Problems of the creation of or increase in sex services and entertainment establishments

8) Problems of foreign-owned casinos, gambling dens, and legal brothels

All these potential negative impacts need to be dealt with in a proper way before implementing liberalization.

#### **4.4 Taxes**

In many countries, different forms of tourism-related taxes are collected, such as airport tax, safety equipment fees, facilities fees, fuel

surcharges, air navigation charges, and other travel related taxes

#### **Potential impact**

In general, taxes collected from tourists can generate income for the government. However, an influx of tourists can lead to a higher cost of living for locals in places such as food shops, restaurants, and hotels.

#### **5. facilitate the exchange of tourism information among APEC member economies**

##### **Tourism related public relations and communication**

In some cases, to promote tourism and attract tourists, public relations may project a positive image without paying attention to factual issues such as contagious disease, terrorism or prostitution.

##### **Potential Impact**

1) Lack of prevention of or preparation for serious problems that may arise, such as in the case of the tsunami or other natural disasters.

2) The possibility of spreading contagious diseases such as bird flu due to the lack of publicly available factual information.

3) Problems of the destruction of forests and natural resources. There may be illegal logging and forest encroachment by resorts.

4) Social problems, such as sex services, spreading of AIDS, etc.

5) A lack of effective crime suppression measures may lead to crimes committed against tourists tarnishing the country's image.

## Result Discussion

Caution must be taken if tourism is to be liberalized. The matter must be considered wisely without focusing only on the positive aspect. There may be benefits such as the increasing number of tourists and the money they spent in the economies studied, jobs for local people, and sales of products or services. However, tourism liberalization also means allowing foreigners to operate businesses and exploit economies' natural resources and beautiful tourist attractions. They will be granted benefits and protection under the umbrella of investment protection, which covers all forms of investment. This may bring about the following consequences:

- Natural sites being occupied as a result of business operations that caters to foreign tourists. Nationals may not have a chance to use the services.

- Long term exploitation under various projects and export of profits

- Business establishments being owned by foreigners and local people may be only employees who sell their labor as in the cases of spa and massage business and businesses such as sight-seeing boats, hotels, restaurants, food shops.

- Ownership of travel agencies, ticketing agencies, tour operations and other related businesses by foreign investors

- Problems relating to local culture and wisdom. The local way of life may change through the assimilation of foreign cultures. The social structure may be gradually changed.

- Problems of conservation of the environment and nature, social environment, drugs, crimes, etc. that will come as a result of tourism liberalization. There may be legal casinos, gambling dens and brothels.

Tourism liberalization needs the removal of the impediments in the four categories, namely: direct and facially discriminatory barriers to trade in services, indirect but facially discriminatory to trade in services, direct but facially neutral barriers to trade in services, and indirect and facially neutral barriers to trade in services. The models and policy options are proposed to APEC economies to employ them in an appropriate way ranging from investment control, selective liberalization, regional industrialization regime, mutual national treatment, combined national treatment and most-favored-nation treatment and hybrid model to suit each APEC economy. The participating economies also need to analyze the negative impacts of the combined enforcement of FTAs that they have entered into with their economic partners in conjunction with the implementation of domestic laws and regulations. They shall also have an effective competition laws

and policy, and also effectively implement the laws and regulations in order that the market shall work efficiently. The abuse of market dominance by the enterprises employing restrictive business practices can occur, if there is no effective measure monitoring behavior of market players. The liberalization of tourism industry by removing the impediments shall not be replaced by the restrictive business practices of the private enterprises and the powerful transnational corporations operating across the borders worldwide. The two ways liberalization of people, labor, and tourism professional shall be urgently considered. Environment problem is required to be dealt with both at national and international level. The Multilateral Environment Agreements (MEAs) shall be adopted and fully implemented supporting the sustainable development. APEC economies have launched new policy, and carefully planned the Master plan and implementation stages for tourism development.

### Conclusion and Recommendations

The research of APEC Tourism Impediments Study has identified the main impacts of tourism; economic, social and environmental, which need to inform policy development on the sustainability of tourism. Also, the research has found that these impacts - whether from domestic, inbound or outbound tourism - are addressed in cross-government and departmental strategies on sustainable

development. Proposed better coordination of Government input to policy development and other relevant activities at regional and international level. Reviewed the Government's current approach to sustainable tourism, and considered what action may be needed to strengthen and promote it. Work with agency and industry stakeholders to promote wider take-up of principles of sustainable tourism and to identify the scope for more strategic action across Governments and by the tourism industry. Identified measures of progress on action within Governments, and take them forward.

The concept of sustainable development has been used to advocate a general rethinking of economic development. The Plan of Action and its Regional Action Programme set general requirements for sustainable tourism development and propose actions at the national and regional levels in five theme areas:

- (a) Enhancing the role of tourism in socio-economic development and poverty reduction.
- (b) Facilitation of travel and development of transport and other tourism-related infrastructure.
- (c) Socio-cultural and environmental management of tourism.
- (d) Crisis and risk management in tourism.
- (e) Human resources development in the tourism sector.

The research result proposed the initiatives aimed at materializing the priorities set for APEC tourism co-operation, these include measures to:

- **Encourage** holding, on a voluntary basis, the APEC Tourism Fair back-to-back with important APEC events in order to ably create unique and specific branding of APEC tourism, which would help optimize the use of valuable and diversified tourism assets and resources, promotions of inter and intra APEC tourism flows as well as to increase APEC's share in the world tourism market.

- **Encourage** the hosting of the APEC Tourism Investment Forum, on a voluntary basis, on the sidelines of the APEC Tourism Ministerial Meeting to create favorable avenues and opportunities for business matching and promotion of investments in tourism infrastructure within APEC member economies for the benefits of both the investors and local communities.

- **Encourage** the undertaking of travel facilitation measures for tourists by studying the possibility for tour packages and new direct air linkages among cultural heritage sites and major tourism destinations in member economies in order to further promote tourist flows into and within APEC region.

- **Organize** joint activities for youth exchange as well as sister cities' cooperation with

a view to enhancing mutual understanding and nurturing appreciation for the cultural values, customs and traditions of member economies, hence creating a firm foundation and the pre-conditions for regional tourism development.

In conclusion, tourism liberalization needs strategically remove the impediments, but also need to analyze the negative impacts of the combined enforcement of liberalization, in conjunction with the effective implementation of domestic laws and regulations, especially the effective competition laws and policy, in order that the market shall work efficiently, and resulted in the well-being of the people in the society.

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APEC TWG Collective Action Plan

APEC tourism impediments Matrix

The OECD Inventory of obstacles to international tourism in the OECD areas

APEC Tourism Charter

IMF, International Financial Statistics

Basel Convention, Convention on Biological Diversity (CBD),

Convention on International Trade in Endangered Species (CITES),

United Nation Framework Convention on Climate Change (UNFC)