



# TOURISM

## + Lifting-The-Barriers Roundtable

Preliminary Paper



**CIMB**  
ASEAN  
RESEARCH  
INSTITUTE

### About CARI

The CIMB ASEAN Research Institute (CARI) was established in 2011 as a member of CIMB Group. CARI prides itself on being the first independent, transnational research institute dedicated solely to the advancement and acceleration of the ASEAN integration agenda. CARI was designed to pursue research and to promote thought leadership in support of an integrated ASEAN Community. CARI seeks pragmatic solutions and policy recommendations to address challenges in ASEAN integration and connectivity. CARI's headquarters is located in Kuala Lumpur but the institute has a regional presence.



### About ASEAN Business Club

A fully private sector driven initiative of ASEAN's leading businesses coming together to support economic integration while providing a platform for networking. The ABC creates an avenue for ASEAN's businesses to engage with global regional leaders. The club's vision is ASEAN: Open for Business.



### About ASEANTA

ASEANTA is a non-profit tourism association comprising both public and private tourism sector organisations from ASEAN. Through our humble beginnings, ASEANTA has grown to become a tourism association of influence within the ASEAN tourism landscape, playing an integral role in shaping tourism development growth and policies in the ASEAN region. We exist because we want to:

- Unite our members in common purpose, working in a close bond of cooperation, fellowship and assistance in furthering and protecting the interest of our members.
- Strive towards the attainment of the highest standards of service and facilities for travellers and tourists.
- Uphold the dignity and ethics of the tourism business and to strive towards its professionalism. Foster and maintain the best of relationships among the ASEAN countries and their people.
- Encourage, support and help develop tourism into and within the ASEAN region.
- Act as negotiating body for members of the Association and to make recommendations to government departments or Agencies or other bodies in relations to any measure which may be taken involving members and /or the travel industry in ASEAN countries.
- Serve on or offer assistance to any government, statutory or International body in connection with tourism matters.

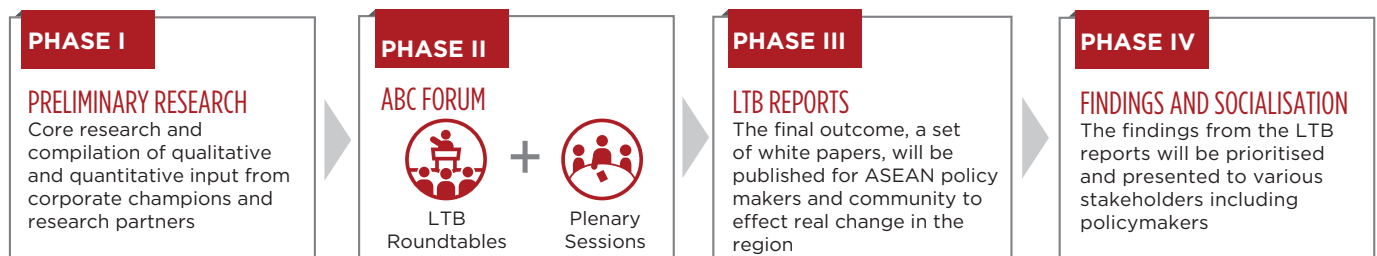
## PREFACE

The Lifting-The-Barriers Initiative (LTBI) is a year-long research exercise designed in conjunction with the ASEAN Business Club (ABC) Forum. The overall objective is to conduct sector based research with the purpose of identifying bottlenecks and barriers to trade and ASEAN economic integration.

The LTBI in 2013 and 2014 have yielded 13 reports for 11 sectors, namely 1) Financial Services, 2) Capital Markets, 3) Connectivity, 4) Aviation, 5) Infrastructure, Power and Utilities, 6) Healthcare, 7) Legal and Tax, 8) Automotive and manufacturing, 9) Minerals, Oil and Gas, 10) Retail, 11) Food and Beverage Industry. The LTBI 2015 continues to highlight five key sectors covered in 2013 and 2014, with the addition of the tourism sector which is one of the twelve priority integration sectors (PIS) of the ASEAN Economic Community Blueprint.

The Lifting-The-Barriers reports have been widely referred to by ASEAN policy makers and stakeholders. The ASEAN Chair of 2015, the Right Honourable Prime Minister Dato' Sri Najib Razak, publicly cited the LTB reports as being a useful guide for Malaysia's stocktake exercise to identify the gaps between ASEAN aspirations and the reality in the business sector, in anticipation of the pronouncement of the ASEAN Economic Community later this year.

The LTBI has four phases, each playing a unique role in helping achieve the wider objective. Details of the initiatives are:



### Phase I:

Phase I of the LTBI involves core research and seeks to identify the existing barriers in each sector to assist in understanding the challenges faced by different segments of the industry. We also study the AEC obligations and impacts on businesses and the industry as a whole.

### Phase II:

Phase II convenes around the sector based “Lifting-The-Barriers Roundtables” at the ABC Forum. The roundtables serve as a platform for different stakeholders to deliberate on the future of their sector and of ASEAN as a region.

### Phase III:

Phase III consists of the production of the final outcome of this exercise, the Lifting-The-Barriers Reports, white papers delivered to the relevant regulatory bodies to effect real change and accelerate ASEAN integration efforts. This phase will consolidate materials from Phase I and Phase II. The Reports summarise the industrial insights and ideas discussed at the Roundtables.

### Phase IV:

Phase IV is the socialisation of key findings from the LTBI. This phase involves the distribution and presentation of the key findings to the relevant regulatory bodies as well as to other industry stakeholders. The 2014 LTB Reports were distributed to over 1000 companies and corporate entities as well as presented to various ASEAN government bodies and institutions.

### DISCLAIMER:

This is a discussion paper intended to inform and facilitate debate for the ASEAN Business Club Forum on the 14th of May 2014. It is not for submission, distribution or for any other purpose for which it was not intended. No citation or quotation is to be extracted from this report without the express consent of CIMB ASEAN Research Institute and the relevant Research Partner



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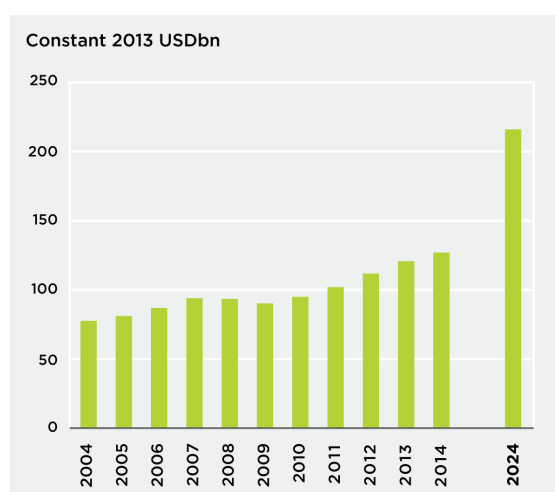
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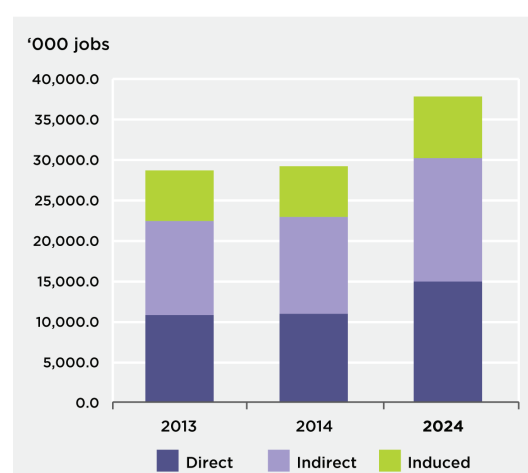
## OVERVIEW OF THE ASEAN TOURISM SECTOR

The tourism industry's contribution, whether direct or indirect, has a great impact on the economy. The tables and figures lifted from the World Travel and Tourism Council (WTTC) 2014 Travel and Tourism Economic Impact Report below reflects the contribution of the travel and tourism industry to different aspects of the ASEAN economy.

	2013	2024 Forecast
Direct Contribution to Gross Domestic Product	USD 121.2 billion	USD 215.8 Billion
Employment	28,661,500 jobs	37,785,000 jobs
Visitor Exports	USD 112.6 billion	USD 204.6 Billion
International Tourist Arrivals	96,031,000 *2014 Forecast	172,814,000



**Figure 1. Direct Contribution of Travel and Tourism to GDP in Southeast Asia**



**Figure 2. Total Contribution of Travel and Tourism to Employment in Southeast Asia**



**Figure 3. Visitor Exports and International Tourist Arrivals**

Given that tourism is recognised as one of the essential components of a forward looking economy, the ASEAN Tourism Strategic Plan (ATSP) was formulated by the NTOs to provide guidance and direction for relevant stakeholders in realising the goals that ASEAN has for this industry. The objectives for ATSP 2011 – 2015 were the following:

- Development of experiential and innovative regional products and creative marketing and investment strategies;
- Increasing the quality of human resources, services and facilities in the region;
- Enhancing and accelerating travel facilitation and ASEAN connectivity

A 19 point action plan, including engaging the private sector to participate in the promotion and marketing of ASEAN tourism activities, implementing eco-tourism projects, establishing ASEAN minimum competency standards for tourism professionals, was laid out in order to achieve these goals. Moving forward, ATSP 2016 – 2025 aims to address several key factors that require attention.

## KEY FACTORS IMPACTING THE INTEGRATION OF TOURISM INTO THE ASEAN ECONOMY

The future growth of the ASEAN tourism sector is contingent upon developments of a number of key factors, controlled by the member states, that can act as barriers to the integration of tourism in the ASEAN economy:

### A. Developments in transportation infrastructure and connectivity

Intra-ASEAN travel either by air, sea, or land can be improved in order to attract more arrivals and hasten trade activities. This is also vital in actualising the goal of having one ASEAN Economic Community.

### B. Harmonisation of cross border formalities – Customs, Immigration, and Quarantine

Under the current visa policies, some nationalities require visa to enter the ASEAN region. According to a WTTC report, the ASEAN region stands to gain 6 to 10 million international tourist arrivals by 2016 from improvements in visa facilitation. Improvements can also be done to ease customs and immigration processes.

### C. Alignment of standards and mutual recognition of certification for tourism products and human resources

There's a need to develop a pool of qualified manpower that can find employment anywhere within the ASEAN region. Training and identification of the skill set requirements can be done with the assistance of the private sector.

### D. Approach the marketing of ASEAN as a single destination

Tie destination- and product development of ASEAN together to market the region as a single destination to equally market and sell all the destinations in the region. It's best to bundle tour products/destinations based on themes (i.e. nature based, culture, heritage, etc).

These are some of the factors that need to be addressed in order to realise the goal of the economic integration of tourism in the ASEAN economy.

## RECOMMENDATIONS FOR ACCELERATING REDUCTION OF KEY BARRIERS

In order to get a more holistic perspective in developing the tourism sector and addressing the key barriers, participation from both public and private sectors is necessary. The private sector must identify what it needs from the public sector to remain competitive in the grand scheme of things.

## KEY DISCUSSION POINTS

1. What are the gaps to realising the Tourism sector under the AEC Blueprint?
2. What is the perception of tourism operators and other stakeholders in ASEAN countries towards AEC 2015? Do the perceptions vary from country to country?
3. How does the tourism industry in Indonesia feel about the advent of AEC 2015?
4. How can policy makers support the growth of tourism in ASEAN?
5. How can the private sector enhance the Tourism sector across the ASEAN region?
6. Is there any impact through the ASEAN Mutual Recognition Arrangement (MRA) for Tourism professionals?
7. What are the key sales and promotional points that ASEAN should be promoting to tourists in ASEAN and beyond?
8. What are the main challenges for the tourism sector in ASEAN ahead of AEC 2015?
9. What needs to be done to make the ASEAN tourism region more user-friendly for investors?
10. How desirable is an ASEAN common visa?

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