

Urban Tourism: The Other Side Of Responsible Tourism



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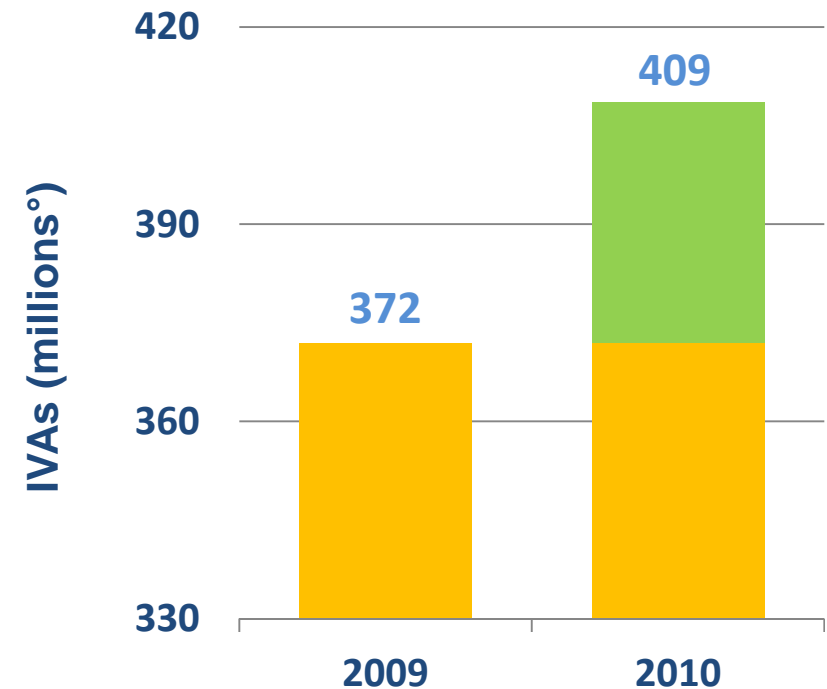


Asia tourism in 2010

Sub-region	Int'l visitors arrivals	% of change YoY
Asia	299.6	11.1
Northeast Asia	218.3	10.6
South Asia	8.4	12.7
Southeast Asia	72.9	12.4
The Pacific	18.9	7.4
Total Asia Pacific	318.5	9.3

Source: PATA Annual Tourism Monitor 2011

Note: Total Asia Pacific excludes Guam and Hawaii figures which are included in the Pacific counts



° Includes North America region as defined by PATA

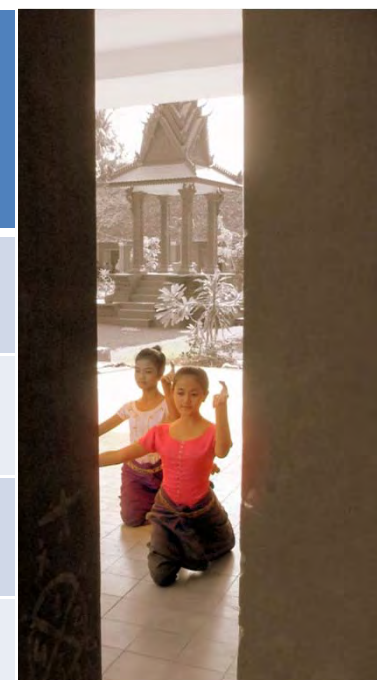
Booming Times for Asia tourism

PATA Tourism forecasts by sub-region 2011-13

North East Asia remains the continent's largest tourism market with 54% of all international arrivals.

South East Asia comes second with forecasts pointing to the strongest average annual growth rate in Asia over the period 2009-2013.

	2011	AAGR 2009-11 (%)	2012	AAGR 2011-12 (%)	2013	AAGR 2012-13 (%)	AAGR 2009-13 (%)
North East Asia	234.8	9.1	247.4	5.4	261.0	5.5	7.3
South Asia	8.9	9.0	9.4	6.2	10.0	5.6	7.5
South East Asia	77.8	9.5	83.4	7.2	88.7	6.4	8.1
ASIA	436.5	8.4	461.0	5.7	485.9	5.4	6.9



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Booming Times for South East Asia Tourism

Many reasons to a continuous boom in South East Asia tourism.

- Growing purchasing power of Asian consumers
- ASEAN (Association of South East Asian Nations) economic single market in 2015.
- Air transport deregulation including open skies for all ASEAN carriers.
- Thanks to pioneer work of AirAsia, ASEAN has today Asia's most dynamic Low Cost Carrier (LCC) market, providing affordable fares to travellers.
- Well-established destinations in the region supported by strong country's branding : « Amazing Thailand », « Malaysia, Truly Asia », « Your Singapore » and most recently « Beautiful Indonesia ».
- The emergence of new countries or destinations: Cambodia and Vietnam since 1995, Laos since 2000, Myanmar since 2010. Renewed interest is to be expected to Indonesia and the Philippines thanks to increased marketing activities, additional flights and the promotion of new destinations.



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Booming times for GMS countries

Destination	2010	2011	2012	2013
Thailand	15.936	17.180	18.437	19.631
Vietnam	5.050	5.714	6.588	7.354
Cambodia	2.399	2.534	2.779	2.988
Lao PDR	2.513	2.627	2.824	3.017
Myanmar	311	351	395	434
GMS°	26.209	28.406	31.030	33.424



° GMS figures exclude Guangxi and Yunnan due to the lack of forecasts for both provinces. In 2010, Guangxi welcomed 2.5 million and Yunnan 3.29 million international visitors.

Source: PATA and NTOs as at November 2011

Booming times for GMS countries

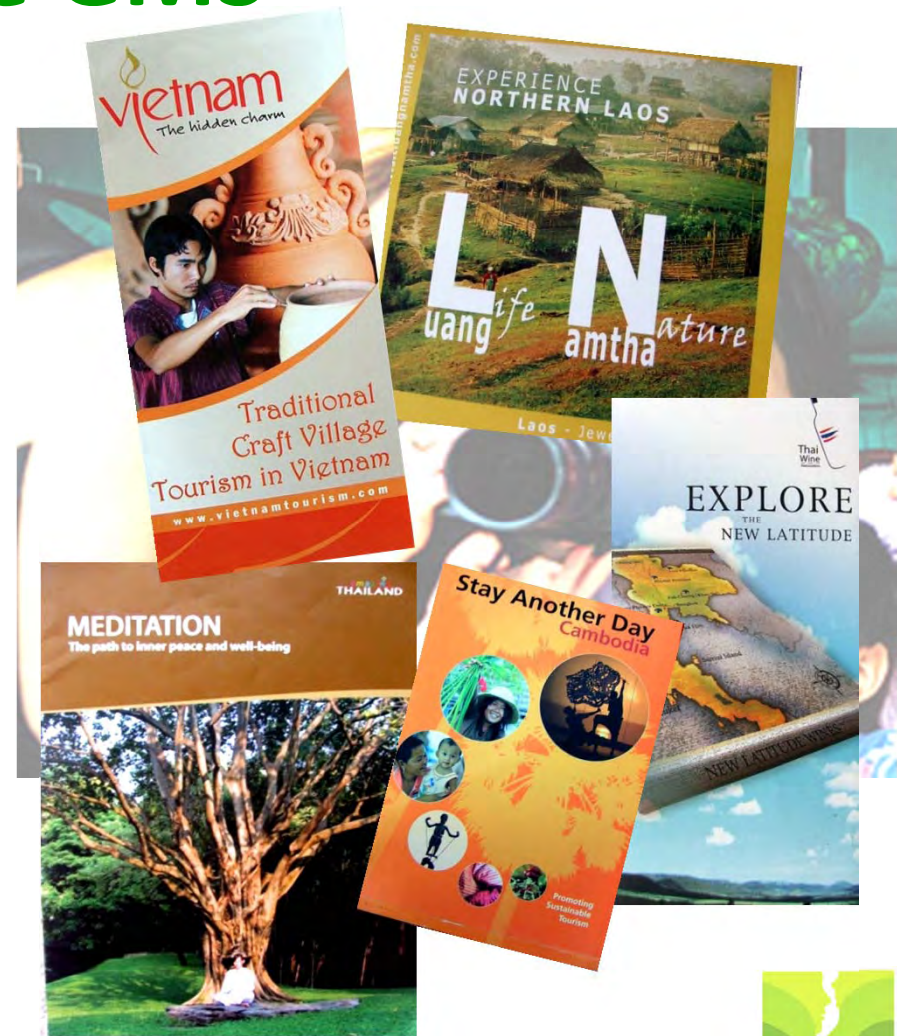
The success of GMS countries in tourism relies in part on its “last frontier” image associated with iconic destinations, unspoilt landscapes as well as authentic experiences and genuine, friendly people.



Experiencing responsible tourism within the GMS

-More than in any other part of Asia, GMS countries are keen to embrace the concept of sustainability in tourism development.

-With the help of governments, international institutions and NGOs, GMS countries offer hundreds of tourism products and activities benefiting local populations and/or helping to improve the environment.

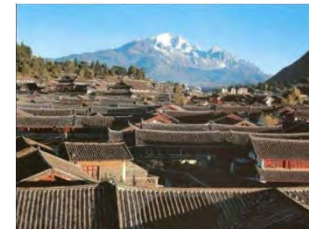


GMS: UNESCO World Heritage

UNESCO lists 18 GMS sites as World Heritage Sites. Many sites in Myanmar could be rapidly added as the country is moving gradually to democracy and economic freedom.

UNESCO WORLD HERITAGE LIST IN GMS

- *Cambodia: Angkor , Preah Vihear Temple.*
- *Laos: Luang Prabang, Wat Phou and Associated Cultural Landscapes in Champassak.*
- *Thailand : Ayutthaya, Sukhothai, Thungyai-Huai Kha Khaeng Wildlife Sanctuaries, Ban Chiang Archeological Site, Khao Yai Forest Complex.*
- *Vietnam: Hue Monuments, Ha Long Bay, Hoi An, My Son Sanctuary, Phong Na-Khe Bang National Park, Imperial Citadel Hanoi, Citadel of the Ho Dynasty.*
- *Yunnan : Lijang Old Town, Three Parallel Rivers*



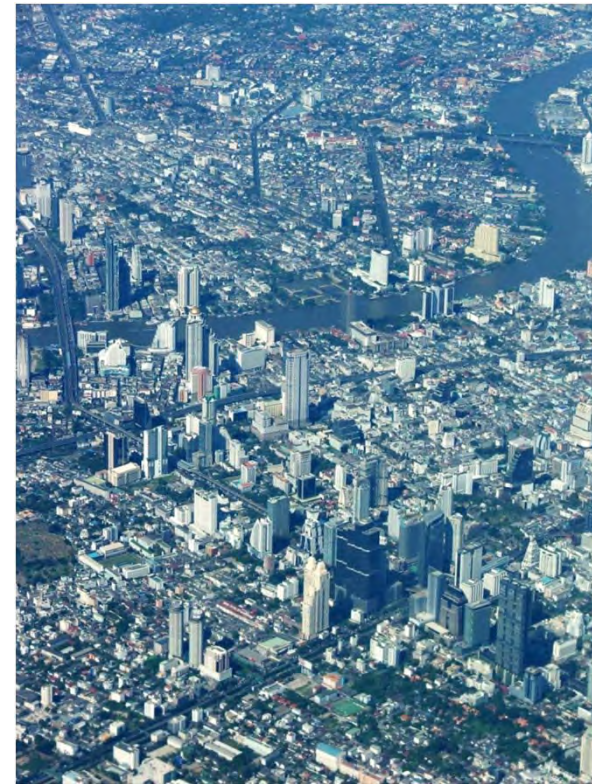
GMS Cities

Main Gateways to Tourism

Cities within the GMS are main gateways for tourism with travellers generally beginning and ending their trips in an urban environment.

Changes over the last decade include:

- An increase in international air services (including low cost airlines).
- An improvement in infrastructure (roads, rail services, electricity and water supply)
- Wider choice of accommodations (from guest-houses to international 5-star hotels)
- More sophisticated leisure and cultural activities such as museums and cultural events.
- New shopping facilities including attractive handicrafts.



Historical Cities, One of GMS Most Precious Tourism Assets

Most GMS cities – especially in Indochina and Myanmar – offer a unique blend of traditional local architecture and colonial heritage buildings due to history.

Many of these structures have already been destroyed in the last two decades due to rampant urbanisation, booming real estate development and rejection of the colonial past.

However, there is now increased awareness about the historical, social and also touristic value of preserving old buildings. They can be successfully converted for modern tourism purposes.



Hoi An

Since 1999, Hoi An is a UNESCO World Heritage Site. With its nomination, economic activities for the 90,000 inhabitants city changed from agriculture, fishing and trade to tourism.

Hoi An's heritage reflects the cultural influences of traders who settled and worked there in the past such as Japanese and Chinese. Hoi An also has fine examples of French colonial heritage. In total, the Hoi An has identified over 1,350 relics of heritage importance in the town, including shop houses, bridges and pagodas.

Between 1997 and 2007, 168 government-owned heritage buildings were restored at a total cost of over US\$ five million.



Hoi An



In 2007, Hoi An received 1.03 million tourists, of which 609,000 were foreigners (59% share). There are over 3,000 rooms /80 commercial accommodations. Tourism generated 65% of all municipal revenues in 2007. In 2010, Hoi An received an estimated 1.3 million visitors.



Since 1995, visitors to Hoi An must pay an entrance fee which covers entry to five types of sites in Hoi An: museums, assembly halls, old houses, cultural performances, temples as well as the Japanese Bridge.

Entrance fee is fixed at US\$ 4.50 for foreign visitors. Of this revenue, 75% is reinvested in cultural heritage conservation activities, while the remaining 25% is allocated to the Tourist Guide Office and to owners of heritage buildings.



Source:
UNESCO

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Luang Prabang

Luang Prabang is one of Laos' most popular destinations following UNESCO listing as a World Heritage Site in 1995. The city has some 20,000 inhabitants including 3,000 living in the historical centre.

Luang Prabang is unique in many aspects . It is located on a peninsula at the confluence of the Khan and Mekong Rivers. Formerly the capital of the kingdom of Lane Xang, Luang Prabang has retained its Buddhist heritage with glittering temples, traditional teak houses and French colonial-era residences. There is a strong community life, such as traditional daily alms-giving ceremonies to monks.

Most of Luang Prabang heritage is located within a 1.4 hectare conservation zone on the peninsula. Following UNESCO listing, over US\$ 9 million went into conservation and infrastructure improvement projects from 1999 to 2004.



Luang Prabang

Over the last two decades, Luang Prabang's economy prospered and grew twice as fast as the rest of the country thanks to a boom in tourist arrivals. In 2010, Luang Prabang received 210,783 foreign visitors, down by 11% from record year 2009 (236, 840).

Tourism growth is expected to resume its growth with the completion of a new airport able to accommodate wide-body aircraft (2013) as well as a high speed rail link towards China (2014). Both will generate dramatic changes.

Luang Prabang had 1,078 rooms at the end of 2010, in 44 hotels and another 1,868 rooms in guest-houses. By 2012, it is anticipated that hotel supply will grow by another 16% with more international 5-star properties such as Anantara and M-Gallery.



Sources: UNESCO,
C9 Hotel Market Update



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Phuket

Better known for its resorts, beaches and its nightlife, Phuket has one of Thailand's most atmospheric historical towns with 110-year old mansions and shop houses.

Houses were built by Chinese coming from British Malaya (today Malaysia), during the tin boom in the early years of the twentieth century. Mansions and houses show similar architecture with Penang, which served as a model for urban planning.

The old town has been declared 'conservation of cultural heritage zone' by the Office of Environmental Policy and Planning (OEPP), of the National Environment Board. In 2004, an Old Phuket Foundation was created, while Phuket Municipality designated a 0.5 km² area for conservation, integrating eight streets of the old town.



Phuket

Tourism is today Phuket main source of income and activities as the Island welcomed 2.85 million tourists in 2010 (2.38 million foreigners).

However, Phuket Old Town represents a tiny share of all total visitors. Looking at hotel capacities for the entire Island, Phuket City represented in 2010 only 1.1% of total a hotel bed supply representing slightly over 43,000 rooms. This translates to less than 40,000 travellers per year.

Phuket Old Town has a few boutique hotels and guest-houses, located in former shop houses and mansions. Today, museums, fancy restaurants, galleries or trendy cafes have settled in some of the premises.



Positive and Negative Impact of Urban Tourism

PRO

- Urban tourism helps regenerate cities and preserve old structures (museums, hotels, cultural events)
- It benefits directly to local communities (shops, restaurants, guest houses, services among others)
- It helps to maintain a distinctive identity to cities

CONTRA

- Some cities turn exclusively into tourist attractions and lose their authenticity.
- City centre inhabitants move away to give space for hotels and restaurants.
- The city's social fabric is affected by tourism exposure.
- Over-commercialisation can provoke irreversible damage to city's authenticity.

A Wise Use of Urban Heritage

Asia's more sophisticated urban life will create demand for more specialized products: heritage and culture, edutainment tourism and theme parks, exclusive high luxury destinations, medical tourism or senior tourism. Cities are well positioned to answer to these segments.

However, cities must retain their authenticity, cultural character as well as their social fabric. Danger is to turn historical areas into open-air museums or leave it to over-commercialisation and cheap tourist attractions.

State or City governments should facilitate and support individual initiatives.

Some Solutions: New products such as historical, architectural, thematic tours. Reconversion of old structures into new attractions (old houses turned into museums, hotels or shopping galleries for example); Settlement of creative industries in historical core areas.



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THANK YOU!



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