



*Tourism*  
in South Asia  
Potential and Opportunities

Organized by: SAARC Chamber of Commerce & Industry

8<sup>th</sup> July 2010, Colombo, Sri Lanka

In partnership with

Friedrich Naumann  
STIFTUNG FÜR DIE FREIHEIT

In Collaboration with





# Tourism in South Asia: Potential and Opportunities

The South Asian Association for Regional Cooperation (SAARC) was established on December 8, 1985 in Dhaka at the first summit of the leaders of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka.

The SAARC region is endowed with vast and diverse cultural and natural resources. It has an ancient cultural heritage of more than 5,000 years old, and is home to many natural and cultural heritage sites inscribed in the World Heritage List. The sub-region contains the world's highest mountain, the eastern Himalayan range, the largest mangrove forest, the longest sea beach, and internationally recognized biodiversity hotspots. It has a rich diversity of ethnic groups with distinctive cultures. Its unique natural and cultural endowments potentially position it as a world destination for spiritual tourism and ecotourism. Bhutan and Nepal, in particular, are internationally acknowledged as "ecotourism pioneers" and have practitioners with decades of experience at their disposal. The sub region is also home to the "Buddhist Heartland", with many of the world's major Buddhist sites, including those directly associated with the life of Lord Buddha. The ancient monasteries, sacred landscapes, and hidden valleys attract international visitors and above all very hospitable people of South Asia make the region a very attractive place for intra-regional as well as international tourism.

**Tourism could be only a recipe for uplifting peace, prosperity, fraternity, poverty reduction for which SAARC has been originated in the region by.**

Tourism in South Asia has been defined as one of the most productive vehicle to accelerate the integration process in South Asia. On account of multi-dimensional effects, the promotion of tourism and transport cooperation has been prominently placed in the list of 11 core activities under the Integrated Programme of Action (IPA) of SAARC. A Tourism Committee was set up in 1991 and an inaugural meeting of the Committee held in that October, an action plan was envisaged to cooperate on training programmes, information exchange, marketing, investment, intra-regional tourism, among others. For marketing the potential of Tourism, some activities like producing joint brochures, videos and travel guides, as well as coordinating participation in trade fairs were short-listed. The Committee was also tasked to review the progress on the SAARC Scheme for Promotion of Organized Tourism.

Besides reviewing the implementation of programme of activities relevant to its mandate, the Working Group on Tourism under SAARC has made a number of recommendations for promotion of tourism in the SAARC region e.g. printing of a SAARC Travel Guide, production of a documentary movie on tourism in SAARC, promotion of sustainable development of Eco-Tourism, Cultural Tourism and Nature Tourism, collaboration in HRD in tourism sector by having programmes for exchange of teachers, students, teaching modules and materials, promoting cooperation in the field of tourism with other relevant regional and international tourism organizations. Some of this has been done, but has had little impact, mainly due to problems beyond the control of the travel and tourism industry.

Tourism in Asia is growing faster than anywhere else in the world, driven by the increasing wealth of Asian countries as a paradigm of shift in Global trade and economy. One of the most significant changes in tourism in recent years has been the concept of interconnections, which is evident at various levels of tourism planning. Strategic alliances between contender enterprises, vertical integration between and across firms, collaboration between public and private sectors and partnerships between countries and regions have become common practice in contemporary tourism.



Although, the first quarter of 2010 has witnessed double growth as compared with the correspondence period in 2009 in terms of Tourist arrivals, still we, the South Asia are far behind even one country of Asia- the People's Republic of China, which attracted 50.9 million tourists- 5 times more than the entire eight countries of South Asia.

According to International Tourism Report, France with 74.2 million, people remained the top tourist destination of the World in the year 2009, followed by USA (54.9 million), Spain (52.2 million), China (50.9 million), Italy (43.2 million), UK (28.0 million), Turkey (25.5 million), Germany (24.2 million), Malaysia (23.6 million) and Mexico (21.5 million) which remained the top-10 tourist destinations of the World. None of the eight countries of SAARC finds its place in the first 40 Top- countries. India ranked 41st, with 5 million people was the largest tourist recipient in South Asian countries, accounting for 50% share in total tourist arrivals in the region.

The governments of SAARC countries have recently recognized the need to work together to promote the sub-region as a unique tourism destination. They have acknowledged that complementary natural endowments and cultural heritage provide an opportunity for sub-regional cooperation in tourism, which can lead to joint product development, cost-effective marketing strategies, and joint investments in tourism infrastructure development with resulting greater efficiencies.

The Head of States of South Asia at 16th SAARC Summit held on April 29, 2010 while underscoring the need for promotion of tourism to enhance greater people-to-people contacts in the region have called for the creation of tourism-friendly environment in South Asia and welcomed the offer of the Government of Nepal to host the Third SAARC Ministerial Meeting on Tourism in Kathmandu on the eve of Nepal Tourism Year 2011.

As a precursor to the aforementioned Ministerial Meeting on Tourism, the SAARC Chamber of Commerce & Industry planned string of Conferences/Consultation on Tourism in South Asia. The First "Regional Consultation on Tourism Potential in South Asia" was organized on 8th July 2010 in Colombo, Sri Lanka.

## Seminar on "Regional Consultation on Tourism Potential in South Asia"

The seminar commenced with the introductory remarks of **Mr. Iqbal Tabish**, Secretary General, SAARC CCI who highlighted various aspects of Tourism in South Asia while regarding it as a multiplier element of economic activities, people-to-people contact and socio-cultural amalgamation, which was an essential part of South Asian integration.



**Mr. Kosala Wickramanayaka**, President, FCCISL in his welcome address said that after the success of Sri Lankan Government against the terrorist, the tourists' arrival in Sri Lanka was likely to be doubled in couple of years, which will help promote Hotel Industry, which will need additional accommodation of 1000 rooms in Hotels particularly in Colombo.





**Mr. Shafique Alam Mehdi**, Secretary, Ministry of Civil Aviation and Tourism, Govt. of Bangladesh presented Bangladesh overview of Tourism and said that The Government has been planning to construct roads and improving transport system, which will help increase Tourism in South Asia. He said that the Government focus is on enhancement of regional connectivity.



**Mr. Tariq Sayeed**, Immediate Past President SAARC CCI in his special address said that enriched with bountiful cultural heritage, South Asia had enormous potential for Tourism, however, it was discouraging that despite having enormous potential, number of Tourists arrivals in South Asia remained below even 0.2% of the World. The Governments in South Asia need to revisit their policies towards intra-SAARC Tourism as well as International Tourism.



**Mr. Annisul Huq**, President SAARC CCI in his keynote speech said that the South Asia is the home of all wonders of the natures from Sri Lanka Sea shore to Cox Bazar Sea in Bangladesh, the roof of the world Himalayas, the lush green hills and the largest man grown forest of the World exist in South Asia, in a perfect harmony of nature. The happy nature of Bhutan, the deserts of Rajasthan, the snow cap mountain of Kashmir Valley and the unbelievable nature beauty of Maldives all are great attractions for nature lovers. However, he expressed concern on the meager contribution of only 2% of GDP, 1.5 % of import and 1% of export, below 5% of Intra-regional trade. He said those eight countries together we export less than one country, Malaysia. Now how are we doing in Tourism, with so much of heritage and potential, where we, South Asians are in this business?



Tourism is one of the biggest businesses today and major source of revenue, accounting 11% of the World GDP. The total tourism revenue of the World in 2008 was \$942 billion. Which on account of Global financial crisis decreased to \$852 billion in the year 2009, out of which EU had the highest chunk of it, i.e. \$ 412 .4, USA \$ 94.2 billion, China \$ 39.7, Africa \$ 28.1 billion and South Asia, the eight SAARC member nations together had only 15.1 billion, which unfortunately is 0.12% of the total Tourism revenue of the World. Similarly, out of 880 million World wide Tourists at various destinations of the World, 460 million tourist arrived in EU (France is the highest 74.2 million,) followed by USA 54.9 million, North East Asia 98.1, South East Asia 62 million and in South Asia, just 10 million, which is only 0.13% of the total tourist of the World, which shows poor reflection and our failure to attract the World. He requested to all the Governments of South Asia to adopt tourist-friendly policies, which could earn enormous foreign exchange.

While offering concluding remarks, **Mr. Macky Hashim**, former President SAARC CCI from Sri Lanka urged upon the need for reactivation of Tourism Council of SAARC CCI and said that the private Sector should be given permanent representation on Tourism Council operated by SAARC. With the end of the three decade war, further growth in returns and economic development is projected. Following the consolidation of the Sri Lanka Tourist Board and the tourism industry, and the establishment of the Sri Lanka Tourism Promotion Bureau (SLTPB) in September 2006, Sri Lanka Tourism is well set to maximize the opportunities present, and yield high returns.





(L-R) Mr. Iqbal Tabish, Secretary General, SAARC CCI, Mr. Mahendra P. Lama, Vice Chancellor Sikkim University-India, Mr. Kumar Mallimaratchi, EC Member, SAARC CCI, Dr. Saj Mendis, DG Investment & Tourism of Sri Lanka, Ministry of Economic Development, Mr. Pradeep Kumar Shrestha, Vice President (Nepal), SAARC CCI, during the working session.

The Technical session was addressed by prominent speakers from South Asian countries including Mr. Chris Dharmakirti, COO of Strategic Enterprise Management Agency (SEMA), Mr. Mahendra P Lama, Vice Chancellor, Sikkim University-India, Mr. Thuji Dorji Nadik, Director (ES), Plans and Programmes, Tourism Council of Bhutan, Mr. Shahrukh Malik, Vice Chairman- SAARC CCI Young Entrepreneur Forum-Pakistan, Mr. S. Kalaiselvam, Director General, Sri Lanka Tourism, Dr. Saj Mendis, Director General, Investment & Tourism of Sri Lanka, Ministry of Economic Development –Colombo, Mr. Pradeep Kumar Shrestha-VP SAARC CCI, Mr. Kumar Mallimaratchi, Vice President, FCCISL and Mr. Anura Lokuhetty, President Tourism Association of Sri Lanka.

**The extensive discussions were held on various issues, impeding the growth of Tourism promotion in South Asia, as follows:**

- **Security and Visa related Problem**
- **Infrastructure & Transportation**
- **Hotel and Hospitality Industry**
- **Government Policies: political and bureaucratic hurdles, Policy regulations**

It was identified that public sector should be sensitized through knowledge-based presentations for considering formulation of national policies and harmonization of Business Governance, regulatory frameworks to promote Tourism in South Asia and by taking into consideration the following:

- Inadequate connectivity and destination infrastructure
- Weak protection and management of heritage assets of tourism importance, which threaten the environmental and cultural sustainability
- Inadequate community engagement which all together limit the growth prospect and ability of tourism to significantly contribute to the economy and poverty reduction
- Poor quality environment and visitor services
- Ignorance towards securing natural and cultural heritage, and capacities for sustainable heritage management poor linkages amongst tour operators, hotels and related recreation services

## *Recommendations:*

At the conclusion of the seminar, the following set of recommendations was worked out.

- Promotion of people-to-people contact in the region to strengthening mutual understanding and goodwill among the peoples of South Asia, has always received a high priority among SAARC leaders. In order to give effect to this concept a number of initiatives have been taken under the aegis of SAARC and need to improve.
- Need for introducing SAARC Passport, SAARC Currency, SAARC Airlines, SAARC Tourism Board, SAARC Institute Hotel and Tourism management, SAARC Travel Agents etc for sustainable growth in Tourism Sector in South Asia

- The SAARC Scheme for the promotion of organized tourism, which aims at facilitating exchange of organized group tours between the member countries, with provision of concessional air-fare, and arrangement for limited convertibility of foreign exchange through a travel voucher system. The scheme need to be implemented in true spirit
- Since all issues relating to the Scheme are addressed by the SAARC Technical Committee on Tourism, Private Sector particularly SAARC CCI should be given representation on the Committee
- Flexible Visa regime need to be ensured by all Member States in South Asia
- Issuance of Multiple Visa for at least one year to businessmen, IATA licensed Tour operating companies
- Travel Visa card on the pattern of APEC can be introduced in South Asian Region. This may be started from issuance of Visas to Business community and later on can be extended for socio-cultural activities
- More exchange of socio-cultural and educational delegations within the region
- Physical connectivity by improving rail, road, sea and Air
- Infrastructure Development & Transportation
- Signing and implementation of Motor Vehicle Agreement in SAARC Members stated in a phase manner
- Adoption of open sky policy- flight operations between capital cities and two major cities of each South Asian countries
- Encourage and promote Pro-poor Tourism, which may lead to promote religious tourism in the region
- Launch of dedicated Website for promotion of Tourism in South Asia
- Inclusion of Private Sector in Tourism Forum, functioning under SAARC
- Preparation of Strategy to unleash the untapped potential
- Declare 2010-2020 as decade for Tourism promotion in South Asia
- Consistent Public-private dialogue to address the challenges
- Research-based study on Potential of Tourism in South Asia to evolve a doable strategic Plan
- Improvement in cross-border linkages particularly in bordering areas
- Tourism related information need to be included in the curriculum at Primary and Secondary level
- Enhance Role of Media to project Positive activities in the South Asia
- Exchange of audio-visual programs to promote people-to-people contacts
- Activities such as familiarization tours and Food Festival in member states should be organized regularly
- To work on activities leading to awareness including inviting media personnel, travel agents and tour operators, exchange of tourism experts etc;
- Participation of SAARC member states in international tourism fairs.
- Affirming that public and private sector partnership is essential for the development of tourism as envisaged;
- To receive the maximum benefits from the areas of Culture and heritage, Eco and adventure tourism and other tourism products in a sustainable manner;
- To work on mechanisms to reduce frontier formalities, introduce special packages, and improve air accessibility;
- To adhere to follow best practices on tourism related activities;

The participants resolved to send the recommendation for the forthcoming SAARC Tourism Ministerial Council Meeting scheduled to be held in Nepal on 14th January 2011.



**SAARC Chamber of Commerce and Industry  
Permanent Headquarters:**

House No. 397, Street No. 64, I-8/3, Islamabad - Pakistan  
Telephone: +92 51 4860611-3, Fax: 92 51 8316024  
Email: info@saarcchamber.org, Website: www.saarcchamber.org