

เอกสารทางวิชาการ DISCUSSION PAPER SERIES

Faculty of Economics
Thammasat University
Discussion Paper Series

No. 96

ASEAN Cooperation in Tourism



คณะเศรษฐศาสตร์
FACULTY OF ECONOMICS

มหาวิทยาลัยธรรมศาสตร์
กรุงเทพมหานคร

โทร. 2236994

THAMMASAT UNIVERSITY
BANGKOK

November 1988

Faculty of Economics
Thammasat University
Discussion Paper Series

No. 96

ASEAN Cooperation in Tourism

by

Apichai Puntasen

Contents

	Page
I Introduction	1
II General Features of Tourist Industry in ASEAN	3
III Leakage Example : A Thai Case	14
IV Other Possible Negative Consequences From Tourism	15
V Possible Positive Aspects From Tourism	22
VI Tourists and Their Patterns of Expenditures	23
VII Possible Future Cooperation	38
VIII Supportive Measures	40
IX Deterrent and/or Preventive Measures	41
X Conclusion	44
Bibliography	45

List of Tables

Table	Page
1 Number of Tourists	4
2 Percentage Share of Tourists	5
3 Foreign Exchange Received From Tourism	7
4 Percentage of Foreign Exchange Received From Tourism	8
5 Foreign Exchange Earnings from Tourism as Percentage of GDP.	10
6 Foreign Exchange Earnings from Tourism as Percentage of Exports.	11
7 Ranking of Foreign Exchange Earnings From Tourism Among Major Export Items.	12
8 Percentage Distribution of Tourist Arrivals into Each Country in ASEAN during 1980-1 and 1984-5	24
9 Flows of Tourist Arrivals into ASEAN Classified by Country or Group of Countries in 1984	27
10 Percentage Distribution of Tourist Expenditure (1980-5 Average)	33
11 Estimation of Expenditures of Tourist Arrival in 1984	36

ASEAN Cooperation in Tourism

*
Dr. Apichai Puntasen

I Introduction

It is undeniable that tourist industry is one of major sources of foreign exchange earnings and a significant employment generating factor for ASEAN. Among them are Singapore, Thailand, Malaysia and the Philippines. It is estimated that gross tourist inflows in to each countries in the region in 1980 was 8.5 million. The number increased to 10.4 million in 1984. The increase represents the average annual growth rate of 5.2 per cent. This figure incates a rather significant rate of growth in view of the much lower rates of related population growth in most developed countries. On the other hand, there appears to be no significant intra-regional increase of tourists among many ASEAN countries during 1980-4 except for Malaysia and Thailand where the increase in intra-regional

*
The author is an Associate Professor of the Economics Faculty, Thammasat University, Bangkok, Thailand. He wishes to express his sincere appreciation to Jiraporn Unkasem, his research assistant for her energetic help in compiling useful information and calculation of data presented in this paper. Ms. Uemporn Jirakarnvison of the TAT also supplies very useful tourist information to the author.

tourists were 2.4 and 8.7 per cent during the said period. In general, most ASEAN experienced the increasing rate of growth of tourists except that of the Philippines which was suffered from the reduction in number of tourists by the annual rate of 5 per cent during 1980-4. The rest of them, Brunei, Indonesia, Malaysia, Singapore and Thailand enjoyed annual growth rates of tourists by 7.2, 5.7, 8.5, 33.9 and 5.9 per cent during same period, respectively.

Gross foreign exchange inflows into ASEAN increased from US\$ 2.6 billion in 1980 to US\$ 5.4 in 1984, more than one fold increase in four years. Being such significant sources of foreign exchange earnings, adverse effects from tourism on various socio-economic and cultural aspects of a country tend to be over-looked. A more realistic assessment on both economic and social costs and benefits to a country would be much useful for fruitful cooperative measures on tourism among ASEAN in the future.

This paper will begin by exploring some basic features of tourist industries of ASEAN. It will continue to discuss some possible adverse effects from tourism. Cooperative recommendations will be based on the maximization of economic gain from tourism for all ASEAN. At the same time, adverse socio-economic and cultural effects must be kept at the minimum level.

II. General Features of Tourist Industry in ASEAN

Among the six countries in ASEAN, numbers of tourists to Singapore (1980-5) are the highest followed by those to Malaysia, Thailand, the Philippines and Indonesia, respectively. In term of the share of tourists, in 1985 Singapore and Malaysia received the shares of 28.6 and 28.4 per cent of tourists respectively, followed by Thailand whose share was 23 per cent.

TABLE 1
NUMBER OF TOURISTS

(Thousands)

	Brunei	Indonesia	Malaysia	Philippines	Singapore	Thailand	Total
1980	523	561	2,067	1,008	2,562	1,859	8,540
1981	510	600	2,345	939	2,829	2,016	9,252
1982	614	529	2,589	891	2,957	2,218	9,757
1983	633	639	2,750	861	2,854	2,191	9,909
1984	644	701	2,874	817	2,991	2,346	10,362
1985	655*	702	3,004*	775*	3,031	2,436	10,592*

*estimated figures .

Sources : Richard Robin Poi, "Malaysia Country Report", International Seminar on Tourism Promotion, Tokyo, Japan (From Oct. 3, 1985-Dec. 4, 1985) pp.5.

: Statistic Section Economic Planning United, Ministry of Finance, "Table 7.9 arrivals by purpose of entry", Brunei Statistical Yearbook 1984/85. pp.66.

: United Nations, "VIII Transport and Communication : International Tourist Travel, Indonesia, Philippines, Singapore, Thailand", Statistical Yearbook For Asia and Pacific 1985.

TABLE 2
PERCENTAGE SHARE OF TOURISTS

	Brunie	Indonesia	Malaysia	Philippines	Singapore	Thailand	Total
1980	6.1	6.6	24.2	11.8	30.0	21.8	100.0
1981	5.5	6.5	25.3	10.1	30.6	21.8	100.0
1982	6.2	6.1	26.5	9.1	30.3	22.7	100.0
1983	6.4	6.4	27.8	8.7	28.8	22.1	100.0
1984	6.2	6.8	27.7	7.9	28.9	22.6	100.0
1985	6.2	6.6	28.4*	7.3*	28.6	23.0	100.0

* estimated figures

Computed from : Table 1.

In term of foreign exchange receipts, Singapore earned more than proportinal share of her number of tourist arrivals while Thailand's receipts were proportional to the number of tourists. On the other hand, foreign exchange earnings for Malaysia were less than a half of her share of tourists. This unforvourable pattern of foreign exchange receipts was resulted from distinctive character of tourists to Malaysia.

TABLE 3
FOREIGN EXCHANGE RECEIVED FROM TOURISM

(Million U.S.Dollar
at Current Price)

	Indonesia	Malaysia	Philippines	Singapore	Thailand	Total
1980	246	304	320	845	867	2,582
1981	288	427	344	1,090	983	3,132
1982	601	483	450	1,406*	1,083	4,023*
1983	726*	568	465	2,005	1,089	4,871*
1984	808*	646	366	2,420	1,188	5,428*
1985	809*	675*	503*	2,210	1,222	5,419*

* estimated figures

Source : Richard Robin Poi, "Malaysia Country Report", International Seminar on Tourism Promotion, Tokyo, Japan (From Oct.3, - Dec.4, 1985), pp.9.

: World Tourism Organization, "International Tourism Receipts, Indonesia, Philippines, Singapore, Thailand", Yearbook of Tourism Statistics 1986, pp.88.

* : World Tourism Organization, "Table VII International Tourism Receipts", Regional Breakdown of Tourism Statistic 1982, pp.51

TABLE 4
PERCENTAGE SHARE OF FOREIGN EXCHANGE RECEIVED FROM TOURISM

	Indonesia	Malaysia	Philippines	Singapore	Thailand	Total
1980	9.5	11.8	12.4	32.7	33.6	100.0
1981	9.2	13.6	11.0	34.8	31.4	100.0
1982	14.8	12.0	11.2	35.0*	27.0	100.0
1983	14.9*	12.0	9.5	41.2	22.2	100.0
1984	14.9*	11.9	6.7	44.6	21.9	100.0
1985	14.9*	12.5*	9.3*	40.8	22.6	100.0

* estimated figures

Computed from : Table 3

The significance of foreign exchange earnings from tourism in terms of the country's GDP, export, and the ranking among other major export items of countries in ASEAN are shown in Table 5, 6, 7 below.

It is quite clear from the figures in Tables 5, 6, 7 that tourist industries are quite vital to most ASEAN economies. For Singapore, more than 10 per cent of the country's GDP comes from tourism. Her earnings from tourism is almost 10 per cent of annual export of goods and services of the country. Earnings from tourism have been in the first rank among major export items of Singapore since 1984. In Thailand, tourism constitute about 3 per cent of the country's GDP. However, it is very significant because it constitutes more than 15 per cent of annual export of good and services and it was rank the first among other major export items since 1982. In case of the Philippines, tourism only contributes a little more than one per cent of the GDP and is about 6 per cent of the country's total exports. In term of ranking among major export items, it has been varied from the first to the second ranking since 1982. The ranking of tourism is decreasing in its significance for Malaysia and Indonesia, respectively.

TABLE 5
FOREIGN EXCHANGE EARNINGS FROM TOURISM AS PERCENTAGE OF GDP

	Indonesia	Malaysia	Philippines	Singapore	Thailand
1980	0.3	1.3	0.9	7.2	2.6
1981	0.3	1.7	0.9	7.8	2.9
1982	0.6	1.9	1.1	6.4	2.8
1983	0.9	1.9	1.3	11.5	2.7
1984	0.9	2.0	1.1	12.7	2.8
1985	0.8	2.0	1.6	12.6	3.0

Computed from : Table 3

: International Monetary Fund, "National Account : Gross Domestic Products, Indonesia, Malaysia, Philippines, Singapore, Thailand". International Financial Statistics. Vol.XL No.5, May 1987.

TABLE 6
FOREIGN EXCHANGE EARNINGS FROM TOURISM AS PERCENTAGE OF EXPORTS

	Indonesia	Malaysia	Philippines	Singapore	Thailand
1980	1.1	2.4	5.6	4.2	13.3
1981	1.3	3.6	6.4	5.0	14.0
1982	2.7	4.1	9.1	6.6*	14.9
1983	3.4*	4.0	9.5	9.1	17.1
1984	3.7*	4.0	7.4	9.9	15.6
1985	4.3*	4.1*	11.0*	9.7	16.4

*estimated figures

Computed from : Table 3

: International Monetary Fund, "International Transaction : Exports, Indonesia, Malaysia, Philippines, Singapore, Thailand", International Financial Statistics, Vol XL No.5 May 1987.

TABLE 7
RANKING OF FOREIGN EXCHANGE EARNINGS FROM TOURISM AMONG MAJOR
EXPORT ITEMS

	Indonesia	Malaysia	Philippines	Singapore	Thailand
1980	8	6	4	3	2
1981	7	6	4	3	2
1982	4	6	1	3*	1
1983	5*	5	2	2	1
1984	5*	5	2	1	1
1985	4*	5*	1*	1	1

*estimated figures

Computed from : Table 3

: The Economist Intelligence Unit, "Principal Exports", Quarterly Economic Review of Malaysia Country Reports. 1981-1986.

: United Nations, "IX External Trade : Imports and exports of selected commodity, Indonesia, Philippines, Singapore, Thailand", Statistical Yearbook for Asia and Pacific 1985.

What have discussed so far only represents a rosy part of tourism. Actually, the net gain of foreign exchange is not as high as figures in Table 3 have suggested. One major loss of foreign exchange earnings is a leakage. This leakage is due to the nature of high import content of tourism in developing countries. In hotel sector, about 25 per cent of capital expenditures and operating costs must be paid for imported materials. In the countries where productive base is limited, the figure is even higher (Impact, 1981, p.12). In case of foreign owned or foreign managed hotels, the foreign exchange lost increases because of the repatriation of interest, profit and salaries. The World Tourism Organization estimates that a minimum of 40 percent gross hotel revenue goes to hotel chains and that the figure can run as high as 75 per cent or more. Hotel accommodation is only one of the sources of foreign exchange leakage. There is also leakage resulting from import of food and beverage to cater for tourist meal. Leakage is also due to energy import for the net-energy-import country to supply energy for hotel and local transportation. Leakages are also due to import transportation materials and parts as well as the whole and parts of shopping items. All these items only represent the first round of leakages. In the country where income from tourism are unevenly distributed, there is a strong tendency to generate a second round of leakages, namely, the encouragement of wealthier class to travel overseas, the increase in propensity to consume more import

items. Therefore, net foreign exchange gained from tourism is normally much lower than what has been shown in Table 3.

III. Leakage Example : A Thai Case.

It was estimated that the first round leakage from tourist industry in Hong Kong in 1979 was 42.7 per cent (ESCAP, 1983 a, p.7). In Singapore, it was estimated from "Singapore Input-Output Tables, 1978" that the total leakage was 54 per cent. For the Philippines it was reported that the net value added from tourist industry was only 40 per cent (ESCAP, 1983, p.7). This fact implies that, the leakage could be as high as 60 per cent. However the true figure must lie somewhere from 40 per cent up.

There have been no estimate for the first round leakage of tourism in Thailand. However, by the standard of ASEAN, 40 per cent leakage for Thailand can be considered a conservative estimate. The 1985 figure of tourist earnings is US\$ 1222 million. Therefore net earning from tourism after the first round of leakage is US\$ 733 million. Given the pattern of uneven income distribution especially in tourist industry in Thailand, again with a very conservative estimate, about two third will go to the wealthier class whose income elasticity for imports and overseas travel are greater than one. In one study it is estimated that the elasticity of tourist expenditure among people in ASEAN is 1.34 (Rojwannasin, 1982., p.74). Given the tourist expenditure for the Thais to go overseas in 1985 was U.S.\$

292 million, the estimated induced expenditure for the Thais to travel overseas was US\$ 4.7 million. Also given the income elasticity of imports 1.06 also a very conservative estimate, induced imports caused by additional income received from tourism in 1985 was US\$ 116 million. Therefore the second round of leakages in 1985 was US\$ 120.7 million. Thus, the net foreign exchange earnings was reduced to US\$ 612 million. This figure no longer represents the first rank on the export list but about the third or the equivalence of export of tapioca products in 1985.

It should be reiterated that the above figure has been calculated on a very conservative basis. Also, the figure does not include foreign exchange loss from aggressive tourist campaign overseas by the host country, Thailand in this case.

IV. Other Possible Negative Consequences From Tourism

Given some of the straight economic costs from tourism above there are other possible negative consequences to be considered. Among the set of possible adverse economic consequences from tourism are demonstration effect, diversion of resources from more useful development projects and the reinforcement of the existing pattern of income disparities.

It is argued in an ESCAP's paper (ESCAP, 1981, p.8) that :

The elites in a developing country acquire western consumer habits. Influenced by high-spending tourists the socialites in a third world country often opt for apparel by high fashion designers, expensive liquors and perfumes. These consumption patterns are often inappropriate for the population as a whole since they reflect the tastes of visitors with income level far higher than those prevailing in the host country. Also this western pattern of consumption creates pressure on the country's balance of payment.

Such impact has not been felt only on the elite class of the society. In another study, working class is also affected by such demonstration effect (Bolabola, 1981 pp.72-77). It is argued in the study that tourist-type mentality of easy living and spending encroached on local living habits. Social maladjustment resulted from relatively low but mispent wages, used in excessive consumption of alcohol and other luxury goods and services, and the accumulation of irrelevant material goods. This change in consumption pattern of the working class has resulted in the problem of indebtedness as well as in the deteriorating dietary pattern.

One can generally argue that such demonstration effect can normally result from mass communications through television, radio and publications. Definitely, tourism does contribute to such undesirable pattern of consumption in the host country as well.

Tourism in many developing countries often leads to a lop-sided economic development which transfers the country's resources from the needier sectors of the economy to the tourism sector. The resources so diverted, range from land, and building materials, to credit, food, beverages and transport equipment. The servicing of foreign visitors take

precedence over the fulfilment of the needs of the people (Impact, 1981, p.14). Among ASEAN this case is quite prominent in the Philippines during the Marcos's regime. The government money which supports the hotel building boom and which underwrites the provision of more and more sophisticated tourist services is the money which is diverted from basic programs such as housing, health and education. Many beautiful hotels were built in the greater Metro Manila while a million of people Filipinos lived in shanties made from bits of tin and plywood.

The combination of the demonstration effect and the diversion of resources away from a more useful investment will contribute to the reinforcement of income disparities already existed in the host countries. In the Philippines a useful program such as a land reform enacted recently by the Aquino government which has far reaching impact on the redistribution of income should have been implement long time before. In Thailand, various rural development programs, an effective measure to solve the problem of income disparity between urban riches and the rural poors, have been implemented half-heartedly while tourist promotion receive vigorous support from the government. Such practice will not help solving problem of income distribution prevailed in the said countries.

On the social side, tourism is argued to contribute to the problem of prostitution and other related social problems as well as the effect on traditional social

fabrics. It is generally accepted that prostitution exists in most countries well before massive influx of tourists into the region. It is also admitted that prostitution problem is normally associated with the problem of poverty and income disparities in relevant countries. Nevertheless, tourism also aggravates the problem. Although, it is not quite clear whether prostitutions attract tourism or the wider spread of prostitution is caused by tourism, evidences indicate strong association between tourism and prostitution. In case of Thailand, from 1970 to 1980 there have been a strong tendency for the increase in proportion of male tourists over time. the proportion was 65.5 per cent in 1970 and was increased to 71.1 per cent in 1980 (Rojwannasin, 1982, p.24). The most prominent groups engaging in this sexual activities in Thailand were those from Malaysia, Japan and West Germany whose proportion of male tourists in 1980 contributed to the high average. The percentages are 77.0, 78.0, and 70.7 for Malaysia, Japan and West Germany, respectively (Rojwannasin, 1982, p.25). Evidence is also indicated by higher proportion of tourists on an item of recreation and entertainment. In Thailand, proportion of tourist expenditure on transportation, domestic tour and sight-seeing were decreased from 17 per cent in 1971 to only 7 per cent in 1980 while an item on entertainment increased from 7 per cent to 12 per cent during the same period. This item for the Philippines was the highest in the region in 1984. It was as high as 19.0 per cent. In case of the Philippines the Marcos government even implicitly encouraged

the activities. Special discounted tours were offered to Japanese, American ex-servicemen or Filipinos living abroad. The message was that "Martial law, Philippine-style, has no compared action", that Manila's "well-known night life is as vibrant as ever, the action in night club and discotheques hardly dimmed" (The Philippines, a Nation Reborn, National Media Production Center, 1974).

Prostitution normally invite a whole host of other social problems. To name the few, there are pimping and other petty crime such as extortion racket, pickpocketing, illicit dollar trading and drug pushing. In Thailand, the new frightful wave associated with rapid expansion of tourist industry is the wide spread fear of the Acquired Immune Deficiency Syndrom (AIDS). It has been reported recently in the Thai newspaper that the Dean of Faculty of Public Health comments that a group of 200,000 homosexuals, 600,000 prostitutions and 90,000 inmates are among the AIDS high risks (Matichon, 18 July 1987). While the Thai government concedes that 11 people have been found to be the AIDS patients, and 7 have already been deceased, unofficial source claims that the number AIDS affected population in Thailand is as high as 77. This year the Thai government has allocated 43 million baht for the purpose to control the possibly wide spread of AIDS.

Other undesirable aspect of tourism from this sexual angle is the problem of the half-caste. The American involvement in Indochina was in early 1960's was responsible

for the problem of Amarasian children in Thailand in early 1980's. The rapid increase of tourist industry since 1970 has brought about new dimension of the problem. This time it is more of the Japanese-Thai half-caste.

Closely association with the problem of prostitution is the problem moral degeneration which has strong effect on traditional social fabrics. It is observed in ESCAP's paper that after the opening of hotels in beach resorts in some communities in Asian and pacific region, there have been many cases of premarital pregnancy and abortion. The moral degeneration thus caused by tourism has made religions influence wane in some traditionally devout communities. Religious dignitaries have seen weekly congregations become smaller as tourism has grown (ESCAP, 1981, p.5). Moreover, there is also a tendency to make use of promoting religious festivals, rituals and ceremonies as tourist attractions. In many countries of the ASEAN, religion is a predominant element of life in many communities. Such market orientation of religious festivities and cultural rituals could cause resentment towards tourists when the indigeneous population feels that an act or ritual which is sacred to them is sold as an attraction. On the other hand, there is also a danger from the promotion of fake culture for commercial purpose. This practice also has adverse effect on the attempt at preservation of genuine culture for national heritage. It is noted, however, that Malaysia and Indonesia tourism has been promoted more positively than in other countries with similar religious backgrounds (ESCAP, 1981 p.5)

On the political side, tourism implies political conservatism. Tourists will only travel to a country they see and friendly and stable. Therefore any disruptions caused by efforts to change the Status quo can carry dreadful economic consequences if a country is heavily dependent upon tourist (ESCAP, 1981, p.22). The act of tourist promotion in the country where income disparity is very visible such as that of the Philippines during the Marcos's regime, such effort can be seen as the act to reinstate political position of the Status quo.

Tourism could also cause harmful effect on physical environment. Without proper plan, tourism development can have a disastrous effects on the natural environment of the host countries. The pollution of streams, rivers and seas, the felling of trees for hotels and golf courses, the littering of beaches are some of the ill-effects of tourism which ruin some of the most scenic spots of the host countries. Problem of increasing noise pollution resulting from the expansion of airports for the increased number of tourists and a more frequent plane schedule is another example of a deterioration of physical environment caused by tourism. A Roll-Royce Professor of Theoretical Acoustics, J.E. Williams explains that the human ear is attuned to human voice, and the sound energy of a large aircraft is one million times louder (ESCAP, 1981, p.16). National parks can normally attract international tourists, thereby contributing to the expansion of the tourist industry. However, William Hart has cautioned against over-emphasizing

tourism as a factor in the justification for national parks. According to the requirements for protection of the flora and fauna of such areas may exclude the possibilities of accommodating large numbers of visitors. Natural parks in all countries should have a well defined land-use plan intended to permit the maximum appreciation of protected areas of high value because of the nature and quality of their flora and fauna or landscapes (Harts, 1966).

With possible adverse effects from tourism listed above, tourist promotion must be organized in such a way that the said harmful effects are minimized.

V. Possible Positive Aspects From Tourism

Tourism does not always bring about adverse impact on cultural aspects. With the plan to attract increasing number of tourists, tourist authorities in many host countries have realized that the salvation of national culture, the preservation of national arts, religious buildings and archaeological monuments are quite vital for tourist industry of the countries. Without tourism there could be a lack of sufficient attention for the salvation of national culture as well as the preservation of national arts and monuments.

Tourism can also bring about a resurgence of local music, a preservation of folklore and the development of handicrafts. The attempt at attracting tourists by such activities will cause the revitalization of such activities

which would have been gradually forgotten. Such activities could attribute to national pride and heritage which will result in the resurgence in a new sense of nationalism. Without such a strong resurgence, the sense could be overpowered by the stronger tide of western culture.

With careful designed plan for the utilization of extra foreign exchange brought about by tourism useful local industries can be stimulated. More feed back effect on employment can be anticipated and more equitable income distribution can be envisaged. All these factors would in turns, contribute to social stabilities which would otherwise could be in the state of turmoil resulting from strong disparities income and unemployment problem.

VI. Tourists and Their Patterns of Expenditures

Having discussed both negative and positive effects of tourism, the next logical step is to find out in more details the composition of tourists into the region and their pattern of expenditures. Information gained from such investigation will provide more inside for useful cooperation on tourism among countries of the ASEAN.

To be discussed first is the nature of tourist arrivals into the region. Table 8 shows percentage distribution of tourist arrivals from various part of the World into each country in ASEAN during the average of two intervals, 1980-1 and 1984-5.

TABLE 8
 PERCENTAGE DISTRIBUTION OF TOURIST ARRIVALS
 INTO EACH COUNTRY IN ASEAN
 DURING 1980-1 AND 1984-5

(Thousands)

Tourist Arrivals From	Indonesia		Malaysia		Philippines		Singapore		Thailand	
	1980-1	1984-5	1982	1984	1980-1	1984	1980-1	1984	1980-1	1984-5
USA & Canada	10.6	10.0	1.4	1.3	20.1	25.6	6.0	6.8	7.0	8.0
Aus & NZ	15.7	14.8	3.3	2.7	7.2	6.6	11.2	11.7	3.4	3.6
Germany	4.8	4.8	1.1	0.9	3.2	3.0	2.8	2.4	3.8	4.1
U.K.	7.5	8.2	2.1	2.2	2.2	2.7	5.1	5.0	6.9	5.7
France	4.5	3.7	0.5	0.4	1.1	0.9	1.6	1.4	2.9	2.6
Italy	3.1	2.5	n.a.	n.a.	0.9	0.9	0.9	0.9	1.8	1.6
Other European	9.3	7.0	n.a.	n.a.	4.9	4.9	5.4	5.2	6.5	8.5
ASEAN	22.9	35.4	76.1	79.2	9.6	7.1	39.4	35.3	29.6	32.9
Japan	10.7	13.2	3.5	3.8	23.3	19.7	12.6	12.4	11.4	9.3
Other Asian Countries	4.9	5.3	3.8	3.6	13.7	12.7	13.6	17.8	15.2	16.5
Others (Middle East Africa, Latin America, Planned Economies)	6.0	5.1	8.2	5.9	13.8	19.2	1.4	1.1	11.2	9.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Computed from : Richard Robin Poi, "Malaysia Country Report", International Seminar on Tourism Promotion, Tokyo, Japan, (From Oct.3-Dec.4, 1985), pp.5.

: United Nations, "VIII Transport and communication : International Tourist Travel, Indonesia, Philippines, Singapore, Thailand", Statistical Yearbook for Asia and Pacific 1985.

Table 8 shows the major tourists to Indonesia are from the U.S.A. and Canada, Australia and New Zealand, European, especially, from Netherlands, U.K., Germany and France and the bulk is from ASEAN. For Malaysia, more than two third of tourists are from ASEAN and the majority of them are from Singapore. Most of them come to Malaysia as a place for week-end holidays since Singapore is too small as a country. In the Philippines the bulk of tourists are from the United States and Japan. The two of them constitute more than 40 per cent of total tourists to the Philippines. The other major group of tourists to the Philippines which is classified under "others" is of special character. They are Filipinos resided overseas who make a temporary visit of their home country. This group of tourists is quite unique for the Philippines. The other major group of tourists to the Philippines are those from East-Asia such as Hong Kong, Taiwan and Korea. These tourists take the advantage of their close proximity and the taste for beach resorts which is quite unique for the Philippines. On the other hand, tourists from ASEAN although their percentage is quite substantial, they are the least significant groups among what have already mentioned. This is in sharp contrast with those of Malaysia. The bulk of tourists to Singapore are from Asian countries. They consists about two third of the total number of tourists to the country. More than half of them are from ASEAN themselves, especially from Malaysia, Indonesia and Thailand. The rest are from other Asian countries including South Asia and East Asia as well as Japan.

Tourists from Australia, New Zealand and Other European countries like those from the U.K., Germany, Netherlands and Scandinavia are responsible for more than one fourth of tourists to Singapore. Although tourists to Singapore from the United States and Canada are not in significant percentage. Nevertheless, they are a major tourist market of Singapore as that of the Philippines. Tourist market for Thailand has a similar pattern as that of Singapore. However, it is more evenly distributed among the non-Asian nations. Asian tourists to Thailand are in a little lower percentage than that of the Singapore. The figure of 9.2 in the category of "others" includes 5.6 per cent of tourists from Middle East to Thailand. The fact that tourist markets for Thailand and Singapore are similar, could implicate possible future cooperation between the two countries. As Malaysia is a country lies between the two (Thailand and Singapore), the close cooperation among the three countries in terms of a package tour could benefit the three of them at the same time. If this is possible, Malaysia will gain most from this type of cooperation since the present pattern of tourists of Malaysia confine mostly to those from ASEAN especially Singapore.

Having discussed the percentage distribution of tourist arrivals in each ASEAN country, the absolute number of tourists will provide clearer pattern of the flows from different country or group of countries into the region. These figures actually indicate some aspects of possible cooperation among related countries in the region.

TABLE 9

FLOWS OF TOURIST ARRIVALS INTO ASEAN CLASSIFIED
BY COUNTRY OF GROUP OF COUNTRIES IN 1984

(Thousands)

Form	To	Indonesia	Malaysia	Philippines	Singapore	Thailand
USA & Canada		70.5	37.3	210.0	179.7	187.4
Aus & NZ		104.3	77.5	54.1	305.4	84.3
Germany		33.8	25.8	24.6	71.9	96.0
U.K.		57.8	63.1	61.4	149.8	133.5
France		26.1	11.5	7.4	41.9	60.9
Italy		17.6	n.a.	7.4	27.0	42.2
Other Europe		49.4	n.a.	35.2	155.8	199.1
ASEAN		179.1	227.3	58.1	1,057.2	770.5
Japan		93.0	109.1	104.8	371.4	217.8
Other Asian		38.1	103.3	104.0	533.1	386.4
Others (Middle East Africa, Latin America, Planned Economies)		40.0	169.3	157.2	32.9	251.4
Total		705	2,870	819	2,995	2,342

Computed from : Table 8

It is quite clear from the Table 9 that most tourists from North America concentrate in the Philippines, Thailand and Singapore. Tourist attractions in the Philippines are beach resorts and activities related to the U.S. base. There are some business related tourists among this group as well. For Thailand, unique cultural and arts aspects are among tourist attractions including some business related tourism. It cannot be ignored that some aspects of sex related tour of those from North America especially among servicemen during their recreation in both the Philippines and Thailand are among other tourist attraction. Singapore may attract tourists from North America in business related trips as well as shopping. The pattern of possible cooperation emerged from this example is that for the business related tourists, business environment would be a more influential factor. Not much can be done within the tourist area. A word of caution in this respect is that, promotion of foreign related business must be geared to the country's need not for the sake of promotion of tourists. The area that can be in common interest is the market of leisure tourists who can effort to spend more time on their tour. The package tour arranged for tourists from North America to the Philippines, Thailand and Singapore for each country's unique advantages would be appropriate. On the other hand the cooperation to discourage sex related tour between Thailand and the Philippines should be desirable as well. If this proposal is accepted, concentration to capture tourists from North America

is to offer a package tour to leisure tourists for the whole family to visit the Philippines, Thailand and Singapore.

Tourists from Australia and New Zealand are of specific characters. Many of them visit Indonesia especially Bali because of the comparatively cheap international airfare in comparison with their domestic travelling cost as well as relatively much cheaper tourist costs. This type of tourists is unique for Indonesia and is not applicable to those visit other part of the region. The bulk of them visit Singapore as part of their trips to Europe. Some of them may stop over Malaysia and some of them may stop over Thailand. Again, there is a possibility for cooperation among Singapore, Thailand and Malaysia by offering some of these tourists a trip extension from Singapore to Malaysia and Thailand in one package. An example in this regard is a discount on stop over accommodation and airfare of the two additional spots. This nature of tourists can also be applied for those from the United Kingdom to Singapore and Thailand as part of their trips to Australia and New Zealand. Some of them may also wish to visit the Philippines or Indonesia as part of their trips.

Most tourists from the rest of Europe use Thailand as a major point of destination in South East Asia. Among them are those from Germany, France, Italy, Netherlands and Scandinavia. The sex related tour aspect in Thailand is more notorious among the German tourists than any other European. It should be the strong policy from the Thai government to discourage this type of tourism although it may mean some

German market is lost. In term of cooperation among ASEAN to capture the European market, organization must be centred from Thailand. As for tourists from ASEAN there seems to be very closely cooperation among ASEAN already. Not much suggestion can be offered in this regard. However, there are two more points to be observed. Firstly, Malaysia appears to rely more heavily on tourists from ASEAN. Taking away intra regional tourists, tourist status of Malaysia will be about that of Indonesia or a little lower in term of absolute number of tourists. There should be more attempt to diversify tourist market by the Malaysian Government in term of the spin off from European tourists to Thailand as well as Anglo-Australian - New Zealander tourists based in Singapore. Secondly, sex tour to Thailand especially from the Malaysian tourists is also widely known. It is also the responsibility of the Thai authorities to discourage this tourist activity even though these will be a reduction in number of tourists from Malaysia because the economic gains will never be comparable to social loss.

Tourists from Japan forms a significant part of tourists from developed countries into most countries in ASEAN. The appreciation in value of the yen and the close proximity to any country in the region have contributed to rapid increase in Japanese tourists. About two third of the Japanese tourists to ASEAN visit Singapore and Thailand. However, there are two possible drawback from this market. Japanese tourists often use a majority of Japanese tourist facilities in host countries (i.e. accommodation, meal,

transportation and recreations). Therefore only small proportion of tourist expenditure is left in the host countries. There is also a sex tour aspect from Japanese tourists to both the Philippines and Thailand. Possible regional cooperation on this aspect is to set rules and regulations to limit activities of tourist related services of the nationalities other than those of the host countries. Also, they should be attempt to suppress sex tour from this tourist market.

Currently, the Thai Tourist Authority have started the campaign to encourage women tourists from Japan by inviting women journalists from Japan to visit Thailand. This attempt is still considered to be a very small step towards solving the much bigger problem. Nevertheless, it is a right beginning.

Tourists from other Asian countries are also in significant numbers for Singapore, Thailand, Malaysia and the Philippines. This group of tourists to the Philippines is of a special characters, they are mostly from East Asia like Hong Kong, Taiwan and Korea. The close proximity to the Philippines of these countries plus beach resorts are major attraction of tourists from these countries into the Philippines. Tourists under this category to Singapore and Thailand are the mixed of those from East Asia as well as South Asia such as, India, Sri Lanka, Pakistan and Bangladesh. There are also rooms for cooperation among Singapore, Thailand and Malaysia to accommodate this tourist market.

Insignificant numbers of tourists are under the category of "others" in Singapore and Indonesia. The ones in the Philippines are their own residences from overseas. The significant number of this category of tourists to Thailand consists of those from the Middle East. Many of them are motivated by sex tour. Although, past record indicates that tourist from the Middle East are among the big spenders in the host countries, their sexual activities related to tourism should strongly be discouraged. A country should not prostitute itself for the sake of money alone.

Next feature to be investigated is the break down items of tourist expenditures. Often this set of figures is not much reliable. Nevertheless they can be used for rough indication and comparison. Table 10 will show the distribution of different items of expenditures of tourists within each country while Table 11 will show magnitude of expenditures for cross country comparison. Figures for Indonesia are not available.

TABLE 10
 PERCENTAGE DISTRIBUTION OF TOURIST EXPENDITURE
 (1980-5 AVERAGE)

Expenditure Items	Malaysia	Philippines	Singapore	Thailand
Accommodation	34.3	31.7	17.9	27.0
Meal	24.2	23.9	13.5	19.2
Local transportation and sight-seeing	10.5	5.7	3.7	7.8
Recreation	7.5	19.0	1.8	10.6
Shopping	20.4	12.2	61.5	33.0
Tour sport	0.0	1.6	0.3	0.0
Others	3.2	5.9	1.3	2.4
Total	100.0	100.0	100.0	100.0

Computed from : World Tourism Organization, "Table 22 Breakdown of international tourism expenditure, Malaysia, Philippines, Singapore, Thailand", World Tourism Statistics 1981.

: World Tourism Organization, "Table 24 Breakdown of international tourism receipts, Philippines, Singapore, Thailand", Yearbook of Tourism Statistics 1986, pp.108.

Major items of tourist expenditures in Malaysia are accommodation, meal and shopping. The three items consist of more than 75 percent of total expenditures of a tourist to Malaysia. In the Philippines an item on shopping is not as significant as recreation. This figure reflects the fact that night life in the Philippines was a focal point advertised for tourist attraction in the past. It is hoped that with the Aquino government in the Philippines this aspect of tourism will not receive strong emphasis. The main feature of tourist expenditures in Singapore is shopping. The item consists of 61.5 per cent of total expenditure of a tourist to Singapore. All other items of tourist expenditures in Singapore have been over-shadowed by this item. Major items of tourist shopping reported by Greg Seow in 1979 are wearing apparel (tailored/ready made), jewelry, tape recorders, record players, cassettes radio and TVs, furniture, household goods, calculators, and office equipment and watches and time pieces (Seow, 1981, p.69). In order to keep active tourist industry in Singapore, she must not lose the competitive edge on shopping since it is the major tourist attraction to Singapore. Shopping is an item of increasing significance for Thailand as well. It consists about one third of total tourist expenditures. Among favourite shopping items in Thailand are wearing apparel, jewellery and local crafts and arts. The next major items are accommodation and meal. Thai food is now gaining reputation world wide. This can be used as another item of tourist attraction in the future. An item on recreation is

still significant on the list. The element of sex tour is included in this item. There should be an attempt to reduce the significance of this item to be replaced by the item on local transportation and sight-seeing. This latter item is currently in the low rank of the list. Recent attempt by the Thai government to revitalize tourist spots in many provinces in Thailand is expected to contribute to the reversal to a more desirable trend.

TABLE 11
ESTIMATION OF EXPENDITURES OF AN ARRIVAL TOURIST IN 1984

(Current Value in U.S.Dollar)

Expenditure Items	Malaysia	Philippines	Singapore	Thailand
Accommodation	77.1	128.6	144.8	142.2
Meal	55.1	97.0	109.2	103.7
Local transportation and sight-seeing	23.5	23.1	29.9	43.3
Recreation	17.0	77.1	14.6	52.6
Shopping	45.9	49.5	497.5	152.8
Tour sport	0.0	6.5	2.4	0.0
Others	7.2	23.9	10.5	16.1
Total	225.8	405.7	808.9	510.7

Computed from : Table 1, 3, 10.

Figures in Table 11 indicate that the amount of tourists spent on accommodation and meal in Singapore. Thailand and the Philippines are not much significantly different, except for Malaysia where expenditures on the two items are rather low reflecting the dominant nature of intra-tourists to the country. Although, item on local transportation and sight-seeing for Thailand is not as significant, an intra-regional comparison indicates the significance of this item for Thailand than that of others countries in the region. This tourist attraction should be a focal point for Thailand in the future. As expected, expenditures on recreation for the Philippines and Thailand are the highest among the rest of ASEAN. Since this item contain undesirable tourist activities, its significance should be minimized in the future. Shopping is the major item for tourist expenditure. There should be a cooperation in supplying complementary shopping items to tourists among ASEAN. However a closer look at items being purchased in Singapore indicates that the main group of customers must have been from ASEAN and the rest of Asian countries especially those from South Asia taking the advantage of the low duty charged from the entre-port nature. Therefore, the shopping market for tourists of Singapore is already a specialized one.

VII Possible Future Cooperation

Having explored most salient aspects of tourism in ASEAN, proposed cooperation can be made. Recommendation on cooperation will start from reviewing what have already discussed in an ESCAP paper (ESCAP, 1981a). Before discussing the cooperation, there is a need to outline basic objectives of tourist promotion. There are two major objectives to be achieved if tourism is properly organized.

(1) To increase the ability for foreign exchange earnings to enhance national development efforts. These efforts can be achieved by the maximum increase in national productivities. At the same time, the national distributive aspect must also be improved.

(2) Tourism must be used as a vehicle to salvage national culture and to preserve national arts, religions buildings and archaeological monuments in order to enhance the sense of national pride and heritage. It should also be used to redevelop local music, folklore and handicrafts as well as to preserve a country's natural beauty and environment.

In order to achieve the said objectives tourism policies/plans in the region must be carefully formulated. This would require strong regional cooperation. The nature of cooperation outlined by ESCAP are (ESCAP ; 1981a, pp.2-3) :

(i) technical cooperation in international tourism marketing

(ii) cooperation in tourism publicity and other marketing efforts. Organizations already existed are the Committee on Trade and Tourism (COTT) of ASEAN and the ASEAN Promotion Centre on Trade Investment and Tourism (ASEAN Centre).

(iii) tourism manpower development.

(iv) cooperation in tourism investment and finance (ESCAP, 1981b).

It should be observed that most of the ESCAP's recommendations for cooperation centre around the effort to increase the volume of international tourists. Possible adverse consequences from tourism are oftenly discussed without much concrete suggestions on how strong cooperative measures could produce a deterrent effect on such matters. This weakness results from the lack of holistic approach to the concerned question. Proposed cooperation recommended in this paper will give more weight to deterrent and/or preventive measures to counter possible adverse effects from tourism in order to provide a well balance picture. Nevertheless, in order to provide a coherent picture supportive measures left out from the ESCAP's papers will be discussed first.

VIII Supportive Measures

In order to increase the volume of tourists in to the region, one possible measure of cooperation is a one country's visa for the region. It is conceivable that if tourists are only required to apply for one country's visa and can travel everywhere in ASEAN. There will be increasing incentive for a tourist to spend longer time of his/her stay within the region. Of course, there must be a careful consideration on the questions of regional securities and international crimes that might have been resulted from such proposal.

The discussion in Part VI only serves as an example for market analysis of tourism for future cooperation in ASEAN. There should be much more systematic studies on tourism markets in ASEAN in order to provide clearer market patterns of sub-regional groups for their stronger cooperation in the future.

In ASEAN many places of natural beauty are island, beach resorts and many beautiful oceanic spots. Most of these places can only be accessible through cruise. There should be a plan to connect air travels with cruises among many scenic spots in the region. Without close cooperation such a plan will not be possible.

There should be more emphasis on highlighting unique tourist attractions in each country of the region on a more complementary basis than a competitive one. For example Indonesia should focus on Bali and Borobudur (the ancient

Buddhist temple). Singapore should emphasize on shopping attraction. Malaysia should stress on the beauty of the Mosques and unique fishesmen villages. Thailand should focus on charming arts and cultures and the hospitality of the Thai people. While the Philippines should put more emphasis on her oceanic resorts. Such emphasis on complementary will give impression to tourists that they must see everything in the region rather than seeing everything in one country.

Future possible cooperations among ASRAN discussed above are by on means the exhaustion of the list. They are only meant to be examples. One major cooperation is to set up an organization to investigate all possible areas for cooperation as well as to study all possible adverse consequences from tourism for preventive purpose. This important role should be assigned to the Committee on Trade and Tourism of ASEAN. However, if tourism is to receive much stronger emphasis such a specialised organization based on tourism alone should be created.

IX. Deterrent and/or Preventive Measures.

Much more attention should be paid on this side of the cooperation, since it has been given insufficient emphasis especially by the tourist authorities in ASEAN. Part of the problem is that many of these measurements are outside the scope of tourist authorities. These authorities are concerned mostly with tourist promotion. They are not organized to prevent adverse effects from such activities. Therefore the

matters have not been given serious consideration in the past. This is not to mention the effective deterrent and or preventive measures needed.

The attempted at the cooperation in finance and investment in tourism must not be in a direction to divert welfare resources from the poors as well as the distortion in priority of investment and financial needs of each countries. Foreign exchange earnings from tourism should be plough back into a more solid and permanant economic activities such as investment in 'wage goods' industry or export oriented industries. These measures will reduce the possible drain on foreign exchange in the second round caused by import of consumer goods resulting from no basic industrial back up within the country. At the same time the measures will also help generate more employment to host country as well as being good radistributive schemes. The useful cooperation in this respect is for the specialized organization of ASEAN to find the most useful device for the utilization of foreign exchange gained from tourist activities in the most useful way to suit the needs of each country in the region.

There should be an aspect of cultural and art cooperation. Such cooperation must be ensured that no single nation in the region will be embroided in competition for tourists to the point that a national culture and arts are reduced to a commercial status in order to attract tourists who can normally visit a country for only short period of time.

There should be a cooperation among all countries in the region to reach an agreement to discourage all forms sexual activities related to tourism. Each country should try to set up deterrent measures against such practice and discourage their own people to involve in such activities overseas. For example their should be discount package for a family tour and a plan to induce more female tourists by various incentive schemes. Most importance of all their should be a cooperation among all countries in the region to prevent the spread of AIDS into the region. Currently, with the exception of Thailand and to a certain extent the Philippines, AIDS is not a severe problem to the region. However, if more tourists are folwing into the region while sexual activities related to tourism have not been totally eradicated, the strong cooperation among ASEAN to prevent the spread of AIDS into the region should be considered as top priority.

There should also be a cooperation among countries in ASEAN to set a standard on the development of tourist attractions in the region in such a way that natural beauty and environment are well preserved.

It is strongly recommended that for each country in the region, there should be a critical study of economic and well as social costs and benefits from tourism. Amittedly, accurate measurement will be a serious handicap for this type of study. Nevertheless, something must seriously be done in this area rather than taking tourism for granted. It

may happen that after a systematically and holistically critical analysis at tourist industry in one specific country, tourism will be no longer needed as high priority activity for national development.

X Conclusion

This paper has attempted to review critically both positive and negative aspect of tourism with the emphasis on realistic and holistic assesment of the industry. With such critical approach, constructive recommendations on cooperation of tourism among countries in the region are expected to be emmerged. However, this paper can only serve as a rough indication to the areas that require much more serious studies before any policy recommendations could be concretely made. In the past tourist promotion authorities in each countries only concern themselves with promotional tasks without much critical analyses at all possible adverse consequences from tourism. On the other hand, opponents of tourism tend to be of a more case specific an oftenly vague in their quantitative assesment. Nevertheless, their views are quite critical. Therefore, the fundamental step at the attempt of cooperation in tourism among countries in the region is to make a critical assesment in their tourist policies and or plans in order to maximize economic and social benefits from tourism or to minimize social and economic costs involved.

BIBLIOGRAPHY

Asian Magazine for Human Development." The Myths of Tourism : Economic Imperialism in Thirs World Tourism," Impact. Vol.16 No.1, January, 1981.

Rojwanasin Bang-ornrat. Determinants of International Tourist Flows to Thailand. Thesis (M.A. in Economics). Bangkok, Faculty of Economics, Thammasat University, 1982.

Bolabola, Cema. "Does Tourism Cause Malnutrition ? They seem to be connected", Pacific Perspective. Vol 10 No.1, 1981.

Economic and Social Commission For Asia and the Pacific (ESCAP, 1981). "Study Report on Impacts of Tourism upon the Social and Physical environment, 19 October 1981." Committee on Shippings and Transport and Communications. Bangkok, Fifth session 24-30 November, 1981.

Economic and Social Commission For Asia and the Pacific (ESCAP, 1981a) "TCDC in the field of tourism, 15 October 1981", Committee on Shopping and Transport and Communications. Bangkok, Fifth session 24-30 November, 1981.

Economic and Social Commission For Asia and the Pacific (ESCAP, 1983a) "Report of the Workshop on Economic Impact Analysis for Tourism Policy Orientation", Workshop on Economic Impact Analysis for Tourism Policy Orientation. Bangkok, 22-26 August, 1983.

Economic and Social Commission For Asia and the Pacific (ESCAP). Quarterly Bullentin of Statistic for Asia and The Pacific 1981-1986.

Hart, William. A Systems Approach to Park Planning (Morges, Switzerland International Union for Conservation of Nature and Natural Resources, 1966).

International Monetary Fund. International Financial Statistics Vol. XI. No. 5, May 1987.

Japan international Cooperation Agency. Country Report Seminar in Tourism Promotion, Tokyo, Japan (From October 3, 1985-December 4, 1985).

Matichon (Thai Newspaper), 18 July 1987.

Seow, Gerg. "Economic Significance of Tourism in Singapore," The Malayan Economic Review : The Journal of the Economic Society of Singapore, Vol XXVI No. 2, October 1981.

Statistic section economic Planning United, Ministry of Finance. Brunei Statistical Yearbook 1984/85.

United Nations. Statistical Yearbook For Asia and Pacific 1985.

The Economist Intelligence Unit (EIU). Country Report Analysis of Economic and Political Trends every Quarter. 1981.

World Tourism Organization, Yearbook of Tourism Statistics 1986.

World Tourism Organization. Regional Breakdown of Tourism Statistic 1982.

World Tourism Organization. World Tourism Statistics 1981.
