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REFERENCE MATERIAL 1:
INITIAL FINDINGS OF UNWTO STUDY ON DOMESTIC TOURISM ACROSS ASIA AND THE PACIFIC

Item 5b of the Provisional Agenda

Note by the Secretary-General
The Secretary-General submits to the Joint Meeting of the two Commissions the initial findings of the UNWTO Study on Domestic Tourism Across Asia and the Pacific.
A. Introduction

The domestic tourism study in Asia and the Pacific was initiated in 2011 and will be finalised by UNWTO in 2012. The responses to the call for contributions to the domestic tourism study, based on a detailed set of Terms of Reference (ToR), were received from authors of the following countries: Australia, Bhutan, China, India, Indonesia, Iran, Japan, Korea, Malaysia, Mongolia, New Zealand, Pakistan, Philippines, Sri Lanka, Thailand, and Vietnam. The main objectives were outlined as follows:

(a) Compile domestic tourism statistics and analyze characteristics focusing on its socio-economic impact and resilient capacity.
(b) Elucidate information on the accommodation (formal and informal), transport, leisure, and safety and security sectors that have a bearing on domestic tourism.
(c) Provide guidelines for sustainable development of domestic tourism and highlight best practice cases in terms of strategies, policies and product development.
(d) Increase the related stakeholders’ awareness of domestic tourism which plays an important role in socio-economic development and industry’s resilience during global crisis situation.
(e) Serve as a useful groundwork for further studies on domestic tourism in Asia and the Pacific and the rest of the world.

Tourism is an important element in the economy of Asia and Pacific countries. While international tourism has been highlighted due to its capacity for generating foreign exchange as an export earner, something which many destinations direly needed in their formative years of tourism development, domestic tourism was neglected both as an area of development and as a subject of research. Statistics on domestic tourism, vital to any economic analysis, were either unavailable or unreliable since there were no standard measurement systems. International tourism, on the other hand, had the advantage of a system where arrivals and departures were measured at frontier points and expenditure was in foreign currency. This situation changed dramatically with the introduction of Tourism Satellite Accounts (TSA), an initiative of the World Tourism Organization (UNWTO) that has greatly revolutionized accounting procedures, systems and analysis. Many countries, especially the developed nations, adopted TSAs at their inception in the 1990s, whereas the initiative permeated Asia and the Pacific much later and with varying degrees of success, depending on the strength of the accounting systems of the destinations under review.

The present study of domestic tourism across Asia and the Pacific draws heavily on TSAs which, while still not completely uniform nor foolproof, nevertheless give a realistic picture of domestic tourism of the countries. The TSAs by themselves are not viable without the supportive data of domestic travelers provided through household surveys conducted by National Tourism Administrations and Organizations (NTAs & NTOs). Surveys have not been implemented in all of the countries under review and one of the outcomes of this study was for requests for assistance in the implementation of household and administrative surveys. As far as the surveys are concerned, a major hurdle has been the lack of uniformity in the questionnaires to give clear-cut universal definitions. This has led to a question of comparability of the statistics on domestic tourism. For example international tourists are measured on the basis that they spend at least one night in the destination but data provided by some of the countries on domestic tourism include same day trips which inflate the numbers. This is tantamount to mixing tourists and excursionists in the statistical data of arrivals.
The ToR were formulated to obtain the maximum amount of information on the status of domestic tourism in the participating destinations. Salient features of the findings are given below:

**B. Characteristics**

**International Tourist Arrivals**

UNWTO statistics show that after a drop and a period of stagnation following the world financial crisis of 2009/10, international tourism increased to 980 million arrivals in 2011 from 939 million in 2010 (UNWTO Barometer). While Europe dominated with 51% of the total, Asia and the Pacific was the second largest region with 22% of the total. The percentage growth in Asia has far surpassed the global average.

**Domestic and International Tourism Expenditure**

Tourism represents a sizeable portion of the GDP of the countries under review. Apart from the regional variations, national GDP contributions vary between 6 and 10% (in a totally tourism dependent economy like the Maldives it can be as high as 30%). According to UNWTO estimates, tourism directly represents 5% of global GDP. The study has revealed that Domestic tourism contributions, in comparison with International Visitor contributions, are as high as 60% of the total tourism income. Unfortunately, disparities in methodology and accounting systems and calculations make it very difficult to give exact figures that are reliable and comparable from the data provided by the various authors. One of the major aims of the study will be to analyse and comment on the variations when the publication is finalised. Suffice to say, the value and contribution of domestic tourism to the various economies studied is much higher than what was known before the studies were commissioned.

It must be remembered that it is the socio-economic impact that is extremely important especially where employment and jobs are concerned. For example, direct and indirect employment generated by tourism in China is 7.7% of the entire workforce, representing 60 million persons, domestic tourism accounting for 40 million of them. In the light of the above findings the weight and value of domestic tourism cannot, therefore, be ignored.

**Number of Domestic Tourists**

As mentioned earlier the calculation of the number of domestic tourists is dependent on the TSA and the measurement criteria.

From the available and comparable statistics where a semblance of conformity seems to exist in the measurement yardsticks, two countries (Malaysia and Thailand) have a solid TSA conceptual base backed by recent household surveys. In these countries, the ratio of international tourists to domestic visitors seems to align with the average observed by UNWTO in mature destinations – that is, 1:5 (Malaysia: 24.5m international to 115m domestic, and Thailand: 15.9 international to 68.5 domestic). However, Australia and New Zealand, which probably have the most advanced TSAs in the region, reported extremely high figures of 218.6m domestic visitors to 5.8m international arrivals and 44m domestic visitors to 2.5m international arrivals respectively. Whether this stems from ground realities or from different measurement criteria still needs to be ascertained. The variations in the ratios also depend on the weight and growth of international tourism. It can be safely assumed that the growth of the domestic market will be steady and not suffer the vagaries of the international market. In the case of China the growth in arrivals of
international tourists has been increasing rapidly (at a rate far above international and regional levels) and in absolute terms extremely high (55.5 m in 2010). This figure compared to a decade earlier is substantial. Therefore, there is an inverse relationship in the ratios of international to domestic tourists depending on market growth.

**Purpose of Visit**

The compilation of global statistics given by the various authors show that holidays, leisure & shopping account for 43% of all visitors followed by visiting friends and relations (VFR) 31%, business & professional 10%, and religious & other at 16%.

Regional and country variations reflect socio-cultural changes. A growing middle-class accounts for the high percentage of domestic leisure tourists, for whom such activities as shopping play an important role. In Korea the leisure component represents 91%, which is probably a reflection of the growing affluent middle class domestic tourists whose aspirations are high. With the growing middle-class in India, the leisure sector is bound to increase in the future. In Malaysia, Philippines and Iran VFR contributes more than 50% and religion/other plays an important role in most of the other destinations including India where it accounts for almost 50%.

![Purpose of visit (% share)](chart.png)

**Mode of Transport**

As expected, land transport (road and rail) occupy 89% of all forms of transport with air (8%) and water (3%) playing a minor role. Air transport in Australia, due to the vast territory and higher living standards and income, accounted for 25% in 2011. Within road transport, buses and cars predominate in India and Pakistan. It is most likely that rail transport will increase in the future in China and India, with the advent of fast trains, on condition that prices remain affordable and preferential rates for different sectors of the population are practiced.

Motor vehicles will continue to dominate transport in Asia with the growing middle-class aspiring to car ownership. Once again, India and China are the two destinations where this growth will be at its highest. In Indonesia private ownership of cars and motorcycles (8m and 60m units
respectively) has given more mobility and further reach for domestic travelers as stated by the author of the study of the destination, and it can be concluded that the same rule will apply to the rest of Asia and the Pacific.

Low cost and budget airlines that have seen a rapid growth in the world are no strangers to Asia, with entrepreneurs making their mark especially in Malaysia and India. However, air transport is still not within the reach of the average domestic traveler in Asia and the Pacific except for a selected elite group. Indonesia and the Philippines, due to their archipelagic nature should see a growth in air traffic for domestic tourism in the future.

![Mode of transport (% share)](image)

Accommodation

The responses to this important component of the ToR have not been complete or uniform. The contributors have found it difficult to ascertain the exact figures of rooms and beds in China. Accommodation is the most important component of domestic tourism along with transport. Staying with friends and relatives and owned dwellings accounts for 51% of all forms of accommodation with a ratio of over 50% in Malaysia and Indonesia. In New Zealand owned dwellings account for 54%.

The hotel and hostel sector that accounts for approximately 37% of the total accommodation of domestic tourists falls into two basic categories: those that are registered with NTAs and NTOs and the rest that constitute the informal sector. Results show that two thirds of those using hotels and hostels among domestic tourists belong to the informal sector. This is one other area where statistics are not available or the results not reliable and streamlining through the surveys and the TSA is long overdue.
Domestic tourism is dependent on two vital assets: the population and the surface area of the country. The countries in the study represent two thirds the world’s population within approximately 25% of the world’s land area. The natural and human/cultural resources are therefore densely concentrated and provide the essential ‘raw material’ for all forms of tourism including domestic tourism. The study on China concludes that “China has two advantages that other countries can hardly match with, i.e. the country’s area and population. The area means rich
resources, and the population means market.” This maxim is valid for the whole of Asia and the Pacific as a region when compared to the rest of the world. The tourism contribution to the GDP of the countries in the region provides wealth and assets that will be a motor for growth for the Asia Pacific region as a whole.

C. Selected Country Profiles

China

*Domestic tourism in China: Policy, Practice and Prospects*

Travel and tourism account for 9.2% of the GDP and 7.7% of employment in China (2010). China’s surface area and population are two advantages that other countries can hardly match. The country’s surface area provides rich resources, and the population provides the market. Therefore, tourism remains a vital component in China’s economy. In absolute terms the numbers are staggering:

“According to the statistics released by China National Tourism Administration, in the year of 2010 the number of domestic trips reached over 2.1 bn, generating RMB 1260 bn as revenue. The number of overnight-stayed international arrivals was 55.66 m in total, generating over USD45.8 bn as foreign exchange earnings from tourism. Therefore, the grand tourism revenue for the year was over RMB 1570 bn, accounting about 4% of the country’s GDP”.

Chinese tourism grew in 2 stages: from 1949 to 1978 the concentration was only on inbound tourism while in the next 30 years outbound and domestic tourism have been given due recognition.

Domestic tourism in China has been characterized by a period of spectacular growth in the last 2 decades. The causes and consequences of this rapid growth cannot be disassociated with the overall socio-economic developments of the country and its context articulated from historical, economic, socio-cultural, and regional development perspectives. In terms of average spend per person it has remained rather low but this has been supplemented by an ever growing broad base. Policy evolution has followed general economic and political trends. The policy changes, incentives, product development (for example budget hotels and transport facilities, especially railways), specific markets (families, young travelers), and specific products (rural, cultural event, frontier tourism) have all been oriented in the context of the global financial crisis and its consequent effect on the Chinese economy. China decided on a path of stimulating domestic consumption and domestic tourism has been given top priority among all the tourism markets since 2008.

The impacts of domestic tourism in the economic surge (providing jobs, redressing the rural exodus, and revitalizing the economy) are on par with the overall economic, social, cultural and political goals of the Government.

Concrete measures have been implemented to facilitate the task of boosting domestic tourism, including the introduction of the five day week in 1995 and the introduction of the long holiday system in 1999, for which China was far ahead of some of its neighbours. The 11 day holiday period effectively enabled the Chinese to take a three week break during the ‘Golden Week’ by combining it with other national holidays. This, however, is not without its negative impacts since congestion, pressure on transport and accommodation and an overall stagnancy of the economy
is the flip side of the coin. China has also experimented with vouchers and incentives to stimulate domestic tourism amongst certain disenfranchised social groups of low income, a measure that has been put to good effect in Korea, and has a parallel in France.

The future of domestic tourism in China is invariably linked to the success of its economic policies. Jobs and incomes can be safeguarded if economic policies focus on limiting the urban/rural imbalance and providing better livelihoods and other incentives to reduce the excessive exodus to towns and cities.

Case Study: Travel Experience and Life Satisfacion through Mobility

A Constructivist Perspective on Domestic Tourism in China

This study “contextualized within specific settings and articulated from their own perspectives, shows accounts from backpacker narratives and auto tourists’ (driving tourists’) lived experiences which have led to discussions on travel experience, experiential learning through travel, auto tourism and mobility, family vacations and togetherness, and life satisfaction or quality of life. These are characteristics of contemporary Chinese society within which domestic tourism can act as an agent for socio-cultural change”.

Based partly on primary research, the study is indicative of the evolution of Chinese tourism. Comparable to a time in Western society in which backpackers or driving tourists ventured into unfamiliar territory in search of adventure, such tourism has paved the way for a more stable and structured tourism industry today.

The narratives given here offer an insight into various inter-related aspects of tourism, such as transport, accommodation, safety and security, and community relationships. The potential for development is significant, given the vast size of the traveller market in China, especially amongst youth. While it must be remembered that there is a disparity between the developed Eastern coastal belt and the West of the country, in general individual travel (in all its forms) is fast replacing the conventional package tour. This opens opportunities for wealth distribution which could lead to poverty alleviation and greater social harmony.

Indonesia

Domestic tourism in Indonesia

Indonesia is the world’s largest archipelagic country with 17 500 islands in a land area of almost 2 million square kilometers and a population of 237 million (4th highest in the world). 57% of the population is concentrated in 6, 8% of the surface area in Java. Composed of diverse indigenous ethnic and cultural groups, the country has the biggest Muslim population of any country in the world. These factors have an enormous bearing on domestic tourism. Domestic tourism in Indonesia has increased rapidly in the past two decades, as the country has been affected by a series of natural and man-made catastrophes. While Indonesian international tourist arrivals reached a peak in 1997 and the sector showed resilience in surviving through hard times, authorities were prompted to invest heavily in domestic tourism to counterbalance the negative effects of the loss in foreign exchange. This policy change enabled the industry to make a significant contribution to GDP and, most importantly, maintain jobs and sustain livelihoods.

Domestic tourism was given a boost by administrative measures, including a recognition of the importance of tourism satellite accounts and a differentiation in terminology for local and intra-regional travelers. Indonesia has carried out a regular annual household survey since 1981 to
determine the source of domestic tourism and hence the statistics are reliable. Once the value and weight of domestic tourism was recognized, the authorities embarked on a special promotional campaign aimed at enticing locals to discover their own country- “pariwisata nusantara”. The net result has been that “within the 30 year period (1981-2011) the number (of domestic tourists) has increased at an accelerating pace from a rough estimate of about 44 million into a magnitude of about three times this many. The numbers of trips made accelerated at an even greater pace from about 51 million to about five times as many”.

50% of Indonesia’s population is under 25 years old. Hence, the youth market presents an opportunity and a challenge to planners and policy makers to tap this lucrative source. On the other hand, an increase in income and living standards has resulted in a wealthy middle-class emerging recently, whose demands in terms of products and services are on par with those of international tourists. Accessibility through the introduction of low cost budget airlines (the country has 237 airports) has facilitated domestic travel in this vast country. The accelerated growth of car and motorcycle ownership (8.85 m and 65 m respectively) has also provided greater mobility and broadened the reach of the tourism industry.

According to the country’s 2010 national household survey, the total travelling population was estimated at 122 m persons and the total trips at 198m. The survey also noted that 54% of travellers stayed with friends and relations (VFR) and 71% in non-classified accommodation units. The income generated from domestic tourism accounted for 60% of the total income from tourism expenditure. A case study of Bali underlines the importance of domestic tourism to the island whose image was totally changed following the Bali bombings of 2002: “For the first time in its history Bali tourism was faced with the knowledge of how fragile the sector is from externalities never anticipated nor imagined”. Thanks to domestic tourism, Bali was able to minimize its economic and social losses.

Pakistan

Domestic tourism in Pakistan

Pakistan’s creation as a modern State dates back to 1947, and the nation is renowned for its early civilisation. Situated in the Indus valley and bordered by the Himalayan mountain range, the country is rich in natural and cultural heritage that has been under-exploited for tourism. The reason probably lies in the political context of its birth as a nation and the trials and tribulations it has undergone thereafter. A decade since 9/11 (after which international tourism saw a dramatic drop), domestic tourism has come to the fore in Pakistan. The country registered 854,000 international arrivals in 2009, of which 56% mentioned that they were coming to visit friends and relations (VFR). This indicates that many international tourists were expatriates who, if not for the frontier formalities, would be considered domestic visitors.

While reliable statistics do not exist, the last survey, which dates back to 1979/1980, gives some insights into domestic tourism. However, the findings are not in conformity with the facts – for example, 27% of those surveyed mentioned that business was their main motive for travel and only 6% chose VFR. Some other findings are, nevertheless, closer to reality: the most popular form of transport is by road (bus – 48%, car -20%), the average duration of stay less than 3 days (75%) and hotels/motels account for 91% of all accommodation.

Pakistan is a federal State with five major provinces, each of which has its own autonomy and tourist assets. The dismantling of the Federal Ministry of Tourism in April 2011 and the subsequent handing over of the tourism activities to the provincial governments has had an
obvious effect on Pakistan’s tourism. Thus, the country’s tourism industry seems to be in the throes of a period of transition on policy matters at the moment.

Pakistan’s limited wealthy middle-class provided the base for leisure tourism, especially during the peak summer months when there was a tendency for people to move to the mountain resorts which had a cooler climate. Unfortunately, political events have disrupted this source market and trend.

There is hope that with more stability, improvement of facilities and better policies, domestic tourism in Pakistan can flourish, since the destination has the assets and a ready market.

“Despite tremendous tourism potential, Pakistan does not enjoy favourable tourist image in the global travel industry. Realizing that it may be an uphill task to change world’s perception of Pakistan, tourism organizations both in the public and private sectors are now focusing on promoting domestic tourism. Domestic tourism is now recognized as the most powerful agent of economic development and a way to create national harmony while also taking advantage of underutilized tourist infrastructure”.

India

*Domestic tourism in India: the industry, ground reality, and policy framework.*

The study analyzes the historical evolution, regional variations and policies of tourism in India in general and of domestic tourism in particular within the various economic plans (five year and ten year plans) of the Indian Government. The evolution from a planned to a liberalized economy that followed world trends in the past decade has resulted in an India which benefits greatly from tourism, especially due to fewer state controls and more room for the private sector. This has conversely facilitated the emergence of a robust middle class (estimated at around 200 million persons) who constitute the base for the development of domestic tourism. Consequently, there is a noticeable shift from the traditional domestic tourism trips of the past to newer forms of travel which are in line with the aspirations of a rising wealthy middle class. This leisure-based demand is dependent on services that require a different set of policies and products.

In India, the importance of pilgrimages and religious travel – significant age old traditions – cannot be overlooked. They are part and parcel of the Indian ethos. Along with this, people who travel to visit friends and relatives (VFR) also make up an important segment of the industry, for whom the main motivations for travel are family reunions, with many trips being undertaken solely for these purposes.

Since precise details of the flow of domestic tourism are not readily available from recent, firsthand sources, it has been concluded from the various surveys and research undertaken in the past, both by public and private institutes, that domestic tourism flows are ten times that of international arrivals. The theme of this study addresses how existing policy frameworks cope with this reality and highlights the need for adaptation to keep pace with evolving trends.

The accommodation sector has seen a growth in hotels and motels catering to international tourists but these also serve domestic tourists. On the other hand it is still the informal non-star hotels that constitute the ‘bread and butter’ of domestic tourism. Where the transport sector is concerned, the growth of low-cost carriers in India is an aid to the domestic market but road and
rail continue to dominate domestic tourism. Affluence has also permitted the average Indian to car ownership that again facilitates travel.

In conclusion, as the author states, “In exploring possible answers to questions related to domestic tourism, this paper focuses on two aspects: the structure of domestic tourism and how it features within the existing policy framework. While doing so, it attempts to highlight areas where the policy has been effective, as well as identify the shortcomings that contribute to uneven growth and the less than desired levels of achievements in the promotion of domestic tourism.”

Sri Lanka
Domestic tourism in Sri Lanka

The establishment of a national plan for tourism development in 1966 made provisions for domestic tourism in a limited way, with the identification of accommodation units within the various resorts due for construction. Thus, while international tourism was the main focus, domestic tourism was not ignored. This concerted effort to recognize and integrate domestic tourism into mainstream tourism was visible in the creation of a Community Relations Unit within the Tourist Board when it was first created in 1968.

Domestic tourism in Sri Lanka existed long before the advent of modern tourism, for example, large halls for resting and sleeping purposes, commonly called “Ambalamas,” which still continue to function wherever pilgrimages are common, supplement the accommodation units.

Though precise statistics are not available it is estimated that 7 million domestic visitors travel to all parts of the country during the year. This is in contrast to the less than one million foreign visitors. Though Sri Lanka is the home of Theravada Buddhism, other religious denominations (Hinduism, Christianity and Islam) have a rightful place within society. Sri Lanka probably has the largest number of public holidays of any country in the world, which encourages domestic tourism as short breaks become frequent.

A striking feature of domestic tourism in Sri Lanka is the rising middle class that emerged with the opening up of the economy from a protectionist to a liberal one in the 1970s. GDP and per capita increases enabled the affluent to make use of tourism facilities that were basically developed for international tourism. Two decades of internal ethnic strife led to a stagnation of foreign visitors but fortunately domestic tourists came to the rescue of hoteliers and the industry. 26% of guest nights in registered hotels and 74% in informal accommodation units are taken up by domestic visitors. In light of the importance of domestic tourism, the Sri Lanka Tourist Board has introduced a domestic tourism programme in its structure with a fully-fledged vision and mission statement.

Following the conclusion of the war with the separatist movement in 2009, Sri Lanka has seen a resurgence of its tourism industry - both international and domestic. A sense of curiosity has overtaken security concerns of the past and there has been movement from the populated South to the previously inaccessible North and East of the country by domestic visitors, who previously only visited cultural sites. Home stays in the North and East cater to this nascent market as well as to international visitors, at least until such time as formal accommodation units are capable of meeting the demand. A vibrant domestic market is envisaged for the future.

Domestic tourism has been saddled by the seasonality factor and congestion, due to the concentration of holidays during certain peak periods such as April and May, corresponding with
the Sinhala/Tamil New Year and school vacations. In this respect, a parallel can be drawn with other Asian destinations that face the same dilemma.

Sri Lanka requires a strong tourism satellite account system to monitor tourist and economic flows. A national and provincial household survey is also long overdue. The carrying capacity of certain domestic tourism sites needs to be ascertained if these are to be sustainably developed and maintained.

A number of recommendations have been made that could facilitate the future of domestic tourism in Sri Lanka. One such unique but vital recommendation is the printing of an accommodation guide for local visitors that is long overdue.

D. Overall Findings

- The past three decades have witnessed different periods of economic development in Asia and the Pacific. The rapid growth of the North East and South East Asian economies in the 1980s and 1990s led to the emergence of the “Tiger Economies” which, unfortunately, was followed by the Asian financial crisis of 1997 and, quite recently, the world financial crisis. Though the effects of these crises have not totally subsided, Asian tourism has shown its resilience to withstand not only economic difficulties but also natural and man-made calamities such as Severe Acute Respiratory Syndrome (SARS), Avian and Human Influenza Outbreaks (AHI), the Tsunami of 2004, and, in the case of Indonesia and India, a series of acts of terrorism. Amidst these catastrophes, Asian tourism has continued to maintain a healthy growth rate, much higher than the world average.

- Tourism in general and domestic tourism in particular has acted as a “shock absorber,” cushioning the negative impacts of the above crises. Domestic tourism has been the reserve on which Asian destinations such as Indonesia and Sri Lanka have relied to protect their product, especially accommodation, from disuse and deterioration. At the same time, domestic tourism helps to maintain and provide employment to the people whose livelihoods depend on the industry.

- The case of China is interesting: the downturn in economic growth threatened the job market as the specter of unemployment loomed ahead. China decided on a policy of boosting consumption, giving impetus to domestic tourism by providing various incentives and placing it on a priority list in policy and planning. The aim was not solely economic but social as well, since the rural urban balance was being threatened with sluggish growth. Many multi-nationals located and others relocated their companies in Asian countries to take advantage of the cheaper labour force and increased productivity. Protectionism gave way to liberalism with the easing of tariff barriers. This ultimately had repercussions on the tourism industry too with the advent of low cost budget carriers, investment in the hotel industry by multinationals and greater exchange of goods and services. The average growth rate of Asian economies was beyond 6%. India was one of the major countries to move away from protectionism. The Asian economic boom is a result of the changes into more globalised and liberalized economies. Domestic tourism also benefitted from these vital structural changes that were implemented by all the countries including China and Vietnam.

- Economic growth and entrepreneurship has led to a rising middle-class in Asian countries. The tourism industry, that was to a large extent dependent on the State for investment and
promotion, is now driven by a dynamic private sector in which these Asian entrepreneurs have built their own empires, especially in the airline and hotel industries.

- The middle-class, which has a disposable income, has become a lucrative market for domestic tourism. In terms of volume, it is estimated to be around 200 m in India alone, while in Indonesia and Sri Lanka, the domestic tourism markets have sustained the tourism industry during a period of stagnation of international visitors. The rising middle-class will continue to grow in the future. Their demands in terms of goods and services are comparable to those of international visitors and they have more money to spare than the average international budget traveler.

- The Korean and Chinese experiences in supporting domestic tourism with travel vouchers and incentives is a novel experience and unique to the region. While parallels can be drawn with similar practices elsewhere, especially in France with its system of ‘cheque vacance’ and welfare committee assistance, the purpose of the Korean and Chinese ventures is to boost consumption (though the underlying social element is also present). However, it is most improbable that the system could be applied in its entirety by most Asian and Pacific countries as this involves capital expenditure by the State.

- The public sector at a national, regional and local level has been the backbone of the industry in many developing Asian destinations. This has been in the form of State and local government subsidies, investment, promotion and maintenance of institutions (tourism offices) and support for the informal accommodation units registered by municipalities, for domestic tourism to thrive. While there has been economic liberalization and more private sector involvement recently, domestic tourism is still considered the responsibility of the State.

- Domestic tourism in Asia and the Pacific is basically family oriented. This is seen in the very high VFR element, both in the purpose of visits as well as the places of stay. It is unlikely that there will be a radical change in the future, despite growing wealth and the aspiring middle-class. Leisure and pleasure are still secondary to tradition and family values that govern Asian society.

- Safety and security concerns have emerged in many destinations but fortunately lessons learnt from past experiences have stood in good stead. However, congestion and concentration during peak seasons especially at pilgrimage sites call for vigilance in health standards to reduce the risk of outbreaks of contagious diseases – the SARS and AHI outbreaks are eye-openers to the challenges faced by domestic tourism in Asia.

- Accommodation units are restricted to VFR, budget hotels, and the informal sector, which are very grey areas for statistical analysis. Research into this element is vital to get a clearer picture of stakeholders in domestic tourism.

- Road and rail transport continue to dominate domestic tourism and despite the advent of low cost carriers, air transport will grow only marginally as a percentage of all means of movement. Exceptions exist as in the case of Australia, due to its vast area and comparatively higher living standards.

- Sustainable tourism development is still considered a domain of international tourism but more and more NTAs are paying attention to sustainability in Asia and the Pacific due to the exposure given to the subject. Community involvement, as seen by the study on Thailand, and responsible tourism are two other areas in which there has been growing awareness amongst Asian policy makers, which also impacts domestic tourism.

- Domestic tourism had been relegated to a secondary role vis-à-vis international tourism by NTAs but thanks to the TSAs its socio-economic contribution has been appreciated and given recognition. This is particularly true of Indonesia, Malaysia and Sri Lanka. Incentives and promotional campaigns have been undertaken to encourage domestic tourism, such as Indonesia’s successful domestic tourism slogan “pariwisata nusantara” (discover your
own country), and Australia’s efforts to woo its population, particularly its public servants, to take their accumulated leave in Australia. Australia’s efforts in this regard have been estimated to have produced an enormous boost to the domestic tourism sector.

- China and Korea have prioritized domestic tourism as priority sector in their national plans, for socio-economic reasons.

- There are a number of recommendations made by the authors, as requested in the ToR, to give domestic tourism its rightful place. These range from administrative and policy reforms, private sector participation, investment in infrastructure, promotional efforts including the publication of an accommodation guide for domestic tourism (which is apparently overlooked by many NTAs and NTOs), and a call for information technologies (such as multilingual websites) to be put at the disposal of domestic tourists. There is no doubt that these measures exist in the various Asia and Pacific countries in varying degrees but the ultimate contribution of the study is for the destinations to learn from each other’s experiences.