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Report of the Secretary-General

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INTRODUCTION

The United Nations Interregional Seminar on Tourism Development was held at Berne, Switzerland, from 21 October to 2 November 1968. It was organized by the Resources and Transport Division and the Office of Technical Co-operation of the Department of Economic and Social Affairs (ESA) of the United Nations in co-operation with the Government of Switzerland. The Seminar was attended by participants from twenty-seven developing countries. The list of participants appears in the annex. Also participating were the representatives of the following United Nations offices and organizations, each of which contributed a paper and/or the services of a lecturer: the Centre for Housing, Building and Planning, ESA, the Centre for Development Planning, Projections and Policies, ESA, Economic Commission for Africa, Economic Commission for Asia and the Far East, Economic Commission for Europe, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the International Labour Organisation (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Civil Aviation Organization (ICAO) and the International Bank for Reconstruction and Development (IBRD).

The discussions on selected topics are summarized in part one of the report. Summaries of the twenty-three papers presented are given in part two and the list of participants, including the officers and lecturers of the Seminar, appear in the annex.

Partly through an exchange of views and experience among the participants, a group of well-qualified senior tourism officials of interested developing countries, partly through contributions of Swiss and other specialists, and partly through the combined expertise of the United Nations and interested United Nations organizations, the Seminar was designed to assist the participants and, through them, other members of the upper tourism cadres of developing countries concerned, to increase their understanding and all-round knowledge of the theoretical and practical aspects of tourism development and the tourist trade, including applicable technology, and to see how tourism development fits into the broader context of economic development, with special reference to the developing countries. Since this was the first Interregional Seminar convened by the United Nations in the field of tourism, it also represented the breaking of new territory and occurred at a juncture when United Nations work in tourism is increasingly being directed towards the provision of technical assistance. Finally, the organizers of the Seminar wished to avail themselves of the opportunity, afforded by the generous offer from Switzerland, to hold this particular Seminar in that country, which may be considered to exemplify tourism par excellence.

The Seminar was opened on behalf of the Secretary-General of the United Nations by the Director of the Resources and Transport Division, who served as the United Nations Director of the Seminar. The participants were welcomed, on behalf of the Swiss Government, by His Excellency Ambassador Ernest Thalman, Chief of the Division of International Organizations, who referred to

Switzerland's bilateral technical co-operation activities in the field of tourism, in the form of expert missions and training programmes offered in Switzerland. In the past six years, 250 individuals from abroad had received vocational hotel and tourism training at the International Institute at Glion, Switzerland, a private institution that gives two-year courses, and in Swiss hotels, with satisfactory results. Switzerland had also helped to establish and staff a hotel school in Sousse, Tunisia. Participants were welcomed by Professor Dr. Paul Risch, Director of the Tourism Research Institute of the University of Berne, who acted as the Swiss Co-Director of the Seminar.

The Seminar included two field trips. The first was a visit to Moléson-Village, in Gruyère, a vacation and sport centre created in the past six years. Mr. Victor Simonin, the Director, discussed the intricate process by which that resort was conceived and developed with regard to certain factors such as: financial, legal and political initiatives, infrastructure, land planning and layout, catering and hotel facilities, staff training, ski runs and other sport and recreational installations, and profit-making potential of the resort.

The second was a three-day field trip during which participants visited Locarno, Lugano and St. Moritz. The trip was, inter alia, designed to enable them to sample Switzerland's varied and efficient modes of travel, including railway and postal bus and some modes devised especially for tourism and sports purposes, such as the funicular and cable way. The trip included visits to the Schilthorn Mountain (9,000 feet) and the Piz Corvatsch (11,153 feet), where the party was received by Mr. Otto Koller, President of the Corvatsch Cable Way, and Mr. Wolfgang Rohrer, Director. In addition, they attended an exhibition in Locarno presented by the Swiss National Tourist Office. At St. Moritz, a talk was given by Mr. Peter Kaspar, the Director of Tourism, on the tasks of a director of tourism.

Several of the last sessions were devoted to the presentation by the participants of country papers. The problems singled out as being the most pressing ranged from lack of means for the necessary infrastructure and superstructure to the absorption of foreign exchange receipts from tourism by a black market in currency. Among the recurring problems were insufficient hotel accommodation of a satisfactory standard, lack of skilled personnel and facilities for vocational training, the inhibition of foreign tourism development by the high cost of air fares owing to the distance of many of the developing countries from the world's main tourist markets, insufficient interest in tourism development, and the problem of attracting foreign tourists to those countries and regions.

The Seminar revealed several areas of possible follow-up activity. There was consensus, for example, on the need for studies concerning the means of reducing air fares. The discussion also showed the need for a survey of multilateral, bilateral and private sources of funds for the financing of tourism investments. It was announced that such a survey would be undertaken jointly by the United Nations Division of Public Finance and Financial Institutions and the Resources and Transport Division in the near future. In the discussion of regional co-operation, it was suggested that the United Nations should facilitate or help to organize regional conferences, to explore ways and means of regional co-operation for tourism development. It was specifically

proposed that a conference be convened of the countries of eastern Africa, including Malawi and Zambia and the four island countries of the new "Alliance Touristique de l'Océan Indien" (ATOI), comprising Comoro Islands, Madagascar, Mauritius, and Réunion. Still another proposal was that the Economic Commission for Asia and the Far East (ECAFE) should undertake a study to determine the reasons why the tourism traffic of many of the Asian countries was one-way traffic and the means of increasing travel to the region and strengthening regional tourism development.

PART ONE. HIGHLIGHTS OF THE DISCUSSION

I. The relationship between domestic and foreign tourism

The relationship between domestic and foreign tourism was considered mainly in connexion with the discussion of the papers on "International tourism and economic development" and "Some considerations on domestic tourism", respectively.

The question was raised as to whether domestic and international tourism were similar, or rival or complementary industries. Two cases were distinguished: (a) where domestic and foreign tourists represented markedly different cultures calling for separate food and hotel facilities, and (b) where domestic and foreign tourists were substantially similar in their living habits.

It was agreed that domestic and foreign tourism were complementary and mutually reinforcing in respect of all investments in case (b), and all investments (for example, highway construction, construction of access roads to historical sites, preservation of monuments etc.) in case (a), except those for restaurants and accommodation. Where competing claims for investment resources arose in respect of such restaurants and accommodation, they related chiefly to investment requirements in domestic currency since foreign exchange requirements for such facilities for domestic tourists were minimal. The amount to be allocated to domestic tourism in the case of competing claims could only be determined on the basis of the specific situation.

In case (b), domestic tourism often increased the viability of **hotel** enterprises, particularly where "contra-seasonal" tourism was practised, as in Israel and in Miami, Florida, where hotels offered lower rates to domestic tourists in the off-season.

In developing countries, neither foreign tourism nor domestic tourism separately, nor indeed foreign and domestic tourism combined, could support the heavy costs of the infrastructure; for that reason tourism development planners should avoid wherever possible single-purpose infrastructure investment except in small projects such as the erection of a diesel electricity-generating plant or small desalination units for single hotels or resort projects. A substantial amount of domestic travel - irrespective of how domestic tourism was defined - was needed, for example, to help support transportation links between the capital city and outlying attractions or resorts. It was pointed out, in that connexion, that the capital cities of developing countries located in the vicinity of an international airport were not sufficiently interesting to draw foreign tourists: the attractions of developing countries for foreign tourists were much more likely to be natural attractions, such as wildlife, beaches and mountains, located in outlying parts of the country.

Investments specifically for tourism, such as for natural parks, should be so planned and operated as to be maintained both by local and foreign

visitors. It was pointed out that existing parks in several African countries were frequented less by foreign tourists than by local visitors who thus became the chief source of maintenance funds even though local visitors paid a lower entrance charge.

It was concluded that by and large, domestic and foreign tourism were complementary rather than rival activities.

II. Definition of domestic tourism

It was noted that no universal definition of domestic tourism had as yet been adopted. In the United States, domestic tourism had been defined on the basis of distance travelled, taking 100 miles as the minimum, statistics being compiled on that basis. But that definition would obviously not be applicable universally, for example, in very small countries. Several countries, including Switzerland, regarded domestic tourism as consisting of two elements: travel and accommodation. That permits the compilation of statistics on the basis of hotel tourist-nights, similar to the accepted method for estimating international tourism. It was noted that that formula could be modified for travellers who stayed in tents but spent money for food in the place visited - a case in point, among the countries represented at the Seminar, was Iran, where the use of tents by vacationers was very prevalent.

However, one participant questioned the accuracy of the hotel-based or expenditure-based definition on several grounds: (a) it failed to embrace the universal phenomenon of people travelling to visit and sojourn at the home of relatives or friends; (b) the rationale implied that a domestic traveller was not a tourist unless he spent money brought with him in the locality visited and it thus regarded tourism from the standpoint of a locality and not from the standpoint of the country as a whole; (c) at the same time that it was based on expenditures, it overlooked the money spent in reaching the locality, the money spent on food and entertainment by the travellers' hosts where travellers stayed with relatives or friends, and the money spent on gifts for the hosts, which might represent a considerable sum and even exceed the amount spent on food and entertainment. He thus argued that: (a) if expenditures were to be used as the basis for the definition it was immaterial where and by whom the expenditures were incurred; (b) a definition based on expenditures was not satisfactory; and (c) a better basis would be the factor of travel, since travel motivated by family or other personal relationships was an important element in domestic (as in foreign) tourism and one that embraced the non-economic elements of domestic tourism as well, such as social contacts that overcame sectional differences, new ideas etc.

Another suggestion was briefly considered: that of introducing a motivational element. That was thought, however, to be impracticable. To the hotelier, for example, the visitor was a tourist irrespective of whether he came for business or pleasure.

It was suggested that an acceptable means of estimating the number of people travelling to relatives or friends could be determined by taking a sample survey of travellers on all modes of transports used.

III. Comparative rates of growth of international and domestic tourism

The comparative rates of growth of the two kinds of tourism were subject to some dispute, though the consensus was that a definitive conclusion on the matter was not possible in the absence of a universal definition of domestic tourism and adequate data on a sufficient number of countries. One participant took the position that the data available on the growth rate of international tourism in developed countries in the past five years justified the conclusion, as regards developed but not developing countries, that international tourism was growing more rapidly than domestic tourism. Another statement which appears in the second paper on international tourism and economic development, was that domestic tourism in developing countries tended to grow more slowly than international tourism.

In support of the opposite view, another participant drew attention to data on Turkey appearing in the paper on some considerations on domestic tourism. Table 6 on domestic passenger traffic, in that paper, showed that the total passenger-kilometres in 1967 were 40,120 million. He argued that an estimate of the number of travellers might be derived from that figure by dividing it by a hypothetical figure representing the number of kilometres travelled per passenger. Using even a very high hypothetical figure, 500 kilometres, the result would be 80 million travellers! He added that even if the figure were to be regarded as inflated, it remained extraordinarily high, possibly indicating that such figures on domestic tourist-nights, based on hotel registrations, reflected only a small fraction of domestic travellers sojourning away from home. He further observed that even if the figures on hotel registrations were also inaccurate or incomplete, the statistical anomalies in the paper cited showed the great need for an acceptable definition for domestic tourism. He also noted a recent study on recreation in the United States had shown that 50 per cent of the domestic travellers had given family visits as the reason for their travel.

IV. Restrictions on travel abroad

The implication of restrictions on travel in connexion with the problem of an undue drain on foreign exchange caused by the travel of their country's citizens abroad was discussed. The problem might apparently exist side by side with, and paradoxically might even be aggravated by, a thriving foreign tourism industry, as, for example, in Barbados. There, foreign tourism was the chief industry and the expansion of that industry was reflected in greater affluence of the citizens and more travel abroad, to the detriment of the balance of payments.

The view was expressed that restrictions on foreign travel should be categorically discouraged as being inimical to international tourism and the two-way concept of international travel with its important cultural, sociological and other benefits.

Other views, however, were expressed that the adoption by a developing country of a policy of discouraging travel abroad for the sake of its balance of payments could be justified, though it is a policy that cannot normally be

advocated for developed countries. For at that time, the bulk of the traffic in international tourism was between the developed countries. With the exception of some of the developing countries of the Mediterranean and Caribbean areas, most developing countries suffered from a negative foreign exchange balance on their tourism account. The easing of restrictions would result in a further net loss of foreign exchange by developing countries in favour of developed countries. Some participants distinguished between foreign exchange restrictions and a tax on travel, considering the latter an undesirable form of restriction though it is one employed by several countries. Others contended that in principle there could be no greater objection to that tax than to any other tax on luxury goods or services, although conceivably a particular method of application of such a tax might be inappropriate or undesirable.

It was suggested, on the one hand, that foreign travel be reduced by encouraging domestic tourism. On the other hand, it was argued that such a solution might be valid in developed countries, particularly the United States, but would be ineffective in developing countries, where those who travelled abroad and those who spent their vacations at home were two different groups. The former generally represented the élite of the population and tended to visit Europe or the United States rather than a country of their own region. It was also asserted that as far as small countries were concerned, even the potential for domestic tourism was limited as travellers seldom stayed overnight in the places visited. That opinion was not generally accepted, however. Another view was that for certain large developing countries, like India and Brazil, domestic tourism was an important means - and so viewed by the Governments concerned - not only of reducing travel abroad or to neighbouring countries (for example, Brazilians used to vacation in Uruguay before the development of Brazilian tourism), but of overcoming differences in social conditions and social barriers between different sections of the country and of fostering the population's interest in their own country.

V. The level of economic development at which it is appropriate to introduce the tourism industry

The discussion showed that there was no general answer to the problem and that much depended on the particular country concerned. The level of infrastructure development and general education were very important factors. Infrastructure was too costly to be introduced for tourism alone and especially for a small tourism industry.

Furthermore, for countries at an early stage of development, introducing a tourism industry might not be economical if it necessitated the importation of food, services and all investment goods. Indeed, foreign tourism industry in such circumstances might, in the last analysis, result in a severe drain on the country's foreign exchange resources. Some countries might therefore be well advised to go into other fields first. In any case, caution was necessary in making a proper assessment of the costs and benefits of a tourism industry at the time when the matter was under consideration.

VI. The use of the multiplier in evaluating tourism

The Seminar was urged to regard tourism as an instrument of economic development. Officials concerned with tourism would have to convince the responsible financial and planning authorities of the developmental effects of tourism investment, against alternative uses in other sectors of the economy of the scarce capital funds available to developing countries. The question concerned the ways by which the developmental effects of tourism should be assessed.

At the macro-economic level, economists often use the multiplier, a concept which was developed by R.F. Kahn in 1931 to denote the income-generating effect of investment. The participants felt that the use of the multiplier concept in relation to tourism raised a number of difficult questions. A reliable estimate of the income-generating effects of investment in tourism would require a number of projections or forecasts as well as accurate and detailed statistical data which were not always at the disposal of the economists in the developing countries. The multiplier concept therefore should be used cautiously in estimating the contributions of investment in tourism to development, and the comparison it permitted of the productivity of investment in tourism with that in other sectors should be checked against the results of other estimating techniques.

VII. Selection of localities for tourism development

Priorities in the selection of localities was a question raised several times in the course of the Seminar, but particularly in relation to the papers on "Assessment of tourism potential of a country: approach to a methodology" and on "Physical planning for the development of tourism".

In the case of a country like the Dominican Republic, for example, which was just beginning its tourism development and whose attractions were not concentrated in one locality, the question was raised as to whether tourism development should begin in one locality only or an attempt be made to develop all the regions of interest simultaneously.

It would appear that one solution was that every country proposing to develop tourism should have a national plan setting out its priorities. In the Dominican Republic, for instance, it would be preferable to start with Santo Domingo, the capital, and to organize excursions from there, after which work on outlying areas could be undertaken on a selective basis. It was emphasized that it was always best to complete one locality at a time and that staggered planning was a desirable objective.

In connexion with large countries possessing alternative development possibilities, such as Brazil, India and Iran, participants wished to know how the regions for development should be selected, the size of such areas and how individual limited localities with a high tourism potential should be treated.

One solution put forward was that tourism development should take place within the framework of a comprehensive national development plan. Such plans, inter alia, identified the country's planning regions, by delimiting regions according to the geographical contiguity of common or complementary characteristics with the objective of finding the region's optimal over-all development. The size

of the regions would thus vary from country to country. In selecting the region or regions that were to receive priority in tourism development, priority should be given to the region or regions that had the highest over-all development potential. If an individual locality possessing a high potential for tourism happened to lie outside a region selected, it might in some instances be incorporated into the development strategy of that region by a special link.

An entirely different approach was advocated: that the course of tourism development in a country should be governed by developments with respect to heavy investment. Tourism should be taken into account at an early stage in such projects - that is, at an early enough state, to be included within the same framework. One example was a plan for road construction and other infrastructure investments which could accommodate tourism interests, so that potential tourism areas not yet reached by road, rail or other means might be developed. It was emphasized that a prerequisite for that approach was alertness on the part of tourism officials and maintenance by them of contact with the country's public works authorities, which would have the great advantage of permitting the solution of the difficult problem of financing the costs of the necessary infrastructure by shifting the costs, except for the relatively small share to be ascribed to tourism, to other sectors that could bear them. In accordance with the same principle, tourism complexes could be considered in combination with other development projects, for example, a large hydro-power reservoir might be combined with facilities for water sports.

VIII. Prevention of land speculation

In some instances, land on which it was proposed to construct hotels or develop beach resorts was greatly overpriced. There was no model legislation for the prevention of land speculation, but a number of countries had formulated land policies and adopted measures against land speculation. A study on the subject was being prepared by the United Nations Centre for Housing, Building and Planning and would be published in 1970. One, but not the only means of land-use control and prevention of land speculation, was the encouragement of public ownership. Countries had other effective means open to them depending on their economic, social and political systems, such as the adoption of a policy designed to influence or provide inducements for the private sector or the adoption of various types of control measures. Public ownership and expropriation might be unavoidable in a case where the development of an area with particularly complex problems was involved.

IX. Assistance from the World Bank Group for tourism development

The following is a summary of the statement made by the lecturer.^{1/}

^{1/} The lecturer, Mr. David H. Davis of the IBRD, emphasized that he was speaking at the Seminar in his personal capacity only rather than officially on behalf of the IBRD, the IDA or the IFC. Mr. Davis explained that while the Bank had recently decided to seek loan projects in support of tourism, it had as yet reached no formal decisions as to its policy in tourism investment. Its policy was therefore still in a formative stage.

The IBRD had recently adopted the decision to seek loan projects in support of tourism development. The Bank would be concerned with capital projects in both superstructure and infrastructure.

In so far as superstructure was concerned, the IFC was the agency that could provide financial assistance for private undertakings while the Bank was the agency for national enterprises. Those agencies would also provide financial backing for suitable financial credit institutions such as development banks or hotel credit institutions.

In the case of infrastructure, there were two categories to consider: (a) infrastructure specifically for tourism; (b) general infrastructure with implications for tourism. Examples of the first category were: integrated resort developments, such as Moléson, or development of beaches, internal roads, ground levelling, or coastal works. Another type included: wildlife reserves or national parks, or specific cases such as a road between two archeological sites, ski lifts and marinas. Examples of the second category were: airports, roads, telecommunications etc. The policy decision to assist airport construction had recently been made.

The Bank group would not support a project unless it is economically and financially justified.

The lack of or under-capacity of infrastructure could often be a bottleneck and, if so, the problem was twofold: to ascertain how much it would cost to remove the bottleneck, and whether it could be removed economically. If not, then the Bank would not be prepared to make loans for such projects. The matter could be looked at in another way: tourism traffic might be an element or add to the total demand for certain infrastructure and might thus add to the justification for such infrastructure. The Bank would then be interested in financing the project from the viewpoint both of tourism and other purposes. It would of course want to determine the cost to be ascribed to the tourism sector.

The following were the general lending policies of the three constituent agencies of the Bank group; IBRD, IDA and IFC, which would also apply to tourism.

The interest rate of the IBRD was at that time 6.5 per cent. Bank loans were long-term with repayment periods varying according to circumstances, with twenty- to twenty-five-year loans being quite frequent and in some cases extending to thirty years. The Bank normally loaned only the amount of the foreign exchange component. However, that policy was then being viewed somewhat more flexibly than in the past.

The IDA made loans for up to fifty years at service cost only, but the more prosperous countries did not qualify for IDA loans. Moreover, IDA is frequently exhausted and had to be replenished. It had recently been exhausted very rapidly, and the fund position of the IDA was then dubious.

The IFC's rate of interest on loans was usually in the range of 8 to 8.5 per cent and it also often entered into the equity of the enterprise supported.

Bank loans required a government guarantee, whereas IFC-supported enterprises must not have such a guarantee.

In all Bank group operations, the criterion was the general development of the country, including the improvement of the balance of payments. For that reason the Bank was primarily interested in international tourism, although it recognized that domestic tourism often helped make individual hotel enterprises viable by giving them the necessary extra margin and by providing clientele outside the international season.

The Bank's policy of lending primarily in respect of the foreign exchange component was discussed. That would tend to cause countries to inflate the foreign exchange component of a project. Instead of stimulating the borrowing countries to do their best it would impel them to make the foreign exchange component as large as possible.

The speaker agreed that such a danger existed but said it was necessary for countries to repay in foreign exchange and that it was desirable that countries make some local contribution. The Bank was very careful to review projects in order to prevent the countries assisted from over-inflating the foreign exchange component.

It was also pointed out that in some countries, for example, Turkey, the import content for tourism investments was very low which was the desired situation. The lecturer agreed with that view, but added that most developing countries had not yet established large-scale construction industries, nor the manufacture of much of the equipment needed in hotels and allied tourist enterprises so that for those countries the foreign exchange costs in tourism development expenditure were still considerable.

The lecturer thought that creative unscheduled air charter transportation still seemed to be the main way to reduce air fares. Jumbo jets would not offer a complete solution. Some of the decisions of the International Air Transport Association (IATA) did cause inequities. Unfortunately, small destination countries could do very little to counteract such inequities since their bargaining position with IATA was not strong enough. But in the battle between a country's NTO and its national air carrier, the Bank would support those policies and programmes which on balance were to the optimum economic benefit of the country as a whole and not just those contributing only to higher financial returns for the carrier.

Apart from the Bank group, other sources of assistance for tourism development were international operators such as those who directed international hotel chains, tours or international air carriers interested in a particular destination. However, some international hotel operators were unsuitable in the sense that their investments were often minimal and their chief interest was in management fees. Others did make money available but not a large percentage. Tour operators were the largest source and extended their activities further afield. They were, however, a danger to the extent that they tended to advance money simply against assurance of future clientele. They were a source of short-term rather than long-term money whereas for developing countries long-term funds were much more important. Their policy, however, was sometimes different where a subsidiary undertook to establish and operate a hotel.

It was pointed out that other possible official sources of funds were the Inter-American Bank, the Asian Development Bank, the African Development Bank, and

bilateral sources such as United States, British, German and Swedish assistance, although none of those had provided sizeable capital funds to date.

With regard to the availability of loans for feasibility studies, the Bank did not organize or finance them in principle but left that domain to the United Nations Development Programme (Special Fund). The Special Fund usually entrusted such projects to the United Nations. There had, however, been cases in other fields where detailed engineering studies of Bank projects had been included in the loan for the actual projects themselves.

Loans for promotion were made by the Bank for capital expenditure and not for recurrent costs such as for publicity programmes. The lecturer thought that most developing countries were extremely short of funds for promotion, and that, in his opinion, most promotional work should be done by the travel trade - carriers, larger agents and airlines. The limited funds available to countries should be spent on feeding material to those operators.

X. Tourism and natural resources development

In introducing the paper on "Natural resources development and tourism: a significant though ambivalent relationship", the author stressed the following four points:

(a) Among the developing countries, those with the highest rate of economic growth were those that had developed and exported their natural resources, such as petroleum;

(b) With very few exceptions, the countries that no longer found it necessary to exercise foreign-exchange restrictions were the countries that had developed their natural resources;

(c) Countries should try to avoid single-crop economies and that applied to countries that concentrated on tourism to the exclusion of other industries;

(d) In some developing countries (such as petroleum-exporting countries), tourism was not likely to bring the highest growth rate or net return on investments. Nevertheless, in the interest of diversifying their economies and also for the sake of the many non-economic benefits of tourism, developing countries should not overlook the potentialities of tourism development.

On the relationship between natural resources development and tourism development, the author drew the following conclusions:

(a) In developing countries, the use of land and water for the development of natural resources should receive priority over the use of the same resources for tourism where joint use of such resources was not feasible. Only in exceptional cases might tourism receive priority over natural resources development;

(b) Wherever possible, natural resources projects and tourism projects should be combined in the interests of economy;

(c) Care should be taken in carrying out natural resources development projects to minimize water and air pollution and the degrading of the environment;

(d) Tourism planners in developing countries should avoid single-purpose infrastructure investments except in small projects such as diesel plants or small desalination units for single hotel or resort projects;

(e) Tourism planners should be aware of resources development in their country so as to discover at the early, formative stage of such projects any possibilities for combining tourism with them;

(f) In considering setting aside an area for tourism development, the area should first be investigated with respect to its possible natural resources. For example, the use of certain land for mineral exploration should receive priority over its use as a game reserve; off-shore petroleum exploration should receive priority over the use of the same coastal locality as a beach resort;

(g) It was accepted that a country should take a periodic inventory of its natural resources; say, every ten years. In accordance with the same principle, developing countries should also review their areas of potential tourism development periodically, since new areas might become available as the country developed its infrastructure and natural resources and also by the introduction of new technology.

A distinction was made between "location-bound" natural resources and installations for the processing of natural resources, such as petro-chemical plants. The latter were not location bound and therefore should not receive priority of land use over tourism.

XI. The use of new types of transport

Interest was shown in the economics and operation of new or non-conventional modes of transport, such as hydrofoils and hovercraft. Participants were informed that the United Nations was preparing a study on that subject aimed at investigating the extent to which such modes of transport could be of practical and economic use to the developing countries. It was pointed out that developing countries might have an advantage in that they could start to use non-conventional modes of transport immediately whereas developed countries, because of their inherent infrastructure, might have to continue using older modes.

It was stated that certain information on the use of those types of non-conventional craft in the Asian region was available on request from the Economic Commission for Asia and the Far East.

XII. Air fares to developing countries

The reduction of air fares was considered to be crucial for the future growth of tourism traffic to developing countries, particularly to countries that were distant from the main centres of the world from which tourists come. The subject was discussed following the presentation of the paper on tourism and air transport. The IATA rate system was criticized. However, the lecturer observed that as long as sovereign Governments did not wish to establish a supranational rate-making body, the IATA system, despite its faults and weaknesses, was probably the best that could be expected. He said that it should not be forgotten that ships, railroads and buses set international rates in a similar manner.

One participant thought a wide-open rate system might be better. Icelandic Airlines, for example, was not a member of IATA and its fares were lower. In a competitive industry, breakthroughs in technology would normally lead to lower fares but apparently had not done so in the case of airline fares because of the IATA machinery.

In that connexion, scepticism was expressed that the introduction of jumbo jets would bring about a considerable reduction in fares. The lecturer shared that view, and said that in all likelihood future reductions would continue at the past rate of 2 per cent per annum. While he did not wish to defend the status quo of IATA which could defend itself, he pointed out that a distinction should be made between international airline fares and other domestic prices. The cost of the former had risen much less than the latter. An airline did not have to join IATA, but one a member it usually voted on IATA's decisions on fares, which were reached by unanimous vote. Often smaller international airlines are more eager to keep fares up than were larger international airlines. Tourism officials should present the aims in relation to their country to their air carriers and beyond that, if the outcome of such efforts were unsatisfactory, they could try to convince the Government as a whole that it might disapprove the IATA rate and get along with an open-rate situation in the area.

It was also pointed out that, at IATA conferences, each airline representative should present a position which took account not only of the interest of his airline, but also of the interest of his country and local group of travel agents. In that way, the needs of his country's tourism industry would gain a better hearing.

The lecturer stated that ICAO was undertaking general studies on the subject and cited his paper as an example. He also said the studies indicated that the development of charter and other non-scheduled arrangements in certain circumstances provided another means for reducing fares.

Several participants felt that studies were certainly needed, inter alia, to ascertain if inefficient airlines existed.

The participants from Latin America referred to the unsatisfactory situation now obtaining in Latin America where fares from Latin America to Europe were lower than fares from Europe to Latin America. The lecturer stated that Latin American airlines, as much as European airlines, were responsible for this discriminatory situation. There had to be unanimous agreement and no Latin country had disapproved. It was probably an oversight, which would soon be corrected.

Some of the airlines of the developing countries, however, often opposed lower fares because they had not yet had time to achieve a sufficient degree of growth and efficiency to be able to withstand lower fares. Sometimes, they were justified. The lecturer was generally optimistic about the elimination of most discriminatory rates in the foreseeable future.

He noted that international tariffs and rates, regardless of the form of transportation, were very complex, and all rates would continue to suffer a certain number of anomalies. He recommended that developing countries compute the per mile rate from a few major areas from which tourists come to their tourist

centres, to see how those compare with the fares to other tourist centres of the same distance. If the per mile rate proved to be out of line, they could establish their case for governmental action such as the investigation as to causes, complaint to IATA and disapproval of particular IATA rates.

The speaker was asked if the ICAO had worked out specifications for the design of airports. He replied that a manual on airport planning was in preparation. The provisions laid down in chapter 6 of annex 9 to the Convention on International Civil Aviation (Chicago, 1944) were still in existence and had been considerably expanded in the new edition of annex 9 to be published in April 1969.

As to whether countries which failed to keep abreast of developments would be bypassed by jumbo jets and supersonic aircraft, the speaker believed that any country with a substantial volume of traffic could have such aircraft if they wished, provided the airports had adequate runway facilities.

Participants asked if ICAO could be instrumental in improving administrative machinery within a State, for instance, as regards the customs and police. The speaker replied that it had already done so since 1945 but that it was only an organization of the sovereign States. It could recommend but it could not make stipulations. However, ICAO had established the International Standards and Recommended Practices on Facilitation (annex 9 to its Convention), and tried through correspondence and advisory field missions to persuade States to apply them.

On the question of airport charges or taxes on passengers, the consensus was that they should be eliminated. They were unknown in North America and had already been abolished in the Scandinavian countries and in the United Kingdom. A distinction should however be made between valid passenger service charges directly allocated to the specific purpose of improving airports and general airport charges or taxes on passengers for general revenue purposes.

The advisability of granting a concession to a private firm to operate an airport was also discussed. The speaker explained that many airports could not as yet pay all operating expenses let alone a return on capital investment, but that the situation was improving. Advance governmental study was important in every case where a new airport was contemplated. There was nothing to prevent a country from granting such a concession if it wished to do so.

XIII. Indigenous handicrafts and other products with an appeal to the tourist

In presenting his paper on "Development of local products with an appeal for the tourist", the author stressed the importance of good design, the retention or revival of traditional patterns and designs, and technical skill. Developing countries often needed expert assistance in those matters. Among possible sources of assistance he listed the ILO, the Scandinavian countries and the Federal Republic of Germany, where there were many skilled young designers who would be willing to serve in developing countries. Alternatively nationals could be sent to study at the schools of design in those and other countries except that there was often a language barrier.

There were other possible solutions. In Japan, for example, the lack of knowledge of design on the part of many small craftsmen prompted the Government to establish a Federal design institute, with local branches, which provided training in design of products both for domestic and export markets. The results were beginning to show in the selection of the right materials and good design and craftsmanship. Swedish Modern was another case in point. The products such as tableware were first created for the home market and later became popular abroad.

Cited in the ensuing discussion was the case of India where the Government had established the All-India Handloom Board and the All-India Handicrafts Board which functioned under the Ministry of Commerce to improve the quality of domestic crafts in various parts of the country and were concerned not only with reviving traditional design but the use of traditional design in new products. The branches also served as service centres. The Government had also set up a National Institute of Design which trained designers and conducted research on new technology. The marketing of craft products and promotional activities were organized on a co-operative basis.

With regard to technical aspects of production, reference was made to the importance of the proper curing of wood, and to the achievement of quantity production by the introduction, in some instances, of simple electrical tools.

The organization of co-operatives was advocated both for buying raw materials and for marketing of products. The capital investment requirements were low and the labour content high. As regards sources of financial assistance for marketing organizations, big industry was referred to as being a good source in many instances, since the promotion of domestic crafts was good both for industry and for the home country. Industry sometimes undertook to finance exhibitions abroad. It was therefore recommended that developing countries should try to interest big industry in domestic crafts and in any case that they should bear in mind that good craft products were a good means of attracting foreigners.

It was pointed out that expert assistance both in respect of production problems and the organization of marketing was available from the United Nations Industrial Development Organization. Attention was also drawn to the United Nations Gift Shop as an export outlet for good quality products. It was stated that, in general, if an item was of good quality it would sell abroad and tariff problems would not stand in the way of its sale. However, products should first be developed for the tourist market at home. Once that had taken place, importers might be invited to inspect them or they might be sent abroad.

It appeared that a substantial export of craft products did not militate against their attractiveness to tourists in their own countries. The importer in selecting objects that would interest his customers in his own country often chose products different to those selected by tourists. Moreover, even where the tourist could recall having seen the product in his country, he would find that they were cheaper in the country of origin. Postcards, music records, food, drink, hats, shorts, shoes and dolls were among the recommended items.

The point was also made that ready packaging of products was as important as the establishment of fixed prices.

XIV. Accommodation

In the discussion of the paper on accommodation, the author supplied the following information:

Investment costs per hotel room: At least \$24,000 for a first-class hotel, everything included, but it might be as high as \$34,000. Land should not cost more than \$2,500 per room. Costs might be reduced through the use of prefabricated material or wood.

Minimum rate of occupancy: In an urban area, on a yearly basis, at least 70 per cent; in a rural location, no lower than 50 per cent.

Minimum number of rooms per hotel: In an urban area, between 300 and 500, depending on the cost of the land. But in a resort area with a seasonal trade, a hotel must either be much larger or much smaller (a family hotel of from 100 to 200 rooms). A hotel of 300 rooms was not too large to be personally managed.

Depreciation: A desirable rate was 10 to 12 per cent for the write-off of furnishings and 2 per cent for the write-off of building and land.

Relationship between the size and costs (the economies of scale): The size of the hotel would make much less difference to costs than the quality of the management and of the maintenance.

The American versus the European system

Under the American system, the occupancy rate was much lower and the rate charged for single occupancy was 75 per cent of the rate charged for double occupancy, that being necessitated by the lower occupancy rate. Under the European system, the rate for a single room was much cheaper than the rate paid for single occupancy under the American system. In the Lendi Geneva hotel, 68 per cent of the rooms were double and 32 per cent single. But for an international chain, a uniform unit was more economical.

International hotel chains

The advantage of having a hotel which belonged to an international chain was that it enjoyed a world-wide reservation office, but that advantage might now be obtained through the use of computers which permit intercontinental control. The disadvantage was that its operation was virtually out of the control of a country.

Bungalow-type accommodations

That type of accommodation created an attractive atmosphere and was less expensive. However, bungalows were only attractive if placed in isolation. Their appeal was lost if they were used at a resort, as in Club Méditerranée. Furthermore, they must be equipped with all comforts.

Location for hotels

An urban location for a hotel was far more advantageous than a resort. Motels were valid only in certain circumstances, for example, where they were sited away from traffic. They were not suitable for a country like Switzerland where there were no great distances.

Hotel tariffs

Clients liked invariable or fixed prices. The Rhone Group charge the same price throughout the year, arriving at the tariff through the use of a computer. That had been the Group's policy for eighteen years and had proved a great attraction.

Classification of hotels

It was recommended that developing countries with inadequate hotel accommodations should establish a hotel classification. A country, however, with an adequate supply of hotels did not need to have such a classification system except perhaps for luxury hotels. Where a classification was employed, it should be as simple and clear as possible. Furthermore, the scheme for one country usually could not be applied to any other country since no two countries were the same. For that reason, international classification schemes had not proved successful.

XV. Gambling casinos

Concerning the establishment of a gambling casino, it was recommended that while the needs of each country would be different, a separate place should be reserved for the gambling and it should be well supervised. Good regulations were required, inter alia, to ensure that the proceeds accrued to the Government and were not diverted by the infiltration of undesirable elements. It was stated that excellent systems existed in Monaco, France, Italy and the Federal Republic of Germany. There was also a very successful casino in Lebanon from which the Government derives a good income. A casino should serve good quality, inexpensive food and should provide quality entertainment. It should also be equipped with conference rooms, convention facilities and a cinema. The so-called European system of roulette (one zero) was found preferable to the American system (two zeros) because it was fairer.

XVI. Vocational training

It was felt that the establishment of hotel schools on a national basis was far too costly and should be avoided. A suggested alternative was the use of hotels with seasonal trade as hotel schools in the off-season, provided that the trainees were not permitted to serve the guests. The establishment of a regional hotel school was recommended as being economical both in terms of costs and rational use of teachers, of whom there was a great shortage. It was recommended that the United Nations provide assistance for the establishment of regional hotel schools. Another recommendation was that where a country permits the hiring

of foreign hotel managers, chefs, gouvernantes etc., it be stipulated that such experts must undertake to provide a certain amount of on-the-job training or teaching at vocational schools. It was recommended by the ILO, in the light of its ten years' experience in vocational training in the hotel trade, that (a) proper research was necessary, before courses are established, to determine the country's future employment opportunities in relation to its human resources; (b) prospective trainees should be required to take preliminary orientation courses on the nature and difficulties of the career, and (c) trainees should be required to take aptitude tests before being accepted for training. Attention was drawn to the possibility of providing vocational training as part of military service. A scheme of this kind was in operation in Morocco with good results. Countries were advised to select individuals who have already reached an advanced level of vocational competence for training abroad, since it has been found that medium- or lower-level trainees often refused to resume work in tourism in their home country at the completion of their course abroad. Under its fellowship programme, Switzerland, for example, no longer accepted lower-level trainees.

XVII. Cultural tourism

It was noted that historical sites like the famous Abu Simbel in the United Arab Republic and Borobudur in Indonesia attracted interest as much for themselves as for other cultural treasures in their environs. It was agreed that there was a limit to the visits tourists would make - they might wish to visit three or four sites but not ten. While restoration for purely cultural reasons deserved every support, a distinction should be made between that and the particular needs of tourism. It was also noted that in evaluating the needs of tourism, it would be useful to obtain and study statistics on subsequent visits.

Lastly, it was pointed out that certain historical sites, for example, an ancient Greek theatre, could be used as the venue for cultural events, such as festivals or concerts.

XVIII. Travel agencies

One solution to the problem of an undue influx of foreign travel agencies that competed with domestic agencies was the adoption of suitable legislation to protect the domestic agencies. That kind of legislation usually stipulated that the agencies of a country be controlled by nationals. On the other hand, it was stressed that competition could be very healthy, and attention was drawn to a related problem, that of inadequate reception or transfer services. Travel agencies tended to neglect that important function because it was not as lucrative a part of their business as the sale of tickets. For that reason, a country might be well advised to permit some of the larger foreign agencies to operate a branch office on condition that its operations were limited to provision of such services. The foreign companies were often interested in opening an office for that limited purpose not because it was lucrative per se, but because it was a means of ensuring satisfactory reception and transfer services for their clients at the destination in question.

PART TWO. SUMMARIES OF THE PAPERS PRESENTED

POTENTIAL FOR TOURISM IN DEVELOPING COUNTRIES

Chalermchai Charuvastr

The raw materials of tourism are the people of a country and what that country has to offer in the way of culture and beauty. Any nation, developed or still developing, which has the raw materials, can build a tourist industry. For developing an efficient tourist industry, it is important to make proper marketing surveys to determine the existing and potential clients, study the present and future travel routes, study, select and develop tourist attractions and centres and make them easily accessible to visitors and to promote tourism in an organized manner. The promotion of tourism can be done in co-operation with national and foreign travel agencies, by advertising in the mass communications media, both national and foreign, and by developing close relations between the national tourist office and the local and the foreign press.

The development of tourist industry calls for active assistance by the national government, private business enterprises and the general public. The Government must facilitate the entry of tourists into the country, improve travel facilities, allot money for sales promotion abroad, especially in the early stages, and encourage private investment in tourist plant, such as hotels. Private enterprise must be made aware of the potentialities of tourism and stimulated to invest in it. A carefully planned programme of education to explain the potential value of tourism to the nation and to persuade the public to support it is also necessary.

In only a little more than fifteen years, Thailand has developed from a country with tourist potential to a country with a substantial tourist industry. The Tourist Organization of Thailand, set up in 1959, has taken the necessary practical steps in promoting tourism such as enlisting the active support of the Government, conducting promotional activities abroad, establishing tourist-guide courses, developing new travel routes as well as new tourist centres and reviving and improving a number of old ceremonies. In 1967, tourists spent some \$50 million in Thailand. Tourism has brought new capital as well as new ideas to many areas of the country that were badly in need of development. Furthermore, tourism has contributed significantly to the understanding of Thai culture abroad, thereby promoting international understanding.

INTERNATIONAL TOURISM AND ECONOMIC DEVELOPMENT*

Total arrivals in the world have risen annually over the last ten years by about 10 to 11 per cent, and the rise in international tourist receipts has more or less kept pace. However, the great bulk of international travel is among the developed countries themselves, whereas the developing countries have, with few exceptions, derived very little benefit from this rapid expansion of world travel.

In developed countries expenditure on travel abroad, like expenditure on consumer durables, increases more than proportionately with a rise in income. Another important factor favouring international tourism has been the growth of air travel, especially through inclusive tours, which has encouraged travel to destinations further afield. This offers promising possibilities to developing countries since the majority of them are distant from the main markets.

The respective economic impact of domestic and foreign tourism in a country is briefly considered. Both represent final demand but foreign tourism also directly affects the balance of payments, and the impact of the two kinds of tourist expenditure tends to differ both geographically and with respect to the industries and services directly affected. Domestic tourism in developing countries, besides often making less impact per "visitor", tends to grow more or less in line with increases in income in those countries themselves, and in any event more slowly than international tourism. The prospects for economic growth through tourism in developing countries are thus tied mainly to the foreign sector.

Measuring (in terms of value added) the contribution of tourism to the economy is complicated by the fact that sales to tourists are not the product of one sector, but of several, in only one of which (the accommodation sector) is the whole output sold by and large to tourists. Ways of measuring value added by other sectors, such as transport, on account of sales to tourism, are also discussed.

With regard to international tourism, the total value added by tourism (which includes also the value added through the production of goods and services supplied to the tourist "sector" by other sectors) is equivalent to foreign exchange earnings from the expenditure of visitors, less the direct and indirect import content of those expenditures. Consequently, the greater the dependence on imports, the smaller the value added by tourism, and the smaller the true contribution to the balance of payments.

While the importance of the travel account in the balance of payments of developing countries varies from country to country, it should be regarded as normal for some developed countries, and certainly developed countries as a whole, to have a travel deficit with developing countries, and it is above all in developing countries that there is the attraction of major potential gains in foreign exchange that is badly needed to finance economic development.

The returns on investment in tourism can be calculated in terms of capital/output ratios as well as in terms of net foreign exchange earnings. Foreign

* Prepared by the United Nations Conference on Trade and Development secretariat.

exchange returns on investment in tourism cannot be properly compared with those on other investment if allowance is not made for the differing import content of the respective gross earnings. In the case of tourism, these returns may vary according to the type of visitor received. There are other benefits of tourism, such as additional tax revenue. However, public expenditure on marketing and other financial support for tourism must be justified in terms of over-all benefits and not merely of tourism's contribution to the public finances.

There is evidence that expenditure by tourists generates a degree of employment that compares favourably with other types of expenditure. On the other hand, the currently held view that tourism is a highly labour-intensive activity does not necessarily stand up to scrutiny, at least in the hotel sector.

Although international tourism is sometimes concentrated on a few main centres or regions within a country which enjoy relatively high income levels, it may bring economic benefits to less developed areas also, where little other activity exists. It must not be forgotten, however, that promoting tourism in such regions requires infrastructure and other investment for which there may be a higher national return elsewhere, and the development of tourism in these regions must therefore be determined in the context of over-all regional policy.

Expenditure by foreign visitors is only one of several kinds of increases in expenditure which generate an ultimate increase in income, greater than the initial one. There is no reason to believe that the multiplier effects of expenditure by tourists are different from those of other kinds of expenditure and it is necessary to beware of exaggerated claims that are sometimes made, in connexion with tourist development plans, concerning the extent of the multiplier effects of projected increases in receipts from foreign tourism.

Although differences among countries and over a period of time in the size of the multiplier should be considered normal, it seems that uniform concepts and definitions are not being applied when attempts are made to measure it in connexion with foreign tourism. It appears, furthermore, that in calculating the ultimate effects on income, gross receipts from foreign tourism are used as initiating expenditure without taking into account the fact that part of this expenditure will be on imported goods, and so does not generate income in the country.

SOME CONSIDERATIONS ON DOMESTIC TOURISM*

The proportion of total tourist expenditure which is devoted to domestic tourism, though varying a great deal between countries, is much larger than that of foreign tourism. Tourism in general and domestic tourism in particular can be considered to be a function of per capita income, distance between the supply and receiving centres in terms of cost or time, and degree of attraction. Although domestic tourism is a form of consumption, its expansion in a given country may increase the mobility of total resources, facilitate diffusion of technology and knowledge from high-income growth centres to relatively backward and small towns, and enlarge domestic demand which may lead to an acceleration of the rate of growth of the economy. In the long run, therefore, domestic tourism benefits development by mobilizing and increasing the total amount of resources at the disposal of policy-makers in a country. Moreover, indirect benefits of domestic tourism, though difficult to assess and quantify, may be even greater than its direct effects.

Domestic tourism, depending on the conditions and way of life in a country, may compete with or complement foreign tourism activities. It may be postulated as a general rule that the smaller the difference between indigenous population and incoming tourists in terms of habits, tastes, standard of living etc., the higher the degree of complementarity between domestic and foreign tourism activities. In certain countries growth in domestic tourism is not only an interim step in opening up the country to foreign tourism, and the implications should not be underestimated, but also a favourable development in itself, providing a "learning" period and playing the role of a "catalyst" in respect of the relationship between foreign tourists and the indigenous population.

Domestic tourism in Turkey may be used as an illustration. According to latest estimates, roughly 860,000 people travelled in Turkey, approximately 3 per cent of the total population, for domestic tourism purposes in 1963. But the growth in domestic tourism appears to have been very dynamic since then. The number of domestic tourists increases at an annual rate of 10 per cent per annum, and expenditure by more than 15 per cent. During the same period, from 1962 to 1967, GNP increased by 6.7 per cent annually and disposable income by 5 per cent. This implies an income elasticity of demand for domestic tourism of around 3.5, which means that people spend 3.5 times more percentage-wise on domestic tourism as their disposable income increases. The country's domestic tourism was negligible before the mid-1950's. After this period, however, mainly as a result of government initiative in establishing holiday camp-sites for its employees, it expanded very rapidly. These government-built camp-sites typically consisted of some 100 or so small cottages or tents, a playground, a beach, and joint dining and other recreation facilities. According to a 1965 survey, there were some seventy-five sites belonging to the government and semi-government agencies, mostly in coastal areas. Assuming ninety days' utilization a year, this implies, 900,000 nights, or facilities capable of serving 60,000 people a year.

* Prepared by the United Nations Secretariat.

Government initiative in this field led to a strong response from the private business community. In 1965, the private sector had 5,000 beds in thirty-seven similar camping sites, excluding hotels. Since 1965, a very rapid expansion in domestic tourism facilities, both governmental as well as private, was recorded. Apart from direct government initiative and guidance, very rapid expansion in highway construction, in the number of cars and buses, and discovery of attractive historical and natural points of interest all paved the way for a very rapid increase in domestic tourism. Transport cost and time declined rapidly, particularly between large urban and industrial centres, and coastal areas and tourist towns. These small towns and the immediate periphery achieved a much higher standard of living and greater social and geographical mobility.

ASSESSMENT OF THE TOURIST POTENTIAL OF A COUNTRY: APPROACH TO A METHODOLOGY

Frantisek Prikryl

Travel has become more widespread and more within the reach of the average man. During the past twenty years, the number of international and domestic tourists has been rising continuously as have the revenues accruing to the tourism industry, and this trend will continue with the existing trend towards urbanization, greater availability of leisure time and increased automation.

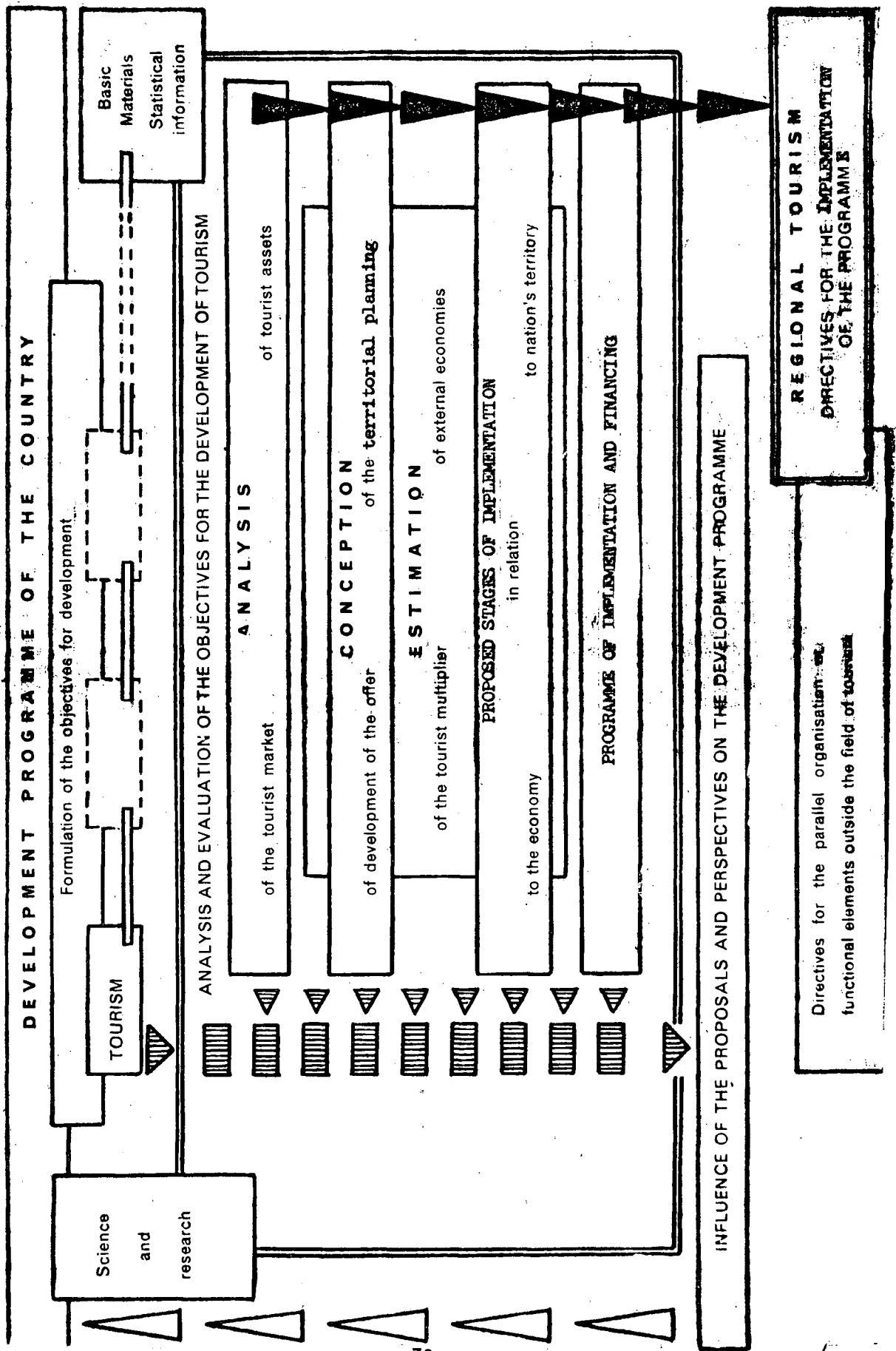
In regarding tourism as an inseparable part of economic and social life, the objectives relative to it must be to ensure its optimal development, to endeavour to ensure that tourism benefits a country's general economy to the maximum extent, and to place tourism development into the context of the country's development programme.

Since tourism touches many economic, social and political activities in a country, the interests of tourism must be harmonized with other interests in a given region. Hence the need for regional or territorial planning.

Territorial planning is planned development applied to the different sectors of the national economy on a regional basis. It has two chief aspects - its complex character and its long-term implementation, the former requiring attention to the mutual relationships of human activity and the latter permitting co-ordination of future developments. Territorial planning includes the necessary physical planning for a given area and is concerned to create good conditions of life for the inhabitants. Among its objectives are: creation of a healthy human environment; delimitation of the principal activities and general line of development of the area; land-use allocation; proper placement of buildings; sanitation measures; zoning; proper use of local resources with a view to their most effective development from the social and aesthetic points of view; working out of the timing of development schemes; and recommendation of the necessary technical, economic and organizational measures.

In giving priority to tourism in a given region, an optimum solution must be found for the over-all development of the region - development of industry, natural resources, agriculture etc., infrastructure and urbanization. Other factors to be considered are the relationship to the economic plans for the country as a whole and the tourism market. In developing countries, which are apt to have little industry, low productivity, inadequate capital resources and other such characteristics bearing on optimal development, it is essential that full plans be formulated before tourism development begins and that the tourism plans be integrated with the economic plans for the country as a whole.

On the basis of the above theoretical principles, a schematic framework may be drawn up which is illustrated in the attached diagram.



The development programme will vary from country to country and will depend in part on the results of analysis of relevant statistical data and market studies.

The plan for implementation of the programme should lay down the timing or pace of implementation and targets to be achieved in the successive phases of investment.

The responsible administrative authority will determine the work programme and draw up detailed directives.

Tourism development of this kind requires an appropriate legislative foundation, executive authority, whose professional competence will greatly affect the success of the programme, and the availability of trained specialists (hotel management and other specialists).

ASSESSMENT OF THE TYPES AND VOLUME OF DOMESTIC AND FOREIGN TOURISM DEMAND

S.N. Chib

During the past twenty years, the types and volume of foreign tourism on a world-wide basis as well as for most of the countries or areas individually have been fairly well determined. Not much information, however, is available on domestic tourism in most countries. The reasons for the lack of data on domestic tourism are obvious. While it is possible to count the number of foreign visitors at the points to entry and departure and to assess their characteristics from the immigration authorities or hotel records, it is difficult to determine the number of domestic tourists moving freely within their home country. However, a few of the more advanced countries attempt to maintain records on domestic tourism or estimate domestic tourism by sample surveys. Data on 1963-1965 reported by twenty-three member organizations of IUOTO showed that the volume of domestic tourism was much larger than that of foreign tourism. The IUOTO survey estimated that domestic tourism claims a much larger share of world travel expenditure than foreign tourism.

International travel for pleasure and recreation is growing at a faster rate than business travel. Tourists are travelling longer distances and long-haul international tourism is growing at a faster pace, as compared to short-haul travel between neighbouring countries. The growth rate of tourist expenditure is considerably higher than the growth rate of national incomes.

The number of foreign tourists visiting developing countries being rather small, investments in creating tourist facilities become remunerative only if the tourist areas are also visited by a large number of domestic visitors. Domestic tourism thus becomes the base on which foreign tourism can be built.

The following twelve countries have been generating 75 to 80 per cent of foreign travel: United States of America, Canada, Germany (Federal Republic of), France, United Kingdom, Netherlands, Belgium, Italy, Switzerland, Sweden, Denmark and Austria.

Europe continues to receive more than two-thirds of world tourism and the tourist receipts of European countries constitute about 70 per cent of the world foreign tourism expenditures.

Inclusive or package holiday tours offer the best solution to promoting tourism to destinations outside Europe and the United States of America and Canada.

The role of charter tour operators of some of the European countries and of incentive travel promoted by convention business generated by the United States of America in promoting modest-priced package tours, should be given due recognition.

Technological advances have given mobility to human beings and have changed the character and volume of both foreign and domestic tourism. Both the volume and character of foreign tourism will undergo significant changes with the introduction of larger jets with a capacity of 300 to 500 passengers in the next decade.

The sociology of travel demand in terms of social characteristics of tourists is fairly well documented as a result of sample surveys conducted by most countries seriously interested in tourism. However, a sufficient number of motivational studies to determine the basic causes of why people want to travel have not been carried out.

PLANNING OF TOURISM RESORTS

Paul Risch

Planning for tourism development does not constitute drawing up plans for the construction of a hotel, plant or installation; it involves co-ordination and harmonization of development activities in numerous fields which contribute to the making of a successful holiday resort. Before deciding on either the introduction of a tourism industry in a country or its expansion, efforts must be made to obtain a near foolproof survey of market conditions. Selection of areas for tourism development should take into account the following factors: climate and scenery; distances from major tourist markets; accommodation and services available; travel trends in surrounding countries; development of competitive regions; transportation from major tourist markets; promotion; and present and future travel fashions or trends. It is essential to know the behaviour pattern of visitors from particular tourist markets. If located near other holiday resorts or tourist areas, facilities and amenities at a new tourist resort should be adjusted to those offered by the competitive resorts.

For the development of a new holiday region, a master plan should be drawn up. This master plan should include phased development of the infrastructure, including water supply, sewage and drainage, electricity, roads, airports, local transports, health service and telecommunication, and of the suprastructure, such as accommodation, shops, services, travel agencies, excursion facilities, night clubs, entertainment, sports facilities and taxis. A separate executive agency or authority should be formed and entrusted with the responsibility for planning, co-ordination and execution of all works in the area. This authority should also be entrusted with the responsibility for all the municipal planning.

In case of the development of an already existing holiday resort, it is necessary to prepare a detailed and exact inventory of the available infrastructure and the suprastructure to pinpoint to the planners the existing bottle-necks. Then, on the basis of projected future needs, a master plan should be prepared. This plan should contain a carefully worked out zoning system and should classify the future stages at which developments are to be carried out. In the development of both an existing or a new holiday resort, very close co-ordination between various phases of the development of infra- and the suprastructure is needed.

The planning for tourism development should take into account the possibilities of private investments in building infrastructure. Purely tourist installations such as hotels, restaurants, night clubs etc., as a rule, should be self-supporting, and, if possible, yield a small profit. The amenities offered by public services, such as water and electricity, should be made available to the consumer at a small charge, thus enabling the recovery of the invested capital and overhead expenses.

The exact estimation of the benefits to the national economy from tourism development should not be omitted from these planning exercises to see if the considerable public investments in tourism development cannot be more usefully and profitably employed in any other sector of the country's economy. The costs-benefits calculation constitutes a qualified expedient for this.

POTENTIAL FOR TOURISM IN DEVELOPING COUNTRIES

H. David Davis

The lion's share of the international travel trade has so far gone to Europe and North America. On the other hand, the international travel trade to the developing countries has been growing at a somewhat faster rate than that of the developed countries, particularly in recent years. In 1967, twelve leading tourist-generating countries provided 90 per cent of all visitors to developing countries from further afield than the other countries within their respective regions. The demand for foreign travel has been very income-elastic, particularly in the major tourist-generating countries. In addition to national income elasticity, factors affecting the demand for foreign travel include income distribution, tour costs including transport charges and expenditures in the destination countries, and demographic and social changes. So far, all these factors have had their greatest impact in the advanced countries and it is in these countries that travel promotion - another factor in demand growth - is likely to pay off the most and the quickest.

The present trend towards longer distance travel has been made possible by the conjuncture of rising disposable incomes available for travel in the major tourist-generating countries and the declining costs of the air transport component which constitutes a heavy proportion of total costs of long-distance trips. Trips to most developing countries are of relatively high total cost because most of these countries are a long distance from the major international travel markets. The growth potential for international visitors traffic is particularly good for those countries to which the total cost of the trip can be reduced while the income elasticity in the countries generating the traffic is moving demand upwards. Average air transport costs have been declining. Special excursions, inclusive tours and group rates - the so-called "creative fares" - have resulted in sharply reduced fares for vacation travellers. Those developing countries which are closest to the tourist-generating countries are likely to benefit from reductions in air transport costs first. At the destination, tourist prices can be kept within bounds by ensuring that unit costs of investment do not impose undue capital burdens.

The world demand for travel is growing considerably faster than that for merchandise exports. In many developing countries, the demand prospects for international tourism are considerably brighter than for their traditional exports. The international tourist trade contributes to national income by increasing foreign exchange earnings, compares favourably with other economic activities as a generator of employment, contributes relatively rapidly to the development process since the gestation period of most tourism investment projects is relatively short, and can generate economic growth in certain regions of the country where the resource base is poor for alternative activities.

In deciding how much priority should be given to tourism development, the question that has to be answered is whether the economic costs of developing

tourism and the resultant benefits compare favourably with those of other economic development activities. A major difficulty is to define what investment costs would be ascribed to the development of tourism. Although tourism is not a sector in the strict economic sense, there are a number of goods and services which are provided for visitors that an economy would not otherwise have to provide - investments in accommodations, restaurants, amusements etc. and additions to infrastructure. The task is to define these additional investments.

Once the question of priority has been decided, the next step is to establish and implement a national tourism programme. Some sort of national planning is required to create a climate for productive investment in all suitable fields. As part of the general economic plan, a coherent national programme for the tourist industry can be established. The plan for tourism should take into account the cost of infrastructure and general services, thus giving a view of the rate of return on all related investment, and should indicate the desirable geographical distribution of the development effort. A national tourism plan, devised in consultation with the tourist industry, acceptable to it and widely understood, is probably the single most important step that any country can take to ensure a balanced programme of investment in the development of tourism.

ORGANIZATION OF TOURISM IN DEVELOPING COUNTRIES

Julien Konan

The participation of the developing countries in world tourism is still very weak. This is due neither to lack of tourist resources nor to lack of appreciation of tourism. Often it is owing to the failure to organize tourism as any other industry. Moreover, success in organizing tourism depends on how different groups co-operate and to the extent to which the related problems are dealt with on an inter-state basis in the context of a circuit.

It is essential for a country to have a ministry or a high-level commissionership in charge of tourism and with adequate means at its disposal. This authority should be responsible for deciding the Government's tourist policy in close co-operation with other ministries such as those for planning, finance and economic affairs. The Government should also establish a national tourist office, which should have several sections, including those for: development of selected tourist areas, research, promotion, organization of tourist enterprises, publicity and external relations.

The national tourist office should be provided with an adequate working budget and an equipment budget and should hold a meeting once a month at least to review the proposals submitted to the Government as well as to consider modifications in existing plans. In addition to carrying out promotional activities, the office should serve as an adviser to the Government, should be responsible for implementing the Government's policy and for promoting co-operation between the Government and the private sector, and should maintain contact with international tourism organizations as appropriate.

In addition to the national tourist office, there should be a local tourism board or office in each city. The national tourist office should convene a meeting of the representatives of the local offices at least once every three months to review progress or problems in the implementation of the country's tourism development programme. A report of this meeting should be submitted to the Government.

The national tourist office must have the support of and work hand in hand with the private sector, since many of the tourist enterprises, such as hotels, will be in the private sector, or, if initiated in the public sector will be or should be eventually turned over to the private sector. Moreover, it is the travel agencies, hotelkeepers, restaurant owners, and air and other carriers who are, so to speak, the professionals of tourism and they must therefore have a voice in tourism affairs and be duly consulted by the national tourist office.

SETTING UP THE NATIONAL TOURISM ORGANIZATION

Jean-Louis Aeschlimann

The national tourism office is the highest tourism body in a country, responsible for the over-all development of the tourist industry, i.e. for formulating, guiding, implementing and publicizing the tourist policies of the country as a whole. The three main stages in building up the structure of such an organization are: specification of general responsibilities; analysis of the main activities; and synthesis of the various duties on the basis of different criteria.

The national tourism office engages in two quite different types of activity: first, the activities concerned with paving the way for tourist traffic, and secondly, activities connected with publicizing the country's tourist heritage. Two separate organizational units should be set up, a promotion unit responsible for creating and maintaining a favourable tourist atmosphere, and a publicity unit, handling the "selling" of tourist attractions and services. For a smooth and proper running of the organization, there should be a third unit in charge of administration. Over and above these three units, there should be the management.

The management formulates general policies, makes major decisions and issues orders and operational instructions. Its internal structure will depend on the size of a particular organization. However, it will be subdivided into three units: the national tourism council, the administrative council and the director with his advisors. The national tourism council should comprise representatives from all sectors, public or private, directly or indirectly affected by tourism. It may carry out its work through specialist groups or committees reporting to it, with the council itself making the final decisions. The task of the administrative council is to study the national council's instructions and put them into concrete form. The director, who should have full responsibility for the implementation of the decisions, should have a small general staff of advisors whose training supplements his own.

The administration may be subdivided into units dealing with staff, supply, finance and documentation.

The promotion unit should comprise two sections, one responsible for developing tourist attractions and the other concerned with tourist facilities. The former should be subdivided into sections dealing with recreation, sports, art and culture, and trade and technology. The section concerned with tourist facilities should be subdivided into sections dealing with transport, accommodation and catering and supplementary services. The section dealing with transport may in turn be subdivided into sections dealing with air, sea and land transport, respectively. The section dealing with accommodation and catering may be subdivided into the following sections: hotels; inns and boarding houses; restaurants; and bars and clubs. The section responsible for supplementary services should deal with such supplementary services as travel agencies, guides, communications, medical services, legal services etc.

The publicity unit, which would be responsible for advertising what the country can offer to the tourist, should be subdivided into three sections: advertising, information and documentation; and public relations. The section for advertising may be subdivided into a production unit and a distribution unit. The section for information and documentation should comprise branches responsible for the tourist library, the film library, and the statistics and central filing system. The section for public relations may have a branch dealing with domestic relations and a branch responsible for external relations.

The national tourism office should have a well-defined chain of command, the right man in the right place, concordance between tasks, skills and responsibility in each unit, and strict observance of the organizational disposition of functions and line of hierarchy.

PHYSICAL PLANNING FOR THE DEVELOPMENT OF TOURISM*

For a desirable development of tourism, it is necessary to consider foreign tourism and domestic tourism simultaneously. While the presence of natural and man-made resources for tourism is essential, the development of tourism cannot be independent of economic and social growth, and can be promoted through comprehensive planning only. Also, there is an increasing understanding of the reciprocal impacts of the environment and the economic and social functions. This makes physical (environmental) planning an integral part of comprehensive planning. Physical planning is particularly important in the promotion of tourism because of the crucial value of physical qualities of environment in its development.

The tourism development potential of an area, in terms of climate, resources and accessibility, can only be meaningful if comprehensive efforts are made for its development. The required developments for the promotion of tourism in several sectors and services of the economy such as transportation, public health, cultural and sporting facilities, should be taken into consideration. The environmental consequences of these sectoral developments should be controlled so as not to upset the environment for tourism development. Determining the capacity of resources, which indicates the limits of intensity of their use, is a major objective of the planning exercise which should also ensure that the environment is not spoiled for the sake of tourism. This can be done either through land-use plans or related zoning regulations. If, however, local conditions do not permit exercising these planning and implementation techniques at present, the natural and historical environment may be preserved through large-scale allocations of public land as wild-life reservations or national parks. The natural ecology of these areas should be protected. Conservation of the natural environment also requires control of air, water and land pollution as well as noise level.

The first strategic decision to be taken is the concentration of investments on physical facilities in certain regions of the country with high development priority. Selection of such areas should be based on careful assessment of the development potential of the regions and on comparative advantages, such as identification as part of an "international tourist region" resources and accessibility and existence of tourist facilities and infrastructure. Several of the projects in tourism and other sectors should be developed simultaneously to support each other and to create the "living environment" for tourists. Several alternatives of recreation and entertainment of different levels of quality should be provided in order to attract tourists of varying tastes and from different income groups.

Physical planning as an integral part of the comprehensive planning approach can be instrumental in the development of tourism at the national, regional or local level. It is a complex process requiring the use of several analysis and planning techniques. One of the critical studies is the "supply" and demand analysis. "Supply" is the land with certain characteristics and "demand" is created by various socio-economic groups of tourists.

* Prepared by the United Nations Secretariat.

Projection of the future volume of tourist traffic and its composition is important for this purpose.

The foreign and domestic tourism sectors should be studied simultaneously in carrying out the supply and demand analysis. Foreign tourism influences the priority and location of investment and should be taken into consideration in deciding the development strategy. Planners of tourism development and investors in tourism facilities alike will need to know the nature and volume of domestic and foreign tourist movements which should preferably be analysed in conjunction with the national development plan. The role and share of tourism in the over-all development efforts of the country should be decided upon at that level. Tourism should be planned within the framework of comprehensive regional development schemes. In a regional plan, the tourism sector may be treated as one of the development sectors, where over-all investment priorities are so established as to achieve the optimal sectoral growth. It would be advantageous if priorities for those investments in the other sectors of the economy which are required for the promotion of tourism could be established in light of their usefulness to the other aspects of development as well as to tourism.

The advantages of a comprehensive regional development approach in planning for tourism development also arise from the inherent interrelationship between tourism and urban and rural functions. Urban centres should not be regarded as service units of tourism developments. Tourism should be an integral part of city life. The potential of rural areas as tourist attractions in themselves should be evaluated in the planning for tourism development.

Once the tourism development potential of a region has been established, further detailed inventories and assessments of tourist resources are needed to select the major areas of tourist investment and to determine the region's capacity to accommodate and entertain tourists. Capacity standards, which will vary from place to place, are needed as a basis for the conservation of resources and for maintenance of the quality of tourism facilities. Existing resources should be fully utilized and other facilities added with a view to providing a variety of attractions with due respect to the preservation and rational use of resources. Detailed physical plans for area development showing the location of all additional facilities should be prepared.

Physical planning for the area development should always be within the framework of a regional land-use plan, and in critical areas, area planning exercises should be followed by detailed site planning. The major preoccupation of the physical planning exercises should be the preservation of a characteristic environment and provision of facilities in or within the reach of this area, in order to accommodate the tourists. In transportation planning, the objective should be rapid and safe communications between the ports of entry and the tourism development area.

In the design of area development and site plans and of tourism facilities, respect for human scale and freedom of movement should be the guiding principle. The scale of historical and other characteristic elements of the man-made and natural environment should also be preserved.

Physical plans should be so implemented as to ensure that developments in the other sectors do not upset the characteristics of the environment.

Certain principles should be observed for the efficient implementation of the plan. These include: the phasing of the development measures and investments under which investment projects should be programmed together in a time period and according to their interdependency and priority; legislative, administrative and financial arrangements including land-use control legislation and implementation; zoning regulations, legislation for the preservation of natural resources and historical sites, legislation to avoid speculation, "country-side legislation" to provide a framework for desirable recreational development and to control resource use, and legislation to control the movement and export of antiquities and art treasures; and a credit mechanism. Collaboration of the public and private sectors should be secured by bringing them into the over-all development efforts in the early stages of planning. Standards for tourism facilities should be established together with legislative measures to ensure their implementation. Dual standards for foreign and domestic tourists should be avoided, wherever possible, and in the design specifications of tourism establishments the varying demands of both the foreign and domestic tourists' markets should be consolidated rather than separated.

One of the objectives of planning should be to promote investment projects for which the economic feasibility studies can be made later. The planning exercise should not be considered only as a control mechanism but also as an effective project promotion system. Recognition of the role of the local people from the very beginning of the development efforts provides great advantages. Local "tourism development societies" can be established to lead the local efforts with the support of related public agencies. These societies can contribute to the planning studies as well as help in the implementation of plans at the local level.

As regards administrative arrangements, where the administration of a region is the responsibility of one regional agency, this agency can be equipped to deal with tourism development. Where several sectoral agencies and national or regional planning bodies function in an area, development of tourism can be undertaken by a sectoral agency.

NATURAL RESOURCES DEVELOPMENT AND TOURISM: A SIGNIFICANT
THOUGH AMBIVALENT RELATIONSHIP*

Natural resources development and tourism development in a particular locality may be incompatible with each other unless care is taken to find a solution. In many instances solutions will be found whereby the two need not be mutually detrimental and may indeed be mutually beneficial. The relationship may be discussed as follows.

Natural resources development preceding and providing opportunities for tourism: Inaccessible areas are often opened up for tourism upon the discovery of mineral resources. It is advisable for developing countries to utilize for tourism where possible the infrastructure financed by the development of natural resources instead of expending additional large sums for infrastructure for tourism alone.

Tourism as a casual factor for natural resources development: Tourism exerts a considerable influence in so far as good-quality water is concerned. Thus tourist requirements have caused the establishment of desalination plants, particularly on islands enjoying a sizable tourism industry. In a few cases, tourism has been the pioneer, on a modest scale, in the development of beaches and electricity supply. However, the pioneer role of tourism in developing countries is rather limited as tourism, as an industry, cannot generate the high income that successful mineral discoveries or other large-scale natural resources development can generate.

Joint natural resources and tourism projects: Water resources for recreational purposes can often advantageously be included in projects for water-resources development for other purposes. However in evaluating the contribution recreation can make if the demand is certain, the economist must always check whether another feasible solution for providing recreational needs is available which would be cheaper than a joint development with a water-resource project. Furthermore, the economist must show that the specific investment for recreational facilities in a joint project would create a greater income than the specific cost of developing, operating and maintaining these facilities separately. Many other types of joint natural resources and tourism projects are feasible. For example forest resources can be developed simultaneously for timber and recreational purposes. However, far less is as yet known about these other possibilities.

Tourism to the exclusion of natural resources development: A "wild" or beautiful river may have considerable hydropower potential while the development of such hydropower would destroy the scenic beauty. The complex economics of a "wild" river have been the subject of considerable discussion, the underlying assumption being that leaving the river in its natural state might attract tourists and maintain scenic values that would be greater in economic terms than hydropower development. There are other similar cases relating to the use of geothermal

* Prepared by the United Nations Secretariat.

energy versus retention of areas as parks and other cases. However, in developing countries, the reservation of areas for the exclusive use of tourism should be considered very carefully since such a policy may prevent natural resources development of great significance.

Natural resources development to the exclusion of tourism: Certain kinds of natural resources development such as off-shore oil explorations and surface mining are inherently incompatible with tourism or recreational centres. In many cases, particularly in developing countries, natural resources development will have to have priority over tourism or recreational developments on overriding economic grounds.

Priority use of limited natural resources for tourism: In certain areas, the use of limited natural resources for tourism yields or would yield a higher economic return than that obtainable from certain uses of the water resources. A detailed cost-benefit study to establish the priorities may have to be undertaken in many water-short areas with a tourist potential. Since the normal cost-benefit methods do not entirely suit the case of limited natural resources, the United Nations is presently studying the criteria for economic evaluation of water resources development projects and attempting to find a better method than the traditional cost-benefit model. The problem of priority use of limited natural resources may also arise in relation to limited locational resources, especially on islands.

In conclusion the significance of natural resources for development and the importance of tourism are such that means must be found to broaden the area in which combined natural resources and tourism development can take place to their mutual advantage. Solutions to minimize the mutually detrimental aspects can be found when the impact of natural resources development is taken into account at an early planning state. Since natural resources and tourism are both dynamic fields, the natural resources and tourism resources of a country should be reviewed and reassessed from time to time so that satisfactory and speedy economic development might be achieved and harmful consequences avoided wherever possible.

TOURISM AND SURFACE TRANSPORT*

Transport is an indispensable ingredient of nearly every kind of economic, social and political activity including tourism. The moving of people is the common denominator of tourism and transportation. People travel for many reasons: business, pleasure, education, etc. and for that they need transportation. How strong the forces generating transport demands are in a specific case depends on many geographical, demographic, economic, technological, sociological and political factors. In analysing these factors in relation with tourism, one should keep in mind internationally recognized definitions of the terms, such as "visitor", "domestic tourist", "foreign tourist", "day visitor" and "excursionist". Tourists and excursionists form a considerable part of all passengers moved on various means of transportation, international as well as national.

In the drawing up of a plan for the development of a transport in a country or region, the preliminary step is the evaluation of long-term volumes of passenger and goods traffic taking into account the planned national and regional targets. In countries which do not yet have long-term development plans, specific studies on the development of the leading branches of the country's economy, such as agriculture, industry, trade, etc., can serve as the basis for making sound estimates of the future transport needs. This should be followed by an evaluation of the country's existing transport system. Next comes the establishment of the country's future transport policy, including the improvement and extension of the transport system. The transport policy and programming of transport development should aim at planned strengthening of the economic, social and political structure of the country concerned by developing well-co-ordinated modes of transport, keeping in mind the latest advances in transport technology, and the needs of the country.

The tourist transport requirements should always be considered as part of the over-all demand for moving various kinds of passengers and freight. Therefore, transport planners, while programming any improvement or extension of transport infrastructure, should always try to answer the question whether and how the programmed action can also meet the needs of tourism. For instance, roads which have to be built in connexion with the exploitation of mineral deposits in inaccessible mountains can also be used to open the scenic mountain areas for tourism and mountain sports; the reconstruction of ports and the improvement of navigability of rivers can be designed to also permit the development of aquatic sports including yachting. Inter-State highways and regional transport links can also be equipped, as they already are in Europe and North America, to serve tourist traffic.

The railways, which have primarily been used to carry bulk material over long distances, have always been used for the transport of passengers and have contributed a great deal to the development of the tourist industry. The competition of buses, private cars, and airlines has forced the railways to continuously increase the economy, speed, comfort and safety of their operation. However, very few new railways are being built at present and will be built in the near future.

* Prepared by the United Nations Secretariat.

The infrastructure of water transport, which includes inland waterways, coastwise, inter-island and ocean traffic, consists in devices aiming at the improvement of the navigability of rivers and channels, canal construction and terminal facilities and harbours, with shore structures. Most of the ports in the world have one or more passenger terminals.

Some transport facilities, such as roads and parking fields within a tourist plant, resort or national park, roads linking hotels, resorts, parks, beaches and other tourist sites with the main roads, earthbound and aerial ropeways, ski-lifts, yachting ports and monorails or loop railways, may have to be built in order to predominantly serve the tourists.

The latest developments in transport technology and other modern innovations in this field, if properly applied, can contribute a great deal in making transport more efficient, faster and safer, especially in the developing countries which are faced with the task of improving, extending or building their transportation system to meet the growing needs of their economies.

Some of the new transport solutions, even those which are still called "non-conventional", may find efficient use in connexion with tourism in both the developed and the developing countries. Hydrofoil boats and ships are suitable to provide fast passenger services, regular or chartered, including sightseeing tours on rivers, lakes, channels and off-shore sea areas. So-called ground effect vehicles, or "hovercraft" can be used to transport passengers not only on rivers, lakes and seas, but also over terrain without roads, over swamps, shallows, marshes, snow and ice. The amphibious hovercraft, operating with equal facility over water and land, is particularly suitable to transport tourists from seaports or airports to hotels, resorts and beaches located along the sea coast. The craft is capable of overcoming such obstacles as low coral cliffs and does not need any special access channels or port facilities.

A sound and adequate transport system is most likely to result if the rates and fares within each of the various means of transportation are based on consideration of the total costs which are fairly attributed to each of the transport means. For the purpose of increasing international travel and for the benefit of the developing countries, it is extremely important that the air and maritime fares on main routes be reduced as far as commercially feasible. New technological developments - particularly in the civil aviation industry - may soon contribute a great deal to achieving this objective, jointly with the wide use of special promotional fares.

The use of passenger cars has contributed considerably to the development of tourism, both domestic and international. Many railroads and shipping lines provide a service enabling the traveller to check his car and have it transported with him on the same train or ship. Recently, some airlines have also started transporting cars owned by their passengers. Many railway, bus and ship operators provide an automobile rental service at large stations and terminals.

In respect to the safety of international road traffic, a closer uniformity throughout the world in the rules for roads, road signs, signals and markings and in the technical safety provisions for vehicles used on the roads is of extraordinary importance. An international conference aiming at such unification, convened by the United Nations, was held in October 1968 at Vienna, in order to produce an international convention on road traffic signs and signals.

TOURISM AND AIR TRANSPORT

R.J. Moulton

International air transport is intimately involved with the three main pillars of international tourism: promotion, facilitation and the travel plant (hotels, historical sites, etc.). Air transport has been responsible for the so-called "explosion" in world tourism and has facilitated long-distance travel, particularly from the highly developed regions to the developing regions. Airlines are also investing in hotels and other tourist facilities and are helping in the development of new tourist areas in less developed countries.

The elimination of needless red tape from governmental formalities and the streamlining of the rest to essential security requirements is very important to air transport. Countries have a continuing obligation under the Convention on International Civil Aviation to put into effect international standards and recommended practices set forth in the Convention's annex 9. The ICAO's Facilitation Division, at its session in May 1968, recommended the universal elimination of requirements for entrance visas in advance from temporary visitors remaining in a State no longer than three days and the creation of a panel of experts to examine the feasibility of establishing an appropriate document which will meet all documentary control requirements.

The provision of adequate facilities and services for passengers at the air terminals is also very important to air transport. The aim should be to get passengers and their baggage on and off aircraft and to and from the terminal with a minimum of delay, to provide the necessary facilities and services in the terminal building, to clear the traffic as quickly as possible through control formalities and to provide surface transportation between the airport and city. Methods would have to be devised to ensure rapid handling and clearance of passengers. Future needs for expansion should be kept in mind in the planning and designing of air terminals. Provision of lodging and recreational facilities and other amenities can also affect the development of international air transport.

The ICAO has undertaken regional studies of measures to further the development of international air passenger travel. These studies are primarily being done from the aviation point of view and are concerned mainly with the transport of international passengers by air. In the growth of demand for air transport, the level and structure of fares and freight rates are determining factors. The feasibility of introducing new or lower creative fares and promotional rates that will tap new sources of traffic without seriously diluting revenue from existing traffic should be considered. In case of countries located far from the main tourist-generating centres, it may be advantageous to encourage charter operations which offer lower fares than the scheduled services. Wisely regulated non-scheduled inclusive tour services, as well as inclusive tours on scheduled services, can be extremely important in the development of air tourism in some regions without being detrimental to the scheduled services.

It is estimated that the world average operating cost per seat-kilometre will continue to fall up to 1980 about 2 per cent per year and world average fares per

passenger-kilometre will return to an average reduction of about 2 per cent per year with a maximum of 4 per cent and a minimum of no reduction. Recent forecasts of passenger traffic volume suggest a probable average annual increase of 12 per cent and a maximum increase of 16 per cent. On the basis of an annual 2 per cent reduction in average passenger fares, it is estimated that, if no further major currency restrictions come into force, international passenger traffic volume will continue its steady expansion until 1980 at an average of about 14 per cent per year with a minimum of 10 per cent and a maximum of 18 per cent.

THE DEVELOPMENT OF LOCAL PRODUCTS WITH AN APPEAL FOR THE TOURIST

Goran F. Holmquist

Tourism, in addition to creating employment at an above-average rate, can help to increase foreign exchange earnings of the recipient country. For this, a country should build up, if already not in existence, the supporting domestic sources of supply of goods, souvenirs and the like. The greatest variation in the average expenditures of a tourist lies in the amount spent on shopping and sightseeing. The things a visitor, either foreign or domestic, looks for, when shopping, are food and drink specialities, indigenous craft products, clothing of colourful and native flavour, souvenirs, and merchandise sold under bond, duty free.

In a country like Denmark, for example, the greatest attractions offered to the tourist are food, fun and fairy tales. Danish smorgesbörd has become famous the world over; so have Danish aquavit and beer. Copenhagen's big hotels present "Denmark luncheon" or Denmark cold buffet, with typical table settings, and other features to ensure that the food specialities are served in a special atmosphere.

It is essential that countries interested in developing tourism build up - or create, if necessary - a domestic agriculture that can supply the foreign visitor with the right kind of food. Such development will serve the threefold purpose of saving on imports, providing delicacies for export and creating employment. Indigenous crafts such as basketry or products such as receptacles of metal or wood - boxes, bowls, plates - should adhere closely in design to the native tradition and should not be - as is often the case at present - gaudy and tasteless.

Through ingenuity, local materials may be used to create original items, for example toys made out of Ferula, a bamboo-like weed, as in Sardinia. In many parts of the world, local habits of dress can be turned into a tourist purchase and attraction.

Tourists like to secure mementos that vividly reflect the country of origin. However, most of this type of merchandise today is far below an acceptable standard in design and quality, and in many instances, except for the name stamped on it, bears little relationship to the place of sale. Many countries have taken action to remedy the situation, often resulting in the revival of almost extinct homecrafts.

Creating merchandise of appeal to visitors is not merely a matter of good design and workmanship. In planning these items, the recipients' age group, sex and relationship to the donor should be kept in mind. Objects should be easy to carry home and, if possible, should be prepacked, ready to travel. The tourist should be exposed to domestic products in every conceivable way.

Of individual items, post cards and stamps are very important. Post cards are at once a basic necessity for the tourist and a marvelous agent for free publicity for local attractions. Colour slides, films, records of native folk music, maps and guidebooks. all have great appeal to the visitor, and, at the same time, may serve as free, unsolicited propaganda.

In many parts of the world, duty-free in-bond shops are a bonanza for tourists. Although only a small part of the foreign currency taken in will remain in the country, these shops pay various local taxes and other charges and provide employment. The duty-free shops at airports should have a carefully-selected assortment based on what visitors buy in resort shops, particularly souvenirs and small items easy to carry aboard the plane.

ACCOMMODATIONS

Richard Lendi

Hotel construction, both in the countries with a developed tourism industry and in those with a nascent industry, is booming as part of the general boom in international travel. The financial, technical, economic and legislative factors stimulating hotel construction may be summarized as follows:

Financial: The Government can play an important role due to the fact that it controls regional planning, and the buying, pricing and utilization of land. It can also subsidize construction and can attract foreign capital to the hotel industry by giving foreign investors freedom of action as well as by refraining from undue control of investment in this sector. Moreover, the Government can apply certain fiscal measures designed to benefit the hotel in its early stages.

Technical: The future operator should participate with the promoters and architects in the planning of the hotel right from the start. Their aim should be to rationalize and lower building costs by studying the economic, functional and internal traffic aspects of the plan and to apply the best existing technology.

Economic: The policy should be not to economize on installations but to secure the kind of installations that will best answer the purposes for which they are meant and that will enable the hotel to have the benefit of the most efficient available technology.

Legislative: Where the Government intends to give priority to tourism development, it should ensure the provision to hotels of the necessary public services (electricity, water, gas, etc.) and should grant special tariffs for such services for the hotel.

Procedure in financing and operating: There are several alternatives: (a) creation of a real estate company which would finance the construction and an operating company which would provide minor equipment, initial expenses and revolving funds; (b) one company combining the two above functions; (c) management contract (of five to ten years' duration) whereby know-how is provided for a determined fee; and (d) lease (of a minimum of twenty years), where two thirds of the profits go to the real estate company and one third to the operating company.

With regard to the modernization of a hotel, this requires relatively large investments (as compared, for example, with the modernization of a factory). In many cases, it may be preferable to demolish the old building and construct a new one. Modernization plans are very difficult to formulate. Moreover, the transformation of a hotel as a result of its enlargement poses difficulties.

Developing countries, where they lack the necessary techniques and experts, often elect to hand over the construction and management of hotels to specialists, generally foreign firms. The Government should guarantee to hand over a completely equipped hotel, should authorize the hiring of a minimum number of foreign executive staff, and should guarantee the repatriation of funds invested, profits

and salaries of the foreign staff. It should also agree to make adequate revolving funds available and to refrain from unnecessary interference in the management.

Lastly, it should provide State recognition of the contract of the operator and formally guarantee adherence to it beyond any change in government or ministries.

As regards the matter of hotel classification, those constructing a new hotel should adhere to established norms and criteria so that the hotel may, when completed, be registered in the category foreseen by the promoters.

The present preference is towards the "business-man's" type of hotel which has all modern comforts, rapid and impeccable service and the facilities necessary for the accomplishment of his professional and private activities.

The rank of a hotel is quickly lowered if its management fails to maintain it properly by attending promptly to necessary repairs and replacements (which are numerous even after three years' operation) and by keeping the installations up to date.

Good taste and discretion should be used in informing the client of the hotel's services and detailed tariffs should be placed in the rooms. External publicity is important and should be the subject of a carefully thought out budget because in this domain nothing is easier than over-diversification and squander of funds. However, no amount of publicity can replace the effectiveness of quality service at the hotel itself.

DIRECT AND INDIRECT MEASURES THAT CAN BE TAKEN BY A DEVELOPING
COUNTRY TO AID ITS TOURISM INDUSTRY

Georges Faddoul

Countries interested in developing tourism must bring into being and assemble the necessary elements, such as transport facilities, tourist installations, reception facilities and machinery for promotion, if they are to create a "climate for tourism".

The fact is that developing countries, while recognizing the importance of tourism as an export industry and eager to obtain their share of the tourism trade, have an attitude towards tourism that is more or less theoretical and sometimes negative.

One of the essential elements for tourism development is a national tourism organization with adequate funds and a qualified staff at its disposal and in a position to co-operate closely and harmoniously with other relevant governmental departments and with the private tourism sector.

It is desirable that there be a research and study service attached to the national tourism organization whose function, inter alia, would be to exchange technical information with similar bodies in other countries and to maintain liaison with appropriate international tourism organizations.

Tourism development should proceed on the basis of a carefully drawn-up plan within the context of the country's plan for more general economic development.

The development of the essential infrastructure, including hygiene, transport and communications, water supply, town planning, etc., must go hand in hand with the planned development of tourism.

Attention is drawn particularly to the importance of raising standards of hygiene in some developing countries and the eradication of contagious endemic diseases, since these constitute a major obstacle to the development of tourism.

Transport, particularly air transport, is a fundamental element in tourism. The developing countries face very grave problems concerning both air transport equipment and fares. The cost of aeronautic equipment is so great that only a few of the national airways of these countries have the financial means to acquire adequate and competitive equipment. Nor can they afford to modernize and replace equipment. The lack of sufficient equipment makes it impossible for them to ensure frequent communication with the tourist-generating countries. They are at a disadvantage also with respect to fares, which are often greater than for the same distance between two industrialized countries. Even more serious are the problems that will arise with the introduction in commercial aviation of supersonic planes. The developing countries' airways run the risk of being condemned to disappear, leaving their tourism industry dependent on foreign airways, unless those with common regional interests pool their resources.

Effort by developing countries is also needed with respect to road transport. Regional agreements on road networks, including security, standardization of road signs, filling and repair stations, rest-houses, etc., would be desirable. Also to be recommended are the recognition of foreign insurance cards and driving licenses and other facilitation measures.

As regards tourist installations, particularly hotels, the main obstacle is lack of investment capital. For developing countries the adoption of a system of hotel classification complying with international standards is essential. That envisaged by IUOTO seems to be excellent. Attention may also be drawn to the importance of providing varied entertainment and leisure facilities, in order to encourage tourists to prolong their stay, and to the problem of shortages of qualified staff, including executives, hotel staff, guides, tour conductors, and travel agents. Recommended is the establishment of advanced training centres aimed at the training of executive staff which could in turn animate and organize vocational training and techniques in the developing countries.

The facilitation measures calculated to encourage tourism are well known. Developing countries should bear in mind that nothing keeps tourists away as much as complicated formalities which should therefore be reduced to the minimum. Recent progress in this domain has proved to be generally profitable. As regards exchange control, that is a matter which depends upon specific financial and economic circumstances which vary from country to country. However, declarations and formalities should be reduced to a minimum. As regards taxes levied on tourists, their harmful effect often far outweighs the slender material profits therefrom. The establishment of a facilitation committee including representatives of the various public services (customs, police, transport, health, etc.) considerably helps the co-ordination of the efforts needed to overcome obstacles to free movement of tourists.

Another important element of tourism policy concerns the reception of tourists. Educational campaigns to foster friendliness and goodwill towards the tourist will pay great dividends, since the tourist who has been satisfied by his stay constitutes the best propaganda for the country visited.

As regards sales promotion and publicity, the developing countries' means are very restricted. Nevertheless, it is recommended that countries adopt a well-aimed promotion programme based on a market study, that the public and private sectors endeavour to join forces and concentrate them upon communal objectives, and that the necessary studies be entrusted to specialists since they require a particular technique and thorough knowledge of the markets to be investigated. It is also recommended that two or more countries with regional tourist interests pool their resources in a joint publicity campaign or even open joint offices abroad where their individual means would not permit separate representation. Furthermore, it would be helpful if the industrialized countries could be persuaded to include in their networks of governmental information programmes designed to acquaint people with the tourist attractions of developing countries. The developing countries would do well to encourage visits from foreign writers, journalists, personalities from high society or the art world, and travel agents.

In conclusion, tourism is one of the surest means of conciliating opposing ideologies and interests and for creating affinities that can lead to understanding and the strengthening of peace.

WAYS IN WHICH DEVELOPED COUNTRIES CAN ASSIST THE TOURIST INDUSTRY OF DEVELOPING COUNTRIES

Paul Bernecker

One form of assistance that could be offered by experienced tourist countries to countries desiring to develop their tourist industry relates to the problems of professional training in the field of tourism. Such assistance may be given through the establishment of special training centres in traditional tourist countries or through the establishment of hotel-schools in the developing countries themselves. Hotel-schools are far superior to training at training centres, particularly for developing countries. On the other hand, experience shows that the procedure of granting scholarships for overseas training or the employment of foreign managers (for example, for hotels) or the provision of aid by short visits by experts were poor substitutes for training through a fully fledged institution set up within the region.

Another way in which help could be provided is in respect of the setting up of national tourist organizations. Since the marketing of tourism is one of the main tasks of such an organization, assistance might include the drawing up of a marketing plan (including the usual elements of research, consumer advertising, trade advertising, sales promotion, merchandising publicity, budgeting). In addition, financial support might be provided for a promotional campaign in the country's respective markets. For example, the total cost of such an operation for the first three years might be borne by the sponsoring country, which would also be in a position to pass on to the country being assisted its contacts with the travel industry and to organize special package tours to the developing country at partly subsidized group rates. The sponsoring country might also undertake to arrange for visits to the developing country by representatives of the Press, travel agencies and public relations firms.

The sponsoring country might also be the source of investment capital for tourist enterprises such as hotels, car hire companies and entertainment facilities. To encourage such investments, the developing country should provide a formal guarantee as regards the repatriation of profits.

To facilitate all such bilateral assistance, it would be imperative for the two countries in question to liberalize their governmental formalities for travel with respect to each other.

MARKETING IN TOURISM

Jost Krippendorf

Today the situation of a buyer's market found in other industries exists to a very high degree in tourism as well, since the number of marketers (countries) of tourism has been multiplied many times over in recent years and there is an ever-increasing surplus of supply. Since the marketer of tourism faces strong competition, his efforts must be directed to suit the current market requirements, in this case the guest, if he wants to have any chance of success. The marketing principle to be followed is to determine the demand position before planning the supply of tourism services.

The supplier of tourism faces the additional factor that practically all the supplies offered by tourism can be substituted for each other. The traveller may forgo a visit to a ski resort in Switzerland in favour of a photo-safari in Kenya. Furthermore, tourism services must compete with non-tourist commodities or consumer goods.

Marketing in tourism may be defined as a systematical alignment of the business policy of tourism enterprises and the tourism policy on a local, regional, national and international level with the market situation, with the objective of satisfying the needs and wishes of certain groups of guests at a business profit.

Market research is a prerequisite of marketing. It must comprise analysis of demand, analysis of competition, and analysis of the effect of measures taken for one's own marketing.

Analysis of demand requires determining the potential demand in the different likely countries from which tourists originate; investigation into such factors as income of the potential visitors, distance and time of travel to the country in question, characteristics (interests, motives, fancies) of the potential visitors, and the image of the country abroad.

Furthermore, the supplier must project future developments with a view to his continuous adjustment thereto; must keep abreast of actions by neighbouring or competitor markets (their product, prices, promotion, marketing channels etc.); and must avoid imitating the competitors, striving instead for an individual product.

The effect of measures proposed should be analysed before applying them, and once the measures are put in force their effect should be analysed continuously.

The instruments of marketing are the product, the price, promotion and the marketing channels.

The product consists of natural factors (climate, geographical position, singular attractions such as mountains, water courses etc. and human factors, such as mentality, language etc.); position and connexions in travel communications; structure of settlement (position, size, character); further infrastructural

factors such as water-supply, disposal of sewage, electricity etc.; installations (accommodation, railway stations, excursion facilities, filling stations, harbours and ports, excursion vessels, airports and airfields, spas, parks etc.), and cultural and entertainment assets and facilities (cultural events, national shrines, relics and monuments, educational centres, pump-rooms, casinos, souvenirs, travel agencies etc.). Marketing consists of making an effort to adapt all these elements to the wishes and needs of demand in order to promote sales.

A price policy based on the marketing principle states that not the cost but the market itself determines prices - what the visitor might be prepared to spend. The product must be fitted to this amount. After this has been done, attention should be turned to the significant question of fixing all-inclusive prices, the working out of "all-in" arrangements. Such arrangements relieve the tourist of the very unpleasant worry as to the cost of every part-service he wishes to avail himself of. The "all-in" price gives him the additional advantage of knowing in advance the exact cost of his complete holiday. This marketing procedure is the only right one for newly-created tourist destinations in particular, since the tourist contemplating a visit to less well-known destinations wants to know what is being offered him and what he is expected to pay.

As for marketing channels, the offer may be made direct to the customer or indirectly via sales middlemen, travel agencies, tourist-trade organizations etc. The channel must not be left to pure chance but should be systematically explored. Surveys have shown that the direct channels are preferable when a nearby market area is involved while the services of a sales agent should be employed for more distant markets. Today the importance of the travel agency as a middleman and above all as the organizer of package tours is gathering momentum. Large travel agencies in numerous important tourist countries have joined forces with airlines, hotels and other enterprises serving the tourist trade. For this reason the individual supplier should make every effort to collaborate with travel agencies of good standing, for which an attractive product is the best inducement. Many "sales-promotion" measures must be taken to rouse the middleman's special interest since the travel agency offers for sale many other products that might promise a more lucrative business.

Promotion encompasses advertizing, sales-promotion and public relations. The notion that promotion is the most important instrument of marketing is wrong, since effort comes before promotion: the market should not be approached until the supply is correctly planned. There are no end of examples in the tourist trade that prove that a reverse procedure can have disastrous consequences. Since travel agencies are being overwhelmed by the volume of printed matter directed to them, the marketer should be wise enough to restrict himself in the use of printed matter and strive to attract the attention of the travel agency by campaigns full of novelty and originality. The most striking sales-promotion lies perhaps in the marketer's relieving the travel agency of some of the work by submitting to him complete package arrangements, ready for sale by the agency.

Another aspect of promotion are the public relations measures employed to enhance the esteem and reputation of the marketer and his supply without a direct sales message being attached to them. This is accomplished through the maintenance of a good relationship with the Press and other media and is of great importance.

It must be emphasized that the four instruments of marketing described above, namely, the product, price, marketing channels and promotion, must be co-ordinated to the greatest extent possible. This means that the responsible bodies and individuals in the tourist trade must join forces for a joint policy with respect to product, price and promotion and a joint policy in the field of marketing channels. This important requirement has found acceptance in a mere handful of tourist countries to date. Few countries if any have a conception of marketing that is comparable to that of a business enterprise and which lays down the co-ordinated use of the complete set of the marketing instruments.

HUMAN RESOURCES AND VOCATIONAL TRAINING FOR TOURISM*

Tourism can be an important generator of employment. The ILO has been concerned to define, both at an international level and in the course of a technical tripartite meeting, the standards applicable to the working conditions of different categories of workers in the tourism field, such as hotels, and to consider the developing countries' most urgent needs for training facilities.

Since the tourist "Product" is represented above all by "services", the availability of qualified personnel is of the utmost importance. Governments need to recognize that they have a role to play relative to the necessary investments in human resources. In particular, national development plans should determine, parallel to the indications concerning objectives and limits of public investment in this sector, the means for training and training facilities.

Before establishing a training project, it is essential to ensure that candidates with the necessary qualifications and cultural level are available to take advantage of the proposed training.

In setting up a programme, provision and credits should be included for gratuitous courses and free board and lodging as well as the payment of pocket money to the students during the training period, since it is often difficult for parents to support their children during the years required for training. This privilege is also important in encouraging people to go into training and to perform well during training.

Living in a hotel-school is an effective way for trainees to become accustomed to hotel installations, terminology and way of life. Since technical knowledge in the tourist trade is not sufficient if it is not accompanied by certain individual aptitudes of character such as friendliness, quick intuition, tact, poise and self-control and a knowledge of the customs, habits, tastes and ways of life of tourists from abroad, the hotel-school formula is effective both for technical and sociological reasons.

It is desirable to include provision for direct training in the form of intensive refresher courses given to various categories of key personnel:

The level at which a person enters a hotel career does not affect the future promotion of that person. On the contrary, modest beginnings sometimes ensure thorough knowledge. For this reason, in the hotel industry even at the highest level practical experience is regarded as important as theoretical or technical knowledge.

While the placement of students on completion of training normally presents no problems, the question of wage scales and working conditions merits careful attention and it is essential that trainees know in advance their employment prospects.

It will be difficult in the first instance in some countries to find the required instructional personnel for training institutions and the help of foreign experts will therefore be needed until they can be replaced by nationals.

* Prepared by the International Labour Organisation.

TOURISM AND FINANCING OF THE CONSERVATION OF SITES AND MONUMENTS*

The General Council of UNESCO has authorized the Director-General "to assist Member States, at their request, in studying and carrying out programmes for the protection and development of sites and monuments in the context of the promotion of tourism". In recent years, the problem of international action to promote the financing and preservation of monuments through tourism has been studied by various international bodies with whose work UNESCO has been directly or indirectly associated. Twenty-seven Member States have asked the Organization to collaborate with them in the planning and execution of their programmes for the preservation of the cultural heritage in association with the development of tourism, and likewise to assist them, where necessary, in securing financial resources for these programmes.

The assistance which UNESCO can supply for such programmes is of technical character, i.e., advice both from the secretariat and from specially recruited experts in organizing the programme as a whole and in planning specific activities, projects chiefly relating to the preservation of monuments and historic cities. In certain cases, equipment may be furnished. For the financing of the actual execution of the work required under each programme, UNESCO can, where national resources prove insufficient, provide its good offices for seeking outside assistance. The organization can also help the country to recruit staff or engage technical bodies for the actual execution of projects under the programme.

Each Government is master of its own programme and must take all decisions regarding both financing and technical organization. As a general rule, the Government should endeavour to finance as much as possible of the work from its own resources. The possibility of outside financing is enhanced by a good technical organization of the programme itself. The UNESCO recommends, for this purpose, three principles: the planning of the programme should be the responsibility of a special interministerial unit; the programme, for reasons of both technical and financial feasibility, should be restricted to certain priority areas or projects; the programme should be formally incorporated within the national economic development plan.

UNESCO co-operated with Iran throughout the planning stage of the programme for the preservation of the cultural heritage in association with the development of tourism in four priority areas of the country and has concluded an agreement concerning its role during the execution stage. The organization is co-operating with Peru in planning and execution of a programme for the restoration and presentation, with a view to cultural tourism, of monuments in the area extending from Machu Picchu to Desaguadero. Turkey has requested similar assistance for three priority areas.

* Prepared by the United Nations Education, Scientific and Cultural Organization.

While tourism does not constitute the sole means of ensuring the financing of the preservation of cultural property, the resources to be obtained in virtue of a policy of investment in tourism certainly represent a vitally important contribution in this field. The successful financing of programmes for restoration and preservation of cultural property depend on: the spirit of Government's initiative; the completeness and balance of the programme for restoring and "reanimating" cultural property; and the adaptation of plans to the exact local situation. The Government must assume full responsibility for planning and carrying out of the programmes. The restored cultural property must be assigned a fully useful role, both in tourism and in the cultural life of the community. Financing will be gained for programmes that best guarantee the successful execution of the task as a whole.

TOURISM PROBLEMS IN THE ECAFE REGION AND COMMUNITY RELATIONS IN TOURISM*

Inadequate disposable income and restrictions on foreign exchange for travel due to the perennial shortage of foreign exchange in the countries of the ECAFE region have caused tourism to many of these countries to be largely one-way traffic. Moreover, slow economic development has prevented the expansion of the home holiday market which directly affects the development of tourist facilities and related infrastructure. For the same reasons, intra-regional travel has not been developing well although the completion before long of the Asian highway network is likely to give an impetus to intra-regional highway travel.

The ECAFE region also has the problem, if it is to attract more foreign visitors, of improving tourist facilities in general and of altering them to conform more closely to the needs of foreign tourists, without losing their indigenous characteristics and flavour, since the tourist is not only looking for the exotic and thrilling but also likes to travel in comfort and with the least risk to health. Because of their limited resources, these countries must be sure, in providing the needed facilities, to select the right location and the right types of facility. If expensive facilities for foreign tourists alone are provided, hostile reactions may be aroused locally. Hence, in addition to extensive publicity and propaganda abroad to attract tourists, promotional campaigns in the countries themselves are necessary to build up public opinion in favour of tourism and create the right climate.

Still another problem affecting the growth of tourism is that tourism is not often accorded priority because it is generally difficult in these countries to divert resources from non-consumer or capital goods to luxury goods or services.

Foreign tourists are discouraged from visiting the ECAFE region by the fairly severe restrictions imposed on currency and the customs-control barriers to importing personal items such as cameras, transistor radios, tape recorders etc. Strict liquor control and cumbersome entry and exit formalities are still another source of discouragement. Lastly, the expense in coming to the ECAFE region is a deterrent to potential visitors.

At the present time, ECAFE is giving particular attention to the question of facilitation. The Commission has approved the establishment of a study group which is to concern itself with the following: (a) fact-finding (concerning facilitation of international traffic by all modes of transport, relating to immigration, exchange, control, customs, health, documentation etc.); (b) dissemination of information; (c) promotion of the establishment of national facilitation committees; (d) standardization of forms; (e) adoption of existing conventions, agreements and recommendations for facilitation; and (f) convening of ad hoc working parties to study specific facilitation problems.

* Prepared by the Economic Commission for Asia and the Far East.

ECAFE plans to convene a seminar in 1969 or 1970 to study inter alia community relations as a factor in tourism.

At the present time there is particular need, too, for expert advice on such specialized subjects as development of health resorts, hot springs, and bird and wild life sanctuaries.

TOURISM IN AFRICA*

In 1966, Africa's share of world international tourist arrivals and tourist receipts was only 1.75 and 2.5 per cent, respectively. However, Africa's rich tourist attractions will undoubtedly lead to rapid tourism development in Africa in the future. Travel to Africa from the two overseas markets of greatest importance to it, namely, western Europe and North America, is bound to rise with the saturation of the traditional tourist markets and in view of the fact that in both these markets the number of those who can afford to travel as far as Africa is increasing much faster than the per capita gross domestic product. Prospects for Africa's regional and domestic tourism are also good.

The tourist attractions of Africa are rich and varied and they appeal both to European and American tourists, although the attractions that appeal to the one market are not necessarily those that appeal the most to the other. The sunny and warm climate, and in many African countries, the warm sea, are attractive to the inhabitants of the cold and humid industrialized areas of the northern hemisphere. While the Mediterranean climate of North Africa is widely appreciated, it is not yet widely understood that the tropical climate of some other parts of Africa is well suited for relaxation and rest now that all danger of yellow fever and malaria has been eliminated. Tourists from the densely populated industrial region will also appreciate the fine beaches, immense deserts, large tropical forests, magnificent mountain scenery, huge game reserves and national parks.

However, many difficult problems must be solved relating to transport, infrastructure, travel promotion, vocational training, and governmental formalities.

The volume of overseas tourism to Africa will depend on the offer that African countries can make, including the quality and price of the services. Some of the countries are at an advanced stage of tourism development, others have important and long-standing tourist traditions but are lagging behind in technical efficiency and managerial know-how, and still others are at an incipient stage of tourism development.

It is air transport which has made Africa accessible for large-scale tourism from other continents but owing to distance transportation costs are a crucial factor.

The regular air fares within Africa are higher than those within Europe and almost twice as high as internal fares in the United States of America. Regular fares between Europe and Africa are considerably higher than those between Europe and North America and regular fares between North America and Africa are higher than the fares between North America and Europe.

Individual Inclusive Tour (IT) fares have been introduced between North America and Africa and between Europe and Africa with the exception of some French-speaking West African countries. They have also been introduced between several

* Prepared by the Economic Commission for Africa.

African countries. IT group fares have been introduced between North America and North Africa but not to Africa south of the Sahara while from Europe IT group fares have been introduced to East, Central and South Africa, to West Africa and to the United Arab Republic, but not to the other North African countries. However, the IT group fares in most instances are not entirely satisfactory compared to such fares in other parts of the world as they still leave Africa handicapped by higher air fares. For example, the IT group fare for the 6,317 km route from Zurich to New York costs \$268 per person against \$388.40 for the IT group fare for the 6,034 km route from Zurich to Nairobi. In order to remove the handicap of higher fares it would be necessary to introduce IT group fares between Europe and the Maghreb countries and IT individual and group fares between Europe and the French-speaking countries in West and Central Africa. It would also be necessary to increase the IT group reductions between Europe and Africa so that Africa might compete with other destinations of European travellers. Furthermore, IT group fares should be introduced between North America and Africa south of the Sahara and the limitation of special tourist fares to a maximum of twenty-one days should be removed. A more elastic tariff policy and the introduction of IT group and individual fares should also be applied within Africa.

High air fares on scheduled services have brought forward non-scheduled flights on planes owned or chartered by the big tour operators. These have greatly reduced travel costs and opened up Africa to the large middle-income tourist market. Prices of package tours on non-scheduled flights are considerably lower than even the cheapest IT group fares. However, charter planes must carry full passenger loads to be economical and therefore require large hotel capacity to accomodate full plane-loads of tourists. Charter flights also necessitate a large travel market with a strong enough demand for travel as expensive as that to distant Africa. For this reason and also in order to encourage travel to places with small hotel capacity, to encourage all-year-round tours, to attract the higher-class tourist, and to enable smaller travel agencies to organize tours to Africa, it is not possible to rely on non-scheduled flights alone and it is necessary to adapt the scheduled services to the requirements of Africa by bringing the IT fares down to the level of the Europe-Middle East run.

With regard to surface transport, automobile travel from overseas would be encouraged by the introduction of further inexpensive ferry-boat services over the Mediterranean, by good through roads in Italy and Spain (some are under construction) and by reduction of gasoline prices for foreign tourists (as has already been done in Morocco and Algeria). In eastern Africa, national road networks are not properly connected and most of the modern roads radiate from the capital city and are not linked up with each other. New road construction in the eastern African countries will soon remove the first hindrance. To make circuit tours possible, modern roads within individual countries are needed including roads to link up tourist attractions in two neighbouring countries. In the west African countries, the main roads usually connect the principal port with inland cities while connexions between neighbouring countries are less good. The construction of the proposed southern alternative to the Trans-West African Highway would greatly improve this situation and contribute towards tourism development.

Tourism in African countries is developing as a result of fundamentally changed conditions such as the advent of independence and in the absence of an already existing base such as is found in the traditional tourist countries. Serious imbalance and bottlenecks may therefore occur unless there is adequate co-ordination among the several governmental agencies concerned in each country. Co-ordination

may best be achieved on the basis of tourism development plans. While many African countries have worked out such plans, only a few have the necessary statistics for realistic assumptions.

As regards infrastructure, in addition to road development which has already been mentioned, other problems relate to adequate airports, water supply, electricity, tele-communications, national parks etc. In principle, such facilities have to be provided by the national or local government but in some instances, particularly in respect of road and airport construction, regional co-operation might be necessary.

In many African countries, hotel construction has been undertaken by national development corporations or by their hotel development subsidiaries, in which both foreign and domestic capital is encouraged to participate. The next step is to encourage private initiative, which again may best be done through the formulation of tourism development plans, as well as through the creation of a favourable investment climate, and the introduction of special incentives. This is already being done to some extent in some of the countries.

With respect to vocational training, the best solution is to establish national training centres for training at the lower levels as some countries have already done successfully and to establish a hotel school at the higher level connected with a hotel school at secondary level on a sub-regional basis or for two sub-regions combined as for West and Central Africa. The co-operation of the UNDP for such a school has been requested by two African countries.

With regard to travel promotion, for the countries of the eastern African sub-region and those of the western and central African regions, combined efforts are needed for efficient overseas promotion at reasonable cost. Two organizations have already been created for such a purpose - the Tourist Alliance of the Indian Ocean (TAIO) in Tananarive and the Organization of the Development of African Tourism in Paris. It would be desirable to broaden the membership and strengthen the latter organization and to create a broader organization in eastern Africa of which TAIO would be a member.

Most of the North African countries have simplified formalities and abolished visa requirements for a number of important tourist-generating countries. This trend should be further encouraged and held up as an example for other countries.

In the international field, IUOTO represents national organizations concerned with some aspect of tourism but not with tourism as a whole. It is therefore of great importance for tourism development that the United Nations has included tourism in its scope of activities. The help which various United Nations bodies have already brought to various African countries is appreciable. Inasmuch as many of the tourism problems are linked to geographical regions and sub-regions, the activity of the regional economic commissions may become an important element of the United Nations work.

TOURISM IN EUROPE*

In 1967, Europe accounted for 73 per cent of world tourist arrivals (138 million), followed by North America with 17.7 per cent. European tourist arrivals grew from 56.4 million in 1961 to 100.5 million in 1967, or at an annual average rate of 10 per cent. Tourism receipts for Europe, excluding Bulgaria, Romania and the Soviet Union, increased from 4,500 billion dollars in 1961 to 8,300 billion in 1967, or at an annual average rate of 10.7 per cent. Tourism receipts account for some 38 per cent of the total receipts for goods and services exported by Spain, 30 per cent of those exported by Portugal, 24 per cent of Austria's exports, 18 per cent of the exports of Greece and Ireland and 12 to 13 per cent of the exports of Italy and Switzerland.

In the eastern European countries there has been a marked increase in tourist traffic during the 1960s. Between 1961-1966, the number of arrivals increased by a factor of five in Bulgaria, almost four in Hungary, over four in Poland and more than 4-1/2 in Czechoslovakia. This expansion is largely due to the greater number of arrivals from other countries in this region, but there has also been a clear increase in tourist traffic from western Europe.

The average length of stay of foreign tourists, except for those from the United States of America does not seem to have changed greatly in recent years, varying during 1964-1966 from just over three days in Luxembourg, Norway and the Netherlands to about 6-1/2 days in Austria.

As regards the foreign currency balance of tourist receipts and expenditure, some European countries - such as the Federal Republic of Germany, Belgium and the United Kingdom - have a large passive balance; on the other hand, countries like Spain, Ireland, Italy, Austria, Portugal and Greece, rich in tourist resources, attract foreign tourists in very large numbers, far greater than the number of their nationals travelling abroad, so there is a large active currency balance. France's tourist receipts are high, but the tourist currency balance oscillates around the point of equilibrium. Some countries such as Turkey which are rich in natural tourist resources are making great efforts to develop their infrastructure, but have not yet obtained a positive balance.

The average tourist's expenditure (at constant prices) in several European countries is tending to fall, mainly due to the growing number of tourists with modest financial means.

The expansion of tourism in Europe is mainly due to increased purchasing power, the general policy of holidays for all, falling transport costs, and the increasing number of people travelling in private cars.

The part played by private cars, particularly in short-haul tourism, is very great for some countries. For example, the average proportion of private car arrivals in the last three years was 90 per cent in Norway, 84.5 per cent in Austria, 73 per cent in Italy and 70 per cent in Spain.

* Prepared by the Economic Commission for Europe.

Air travel to and from Europe has also increased greatly.

For tourist exchanges between western Europe and the eastern Mediterranean, air travel - especially charter traffic - is of great importance. For example, of the 1.2 million Swedes who went abroad in 1966, 360,000 or 29 per cent went by air charters to the Mediterranean area.

Demand with respect to accommodation, transport and leisure has changed fundamentally, not only quantitatively but also qualitatively. The expansion of non-service accommodation (bungalows, cottages and rooms to let) reflects the demand for cheaper holiday facilities. Another new development is the appearance of modern medium-class establishments - mostly hotels and holiday villages - partly or wholly reserved for the members of organized trips. Travel agencies have set up many hotels and holiday villages in the Mediterranean area, which, being able to rely on high occupancy levels, can offer good accommodation facilities at low prices.

In the market-economy countries, infrastructure developments are usually borne by Governments, while superstructure is left to private enterprise, which is often given special inducements and incentives. In planned-economy countries, the State alone is responsible for the development of the travel plant.

Most European Governments have embarked on long-term programmes to widen the range of tourist resources in view of the actual and anticipated growth in the number of tourists.

Vocational training is a big problem for the rapidly expanding tourist industry. Special efforts are being made to raise the status of hotel and tourist occupations with a view to attracting more and better qualified staff, as well as to setting up secondary-level training establishments for tourism and hotel personnel in the countries more advanced in the field of tourism.

Governments are also concerned with the maintenance of quality standards, price stability, further simplification or reduction of travel formalities, and prolongation of tourist seasons through the staggering of holidays.

Prospects for the growth of tourism in Europe are favourable, since the most tourist-minded countries still have many potential tourists. However, in the immediate term, economic or financial difficulties, political instability and tensions in some regions, will certainly have unfavourable effects.

ANNE

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