



Asia-Pacific
Economic Cooperation

2006/ASCC/016
Agenda Item: Session V

Tourism in the Asia Pacific Region: Promoting Cultural Integration Based on a Common Past

Purpose: Information
Submitted by: Peruvian Network for Asia Pacific Studies



APEC Study Center Consortium Conference
Ho Chi Minh City, Viet Nam
23-24 May 2006

Tourism in the Asia Pacific Region: Promoting cultural integration based on a common past.

Dr. Manuel Otárola Bedoya (Peru)¹

According to United Nations World Tourism Organization (UNWTO) statistics, in 2004 760 millions of people traveled through the world with tourism purposes, a figure even increased in 5.9% around mid-2005, so confirming the growing trend experienced in the last few years, being estimated that, each day, the tourism activity moves about 1.700 million dollars.

The Asia-Pacific region is not an exception to this. On the contrary, according to statistics it has been one of those that have shown more dynamism in this growth, even though the tourism may have been affected at some time by the high prices of oil, the natural disasters happened in some countries in the region, the international health problems and the fear caused by international terrorism, the truth is that it shows a great capacity of strength and recovery before adversity.

According to experts, barring the occurrence of unexpected and undesired events, this trend will continue, at least in the short-medium term, because it is expected that the figures will double in five more years, for the benefit of the countries in the region, so becoming a great opportunity to turn our eyes to our common past and to highlight the huge link we have since ancient times, to acknowledge and strengthen our brotherhood, exploiting the cultural aspects we have in common, in order to speed up this big industry, which will bring collective benefits in employment and growth of our respective economies.

A common past

The countries in the Asia-Pacific region were visited by our ancestors since ancient times. It is worth to mention that ancient inhabitants of Asia and Oceania arrived to the American continent through the Bering Strait, as stated by one of the theories about the American man, the one stated by the French Paul Rivet, which is supplemented by the Central Pacific approach, also given by Rivet, on which the

American settler came from Polinesia and Melanesia in barges, and settled in the American continent. Those theories are based in race similarity and ancestral rites from American aboriginals, which go from the Northern lands in Alaska to the faraway territories of Tierra del Fuego and Antarctica.

About this, from the aboriginals of Alaska and the Northern zone of the continent, to the famous American cultures like the Aztec, Mayan, Chibcha, Inca and Araucano, to the inhabitants of the Southern zones, all of them were influenced in their customs by these common origins, besides of showing big physical and even linguistic similarities. Indeed, if we watch closely the American indigenous traditions, we will notice many similarities with some Asian traditions, such as the colorful typical garments, Andean music and some sounds similar to Chinese music, the Altiplano dances such as “La Diablada”, which is similar to Tibetan festivities.

The Bering Strait theory (Paul Rivet and Alex Hardlika), which relates to facts happened 40,000 or 50,000 years ago, is based in the descent of ice caused by the last Ice age, opening a ground bridge between Asia and America. Less ancient is the Central Pacific theory (Paul Rivet), which says that about 4,000 years ago, American natives came from Polinesia and Micronesia on handcrafted vessels. About this, to try to prove this theory, current explorers and adventurers frequently try to make the opposite trip, mostly with success. Finally, the so-called Australian migration theory (Paul Rivet and Mendes Correa), which goes back 2,000 to 6,000 years, based on the fact that a step back in the ice allowed to set free islands in Antarctica, allowing the inflow of settlers to South America. That wave of migration flows is consolidated centuries later with the migration flows of the 18 and 19 centuries to the American continent.

Asian migrations have been mostly of Chinese, Japanese and Korean, and in these, there were attraction factors, as well as internal causes in the origin place of these migrants, among these: political, economic, social and legal, which caused these migration flows. It is worth to highlight that the incorporation of these groups to the culture of the American countries that received them favored the development of many activities such as agriculture, fishing, trade and communication, being today perfectly fused with American inhabitants.

In Mexico, as highlighted by Francisco Romero, "*The first Asian immigrants shared, among other: the same age, motivation, social ascendance and search for better living conditions. Most of these groups were formed by young men and in lesser percentage women and children. In some extent, these factors favored the early integration of Chinese, Japanese and Korean to the Mexican society; so their incorporation was not linked exclusively to economic activities but to culture and family life, in the different places they settled according to different generations, from the end of the 19th Century to the 20th Century; such interaction between peoples and cultures has been a core component in the formation of the Mexican society (Romero: 1995-96) which has been characterized as multiethnic and multicultural*"²

The Peruvian case was not different, having as result a big fusion that resulted in a cultural strengthening. In Peru, the Chinese migration (the first of the big Asian migrations) is from mid-19th century, and has been without a doubt very positive for the country development, where the immigrants secured very quick an important place in the society, traditionally in the production and trade areas, exercising their functions with prestige and responsibility. About this, one of the big contributions was in the development of wholesale and retail trade, where they applied a lot of dynamism, quickly becoming efficient importers and big marketers. They have been promoters of new products, mainly in remote zones of the country, where they arrived with their stores and warehouses, also encompassing other trade branches such as hardware stores, bookstores, supermarkets and restaurants, where they have found a fusion style, which is well positioned in the taste of Peruvian consumers, who have in common with the Asian people the intensive consumption of rice.

The same can be said of the later migrations from Japan and Korea, which have equally reached a significant place in the American continent society. Chinese neighborhoods like those in many North American cities have also appeared in the Southern continent, as in Lima. In Sao Paulo, Brazil, there is the biggest Japanese concentration in the world outside Japan. In Peru, the Japanese colony is the second largest, product of the migrations from the first half of the 20th century. Nowadays,

Peruvian Japanese people are fused to the culture and customs of the Peruvian society, their descendants are already Peruvian by birth and keep the double identity that characterizes them as members of the community. The same is underway with the migrations from Korea, more recent and of growing importance in number and relevance, as already happened in the South of the continent in countries such as Argentina and Paraguay, and of course in the United States.

Those were years when trips between Asia and America implied several days, because it was before the development of air travel. The travel was in ships that crossed the Pacific, not even having the amenities of the current tourism cruises, because they were one-way trips. Nowadays, with the development of air travel and the significant improvement in airport structure, travels between Asia and America are favored, although there are still some restrictions, mainly the cost of air tickets, and some solution must be set to make this activity easier. Despite all that, the evolution of tourism in the last few years has been more than encouraging.

Tourism in the Region in the last few years

World tourism figures, and particularly those related to tourism between the Asia-Pacific region countries, have shown a growing trend, slightly disturbed by international problems. The variable referred to travel has shown fast recovery before any adverse element, which generates very optimistic expectations for the future behavior of such series.

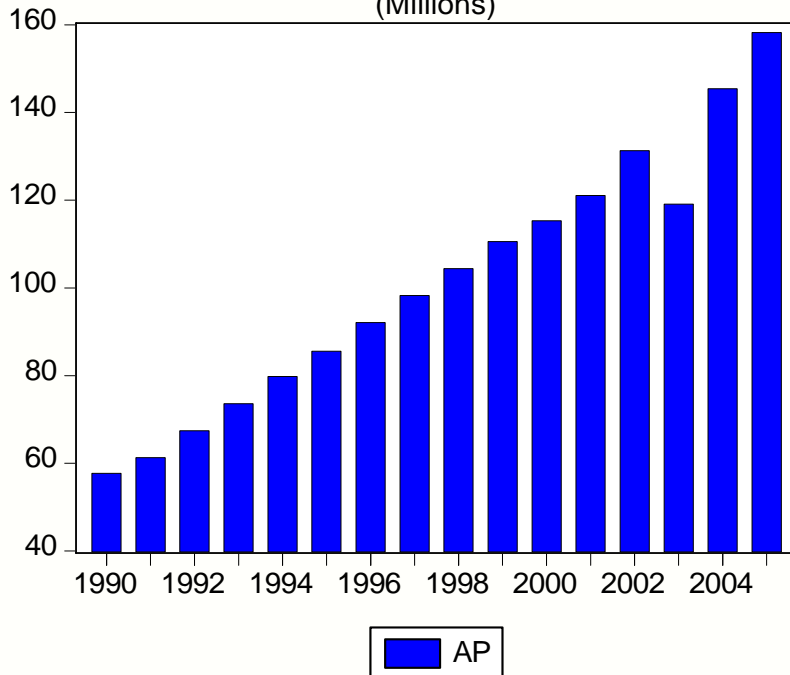
Table 1 presents the evolution of receptive tourism in the Asia-Pacific region, with data from the World Tourism Organization. Tourist arrivals are detailed for Asia, Oceania and the Americas, and at the end there is the total amount of arrivals for the whole region.

Table N° 1								
Tourism in Asia Pacific: Arrivals (Millions)								
	1990	1995	2000	2001	2002	2003	2004	2005
Asia Pacific	57.7	85.6	115.3	121.1	131.3	119.1	145.4	158.2
North East	28.0	44.1	62.5	65.6	73.6	67.2	79.4	87.5
South East	21.5	29.2	37.0	40.2	42.2	35.7	48.3	50.2

Oceanía	5.2	8.1	9.6	9.5	9.6	9.4	10.2	10.6
Middle Asia	3.2	4.1	6.1	5.8	5.9	6.8	7.6	7.9
The Americas	93.0	108.8	128.0	120.2	114.9	112.4	125.8	133.1
North America	71.7	80.5	91.2	84.4	81.6	76.1	85.9	89.4
Caribbean	11.4	14.0	17.2	16.9	16.1	17.3	18.2	19.2
Middle America	1.9	2.6	4.3	4.4	4.7	4.9	5.8	6.6
South America	7.9	11.7	15.2	14.4	12.5	14.2	16.8	18.0
TOTAL	150.7	194.4	243.3	241.3	246.2	231.5	271.2	291.3
Source: World Tourism Organization. Barometer								

It can be seen that the growth in arrivals to the Asian continent and to Oceania has been only slightly disturbed, but the growing trend was quickly recovered. In this evolution, some effects that have tried to reduce growth have been international terrorism, the so-called Severe Acute Respiratory Syndrome (SARS), and recently the avian flu. The latter affected mainly arrival tourism in cities such as Hong Kong. Nevertheless, the answer to fears has been effective and meant a quick recovery in number of arrivals, even taking in account that the 2005 data belong to scenarios after the tsunami that affected tourism zones in Indonesia and Thailand. In the Figure 1 we can see the evolution of arrivals, although it is worth to say that the years between 1990 and 1995 have been estimated by means of a trend.

Figure N°1
Asia and the Pacific: Arrivals
(Millions)



In Table 2, the trend equation estimation is shown:

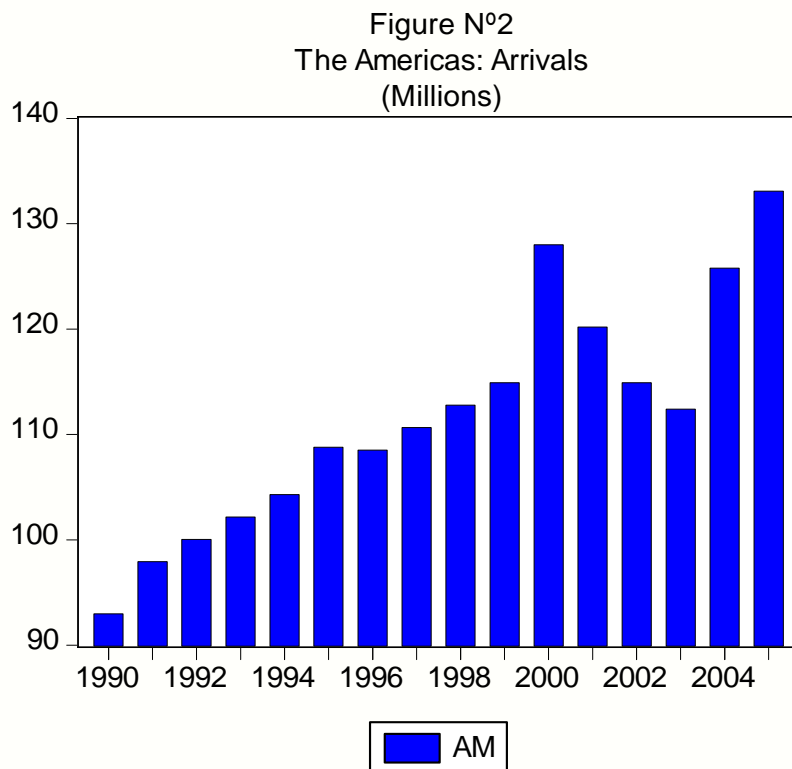
$$AP = 55.12361111 + 6.15888889 * T$$

Table N° 2
Linear Trend Equation for Asia Pacific Arrivals

Dependent Variable: AP
Method: Least Squares
Date: 05/07/06 Time: 21:14
Sample: 1990 2005
Included observations: 16

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	55.12361	2.573089	21.42312	0.0000
T	6.158889	0.292283	21.07164	0.0000
R-squared	0.969433	Mean dependent var		101.3153
Adjusted R-squared	0.967250	S.D. dependent var		29.78086
S.E. of regression	5.389438	Akaike info criterion		6.323228
Sum squared resid	406.6445	Schwarz criterion		6.419801
Log likelihood	-48.58582	F-statistic		444.0141
Durbin-Watson stat	1.997106	Prob(F-statistic)		0.000000

In the other hand, about the Americas, without a doubt the sharp decrease in growth of tourism arrivals to that continent was due to the fear experienced by travelers because of the 9/11 bombings in the U.S. (New York and Washington) and it is also the effect of the bombings on May 11 in the Madrid-Atocha train station which, although happening in other continent, had chain effects in the whole world tourism. But, just as it was the case with Asia and Oceania, arrivals have quickly recovered, as it can be seen in Figure 2.



The following is the trend equation:

$$AM = 95.80833333 + 2.121666667 * T$$

In comparative terms, it is worth to notice that the growth rate of arrivals have been somewhat lower than the corresponding value for Asia and Oceania. However, the recovery of the variable has been faster than what most optimist people expected. The explanation for this behavior is in the increase of security measures seen in the airports, which are in some cases extreme, and have generated a positive effect in passengers, who have felt safer when traveling.

The complete estimated results for the trend equation for Americas arrivals are shown in Table 3:

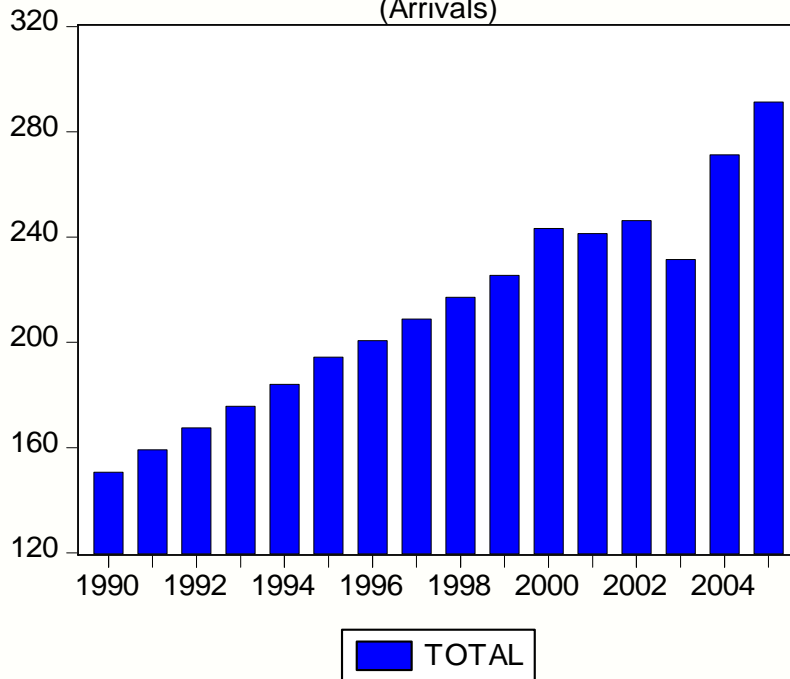
Table Nº 3
Linear Trend Equation for the Americas Arrivals

Dependent Variable: AM
Method: Least Squares
Date: 05/07/06 Time: 21:15
Sample: 1990 2005
Included observations: 16

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	95.80833	2.305381	41.55857	0.0000
T	2.121667	0.261874	8.101870	0.0000
R-squared	0.824210	Mean dependent var		111.7208
Adjusted R-squared	0.811653	S.D. dependent var		11.12634
S.E. of regression	4.828712	Akaike info criterion		6.103505
Sum squared resid	326.4305	Schwarz criterion		6.200079
Log likelihood	-46.82804	F-statistic		65.64030
Durbin-Watson stat	1.435510	Prob(F-statistic)		0.000001

Finally, Figure 3 shows the total of arrivals for the whole Asia-Pacific region, including Asia, Oceania and the Americas:

Figure N°3
Asia Pacific & The Americas
(Arrivals)



According to the World Tourism Organization barometer ³, this strong trend experiences by tourism in the region is only one more reflection of what is happening worldwide, where the tourist has overcome his fears about safety and natural disasters, for the delight of those who live of this activity. The growth has continued even taking in account that 2005 was a tragic year in several places in the world, because to the sequels of the Indian Ocean tsunami must be added the chain of terrorist attacks in many tourism zones in the world and the fury of Caribbean hurricanes, specially those caused by Katrina in the Gulf of Mexico and the tourism city of New Orleans, and Wilma in the Mexican state of Quintana Roo.

The above says that, if the expectations are for an even larger growth, it is the time to exploit to the max the economic advantages that tourism brings to many aspects in the economy, due to the multiplication effects generated mainly in employment for all those dedicated to it, among which we have travel agents, restaurant chains, air carriers, hotel chains and related businesses. That's why, for this growth to be sustainable in time, it is necessary to develop other modalities of tourism to be

added to the traditional ones, to satisfy a demand that, besides growing, is characterized by its diversification.

About the above, tourism is characterized by a bigger demand of goods and services compared to the remaining production sectors, because almost all the other activities benefit of tourism development, among them, transportation, textile and handicraft industries, construction, hotels, communications, etc. This way, tourism demands direct labor, being the technology only a supplement and not the main factor, because the best computer cannot replace human warmth, hospitality and politeness. This way, interpersonal and friendship relationships between our peoples are the best tool we have to develop tourism between peoples with a common origin. About this, it is very important an aggressive development of education aimed to the tourism sector in a nation.

Developing other Modalities of Tourism

In the last few years, the diversity of tourism offer in the different countries in our region has been changing, because it is not limited anymore to the classic standards prevalent in the mid-20th century. Above all, it is appreciated a fast development in ecotourism and adventure tourism. Nevertheless, true to the common origin of our peoples, we must not forget to strengthen cultural tourism in all its dimensions.

The main references about ecotourism classify it as the type of tourism that has as goal to schedule a set of activities aimed to clear the massive affluence of people, propitiating visits to uncontaminated zones and that allow contact with the environment. This way it implies visits to natural zones not affected by man. Of course, ecotourism is closely linked to sustainable development ideas, encouraging the appropriate conservation of forest areas and the efficient education to avoid polluting the environment, taking care of its future survival possibilities.

As an acknowledgement of the importance of ecotourism, the United Nations stated that 2002 was the International Year of Ecotourism. The World Tourism Summit in Quebec (Canada), held in May, 2002, and organized in collaboration with the United Nations Environment Programme, reunited about 1,200 participants. About this, it

must be highlighted that in our region there are three big areas apt for ecotourism, in the three continents, and in all of these may be found ideal places for a better contact with nature and to help to think about the origin of our flora and fauna, with the due respect for its future conservation.

Adventure tourism also finds in the Asia Pacific region unlimited development possibilities, in their modalities of trekking to our rushing rivers, mountain bike in our rough territories, sandboard in our deserts, submarine fishing and diving in our crystal-clear oceans.

But without doubt, the tourism that gets us closer to the inhabitants of our region is the historic and cultural tourism, because of the common past of our peoples. This is the tourism based on archaeological patrimony, which in turn encourages contact with the patrimony of peoples through their customs and folklore. This type of tourism manifests itself in several dimensions in which the autoctonous and ancestral are exploited, as well as their legacy through the ruins of our forefathers and the current ways of living of their inhabitants, aspects linked to the mystical and esoteric factors of their rites and religious activities.

Tourism perspectives in the region

Based on the above, tourism development expectations in the Asia Pacific region are high, and go from keeping the current trends, to a moderate optimism, to major optimism. Those expectations are based on a set of facts that are currently happening, in the aspect of improvements in technology and infrastructure, and in the way to manage the tourism business, together with the show the industry gave in the previous years of recovering immediately after the huge setbacks it experienced, which were already mentioned. Below are shown some forecasts of trends up to 2010, managing three scenarios: first, keeping the trends seen in the last few years, then moderate optimism, and finally exaggerated optimism. In the three cases, results are shown that may be useful as references for medium-and-long term planning. The results are shown in three independent figures: Figure 4 for Asia and Oceania, Figure 5 for the American continent, and Figure 6 with the

consolidated total of the whole Asia Pacific region. In the three cases, are shown the three trajectories for the tourism arrivals variable, in millions of arrivals.

Figure N°4
Asia and the Pacific: Trends of Arrivals
(Millions)

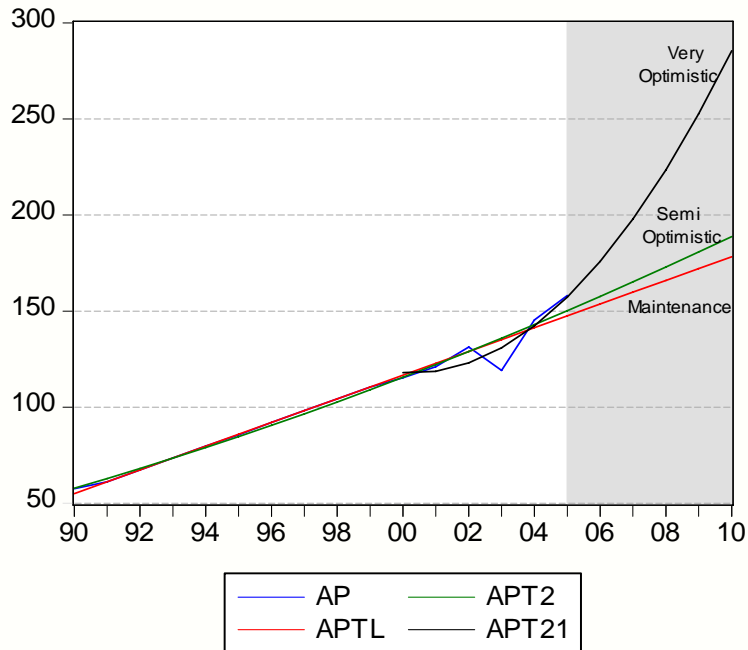
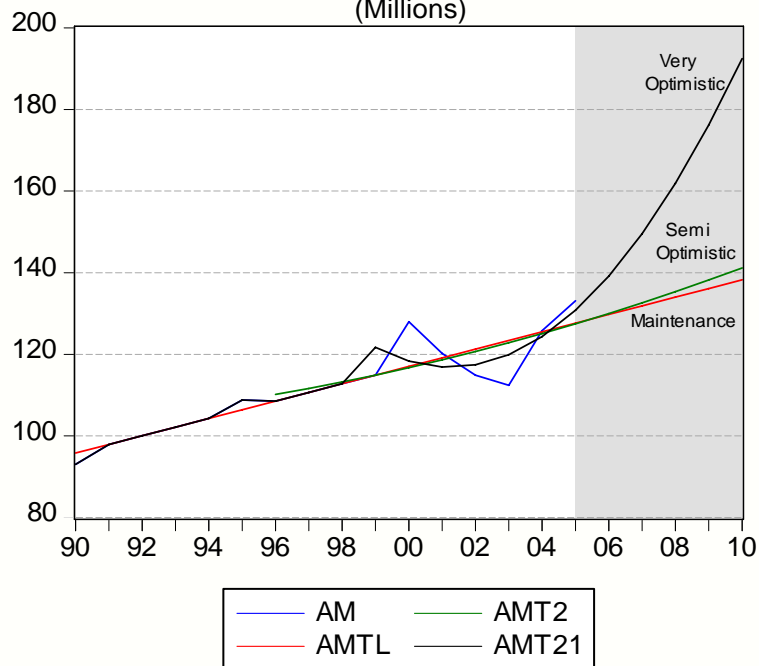
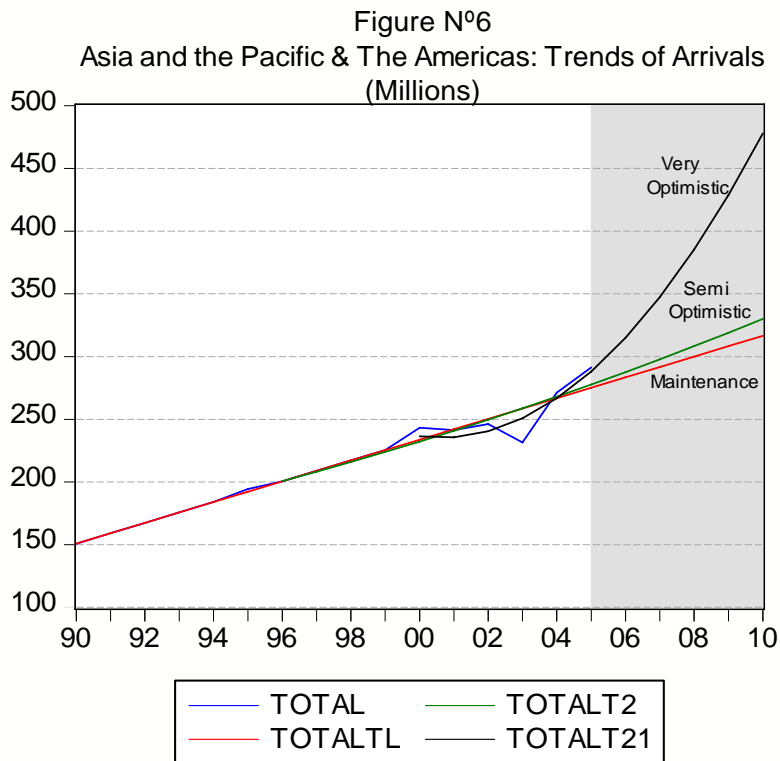


Figure N°5
The Americas: Trends of Arrivals
(Millions)





The trend of keeping the growth rates of the last few years was made by projection, using a linear equation, and it is grounded on the assumption that the current scenario features will persist, with a clear recovery of the indicators before problems that may happen. This trend may appear in the immediate short and medium term, unless significant facts happen, causing variations. The results are shown in Table 4.

Table N° 4			
Arrivals Forecast: Maintenance Scenery			
Year	Asia & the Pacific	The Americas	Total
2006	153.6658	129.7550	283.4208
2007	159.8247	131.8767	291.7014
2008	165.9836	133.9983	299.9819
2009	172.1425	136.1200	308.2625
2010	178.3014	138.2417	316.5431
Source: Own estimations			

The moderate optimism trend is a slight variation of the previous one, and has been made using estimated quadratic equations for the whole period with data available. This trend has its slight increase because of the insinuation of the arrivals variable experienced in the last two years, although offset by the stationary historic rhythm in the growth rate. The results appear in Table 5.

Table N° 5			
Arrivals Forecast: Semi Optimistic Scenery			
Year	Asia & the Pacific	The Americas	Total
2006	157.6332	129.9854	287.6187
2007	165.1924	132.6067	297.7990
2008	172.9071	135.3442	308.2514
2009	180.7775	138.1982	318.9756
2010	188.8034	141.1685	329.9718
Source: Own estimations			

Finally, for the increased optimism trend, it was also used a second degree trend, which has been plotted nevertheless from the situation experienced after the fear of travel crisis caused by the 9/11 attacks. If we watch the sequence of arrivals in each continent of the Asia Pacific region, we see that, after the aforementioned crisis, tourism recovered quickly and returned with a growth rate higher than the historical one observed from the early nineties. The results appear in Table 6.

Table N° 6			
Arrivals Forecast: Very Optimistic Scenery			
Year	Asia & the Pacific	The Americas	Total
2006	175.8200	139.1871	315.0071
2007	197.8829	149.5529	347.4357
2008	223.4957	161.8856	385.3813
2009	252.6586	176.1855	428.8440
2010	285.3714	192.4524	477.8238
Source: Own estimations			

But, in what concrete facts is the most optimistic trend logically founded? In a series of changes that are happening in the features of the tourism industry, which are directly related to the way it is operating, as well as to the improvements in aeronautic technology and airports infrastructure.

E.g., in several countries in the region the "open skies" policy has been developed, so the air carriers compete equitatively in the always demanding air travel market. About this, strategic alliances are also formed between the different air carriers, which are multilateral agreements aimed to establish global brands, the same that make possible to obtain advantages against competition, among them the increase in passengers traffic, high quality levels in service, larger coverage of destinations, cost reduction and increase in business profitability, all of this in the frame of the establishment of shared-code routes.

The progress of the aeronautic industry is another fundamental factor which has to do with the increase of travel within the region, because to the increase in flight frequencies of the main air carriers in the world, among them the Asian Japan Airlines, Korean Air, Cathay Pacific, Singapore Airlines, China Airlines, Thai, Qantas, Malaysia, among others, and the American United Airlines, American Airlines, Delta Airlines, all of these operating with the huge Boeing 747-400 and Boeing 777-300, not it is added the upcoming long-range travel operation of the new giant of the skies, the Airbus A380.

The new Airbus A380 show significant advantages against the biggest "superjumbo" in operation, the Boeing 747, until now absolute master of the skies in that type of airliners. So, in the commercial aspect, the A380, which can carry between 555 and 840 passengers according to the configuration versions requested to the manufacturers, the European Airbus consortium, against the 416 of the 747. At this time, 15 air carriers already placed orders for 154 units. This way, Airbus, which is betting on an increasing demand of high-capacity aircraft, has planned to sell between 650 and 700 A380 aircraft in the next 20 years, and states that the program will be profitable.

Boeing has not lowered its guard, and will not surrender easily. It is already announcing an improved version of its classic Jumbo 747, the 747 Advanced, also presenting a new model to enter in the market in 2008, the Boeing 787 Dreamliner, very economic in fuel consumption and of great commercial success, privileging passengers comfort. This competition between the two big aircraft manufacturers only supports that the increase of tourism flow will increase in the next years.

The growing expectations for tourism flow in the Asia Pacific region countries, based in the aforesaid facts, must also find a match in the expansion and improvement in the infrastructure of the main regional airports, among them those in the American continent such as Seattle-Tacoma (Washington), Anchorage (Alaska), San Francisco International (California), Los Angeles International (California), Dallas-Fort Worth (Texas), Las Vegas-McCarran (Nevada), Denver-Stockton (Colorado), Chicago-O'Hare (Illinois), Washington-Dulles (Washington DC), JF. Kennedy (New York), Atlanta-Hartfield (Georgia) and Miami International (Florida), besides of the airport in Vancouver, Ottawa, Toronto and Quebec in Canada. In a similar situation are the Asian airports such as Tokyo-Narita and Tokio-Haneda, Kansas-Osaka, Fukuoka, Hiroshima, Nagoya, Kagoshima, Inchon (Seoul), Pusan, Cheju, Shangai, Hong Kong-Chek Lap Kok, among others.

About this subject, the Latin American airports have given an important step to be at the level of the big airports in the world, with the modernization of their facilities, as it happened with the Benito Juárez Airport in Mexico City and mainly in the Comodoro Arturo Merino Benítez Airport in Santiago de Chile, fully redesigned, with modern structures and where currently a new runway is being built, parallel to the already existing one. Finally, we have the Jorge Chávez Airport in Lima, Perú, recently privatized to Lima Airport Partners (LAP), which started operations early in 2001. Since then, it intends to turn the Lima airport into one of the leading privately operated airports in the region, as it was in the past. It must be highlighted that LAP is a consortium formed by leading firms in their own fields, which contribute with their knowledge and experience to the successful development of the project, among them Alterra Partners from London, Changi Airport Enterprise, which is a Singaporean Joint-Venture, Bechtel Enterprise, highly prestigious construction

firm, besides of Frankfurt Airport Services Worldwide, operator of the Frankfurt Airport in Germany, one of the leading firms in the aeroportuary business.

All the statistics referred to international tourism will be very soon under the influence of the so-called tourism satellite account, which is a project to establish a series of rules and definitions to assess the real contribution of the tourism sector in terms of GNP percentage, employment derived from such activity and capital investment. It is to be expected that every country will prepare comparable data subject to demanding international standards. The tourism satellite account places tourism for the first time in a level equal to other economic sectors and gives a good opportunity for activities planning and for effective forecasting of tourism demand.

Final Considerations

The 21st century is a time of dynamic changes, and we must use to the max this development in transportation and communications to get even closer to our great common cultural past, and this way to propitiate a joint prosperity benefiting the whole Asia Pacific region. To travel to know each other better is the challenge, and for the cultural reunion between our countries to happen, with the union of our ancestors and with the hope of a tomorrow of pacific and harmonious coexistence.

This way, at the dawn of the new millennium, tourism has consolidated itself as the main economic activity of many countries, and as the fastest growth sector in terms of foreign currency income and job generation. It can be said that it is the biggest export generator in the world and an important element in the balance of payments in most countries.

Tourism has become, in the other hand, in one of the main job sources and encourages big investments in infrastructure, most of which contributes to improve life conditions for the indigenous population and for the tourists. Governments also obtain significant income through taxes. Most jobs and businesses related to tourism are created in developing countries, which helps to equalize economic activities and avoids that rural zones population to migrate to overpopulated cities.

In this sense, I rescue the great importance of our annual meetings of the consortium of APEC Studies Centers which, through the different subjects in the conferences, allow to exchange experiences about what all of us in one way or another are doing in our own countries to study the common problems, as well as to raise awareness in our community of the importance of the Asia Pacific region about the strengthening of exchanges. In this sense, after the next meeting we will have in Australia 2007, we will expect all of you in our South America in the Peru APEC 2008.

¹ Economist. General Coordinator Peruvian Network for Asia Pacific Studies (REDAP). Director of APEC Study Center, University of Lima. Director of Korean Study Center, University of Lima. Lecturer of Econometrics, University of Lima.

² Romero Estrada, Francisco. Factores que provocaron las migraciones de chinos, japoneses y coreanos hacia México: Siglos XIX y XX. Global Korean Network of Los Angeles. In <http://www.gkm-la.net>

³ World Tourism Organization. Barometer of World Tourism. January 2006