CHAPTER III

TOURISM IN ASIAN LANDS
TOURISM IN ASIAN LANDS

Asia is becoming an important destination for world Tourism. Large scale influx of tourists, both foreign and domestic, has led to unprecedented economic gain, but also to many socio-cultural and environmental issues. To fully comprehend these issues and problems of development, it has become necessary to examine some of the recently emerged destination. The selection is broad based but scientific in the sense that it takes into account island countries which are small but very vibrant for tourism and large countries like India and China, which have made consistent efforts to develop tourism on a sustainable basis. Even in the case of selected case studies, it is further circumscribed by putting specific focus on selected tourist nodal but vulnerable areas. For the purpose of our present study and to develop comprehensive comparative focus, the selected areas are Thailand, Malaysia, Maldives, Indonesia and China and India.

THAILAND

The kingdom of Thailand lies in South East Asia. It is bordered to the west and north by Myanmar (Burma), to the north east by Laos and to the south east by Cambodia. Thailand extends southward, along the isthmus of Kra, to the Malay Peninsula where it borders Malaysia. The isthmus shared with Myanmar, gives Thailand a short coastline on the Indian ocean, and the country also has a long Pacific coastline on the
Gulf of Thailand. The climate is tropical and humid with an average annual temperature of 29°C (85°F). There are three main seasons: hot, rainy, and cool. Temperatures in Bangkok are generally between 20°C (68°F) and 35°C (95°F). The national language is Thai. There are small minorities of Chinese, Malays, and indigenous hill peoples. The predominant religion is Buddhism.

**BRIEF HISTORY AND ECONOMY**

Formerly known as Siam, Thailand took its present name in 1939. Under the leadership of Marshal Phibul Songkram, Thailand entered the Second World War as an ally of Japan. Phibul deposed in 1944, but returned to power in 1947 after a military coup. However, his influence declined during the 1950s and in 1957 he was overthrown in a bloodless coup, led by Field Marshal Sarit Thanarat. Elections took place, but in 1958 martial law was declared and all political parties were dissolved. Sarit died in 1963 and was succeeded as Prime Minister by Gen. (later Field Marshal) Thanom Kittikachorn, who had served as Deputy Prime Minister since 1959. Thanom continued the combination of military authorisation and economic development instituted by his predecessor. A Constitution was introduced in 1968, and elections to the National Assembly took place in 1969, but in November, 1971, following an increase in communist insurgency and internal political unrest, Thanom annulled the Constitution, dissolved the National Assembly and imposed martial law.
During 1972, there were frequent student demonstrations against the military regime, and in October, 1973, the Government was forced to resign, after the army refused to use force to disperse student protesters, and King Bhumiboi Adulyadej withdrew his support from the administration. An interim Government was formed under Dr. Sanya Dharmasakti, the President of the Privy Council. In October, 1974 a new Constitution, legalizing political parties, was promulgated, and in January, 1975 elections were held to the new House of Representatives.

In September, 1985 a group of military officers, dissatisfied with the decline of the role of the armed forces in politics staged a coup attempt in Bangkok. In September 1985 and January, 1986, there were extensive changes in the Government. On 23rd February, 1991, the Chatichai Government was ousted in a bloodless military coup. Gen. Sunthorn Kongsompong, the Supreme Commander of the Armed Forces, assumed administrative power as the Chairman of the newly created National Peacekeeping Council (NPC). Under the NPC, the Constitution was abrogated, the House of Representatives, the Senate and the Council of Ministers were dissolved, and martial law was imposed.

In May, 1991 martial law was repealed in most areas, and political activity was permitted to resume. The New Aspiration Party (NAP) was formed in October 1990 by Gen. Chaovarit.

In early May 1992, Chamlong announced at a rally attended by 10,000 demonstrators, that he would fast until death unless Suchinda

Ibid

80
resigned. The demonstrations continued uninterrupted for one week until the government parties agreed to amend the Constitution. In January 1994 Palang Dharma initiated a campaign for decentralization through the introduction of elected provincial governors. A bipartisam parliamentary committee subsequently proposed 25 changes to the Constitutions, eight of which were agreed by both the Government and the opposition. During the late 1980s Thailand attempted to improve its traditionally poor relations with Laos and Cambodia. A border dispute in 1984 resulted in fighting between Thai and Laotian troops, although Thai troops were withdrawn from the area in October of that year, subsequent attempts to solve the problem were unsuccessful. In January 1993, despite its previous reluctance to do so, Thailand officially closed its border to trade with areas controlled by the communist Cambodian resistance group, the Khmer Rouge in compliance with UN sanctions against the movement.

In 1992, according to estimates from the World Bank, Thailand's gross national product (GNP), measured at average 1990-92 prices, was US $106,559.m., equivalent to $1,840 per head. During 1985-92, the estimated, GNP per head increased, in real terms, at an average annual rate of 8.3%. During the same period the population increased by an annual average of 1.7%. Thailand's gross domestic product (GDP) increased, in real terms, by an annual average of 7.9% in 1980-91.

Agriculture (including forestry, hunting and fishing) contributed an estimated 12% of GDP in 1992, 63.0% of the employed labour force

1. FAO Production year Book 1993
were engaged in the sector in that year. Industry (including mining, manufacturing, construction and power) provided 39.2% of GDP in 1990; 11.9% of the employed labour force were engaged in industrial activities in 1989. During 1980-91 industrial GDP increased at an annual average rate of 9.6%. Thailand's rapid economic growth since the late 1980s has generated certain problems such as inadequate infrastructural development (including a transport crisis in Bangkok) and a shortage of highly trained technical personnel.

Among the social services that are undertaken by the Department of Public Welfare are child welfare, family assistance, welfare for the aged, the disabled, the destitute and socially handicapped women, disaster relief, welfare and development programmes for the hill tribes and self-help land settlements. Education is officially compulsory for six years, to be undertaken between seven and 15 years of age.

TOURISM

Thailand is known for having recorded some of the world’s fastest growth rates in international visitor arrivals. In 1996, Thailand recorded 7.3 million visitor arrivals with foreign exchange earnings of US$ 8 billion. Tourism is now, by far, the largest foreign exchange earner. Moreover, domestic tourism is now a major factor and the TAT* is undertaking a campaign to promote domestic tourism. However, domestic tourists can sometimes be ecologically destructive. To alleviate this situation, for many

---

2. Thai Tourism Authority.
years Thailand conducted media campaigns on the need for domestic tourists to love and preserve their own country and its various natural resources. Domestic tourism is used as a means of education and improvement in quality of life for the people by providing them with improved recreation facilities and opportunities to better appreciate their local cultural and heritage.

Thailand policy makers feel that the path to sustainable tourism development requires the confluence of two-way public policy and implementation; top-down and bottom-up. In implementing this two-way policy, the central focus needs to be the understanding that economic progress per se is not enough; it must lead to an improvement in the quality of people's lives. The job of government is to set up the policy and guidelines for environmental protection and then support it with the appropriate funding for specific projects. In Thailand, the sustenance of tourism sites invariably involves several government agencies such as the Forestry Department, Fine Arts Department and Provincial Administration Authority, among others. These agencies must carefully and expertly plan the use of resources. The availability of infrastructure and readiness of the local community, as well as the management, have to be carefully considered. The TAT has proposed the establishment of a national plan that will integrate the functions of all ministries responsible for tourism and back that up with an integrated plan and a budget for implementation. The problem faced today is that none of the other ministries will cooperate unless there is a direct order from the top or a budget behind it. Government agencies need to help by supervising and
monitoring operators and therefore, identify a standard method for monitoring and encouraging law reinforcement. Local communities have to decide what kind of tourism or ecotourism they want. There is also a critical role to be played here by the non-governmental organisation which can be effective watchdogs if equipped with proper training and business marketing expertise. Local people too, need good management, information resources and funds. When these two policies meet, the result is integration and cooperation that is the key formula for success and the beneficiaries are the local people first and the country second.

The performance of the tourism private sector in the tourism business is also critical. In addition, the TAT has also launched a major national award scheme to recognise tourism businesses with outstanding contributions to the preservation of the environment, culture and heritage. Education is half the battle. By utilising all forms of information and communication systems, we are able to create an awareness that assists in the conservation of environmental as well as culture. Promotion of quality service and information of the local ecological systems help to convey the message. More over, universities and tourism institutes in Thailand need to expand their tourism curriculum to go beyond the normal mundane subjects. They need to grow up to more sophisticated areas like resources management, area management and sustainable tourism development. Training courses within the community will help them to understand their role in tourism. By harmonising these services with the surroundings, training personnel to be more environmentally aware and promoting and reinforcing appropriate laws, the local community will come to understand
the value of their environment and will be able to enjoy the benefits gained from tourism.

The case study of Koh Samui, one of the country’s most popular resort island is a good example of sustainable tourism in Thailand. Samui is Thailand’s third largest island with an area of 230 sq.km. and a population of about 32,000 people. It is located in the middle part of the Gulf of Siam and about 50 km northeast of Surat Thani province. Once an important part of the ancient sea-trade route between Thailand and China, Samui can be visited all year round and provides an alternative tourist resource, in terms of seasonality, for Phuket, the other notable resort island on the other side of the peninsular. Samui’s twenty seven tourist attractions include seventeen beaches, three scenic hilltops and seven religious places. There are four cultural art and local activities centres including seven coral reef spots. Other attractions include waterfalls, the phallic rock formations, a massive seated Buddha image and ancient local houses.¹

Like in the Maldives, there are several exquisite islands in the neighbourhood, including the famous Ang Thong National Marine Park, consisting of forty small impressive islands. Samui also has 2.3 million magnificent coconut trees along the beaches and throughout the island. Some are over 160 years old and over 35 metres tall. The healthy crop of coconuts they yield is picked not by people but by more than 160 monkeys which have been trained and registered. More than 20,000 Samui’s

to public beaches. Tourism businesses in Samui, specially medium and small scale, lacked good service standards, particularly service personnel skills. Most service businesses were not registered. Traffic accidents are still a regular occurrence among both local and foreign visitors, caused mainly by narrow roads, careless drivers, incomplete traffic signs and speed. The major issue has been the environment and collection and disposal of garbage is a big problem. An important reason for these problems seem to be the inefficiency of local administration. Basically, Samui’s local administration operates as “a municipality” which is of a small scale and cannot meet the rapid space of tourism growth. While a large budget is needed to fund the development costs, only limited budget is designated because the allocation is still pegged to the size of the local population.

Still the TAT did several surveys and studies since 1980 to fashion a master plan for tourism development of Samui and to study its carrying capacity. However, implementation of the plans was unsatisfactory. Finally, in 1995, the TAT set up “The Action Plan for Tourism Development of Samui”. It emphasised projects that keep in mind the island’s “carrying capacity” and on more grassroots participation by government agencies, local people and enterprises, and other concerned groups, both in the planning and execution stages. The action plan covers four objectives:

First to identify the physical, environmental and social carrying capacity of Samui; Second, to provide measures for controlling the number of tourists, infrastructure and services within the limit and without harming
the environment. Third, to be aware of the tourism situation and problems as well as future trends in order to proceed with the action plan for tourism development of Samui. And eventually, to recommend appropriate schemes for implementation by relevant government agencies. This was a great change over previous tourism development plans which in the past only provided management guidelines and recommendations for relevant organisations to follow. Under the new action plan, TAT has placed special emphasis on the participation of local people. Thus, the TAT set in motion the “Sustainable Tourism Development Direction for Samui”, that balances economic growth with conservation of natural resources in order to maintain Samui for the next generation. The action plan proposes seven main projects to oversee:

- Administration and Management of the Developing Plans;
- Land Use and Community Development;
- Infrastructure and Public Services;
- Tourism Services;
- Tourism Attractions;
- Environmental Preservation and Management;
- Other tourism areas.

It was the first time that a development plan and a government budgetary plan were perfectly integrated together. A total budget of US$ 7 million was approved by the government to complete the projects in 1996 and 1997. The TAT has formed a Sub-Committee for supervising the Action Plan on Tourism Development of Samui to manage the action plan. The committee will coordinate between the TAT, the local and regional organisations and the development agencies. Thus, tourism has substantially benefited the local

1. Tourism Authority of Thailand (TAT), Basic Statistics, Bangkok, 1994.
people. However, the most important thing is maintaining a good balance in tourism development which needs to be effectively controlled and managed in the right direction. Over-development or rapid paced development could bring disaster to the island's environment. Sustainable development of any kind, and not just tourism, is for the benefit of mankind, today and in the future.

MALAYSIA

The Federation of Malaysia situated in South East Asia, consists of 13 states. Eleven of these are in Peninsular Malaysia, in the southern part of the Kra peninsula and two, Sabah and Sarawak are on the north coast of the island of Borneo (Kalimantan) bordering Indonesia. The climate is tropical with rain in all seasons and temperatures generally between 22 C (72 F) and and 33 C (92 F), with little variation throughout the year. The official language is Bahasa Malaysia, based on Malay, but English is also widely used. Chinese, Tamil and Iban are spoken by minorities. Islam is the established religion, practised by about 53% of the population.

Malaysia is a federation of 13 states. The capital, Kuala Lumpur, is a separate Federal Territory, as is the island of Labuan. The Head of State or Supreme Head of Malaysia is a monarch elected for a five year term (with a Deputy Head of State) by and from the hereditary rules of nine of the states. The monarch acts on the advice of Parliament and the Cabinet. Parliament consists of the Dewan Negara (Senate) and the Dewan Rakyat (House of Representatives).
BRIEF HISTORY AND ECONOMY

The 11 States of Malya under British protection, were united as the Malayan union in April 1946 and became the Federation of Malaya in February 1948. An armed communist offensive began in 1948, and was not effectively suppressed until the mid 1950s. After 1960 the remainder of the banned Communist Party of Malaya (CPM) took refuge in southern Thailand. Meanwhile, Malaya was granted independence, within the Commonwealth, on 31st August, 1957. Malaysia was established on 16th September, 1963, through the union of the independent Federation of Malaya (renamed the States of Malaya).

In 1970 serious inter-communal rioting, engendered by Malaya resentment of the Chinese community's economic dominance and of certain pro-Chinese electoral results, precipitated the resignation of Tunku Abdul Rahman. Political stability was subsequently threatened by the resurgence of the communist guerrilla movement, which conducted a series of terrorist attacks in 1976-78. However, CPM activity subsequently declined, owing to co-operation between Malaysia and Thailand in military operations along their common border. The peace agreements, signed by the leader of the CPM and representatives of the Malaysian and Thai Governments, resulted in their eventual participation in legitimate political activity in Malaysia.

In February 1986, Mahathir's leadership of the federal Government was challenged by Datuk Musa Hitam, the Deputy Prime Minister. Criticism of Mahathir's leadership persisted during 1987, both from within UMNO and from other political parties. At the same time, racial tensions intensified in various parts of the country over Chinese-language education, religion and other issues. In late September 1988 Razaleigh and 12 others joined the opposition and in March 1989 Razaleigh's movement established an alliance with the fundamentalist opposition PAS which drew its support from conservative Muslims. In May and in December 1989 Mahatir held a cordial but unproductive meeting with Razaleigh in an attempt to heal the rift in the ethnic Malay community. In early October, 1990 Mahathir announced that a general election would take place on 20-21 October. The opposition parties formed an informal electoral alliance. The opposition's share of the seats increased from 37 to 53. However, Semangat '46 won only eight seats of a total of 61 that it contested. In late November, 1990, at a meeting of the UMNO General Assembly, Mahathir and Abdul Ghafar Baba were unanimously re-elected, respectively, as President and Deputy President of the party.

In January 1993, Gen. Fidel Ramos visited Malaysia, the first Philippine President to do so since 1968, owing to strained relations over the Philippines claim to Sabah. Mahathir and Ramos agreed to establish a joint committee to address bilateral problems. In February 1994 Mahathir made the first official visit by a Malaysian head of government to the Philippines. Relations with Indonesia also improved;
in January, 1994 discussions concerning a dispute over the sovereignty of two small islands off the coast of Borneo, Sipadan and Ligatan, ended in an agreement to settle the issue according to the principles of international law. Another territorial claim being pursued through negotiations was the dispute with Singapore over the island of Batu Puteh (Pedra Branca).

Mahathir's proposal to establish an East Asian Economic Caucus (EAEC), a trade group which was to exclude the USA, met with considerable resistance from the US Government (which continued to promote the US-dominated Asia-Pacific).

Malaysia covers 329000 sq. kms of area with peninsular, Sarawak and Sabah units and has the total population of 18.6 million (1992). This gives overall population density of 56.4 per sq. km. Malays, Chinese and Indians form the bulk of population.

### AREA AND POPULATION

<table>
<thead>
<tr>
<th>Area (sq km)</th>
<th>Peninsular Malaysia</th>
<th>Sabah (incl. Labuan)</th>
<th>Sarawak</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area (sq km)</td>
<td>131,598</td>
<td>73,711</td>
<td>124,449</td>
<td>329,758</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Population (census results)</th>
<th>10 June 1980</th>
<th>14 August 1991</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td>8,861,124</td>
<td>17,566,982</td>
</tr>
<tr>
<td>Females</td>
<td>8,705,858</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>17,566,982</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Population (official estimate at mid year)</th>
<th>1992</th>
<th>Density (per sq km) at mid-1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td>18,606,300</td>
<td>56.4</td>
</tr>
</tbody>
</table>

### PRINCIPAL ETHNIC GROUPS

<table>
<thead>
<tr>
<th></th>
<th>Peninsular Malaysia</th>
<th>Sabah</th>
<th>Sarawak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malays and other indigenous groups</td>
<td>8,744.9</td>
<td>1,322.9</td>
<td>1,215.5</td>
</tr>
<tr>
<td>Chinese</td>
<td>4,640.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indians</td>
<td>1,462.3</td>
<td>206.5</td>
<td>493.0</td>
</tr>
<tr>
<td>Others</td>
<td>95.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14,942.7</td>
<td>1,529.4</td>
<td>1,708.8</td>
</tr>
</tbody>
</table>
In 1992, according to estimates by the World Bank, Malaysia's gross national product (GNP) measured at average 1990-92 prices was US $51,917m., equivalent to US $2,790 per head. During 1985-92, it was estimated, GNP per head increased, in real terms, at an average annual rate of 5.7%. Over the same period the population increased by an annual average of 2.5%. Malaysia's gross domestic product (GDP) increased, in real terms, by an annual average of 5.7% in 1980-91. Agriculture (including forestry and fishing) contributed about 15.5% of GDP, and engaged an estimated 21.4% of the employed labour force, in 1993. Other important cash crops include cocoa, pepper coconuts, tea and pineapples. Sawlogs remain an important source of foreign exchange (3.7% of total exports in 1992). Industry (including mining, manufacturing, construction of power) contributed an estimated 43.3% of GDP, and engaged about 31.9% of the employed labour force, in 1993. During 1980-91 industrial GDP increased by an annual average of 7.7% Mining contributed about 7.8% of GDP, although engaging only an estimated 0.5% of the employed labour force, in 1993. In 1993 estimated proven gas reserves stood at 2,170,000. Manufacturing (the largest export sector) contributed an estimated 29.5% of GDP, and engaged about 23.1% of the employed labour force in 1993.

TOURISM

Tourism makes a significant contribution to the economy. In 1990 about 7.5m tourists visited Malaysia, contributing about

RM 4,473 m. in foreign exchange receipts (although visitors declined by 5.9% in 1991). In 1993 the financial sector contributed 10.4% of GDP.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourist arrivals ('000)</td>
<td>3,624</td>
<td>4,846</td>
<td>7,477</td>
</tr>
<tr>
<td>Total receipts from tourism (US $ million)</td>
<td>745</td>
<td>1,038</td>
<td>1,657</td>
</tr>
</tbody>
</table>

Source: UN, Statistical Yearbook for Asia and the Pacific.

Malaysia is a member of the Asian Development Bank, the Association of South East Asian Nations (ASEAN Economic Co-operation in the region. In June 1991 the successor to Malaysia's 20 year New Economic Policy (NEP), the New Development Policy (NDP) was inaugurated. The emphasis on 'racial' economic restructuring in the NEP shifted towards economic growth and the eradication of poverty under the NDP. During the 1990s the economy continued to expand rapidly under the policies introduced in the 1980s the liberalization of foreign investment legislation.

Under the Malyasian education system, free schooling is provided at government assisted schools for children between the ages of six and 18 years. There are also private schools, which receive no government financial aid. Education is compulsory for nine years between the ages of six and 14 years. Bahasa Malaysia is the main medium of instruction, while English is taught as a second language and Chinese and Tamil are

---

FAO, Production year 1993.

taught as pupils own languages. Sharp focus is developing on Human Resource Development in its education system.

Concern for sustainable development have been a major objective and the National Development Policy in the Second Overall Perspective Plan period (1991-2000) states that to ensure that in the pursuit of economic development, adequate attention will be given to the protection of the environment and ecology so as to maintain the long-term sustainability of the country's development. Malaysia is one of the twelve countries in the world identified as a megadiversity region. It is not surprising therefore, that nature destinations in areas such as Kinabulu, Taman Negara, Sarawak, Langwaki, Pangko, Bera, Danum Valley and Kenyir constitute major tourist attractions of Malaysia. Malaysia is taking several measures to ensure that tourism development takes places in tandem with the country's overall sustainable development policy.

Malaysia has a landmass of 32.88 million hectares of which almost 57.8 per cent (representing 19 million hectares) is covered with natural forest. Malaysia is one of the most forested countries in the world. This compares with 21.2 per cent in Belgium, 8.8 per cent in the Netherlands, 9.9 per cent in the United Kingdom (FAO 1993). \(^1\) The designated Permanent Forest Estate covers 14.04 million hectares of virgin jungle or 59.0 per cent under forest cover by the end of 1995. \(^2\) More than 2.13 million hectares of conservation areas are protected by legislation.

1. FAO, Production year 1993.
Malaysia's precious forest heritage has been safeguarded by the provision of national parks and wildlife reserves set aside from any form of development. Conservation and sustainable development has become an important agenda in the country's overall development programme. Environmental concerns have been incorporated into all the country development plans.¹

In tourism, conservation of nature and socio-cultural heritage are given important emphasis. Environmental audits such as the Environmental Impact Assessment (EIA) are mandatory for tourism product development in areas as follows:

a. Construction of coastal resort facilities or hotels with more than 80 rooms;

b. Hill station resort or hotel development covering an area of 50 hectares or more;

c. Development of tourist or recreational facilities in national parks; and

d. Development of tourist or recreational facilities on islands in surrounding water which are gazetted as national marine parks.

Malaysia is thus, tapping on its nature products for its marketing strategies. Among the twelve destinations that Malaysia is marketing overseas, destinations that are famous for their nature assets feature

¹ Ibid.
prominently. These are Kinabalu (park and mountain), Taman Negara (tropical forest), Sarawak (caves and forest), Langkawi (islands and nature), Pangko (island), Penang (island) Bera (RAMSAR site for wetland), Danum Valley (tropical forest) and Kenyir (lake). Highlights of some of Malaysia's national parks and sanctuaries are the following attractions:

MALAYSIA'S AGRICULTURE PARK IN SHAH ALAM

An example of sustainable development in tourism is Malaysia's Agriculture Park, where an agro-tourism product is developed in compliance with the concept of conservation and recreation. This development is also unique in the sense that it has integrated recreational activities into development programmes without disturbing the ecosystem of the area. The recreational facilities have been developed around agro-tourism. Being sited in an area which is just one hour's drive from Kuala Lumpur, the capital of Malaysia, this park has enabled the city folks as well as international tourists to see the heart of the tropical rainforest without having to travel to the interior of the jungle.

It is situated in a 1,258 hectare site in Shah Alam, which is in the midst of a prime industrial estate of the Klang Valley in Malaysia. Situated in the hinterland of the Klang Port, this area is actually an ideal site for the location of industrial estates but concerns for conservation of the area as

Adam Datuk Ismail

97
a green lung were upheld and today the Park has become not only a centre for recreational and educational activities but also as a model of sustainable development in tourism. The Agriculture Park was officially opened in 1989 and offers tourists various aspects of the country's agricultural activities and a glimpse of rare species of plants, against a green backdrop of primary jungle. Seventy-five per cent of the area is preserved as forest.

The Agriculture Park offers the nouveau tourist a Green Destination or Environmentally-friendly Place, a total experience of its natural attributes, scientific facilities and presentations of agricultural activities. The Park's development is based on the principles of conservation, agroforestry and agriculture combined. It is an 'open university' which is designed for visitors to acquire knowledge while they enjoy the scientific facilities in a natural setting.1

The park also offers recreational facilities such as fishing, hiking, pony riding, cycling, trekking, camping, roller skating, canoeing, boating and acqua-paddling and accommodation facilities ranging from economical dormitories, rustic chalets to traditional house. The Agricultural Park has become an important tourist attraction both for foreign and domestic tourists. Malaysia has also embarked on the National Ecotourism Plan which has given comprehensive guidelines on sustainable development. A policy on National Ecotourism has also been

1. Ibid.
formulated to guide the development of ecotourism products in a sustainable manner. As interest in nature-based tourism has always been alluring to tourists, ecotourism is growing faster than any form of tourism throughout the world. It is estimated that 20-25 per cent of leisure travel can be defined as nature tourism or ecotourism. Various countries are already renowned for their success in ecotourism. Destinations such as Costa Rica, Belize, Panama, Guatemala, Honduras, East and South Africa, Nepal, India, China, Australia, Latin, America and now Malaysia have always attracted a high proportion of visitors keen on nature and culture. The Ministry of Culture, Arts and Tourism Malaysia has also commissioned the World Wide Fund for Nature to conduct the study on the National Ecotourism Plan with the aim of identifying existing and potential ecotourism sites and activities in Malaysia and provide guidelines for the sustainable development and conservation of the natural and cultural heritage of the country.

The National Ecotourism Plan was developed after discussion with all sectors involved in the industry, such as government departments, tour businesses, tourists and local residents. As a result, the Plan identified issues that need to be addressed and Action Plan to address them. These range from the definition of ecotourism to legal changes, marketing, finance and monitoring, development and management plans for ecotourism product and sites that need to be expanded and improved on. Policies must also ensure community participation, for example through training and certification of ecotourism guides. The National Ecotourism
Plan sets forth 25 Guidelines to aim for the best approach to ecotourism. The guidelines cover a range of topics such as health and safety, conservation inputs, site selection, zoning, carrying capacity and design, as well as development in specific types of environment such as lakes, forest, islands, hills, caves, beaches and so on. Malaysia signed and ratified the RAMSAR Convention on February 3, 1971 and December 21, 1975 respectively. The convention came into force officially on October 3rd, 1995, with the designation of Tasik Bera in Pehang for inclusion into the list of wetlands of international importance. Tasil Bera is the largest freshwater lake in Malaysia (2,039 hectares). The lake and its surrounding areas (38,466 hectares) has been gazetted as the Taik Bera Forest Reserve since 1970.

The Policy is based on the vision 'to transform Malaysia into a world of excellence in conservation, research and utilisation of tropical diversity by the year 2000'. The Policy's objectives are to optimise economic benefits from the sustainable utilisation of biodiversity components; ensure long-term food security; maintain and improve environmental stability for proper functioning of ecological system; ensure preservation of the nation's unique biological heritage; to emphasise biosafety considerations in the development and application of biotechnology; and others. Malaysia has done wonders in combining ecological concerns with desire to boost massive but regulated tourism. The country can boast of many achievements in this direction.

MALDIVES

The Republic of Maldives is in southern Asia. The country, lying about 675 km. (420 miles) south-west of Sri Lanka, consists of 1,190 small coral islands (of which 199 are inhabited), grouped in 26 natural atolls (but divided, for administrative purposes into 19 atolls), in the Indian Ocean. The climate is hot and humid. The average annual temperature is 27°C (80°F) with little daily or seasonal variation, while annual rainfall is generally between 2,540 mm and 3,800 mm (100 ins to 150 ins). The national language is Dhivehi (Maldivian), which is related to Sinhala. Islam is the state religion.

AREA AND POPULATION

Area : 298 sq km (115 sq miles)


Density : 748 per sq km.

Economically Active Population (persons aged 14 years and over, census of March 1990): Agriculture, hunting, forestry and fishing 14,117; Mining and quarrying 496; Manufacturing 8,441; Electricity, gas and water 445; Construction 3,151; Trade, restaurants and hotels 8,884; Transport, storage and communications 5,321; Financing, insurance, real estate and business services, 1,058; Community, social and personal services 11,848; Activities not adequately defined 2,188; Total employed 55,949 (males 44,858; female 11,091).

BRIEF HISTORY AND ECONOMY

Maldives called the Maldives Islands until April 1969, formerly had an elected Sultan as head of State. The islands were placed under British protection with internal self-government, in 1887. They became a republic in January 1953. Maldives became fully independent, outside the Commonwealth, on 26th July, 1965. Following a referendum, the country became a republic in November, 1968.

In 1956, the Maldivian and British Governments agreed to the establishment of a Royal Air Force staging post on Gan, an island in the southernmost atoll, Addu. In 1975 the British Government's decision to close the base and to evacuate British forces created a large commercial and military hiatus. In 1981, the President announced plans to establish an industrial zone on Gan. By 1990, there were two factories (producing ready-made garments) operating on Gan. The airport on Gan, which links the capital Male with the south is now fully operational and is due to become an international airport in the near future.
In November, 1989 Maldives hosted an international conference, with delegates from other small islands, to discuss the threat posed to low-lying island countries by the predicted rise in sea-level caused by heating of the earth's atmosphere as a result of pollution (the 'greenhouse effect'). In June 1990 an Environmental Research Unit, which was to operate under the Ministry of Planning and the Environment (now the Ministry of Planning, Human Resources and Environment) was established in Maldives.

In February 1990, despite alleged opposition from powerful members of the privileged elite, President Gayoom announced that, as part of proposals for a broad new policy of liberalization and democratic reform, he was planning to introduce legislation in the near future enabling him to distribute powers, currently enjoyed by the President alone, amongst other official bodies. A further sign of growing democratization in Maldives was the holding of discussions by the President's Consultative Council, in early 1990, concerning freedom of speech (particularly in the local press).

Maldives is a founder member of the South Asian Association for Regional Co-operation (SAARC) which was formally constituted in December, 1985 and became a full member of the Commonwealth in June 1985. In December, 1993, Maldives had diplomatic relations with 111 countries. In 1992, according to estimates by the World Bank Maldives gross national product (GNP) measures at average 1990-92 prices was 103.
US $ 114 m., equivalent to $500 per head. During 1985-92, it was estimated, GNP per head increased, in real terms at an average annual rate of 8.5%. Over the same period the population increased by an annual average of 3.3%. According to official estimates, Maldives' gross domestic product (GDP) increased in real terms by an annual average of 10.3% in 1985-91 by 6.3% in 1992 and by 6.2% in 1993.

Agriculture (including fishing) contributed 23.7% of GDP in 1991 (15.1% was provided by fishing). About 25% of the total working population were employed in the sector (more than 20% in fishing) in 1990. In 1992 fishing was Maldives second largest source of foreign exchange, after tourism. The rapid growth and increasing importance of the tourism sector in Maldives in the 1980s and the early 1990s resulted in Government's efforts to improve the infrastructure (including development of communication systems, sanitation and water supply). By 1993 postal services were available in all the inhabited island, telephone facilities were provided in the northern atolls and facsimile services were available to some islands. The numerous development projects undertaken during the 1980s and early 1990s resulted in a shortage of labour, which was partly alleviated by employing workers from abroad and by the establishment of vocational training course.

Education is not compulsory and there are three types of formal education: traditional Koranic schools (Makhtab), Dhivehi language

primary schools (Madhrasa) and English language primary and secondary schools. Schools of the third category are the only ones equipped to teach a standard curriculum.

TOURISM

Recent archaeological findings confirm that Maldives was settled around 500 years BC, by Aryans who colonized Sri Lanka at the same time. Later in the middle ages, further migration from Soth India took place. Until the country converted to Islam in 1153 AD, the dominant religion was Buddhism. Maldives became a British protectorate in 1887, but there was no direct colonial rule or the presence of British representation in the country. Until political independence was attained in 1965, the country was ruled by sultans. However, after independence, it was replaced by a democratic government with a President as the Head of State.

Maldivian communities are closely knit, rigidly structured and unified by the bonds of religion and language. The societies were stable with little social differentiation.

At the time of the 1990 census the country had a population of 213,215 people, unevenly distributed on the 202 inhabited islands a quarter of the people live in Male the capital island. Maldivian economy is largely dependent on its rich marine resources. Hence, tourism and

fisheries are the major sectors of the economy. Twenty-five years ago, Maldives was virtually unknown to tourist trade. Tourism started modestly in 1972 as adventure tourism. Together with the expansion in air travel, the country is now a popular tourist destination and the industry has expanded and matured in many respects. The industry can now offer a wide range of accommodation from the very simple to that of international upmarket resort standards. More than 300,000 visitors arrived in the country in 1995 and with the launching of "Visit Maldives Year", arrivals were anticipated to rise considerably.

The country's economic base is centred around fisheries and tourism, accounting for about 30 per cent of GDP and are major sources of foreign exchange earnings and government revenue. The marine environment is a key aspect of development and particularly tourism development in Maldives. Out of the 1990 island, 74 islands have been developed as tourist resorts.

The tourist industry brings considerable foreign exchange to Maldives, and receipts from tourism amounted to 198.2m. rufiyaa in 1992. The island's attractions include white sandy beaches and multi-coloured coral formations. By 1993 there were 70 island resorts and there was a total of 7,855 beds in 1991. The annual total of foreign visitors increased from only 29,325 in 1978 to 235,852 in 1992.¹

The early development of the sector evolved essentially in an

unplanned laissez-faire manner and was practically driven by the private sector. Total beds stood around 280 in 1972, increasing to 2400 by the end of 1980. Most resorts were situated within close proximity of the Male International Airport. Total arrivals in 1972 was around 1,100 but by 1980, the number of arrivals had reached 42,000. For most part of the 1970s the sector contribution of GDP stood at around 10 per cent. During the 1980s the sector contribution had increased to around 16 per cent of value added, accounting for 21 per cent of total Government revenue, and provided around 41 per cent of gross foreign exchange earnings.

GUIDED DEVELOPMENT

To promote and guide the development of the industry and to set the policy direction, the Government established the Department of Tourism and Foreign Investment in 1978 (later known as the Ministry of Tourism 1988). The Government, through the Department of Tourism and Foreign Investment, formulated policies and strengthened the institutional capacity for administering and monitoring the sector. Such policies formed the basis for comprehensive planning for the industry. The country's first tourism law (which outlined the basic regulations for the industry) was enacted in November of 1979. In the 1980s, the Ministry of Tourism became involved in guiding the development of the sector - including setting operating standards and demarcation of the development zones for the sector.\\

The environment sector started receiving prominence in 1984 when a National Council for the Environment Protection was established. In June 1990, an Environment Research Unit (ERU) was established within the Ministry of Planning, Human Resources and Environment (MPHRE) to collect, collate and manage relevant information on the environment. The Environmental Protection and Preservation Act (1993) provides MPHRE with wide statutory powers, including formulating policies and their enforcement. With the help of UNDP and UNEP, it commissioned a study in 1988 to identify areas vulnerable to environmental changes. The findings of the study gave rise to the National Environment Action Plan (1989), which seeks ".. to maintain and improve the environment of the country, including the marine and ocean area contained within the Exclusive Economic Zone, and to manage the resources contained therein for the collective benefit and enjoyment of present and future generations".

Carrying capacity for tourist resorts to limit the number of users below environment thresholds have been defined. Maximum built up area is limited to twenty per cent of land area and building heights may not exceed vegetation levels. Only 68 per cent of beach length can be utilised for guest rooms. 20 per cent has to be reserved for public use and 12 per cent must be left as open space. Constructions on reef flat and lagoons are discouraged.

The problem of waste management is addressed through the compulsory installation of incinerators, bottle crushers and compactors on all resorts. Sewage disposal through soakpits into the aquifer is
discouraged, permission to do so being determined by the island size and the extent of the aquifer used on the island. Along with policies to curb the negative aspects of the environment, the Government has also concentrated in providing the necessary infrastructure for tourism development. The pattern of Government investment in the airport has been closely associated with the development in the tourism sector. The opening of the Male' International Airport in 1982, marked the beginning of another important phase in the development of the industry.

In order to expand the tourism industry, through systematic selection of new regions, the Government in 1983 selected Ari Atoll (south of Male' atoll) as the new zone. This included over 2000 beds in 15 islands. As a result, during the 1980s the number of resorts doubled and bed capacity grew at an annual rate of around 10 per cent. Along with the development of resorts and other infrastructure, the types and the quality of services made available have also increased significantly. The above developments have helped to boost activity in the sector and shape the environment friendly model of tourism in Maldives. It has resulted in its increased contribution to GDP from 11.5 per cent in 1980 to around 18 per cent in 1990 and close to a third of total government earnings and more than 60 per cent of foreign exchange receipts.

Notwithstanding these impressive developments, there are several constraints to further expansion and sustainable development of the sector. Reflecting the weak system of land ownership, over the years, resort operators have continued to encounter difficulties in obtaining
financing for investment, either from domestic or overseas banks. In particular, the fixed term lease period, together with uncertainty over lease renewal, has tended to discourage developers from investing in upgrading of resorts, particularly the absence of domestic long-term financing sources remains a pressing concern of the sector. As a consequence, developers and operators have had to make recourse to external sources, such as tour operator financing, in return for guaranteed bed rights at preferential rates. This in turn has resulted in declining incomes accruing to Maldivian resort operators. The tight labour market situation in Maldives exacerbates the socio-economic pressures on the industry. Total employment in the sector has increased significantly. Owing to the acute shortage of labour, both skilled and unskilled, total expatriate labour force in the sector has almost doubled in the last five years. In fact, more than a third of the total expatriate workforce in the country is engaged in the tourism sector, reflecting the high dependency of the sector on expatriate labour. Consequently, the outflow of foreign exchange earnings as expatriate workers' remittances has been increasing over the years.

Marketing is a central aspect of any business activity. With the expansion of Male International Airport and the development of air links, the industry has been able to achieve some degree of market diversification. Nevertheless, the major generating market still continues to be Western Europe. Tourism being an increasingly competitive industry internationally, the need for an effective marketing strategy that emphasises the Maldives as a destination is paramount.
Many of the environmental problems faced by the Maldives are common to other island economies and are threatening the sustainability of the industry; water quality; sanitation, pollution of land and water, deforestation, solid waste collection and disposal, environment-related health problems due to urban congestion, loss of biological diversity and a high degree of economic dependence on the natural environment. Despite achievements made in the management of the environment, there are several issues and constraints for environmentally sustainable tourism development. The prevailing legal framework is inadequate to guarantee the continued integrity of the natural environment. There are evidences that some marine species suffer from widespread excessive harvesting. Therefore, increased efforts are required to avoid resource-use conflicts and measures to curb damaging effects of coral mining on the fragile reefs to minimise the loss of natural sea defences. From the Visit Maldives Year 1997, a number of lessons and experiences, have been learnt help to charting out a future programme that would promote sustainable tourism. It is evident that they key factor underlying the success of tourism in the Maldives has been the generally favourable policy environment, for example the inflow of foreign capital due to the Government's policy of free capital movement is commendable. Moreover, the unrestricted repatriation of profits and the liberal tax policies have attracted substantial foreign investments to the sector.

Unlike many other tourist destinations, the island nature of the country has provided for an inherent advantage for developing 'enclave-
tourism' in the Maldives. This has helped to minimise negative aspects of tourism, allowing for local cultures, traditions and lifestyles to be sustained without undue alien pressures on the society. At the same time, it has also become apparent that in allocating islands for tourism development, a careful balance is required between both the geographic spread and population densities. This would enable a more balanced growth in economic activities allowing for the co-existence of other industries such as fisheries and agriculture in the same area.

FUTURE PROSPECTS AND SUSTAINABLE TOURISM

In the past decades the sector has been shaped by advances in transport technology which have resulted in a steady reduction in the costs of travel relative to rising income of the average household in the industrial countries and Asia. In the future, performance of global tourism will be determined by a number of factors which, while already evident in recent years, will exercise a much stronger influence. These factors include, socio-demographic changes, a more knowledgeable and demanding consumer and growing pressures for responsible tourism. Consumers are becoming increasingly conscious of environment concerns and marketing strategies will be important.

According to WTO, over the period 1995-2000 tourist arrivals to South Asia are projected to increase by around 7 per cent annually. Maldives will require investment to increase resort bed capacity, policies

to attract foreign investment in resort development, and a larger pool of skilled labour. Further, its policy on environment must continue to increase the public's knowledge and awareness of both the fragility of island ecosystems. In the light of these facts, Maldives has embarked this year on a second ten year Master Plan. The Plan envisages the following: (a) to create 10,000 beds in phases of development (b) to implement first 3,000 beds in the next two years in a radius of 150 km., (c) to harmonise tourism with other economic activities and (d) to achieve a better geographic spread of the benefits of tourism.

The tourism industry grew to be the most dominant sector in the economy during a period of 10 years, marking a new epoch in the economic history of the Maldives. It now contributes 24% to GDP, generates 70% of all foreign currency earnings and 40% of the government revenue. Tourism, initiated by two local entreprenures, supported by an Italian investor, started in 1972 when the first resort opened with a capacity of 60 beds and minimal facilities. Presently, there are over 11,300 beds distributed on to 74 resorts, 50 guest houses and 40 yachts. Maldivian tourist product being primarily based on sea, sand and sun. Each island hosts a single resort. Hence, each resort is an autonomous unit that provides its own power, sewage and garbage disposal arrangements and water supply. The inhabitants of the island consists of only staff and guests.

The relatively continuous and consistent opening of new resorts and subsequent increases in bed capacity have in general paralleled with
an equally rapid growth in arrivals. In 1993, visitor arrivals totalled 240 thousand and they increased to over 270 thousand in 1994. The occupancy rate in Maldives is still relatively seasonal. From April to end July the occupancy averages at 52% while during the rest of the year it is over 70%. Tourists originate mostly from Europe, German and Italian tourists constitute over 40-45% of all arrivals. Other major European markets include United Kingdom, Switzerland, France and Austria. In recent years, the Japanese share of the market has been progressively increasing.

Tourism development in Maldives has been based on sustainable exploitation of resources. Natural capital is to be managed so that a stock of natural resources, no less than was inherited from previous generations, is left for the use of future generations.

To ensure that economic goals of tourism are met, the industry is developed and expanded in a planned manner, with continuous marketing research done to monitor the demand for the product. Bed capacity is increased cautiously, so as not to exceed this demand. Resorts continuously expand and upgrade their facilities. The Maldives tourist product is also becoming more differentiated and diversified. Diving was almost the only attraction offered when tourism started in the country. However, today there are products catering to various types of demand, ranging from ‘five star’ city hotel type resorts, to local ‘close-to-nature’ products with exclusivity and privacy as key selling points. Human resource development too has always been given much importance as the provision
of quality service is vital in the hospitality industry. The School of Hotel and Catering Services was opened in 1987, to increase the competence level of staff in the tourism industry and also as a measure to increase the percentage of locals employed in this industry. Adoption of new technologies that are environmentally harmonious often have short term costs. Although geographic configuration of the country is a constraint to development in many ways, it isolates tourists from the local communities. Consequently, it limits intercultural interaction and decelerates the acculturation process. Tourists are usually restricted to the zones in which tourist resorts are located. Tourists also need as special permit to visit inhabited islands, except on sightseeing trips arranged by the resorts.

Ecologically, Maldivian islands are at the stage of island formation where the crust, or the original volcanic core has been completely submerged, leaving only the collection of unconsolidated coral sand over the reef above the surface of the ocean. Continued growth of reefs and healthy existence of marine life within it is essential for the existence of the island. The ecology of the island and the reefs being extremely delicate, the environmental threshold is relatively low in these islands. By development of a resort or even by habitation major environmental problems arise. In general the most common environmentally detrimental effects of tourism or habitation of islands are as follow :-

(i) For development of a resort, it is vital to have easy access to the island and safe berthing facilities for boats. Hence, at a minimum
a jetty has to be built and the inner lagoon and a passage deepened through the reef. These have major implications.

(a) With the construction of coastal structures such as rockfilled jetties, the movement of sand around the island is obstructed; causing accretion on the updrift and erosion on the down drift side of the structure, effecting the island severely.

(b) Dredging of the inner lagoon, for harbor development, have major implications. It, besides alteration of the current movements, causes greater sedimentation on the coral colonies which may results in coral death by suffocation. Reef blasting destroys the habitat of many marine creatures.

(ii) In the development of the first generation resorts, coral and sand were mined extensively. This resulted in the destruction of reefs. For construction and tourist facilities, trees and shrubs have to be removed. In the progress, in some areas the coastal vegetation is removed or the natural ecological succession of the vegetation is altered. This change of the coastal vegetation adversely affect erosion and accretion patterns.

(iii) With habitation, the island eco-system is loaded with solid and liquid waste. Sewage can contaminate the aquifer by its fecal choliform bacteria.

The ecological formation of Maldives makes resource management extremely difficult. Tourism Ministry imposes strict
regulations and guidelines for resort construction and operation. It is particularly concerned about the carrying capacity of the islands. Measure to limit the number of people in a resort island below the environmental threshold include: limiting the maximum built up area to 20% of the total land area in construction of tourist accommodation; all rooms should face the beach and 5 linear meter of beach line has to be allocated to each tourist in front of their rooms. Constructions on reef flat and lagoon are discouraged. In management of the environment, the other important aspect that the Government keeps in vision is preservation of the original ecological processes, all coastal works and larger projects have to be commenced after thorough environmental impact assessment. Solid waste has to be burnt, metals cans compacted and bottles crushed before disposal, sewage disposal through soak pits into the aquifer is discouraged. Sewage disposed should be below government approved standard of biological oxygen demand less than 20 mg/l; ammonia nitrogen 2-4 mg/l and suspended solids 20 mg/l.

Other environmental regulations include architectural controls. To preserve the aesthetic integrity of resort islands, height of buildings is restricted to the height of the foliage of the vegetation. They have to be well integrated into the island. In Maldives, for sustainable tourism development, resources management is the greatest challenge. However, over the years the country has learnt to deal with its delicate environment without compromising the industry's ability to meet economic private sector.
INDONESIA

The Republic of Indonesia consists of a group of about 13,700 islands, lying between the mainland of South East Asia and Australia. The archipelago is the largest in the world and it stretches from the Malay Peninsula to New Guinea. The principal islands are Java, Sumatra, Borneo (Kalimantan), Celebes (Sulawesi), Irian, Jiaya (West New Guinea), the Moluccas (Maluku) and Timor. The climate is tropical, with an average annual temperature of 26 C (79 F) and heavy rainfall during most seasons. Rainfall average 706 mm annually in Indonesia, although there are large variations throughout the archipelago. The official language is Bahasa Indonesia (a form of Malay); other major languages include Javanese, Sundanese, Arabic, Chinese and Dutch. An estimated 87% of the population are Christians, while most of the remainder are either Hindus or Buddhists.

ISLANDS (estimated population at December 1993)*

<table>
<thead>
<tr>
<th>Island</th>
<th>Area (sq. km.)</th>
<th>Population</th>
<th>Density (per sq. Km.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jawa (Java) and Madura</td>
<td>132,186</td>
<td>112,158,200</td>
<td>818.5</td>
</tr>
<tr>
<td>Sumatera (Sumatra)</td>
<td>473,481</td>
<td>39,232,800</td>
<td>82.9</td>
</tr>
<tr>
<td>Kalimantan (Borneo)</td>
<td>539,460</td>
<td>9,959,800</td>
<td>18.5</td>
</tr>
<tr>
<td>Sulawesi (Celebes)</td>
<td>189,216</td>
<td>13,279,000</td>
<td>70.2</td>
</tr>
<tr>
<td>Bajau</td>
<td>5,561</td>
<td>2,856,000</td>
<td>818.5</td>
</tr>
<tr>
<td>Nusa Tenggara†</td>
<td>68,053</td>
<td>7,011,600</td>
<td>103.0</td>
</tr>
<tr>
<td>Maluku (Moluccas)</td>
<td>74,505</td>
<td>2,001,200</td>
<td>26.9</td>
</tr>
<tr>
<td>Irian Jaya</td>
<td>421,981</td>
<td>1,828,700</td>
<td>4.8</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1,904,443</td>
<td>188,327,800</td>
<td>88.9</td>
</tr>
<tr>
<td>Timor Timur (East Timor)</td>
<td>14,874</td>
<td>808,300</td>
<td>54.8</td>
</tr>
<tr>
<td>Total</td>
<td>1,919,317</td>
<td>189,135,600</td>
<td>98.5</td>
</tr>
</tbody>
</table>

* Figures refer to provincial divisions, each based on a large island or group of islands but also including adjacent small islands.

† Comprising most of the Lesser Sunda Islands, principally Flores, Lombok, Sumba, Sumbawa and part of Timor.

BRIEF HISTORY AND ECONOMY

Indonesia was formerly the Netherlands East Indies, except for the former Portuguese colony of East Timor. Dutch occupation began in the 17th century and gradually extended over the whole archipelago. Nationalist opposition to colonial rule began in the early 20th century. During the Second World War the territory was occupied by Japanese forces from March 1942. On 17th August, 1945, three days after the Japanese surrender, a group of nationalists, proclaimed the independence of Indonesia. The first President of the self-proclaimed republic was Dr. Sukarno, a leader of the nationalist movement since the 1920s. The declaration of independence was not recognized by the Netherlands.¹

During 1991, in response to the growing demand for political keterbukaan (openness), several new organizations emerged. The Government had, for some time been seeking to win the support of the Muslim electorate in preparation for the presidential elections in 1993. In 1989 Suharto promoted legislation whereby decisions by Islamic courts no longer required confirmation by civil courts. Education is mainly under the control of the Ministry of Education and Culture, but the Ministry of Religious Affairs is in charge of Islamic religious schools at the primary level. In 1987 primary education, beginning at seven years of age and lasting for six years was made compulsory.²

Among the recent developments in the context of tourism is a new international airport, the Sukarno Hatta Airport at Cengkareng, near Jakarta which was opened in April 1985, to complement Halim Perdanakusuma Airport which was to handle charter and general flights only. A new terminal was opened at Sukarno Hatta in December 1991, vastly enlarging airport capacity, besides taking up construction of an international passenger terminal at the Frans Kalsepo Airport in Meedan (North Sumatra), Juanda Airport near Surabaya (East Java) Sam Ratulangi Airport in Manado (North Celebes) and Hasanuddin Airport near Ujung Pandang (South celebes). Domestic air services link the major cities. Indonesia's tourist industry is based mainly on the islands of Java, famous for its volcanic scenery and religious temples, and Bali, renowned for its traditional dancing and religious festivals. Lombok, Sumatra and Celebes are also increasingly popular. In 1992 an estimated total of 3.1m. tourists visited Indonesia, an increase of about 19% over 1991 arrivals. Foreign exchange earnings from tourism totalled US $3,100m in 1992 compared with US $2,500 m. in 1991.

TOURISM

Indonesia's tourism, both domestic and foreign has grown rapidly. In 1980, there were only 749,000 foreign tourists in sharp contrast to 1996's total of over 5 million. The effects of this growth have been dramatic especially in foreign exchange receipts, job creation and infrastructural development. It is because of these benefits that the Indonesian
government is committed to supporting tourism's further growth. The government has therefore set an objective of 11 million foreign tourists to be achieved in 2005. The success or failure in realizing this objective is dependent upon sound environmental and pollution management. Recognising these potential danger, Indonesia has a commitment to environmental responsibility in tourism development. In 1996 for example, Indonesia hosted in Jakarta a major international conference on marine and coastal environments.

Since 1984, Indonesia has had an Environment Law containing severe penalties for infringements. This law applies not just to tourism but to all sectors. "Unspoilt Beach" Pantai Lestari beaches are models of environmental managements. They balance the needs for economic use and environmental conservation. At this stage, the programme involves 17 of Indonesia's 27 provinces. The first province to join the Pantai Lestari programme was Bali. The formulation of the standards for beaches to be awarded Pantai Lestari status in Bali involved input from all levels of government, universities, environmental researches and from the Balinese community, including the Hindu Council and traditional local government bodies. Nine of Bali's beaches, including Kuta, Sanur and Nusa Dua have been selected as Pantai Lestari beaches. Pantai Lestari beaches must ensure the protection of the coast and its vegetation. This means a ban on mining and quarrying in the vicinity of the beach. Marine flora and fauna must

Mappi Andy : Tourism 2000

121
also be protected, especially the coral reefs located off some of the nine beaches in Bali. There are strict controls applying to construction of new buildings, such as prohibitions on any building more than 15m high and on any buildings located too close to the shore. The local community must also be actively involved in not only the management of the beach's ecosystem but also in keeping the beach clean and secure.

Among the innovative and necessary development for the growth of tourism is the thrust on human resource development. Education and Tourism are two vital areas of concern. Indonesia is blessed with vast human resources, approaching 190 million people, and more than of this population are under 25 years of age. The population comprises a multiplicity of ethnic groups living in an archipelago of more than 17,000 islands. Education has a vital role to play in developing Human Resources and integrating them into the national life of Indonesia. The government recognizes tourism's importance. Tourism is encouraged within an appropriate regulatory framework. The Tourism Law, was agreed to by the House of Representatives and ratified by President Suharto in 1990. The objective is that tourism must raise both the national income and the people's standard of living. Tourism would be permitted to occur, if it preserves the culture, the harmonious way of life and family values and Tourism should not degrade Indonesia's rich natural environment.

The Broad Outlines of the State's Direction 1993 requires that educational efforts be based on the Pancasila, the five principles of religion,
humanity, social justice, mutual cooperation and national unity, which together make up the philosophical basis of the Indonesian state. The national education system must aim at developing creative, disciplined, responsible, productive and professional people. Education and training which is aimed at the development of the tourism industry must not therefore be in conflict with the regulatory framework governing tourism and education.

Tourism in Indonesia reflects the world trends. In 1984, Indonesia achieved 1.625 million international tourist arrivals. In marked contrast, the total for 1993 was 3.4 million visitors, and in 1994 the total was more than 4 million visitors. This represents an average annual growth rate of almost 22.0%. The concomitant growth in foreign exchange earnings has also been dramatic; US $1.28 billion in 1989; in 1994, foreign exchange earnings are estimated to have been US $4.6 billion. As part of the Sixth Five Year Development Plan (REPELITA VI), the Indonesian government aims to have 6 to 6.5 million international tourists and the target for associated foreign exchange earnings has been set at US $9 billion by 1998.

Indonesia needs to ensure that its potential as a tourist destination is realized. The largest obstacle, however, to the achievement of sustainability and increased international visitor numbers is the availability of qualified and capable personnel who can give the tourism industry an internationally competitive edge. Specifically, Indonesia needs
Human Resources for tourism at the operational, supervisory and managerial levels who have a strong work ethic and who can perform their jobs correctly and speedily. They need creativity in their approach to meet the challenges of not only the increasing sophistication of the tourists, but also the rapid changes which regularly occur in the market.

The government's strategy to achieve the above aims has been to substantially reform the tourism training and education system. In 1993, the ILO estimated that there were 302 states and private educational institutions offering courses relevant to tourism, producing about 22,000 personnel at the operational, supervisory and managerial levels annually. The training of workers at the operational level is carried out principally at senior secondary vocational schools of which there were 224 in 1993. There are some 28 government and private academies offering Diploma courses of up to 4 years duration in areas such as Tour and Travel, Hotel Management and Tourism Studies. There are also 4 National Tourism Institutes under the supervision of the Department of Tourism.

Curriculum development is also being actively encouraged. Part of the work of the National Education and Training Council is to ensure that accreditation is only extended to those institutions whose curricula are competency-based, i.e., the curricula are based on the recognized Occupational Training Standards.
The system has grown quickly in response to the industry's increasing demand for labor. As impressive as the system is in its scope and structure, it was not guaranteeing sufficient, high quality graduates for the tourism industry's needs in the 1990's. Courses, especially those graduates did not match available work placements. Graduates of vocational high schools in particular experience considerable difficulty in gaining employment in the tourism sector. A major step in this process was taken in 1991 by a Working Group of the council to formulate a clear, national basis for specifying the levels of skill acceptable to the industry. Accordingly, some 47 Occupational Skills Standards have since been formulated. In particular, students must attain the sensitivity and responsibility which will support Indonesia's aim of preserving its natural and socio-cultural environments.

CHINA

The People's Republic of China covers a vast area of eastern Asia with Mongolia and Russia to the north, Tajikistan, Kyrgyzstan and Kazakhstan to the north-west Afghanistan and Pakistan to the west and India, Nepal, Bhutan, Myanmar, Laos and Viet Nam to the south. The country has a long coastline on the Pacific Ocean. The climate ranges from sub-tropical in the far south to an annual average temperature of below 10° C (50° F) in the north, and from the monsoon climate of eastern China to the aridity of the north west. The principal language is Northern Chinese (Mandarin) with local dialects also spoken. The traditional religions and philosophies of life are Confucianism, Buddhism and Taoism. There are also small Muslim and Christian minorities.
BRIEF HISTORY AND ECONOMY

The People's Republic of China was proclaimed on 1 October, 1949, following the victory of the Communist forces over the Kumointang government, which fled to the island province of Taiwan. The new Communist regime received widespread international recognition, but it was not until 1971 that the People's Republic was admitted to the United Nations. With the establishment of the People's Republic, the leading figure in China's political affairs was Mao Zedong, who was Chairman of the Chinese Communist Party (CCP) from 1935 until his death in 1976. 1

The economic progress which was achieved during the early years of Communist rule enabled China to withstand the effects of the industrialization programmes of the late 1950s (called the 'Great Leap Forward'), the drought of 1960-62 and the withdrawal of Soviet, aid in 1960. To prevent the establishment of a ruling class, Chairman Mao launched the Great Proletarian Cultural Revolution in 1966. 2

In September 1986, the sixth plenary session of the 12th CCP Central Committee adopted a detailed resolution on the 'guiding principles for building a socialist society', which redefined the general ideology of the CCP, to provide a theoretical basis for the programme of modernization and the 'open door' policy of economic reform. In January, 1986 a high level 'anti-corruption' campaign was launched, to investigate reports that many officials had exploited the programme of economic reform for their own gain. In the field of culture and the arts, however,

---
there was a significant liberalization in 1986, with a revival of the 'Hundred Flowers' movement of 1956-57 which had encouraged the development of intellectual debate. In December, at the seventh plenary session of the 13th Central Committee of the CCP, proposals for the Eighth Five Year Plan (1991-95) and for the 10 year development programme (1991-2000) were approved. Premier Li Peng affirmed China's commitment to rapid economic reform but stressed the need for stability. During 1993 the Government became concerned at the growing disparity between urban and rural incomes.

In 1992, according to estimates by the World Bank, China's gross national product (GNP) measured at average 1990-92 prices was US $442,346 m. equivalent to some $380 per head. During 1985-92, it was estimated, GNP per head increased, in real terms at an average annual rate of 6.0% one of the highest growth rates in the world. Over the same period, the population grew by an average annual rate of 1.5%. China's gross domestic product (GDP) grew, in real terms, by an average annual rate of 9.4% in 1990-91.

### NATIONAL ACCOUNTS

| Net Material Product* (million yuan at current prices) |
|---|---|---|
| Agriculture | 420,900 | 500.00 | 526,900 |
| Industry | 624,100 | 661,000 | 770,300 |
| Construction | 77,400 | 83,900 | 105,500 |
| Transport | 54,700 | 78,700 | 85,000 |
| Commerce | 140,500 | 114,800 | 124,000 |
| Total | 1,317,600 | 1,438,400 | 1,611,700 |

* Defined as the total net value of goods and 'productive' services, including turnover taxes, produced by the economy. This excludes economic activities not contributing directly to material production, such as public administration, defence and personal and professional services.
Agriculture (including forestry and fishing contributed 24.2% of GDP in 1991. Agricultural GDP increased by an average annual rate of 5.7% in 1980-91. Industry (including mining, manufacturing, construction and power) contributed 42% of GDP in 1991. Industrial GDP increased by an average annual rate of 11.0% in 1980-91. In 1992, compared with the previous year, industrial GDP grew by 20.8%, the sector accounted for 42.3% of GDP. Receipts from tourism are of growing importance reaching US $3,950m. in 1992.

A further austerity programme, aimed at curbing the unrestrained economic growth and countering the high rate of inflation, was announced in July 1993. Speculative loans were called in, interest rates were raised, government expenditure was cut by 20% and investment projects were to be reassessed. Nevertheless, GDP growth in 1993 was estimated at 13%. In November, a new economic restructuring plan was adopted. This involved radical reforms in the banking, taxation, investment and foreign trade sector.

TOURISM

China has enormous potential for tourism, and the sector is developing rapidly. Attractions include dramatic scenery and places of historical interest such as the Great Wall, the Ming Tombs, the Temple of

### China's Tourism Industry; 1991-1995

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrivals</th>
<th>in which Foreigners</th>
<th>Tourism receipts in foreign currency (US $ million)</th>
<th>Tourist number (millions)</th>
<th>Tourist receipts (million RMB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>1,809,221</td>
<td>229,646</td>
<td>262.90</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1980</td>
<td>5,702,536</td>
<td>529,124</td>
<td>616.65</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1991</td>
<td>33,349,757</td>
<td>2,710,103</td>
<td>2,844.97</td>
<td>300</td>
<td>20,000</td>
</tr>
<tr>
<td>1992</td>
<td>38,114,945</td>
<td>4,006,427</td>
<td>3,956.87</td>
<td>330</td>
<td>25,000</td>
</tr>
<tr>
<td>1993</td>
<td>41,526,945</td>
<td>4,655,857</td>
<td>4,683.18</td>
<td>410</td>
<td>86,400</td>
</tr>
<tr>
<td>1994</td>
<td>43,684,456</td>
<td>5,182,060</td>
<td>7,322.81</td>
<td>524</td>
<td>102,351</td>
</tr>
<tr>
<td>1995</td>
<td>46,386,511</td>
<td>5,886,716</td>
<td>8,732.77</td>
<td>629</td>
<td>137,570</td>
</tr>
</tbody>
</table>

The activities of China Heritage' 94 added to the achievements of Visit China' 92 and China Landscape' 93. It is estimated that in 1996 year China's overall visitor arrivals increased by 3.5%. Overseas tourists amount to 7.6 million with 8.4% increase; tourism foreign exchange earnings is estimated to be 7 billion US dollars, 49.5% growth. All these figures show that China's tourism industry is in a good situation of sustainable rapid growth.1

China is a country with vast territory, long history, rich local folklore and tourist resources. Since the adoption of the open door policy in 1978, rapid economic and social developments have been achieved in China.

attractions including Wulingyuan, Jiuzaigou, Huanglong, Taishan and Huangshan have been included in the World Heritage List by UNESCO.

While drawing up the tourism development plan for the period of 1996 - 2000 China has abided to the basic national policy of environmental protection and sustainable development strategy and giving appropriate attention to the relationship among resources development, environmental protection and ecological protection. China has shown awareness of the environmental significance in tourism development and has taken corresponding measures in tourism policy, planning, management and product development.1

It is worthwhile to pick up and discuss the case of the Sun Island International Club in Shanghai, situated in the suburbs of Shanghai, the largest metropolis in China. The Sun Island is originally named "Mao Island" and is located in the upper reaches of Huangpu River with an area of 1.1 sq.km. Before its development, it was an uninhabited, weedy and deserted island. In 1992, China made the decision of developing national holiday resorts on a trial basis and encouraged the development of holiday resort products. The Yuanli International Group in Singapore made a site inspection and found the value of the deserted island as a deluxe holiday resort and signed the agreement of investment and construction with the local government. After the plan was finalized, waterways were dredged and the land was reclaimed and river banks were built. Attention was also given to the construction of basic facilities and underground

1. Ibid.
construction for environmental protection, thus, achieving the goal of flood control and disaster prevention as well as environmental protection.

The afforestry and beautifying on the island started together with land construction and the golf course. In recent years, over 600 thousand tress of all sorts have been planted.

The main function the club serves is as an international conference centre and is built with all tourist facilities. The holiday resort has 453 flats characterised by natural simplicity and surrounded by green grasses and well equipped with facilities. Guests staying here could have a feeling of returning to nature. On the island, the amusement centre, cultural plaza and the Sun paradise etc. have been completed. An old pagoda with a 1200 year old history, destroyed earlier is now renovated and shows its new look of the prosperous Tang Dynasty. The Sun island is now a place of holiday resort with facilities of tourism, leisure culture and art.

It is well understood that the tourism industry relies more heavily on nature and human environment quality than other industries. The protection of the environment is the lifeline of the tourism industry. The government and tourism departments play their leading roles and formulate feasible rules and regulations in sustainable tourism development. To achieve sustainable tourism development, it has been emphasised that planning should come first with management closely following to achieve sustainable tourism development and the objectives of economic, social and environmental benefits.
TRAVEL ENTERPRISES OPERATION ACHIEVEMENTS

There are several hundred government organisations at the national, provincial and local level in the organisation of tourism in China. There are 8,896 enterprises engaged in international and domestic tourism and the operation income totalled CNY 84,153 billion.\(^1\)

In 1995, the amount of direct output from the tourism industry was CNY 209.8 billion, which was a 26.8% increase over the previous year, which resulted in a more clear-cut image of the tourism industry. By the end of 1995, the total number of travel enterprises and non-business travel institutions was 9,598 (including 8,896 enterprises), 11.158 million employees were directly engaged in international tourism, and 5 million were indirectly engaged in the industry.\(^2\)

By the end of 1995, the total original value of the fixed assets of the tourism industry nationwide was CNY 125.167 billion, and the net value of the fixed assets was CNY 90,884 billion.

The main features of the international tourist market for China in 1995 was marked with rapid increase in the Asian markets, which increased by 15.6% over the previous year, mostly from Japan and Korea. Among others Singapore, Malaysia, the Philippines, Thailand and Indonesia which reached 1,0391 million mark representing a 14.2% increase over the previous year. However, there has been steady development in the inter-

---


134
continental markets, the increase rates in American, European and Oceanian markets are 10.1%, 10.0% and 16.9% respectively. And more than 10% increase occurred from Russia, UK, Germany, Australia and Canada. The USA and France also enjoyed slight increase. Big increase occurred in new markets that is, more than 30% in Switzerland and Portugal and more than 10% in Italy, Sweden and Netherlands, Finland and New Zealand, etc.

The following is the breakdown of the arrivals from the top tourism generating countries to China in 1995:

<table>
<thead>
<tr>
<th>No.</th>
<th>Country</th>
<th>Arrivals in China (thousand)</th>
<th>% over 1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Japan</td>
<td>1,305.2</td>
<td>14.4</td>
</tr>
<tr>
<td>2.</td>
<td>Korea</td>
<td>529.5</td>
<td>55.6</td>
</tr>
<tr>
<td>3.</td>
<td>U.S.A</td>
<td>514.9</td>
<td>9.6</td>
</tr>
<tr>
<td>4.</td>
<td>Russia</td>
<td>489.3</td>
<td>22.4</td>
</tr>
<tr>
<td>5.</td>
<td>Mongolia</td>
<td>261.9</td>
<td>-13.0</td>
</tr>
<tr>
<td>6.</td>
<td>Singapore</td>
<td>261.5</td>
<td>12.8</td>
</tr>
<tr>
<td>7.</td>
<td>Malaysia</td>
<td>251.8</td>
<td>20.7</td>
</tr>
<tr>
<td>8.</td>
<td>Philippines</td>
<td>219.7</td>
<td>18.8</td>
</tr>
<tr>
<td>9.</td>
<td>UK</td>
<td>184.9</td>
<td>10.7</td>
</tr>
<tr>
<td>10.</td>
<td>Thailand</td>
<td>173.3</td>
<td>5.9</td>
</tr>
<tr>
<td>11.</td>
<td>Germany</td>
<td>166.5</td>
<td>11.9</td>
</tr>
<tr>
<td>12.</td>
<td>Indonesia</td>
<td>132.8</td>
<td>10.3</td>
</tr>
<tr>
<td>13.</td>
<td>Australia &amp; New Zealand</td>
<td>152.0</td>
<td>15.0</td>
</tr>
<tr>
<td>14.</td>
<td>Canada</td>
<td>128.8</td>
<td>13.8</td>
</tr>
<tr>
<td>15.</td>
<td>France</td>
<td>118.5</td>
<td>6.0</td>
</tr>
<tr>
<td>16.</td>
<td>Other Asian countries</td>
<td>271.5</td>
<td>12.0</td>
</tr>
<tr>
<td>17.</td>
<td>Other European countries</td>
<td>220.0</td>
<td>22.0</td>
</tr>
</tbody>
</table>

1. Ibid.
In 1995, the accumulated number of overnight international tourists in all the provinces autonomous regions and municipalities was 17.2813 million. The spatial trends are as follows:

(a) 12 regions received more than 300,000 respectively i.e. Guangdong, Beijing, Shanghai, Fujian, Jiangsu, Zhejiang, Yunnan, Shandong, Shaanxi, Guangxi, Sichuan and Inner Mongolia amongst which Guangdong tops the table by receiving 6.2068 millions.

(b) The 16 regions received more than 150,000 respectively, i.e. Beijing, Guangdong, Shanghai, Jiangsu, Yunnan, Shandong, Shaanxi, Guangxi, Sichuan and Inner Mongolia, amongst which Guangdong tops the table by receiving 6.2068 million. For 13 provinces, autonomous regions and municipalities international tourism receipts more than US $100 million from tourism, the following being the break down (ranking with order of amount of tourism receipts):

<table>
<thead>
<tr>
<th>No.</th>
<th>Region</th>
<th>Tourism Receipts (Mn. US $)</th>
<th>Tourists (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Guangdong</td>
<td>2,392.68</td>
<td>6,206.8</td>
</tr>
<tr>
<td>2.</td>
<td>Beijing</td>
<td>2,181.60</td>
<td>2,068.7</td>
</tr>
<tr>
<td>3.</td>
<td>Shanghai</td>
<td>939.42</td>
<td>1,367.9</td>
</tr>
<tr>
<td>4.</td>
<td>Fujian</td>
<td>484.12</td>
<td>906.4</td>
</tr>
<tr>
<td>5.</td>
<td>Jiangsu</td>
<td>249.88</td>
<td>767.7</td>
</tr>
<tr>
<td>6.</td>
<td>Zhejiang</td>
<td>235.91</td>
<td>672.7</td>
</tr>
<tr>
<td>7.</td>
<td>Liaoning</td>
<td>189.01</td>
<td>263.8</td>
</tr>
<tr>
<td>8.</td>
<td>Yunnan</td>
<td>165.03</td>
<td>596.9</td>
</tr>
<tr>
<td>9.</td>
<td>Shandong</td>
<td>153.84</td>
<td>450.9</td>
</tr>
<tr>
<td>10.</td>
<td>Shaanxi</td>
<td>139.43</td>
<td>442.3</td>
</tr>
<tr>
<td>11.</td>
<td>Tianjin</td>
<td>132.75</td>
<td>200.6</td>
</tr>
<tr>
<td>12.</td>
<td>Sichuan</td>
<td>125.32</td>
<td>376.7</td>
</tr>
<tr>
<td>13.</td>
<td>Guangxi</td>
<td>121.09</td>
<td>418.5</td>
</tr>
</tbody>
</table>

1. Ibid
Individual major city recipients are Guangzhou, Shanghai, Hangzhou, Zhuhai Xi, an Kunming, Gullin, Quanzhou, Zhongshan, Suzhou, Xiamen, Nanjing, Tianjin, Shenyang, Dalian, Yanbian, Wuxi, Fuzhou, Qingdao, Zhengzhou and Wuhan, etc. These major tourist cities altogether received 13,0476 million international tourists. The city bound tourism is on account of cultural distinctiveness and attraction.

In 1995, 11 cities international tourism receipts were more than US $ 100 million respectively, they are: Beijing, Shanghai, Guangzhou, Zhuhai, Xiamen, Quanzhou, Hangzhou, Xi'an, Tianjin and Dalina. Another 11 cities international tourist receipts were more than US $ 50 million respectively, they are: Guilin, Kunming, Qingdao, Nanjing, Shantou, Suzhou, Haikou, Wuhan, Zhongshan, Fuzhou and Wuxi. The following is the list of top cities in the order of their international tourism receipts:

<table>
<thead>
<tr>
<th>No.</th>
<th>Region</th>
<th>Tourism Receipts (Mn. US $)</th>
<th>Tourists (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Beijing</td>
<td>2,181.60</td>
<td>2,068.7</td>
</tr>
<tr>
<td>2.</td>
<td>Shanghai</td>
<td>939.42</td>
<td>1,367.9</td>
</tr>
<tr>
<td>3.</td>
<td>Shenzhen</td>
<td>858.13</td>
<td>2,219.1</td>
</tr>
<tr>
<td>4.</td>
<td>Guangzhou</td>
<td>852.15</td>
<td>2,080.1</td>
</tr>
<tr>
<td>5.</td>
<td>Zhuhai</td>
<td>243.92</td>
<td>421.7</td>
</tr>
<tr>
<td>6.</td>
<td>Xiamen</td>
<td>179.03</td>
<td>254.4</td>
</tr>
<tr>
<td>7.</td>
<td>Quanzhou</td>
<td>165.12</td>
<td>348.2</td>
</tr>
<tr>
<td>8.</td>
<td>Hangzhou</td>
<td>145.19</td>
<td>441.3</td>
</tr>
<tr>
<td>9.</td>
<td>Xi'an</td>
<td>134.06</td>
<td>414.7</td>
</tr>
<tr>
<td>10.</td>
<td>Tianjin</td>
<td>132.75</td>
<td>200.6</td>
</tr>
<tr>
<td>11.</td>
<td>Dalian</td>
<td>130.28</td>
<td>131.1</td>
</tr>
<tr>
<td>12.</td>
<td>Others</td>
<td>371.53</td>
<td>1157.5</td>
</tr>
</tbody>
</table>

The annual average occupancy was 60.3% showing steady business. In 1995, the total revenue from the 2,478 state owned hotels was CNY 27.122 billion, business tax paid was CNY 1.278 billion, the net profit was CNY 1.198 billion. In 1995, the total revenue from the 646 foreign invested and Hong Kong, Macau and Taiwan invested hotels was CNY 31.550 billion. By the end of 1995, there were altogether 1,913 star-rated hotels, the total revenue by the star rated hotels amounted to CNY 48,433 billion, and accounted for 76.1% of the total tourist hotel revenue of the country; business tax paid was CNY 2.276 billion and profit realized was CNY 3.972 billion. This accounted for 96.0% of the total tourist hotel profit of the country. In 1995, amongst all the tourist hotels there were 109 hotels whose revenue was more than CNY 100 million. Among them 70 hotels credited with revenue between CNY 100 million and 200 million and 19 hotels between CNY 200 million and 300 million and 20 hotels more than CNY 300 million. Holiday Inn Lido (Beijing) tops the table by CNY 671 million revenue;

Amongst the Travel agencies there are 360 Category A Travel Agencies; 665, Category-B travel agencies and 2,801 Category-C travel agencies. In 1995 the total revenue of all categories of travel agencies amounted to CNY 6.550 billion, total profit CNY 0.587 billion, and the business tax paid and additional revenue totalled CNY 0.181 billion, keeping level with the previous year. In 1995, the Category A travel agencies of the country received 3,0455 million international tourists, and equal to 10,0196 million nights and the number of same day visitors received by travel agencies at the major ports reached 1,6728 million.

In 1995, the total number of departures by Chinese nationals
was 4.5205 million, amongst these 2.4666 millions were for business trips and 2.0539 million were for private reasons. In 1995, outbound tourism organized by travel agencies reached 1.2599 million.

In 1995, the total amount of investment directly arranged by the National Tourism Administration was CNY 649 million, and this included CNY 41 million as allocation of fund for capital construction; CNY 90 million as loan for capital construction; CNY 140 million loan from the domestic banks; US $36 million loan from Bank of China (roughly equal to CNY 72 million). The number of projects the National Tourism Administration arranged was 120, including 21 projects directly under the arrangement and 99 local projects with package subsidies. In 1995, great improvement was made in the use of foreign fund by the hotel industry. The development of national holiday resorts and special interest tour products made some substantial achievement and tourist product in China have become more diversified.

TOURISM EDUCATION

Since 1979, the scale of China's tourism education has grown and has firmly established itself in the country. According to the latest statistics, China has 354 high and middle level tourism universities and school with 82,651 students. Among these 102 are high-level tourism institutes or universities with tourism courses. All these educational institutions have supplied a total of nearly 100,000 specialized personnel of all levels for the tourism industry of China.

A force of tourism teachers has been established throughout the country. Teaching material have been developed for all the main courses.
However, the main problems that China's tourism education is facing are:

Inadequate investment, incoherence in the training and using of personnel and not consistent standard of teachers. According to the expected growth rate of the tourism industry during the Eighth Five Year Plan period, taking into account the actual supply situation of tourism education, it is estimated that by 1995 the entire industry would require the following number of professional personnel in various fields.

The main task for tourism education is to improve the professional level of the management personnel and the basic quality of the employees of the industry and to further upgrade service quality.

After the initial experience of unplanned development in Thailand, Bali, Korea, Malaysia, China and Maldives, the awareness of Sustainable Development in the management of tourism has assumed great importance in the tourism policy and implementation in Asian countries. It is no longer a debatable issue, as far as policy is concerned. However, at the implementation stage, unless, there is a planned and guided development, there is a possibility of commercial considerations taking over the long term objectives of maintaining quality tourism. Having observed certain negative impacts of tourism on sustainable development, many of the countries are in the process of adopting proper planning and management inputs in the development of resorts, examples are seen in Nusa Dua in Bali, Koi Samuai in Thailand, Shah Alam in Malaysia and the Sun Island near Shanghai. Awareness and education, therefore, become the key factors in promoting responsible tourism and introducing environment concerns at the initial stages of education.