
2. Content of the Conference

(1) Opening

┃Moderator □□□□□□□□□□□□□□□□

Now, we will start the 4th Asian-Pacific City Summit Working Level Conference. My name is Kim Jin-bok from international cooperation section of culture and tourism bureau of Busan Metropolitan City. Before we start today's meeting, I would like to name today's chairperson. We would like to name Director General Ahn Jun-tae of culture and tourism bureau of Busan Metropolitan City. Please approve him with a round of applause if you agree.

┃Participants □□□□□□□□□□□□□□□□

— Applause —

┃Moderator □□□□□□□□□□□□□□□□

Now I would like to hand over the microphone to Mr. Ahn Jun-Tae.

┃Chairman □□□□□□□□□□□□□□□□

Ladies and gentlemen, I am very glad to meet all of you and I would like to really thank all of you for naming myself as today's chairperson. I would especially like to thank you for naming me with a great round of applause. My name is Ahn Jun-tae from culture and tourism bureau of Busan Metropolitan City. It is said that the 21st century is the era of Asia-Pacific and also the era of culture and tourism. So today we will have a very meaningful time, inviting 18 representatives from many cities around the Asia-Pacific region to exchange experience and information. I would like to ask for your cooperation to make this meeting more meaningful. And I would especially like to thank all the observers for coming to observe today's meeting. Before we start, the secretariat will introduce today's schedule.

┃Moderator □□□□□□□□□□□□□□□□

Now, the secretariat will introduce today's schedule. Please refer to the schedule, which is on your desk. And after the introduction, we will introduce the representatives from each city. Then, professor Son Dae-hyun from Hanyang University will give a keynote address followed by a brief coffee break and the city of Bangkok and Busan will give a presentation for about twenty minutes and then will have a discussion time to exchange opinions and ideas. And then, we will have lunch for about one hour. With this, we will end today's morning session. The

(2) Keynote Address

Next, we are going to listen to the keynote lecture. The person who is going to give us the lecture is Professor Sohn Dae-hyun of Hanyang University. He is currently dean of the graduate school of international tourism. Let me give you a brief introduction of Professor Sohn. He graduated from Spanish Department of Hankook University of Foreign Studies and he also studied at Royal National Tourism University in Madrid of Spain and he was also a visiting professor at Michigan State University. He was a president of Korea Tourism Society. Please welcome Professor Sohn with a warm round of applause.

└ Professor Sohn □□□□□□□□□□□□□□□□

Good morning, ladies and gentlemen. I'm very happy to meet all of you. Today, my speech is titled, 'Who will tie the bell around the cat's neck'. And I would like to talk about how to promote exchange between cities. Today I would like to mainly talk about four points.

First of all, who will tie the bell around the cat's neck and second, I would like to talk about what city tourism is and third, how we can expand tourism exchange between major cities. Last, I would like to offer you a vision and several models on how to promote exchange between major cities.

① *First, I would like to talk about the contents of tourism. First, who will tie the bell around the cat's neck?*

I would like to talk about 'Contact Soft' and tourism trends. I would like to truly welcome all of you visiting Busan, and attending the Asian-Pacific City Summit working level conference. Full of vitality, the wide Asia Pacific region has massive population of 3.6 billion. And I truly believe that it will play an important role in many fields of area so it is very significant for us to establish a strategic alliance in a wide variety of activities.

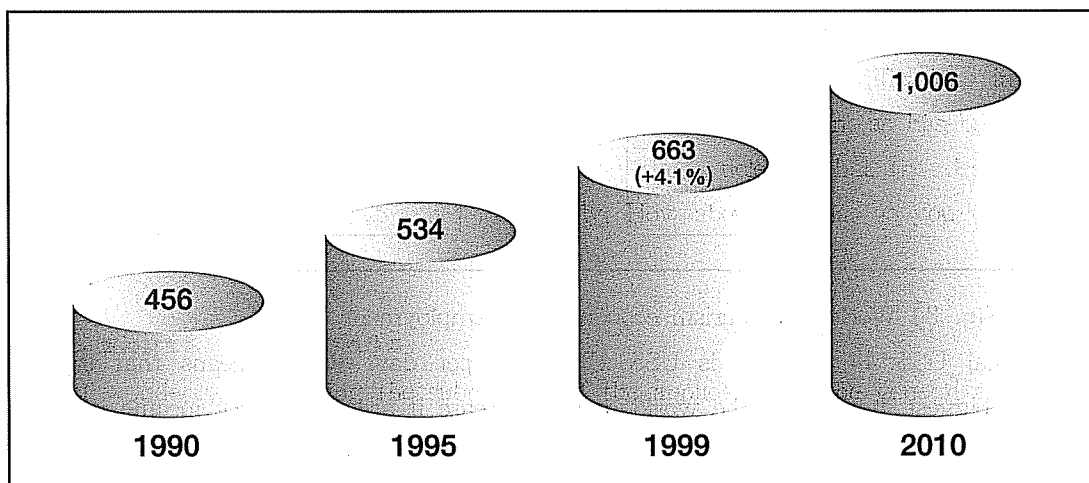
Pratt's 'Contact Soft' means 'a space where people with diverse geographical and historical background communicate with one another to establish relationships'. I personally think that the keyword for tourism of the 21st century is 'globalization'. Even though internet creates cyber space that goes beyond borders and brings the world together like a tight knit spider web, I believe that people will still travel in reality and civilian interaction/communication among different people will become more active in the future. To promote this, I believe that we should cooperate and I also believe that such kind of working level meeting will be conducive to promote the movement and exchanges of people.

According to the WTO statistics in May of 2000, as you can see in figure 1, the number of tourists in 1999 increased by 4.1% to 663million people compared to the year before with international tourism income increasing 3% to US\$453billion. And by the year 2010, we expect over 1billion people to arrive in this area. As you can see in figure 2, as we calculate the number of national tourist to be ten times that of international tourists, the number of national tourists in 2010 is estimated to be 10billion. As you can see in figure 3, in 1998, the total tourism economic activity stands at about US 4.4 trillion, creating 231 million jobs and by the year 2010, the market will grow to over \$10 trillion creating 328 million jobs.

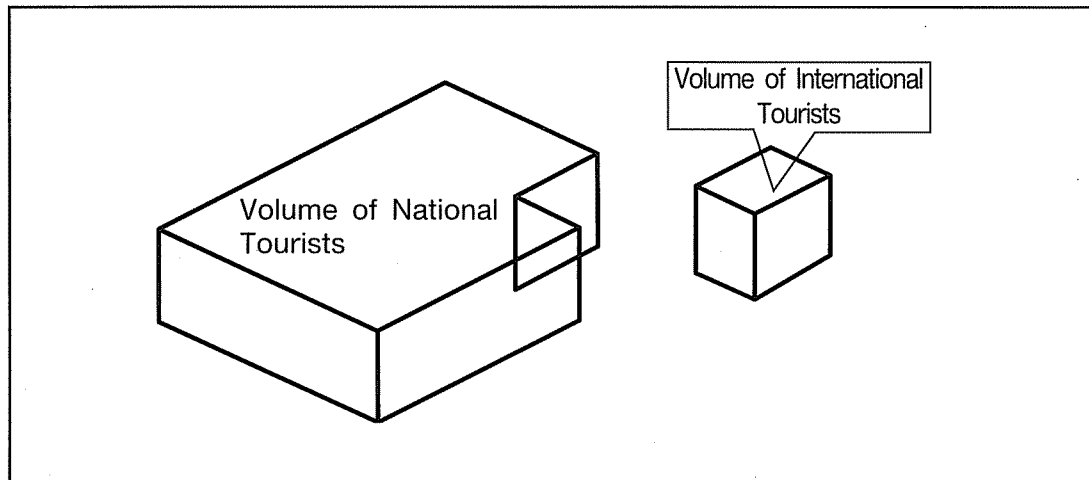
In 2000, the proportion of Asia Pacific region's tourist volume in total volume was 16.9% and as for tourism income, statistics for the year 1999 show an increase of 17.3%. This kind of increase is the biggest growth in the world tourism industry and it can be said that domestic and international tourism in the area is booming.

300 million Koreans traveled inbound and in 2000, there were 5.5 million Koreans traveling abroad. In the same year, there were 5.5 million foreign tourists to Korea making the total inflow and outflow over 11 million. In 1990, 6.8% of total number of outbound tourists to Asia visited Korea and the proportion grew steadily to 10% in 1999.

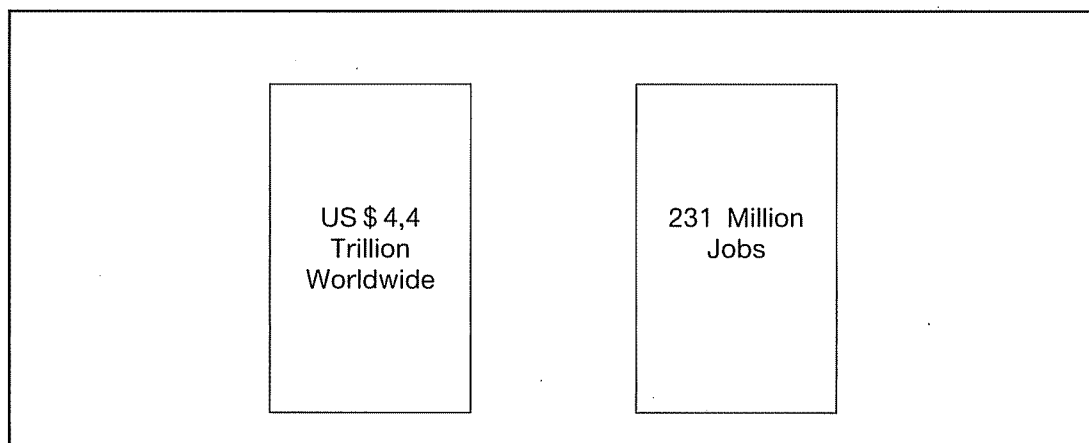
(Unit : Million)



[Note] In 2010, total volume of national tourists is expected to be over 10 billion and among that, international tourists are expected to be small portion.



【Fig. 2】 10 times Vol. Of International Tourists = National Tourists



【Fig. 3】 Worldwide tourism economy and employment

Note: Annual US\$ 44 trillion is US\$ 12 billion per day, which means that tourism has become the biggest industry in the world. (40% increase if airline industry income is included).

Source: WTTC, The Economic Impact of Travel and Tourism Development in the APEC Region (London : UK),1998, p.1.

Second, I would like to talk more specifically about what city tourism is. I have been doing research on tourism for 33 years so I have somewhat formed my own opinion on what 'tourism' is. The essence of human is to move and to move is to see and seeing is closely related to changing. So it can be said that tourism is 'seeing' and there are many different objects that are seen. For instance, landscape, ethno-scape, finance-scape, techno-scape, media-scape, etc. And what kind of influence has tourism industry, which focuses on seeing, over us today? In the mid 20th century, the popularization of tourism took place for the first time in history of civilization and it affected individuals and national development as well as world cultural development and it also became foundation and resource for many genres.

Now, people around the world opened their hearts and went out into the open world, fiercely exchanging and understanding one another. On April 28th this year, American millionaire Dennis Tito came back to earth after his successful dream tour, space tourism odyssey. He paid 20 million dollars for this historical, first ever trip. So now, space travel era is opening. Even though tourism became more and more popular and countries have begun to realize its importance as an investment for economic development, system that sees tourism as a nation's major industry is yet to be found. Recently, WTO is preparing TSA (Tourism Satellite Account), which is a foundation for understanding tourism as one of major industries of a national economy. TSA provides specific information regarding the impact and significance of tourism industry on the nation's economy. The information is established to coincide with system of national accounts according to the process of which TSA is prepared and it reflects specific characteristics of product manufacture and consumption, financing and accumulation capital as well as export and import. As a conclusion, it can be said that TSA enables detailed examination of the role tourism industry has in the national economy.

The 4th Asian-Pacific City Summit took place in May last year with 12 nations participating and we talked about two major themes in 3 subcommittee meetings. The themes were promotion of tourism industry and promoting exchanges between cities.

So the working level meeting of the 4th Asian-Pacific City Summit chose its theme as promotion of expanding tourism exchanges between cities because first, it recognized the importance of tourism in the city development of the 21st century and second, to promote efficiency in development of city tourism in Asian-Pacific region in relation to TPO (Asian-Pacific Tourism Promotion Organization).

European economists predicted that if the 20th century were the era of nations, the 21st century would be the era of cities. Traditionally, the capital city was the center for international travel and the provincial cities were base stations for domestic travel but now in the internet era, provincial cities should be international cities. In the modern world of speed, urban or capital city tourism has a direct connection with the country's image, symbol and reputation since cities are the center of a nation's politics, economy, society, culture as well as history. Tourism in Asian-Pacific region can be represented by city tourism. Tourism in Hong Kong, Singapore and Macao solely consists of city tourism and so does much of tourism in Japan and Korea. Statistics tell that 95% of international tourists visiting Korea enter the country through Seoul and 85% of them stay in the metropolitan area. According to a recent survey made by EIU, two thirds of total visitors visit only the major cities. Urban tourism usually lasts a short period of time but customer turn over rate is high and so is the consumption rate.

Third, I will present 5 plans for expanding tourism exchange between Asian-Pacific cities. First is cooperative marketing and branding strategy. As I've said before, Asia-Pacific region is a very important tourism attraction and also has a lot of international tourists. Since the essence

of a nation's tourism industry is a complex with many different elements, cooperation between elements is inevitable and the same goes to traveling in the Asian-Pacific region. By establishing Asia-Pacific Tourism Network, regional traveling pattern can be changed from mono-destination to multi-destination, which will play an important role in promoting exchanges between people within the region and attracting tourists from other regions.

With this premise, countries can compete and complement each other while remaining as equal individuals and cooperate with one another in marketing and product development. In other words, there should be harmony between 'competition', as a single destination that maximizes attraction of individual countries and 'complement' that maximizes the merits of package tours. I think that the strategy of developing major patterns such as package tours or destination tourism such as FIT side by side would be adequate in this situation.

The first thing I would like to emphasize in cooperative marketing is branding strategy. Tourism industry is an industry of sense, emotion and experience with strong characteristics of fiction, culture and arts. So showmanship and fun is essential elements in the industry. Modern consumers prefer sentiment and imagery rather than physical property. In this aspect, we can say that tourism industry consists in consumers putting various tourism products together by themselves and experiencing them.

Three major phenomena in the new millennium are first, omnipotence of information second, supremacy of brands third, omnipresence of integrated communication and entertainment. The branding movement is the implementation of experiential marketing. Business models in the past were based on physical elements such as facility, product and financial power but digital businesses are based on Customer Relation Marketing that regards brand and customer relationship with utmost importance.

Second, the development of DIS and its contents through internet. In the digital era, all cities and products should target the world and to do that, we should strengthen international cooperation and cooperation among cities to exchange technology and accumulate know-how. In the world history, discovery of a new continent was an opportunity to earning wealth and today, modern mankind has found another new continent, the cyberspace. Virtual continent that transcends all physical rules and boundaries, the cyberspace forms business platform with computer and communication technology. Modern e-business is the hub of the 21st century gold rush where tourists click to buy brands, and the whole organization shares information on customer experience and provide service and information for the customers.

For us to become the leader of this trend, DIS(Destination Information System), a system developed to provide tourism information between Asian-Pacific countries and cities, VIO(Visitor Information Office), a tourism information center operated by NTO(National Tourism Organization) and CRS(Computer Reservation System), flight reservation system should all be integrated. There will be design issues when integrating DIS and CRS but setting up DIS through the internet and developing contents within the Asian-Pacific region will help the

tourists in decision making and also strengthen competitive power of the region. In a short term, it should achieve its role as an 'information provider'.

Third, green tourism and heritage tourism. TPO should start campaigning eco-tourism, which already has been popularized in the world. There is an example of another organization carrying out a special program. WTTC(World Travel Tourism Consult) has 'Green Glove', Asian-Pacific's PATA has 'Green Leaf', Europe has 'Green Suitcases' and 'Blue Flags Award' and APEC has 'Green Globe 21'. I believe that we can discuss this issue in this working level meeting to come up with a slogan from which we can originate our campaign.

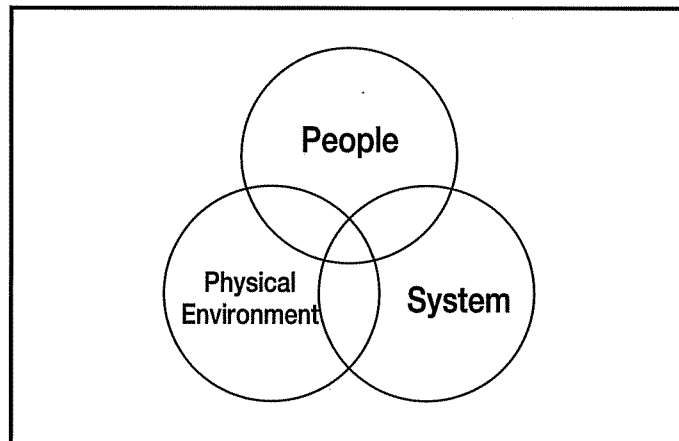
As for cultural tourism, there needs to be close cooperation between cultural festivals. Recently in UK, cultural heritage tourism is booming and it is important for each community to develop such products as well as preserving inter-regional culture heritage.

Fourth, strategic alliances and DMO management. To improve the service to world-class level, public service in central and provincial governments should take on a big role. Public service will stimulate service providers to increase their service level as well as protect tourists and minimize negative influence that tourism can have on the community. But still, many developing countries have not yet innovated their stagnant bureaucracy having difficulties. Various strategy can be implemented for increasing added value and for soft landing a nations tourism industry but due to lack of system and expertise of public workers, they are not getting the anticipated results. The government should create the strategies and the private organizations such as associations should implement them. For us to adapt this system and develop international competitive power and local color, we should allow private sectors as much freedom as possible and create a strategic public-private partnership.

Still, many countries have NTAs(National Tourism Administration), NTOs(National Tourism Organization) or local governments take on the role as DMO(Destination Management Organization). Development of tourist attractions and events including festivals requires participation of the community and its people. UK's National Trust movement that started in 1895 and spread throughout the world was a voluntary organization of citizens. NPO(Non-Profit Organization) operated by civilians should play its role of working for public benefit and I suggest that incentive system should be adapted to attract participation of women and to invigorate regional city tourism.

Fifth, establishment of service infrastructure; I will talk about continuous training of tourism personnel and uplifting their status. I want to make a proposal in relation to establishment of the service infrastructure. Hotels should have good locations and for the marketing, what you should focus on is guest attraction and for development of human resources, there should be continuous training. Industries do not educate themselves, they require endless training and education. The raw materials of tourism are people, physical environment and institution. Of these three, the most important element is people. The kind of manpower we have will determine the future of tourism in our region. Therefore, continuous training of manpower

should be done for Asian-Pacific region to have the competitive advantage over other regions. And for sustainable tourism, innovated changes should take place on status of tour guides and to do that there should be an appropriate salary system, training to provide professionalism and a license system.



【Fig 4】

Relationship between people, physical environment and system

For continuous development of tourism in the 21st century, WTTC said that seven strategies should be carried out between governments worldwide and private/public sectors. I believe that the seven elements will be of help to our TPO.

One, look at the future of tourism and make it our own.

Two, measure and communicate the importance of tourism.

Three, promote image of tourism industry as a job creator and career opportunity

Four, improve accessibility

Five, harmonize service infra-structure and customer's demand

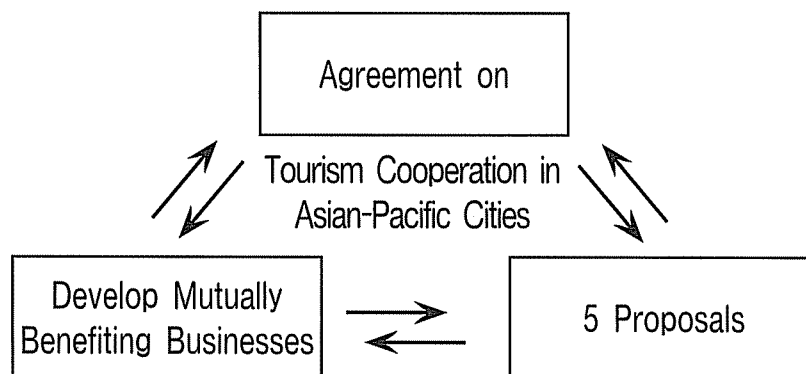
Six, promote capital resources and technology development

Seven, emphasize responsibility towards nature, society and culture

Lastly, the conclusion: I want to propose the model and vision for tourism cooperation in Asian-Pacific cities. I talked about the influence tourism industry has today and the need to establish the foundation of tourism industry through TSA and emphasized the importance of 'city tourism' in the 21st century. I also talked about five points in promoting tourism exchange among Asian-Pacific cities. First, cooperative marketing and branding strategy, second, development of DIS and contents through the internet, third, green and heritage tourism, fourth, strategic alliance between public and private sectors and lastly, establishment of service infra-structure.

To do the things I've mentioned, cooperative body of Asian-Pacific tourism should set its course before it is too late. The time has come for the cities to cooperate and we are here to do that. Here, I have tried to present a tourism cooperation model and vision that put together global-intra-regional nexus, networking between cities within the regions, business development

for symbiosis and 5 proposals. As a conclusion, I wish for the Asian-Pacific region to rediscover themselves by utilizing the three Ts (tourism, transportation and telecommunication).



Model of Tourism Cooperation in Asian-Pacific Cities

Lastly, I would like to present twelve visions of the new tourism pattern in the 21st century that was created by WTTC. The new tour patterns are; 1. more frequent travel, 2. shorter length of stay, 3. more sophisticated and experience oriented, 4. preference for non-package type tours, 5. travel decisions made by internet, 6. more consumption on travel due to increased disposable income, 7. demand for products and services with higher added value, 8. demand for simplified customs and immigration procedure, 9. more safety and security in all areas, 10. demand for more adventurous and life-long experiences, 11. preference for environmentally conscious products and services, 12. more sensitivity and understanding towards different cultures and people. I hope that consensus will be formed for mutual benefit in this working level meeting. Thank you all for listening.

Chairman

Thank you, professor Sohn for the brilliant presentation. Who will tie the bell around the cat's neck? I think professor Sohn meant that all of you sitting here should tie the bell around tourism promotion. Professor Sohn talked about the importance of urban tourism in this new era of city-state. And he also presented five ideas for promoting tourism exchange between Asian-Pacific cities; cooperative marketing and branding, development of DIS and contents through the internet, etc. I think that a lot can be done if the representatives of the cities here cooperate with each other. Now if you have any questions, please do not hesitate to ask them. Most of you have arrived yesterday and are still suffering from jetlag. So I think most of you are still tired from the long trip. And if we had provided the materials in advance, I think you would have had more questions to ask. So in that sense, I would like to express my apologies. We will make a copy of the keynote address today and distribute it to all of you. Should I appoint a person? Is that okay? The city of Bangkok is very advanced in terms of tourism. Three representatives are here from Bangkok and I saw them giving me their full attention. Mr. Chanchai Rohitasiri, do you have any questions?

of environmental protection. We also received habitat award, and we were ranked as one of the top 500 environmentally clean cities in June of 2000.

If you look at Dalian, it has seaside next to it. It's a very green city. It's a very beautiful green city. We have had city planning and we have a very large tourism industry. And it has a very unique tourism industry. It's a city of soccer, a city of fashion and a city of youth and activism. We are not working for scale but we are working to be the best. The purpose of our city planning is to build a city within a beautiful garden. The green area within Dalian is very large and we have a coast next to us, and that green area and the seaside are harmonized. Because Dalian is covered by sea on three sides, we have a lot of seafood and the city of Dalian holds various kinds of tourism festivals. Dalian has international fashion festivals, flower festivals and firecracker festivals. Through these festivals, we have attracted a lot of foreign tourists. And these tourism activities have contributed to the development of economy of Dalian. And in the 21st century, we are going to be emphasizing the tourism and this is going to be the focus of industry development. Thank you very much.

└Chairman □□□□□□□□□□□□□□□□

Thank you. Mr. Li Bo Zhou introduced the city of Dalian. We are seeing Dalian improve so rapidly. So let's give Dalian a big round of applause. Now, I would like to ask Mr. Fukumoto Takayuki of Fukuoka, who has founded Asian-Pacific City summit and has led it to a success. I think thirty seconds is too short. I'll give you one minute.

└Fukuoka (Fukumoto Takayuki) □□□□□□□□□□□□□□□□

Thank you. Fukuoka City is 200km apart from Busan with the sea in between. Its population is 1.34million and it is located in the southwestern region of Japan. With its port, railway, etc, it is developed in terms of transportation. And the city is developed mainly in the third industry and especially wholesale industry is well developed. In the northern part of the city, we have the Hakata Bay and Genkai Sea and in the southern part of our city, we have many mountains. So our landscape is very beautiful and you will be able to enjoy the natural environment if you visit our city. I can say that our city is quite young with many universities in the area.

In relation with tourism, each year from May 3rd to 4th, we have a special festival called 'Dontak'. All of the citizens can take part in this festival and about 2 million tourists within Japan come to Fukuoka to take part in this festival. It is one of the biggest festivals taking place in Japan. Thank you very much.

└Chairman □□□□□□□□□□□□□□□□

Thank you very much for keeping good time. Next we are going to hear from the representative of Guangzhou City, Mr. Li Zhi Xin.

priority in addition to the shopping as well as the golf. So every year, Jakarta has enjoyed annual conventions and trade shows where meetings, conventions, and exhibitions are the most significant areas to be promoted. Before I came to Busan, Korea, I was advised from some of my colleagues that 'you are going to the country of the morning calm' and 'you will be meeting a lot of Kims'. But it turned out last night that I met not only the Kims, but also met the Ahns and the Lees. So sometimes maybe you don't always believe what you heard unless you come for yourself for inspection and I really took this opportunity to meet other than Kims of the Koreans and enjoy the City of Busan. Thank you very much.

└Chairman □□□□□□□□□□□□□□□□

Ms. Indra Sukirno from yesterday talked very much about kimchi. This lunch, I would like to ask the restaurant to serve her as much kimchi as possible. Thank you very much for your interesting remark. Now, from the city of Kagoshima, would you make your remark?

└Kagoshima (Harazono Masashi) □□□□□□□□□□□□□□□□□□□□□□

I am from the city of Kagoshima. Kagoshima is in the southern part of Kyushu and it has about 550 thousand people. It is one of the biggest cities in Japan but now that I am here and listening to people from cities like Jakarta, I have realized Kagoshima is not that large. Our average temperature is 18°C and we have Kinko Bay, which is a very clean area and we have Sakura-jima, which is a volcano so it has very wonderful natural environment. It is an active volcano and around this area we have very famous spas. Many people from overseas and within Japan come to the city of Kagoshima to enjoy spas. And also thanks to our promoted tourism policies, about 2.3 million people visit our city for tourism but only 100 thousand people are coming from overseas. We should work harder to develop, promote and introduce our city as an international tourist destination. And we have a cruiser every week. This cruise is operating between Busan and Kagoshima so I understand that many people from Busan have come to Kagoshima and also many of our residents have come to Busan via this cruiser. Thank you very much.

└Chairman □□□□□□□□□□□□□□□□

Whenever people think about Kagoshima, they think about hot springs. We now have a cruise ship operating between Kagoshima and Busan. Let's hear from Kitakyushu, I understand where the international exhibition is being held right now.

└Kitakyushu (Ishida Kengo) □□□□□□□□□□□□□□□□

I am from Kitakyushu. The City of Kitakyushu is located in the northern part of Kyushu and I think it is one of the closest cities to Korea. Dalian and Kitakyushu are sister cities and Incheon is also our sister city. Kitakyushu has a population of about 1 million. It's an industrial city and recently, we have been implementing our tourism policies. The Kitakyushu Exhibition

