Pacific Asia Travel Association

PATA TASK FORCE

North Sulawesi, Indonesia
29 August to 05 September 2000

“Charting A New Direction for Sustainable Tourism in North Sulawesi, Indonesia.”

‘This attitude (of tolerance) has become precious asset for any program of development as it creates social stability. It is impossible for any country to do their development without stability. Through this circumstance will create certainty which become conducive factors for investment. Any investor who will invest their capital needs certainty. And this can only be done through stability.’

Prof. Dr. Willy A. Karamoy: Profile of North Sulawesi Province, Republic of Indonesia. 1997

Supporting Airlines:-

Photo credit to Murex Dive.

Published by the Pacific Asia Travel Association, ISBN: 1-882866-84-3
Task Force Chair: Steve Noakes. steve@noakestourism.com.
Pacific Asia Travel Association.

Over the past 50 years, the Pacific Asia Travel Association ‘has amassed an impressive record of devoted leadership, outstanding volunteerism, and notable achievements.’ (Gee & Lurie, ‘The Story of the Pacific Asia Travel Association, 1993)

In the early 1970’s, the first PATA Task Force focussed attention on Chiang Mai, Thailand. Over almost 30 years, PATA Task Force’s have assisted destinations throughout the Pacific Asia region in planning to improve the quality and variety of tourism product in this wide-ranging region with its outstanding natural environments and rich cultural traditions.

The August/September 2000, PATA Task Force into North Sulawesi, Indonesia, is yet another contribution by a group of volunteer tourism professionals to achieving a core aim of the PATA organization – the sustainable development of tourism to, from and within the Asia Pacific region. Today PATA has a global network to serve the interests of tourism into the world’s fastest growing tourism region. As a collaborative public/private sector membership based organisation, it has approximately 2000 members around the world that includes 40 government, 60 regional government agencies, 76 airlines and cruise lines, 2000 hotel companies, travel agencies, tour operators, educational institutions and suppliers. In addition, PATA maintains 84 Chapters around the world with 17,000 members who act as our marketing distribution arms.

PATA’s operational headquarters is located in Bangkok, Thailand and the administration headquarters is based in San Francisco, USA. Divisional offices are staffed in Sydney for the Pacific, Monaco for Europe, Singapore for Asia and San Francisco for the Americas.

This PATA Task Force report has been prepared in good faith and in a spirit of volunteerism by the Task Force members. Neither PATA, nor the individual members of the Task Force accept any responsibility for any commercial or other actions taken as a result of the information or comment expressed within this report.

Published by the Pacific Asia Travel Association, Unit B1, 28th Floor, Siam Tower, 989 Rama 1 Road, Pathumwan, Bangkok 10330, Thailand. Tel: (66)-2-6582000 Fax: (66) 2-6582010 Email:patabkk@pata.th.com, Web site: www.pata.org

PATA (Bangkok & Singapore offices) and the PATA Chapters in North Sulawesi and Queensland acknowledge the financial assistance given to assist Steve Noakes attend and Chair this PATA Task Force by PATA members, the Faculty of Tourism and Leisure Management, University of Queensland and the School of Tourism and Hotel Management, Griffith University, Australia.

Proud Past - Promising Future

Faculty of Tourism & Leisure Management.

School of Tourism & Hotel Management.
Acknowledgements:

This PATA Task Force was an initiative of the PATA North Sulawesi Chapter, under the Chair of Mr Jeremy Barnes, General Manager, Tasik Ria Resort. The Task Force members would like to acknowledge and thank Jeremy, Nico Tampi from the New Queen Hotel, Manado and their PATA Chapter colleagues in North Sulawesi, as well as Sheila Leong, Senior Director-Asia for PATA, Singapore for the professional and kind support they gave to the Task Force in the preparation and conduct of this project. In addition, the Task Force acknowledges the following individuals and organizations for their generous assistance in supporting this project:

(Listing by organisation name, alphabetically and not in any order of priority)

- Blue Banter Marina., Mr. Ignatius Quendangen
- Bumi Nata Wisata, Mr. Roy Tamo
- Bunaken Divers., Mr. Thomas Korompis
- Dream Alliance (S) Pte Ltd, Singapore
- Froggies Divers, Ms. Christiane Muller
- Gangga Island Resort
- Gardenia Hotel and Resort., Mrs. Bernadeth Ratulangi and Rita Ratulangi
- Government of North Sulawesi., Prof. Dr. Lucky Sondakh, Economic Advisor
- Griffith University-Australia, Head of School of Tourism & Hotel Management., Dr. Bev Sparks
- Hospitality Asset Advisors, Singapore
- Hotel New Queen Bar & Restaurant., Mr. Nico H Tampi
- Hotel Santika, Manado., Mr. Markus Sigmann and Mr. Purwantono,
- Indonesian Department of Culture and Tourism, Jakarta., Drs Fransiscus Gromang Msi
- Kungkungan Bay Resort., Kevin and Valarie Tear.
- Manado Marine Sports., Mr. Lloyd Jackson and Melanie
- Maya Travel & Tours., Mr. Steven Limongan and Mr. Rico N. Taramen
- Metropole Tour and Travel Service., Mr. Boy Sumual
- Millenium & Copthorne International Lmt., Singapore
- Murex Dive Resort & Liveaboards., Ms. Angelique Batuna and Danny Charlton
- Pacific Asia Travel Association – Asia Division Singapore
- Pacific Asia Travel Association., Ms. Malinee Kitaphanich
- Pacific Asia Travel Association-North Sulawesi Satellite Chapter
- Pacific Asia Travel Association-Queensland Australia Chapter
- Paradise Hotel and Resort
- PT. Manado-Minahasa Tourism Development Corporation., Mr. Jack Parera
- PT. Pola Pelita Express Tours & Travel., Mr. Jopie W Poluan
- PT. Trampil Tours & Travel, Mr. Johnny Lieke
- Qantas Airways, Sydney., Mr. Col Hughes
- Sam Ratulangi University, Politeknik Institute, Tourism Division., Ms. Maryke Alelo
- Silk Air, Manado., Mr. Gerald Lim
- Tasik Ria Resort, Manado., Mr. Jeremy Barnes and Mr. Erik Rarumangkay
- Thalassa Watersport, Ms Simone Gerritsen
- University of Queensland-Australia, Foundation Professor of Tourism, Faculty of Tourism and Leisure Management., Prof. Chris Cooper

‘You have to be careful if you don’t know where you’re going, because you might not get there’

Yogi Berra
From the Office of the Governor of North Sulawesi, Indonesia.

Salam Sejahtera,

First of all please allow me to welcome you all, PATA North Sulawesi Task Force, to North Sulawesi as a part of the Republic of Indonesia. I understand that the Task Force team which formed under the initiative of PATA North Sulawesi Chairman and the support of his members has reached positive responses from PATA Asia and Australia so that this Task Force is made, which consist of six people from various nationalities and countries with their expertise in international tourism industry.

The forming of this team with various background as mentioned before, is already an excellent thought that now is already present with us to begin a mission that if it is succeed, in which we do hope, would be a corner stone in the tourism development in North Sulawesi globally with a new paradigm, a paradigm which counts on private sectors initiatives and the government limits itself to facilitate and law enforcement.

I have to address it, since mixing the limited tourism facilities, the expertise and infrastructure to be studied than identified and recommended its development by an independent qualified team voluntarily, would produce outcomes that could be marketed in global market as a new destination that could attract the interests of investment and recreation.

To image all expectations becoming realities in the future by referencing to the success of other destinations that have been developed based on similar Task Force report in the last decades, therefore it is my turn on behalf of the people of North Sulawesi to welcome the team of PATA North Sulawesi Task Force with open hands, especially because it is in line with the ‘Six leading Sectors of North Sulawesi province’ in which tourism is one of its component parts.

In relation to the previous matter, we are proud to have the Mayors and Regents, other officials and tourism supporters of North Sulawesi on this occasion to give the full support for the success of this first mission which is expected to be the first of a series of missions in the future to reach the success.

This is the end of my short speech. On this very special occasion I would like to thank Mr. Jeremy Barnes and his PATA North Sulawesi members who make this valuable mission comes true.

Now, as Governor of North Sulawesi, I officially open the Task Force activities. May God Almighty give us His blessings and be with us until the end of this activities.

Pakatuan wo Pakalawiren.

September 2000
Map of Indonesia and Manado, North Sulawesi.
Government and national life in Indonesia is guided by the five principles of Pancasila, the national philosophical code. The five principles are:

* Belief in One, Supreme God.
* A just and civilised humanity, with Indonesia taking its place amongst the family of nations.
* The unity of Indonesia.
* Democracy which is guided by the inner wisdom in the unanimity arising out of deliberation amongst representatives, thus creating…
* A condition of social justice for the whole of the people of Indonesia.
Section 1:

Executive Summary

The opportunity clearly exists for the magnificent natural and cultural assets of tropical North Sulawesi to make a significant contribution to a tourism-led recovery of the Province’s, and subsequently, the national Indonesian economy.

A foundation assumption of this report is that the growth of inbound tourism to North Sulawesi can generate net economic and non-economic benefits for the people of North Sulawesi if better planning, management and organisational structures can be developed and put into practice.

This will only occur if a new commitment of cooperation and partnership within and between the private and public sectors involved in tourism can be developed in this new era of Indonesian democracy and Provincial Governance.

Priority actions identified:

- Establishment of a Provincial Tourism Promotions Board.
- Create a unified industry voice from existing industry/business groups.
- Establish suitable tourism statistical collection and research capacity.
- Freeze coastal tourism enclave developments.
- Commence a strategic tourism destination planning process.
- Embrace ecologically sustainable development principles in all planning practices.
- Achieve compatibility with the new APEC Tourism Charter policy guidelines.
- Re-assess the relevance of the current 15 year national Tourism Master Plan.
- Investigate the benefits of Green Globe certification for the destination and its various tourism related business.
- Investigate World Heritage Listing for Bunaken National Park.
- Further develop and action the ‘Custodians of the Volcanoes’ concept.
- Develop the Trans Sulawesi Highway zone concept.
- Remove impediments to generating increased air traffic use of Manado Sam Ratulangi Airport.
- Review current ownership and management options for all airports within North Sulawesi.
- Capitalise on the depth of existing higher education facilities in the Province to provide the human resource needs of the tourism industry.
- Endorse the Joint Australia-Indonesia Hospitality Industry Competency Standards.
- Improve public infrastructure that delivers better access, speed and reliability to the internet.
- Investigate the establishment of Tourism Satellite Accounts for North Sulawesi.
- Commence a Tourism Community Awareness Program.
- Commit Provincial Government to resourcing destination marketing funds.

The key findings/recommendations of this Task Force are:
1. Peace and stability.

1.1. Tourism will grow in periods of political and social stability. That’s when **public and private investment** in the necessary infrastructure will occur, and **consumer confidence** in visiting a **safe, clean and well managed destination** will be a positive feature in the marketplace.

1.2. The Task Force observed first hand the **peaceful and tolerant nature of the people of North Sulawesi**. However, presenting a positive, welcoming and safe image of destination Indonesia (including North Sulawesi) in the international tourism marketplace, will be an enormously difficult task until many of the very challenging political, social, economic and military **challenges currently facing the country** are adequately addressed.

   These are **vital issues** of national and provincial will and leadership.

   The image of the country in the international media directly impacts on the provincial image in the tourism marketplace.

2. Industry Structural Issues:

2.1. The Task Force believes there is an urgent need for a more cohesive, coordinated and strategic approach to the planning and management of a new philosophy of sustainable tourism in North Sulawesi at both the industry and Government levels. Accordingly, it is **recommended** that:

   (a) the North Sulawesi Government **establish a Provincial Tourism Promotions Board**, 100% owned by the Province, with a Board of Directors primarily consisting of members drawn from the industry/private sector. The key task of this new Board would be to lead and coordinate the destination marketing of North Sulawesi and encourage sustainable tourism visitation to the Province. (more details given in Section 4.9, Tourism Issues)

   (b) the existing Tourism related sector organisations need to come together to form a **single industry representative voice** to Government. This could occur through the current PATA North Sulawesi Chapter, or by some form of Alliance for Sustainable Tourism among existing industry organisations, or by the establishment of a new peak tourism industry ‘voice’ in the Province. (reasons are given in Section 4, Tourism Issues)

2.2. However, in the short term the Task Force **recommends** that the PATA North Sulawesi Chapter, with membership drawn from all sectors of the industry, play a lead/coordinating role in bringing together representatives from PHRI, ASITA, NSWSA, HPI, PUTRI and the Manado Chamber of Commerce to **address common issues the industry needs to present to Government**.

2.3. The Task Force **recommends** that there be a **review of the functions, structures and relationships of all Government (City, Regional, Provincial, National) agencies relevant to the business of tourism in North Sulawesi**. It is **recommended** that a joint industry and Government Working Group to:

   - review all the current agencies
   - assess ways of streamlining Government involvement in tourism policy, planning and marketing activities
• make recommendations on the establishment of a new North Sulawesi Tourism Board which is independent from Government Department structures.

Further details are given in Section 4.7.

2.4. On an annual basis, it is recommended that there be a North Sulawesi Tourism Forum. This forum would bring together all the stakeholders interested in the future directions for tourism in the destination to share industry intelligence, receiving briefings on various issues impacting on the industry, review the strategic direction of the industry and simply to network and share a common vision.

3. Government Tourism Research, Policy and Economic Issues

3.1. North Sulawesi is not unique as a tourism destination in terms of the industry perception of the inadequate priority given by Government in planning for appropriate tourism policies and support.

3.2 In many destinations, the most common reasons for this lack of recognition is the insufficient level of tourism related data collection. There is a need to establish institutionalised tourism research capabilities for North Sulawesi.

It is recommended that the higher education institutions within North Sulawesi be invited to partner both the Government and Industry in establishing suitable methodologies for tourism statistical collection which are consistent with generally accepted international standards from organisations such as the World Tourism Organisation, the World Travel and Tourism Council and PATA.

That is, establish a Tourism Research Working Committee to plan for the needs of tourism stakeholders (public and private sector) in North Sulawesi.

3.3 There is a critical need for better information on economic activity associated with the tourism industry in North Sulawesi. This is important in assessing the impact of Government policy influences on the industry’s performance and also necessary for private sector decision making in demand forecasting and investment decisions.

3.4. It is recommended that the North Sulawesi Government work towards establishing a set of Tourism Satellite Accounts to give an internationally recognised standard to measure:

• tourism GDP,
• tourism GDP as a proportion of total GDP,
• the tourism component of the value-added of major tourism related industries such as accommodation, restaurants and cafes and air transport,
• expenditure by overseas visitors, total business tourism expenditures,
• wages and operating surplus of tourism related industries,
• tourism expenditure by commodity type (e.g. accommodation, transport, meals) by industry of supplier, imports of tourism.

A TSA for North Sulawesi would also enable the relationship between the main outputs and the following items to be identified: employment in tourism related industries, employment profiles, domestic visitor numbers and international inbound and outbound visitor numbers. Further information about Tourism Satellite Accounts can be found in Section #6 of this report, “Measuring the Impacts of Tourism in North Sulawesi”.

9
3.5. The tourism sector (both private and public) is under-resourced and under-skilled in playing an appropriate representative/lobbying role in the development of Government administered Management Plans for key marine and land-based natural environments, which are the very asset upon which the industry is built.

When effectively organised, it is recommended the new coordinating or peak ‘voice’ for North Sulawesi Tourism should investigate ways that it can resource appropriate planning and policy input from an industry (as users of the natural resource) perspective to various Government planning activities which directly or indirectly impact on the industry.

3.6. As a member of APEC, Indonesia is a signatory to the ‘Seoul Declaration on an APEC Tourism Charter’, as attached to this report. (Appendix 6). The APEC Charter notes the economic contribution tourism makes in the Asia Pacific region, and establishes policy goals in relation to:
(a) the removal of impediments to tourism business and investment
(b) increased mobility of visitors and demand for tourism goods and services in the APEC region
(c) the sustainable management of tourism outcomes and impacts and
(d) the enhanced recognition and understanding of tourism as a vehicle for economic and social development.

It is recommended that any new Provincial Tourism policy initiatives are to be consistent with the new APEC Tourism Charter.

3.7. In addition, to assist the new North Sulawesi Government in establishing its tourism policy guidelines, the Task Force recommends that ‘The Hague Declaration on Tourism’ endorsed by the World Tourism Organization and the Inter-Parliamentary Union (IPU) in 1989 be consulted as a leading global tourism policy direction.

3.8. It is recommended that an industry and Government partnership be established to develop a longer term Strategic Plan for Sustainable Tourism in North Sulawesi. (more details in Section 4, Tourism Issues.)

Ideally, that sustainable tourism plan should be part of a broader Province wide Economic Development Strategy, which integrates the six leading sectors of the economy as proposed by the Governor of North Sulawesi. This integrated strategic planning process incorporating economic, environmental and social factors could have the financial support of some foreign aid agencies.

3.9. As part of North Sulawesi’s (and Indonesia’s) export economy, the Task Force recommends that tourism should play a key role in any export development strategy for all goods and services that might be developed as part of an integrated Provincial Economic Strategy. The Task Force sees it as important that tourism be recognised by Government for its role in attracting foreign exchange to the Province.

3.10. Based on the information supplied to the Task Force, the current 15 year National Tourism Master Plan (commenced in 1994) appears no longer relevant or suitable to the needs of North Sulawesi. The national Government still has many important roles to play in ensuring the development of sustainable tourism policies for the whole of Indonesia. However, it is recommended that the voice of tourism from North Sulawesi communicate the need for Jakarta to create a new national sustainable tourism strategy in the light of significantly changed external market and internal country changes since the 15 year plan was introduced.
4. **Destination Development Issues.**

4.1. The concept of ‘destination life-cycle’ suggests that tourism destinations evolve through a process of birth, growth, maturation and, maybe, something similar to death. It’s only a theory, but it’s a useful way to look at just where a destination might be in relation to its competitors and what it needs to do to *rejuvenate* itself if it wants tourism to bring *net benefits to the host economy*.

4.2. North Sulawesi went through a rapid tourism development stage prior to the Asian financial crisis in the late 1990’s. From the Hotel owner’s perspective, following the ‘crisis’ there was a period of ‘decline’, which has moved into the a current period of ‘stagnation’ with the current low occupancy rates and surplus room capacity. This Task Force is part of a process to ‘rejuvenate’ the destination. (Refer Section 4.6 for further background information)

4.3. **Coastal Management.** While there are still many parts of the North Sulawesi coastline that are in pristine condition, there is also evidence of an ad-hoc approach to the planning, design, construction and operation of a range of land use activities and facilities on the coastlines of the Province. Various dynamic natural and man-made processes impact on the coastline ecosystem around Manado and all the other parts of North Sulawesi’s larger and smaller islands. The Task Force recommends that Government *undertake a review of current coastal tourism development policies* such that appropriate visual, economic, social, recreational and environmental issues are appropriately considered.

4.4. Further development of diving-oriented resorts on the coastal area of Manado and its environs is not recommended for the time being. The existing resorts and hotels are currently experiencing very poor occupancy, yet there is concern about the carrying capacity of Bunaken National Park as well as overcrowding and congestion in Manado. The National Park management plan now being implemented needs to be evaluated over time and a moratorium on new development will limit the impact of tourists on the park while allowing the existing resorts to consolidate and improve their business.

4.5. **Visual amenity:** North Sulawesi is rich in natural scenic landscapes and seascapes. As regularly reported by visitors and tourism media, it has a diverse range of outstanding seascapes and landscapes – mountains, volcanoes, beaches, rivers, farming fields, creeks, islands, coral reefs, as well as cultural elements. All these combine to create the visual image of North Sulawesi. The Task Force recommends that the issue of maintaining and *enhancing the natural, cultural, scenic and spiritual amenity values* of North Sulawesi’s landscapes and seascapes be regularly bought to the attention of relevant Government agencies.

4.6. There will always a need to for the provision of *adequate and timely infrastructure and services* to meet the needs of North Sulawesi’s tourism industry. Economic development from tourism and the provision of tourism infrastructure go hand-in-hand. However, the *location and timing* of that infrastructure in North Sulawesi requires better planning than the destination has previously experienced which has led to the current situation of over-supply, low occupancy levels and inappropriate design and location of some of the hotels and resorts in the destination.

4.7. The Nusa Dua model of a tourism enclave has not been successful thus far in North Sulawesi. The Task Force *recommendations for the future market positioning* of North Sulawesi as a tourist destination are also inappropriate for the development of a high-end, large integrated resort. For these reasons, the Task Force recommends that *no further attempt should be made at creating a Nusa Dua-type development.*
4.8. Given the range of marine and land-based tourism opportunities evident in North Sulawesi, the destination has the potential to develop a unique set of quality, sustainable and diverse tourism sites throughout the Province which would spread the economic contribution of tourism beyond the islands and the Manado area – where most of the tourist accommodation is located.

4.9. Diverting tourists to other diving areas and land-based ecotourism will allow tourism numbers to grow without adding more pressure on the Manado/ Bunaken area. However, considerable investment of money, time and skill will be required to effectively develop other sites in North Sulawesi for tourism. There is no ‘quick fix’ solution. As recommended by the Task Force, it will require a more strategic planning approach to tourism in North Sulawesi – with a better understanding of market trends - than has been evident in the past.

5. Destination Marketing Issues

5.1. Destination image is the most critical component of a potential visitor’s destination selection process. The national issues raised in item #1 above require priority attention if Indonesia/North Sulawesi is to have a promising tourism future. There is a role for tourism as a contributor to tolerance, understanding and peace between and within communities.

5.2. Most of the current tourism product in North Sulawesi is marine based ecotourism, plus the sea, the sand and the sun (i.e. ‘3S tourism’) – focussing on beach/island resorts rather than highland/farming-land small scale resorts/homestays/guesthouses, overland touring adventure activities or special interest group tours such as birdwatchers.

5.3. It is the opinion of the Task Force that the highland/interior tourism attributes of North Sulawesi are at least equal (if not superior) to many other alternative tropical rainforest environments with mountains, valleys and lowlands. Particularly for the longer haul European, North American, as well as the Australian/New Zealand markets, there are significant opportunities to introduce highland nature-based tourism, ecotourism and cultural tourism facilities, overland and/or special interest tourism activities which incorporate local community involvement.

5.4. There is a particular opportunity to utilise the traditional Minahasa wooden house architectural style into resort developments. Similar to the way the Bali style or Tuscany (Italy) style of architecture has contributed to the marketing image of those two destinations, so too could the Minahasa building style contribute to the developed of a unique North Sulawesi identity.

5.5. North Sulawesi lacks a destination tourism marketing strategy which gives direction to both industry and government in the way the destination is positioned in the marketplace. The development of such a strategy is essential. Section # 5 of this Task Force report gives some guidance to assist the destination to construct such a marketing strategy.

5.6. It is recommended that any future strategies for tourism (both in marketing terms and in product development terms) in North Sulawesi focus on a nature-based theme, as defined in Appendix 9.
5.7. We further recommend that, in the absence of any longer term tourism vision for North Sulawesi and some form of Strategic Planning process to work towards that vision, that short to medium term destination marketing and/or tourism planning strategies emphasizes consolidation of the existing position of North Sulawesi in its major markets.

6. Environmental Sustainability and Tourism.

6.1. The animals, the plants, the landscapes and the seascapes, the air and the water are too important to the future of North Sulawesi’s tourism for both the industry and Government not to pursue policies that provide leadership in environmental and biodiversity issues. The Task Force recommends that the Government agencies and the tourism industry in North Sulawesi endorse the principles of ecologically sustainable development (ESD) as an over-riding principle in all policy development and management practices. (Refer section 4.4)

6.2. Tourism can provide an economic incentive to conserve ecosystems that might otherwise be allocated to more environmentally damaging land or marine uses. It can also increase the awareness of local communities to the financial value of both natural and cultural sites enhancing their commitment to conserving the local heritage. The PATA Code for Environmentally Responsible Tourism (Refer Appendix # 5) provides a guideline for sustainable tourism – especially useful for policy makers.

6.3. Tourism can also bring negative impacts through destructive use of land or marine resources including reducing biodiversity, solid and biological waste output, over-use of fresh water resources, greenhouse gas emissions, and damaging coral reefs. Negative social and cultural change might occur from exchanging traditional practices for a more ‘international’ culture, the influx of drugs, prostitution or illicit gambling and the commercialisation or cheapening of traditional arts, crafts and traditions.

6.4. It is recommended that North Sulawesi give consideration to becoming a member of the Green Globe worldwide accreditation program to assist the destination in the development of a strategic sustainable tourism plan which addresses issues including:

- enhancing energy efficiency,
- conservation and management,
- reducing fresh water consumption,
- improving ecosystem conservation and management,
- supporting social and cultural development,
- improving land use and marine planning and management,
- optimising waste water management,
- minimising, reusing and recycling solid waste,
- ensuring air quality protection and noise levels and
- reducing green house gas emissions.

Further details on how destinations can engage in the Green Globe process are available on the website www.greenglobe21.com or via email to the Green Globe Asia Pacific CEO, Mr. Graeme Worboys on graeme.worboys@ggasiapacific.com.au
6.5. It is **recommended** that the new Bunaken National Park Management Advisory Board consider making application to the United Nations (IUCN: The World Conservation Union) for **World Heritage listing** of this marine park with its exceptional concentrations of biological species. There may also be other parts of North Sulawesi that could be assessed for World Heritage status, and this should be investigated by appropriate agencies.

6.6. It is **recommended** that the trail up to the Mahawu Volcano be the first project for a **new ‘Custodians of the Volcanoes’** (or ‘Custodians of the Local Environment’) type program to assist in local community management of key natural recreational and tourism assets. If this pilot project is successful, the concept may be relevant to other marine and terrestrial parts of North Sulawesi. Further comment on this initiative is given in Section #4.3, Tourism Issues/The Environment.

7. **Investment and Enterprise**

7.1. Currently, there is a **lack of major investor confidence** in tourism infrastructure in North Sulawesi, an issue that is also prevalent in other parts of Indonesia. The country is slowly coming out of the severe impacts of the ‘Asian economic meltdown’ of the late 1990’s plus it is faced with many significant political, social and environmental challenges. As these challenges are gradually met, the Task Force considers that **investors will return firstly to established destinations like Bali** where the **investment risk** will be perceived as being lower before turning to relatively newer destinations like North Sulawesi.

7.2. Given the present **demand and supply** situation in North Sulawesi, the **rate of return** from new investment in hotels, resorts and other tourism infrastructure is well **below the levels required** by international investors. Investor confidence will not return until existing developments demonstrate more attractive returns and demand has increased. In part, that will occur with a better-resourced, more coordinated approach to the planning and execution of a **destination marketing** campaign supported by all stakeholders.

7.3. There is a **strong link** between the decisions of tourism industry entrepreneurs and the evolution of tourism destinations. There are numerous small to medium sized local and international business entrepreneurs now in North Sulawesi, but no evidence of major international investors.

7.4. At this stage of the development of the North Sulawesi destination life-cycle, the Task Force would encourage a spirit of **entrepreneurship** in the local **education systems**. This would result in a local philosophy and style of tourism business entrepreneurship could make a significant contribution to the longer term nature of tourism in this corner of south east Asia.

8. **Transport.**

8.1. The road transport system experienced by the Task Force was adequate for the development of tourism product for the market segments represented by ‘adventure’, ‘youth’ or ‘backpackers’. While this system is poor in parts and addressing its improvement should be a priority, it should also be noted that its very existence could offer a **competitive advantage** for North Sulawesi compared to many other developing destinations.
8.2. The **Trans Sulawesi Highway**, stretching from Manado in the north to Ujung Pandang in the south of the island of Sulawesi offers a **remarkable opportunity** for one the development of one of the great cultural, environmental and/or adventure **overland travel experiences** available in Asia. A whole-of-Sulawesi approach to planning such a ‘**tourism highway’ zone** would be required with appropriate attention being given to develop various tourism attractions, activities and accommodations along, or near to the route. As an example, this route could be a significant ‘Asian Wildlife, Cultural and Scenic’ experience giving a clear point of differentiation in the marketplace for North Sulawesi.

8.2. There are **insufficient resources being allocated to road maintenance, road improvements and driver education** in the ‘rules of the road’. This is evident on many of the city (as well as provincial) roads. This issue needs priority attention by Government to improve the increasing traffic flows and improve road safety.

8.3. It was the view of the Task Force that an **improved regulatory body** be an arm of Provincial Government to set, approve and monitor **road worthy standards** for commercial passenger carrying vehicles. These vehicles should provide a minimum standard of comfort for all sightseeing tours and overland journey programs which often travel for extended hours on treacherous roads. It is recommended this issue be given similar priority to 8.2 above.

9. **Aviation.**

9.1 The Task Force was informed that North Sulawesi has three active and one ‘non-active’ airport. However, given the critical role played by **Manado Sam Ratulangi Airport** as the primary point of entry for international visitors to North Sulawesi, major policy issues effecting its infrastructure and operations will influence the development of tourism throughout the Province. Additionally, national and international **aviation policies** of the Indonesian Government will impact on the flow of visitor arrivals and departures from Manado Sam Ratulangi Airport.

**Industry concerns were expressed about the delayed opening** time for the new integrated international/domestic airport terminal and the apparent lack of a skybridge from the terminal to aircraft at the expected time of opening later this year.

9.2. The Task Force was advised of a ‘limited air policy’ applying to Manado Sam Ratulangi Airport which may be **stifling access for current and potential carriers**. The Indonesian Government’s ‘multi-gate’ policy may have more benefit for Manado with a more open air policy and with more Provincial autonomy given in the management of the airports.

9.3. There has been a **global trend for the privatisation of Government owned and managed airports**. In some cases, both the ownership and the management have been divested by Governments and in some cases, government has kept ownership, but contracted separate companies to manage the asset. These management companies could be independent from government or wholly owned by Government with Boards largely drawn from the private sector. It is **recommended** that North Sulawesi **review all the available options** for the **future ownership and management of all the airports in the Province**. (e.g. There could be established an independent Airports Authority for North Sulawesi where the asset remains under the ownership of the government, but an independent Board be established led by ‘visionaries’ from the private sector. I.e. quasi Government)
9.4. With the already low occupancy levels of the existing hotels and resorts, it is the view of this Task Force that the expected increase in Silkair (owned by Singapore Airlines) services from Singapore to Manado in April 2001 will make a positive contribution to improving occupancy levels in 2001/2002. However, the Task Force does not expect these increases to make any appreciable change to attracting new tourism accommodation infrastructure investment in the next two years. Should the 250-room Sedona Hotel, which is partially owned by Singapore Airlines, commence full operations, it is reasonable to suggest that the extra packaged holiday market generated for North Sulawesi would be channeled to that Hotel from within the Singapore Airlines/Silkair group.

9.5. Indonesian Airlines (which has a Management contract with British Airways and current applications to fly to Surabaya, Denpassar, Medan, Jogjakarta, Balukpapan and other domestic ports), Air Wagon International, Lion Mentari Airlines, Pelita Air Services, Baya Indonesian Air, Internusa Air and Jetayu Air are examples of new airline services within Indonesia that the Task Force recommends should be targeted by the North Sulawesi travel and tourism industry to work in a cooperative manner to establish financially viable air services into Manado.

9.6 The Task Force noted that from the Travel Agent’s viewpoint when selling the destination, limited air capacity into a destination can cause a loss of confidence in promoting and selling the destination, leading to a ‘stop-sell’ policy. Travel Agents want alternative airline options and seat capacity. In the short term, the national carrier, Garuda, would seem the most likely carrier to target to offer more competition and capacity on the Singapore/Manado route.

10. People Resources.

10.1. North Sulawesi is endowed with some 30 institutions of Higher Learning, including four Universities. It is a Province rich in education facilities. Nevertheless, there were concerns expressed by industry in relation to the lack of appropriate hospitality and tourism training to meet industry needs.

10.2. Competancy standards in the hospitality industry is a key element in ensuring the North Sulawesi industry can be internationally competitive. The Task Force recommends that tourism and hospitality training providers in North Sulawesi endorse the ‘Joint Australia – Indonesia Hospitality Industry Competency Standards’ supported by the Indonesian Hotel and Restaurant Association, Department of Culture and Tourism, Depdikbud (Education) and Depnaker (Manpower)

10.3 It is recommended that North Sulawesi Tour Guide Association and vocational training institutions consider the ‘Heritage and Interpretive Tourism’ (HIT) guide training and certification program (an initiative of the Cairns North Australia Chapter of PATA in the early 1990’s and winner of a PATA Award in Korea, 1994). The H.I.T. program is delivered in a number of Institutes of Training and Further Education (TAFE) in Australia.
11. Technology and Communications.

11.1. Although the world wide web is already benefiting many tourism operators in North Sulawesi reach their target markets, the Task Force observed that North Sulawesi was still in a period of low travel and tourism technology. The PATA North Sulawesi Chapter has already established a good, user-friendly web site to inform and promote the attributes of North Sulawesi to potential visitors. However, the North Sulawesi travel and tourism industry needs improved access, speed and reliability to the internet.

11.2. It is recommended that the tourism sector contact existing Provincial Economic Development Board (s) to assist in an application for international foreign aid funded construction of a destination website that can be jointly used by the Management Board, Government agencies, Chamber of Commerce, educational institutions as well as tourism information and a link to the PATA Chapter website.

12. Improving local tourism awareness.

12.1. Success in tourism for any destination depends on successful partnerships being established between the tourism industry, Governments and communities. North Sulawesi has the fundamental natural and cultural attributes to be a successful tourism destination, but no single business, or Government, or investor can achieve that success without working in a collaborative way and engaging and receiving the support of the host communities.

12.2. It is recommended that the Department of Culture and Tourism at the Provincial level or the PATA North Sulawesi Chapter establish a Working Group to develop an ongoing ‘Community Tourism Awareness’ program for residents of North Sulawesi. The Working Group should consist of representatives from Government, the Tourism sector, the general business sector (represented by the Chamber of Commerce) and the community. The strategy should be in two parts: the first targeting Businesses and Government, and the second part a broader, community wide strategy.


13.1. Government representatives who met with the Task Force confirmed that the role of central Government funding for tourism promotion would be reduced and Government’s role was principally in setting the laws under which the business of tourism must operate. That is, the central government wants to focus on ‘setting the rules of the game’ and acting as ‘referee’ to ensure compliance with the rules.

13.2. Both the national and Provincial Governments have many pressing and costly areas to address which Governments are especially equipped to handle e.g. law and order, education, health and welfare etc. There are scarce resources available to Government and unless the tourism sector can illustrate substantial rates of return for Government money allocated to tourism (hence the need for the Tourism Satellite Accounts) the tourism sector has a very difficult proposition to argue to government for destination marketing funding support.
13.3. Even in more mature tourism destinations with higher visitor arrivals and levels of tourism infrastructure than North Sulawesi, the local tourism industry is often frustrated by the lack of knowledge and appreciation of the full economic significance of tourism to the local economy. Often, the industry itself is to blame if it has not had coordinated and organised approaches to ensure Governments effectively resource reliable statistical information on tourism. In the absence of suitable information in relation to tourism - resulting from a solid research background – Governments (and many sectors of the business community) will continue to suggest that ‘tourism will happen anyway’.

13.4. There is a strong case for ‘market failure’ within the Tourism industry, which warrants Government funding intervention (from Consolidated Revenue) for destination marketing activities. This applies to both the National and Provincial Governments. It is an area the North Sulawesi tourism industry must investigate further otherwise it’s international competitiveness as a tourism destination will be reduced, not grow.

13.5. The supply side of the tourism economy in North Sulawesi is dominated by small businesses operating in very competitive conditions with a depressed value of local currency. With the withdrawal of the Novotel brand in Madano, there are no major international hotel brands now in North Sulawesi giving global distribution and coverage for the destination. The destination has one regional hotel brand (Century) and one national chain brand, Santika Hotel group.

‘Building a sustainable tourism strategy for North Sulawesi will have to involve all stakeholders in a continuous process of learning. It will not always be smooth sailing. It’ll take leadership, commitment and a few sacrifices’
Steve Noakes, PATA Task Force Chair, September 2000.
Section 2:

Introduction to Indonesia and North Sulawesi

Indonesia.

The word ‘Indonesia’ is derived from ‘indos neso s’, meaning ‘islands near India’. Lying between the Pacific and Indian Oceans, the country is the largest archipelago in the world, with some 13,000 islands stretching from Australia to the Asian subcontinent. Indonesia shares international borders with Papua New Guinea to the west, Australia to the south, Malaysia, Singapore and the Philippines to the north.

These islands are inhabited by numerous tribes with diverse cultures and languages. The national language is Bahasa Indonesia.

Indonesia contains one of the world’s most remarkable geographical boundaries in its distribution of animals. This dates back to the glacial period when the sea level fell throughout the world. During this period, the islands of Java, Sumatra, Kalimantan and Bali on the Sunda Shelf were joined together with one another and the Asian mainland. Irian Jaya, Aru and the Australian continent of the Sahul Shelf were separated. This early geographical separation explains why the tropical animal species of Java, Sumatra and Kalimantan do not exist in Irian Jaya. Maluku, Sulawesi and the Lesser Sunda Islands have strikingly different fauna. Most of the eastern fauna does not exist in Sulawesi even though this island is close to Kalimantan across the Makassar Strait.

The 19th century naturalist, Alfred Russel Wallace (1823 – 1913) was the first to observe that the Indonesian archipelago is inhabited by two distinct sets of wildlife. Wallace’s line, as this boundary is still known, is drawn between Bali and Lombok and between Kalimantan and Sulawesi, continuing south of the Philippines and north of Hawaii to mark the difference in the fauna and flora which belonged to the separate land masses in the last ice age. Used extensively by zoologists and biogeographers, the term ‘Wallacea’ is used to describe the region comprising the Philippines, Sulawesi, the Moluccas and the Lesser Sundas.

Travel and tourism is a key component of international trade in services and, as such, is directly effected by a range of international trade agreements in goods and services that Indonesia is committed to. Indonesia’s global trade relationships:

| Indonesia’s principal export destinations, 1998 | 1. Japan | Share 17.7% |
|                                           | 2. USA  | Share 15.8%  |
|                                           | 3. Singapore | Share 10.8% |
|                                           | 4. Korea | Share 5.2%   |
|                                           | 5. China | Share 4.2%   |
|                                           | 6. Australia | Share 3.8%  |

| Indonesia’s principal import sources, 1998 | 1. Japan | Share 16.2% |
|                                           | 2. Singapore | Share 12.8% |
|                                           | 3. USA  | Share 8.6%   |
|                                           | 4. Germany | Share 7.2%   |
|                                           | 5. Korea | Share 6.7%   |
|                                           | 6. Australia | Share 5.1%  |
**Sulawesi** is generally recognised as the most geologically complex island in Wallacea. It is located close to the centre of the Indonesian archipelago, encompassing (including its satellite islands) a land area of c. 186,145 sq km. It also has a particularly long coastline of some 5000 km making most points on the island no more than 100 km from the sea. Because Sulawesi was formed as a result of numerous contacts between two of the earth’s main crustal plates, it is Indonesia’s most physically complex region. While most of the island is not volcanic, a reported eleven volcanoes are still active.

**North Sulawesi**

North Sulawesi is one of the 26 provinces within the Republic of Indonesia. The capital city of the Province is Manado.

Based on the regional government system, North Sulawesi is subdivided into the Manado Municipality, Gorontalo Municipality, Bolaang Mongondow District, Sangihe Talaud District and Bitung Municipality.

To the north this region borders on the Republic of the Philippines, the Sulawesi Sea and the Pacific Ocean. The eastern part is on the Maluku Sea and the southern side is the Tomini Gulf. The western part borders Central Sulawesi province.

The terrain is extremely mountainous and hilly, stretching from Lembean – Wulur Mahatus mountain chain (in Minahasa) continuing to Mount Ambang-Mount Gambuta (in Bolaang Mongondow) up to Tilongkabila mountain chain (in Gorontalo).

In Sangihe Talaud there are both active and extinct volcanoes, some towering 1,800 – 2,000 meters. Rich volcanic ash has blessed North Sulawesi with fertile lands; the highlands and lowlands producing rice, coconut, clove, nutmeg, vanilla and vegetables.

The plains produce rice and corn in Dumoga, Ayong, Sangkub (Bolaang Mongondow) and Panguyaman and Marisa, which are close to Gorontalo. Sangkub (Bolaang Mongondow) and Panguyaman and Mirisa which are close to Gorontalo plateaus in Tondano, the Minahasan region also produce rice and corn whereas Modoinding is known for its vegetables. Sangihe Talaud is recognised for its high quality nutmeg and Rumbia Trees (Sago Palm is the source of a special flour for traditional cookies/snack)

North Sulawesi is also endowed with many scenic lakes: Lake Tondano, Lake Mooat and Lake Limboto. Rivers such as Ongkag Mongondow, Ongkag Dumoga, Sungai Sangkub, Randangan, Bulia, Bone and Panguyaman are utilised mainly for irrigation of the ricefields. The Tondano River is used to generate electrical power for Manado and Minahasa regions.

Bahasa Indonesia has become the lingua franca for North Sulawesi, but there are four major ethnic groups (Minahasa, Bolaang Mongondow, Gorontalo, Sangir Talaud) which consist of tribal groups with their own languages.

As part of North Sulawesi’s (and Indonesia’s) export economy, tourism should play a key role in any export development strategy for all goods and services that might be developed under any form of integrated Provincial wide economic development strategy.

The table on the following page compares features and data of North Sulawesi and Indonesia:-
<table>
<thead>
<tr>
<th></th>
<th>Indonesia</th>
<th>North Sulawesi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>Jakarta</td>
<td>Manado</td>
</tr>
<tr>
<td>Land Area</td>
<td>1,010,443 sq km</td>
<td>27,487 sq km</td>
</tr>
<tr>
<td></td>
<td>(1,905,000 sq km DFAT data)</td>
<td></td>
</tr>
<tr>
<td>Official Language</td>
<td>Bahasa Indonesia</td>
<td>Bahasa Indonesia</td>
</tr>
<tr>
<td>Average Temperature</td>
<td>21 – 33 C</td>
<td></td>
</tr>
<tr>
<td>Population</td>
<td>Over 200 million</td>
<td>2.7 million</td>
</tr>
<tr>
<td>Annual Population Growth Rate</td>
<td>1.7%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Life Expectancy</td>
<td>62 years</td>
<td></td>
</tr>
<tr>
<td>Major Religions</td>
<td>80% Islam</td>
<td>Approx. 57% Christian</td>
</tr>
<tr>
<td></td>
<td>Others: Christian, Hindu and Buddhist</td>
<td>43% Islam</td>
</tr>
<tr>
<td>GDP</td>
<td>USD141 billion (1999)</td>
<td></td>
</tr>
<tr>
<td>GDP per capita</td>
<td>USD904 (1994) reduced to USD700 (1999)</td>
<td></td>
</tr>
<tr>
<td>Inflation</td>
<td>20.5% (1999)</td>
<td></td>
</tr>
</tbody>
</table>

**In 1997, the tourist arrivals into Indonesia by main markets of origin were:**
(Source: World Tourism Organisation)

- **Singapore:** 1,584,457
- **Japan:** 639,211
- **Malaysia:** 443,665
- **Australia:** 418,143
- **Germany:** 187,384
- **USA:** 181,967
- **Republic of Korea:** 161,033
- **United Kingdom:** 139,046
- **China, Hong Kong:** 122,731
- **Netherlands:** 118,948
- **France:** 99,713
- **Italy:** 66,915
- **Thailand:** 47,508
- **Canada:** 38,421
- **Philippines:** 36,142
- **New Zealand:** 34,505
- **Switzerland:** 30,539
- **Belgium:** 24,190
- **Denmark:** 16,261
- **USSR (former):** 14,418
- **Austria:** 13,846
- **Brunei Darussalam:** 12,407

Although some tourist arrivals data for North Sulawesi are included within this Task Force report, they are not reported with the confidence level of the WTO data for all of Indonesia as given above.
North Sulawesi Visitor Arrivals.

Dinas Pariwisata, the provincial office of the Indonesian Department of Tourism, reported the following visitor arrival numbers to North Sulawesi between 1994 and 1997:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Persons</th>
<th>Percent Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>23,762</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>32,525</td>
<td>36.9%</td>
</tr>
<tr>
<td>1996</td>
<td>42,155</td>
<td>29.6%</td>
</tr>
<tr>
<td>1997</td>
<td>48,821</td>
<td>15.8%</td>
</tr>
</tbody>
</table>

No figures were available after 1997. The Task Force was informed that these arrival figures were a combination of the visitors who entered the province by international flights and an estimated number arriving through other points. This estimate was derived by taking a percentage of the total number of people who entered the province through other entry points including overland from Central Sulawesi, by ferry and commercial shipping to Bitung and by fishing boats and other craft elsewhere in the province. For this reason, no information concerning the country of origin of 25,794 of the visitor arrivals in 1997 was available. Of the remainder, the top five countries of origin were the Netherlands, Singapore, Japan, Taiwan and the UK. Discussions with hotel operators indicated that the number of arrivals from Japan and Taiwan has since fallen sharply, due mainly to personal safety concerns.

Sam Ratulangi Airport remains by far the main point of entry of tourists into North Sulawesi. The following table shows the number of arrivals on international flights at Sam Ratulangi Airport between 1995 and 1999, according to the same agency:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Arrivals</th>
<th>Percent Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>6,931</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>9,822</td>
<td>41.7%</td>
</tr>
<tr>
<td>1997</td>
<td>10,732</td>
<td>9.3%</td>
</tr>
<tr>
<td>1998</td>
<td>9,720</td>
<td>-9.4%</td>
</tr>
<tr>
<td>1999</td>
<td>12,179</td>
<td>25.3%</td>
</tr>
</tbody>
</table>

With approximately 14,000 seats per year on the SilkAir’s flight from Singapore, presently the sole international flight at the airport, it would appear that the number of available seats has become a bottleneck for further increases in international arrivals. No information on visitor origin and purpose of visit was available.

If the experience of the Task Force is anything to go by, the scarcity and questionable veracity of statistics with regard to the tourism industry will be a major concern to properly assessing the economic and other impact of tourism on the province. For this reason, priority should be placed on implementing the collection and compilation of visitor statistics in line with standards used by international bodies such as the World Tourism Organization and the WTTC.
Section 3:

Background to the Task Force

The PATA North Sulawesi Chapter, formed in late 1998 as a ‘satellite Chapter of the PATA Indonesia Chapter, is one of the newest Chapters in PATA’s Asia Division.

One of the first actions of the PATA North Sulawesi Chapter was to commission a PATA Task Force to visit the destination to provide an external set of recommendations on:

- The assessment of tourism products
- Positioning of the destination
- Marketing and promotion
- Fostering public and private sector partnership.

The following objectives were originally proposed by the PATA North Sulawesi Chapter for the Task Force.

- To find ideas and solutions to effectively market North Sulawesi within the confines of their limited resources.
- This mission should take into account what we have to offer and how it compares to other destinations in the same market arena. (ASEAN countries)
- Look for concrete ways (step by step procedures) to involve local businesses in order that they fully understand the impact of tourism for their businesses.

More specifically, the PATA North Sulawesi Chapter was seeking the following from this Task Force:

Destination Marketing – Market Awareness

1. Creation of an image that will attract international travellers – logo, marketing symbol etc.

2. Familiarisation trips – study the effectiveness of inviting top decision makers of large tour companies and leading travel writers to begin to portray a clear picture of what North Sulawesi has to offer and the uniqueness of our region.

3. Sales and Marketing tools – input based on what we have to offer.

4. Highlight our cultural and geographic diversity: highlight our different cultures emphasising the harmony that exists between our people. This diversity among cultures is hard to find yet provides the backdrop for the province that has the qualities that is sought after in the international travel market.

5. Geographical awareness – create awareness as to the location of North Sulawesi. It is the most beautiful part of the island of Sulawesi and stretches north and south of the equator. North Sulawesi is easily reached by air from Bali, Singapore and the Philippines. Bali and North Sulawesi are very close, not only geographically but also in the same context of safety and ethnic harmony.

Get the Government involved:
1. Encourage the local Government, through seminars and follow up reports (from the Task Force) to take action and steps to prepare for the future of North Sulawesi in the tourism industry. As the market becomes more competitive, North Sulawesi must develop measures that have worked in other destinations, such as centralised shopping areas, hawker centers and food stands. The concept must enhance North Sulawesi and make it attractive to traveller and investor alike.

2. Conduct two meetings with the Task Force and Government on the Task Force arrival and prior to their departure. We will invite: DPRD, Governor, City Planners, Tourism Offices, Chamber of Commerce.

An international team of volunteers from the PATA membership was invited to participate in this mission. The team acknowledged the above-noted guidelines from the PATA North Sulawesi Chapter, and suggested adjustments to the work of the Task Force following assessment of ‘desirable vs achievable’ objectives given the time, expertise and resource constraints of the team.

This report is the outcome of the observations of the Task Force during their time in North Sulawesi.

One of the key observations of this PATA Task Force can be summarised in this following quote from the Secretary General of the World Tourism Organization when he addressed the ‘Earth Summit’ conducted by the United Nations in Brazil, 1992:

‘In the long-term, the protection of the environment in tourist destinations will not take place against the tide of the market but rather in the same direction as that tide. Thus, the concerns of consumers, the travel trade and resident populations will outweigh those of individuals who saw in tourism only a short-term, speculative opportunity.’

---

‘The island of Sulawesi between Borneo (Kalimantan) and new Guines (Irian Jaya) is Indonesia’s best kept secret. It has much to offer and the infrastructure is improving. But the interior roads are still in dubious shape. Those in the mountains are often clogged by mud and rockslides….The so-called Trans-Sulawesi Highway is overstated – it’s really just a thinly paved rough track.’ U.S. traveller’s contribution to Lonely Planet website on Indonesia, 1999.

‘…. destinations that have failed to take a proactive stance regarding the management of their tourism industry have risked stagnation and decline in their ability to compete’

Richie, Brent. University of Calgary, Canada.
Section 4:

Tourism Issues.

Section 4.1: Introduction.

Tourism is not a new phenomenon for North Sulawesi. For centuries, the islands of the Indonesian archipelago have been destinations for travellers whether they be traders from China or India; Portuguese, Dutch and Japanese colonisers; dedicated missionaries; adventure seekers from far-away lands; packaged tourists from Singapore or Malaysia; cruise ships; fishing fleets, wandering yachtsmen, or mining companies. The English traders called it the Celebes.

With the reality of enormous geographical, cultural and economic fragmentation amongst some 300 ethnic groups speaking some 365 languages and dialects, the maintenance of a new stable Indonesian democratic national structure is constantly challenged.

Currently, Indonesia is the fourth most populous country in the world with over 200 million residents, growing at a relatively high 1.6% per annum. By year 2020, the country’s population could reach 264 million. During these next two decades, the World Tourism Organisation advises that East Asia and the Pacific’s share of global tourist arrivals will rise from 14.4% in 1995 to 25.4% in 2020. By this time they expect total international tourist arrivals to be in the order of 1.6 billion – i.e. some 400 million tourist arrivals into East Asia and the Pacific by 2020.

In 1997, Indonesia received just over 5 million international visitors, less than 1% of global international tourist arrivals, but 5.6% of East Asia Pacific international arrivals. This represented tourism receipts for Indonesia of US$6,625 million. (Source: WTO). The impacts of the Asian crisis reduced arrivals and receipts significantly in the late 1990’s, however, given a revival of political, economic, and social harmony in Indonesia, there could be confidence in a two-fold, or three-fold (or more) increase in tourists arrivals and tourism receipts for Indonesia by 2020. For the purpose of this particular PATA Task Force, the key issue was ‘How many of those future visitors and how much foreign exchange from tourism would come to North Sulawesi?’

In recent times, the all important world media view of Indonesia has been one of internal conflict and national Government instability resulting from moves for provincial independence, religious and ethnic tensions and economic crisis. By the end of the 1990’s, the Indonesian rupiah was widely reported as ‘the world’s worst performing currency’.

That important source of destination information for many international travellers, the ‘Lonely Planet’ website on ‘Destination Indonesia’ states: ‘An ugly brand of jingoism swept across most of Indonesia and westerners became the brunt of much wounded pride. This makes it a particularly unattractive travel destination for most western travellers.’

It continues: ‘The economic downturn (late 1990’s) coincided with a monsoon that never came and massive fires that destroyed millions of hectares of Indonesia’s forests. Sulawesi and Kalimantan burned, and virtually the whole archipelago was choked in thick smoke for weeks as airports closed, ships at sea collided and residents gasped for air.’ Under a bold type ‘Warning’, the Lonely Planet website states: ‘Visiting Indonesia anywhere in the near future is just not a good idea.’

The U.S.A. Department of State reports: (June 30, 2000) ‘American citizens travelling to Indonesia and East Timor should exercise caution’. The Consular Information Sheet issued by the State Department (Feb 18, 2000) states: ‘...the political situation remains fluid as the new government faces continued civil
strife in some important outlying areas, most notably Aceh, Papua (the province formerly known as Irian Jaya) and Maluku. Violence in these areas, that continued throughout 1998 and 1999, has occasionally targeted American citizens.’

The Indonesian travel information published by the Australian Government’s Department of Foreign Affairs and Trade advises (July 9, 2000) that ‘tourist services are operating normally on Bali and Lombok’. However, it also states: ‘Australians should avoid travelling to Maluku and North Maluku provinces. Poso, in Central Sulawesi, has recently experienced a series of violent clashes similar to events in the Maluku provinces.’

North Sulawesi had not received any major negative publicity in the mass media in Australia until July 2000, when two national TV network news broadcasts (ABC and SBS) carried stories about the lack of enforceable laws in North Sulawesi in relation to gold mining licences paid for and held by Australian companies and the dangerous practice by North Sulawesi residents in handling the mercury used in the gold mining processes. The news broadcasts showed clear evidence of mercury run-off pollution in local streams used by children and into the areas of local fishing for seafood served in the Manado area to both locals and visitors.

Against this background, the new PATA North Sulawesi Chapter identified it needed some external assistance in addressing a number of key issues and challenges for destination North Sulawesi. The requested focus was input for the development of a destination marketing strategy and some guidance on how to generate improved awareness and support from all stakeholders, particularly Government, in the complexities of growing tourism into North Sulawesi.

This Task Force has addressed these two key issues as requested by the PATA North Sulawesi Chapter. In addition, the authors comment on the broader view of tourism which gives a more holistic understanding of the many variables that together make up the North Sulawesi ‘tourism system’, inclusive of the two key issues noted above.

The authors note that a cohesive and coordinated approach to destination marketing is fundamental to the business success of both the individual business enterprises and a destination such as North Sulawesi as a whole.

However, it is through the broader function of destination management that not only the appeal of the destination and its tourism products in the marketplace is addressed, but

1. the provision of a range of supporting infrastructures and services,
2. high quality visitor experiences delivered in a cost-efficient manner and
3. relationships between and the actions of governments, industry and community stakeholders

are acknowledged as integral to the ‘tourism system’ that makes North Sulawesi a tourism destination.

An international strategic tourism planning process would often involve four major steps:

1. Establishing a ‘vision’ for the destination.
2. Strategy formulation
3. Strategy implementation
4. Control and evaluation of the process

This report makes a contribution towards items #1 and #2. It remains the task of North Sulawesi to complete both these items and then address items #3 and #4.
Section 4.2:

The national political context.

As one of the 27 Provinces of Indonesia, North Sulawesi is experiencing a transition phase from central controlled Government to more Provincial and Democratic systems.

Cumpston et al (1995) studied 212 countries in each year for 50 years from 1945 to 1995, analysing the frequencies of transition between five different states of government

1. Dependent territory or protectorate
2. Democratically elected government
3. Non-democratic government
2. Strongly repressive government, widespread rebellion or occupation
3. Civil war (armed conflict in continuing conflict, or war within boundaries)

They commented:

‘Non-democratic government is by its very nature repressive, as this is the only way to retain power in the face of discontent. Given the varied means of repression available, and the gains flowing to those in the power structure, a repressive government can be extremely long lasting. Democratic government may not be feasible in poor nations, as there may be insufficient resources to reward civil servants, police and the military sufficiently to ensure their loyalty and honesty. Lack of education and communication may also prevent the establishment of an informed democracy.’

The main reasons for national splits and mergers: (Source: CSIRO)

- Unworkable groups of former colonies (e.g. the French community)
- Unworkable geography (Bangladesh and Pakistan)
- Successful unification of compatible countries (Vietnam and Germany)
- Collapse of repressive regimes (USSR and Yugoslavia)
- Successful rebellion (Eritrea)

Developing the optimal Government policies and structures for tourism in North Sulawesi in this new age of Provincialism and democracy will require major changes in the internal organisational culture of Government agencies shaped by over thirty years under the Suharto Government.

This also is a period of significant change occurring in the structure of tourism within the national Government and its relationships with the Provinces. As an individual Province with an existing tourism infrastructure, it is important for North Sulawesi that both the industry and Government tourism organisations at the provincial level have adequate organisational structures and resources to ensure the best interests of the Province are addressed in negotiations with the national Government during this period of change and developing new systems.

Government in Indonesia is moving from centralised, hierarchical structures into more democratic consensus based structures that will require time to absorb, understand and make it work for the people of North Sulawesi and the provincial tourism industry. Past experiences of Task Force members is that major changes to the status-quo of organisational cultures can often be facilitated by the introduction of new leadership and ideas. (Sometimes, if you stand too close to the house, you don’t see all the bricks!)
Section 4.3:

The natural environment.

Principle 22 of the Rio Declaration on Environment and Development.

Indigenous people and their communities and other local communities have a vital role in environmental management and development because of their knowledge and traditional practices. States should recognise and duly support their identity, culture and interests and enable their effective participation in the achievement of sustainable development. United Nations 1992: 7

Over 130 years ago, a noted early traveller to North Sulawesi made a significant contribution to the puzzles of animal origins and distribution. It was naturalist Alfred Russell Wallace and he observed:

‘Should civilised man ever reach these distant lands ….. we may be sure he will so disturb the nicely balanced relations of nature as to cause the disappearance, and finally the extinction, of those very beings whose wonderful structure and beauty he alone is fitted to appreciate and enjoy.’

This year, a modern day traveller, Rob Lee writing in the Asian Geographic Magazine (March-May 2000 issue) said: ‘In just 25 years, Sulawesi’s forests have been plundered like riot-torn streets. Rattan and timber are hauled out by the truckload. Foreign mining companies poison rivers with mercury in the name of ‘research and exploration’. And hunters continue to exhaust wildlife populations. The crested black macaque populations in North Sulawesi have plummeted. Bear cuscuses, normally at low population densities, have dropped to a point where we saw only two cuscuses during our survey at Mananbonembo Nature Reserve in North Sulawesi. Babirusas were absent in my recent survey of eastern North Sulawesi.’

Rob Lee added his assessment that: ‘………… unless human greed and carelessness are kept in check, the fauna of Sulawesi will disappear and we will surely bring an end to whatever brilliance and beauty nature’s evolution has to offer.’

There are enormous pressures on the natural environment of North Sulawesi – marine and terrestrial. Fortunately, after many uncertain years, a large part of the marine region is coming under a management plan with the newly established Bunaken National Park Management Board. Through a special Committee of the PATA North Sulawesi Chapter (Marine Operators Association) the interests of the diving and other marine tourism operators have been included in the consultative processes that have established the new Management Board.

No such management structures are in place for natural areas of the highlands where local recreation and tourism users can, or will, be attracted to experience magnificent natural environments. All life is connected. The sea, as an example, is both separate to, but connected to the land as processes on the land directly impact on the sea and conditions in the sea will influence life on the land. It serves the best interests of the tourism industry if it can be a strong advocate to encourage Governments to pursue policies to protect biodiversity and maintain the essential ecological processes and systems throughout North Sulawesi.

‘Travel fosters awareness of the smallness of our planet, heightens consciousness of the earth’s finite resources and creates a feeling of solidarity with the people’s of the world. After visiting unique areas of the world, tourists become better aware of the fragility of the environment’.  Antonio Enriquez Savignac, Secretary-General, World Tourism Organization, in his address to the United Nations Conference on Environment and Development, Rio de Janerio, June 4, 1992.
An idea for community based care of the natural environment.

The initial concept: ‘Custodians of Mt. Mahaw’.

(or ‘Custodians of the Volcano’ or ‘Custodians of the Environment’ – a suitable name needs to be selected for this community tourism initiative of the PATA North Sulawesi Chapter)

Mt. Mahaw is an (almost) extinct volcano near Tondano in the highlands behind Manado, reaching an altitude of 1331 m. above sea level. Some members of the Task Force undertook the approx one hour trek up to the crater of the volcano through farmlands, rainforest and grassy hillslopes before reaching the summit.

The scenic views on parts of the track up the hill and from the top are magnificent. The air is fresh. It has high local recreational use, as well as tourism and environmental value.

It also has a lot of litter, human wastes, fire-wood being taken from the bus area and trampling of the hiking path. **If actions are not taken to better manage this environment in the next few years, it will become a scenic rubbish dump** detrimental to human health.

The problems:

- Generation of human waste from campers and hikers.
- Production of garbage left on or near the trail.
- Soil erosion from human impacts on the trial.
- Removal of forest timber for firewood.
- Camp fires in the grasslands during the dry season.
- Campfires in the forested areas in the dry season which could rapidly spread uphill into the dry grasslands.
- Lack of signage to educate/inform users of the need to bring garbage back down the trail.
- No places to dispose of garbage.

Apparently, the ownership of the land through which the trail passes is private (for the farmland section) and Government owned for the forest, grasslands and volcano sections. It would appear the land owner is happy to continue to permit access through his land at the beginning of the trail.

So, what is a *possible solution* to this (and no doubt numerous other sensitive environmental sites with high local recreational and/or visitor use throughout North Sulawesi).

The *solution could be a partnership* between school or community groups and local business community leaders. **The key factor is that it is a local community commitment and activity.**

Most of the users are younger local recreational users. The peak visitation (hence impact) time is the weekends when many camp overnight at or near to the crater. The ‘Custodians of the Volcano’ concept is a means to combine environmental and tourism/recreational use awareness to the local community.

There are two assumptions, that:

- Government resources are scare to fund trail maintenance and policing cleaning and the supply of toilet and water facilities.
• Even if Government in Manado or Jakarta had the resources, local volunteer commitment to caring for the trail would result in a greater outcome for the environment and the quality of the visitor experience.

Under the leadership of elders (e.g. local Chamber of Commerce or Parents and Citizens groups of local schools, or other Community Associations) various schools or groups such as the Boy Scouts would be encouraged to take ‘ownership’ of the trail management for a given period of time – perhaps on a monthly rotational basis.

Essentially, the job would be to have an ‘exercise hike’ for 2 or 3 hours on a Sunday to collect garbage, maintain the signs educating users not to leave their rubbish, raid the forest for fire wood, burn fires carelessly and use appropriate waste disposal systems (which would have to be established).

Perhaps a fee could be levied for those who choose to camp overnight. The revenue generated could (perhaps) support a Ranger (or Custodian) to overnight a certain nights of the week to manage where and how the campers camp and assist in ensuring rubbish bought in it taken out. The fees may also assist in having local government make regular garbage collection from a given pick-up point at the base of the walk.

Suggested action: PATA North Sulawesi Chapter members who live and/or operate in the region near the Volcano act as the catalyst to:

(a) Fine tune the concept.
(b) Get the concept moving along.

Perhaps the World Wildlife Fund or some similar group may wish to support/sponsor the initiative. Whichever way it goes, it will need a couple of ‘local champions’ who endorse the concept and make it happen on behalf of the local PATA Chapter.

‘The lure of cultural difference, the attractiveness of encounters with the exotic and concentrations of the tourist gaze upon the cultural aspects of a destination are in themselves triggers for environmental disturbance and degradation. The environmental intrusions of the tourism industry, through development and volume of tourists, are frequently cultural intrusions, particularly in societies where there is an intimate relationship between the physical environment and cultural values.’ Robinson, 2000. (pp 297)
4.4. **ESD: Ecologically Sustainable Development.**

It was the observation of the Task Force that North Sulawesi is a destination with a relatively high quality of natural environment (marine, coastal and terrestrial) that is also a significant economic asset, particularly for the tourism industry. With increasing population pressures, mining, fishing, farming and other resource depleting commercial activities, the natural areas of North Sulawesi will not only be characterised by diversity, beauty and quality, but also by scarcity.

Many ‘environmental experts’ have already argued that North Sulawesi has major conservation significance to the world. This issue should be further investigated not only from an environmental sustainability perspective, but also from the commercial tourism opportunities that can arise in providing a ‘clean, green’ product to an increasingly environmentally aware market.

Nowadays, the principles of ESD are primary to the sustainable management of increasing parts of the world to maintain biodiversity and other environmental values.

The Task Force has recommended that Governments and industry at all levels in North Sulawesi adopt ESD principles as underlying, or foundation, principles, for all planning and development decision making processes. The objective would be for North Sulawesi to follow world best-practice in its conservation management systems which generate international recognition for the preservation of the biodiversity, the integrity of its natural resources, and its delivery of environmentally sustainable tourism products.

‘Protected areas will not survive unless they enjoy broad public support and this will not exist unless people’s fundamental needs are met. Land use and resource management conflicts, inequities or impacts do not go away simply because an area is given protected status.’ ICUN – The World Conservation Union, 1998
Section 4.5:

A suggested 4 stage process for better planning of future sustainable tourism in North Sulawesi, Indonesia – which can be integrated into provincial and city planning processes.

1. **Create a vision**
   - Where do you want to be in 5, 10 or 20 years?
   - If you don’t know where you want to go, how will you know how to get there, or when you have reached the target?
   - What do residents and visitors value about North Sulawesi?
   - What role should tourism play in the economic, social and environmental objectives of North Sulawesi?

2. **Strategy Formulation**
   - The road map to reach the vision
   - There are many ways to formulate a tourism strategy for a destination which assess where the destination has evolved from, where it is now on the destination life-cycle, where it wants to be, how it will get there and how it will know it got there.
   - For a sustainable tourism future in North Sulawesi, not only the economic, but also the social and environmental returns to stakeholders in the host community need to be addressed.

3. **Strategy Implementation**
   - Which roads will you take and what are the ways you will travel?
   - Implementation is a key element of any strategic planning process.
   - Also involves having the right industry/government structures in place to make the implementation happen.

4. **Control and Evaluation**
   - How do we stay on the road and make modifications when circumstances change along the way?
   - When and how do we know we are working towards the right target (vision)?
   - When and how do we know we have reached the target?
Section 4.6:
Options for Tourism Development.

Background.

When a destination community has enjoyed the various benefits of tourism development, thoughts often turn to encouraging future growth in order to secure even greater benefits. However, the community should carefully evaluate potential impacts and adopt mitigation measures. The fact that a destination has been able to support the existing level of tourism without unacceptable negative consequences does not mean that additional tourism will be benign.

An increase in the number of tourists or a change in the type of attraction may also mean that the destination is no longer attractive to the types of tourists who have been visiting. One cannot be all things to all people, and destination communities cannot reasonably appeal to every niche market.

Despite these caveats, tourism growth can be highly beneficial when it is managed carefully. Every community can discover ways to enhance the assets that make it a special place and thus attract more visitors. There are various strategies that communities can adopt and implement to enhance and enlarge their tourism. For some, it will mean expanding their attractions or making them available to even more tourists; for others, the best approach may be to divert tourists to an entirely separate location, while still others may choose to concentrate tourism within a confined area. For communities just starting on tourism development, it will mean identifying a product and attracting a whole new market. All of these strategies have been successful in a variety of settings, and all have been used on local, regional and national scales.

Expansion Strategies

Most successful tourist destinations have, consciously or not, adopted an expansion strategy to some degree. For example, additional buses or ferries scheduled for heavily travelled tourist routes, museums stay open longer hours, new hotel rooms are added to the market. Expansion approaches often seem among the “easiest” strategies for communities to implement since regulatory systems are often already in place. Developing more of the same or enhancing what already exists does not necessarily require complex regulatory support or government funding. However, not all destinations can take advantage of expansion. Environmentally fragile locations that need the protection of strict preservation rules are not good candidates for expansion; neither are communities that are experiencing carrying capacity problems. Communities need to consider carefully the diverse impacts increased tourism might have, how they might mitigate the negative impacts and whether the benefits will still outweigh the burdens.

The principal attraction of North Sulawesi is currently marine sports, primarily scuba diving, at the Bunaken National Park. As a result, tourism developments have naturally occurred on the mainland coast in and around the city of Manado, within a distance allowing for a reasonable time for day trips by boat to the Park. These developments are generally small (between 20 to 100 rooms), Indonesian-owned and operated hotels and resorts targeting mainly leisure travelers who utilize the on-site diving operation. Exceptions are the 195-room Marina Hotel (formerly the Novotel), the completed, but as yet unopened, 250-room Sedona Hotel and the 200-room Manado Beach Hotel.

Resort operators with whom the Task Force have had discussions report that, from the number of cancelled reservations, it appears that merely increasing the number of inbound international flights from Singapore could add up to 10 points of occupancy. Given that the average annual occupancy of resorts in the Manado coastal areas are presently between 25 and 30 percent, there appears to be no lack of accommodation for this market.
While there appears to be no reason to believe that Bunaken National Park has already reached its carrying capacity for divers, the Park management plan now being implemented needs to be systematically evaluated over time. Until and unless such an evaluation determines that there is room for significant growth in the number of visitors to the park, the Task Force recommends that there be no further development of new tourist accommodation on the coastal area of the mainland facing Bunaken National Park from Tasik Ria to the Molas area. With the current revenue being generated by the rooms operations of the existing resorts, it is unlikely that there will be interest from serious, long-term investors in any case.

In the meantime, other issues affecting both tourism growth and the quality of life of residents require more immediate attention:

1. Formulation and execution of plans for sustainable use of all of North Sulawesi’s natural resources, especially but not limited to the National Parks.
2. Infrastructure development aimed at reducing traffic congestion in the city of Manado and improving waste disposal.

Existing hotels and resorts should make the most use of the breathing space to consolidate their positions and to creatively explore new markets. In particular, the Marina Hotel is well located on the waterfront in Manado and, with significant capital improvements, can appeal to both commercial and leisure travelers as the premium hotel in North Sulawesi. This hotel, well maintained and operated under a major global brand such as Holiday Inn, could have a positive impact on the image of the destination as a whole.

Concentration Strategies

During the course of the Task Force’s activities and visits in North Sulawesi, one model of tourism development frequently discussed was the Nusa Dua integrated resort development in Bali. A Manado Tourism Development Corporation had, in fact, been formed using the Bali TDC model to develop a similar tourism enclave in the Tasik Ria area.

Nusa Dua is a classic concentration strategy to centralize tourism in a particular location, characterized by the Bali TDC as “A huge, self-contained tourist resort complex geared to high international standards, from which tourists would visit specially designated sites around the island on excursion trips.” The purpose of this approach were:

1. To protect Balinese culture by attempting to minimize contact of tourists with residents in the interior of the island;
2. To centralize the infrastructure construction and development guideline enforcement efforts; and
3. To spread economic benefit to residents in the interior, where attractions could be viewed on a day-trip basis without perceived sociocultural harm that could come from overnight tourism.

The Bali TDC has apparently succeeded in its goals of developing a very high-end enclave, whose design reflects the architectural heritage of the island and improving the infrastructure of nearby villages. However, an attempt to duplicate the success of Nusa Dua in North Sulawesi has not. The attempt was made by the Manado Tourism Development Corporation, which was formed explicitly to develop an integrated resort in the Tasik Ria area. Like the Bali TDC, the Manado TDC was formed to be the single agency to supervise the development and management of the resort area.

To seed the development of Tasik Ria, the 200-room Manado Beach Hotel was completed in 1992. Since then, however, only two more small properties, the 34-room Tasik Ria Resort and the 25-room Minahasa Prima Resort have been completed. The Manado Beach Hotel itself is now in poor physical condition, with an annual average occupancy approaching zero.
The failure thus far of the Manado TDC can be attributed partly to the lack of investment marketing, but mostly because North Sulawesi has never been positioned as a destination to attract the segments of the market which would be attracted to a development of this type. The recommendations of the Task Force for the short- and mid-term positioning of North Sulawesi are contained elsewhere in this report; if our recommendations are adopted, a Nusa Dua-type development will continue to be inappropriate for this destination.

**Dispersal Strategies**

In many ways the converse of the concentration strategies, *dispersal strategies* divert tourists from a destination that is experiencing tourist pressures to another attraction.

A dispersal technique could lure tourists from one individual site to others within a destination or from one community to another within a larger region. This relieves the pressures which increasing tourism could exert on a community or a fragile environment, and spreads economic benefits to residents of areas to which the tourism is diverted. Of course, avoiding popular sites by use of a dispersal strategy requires the active cooperation of visitors themselves. The most obvious method to encourage spreading of tourism is marketing: accurate depiction of the benefits of new areas to potential visitors.

As discussed earlier, there is some question as to the ultimate carrying capacity of Bunaken National Park. Increasing tourist numbers and length of stay in North Sulawesi must take into account the negative impacts of overcrowding and environmental degradation both in Bunaken National Park and the city and environs of Manado.

The Task Force therefore recommends the a tourism development strategy to divert tourists from Manado/Bunaken to other tourism sites, which may include, but are not limited to:

1. **Likupang and the northern islands**
   The islands of Bangka and Talisei offer good diving opportunities within twenty minutes from Likupang on the mainland, while Bairo island is within a full day trip distance. However, the Paradise Hotel in Likupang is unattractive, poorly designed, constructed and maintained, while the access road from the Airport or Manado is in very poor condition. Further north, the Sangihe islands offer interesting diving opportunities for experienced divers, including an underwater volcano. These open the possibility of a live-on-board diving industry. The reefs around these islands are threatened by bomb and cyanide fishing.

2. **Bitung and the Lembeh Straits**
   Diving in the Lembeh Straits offers a totally different experience for experienced divers, compared to Bunaken National Park. At the moment only one resort, the 16-unit Kukungan Bay Resort, exists in the area. This is a high-end resort catering to a select group of tourists; Manado dive operators currently conduct day trips to Bitung for Lembeh Straits diving.

3. **Tomohon and the Minahasan Highlands**
   Opportunities here include hiking and other outdoor activities, and cultural tourism. Attractions include Mahawu, an easily accessible live volcano, other, higher peaks, and Lake Tondano.

4. **Tangkoko National Park**
   This 9,000 hectare national park is close to Bitung and is the home of several species indigenous to North Sulawesi, including the Tarsius, the world’s smallest primate. The access road here, though, is very poor and passes areas of forest which have been cleared by slash-and-burn farming. There are also issues of illegal logging and hunting.
5. **Dumoga Bone National Park**

This is the largest National Park and also potentially the greatest tourist attraction on land in North Sulawesi. It is home to rare birds and several species of large mammal found only in North Sulawesi, including the Anoa and Babirusa. It is currently accessible from Manado only via a five-hour drive; however, accessibility can be greatly improved by re-opening the airport at Kotamobagu. Like Tangkoko, there are issues of illegal logging and hunting, to which are added illegal gold mining operations using highly poisonous mercury.

A dispersal strategy is usually more costly to implement than other options. When development is spread out over a wide area, it requires significant improvements to infrastructure. Roads need to be built or improved, and, in the case of Dumoga Bone, an airport needs to be reopened. Garbage disposal and sewage treatment facilities need to be up-to-date if they are to protect the environment where new development occurs. Without special funding, it would be extremely difficult to implement a dispersal strategy.

In addition, developing new tourist destinations takes skill, financial resources and the cooperative efforts of government, businesses and citizens. When dispersal strategies affect large areas, they are complex and often challenging to adopt and implement.
4.7. North Sulawesi Tourism Board.

The Task Force was advised of the existence of:

- The Manado Tourism Department. (Dinas Pariwisata Kota Manado)
- The Regional Office of Tourism, Art and Culture of North Sulawesi.
- The national Department of Culture and Tourism
- The Tourism Advisory Committee making a proposal to the Governor’s Provincial Development Empowering Council.

Industry (and Government) sources expressed differing levels of understanding (in some cases, confusion) about the roles, efficiencies and jurisdiction of these agencies.

Under Government Regulation of Manado Municipality No. 4 in 1989, the Manado Tourism Department was formed. The Task Force was advised that the Department has three particular issues:

- Restaurant business (District Regulation No. 8 in 1981 in relation to restaurants)
- Recreation and public entertainment businesses.
- Tourism object.

It was not made clear to the Task Force exactly what ‘tourism object’ meant.

The key issue is that there needs to be a re-assessment of the functions, structures and relationships of all Government (City, Regional, Provincial, National) agencies relevant to the business of tourism.

i.e. a Working Group to:

- review all the current agencies
- assess ways of streamlining Government involvement in tourism policy, planning and marketing activities
- make recommendations on the establishment of a new North Sulawesi Tourism Board which is independent from usual Government Department structures.

The Task Force has identified the benefits for any destination to have a well organised and sufficiently funded organisation such as a new ‘North Sulawesi Tourism Promotion Board’ which would deliver optimal results if:

- It was at ‘arms length’ from bureaucratic procedures of Governments.
- Was an independent corporation, 100% owned by the Government, with the majority of the Board members from the private sector.
- Had a clear focus on destination marketing activities.
- Was funded through Government revenues and cooperative marketing campaign opportunities with the industry.

There may still be a need to have a Provincial Department of Tourism to administer regulations in relation to tourism. But, given the types of organisation needed to be receptive to tourism market forces (i.e. a destination marketing organization which can pool resources of Government and industry to increase destination awareness and competitiveness) and the type of organisation needed to be a regulatory arm of Government, the suggestion is to separate these functions into two different agencies of the same Government. (one would be a Government owned corporation operating along corporate governance policies, the other a Government Department)

Tourism research outcomes which are relevant, timely and accurate for North Sulawesi’s needs are lacking.

Nevertheless, it is evident that within North Sulawesi’s higher education network there is the skill and the international networks to establish an appropriate tourism research focus to serve the needs of the destination.

The Task Force noted the work of Politeknik Institut with its current tourism research projects into the subjects of:

- Market segmentation.
- Destination image.
- Economic impacts.

All three projects are examples of the type of Provincial focussed tourism research that needs to be undertaken to assist in the provision of improved knowledge to make better planning and policy decisions for the development of much needed sustainable tourism practices in North Sulawesi.

The benefits of this research would be increased if it were part of a more systematic research agenda that provided a base to the strategic planning process as suggested in Section 4.5 above.

Differing perspectives from within and external to the destination:

<table>
<thead>
<tr>
<th>&quot;North Sulawesi has some 2.4 million inhabitants. They are friendly and open people with a love for colourful celebrations and ceremonial festivities. It is also an island of exotic beauty offering scenic landscapes and natural wonders duplicated in no other islands of the Indonesian archipelago.&quot; Jeremy Barnes, Chair, PATA North Sulawesi Chapter.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>&quot;The place is as hot as hell and you will frizzle hanging around waiting for a miracle on wheels.&quot; Dutch traveller’s contribution to Lonely Planet website on Sulawesi, Indonesia (no date)</th>
</tr>
</thead>
</table>
Section 4.9:

People Resources.

Given the number and variety of private and public education providers in North Sulawesi, the Task Force observed an opportunity for North Sulawesi to develop a special reputation for ‘Study Tourism’ – that is fee paying students coming into North Sulawesi to undertake higher education programs across all academic disciplines (not just tourism studies).

This segment of the tourism industry can make a significant contribution to both the economic and non-economic impacts to tourism. Students need to spend money on accommodation, food, entertainment, some travel – and they also can have visiting friends and relatives who become tourists while the students are undertaking their studies.

It was noted that some funding may become available from the Asian Development Bank to support vocational skills training in Indonesia, and it was a matter for individual provinces and/or institutions to apply for those funds to support their respective programs. The Task Force met with representatives of one Polytechnics that offers tourism/hospitality training programs and has an interest in tourism research activities. The opportunity for North Sulawesi to link into the ‘Joint Australia – Indonesia Hospitality Industry Competency Standards’ is noted in Section 10.1, Executive Summary, under ‘People Resources.’

In addition, the Ministry of Foreign Affairs in Singapore has a scholarship scheme available to students in other ASEAN countries tenable for full time undergraduate degrees in any discipline except medicine and dentistry. The participating Universities are NUS, the National University of Singapore and NTU, the Nanyang Technological University. Further details are available online at http://fundingopps2.cos.com

It was also noted that in 2002/2003 when the movement of labour between economies in South East Asia is liberalised, that there will be a greater need for North Sulawesi residents to have the necessary skills for the tourism and hospitality industries in order to compete in a more internationally competitive labour marketplace.

Given that Australia, Holland, Canada the USA and Singapore were identified as offering various forms of foreign aid programs to Indonesia, it was considered these countries could be the priority countries with whom to establish two-way tourism and hospitality exchange programs – for training, education and research activities.

‘..... besides a lack of capital, local people are disadvantaged by a lack of relevant skills or the opportunity to undertake training. As a result, employment opportunities are based on existing skills and capacities, as seafarers are equipped to become involved in the charter boat sector, while traders and entrepreneurs are able to reorient themselves towards tourism. Or they are limited to subordinate or semi-skilled roles which require little by way of formal education or training.’ From Walpole and Goodwin, ‘Local Economic Impacts of Dragon Tourism in Indonesia’. Annals of Tourism Research, Vol 27, No 3, pp 559-576, 2000, Elsevier Science Ltd. UK. Pp 371
Section 4.10:

Destination Web Site.

‘The world in the year 2020 will be characterised by the penetration of technology into all aspects of life. It will become possible to live one’s life without exposure to other people with automated service the norm and full access to, and exchange of, information on everything possible from one’s home. Even the emergent space tourism of that time will be by definition an activity, which is taken largely in isolation. In consequence, people will crave the human touch; and tourism will be a principal means through which they seek to achieve this.’

World Tourism Organisation.

Tourist information on destinations and products is now available 24 hours a day, 7 days a week. You can now book your airline seat, airport transfer, hotel, tours, restaurants from the comfort of your home, or your office at any time.

Internet sites don’t have the time and space limitations of traditional media such as magazines, newspaper, radio, television, travel brochures, or direct mailing pieces. This allows the world-wide-web to have a large volume of information about a particular destination – and that of competing destinations. Web based tourist information sites can also be updated more quickly than other forms of travel media which gives them the reputation for having the most up to date information. A visitor passing through North Sulawesi today can have his/her impressions on (say) a Lonely Planet travellers chat site tomorrow – where every potential visitor to North Sulawesi in the world can view their impressions.

The PATA North Sulawesi Chapter has done a commendable job in developing a destination information website for this part of Asia. It has already been a model used by other PATA Chapters around the world. **It is important this site be updated regularly**, particularly given the generally negative media Indonesia has been receiving for some years now since the Asian financial crisis and the political changes that have occurred.

It is also important that if Provincial agencies secure funding for a major website for all of North Sulawesi’s economic activities, that tourism information is accurately presented, consistent with the PATA Chapter site and linked to the PATA Chapter site.

It is also important to ensure the North Sulawesi destination information on the official Indonesia Tourism promotion Board’s website is accurate and linked to the PATA North Sulawesi’s Chapter site.

For readers who wish to investigate examples of current destination online strategies, a recent release has been ‘Tourism dotcom, a national online tourism strategy’ from the Department of Industry, Science and Resources, Australia. On the web at: http://www.tourismdotcom.gov.au

‘Out of intense complexities, intense simplicities will emerge.’ Winston Churchill.
Section 4.11.

The North Sulawesi Diving Industry.

(a) Scuba diving is presently by far the main attraction for visitors to North Sulawesi. According to some estimates by hotel operators, around 75% of all tourist arrivals will go scuba diving; many of the remainder are accompanying scuba divers. With no reliable statistics available, our best estimate of the total revenue expected this year from scuba diving activities in North Sulawesi is anywhere from five to ten million US dollars.

(b) The operators who are members of the PATA North Sulawesi Chapter and/or the North Sulawesi Watersports Association (NSWA) demonstrate a commendable spirit of cooperation and friendly competition. This is especially evident in the NSWA scholarship scheme, the joint patrols with the Marine Park authorities and police to eliminate illegal bomb and cyanide fishing practices, and the overall commitment to environmentally- and socially- responsible conduct. While there may be a few with a more short-term, quick profit mindset, it is heartening to see that, even in the current tourism slump, this is not the general attitude that prevails. This alone already separates North Sulawesi operators from many competing destinations in the region.

© One of the key issues for not only diving tourism but all adventure-type tourism anywhere in the world is safety. While the overall safety standards of land-based diving operations in North Sulawesi are as good as or better than other diving destinations in the region, this may not be good enough as the number of divers from existing markets grow and new markets are added. An accident which highlights a lapse in the safety standards of an operator is detrimental not only to the operator but possibly also for the destination, and may lead to government intervention and regulation.

(d) Some of the issues which individual operators or the NSWA may wish to consider include:

- Provision of safety equipment as standard on all boats including radios, mobile phones, life jackets (diving buoyancy compensators are NOT emergency flotation devices), first aid and oxygen kits. Dive guides should all be equipped with and trained in the use of a decompression computer.

- Training of crew; ideally, all dive guides should have at least a Divemaster rating from a major certifying agency; or at least advanced diving rescue training including accident management, first aid, field neurological examination and oxygen administration.

- Emergency plans of action, involving evacuation by sea and land and including the hospitals and recompression chamber operator, which have been regularly rehearsed and refined.
Section 5: Towards a Tourism Marketing Strategy for Destination North Sulawesi.

Marketing Strategy Blueprint/Approach.

We envision a ‘building block’ approach to a marketing strategy blueprint that is built around North Sulawesi’s existing three core unique selling propositions as a destination (short/medium term)

- Premier diving mecca and its spectacular marine life.
- Lush rainforest and natural beauty
- Adventure related activities (trekking, hiking, river-rafting etc)

Longer-term, as infrastructure and new product development take hold, it would feed off the equity of its existing core competencies or attractions to expand its ability to reach other customer segments and markets to increase international arrivals and expenditure.

The creation of a destination identity or brand would be the key to the destination’s short/medium/long term marketing efforts to obtain ‘cut-through’ in the increasingly crowded international arena.
Marketing Strategy ‘Road-map’.

Understand who and where existing customers are.
- Why buy?
- How they buy.
- How buying may change in future.
- Target like segments with communication.
- Build adventure and ‘eco’ equity.

Defining reality

Building Block I

Infrastructure & product development

Building Block II

Building Block III

Primarily a Diving Resort

YEAR

Infrastructure &

Year 2000

Product Development.

Year 2005? 2010? 2020?

43
**Marketing/Communications:**

- Immediately embark on (marketing) fund-raising opportunities.
- Develop marketing partnerships among private sector companies in the travel and tourism related industries.
- Initiate promotional campaigns at highly targeted customer segments in selected markets.
- Build awareness of destination around existing USP’s. (Unique Selling Propositions)
- Create a destination icon that will become recognisable and has a unique point of differentiation

**Building a destination ‘Brand’,**

| Rule #1 in Communication: | The audience defines the message. |

**The Thought Process:**

- ‘North Sulawesi’ as a destination name is almost unknown outside Indonesia.

- Leverage on the existing (external) equity and awareness of ‘Manado’

- ‘Bunaken’ is known amongst diving enthusiasts, but we want to convey more about the destination – there’s more to do than diving.

- What North Sulawesi has: (i.e. destination attributes) Abundance of premier dive resorts, adventure activities (river rafting, trekking, hiking, mountain biking, rock climbing, etc), eco-tourism,…..

- Create a destination brand (with a signature tag-line) that can encapsulate the above, and when used with stunning photography of the destination in all its communication and promotions, evokes the kind of imagery that we would want North Sulawesi to be associated with – natural beauty, pristine waters, unspoilt marine life, nature reserves, nature at its most spectacular, and more than just a diving destination.
Communication Platform:

“Where on Earth” campaign.

Sample Headlines: (rough draft only)

Where on Earth can you find spectacular underwater greatwalls, breathtakingly colourful coral gardens, and a variety of marine life that include undiscovered species?

Where on Earth can you find a spectacular and amazing sea garden, coral reef formation from 3 meters deep and plummeting to hundreds of meters, with over 30 pristine dive locations to explore?

Where on Earth can you find giant Napoleon wrasse, the elusive clown fish, blue ribbon eels and other spectacular marine life in pristine waters all year round?

Where on Earth can you find unique mammals like the Babi Rusa, Anoa, Tarsius spectrum, Maleo, and other spectacular birds and animals in its natural habitat?

Where on Earth can you find deep gorges, fast flowing rivers, blue highland lakes, lush rainforests, lontar palm savannahs and white sandy beaches that house a fascinating range of unusual flora and fauna found nowhere else?

MANADO
North Sulawesi
Bunaken • Minahasa • Tangkoko
Adventures Beyond Dreams
Next steps:

1. Solicit the services of a professional advertising and communications agency to develop a positioning statement for the destination and to design the new destination logo/brand.

2. Obtain industry input on positioning and design to get the private sector to ‘rally round’ the new destination icon.

3. Develop a coherent *destination marketing plan* with a focused and clearly identified target audience, and key deliverables in the short/medium term.

4. Validate with both Government and private sectors.

---

**Some background notes on the Indonesian domestic market and global tourism trends.**

**Domestic market:** Demographic characteristics and trends of Indonesia.

The 1995 population was a classic demographic pyramid, with a broad base of young people 1-19 years of age, gradually decreasing through the age groups to the ‘retired’ sector which constitutes less than 5% of the total population. Over the next 25 years the ‘under 15’ age group will decrease from 65.2 million in 1995 to 62.2 million in 2020 while the elderly will increase from 8.5 million to 18.6 million. (In Indonesia) the number and percentage of the population of working age will increase from 102.9 million (52% of the population) to 161.7 million (61%) of the population by 2020.’ (CSIRO Resource Futures, Canberra)

**International markets.**

The WTO reports that by 2020, there will be some 1.6 billion international tourist arrivals worldwide, spending over US$ 2 trillion. (In 1995, WTO reported 565 million international tourist arrivals, with tourism receipts of US$401 billion). These figures indicate sustained average annual growth rates of 4.1% and 6.7% respectively, well above the maximum probable expansion of 3% p.a. in the world’s wealth.

By 2020, the WTO forecasts that international tourists as a % of total potential travelling populations will show:

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldwide</td>
<td>7%</td>
</tr>
<tr>
<td>Europe</td>
<td>14%</td>
</tr>
<tr>
<td>East Asia/Pacific</td>
<td>10%</td>
</tr>
<tr>
<td>Americas</td>
<td>8%</td>
</tr>
<tr>
<td>Middle East</td>
<td>6%</td>
</tr>
<tr>
<td>Africa</td>
<td>5%</td>
</tr>
<tr>
<td>South Asia</td>
<td>1%</td>
</tr>
</tbody>
</table>

International tourist arrivals into East Asia and the Pacific are projected to increase at an average annual rate of 6.5% p.a through to 2020, reaching nearly 400 million. That is, approximately four times more than year 2000 arrivals, or almost 5 times more than 1995. (WTO)
Section 6:

Measuring The Impacts of Tourism in North Sulawesi

6.1 Economic Impacts

‘Whatever economic model is used to measure the economic impact of tourism, the results of the exercise must be kept in proper perspective. Tourism is an internationally traded service, and economic models cannot predict the future course of world trade and finance ………. when Governments are making decisions about tourism development, they are making strategic economic decisions that will impact on their economies for several years into the future.’

Prof. Trevor Mules, Cooperative Research Centre for Sustainable Tourism, University of Canberra.

Globally, tourism is big business, and there are various types of economic models which can be applied to estimate its economic impact.

Essentially, Tourism is an economic activity. Estimating its economic impact to any destination, inclusive of North Sulawesi, is an essential piece of information required by Governments and the private sector. Tourism derived direct revenue is the key reason Governments want to maintain the process of tourism development. Additionally, indirect revenue generation involves the flow or circulation of visitor expenditure with the host destination. (Income multiplier effect). Government taxation revenue can come from airport departure taxes, bed or hotel taxes, restaurant and entertainment venue taxes, permits, licences, fees from visitors and tour operators into protected areas, entry or transit visas, gaming licences, sales taxes and income taxes from locals employed in the tourism sector.

Tourism receipts can be increased by Governments stimulating the number of visitor arrivals, extending the average length of stay and/or increasing daily expenditure patterns of visitors.

From the period 1980 to 1996, Indonesia moved from a rank of #56 to a rank of # 19 in terms of the world’s top tourism earners. (World Tourism Organisation). During this period, Indonesia experienced a high rate of average annual growth in international tourism receipts of 22.21%, representing a six fold increase in Indonesia’s share of tourism receipts worldwide.

In 1998, the WTTC\(^1\) collaborated with the APEC\(^2\) Tourism Working Group to produce the report: ‘The Economic Impact of Travel and Tourism Development in the APEC Region.’

The report was intended to ‘provide the foundation for increased awareness and understanding of the significance of travel and tourism’s contribution to the economy of the APEC region’ and to ‘assist member economies to implement appropriate policy measures to prepare for the expected growth of travel and tourism and to capture the potential for new capital investment, foreign trade and job creation in the region.’

This report was updated and re-released in April 2000.

On the following page is a schedule of Global, Asia Pacific and Indonesian information from that report:

\(^1\) WTTC – World Travel and Tourism Council

\(^2\) APEC – Asia Pacific Economic Cooperation
<table>
<thead>
<tr>
<th></th>
<th>Global</th>
<th>Asia Pacific</th>
<th>Indonesia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year 2000</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total demand</td>
<td>USD4.5 trillion</td>
<td>USD2.4 trillion</td>
<td>USD20.900 billion</td>
</tr>
<tr>
<td>Jobs (Direct &amp; Indirect)</td>
<td>192 million</td>
<td>94.5 million</td>
<td>1732.20 (000s)</td>
</tr>
<tr>
<td>% of GDP</td>
<td>10.8%</td>
<td>10.5%</td>
<td>9.2%</td>
</tr>
<tr>
<td><strong>Year 2010</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total demand</td>
<td>USD8.5 trillion</td>
<td>USD4.4 trillion</td>
<td>USD58.92 billion</td>
</tr>
<tr>
<td>Jobs (Direct &amp; Indirect)</td>
<td>252 million</td>
<td>127.8 million</td>
<td>2938.60 (000s)</td>
</tr>
<tr>
<td>% of GDP</td>
<td>11.6%</td>
<td>11.3%</td>
<td>11.07%</td>
</tr>
</tbody>
</table>

Over the 10 years, 2000 to 2010, the annual growth rate p.a. of total tourism demand (real terms, adjusted for inflation) is expected to be 4.2% (global) and 4.4% pa (Asia Pacific), i.e. over that 10 year period, tourism demand in the Asia Pacific is expected to increase 53.8%.

The WTTC reports that in the APEC economies:

- Employment (direct and indirect) resulting from Travel and Tourism is expected to total 8.1% in year 2000, or 1 in every 12.3 jobs. By 2010, this total should grow to 9.5% or 1 in every 10.5 jobs.

- International travel and tourism exports make up an increasingly important share of travel and tourism gross domestic product. Of total national exports, services and merchandise, travel and tourism is expected to account for 11.5% in year 2000.

- Capital investment to support travel and tourism is expected to total US$376.5 billion in year 2000, or 8.5% of total APEC investment. By 2010, this total should reach US$736.6 billion, or 9.7% of total.

The ‘tourism industry’ is actually a segment of, or a combination of, a range of ‘conventional’ industries.

The ‘tourism industry’ has been defined: (1997: Tourism Council Australia, Property Council of Australia, Tourism Task Force)

‘as the sum of

1. the total output of industries directly supplying goods and services to travellers, weighted by the proportion of total sales purchased by travellers

2. the total output of industries supplying goods and services to the first group of industries, weighted by the proportion of total sales indirectly attributable to demand by travellers.

A useful summary of ‘Economic Impact Concepts’ for tourism produced by the Michigan State University, USA is available on the web: [http://www.msu.edu/course/prr/840/econimpact/concepts.htm](http://www.msu.edu/course/prr/840/econimpact/concepts.htm)

In terms of Indonesia’s balance of payments, growth in international visitor expenditures within destinations such as North Sulawesi (i.e. tourism exports) can benefit the country in two ways, either:

- by adding to national saving or

- by financing higher sustainable living standards
**Tourism Satellite Accounts:** The WTTC, WEFA and the WTO have all undertaken extensive work on this important issue over many years. Now, the TSA is internationally recognised as the official methodology for providing accurate data on the economic significance of tourism and the linkages that exist between tourism and other industries.

Essentially, the TSA adjusts the national system of accounts to isolate the contribution of tourism to a State or national economy. That is, it utilises existing economic data and reports on tourism within the context of an accepted system of accounts. It can deliver reports on the size, structure and components of a destination’s tourism industry to enhance strategic planning and management of the industry for both public and private sector organisations.

For comparative assessment purposes, Canada, Norway and Australia now have Tourism Satellite Accounts in operation.

Further sources to assist North Sulawesi in understanding the complexity and technical aspects of measuring the economic impacts of tourism for any destination.


Tourism Council Australia, Property Council of Australia, Tourism Task Force. *The economic significance of travel & tourism and is there a case for Government funding for generic marketing*. 1997, Canberra

6.2 Non-economic Impacts of Tourism in North Sulawesi.

The market-oriented approach.

‘Insofar as the market-oriented approach is particularly sensitive to demand pressures, it has often meant that, in order to satisfy the mounting demand for tourist accommodation, infrastructure and other facilities, the Travel & Tourism industry has been left free to build developments with little or no concern for the surrounding natural, cultural and social environment. Furthermore, with each sector acting in an uncoordinated manner the end result has often been far from optimal.

The stress exercised by this kind of over exploitative and short-term, profit-driven approach manifests itself in a number of ways, but more obviously on the degradation of the non-priced resources, such as the natural and built environment. Any good or service that does not come into the price equation is vulnerable to overuse and, once lost or irremediably damaged, cannot be replaced.’

Alessandra Lo Tufo, Air Harbour Technology, London.

Generally, tourism policies can be measured in economic terms, but they are often inadequate to deal with issues relating to community values and the variance between value systems and traditions developed over many generations. Issues and values such as cultural identity remains an area which Governments and the tourism industry have problems with.

Positive or negative cultural change is most often exhibited in the long, rather than the short term. It is therefore difficult to measure.

Nevertheless, there can be many benefits to the host community from forms of sustainable tourism that are well planned and properly managed. These include:

- Cross-cultural tolerance and understanding.

  For example, ‘ping-pong’ diplomacy between the USA and China in the early 1970’s, U.S.A. and Australian tourists now visiting Vietnam, American and British tourism into Germany after WW11.

- Preservation of culture and heritage.

  Examples of restorations that have been supported by tourism revenues include Anuradhapura (Sri Lanka), Ayudhya (Thailand), Borobudur (Java), Anko Wat (Cambodia), Macchu Pichu (Peru).

- Social wellbeing and stability.

  ‘Well-fed and prosperous people, all other things being equal, are usually less likely to initiate social unrest or political upheaval. By creating jobs and generating income, tourism is therefore said to promote a level of economic development conducive to increased social wellbeing and stability’ (Weaver & Opperman, 2000 pp 285)
• Environmental benefits.

Keeping local areas clean and attractive helps attract visitors and contributes to public hygiene and local pride in destinations. Tourism can be an incentive for a local community to enhance their environment. (e.g. parks and gardens, wildlife, public areas, nature reserves etc). Tourism may be a more attractive way of preserving natural environments than alternative uses (e.g. logging of rainforests, farming, mining). Tourism can also assist in bringing international attention to environmental degradation where negative environmental impacts are being overlooked by Governments.

• Educational opportunities.

Opportunities for local residents through the introduction of education programs and specialist training courses in hospitality and other business skills – for all ages.

• Improved facilities for locals.

Airport, road, power, shopping etc improvements to cater for increased tourism demand contribute to the public infrastructure available for residents. People who move to the destination to work in the tourism industry create demand for new housing and other goods and services.

• Diversification.

Tourism can assist in diversifying the local economic base which – as an example – may be dependent on farming or manufacturing or some other single industry.

‘Community education must be accompanied with support for community development and improvement of the cultural characteristics of local communities. It is meaningless if we encourage them to avoid ‘slash and burn’, logging, poaching and other illegal activities, even within the protected areas, meanwhile they are still dependent on these practices, and the search for alternative means of living is very slow and difficult.’

Section 7:

**Internal Stakeholder Tourism Awareness Strategy**

In North Sulawesi there is insufficient knowledge amongst Government, the general business sector and the community as a whole about exactly what ‘tourism is’, its importance as a generator of employment and export income as well as the contribution that properly planned and well-managed tourism can deliver to the destination.

Those benefits can be described in terms of education opportunities, improved transport services, preservation of the environment, the local cultures and heritage, new opportunities for local businesses including farmers providing the fruits and vegetables to the markets and hotels, improved facilities for residents with new infrastructure such as sporting venues and clubs, diversification of the local economy and the power of the multiplier effect.

This problem is not unique to North Sulawesi. It faces the tourism industry in most, if not all, destinations.

Improving stakeholder awareness and understanding of the nature, complexity, integration and benefits of tourism requires at least:

- Reliable economic and employment data on tourism for the destination. (hence, once again, the need for a set of Tourism Satellite Accounts or some appropriate investment in)
- A cohesive and informed approach by the tourism industry in its representations to Governments at all levels (hence the need for some better organisational structures for the tourism industry in North Sulawesi)
- Effective partnerships between the private and public sectors

Local residents can become concerned about proposed tourism developments. This is often based on lack of information and understanding and a lack of willingness from the tourism entrepreneur to effectively engage the local community in a consultative process. Local residents may fear being overtaken by mass tourism, or resent outsiders exploiting their culture or place, or become concerned that the character of their place will unfavourably change and the quality of their life as they are comfortable with is eroded.

Local residents need to know how tourism affects their lives. And there are many positive benefits that can be presented. If the community is involved from the beginning through various information forums, community education and a greater understanding of the
Section 8:

Some eco-tourism planning ideas:
Thailand, Nepal, Vietnam, Malaysia.

A. Community-based ecotourism in Thailand.

(Ronnakorn Triraganon, RECOFTC, Bangkok, Thailand.)

The concept of community-based ecotourism has been used to promote the involvement of local people in Thailand in tourism development and management. ‘Without local participation, it is very hard to control land use…….From an environmental and economic perspective, if local people are not involved, the area is likely to be over exploited and the resources that tourism depends on will be destroyed. By getting local participation in decision making, tourism programs can be more accountable in the long term’

Thailand’s Community-based Ecotourism Development Process:

2. Participatory Community Resources Analysis.
5. Strengthening Tourism Assets.
6. Administration Mechanism and Management.
7. Physical Improvement.
8. Pilot Program.
10. Re-design the Program

B. Learning from Nepal’s Ecotourism: (Chandra P. Gurang, WWF Nepal.)

Ecotourism in Nepal is based on three premises:

1. Promoting people participation in planning and management of tourism resources.
2. Increasing community development, nature conservation and tourism linkages
3. Using tourism incomes to safeguard resources on which it is based.

Tourist arrivals into Nepal increased from approx. 6,000 in 1962 to over 460,000 in 1998. It is the largest source of foreign exchange in the country.

The key lessons learnt have been:

- Proactive planning and management to increase tourism carrying capacity.
- People participation and empowerment for sustainability.
- Promote cross-sectoral linkages for wider distribution of tourism benefits.
- Product marketing to sustain investments.
- Education and sensitization for mutual respect.
C. Planning for a national ecotourism strategy in Vietnam.

(Prof. Ralf Buckley, Cooperative Research Centre for Sustainable Tourism, Griffith University, Australia. Email: r.buckley@mailbox.gu.edu.au)

Ecotourism planning in Vietnam involves a strategic alliance between private-sector tourism entrepreneurs, public-sector land managers and other Government agencies and non-Government organisations. For its own economic future, the tourism industry needs to take an active role in conserving Vietnam’s natural and cultural tourism icons and attractions, to provide a comparative advantage in an increasingly globalised tourism market.

Key components of a National Ecotourism Strategy for Vietnam:

- A national approach to land-use planning, covering all land-uses simultaneously.
- Full conservation of core protected areas with adequate management funding.
- Establishment of new areas for tourism and conservation, with basic management funds.
- Effective independent Environmental Impact Assessments, (EIA) managed by the environment portfolio, for major tourism developments in any geographical area or land tenure.
- User charges to fund the public costs of managing tourism, particularly in protected areas.
- Independent environmental monitoring in protected areas used for tourism, and independent audit of tourism EIA and corporate monitoring programs.

Other key components of a National Ecotourism Strategy for Vietnam could include:

- A routine process and criteria, including environmental criteria, for screening investments in tourism development and infrastructure.
- Large scale and widespread environmental education of tourists and operators.
- Appropriate marketing of natural and cultural attractions, to establish tourist expectations which can be satisfied.
- Environmental performance screening, environmental accreditation and environmental audit of tourism developers, tourism operators and tour guides.
- Best-practice environmental design, technology and management for all forms of tourism.
- Incentives, awards and perhaps tax concessions for tourism companies with high levels of environmental performance.
- Penalties for poor environmental performance, such as fines, cancellation of operating permits, or exclusion from national marketing programs.
- A routine system for public environmental reporting and performance monitoring of tourism operators.


(Mr. Shahril bin Sat, Ministry of Culture, Arts & Tourism, Malaysia)

Malaysia has adopted the following definition of eco-tourism:

‘Environmentally responsible travel and visitation to relatively undisturbed natural areas, in order to enjoy and appreciate nature (and any accompanying cultural features, both past and present), that promotes conservation, has low visitor impact, and provides for beneficially active socio-economic involvement of local populations’.

The 6 part Malaysian Eco-tourism Plan.
1. Identifies 37 issues to be addressed by 21 Action Plans.
2. Inventory of existing and potential eco-tourism areas throughout Malaysia.
3. Establishment of guidelines for use by Governments, Planners and private sector
4. Describes the current state of eco-tourism in Malaysia – numbers, characteristics, attitudes, perceptions.
5. Malaysia in the context of the broader Asia Pacific region.
6. Resource list: training institutions, tour operators, bibliography, databases.

‘Ecotourism is thrown forward as a economic alternative to be discussed by governments of developing nations – an alternative to the major extractive or consumptive industries such as forestry and mining – and an industry that might help locals hold on to the traditions and values they have grown up with.

It may be a matter of great urgency that activities such as ecotourism are developed with communities who are desperately looking for income or who have experienced mass tourism and its effects or who wish to cash in on the growth of this industry globally. It is often seen as an acceptable and easy means of attracting foreign exchange and earning much needed local revenue.

‘Ecotourism has the potential, in some instances, of holding up false hopes to a community. All too often it is put forward as a solution without the necessary principles being understood or a full understanding of the levels of support required to make a sustainable industry survive.’ Dr. Dedee Woodside, Ecotourism Planning and Management training in for Africa and Asia Pacific.

Ecotourism in relation to nature-based tourism and the general tourism sector in North Sulawesi.
Appendix 1:

PATA Task Force External Country Members

Task Force Chairman:

Mr. Steve Noakes
Chair, PATA Queensland Australia Chapter.
184 Freemans Road, Lower Beechmont, 4211, Queensland Australia.
Tel: +61-7-55948216 / Fax: +61-7-55331132
Email: noakes@c131.aone.net.au
or at Griffith University: s.noakes@mailbox.gu.edu.au

Mr. Steve Noakes first joined PATA 20 years ago and currently serves as a member of the Board of PATA, a member of the PATA Responsible and Sustainable Tourism Committee, a member of the PATA Industry Council, a member of the PATA Pacific Division Steering Committee and Chair of the PATA Queensland Australia Chapter. He is a Director of the Australian based tourism consulting and investing company, Pacific Asia Tourism. Policy. Planning. Management., Director of Bushwacker Ecotours Pty Ltd., and an Adjunct Lecturer in the School of Tourism and Hotel Management, Griffith University, Gold Coast, Australia.

Mr. Roy Tan Hardy
Senior Vice President, Millennium & Copthorne International Ltd. Singapore.
Tel: (65) 8392807 / Fax: (65) 7358924
Email: roytan.hardy@cdlhotels.com.sg

Mr. Roy Tan-Hardy joined Millennium and Copthorne International Limited (M&C) in March 2000 as Senior Vice President, Marketing and Sales. In his role, Roy is responsible for all-corporate marketing and sales activities, which include brand advertising, marketing programmes, partner alliances, communications, reservations and yield management. Prior to this, Roy spent three years with Bass Hotels & Resorts (formerly known as Holiday Inn Worldwide-Asia Pacific) where he was Vice President, Marketing, Sales & Services for the Asia Pacific region.

Roy is a current member of PATA’s (Pacific Asia Travel Association) Asia Division Steering Committee and has been actively involved in promoting travel and tourism in the region through his participation in various forums and activities.

Mr. Andy Yeo, Director, Hospitality Asset Advisors, Singapore.
Tel: (65) 2215211 / Fax: 2215011
Email: ayeoz@pacific.net.sg

Mr. Andy Yeo is the Director for Hospitality Asset Advisors based in Singapore. Prior to this appointment, Andy was an Associate for Harris Kerr Forster Hospitality and Tourism Advisors and Consultant at PKF Consulting in Los Angeles, USA.

In his years of hospitality consulting career, he was instrumental in several market, economic feasibility and valuation studies for a variety of lodging products. Andy’s representative projects included city-center and airport full service and limited-service hotels, conference centers, coastal and golf resorts, serviced apartments and expatriate housing in Singapore, Indonesia, Thailand, South Korea, India, Central Asia and the United States.
Mr. Leon Tan
Chief Executive Officer,
Dream Alliance (S) Pte Ltd,
Singapore
Tel (65) 2249010 / Fax: (65) 2245580
Hand phone: (65) 98174728
Email: leon@dream-alliance.com

Mr. Leon Tan is CEO of Dream Alliance (s) Pte. Ltd., Singapore’s first travel-agency alliance grouping comprising eight of Singapore’s leading outbound agencies (Airelated Travel, Diners World Travel, GBC Travelscene, Ken-Air Tours, SIME Travel, Thomas Cook Travel Services, Travel Bug Holidays and UOB Travel Planners.) prior to this appointment, he held a number of executive positions at Batam View Resort, Indonesia. During his career as managing Director for Batam View, he was credited for the development of Timeshare vacations, which elevated the cross-marketing opportunities for the resort. Leon also served as Director of Tour East Singapore for six years.

PATA Staff:

Ms. Sheila Leong
Senior Director-Asia,
Pacific Asia Travel Association, Singapore. Tel: (65) 2237855 / Fax: (65) 2256842
Email: sheila@pata.com.sg

Sheila Leong joined the Pacific Asia Travel Association as Director-Northeast Asia in April of 1998. Her primary role then was to work towards the promotion of travel and tourism to the Pacific Asia region in the international arena in general, and to Northeast Asia in particular - People’s Republic of China, Hong Kong SAR, Macau SAR, Chinese Taipei, Japan, Mongolia, Korea ROK and DPR Korea. As Director-Northeast Asia, Sheila Leong collaborated closely with PATA Members and Chapters in the designated region to fulfil their needs; develop and implement in-country and sub-regional programmes, activities and initiatives. In April of 2000, Sheila was promoted to Senior Director-Asia where her portfolio expanded to include Indonesia and Singapore, and managing all PATA activities and programmes in Asia. Following the Task Force, Sheila moved to Bangkok as PATA’s new Senior Director for Events.

PATA Staff (Observer):

Ms. Malinee Kitapanich
Director-Southeast Asia, Pacific Asia Travel Association, Bangkok, Thailand.
Tel: (66-2) 6582000 extension 105 / Fax: (66-2) 6582010-11
Email: malinee@pata.th.com

Ms. Malinee Kitapanich joined PATA as Director-Southeast Asia, based in Bangkok. She is responsible for liaising with PATA members, chapters and potential members in Southeast Asia, with the exception of Indonesia and Singapore, which are handled by Ms. Sheila Leong from the Singapore office. Malinee has been a human resources consultant for Chiva Som International Health Resort, and has held human resources and training positions with companies such as the Queen Sirikit National Convention Centre, Grand Hyatt Erawan Bangkok and Cathay Pacific Airways.
Appendix 2:

Task Force In-Country Committee

Mr. Jeremy Barnes  
Chair, PATA North Sulawesi Chapter, Box 236, Manado, North Sulawesi 95124  
Tel: 62 431 824445 / Fax: 62 431 823444  
Mobile: (62) 0-811439403 (if calling from outside Indonesia, delete the 0)  
Email: nspata@manado.wansantara.net.id

Purwantono  
Vice Chair, PATA North Sulawesi Chapter  
Assistant General Manager, Hotel Santika Manado  
Tel: (62) 431 858222 / Fax: (62) 431 858666  
Email: info@santika-mdt.com  
www.santika.com

Mr. Erik Rarumangkay  
Director of Sales, Tasik Ria Resort  
Tel: (62) 431 824445 / Fax: (62) 431 823444  
Email: tasikria@manado.wasntara.net.id  
www.tasikria.com

Mr. Steven Limongan  
Owner, Maya Travel & Tours  
Tel: (62) 431 870111 / Fax: (62) 431 870603  
Email: travel@maya-express.com  
www.maya-express.com

Mr. Gerald Lim  
Station Manager, Silk Air Manado  
Tel: (62) 431 863744/863844 / Fax: (62) 431 853841  
Email: gerald@manado.wasntara.net.id

Ms. Angelique Batuna  
Owner, Murex Resort and Liveaboards  
Tel: (62) 431 868513 / Fax: (62) 431 826092  
Email: info@murexdive.com  
www.murexdive.com

Ms. Maryke Alelo  
Politeknik Institut – Tourism Division Sam Ratulangi University  
Tel: (62) 0811437172  
Email: maryke@hotmail.com
Appendix 3:

Task Force Itinerary

Monday, August 28:

0910/2035 hrs
Mr. Steve Noakes travels Cairns to Singapore on Qantas, flight number: QF 61. Overnight accommodation at the Carlton Hotel, Singapore.

Tuesday, August 29:

0800 hrs: PATA Task Force External Country Members meeting at Changi Airport, Singapore.
0955 hrs: Task Force External Country Members depart Singapore for Manado on Silkair, flight number: MI274.
1325 hrs: Arrive in Sam Ratulangi International Airport, welcome by Task Force In-Country Committee, transfer to Tasik Ria Resort.
1600 hrs: PATA Task Force External Country Members and In-Country Committee working meeting.
1900 hrs: Welcome cocktail and dinner hosted by Tasik Ria Resort. Guest of Honour Vice Governor of North Sulawesi.
Overnight at Tasik Ria Resort.

Wednesday, August 30:

0800 hrs: PATA Task Force External Country Members breakfast meeting.
1000 hrs: Opening and Press Conference of PATA Task Force at Governor Office.
1200 hrs: Boat transfer to Bunaken Island to inspect Submersible and lunch hosted by Froggies Divers.
1530 hrs: Boat transfer to inspect Gangga Island Resorts and Paradise Hotel.
2000 hrs: Dinner at local restaurant hosted by SilkAir.
Overnight at Tasik Ria Resort.

Thursday, August 31:

0630 hrs: Breakfast
0700 hrs: Overland tour to Amurang-Kotamobagu to assess potential infrastructure and feasibility for overland tours and packages. Lunch at local restaurant hosted by PATA North Sulawesi Chapter.
1900 hrs: Dinner hosted by Hotel New Queen, Manado.
Overnight at Tasik Ria Resort.

Friday, September 01:

0730 hrs: Breakfast
0800 hrs: PATA Task Force External Country Members and In-Country Committee working meeting.
1000 hrs: Coach transfer to inspect Kungkungan Bay Resort and lunch hosted by the resort’s General and Resident Managers.
1500 hrs: Boat transfer to inspect Tangkoko Rain Forest.
2000 hrs: Dinner at Tasik Ria Resort with Mr. Jeremy Barnes and Dr. Fransicus Gromang Msi from the Indonesian Department of Culture and Tourism, Jakarta., specially flown in to meet with the Task Force Members.
Overnight at Tasik Ria Resort.
Saturday, September 02:
0730 hrs: Breakfast
0800 hrs: PATA Task Force External Country Members working meeting.
1030 hrs: Presentation of memento from the PATA North Sulawesi Chapter to all PATA Task Force External Country Members.
1100 hrs: Coach transfer to inspect Santika Resort and New Airport Terminal.
1415 hrs: Mr. Roy Tan Hardy, Mr. Leon Tan and Ms. Malinee Kitapanich depart Manado for Singapore on Silkair, flight number: MI273
Mr. Steve Noakes, Mr. Andy Yeo and Ms. Sheila Leong continue onto lunch and inspection of 9-hole Golf Course.
Leave Manado for Tondano.
Dinner for Mr. Steve Noakes, Mr. Andy Yeo and Ms. Sheila Leong with members of the PATA North Sulawesi Chapter hosted by Gardenia Hotel & Restaurant.
Overnight at Gardenia Hotel & Restaurant.

Sunday, September 03:
0800 hrs: Breakfast
0900 hrs: Trekking to Mahawu.
1200 hrs: Lunch hosted by Gardenia Hotel & Restaurant.
Return to Tasik Ria Resort, Manado.
Overnight at Tasik Ria Resort.

Monday, September 04:
0730 hrs: Breakfast
0800 hrs: PATA Task Force External Country Members meetings with representatives from Higher Education institutions.
Rest of day/evening dedicated to writing the Task Force Report.
2000 hrs: Dinner hosted by Tasik Ria Resort.
Overnight at Tasik Ria Resort.

Tuesday, September 05:
0730 hrs: Breakfast
0800 hrs: Finalization and presentation of draft task force report to the In-Country Committee members.
1200 hrs: Lunch at local restaurant hosted by SilkAir.
1415 hrs: Mr. Steve Noakes, Mr. Andy Yeo and Ms. Sheila Leong depart Manado for Singapore on Silkair, flight number: MI273
2235/0815+1: Mr. Steve Noakes connecting Qantas, from Singapore direct to Brisbane, Australia.
Appendix 4:

PATA North Sulawesi Chapter Membership

Celebes Divers, Ph: (62) 811437416, Fax: (62) (431) 826200
Email: celebes@kudalaut.com  www.kudalaut.com

Dive Asia Pacific, Ph: (66) 76263732 Fax: (66) 76263733
Email: info@dive-asia pacific.com  www.dive-asia pacific.com

Fro ggies Divers Ph: (082) 431-3478 Fax: (62) (431) 859068
Email: manado@divefroggies.com  www.divefroggies.com

Gardenia Hotel & Restaurant, Ph: (62) (431) 351282. Fax: (62) (431) 351363
Email: gardenia@mdo.mega.net.id  www.murexdive.com/gardenia/

Hotel Bentenan, Ph: (62) (431)371333, Fax: (62) (431) 371333
Email: bentenan@mdo.mega.net.id

Hotel Minahasa, Ph: (62) (431) 862559, Fax: (62) (431) 854041

Hotel New Queen, Ph: (62) (431) 855551, Fax: (62) (431) 853049
Email: queen@mdo.mega.net.id  www.new-queen.co.id

Hotel Novotel Manado (new name??? Marina Manado) Ph: (62) (431) 855555 Fax: (62) (431) 868888
Email: novotel@manado.wasantara.net.id  www.hotelweb.fr

Hotel Santika Manado Ph: (62) (431) 858222 Fax: (62) (431) 858666
Email: info@santika-mdo.com  www.santika.com

Kungkungan Bay Resort, Ph: (62) (438) 30300 Fax: (62) (438) 31400
Email: resort@kungkungan.com  www.kunkungan.com

Logam Jaya, Ph: (62) (431) 863837, Fax: (62) (431) 865423
Email: “LG”nspata@manado.wasantara.net.id
www.north-sulawesi.com/members/logam_jaya.html

Manado Marine Sports, Ph: (62) (431) 826369, Fax: (62) (431) 826370
Email: mmsdive@mdo.mega.net.id  www.perthweb.net.au/manado

Maya Express, Ph: (62) (431) 870111. Fax: (62) (431) 870603
Email: travel@maya-express.com  www.maya-express.com

Metropole Devra Express, Ph: (62) (431) 851333, Fax: (62) (431) 866445
Email: metropol@mdo.mega.net.id

Minahasa Prima Resort, Ph: (62) (431) 826407, Fax: (62) (431) 826406
Email: mpresort@mdo.mega.net.id,  www.north-sulawesi.com/members/minahasa_prima.html

Murex-Dive Resort & Liveaboards, Ph: (62) (431) 868513, Fax: (62) (431) 826092
Email: info@murexdive.com  www.murexdive.com

Nusantara Dive Centre, Ph: (62) (431) 863988, Fax: (62) (431) 860368
Email: ndc@mdo.mega.net.id,  www.mdo.mega.net.id/ndc/cover.htm
Paradise Hotel & Resort, Ph: (62) (431) 861619, Fax: (62) (431) 861753
Email: bmvega@manado.wasantara.net.id, www.commerce.cbn.net.id/hotelparadise/

PT Bumi Nata Wisata, Ph: (62) (431) 855234, Fax: (62) (431) 866249
Email: natour@mdo.mega/net.id

PT Pola Pelita Express, Ph: (62) (431) 852231, Fax: (62) (431) 864520
Email: polatour@manado.wasantara.net.id

SilkAir, Ph: (62) (431) 863744, Fax: (62) (431) 853841
Email: slkmdc@manado.wasantara.net.id, www.silkair.net/

Tasik Ria Resort, Ph: (62) (431) 850445, Fax: (62) (431) 850444
Email: tasikria@manado.wasantara.net.id, www.tasikria.com

Thalassa Dive Centre, Ph: (62) (431) 850230, Fax: (62) (431) 850231
Email: info@thalassa.net, www.thalassa.net

Walea Dive Center & Resort-Togian Islands, Ph: (873) 761966490, Fax: 761966491
Email: monet_blue@yahoo.com, www.walea.com

Waraney Adventure & W.W. Rafting, Ph: (62) (431) 850363 Fax: (62) (431) 850363
Email: waraney@manado.wasantara.net.id
Appendix 5:

PATA Environmental Code

Code for Environmentally Responsible Tourism. The PATA Code urges Association and Chapter members and their industry partners to:

- Adopt the necessary practices to conserve the environment, including the use of renewable resources in a sustainable manner and the conservation of non-renewable resources;

- Contribute to the conservation of any habitat of flora and fauna, and of any site whether natural or cultural, which may be affected by tourism;

- Encourage relevant authorities to identify areas worthy of conservation and to determine the level of development, if any, which would ensure those areas are conserved;

- Ensure that community attitudes, cultural values and concerns, including local customs and beliefs, are taken into account in the planning of all tourism related projects;

- Ensure that environmental assessment becomes an integral step in the consideration of any site for a tourism projects;

- Ensure that assessment procedures recognise the cumulative as well as the individual effects of all developments on the environment;

- Comply with all international conventions in relation to the environment;

- Comply with all national, state and local laws in relation to the environment;

- Encourage those involved in tourism to comply with local, regional and national planning policies and to participate in the planning process;

- Provide the opportunity for the wider community to take part in discussions and consultations on tourism planning issues insofar as they affect the tourism industry and the community;

- Acknowledge responsibility for the environmental impacts of all tourism related projects and activities and undertake all necessary responsible, remedial and corrective actions;

- Encourage regular environmental audits of practices throughout the tourism industry and to encourage necessary changes to those practices;

- Foster environmentally responsible practices including waste management, recycling, and energy use;

- Foster in both management and staff, of all tourism related projects and activities, an awareness of environmental and conservation principles;

- Support the inclusion of professional conservation principles in tourism education, training and planning;

- Encourage an understanding by all those involved in tourism of each community’s customs, cultural values, beliefs and traditions and how they relate to the environment;

- Enhance the appreciation and understanding by tourists of the environment through the provision of accurate information and appropriate interpretation;

- Establish detailed environmental policies and/or guidelines for the various sectors of the tourism industry.
Appendix 6:

APEC Tourism Charter

SEOUL DECLARATION ON AN APEC TOURISM CHARTER

A Ministerial Statement of Purposes and Intent

This declaration captures the spirit of agreement and shared purpose for the development of tourism in the APEC region forged at the XIV meeting of the APEC Tourism Working Group in Manzanillo, Mexico. It reflects a collective commitment to improve the economic, cultural, social and environmental well being of APEC member economies through tourism.

Esta Declaración recoge el espíritu de acuerdos y propósitos comunes para el desarrollo del Turismo en la Región APEC, que se gestó durante la XIV Reunión del Grupo de Trabajo sobre Turismo APEC en Manzanillo, Estado de Colima, México. La Declaración refleja el sólido compromiso colectivo para elevar - por medio del Turismo - el bienestar económico, cultural, social y medio ambiental en las economías APEC.

A. Preamble

1) **We, the Ministers responsible for tourism from the Asia-Pacific Economic Cooperation (APEC) region, at our first meeting held on July 6-7, 2000, in Seoul, the Republic of Korea, have made a commitment to the following Charter for the advancement of tourism in our region.**

2) As Ministers we recognize the significant contribution tourism makes to our respective economies and the goals of APEC. This Charter serves as a statement of Ministerial purposes and intent to further develop this contribution and acknowledge tourism as a key vehicle for achieving positive and sustainable economic, social, environmental and cultural outcomes in our region and for our respective economies.

3) This Charter establishes four key policy goals and an agreed process for realizing these goals by liberalizing barriers, enhancing competitiveness, capability building, promoting positive policies for the development of tourism, discouraging practices which have a negative impact on members of our economies and on the image of tourism, and identifying emerging issues impacting upon tourism.

4) This Charter defines a clear business plan and work program for the APEC Tourism Working Group (TWG). It is our expectation that the TWG will move quickly to implement this Charter and provide regular progress reports to future Tourism Ministerial meetings.

The policy goals and processes adopted in the Charter are consistent with the goals for free and open trade and investment established in the ‘Bogor Declaration’ and the general principles for trade liberalization and economic and technical cooperation established in the Osaka Action Agenda. The Charter also responds to the ‘Auckland Challenge’ to maintain the momentum and deliver on the commitment of APEC and takes into account the “Framework for the Integration of Women in APEC”.

5) **Issues raised for direct action pursuant to this Charter are restricted to matters within the portfolio jurisdiction of Tourism Ministers. However, in recognition of the broader impact that governments have on the development and performance of tourism, this Charter provides for the identification of issues outside the jurisdiction of Tourism Ministers that impact on tourism and to alert other relevant APEC fora to such issues for their
consideration and action. In this respect, the Charter responds to the request of Economic Leaders to expand the level of co-operation and dialogue among APEC fora.

6) As Ministers we recognize the importance of partnership between the public and private sector to deliver tourism outcomes and achieve the purposes of this Charter. The partnership between the private and public sector is a key feature of the APEC process, as confirmed by Economic Leaders in their 1997 Vancouver Declaration.

7) We acknowledge and extend our appreciation to the private sector for their contribution to the development of this Charter, in particular the World Travel and Tourism Council (WTTC) and the Pacific Asia Travel Association (PATA). We also acknowledge and note the contributions and expectations of the private sector with regard to this Charter provided at the inaugural APEC Tourism Forum held in Hong Kong, China, on April 29, 2000.

8) We also acknowledge and welcome the contribution of other international multilateral organizations such as the World Tourism Organization (WTO), the United Nations and the Organization for Economic Cooperation and Development (OECD) to the development and evolution of the Charter and its implementation.

9) Finally, as Ministers we task the APEC Tourism Working Group (TWG) to move quickly to implement this Charter. It is our expectation that the TWG will provide regular progress reports and make recommendations for refining the Charter at future Ministerial meetings.

B. The Contribution of Tourism

10) Tourism makes a significant economic contribution to the APEC region and APEC member economies. We recognize and value this contribution of tourism, in particular as:

a) a key source of economic demand and growth in demand;
b) a major employer of both women and men at all economic levels and generator of sustainable employment opportunities;
c) a significant earner of foreign exchange;
d) an important generator of business opportunity for small and medium sized enterprises;
e) an effective vehicle for dispersing economic benefits within and among economies, particularly at the provincial level;
f) an important contributor to the achievement of governments’ economic, fiscal, social and environmental goals; and

g) a catalyst for partnership between the public and private sectors.

11) In acknowledging tourism’s economic contribution we note the estimates provided by the WTTC that tourism and travel in the APEC region presently accounts for more than 100 million jobs, generates over US$2 trillion in travel and tourism-related demand and approximately US$400 billion in export earnings. We also note that the WTTC is forecasting that by 2010 employment in travel and tourism will increase by more than one quarter (more than 30 million new jobs), and export earnings will increase by almost two-thirds. Total tourism and travel demand in 2010 is expected by the WTTC to exceed US$3 trillion.

12) Furthermore, we note that tourism within the APEC region accounts for one-quarter of world international visitor arrivals and more than one-third of global international visitor expenditure. Of greater significance is that more than three-quarters of international visitor arrivals in the APEC region are generated by APEC economies, i.e. it is intra-regional.

13) The high level of intra-regional tourism and the experience of the recent Asian currency crisis has highlighted the importance of APEC’s broader goals to strengthen our respective economies and provide a stronger platform for sustainable development, economic growth and cooperation. We therefore affirm these broader goals and encourage their achievement in the interests of advancing tourism in the APEC region, and the benefits tourism delivers our economies.

14) We also recognize and value the many non-economic benefits that tourism provides for our respective economies, in particular:
a) fostering cross cultural understanding and well-being among and within APEC economies;
b) improving our ability to appreciate and provide an incentive and vehicle for sustainable management of our
natural environment;
c) promoting the development and understanding of local and indigenous cultures, arts and heritage;
d) highlighting the need to preserve the social and cultural fabric and integrity of host communities; and
e) promoting world peace through the joint efforts of all APEC members in developing international
cooperation in a spirit of friendship, dialogue and understanding.

C. Policy Goals

15) We establish the following policy goals for economies to foster the development of tourism and enhance its
contribution in the APEC region.

Goal 1: Remove impediments to tourism business and investment

16) In particular we will seek to achieve this goal by:
   a) promoting and facilitating the mobility of skills, training and labor;
   b) promoting and facilitating productive investment in tourism and associated sectors;
   c) removing regulatory impediments to tourism business and investment; and
   d) encouraging liberalization of services trade related to tourism under General Agreement on Trade in
      Services (GATS).

Goal 2: Increase mobility of visitors and demand for tourism goods and services in the APEC region.

17) In particular we will seek to achieve this goal by:
   a) facilitating seamless travel for visitors;
   b) enhancing visitor experiences;
   c) promoting inter- and intra-regional marketing opportunities and cooperation;
   d) facilitating and promoting e-commerce for tourism business;
   e) enhancing safety and security of visitors; and
   f) fostering a non-discriminatory approach to the provision of visitor facilities and services

Goal 3: Sustainably manage tourism outcomes and impacts:

18) In particular we will seek to achieve this goal by pursuing policies that:
   a) demonstrate an appreciation and understanding of our natural environment and seek to protect that
      environment;
   b) foster ecologically sustainable development opportunities across the tourism sector, particularly for small
      and medium sized enterprises, employment and providing for open and sustainable tourism markets;
   c) protect the social integrity of host communities with particular attention to the implications of gender in the
      management and development of tourism;
   d) recognize, respect and preserve local and indigenous cultures together with our natural and national cultural
      heritage; and,
   e) enhance capability building in the management and development of tourism.
**Goal 4:** Enhance recognition and understanding of tourism as a vehicle for economic and social development.

19) In particular we will seek to achieve this goal by:
   a) harmonizing methodologies for key tourism statistical collections, consistent with activities of other international tourism organizations;
   b) facilitating the exchange of information on tourism between economies;
   c) promoting comprehensive analysis of the role of tourism in member economies in promoting sustainable growth; and,
   d) expanding our collective knowledge base on tourism issues in order to identify emerging issues and assist implementation of the Charter.

**D. Implementation and review mechanisms**

20) We as Ministers will demonstrate our commitment to the policy goals in this Charter by developing and implementing individual and collective action plans and identifying issues for consideration by other APEC fora, consistent with APEC practices for such activity.

21) Individual and collective action plans will be developed by economies through the TWG and will reference three key delivery dates, as relevant to the respective economy – namely 2005, 2010 and 2020. Identification of issues for consideration by other APEC fora will be determined as deemed necessary by consensus and will be non-binding to member economies, consistent with APEC practice.

22) The mechanism for nomination, implementation and review of individual and collective action plans and the identification of indirect issues for consideration by other APEC fora pursuant to the policy goals agreed in this Charter will be consistent with established APEC processes and guidelines for the development, updating and reporting of Individual and Collective action plans and as prescribed in Schedule 1.

23) Schedule 1 may be amended and/or modified by the TWG as is deemed appropriate to further the goals and objectives of the Charter. Any such modifications will be advised to Ministers at our regular meetings.

24) Ministers responsible for Tourism will meet again no later than July 2002 and thereafter as agreed to review the full schedule of individual and collective action plans developed by the TWG and to review implementation and discuss any modifications to the Charter as required.

*July 7, 2000, Seoul, Republic of Korea*
Appendix 7:

Green Globe Asia Pacific

In 1994, the WTTC founded Green Globe, a travel and tourism based industry improvement certification programme linked to both ISO standards and the Agenda 21 principles that evolved out of the 1992 Rio Earth Summit. In 1999, the worldwide organisational structure of Green Globe was changed, resulting in a dedicated company serving the Asia Pacific region – Green Globe Asia Pacific.

By resolution of the Board of PATA, the Green Globe programme has now “absorbed” the PATA Green Leaf Programme.

Green Globe was originally focussed on individual companies or organisations. However, for the past few years it has also established procedures for destinations to work towards the attainment of sustainable tourism parameters. For example, this could be at the Provincial level, or in an area such as Bunaken National Park. The British Channel island of Jersey was designated as the first green Globe destination in 1997, followed by Dominica in the Caribbean. Most recently, the Chitwan National Park in Nepal, and New Zealand have been working towards Green Globe destination independent certification.

Given the research work undertaken in recent years in North Sulawesi’s primary dive tourism location, Bunaken National Park, and the impending establishment of a new Bunaken National Park Management Advisory Board, the Task Force recommends that the new Board establishes contact with Mr. Graeme Worboys, CEO of Green Globe Asia Pacific to learn more about the opportunities Green Globe may present to assist in the management of the marine park. (graeme.worboys@ggasiapacific.com.au)

Apart from the tourism/environment management benefits of Green Globe, from a marketing perspective, it is expected that the Green Globe ‘brand’ will grow substantially over the next few years.

There may well be a marketing opportunity for Bunaken National Park to be designated the world’s first Green Globe marine park. This would certainly send a message into the marketplace about the level of commitment the destination has in caring about its marine environment.
Appendix 8:

References and Resources for future North Sulawesi Tourism Research and Planning.

- Butler, R. *The Concept of a Tourist Area Cycle of Evolution: Implications for Management of Resources.* Canadian Geographer 24: 5-12
- Ceballos-Lascurain, H. *Tourism, Ecotourism and Protected Areas.* Gland, Switzerland ICUN (The World Conservation Union) 1996


• Recommendations on Tourism Statistics; Department for Economic and Social Information and Policy Analysis, Statistical Division, Statistical Papers, Series M, No. 83, United Nations and World Tourism Organisation. (omt@worldtourism.org)

• Richie, J.R. Brent. *Interest Based Formulation of Tourism Policy for Environmentally Sensitive Destinations*. Faculty of Management, University of Calgary, Alberta, Canada – in Bramwell and Lane *Tourism Collaboration and Partnerships: Politics, Practice & Sustainability*. Channel View Publications, Anturmon, 2000


• Robinson, M. *Collaboration and Cultural Consent: Refocusing Sustainable Tourism*. Aspects of Tourism: Tourism Collaboration and Relationships, Politics, Practice and Sustainability, eds Bramwell & Lane, Channel View Publications 2000


• “Sustainable Tourism Development in Viet Nam” Proceedings of the conference in Hue, May 22-23 1997


• Steck, B. *Sustainable Tourism as a development Option: practical guide for local planners, developers and decision makers*. Federal Ministry for Economic Co-operation and Development, Federal Republic of Germany, 1999


‘The difficulties of co-ordination and control have the potential to undermine a strategic approach to marketing based on destination branding because campaigns can be undertaken by a variety of tourist businesses with no consultation or co-ordination on the prevailing message or the destination values being promoted. As a result of their structural complexity there are relatively few destinations in which one major commercial organization can take this leadership role.

Furthermore, most tourist businesses lack the resources required for extensive mass marketing, and those which can afford to, often promote a variety of destinations as they are members of international chains, which have significant power in their marketplaces, their communications emphasise the features of their services, with local destination features being accorded secondary role.’ Scott, Pratt, Laws, 2000, pp 202
Appendix 9:

Useful Tourism-related Concepts and Definitions

- **Allocentrics**: ‘other-centred’ tourists who enjoy exposing themselves to other cultures and new experiences and are willing to take risks in the process. (Plog)

- **Carrying capacity**: the amount of tourism activity (e.g. number of visitors, amount of development) that can be accommodated without incurring serious harm to a destination; distinctions can be made between social, cultural and environmental carrying capacity. (Weaver & Oppermann 2000)


- **Commodification**: In tourism, the process whereby a destination’s culture is gradually converted into a saleable commodity or product in response to the perceived or actual demands of the tourist market (Weaver & Opperman 2000)

- **Domestic visitors**: whose country of residence is the country visited; they can be nationals or foreigners (WTO).

- **Ecotourism**: Nature-based tourism that involves education and interpretation of the natural environment and is managed to be ecologically sustainable. This definition recognises that ‘the natural environment’ includes cultural components and that ‘ecologically sustainable’ involves an appropriate return to the local community and long-term conservation of the resource.

- **ESD – Ecologically Sustainable Development**: Using, conserving and enhancing the community’s resources so that ecological processes, on which life depends, are maintained and quality of life for both present and future generations is increased.

- **Income multiplier effect (IME)**: A measure of the subsequent income generated in a destination’s economy by direct tourist expenditure. (Weaver 2000)

- **International visitors**: whose country of residence is different from the country visited; these international visitors also include nationals residing permanently abroad, who may represent an important segment of the market with special characteristics. (WTO)

- **IUCN – The World Conservation Union.** Founded in 1948, seeks to influence, encourage and assist societies conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable.

- **Irridex**: A theoretical model proposing that resident attitudes evolve from euphoria to apathy, then irritation (or annoyance), antagonism and finally resignation, as the intensity of tourism development increases within a destination. (Weaver & Opperman, 2000)

---

1 WTO – World Tourism Organization (in this report, if a reference is made to the World Trade Organization, it will be spelt in full. Where WTO appears if refers to the World Tourism Organization)
• **Paradox of resentment**: The idea that problems of resentment and tension can result whether tourists are integrated with, or isolated from, the local community. (Weaver & Opperman, 2000)

• **Sustainable development**: is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. (WCED 1987, p 43)

• **Sustainable tourism**: ‘Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems’ (WTO)

• **Tourism**: ‘Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes. (UN2/WTO1 recommendations on Tourism statistics, p9)

• **Tourist**: Generally, the term ‘tourist’ refers to individuals who travel for leisure, recreation or pleasure. For the purposes of Tourism Satellite Accounts, a broader definition is used, to include all individuals who travel or visit a place for one night or more for a purpose other than ‘the exercise of an activity remunerated within the place visited.’ (WTO)

---

2 UN – United Nations

• **Tourist expenditure**: total consumption expenditure made by a visitor or on behalf of a visitor for and during his/her trip and stay at a destination (WTO)

• **WCED** – World Commission on Environment and Development.

• **WCPA** – World Commission on Protected Areas.

• **WEFA** – Wharton Econometric Forecasting Associates (one of the world’s leading economic consulting and forecasting firms)

• **World Heritage Area**: an area recognised a having international significance and outstanding universal value and registered on the list of World Heritage Areas.

• **World Heritage Convention**: the Convention for the protection of the World Cultural and Natural heritage. The internationally accepted agreement which established the concept of World heritage Areas and sets out the procedure for World Heritage listing.

• **WTTC** – World Travel and Tourism Council

• **WTO** – World Tourism Organisation.
Appendix 10:

Butler’s Destination Life Cycle.

Richard Butler (1980) proposed that tourism destinations move through five distinct stages of growth as represented in the chart below.

Depending on how the key public and private sectors of tourism work within a destination (such as North Sulawesi) various scenarios are possible to influence the position on the life cycle that the destination will find itself in. For example, North Sulawesi went through a development phase prior to the late 1990’s ‘Asian Financial Crisis’, and, as a result of this shock to the tourism system, subsequently went into something of a ‘nose dive’ period of decline which seems to have now stabilised in a phase of ‘stagnation’. One of the key outcomes of this Task Force is to assist destination North Sulawesi to enter a new period of rejuvenation.

‘Tourism is an industry based on imagery; its overriding concern is to construct, through multiple representations of paradise, an imagery (of the destination) that entices the outsider to place himself or herself into the symbol-defined space’ Buck, 1993. pp 197)