

*In the Name of God,
Most Compassionate, Most Merciful*

A study on: Tourism in ECO region



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Foreword:

In current age, no phenomenon equals tourism to bring people and cultures closer together so that encounter of cultures takes place in seconds.

the growing importance of tourism in economic, social, cultural and political relations especially the role of this momentous industry in counties' macroeconomic, profit-making, job creating, and appropriate distribution of capital leads to tourism development which is considered by policy makers in all fields of international, regional and national levels.

ECO member countries increasingly recognize the fact that they should have the initiative to improve the economic situation of the region and seek new ways to attract tourists and for the first step the exchange of tourists within the ECO region.

There are several types of tourism, from among which , one can mention historical , cultural tourism, religious, nature, business, forest, sport, medical, rural, tribal, desert and... .

Ancient and brilliant history of ECO region in world culture and civilization, abundant historical and ancient relics, cultural, lingual and racial diversity, religious and natural tourist attractions in this four-season region, existence of hills, museums, deserts, forests, seas in addition to the extensive medical tourism attractions such as hot-water springs... are considered as the capabilities of the ECO region that makes it to be at the first ranks of tourism in the world.

The ECO Chamber of Commerce and Industry (ECO-CCI) as the private sector parliament of ECO member countries, avails itself of this opportunity to announce its readiness for making any contribution coordination among ECO countries for achieving the organization`s high objectives.

The ECO-CCI requests the member states' governments to encourage and give more attention to the effective role of private sector in order to use ECO tourism capacity for materialization of their plans and decisions.

We hope to see the best position of ECO in tourism industry in near future along with all ECO member countries' cooperation.

Dr. Mohammad Reza Karbasi
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A study on:

Tourism in ECO region

Economic Cooperation Organization (ECO) comprising of 10 members counts as the second regional cooperation organization in terms of area and population.

ECO as a linkage among three continents namely Asia, Africa and Europe enjoys a privileged and strategic status within international level as well as rich and untapped mineral, oil and gas resources.

The ECO region having numerous natural attractions along with historical, cultural and religious places, museums, customs, recreational and unique landscape, quiet environment, various local and traditional cultures, relatively high population and vast market of tourism attraction in the region, more than 50,000 years of history also pleasant climate, wide ranging and various medical facilities and services as well as mineral water resources, enjoys a convenient opportunity for foreign tourists to utilize the occasion and especially health tourism, whereas in the current world that powers are seeking new polarity.

Thus the ECO with aforesaid potentials shall strive more to expand the culture of tourism in the region.

If ECO as a civilization domain raises the feel among their nations that they are members of a common civilization, one can remove the major challenges ahead.

Tourism at the beginning of the third millennium has been turned into one of the high-income industries of the world so that tourism revenue is equals to oil and Automobile industries.

Tourism as the third largest industry of the world, in addition to job creation, can make foreign currency revenues; calm and fair distribution of wealth and the cultural exchanges as well as providing the requirements for different sectors of the economic growth.

As a conclusion of the survey in August 2010, international tourism has recovered from a 4.2 percent decline due to economic crisis and continues to growth. During the first nine months of the current year (2011), world tourism has increased even more than the figure of same period before the crisis (2008.)

The number of tourists' arrivals was 25 million in 1950, which increased to 277 and 438 million in 1980 and 1990 respectively, 681 million in 2000 as well as 882 million in 2009.

According to the latest statistics, tourism exchange reached 940 million in 2010 which is 58 million more than 2009 (6.6 percent increase) whereas average annual growth rate of global tourism exchange has been 3.4 percent. It is predicted to reach 1.6 billion in 2020.

Revenue from tourism was US \$ 851 b in 2009 which increased to US \$ 919 b in 2010 by 4.7 percent growth rate.

It is predicted that total tourism will be 960 million and its revenue will be over US \$ 1,000 b in 2011. Also tourism revenue comprises approximately 7 percent of total world trade which is a significant figure.

Currently, the growth rate of tourism industry is more than the growth rate of other sectors in many countries and it is considered as a harbinger and middle-field industry.

According to the report of World Tourism Organization in 2010, 51 percent of travels took place through air, 49 percent through land (including 41 percent by road, 2 percent by railway and 6 percent through water) while air travel is growing with an increasing trend as it seems essential to strengthen other lines of transportation such as railway while lower cost, provides possibility of enjoying the scenery and route options which increase the share of such touristic trips in the total travels.

Some of the benefits and positive effects of tourism on communities are as follows:

- Job creation;
- Enhancing trade transactions;
- Revitalization of poor or non-industrial areas;
- Degeneracy local art and technology as well as traditional cultural activities;
- Contribution to regional development and improvement of the social and cultural life of the locals;
- increasing state revenues and foreign exchanges;
- Modernization of local architectural traditions;
- Increasing necessity to protect outstanding natural areas which enjoys cultural values.

In the case of tourism development, all sectors related to tourism and infrastructures of tourism centers would be enhanced, handicrafts activities will reach their potentials, living standards would be elevated and foreign exchange earnings would be increased.

The positive impact of tourism on national economies is possible only by paving the grounds for growth and development of tourism industry.

Considerations have indicated that tourists spend US \$1000 to 1500 in addition to buying considerable amount of local foods and souvenirs in each travel.

Tourism is considered as the most important sector of making revenue in many countries and the interest of every tourist entering has been evaluated to export of several barrels of oil for oil countries.

The tourism enjoys the ability of enhancing export, benefiting from fixed investment, improving the Gross Domestic Product (GDP) and making job opportunities, thus it plays serious role in developing the national economy and access to technology.

- Stimulate main infrastructures development; such as routes and airports;
- Attract the foreign investment and lead to growth of domestic industries which support tourism;
- Facilitate the transfer of technology and encourage the social relations.

Responsible institutions to render services to tourists, will be faced with increasing employment and income by attracting tourists and in order to improve and increase their services, shall recruit specialist labor.

ECO as one of the distinguished tourism regions has the following competitive advantages:

- Rich culture which manifested in traditions and way of life of many regions' communities.
- Availability of outstanding works of architecture and shrines;
- The existence of ancient civilization and numerous phenomena and temperate, desert, humid and mountains climates;

- Majestic and magnificent mountain ranges, wide, plains and deserts;
- Relatively appropriate network of transport and tourism services;
- Availability of public services.

Moderate climate and abundant rainfall have caused a large part of ECO region to be also rich in vegetation.

Density of trees on one side, also beautiful hillsides and beaches on other side make very beautiful natural landscapes in the region.

Some of the main tourism attractions in the ECO region will be best exemplified as bellow:

Band Amir in Afghanistan, Qiz Qalasi in Azerbaijan, Naqsh -e Jahan square and Takht-e Jamshid in Iran, Charyn Canyon and National Park of Kazakhstan, lake Issyk Kul in Kyrgyzstan, the Mausoleum of Iqbal Lahori in Pakistan, Castle Fence in Tajikistan, palace of Turkmenbashi in Turkmenistan, Ayasofya Mosque in Turkey and the National Museum in Uzbekistan.

- 1 Widespread museums with focuses on such issues as archeology, history, ethnography, national, art, crafts, science and technology, industry etc along with old equipments and antique shops are attractive to many tourists.

Numerous plateaus with several mountains and varied heights provide very suitable conditions for winter tourism.

ECO population is more than 440 million and its area is approximately 8 million square kilometers (comprising 7.7 million square kilometers of land and 236.5 thousand square kilometers of water) and over 30 thousand kilometers border, is a region which along with above mentioned features, enjoys a high potential for attracting tourists.

Activities of Economic Cooperation Organization (ECO) is based on trade and investment, transportation and telecommunications, energy, minerals and environment, agriculture, industry and tourism, human resources and sustainable development, economic research, surveys as well as international relations.

Business tourism is one of the most important tourism approaches whose growth by taking place the meetings and exhibitions also it is one of the sectors which are not affiliated to the holiday season thus it can raise the level of occupation of the hotels in the months which is usually not a travel season and the number of passengers is quite low.

Currently, many tourists are traveling to various destinations in order to visit the traditional and historical markets, and they become familiar with commercial environments and transaction methods of the ECO region while they are shopping. The ECO region has a high potential to enjoy business tourism benefits because of its position which is the linking point of Far East, Middle East, North Africa and Eastern Europe markets, having appropriate port facilities and historical position as a trade and transit corridor for these areas.

In addition to appropriate facilities for holding exhibition and conferences within the ECO member countries, suitable accommodation and transportation can provide the condition for thriving of this category of tourism in the region.

ECO as a junction point of three continents namely Asia, Europe and Africa enjoys a strategic and privileged position on a global level.

Flourishing the business tourism bring about more recognition of economic operators from industry facilities and host country's tourism also it would mobilize the infrastructures to a higher level of trade and investment in the region. Biodiversity such as beautiful beaches along with forests and mountains provides a situation which different organisms lives in a region and with attracting tourists to the region and tourist activities such as sea diving to watch the amazing underwater world, sailing, fishing, and water skiing etc, make an appropriate environment for tourists. Fresh and clean water as one of the most important needs of traveler along with other factors caused the tourists to welcome the ECO region. Based on certain findings, water used by tourists is 15 times more than indigenous people are using.

Health tourism:

The tourism industry is divided into different section of recreation tourism, winter tourism and health tourism.

One of the motivations of travelers is to retain good health.¹

Health tourists travel to other countries with the aim of getting cheaper treatment than their own country, prompt and quality treatment as well as enjoying their travel. Tourism value was US \$ 40b in 2004, which is expected to reach US \$ 100b in 2012.²

Health tourism includes various sub-sectors such as natural treatment tourism, care and recovery, alternative therapies, medical, surgical, clinical, diagnostics, traditional medicine, acupuncture, energy healing, yoga, meditation and precautionary tourism.

Some of the reasons and motivations of tourists in this sector are as follows:

- Recovery and health of body and mind (stress management and physical health ;)
- Rest and relaxation;
- Use of medical facilities and services (such as specialized surgery);
- Use of water and natural features of a region for body and soul relaxation.

As mentioned, one of the health fields is natural therapy which focuses on natural and climatic features and the relevant potential is seen in ECO region.

The diverse nature of ECO region is a good opportunity to use facilities for water therapy, mud therapy, and herbal therapy and... by foreign tourists.

Use of medical effects of hot springs for treatment of diseases is among ECO region's tourism attractions.

The below table indicates tourist arrival, growth rate and trend of tourist arrival, its revenue, outbound tourists and costs of outbound tourists for each ECO country and also for ECO region.

1- The average growth rate of tourism revenue was 5.3 percent in 2006, while the minimum growth rate of health tourism revenue was 10 percent in the same year.

2-The average expense of each health tourist is three times as much as the average expenses of each tourist.

Country	Tourist arrivals			Growth rate of tourist arrivals (percent)		Tourist arrivals revenue (Million)			Outbound tourists	Costs of outbound tourists (million dollars)
	2008	2009	2010	2009/2008	2010/2009	2008	2009	2010	2008	2008
Azerbaijan	1,409,000	1,430,000	1,495,000	+1.5	+4.5	190	353	621	2,162,000	454
Iran	2,034,000	2,272,575	3,121,281	+11.8	+37.4	1,914	2,012	2,196	2,921,000	9,482
Kazakhstan	3,447,000	3,118,000	3,393,000	-9.5	+8.8	1,012	963	1,005	5,243,000	1,305
Kyrgyzstan	2,435,000	2,147,000	NA	-11.9	–	515	459	569	1,521,000	451
Pakistan	823,000	855,000	914,000	+3.9	+6.9	316	269	363	NA	1,035
Tajikistan	4,000	NA	NA	–	–	23.7	19.5	NA	2,700	11
Turkey	24,994,000	25,506,000	27,000,000	+2	+5.9	21,951	21,250	21,807	9,873,000	4,031
Turkmenistan	8,000	NA	NA	–	–	NA	NA	NA	38,000	127
Uzbekistan	1,069,000	1,215,000	NA	+13.7	–	NA	NA	NA	1,150,000	NA
ECO	30,673,000	35,396,575	35,923,281	+0.97	+11.7	25921.7	25325.5	26561	22,910,700	17,896
World	917,000,000	882,000,000	940,000,000	-3.8	+6.60	939,000	851,000	919,000	917,000,000	939,000
ECO as % of world	3.35	4.02	3.84	–	–	2.8	3	2.9	2.5	1.9

Source: UNWTO 2011

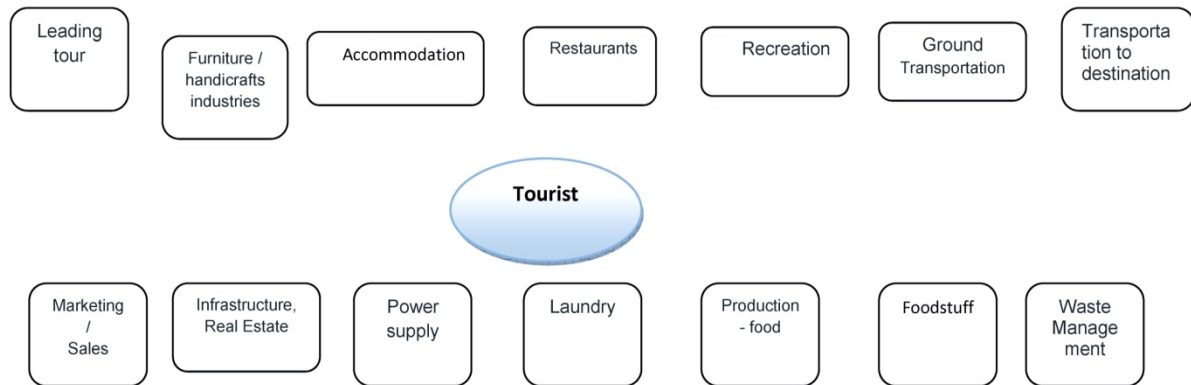
According to the table, the number of tourists was 917 million in 2008, so by 2.4 percent growth rate increased to 940 million in 2010, while total ECO tourists topped 36 million in 2010 compared to 31 million in 2008 by a growth rate of 17 percent. Also the share of ECO in world tourists grew from 3.35percent in 2008 to 3.9 percent in 2010. ECO tourism receipts exceeding to 23 billion comprised 2.5percent of world tourism receipts in 2008. ECO tourism expenditure in 2008 was US \$18b amounting to 1.9 percent of world expenditure.

World tourism revenue dropped 2.12 percentages of 939 billion figures in 2008, so that it reached 919 billion in 2010, while ECO tourism revenue experienced a growth rate of 2.5 percent, exceeding 26.5 billion in 2010 compared to 25.9 billion in 2008.

According to the respective reports of the ministries of culture and tourism of ECO member countries, this region gains the highest growth in tourism revenue from among Middle East countries and is one of 10 world most affordable destinations.

As mentioned earlier, tourism plays an important role in a diversified economy, hence it should be considered by policy makers as a major industry.

Below figure portrays the tourism supplies chain.



Source: <http://www.weforum.org/documents/TTCR09/index.html>

Whenever a country lacks the supply chain in the tourism sector, significant economic opportunities will be lost, if corrective action is taken, good opportunity to capture these benefits will be provide.

To improve supply chain of tourism industry in the economies that tourism supply chain is underdeveloped, the policies should be used to improve internal supply chain.

Thus, tourism promotion has a close relationship to development of restaurants, cuisine, marketing, sales, infrastructure and so forth.

The ECO region's share in tourism

According to World Tourism Organization, there are more than 900 million tourists per year.

Given the high potential of ECO tourism especially natural guides and its capabilities, it is deemed necessary to enhance the ECO tourism share in the world tourism.

Improvement of ECO income and life quality would be achieved by developing tourism industry and infrastructure enhancement leading to economic growth.

Obviously this is not only demonstrated by tourism and environmental protection organizations; it also requires empathy and cooperation of other sectors.

The opportunity should be sized and proceed to introduce the ECO countries attraction to each other using appropriate at visiting system including preparation and distribution of brochures, videos and maps of provinces in various languages.

In current age, objectives of regional organization they will move towards integration of rules, increased communication and transactional exchanges as well as economic investments development, thus considering tourism as one of the major economic markets can provide a valuable opportunity to the industry's operators in the region.

Giving priority to the development of tourism exchanges in the region is countries, diversifying the tourism market by attracting pilgrimage, cultural and natural tourists for creation of jobs, increasing foreign exchange earnings and GDP, achieving an appropriate share of the regional

and global tourism market, strengthening cultural ties among ECO members are the major objectives of region`s tourism development.

Lack of proper planning in order to coordinate the active involvement in tourism field, lack of focus on importance of tourism industry exchange and insufficient advertising are the main causes of failure in this region to achieve a worthy place in developing health tourism. Unique capabilities in the field of health tourism are available in ECO region, so it is recommended that each ECO member embark to introduce its residential and therapeutic talents and abilities.

Identification of Strengths, Weaknesses, Opportunities and Threats of ECO tourism development:

SWOT (Strengths- Weaknesses-Opportunities and Threats) analysis used to indentify internal processes facing a system has been conducted. Below table indicates the result of this analysis.

Strengths	Weaknesses
<ul style="list-style-type: none"> - Existence of numerous and diverse natural attractions such as mountains, deserts, valleys, rivers, springs, waterfalls, vegetation, birds and animals, geological phenomena ...; - Existence of human attractions such as historical, cultural, religious places, museums, and customs... - An appropriate climate in summer using also cold mountain for winter tourism; - gardens, unique landscapes; - having the proper environment for tourists to relax, - the diverse customs, local and traditional culture; - relatively high population of the region and vast market for available tourist attractions in the region; <p>The necessity of recreation around good climate area due to the difficulties of life and fatigue caused by various factors;</p> <p>Increasing tendency of ECO communities in tourism;</p> <ul style="list-style-type: none"> -ECO region dates back to 50,000 years; - Varied and vast mineral water resources; 	<ul style="list-style-type: none"> -Limited use of development methods in the field of information about cultural and natural values, important touristic places and attractions; - Installations exhausted and in need of repair, equipment and used devices including vehicles, hotels, resorts ...; - Inappropriate and inadequate environmental infrastructures as well as lack of accountability of essential transport infrastructure; - Lack of specialists and trained staff in how to deal with tourists on the regional level; - low standards of provided services by human resources; - Poor quality and inadequate facilities of health, services, accommodation and welfare as well as their inadequate geographical distribution; - Many attractions remain unknown and non-beneficial use of tourism and areas; - Unwillingness of investors in the tourism sector due to lack of knowledge; - lack of planning and public investment in ecotourism; - lack of facilities, amenities and services such as residential centers, treatment centers like emergency services for settlement in touristic areas;
Opportunities	Threats
<ul style="list-style-type: none"> - Rich intangible opportunities such as traditions and way of life manifested in many communities of the region; - The existence of outstanding architectural monuments and shrines; - The existence of ancient civilizations and numerous attractions around the region; - Unique combination of temperate, desert, humid and mountainous climate; - Lines of communication in the region, relatively convenience transport network and tourism services; 	<ul style="list-style-type: none"> - Lack of responsible tourism collective organizations in ECO region which can protect the interests of region`s countries. - Encouragement the development of eco –tourism in the region account as a threat to region`s environment, so these threats can be turned into opportunity by accurately assess and forming leisure places as well as development of promenade; - Lack of codified cooperation of several organizations involved in tourism in the region; - Lack of ambition in above opportunities achieving;

- Availability of public services;
- Existence of huge potential tourism demand in the region;
- Ability to use places of religious Shiites, Christians, Zoroastrian and other religious places;
- The spirit of hospitality among the people;
- Prone region for investment and ecotourism planning as well as introducing the ECO as a major tourism destination;
- Possible use of planes that can fly flexibly to different airports in the region;
- Officials' belief in job creation by tourism as the most important mechanism to regional development;
- Cultural nearness between local community and tourists;
- Various joint culture and historical events of ECO countries;
- The world largest lake owned by the ECO region;
- Norooz as a common link in the ECO region, connects more than 4 hundred million Muslims in the region;
- Specific business opportunities due to being located in connection point of Far East, Middle East, North Africa and Eastern Europe markets.
- The diverse nature of the ECO provides an appropriate opportunity to use the hydro therapy, mud therapy, herbal therapy and... in this region by tourists.
- High quality services, competitive prices of tourism in ECO region in the field of health tourism, are important factors in attracting tourists to the region.

- Continuity of conditions that lead to disappointment of private sector participation in the tourism industry;
- Lack of ability to execute, track and maintain the sustainable development principles and practices associated with the effects of tourism on natural, social, cultural and economic environment;
- Failure in management of institutional issues in the tourism sector.

Recommendations:

Travel and tourism is the industry which is associated with the majority of economic sectors in terms of variety of activities, as its development and boom is following the flourishing in other sectors.

Unfortunately, the tourism industry like other economic activities is not in the ECO priorities and isn't paid enough attention like commerce, energy and..., however tourism development helps to develop the convergences in the region.

Review of tourism potential capacity in ECO countries based on targeted plan reveals attractions of the regions countries in compared to global tourism.

Hence, emphasis on the following items can help develop of intra-ECO tourism.

- Honoring the value of tourism, improving efficiency, competitiveness and quality of tourism services in ECO region, stress on the active role of the private sector in tourism industry and to encouragement of this section in order to establish a profound relationship with the tourism and investment development trend, also elevating the public-private participation in tourism marketing and cooperation with tourism organizations in ECO region as well as trans-regional bodies, establishment of tourism world TV network, initiation of common tourism agencies as well as joint celebration in cooperation with ECO members.
- Use of traditional advantages of region's countries as a business region in order to establish a strong and vibrant private sector in tourism;
- Use of facilities, services as well as more efficient and lower cost management systems;
- Development of international airport of capitals and metropolitans as well as organizing region's airlines and land lines;
- Diversification of tourism markets in order to enjoy the variety of region's tourism products;
- Involvement of native residents in providing accommodation and catering , providing local financial facilities and... for tourism;
- Permanent monitoring of the communication networks, restoration and expansion of roads;
- Providing complex brochures in order to introduce tourism attractions in the region, hints on how to treat in tourism sites and prevent the destruction of the natural phenomena, historical and cultural attractions, gardens...;
- Convincing the national centers in charge of statistical affair to determine the number of tourists in the region in order for more convenient planning;
- Communication development particularly among region's countries and from cities to historical villages in each member country;
- Formation of the tourism areas in countries considering available capabilities;
- Infrastructure building in order for investment in the tourism area on behalf of private sector by granting state aid and waivers;

The most important ECO slogan is “cultural unity” and it will be established among all ECO countries considering borders and social, political, economical and cultural differences and divergence-which will create beauty- and is not just a unattainable target;

Health tourism comprises a wide range of tourism and has the ability to turn into sustainable and blossomed investment;

Proper planning infrastructure can promote health tourism centers in the region;

Although many people recognize security, infrastructure and legislations most important affecting barriers to foreign tourist entering the country, however operate of ambassadors and embassies of each ECO member state in other member countries account as a principle pillar to attract tourists into countries. In this context can survey on functioning of embassy and have emphasized in necessity of more activity of them;

Some recommendation to significant participation of private sector in tourism industry development:

Most tourism services supplier including travel services, restaurants, accommodation, craft and...are dominated by private sector and therefore tourism development, undoubtedly, require the active involvement and participation of the private sector. In this regard, governments may focus on policy making, tracking the legislation, planning, market analysis and control expansion of physical infrastructure such as airports, roads, water, electricity and phone utilities;

The following suggestions may help to develop the industry's, income generation and job creation:

- Private sector investment under the government's categorical support to build up infrastructures in the health field in order to attract more tourists to the region;
- Effective investment in infrastructures like transportation, residential centers and hotels along with holding feature event such as conference. halls celebrations, pools and sauna, gyms, various restaurants and road services complexes, travel and tourism offices aim at development of region's residential capacity.
- Private sector activities in the field of tour guides, human resources and the restoration of historical edifices for the purpose of attracting more tourists;
- Accomplishment of appropriate advertising methods on target markets conducted by competent advertising professionals and using the internet in this field in the region's countries;
- Introduction of tourism attractions and determination of tourism sites to advertise them in the web sites and brochures;
- Formation of temporary teams in the spring and summer (most tourists visit the region in these seasons) in order to monitor the residential, catering and... centers;
- Utilizing electronic information dissemination systems and e-commerce methods for marketing and introducing travel products to potential tourists;
- Holding permanent exhibitions to display the products and achievements of the region and to introduce ECO member countries' attractions to the tourists;

A study on: tourism in ECO region

- Devise the joint tourism packages among ECO member countries including accommodation, rail and air lines as well as tour guides;
- Present insurance services to joint tours of ECO member countries in cooperation with insurance agencies in the region;
- Formation of the Caspian sea tour (cruise) ship between Iran, Azerbaijan, Turkmenistan and Kazakhstan;
- Using ECO passenger train for formation of a joint tour between Iran, Turkey and Pakistan in cooperation with relevant authorities in these countries;
- Establish a system to offer discounts in airlines to mutual tours of ECO member countries;

ECO Chamber of Commerce and Industry (ECOCCI) Secretariat has always tried to provide the required infrastructures for mobilization of these goals, thus we would reaffirm our readiness to render any assistance and cooperation in this regard.