



**Asia-Pacific
Economic Cooperation**

Advancing Free Trade
for Asia-Pacific **Prosperity**

Prospect Analysis for Sustainable Development of Tourism in Remote Areas Of APEC Economies – Phase I

APEC Tourism Working Group

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List of Acronyms

ADB	Asian Development Bank
APEC	Asia-Pacific Economic Cooperation
BKPM	Investment Coordinating Board (Indonesia)
BSP	Bank of South Pacific
CEPA	Conservation and Environment Protection Authority
CY	Current Year
DOT	Department of Tourism
DPWH	Department of Public Works and Highways (the Philippines)
EFT	Electronic Funds Transfer
FDG	Focus Group Discussion
GDP	Gross Domestic Product
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
IDR	Indonesian Rupiah
IMN	Indigenous Minorities of the North
PGK	Currency of Papua New Guinea
LLC	Limited Liability Company
MICE	Meetings, Incentives, Conventions & Exhibitions
Mt	Mount (mountain)
NGO	Non-government Organization
NT	Northern Territory (region in Australia)
NTA	National Tourism Administration
NTO	National Tourism Organization
OTOP	"One town one product"
PNG	Papua New Guinea
POS	Point of Sale
PPAs	Programmes, Projects and Activities
PT	Public Trust
RHU	Rural Health Unit (the Philippines)
RTO	Regional Tourism Organization
SEZ	Special Economic Zone
SUV	Sport Utility Vehicle, Suburban Vehicle
TPA	Tourism Promotion Authority
TRA	Tourism Research Australia
UNWTO	United Nations World Tourism Organization
USD	US Dollar
WEF	World Economic Forum

1. Principal Background of the Project Implementation

Tourism capacity is a set of natural, historic and cultural objects and phenomena, as well as social, economic and technological conditions, providing development of tourist activity in the region (area). It includes tourist resources, available as well as prospective ones not being used due to external factors, but having the potential to be used in future.

Nowadays the development of remote areas is becoming one of the most pressing issues, both at the global and regional levels. The Asia-Pacific Region is very diverse in terms of economic development and includes a lot of remote areas, many of which are suffering from deep economic, infrastructure and social challenges.

The remote area is a region, located far away from political, financial and economic centers. Access to these areas could be complicated due to climatic and geographical reasons, as well as infrastructure and logistical problems. One of the main solutions to overcome these problems could be capacity building in the field of sustainable tourism, which will provide financial support to the development of tourism in these remote areas, in particular, on the principles of creating public-private partnerships.

Sustainable development of tourism includes means of increasing remote areas' touristic advantages while preserving their authenticity, cultural heritage and ecological well-being of tourist attractions. There are remote areas in every APEC economy and the issue of their effective resource management is common and timely for the whole APEC region. An analysis of remote areas' touristic capacity will promote growth of people-to people and regional connectivity among APEC economies. It will also serve to create jobs and economic growth in these remote areas.

The project has been implemented in the period August 2018 – December 2019 by “Borlas Security Systems” (Contractor) under the Oversight of the Federal Agency for Tourism of the Russia. The Project Overseer was Ms Ismira Yablochkina, Head of International Cooperation Department.

2. Project Objectives

- To improve knowledge and skills of tourism authorities through analysis of different characteristics of remote areas in APEC economies, existing bottlenecks and tourism capacity potential of these areas without sacrificing their authenticity;
- To develop recommendations for APEC economies on ways of promoting ‘awareness of remote areas’;
- To hold a workshop for experience exchange and presenting recommendations, dedicated to sustainable tourism development in remote areas of APEC economies.

The activities have generated the following output:

- In the frames of the project study recommendations for APEC economies were developed.
- The workshop was held in Manila (the Philippines), on 10-11 October 2019 and was attended by 25 participants from nine APEC economies. The workshop agenda included presentations from APEC economies, results and recommendations developed by the project team, and discussions. Recommendations were finalized and accepted unanimously by all participants of the workshop.

3. Project Relevance

This project is related to “APEC Connectivity Blueprint 2015-2025” which falls under Rank 1 of the APEC Funding Criteria: Projects that demonstrate a direct link to promoting regional economic integration via free and open trade and investment. It also supports the 2014 Leaders’ Declaration stating “We are committed to implementing the APEC Connectivity Blueprint and achieving the overarching goal of strengthening physical, institutional and people-to-people connectivity by taking agreed actions and meeting agreed targets by 2025”.

Development of tourism, considering its multiplicative character, is related to all of the above-mentioned components, which are needed to increase tourist flows. This becomes impossible without development of related infrastructure, human capital involvement, as well as adoption of essential decisions at the state and institutional levels.

The project also falls under Rank 2 in terms of supporting the APEC Strategy for Strengthening Quality Growth, namely supporting inclusive and sustainable growth in APEC region, as “activities/issues under the project are related to addressing the social dimension of globalization” as well as “building sustainable and resilient communities”.

Introduction

World tourism is a market of a high degree of saturation, which shows a steady increase in tourist flow, but consumer preferences are shifting in favor of developing economies and “young” tourist destinations. This contributes to the active tourism development of new spaces. Such new tourist spaces are remote areas.

This research project focuses on the economies of Asia-Pacific Economic Cooperation (APEC), specifically, Australia, Indonesia, the Philippines, Papua New Guinea and the Russia.

The main goal of the research work is to develop recommendations for the APEC economies on the development of tourism in the remote territories of Australia, Indonesia, the Philippines, Papua New Guinea and the Russia.

To achieve the designated goal, it is necessary to implement a number of tasks:

- develop a methodology for identifying the main features of the remote territories of the Russia in terms of climatic and geographical features, as well as infrastructure, logistics and economic;
- to test the approaches to the qualitative and quantitative research of remote areas in order to develop tourism in the APEC economies, as a result of which metrics of the remote territories of Australia, Indonesia, the Philippines, and Papua New Guinea and the Russia will be formed;
- identify the problems faced by APEC economies in the development of tourism activities;
- determine the prospects for the development of tourism in the remote areas of the APEC economies;
- propose specific measures that will contribute to the fullest realization of the tourism potential of the remote territories of Australia, Indonesia, the Philippines, and Papua New Guinea and the Russia.

For the purposes of this research work, a remote territory should be understood as a territory that is usually located at a considerable distance from political, financial, economic and socio-cultural centers. Access to such territories may be difficult due to climatic and geographical features, as well as infrastructure and logistics problems. Against the background of increasing consumer interest in such territories, one of the main ways to build the potential of remote territories is to develop tourism by expanding environmentally friendly types of tourism activities, creating a system of its financial support based on public-private partnership.

At the stage of identifying the characteristics of the remote territories indicated above by the five APEC economies, the following administrative-territorial units and destinations were distinguished:

I. Remote territories of the Russia - the territories of the Arctic zone, including the territory of the Arkhangelsk region, with the separation of the Franz Josef Land archipelago, the territory of the Murmansk region, the Chukotka Autonomous Okrug, the Yamalo-Nenets Autonomous Okrug, the Republic of Karelia, the Komi Republic, the Republic of Sakha (Yakutia), Krasnoyarsk Territory and the Nenets Autonomous Okrug.

II. Remote Australia - The Red Center of Australia.

III. Remote territories of the Philippines - Adams Municipality in Ilocos Norte (Adams, Ilocos Norte), Divilacan and Maconacon Provinces of Isabela Province (Divilican and Maconacon Province of Isabela).

IV. The remote territories of Indonesia are the Derawan Archipelago Islands, the Wakatobi Islands, Morotai Island and Mandalika Beach Lombok island.

V. The remote territories of Papua New Guinea - Mount Wilhelm National Park.

To improve the quality of the study of issues of identifying problems and prospects for the development of tourism activity within the boundaries of the remote areas of the APEC economies (in addition to the Russia), an expert community was formed in the project:

1. Mr Chris Rose, Accomplished Consultant, Non-Executive Director, Victorian Fisheries Authority; Australia
2. Mr Marsellinus Bachtiar, External Consultant, PT. Kirana Pratama Persada, Indonesia;
3. Dr Joycelyn Kia Pipike, University of Papua New Guinea- Port Moresby, Papua New Guinea.

All the project experts were recommended to the Project Overseer by Tourism Administrations of the three APEC economies.

The development of measures that will contribute to the fullest realization of the tourism potential of the remote areas of the APEC economies will be carried out taking into account the specifics of each of the economies being studied, and in a generalized form, for the possibility of further dissemination of the obtained research results.

I. The methodology for identifying the main features of the remote territories in the context of climatic and geographical features, as well as infrastructure, logistics and economic

I.1. The concept of remote territories and the definition of approaches to their qualitative and quantitative research in order to develop tourism

Tourism is currently not only a booming field of scientific research, one of the significant social phenomena of our time, but also the most important industry in the world. World tourism is a market of high degree of saturation, which shows a steady increase in tourist flow, but consumer preferences are shifting in favor of developing economies and “young” tourist destinations, this contributes to the active tourism development of new spaces. Such new tourist spaces are remote areas.

For the purposes of this work, a remote territory will be understood as an area that is usually located at a considerable distance from political, financial, economic, and socio-cultural centers. Access to such territories may be difficult due to climatic and geographical features, as well as infrastructure and logistics problems. Against the background of increasing consumer interest in such territories, one of the main ways to build the capacity of remote territories is to develop tourism by expanding environmentally friendly types of tourism activities, creating a system of its financial support based on public-private partnership principles.

To make strategic decisions on the development of tourism within the boundaries of a remote territory, in our opinion, it is necessary to create a “collection of metrics of remote territories”, which will contain an assessment of their potential in several areas:

1. Physical and geographical location and administrative-territorial affiliation of the remote territory.
2. Cartographic materials on a remote territory indicating the available transport capabilities (roads indicating the class and category, airport / airfield indicating the class, heliports or helipads, boat / boat communication, authentic modes of transport and other modes of transport).
3. Conclusion on the nature of the tourist and recreational potential of natural and cultural landscapes of remote areas:
 - quantitative description and description of the natural and cultural landscapes of a remote territory;
 - Formation of a bank of photographs of objects of natural and cultural landscapes of remote territories.
4. Conclusion on the production potential and tourist attractiveness of traditional activities of the local (indigenous) population of the inaccessible territory:
 - a qualitative description of the traditional activities of the local (indigenous) population of remote territories in order to identify the possibility of stimulating entrepreneurial initiatives in

tourism (the ability to create / develop authentic display objects, interactive programs, production and sale of authentic souvenir products);

- the formation of a bank of photographs of traditional activities of the indigenous people of hard-to-reach territories and their results (finished products, finished goods, results of work / services).

5. Conclusion on the state of infrastructure improvement (water, gas, electricity, sewage, pipelines or other infrastructure solutions, for example, autonomous, etc.).

6. Conclusion on the state of socio-cultural improvement (medical services, educational institutions, institutions of social adaptation, etc.).

7. Socio-economic problems of the remote territory, which can be solved or reduced the degree of urgency, through tourism.

8. Infrastructure and other restrictions that do not contribute to the development of tourism within the boundaries of a remote territory.

Based on the metrics of the remote territories, it is necessary to conduct a predictive assessment of the interaction of tourism and the environmental situation, the economic situation, social opportunities and the state of the cultural landscape of the remote territory. Assessing the impact of tourism on the social and cultural life of a remote territory, its environment, both natural and man-made, is an interdisciplinary issue that focuses on research in the field of economics, sociology, cultural studies, ecology, geography, tourism technology and other areas of scientific knowledge.

Assessing the degree of the direct impact of tourism on the environment has a number of methodological difficulties. Any human activity changes the appearance of the territory, so it is incredibly difficult to establish a basic level, against which you can measure the changes that have occurred as a result of tourist activities. The environment is in a constant process of change even without anthropogenic impact, and therefore, the noted changes can be the result of stable natural phenomena, however, sometimes, these phenomena can be accelerated by human tourism. One group of researchers considers tourism to be a powerful agent of environmental change, while the other says that it is extremely difficult to determine whether specific changes are a consequence of tourism development or whether tourism is just one of the influential factors, and not the prevailing one.

If we consider tourism as a set of activities, it becomes virtually impossible to measure the total impact of tourism on the environment. Some types of activity can have a clear effect, some indirectly, in the aggregate several types of activity can have a negative impact, and a change in the composition of the types of activity in the aggregate can lead to the leveling of the previously noted negative impact, for example, in the case of a change in the type of transport for moving tourists within tourist area from the car to the funicular or cable car.

Also, certain difficulties in assessing the impact of tourism on the environment are associated with the cross and interactive nature of the economic, social and environmental phenomenon of tourism. The interactions between the components of each of these spheres of influence entail further changes that affect the entire system, creating a complex series of impact flows. For

example, tourism, influencing the local population of remote territories, which can be represented by racial, ethnic and cultural minorities, carriers of traditional ways of life, can change the patterns of their socio-cultural, economic and social behavior. Unique animals, rare plant species, etc. Elements of the ecological system of a remote area are highly attractive to tourists, and therefore are subject to increased negative impact.

Currently, more and more questions are being raised about the negative consequences of tourism for host tourist zones (local territories, including remote ones). The approach to the interpretation of negative consequences can be different, depending on whether they are evaluated from the position of local, regional, domestic or foreign perspectives. Tourism is dynamic, and the impact, and their importance, are constantly changing due to changes in the goals of both tourists and their hosts, fluctuations in processes affecting the economic and environmental spheres, as well as technological and other changes in the tourism industry itself. All this suggests that the impacts will change over time, and that periodic monitoring of the tourist load and environmental situation in the region and / or local territory is necessary.

The degree of satisfaction of the needs of tourists and ensuring compliance with the expectations of tourists is influenced by environmentalism. Environmental features contribute to the formation of a model of tourist behavior, i.e. affect the choice of place and means of accommodation, the length of stay, the degree of mobility within the boundaries of the tourist territory, the content of leisure and recreational and recreational activities. For example, the tourist attraction of the cultural and historical heritage of the territory increases significantly if supplemented by natural uniqueness, and sometimes by the factor of "limited visits" due to the remoteness of the territory. But the massive increase in tourist flow due to increased tourist attractiveness can affect the quality of the environment and lead to a deterioration of the ecological situation. In such a situation, it is important to balance the interests of the "producers" of tourist services and specially authorized bodies for the protection of the environment. Some researchers believe that several types of relationships are possible between these parties:

1. Independent activity. "Producers" of tourism services and specially authorized bodies for environmental protection strive for a minimum number of contacts, conduct uncoordinated activities, each within the framework of its functionality, goals and objectives. This type of relationship is ineffective in conditions of mass development of tourism.
2. Mutually beneficial cooperation. "Producers" of tourism services and specially authorized bodies for the protection of the environment coordinate their activities with a view to the rational and controlled use of resources of natural ecosystems, preservation, maintenance and improvement of the ecological situation, and monitoring of anthropogenic impact.
3. Conflict situation. This type of relationship can be implemented in two scenarios. In the first, the "producers" of tourist services, having political and economic

support, are realizing an uncontrolled increase in the rate of development of mass tourism without limiting the destructive activity of tourists: gathering herbariums of wild rare flowers, picking up plant parts, uncontrolled hunting, careless handling of fire, tree felling, littering forests and coastlines, laying pedestrian and bicycle paths through forests, organizing campsites, destroying coral reefs, etc.

In the second, specially authorized bodies for environmental protection, having public and administrative support, implement an unreasonably tough policy to introduce special regimes for the use of territories restricting the development of tourism, or its individual forms.

The above types of relationships are true not only of the “Producers” system of tourism services and specially authorized bodies for environmental protection, but also in the relations between various stakeholders, including public and private ones. For example, in the production sphere, the substitution of products from authentic local industries will be considered a conflict, cheaper analogues visually imitated using cheaper automated technology.

In the case of mutually beneficial cooperation of all interested parties:

- tourism stimulates the revival of cultural, historical and industrial traditions;
- tourism contributes to the revitalization of buildings, structures, and spaces withdrawn from economic and public circulation;
- tourism activates the conservation or restoration of natural resources, including through tools of volunteering and social responsibility;
- tourism improves the quality of environmental protection through the promotion of responsible management and administrative control, which, in turn, creates a more comfortable environment for tourists to stay on the territory, and, accordingly, to a greater extent satisfy the needs of tourists.

To assess the social and cultural impacts of tourism research it is advisable to conduct in three areas:

- study of consumer interest - determining the nature of the demand for tourism services, motivational attitudes and expectations of tourists;
- study of the territory of the reception - analysis of the infrastructure and environmental conditions of the territory, identifying the characteristics of the use of labor resources, determining the specifics of the social, economic and cultural behavior of the local population;
- study of the process and results of the interaction of carriers of consumer interest, business entities and the local population of the host territory - determining the nature, characteristics and consequences of socio-cultural, economic and other types of contacts between tourists and representatives of the host territory. It also studies the ways in which tourism affects the value system of the local population, changes in behavior patterns, family relationships, a common lifestyle, safety level, creativity, traditions and rituals, and production and business activities.

Many foreign and domestic experts, the results of tourism activities, were initially interpreted in terms of the economic approach and were characterized by indicators of income, tax revenues from activities, sales volumes in value and in kind, supplementing them with changes in the level of employment and wages of the local population. Currently, the focus is on sociocultural effects and certain types of impacts of tourism on the environmental situation.

The study of the impact of tourism on the environment and socio-cultural natural space is based on several approaches.

The first approach is based on the "irritation index" which has five levels:

I. Euphoria - the local population is enthusiastic and supportive of the idea of developing tourism, recognizing the opportunities to improve the quality and standard of living of the local community, as well as attract investment and increase cash flows. This level is characterized by propaganda of the so-called hospitality principles for administrative authorities, and for local residents their adoption and following their provisions.

II. Apathy - the local population begins to perceive tourists as strangers, who are gradually making changes to their cultural norms and lifestyle, and also have a negative impact on the environment. In these conditions, the local population interacts with tourists from the position of personal gain, their "usefulness" for the growth of personal well-being. This level is typical for local residents to pose problems related to tourism development to administrative authorities.

III. Annoyance - the local population has an aggressive attitude towards tourists, which begins to increase when the tourism industry reaches its limit. As a rule, tourism has already led to irreversible changes in the infrastructure of the local territory, there has been a violation of the balance of the usual communication processes and cultural and industrial traditions that have been preserved for centuries. This level is characterized by the contrast of standardized standards of comfort for tourists of the format "Friendly Standard" and the average living and working conditions of the local population. Aggression can be reduced by creating additional opportunities for the local community to improve the level and quality of life.

IV. Antagonism - at this level, tourists are excluded from the polite system. The local community raises issues of concern for reducing the flow of tourists.

V. Reconciliation - the local population agrees with the possibility and necessity of ecosystem changes associated with high tourist activity. In our opinion, the fifth level is achieved only if there are opportunities for the redistribution of mass tourist flow, its dispersal and improvement of infrastructure in forms acceptable to the local population.

In the short-term retrospective, one can note such a tendency of the last 3-4 years that successful and highly attractive tourist territories, such as London in the UK, Barcelona in Spain, St. Petersburg in the Russia and similar tourist destinations, prefer to change their policy in tourism development with the strategy "Bet on the quantity" on the strategy "Bet on the income". The key reasons for this were the overload of all types of infrastructures and a decrease in the tolerance of the local population, the outward manifestations of which became, a decrease in the quality of service and the level of comfort of staying under the slogan "tourists go home". In

scientific and practical activities, this phenomenon is associated with such a concept as the “threshold of tolerance”, which is laid down in the following approach to studying the impact of tourism on the state of the environment and socio-cultural natural space.

In response to tourist activity, the behavioral reactions of individuals or social groups can be positive or negative, as well as active or passive. The concept of “threshold of tolerance” is used to characterize a certain critical level, beyond which the positive effects of tourism and a positive attitude towards it are replaced by negative ones.

Establishment of a “tolerance threshold” according to such Russian authors as Pokrovsky N.E. and Chernyaeva T.I. depends on the place, time, cultural and economic distance between tourists and residents of the host economy, the ability of the territory to physically and psychologically compensate for the influx of tourists, the speed and intensity of tourism development. The physical presence of tourists within the boundaries of the local territory at a certain time of the year significantly changes the usual social order and causes an increase in social risks. Therefore, the increasing number of tourists at resorts and recognized holiday destinations requires the determination of critical values, for example, presence indices or other similar or complementary indicators.

The development of tourism, especially within the borders of remote territories, triggers the “demonstration effect”, which is manifested in the introduction of ideology and lifestyle from the outside. An assessment of this effect forms the following approach to studying the impact of tourism on the state of the environment and the socio-cultural natural space. This effect can be defined as an advantage if it allows residents to adapt or get extra work. However, this effect can cause a variety of misconceptions regarding tourists. The consequences of the “demonstration effect” may be:

Primary: increased crime and tension, which is associated with the inability to satisfy the needs initiated by tourists in a legal manner; increased outrage at attracting emigrants to serve tourists; Destruction of traditional patterns and community boundaries in connection with migration.

Secondary: associated with a change in the internal structure of the local territory, for example, the role of women, the level of cohesion, demographic and institutional structures are changing.

Some tourism technologists and designers of tourist and recreational spaces suggest that one of the ways to mitigate the effects of the “demonstration effect” is to “carry out” tourist territories outside the local population. In this case, the tourist attraction of the territory will be formed due to the artificial creation of landscapes of “instant culture” that fake authenticity. In a way, this is in tune with the cluster policy for the development of domestic and inbound tourism in the Russia, which, inter alia, involves the implementation of investment projects to create tourist clusters outside the boundaries of settlements.

Tourism is an industry that, on the one hand, actively uses a wide range of different types of resources, including natural and ecological ones, and on the other hand, is highly dependent on the quality of the environment. In this regard, there are opinions that the indicators of tourism development (the number of persons placed in collective accommodation facilities, the volume of paid tourist services to the population, investment in fixed assets of the tourism sector, etc.)

should be supplemented by indicators of an increase in consumed resources and emissions waste. In addition, it is necessary to raise the issue of expanding the territories used for the creation of tourist infrastructure. A positive trend here will be that revitalized old industrial and reclaimed agricultural lands are involved in tourist traffic, and negative when forests are cut down for the construction of hotels, lifts, viewing platforms, highways, meadows and arable lands stand out, and the coastline changes.

In the absence of proper planning and management, development related to tourism can lead to socio-economic problems, as well as negative environmental changes such as soil erosion, loss of biological diversity, decrease in water quality, etc.

The following factors can be distinguished negative impact of tourism on the state of the environment and socio-cultural natural space:

- pollution by sewage, garbage;
- noise pollution and emissions of air transport;
- erosion of the coast (beach) due to the removal of dunes and alignment of coastal surfaces;
- excessive use of natural areas (forests, mountainsides, lakes);
- the destruction of natural areas for the placement of tourism facilities;
- violation of natural bonds in the chain: air, water, the earth's surface and living organisms;
- the impact on the culture of local residents;
- loss of historical and architectural heritage;
- A one-time increase in population density in recreational areas;
- aggravation of socio-economic tension;
- the spread of the use of labor by minors.

This is only an incomplete set of factors of the negative impact of tourism on the state of the environment and socio-cultural natural space. As a rule, with a well-structured scheme of strategic and tactical management of tourism development, taking into account the principles of environmental safety and the interests of the local community, the severity of the problem is significantly reduced.

Territories that do not have a sufficiently high technical and technological potential and financial capabilities to replenish the resources involved in the tourist turnover, remove and process an increased amount of household waste feel a more acute negative impact of tourism. The replenishment problem is especially significant when it comes to bioresources, in some tourist areas, the demand for seafood from tourists is so high that it becomes a major factor in increasing the load on edible mollusk populations. Also, the tourist fashion for authentic natural products, often puts this or that biological resource on the brink of extinction.

Many beautiful corners of the planet, including protected areas, have already been significantly affected by the influx of tourists - "nature lovers", which is fraught with harmful consequences for the biodiversity of these places.

Tourism, as noted above, also leads to environmental pollution: the discharge of untreated effluents into the waters of rivers and seas, transport emissions containing carbon dioxide and nitrogen oxide, as well as the production of garbage and other solid waste. The construction of facilities and the development of tourist infrastructure, without predicting their impact on the environment, can have a detrimental effect on the ecology and biodiversity of not only tourist areas, but also the global ecosystem. In this connection, it is possible to raise the issue of the formation of a global responsibility for the conservation and protection of nature. In the works of some authors, this has already been reflected. For example, in the work of V.S. Bogolyubov and V.P. Orlovskaya, it is noted that since in most destinations the majority of tourist facilities are foreign-owned, there must be a fair balance between the local participant and the investor. Local residents, as the main source of labor, should be interested in interesting and well-paid work, be involved in participation not only at the lowest levels of employment. The tourism industry is one of the few sectors where developing young destinations can offer quality goods in the international tourism market. These economies receive income from tourism, and tourists themselves overwhelmingly come there from highly developed and leading economically and industrially economies. Consequently, the growth of globalization of the world economy requires global responsibility.

The consumer satisfaction of tourists, which is the basis of return visits, the formation of loyalty to the tourist territory, the transmission of personal positive tourist experience among your circle of friends, to a large extent depends on how the conditions of rest and the level of service meet the expectations of the tourist. Since a high-quality natural environment is a necessary condition for high-quality recreation, its preservation becomes an important economic factor for the tourism industry, carried out in cooperation between the private and public sectors, i.e. with the close cooperation of heads and specialists of economy and municipal government bodies in charge of the development of the tourism sector and representatives of the business community of the tourism industry.

In this regard, organizational and managerial mechanisms and regulatory measures should be introduced to prevent and minimize the damage that tourism causes to the environment and biological diversity. The indicated mechanisms and measures should include not only control over already operating objects of the tourism industry, but also affect the prognostic assessment of the environmental impacts of new tourism projects, especially those that affect unique and vulnerable natural systems, such as remote territories. For example, since 2011 in the Russia, a measure has been enacted that establishes, as part of the expert evaluation criteria, investment projects proposed for inclusion in the list of measures and implementation under the Federal Target Program "Development of Domestic and Inbound Tourism in the Russia (2011-2016)" State environmental review in accordance with the requirements of the Federal Law of November 23, 1995 N 174-Ф3 "On Environmental Expertise".

The parties concerned should determine the correct vector for the development of tourism by state, regional and municipal authorities, including taking into account international requirements. It is public policy that should provide regulatory power using the principles of

the concept of sustainable development. Due to its synergy, tourism can act as a driving force that will bring related industries to the path of sustainable development. In order to follow the basic principles of the concept of sustainable development, it is necessary to systematically assess the nature and intensity of the impact, carry out environmental monitoring, take into account the potential load on the environment, optimize resource consumption, invest in energy-saving and restoring technologies. World Travel and Tourism Council approved a multidimensional strategy for introducing and disseminating a culture of sustainable development and formed a dynamic structure to achieve this goal.

The main tasks for the near future are as follows:

- replace the culture of intensive consumption with a culture of reasonable growth;
- balance economic and environmental impact factors;
- find the common interests of tourists and the local population;
- distribute the benefits received among all members of society, and especially among the poorest and most disadvantaged categories of the population.

In the Russia, saving for present and future generations of the environment and socio-cultural natural space is one of the state priorities.

The Concept of the federal target program “Development of domestic and inbound tourism in the Russia (2019 - 2025)” (hereinafter referred to as the Concept), approved by order of the Government of the Russia dated May 5, 2018 No. 872-r, provides measures that will ensure sustainable development tourism within the boundaries of local territories of the Russia, including remote ones.

The concept provides, for example:

- providing support for the traditional way of life and sustainable development of the indigenous peoples of the Far East and the Baikal region;
- ensuring environmental safety and environmental protection of the Far East and the Baikal region;
- when creating tourist clusters in the Arctic zone of the Russia, overlapping areas of economic activity of the largest corporations and traditional nature management, widespread and unique settlement systems, the presence of territories of active economic development and special environmental status, etc. will be taken into account.

The realities of tourism on Lake Baikal today are such that unorganized vacationers and amateur tourists, every summer, literally collapse on the coast of Lake Baikal. According to estimates, from each such unorganized tourist, only after a short rest of the weekend, there is up to one bucket of garbage, and about 1.8 cubic meters of household waste accumulate on the coast from one person per year. In this regard, there is an urgent need to regulate the flow of unorganized tourists. One of the effective directions of such a solution was the development of organized ecological tourism - this is a type of tourism in which the service of nature lovers does not upset the ecological balance; it is traveling in ecologically clean areas, and sometimes providing all

possible assistance in the study and restoration of nature. Ecotourism pays serious attention to the ecological education of tourists. Some travel companies conduct special training for their clients in environmentally competent behavior that does not upset the ecological balance. The main goal of popular activities is to teach tourists not to leave behind themselves traces of their stay in the natural environment.

For the tourist re-development of the Arctic zone of the Russia, the form of cruise tourism was chosen, which is also endowed with a high degree of organization and stability of the route network.

Thus, the basic set of conceptual principles of environmentally friendly tourism can be formulated as follows:

- measures for the development of environmentally friendly types of tourism activities, are mandatory fixed in the documents of strategic planning and management of domestic and inbound tourism in the Russia;
- Tactical management for the development of environmentally friendly types of tourism, based on the implementation of a cluster approach in the field of tourism, using the mechanism of public-private partnership;
- Tourism development within the boundaries of ecologically vulnerable territories and in anthropogenically overloaded tourist destinations is carried out in the mode of increasing the degree of organization of tourist flows and the stability of the route network.

The approaches described above to highlighting the main features of remote areas in terms of climatic and geographical features, as well as infrastructure, logistics and economic were tested in the study of four APEC economies. The results will be presented in subsequent sections of the paper .

I.2. Outcomes of the approbation of the approaches to the qualitative and quantitative analysis of remote areas to develop tourism in the APEC economies.

I.2.1. Australia

Introduction

Australia has a strong tourism industry built on established and growing domestic and international markets. Government and industry seek to capitalize on existing product and experience strengths around Australia and to develop new products and offering new experiences. A strategic approach encourages visitors to disperse and spread the economic and social benefits of tourism into regional and rural areas of Australia.

The industry in Australia is structured across three levels and has associated state and territory government tourism organizations (STOs), industry councils and regional tourism organizations (RTOs) as shown below.

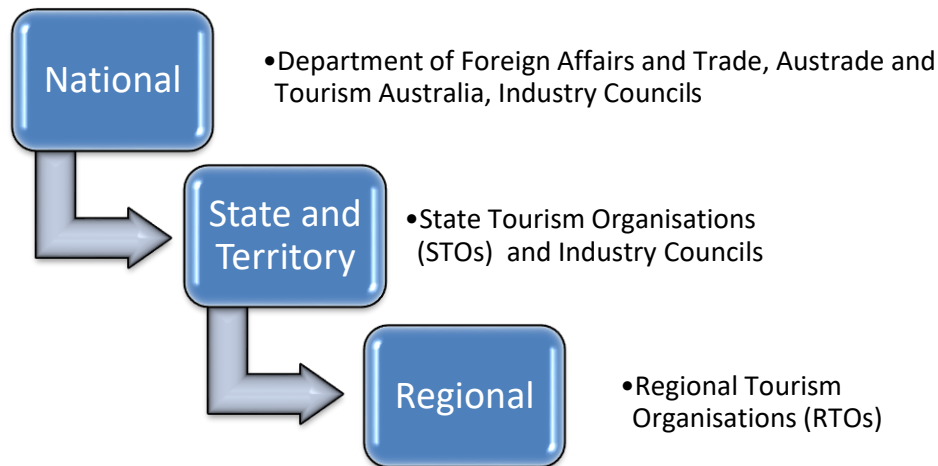


Figure 1. Infographic Depicting Australia's Tourism Industry Structure

This paper will explore the industry at the three levels depicted in Figure 1. It will then focus on one remote area, showcasing its share of the tourism economy, its product strengths and an example of how it intends to grow tourism to deliver benefits to the community.

Australia is too large a place to make specific comments on regional tourism as regions differ vastly in their product strengths, the experiences on offer, consumer markets they seek to attract, and characteristics such as the physical nature of the specific region.

This paper will focus on the Northern Territory as the State and/or Territory, and Alice Springs and the surrounding East and West MacDonnell Ranges (marketed as the Red Centre) as the remote area to analyze tourism. The Red Centre is geographically large and contains mature product based on its cultural strengths centered on aboriginal tourism, and its natural strengths centered on the West MacDonnell Ranges.

The Northern Territory offers a case study where the population is small, distances are large, the Aboriginal and Torres Strait Islander (ATSI) population is more than a quarter of the total population (Figure 4), and with tourism forming a critical component of future economic growth.



Figure 2 – Infographic showing the hierarchy of the tourism industry for the remote area of the Red Centre (Alice Springs and MacDonnell Ranges)

For each of the levels, this paper explores the area, the industry, the data and the strategies (as relevant) to help determine the alignment and likely successful elements in place, or required, to grow tourism in remote areas more broadly.

Domestic Level

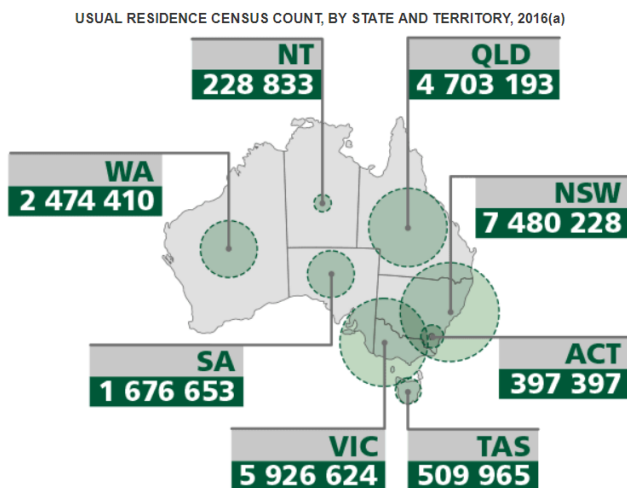
Demographics, Access and Transport

Australia is a large economy relative to its population. The island continent is the world's sixth largest economy at 7,682,300 square kilometers¹. It is approximately 4,000 kilometers from east to west and 3,200 kilometers from north to south. The coastline is approximately 36,735 km long.

Australia's population was last officially counted in the 2016 census. At that time there were 23.4 million people living in Australia, an increase of 8.8% on the 2011 census². The following infographic shows the distribution of population by state, and while not readily showing people living in remote areas, it does highlight the higher proportion of people living in the southern eastern seaboard states where the cities of Melbourne, Sydney, Canberra are located.

¹ Australian Government – www.australia.gov.au/about Australia

² Australian Bureau of statistics 2018 – Austats lookup



(a) Usual Residence Census counts. Excludes overseas visitors, Other Territories are not included.
Source: Census of Population and Housing 2016

Figure 3. Population Counts by State in Australia - 2016 Census. Source ABS

In the same census, 649,171 people identified as Aboriginal and/or Torres Strait Islander, making up 2.8% of the population.

One third (35%) of those people identifying as Aboriginal and/or Torres Strait Islander lived in capital cities in 2016, up from 31% in 2011.

ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE BY STATE AND TERRITORY, 2016 (a)

Aboriginal and Torres Strait Islander people			
	No.	%	(as a proportion of state/territory)
			%
NSW	216 176	33.3	2.9
Vic.	47 788	7.4	0.8
Qld	186 482	28.7	4.0
SA	34 184	5.3	2.0
WA	75 978	11.7	3.1
Tas.	23 572	3.6	4.6
NT	58 248	9.0	25.5
ACT	6 508	1.0	1.6
Australia	649 171	100.0	2.8

(a) Usual Residence Census counts. Excludes overseas visitors, includes Other Territories.
Source: Census of Population and Housing 2016

Figure 4. Aboriginal and Torres Strait Islander People by State and Territory, 2016. Source; ABS.

All the capital cities for Australia's states and territories, apart from the economy's capital city Canberra, are found on the Australian coastline, reflecting the climate and geography of the nation.

Figure 5 below provides a map of Australia's major cities and intercity highway network.



Figure 5. Map of Australia showing the capital cities and major highway network. The map also shows the Northern Territory (outer circle) and the Red Centre. Source; www.nationsonline.org

Accessing Australia’s remote areas is generally achieved by aircraft or longer drive vacations on the economy’s primary highway network. This latter market group that drive on road-based holidays can include pre-packaged bus tours as well as self-drive travellers on more extended vacations. Self-drive is more prominent in remote parts of Australia.

Airport access to remote areas is achieved predominantly through the primary and secondary airport network. Once people have arrived, those who may have booked products will then generally be escorted to the location of the experience via coaches (standard coaches or special all-wheel drive coaches), or self-travel to locations that may or may not be clustered.

Figure 6 below shows the distribution of airports large enough to have regular scheduled passenger services.



Figure 6. Australia's larger domestic and international airports. Source www.sydney-australia.biz/maps

Accessing remote areas by rail in Australia is generally not a major source of inbound tourism into regional areas. Two exceptions to this are the Trans-Pacific travelling from Sydney to Perth, and the Ghan. The Ghan is one of the most famous rail journeys in Australian, travelling from Adelaide in South Australia to Darwin in the Northern Territory. Passengers generally take the trip 3-day experience although packages do allow stop overs or joining the journey half-way in Alice Springs.

Figure 7 below shows the main rail routes in Australia.



Figure 7. Major rail routes in Australia for rail tourism. Source Sydney-australia.biz/maps

Australia's Tourism Industry

Tourism is important to Australia. It is a vital export industry that provides social and economic benefits across the entire economy. It is also very important for Australia's remote

and regional areas where traditional economies such as agriculture, forestry, mining and energy have dominated in the past.

In 2018-19, tourism provided the following headline results for Australia³:

- The tourism economy is worth \$60.8 billion to the Australian GDP and provides jobs for more than 5% of the domestic workforce (666,000 people)
- The tourism economy grew 9.9% in 2018-19 and 6.1% in 2016-17
- Occupancy rates in the accommodation sector across Australia fell slightly to 74.0%, with strong growth in supply seeing over 7,650 rooms being added to commercial stock

International tourism spend is an important element of the sector as it provides an export income to Australia. In 2018-19, international tourism stood at 9.3 million visitors, a 3% increase on 2017-18. Total spend increased faster than international visitor numbers, increasing to \$44.6 billion driven by lower exchange rates and an increase in higher yield education visitors (up 5.9%) .

The average spend per night in capital cities across Australia in 2018-19 was \$175 per person. Of interest to this study is the fact that Alice Springs ranks 6 out of the top 10 for regional spend per person per night at \$230, with an average stay of 3.8 nights.

Future growth in international travel to Australia is forecast to continue to grow strongly, projected to reach 11.4 million arrivals in 2021-22.

Tourism 2020 is Australia's tourism industry strategy⁴. Four policy agendas have been set that will help deliver the strategy and its objectives and actions. These include:

- Encouraging high quality tourism experiences, including indigenous tourism
- Limit the tax, red tape and other regulatory burden industry faces
- Undertake coordinated and effective marketing campaigns to drive demand and
- Work with industry to support the development of tourism infrastructure that can drive demand.

All these elements have a strong relevance to understanding remote and regional area tourism sector performance and future growth.

Summary

At the domestic level, dispersal of people into remote areas is generally led through several approaches:

- Cooperation with state-based tourism bodies and industry on international marketing campaigns
- Broad policy direction that seeks to disperse people into higher yielding experiences outside the main tourism drawcards of Sydney, the Great Barrier Reef, Uluru, Melbourne and the Great Ocean Road

³ Tourism Research Australia – State of the Industry 2018-19. March 2020

⁴ Tourism 2020. www.tourism.australia.com

- The provision of grant funding through Federal programs such as Building Better Regions⁵ which aims to create jobs and drive economic growth in regional areas into the future
- Delivering infrastructure in partnership with State based agencies to support regional and remote area growth (such as airports, roads, rail etc).

Australia draws a diverse market and the sources of inbound visitors is well measured. Regional areas, in addition to seeking domestic markets, need to carefully target the sources and types of visitors to align with their product strengths.

The Northern Territory Tourism Industry

The Northern Territory offers a unique tourism experience based in part on the outstanding natural features of the Territory (including deserts, mountains and coastal areas) as well as the cultural elements of Indigenous tourism. Data provided by Tourism NT (the Northern Territory’s tourism organisation) show the following visitation and spend data⁶:

Table 1. Australian Domestic Visitor Summary - NT. Source Tourism NT

YE September 2019 – All Domestic	Visitors (*000)	YoY Change	Average Stay (nights)	Average Spend per trip (\$)
Intra Territory	605	-8.9%	2.7	726
Interstate	1,038	18%	7.1	1,132
International	310	7.3%	10.7	1,512
Combined	1,953	6.7%	6.3	1,331

The significant increase in interstate and international visitors and associated stay length is a positive indicator that the focus on increasing tourism activities and experiences is having some success. Source markets to increase internationally were China, Japan and the USA.

International tourism to the Northern Territory is shown in the following figure with source markets by economy. The increase in Japanese inbound tourism can be seen.

⁵ Regional.gov.au/regional/building-better-regions-fund.aspx

⁶ Northern Territory Tourism – Latest Visitor Data Year Ending September 2019

INTERNATIONAL HOLIDAY VISITOR TREND BY SOURCE MARKET

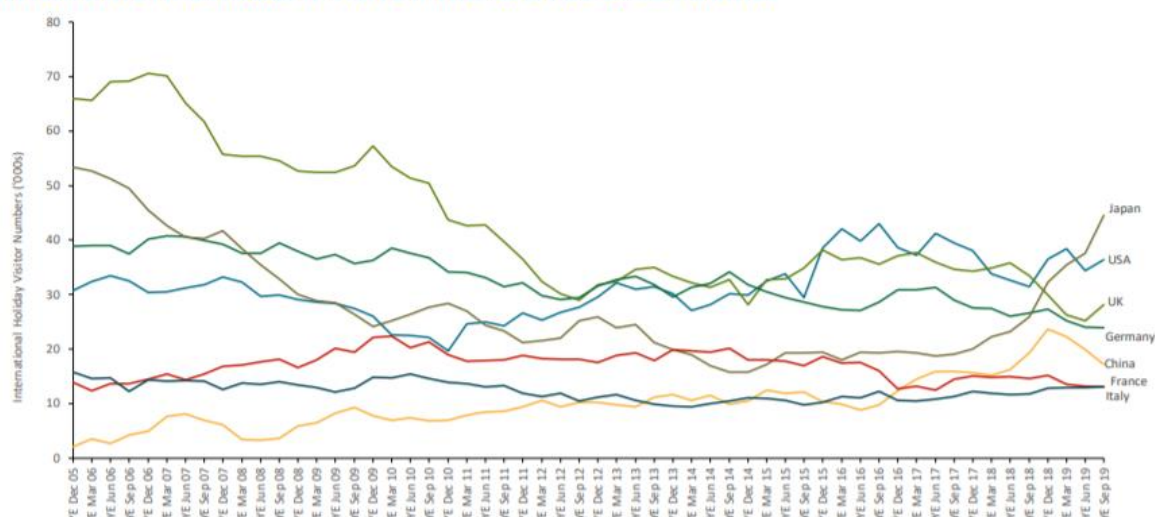


Figure 8 - International Holiday Visitor Trend by Source Market. Source - Tourism NT.

The Northern Territory international data can be shown regionally. Table 2 below drills into the NT level data further.

Table 2. International Visitors - Central Australia Summary Year Ending September 2019. Source Tourism NT

International Visitors – Central Australia Summary Year Ending Sept 2019.	All Purpose Visit 2018	Holiday				
		2019	Change	2018	2019	Change
Visitors ('000)	202	214	5.9%	195	207	6.0%
Visitor Nights ('000)	1,152	1,216	5.6%	800	866	8.2%
Expenditure (\$million)	239	284	19%	209	255	22%
Average Length of Stay (nights)	5.7	5.7	0.0	4.1	4.2	0.1%
Average Spend per trip(\$)	1,181	1,328	12%	1,071	1,233	15%
Visitor market share (%)	2.4	2.5	0.1pp	4.3	4.4	0.1pp
Visitor market share of NT (%)	70.0	69.0	-0.9pp	78.9	78.9	0.0pp

The data in Table 2 highlights the significant increase visitor numbers, spend per trip and overall expenditure in the Central Australia region of the Northern Territory.

The Northern Territory has a strategy⁷ that aligns with the Australian Government's 2020 strategy. The Vision 2020 for the Northern Territory is to grow the visitor economy to \$2,2 billion by 2020. The strategic requirements to deliver the vision are:

- Grow the value of the visitor economy through embracing opportunities outside the traditional leisure sectors, delivering inspiring marketing and communications that are

⁷ Tourism Vision 2020: Northern Territory's Strategy for Growth. NT Government

sales oriented and focusing on priority markets and niche segments that will provide the best return on investment in terms of visitor growth

- Improve the visitor experience to live up to the NT Brand promise, to meet the expectations of the global traveler and to deliver a holiday experience that is internationally competitive from a value perspective
- Work across industry and government to identify strategies to address the supply-side constraints of access (transport and aviation), accommodation and workforce capacity
- Improve business sustainability through a better coordinated, cohesive and profitable industry that is focused on quality
- Adopt a whole of Territory approach to delivering the targets outlined in Tourism Vision 2020 that sees the industry and Government working in partnership to coordinate efforts with a focus on maximizing outcomes for the visitor economy.

Summary

The Northern Territory, while it has seen reduced intrastate travel, has significantly increased the number of interstate and international visitors. These are the market segments that drive visitor spending in income to the northern territory from the visitor economy. This presents a turnaround over figures from last year where the NT had lost some market share to other States in Australia.

The NT Government is implementing a series of strategies and investment plans to increase the product stream and experience offer in the Territory, and in many cases, into higher yielding experience seeker markets. The Red Centre Ride described below is a strong example of this direction.

Case Study – The Red Centre – Alice Spring and Surrounds

Adopting a region within the Northern Territory for the purposes of understanding remote tourism opportunities and issues sees a further lens applied to the data allowing a deeper understanding of the potential. The Red Centre provides a strong opportunity to review tourism potential, to understand the economic importance of tourism and the role it might play into the future.

General

Alice Springs and the Red Centre tourism region sit in the heart of Australia. Figure 9 provides the location of Alice Springs in a national context.



Figure 9. The Location of Alice Springs in an Australian Context. Source G Adventures.

The climate of Alice Springs is dry and arid. Summer temperatures average 37 degrees C in January⁸ while the winter and shoulder seasons provide milder and more stable weather conditions providing an ideal destination for tourism from April through to October.

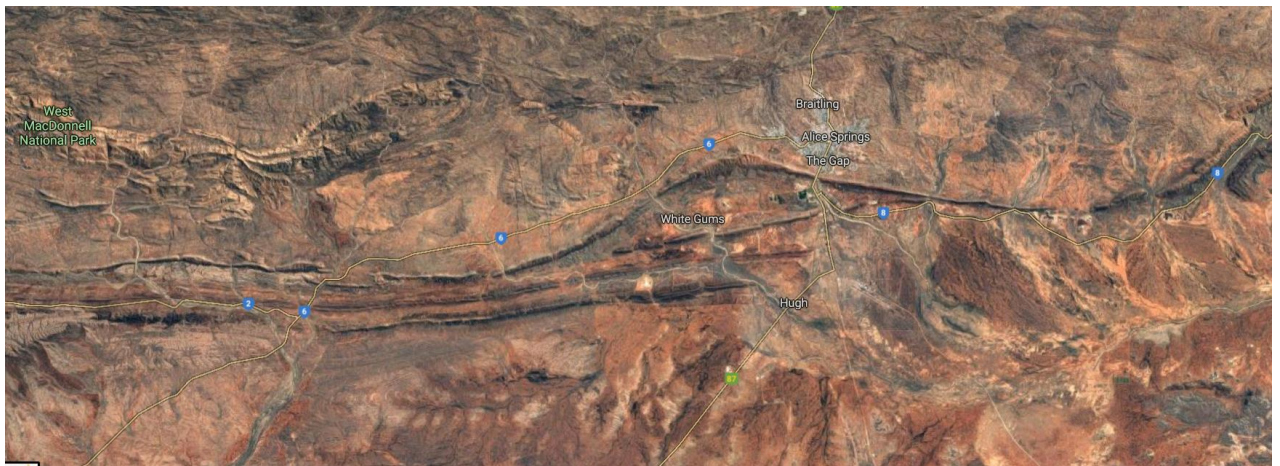


Figure 10. Google Map image of Alice Springs and the surrounding MacDonnell Ranges

In the 2016 Census, the following demographic data was derived for greater Alice Springs. While this does not generally include many of the remoter Aboriginal settlements, it provides a guide to the demographics of the area:

- The population of Alice Springs was 24,753
- Median income weekly household income was \$1,937
- Aboriginal and Torres Strait Islander people made up 17.6% of the population
- The median age of people was 35, slightly younger than the Australian average of 38 but older than the NT average of 32
- 42% of people are married, while 42% have never married
- As a rule, people have reached a lower level of education than the Australian average as measured by the highest level attained per person

⁸ Bureau of Meteorology Weather Services 2019

- The recorded unemployment rates are low at 3.3% (although we believe this does not include many remote areas).

Access

Both Australian major domestic airlines fly regular passenger services into Alice Springs Airport, Qantas with direct flights to most major cities, and Virgin direct from Adelaide and Darwin.

Alice Springs sits between the major cities of Darwin and Adelaide on the Stuart Highway. Both cities are approximately 16 hours' drive from Alice Springs, either north or south. The Highway is sealed and provides excellent access. Recent planning will ensure that the regular roadhouses, towns, national parks, heritage sites and storytelling along the route will add to the experience for self-drive visitors.

The Ghan is a comfortable scenic rail trip running from Adelaide to Darwin, stopping in Alice Springs. Alice Springs provides a half-way point on the 3-day trip and offers visitors the option of alighting or joining the journey at Alice and coupling the trip with other Red Centre experiences.

Visitation

For the year ending June 2018, the Alice Springs MacDonnell region attracted 451,000 visitors, staying an average of 6.2 nights with an average spend per trip of \$802.

Details are shown in the following table.

Table 1. Alice Springs and MacDonnell visitation. Source Tourism NT

Origin	Intra Territory	Interstate	Domestic	International	TOTAL
Visitors ('000)	119	211	329	122	451
Visitor Nights ('000s)	427	1,745	2,171	611	2,782
Average length of stay (nights)	3.6	8.3	6.6	5.0	6.2
Expenditure (\$)	-	-	287	75	362

As a trend, visitor numbers have increased over the 4 years. The following figure shows the trend noting the change in methodology in 2014 making direct comparison difficult prior to 2014.

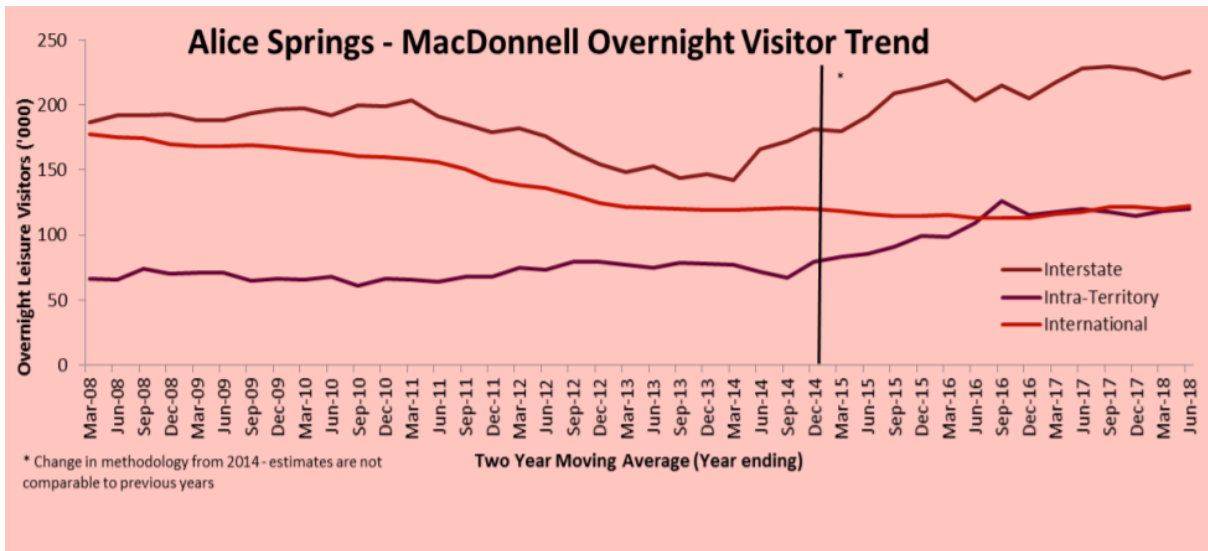


Figure 11. Visitor trend data for Alice Springs MacDonnell Region. Source Tourism NT

The following graphic show the seasonality of visitation to the region with majority of the visitors from interstate and international sources arriving in the June and September quarters when the climate is more temperate than the very hot summers.

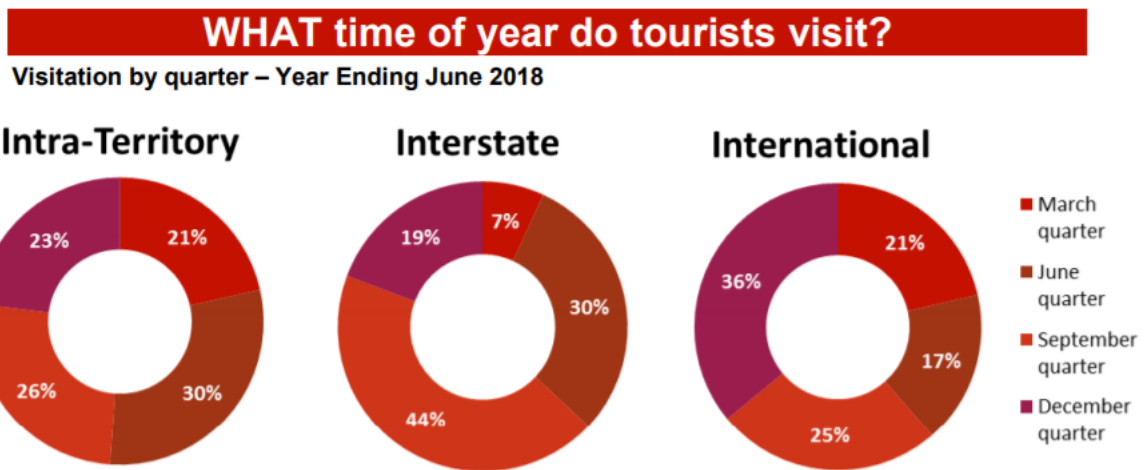


Figure 12. Seasonality of visits. Source Tourism NT

The origin of visitors within the broader market segments is important as each have differing stay and spend patterns. The following table provides insights into the source markets.

Table 2. Domestic and International Source Markets. Source Tourism NT

State of Origin	Visitors ('000)	Visitor Nights ('000)	Average Stay Length (Nights)
Domestic			
Intrastate	211	1,745	8.3
NSW/ACT	39	166	4.3
Vic/Tas	62	686	11.1
Western Australia	21	306	14.4
Queensland	38	319	8.5
South Australia	51	266	5.2

International	122	611	5.0
United Kingdom	22	84	3.9
Germany	16	50	3.1
USA	16	103	6.6
France	9	42	4.8
Switzerland	6	15	2.4
Scandinavia	6	17	2.8
Italy	6	14	2.4
Netherlands	5	15	2.9
Canada	4	8	2.4
Chinese Taipei	3	25	8.0

Access to Alice Springs is primarily via aircraft or through the self-drive market. The following infographic shows the method of arrival into the Red Centre.

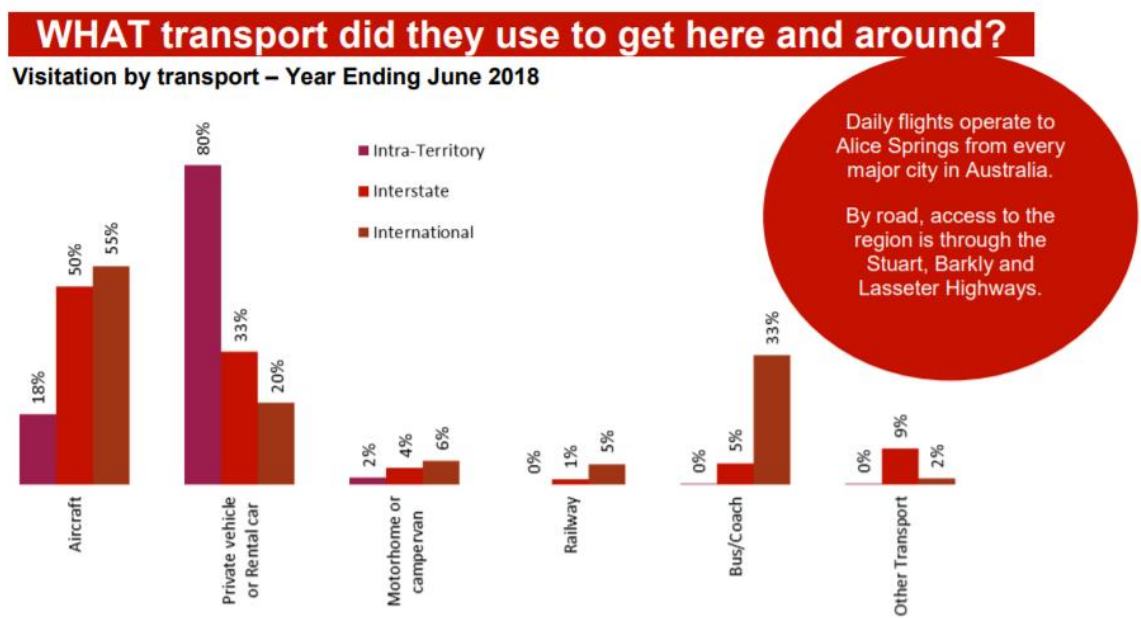


Figure 13. Visitation to the Red Centre by transport type - Year Ending June 2018. Source Tourism NT

International visitors to Alice Springs arrive into and exit from Australia through the main international airports. The following provides an interesting analysis.



Figure 14. Ports of exist /entry used by international visitors who visited Alice Springs - MacDonnell year ending June 2018. Source Tourism NT.

The economic benefit of tourism to the Northern Territory and to the Red Centre is large and important.

The following figure shows total employment in the tourism and hospitality sector for the Northern Territory as a whole (not available for Alice Springs). The trending increase in employment can be seen.

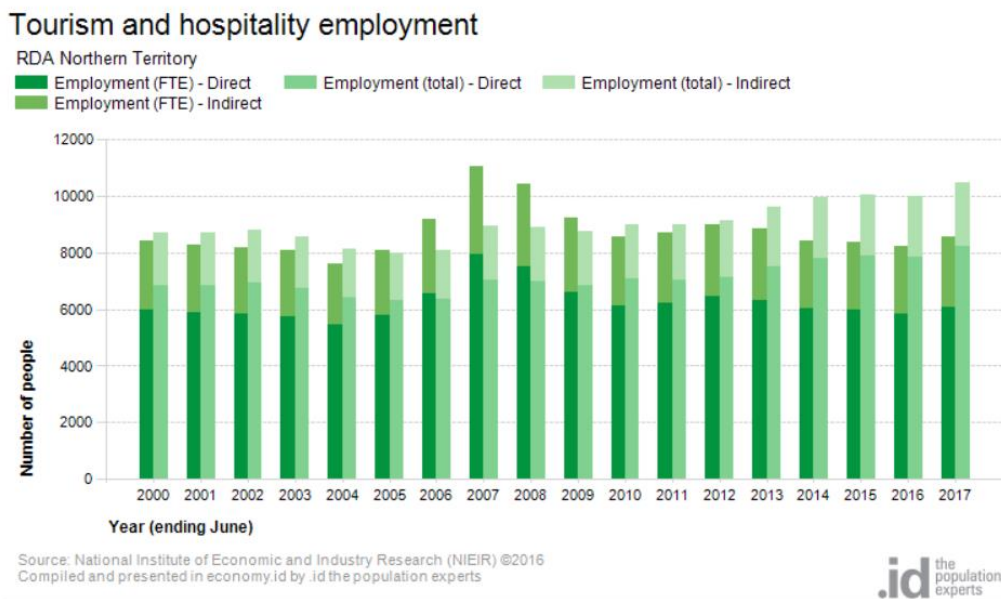


Figure 15. Tourism and Hospitality Employment - Northern Territory. Source economy i.d.

The following figure provides the total value of the sector in the Northern Territory and as a percentage of the economy.

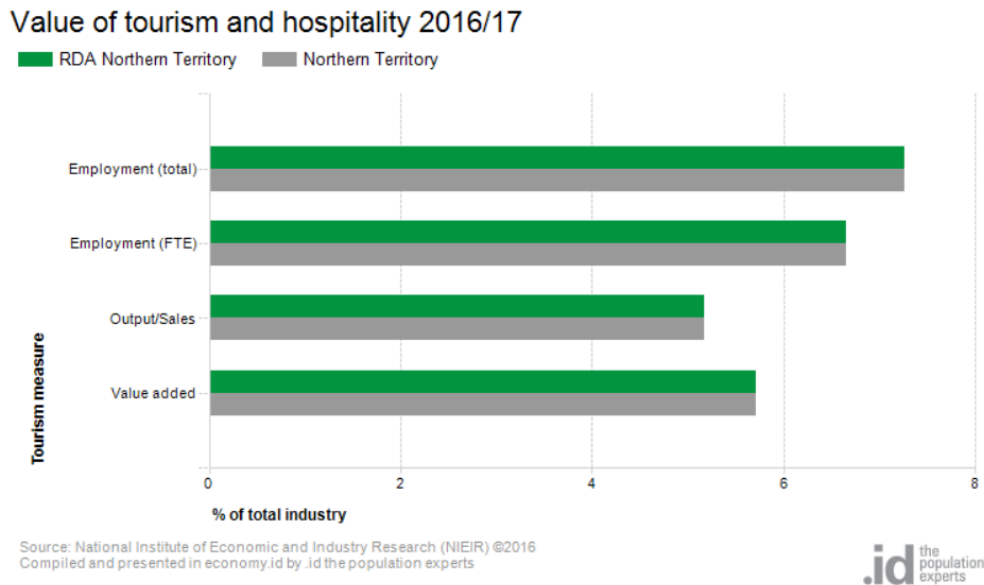


Figure 16. Value of Tourism and hospitality 2016/17. Source economy i.d.

The Tourism and Recreational Products - Highlights

Several products and experiences currently draw people to the Red Centre. These include but are not limited to the following (images courtesy of Tourism Australia).

The Larapinta Trail



The 223-kilometre Larapinta Trail is one of the world’s great long-distance walks. Traversing the backbone of the Western MacDonnell Ranges between Alice Springs and Mount Sonder, it generally takes 14 days to complete end to end. Walkers can do sections, and can do it independently, or through several private companies staying in serviced safari camps along the way.

The Desert Art Trail



Visitors can learn about Aboriginal art by visiting art galleries in Alice Springs. The Araluen Arts Centre has several galleries of Central Australian Aboriginal art as well as a large collection of works from the famous Aboriginal painter Albert Namatjira. The Centre also hosts the annual Desert Mob exhibition in September and October, showing works from desert communities across the Territory, South Australian and Western Australia.

The Tjanpi Desert Weavers in Alice Springs provides the opportunity for over 400 women artists from 26 remote communities to showcase and sell their works. They include baskets and sculptures. Other galleries in Alice Springs include the Tangentyere Artists, Papunya Tula Artists, and the Mbantua Gallery all selling paintings, sculptures and other forms of traditional and modern Aboriginal art.

The MacDonnell Ranges



There are several chasms and gorges in the East and West MacDonnell Ranges to the east and west of Alice Springs. Many have great cultural importance to the Aboriginal people. Caterpillar Dreaming (Yeperenye) is the creation story of how the ranges were formed during a battle between the caterpillar and stink bugs. Gaps in the ranges are where the caterpillars lost their heads. Whilst the West Macdonell Ranges receive significant numbers of visitors to the multiple visitor nodes along their 200km extent, the East MacDonnell Ranges offer a more peaceful and less busy experience. Emily Gap near town has impressive rock art and can be reached by walking, driving, cycling or on a tour.

Wildlife Viewing



Several wildlife viewing opportunities exist in the region including the Alice Springs Desert Wildlife Park, and the Kangaroo Sanctuary about 20 minutes north of Alice.

International visitors get the chance to see and interact with Australian wildlife providing an opportunity for many people who may have never seen our unique fauna.

Self-Drive Adventures



The landscape surrounding Alice Springs provides a strong drawcard to many people wishing to have a self-reliant drive and camp experience. The Simpson Desert 4WD adventure is south east of Alice Springs and many people finish or start their adventure in Alice Springs. Other self-drive opportunities include Palm Valley where there is an ancient grove of Red Cabbage Palms that have existed for millennia, and the loop track known as the Red Centre Way – offering a 6 day itinerary that includes many swimming holes, mountain ranges, cultural sites and desert landscapes of the area. The journey from Alice Springs to Uluru Kata Tjuta via Watarrka (Kings Canyon) is also extremely popular.

Summary

Alice Springs and the Red Centre have increased visitor numbers across all three market sources. This is in part due to the increased emphasis on creating product for higher yielding markets that includes Aboriginal cultural tourism based on art and respect, and on utilising the strong nature offering in the area.

Access to the Red Centre can be relatively simple if not a great distance, and direct flights to Alice Springs (and Uluru further south), in addition to the well serviced Stuart Highway provide few barriers to visitors.

Marketing and a focus on events have also helped deliver good results, and the product list in Alice Springs and surrounds is also strong.

Opportunities for Growing Tourism in the Red Centre – An Example

The potential to grow tourism in the Red Centre will ideally be built upon the product strengths of the region, and then creating experiences that are unique and memorable.

The Red Centre Adventure Ride is currently being constructed in the West McDonald Ranges and is planned to be a multi-day trail cycling experience to reflect the Central Australian landscape. The trail will be distinctive and competitive with other iconic trail-based experiences across Australia and beyond. The trail is forecast to become a nationally

significant tourism product providing unmatched cultural heritage and outback nature experiences.

Until now, the West MacDonnell Ranges has only been accessible to drive tourists, self-sufficient walkers and guided trek visitors undertaking the Larapinta Trail.

Cycling up to 210km west of Alice Springs, riders will encounter natural attractions including Simpsons Gap, Standley Chasm, Ellery Creek Big Hole, Serpentine Gorge, the Ochre Pits, Ormiston Gorge, Redbank Gorge, Mt Sonder and, finally, Glen Helen Gorge and its Homestead. They will have the opportunity to learn about the culture of the local Traditional Owners sharing their stories.

Designed to maximise opportunities for Aboriginal communities and existing local businesses to provide accommodation, food and beverage, support and logistical services for trail users, the management, maintenance, marketing and information services for the trail will be facilitated through an effective and sustainable management model, including direct pay-for-use income generation.

There will be a range of accommodation types ranging from on-trail luxe camps to basic facility campsites, along with off-trail options such as Glen Helen Homestead.

Riders will be able to choose from fully supported, guided and packaged trail experiences, inclusive of high-end catering and accommodation through to self-guided, independent camping experiences.

The estimated investment in the full trail including accommodation is \$12million.

The development of the trail will have significant impacts in the region including boosting employment and regional income generated by trail users and their spend. It will also create job opportunities for the aboriginal community.

The construction of the trail and associated camping areas would generate a total of 39.9 direct full-time equivalent (FTE) jobs - 30.0 on site and 9.9 in material supply jobs (across the Territory).

Another 8.0 FTE indirect/induced jobs would be created (in other regional industries) during the construction phase, for a total of 47.9 jobs (direct and indirect/induced jobs).

Annual spending in the region by adventure trail users would increase progressively over time with Year 10 spending totalling \$5.437 million. This spending comprises trail related spending on accommodation, food and recreation/guide services (e.g. bike hire; transport/shuttle, guides etc.) and additional expenditure in the region (pre and post ride).

The operations of the trail and spending of users would generate a significant number of jobs in businesses servicing the trail and its users (generally in accommodation, recreation service and food services).

The trail would generate a total of 7.8 full time equivalent (FTE) jobs in the region in Year 1, increasing to 38.6 jobs in Year 10.

Conclusion

Remote areas are often placed at a disadvantage from large cities when it comes to tourism. This paper explores remote area tourism through 3 lenses. Differences when planning for regional products and experiences can include available data upon which to make decisions, effective governance and the right market to make the proposed product viable.

The Red Centre is a remote part of Australia, and one that is seeking to grow the importance of tourism through effective market knowledge, and capitalizing on its strengths. Keeping existing products fresh and in the marketplace, aligning strategy and priority at all three levels of government, and continuing to encourage investment from private and government sources in innovative experiences will help the Red Centre grow tourism, and accordingly the benefits to the communities of the area.

I.2.2. The Philippines

Introduction

The remote tourism sites in the Philippines report will assist APEC Tourism Working Group in its strategic tourism development, targeting the development of remote tourism sites within selected APEC economies. The Philippines is an economy that has a lot of remote areas that are faced with economic and social challenges. With tourism as a driver of social and economic development, it can potentially contribute towards the identified remote area's development whilst preserving the area's natural and cultural authenticity. The objectives of the project are:

- To improve knowledge and skills of tourism authorities through the analysis of differential characteristics of remote areas in the Philippines, existing bottlenecks, tourism capacity and potential of these remote areas without sacrificing their authenticity.
- To make recommendations for the Philippines on how to develop an 'awareness of their remote areas'.

This report evaluates:

- The current state of each selected remote tourism areas in the Philippines.
- The transportation capabilities to these remote areas.
- The tourism and recreational potential of the identified remote areas.
- The traditional economic activities undertaken by the local and indigenous people in the remote sites.
- The social and economic development of the remote area.

The study focuses on the economic and social data obtained from 2015 to 2017 from relevant tourism authorities, government reports and stakeholders.

Methodology

The information and research provided in this report were analysed and compiled using information gathered through various research methodologies. These methods include:

1. *Semi-structured Interviews* - All 15 departments of tourism regional offices in the Philippines were contacted for their recommendation on remote tourism sites in their respective regions. 11 of the department of tourism regional offices were able to respond to our request for information. Based on the departments' recommendation, an in-depth questionnaire regarding specific tourism, economic and social data of each remote site was submitted to the regional offices over a timeframe of 4 months (September to December 2018). Five out of the 11 regional offices were able to return their completed questionnaire forms, however, only two of the Department of Tourism Offices fully completed the questionnaires with adequate information needed for remote tourism site assessment. These regional offices are: (1) Department of Tourism Region 1, Laoag sub-office and (2) Department of Tourism Region 2, Cagayan Valley and Northern Philippines Islands.
2. *Desktop research* was conducted through Government websites, existing publications, press releases, journal articles and bloggers relevant to remote tourism sites in the Philippines.

1. Adams, Ilocos Norte

Located in the northern coast of the province of Ilocos Norte, Adams shares its border with 5 other municipalities. Founded in May 16, 1983 the administration of Adams is comparatively young at 35 years. It is composed of only one barangay, Adams Proper, which is the largest barangay in the Philippines and is classified as a 5th class municipality. Adams is one of the four indigenous peoples' (IPs) towns in the province of Ilocos Norte. Other indigenous people's town in the province includes Carasi, Dumalneg and Nueva Era. In the 2015 census, Adams had a population of 1,729 people with a density of 11 people per square kilometre.



Figure 24. Map of Ilocos Norte Province with Adams highlighted (Mike Gonzalez, 2005)

Transportation Capabilities

Transport accessibility to Adams remains a challenge. In the past, access to Adams is via a motorcycle over the hanging bridges. It takes about 45-minutes of motorcycle ride from Pagudpud to Adams and costs about P100-250 per person.

At present, the Department of Tourism and the Department of Public Works have jointly worked on the ‘tourism access road’ with a large portion already passable by 4-wheel drive motor vehicles. This access road aims to connect the town proper to the municipality of Pagudpud. With this access road, it takes an hour to travel from Pagudpud to Adams. Other feeder roads or trails within Adams (paved, unpaved or for widening) are still under construction. The common modes of transportation that are currently used in Adam are SUVs, dump trucks, medium size trucks of hire (4 wheel drives), motorcycles, tricycles and bicycles to reach the town proper.



Dump truck is one main mode of public transport (Photo credit: Benjie Layug, 2011)



Motobikes are popular mode of transport in Adams (Photo Credit: Blauearth 2012)

Figure 25. Transport in Adams

Tourism and Recreational Potential

Adams has a variety of nature based attractions that include waterfalls, wilderness areas and cultural assets like the lifestyle and economic practices of the people. With its nature based attractions, the Anuplig waterfall, Bolo River and Adams hanging bridge are popular attractions in the area. The Tadel-Bugat and Foundation Day of Adams are two main festivals celebrated in the area during April and May respectively.

Figure 26. Tourist attractions in Adams



Anuplig waterfalls in Adams (Photo credit: www.markmitchellphoto.com)



Kayaking in Bulo Crystal river (Photo Credit: Blauearth 2014)



Adam's Tadek-Bagat festival celebrated annually during April. (Photo credit: Edwin Antonio, 2009)



Deep fried frogs. An exotic culinary delicacy in Adams (Photo Credit: Blauearth 2012)

The people of Adams are very protective on preserving their culture, tradition and way of life. They have preserved and take pride in their own songs, dances, chants, festivals, furniture and woven handicrafts such as mats and baskets to showcase their identity. Exotic culinary delights such as fried frogs, crushed crablets and eels are popular local cuisine in the area.

Traditional Economic Activity in Adams

Adams indigenous population is a mixture of different tribes like Illocanos, Yapayaos, Immallods, Kankanaeys and Bago. The major traditional economic activity in the area is farming also categorised as upland farming. The favourable upland cool weather is suitable for

rice, fruit and vegetable farming. The locals' livelihood is sustained through farming, river fishing and hunting. In terms of revenue generation, the locals produce wood crafts, furniture, mats and basket weaving. Adams is renowned for its native wine making and 'soft broom' production. These two products are now a lucrative income generating activity for the local people.

In terms of the wine industry, ripe berries from the "natidesma bunius" tree, a species locally known as "bignay" or "bugnay" is organically used in the wine production. They also make their traditional rice wine called "tapuey". The indigenous people of Adams also have a "one town one product" (OTOP) popularly known as "walis tambo" or "soft broom" which is made from tiger grass that grows abundantly in the area.

Tourism is now creating economic opportunities for the local people trekking and local guides, accredited accommodations and home stays and local culinary experiences. The Department of Tourism earns remuneration from accredited mountain guides and accredited homestays to support the industry. The local government collect environmental fees earmarked for sustainable eco-tourism projects and activities.



Rice Padi in Adams (Photo credits: Beez, 2014)



Local souvenir shop and home stay in Adams (Photo Credit: Benjie Layug, 2011)



The local Tapuey and Bugnay wines (Photo Credit: Blauearth, 2012)



The locally made 'soft broom' (Photo Credit: Blauearth, 2012)

Figure 27. Traditional Economic Activity in Adams

Social and Economic development in Adams (2015-2017)

Tourism is gradually thriving in Adams with the construction of “tourism access road” a project of the DOT-DPWH Convergence Program greatly contributed to the ease of mobility and travel to the town. This has resulted in the influx of domestic and foreign tourists into Adams in recent years. In addition, the popularity of the household wine industry of “bignay” and “tapuey” has contributed to the exposure of Adams as a rural tourism destination. The sustained efforts of DOT Region 1 and other Philippine agencies in providing relevant training programs and interventions added to the destination preparation and capacity building of the people and the community.

Current tourist in-flow

- There are no available reference data for the years 2015 to 2017. However, it was reported that between 2016 and 2017, around 15 Japanese birdwatchers visited the area.

- Below is a partial breakdown of visitors per attraction for CY 2018 for the period January to April 2018:

Table 6. The breakdown of visitors by tourist attractions, 2018

Attractions	Months Covered	Domestic	Foreign	TOTAL
Anuplig Falls	Jan-Apr	306	1	307
Pao Falls	Jan-Apr	55	0	55
Cabacan Falls	Jan-Apr	30	2	32
Inuwayan Falls	Jan-Apr	116	0	116
Mareprep Falls	Jan-Apr	29	3	32
Maligligay Falls	Jan-Apr	32	2	34
Kanayup-ap Falls	Jan-Apr	25	2	27
Anat Falls	Jan-Apr	53	4	57
Aki Falls	Jan-Apr	35	5	40
Upper Aki Falls	Jan-Apr	41	8	49
Abbas Falls	Jan-Apr	112	1	113
Bolo River	Jan-Apr	425	3	428
Lover's Peak	Jan-Apr	189	2	191
Mt. Palemlem	Jan-Apr	18	1	19
Mt. Pao	Jan-Apr	16	0	16
Mt. Linao	Jan-Apr	25	4	29
Cardoms Farm	Jan-Apr	142	9	151
Eco-Farm	Jan-Apr	240	8	248
Inuwayan Farm	Jan-Apr	42	3	45
Cardom's Winery	Jan-Apr	583	14	597
Inuwayan Winery	Jan-Apr	227	8	235
View Deck	Jan-Apr	269	3	272
	TOTAL	3,010	83	3,093

*The municipality is being encouraged to have more comprehensive data gathering for tourist arrivals with appropriate breakdowns into economies of origin, age group, sex or gender desegregation, status, occupation, length of stay, etc.

Local estimated population: 1, 729

Population growth: 0.07%

Local population income: P390,042.00

Local employment: Per the Municipal Planning and Development Officer the estimated tourism share in the local employment and self-employment is 20% of the total labor force. Local tourism can be considered as seasonal employment.

Unemployment rate: To date, there is no existing profile and/or statistics from the local government unit regarding the unemployment level. Local tourism can be considered as a seasonal employment.

Poverty rate: No existing data on poverty rate

Infrastructure

Besides one of the remotest areas in the province, the town has a 24-hour supply of electricity with occasional power interruptions. There is an existing mini-hydro power plant in Barangay Pancian that serves the power requirements of adjacent municipalities and the province of Ilocos Norte.

- **Water:** The municipality has piped spring water for households and establishments.
- **Communication:** Mobile communication (or connectivity) is also available but with drop or underserved spots.
- **Energy supply:** Firewood and liquefied petroleum gas (LPG) are both used by households.
- **Sewerage:** Individual households maintain their own sewage. The municipality has an operational sewerage system – mini sanitary land fill. However, at present there is no existing sewage treatment.

Social and Cultural infrastructure (Health care, education, welfare)

- Rural Health Unit (RHU) needs to be upgraded with modern medical facilities in order to provide medical services for serious medical cases, out-patients (OPD), and emergencies.

- The municipality has its own elementary school. Expansion of the facilities to cater up to Junior and Senior High School has already been constructed.
- Being an isolated municipality, welfare and other social safety nets needs be upgraded. At present there is none.
- Through the Municipal Committee on Tourism, Culture and the Arts, initiatives to have a dedicated indigenous museum to preserve the cultural heritage, traditions, and way of life for the prosperity of the people and the place is a desirable project.
- Adams have some Christian churches in the area for religious purposes.
- A Tribal Hall cum Museum is in the pipeline in their annual programs, projects, and activities (PPAs) but this needs huge investments for cultural and/or heritage mapping with series of focus group discussions (FDGs) on curatorship, literature, history research, storage, and maintenance.

Migration

Inter-marriages with locals from the lowlands or other ethnic groups and foreigners are contributing factors to migration into the area. With potential employment and economic opportunities in the areas of tourism, services and work assignment is likely to contribute to migration in Adams.

Investment

At present, the completion of the “tourism access road” is a major economic driver and an investment for the locality. Other investment priorities include:

- Connectivity – upgrading of the existing communication facility.
- The existing hospital – laboratory facilities, pharmacy, ambulance, and health services need to be upgraded.
- The existing school facilities had been expanded but wanting for modern laboratory and instructional materials.
- Investment in transportation service stations.
- Start-up capital, kits, and/or shared service facilities (SSFs) for micro small medium enterprises (MSMEs) or cooperatives including business and financial literacy to be introduced and enhanced.

- Technology transfer including research and development on local product design, packaging, shelf life and standards.
- Adoption of relevant welfare and social safety nets.
- Vast land area available for residential and agro-forest development but land ownership must be thoroughly discussed and amicably enacted or legislated.
- Adoption of proper and sensible land conversion scheme, cadastral survey, boundary delineations and rational zonal value must be adopted.
- The issue on ancestral domain regarding ancestral land is an on-going initiative of the municipality and must be fast-tracked.

Population purchasing power

There is unavailable conclusive data on population purchasing power

Analysis of the tourism potential in Adams

Adams in the province of Ilocos Norte is a remote location with great potential for tourism development. The following section analyses the opportunities and challenges in developing tourism in Adams.

Opportunities

- *Untapped destination:* Adams is an untapped destination, thus offers authentic tourism products and experiences.
- *Natural and cultural attractions:* Adams has a range of natural (18 waterfalls and 10 hanging bridges) and cultural attractions that are unique to the area and offers an attractive option for adventure tourism and cultural enthusiasts.
- *Popular products associated with the area:* Local products, namely the Tupuey (rice wine) and Bugnay (wild blackberry wine) and the soft broom are popular products within the region that are associated with Adams and can be used as a brand to promote the destination.

- *Road connection:* The new road from Adams to Pagudpud will provide opportunity for tourism accessibility to the area.
- *Availability of basic infrastructure:* Despite being one of the remotest areas in the province, it has basic infrastructures needed to support tourism such as electricity, water supply, energy supply, sewerage, telecommunication and medical services

Challenges

- *Competition:* Adams faces the challenges in competition from other similar destinations offering natural and cultural products within the province and economy.
- *Accessibility:* There is no infrastructure to accommodate air transport, therefore, accessibility to Adams is via road from nearby towns such as Pagudpud.
- *Marketing of the destination:* Adams is a least popular destination in the province and the whole economy and therefore needs effective marketing to give exposure of the destination.
- *Limited availability of tourism infrastructure (accommodation, meals, transportation):* At present, tourism development in Adams is in its infant stages, therefore there is limited availability of tourism infrastructures such as accommodations, meal options and local transportation.

Summary

Adams is a remote destination in Illocos Norte Province in the Philippines. The destination offers relatively untouched nature-based attractions as well as cultural attractions that are authentic. The availability of basic infrastructures supports the development of Adams as a tourism destination. Tourism has a potential to support the economy and enhance the livelihood of the local people and economy. Presently, Adams can be marketed as an adventure tourism destination to attract tourists who would like to travel to untapped and challenging destinations.

2. Isabela Province (Divilacan and Maconacon)

The municipality of Divilacan and Maconacon in Isabela Province was identified by Department of Tourism Region 2 as two remote tourism sites with the potential for sustainable

tourism development. These coastal municipalities have a large portion of its land area encompassed by the North Sierra Madre Natural Park, the economy's largest national park in land area. The indigenous people in Divilacan and Maconacon are known as the Dumagat or Agta of Isabela. These indigenous people are distinctive by their dark brown skin and kinky or curly hair. While the absence of official public documents could not ascertain their population count, a good number of them still live a semi-nomadic lifestyle and thrive on either hunting or fishing to sustain their livelihood.



Map of Isabela Province with Divilacan highlighted (Mike Gonzalez, 2005)



Map of Isabela Province with Maconacon highlighted (Mike Gonzalez, 2005)

Figure 28. Maps of Isabela Province

a. Divilican

Transportation Capabilities

Divilacan and its neighboring coastal towns (Maconacon, Palanan and Dinapigue) have been isolated from road network to other centers in the province. A new 82 km provincial road will soon connect these coastal towns to the provincial capital of Ilagan. Municipal or local roads connect these neighboring coastal towns and inter barangays to the provincial and national roads.

At present while the provincial road is under construction, accessibility to Divilacan is possible by air and sea.

- **Air Transport:** Travel by air from Tuguegarao Airport, Cagayan or Cauayan airport to Maconacon airport for a duration of 20 - 25 minutes. From Maconacon airport, continue by land for 20 - 25 minutes to Divilacan town centre. The land transport from Maconacon to Divilacan includes single motor, tricycle or a Kuliglig

- **Sea Transport:** There are boat rides from San Vicente, Santa Ana and Cagayan to Maconacon with a travel time of 8 - 10 hours. From Maconacon port, transfer to land transport to Divilacan.



The Kuliglig is the main mode of transportation in Divilacan and Maconacon (Photo credit: Christian,2011)



Road from Maconacon to Divilacan (Photo credit: Christian, 2011)



Construction of the 82km provincial road that will connect Divilacan to Ilagan city, the capital of Isabela (Photo credit: Kemal Jufri, for the New York Times)



Local transport in Divilacan (Photo credit: Kemal Jufri, for the New York Times)

Figure 29. Transportation and transport infrastructure

Tourism and Recreational Potential

Divilacan is one of the key municipalities in the Northern Sierra Madre Natural Park, the economy's largest natural park. It is home to indigenous Dumagat ethnic group, living alongside migrant indigenous groups Ibanags, and Ilocanos. The mountain range is the main ecotourism attraction of the town, with high endemism in both flora and fauna. The main natural attractions in Divilacan consist of the Crocodile and Wildlife Sanctuary, white sandy beaches, islands, mangrove forests, Dibuguan waterfalls, Bicobian Cove and natural harbor.

The recreational potential of this destination includes trekking, mountaineering, camping, and exploration of the forest area, island hopping, snorkeling and diving.



Dicati Lake Crocodile Sanctuary in Divilacan (Photo credit: Christian, 2011)

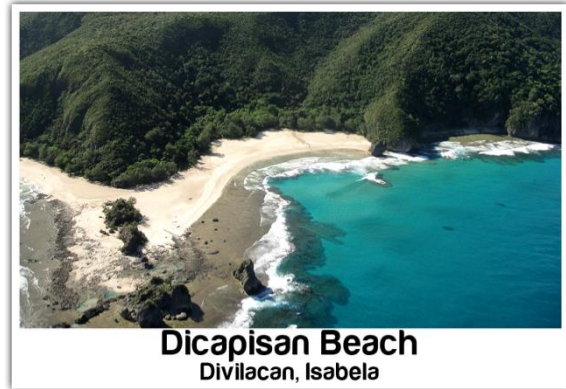


Photo credit: Isabela Tourism Office, 2018



White sandy beach of honeymoon Island in Divilacan (Photo credit: Christian, 2011)



Giant lobster as delicacy in Divilacan (photo credit: Isabela Aking Probinsiya, 2011)

Figure 30. Tourist attractions in Divilacan

Traditional Economic Activity in Divilacan

Most Dumagats are nomadic and are commonly called Negritos in the Philippines because of their dark skin and kinky hair. They engage in subsistence farming, fishing, hunting and mostly as tour guides. In the formal sector, the local government provide occasional project-based or job-order jobs as cleaners or as utility personnel. The locals have immense potential for tourism entrepreneurship in craftsmanship as most locals engage in rattan crafts, wood crafts and shell bi-product crafts.

The five potential tourism entrepreneurships in Divilacan includes

- Tour Guides
- Crafting (rattan crafts, Wood Crafts and Shell-bi product crafts)
- Aquatic product sales

- Cultural Immersion
- Home stay



Rice farming in Divilacan (Photo credit: Kemal Jufri, for the New York Times)



The township of Divilacan (Photo credit: Christian, 2011)



An Agta Fisherman. They trade in their fish for coffee, tobacco and sugar (Photo credit: Kemal Jufri, for the New York Times)



Dumagat nomad family in their home (photo credit Jacob Maentz 2012)

Figure 31. Life in Divilacan

The social and economic development in Divilacan

Current Tourist in-flow

Tourists in-flow	2015	2016	2017
<i>Domestic</i>	31	39	112
<i>International</i>	1,681	1,827	5,343

Estimated Population: 6,200

Population growth rate: 2.35%

Local Population Income: P800,000.00

Unemployment Rate: 22%

Poverty rate: 45.7%

Infrastructure

Both towns are dependent on deep wells for water supply, and there is piped water in the town centres. Electricity is normally operated only from 6am to midnight by the Isabela Electric Power Cooperative. There are no gas lines in both towns. Mobile telecommunication is provided by Smart Communications and Globe Telecommunications. There is a community airport located at Maconacon with flights to Tuguegarao (the regional capital) and Cauayan, where the Isabela provincial airport is located.

- Water: Level 2
- Electricity: 16 hours (NAPOCOR Missionary Service from 8 am to 12 Midnight)
- Sewerage: Solid Waste Management Compliant

Social and Cultural infrastructure (Health Care, Education, Welfare)

Social welfare	Health	Leisure and Education
1x Women's Building 1 xSenior Citizen's Building 1x Orphanage Building 1x DRRM Building 8x Day Care Centers 1x On-going Fire Building 1x Tourist Pavilion	2x Rural Health Unit Building with Lying-in 1x Dental Building 1x Laboratory Building 2x Agta Village	1x Municipal Library 1x Children's Park 6x Reparian Huts 1x High School 7x Primary Schools

1x Municipal Evacuation		
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Migration

The combined population of the two towns is almost 10,000 and most of them are already migrants from the inner towns of Isabela, with most of them being Ilocanos and Ibanags. Logging used to be the main reason for migrating, but most migrants are now engaged in agriculture, government services, and ecotourism.

Population growth rates in the two towns are faster than the domestic average (2010-2015) of 1.72%. High migration of local and foreigners to Divilacan are due to natural advantage such as inter-marriage and economic reasons.

Investment

Agriculture, fisheries, and forestry are the main economic sectors with sustainable tourism being eyed as another prospective economic base.

Road access and the livelihood of its citizens are the priority areas for the local government in terms of investment.

Population Purchasing Power

There are no current studies on population purchasing power in Divilacan. However, poverty rates of 2012, as a proxy indicator for economic purchasing power, was very low due to very high poverty rates of 45.7%. As for the local government, the purchasing power was very low due to high internal revenue allocation dependence.

b. Maconancon

Transportation capabilities

Accessibility to the municipality of Maconacon includes roads, air and sea transport. The new 82km provincial road will connect Maconacon to the capital of Ilagan. Local roads, both sealed and unsealed connect the town to the neighboring municipalities and inter barangays. The major types of road transports used in Maconacon are 4 wheels drives, Kuliglig, motorbikes and tricycles.

Maconacon has an airport that provides air transport links from Cauayan airport to the three coastal municipalities (Maconacon, Divilacan, and Dinapigue). The secondary airport is capable of handling smaller aircrafts, mostly propelled ones and allows operation from sunrise to sunset.

- Air Transport: There are two types of airplanes that provide services to Maconacon.

1. The North Sky Air, a 11-seater airplane that travels from Tuguegarao Airport, Cagayan to Maconacon with an estimated time of 20 - 25 minutes.

2. Travel via Cyclone Airways, a 3-6-seater airplane that offers services from Cauayan Airport, Isabela to Maconacon Airport with an estimated travel time of 20 - 25 minutes.

- Sea Transport: Travelling by boats are available from either San Vicente, Santa Ana or Cagayan to Maconacon. It takes an estimated travel time of 8 - 10 hours to reach Maconacon.



4 seater cyclone airplane at Maconacon airport. The airport in Maconacon serves other nearby towns including Divilacan. (Photo credit: Christian, 2011)



The indigenous Dumagats riding a local Kuliglig as their main form of transport to Maconacon town centre Dumagat nomad family in their home (Photo credit: Jacob Maentz 2012)



Boat transport from Cagayan to Maconacon
(Photo credit: manipudkadagiteditor.blogspot.com)



Public Transport in Maconacon (Photo Credit: Isabelino Ako, 2010)

Figure 32. Transport in Maconacon

Tourism and Recreational Potential

Divilacan and Maconacon are coastal towns of Isabela province on Luzon island and are key municipalities in the Northern Sierra Madre Natural Park, the economy's largest natural park. It is home to indigenous Dumagat ethnic group, living alongside migrant indigenous groups Ibanags and Ilocanos. The mountain range is the main eco-tourism attraction in Maconacon with high endemism in both flora and fauna.

The notable natural attractions in the area include Sumadag Water Falls and Remualdes Beach. Furthermore, the dumagats and their nomadic lifestyles and their cultural practices remain a potential attraction in the area.



The rugged Jungle of Northern Sierra Madre National Park (Photo credit: Kemal Jufri, for the New York Times)



Waterfall in the Northern Sierra Madre National Park (Photo credit: Jacob Maentz 2012)



Dimanok Pebble Beach in Maconacon (Photo credit: Ferdz Decena)



Fish delicacy in Maconacon (Photo credit: Maricon Zabala, 2010)

Figure 33. Tourist attractions in Maconacon

Traditional Economic Activity in Maconacon

Maconacon is a 3rd class municipality in the province of Isabela. The estimated 4,600 population is made up of both migrants and indigenous people. The indigenous Dumagats are nomadic and are commonly called Negritos in the Philippines because of their dark skin and kinky hair. They engage in subsistence farming, fishing, hunting and mostly as tour guides. In the formal sector, the local governments provide occasional project-based or job-order jobs as cleaners or as utility personnel. The locals have immense potential for tourism entrepreneurship in craftsmanship as most locals engage in rattan crafts, wood crafts and shell bi-product crafts.

The five potential tourism entrepreneurships in Maconacon are:

- Tour Guides
- Crafting (rattan crafts, Wood Crafts and Shell-bi product crafts)

- Aquatic product sales
- Cultural Immersion host
- Home stay



An indigenous Dumagat hunting in the forest (Photo credit: Jacob Maentz, 2012)



Locals providing homestay in Maconacon (Photo credit: Christian, 2011)



Coconut/ copra used as food and source of income (Photo credit: Maricon Zabala, 2010)



Local selling lizard to earn an income (Photo credit: Jacob Maentz, 2012)

Figure 34. Life in Maconacon

Social and Economic Development in Maconacon (2015-2017)

Current tourist in-flow

Table 7. Tourist in-flow in Maconacon

Tourist in-flow	2015	2016	2017
<i>Domestic</i>	13	16	55
<i>International</i>	637	712	3001

Local estimated population: 4,600

Population growth:	3.14%
Local population income:	P500,000.00
Unemployment rate:	21%
Poverty rate:	29.3%

Infrastructure

Both towns are dependent on deep wells for water supply and there is piped water in the town centres. Electricity is normally operated only from 6am to midnight by the Isabela Electric Power Cooperative. There are no gas lines in both towns. Mobile telecommunication is provided by Smart Communications and Globe Telecommunications. There is a community airport located at Maconacon with flights to Tuguegarao (the regional capital) and Cauayan, where the Isabela provincial airport is located.

- Water- Level 1
- Electricity- 16 hours (NAPOCOR Missionary Service- 8 am to 12 midnight)
- Sewerage: No data

Social and Cultural infrastructure (Health care, Education, Welfare)

1 x Rural Health Unit

1 x Social Market

Migration

The combined population of the two towns is almost 10,000 and most of them were being Ilocanos and Ibanags migrants from the inner towns of Isabela.

Logging used to be the main reason for migrating, but most migrants are now engaged in agriculture, government services and eco-tourism.

Population growth rates in the two towns are faster than the domestic average (2010-2015) of 1.72%. There is also a high migration of local and foreigners to Maconacon natural advantage such as inter-marriages and for economic reasons.

Investment

Agriculture, fisheries and forestry are the main economic sectors with sustainable tourism being eyed as another prospective economic base.

Road access and livelihood of citizens are the priority areas for the local government in terms of investment.

Population purchasing power

There are no current study on population purchasing power are available for Maconacon. However, poverty rates of 2012, as a proxy indicator for economic purchasing power, as very low due to very high poverty rates of 45.7% for Divilacan and 29.3% for Maconacon.

Analysis of the tourism potential in Divilacan and Maconacon

Tourism in Divilacan and Maconacon are relatively underdeveloped, however, these sites have enormous potential for ecotourism based on their untapped nature-based tourism products. The following section analyses the opportunities and challenges in developing tourism in Divilacan and Maconacon.

Opportunities

- *Eco-tourism potential:* The Philippines largest natural park ‘Northern Sierra Madre Natural Park’ is located in both Divilacan and Maconacon, thus offering the potential of developing eco-tourism in both destinations.
- *Untapped destinations:* The remoteness of Divilacan and Maconacon creates it as an untapped destination, thus offers authentic nature-based tourism products (white sandy beaches, waterfalls, trekking sites, flora and fauna) as well as unique cultural experiences.
- *Accessibility:* Divilacan and Maconacon can be accessed by land, sea and air (to Maconacon airport) transport. The development of the new 82km road connecting the two destinations to Illagan city will ease in accessing the two destinations.
- *Availability of basic infrastructure:* Despite its remoteness, these two destinations have basic infrastructures needed to support tourism such as electricity, water supply, energy supply, sewerage, telecommunication and medical services.

Challenges

- *Competition:* Divilacan and Maconacon face the challenges in competition from other similar destinations offering natural and cultural products within the province and economy.
- *Marketing of the destination:* Divilacan and Maconacon are least popular destinations in the province and economy and therefore needs effective marketing to give exposure of these two destinations.
- *Protection of natural and cultural products-* to create and implement policies that can safeguard the natural and cultural products in these two remote sites
- *Limited availability of tourism infrastructure (accommodation, meals, and transportation):* At present, tourism development in Divilacan and Maconacon is in its infant stages; therefore, there are limited availability of tourism infrastructures such as accommodations, meal options and local transportation to cater for the potential growth in tourism.

Summary

Divilacan and Maconacon in the province of Isabela are remote destinations with great potential for eco-tourism development. The eco-tourism potential could be developed through the Northern Sierra Madre Natural Park. Furthermore, these two destinations offer relatively untouched nature-based attractions (white sandy beaches, isolated islands, waterfalls, flora and fauna) as well as cultural attractions that are authentic. These two provinces can be accessed through air, land and sea transportation, which offers accessibility and opportunity for tourism development; however, it needs effective marketing to give exposure of these destinations.

Conclusion

As the demand for travel and tourism increases, possibilities will arise for tourists to visit untapped and new tourism destinations. Such possibilities will provide opportunities for tourism development in remote sites that are least known and visited.

The 3 remote tourism sites in the Philippines identified in this project offers immense tourism potential that will benefit the local people and economy as well as offering tourists adventurous and unique experiences. These sites have natural and cultural tourism products that can be marketed to attract adventure and eco-tourism enthusiasts. While these destinations are in their infant stage in tourism development, the availability of tourism products and infrastructures such as transportation, accommodation and homestays provide the basis for development. Investments in tourism infrastructures, tourism marketing, aiding local tourism entrepreneurs and community tourism awareness can potentially increase the knowledge, exposure and demand for tourism to these remote sites. Sustainable and practical tourism policies must be created to safeguard the authenticity of tourism products in the remotes sites whilst guiding the development of remote tourism in the Philippines.

I.2.3. Indonesia

IntroductionAs one of the world most popular tourism destination , many spots are well known for its beaches, temples , marine life , land animals . Indonesia tourism destination for years is dominated by popular destination i.e Bali , Lombok , Yogyakarta (Central Java) .

In the period of 2014-2019 , massive infrastructure was built by the government to connect remote areas of Indonesia. With the readiness of infrastructure that reaches the regions, it is expected that economic growth, including in terms of tourism.

The tourism industry is very dependent on a variety of factors, including macroeconomic factors, security, infrastructure readiness, sales value of tourism destinations.

Refer to introduction of Performance Report 2016 – Ministry of Tourism Indonesia , some key points are below :

- Contributions that continue to increase and increasingly significant to the economy's GDP of 4.03% or IDR. 500.19 trillion, with the increase in foreign exchange generated reaching IDR 176-184 Trillion and tourism labor as many as 12 million people.
- Number of foreign tourists (foreign tourists) to reach 12.02 million foreign tourists 263.68 million trips.
- WEF (World Economic Forum) assessment Indonesia's position also increased significantly from ranking 70th in the world to 50th in 2015.
- Based on UNWTO data, the growth of Indonesian tourists in 2016 was 15.54%, which exceeded the world average of 3.9%, giving the Ministry of Tourism confidence to increase the target of foreign tourists visiting in 2017 from 12 million to 15 million with a main focus on Digital Tourism, Homestay Tourism Village and Air Connectivity

The total contribution of Travel & Tourism to GDP was IDR787,100.0bn (USD58.9bn), 5.8% of GDP in 2017, and forecasted to rise by 5.4% in 2018, and to rise by 6.4% annually in 2028 IDR1,547,440.0bn (USD115.8bn) with increase of 6.6% of GDP in 2028. In 2017 Travel & Tourism directly supported 4,585,000 jobs (3.7% of total employment). This is expected to rise by 1.8% in 2018 and rise by 3.0% pa to 6,258,000 jobs (4.2% of total employment) in 2028. These jobs are spread in various types of jobs in the field of hospitality, transportation, tour guide services, F & B and its support services.

Since 2016, the government of Indonesia has set 10 priority of tourism destination. The economic contribution of this initiative was targeted to gain US\$ 20 billion by 2021. The development priority covers ten areas:

1. Lake Toba - North Sumatra,
2. Mandalika - West Nusa Tenggara (NTB),
3. Morotai- North Maluku,
4. Tanjung Lesung -Banten,
5. Labuan Bajo -NTB,
6. Kepulauan Seribu -DKI Jakarta,
7. Wakatobi -Southeast Sulawesi,
8. Belitung Island
9. Bromo-East Java and
10. Jogjakarta.



Figure 35. New Priority Destinations. Source : “ Indonesia Infrastructure Investment Landscape , Indonesia – Australia” , PwC 2017

Based on tourism projections in the tourism strategic plan, new tourism destination growth initiatives spread across several islands. Most sell the beauty of nature and culture.

Table 8. Priority Tourism Destinations and types of tourism development

No	Province	Selling Point
Lake Toba	North Sumatra	Natural , Cultural
Mandalika	West Nusa Tenggara (NTB),	Beach , water tourism
Morotai	North Maluku	Beach , water tourism , diving
Tanjung Lesung -Banten,	Banten	Beach , water tourism
Labuan Bajo -NTB,	Nusa Tenggara Barat	Beach , water tourism
Kepulauan Seribu -DKI Jakarta,	DKI Jakarta	Beach , water tourism
Wakatobi -Southeast Sulawesi,	Southeast Sulawesi	Beach , water tourism , diving
Belitung Islands,	Bangka-Belitung	Beach , water tourism
Bromo	East Java	Natural view
Borobudur Jogjakarta	Jogjakarta	Historical ,Cultural

Refer to Turtureanu (2015), tourism product can be classified as :

(1) Natural Tourism Products. This type of tourism product relies on natural resources such as: region, climate, landscape and natural environment. Example : economyside, climate temperature, rains, snowfall, days of sunshine, natural Beauty- landforms, hills, rocks, gorges, terrain, water- lakes, ponds, rivers, waterfalls, springs, flora and fauna, wildlife, beaches, islands, spas, scenic attractions and

(2) Man Made Tourism Products, which are created by man for pleasure, leisure or business. Man- made tourism products include:

- Culture (Sites and areas of archaeological interest, Historical buildings and monuments, Places of historical significance, Museums and art galleries, Political and educational institutions, Religious institutions,
- Traditions (Pilgrimages, Fairs and festivals, Arts and handicrafts, Dance, Music, Folklore, Native life and customs),
- Entertainment (Amusement and recreation parks, Sporting events, Zoos and oceanarium, Cinemas and theatre, Night life, Cuisine),
- Business (Conventions, Conferences).

Remote Areas in Indonesia

Based on the definition of remote areas, which are categorized, as remote areas are areas far from economic centers, government and population concentrations in an economy. The challenges of developing tourism potential in remote areas in Indonesia are infrastructure

readiness, manpower and human resources readiness, hotel facilities, resorts and limited means of transportation to reach these destinations.

Based on the definitions, most of the areas categorized as remote areas - are located outside of Java - which is a region with high population density and is a center of economic activity and an economic driver in Indonesia. In the island of Java itself, there are remote areas far from economic centers i.e. Jakarta - the capital of Indonesia, Surabaya (East Java) , Semarang (Central Java) and Bandung (West Java). Interconnection on Java Island, in 2019 a toll road has been established connecting Jakarta-Surabaya.

The priority of developing new destinations in 2019 consists of 4 (four) destinations in Java Island i.e. Tanjung Lesung (Banten), Thousand Islands (DKI Jakarta), Bromo (East Java) and Borobudur (Jogjakarta). Of the four destinations, only Tanjung Lesung (Banten) is quite far from the government centers of Jakarta and Bandung (West Java).

Remote area in Indonesia situated mostly in Eastern Part of Indonesia i.e Maluku Island , Nusa Tenggara Timur and West Papua.

- Arfak , West Papua
- Kakaban Island Derawan
- Morotai Island
- Kai Island , Moluccas
- Labuan Bajo
- Mandalika
- Wakatobi

Berau District – East Kalimantan

Berau District, is part of the East Kalimantan province - and occupies 13.92% of East Kalimantan. Kalimantan is one of the largest islands in Indonesia, which is located in the north of the island of Java, where Jakarta (the capital city) is located. Topography of Berau Regency dominated by areas with 101 m - 500 m (37.1%), 26-100 m (23.2%) 8-25 m (7.3%) and 0-7 m (12.2%).

Berau Regency has an area of 34,127.47 km², consists of land area of 21,951.71 km² and sea area of 11,962.42 km², and consists of 52 large and small islands with 13 sub-districts, 10 villages, 100 villages / villages. Based on the 2016 census, the population is 214,828 people, with a population of 115,521 people and a population of 99,307 women and a growth rate of 2.84% (2015-2016). Economic growth profile is slowing down during period of 2012-2015 . The growth in 2012 (15.47%) , 2013 (15.47%) , 2014 (10.19%) , 2015 (7.92%) and 2016 (5.07%) .



Figure 36. Derawan underwater scenery. Photo source : www.theclassicwanderer.com

<https://www.indonesia.travel/gb/en/destinations/kalimantan/derawan-archipelago/kakaban-island>



Figure 37. Derawan beach. Photo source : www.theclassicwanderer.com
http://www.beraukab.go.id/public/media/images/original/2013/02/14/2013-02-14-14-23-40_2012-10-16-22-07-34_travel_derawan1.jpg

Table 9. Target and Actual Spending of Barau District

(in million IDR)

	2016	2017
Target		
Revenue	1,927,799.91	1,945,595.74
Own Source Revenue	198,340.92	218,815.86
Balance Fund	1,663,448.15	1,694,804.28
Others	66,010.84	31,876.60
Actual		
Revenue	2,001,188.09	1.857.713.22
Own Source Revenue	208.261.00	1.635.040.21
Balance Fund	1.792.927.09	1.635.040.21
Others	0	34.134.62

Source : Berau dalam angka , 2018

Table 10. Demography of Berau District

	2015	2016	2017
Population	208,893	214,828	220,601
Revenue	2.79	2.84	2.69
Density (per km sq)	9.52	9,79	10.05

0-14	105.11	105.05	104.90
15-64	121.92	121.92	121,74
65+	112.71	114.27	115,60

Source : Berau dalam angka , 2018

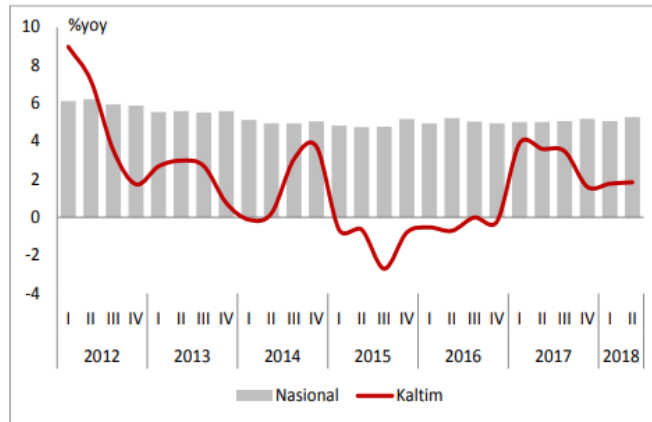


Figure 38. Economic Figure of East Kalimantan and National

Source : Bank Indonesia Report, 2018

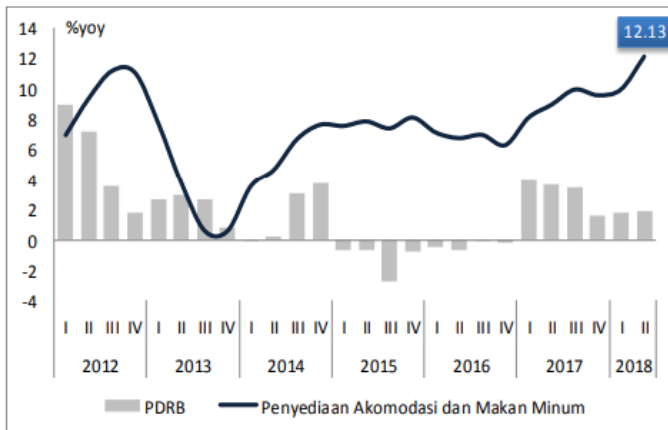


Figure 39. F&B Industry growth of East Kalimantan and National

Source : Bank Indonesia Report , 2018

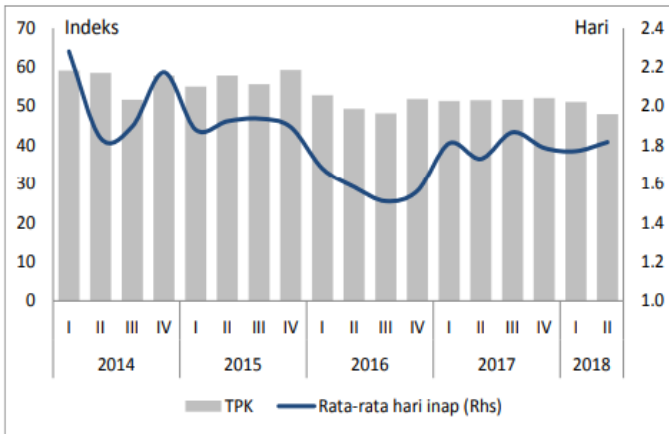


Figure 40. Hotel Occupancy Rate – East Kalimantan

Source : BPS - Bank Indonesia Report 2018

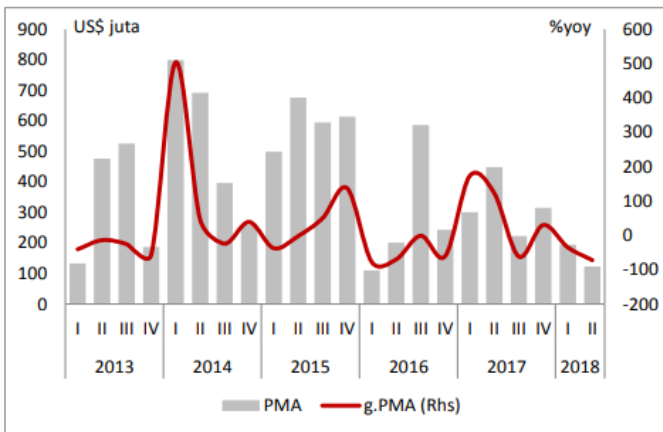


Figure 41. Foreign Investment . East Kalimantan

Source : DPMPSTP, East Kalimantan. Bank Indonesia Report

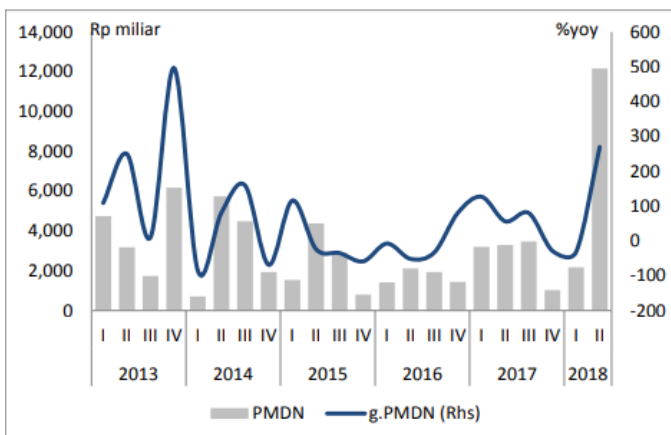


Figure 42. Local Investment. East Kalimantan

Source : DPMPSTP, East Kalimantan. Bank Indonesia Report

Tourism Profile

Derawan Islands is an archipelago located next to the eastern island of Kalimantan, including in the Berau Regency. Around the island of Derawan (448 ha) there are several islands including Kakaban Island, Maratua Island, Sangalaki Island, Pulau Panjang and Semama Island.

Table 11. Number of foreign and domestic tourists arrives in Kalimantan Timur , 2010-2015

Year	Foreign Tourist	Domestic Tourist	Total
2010	24,410	1,174,626	1,199,036
2011	29,768	1,564,013	1,593,781
2012	28,273	1,667,467	1,695,740
2013	32,973	1,926,769	1,959,742
2014	53,257	3,914,769	3,968,026
2015	49,285	4,270,740	4,320,025

Source : Cultural and Tourism Service of East Kalimantan

Tourist visits to Berau Regency are increasing year by year. In 2013, there were 84 thousand tourists visiting Berau and increasing in 2014 (88,000 tourist); 2015 (100,000), 2016 (262,000) and 2017 (300,000) . (Source: <https://www.genpi.co/berita/1146/pariwisata-kaltim-menggeliat-kencang>)

Kakaban Islands. The Kakaban Islands are large coral atolls in the Derawan archipelago, Berau district - which are part of the East Kalimantan province. There are 774 hectares of uninhabited territory. The uniqueness of these islands is the blue coast and the existence of isolated lakes formed by two or three islands. The lake is inhabited by endemic species including jellyfish similar to those in the Palau Islands (Micronesia). There are few parts of the coast that connect with the limestone mountains.

Sangalaki Island. Sangalaki Island has an area of 15.90 ha. This island is a turtle conservation area. On this island there is a population of turtles protected by the state.

Maratua Island . The area of the island is 2375.7 ha and has panoramic views of the sea and beautiful beaches. There is a cave bird wallet that can be traced. There are 2 international resorts, namely: Maratua Paradise Resort and Nabucco Island Resort.

Transportation

Access to the islands which are the destination is done by air and then connected by speedboat. The nearest international airport is in Tanjung Redeb, namely Kalimantan Airport.

- Name : Airport Karimau.
- Code [IATA](#): BEJ, [ICAO](#): WAQT perviously WALK and WRLK)
- Location : [Tanjung Redeb, Berau, Kalimantan Timur](#). (2° 9' 19" N, 117° 25' 56" E)
- Runway: 2,250 meter.
- Altitude : 59 feet
- Area : domestic terminal (10,462 meter square) , VIP (505) , Internasional (5,700) dan Cargo (592)
- Flight : Garuda Indonesia , Wings Air , Sriwijaya Air , Kalsar Aviation with destination to Balikpapan , Jakarta , Surabaya, Samarinda amd Tarakan - Malinau - Nunukan in Kalimantan Utara International flights are from Kota Kinabalu and Tawau in Malaysia to Tarakan and then proceed to Berau.

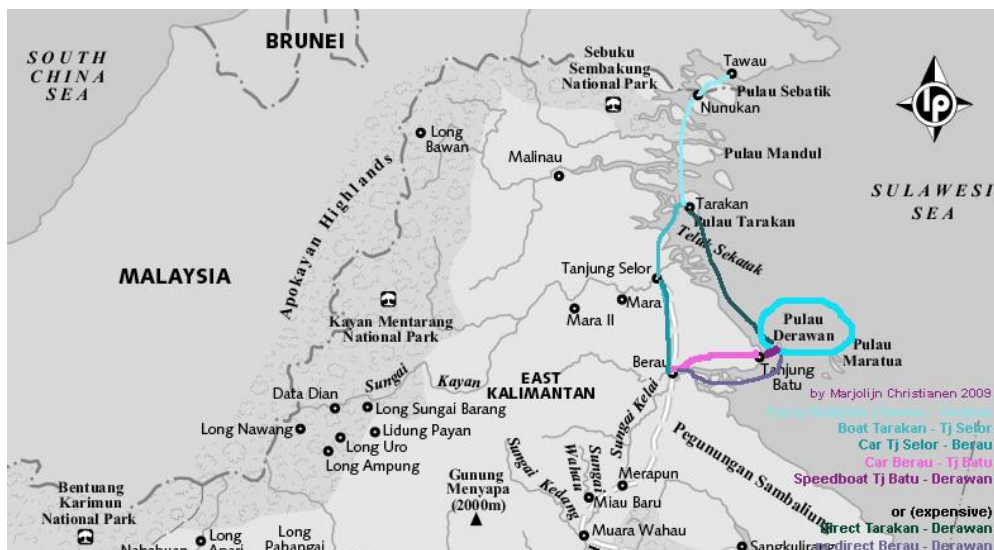


Figure 43. Map of Derawan Island, Berau – East Kalimantan

Source : xxx

Table 12. Statistics of Tourism of Berau 2018

	Total
Tour & Travel	61
Tour Guide	18
Dive Spots	26
Dive Centers	8
Accommodation	289
Restaurant	89
Length of Stay – Domestic Tourist	2-3 days
Length of Stay – International Tourist	5-6 days
Average spending / day – Domestic Tourist	IDR 2,500,000
Average spending / day – International Tourist	IDR 4,000,000

Source : Dinas Pariwisata Kabupaten Berau

Wakatobi – South East Sulawesi



Figure 44. Map of Wakatobi

Source : BKPM

The Wakatobi Islands (5°32'09" S, 123°45'29" E) are located in the Southeast Sulawesi province with the capital Wangi-wangi. The area of this archipelago is 19,800 km². The Wakatobi Islands borders the Banda Sea in the east, north and south, and Buton in the west.

Population. The Wakatobi Islands are inhabited by 120,000 residents with a density of 145 inhabitants per km². Based on the results of population projections, the population continues to increase over the past three years. Recorded in 2017 the population of Wakatobi was 95,386 consisting of 45,775 men and 49,661 women with a sex ratio of

92.2. Population density in 2016 is 116 people / km², which means that on average there are 116 inhabitants per square kilometer. (source : BPS Wakatoni Regency)

Table 13. Demography of Wakatobi District

	2015	2016	2017
Population	94,985	95,209	95,386
Male	45,612	45,740	45,775
Female	49,373	49,459	49,611
Sex Ratio (%)	92.4	92	92.2
0-14			30,746
15-64			57,615
65+			7,025
Dependency Ratio			65.56

Source : *Wakatobi dalam angka , 2018*

Tourism Potential. Tourism potential exists in Wakatobi National Park - which is one of 50 National Parks in Indonesia. Wakatobi is located in the "Coral Triangle" which is a triangular area in the waters of Indonesia, Malaysia, the Philippines and Solomon. Since 2012, Wakatobi is a conservation area of the world biosphere where there are 750 species from 850 in the world. Kaledupa Atoll Wakaobi is the longest atoll in the world.

In general, the number of tourists is visited Wakatobi from year to year continues to increase. In the year of 2017, an increase of 20.61 percent tourists in total- compared to years 2016. This increase was contributed by the increase in domestic tourists by as 40.24 percent. While tourists foreign tourists visiting Wakatobi in 2017 decreased 10.23 percent compared to 2016.

National Marine Park covering the entire Wakatobi District, it comprises a total of 1.4 million hectares, of which 900,000 hectares are decorated with different, colourful species of tropical coral reefs. For Wakatobi is widely recognized as having the highest number of reef and fish species in the world. The islands are also famous as the largest barrier reef in Indonesia, second only to the Great Barrier Reef in Australia

Table 14. Statistics of Hotel and Homestay Wakatobi

Indicator	2015	2016	2017
Accommodation			
Hotel	40	47	40
Homestay	215	313	311
Number of Room (unit)			
Hotel	569	578	490
Homestay	392	428	341
Number of bed (unit)			

Hotel	988	1,017	660
Homestay			

Source : Wakatobi dalam angka, BPS

Based on data collected in the Wakatobi tourism and culture service, in 2014 there were a handful of businesses managed by companies with large capital and local communities with small scale capital, especially diving services. Early pioneers were: Tomia dive center, Tondiono dive center, DC Hoga, Mawaddah DC, Wakatobi dive trip, Raka dive trip, Waha Tourism center. Besides that, there were resorts managed by large investors such as: Wakatobi dive resort, and Patuno resort and Opwall (Operation Wallacea) or Hoga Island resort. The rest are businesses that are managed directly by the community with a small scale of capital. Over the last three years the number of hotels that there in Wakatobi tend to experience fluctuations, because there are hotels that are closed and who just stood up. In 2015 the amount there are 47 hotels in Wakatobi, decreased to 40 units in 2016 and has increased in 2017 to 47 units.

Infrastructure and Connectivity. At present the connectivity in Wakatobi is still minimal. To support the tourism industry in Wakatobi, there has been an initiative from the central government to develop airports and ports by cooperating with Garuda Indonesia and inter-island transportation (ASDP). Wakatobi can be reached by airplane and continued by sea route. The closest airport is Matohara. There are several flight routes to Wakatobi,

Table 15. Transportation and Communications in Wakatobi District

	2015	2016	2017
Road length based on surface classification (km)			
Asphalt	192,07	213,78	213,78
Gravel	60.75	109.83	109.83
Soil	22.79	166.66	166.66
Undefined	143.4		
Total	419.01	490.28	490.28
Road Length based on Condition			
Good	103.24	98.79	138.96
Heavy Damage	62.84	38.78	46.92
Average	87.43	61.92	27.08
Damage	22,1	290.78	277.31
Undefined	143.4		
Total	419.01	490.28	490.28

Source : Wakatobi dalam angka , 2018

Table 15. Airlines Route to Wakatobi

Route	Airlines	Frequency (per week)
Makassar – Kendari – Wakatobi	Wings Air	7x
Jakarta – Wakatobi	Lion Air , Batik Air	Lion (7x) , Batik (2x) source : traveloka.com
Makassar- Wakatobi	Lion Air	Lion (8x)
Kendari-Wakatobi	Garuda Indonesia	4x .Source : https://www.antaraneews.com/berita/674818/garuda-buka-penerbangan-wakatobi-empat-kali-seminggu

Airport

- Name : Airport Matohara
- Code [IATA](#): WKB, ICAO : WAWD
- Location : Wangi-wangi (05° 19' 00" S ; 133° 35' 00" E)
- Runway: 2,450 meter.
- Altitude : 0 feet
- Area : the new terminal has an area of 1,524 m² (16,400 sq ft) and can accommodate max 150 people daily
- Flight : Garuda Indonesia, Wings Air , Lion Air , Batik



Figure 45. Underwater of Wakatobi Coral

Source : <https://www.wakatobi.com/the-diving-experience/seasons/>

Morotai Island, Mollucas

Morotai is a historic island located north of the island of Halmahera - which became an American military base in the Pacific and became part of the World War II summit in the

Pacific. The area of Morotai island is 2,476 square kilometers (956 sq mi), stretching as far as 80 kilometers (50 mi) from north to south and 42 kilometers wide (26 mi). The largest city in Morotai is Daruba which is 68 km from Berebere on the east coast of Morotai. The two cities are connected by paved roads.



Figure 46. Map of Morotai Island, Moluccas

Source : <https://www.indonesia.travel/de/en/destinations/maluku-papua/halmahera-island/morotai-island>

Tourism Potential.

Based on the calculation results of tourist attraction in Morotai Island Regency, the economic potential of Tourism in Morotai Island Regency is IDR 13,295,140,000. This value is the contribution of domestic and foreign tourists visiting the Morotai Island Regency with an average of 4-11 days. There are various tourist destinations in Morotai namely beaches, surfing spots and caves. Most tourism objects are in the southern part of Morotai (South Morotai sub-district). Morotai destination spots are: Zum zum Mc Arthur Island, Dodola Beach, Diving Spot, Tanjung Sopi (surfing spot).

Based on data from BPS in 2016, the average residence time for foreign tourists is 11 days 10 nights and for domestic tourists 4 days 3 nights.

Expenditures per day from Asian / Middle Eastern tourists are USD 136 and European tourists are USD 111.

According to Banapon (2008) the carrying capacity of tourists for Morotai Island Regency with a total beach area of 510,000 m² is 20,400 people per day. While the number of tourist visits in 2014 to Morotai Island Regency in a year is 891 people (2015 Tourism Office in Morotai Island Bappeda 2015b), below the maximum carrying capacity. Refer to fig.12, the trend of tourist visits decreased by 55.7% in 2014.

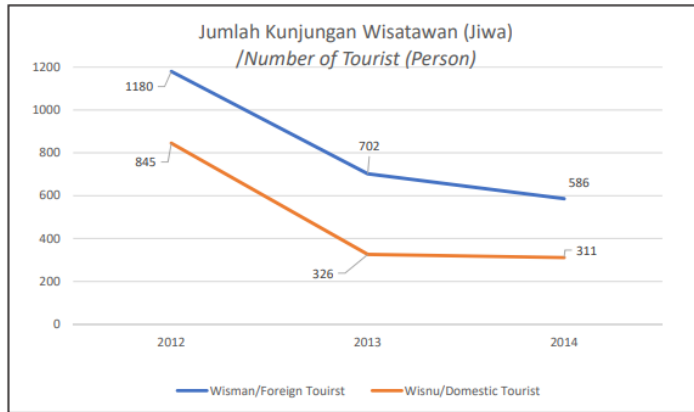


Figure 47. Numbers of Foreign and Domestic Tourist in Morotai Island Regency From 2012-2014.

Source : Source: Tourism Agency of Morotai Island Regency 2015 in Development Planning Agency of Morotai Island Regency 2015b)

Table 16. Tourism Economic Value of Morotai Island Regency With Total Expenditure of Domestic Tourist and Foreign Tourist

Jenis/Type	2014	2017 ¹
Biaya Perjalanan Wisatawan Domestik/ Travel Cost of Domestic Tourist	1,649,855,000	1,983,845,816
Biaya Perjalanan Wisatawan Mancanegara/ Travel Cost of Foreign Tourist	11,645,285,000	14,002,715,345
Total Nilai Ekonomi Pariwisata/ Total Tourism Economic Value	13,295,140,000	15,986,561,161

Keterangan/Remarks

¹Nilai diperoleh dengan melakukan discounting dengan discount rate: 5,96%/

¹Value is obtained by discounting with a discount rate: 5,96%

Source : Witomo and Ramadhan, “Economic Potential of Tourism at the Morotai Island Regency”,2018

Table 17. Number of Hotel and Rooms in Morotai Regency 2016

No	Name of Hotel	Room
1	D’aloha resort	14
2	Makassar	7

3	Singga Dulu	15
4	Ria	14
5	Sintayu	20
6	Permai Indah	15
7	Antrimel	10
8	Marina Putri	8
9	Perdana	20
10	Pertiwi	3
11	Pasifik Inn	19
12	Dodola	10
13	Sinar Mas	10
14	Morotai Inn	11
15	Ampera	7

Source : Morotai dalam angka 2016

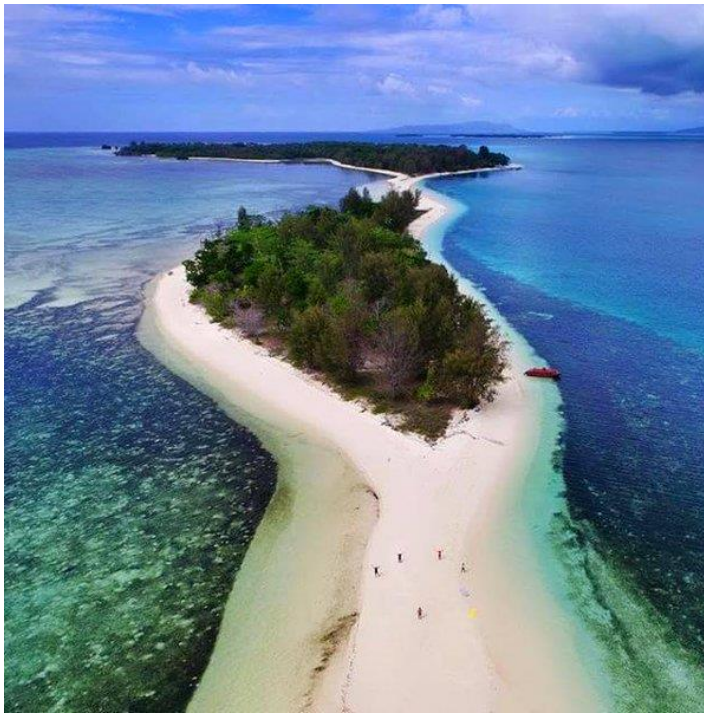


Figure 48. View of Tanjung Sopi , Morotai

Source : xxx



Figure 49. Morotai

Source : www.wallpaperscraft.com



Figure 50. Surfing in Morotai

Photo source : www.mypillowpets.com

Population. Morotai Regency is inhabited by 62,412 based on the 2016 census, where there is a growth of 2.77% from 2015. Sex Ratio is 106.05 where there are 32,123 men and 30,289 women.

Economy. Gross Regional Domestic Products can be seen as follows:

Table 18. Gross Regional Domestic Products per capita 2013-2017

	Applied Price (ADHB)	Constant Price (ADHK)
2013	13,703,771	12,271,499
2014	14,864,592	12,659,113
2015	16,362,733	13,093,675
2016*	17,794,041	13,524,827

2017*	19,257,462	13,986,864
-------	------------	------------

Source : Biro Pusat Statistik Kabupaten Morotai

*Note : *) Forecast*

Infrastructure. Transportation is an important thing to support the economic activities of a region. Most types of road surface in Morotai Island Regency have been paved which are all in good condition. The length of the road is as follows :

- Morotai Selatan : 65,988 km
- East Morotai: 15,035 km
- South-West Morotai: 56,562 km
- North Morotai: 15,231 km
- Morotai Jaya : 5,854 km

Morotai can be reached by sea and air. There are sea and air routes from Ternate to Morotai. The airport at Morotai is Leo Wattimena Airport. Airport

- Nama : Airport Leo Wattimena
- Code [IATA](#): OTI, ICAO : WAMR
- Location : Wangi-wangi (2° 2' 45.76" N ; 128° 19' 19.26" E)
- Runway: 2,400 meter.
- Flight : Wings Air

Mandalika

Mandalika, West Nusa Tenggara - is a Special Economic Zone which is a priority for tourism development. The total investment value in the Special Economic Zone is IDR 177 billion managed by PT. The Indonesia Tourism Development Corporation is based on Government Regulation No. 52 of 2014. This SEZ focuses on agro-industry and eco-tourism on an area of 1,250 Ha. Tourism in Mandalika attracts tourists who are looking for the convenience of beaches, water tourism, MICE, luxury lodging and ecotourism. Public infrastructure is to be completed between 2018 and 2026. (Source: Environmental and Social Impact Assessment of The Mandalika Urban and Tourism Infrastructure Project, Draft Executives Summary, Indonesia Tourism Company)

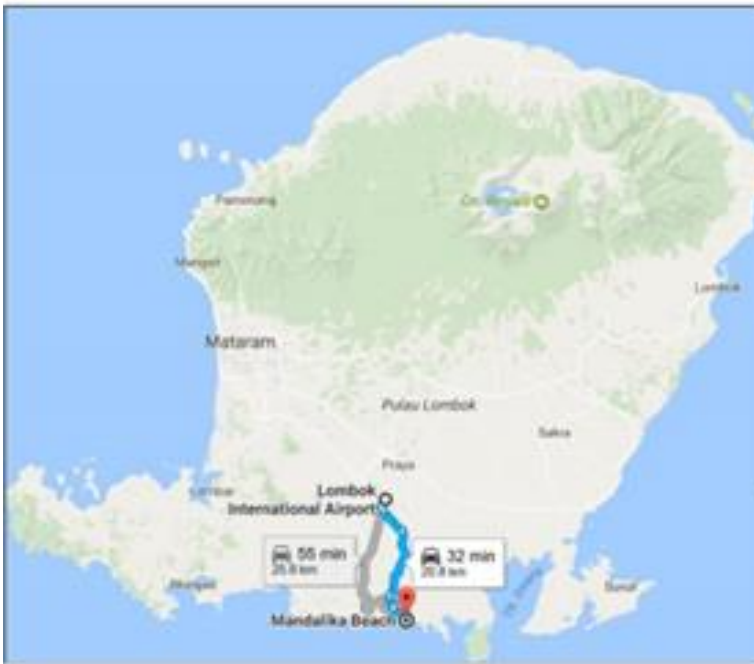


Figure 51. Map of Mandalika, Central Lombok

Source : Infrastructure and Tourism-Infra Development in Indonesia Indonesia Australia Business Conference 2017. KPPIP

Mandalika is an Indonesian marine conservation area covering 5,250 Ha of beach sand. The selling value of the Mandalika area are the beach (Kuta Beach) and Aan Beach which have soft sand texture.



Figure 52. Mandalika Beach

Source : yuktravel.com, IG : lombokxperience



Figure 53. Mandalika Beach

Infrastructure. Government commitment in infrastructure development that supports the tourism industry with:

- Extention Lombok International airport
- Revitalization of Harbor Shee
- Management of the Clean Water Network in Kuta



Figure 54. Map of Mandalika SEZ Masterplan

Source : [BKPM Report](#) “Profile of 5 tourism destinations in Eastern Part of Indonesia : Mandalika, Wakatobi, Morotai, Labuan Bajo, Bunaken” . BKPM 2017

Based on the master plan issued by BKPM (Fig. 17) it can be seen the direction of development to the east and west of Mandalika with its various zones.

Hotel. In 2016 there were 2 hotels operating in Kuta, namely Pullman Hotel and Club Med.

Road Road development to Tanjung Aan with length of 4 km and width of 90 m. Development and broadening road of province from Lombok international airport to district Mandalika as far as 20 km. Airport Expansion runway Lombok International Airport through the length of 250 meters. Currently several airlines are offering attractive connections with daily flights to Lombok from: 1. Singapore (2h45m) 2. Kuala Lumpur (3h05m) 3. Jakarta (2h05m) 4. Bali (0h25m) 5. Perth (3h40m) Electricity Availability of electricity is supplied by PLN and KMPL with the capacity 30 MW and 50 MW. SEZ Mandalika will increase electricity power solar cell with capacity 15 MW Water Supply Indonesian regional water utility company provides 60 liters per second. Current need of water supply requires KMPL 200 liters per second. Also will built a water reservoir construction distribution, of 5000 m³, below the pump house capacity of 100 l/d.

Mandalika can be reached by sea and air. The airport is Lombok International Airport

- Nama : Zainudin Abdul Majid International Airport , Lombok International Airport
- Code [IATA](#): AMI, ICAO : WADA
- Location : Wangi-wangi (8° 45' 29" S ; 116° 16' 35" E)
- Runway: 4000 m x 45 m .
- Flight : Air Asia , Batik Air, Citilink , Silk Air , Garuda Indonesia , Nam Air

The airport is served by road links to the city of [Mataram](#) which is approximately 40 km to the northwest of the airport. It is approximately 55 km southeast of the established [Senggigi](#) tourism precinct of [West Lombok](#).

Concerns

The problems and challenges of the Indonesian tourism industry - especially in remote areas are as follows:

- Infrastructure
- Local HR Readiness
- Environmental Sustainability Issue
- Digital Tourism
- Regulation

I.2.4. Papua New Guinea

Introduction

This is a report based on one of the remote tourism sites in Papua New Guinea (PNG) that will assist the APEC Tourism Working Group in its strategic tourism development of remote tourism sites within selected APEC economies. PNG is one of the economies that has a lot of remote tourism sites that are faced with economic and social challenges and one of them is Mt Wilhelm, the highest mountain in the South Pacific Region located in Gembogl District of Simbu Province. Given tourism as a driver of social and economic development, it can potentially contribute towards the development of the area whilst preserving the area's natural and cultural authenticity. The report will discuss Mt Wilhelm as the selected remote tourism site in PNG. Its objectives are:

- To improve knowledge and skills of tourism authorities through analysis of differential characteristics of remote areas in Papua New Guinea, existing bottlenecks and tourism capacity potential of these remote areas without sacrificing their authenticity;
- To develop recommendations for Papua New Guinea about ways of promoting 'awareness of their remote areas';

This report evaluates:

- The current state of tourism to Mt Wilhelm National Park in Gembogl district of Simbu Province
- The transportation capabilities to Mt Wilhelm National Park
- The tourism and recreational potential of Mt Wilhelm National Park and its surrounding remote area in Gembogl district.
- The traditional economic activities undertaken by the local and indigenous people in Gembogl district.
- The social and economic development of Gembogl district.

Methodology

The information and research provided in this report were analysed and compiled using information gathered through two research methodologies. They are:

3. *Semi-structured questionnaire-*

A questionnaire was created and sent to Papua New Guinea Tourism Promotion Authority (PNG TPA). PNG TPA responded with Mt. Wilhelm as the recommended remote tourism site for PNG. Over the period from June to August 2019, PNG TPA

collaborated with local tour operators from Mt Wilhelm to collect the information and data. The completed questionnaire was submitted by PNG TPA in August 2019 for assessment.

4. *Desktop research* was conducted through government websites, existing publications, press releases, journal articles and bloggers relevant to tourism in Mt Wilhelm in Gembogl district.

Mt Wilhelm National Park in Gembogl District

Gembogl district in Simbu Province was identified by PNG TPA as a remote site with the potential for adventure and sustainable tourism development as it hosts the highest mountain in the South Pacific– Mt Wilhelm National Park (4,509m). The mountain was first discovered in 1888 by a German Newspaper correspondent Hugo Zoller, who named the mountain after his son Wilhelmberg. The indigenous people of Gembogl living around Mt Wilhelm are from the tribes of Mitnande and Niglkande who speaks the local Kuman dialect. Mt Wilhelm in the local dialect is known as Enduwa Kombuglu.

Gembogl station is the main government post that has basic social infrastructures such as health centre, police station, schools, government office, trade stores, electricity and water supply. The district authority that administers the affairs of the local people is also located at the station. Further north, about 10 kilometres from Gembogl station is the village of Kekla. The village is the transit point where local transport from Kundiawa town to Mt Wilhelm ends. There are several tourist accommodations available at Kekla that can be accessed by tourists before and after the climb. From Kekla, tourists trek by foot to the base camp near lakes Piunde and Aunde. Near the lakes, there are two huts that accommodates tourists before commencing the climb. The climb typically starts during the early hours of the morning in order to reach the summit before dawn to catch the sunrise and a clearer view of from the top. The weather at Mt Wilhelm is generally cold with temperatures ranging from 15⁰C – 20⁰C with an annual rainfall of around 2,200mm.

Mt Wilhelm being a national park is collaboratively managed by stakeholders namely the PNG Conservation and Environment Protection Authority (PNG CEPA) and PNG Tourism Promotion Authority (PNGTPA) working alongside with the provincial and district governments. This remote national park continues to attract international and domestic trekkers.



Figure 55. Map of PNG showing the location of Mt Wilhelm. (Photo credit: Binatang Research Center, n.d)

Transportation Capabilities

Transport accessibility to Mt Wilhelm is by air or road through the two neighbouring provincial capital towns of Goroka and Mt. Hagen. At present (in 2019), the Simbu provincial airport located in the town of Kundiawa remains closed. All overseas tourists on international flights would land in Port Moresby (capital city) and then transit to domestic flights for another hour to Goroka or Mt. Hagen. The cost of the domestic flight is about K1,200.00 (US \$400.00) return from Port Moresby. There are two daily flights to Goroka and Mt Hagen every day of the week. From either Goroka or Mt Hagen, it takes a two-hour drive to Kundiawa, the provincial town. The local transport fare is around K20.00 (US\$6). From Kundiawa, it takes about an hour by road to reach Kekla, the base track entrance of Mt Wilhelm. At Kekla, there are accommodations available where tourists can check in before commencing the climb. The road is sealed from Kundiawa to Gembogl Station, however from Gembogl station to Kekla, the road remains unsealed. Occasionally, during the rainy season, the road is susceptible to landslides and muds which can be impassable by vehicles. The most common modes of transportation that are currently used on roads leading to Mt. Wilhelm are 4 x 4 Toyota Landcruiser, Hilux, Dyna, dump trucks and motor bikes. Most tourists use hired vehicles pre-booked by their tour

operators, however, some may decide to use public transport (PMV) which would cost about K20.00 (US\$6) from Kundiawa to Kekla.



PMV Car on Kundiawa Gembogl sealed highway (Photo credit: ADB, 2017)



The 25 seater bus is the most common public transport from Goroka or Mt Hagen to Kundiawa. (Photo Credit: Bellyrumbles, 2016)



PMV landcruiser on Kundiawa to Gembogl road (Photo credit: Olga Fontanellaz, 2018)



Air Niugini provides air services from Port Moresby to Goroka and Mt Hagen: Photo credit: (Air Niugini, 2018)

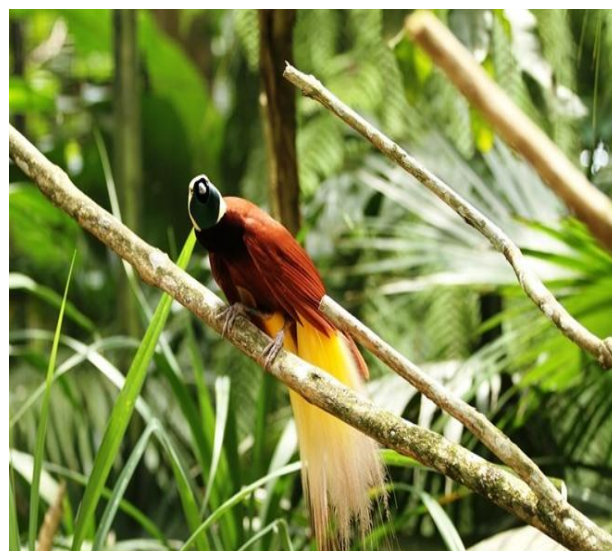
Figure 56. Transportation capabilities

Tourism and Recreational Potential

Mt. Wilhelm has a variety of nature based attractions that include waterfalls, early missionaries' establishments, trout farms, vegetable farms, village cultural shows, artefacts, sight-seeing, village homestay, bird watching, local food tasting, tours, flora and fauna. Tourists may have the choice to enjoy these inducements before or after the climb. This may require an

extra day or two to completely indulge into it. Most of these extra adventures can be pre-arranged through the tour guides or operators and maybe at a cost. Besides climbing Mt Wilhelm which is the main attraction in this remote area, there are other attractions and activities that have the potential to be developed to boost tourism to Mt Wilhelm. They are:

- **Pilgrimage Trip to Mother of Hope Centre:** Members of the Catholic Church from around the province visits the Mother of Hope Center to offer their prayers. Also the Irugul Orphanage center is located within the premises. The centre has the potential for domestic pilgrimage tourism and a site to visit in the area.
- **Dirt Bike Riding:** Recently, there has been dirt-bike riding along the Kundiawa-Gembogl road. The mountainous terrain of the area makes it an ideal environment for such challenging activities.
- **Kayaking:** The fast-flowing river that flows out from Gembogl to Kundiawa, commonly known as Wara Simbu has attracted international kayaking enthusiasts in the past. The river has a potential for development of recreational outdoor activities such as kayaking and white-water rafting.
- **Iron Man Competition.** In 2016, the first iron man competition was held at Gembogl station. The competition attracted the locals to run from Gembogl station to Kundiawa town. This competition has the potential to attract participants from around the economy, which can contribute towards the economy of the local area.
- **Mt Wilhelm Cultural Show:** The cultural show held at Gembogl station show cases the traditional dances and activities accustomed to the local area. It attracts domestic and international tourists and has the potential to be packaged and sold alongside Mt Wilhelm trekking by tour operators.



View of lakes Piunde and Aunde (Photo Credit: Alpine Ascents International, 2019)



The indigenous people in their traditional attire during the show at Gembogl station, (Photo Credit: Wilhelm Tours, 2016)

The bird of paradise can be spotted around Mt Wilhelm area. (Photo Credit: Regent Holidays, 2019)



Dirt bike riding to the base of Mt Wilhelm (Photo credit: Mt Wilhelm Tours, 2016)

Figure 57. Main attractions of mount Wilhelm

Tourism Target Market

The topography of Simbu Province and Mt Wilhelm area in particular is mountainous. It is a destination ideal for adventure tourism based on the tourism and potential recreational activities within the area. Other tourism target markets include cultural enthusiasts, birdwatchers, pilgrimage and school excursion programs.

Traditional Economic Activity at Gembogl (Mt Wilhelm)

The indigenous people living around the Mt. Wilhelm area are from two (2) different tribes in the Gembogl district called Mitnande and Niglkande. The major traditional economic activity in the area is farming. The weather is generally cold with temperatures ranging from 15⁰C – 20⁰C which is suitable for vegetables more than deep root crops. The area is known as the economy's biggest producer and supplier of bulb onions. The land and climatic condition are suitable for growing strawberries which is also a popular local produce from the area. Local farmers travel to the nearest towns and provinces to sell their agricultural products. Tourism to Mt. Wilhelm also provides ample business opportunities for the locals to engage in activities such as provision of guides, porters, cooks, security guards and selling of artefacts to tourists as souvenirs; such as bilumware (hand woven string bags) and handcrafts.



Local Gembogl families selling bulb onion
(Photo Credit: Tom Greenwood/OxfamNZ)



Local Gembogl women selling Bilums (Photo Credit: No roads expedition, 2019)

Figure 58 Economic activity of the local population.

Social and Economic development in Mt Wilhelm (2015-2017)

The remote administrative station at Gembogl has basic infrastructures such as schools, health centres, police station, churches, community market, local government office, trade stores and accommodations. The local economy of the area depends on the sale of agricultural products and tourism. Whilst the social and economic development in Gembogl is progressing, it often faces challenges that disrupts the continuity of services and development.

Current Tourist in-flow (2015-2017)

The exact figures of tourists' inflow to Mt Wilhelm cannot be determined with official records, however, it was reported unofficially from the locals and motel owners in Gembogl that between 2016 and 2017, around 150 tourists visited the area. Most tourists are from Australia and Japan. There were a few European tourists from economies such as Spain, Germany and England who climbed Mt Wilhelm during that period. Demand for tourism plummeted during the elections period in 2017.

Domestic tourism has been increasing in recent years as Papua New Guinean millennials and adventure enthusiasts opt to climb Mt Wilhelm for self-accomplishment and fitness challenges. It was estimated that around 1,000 domestic trekkers climbed the mountain during that period. The peak season for Mt Wilhelm climb is during the December to January holidays.

Local Estimated Population

Population of Mitnande and Niglkande tribes of Gembogl District is 40,257 (2011 Census)

Population Growth

The growth rate of population in the highlands region is about 3.7%, which is almost similar to the economy's population growth rate. Generally, there is an increasing trend of population growth in PNG and Mt. Wilhelm is no exception.

Local Population Income

Most of the local people are not formally employed due to lack of employment opportunities, training and qualification. The local people's daily livelihood relies on subsistence farming. They earn their income through the sales of extra garden produce, home baked food or local string bags (bilum) and artefacts at the local market, which earn them about K10.00 to K30.00 (US\$ 3 to US\$ 10) on average. It is also a common practice to receive financial support from families and relatives working in towns and cities. A handful of locals have ventured into commercial farming of products such as bulb onions and potatoes where they sell to restaurants and shops in urban centers for money.

Local Employment:

The local employment within the area includes tour guides, security guards, cleaners, cooks and groundsman at local tourist accommodations, schools and government offices. Tourism has contributed towards local employment opportunities and business for the local people. There is also casual employment for community groups that are tasked by the local government to engage in community projects such as roadside cleaning and beautification programs. The community groups receive payments from the local government for their services rendered.

Accommodation

Travelling to Mt. Wilhelm is made easier with transit accommodations along the way leading up to the trekking site. There are sixteen local accommodations as at 2018. They are:

1. Betty's Lodge
2. East Kege Guest House
3. Camp Jehovah Jireh
4. Snow Pass Eco-Lodge
5. Mt. Wilhelm Hotel
6. Mondia Bridge Guest House
7. Mt. Wilhelm Village Stay
8. Piunde Aundo Guest House
9. Disney Land Guesthouse
10. A Frame Guest House
11. Immanuel Guest House
12. Kegesugul Guest House
13. Engrere Rutz Guest House
14. Wina Lodge

15. Irugl Guest House
16. Disney Land Guesthouse

Unemployment rate

While the exact unemployment rate in Gembogl cannot be determined through lack of data, the overall unemployment rate of PNG stands at 2.37% with youths (aged 15 – 24) unemployment rate at 4.34%.

Poverty Rate

There is a lack of actual data on poverty rate in Gembogl for 2015 to 2017. However, according to research conducted by World Bank (2019), it revealed that 39.9 % of the PNG population were living below the National Poverty Line with the average earning of K3.80 (US\$ 1.20) per day per capita below the International Poverty Line.

Population Purchasing Power

At present about 3% of the population are involved in any form of cash economy such as selling of garden produce, artefacts, baked products at the local markets. The majority of the population does not have a stable form of cash income, hence they have a very low purchasing power.

Infrastructure

Mt. Wilhelm is located in one of the most rugged provinces of PNG – Simbu Province. The natural topography and terrain of the province contributes to the challenges in constructing and maintaining infrastructures and services.

- Roads: Recently, the Asian Development Bank (ADB) funded the 40km Kundiawa-Gembogl sealed highway that connects Kundiawa to Gembogl station. This sealed road eased the accessibility to Mt Wilhelm. However, the highway is prone to landslides due to unstable geological bed rock structures and high rainfall rates in the district. At present, the road condition between Gembogl station and Kekla, the base entrance of Mt Wilhelm is unsealed and therefore can be impassible by vehicles during the rainy season. This is causing inconveniences for tourists who are traveling during the rainy season.
- Bridges: There are sealed and timber constructed bridges along the Kundiawa-Gembogl highway. There is a need for the reconstruction or conversion of the timber-based bridges to permanent structured bridges, particularly between Gembogl station and Kekla.

- Airstrip: Kegesugul airstrip is the only air service into the Mt. Wilhelm area. In the past, the airstrip was accessed by light planes to transport agricultural products to nearby towns and for emergency services. Recently, the airstrip has been upgraded, however, there are no established commercial flights to transport tourists into the area. The nearest reliable air service can be accessed from Goroka and Mt Hagen while Simbu airport remains closed for an indefinite period.
- Water: There is no water supply system but only natural streams in the Mt. Wilhelm area where it can be fetched in containers or piped into tanks for drinking, washing and cleaning. Also, the locals depend on the rain water due to the high rainfall received in the area. The local tourists' accommodations use tanks to store water which is then pumped into the kitchen, shower and toilet for guests to use. Proper water supply is available at Gembogl Station and Kundiawa town.
- Sewerage System: There is no sewerage system in the Mt. Wilhelm area. Individual households maintain their own sewage disposal. Most tourist accommodations in the area have septic toilets installed at their establishments.
- Energy Supply: There is limited electricity in the area. Residents and government employees residing at Gembogl station access electricity through mini-hydro and diesel-powered generators which operate from an allocated time during the day. Individual tourist accommodation providers supply their own electricity for their guests through mini-hydro or diesel-powered generators. Firewood is the main source of energy for all the rest of the households in the area.
- Telecommunication Services: There is sufficient mobile phone reception in the Mt Wilhelm area provided by Digicel (PNG) Ltd. With the Digicel network, local residents and tourists can have access to mobile phone communication and access to internet services. However, there is no reception of domestic radio, FM and television signals in the area. The local Radio Simbu can be accessed out of Kundiawa on short waves.

Social, Administrative and Cultural infrastructure

District Administration

The main government administration of the Mt. Wilhelm area falls under Kundiawa-Gembogl district with a district office located at Gembogl station. The administrative affairs of the district are managed by the District Manager with the assistance of his staff members.

Health

There are rural aid posts and two rural health centers at Gembogl station and Golgme Catholic Station that caters for the Mt. Wilhelm areas. They are:

- Gembogl District Hospital operated by Provincial Department of Health is operated by seven staff members.
- Denglagu Sub Health Centre operated by Catholic Church has three staff.

All severe health cases and emergencies are referred to Sir Joseph Nombri Memorial Hospital in Kundiawa, which is one of the leading hospitals in the economy.

Education

There are a number of primary schools in the area including the Mt. Wilhelm High School which is one of the best performing high school in Simbu province. The schools include:

- Mt Wilhelm High Secondary (a government run school has approximately 1000 students).
- Denglagu Primary School: (Catholic Church run school with approximately 270 students).
- Irugl Community School: (Catholic Church run school with approximately 70 students).
- Maina TVET centre: (Catholic Church run school with approximately 200 students).
- There are five government operated elementary schools with total of 1000 students and one private church run elementary school with 30 students.

Law and Order

- There is a community tourism police service based along the Kundiawa-Gembogl highway, Gembogl station and Kekla. This service was initiated and funded by the local Kundiawa Gembogl District Authority in 2014. It currently has three officers with a car, however due to lack of funding to maintain the officers and the car, this service is almost defunct. The community tourism police provide escorts to any tourist who may need their services.

- The local government has provided well- maintained and equipped housing for the police personnel, however due to the remoteness of the district it struggles to attract graduates from the police academy and transfers from the current police force as police officers prefer to work in main towns and cities than in remote areas. Currently only one reservist is manning the local station.
- The district village court and the Gembogl police station maintains law and order in the district.
- All other major law and order issues are referred to the Kundiawa provincial police headquarter and court house in Kundiawa.

Banking Service

The only banking service in Gembogl district is provided by the Bank of South Pacific (BSP) rural agency located at Gembogl station. Some small village trade stores have EFT POS system which offers services to locals and tourists such as withdrawing cash and shopping through the use of bank cards. All other banking transactions are done in Kundiawa BSP branch.

Churches and NGOs

- There are two orphanage centres in Gembogl which accommodate and educate orphans from around Gembogl and Simbu Province.
- There are several Christian churches in the area. Catholic church has the largest membership. Other Christian churches includes Lutherans, Seventh-Day Adventist, Baptist and Pentecostals.

Migration

There is a high rate of migration by locals out to nearby towns and cities in search for better livelihood and opportunities as opposed to migrating into the area. Some of the migration push factors that discourage locals to remain in Gembogl district are:

- Lack of quality government services such as health and education
- Lack of economic activities in the area
- Tribal fights and disputes among the local people
- Natural disasters
- Fear of sorcery

Some of the obvious pull factors that lures locals to towns and cities include:

- Employment opportunities
- Education
- Booming economic activities
- Better infrastructure and services
- Relatives and family influences

Rates of migration vary at different times of the year for various reasons. Some may be permanent or long term. It is common for locals working in towns and cities to migrate back to the village after retirement. Intermarriages to neighboring districts and provinces also contribute to migration into the area. Other migrations are temporary such as holiday vacation by families and relatives.

Investment

The local government investment priorities and funding include the provision of infrastructural development and improvement in basic social services. Tourism and agriculture continue to be the focal economic investment priority for the local Gembogl administration. In terms of tourism investment in Mt Wilhelm, the stakeholders namely; the PNG Tourism Promotion Authority, PNG Conservation and Environment Protection Authority and the provincial and local government create annual budget allocation for Mt Wilhelm project developments. However, the implementation of tourism and conservation projects depends on the availability of funds, specific project proposal and human resources to carry out the projects.

Some of the potential investment priorities to be considered by the local government and relevant stakeholders include:

- Upgrade of the 10km road from Gembogl station to Kekla Transit site.
- Replace the four timber bridges with concrete slab bridge or metal sheets bridge from Gembogl station to Kekla Transit site.
- Improve telecommunication channels
- Sustain commercial agricultural activities
- Improve current schools and health infrastructure
- Set up a souvenir art and cultural centre in Kekla or Gembogl station.
- Invest in local and international marketing and campaign for Mt. Wilhelm tourism

- Upgrade tourists transit infrastructures at the Mt. Wilhelm National Park base camp.
- Improve Simbu Tourism Office to develop and market Mt Wilhelm tour packages.
- Create tourism awareness and incentive programs for Mt. Wilhelm landowners.

Analysis of the Tourism Potential in Gembogl (Mt Wilhelm)

Tourism in Gembogl district is relatively underdeveloped, however with Mt Wilhelm as the main tourist attraction in the area, there is an enormous potential for adventure and sustainable tourism development. The following section analyses the opportunities and challenges in developing tourism in Gembogl.

The opportunities are based on:

- Mt Wilhelm: Being the highest mountain in the economy, Mt Wilhelm continues to attract a lot of mountaineers and adventure tourists both domestically and international.
- Natural and Cultural attractions: Mt Wilhelm and its surroundings offers authentic nature-based tourism products (flora and fauna, waterfalls, lakes, rivers, caves) and unique cultural experiences.
- Potential Niche Tourism Development: There is potential to develop additional adventure tourism products such as white water rafting and kayaking along the Simbu river, cave expedition and dirt bike riding.
- Transportation: There are various transport connectivity available to provide access to Mt Wilhelm.
- Tour Operators: There are various domestic and international tour operators who packages Mt Wilhelm as a tourism product and sell it to travellers. These tour packages are readily available online.
- Accommodation facilities: There are 16 tourist accommodations available near Mt Wilhelm. Some of these accommodations have been accredited by the PNG Tourism Promotion Authority as they have met the requirements of a backpacker's guesthouse and lodge.
- Availability of basic infrastructure: Despite Gembogl's remoteness, there is availability of basic infrastructures needed to support tourism such as electricity, water

supply, energy supply, sewerage, telecommunication, medical services and tourism police.

The challenges affecting tourism development in Gembogl are:

- Road impassable during bad weather: Despite the 40km newly sealed road from Kundiawa to Gembogl station, the road from Gembogl station to the base of Mt Wilhelm is unsealed, thus it can be impassable by vehicles during the wet season.
- Negative perception of the destination: The negative publicity and image of PNG as a tourism destination can potentially deter tourists from visiting the remote sites in the economy and Mt Wilhelm is no exception
- Discontinuity of Gembogl cultural show: The discontinuity of Gembogl cultural show can affect the influx of tourists, particularly those who would like to do trekking as well as attending the cultural festival. Also, the cultural show, being the biggest annual event in the district, its discontinuity can affect the local economy of the area.
- Lack of destination marketing: Despite the efforts of tour operators, local tourism entrepreneurs, bloggers and the tourism authorities to market the destination, Mt Wilhelm still lacks the exposure. This is evident in its annual influx of international tourists which is below 1,000.
- Political influence: Changes in political administrations affects the continuity and implementation of current policies.

II. Qualitative and quantitative analysis of tourism development in the Arctic Zone of the Russia

II.1. The analysis of tourism development in the Arctic Zone of the Russia

According to the "strategy for the development of the Arctic zone of the Russia and internal security for the period up to 2020" " the key factors influencing the socio-economic development of the Arctic zone of the Russia are:

- a) extreme climatic conditions, including low air temperatures, strong winds and ice cover in the Arctic seas;
- b) focal nature of industrial and economic development of territories and low population density;
- c) remoteness from the main industrial centers, high resource intensity and dependence of economic activity and life support of the population on supplies from other regions of Russia of fuel, food and essential goods;
- d) low stability of ecological systems that determine the biological balance and climate of the Earth, and their dependence on even minor anthropogenic impacts.

The current state of socio-economic development of the Arctic zone of the Russia is characterized by the following risks and threats:

(a) in the social sphere:

negative demographic processes in most of the Arctic regions of the Russia, outflow of labor resources (especially highly qualified) to the southern regions of Russia and abroad;

non-conformity of social service networks to the nature and dynamics of settlement, including in education, health care, culture, physical culture and sports;

critical condition of housing and communal services, insufficient provision of clean drinking water;

the lack of an effective system of training, the imbalance between the supply and demand of labor resources in territorial and professional terms (shortage of workers and engineers and an overabundance of unclaimed specialists, as well as people without professional education);

low quality of life of indigenous peoples of the North, Siberia and the Far East of the Russia living in the Arctic zone of the Russia;

(b) in the economic sphere:

lack of Russian modern technical means and technologies for search, exploration and development of offshore hydrocarbon deposits in Arctic conditions;

depreciation of fixed assets, especially transport, industrial and energy infrastructure;

underdevelopment of the basic transport infrastructure, its Maritime and continental components, aging icebreaker fleet, lack of small aircraft;

high energy intensity and low efficiency of natural resources extraction, costs of Northern production in the absence of effective compensation mechanisms, low labor productivity;

imbalance in economic development between individual Arctic territories and regions, a significant gap between the leading and depressed areas in terms of development;

insufficient development of navigation, hydrographic and hydrometeorological support of navigation;

lack of means of permanent integrated space monitoring of Arctic territories and waters, dependence on foreign means and sources of information support for all activities in the Arctic (including interaction with air and sea vessels);

lack of modern information and telecommunication infrastructure, allowing to provide communication services to the population and economic entities throughout the Arctic zone of the Russia;

underdevelopment of the energy system, as well as irrational structure of generating capacity, high cost of generation and transportation of electricity;

(c) in the field of science and technology, there is a shortage of technical means and technological capabilities for the study, development and use of Arctic spaces and resources, insufficient readiness for the transition to an innovative way of development of the Arctic zone of the Russia;

(d) in the sphere of nature and the environment stands increase technological and anthropogenic load on the environment by increasing the likelihood that it will achieve its extreme values for some adjacent to the Russia in the Arctic ocean, as well as in certain regions of the Arctic zone of the Russia, characterized by extreme zones, potential sources of radioactive contamination, a high level of accumulated environmental damage".

The new version of the state program "Socio - economic development of the Arctic zone of the Russia for the period up to 2020", extended in 2017 for the period up to 2025, updated the list of subprograms and the main tasks, indicators and targets, expanded the composition of participants. The text of the document States that tourism is included among the main industries contributing to the development of the economy of the region in the period up to 2025.

The Arctic Zone of the Russia includes the following subjects of the Russia:

territory of Murmansk region;

territory of Nenets autonomous region;

territory of the Chukotka autonomous region;

territory of Yamalo-Nenets autonomous region;

territories of municipalities "Belomorsky municipal district", "Loukhsky municipal district" and "Kemsky municipal district" (Republic of Karelia);

the territory of the town district "Vorkuta" (Republic of Komi);

territories of Allaikhovskiy district, Anabar national (Dolgan-Evenki) district, Bulunskiy district, Nizhnekolymskiy district, Ust-Yansky district (Republic of Sakha (Yakutia));

the territory of the urban district of Norilsk, Taimyr Dolgan-Nenets municipal district, Turukhanskoy district (Krasnoyarsk region);

territories of municipalities "city of Arkhangelsk", "Mezen municipal district", "Novaya Zemlya", "town of Novodvinsk", "Onega municipal district", "Primorsky municipal district, including Franz Josef Land archipelago", "Severodvinsk" (Arkhangelsk region);

Islands located in the Arctic ocean.

The total area of the Arctic Zone of the Russia exceeds 6 million square kilometers. The Arctic Sea area within the territorial sea and the exclusive economic zone of the Russia is more than 3 million square kilometers. The land area of the Russian Arctic covers 18% of the entire territory of the economy. As already noted, the natural and climatic characteristics of this vast territory determine the high level of its extremity for human habitation and economic activity.

This is an area with a polar climate, with extremely low winter temperatures, and short cold summers. The entire territory of the Arctic Zone includes lands of two climatic types:

tundra climate (in the warmest month the average temperature is between 0°C to 10°C);

the climate is typical for areas with ice cover (the temperature almost does not rise above 0°C, and there is a constant snow precipitation).

But despite this, we can now talk about 343 tourist routes in the Arctic regions of the Russia.

The number of routes is characterized by a dominance of intraregional ones. The number of routes crossing the borders of the regions is not large, but they act as a binding framework for the tourist integration of the regions.

Cultural (experiential) and ecological routes are dominating, which together make up 50%, a significant role is played by sports and adventure ones. It should be noted that most of the tourist routes (except for the classic within a comfortable environment) in the Arctic regions can almost always be attributed to adventure in view of the specifics of the territory and the extreme conditions used vehicles and overnight stays. The significant role of educational tourism is linked not only to the cultural heritage of the territories, but also to the unique natural one.

The cultural heritage of the Arctic Zone is of high interest to potential tourists due to the peculiarities of demographic resources.

The total population is more than one million people, of which approximately 9% are representatives of small indigenous ethnic groups, leading their usual nomadic lifestyle.

The Russian Arctic hosts representatives of the following indigenous peoples: Nenets, Chukchi, Khanty, Eveny, Evenks, Selkups, Sami, Eskimos, Dolgans, Chuvans, Ket, Nganasans, Yukaghirs, Enets, Mansi, Vepsians, Koryaks, Itelmens, Kereks.

These are special groups of the population of the Russia living in territories of traditional resettlement of their ancestors, preserving a traditional way of life, managing and crafts.

The average population density for the Arctic regions is 0.88 people per square km. This is 9.5 times less than the domestic average.

Population density, and accordingly the remoteness of settlements, and sometimes the absence of a stationary location of the local population, has a significant impact on the specifics of the route network of the Arctic Zone.

The distribution of tourist routes according to their length in kilometers is as follows:

- routes up to 10 km-11,6%;
- routes 10-50 km-18%;
- routes 50-100 km-12,8%;
- routes 100-150 km-8,7%;
- routes 150-250 km-13,4%;
- routes of 250 – 500 km – 21,5%;
- routes over 500 km-14%.

As we can see in comparison with the all-Russian indicator, the Arctic territories are characterized by a predominance of medium-and long-distance routes.

The formal economy of the Arctic Zone is based on large-scale exploitation of natural resources, processing plays a relatively small role, often the benefits derived from industrial utilization are used outside the Arctic. According to experts, 58% of hydrocarbon resources of the world ocean is concentrated in the Arctic. Gas and mining complex occupy a predominant place in the economic activity of the territory.

Marine biological resources of the Arctic ocean and its seas play a special role, they are the main source of food for the population. In the Arctic Zone of the Russia, the catching and processing of fish ranks third after the gas and mining complexes.

The Arctic is the habitat of a number of unique animals: muskox, wild reindeer, snow sheep, polar bear, arctic hare, lemming, arctic fox, wolf, wolverines, stoats and long-tailed gophers.

Millions of migratory birds nest in the tundra in the polar summer. The Arctic seas are home to seals, walrus, as well as several species of cetaceans: baleen whales, narwhals, killer whales and beluga whales.

A specific pattern is observed in the distribution of tourist routes according to the seasonality of their functioning. The most characteristic situation (in comparison with the values for the economy) is inherent in the Arkhangelsk region with the Nenets Autonomous district – a significant share of year-round routes with a predominance of summer months (there is some higher role of summer months than the domestic average). In the Arctic territories of the Asian part of the economy, there is a sharp predominance of routes operated from June to August, which is due to extreme climatic conditions for tourists in the rest of the year. A special situation is observed in the Murmansk region, which has a milder climate and focuses on active types of tourism, including winter – there are two seasons: winter (higher) and summer.

In the Arctic Zone, there is a clear predominance, in comparison with the all-Russian values, of tourist products of the high-price segment, while prices are almost directly dependent on the transport accessibility and remoteness of the territories from the main transport hubs. For example, it is now possible to visit the Park "Russian Arctic" on Franz Josef Land and the Northern tip of Novaya Zemlya only by sea onboard of icebreaker-class ships.

The cost of such tours varies from 3.5 thousand to 15 thousand dollars depending on the tour operator, class of the vessel, level of comfort of cabins and the duration of the trip, etc. High Cost of sea tours to the Arctic is explained by the high cost of chartering ships for Russian tour operators. The United Shipbuilding Corporation (USC) has developed cruise ship projects for tourism in the high Arctic latitudes, but the implementation of these projects will require multibillion-dollar investments.

The distribution of routes by mode of transportation in the European territories of the Arctic is dominated by bus, with an increased share of water, mixed and motorcycle (the latter is not the best phenomena, as snowmobiles in sparsely covered areas lead to significant degradation of landscapes), in the Asian territories of the Arctic there is a combination of means and methods of movement along the route, a significant share of water transport and an important role of aviation, the role of road transport is low (except for the use of all-terrain vehicles) due to the very poor development of the relevant transport infrastructure.

The basic framework for air communication in the Arctic Zone are: international airports (Murmansk, Arkhangelsk, Anadyr, Provideniya) and other airports (Apatity, Mezen, Naryan-Mar, Amderma, Vorkuta, Salekhard, Nadym, Cape Kamenny, Novy Urengoy, Tarko-Sale, Korotchaevo, Yamburg, Dixon, Dudinka, Norilsk, Khatanga, Saskylakh, Tiksi, Ust-kuiga, Deputatsky, Chorkudakh, Chersky, Keperveyem, Pevek, Cape Schmidt, Egvekinot, Lavrentiya).

Railway communication with the main part of the economy have Murmansk and Arkhangelsk regions, as well as through a separate branch of the Komi Republic (... Ukhta - Vorkuta with a branch in the direction of Labytnangi - Paiut), Yamalo-Nenets Autonomous district is attached through Tyumen to the unified system (Tyumen – Surgut – Novy Urengoy – Nadym, Yamburg).

Water river and sea transport play an important role in the regions. Sea routes operate along the coast, where the base ports are: Murmansk, Severodvinsk, Indiga, Mezen, Naryan-Mar, Varandey, Amderama, Kharasavay, Novy Port, Dixon, Dudinka, Khatanga, Tiksi, Chersky, Pevek, Egvekinot, Provideniya, Anadyr. The most important river transport arteries are the

Northern Dvina (port Arkhangelsk), Mezen, Pechora, Ob (Labytnangi, Salekhard), Nadym (Nadym), Pur (Korotchaevo), Taz (Tazovsky), Yenisei (Dudinka), Anabar, Khatanga, Olenek, Lena, Yana (Nizhneyansk), Indigirka, Kolyma, Anadyr.

Road transport infrastructure is developed at an acceptable level only in the Murmansk and Arkhangelsk regions, thereby creating serious problems in the organization of tourist routes in other regions.

The selected objects of transport infrastructure are the backbone of the formation of the tourist route network of the Arctic territories, as they act as gates for tourist flows.

The state of the supporting and accompanying infrastructure of the tourism sector at a satisfactory level is typical only for well-developed areas of the Arctic, in other areas there are significant problems in almost all parameters.

In total, there are 73 airfields in the Arctic Zone of the Russia. Reconstruction of 8 of them is provided: Amderm, Murmansk, Arkhangelsk (Talagi), Naryan-Mar, Dixon, Pevek, Tiksi, Chokurdakh.

To develop the railway infrastructure of the Arctic, a project is being implemented to build the Tommot-Yakutsk launch complex, aimed at ensuring year-round uninterrupted delivery of goods to remote areas of the far North. It is planned to create a Northern latitudinal railway, which provides for the connection of the Northern and Sverdlovsk Railways, the reduction of transport communications from the fields in the Northern regions of Western Siberia to the ports of the Baltic basin.

In total, sections of federal highways with a total length of 729.5 kilometers pass through the territory of the Arctic Zone. Now, generally systematic repair and restoration work on these sites of roads is conducted.

The main projects for the development of port infrastructure in the Arctic basin are related to the development of Yamal oil and gas fields. Projects for the construction of the seaport of Sabetta and the integrated development of the Murmansk transport hub are points of growth for the Arctic regions.

With a systematic approach to the development of tourism in the Arctic Zone, it is proposed to lay the possibility of using them as dual-use objects at the stage of designing transport commercial and industrial hubs, and then the revenue and taxes from the development of tourism will very soon justify the invested budget funds.

For reasons of long-term programs of tourist routes, their direct need for accommodation is at a high level. In the Murmansk and Arkhangelsk regions, hotels receive the most use, other, individual and specialized accommodation facilities are used less often. In other regions, other accommodation facilities (tents, guest houses, special bases, etc.) play a significant role.

For the Arctic territories, in comparison with the all-Russian values, a small role is given to tour guides and, naturally, an important role is given to guides and instructors, without whom the organization of tours in difficult conditions may not be safe.

Table 19. Accommodation capabilities

	2016	2017	2018
Number of hotels, units	473	545	539
Number of beds in in hotels, units	20,624	24,954	23,633
Number of public catering facilities (restaurants, cafes, bars), units	-	-	1761
Admission capacity of public catering facilities (restaurants, cafes, bars), units			92155

To understand the role of Arctic tourism in this economy , a comparative analysis of the activities of the subjects of the Russia in this area is of interest. The domestic rating on tourism of 85 subjects of the Russia was prepared and published for the first time in December 2015 by the center of information communications "Rating" together with the magazine " Leisure in Russia". To determine the rating positions, 9 groups of qualitative and quantitative indicators were used, which can be found in the table.

Table 20. Subjects of the Russia that are parts of the Russian Arctic in domestic ranking

Place in the domestic ranking 2015	Subjects of the Russia and municipalities that are parts of the land territories of the Russian Arctic by presidential decree of may 2, 2002 №296, adjacent areas of the Far North of Russia	Score	Place in the Arctic ranking
Russian Arctic			
30	Murmansk Region	43.0	1
38	Krasnoyarsk Region: city of Norilsk, Taymyrsky Dolgano-Nenetsky District, Turukhansky District (Igarka)	40.7	2
42	Arkhangelsk Region: city of Arkhangelsk, Mezensky Munitipal District, Novaya Zemlya, town of Novodvinsk, Onezhsky MD, Primorsky MD, Severodvinsk, islands in the Arctic ocean	39.6	3
52	Chukotka Region	34.2	4
54	Republic of Komi: town of Vorkuta	33.5	5
58	Republic of Sakha (Yakutia): Allaikhovsky District, Anabarsky District, Bulunsky District, Nizhnekolymsky District, Ust-Yansky District	32.1	6
62	Yamalo-Nenets Region	30.9	7

72	Nenets Region	27.2	8
North Russia			
7	Republic of Karelia	56.0	
18	Kamchatka Region	49.5	
37	Magadan Region	41.0	
51	Khanty-Mansi Region	34.4	

Based on the domestic rating for tourism from the Arctic Zone, the Republic of Karelia is the most popular among tourists and has the greatest tourist potential. The second group of popularity includes Murmansk region, Krasnoyarsk region and Arkhangelsk region. The third group of popularity includes the Chukotka autonomous region, the Republic of Komi, the Republic of Sakha (Yakutia), the Yamalo-Nenets autonomous region. The Nenets Autonomous Okrug closes the rating.

The materials of the "Russian geographical society" note that there is a tendency of increasing number of people wishing to visit the Arctic Zone: 30 % of Russian tourists would visit the Arctic. At the same time, 40% of Russian respondents would not go beyond the Arctic circle because of extreme weather conditions, 16% of tourists do not mind going to the Arctic, but what exactly they can do there, they do not know. 12% of tourists are stopped mainly by the cost of tourist trips.

The main type of travel in the Arctic are cruises. The subjects of the Russia included in the Arctic Zone are raising the issue of increasing the tourist flow on the Northeast Passage more and more actively. Every year the number of applications and passes of vessels with research and scientific purposes along the Northeast Passage increases.

In 2018, the Russian Arctic national Park, which includes the Northern part of the island of the Novaya Zemlya archipelago and the Franz Josef Land archipelago, was visited by 1,079 tourists, 326 of them were from China. Five voyages to the North pole on the icebreaker "50 years of victory" (tour operators "Quark Expeditions" and "Poseidon Expeditions") passed through the territory of this national Park. Three voyages took place on the route Svalbard — Franz Josef Land — Svalbard on the ship "Sea Spirit".

II.2. Illustrations of the Russia Arctic Zone tourism potential



Figure 59. Arctic kayaking from “Poseidon Expeditions LTD” (poseidonexpeditions.ru)



Figure 60. Master classes on polar photography in the Arctic from “Poseidon Expeditions LTD” (Source: poseidonexpeditions.ru)



Figure 61. Polar bear is a mammal of the Franz Josef Land archipelago (Souce: www.tg-journal.com)



Figure 62. Summer landscape of the Franz Josef Land archipelago (Souce: www.tg-journal.com)



Figure 63. Glacial barrier, Rudolph island of the Franz Josef Land archipelago (Photo: D.Banin, “Russian Arctic” national Park, <http://www.rus-arc.ru>)



Figure 64. The spherulites on the Champ island of the Franz Josef Land archipelago (Photo: V. Kuznetsov, “Russian Arctic” national Park, <http://www.rus-arc.ru>)



Figure 65. Tourists on the George's Land island of the Franz Josef Land archipelago (Photo: V. Kuznetsov, "Russian Arctic" national Park, <http://www.rus-arc.ru>)



Figure 66. Zodiac cruise at the glacial shores of Alexandra Land of the Franz Josef Land archipelago (Photo: M. Gavrilov, "Russian Arctic" national Park, <http://www.rus-arc.ru>)



Figure 67. Disembarkation of tourists onto the Meibel island of the Franz Josef Land archipelago (Photo:A.Barakov, “Russian Arctic” national Park, <http://www.rus-arc.ru>)



Figure 68. Observation of the bird colonies on the Roubini rock of the Franz Josef Land archipelago (Photo: V. Kuznetsov, “Russian Arctic” national Park, <http://www.rus-arc.ru>)



Figure 69. Walk on the Gall island of the Franz Josef Land archipelago (Photo: V. Kuznetsov, “Russian Arctic” national Park, <http://www.rus-arc.ru>)



Figure 70. Zavaritsky rocks on Gall island of the Franz Josef Land archipelago (Photo: D.Banin, “Russian Arctic” national Park, <http://www.rus-arc.ru>)



Figure 71. River canyon in Novaya Zemlya (Photo: A.Krasnov, “Russian Arctic” national Park, <http://www.rus-arc.ru>)



Figure 72. Bear with cubs in the Franz Josef Land archipelago (Photo: I.Buravin, “Russian Arctic” national Park, <http://www.rus-arc.ru>)



Figure 73. Traditional Arctic meal – Yakut steak (Souce: <http://stories-olk.ru>)



Figure 74. Traditional Arctic dish - cod baked with cottage cheese according to the old Pomor's recipe (Souce: <http://goodfood.news/2017/09/12/pomor-cuisine>)



Figure 75. Teterki are ceremonial Northern cookies, Arkhangelsk region (Source: <https://wanderings.online/8-natsionalnyh-ugoshhenij-arhangelskoj-oblasti>)



Figure 76. Akutaq, made from raspberry and blueberry is an eskimo's ice cream (Source: <http://arctic-megapedia.ru>)



Figure 77. The ringed seal in Russekeyl Bay (Photo:A.Sutyryn, “Grumant” centre of The State Trust "Arktikugol”, www.facebook.com/pg/grumant/posts)



Figure 78. Troll-karts for husky dog sledding- Barentsburg farm (Source: “Grumant” centre of The State Trust "Arktikugol”, www.facebook.com/pg/grumant/posts)

II.3. Challenges of development of tourist activity in the Arctic zone of the Russia, specifically of the “Franz Josef Land” archipelago.

To increase the "tourist development" of the Arctic zone of the Russia in recent years, increased attention is paid to Arctic cruises, the popularity of which is constantly growing among Russian and foreign tourists. Within the boundaries of this promising tourist destination is the national Park "Russian Arctic", which is one of the youngest protected areas in the Russia. In December 2010, the Russian Arctic Park was replenished with the state nature reserve of Federal significance “Franz Josef Land” – the northernmost land area of Eurasia.

In modern conditions, it is necessary to find new mechanisms and incentives for the Arctic to become rationally inhabited in economic, infrastructural and social relations. Tourist re-development of the Russian Arctic in accordance with modern requirements for such a process can be considered effective if, in the course of the implementation of many private decisions, a balance is achieved in the use of all types of natural resources and the restoration of the potential of the environment. Secondly, the development of mutually beneficial relations with other territories of the economy and foreign economies. Thirdly, the balance of places of employment and settlement system with strict observance of the statutory rights of the indigenous population in the territory of traditional nature management.

The object of re-exploration the Russian Arctic must first become whole Arctic in the diversity of its components and the problems, and all necessary measures should be considered as part of a single (holistic and systemically linked) of a regional cluster. In this regard, the process of tourist re-development of the Russian Arctic should also become a fundamentally new subject of state regulation, involving a system of interconnection of a variety of local strategies, programs and projects of the Federal, regional and municipal levels with the interests of economic entities and investors.

The Arctic zone of Russia is characterized by the presence of territorial contrasts and contradictions of economic interests. In addition to an extensive mainland, exceeding 3.6 million square kilometres, the Russian Arctic includes 185 thousand square kilometres of the archipelago of Islands and islets (the Solovetsky Islands, Franz Josef Land, Novaya Zemlya, Severnaya Zemlya, Novosibirsk Islands), as well as some large Islands (e.g. Wrangel island, Vaygach and Kolguev). In this vast space coexist administrative-territorial formations of six different types, intersecting areas of economic activity of major corporations and traditional nature management, widespread and unique settlement systems, areas of active economic development and special environmental status, etc. The composition of this zone is recorded in the decree of the President of the Russia from 2 May 2014 № 296 "About land territories of the Arctic zone of the Russia" adopted "to implement the principles of state policy of the Russia in the Arctic for the period till 2020 and further prospect".

Russia owns the largest part of the Arctic territory, there are vast plains covered with tundra and forest tundra, Islands with ice deserts, mountains, lakes and rivers, forests with rich flora and fauna. It is home to polar bears, Arctic foxes, Greenlandic whales, Beluga whales, walruses, ringed seals, seals, reindeer and more than a thousand varieties of plants Support and competent management of tourism development in the regions of the Arctic zone of the Russia is extremely important and needs constant improvement, while it is necessary to use special mechanisms of

state management and regulation. Such actions will lead to the development of tourism in the Arctic while ensuring the safety and respect for the fragile nature of the Arctic.

The Russian geographical society all-Russian public organization, the Russian Union of Industrialists and entrepreneurs all-Russian public organization, large business structures with subsidiaries of the tourist profile, for example, Poseidon Expeditions LLC, the Grumant Center of the Russian Federal state unitary enterprise state Trust Arktikugol and other organizations and departments pay attention to the development of tourist activity within the borders of the Russian Arctic.

Despite this, in general, the situation can be characterized as the lack of systematic organization of tourism development, including tourist routes in the polar regions, both in an independent form and in conjunction with the integrated development of territories. In addition, the issues of design and organization of such routes, their inventory and systematization, monitoring, allocation of strong points and objects are missed. Tourist expedition routes are offered by separate and practically non-interacting, usually specialized travel companies and active in the field of tourism development in the Northern regions of the economy, a significant role in the organization of scientific expedition tours performs "Russian geographical society".

Traditionally, the "Russian geographical society" in its activities pays special attention to the research and development of the Arctic region of the Russia, is actively working, implementing a number of projects related to research, environmental and tourism activities.

The Arctic is the most severe and unexplored territory of Russia in terms of tourism, offering consumers extreme recreation.

According to the Federal state statistics service, the number of collective accommodation facilities in the Arctic zone of the Russia in 2016 amounted to 473 units in 2017, that figure had increased to 72 and totaled 545 units, and the number placed in collective accommodation facilities in the constituent entities of the Russia, members of the Arctic zone, in 2016 amounted to 1767,7 thousand people in 2017 – 1841,6 thousand people.

In Russia every year is more and more willing to pass the tests of the Arctic and look at its inhabitants.

The materials of the "Russian geographical society" note that there is a tendency to increase the number of people wishing to visit the Arctic zone: 30% of Russian tourists would visit the Arctic. At the same time, 40% of Russian respondents would not go beyond the Arctic circle because of extreme weather conditions, 16% of tourists do not mind going to the Arctic, but what exactly you can do there, do not know. 12% of tourists stop mainly the cost of tourist trips.

The main type of travel in the Arctic are cruises. Subjects of the Russia included in the Arctic zone are increasingly raising the issue of increasing tourist flow on the Northern sea route. Every year the number of applications and passes of vessels with research and scientific purposes along the Northern sea route increases.

According to the Federal Agency for tourism, in 2016, 11 sea tourist cruises were carried out in the sea areas adjacent to the Northern coast of the Russia and the far East, in 2017 – 21 cruises.

Most experts and representatives of the tourist business community believe that the limiting factors for the active development of tourism in the Arctic zone of the Russia are:

1. Lack of necessary infrastructure to receive cruise ships in the Arctic zone.
2. Low level of services and lack of accommodation facilities that meet the requirements of modern Russian and foreign tourists.
3. Reduced transport accessibility of potential tourist sites.
4. General age and wear of equipment used in civil transportation.

According to official data, the provision of paved roads in the Western Arctic regions is from 15 to 50 %, in the East of the Russian Arctic the situation is even more complicated. Due to the underdevelopment of land communications, the main transport burden in these regions falls on sea and river transport, partly on local air lines.

5. Low level of information support for the promotion of Arctic tourism products in the domestic and international tourist markets with the presentation of the opportunities of the Russian Arctic regions in the field of Arctic tourism at the Federal level.
6. Lack of clear and accessible tourist product.

It should also be noted that the admission of tourists to the territory of the traditional stay of the indigenous population poses a very real threat to the preservation of the traditional way of life and sustainable social development of the indigenous population of the Arctic territories, their traditions and culture.

7. Low integration of the local indigenous population in tourism activities, limited training of the local population, including entrepreneurship, positioning and marketing management.

Another aspect that hinders the development of tourism in the Arctic zone of the Russia is the state of legal regulation. Having analyzed the practice of international cruise tourism in the Arctic zone, carried out by LLC "Poseidon Expeditions", it can be concluded that in order to create the necessary conditions for the development of the tourism industry in the Arctic zone of the Russia, the following issues require regulatory legal consolidation:

- legislative finding (definition) of the simplified rules of crossing the state border by persons and vehicles in the Arctic zone; move across the state border of cargoes, goods and animals; the admission through frontier of persons, vehicles, cargoes, goods and animals, as well as conducting on frontier or near the territory of the Russia economic, commercial and other activities (in accordance with article 7 of the Law of the Russia "On the State border of the Russia»);

- establishing (defining) by the government of the Russia of peculiarities of border, customs and other types of control when crossing of state border of the Russia, foreign cruise ships and their crews, and arrived on these vessels foreign citizens (passengers) or, the following as part of organized tourist groups in the Arctic zone of the Russia by air transport (similar to article 22 of the Federal law "On the free port of Vladivostok»);

- legislative establishing (definition) of a visa-free order of entry (minimum 15 days) to the Russia of foreign citizens, following in the Arctic zone in a foreign sea cruise ships or as part of organized tourist groups by air transport (similar to article 16 of the Federal law "On the free port of Vladivostok" and article 25.17. Federal law "on the procedure for departure from the Russia and entry into the Russia»);

- establishing (defining) by the government of the Russia of the order of entry (exit) and stay (swimming) foreign cruise ships in the Russian internal waters and territorial sea of the Russia within the limits of the Arctic zone, as well as the order of vanishing of these ships passengers - foreign tourists to visit as part of organized tourist groups located in the area of the Islands (or in order of departure (departure, departure) from the Russia by air transport), planting of these citizens (or foreign citizens arriving in the territory of the Russia by air transport and past the border, customs and other control in the prescribed manner) on these ships, including the use of small self-propelled and non-propelled vessels (means) and means of transportation on ice (art. 16 of the Law of the Russia "On the State border of the Russia", Art. 14 and 14.2 of the Federal law "On internal sea waters, the territorial sea and the adjacent zone of the Russia").

In addition, for the successful development of tourism and the territories of the Arctic zone, the issues of normative legal regulation of the order of construction, maintenance and operation of infrastructure facilities (airfield, checkpoint across the state border of the Russia, places for guests and permanent staff, life support, etc.) are of particular relevance.), establishing characteristics and requirements for these objects based on their geographical location and climatic conditions in the Arctic (may differ greatly from those set forth in Russian legislation for similar facilities on the mainland or to be different), as well as the need to share these objects of state bodies and nongovernmental organizations, combining their efforts and costs on the basis of a public-private partnership.

III. Recommendations for overcoming the problems of tourism development in remote areas of APEC economies

III.1. General recommendations

Directions of proposed measures for tourism development

1. Proposals for infrastructure tourism development in remote areas.
2. Proposals for the formation of a competitive tourism product.
3. Proposals for marketing management of territories and promotion of a complex tourism product.

4. Proposals for stimulating entrepreneurial and social initiatives among the local population.

5. Proposals for personnel training for APEC economies with the aim of tourism development, including remote areas.

6. Proposals for the organization of collection and analysis of localized statistical data on the development of tourism in remote areas.

Proposals for infrastructure development of tourism in remote areas

Transport accessibility of tourist areas, the state of the road infrastructure, time and financial costs for travel have a significant impact on the choice of holiday destination, planning and duration of the trip.

Features of remote areas

Significant distances between locations, unsatisfactory quality of the road infrastructure or insufficient level of its availability, low degree of development of the market of transport services focused on serving tourists.

Measures to develop road infrastructure

1. It is necessary to ensure the implementation of projects improving transport accessibility of tourist remote areas with high tourist potential, including projects developing transport network of regional and local importance, possibly using the principles of public-private partnership or the principles of social encumbrance (responsibility) of large business;

2. Formation of a multimodal approach in the organization of transportation of tourists from major hubs, international and regional airports, railway stations and other points of entry of the tourist flow to remote areas;

3. When selecting projects for tourism development, priority should be given to those projects that have the maximum impact on increasing the tourist flow and improving the transport accessibility of several remote territories;

4. Ensuring the functioning of small airport complexes in remote tourist areas can be an incentive to reduce the cost of servicing flights, and thus increase the availability of tourist products, which will increase the tourist flow;

5. **State Economy** support for leasing of tourist class vehicles and other tourist equipment can stimulate and support the formation of niche types of tourism, such as extreme, adventure and safari tourism.

Measures to develop tourism and engineering infrastructure

1. Development of roadside service along the route, campsites, recreation areas, parking for tourist transport and the like, including development on the principles of public-private partnership;

2. Installation of signs of tourist navigation and tourist information on the route;

3. Creation of "thematic" settlements on the basis of places of traditional existence of crafts;

4. Development of the program and quality assurance standards in family accommodation facilities;

5. Development of tourist routes with "proven quality", i.e. tested by the expert or consumer community;

6. Implementation of economy programs for the development of supporting infrastructure: electricity, gas, heat, water supply, sanitation, communications, beaches infrastructure providing, reconstruction of streets, sewage treatment plants, dredging, shore protection or other forms of work required for remote areas;

7. Creation of safe recreation areas in settlements and beyond in coastal areas, including works on shore protection, construction of breakwaters, improvement of beach areas, etc.

8. Development of information and communication infrastructure to provide the informational access and correlation of various tourism services.

Proposals for the formation of a competitive tourist product

Tourism product should maximize the positive experience of the tourist. A comprehensive approach to the development of the tourist product should be based on the positive experience of the tourist not only during the holiday, but also throughout the trip, from the idea of making a trip and ending with feedbacks after returning home.

The competitiveness of the tourist product is formed through the potential of tourist resources and is determined by the quality and availability of transport infrastructure, quality of supporting infrastructure, condition and cost of use of tourism infrastructure, quality and cost of the service, as well as brand recognition and brand appeal of tourist objects.

Measures

1. Implementation of quality monitoring of tourism products and dissemination of best practices and standards of service, as well as the implementation of measures to promote competition;
2. Development of basic recommended requirements for service and security, the process of providing tourist services and guidelines for the best international practices;
3. Forming a system of stimulating measures to involve enterprises of the tourism industry in the process of improving the services quality, motivating businesses to invest in development and training of employees.

Offers on marketing management of territories and promotion of a complex tourist product

1. Development of substantiating materials on possibility and expediency of application of "umbrella" brands of remote territories for tourism and adjacent spheres of activity;
2. Introduction of voluntary accreditation system with assignment to the organizations of the status of conformity to the brand of the remote territory;
3. Development and implementation of the program of dissemination of knowledge and best practices of effective management in the field of tourism;
4. Development of concepts of tourist development of remote areas;
5. Estimation of the possibility of forming a special regime with an individual set of measures to support remote areas in order to stimulate investment, including the possibility of establishing preferential tax rates, the allocation (reservation) of land plots for the implementation of investment projects, subsidizing the cost of technological and technical re-equipment, etc.
6. It is necessary to provide complex tourist development of territories through inclusion of objects of tourist infrastructure as integral system in schemes of territorial planning of the remote territory;
7. Improvement of accomplishment and quality of public environment in remote areas, including communication and assistance systems;
8. Implementation of communication services - navigation and mapping services, voice assistants, applications for ticket purchase, etc;

9. Conducting on a regular basis marketing research of the tourist market, including research of demand and competitive supply, consumer experience;
10. Formation of event tourism programs;
11. Creation of conditions for the appearance of thematic tourist products that would be of interest to different segments of tourists;
12. Creation of information content for tourists on the tourist offer of remote areas, broadcast through domestic tourist offices in major cities and established destinations;
13. Creation of digital platforms for the development of tourism in remote areas, as well as the creation of high-quality video content and video gaming content to promote the tourism product;
14. Ensuring the regularity and consistency of interaction, joint planning and implementation of activities for the development of tourism in remote areas.
15. Visas procedures simplification.

Proposals to stimulate entrepreneurial and social initiatives among the local population

1. Providing various forms of support and assistance to indigenous groups in the management of tourism enterprises;
2. Stimulation of development of traditional forms of economy of indigenous population;
3. Working with the owners of traditional businesses should be carried out from the moment the business idea is formed, helping to create a sense of belonging and allowing the local population to participate in the development of the tourist experience
4. Securing the balance of government regulation in tourism and supporting spheres.
5. Engaging local communities in tourism, providing favorable environment for local and indigenous people.
6. Developing tourism platforms to unite tourism beneficiaries.

Proposals for personnel training for APEC economies with the aim of tourism development, including remote areas

Training can be offered in areas important for the formation of tourist products based on impressions, namely:

- improving the quality of tourist services;

- business management;
- product marketing and packaging according to the standards of the regional tourism organization;
- infrastructure maintenance and planning;
- mentoring for start-up companies in the tourism sector.

Also important programs that will allow the local population to learn the basics of tourism business.

Proposals for the organization of collection and analysis of localized statistical data on the development of tourism in remote areas

Establishment of a system for the collection and analysis of statistical data localized in remote areas, including the identification of the characteristics of demand and supply, which is designed to provide a control system remote territories data quality, accuracy and relevance of which has a decisive importance both in the development of strategic documents for tourism development, and when making operational management decisions elements of the system of tourism management and tourism activities in remote areas.

III.2. Recommendations. Russia

To eliminate the limiting factors of tourism development in the Arctic zone of the Russia it is necessary to undertake a number of activities, preferably systematized in terms of realization of strategy of development of Russia's Arctic zone and ensuring internal security in the direction of "Tourism" or develop the Strategy of tourism development in Russia up to 2035 under the direction of tourism Development in the Arctic zone of the Russia.

In terms of infrastructure development of tourism:

- to carry out reconstruction of existing facilities and their modernization in accordance with international standards. Provide for the possibility of creating a modern port and berthing infrastructure for the reception of various types of ships and services at a higher level of Russian and foreign tourists. Comfortable conditions for the reception of guests can be created by the formation of tourist clusters in the Arctic zone of the Russia, created on the principles of public-private partnership.

In terms of forming a competitive tourist product:

- to expand the range of modern tools of communication with consumer and business audiences, which allow to ensure maximum coverage of target audiences;
- convert existing potential and resources into a modern competitive tourist product with a flexible pricing policy.

In terms of sustainable development, promotion of entrepreneurial and social initiatives among the local population:

- consolidation of efforts to preserve biological and landscape diversity, cultural heritage and languages of indigenous peoples, folk arts and crafts.

In terms of marketing management of territories and promotion of a comprehensive tourist product, including the availability and quality of information services, booking and payment for tourists:

1. Active cooperation with the state authorities of the Russia and the subjects of the Russia that are part of the Arctic zone for the tourist development of the Arctic zone;
2. Creation and development, modernization of understandable and accessible to the consumer tourist product, while not causing environmental and socio-cultural damage;
3. Development of ecologically safe types of tourism, including scientific-cognitive and ethnographic tourism, with a high degree of organization;
4. Increasing consumer awareness about tourism opportunities in the Arctic zone of the Russia with the use of available mechanisms, such as the official website of "Russian geographical society", official sites of regional branches of "Russian geographical society", the National tourism portal Russia. Travel Site rus-arc.ru the National Park "Russian Arctic", Portal poseidonexpeditions.ru LLC "Poseidon Expeditions and goarctica.ru State trust "Arktikugol", as well as tourism portals and social networks, reflecting the official content about the tourist offer of the subjects of the Russia of the Arctic zone.

Thus, to meet the increased interest in the Arctic, it is necessary to comprehensively address the above-mentioned key issues related to the development of transport and tourism infrastructure, reducing the cost of Arctic tours, the formation and promotion of the Arctic tourist product in the domestic and foreign tourist markets.

In light of the above, the architecture of the proposed implementation Plan of the strategy of development of Russia's Arctic zone and ensuring internal security in the direction of "Tourism" or develop the Strategy of tourism development in Russia up to 2035 under the direction of tourism Development in the Arctic zone of the Russia may have the following form.

1. Regulatory and legislative developments:

- Introduction of tourism in the strategy of spatial development of the Russia for the period up to 2025 in the Arctic zone of the Russia as a priority geostrategic territory among the main directions of socio-economic development in relation to the modernization and development of seaports, ensuring the functioning of the Northern sea route and the promotion of socio-economic development of settlements strategically important for the development of the Northern sea route and economic development of the Arctic.

- Introduction of the definition of "Arctic tourism" into the legislation of the Russia. Preliminary formulation: temporary visit to the Arctic zone of the Russia of citizens of the Russia, foreign citizens and persons without passports of permanent residence for recreational, educational,

scientific, business and other purposes without engaging in activities related to income from sources in the place of temporary residence.

- Improving the implementation of the law "On strategic planning in the Russia" in terms of clarifying the existing documents of strategic planning for the development of tourism in the Arctic at the Federal and regional levels.

- Development of a comprehensive program to ensure environmental safety in the Arctic zone of the Russia, including aimed at the development of environmentally oriented types of tourism and reduction of negative environmental damage from the development of tourism.

- Improvement of legislation in terms of legal regulation of cruise tourism activities in the areas of internal sea waters and the territorial sea of the Russia, adjacent to the territories of the subjects of the Federation included in the Arctic zone and the far Eastern Federal district in terms of simplifying the visa regime and the rules for approval and permission of calls of foreign ships. Speeding up the procedures for processing documents and issuing passes for foreign tourists to enter the border zone.

2. Support of small and medium-sized businesses engaged in economic activities in the field of tourism in the Arctic zone of the Russia:

- Provision by the authorized structures of the Ministry of economic development of the Russia of information and PR-support of tourist products of the regions of the Arctic zone of the Russia, especially in the main foreign markets, including gastronomic elements (Arctic specialties) and regular events reflecting the uniqueness of the Arctic zone of the Russia;

- Support by authorized structures of the Ministry of economic development of the Russia and tourist administrations of subjects of the Russia of information and advertizing activity of initiatives of local communities in the sphere of tourism in the Arctic;

- Subsidies to regional tourist products in the Arctic cost the North appreciations (regional coefficient) and transport expenses in the structure of rendered tourism services for Russian and foreign citizens;

- Subsidizing the costs of marketing research in the field of design and promotion of the Arctic tourism product and participation in Russian and foreign exhibitions and fairs with the presentation of Arctic tourism projects of the Russia.

3. Creation of conditions for infrastructure development, improvement of comfort and safety of tourist services:

- Assistance in the creation and implementation of interregional tourism products sold within the Arctic zone of the Russia, especially routes along the Northern sea route with the use of port infrastructure;

- Assistance in organizing a permanent entry point for foreign cruise ships in the Franz Josef Land archipelago;

- Solving key environmental problems and issues of environmental regulation in the Arctic regions with increasing tourist flow in the territory;

- Participation in the modernization of the Arctic ports Murmansk, Hatanga, Tiksi, Pevek, Dudinka, Dixon, and several others in coordination with the Ministry of transport of the Russia to expand the capacity of the port infrastructure to accept Arctic passenger cruise ships;
- Establishing cooperation with the United shipbuilding Corporation for the construction and commercial operation of cruise ships for tourism in the high Arctic latitudes;
- Interdepartmental analysis of opportunities for the development of the tourism cluster in the Arctic within the framework of the interaction of the Ministry of economic development of the Russia with the State Commission for the development of the Arctic and the Ministry of the Russia for the development of the Far East and the Arctic;
- Creating in collaboration with the Ministry of the Russia for civil defense, emergencies and elimination of consequences of natural disasters teaching materials with the list of threats to life and human health in the Arctic, with the definition of measures of responsibility of all institutions receiving obligations to ensure compliance;
- Creation of maps of annual meteorological conditions according to long-term observations for tourist needs;
- Creation of a list of insurance cases for compulsory state insurance of life and health of tourists in the Russian Arctic.

4. Training and business literacy:

- Popularization of tourism in the Arctic zone of the Russia as an economic category that brings additional income to the regions of the Arctic zone of the Russia, as an investment and attractive product, as well as a direction for self-employment;
- Development of the system of professional qualifications for training specialists in the field of tourism for the Arctic zone of the Russia.

Also, for each event, it is necessary to work out the expected performance and indicators of monitoring the implementation of the activities of the Plan.

Among the results of the practical implementation of the Plan is proposed to allocate:

1. Development of folk crafts and Handicrafts of indigenous minorities of the North, Siberia and the Far East (hereinafter IMN). Expansion of the range of Souvenirs and traditional crafts of IMN. Representatives of IMN are ready to make their own Souvenirs, but in its current form it is not always interesting to tourists for a number of reasons. The main line of Souvenirs was formed in the 1970s and largely does not fit into the interior and aesthetic preferences of modern tourists and visitors to the Arctic territories. IMN themselves can't cope with marketing and design gift product and create a local souvenir brands, so they need the need the support of state authorities and local self-government of regions of the Arctic zone of the Russia (management and the Ministry of culture, government order, PR agencies and small business enterprises for the formation of gift brands). Main areas: branding of product in the binding site; the study of local myths, tales, songs and retelling IMN; formation and promotion of territorial myths to create images of characters, including as a literary and tourist product.

2. Event and ethnographic tourism. Creation and development of ethnic settlements. The main objective is to create employment for the IMN and to create an indigenous economy. Preservation of life, way of life and culture of the peoples of the North, as well as satisfaction of historical and cultural curiosity of tourists. Among the activities: organization of excursions and visits to local settlements, acquaintance with the life of local residents, traditional cuisine, works of folk artists, participation in cultural traditions and rituals, festivals, round tables, environmental training and educational seminars. The most interesting traditional holidays in the Arctic regions are reindeer herder's Day and the Sun festival. Trails groups can drive conductors among the IMN. For lovers of the exotic to develop routes, including temporary residence in the families of small peoples of the North, familiarity with their way of life, cooking traditional dishes, participation in the installation of tents, rites, etc. Religious tourism – the rites of the shaman rite, visiting places of Power.

3. Simplification of coordination of routes for ski and extreme tourism. Coordination of the issue of liability insurance of travel agencies. Guided tours for different categories of travelers can include elements of active tourism (rafting, Cycling, skiing and Hiking) with accommodation in tents and cabins, as well as "civilized" accommodation in holiday homes and camp sites and numerous excursions. It is necessary to solve the issue of liability insurance of travel companies and tourist insurance legislation.

4. Development of domestic (intra-urban) tourism for the cities of the Arctic zone of the Russia. In many cities of the Arctic, there are still no single structures that unite and integrate diverse players in the tourism industry into a single conglomerate. It is necessary to create information and tourist centers in the cities of the Arctic zone of the Russia. In this sectors should be involved museums, cinemas, souvenir shops and kiosks, power supply (the formation of culinary destinations where the visitor can try a variety of dishes indigenous peoples), the formation of brands, expansion of logistics tourism and routes, search, selection and writing of the legends of the peoples of the North, etc. increasing the level of tourist services on the territory should become one of the main activities of city Administrations in the field of tourism. The problem of lack of comfortable accommodation facilities is particularly acute, which certainly has a negative impact on all volumes of tourist visits to the Russian Arctic, which can be solved by building new or reconstruction of already built infrastructure facilities on the basis of investment within the framework of public-private partnership.

5. Scientifically-expedition and cognitive tourism. Content tours: permafrost, the mammoth, the Parking lot of the old believers and the Cossacks, Mangazeiskoe and Pustozersky topics of the Soviet period of Arctic exploration. Non-standard and classic educational tours are aimed, first of all, at environmental education of travelers, although they also comprehensively involve acquaintance with the historical past of indigenous peoples, with their traditional way of life, crafts, folklore. Scientific (educational) tourism involves expeditions to the most interesting and unexplored corners of the Arctic, participation in scientific research together with leading experts in a particular branch of science and gives visitors the opportunity to get in touch with the world of nature, to feel and explore this world. Can develop a training and adventure tourism. In Norilsk, for example, even in winter come Jeepers from the mainland for motor races.

6. Ecological tourism. Options, types and methods of cognitive travel of varying complexity, for which the main resource and motivation is the natural environment or its individual elements: landscapes, natural monuments, certain species of plants or animals, or a combination of them. Organization of multi-day ecological tours, guaranteed to provide observations in the natural environment of many species of animals and birds, as well as plants. Development of routes that are most suitable for the rest of tourist groups, taking into account the maximum coverage of various natural environments, including rare animal.

7. Implementation of the unified telecommunication system "Electronic Arctic" for tourism needs. The system will ensure the safety of tourist routes throughout the Northern sea route and throughout the Arctic zone of the Russia. It is necessary to create a system of interaction between authorities, departments and enterprises in the development of a unified communications infrastructure in the Arctic, including the participation of non-state telecommunications companies. Thus, there will be the introduction of wireless satellite communication technologies in remote sparsely populated Arctic settlements. After the formation of separate digital spaces within each region included in the Arctic zone of the Russia, will be their linkage within the entire Arctic and there will be a new system of "Electronic Arctic", in which all the coastal and mainland populations are linked together in a single telecommunications network, including along the Northern sea route. Communication information technologies will be introduced into the production processes of large and medium-sized corporate structures, and can also be used in the tourism sector.

8. For the active and effective development of cluster initiatives in the Arctic zone of the Russia, it is necessary to create an infrastructure to provide services to visitors, including by attracting third-party investors, to develop a set of excursion programs for different categories of visitors, to create a single current Arctic reference and information system on natural and historical and cultural attractions, routes, tourism services, as well as a single basic package of relevant information.- advertising materials, create new and upgrade existing tourist facilities, including in especially protected natural territories, as well as in state and municipal ownership, to ensure that the arrangement of ecological paths and routes, ports and marinas, to develop and implement programs and projects aimed at ensuring demonstration to visitors of wild animals in natural conditions, develop advertising and information support, marketing and promotion of tourist products on domestic and foreign markets and to facilitate partnerships of regions, cities, tour operators, reserves with Russian and foreign tourist companies and other organizations interested in the development of educational tourism in the Arctic.

III.3. Recommendations. Australia

Proposed Vision:

That the Red Centre is recognized as offering visitors an extraordinary remote experience immersed in the culture of its people.

Remote territories analysis outcomes:

1. Recommendations on the infrastructure development of tourism in the remote territories/sites (with the focus on the tourism, transportation and supporting infrastructure).

To recommend infrastructure in an area the scale of central Australia is difficult, so we make the following recommendations based on the principles within the paper.

- (1) That the infrastructure should support experience development that is meaningful, sustainable and culturally rich, and that provides for Aboriginal people to own, run and operate tourism businesses using that infrastructure
- (2) That the infrastructure should be built in a way that is sustainable and that focusses on the enhancing the landscape, not detracting from it
- (3) That the infrastructure supports nature based and adventure tourism including celebrating the living landscapes of the desert

The infrastructure specifically could include the following:

- (1) Improved accommodation supply directed towards high yielding markets and aligned with the experiences on offer and the culture of the red centre, including Aboriginal owned and operated 'glamping'
- (2) Improved trails and associated facilities including the proposed Red Centre Adventure Ride
- (3) Improved telecommunications facilities for emergency communications
- (4) Investment in the roads including increased grading and sealing of the pavement surfaces
- (5) Improved signs including interpretation and digital information for tourism.

2. Recommendations on making a competitive tourism product.

The data shows that international tourism want to have an immersive cultural experience and that it is viable – as long as it is authentic and immersive.

Work completed by The Tasmanian Parks and Wildlife Service in relation to the new Three Capes Walk has shown that people will pay for an adventure that offers the right experience and that is compelling as a 'bucket-list' experience.

Completing infrastructure and helping to build those experiences will make the destination competitive, particularly when it positions itself into the market based on its strengths as an outdoor active and culturally rich experience place.

Providing support and capacity to Aboriginal groups on running tourism enterprises is critical. Added to the infrastructure and capacity building. Working with the traditional owners from the outset helps build a sense of ownership and allows the Aboriginal groups to be involved in the development of the experience

3. Recommendations on the marketing management of the territories and the promotion of the integrated tourism product (including the availability and quality of the information, booking and payment services for tourists).

The Red Centre is marketed to international visitors by Tourism Australia (TA) as part of their remit to get people into Australia. Their strategy is discussed in the paper - and this type of experience development fits perfectly with their 4-point strategy. The Northern Territory's strategy also aligns strongly with the TA strategy – and they undertake marketing within Australia, and work with TA on international campaigns. The Red Centre is the Regional Tourism Organization that helps deliver content, develop product and package experiences for the market.

Marketing the new Red Centre Adventure Ride would be a partnership through working with the Red Centre Tourism and the State based agencies.

Due to the distance and perceived difficulty in arriving in a place as remote as this – putting together packages is considered essential – even if Alice Springs airport and Uluru airport have regular passenger flights from most Australian major cities inbound and outbound daily.

4. Recommendations on fostering entrepreneurship and social initiatives among the local inhabitants.

Involving Aboriginal people and traditional owners throughout the process of developing the experience, planning the experience and building the experience is critical, as is building Aboriginal run businesses. They are not only the traditional owners of the land, they also provide the cultural content to the stories which are so critical in the experience offering.

A part of the funding for the infrastructure needs to be set aside for capacity building, businesses start up support and cultural requirements for the products. A proportion of the businesses and employees can be set up to Aboriginal only positions.

5. Recommendations on training specialists/personnel for the APEC economies to develop remote territories/sites tourism.

Training can be offered for a range of elements in developing an experience. These include :

- Customer Service

- Business Management
- Product Marketing and packaging with the RTO
- Infrastructure maintenance and planning.
- Providing mentors to the startup venture can also be rewarding for all involved.

A proportion of the start-up funds, and the continued development of training programs for the product are essential. Getting the right people to operate and lead the experience development is also critical. Tourism specialists can play a role in helping develop the market-based feasibility, the operating environment, the experience development and the linkages with other businesses to support an integrated approach.

6. Recommendations on arranging mutual tourist exchanges or other types of extending the cooperation among Russia, Indonesia, the Philippines, PNG and Australia in the development of tourism in the remote territories.

Tourism exchanges can only help foster a sense of cooperation and learning among fellow APEC economies. However, the exchange to be fully worthwhile should focus on a specific product, or problem – and the participants work collaboratively together on it.

We recommend that exchanges take place that allow transfer of knowledge to operators and traditional owners.

III.4. Recommendations. The Philippines

The remote sites, namely Adams, Divilacan and Maconacon are untapped and least visited destinations in the Philippines. The remoteness of these destinations indicated that the available tourism products are in their authentic state. As tourism development in these areas are in its infant stage, the following recommendations would assist in guiding the development of tourism to be sustainable and preserves the authenticity of the tourism products.

Recommendation 1: Infrastructure Development (Tourism, Transportation and Supporting Infrastructure)

- Transportation: With the new road development to Adams, Divilacan and Maconacon, there is a possibility that demand for land transport will increase.
- Airport – Consider developing an airport in Adams to cater for lighter planes. At present, this remote site can only be accessed by land transport.

- Tourism Office- Establish a tourism office at Adams, Divilacan and Maconacon that can be responsible for:
 - Representing the regional tourism bureau in the area.
 - Overseeing the development of tourism in the remote sites.
 - Provide information to tourism regarding the tourism products in the area.
 - Collect tourism data and information on the remote sites.

Recommendation 2: Creating Competitive Tourism Product

- Accommodation – encourage locals to invest in homestay and accommodations to cater for tourism development in the area.
- Develop additional tourism activities – Develop additional and new tourism products that are unique to the remote sites. This can enable competitive advantage over other similar destinations who are not open to changes.

Recommendation 3: Marketing and Promotion of Remote Tourism Products

- Blogs and Social Media Platforms - Create dedicated blogs and social media platforms for these remote sites where tourist can share their experiences, pictures, videos and stories to inspire other potential travellers.
- Webpage & Online Marketing – Create a dedicated webpage for the remote sites to promote local accommodations, tourism products, packages, costs and upcoming events that tourists can easily access for information and planning.
- Brochures, Pamphlets, Posters and Flyers – Create promotional materials (Brochures, Pamphlets, Posters and Flyers) that are constantly updated with information on tourism products in the remote sites, accommodations, packages, costs and upcoming events that tourists can easily access at strategic locations such as airports, hotels and online.
- Publications– There are tourists who have interest in travelling to new and untapped destination. By providing the exposure to these remote sites through publications in renown traveller’s magazines, outdoor magazines, and in-flight magazines around the world, it would immensely assist in marketing the destination to outsiders.

Recommendation 4: Fostering Local Entrepreneurship and Social Initiatives

- Destination branding: Invest in local products that can be promoted and sold as a brand associated with the remote destination. For example, the Bugnay and Tapuey wines of Adams.
- Government investment in tourism – The government and regional tourism office should provide incentives and investment to encourage local entrepreneurship by establishing infrastructures such as craft markets, tourism training centre, cultural centres and product development in these remote sites.
- Tourism SME Loans – negotiate with financial institutions to allow local tourism entrepreneurs to obtain soft loans with lower interest rates to establish tourism businesses in the remote sites.
- Merchandizing – Support local entrepreneurs to create and supply Divilacan and Maconacon merchandise items such as, T-shirts, caps, mugs, wrist bands, fridge magnets to name a few, that can be sold in shops at strategic locations.

Recommendation 5: Tourism Staff training

- Short Term Training/Courses – Organise short trainings for tourism officers attached to developing remote tourism sites to undergo tourism educational programs that focuses on remote tourism development.
- Training opportunities for locals- Provide training opportunities for local people, particularly those that are directly involved in tourism services such hospitality training, cookery, customer service, guides, and first aid trainings.

Recommendation 6: Mutual Cooperation among Russia, Indonesia, the Philippines, PNG and Australia in developing remote tourism.

- Mutual Cooperation – Technical or financial assistance can be sought from partner economies to ensure that some of the identified needs and challenges faced by the remote sites in the Philippines can be addressed.
- Tourism exchange programs – Organise an exchange program where local tourism officers can visit the partner economies to learn and experience first-hand remote tourism development in these economies. The learning experiences and initiatives

obtained from this exchange programs can be implemented in remote sites in the Philippines.

III.5. Recommendations. Indonesia.

1. Recommendations on the infrastructure development of tourism in the remote territories/sites (with the focus on the tourism, transportation and supporting infrastructure).

1. Development and maintenance of roads connecting tourism district and capital . Interconnectivity among regions in Indonesia and international hub will increase the tourist visit.

There are variances in infrastructure readiness in some are in remote territories. Some example in regard of insfrastructure condition:

Berau District.

- Nearest airport is in Tanjung Redeb Airport Karimau (Code [IATA](#): BEJ, [ICAO](#): WAQT perviously WALK and WRLK) . Many river East Kalimantan make difficulties in interconnection within region.
 - Refer to KPPIP , the East Kalimantan railway project now is in preparation. The project is a development of 203 km single track railway to be supported with other infrastructure such as the stations, coal jetty, seaport, and coal fired power plant (15 MW). The project scope includes West Kutai Regency, Paser Regency, Penajam Paser Utara regency, and Balikpapan city.
 - Road condition in Tanjung Redeb is 69.62 km in Good Condition , 6.09 km damage and 6.72 km in heavy damage condition. Percentage of road length in good condition decreased from 79.48 % in 2016, to 56.24 % in 2017 whereas in 2018 the achievement was 63.69 there was an increase from the previous year by 7.45%. There is an increase in the road inside Berau District good condition of 234.5 km consisting of 13 districts in Berau Regency (Source : Laporan Kinerja Instansi Pemerintah Kabupaten Berau (LKj - IP) Tahun 2018).
2. It is in accordance to Ollivaud and Haxton that synergies between transport and tourism can improve visitor mobility and satisfaction, and help to secure the economic viability of local transport systems by servicing both residents and tourists. Currently, the practice at the domestic level, rail, road, cruise

and aviation policies are usually developed within separate Indonesian agencies in relatively segregated processes, even though there are consultative mechanisms that aim to facilitate communication and coordination. (Ollivaud and Haxton “Making the Most of Tourism Indonesia to Promote Sustainable Development , Economic Department Working Papers No. 1535 , OECD) - Patrice Ollivaud and Peter Haxton

3. Transportation inland and inter-island island in Indonesia is difficult . Many remote tourism in Indonesia located in islands that is difficult to access. The facilities of interisland port (for ferry or Ro-Ro) is recommended.
4. Electricity should be maintained at 100% service level to support the resort , restaurant.
5. Development of telecommunication infrastructure. The necessity of internet (4G) and telecommunication. In many remote areas in Indonesia , the problem of telecommunication is still exist. The BTS is limited in certain area and make it difficult to access internet and communication. internet access is increasingly a necessity. Indonesia’s geography hampers easy deployment of optical fiber across the economy, as it often implies crossing seas. Indonesia has already launched Project Loom for Indonesia in 2015 to facilitate reaching remote and rural areas using balloons, yet the project appears to be making only slow progress.
6. Water Supply and water treatment. The facilities of clean water supply should be constructed , especially in the remote area that is far from water source. Since most of remote tourism spots are located in island(s) , the water supply is scarce

2. Recommendations on making a competitive tourism product.

- Most of Indonesia remote territories rely on its natural scenery , beach and culture to attract both domestic and foreign tourist. Understanding the needs and requirement of typical foreign tourist should be the basis of creating value.
- Local culinary / gastronomy should be explored and leveraged as unique selling point for both foreign and local tourists. Within culture, “culinary/gastronomy or shopping” represents the largest share (45%) of responses. (Ollivaud and Haxton

- In creating the tourism activities , it is recommended to benchmark to popular world class destination – that have similar environment , market and ambience i.e Bali, Waikiki , Copacabana , Miami.
- The product cannot be separated with its process, and people behind this. The empowerment of local people is a necessity.
- Develop English and other foreign (China, Japan, German) course and/or training in local community to equipped the workforce in tourism industry. Mastering foreign languages is particularly important to communicate with many stakeholders. For example, because of the language barrier Singaporeans tend to prefer Malaysia as holiday destination rather than Indonesia (Indonesia-Investments, 2016).
- Creative economy. Besides the ecotourism and cultural tourism, innovation in presenting the culinary, dance , tradition is a new capability among the younger. They can use the new design, packaging, interior, choreography, lighting and experience to enhance the conventional tourism resources.

3. Recommendations on the marketing management of the territories and the promotion of the integrated tourism product (including the availability and quality of the information, booking and payment services for tourists).

- Utilizing social media and digital marketing to promote tourism product . Hotel, F&B , flights, events can promote for targeted customer using digital advertisement, digital marketing channel and campaign and platforms
- **Digitalization.** Digitalization in tourist touchpoints from booking ticket, purchase attraction ticket, rent a car , buy food and so on. Payment gateway can boost the economy since it ease the transaction and give benefit through discount . Digitalization is an opportunity to attract more visitors, to increase competition, and to create jobs. The growth of the digital economy challenges regulators to balance stimulating innovation and promoting tourism against the need to protect consumers and ensure a level regulatory playing field for traditional businesses (OECD, 2016b). In Indonesia, currently various startups grow and the emerging business should blend with tourism sector. Ministry of Tourism has launched Indonesia Travel X-Change (ITX), a business-to-business platform that helps connect sellers of tourism products and services with buyers

(travel agents). The local stakeholder can take part on that platform to grab opportunity.

- Brand management. Creating local brand and SME through knowledge transfer from experts or company through CSR. Use local figure (celebrities) as endorser or brand ambassador.
- Integrated Marketing Communication Strategy for remote territories. The Marketing Communication should involve experts and practitioners in this industry.
- Create festival (music, performing art) to promote remote area.

4. Recommendations on fostering entrepreneurship and social initiatives among the local inhabitants.

- Training and coaching for local entrepreneur. Training could covers business management, salesmanship, accounting and production creative products.
- Funding support from CSR and Government for local new ventures. Venture capital can be invited by local government to create new opportunities.
- Collaboration between business and local community to create partnership.
- Empowering local organization to create collaboration among groups.

5. Recommendations on training specialists/personnel for the APEC economies to develop remote areas/sites tourism.

- Understand the local culture. Understanding the local culture create engagement with local inhabitants and business stakeholders.
- Certification for training specialists by independent and respectful institution in APEC economies

6. Recommendations on arranging mutual tourist exchanges or other types of extending the cooperation among Russia, Indonesia, the Philippines, PNG and Australia in the development of tourism in the remote territories.

- Regulation . Agreement among economies (G2G) to ease the entry permit for tourism.

- Cooperation among travel agency in those economies to promote remote territories tourism.
- Government support. Government subsidies partially for travel cost to remote areas. Therefore the tourists from respective economies can get benefit from cheaper rate.

III.6. Recommendation. Papua New Guinea

Developing remote tourism sites in Papua New Guinea needs collaborative efforts from the Government and relevant tourism stakeholders to create and implement policies and plans to safeguard the authenticity of tourism products whilst promoting awareness of the remote sites. Based on the findings on Mt Wilhelm remote tourism site, the Papua New Guinea Tourism Promotion Authority (PNGTPA) as the government agency responsible for tourism development and marketing in PNG should take the lead in consultation with the provincial and district government and tourism stakeholders to ensure the following recommendations are considered and implemented.

Recommendation 1: Infrastructure Development: Mt Wilhelm

- Roads and bridges – Consult with the government agencies to invest in upgrading the 4 bridges and sealing of the 10km road from Gembogl station to the base of Mt Wilhelm (Kekla)
- Signage – Install signage along the track on Mt Wilhelm as part of the National Park awareness and protection program.
- Airport and airstrip – Liaise with the responsible government agencies to ensure that Kundiawa airport is reopened while maintaining the Kegesugul airstrip in order to make it easier for flights into Simbu for Mt Wilhelm
- Tourism police – Ensure the sustainability of tourism police in Mt Wilhelm in order to give assurance on the safety of tourists to the area.
- Mt Wilhelm Tourism Office- Establish a tourism office at the base camp that can be responsible for:
 - Managing Mt Wilhelm and the track
 - Collecting trekkers data and information
 - Liaising with PNGTPA and relevant stakeholders concerning tourism development within the area

- Provide information and data needed to market and promote Mt Wilhelm
- Update relevant government agencies on that state of tourism infrastructure around Mt Wilhelm area.
- Represent Mt Wilhelm in international and domestic tourism expo.

Recommendation 2: Creating Competitive Tourism Product

- Accommodation – PNGTPA needs to work with the accommodation operators to continue to accredit all accommodations to meet the minimum accommodation standard. The two Base camp accommodations at the foot of the mountain near Lake Piunde and Aunde needs renovation.
- Gallery/Museum – Consider building a gallery/museum for observation, research and education on the history, science and expeditions on Mt. Wilhelm at the base camp for climbers and visitors’ information.
- Craft Market - Liaise with the district government office to build a craft market where the locals can sell their artefacts, local products and souvenirs to the tourists.
- Develop additional tourism activities – PNGTPA needs to liaise with the provincial tourism office and tour operators to develop additional tourism activities (products) such as kayaking the Wara Simbu River, caving expeditions on Sigiwagi, organising cultural festivals and local food tasting.

Recommendation 3: Marketing and Promotion of Remote Tourism Products

- Webpage & Online Marketing - PNGTPA with the district tourism office need to create a dedicated Mt Wilhelm webpage where it is constantly updated the information on tracking, accommodations, packages, costs and upcoming events that tourists can easily access for information and planning.
- Blogs and Social Media Platforms - Create a dedicated Mt Wilhelm blog and social media platform where trekkers can share their experiences, pictures, videos and stories to inspire potential trekkers.
- Brochures, Pamphlets, Posters and Flyers – Create Mt Wilhelm promotional materials (Brochures, Pamphlets, Posters and Flyers) that is periodically updated with information

on tracking, accommodations, packages, costs and upcoming events that tourists can easily access at strategic locations such as airports, hotels and available online

- Publications– there is need for exposure through publications of Mt Wilhelm remote trekking in renown traveller’s magazines, outdoor magazines, and in-flight magazines around the world.
- Media Advertisement – Consider creating broadcast contents about Mt Wilhelm tourism that can be used as promotional video and commercial advertisement. This can be broadcasted on TV, in-flight entertainment, online, at tourism expo and at strategic locations such as airports and hotels.

Recommendation 4: Fostering Local Entrepreneurship and Social Initiatives

- Government investment in tourism - PNGTPA with the Simbu provincial tourism office needs to collaborate with both the provincial and national government to provide incentives and investment to encourage local entrepreneurship by establishing infrastructures such as craft markets, tourism training centre and product development.
- Tourism SME loans – PNGTPA to liaise with National Development Banks (NDA) and other commercial banks to allow tour operators and other tourism service providers to obtain soft loans with lower interest rates to build their capacity in local tourism entrepreneurship.
- Tourism Expo – encourage and provide incentives for local tourism entrepreneurs in Mt Wilhelm area to attend and showcase their products at Tourism Expo.
- Tourism Dialogue /Forum – Initiate a network of Mt Wilhelm tour operators and tourism service providers to dialogue collaboratively on common issues and solutions on how they could best support each other and tourists.
- Merchandise – Support local entrepreneurs to create and supply Mt Wilhelm merchandise such as, T-shirts, caps, mugs, wrist bands, fridge magnets etc. that can be sold in shops at strategic locations
- Cultural Show – Establish Mt Wilhelm cultural show committee that can initiate the planning, organising and management of the Mt Wilhelm cultural show. The committee will work closely with the district and provincial government as well as PNGTPA to ensure the continuity of the cultural show.

Recommendation 5: Tourism Staff training

- Short Term Training/Courses – PNGTPA to organise short course trainings for tourism officers attached to developing remote tourism sites to undergo tourism educational programs that focuses on remote or rural tourism and sustainability which upon return can implement in PNG.
- Training opportunities for locals- PNGTPA should provide continuous training opportunities for local people, particularly those that are directly involved in tourism services such as porters, guides and local entrepreneurs in remote sites such as Mt Wilhelm. These can be first aid training, hospitality training, financial management and so forth.

Recommendation 6: Mutual Cooperation among Russia, Indonesia, the Philippines, PNG and Australia.

- International Cooperation – Technical or financial assistance can be obtained from amongst the partner economies to ensure that some of the identified needs and challenges are addressed.
 - Tourism exchange program– Organize an exchange program where local tourism officers and tour operators can visit the partner economies to learn and experience remote tourism development. The learning experiences and initiatives obtained from this exchange program can be implemented in remote sites in PNG.

Summary

The project was successfully implemented in compliance with declared outputs. The experts involved in this analysis represented leading institutes and government bodies in the field of tourism. There were several groups of beneficiaries:

Governmental bodies, responsible for tourism development and international relations, emergency management, ICT, SME, natural and cultural heritage preservation – they got acquainted with challenges of remote areas, as well as measures they have to assume to overcome the bottlenecks in development of touristic attractions of remote areas.

Economy-wide and regional business associations (touristic, marketing and investment specialization), conducting their activities in remote areas – they learned which business opportunities could be actualized for development of touristic, infrastructure transportation and SMEs of remote areas.

Population and SME of remote areas could implement the recommendation developed, to be guided by the project study for SME development and job placement.

Tourists and other travelers in APEC region could realize sightseeing attractions of remote areas and plan their vacations.

Development of tourism, considering its multiplicative character, is related to the following components - physical, institutional, and people-to-people connectivity, which are needed to increase tourist flows. This becomes impossible without development of related infrastructure, human capital involvement, as well as adoption of essential decisions at the state and institutional levels. The project implementation meets the APEC goals and strategies.

All the project participants on the workshop highlighted the importance of the project study and express readiness to support the next project («Prospect Analysis for Sustainable Development of Tourism in Remote Areas of APEC Economies, Phase II») as co-sponsors and participate as experts, considering, that the next activity will be study of other 5 APEC economies in part of remote areas development.