

Tourism prospects for East Russia in NEA

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Tourism is one of the leading and most dynamic branches of the world economy. In many states of the world tourism plays an important role in the formation of the Gross Domestic Product, in opening new job positions and in employment policies, activating foreign trade balance. Tourism renders a great impact on such key industry branches as transport and telecommunications, construction, agriculture, consumer goods production, etc. and acts as a certain catalyst of the social and economic development.

The territory of the Far East hosts plenty of unique nature complexes in specially protected environmental territories and just virgin spots some of them are: the famous Geyser Valley and volcanoes of Kamchatka that entered the UNESCO list of art and nature heritage. Greatly popular among foreign guests are ecological, adventure, ethnographic tours and cruises.

Of particular interest for the region's visitor are

- cruises on the largest Amur and Lena rivers;
- unique petroglyphs in the Khabarovsky krai (rock painting of Ancient Man dating back to 12th century BC);
- Pole of Cold in Oymyakon (Yakutia);
- Nature monuments of the Kurile islands and Sakhalin;
- meteorite craters of the Sikhote-Alin Range and the sole in Russia Far Eastern state marine reserve in the Primorsky krai;
- Indigenous lifestyle of local low-numbered nationalities of Priamurye.

The proximity of East Russia to North-East Asia states and the long border with the People's Republic of China, the non-freezing sea ports in the east, large transport arteries - the Trans-Siberian and the Amur Railways create a specific environment that enables the Far Eastern region of Russia for a prominent position in the NEA tourist service market.

East Russia is also attractive being at the crossroads of the European and the Asian culture. "Europe in two hours", is the common brand Japanese tourists give to their tours to the Khabarovsky and the Primorsky kraiss.

Russian tour operators are ready to offer foreign visitors a broad range of tours united into one Far Eastern product with the brand name of Eastern Ring of Russia and to service transit groups of tourists from China, Japan and the Korean Republic heading to the recognized centers of world tourism, Moscow and St Petersburg.

Thanks to the Agreements between the Governments of the RF and the PRC on non-visa trips and between the RF Government and that of Japan on cultural linkages, the tourist sector companies of Far East and Zabaikalye regions take over 95% of the overall flow of Chinese tourists coming to Russia and about 41% of the total flow of tourists from Japan.

Along with that, we have to note a downfall of inbound Chinese tourism in the krai starting from 2004 after the adoption by the PRC Government of the decision on canceling single visa foreign passports for Chinese citizens. These passports for a number of years were the key document for their entry into the Russian Federation.

The Khabarovsk krai is situated in the central part of the Far East and is one of the five largest regions of the Russian Federation. A convenient geopolitical location of the krai, available transport infrastructure promotes the active growth in trade, economy, science, art and tourism relations with many APR states.

The krai Government carries out regular policies aimed at forming the krai image attractive for Russian and foreign tourists. The krai's positioning abroad is promoted by advertising its tourism opportunities. Throughout a number of years such presentations were held in Japan, the Korean Republic and the People's Republic of China, Vietnam, and France. The last one was held in March 2006 in Shengyang (PRC). In September – November this year for the promotion of the regional tourist product of the krai at the NEA markets the krai Government plans to participate in the Tourist Forum of North-East Asia and in international tourism shows JATA WTF (Japan) and CITM (PRC) presenting a component of the Russian poster exhibition called Russia. Khabarovsk krai.

The advertisement and information materials on tourism are released annually in the Khabarovsk krai in English, Japanese, Chinese and Korean and advertisement tours are held for Russian and foreign tour companies and mass media.

Tourism and recreation web-page (www.travel.khv.ru) on the Khabarovsk Government official website is regularly updated and it registered 91.6 thous visitors for the first half of 2006, the number has grown at 41.2% year-by-year.

Now the Information Tourist Center is being under consideration in Khabarovsk.

In 2005 over 20 thous tourists from 26 states of the world visited the Khabarovsk krai, for the 7 months of 2006 over 14 thous came here as tourists from abroad. The main visitor states traditionally are the PRC, Japan and the Korean Republic.

Also, it would be justifiable to say that despite a clear hike the tourism sector of the Khabarovsk krai still experiences a number of problems, to which belong first of all a lack of accommodation and entertainment facilities to correspond to the current tourism market requirements; a great rise in prices for key tourism services of the package for foreign tourists; poor knowledge of the Khabarovsk krai tourism opportunities on behalf of the Japanese, Korean and to a certain degree Chinese tour operators.

Thanks to a common border of the Khabarovsk krai and China and to the Agreement between the RF and the PRC Governments on non-visa group tourism trips the Chinese direction for the several few years has been dominating international in the krai.

Now the Khabarovsk krai Government undertakes measures to increase the tourism flow from China and among such measures are:

- growth in the number of companies licensed for non-visa tourism with the PRC;
- after the initiative of the krai tour operators growing the Dalavia flight geography to China (from May a regular flight to Beijing, additional flights to Harbin, planned re-opening of flights to Mudagjiang from October);
- together with Dalavia organizing a promotion flight to Tsindao for the krai tour operators to consider it for the 2007 summer season, etc.

The survey of the Russian outbound tourism as to the trip purpose shows that in the last three years while modern cross-border trade forms developed, the so-called shopping tours are going down substituted by recreational, education and treatment tours. In the 7 months of this year 67.0 thous krai citizens visited China which is 30% against the same of 2005.

Still there are some obstacles to growth of our tourist exchanges with China that require solution at the level of the two Governments and the main of them are as follows:

- the existing administrative barriers hindering non-visa tourism with Russia for China provinces of Liaonin and Guandun that have direct air connection with the krai (after the Intergovernmental Agreement these provinces are listed by the PRC tourism authorities but in fact there is no tourism);

- a lack of non-cash clearing operations between the Russian and Chinese tour operators which does not improve the transparency of the finance and economic activities and as a result the generation of more budget revenues.

The 2006 Year of the Russian Federation in the People's Republic of China and the Year of the PRC in the Russian Federation in 2007 will play a great role in enhancing tourism exchanges between the states.

Tourism flows between the Khabarovsk krai and the Korean Republic is growing year by year. Thus in the 7 months of this year the indicator has gone up by 38% against 2005 and made 6.5 thous people (1.0 thous in-bound and 5.5 thous outbound). A great part of the Korean Republic visitors to Russia are business people or come to meet their friends or relatives.

Most popular with Russian tourists are excursion tours to Seoul that include Disneyland and recreation on the tropical island of Chedju and mountain resorts.

One has to note that for Russian tourists the Korean Republic is important as a transit point on their route to the Southeast Asia states.

According to the krai leading tour operators, hindering the growth of the tourist flow from the Far Eastern region to the Korean Republic are more and more stringent regular requirements of Consulate General of the Korean Republic in Vladivostok as to the documents presented by the RF citizens for their tourist visas.

In my message I would like to turn your specific attention to growth in the bilateral tourism linkages of the Khabarovsk krai with Japan as a bright example of partnership of the state authorities and NGOs in the sector.

In this respect I would like to stress great work carried out by the Consulates General of Japan and Japan centers in the cities of Khabarovsk and Vladivostok to increase the bilateral tourist exchanges.

The effort of the Centers results in workshops for Russian tour operators specializing on Japan as to improved quality of servicing the Japanese tourists and to development of the tourism industry in the Far Eastern region. Besides, Japan Center in Khabarovsk initiated launching Japan Information Centre in Irkutsk.

This work resulted in a growing interest on behalf of Japanese citizens to the Russian regions as a tourism item.

After Federal Statistics Service, in 2005 51 thous visitors from Japan came to Russia as tourists. We have to note that practically every sixth Japanese tourist in

the RF visited the Khabarovsk krai. Last year 8.4 thousand Japanese tourists came to the krai.

The Khabarovsk krai Government together with the Japanese counterparts is regularly looking for new forms of partnership in tourism.

In February this year under the Agreement between the Khabarovsk krai Government and the Niigata prefecture Administration on international exchanges for 2006, in Niigata Prefecture there was held field training of the Khabarovsk krai tour sector representatives.

Further tourism exchanges of the krai with Aomori prefecture were discussed in July 2006 in Khabarovsk during Japanese business mission.

We believe that for further steady advance of Russian-Japanese relations in tourism sector the following should be resolved:

1. Considering Agreement on non-visa group tourist exchanges between the two states at the inter-governmental level;

After the estimates made by experts that were confirmed by Japan's tour operators, easement of visa regime for visitors from Japan will greatly impact on the popularization of trips to Russia and will increase the in-bound flow of Japanese tourists to the Far East and the other regions of the country to 70 thousand people a year.

2. Attracting Japanese air companies to the Russian market of passenger operations to shape a competition environment and attract larger Japan's tour operators to the tourism potential of East Russia.
3. Launching Information Tourism Centers in Japan's towns that maintain sister-city relations with the Far Eastern region called to form an integral image of East Russia's tourism resources.
4. Organizing in 2007 – 2008 advertisement tours for Japanese tour operators and mass media on the route of Russia's Eastern Ring to acquaint them with the recreational opportunities of Far East Russia.
5. Considering the available experience of international youth festivals under the motto Friendship Vessel and recover the similar exchanges between the Japanese and Russian young people.

To our mind, to continue further mutually beneficial cooperation of East Russia with North East Asia states in tourism, the relative tourism authorities of the counterpart states should target more effort at the following:

- shaping legal environment for sustainable tourist market development, including the tourism infrastructure;
- promoting investments into the tourism infrastructure;

- regularly exchanging information, advertisement and other materials referring to tourism so as to inform the broad public of the available tourism opportunities;
- developing new transnational tour routes;
- carrying out bilateral attendance at international tourism exhibitions, advertisement tours for tour operators and mass media, etc.

We hope that joint efficient tourism policies in North East Asia will increase tourism exchanges and attract more funds to economy and will also serve the cause of peace and good neighborly relations between our states.

Thank you for your attention.