

International Tourism as A Factor in Economic Development for the L. D. C.'s

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I. Introduction

For many countries, particularly those in early stages of economic development, how best to promote balanced economic growth and sector development is a question that perplexes national planners. International tourism is one area that is often singled out for development...and it has been the one industry that has shown the most rapid growth rate in the past decade. Why is this so? Undoubtedly it is because tourism can help to produce a situation favorable to economic development by generating new foreign investment, foreign exchange earnings, capital accumulation, urbanization, employment and industrialization of other sectors of the economy. It is also the industry which has suffered from the lack of adequate planning and organization, which has often resulted in misallocation of resources and, sometimes, in failure. This situation has occurred because planners have failed to understand fully the factors which impact on the final tourism product as well as the inter-relationships between development of this sector and other sectors of their economies. This article is focused on the positive impact that tourism can have in economic development of nations when properly planned, organized and coordinated.

Dimensions of International Tourism

International tourism is a major world-wide industry with an annual expenditure of over \$40 billion. The industry has grown and continues to grow rapidly due in part to innovations in technology, transportation, and communication, as well as to the increasing standard of living in many countries, increased discretionary income and leisure time, and a desire for relaxation from industrialization. The following table indicates this expansion:

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Table 1
Tourism Growth 1950-1970

	With annual growth in excess of 10%				Total Growth
	1950	1970	1975	1976	
International Tourist Arrival (million)	25	169	213	218	872%
International Tourist Receipts (billion)	\$2.1	\$17.9	\$31.9	\$40	1905%

(U.S. Department of Commerce, USTS, Washington, D.C., 1977)

The increase in discretionary income and leisure time has provided the opportunity for a major industry to develop by supplying this market with endless new products and ideas. Production of recreation and health goods for tourism increased by the inflow of 75% of total income generated in activities directly in tourism,¹ (for every \$4 spent in tourism expenditure, additional \$3 was generated in tourism supplier industries). International tourism generating and receiving countries are the developed countries with little spin-off to developing countries. Eighty-five percent of foreign tourism expenditures and travelers are from only 12 developed countries (in descending order: United States, Germany, France, Canada, United Kingdom, Japan, Italy, Netherlands, Belgium, Austria, Sweden, and Switzerland) of which 50% come from the United States and Germany.²

In 1975, some 15 countries out of 148 independent nations in the world received 90% of the world's foreign tourist arrivals and expenditures (in descending order: United States, Spain, France, Italy, Mexico, Austria, Germany, United Kingdom, Canada, Switzerland, the Netherlands, Yugoslavia, Belgium, Denmark, Greece, and Portugal).³

The "Third World Countries" have only a 20% share of the world's tourism receipts, of which 45% goes to Mexico and Yugoslavia.⁴

Even though the participation of developing countries in inter-

1 *The Importance of Tourism to the U.S. Economy, 1975*, United States Travel Data Center, Washington, D.C., 1975.

2 American Society of Travel Agents: *The Big Picture Travel 1976*, ASTA, Annual Report World Travel Trends and Markets, Vol. 21, 1976, p. 7.

3 *Ibid.*

4 *Ibid.*

national tourism is small, a comparison of tourism receipts and expenditures shows that developing countries have a positive transfer of wealth index of 2.48 compared to an index of .65 for developed countries (travel receipts/expenditures, data from 1964-1970).

Table 2
Index of Net Transfer of Wealth
Developed and Developing countries

Countries	1964	1965	1966	1967	1968	1969	1970	
I. Developed Countries' Travel Receipts	5,239	5,941	6,647	7,333	7,374	8,185	9,494	
Developed Countries Travel Expenditures	8,186	9,093	10,026	10,946	11,019	12,597	14,769	
II. Developing Countries' Travel Receipts	4,780	5,891	6,051	5,818	6,067	7,215	8,406	
Developing Countries Travel Expenditures	1,833	2,739	2,672	2,205	2,422	2,803	3,131	
	1964	1965	1966	1967	1968	1969	1970	Avg. 1964-70
I. Developed Countries' Transfer of Wealth Index	.64	.65	.66	.67	.67	.65	.64	.65
II. Developing Countries' Transfer of Wealth Index	2.61	2.15	2.26	2.64	2.50	2.57	2.68	2.48

Source: IUOTO, *Economic Review*, 1972.

Tourism in the United States is an important economic activity. Thirty-four states out of fifty rate tourism as the number one or two of major economic activity for the state. This can be seen on the annual expenditure of \$105 billion in 1976, which contributes 6.2% of GNP, 7.8% of National Income and 9.7% of Personal Consumption. In terms of overall growth rates from 1972 to 1976, the tourism

industry had the highest growth rate:

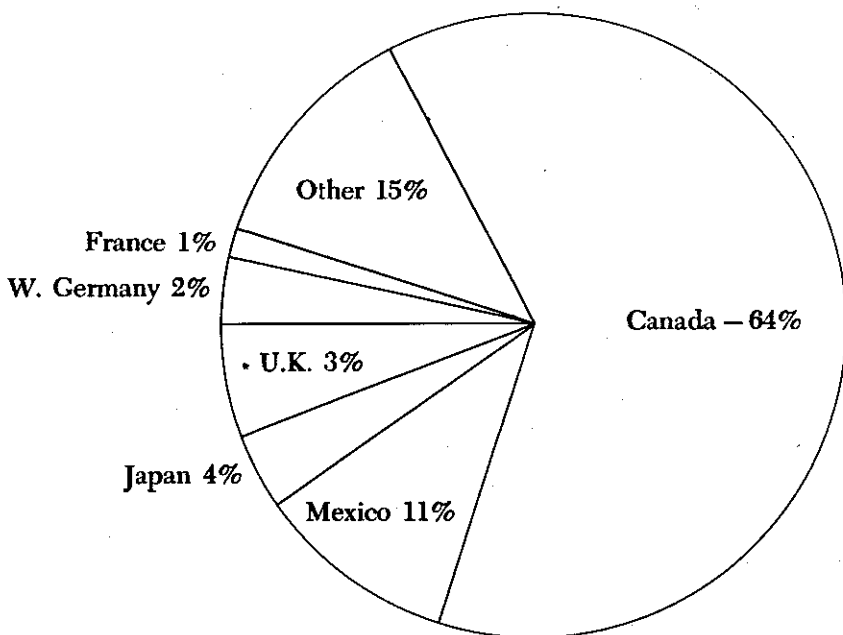
U.S. Travel Industry Receipts	+ 58.5%
Personal Consumption Expenditures	+ 52.5%
GNP	+ 49.3%
National Income	+ 41.8%

(Source: U.S. Department of Commerce, USTS, 1977).

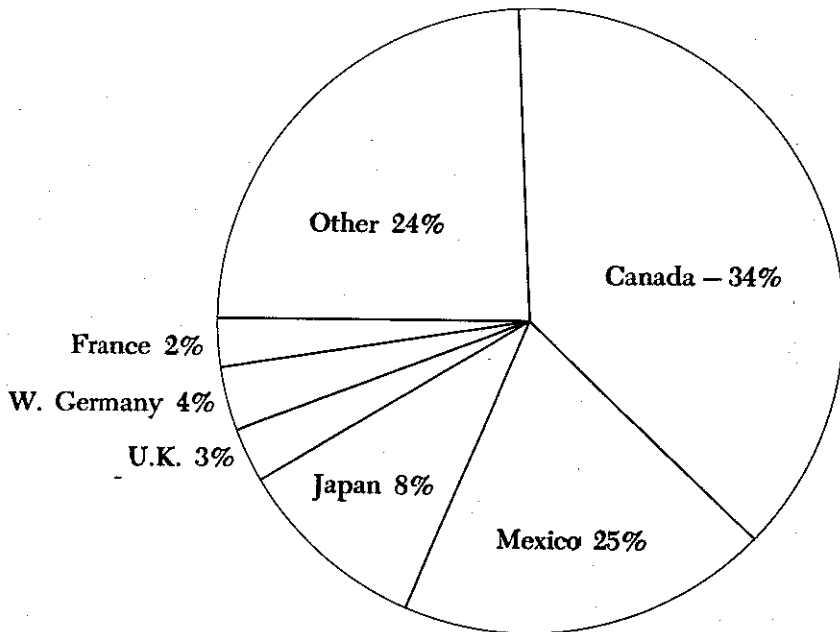
Besides domestic travels, Americans are also discovering the pleasure of traveling abroad, thus exporting about \$10 billion annually.⁵

Promoting travel to the United States lags behind the promotional efforts of other countries that results in an annual travel trade

Table 3
International Travel to the U.S. — 1976
Arrivals — 17.5 million



⁵ Highlights—International and Domestic Tourism 1976, U.S. Department of Commerce, United States Travice, April 1977.

Receipts — \$5.8 billion (excluding transportation)

Source: Extrapolated data from U.S. Department of Commerce, USTS, Washington, D.C., 1977.

deficit of \$3 billion for the United States in favor of the economies of other countries. Statistically, the United States' place in international travel is highest in tourist arrivals with 17.5 million visitors out of 218 million, or 8%, with visitors' receipts of 17% from a total international tourism expenditure of \$40 billion.⁶

Factors Influencing the Demand for International Tourism

A question arises as to why tourism flows are not moving to the less developed parts of the world and what can be done by planners in the public and private sectors to stimulate it in order to enhance that nation's overall growth and development.

Participation of developing countries in international tourism depends heavily on the level of economic development within the country as well as on the tourism elements and development within the horizontal and vertical integration of the national economy. The

⁶ *Ibid.*

complexity of the tourism phenomenon and the limitations of research material and data make it difficult to explicitly define the tourism elements.

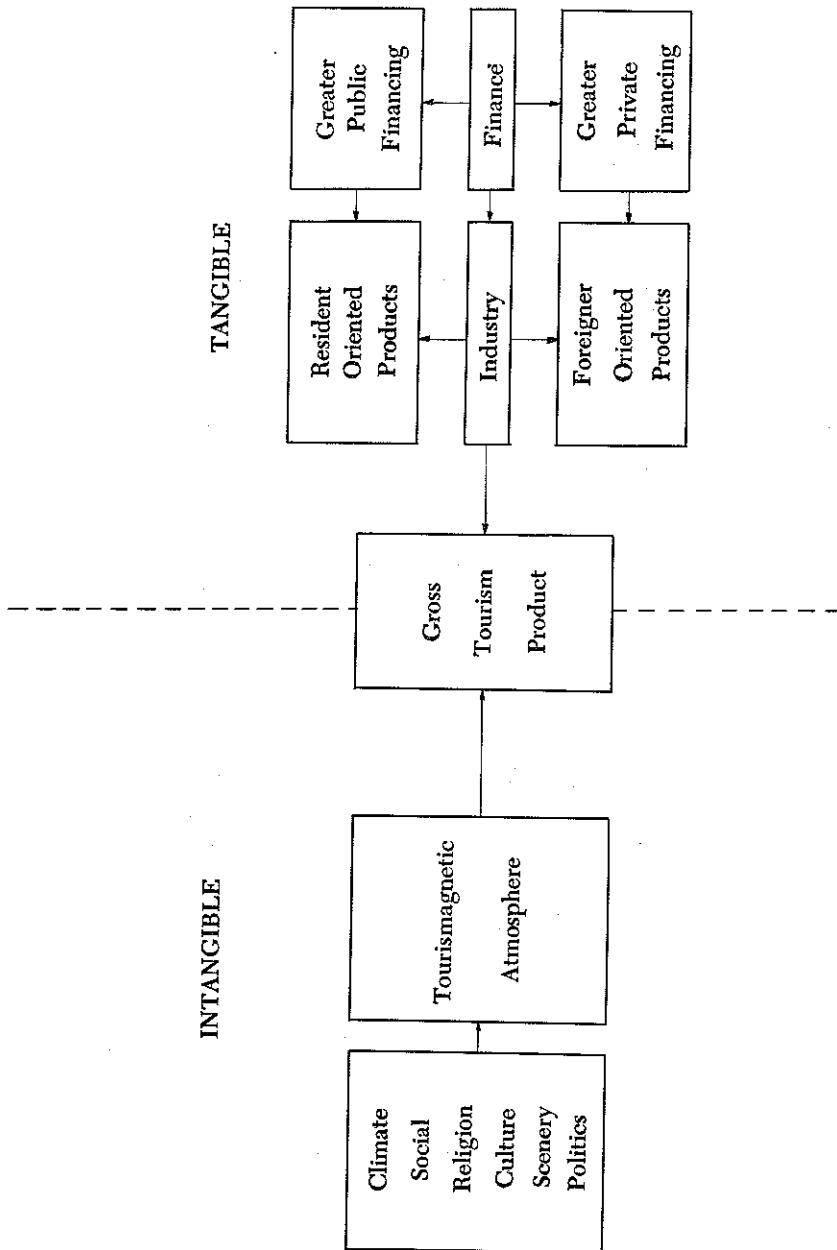
Tourism is a complex industry. It is comprised of the tourist, the tourism product, the overall tourist industry that produces a gross tourist product that consists of both foreign tourism-oriented and resident-oriented products. An example is a tourist in a country using a hotel (tourism-oriented product) as well as the hospital, police, sewage, transportation, etc. (resident-oriented product), which constitute the total gross tourism product. The gross tourism product is produced from a combination of private (industry) and public (government) investments. The exact degree of participation depends on the national economic system, the economic ability of the private sector, creditability to attract foreign investment, and on tourism trends within the country. Mostly, tourism-oriented products are financed privately, whereas resident-financed products are usually publicly financed.

In order to determine the level or potential of tourism for a country, it is necessary to specify the tourism elements, i.e., climate, social life, religion, culture, native scenery, politics, and history; all together they make up the tourismagnetic atmosphere. These elements are not only important for the creation of tourism markets, but also for the continuing growth of the industry. Tourism is an economic activity where the product is a service that is exchanged or marketed in a way similar to the products of other industries. Some of its characteristics are:

- (a) monopoly over natural and historic resources, of one tourist destination over another (beaches, mountains, history, culture, etc.) unique to a particular country;
- (b) non-economic value judgement, due to the differential of environment and consumer perception; in other words, the product is not tangible like other consumer goods and is valued according to the personal satisfaction derived from a series of psychic experiences;
- (c) on-the-spot market, meaning that the production, purchase, and consumption takes place in the same market (in contrast to export goods) whereby a greater distribution of services and caused economic activities are generated;
- (d) perishability of products, i.e., transportation, gastronomy, services, whereas non-perishability of natural resources (beaches, mountains, etc.); and,
- (e) non-diminishing marginal utility, meaning that additional purchase of travel does not lead to a reduction in demand consumption.

Chart 1

Interrelationships of Tourism Elements for Gross Tourism Product



The major factors responsible for increasing or expanding the tourism demand are influenced by the developmental stages of the country including socio-economic development, industrialization, modernization, and economic growth. An increase in GNP in a country leads to a more prosperous economy with greater available disposable income for the population. In industrialized countries, travel and tourism are considered basic needs and consumer goods, whereas tourism for residents of developing countries is a luxury item.

Social and Economic Impact of Tourism

Over a period of time, developing countries reaching a higher standard of living will participate more actively in international tourism due to industrialization, urbanization, and increased education. Economically, tourism promotes development by providing foreign exchange that is needed for the purchase of import goods and services. According to the International Union of Official Travel Organizations, "one of the main attractions of investments in tourism for most developing countries is the shortness of the gestation period before an investment yield return."⁷ Therefore, the development and expansion of tourism can contribute relatively rapidly to the development process.

Other important factors are the multiplier effect and the spread effect. The multiplier effect states that an increase in net investment will increase national income in developing countries by 3.2 (as compared to a 4.3 in developed countries due to their lower leakage effect).⁸ The spread effect states that the potential for tourism to increase the consumption of local food and beverages, souvenirs, local products, etc., leads to an increase in demand for other economic activities.

The tourism industry acts as a force to redistribute income in a more egalitarian way by distributing it to a wider range of the population and transferring wealth from richer to poorer countries. Besides the transfer of wealth, tourism transfers knowledge of international mobility, production, skills, intellectual ideas and cultures, which are gained through the direct contact of the local population with the tourist or with tourist import products.

"A place attractive to tourists is also attractive to the people possessing the skills needed in the developing countries, and a good

7 International Union of Official Travel Organization, "Economic Review," International Union of Official Travel Organizations, Madrid, 1966.

8 United States Travel Service, *Destination U.S.A.; Federal Role*, Volume 4, United States Travel Service, U.S. Printing Office, Washington, 1973.

place to visit is also a good place to work."⁹ Undoubtedly, tourism can help to produce a situation favorable to economic development by generating new foreign investments, foreign exchange, capital accumulation, urbanization, employment and industrialization.

Tourism has not only an economic impact on the country, but also heavily influences the social and cultural dimensions of a nation. Economic development promotes social changes within a country, whether it is a developed country or a developing one. In tourism development, many countries enjoy the economic advantages, but object strongly to the social changes associated with it. This is a current dilemma in the Arab world today as well as in the Asian countries, due to a decline in traditional life styles and an increase in their westernization. But tourism has vested interests in the preservation and development of natural and man-made resources. Conservation is the basic requirement for the existence of a healthy tourism industry, which in turn encourages the creation and preservation of a more tourismmagnetic atmosphere. This includes prevention of tourist pollution of natural resources, cultural and social conditions of the culture, and development of tourist ghettos, with a breakdown of communication and the interrelationships within the population. Tourism promotes preservation and enriching of the national culture, and history, which may have been destroyed or forgotten had it not been for tourists (ceremonies, tradition, unique cultural heritages of areas, unusual techniques and skills). It also provides the population of the tourismmagnetic country with a sense of national pride to possess something so important and valuable that foreigners will travel for thousands of miles to see it. Thus tourism stimulates growth and enhances educational exchange, widens cultural relationships, social and traditional understanding, and international solidarity, therefore, acting as an instrument of peace.

II. Managing and Marketing the Tourism Product

Planning for Tourism Development

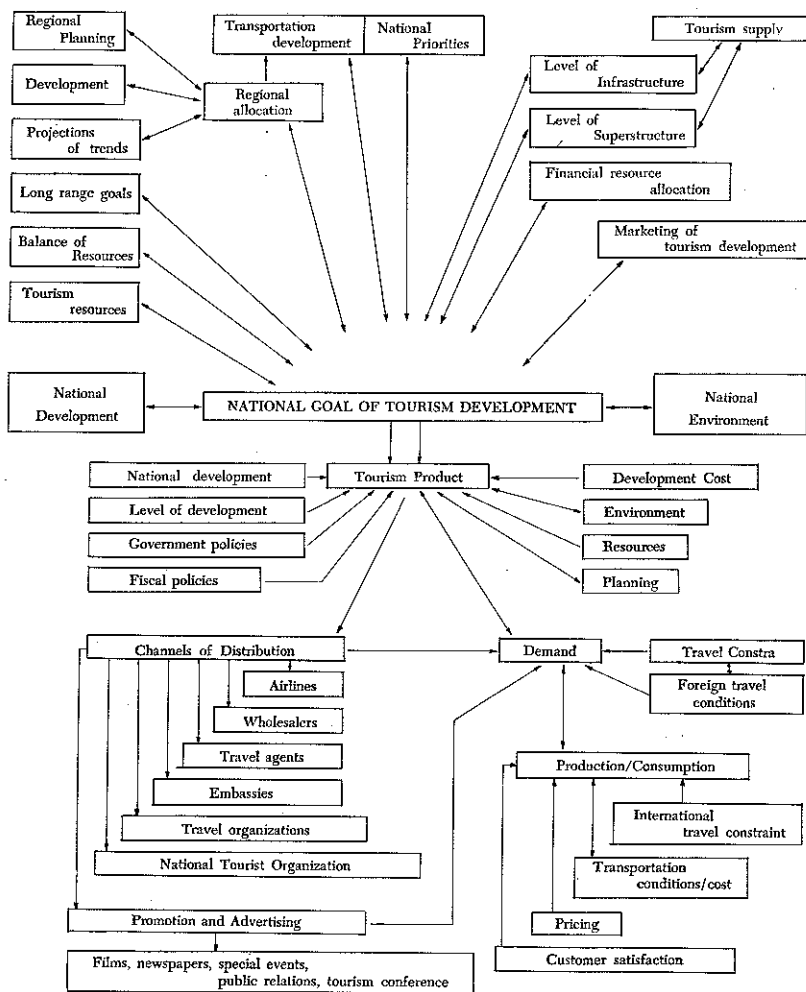
After seeing the economic, social, and cultural impacts of tourism, it is apparent that a nation must have an effective and strategic management and marketing system to provide the national economy and the population with the maximum benefits from tourism. Tourismmagnetic attractions alone do not produce tourism flow into the country. It is the overall presentation of the tourism supply to actual and potential tourists. The tourism supply consists of the natural and man-made attractions, the superstructure and the infrastructure of a country. Strategies for tourism development and management should

9 *Ibid.* (IUOTO)

be structured, organized and administered according to modern and efficient scientific managerial and marketing concepts. Only in this way is it possible to attain the national objectives of tourism development.

Planning and organizing the right format for tourism development in a country includes the ability to perceive the role of tourism in the overall economic development of the country as an integrated vertical and horizontal system within the national economy.

Chart 2
National Goals of Tourism Development



Consideration has to be given to the country's logistics; is it a destination area or a transit area, and how could it be incorporated into international tourism routes? If the country under consideration has little or no true natural destination resources, what are the possibilities of creating man-made attractions, such as cultural events, business centers, conference areas, and shopping centers? How does the country compare to neighboring countries and how could a competitive advantage be utilized for tourism development?

Significance of Transit Areas in Tourism Development

As an example, Hawaii is a tourism destination from the United States and the Far East, and a transit area for most East-West travel. Besides being a transit and destination area, Hawaii has managed to reduce the seasonality of tourism by promoting conferences and business meetings in the off-season offering year round service at discounted prices for the off-season tourist.

International transit or stop-over countries such as U.S. Hawaii (Honolulu) and Japan (Tokyo), Hong Kong, Philippines (Manila), and Thailand (Bangkok) in the Far East receive tourism inflow not only from the businessman, but also from the pleasure tourist, staying a short time (1-3 days) for additional sightseeing and shopping which provide each city with a very high tourist expenditure per day (higher than a destination tourist expenditure). This is especially true of Hong Kong and Tokyo. Hong Kong and Singapore, with limited scenic and natural resources as destinations, use shopping and entertaining as the main tourist attraction.

South Korea, at the present time, has not been discovered as a transit or destination area by the international traveller from outside the Far East, even though Korea lies along the major international air-transportation routes, located within 24 hours flying time from any part of the world: 13 hours from Los Angeles, 3 hours 30 minutes from Hong Kong and 1 hour and 40 minutes from Tokyo. There are 196 flights weekly by international airlines connecting South Korea with Japan, Hong Kong, Thailand, Singapore, and other world destination. In most cases, there is no additional airfare charge for the stop-over for long distance travelers.

III. South Korea as a Case Study in Tourism Development

South Korea as a Tourism Market

South Korea's major tourism sources are Japan, overseas Koreans, and the United States. The Japanese market is competed for heavily by Taiwan with lower costs for accommodation and leisure activity—principally golf—and Hong Kong with shopping and entertaining.

Japanese leisure tourism to Korea was reduced from 74% in 1975 due to world-wide recession, inflation, and cut backs in business expenditures, as well as increased competition in the choice of destinations available to Japanese tourists.

Table 4
Tourist Arrival Trends by Nationality

Nationality	1970	1971	1972	1973	1974	1975	1976
Japanese	51,711 (29.8%)	96,531 (41.5%)	217,287 (58.6%)	474,773 (69.9%)	299,756 (57.9%)	363,879 (57.5%)	521,128 (62.5%)
American	55,352 (31.9%)	58,003 (24.9%)	63,578 (17.2%)	77,573 (11.4%)	80,261 (15.6%)	97,422 (15.4%)	109,188 (13.1%)
Others	66,272 (38.3%)	78,261 (33.6%)	89,791 (24.2%)	26,875 (18.7%)	37,213 (26.5%)	171,545 (27.1%)	203,923 (24.4%)
Total	173,335 (100%)	223,795 (100%)	370,656 (100%)	679,221 (100%)	517,590 (100%)	632,846 (100%)	834,234 (100%)

Source: Extrapolated data, Press Release, Korea National Tourism Corporation, 1976

In the last 5 years, South Korea has launched a major effort to develop tourism through out the country. The Korean Tourist Service, founded in 1962, was changed to the Korea National Tourist Corporation in 1975 promoting tourism in Korea with an annual growth rate of 40% from 1962 to 1975.¹⁰ Total visitors in 1976 alone were 834,239, producing foreign tourist receipts of \$275 million. Korea's overall performance during that time has also shown an impressive average annual growth rate of 9.5% with commodity export growth of 44.5%, totalling \$5 billion in 1975. The economic forecast of the fourth Five-Year Economic Development Plan (1977-1981) shows a continuous growth of 9%, with receipts from the tourism sector in excess of \$1 billion.

The South Korean government has recognized the socio-economic importance of tourism, and pursues a long-range tourism development plan with considerable effort expended toward developing and expanding tourism resources and facilities. Approximately \$660 million will be vested in the 1977-81 Five-Year Economic Development Plan for the development of tourist areas and resources.¹¹

¹⁰ Press Release, Korea National Tourism Corporation, Korea, 1977.

¹¹ *Ibid.*

In economic terms, tourism in Korea provides some of the foreign exchange needed for overall economic development and for import goods and services.

In 1976, the foreign exchange earnings from tourism was \$275 million, or 8.3% of total international trade revenues. Taking into consideration the currency multiplier effect, (3.2 for developing countries) it increases national income to \$880 million. Tourism also provides a high employment factor due to the labor intensity of the industry. For each hotel room the employment intensity is 1.7 positions in the direct service industry and 1.7 positions in the indirect industry (tourism service supplier industries), totalling 3.4 positions per hotel room.

The Five-Year Plan also calls for increased construction in the hotel industry. At the present time, limited hotel room availability, with an occupancy level of almost 100% due to increased economic activities and business travel, has promoted an increased demand inflation in hotel rates and other economic activities. The interaction of a fixed supply in hotel services to the demand, especially within the capital city of Seoul, has produced a high inflation rate and the reduction of leisure tourism, particularly from local citizens.

Socially and culturally, South Korea is one of the most hospitable countries in the Far East. Its 5,000 years history and the preservation of the nation's scenic beauty, historic relics and cultural assets are a tourismagnetic resource that promote tourism development not only from the Far Eastern regions, but also from Western countries attracted by "the mysterious and unexplored Far East." Still, the Korean tourism market has not been discovered by many people from Europe and the America as well as the Far East itself. Presently, only 8% of all international tourist arrivals are to Asia-Australasia. With increases in discretionary income and leisure time, travels to the Far East for cultural and social enrichment will no doubt increase in the future and Korea has the potential and tourismagnetic resources to develop into the "Pearl of the Orient."

If the development of the current Five-Year Plan materializes, South Korea is in an excellent position to participate actively in the Far Eastern market as a tourism destination. Further development of natural and man-made tourism resources and attractions, i.e., the Korean Veterans Program inviting the veterans of the Korean War back for a visit to the country, Cheju Island with unspoiled beaches, the Kyongju Resort Center and other developments fostering cultural, social and recreational tourism provide the incentives needed for the traveler to go to Korea. This will not only bring the economic benefits of foreign exchange and employment, but also cultural exposure, social recognition and political exposure for the Korean way of life.

Tourismatic Impacts

Many developing countries, such as Korea, with high goals of economic development and industrialization tend to trade off the natural environment and living space for overall economic development and prosperity. A good example is Japan, where high population density, pollution, crowded facilities, inflation, westernization and cultural decay, and overall decline in the standard of living have greatly affected the tourism market. Post-war developing countries with tourismagnetic resources should consider tourism development in their long-range planning harmonious to overall economic development.

To develop international tourism at a time of growing GNP can provide not only economic benefits, but also preserve tradition and culture, and accelerate the development of natural resources for national tourism during and especially after the transition from a developing to a developed country. Developing countries with an increasing GNP per-capita change from tourism receiving into tourism generating countries. Tourism resort areas, formally for international tourism, are utilized increasingly for national tourism. An example is Spain with a decline in the overall level of international tourism but with an increased national tourism compensating for it.

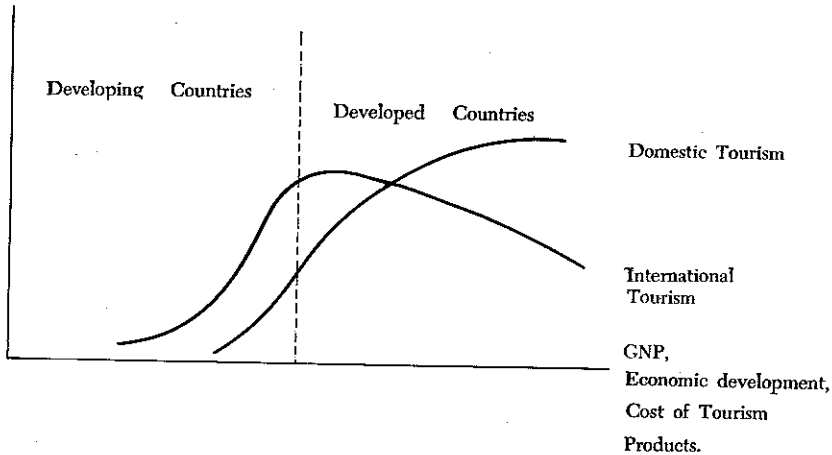
Under competitive tourismagnetic conditions, a developing country's international tourism arrival increases after initial establishment of the infra- and superstructure. With growth in GNP and economic development, usually associated with rising inflation and cost of living as well as for tourism products, the level of international tourism export declines and domestic tourism exceeds export tourism. Examples are Germany and Switzerland, with an initial high development in international tourism and thereafter a steady decline in real growth due to the increasing cost of international products in these countries.

In pursuing tourism development and preservation of tourism resources in a country, national tourism can progress and balance the import of international tourism. This can be easily the case in South Korea. After industrialization, without preservation of natural resources and development of facilities for national tourism, Korea could find itself in a position similar to that of Japan with large tourism trade deficits and lost or destroyed natural resources.

Emphasis of Travel Promotion for Competitiveness

Korea has a very competitive position in international tourism. The expansion in hotel rooms will relax the inflation of tourism services and thereby promote expansion of leisure tourism in the country and a better competitive position with Taiwan. In relation to South Korea's competition for existing and potential tourist desti-

Level of Tourism



nations in Asia (mostly Japan, Hong Kong, Thailand, Manila, Singapore, and Taiwan), Korea has to expand cultural and social enrichment for the tourist as well as sport and leisure facilities, and promote recreation tourism to Korea.

Leisure and sport tourism is especially important for the Japanese market as the principal visitor to South Korea, since Japan is a wealthy neighbor with a great propensity to travel and built-up demands for sightseeing and recreational activities. Korea can offer not only low cost tourism to Japan, but also has historic ties, and it is cheaper for the Japanese tourist to go to Korea for recreation and sight-seeing than to be a tourist in Japan.

Leisure and entertainment activities are not sufficiently attractive to the average non-Japanese foreign businessman to cause him to make the stop-over in South Korea for that purpose. Additional leisure time is spent in Hong Kong and Tokyo, and Korea is not usually considered a potential attraction. Since business travel constitutes the majority of total arrivals in Korea (16.7%),¹² promoting an extension of the business visit for leisure activity and thereby expanding into the Orient, (Tokyo, Hong Kong, Singapore) the tourism circuit should secure a much greater share of the tourism market for Korea.

Suggested Marketing Plan for South Korea

Suggestions for a more dynamic Korean tourism marketing approach include:

¹² Foreign Travels by Purpose, Korea National Tourism Corporation, Korea, 1976.

1. Making tourism an integral part of the Five-Year Economic Development Plan with proper financial allocation, planning, and marketing, instead of placing it in a secondary category of importance.

2. Increasing the present marketing strategies by expanding Korean tourism promotional offices (KTPO) throughout the world. Presently only a small number of KTPO are in the U.S. (2, San Francisco and New York) and Europe (1 in Frankfurt). An expansion of the KTPO in the U.S. and Europe, as well as establishing offices in Canada and the Middle East should help promote tourism to Korea. Also, the cultural offices of Korean embassies are in a position to serve as tourism promotional offices and could be staffed with an appropriate promotional expert.

3. Establishing an infra- and superstructure within Korea according to overall national objectives for economic development, with great expansion of the hotel sector. Hotel construction could be stimulated by government incentives to promote private investment in the hotel industry.

4. Concentrating heavily on marketing efforts aimed at the Japanese as well as transit traffic through the Far East. To accomplish this, a new cadre of well trained, market-oriented travel and tourism specialists must be developed.

5. Promoting off-season events with special folk-festivals, discount fares, and accommodation reductions, or promoting Korea in the off-season with minimal cost for international travellers, tourism agents, public relations people, conferences, meetings, and conventions.

In order to achieve the projected goal of 2.6 million people to South Korea in 1983, it is necessary to increase marketing services and exposure of tourism in Korea within the Far East and especially Europe and America. Other countries in the Far East have become increasingly competitive for tourism services such as Thailand which attracts most of its European travel with inexpensive charter flights to Bangkok; Taiwan has effective tourism advertising geared to the Japanese market offering shopping and recreational tourism; and of course Tokyo boasts itself as the ideal stop-over point for Far Eastern travel to and from the United States.

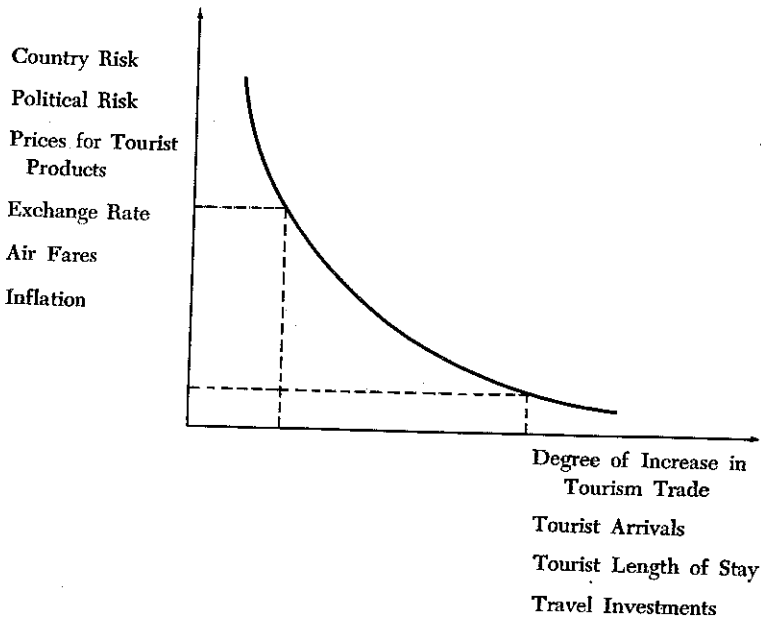
Major Obstacles to Tourism Development

Interviews by the authors in 17 countries, including Korea and the United States, with top management of international tourism industries revealed that the major obstacles for tourism development in any country are: (a) The lack of education and professionalism in the tourism industry, stressing the need for professionalism in the industry as well as general education of the tourism population about

the economic, cultural, and social impacts tourism has on their daily life. (b) The lack of marketing models and techniques to inform the tourism consumer and producer. It is not only necessary to attract and sell the tourism resources to the international consumer, but to educate and inform the producer of the needed services to promote revisits and positive word of mouth promotion. (c) Political and social stability affecting tourism trends. Any instability that is perceived by tourists to be unsafe has an adverse effect on tourism development. Often adverse or unfavorable publicity, accurate or not, inhibits tourism within a country. (d) Foreign exchange rate fluctuations, influencing tourism trends with foreign exchange advantage or disadvantage for tourism development. The consumers in the 1980's will be more economic and price-oriented and will have an increasingly competitive market in which to spend their tourism money.

Chart 3
Consumer behavior to National Environment

Degrees or Level of Consumer Perception



South Korea is in a good competitive position and is able to overcome obstacles in tourism development to promote international tourism to Korea from the Far East and Western countries. The new hotel management school in Seoul, educating and promoting profes-

sionalism in the field, the Society of Tourism, and the Ministry of Transportation all serve to promote tourism development and education as a vital instrument for overall growth and prosperity as well as national economic security.

South Korea has been very successful in achieving the national objectives of economic development. The people have great ambition and are working hard to provide a better way of living for their families and countrymen. The GNP is growing, employment and income are increasing, and development in industry and trade is progressing toward prosperity and stability. International tourism is an integral part of this development, and is very important in achieving the national objectives of prosperity and a better way of life for the total population.

Despite industrialization and economic growth, the Korean people have preserved their sincerity, honesty, and hospitality toward each other and toward foreign visitors. Observation of and experience with the Korean way of life by foreign visitors will surely promote the development of international friendship, understanding, and peace for the country as well as help develop South Korea into the new "Pearl of the Orient."

IV. Conclusions and Outlook for Tourism Development in LDC's

In any aspect of developmental planning, major emphasis must be placed on established or pre-determined goals which, in turn, will depend upon the kind of economic activity, sectors, and resources to be developed. Foremost, but also the most difficult, are to establish the long-range economic goals because they influence all other developmental sectors of the economy and national objectives. Economic goal setting for international tourism is an art about which scientific literature as yet gives little helpful information. The decision as to how large an emphasis to place upon developing resources within a nation for international tourism, at what time, and in what amounts for what sectors are definitely the most fundamental as well as the most complex tasks for planners.

The conceiving of a long-range and far-future role for international tourism within the developmental planning process of a nation does not mean that from the very beginning a definite size should be chosen to be achieved in ten, twenty, or thirty years later. Even today, most organizations—public or private—are designed only in a size suited to near-future conditions, but in all well-planned organizations top management also has a long-trend concept of a size that is being kept in mind as an ultimate long-range goal. Consequently, various near-future objectives, as they are attained, are recognized to be only temporary levels of activity and a step toward

reaching the long-range objective.

As yet there is no definite theory on how to determine the potential ultimate size and scope of operations for international tourism in any country; however, there are at least some fairly certain and time-tested principles which will aid the planner including the assessment of the environment in terms of natural and capital resources, social and political climate, location, travel flows, tourists' needs and preferences, and competition, all of which comprise the tourismatic environment of the country and its geographical setting. In short, it is a process that requires significant market research, analysis and assessment before priorities can be identified and budgets allocated.

If the tourismatic indicators for a country are indeed positive, through effective long-range planning, proper determination of priorities and resource allocation, and effective market promotion, tourism can be a key element in sector development of the overall developmental plans in order for a nation to reach its goal as a stable, balanced, well-developed economy. It can become a stimulant for their sectors of the economy as well as a means of attracting foreign capital inflows as industry develops. As such, it benefits the country as an income earner, has a multiplier effect on income and employment generation, and, at the same time, provides and opportunity for recreation and pleasure for the domestic and international traveller alike.

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