

THAILAND THE GREATEST STORY

IN GLOBAL
TOURISM HISTORY

A 60TH ANNIVERSARY TRIBUTE TO
THE TOURISM AUTHORITY OF THAILAND



Key Developments

1998

- The Amazing Thailand 1998-99 campaign
- Thailand hosts the 13th Asian Games, 6-20 December
- PATA HQ moves to Bangkok
- First National Ecotourism Plan is formulated
- First Thailand Golf Travel Mart held, 25 May

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MOVING FORWARD AFTER THE 1997 ECONOMIC CRISIS



Mr. Pannara Choochan

Deputy Governor, Marketing

PRESS BRIEFING FOR EXOTIK TOURS CANADIAN PRESS GROUP 18 MAY 1998, BANGKOK

Sawasdee Khrap and bienvenue Bangkok!

It is a great pleasure to welcome you all to Bangkok and to Amazing Thailand. I would like to thank Exotik Tours for their kind assistance in arranging this programme and for supporting our latest campaign, Amazing Thailand. In October of last year I visited Vancouver on a roadshow to promote the campaign and was warmly received by everyone I met. I hope our Thai hospitality has made you feel equally welcome.

Over the last ten days or so, you have seen some of our Kingdom's main tourist destinations. From Chiang Rai in the north to Phuket in the south and several locations in between, I hope the journey has whet your appetites, satisfied your taste buds with our cuisine and tempted you to see more of our amazing country. I also hope you have found some amazing story ideas to take back to Canada and help spread the word that Thailand is truly Amazing!

Now that you have travelled to some parts of Amazing Thailand, I would like to share with you some of the amazing developments that have resulted since the launch of the campaign.

Given the current economic climate, many people think that Thailand and indeed the entire region is suffering. Times are tough, there's no doubt about that, but in order to get through this temporary downturn, we

must keep moving forward, and judging from recent statistics, Thailand is coming out on top.

Tourism has long been an important industry for Thailand. Since 1987, when we launched “Visit Thailand Year”, the number of foreign tourists has increased dramatically, even despite the Gulf War in 1991. In 1987, we received just under 3.5 million visitors. In 1997 we received nearly 7.3 million. Of those, only 57,336 were Canadians. I’m sure you can make a great effort in helping us crank up these numbers. Even rate of growth was only 0.79% over 1996. We’re happy it was a growth, but we’d be happier with a higher percentage of growth. And that’s why you are here with us today.



Tourism is Thailand’s largest source of foreign exchange earnings, so you can imagine how pleased we were to learn that American Express (Thai) reported a 55% surge in spending by its Cardmembers visiting Thailand during the first three months of 1998. It confirms that Thailand’s reputation as a destination offering the best value for money is catching on.

Canadians can now get nearly 27 Baht to the Canadian dollar, up from 18 baht a year ago, which makes it even cheaper for you to stay in the Kingdom. Luxurious five-star hotels have never been so affordable and with more than 96% of Canadians staying in hotels in 1996, you will appreciate the increased value you get for your money today.

What’s more, all through June and between 15 November - 15 December 1998, several department stores and shopping arcades nation-wide will be participating in the Amazing Thailand Grand Sale that will see prices being slashed 10 to 80% on all good ranging from handicrafts to brand-name products. With this sale, we will give new meaning to the phrase, “shop till you drop!”

As travellers search for destinations offering increased value for money, they are also looking more for quality over quantity. In line with these shifting global travel trends, we designed our latest campaign, Amazing Thailand, to focus on Thailand as a unique destination offering world class service and tremendous variety as a niche-market destination. Overall, we are targeting arrivals of at least 16 million visitors between 1998/99 and aim to boost foreign exchange income to at least 582 billion baht.

We plan to use the campaign to upgrade the standards of the Thai tourism industry nation-wide and hence enable overseas visitors to comfortably travel throughout all the various regions and provinces of the kingdom. Tourist safety is of the utmost importance and it was with this in mind that we set up a new Tourist Service Centre with co-operation from the Tourist Police. The Centre was officially opened earlier this month. A 24-hour hotline to the Centre offers tourists emergency assistance in English and French, plus three other languages.

Upgrading tourism standards also involves the protection and improvement of the environment, a vital part of Thailand's tourism plans, for both the short- and long-terms. Thailand is fortunate to have received support in this area. Since 1991, UNESCO has identified four World Heritage Sites in Thailand. They include two ancient capital cities, Sukhothai and Ayutthaya; an amazing archaeological site at Ban Chiang and an area covering two wildlife sanctuaries - Thungyai - Huai Kha Khaeng. More than 200 travel agents in Thailand are now focusing their tours on eco-tourism activities, enabling visitors to venture into some of the more remote regions for kayaking, scuba diving, trekking and relaxation.

Most recently, PATA awarded the TAT with a 1998 PATA Gold Award for an eco-tourism project in northwestern Thailand's Umphang District in Tak province. The project was developed in response to problems resulting from increasing numbers of visitors to the district. The TAT with strong support from the local community is working to preserve and protect the district while enabling the residents of Umphang to reap the benefits of tourism.



A further boost for Thailand came at the end of March this year when Bangkok was chosen as the new location for PATA's operational headquarters. Selected from a number of the region's top cities, Bangkok was chosen, according to PATA CEO Joseph McNerney, for its central location, its international airport served by more airlines than any other Asian capital (75 in total) and several other points that make Thailand an amazing destination all around.

Thailand's strategic location positions it as a hub to the Mekong region. The promotion of this region is a critical component of the Thai tourism marketing strategy to broaden the travel appeal of the entire region, with Thailand as the starting point. It is also a theme of Amazing Thailand - amazing gateway. The Greater Mekong Subregion (GMS) which comprises six countries, includes

“ Thailand is also a gateway to the Malay Peninsula and an ideal hopping-off point for tours to Malaysia, Indonesia and Singapore. We have embarked on joint marketing projects with this region as well, known now as the Indonesia-Malaysia-Thailand Growth Triangle or IMT-GT. ”

China’s Yunnan province, Myanmar, Laos, Cambodia, Vietnam and Thailand.

We are working with our colleagues in these countries to promote the region as a single destination. Recent meetings with Cambodia in early April and Myanmar at the end of the same month, got the ball rolling on several fronts. The principal issues addressed at both meetings were the upgrading of road links as well as the easing of visa issuance formalities, two factors currently impeding intra-regional travel.

Thailand is also a gateway to the Malay Peninsula and an ideal hopping-off point for tours to Malaysia, Indonesia and Singapore. We have embarked on joint marketing projects with this region as well, known now as the Indonesia-Malaysia-Thailand Growth Triangle or IMT-GT.

Regional visitors and long-haul visitors alike are sure to be amazed by Thailand as a holiday destination and business destination. Thailand’s MICE industry or meetings, incentives, conventions and exhibitions, is another aspect being promoted during the amazing years. With several new centres open in Bangkok and nation-wide, we offer five-star facilities and exotic appeal. Just imagine how popular a convention in Thailand would be to Canadian business people in January, when Canada is icy cold and Thailand is hot and sunny.

In fact, it was in January 1997 that your Prime Minister Jean Chrétien came to Thailand with Team Canada, officially on business but also perhaps for some of our warm weather. The Team Canada trip was highly successful, with 55 new business deals signed, worth more than C\$1 billion.



In December this year, Thailand will host the 13th Asian Games. No less than 43 countries will participate in the Games, the last great sporting event of the century. Thailand is becoming a popular destination for sporting events. We recently hosted the first-ever Asian X-Games qualifier - introducing extreme sports to Thailand and the Asian region. The event was held in Phuket and attracted quite a motley crew of spectators, among them mountain biking enthusiasts, in-line skaters and rock climbers.



Towards the end of the campaign years, we have a celebration that is close to the hearts of all Thai people. The nation will be joining together to celebrate the auspicious 6th cycle birthday of H.M. the King who will turn 72 on December 5, 1999. Details of the celebrations are still in the planning stage but we can expect amazing fireworks displays and there is a possibility that the amazing Royal Barges Procession will take place - a spectacular colourful event that shouldn't be missed.

Amazing Thailand will continue until the end of 1999, leaving you plenty of time to come back and visit Thailand again during the campaign years. From now until the end of the campaign events will be organised and steps taken to upgrade, improve and ensure that Thailand is a visitor-friendly destination in all respects. The future is bright and we're aiming to make it even brighter and more amazing.

Ladies and gentlemen, thank you all for coming this evening and for participating in the programme. I hope you have enjoyed it.

Merci et bonsoir.

TAPPING THE EMERGING VIETNAMESE OUTBOUND MARKET



Mr. Pannara Choochan

Deputy Governor for Marketing

21 MAY 1998

HANOI/HO CHI MINH CITY, VIETNAM

Sawasdee Khrap and Xin Chao. It is a great pleasure to be here in Vietnam on a promotional tour to introduce Amazing Thailand to your country. I would like to thank our TAT representative office in Vientiane which is responsible for covering Vietnam, for its kind assistance in organising this event and the other organisations for their generous support. I would also like to welcome our Thai travel agents and hotel representatives for joining us on this trip. Your presence here is proof of the amazing support we are receiving from the private sector for our Amazing Thailand campaign.

Vietnam is becoming an important market for Thailand, in fact it is the main market in Northeast Asia among the Mekong Sub-region, representing 42.7% of all arrivals from the Mekong region countries in 1996. In 1997, a total of 28,122 Vietnamese visited Thailand, up 8.60%. Moreover, Vietnam has a great deal of potential as a tourism destination in itself.

The Thai-Lao-Vietnamese tourism promotion policy and the admission of Vietnam into the Association of Southeast Asian Nations (ASEAN) has given a considerable impetus to travel to and from Vietnam. Since 1994, we have an agreement for mutual exemption of visas for holders of diplomatic and official passport and visa facilitation for ordinary passport holders. This allows diplomatic and official passport holders to stay in

Thailand and Vietnam for 30 days free of visas. Another positive step was taken in 1997 when the Vietnamese government declared an exit-visa exemption for Vietnamese citizens.

These are all positive measures which will help to facilitate travel to Vietnam and the entire region.

Thailand and Vietnam have been building a strong friendship for several years. Since Vietnam's economy was opened to foreign investment, Thailand has invested in some 57 projects worth US\$479.6 million. Not surprisingly, the main sector of our investments have been in hotels and tourism, followed by communications.

Development of our region as a single destination is mutually beneficial for all of us. It is a critical component of the Thai tourism marketing strategy to broaden the travel appeal of the entire region. It is also a theme of Amazing Thailand - amazing gateway to Indochina and the Greater Mekong Sub-region. In addition to Vietnam, we are also working with other GMS countries to promote the region as a single destination. Meetings with Cambodia in early April and Myanmar in late April, got the ball rolling on several fronts. The principal issues addressed at both were the upgrading of road links as well as the easing of visa issuance formalities, two factors currently impeding intra-regional travel.

I am very pleased that there are increasing airline contacts between our countries, something which is always beneficial for travel & tourism. Presently, there are an average of 36 flights a week from Thailand and Vietnam, including not only our two national airlines but also one major European airline. We hope that these flights will increase in future.

As I have already mentioned, the number of Vietnamese travelling to Thailand is increasing. The main reasons for their coming to Thailand is for shopping as well as to see friends and relatives. The Amazing Thailand campaign is good news for all of those visitors and for interested first time visitors.



“ We are using the campaign to upgrade the standards of the Thai tourism industry nation-wide and hence enable overseas visitors to comfortably travel throughout all the various regions and provinces. ”

Shopping is a major theme of our campaign and as such we have developed projects and activities to support amazing shopping in Thailand. All through June and between 15 November - 15 December 1998 and again next year, several department stores and shopping arcades nationwide will be participating in the Amazing Thailand Grand Sale that will see prices being slashed 10 to 80% on all goods ranging from handicrafts to brand-name products. With this sale, we will give new meaning to the phrase, “shop till you drop!”

As travellers search for destinations offering increased value for money, they are also looking more for quality over quantity. In line with these shifting global travel trends, the Amazing Thailand campaign is designed to focus on Thailand as a unique destination offering world class service and tremendous variety as a niche-market destination.

We are using the campaign to upgrade the standards of the Thai tourism industry nationwide and hence enable overseas visitors to comfortably travel throughout all the various regions and provinces. Tourist safety is of the utmost importance and it was with this in mind that we set up a new Tourist Service Centre with co-operation from the Tourist Police. The Centre was officially opened earlier this month. Another theme of the campaign is amazing taste of Thailand and you will all have the chance to sample some of our most famous dishes tonight.

We are also looking forward to welcoming your athletes to Bangkok for the 13th Asian Games in December this year where I am sure they will win their fair share of medals. I hope you all enjoy today's events and that we have many more opportunities to work together to promote this region to the world.

Cam on (cum ern) and Thank you.

MAKING THAILAND A SHOPPING PARADISE



Mrs Juthamas Siriwan

Deputy Governor for Administration

22 MAY 1998 FOREIGN CORRESPONDENTS CLUB OF THAILAND

Sawasdee Kha and Greetings. It is a great pleasure to be here and to have the chance to share with you news of Amazing Shopping in Amazing Thailand.

Let me begin with some background information on the importance of tourism to the national economy and specifically to the economic recovery process. Tourism is Thailand's largest source of foreign-exchange earnings, a position it has occupied since 1982. In 1997, tourism receipts were up 6.54%, for a total baht 233,711 million. However, because of the devaluation of the baht, the receipts in dollars were down nearly 14% to just under 7.5 billion dollars.

In baht, the average expenditure per person/per day for 1997 was up 5.23% to 3,900. Again, in dollars, it was down 15% to US\$124.

Shopping is our main source of tourism income and the primary focus of the Amazing Thailand campaign. It is a major form of export earnings and we want the government to recognise that. So promoting shopping promotes tourism which in turn also creates jobs in our retail outlets, hotels, tour operating and transportation companies, restaurants and many other cross-sections of economic life. We believe that it is a highly significant part of our national economic recovery programme.



With the flotation of the Thai Baht, visitors to the Kingdom are getting better value for their money than before. Looking back nearly one year, on June 4, 1997 the US Dollar was worth 24.349 baht. Today, the dollar is worth 39 baht (May 21: 1US\$=39.215 baht). Shopping has never been so attractive and staying in five-star luxury hotels never more affordable.

Thailand's reputation as a destination offering the best value for money is catching on. American Express (Thai) has reported a 55% surge in spending by its Cardmembers visiting Thailand during the first three months of 1998. The most impressive increase in spending by Cardmembers came from long-haul markets such as western Europe and the United States.

The other major card company, Visa, also reported similar spending patterns. In 1997, Thailand was one of the four top tourist destinations with the number of transactions by international cardholders increased by 19 per cent. Indeed, they spent three times more in Thailand than Thai Visa card holders spent overseas.

We hope to continue this positive trend. As part of the festivities to promote Thailand's amazing shopping, the Amazing Thailand Grand Sale is being held nation-wide all through June and between 15 November - 15 December this year. The Grand Sale is going to be bigger and better than ever because it incorporates several improvements and new products and services over and above the first Grand Sale that we did in November 1997.

In this year's Grand sale, discounts will be offered by more than 1,000 retail outlets nation-wide plus 140 department stores and shopping complexes. These will include 36 in Bangkok and the surrounding provinces, 34 in North Thailand, 28 in the south and seven in the East, that is Pattaya and Rayong.

In Bangkok, participating stores and arcades in Bangkok include the World Trade Centre, Gaysorn Plaza, Amarin Plaza, Zen, Seacon Square, Siam Discovery, the Old Siam, Peninsula Plaza, Welco, Naraiphand, Central (all branches), the Mall (all branches), Robinson, Tokyu, Royal Collection International and River City.

“ Aimed at turning Thailand into a world-famous shopping centre, we hope to see Rajdamri Road become another Orchard Road of Singapore, Champs-Élysées of Paris and Fifth Avenue of New York. ”

The TAT has been receiving a great deal of support and assistance from private and government sector agencies. The Department of Export Promotion (DEP) provided tremendous assistance in co-ordinating last year's sale and we are fortunate to have their on-going support. Promoting tourist shopping is also a form of promoting exports.

The Bangkok Metropolitan Administration (BMA) is helping to publicise the Sale by decorating Bangkok streets with banners or signs. And thanks to the BMA, you can now visit the famous Chatuchak weekend market at night. Effective June 19, opening hours every Friday have been extended from 5 p.m. to midnight which is good news for shoppers who prefer bargain hunting in slightly cooler temperatures! Across the road from Chatuchak, the Marketing Organisation for Farmers is also offering special sales of our choicest fruits, vegetables and other agricultural products.

The BMA has also helped to introduce campaigns such as Walking Tours, Klong Tours and the Shopping Street project. Rajdamri Road in Bangkok was selected as the pilot “Shopping Street” as it is already a shopping street and does not require a complete face-lift. Aimed at turning Thailand into a world-famous shopping centre, we hope to see Rajdamri Road become another Orchard Road of Singapore, Champs-Élysées of Paris and Fifth Avenue of New York. The project also aspires to attract more Thai shoppers, especially during the Grand Sale.

If successful, other areas in Bangkok including Banglampoo, Bangrak, Sampeng (Chinatown) and Silom will be developed along similar lines. Shopping streets are to be selected on the basis of their proximity to public transport facilities and hotels. Rajdamri has many hotels and department stores and is a centre for both Thai and international business-people.

The project is expected to help improve the environment, by cleaning up the streets and neighbourhoods. It will also allow for proper control on the prices and standards of products. Part of the project will involve construction of resting places between shops as well as walkways joining major hotels to the shopping arcades, facilitating travel to and from hotels and linking bus stations and car parks.

All plans are part of the overall scheme to establish the uniqueness of Thailand as a world class tourist destination with world class service.

With everything from traditional Thai gems and silk, as well as handicrafts including pottery, wickerware lacquerware and silverware, to designer fashions and accessories from all over the world, shopping in Thailand means quality products at amazingly affordable prices. Shopping is an endless activity in Thailand. The more you buy, the more you want to buy.

Thailand's national airline, Thai Airways International has been behind the campaign from the start. With special tours and fares, leaflets, inflight documentaries and magazine article publicity and an advertising campaign, THAI is involved in the nation-wide effort to spread the word that Thailand is truly "amazing". THAI's Internet Homepage supplies web-surfers with information on the special programs and package tours organised by Thai.



We are grateful to the Airports Authority of Thailand for their support of Amazing Shopping and for facilitating shopping at the four international airports. Khun Chai Srivikorn, chairman of the Gaysorn Group has shown his inexhaustible support by attending all our meetings and participating in the discussions, providing us with necessary insight from the shop keepers point of view.

The amount of international support this project is getting is quite phenomenal. We are pleased that Singapore Airlines has joined the campaign with its own package tours. American Express is publicising the Grand Sale to more than 30 million cardmembers world-wide. Two other companies, Michael Thomas International and Jet Confidence Travel, are distributing discount cards throughout Europe. The Association of Thai Travel Agents and Thai Hotels Association are also offering discounted rooms, food and beverage services as well as optional tours. Bangkok Bank has also thrown its weight behind the project as a distribution point for the discount travel cards.

As the word spreads, we look forward to both foreign visitors and Thai consumers spending more but also getting more for their money. We must continue to get the news out that Thailand is a haven for shop-a-holics and bargain hunters alike.

I could stand up here for a lot longer telling you about all the people and organisations who have put the Amazing in Thailand's Grand Sale and the campaign's shopping theme. The list is long and the assistance truly amazing. Thank you for coming here today and thank you to all of you who are helping to promote Thailand as an amazing destination.

I will be happy to take any questions.

THAILAND GAINING GROUND ON THE GLOBAL GOLF CIRCUIT



Mr. Jurin Laksanawisit

*Minister to the Prime Minister's Office
and TAT Chairman*

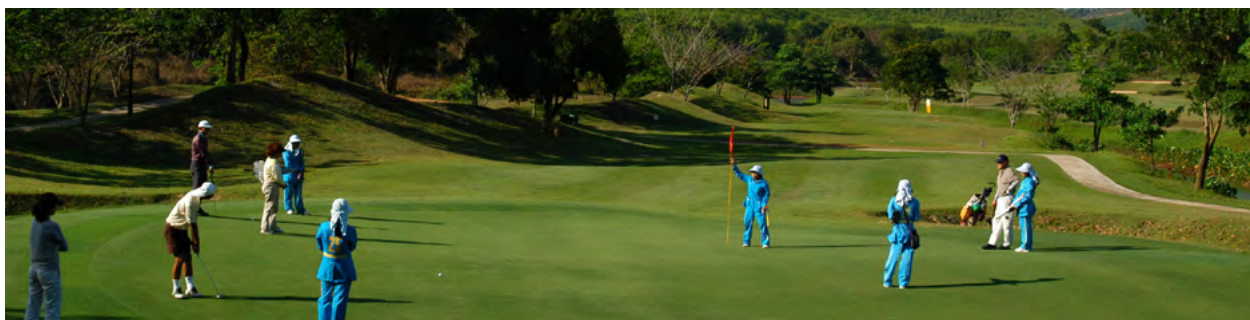
THE FIRST THAILAND GOLF MART 25 MAY 1998

Sawasdee-khrap, ladies and gentlemen, and welcome to Amazing Thailand and the first Golf Travel Mart ever organised in our country. We are truly honoured that so many of you, from so many different parts of the world, have chosen to be with us and give us some of your very valuable time. As you may have read in the newspapers recently, Thailand is going through some difficult times, but you can help us considerably lower the scale of our difficulties by sending your clients here for their next amazing golf vacation.

Golf is truly a game that produces a win-win situation for all. Our courses here are amazingly good value for money -- some of the most amazing courses in the world available to be played for amazingly low fees. Not only do your clients get a great vacation, but our caddies and course-workers generate income and so does our national treasury.

Over the next few days, you are going to find out more about the potential and diversity of our Amazing golf courses. You will be meeting with our local entrepreneurs and domestic tour operators involved in golf tours and related businesses. The tentative itinerary for the event takes participants on a tour of some of Thailand's championship courses in Pattaya, Hua Hin and Cha-Am.

Thailand is gaining considerable global priority on the golf circuit. In January 1998, Thailand was the proud host of the internationally renowned Johnny Walker Golf



Classic in Phuket. This was the second time in four years that the prestigious tournament returned to Thailand. About 150 of the world's best golfers teed off in the four-day Classic, including Ernie Els and the winner of this year's Classic, Tiger Woods.

Thailand's relationship with golf began early in the 20th century but it was in the 1920s when the Kingdom opened its first championship course that the sport began to take off. Since then, golf mania has grown steadily in Thailand. There are some 200 golf courses around Thailand and local golfers are passionate about them, one better than the other.

The Kingdom offers some of the cheapest green fees anywhere. And the service you get while on the course is first class all the way. Caddies provide beer and other refreshments, carry your clubs, shield you from the hot sun with an umbrella and give you a massage. The friendliness of Thai caddies is unmatched. What's more, on most courses there is a drinks hut at every third hole, or at least two huts per nine holes. Golfers can sit down, sometimes in air-conditioning and have a cold beer or juice and even a meal. Imagine what the clubhouses are like!

From Chiang Mai in the north to Phuket in the south, no matter where you travel, you are never far from a championship golf course. Around Bangkok there are 40-50 courses to choose from, a real golfer's paradise. Between Bangkok and Pattaya, golfers will never tire of the selection of courses. And with fine weather throughout most of the year, there is no end to our golf season.

Many of Thailand's courses were designed by world-famous golfers and designers. The list includes names like Jack Nicklaus who designed more than 10 championship courses, Pete Dye, Gary Player and Nick Faldo. Trent Jones first designed a championship course in Thailand for the 1975 World Cup. The course, Navathanee, is still recognised as one of the country's best. Jones went on to design more than 10 courses in Thailand.

As part of the Amazing Thailand 1998-1999 campaign, the TAT is promoting golfing holidays with special packages being offered all over the Kingdom, either on their own or as part of an incentive trip or a business-cum-pleasure trip. THAI Airways International has unveiled special golf packages. Many of our travel agents and tour operators are also following suit.

Ladies and gentlemen, thank you once more for being with us in Amazing Thailand. I hope you find this an amazingly productive and profitable experience.

PROMOTING THAILAND IN POLAND



Mr. Jurin Laksanawisit

*Minister to the Prime Minister's Office
and Chairman of the TAT Board*

AMAZING THAILAND PROMOTION 16 JUNE 1998 WARSAW, POLAND

Sawasdee Khrap and Greetings.

It is a great pleasure to be here in Warsaw and to welcome you all to this Amazing Thailand Promotion. This trip presents us with an amazing opportunity to meet with Polish travel agents and media. At this time I would like to introduce to you the travel agents from Thailand who have accompanied us on this promotional tour. Their presence here is proof of the strong support we have been receiving from the private sector in promoting Amazing Thailand.

I am looking forward to the next few days and to talking to many of you. Hopefully, I will be able to fit in some sight-seeing, as this is my first visit to your beautiful country.

Poland is an important market for Thailand. From 1987-89 Polish arrivals to Thailand soared but then between 1990-1994 they experienced a sharp decline, mainly due to the economic and political situation. We fondly remember the year 1989 when we had the highest number of Polish visitors, a total of 14,846.

Although this number has not been met since, we are glad that arrivals have begun increasing again since 1995 and are still heading upwards. In 1997, total arrivals from Poland reached 6,818 up 20.27% from 1996 well above the average overall growth of 0.41%. And the latest statistics for the first two months of 1998 show the number of Polish visitors to Thailand up 44.29% from the same period in 1996 totalling 2,414.

“ Whatever visitors prefer, whether historical sites or natural wonders, arts and crafts or Thailand’s rich culinary creations, the nine themes of Amazing Thailand provide something to suit all interests and all tastes. ”

Today, I shall give you even more reasons to come to Thailand or rather Amazing Thailand, the new slogan of our latest tourism marketing campaign.

Let me begin first with statistics that show some very interesting trends that you may wish to help us target in future. We notice that the Polish people who come to Thailand are presently aged between 25 and 55. However, we believe the potential for fastest growth is among Poles aged below 25 and above 55. I was particularly pleased to see that in 1997, the number of women visitors from Poland increased 83% to 2,691. They are obviously finding out about our shopping potential.

More than 10 years ago, in 1987 to be precise, we celebrated “Visit Thailand Year” to mark the 60th birthday of our beloved King, His Majesty Bhumibhol Adulyadej. Since then the number of foreign tourists has increased dramatically, even despite the Gulf War in 1991. In 1987, we received just under 3.5 million visitors. In 1997 we received nearly 7.3 million. With the success of one campaign behind us, we launched the two-year Amazing Thailand 1998-1999 campaign.

Overall, we are targeting arrivals of at least 16 million visitors and aim to boost foreign exchange income to almost 582 billion baht. The target for domestic tourism is at least 99 million trips.

At the heart of the campaign are nine facets of travel which the Tourism Authority of Thailand in co-operation with local tour operators, has identified as being unique to the Kingdom. These are being promoted through the organisation of special activities, events, and new tour programmes to make sure that the campaign lives up to its name by offering a truly fascinating and memorable travel experience.

Whatever visitors prefer, whether historical sites or natural wonders, arts and crafts or Thailand’s rich culinary creations, the nine themes of Amazing Thailand provide something to suit all interests and all tastes. More importantly, these themes spotlight what is truly characteristic of the Kingdom and give visitors the chance to learn and appreciate what Thai culture really means.

A main theme of the campaign is shopping, the main source of revenue for tourism. This should be of particular interest to those Polish women travellers! Wait until they hear what we’ve got planned. The 1997 figures are not yet available, but in 1996, US\$ 2.1 billion of tourism revenue was generated from shopping. The second main generator, accommodation, earned nearly half that from shopping with US\$1.1 billion.

In June 1997, one US dollar was worth 24.349 Baht. On May 21, nearly one year later, it was worth 39.305 Baht. This means that you will get more value, more quality and more Amazing Thailand for your money than just one year ago.

What's more, all through this month and between 15 November - 15 December 1998, several department stores and shopping arcades nation-wide will be participating in the Amazing Thailand Grand Sale that will see prices being slashed 10 to 80% on all good ranging from handicrafts to brand-name products. With this sale, we will give new meaning to the phrase, "shop till you drop!"

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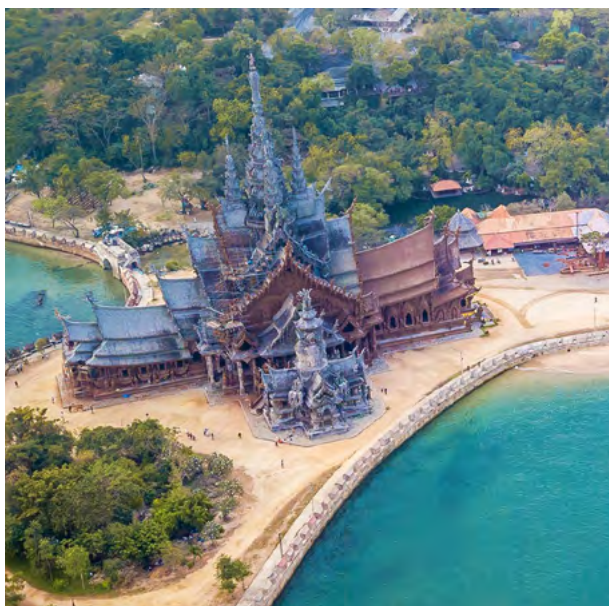


Upgrading tourism standards also involves the protection and improvement of the environment, a vital part of Thailand's tourism plans, for both the short- and long-terms. Thailand is fortunate to have received support and recognition from several organisations including UNESCO and the Pacific Asia Travel Association. Indeed, we are very proud that PATA is moving its headquarters from San Francisco to Bangkok as of September.

Regional visitors and long-haul visitors alike are sure to be amazed by Thailand as a holiday destination and business destination. Thailand's MICE industry or meetings, incentives, conventions and exhibitions, is another aspect being promoted during the amazing years. With several new centres open in Bangkok and nation-wide, we offer five-star facilities and exotic appeal.

Thailand is also a gateway to the Malay Peninsula and an ideal hopping-off point for tours to Malaysia, Indonesia and Singapore. We have embarked on joint marketing projects with this region as well, known now as the Indonesia-Malaysia-Thailand Growth Triangle or IMT-GT.

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exhibitions, is another aspect being promoted during the amazing years. With several new centres open in Bangkok and nation-wide, we offer five-star facilities and exotic appeal.

Although 85.44% of Polish visitors in 1997 visited Thailand on holiday, both business and convention visitors are on the rise. Business visitors in 1997 were up 228.81%, though the total number remained small at 776. Even so, it was indicative of the good and growing commercial relations between our two countries, which should be even better for travel.

According to our research, the number one attraction for Polish visitors in Thailand are our amazing beaches, particularly in Pattaya. A beach holiday in Thailand is now more affordable than before. And accommodation is also more affordable. Visitors can treat themselves to luxurious accommodations because it is now cheaper than ever.

I would also like to inform you that the Thai government is considering giving Poles visa on arrivals, which I expect to follow up on when I return to Thailand. We are also pleased to hear that the Polish government is planning to raise the ceiling on foreign exchange that your citizens can take out of the country for travelling purposes to 2,000 dollars per person per time.

LOT Polish Airlines has only three direct flights to Bangkok from Warsaw. Unfortunately, our national carrier, Thai Airways International does not have any flights to your capital city. This means that many travellers going to Thailand have to fly via one of a number of European cities including Copenhagen, London, Zurich, Frankfurt or Amsterdam. You can be sure I will follow this up when I return to Thailand. More flights translates into more visitors and that's what we want.

During the next two years we hope to attract increasing numbers of Polish holiday makers and business people to Amazing Thailand. There are many more themes and amazing aspects of Thailand to share with you, but I will let you hear about them from our travel agents. Sharing ideas and experiences is what helps us to strengthen our relationship and build a better and brighter future together.

For those of you who are connected to the Internet, I invite you to visit our extensive website with information about amazing Thailand as well as useful tips about the country, a handy way for travel agents to gain extensive knowledge of destinations they've not personally been to.

Thank you for taking the time to be with us today.

MARKETING AND PROMOTIONS WITH A DEVALUED CURRENCY



Mr. Pradech Phayakvichien

Deputy Governor, Planning and Development

PATA ASIA BUSINESS FORUM 6 JULY 1998 KATHMANDU, NEPAL

Sawasdee Khrap and good afternoon ladies and gentlemen. It's hard to believe that one year and three days have passed since the Thai Baht was devalued and the entire region fell into an economic slump. The impact on the travel & tourism industry has been considerable, forcing a major realignment of marketing plans in line with shifts in airline frequencies. But as we struggle to overcome the crisis, it is forcing us to think outside the box in maintaining market share. It's a question of survival, and no-one wants to be the first to go under.

The job of advertising and promotion in the Thai travel & tourism industry has becoming increasingly difficult in the last year or so for several reasons, the main one being that our devalued baht now buys 60% less advertising space than it did exactly one year ago. Naturally, this has required us to adopt a much more targeted and focused in how we manage our advertising and promotion campaigns. In addition, we also have to take into account the fact that the Southeast and Northeast Asian markets into which we had funnelled considerable amounts of money are performing well below target. Airlines are also reducing their frequencies and new markets are emerging. So, our advertising and promotions have to move in line with that.

In fact, it was well before the crisis hit that the TAT began moving away from the promotion of mass markets into niche markets, specifically shopping, food, culture, ecotourism, adventure travel and health. We are also tapping new markets and new forms of distribution



that focus on direct contact between buyer and seller. There is also increased emphasis on joint advertising along with our private sector and the national airline.

Our job has been perhaps made much easier by the fact that we have a wonderful advertising slogan called, very simply, Amazing Thailand. This slogan, coined by our advertising agency, is a marked change from some of the more descriptive but somewhat elaborate slogans that we have used in the past. But the Amazing Thailand slogan works because it is short, simple, easily understandable and easily translatable into Thai. In fact, it has been widely picked up by the private sector, government offices, provincial authorities, Thai Airways International and the thousands of Thai restaurants all over the world. I must say that it truly reflects the fun and frolic of being and holidaying in Thailand. People are always amazed by our traffic in Bangkok and by our wonderful food and shopping opportunities. The slogan and colourful logo have been widely reproduced, generating millions of dollars in free publicity for us. I can safely say that in maximising advertising and promotions, the simplest solutions are the best solutions.

Over the last year or so, we have invested heavily in TV advertising to drive demand. I am happy to report some excellent results. According to a recent CNBC/MEDIA poll, the Amazing Thailand campaign has made an amazing impression among the region's advertising industry. It was voted most preferred in Asia by more than 40% of industry professionals surveyed by CNBC/MEDIA in May.

Regionally, the economic climate has changed, and globally, travel trends are shifting, as travellers become more sophisticated and repeat travel by individuals and small groups of families and friends replaces mass-market tourism. It is only natural that we utilise the media that are reach these markets.

Because visitor arrivals from Malaysia, Japan, South Korea and Indonesia have experienced considerable declines since the downturn, we are focusing more on secondary European markets and the emerging markets of Eastern Europe, the Middle East and of course those Asian countries less affected by the regional economic slowdown, especially Vietnam. By shifting our concentration we hope to compensate for the decreasing markets.

We are utilising print, television and Internet advertising methods to promote Amazing Thailand. For television, we embarked on a global consumer campaign, for which we created two types of commercials; one for the European market and one for the Asian market. These ads were televised via satellite in Asia and Europe as well as on local TV in Australia from October 1997 January 1998.

Our print advertising efforts are focused on different markets. Some are directed at consumers while others are more for trade members, but both are aimed at boosting awareness of and interest in Amazing Thailand. Our print advertising is reaching readers in Asia, Europe, USA, Oceania and Africa. These ads began running in November 1997 and will continue until September 1998.

In an effort to capture the entire market, we are also producing articles and supplements in leading magazines and newspapers such as Time, Asia Week and the International Herald Tribune.

“ Working with credit card companies has provided us with access to the most amazing mailing lists available. Entering into co-operative ventures with these companies has enabled us to reap the benefits of their in-house publications, through free advertising. ”

A new addition to the promotional activities was developed in response to the devaluation of the baht. We launched a “Value for Money II” campaign which is being supported by newspaper ads in Asia, Europe and Australia. We want to spread the word that Thailand is not only one of the most amazing destinations, but that it offers amazing value. The first ads ran in December 1997 and January 1998. This campaign is also supported by two short 15-second TV commercials focusing on Amazing Shopping and Amazing Dining, and began airing on Star TV and CNN in May, continuing through the end of July. All the ads aim to convey that now, more than ever before, Thailand offers amazing value.

And it seems that Thailand’s reputation as a destination offering the best value for money is catching on. A recent survey conducted by American Express (Thai) reported a surge in spending by its Cardmembers visiting Thailand during the first three months of 1998. And the other major card company, Visa, also reported similar spending patterns.

Working with credit card companies has provided us with access to the most amazing mailing lists available. Entering into co-operative ventures with these companies has enabled us to reap the benefits of their in-house publications, through free advertising. This way we are able to reach captive markets more effectively than any other form of advertising. Credit card companies are the key and the vehicle for successful advertising strategies. Herein lies the future of marketing and promotions.



To attract attention from our new emerging markets, we have embarked on a number of promotional road shows to Vietnam, Israel and three countries in Eastern Europe, bringing Thai travel agents and industry representatives together with local representatives and media.

Our region may be suffering a setback, but there are some countries, many of them newly independent, with strengthening economies and increasing disposable income among the people. While our budgets may be smaller than we'd like, we must use all we have in the most effective manner possible to attract these people and at the same time to encourage our existing markets that there are new reasons to visit.

I'm happy to report our efforts seem to be paying off. Visitor arrivals for the first four months of 1998 show that by region, only one market, East Asia, dropped. All other regions showed an increase in visitor arrivals. Strong growth is apparent in the European and American markets, as well as several emerging markets, and that is where we will continue focusing our energies.

Let's not spend any more time discussing the lack of funds. What we must do now is evaluate, take stock and find the best, most effective ways to take advantage of this situation, because, as the saying goes, every cloud has a silver lining. And during the Amazing Thailand Years we hope to amaze the world with our cost-saving yet highly effective promotional and advertising strategies. Thank you.

MAINTAINING THE BALANCE BETWEEN QUALITY AND QUANTITY



Mr. Pradech Phayakvichien

*Deputy Governor for Planning and
Development*

AUSTRALIAN EMBASSY SEMINAR ON TOURISM AND EDUCATION 22 JULY 1998

Thank you for giving me the opportunity to be with you today.

To summarise the macroeconomic issues of tourism to Thailand in half an hour are going to clearly tax my ability to summarise entire textbooks of history. But in order to save time, I think I'd best get into it as soon as possible.

The main macro issue facing Thai tourism is to balance quality vs quantity. This does not mean quality vs quantity of tourists, because we believe all tourists are quality tourists, but rather to ensure that quantity of tourists do not lead to a deterioration in the quality of the product.

Thai tourism took off since the 1960s with the establishment of both the Tourism Authority of Thailand and Thai Airways International. The focus in those days was very much on promoting contacts with Europe -- THAI was partly owned by Scandinavian Airlines. Many of our top hoteliers and tour operators were European and knew those markets were well.

The positioning of Thailand as the aviation hub of Asia was critical to the success of Thai tourism. THAI's "Smooth as Silk" campaign and huge marketing budgets were major factors. In the early 1970s, the first long-range Boeing 747s could reach Bangkok as the first non-stop point from Europe. That was the beginning of mass-tourism to Thailand.

Tourism to Thailand has grown steadily over the years. In the early days, marketing was main issue. We came up with various events to promote tourism, such as the Bangkok bicentennial in 1982, which was followed by Visit Thailand Year in 1987. These gradually expanded into regional events like Visit ASEAN Year in 1992. All of them were heavily promoted by the TAT, THAI and the private sector.

Tourism has been the largest foreign exchange earner since 1982. The national economic importance of this is only now beginning to be realised because tourism is the only “export” industry that is still doing well. Here are the figures for April 1998 over April 1997 and you will see that there is a total growth of 10 per cent, which is remarkable for that month.

Thailand has always had a certain mystique for travellers. The images created by famous writers and movies created an aura that still lingers today. As a country, we have always managed to tread a fine line between the various combatants in World War II and then kept communism at bay in the 1960 and 1970s. Unfortunately, we became the first victim of the Asian economic crisis, but are gradually pulling ourselves out of that as well.



Today, with the number of visitors approaching 10 million, marketing is much less an issue than it used to be. The devaluation of the baht has made Thailand much better value for money than other regional destinations. Cost-conscious travellers know that the price of taking a holiday in Thailand is much less than it used to be. Hence the numbers are growing, inspite of the fact that our marketing budget has been “devalued” by nearly 60pc.

In the last year, our marketing plans have turned nearly upside down. Visitors from East Asia and the Pacific which were growing rapidly all through this decade, are now declining. Whereas visitors from Europe, which had stagnated over the last two years, are now growing again.

Even before the devaluation, we knew we would have to change the focus of our tourism promotion strategies. Three years ago, we began laying plans to focus on niche-markets and identified our core strengths: food, culture, heritage, health, MICE facilities, many ecotourism spots, proximity to Indochina. These are the themes of our latest campaign Amazing Thailand.

“ Our main macro issues affecting tourism are now focussed almost entirely on ensuring that we have the necessary infrastructure, skills and product quality to meet the growing numbers of visitor arrivals. ”

Hence, we are taking advantage of lifestyle trends, targeting highly-stressed urban dwellers to come for a relaxing holiday in Thailand. At the same time we focussing on new markets, like India, Israel, the countries of Eastern Europe, even Vietnam. Our latest move is to relax visa facilities for visitors from China and Taiwan.

We are getting strong support from THAI and airlines flying to Thailand. Because outbound travel from Thailand has fallen sharply, many airlines have begun promoting inbound to Thailand in order to maintain the viability of the routes. If visitor arrivals continue in the current trend, we should attain our targets of at least 16 million during 1998-1999 and boost foreign exchange income to at least 582 billion baht. The target for domestic tourism is at least 99 million trips.



Our main macro issues affecting tourism are now focussed almost entirely on ensuring that we have the necessary infrastructure, skills and product quality to meet the growing numbers of visitor arrivals. Let me summarise some of these issues which comprise the main points of our Policy on Tourism Development and Promotion for 1997-2003

1. Promote the conservation as well as restoration of the national arts and culture and tourism resources. The concept of sustainable tourism development is very much at the top of our agenda today. We are looking much more closely at carrying capacities of various tourist attractions and the sustainability of the national identity and heritage. Earlier this year, our ecotourism project in Umphang won a PATA gold award. Just last week, a decision was reached to pull the licenses of several sea-walking operators in Phuket because they were not following the rules and regulations.

2. Promote co-operation between the public and private sectors as well as local people in solving or preventing tourism-related problems and in developing and managing local tourism resources. All our natural resources belong to the local people first and it is their responsibility to take care of them. Many of our beach-resort communities have learnt the lessons of allowing their destinations to deteriorate. We are trying to ensure that this does not spread to other destinations.
3. Use modern technology to develop tourism facilities and services, and provide tourist information, both locally and internationally. Modern technology gives us an opportunity reach more potential tourists in more markets more cost-effectively. The TAT has already set up several websites. We were the first regional country to put our entire media pack at regional travel trade shows on the diskettes.



4. Co-operate with neighbouring countries to promote tourism, improve transportation networks and tourism facilities and services: Thailand is the only ASEAN country that is directly linked by road, rail, air and river to the neighbouring countries of ASEAN to the South and the Mekong countries to the North. The Mekong countries especially are all relatively “new” destinations on the international tourism scene. This gives us a unique geographical location and a unique marketing opportunity on which we are capitalising intensively.
5. Promote awareness among the Thai people of the socio-economic and ecological importance of tourism, and to be good hosts to visitors: this campaign has been ongoing for many years because if the local people do not support tourism, its no use promoting it. We believe that this threshold is now being crossed, thanks in part to the national economic crisis and the fact that the government is clearly positioning tourism as a saving grace.

6. Upgrade human resources to meet market demands and ensure that we do not lose our competitive edge in globalising free-market economies: tourism employs about two million in direct and indirect jobs nationwide. We have about 80 tourism colleges, universities and institutes offering travel & tourism courses. However, this is one area where we have a long way to go.
7. Improve tourist security and ensure that visitors and operators in the tourism business are properly and legally protected: though Thailand is a very safe to holiday in, compared to other global destinations, tourist security is an area where more can be done. We have recently set up a hot-line number for people to phone in case of problems. Efforts have also been made to crackdown on jewellery and shopping commission rackets.
8. Promote tourism as being important for the development of quality of life, as well as a contributor to social development at the family, community, and national levels: Tourism is not a smokestacks industry. We survive on developing a good community spirit, environmental ethics, service standards. It is a more “people”business than any other, except perhaps medicine. We have to ensure that people nationwide share these values.
9. Encourage people to stay longer, spend more and see more of the country: Our average length of stay is about a week. We believe we can do better. We want people to travel to different parts of the country because upcountry Thailand is where the “real Thailand”is. It also helps to decongest the urban problems in Bangkok and helps the rural people also benefit from tourism.



10. Promote domestic tourism: we are trying to create greater demand for domestic travel among Thai people in order to conserve precious foreign exchange, help Thai people appreciate their own country and culture, distribute prosperity from the urban to rural areas and contribute to the economic development of the country as a whole. In principle, I must stress that we are totally in favour of two-way tourism. Thai people should also travel abroad for business, study and pleasure, but our unfortunate economic situation currently is requiring us to temporarily refocus our strategies.
11. Promote investment in tourism: We believe tourism has a tremendous long-term future and want to ensure that investors get opportunities to make a good living out of it. Many of the rules and regulations are now being liberalised under

various regional and global free trade pacts that will increase the attractiveness of tourism, especially in theme parks, MICE facilities, ecotourism, and travel & tourism training facilities.

In conclusion, let me say that we are committed to maintaining the balance between quality and quantity, difficult though the task is. We also look forward to working with the Australian tourism industry. Perhaps your greatest contribution to our tourism industry has been the construction of the Thai-Laos Friendship bridge which has done wonders for promoting travel to and within the Mekong region.

Thank you for the opportunity to address you today.

PROMOTING NORTHEAST THAILAND



Mr. Seree Wangpaichitr

Governor

STATEMENT FOR RADIO THAILAND 6 AUGUST 1998

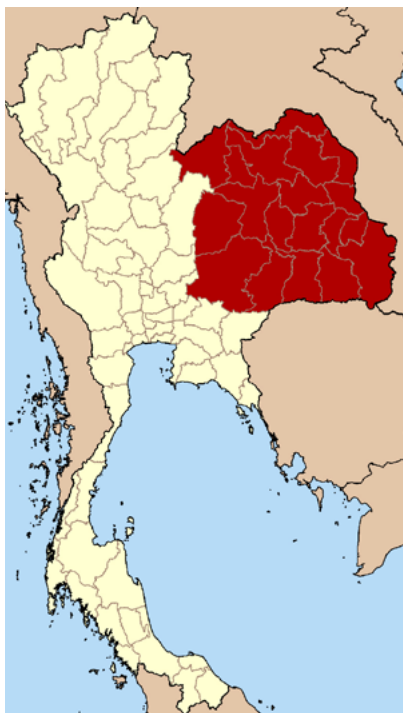
Greetings to all listeners of Radio Thailand.

Between August 7 - 8, the Tourism Authority of Thailand will be organising its first travel trade show focussing exclusively on Northeast Thailand, otherwise known as I-san. Northeast Thailand shares many distinct and unique characteristics. For one thing, its 20 million people constitute roughly one-third of our entire population. The people are poor but rich in their hearts and their ability to make visitors feel welcome. That adds to the cultural and historic richness of the region, creating a perfect combination ideal for tourism. In 1997, I-san was visited by 10.66 million tourists, of whom 10.4 million were Thai and 206,814 foreigners.

I-san borders both Laos and Cambodia, our neighbouring countries with whom strong links are being developed under the Greater Mekong Sub-region projects. It is linked to Bangkok and other parts of Thailand by an excellent highway network. There are airports in seven of its 19 provinces, with a total of 98 flights from Bangkok a week to these provinces, making travel convenient and fast. Its total complement 12,768 number of rooms, mostly in four star hotels, make accommodation inexpensive and always available.

I-San is rich with tourism products and places. Handicrafts, brassware and silk are some of the popular products available at extremely competitive prices. I-san cuisine such as sticky rice, barbecued chicken, papaya salad (som tum) and fish dishes from the Mekong river has become hugely popular throughout the country

“ At a time when tourism is doing relatively well as compared to other sectors of our economy, it is important that we do as much as possible to move tourists into the countryside so that rural people may have jobs and income. ”



and abroad. Its cultural heritage sites include Prasart Hin Phanom Rung in Buri Ram and Nakhon Ratchasima, Ban Chiang Archaeological Site, Udon Thani and Dinosaurs Fossil Site at Khon Kaen. It is also home to the popular annual Surin Elephant Show as well as many other local festivals. For nature lovers, there are a number of national parks and ecotourism destinations.

We at the Tourism Authority of Thailand recognise the opportunities which I-San presents for the Thai tourism industry. At a time when tourism is doing relatively well as compared to other sectors of our economy, it is important that we do as much as possible to move tourists into the countryside so that rural people may have jobs and income. Our I-san travel trade meet will be participated in by nearly 200 tour operators and travel agents, mostly from within Thailand but all companies which have extensive contacts with principals abroad.

Activities will include the sale of local handicrafts, regional souvenirs and high quality exported products such as Thai silk, Chateau de Loei wine and Jasmine rice from Roi-Et. On the centre stage there will local culture shows from various provinces, e.g. Thai traditional dancing, folk song contest, snake shows and fashion parade. There will also be various processions highlighting the traditional rocket festival, long drums, elephants, candle and boats. Examples of typical I-san home life will also be demonstrated, such as Thai weaving, making of dyes, brass and silverware, and an I-san cuisine demonstration.

The main exhibition area will be further livened up with a Tourism Science Exhibition specialising on ecotourism “Green Hotel”, Thai traditional medicine, archaeological historical destinations, I-San-Indochina & Mekong region tourism. The Electricity Generating Authority of Thailand and Communications Authority of Thailand will also give their own exhibitions on tourism. In addition to these exhibitions, TAT will be hosting a seminar on promoting an understanding of the management of tourist destinations. It is vitally important for the local people to understand how to manage their destinations and tourism assets for long-term sustainability.



The TAT has invited buyers from the USA, Australia, Japan, Singapore, Malaysia, Vietnam and Laos. We have created an Amazing I-San tour package sample emphasising I-San's links to the Mekong countries. Participants will also be able to avail of a one day Khon Kaen City Tour organised by the TAT at a cost of only 590 baht.

We think this is a great opportunity for everyone wishing to familiarise themselves with the unique products, heritage and attractions of the Northeast to join us at the event and start packaging I-san products in their tour itineraries. We look forward to seeing listeners of Radio Thailand there. Thank you very much for the opportunity to speak to you today.

ATTRACTING THE AUSTRALIAN FEMALE TRAVELLER



Mrs. Phornsiri Manoharn

Director, TAT Sydney

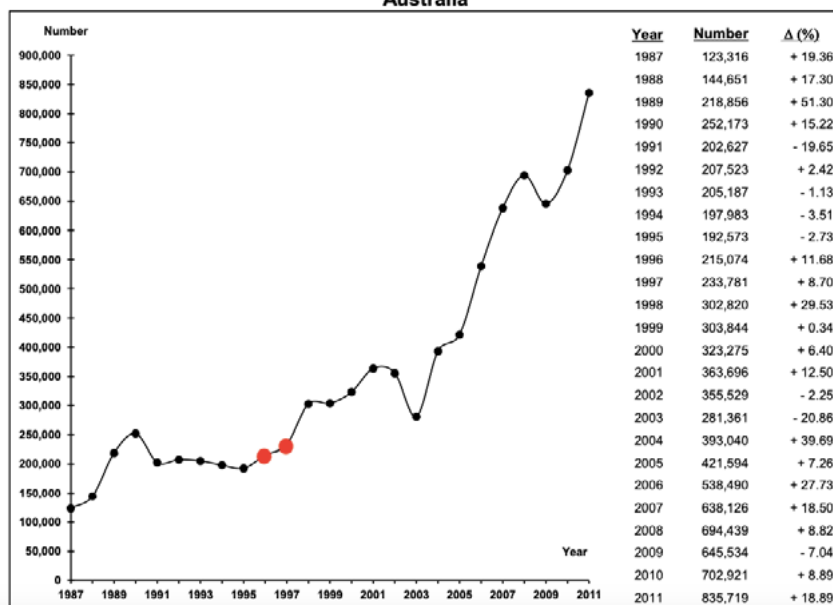
13 AUGUST 1998

Sawasdee kha and good morning.

Let me begin with a little briefing on the Thai travel & tourism industry. Tourism was Thailand's largest source of foreign-exchange earnings between 1982 to 1996. In 1996, tourism receipts totalled US\$8.66 billion, up from US\$7.6 billion in 1995. The 1996 receipts accounted for about 16 percent of total export earnings and about 41 percent of the total income from service receipts. Tourism is playing an increasingly crucial role in the growth of the Thai economy as the country shifts from an agricultural base to a more industrialised and service-based economy.

Since Thailand launched "Visit Thailand Year" in 1987 the number of foreign tourists visiting Thailand has increased dramatically, despite the Gulf War in 1991. The period 1987-1996 can be termed the "Golden Decade" of Thai tourism. In 1987, we received just under 3.5 million visitors. Last year, we received over 7.2 million international tourists. So visitor arrivals have doubled in the last 10 years. In view of the growth in the base figure, the percentage growth rate has slowed. 1996 arrivals were up 3.46 percent over 1995. However, the average length of stay has increased from 7.34 days in 1995 to 8.23 in 1996. We are also noticing a significant increase in the number of women travellers, business travellers and repeat visitors.

International Tourist Arrivals to Thailand 1987-2011
Australia



AUSTRALIAN TOURISM ARRIVALS

Australia is one of Thailand's major markets. In 1997 and 1996, Australian visitors to Thailand totalled 233,781 and 215,074 respectively, an overall increase of 21.39 percent over 1995 figures of 192,573. This was a significant change from the previous years 1993-1995, when Australian arrivals dropped 1.13 percent in 1993, 3.51 in 1994 and 2.73 in 1995.

Since 1994-1997, Thailand has enjoyed a steady increase in the number of Australian women from 79,767 in 1994, 81,882 in 1995, 86,903 in 1996 and 94,320 in 1997. Later in the speech, I will give you an insight to the reasons why Thailand is becoming more attractive to Australian women and you will see what you have been missing!

AMAZING THAILAND CAMPAIGN

Now, please allow me to give you a few details about our tourism marketing campaign that is designed to reposition the industry under a new slogan, "Amazing Thailand." The Amazing Thailand campaign comes at a critical time for Thailand. Because of its foreign exchange earning potential, the revival of tourism is critical to the revival of the national economy at large. The campaign is targeting arrivals of at least 16 million visitors during 1998-1999, boosting foreign exchange income to more than 582 billion baht. Our target for domestic tourism is at least 99 million trips. Amazing Thailand will be centred on Thailand playing host to the 13th Asian Games in December 1998 as well as celebrating the 6th cycle birthday of His Majesty the King who will turn 72 on December 5, 1999.

“ But more than anything else, we want Australian women to come to shop, especially now that the Australian dollar fetches 25 baht, as against 18 before the baht devaluation last June (1997). ”

The Amazing Thailand campaign is designed to steer Thailand away from the promotion of mass market tourism and focus on niche-markets, especially food, shopping, health and culture. This comes in response to shifting global travel trends and the recognition that travellers are becoming more sophisticated, seeking more unique, healthy and culturally rich holidays.

Internally, the campaign is to be used to upgrade the standards of the Thai tourism industry nation-wide and enable overseas visitors to comfortably travel throughout the kingdom. That will also help decongest urban areas, redistribute income and reduce social income gaps. Promotion of tourism to the emerging destinations of Indochina is also an important part of the new strategy.

Australia has played a major role in this. Australia generously funded the Friendship bridge, the first bridge across the Mekong river between Thailand and Laos, a move that has contributed to the economic progress of our landlocked neighbour to the north.

Education and training are crucial to our tourism development plans. And here too, Australia is helping. The TAT's travel & tourism institute at Bang Saen, which is expected to be developed into a regional centre of travel and tourism training, was recently given an additional impetus with the signing of a co-operation agreement with Australia's Casey Institute of Technical and Further Education. It will provide Thailand with an opportunity to exchange ideas and co-operate on future projects and industry developments.

Shopping - But more than anything else, we want Australian women to come to shop, especially now that the Australian dollar fetches 25 baht, as against 18 before the baht devaluation last June (1997). Our TAT office here reports that in 1996 shopping came third on the list of desirable holiday activities for Australian visitors, after our amazing beaches and our amazing soft adventure tours. In 1996, Australians spent about A\$100 per person per day.

On November 14, 1997, the first Thailand Grand Sale kicked off in Bangkok. This month-long sale will be held twice annually during peak seasons, the upcoming Grand Sale is between 15 November - 15 December 1998. Special-offer coupons giving price reductions of up to 15-20% will be distributed to tourists at entry points to Thailand, hotels and other locations. You will see a new meaning to the phrase “shop till you drop”.

Thai handicrafts serve as a perfect introduction to the amazing experience of shopping in Thailand. Thai silk, ceramics, woodcarving, lacquerware, gems and jewellery together form one of the strongest reasons why Australians make the trip to this country in the first place.

Diversity remains strong today, not only in Thailand's wealth of own crafts, but also in the sheer abundance of goods from all around the world. Rapid economic development has made Thailand a magnet for international luxury goods of all kinds as well as a source of keenly priced clothing, leather goods, toys, electronic equipment, and countless other items produced in its own factories.

Food - Many Australian travellers have to make a stopover in Southeast Asia en route to and from Europe. This is a good opportunity to enjoy Thailand's amazing cuisine. Thai food is considered very healthy and in 1998, special conferences and food fairs will be held to highlight this. Thai Food Promotion Campaigns will be held globally with door prizes for the lucky winner to visit Thailand.

Good food is everywhere in Thailand. You can experience the enchantment of Thai food at every kind of eating place, from the snack stall on the riverbank to the lavishly appointed hotel restaurant. The exotic flavours, spices and herbs of traditional Thai food will be a new excitement for your taste buds.

Such an array of ingredients, however, is not only music to the palate, but harmony to the whole body. The chillies, ginger, lemon grass and lime leaves that feature so strongly in an array of dishes are there not for only their distinctive taste, but to stimulate the digestive system and contain healing properties.

For those who are addicted to the taste, there are cooking classes from hotels and schools all over Thailand, featuring full range of typical Thai food from appetisers to favourite main courses to traditional desserts. Learning to cook Thai food is a unique experience you can bring home with you.

A healthy holiday - A holiday to Thailand may also be considered as a trip to the health club for all those of you who are neglecting your natural beauties. Thailand has a long history of healing



culture, imported from China and India over 2,500 ago to be blended with local lore. Visitors to Thailand can find an ever-increasing number of places to receive herbal and steam compress, natural tonics and remedies, and also a special kind of training in Thai massage. More popular than ever this unique traditional form of body manipulation is attracting tourists from far and wide.

Apart from these majestic attractions, Thailand is a country full of unmatched natural beauty, extraordinary cultures, splendour of cities and ethnic harmony. You'll be amazed to learn how much more there is to Thailand.

Heritage - For example, another aspect being highlighted in the Amazing Thailand campaign is the country's unique and invaluable heritage. A total of four World Heritage sites have been identified in Thailand by the United Nations Educational, Scientific and Cultural Organisation (UNESCO). They are: Historic Town of Sukhothai and Associated Historic Towns, Historic City of Ayutthaya, Thungyai-Huai Kha Khaeng Wildlife Sanctuaries and Ban Chiang Archaeological Site.

Accessibility - Currently, there are direct flights every day from Australia to Thailand from international airlines such as Thai Airways International, Alitalia, Olympic Airways and Qantas Airways. And if you hold a valid Australian passport, you will be pleased to know that you are exempt from applying for an entry visa for a stay of up to 30 days.

CONCLUSION

Although Thailand is promoted as being an amazing country, the TAT recognises the issues of AIDS, child prostitution and pollution, all contributing to Thailand's poor image in the past which affected visitor arrivals from Australia. The Amazing Thailand campaign will play a major role in making Thai people more aware of the importance of tourism to the national economy and to society at large. It is in all our best interests to solve these problems.

As Thailand gains its reputation as a gateway to Indochina and neighbouring countries Australia is showing increasing interest in developing trade and tourism ties with Thailand and with the rest of the region. Air routes have opened up between Australia, Singapore and Indonesia, and Australia has helped Vietnam and Cambodia to develop their infrastructure. You may also travel through Thailand onwards to these destinations and discover not just an amazing Thailand but an amazing Asia.

Special tour programmes highlighting the amazing themes are being arranged by the TAT for travel agents and tour operators to offer Australian visitors more of the country and more of what is unique to this truly remarkable land.

Finally, we at the TAT in Sydney will be glad to help you plan for an amazing holiday of a lifetime. Please contact our office where our staff will be happy to give you more information.

PROMOTING THAILAND IN LATIN AMERICA



Mr. Patpong Abhijatapong

Director, Market Development Division

RECEPTION FOR AGENTS AND MEDIA FAM TRIP “THAILAND TOURISM PROMOTION IN LATIN AMERICA” 24 AUGUST 1998

In this age of globalisation, it is becoming increasingly important for countries to establish a cross-border relationship. Tourism development and its survival also depends to a great extent on this significant relationship. The Tourism Authority of Thailand has recognized that marketing development is important for the success of the Amazing Thailand campaign.

That is why we are all here today, to promote and create awareness of this amazing campaign. But more specifically, to heighten the awareness through an extension of the relationship between Thailand and Latin American countries. Tourism activities between Thailand and Latin American countries have been particularly restricted due to the geographical distance involved, but growing airline contacts should help make this less of an issue.

The objective of this discussion is for those involved in both sides of the tourism industry to exchange information of tourism trends, activities, destination preferences and nature of influential promotion. It will provide a beneficial forum for participants to exchange information critical for Thai tourism promotion in Latin America.

“ The number of flights from Latin American countries can have a great impact on the number of tourist arrivals to Thailand. For example, in 1993 when Varig Brazilian Airlines increased its direct flights to Bangkok, tourist arrivals doubled to 8,380 compared to 4,264 in 1992. ”

Now allow me to give you a brief outline of the Latin American tourism market in Thailand. Although Latin America consists of 33 countries, tourist traffic from these only accounted for 0.27 percent of total inbound arrivals to Thailand in 1997, with only two dominant markets, Brazil and Argentina, which generated tourist arrivals of 6,249 and 4,107 respectively. From other Latin American countries, visitor arrivals were less than 1,000 each. For example, in 1997 only 559 Uruguayans visited Thailand.

There are several reasons for this somewhat lacklustre performance. Firstly, most Latin American are more likely to visit North America and Europe due to their long established relationship between countries. Asia is not popular as a holiday destination as travelling half way around the world creates a stigma for being expensive and only affordable to those who are well off.

It is noticed that the number of flights from Latin American countries can have a great impact on the number of tourist arrivals to Thailand. For example, in 1993 when Varig Brazilian Airlines increased its direct flights to Bangkok, tourist arrivals doubled to 8,380 compared to 4,264 in 1992. However, since then the change in the number of arrivals has been on the down side with only 6,249 tourists in 1997. One explanation may be due to Brazil's prolonged internal economic problem.



More importantly, the second factor is the low awareness of Thailand as an attractive and valuable destination. Latin America has a lot to learn about Thailand's well known reputation for outstanding five star hotels, high quality resorts and exquisite tourism products, all available at the most exceptional value for money in Asia. Since the baht devaluation last July, one US dollar now gives 70 percent more purchasing power than before.

The other main problem is that in some Latin American countries, there are no Thai diplomatic missions or other representatives to help disseminate information about Thailand. And with this era of pioneering technology logging onto the Internet is as

easy as flicking through a newspaper, where websites from the Tourism Authority of Thailand can effortlessly be viewed.

The Tourism Authority of Thailand is delighted to be involved in this discussion programme, and in the effort to raise the profile of Thailand among Latin Americans. I hope that it will be an invaluable occasion to assess the opportunities available for the expansion of the Latin American market. Co-operation on an international basis within tourism sectors from both Latin America and Thailand will prove to be very beneficial for us all.

Finally, be sure to take back amazing memories of this scintillating kingdom. I sincerely wish that this programme will give an effective insight into an amazing Thailand. Please enjoy yourselves for the rest of your stay here!

PROMOTING THE CHINESE MARKET AND THE ASIAN GAMES



Mr. Jurin Laksanawisit

*Minister to the Prime Minister's Office
and TAT Chairman*

BEIJING, 23 SEPTEMBER 1998

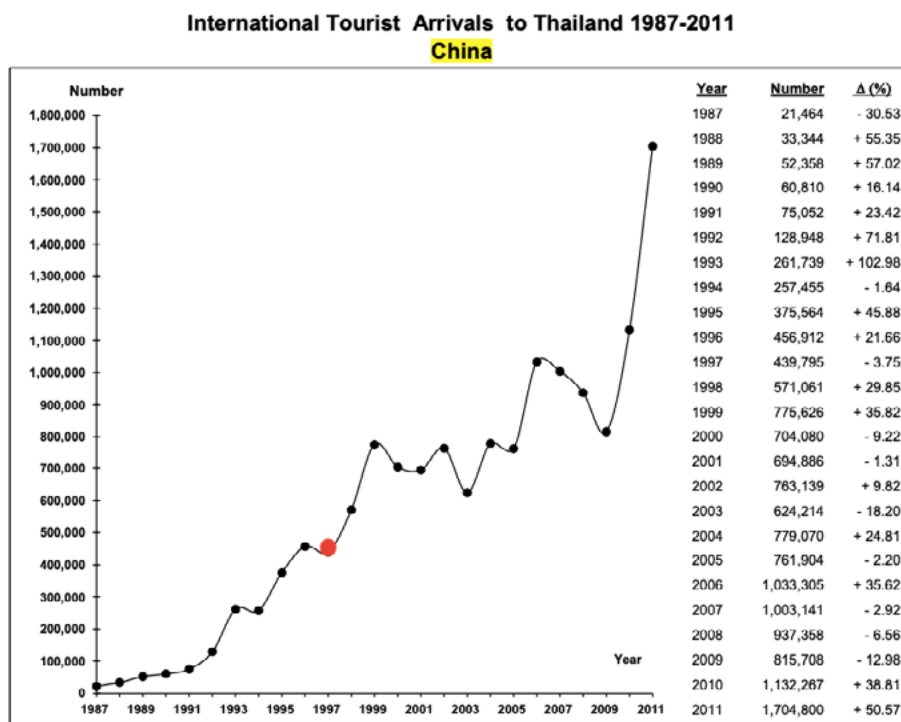
Sawadee Khrap and Nii Hao, ladies and gentlemen. On behalf of the Tourism Authority of Thailand I would like to welcome all you to this function today.

It is a pleasure to be here with you. In fact, it is always a pleasure to be in China. I have visited your wonderful country many times before both in my personal and ministerial capacity. China and Thailand share extensive family links as well as social, cultural and economic relations. We are strong trading, tourism and aviation partners. We have more flights to Bangkok from cities in China than from any country in the world. And I am happy to hear report that Thailand is one of the most popular destinations for Chinese tourists.

Today, I will tell you a little about what we are doing to continue to welcome more tourists from China. All visitors from China can now get visas on arrival at all points of entry in Thailand. To promote greater access by your people, we reached an agreement to set up a system by which Chinese people from Yunnan Province can visit upto nine provinces in Northern Thailand with only a special entry document to obtain visa-on-arrival at border checkpoints. Our two countries are also working strongly under the umbrella of the Greater Mekong Sub-region to promote intra-regional travel. A total of 86 tour companies in Thailand have been given permission to handle Chinese tourists. I am in constant contact with your senior officials in the Ministry and the China National Tourism Administration to look for ways to improve upon this.

VISITOR ARRIVALS FROM CHINA TO THAILAND

Ladies and gentlemen, tourism is playing an increasingly crucial role in the growth of the Thai economy as the country shifts from an agricultural base to a more industrialised and service-based economy. In 1997, we received 7.2 million visitors, a small growth of 0.68% over 1996. Even so, tourism is currently Thailand's largest source of foreign-exchange earnings and still doing reasonably well inspite of the economic crisis we are facing at the moment.



(+) I am happy to report that the Chinese market has grown considerably over the last 10 years with only slight declines in 1994 and 1997.

For the first six months of 1998, international visitor arrivals to Thailand totalled 3,756,380, an increase of 4.77% compared to January-June 1997. Of this figure, 278,376 visitors were Chinese, or a market share of 7.41%.

(+) More importantly, if we take a closer look at the top five arrivals from the Asian market for January-June 1998, it can be seen that China is the third biggest market following Malaysia and Japan.

(+) While arrivals from both Japan and Malaysia dropped in January-June 1998 compared to the same period in 1997, the number of Chinese visitor arrivals increased by 7.6%.

In July 1998 alone, we received a total of 59,163 Chinese visitors, more than double the number in July 1997. That is particularly welcome because July is our traditional low season month and we need as many visitors as we can get in order to help maintain jobs and hotel occupancies.

“ There are 54 direct flights a week linking China with Thailand, by Thai Airways International and five Chinese airlines which fly from Beijing, Shenzhen, Shantou, Kunming, Guangzhou and Chengdu. ”

Lets now look at expenditure patterns of the Chinese market.

(+) In 1997, average expenditure for a Chinese tourist was 4,539 baht per day while the average spending for an international tourist was only around 3,672 baht.

(+) As can be seen from the chart, the most popular expenditure among Chinese was shopping compared to things such as food or entertainment. We are very glad that Chinese people like to shop in Thailand.

BILATERAL TRAVEL & TOURISM CONTACTS

In view of the growing importance of travel & trade contacts between China and Thailand, the Tourism Authority of Thailand is focusing on China as one of its top markets for 1998/99. Last July, I met with the Chairman of your China National Tourism Administration (CNTA), Mr. He Guangwei, and was told that Thailand is the most popular destination for Chinese visitors. We are thankful to the CNTA for its full support for Chinese travellers to visit Thailand.

One of the main reasons why there has been such a strong flow of Chinese visitors to Thailand is the large number of flights we have between our two countries. There are 54 direct flights a week linking China with Thailand, by Thai Airways International and five Chinese airlines which fly from Beijing, Shenzhen, Shantou, Kunming, Guangzhou and Chengdu. In addition, there are special charter flights from Sip Song Panna and Changsha. This means there is no shortage of seat capacity which should provide a strong foundation for continued growth in visitors from China to Thailand.



ASIAN GAMES

Ladies and gentlemen, between December 6-20 this year, Thailand will be hosting the 13th Asian Games where we expect Chinese athletes to take most of the gold medals. Several hundred of your top athletes, officials and their families will be participating in the games which we call the last great sporting event of the 20th century. I am taking this opportunity to particularly point out the importance of the Games because

I am also the minister in charge of sports in Thailand and vice-chairman of the Asian Games organising committee. Those of you who would like to come to Thailand a few days earlier will be welcome to join us in our national celebrations of His Majesty the King's 71st birthday on December 5, an event that is marked with royal grandeur.

Though we have hosted the Games four times previously, in 1966, 1970 and 1978, these Games will be by far the biggest ever. More than 10,000 athletes and officials from 43 countries will be competing in 38 sports events. They will vie for 377 gold medals at over 50 venues in and outside Bangkok. In spite of our economic crisis, we expect to be spending nearly US\$53 million on the overall effort which will include brand-new stadiums, superb accommodation, telecommunication and catering facilities for all the athletes and officials. Nearly 12,500 people will be deployed throughout Bangkok to ensure traffic control and security. Moreover, all educational institutions throughout Thailand will be closed from December 4-21 to give students a chance to see the Games and keep Bangkok traffic to a minimum.

While your top-ranked athletes will get to see our country personally for themselves, many millions of your people will be exposed to Thailand on TV. Your CCTV is being provided with special facilities at our local TV studios to broadcast more than 400 hours of games to China. The Tourism Authority of Thailand has arranged special tours for the media and Games participants. Please do not miss these. I am happy to report that our national airline, THAI Airways International is also the official airline and official caterer for the Games. It has also arranged a special package of Royal Orchid Holidays for participants before and after the Games. So please do take advantage of these.

You may be interested to know that we have introduced specially for the Games electronic ID cards that all athletes and officials will be able to use to enter Thailand instead of a normal visa. The Games ID cards will be valid from Nov 1 until Dec 31 of this year. This is accordance with the constitution of the Olympic Council of Asia (OCA). Your delegate on the OCA Mr Wei Jizhong recently visited Thailand and declared himself "pleasantly surprised" with all the facilities we are providing.

AMAZING THAILAND



Before concluding, please let me give you a brief outline of our current tourism campaign entitled "Amazing Thailand" 1998-1999 which is designed to celebrate the auspicious occasion of His Majesty the King's 6th Cycle Birthday Anniversary on December 5, 1999. The TAT is undertaking a major global advertising and promotional campaign of events, activities, and tours designed to project the country as a quality tourism destination.

All important aspects of Thailand's tourism product are targeted in the campaign, with particular attention being paid to special interest activities. Facilities for international incentive travel, meetings, conferences, and exhibitions will also be strongly promoted. Visitors will be encouraged to see more of the country as new tourism destinations are developed to help reduce the impact on natural resources.

At the heart of the "Amazing Thailand" campaign are nine facets of travel which the TAT, in co-operation with local tour operators, has identified as unique to the Kingdom. These include shopping, health, adventure travel and ecotourism, culture & heritage and especially food.

Taking the theme of shopping as an example, the "Amazing Thailand" campaign will open up many fresh opportunities. A Super Sale event was held in June 1998 and will be held again in November-December 1998, and again in the same three months of 1999. During these promotional periods special-offer coupons giving price reductions of up to 20 percent will be distributed to tourists at entry points in Thailand, hotels, and other locations.



At the same time, "Amazing Thailand" will help attract more visitors to the Greater Mekong Sub-region, including Yunnan Province. The lands which border the mighty Mekong River are becoming increasingly attractive travel option with the opening up of what is effectively Southeast Asia's last tourism frontier.

Over ten years after the country's first major tourism promotion the highly successful "Visit Thailand Year" in 1987 - this campaign was set to give a further boost to the travel industry. We hope that the two years of "Amazing Thailand" will generate at least 16 million overseas visitors spending a minimum of 582 billion baht. Domestic travellers should account for some 99 million trips.

"Amazing Thailand" promises to assure the continuing success of the tourism industry well into the 21st century. It will also spotlight just what makes the country such a rewarding destination.

I hoped that this presentation has been interesting and useful for you, and given you some insight into the Thai Tourism industry and Thailand as a whole. You will be surprised at what we have to offer and wish that you will come to visit our amazing country soon. Please do take time to meet with our many Thai delegates and do good business with them. I thank you for the opportunity to address you today.

A SWOT ANALYSIS OF ASIA-PACIFIC TOURISM



Mr. Pradech Phayakvichien

Deputy Governor, Planning & Development

STRATEGIC TOURISM FORUM, UNIVERSITY OF HAWAII 15 OCTOBER 1998

Sawasdee khrap and thank you for giving me the opportunity to be among such a distinguished gathering. I am pleased to share a few thoughts with you on the changing scenario of Travel & Tourism in the Asia-Pacific and specially in Thailand.

Throughout 1998 the deepening financial and economic crisis in Asia has continued to have a major impact on regional Travel & Tourism. Over the next few years, the Asia-Pacific Travel & Tourism industry will be affected by the following key factors:

- (+) restructuring and rationalisation of air-routes, airlines and aviation policies in general;
- (+) decline in the value of marketing budgets of national tourism organisations;
- (+) decline in intra-regional travel, especially from Japan and Korea, along with a decline in purchasing power.

However, the fundamentals of the Asia-Pacific Travel & Tourism industry are still strong. Many markets especially India and China are still productive. Both NTOs and the private sector are adjusting their policies to take advantage of emerging opportunities. Overall, the Travel & Tourism industry continues to play a significant role in national economies. Indeed, this crisis can be seen as an opportunity to rectify many of the

weaknesses that are vital to the long-term, sustainable, well-managed and well-regulated growth of Travel & Tourism.

While demand may be subdued at present this important sector has a number of unique characteristics which can provoke economic recovery and drive sustained growth and job creation.

Travel & Tourism:

(+) is woven deeply into every economy and stimulates many other activities and sectors;

(+) has significant export and foreign earnings capacity;

(+) will grow faster than most other economic sectors in the future.

The Asia-Pacific is well placed to gain a large share of this growth. Key catalysts for growth include:

(+) an abundance of natural and cultural resources, the raw material of Travel & Tourism;

(+) heavy investment already made in new facilities and resorts;

(+) a continuing focus on infrastructure development to increase capacity.

The growth of Travel & Tourism will be globally significant over the next decade. Asia is the region with most potential. Travel & Tourism is different from all other industries because its positive effects are felt not only directly stimulating the Industry but also indirectly stimulating the wider Economy.





ASIA TRAVEL & TOURISM: A SWOT ANALYSIS

A SWOT analysis on Asia has general application in many countries:

Strengths

- Rich natural, cultural and historical resources;
- Service driven
- Major and continued investment in top class facilities
- Welcome and friendliness
- “Exotic”image

Weaknesses

- Lack of strategic policy awareness and implementation by government
- Limited infrastructure
- Lack of marketing budget and poor regional positioning
- Recent rise in tourist related crime
- Travel bureaucracy and red-tape
- Visa policies still inflexible.

Opportunities

- Rebuild industry with a focus on sound management fundamentals, not purely marketing emphasis.
- Increasingly competitive globally, growing export value
- Market trend from major generators towards long-haul
- Potential to build brand awareness based on culture and environment
- New and regional market growth

Threats

- Perceived to be unsafe / politically unstable
- Competition from other regions with greater marketing spend
- Lack of liberal transport regimes may suppress growth from generating markets.
- Inadequate funds to finish critical infrastructure projects on time.

THE FUTURE

Travel & Tourism will emerge as one of the leading industries of 21st Century Asia economies because:

- (+) Political and structural shifts mean Asia will become a major generating market
- (+) Demographic trends are creating other major international markets e.g. “seniors”.
- (+) Better social and economic conditions will engender above average growth
- (+) International and regional travel will become easier with less red tape
- (+) Technology and communications will improve.
- (+) Lifestyle trends will position Travel & Tourism not as a discretionary item but as an essential purchase.

Over the next few years, Asia-Pacific countries will have to:

- (+) Act local, think regional and plan global. Foster greater cohesion among regional trade blocs and prepare for rapid globalisation.
- (+) proceed progressively and cautiously with privatisation of both airlines and airport infrastructure
- (+) continue to liberalise capital markets and remove red tape to investment.

The Thai tourism industry

The main issue facing Thai tourism is to balance quality vs. quantity. This does not mean quality vs. quantity of tourists, because we believe all tourists are quality tourists, but rather to ensure that quantity of tourists do not lead to a deterioration in the quality of the product.

Thai tourism took off since the 1960s with the establishment of both the Tourism Authority of Thailand and Thai Airways International. The focus in those days was very much on promoting contacts with Europe -- THAI was partly owned by Scandinavian Airlines. Many of our top hoteliers and tour operators were European and knew those markets were well.

The positioning of Thailand as the aviation hub of Asia was critical to the success of Thai tourism. THAI's “smooth as silk” campaign and huge marketing budgets were major factors. In the early

“ The main issue facing Thai tourism is to balance quality vs. quantity. This does not mean quality vs. quantity of tourists, because we believe all tourists are quality tourists, but rather to ensure that quantity of tourists do not lead to a deterioration in the quality of the product. ”



1970s, the first long-range Boeing 747s could reach Bangkok as the first non-stop point from Europe. That was the beginning of mass-tourism to Thailand.

Tourism to Thailand has grown steadily over the years. In the early days, marketing was main issue. We came up with various events to promote tourism, such as the Bangkok bicentennial in 1982, which was followed by Visit Thailand Year in 1987. These gradually expanded into regional events like Visit ASEAN Year in 1992. All of them were heavily promoted by the TAT, THAI and the private sector.

Tourism has been the largest foreign exchange earner since 1982. The national economic importance of this is only now beginning to be realised because tourism is the only “export” industry that is still doing well. Here are the figures for April 1998 over April 1997 and you will see that there is a total growth of 10 per cent, which is remarkable for that month.

Thailand has always had a certain mystique for travellers. The images created by famous writers and movies created an aura that still lingers today. As a country, we have always managed to tread a fine line between the various combatants in World War II and then kept communism at bay in the 1960 and 1970s. Unfortunately, we became the first victim of the Asian economic crisis, but are gradually pulling ourselves out of that as well.

Today, with the number of visitors approaching 10 million, marketing is perhaps less important than management. The devaluation of the baht has made Thailand much better value for money than other regional destinations. Cost-conscious travellers know that the price of taking a holiday in Thailand is much less than it used to be. Hence the numbers are growing, inspite of the fact that our marketing budget has been “devalued” by nearly 60%.

In the last year, our marketing plans have turned nearly upside down. Visitors from East Asia and the Pacific which were growing rapidly all through this decade, are now declining. Whereas visitors from Europe, which had stagnated over the last two years, are now growing again.

Even before the devaluation, we knew we would have to change the focus of our tourism

“ Modern technology gives us an opportunity reach more potential tourists in more markets more cost-effectively. The TAT has already set up several websites. ”

promotion strategies. Three years ago, we began laying plans to focus on niche-markets and identified our core strengths: food, culture, heritage, health, MICE facilities, many ecotourism spots, proximity to Indochina. These are the themes of our latest campaign Amazing Thailand.

Hence, we are taking advantage of lifestyle trends, targeting highly-stressed urban dwellers to come for a relaxing holiday in Thailand. At the same time we focussing on new markets, like India, Israel, the countries of Eastern Europe, even Vietnam. Our latest move is to relax visa facilities for visitors from China and Taiwan.

We are getting strong support from THAI and airlines flying to Thailand. Because outbound travel from Thailand has fallen sharply, many airlines have begun promoting inbound to Thailand in order to maintain the viability of the routes. If visitor arrivals continue in the current trend, we should attain our targets of 7.72 million visitors this year and 8.28 million in 1999.

We are now focussed almost entirely on ensuring that we have the necessary infrastructure, skills and product quality to meet the growing numbers of visitor arrivals. Let me summarise some of these issues which comprise the main points of our Policy on Tourism Development and Promotion for 1997-2003

1. Promote the conservation as well as restoration of the national arts and culture and tourism resources. The concept of sustainable tourism development is very much at the top of our agenda. We are looking much more closely at carrying capacities of various tourist attractions and the sustainability of the national identity and heritage. Earlier this year, our ecotourism project in Umphang won a PATA gold award. Recently, we pulled the licenses of several sea-walking operators in Phuket because they were not following the rules and regulations.
2. Promote co-operation between the public and private sectors as well as local people in solving or preventing tourism-related problems and in developing and managing local tourism resources. All our natural resources belong to the local people first and it is their responsibility to take care of them. Many of our beach-resort communities have learnt the lessons of allowing their destinations to deteriorate. We are trying to ensure that this does not spread to other destinations.
3. Use modern technology to develop tourism facilities and services, and provide tourist information, both locally and internationally. Modern technology gives us an opportunity reach more potential tourists in more markets more cost-effectively. The TAT has already set up several websites. We were the first regional country to put our entire media pack at regional travel trade shows on diskettes.

4. Co-operate with neighbouring countries to promote tourism, improve transportation networks and tourism facilities and services: Thailand is the only ASEAN country that is directly linked by road, rail, air and river to the neighbouring countries of ASEAN to the South and the Greater Mekong Subregion countries to the North and East. The Mekong countries especially are all relatively “new” destinations on the international tourism scene. This gives us a unique geographical location and a unique marketing opportunity on which we are capitalising intensively.
5. Promote awareness among the Thai people of the socio-economic and ecological importance of tourism, and to be good hosts to visitors: this campaign has been ongoing for many years because if the local people do not support tourism, its no use promoting it. We believe that this threshold is now being crossed, thanks in part to the national economic crisis and the fact that the government is clearly positioning tourism as a saving grace.
6. Upgrade human resources to meet market demands and ensure that we do not lose our competitive edge in globalising free-market economies: tourism employs about two million in direct and indirect jobs nationwide. We have about 80 tourism colleges, universities and institutes offering travel & tourism courses. However, this is one area where we have a long way to go.



7. Improve tourist security and ensure that visitors and operators in the tourism business are properly and legally protected: Though Thailand is very safe tourist destination, compared to many others, tourist security is an area where more can be done. We have recently set up a hot-line number for people to phone in case of problems. Efforts have also been made to crackdown on jewellery and shopping commission rackets.
8. Promote tourism as being important for the development of quality of life, as well as a contributor to social development at the family, community, and national levels: Tourism is not a smokestacks industry. We survive on developing a good community spirit, environmental ethics, service standards. It is a more “people” business than any other, except perhaps medicine. We have to ensure that people nationwide share these values.
9. Encourage people to stay longer, spend more and see more of the country: Our average length of stay is about a week. We believe we can do better. We want people to travel to different parts of the country because upcountry Thailand is where the “real Thailand” is.

It also helps to decongest the urban problems in Bangkok and helps the rural people also benefit from tourism.

10. Promote domestic tourism: we are trying to create greater demand for domestic travel among Thai people in order to conserve precious foreign exchange, help Thai people appreciate their own country and culture, distribute prosperity from the urban to rural areas and contribute to the economic development of the country as a whole. In principle, I must stress that we are totally in favour of two-way tourism. Thai people should also travel abroad for business, study and pleasure, but our unfortunate economic situation currently is requiring us to temporarily refocus our strategies.
11. Promote investment in tourism: We believe tourism has a tremendous long-term future and want to ensure that investors get opportunities to make a good living out of it. Many of the rules and regulations are now being liberalised under various regional and global free trade pacts that will increase the attractiveness of tourism, especially in theme parks, MICE facilities, ecotourism, and travel & tourism training facilities.

REPOSITIONING HAWAII AS A TOURIST DESTINATION

There is a lot of discussion globally on repositioning of brands and destinations. We, too, have done the same in Thailand, switching our focus from mass markets to niche-markets. Indeed, the trend towards niche-markets is clear and I believe will remain the dominant theme for many years.

Every country has its unique selling proposition, otherwise known in management jargon as its competitive advantage. Hawaii certainly has more than its fair-share: your beaches, culture, adventure travel and ecotourism, Pacific heritage, golf courses, among many other things, are par excellence.

My own personal impression is that you really need to ask yourself a) whether you really need to reposition Hawaii and b) where you need to do it?

Perhaps in markets like mainland US and Japan, where Hawaii is already well known, a little repositioning may be necessary but in places like Asia, your existing position perhaps needs to be enforced. The Asian outbound market is down today but will rise again in future, once things stabilise. I would think that is a good time to start doing some research on how travel trends are likely to pan out over the next few years so that you can catch the market on the uptrend.

I think we have a great opportunity to work together, especially now that the main headquarters of PATA, the Pacific Asia Travel Association has moved to Bangkok. Like Hawaii, we in Thailand too have many islands and coastal areas with a lot of flora and fauna. Perhaps we should bring our peoples together in exploring things like ancient herbal treatments, ecotourism opportunities,

handicraft-production and heritage conservation. We also need to explore ways by which we can further involve local communities in the development of Travel & Tourism. We would also welcome seeing courses by your university in our part of the world. There is nothing wrong with being friendly competitors. The world is big enough for all of us.

Thank you for allowing me to speak to you today.

PROMOTING THE INDIAN MARKET AND THE ASIAN GAMES



Mr. Seree Wangpaichitr

Governor

24-26 OCTOBER 1998
NEW DELHI AND MUMBAI, INDIA

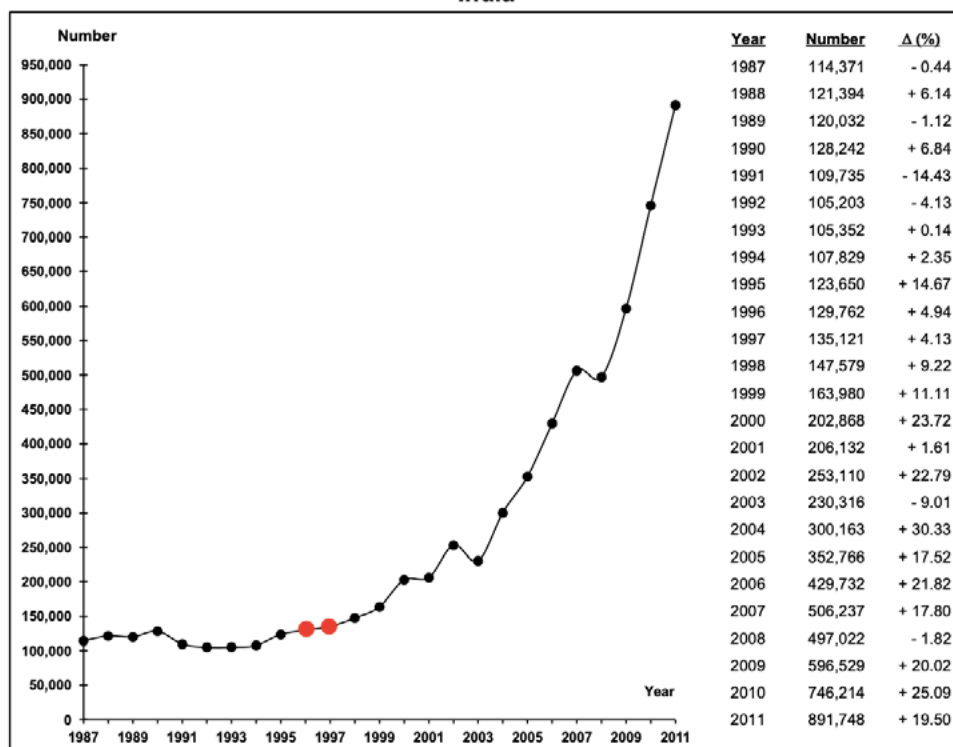
Sawasdee Khrup and good afternoon, ladies and gentlemen. It is a great pleasure to be here in India and to welcome you all to this Asian Games and Amazing Thailand Promotion. On behalf of the Tourism Authority of Thailand I would like to thank you for taking part in this function today.

It is a pleasure to be here with you. In fact, it is always a pleasure to be in India. India and Thailand share extensive family links as well as social, cultural and economic relations. Thais never forget the fact that our national religion Buddhism has strong roots in India. Our royal family members visit your country very often. The presence of a large Indian community, especially Sikhs, in Thailand contributes to a very strong tradition of trade links. Many Indian businessmen are also active in the Thai Travel & Tourism industry as owners of hotels, travel agencies and tour operators.

Building upon that foundation, I am here today to meet with Indian travel agents and media and to give you a brief overview of our Amazing Thailand campaign as well as an update of the 13th Asian Games to be held in Bangkok and other parts of Thailand between 6-20 December. At the same time, I would like to introduce you to our travel agents who are with us on this promotional tour. Their presence here is proof of the strong support we have been receiving from the private sector in promoting Asian Games and Amazing Thailand.

VISITOR ARRIVALS FROM INDIA TO THAILAND

International Tourist Arrivals to Thailand 1987-2011
India



Ladies and gentlemen, tourism is playing an increasingly crucial role in the growth of the Thai economy as the country shifts from an agricultural base to a more industrialised and service-based economy. In 1997, we received 7.2 million visitors, a small growth of 0.68% over 1996. We were still luckier than some of our neighbouring countries many of whom suffered declines in their visitor arrivals, and are continuing to do so, even as our industry grows strongly. Tourism is currently Thailand's largest source of foreign-exchange earnings and still doing reasonably well inspite of the economic crisis we are facing at the moment.

- From 1991 to 1997, the Indian market has grown at an average annual growth rate of 3.53% with only slight declines in 1991 and 1992. Since 1993, the figures have increased steadily up to 1997.
- In January-July 1998, international visitor arrivals to Thailand totalled 4,379,210, a growth of 5.35% over January-July 1997. Of this figure, 92,227 visitors were Indians, up from 83,579 Indian visitors in the same period last year. In July 1998 alone, we received a total of 12,846 Indian visitors, a 3.17% increase over 12,451 arrivals in July 1997.
- That is particularly welcome because July is our traditional low season month and we need as many visitors as we can get in order to help maintain jobs and hotel occupancies.
- More importantly, if we take a closer look at the top five arrivals from the South Asian countries for January-July 1997 and 1998, it can be seen that India is the biggest market.

“ In 1997, tourism revenue from the Indian market amounted to an astounding 10.86 billion baht from only 135,121 tourists, comparatively more than some markets with twice the number of arrivals. ”

Let's now look at the latest expenditure patterns of the Indian market. In 1997, tourism revenue from the Indian market amounted to an astounding 10.86 billion baht from only 135,121 tourists, comparatively more than some markets with twice the number of arrivals (e.g. Oceania which generated 7.79 billion baht from 271,442 tourists, or the UK market which generated only 8.78 billion baht from 287,664 arrivals).

Looking into more detail, an Indian tourist spent 4,220 baht per day in 1997, well above the average spending of an international tourist of 3,672 baht.

- The most popular expenditure among Indians was shopping which accounted for nearly half of their spending compared to other items like food or entertainment. We are very glad that Indian people like to shop in Thailand.

There are some segments of the Indian market that are showing good growth and which you should focus on in your promotions. Some examples are as follows: First-time visitors showed an increase of 11.66% over 1996, and group tourists were up 11.19% compared to 1996. Female travellers rose 10% in 1997 compared with growth of only 2% in male travellers. The number of Indians aged over 55, usually those with the greatest spending power, was up 15% last year. And the other strong point of the Indian market is the average length of stay, at 19 days per person, more than twice the overall average of 8.3 days.

BILATERAL TRAVEL & TOURISM CONTACTS

In view of the growing importance of travel & trade contacts between India and Thailand, the Tourism Authority of Thailand is focusing on India as one of its top new potential markets for 1998/99. One impediment to a more robust flow of Indian visitors to Thailand is the number of flights we have between our two countries. There are only 32 direct flights a week by Thai Airways International, two Indian airlines and five other foreign airlines, flying from Mumbai, Madras, Calcutta and Delhi. Most of the flights from India are stopovers, either coming from or going on to another point beyond, with which capacity has to be shared, thus reducing the number of seats that can be allocated to the Thailand-India sectors.

Compare this to the 54 weekly flights we have between Thailand and China, all by THAI and five Chinese airlines.

The aviation agreement between India and Thailand has been unchanged since 1970, limiting Thai and Indian airlines to a maximum of only eight services a week. Numerous negotiations have been inconclusive in the past, mainly over the issue of fifth-freedom rights. However, I understand that some high level negotiations are to take place over the next few months to alleviate the problem of aviation rights.

More flexible negotiations and bilateral agreements between our two governments will evidently help to facilitate travel into Thailand. There is also hope that tourism contacts can flourish under the new established BIMST-EC trade grouping. I would also like to point out that Indians are able to obtain visa on arrival for a stay of up to 15 days, which will help to ease travel arrangements.



ASIAN GAMES

Ladies and gentlemen, between December 6-20 this year, Thailand will be hosting the 13th Asian Games where we expect Indian athletes to proudly present and compete for their country. Your top sportsmen will be competing in one of our many venues all over Bangkok and Thailand, set in the midst of exquisite scenery and landscape.

For example, during the first week of December, your footballers will kick off against Yemen and then Japan, in the exotic seaside town of Trang which is full of tropical waterfalls and small islands and also the home province of our current prime minister. Why not come to Thailand and join in the support of your Indian sportsmen and to cheer for your country.

The Games will be the last great sporting event of the 20th century. Those of you who would like to come to Thailand a few days earlier will be welcome to join us



in our national celebrations of His Majesty the King's 71st birthday on December 5, an event that is marked with royal grandeur.

To my knowledge India hosted the first Asian Games ever held in 1950 and then again in 1982. The Asian Athlete Federation, the original organisers of the Games, was also formed in Delhi in 1949. Thailand has hosted the Games three times previously, in 1966, 1970 and 1978, but we are hoping to make these Games by far the biggest ever. More than 10,000 athletes and officials from 43 countries will be competing in 38 sports events. They will vie for 377 gold medals at over 50 venues in and outside Bangkok.

In spite of our economic crisis, we expect to be spending nearly US\$53 million on the overall effort



which will include brand-new stadiums, superb accommodation, telecommunication and catering facilities for all the athletes and officials. Nearly 12,500 people will be deployed throughout Bangkok to ensure traffic control and security. Moreover, all educational institutions throughout Thailand will be closed from December 4-21 to give students a chance to see the Games and keep Bangkok traffic to a minimum.

While your top-ranked athletes will get to see our country personally for themselves, many millions of your people will be exposed to Thailand on TV. The Tourism Authority of Thailand has arranged special tours for the media and Games participants. Please do not miss these. I am happy to report that our national airline, THAI Airways International is also the official airline and official caterer for the Games. It has also arranged a special package of Royal Orchid Holidays for participants before and after the Games, which take you into the heart of its culture or let you relax on a soothing carefree vacation. Media tour packages are also available gratis from the Games Press Centre. So please do take advantage of these.

You may be interested to know that we have introduced specially for the Games electronic ID cards that all athletes and officials will be able to use to enter Thailand instead of a normal visa. The Games ID cards will be valid from Nov 1 until Dec 31 of this year. This is accordance with the constitution of the Olympic Council of Asia (OCA).

AMAZING THAILAND

“ Tourist safety and security is an important aspect of the overall image of Thailand, and the Police have pledged full efforts to make Thailand a world-class destination. ”

Before concluding, please let me give you a brief outline of our current tourism campaign entitled “Amazing Thailand” 1998-1999 which is designed to celebrate the auspicious occasion of His Majesty the King’s 6th Cycle Birthday Anniversary on December 5, 1999. His Majesty will turn 72 on that day, an auspicious age given the 12-year cycles of our calendars. The TAT is undertaking a major global advertising and promotional campaign of events, activities, and tours designed to project the country as a quality tourism destination.

All important aspects of Thailand’s tourism product are targeted in the campaign, with particular attention being paid to special interest activities. Facilities for international incentive travel, meetings, conferences, and exhibitions will also be strongly promoted. Visitors will be encouraged to see more of the country as new tourism destinations are developed to help reduce the impact on natural resources.

At the heart of the “Amazing Thailand” campaign are nine facets of travel which the TAT, in co-operation with local tour operators, has identified as unique to the Kingdom. These include shopping, health, adventure travel and ecotourism, culture & heritage and especially food.

Taking the theme of shopping as an example, the “Amazing Thailand” campaign will open up many fresh opportunities. A Super Sale event was held in June 1998 and will be held again in November-December 1998, and again in the same three months of 1999. During these promotional periods special-offer coupons giving price reductions of up to 20% on various items will be distributed to tourists at entry points in Thailand, hotels, and other locations.

Tourist safety and security is an important aspect of the overall image of Thailand, and the Police have pledged full efforts to make Thailand a world-class destination. We now have a comprehensive one-stop Tourist Service Centre, one of the projects undertaken by the Royal Thai Police and Tourist Police to support the Amazing Thailand campaign. Offering 24 hour service, tourists can call the Centre hotline number 1155 for support or to report a complaint. Tourists who encounter deliberate cheating, jewellery fraud, unnecessary harassment and violation of safety measures can call in for assistance. The main objective of the centre is to assist tourists with emergencies or when lodging complaints. The centre also provides general tourist information on tourist destinations, shopping tips, accommodation and more.

Another move under the Amazing Thailand campaign is to allow transit passengers to travel out of Bangkok Airport, during their stopover, and to do as they please within a maximum of 12 hours. Citizens of India are eligible for this new initiative, under which they will also be exempt from

paying the 500 Baht passenger service charge when check-in for their onward flight.

The TAT has outlined several tour programmes for transfer tourists to enjoy, such as shopping tour, scenic city guide or health and beauty tours. The suggested tours are carefully designed to allow for differences in transfer time; brief but comprehensive tours for those with only a few hours to spend, and a detailed enhanced all-round trip for those with more time.

I would also like to draw your attention to our neighbouring countries of the Greater Mekong Sub-region, the jewels of Southeast Asia. Thailand is bordered by Myanmar, Laos and Cambodia, through which runs the mighty Mekong River. These countries, plus the Southern Chinese province of Yunnan, are rich in primitive cultures, untamed traditions, ancient architecture, scenic landscape and flourishing way of life. The Greater Mekong Sub-region is increasingly becoming an attractive travel option with the opening up of what is effectively Southeast Asia's last tourism frontier

Over ten years after the country's first major tourism promotion, the highly successful "Visit Thailand Year" in 1987 - this Amazing Thailand campaign is set to give a further boost to our travel industry. We hope that the two years of "Amazing Thailand" will generate at least 16 million overseas visitors and a minimum of 582 billion baht in spending. Domestic travellers should account for some 99 million trips. "Amazing Thailand" promises to assure the continuing success of the tourism industry well into the 21st century. It will also spotlight just what makes the country such a rewarding destination.

I hoped that this presentation has been interesting and useful for you, and given you some insight into the Thai Tourism industry and Thailand as a whole. You will be surprised at what we have to offer and wish that you will come to visit our amazing country soon. Please do take time to meet with our many Thai delegates and do good business with them. I thank you for the opportunity to address you today.



BOOSTING TOURISM ENTREPRENEURS AND INVESTMENT



Mrs Juthamas Siriwan

Deputy Governor for Administration

EAST ASIAN ENTREPRENEUR'S SUMMIT ON PROMOTING TOURISM DEVELOPMENT MALAYSIA, 3-5 NOVEMBER 1998

Sawasdee-kha and good day, ladies and gentlemen. It is a pleasure to be with you today on behalf of the Tourism Authority of Thailand (TAT). I would like to thank the East Asian Entrepreneur's Summit for inviting me to address the subject of "Promoting Tourism Development" in Thailand. I would also like to congratulate the organisers for taking the initiative in this area. The meeting will certainly go a long way towards improving cross-border investment levels and regional co-operation among countries, which is extremely important in this age of globalisation.

In the limited time available, I would like to give you a quick overview of the Thai travel and tourism industry, its economic importance and the opportunities for tourism development.

TOURISM AND THE THAI ECONOMY

Let me begin with a little briefing on the Thai travel & tourism industry. Tourism was Thailand's largest source of foreign-exchange earnings from 1982 to 1996.

(+) In 1997, income from tourism ranked second of total export earnings, amounting to 220 billion baht, up 0.63% from 219 billion in 1996. It accounted for about 20 percent of total export earnings for 1997.

Tourism is playing an increasingly crucial role in the growth of the Thai economy as the country shifts from an agricultural base to a more industrialised and service-based economy.

(+) Thailand's travel & tourism accounts surplus rose by 47.8 billion baht in 1997, thanks mainly to a huge decline in expenditure by outbound travellers. The total tourism accounts surplus of 161,630 million baht in 1997 was an increase of 42.10% over the surplus of 113,743 million baht in 1996.

(+) It was the result of the sudden reduction in expenditure by outgoing Thai travellers, from 105,621 million baht in 1996 to 59,125 million baht in 1997 (a 44.02% drop), while revenue from incoming tourists totalled 220,754 million baht in 1997, about the same as the 219,364 million baht recorded in 1996.

Since Thailand launched "Visit Thailand Year" in 1987 the number of foreign tourists visiting Thailand increased dramatically, despite the Gulf War in 1991. The period 1987-1996 can be termed the "Golden Decade" of Thai tourism.

(+) In 1987, we received just under 3.5 million visitors, while last year we received over 7.2 million international tourists. Visitor arrivals have doubled in the last 10 years.

“ The campaign will be centred on Thailand playing host to the 13th Asian Games in December 1998 as well as celebrating the 6th cycle birthday of H.M. the King who will turn 72 on December 5, 1999. ”

Our current marketing campaign is entitled "Amazing Thailand" for 1998 and 1999, which some of you may already be aware of. It is designed to steer Thailand away from the promotion of mass market tourism into niche-markets and focus on the tremendous variety our kingdom has to offer, especially its food, shopping attractions, health and culture. This is very much in line with global travel trends as travellers become more sophisticated and repeat travel by individuals and small groups of families and friends replaces mass-market tourism.

The campaign will be centred on Thailand playing host to the 13th Asian Games in December 1998 as well as celebrating the 6th cycle birthday of H.M. the King who will turn 72 on December 5, 1999. We also plan to use it to upgrade the standards of the Thai tourism industry nationwide and hence enable overseas visitors to comfortably travel throughout all the various regions and provinces, contributing to the national goal of decongesting urban areas and distributing income in order to reduce social income gaps.

In the process, we hope to generate visitor arrivals of at least 16 million during 1998-1999 and boost foreign exchange income to at least 582 billion baht. The target for domestic tourism is at least 99 million trips.

Looking at our arrival figures so far this year, I am happy to see that the Amazing Thailand campaign is proving to be a success, and should this trend continue we should be able to achieve our targets.

(+) From January to August 1998 international visitor arrivals to Thailand surged 5.59% to over 5 million (5,043,449) compared to 4,776,653 arrivals for the same period in 1997.

(+) Sharp increases from strong-currency and stable-economy markets like Europe, the Americas, South Asia, Oceania, Middle East and Africa, compensated for a 4.06% fall in visitors from East Asia and the Pacific due to the region's economic crisis.

We are also noticing a significant increase in the number of women travellers, business travellers and repeat visitors. This reflects the continuing strength of the Thai tourism industry and indicates that despite current regional economic downturn, it is still doing remarkably well with fewer job losses and company closures in comparison to other foreign exchange earning industries.



PROMOTING TOURISM DEVELOPMENT

One important aspect of tourism development which is also under our Amazing Thailand campaign is the promotion of MICE (meetings, incentives, convention and exhibition) industries. Thailand has long been among the destinations most favoured by incentive and meeting planners, with multifaceted choice of destinations and the friendliness of the Thai people.

There are also many convention and exhibition facilities in Thailand at the international level, namely the Bangkok International Trade and Exhibition Centre (BITEC), Queen Sirikit National Convention Centre (QSNCC) and Thailand Trade & Convention Centre (TTCC), scheduled to open in 1999.

“ The MICE sector not only leads to the development of the tourism industry itself but also the related business which interlinks with it, while bringing in foreign exchange earnings and revenues to the country. ”

The survey conducted by the TAT in collaboration with CSN & Associated on international conventions, incentive travel and exhibitions in Thailand indicated that there were considerable growth potential in MICE areas.

(+) In 1997, there were 4,891 conventions held in Thailand, of which 4,067 were domestic conventions and 824 were international. The market mainly comprised of Asia Pacific countries and USA, while the number of European participants became stable with potential for future increase.

(+) There were a total of 68,589 foreign participants at these conventions, who stayed around 8.4 days and spent on average of US\$ 224.85 per person per day. 43% of these participants were accompanied by their spouse who usually stayed longer (9.2 days) and spent a total of US\$ 30.7 million in 1997.

(+) The survey also showed that the number of incentive groups in 1997 were 1,652 with 115,648 foreign participants, up 2.6% from 112,762 in 1996. The major incentive travel markets came from Asia Pacific countries, USA and Italy. Their average length of stay was 6.6 days, while the average expense incurred per person per day was US\$ 183.23. Industry experts have commented that the incentive travel market has a bright future and predicted that it could grow at an annual rate of between 7-10%.

(+) And according to the statistics of the Department of Export Promotion, Professional Exhibition Organisers (PEO) in Thailand and Thailand Exhibition Association (TEA), there were 77 international exhibitions (trade and consumer shows) held in 1997, with 21,205 foreign exhibitors and an average attendance of 4.5 days.

These figures illustrate that MICE activities can merge well with Thailand's travel and tourism industry, particularly those at the international level. These participants have the potential to spend a considerable amount on tourism services such as accommodation, shopping, food and entertainment, thus contributing directly to tourism revenue. The MICE sector not only leads to the development of the tourism industry itself but also the related business which interlinks with it, while bringing in foreign exchange earnings and revenues to the country.

As a result, rapid growth of these facilities has brought attention from within the Thai travel & tourism sector. I think that this is one of the main area which entrepreneurs should be interested in investing, whether in the MICE facilities or the associated business which surround it.

Similarly, Phuket, Chiang Mai, Songkhla and Pattaya are emerging as potential MICE destinations with increasing popularity because of its accessibility, firm infrastructure and exotic appeal. Many investors also consider Thailand as an ideal regional hub for MICE facilities, possessing potential



fruitful return, as it is the gateway to Indo-China and the Greater Mekong Subregions (GMS) countries.

We have always been greatly concerned with co-operation with neighbouring countries to promote tourism development, improve transportation networks and tourism facilities and services. Thailand is the only ASEAN country directly linked by road, rail, air and river to the neighbouring countries of ASEAN to the South and the GMS countries to the North and East. The Mekong countries especially are all relatively “new” destinations on the international tourism scene. This gives us a unique geographical location and a unique marketing opportunity on which we are capitalising intensively. Significant progress has been made on a number of important highway projects, such as the East-West Transport Corridor and the Vung Tau Road Project through the heart of the Mekong region. These infrastructure projects play a critical role in facilitating travel & tourism in the Greater Mekong Sub-region.

These developments have been made possible with investment aid from various international sources such as the Asian Development Bank (ADB) and Japan’s Overseas Economic Co-operation Fund, which see the importance of these infrastructure projects as being vital to the development of tourism for the region.

The Mekong river is one of the last great frontiers of tourism and is slated to become a very popular tourism destination in the future as we work with our colleagues in Laos, Cambodia, Myanmar, China and Vietnam to promote this region. The Governments of Cambodia and Vietnam have also signed an agreement to facilitate the movement of goods and people across the border.

Thailand is also part of another economic co-operation between Bangladesh, India, Myanmar, Sri Lanka (BIMST-EC) which recently agreed to various infrastructure linkages by road, rail, air, sea and waterways, especially in the transportation and communication sectors. This is based on the European example where free and speedy movement between countries has contributed to economic development. Last month BIMST-EC members announced a plan to look at potential new transport routes and linkages which facilitate the movement of goods and people across borders. According to a study by ESCAP, such new routes would be part of the Asian Highway and Trans-Asian Railway.

As the gateway to the region, Thailand is involved in many aspects of tourism development in all the member countries. We are pushing for more flights to and within the region, helping the regional countries with training efforts and conducting planning studies for regional marketing.

Another concern for tourism development is the emphasis in the co-operation between the public and private sectors as well as local people in developing and managing local tourism resources.

For example, the TAT together with the Department of Export Promotion launched the Amazing Thailand Grand Sale campaign in June this year. In conjunction with Amazing Thailand 1998-1999 campaign, this grand sale was aimed at positioning Thailand as a top shopping destination.

The upcoming Amazing Thailand Grand Sale event is between 15 November to 15 December 1998, highlighted by “Amazing Taste of Thailand” event which is co-organised by the TAT and the Department of Agriculture, Ministry of Agriculture and Co-operatives.



These events will receive private sector participation from numerous shops and department stores nationwide with discount promotions up to 80% on traditional Thai handicrafts and locally made products such as silk, leather, gems and jewellery.

To efficiently endure in tourism development we must also upgrade human resources to meet market demands and ensure that we do not lose our competitive edge in globalising free-market economies. Tourism employs about two million in direct and indirect jobs nationwide. We have about 80 tourism colleges, universities and institutes offering travel & tourism courses. In September, the TAT co-ordinated the implementation of more than 2.9 billion baht worth of projects for tourism and employment creation plan.

We believe tourism has a tremendous long-term future and want to increase investment opportunities in this sector. Many of the rules and regulations are now being liberalised under various regional and global free trade pacts that will increase the attractiveness of travel & tourism sector. The investment promotions and special privileges under Thailand's Board of Investment (BOI) gives tax deductions and allowance for import duties for MICE projects, hotels, tourist services, airports, theme parks, etc.

However, I feel that the concept of tourism development is as equally important as the conservation and restoration of national arts, culture and tourism resources. The concept of

sustainable tourism development is very much at the top of our Policy on Tourism Development and Promotion for 1997-2003.

We are looking much more closely at carrying capacities of various tourist attractions and the sustainability of our national identity and heritage. Earlier this year, our ecotourism project in Umphang won a PATA gold award. Recently, we pulled the licenses of several sea-walking operators in Phuket, because they were not following the rules and regulations, and were damaging the natural resources of the sea.

Our main long-term goal over the next 10-15 years is to establish the uniqueness of Thailand as a world class tourist destination with world class service. In order to do this, it is imperative that we keep our tourist attractions in top condition and develop them in such a way to preserve our culture and customs. We must possess the necessary infrastructure as well as quality service of the highest international standards.

Ladies and gentlemen, I thank you for your time and hope that I have managed to give you a few insights into the trends and directions of Thai tourism development. Regardless of its problems, the fundamental pillars of Thailand remain firm -- a strong faith in our Buddhist religion, a highly respected monarchy and hard-working dedicated people. I think the problems in our industry have bottomed out and the turnaround has begun as we gradually pull ourselves out of the economic crisis, with the support of our neighbours and the co-operation of our regional countries. I would like to seek your support in sustaining and nourishing the growth and development of the Thai tourism industry.

Comparison: Tourism Revenue & Other Major Exports 1996 - 1997

1996	Million Baht	1997	Million Baht
Tourism*	219,364	Computer & Parts	227,783
Computer & Parts	165,240	Tourism*	220,754
Textile Products	118,521	Textile Products	147,402
Electrical Appliance	106,569	Electrical Appliance	134,865
Rubber	68,370	Integrated Circuits & Parts	75,741
Integrated Circuits & Parts	58,483	Rice	65,088
Precious Stones & Jewellery	51,494	Rubber	57,447
Rice	50,737	Canned Seafood	54,694
Prawns	43,400	Precious Stones & Jewellery	52,847
Canned Seafood	38,697	Plastic Products	49,643

*Source: Bank of Thailand | Note: *Tourism Authority of Thailand*

Meetings, Incentives, Conventions, Exhibitions in Thailand for 1997

Events	Number of Events	Foreign Participants	Length of Stay (Days)	Spending (person/day)	Major markets
Conventions	4,891	68,589	8.4	US\$224.85	Singapore, USA, Japan, Australia, Malaysia
Accompanying Spouse		29,493	9.2	US\$116.95	
Incentive Travel	1,652	115,648	6.6	US\$183.23	Japan, Singapore, Italy, USA, Malaysia
Exhibitions	77	21,105	4.5	Not Available	Not Available

MINIMISING THE IMPACT OF THE FINANCIAL CRISIS ON TOURISM



Mr. Pradech Phayakvichien

Deputy Governor for Planning and Development

WTO HIGH-LEVEL MEETING ON THE ECONOMIC IMPACTS OF TOURISM KOBE, JAPAN, 25-27 NOVEMBER 1998

Sawasdee Khrup and good afternoon ladies and gentlemen. It's hard to believe that it has been over one and a half year since the Thai Baht was devalued and the entire region fell into an economic slump. The current regional economic crisis which began mid-1997 has been felt to some extent in all Asian countries. Thailand was certainly no exception and its own currency devaluation caused the baht to fluctuate throughout be more attractive for the international traveller. Nearly one and a half year later since the devaluation, the baht has become more stabilised, valued at around 36 baht to the US dollar compared to 25 baht in June last year.

The impact on the travel & tourism industry has been considerable, forcing a major realignment of marketing plans in line with shifts in airline frequencies. But as we struggle to overcome the crisis, it is forcing us to think outside the box in maintaining market share. It's a question of survival, and no-one wants to be the first to go under.

ECONOMIC IMPACT ON TOURISM

Let me give you a few thoughts on the changing scenario of Travel & Tourism in the Asia-Pacific and specially in

Thailand, since the current economic downturn.

Throughout 1998 the deepening financial and economic crisis in Asia has continued to have a major impact on regional Travel & Tourism. Over the next few years, the Asia-Pacific Travel & Tourism industry will be affected by the following key factors:

- (+) restructuring and rationalisation of air-routes, airlines and aviation policies in general;
- (+) decline in the value of marketing budgets of national tourism organisations;
- (+) decline in intra-regional travel, especially from Japan and Korea, along with a decline in purchasing power.

However, the fundamentals of the Asia-Pacific Travel & Tourism industry are still strong. Many markets especially India and China are still productive. Both NTOs and the private sector are adjusting their policies to take advantage of emerging opportunities. Overall, the Travel & Tourism industry continues to play a significant role in national economies. Indeed, this crisis can be seen as an opportunity to rectify many of the weaknesses that are vital to the long-term, sustainable, well-managed and well-regulated growth of Travel & Tourism.

“ Throughout 1998 the deepening financial and economic crisis in Asia has continued to have a major impact on regional Travel & Tourism. ”

While demand may be subdued at present this important sector has a number of unique characteristics which can provoke economic recovery and drive sustained growth and job creation.

Travel & Tourism:

- (+) is woven deeply into every economy and stimulates many other activities and sectors;
- (+) has significant export and foreign earnings capacity;
- (+) will grow faster than most other economic sectors in the future.

The growth of Travel & Tourism will be globally significant over the next decade. Asia is the region with most potential. Travel & Tourism is different from all other industries because its positive effects are felt not only directly stimulating the Industry but also indirectly stimulating the wider Economy.

THAI TOURISM INDUSTRY

Tourism to Thailand has grown steadily over the years. In the early days, marketing was main issue. We came up with various events to promote tourism, such as the Bangkok bicentennial in 1982, which was followed by Visit Thailand Year in 1987. These gradually expanded into regional events like Visit ASEAN Year in 1992. All of them were heavily promoted by the TAT, THAI and the private sector.

Tourism was Thailand's largest foreign exchange earner between 1982 - 1996.

(+) In 1997, income from tourism ranked second of total export earnings, amounting to 220 billion baht, up 0.63% from 219 billion in 1996. It accounted for about 20 percent of total export earnings for 1997.

Tourism is playing an increasingly crucial role in the growth of the Thai economy as the country shifts from an agricultural base to a more industrialised and service-based economy.

(+) Thailand's travel & tourism accounts surplus rose by 47.8 billion baht in 1997, thanks mainly to a huge decline in expenditure by outbound travellers. The total tourism accounts surplus of 161,630 million baht in 1997 was an increase of 42.10% over the surplus of 113,743 million baht in 1996.

(+) It was the result of the sudden reduction in expenditure by outgoing Thai travellers, from 105,621 million baht in 1996 to 59,125 million baht in 1997 (a 44.02% drop), while revenue from incoming tourists totalled 220,754 million baht in 1997, about the same as the 219,364 million baht recorded in 1996.

And especially during these hard economic pressures, the national economic importance of this is only now beginning to be realised because tourism continues to be one of the "export" industry that is still doing well.

(+) Here are the figures for January to August 1998 international visitor arrivals to Thailand surged 5.59% to over 5 million (5,043,449) compared to 4,776,653 arrivals for the same period in 1997.

This clearly indicates that more and more tourists are coming to Thailand due to the country's favourable image as a safe, value for money and world class destination.

We are also noticing a significant increase in the number of women travellers, business travellers and repeat visitors. This reflects the continuing strength of the Thai tourism industry and indicates that despite current regional economic downturn, it is still doing remarkably well with fewer job losses and company closures in comparison to other foreign exchange earning industries.

Today, with the number of visitors approaching 10 million, marketing is perhaps less important

“ In the last year, our marketing plans have turned nearly upside down. Visitors from East Asia and the Pacific which were growing rapidly all through this decade, are now declining. ”

than management. The devaluation of the baht has made Thailand much better value for money than other regional destinations. Cost-conscious travellers know that the price of taking a holiday in Thailand is much less than it used to be. Hence the numbers are growing, inspite of the fact that our marketing budget has been “devalued” by nearly 60%.

In the last year, our marketing plans have turned nearly upside down. Visitors from East Asia and the Pacific which were growing rapidly all through this decade, are now declining. Whereas visitors from Europe, which had stagnated over the last two years, are now growing again.

Even before the devaluation, we knew we would have to change the focus of our tourism promotion strategies. We are taking advantage of lifestyle trends, targeting highly-stressed urban dwellers to come for a relaxing holiday in Thailand. At the same time we focussing on new markets, like India, Israel, the countries of Eastern Europe, even Vietnam. Our latest move is to relax visa facilities for visitors from China and Taiwan.

We are getting strong support from THAI and airlines flying to Thailand. Because outbound travel from Thailand has fallen sharply, many airlines have begun promoting inbound to Thailand in order to maintain the viability of the routes. If visitor arrivals continue in the current trend, we should attain our targets of 7.72 million visitors this year and 8.28 million in 1999.

MEASURES TO OVERCOME ECONOMIC IMPACTS

The job of advertising and promotion in the Thai travel & tourism industry has becoming increasingly difficult in the last year or so for several reasons, the main one being that our devalued baht now buys less advertising space than it did before the floatation. Naturally, this has required us to adopt a much more targeted and focused approach in how we manage our advertising and promotion campaigns. In addition, we also have to take into account the fact that the Southeast and Northeast Asian markets into which we had funnelled considerable amounts of money are performing well below target. Airlines are also reducing their frequencies and new markets are emerging. So, our advertising and promotions have to move in line with that.

In fact, it was well before the crisis hit that the TAT began moving away from the promotion of mass markets into niche markets, specifically shopping, food, culture, ecotourism, adventure travel and health, MICE facilities, Indochina and Mekong tourism developments.

We are also tapping new markets and new forms of distribution that focus on direct contact between buyer and seller. There is also increased emphasis on joint advertising along with our private sector and the national airline.

Our job has been perhaps made much easier by the fact that we have a wonderful advertising slogan called, very simply, Amazing Thailand 1998-1999. This slogan, coined by our advertising agency, is a marked change from some of the more descriptive but somewhat elaborate slogans that we have used in the past. But the Amazing Thailand slogan works because it is short, simple, easily understandable and easily translatable into Thai.

In fact, it has been widely picked up by the private sector, government offices, provincial authorities, Thai Airways International and the thousands of Thai restaurants all over the world. I must say that it truly reflects the fun and frolic of being and holidaying in Thailand. People are always amazed by our traffic in Bangkok and by our wonderful food and shopping opportunities. The slogan and colourful logo have been widely reproduced, generating millions of dollars in free publicity for us. I can safely say that in maximising advertising and promotions, the simplest solutions are the best solutions.

There is also an increasing trend towards partnerships and pooling of resources as a means of maximising the promotional dollar. The tourism industry has clear linkages with many other industries, ranging from transportation and commerce to health and retail shopping. Hence, we are trying to integrate all these various stakeholders into promotional campaigns that will create a win-win situation for all.

For example, we have linked up with the Depart of Export Promotion for our Amazing Thailand Grand Sale shopping festival. It was first launched in June this year and aimed at positioning



Thailand as a top shopping destination. The upcoming event is between November 15 - December 15, 1998. These events will receive private sector participation from numerous shops and department stores nationwide with discount promotions up to 80% on traditional Thai handicrafts and locally made products such as silk, leather, gems and jewellery.

The result of this joint venture was that exporters facing quota and other protectionist restrictions in foreign markets were able to sell many of their goods to tourists visiting Thailand, creating jobs and keeping more income in the country.

Shopping is seen as one of the most important promotional element under the Amazing Thailand campaign. This is because shopping is the largest expenditure category if we look at the distribution of tourist consumption patterns.

The TAT's main job is to create demand for Thailand. To do this, we have invested heavily in TV advertising. We created two types of commercials; one each for the European and Asian markets. These ads were televised via satellite in Asia and Europe as well as on local TV in Australia. I am happy to report some excellent results. According to a recent CNBC/MEDIA poll, the Amazing Thailand campaign has made an amazing impression among the region's advertising industry. It was voted most preferred in Asia by more than 40% of industry professionals surveyed by CNBC/MEDIA in May.

“ The result of this joint venture was that exporters facing quota and other protectionist restrictions in foreign markets were able to sell many of their goods to tourists visiting Thailand, creating jobs and keeping more income in the country. ”

Regionally, the economic climate has changed, and globally, travel trends are shifting, as travellers become more sophisticated and repeat travel by individuals and small groups of families and friends replaces mass-market tourism. It is only natural that we utilise the media that are reach these markets.

Because visitor arrivals from Malaysia, Japan, South Korea and Indonesia have experienced considerable declines since the downturn, we are focusing more on secondary European markets and the emerging markets of Eastern Europe, the Middle East and of course those Asian countries less affected by the regional economic slowdown, especially Vietnam. By shifting our concentration we hope to compensate for the decreasing markets.

Our print advertising efforts are focused on different markets. Some are directed at consumers while others are more for trade members, but both are aimed at boosting awareness of and interest in Amazing Thailand

In an effort to capture the entire market, we are also producing articles and supplements in leading magazines and newspapers such as Time, Asia Week and the International Herald Tribune.

A new addition to the promotional activities was developed in response to the devaluation of the baht. We launched a “Value for Money II” campaign which is being supported by newspaper ads in Asia, Europe and Australia. We want to spread the word that Thailand is not only one of the most amazing destinations, but that it offers amazing value. The first ads ran in December 1997 and January 1998. This campaign is also supported by two short 15-second TV commercials focusing on Amazing Shopping and Amazing Dining, and began airing on Star TV and CNN in May, continuing through the end of July.



Clearly, Thailand’s reputation for offering the best value for money is at an all-time high. A recent survey conducted by American Express (Thai) reported a surge in spending by its Cardmembers visiting Thailand during the first three months of 1998. And the other major card company, Visa, also reported similar spending patterns.

Working with credit card companies has provided us with access to the most amazing mailing lists available. Entering into co-operative ventures with these companies has enabled us to reap the benefits of their in-house publications, through free advertising. This way we are able to reach captive markets more effectively than any other form of advertising. Credit card companies are the key and the vehicle for successful advertising strategies. Herein lies the future of marketing and promotions.

To attract attention from our new emerging markets, we have embarked on a number of promotional road shows to Vietnam, Israel and three countries in Eastern Europe, bringing Thai travel agents and industry representatives together with local representatives and media.

Our region may be suffering a setback, but there are some countries, many of them newly independent, with strengthening economies and increasing disposable income among the people. While our budgets may be smaller than we’d like, we must use all we have in the most effective manner possible to attract these people and at the same time to encourage our existing markets that there are new reasons to visit.

I’m happy to report our efforts seem to be paying off. Visitor arrivals for the first eight months

of 1998 show that by region, only one market, East Asia, dropped. All other regions showed an increase in visitor arrivals. Strong growth is apparent in the European and American markets, as well as several emerging markets, and that is where we will continue focusing our energies.

Sharp increases from strong-currency and stable-economy markets like Europe, the Americas, South Asia, Oceania, Middle East and Africa, compensated for a 4.06% fall in visitors from East Asia and the Pacific due to the region's economic crisis.

Moreover, to best survive in the economic struggle the TAT is also continuing to reinforce its Policy on Tourism Development and Promotion for 1997-2003. Many steps and strategies are being carried out to safeguard the standards of Thailand's tourism products and services, to ensure that the tourism sector will continue to be strong.



Photo Credit: Masala Magazine

Let me summarise some of these issues:

1. To promote the conservation as well as restoration of the national arts and culture and tourism resources. The concept of sustainable tourism development is very much at the top of our agenda.
2. Promote co-operation between the public and private sectors as well as local people in solving or preventing tourism-related problems and in developing and managing local tourism resources
3. Use modern technology to develop tourism facilities and services, and provide tourist information, both locally and internationally. Modern technology gives us an opportunity reach more potential tourists in more markets more cost-effectively.

4. Co-operate with neighbouring countries, such as GMS, IMT-GT and BIMST-EC, to promote tourism, improve transportation networks and tourism facilities and services.
5. Promote awareness among the Thai people of the socio-economic and ecological importance of tourism, and to be good hosts to visitors.
6. Upgrade human resources to meet market demands and ensure that we do not lose our competitive edge in globalising free-market economies.
7. Improve tourist security and ensure that visitors and operators in the tourism business are properly and legally protected.
8. Promote tourism as being important for the development of quality of life, as well as a contributor to social development at the family, community, and national levels.
9. Encourage people to stay longer, spend more and see more of the country: We want people to travel to different parts of the country because upcountry Thailand is where the “real Thailand” is. It also helps to decongest the urban problems in Bangkok and helps the rural people also benefit from tourism.
10. Promote domestic tourism: we are trying to create greater demand for domestic travel among Thai people in order to conserve precious foreign exchange, help Thai people appreciate their own country and culture, distribute prosperity from the urban to rural areas and contribute to the economic development of the country as a whole.
11. Promote investment in tourism. Many of the rules and regulations are now being liberalised under various regional and global free trade pacts that will increase the attractiveness of tourism, especially in theme parks, MICE facilities, ecotourism, and travel & tourism training facilities.

Finally, the fundamental steps we must take to minimise the impacts upon the tourism sector is to ensure that co-operation is received all round. The responsibilities rest not only with the governmental bodies, but also other public & private sectors, and the Thais themselves as well.

During the Amazing Thailand Years we hope to amaze the world with our cost-saving yet highly effective promotional and advertising strategies. Thailand is rich in natural, cultural and historical resources, its people are friendly and welcoming, and for tourists it has an exotic image. We must build brand awareness based on culture and the environment through acting local, think regional and plan global. And what we must do now is evaluate, take stock and find the best, most effective ways to take advantage of this situation, because, as the saying goes, every cloud has a silver lining.

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