

THAILAND

THE GREATEST STORY

IN GLOBAL
TOURISM HISTORY

A 60TH ANNIVERSARY TRIBUTE TO
THE TOURISM AUTHORITY OF THAILAND

Key Developments

2000

- ASEAN Tourism Forum held in Bangkok, 21-23 January.
- UNCTAD X — 10th United Nations Conference on Trade and Development held 12-19 February
- World Tourism Day celebrated for the first time in Thailand on 27 September
- TAT and Thai Airways mark 40th anniversary.

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MEKONG COUNTRIES READY FOR TOURISM INVESTMENT



Mr. Santichai Euachongprasit

*Deputy Governor for Planning and
Development*

BOARD OF INVESTMENT FAIR, BANGKOK 3-17 FEBRUARY 2000

Distinguished guests, fellow panelists and ladies and gentlemen,

Thank you for the opportunity to be here today at this Greater Mekong Subregion Workshop and to provide you an overview, environment and opportunities of tourism and hospitality related investment in the Greater Mekong Subregion countries.

OVERVIEW

The GMS members of Cambodia, Laos, Myanmar, Thailand, Vietnam and the Chinese province of Yunnan are known as the Last Frontier of Global Tourism because of their unique and distinctive tourism attractions. They also hold out great promise for the future, especially as Cambodia, Myanmar, Laos and Vietnam are now all full members of ASEAN and taking numerous measures under the ASEAN aegis to facilitate both travel and investment.

There is no doubt of the GMS region's tremendous historic, religious, cultural, natural and social significance. A total of 3,028 points of tourist interest have been identified, divided into 48.61% of natural interest, 41.6% historical attractions and 9.8% cultural

“Bilateral and multilateral agreements to facilitate the flow of people and goods through the transportation networks are being negotiated, signed and implemented by the GMS countries.”

related attractions. Among them there are several places that are UNESCO world heritage sites, including Luang Prabang and Angkor Wat.

In 1998, nearly 12 million visitors visited the GMS, including Thailand. The estimate for 2001 is over 13 million based on an average increase of 7% annually. The main markets are East Asia including Japan, China, Taiwan, South Korea and Hong Kong, followed by ASEAN countries, then Europe and North America.

After suffering major declines in visitor arrivals in 1998 due to the economic crisis, the GMS member countries are now resuming their tourism development plans in earnest. Master plans are being formulated. Visas are being relaxed. Regulatory and administrative regimes are being established. Aviation restrictions are being eased, if not entirely lifted.

INFRASTRUCTURE AND COMMUNICATION LINKS

Developing transport and communications links is expensive business and the support of international funding organisations is always critical. Here, I am pleased to single out the support of groupings such as the Asian Development Bank, the UN ESCAP, the Overseas Economic Co-operation Fund, International Finance Corporation and many more. They are funding a lot of infrastructure like roads, airports, ports and waterways, not just for the sake of developing tourism but because it is necessary for overall economic development. Tourism is going to be a major beneficiary of that, no doubt.

In addition to the hardware, the software is also being supplied. Bilateral and multilateral agreements to facilitate the flow of people and goods through the transportation networks are being negotiated, signed and implemented by the GMS countries. In addition, many ASEAN countries have bilateral deals for airport and aviation and other forms of tourism co-operation with the GMS countries. In future, this infrastructure will allow for superb fly/drive/cruise/rail packages through some of the most exotic regions in the world.



OVERALL TOURISM DEVELOPMENT ENVIRONMENT

In 1997, the Tourism Authority of Thailand established the Agency for Co-ordinating Mekong Tourism Activities (AMTA) as the permanent secretariat to the tourism working group of the GMS economic co-operation programmes. Though AMTA's focus is primarily on marketing, it also works to facilitate foreign tourism investment. Recently, the ADB and ESCAP conducted extensive research to identify tourism investment opportunities which were explained to potential investors at a highly successful seminar last year. If any of you would like to receive copies of the documentation presented there, please contact me after this seminar.

Allow me to give you just a few brief examples of some of the measures being taken by the GMS countries to boost tourism.

(+) Cambodia: The Cambodian government is widely regarded as having one of the most liberal tourism development policies. It has declared an open-sky policy for aviation, is encouraging the development of ports like Sihanoukville and is pushing for speedy development of infrastructure that will link Siem Reap with Sihanoukville and the border checkpoints on the Thai border with those on the Vietnamese border. This will make it possible for tour operators to develop packages criss-crossing the country, especially a future route that will link Bangkok-Phnom Penh-Ho Chi Minh city and create new 'Golden Triangle' for tourism in Southeast Asia.

(+) Laos: The Laotian government has made it easier to get visas on arrival, reduced visa charges from US\$50 to US\$30 and opened more international border checkpoints with Thailand and neighbouring countries. People from neighbouring countries are now permitted to visit Laos for 15 days by using just a border pass. It has also opened the new airport terminal at Vientiane and encouraged direct flights to Luang Prabang, its main attraction.

“ As it will be necessary to fill all those airline seats and hotel rooms, I would like to assure investors that much stress is being placed on the marketing of the GMS region. ”

(+) Myanmar: Since the Myanmar government began liberalising its economy in 1988, with tourism being a particular priority, more than 21 international standard hotels with 100% foreign investment have been given licenses to operate. Myanmar has allowed foreign investment in its national airline by splitting it up as a separate corporate entity. A new airport set to open in Mandalay will further open up direct access to the northern part of the country.

(+) Thailand: Thailand has long been the traditional hub of the GMS. Promoting tourism to and through the GMS is one of Thailand's strategic tourism priorities. Bangkok is now the only city in the world to have direct flights to the exotic cities of Luang Prabang in Laos, Siem Reap, the gateway to Angkor Wat in Cambodia, and Da Nang, gateway to Huế, the Vietnamese cultural city. All three are also UNESCO World Heritage Sites. Thailand is working to open up more border check-points with the GMS countries. In future, the country's location at the heart of both the GMS and ASEAN regions will play a major role in its tourism development. For example, the recent Bangkok Airways flights linking Phuket and Siem Reap are an industry first and certainly broaden the appeal of beach/culture holidays.

(+) Vietnam: More than a hundred of projects involving Vietnamese and foreign investors have been approved, covering hotels, golf courses and entertainment centres in Vietnam. The country has embarked upon a major development programme involving the slow but steady rehabilitation of Vietnam Airlines, marketing programmes and infrastructure development. Tourism has been recognised at the highest levels of government for its foreign exchange potential. One recent development has been the start of direct international flights to Da Nang which should open up visitor access to the central region.

(+) Yunnan: The central government has authorised the Yunnan provincial government to approve projects which do not exceed 30 million US dollars for coastal provinces and projects not exceed 10 million US dollars for other provinces. To control and manage foreign investment, Yunnan province has set up a one-stop service centre to improve and encourage foreign investment in Yunnan. Kunming, the capital of Yunnan, is well served by flights from both the Chinese and Thai sides.

MARKETING ISSUES

As it will be necessary to fill all those airline seats and hotel rooms, I would like to assure investors that much stress is being placed on the marketing of the GMS region. And here, I am pleased to record the support we are getting from international tourism organisations like the Pacific Asia

Travel Association and the World Tourism Organisation. A tourism marketing strategy for the GMS is being implemented that will see the region get a much higher global profile at international trade shows. The GMS countries are all prominently listed on many of the websites.

EMERGING OPPORTUNITIES

I believe there is no shortage of opportunity for tourism investment in the GMS countries, especially in hotels, convention centres, recreation sites, restaurants, training schools and car rental companies, and many more direct and indirect facilities related to Travel & Tourism.

But investors will have to be careful to ensure that they do their homework correctly. For example, if we look at the already developed destinations in the GMS, we can see that the accommodation sector is a little over-supplied at present, especially in some of the capital cities. However, based on an estimate of 7% annual growth, there is room for expansion in the new emerging destinations.

Tourism investment types can be divided in three main categories as follows:

(+) Accommodation group : Budget hotels or guest houses with standard services are needed. Farm stay and home stay accommodations are rarely found in the region; therefore, they will be a very challenging business in new tourist destinations. Five-star hotels equipped with well-trained staff and standard facilities are also needed in major cities.

(+) Tour operator and activities organiser group : Due to the richness of its cultural and natural heritage, the GMS region has very high potential as a new niche market tourism base including health tourism, eco-tourism and agro-tourism. The region is also an ideal place to conduct various tourism activities including multi-national caravan, rafting and cruising along the Mekong Rivers. For the last five years, the TAT has organised numerous motor-car caravans to highlight the emerging opportunities of touring the region by road.

(+) Transportation group : In view of the extensive road development taking place in the GMS region, transportation businesses such as tour coach and car rental have a positive future. River cruises will also be a good opportunity.

CONCLUSION

It is clear that there is no shortage of tourism demand for the GMS region. The GMS countries are on the right track and have to make the required adjustments in line with the political, economic and social changes taking place in their countries. While investors may think that some of the



changes are not moving as fast as they would like, or in the direction they like, it is important that the countries should not be pushed into doing anything that may affect their long-term future. All are keen to develop tourism industries with strong long-term and sustainable futures. They are not mass tourism destinations and should not be encouraged to become so.

I hope this presentation has helped you better understand the opportunities for sensible and sustainable tourism investment in the GMS region. It is certainly a high growth area with good prospects for setting up a profitable businesses. Yes, a lot of changes still need to be made, but if we look at the progress that has been made in the last five years, there is room for optimism. Certainly, we all know that apart from just money, investors also need a lot of patience. If they persevere, they will prevail.

If you need more information related to the GMS, please do not hesitate to contact our AMTA staff. I would like to conclude on that note and thank you for your continued support and for being with us this afternoon.

NEW CAMPAIGN “AMAZING THAILAND 2000: ENCHANTMENT FOR THE NEXT THOUSAND YEARS”



Mr. Pradech Phayakvichien
Governor

ASIAN INCENTIVE & MEETING EXPO 2000 17 FEBRUARY 2000 SYDNEY, AUSTRALIA

Sawasdee-khrap, ladies and gentlemen, and as you would say in Australia, G'day.

It is a great pleasure to be here in Sydney again and to welcome you all to the Amazing Thailand 2000 Promotion. It is especially gratifying to see so many friends and acquaintances with whom I worked during my three years as head of the TAT office between 1992 and 1994. Each time I come back to Australia, I am truly amazed to see the increase in the number of Thai restaurants. I am glad to see that Australians are taking to Thai food in a big way. Personally, I cannot think of any better food in the world.

It is also a great opportunity to meet with Australian travel industry executives, media as well as Thai community in Sydney. Last year, we had a chance to welcome members of Australian Society of Travel Writers at their annual general meeting in Bangkok. This resulted in considerable positive publicity for Thailand in the local media and has played a role in continuing to generate more Australian visitors for us. Prior to that, in November 1997, we hosted the Australasian Incentive Association in Cha-am and Hua Hin. I am told that those beach resorts have vastly increased in popularity since then and for that, I thank you for your support.

“ At the heart of the campaign were nine facets of travel including shopping, food arts and lifestyle, sports and entertainment, natural and cultural heritage, agricultural products and the country’s gateway status to the Greater Mekong Subregion. ”

Australia is an important source of visitors for us. In 1998, it was Thailand’s tenth biggest market with 302,820 arrivals, up 29.53% over 1997. The latest statistics for January to November 1999 show the number of Australian visitors to Thailand up 3.57% over the same period of 1998. I was particularly pleased to see that there has been a major increase in the number of business travellers. In January-November 1999, the number of business travellers from Australia increased 15.62% to 31,711, well above the average growth rate of regular visitors. The number of Australian convention delegates was also up 3.90% in the same period.

Today, I shall give you even more reasons to plan your next incentive, convention or meeting in Thailand. You may have heard of our hugely popular Amazing Thailand campaign that we celebrated in 1998-99 to mark the auspicious 72nd birthday of His Majesty King Bhumibhol Adulyadej in December 1999. At the heart of the campaign were nine facets of travel including shopping, food arts and lifestyle, sports and entertainment, natural and cultural heritage, agricultural products and the country’s gateway status to the Greater Mekong Subregion. All through the campaign, the TAT organised dozens of special activities, events, and new tour programmes to make sure that the campaign lived up to its name by offering a truly fascinating and memorable travel experience.



Amazing Thailand has now become a marketing fixture. Thus, in 2000, we will maintain the Amazing Thailand marketing theme but support it with a new campaign called Amazing Thailand 2000: Enchantment for the Next Thousand Years. The campaign has been designed to position Thailand as a place of ‘escape from a stressful, fast-moving world’ where visitors can “replenish life and recharge their batteries.” It capitalises on a trend in which most of the holiday-makers of the future will be among the ranks of stressed-out city dwellers looking to get away from their hectic lives. That is the kind of pitch on which incentives are based.

Whatever visitors prefer, whether historical sites or natural wonders, arts and crafts or Thailand's rich culinary creations, the Amazing Thailand 2000 campaign is designed to whet their appetite. The new theme can become the basis for many a theme party or provide the colourful backdrop for many a meeting or convention.

I also want to inform you that Bangkok's notorious traffic problem has been vastly alleviated, at least for the visitors, with the December 1999 opening of our new overhead mass transit system, the Skytrain. Visitors and businessmen are now truly amazed to zip around from one part of the city to another in total comfort and freedom, stopping at will at dozens of department stores, shopping centres, tourist attractions and entertainment spots. More extensions and constructions of the mass transit networks are also on their way to further enhance the appeal of visiting one of Asia's most exotic cities.



As part of its continuing focus on sports tourism and especially the increasingly popular game of golf, the TAT will convene the 3rd Thailand Golf Travel Mart and the annual Thailand Travel Mart. The two major travel exhibitions will be very beneficial to you and I would like to invite you to send a representative to these events.

Thanks to all this new product improvement, Thailand's MICE industry is being actively promoted. Two new convention and exhibition centres have opened in Bangkok -- the Bangkok International Trade Convention and Exhibition Centre or BITEC and the 13th Asian Games venue, Muang Thong Thani's Impact Trade Centre. Both these add to our many existing facilities in the capital and outside.

Ladies and gentlemen,

The TAT will continue to maintain its focus on Thailand as the gateway to the Greater Mekong Sub-region including Cambodia, Laos, Myanmar, Vietnam and Yunnan. Thailand is an ideal hopping-off point for pre and post conference tours to these emerging destinations and you will be hearing a

lot more about them in future, especially in view of much better visa-facilitation processes and infrastructure development.

One of the things going for us is that Bangkok has been one of the historical hubs for flights between Europe and Australia and hence has adequate aviation links, though I am told that the situation could always be better. The TAT anticipates that many of the thousands of people heading from Europe and Australia to participate or attend the Sydney 2000 Olympics will be stopping over in Bangkok. Currently, there are 34 direct flights weekly between Australia and Thailand by international airlines such as British Airways, Qantas, Olympic Airways and Thai Airways International.

I would like to conclude on that note and thank you for your continued support and for being with us this evening. For those of you who are connected to the Internet, I invite you to visit our extensive website for further information. I would like to present to you now a preview of some the Amazing Thailand 2000 TV spots that we plan to air in the Australian market to support you in your efforts.

Thank you very much for your time, and Sawasdee-khrap.

PIONEERING NEW PARTNERSHIPS FOR HEALTH TOURISM



Mr. Korn Dabbaransi

*Deputy Prime Minister in charge of
Tourism*

ESCAP/TAT/WTO ASIA-PACIFIC SEMINAR 20 MARCH 2000, BANGKOK

Sawasdee-khrap and good morning, ladies and gentlemen.

It is a great pleasure to be here today and to welcome you all to the ESCAP/TAT/WTO Asia-Pacific Seminar on “Public-Private Partnership in Tourism Development”. I would like to thank the WTO and UN ESCAP for initiating this seminar and to the TAT for its co-operation. A special thanks to Mr Frangialli for being with us today. I understand the WTO has done a lot of commendable work in this area of promoting public-private sector partnerships, which will clearly be a way of the future.

Mr Chairman,

I have been in Thai public service for more than 20 years. And one of the most important changes I am noticing these days is that in a globalising world, the public sector has to step away from being both an operator and regulator and focus mainly on being a facilitator. I have headed many Thai ministries including Commerce, Industry and now Public Health. In each of these, it is clear that the private sector has to take the lead while the government ensures that the country remains on course.

While I have often heard partnerships being described as a marriage, I think describing it as the crew of a ship is more appropriate. The public sector is the navigator

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I am concurrently overseeing the tourism portfolio as well as the public health ministry. In this field, I have helped bring together the two industries to focus on Thailand's reputation for holistic treatments like traditional massage, various forms of therapies, herbal treatments and spas.

”

and controls the rudder to ensure that the ship heads in the right direction. The private sector is the chief engineer of the ship and makes sure that the engines and turbines are in good working order. There is no ‘captain’. In effect, the people of the country are all captains. We are all involved in shaping our futures.

There can be few industries as important as Travel & Tourism in ensuring that this partnership works well. Travel & Tourism is already Thailand's largest foreign exchange earning service industry. It has grown largely because the private sector has played a major role in ensuring that we have good products and services that are recognised world-wide for their quality and value for money. These products are then marketed by the Tourism Authority of Thailand, THAI Airways International and others involved in our industry. It is a good partnership.

I will be the first to admit that the partnership is not always perfect and can always be improved upon. But that is why we are here today. On my side, I can give you one example of some new emerging partnerships. As I mentioned, I am concurrently overseeing the tourism portfolio as well as the public health ministry. In this field, I have helped bring together the two industries to focus on Thailand's reputation for holistic treatments like traditional massage, various forms of therapies, herbal treatments and spas. Our modern hospitals are also offering general check-ups and treatments for a variety of ailments at a fraction of the prices in the advanced countries. Last year, we organised the first trade show for health travel in Thailand, and are planning more such shows in future. This has never been done before and Thailand is proud to be a pioneer of this new form of public-private sector partnership.



Mr Chairman,

The potential for such partnerships is immense. Later in this seminar, the governor of the TAT will be giving you more details of the emerging opportunities and challenges for the TAT in pursuing such partnerships. I am sure other participants at this seminar will help outline many other experiences that will help us all gain mutual benefit. While I regret being unable to spend the next two days with you due to other pressing commitments, I am looking forward to getting a personal report from the Governor about how we can learn from other experiences in improving the level of our partnerships in Thailand.

Once more, a very warm thank you to the WTO and UN ESCAP for taking the lead in organising this seminar in Bangkok. I wish you a successful event and a pleasant stay in Thailand.

Sawasdee-khrap.

THE PRIVATE SECTOR MUST START POLICING ITSELF



Mr. Pradech Phayakvichien
Governor

ESCAP/TAT/WTO ASIA-PACIFIC SEMINAR 20 MARCH 2000, BANGKOK

Dr Mooy, Mr Frangialli, Mr Chairman, distinguished delegates, ladies and gentlemen, Sawasdee-khrap,

It is a great pleasure to be here and to welcome you all to Amazing Thailand. Thank you for giving me the opportunity to address you on the subject of public-private partnership in tourism development in Thailand today. Let me also express my thanks to the World Tourism Organisation and UN ESCAP for their strong support in organising this regional seminar. As always, it is a pleasure to have such a senior complement of people in Thailand, especially right after the ITB Berlin.

Mr Chairman, distinguished delegates

The theme of this seminar is partnerships. Partnerships' is a good word because it implies much more than just co-operation. Marriages are partnerships. They involve some give and take but mostly they involve win-win situations in which both sides genuinely work together for the larger good. In that sense, co-operation is only one element of partnership. There are many other such elements, such as sacrifice and a desire to keep the big picture in mind and not just to focus on the little picture.

I can say with no hesitation that the phenomenal success of our 1998-99 Amazing Thailand campaign would not have been possible without such



The TAT is not a full-fledged ministry but a relatively low-level state enterprise under the chairmanship of a minister. We are basically a marketing agency and can do nothing without the co-operation of everyone in the industry.



partnerships. Indeed, the entire tourism industry of Thailand is founded on partnerships which are becoming critical to the way we do business. We can do nothing without the co-operation and indeed partnership of both the private and public sectors in our industry.

However, a new paradigm is emerging. While once upon a time, we had to focus on partnerships to promote and market the country's tourism industry, we now have to focus on partnerships to develop the industry in a sustainable way. I think this emerging partnership is going to be more problematic and I'm looking forward to hearing from you in this seminar on your suggestions on how we can overcome some of these problems.

Let me first give you a few details about Thai travel and tourism. Tourism has been Thailand's largest source of foreign-exchange earnings since 1982 and become even more important in helping to recover the Thai economy during the past few years. We had another triumphant year in 1999 with total visitor arrivals of 8.58 million, an increase of 10.5% over 1998 and well above the target of 8.3 million. The 1999 results showed a 13.37% increase in arrivals from East Asian countries, including the ASEAN region, 5.39% increase from Europe, 14.67% increase from the Americas, 6.07% increase from the Middle East and 8.35% up from South Asian region.

Six major reasons are being cited for Thailand's tourism success in 1998-99:

- The country was politically and economically stable and peaceful.
- The devaluation of the baht made the country's tourism product and shopping attractions very good value for money.
- The country gave visa-free or visa-on-arrival access to citizens of more than 150 countries.
- Airline and aviation access to Thailand remained more or less stable.
- There was no shortage of hotel rooms and tour-coach capacity.
- The Amazing Thailand campaign had a significant global impact, along with the strong promotions done by the national airline THAI as well as the private sector.

It is important to note here that unlike many of our counterparts in the Asia-Pacific region, the TAT is not a full-fledged ministry but a relatively low-level state enterprise under the chairmanship of a minister. We are basically a marketing agency and can do nothing without the co-operation of everyone in the industry. Thus, partnerships between public and private sectors are critical for developing sustainable tourism in Thailand. They help us save costs, generate ideas, oversee the implementation process and ensure that we serve the needs of the taxpayers.

We are now working on finalising the strategies for tourism development in our 9th five-year economic and social development plan which will take effect from October next year and cover the period 2001-2006. I can tell you that partnerships with the private are a critical component of that. The private sector is participating in all three major processes including 1) planning, 2) implementing and 3) auditing and policy making.

Let me give you some examples of partnerships already undertaken or soon to be undertaken:

1. Planning

Because planning is one of the most important steps towards development of the tourism industry, we ensure that the private sector is represented at all our various committees. These include TAT's own Board of Directors, the National Committee on Tourism Promotion and Development, and a number of other sub-committees and working groups. Other consultations with groupings representing the hotels, tour operators, guides, etc., are regular and constant.

For example, the TAT's Board of Directors consists of representatives from other private and public sectors including the Thai Tourism Society, Ministry of Transport and Communications, Department of Information, Ministry of Interior, Office of the National Economic and Social Development Board, Thai Airways International and Chulalongkorn University.

We are also planning to set up additional high-level industry think-tanks to get year-round, two-way information and help plan and synchronise public-private sector activities. This will also help the TAT allocate budgets and plan and update the direction of the industry.

2. Implementation

However, the growth has brought with it attendant problems in various forms such as deterioration of natural resources and environment, social inequities, safety, etc. Here are some successful partnerships that have been carried out with both the private and public sectors in the tourism industry.

Visas

As I mentioned earlier, one of the major reasons for the success of our tourism industry has been the very liberal visa-free policy. This has involved a strong partnership with and co-operation from the Immigration Department. There are now international immigration checkpoints in Bangkok, Chiang Mai, Chiang Rai and Phuket, with many more coming up along our borders with Laos, Cambodia and Burma. Nationals from 58 countries are now allowed to stay in Thailand for 30 days without visa while visa on arrivals are granted to visitors from 96 countries.

However, the growth has brought with it attendant problems in various forms such as deterio-

ration of natural resources and environment, social inequities, safety, etc. To help stretch the budgets on both sides, we also partner with the private sector in joint advertising world-wide. In principle, we pay for 70% of ad costs and the private sector does the rest. This includes partnerships with hotels for print ads, with THAI Airways International for special supplements in consumer media and with tour operators and travel agents for printing of collaterals and print ads. This has been ongoing for several years and is very successful.

Matching Funds

This is particularly effective in the promotion of the Meetings, Incentives, Exhibition and Convention industry. We have a grouping called the Thailand Incentive and Convention Association (TICA) whose budget is 50% supported by us. For every dollar they raise in membership subscriptions, we contribute one dollar. TAT is considering the possibility of applying the same strategy with other associations including the Thai Hotels Association (THA), the Association of Thai Travel Agents (ATTA), etc. By tradition, the Governor of the TAT is also the head of TICA.



Shopping

Promoting tourist shopping is similar to promoting exports, both of which are major policies under our national economic recovery programme. Products sold to tourists in Thailand are the same as products exported but with no problems related to protectionist quotas, duties and import tariffs. Here, we partner with the Department of Export Promotion which is instrumental in bringing together private manufacturers to join forces in organising the events such as the Exports Expo, Shopping Street, the Grand Sales campaign and Jewellery and Gems exhibition. In 1998, visitors spent most of their budget on shopping (29.2%). This also significantly brought in more female tourists than ever, which is a major target of our marketing strategy.

These shopping festivals are very good because they generate instant cash flow for our companies. The festivals have also gained tremendous added value with the reduction in the Value Added Tax from 10% to 7% and the creation of VAT refund for tourists scheme. The move, which is being taken with the co-operation of the Revenue Department, has gone a long way towards enhancing the shopping appeal of Thailand.

Trade Fairs and Shows

The Thai tourism industry attends dozens of trade shows around the world, each of which involve a significant level of partnership between us and the private sector. These include both international shows abroad as well as our own shows within Thailand and numerous domestic tourism travel shows. Domestic tourism is also now a major national policy. Our new strategy also focuses on ecotourism and adventure travel, agricultural and culinary tourism, health and sports such as golf. In each of these areas, we have organised trade shows in the past, bringing us into new forms of partnership with Thai restaurant-owners abroad, golf courses, spas and sports authorities.

Indeed there is no end to the potential for partnerships and we intend to pursue these strongly in future. We are also working with the military to help promote tourism to military camps where visitors can participate in rough-and-tumble obstacle courses or team-building exercises.

3. Auditing and Policy Making

Now comes the difficult part. As I mentioned at the outset, the TAT is a marketing agency, and this job it has done well. But in the last few years, as the tourism industry has grown, we are being confronted with other kinds of problems, mainly those related to protection of destinations, preservation of our cultural heritage and safeguarding of our environment. Most of the problems are being caused by rampant, uncontrolled development by the private sector and the government agencies are largely ineffective in policing them due to problems too numerous to narrate here. A recent inventory of our tourism assets noted the presence of 2,637 spots of natural, historic, cultural, artistic and ecotourism interest. Of these 1,680 are seen as being in a better state of readiness to receiving international tourists. That is quite a large chunk of territory, far too big for the TAT to do by itself or even in co-operation with other government agencies like the Royal Forestry Department or the Fine Arts Department.



We have tried to co-ordinate with provincial authorities to improve tourist destinations, assist them in launching marketing campaign, environmental conservation programs as well as producing educational aids to create better understanding and awareness among the local people in the provincial areas. But we need a new form of partnership, one that will allow the private sector to start playing a greater role in policing itself. The private sector, especially in local provincial areas, needs to start self-enforcing its own standards and members, because if it does not, the entire industry will

suffer. We have tried many ways to do that, some of which have succeeded, but others have yet to produce results. I am sure other destinations are facing similar problems and I would be very keen to hear their experiences, and especially their solutions.

We do have a Tourist Business and Guide Act which is responsible for licensing of tour companies and guides. The private sector is involved in this but we need to find ways to make it more effective.

CONCLUSION

Mr Chairman, distinguished delegates

The Thai tourism industry has more than risen to the challenge of marketing and now needs to rise to the challenge of management. Sometimes, that is more difficult than marketing but it is critical to future success because it is responsible for delivery of the product that we market. If tourists find that the tourism industry is not managing its products well and not living up to its promise, they will tell other tourists and eventually we will all suffer. These are common problems faced by many other destinations and I look forward to a healthy exchange of opinions on this matter.

Once more, allow me to thank the WTO and UN ESCAP for their initiative in organising this seminar and for allowing me to address you today. Thank you for your time. I wish you all a successful seminar and a pleasant stay in Thailand.

Sawasdee-khrap!

"THE PLACE TO MEET -- AMAZING THAILAND" CAMPAIGN LAUNCHED



Mr. Pradech Phayakvichien
Governor

EUROPEAN INCENTIVES & BUSINESS TRAVEL MEETINGS 23 MAY 2000, GENEVA

Sawasdee-khrap and good morning, ladies and gentlemen.

Thank you all for being with us today and for giving us an opportunity to update you with the latest developments in the Thai tourism and MICE industry, especially our wonderful new marketing campaigns, "Amazing Thailand 2000" and "The Place to Meet-Amazing Thailand".

Let me begin with some background information on the importance of tourism and specifically the MICE business to our national economy and the economic recovery.

Tourism is one of Thailand's largest sources of foreign-exchange earnings, a position it has occupied since 1982. In 1999, international tourist arrivals totalled 8,580,332, up 10.50% over 1998, bringing about 270 billion baht (or about US\$7.3 billion).

Europe is a very significant source of visitors for us. In 1999, visitor arrivals from European countries totalled 1,990,449, up 5.39% over 1998. I was particularly pleased to see a major increase in the number of European business travellers and convention delegates.



Business travellers from Europe increased by 2.27% from 135,258 in 1998 to 138,322 in 1999 while convention delegates from Europe increased by 16.68% from 7,402 in 1998 to 8,637 in 1999. European business travellers and convention delegates in 1999 were mainly from UK, Germany and France.

Today, I shall give you even more reasons to plan your next incentive, convention or meeting in Thailand. You may have heard of our hugely popular Amazing Thailand campaign that we celebrated in 1998-99 to mark the auspicious 72nd birthday of His Majesty King Bhumibhol Adulyadej in December 1999. At the heart of the campaign were nine facets of travel including shopping, food arts and lifestyle, sports and entertainment, natural and cultural heritage, agricultural products and the country's gateway status to the Greater Mekong Subregion.

All through the campaign, the TAT organised dozens of special activities, events, and new tour programmes to make sure that the campaign lived up to its name by offering a truly fascinating and memorable travel experience.

Amazing Thailand has now become a marketing fixture. Thus, in 2000, we maintained the Amazing Thailand marketing theme but now support it with a new campaign called "Amazing Thailand 2000: Enchantment for the Next Thousand Years". The campaign is designed to position Thailand as a place of "escape from a stressful, fast-moving world' where visitors can" replenish life and recharge their batteries.' It capitalises on a trend in which most of the holiday-makers of the future will be among the ranks of stressed-out city dwellers looking to get away from their hectic lives. That is the kind of pitch on which incentives are based.

“

It may surprise you to learn Bangkok's notorious traffic problem has been vastly alleviated, at least for visitors, with the December 1999 opening of our new overhead mass transit system, the Skytrain.

”

Whatever visitors prefer, whether historical sites or natural wonders, arts and crafts or Thailand's rich culinary creations, the Amazing Thailand 2000 campaign will whet their appetites. The new theme can become the basis for many a theme party or provide the colourful backdrop for many a meeting or convention.

Today, at the EIBTM 2000, I am proud to announce the launch of a new campaign called “The Place to Meet -- Amazing Thailand.” This campaign aims to position Thailand as an attractive Asian destination for major international events by showcasing its international standard facilities, professionalism, accommodation and ability to organise major MICE events.

Our MICE facilities and services continue to expand. Two new convention and exhibition centres have opened in Bangkok -- the Bangkok International Trade Convention and Exhibition Centre or BITEC and the 13th Asian Games venue, Muang Thong Thani's Impact Exhibition Centre. Both these add to our many existing facilities in the capital and outside.

It may surprise you to learn Bangkok's notorious traffic problem has been vastly alleviated, at least for visitors, with the December 1999 opening of our new overhead mass transit system, the Skytrain. Visitors and businessmen are now truly amazed to zip around from one part of the city to another in total comfort and freedom, stopping at will at dozens of department stores, shopping centres, tourist attractions and entertainment spots. The system has enhanced the appeal of visiting one of Asia's most exotic cities and is being further expanded.

This year alone, Thailand's MICE industry has gained considerable global prestige and exposure by hosting a number of high-profile international tourism, trade and development events.

This past January we hosted the ASEAN Tourism Forum (ATF), the Tenth United Nations Conference on Trade and Development (UNCTAD) in February and the 33rd Annual Meeting of the Board of Governors of the Asian Development Bank (ADB) in May 2000, just a few days ago.

Many more such big events are due in the coming years. In 2001, the Sixth Asia Pacific Life Insurance Congress : APLIC will be held in Thailand. In 2002, when Bangkok celebrates 220 years as the country's capital city, will see the 12th World Congress of Gastroenterology and the 20th World Scout Jamboree - and many more.

Ladies and gentlemen,

Europe is a very important market for us and we will always be here to help you in your efforts to promote us. We in the TAT are working closely with the Thailand Incentive & Convention Association (TICA), THAI Airways International and the private sector to keep our products and promotions fresh and new so that your clients may continue to visit us, and more importantly, be happy with the experience.

The focus of “The Place to Meet -- Amazing Thailand” campaign will be value-added benefits. Events that qualify for organisational support will get special meet and greet facilities at airports and traditional ceremonies at opening and closing functions. Hotels will also guarantee room rates and provide free AV equipment while delegates will get VIP discount cards and souvenirs and organisers will get registration and secretariat assistance. These are only a part of the full array of incentives on offer. I urge you to talk to my colleagues here from TICA, Thai and the private sector for further details.

Thank you for your continued support and for being with us this morning. Please take time to visit our booth and share your ideas with us. On the Internet, I invite you to visit our extensive websites either www.tat.or.th or www.tica.or.th for further information.

Thank you very much for your time, and Sawasdee-khrap.

DID YOU KNOW “TIGER” WOODS IS HALF-THAI?



Mr. Pradech Phayakvichien
Governor

3RD THAILAND GOLF TRAVEL MART 29 MAY 2000

Sawasdee-khrap and good afternoon, ladies and gentlemen,

It is my pleasure to be here today to welcome you all to the Third Thailand Golf Travel Mart. We are truly honoured that so many of you, from so many different parts of the world, have honoured us by accepting our invitation to be with us today.

Let me begin with some background information on the importance of Thai tourism and specifically golf industry. Tourism is one of Thailand's largest sources of foreign-exchange earnings. In 1999, international tourist arrivals totalled 8.2 million, yielding about 270 billion baht in foreign exchange earnings for Thailand. An estimated 350,000 golfers visited the country as a result of the first two marts in 1998 and 1999 and the hugely successful Amazing Thailand campaign we conducted in those years to mark the auspicious sixth cycle 72nd birthday of His Majesty the King.

This year's mart is particularly important to us because we are promoting two new campaigns, both of which blend in well with the golfing business. One campaign focuses specifically on niche-markets like golf, and the other is designed to develop the meetings, incentives and conventions industry. As you all know, golf is very popular with MICE delegates and business travellers.

Golf has become one of the most popular sports among



Thais and has been further enhanced through a number of high-profile tournaments held here. Thailand now boasts about 150 golf courses nation-wide, many of which have been designed by top professional golfers. Along with great golf courses, you will also find it difficult to find better and prettier caddies. And as for the costs, the amazingly low green fees make the entire experience truly value for money.

Ladies and gentlemen,

Over the next few days, you will experience these things for yourself because I want you to see before you believe. You will also be meeting with our entrepreneurs and tour operators involved in golf tours and related businesses. We have arranged for you to go on a tour of some of Thailand's championship courses in Saraburi, Nakhon Ratchasima and Hua Hin.

Nakhon Ratchasima, known as Korat by Thais, and Saraburi provinces are the gateways to the Northeast or I-san. Golfers will enjoy a selection of eight wonderful landscaped courses. Hua Hin is home to the first championship golf course ever built in Thailand in 1924. Around Bangkok alone, there are 40-50 courses, including many between Bangkok and Pattaya. Phuket and Chiang Mai also provide a wide range of choices. And with fine weather throughout most of the year, there is no end to our golf season.

The international golfers who come to play here complement about half a million local golfers, whose ranks include Thai cabinet ministers, businessmen, government officials and military officers. It is said that more business is done on the national golf links than in boardrooms.

This high-level fan-club helps attract more sponsorship to the game from some of Thailand's biggest companies, including its top beer-baron, a major motor-car assembler and THAI, the national airline, which alone sponsors three major tournaments a year, including one specially aimed at seniors aged 54+.

On a grander scale, the exceptional skills of golf's Number One, Tiger Woods, has probably raised the profile of the game to its highest point ever. Woods is American by nationality, but his frequently interviewed mother, Kulthida ("Thida") Woods, is Thai. Her husband Earl who served two tours in Vietnam, met and married Thida when she was working at the U.S. Army office in Bangkok. As a result, each time the indomitable Tiger bags yet another golfing title, Thailand basks comfortably in the promotional afterglow.

Ladies and gentlemen,

The year 2000 also coincidentally marks the 40th anniversary of the Tourism Authority of Thailand (TAT) and THAI Airways. We are doing our share, and THAI Airways has never fallen short of doing its. They not only support the golfing game with their Royal Orchid Holiday packages, but also have special facilities for you to carry your golf-clubs. They also now bring golfers from the far corners of the earth, thanks to their links with the Star Alliance, the world's largest airline network.

Please let me take this opportunity to thank my friends from THAI Airways, the Thailand Golf Course Association and other related organisations for their strong support in organising this event.

Finally, I want to stress that this golf mart is very much in line with the government's policy to disseminate revenue to provincial areas. This is why we have chosen the Northeastern part of Thailand for this event. Not only do your clients get a great vacation but also generate income to all levels--from our caddies or course-workers to hotel and course owners and our national treasury.

Please enjoy our new VDO spot on "Why Golfing in Thailand" that we plan to air world-wide to give your valued clients even more reasons to play golf in this country. Thank you once more for being with us. I hope you find this mart an amazingly productive and profitable experience.

Sawasdee-khrap.

THAI TOURISM DEVELOPMENT: OPPORTUNITIES & THREATS



Mr. Pradech Phayakvichien
Governor

**6TH ANNUAL CONFERENCE, ASIA PACIFIC
TOURISM ASSOCIATION
29 JUNE 2000
PRINCE OF SONGKHLA UNIVERSITY,
PHUKET**

Sawasdee-khrap and good morning, ladies and gentlemen.

I am delighted to extend my warmest welcome to all delegates of the 6th Annual Conference of the Asia Pacific Tourism Association. Thank you for the opportunity to be here today and to provide you an overview on Thai tourism development and the industry opportunities and threats.

This conference is very much in line with the government's policy to promote co-operation in this region. I'm sure it will provide you with a valuable opportunity to exchange ideas, acquire useful information and explore business opportunities in this region. It will be one more step towards building strong and sustainable development bonds within either Asia and the Pacific or Southeast Asian regions.

Let me begin with some general background of the country's tourism milestones, its performance in the past decade and the significance of tourism to the national economy.

To show you clearly the progress of the tourism industry in Thailand, I would like to classify it into four chronological orders as follows:



THAILAND TOURISM MILESTONES

1960s -- Four decades ago, the Tourism Office was only a small division of the Publicity Department. The finally dawned on many that tourism affairs hold potentially immense significance and benefit to this country. Characteristically displaying farsightedness and understanding, the government finally transferred the Office from the Publicity Department and set up an independent body, the Tourist Organisation of Thailand (TOT) answering directly to the Office of the Prime Minister. The new office was at the Board of Trade Building, which was also headquarters of the Thai-Japan Joint Commission during the War. The building's mediocre setting was then turned into an attractive office and exhibition hall. Consequently, the first overseas tourism promotion office is opened in New York in 1965 and the first local office is opened in Chiang Mai in 1968.

It all started with a record of only 81,000 visitors and revenue at 196 million baht in 1960.

1970s -- Though tourism revenue has significantly increased since 1960s but tourism development plan has never been officially initiated until 1976. The National Plan on Tourism Development, the country's first development blueprint, is formulated with the assistance of the Netherlands Institute of Tourism Development Consultants. In the same year, the Centre for Facilitation and Safety Protection of Tourists is established under the Crime Suppression Division to deal with tourist complaints and issues related to safety.

To effectively institute operations on systematic development and conservation of the country's tourism resources and to organise and control travel trade segments, the Tourism Organisation of Thailand (TOT) is eventually upgraded to the Tourism Authority of Thailand (TAT) in 1979.

1980s -- In 1980, tourism industry became the second biggest foreign exchange earner for Thailand, only after rice export and finally became the biggest revenue earner in 1982. In 1981, accommodation industry increased by 33% over 1980, totalling 61,302 rooms across the country.

In this decade, Thailand celebrated two major events. These included the Rattanakosin Bicentennial held in the capital of Bangkok to commemorate 200 years of the founding of the Chakri Dynasty in 1982 and the 60th Birthday Anniversary of His Majesty King Bhumibol Adulyadej in 1987.

To promote domestic travel among Thais and international visitors to Thailand, the “Visit Thailand Year” campaign was also held in 1987. Extensive publicity campaigns to promote all royal and supplementary ceremonies and fairs were mounted at home and abroad with excellent co-operation from the government and private sectors. All these exertions combined to suddenly push up the tourist influx to a record figure and stimulated vigorous domestic travel.

1990s -- Since the last decade marked the most successful era for our tourism industry in terms of number of visitor arrivals, foreign exchange earnings and length of stay. Therefore, I would like to focus on and talk in details about this period.



VISITOR ARRIVALS 1990-1999

Visitor arrivals to Thailand have almost doubled from about 5.3 million in 1990 to 8.6 million in 1999. The three major developments affecting arrivals in this past decade had been the 1990-91 Gulf War, followed by the pro-democracy rallies in Thailand in 1992 and the 1997 economic crisis.

Thailand's neighbouring countries in the Asia-Pacific region have been its major sources of visitor arrivals, specifically Malaysia, Japan and increasingly, China. Together Malaysia and Japan alone generate nearly 2 million visitors a year.

Europe has been a solid contributor and a major generator in the peak winter season. The United States and Australia have also been significant producers, thanks to convenient flight connections.

Looking ahead, TAT is projecting more arrivals from new regions in which pro-active marketing initiatives have been undertaken. This is an important strategic step taken to broaden the sources of its various markets and minimise dependency on a handful of countries and traditional markets.

TOURISM EXPENDITURE AND FOREIGN EXCHANGE EARNINGS 1990-1999

Tourism expenditure in much needed foreign exchange earnings rose steadily until 1997 when the July devaluation of the Baht from Baht 25 to 35 to the US Dollar occurred. Consequently as a holiday destination, Thailand offered a real bargain. At one stage soon after the crisis began, visitors were getting as much as Baht 55 to the Dollar.

As tourists were able to exchange more Baht for fewer dollars or the equivalent of their local currency, actual earnings in foreign exchange dropped precipitously from US\$8.6 billion in 1996 to US\$5.93 billion in 1998, or roughly the same level as in 1994.

TAT is now seeking to regain for tourism, its status as the top foreign exchange revenue generator by focusing on high spending and niche market visitors. This means intensified marketing efforts in the area of international sports events promotions such as golf, meetings and convention delegates, health seekers and food lovers.



In addition, “The Amazing Thailand Grand Sale” is being held twice a year to encourage visitors to shop in Thailand. In such initiatives, TAT works jointly with the Department of Export Promotion, Ministry of Commerce, recognising that a product sold to a visitor in Thailand is as good as the product being exported, free of quotas and other global trade restrictions and the Department of Revenue which initiating VAT Refund scheme.

LENGTH OF STAY 1990-1999

Extending the average length of stay has been one of TAT’s policy goals successfully achieved. The overall average has risen from 7.06 days to 7.96 days per visitor between 1990-1999. The average length of stay of each year is more or less stable in late 1990s.

Here the critical contribution of European travellers needs to be recognised. The top five “Extended Stay Visitors” are all from Europe.



Photo Credit: Masala Magazine



Thailand's strong transportation links with the ASEAN and Mekong River countries will provide greater impetus to combine fly-drive-cruise-rail packages that will substantially enhance the depth of the visitor experience.



With Asian visitors, on average, the stays are relatively shorter as there is a much higher percentage of first-time travellers who prefer to visit several Southeast Asian destinations at a time in the one trip, when on holiday.

TAT's product development strategy is designed to give more visitors more reasons to spend more time in Thailand. Tour operators are thus being encouraged to package beach resorts in the south with culture and heritage highlights in the North and Northeast. The 4 UNESCO-designated World Heritage Sites are also being featured.

Into the future, Thailand's strong transportation links with the ASEAN and Mekong River countries will provide greater impetus to combine fly-drive-cruise-rail packages that will substantially enhance the depth of the visitor experience and enable them to spend more time in a country with constant and excellent weather conditions all year round.

2000 -- The growth in the first quarter of 2000 is still very satisfying due to the economic recovery of East Asian market and a strong increase in visitors from Europe, Oceania and America. In addition, increasing international flights including China Airlines and British Airways also benefits our tourism industry.

Thailand's success also came from the continuous cooperation between public and private sectors which helped host major international conferences including the ASEAN Tourism Forum 2000 in January and the Tenth United Nations Conference on Trade and Development in February. The two events helped boost tourism income and show the country's tourism and MICE industry potentials.

The tourist segments especially family and youths/students grew well while senior citizens were quite stable.

International visitor arrivals to Thailand reached 2.5 million in January-March 2000, a healthy increase of 8.95% over the same period of 1999. Japanese visitors were the biggest market with 13.0% of the overall visitors to Thailand during January-March 2000. The top five markets were Japanese, Malaysian, Chinese, Taiwanese and Singaporean.

THE FORMULA FOR THAILAND'S TOURISM SUCCESS IN 1998-2000

Thailand's tourism growth, in particular its spectacular performance in visitor arrivals can be attributed to several factors. TAT has been responsible for effectively leveraging the opportunities by building on the country's inherent strengths, its images and icons. The most prominent factors are cited as follows:

- (+) The country was politically and economically stable and peaceful.
- (+) The devaluation of the baht made the country's tourism product and shopping attractions very good value for money.
- (+) The country gave visa-free or visa-on-arrival access to citizens of more than 150 countries.
- (+) Airline and aviation access to Thailand remained more or less stable.
- (+) There was no shortage of hotel rooms and tour-coach capacity.
- (+) The Amazing Thailand campaign had a significant global impact, along with the strong promotions done by the national airline THAI as well as the private sector. And, it's now our tourism fixture.

THE SIGNIFICANCE OF TOURISM TO THE THAI ECONOMY

Tourism was the country's top foreign exchange earner from 1982 to 1996. After 1997, it was overtaken by exports of computer parts. However, it still remains far ahead of earnings from agriculture. In 1999, international tourist arrivals totalled about 8.6 million, up 10.5% over 1998, generating about 253 billion baht (or about US\$7 billion) in foreign exchange in 1999. Compared to other industries, tourism has a very low cost in terms of natural resource consumption and import of raw materials. Therefore, the retention of foreign exchange earnings from tourism has been higher than that of other industries.

In provinces with high tourism potential, the development of tourism infrastructure and the provision of public utilities and a welfare service has raised the overall standards, of living. In what were once rural communities without roads, electricity or tap water tourism development has contributed to a better quality of life.

Tourism growth and development contributes to an increasing level of awareness and appreciation of the Kingdom's natural and cultural treasures, the value of which far exceed their financial value. Representing a national heritage carefully nurtured and handed down from generation to generation, these tourism assets are unique and irreplaceable.

Tourism has thus become the vehicle prompting the call to protect and preserve Thailand's natural tourism resources. A better understanding of tourism itself raises environmental consciousness and leads to greater commitment to undertake the conservation measures needed to achieve sustainable tourism.

Tourism also highlights the job creation potential of the travel and tourism industry, cutting

across all sectors of Thai society. Approximately 2 million Thais nation-wide are employed, directly or indirectly, in travel and tourism-related jobs. These include hotels, airlines, transportation services, restaurants and catering services, retail outlets and souvenir shops, sports, leisure and entertainment, theme parks and recreational facilities and many other services which cater to the needs of the individual tourist or business traveller.

As these jobs involve specific skills such as language skills or technical skills in customer service, food and beverage, information technology, reservations systems environmental management and other areas, individuals employed in these jobs are highly skilled workers. Through sophisticated training and skills development programmes, their knowledge and skills are constantly upgraded so they represent the core of the nation's top-tier talent pool. By supporting tourism, state agencies facilitate the creation of quality jobs for thousands of Thais.

ROLES OF TOURISM AUTHORITY OF THAILAND

The first and foremost responsibility of TAT is to promote a better understanding of tourism issues within TAT, and among state agencies and the private sector.

TAT then assumes a leadership role in developing a clear statement of vision and mission for the overall Thai tourism industry jointly with state agencies and private sector representatives.

(+) TAT's role as a key co-ordinator is essential to ensure that there indeed is a common direction and goal in the implementation of national policy by the parties involved in the government as well as the private sector.



TAT recognises that the children of today are the next generation of Thailand's workforce and are a fundamental driving force in the achievement of sustainable development. Hence, TAT also focuses its attention on Thai youth - the future of the Thai nation.

(+) TAT is also the orchestrator of all joint tourism-related activities and efforts undertaken to achieve broader goals as defined by national policy.

(+) TAT is also a key facilitator in the implementation of various initiatives and is responsible for identifying resource needs, matching these with resources available at its disposal, and initiating negotiations with other entities to mobilise such resources.

TAT's major policies include:

Decentralisation

It is only when tourism development efforts have been decentralised with increased local involvement and responsibility especially at the “tambon” or district level that tourism development becomes continuous and sustainable. In paving the way towards this goal, TAT is responsible for developing mechanisms which facilitate joint effort and problem-solving in an effective and systematic way. It is also promoting an increased level of co-operation between local organisations on all levels. To achieve self-sufficiency in tourism development, one of TAT's key roles is to encourage the development of local capabilities in the administration and management of tourism-related matters in the future.

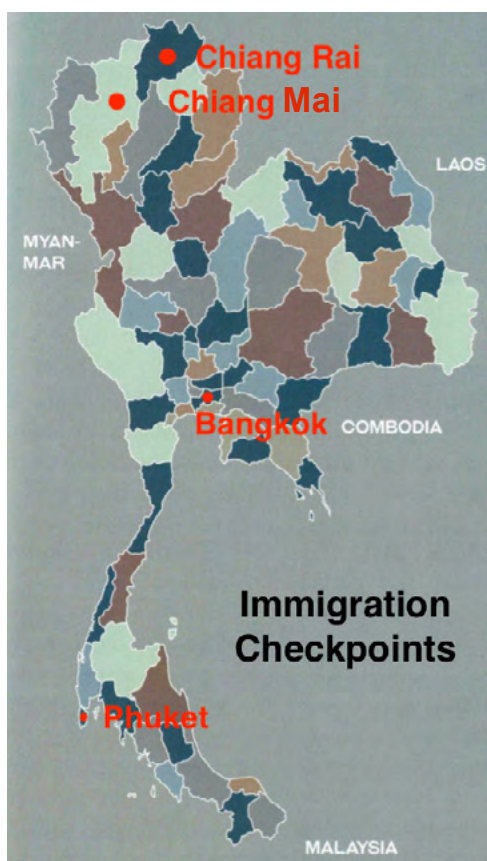
Promoting Youth Education Opportunities

TAT recognises that the children of today are the next generation of Thailand's workforce and are a fundamental driving force in the achievement of sustainable development. Hence, TAT also focuses its attention on Thai youth -the future of the Thai nation.

TAT's role in the provision of educational opportunities for Thai youth and its co-ordinating role in the development of an updated vocational training curriculum ensures that once the employment opportunities have been created, qualified personnel are readily available to fill the positions. This paves the way for long-term sustainable tourism growth.

Strong Partnerships with other Agencies

TAT believes that all government agencies play a vital role in spreading the benefits of travel and tourism down to the grass roots of society. The active involvement of respective state agencies in creating a positive impression for visitors in areas such as safety, security, comfort and affordabil-



ity determines the likelihood of repeat visits to Thailand. This positive experience also generates more first time visitors to Thailand through referrals by family members and friends.

It is important to note here that unlike many of our counterparts in the Asia-Pacific region, the TAT is not a full-fledged ministry but a relatively low-level state enterprise under the chairmanship of a minister. We are basically a marketing agency and can do nothing without the co-operation of everyone in the industry. Thus, partnerships between public and private sectors are critical for developing sustainable tourism in Thailand. They help us save costs, generate ideas, oversee the implementation process and ensure that we serve the needs of the taxpayers.

I can tell you that partnerships with the private are a critical component of that. The private sector is participating in all three major processes including 1) planning, 2) implementing and 3) auditing and policy making.

Let me give you some examples of partnerships already undertaken or soon to be undertaken:

1. Planning

Because planning is one of the most important steps towards development of the tourism industry, we ensure that the private sector is represented at all our various committees. These include TAT's own Board of Directors, the National Committee on Tourism Promotion and Development, and a number of other sub-committees and working groups. Other consultations with groupings representing the hotels, tour operators, guides, etc, are regular and constant.

For example, the TAT's Board of Directors consists of representatives from other private and public sectors including the Thai Tourism Society, Ministry of Transport and Communications, Department of Information, Ministry of Interior, Office of the National Economic and Social Development Board, Thai Airways International and Chulalongkorn University.

2. Implementation

However, the growth has brought with it attendant problems in various forms such as deterioration of natural resources and environment, social inequities, safety, etc. Here are some successful partnerships that have been carried out with both the private and public sectors in the tourism industry.

Frontier Formalities

As I mentioned earlier, one of the major reasons for the success of our tourism industry has been the very liberal visa-free policy. This has involved a strong partnership with and co-operation from the Immigration Department. There are now international immigration checkpoints in Bangkok, Chiang Mai, Chiang Rai and Phuket, with many more coming up along our borders with Laos, Cambodia and Burma. Nationals from 58 countries are now allowed to stay in Thailand for 30 days without visa while visa on arrivals are granted to visitors from 96 countries.

Matching Funds

This is particularly effective in the promotion of the Meetings, Incentives, Exhibition and Convention industry. We have a grouping called the Thailand Incentive and Convention Association (TICA) whose budget is 50% supported by us. For every dollar they raise in membership subscriptions, we contribute one dollar. TAT is considering the possibility of applying the same strategy with other associations including the Thai Hotels Association (THA), the Association of Thai Travel Agents (ATTA), etc. By tradition, the Governor of the TAT is also the head of TICA.



Photo Credit: Masala Magazine

Shopping

As I mentioned earlier, “The Amazing Thailand Grand Sale” festivals are very good because they generate instant cash flow for our companies.

Promoting tourist shopping is similar to promoting exports, both of which are major policies under our national economic recovery programme. Products sold to tourists in Thailand are the same as products exported but with no problems related to protectionist quotas, duties and import tariffs. Here, we partner with the Department of Export Promotion which is instrumental in bringing together private manufacturers to join forces in organising the events such as the Exports Expo, Shopping Street, the Grand Sales campaign and Jewellery and Gems exhibition. In 1998,

visitors spent most of their budget on shopping (29.2%). This also significantly brought in more female tourists than ever, which is a major target of our marketing strategy.

The Grand Sales festivals have also gained tremendous added value with the reduction in the Value Added Tax from 10% to 7% and the creation of VAT refund for tourists scheme. The move, which is being taken with the co-operation of the Revenue Department, has gone a long way towards enhancing the shopping appeal of Thailand.

Trade Fairs and Shows

The Thai tourism industry attends dozens of trade shows around the world, each of which involve a significant level of partnership between us and the private sector. These include both international shows abroad as well as our own shows within Thailand and numerous domestic tourism travel shows. Domestic tourism is also now a major national policy. Our new strategy also focuses on ecotourism and adventure travel, agricultural and culinary tourism, health and sports such as golf. In each of these areas, we have organised trade shows in the past, bringing us into new forms of partnership with Thai restaurant-owners abroad, golf courses, spas and sports authorities.

Indeed there is no end to the potential for partnerships and we intend to pursue these strongly in future. We are also working with the military to help promote tourism to military camps where visitors can participate in rough-and-tumble obstacle courses or team-building exercises.

3. Auditing and Policy Making

Now comes the difficult part. As I mentioned at the outset, the TAT is a marketing agency, and this job it has done well. But in the last few years, as the tourism industry has grown, we are being confronted with other kinds of problems, mainly those related to protection of destinations, preservation of our cultural heritage and safeguarding of our environment. Most of the problems are being caused by rampant, uncontrolled development by the private sector and the government agencies are largely ineffective in policing them due to problems too numerous to narrate here.



We have tried to co-ordinate with provincial authorities to improve tourist destinations, assist them in launching marketing campaign, environmental conservation programs as well as producing educational aids to create better understanding and awareness among the local people in the provincial areas. But we need a new form of partnership, one that will allow the private sector to start playing a greater role in policing itself. The private sector, especially in local provincial areas, needs to start self-enforcing its own standards and members, because if it does not, the entire industry will suffer. We have tried many ways to do that, some of which have succeeded, but others have yet to produce results. I am sure other destinations are facing similar problems and I would be very keen to hear their experiences, and especially their solutions.

We do have a Tourist Business and Guide Act which is responsible for licensing of tour companies and guides. The private sector is involved in this but we need to find ways to make it more effective.

SUSTAINABLE TOURISM

Ladies and gentlemen,

Travel and tourism is to “promote the conservation and revival of the arts, culture and tourism resources alongside the environment by placing priority on the quality of sustainable tourism development to enable it to cater to the long-term increase of visitors while retaining the national identity and heritage.”

For tourism to continue to be a viable and sustainable means of livelihood for the Thai people, there are 2 key priorities on the national tourism agenda.

(+) The protection and preservation of the Kingdom’s tourism resources and assets for long-term sustainability.

(+) The attainment of world-class status as a tourism destination while maintaining the distinct Thai cultural identity.

1. Preservation of Thai Heritage

The Kingdom’s magnificent natural and cultural heritage forms the bedrock of Thai tourism. It is why tourism exists. The protection and preservation of the Kingdom’s tourism treasures and assets from further deterioration is critical in order to protect the future livelihood of the Thai people and ensure that Thai tourism remains sustainable and viable in the long-term.

The promotion of travel in Thailand by the Thai people is a fundamental element in the overall tourism promotion and development plan. It is only when the inherent beauty of the natural environment and cultural magnificence is fully appreciated, cherished and treasured by the local



people that a sense of pride, civic awareness and responsibility towards the community is awakened.

Then, the commitment and determination to protect and conserve these national assets becomes a personal crusade for every single person as well as visitors. Thus the call for the Thai people to “Discover Thailand” carries with it much greater significance beyond the element of “sanuk” (fun) alone.

It is also being recognised that tourism development needs to proceed in tandem with the preservation of the Kingdom’s natural resources and assets and cultural treasures.

2. Distinctive Thai Touch Complemented by World-class Style

In pursuing recognition for Thailand as a world-class tourism destination, the long-term goal is to develop a unique ‘brand image’ which is a seamless blend of charismatic, traditional Thai qualities and internationally recognised standards.

To succeed in this endeavour, Thailand needs to raise its performance benchmark in 3 critical areas including the development of quality tourism destinations, service enhancement, and environmental quality.

Rising towards the challenge of attaining standards as established by prevailing international practices and popular convention requires immediate attention and national commitment in addressing several key areas. These include the preservation of areas of natural beauty throughout the Kingdom and Thai culture and traditions, working towards a pollution-free environment, the assurance of safety and security overall, the attainment of international standards of service, the development of essential tourism infrastructure and the provision of basic utilities and modern facilities, the readiness and willingness of the local population to deliver superior service and fulfill their role as “The Perfect Host”, the provision of integrated communication systems, the availability of a global telecommunications network in key cities and raising the overall standard of living for the general population especially the rural communities throughout Thailand.



It is clear that there is no shortage of tourism demand for Thailand. The country is on the right track and has to make the required adjustments in line with the political, economic and social changes taking place in the country.



TOURISM OPPORTUNITIES AND THREATS

It is clear that there is no shortage of tourism demand for Thailand. The country is on the right track and has to make the required adjustments in line with the political, economic and social changes taking place in the country. While investors and visitors may think that some of the changes are not moving as fast as they would like, or in the direction they like, it is important that Thailand should not be pushed into doing anything that may affect their long-term future. We are keen to develop tourism industries with strong long-term and sustainable futures. They are not mass tourism destinations and should not be encouraged to become so.

Please also refer to the previous part, the Formula for Thailand's Tourism Success, and you will see that Thailand is an ideal place for tourism and hospitality investment. I shall give you even more reasons to invest in Thailand.

OPPORTUNITIES

(+) Effective integrated marketing and promotional campaigns have built a powerful "Thailand" brand in the international markets. Thailand has now been position in the world's tourism map.

(+) The Kingdom has been blessed with the charismatic leadership of the world's longest reigning King. Highly revered and loved, the constitutional monarchy has been a pillar of stability, as well as the focal point of the Kingdom's many magnificent royal ceremonies and rituals.

(+) Timeless and memorable, the eye-catching visual icons of the "Land of Smiles" such as the "Temple of Dawn" and the floating market, and Thailand's leading hotels, have further strengthened this 'branding'.

(+) Attracted by the country's immense tourism potential, pioneering European hotel chains and tour operators set up base in Thailand in the 1960s and marketed their products extensively with European wholesalers.

(+) A natural flair for service delivery attracted ongoing investment in the hospitality industry and tourism infrastructure.



(+) Strategically located at the crossroads of Southeast Asia, Bangkok's geographic location makes it a natural hub for direct flights from Europe offering a non-stop service on wide bodied aircrafts. A relatively liberal aviation development policy added momentum.

(+) Thai Airways International, the national carrier, is the Kingdom's flagship. THAI has played an instrumental role in the promotion of travel to Thailand by pioneering new routes and establishing a global route network by forming strategic alliances with other international airlines. Furthermore, through its inflight service, THAI promotes various elements of Thai culture overseas.

(+) The development of international airport facilities in Phuket, Chiang Mai, U-Tapao, Hat Yai and Samui providing more gateways for direct flights from abroad, offering new and exciting options for the tourist.

(+) The country's economic potential, its proximity to the region's developing economies and growth markets has also attracted a constant stream of travellers for business, conventions and exhibitions.

(+) Respect for the freedom of speech and newsworthy journalism has made Thailand a preferred base for foreign correspondents and international media.

THREATS AND SOLUTIONS

(+) Sex Tourism

We have taken very strong action against all forms of tourism for prostitution, especially child prostitution. All overseas offices work to deter tourists from visiting Thailand for sexual purposes of any kind. Information on the subject and on the penalties for breaking the law is disseminated to the public through various channels including the TAT's homepage. In addition, we monitor

closely any tour operators or promotions offering sex tours to Thailand, and inform the relevant authorities for action that may need to be taken.

(+) Tourist Safety

The safety and security of all visitors and their belongings is top priority for us, as untoward incidents do affect Thailand's world-wide reputation as a warm and welcoming country. Therefore, many safety measures have been initiated and implemented. From the very moment that tourists enter the kingdom it is imperative they feel safe and welcome.

To this end, we are working on creating knowledge and understanding, both in terms of educating tourists about suitable behaviour and in terms of improving the services offered by those involved in tourism, encouraging public and private sector cooperation and assisting tourists who encounter difficulties by setting up agencies to help tourists who run into problems while travelling in Thailand.

(+) Illegal Tour Guides and Operators

We recognise that cheating tourists is a very serious problem which must be urgently addressed by both public and private organisations. We have proactively launched both supportive campaigns and preventive strategies.

“ We recognise that cheating tourists is a very serious problem which must be urgently addressed by both public and private organisations. We have proactively launched both supportive campaigns and preventive strategies. ”

To support quality tour guides, we have initiated the First Tourist Guide Awards which will be presented not only to experienced but also dedicated tour guides. The Awards aim to raise our quality levels to meet international standards and encourage tour guides to give strong support to the country's tourism industry.

Meanwhile, to tackle the problems of illegal tour companies and guides in Thailand, TAT's five Tourist Business and Guide Registration Offices with support from the Tourist Police have worked hard to ensure that tourists are protected. Complaints from tourists are immediately checked and investigated, with licenses being suspended and withdrawn in cases of culpability being proven.

In addition, the TAT provides financial and other forms of support only to high-standard tour operators, especially in terms of joint advertising and marketing.



(+) Environment and Heritage Deterioration

Thailand's plan to develop and promote ecotourism is very much in line with the policy to promote sustainable development across all forms of social and economic life. Tourists are also becoming more sophisticated, seeking healthy holidays, cultural experiences and above all, quality over quantity. The TAT is committed to promoting tourism via enhanced respect for environment, culture, heritage and traditions.

The increased popularity has resulted in some areas reaching or surpassed their designated carrying capacities. In response, the TAT is promoting lesser known areas offering similar attractions and experiences. These newer areas are being carefully monitored so that they don't get congested and destroy the products which attracted the tourists in the first place.

The TAT is playing a responsible catalytic role in ensuring that people are aware of the issues involved, the long-term advantages of following a sustainable tourism development plan and most important, the ways and means of doing so. Hence, the ecotourism plan explains in detail what needs to be done to preserve Thailand's tourism attractions including both natural and cultural heritages, what policies and strategies can be adopted and the many ways by which they can be implemented.

I will give you additional details on our sustainable tourism policies in the next chapter.

(+) Overcharging by Hotels in Popular Destinations

This issue depends on whom you speak to. Hotels have to compete in terms of quality and prices. If they decide to adjust their room rates, it is because they think the market can take it. At the same time, they will have to improve their quality of services and facilities accordingly and those should also meet their customers' higher expectations. Buyers, including tour operators and

airlines, often have a different opinion.

We at the TAT are pleased with the demand for popular destinations including Phuket but at the same time are urging hoteliers to deliver value for money. Phuket is one of the top destinations of Thailand. One must understand that operational costs of each hotel are also increasing while the Thai baht is less valued. If buyers are unhappy with the product or the price, they should considering shifting to other beach resorts in Thailand, such as Samui, Pattaya, Hua Hin, Cha-am, Rayong, Krabi, and many more.

(+) Delay of the Construction of the Second Bangkok International Airport

Related public and private organisations including the Airports Authority of Thailand, THAI Airways International, The Second Bangkok International Airport Co.,Ltd., have frequently met to discuss over this issues. All of them are certain that the Second Bangkok International Airport will be opened no later than 2005. The Second Bangkok Airport will be able to serve about 35 million passengers per annum.

Most airports in Thailand will be reformed to improve the flexibility, efficiency and quality of the operation, increase knowledge of new technology in the organisational operation, reduce government's burden and increase airports' capability to raise its own funds for future development.

Ladies and gentlemen,

I hope this presentation has helped you better understand the Thai tourism industry and opportunities for sensible and sustainable tourism co-operation in the Asia Pacific region. Yes, a lot of changes still need to be made, but if we look at the progress that has been made in the last five years, there is room for optimism.

I wish you a successful conference and an enjoyable stay in Thailand. Thank you very much.

PROMOTING THAILAND IN THE EMERGING BALTIC COUNTRIES



Mr. Patpong Abhijatapong

Deputy Governor for Marketing

BALTIC COUNTRIES ROAD SHOW, JULY 2000

TALLINN (ESTONIA), VILNIUS (LITHUANIA), RIGA (LATVIA)

Sawasdee-khrap and good afternoon, ladies and gentlemen.

It is a pleasure to be with you today. On behalf of the Tourism Authority of Thailand, allow me to welcome you all to this Baltic Countries Road Show 2000. We thank you for sparing your valuable time to be with us today. The fact that so many of you are here clearly shows your level of interest in learning more about one of the most exciting and certainly the most exotic countries in Asia, which I am sure your clients will find well worth visiting and also recommending to their friends.

We believe selling Thailand offers all travel agents from Baltic countries a unique opportunity to increase your profitability and customer satisfaction. With me today is a team of travel agents, hoteliers and other product suppliers from Thailand who will be more than happy to give you further details about the wonderful holidaying opportunities in our country, which we call Amazing Thailand. I can assure you that Thailand will provide your clients with a holiday experience they will never forget.

Let me begin with some general background of Thailand and some statistics related to Baltic visitor arrivals to Thailand.

Situated in the heart of Southeast Asia, Thailand has been blessed with various tourism resources and products including mountainous areas in the north, sandy beaches and islands in the south, and historical

“ Some of our famous tourist destinations like Pattaya, Phuket, Samui and Chiang Mai attract millions of foreign visitors every year, mainly Europeans. ”



and cultural sites in the central and the north-east. The country is also famous for its breathtaking arts and crafts or the rich culinary creations, all of which offer your clients a totally new and enriching experience that makes for wonderful memories and photographs.

Some of our famous tourist destinations like Pattaya, Phuket, Samui and Chiang Mai attract millions of foreign visitors every year, mainly Europeans. In 1999, visitor arrivals from European countries totalled just under two million. Our latest statistics show that European visitor arrivals to Thailand totalled 870,503 in January-April 2000, an increase of 9% over the same period in 1999. East European visitors totalled 24,951 in January-April 2000, a healthy growth of over 10% over the same period in 1999.

The three Baltic states including Estonia, Latvia and Lithuania are now growing rapidly. In 1999, visitor arrivals from three Baltic countries increased slightly from 3,155 in 1998 to 3,224 in 1999, of these 1,802 were from Estonia, 944 from Latvia and the rest from Lithuania. Though the number of visitor arrivals from these countries is rather small compared to other markets, we are optimistic that, with your active support, the Baltic countries will become significant sources of visitors for Thailand in the near future.

Today, we shall give you even more reasons to help us promote Thailand as one of the international tourist destinations. In a few moments, my colleagues will present to you more information of our country and new tourism campaign.

The Tourism Authority of Thailand is keen to ensure that you all get the best possible help from us. Please do not hesitate to contact me or my staff if you think we can be of your assistance. We need your support and we are more than happy to support your efforts to support us.

Last but not least, I would like to again thank all buyers and sellers for joining the Road Show 2000 and being with us this afternoon. May I also thank the Association of the Thai Travel Agents (ATTA) for their dedication to this event. I am sure it will provide you with a valuable opportunity to exchange ideas, acquire useful information and explore business opportunities in Thailand.

Have a wonderful evening. Thank you very much, and Sawasdee-khrap.

NEW TOURISM INITIATIVES AND GATEWAY TO INDO-CHINA



Mr. Tassna Wongrat

*Director of Marketing Promotion
Department*

PRODUCT BRIEFING FOR THE U.S. MARKET 6 SEPTEMBER 2000

Sawasdee-khrap and good evening, ladies and gentlemen.

On behalf of Tourism Authority of Thailand, I am very honoured and delighted to welcome you all to Thailand. Please let me take this opportunity to thank All Nippon Airways which has jointly organised this event. I would also like to thank you very much for giving us an opportunity to update you with the latest developments and newest initiatives in Thai tourism, especially as gateway to Indo-China.

We believe selling Thailand and Indo-China offers you a unique opportunity to increase your profitability and customer satisfaction. Visitor arrivals from the US have grown steadily over the past decade. In 1999, Thailand welcomed just under 418,000 American visitors, an increase of 15.53% over 1998. Of these, about 150,000 were women, or about 35% of the total, and a solid 331,000 were FITs, one of the highest percentages of FITs of our entire visitor profile.

Needless to say, of the many, many things that American visitors like about Amazing Thailand is the shopping. Our research shows that US visitors were the tenth highest spenders in Thailand in 1999. They spent an average of US\$121 per person per day, of which about 36% was on shopping. Happily for us, US visitors find Thai products good value for money and ideal souvenirs and gifts for friends and families.



Shopping is only one of many reasons why Thailand is one of the most popular countries in Asia for tourism. We are a world-class destination with some of the world's best hotels, beautiful green countryside, wonderful weather all year around, friendly people, excellent service standards and tremendous variety as a niche-market destination. Our food, arts and lifestyle, sports and entertainment, natural and cultural heritage are second to none.

Regionally, Thailand is a gateway to the Greater Mekong Subregion (GMS) which comprises of five other countries - China's Yunnan province, Myanmar, Laos, Cambodia and Vietnam. The Mekong countries are also emerging from years of communist rule and wars in which Americans were long involved. I'm sure many of your clients will find it worthwhile to visit these countries via Thailand and see how they are managing their process of economic and social change. This will be a rich and unique experience.

We know that Americans do not come this far for the beaches. That is for the Europeans. The Americans come for the exotic culture of this entire region, its food, shopping and heritage. They enjoy learning how to cook Thai food, enjoy a traditional Thai massage, be refreshed by a herbal beauty treatment and better still experience some of the best golf courses in the world. Did you know, by the way, that Tiger Woods has a Thai mother? How's that for Thai-American relations?

To facilitate travel between Thailand and the Mekong countries, we are working at opening up more border checkpoints and promoting new package tours. Americans can now get visa-free entry at Bangkok airport and visas on arrival at the airports in Vientiane, Laos, and Siem Reap and Phnom Penh in Cambodia. Siem Reap is gateway to the majestic temples of Angkor Wat, and only an hour's flight from Bangkok. Indeed, Bangkok is the only city in Asia with direct flights to

“ During the coming years we hope to attract increasing numbers of American holidaymakers, business people and convention delegates to Thailand, especially as American investment in Thailand is booming. ”

regional heritage cities like Hue (via Da Nang) in Vietnam. Another World Heritage Site, the city of Luang Prabang in Laos, is accessible from Chiang Mai in North Thailand.

Please do take some time to explore the future potential of this entire Mekong region where billions of dollars worth of emerging infrastructure projects will go a long way towards facilitating travel and tourism flows. Two critical projects are the East-West Corridor highway which will link Myanmar, Thailand, Laos and Vietnam and the North-South Corridor Highway which will link Yunnan, Laos, Thailand, Malaysia and Singapore. The roads, airports, ports and waterways, all critical elements of overall economic development, will benefit Travel & Tourism by allowing the private sector to package superb fly-drive-cruise-rail packages through some of the most exotic regions in the world. Business travel and

On the aviation front, there is no shortage of flights linking Thailand with the US. Visitors from the US can easily travel to Thailand from a number of points in the US including Denver and Seattle and via various major cities including London, Tokyo, Frankfurt, Seoul, Hong Kong, etc. Our national airline Thai Airways International is a Star Alliance partner with United Airlines. Long flights also mean plenty of frequent flyer points for your clients.

Ladies and gentlemen,

During the coming years we hope to attract increasing numbers of American holidaymakers, business people and convention delegates to Thailand, especially as American investment in Thailand is booming. General Motors has just opened its first Asian assembly plant in Thailand, not far from here. There are many more themes and amazing aspects of Thailand to share with you, but I will let you learn about them from the upcoming familiarisation trip.

I would like to conclude on that note and thank you for your strong support and for being with us this evening. I hope you have a fruitful and productive trip and that your visit to our country will go a long way towards helping you boost your business with Thailand and the Greater Mekong Subregion countries at large.

Thank you very much for your time, and Sawasdee-khrap.

SEEKING BETTER HEALTH AND BALANCED LIFESTYLES



Mr. Pradech Phayakvichien
Governor

2ND THAILAND HEALTH TRAVEL MART PRODUCT BRIEFING 18 SEPTEMBER 2000, BANGKOK

Sawasdee-khrap and good evening, ladies and gentlemen.

Allow me to join His Excellency Minister Adisai Bodharamik in welcoming you all to Amazing Thailand. Thank you very much for being here. It is a pleasure to have you here with us.

This is the second travel mart organised by the Tourism Authority of Thailand to focus on health and healing products and services, one of the fastest growing segments of the global travel industry, and one of our most unique product offerings. The search for good health is becoming a universal phenomena. It is commonly known that most of the global travellers are fleeing the stress of big-city life, and looking for fresh air, clean water, good food as well as natural treatments.

Growing stress factors are leading people to seek inner balance and harmony, for a more holistic approach based more on prevention and less on cure. Besides medical treatment, environment and attitude are also considered in the forming of a diagnosis. Now, more Thais are beginning to reclaim their ancient wisdom, turning again to meditation and natural therapies along with modern medication. This is our version of 'eotechnology.'

Ladies and gentlemen,

“ Most of Thai society rests on a foundation of Buddhist teachings. Meditation is therefore one of the most publicised and popular aspects of the religion. ”



Health tourism is becoming a major part of our portfolio of niche tourism products, and getting a lot of support from related organisations. The Tourism Authority of Thailand has launched various promotions and marketing campaigns emphasising both our traditional treatments and therapies as well the modern medical techniques and health spas adopted from abroad.

Visitors to Thailand can find ever-increasing number of places to rejuvenate their bodies and revitalise their spirits including modern spa treatment, Buddhist meditation, traditional Thai massage and herbal remedies.

Traditional healing involves herbal steam baths said to improve circulation, reduce muscles aches and stress, improve the respiratory system, and ease allergies as well as cure skin ailments. Complementing those therapies, the number of spa facilities available in Thailand has increased in recent years and their range of activities too.

Several leading hotels in Bangkok and throughout the country have spa facilities as well, offering herbal treatments and massage.

Most of Thai society rests on a foundation of Buddhist teachings. Meditation is therefore one of the most publicised and popular aspects of the religion. It is a means of promoting inner peace and happiness. Visitors to Thailand can learn the fundamentals of this practice at centres in Bangkok and around the country. Introductory courses are offered in English and Thai at some of the centres.

Similarly, the basis of Thai massage lies in tapping into the natural energy of the human body and distributing it evenly throughout the body as to create an inner harmony. More popular than ever, this unique form of body manipulation is attracting tourists from far and wide for specially designed and very reasonably priced five- to ten-day courses. The best-known centre for traditional healing and massage training is Wat Pho in Bangkok. If you've got the time, you can even learn how to become a skilful masseuse yourself.

Herbal remedies are also becoming popular. Thais are especially fond of eating, and they have good cause for their passion. Thailand's staggering variety of ingredients and spices and the imaginative way Thai cooks combine them have created one of the world's most delicious and exotic cuisine. Thai herbalists have long known the healing powers of some of the most common plants. We believe that moderate consumption of appropriate food and balanced lifestyle are therefore in harmony with the needs and environment of Thais.

Various hospitals in major cities and tourist destinations have initiated health clinics dedicated specially to taking care of the health needs of non-Thai speaking visitors and expatriates. Just getting a general check-up here costs a fraction of what it would in many of the industrialised countries.

Ladies and gentlemen,

During the next three days, you will experience all these products and services that I have just mentioned as well as adventurous activities like rafting, elephant riding, bird watching, bicycling and canoeing. We hope to enlist your support in attracting more visitors to the Kingdom seeking better health and balanced lifestyles.

I would like to conclude on that note. Please allow us to present to you our new VDO spot that we plan to air world-wide to give your valued clients even more reasons to enjoy health products and activities in this country. Thank you for your strong support and for being with us this evening. I hope you have a fruitful and productive session and that your participation here will go a long way towards helping you boost your business with Thailand.

Thank you very much for your time, and Sawasdee-khrap.

TOURISM SAVED THAILAND, WE NOW NEED TO SAVE TOURISM



Mr. Pradech Phayakvichien
Governor

WORLD TOURISM DAY MESSAGE FOR TAT OVERSEAS OFFICES AND INTERNATIONAL MEDIA 27 SEPTEMBER 2000

This year is the first that Thailand is celebrating World Tourism Day on 27 September. The date was chosen to coincide with an important milestone in world tourism, the anniversary of the adoption of World Tourism Organisation Statutes on 27 September 1970.

The timing of the World Tourism Day is particularly appropriate since it comes at the start of our tourism high season. Our industry has performed well year to date and there is certainly much cause to celebrate.

Looking back, we can pride ourselves on two things: The first is that the travel & tourism played a major role in helping Thailand recover from its three years of economic crisis; the second is that very few people lost their jobs in travel & tourism compared to other economic sectors.

Having helped underwrite the economic stability of Thailand, the travel & tourism industry now needs to turn its attention to the next critical phase of its long-term future -- ensuring environmental care and preservation.



An industry that is devoid of natural resources is not going to survive for very long. Everything we do has to be directed at ensuring a good balance between economic and ecological concerns. We need to keep our people working as much as we need to ensure the long-term survival of our life-sustaining environment.

Hence, to mark World Tourism Day, the Tourism Authority of Thailand is proud to organise the Third Thailand Tourism Awards 2000, the country's highest honours for innovation and creativity in the field of sustainable tourism, conservation and environmental protection efforts.

On the same day, the TAT will also present the Friends of Thailand Awards to foreign individuals and companies world-wide who support the promotion of Thailand as a tourist destination. We will also organise a Family Rally to boost domestic tourism as well as to strengthen the Thai family structure.

I would like to thank all tourism-related public and private organisations and companies, the various airlines flying to Thailand, TAT's overseas and domestic offices and Thai and foreign media for their strong dedication and support which have helped Thailand stand tall on the world tourist map.

Last but not least, I am confident that effective partnerships between the private sector and public authorities at all levels can maximise tourism's positive contribution to society and culture. I appeal to all related organisations to work closely together to develop tourism in a sustainable manner for our mutual and long-lasting benefit.

ADAPTING TO THE INTERNET AGE



Mr. Seri Wangpaichitr

Ex-Governor (1993-1999)

ASIAN RETAIL AND DISTRIBUTION FORUM 6-10 NOVEMBER 2000 JAPAN

Good morning, ladies and gentlemen.

Thank you for giving me an opportunity to be here today and to address you on “Marketing and Distribution of Tourism Services”. Let me begin with some general background of the significance of tourism to the Thai economy and latest tourism statistics.

1. GENERAL BACKGROUND

1.1 Significance of Tourism to the Thai Economy

Tourism was the country’s top foreign exchange earner from 1982 to 1996. After 1997, it was overtaken by exports of computer parts. However, it still remains far ahead of earnings from agriculture. Compared to other industries, tourism has a very low cost in terms of natural resource consumption and import of raw materials. Therefore, the retention of foreign exchange earnings from tourism has been higher than that of other industries.

1.2 Latest Tourism Statistics

In 1999, international tourist arrivals totalled about 8.6 million, up 10.5% over 1998, generating about 253 billion baht (or about US\$7 billion) in foreign exchange in 1999. The latest statistics of January-June 2000 also showed that international visitor arrivals to Thailand totalled 4,675,941, a significant increase of 11.06% over the same period of 1999.

“ Asia has proved itself as one of the key players in the global economy. The economic crisis which has still effected the economies of some countries around the world is believed to be originated in Asia. ”

Therefore, there is little doubt that tourism is a major contributor to economic growth, jobs and income generation for Thailand. I am very delighted to inform you that Japan has been the most important market for Thailand since the number of Japanese visitors has been incredibly increasing especially during the past few years. In 1999, Japanese visitors to Thailand totalled 1,064,539 and became the biggest source market for our country. In 2000, the growth still continued with a total of 570,013 Japanese visitors or 12.19% share of overall visitors to Thailand during January-June 2000.

2. INTERNET--NEW WAYS OF DOING BUSINESSES

Asia has proved itself as one of the key players in the global economy. The economic crisis which has still effected the economies of some countries around the world is believed to be originated in Asia. This implies how the Asian economy is important to the rest of the world.

In the new millennium, old ways of doing business especially in the industrialised countries have been replaced by modern information technology and electronic commerce. Marketing and contributing procedures have been obviously changed.

As good examples, business processes once started from collecting business information and conducting marketing approach and ended settling and obtaining payment at the bank or by cash.

Now, all these have been changed. The new business processes start from checking the seller's website to obtain information and making inquiries or request for further information on-line and end with on-line payment via credit card and delivering products and services by post or even on-line.

The swiftness and efficiency of e-commerce is now changing the marketing and distributing channels of almost all kinds of products and services of all industries with no exception to the tourism industry.

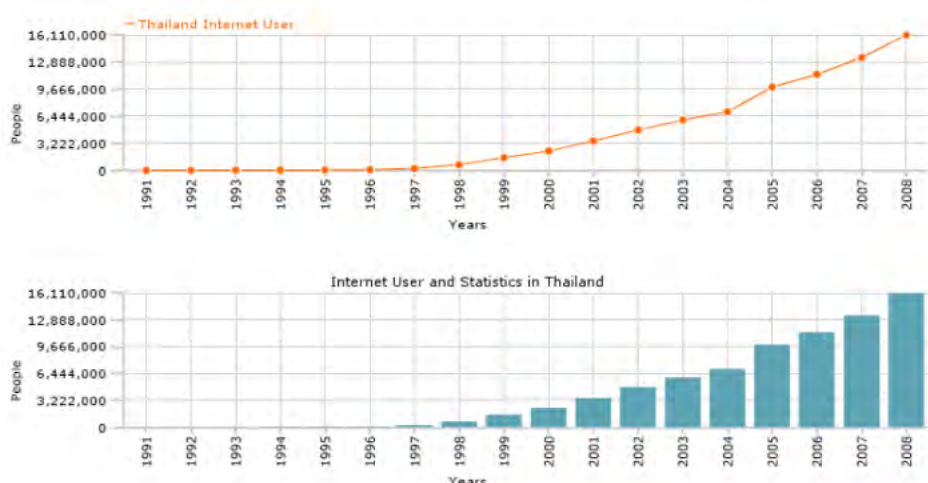
Asian countries including Thailand are now trying to follow suit by adopting e-commerce. To be more precise and give you a clear picture, I would like to cite Thailand as an example.

Before the application of the Internet, marketing and distributing tourism services of Thai tour companies with their western counterparts were once limited with boundary and time difference. Various marketing collaterals could only be distributed in hard copy form. On the domestic front, tour companies communicated with their local suppliers including accommodation, restaurants,

tourist attractions, etc. via old-fashioned means like facsimile, telephone or even messenger which were expensive and inconvenient.

The Internet and e-commerce have been widely used as a hassle-free marketing and distributing channel. Tour companies in Thailand can now trade with their foreign partners happily around the clock with low cost. Tour brochures and details of tour programmes can be sent electronically. This means tour companies can minimise their publication and postage costs. In addition, dealing with Thai suppliers also costs less but more efficient since the Internet helps minimise paper works and reduce the employment and handling costs.

Moreover, a good company website can be used as an overseas show room or exhibition hall since it can be reach from everywhere in the world. Photos and tour itineraries can be placed on the Internet and can be easily obtained if needed.



According to the survey conducted in early 2000 by the Electronic Commerce Resource Centre, the Internet was used mainly on information searching (73.49%), accommodation booking (15.66%), vehicle booking (6.02%), air ticket booking (4.82%) and tour booking (4.82%). The same source also indicated that about 54.76% of Thai tour companies launched their own websites. About 29.76% were in the process of launching a website and only 15.48% had no website. The existing websites were used mainly for advertising (81.57%), web ordering (42.10%) and web payment (26.32%) when multiple responses were allowed.

3. MARKETING STRATEGIES FOR TOURISM WEBSITE

Currently, Thai tour companies are hoping to trade internationally and looking for new marketplaces especially on the Internet. These companies, therefore, start to ventures into cyberspace. However, launching a successful company website is not easy.

Trends of future tourism market have changed since visitor's demands and expectations are increasingly high. Therefore, tourism-related companies will need to introduce new marketing strategies especially when they decide to launch a tourism website. These include information,

products/services, price, process, cooperation, customer satisfaction and research & development.

3.1 Information

On their website, complete, updated and interesting information and necessary and related linkages should be provided. The most important concern is that the website should be easily accessible from anywhere.

3.2 Products/Services

Tailor-made products and services for the different demands should be initiated. In addition, the tour companies must regularly improve standard & quality of their products and services and accelerate the speed of customer services.

3.3 Price

The tour companies should offer competitive price especially when they are offering on-line services since their customers can easily compare their price with other companies. If possible, the companies should offer various tour programmes with different prices to meet customers' needs.

3.4 Process

The company should provide fast communication with customers and one-stop service if possible. On the website, there should be some tools to allow customers to adjust their own itineraries. One of the most winning factors is to allow customers to do last minute reservation or change.

3.5 Cooperation

Co-operation among regional operators both vertically and horizontally is necessary. If possible, portal sites linking all related businesses should be established.

3.6 Customer Satisfaction

To attract the prospective customers, the website should be well-designed in attractive format. Information should be regularly updated. All inquiries should be quickly but professional responded.

3.7 Research & Development

Both tourism companies and websites should be regularly assessed and developed. Related statistics especially customer information, sales amount, etc. will help improve the standard of services.

“ Various Thai portal sites are emerging over the past few years while related government organisations are hoping to launch portal sites to link related public and private sectors. ”

4. OPPORTUNITIES AND THREATS FOR E-COMMERCE IN THAILAND

4.1 Opportunities

(+) Strong competition among internet service providers: According to the National Electronic and Computer Technology Centre (NECTEC), there are a total of 18 commercial internet service providers in Thailand. The internet service fees declined from about 20-30 baht per hour in 1998 to about 10-25 baht per hour in 2000. Free internet services are also provided by certain companies as part of the sales promotion of computer parts and telephone service. These result an increasing number of internet users in Thailand. In February 2000, it was estimated that about one million Thai people had access to the Internet.

(+) Increasing number of internet portal sites and websites: Various Thai portal sites are emerging over the past few years while related government organisations are hoping to launch portal sites to link related public and private sectors. As good example, the Tourism Authority of Thailand are planning to launch a portal site providing linkages to all licensed tour companies and hotels. According to NECTEC, there are currently a total of 71,995 internet hosts under .th top-level domain, of these 28,019 or about 39% ending with .co.th.

(+) Development of telecommunication technology: Extensive telecommunication networks in Thailand are one of the most famous fundamental assets of Thailand. In particular, telephone network which is basic requirement for the Internet are now available in all regions and tourist destinations. Public internet services are now available in all provinces and major destinations.

(+) Inexpensive computer parts: As mentioned earlier, exports of computer parts are the biggest source of foreign exchange for Thailand. Most computer parts can be produced domestically. So, people can buy most computer parts cheaper in Thailand than in other countries. Various related organisations have tried to encourage Thai people to own a personal computer by selling computers which use locally produced parts. However, some advanced computer parts and peripherals are still expensive.

(+) Improvement of banking system: All Thai banks have improved its banking system especially credit and debit card services. Both Thai and foreign customers living either in Thailand or overseas can easily settle their payment for the on-line products and services. Sellers will immediately receive the payment while buyers will be charged accordingly.

4.2 Threats

(+) Lack of manpower: The Internet usage is relatively new for Thai people especially older generations and those in rural areas. Thailand is now lacking of experienced and well-trained human resources. There are still a very limited number of advanced system developers. English language skill is also another important factor. Therefore, both computer and language skills of Thai people should be improved.

(+) Lack of relevant laws: At present, there is no specific laws to control or relevant organisations to supervise the Internet usage in Thailand. Relevant laws should be enacted to prevent future problems and ensure the growth of the Internet and e-commerce industries.

(+) Uncertainty over on-line payment: Some customers who buy products and services through the Internet are still not completely certain in the security when they have to pay on-line. Related organisations and private companies should strongly co-operate to address related problems and ensure the safety of on-line payment.

(+) Strong competition among tour companies and destinations: The Internet has opened up more business opportunities for all businesses and to buyers from all regions. The Internet users can now buy/sell products and services world-wide. This results strong competition among tourism companies and destinations. In addition, some companies have used the Internet to destroy their competing companies.



(+) Unavailable relevant domain names: Various domain names have already been registered for commercial purposes. Therefore, some companies are facing difficulties in assigning relevant domain names for their websites. Companies which want an easy-to-remember domain name will need to buy it with very high cost.

5. CONCLUSION

The Internet and e-commerce will definitely help improve the future marketing and distribution channels for the Thai tourism industry. However, old ways of doing businesses should not be completely and immediately replaced with new technology. The Internet and e-commerce should only be used as supplement marketing and distributing tools.

The tourism companies should also remember that the successful tourism website should provide easy and convenient reservation service, provide new service methods, categorise information within websites and create on-line community.

However, as mentioned earlier, it is crucial that tourism-related human resources should be developed not only to meet the international standard but also to compete in the electronic era.

Let me conclude on that note. I hope my presentation will help you better understand the Thai tourism industry as well as the potential of e-commerce in the Thai tourism industry.

I wish you a successful conference and thank you very much.

Figure from NECTEC's Internet Information Research Centre, <http://ntl.nectec.or.th/internet/index.html>, as of 17 March 2000.

PREPARING FOR A NEW MILLENNIUM



Mr. Adisai Bodharamik

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

WORLD TRAVEL MARKET LONDON 13- 16 NOVEMBER 2000

At the dawn of the 21st century, we are facing rapid changes: Globalization and information technology are changing the way people work and spend leisure time. Our own tourism industry is effected greatly by these changes. We are continually working to keep up with the rapid pace of events.

We have found that by banding together, combining fiscal and human resources and by building on the synergies we have as an international regional tourism destination, we can enthusiastically move forward in the spirited tourism arena. Thus when you visit us at World Travel Market 2000, you will have the opportunity to experience the dynamic resources of the Kingdom of Thailand, Hong Kong, China and Singapore a region blessed with many unique cultural, social and ecological wonders.

Thailand itself is already a role model in the promotion and development of tourism throughout the 10-member Association of south East Asian Nations (ASEAN). We have shown that it is possible to be a world-class tourism destination while paying close attention to sustainable tourism development. We our allocating considerable resources towards ensuring that tourism benefits both our ecological and economic future. Environmental issues and sustainability are of top-priority importance for tourism as an industry and Thailand as a country. Even as we promote the eco

wonders of our country, we are well aware of the increasing global interest in environmental awareness.

In the same vein, we are also paying close attention to the development of our tourism human resources so that tourism may continue to create jobs and play a positive role in our national social and economic development.

As we reach out to markets in Europe, the Americas, Oceania, the Middle East, South and East Asia and Africa this year, our vast array of attractions, from ancient cultural heritage to pristine beaches : from exotic flora and fauna to some of the most virgin rainforest in the world plus of course, the renowned charm and hospitality of the Thai people, all combine to make Thailand an irresistible destination.

So please stop by and visit us during World Travel Market 2000. We want you to learn more about our dynamic region and see what new products we have to offer. We also want to say thank you for helping us remain one of the most popular destinations in Asia.



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THAILAND
THE GREATEST
STORY IN GLOBAL
TOURISM HISTORY

A 60TH ANNIVERSARY TRIBUTE TO
THE TOURISM AUTHORITY OF THAILAND
