



THAILAND

THE GREATEST STORY

IN GLOBAL
TOURISM HISTORY

A 60TH ANNIVERSARY TRIBUTE TO
THE TOURISM AUTHORITY OF THAILAND

Key Developments

2001

- Thaksin Shinawatra elected Prime Minister after January 2001 elections
 - National Tourism Workshop in Chiang Mai, April 20-21
 - Terrorist attacks in September
 - Visitor arrivals cross Ten Million Mark
- 

CONTENTS

2001

- Cambodia And Thailand: Two Kingdoms, One Destination
- Shopping, Health, Cuisine — Promoting Thailand in The Middle East
- Reforming and Restructuring Thai Tourism
- Appeal to The Chinese: Use Only Reputed Tour Companies
- Thai Tourism Now Moving into A New Era of Development
- The Future of Tourism After The 9/11 Attacks
- Post-9/11, Shifting Budgets, Priorities and Strategies

EXECUTIVE EDITOR
AND PUBLISHER

IMTIAZ MUQBIL



Travel Impact Newswire

<https://www.travel-impact-newswire.com/> | imtiaz@travel-impact-newswire.com

RESEARCHERS
AND ASSISTANT EDITORS:

ANISA SONGPREECHA,
LUCKKANA WILAIKAEW

DESIGN & LAYOUT:

NUSREEN EKACHON

CAMBODIA AND THAILAND: TWO KINGDOMS, ONE DESTINATION



H.E. Mr. Kasit Piromya

*Thai Ambassador Extraordinary and
Plenipotentiary to Federal Republic of
Germany*

OPENING REMARKS AT PRESS CONFERENCE, ITB BERLIN, 3 MARCH 2001

Sawasdee-khrap and good afternoon, ladies and gentlemen of the media.

Allow me to extend to you a very warm welcome to this joint press conference by the kingdoms of Cambodia and Thailand on our new tourism promotion campaign “Two Kingdoms, One Destination.” This is our second such presentation since the campaign was officially launched at the World Travel Market in London in November 2000.

Over the past few years, the search for new travel & tourism products and packages has intensified. Tour operators and travel consultants are constantly in search of products that highlight the unique aspects of a country’s culture, heritage and ancient tradition. Today, we can present you with the unique culture, heritage and tradition of not one but two countries combined -- the kingdoms of Cambodia and Thailand.

Thailand is ruled by the world’s longest reigning monarch, His Majesty King Bhumibhol Adulyadej, about whom I am sure you have heard a lot. Cambodia is ruled by His Majesty King Norodom Sihanouk who has played a tremendous role in shaping the history of his country, including helping it return to normalcy after years of civil war.

“ Roads are being built between the two countries. Border crossing formalities are being liberalised. Airline links are growing. Eventually, all these linkages will also extend into our other neighbours, Myanmar, Laos, Vietnam and Yunnan, the southernmost province of China. ”

Apart from sharing a common border, Thailand and Cambodia also share a unique Buddhist tradition which is highlighted in two of the most fabulous icons of Southeast Asian tourism, the temples of Angkor Wat in Siem Reap, and the Temple of the Emerald Buddha in Bangkok. To be photographed in front of both in one trip is the kind of experience dreams are made of.

Today, our two countries are forging stronger cultural, economic and tourism links. Thailand gives visa-free entry while Cambodia grants visa on arrival to visitors from Europe including Germany. Roads are being built between the two countries. Border crossing formalities are being liberalised. Airline links are growing. Eventually, all these linkages will also extend into our other neighbours, Myanmar, Laos, Vietnam and Yunnan, the southernmost province of China. For both visitors and investors, these are countries to consider very seriously in their future plans.

On the aviation front, Thailand has signed 89 aviation agreements with other countries and territories around the world. Our national carrier, THAI Airways International, has a very extensive route network covering 73 destinations, from its Bangkok home base, in 35 countries while about 80 international airlines are operating about 600 weekly flights linking Thailand with other global destinations.

There is no shortage of flights between Europe, Thailand and Cambodia. THAI is also a Star Alliance partner with two European airlines, Lufthansa and Scandinavian Airlines. This means visitors from most European cities can travel to Thailand easily and earn thousands of frequent flyer points. There are many direct daily flights to Bangkok from European cities like Amsterdam, Copenhagen Frankfurt, London, Munich, Paris, Rome, Stockholm, Vienna and Zurich.

For example, there are 31 direct weekly flights between Germany and Thailand. Twenty-six are between Frankfurt and Bangkok by Lufthansa, THAI and other international airlines and five between Munich and Bangkok by THAI.

Flights between Thai and Cambodian cities are also growing. There are 46 weekly flights between Bangkok-Siem Reap and 44 between Bangkok-Phnom Penh. In addition, visitors to Thailand can fly directly from major tourist destinations including Samui, Sukhothai and Pattaya (via U-Tapao Airport) to Cambodia.

Following the launch of this joint tourism promotion campaign, you will see European and German travel agents getting strong collateral support. Many media and agents are to be invited on fam trips. Airlines, tour operators and hotels will also be joining in with special promotions and packages. For anyone selling travel, promoting this combination is one of the most profitable things to do. I hope you will help us make this campaign a success.

Thank you for being with us today. May I now request the Tourism Minister of Cambodia, His Excellency Veng Sereyvuth, to say a few words after which we will be happy to take any questions.

SHOPPING, HEALTH, CUISINE — PROMOTING THAILAND IN THE MIDDLE EAST



Mr. Pradech Phayakvichien
Governor

THAILAND PRODUCT BRIEFING, ARABIAN TRAVEL MART, 2 MAY 2001, DUBAI

Sawasdee-khrap and good evening, ladies and gentlemen.

I am very honoured and delighted to welcome you all to the Amazing Thailand Night. Thank you all for being with us tonight and for giving us an opportunity to update you with the latest developments in Thai tourism, especially our current marketing campaign “Amazing Thailand 2001”.

Let me begin by presenting you some tourism statistics related to Middle East visitor arrivals to Thailand. The Middle East market especially the UAE is very important to us. In 2000, visitor arrivals to Thailand totalled 9.51 million, of whom only 200,523 were from the Middle East. The UAE, in particular, is the biggest market for Thailand among the Arab countries with 34,124 visitor arrivals in 2000.

Though visitor arrivals from the Middle East and UAE were very small, we do not see this as bad news but rather good news because it shows the great potential for further growth. Indeed, the average growth rates of Middle East and UAE visitors of 14.52% and 15.29% respectively over 1999 were much higher than the average overall growth of 10.82%.

Tonight, I shall give you even more reasons to help us promote Thailand as one of the international tourist

destinations. As travellers search for destinations offering increased value for money, they are also looking for more quality over quantity.

Thailand is an ideal world-class destination. Whatever your clients are looking for -- 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 -- Thailand has all at a fraction of the cost of holidaying in Europe.

We at the Tourism Authority of Thailand are constantly working to further upgrade and improve our tourism products and services. Our latest tourism promotion campaign “Amazing Thailand 2001” aims to promote the kingdom as one of the best tourist destinations, focusing on shopping opportunities, great golf courses and sport activities, superb health and spa, Thai food and gateway to Greater Mekong Subregion.

I think it would be fair to say that of all the things that visitors from Middle East like most about Amazing Thailand are the shopping opportunities. Our January-September 2000 research showed this very clearly. They spent about US\$114.53 per person per day, most of it on shopping. It is obvious that visitors from Middle East find Thai products good value for money and ideal souvenirs and gifts for their friends and families.

I would also like to point out that Thailand has organised the Amazing Thailand Grand Sale annually. This year's event is going to be bigger and better than ever since it is being promoted as “Amazing Thailand Grand Sale Grand Service”. We will see not only many retail shops and department stores but also various other tourism-related businesses offering 10%-80% discounts. During the two-month Grand Sale, these discounts will be offered by hundreds of department stores, shopping complexes, jewellery shops, restaurants, amusement parks, tour companies and car rental companies nation-wide.



I think it would be fair to say that of all the things that visitors from Middle East like most about Amazing Thailand are the shopping opportunities.



In addition, various shopping extravaganzas are being planned nation-wide during the two-month event. These include Brand Name Products Fair between July 13-22, Thai Handicrafts Fair between June 8-17 and July 12-16, Thai Silk Fair between June 15-24 and many more.

While female visitors enjoy their shopping, male golf lovers can enjoy our superb golf venues and facilities. Beautiful natural courses and world-class facilities have made Thailand a natural golf venue, a game that I understand is becoming increasingly popular in the Middle East too. Golf in Thailand is a growing attraction for not only professional and amateur golfers but also tourists. In addition to great golf courses, you will also find it difficult to find more friendly and helpful caddies. And as for the costs, the amazingly low green fees make the entire experience truly value for money.

The search for good health is becoming a universal phenomena. Health tourism is therefore becoming another major part of our portfolio of Thai niche tourism products, and getting a lot of support from related organisations. Visitors to Thailand can find ever-increasing number of places to rejuvenate their bodies and revitalise their spirits. Several leading hotels in Bangkok and throughout the country have spa facilities as well, offering herbal treatments and massage, all of very high and certifiable standards but inexpensive price.

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. This is why the number of Thai restaurants overseas are growing significantly. From Thailand, the five Greater Mekong Subregion (GMS) countries of Cambodia, Laos, Myanmar, Vietnam and China's Yunnan province are only a short flight away. The GMS countries hold great promise for the future since they are home to some of the world's must-see icons. Most of these are UNESCO-designated World Heritage Sites, including Angkor Wat in Cambodia, Luang Prabang in Laos, Pagan and Mandalay in Myanmar, Sukhothai and Ayutthaya in Thailand and Hué in Vietnam.

They also have a large diversity of ethnic groups with their own languages, customs, traditions, folklore, cuisine and history dating back over thousands of years. All these form unique cultural

tourism products and destinations which appeal to visitors from all regions and all walks of life. I am sure this will offer a rich, unique and memorable experience to your clients.

The GMS countries have now worked closely to boost visitor flows to and within the region by opening more border checkpoints, authorising visas on arrival or visa-free and other facilities for tourists, improving the convenience of travelling by overland routes and initiating regional tour packages.

On the aviation front, there is no shortage of international airlines operate regular direct flights linking Thailand with major Middle East countries. These include various carriers like Qatar Airways, Saudi Arabian Airlines, Gulf Air, Egypt Air, Cathay Pacific and Thai Airways International. There are 17 weekly direct flights between Bangkok and Dubai, of these 10 are code-shared flights by Emirates and THAI. In addition, there are four flights a week to Dubai by Cathay Pacific. Other weekly direct flights linking Thailand with other major Middle East cities include three with Doha by Qatar Airways, two with Jeddah by Saudi Arabian Airlines, two each with Bahrain, Muscat and Abu Dhabi by Gulf Air, as well as two with Cairo by Egypt Air.

Ladies and gentlemen,

I would like to conclude on that note. During the coming years we hope to attract increasing numbers of Middle East holiday makers, business people and tourists to Thailand. I hope you have a fruitful and productive session at the Arabian Travel Mart and your participation here will go a long way towards helping you boost your business with Thailand. Thank you very much for your time.

Sawasdee-khrap.

REFORMING AND RESTRUCTURING THAI TOURISM



Mr. Somsak Thepsuthin

TAT Chairman

WELCOME SPEECH FOR 'THAI NIGHT RECEPTION' 16 MAY 2001 FOREIGN CORRESPONDENTS CLUB OF THAILAND

Sawasdee-khrap and good evening, ladies and gentlemen.

It is a great pleasure to be with you tonight. Allow me to welcome you to the Thai Night Reception. I will try to make this speech as short as possible since I know that most of you are hungry. Let me begin by giving you some information on the recent developments of the Thai tourism industry especially during the three-month administration of the new government.

One of the key progresses was the organisation of the National Tourism Workshop in Chiang Mai between April 20-21, the highest level gathering ever convened in the history of Thai tourism, which involved the participation of dozens of senior officials and executives from public and private agencies in the tourism industry.

It is clear that The tourism industry has played an important role in the national economy and Thailand has all the necessary assets to be a world-class tourism destination. Clearly, what we need now is to make maximum effort to improve our management abilities, overcome obstacles and set some clear strategies to tackle problems and obstacles in a specific period of time.

“ Various laws related to tourism, environment and consumer protection will be strictly enforced while outdated laws will be urgently amended. ”

The Workshop allowed all the various stakeholders in the travel and tourism industry to engage in a positive dialogue about their own respective roles in the industry, the problems they face and the help they need from other groupings. Major areas of tourism developments will become the focus of the follow-up works in the months to come. These include:

- Legal reforms -- Various laws related to tourism, environment and consumer protection will be strictly enforced while outdated laws will be urgently amended. For example, one of the most outdated laws is the Hotels Act which has been firstly enacted since B.E. 2475 (1932) or about 70 years ago, that was before most of us were born. The Hotels Act will expand coverage to include guesthouses and other lodgings.
- Travel facilitation / Tourist Safety and Security – Better travel facilitation and safety and security plans will be implemented. For example, a new computer system will be set up to link all international checkpoints and exchange information with other countries. This will help provide fast and efficient services as well as prevent international criminals and terrorists from entering Thailand.
- Services Development -- Many strategies have been initiated to improve the standard of tourism-related services such as the addition of tourism-related knowledge into the educational curriculum and the utilisation of educational institutes as tourism and hospitality training centres.
- Marketing Promotion -- Three major strategies have been discussed and will be implemented to help promote the tourism industry as well as disseminate tourism income to provincial areas. These include 1) the study to promote tourism in the northeastern Thai provinces, 2) the prevention of cut-price competition which results other tourism-related problems, and 3) the launch of portal website to support Thai tourism-related SMEs.
- Development of Tourist Destinations -- Plans to better develop major tourist cities like Phuket and Chiang Mai to boost visitor expenditure and average length of stay. Phuket and Chiang Mai will be developed as duty-free cities to promote shopping and as MICE venues to attract major international events. Phuket will also be promoted as weapons-free area to further ensure tourist safety and security while Chiang Mai will be promoted as regional aviation hub linking various southern and western Chinese cities.

- Establishment of National Tourism Development Committee -- A new National Tourism Development Committee will be set up to supervise and follow up a tourism development and promotion fund which will be allocated by the Budget Bureau to various related agencies. Another major responsibility of the committee will include supervising the development and management of tourism products according to types of destinations and tourists cities.
- TAT's Changing Roles -- The role of the TAT will also change to that of policy planning agency with added responsibility for marketing, public relations and promotion. Other responsibilities will be transferred to other government agencies. These include implementation of tourism promotion and development plans, regulation and registration of tourism businesses and guides and facilitation of tourism-related investment.



Between May 7-8, TAT held a tourism marketing workshop in Bangkok to allow key officials of TAT's overseas offices, inbound tourism agents and hotels to better understand the new tourism promotion and development plans and to offer their thoughts and suggestions.

Six major plans have been initiated to attract more visitors from new as well as traditional markets in Asia, Europe, the US, Australia and New Zealand, China, Middle East and India. These include plans to:

1. Organise the World Travel Writers Reunion and Familiarisation Trip and perhaps even arrange for them to meet with the Prime Minister;
2. Open two more overseas offices probably in China and Scandinavia;
3. Boost stronger co-operation with the private sector to launch hard-sell campaigns and produce more tailor-made collaterals in major international languages;

4. Set up tourism e-commerce websites to help promote tourism-related small and medium enterprises;
5. Promote the country's MICE industry by hosting a complimentary dinner for all qualified international events in which more than 500 delegates; and
6. Build awareness among both domestic travellers and international visitors to consider Thailand as a "quality destination" through various potential channels.

Ladies and gentlemen,

With all these efforts, we hope that the year 2001 will be another triumphant year for Thailand and the tourism industry. We expect the international visitors will total 10.3 million in 2001, up about 8.3% over 9.51 million in 2000. This will generate about 332 billion baht in foreign exchange earnings for the Thai economy. We therefore would like to request your strong co-operation in helping promote Thailand to become one of the world-class destination.

Let me conclude on that note. We at the Tourism Authority of Thailand are keen to ensure that you all get the best possible help from us. Please do not hesitate to contact my staff if you think we can be of your assistance. I would like to again thank you all for your continued support in helping promote Thailand and for being with us this evening.

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

APPEAL TO THE CHINESE: USE ONLY REPUTED TOUR COMPANIES



Mr. Pradech Phayakvichien
Governor

OPENING SPEECH “VISIT CHINA TRAVEL FAIR 2001” 14 JULY 2001 BANGKOK

Nii Hao and Sawasdee-khrap, ladies and gentlemen.

It is a great pleasure to be here today. I am very honoured to welcome you all to the Visit China Travel Fair 2001. I would like to thank the Thai Travel Agents Association (TTAA) for organising this excellent trade fair and to all Chinese and Thai travel agents and airlines for their strong participation in this event.

Thailand and China are bound by some very strong and historic political, economic, social and cultural relations. Our people have much in common across all fronts - personally as families and professionally as businessmen. The social, cultural and economic fabric of Thailand has been significantly influenced by the immigration of people from China. Today, I think these historic relations are playing a major role in boosting contacts between our two peoples and countries.

Transport, travel and tourism are major beneficiaries of these improving relations, both bilaterally as well as under the aegis of the Greater Mekong Subregion (GMS), the regional sub-grouping comprising of our two countries plus Cambodia, Lao PDR, Myanmar and Viet Nam.

One very significant development in recent years has been the extensive flight connections between the two

“ Our Mekong co-operation activities have also produced good results. Improved transportation linkages are a critical component of this co-operation, especially by road and river. ”

countries. Today, there are more flights from China to Thailand than any other country in the world - a total of 76 flights a week from 11 cities including Shanghai (17 flights a week), Kunming (16), Beijing (14), Guangzhou (11), Shantou (5), Chengdu (4), Macau (4), Jinghong (2), Chongqing (1), Haikou (1) and Xiamen (1). This is the starting point for travel and tourism between the two countries. I am sure it is the only the beginning of more such airline contacts to come in the future.

Our Mekong co-operation activities have also produced good results. Improved transportation linkages are a critical component of this co-operation, especially by road and river. With the help of institutions like the Asian Development Bank, a number of major highways are being built throughout the GMS region that will play a major role in linking Thailand with the Southern Chinese province of Yunnan. The TAT has already organised a number of road caravans to highlight this potential. In future, we can expect to see cars and vehicles moving between our two countries similar to the movements of cars and vehicles across the borders of Europe.

The promise of tourism along the Mekong River also remains bright, One important recent development has been implementation of the Quadripartite Agreement on Commercial Navigation between Thailand, Lao PDR, Myanmar and China that will substantially boost the movement of cruise and commercial vessels along the Mekong river. Business contacts mean more travel for sure.



As transportation linkages improve, it is natural that travel will rise along with it. Events like this travel fair play an important role in creating that demand for travel and help Chinese and Thai travel agents and tour operators work closely to boost the flow of visitors between our two countries. Here, please also allow me to give you some statistics on visitor arrivals from China to Thailand and outgoing Thais to China. Our analysis is showing some very interesting trends that I think you should be aware of and which we can both build upon:

- Though Chinese visitor arrivals to Thailand declined by 9.22% in 2000, the country remained still Thailand's fourth biggest market with 704,080 arrivals or a market share of 7.40% of total visitors. During January-April 2001, visitor arrivals from China still declined by 21.33%. This, we believe, is a temporary phenomena and I shall comment on this in a moment.
- Though repeat visitors comprised only 14.57% (102,585) of the total, they showed a very strong growth of 26.72%. This resulted in a 36.41% growth in independent travellers to 159,948. First-time visitors and visitors travelling with tour group showed significant decline of 13.41% and 17.35% respectively.
- Both business travellers and convention delegates grew by about 30.58% (25,778) and 7.23% (3,396) respectively.
- Visitors identifying themselves as housewives and students showed a significant growth of 28.66% (11,507) and 8.05% (30,412) in 2000 over 1999.
- Visitors from China stayed an average of 5.70 days and spent an average of 4,288.01 baht (or US\$106.91) per person per day. This contributed about 17 billion baht (or US\$429 million) in tourism revenue to the Thai economy. Shopping was the highest expenditure item (about 42% of the total) followed by accommodation (19%) and entertainment (12%).
- On the outbound sector from Thailand, Thai visitors to China totalled 135,517 in 2000, up 12.17% over 1999. This trend continued between January-April 2001 when outgoing Thais grew by 40.71% to 69,774.



“

Though Chinese visitor arrivals to Thailand declined by 9.22% in 2000, the country remained still Thailand's fourth biggest market with 704,080 arrivals or a market share of 7.40% of total visitors.

”

- Outgoing Thai travellers to China stayed an average of 7.37 days and spent an average of 3,151.76 baht (or US\$78.58) per person per day.

The decline in Chinese visitors to Thailand since 2000 which I mentioned above is the result of our crackdown on the practice of zero-cost tour package pricing. This is a form of fraud because tourists receive sub-standard holidays subsidised by shopping commission rackets. We at the Tourism Authority of Thailand (TAT) and the China National Tourism Administration (CNTA) have worked closely to tackle it.

I would like to thank all the honest and reputable tour companies which bring visitors from China for their co-operation in helping us tackle this problem. Please help us maintain the momentum by doing business only with authorised tour companies which appear on the TAT/CNTA joint lists and improving the standard of services and products. This will help safeguard the interests of tourists, tour operators and the image of both countries. Eventually, the market will pick up again once satisfied visitors return home and recommend Thailand to their friends and families, along with names of reliable tour operators who can provide them with reliable and reputable services.

I think I will conclude on that note. So, once again, a very warm welcome to Thailand and thank you for your strong support. I wish you all a pleasant stay and a fruitful and productive show.

Thank you very much and Sawasdee-khrap.

THAI TOURISM NOW MOVING INTO A NEW ERA OF DEVELOPMENT



Ms. Runjuan Tongrut

*Chief, Adhoc Plan Section Macro
Planning Division*

CASE STUDY ON DESTINATION MANAGEMENT, 24 AUGUST 2001, PHUKET

Sawasdee-kha and good morning, ladies and gentlemen.

Thank you for giving me the opportunity to be with you today. I would like to firstly thank the joint organisers of this event for their interest and support, specifically the Faculty of Hotel and Tourism Management, Prince of Songkla University Phuket Campus -- Institute of Tourism and Service Economics, University of Innsbruck, Austria -- and the Department of Hotel and Tourism Management, Hong Kong Polytechnic University.

I compliment the organisers on the choice of topics since both management and marketing are at the forefront of discussions across many Travel & Tourism forums. Hence, this conference provides us with valuable insights on how to balance the two. Before giving you details of our own development and management plans, let me begin with some general background of the Thai tourism industry including its significance to our national economy.



In addition to these supplementary clusters, we also plan to focus on other provinces with strong tourism potential along with border cities in order to build cross-border and overland tourism with our neighbouring countries in the Mekong and ASEAN regions.



TOURISM SITUATION IN THAILAND

Significance of Tourism

The first official tourism office was founded in Thailand in 1960 with the purpose of marketing Thailand's rich cultural and natural assets world-wide. Since then, the Thai tourism industry has grown considerably and Thailand is one of the undisputed leaders on the global tourism stage. Tourism was the country's top foreign exchange earner between 1982 to 1996. After 1997, it was overtaken by exports of computer parts. However, it still remains far ahead of earnings from agriculture.

In 2000, international visitor arrivals totalled about 9.51 million, up 10.82% over 1999, generating about US\$7 billion in foreign exchange or an estimated 5.8% of the Gross Domestic Product (GDP). About 70% of this expenditure benefits hospitality and tourism-related businesses outside Bangkok. This trend continued in 2001. During January-May 2001, visitor arrivals to Thailand totalled 4.22 million, an increase of 6.6% over the same period of 2000.

The Thai travel & tourism industry proved itself to be a major social and economic force in the years after the 1997 economic crisis. Relatively unaffected by the problems that hit other sectors of the Thai economy, the travel & tourism industry played a major role in maintaining the flow of foreign exchange, creating jobs and generating more income for Thai people. Tourism has helped create jobs across all sectors of Thai society. About two million Thais nation-wide are employed in jobs created directly or indirectly by professions related to travel and tourism.

Profile of Visitors to Thailand in 2000

The 9.51 million visitor arrivals in 2000 comprised of about 61% from East Asia and ASEAN countries, 23% from Europe, 6% from the Americas, 4% from South Asia, 4% from Oceania, 2% from Middle East and 1% from Africa.

Visitors arrivals grew by about 11% from East Asian and ASEAN countries, 9% from Europe, 14% from the Americas, 21% from South Asia, 9% from Oceania, 15% from the Middle East and 10% from Africa.

Our top ten visitor-generating markets in 2000 were: Japan, Malaysia, Taiwan, China, Singapore, Hong Kong, UK, US, Korea and Germany. Notice that seven of these are Asian countries.

Here are some other details of our 2000 visitor arrivals profile that you may find interesting:

Female visitors grew by about 12%, a much higher growth than the estimate 10% rise in male visitors. This indicates continuing success in the TAT's efforts to attract more female visitors. We had a healthy 13% growth in first-time visitors while repeat visitors grew by 9%.

Visitors travelling independently (FITs) had a bigger market share of about 56% of total visitors and grew by 11% over 1999, a higher growth than the 10% rise in visitors travelling as part of a tour group.

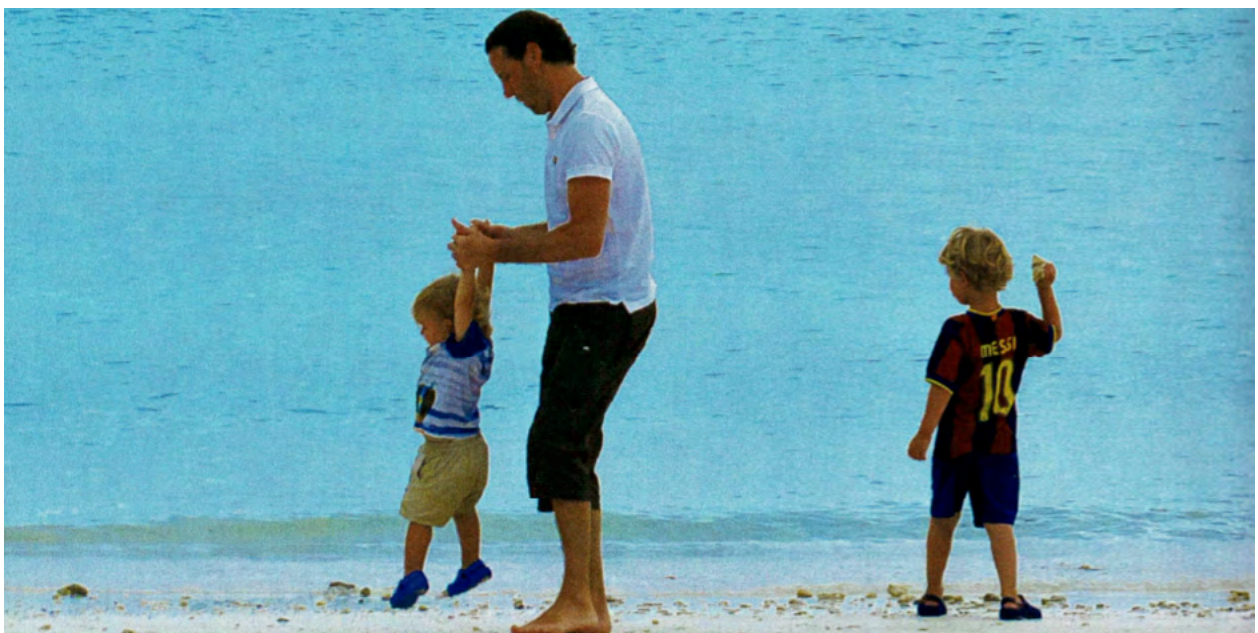
Business travellers and convention delegates also showed strong growth of about 16% and 11% respectively.

In term of age groups, most visitors to Thailand were aged between 25-34 (comprising 27% of total visitors) and 34-44 (24%).

Children aged under 15 years showed a strong growth of 11%, indicating the strength of Thailand as a family destination. A strong increase of 26% in student travellers also indicated that the country's image is changing positively.

Visitors stayed an average of 7.77 days and spent an average of about US\$96 per person per day.

This contributed about US\$7 billion in tourism revenue to the Thai economy. Major expenditure items included shopping (35%), accommodation (24%) and food & beverage (15%).



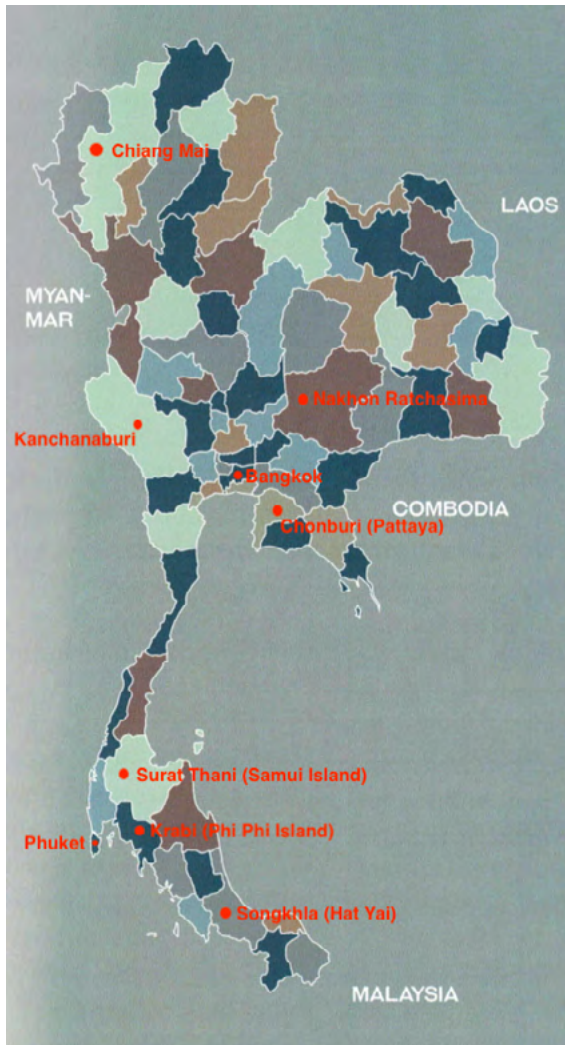


The most popular visitor destinations are:

- Bangkok,
- Chiang Mai,
- Chonburi (Pattaya),
- Kanchanaburi,
- Nakhon Ratchasima,
- Phuket,
- Surat Thani (Samui Island),
- Krabi (Phi Phi Island) and
- Songkhla (Hat Yai).

Most visitors travel to Thailand between October-March while the low-season months are April-August.

- Products and activities popular among visitors to Thailand include
- beaches, sand and sun,
- eco-tourism like trekking, bird-watching and elephant riding,
- culture, historical sites and Thai way of living,
- leisure activities,
- health and spa activities including traditional massage and health check-up,
- marine and overland sports such as golf and diving,
- shopping opportunities and
- Thai food.



DESTINATION MANAGEMENT STRATEGY

We have long recognised the need to balance marketing and management as a critical part of the country's sustainable tourism development. Attaining this balance is an inherent part of the national tourism development strategy as TAT capitalises on global trends away from mass tourism to more niche-market travel that combines a recreational holiday with health, education or other such 'nature and lifestyle' experiences.

At the same time, we will not deny the fact that tourism growth has brought with it various problems such as:

- Inability of destinations to handle the large number of tourists especially during the high season,
- Deterioration of tourist destinations,
- Overcrowding of visitors in major destinations, and
- Other social problems in major destinations including crime and drugs.
- Hence, now that both the number of visitor arrivals and the growth rate is at a satisfactory level, the Thai government is now moving strongly to ensure the sustainability of this growth in line with the plans to promote Thailand as a "quality destination".

One way to address this issue is by implementing "area approach" strategies under which all tourism destinations are divided into three major categories namely, supplementary clusters, major tourists cities, and potential and border cities. All these will be gradually developed in a more phased, sustainable manner depending on their state of readiness and ability to receive visitors in the coming years.

MAJOR TOURIST CITIES

Development Strategies

Prevent and solve tourism-related problems

The problem of environmental deterioration is particularly serious at the popular tourism destinations I mentioned above. So the TAT is co-operating with related public and private agencies to revitalise and rejuvenate these destinations. Various projects have been initiated and implemented. For example, a waste water treatment facility has been constructed in Pattaya and new zoning regulations implemented in Samui. I will give you further details about this in a moment.

“

One critical element of the ecotourism projects is that we have made everyone a stakeholder in the effort, from non-governmental organisations to universities, private companies, industry associations and government agencies.

”

Develop a wider range of tourism activities and services

Nearly 50% of visitors to Thailand are repeaters. It is therefore crucial that Thailand creates new value-added products and services in order to attract both first-timers and repeaters, maintain the growth of visitor arrivals as well as encourage them to stay longer and spend more.

While hundreds of festivals and cultural events have been organised annually to highlight the country's culture, heritage, tradition and lifestyle, TAT is focusing on a wide variety of new tourism niche products. These include great shopping opportunities, ecotourism and soft adventure products, superb health and spa facilities, MICE venues and popular sports such as golf and diving. All these new products and services are very well suited to attract the fastest growing market segments.

Marketing and promotion campaigns will be launched to attract new visitor segments like transit passengers, film-production teams, expatriates living in other regional countries, long-stay visitors, wedding couples and honeymooners, families, youth & students, senior citizens and athletes.

Seven Supplementary Regions

We are also working to decongest some of the popular areas mentioned above. This involves promoting lesser known areas offering similar attractions and experiences. The following seven

supplementary regions are to be developed both physically and environmentally. Each of them will be promoted as one cluster. So, the plan is to promote the following provinces:

- Hua Hin and Cha-am (to help decongest visitors from Bangkok)
- Krabi, Trang, Satun and Phatthalung (to help decongest visitors from Phuket)
- Nakhon Ratchasima, Buriram, Sisaket, Surin and Ubon Ratchathani (to help decongest visitors from Nakhon Ratchasima)
- Chiang Rai, Phayao, Phrae and Nan (to help decongest visitors from Chiang Mai)
- Rayong, Chanthaburi and Trat (to help decongest visitors from Pattaya)
- Khon Kaen, Udon Thani, Kalasin and Nong Khai (to help decongest visitors from Khon Kaen)
- Chumphon and Ranong (to help decongest visitors from Bangkok);

The first three of these are now ready to be packaged by 2002. The development and promotion of these alternative clusters will involve improving transportation linkages and boosting the standard of tourism-related facilities and infrastructure to provide fast, convenient and efficient services to visitors. At the same time, the TAT will work with local agencies to solve and prevent problems related to tourist safety and security. The strategy will also help disseminate tourism revenue by creating more tourism-related jobs for local people and encouraging their participation in tourism promotion and development.

Development Strategies

Here is how we plan to go about promoting these supplementary clusters:

- Launch powerful promotion campaigns for the whole cluster instead of promoting each province separately;
- Build brand images for each supplementary area;
- Develop basic infrastructure and facilities including electricity, waterworks, road linkage and roadside rest areas; and
- Encourage Thai and international visitors to travel in these supplementary areas especially during the low season by launching more attractive campaigns and discounts.

Potential and Border Cities

In addition to these supplementary clusters, we also plan to focus on other provinces with strong tourism potential along with border cities in order to build cross-border and overland tourism with our neighbouring countries in the Mekong and ASEAN regions.

Ten provinces with strong future potential will be upgraded with a better quality of tourism infrastructure and facilities to help them receive more visitors. These include Phitsanulok, Sukhothai, Ayutthaya, Lopburi, Tak, Nakhon Si Thammarat, Nakhon Nayok, Phang Nga, Mae Hong Sorn and Loei.

A number of border provinces are ready to receive more tourists. These include 1) Songkhla, Narathiwat, Satun and Yala (Thai-Malaysian border provinces), 2) Ubon Ratchathani (Thai-Laotian border), and 3) Srakaew and Trat (Thai-Cambodian border).

These border cities will be equipped with tourist service centres which will help both disseminate tourism information and facilitate frontier formalities in line with agreements with neighbouring countries under the frameworks of the Association of Southeast Asian Nations (ASEAN) and Greater Mekong Subregion (GMS). Tourism signage will also be developed while many joint tourism campaigns and overland tour packages will be promoted.

RECENT TOURISM DEVELOPMENTS

I would like to cite two major recent tourism promotion and development projects namely the National Ecotourism Development and Promotion Plan (2002-2006) and plan to promote and develop the infrastructure and attractions of Samui island in order to sustain its long-term growth.

National Ecotourism Plan

Recently, the TAT's Board of Directors approved the first national ecotourism development and promotion plan designed to boost grassroots tourism and involve local people nation-wide more deeply in the preservation and upkeep of the country's precious natural resources.

The TAT is presently seeking Cabinet approval for a budget of 473 million baht to be spent on 37 projects between 2002-2006, the period of the Ninth National Economic and Social Development Plan. We plan to use the money to establish an ecotourism network, restore tourist sites, improve the standard of ecotourism infrastructure and services, produce ecotourism manuals, launch marketing and promotion campaigns, promote ecotourism investment and set up methods to evaluate the results of all the projects.

One critical element of the ecotourism projects is that we have made everyone a stakeholder in the effort, from non-governmental organisations to universities, private companies, industry associations and government agencies. This is because no such endeavour can be carried out individually but has to receive the co-operation of everyone concerned.

The ecotourism network will be set up at the municipal, provincial, regional and national levels which will allow the TAT to work closely with tourism-related public and private agencies and non-government organisations.

To ensure that visitors to ecotourism destinations receive high-standard services and products, a standard-rating system will be set up to grade the quality of the destinations, as well as related



infrastructure and facilities. A detailed manual will be produced outlining how it should all be done so that local people can acquire the expertise to manage the future growth of their own destinations.

Development Plan for Samui Island

Samui island is one of our most popular destinations, and showing some strain. A major workshop was held between July 27-29, 2001 amongst senior ministers, high-ranking government officials and private sector executives to identify a broad range of policy measures and projects designed to ensure that Samui remains a truly world-class destination. The workshop marked the first such high-level ministerial workshop ever held to plan the future development of the island's primary economic source of income.

Four policies have been initiated including 1) Positioning Samui as the main marine tourism centre in the Gulf of Thailand; 2) Developing and maintaining tourist destinations in harmony with local cultures and traditions; 3) Improving the environment by encouraging related agencies to pay strong attention to such issues; and 4) Boosting the quality of products and services by focussing on standards, visitor convenience and safety.

By 2005, we plan to limit the number of accommodation establishments to 11,000 rooms while visitor arrivals will be limited to about 950,000 per year. Instead, we plan to focus on attracting quality visitors and getting them to stay longer and spend more. A new city planning and zoning will be implemented to control construction of new buildings and restrict entertainment complexes away from residential areas and natural attractions. A number of infrastructure facilities such as public services and health-care will be improved.

While maintaining the focus on quality services and products and the environment, we will enlist

the support of private stakeholders to gradually build a new brand, 'Luxury Beach Resort', for Samui which will be used to promote it in major markets.

EVALUATION

One of the reasons for the “area approach” strategies is to create a sense of competition for the private and public sectors in the various provinces to take better care of their destinations. While those destinations which are better taken care of will clearly be favoured by visitors, the TAT has initiated various incentive programmes to reward them for their efforts:

Thailand Tourism Awards -- These are organised biannually and designed to reward best practises among companies and institutions and encourage them to raise their professional standards and commitment to sustainable development.

The Green Leaf Foundation -- Jointly established by Thai Hotels Association (THA), Electricity Generating Authority of Thailand (EGAT) and TAT, the foundation is responsible for the promotion and development of environmental quality for member hotels. Hotels having high-standard environmental management systems are awarded the Green Leaf insignia.

CONCLUSION

The Thai tourism industry is now moving into a new era of development, one that is more difficult than simply marketing the destination. All over the world, people are seeking higher quality of products, services and standards. If visitors find that destinations are not managing themselves well and not living up to their marketing promise, they will tell other tourists and eventually we will all suffer. These are common problems faced by many other destinations.

I hope my presentation has proved useful to you. Once more, allow me to thank all organisers and sponsors for their initiative in organising this conference and for allowing me to address you today. Thank you for your time. I will be very happy to take any questions that you may have.

Sawasdee-kha.

THE FUTURE OF TOURISM AFTER THE 9/11 ATTACKS



Mr. Pradech Phayakvichien
Governor

SPEECH AT PRESS CONFERENCE THAILAND TRAVEL MART 16 SEPTEMBER 2001 PATTAYA

Sawasdee-khrap and good evening, ladies and gentlemen,

On behalf of Tourism Authority of Thailand, I am very honoured to welcome you all to the Thailand Travel Mart 2001. Thank you all for being here today and for giving me an opportunity to update you with the latest developments in Thai tourism, especially in the light of the difficulties we are all set to face.

US TRAGEDY

Certainly, these are very sad times for us all. The very tragic developments in the United States are clearly going to have a major impact on the global tourism industry. The Royal Family members of Thailand, the government and people, as well as all in the Thai tourism industry have sent their condolences to the bereaved families of the victims and expressed their sorrow to the people of the United States. I am sure you will join me in praying, wishing and hoping that the situation returns to normal as soon as possible.

“ We plan to divert our marketing and promotion budgets from the US market to other potential and domestic markets. ”

The US tragedy could hurt the Thai tourism industry. We expect that the number of American visitors especially from the East Coast will drop during the next few months. However, we hope that the targeted total arrivals and tourism foreign exchange revenues for 2001 will still be met. In order to do this, we plan to divert our marketing and promotion budgets from the US market to other potential and domestic markets. Some of the money will also be channelled into further upgrading tourism products and services in Thailand. We will also closely monitor the US market by working with Thai tour operators and American travel agents during the next few months. Our senior executives and representatives of leading Thai tour operators are also planning to meet to discuss alternative plans and strategies.

Just for your background, in 2000, international visitor arrivals totalled about 9.51 million, up 10.82% over 1999, generating about US\$7 billion in foreign exchange or an estimated 5.8% of the Gross Domestic Product (GDP). About 70% of this expenditure benefits hospitality and tourism-related businesses outside Bangkok. This trend continued in 2001. During January-June 2001, visitor arrivals to Thailand totalled five million, an increase of 7.86% over the same period of 2000.

SAFETY AND SECURITY MEASURES

Ladies and gentlemen,

I am very glad that you all here in Thailand to see for yourselves how safe Thailand is for international visitors. Ensuring safety and security for visitors has now become our top priority.

Thailand is already well-known as a generally safe and hospitable country. We have moved to further underscore this with stepped up security measures. Our police, military forces and authorities are carefully patrolling all major public places, tourism-related facilities and foreign missions in Thailand. We have just implemented new zoning and social order campaigns which require all night entertainment complexes to follow strict rules and regulations to minimise incidents of common criminality. To help facilitate both Thai and foreign visitors especially in case of emergency or during the high tourism seasons, a crisis management and information centre will also be set up to prevent and alleviate incidents that might impact on the industry.

THAILAND TRAVEL MART

Ladies and gentlemen,

In anticipation that whatever happens in the next few days will not create a global crisis, we are moving ahead with two significant marketing campaigns, both of which will broaden the travel horizons and business opportunities for all participants as well as help grow regional tourism as a whole. One campaign focuses specifically on the promotion of Thailand as gateway to the Greater Mekong Subregion (GMS) and the other is designed to highlight one of the country's niche tourism products, the meetings, incentives, conventions and exhibitions (MICE) industry.

This is why this year's Thailand Travel Mart has been expanded to include two "firsts" – 1) inclusion of the Greater Mekong Subregion (GMS) countries as exhibitors, and 2) relocation of the entire event to Pattaya, for the first time outside Bangkok.

GATEWAY TO MEKONG SUBREGION

One of our key strategies is to position Thailand as a "Tourism Hub" of the Greater Mekong Subregion (GMS) which includes Cambodia, Laos, Myanmar, Viet Nam and the Chinese southern province of Yunnan. Thailand is fortunate to be strategically located between some of the world's must-see icons including the various UNESCO-designated World Heritage Sites, including Angkor Wat in Cambodia, Luang Prabang in Laos, Pagan and Mandalay in Myanmar, Sukhothai and Ayutthaya in Thailand and Hué in Vietnam.

During the next few years, millions of dollars worth of new airports, highways, seaports and railways are to emerge in these countries paving the way for increased trade, transport and tourism by air, land, sea and river. The GMS countries are now working closely to boost visitor flows to and within the region by opening more border checkpoints, authorising visas on arrival or visa-free and other facilities for tourists, improving the convenience of travelling by overland routes and initiating regional tour packages. A number of sellers are here from the GMS countries and I would urge you to contact them for interviews.

MICE INDUSTRY

The MICE business is another area that we think can be rapidly developed. There is great potential for all foreign travel agents and MICE organisers to help us promote superb Thai MICE facilities and services as well as encourage international corporations to hold their next meeting or incentive in Thailand, and head off to an exotic place like Phuket or Chiang Mai.



“

We are now turning our attention towards the conservation of the Kingdom's magnificent natural and cultural heritage which form the bedrock of our tourism industry.

”

Our ‘Place to Meet’ campaign, covering the years 2001-2002, aims to promote Thailand as one of the best global MICE destinations. Throughout the two-year campaign, you will see the entire industry pooling together a vast range of value-added benefits. Events that qualify for organisational support will get special facilities, traditional ceremonies at opening and closing functions, guaranteed hotel room rates, free AV equipment, shopping discounts and souvenirs. Organisers, too, will get registration and secretariat assistance.

Bangkok itself now boasts five major convention and exhibition centres. Several more are coming up in the provinces, such as this one here. Our MICE industry has gained considerable prestige and exposure as a result of its superb venues and facilities. Upcoming high-profile MICE events include the 12th World Congress Gastroenterology and the 20th World Scout Jamboree to be held in February and December 2002 respectively as well as the world's biggest convention, the Lions Clubs International, in 2008 which is expected to attract more than 30,000 delegates.

Ladies and gentlemen,

Since the founding of the TAT in 1960, the Thai tourism industry has grown considerably. Tourism was the country's top foreign exchange earner between 1982 to 1996. After 1997, it was overtaken by exports of computer parts. However, it still remains far ahead of earnings from agriculture.

Today, we have reached a stage where we are quite satisfied with both the number of visitor arrivals as well as the growth rate. We are now turning our attention towards the conservation of the Kingdom's magnificent natural and cultural heritage which form the bedrock of our tourism industry. The protection and preservation of our tourism treasures is critical in order to protect the future livelihood of the Thai people.

NATIONAL TOURISM WORKSHOP IN CHIANG MAI

Our Prime Minister Thaksin Shinawatra has identified travel & tourism as a major contributor to jobs and income distribution, both significant components of his policy to address Thailand's social and economic problems. After assuming the Prime Ministership in February 2001, the Prime Minister personally chaired a National Tourism Workshop in Chiang Mai between April 20-21 which was the highest level gathering ever convened in the history of Thai tourism and involved the participation of dozens of senior officials and executives from public and private agencies in the tourism industry.

All the various stakeholders in the travel and tourism industry engaged in a positive dialogue about their own respective roles in the industry, the problems they face and the help they need from each other. The result has been a major restructuring of our tourism industry. It has given more specific responsibilities to other government agencies to address those issues of direct relevance to them, such as environmental protection, tourist safety and security, law enforcement, and other such issues related to the management of the industry at the grassroots level.

Later this year, the Prime Minister plans to convene a World Travel Writers Reunion and Familiarisation Trip that will include a meeting with him, leading governmental senior officials and business people. Details of this are being worked out right now. However, our Prime Minister's personal interest in tourism is giving the industry a major impetus to overcome some of the budgetary and bureaucratic impediments that can occasionally obstruct the work flow. Indeed, I can confidently say that tourism to Thailand is now about to enter a new era.

SUSTAINABLE TOURISM PROMOTION PLANS

After 40 years of tourism promotion, some parts of our country are admittedly showing signs of wear and tear. We are now working actively to ensure this wear and tear is arrested and reversed in order to help us maintain visitor arrivals and global market share. Two major recent sustainable tourism promotion and development plans which will guide us in future include:

National Ecotourism Development and Promotion Plan -- The plan has just been approved by our Board of Directors. It is designed to boost grassroots tourism and involve local people nation-wide more deeply in the preservation and upkeep of the country's precious natural resources.

WTO/UNDP Tourism Master Plan -- The plan was prepared by the WTO with funding from the UN Development Programme and designed to help us chart a course for a new era of sustainable tourism development. We are very grateful for the help of the WTO/UNDP in formulating the plan which will become an intrinsic part of directions to be set by Thailand's 9th National Economic and Social Development Plan (NESDP) 2002-2006.

***“ After 40 years of tourism promotion,
some parts of our country are admittedly
showing signs of wear and tear. ”***

AVIATION DEVELOPMENTS

On the aviation front, there is no shortage of international airlines operating regular direct flights to Thailand. According to the Airports Authority of Thailand, as of September 14, 2001, there are a total of 81 international and domestic airlines operating regular flights linking Thailand with hundreds of major cities around the world. In the 2000 fiscal year (October 1999-September 2000), international passengers travelling via our five international airports namely Bangkok, Chiang Mai, Chiang Rai, Hat Yai and Phuket totalled 23.5 million, an increase of 9.3% over the 21.5 million of the 1999 fiscal year.

All these wonderful assets and developments are underpinned by the fact that Thailand provides visa-free or visa-on-arrival facilities at major international airports to citizens of more than 150 countries.

CONCLUSION

If all remains well on the global stage, tourism will remain one of the country's most important industries in helping disseminate income to the rural areas, creating jobs nation-wide and preserving the traditional ways of life. We at the Tourism Authority of Thailand are keen to ensure that you all get the best possible help from us. Please do not hesitate to contact my staff if you think we can be of your assistance. I would like to again thank you all for your continued support in helping promote Thailand and for being with us this evening. I will be happy to take any questions.

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

POST-9/11, SHIFTING BUDGETS, PRIORITIES AND STRATEGIES



Mrs. Juthamas Siriwan

Deputy Governor, Marketing

ROTARY CLUB LUNCHEON OUTLOOK FOR THAI TOURISM 11 OCTOBER 2001 GRAND HYATT ERAWAN, BANGKOK

Sawasdee-kha and good afternoon, ladies and gentlemen.

I am very honoured and delighted to be invited to address you at the Rotary Club Luncheon. Allow me to thank the Rotary Club of Bangkok for this opportunity to update you with the latest developments and beyond of Thai tourism especially our current marketing and public relations campaigns as well as latest developments.

It is clear that the very tragic developments in the United States and the emerging conflicts in Afghanistan are going to have a major impact on the global economy including travel industry. I am sure you will join me in praying, wishing and hoping that the situation returns to normal as soon as possible.

An early look at the situation indicates that Thailand's tourism industry is not doing too badly, given the circumstances. Total visitor arrivals at Bangkok International Airport remained virtually unchanged in September 2001 with a total of 0.51 million visitors, a slight increase of about 0.5% over September 2000. Measured by nationality, visitor arrivals at Bangkok airport in September 2001 dropped from East Asia, the Americas and South Asia but were balanced off by growth from other major markets like Europe, Oceania, Middle East and Africa. Now that the US has counter-attacked in October, we shall have to wait and see what is the impact this month.

Clearly, we do not want what is going to happen next at the global level. Much will depend on how long this war against terrorism lasts and the impact it has on the confidence of the travelling public, national economies and societies. However, the Thai tourism industry is a main breadwinner for the Thai economy, in terms of jobs and foreign exchange earnings, especially in the rural areas.

Our job now is to quickly identify which markets are still relatively unaffected and to work with our airline and industry partners to ensure that should people still be inclined to travel, they should select Thailand as a first choice. We will aim at promoting the country as a peaceful kingdom and quality, value-for-money destination that maintains good relations with all countries. At the same time, the entire industry is working together to offer a vast range of value-added tourism products and services to potential visitors.

A number of marketing plans and strategies have been adjusted virtually immediately. Because the importance of the regional market is rising, we have shifted our marketing campaigns to attract visitors from countries in the ASEAN, East Asia and Oceania regions. Major marketing and public relations strategies include:



“Be My Guest” advertising campaigns -- A major advertising campaign to be launched in a next few weeks is the government’s “Be My Guest” with the Prime Minister himself being the presenter. In the ads, he will invite overseas tour companies and visitors to Thailand to see the situation for themselves. The advertisements will be featured in a number leading international TV programmes and magazines.

Major interesting activities -- With support from the private sector and provincial administration agencies nation-wide, the TAT will launch interesting tourism activities and regularly promote them to international visitors. A number of significant projects have already been planned including the 220th Anniversary of Bangkok as the Thai capital and Count Down for 2002 plus Amazing Shopping Streets in Bangkok, Loy Krathong and Songkran Festivals nation-wide as well as international golf tournament in Phuket.

Participation in trade shows and organisation of roadshows -- We will continue to participate in major annual international tourism trade shows in the US, Europe, Asia, Oceania and Africa including Incentive Travel & Meeting Executives Show (IT&ME) in Chicago, Japan Association of Travel Agents (JATA) in Tokyo, World Travel Mart (WTM) in London, Internationale Tourismus-Börse (ITB) in Berlin, etc. The TAT will also organise a series of roadshows headed by key cabinet members to potential markets in Europe and East Asia.

“ Part of our budget will be diverted towards maintaining tourism products and services within Thailand, as well as for restoration of destinations and human resources development. ”

Advertorial Supplements -- Our overseas offices will publish a number of advertorial supplements in local languages in their respective areas of responsibility. We will also support foreign tour companies selling holidays in Thailand to advertise their products and services. This will help maximise the efficiency of our marketing budget and provide more information to prospective visitors.

Domestic tourism promotion -- On the domestic front, we will strongly promote domestic tourism by working with the private sector to launch attractive tour packages. Part of our budget will be diverted towards maintaining tourism products and services within Thailand, as well as for restoration of destinations and human resources development.

CRISIS MANAGEMENT SUB-COMMITTEE

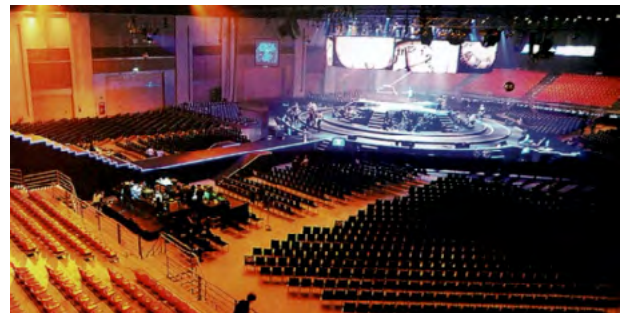
We have set up a Crisis Management Sub-committee to remain in close touch with tourism-related public and private agencies especially during this time of crisis. I, myself, chair this sub-committee which will act as an information network to keep us abreast of latest developments and allow us to adjust strategies according to shifts in global trends.

The Sub-committee consists of senior executives of TAT and other government bodies as well as representatives of leading tour companies. These tour companies are very important generators of tourist traffic and it is important to remain in regular contact with them to assure them of the government's strong support in promoting tourism and listen to their advice on ways to help them keep visitor arrivals flowing from their respective markets.

At the same time, the Sub-committee is also responsible for coordinating with government security-related agencies to enhance and ensure tourist safety. Our government has reinforced security measures throughout Thailand. Police, military forces and authorities are carefully patrolling all major public places, tourism-related facilities and foreign missions in Thailand.

Ladies and gentlemen,

Even as we adjust some marketing strategies in immediate response to changing conditions, there are some long-established plans that we are proceeding with anyway. These involve promotion of specific niche-markets like long-stay visitors and MICE delegates. For those of who you are wondering what MICE means, it stands for meetings, incentives, conventions and exhibitions. Delegates attending such events, as you know, are a good market because we estimate they spend thrice as much as normal visitors.



MICE BUREAU

In 2000, MICE delegates to Thailand totalled about 313,000. That was only about 3% of total arrivals, but they contributed a total of about 21 billion baht to the Thai economy or about 8% of total tourism foreign exchange revenue.

We are going to set up a dedicated Bureau with the status of an independent public organisation to further promote the MICE industry, co-ordinate with related public and private agencies to assist MICE organisers and market Thailand as a world-class MICE venue.

Approved by the TAT Board of Governors and the Office of Civil Service Commission, the proposed Bureau will be submitted to the Cabinet for approval and budget allocation in the next few weeks. The bureau will operate with an estimate initial state fund of 220 million baht from the government, and also raise money from membership fees and commissions from winning bids.

One major activity of the bureau will be to help clubs like Rotary bid for international events to come to Thailand. For example, the Lions Clubs Thailand has brought two major international events to Bangkok including the 40th Orient and Southeast Asia Lions Forum (OSEAL) in December 2001 and the Lions Clubs International Convention in 2008, both are expected to attract more than 12,000 and 30,000 delegates respectively. We would like to request similar support from your club in helping bring international or regional Rotary Clubs' meetings and conventions to Thailand.

We will help you with your bid. Under our 2001-2002 promotion campaign, called "Place to Meet – amazing THAILAND", the entire industry is offering a vast range of value-added benefits for such events organisers. Events that qualify for organisational support will get special facilities and

services like traditional Thai ceremonies at opening and closing functions, guaranteed hotel room rates, free AV equipment, shopping discounts and souvenirs. Organisers, too, will get registration and secretariat assistance. So I do request and urge you to explore with us ways to bring more Rotary events to Thailand.

LONG-STAY PROJECT

We are also promoting the country as a long stay destination for senior citizens from major industrialised countries to help create more jobs for Thai people and also help the housing and real estate businesses which have been affected by the economic crisis. It is estimated that the project will attract about 200,000 senior citizens aged 55 and above who could potentially stay up to ten months and spend more than 50,000 baht per person per month. This will generate an additional 100 billion baht for the Thai economy.

A sub-committee chaired by Minister to the Prime Minister's Office and TAT Chairman Somsak Thepsutin has been set up to oversee and speed up the overall plan to attract more retirees and pensioners to Thailand. The government has created a new visa classification allowing foreigners aged 55+ to stay in Thailand for up to a year. The visa can be applied for at the Royal Thai Embassy or Consular office. Applicants will be informed of the result within seven days.

Representatives from public and private agencies are also working closely together to ensure the highest quality of products and services to meet the retirees' special needs.

Ladies and gentlemen,

We at the Tourism Authority of Thailand are keen to work closely with all related government agencies and private stakeholders to ensure that tourism remains one of the country's most important industries in helping disseminate income to the rural areas, creating jobs nation-wide and preserving the traditional ways of life.

Please do not hesitate to contact me or my staff if we can be of assistance. Thank you for being with us this afternoon. I hope you have a fruitful and productive session. I will be happy to take any questions.

Thank you very much and Sawasdee-kha.

THAILAND
THE GREATEST
STORY IN GLOBAL
TOURISM HISTORY

A 60TH ANNIVERSARY TRIBUTE TO
THE TOURISM AUTHORITY OF THAILAND
