

Key Developments 2004

- PATA Travel Mart held in Bangkok, September 22-24
- Bangkok's first subway mass-transit system opens,
 12 August
- · Tsunami strikes 26 Dec 2004

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REBUILDING TOURISM AFTER SARS AND THE IRAQ WAR



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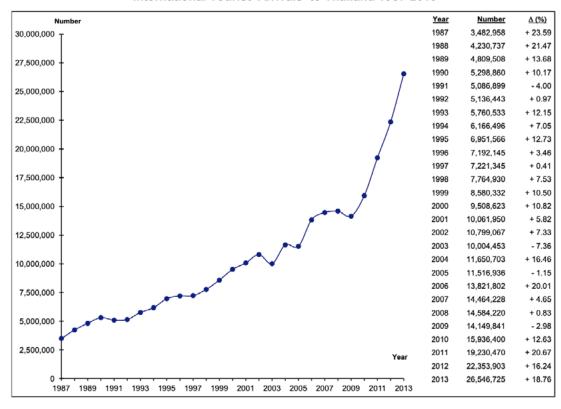
ASEAN TOURISM FORUM 2004 MEDIA BRIEFING 6 FEBRUARY 2004 VIENTIANE, LAOS

Sabaai dii, Sawasdee-kha and good afternoon, ladies and gentlemen.

I am honoured and delighted to welcome you here today. Thank you all for giving me an opportunity to update you with the latest developments in Thai tourism, especially those related to the ASEAN market. I will keep it brief so that there is plenty of time for questions.

In January - September 2003, the last period for which visitor arrivals have been tabulated, Thailand received total arrivals of 6.88 million, a decline of 12.85% over the same period of 2002. The decline, caused by the SARS crisis and the war in Iraq, is still an improvement over the 9.7 million arrivals, or 10.15% drop, that had been forecast at the height of the crises.

However, arrivals picked up by 2.86% in August and 4.24% in September. Now, we are projecting that 2003 should have ended with 9.95 million arrivals, down about 7.8% over the 10.79 million arrivals in 2002.



International Tourist Arrivals to Thailand 1987-2013

OVERVIEW OF THAI TOURISM DURING JANUARY - SEPTEMBER 2003

Our biggest source of arrivals, the East Asian countries, recovered rapidly after the SARS crisis ended with 4.2 million arrivals in January - September 2003, a drop of 13% over the same period of 2002. This was mainly due to the strong marketing efforts by both public and private sectors. In third quarter of 2003, arrivals rose by a healthy 8%. Markets that have shown good growth include Hong Kong, Korea, Singapore, Malaysia and Taiwan. Japan, which is very sensitive to world events like war, terrorism and SARS, showed a high decline of 21% in January - September 2003.

International visitor arrivals from Europe fell by 9% to 1.5 million. Russia was the top performing market with a growth of 24%.

Arrivals from the Americas declined by 10.8% to 402,000. However, it began to show an improvement in the third quarter. In August 2003, total arrivals from the Americas grew by 1.95%, with the U.S. market up by 2.64% and Canada up by 2.42%.

South Asia was the least affected market with a decline of only 3% in arrivals to 276,000 during January - September 2003. The third quarter showed a rapid recovery with an 18% growth in arrivals. Bangladesh, the second largest source of arrivals in this region, was relatively less affected by SARS. India, the main source of arrivals from South Asia, recovered rapidly, as did Sri Lanka and Pakistan.

Arrivals from Australia / New Zealand were affected by both SARS and the Iraq war as well as by the relocation of the Qantas/British Airways aviation hub from Thailand to Singapore and the intensive promotion of domestic travel in Australia. This led to a fall of 22% in arrivals to 240,000 in January - September 2003.

From the Middle East, arrivals fell by 31% to 147,000 over the same period of 2002. However, in September 2003, arrivals from the UAE rebounded strongly, up by 16.7%, while arrivals from Kuwait rose by 15.4%.

The African market saw a 28.8% drop in arrivals to 47,000. Moreover, the three direct weekly flights between Johannesburg - Bangkok code-shared by THAI Airways International and South African Airways were cancelled in November.



ASEAN Visitor Arrivals to Thailand during January - September 2003

Intra-ASEAN travel is doing well. Of the total 6.8 million international visitor arrivals to Thailand during January - September 2003, 1.7 million were from ASEAN countries or a market share of about 25%.

Malaysia and Singapore, the two biggest ASEAN source-markets for Thailand fell by -9.78% and -15.06% respectively.

Vietnam showed a strong and highest growth of 37.4% to 101,000 during January - September 2003. Vietnam now has the same market-share as Indonesia, as of the January - September 2003 arrivals total. This market is showing great promise. Arrivals from Vietnam have almost doubled from 51,000 in 1998 to 101,000 in January - September 2003.

Other small markets that showed growth during the period include Brunei which increased about 30% and Laos with about 9%.

TOURISM TREND FOR 2004

Due to the positive growth trend in the global economy, the better economic situation in Asia, the increased economic expansion among Thailand's main trading partner countries and other positive factors within Thailand itself, the government has forecast a growth of eight percent in the Thai economy in 2004.

In line with these positive changes, the Tourism Authority of Thailand has adjusted the targets of international visitor arrivals and average expenditure for 2004. Marketing plans for both domestic and international markets have also been adjusted in line with these trends and government policy.

International visitor arrivals target has been raised from 11.72 million to 12 million.

Targetted expenditure of international visitors has been raised from 3,900 baht per person per day to 4,000 baht per person per day.

The forecast for early 2004 is positive. We have just hosted a highly successful Bangkok International Film Festival in January 2004 which attracted a lot of media attention.

Thailand plans to position the country as the "Tourism Capital of Asia" by 2006. This is being done through a major restructuring of the country's marketing programmes to make them more responsive, proactive and better targeted.

We anticipate a strong focus on high-yield niche-market customer segments like meetings and conventions, high-income earners, golf, wellness & spa, family, diving, youth and honeymooners, senior citizens, female travellers, eco & soft adventure, medical tourism, long-stay visitors, film-makers and students.



MAJOR PROJECTED DEVELOPMENTS FOR 2004

As a result of liberalisation of the Thai aviation industry, a number of low-cost airlines are now operating. This has led to a dramatic reduction in domestic air-fares. Our national airline, THAI Airways International, is due to start its own low cost operation soon. This will give a big boost to domestic and intra-regional traffic.



Bangkok's first subway mass-transit system is due to open on 12 August 2004, Her Majesty Queen Sirikit's 72nd birthday. It will run under two major city thoroughfares linking two convention centres, one exhibition hall and dozens of hotels, embassies, business areas, shopping centres and visitor attractions. The 20-km route has 18 stations and three interchange stations with the existing overhead mass-transit Skytrain. It is expected to help visitors get around Bangkok and enhance the overall appeal of visiting the city.

Growing business and travel contacts with India and China are expected to produce strong results. Major increases in inbound travel are expected from India as a result of the recent SAARC summit which ended successfully in Islamabad in early January. The resumption of overflights by Pakistan International airlines from Karachi to Bangkok should also boost visitor arrivals from Pakistan.

The situation in south Thailand remains of concern. The TAT is watching it closely to monitor the impact on travel & tourism.

Before closing, allow me to update you the upcoming events in 2004.

The Ninth Mekong Tourism Forum will be held between 26 - 28 March 2004. Organised by the Pacific Asia Travel Association in Chiang Mai, the event is the annual gathering of travel and tour operators from the Mekong region.

The PATA Mart will be held 22 - 24 September 2004 at the Queen Sirikit National Convention Centre (QSNCC) in Bangkok. The TAT will amalgamate its annual Thailand Travel Mart (TTM) into the PATA mart, making it even bigger. The PATA Board of Directors will also meet between 24 - 26 September 2004 in Bangkok.

The Incentive Travel, Conventions and Meetings Asia (IT&CMA) and the Corporate Travel World (CTW) Asia Pacific will be held between 12 - 14 October 2004. The IT&CMA will continue its third year in Bangkok. The event will be boosted by the co-location of the CTW Asia Pacific which had been annually held in Singapore. Thailand fields the largest contingent of sellers at this show, offering plenty of opportunities to check out new products, services and facilities.

Finally, the 24th Congress of the Portuguese association of tour operators and travel agents will be held from 28 November - 1 December 2004 at the Imperial Queen's Park, Bangkok. About 800 managerial-level representatives from tour operators are expected to attend.

I hope that helped give you some idea of trends as well as develop some story leads. Once more, thank you very much for being with us today. I will be happy to take a few questions.

OUR MAIN CHALLENGE IS TO STAY COMPETITIVE



Mr. Suraphon Svetasreni

Deputy Governor for Publicity and Public Relations

BRIEFING FOR MEDIA FAM TRIP FROM BAHRAIN 24 MARCH 2004

Sawasdee-khrap, Salaam-alaikum and good afternoon ladies and gentlemen.

It is a great honor and pleasure for me to wish all media from Bahrain a very warm welcome. Thank you for being with us and for giving me an opportunity to give you a quick update on the Thai travel and tourism situation. We recognise the media's valuable role in our promotion and marketing efforts and thank you all for your continued support.

In 2003, the Middle East market was severely affected by SARS crisis and war in Iraq. The SARS scare is now behind us, and your presence here today is part of our plans to rebuild the linkages between Southeast Asia and the Middle East.

Last year, we estimate a total of 9.95 million visitor arrivals, a decline of about 7.84% over the 10.79 million arrivals in 2002, largely due to the SARS crisis and the war in Iraq. This year, we are hoping to make a strong recovery and attract arrivals of 12 million.

Arrivals from Bahrain in January - November 2003 totalled 8,856, a decline of 8% over the same period of 2002. However, inspite of the overall decline, we noticed a 6% increase in repeat travellers from Bahrain and business travellers were up by 18.22%.

Catering to the Middle East market is one of the major factors that features in the way we are designing our products as we strive to make Amazing Thailand into the Tourism Heart of Asia by 2006.

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There is also a clear indication that Thailand is proving to be a popular family destination because we noticed that arrivals of children aged under 15 increased by 0.66% to 1,063 while visitors aged 45-54 were up 16.42% to 2,035. Convention and exhibition delegates from Bahrain have also risen.

Catering to the Middle East market is one of the major factors that features in the way we are designing our products as we strive to make Amazing Thailand into the Tourism Heart of Asia by 2006. This will mean developing Thailand as a centre of tourism as well as a centre of excellence in associated fields like fashion, food, health and spa, meetings and conventions, automobile production, information technology and many more industry sectors.

We are placing a strong focus on niche-market customer segments. These include meetings and conventions, golf, wellness & spa, family, diving, youth and honeymooners, senior citizens, female travellers, eco & soft adventure, medical tourism, long-stay visitors, film-makers and students. A generally favourable exchange rate has made our tourism products and shopping attractions very good value for money.

Many exciting developments are taking place. Please allow me to quickly cover some major highlights:

== As of March 2004, there are daily direct flights weekly between Bangkok - Bahrain operated by THAI and Gulf Air.

== One of the areas of interest to the Middle East market is the emergence of high-class spas, built around our famed traditions of Thai massage and herbal treatment. A study undertaken by Intelligent Spas reports a growth of 64% for the period 2000-2002. Between June 2001 - June 2002, some 230 Thai spa operators attracted a total of 3.3 million spa users, of which 2.5 million, or 79% of the country's total spa clientele were from overseas.

The TAT is assisting the Ministry of Public Health and the Ministry of Commerce to implement a national strategy to develop Thailand's strong potential in the field of health and wellness. Destinations targeted for the 'blitz' plan are Bangkok, Chiang Mai, Phuket and Samui.

== Thailand has a reputation as a world class destination for shopping with a huge variety of products ranging from souvenirs to canework, costume jewellery to handbags as well as tourism attractions and services emerging from what we call One Tumbon One Product items. These are

unique products from over 8,000 tumbons or districts in Thailand with populations ranging from a few hundred to a few thousand each. Grand Sales are held every year in June-July and November-December.

== The TAT has created a strategic development plan for 2004 - 2006. Under this plan, a number of tourism attractions in the country are to be promoted as "clusters," which will broaden the product offerings of tour operators, disseminate tourism revenue to other parts of the country and encourage the participation of local people in tourism promotion and development. These clusters are divided into five groups, which include:



- Group I: Beaches and sea
- Group II: Nature and forests
- Group III: History and cultures
- Group IV: Special interest products
- Group V: Manmade products

== Bangkok's first subway mass-transit system is due to open on 12 August 2004, Her Majesty Queen Sirikit's auspicious 72nd birthday. It will run under two major city thoroughfares linking two convention centres, one exhibition hall and dozens of hotels, embassies, business areas, shopping centres and visitor attractions. The 20-km route has 18 stations and three interchange stations with the existing overhead mass-transit Skytrain. It is expected to help visitors get around.

== The development of closer relations with the Greater Mekong countries is a major component of our tourism policy. Thailand is spending a lot of money on transportation infrastructure development both within Thailand itself and between Thailand and the Mekong countries. This includes highways, bridges, airports and city subway systems. At the

same time, the aviation policy is being liberalised. These will help tour operators build superb fly-drive-rail-cruise packages regionwide.

Ladies and gentlemen,

Overall, our main challenge is to stay competitive. We have to work hard to ensure that our products are upto standards, that we deliver value for money and that we have the underlying legal and administrative systems in place to ensure that we deliver what we promise.

Thank you for your continuing support and for being with us today. I will be happy to answer your questions.

MARKING THE 10TH ANNIVERSARY OF THE THAI-LAO FRIENDSHIP BRIDGE



Mrs. Phornsiri Manoharn

Deputy Governor for International

Marketing

OPENING REMARKS: 15TH MEETING
OF THE WORKING GROUP ON THE GMS
TOURISM SECTOR
26 MARCH 2004
CHIANG MAI

Sawasdee-kha and good morning, distinguished delegates, ladies and gentlemen.

On behalf of Tourism Authority of Thailand, I am very honoured and delighted to chair this meeting today. Please allow me to welcome all distinguished delegates to the 15th Meeting of the Working Group on the Greater Mekong Subregion Tourism Sector. Let me also express my thanks and compliments to the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), the Asian Development Bank (ADB) and the Agency for Coordinating Mekong Tourism Activities (AMTA) in collaboration with the Tourism Authority of Thailand (TAT) for their initiative in organising this very timely event and providing us a valuable opportunity to exchange information and experiences.

Distinguished delegates,

This year marks the 10th anniversary of the opening of the first Thai-Lao Friendship bridge across the Mekong river on 8 April 1994. It was that event which set into motion the many subsequent developments that have helped facilitate trade, travel and transportation throughout the GMS countries. Just two years later, in



1996, PATA organised the first Mekong Tourism Forum in Pattaya. Today, there are a number of bridges across the Mekong, and more are coming up. Airline linkages are growing, and the first public bus service is about to start between Thailand and Lao PDR. Clearly, the social, economic and cultural integration of our region is well under way.

Our respective organisations can take great pride in having facilitated these achievements. And we continue to do so. Just two weeks ago, at the ITB Berlin, we joined forces with our counterparts in Cambodia, Lao PDR and Myanmar to launch "The Reflection of Everlasting Civilization", the first joint collection of exclusive package tours featuring culture and heritage destinations. Through bilateral events, we have done similar events with China and Vietnam, too.

The future is bright. Our six GMS countries are benefiting from billions of dollars worth of infrastructure development projects still emerging. The roads, airports, ports and waterways will allow the private sector to package superb fly-drive-cruise-rail packages through some of the most exotic regions in the world. These projects are receiving extensive funding support from international institutions like the ADB and the Japanese government. We are grateful for their assistance.

Distinguished delegates,

Having laid the foundations for creating growth, it is clear that we will have to pay more attention in future to managing it. Creating the growth may well turn out to be the easy part, and I think that over the next 10 years, we will need to ensure that the product remains really sustainable and desirable. That's where the real challenge will be, and I look forward to some stimulating and interesting discussions over the next two days.

Let me conclude on that note. Once more, thank you for your participation and my thanks to all organisers for their well-organised this workshop today. The tourism industry is happy to have you here with us and I wish you all a fruitful and productive forum.

THAILAND PROPOSES UNIFORM ASEAN-WIDE SCHEME FOR ENVIRONMENTAL PROTECTION



Mr. Pradech Phayakvichien *Advisor*

WTO PROGRAMME COMMITTEE MEETING 25-26 MAY 2004 MADRID

Good morning distinguished delegates, ladies and gentlemen.

It is a pleasure for me to address delegates of the World Tourism Organisation (WTO) on the Thai tourism situation and tourism challenges in the region. My special thanks to WTO for organising this conference which I believe will make a positive contribution towards the long-term success of the tourism industry by highlighting ways to develop sustainable tourism.

BRIEF SUMMARY OF THE THAI TOURISM SITUATION

The Thai tourism industry recorded a total of about 10 million visitor arrivals in 2003, a decline of 7.36% over the 10.79 million arrivals in 2002. The decline, caused by the SARS crisis and the war in Iraq, is still an improvement over the 9.7 million arrivals, or 10.15% drop, that had been forecast at the height of the crises.

Visitor arrivals from South Asia were least affected with a slight decline of 0.1% to 390,000 arrivals in 2003, followed by East Asia (-5.59%), and Europe (-7.94%). Arrivals from Middle East were most affected, a decline of 25.27%.

Our biggest source of arrivals, the East Asian countries, recovered somewhat after the SARS crisis to end the year with 6.16 million arrivals in 2003, a drop of 5.59% over 2002. Japan, which is very sensitive to world events like war, terrorism and SARS outbreak, showed a sharp decline of 17% in 2003.

There were a number of interesting bright spots. Visitor arrivals from the ASEAN countries increased by 1.2% to 2.64 million in 2003. This shows that intra-ASEAN travel is still performing well over the period of crises.

Russian arrivals grew by 31.44% in 2003. Arrivals from Bangladesh were up by 40.12% to 57,000, from Sri Lanka up by 18.09% to 38,000 arrivals and Pakistan up by 3.32% to 30,000 arrivals.

Categorised by profile, independent travellers were up by 2.8% to six million while group-tour arrivals declined by 19.5% to four million over 2002. Linked to this, the number of repeat travellers were up by 4.27 % while first-timers were down by 18.6 %.

This clearly shows the importance of both emerging markets as well as repeat traffic. We can see that that experienced travellers who had visited Thailand before know that they can continue to come and have a nice time, regardless of what they might read or see in the media.

THAI TOURISM TREND FOR 2004

This year, due to the positive growth trend in the global economy, the better economic situation in Asia, the increased economic expansion among Thailand's main trading partner countries, the government has forecast a growth of eight percent in the Thai economy in 2004.

In line with these changes, the Tourism Authority of Thailand has adjusted the targets of international visitor arrivals and average expenditure for 2004.



- International visitor arrivals target has been raised from 11.72 million to 12 million.
- Targetted expenditure of international visitors has been raised from 3,900 baht per person per day to 4,000 baht per person per day.

Marketing plans for both domestic and international markets are being adjusted to become more oriented towards niche-market customer segments like meetings and convention delegates, high-income earners, golfers, wellness & spa, families, divers, young travellers and honeymooners, senior citizens, female travellers, eco & soft adventure tourists, long-stay visitors, film-makers, students, even those seeking medical treatment or wanting to learn how to meditate.

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The quantitative success
of the tourism industry
has however brought
with it the qualitative
deterioration of many
visited attractions and
tourist spots -- natural, cultural
or historic.





PROBLEMS AND CHALLENGES

The recent disturbances in South Thailand have obviously created an unexpected hiccup. Visitors from Malaysia comprise about 10 % of our total arrivals on average and the situation there has clearly had an impact on the first quarter visitor arrivals. The Thai government is doing everything possible to ensure that the situation returns to normal soon.

There are other long-term issues to be addressed. The quantitative success of the tourism industry has however brought with it the qualitative deterioration of many visited attractions and tourist spots -- natural, cultural or historic.

In the past, tourism promotion and development efforts were very much concentrated on utilising natural resources without adequate attention being paid to environmental management and related issues. While SARS and global geopolitical conflict remain short- and medium-term issues for the travel & tourism industry to address, environmental issues remain the primary long-term priority.

Tourism consumes a large amount of natural and environmental resources which has a high and direct impact on local people. Waste and garbage generated by tourism is rising, creating problems for islands, beach resorts, cities, national parks and other areas being opened for ecotourism. Waste management is becoming increasingly costly.

At the same time, tourists are becoming more environmentally conscious and seeking out a commitment to such policies at tourist attractions or in their destination countries. It is estimated that each year there are more than two million tourists engaged in some form of eco-tourism activities in Thailand. The most popular activities are forest trekking, bird watching, wildlifewatching, scuba-diving etc. However, what is still lacking and need urgent attention is the formulation of a code of conduct and quality control standards.

During the ASEAN Senior Ministerial Meeting in Vientiane between 1 - 2 February 2004, the Thai delegation proposed the creation of a standardised, uniform ASEAN-wide scheme for environmental protection and conservation in travel & tourism. No such scheme exists in ASEAN. There are a number of individual ASEAN country schemes, but none that encompasses the entire region based on a common set of standards for certification and auditing.

Attempts are being made in Europe to come up with a common initiative for tourism ecolabels. These will eventually be converted into global standards and make ASEAN and the Asia-Pacific region yet again dependent on standards developed in the industrialised countries. This will mean higher costs, especially for the SME tourism-related operators.



1. Human Resources

The development of tourism-related human resources is very crucial. We need more qualified tourism personnel. Service quality in transport, communication, hotels and restaurants is important for sustainable tourism.

For some instance, the quality of guides. We do not have enough qualified guides who can speak, for example, Korean and Russian. However, it has been brought to our notice that many Korean guides are creating a negative image for Thailand by selling forced shopping tours, over-priced optional tours and low-quality packages which create a negative impression.

Ideas, possible solutions and ways in which WTO might contribute to solution

As I mentioned earlier, tourism policies now appear to be more "pro-active" in terms of Sustainable Tourism Development. The Thai tourism industry is recognised as a major sector in helping develop the economy, and there is a wider recognition that tourism will only be able to deliver its economic benefits if consumers hold high regard for the quality of the Thai tourism product.

Hence, the WTO may wish to consider assisting us implement the ASEAN-wide scheme for environmental protection and conservation in the travel & tourism industry. I would suggest the following:

- Set up a senior-level grouping comprising of public and private sector representatives of tourism groupings to oversee and administer the project. The grouping should also include representatives of agencies like the World Tourism Organization, UN Environmental Programme, PATA and UNESCO.
- Undertake a thorough ASEAN-wide analysis and evaluation of tourism and environmental issues that will pinpoint precisely the full environmental impact of travel & tourism across all 10 member countries, including future impact.



- Study all the existing ASEAN environmental protection and certification schemes, including those in travel & tourism as well as other industries.
- Compile some best-case studies and incorporate a proper structure for auditing and certification.

A common ASEAN environmental certification project for the travel & tourism industry could help us upgrade industry standards, preserve the environment, saving costs and enhance the image and desirability of our region as a "clean and green" place to visit.

Thailand will be happy to cooperate and assist the WTO in developing this scheme for the ASEAN region. We look forward to your comments and guidance.

TRAVEL ADVISORIES

These are becoming a major headache for most of the developing countries. There is growing concern amongst the countries about the double standards in the way they are applied. Many developed countries have been hit by terrorism or openly threatened with acts of terrorism, and yet they are the ones issuing advisories against the developing countries.

The recent WTO statement that sought to differentiate acts of terrorism from one country and another based on whether or not it was tourists who were being targetted, was unhelpful and regrettable, and only heightened the feeling about the prevalence of double standards.

The WTO needs to start doing something about this matter seriously and effectively. There is no point in having poverty-alleviation programmes on one hand while on the other doing nothing about policies that have a significant impact on our tourism industries and worsen the economic situation for our people. Many of the developing countries don't want more aid and handouts with all the strings and conditions that come with it. We want fair and equal treatment in the global arena, and the fair application of travel advisories is one critical area.

CONCLUSION

Ladies and gentlemen,

Our main goal is to ensure that Thailand remains a high-quality and sustainable tourism destination as well as a supporter of regional benefits. The Tourism Authority of Thailand welcomes new initiatives and suggestions from you on ways to further upgrade product quality and promote the cause of sustainable development.

Thank you for the honour of inviting me to speak to you today. Thank you and Sawasdee khrap.

GRASSROOTS CULTURAL TOURISM IN THAILAND



Mr. Pradech Phayakvichien *Advisor*

MINISTERIAL CONFERENCE ON CULTURAL TOURISM AND POVERTY ALLEVIATION WTO 7-9 JUNE 2004 SIEM REAP, CAMBODIA

Sawasdee-khrap and good morning distinguished delegates, ladies and gentlemen.

It is a pleasure for me to address delegates of the World Tourism Organisation (WTO) on the Thai cultural tourism situation and challenges. My special thanks to WTO for organising this conference which I believe will make a positive contribution towards creating a long-term, sustainable tourism industry in the Asia-Pacific region.

Ladies and gentlemen,

Culture and tourism are very closely intertwined. To experience another country's culture is one of the primary reasons why people travel these days. By far the vast majority of culture lies at the grassroots of society. Hence, by its very definition, culture and tourism contribute actively towards poverty alleviation.

Thailand is primarily popular as a beach and sea destination, primarily due to the fame of resorts like Pattaya, Samui Island, Phuket and Krabi. However, Thailand also has four UNESCO World Heritage sites and a large variety of historical places, palaces and temples with unique architecture, arts and culture.

According to data recently compiled by the Tourism

Authority of Thailand, Thailand has 1,364 natural attractions and 1,515 cultural attractions which include not only temples, palaces, buildings and other historically important sites but also handicraft-based communities and festivals. At the moment, cultural tourism in Thailand is primarily focussed on historical places, our royal family, religious traditions and internationally-known festivals like Songkran (the Thai new year) and Loy Krathong festivals. The Loy Krathong is Thailand's most popular festival, marked every November, with candles floated down the river in little banana-leaf boats as a sign of thanks to the Goddess of Water, according to ancient traditions.

The government gives these cultural activities a lot of support to ensure that they remain creative and have adequate infrastructure. It also helps channel private sector support through hotels, shops and other service businesses. The objectives are to distribute income and create jobs for the rural people.

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Also the government plans to develop centres for selling local products which will be located in the communities along the route between the historic town of Sukhothai and the province of Kamphaeng Phet.

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Allow me to cite the example of the Historic Town of Sukhothai, UNESCO World Heritage site, and one of Thailand's most important tourism attractions. When the development began, it was necessary to transfer out some of the people living in the area. However, after the development was completed, and cultural tourism began, it created more jobs and the revival of ancient traditional arts and local products such as ceramics, terracotta, hand woven cloth and gold ornaments. Festivals like Loy Krathong are conducted there annually, along with a light and sound show to illustrate the history of the site.

Although the full Loy Krathong and light and sound show is only held once a year, miniature versions are adapted and held year round to serve groups of tourists who have made reservations. The light and sound show includes a performance, dinner and fireworks, all by the local communities and schools. Also the government plans to develop centres for selling local products which will be located in the communities along the route between the historic town of Sukhothai and the province of Kamphaeng Phet.

The government also supports numerous other cultural tourism sites, such as the Historic City of Ayutthaya, also a UNESCO World Heritage Site, the Phranakhonkiri Palace or Khao Wang in Phetchaburi and a Mon (or minorities from Myanmar) community that produces terracotta at Koh Kret, a tiny island in the Chao Phraya River, located in Nonthaburi Province, only 30-45 minutes drive from Bangkok.



In Bangkok itself, the Rattanakosin Island Grand Songkran Festival features cultural parades from every Thai province. The Grand Lanna Civilisation Songkran Festival is held in Chiang Mai to highlight the cultures of the northern Thai provinces and neighbouring countries including Laos, Myanmar and south China. The TAT has also supported the "walking street" project under which sections of main thoroughfares in Chiang Mai are closed to traffic to allow Micro Small and Medium Enterprises (MSMEs) to sell products like handicrafts and paintings along the street. This, too, is aimed at making use of cultural and social activities to attract visitors, and create tourism revenue for lower-income people.

All this clearly indicates that large tourism attractions like World Heritage Sites or small ones like Kho Kret, or large festivals like Songkran or smaller ones like walking street, the government has invested in all these activities in order to help trickle down revenue to the poor.

Grassroot cultural tourism activities conducted by specific communities are emerging as the communities, government departments and the educational sector, as well as private development organisations, begin to notice the potential. Naturally, government policies are instrumental as they are designed to help the local people who are largely living off agriculture and comprise the majority of the country's population.

Allow me to highlight a few specific policies in this direction:

1. 1. The bureaucratic administrative structure has been decentralised to the provinces by the creation of so-called 'CEO Governors' who become de facto Chief Executive Officers of their respective areas and have to ensure integration of all public and private sector projects and activities. The policy also creates clusters which allow neighbouring provinces to take part in the development plan of the area. This allows all involved to better understand the problems and needs of the local communities, and ensure they are addressed rapidly.

2. 2. The One Tambon One Product Scheme (OTOP) is designed to help small manufacturers develop products and services based on their cultural traditions and local knowledge. This generates additional income and adds value to the agricultural sector.

Just to give you some background, a tambon is a 'subdistrict' which contains many villages. There are about 8,000 tambons in Thailand with populations ranging from a few hundred to a few thousand each. Each of them has unique capabilities for making a huge variety of products ranging from souvenirs to canework, costume jewellery to handbags. The products include not only goods but also tourism attractions and services. Hence, the project reflects "development" in all aspects.

Cultural tourism at the community level could be significantly boosted by helping the local communities with their management and administrative capabilities as well as through better communications, marketing, public relations and promotion. Two case studies include the Plai Pongpang Village and Mae Kham Pong Village, both of which have a unique form of cultural tourism related to the local way of life, which is mainly agricultural. This kind of cultural tourism is thus linked to both village-based tourism and agro-tourism. In addition, it is clear that agricultural activities are inextricably linked with the specific local culture.

Plai Pongpang Village, a community of traditional Thai-Style homes

The Plai Pongpang Village is located about 64km from Bangkok. The community lives within a network of canals that feed into a river. Like in ancient times, the canal is still the main means of internal transport for the local people although most of the area itself is reachable by road. The main occupations of the villagers are fruit farming and coconut-palm sugar production, while the minor occupation is fishery.

The uniqueness of the community is the Thaistyle dwellings which are about 50-100 years old. About 160 such homes can be found in the area. Other unique points include the wonderful view and peaceful atmosphere as the area is surrounded by natural habitats and canals. Also, the local life-style has been passed on from generation to generation, including the production of coconut-palm sugar, the floating market and the tradition of offering food to monks on the boats. The community has also





preserved its local crafts such as making of equipment for fishing and catching prawns. The local people also take visitors to see fireflies along the canals at night.

The project started in 1999 when the head of the sub-district was contacted by the local government officials about the potential for promoting agro tourism in the community. He then did some additional research and provided more information in a number of areas. Discussions were held with the local community and it was agreed that there was much potential to develop tourism.

He began with members of three homes and has now expanded it to 25. Boatmen help plan the trips, along with the co-operation of the government sector. Tourists stay in their Thai-style homes, tour the community and the surrounding area by boat, see fireflies at night and offer food to monks in the morning with the homeowners.

All the benefits go directly to both the boat-owners and home-owners who are paid for providing accommodation and the boat-rides. They also generate income from selling fruits, souvenirs, and food from fishing, bakery and sugar production. These products are made in the community itself as well as in the nearby villages. Moreover, even though the local people are not benefiting from seeing the fireflies, they are not annoyed by the tourists. They are quite proud to have been visited.

Mae Kham Pong Village, Chiang Mai

The Mae Kham Pong Village is an agro forest community on a hill located about 1,200 metres above sea level, about 40 kilometres from the capital of the northern province of Chiang Mai. The villagers grow tea, and then steam and ferment it for chewing. This is a traditional product in northern Thailand and is very popular.

Jungle tea or 'tea garden' is an ancient agricultural system that combines forestry, agriculture and animal husbandry. The system is designed in a way that focuses on food production, survival needs and environmental balance. Tea is a popularly-grown plant in the mountains from the south of Tibet all through the mountains in Assam State of India to southeastern China, parts of Myanmar and northern Thailand



All the benefits go directly to both the boat-owners and home-owners who are paid for providing accommodation and the boat-rides.



The Mae Kham Pong village enjoys cool and cold weather year-round. Surrounded by forest, streams, waterfalls and plants and with its tea and coffee gardens, steaming and fermenting activities as well as hand-made products, the village is unique and very attractive for visitors. Its way of life and natural resources are different from other mountain areas which cultivate land using the slash and burn method which just makes the land barren and then has to be sold off to develop resorts and hotels.

The head of the village, who once was a pack-ox seller, set up a co-operative venture with a local tour operator who graduated with a master's degree in tourism from Chiang Mai University. They brainstormed ways to make the project work. The Thailand Research Fund (TRF) provided support by conducting local research about the tourism potential. In 2000, they began the cultural tourism and home-stay tours with five homes, a number which has risen to 17 at present. It has become increasingly popular with both Thai and international visitors, groups and FITs.

The community has set up a small tourist service centre for the local people, including those from surrounding areas, to sell their products and provide information to visitors. Also, trails have been developed to visit waterfalls, villages and the chewing tea-leaves production areas. However, all activities are developed in such a way that they avoid disturbing those families which are not ready to serve visitors.



Summary of the case studies

Both projects have certain key characteristics:

- Good, solid leaders have played an instrumental role in creating an understanding among
 the villagers and people in the community. They also have the ability to coordinate the
 support required from external organisations.
- The projects took time to be successful. The communities had to be gradually prepared to open up for visitors by doing a lot of research, brainstorming ideas, and mutually agreeing on the plans. In the case of Mae Kham Pong village, the involved parties had prepared one

year before opening the village. For the Plai Pongpang Village, they also took time for the preparation and started with three homes. This case study of a bottom-up approach is different from other communities where members only followed the policies of the top-level management without thoroughly considering their readiness and whether there was sufficient demand, and then were forced to close down.

- Mae Kham Pong Village project has received some expert advice. Very early on, the village gained valuable support from the TRF and other researchers at educational institutions. It has also created a network with other villages on tourism. On the other hand, Plai Pongpang village was supported by organisations that it itself sought out, such as the Department of Agricultural Extension. This is because the village is located close to the capital. Thus, the educational level and economic status of the local people is slightly better than that of villages located far from Bangkok.
- Marketing is also an important factor. In the case of the Mae Kham Pong Village, success resulted from discussions with the tour operators which have experience in ecotourism. Proper discussions took place since the beginning of the project. As for Plai Pongpang Village, success resulted from word of mouth and media promotions that helped to expand the market. Important customer segments are college students and researchers.
- Other important factors are the tourism resources and their uniqueness. The Mae Kham Pong Village has focused on it's agro forest culture which is located on the upper levels of hill where the weather is cold year-round, with considerable natural beauty. It is well suited to the method of tea planting and production. The Plai Pongpang village has focused on the preservation of the Thai-style homes with the life-style of people and the river. This is an old lifestyle which has changed little inspite of the many changes in the world around it.



- There are, however, some problems which have emerged.
- The Plai Pongpang Village has become a victim of conflicting government policies. The Revenue Department is levying a tax on the coordinators of the project by calculating it as part of their total income even though the income is being distributed to community members such as the owners of the boats and accommodations. The coordinators are not able to pay the tax.
- In turn, the Mae Kham Pong Village lacks adequate marketing support from the government or related organisations. Both villages need a measurement index to indicate how to sustain it and how tourism is improving the living standards of the community.
- Paradoxically, another important problem is the government's projects in the surrounding areas. In the case of Mae Kham Pong Village, as part of its development plans for the entire area, the government is expanding road links among tourist attractions by widening the local existing road which cuts through the centre of the village. Overall, these roads spoil the atmosphere of the village and can even lead to purchasing of land by investors for other commercial developments. This will affect tourism to the community. No efforts are being made to zone the area or establish clear preservation efforts for the village and forest areas. If tourism declines as a result, these villagers will suffer considerably, as they are poor and not well-educated.
- Some of the government support is much too centralised and comes from the top down, without much consideration being given to whether it is appropriate to the area. For example, in the Mae Kham Pong case, the government plans to build a centre for selling OTOP items which follow the model of the central organisation which conflicts with the local architecture.



Projects should focus not just on promoting tourism and big scale development but also other activities that can create direct benefits for the poor in other areas.



Suggestions

• There should be both government and local level policies for sustainable tourism promotion in order to alleviate poverty. Support and funding should be given to the potential communities, who should be allowed to share ideas, make decisions and enjoy the real benefit in terms of pro-poor tourism. Projects should focus not just on promoting tourism and big scale development but also other activities that can create direct benefits for the poor in other areas.

- A team of local researchers should be set up to provide proper information. They can
 then consider the real potential, opportunities and the real needs of the village and use
 the research as a database for making plans and policies, and providing support at the
 government and local level. In addition, there should be a network of researchers for the
 entire cluster area to ensure that its development is well managed and integrated.
- Support should be given to educational institutions or Non Government organisations
 NGOs to provide technical training to the villagers to help preserve and develop the local
 knowledge. These institutions and organisations are more flexible than the government
 organisations in working with the villages.
- The government sector should establish a centre to help the villages with marketing and public relations, as well as with upgrading the quality and standards of their products.
- The government should help the community better manage the tourist attractions and related activities by building up their capacities and markets in order to reduce the need to go through middlemen.

Ladies and gentlemen,

In conclusion, I would like to say that tourism can play a major role in both cultural preservation and poverty alleviation. There is no shortage of market potential. But even as we strive to boost visitor arrivals, and raise the standards of living of our people, we also need to ensure that our culture and environment does not suffer from the rush to economic growth and development.

That is why this event is so important because it highlights the fact that all must get equal priority and importance. Doing business is easy but all forms of business must be accompanied by a sense of deeper responsibility to the society, community, culture and environment in which we live. Short-term gain must not result in long-term pain.

Thank you very much and Sawasdee-khrap.

PROMOTING NORTH THAILAND TO THE FRENCH



Mrs. Phornsiri Manoharn

Deputy Governor for International

Marketing

MEGA FRANCE FAM TRIP 22 JUNE 2004 BANGKOK

Sawasdee-kha and good evening ladies and gentlemen.

On behalf of the Tourism Authority of Thailand (TAT) and Thai tourism industry, it is indeed an honor and privilege for me to welcome you all to the Mega France Fam Trip. Thank you very much for being with us today. Please also allow me to compliment all organisers and sponsors for their professional organisation of this fam trip, especially the TAT Paris and THAI Airways International.

It is very important for you to see that Thailand is a safe, hospitable and welcoming destination, and that our travel & tourism industry is as good as ever in terms of productivity and value for money. I hope you all have been getting a valuable opportunity to check out the huge range of products and services that are emerging in Thailand.

Please allow me to begin with a brief update on the Thai tourism situation.

In 2003, Thailand received 10 million visitors, a decline of 7.36% over 10.79 million arrivals in 2002, mainly due to the SARS crisis and the war in Iraq. Visitor arrivals from France in 2003 totalled 219,000, a decline of 13.51%. However, inspite of its overall decline, we noticed that there was still a high proportion of repeat visitors from France compared to first-time arrivals. We also noticed that French business travellers showed a positive growth of 7.3% in 2003. This clearly shows that experienced French travellers who have visited Thailand

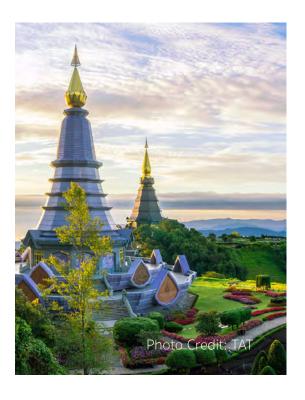
before know that we are a safe and peace-loving destination, and that they can come here and have a nice time, regardless of what they might have read or seen in the media.

This year, the situation is improving greatly. Visitor arrivals at Bangkok International Airport during January - May 2004 totalled 3.18 million, an increase of 21% over the same period in 2003. All markets showed positive growth except Belgium which was down by a fractional 0.13%. Happily, visitor arrivals from France were also up strongly by 3.5% to 88,000. There is also a fair amount of aviation capacity, with 17 direct scheduled flights weekly between Paris - Bangkok by THAI Airways International and Air France. As you also know, French citizens do not need visas to come to Thailand.

Ladies and gentlemen,

We know that French are lovers of culture, good food, fashion and fine wine. I am happy to report that many innovative travel products are coming up all over our kingdom as we strive to make Amazing Thailand into the Tourism Capital of Asia by 2006. This will mean developing Thailand not just as a centre of tourism but a centre of excellence in associated fields like culture, fashion, food, health and spa, meetings and conventions and film-making.

Thailand has four UNESCO World Heritage sites and a large variety of historical places, palaces and temples with unique architecture, arts and culture. In some provinces like Chiang Mai, you can find more than 1,000 temples, fine examples of Lanna Thai Art as well as displays of traditional northern culture. The government gives these cultural activities a lot of support to ensure that they remain creative and have adequate infrastructure.



North Thailand, which is very popular with French visitors, will soon be linked by a massive road and highway network to all parts of the Greater Mekong subregion, including Cambodia, Laos and Vietnam. These countries, which as you know were occupied by the French for over 50 years during the 19th - 20th centuries, still boast impressive colonialera buildings, superb rainforests and traditional cultures which are well worth seeing.

The Mekong countries are not only getting more aviation access but will also be connected in the coming years by the Asian Highway, the East-West and North-South Economic Corridors, a huge network of highways which will link the South China Sea with the Bay of Bengal, and Singapore with Kunming. Thus, in the next few years, it will

be possible to drive comfortably throughout the Greater Mekong Subregion. This will allow packaging of superb fly-drive-cruise products, incorporating the Mekong river and its surrounding countries.

I would also like to draw your attention to Thai spas, massage and herbal treatments, now recognised as among the most popular in the world. From Phuket to Chiang Mai, Thailand has over 200 spas -- day spas, hotel and resort spas, medical spas and destination spas -- to cater to the growing global demand for health and rejuvenation.

One important development that I wish to mention is Bangkok's second major mass transit system which is due to open early next month. The subway will supplement the existing Bangkok Skytrain that is already playing a major role in helping visitors, businesspersons and convention delegates get around the city easily and conveniently. The new subway will run from the city's main railway station, Hua Lumphong, under two major thoroughfares linking the Queen Sirikit National Convention Centre with several more hotels, shopping centres and business districts.

Moreover, we will soon have a second new airport in Bangkok, to be named Suvarnabhumi, or the Golden Land, due to open in late 2005. This will provide more capacity to serve the emerging airlines in Thailand, especially the low-cost carriers.

Ladies and gentlemen,

Our target arrivals are about 12 million this year. France is a very important market for us. We are hoping your presence here will help you see that Thailand is well worth suggesting to your clients. Once more a very warm welcome to you all. Thank you for your continuing support and for being with us today. If there is anything our staff can do to make your visit more productive, please do not hesitate to ask them.

Thank you very much and Sawasdee-kha.

TOURISM BADLY NEEDS PEACE AND FRIENDSHIP



Mrs. Phornsiri Manoharn

Deputy Governor for International

Marketing

SPEECH TO THE SKAL CLUB OF BANGKOK 10 AUGUST 2004

Sawasdee-kha and Good Afternoon, Ladies and Gentlemen.

On behalf of Tourism Authority of Thailand (TAT), I am very honored and delighted to be with all the Thai Skalleagues today. Skal is a club that was founded on the base of promoting peace and friendship. The worldwide travel & tourism industry is badly in need of peace and friendship and I laud the contribution you make to that effort. Thank you all for being with us and for giving me the opportunity to update you with the latest marketing plans of the Tourism Authority of Thailand for the year 2005.

So far, the year 2004 has been good year for Thai tourism. The crises of last year related to SARS and conflict are behind us and people are traveling again, especially within the Asia-Pacific region. So far, we have seen little impact of the situation in South Thailand. As you are aware, the Royal Thai government is working hard to resolve the situation peacefully. We have just held a major travel event and festival in Had Yai between 4-8 August which we are hopeful will produce positive results and revive regional travel, especially between Malaysia and Thailand.

Anyhow, let's get directly into our marketing plans for the year 2005. As with past plans, the overall objective is to strengthen the national economy and create jobs by boosting visitor arrivals and increasing foreign exchange



Mainly due to the SARS crisis, the Asia Pacific was worst affected with drop of 9.3 % to a total of 119 million arrivals.

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earnings. We want visitors to spend more and stay longer. A key objective is to ensure that arrivals are not just concentrated in the popular tourist spots and urban centres but also dispersed throughout the country, especially the new emerging destinations.

One of the things we monitor closely in the TAT is global travel trends. This slide shows how we fared in Thailand compared to global trends in 2003.

Due to the SARS outbreak and the Iraq war, the year 2003 saw a drop in visitor arrivals worldwide. According to the World Tourism Organization, global visitor arrivals dropped by 1.2% in 2003 amounting to 694 million arrivals. Mainly due to the SARS crisis, the Asia Pacific was worst affected with drop of 9.3 % to a total of 119 million arrivals. We ourselves in Thailand experienced a very big drop of 7.36% although we were fortunate enough to remain above the 10 million arrivals mark. Arrivals to the Americas dropped by 2.1 %, a comparatively better situation than the other regions. As a result of the global crises, travel trends in Europe turned inwards last year and allowed that region to be the only one which showed a positive growth of 4% to 401 million arrivals.

Overall, we still did better than some of the other countries in the Asia-Pacific. Hong Kong saw a severe drop of 27.43 %. Singapore and Malaysia were also hard hit with drops of 19.04% and 20.40% respectively.

As I mentioned earlier, 2004 looks a lot brighter as people have begun traveling again. As you will notice on the slide, January saw an increase of 22.89% to 1.2 million international visitor arrivals. April 2003 was when the SARS crisis began to surface but April 2004 saw a massive bounce back of 86.12%.

Bangkok International airport, which gets about 85 % of all visitor arrivals to Thailand, has also shown positive growth this year. The months of April and May have seen increases of 92.12% and 111.50% respectively. June was up by 52 %, allowing the first half to record arrivals of more than three million at Bangkok airport alone.

To put it simply, the tourism industry is back in business.

I will now go into some specific details about our international marketing strategies in the various countries and regions.

Our overall goal is to position Thailand as the Tourism Capital of Asia and develop the tourism industry to attain the highest standards of excellence in quality and value.

The vision is to focus on the three pillars of Quality Products, Sustainability and Competitiveness.

We have to ensure that our tourism products are good value for money and continue to deliver a satisfactory visitor experience.

The overall target set by the Royal Thai government is for 12 million arrivals this year and 13.38 million in 2005. However, we at the TAT are adopting a more conservative approach and forecasting 11.23 million arrivals this year and 12.28 million in 2005. This is largely because there are too many international geopolitical developments out of our control that are impacting on the travel & tourism industry, and it is better to keep these in mind when projecting figures.

The main target markets for next year are Japan, Korea, Hong Kong, China, Taiwan, Malaysia, Singapore, UK, Germany, France, Sweden, USA and Australia.

The second level of priority markets are India, Indonesia, Philippines, Netherlands, Italy, Spain, Switzerland, Denmark, Norway, Belgium, Austria, Eastern Europe, Israel and South Africa.

And the very interesting emerging markets are Vietnam, Russia, Finland, Middle East, Canada and New Zealand.

Together, all these markets generate about 80 % of our total arrivals.

We are also noticing increasing segmentation of the market as people from different regions come to Thailand for different purposes.

Generally, this slide shows how we are segmenting the various customer groups in each of the regions. This is in line with the overall policy of focusing on 'quality', high-spending visitors. It also allows us to target and attract the right media and travel agents and also produce the appropriate collaterals.

In laying our plans, we have to keep in mind some major travel trends that are occurring at the global level due to the crises of the past three years. For example, we have noticed that tourists today are reinstating travel plans more quickly after any crisis blows over.





Short-haul travel has gained popularity and an increasing number of people are sticking to destinations closer to home. Long-haul travel is also recovering but not as quickly.

Visitors have grown more careful about the amount of money they spend on a trip and are choosing destinations where they feel they can get the best value for money.

The internet is playing an important role in dispensing information about tourist spots and distribution of tourism products and services.

Low cost airlines have become another important part of the tourism industry as visitors seek out cheaper ways to travel.

Sight-seeing alone isn't good enough as most tourists now look for a more activity-based holiday like golf, diving, eco-tourism etc.

The new emerging markets of Russia, Middle East and Eastern Europe will see more visitors from there. The same can be expected from the steadily growing markets of New Zealand, Canada, Finland, Norway and the UAE.

We are also planning to step up joint marketing plans with the Greater Mekong Subregion countries.





One of our biggest advantages is the increasing accessibility to Thailand due to the growth in aviation linkages.

THAI has opened a new route to Milan and will soon be flying to Chicago and New York, making it easier to reach the kingdom from the United States and Canada.

The launch of a number of low cost airlines is also making travel easier and linking up a number of secondary cities within the Asia-Pacific region.

New international and domestic airlines are also flying to and from Bangkok like Blue Panorama, Phuket Air and Etihad

Thailand will be better and more vigorously promoted in the short-haul markets where people are travelling for shorter periods but more often.

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And finally, the opening of the new Bangkok airport, projected by September 2005, will certainly give a major boost to the role of Thailand as the aviation hub of Asia.

Now, please allow me to give you a few details about our marketing strategies.

Firstly, we will promote Thailand extensively in the emerging markets in order to develop them into steady producing markets.

The focus will remain on markets which can generate quality tourists with high spending power.

We will undertake more activities to get visitors to spend more and stay longer. A positive image and brand does a lot for customer loyalty and hence, the TAT will work to enhance this image through advertising and public relations.

Although most tourists come to Thailand between the months of October to March when it is cooler and drier, the TAT now wants to see a balance in visitor arrivals throughout the year. Hence, there will be many campaigns to support what we now call the Green Season, formerly known as the low season. During this time, the monsoon season makes the country lush green, and these images play a major role in attracting visitors from the Middle East.

Thailand will be better and more vigorously promoted in the short-haul markets where people are travelling for shorter periods but more often.

The quality of tourism services and products will be improved to boost the industry's competitive advantage

Well-known events and festivals like Songkran and Loy Krathong will be regularly publicised.

And lastly, as I just mentioned, the significant roads, highways and infrastructure coming up in the GMS region will allow us to better package and position Thailand as a gateway to this critical region.

This will be our new international marketing sub-slogan, Happiness on Earth.

Now, please allow me to just briefly mention specific niche-market segments we are targeting in some of the major tourist-generating regions.

In Asia, as you can see in this slide, the major market segments we are targeting are primarily high-end travellers, golf, MICE or wellness and spa tourists.

We are also focussing on honeymooners, youth, seniors, women travellers and film-makers, many of whom are coming to Thailand to shoot advertising spots and documentaries.

The main Thai tourist spots popular with Asian tourists are Bangkok, Pattaya, Hua Hin-Cha-am, Phuket, Trang, Krabi, Chang Island and Kanchanaburi.

These places offer excellent special interest activities like golf courses, wellness and spa, medical check-ups and theme parks, which we plan to promote intensively.

We also plan to promote special cultural and historic events like Chinese New Year, Loy Krathong, Songkran or the Mini Light and Sound Festival of Kanchanaburi.

In the European region, as you know, most Europeans visit Thailand for leisure.

Within the overall numbers, there is considerable scope for niche-marketing to attract visitors for golf, diving, wellness and spa, senior citizens, families as well as female travellers and long-stay tourists.

Visitors from Europe enjoy visiting places with plenty of sea, sand and sun. So on the top of our marketing campaigns in Europe are the beautiful resorts of Phuket, Khao Lak, Samui Island, Krabi and Hua Hin. Also gaining popularity are Pra Thong Island and Chang Island.

Many Europeans come for spa and wellness treatments and, increasingly, to learn the art of cooking Thai cuisine.



From Australia and New Zealand, we are targeting high-end visitors, the MICE market, families, honeymooners, female travellers and medical/health/wellness visitors.

North American travellers are experienced travellers and visit Thailand for a variety of different purposes. We are targetting wellness and spa, golf, diving, leisure, eco and soft adventure, culture experience etc. Other potential market segments are honeymooners, senior citizens, young people and film makers, which is in line with our desire to develop Thailand into a film-making hub for Asia.

Overall, the Royal Thai government has set us an ambitious growth target of 20 million international visitor arrivals by 2008, with foreign exchange earnings of around 789 billion baht. We are sure that with your support and help, we will attain the target.

Now, before I conclude, let's take a look at another important sector, the strong and vibrant domestic market.

This year, we are expecting 73 million domestic person-trips, rising to 76 million next year. Expenditure levels are much lower than international visitor arrivals, projected at 322 billion baht this year and 347 billion next year.

This is our sub-slogan for the domestic marketing campaign. It means: "There's no place better than home."

The primary domestic marketing strategy is to position domestic travel as a form of 'loyalty' to the country. After all the country is full of beautiful visitor spots that attract people from all over the world. Certainly, the Thai people should avail of them first.



Overall, the Royal Thai government has set us an ambitious growth target of 20 million international visitor arrivals by 2008, with foreign exchange earnings of around 789 billion baht.







Other strategies will be similar to those designed to attract international visitors: To increase the frequency of travel and spread it through the year, especially the Green Season.

We will also more carefully segment the potential target groups and seek to boost the average length of stay .

There will also be campaigns to promote more visitor expenditure.

Because travellers tend to just flock to a few selective ones, the places become congested. To avoid the problems this creates, the TAT plans to promote new tourist attractions in less visited parts of the country. Emphasis will be placed on promoting Eastern Thailand and the three southern Thai border provinces.

The ultimate goal is to improve the standard of living for all Thais.

In conclusion, dear Skalleagues, we are projecting that the Thai tourism industry will go from strength to strength.

Although much depends on the international geopolitical scenario, the way markets are shifting, we expect Thailand to continue to benefit from the trend towards short-haul travel and the presence of large, economically strong neighbours like China and India.

I would like to conclude by thanking you all for your support and help, without which the TAT would never be able to attain its targets.

Thank you for inviting me here, and I will be happy to take a few questions.

LOCAL PEOPLE NEED TO GET A FAIR AND BALANCED SHARE OF TOURISM INCOME



Mr. Pradech Phayakvichien *Advisor*

SEMINAR ON CULTURAL HERITAGE TOURISM 19-23 AUGUST 2004 BANGKOK

Sawasdee-khrap and good morning distinguished delegates, ladies and gentlemen.

It is a pleasure for me our distinguished guests from the National Tourism and Cultural Authorities from Cambodia, Myanmar, Lao PDR, Vietnam and Thailand. My special thanks to the Ministry of Tourism and Sports for taking this excellent initiative, which I believe will make a positive contribution towards preserving the immense cultural wealth of the Greater Mekong Subregion while creating a long-term, sustainable industry for future generations to enjoy.

Ladies and gentlemen,

Culture and tourism are very closely intertwined. To experience another country's culture is one of the primary reasons why people travel these days. Our entire region abounds with impressive historical and archaeological sites that are of significant interest. Angkor, Bagan, Luang Prabang, Sukhothai and of course Hué to name only a few. There is so much to do and so much to see.

It is no surprise, then, to note that in the past 3-4 years we've seen an enormous increase in visitor arrivals in each of our individual countries. In 2003, Cambodia received around 700,000 visitors, a 33% increase

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The relaxation of visa policies and opening up of new means of transportation has done a lot to accelerate that growth linking up many major cities in our region.

since 2000. Laos received over 600,000 visitors, Myanmar over 200,000 visitors. Thailand has seen a one million increase in its visitor arrivals since 2000 and Vietnam has seen an 11% increase since 2000 and now enjoys about two and a half million visitors a year.

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The relaxation of visa policies and opening up of new means of transportation has done a lot to accelerate that growth linking up many major cities in our region. The first Thai-Laos Friendship Bridge opened in 1994 facilitating transportation between the two nations. Since then, the Lao-Nippon Bridge in the Laotian province of Pakse opened in August 2000. A third bridge linking the western Laotian province of Savannakhet and the northeastern Thai province of Mukdaharn is set for completion in 2006.

In May 2000, the My Thuan bridge in Vietnam was opened. This bridge spans the Tien Giang Channel in the estuary of the Mekong River in southern Vietnam and is the first major cable-stayed bridge

in Vietnam and provides a ferry free connection for national highway No. 1. Vietnam's National Transport Strategy Study identifies 27 transport corridors for the country out of which seven are already recognized transport routes; the other twenty have strategic importance for national and regional development. The corridors also identify 12 cross border corridors with China, Laos and Cambodia.

In Cambodia, too, infrastructure development is at full speed. To facilitate tourism, the main national roads have been developed to connect the capital of Phnom Penh to most provincial centers and the major border crossings. The capital city is linked through the Asian Highway network to Thailand and Vietnam. National road 48 is designated as part of highway linking Bangkok port with Sihanoukville port.

In Myanmar, approval has been given for the construction of a highway that will link Myawadee city in Myanmar to Tanaosri mountain range in Northern Thailand, part of a major project that will go all the way to the Indian border.

Air connections are also growing, especially to cities like Siem Reap. Other cultural cities targetted for future growth are Danang, Bagan, Luang Prabang, Sukhothai as well as beach

resorts like Trang and Samui. The launch of low cost airlines has completely revolutionized the tourism and travel business in our region and will continue to boost domestic and intra-regional tourism. Thailand alone is targetting 20 million arrivals by 2008.

Ladies and Gentlemen,

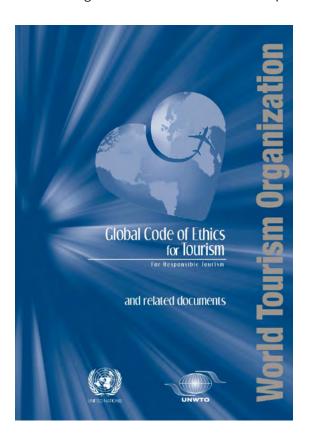
The most important question that we all need to ask ourselves right now is, are we ready for this growth in visitors?

Do we have adequate facilities to serve them? Are the waste management facilities in place? Do we have sufficient well-trained staff to handle this influx? Will we able to preserve our cultures in the face of globalisation? Do we have the right management for these beautiful locales?

Today we stand at the dawn of the new era of the tourism industry. Attracting visitor numbers is not a problem. The ASEAN countries, India and China alone are home to nearly 2.5 billion people, many of whom are slowly becoming part of a growing middle class. Short-term gain is easy; it is preventing long-term pain that we need to focus on.

And this is where the Hué declaration becomes very important!

Let us start with the World Tourism Organization's Code of Ethics. Clause 2 of the code says clearly: "Tourism activities should be conducted in harmony with the attributes and traditions of the host regions and countries and in respect for their laws, practices and customs."



Now, if we take a look at the first point of the Hué Declaration itself, the countries agree to "Commit all efforts at their disposable to promote the sustainable development of cultural tourism in such a way so as to maximize its contribution to poverty alleviation."

Let's focus on the first part of this point. It talks about sustainable development. However, at the rate most of the cultural destinations are receiving visitors, it is anything but sustainable. In the past the industry has emphasised marketing a destination first and managing it later. This has proved to be a fallacy. Within a few years of launching tourism promotion plans, problems start surfacing. There isn't enough water, waste management facilities are inadequate and the visitor sites themselves begin to deteriorate.

It's indeed amazing how these places have withstood deterioration for hundreds of years only to start within a couple of years after they open to visitors.

So, I ask you, do we need to rethink our policies? Do we need to ensure that we have adequate facilities, well-trained human resource and skilled management before we promote our destinations?

Now to the second part of that point. Promoting cultural tourism to maximize its contribution to poverty alleviation. Often we see that primary beneficiaries of the tourism industry are the owners and operators. While there is nothing wrong with that, the local people who live around the area also need to get a fair and balanced share of the income.

There are ways of doing this. Take for example the One Tambon One Product (OTOP) scheme that has been launched by the Royal Thai Government. It is designed to help small manufacturers develop products and services based on their cultural traditions and local knowledge. In this way, they're actively participating in the business. This generates additional income and adds value to the agricultural sector.

Just to give you some background, a tambon is a 'subdistrict' which contains many villages. There are about 8,000 tambons in Thailand with populations ranging from a few hundred to a few thousand each. Each of them has unique capabilities for making a huge variety of products





ranging from souvenirs to canework, costume jewellery to handbags. The products include not only goods but also tourism attractions and services. Hence, the project reflects "development" in all aspects.

The OTOP scheme fulfils point 10 of the Hué Declaration which states that the countries agree to 'Provide support to the revitalization of local traditions including handicrafts, visual and performing arts and other cultural expressions among poor communities, in order for these

to become integrated into the cultural tourism offer but safeguarding at the same time their authenticity and spiritual and religions values'.

To boost cultural tourism at the community level, it is essential to help the local communities with their management and administrative capabilities as well as through better communication, marketing, public relations and promotion. Let me point out that it is possible and has been done before.

Take the case study of Mae Kham Pong Village, a village adopting a unique form of cultural tourism related to the local way of life, which is mainly agricultural. I understand our emphasis here is on managing historic resources within a tourism context but when I elaborate on the details of this project you will understand that in the same way the village has taken the initiative to protect and manage its natural resources, we can do the same with our historic locations.



To boost cultural tourism at the community level, it is essential to help the local communities with their management and administrative capabilities



Mae Kham Pong Village, Chiang Mai

The Mae Kham Pong Village is an agro forest community on a hill located about 1,200 metres above sea level, about 40 kilometres from the capital of the northern province of Chiang Mai. The villagers grow tea, and then steam and ferment it for chewing. This is a traditional product in northern Thailand and is very popular.

Surrounded by forest, streams, waterfalls and plants, the village is unique and very attractive for visitors. Its way of life and natural resources are different from other mountain areas that cultivate land using the slash and burn method which just makes the land barren and then has to be sold off to develop resorts and hotels.

The head of the village, who was once a pack-ox seller, set up a co-operative venture with a local tour operator who graduated with a master's degree in tourism from Chiang Mai University. They brainstormed ways to make the project work. The Thailand Research Fund (TRF) provided support by conducting local research about the tourism potential. In 2000, they began the cultural tourism and home-stay tours with five homes, a number which has risen to 17 at present. It has become increasingly popular with both Thai and international visitors, groups and FITs.

The community has set up a small tourist service center for the local people, including those from surrounding areas, to sell their products and provide information to visitors. Also, trails have been developed to visit waterfalls, villages and the chewing tealeaves production areas. However, all



activities are developed in such a way that they avoid disturbing those families that are not ready to serve visitors.

This case study is successful because it adopted a bottom-up approach that is completely different from having top-down policies imposed by managers who often proceed without considering the readiness of the local people.

While marketing is an important factor, the village understood that it was first necessary to be prepared for the visitors to come. Success in this project has resulted from communication between the village leaders and the tour operators with experience in eco tourism. Proper discussions took place since the beginning of the project.

For these practices to continue flourishing, there should be both government and local level policies for sustainable tourism promotion in order to alleviate poverty. Support and funding should be given to the potential communities, who should be allowed to share ideas, make decisions and enjoy the real benefit in terms of pro-poor tourism. Projects should focus not just on promoting tourism and big scale development but also other activities that can create direct benefits for the poor in other areas.

A team of local researchers should be set up to provide proper information. They can then consider the real potential, opportunities and the real needs of the local people and use the research as a database for making plans and policies, and providing support at the government and local level. In addition, there should be a network of researchers for the entire cluster area to ensure that its development is well managed and integrated.

Support should be given to educational institutions and non governmental organizations (NGOs) to provide technical training to the villagers to help preserve and develop local knowledge. These

institutions and organizations are more flexible than the government organizations in working with communities.

The government sector should establish a center to help with marketing and public relations, as well as with upgrading the quality and standards of their products. The government should help the community better manage the tourist attractions and related activities by building up their capacities and markets in order to reduce the need to go through middlemen.

CONCLUSION

The natural beauty, mystique and cultural diversity of the Mekong River Basin is a wonder. It needs to be well managed and preserved for years to come. The Asian Development Bank, PATA, ESCAP, UNESCO and the World Tourism Organization have all taken an interest in sustainable tourism development in the region.

As representatives of different countries it becomes our responsibility to preserve the ecological, heritage, cultural resources of our region and to ensure that in its development we include the local people to help alleviate poverty and diversify community income. We can do this and in acting together we can help each other.

Just as point 13 of the Hué declaration states that we must promote and support public and private sector cooperation at bilateral, regional and multilateral level in the infrastructure and human resource development which contributes to the expansion of sustainable and responsible cultural tourism.

Ladies and Gentlemen,

Finally, I would like to state that tourism can play a major role in both cultural preservation and poverty alleviation. There is no shortage of market potential. But even as we strive to boost visitor arrivals, and raise the standards of living of our people, we also need to ensure that our culture and environment does not suffer from the rush to economic growth and development.

I believe this conference will make an important contribution to that effort by highlighting the fact that all must get equal priority and importance. Doing business is easy but all forms of business must be accompanied by a sense of deeper responsibility to the society, community, culture and environment in which we live. Short-term gain must not result in long-term pain.

Thank you very much and Sawasdee-khrap.

TOWARDS ASIAN TOURISM LEADERSHIP



Mrs. Juthamas Siriwan *Governor*

CENDANT TDS ASIA PACIFIC CONFERENCE 14 OCTOBER 2004 CHIANG MAI

Greetings and Introduction

Sawasdee-kha and good afternoon, ladies and gentlemen,

It is a pleasure to have you here in Chiang Mai, the Rose of the North and one of Asia's rapidly developing cities. Soon to be a major hub of trade and transport throughout the Greater Mekong Subregion.

Bringing the Galileo meeting to Chiang Mai will certainly help that development process by giving it greater recognition and prominence as a venue for corporate events.

This conference is a good value-added follow up to the recent agreement signed between TAT and Cendant to promote Thailand in various markets, especially the United States.

GLOBAL INDUSTRY ISSUES

These are interesting times for the Asia-Pacific travel & tourism industry at large, especially the many changes taking place across all industry sectors -- airlines, hotels, travel companies and many more.

Asia Pacific is now the world's fastest growing region

in the world for travel and tourism. In the last decade alone, it has increased three-fold, from 25 million visitors to over 90 million visitors a year

TAT is aware that global distribution systems are also being affected by improving technologies and now searching for future strategies of profitability.

There is good news in Thailand in that area, because many tourism products are emerging in the country that will require connectivity.

So, no shortage of opportunities in Thailand and throughout the Mekong region. Thailand industry issues



TAT is aware that global distribution systems are also being affected by improving technologies and now searching for future strategies of profitability.



2004 HAS BEEN A GOOD YEAR FOR THAILAND TOURISM.

Visitor arrivals to Thailand between January - June totalled over 5.5 million, a solid 28% increase over the same period in 2003. More people are coming for holiday, for business and to attend conventions.

Bangkok airport alone in January ñ August saw a 24 % increase over 2003, totalling 5.25 million visitors. This does not include arrivals from other international airports like Phuket, Chiang Mai and Haad Yai or southern border with Malaysia.

THAILAND INDUSTRY AWARDS

Thailand's product is well recognised. Thailand has received many awards.

Just two days ago, Thai Airways International was awarded the "Airline of the Year" TTG Travel Award at the 15th TTG Travel Awards.

TTG Travel Awards also placed the Amari Trang as the Best Beach Resort in Asia.

Lonely Planet placed Thailand as the favourite tourist destination for 2004 by independent travellers. Thailand also voted the world's most hospitable country receiving 20% of the overall vote.

Also in hospitality, readers of CondÈ Nast Traveller -- a leading travel and lifestyle magazine were polled and Thailand received the highest score of 97% in the "people and hospitality" criteria.

Chiva-Som International Health Resort in Hua Hin seized the top spot as the world's number one Destination Spa (92.58%).

Thailand remains top long haul destination for Scandinavian visitors. Thailand continues to be voted as travellers' favourite tourist destination.

Readers of Travel + Leisure magazine which has a readership of about 950,000 voted Bangkok as the Best Tourism City in Asia and the Third Best Tourism City in the World.

Bangkok's Peninsula Hotel has also been voted the best in the world.

A number of other surveys have named Thailand as Asia Pacific's leading destination and Bangkok as Asia's leading metropolis for services and products that are great value for money.



INFRASTRUCTURE DEVELOPMENTS

Next few years will see major developments in the field of transportation and infrastructure that will considerably enhance Thailand's geographical location advantage at the heart of the Asia-Pacific region.

A number of major roads, highways, railways, airports and seaports are emerging in Bangkok, Thailand and throughout the region, vastly facilitating the movement of visitors to and within the region.

Subway

New subway opened in July 2004, one month ahead of schedule. Supplements the existing skytrain, linking up business districts, hotels, shopping complexes and event halls like Thai Cultural Centre and Queen Sirikit National Convention Centre. Makes Bangkok a very easy place to get around for tourists.

New Airport

Next year, new airport will also open, on projected date of September 29, 2005. It will make Bangkok the aviation hub of Asia. Five times bigger than Don Muang, it will have the capacity to move 45 million people annually.

Aviation Linkages

As of July 2004, Thailand was served by 76 domestic and international scheduled passenger airlines -Thai Airways, Bangkok Airways, Thai AirAsia, (subsidiary of AirAsia), Nok Air (subsidiary of THAI Airways), PB Air, Phuket Air and One-Two-Go, a subsidiary of Orient Thai Airlines.

Since April 2003, five new destinations launched by THAI: Chennai (formerly known as Madras) and Bangalore in India, Jinghong in China, Luang Prabang in Laos and Milan in Italy.

More flights to be added to all these destinations in the winter 2004/2005 schedule, as well as to Lahore, Nagoya, Guangzhou and Chengdu.





THAI hopes to add up to 20 new destinations in China within the next five years. It has plans for new flights to Moscow, Chicago and New York.

Low cost airlines

AirAsia started operations in 2003 and Valuair of Singapore began flying to Bangkok in May 2004, and the THAI Airways subsidiary Nok Air followed in June 2004 as did Tiger Airways on September 16, 2004.

Other airlines like Phuket Air have also opened new routes to Dubai and London. New international and domestic airlines are also flying to and from Bangkok like Blue Panorama and Etihad.

Roads and Highways

Road linkages are also coming on strongly. Two major projects are the East-West and the North South corridors, being built with funding from the Asian Development Bank, which will make it possible to drive from Yangon to Ho Chi Minh City, and from Singapore to Kunming, all criss-crossing through Thailand. One highway will also eventually link Thailand to India.

A new six-lane motorway is being constructed between Bangkok and Cha-am / Hua Hin to reduce travel time between the two destinations. It will also improve access to many other popular beach destinations along the southern Thai peninsula.

Accommodation

Major changes taking place in style and structure of hotels as the huge complexes of the past are replaced by smaller, more stylish boutique hotels and spa resorts.





To achieve the 20 million target, we need to develop and maintain attractions, infrastructure and facilities. We also need to focus on developing human resources, preserve our natural resources, culture and heritage.

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International hotel operators and investors see plenty of opportunities. Bangkok remains major point of interest, but there is growth in resorts and upcountry provinces and many new resorts in southern Thailand.

The biggest growth in hotel rooms has been in Phuket followed by Samui.

Brands like Accor, Sheraton, Hilton, Marriott, Crowne Plaza and Le Meridien are expanding vigorously in Phuket, Pattaya, Hua Hin/Cha-am, Samui, Krabi, Phang-nga and other resorts.

In response, local Thai hotel operators like Santiburi are also expanding and doing so with great enthusiasm.

Chiang Mai - hub of the north

Six new luxury hotels and two new holiday resorts are due to be built by the end of 2006, including international brands like Le Meridien, Conrad, Hilton and Shangri-La.

TAT'S MARKETING STRATEGIES

TAT is making major changes in the style, content and positioning of marketing campaigns to remain competitive and respond to changes in lifestyle trends and consumer preferences.

It reflects socio-economic revolution in consumer lifestyles, travel patterns and booking ability. New targets are mid- to upper-income earners, discerning travellers who are money-rich and time-poor, all seeking more frequent quick-fix getaways in order to relax and rejuvenate.

Hence, spas, cooking schools, therapies, meditation and even culture classes have become the norm.

For 2005 target is 12 million arrivals and Prime Minister Thaksin Shinawatra has approved target of 20 million arrivals by 2008 to crown Thailand the Tourism Capital of Asia.

THAILAND: TOWARDS ASIAN TOURISM LEADERSHIP

To achieve the 20 million target, we need to develop and maintain attractions, infrastructure and facilities. We also need to focus on developing human resources, preserve our natural resources, culture and heritage.

Thailand has been successful but to continue to be successful in the future, we must not be complacent. In times where change is the new norm, we need to continuously update and improve as well.

Need to provide opportunity for communities and local people to get involved.

Develop e-tourism and fully support its growth. TAT is currently working on a new website www. tourismemarketplace.com It promotes and develops business to business networks and acts as a matchmaker between buyers and Thai sellers.

The government also continues to give its full support to the development of SME's (Small Medium Enterprises) encouraging Thais to capitalize on the entrepreneurial opportunity available.

PARTNERSHIP BETWEEN NTO'S

TAT is working to strengthen partnership between the various NTOs in the Asia Pacific, particularly its immediate neighbours in ASEAN, Greater Mekong Sub-region and South Asia, as well as China.

NTO's in ASEAN region need to work together to capitalize on market. ASEAN as a region has unique and diverse cultural and natural tourism products that are the signature of the region.

Use platforms like ASEAN Tourism Forum (ATF), which was started 24 years ago to target visitors from the rest of the world. ATF has become the foremost platform for tourism industry professionals from the public and private sectors of ASEAN member nations to promote the ASEAN region as a premier tourist destination.

Joint marketing benefits each individual country.

This will serve as a win-win situation, which will benefit all in terms of economics and strengthen the region as a whole.

TAT has proposed to create a forum where the CEO's and executives of NTO's in the Asia Pacific can meet and discuss challenges and obstacles that each face so as to solve them together. Eg bird flu, epidemics like SARS etc

Encourage each country to pool in resources and share information to promote and tackle problems as a team.



PARTNERSHIP WITH PRIVATE SECTOR

Equally important is partnership with private sector in Thailand and in the Asia Pacific region.

Whenever problems occur, both private and public sector together need to discuss measures to correct it.

Leading the way, TAT has already signed a MOU with many tour operators as well as Cendant to capitalise on its marketing and distribution networks.

CONCLUSION

The Thai tourism industry is going through a very dramatic shift. This is a result of the trends that continue to shape the tourism industry.

To be a leader in this race, it is necessary to be a front-runner. To be aware of the changes and take advantage of it. To be proactive rather than reactive to the situations.

By 2008 we hope to truly become the Tourism Capital of Asia and achieve the targets set by our Prime Minister. But we need to do that with caution, to ensure that this success is long-term and not at the expense of our culture or environment.

Thank you for giving me an opportunity to speak to you and if there is time for some questions, I will be happy to take a few.

TOURISM AS A FOUNDATION FOR BUILDING A CULTURE OF PEACE, FRIENDSHIP AND HARMONY



Mrs. Phornsiri Manoharn

Deputy Governor for International

Marketing

WORLD TRAVEL MARKET LONDON, INTERNATIONAL INSTITUTE FOR PEACE THROUGH TOURISM 8 NOVEMBER 2004

Distinguished Ministers, Excellencies, honorable guests, ladies and gentlemen,

Sawasdee Kha and Good Afternoon,

It is indeed a privilege to be here among such a distinguished audience this afternoon. May I take this opportunity to thank the International Institute for Peace through Tourism (IIPT) for giving me this honor.

Since time immemorial, travel has served as a means of exploration, trade, personal enrichment and a meeting between people from different tribes, nations and cultures. It is one of life's most pleasurable experiences to make a new friend or see something different for the first time. It helps us realise that inspite of being such a vast Planet, how inter-connected and small we really are. Without doubt, travel is the most exhilarating and effortless way to learn about each other and the many things that bind us together.

On the other hand, we cannot deny that promoting travel as a business is vastly different from travel in the old days, which was for exploration and trade. The mass travel of today is impacting on the environment, culture and society. These days, it can also contribute to the spread of disease and terrorism.



Our primary responsibility should always be towards our children. A world free of conflict is by far the best legacy we can leave them.

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The role of organisations like the IIPT become even more important under these circumstances. Together, as industry professionals, we need to use tourism as a foundation for building a culture of peace, friendship and harmony. Our primary responsibility should always be towards our children. A world free of conflict is by far the best legacy we can leave them.

That's why Thailand is greatly honoured to be hosting the 3rd Global Summit on Peace through Tourism, to be held at the Pattaya Exhibition and Convention Hall or PEACH at the Royal Cliff Hotel in Pattaya. On behalf of the Tourism Authority of Thailand I would like to take this opportunity to welcome all of you for this event, which will take place between October 2 - 5, 2005.

Pattaya is a very popular beach resort about 120 kilometres southeast of Bangkok and very easily accessible by motorway and expressway. It enjoys excellent all-year weather and has a diverse variety of activities for families. I am sure you will enjoy this new experience.

The people of Thailand have always been noted for their natural friendliness and hospitality and I can assure you that "The Land of Smiles", as Thailand is warmly known, will prove to be an excellent host. We are working closely with Mr. Louis D'Amore to ensure a good programme that will attract a good number of delegates, and also produce meaningful results.

Once again, allow me to thank you all for the honour of inviting me here and for choosing Thailand for the next Global Summit on Peace Through Tourism. I look forward to seeing you there!



REDEFINING THE "ASSETS" OF TOURISM



Mr. Pradech Phayakvichien *Advisor*

WTO ASIA-PACIFIC CONFERENCE ON SUSTAINABILITY CERTIFICATION OF TOURISM ACTIVITIES 11-12 DECEMBER 2003 MALAYSIA

Distinguished delegates, ladies and gentlemen

It is such a great honour and pleasure for me to address delegates of the WTO Asia-Pacific Conference on Sustainability Certification of Tourism Activities. And my sincere appreciation to the government of Malaysia for hosting the conference and the warm welcome extended to us. My special thanks to WTO for the strong support in organizing this conference which I believe will make a positive contribution towards the long-term success of the tourism industry by highlighting the growing worldwide importance of the linkage between "certification and tourism products improvement."

It is well recognized that to survive in the present era of intense high competition, as well as an era of better educated and more environmentally aware consumers, destinations must concentrate more and more on improving product quality. This is to ensure that the product meets the expectations of the visitor.

In Thailand, this emphasis on product quality is getting increasing emphasis as we embark upon an ambitious programme to become the Tourism Capital of Asia by 2006.

Over the years, tourism has won the recognition of the Royal Thai government as an economic activity which

generates income and job opportunity.

Last year, our visitor arrivals totalled 10.8 million, up 7.3 per cent over 2001, generating about US\$ 7.53 billion in revenue. Tourism is estimated to employ more than two million people in direct and indirect jobs.

This quantitative success has however brought with it the qualitative deterioration of many visited attractions and tourist spots -- natural, cultural or historic.

In the past, tourism promotion and development efforts were very much concentrated on utilizing natural resources without adequate attention being paid to environmental management and related issues.



This quantitative success has however brought with it the qualitative deterioration of many visited attractions and tourist spots -- natural, cultural or historic.



This led to degradation of popular tourist spots. Among other factors that contributed to this problem were the following:

- 1. Business operators have tended to place more value on immediate economic gain than on conserving the precious value of natural and environment resources.
- 2. Many governmental agencies are responsible for each attraction which results in overlapping duties and lack of common purpose in managing the resources;
- 3. There were no uniform standards for tourism related activities and services. This has directly affected the quality of the tourist experience as well as the quality of environment which draws them to come in the first place.
- 4. Lack of funding and qualified tourism personnel.

It is only recently that the related organizations have begun to place greater efforts in the area of tourism and conservation. Tourism policies now appear to be more "pro-active" in terms of Sustainable Tourism Development. The Thai tourism industry has been given a significant profile as a major sector in helping develop the economy, and there is a wider recognition that tourism will only be able to deliver its economic benefits if consumers hold high regard for the quality of the Thai tourism product.



The National Ecotourism Plan was first formulated in 1998 to be used as a practical guideline for the industry. The tourism master plan was revised and the Amazing Thailand Year 1998-1999 was successfully launched.

Another major step was taken in 2002 with the establishment of a new Ministry of Tourism and Sports to act as a regulatory body with a major focus on development of tourism products and services.

Amongst the private sector, too, it is widely understood that to be competitive at both the global and national levels, tourism business operators need to have a high level of "Quality Assurance" for their products. Being environmentally friendly is a major component of this.

It is a well known fact that the hotel industry has a tremendous impact on the environment. It also consumes huge amount of electricity. A study by the Electricity Generating Authority of Thailand (EGAT) shows that

- A hotel of under 300 rooms consumes 500 kilowatt/month.
- Over 400 rooms, it consumes 1,000 kilowatt/month.
- Over 500 rooms, the consumption is 1,500 kilowatt/month.

The Green Leaf Program which I am going to briefly discuss is in addition to the ongoing efforts to formulate a hotel classification system in Thailand, known as Thailand Hotel Standard (THS). While the Thailand hotel standard system is more focussed on the quality of hotel infrastructure and services, the Green Leaf Program aims to promote a culture of environmental awareness and energy saving among hotel business operators

Officially registered in 1998, the Green Leaf Foundation's founding partners are the Tourism Authority of Thailand (TAT), Thai Hotel Association (THA), United Nations Environment Program

(UNEP), Electricity Generating Authority of Thailand (EGAT), Metropolitan Waterworks Authority (MWA) and Association for the Development of Environmental Quality (ADEQ).

Supervised by the Board of Environmental Promotion of Tourism Activities (BEPTA), its prime objective is to help hotels improve their efficiency in saving energy, water and other resources. After a successful "Green Hotels Fair & Seminars" which was attended by more than 1,000 hotels across the country, a certification program called Green Leaf was established to help implement environmental practices and set guidelines for all hotels, as well as to promote the efforts of those who already contribute to the protection of environment. The overall project is designed to create a positive image and competitive advantage for the country in the world market.

NATURE OF THE PROGRAM

The nature of the program is to certify hotels according to the level of their efficiency in managing energy, environment and natural resources.

All hotels nationwide can apply. After completing the assessment, the participating hotels will be awarded a Green Leaf Certificate ranging from one to five leaves.

The whole process usually takes six months starting from Application and Screening Questionnaire, Qualifying Questionnaire, Grading Questionnaire and Auditing. The Certificates are awarded every two years and are also valid for the same period.

A total of 10 sections are assessed as follows:

- Energy Saving
- Water Saving
- Waste Management
- Recycling
- Environmental Products Purchase
- Air Quality
- Community Relations
- Communication
- Management Support
- Training

This year the award presentation ceremony for 80 hotels will be organized on 17 December. The Prime Minister of Thailand has been invited to preside over the ceremony.



- Direct reduction of management expenses

For example the Dusit Thani at Pattaya, a 450-room hotel used to consume 1,400 kilowatt/month, but when it joined the "Green Leaf Program" about 4 years ago. Today, its consumption has gone down about 10% to 1,200 kilowatt/month.

- Marketing opportunity

More and more tourists are becoming aware of environmental conservation issues. Many are "Quality Tourists" who would prefer to stay in a "Green Hotel" with clear conservation policies.

- Human Resource Development

The long term benefit of joining the "Green Leaf Program" can be seen as an opportunity to upgrade the human resource development of hotel staff. As the program has been specifically designed to assist the management develop a culture of energy saving, the staff will be trained accordingly and also participate in various kinds of environmental campaigns. Changing staff attitude and behaviour is crucial for the long-term success of the environmental program.



Others benefits include

- Inclusion of the hotel's name in the Green Hotel Directory which is being publicized globally.
- Invitation to participate in various programs offered by the Green Leaf Foundation.

Since the program was initiated, some of the direct and indirect contributions to environmental conservation include more efficient used of natural resources and energy, minimal use of toxic chemicals and greater usage of organic chemicals. Some hotels have also expanded their program to cease sales of wildlife animal products like ivory.

Green Leaf Certification Program

- For Eco-tour Program
- For Standard Tour Program
- It is estimated that each year there are more than two million tourists engaged in some form of eco-tourism activities in Thailand. The most popular activities are forest trekking, bird watching, wildlife-watching, scuba-diving etc. However, what is still lacking and need urgent attention is the formulation of a code of conduct and quality control standards.
- (+) Work with Wildlife Fund Thailand to promote awareness in balancing ecology.
- (+) Work with other organizations to promote the Green Leaf Program.
- (+) Encourage more participation from hotels throughout the country.
- (+) Promote the exchange of information on certification of tourism activities among ASEAN countries.





- How to balance and retain the importance of environmental issues in the face of terrorism worldwide.

* After the 9/11 catastrophe, it is obviously seen that many organizations concerned including the business operators in the tourism industry have to shoulder more expenses on safety and security. Long term issues such as environmental protection are naturally fading away as a result. A collective effort from all concerned is needed to retain the importance of environmental related issues.

- How to increase public awareness of the Green Leaf Program.

In the past 4 years, about 83 hotels have joined the "Green Leaf Program". That is only 20% of the members of the Thai Hotels Association (THA), or less than 1% of the total number of hotels all over Thailand. It is quite clear that there exists a great opportunity to expand the program to reach the remaining 99% of the hotels, especially the smaller ones which are mostly responsible for unwise use of natural resources and disregard environmental conservation, partly due to the lack of environmental management knowledge.



At the same time, we need a strong political will from the government. A very simple instruction from the cabinet would go a long way.

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To make this program more acceptable among this target market, and hence make them want to join the "Green Leaf Program" willingly, we have to create and publicize the logo and concept of the program among the tourists so that they are well aware of its significance, and hopefully chose to stay at Green Leaf certified hotels.

At the same time, we need a strong political will from the government. A very simple instruction from the cabinet would go a long way. For example, the government could instruct all its agencies and staff to stay or hold seminars in hotels that have been awarded the "Green Leaf Logo" -- unless there is no hotel with the logo in that specific locality or the certified hotels are full.

We are sure that with this simple directive, those 99% of the hotels which are not certified by the Green Leaf will wake up and make an effort to join the program.

CONCLUSION

Good tourism development has to involve a combination of both short-term, medium-term and long-term measures. While the priorities of cost-cutting and profitability are important, ways must be found to ensure that the long-term focus is also maintained. The definition of "assets" also has to be adapted to include not just bricks and mortars but the very natural, cultural and environmental resources that we sell. In the financial world, they talk of "depreciation of assets." In reality, it is the "depreciation" of our natural, cultural and environmental assets that we need to be equally concerned about.

Thank you for giving me an opportunity to address you today. Once more, please allow me to thank our Malaysian colleagues for their generous hospitality and the World Tourism Organization for taking the initiative to organise this very valuable conference.

Thank you and Sawasdee khrap

THAILAND THE GREATEST STORY IN GLOBAL TOURISM HISTORY

A 60TH ANNIVERSARY TRIBUTE TO THE TOURISM AUTHORITY OF THAILAND