

THAILAND THE GREATEST STORY

IN GLOBAL
TOURISM HISTORY

A 60TH ANNIVERSARY TRIBUTE TO
THE TOURISM AUTHORITY OF THAILAND

SIAM
NIRAMIT
BANGKOK • PHUKET



Key Developments

2006

- Thaksin ousted in military coup, 19 September
- Suvarnabhumi airport opens 28 September.
- HM King Rama IX the Great marks 60th year of Accession, making him the world's longest reigning monarch.
- The Royal Flora Ratchaphruek 2006 opens November 1.
- Second Thailand-Laos Friendship Bridge opens on December 20

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GEARING UP FOR ANOTHER YEAR OF ROYAL CELEBRATIONS



Mrs. Phornsiri Manoharn

Deputy Governor for International Marketing

SKAL CLUB OF BANGKOK 14 FEBRUARY 2006

Sawasdee Kha and Good Afternoon, Ladies and Gentlemen,

It is indeed a pleasure for me to be here today. Thank you for inviting me once again to speak to you.

I always enjoy coming to the Skai Club because I agree wholeheartedly with its founding principles to promote friendship and cooperation. As today is Valentine's Day, which is devoted to the promotion of love and friendship, I think it especially opportune for me to be here to give you an update on what we are planning to do for travel & tourism, an industry of peace and friendship.

2006 is truly a very important one for us. As you are aware, we have just recovered from the after-effects of one of the most traumatic events in history, the devastating tragedy of December 2004, with all the death and destruction that it caused. It had a severe impact on our entire travel & tourism industry and forced us all to spend the better part of last year mounting recovery campaigns.

Today, things seem to have settled down and visitor arrivals are flowing normally. Although we live in a dangerous, uncertain world, one always has to hope and pray for the best and keep an eye on a more positive future for our children. So, today, I will hopefully leave you with a good feeling about the future of Thailand and the Thai tourism industry.



One of the most important things that we in the TAT now have to face is the fact that Thailand is becoming a mature destination. Although we are facing tremendous competition all over the world, the positive factors are that we have a good image and possess the necessary infrastructure to handle the huge projected growth in visitor arrivals. The image of Thailand as a largely 'male' destination is gradually fading, if not gone entirely. And we still have many unique selling points which visitors cannot find in other countries.

Perhaps the most important unique selling point will be in full display this year when we commemorate the 60th Anniversary celebration of His Majesty the King's Accession to the Throne. As His Majesty is the world's longest reigning monarch, this is a landmark event not just for Thailand but the world.

To honour our beloved King, we have arranged a year-long Grand Festival of Events nationwide to share our colourful culture with all of our visitors. Our campaign, called "Thailand Grand Invitation 2006", is a high profile project that will underscore our well-known ability to stage spectacular events and splendid festivals with grandeur, pageantry, glorious tradition and culture.

June will be the month when the most important events will be held. According to the Royal Household, there are a total of 29 countries with reigning monarchs at present. As of last week, royals from 22 countries had graciously accepted the invitations to join the royal celebrations including the Emperor and Empress of Japan, the King and Queen of Sweden, the King of Jordan, the King of Monaco and Prince Andrew of the United Kingdom.

The royal barge procession will be held on Monday June 12 followed by the gala dinner for the royal guests and ambassadors on June 13. Both these days will be considered government holidays in Bangkok and surrounding provinces to alleviate the traffic problem and facilitate security arrangements.

In addition to these two events, the Royal Thai army procession will take place on June 23. The government also has organized an exhibition in honor of His Majesty the King at Impact Exhibition Hall, Muang Thong Thani, from May 26 until June 4, 2006.

At the end of this year, the Royal Flora Ratchaphruek 2006, International Horticultural Exposition, will be held from 1 November 2006 to 31 January 2007, in Chiang Mai. Hundreds of horticulturists around the world are expected to be here for this huge event.



Markets targeted for intensive promotions are mainly in the Asia-Pacific, Europe and East Asia region, including China, Japan, Korea, Hong Kong and Taiwan. These are now the dominant generators of volume visitors for Thailand.



TAT MARKETING PLAN

Skalleagues, ladies and gentlemen,

We expect these events will be televised in many parts of the world, giving valuable exposure to the country and bolstering our marketing plan for 2006, the main focus of which is to enhance the three pillars of Quality Products, Sustainability and Competitiveness.

This year, we are projecting 13.8 million international visitors and 79.33 million domestic trips, generating estimated revenues of 486 billion baht and 378 billion baht tourism respectively.

Markets targeted for intensive promotions are mainly in the Asia-Pacific, Europe and East Asia region, including China, Japan, Korea, Hong Kong and Taiwan. These are now the dominant generators of volume visitors for Thailand.

We are also focussing on short-haul markets from where people are travelling for shorter periods but more often include Malaysia and Singapore. Emerging markets that will get an extra marketing push include Russia, Ukraine, the CIS Group, India, Middle East and Africa.

In addition, a number of new tourism products and services have been identified to cater to the needs of specific market segments.

These include MICE and business travellers, high-income visitors, health and wellness, women travellers, long-stay visitors, young people, senior citizens, divers, religious pilgrims, families and honeymooners. We will also be focussing on the long-weekend holidays and attracting sports enthusiasts like golfers.

To ensure that we reach the right market group, we will be working with the major travel & tourism corporations and companies and tapping online services to make it more convenient for global travellers to both “look and book” Thailand. One key element of this will be to target the campaigns in such a way as to spread the arrivals more evenly through the year, especially during the Green Season.

NEW ATTRACTIONS

Skalleagues, ladies and gentlemen,

We are fortunate to enjoy the support of private sector investors which have taken advantage of the royal commemoration to launch a number of fabulous new attractions.

The world-class shopping, leisure and entertainment complex, the Siam Paragon, opened in early December 2005 in downtown Bangkok.

The Siam Niramit Theatre, opened in November 2005, with spectacular performances and the refurbished first Royal Theatre (Sala Chalerkrung) originally built to mark the 150th anniversary of Bangkok in 1932.

In Chiang Mai, the region's newest Night Safari Zoo opened on November 18, 2005, with more than 1,700 animals, representing some 150 different species.

These products will go a long way towards enhancing Thailand's appeal for shoppers, culture lovers and families with children. They will also enhance our unique selling propositions in a number of different areas.

One of these key areas is the MICE sector. Availability of convention and exhibition space in Thailand is at an all time high, and set to rise even further in the years ahead. Local convention centres are reporting a strong focus on domestic and regional events like car shows, information technology, education fairs, home shows, health and beauty, all of which attract large attendance by Thailand's growing middle class.

Two of the leading travel trade shows for meetings, incentives and corporate travel will again be held in Pattaya between 10-12 October 2006 for the second consecutive year. These are the



Corporate Travel World Asia-Pacific (CTW) and Incentive Travel & Conventions, Meetings Asia (IT&CMA).

Furthermore, the Pacific Asia Travel Association (PATA) is to hold its 55th annual conference between 23-27 April 2006 at the Pattaya Exhibition and Convention Hall (PEACH). It will be the fourth time for Thailand to host this prestigious event following the 18th PATA conference in 1969, the 31st conference in 1982 and the 45th conference in 1996.

However, the 2006 event will be the first time it will be held outside Bangkok. The PATA Board agreed with this choice as part of its desire to promote more secondary destinations in the Asia-Pacific region.

HEALTH AND WELLNESS



Our high-class spas and medical treatment facilities built around our famed traditions of Thai massage and herbal treatment are becoming popular worldwide. As a result of growing international interest and worldwide demand for Thai spa products and services, the Thai government is taking the Thai spa concept abroad.

This year, the International Spa & Wellness Conference and Exhibition will be held at the Queen Sirikit National Convention Center from May 3-5, 2006. Organised by the International Spa Association (ISPA), the event is an annual get-together for buyers and sellers of new products, trends and technologies as well as operators of spas, hotels, resorts and their many suppliers of products and services.

“ Still others seek to become monks. Increasingly, many are studying Buddhist principles for use in business management techniques and conflict resolution. ”

RELIGIOUS TOURISM

I believe you are well aware that Thailand is attracting thousands of foreigners from all over the world to learn more about the Buddhist faith and one of its most famous practices, the art of meditation. The many students of Buddhism and meditation range from local expatriate residents to temporary visitors.

Some seek to study the religion as a philosophy. Others come to learn meditation techniques in order to become instructors themselves in the proliferating number of schools and institutions in the west. Still others seek to become monks. Increasingly, many are studying Buddhist principles for use in business management techniques and conflict resolution.

In future, we will be working closely with our neighbours in the Greater Mekong subregion as well as India, Sri Lanka and Nepal to promote the Buddhist circuit.

NEW BANGKOK AIRPORT (SUARNABHUMI)



Another huge new development will be the opening of Bangkok's new Suvarnabhumi Airport later this year, giving new impetus to the role of Bangkok and Thailand as the aviation hub of Asia. The airport, expected to be the most modern in Asia, was developed with exceptional speed because of its strategic importance to Thailand's future economic and transportation development.

Of the 11.6 million arrivals to Thailand in 2004, a total of 8.2 million (or about 70.6 %) came through Bangkok. Many use the Thai capital as the gateway for taking onward flights to other destinations throughout the Asia Pacific.

Initially, Suvarnabhumi Airport will handle up to 45 million passengers annually, based on two parallel runways with a total capacity of 76 flights per hour. Roadlinks will also connect the airport to the popular tourist spots of Pattaya and Rayong. There is also a plan to connect the new airport with the existing airport at Don Muang which will continue to be used for charters as well as other forms of aviation.

MEKONG LINKAGES



Finally, ladies and gentlemen, we also plan to step up cooperation with our neighbouring countries in the Greater Mekong Sub-region, especially Laos and Cambodia. There are more flights from Thailand to these countries, as well as to Vietnam, Myanmar and Yunnan Province of Southern China, than from any other point in Asia. In future, the huge network of roads, highways and infrastructure coming up in the GMS will help better package and position Thailand as a gateway to this rapidly developing region.

CONCLUSION

In conclusion, allow me to say that I am very optimistic about the future of Thai tourism. I hope I have given you some reasons to feel equally optimistic, especially on this Valentine's day.

Once more, thank you for the honour of inviting me here. It has been a real pleasure to be with you today.

Thank you and Sawasdee Kha!

SECURITY AND STABILITY UNDERPINNED BY A BENEVOLENT MONARCH IS CRITICAL TO VIBRANT THAI DEMOCRACY



Dr. Somkid Jatusripitak

*Deputy Prime Minister and Minister of
Commerce*

THAILAND GRAND RECEPTION, COMMEMORATING HIS MAJESTY KING BHUMIBHOL ADULYADEJ'S 60TH YEAR OF ACCESSION

12 JULY 2006, NEW YORK

Allow me at the outset to extend my sincere thanks to all distinguished guests for accepting our invitation to this Thai Night. I am delighted to be here with amongst so many prominent members of the American business community and I do thank you for taking your valuable time to join us.

Tonight's event is appropriately named "Thai Night" as it is intended to underscore Thailand's uniqueness in terms of goods and services. We have taken special care to convey an atmosphere that is a true reflection of our rich cultural heritage that has been passed down from generation to generation. You will experience a feeling of what we call "Thainess", a harmonic blend of traditional and modern values. Certainly, the best way to experience this first hand is for you all to visit Thailand, but I will come to that later.

It is important that I first tell you of a really very special and unique bond between the Thai and American people. This is a very special year for us because it



marks the commemoration of His Majesty King Bhumibol Adulyadej's 60th year of Accession to the Throne. I am not sure how many of you are aware that His Majesty was born in Boston, Massachusetts. Not many countries in the world claim such a special relationship.

His Majesty is now the world's longest reigning monarch and his phenomenal contribution to Thailand's independence and political and economic stability is winning worldwide recognition. To mark this special occasion, a grand five-day celebration was held in Thailand between June 9 – 13, graciously attended by kings, queens and royalty from 25 countries. It was the biggest gathering of royalty ever seen for a long time anywhere, and we are very proud that the stupendous job of managing the security, protocol and diplomatic arrangements for such a major event went off like clockwork.

Ladies and gentlemen,

The security and stability underpinned by the guidance of a benevolent monarch is a critical foundation of our vibrant democracy and the overall state of bilateral relations with the United States. Being a full-fledged democracy has its ups and downs but we believe this is a healthy part of the democratic process and eventually leads to a stronger, more politically stable country well prepared to attract more investment and generate economic growth.

Our two countries enjoy excellent long-standing relations in areas such as trade, tourism, defence, information technology, health and entertainment. The American Chamber of Commerce in Thailand is one of the most dynamic in the country. Americans are active in environmental protection, the media, arts and culture. In fact, I can rightfully say that if Thailand means "Land of the Free", we owe that freedom partly to the valiant American servicemen and women in Vietnam, for many of whom Thailand was a rest and recreation base in the 1960s and 1970s.

Another key area is education. Hundreds of Thais, including technocrats, academics and businessmen, have studied in the U.S. and returned home to apply their knowledge. If a country's "knowledge-bank" is its most vital asset, we have gained a lot from the US. In the reverse direction, many ethnic Thais now live in the United States, especially in Los Angeles which is said

to have the largest Thai population in the world outside Thailand itself.

Not surprisingly, travel & tourism from the US to Thailand is growing strongly. In 2005, US visitors totaled 585,000, up 5% over 2004. Repeat visitors were up by 17%. FIT travelers were up by 14% and convention delegates by a remarkable 201%. American visitors have an average length of stay of roughly 10 days per person per visit, well above the 7-day average of all visitors to Thailand. Needless to say, they also enjoy spending money in Thailand, with an average daily expenditure of 100 dollars in 2004, mostly on shopping.

This strong growth in arrivals is continuing. In the first quarter of 2006, US visitor arrivals at Bangkok International Airport totaled 157,000, an 8% growth over the same period of 2005. We are projecting total US visitor arrivals at 675,000 for this entire year.



Just as robust is the flow of investment. Of all the many companies that have invested in Thailand, perhaps the best example I can cite is that of General Motors Thailand, a wholly owned subsidiary of GM set up in mid-1997. The output from this state-of-the-art motor vehicle manufacturing facility is exported worldwide. Our bilateral Open Sky agreement allows strong aviation contacts. Another historical fact that may be of interest to you is that Thai Airways International was the first Asian airline to open pioneering routes to Seattle and Dallas way back in the 1970s.

Although those routes had to be pared back for financial reasons, new ones have been launched. Last year, Thai Airways marked its 45th anniversary with a new nonstop to New York, further enhancing both leisure and business travel from Asia and the United States. The four weekly flights to New York are in addition to the four weekly THAI Airways flights to Los Angeles. The scheduled time allows passengers to connect easily to onward flights in the US as well as within Asia.

In the next few months, Thailand will get another important boost with the opening of the second Bangkok airport, known as Suvarnabhumi. The airport was developed with exceptional speed under the government of Prime Minister Thaksin Shinawatra because of its strategic importance to Thailand's future economic and transportation development.



All this is supplemented by the availability of a vast array of tourism products at very affordable prices. Highly rated spas, sports facilities and other such specialist products have emerged in recent years. There are over 200 high standard golf courses nationwide, many of them championship standards. Our world-class spas and medical treatment facilities complement our famed traditions of Thai massage and herbal treatment. Visitors can recharge their batteries, eat nourishing food and get a professional medical checkup even as they enjoy a relaxing holiday. One of our best-known hospitals, Bumrungrad, is under American management.

The major increase in convention delegates from the US that I mentioned earlier is directly attributable to the fact that convention and exhibition space in Thailand is at an all time high, and set to rise even further in the years ahead. This, along with improving infrastructure and Thailand's geographical location advantage, has set the stage for major growth in the so-called meetings, incentives, conventions and exhibitions business. In 2005, Thailand recorded 567,621 visitors specifically for conventions. This was a 256% growth over 2004.

Ladies and gentlemen,

Before I end, allow me take just a few minutes to highlight the concept of “Thainess”, which reflects many aspects of our culture and values. It represents the beauty of Thai craftsmanship, authentic Thai cuisine, cultural heritage and the warmth and hospitality of the Thai people.

It is also reflected in our products. The products you see here today are all made by village communities nationwide, with local materials and local wisdom but all designed to suit modern lifestyles and meet international standards. These splendid products are becoming popular globally. You can now find them in many world-renown stores like Harrods, Selfridges, Saks Fifth Avenue and Takashimaya.

The essence of “Thainess” and our way of life is reflected in our best-known crop, Rice. You also have a very famous “Rice” but ours has been around for longer. More than 60% our population is involved in rice farming. Our distinctive “Hom Mali Rice” grain – the name means “Jasmine Fragrance” -- is indigenous to Thailand, and is being branded and marketed worldwide, thanks to its superb quality, taste and texture. Thai Rice is an integral part of our equally famous Thai cuisine, which you are about to sample tonight.

Thai cuisine has become popular globally because it is rich with herbal ingredients which is in line with the global trend towards health and wellness. Of the more than 9,100 Thai restaurants worldwide, nearly 4,000 are in the United States. More are sprouting up all over the place, including in the smaller cities. We were once known as the Ricebowl of Asia but we now stake claim to being the “Kitchen of the World”.

I would like to conclude with a final invitation. Please do join us in this Royal Celebrations year by attending the Royal Flora Ratchaphruek 2006, an international horticultural exposition to be held from Nov 1, 2006 - Jan 31, 2007 in the northern city of Chiang Mai. A total of 2.5 million plants, including over 2,200 species of tropical plants and flowers will be on display at this unique expo, designed to celebrate the agricultural ingenuity of His Majesty the King and his extensive contributions to the rural development of Thailand. So far, 32 nations have so far confirmed their participation in the expo, the first of its kind in Thailand and Southeast Asia.

Ladies and Gentlemen,

On behalf of the Royal Thai Government, I would like to once again express my sincere thanks to you all for being with us today. I wish you all a pleasant evening. We look forward to seeing you in Thailand in the not too distant future.

Thank you very much and Sawasdee khrap.

MARKETING STRATEGIES FOR RURAL TOURISM



Mr. Pradech Phayakvichien

Advisor

INTERNATIONAL FORUM ON RURAL TOURISM 4 SEPTEMBER 2006 GUIZHOU, CHINA

It is a pleasure for me to be here. I would like to begin by thanking the World Tourism Organization and the China National Tourism Administration, Guizhou Provincial Government and World Bank for the honour of inviting me to be here today. Rural tourism is indeed a major issue for developing countries all over the world, and I compliment the UNWTO for taking the extremely important initiative of organising this conference. I am sure the exchange of experiences and knowledge will go a long way towards supporting the cause of upgrading the standards of rural tourism, especially in the Asia Pacific region.

Distinguished delegates,

I am going to focus mainly on one successful case study that we have in Thailand called Responsible Ecological, Social Tours Project (REST), a self-funded Thai NGO that promotes Community Based Tourism (CBT) by designing and delivering tailored CBT study tours for schools, universities, and NGO's; and delivering training packages to Government, NGO and Private Sector Clients. But first allow me to give you some background on Thai tourism development policy.



BACKGROUND OF TOURISM IN THAI RURAL COMMUNITIES

The Thai tourism industry has grown in line with the country's five-year economic development plans. In terms of visitor arrivals, this has been quite successful exercise. Arrivals have nearly doubled from 7.76 million in 1998 to a projected 13.80 million arrivals this year. Had it not been for a number of crises in the last few years like SARS and the devastating tsunami, arrivals would have reached about 16 or 17 million this year.

There is no doubt this has been of huge benefit to the national economy in terms of job creation and foreign exchange earnings. In the past, it was clear that the growth was largely benefitting the cities. In recent years, the Royal Thai government has begun working harder to ensure that benefits reach into the rural areas. Playing an important policy role in this endeavour is His Majesty the King's sufficiency economy concept which emphasizes sustainable development and is people-centred.

The government's economic policy is called Dual-Track Economics. An "upper track" is designed to ensure that Thailand remains globally competitive by developing it into a "hub" for economic sectors like automotive products, fashion, tourism, movie-making, etc. The "lower track" is targetted at local communities through projects such as the village fund project, and the OTOP (one village one product) project which supports villages that produce interesting products based on their local culture and heritage, and also promotes both the village and those products as tourist attractions.

Using and implementing local area tourism to solve poverty problems and for sustainable development.

- Because most Thai communities are agricultural communities, most people (more than 50%) are still engage in agriculture activities and many of them are poor from depending on the sale of agricultural products. However, agricultural communities have many other valuable natural and cultural resources (e.g. mountains, waterfalls, temples, and cultural traditions)

which have economic value and can provide more supplementary income by developing sustainable tourism in a way that helps preserve both culture and nature.

However it is not easy to manage the development of tourism in rural Thai communities because it requires upgrading their knowledge levels and ability to manage and plan the visitor experience. At the same time, other problems occur when wealthy investors from outside grab resources from people there, leading to speculation which forces out the local people out and disrupts the community.



A SUFFICIENCY ECONOMY IS NECESSARY

His Majesty the King's sufficiency economy principles are now being increasingly followed because they stress the moderate practices in Buddhism which are people-centred and based on three main ideas:

1. They provide reasons, concepts, principles and rules for doing things.
2. They stress action that emphasises moderation, appropriateness and gradual progress.
3. They emphasise readiness to accept change and to find a resolution for any problems.

They do not require just technical knowledge but the principles of wisdom and morality that is being honest, conscious, patient and generous. The aim of a sufficient society is that people harmonize and think about what is advantageous for most people.

Tourism marketing that matches with the sufficient economy concept for a community.

Marketing needs to place the community as the center of demand for the local area. Hosts and visitors are both important as the Thai expression: "Welcome everyone who visits our house" like host and guest, not the business theory that separates buyers and sellers.



THE COMMUNITY MARKETING STUDY OF THAILAND

Based on the 7Ps of Blooms and Bitney, the following observations can be made about the marketing impact of Thailand's tourism policy:

A. Products

Products were developed and a level of quality was attained but only a few business owners could create unique products, find unique selling points and create brands. Most businesses were merely following the successful ones. Recently, the ministry of tourism and sports has started to standardize eco-tours, adventure tours and home stays, and is pushing for an ASEAN standard.

B. Price

Prices are set based more on the state of the competition, rather than at specific up-market targets that can generate good returns from less volume.

C. Place

Tourism routes that are integrated with other destinations or products are not much used. And most of the product placement in the market is not professionally done except for some projects supported by government offices.

D. Promotion

The TAT makes good use of public relations, advertising, sales activities, and collateral material for sales promotion. The mediums used are the Internet, TAT regional offices and local administration offices. Sales promotions in Trade Fairs have begun, but the CBT products need more support.

E. People

As tourism is a people industry, hence people become an important factor especially for tourism in a local community. However, the empowerment of people in the local area, efforts to “match” the attitude and behaviour of guests and hosts are not conducted systematically.

F. Process

Tourism products are not readymade for the marketing and sales process. Local communities need tour operators (TO) to package the products completely. There are few tour operators who work directly with community tourism. NGOs like TEATA (Thailand Ecotourism and Travel Association) was formed that partly help link tour operators and the CBT operators together better than before.

G. Partnership

Because the capacity and management of the community based tourism attractions have difficulty in competing with mainstream products in the market, it is necessary to set up a network between communities, tour companies and NGOs. Such a network has been pushed by TRF (The Thailand Research Fund) and NGOs as REST.

CASE STUDY

*Participatory Community based Tourism Marketing: Case Study of the Responsible, Ecological, Social Tours Project (REST), Thailand

The following information was prepared with the assistance of Peter Richards, Marketing Manager of REST.



CBT MARKETING

Community Based Tourism practitioners have developed a significant body of knowledge regarding the participatory development of Community Based Tourism products and management. However, marketing Thai CBT remains a challenge.

Marketing CBT requires technical skills and knowledge which local people often lack. These include:

- understanding the sophisticated tourism industry;
- perception of Unique Selling Points (USP) and product differentiation of CBT products;
- the ability to identify and reach appropriate markets;
- communication and negotiation skills, and
- English proficiency.

Marketing CBT requires community members to work with diverse stakeholders, including tourists, tour operators, tour guides and tour leaders, and government agencies. These stakeholders have different goals, expectations and styles of communication, which can be confusing for local CBT groups. In addition, some CBT communities are not ideally located for either independent or group tours.

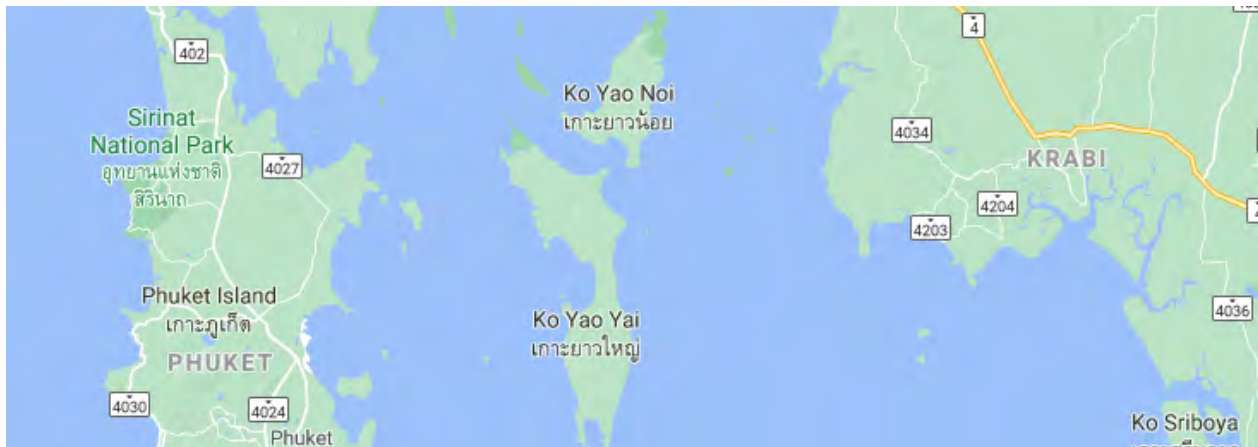


PARTICIPATORY CBT MARKETING – WHY?

CBT aims to support community development, sustainable natural resource management and cultural exchange. However, like any form of tourism, if CBT is badly managed it can have negative impacts on communities and the natural resources on which they rely. In this context, income and tourist volume cannot be regarded as the only indicators of success.

CBT takes place in peoples' homes. It can only be sustainable if hosts and guests feel respected, appreciated, and enjoy their experiences. Targeting 'the right guests,' with an active interest in local cultures and nature is essential. Inappropriate promotion, or insufficient efforts to manage the expectations of guests can lead to disappointment, surprise and shock.

Through participatory marketing, CBT groups can proactively target the 'right guests,' while keeping volume within sustainable environmental and socio-cultural limits. Marketing determines the sustainability of CBT as a successful rural tourism product, and a conservation and community development tool.



DEMAND FOR CBT: REST'S EXPERIENCE

At the local level, even relatively small numbers of tourists can make a valuable contribution to local economies, skills development, conservation and community projects. REST's experience, working for a decade to link CBT communities with 'responsible tourists' and responsible tour operators indicates that there is significant and growing demand for authentic, responsible interaction with local communities.

In 2004, World Legacy Award winning Koh Yao Noi community, Phang Nga province earned over 900,000 Baht (US\$23,891.69) from CBT, representing at least a 10% increase in annual income for participating families. In 2005, despite a disastrous year for tourism, Koh Yao Noi club still earned 232,874 Baht (US\$ 6,181.94) from CBT. Leeled CBT Club, in Surrathani province has been operating for just over a year.

Working with Intrepid Travel, in a relationship facilitated by REST, Leeled CBT Club earned 104,000 Baht (US\$ 2,760.81) during 2005, and will earn 176,000 baht (US\$4,672.15) during 2006. 10% of funds contribute towards community funds, supporting community projects including mangrove planting and youth camps.

In March, 2006, REST conducted our own research among a cross-section of international tour operators specializing in small group cultural and adventure tours. Among other questions, we asked "What are your guests looking for from village tourism experiences?" Their answers (below) show that CBT is an unquestionably well positioned product for integration into the tour programs of such companies:

- "Homestay is always the highlight for passengers." Intrepid Travel, Australia
- "Experience to enable them to appreciate another culture" Go Bush, Australia
- "Authenticity. Our clients want to meet local people and learn about their daily life and culture", Sawadee Reizen, The Netherlands

DEMAND FOR CBT: INTERNATIONAL TRENDS

Research indicates that global demand for culturally and environmentally sensitive tourism products, which deliver tangible benefits to local communities, is growing. CBT is regarded as a niche market of ecotourism and nature travel. Nature travel is estimated to be the world's fastest growing tourism sector, increasing at a rate of between 10% and 30% per year (UNWTO). In 2005, the UK organization, TOTEM Tourism Marketing predicted that 'green' tourism will have achieved a 20% market share by 2020, with an estimated 170 million 'green' tourists supporting a 150 Billion USD global 'green tourism' industry. With Thailand already firmly established as a leading nature and culture destination, these figures bode well for Thai CBT.

In their 2004 "Had Enough" market survey, the UK Responsible Travel company, Responsible Travel. Com, reported that 88% of respondents stated: "Tour operators should be more responsible to the environment and culture and benefit local people." This trend is now being recognized even at the highest levels of mass tourism, with industry giants like First Choice (UK), publicly defining their commitments to the environment and local people (www.fcenvironmentandpeople.com/fcenviro).

Finally, CBT enjoys substantial support from development organizations and academics. According to TOTEM Marketing, in 2005, donor funding of tourism related projects accounted for over US\$ 8 billion. This includes significant support for community based tourism among donors and national government bodies. CBT is now an accepted term at international tourism conferences.

MARKETS: WHO ARE THE 'RIGHT GUESTS?' – REST'S EXPERIENCE

REST have initiated several different 'CBT marketing models' with the following groups:



- **Cultural Eco-explorers:** Independent travelers, especially aged 35-60 contact REST regularly. Most enquiries are from the US, Canada, UK and Australia. They often travel in couples and with their families. They are a mature enough market to be motivated by quality above price.
- **Students:** Our experience is that students and hosts enjoy CBT study tours. The community members feel proud that they have been considered interesting enough for students to cross the world to study their community and environment. Parents are prepared to pay a fair price for quality educational experiences.



- **Volunteers:** Unquestionably, especially since the tsunami there has been a marked increase in the number of volunteer requests. Many new ‘voluntour’ operators have emerged within the past 18 months, focusing on 3 day to 3 month volunteer placements. CBT sites are well positioned for this market.
- **Expatriates:** Many expatriates living in Bangkok would like their families to experience more of the ‘real Thailand.’ REST have put together presentations for expatriate organisations like embassies and language centers.
- **Women:** Most enquiries are made by women. Statistics show that women are more interested in environmentally and socially responsible holidays than men. In 2005, Responsible Travel.Com analyzed trip booking data and found that 75% of their bookings were made by women. Women account for between 60 and 70% of Intrepid Travel’s customers. The number of women visitors to Thailand is also growing strongly.

WHO ARE THE BEST MARKETING PARTNERS FOR CBT?

In REST’s experience, the ‘best’ partners for CBT projects are ‘responsible’ or ‘green’ small group, cultural tour operators; and academic and youth study tour coordinators.

Responsible tour operators make good partners because they actively support the goals of CBT. Tour operators can book far enough in advance to keep coordination relatively simple for hosts, and provide sufficient volume to run consistent trips to communities.

Their targeted promotion and ‘responsible travel profile’ helps filter the market. They are prepared to distribute orientation materials to manage their guests’ expectations and to integrate REST’s input into tour leader training. Compared to independent travelers, tour companies also get a cheaper product, because they provide enough volume for guests to share chartered transport and keep trip prices down. This also results in more bookings as the product is better value for money.

PARTICIPATORY CBT MARKETING – HOW TO DO IT IN PRACTICE?



- **Participatory Marketing;** CBT programs are built on ‘Our Good Things’, special elements of local life that the CBT Club Communities feel proud of and choose to share with their guests. This means that community members define how they wish to present their communities to the world. Marketing Planning allows community members to analyze and decide what kind of tourists (age, nationality, interests, needs, etc), in what numbers, and how often they want to host, and then participate in choosing the strategies to attract these guests.



- **CBT Marketing Training:** This helps to assist community members to differentiate and assess their experiences with different markets, and to understand how guests arrive in the community; different channels of communication and distribution; and the opportunities and risks associated with them.
- **Participatory Monitoring:** Open feedback sessions between CBT club members and their guests, tour guides, tour leaders, and tour operators (both national and international). For example, a representative of a tour operator may travel to the community after 10 trips to discuss successes and challenges directly with CBT Club members. This leads to informed, mutual, and ‘optimum power balanced’ product development.



- **Developing information for all important stakeholders:** The provision of information does not finish with marketing, but must be continued until the guests arrive on site, and facilitated through training. REST have developed training and information for many stakeholders: community members, tourists, product managers, and tour guides and leaders.

PROMOTIONAL CHANNELS

- **Tourism fairs:** these are a very effective form of promotion, as you can survey and contact multiple tour operators relatively inexpensively. REST have attended the ITB, Reispavillon, World Travel Mart and Vakantiebeures. Pre-fair marketing, strong presentation, and good follow up are essential. The Dutch government is funding CBT projects to attend the Vakantiebeures.
- **Project Website:** so far this has been more successful as an information than promotion tool, however, we are developing our experience in web marketing.
- **Sustainable tourism websites:** Major sites like Responsibletravel.com and communities such as ECOCLUB have generated interest in CBT programs.
- **Word of Mouth:** apr. 30% of REST enquiries are generated through W.o.M.
- **Guidebooks and articles:** REST usually don't promote in guide books, because it's impossible to control the numbers of guests or know when guests will arrive, which can be risky in terms of carrying capacity. However, REST do promote in Tourism Concern's Good Alternative Travel Guide. Journalists frequently write articles about REST sites. This hasn't noticeably increased enquiries for REST, but our partners on site (especially Koh Yao Noi) have reported that 2-3 weeks after an article they receive more guests.
- **Conferences and awards:** Attending conferences has been effective marketing for 'CBT know-how' - training and consultancy services! The Conservation International and National Geographic Traveler World Legacy Award, received by REST and Koh Yao Noi Community based Ecotourism Club in 2002 has been mentioned by many of our guests.



CONCLUSION: CHALLENGES AND RECOMMENDATIONS

I think you will agree that it is possible to create small and successful companies that have corporate philosophies as well as the wider principles of His Majesty the King's self-sufficiency economy. So, please allow me to conclude by identifying a few challenges faced by CBT Groups:



- **Training:** CBT groups and staff require further training to make their services more professional.
- **Developing a Recognized CBT Brand:** As CBT is often more expensive than comparable tourism products, recognition of the integrity of the CBT brand is essential if it is to stand out from the competition.
- **Developing Participatory CBT Standards:** There is no mutually accepted set of standards for Thai CBT. Standards would support brand differentiation and catalyze product development. Community participation is necessary in the development of CBT standards, so that they are considered 'fair to all.'
- **Ensuring Good Coordination and Communication:** This is an essential element of success in the tourism industry, where logistical arrangements can change by the hour, and expectations must be met! In particular, international tour operators and youth group study-trip coordinators require professional coordination, often in English.
- **Setting Marketing Volume Goals / Limits:** As rural people lack the knowledge, skills and resources to plan and implement marketing activities, it reduces their influence over the type and volume of their guests. Some groups are struggling to attract guests while in others, there is a threat of exceeding 'Carrying Capacities'.
- **Increasing Volume and Product Diversity for Tour Operators:** 'Carrying Capacities' of CBT projects are often lower than the passenger volumes that tour operators require. Low volume increases unit costs for tour operators. In addition, CBT projects are now promoted individually. Tour operators prefer to choose from a broad spread of products.

RECOMMENDATIONS TO SUPPORT COMMUNITY BASED TOURISM

A few final thoughts on ways to support CBT.

- **Support National CBT Networks and Coordinating Organizations:** Working alone, it is very difficult for CBT projects to be successful. There is a need to strengthen existing national level CBT Networks (for example the TRF knowledge sharing network) and provide capacity building for their members – from product development to marketing. There is also a need to support national level CBT organizations with the necessary skills and knowledge to coordinate product development and staff training, and facilitate market links with the tourism industry.
- **National / International CBT Brand and Participatory Standards:** Significant investments of money and time are required to develop and maintain CBT. This means that CBT is often more expensive than comparable tourism products. Development of a CBT brand is essential if it is to stand out from the competition, and successfully lobby for support (attendance at tourism fairs, etc).

I hope this presentation has provided you with some ideas and food for thought. Thanks again to the UNWTO for having me here, and thank you all for your kind attention.

CRAFTS & TOURISM IN GLOBALISING WORLD



Mr. Pradech Phayakvichien

Advisor

22 SEPTEMBER 2006 CRAFTSNET WORKSHOP, GERMANY

It is a pleasure for me to be here. Thank you for the honour of inviting me to be here today. The development of crafts is an important component of the travel & tourism industry insofar as it contributes both to cultural preservation as well as poverty alleviation.

Both are major issues for developing countries all over the world, and I compliment the organisers for taking this extremely important initiative. I am sure the exchange of experiences and knowledge will go a long way towards supporting the cause of upgrading the standards of handicrafts for tourism, especially in the Asia Pacific region.

INTRODUCTION

In The 15th General Meeting of WCC (World Crafts Council) in June 2004 the representative of UNESCO had some strong recommendations regarding crafts and tourism. Instead of constantly disagreeing about the positive and negative aspects of tourism, he urged them to urgently look to promoting crafts with tourism. Concerned parties at all levels can use tourism as an ideal platform to promote crafts to benefit communities of craftpeople.

In the meeting 2006 International Forum on Rural Tourism, UNWTO along with World Bank and China National Tourism Administration issued a joint announcement. Part of it said: "In the process of rural

tourism development attention should be given to creation of brands and every effort made to strengthen the competitive edge of rural tourism industry. At the same time, appropriate use of ethnic folk culture heritage should be encouraged by promoting the planning design, production and marketing of tourism products, of which handicrafts make up the largest proportion, thus speeding up the development of tourism products industry. The artisan sector should play a critical role in preserving and reviving culture and contributing to sustainable economic opportunities.

Aid To Artisans President, David O’Conner remarked on two important aspects regarding handicraft and tourism

1. Benefits to the preservation of cultural heritage:

“...The artisans who built the famous and fabled cities of the world continue to play an important role in their restoration and maintenance, vital to the tourism industry...”

“...The patronage of tourists helps such techniques survive through sales. Without a market, many traditional skills could eventually fade due to lack of demand. Tourism provides an opportunity to preserve the traditions that comprise the fabric of cultural heritage; their revival also creates jobs and the market is needed to preserve them.

2. Benefit to the economy:

“...The handicrafts sector can have a major impact on national economic growth through foreign exchange earnings, employment creation, and sustained economic growth...”

“...Development of the handcraft sector can also help mitigate the rural to urban migration that plagues so many countries with overcrowding of cities, inability to respond with job opportunities, and subsequent depression of rural economics...”

“

The tourism industry and the crafts sector are both developing in parallel and we know that parallels do not meet.

”

Although tourism worldwide has been growing in all capacities the UNWTO survey indicates certain trends

- Mass marketing is giving way to one-to-one marketing with travel being tailored to the interests of the individual consumer.
- A growing number of visitors are becoming special interest travelers who rank the arts, heritage and/or other cultural activities as one of the five reasons for traveling.

Tourists in these groups tend to combine cultural with non-cultural experiences, look for learning experiences, and seek a sense of people and place. This provides an opportunity to promote crafts by combining it with sustainable tourism. This may be used as a tool to solve problems of poverty in the rural provinces.

However, Indrasen Vencatachellum ,UNESCO representative has expressed concerns regarding two matters

1. Although we realize the important of crafts and tourism, we lack an overall policy to clearly develop a relationship between the two. Crafts people still lack the deserved support whether for their skills upgrading and product adaptation or for the promotion and protection of their works. This is due, to a large extent to the absence of data on the direct and induced effects of the crafts sector on the national economy namely through direct sales to tourists.
2. The tourism industry and the crafts sector are both developing in parallel and we know that parallels do not meet! This can be explained by the absence of coordination and cooperation between the ministries/departments in charge of crafts and tourism.

These are important challenges faced in combining crafts and tourism. We hope to share our experiences in Thailand so it can become a learning experience and can be used as food for thought.



BACKGROUND OF THAI TOURISM

Distinguished delegates,

The Thai tourism industry has grown in line with the country's five-year economic development plans. In terms of visitor arrivals, this has been quite successful exercise. Arrivals have nearly doubled from 7.76 million in 1998 to a projected 13.80 million arrivals this year. Had it not been for a number of crises in the last few years like SARS and the devastating tsunami, arrivals would have reached about 16 or 17 million this year.

There is no doubt this has been of huge benefit to the national economy in terms of job creation and foreign exchange earnings. In the past, it was clear that the growth was largely benefitting the cities. In recent years, the Royal Thai government has begun working harder to ensure that benefits reach into the rural areas. Playing an important policy role in this endeavour is His Majesty the King's sufficiency economy concept which emphasizes sustainable development and is people-centred.

The government's economic policy is called Dual-Track Economics. An "upper track" is designed to ensure that Thailand remains globally competitive by developing it into a "hub" for economic sectors like automotive products, fashion, tourism, movie-making, etc. The "lower track" is targetted at local communities through projects such as the village fund project, and the OTOP (One Tambon One Product) project which supports villages that produce interesting products based on their local culture and heritage, and also promotes both the village and those products as tourist attractions.

Because most Thai communities are agricultural communities, many of them are poor due to their dependence on the sale of agricultural products. At the same time, their traditional arts and crafts have been, directly and indirectly, an indispensable part of their way of life since ancient times.

By encouraging and supporting the production, distribution and sale of these products, the Royal Thai government provides agricultural communities with a supplementary form of income.

Thai handicrafts are now produced both in indigenous households and in small and medium-sized factories to meet the demand of national and international markets. Over the last few years they have assumed a significant role in the economy of Thailand as they have not only created more employment opportunities and additional sources of income but have also brought foreign currency into the country. In addition, they have helped better the quality of life, and have preserved the artistic and cultural heritage of Thailand as well as making it known far and wide.

TAT STRATEGY TO PROMOTE SHOPPING

The promotion of shopping is one of the key elements of the Tourism Authority of Thailand strategy because of the obvious benefits for job creation. This has been vastly facilitated by the opening of many large department stores and shopping complexes in Bangkok and many of the urban centres. All of them provide ample space for sale of local products and crafts.

In 2004, the total average daily expenditure per tourist was 4,057 baht (about US\$100.87) which worked out to a total of 384.3 billion baht (about US\$9,556 Million). The total expenditure was a solid 24.28 percent increase over 2003. Shopping is the largest category of visitor expenditure well above others like accommodation and transportation.

In 2004, the average daily expenditure per tourist on shopping alone was 1,149 baht (about US\$ 28.56) which worked out to a total of 108.8 billion (about US\$ 2,706 Million), or an increase of 23%.

While it would be fair to say that visitors to spend a lot of money on branded goods, fashion products and other such popular items, they do find local arts and crafts very unique purchases as gifts, household decorations, as well as for personal use. By their very nature, these products provide a very unique memory of their visit to Thailand.

“ Thai handicrafts are now produced both in indigenous households and in small and medium-sized factories to meet the demand of national and international markets. ”



Case study of Thailand -- How to combine crafts with Tourism

- Bringing Products to main tourist destinations

About 20 years ago when Phuket began developing into a beach resort, an important event comes to mind. Queen Elizabeth 2 docked in Phuket and many tourists were exchanging foreign currencies to buy local products but were disappointed and had to change money back into USD. TAT learnt an important lesson from this and set up two projects

1. Product Design & Product Adaptation along with Silpakorn University to develop raw materials and handiwork of villagers to develop souvenirs through crafts of individual provinces.
2. Organise Crafts Product Exchange Fair by letting manufacturers from various provinces meet sellers of important tourist destinations to market their crafts. This acted as a catalyst to make local handicrafts and crafts well known in tourist spots.

In 1998-1999, Amazing Thailand year, apart from promoting tourist destination and festivities, TAT also worked towards promoting activities which will be value added for tourism in nine ways. What actually pushed tourist to buy local products were Amazing Cultural Heritage fair and Amazing Thailand Grand Sale. This involved Campaigning for handicraft product in particular. It could be clearly seen that since then many department stores set up a crafts department which previously were only available in Narai Phand, a government outlet for handiwork and crafts.



- Promote products at markets in (Tourism main thoroughfare/artery)

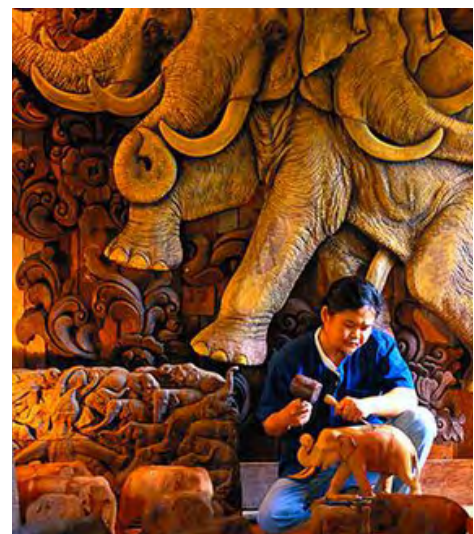
Markets naturally develop to serve tourists in main routes such as market for fruits, local foods, souvenirs which the government promotes through various provinces. They have set up centers for local handicrafts. Private sectors such as petrol stations have set up shops selling local products along routes leading to tourist destination. One example is the Bang Chak Service Stations

An example of trend of thought behind Tourism Corridor is Culture Tourism Corridor between Kamphaeng Petch, Sukhothai, Phitsanulok (UNESCO World Cultural Heritage site). Many communities living along these routes have been promoted as village for tourism products (OTOP).

- Bring tourists to communities which produce crafts

Crafts are produced in many places within network of routes of tourist attractions. Or they may be in catchment areas of main tourist destinations, which must be combined with good access and sufficient infrastructure, landscape and cultural heritage. They have potential to develop as tourist destinations. For example, Bor Sang Parasol Village, Thai Wood Carving Village in the north and Baan Chiang Village in the archaeological area of UNESCO World Heritage).

Handicraft, textile weaving and pottery making in Isaan and also OTOP villages in many places have become important tourist destinations. Development of CBT in Thailand has received support from government through agency for village development and Thailand Research Fund which supports research of village tourism where villagers conduct their own research and build networks between villages and tourism. They are also supported by NGOs and many educational institutions. Many villages have now started to



develop tourism which is strong and sustainable. Crafts and agricultural products have an important role in bringing income to the provinces.

- Cyber Highway can be used to connect Crafts & Tourism.

Apart from websites of tourist agencies large enterprises such as hotel networks or tour agencies give information along with e-marketing, e-booking which will benefit village tourism, provinces and craft products. IT is still an important tool for many entrepreneurs and gives provincial tourism a chance at marketing. Although at present, various websites of small entrepreneurs and communities have set it up for news and information rather than direct sales. Some places are now starting to develop e-commerce websites to sell crafts by direct sales via Internet. Some NGOs have made websites which sell crafts directly from communities such as The Mirror Art Group Foundation (www.ebannok.com)

Selling crafts via Internet has opened opportunities in handiwork products which are fine arts such as paintings, sculptures, intricate weaving which cannot be produced in volume but have better opportunity for marketing by made to order or choose the individual product as the customer pleases.



Adverse Effects and Problems

- Promoting production of crafts such as OTOP project or promotions by other agencies using top down policies will result in products flooding the market, be repetitive, similar to one another and not catering to the needs of the tourist market. This affects the economies of both the producers and the communities. For example making wines from fruits. Local herbal products are facing a loss. The government is trying to promote these products by holding contests such as OTOP Champion, exhibiting OTOP products and setting up an education center to design and improve local products.
- Producing crafts in volume without quality to sell to tourist at a cheap price is one reason which lowers quality of handiwork. Detail work and intricate design of the original art is lost. This makes the style and handiwork of the past slowly disappear.

- But many educational institutes have documentation, pictures, styles and designs in many different forms, local museums have also been set up to preserve artifacts. These are set up by the government, private sector and communities themselves. Support project of H.M the Queen is an important foundation where crafts and craftspeople maintain the original arts and which continue to prosper.



- The Hotel industry is the main industry for tourism. Apart from their designs reflecting local arts, they use local handiworks and crafts in large quantities. Of twelve million tourists we received in a year, from many markets worldwide and 77 million domestic tourists per year, hotels should be the largest users of local products. This can be seen in the rooms, bathrooms, restaurants, drinks, fruits juices, herbal teas, etc. in large quantities. They also act as outlets to sell local products to the tourists directly.

More importantly, the hotel can act as a gauge for demands of local products by tourists which can guide to improve the quality of products to suit market needs. But in reality, it has not worked this way as hotels prefer to purchase products which are standardized, in fixed quantities, competitive prices and have fixed delivery time. Therefore this does not reflect the true demand of the tourists. Artisans in the communities are mostly small producers, lacking in quality control and continuity of production. They are not aware of the needs of hotels as there is no middle man to link the local products to hotel markets. Uptil the present there is still no agency to study the opportunity and potential of this to link community products with the hotel market.

- Other problems which we have experienced are protecting intellectual property rights of artisans and their products so that the villagers will be aware and not be taken advantage of. Other problems are raw materials especially those that have to be taken from natural environment such as Rattan, wood carving which still used native woods. Production process facing competition in price may not have value-added or value in the art form therefore is not worth the natural resources being depleted and leads to more damages. There has to be more knowledge regarding the use of natural resources which should be more systematic and efficient.

I will now outline for you some of the projects and facilities where Thai handicraft products are made, sold and marketed.

THAI HANDICRAFTS COMMISSION

In 1983, the Thai Government established a Committee for the Promotion and Development of Thai Handicrafts to promote the development of Thai handicrafts. It comes under the Ministry of Industry. Handicraft products cover five key sectors: leather, textiles, plants (wood, rattan, bamboo and fibrous plants), pottery and metals.

The committee oversees the production and marketing of Thai handicrafts to ensure efficiency of production and promote marketing opportunities among local, visiting and international consumers. It also seeks to ensure sufficient supply and optimum use of indigenous raw materials and natural resources for handicraft production. One key area of responsibility is to help support those traditional crafts that may be in danger of becoming “extinct”. It also takes care of technical and marketing assistance, loan provision, collection and dissemination of data on the production and marketing of Thai handicrafts including research.

Interest in Thai handicrafts has been felt far and wide: private and government sectors, educational institutes, non-profit organizations, even individuals and craftsmen themselves, have realized their importance. This has not only affected increased production as well as export but also brought more occupational opportunities and supplementary income to Thai people, urban and rural alike. Handicraft production which began on a very small scale within the household for domestic consumption only has changed to an industrial level thereby meeting demands from international markets as well.



ONE TAMBON ONE PRODUCT

The present administration, which took office in 2001, has pushed ahead with the One Tambon One Product (OTOP) scheme to help small manufacturers develop products and services based on their cultural traditions and local knowledge. Based on a project originally started in Oita Prefecture, Japan, it does not duplicate but rather supplements the work of the Thai Handicrafts Commission.

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 manufactured products but also tourism attractions and services. Hence, the project reflects “development” in all aspects.

The OTOP scheme fulfils point 10 of World Tourism Organization’s 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 religious values’.

The Royal Thai government provides support help to the local communities with their management and administrative capabilities as well as through communication, marketing, public relations and promotion. It also organises a number of trade fairs especially to help sell these products. I must also let you know that these products are very popular with the local people, more so than visitors.

For those who wish to do business with the OTOP producers, please log on to <http://www.thaitambon.com/>



Bangsai Arts and Crafts Centre

This year, Thailand is commemorating His Majesty King Bhumibol Adulyadej’s 60th year of Accession to the Throne. Many people are surprised to know that His Majesty has not stepped out of Thailand since June 1967, except for a brief trip to next-door Laos in April 1994 to open the Thai-Laos Friendship Bridge. Abandoning the many foreign sojourns in the early years of his reign, His Majesty has instead stayed home in order to best serve his people by understanding their needs and attending to them.

This has meant travelling the length and breadth of Thailand, setting up development projects that have transformed many parts of the country. Accompanying him on these trips was Her Majesty Queen Sirikit. During such visits, and after encountering instances of substandard living conditions among some Thai people, Her Majesty herself initiated many poverty-alleviating projects, one of which focussed specifically on her interest in locally produced handicrafts.



Her Majesty arranged for instructors to help villagers improve the quality of their products which were then bought by Her Majesty. When the project expanded, it was formally established in July 1976 as the Foundation for the Promotion of Supplementary Occupations and Related Techniques, or “SUPPORT” for short. Her Majesty remains the chairperson of the SUPPORT Foundation. Its most famous landmark is the Bangsai arts and crafts training centre located inear Bang Pa-In, not far from Bangkok.



Today, the centre features an Arts and Crafts Village with many traditional houses in different styles of architecture from all over Thailand. The village is a permanent place for display and demonstrate Thai arts and culture, such as way of life, folk shows and plays. Arts and crafts products, from across the country, are on sale.

Tourists can wander through these buildings and observe the finesse and precision Thai craftsmen require in making their various products. Trainees undergo six-month training course from a list of thirty courses ranging from dressmaking and brocade weaving to glass sculpture, rattan furniture and drawing and oil painting. Since its inception, more than ten thousand trainees have graduated from Bangsai Arts and Crafts Centre.

The Mae Fah Luang Foundation

The Mae Fah Luang Foundation under the patronage of Her Royal Highness the Princess Mother (the late mother of His Majesty the King) was established as a private non-profit organization to help carry out the development activities initiated by Her Royal Highness. The Emblem of the Foundation depicts a piece of hill-tribe embroidery encircled by a silver hill-tribe neck band.

The Mae Fah Luang was originally founded as the Hill Tribes Products Promotion Foundation. In looking for ways to improve the livelihood of the hill-tribes, Her Royal Highness discovered that each tribe has its own distinct and beautiful handicraft, which if promoted, would be a good source of income for the hilltribe village communities.



**Mae Fah Luang Foundation
under Royal Patronage**

“ Most of the work of the Mae Fah Luang Foundation has been centred in Chiang Rai, the northernmost province of Thailand. It has gone a long way towards weaning the hilltribes away from producing their former means of income, opium. ”

In 1972, Her Royal Highness donated 100,000 Baht of her private funds to establish the Foundation, to promote and preserve the handicrafts of the various tribes, and to encourage the hilltribes to pursue these arts as supplementary occupations to agriculture.

At the Foundation, tribal peoples are taught how to modify their handicrafts to meet commercial standards, and introduce the products to the market. Once the handicrafts become widely known and accepted, the project was concluded and the function assumed by the private sector. Her Royal Highness also encouraged other aspects of hilltribe development, of which a most important one was youth development.

Most of the work of the Mae Fah Luang Foundation has been centred in Chiang Rai, the northernmost province of Thailand. It has gone a long way towards weaning the hilltribes away from producing their former means of income, opium. One of its specific activities is the Doi Tung Development Project which involves work in agriculture, industries, biotechnology and handicrafts. International links in trade and industry help improve the economy of the entire Northern region. It produces an increasingly popular brand of coffee marketed under the same name, Doi Tung.

To ensure that Chiang Rai assumes both roles – as a conservation centre as well as a centre of economic development and trade in the area, the Mae Fah Luang Foundation is working to expand reforestation, agricultural training, crop production and marketing of the Doi Tung Development Project to neighbouring areas.



Narai Phand Co., Ltd

The Narai Phand Co., Ltd is the largest Thai Handicrafts center in Thailand, set up to sell Thai Handicrafts to customers domestically and internationally. It operates as a joint venture between the Ministry of Industry and the private sector. Products offered by Narai Phand Co., Ltd are crafted from villages covering different regions around Thailand, including many of the products of the OTOP and royally-sponsored projects just mentioned. Narai Phand stores can be found in many different parts of Thailand and are well worth a visit.



CONCLUSION

In an age of globalisation, which is seeing the availability of branded products becoming the global phenomena, the unique selling proposition of each country lies in its local products, especially those based on its historic heritage, culture and tradition.

Visitors to Thailand never cease to be amazed at the quality and fine workmanship of local Thai products. With the active support of the Thai Royal family, the Royal Thai government and the private sector it is expected that the production sale and exports of these unique products will continue to go from strength to strength.

I would once more like to thank the organisers for inviting me here today and allowing this opportunity to share our Thai experiences with you. I will be happy to take a few questions.

Thank you and Sawasdee khrap.

INTERNATIONAL TRAVEL MEDIA WITNESSES PEACEFUL THAI “REGIME CHANGE”



Mrs. Phornsiri Manoharn

Deputy Governor for Domestic Market

THAILAND TRAVEL MART PLUS 27 SEPTEMBER 2006

Allow me to extend our warmest welcome to you all, to Thailand as well as to the Fifth Annual Thailand Travel Mart 2006 Plus Amazing Gateway to the Mekong Region (TTM+ 2006). Thank you all for being with us today and for giving us an opportunity to update you with just a few of the many important developments in the Thai travel & tourism industry.

Clearly, you must relish the fact that you are here at yet another very historic moment for Thailand as it undergoes what is commonly known as a ‘regime change’ in absolute peace and quiet. You are also among the many visitors who have extended your support in this year commemorating the 60th anniversary of His Majesty the King’s accession to the throne, making him the world’s longest reigning monarch.

You will also be witness to the opening of Bangkok’s magnificent new Suvarnabhumi airport while the trade show itself is held in what is claimed to be the world’s largest column-free exhibition hall and Asia’s largest indoor exhibition center.

So, all things considered, this is going to be a truly historic and memorable event in more ways than one, and I am sure you are as pleased to be here as we are to have you here.



ABOUT THE SHOW

Ladies and gentlemen,

TTM+ 2006 is organised by the Tourism Authority of Thailand in co-operation with Tourism Council of Thailand, the Federation of Thai Tourism Association (FETTA), Thai Airways International and the private sector.

The 370 seller organisations participating this year include 229 hotels, 11 airlines, 10 ecotourism and adventure operators, 10 entertainment & sports companies, 10 medical & health tourism facilities, 13 NTOs, 11 other services, 31 tour operators and 35 companies from the Greater Mekong Subregion.

The broad range of sellers will mean that the 140 invited buyers from 35 countries will have an opportunity to get information about products and services about Thailand as well as all its neighbouring Mekong countries.

We have also made a special effort to bring in Thailand's many small and medium-sized enterprises which do not have the large marketing budgets to attend the major international trade shows, and need your support to generate growth and business.

The official programme will begin on September 26, 2006 with a welcome reception in the evening at Siam Niramit, a magnificent new Thai performance theatre. A forum on the Greater Mekong Subregion earlier on the same day will provide you with an update on developments there.

The business functions will be held on September 27-28 at the Challenger, Impact Exhibition and Convention Center, the world's largest column-free exhibition hall, Asia's largest indoor exhibition center and Thailand's largest ballroom.



Bangkok and the beaches of Thailand peninsula remain very popular destinations. The popular resort of Phuket has been completely restored following the devastation of the tsunami.



THAI TOURISM SITUATION

There is little doubt that 2005 was a bad year due to the lingering effects of the December 2004 tsunami. Total visitor arrivals fell by 1.15% over 2004. However, the upturn is well under way with arrivals at Bangkok International Airport indicating a 21% growth during January-July 2006 over the same period of 2005.

In spite of the decline, we witnessed record increases in arrivals by repeat visitors in 2005. Of the total arrivals of 11.5 million in 2005, a record 7.15 million were repeat visitors, up a massive 22% over 2004. We expect this growth to continue in future.

Bangkok and the beaches of Thailand peninsula remain very popular destinations. The popular resort of Phuket has been completely restored following the devastation of the tsunami.

However, the northern provinces of Chiang Mai and Chiang Rai famous for their natural beauty and cultural sites, are also gaining ground, thanks to a number of low cost airlines flying to both destinations several times a day.

TAT MARKETING PLAN 2007

Ladies and gentlemen,

We have set a target of 13.80 million international arrivals in 2006 and 15 million in 2007. Strong brand building is to be our primary strategy in achieving these targets.

The new marketing slogan, “Thailand Unforgettable”, expected to be utilised for at least three years, is a key component of the strategy which will also include strong efforts to maintain market share, boost tourism revenue earnings and enhance Thailand’s competitive edge.

The 15 million international visitors are expected to generate estimated revenues of 547.5 billion baht (about US\$ 14.5 billion) while the target of 82 million domestic trips is projected to generate a revenue target of 377 billion baht (about US\$ 10 billion).



This year, the TAT researched its competitive position and found that Thailand featured amongst the top ten destinations in the holiday segments of beach holidays, family destination, nightlife and convention.

Research by other publications like Lonely Planet, popular with the young people, show Thailand is already the top-rated destination in terms of value and food. It has also been rated as having the “Most Exciting Outdoor Market.”

Under the new “Thailand Unforgettable” slogan, the marketing activities will seek to accentuate Thailand’s key strengths as a destination; 1) Sun, Sand Sea; 2) Modern and Traditional; and 3) Shopping, Dining and Golfing.

Efforts will be directed at ensuring a good mix of source markets in terms of both customer segments and geographical distribution.

Markets targeted for intensive promotions are mainly in the Europe (UK, Scandinavia, France, Italy, Russia and Spain) and North East Asia (China, Japan, Korea, Hong Kong and Taiwan).

Short-haul markets where people are travelling for shorter periods but more frequently include Malaysia and Singapore.

Five new tourism products and services have been identified to cater to the needs of specific market segments; Classic Destinations, Emerging Destinations, Sport Activities, Trendy Products and Special Product of the year.

In each segment, the following have been identified in a way that allows the key product highlights to be matched with the destinations that best offer them:

- Classic Destinations: Bangkok, Phuket, Pattaya, Samui and Chiang Mai.
- Emerging Destinations: Koh Chang, Koh Lanta

- Sport Activities: Golfing, Diving and Yachting
- Trendy Products: Boutique Hotel, Spa and Wellness, Medical tourism

Special product of the year: The Royal Flora Ratchaphruek 2006, international horticultural exposition to be held from Nov 1, 2006 - Jan 31, 2007 in the northern city of Chiang Mai.

This will allow us to better target the required market segments and also promote the geographical distribution of visitors nationwide so as to better distribute tourism earnings and also prevent over-congestion at the popular tourist spots.

Other strategies will be designed to build Thailand's image as a gateway to the Greater Mekong Subregion, increase tourism revenue and make better use of technology, both as a means of marketing as well as a medium of getting updated customer feedback.

As for domestic marketing plans, the TAT's campaign slogan is "Tourism has become a part of life", intended to show that travelling within the country is no longer just a means of recreation but a lifetime necessity.

GREATER MEKONG SUBREGION (GMS)



The GMS countries include Cambodia, Yunnan province of the People's Republic of China, Lao People's Democratic Republic, Myanmar, Thailand, and Viet Nam.

The six countries have embarked upon a programme of subregional economic cooperation, designed to enhance economic relations among the countries. This has contributed to the development of infrastructure to enable the development and sharing of the resource base, and promote the freer flow of goods and people in the subregion.

The tourism potential for GMS is enormous. The Mekong subregion's rich cultural heritage and unique natural geography make it an attractive tourist destination. The GMS countries are promoting the subregion as a single tourist destination through joint marketing efforts and capacity building. Nearly 16 million tourists visited the GMS in 2004, with expenditures valued at \$12 billion.

A GMS tourism strategy for 2006-2015 has been developed with the help of the Asian Development Bank that supports a holistic and coordinated approach to tourism development, including the implementation of high-priority transport infrastructure projects.

Many of the major airports in the region are undergoing significant upgrading, and attracting new airlines, especially the low-cost operators. At the same time, land transport linkages are also improving, such as the second Thai-Laos Friendship bridge linking the western Laotian province of Savannakhet and the northeastern Thai province of Mukdaharn that is set for completion in 2007.

This will go a long way towards helping to open new destinations in different parts of the Mekong subregion.



SUARNABHUMI AIRPORT

Ladies and gentlemen,

The biggest development will take place right here in Bangkok with the opening of Bangkok's new Suvarnabhumi Airport on 28 September 2006, giving new impetus to the role of Bangkok and Thailand as Asia's aviation hub.

Named Suvarnabhumi (meaning "Golden Land") by His Majesty the King, the new airport is expected to be the most modern in Asia. The Thai Government has prioritized it as part of a "national agenda" of strategic importance to Thailand's future economic and transportation development.

Many of our guests at this year's TTM+ 2006 will be arriving at Don Muang airport but departing from them new one after its official opening on September 28. International airlines are begin flying from there as of 3am (0300 hours) on September 28.

On the evening of 27 September 2006, Thai Airways International will transfer a total of 27 aircraft, flying them without passengers from Don Muang's Bangkok International Airport to Suvarnabhumi Airport. A total of 178 immigration booths at Suvanabhumi Airport will be fully manned by 1,380 officers, 380 more than at Don Muang Airport.

By road, the distance from Bangkok is expected to be only 30 minutes, thanks to a number of roads that will boost accessibility from various parts of the city as well as nearby provinces like Chonburi, in which Pattaya is located.

By 2008, we are projecting the completion of a 28-km overhead rail link between downtown Bangkok and the new airport, which will cut travelling time between the airport and the city centre to only 15 minutes.

CONCLUSION

That is a brief summary of some of the key developments that may interest you.

Thank you for your strong support and for being with us today. I wish you have a fruitful and productive TTM Plus 2006.

I will be happy to take a few questions.

TOURISM AFTER THE TSUNAMI AND A PEACEFUL COUP



Mr. Sethaphon Chindanon

Regional Director – The Americas

ADVENTURE TRAVEL WORLD SUMMIT 19-21 OCTOBER 2006

Sawasdee khap, Good Morning/Afternoon, Ladies and Gentlemen,

It is a pleasure to be in Seattle. May I take a moment to thank the organisers for inviting me here today to offer you a few thoughts on how Thailand is dealing with the human, political, and natural crises affecting us much too frequently these days. That is a real tall order to cover in 20 minutes but I promise to keep my remarks short and to the point.

Ladies and Gentlemen,

I am also happy to report that American visitor arrivals to Thailand are growing strongly. In 2005, US visitor arrivals to Thailand totalled 585,400, up 5% over 2004, with particularly strong growths in repeat visitors and FIT. In the first half of this year, US arrivals at Bangkok International airport totalled 291,327, up 9% over the same period of 2005.

We are expecting this growth to continue strongly in future. Our national airline now flies direct non-stop services to both New York and Los Angeles with the ultra-long range of a new Airbus 340-500 aircraft, making Bangkok the ideal gateway, especially now that we have opened Bangkok's magnificent new Suvarnabhumi airport.

Allow me to inform you that this year we are commemorating the 60th anniversary of His Majesty the King's accession to the throne, making him the world's



longest reigning monarch. As part of the continuing year-long Royal Celebrations, an international horticultural exposition is to be held from Nov 1, 2006 - Jan 31, 2007 in the northern city of Chiang Mai, to be known as the Royal Flora Ratchaphruek 2006.

Thirty-two nations have so far confirmed their participation in the expo, the first of its kind in Thailand and Southeast Asia, designed to celebrate the agricultural ingenuity of His Majesty the King and his extensive contributions to the rural development of Thailand. A one-of-a-kind event, a total of 2,500,000 plants, including over 2,200 species of tropical plants and flowers will be on display. More than 50,000 orchid plants of a thousand varieties from around the world will be showcased, the most extensive displays of rare and varies species of orchids ever seen. For further details about visiting and participating in the Royal Flora Ratchaphruek 2006, including accommodation and registration, please log on to <http://www.royalfloraexpo.com/>.

Ladies and gentlemen

Now, allow me to discuss the topic at hand.

Let me begin with the devastating tsunami of Dec 26, 2004 which struck some of our popular southern resorts. As many of you probably know, it was the largest in living memory, tremendous in both scale and scope, leading to unprecedented loss of life.

Here is a statistical appraisal of the damage, death and destruction it caused:

- Phuket: 962 dead and missing, 78 hotels with 5,102 rooms destroyed
- Krabi: 2,336 dead and missing, 62 hotels with 2460 rooms destroyed
- Phang-nga: 6,437 dead and missing, 99 hotels with 5,295 rooms destroyed
- Ranong, Trang and Satun: 200 dead and missing. Minimal damage to hotels.
- 239 hotels with 12,857 rooms damaged
- Economic loss of 63 billion baht (about US\$ 1.6 billion) revenue
- 294,600 Jobs lost
- Over 58,000 people or 12,000 households affected
- Over 4,800 homes totally or partially destroyed.

- Estimated loss from structural damage of tourism products and services stands at 39 billion baht (US\$ 1 billion).
- About 500 fishing villages affected, with nearly 6,400 fishing vessels destroyed or damaged.
- Damage to fisheries alone amounted to some US\$ 45 million.
- About US\$ 26 million worth of damage to property and infrastructure, including roads, bridges and piers.
- In economic terms, the tsunami was estimated to reduce our GDP growth last year by 0.50%, or actually around 900 million US\$.

In Thailand, seventy per cent of the damage was concentrated in the popular resort town of Khao Lak in the southern province of Phang-Nga. The nearby fishing village of Baan Nam Kem was also literally destroyed.

Immediately after the disaster, the Thai Government, in close collaboration with the private sector and non-governmental organizations, moved quickly to provide immediate relief and temporary shelters for displaced victims. We undertook various projects during the first stage of our rehabilitation and reconstruction work to help those affected.

We quickly developed a strategic plan for integrated coastal management. This included the clean-up of the environment and the rehabilitation of affected areas. We provided the victims with the means to help themselves and restore their livelihoods.

As governments, our job is to ensure jobs and livelihoods. Businesses cannot operate unless governments provide infrastructure support. And for this, we followed a two-pronged approach, 1) rebuild and rehabilitate the destination; and 2) market it to ensure that visitors return.

The first part has been done. Government agencies have restored and rehabilitated all the infrastructure, including roads, telephone, water, electricity and garbage/sewage disposal facilities.



Secondly, the Tourism Authority of Thailand carried out extensive surveys and executed plans to restore the confidence of domestic and international travellers and achieve a rapid turnaround and the speedy recovery of affected areas.

The Thai Cabinet approved an extra marketing budget of about US\$ 38 million to re-position the six Andaman coast provinces – Phuket, Krabi, Phang-nga, Trang, Ranong and Satun -- and launch a pro-active and sustained advertising and public relations campaign to bring back the visitors from our main source markets of Asia, Europe and the US.

The first agents fam trip arrived on January 24, 2005, including travel trade representatives from Japan. They were followed by representatives from Austria, Switzerland, UK, Germany, France and the Scandinavia. They surveyed the affected areas, visited hotels, resorts and beach areas that were restored as well as all the areas that were unaffected operating normally. In early September, we carried out major roadshows in Germany, France and UK, our main markets in Europe. We also stepped up our marketing in the (meetings, incentives, conventions and exhibitions) MICE market.



1. ADVERTISING AND PUBLIC RELATIONS

The TAT undertook a number of TV and Radio spots designed to generate domestic travel by appealing to Thai people to help the Andaman by visiting the Andaman.

We also distributed promotional materials in the form Photo CD DVD clearly showing that many parts of the Andaman region remained unaffected and operating normally, and hence were worth visiting. The same was done through our e-media: www.tourismthailand.org, www.Phuket.com and the website www.andamansunshine.com which is cross-linked to www.tourismthailand.org

2. INTERNATIONAL MARKETING

- TAT in cooperation with TG and Tourism Council of Thailand organized “Mega Fam Andaman Recovery Inspection Trip” during 3-6 March 2005 by inviting over 800 travel agents



worldwide to inspect disaster areas. Opinion survey showed that 80 percent thought that the condition of tourist attractions were better than information received before joining the trip.

- Fam Trip was organised for over 100 members of the media and travel agents from China, Hong Kong and Ukraine
- Major travel agents in cooperation with Tiger Airways and over 20 hotels in Phuket organised charter flights on the sector Singapore-Phuket-Singapore with over 20,000 seats
- Throughout February 2005, nine charter flights were organised from Stockholm with approximately 9,000 persons

3. DOMESTIC MARKETING

- The TAT encouraged travel agents and domestic airlines to organize special packages to encourage travel by local people as well as expatriates through a number of special campaigns.

4. REHABILITATION AND DEVELOPMENT

Among the activities that we organised were:

- Training courses for 10,000 tourism industry personnel in the disaster areas during March-May 2005 to help them find new jobs.





- Professional golf tournament “Volvo Women Open 2005” and “Tiger Skin Games”, one of the “Top Ten of PGA Tour” between 15-17 April 2005, in Phuket. It was broadcast worldwide through BBC World and Trans World Sport to an estimated 1.2 billion viewers.

We also went ahead normally with international events like the Chinese New Year Festival, 9-10 February 2005, in Phuket

Clearly, these efforts produced the desired results. At the Arabian Travel Market (ATM) in Dubai in May 2006, Phuket was conferred a “New Frontiers Awards” as a tourist attraction which could be rehabilitated, developed and brought quickly back to normal condition after a disaster like the tsunami. The award was conferred by the ATM organisers, Reed Travel Exhibitions which also lauded Phuket for its efforts to revive and improve economic conditions as well as attract tourist back to the areas.

Today, Phuket is back to normal. Many houses and schools have been rebuilt. Fishing vessels have been repaired. Micro-credit loans have been offered to affected small and medium size enterprises or SMEs. We have helped many get back on their feet and regain their lives once again. But we must admit that we may have not reached everyone.

Business returned to normal in the high season that began in October 2005. Today, most of the Andaman region is safe and ready to receive visitors. Restaurants, tour operators, hotels and resorts are back in business.

Domestic Thai visitors as well as those from Korea, China, Malaysia, Singapore and Australia all recovered strongly, helping to raise average occupancies in local hotels to 60-70%. The reports from all the public and private sector quarters indicated that the last quarter of the year saw hotel occupancies touch at least 70-80%.

We received massive support from national airline THAI Airways which launched a series of special promotional campaigns for Phuket, Krabi and Trang, with special packages that started at only 4,000 baht per person.



Special events were created to attract visitors, including the “New Look Andaman Festival” in November - December 2005. A Tsunami Memorial Day was commemorated on 26 December 2005 in Phuket to remember the victims of the tsunami.

The primary goal is to record 13.8 million visitors in 2006. We think this should be possible, considering the growth potential of the Indian and Chinese markets, plus intra-regional markets like Japan, Korea and Malaysia. Europe is also an important market. Between January and June 2006, visitors at Bangkok International Airport totalled 4.78 million, up 24.02% over the same period of 2005.

Many coastal resorts, fishing villages and communities still require more work to recover fully. In addition, we are working on immediate and long-term measures to take care of the homeless and the psychologically affected people.

The most important challenge now is to ensure that adequate protection measures are in place should another tsunami strike. No-one can prevent earthquakes and other natural disasters, but we can provide early warning to ensure that people can protect themselves.

Immediately after the tragedy, the Thai Government began intensive discussions with regional governments to establish such a system to protect against future tsunamis. Within five months, a National Disaster Warning Centre was opened in Phuket on 30 May 2005. The centre will be able to identify where undersea earthquakes occur and determine the possibility of a tsunami as well as where and when it would hit.

It involves a vast network of media communication links, radio and television, even SMS text message facilities and watchtowers. Training programmes and awareness campaigns were carried out to help educate the local people, tourism industry personnel, students and tourists themselves about what to do in case a tsunami strikes again.

With a well-functioning early warning system and well-defined disaster prevention and mitigation plan with clear action steps and precautionary measures in place, the Thai travel industry is hopeful visitor confidence will remain high and that travel to Thailand’s beach resorts along the Andaman Coast will continue in full flow.

“ Although the global headlines for a few days were full of scare-words like “military coup”, in actual fact nothing happened. There was no violence or bloodshed. ”

There are plans to create Tsunami Memorial Spots, a Tsunami Memorial Museum in Phang-nga province, and a Convention and Exhibition Centre in Phuket. The Long-term Development Plan involves Extension of Phuket International Airport, Upgrading of Krabi Airport to International Airport and Implementation of a comprehensive Andaman Development Plan over the next five years.

THE CHANGE IN GOVERNMENT

Ladies and gentlemen,

After that crisis, from which we have just recovered, we had been hoping for a few years of peace. I must admit that we held our breath on 19 September 2006, when a peaceful change in government was carried out.



Although the global headlines for a few days were full of scare-words like “military coup”, in actual fact nothing happened. There was no violence or bloodshed. We received a few cancellations of some travel plans, including participation in a few conventions, but the vast majority of business flowed normally as both the public and private sectors mobilised to let the world know that there was absolutely no problem.

As of today, we have a new Prime Minister and cabinet. Everything is back to normal and accepted by the Thai People. The country is in full swing recovery mode.

Our only regret is that inspite of the total absence of violence, governments of the United States, UK and Australia issued their usual advisories “cautioning” their people against travelling to Thailand. We found this rather strange, given the fact that TV images were showing pictures of tourists being photographed in front of the tanks.

I would urge you all to call on your governments to end these travel advisories which, in the Information Age, serve no useful purpose any more. People are becoming smart travellers and are capable of making up their own minds.

“ I would like to urge you all to think carefully on the many political crises we are facing these days at a global level and decide whether we can afford any more of these. ”

There are also many other channels of information, and at the end of day, we in Thailand are more responsible for ensuring the safety and security of visitors, just as your safety and security authorities are responsible for ensuring our safety here.

AVIAN FLU

There is talk of a global pandemic looming at any time. I think it would be safe to say that we learnt from the devastating SARS scare of 2003 and are much more proactive and alert.

Medical authorities throughout South East Asia and in fact here in the US too, are working with international groups like the World Health Organization to prevent an outbreak. We are confident that our authorities in Thailand are on the story, and well-prepared to deal with any problem.

CONCLUSION

Ladies and gentlemen,

Allow me to conclude with a few words of friendly advice. Your conference programme very specifically referred to “political crises” as one of the major concerns.

I would like to urge you all to think carefully on the many political crises we are facing these days at a global level and decide whether we can afford any more of these. Political crises are caused by political leaders and all countries that follow democratic forms of government need to ensure that their political leaders do not lead them into unnecessary wars and conflict that can cause problems for us and, more importantly, our children. If they do, then it is our right and responsibility in democratic societies to hold them accountable for any subsequent problems.

I think you understand what I am saying. I don’t need to elaborate.

Allow me to conclude on that note. Once more, I would like to thank the organizers for inviting me here, and I will be happy to take a few questions.

AFTER THE PEACEFUL COUP, A BRAND NEW AIRPORT OPENS



Ms. Juthaporn Rerngronasa

Deputy Governor for International Marketing

THAILAND BRIEFING, WORLD TRAVEL MARKET LONDON 6-9 NOVEMBER 2006

It is truly a pleasure to have you here and to see so many supporters of Thailand. In a rapidly changing world, friendships and good relationships take on tremendous value, and we are very happy to see that Thailand has so many friends.

This is a very special year for us, as we are commemorating His Majesty King Bhumibhol Adulyadej's 60th year of Accession, making him the world's longest reigning monarch. Last June, Thailand celebrated the momentous occasion with a grand five-day extravaganza graciously attended by kings, queens and royalty from 25 countries. It was the largest gathering of global royals in recent history, a reflection of what His Majesty the Sultan of Brunei called the "respect and honour" that they have for the world's longest reigning monarch and his phenomenal contribution to Thailand's independence, and political and economic stability.

The British royal family was represented by the Prince Andrew, the Duke of York. After the formal ceremonies, the Prince was obliging enough to meet with the local British Chamber of Commerce and also visit some of the international schools in Thailand which follow a British curriculum.

I also briefly want to mention the other "momentuous occasion" we experienced this year -- the change in government last September. The reasons that led to this are perhaps too detailed to discuss here but let us just

“ In spite of some travel advisories issued by various governments, unfortunately including the UK, travel and tourism to Thailand was virtually unaffected. ”

say that it is for the long-term good of the country. We now have a highly respected Prime Minister and some very efficient people in our cabinet which will truly comprise His Majesty's government in shape and form. Elections are to be held again in October next year and the country will be returned to the people once some of the flaws in its democratic foundations are corrected.

In typical Thai style, it was a “smooth as silk” military coup with absolutely no violence. In spite of some travel advisories issued by various governments, unfortunately including the UK, travel and tourism to Thailand was virtually unaffected. The entire country is at peace and functioning normally.

UK MARKET

In terms of visitor arrivals, there is extremely good news. The United Kingdom is continuing to pull ahead of Germany as Thailand's most important source of arrivals from Europe, and the fourth largest source of arrivals overall.

In January – July 2006, arrivals from the UK at Bangkok International Airport grew 9.58% to 381,606. Total arrivals to Thailand in that period were 5.63 million up 21.54% over the same period of 2005.

As of October 2006, there were 33 direct scheduled flights per week between Bangkok and London being operated by five airlines – THAI Airways International, British Airways, Qantas and Eva Air.

We also track market profiles but these take a little time to analyse. The latest information we have for this year covers the period January – February 2006, but do provide some clear indicators of some very promising trends, as follows:

- Convention delegates from the UK were up 134.62% to 8,179.
- Repeat visitors were up a huge 17.98% to 84,196.
- This corresponded with a 24.37% increase in FIT visitors, to 115,235.
- The number of student travellers were up by 36.59% to 9,821.

THAILAND UNFORGETTABLE

This year, we are pursuing a target of 13.80 million international arrivals and 15 million in 2007. The new marketing slogan, “Thailand Unforgettable” is a key component of the brand-building strategy which will include strong efforts to maintain market share, boost tourism revenue earnings and enhance Thailand’s competitive edge.

Our competitive market research shows that that Thailand features amongst the top ten global destinations in the holiday segments of beach holidays, family destination, nightlife and conventions. Research by other publications like Lonely Planet, popular with the young people, show Thailand is already the top-rated destination in terms of value and food. It has also been rated as having the “Most Exciting Outdoor Market.”

Markets targeted for intensive promotions are mainly in the Europe (UK, Scandinavia, France, Italy, Russia and Spain) and North East Asia (China, Japan, Korea, Hong Kong and Taiwan). Short-haul markets where people are travelling for shorter periods but more frequently include Malaysia and Singapore.

Other strategies will be designed to build Thailand’s image as a gateway to the Greater Mekong Subregion, increase tourism revenue and make better use of technology, both as a means of marketing as well as a medium of getting updated customer feedback.

Here in the UK, the Tourism Authority of Thailand London is promoting the growth of all things hip, intimate and boutique as part of its new destination marketing campaign launched in the United Kingdom to attract visitors to the country — ‘CHIC By Thailand’.

The focus on ‘chic’ comes because of the ever-growing mix of new and lavish hotels, eateries, bars and attractions throughout the country. The recent explosion of many new boutique-style properties is prominently featured in the new dedicated brochure for the discerning traveller, presenting a collection of the highlights including the most stylish hotels, restaurants and bars. This has been produced in conjunction with tour operator partners and includes a range of special offers on holidays to Thailand. The campaign will also include an integrated advertising, PR and on-line campaign to communicate the message.



SUARNABHUMI AIRPORT

As you are aware, Bangkok's brand new Suvarnabhumi airport was opened for business in the early hours of 28 September 2006. The new world-class facility, which now boasts the world's largest passenger terminal, puts Bangkok ahead of other regional airports that have opened in Asia in recent years. We had a few initial glitches involving baggage deliveries but these have all been gradually resolved and the new airport is operating smoothly.

Being positioned as the new "Gateway to Asia," the new airport cost roughly US\$ 4.07 billion, and is handling just under 100 domestic and foreign airlines, both cargo and passengers. The fastest growing are low-cost airline passengers.

As 80% of all visitor arrivals to Thailand enter through Bangkok, it will give a new impetus to travel & tourism throughout the region. It is superbly connected by expressway to all the inner Bangkok city hotels as well as to the beach resort of Pattaya. The surrounding area, today largely a greenfield, is also set to fill up with housing estates and commercial areas to support the thousands of people who will work at or near the airport.

Our national airline Thai Airways International has plans to promote it extensively as part of its growth plans for 2007. It has five business and five first class lounges and a smart transit lounge to help it better tap the huge potential for stopover traffic between Asia and the world's continents.

ROYAL HERITAGE

Ladies and gentlemen,

Allow me to conclude with a few highlights of our Royal Celebrations Year.



One of the world's most spectacular floral exhibitions is now under way in the northern city of Chiang Mai. The Royal Flora Ratchaphruek 2006 will continue until Jan 31, 2007 and features floral and horticultural exhibits by 32 nations. It is the first of its kind in Thailand and Southeast Asia, designed to celebrate the agricultural ingenuity of His Majesty the King and his extensive contributions to the rural development of Thailand.

More than 2.5 million plants are on display, including over 2,200 species of tropical plants and

flowers and more than 50,000 orchid plants of a thousand varieties, the most extensive displays of orchids ever seen.

The theme “To Express the Love of Humanity”, is designed to raise consciousness of the need to invest in greener cities, making life less violent, more peaceful and healthier. It reflects His Majesty the King’s belief that even in our time of highly developed technology, flowers and plants will always be an integral part of people’s life.

The Expo is being organised by the Ministry of Agriculture and Cooperatives, Department of Agriculture and Horticultural Science Society of Thailand, supported by the International Society for Horticultural Science and the World Flower Council. Leading Thai and global corporations are participating in the form of individual Corporate Gardens, all of which are being elaborately designed to be both scenic and educational, incorporating His Majesty’s concepts and theories of economic self-sufficiency and also reflecting Thailand’s art, culture and way of life.

I would also like to briefly draw your attention to some of the other royal projects.



Bangsai Arts and Crafts Centre

Founded by Her Majesty Queen Sirikit, this poverty-alleviation project focusses on her interest in locally produced handicrafts. Located near Bang Pa-In, not far from Bangkok, the centre features an Arts and Crafts Village with many traditional houses in different styles of architecture from all over Thailand. The village is a permanent place for display and demonstrate Thai arts and culture, such as way of life, folk shows and plays. Arts and crafts products, from across the country, are on sale.

The Mae Fah Luang Foundation

The Mae Fah Luang Foundation under the patronage of Her Royal Highness the Princess Mother (the late mother of His Majesty the King) is designed to improve the livelihood of the hill-tribes, each of which has its own distinct and beautiful handicraft which provide a good source of supplementary income. Tribal peoples are taught how to modify their handicrafts to meet commercial standards, and introduce the products to the market.

It has gone a long way towards weaning the hilltribes away from producing their former means of income, opium. One of its specific activities is the Doi Tung Development Project which involves work in agriculture, industries, biotechnology and handicrafts. International links in trade and industry help improve the economy of the entire Northern region. It produces an increasingly popular brand of coffee marketed under the same name, Doi Tung.

CONCLUSION

Ladies and gentlemen,

I hope that has given you plenty of ideas on new projects and subject matter for stories. Thank you for being here today as well as your continued support for Thailand. I will be happy to take a few questions.

THAILAND
THE GREATEST
STORY IN GLOBAL
TOURISM HISTORY

A 60TH ANNIVERSARY TRIBUTE TO
THE TOURISM AUTHORITY OF THAILAND
