

THAILAND THE GREATEST STORY

IN GLOBAL
TOURISM HISTORY

A 60TH ANNIVERSARY TRIBUTE TO
THE TOURISM AUTHORITY OF THAILAND



Key Developments

2008

- World financial crisis 2008 - 2009
- ASEAN Tourism Forum (ATF) held 23 - 25 January, Bangkok
- PATA CEO Challenge held 29-30 April, Bangkok
- 91st Lions Clubs International Convention with more than 25,000 delegates, held 23-27 June, Bangkok.
- International Indian Film Academy awards held between 6 - 8 June in Bangkok
- Anti-government protests shut down Suvarnabhumi airport Nov 25 to Dec 3, 2008.

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CEMENTING THE ASEAN TOURISM HUB STRATEGY



Mrs. Phornsiri Manoharn
Governor

ASEAN TOURISM FORUM 2008 23 JANUARY 2008

Thailand is proud to once again welcome all media to the ATF 2008, the annual event that brings together the private and public sector executives in one of the fastest growing regional industries. I am honoured and delighted to welcome you here today. Thank you all for giving me an opportunity to update you on the latest developments in Thai tourism, especially those related to the ASEAN market.

First, allow me to explain that these are both happy times and sad times for Thailand. Last year we celebrated the 80th birthday of our beloved monarch, His Majesty the King.

At the same time, the Thai nation is mourning the passing of our beloved Princess, Her Royal Highness Princess Galyani Vadhana, the sister of His Majesty. That is why you will see many people in Thailand still wearing black and white attire as a mark of respect. While life goes on, there is very much a sombre mood in the country.

Having said that, allow me to get straight into the business at hand and provide you with the information you seek. First, an update on the latest tourism situation.

“ A very important change that we have made in our marketing campaigns for the year 2008 is to reinforce the Amazing Thailand slogan that proved so successful in 1998-99. ”

VISITOR ARRIVALS TO THAILAND

In January – December 2007, international visitor arrivals at Suvarnabhumi International Airport totalled 10.37 million, an increase of 5.82% over the same period of 2006. Although there has been strong growth in arrivals from Europe (14.65%), South Asia (14.66%) Oceania (20.02%), and the Middle East (14.06%), there has been a decline in arrivals from key Asian source markets like China and Taiwan. However, this has been partially offset by strong growth in arrivals from Russia (54.61%), India (19.22%), and Australia (22.95%), among other emerging markets.

Overall, we are optimistic that after the direct arrivals at our other international gateways, and the border checkpoints are factored into the equation, we will have achieved our target of 14.5 million visitor arrivals in 2007 and estimated revenue of 547.5 billion baht. The domestic tourism target is for 82 million domestic trips with a projected revenue of 377 billion baht.

In 2008, we are projecting 15.7 million visitor arrivals, up 6% over the projection for 2007, with tourism revenue projected at 600 billion baht. The domestic arrivals target in 2008 is 83 million trips, up 1.23%, and earnings of 385 billion baht.

AMAZING THAILAND

A very important change that we have made in our marketing campaigns for the year 2008 is to reinforce the Amazing Thailand slogan that proved so successful in 1998-99. Many people in the industry still remember it fondly. It does underscore the image of Thailand as a peaceful, hospitable country, and a year-round tourism destination with high quality of value-for-money products and services. This will remain our marketing slogan for the foreseeable future.

Thailand has a generally very positive image in the world, which gives it a significant competitive advantage. However, we have to change with the times. In our marketing meeting, we analysed the changes in consumer behaviour and then took stock of our inventory of products and re-classified them into seven clear categories in order to help us market each in a clearly focussed and segmented manner, backed up by specific marketing slogans. These seven are:



1. Thainess: which refers to traditional Thai hospitality, lifestyle and friendliness of the people, always a key selling point for us. Traditional Thai products such as cultural tourism, Thai food and fruit carving, Thai boxing and Thai classical dance, etc. Interesting places to experience such as Siam Niramit, Traditional Thai Puppet Theatre (Joe Louis Theatre), Khon Sala Chalermkrung, Le Cordon Bleu Dusit Academy of World Cuisines, and Rose Garden Cooking School.
2. Treasure products: which refers to our World Heritage Site and historical places, temples, and Thai museums.
3. Beaches: which builds on the long-standing popularity of our beach resorts for international and domestic tourism.
4. Trendiness: targetted at the new generation of young travellers, highlighting the vast variety of new boutique hotels (such as Let's Sea Hua Hin, Indigo Pearl Phuket, Pavillion Samui Boutique, The Tubkaak Krabi Boutique Resort), shopping centres (like Siam Paragon, Central World, The Esplanade), restaurants (for example: The Deck by the Chao Phraya River, Sirocco, Virtigo Grill & Moon Bar Banyan Tree Bangkok), nightlife and entertainment.
5. Nature: which will focus on conservation and the environment, including our national parks.
6. Health and wellness: focussing both on preventive and curative therapies and treatments.
7. Festivities: the 'sanuk' factor, which highlights popular major events and festivals such as the Hua Hin Jazz Festival, Bangkok International Dance and Music Festival, Phuket Regatta, etc.



NEW TOURISM PROPERTIES IN THAILAND

All over Thailand, one of the most important new trends is the significant change taking place in the quality of our tourism products. The emergence of a whole range of chic, boutique properties catering for individualised, niche-markets is a critical component of this.

Among these properties are the Mandarin Oriental Dhara Dhevi, the Pangviman Place, and the Rarin Jinda Wellness Spa Resort. These properties were highlighted in the first Chiang Mai Travel Fair held last year, a show that we hope will become an annual feature on the calendar.



Also, this year's ATF has special business opportunities for Small and Medium Enterprises (SMEs) in Thailand to sell their products.

There are 28 brand new SMEs with us this year comprising 22 hotels, 5 tour operators, and 1 Spa and Health Care centre.

THE ATF AND TRAVEX

And now, a few details about the ATF itself. This year, we are proud to welcome the largest contingent of buyers, sellers, and participants ever.

The total of 650 hosted and non-hosted buyers confirmed as of today (16 January 2008), a majority of 300 are from Asia, including 47 from Singapore, 39 from Malaysia, 34 from India, 31 from Indonesia, 21 from Vietnam, and 45 from Thailand itself.

Another 255 buyers are from Europe including the UK (57), Germany (47), The Netherlands (21), and France (15). Other key markets include the United States (39) and Australia (31).





“Cruising will grow strongly as our facilities improve, especially in terms of port operations, port services, customs, and immigration.”



Amongst the sellers, the largest contingent is from the host country, Thailand (184 of the 446 organisations), followed by Indonesia (61), Malaysia (56), Singapore (25), Philippines (17), Vietnam (17), Myanmar (9), Brunei and Cambodia (7 each), and Lao PDR (5). The rest are multinational corporate organizations.

OUR VIEW ON THE FUTURE OF ASEAN TOURISM

We are very positive about the future of ASEAN tourism. We strongly believe in the synergy of our destinations as we together seek to hold our market share against other regions and continents in a highly competitive environment. Whether it is the opening of the new Terminal Three at Changi Airport in Singapore, or the strong emergence of new destinations in Vietnam, any visitor that comes to the region sooner or later comes back to see and experience another fascinating part of our unique cultures. Truly, a rising tide does lift all boats.

There are also a number of specific reasons for my optimism.

Cruising will grow strongly as our facilities improve, especially in terms of port operations, port services, customs, and immigration. This website: www.cruiseasean.com should offer you a glimpse into the respective port information about each of the ASEAN countries.

Thailand and Cambodia will have a joint visa in order to enable foreigners to visit both countries with one visa. The agreement will come into force within the first quarter this year.

Under the Greater Mekong Sub-region Cooperation: GMS, there are many sub-region roads link through the Economic Corridors : North-South, East-West and Southern. Route 9 connects the East West Economic Corridor (Myanmar-Thailand-Lao PDR and Vietnam) and currently, many Thai tourists travel to Hue, Danang and Hoi Anh the World Heritage Site of Vietnam. The North South Economic Corridor (Thailand-Myanmar-Laos-China) is connected with Route 3 West, Route 5 and Route 3 East. Lastly, the Southern Economic Corridor (Thailand-Cambodia-Vietnam) are going to be linked with Route 1 and 10.

Low-cost airlines will continue to make an impact as they boost the number of flights to the many under-utilised airports of the ASEAN region.

The source markets of China and India will continue to produce strong growth in line with their advancing economies

Our convention and exhibition facilities are improving. This year, Thailand will host the Lions Club convention which is going to be held in Bangkok at IMPACT, Shangri-La Hotel Bangkok and Royal Cliff Resort Pattaya between June 23-27, 2008, with almost 20,000 expected to join.

UPCOMING EVENTS

Finally, allow me to mention that this year will be a very important year for us with a number of important travel events that you should not miss. These include:

1. PATA CEO Challenge 2008 is to be held in April 23-24, 2008, at the Centara Grand and Bangkok Convention Centre and Central world. It is the first of the new format events that PATA plans to hold instead of its former annual conference.
2. Thailand Travel Mart Plus Amazing Gateway to Greater Mekong Subregion will be held in June 5-8, 2008, at the Impact Exhibition Centre.
3. Songkran Festival, April 13 - 15, 2008, all over Thailand.
4. The Royal Trophy 2008 Europe Vs Asia Golf Championship, May 2008, at the Amata Spring Country Club, Bangkok, Thailand.
5. Amazing Thailand Grand Sale 2008, during June 1 – August 31, 2008, in Bangkok, Chiang Mai, Pattaya, Phuket, and Hat Yai.

Thank you for being with us. Your continued support is very important to the success of the Thai and ASEAN tourism industries. I wish you a productive stay in our kingdom.

DEMOCRACY RESTORED AFTER THE ELECTIONS



Mr. Weerasak Kowsurat
Minister of Tourism and Sports

ITB BERLIN, 7 MARCH 2008

I am very happy to be in Germany, along with members of the Thai travel & tourism industry. It is a privilege and honour to be of service to an industry that is one of Thailand's largest foreign exchange earning sectors as well as one of its major job-creators. This is my first time at the ITB Berlin and I must say I am overwhelmed by the size of this show, a clear reflection of how large and important the global travel & tourism industry is.

Along with all my colleagues in the public and private sectors, I am happy to be here and to take part in this wonderful event. I look forward to meeting many of you and building mutually beneficial relationships that will last well into the future.

Allow me to take a few minutes of your time to give you some broad outlines of what we have in mind for the travel & tourism industry, after which I will be happy to take a few questions.

THAILAND OUTLOOK

The most important development has been the recent elections in Thailand and the formation of a democratically elected government. As a result, we are now back on the democratic path. That is a major achievement because it means that everything will be done in line with the principles of democracy and public participation.

“ We will support small and medium sized enterprises, and in line with that, we will seek to promote investments in travel and tourism, because it is not just visitors that the country must attract but investors, too. ”

Since assuming office, I have taken some time to familiarise myself with the various aspects of the Thai travel & tourism industry. I have learnt about the projects, programmes and activities, both within Thailand and worldwide. I must say I am very impressed by the promotion and marketing of an industry that has become one of Thailand’s most important foreign exchange earners and job creators. My job is to maintain the momentum in line with the new policies of the new government under Prime Minister Samak Sundaravej.

I believe that a strong and efficient travel and tourism industry will benefit everyone and allow all the stakeholders to get their fair share of the resulting business. In order to develop that, here are some key points of our new policy platform:

- The government will soon announce 2008-09 as the year of “Visit Thailand Years.”
- Promote high-yield and quality tourism, especially those with high spending power and a higher appreciation of culture and the environment. We will also attract visitors from new markets like Russia, China and Middle East.
- We will promote high-potential customer segments seeking world-class products such as hot-springs in North Thailand, spas, river tourism in the central region of Thailand, long-stay, home stay and farm stay, medical tourism and other such sectors in which Thailand has a clear competitive advantage.
- We will support small and medium sized enterprises, and in line with that, we will seek to promote investments in travel and tourism, because it is not just visitors that the country must attract but investors, too. Over the long-term we will seek to set up a “Tourism Bank” which will focus specially on small and medium sized enterprises.
- We will support the continued promotion of Thailand as a film-making destination, due to the positive and long-lasting visual impact of documentaries, advertising clips and feature films.
- We will strive to strengthen Thailand’s brand image.
- We need to boost cooperation between the public and private sectors to work together on the basis of mutual trust and respect along the principles of good governance and transparency, with a strong level of public accountability.

- We need to improve convenience, hygiene, and safety and needs of tourists, which will all help to encourage more people to travel.
- I plan to conduct an inventory of Thailand's tourism products and destinations with a SWOT analysis to identify each of their strengths and weaknesses. The selected products will be classified into five "classes" — cluster, provincial, national, regional class and world class – to facilitate marketing.

PERFORMANCE FIGURES



I am happy to report that our tourism industry is doing well.

In 2007, we received 14.4 million visitors, up 4.6% over 2006. That is absolutely in line with our target. This year, we are projecting 15.7 million visitor arrivals, up 6% over 2007, with tourism revenue projected at 800 billion baht. The domestic arrivals target in 2008 is 83 million trips, up 1.23%, and earnings of 385 billion baht.

Germany is Thailand's second highest source market from Europe, second only to the UK. In 2007, Thailand recorded 544,495 German visitors (by nationality), up 5.4% over 2006. We are seeing strong growth in the number of German first-time travellers, convention delegates, students and especially retired people. The average length of stay has now risen to 16 days.

Indeed you will be happy to know that in 2007, we received a total of 3.9 million arrivals from Europe at large, up 11.8% over 2006. The strongest growing segment was Russia (+47%), Finland (+29%) and Sweden (+23%).

“

I plan to conduct an inventory of Thailand's tourism products and destinations with a SWOT analysis to identify each of their strengths and weaknesses.

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FUTURE OUTLOOK

Overall, we are optimistic that arrivals from Germany and Europe will continue to grow strongly.

One good thing is that Thailand has a generally very positive image in the world, which gives it a significant competitive advantage. In the old days of rapid tourism growth, we became a mass-market tourism destination but in recent years, we have made a conscious effort to change and focus more on quality rather than quantity.

Thailand has a well-established reputation as a peaceful, hospitable country, and a year-round tourism destination with high quality of value-for-money products and services.

We have also repositioned our product offerings in line with changes in consumer behaviour. We took stock of our inventory of products and re-classified them into a number of clear categories in order to help us market each in a clearly focussed and segmented manner.

Our capital city of Bangkok is seeing major new improvements. New boutique hotels, spas, shopping centres, department stores, restaurants, convention and exhibition centres, tourist attractions and entertainment spots are emerging everywhere as Bangkok becomes a supremely cosmopolitan city.

Next year, we are anticipating the opening of the rail-link between Suvarnabhumi airport to downtown Bangkok, which will make it even more convenient for visitors, especially business travellers.

UPCOMING EVENTS

Before I take a few questions, allow me to give you a quick update on some upcoming events.

- The PATA CEO Challenge 2008 will be held April 29-30 at Centara Grand and Bangkok Convention Centre and Central World
- Thailand Travel Mart Plus (TTM+2008) Thailand Travel Mart Plus Amazing Gateway Mekong Subregion in conjunction with The Annual Thailand Tourism Festival (TTF 2008) June 5-8.
- Songkran Festival, 13-15 April 2008
- Amazing Thailand Grand Sale 2008, 1 June – 31 Aug in Bangkok, Chiang Mai, Pattaya, Phuket and Hat Yai
- Loy Krathong in November
- Phuket King's Cup Regatta and the Laguna Phuket Triathlon, both in December.

It has been a real pleasure to be with you today. Thank you for sparing your valuable time for being with us today.

THAI TOURISM PRIVATE SECTOR REINVENTING PRODUCTS AND SERVICES



Mr. Weerasak Kowsurat

Minister of Tourism and Sports

PATA CEO CHALLENGE, 29 APRIL 2008

On behalf of the Royal Thai Government and Thai tourism industry, I am very honoured to welcome you all here this morning. Allow me to begin first by thanking the board members of the Pacific Asia Travel Association for choosing Bangkok as the first city to host the PATA CEO Challenge 2008.

Thailand and PATA share a long history. Bangkok was chosen as the city to host the association's headquarters following its move from San Francisco. We were the first country to be chosen as host of the PATA Travel Mart following its return to the rotation system. We have proudly hosted many previous marts, conferences and seminars, many of which have played a major role in advancing the cause of Asia-Pacific travel & tourism. We are proud that Thailand is continuing to play a major role in the evolution of PATA.

Distinguished delegates,

Today, we are again proud to be hosting the first of these new-format PATA conferences. We believe that the conference's theme, focusing on climate change, is both timely and appropriate. The travel and tourism industry is a primary beneficiary of a clean and healthy environment. Fresh air, unpolluted waters, lush jungles and a pristine natural landscape are very much in demand, especially as people seek to get away from their high-stress lifestyles.



At the same time, however, we have to recognise that the increasingly important travel and tourism sector - totalling 846 million international arrivals and some 4 billion domestic trips in 2006 - is both a contributor to greenhouse gas (GHG) emissions, and at the same time highly vulnerable to the effects of climate change.

Many international travel industry organisations are doing their part to alleviate the situation. The issue was addressed at the Second International Conference on Climate Change and Tourism in Davos organised by the UN World Tourism Organisation last October. There is widespread recognition that the tourism sector needs to focus on both, adaptation measures in affected tourism destinations in order to safeguard economic returns and jobs, and mitigation measures of specific forms of tourism in order to achieve substantial emission reductions.

Just last week, the International Air Transport Association (IATA) signed a historic commitment to tackle climate change along with top industry leaders. It commits the airline industry to attain a 25% fuel efficiency improvement target, and more importantly towards achieving the vision of carbon neutral growth and eventually a carbon emission free industry. Here in Bangkok, over the next two days, the Asia-Pacific region will also join the effort, perhaps not a moment too soon.

Distinguished delegates,

Thailand is proud to be doing more than its fair share in terms of protecting the natural environment by developing sustainable tourism. Both individually, collectively and in partnership with our environmental organizations and foundations, the Thai public and private sectors both are providing high-quality travel experiences in some of the most spectacular parts of the world. We are clearly demonstrating that environmental protection and cultural respect are compatible with running a successful business.

As we look into the future, however, we realise that we will have to become a little bit more conservative in our future growth plans. This will require us to stress quality over quantity, a

policy that we feel will become even more important worldwide. That is why we are proud to be the home of one of the world's most effective ways of environmental conservation – the Sufficiency Economy concept championed by His Majesty the King.

This Sufficiency Economy concept is now being increasingly followed because it stresses the moderate practices in Buddhism which are people-centred and go beyond technical knowledge to incorporate the principles of wisdom and morality. A number of projects initiated by His Majesty are now open for public viewing, under the name of Royal Discovery Initiative projects. Please do find the time to visit some of these projects, a few of which are within driving distance of Bangkok. You will find them to be of considerable benefit in formulating your own plans and strategies going forward. Indeed, I believe the concept of sufficiency economy will play a major role in setting new benchmarks for the management of tourism in future.

In addition, I am proud to say that we also have projects such as the Green Leaf Foundation's environmental standards and energy efficiency scheme for hotels, Green Fins, Environmental Quality Index for Tourist Beach Assessment, and the Thailand Tourism Awards. All of these are designed to reward good practises and ensure that the people who live in the tourist areas benefit economically from tourism and thus have the incentive to conserve their environment.

“ Today, Thai health and wellness products are well-known all over the world. Age-old methods of Thai healthcare are rooted in traditions that place the preservation of environment and culture at their very heart. ”



The Thai tourism private sector is also reinventing its products and services to reflect the new “holistic” approach to life in general. Today, Thai health and wellness products are well-known all over the world. Age-old methods of Thai healthcare are rooted in traditions that place the preservation of environment and culture at their very heart.

At the same time, we have seen a phenomenal increase in the number of small, exclusive boutique hotels



designed for guests seeking a comfortable, delectable ambience in natural and environmental surroundings. The survival and success of these products is based entirely on how well we take care of the environment from which they draw their strengths.

Distinguished delegates,

Having seen all this, we hope you will use the valuable information and knowledge gained from this event to support the Thai tourism industry. We hope you will consider Thailand favourably as a venue for future meetings and conferences. We also hope to work with PATA to attract more such events, which will also help us continue to improve the quality of our environmentally-friendly products and services.

In conclusion, ladies and gentlemen, I would like express my full confidence that this event will go a long way towards helping us all gain a wider perspective on the pressing issue of climate change. It will also help us emerge with new ideas and new policies of critical importance to the future of both our industry and our planet. The significance of this landmark event cannot be underestimated.

Once again, I thank the Board members of PATA for their confidence in choosing Thailand as the venue, and the members at large for their valuable input in designing the concept. I wish you all the best for a successful conference and look forward to seeing you tonight at our CEO Challenge Dinner.

CAPITALISING ON THE BEIJING OLYMPICS 2008



Mrs. Phornsiri Manoharn

Governor

4th INTERNATIONAL FORUM ON CHINESE OUTBOUND TOURISM 16 APRIL 2008 BEIJING, CHINA

On behalf of the Tourism Authority of Thailand (TAT) and the Thai tourism industry, I am very honoured and delighted to be invited here today to join you this afternoon.

Allow me to take a few minutes of your time to give you a broad update of Thai-Chinese travel & tourism industry, after which I will be happy to take a few questions.

Thailand and China share deep cultural, social, ethnic and economic linkages. Thailand is well known amongst Chinese visitors for its diverse and beautiful natural attractions, rich culture and cuisine, high standards of service and value for money.

Thailand's geographical proximity to China also gives it a major advantage in terms of flight accessibility.

In 1987, when China's outbound travel began, Thailand was the first country to get approved destination status. The only two other places that had received ADS before were both the Special Administrative Regions, Hong Kong and Macau.

In 2007, Thailand welcomed a total of 1 million Chinese visitors. Their average length of stay was 5.75 days and average daily expenditure per person 4,525 baht, which generated tourism income totalling 31,800 million baht, up 10.23% over 2006.

“ Between 1997-2000, there was the post-economic crisis recession period, and the problem of zero cost tours began to surface. Between 2000-2004, we went into a crisis period due to the numerous complaints about the cut-throat competition and the low quality of tours. ”

HISTORY OF THAI TOURISM MARKET DEVELOPMENT IN CHINA

Following the approval of the ADS status, we went through a long learning curve. Between 1988-1992, there was a strong growth in arrivals from China. Visitors enjoyed the pleasure of visiting a new country and were pleased with Thai tourism services. Then, between 1992-1996, it went into decline due to intensive competition, price-cutting and deterioration in the quality of service.

Between 1997-2000, there was the post-economic crisis recession period, and the problem of zero cost tours began to surface. Between 2000-2004, we went into a crisis period due to the numerous complaints about the cut-throat competition and the low quality of tours.

TAT SOLVING LOW QUALITY TOURS PROBLEM

We used a carrot and stick approach:

In Thailand: The Royal Thai government used measures to enforce the law on unethical travel agents and at the same time cooperate with Thai tourism associations to support the professional and ethical travel agents.

In China: The TAT publicised the various tourism products along with a campaign to help Chinese consumers to better understand how to buy quality tour packages. All quality tour packages are backed by guarantee seal of approval. We also supported Chinese travel agents who organised quality tour packages in order to ensure that they continue to attract first-time and repeat customers.

I am happy to report that the measures are producing results, and the situation has much improved.



OLYMPICS IN BEIJING AND TAT PROMOTION

This year, the entire world's focus will be on China when it hosts the Beijing Olympics. Millions of visitors will be in China for the Olympics, opening up many opportunities for Thailand and China to work together.

In 2006, we signed an agreement with the Beijing Tourism Administration (BTA) to combine Beijing and Bangkok as dual destinations. The goal is to boost passengers from Europe and America to travel to Bangkok or Beijing, before or after the Olympics.

At the same time, Thai Airways International and Air China have joined forces to launch joint holiday opportunities that combine a trip to the Olympics with a visit to Bangkok. Visitors can fly with THAI from any of eight key cities in Europe and North America via Bangkok to Beijing, then return home direct with Air China. Or they can travel with either airline in the reverse order.

Both airlines are offering attractive special for this unique vacation plan. In addition, THAI's Royal Orchid Holidays inclusive packages of Beijing and Bangkok provide great value for accommodation and sightseeing options.

We at the TAT will continue to work closely with both CNTA and domestic tourism-related organisations to boost the numbers of Chinese visiting Amazing Thailand. Should you require any assistance, please feel free to contact our offices in Beijing and Shanghai for further details.

I hope that provides you with a good overview of the Thai tourism industry and some of its highlights. Thank you for giving the Tourism Authority of Thailand the honour of addressing you today.

INCORPORATING “SUFFICIENCY ECONOMY” INTO THAI TOURISM DEVELOPMENT STRATEGIES



Mrs. Phornsiri Manoharn

Governor

THAILAND TRAVEL MART 2008 PLUS GREATER MEKONG SUBREGION (GMS) 5 JUNE 2008

On behalf of the Tourism Authority of Thailand (TAT) and the Thai tourism industry, I am very honoured and delighted to welcome you all to biggest tourism event in the kingdom, the Thailand Travel Mart 2008 Plus Amazing Gateway Greater Mekong Subregion and Indonesia Malaysia Thailand Growth-Triangle as well as Thailand Tourism Festival 2008 has grown steadily from being just a Thailand show to a regional show, targetted at both the trade and consumer.

The 392 seller organisations participating this year include 250 hotels & resorts, 32 travel agents & tour operators, 4 ecotourism and adventure operators, 6 wellness & spa, 6 airlines, 10 entertainment, theme park, culture show, 12 golf & other travel products & services, 6 associations & organisations, 16 companies from the Greater Mekong Subregion (GMS) and 41 companies from IMT-GT.

They will meet with 473 buyers from 63 countries, an increase of 31.2% over 2007. Buyers from major markets such as Europe, South East Asia, America and Pacific comprise 81% of the total and the remaining 19% are from emerging markets such as East Europe, CIS countries, Middle East and South America.

This year, for the first time, the Indonesia Malaysia Thailand Growth Triangle (IMT-GT) subregion is being

incorporated into the event in line with the declaration of ‘Visit IMT-GT Year 2008’ at the 3rd Summit in Singapore in November 2007.

The inclusion of both buyers and sellers from Indonesia, Malaysia and Thailand will substantially enhance the appeal and value of attending the show for both trade and consumers.

THAILAND’S TOURISM SITUATION

Ladies and Gentlemen,

I would like to begin with Thailand’s tourism situation followed by highlighted campaign for 2008-2009 and then target and tourism promotion strategy.

Tourism has been one of Thailand’s most successful industries in the last 20 years of socio-economic development. Billions of dollars worth of investment have poured into the industry which is estimated to employ approximately three million people in direct and indirect jobs.

In Thailand, the tourism industry generated income of more than US\$ 22 billion in 2006, almost double the figure for 2001, and represented a proportion of approximately 11% of the GDP. More than half of the income was generated by international tourism.

Tourism revenue is still a major source of income compared with the overall income from the export of goods and services. It ranked second to the export of computers and parts, and accounted for 9% of the income from the export of goods and services.

Presently, the major source markets to Thailand are within Asia, according for up to 60% of total visitor arrivals, since they are short-haul markets from where travel to Thailand is easily accessible and convenient. However, in terms of tourism revenue and earnings, more than half of Thailand’s tourism income comes from other regions such as Europe, the Americas, Oceania and the Middle East.



Thailand is a leisure-based destination. More than 80% of tourists come to Thailand for a holiday. Business travel comprises less than 10%. At the same time, a spectacular increase in our meetings, incentives, conventions and exhibition facilities has led to a very high growth in MICE travel.

As for domestic tourism, in 2006, Thais made 81.49 million trips in the country which generated receipts of 365.3 billion Baht.

Thailand is fortunate to enjoy a strong brand image in the global travel market. In the perception of visitors, Thailand is one of the top ten destinations for rest and relaxation. International travel surveys indicate its leading position in terms of shopping/nightlife/dining, as well as its culture/heritage, exotic features and Thai hospitality. . However, the important plus is the value for money factor.

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Thailand is fortunate to enjoy a strong brand image in the global travel market. In the perception of visitors, Thailand is one of the top ten destinations for rest and relaxation. International

”



MARKETING CAMPAIGNS AND STRATEGIES

In our most recent marketing meeting, we analysed the changes in consumer behaviour and then took stock of our inventory of products and re-classified them into seven clear categories in order to help us market each in a clearly focussed and segmented manner, backed up by specific marketing slogans.

These product segments, tagged the “Seven Amazing Wonders of Thailand”, are: The World’s Friendliness Culture, The Land of Heritage and History, Sun Surf and Serenity, The Beauty of Natural Wonders, Your Sense with Unique Trends, The Beauty of Wellness and Well-being, and The Land of Year Round Festivals.

The World’s Friendliness Culture: refers to the traditional Thai which includes the Thai lifestyle and Thai hospitality served by the Thai heart and Thai smile.

Experience the art of Thai living through the types of accommodation, tours, packages and the traditional food at several places in Thailand such as Bangkok, Phuket, Chiang Mai, Chiang Rai, and many more.

***“ With a coastline of 1500 km,
Thailand is blessed with the natural beauty of
magnificent beaches and islands. ”***



The Beauty of Natural Wonders: focuses on conservation and the environment, and markets Thai products within the framework of the worldwide attention being paid to global warming. Attractive places include Kanchanaburi, Mae Hong Son, Khao Yai, Chiang Mai, Chiang Rai, and many more.

The Land of Heritage and History: covering the World Heritage Sites and historical places, temples, and Thai museums. The historical and the heritage sites are the golden treasures of Thailand.



Sun Surf and Serenity: the long-standing popularity of Thai beach resorts for international and domestic tourism. With a coastline of 1500 km, Thailand is blessed with the natural beauty of magnificent beaches and islands.

Your Senses with Unique Trends: targeted at the new generation of young travellers and covering the new boutique hotels, shopping centres, restaurants, nightlife and entertainment.



The Beauty of Wellness and Wellbeing: a rapidly growing market, highlighting Thailand's preventive and curative therapies. It includes the wide variety of world renowned day spas, medical spas, clinics and hospitals.

The Land of Year Round Festivities: the sanuk (fun) factor, featuring popular Thai events and festivals such as the Phuket Regatta, Elephant Polo, and more.



ENVIRONMENTAL CONSCIOUSNESS

The Thai travel and tourism industry has long been conscious of its environmental responsibilities. There are numerous activities, projects and policies in place to ensure a sustainable environment for travel and tourism. One key area of focus is ensuring more responsible travel by our young people, especially during their school holiday periods, which is the peak period for domestic tourism.

Thailand believes one of the most effective ways of environmental conservation is to ensure that the people who live in the tourist areas benefit economically from tourism and thus have the incentive to conserve their environment. In addition to the underlying Sufficiency Economy concept championed by H.M. the King, we have initiated many new schemes and projects such as the Green Leaf Foundation's environmental standards and energy efficiency scheme for hotels, Thai Ecotourism and Adventure Travel Association, Green Fins, Environmental Quality Index for Tourist Beach Assessment, and the Thailand Tourism Awards.

One very new project is the ASEAN Green Hotels award scheme which was initiated for the first time at the last ASEAN Tourism Forum held in January 2008 in Bangkok. Ten Thai hotels were among the winners of this annual award which is designed specifically to raise the bar for environmental preservation efforts throughout the accommodation sector by rewarding good practices.

GMS COUNTRIES

A visit to Thailand is a stepping stone towards visiting our neighbouring countries in the Greater Mekong Sub-region, which is why we have expanded this show to include many of them. These are southern China, Vietnam, Myanmar, Laos and Cambodia. There are more flights from Thailand to these countries 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.

Here are some popular routes that will emerge in future, in line with the new roads and bridges now being constructed throughout the Mekong region:

Udon Thani (Thailand) – Vientiane (Laos)

Route 1: Udon Thani – Nong Khai – Vientiane – Nong Khai – Udon Thani

Route 2: Udon Thani – Nong Khai – Vientiane – Wang Wieng – Luang Prabang

Mukdaharn (Thailand) - Savannakhet (Laos)

Route: Nakhon Phanom – Mukdaharn – Savannakhet – Hue – Danang - Hoi Ann

Chong Mek (Thailand) – Vang Tao (Laos)

Route: Nakhon Ratchasima – Buriram – Sri Saket – Ubol Ratchathani – Wat Phu (Lao).

A second Friendship Bridge between Thailand and Laos opened on December 20, 2006 -- funded by Japan -- and is key component of a major economic and infrastructure development plan to facilitate transportation, trade, investment and tourism in the Mekong Sub-region. It links two provinces on both sides of the Mekong River which are Savannakhet and Mukdahan. Both of them will become popular tourist spots in future.



Route R3: The Route 3 (R3) Highway was opened on 31 March 2008, the last remaining section of a highway network that runs from Singapore to Beijing. The R3 Highway is 250km long, starting at Chiang Khong district in Thailand's Chiang Rai province, then passing through Laos' Huay Sai, Luang Nam Ta and Boten, before reaching Jinghong in southern China. The total cost of the R3 in Laos is US\$97 million (3.1 billion baht).

The highway will reduce travelling time between Bangkok and Kunming in China from a three-day land journey to little more than a day.

NEW TAT OFFICES

The main new markets for us now are India, China, Russia, the Middle East and the new emerging countries of the European Union. Let me just elaborate on three of these key markets India, China and Middle East in all of which we have recently opened full-time offices.

China: When China first began letting its people travel abroad, we are proud that Thailand was the first country to get approved destination status. The only two other places that had received ADS before us were both the Special Administrative Regions, Hong Kong and Macau. In 2007, Thailand welcomed a total of 1.01 million Chinese visitors.

Dubai: On 7 May 2008, we opened the first full-time TAT office in Dubai. The UAE is Thailand's first commercial partner in the Middle East. UAE is the biggest market for Thailand among the Arab countries. Also Dubai is the commercial and trading hub of Middle East region.

Visitors from Middle East find Thai products good value for money and ideal souvenirs and gifts for their friends and families. Thousands of Gulf citizens and expatriates are flocking to Thailand every year to avail of preventive and curative treatment at some of the world's best hospital and wellness centres.

In 2008, we have set a target of 491,000 visitors from Middle East, or 8.03% up over 2007, generating a projected tourism revenue of 19,000 million baht.

For domestic tourism, TAT has set up the new 13 domestic offices in various provinces such as Mae Hong Son, Phrae, Uthai Thani, Sukhothai, Suphan Buri, Bangkok, Prachuap Khiri Khan, Samut Songkram, Loei, Surin, Trang, Krabi and Chumphon.



NEW EMERGING PRODUCTS

One of the most significant changes taking place in the Thai tourism industry is the growing diversity and innovative developments in our product profile. For example:

Boutique hotels

We have seen a phenomenal increase in the number of small, exclusive boutique hotels. These are fabulous little properties designed



for discerning guests seeking a comfortable, delectable ambience, high-quality individualised service and, extremely important, total privacy. These boutique hotels have opened up not just in Bangkok, Phuket, Samui, Hua Hin and Chiang Mai but in many of our new and upcoming resorts all around the country.

Health and wellness

Since the Royal Thai Government initiated a strategy for the development for Thailand to be the medical hub in 2004, there have been an increasing number of international visitors coming to the country for the medical check ups and treatment. In 2006, an estimated 1.4 million visitors came for medical treatment, or a growth of 14% over 2005. This year, we are estimating a total of 1.45 million people, generating a projected income of 45 billion baht.

This is due to several reasons:

1. Quality: Specialist doctors, modern facilities and equipments and excellent service
2. Price: Good treatment at reasonable price.
3. Access: In some countries, patients have to wait for treatment for many months. Not so in Thailand where treatment and access to professional help is available immediately.



Patients are often accompanied by their families and friends who often take the time to enjoy a holiday in Thailand. They also patronise our restaurants, spas, shopping centers, etc.



On the preventive side, Thailand is also becoming well known for its spas and meditation centres. This is becoming a growth business as people all over the world are realising that prevention is better than cure. Many visitors across all age groups are coming to Thailand to relax and



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In future we are hoping to attract more students from China, Taiwan, Vietnam, Myanmar, India and other neighbouring countries.

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leased specifically for this purpose. During the course period, the students are often accompanied by their parents who come along to enjoy a holiday on the side.

In future we are hoping to attract more students from China, Taiwan, Vietnam, Myanmar, India and other neighbouring countries.

rejuvenate with a spa treatment or seek mental peace by learning how to meditate. You may find it interesting to note that some of our Buddhist temples in Bangkok also give lessons on both meditation and massage. In future, we are sure that Thai meditation and massage will become just as famous as Thai cuisine.

Educational Travel

This is another area with extremely promising potential. The number of international students in Thailand is increasing every year, thanks to the good educational system, inexpensive courses and the vast number of subjects available, ranging from the highest levels of Information Technology to the basics of agriculture and organic farming.

The most recent figures show that there are 112 international schools in Thailand, 81 schools in Bangkok and 31 schools in the regions. In 2007, the number of international students in both short-term and long-term courses totaled 25,494, generating 15,296.4 million baht in revenues and the number is expected to grow to 10% in 2008.

Some of short-term courses include those in the hotel sector in Koh Lanta, Krabi which are taught by Swedish teachers, with part of the hotel areas

NEW CAMPAIGNS

Over the years, Thailand has launched important marketing campaigns that have played significant roles in advancing our travel & tourism industry. The two campaigns of note have been Visit Thailand Year 1987 and Amazing Thailand 1998-1999

In 2007, we restored the Amazing Thailand brand.

This year has been declared 2008 Thailand Investment and Tourism Year.

Next year, 2009 will be Thailand Investment and Tourism Year and E-Tourism: It will allow us to focus our energies on better developing an E-Tourism system and enhance our customer relationship management systems.

2010 will be the year of “Thainess in Everywhere”. We will strengthen the partner network and reinforce both international and domestic tourism.

2011 will be celebrated as “Tourism, Strength of the Nation” during which we will make tourism an important part of life and strengthen local economic sustainability.



SUFFICIENCY ECONOMY

As we look into the future, we realise that we will have to become a little bit more conservative in our future growth plans. This will require us to stress quality over quantity, a policy that we feel will become even more important as global concerns grow over environmental issues like climate change.

We will also be looking to incorporate one of the very important socio-economic development principles of His Majesty the King, the ‘sufficiency economy’ concept into our tourism development strategies.

This sufficiency economy concept is now being increasingly followed because it stresses the moderate practices in Buddhism which are people-centred and do not require just technical knowledge but the principles of wisdom and morality.



We are proud that our country has set new benchmarks in terms of global marketing of tourism, and we hope that our new concept of sufficiency economy would also play a role in setting new benchmarks for the management of tourism in future.

FUTURE PROSPECTS

Overall, we are projecting 15.7 million international visitor arrivals in 2008, up 6% over 2007, with tourism revenue projected at 800 billion baht. The domestic arrivals target in 2008 is 83 million trips, up 1.23%, and earnings of 385 billion baht.

As of March 2008, International visitor arrivals Thailand totaled 1.42 million increase 15.2% over the same period of 2007.

In 2009, we are expecting an additional 10% in international visitor arrivals over 2008.

If the global political and economic situation remains normal, continued growth is a foregone conclusion. All the traditional strengths of Thailand as a tourism destination are still very much in place – liberal visa policy, good accessibility, an excellent image and reputation for good products and service delivery, and good value for money.

Certainly, there will be ups and downs, but the overall trend is positive and strong.

UPCOMING EVENTS

Before I conclude, allow me to give you a quick briefing on some extremely interesting upcoming events in Thailand:

1. International Indian Film Academy awards 2008: One of the most prestigious Indian Cinema awards are all set to be hosted on 6 – 8 June 2008, just this weekend. The award ceremony will start on 6th June 2008 with the premier of Movie Sarkar Raj in Bangkok's Siam Paragon theater and the ceremony will come to end on 8th June with the presentation of IIFA awards as per Bangkok Post newspaper.

The awards will be accompanied by the Global Business Forum, providing the industry with an opportunity to deliberate on a diverse range of issues related to the filmmaking sector, as well as the IIFA Fashion Extravaganza, a spectacular reflection of the trends and styles that rule the Indian Film Industry. The final night of the IIFA Awards 2008 will be held at Siam Niramit, Bangkok.

We hope these awards will go a long way towards helping Thailand attract more Indian feature films, documentaries and advertising spots to be shot here, along with pre-and post-production work, for which Thailand is becoming increasingly well-known.

9th IIFA Awards

From Wikipedia, the free encyclopedia

The **2008 IIFA Awards**, officially known as the **9th International Indian Film Academy Awards** ceremony, presented by the International Indian Film Academy honoured the **best films of 2007** and took place between 6 – 8 June 2008. The official ceremony took place on 8 June 2008, at the **Siam Paragon** in **Bangkok, Thailand**. During the ceremony, **IIFA Awards** were awarded in 27 competitive categories. The ceremony was televised in India and internationally on **Star Plus**. Actors **Boman Irani** and **Ritesh Deshmukh** co-hosted the ceremony for the first time.

The IIFA Music and Fashion Extravaganza took place on 7 June 2008, as did the FICCI-IIFA Global Business Forum.^[1] On 6 June, The IIFA World Premiere was held at Major Cineplex, Bangkok which showcased **Sarkar Raj**, starring Indian Film icons **Amitabh Bachchan**, **Abhishek Bachchan** and **Aishwarya Rai Bachchan**, directed by **Ram Gopal Varma**.^[2]



2. The 91st Lions Clubs International Convention: This is considered the “biggest” international convention ever held in Thailand, with more than 25,000 delegates from around the world. The convention will be held at Impact Muang Thong Thani from 23-27 Jun 2008. TAT and Ministry of Tourism and Sports will host a “Taste of Thailand” party for delegates at Impact Muang Thong Thani on 25 June. On 24th of June, there will a big international parade of Lions Clubs members, starting from Chulalongkorn University and ending at the Supachalasai National Stadium.

3. Laguna Phuket Triathlon: This will be held on 7 December 2008, at Laguna Phuket, the upscale 600-acre tropical beachfront parkland on the northwest coast of Phuket island in southern Thailand. Further details are available on the website.
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CONCLUSION

Distinguished members of the media,

Thank you all for joining us this year. I am sure that the sheer diversity of people and products available at the show will give you plenty of ideas and new subject matter for stories. Thank you for your strong support. I wish you have a fruitful and productive TTM Plus 2008. I will be happy to take a few questions.

SEVEN WONDERS AND SEVEN GREENS



Mrs. Phornsiri Manoharn

Governor

SKAL CLUB OF BANGKOK LUNCHEON 8 JULY 2008

It is indeed a pleasure for me to be here today. Thank you for inviting me once again to speak to you. It is always a pleasure to address the Skal Club whose members include the captains of the industry. I believe that it is very important for us to have a healthy, two-way dialogue that will help us work together in the face of some unprecedented global competition.

Let me first say that much has changed since the last time I spoke to you about a year ago. We have a new government in power. Oil prices are skyrocketing. Food prices are also soaring. The issue of climate change has moved to centre stage on the global agenda. We are very conscious of these issues as we hold our annual marketing meetings this week.

My presentation will be in two parts. The first part will focus on the marketing challenges and targets and the second part will discuss the increasingly important issue of management and sustainability. And here I wish to announce some new developments that must be of interest to us all. You will then understand the reason for the title of my talk.

THAI TOURISM SITUATION 2007 - 2008

Let me begin with a brief roundup of the Thai tourism situation.

In 2007, Thailand received 14.46 million international visitor arrivals (+4.65%) and revenue of 547.7 billion

baht (+13.57%). Within the country, we recorded 83 million domestic trips with revenue of 380 billion baht (+4.15%).

In January – March 2008, international visitor arrivals to Thailand (by nationality) totalled 4.3 million, an increase of 13% over the same period of 2007. There has been strong growth in arrivals from all the major markets. For example: ASEAN (+21.45%), Europe (+13.21%), North East Asia (+8.47%), The Americas (+10.21%), South Asia (+12.86%), Oceania (+12.18%) and Africa (+14.10%). Only the Middle East market was down by -0.73% but we expect that to have changed substantially over this summer season.

Overall, we are happy that the foundations that underpin our travel and tourism industry continue to remain strong. Thailand enjoys a reputation as a world class tourist destination, known for its nature, culture and traditions with hospitable people and a variety of high quality, value-for-money products and services.

I am also happy to report that one of the most important changes that we made in our marketing strategies in 2007 has been an outstanding success. This is the return to the “Amazing Thailand” brand image slogan and campaign which has proved just as popular now as it did when it was originally launched in 1998-99. You will also recall that we also analysed the changes in consumer behaviour and reclassified our inventory of products into seven clear categories in order to help us market each in a clearly focussed and segmented manner. We called them the “Seven Wonders of Amazing Thailand”. Just to refresh your memory, they are:

1. **Thainess:** “The World Friendliness Culture” – which refers to traditional Thai hospitality, lifestyle and friendliness of the people, always a key selling point for us.
2. **Treasures products:** “Land of heritage and history” -- which refers to our archaeological and historical sites, religious sites and architecture. There are 92 places in Thailand.
3. **Beaches:** “Sun, Surf and Serenity”-- which builds on the long-standing popularity of our beach resorts for international and domestic tourism.
4. **Nature:** “The Beauty of Natural Wonders”– which will focus conservation and environment, including our national parks.

Journey Through the Amazing Wonders of the Kingdom of Thailand

THE SEVEN WONDERS OF
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THAINESS TREASURES BEACHES NATURE WELLNESS TRENDS FESTIVITIES
AMAZING THAILAND



5. **Health and wellness:** “The Beauty of Wellness and Wellbeing” -- a rapidly growing market the world over, focussing both on preventive and curative therapies and treatments.
 6. **Trends:** “Your senses with Unique Trends” -- targetted at the new generation of young travellers, highlighting the vast variety of new boutique hotels, shopping centres, theme park & entertainment centres, etc.
 7. **Festivities:** “The Land of Year Round Festivities” -- which highlights festivals and culture, music and sports, memorial fairs and others.
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VISIT THAILAND YEAR 2008-2009

Since the national elections in December 2007, we now have a dynamic new Tourism Minister, Mr Weerasak Kaosurat. We are fortunate that the government continues to pay strong attention to the travel and tourism industry in recognition of its potential for creation of jobs and distribution of income nationwide. The Ministry of Tourism and Sports has launched a policy to promote Visit Thailand Year 2008-2009.

MAJOR MARKETING STRATEGIES IN 2009

In addition to the Visit Thailand Year campaign, we will be undertaking marketing campaigns that will continue to stress the “value” of the Thailand brand image. We will also work to 1) expand the high-yield “quality” source markets and customer segments, 2) maintain the leisure market in the form of the large number of first-time visitors emerging from new markets like India and China, and 3) ensure that we continue to get a steady stream of repeat visitors by maintaining our competitiveness as a destination.



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At the same time, India is our biggest South Asian source market, and one of our fastest growing. TAT is targeting India as a priority market in future and investing heavily in it.

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GEOGRAPHICAL MARKETS

The 21 main markets which are targeted for intensive promotions are UK, Scandinavia, Germany, France, Italy, Russia, Spain, Japan, China, Korea, Hong Kong, Taiwan, Malaysia, Singapore, Philippines, Vietnam, India, USA, UAE and Australia. The new potential markets we have identified include Indonesia, Canada, New Zealand and South Africa.

This year, 2008 we are planning to open offices in Kunming, Shanghai and Mumbai, because both China and India are generating promising growth figures. We project that China will become our top source of visitor arrivals by the end of this decade. At the same time, India is our biggest South Asian source market, and one of our fastest growing. TAT is targeting India as a priority market in future and investing heavily in it. We are pursuing creative ways to expand our brand image in India, amongst both consumers and trade. Just last month, we hosted the popular India International Film Awards for the first time here in Bangkok.

In 2009, we are also planning to open more 5 offices in Guangzhou, Perth, Madrid, Jakarta, South Africa and Toronto. In 2010, 4 more offices are planned in Chengdu, Prague, Kiev and Brazil.

We are also expanding our coverage in the domestic market which, as you are aware, plays a very important role especially in times of crises. At the moment, we have 35 offices in Thailand

PLANNED PROJECTS AND ACTIVITIES IN INTERNATIONAL MARKETS

Let me just give you a quick rundown of some specific marketing activities that we will be undertaking in the course of the next year.

Amazing Thailand Invitation Project (8-12 October 2008) or Mega Fam Trip Project: A group of tour operators and media from South East Asian countries will be invited to Thailand and visit interesting spots along a theme route of the Seven Wonders of Amazing Thailand.

Amazing Thailand: Friends Forever (November 2008): This campaign will seek to build brand royalty and encourage repeat visitors by using value card. Card holders will be able to use it to buy products and services in their home countries as well as in Thailand. It will be launched at “World

Travel Market in London in November 2008. We also plan to introduce it later to potential target customer segments in Singapore, Philippines and Sweden.

Amazing Thailand: Romancing the Kingdom (February 2009): This campaign will be launched for honeymooners and newlyweds. It will be introduced in the Korean, Japanese and French markets.

Amazing Thailand: Learn to Love (June – August 2008): TAT will cooperate with international educational institutions in Thailand to attract more international students to Thailand especially from Japan, Korea and the UAE.

Amazing Thailand: Through the Lens (August 2008): This will be a photo contest project that will allow international visitors to share their impressions of Thai people and Thai lifestyle through their own cameras.

Next year, TAT will boost its attendance at international trade shows, including 76 in the ASEAN region and 23 in South Asia.

At this stage, allow me to extend my heartfelt thanks to all our partners in the travel and tourism industry, both in Thailand and abroad, for their cooperation and support in implementing these projects. Without the many hotels, travel agents, airlines, travel associations, public sector agencies, local administrations, credit cards, shopping centers, banks and many other partners, these projects would not be possible. Some of our partners are here in the room today, and I thank you all.

TARGET FOR 2008-2009

In 2008, we are projecting 15.48 million international visitors arrivals, up 7% over the projection for 2007, with tourism revenue projected at 600 billion baht. The domestic target in 2008 is 83 million trips, up 1.23%, and earnings of 385 billion baht.

In 2009, we are expecting of 16 million international visitor arrivals and 630 billion baht in tourism revenue. The domestic target is 87 million trips and earnings of 407 billion baht.

If all things are normal, continued growth is a foregone conclusion. All the traditional strengths of Thailand as a tourism destination are still very much in place – liberal visa policy, good accessibility, an excellent image and reputation for good products and service delivery, and good value for money. Certainly, there will be ups and downs, depending on the global situation, but the overall trend is positive and strong.

DEVELOPMENT AND SUSTAINABILITY

Now, I come to the second part of my presentation.

I think there is no doubt that the impact of climate change has become well and truly part of the globe travel and tourism agenda. Environmental crises will have a direct impact on the tourism industry since it depends entirely on natural resources as the major element in attracting tourists. Various international tourism-related bodies such as, the United Nations World Tourism Organization (UNWTO), the United Nations Environment Programme (UNEP), and the World Meteorological Organization (WMO), have jointly organized conferences to promote the cause of sustainable tourism and rally the travel & tourism industry to help mitigate the emission of greenhouse gases, especially from transport activities and accommodation.



Clearly, we all need to adapt our business operations to enhance the effective use of energy, preserve biodiversity and ecosystems, and raise awareness about the impact of climate change among visitors. Even here in Thailand, the impact of climate change can clearly be seen from the uncertainty of seasons, longer summer and a shorter cold season, higher temperatures, heavy rain for a longer period and with more severity. These could cause severe national disasters, affect the coastal areas, lead to more beach erosion and coral bleaching, etc. All of these are warning signs for the Thai tourism industry which has generated significant revenues for more than 40 years.

7 GREENS

The Tourism Authority of Thailand (TAT), the country's lead agency for tourism marketing, is cognizant of this issue. We are now focusing on promoting sustainable tourism like never before. One strategy is the creation of the concept of "Seven Greens" that will boost awareness of and care for the environment. All the "Seven Greens" concepts have been clearly defined to be meaningful to visitors, attractions, service providers, transportation, and tourism activities. They comprise the following:

1. Green Heart: People who have great passion, faith, and care for the environment, should become part of a dynamic force to protect and preserve all tourist attractions in every way possible.



2. Green Logistics: Adjustment of the modes of transportation or forms of tourism logistical services in order to reduce direct as well as indirect impacts from vehicles on the environment.
3. Green Attraction: Tourism attractions or destinations should establish effective management methods, clearly reflecting awareness in the significance of the local environment.
4. Green Community: Urban as well as rural community attractions that attach importance to tourism management alongside major awareness in the environment and original community way of life.
5. Green Activity: Tourism activities which are appropriate to the localities, which satisfy visitor expectations while also being friendly to the environment and especially the carrying capacity levels.
6. Green Service: Various forms of service providers such as restaurants, accommodation, souvenir shops, travel agencies, as well as spa and health centres also have to start upgrading their plans and strategies to protect the environment.
7. Green [Plus]+: Returning to society by assuming greater responsibility for the environment through reducing / reusing / recycling behaviour, and undertaking support activities like curbing energy usage, boosting alternative energy sources or planting or reforestation, and using environmentally-friendly products.





THE GREEN ISLAND PROJECT

To put these words into action, we are working on concept of a green project which we refer to as a collaborative, long-term programme of projects and events for the sustainable protection of Koh Samui's natural environment. In other words, "Samui as it used to be."

This is a 10-year programme that will boost joint efforts by the government sector, business people, tourists, and the local Samui community to restore the island's beautiful natural environment and its traditional ways of life. The effort will also include finding ways to develop and improve the quality of the tourism business, so that Samui remains an attractive tourism destination for many years to come.

Thus, the concept of "Green Island Project, Koh Samui" is designed to create a platform that will allow local people, tourists, and government offices to cooperate to fulfil their duties related to Koh Samui and its society with good intentions and a sense of responsibility.

SUFFICIENCY ECONOMY

Finally, distinguished Skalleagues, allow me to conclude that we all need to find ways of becoming participants in His Majesty the King's visionary concept known as the "sufficiency economy". As we look into the future, we realise that no process of growth can continue forever, and that we will have to become a little bit more conservative in the way we do things. This will require us to stress quality over quantity, and more strongly incorporate the "sufficiency economy" concept into our tourism development strategies.



This sufficiency economy concept is now being increasingly followed because it stresses the moderate practices in Buddhism which are people-centred and do not require just technical knowledge but the principles of wisdom and morality. We are proud that our country has set new benchmarks in terms of global marketing of tourism, and we hope that our new concept of sufficiency economy will also play a role in setting new benchmarks for the management of tourism in future.

CONCLUSION

Before I end, I would like to extend my sincere thanks to all of you for your help and cooperation in developing Thai travel and tourism. Our job in government is only to create the opportunities, it is up to you to build upon them. I know that you all work extremely hard in this endeavor. Please rest assured that I'm always willing to listen to your opinions and constructive suggestions. My door is always open.

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

TOURISM CAN PROVE TO BE A DOUBLE-EDGED SWORD



Mr. Santichai Euachongprasit
Deputy Governor

**5th INTERNATIONAL SYMPOSIUM ON
CHALLENGES IN HERITAGE TOURISM
24 SEP 2008
BANGKOK NATIONAL MUSEUM**

On behalf of Tourism Authority of Thailand (TAT), I am very honoured and delighted to welcome you to Thailand. Thank you all for being with us and for giving me an opportunity to address you. As time is short, I will keep my remarks brief.

Culture and tourism are very closely intertwined. To experience another country's culture is one of the primary reasons why people travel. And culture is the sum total of everything that is unique about a country's heritage, history, tradition and society, even the personality and character of its people. This is reflected in our buildings, sculptures, monuments, works of art and fashion. It is precisely what makes culture so fascinating, and its link with travel & tourism so unique – no two countries are alike in any way, nor can they ever be.

Thailand's culture has always been an important element of our tourism psyche. It has its roots in our Buddhist traditions, an enormously popular and respected Royal Family and our rich history of total political independence, free of the colonisation that affected many of our neighbouring countries. It can also be traced back to our agricultural economic fundamentals.

All these are reflected in our ways of life, as well as our museums and monuments. Indeed, we are fortunate

to have five UNESCO World Heritage sites and a large variety of historical places, palaces and temples with unique architecture, arts and culture that are perfectly-suited to attract both nature and culture enthusiasts. Fittingly, our UNESCO Heritage Sites are a good balance between nature and culture.

The historic town of Sukhothai, one of Thailand's most important tourism attractions, the historic city of Ayutthaya: our second capital after Sukhothai, and the Baan Chiang archaeological site, the most important prehistoric settlement so far discovered in South-East Asia, are all important culture spots.

At the same time, the Thungyai Huai Kha Khaeng, one of the most pristine forest areas of continental South-East Asia, and the Dong Phrayayen Khao Yai forest complex are both nature spots.



All the Heritage Sites are very important visitor attractions, and of course the need to ensure that we maintain the World Heritage Status means that we have to ensure preservation and upkeep.

We also believe that our culture will continue to underpin the Thai travel & tourism industry for decades to come. At the same time, there is no doubt that travel & tourism is playing a major role in enhancing and preserving many aspects our culture and heritage.

For example, the art of cooking Thai cuisine has become a new lifestyle trend and is also leading to the creation of an entirely “new” culture in the form of “fusion food.” Our ancient tradition of Thai massage and meditation is becoming globally popular as prevention becomes more important than cure in the health and wellness phenomena.



Thai herbs and herbal treatments are gaining a new lease on life. Many of our villagers involved in making traditional handicrafts, sculptures and works of art are finding alternate sources of income, thanks to tourism. As a single entity, hotels are arguably the biggest purchasers of art, cultural artifacts and many other products of our national culture.

But, in line with the subject of this seminar, there are many challenges ahead.

While culture can unite and be a force for good, it can also divide and create friction. At the same time, tourism can also prove to be a double-edged sword and the victim of its own success.

Too many visitors in a few popular places can lead to damage and destruction, especially if not enough funds are channeled into maintenance and upkeep.

Globalisation is leading to extinction of languages, and fears of a “harmonisation” of culture that is largely dominated by Western icons and brands.

It can also create political controversies, such as the recent friction between Thailand and Cambodia over the Khao Phreah Viharn.

And finally, there is fear of the impact of climate change. Environmental crises will have a direct impact on the tourism industry since it depends entirely on natural resources as the major element in attracting tourists.

I believe the answer to many of these challenges lies in the new concept of tourism that we are promoting along the lines of His Majesty the King’s sufficiency economy principles.

As we look into the future, we realise that we will have to become a little bit more conservative in our future growth plans. This will require us to stress quality over quantity, a policy that we feel will become even more important as global concerns grow over environmental issues.

This sufficiency economy concept is now being increasingly followed because it stresses the moderate practices in Buddhism which are people-centred and do not require just technical knowledge but the principles of wisdom and morality.

Just as we are proud that our country has set new benchmarks in terms of global marketing of tourism, so too do we hope that our new concept of sufficiency economy will play a role in setting new benchmarks for the management of tourism in future.

In conclusion, I would like to state that tourism can play a major role in cultural preservation and poverty alleviation. There is no shortage of market potential. But even as we strive to provide our people with a means of economic livelihood via tourism, we also need to ensure that our culture and environment does not suffer from the rush to economic growth and development.

Doing business is easy but all forms of business must be accompanied by a sense of deeper responsibility to the society, community, culture and environment in which we live. Short-term gain must not result in long-term pain.

I thank you very much for the pleasure of addressing you this evening. I wish you a pleasant stay in Amazing Thailand and a successful conference.

MARKETING THAILAND IN INDIA



Mrs. Phornsiri Manoharn

Governor

PATA TRAVEL MART 18 SEPTEMBER 2008 HYDERABAD

On behalf of the Tourism Authority of Thailand (TAT) and the Thai tourism industry, I am very honoured and delighted to welcome you all this afternoon. It is truly a pleasure for me to be here today in Incredible India!

Allow me to begin with a reminder of what binds India and Thailand together. We have a lot in common -- socially, culturally, economically and spiritually. More than 2,500 years ago, the Lord Buddha found enlightenment in India, and his disciples spread his teachings to many parts of the world, including Thailand. That bond remains with us until today.

Contacts between the two countries rose to a high level in the early part of the last century when many Indian migrants came from the families of Punjab and Gujarat. Today many Thai-Indian families run thriving businesses and play a very responsible and constructive role in the development of Thailand. Many of our most popular hotels in central Bangkok are owned by Thai-Indian families, as I am sure many of you already know by now.

The relationship of the kind that is now evolving is long overdue. The geographical proximity between our countries is the foundation of India's Look East policy designed to forge stronger political and economic relations. Our public and private sectors are also working to boost economic and technical co-operation in various fields. The upcoming free trade agreement between India and the ASEAN countries will also facilitate trade, tourism and transport.

Distinguished members of the media,

Let me begin by giving you some perspective on the political changes which I am sure you have all read about or seen on TV. The protests are no longer impeding travel & tourism to, from and within Thailand. They are taking place in some part of Bangkok and other provincial areas. The vast majority of the city, including all the major tourist spots, shopping centres and riverside attractions, as well as all roads and public/private transport systems are functioning normally.

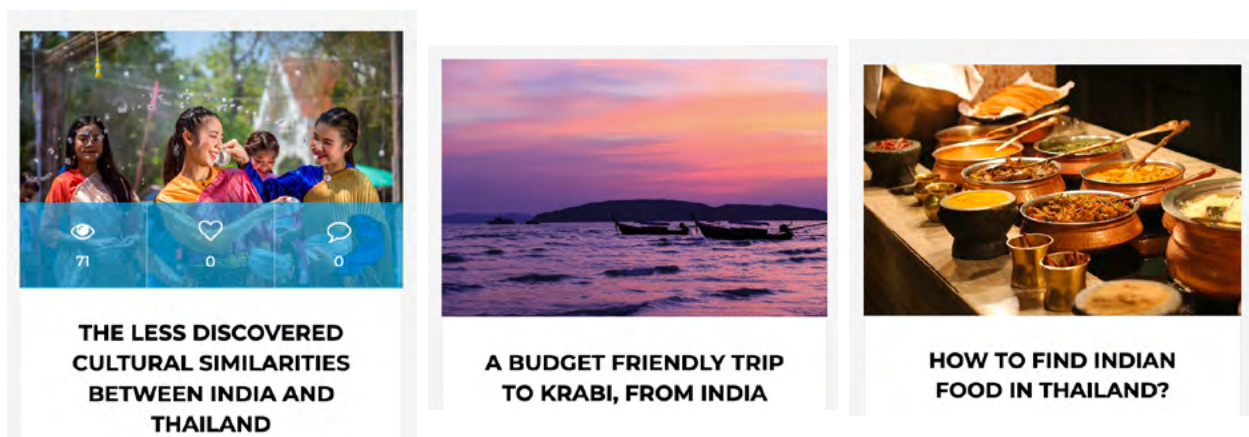
The situation is being closely monitored by the authorities concerned. All the tour operators and travel agents are also well-abreast of the conditions and working at full capacity to ensure the safety and security of all visitors. Indian visitors will find these protests quite tame by Indian standards. However, as we both share a rich democratic tradition, I am sure you all appreciate and accept them as being part of normal life.

Ladies and gentlemen,

This year's PATA Travel Mart has brought further good news. Thailand has clinched two coveted PATA awards. Out of the 22 Gold Awards given to the international travel industry this year, Thailand has won in the following categories: Environmental Education Programme and Marketing Media - Travel Poster Thailand. We have also been honoured to receive the Platinum Award for "best international family holiday destination 2008" by Today's Traveller magazine.

On behalf of entire Thai travel & tourism industry, it was truly an honour to receive these awards. These awards are a significant recognition of the accomplishment by the entire Thai tourism industry and the TAT in promoting and positioning Thailand as a preferred holiday destination.

<p>3. Heritage Pitampura Dilli Haat Delhi Tourism & Transportation Development Corporation, India</p> <p>4. Marketing Singapore Airlines 'First to Fly the A380' campaign Singapore Airlines, Singapore</p>	<p>Experience Macau Macau Government Tourist Office</p> <div style="border: 2px solid red; padding: 5px;"> <p>14. Marketing Media - Travel Poster Thailand: Among Amazing Float / The Rhythm of Refreshment, Chiang Mai Tourism Authority of Thailand</p> </div> <p>15. Marketing Media - Promotional Travel Video Recharge in a New World - Sarawak, Borneo Sarawak Convention Bureau, Malaysia</p> <p>16. Marketing Media - Public Relations 100% Pure New Zealand Rugby Clubrooms, Paris, France Tourism New Zealand</p> <p>17. Marketing Media - CD-Rom Travel Manual Interactive CD Tourism Malaysia</p>
<h2 style="margin: 0;">GOLD AWARDS</h2>	
<p>1. Marketing - Primary Government Destination 100% Pure New Zealand Tourism New Zealand</p> <p>2. Marketing - Secondary Government Destination APEC Bonus Long Weekend Getaway Tourism New South Wales, Australia</p>	



TRAVEL AND TOURISM SITUATION

Allow me now to give you a few details of our tourism industry.

Overall, we are happy that the foundations that underpin our travel and tourism industry continue to remain strong. Thailand enjoys a reputation as a world class tourist destination, known for its nature, culture and traditions with hospitable people and a variety of high quality, value-for-money products and services.

In 2007, international visitor arrivals totalled 14.46 million, an increase of 4.65% over 2006. Top ten markets were Malaysia, Japan, Korea, China, Singapore, United Kingdom, Australia, USA, Germany and Laos. India ranked number 11th with totalled of 506,237 but we expect it to join the top-ten ranks this year.

In 2008, we are projecting 15.48 million visitor arrivals, with tourism revenue projected at 600 billion baht. The domestic arrivals target in 2008 is 87 million trips and earnings of 407.6 billion baht.

Regardless of changes in governments, we are fortunate that strong attention continues to be paid to the travel and tourism industry in recognition of its potential for creation of jobs and distribution of income nationwide. The Ministry of Tourism and Sports has launched a policy to promote Visit Thailand Year 2008-2009.

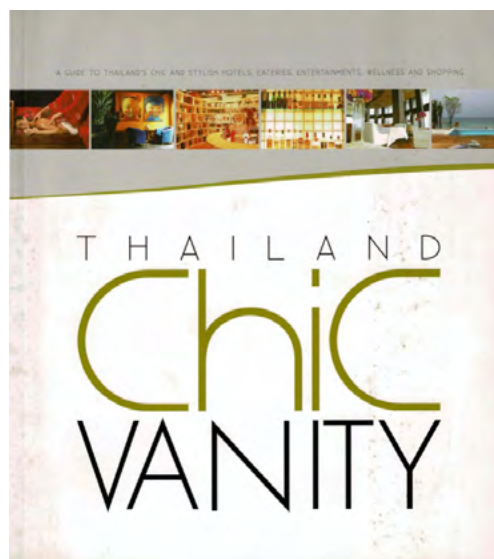
In addition to the Visit Thailand Year campaign, we will be undertaking marketing campaigns that will continue to stress the “value” of the Thailand brand image. We will also work to 1) expand the high-yield “quality” source markets and customer segments, 2) maintain the leisure market in the form of the large number of first-time visitors emerging from new markets like India and China, and 3) ensure that we continue to get a steady stream of repeat visitors by maintaining our competitiveness as a destination.

In the next few months, we plan to organise roadshows, participate in International Travel Fairs, and launch the Visit Thailand-Mega Familiarization Trip. The main objective of these activities is to show that Thailand is at peace and open for business, as well as to update the international travel trade with some of our new niche products, tourism attractions and upcoming events.

NEW DEVELOPMENTS

Here are some of the new product developments that we have to offer:

CHIC PRODUCTS: The Thai travel & tourism industry has seen the emergence of high-end products such as boutique hotels and ‘chic’ restaurants, art galleries, museums and bars. A reflection of the major lifestyle shifts taking place worldwide, the new products are helping to change both the profile of visitor arrivals to Thailand, as well as the image of the country. They are also helping to boost average length of stay and expenditure.



HEALTH & WELLNESS: Thailand is becoming very well known for both the preventive and curative sides of the health and wellness phenomena. On the curative side, thousands of international patients come to receive medical treatment in Thailand because they can be assured of good treatment at reasonable price. On the preventive side, Thailand is also becoming well known for its spas and meditation centres. This is becoming a growth business as people all over the world are realising that prevention is better than cure. You may find it interesting to note that some of our Buddhist temples in Bangkok also give lessons on both meditation and massage. In future, we are sure that Thai meditation and massage will become just as famous as Thai cuisine.

HONEYMOON & WEDDINGS: Weddings and honeymoons are part of the TAT’s global marketing campaign to stress niche market tourism. Thailand has always been a popular spot for honeymooners. For those who would like to get married in Thailand, we are also trying to help smoothen the necessary paperwork to make the entire process easy.

GOLF: Golf is one of the most popular sports in Thailand. There are over 200 high standard golf courses nationwide, many of them championship standards. The world’s top designers have made a significant contribution. Jack Nicklaus, Robert Trent Jones Jr, and many others have perfected modern layouts, using the best grasses and latest techniques.

The result is some of the most attractive courses in Asia, with excellent facilities, memorable signature holes and regular maintenance to keep them in top-class condition. There are at least a few courses in or within easy reach of all major cities. Most of the newer courses offer accommodation on site or nearby, plus recreational facilities for the whole family.



HIGHLIGHTS OF UPCOMING CAMPAIGNS

We have a number of campaigns to attract the Indian market.

- **Amazing Moment in Life:** This special campaign is designed to encourage honeymooners to visit Thailand. The TAT will cooperate with partners to launch special tour packages for couples by inviting them to get married in Thailand in February 2009.
- **Amazing Bollywood Stars in Thailand:** Thailand has become a very popular spot for Indian film-makers. We intend to maintain this by inviting famous stars to visit Thailand and shoot their movies and documentaries, specifically in Bangkok, Hua Hin, Chiang Mai and Phuket. A specific campaign focus will be on shopping. We hope that shots and images of Bollywood stars shopping in Thailand will encourage their millions of fans to follow suit.
- **Visit Thailand - Mega Fam Trip:** Over 800 tour operators and travel media from India and many other parts of the world will be invited to visit major destination in the north and northeast (I-san) of Thailand along a theme route of the Seven Wonders of Amazing Thailand. On 8 October 2008, all delegates will also have a chance to join “Visit Thailand 2009” inaugural opening ceremony and welcome reception before exploring Amazing Thailand.
- **Amazing Thailand Card:** This campaign will seek to build brand royalty and encourage repeat visitors by using value card. Card holders will be able to use it to buy products and services in their home countries as well as in Thailand. It will be launched at World Travel Market in London in November 2008.

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6 Of The Most Exclusive Golf Courses In Thailand



We also plan to introduce it later to potential target customer segments in Singapore, Philippines and other countries.

- **Amazing Golf Travel Mart:** In May 2009, TAT will invite golf operators worldwide to discuss business with Thai golf operators. This event has been held annually and played a major role in boosting the numbers of golfers in Thailand particularly from short haul market such as Japan and Korea.
- **Thailand TV on Web:** TAT broadcast Thailand tourism information through TV on the website of www.tourismthailand.org in Australia and Germany.
- **Amazing Thailand Stop Over:** To promote passengers who transfer flights at Suvarnabhumi International airport longer than 8 hours to have a chance to visit Thailand as a stop over destination. We plan to launch special tour packages with special prices to this target group such as 2 hours, 5 hours and one night tour packages.

SEVEN AMAZING WONDERS OF THAILAND

I am also happy to report that one of the most important changes that we made in our marketing strategies in 2007 has been an outstanding success. This is the return to the “Amazing Thailand” brand image slogan and campaign which has proved just as popular now as it did when it was originally launched in 1998-99.

We also analysed the changes in consumer behaviour and reclassified our inventory of products into seven clear categories in order to help us market each in a clearly focussed and segmented manner. We called them the “Seven Wonders of Amazing Thailand”. Just to refresh your memory, they are:

1. **Thainess:** “The World Friendliness Culture” – which refers to traditional Thai hospitality, lifestyle and friendliness of the people, always a key selling point for us.

2. **Treasures products:** “Land of heritage and history” -- which refers to our archaeological and historical sites, religious sites and architecture. There are 92 such places in Thailand.
3. **Beaches:** “Sun, Surf and Serenity”-- which builds on the long-standing popularity of our beach resorts for international and domestic tourism.
4. **Nature:** “The Beauty of Natural Wonders”-- which highlights conservation and environment, including our national parks.
5. **Health and wellness:** “The Beauty of Wellness and Wellbeing” -- a rapidly growing market the world over, focussing both on preventive and curative therapies and treatments.
6. **Trends:** “Your senses with Unique Trends” -- targetted at the new generation of young travellers, highlighting the vast variety of new boutique hotels, shopping centres, theme park & entertainment centres, etc.
7. **Festivities:** “The Land of Year Round Festivities” -- which highlights festivals and culture, music and sports, memorial fairs and others.

NEW NATURE DESTINATIONS

We are also aware that many Indians are now becoming regular and repeat travellers to Thailand. For them, we would like to suggest new destinations such as

1. Koh Chang, the largest and busiest island in Trat and the second largest island in the country after Phuket,
2. Nong Khai, on the Mekong River border with Laos, home of the famous Friendship Bridge which has made Nong Khai a major centre for transport and trade with Laos;
3. Chiang Rai, the northernmost province of Thailand is located within the renowned Golden Triangle area where Myanmar, Laos and Thailand converge;



4. Mae Hong Son, known as the “Switzerland of Thailand,” it is nestled in a deep valley surrounded by hills bordering Myanmar, and is one of the dream destinations for visitors;
5. Krabi, one of most attractive destinations in southern Thailand, known for its beaches, coral reefs, and forests with caves and waterfalls;
6. Phang Nga, a province packed with national parks, especially Ao Phang-Nga National Park, a geological wonder filled with islets, sunken caverns and startling rock formations.

NEW INFRASTRUCTURE

All these campaigns are accompanied by major improvements in infrastructure in order to facilitate movements of people to and through the kingdom. You are already aware of our new mass transit systems in Bangkok as well as the new airport. Now, very soon, a rail-link under construction from the Suvarnabhumi International airport to downtown Bangkok is due to open in 2009.

The rail-link will provide easy connectivity between the airport, one of Asia’s most important aviation hubs, and the City Air Terminal in Bangkok. From there, commuters will be able to travel comfortably by the subway to many other parts of Bangkok.



NEW HOTEL DEVELOPMENTS

At the moment, the number of hotel rooms in Thailand totals over 300,000 and service apartments over 77,764 rooms, giving Thailand the third largest room stock in Asia after China and Japan. Bangkok alone had over 60,000 rooms in 2007, projected to increase by 2,800 rooms in 2008 and 5,000 rooms by 2010.

New hotels opening in major destinations of Thailand include the Dusit Princess (Koh Chang), Amari Vogue Resort (Krabi), Six Senses Hideaway (Krabi), Soneva Kiri (Koh Kood), Langham Place Eco Resort and Spa (Krabi), Ritz-Carlton (Krabi), Anantara (Phang Nga), Raffles Hotels & Resorts (Phang Nga), Le Meridien Resort (Chiang Mai).



GREATER MEKONG REGION

A visit to Thailand is a stepping stone towards visiting our neighbouring countries in the Greater Mekong Sub-region. These are southern China, Vietnam, Myanmar, Laos and Cambodia. There are more flights from Thailand to these countries 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.

A second Friendship Bridge between Thailand and Laos opened on December 20, 2006 -- funded by Japan -- and is key component of a major economic and infrastructure development plan to facilitate transportation, trade, investment and tourism in the Mekong Sub-region. It links two provinces on both sides of the Mekong River which are Savannakhet and Mukdahan. Both of them will become popular tourist spots in future.

SUFFICIENCY ECONOMY

I want to mention the new concept of tourism that we plan to initiate along the lines of His Majesty the King's Sufficiency Economy principles.

As we look into the future, we realise that we will have to become a little bit more conservative in our future growth plans. This will require us to stress quality over quantity, a policy that we feel would become even more important as global concerns go over environmental issues like climate change.

This sufficiency economy concept is now being increasingly followed because it stresses the moderate practices in Buddhism which are people-centred and do not require just technical knowledge but the principles of wisdom and morality. We are proud that our country has set new benchmarks in terms of global marketing of tourism, and we hope that our new concept of sufficiency economy would also play a role in setting new benchmarks for the management of tourism in future.

UPCOMING EVENTS

Before I conclude, allow me to give you a quick briefing on some extremely interesting upcoming events in Thailand:

- **Thailand Tourism Award 2008:** The event will be held on 27 September 2008 at Centara Grand Hotel Bangkok is to ensure that the people who live in the tourist areas benefit economically from tourism and thus have the incentive to conserve their environment.

The Tourism Authority of Thailand initiated the Tourism Awards Project in 1996 as a biennial event to recognise and honour Thai organisations which contribute positively to the development of Thai tourism. The same suite of awards also includes a special category called “Friends of Thailand” which recognises individuals for their dedication and commitment to the Thai tourism industry.

- **Bangkok International Film Festival 2008:** The TAT will partner with Federation of National Film Associations of Thailand to present Bangkok International Film Festival 2008 on 23-30 September 2008 at SF World Cinema, Central World, Bangkok. This year will be the sixth year and has become a great opportunity for Thailand to be known as the cultural and entertainment hub of the region.

This year, the festival will showcase more than a hundred feature and short films, representing the works of filmmakers from Thailand, the ASEAN region, and a selection of some of the most exciting and innovative films from around the world. Alongside, there will be a number of special events including panel discussions, workshops, masterclasses, exhibitions etc.

- **Loi Kratong Festival:** Join one of Thailand’s most popular cultural festivals, the Loy Krathong, or the ‘festival of lights’ which is always celebrated on a full-moon night. People all over the country use waterways to release traditional banana leaf floats called “krathongs” and make a wish for good luck and good fortune. This year, the festival will be celebrated between 7-12 November, Chao Phraya River, Bangkok.

CONCLUSION

Thank you all for joining us today. I wish you have a fruitful and productive PATA Travel Mart 2008. If there is anything our staff at the Tourism Authority of Thailand can do to be of assistance, please let us know.

"TOURISM AND SPORTS IN THAILAND – ENSURING THAILAND'S COMPETITIVENESS IN THE REGION"



Mrs. Phornsiri Manoharn

Governor

AMERICAN CHAMBER OF COMMERCE THAILAND 24 SEPTEMBER 2008

I'd like to begin by sharing with you a broad outline of our plans for Thailand's tourism industry.

As one of the key drivers of Thailand's economic growth, tourism continues to play an increasingly important role in the country's national, economic and social development and ranks high on the national agenda.

I have always believed that a vibrant tourism industry is one that is well-balanced, profitable and sustainable. A strong and efficient tourism industry will greatly benefit everyone involved and allow all stakeholders to enjoy their fair share of the resulting business.

Sustainable tourism development, of which ecotourism is just one aspect, has become one of the major strategic pillars of the worldwide travel & tourism industry. It is clearly the way of the future for Thailand. I think it is important for investors and financial analysts to better understand the background of the Thai travel & tourism industry and some of the drivers of change affecting it.

Tourism is now one of the world's fastest growing industries. According to the UN World Tourism Organization, international tourist arrivals reached 903 million in 2007, up 6.6% on 2006. International tourism receipts grew to US\$856 billion (euro 625 billion) in 2007, corresponding to an increase terms of 5.6% on 2006.

“ The Asian highway is a network of highways being constructed to link cities along the South China Sea to those in the Bay of Bengal, as well as from Singapore to China, all of which will criss-cross through Thailand. ”

Travel & tourism has now become a “need-to” lifestyle choice. Once upon a time, it was considered a low priority on the list of things to do with disposable income. Today, it is unstoppable. Today, people all over the world are traveling for leisure and business, to visit friends and relatives, to study, to attend meetings and conventions, to learn how to cook a new dish or for health and wellness, or for many more reasons.

Within the region, too, travel is on the rise. The 10-member ASEAN countries are already a major source of visitor arrivals for us in Thailand, thanks largely to the visa-free travel privileges. The numbers are likely to grow more strongly in future as the ASEAN Free Trade Area completes the process of economic integration.

The GMS is of course our natural neighbourhood. Thailand has been working hard to boost our links with Myanmar, Cambodia, Laos, Vietnam and southern China for more than a decade now. We have a number of tourism marketing programmes in place which along with the visa-free facilities and strong transportation links, are major drivers of growth. More importantly, China and India will definitely be the markets of the future, and their large populations, growing economies and proximity to Thailand almost guarantee a limitless source of visitors.

Infrastructure development under way will give a further impetus to intra-regional trade, tourism and travel. The Asian highway is a network of highways being constructed to link cities along the South China Sea to those in the Bay of Bengal, as well as from Singapore to China, all of which will criss-cross through Thailand. The end result will be a multi-modal transportation grid matching that in Europe which will work wonders for intra-regional travel.

LOCAL (THAILAND) PICTURE

Now, I come to the travel & tourism industry within Thailand itself.

Thai Tourism Policy

Tourism is one of the most important components of Thailand’s economy. In 2006, the World Travel & Tourism Council estimates that Thailand’s tourism sector generated over 14% of GDP. Nearly two million people are employed directly and indirectly in tourism. About 70% of the tourism revenue benefits hospitality and tourism-related businesses outside Bangkok. This helps create more tourism-related jobs and disseminate revenue to local people by boosting

investment in rural areas as well as assisting thousands of Thai Small and Medium-Sized Enterprises (SMEs) which are the backbone of the country's economy.

The overall strategy is to grow the Thai economy and create jobs. Our five-year tourism strategy plan focuses on developing quality attractions, boosting the Thai national identity, while conserving nature and the environment. That will remain unchanged.

Unique selling proposition of Thailand

Thailand has long enjoyed a reputation as a world class tourist destination, known for its nature, culture and traditions with hospitable people and a variety of high quality, value-for-money products and services. It has a very positive image on the global tourism stage.

Unique strengths

Thailand's travel and tourism has been able to rise to its many challenges, due to a number of unique strengths. It has a long-standing geographical advantage, a visa-free and visa-on-arrival policy allows ease of access, strong airline and aviation linkages. Our reputation for hospitality and friendliness is legendary, and so is our reputation for product delivery. This has been the basis of strong promotional campaigns both individually as well as collectively with our neighbouring countries. Another advantage is that we have accommodation catering for all budgets ranging from a few dollars per night up to over thousand dollars per night.

International arrivals

In 2007, international visitor arrivals totalled 14.46 million, an increase of 4.65% over 2006. Top ten markets were Malaysia, Japan, Korea, China,



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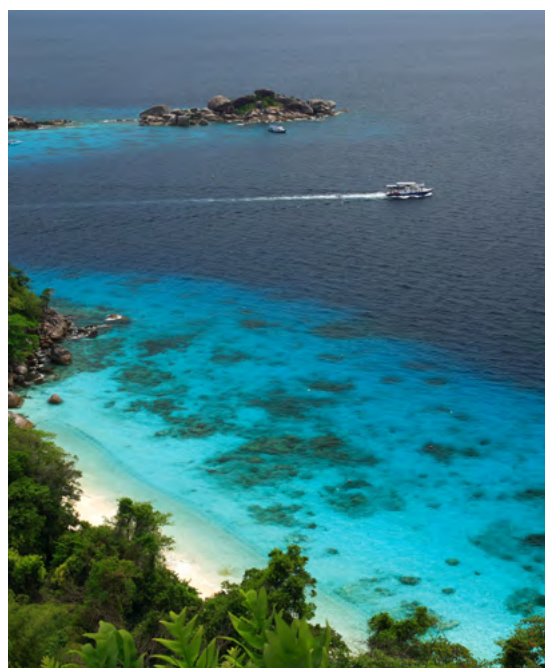
In January – June 2008, international visitor arrivals to Thailand at Suvarnabhumi International Airport (classified by nationality) totaled 5.62 million up 14.40% over the same period of 2007.

In 2008, we are projecting 15.48 million visitor arrivals, with tourism revenue projected at 600 billion baht. The domestic arrivals target in 2008 is 87 million trips and earnings of over 400 billion baht.

We are fortunate that Thailand is a year-round destination, with little differences between winter and summer seasons (if we have any winter at all because it's quite warm all year). In the past, the peaks and troughs between the arrivals in the winter and summer were quite pronounced but these are being sorted as more Chinese and Indian visitors come to Thailand, and intra-regional travel develops. We are also working hard to disperse the visitors more evenly between the urban and rural areas in order to ensure a better and more fair distribution of tourism income.

Profile of US visitors

The US is the eighth top source-market of arrivals to Thailand. In 2006, visitor arrivals from the US totaled 640,674 up 9.43% over 2005. In 2007, US visitor arrivals totaled 623,638, declined by 2.66% were affected by the lingering effects of the September 2006 coup. But the situation picked up in the second half. So overall, I would say we are generally happy with the situation.



In 2007, 63.05% or 393,186 were repeat visitors from US to Thailand. Business travellers were up by 10.21% and senior citizen by 13.24%.

US visitors have an average length of stay of roughly 14 days per person per visit, well above the 9-day average of all visitors to Thailand. They also enjoy spending money in Thailand, with an average daily expenditure of 136 dollars in 2007.

In the second quarter of 2008, US visitor arrivals at Suvarnabhumi International Airport totalled 311,901 a 9.38% increase over the same period of 2007. In 2008, we are projecting US visitor arrivals at 694,000.

MICE events in Thailand

Promoting MICE events is a critical part of the tourism strategy because MICE delegates are generally known to be higher spenders than the average tourists. According to the Thailand Conventional and Exhibition Bureau (TCEB), income from the MICE delegates in Thailand has risen from 33 billion baht in 2004 to 55 billion baht in 2007.

TCEB also has profiled the local trade and industry associations, especially the medical fraternity which holds the biggest annual conventions. In the field of exhibitions, particular attention will be paid to the top global industries: jewellery, automotive, agriculture and fashion.



In addition, new centres are planned in regional destinations like Chiang Mai and Phuket because they play an important role in our basic policy to disperse the benefits of travel & tourism around the country. We would welcome joint venture investment in the management of these upcoming centres.

One important element is the supporting infrastructure for MICE delegates. These days many world-class speakers and top class executives and celebrities fly in via their own private jets. Naturally, this means that we have to have the necessary facilities to support this, which creates an opening for private-jet terminals in Don Muang airport, Phuket and Chiang Mai. That, too, is an area for you to keep in mind.

“ Many of the elderly people find it too expensive and too cold to live in the developed countries in their winters. ”

Thailand privilege card

You are all aware of the power of loyalty cards like frequent flyer programmes created by the airlines. Here, we have the Thailand Privilege Card, which is a national guest loyalty card. It is the world's first country membership club and offers a broad range of benefits and privileges across a whole spectrum of services, from leisure, to travel to immigration and healthcare. We are trying hard to develop this further and grow the membership. You will be happy to know that membership in this has also been opened for a few selective Thai business elite executives. Being members of this privilege card certainly opens up opportunities for networking to discuss business and investment opportunities. Additional information is available on the website: <http://www.thailandelite.com>.

Long stay promotions

This market is growing due to the ageing populations in the industrialised countries. Many of the elderly people find it too expensive and too cold to live in the developed countries in their winters. Hence, many retirees are now taking advantage of the relatively warm weather in Thailand and Southeast Asia to set up second homes in order to spend their winters. We are encouraging this through the establishment of a special company to handle long stay visitors. Retirees and pensioners aged 50+ are eligible to apply for special long stay visas and permits, and also eligible to avail of discounts from hospitals, golf courses, spas, hotels and resorts, restaurants, and department stores.

Ecotourism and Sustainable development

You will see from what I have told you so far that we are pretty well positioned to attract a broad diversity of customer market segments, and that our fundamentals are strong to support sustained growth in future. Now, let me come to the key part of the topic.

The promotion of ecotourism and sustainable tourism development has now become mainstream policy.

World heritage sites

We are fortunate to have five UNESCO World Heritage sites and a large variety of historical places, palaces and temples with unique architecture, arts and culture that are perfectly-suited to attract both nature and culture enthusiasts. There is a good balance between nature and culture sites.

The Historic Town of Sukhothai, one of Thailand's most important tourism attractions, the Historic City of Ayutthaya: our second capital after Sukhothai, and the Baan Chiang Archaeological Site, the most important prehistoric settlement so far discovered in South-East Asia, are all important culture spots.

At the same time, the Thung Yai Huai Kha Khaeng, one of the most pristine forest areas of continental South-East Asia, and the Dong Phrayayen KhaoYai Forest Complex are both nature spots.

All the Heritage Sites are very important visitor attractions, and of course the need to ensure that we maintain the World Heritage Status means that we have to ensure preservation and upkeep.

Community based projects

In the field of ecotourism and grassroots tourism, new emerging trends include community-based tourism programmes, such as home stays. It is a very important part of our culture and identity.

At the local level, even relatively small numbers of tourists can make a valuable contribution to local economies, skills development, conservation and community projects. For one thing, the earnings go directly into the pockets of the home stay villages.

Just this week, Thailand has won a PATA Gold Award for the Klong Rua Village in South Thailand, winner in the category of Environmental Education Programme. Klong Rua Village is located in Ranong, has virtually no public facilities like electricity and irrigation systems, but is making a living by attracting eco-tourists. In the summer rainy season, tourists can taste the numerous varieties of local fruits from local farms. In the winter dry season, it is the coffee season, which gives travellers an opportunity to experience a coffee production process. The idea of creating an ecotour followed a field-study project by an undergrad environmental economics class of the Economics School of Thammasat University.



NICHE MARKETS

Another way of seeing the future growth of tourism activities will be in the area of niche markets. As people become well-travelled, they tend to travel for specific reasons like pursuing a hobby or gaining a new experience. In this area, Thailand also has some advantages and a lot to offer.

Health and wellness

Thailand is becoming very well known for both the preventive and curative sides of the health and wellness phenomena. According to official statistics, international patients coming to Thailand for treatment rose from only half a million in 2001 to 1.28 million in 2005. Europe, including the Scandinavian countries, plus Germany, Austria and the UK, is the third largest source of health and wellness visitors, after the Middle East and North America.

On the preventive side, Thailand is also becoming well known for its spas and meditation centres. This is becoming a growth business as people all over the world are realising that prevention is better than cure. Some of our Buddhist temples in Bangkok also give lessons on both meditation and massage.

This is another area that has attracted considerable investment and will continue to do well as a business. It benefits both travel & tourism as well as the health sectors.

CHIC Products

The Thai travel & tourism industry has seen the emergence of high-end products such as boutique hotels and 'chic' restaurants, art galleries, museums and bars. A reflection of the major lifestyle shifts taking place worldwide, the new products are helping to change both the profile of

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visitor arrivals to Thailand, as well as the image of the country. They are also helping to boost average length of stay and expenditure.

Diving

Thailand boasts some of the best diving areas in the world. The island of Koh Tao, Thailand's most popular diving destination for beginners, accounts for approximately 30 per cent of all diving certificates issued around the world. Koh Tao also ranks among the world's top 10 diving sites. Noted for its impressive tropical coastal landscape and underwater world with coral reefs teeming with a tremendous variety of colorful marine life, the island attracts an increasing numbers of visitors each year.

This year has particular significance for the marine conservation movement because 2008 has been designated the International Year of the Reef (IYOR), a worldwide initiative to raise awareness of the value and importance of coral reefs. It is a very important element of our marine tourism because it also contributes significantly to the conservation of the underwater environment. It also helps bring together many volunteer conservation movements for the purpose of sustainable development.

International schools

I believe that investing in manpower resources is the most important investment of all. We are seeing many international schools opening here which of course means many more international students. However, more specifically in the travel & tourism industry, we lack a world-class training institution. We do have a number of academic colleges and private sector training institutes but they are a long way from being truly world-class. This is perhaps an area that investors can look into.



Thai cuisine

Thai Cuisine has become famous the world over for its variety of taste as well as its health qualities. Many thousands of people come to Thailand every year to learn how to cook Thai cuisine. Today, many Thai cooking courses ranging from one to seven days are being specially organised by leading hotels and restaurants for international visitors. At the same time, Thai restaurants are proliferating abroad which facilitates the exports of Thai ingredients. This is also another growth area because it means additional investments not just in the food itself but also in the entire business of creating a dining experience, such as the design and décor of Thai restaurants. By promoting sales to visitors, Thailand can popularise agricultural products in the global market, create an indirect export business and also boost patronisation of Thai restaurants abroad.



SPORTS

Now that I have spent a good deal of time talking about the tourism industry, I also need to spend a little time discussing my other portfolio, sports. It is now well known around the world that sports is not just a competitive activity in its own right, but become a huge spectator activity that attracts a massive audience and support staff for the athletes. And there are major spin-off areas too, such as media coverage and retailing. Coverage of national and international sports events also earns additional media exposure for various tourist spots, generating additional value from that sports event itself.

This year, Thai athletes received quite a profile from the Beijing Olympics, so I think that the competitive spirit of sports will be fired up in our young people. We expect to do better in future. I'm proposing the cabinet that Thailand has considerable experience in hosting international sports events. Therefore we should host the 1st Asian Martial Arts Game and the 1st World Martial Arts Muay Thai Games for example.

“ Golf is one of the most popular sports in Thailand, and Japanese visitors have played a major role in promoting its popularity. ”

Water sports

Phuket has become the home of some of the most important water-sports events in southeast Asia. The recent opening of the Royal Phuket Marina Exhibition and Conference Centre and the Phuket International Marine Expo (PIMEX) are continuing to see this developed further.

Since its launch in 2003, PIMEX has established itself as the largest boat show in the SE Asia region. Its development as the leading Marine event has been due to the major growth in Marine leisure activities as Phuket has earned the international recognition as the top Cruising and Boating destination in Asia.

The new Royal Phuket Marina International Exhibition and Conference Centre will provide 2,500 sq metres of purpose built exhibition hall directly on the waterside. That will be a first in Thailand and a first in the region.

For many years now, Phuket has also been home to such popular competitive events as the Six Senses Phuket Raceweek and the Phuket King's Cup Regatta. Other events like the Koh Samui Regatta also help bring a huge number of visitors and competitors to the area and is a big boost for the local economy.

Golf

Golf is one of the most popular sports in Thailand, and Japanese visitors have played a major role in promoting its popularity. This year we are targeting one million golfers. There are over 200 high standard golf courses nationwide, many of them championship standards. The world's top designers have made a significant contribution. Jack Nicklaus, Robert Trent Jones Jr, and many others have perfected modern layouts, using the best grasses and latest techniques.

The result is some of the most attractive courses in Asia, with excellent facilities, memorable signature holes and regular maintenance to keep them in top-class condition. There are at least a few courses in or within easy reach of all major cities. Like the marine sports, Thailand hosts some international events like the Johnny Walker Classic.

Sufficiency Economy

Finally, but most important, we need a new sense of long-term direction. And there is no better roadmap than the principles of the sufficiency economy as emphasised by His Majesty the King.

As we look into the future, we realise that we will have to become a little bit more conservative in the growth projections of future tourism development and visitor arrivals. This will require us to stress quality over quantity, a policy that we feel would become even more important as global concerns grow over environmental issues like climate change.

We are proud that our country has set new benchmarks in terms of global marketing of tourism, and we hope that our new concept of sufficiency economy would also play a role in setting new benchmarks for the management of tourism in future.

Recommendations & Conclusions

As you look around and assess the investment potential of the Thai tourism industry, you will see immense opportunities. I could tell you a lot more, but I am running out of time. The final thought I would like to leave you with is the need to ensure high standards of service development and to allow all benefits of tourism to permeate right down into the local communities.

This is the essence of tourism development. It's not just a question of bringing more visitors to Thailand but also the need to ensure that both visitors really experience the uniqueness of Thailand's "amazing and impressive" culture.

Once they return home, they will recommend Thailand to their families, friends and relatives. That is what will drive repeat visitors and create a win-win situation for all of us – visitors, the host communities, the investors as well as Thailand.

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