

Key Developments 2009

- · World financial crisis 2008 2009
- · H1N1 flu pandemic
- 14<sup>th</sup> ASEAN Summit 2009 held 28 February 1 March 2009, Cha-am.
- Australian Society of Travel Writers annual convention, 21-23 August.

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### AMAZING THAILAND MAKING AN AMAZING RECOVERY



Mrs. Phornsiri Manoharn *Governor* 

### ASEAN TOURISM FORUM 11 JANUARY 2009 HANOI, VIETNAM

I am very honoured and delighted to welcome you all to Ha Noi as well as to our press briefing today. Thank you all for being with us and for giving us an opportunity to update you with the latest developments of the Thai tourism.

I would like to begin by extending my warmest congratulations to the people and the entire tourism industry of Ha Noi and Vietnam for their excellent arrangements in hosting their first ever ASEAN tourism forum.

Having hosted this important event five times in the past, including the last one in 2008, we know how much work is involved. All the feedback we have received from the delegates and participants has been very positive. Clearly, this is a coming of age for the long-standing policy of the countries of the Greater Mekong Subregion to build strong tourism relations amongst themselves as well as the countries of the ASEAN. This event is a clear sign of the success of that policy, and we are very happy indeed to have been a part of that success.

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The closure of Thailand's main gateway airport at Suvarnabhumi between the late night of November 25 to December 3 was a completely unforeseen and unpredictable event caused by a domestic political dispute.

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### **THAI-VIETNAM TRAVEL**

It is also due to this policy that bilateral tourism flows between Viet Nam and Thailand are growing strongly, thanks to increasing leisure and business contacts as well as transportation linkages. The fact that we have a mutual visa waiver system is of course a major contributing factor.

Vietnamese arrivals to Thailand totalled 212,000 during January – July 2008, a strong growth of 68.81% over the same period of 2007. In turn, Thai visitor arrivals to Vietnam in January-October 2008 totalled 154,029, a growth of 14.5% over the same period of 2007. We are proud to be the largest single source of visitor arrivals to Viet Nam from amongst the ASEAN countries, and we hope to see continued growth in these two-way flows in future, especially because of its significant contribution to intra-regional ASEAN travel.

### **ASEAN VISITORS ARRIVALS TO THAILAND IN 2008**

In total, the ASEAN countries contribute about one-fourth of our total visitor arrivals. International visitor arrivals to Thailand in January – July 2008 totalled 9.14 million of whom 2.3 million visitors were from ASEAN countries or a market share of about 25.91%. Malaysia topped the list with 1.04 million arrivals, followed by Singapore 364,000 and Laos 347,000. Other markets that showed growth during the period include Brunei, Indonesia, Myanmar, Philippines. The only market that showed a small decline was Cambodia which dropped by 10.63% mainly due to the brief controversy over the border in June 2008.

### **OUTLOOK FOR TOURISM TO THAILAND AFTER THE AIRPORT CLOSURE CRISIS**

I know most of you would like to get an update of what happened in Thailand during the airport closure and how we have recovered from this unprecedented crisis. Today, we can confidently say that Amazing Thailand is making an Amazing Recovery and is back in business.

The closure of Thailand's main gateway airport at Suvarnabhumi between the late night of November 25 to December 3 was a completely unforeseen and unpredictable event caused by a domestic political dispute. While we could do nothing about the political issues, almost the entire

Thai tourism industry was mobilised to help the tourists, which became top priority.

The Ministry of Tourism and Sports and Tourism Authority of Thailand (TAT), together with the entire private sector provided accommodation, transportation and meals. Some emergency flights were operated from other airports, and city terminals were established for tourists to undergo early check-in procedures. Once the all-clear was declared, the entire aviation industry moved expeditiously and urgently to get the airport open again and help visitors return home to their loved ones.

Bangkok was the major city affected by the closure but the impact also spread to other destinations such as Pattaya, Chiang Mai, Hua Hin, Cha-am. However, the impact was far lower in beach resorts like Phuket, Krabi and Samui due to the number of charter flights which fly directly to those destinations particularly during the winter (October 2008 - March 2009).

After the reopening of the airports, the recovery in visitor arrivals was almost instantaneous. Figures released by the Airports of Thailand (AOT) show that the number of arrivals totalled 15,567 on Dec 6. By December 21, the number of daily arrivals had surged to 28,021, a nearly 100% increase. By January 4, 2009, the daily arrivals were 25,355, indicating that number of visitors have more or less stabilised. This is clear proof of the high levels of confidence that visitors have in the kingdom of Thailand, the Thai people and the Thai tourism industry.

However, we are optimistic that the arrivals will grow steadily now that a new Thai government has been formed. The Royal Thai government has received clear directions from His Majesty the King to restore peace and stability, which is exactly what everyone wants. The new Minister of Tourism and Sports Mr. Chumpol Silpa-archa has pledged immediately to expedite the recovery of tourism. He has told the industry that he will work with other ministries to ensure the necessary funding and infrastructure support. He has also promised to maintain the cluster development policy, which involves promoting tourism to areas around the popular tourist destinations, while distributing visitors to new areas they may not have previously seen.



One of the key areas is the recovery of the domestic market. In times of crisis, we have always found that the Thai people turnout big time to help their fellow citizens.

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### The industry's three-point recovery plan for 2009 includes

- 1. Emergency measures to restore visitor confidence,
- 2. Policy measures to promote more domestic travel and international visitor arrivals, and
- 3. Tactical marketing measures which include special campaigns, especially via online marketing.

Our campaigns will focus on major markets where we will work with industry partners to launch special packages, advertise in local media, promote the Amazing Value Card and Coupon, organize media trips to Thailand, encourage overseas Thai residents to visit Thailand, and bring back seminars and exhibitions.

One of the key areas is the recovery of the domestic market. In times of crisis, we have always found that the Thai people turnout big time to help their fellow citizens. We are boosting our public relations, marketing and promotional activities in the domestic market in order to help us tide over the projected shortfall in international visitors. Many meetings and seminars, especially those by government offices, are being encouraged to shift out of Bangkok and try a destination in the provinces.

We are working closely with private sector to launch special packages in both the international and domestic markets, for example:

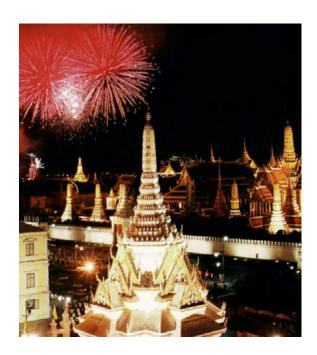
- 1. One Price All Destinations package
- 2. Thailand Super Deal portal website: You can find Thailand's best deal packages from hotels, tour operators, airlines, shopping centers, etc.

Please check out: <a href="http://www.tourismthailand.org/thailandsuperdeal/">http://www.tourismthailand.org/thailandsuperdeal/</a>

Other special packages have been launched by hotels, tour operators, airlines and related sectors to generate more travel to Thailand in the 1st quarter of 2009. Associated industry groups like the Thailand Conventions and Exhibitions Bureau are also seeking to bring back the MICE business. We are also organising roadshows abroad and bringing media/travel agents fam trips, especially from major markets e.g. Japan, China, and Middle East.

### **REVISED ARRIVAL PROJECTIONS**

The sharp decline in visitor arrivals caused by the airport crisis negated the significant increase in arrivals before the crisis struck. We are expecting that final figures for 2008 will show a total of 14.6 million arrivals, which will be about the same as 2007. Although arrivals are projected to improve in the first quarter of 2009, they will definitely be lower than arrivals in the first quarter of 2008. However, we project an improvement in the second quarter of 2009. We are hoping to ensure that international visitor arrivals in 2009 are not less than 15 million, again depending on the local, regional and global situation.



### **NEW PRODUCTS**

There are certain underlying strengths in the Thai tourism industry that supports our resilience. For example, Thailand remains the world's best value for money brand, as announced on Nov. 11, 2008 by the 2008 Country Brand Index (CBI), the third consecutive year it has won this accolade. The Brand Index hailed the Kingdom thus: "Famous for its authentic culture, spectacular beaches and noteworthy nightlife, Thailand is also one of the most affordable destinations in the world." In addition, Bangkok has been voted by CondeNast Traveler, USA to be "Best International Business City 2008". We have also won numerous other awards.

This reputation comes about due to the continuing investments that are being made by the private sector across the board improving the Thai tourism product. Here is a listing of some that are coming up:



DRAGON DESCENDANTS MUSEUM: Founded to mark the 20th Anniversary of Diplomatic Relations between People's Republic of China and Thailand, the museum is designed to present the history of Chinese civilization, using the dragon as a known sacred imaginary animal. The museum is also viewed as a way to establish a man-made attraction of national importance in Suphan Buri which is now recognized as an example of the provincial development of Thailand.

**CHIANG MAI ZOO AQUARIUM:** The newest marine aquarium in Thailand, which also claims to be the largest aquarium in South East Asia and boasts the world's longest tunnel aquarium. It houses about 3,600 aquatic animals of 250 different species. The aquarium features the world's only underwater exhibit that joins both freshwater and saltwater environments, linked together by a 230 meter walkway.





### SIRINDHORN MUSEUM AND PHU KUM KHAO DINOSAUR EXCAVATION SITE

The archaeological museum's outstanding exhibits include life-sized skeletons of the many significant dinosaur species discovered in this area. This museum is situated in the scenic foothills of Phu Kum Khao Mountain in Kalasin province. Named after Princess Maha Chakri Sirindhorn, the two-storey building is filled with mysterious walkways taking visitors back in time to the beginnings of the Earth and how it was formed, as well as the evolution of living creatures such as dinosaurs and humans.



### PATTAYA FLOATING MARKET (FOUR REGIONS OF FLOATING MARKET)

Four Regions Floating Market is the latest attraction for tourists visiting Pattaya. It claims to be the biggest floating market in the eastern region featuring 111 shops selling food and specialties from all parts of the country. Tourists are ferried by boats around the compound linked by a network of canals. After dark, there are performances of Thai classical dances native to the four regions of the country. There is no entrance fee and the market opens daily from 10am to 11pm.



### **AKSRA HOON LAKORN LEK**

Promoted as a showcase of Thailand's cultural and dramatic heritage, the Aksra Theatre presents performances of traditional Thai puppetry thereby helping to support and preserve this dying art form for future generations.

The theatre is situated in the King Power Complex in Bangkok. The performances are the work of a budding new troupe of traditional Thai puppeteers who have learned the art of traditional Thai puppetry by Thailand's legendary puppet master, Mr Sakorn Yangkhiawsod, one of Thai kingdom's distinguished National Artist in the Performing Arts. Aksra has created more than 110 traditional Thai puppets for 10 different stories.



suvarnabhumi airport rail Link: A rail-link is under construction from Suvarnabhumi airport to downtown Bangkok. The service is expected to be ready by May 2009 and will undergo three months of testing before being opened on 12 August 2009 to mark Her Majesty the Queen's birthday. The rail-link will be 28.6 km long and Express journeys will take 15 minutes and Commuter trips 27 minutes.



### **NEW HOTELS OPENING IN 2008 AND 2009**

One of the major indicators of the continued confidence of the investors in Thailand is the huge increase in new and refurbished hotels as well as hotel expansion in both 2008 and 2009. Our records show that a total of 50 new hotels opened nationwide in 2008. These included 18 hotels in Bangkok, six in Pattaya, 11 in Phuket, five in Chiang Mai/Chiang Rai, eight in Samui island, and 10 in other provinces and resorts, mainly in south Thailand.

New hotel openings set for this year (2009) include:

- 13 in Bangkok: Best Western, Crowne Plaza, Renaissance, Radisson, Somerset
- 4 in Pattaya: Centara, Holiday Inn, Ibis
- 9 in Phuket: Angsana, Hyatt, Jumeirah, Outrigger, Radisson, Shangri-La, The Regent, Wyndham
- 10 in Koh Samui/Koh Pha-ngan: Alila,
   Banyan Tree, Conrad, duistD2, Gu Rich,
   Park Hyatt, Amari, W Retreat & Residence.
- 5 in Krabi: Langham Place, Ritz Carlton, Radisson
- 2 in Hua Hin: Centara, InterContinental
- 3 in other provinces: Soneva Kiri in Koh Kood, Anantara in Phang nga

All these hotels include both international





and local hotel chains. They range from small, exclusive boutique hotels to all-suite properties to large projects that are attached to convention centres and shopping malls. They indicate an inflow of investment from all over the world, including Asia Pacific and the Middle East.



### THAI - LAO RAILWAY SERVICE

For the first time, a rail service between Thailand and Laos (Nong Khai – Tanalaeng) is due to open in March. This direct link will further enhance bilateral tourism and trade, and make it easier for international tourists to visit the two countries. Construction of the 5.3 kilometers rail line from Thailand's Nong khai province on Mittrapab bridge to Tanalaeng in Laos has taken 18 months and the State Railway of Thailand has also installed a traffic control system and telecommunication facilities. Initially, two passenger train services from Bangkok-Nong Khai-Ban Thanaleng will be operated daily.



### THAILAND TO BE A HUB OF CHARTER FLIGHTS

We are also fortunate to have a good mix of airline traffic. Although scheduled flights are of course the dominant source of traffic, we are also seeing strong growth in low-cost airlines and charter traffic.

According to the Airports of Thailand, passenger movements on LCC carriers from both Suvarnabhumi and Don Muang airports rose from 7.57 million in fiscal year 2007 to 8.08 million in FY 2008 (ending Sept 2008). Total LCC passenger traffic at all the international airports in Thailand has risen from 7.1 million in FY 2005 to 12.8 million in FY 2008, according to the AOT, a far higher growth rate than passenger movements on the regular scheduled airlines.

The winter season is also the time when we get a lot of charter traffic, and here, too, there is good news. In the October 2008 - March 2009 season, for example, we have a total of 43 charter flights to Phuket per week. On December 21, 2008, the inaugural flight of XL charter from Paris landed in Phuket, using an Airbus A330-200, with a capacity 364 seats. The charter is being operated at one flight a week.

This is in addition to the regular charters we have from Italy, Scandinavia, Finland and Switzerland. New charters are also coming from St Petersburg in Russia and Kazakhstan.

### **UPCOMING EVENTS**

Many interesting upcoming events this year will continue to facilitate our recovery. For example:

- 1. **THE THIRD GOLF PGA ROYAL TROPHY:** This will take place this week from January 9-11, 2009 at the exclusive Amata Spring Country Club in Bangkok, Thailand. The Asia's best golfers and US PGA Tour stars are participating in this tournament such as former British open champion Paul Lawrie, Joe Ozaki, Thongchai Jaidee and Prayad Marksaeng, along with Japanese teen sensation Ryo Ishikawa and South Korea's S.K. Ho.
- 2. **CHINESE NEW YEAR CELEBRATION:** On 26 Jan 4 Feb 2009, the official opening ceremony Chinese New Year festival in Chinatown will be held on 26 Jan 2009. This year, we received a good cooperation from 7 states of China to present their local cultural shows in Thailand. Over 170 VIP performers and media from Guangxi, Hainan, Xuantong, Anhui, Beijing, Heilong Jiang and Yunnan states will join Chinese New Year celebration in Amazing Thailand.
- 3. **SIMPLY RED THE GREATEST HITS LIVE IN BANGKOK 2009:** The concert will be held on 1 February 2009 at Impact Arena, Impact Muang Thong Thani. The British soul-pop band Simply Red has embarked on a massive Greatest Hits World tour, coinciding with the 25th Anniversary of the band forming. They will play to over a million people by the end of the tour in 2010.





- 4. **PATTAYA WOMEN'S OPEN (TENNIS) 2009:** Sony Ericsson WTA Tour tournaments in Thailand has announced that Dusit Thani Pattaya will be the venue for the upgraded WTA tournament which will be held from 7 15 February 2009. The new tournament, which is part of the Sony Ericsson WTA Tour's newly created "international series". It carries prize money of a minimum of US\$220,000.
- 5. **CHICAGO THE MUSICAL:** The show will be held on 12-22 February 2009, at Muangthai Ratchadalai Theatre, Bangkok. CHICAGO has everything that makes Broadway great: a universal tale of fame, fortune and all that jazz; one show-stopping-song after another; and the most astonishing dancing you've ever seen.
- 6. **14TH ASEAN SUMMIT 2009:** This historic summit will now be held in Bangkok between 27 February to March 1 2009. It will be the first since the signing of the new ASEAN charter and will fast-track integration across all sectors, including economic, social, and cultural and especially transport and communications. In November 2008, ASEAN transport ministers signed three air agreements that will lead to the full liberalization of freight and other air services in the ASEAN region. A wider Free Trade agreement will go a long way towards boosting trade and business contacts.
- 7. **WONDER GIRLS LIVE IN BANGKOK 2009:** The concert will be held 28 February, 2009 at National Stadium. The Wonder Girls are a famous South Korean girl group. The Wonder Girls held a fan meeting in Bangkok, Thailand in May 2008, attracting over 10,000 fans. Organizers stated that it was one of the most successful events for a Korean artist in Thailand.
- 8. **1ST ASIAN MARTIAL ART GAMES on 25 April 03 May 2009:** The Olympic Council of Asia (OCA) selected Thailand to host the 1st Asian Martial Art Games 2009. This is an entirely new event that OCA will organise for the first time even though these martial arts have been long been part of the sporting tradition amongst the 45 members of OCA. It has received the help and support of nine martial arts associations, namely, Kratedo, Kickboxing, Muay, Wushu, Kungfu, Kurash, Pencak Silat, Jujitsu & Belt Wrestling and Kaliripattu. They are all working together to organise and develop this event and make the Games more well-known worldwide.



- 9. **4TH LAGUNA PHUKET INTERNATIONAL MARATHON:** This will be run on 14th June 2009, featuring a full Marathon, Half Marathon, 10 Km Run, 5 Km Walk and a 2 Km Kids Run. Registration is now open.
- 10. **AUSTRALIAN SOCIETY OF TRAVEL WRITERS:** Up to 200 of Australia's leading travel writers will descend upon Thailand in August 2009 for their annual general meeting, expected to be the largest off-shore event for the association since its inception in 1975. It will include the group's AGM for three days in Bangkok, and a series of six tours of up to seven days' duration.

### **CONCLUSION**

### Distinguished media delegates

In conclusion, I would like to extend my sincere thanks to all of you for being here. Please convey the message to your readers and viewers that Amazing Thailand is making an Amazing Recovery and we are back in business. Before, I sign off today, I would like to invite you all to join us this evening at the "Pattaya Thailand Night", Horizon Hotel. I will be happy to take a few questions.

## PREPARING FOR AN "AGEING SOCIETY"



Mr. Auggaphol Brickshawana

Deputy Governor for Tourism Products

## CHIANG MAI INTERNATIONAL HEALTH PROMOTION MEETING 4 FEBRUARY 2009

I am very pleased and honoured to be invited to preside over the opening ceremony of the "Chiang Mai International Health Promotion Meeting 2009" today. Allow me to wish you all very warm welcome to Chiang Mai, the Rose of the North. Over the years, Chiang Mai has developed a reputation as a charming city renowned for its culture and handicrafts. Today, it is also moving into a new era as it seeks to tap into the growing demand for health and wellness.

Indeed, the important theme of this seminar, "Chiang Mai International Health Promotion", is perfectly in line with global trends. Societies are aging the world over. By the year 2020, an estimated 700 million people worldwide will be classified as "aged." In America, 77 million people will be of retired age. Between 2006 and 2026, the number of senior citizens aged 60 are projected to grow by 8,000 people per day. In Japan alone, which has the most senior citizens in Asia, over 8,500 people are turning 60 every day11.

These figures mean that there will be a big demand for products and services catering to this group of travellers. The "ageing society" segment has a significant potential for health and wellness tourism because mature-aged people are time-poor and cashrich. That is why the Tourism Authority of Thailand has clearly included this segment in our "Seven Amazing Wonders Products" promotional campaign and its key messages:



## In terms of both facilities, costs and professionalism, Thailand is very competitive with other countries which are also promoting medical tourism.

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- 1. Thainess which refers to traditional Thai hospitality, lifestyle and friendliness of the people, simple, peaceful, charming always a key selling point for us. Traditional Thai products such as community based tourism, Thai massage, Thai food & fruit carving, and Thai culture.
- 2. Treasure which refers to our world heritage sites and historical places, temples, and Thai museums.
- 3. Beaches, our beach resorts are some of the best known all over the world.
- 4. Nature which will focus on conservation and environment, including green tourism.
- 5. Health and wellness, a rapidly-growing market, focussing on preventive, curative therapies and treatments, as well as alternative lifestyles.
- 6. Trendiness, with its vast variety of new Chic Hip Modern restaurants and eating outlets, boutique hotels, shopping centres.
- 7. Festivities, the 'fun' factor, which highlights popular events and festivals such as the International Food Festival.

To further fine-tune the marketing process, the TAT has segmented health and wellness into three categories: Medical Services, Wellness and Meditation, each of which are designed to appeal to the body, mind, soul and spirit, and targetted at a separate niche-market customer segment.

In term of medical services, this is targetted at the curative side – those who are seeking treatment for sickness and ailments they already have. In terms of both facilities, costs and professionalism, Thailand is very competitive with other countries which are also promoting medical tourism such as India, Malaysia, Singapore, European countries and South America.

Today, Thailand has a total of 336 private hospitals nationwide with 35,614 beds. Of these, over 30 hospitals are well prepared cater to foreign nationals and five have extensive experience in marketing abroad. They are known as "World Class Hospitals in Five Star Hotels with Hospitality at a Reasonable Price".

In 2008, it is estimated that more than 1.45 million international visitors came to Thailand for medical check-ups and treatment. They generated an income of 45 billion baht, which doubles to 90 billion baht if spending by the patients accompanying persons is included.

The strengths of Thai medical tourism services are:

- International Standards
- Professional Doctors
- State of the Art Technology
- Thai Hospitality
- Easy Access



Most foreigners come to Thailand for specific treatments such as dental work, total kneereplacement, cosmetic surgery, anti-aging, medical check up, assisted reproduction, sex reassignment surgery, etc.

The second category, wellness, is a high potential segment because it focusses on preventive ways of life. Many new products have emerged to cater to this segment such as the Chiva-Som which has invested significant amounts to develop major Thai cities as spa destinations. We also have unique products such as the Six Senses Erawan Spa Destination in Naka Island, Phuket, and the Absolute Sanctuary Spa Destination in Koh Samui.

The Thai Spa industry has grown rapidly and strongly. Furthermore, it generates income across the board through the development of health and Thai herbal products, export of Thai therapists and Thai Spa consultancy services. Since the Royal Thai Government initiated a strategy for the development for Thailand as a medical hub in 2004-2011, it is estimated that the number of international visitors coming to the country for medical check ups and treatment will generate income of more than 100 billion baht.

The third category focussing on spirit and soul is targetted at those who want to learn how to meditate, develop mind control and concentration, and adopt a Buddhist way of life, which is the basic philosophy of many Asian countries.

Increasingly, this "alternative" lifestyle is becoming popular in Western countries. Many foreigners from Europe travel to Suan Mokkh Palaram center for meditation courses and classes. The center now has expanded to Koh Samui. It caters only to foreigners.

The TAT is working closely with the public and private sectors to promote service quality and marketing campaigns. There are 1,210 places that have been certified by Health Service Support Department of the Ministry of Public Health to offer health massage, beauty & spa treatments.

### **DIGITAL DIRECTORY**

### Thailand Health and Wellness service providers for medical tourism

ข้อมูลผู้ให้บริการด้านการท่องเที่ยว เพื่อสุขภาพของไทย



Spas, too, have been classified into three grades: premium, gold and silver in line with tourist demand and service requirements.

There are 25 certified spa operators. The TAT has also published a guidebook called "Thai Spa in Mind" which has been uploaded on the website. TAT also promotes Thai spas in major travel events like ITB Berlin in Germany, WTM in UK, ATM in UAE and MATIW in Russia.

I believe that Chiang Mai is well prepared to be a popular destination for health & wellness, thanks to its good weather, friendly local people, rich culture and a relaxed lifestyle that fits the needs of those seeking such preventive, curative and alternative treatments. In fact, Chiang Mai has more than 20,000 hotels and over 10 private hospitals, natural tourism destinations, hot springs and many other health and wellness facilities, products and services.

Of the six spas which won Thailand Tourism Awards 2008, three are in Chiang Mai -- The Oasis Spa, Rarinjinda Wellness Spa Resort and Tao Garden Health Resort. In the near future, strong transport linkages with neighbouring countries such as South China, Myanmar, Laos and Vietnam will crisscross through Chiang Mai, which will lead to increased trade and investment in North Thailand.

### Ladies and Gentlemen,

This seminar is clearly designed to underscore and highlight both the present readiness and strong future potential of Chiang Mai as a health care city. The Tourism Authority of Thailand truly appreciates the kind co-operation extended by the hosts, the provincial office, Chiangmai Health Services Promotion Association, tourism business and all others who have played a role in putting it together. Finally, many thanks to all the participants for your interest and attendance. I wish you all a successful and productive event.

# THAILAND IS STILL THE "LAND OF SMILES, LAND OF THE FREE, AND LAND OF OPPORTUNITY"



Mr. Abhisit Vejjajiva *Prime Minister* 

### MEDIA MEGA-FAM TRIP 24 FEBRUARY 2009, BANGKOK

Ministers, Excellencies, Distinguished Guests, Ladies and Gentlemen, It is a pleasure for me to welcome you all here, Amazing Thailand!

I would like to begin by thanking you all for accepting our invitation to visit our kingdom and see for yourself the reality behind the headlines. Your visit is a very important part of our efforts to restore confidence and rebuild relationships, both with the world at large as well as within our own society and communities. We sincerely appreciate the time you have taken to be with us.

I would also like to thank the co-organisers of this event for their initiative and hospitality:- Ministry of Tourism and Sports, Ministry of Transport and Communication, Tourism Authority of Thailand and Thai Airways International. I also thank many supporters for this event.

For many years, Tourism has been one of Thailand's most successful industries. Billions of dollars worth of investment have poured into an industry which, in 1960, attracted 81,000 visitors up to 14 million visitors in 2008 and earned US\$ 10 million in 1960 to US\$ 14.79 billion (532 billion baht) in foreign exchange.

Indeed, Thailand has been at the forefront of tourism development worldwide, with innovative marketing programmes and unique products that are avidly sought



# The fact that thousands of visitors are still streaming into the country is a clear testimony to the fact that people still do see Thailand as a safe, friendly and value-for-money holiday destination.

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out. Travel & tourism remains a primary pillar of our national economic development policies, playing a major role in the preservation of our unique culture and heritage, helping to distribute income nationwide and creating direct and indirect jobs for three million people.

My government plans to ensure that Thailand remains a peaceful, stable and hospitable country to visit. Our three-pronged policy platform is designed to underpin the political stability of the kingdom, set up appropriate economic policies to get investment and business flowing again, and to take very specific actions to drive tourism forward.

Firstly, I wish to assure you that there will never again be a repeat of the closure of our main gateway airports. The Cabinet has just approved draft laws to protect our major airport from any future disruptions. I can guarantee you that it will not happen again, at least not under my watch.

However, we are pleased to see that visitor arrivals are on the upswing again. Although the number of daily arrivals is lower than it would be for this time of the year, we are aware that travel all over the world has been affected by the ongoing global financial and economic conditions. The fact that thousands of visitors are still streaming into the country is a clear testimony to the fact that people still do see Thailand as a safe, friendly and value-for-money holiday destination.

I have also been told that our own internal political situation has deterred tourists, and affected our reputation as the "land of smiles, land of the free, and land of opportunity". Global situations we cannot do much about, but local problems we can, and that is to be my urgent and immediate priority.

My government is working hard to prove -- not only to the Thais but to the world at large -- that Thailand is still the "land of smiles, land of the free, and land of opportunity."

As soon as my government announced our policy platform on 30 December last year, we have worked very hard to achieve stability and unity in our society, and to make the reconciliation amongst the Thais our immediate priority.

My government has pledged to promote democracy, based not only on the "majority rule" principle but also on good governance, transparency, justice, and rule of law. My government will

work for every one in Thailand - no matter what political leaning, the colour of the shirt they wear, the religion they worship, or the sex, age and race to which they belong. Everyone will be treated equally under my government and under the law.

For over a year, Thai politics went underground or played out on the streets. My intention is to bring politics back to the Parliament. Political problems should be resolved by democratically-elected politicians, and the venue for those politicians to work out their differences is in the Parliament.

The results of the by-election and the race for Governor of Bangkok last month have also boosted the confidence in my government, as these voting results are an important signal that the Thais want the government to work for them and to steer the country out of the crises and move forward.

When I participated in the recent World Economic Forum in Davos, Switzerland, I had an opportunity to speak with many of world leaders and CEOs. I went there with the purpose of conveying one simple message to them: that Thailand is back in business and we will always open our arms for foreign investors and tourists. I did inform them of the several measures that my government has, and plans to, put in place to revitalise the economy.

These include a series of short-, medium- and long-term measures designed to help exporters, underpin the stability of our financial institutions and help small and medium sized enterprises weather the downturn. We will also be spending significant amounts to upgrade the transportation and telecommunications infrastructure. Indeed, we will now let our actions and the results of these actions speak for themselves.







## We have moved from a situation where we had a barely functioning government to a functioning one. We are fast returning to normalcy.

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This week, we are preparing to host the 14th ASEAN Summit. Many of the preliminary meetings are already under way. Just a few days ago, we had the largest gathering of ASEAN civil society groups here. This historic Summit will mark a new beginning for all 10 countries of the ASEAN region, and also help Thailand restore confidence amongst our foreign friends.

So, let me reiterate that in the period of just over a month since my government took office, the country has come a long way. We have moved from a situation where we had a barely functioning government to a functioning one. We are fast returning to normalcy.

All this will be good for tourism. You have already heard earlier from the governor of the Tourism Authority of Thailand about the various campaigns we are launching to ensure that tourism industry retains its rightful place in our overall economy.

I hope I have given you some insights as to what my government is doing now and will do in the future in order to put Thailand back on a path that will continue to move forward.

Again, I thank you for taking the time to visit our country. I wish you all a pleasant stay and hope that it will motivate you to return with your friends and families as well as to send your clients, readers and viewers to Thailand, too.



# UNPRECEDENTED LEVEL OF CRISES REQUIRES AN UNPRECEDENTED LEVEL OF UNITY AND FOCUS



Mrs. Phornsiri Manoharn

PATA Chairman 2009/2010

### PATA ANNUAL MEETING 2009 18-21 APRIL 2009

It gives me great pleasure to be here in Macau, and a very warm welcome to all. May I take this opportunity to compliment PATA and our Macanese hosts for their excellent arrangements. Indeed, it is always a pleasure to be in Macau, where we have held numerous PATA events in the past, including the PATA annual conference in 2005.

It is great pleasure and honour to be selected as PATA Chairman for 2009/2010. This is certainly not an individual honour, but a national honour as well. It is an acknowledgement of Thailand's active role in the Asia-Pacific tourism industry. I have just retired from the Tourism Authority of Thailand after a 37-year career, including three years as Governor, and look forward to making a small contribution to the Asia Pacific tourism industry at large.

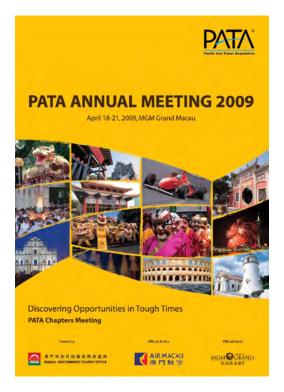
This is a very historic meeting for us because we will be setting in place a new direction for the association at a time of unprecedented change. I would first like to pay tribute to chairperson Janice Antonson, and all the other members of the executive committee and the board of directors. Under Janice's leadership, we now have a new Chief Executive in place. Mr. Greg Duffell and his team now have their work cut out for them, but I believe we now have the right person in the right job, and he will need all the help he can get.



### Intra-regional travel will be our saving grace. There are over three billion people in the Asia Pacific region, most of them young people.

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For more than four decades PATA has played a significant role in shaping and enhancing the growth, value and quality of the Asia Pacific tourism industry. I believe the real strength of the Association lies in its more than 1,000 members from 74 countries, including NTOs of 42 countries. Besides NTOs, major stakeholders also include airlines, hotels, tour operators, cruise lines and those involved in this mega-industry.



As I mentioned at our Board meeting in Colombo last year, a main priority for me as PATA chairman will be to strengthen the association's membership structure. I believe it is imperative to find ways to harness the reach and distribution of worldwide chapter network. This includes, first and foremost, listening to them and their views on how to address the many challenges facing the Asia Pacific travel & tourism industry.

They can be of significant assistance in helping to promote the PATA brand and enhance the organisation's reputation and respectability worldwide. They can also become an important marketing force for the entire Asia Pacific region in these highly competitive times. I am pleased to see that many of the chapter members are already here in Macau for their own meeting in a few days.

As my tenure as PATA chairman will also cap my own career in travel & tourism, I do hope to impart the following messages:

- 1. The industry is facing an unprecedented level of crises, which requires an unprecedented level of unity and focus on our part;
- 2. Intra-regional travel will be our saving grace. There are over three billion people in the Asia Pacific region, most of them young people. They will travel like never before, and cultural tourism destinations like Nepal and Cambodia will be big winners.
- 3. I would like to see the Asia Pacific region become the most popular destination for long haul tourists.
- 4. If we succeed in achieving that goal, PATA can become the most important tourism association in the world.

- 5. We need to strengthen both PATA and the PATA brand because there is no other regional organisation capable of providing leadership at this critical juncture.
- 6. We need to elevate the importance of the PATA Chapters in each country, especially to convert them into marketing channels.
- 7. Even as we address our immediate challenges, global warming and climate change will remain our most important long-term challenge. Addressing it will require us all to make significant changes in the way we live and work.

I thank you all for entrusting me with this honour and privilege to be your chairman in these very challenging times. I look forward to your advice and counsel, and to working with you all to keep our association in good shape for many years in future.

## DEVELOPING PHUKET AND ANDAMAN AS HALAL TOURISM HUB



### Dr. Weerasak Kowsurat

Minister of Tourism and Sports, and TAT Chairman

### WORLD OF HALAL SCIENCE INDUSTRY AND BUSINESS INTERNATIONAL CONFERENCE 2 MAY 2009, PHUKET

On behalf of the Thai tourism industry, I am very honoured and delighted to be with you all this morning. Allow me to thank the chairman of the Organising Committee, Assoc. Prof. Winai Dahlan for the invitation to speak to you today.

Let me also compliment all the organisers and participants for this excellent conference and trade fair. This is indeed a unique event because it serves so many different purposes all at once. It contributes to economic growth, builds social and cultural friendships and promotes peace and understanding. This is what such events should be all about, and what better way than to use good quality food as a bonding factor.

The topic "Targetting Phuket and Andaman as Halal Tourism Hub" is a very appropriate one. It is certainly in line with all our strategic priorities as a country and a sub-region. It builds intra-regional travel, allows us to diversify our sources of visitor arrivals, promotes low-season traffic, generates jobs and foreign exchange earnings in the provincial areas, and also promotes exports. These are all important objectives.

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Thailand has a large population of Muslims who are well-educated and patriotic members of Thai society. There is no contradiction between following any religion and being a good Thai, loyal to His Majesty.

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### THE 4th INDONESIA-MALAYSIA-THAILAND GROWTH TRIANGLE (IMT-GT) SUMMIT

This conference is very important aspect of the policy to develop strong links for intra-regional travel, trade and transportation. Hence, allow me to highlight the outcomes of the 4th Indonesia-Malaysia-Thailand Growth Triangle Summit which was convened on 28 February, 2009 during the 14th ASEAN Summit in Cha-am. The Summit was attended by the leaders of Indonesia, Malaysia and Thailand. Its objective was to promote cooperation in six areas including trade and investment, infrastructure and transportation, tourism, halal products and services, human resources development and agriculture, agro-industry & environment as well as the development prospects in the IMT-GT Sub-region.

The leaders agreed to develop the economic potential and strengths of the sub-region to assist member countries overcome the global economic crises. They also agreed to the priority development of the five Connectivity Corridors as stipulated in the ASEAN Roadmap and enhancement of its implementation of programmes and projects as well as the acceleration of infrastructure development including maritime and aviation linkages. There will also be more efforts to build public and private partnerships in promoting trade, investment and tourism.

### THAILAND AND HALAL TOURISM

Thailand has a large population of Muslims who are well-educated and patriotic members of Thai society. There is no contradiction between following any religion and being a good Thai, loyal to His Majesty. We are also very proud of the fact that the ASEAN Secretary-General is a Thai-Muslim, our very own Dr Surin Pitsuwan who was born in Nakhon Sri Thammarat, a province not far from here and is a shining example of how a young man from a poor background can rise to the top through hard work and effort.









We are also proud to be host of the Muslim world's first Halal Science Lab, located at our world renowned Chulalongkorn University in Bangkok. The Lab which strives to improve the education process and knowledge base about the application of science in the halal food production procedure. It has been located at the university for more than 8 years and is well supported by the Royal Thai government. The Lab Center arranges training courses for Halal Food manufacturers in the six provinces in Andaman area, and also has a long term project for students in other provinces to study the science. In 2008, the lab also organized the 1st World Halal Science, Industry & Business International Conference 2008 (WHASIB'08).

The halal tourism market is essentially targetted at the large global population of Muslims. The vast majority of Muslims live in Indonesia, Malaysia, Bangladesh, India and Pakistan, and we are very proud to be located very close to each of these destinations. At the same time, we need to focus on the Middle East from where visitor arrivals have grown rapidly. Altogether, we estimate that Thailand attracts more than two million Muslim visitors per year. Hence, it is necessary for us to provide goods and services for tourists that conform to religious principles in order to be able to promote Thailand as an important tourist destination among Muslim tourists.

At this time of the year, the Middle East market becomes most important, so please allow me to focus a little on it.



The Middle East in general and GCC countries in particular, are very important sources of visitor arrivals. Both Nationals and Expatriates in these countries have high purchasing power, long average length of stay and enjoy the monsoon season. They like to come to Thailand because is well known for its extremely good quality of products, excellent service standards and, of course the warmth and traditional hospitality of the Thai people. In 2008, Middle East visitors were up 8.85% to more than 250,000. The United Arab Emirates is the top source market with 91,000 visitors, up 21.93% over 2007.



### **KEY ATTRACTIONS FOR THAILAND**

#### **Green Season**

The monsoon rains make this period from May to September the 'Green Season'. We promote it as a good time to visit Thailand when the country becomes green and fresh thanks to the monsoon rains. This makes the Middle East market all the more important because it helps us to balance out the peaks and troughs between arrivals in the peak and low seasons.

### **Shopping**

Middle East visitors love to shop. Our ongoing campaign is Amazing Thailand Amazing Value, a colourful marketing effort that focusses on positioning Thailand as the perfect value for money destination. Last November, the Tourism Authority of Thailand launched the Amazing Thailand Card, a discount card to be distributed to tourists from the Middle East market. It is part of a major loyalty-building campaign that will run all the way until September 2009.

The Amazing Thailand Card will be available for distribution via the TAT Dubai office, Thai Airways offices and Thai restaurants. Cardholders will be able to use it to buy discounted products and services in their home countries as well as in Thailand. It can be used at over 200 hotels in Thailand, to purchase flights on Thai Airways International and Bangkok Airways, as well as products and services at leading department stores, spas, golf courses and duty free shops at airports in Thailand.

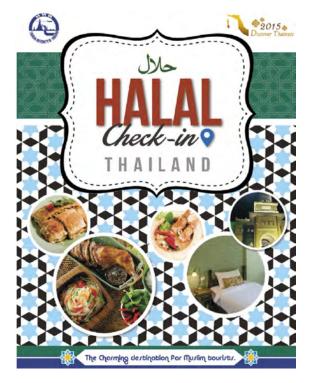
### **Medical Tourism**

We are extremely well placed in this area. Thailand's track record on the medical frontier has frequently won international acclaim, particularly in areas like cardiac surgery and post-operative care, cosmetic

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Our ongoing campaign is Amazing Thailand Amazing Value, a colourful marketing effort that focusses on positioning Thailand as the perfect value for money destination. 55







and reconstructive surgery, dentistry, the treatment of bone-related ailments and cataracts and pharmacology to name a few. The Thai government is focussing especially on traditional health because it offers prevention rather than cure, uses local resources and contributes to the preservation of tropical plants and local heritage.

One hospital has a department especially for foreigners, staffed with Arabic interpreters, highly trained nurses and doctors. Currently, more than 100 nationalities benefit from the excellent international medical standards and the personal service that the hospital offers. In 2009, we are projecting 2 million international patients coming to Thailand for treatment.

Here are some profiles of Middle East visitors who travel for medical treatment in Thailand:

- 66% are male,
- 72% aged between 25-49 years old,
- 71% married,
- 42% are government officials and state enterprise,
- 35% are UAE residents, and 16% are Oman residents

Reasons for travelling to Thailand for medical treatment

- -79% known Thailand as medical hub with good quality and international standard.
- -47% do not wait in the long queue
- -44% were advised by friends and relatives
- -42% high technology in medical treatment
- Type of treatment:
- 59% for medical check-up
- 41% for surgery
- 18% for dental clinic
- 16% for physical therapy
- 11% for eye clinic
- 06% for plastic surgery

The TAT also forecasts in the near future Phuket and Thailand's Andaman coast will become one of the top destinations for Arabs.

### **Youth Camp**

In March 2009, the TAT Dubai and Middle East Office officially launched its "Jump to Amazing Thailand" initiative, with a seminar and workshop targeting principals and head teachers of the U.A.E's leading international schools. The initiative, a first by an international tourism

authority to directly target international schools within the Middle East, aims to promote awareness of Thailand as a quality and value for money school camp destination. As part of the campaign, educational programmes and experiences focusing on various themes such as the environment, culture, history and other specialized fields of study are offered as options and tailor-made to meet the curriculum and scholastic needs of schools.

Later this year, the TAT will host interested school representatives with a trip to Thailand to experience and inspect first hand the services and infrastructure that the destination and tour operators are able to provide within this specialized field of tourism. Additionally, the TAT has launched a "Jump To Amazing Thailand" brochure that provides further information to school authorities and parents on the attractions of Thailand as a school camp destination.

### PHUKET AND ANDAMAN AS HALAL TOURISM HUB

One of the key factors that attracts Middle East and Muslim visitors to Thailand is the availability of halal food, and I am glad to see that Phuket is gearing up to be a Halal food center. While Thai Muslims make up about 30 percent of Phuket's population, the resort island also welcomes a hundred thousand Arab tourists each year.

The provincial authorities realize the standard Halal food preparations will show the island's readiness in catering to the special dietary needs of Muslim visitors. The Halal food logo which appears in front of a restaurant guarantees that restaurant has been certified with Halal food standards by the Halal Standard Institute of Thailand.



Earning the certification is a strict process, and that is the way it should be. The Central Islamic Committee of Thailand will visit a restaurant once a week to examine the selection of ingredients and cooking methods. All processes have to strictly follow Islamic rules. The TAT also forecasts in the near future Phuket and Thailand's Andaman coast will become one of the top destinations for Arabs. The readiness of Halal food restaurants on the island will certainly be a key factor.

### **CONCLUSION**

I am truly impressed by what I have seen here today. Such a large turnout of people, so many activities and such an interesting and vibrant conference programme are clear indicators of a well-organised and professional event.

I wish to end as I began, by complimenting and thanking Dr Winai Dahlan, the chairman of the organising committee, for this excellent event and for inviting me to speak to you today. I thank you for all your hard work and pledge the best possible cooperation of the national tourism bodies in facilitating the success of your very productive and fruitful endeavour.

## CRISES HAVE BECOME "THE NEW NORMAL"



### Dr. Weerasak Kowsurat

Minister of Tourism and Sports, and TAT Chairman

### JATA WORLD TOURISM CONGRESS 17 SEPTEMBER 2009 TOKYO, JAPAN

On behalf of the Tourism Authority of Thailand and the Thai tourism industry, it is my pleasure and great indeed to join this special occasion of JATA's 50th Anniversary and the first anniversary of Japan Tourism Agency. For the TAT we will celebrate the 50th anniversary of its founding next year. It is the second time that TAT is participating in the JATA conference, and we would like to thank the organisers for the opportunity.

Allow me to begin by first giving you very briefly a few details on Travel and Tourism situation in Thailand and then go to tourism strategy and end with our future prospects.

Japan and Thailand are two kingdoms with a proud history, culture and heritage. According to the Thai Board of Investment, Japan is the largest foreign investor in Thailand. In 2008, total Japanese investment applications reached over 300 projects (representing 40 percent of total foreign investment projects in Thailand) worth around 290 million yen (representing 35 percent of the total investment value).

Japanese investment approved by the BOI since 1970 reached 2 trillion baht =15.5 trillion yen by August last year, covering slightly over 5,000 projects. Japanese companies have contributed significantly to Thai industrial development in Thailand, especially in sectors



### The TAT's brand and marketing strategy is to focus on the highly successful "Amazing Thailand Amazing Value" campaign highlighting our country as a modern, sophisticated and international destination

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like automotive, electrical and electronics, and chemical products.

The government has already implemented short and long-term economic stimulus package, pushed for many mega projects including Southern Seaboard project development.

In terms of visitor arrivals, Japan is now Thailand's second largest source market after Malaysia. In 2008, Thailand attracted over 1 million Japanese visitors. In recent years, Thailand has become very popular with Japanese independent travellers (60% of Japanese arrivals. Group tourists visiting the Kingdom for the first comprise 36% and repeat visitors 64%.

As of this August, a total of 111 direct schedule flights a week are being operated between Thailand and major cities in Japan (Fukuoka, Hiroshima, Nagoya, Tokyo and Osaka) by Thai Airways International, Bangkok Airways, Japan Airlines, All Nippon Airways, United Airlines and Northwest. Japanese visitors to Thailand can obtain visa-free entry at all international airports and stay up to 30 days.

For this year, TAT initially projected 14 million visitor arrivals. However, due to the impact of the global economic downturn and the H1N1 flu situation, we are in the process of realigning our marketing strategies and revising our target. For the first six months of this year, visitor arrivals to Thailand totalled some 6.6 million, down 16 per cent compared to the same period last year. While most markets showed varying rates of decline, we saw an increase of almost 11.5 per cent in arrivals from the Middle East and a 3.6 per cent increase in arrivals from South Asia.

The decline is a global problem, as the economic and financial crisis has made people more cautious about spending on leisure and business travel. As for the Avian flu (H1N1), using the experience gained during the SARS outbreak a few years ago, the Thai government has implemented rapid response measures that have kept this flu in check in our country.

The TAT's brand and marketing strategy is to focus on the highly successful "Amazing Thailand Amazing Value" campaign highlighting our country as a modern, sophisticated and international destination that offers a truly unique tradition, history and culture. Being considered as a top value-for-money destination is a tremendous brand attribute for Thailand.

Although we are now focused on overcoming the challenges that face Thailand's tourism sector, the future remains very promising. Visitors from all over the globe come to Thailand attracted by our extremely high-quality products, excellent service standards, wonderful natural attractions —





and, of course, the warmth and traditional hospitality of the Thai people and one of the world's truly unique cultures. These attributes will always be the essence of Thailand.

Already an outstanding travel destination, Thailand will only become more appealing as we continue to develop our tourism products further. We will focus on building Thailand's lead in areas; such as, medical tourism as well as developing innovative travel products and experiences in areas like wellness tourism, such as spa, hot spring, massage, herbs product, Ozone area Thainess tourism visit old temples and community markets where local product are displayed along with the local way of life including ecotour programs, such as rain forest, coral reef, visit waterfall, climbing, bird & butterfly watch, wild life & mangrove, sanctuary + rafting social tourism, volunteer tourism cultural and historical travel Sukhothai world heritage where the Emperor of Japan paid an official visit in His 1st official state visit to foreign country in, 19 (Phu Wiang Dinosaur Museum) (Sirindhorn Museum) school trip+ Canal Tours.

With 217 golf courses in Thailand, golf tourism will be a particular priority for bringing in Asian visitors, who can enjoy exceptional value and an unmatched golfing experience. In addition, we also have programmes for weddings and honeymoons, as well as international conferences.

One of our major growth markets is the long-stay market, especially for the rising number of Japanese elderly people. They find Thailand a perfect place in terms of cost, facilities, quality of service as well as weather. In 2004, the total number of long stay visitors was 568,620, an increase of 7.1% over 2003. Japanese comprised the largest group of long stay visitors, a total of 73,882, up by 8.4%. The average length of stay was between one to two months. A Thailand-Japan Longstay Promotion Association was set up in January 2005.

In addition to incentives to boost tourism; such as, reduced landing charges for aircraft and reduced entry fees for national parks, we continue to enhance Thailand's tourism products. For example, starting June, this year on the "Package Tour for Transfer Passengers" initiative was introduced. Transfer passengers making a stopover of 6 to 12 hours at Suvarnabhumi International Airport can take short tours of Bangkok and the surrounding area.

We are also getting significant support from our industry partners. For example the Thailand Convention and Exhibition Bureau has just published directory of the MICE venues in Thailand. The "Venue Variety" directory promotes business events around Thailand with an "aim to boost awareness and confidence in Thailand as a dynamic business event destination". The 174-page directory has information about business facilities in five geographical areas of Thailand: Bangkok/Pattaya; Chiang Mai/Chiang Rai; Nakhon Ratchasima/Khon Kaen; Cha-am/Hua Hin and Phuket/Krabi /Phangnga.

In conclusion, I wish to assure all our Japanese friends that our strategy is to maintain the focus on the quality and variety of our trendy and life-style niche-markets. We believe that crises have become "the new normal" these days. Travellers know that they are temporary phenomena, especially repeat travellers and even more especially those who know Thailand well. Please remember that at any given time, there are more than 30,000 Japanese expatriates living and working in Thailand. If they feel comfortable about staying in Thailand, tourists and travellers should have every confidence about visiting our Amazing kingdom.

Thank you for your kind invitation to address you all today.

## EMERGING FROM CRISIS - CHINA TO THE RESCUE



Mr. Santi Chudintra

Director the Americas Market

### PATA TRAVEL MART, HANGZHOU, CHINA 24 SEPTEMBER 2009

On behalf of the Tourism Authority of Thailand and the Thai tourism industry, it is a pleasure for me to welcome you all here. Thanks you all for being with us this afternoon. Firstly, I would like to express my warm appreciation and thanks to our generous hosts in China and Hangzhou for their tremendous hospitality and excellent arrangements. We have all been overwhelmed by the warm welcome and high standards of service that we have received everywhere.

Allow me to begin by giving you a few details on the Travel and Tourism situation in Thailand, especially visitor arrivals. Then I will discuss recovery programmes and marketing strategies in these somewhat turbulent times and end with some of the new tourism activities and products. I will also cite the importance of the new free trade agreements between ASEAN, China and India to the future of intra-regional travel, especially business travel and the MICE sector.

In 2010, we will celebrate the 50th anniversary of the establishment of the TAT. Thailand was one of the first countries in the Asia Pacific to recognise the importance of this vibrant and exciting industry for our national economic, social and cultural development. Today, we are proud to say that this goal has been achieved.

In 2008, Thailand's tourism sector generated between 5-7% of GDP and employs nearly four million people directly and indirectly. About 70% of the tourism revenue benefits hospitality and tourism-related



## When China first began letting its people travel abroad, we are proud that Thailand was the first country to get Approved Destination Status.

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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.

Like many other countries in the world, we have been affected by a decline in tourist arrivals due to the global economic downturn and the H1N1 flu situation. In January – June 2009, visitor arrivals to Thailand totalled 6.6 million, down 16 per cent compared to the same period last year. While most source markets showed varying rates of decline, we saw an increase of almost 11.5 per cent in arrivals from the Middle East and a 3.6 per cent increase in arrivals from South Asia.

#### **CHINESE VISITOR ARRIVALS TO THAILAND**

For the benefit of the media from China, I would like to provide a quick overview of Chinese visitor arrivals to Thailand.

China has been one of Thailand's fastest growing markets in the last few years. When China first began letting its people travel abroad, we are proud that Thailand was the first country to get Approved Destination Status. In 2007, Thailand was voted one of the world's most favourite destinations for Chinese tourists. Major contributing factors making Thailand increasingly popular among Chinese visitors include the fact that Thailand is a short-haul and value-for-money destination with good airline connections. Thailand and China also have much in common in terms of food, cultural and ethnic relationships. Many of our prominent businessmen and political families have their roots in China.

Chinese arrivals crossed the one million mark for the first time in 2007 but the number declined by 4.2% to 960,095 in 2008. Three key reasons for this are the global economic downturn, the H1N1 flu situation and internal political developments within Thailand itself.

Chinese visitors get a visa on arrival upon arrival at any of the international checkpoints. As part of the stimulus measures to motivate visitors to come to Thailand, the Royal Thai government has agreed to extend the exemption of the visa fee for tourist visa applications effective 05 March 2009 to 04 March 2010.

Our marketing campaigns in China will see us promote Thailand as a short-haul destination that is easy to reach and value for money with good quality shopping and, of course, the traditional and well-known friendliness and hospitality of the Thai people. We will also emphasise this year's policy of the Seven Wonders of Amazing Thailand which focus on our unique selling propositions such as our culture, heritage and natural treasures. The TAT will continue to work closely with both China National Tourism Administration and domestic tourism-related organisations to boost the numbers of Chinese visiting Amazing Thailand.

Till now many Chinese tourists have been traveling to Thailand in group tours. Now, we are trying to emphasize / focus on FIT (Free Independent Travellers) by boosting our cooperation with major groups such as VISA and China UnionPay as well as some high-end products' providers like Kingdom Travel whose packages are very luxurious and focused on upmarket products such as Spa, Shopping, Golfing, Diving, Honeymoon & Wedding and MICE etc...

#### Chinese Visitors Arrival to Thailand by Nationality Jan - Jun 2009

	2009	2008	% Change
Jan	57,329	84,859	-32.44
Feb	53,106	113,990	-53.41
Mar	79,362	89,206	-11.04
Apr	70,021	101,631	-31.10
May	36,425	81,564	-55.34
Jun	35,371	61,970	-42.92
TOTAL	331,614	533,220	-37.81

Source: Office of Tourism Development, Ministry of Tourism and Sports.

#### China arrivals from 2006 to 2008 and targets for 2009 and 2010

Chinese Visitors arrival to Thailand by country of residence 2006-2010

2006	2007	2008	2009 (forecast)	2010 (forecast)
1,033,305	1,003,141	960,095	0.81 million13	0.91 million14

Source: Tourism Authority of Thailand

#### Number of air seats from China to Thailand

As of September 2009, 13 scheduled airlines are operating a total of 126 direct flights between 12 major cities in China and Thailand (Bangkok, Chiang Mai).

#### Direct Flights between China and Thailand in September 2009

No.	Cities in China	No. of direct flights /week	Airlines & Aircrafts
1	Beijing	17	UL (332 & 343), TG (333) , CA (738)
2	Chengdu	3	TG (AB7)
3	Chongqing	3	FM (738)
4	Guangzhou	41	CZ (320), TG (333), MS (777), KQ (767), ET (767), FD (320)
5	Guilin	3	PG/TG (320)
6	Jinhong	3	PG (AT7)
7	Kunming	13	TG (AB6), MU (321)
8	Shanghai	24	MU/TG (321), TG/AI (747), FM (738), MU (332)
9	Shantou	4	CZ (738)
10	Shenzhen	10	FD (733), ZH (320)
11	Xiamen	3	TG (AB7)
12	Xian	2	PG/TG (320)
	Total	126	

Source: Air-Sea Guide, September 2009

#### **RECOVERY PROGRAMMES**

Tourism is a national priority for Thailand. TAT's goals are to help restore inbound tourism include rebuilding visitor confidence and Thailand's image as a prime tourist destination, developing new tourist attractions, coming up with creative new activities, increasing quality control for tourist operators, enhancing safety and security, and developing Thai people's skills to more widely support the tourism sector.

The Royal Thai Government has a formulated a three-point recovery strategy for restoring tourism during 2009 includes:

- 1. Emergency measures to restore visitor confidence.
- 2. Policy measures to promote more domestic travel and international visitor arrivals, such as the Royal Thai government has agreed to exempt the visa fee for tourist visa applications effective 05 March 2009 to 04 March 2010.
- 3. Tactical marketing measures which include special campaigns, especially via online marketing.

Our campaigns will focus on major markets where we will work with industry partners to launch special packages, advertise in local media, and organize media and industry trips to Thailand.

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Our ongoing campaign is being run under the theme, "Amazing Thailand Amazing Value," a colourful marketing effort that seeks to position Thailand as the perfect value for money destination.

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#### **MARKETING STRATEGIES**

Firstly, we will reinforce our "Amazing Thailand Amazing Value" proposition through the "Thailand Super Deal" page at the TAT website featuring special offers, supported by promotion through traditional forms of media.

Our ongoing campaign is being run under the theme, "Amazing Thailand Amazing Value," a colourful marketing effort that seeks to position Thailand as the perfect value for money destination. It also highlights the unique Seven Wonders of Amazing Thailand.

#### Some highlights of the campaign include:

Trade shows and road shows to key overseas markets. They will include media briefings and taking Thai tour operators to meet with their counterparts in pre- and post-trade shows. We will also collaborate with Thailand's Department of Export Promotion and the Board of Investment of Thailand to conduct a Thailand road show. We have done roadshows in China and will also focus on Korea, India, Taiwan, Dubai, and Russia in future.

On-line marketing with a focus on engaging potential visitors through the Internet's top travel communities and interactive websites. Projects will include real-time CCTV streams from Thailand's top tourist attractions and building connections with potential visitors through social media, online events, and e-newsletters.

We are seeking to maintain that very important balance between generating "quantity" of visitor arrivals and the "quality" of our products and destinations. 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.

Another important focus is Community Based Tourism. CBT is regarded as a niche market of ecotourism and nature travel. It is a unique type of rural tourism which is managed and operated by local community groups. The Thailand Community Based Tourism Institute (CBT-I) team have supported these groups such as assisting local community members to develop active, informative, ethical tour programs which are fun for tourists while supporting rural community development and conservation work.

#### **NEW TOURISM ACTIVITIES & PRODUCTS**

TAT New Offices: At present, TAT has 2 offices in China (Beijing and Shanghai) and plans to open new offices in Kunming, Guangzhou and Shantou in the nearly future. By the end of this year we plan to open offices in Mumbai and Jakarta office by 2010.

72 hours in Thailand: In order to tap the weekend break for short-haul countries, TAT developed the concept of 72-hour tourism. We have introduced the 72-hours travel programme booklets to several provinces including Bangkok, Chiang Mai, Phuket and Pattaya. Our most recent programme booklet in the series is 72 hours in Hua Hin.

Transfer Passengers Package: In addition to incentives to boost tourism; such as, reduced landing charges for aircraft and reduced entry fees for national parks, we continue to enhance Thailand's tourism products. For example, on 1 June, the "Package Tour for Transfer Passengers" initiative was introduced. Transfer passengers making a stopover of 6 to 12 hours at Suvarnabhumi International Airport can take short tours of Bangkok and the surrounding area.

Ultimate Thailand Explorer Campaign: Our latest campaign involves inviting fun-loving and adventurous couples worldwide to participate in a social-networking competition that will see the top prize-winner get a cash reward of US\$10,000, a holiday package to Thailand worth US\$3,000, a Blackberry and a Handycam video camera.

Known as "The Ultimate Thailand Explorers", the competition is targetted at digital citizens worldwide and designed to raise Thailand's global online presence, across all blogs, social-networking sites, chat-rooms and websites. It is intended mainly to publicise Thailand's five top







tourist destinations -- Bangkok, Phuket, Pattaya, Chiang Mai and Koh Samui.

Interested contestants have to apply as couples, regardless of their relationship. Five energetic and enthusiastic couples will be chosen, and dispatched on a fully-paid, five-day itinerary to the five Thai destinations, one couple per destination. All their costs will be taken care of by the TAT, including air-travel from their home countries.

Suvarnabhumi Bangkok Airport Rail Link to be launched in December 2008: The Airport Rail Link project will be in operation by the end of 2009. The 28-km rail link connects Suvarnabhumi International Airport and the City Air Terminal. The fare for an express trip will be Bt150 per person, while fares for the City Line commuter trips, will vary from Bt30-50 per passenger. Premium-fare express services will run on the hour between Suvarnabhumi Airport and City Air Terminal, while the City Line service will stop at six local stations along the route.

#### **NEW CONVENTION CENTER PLANNED IN CHIANG MAI**

The Royal Thai Government plans to build a new 5,000-seat convention centre in Chiang Mai by 2012. The Thailand Convention and Exhibition Bureau has signed a MoU with Chiang Mai municipality to help turn the city into a hub for the meetings, incentives, conventions and exhibitions industry. A similar MoU is to be signed with Phuket.

One of the key priorities is to develop human resources in preparation for the growth of Chiang Mai's MICE industry. The TCEB has teamed up with nine northern universities to launch the MICE 4 Youth project, aimed at fostering a better understanding among young adults of the role and importance of the MICE industry. The next step will be to send university lecturers for training at Vienna and Barcelona's international convention and exhibition bureaus, which are allied with the TCEB.



### CENTRAL DEPARTMENT STORE CHAIN TO OPEN FIRST STORE ABROAD, IN HANGZHOU

In 2009, Thailand's leading retail company, Central Retail Corporation will open its first department store abroad. This will be right here in the wonderful city of Hangzhou. The four-storey department store will be located within MixC Shopping Center, the largest shopping center in Hangzhou City with an overall investment of 500 million baht. Central Retail will be utilizing strong relationships with over 4,000 suppliers in Thailand, with whom we have built solid trust and recognition over several decades. Going to China will create opportunities for our retail partners and suppliers to distribute their products, helping to boost competitive edge and increase efficiency while indirectly helping the Thai economy.

#### ASEAN-CHINA-INDIA FREE TRADE AGREEMENTS

I would like to end by highlighting one of the most important developments that will positively influence travel flows to Thailand in the future.

Thailand is geographically located right at the centre of the ASEAN region, and will benefit significantly from all the efforts being made by ASEAN to pursue to economic, social and cultural integration. Three agreements that will play a significant role in this integration process are the ASEAN free trade agreement (AFTA), the ASEAN-India FTA and the ASEAN-China FTA. This will combine the population base of the 10-member ASEAN countries (600 million), China (1.2 billion) and India (1 billion) into a base of nearly three billion people.

Like China itself, Thailand is looking for alternative trading partners to compensate for the decline in trade with Europe and the U.S. As of 2010, these agreements will go a long way towards facilitating the flow of products and services within the three regions. They will minimise barriers and deepen economic linkages among the signatory States, lower business costs, increase trade,



investment and economic efficiency, create a larger market with greater opportunities and larger economies of scale for the businesses of Member States and create and maintain a competitive investment area.

In turn, that will go a long way towards boosting transport linkages as well as travel for meetings, exhibitions, conventions and incentives.

Thailand's geographical location will make the

kingdom one of the major beneficiaries of the agreements. At the same time, the establishment of the Asian Highway network linking Kunming to Singapore will run right through Thailand, giving another major impetus to the movement of people, goods and services throughout the region.

#### **CONCLUSION**

In conclusion, I would like to say that Thailand is making an Amazing Recovery and we are back in business. Thank you for your strong support and for being with us today. I wish you have a fruitful and productive PTM 2009.

## WHY THAILAND IS A TOP DRAW FOR LUXURY TRAVELLERS



Mr. Thawatchai Arunyik

Executive Director, Europe, Africa and Middle East Region

# WORLD LUXURY HOTEL AWARDS GALA CEREMONY 27 NOVEMBER 2009 BANGKOK

On behalf of the Tourism Authority of Thailand and Thai tourism industry, it is a great pleasure to be invited to the Gala Ceremony of the World Luxury Hotel Awards.

I would like to wish you all a warm welcome to one of the most exclusive and glamorous events on the global hotel industry calendar. We are extremely pleased and honoured to have you all in Thailand.

I would also like to thank World Luxury Hotel Awards for organising and hosting these prestigious awards. And, of course, I extend my warm congratulations to all the award winners who have been honoured as world class hotels for their excellent standard of facilities and services provided to their guests.

Thailand has a long tradition of catering to the luxury travel market, perhaps best exemplified by many of our renowned hotels which have been host to the rich and famous for many decades. Over the years, our hotels have emerged with top honours at the world's leading awards, including city, resort, and spa properties. All these honours have played a very significant role in developing a very positive image for Thailand on the world travel and tourism stage. It also gives us a significant competitive advantage and allows us to maintain a very high level of repeat traffic as well as new visitors generated by word-of-mouth marketing.



Indeed, this pleasant situation is thanks to both the creativity of our investors, hoteliers, and developers as well as the high service-mindedness of the Thai people. A recent survey by Departures, the American Express-backed magazine, indicated that luxury travellers seek six things: Experience travel, education and knowledge, time for themselves and their families, individualisation and customisation, high-quality and exception, and deeply felt service. Thailand's products and services are perfect to meet the needs of this market.

In recent years, we have made a conscious effort to focus more on attracting "quality" tourists. Hence, our tourism strategy plan focuses on developing quality attractions and highlighting Thailand's unique identity, while conserving nature and the environment.

Ladies and gentlemen,

There are several reasons why Thailand has emerged both as a top draw for luxury travellers as well as a tourism hub of Southeast Asia.

The country has a good image, generally speaking. Its long-standing geographical advantage has positioned Thailand at the crossroads of Asia. It gives visa-free and visa-on-arrival privileges to citizens of many countries. There is extensive airline and aviation access to Thailand in terms of both domestic and regional linkages.

Our future marketing campaigns will focus primarily on eighteen core productive markets in the Asia-Pacific, East Asia, and Europe regions. In addition, we are targetting another twenty emerging markets which we see as having strong growth potential, including Vietnam, the Philippines, Indonesia, Russia and CIS countries, East Europe, the UAE, and Saudi Arabia. We are expanding the number of offices abroad. In early 2010, we will be opening new offices in Kunming, Mumbai and Jakarta to boost the number of visitor from three very populous countries, all of which are within three to for hours flying time of Thailand.

The promotion of our world class hotels and unique luxury products will remain a primary focus of attention. Let me just update you with some of these products:

'CHIC By Thailand': Already known for its cultural heritage, Thailand is seeing the growth of some remarkably hip, intimate and boutique products which we are marketing under the slogan: 'CHIC By Thailand'. The 'chic' new products include hotels, restaurants, art galleries, museums, bars, and attractions throughout the country. The recent explosion of many new boutiquestyle properties is prominently featured in a new dedicated brochure for the discerning traveller. The brochure has been produced in conjunction with tour operator partners and includes a range of special offers on holidays to Thailand.

Boutique Hotels: In line with this "Chic By Thailand" trend, 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 in Bangkok, Phuket, Samui, Hua Hin, and Chiang Mai as well as many of our new and upcoming resorts all around the country.

Vacation homes and villas: Another exciting development has been the emergence of a portfolio of private luxury villas available for purchase or rental in many parts of the country. These allow luxury travellers to holiday in absolute privacy, comfort and style. The villas all boast private swimming pools and beachfront views, making them ideal for families, weddings and honeymooners.

**Health and Wellness:** A report conducted by Intelligent Spas places Thailand as the top spa destination in Asia. Visitors to the kingdom can find an ever-increasing number of places to rejuvenate their bodies and revitalise their spirits. Age-old methods of Thai healthcare that allow visitors to refresh, restore, and rejuvenate the







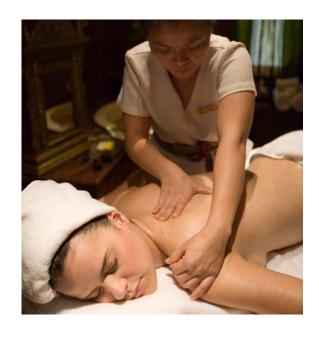
body, mind and soul can be found in luxurious Thai traditional massage, health, and beauty spas with a wide range of cosmetic and herbal treatment as well as meditation to release the stress of fast-paced lifestyles.

Recently, Thailand was one of the big winners in the fifth AsiaSpa Awards, presented by AsiaSpa magazine, the region's most recognized spa and wellness publication. This is the first year Thailand has won the Asian Spa Capital of the Year honour, an award which recognises the best in innovation, variety and quality.

**Yachting:** While yachting enthusiasts have long favoured the traditional charter destinations of the Caribbean and Mediterranean, we in Thailand are now giving them a run for their money. We claim to have the best all-season sailing waters in the world, which is giving us an opportunity to develop marine tourism, focusing on yacht charter holidays and yacht ownership.

The locale for this is the Royal Phuket Marina,
Thailand's first world-class "luxury lifestyle
marina which is going a long way towards
making Phuket the world's number one sailing
destination. Thailand's largest and most
sophisticated moorings at the Royal Phuket
Marina has already been recognised among the
world's leading marinas with the prestigious
"Five Gold Anchor" award from the Yacht
Harbour Association, an arm of the British Marine
Federation.

In addition to stepping up our participation in international trade shows focusing on the luxury travel market, we are also forging new partnerships. One recent partnership has been with AIG Card (Thailand) Company Limited, to launch "Best Paradises in Thailand", a guidebook showcasing seventy of Thailand's finest hotels





and resorts. These properties have been selected based on their most notable qualities or unique characteristics. They are featured under one of the following ten themes — Best Luxury, Best Small Luxury, Best Nature, Best Romantic, Best Beach, Best Boutique, Best Hip, Best Spa and Wellness, Best Golf and Best Culture.

#### Distinguished guests,

Thailand's geographical location is an unbeatable competitive advantage. It is at the heart of both the Greater Mekong Sub-region and the ASEAN region, and within three to four hours flying time from the most important cities of both India and China. This is why we believe that our tourism future lies entirely in the Asia-Pacific region.



We maintain strong regional tourism co-operation with our neighbouring countries in the Mekong Sub-region as well as ASEAN. Indeed, infrastructure developments under way within the Mekong Sub-region will give a further impetus to this co-operation. A network of highways is 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.

Perhaps the most important thing to remember is that trade, transportation, and tourism goes hand in hand. And in that context, I would like to stress the importance of the series of summits held in Thailand between 23-25 October, 2009, in which heads of states from ASEAN and some of our partner countries signed, sealed, and initiated a series of agreements that will lead to far-reaching changes in the region's economic, social, educational, and environmental fabric. ASEAN has completed Free Trade Agreements with Japan, Korea, Australia, New Zealand, China and India, creating a combined area with a GDP of 14.1 trillion US dollars, a combined population of 3.3 billion people, and combined reserves of 3.9 billion. These agreements will lead to a significant increase in travel to, from, and within the region.

So, if you are considering your future business and investment priorities, I would say that the "fundamentals" of Thailand are extremely strong and will serve you well in the long-term.

# THAILAND THE GREATEST STORY IN GLOBAL TOURISM HISTORY

A 60TH ANNIVERSARY TRIBUTE TO THE TOURISM AUTHORITY OF THAILAND