

THAILAND THE GREATEST STORY

IN GLOBAL
TOURISM HISTORY

A 60TH ANNIVERSARY TRIBUTE TO
THE TOURISM AUTHORITY OF THAILAND



Key Developments

2012

- 103rd Rotary International Convention in Bangkok, 6-9 May, with over 30,000 delegates, the biggest ever in Thailand
- UNWTO Regional Commission meetings and Technical Conference on Green Tourism 3-5 May, Chiang Mai
- Mekong Tourism Forum held in Chiang Rai, 13-14 June.
- Don Mueang opens for low-cost airlines on 01 Oct.
- Arrivals Cross 20 million.

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NEW REVENUE STREAM OPPORTUNITIES FOR U.S. TRAVEL AGENTS



Mr. Auggaphol Brickshawana
Advisor

THAILAND ROADSHOW 3 APRIL 2012 LOS ANGELES, USA

It gives me great pleasure to be back again in the States. On behalf of Tourism Authority of Thailand and Thai Tourism industry, thank you all for joining us here today.

I would like to begin by recognising the long and fruitful travel & tourism relations between the United States and Thailand. The United States has played an important role in the historic development of our tourism industry. Your world-renowned authors, film-makers, business and political leaders and journalists have been associated with Thailand in far more ways than I can recount here. In turn, many of our industry stalwarts were educated in the United States and enjoyed their first business relations with tour operators and travel agents in the U.S., both directly as well as through groupings such as the Pacific Asia Travel Association. And how many of you have not heard of Jim Thompson silk products, named after an American.

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

All told, we are proud of our relations with the U.S. and hope to see them continue prospering for many more years ahead.

US MARKET

Ladies and gentlemen,

The good news for both Thailand and the U.S. is that regardless of whatever domestic issues both countries are facing, travel & tourism flows have remained resilient.

In 2011, US visitor arrivals totalled 683,274, up 11.68%. The US is the tenth top source-market of arrivals to Thailand. Here is a chart of US visitor arrivals to Thailand during the year 2000 – 2011. (See attached chart),

In 2011, the peak period of US visitors travelling to Thailand were the months of January and followed by March, November and December. (See attached table)

In 2010, US visitors had an average length of stay of roughly 13 days, more than double the total average. We know they also enjoy spending money in Thailand, with an average daily expenditure of US\$138 which generated US\$1,079 million in total tourism income.

U.S. visitors have one of the highest rates of repeat travel. In 2010, 68% were repeat visitors and 92% were FITs. The demographic profile showed that 26% were senior citizens and 14% were MICE delegates.



“ Due to the fact that this is an election year and that there are economic challenges facing the country, we have made some adjustments in our marketing strategies. We are now being much more targeted and focussed in our approach. ”

The growth trend has continued this year. In January – February 2012, US visitor arrivals totalled 143,250, an 11.36% increase over the same period of 2011.

This year, we are projecting 710,000 arrivals from US, up 6% over 2011.

On aviation linkages, as of March 2012, there are 7 direct flights per week between Los Angeles and Bangkok and dozens of other connecting flights via Narita, Seoul, Taipei such as Delta Airlines, Eva Airways, Korean Air, Northwest, and United Airlines.

Because of the high repeat visitation factor, many U.S. travellers enjoy venturing beyond the traditional tourist spots. Our research shows that some of their popular destinations are Chiang Mai, Phuket, Koh Samui, Pattaya, Krabi, Ayutthaya, Kanchanaburi, Ko Lanta, Chiang Rai and Hua Hin.

PROMOTION CAMPAIGNS IN 2012

Due to the fact that this is an election year and that there are economic challenges facing the country, we have made some adjustments in our marketing strategies. We are now being much more targeted and focussed in our approach.

US travellers are perfectly suited for this shift towards niche-markets which will focus on our unique selling propositions such as Health & Wellness, Eco-tourism, Soft Adventure, Boutique Resort & Hotel, Luxury and Ethnic Travel. In future, we believe there is extensive potential in targeting emerging niche-market segments such as senior citizens, voluntourism, honeymooners and the LGBT market.



These are all clear windows of opportunity for travel agents to open new revenue streams. Here are some details of the campaigns:

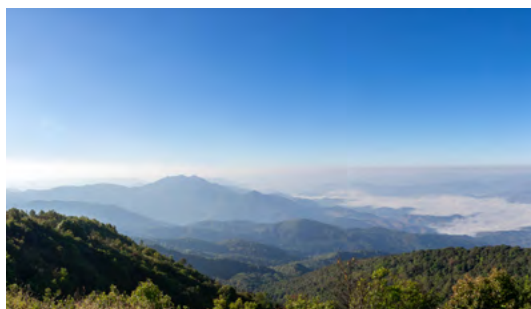
1. “Thailand on Your way”: To promote Thailand’s brand image as a destination of quality products that meets customer expectations in terms of service, hospitality, learning experience and value for money.

2. “Thailand Together Forever Honeymoon”: In recent years, Thailand is becoming increasingly popular among wedding couples and honeymooners. For the US market, TAT will introduce major destinations for wedding events such as beaches, and major romantic attractions in northern Thailand.

3. “Thailand Patients Beyond Border”: Our health and wellness advantage lies in both prevention and cure. Thailand excels in the quality and diversity of its spa offerings. Thai spas really do have it all — variety and value framed in a perfect blend of Western leisure concepts and traditional Asian well-being therapies. Value for money is an added plus. Thailand is also an excellent place for people seeking to learn how to meditate and massage, based on the country’s long-standing Buddhist traditions.

4. “Thailand across Generations”: Targetted at the Generation X and Generation Y travellers, highlighting the vast variety of new products such as boutique hotels, shopping centres, restaurants, new nightlife and entertainment. We believe this is the perfect balance of “ancient culture and heritage” with “modern trends and fashion.”

5. “Thailand Forever Young”: This market is growing due to the ageing populations in the industrialised countries. Retirees and pensioners aged 50+ are eligible to apply for special long stay visas and permits, and also eligible for discounts





Thailand is a world-class holiday spot for hundreds of prominent personalities in the film industry who come on private visits.



from hospitals, golf courses, spas, hotels and resorts, restaurants, and department stores.

6. “ASEAN Altogether”: Thailand is a stepping stone to our neighboring countries in the Greater Mekong Sub-region (GMS) southern China, Vietnam, Myanmar, Laos and Cambodia. There are more flights from Thailand to these countries than from any other point in Asia. Road linkages are also growing, thanks to the Asian highway.

One area that shows continuing interest is film-making. Over the years, numerous famous Hollywood movies have been filmed in Thailand. These include ‘Good Morning Vietnam’, two James Bond series ‘The Man with the Golden Gun’ and ‘Tomorrow Never Dies’, ‘The Beach’, ‘Mortal Combat II’, etc. Thailand is a world-class holiday spot for hundreds of prominent personalities in the film industry who come on private visits. International cast and staff take time off during and after production to see more of our country. Our 200 nationwide golf courses are a great attraction.



TAT STRATEGIES FOR 2012

Our strategy for 2012 will focus on Thailand’s brand image, digital marketing, sustainable tourism and effective crisis communications.

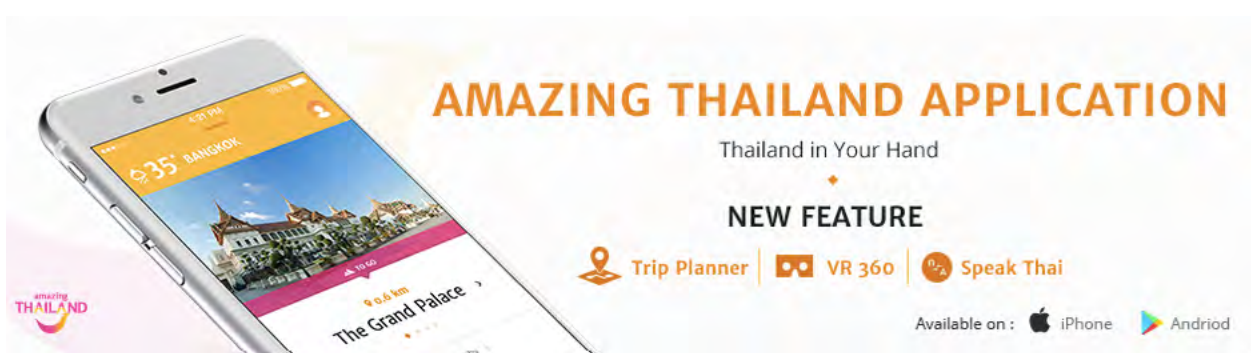
For Brand Image, the TAT will continue to reinforce the Thailand brand, “Amazing Thailand Always Amazes You”, with a core focus on Authenticity, Value for Money, and Hospitality. According to the seventh annual FutureBrand Country Brand Index 2011-2012, Thailand ranked number 7 in terms of tourism brand image. We were ranked Number 1 in terms of Value for Money. Thailand was also among the top 10 for key attributes; such as, Food, Beaches, Nightlife, Shopping, and Accommodation.

Digital marketing: The internet has changed consumer behaviour in many ways, both in terms of the way people buy their travel products, the destinations they chose, the amount of time they

have to travel and the amount of money they spend. We are monitoring all these changes closely and adjusting our strategies accordingly. Indeed, the TAT has been using social media and digital marketing to promote Thai tourism for many years, and we will continue to tap into a wider pool of travellers through social networks, online games, and mobile applications.

Here, I would like to take this opportunity to announce the launch of two new “Apps”:

The first is called “Lifestyle Thailand” and will meet the needs of 8 lifestyle themes such as Chic, Romance, Adventure, Sea Breeze, Slow, Family, Thainess and Wellness. This “App” aims to provide users with access to hotels, resorts, spa, food shops and tourist attractions that are providing products and services in line with the eight lifestyle themes.



The second App is a useful new tool that helps visitors overcome language barriers, a common complaint. The “SpeakThai Application” acts as your personal & portable translator with over 2,500 practical words that visitors may need to communicate with Thai people. Simply install this app on your phone and you’ll have the power to speak basic Thai at your fingertips. The feature is available in 6 native languages (English, Traditional Chinese, Simplified Chinese, French, Japanese and Russian).

In addition, we have three interesting apps to help visitors get the best value for money and time: Amazing Thailand, Green Tourism and Smile Land Game.

The Amazing Thailand app offers a menu of over 10,000 content products, places and ideas to help travelers get the most out of their visit to Thailand. The Green Tourism app comprises Green Destinations and Green Hotels & Resorts and the Smile Land Game app is the first Thai tourism game that offers an easy to understand glimpse of “Thainess” through games such as Som Tam Sukjai, Muay Thai, Siam Tempo and Siam Fun Fair.

These apps are available for free at <http://mobile.tourismthailand.org/>

The third change is towards sustainability and environmental consciousness in travel products. In line with the global awareness of the impact of climate change, travellers are becoming increasingly conscious of their ecological “footprint”. They are willing to pay more for “green”

options, as sustainability is becoming an essential part of their daily lives. Hence, we are making conservation and preservation issues very much part of our promotions, such as by highlighting ecotourism products, boutique hotels, health and wellness facilities and the Royal Projects.

TAT has continuously promoted sustainable tourism through the concept of the Seven Greens, which encourages Corporate Social Responsibility (CSR) among operators. We collaborate with various partners to identify interesting options for eco-friendly travel. We promote products that show a clear commitment to sustainability, such as the Green Hotels, recognise such products through a biannual awards scheme and encourage destinations to all forms of environmental and preservation activities at the destination level.



The fourth and final part of the TAT's strategy is crisis communications. Through a combination of digital media tools and traditional channels, the TAT is able to communicate accurate information that tourists need when a crisis situation occurs. For our online channel, we have a well detailed website which has proven to be helpful for tourists, at www.thailandtourismupdate.com our tourists are able to check all aspects that are related to Thailand's tourism. For our offline channel we have set up the Tourism Intelligence Unit and Crisis Management Centre (TIC) to monitor the most current information on the Thai tourism industry.

“Through a combination of digital media tools and traditional channels, the TAT is able to communicate accurate information that tourists need when a crisis situation occurs.”

NEW PROJECTS

I am also proud to update you with some major upcoming improvements in our infrastructure to keep pace with our projected growth.

Phuket International Airport Expansion: Phuket is now well established as our second main gateway to Thailand and the priority gateway to South Thailand. It is undergoing expansion with additional taxiways, ramps, international passenger terminal, and the renovation of the existing terminal to be the domestic passenger terminal. Upon completion in 2014, the airport will be able to handle 12.5 million passengers.



Thai-Lao Friendship Bridges: Thailand has enhanced its position as a gateway to the neighbouring countries of the greater Mekong subregion with the 11 November 2011 opening of the third Thai-Lao Friendship Bridge, connecting the northeastern Thai province of Nakhon Phanom with Khammouan province in central Lao PDR. A fourth bridge is under construction to connect Thailand's Chiang Kong in Chiang Rai and Huay Xai in Bokeo province in Laos. This will be main overland route from China, transiting Laos and connecting with highways in Chiang Rai province to Chiang Mai, Lampang, Phrae, and Phitsanulok all the way to Bangkok. It's due to open in 2013.

New Bus route linking Thailand and Laos: An excellent new facility for adventure travellers and backpackers. The Department of Land Transport of Thailand and Department of Public Works and Transport of Laos have launched a new Mekong Region bus service linking two tourist towns, Chiang Mai and Luang Prabang. The 44-seat bus departs daily from Chiang Mai to Luang Prabang and takes 18 hours with the fare of 1,200 baht for one-way ticket. At present, there are eight bus routes linking Thailand and Laos.

Miracle Year

Amazing Thailand 2011~2012

MAJOR EVENTS IN 2012

This year, we are also highlighting the fact that visitors can enjoy many “miracle moments” in a “Miracle year.” We believe that 2012 will be extraordinary year for Thailand, and we plan to use it to enhance our unique selling propositions – our culture, heritage, Buddhist traditions and way of life and our popular festivals – to attract both first-time and repeat visitors. Our core campaign theme is that Amazing Thailand: Always Amazes You. This will be enhanced by the sub-theme that will be a call to action to enjoy the many “miracle moments” Thailand has to offer.

This year is also a special year for us as we are commemorating a number of royal occasions, such as H.M the King’s auspicious 7th cycle 84th birthday on December 5th and Her Majesty the Queen’s 80th birthday on August 12th. In addition, a number of other very unique events are well worth checking out:

Due to the “Miracle Thailand Year”, the Songkran (Thai New Year) Festival on 12-15 April and Loi Krathong festival on 28 November will be celebrated with even greater gusto throughout



Thailand. Songkran is always a hugely popular event, marked with fun and frolic in Bangkok and major tourist cities. Similarly, one of Thailand's most popular cultural festivals, the Loi Krathong, or the "festival of lights" is always celebrated on a full-moon night. A real delight for visitors, especially for the weddings and honeymoon market.

For the travel trade, a very important event is the Thailand Travel Mart Plus Amazing Gateway to the Greater Mekong Subregion (TTM+2012) to be held between 6-8 June at Impact Muang Thong Thani Exhibition Center. It is the country's premier annual trade event designed to promote travel & tourism to Thailand and its neighbours in the Greater Mekong Subregion.

Ladies and gentlemen,

There is much more I could tell you about the potential for business and MICE travel, Visiting Friend & Relatives traffic, the backpacker segment, family travel, river-cruising and many more such niche-markets. Indeed, Thailand is a perfect destination for your clients, no matter what kind of clients you handle (except perhaps snow and winter holidays).

The bottom line is that your clients will always find something to amaze them in Thailand, be they first time visitors or repeat visitors, tour-group travellers or FITs. Our job is to help you bring in the business. It's a mutually beneficial, win-win arrangement and we thank you all for your support, in the past and in the future.

Thank you for your time here today. I will be happy to take a few questions.

UNWTO DELEGATES VISIT THE ROYAL PROJECTS IN CHIANG MAI



Mr. Chumpol Silpa-archa

*Deputy Prime Minister & Minister of
Tourism and Sports*

UNWTO REGIONAL CONFERENCE ON GREEN TOURISM 3 MAY 2012, CHIANG MAI

On behalf of Thai Tourism industry, I would like welcome you all to Chiang Mai, the “rose” of the North and a future gateway to the Greater Mekong Subregion. I would like to thank the UNWTO for holding this High-Level Regional Conference on Green Tourism as well as the 24th Joint Meetings of the UNWTO Commissions for South Asia, East Asia and the Pacific in Chiang Mai. We believe it will go a long way towards helping us put North Thailand on the global tourism map, and helping you understand the wide-ranging social, economic, environmental and cultural changes taking place in this rapidly-developing part of the world.

We are looking forward to hearing the main findings of the recent UN research on tourism as a green economy sector and the main challenges and opportunities facing the public and private sector. Clearly, the presentation of national experiences on how sustainable development of tourism and green economy can go hand-in-hand with sustaining economic development in Asia and the Pacific is the most important question of facing us region-wide.

Green Tourism, the theme of this year’s conference, reflects contemporary issues of global as well as regional interest. As the UNWTO has pointed out, in 2012, more than one billion tourists are expected to cross international borders. Add domestic tourists, and the number of tourist movements more than

“ Over time, we in the travel & tourism industry have to prove that we are more a part of the solution than a part of the problem. This will require foresight, planning and some hard decisions. ”

doubles. This rapid growth brings significant challenges in terms of energy consumption, water consumption, waste management, loss of biodiversity and effective management of cultural and natural heritage areas.

Thailand is a popular tourist destination, well recognized for warm hospitality, value for money, and a rich culture & traditions. In 2011, we welcomed over 19.1 million foreign visitors, up 19.84% over 2010. There were 1.94 million visitors in January 2012, up 7.65% over January 2011. In 2012, TAT expects revenue generated by the tourism industry to touch 766 billion baht.

Of course, such growth also creates environmental pressures. And that’s our challenge. Over time, we in the travel & tourism industry have to prove that we are more a part of the solution than a part of the problem. This will require foresight, planning and some hard decisions. I believe that we can be a very important part of the solution, and I am sure this meeting will make a major contribution to that effort.

Ladies and gentlemen,

In line with the global awareness of the impact of climate change, travellers are becoming increasingly conscious of their ecological “footprint”. Hence, we in Thailand are making conservation and preservation issues very much part of our promotions, such as by highlighting ecotourism products, boutique hotels, health and wellness facilities and the Royal Projects.

TAT as a marketing arm of Ministry of Tourism and Sport, has continuously promoted sustainable tourism through the concept of the Seven Greens, which encourages Corporate Social Responsibility (CSR) among operators. We collaborate with various partners to identify interesting options for eco-friendly travel. We promote products that show a clear commitment to sustainability, such as the Green Hotels, recognise such products through a biannual awards scheme and encourage destinations to all forms of environmental and preservation activities at the destination level.

New initiatives like the Seven Greens project and Tourism Awards are being specifically designed to ensure that the local management of the industry remains as powerful and effective as global marketing efforts.



TAT's Seven Greens programme provides a conceptual framework and establishes practical guidelines for carefully balancing tourism promotion and a healthy, sustainable environment. It facilitates the formation of strategic partnerships and provides a cooperative framework for the implementation of green initiatives in the following seven areas.

Last month, at the PATA annual conference in Kuala Lumpur, the Seven Greens Concept won the PATA Grand Award 2012 in the Environment category. The judging committee hailed it as “a comprehensive environmental concept for sustainable, green tourism in Thailand.”

Ladies and gentlemen,

I am very happy to note that as part of your programme, many of you will get your first opportunity to visit one of His Majesty the King's Royal Projects, the Huai Hong Khrai Royal Development Study Centre. His Majesty, now the world's longest reigning monarch, has devoted his life to improving the living standards of the Thai people, especially in the rural areas. There are many such Royal Projects all over the country and I hope many of you will come back to visit some of the others.

Our Royal Family has played a major role in the progress of travel & tourism, and this year marks the “Miracle Year of Amazing Thailand” initiative, a mega-campaign to celebrate the birthdays of members of the Thai Royal Family. This campaign will highlight the many aspects of the Kingdom that make it such an appealing destination for foreign visitors, such as the Royal Projects, Thai cultural events, traditional celebrations, popular regional tourist destinations, world-renowned Thai cuisine, Muay Thai, and the art and science of Thai massage.

In conclusion, I would like to again thank you all for joining us and a special thanks to UNWTO for selecting Chiang Mai to host this event. We value our long and fruitful relationship with UNWTO and look forward to forging stronger partnerships in future.

TTM 2012 ATTRACTS BUYERS FROM NEW SOURCE MARKETS



Mr. Suraphon Svetasreni
Governor

THAILAND TRAVEL MART PLUS, BANGKOK 6 JUNE 2012

On behalf of the Tourism Authority of Thailand and the Thai tourism industry, it is a great pleasure and privilege for me to welcome you all here.

I would like to take this opportunity to express my sincere appreciation to all the distinguished delegates for your support and attending Thailand Travel Mart Plus 2012.

I am indeed very pleased that this year's event is extremely well-attended, with 372 sellers and 473 buyers from 60 countries. A particularly warm welcome to many new buyers from Albania, Bahrain, Bangladesh, Cambodia, Chile, Kuwait, Maldives, Nepal, Ukraine, Uruguay, and Uzbekistan. To our "new" guests as well as all our long-standing supporters who believe in the strength and resilience of Thailand, I extend a special "thank you" for coming.

The "TTM+: Amazing Gateway to the Greater Mekong Subregion" program at the event highlights tourist attractions in Thailand and its neighbouring countries. This year, the program will not only focus on trade and business, but will also offer a great opportunity for the participants and media to enjoy a full range of post-event tours on June 9 that will showcase Thailand's world-renowned natural beauty and rich cultural heritage. Thailand is ideally located to serve as the travel hub for the Greater Mekong Subregion.



The theme of TTM's this year is "Customise your experience in Thailand".

For the past over 50 years, it appears that Thailand is proud to have a variety of products and services that can cater to all categories of target markets, from age to income levels. We have also amassed extensive experience in creatively packaging these products and services and pitching them to the right target market at the right time at the right price.

For this year, TAT is refocussing its marketing strategies to attract the huge number of niche-market visitors seeking holidays and experiences more in tune with their personal preferences and lifestyles.

Four of the key niche-markets showing extensive potential are golf, wedding & honeymoon, ecotourism and health & wellness.

Golf: The TAT will highlight the variety of golf courses, services and golf events in Thailand, which offers over 200 world-class golf courses. In recent years, Thailand has hosted many major golf events such as the Thailand Golf Championship 2011 and the Asia-Pacific Golf Summit 2011.

Health & Wellness: Thailand's health and wellness advantage lies in both prevention and cure. Thai spas excel in quality and diversity, with variety and value that blends Western leisure concepts with traditional Asian therapies. Thailand is also an excellent place for people seeking to learn how to meditate, based on the country's long-standing Buddhist traditions, as well as learning the healing art of massage.

Ecotourism: With the Thai tourism sector becoming increasingly conscious of environmental responsibility, the TAT will highlight its efforts to promote the eco-friendly management of tourist destinations. Green programs are underway in four pilot areas, which are Nan province; Amphoe Pai in Mae Hong Son province; Amphoe Chiang Khan in Loei province; and Ko Samui in Surat Thani province. At present, there are more than 180 hotels recognized by the Green Leaf Certification Program, and a large variety of eco-friendly tourism products located throughout the Kingdom.

Last April, TAT's 7 Greens Concept and another two projects (The "Ban Na Ton Chang Community) and (Organic Agriculture Project at Sukhothai Airport) won PATA Gold award 2012. These awards

clearly show that our environmental preservation strategy is working. It is also a great incentive for all of us in the Thai tourism industry to ensure that we balance economic and ecological progress in our future development plans.

Weddings & Honeymoons: Thailand is becoming an increasingly popular location for wedding couples and honeymooners. For European markets, the TAT will introduce beautiful destinations for weddings such as beaches, as well as major romantic attractions in northern Thailand.



In the January 2011 issue of *Recommend* magazine, Thailand was named by the travel agent community as the “Sexiest Romance Honeymoon Destination in Asia.”

At present, India, Korea, Japan, France, USA and the UAE are becoming major source markets of weddings and honeymoons to Thailand.

Today, we have specialists of each market to discuss and share their experiences with you all. For example, Mr. Bill Sanderson will share with you about “A Changing World: The Challenge for Tourism Business”, Mr. Mark Siegal will share his experience about “golf in Thailand”, Mr. Andrew Jacka will share about “health and wellness”, Ms. Channaya Phataraprasit, will share her experiences about “green side of Thailand” and finally Ms. Neha Mehrotra and Mrs. Kim Gwang Lim will share their experiences about “love the romance of Thailand”.

Ladies and Gentlemen,

There is little doubt that Thailand has been affected flood crisis by the end of 2011. However, the upturn is well under way with total arrivals indicating a 19.84% growth to 19.09 million in 2011.

According to the latest figures, January – March 2012, international visitor arrivals totalled 5.68 million, up 7.13% over the same period of 2011. Top five markets are Malaysia (577,207), China (561,083), Russia (408,420), Japan (339,788) and Korea (305,206).

For the year 2012, TAT is targeting 19.55 million international tourist arrivals, generating approximate revenue of 766 billion Baht.

Ladies and gentlemen,

I would like to end by thanking all buyers, sellers, speakers, our partners and friends in GMS countries for their support, friendship and commitment. Thank you for your time and for being with us today.

I wish you enjoy this forum and hope this forum has given you some new knowledge to “Customise your experience in Thailand”.

MANAGING TOURISM IN AN ERA OF CONSTANT CHANGE AND INSTABILITY



Mr. Chumpol Silpa-archa

*Deputy Prime Minister & Minister of
Tourism and Sports*

GLOBAL TOURISM ECONOMY FORUM 10 SEPTEMBER 2012, MACAU

On behalf of Thai tourism industry, it is indeed a pleasure to address the 1st Global Tourism Economy Forum. Thailand is honoured to be invited to this high level discussion platform for country leaders, business and industry experts and academics on issues in relation to the development of the travel and tourism and related industries and their impacts and contributions to economic development.

I would also like to compliment the All-China Federation of Industry and Commerce (ACFIC) and the Tourism Chamber of ACFIC for initiating this Forum and the Government of Macau Special Administration Region, the Liaison Office of the Central Government of the People's Republic of China in Macau and China National Tourism Administration (CNTA) for their support. I am sure the presentations and discussions that take place here will go a long way towards shaping the future of travel & tourism well into this decade.

Distinguished participants,

In his letter of invitation, Forum Chairman Mr. Edmund Ho asked me to share Thailand's experience in tourism development. He referred to Thailand as one of the most successful tourism countries in Asia. I thank him for the compliment. However, I would be the first to admit that although Thailand has set new benchmarks in the marketing of travel & tourism, we now face some unique



challenges in dealing with issues of sustainability and instability. We have done many things right and some things perhaps not so right. In today's era of globalisation and inter-connectivity, I believe we can learn a lot from each other. Such frank and forthright sharing of experiences can lead to a positive outcome for all of us and help meet the objectives of this august gathering.

Travel & tourism has been one of our most successful economic sectors over the last 50 years. While agriculture remains our bedrock and manufacturing/industry faces extensive competitive pressure from countries such as China, travel & tourism is our top service sector. It is our huge competitive advantage and has worked wonders for job creation, distribution of income and preservation of heritage and culture.

The numbers speak for themselves. International Visitor Arrivals to Thailand in 2011, totalled 19,230,470, up 20.67% over 2010. This was in spite of the devastating floods that hit a number of our main central region provinces, especially in September-October 2011. This growth continued during Jan-Jul 2012 when visitor arrivals totalled 12,431,579, up 8.34% over the same period of 2011. This year, if the world geopolitical situation remains stable, the visitor numbers will cross the 20 million mark.

This performance is all the more remarkable because Thailand has been hit by just about every kind of natural disaster and man-made crisis possible over the last 15 years. Starting from the 1997 economic crisis, we have been hit by international geopolitical problems such as the 2001 attacks in the U.S., health issues such as SARS, natural disasters such as the tsunami and flooding, local political disturbances and now the downturn in the global economy and the Eurozone crisis. But we have always been able to bounce back. To tell you how we do this would take another hour or more. Instead, I will focus on what lessons we have learnt, in line with the theme of this forum, and how we can all generate win-win benefits.

Distinguished participants,

Sustainability and job creation are now the two key areas of focus for us all. We have to do this in an era of unprecedented change, in terms of both speed and scope. For political leaders such

“ My most important submission to this august forum is that in planning ahead, we need to venture out of our traditional comfort zones and confront the challenges of change from a totally new and different perspective. ”

as myself, as well as business leaders, academics, the media and other decision-makers and decision-influencers, juggling all these balls will require some major changes in decision-making parameters. This is because the drivers of decision-making have changed.

My most important submission to this august forum is that in planning ahead, we need to venture out of our traditional comfort zones and confront the challenges of change from a totally new and different perspective. There is no doubt that we as an industry have proven to be very successful in achieving our objectives. We have generated growth. We have created jobs. We have facilitated economic development. We have helped poverty alleviation. We have helped highlight the value of culture and heritage.

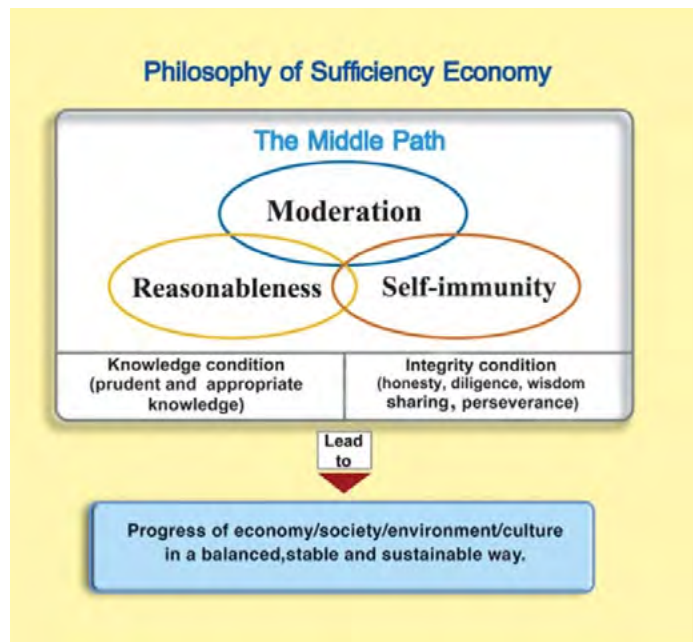
So, when my friend Dr Taleb Rifai, Secretary-General of the UN World Tourism Organisation, forecasts that travel & tourism will generate one billion international visitor arrivals this year, and probably more than twice as many domestic arrivals, we can take great pride in the fact that we have done many things right. We can take great pride in being successful. However, although it is widely said that nothing succeeds like success, I think it is also important to note that success generates a whole new set of challenges which, if not managed properly, can quickly convert success into failure. Hence, the key is to maintain that level of success and prevent it from backsliding.

This is where the theme of this forum and the topic of my talk assumes some importance. And my submission to you all industry leaders today is not an answer, but a question, in fact, several questions:

1. Are we in danger of becoming the victims these forces of change?
2. Do we have the decision-making capabilities to deal with the forces of change?
3. Can we an industry learn to start influencing change rather than being influenced by it?
4. Do we need to provide more space to dialogue with those who impact our industry, both externally and internally?
5. Finally, do we need to start discuss new ways of managing change?

I do not have time to discuss all the points, but I would like to focus only on the last one – the search for new ways of managing change.

The most important dynamic now in motion is a restoration of balance. This is the essence of the new emerging world order. For us in travel & tourism, this restoration of balance is between the



economic and ecological factors, in other words, sustainability. I would argue that in pursuing this balance, we need to look inwards, within ourselves, within the wisdom, guidance and philosophies of Asia. After all, if the value of Yoga, Ayurveda and meditation are being realised in achieving the 'holistic' benefits of health and wellness, we also need to apply the same kind of philosophies in achieving balance and sustainability.

Let me tell you just a little bit about one philosophy of balance whose time is coming: the Sufficiency Economy created by His Majesty the King of Thailand.

The concept of the Sufficiency Economy was first presented by His Majesty King Bhumibol Adulyadej in his Birthday address on 4 December 1997, the year Thailand became the first victim of the Asian economic crisis. Since then, it has received growing attention by economists, development specialists as well as international institutions.

The Sufficiency Economy is not meant to be a full-fledged economic model of development. It does not include any quantitative models, fancy graphs, or econometric estimations. It combines neatly distilled insights from the development experience of Thailand, particularly in the agricultural sector, with some fundamental values in Buddhist philosophy. The philosophy stands out in its simplicity. Indeed, this simplicity has led some commentators to dismiss the concept as mere common sense or unhelpful. However, simplicity is a virtue. Some of the most powerful concepts in science are simple. Indeed, we are now finding out that complex models that were used by financial institutions in recent years were themselves little more than cover for some very simple ideas. In practice, these ideas have led to shattered lives in communities across the world and must be put aside if we are to build more inclusive and sustainable economies in the future.

It is strongly influenced by the experience and lessons of the Asian Financial Crisis in 1997/98, which exposed the consequences of financial excesses and exuberance. I would argue that it is

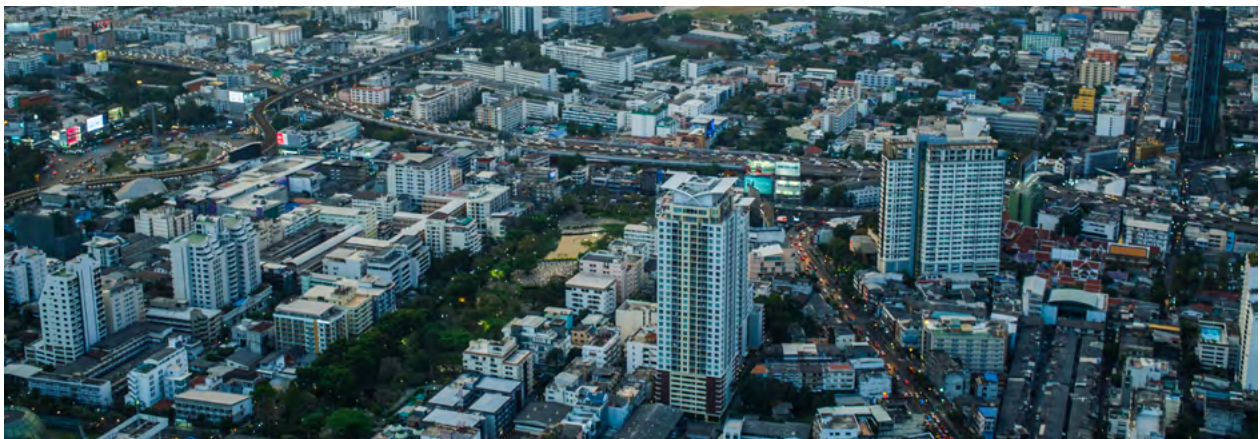
because the world did not learn the lessons of the Asian financial crisis that we are today facing a very similar, yet much bigger, global financial crisis, which has had a disastrous impact on economies and livelihoods across the globe and also thrown into question much of the accepted wisdom in economics.

Can Sufficiency Economy be applicable to tourism. Most certainly so, and I think the time has come to start doing so. Indeed, in May 2006, the former Secretary-General of the United Nations, Kofi Annan, awarded King Bhumibol the UN Development Programme's First Human Development Lifetime Achievement

Further details about the Sufficiency Economy philosophy is widely available on the Internet. I urge you all to look seriously at ways of incorporating them into your development and sustainability agendas.

Distinguished participants, Ladies and gentlemen,

Now to the second and final part of my talk – job creation.



In this area, too, the most important emerging factor is the concept of balance – the balance between hardware and software. Over the last 30 years of tourism development, change was almost entirely hardware-driven. Billions of dollars were poured into hardware – hotels, airports, convention centres, casinos and much more. But eventually all hardware is useless without software. It boils down to management, but a different kind of management, the management of people.

According to the International Labour Organization (ILO), the world needs to create 600 million new jobs over the next decade to sustain economic growth. The ILO says that one job created in tourism creates one and a half additional jobs in the tourism-related economy. In Thailand, tourism employs over 4 million people in direct and indirect jobs. 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.

“ An important point to consider here is that the industry jobs are being affected not by problems within the industry but by external factors, such as economic crises, geopolitical problems, natural disasters. ”



As a policy-maker, job-creation is my top priority. Today, however, I am less worried about job creation and more about job preservation. So, in dealing with the challenge of change and meeting the policy objective of preserving jobs, I need detailed answers for some key questions such as:

- How are global crises affecting industry jobs, especially in travel & tourism?
- Do we as an industry provide good opportunities to attract and retain young people?
- If we do not, how should we fix it?
- A common complaint is that our training institutions are not producing quality people. If that is true, why are they not doing so? And what can we do about it?

An important point to consider here is that the industry jobs are being affected not by problems within the industry but by external factors, such as economic crises, geopolitical problems, natural disasters. So again, we need to find ways of shielding our industry from these problems. That is one reason why many countries in the world are turning to domestic tourism, also within the framework of balance. Too much exposure to international tourism can, and does, create problems when external problems strike.

CONCLUSION

In this brief talk, I have tried to offer some alternative perspectives on issues and raise some important questions. You all look to us in the political arena for answers and leadership, but we can only lead and set in motion the right policy directions if we are provided with good, thought-provoking data and information on which to make decisions. What we need to do as an industry is to look at the track record of what we have achieved over the past four to five decades, establish what has worked and what has not worked, what we can learn from and what we can do to make sure that the wins outnumber the losses in future.

Only then, will we get a more reliable roadmap for the future and a better buy-in by all stakeholders, including the private sector, the many government agencies that provide us with regulatory and infrastructure support, civil society, trades unions, academics, the media and many more sectors. That will be good for both sustainability and jobs.

Buddhist philosophy says that the only permanent is the state of impermanence. Change is always a challenge. But challenges are good for the system. We just have to rise to the challenge.

I hope I have provided you with some food for thought and set the stage for a change in direction in the way we think about, and plan for, the future.

Once more, thank you to the organisers for inviting me here today, and thank you all for your time and interest.

MESSAGE TO FRENCH COUPLES: TRY AN UNFORGETTABLE LANNA WEDDING



Mr. Suraphon Svetasreni

Governor

NETWORKING LUNCH, PARIS 03 DECEMBER 2012

On behalf of the Tourism Authority of Thailand, I extend you a warm welcome to our networking lunch. Thank you very much for joining us. It is a great pleasure to be here in Paris to reconnect with friends and colleagues and forge new partnerships with senior representatives of the French travel and tourism industry. We truly appreciate your continued support for Thai tourism.

Today, I am going to give you a brief roundup of overview and some developments in Thai travel and tourism industry.

In 2011, international visitor arrivals totalled 19.23 million, a good growth of 20.67 percent over 2010. Their expenditure generated a total of 776 billion Baht (Euro 20 billion). This is based on an average daily expenditure of 4,187 Baht per person (Euro 107) per day over an average length of stay of 9.64 days.

According to the Ministry of Tourism and Sports figures tabulated by country of residence, we received a total of 4.93 million arrivals from Europe, up 13.95 percent over 2010. Their expenditure generated a total of 296 billion Baht (Euro 7 billion) in foreign exchange revenue. This is based on an average daily expenditure of 3,848 Baht (Euro 98) per person per day over an average length of stay of 15.63 days.

“ I want to assure you all that in spite of the significant increases in arrivals from the Asia-Pacific markets, we will continue to maintain a strong presence in Europe. ”

French Tourism to Thailand has shows a healthy growth in the past years. France is the fourth biggest source of visitor arrivals from European countries, after Russia, UK and Germany. In 2011, Thailand welcomed 484,602 visitors from France, up 10.19% over 2010. Their expenditure generated a total of 28 billion baht (Euro 725 million) in foreign exchange revenue. This is based on average daily expenditure of 3,610 baht (Euro 92) per person per day over an average length of stay of 16.37 days. 65 percent of visitors from France are repeat-visitors and 91 percent are FIT Travellers.

During the January-October 2012 period, international tourist arrivals to Thailand reached 17.67 million, up 9.74 percent over the same period of 2011. Visitors from Europe totalled 4.2 million, up 7 percent and visitors from France totalled 468,000, up 12 percent.

Our forecast for 2012 is for 20.5 million international tourist arrivals, for European visitors 5.1 million, and French visitors, we expect 497,000.

Ladies and gentlemen,

I want to assure you all that in spite of the significant increases in arrivals from the Asia-Pacific markets, we will continue to maintain a strong presence in Europe. We will do this by focusing our future efforts towards attracting niche markets. Clearly, the era of mass markets from Europe is over. We are already getting enough mass-market visitors from India, China and the ASEAN countries. So, in future, four key consumer segments with high purchasing power that we will be focussing on are newlyweds, golfers, medical tourists, and ecotourists.



Weddings & honeymoons: Thailand is becoming an increasingly popular location for weddings and honeymoons among French couples. TAT has introduced special packages for French couples to get married and honeymoon in Thailand by adding the travel program as a “special gift” for married couples.

The TAT Paris office published on brochures inviting couples to get married in “Lanna Wedding” a northern Thai traditional wedding style. These brochures were distributed at major French tourism exhibitions and also published on the TAT website.av

Recently, the Six Senses Samui received the award for Asia's Leading Honeymoon Resort. It is the hotel's third consecutive year to achieve awards at the World Travel Awards since 2010. A full listing of the many honeymoon and wedding destinations in Thailand is available in a TAT brochure called "Beautiful Destinations For Weddings". It also highlights major romantic attractions in northern Thailand. Please do use it as a guide for your clients.

More than 300,000 couples tie the knot in France every year, and then go abroad for a honeymoon. Normally, they choose to travel to the Pacific Islands and other islands still under the French administrative mandate, but the TAT Paris office felt this time some of the couples could be persuaded to try something different.



In February 2008, the major French department store Galleries Lafayette organised a global weddings show called "Mariage du Monde" in which the Thai traditional wedding party was selected to represent the Asia countries. This was followed in April 2008 with another advertising campaign conducted with another French department store chain, Printemps.

The two department stores and their travel agency units, Galleries Lafayettes Voyages and Printemps Voyages, launched special packages for French couples to get married and honeymoon in Thailand by adding the travel program as a "special gift" for married couples.

In support of the campaign, the TAT Paris office published 6,000 brochures inviting couples to get married in Thai traditional style. These brochures were distributed at major French tourism exhibitions and also published on the TAT website www.tourismethaifr.com during February through May 2008.

In 2009, The TAT Paris office invited couples to get married in Thailand through its French-language website www.tourismethaifr.com. Interested couples who flew Thai Airways International for their wedding would be provided with sponsored accommodation, transportation, Thai cultural & traditional activities, and a wedding party in Lanna style.

Golf: Thailand's more than 150 golf courses are some of the best in Asia. Thailand will also host the 2nd Asia Golf Tourism Convention (AGTC) in Pattaya, from 29 April to 2 May, 2013. We expect over 150 golf tour operators, all selling Asia-Pacific golf destinations, to attend the event. It would be very useful for golf enthusiasts to attend this event.

Health and wellness tourism is also growing rapidly. In 2010, Thailand received more than 1.5 million international arrivals for medical treatment. Our country is proud to have professional expertise in both prevention and cure. Visitors also come to Thailand to learn how to meditate or apply natural therapies. At the same time, 18 Thai hospitals have received the Joint Commission International or JCI Standard, an international quality standard for hospitals, more than any other country in Asia.



Ecotourism: TAT continues to promote the eco-friendly management of tourist destinations as part of its balanced strategy. At present, there are more than 180 hotels recognised by the Green Leaf Certification Programme, and a large variety of eco-friendly tourism products located throughout the Kingdom. In Northern Thailand, which many French visitors are very fond of, I would strongly urge a visit to His Majesty the King's Royal projects in Chiang Mai and Chiang Rai.

Ladies and gentlemen,

In conclusion, I would like to extend my sincere thanks to all of you here for joining us today. We are always open for valuable and constructive ideas to generate more business both for yourselves and us. I wish you all a pleasant evening and bon appetit.

THAILAND
THE GREATEST
STORY IN GLOBAL
TOURISM HISTORY

A 60TH ANNIVERSARY TRIBUTE TO
THE TOURISM AUTHORITY OF THAILAND
