

Eco-Tourism and Sustainable Tourism Development

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

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

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

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

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

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

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

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

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

In 2006, the World Travel & Tourism Council estimates that Thailand's tourism sector generated over 14% of GDP. Nearly two million people are employed directly and indirectly in tourism. About 70% of the tourism revenue benefits hospitality and tourism-related businesses

outside Bangkok. This helps create more tourism-related jobs and disseminate revenue to local people by boosting investment in rural areas as well as assisting thousands of Thai Small and Medium-Sized Enterprises (SMEs) which are the backbone of the country's economy.

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

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

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

In 2007, international visitor arrivals totaled 14.4 million, an increase of 4.65% over 2006. Top ten markets were Malaysia, Japan, Korea, China, Singapore, United Kingdom, Australia, USA, Germany and Laos. India ranked number 11 with arrivals of a little over 500,000 (five hundred thousands) travelers but we expect it to join the top-ten ranks this year.

In 2008, we are projecting 15.4 million visitor arrivals, with tourism revenue projected at 600 billion baht. The domestic arrivals target in 2008 is 87 million trips and earnings of over 400 billion baht.

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

Domestic tourism has become a very important phenomenon. In recent years, it has played a critical role in offsetting the decline in international tourism as a result of global geopolitical crises or natural disasters such as the tsunami. Promoting domestic tourism is an important part of our strategy and will become more so in future, especially as domestic transportation systems continue to be upgraded through better highways, airports and in future railways.

At a macro level it also plays a major role in facilitating the redistribution of income from urban to rural areas. We have identified a broad range of niche market customer segments as well as various opportunities to partner with media and major companies/ to target the domestic travelers.

MICE delegates are generally known to be higher spenders than the average tourists. According to the Thailand Conventional and Exhibition Bureau (TCEB), income from the MICE delegates in Thailand has risen from 33 billion baht in 2004 to 55 billion baht in 2007.

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

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

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

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

The Long Stay market is growing due to the ageing populations in the industrialized countries. Many of the elderly people find it too expensive and too cold to live in their countries in their winters. Hence, many retirees are now taking advantage of the relatively warm weather in Thailand and Southeast Asia to set up second homes in order to spend their winters. We are encouraging this through the longstay associations in many countries like Japan, Korea, and the Scandinavian states. I'm going to Japan next month to talk to a few life & health insurance companies and to discuss further of how we can better cooperate in this matter because retirees and pensioners aged 50 plus (+) are eligible to apply for special long stay visas and permits, and also eligible to avail of discounts from hospitals, golf courses, spas, hotels and resorts, restaurants, and department stores.

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

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

We have the 100 years old Historic Town of Sukhothai, the 500 years old Historic City of Ayutthaya: our second capital after Sukhothai, and the Baan Chiang Archaeological Site, the most important prehistoric settlement so far discovered in South-East Asia, are all important culture spots.

At the same time, the Toong Yai Houy Kha Kang, one of the most pristine rain forest areas of continental South-East Asia, and the Dong Phrayayen Khao Yai Forest Complex/ are both nature spots.

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

This concept was created to promote the provinces around the main tourist spots nationwide. There are a total of 14 tourism development clusters/ but I will have time to focus only on seven at this venue.

1. The western part of North Thailand is also home of the limestone mountain range which stretches from Kanchanaburi all the way up to Chiang Mai and Chiang Rai. We have discovered at least 112 hot springs of various types which have high potentials for developing into spa cities and hot spring resorts. This shall be another paradise for athlete camps, resorts for health and wellness as well as beauty and body treatments.
2. In the Northeast, there are a number of areas that could attract investment, especially along the banks of the Mekong river. As I mentioned earlier, this area will develop significantly in future as our transport linkages with the neighbouring countries grow further.

3. In the central Northeast region, there are a number of archaeological sites where discoveries of dinosaur fossils indicate a long history. The Baan Chiang Archaeological Site, the most important prehistoric settlement so far discovered in South-East Asia, is an important part of this. We often receive many regular group visitors from Japan and students from Japanese schools.

4. In the southern part of the Northeast region, the famous temple regions bordering Cambodia will also become “hot” visitor spots, especially the well-known Ankor Wat and other temples that were built during the same period that stand for many centuries close to both side of the borderline between Thailand and Cambodia. Again, there are road and rail developments under way in that part of the region which will promote connectivity and transport.

5. In the Central part of Thailand, the river systems also offer good opportunities for cruising, development of classy restaurants and other spots to enhance the river-cruising experience, fresh water recreational activities. This extends all the way from the delta of the Chao Phraya river/ all the way up to Ayutthaya and Sukhothai.

6. One of the promising areas of investment is “The Royal Coast” which includes high potential resort destinations such as Hua Hin, Pranburi, Samui and Pattaya. However, this offers an even more impressive potential for investments around and all the way along the Gulf of Thailand starting from Chanthaburi, passing through the entire Eastern Seaboard, touching Pattaya, estuary and mangrove in Samut Prakan, Bangkok, fisherman town of Samut Sakhon, the stretch of fine beaches along the upper part of the Gulf and continued to the stunning water front of the Southern coast. Investment opportunities include sports complexes, aquariums, theme parks, recreational activities, luxury transportation along and connecting to various destinations along the entire coast line.

Another huge area for potential investment is the roll-on roll-off vessels that can transport cars and tour buses from one point of the Royal Coast to the other. Clearly, this will also reduce both travel time as well as congestion on the roads and facilitate greater packaging opportunities for tour companies. Certainly the same facilities can be used by logistics companies, which also achieves the same end plus conserve energy.

7. For the lower part of the Gulf and in connection with the Andaman sea, the first and only seaplane shuttle service is now available. Visitors can now enjoy this new door-to-door service to most major hotels and resorts in Phi Phi Island, Krabi and Koh Lanta. The shuttle departs from Phuket International Airport and lands directly in the waterfront of most major hotel resorts. Further landing locations are planned for Similan, Kho Raja, and Khao Lak

All these 7 areas of cluster developments will certainly lead to more visitor arrivals in the high-end category, especially MICE visitors. In this entire Royal Coast & Active Beach area, the government has a desire to invested 10 billion baht (about US\$290 million) in infrastructure development and is now seeking another 20 billion baht/ (US\$ 587 million) in private sector funds.

In order to facilitate investment in these clusters, the board of Investment is creating an “Area Base” concept that gives investors specific privileges, such as tax-breaks and reduced-duty imports. Naturally, this makes it easier for investors to consider projects such as theme parks, boutique resorts, convention centers and recreation as well as sports complexes.

Another way of seeing the future growth of tourism activities will be in the area of niche markets. As people become well-travelled, they tend to travel for specific reasons like pursuing a hobby or gaining a new experience.

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

On the preventive side, spas and meditation centers is becoming a growth business as people all over the world are realizing that prevention is better than cure. Some temples in Bangkok also give lessons/ on both meditation and massage.

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

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

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

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

Thailand is becoming a very popular place to shoot movies and TV serials. The Thai Film Board is working to help foreign filmmakers complete projects smoothly. Many old regulations have been replaced with streamlined procedures. Government agencies and airlines are joining hands with the TAT to promote the Thai entertainment industry in international markets.

Bangkok is also becoming a major venue of international film festivals and film awards. One of the most prestigious Indian Cinema awards were hosted last June in Bangkok, bringing together some of the top-quality movie stars from India. The awards were accompanied by the Global Business Forum, providing the industry with an opportunity to deliberate on a diverse range of issues/ related to the filmmaking sector.

This year, TAT will partner with Federation of National Film Associations of Thailand to present the Sixth Bangkok International Film Festival on 23-30 September 2008 at Central World, Bangkok, making Thailand to continue to be known as the cultural and entertainment hub of the region. In addition to the many films, there will be a number of special events including panel discussions, workshops, masterclasses, exhibitions etc.

There are millions of people with disabilities all over the world, and these numbers are growing due to advancing age, accidents, conflicts and many more factors.

While many of them are physically challenged, they are perfectly fit mentally, and able to enjoy a good travel experience, provided they have the requisite facilities. Research in the United States has shown that that American adults with disabilities or reduced mobility spend an average of 13.6 billion U.S. dollars a year on tourism. In 2002, these individuals made 32 million trips and spent 4.2 billion US dollars on hotels and 3.3 billion US dollars on airline tickets. In the UK, 10 million adults with disabilities have an annual purchasing power of 80 billion pounds sterling.

Creating proper facilities to cater to this market will also be a promising area of investment. I must confess that this is an area in which we have not paid enough attention in Thailand, but we must do so in future. In terms of inclusive investment, this promotes tourism as well as social and economic development for the society at large.

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

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

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

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

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

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

This is the largest boat show in Southeast Asia. Phuket has earned the international recognition as the top Cruising and Boating destination in Asia.

For example, the Six Senses Phuket Raceweek and the Phuket King's Cup Regatta. Other events like the Koh Samui Regatta also help bring a huge number of visitors and competitors to the area/ and is a big boost for the local economy.

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

The result is that we have a continuous arrival of corporate, medium and high executives to Thailand almost of the times which gives us continuous opportunity to show the best of us.

Although my job is to promote the travel & tourism industry, as minister, it is also my job to ensure that it fulfills its promise to contribute to the development of the country at large. Tourism is one of those unique industries with cross-sectoral benefits and I see a great future in promoting a new concept of "inclusive investment" that benefits not just tourism but other aspects of Thailand's national economic and social development plans.

Moreover, this benefit is both short- and long-term. I strongly believe that the Thai tourism industry has now matured and moved beyond the era of promoting big projects. We are now in the year of promoting investments but I strongly believe that smaller, more carefully planned investments can be more beneficial and less risky than large projects.

Distinguished delegates,

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

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

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

I'll be happy to take questions from our audiences privately after we finish this session.
