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MARKET INSIGHTS
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THAILAND

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This Market Insight is one of an ongoing series of market profiles produced by the Market Intelligence Group [MIG] of the European Travel Commission [ETC]. New market profiles will be added to the series and updated at regular intervals.

The members of the MIG comprise the Research Directors of the 38 National Tourist Offices (NTOs) that are members of ETC. The group regularly commissions and publishes market intelligence studies, handbooks on methodologies and best practice, and facilitates the exchange of European tourism statistics on the 'TourMIS' web platform.

More information on ETC's programme of market intelligence activities - including links to studies and sources of European tourism statistics - can be found on the organisation's corporate website: http://www.etc-corporate.org.

OVERVIEW

- Thailand, one of the Asian 'tiger' economies, achieved outstanding rates of economic growth in 1985-96, but more moderate rates of growth in recent years. With modest overall levels of GDP per person and half of the population still engaged in agriculture, the potential for mass outbound leisure travel is still limited. UNWTO ranked Thailand 30th in the world by international travel expenditure in 2006.
- Total outbound trips reached 3.4 mn in 2006, and international travel expenditure an estimated US$4.6 bn.
- Outbound trips increased by an average of 6.4% a year from 1996 to 2006, and by 11.0% in 2006 alone. International travel expenditure, meanwhile, rose by an average of 9.4% a year from 2001 to 2006, although growth in the first half of 2007 fell to an estimated 3.4%.
- About 86% of outbound travellers are visiting other Asian destinations.
- Outbound departures for Europe reached 281,000 in 2006, 12.3% up on 2005 and representing 8.3% of total outbound trip volume. The leading European destinations are France, Germany, the UK, Italy and Switzerland. The Nordic countries are also, on a smaller scale, popular destinations, but the numbers going to many other European destinations are still very limited.
- The growth prospects for outbound travel from Thailand are considered good, and Europe reportedly remains high up the list in terms of aspirational destinations. But total trip volume to Europe will probably remain modest for the foreseeable future.

COUNTRY PROFILE

Currency

- Baht (Bt) €1 = Bt47.89 (2006)
- For long pegged to the US dollar at US$1 = Bt25, the baht collapsed to a low of US$1 = Bt56 in January 1998, in the wake of the Asian financial crisis, and then recovered to around US$1 = Bt40 in 2000-05. In 2006 and the first half of 2007 it rose steadily to a high of US$1 = Bt30 in July/August, but it slipped a little in the next few months, to around US$1 = Bt34 by mid-December. In recent years, it has tended to rise gradually against other leading Asian currencies.
- Against the euro, the baht tended to slip in 2001-05, but to rise slightly in 2006. In 2007, it has fluctuated between €1 = Bt41 and €1 = Bt48, but the monthly averages have usually been close to €1 = Bt44-45.

Population

- 65.1 mn (2007^{e}), growing by 0.8% a year.
- Only about 33% of the population is reckoned to be urban.
- The capital of Thailand is Bangkok (Krung Thep), which has a city population of 5.7 mn and a greater area population of 8.7 mn. It is surrounded by a cluster of satellite cities, including Samut Prakan, Nonthaburi (Pak Kret), Chon Buri and Nakhon Pathom, which typically have city populations of a quarter of a million people but may have area populations of over a million. Otherwise, Thailand has few large cities. The largest include, in the northwest, Chiang Mai; in the northeast, Udon Thani and Khon Kaen; and in the south Hat Yai (Songkhla), Nakhon Si Thammarat and Surat Thani. None has a city population of over a quarter of a million people.
- The population density is moderately high, at 123 inhabitants per km^2.
- The fertility rate (the average number of children per female) is estimated at 1.9, close to the notional 'replacement rate' of 2.1. It has fallen from 6.4 in the late 1950s, but is not expected to fall further. The annual birth rate is 14.6 per thousand population and the death rate 8.5 per thousand.
- Life expectancy is 70.6 years – three years higher than the world average but very close to the Asian average. However, it is 66.5 years for men and 75.0 years for women – an unusually wide difference.
- Thailand was one of the countries more seriously affected by AIDS, but intensive educational and social support programmes, coupled with the use of anti-retroviral drugs, brought the numbers of people living with HIV/AIDS down to 1.4% of adults and 0.9% of the total population in 2005, according to the 2006 UNAIDS report. However, funding for the programmes has been cut back since the late 1990s.

Age

Breakdown (%)	2005	2020^{f}
0-4 years	7.2	6.1
5-14	14.5	12.8
15-24	16.1	13.1
25-34	16.1	13.5
35-44	16.0	14.2
45-54	14.0	14.8
55-64	8.3	13.2
65-74	5.1	8.0
75-84	2.2	3.3
85+	0.5	1.1

- In simpler terms. 38% of the population are 0-24 years old, 46% are 25-54 and 16% are over 55.
- According to the UN, the numbers of children and young people (aged 0-24) in Thailand will decline slightly between 2005 and 2020 (from 24 mn to 22 mn), while the numbers of people over 55 will increase by 72%, from 10 mn to 17 mn). The numbers of those aged 25-54 will remain almost stable, at 29 mn.

Ancestry & Migration

- About 75% of the population are reckoned to be Thais. 14% belong to a well integrated and wealthy Chinese minority, and 11% to other minorities – mainly Khmer, Lao, Mon, Vietnamese, Burmese, Karen and others living in historically ill-defined border regions – e.g. Malays in the three southern provinces, and the 'highland peoples' who do not formally have Thai nationality.
- Thailand also receives significant numbers of 'transient' migrants. In 2004 there were estimated to be roughly 1.5 mn migrant workers (mainly from Myanmar, Laos and Cambodia), 500,000 people overstaying their visas, 140,000 displaced persons (mainly from Myanmar), 20,000 students and 200,000 registered professional expatriates and dependents – nearly 2.4 mn people in all. Among the expatriates, 18% came from Japan, 6-7% from China, India, Myanmar and the USA, and smaller numbers from Taiwan, the Philippines, Australia, South Korea and many other countries.
- Conversely, about 150,000 Thais go abroad each year as manual labourers. In the 1970s, many went to the USA, and have left behind more permanent communities there. From the 1980s, many went to the Arabian Gulf states, Israel and Palestine. In the 1990s and more recently, most have gone to East and Southeast Asia – mainly Taiwan, Singapore, Brunei, Hong Kong and Japan. Smaller numbers of professional expatriates work in many countries. There are estimated to be a few tens of thousands of Thais living more permanently in Japan, the USA, Canada, Australia and New Zealand.

Language & Religion

- The national language is Standard or 'Central' Thai, which is taught in schools and used in government. It is spoken or understood by most Thais, but is native to only about 34% of the population. There are a dozen or more other Thai dialects, including Isan ('Northeastern Thai'), Lanna ('Northern Thai') and Pak Dtai ('Southern Thai'), and the hill tribes and border minorities speak their own languages. About 14% of the population speak (Mandarin) Chinese.
- Standard Thai has several forms or 'registers' for different social contexts, including 'Street Thai' (used among family and friends), 'Elegant Thai' (used among strangers, in official and business contexts, in all correspondence, and in simplified form in newspapers), 'Rhetorical Thai' (used for public speaking), 'Religious Thai' (used when discussing Buddhism or addressing monks) and 'Royal Thai' (used in addressing or referring to members of the royal family). Thai has its own alphabet and script; transliteration is not standardised and causes much confusion.
- English is taught at school, but few speak it fluently. However, many big businesses in Bangkok operate in English and some Thais speak it among themselves as a way of showing off their educated, high-society status.
- Over 80% of travellers to Europe speak some English. More than 5% speak some French.
- According to the 2000 Census, 94.4% of the population are Buddhists, 4.6% Muslims, 0.8% Christians (mainly Roman Catholic) and 0.3% of other religions. Other sources say the Chinese minority are mostly Confucian. The Muslims are mainly found among the Malays of the South. Although small in numbers, the Sikhs, Hindus and Jews are influential.

Economic Data

	2002	2003	2004	2005	2006
GDP (US$ mn)	168,383	170,620	176,070	184,033	193,256
Real GDP growth (%)	5.3	7.1	6.3	4.5	5.0
GDP per capita (US$)	2,000	2,230	2,500	2,710	3,140
Inflation (%)	0.6	1.8	2.8	4.5	4.6
Formal unemployment (%)	2.2	2.0	2.0	1.7	1.4

Thailand's Economy 2006-07

- In 1985-96 Thailand enjoyed the world's highest economic growth rates (averaging 9% a year), but this was followed by the financial crisis of 1997, when real GDP declined by 10.5%. Since then Thailand has sustained steady but more modest rates of growth, averaging very nearly 5% a year. However, the political crisis of 2006-07 has led to great uncertainty about Thailand's economic prospects.
- In October 2007 the IMF predicted real GDP growth of 4.0% in 2007 and 4.5% in 2008.

- Inflation peaked in May 2006: it has since fallen back to around 2% and is expected to remain about that level in 2008.
- GDP per capita, though growing, is still moderate, and only a small proportion of the population can afford to travel to Europe. Half of the population is still employed in farming. Monthly household incomes in 2006 averaged US$370, ranging from US$880 for professional, technical and administrative employees' households to under US$200 for unskilled workers and farm labourers' households.
- Wealth is heavily concentrated around Bangkok. In 2006 average household incomes were 186% of the national average in Greater Bangkok, 108% in the Central Region excluding Bangkok, 105% in the Southern Region, 74% in the Northern Region and 66% in the Northeastern Region, but these averages mask the degree to which the wealthier families are concentrated in and around Bangkok.
- The usual 'undervaluation' of an 'Asian tiger' currency, coupled with the low domestic prices prevalent in prosperous Third World countries, makes travel to OECD countries an expensive option. (GDP per person at purchasing power parities is three times that of GDP per person in current US dollar terms). Travel to Europe is even more expensive given the current strength of the euro and sterling against the US dollar and most Asian currencies.
- Although the Thai economy has so far stood up well to the political crisis, there is some evidence that consumers are reining in their discretionary spending, if not their day-to-day spending.

TRAVEL PROFILE

Thai Outbound Trips

	2001	2002	2003	2004	2005	2006
Total trips ('000)	2,012	2,250	2,152	2,709	3,047	3,382
% annual change	5.4	11.8	-4.4	25.9	12.5	11.0
Trips to Europe ('000)	161	178	185	223	249	281
% annual change	1.6	10.7	3.9	20.3	11.8	12.6
% share	8.0	7.9	8.6	8.2	8.2	8.3

- Thailand's Immigration Bureau counts the departures of Thai nationals, rather than residents of Thailand. It reported 3.8 mn departures in 2006, 11% more than in 2005.
- However, propensity for foreign travel remains low. The 3.4 mn trips made in 2006 were equivalent to roughly one in twenty inhabitants – or a very modest outbound travel intensity of 5%.
- In 1996-2006 (i.e. from peak to peak) departures have risen by an average of 6.4% a year. This growth was interrupted in 1998 by the financial crisis and in 2003 by SARS. No data is available yet for 2007.
- The Immigration Bureau reports that, in 2006, 84% of outbound Thai travellers were bound for East Asian and Southeast Asian destinations (first point of call). Some 8% were bound for Europe, and 2% each for South Asia, Oceania and the Middle East. Only 1% were bound for the Americas and 0.1% for Africa.

International Travel Expenditure (excl transport)

	2001	2002	2003	2004	2005[e]	2006[e]
Total (US$ mn)	2,924	3,303	2,914	4,514	3,811	4,600
% annual change	41.6	13.0	-11.8	54.9	-15.6	20.7
Spend per trip (US$)	1,453	1,468	1,354	1,666	1,251	1,360

- International travel expenditure is estimated at US$4.6 bn in 2006, with Thailand ranking 30th in the world in terms of expenditure. The first half of 2007 saw a 3.4% rise.
- Expenditure per trip was around US$1,360 (€1,080) in 2006, although the average for trips to Europe was certainly much higher – probably closer to €2,250. The only destinations that attract higher spending per trip than Europe are the Americas and Oceania.
- TAT provides the following breakdown of outbound travellers' spending in 2005: shopping 29%, accommodation 33%, food and drink 18%, entertainment 6%, local transport 8%, sightseeing 3% and miscellaneous 3%.

Leading Destinations

Arrivals from Thailand in key destinations ('000)

	Measure	2002	2003	2004	2005	2006
Malaysia	TF	1,167	1,152	1,518	1,901	1,892
Laos	VF	423	378	490	603	na
China	*VF	386	275	464	586	na
Singapore	*VF	264	236	342	379	356
Hong Kong	TF	198	140	237	277	296
Japan	VF	73	80	105	120	126
South Korea	TF	74	78	103	113	129
Taiwan	TF	106	97	102	93	95
Vietnam	VF	41	40	54	84	124
Australia	VF	83	73	80	77	74
USA	TF	67	56	66	67	69
Cambodia	TF	60	36	55	64	na
Macau	TF	25	18	42	58	89
UK	VF	41	47	67	52	54
Indonesia	TF	51	43	55	45	na
India	*TF	20	26	33	42	na
Switzerland	THS	33	30	na	39	36
Italy	*TF	12	10	21	30	23
Myanmar	*TF	17	22	33	27	na
Philippines	TF	19	20	22	27	26
Bahrain	VF	5	13	18	24	29
New Zealand	VF	25	19	20	19	18
Nepal	TF	5	11	15	14	na
Canada	TF	13	8	11	13	13
Russia	*VF	4	5	7	9	15

Notes: These figures represent arrivals as reported by the destinations, according to standard UNWTO definitions – TF = tourists at frontiers; VF = visitors at frontiers; TCE = international tourists at all forms of commercial accommodation; THS = international tourists at hotels and similar establishments. Arrivals by country of residence, except * by nationality. The table is ranked by arrivals in 2005.

- The figures differ greatly from those shown by Thailand's outbound traveller statistics (which measure Thai nationals by first point of call). Whether the destinations measure arrivals by country of residence or nationality can make a substantial difference. For instance, a third of arrivals in the UK from Thailand are reckoned to be British.

- Few European countries measure arrivals from Thailand. The following estimates of annual arrivals are therefore somewhat speculative, drawn up with an eye on departures from Thailand by first point of call, the nature of those first points of call as airline hubs, and other indicators:

>50,000	France, Germany, UK
25,000-50,000	Italy, Switzerland
10,000-15,000	Austria, Denmark, Netherlands, Russia, Sweden
5,000-10,000	Ireland, Norway, Spain, Turkey
2,500-5,000	Belgium, Greece, Finland, Hungary, Poland, Portugal
<2,500	Bulgaria, Cyprus, Czech Republic, Estonia, Iceland, Latvia, Lithuania, Liechtenstein, Luxembourg, Malta, Monaco, Romania, Slovakia, and all countries of the former Yugoslavia and the former USSR except Russia.

Purpose of Trip

Purpose of outbound trip (2004, %)

Holiday	53.8
Conference/exhibition	14.3
Official/government	6.3
Other business	12.3
VFR	7.5
Other	5.8

- Clearly, these average figures mask wide differences from one destination to another. Official statistics suggest that 50% of trips to Europe are for holidays, 19% for conferences/exhibitions and 12% for business. Examples of figures from individual destinations' NTOs include:
- Arrivals from Thailand in Singapore in 2003 were split 50% holiday, 10% VFR and 40% business and other.
- The shares for arrivals in the UK in 2000-05 were 40% VFR, 29% business, 22% holiday, 2% study and 8% miscellaneous other reasons. The high share of VFR is very largely due to the large number of British expatriates making home visits (37% of arrivals from Thailand in 2005 were British).
- The shares for arrivals in Australia in 2006 were 39% holidays, 16% VFR, 18% business, 6% work, study and other.

Nature of Trip

- TAT reported that in 2003 the average length of all outbound trips by Thai nationals was 11.8 days.
- ETC, in a survey of travellers to Europe undertaken in 1998 (a survey which is now probably rather outdated, but which covered all European destinations), found that the average length of trips was 12.2 nights. 40% of travellers were staying up to one week, 40% one to two weeks, 10% two to four weeks, and 9% more than four weeks. But TAT puts the average length of stay in Europe (2004) at only 8.6 days – 9.6 for FITs and 6.6 for those on package tours.
- Tourism Australia found that in 2006 the average length of stay for visitors from Thailand was 40 nights (versus 30 for all markets), but this high figure is distorted by those coming for work (128 nights) and study (146 nights). The average stay for holidays was 16 nights, for VFR 31 nights, and for business 9 nights.
- The STB reports that the great majority of visitors to the Nordic countries come as part of an organised tour; independent travel (FIT) is, in its opinion, increasing, but from a small base. (Travel agents, however, report little interest in FIT travel, and do not expect it to grow.) Currently, the most popular tour package covers the four Nordic countries (Denmark, Finland, Norway and Sweden) in 10-15 days, with prices between Bt100,000 and Bt158,000 (€2,000 – €3,200). Shorter multi-destination tours are losing their popularity as the market matures.

Seasonality

- **Month of overseas trip, 2004-06 (%)**

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
7.0	6.8	9.0	11.7	8.7	7.4	7.8	7.7	7.4	9.8	7.7	9.1

- **Public holidays, 2008**
  1 Jan, 6 Apr, 13-15 Apr, 1 May, 5 May, 19 May, 1 Jul, 12 Aug, 16 Aug, 23 Oct, 5 Dec, 10 Dec, 31 Dec
- **Holiday entitlement**
  The working week in Thailand is five-and-a-half days (with half of Saturday and all Sunday off). The minimum legal paid holiday entitlement is the 13 official public holidays plus, for employees of at least one year's standing, six days paid leave.
- **School holidays**
  Schools take two months' holiday from mid-March to mid-May, and three weeks in October. The timing of the school holidays in March-May takes the principal season for family holidays out of the peak tourism seasons in the northern and southern hemispheres, creating both difficulties and opportunities for the travel trade.

Accommodation

- Group, business and independent travellers generally prefer four-star hotels over more expensive ones. It is also reported that, in the current Thai political/economic climate, some travellers are trading down.
- VisitBritain says that 34% of visitors from Thailand (and 79% of business visitors) stayed in hotels/guest houses in 2005. The breakdown of nights was 68% free guest with family or friends, 1% paying guest with family or friends, 13% hotel/guest house, 2% bed & breakfast, 2% camping/mobile home, 6% hostel/ university/ school, 4% own/family residence, 4% other.

Leisure / Recreational Activities

- ETC, in its 1998 survey of Thai travellers to Europe, found that 'rest and relaxation' was an important concept, and this is reiterated in various other surveys. The most frequently mentioned attractions of Europe are:

Scenery	79% of travellers placed it in the top 5 in the ETC survey
Cultural/historic sites	65%
Pleasant weather	59%
Shopping	52%
Culture/tradition	30%
Friendly people/safety	21%

- The STB, for example, came to similar conclusions in 2006. For the Nordic countries, scenery, nature and tranquillity seem to be strong selling points, but Thais have little interest in Nordic history and culture (except for the Nordic Royal Families). Food is very important to Thais and they usually allocate a few hours to dinner. The secret for operators seems to be to combine visits to many attractions – but for only short periods of time – with plenty of time for relaxation and enjoyment. The Thais, although they are like many other Asians in being enthusiastic shoppers, are unlike them in that they avoid bulky or fragile purchases.
- In detail, the ETC 1998 survey reported the following sightseeing activities of Thai travellers to Europe: cultural/historic sites (94%), restaurants (94%), shopping (94%), places of worship (77%), museums/art galleries (76%), countryside excursions (68%), guided sightseeing (66%), travelling around by train (56%), river cruises (55%), theme parks (44%), bars/pubs (38%), festivals/cultural events (38%), theatre/ concerts/musicals (34%), zoos (28%), casinos/race tracks (24%), sunbathing/beach activities (24%), nightclubs/discotheques (21%), alpine skiing (14%).
- VisitBritain reckons 'product fits' include history/heritage/culture, shopping, nightlife, scenery, studying English language, football and golf. There is massive support for Premier League football in Thailand, which is reflected in an interest in attending matches and visiting stadiums. Oxford and Cambridge are also popular.
- Aspects of Thai life which might affect their activities abroad include an interest in ceremony, festivals and dancing, an interest in martial arts – the national sport is Muay (Thai boxing) – and kite flying, daily involvement in religion, and deep respect for friendliness, wisdom, old age, and the King.

PROFILE OF TRAVELLERS

Nature of Overseas Travellers

Thais making trips abroad (2004, %)

Males		51
Females		49
By age	0-24 years	14
	25-34	27
	35-44	27
	45-54	19
	55+	13

- The share of females is higher for destinations which offer good shopping and sightseeing, such as Europe (59%) and Hong Kong. Meanwhile, destinations seen as posing higher than average security risks, such as the Middle East, attract far more males than females.

- In 1998, the ETC study drew a distinction between 'first generation' travellers to Europe (typically well educated, wealthy, English-speaking, with limited holiday entitlement, who had made several trips to Europe before) and 'new travellers' (who are likely to come from a rather broader stratum of Thai society, with a greater spread of ages, incomes and educational attainment, and are rather less likely to speak English). The distinction is probably still valid.
- Compared with experienced visitors to Europe, the 'new travellers' tended to be more likely to be men (64% vs. 50%), marginally older (30% aged 50+ vs. 23%), more likely to be married (62% vs. 54%), less well educated (66% with a degree vs. 78%), less well off (23% with incomes of more than Bt150,000 vs. 31%), more likely to have freedom on length of holiday (36% no specific period vs. 24%) and less likely to speak English (81% vs. 91%).
- The STB notes that few Thai families with children travel to the Nordic countries because the Nordic high season does not coincide with school holidays. Most visitors are therefore older people – usually well off and retired.

Occupations

Thais making trips abroad (2004, %)

Professionals	6
Administrative & managerial	4
Clerical, sales & commercial	22
Labourers, production & service workers	37
Housewife & unpaid help	8
Students & children	11
Other	12

- Europe attracts a higher share than average of professionals and administrative/management staff, as well as housewives.

Travel Companions

- The general impression is that the great majority of Thai leisure visitors to Europe travel on organised tours, and that an unusually high proportion travel alone.
- The STB reports that independent (FIT) travel to Nordic countries is rare, and that the travel agencies do not see it developing (although the authors believe that it is increasing from a small base). The typical size of leisure groups is 20-25 passengers (20-30 in winter).
- VisitBritain reports that in 2003, 55% of arrivals in the UK from Thailand (including the many who are British expatriates living in Thailand) were travelling alone – a higher proportion than from most other markets. 21% were travelling as a couple, 16% with family, 3% with friends, 3% with business colleagues, and only 3% in a tour group or other.
- VisitBritain's consumer research, in contrast to the STB's, shows an emerging trend among younger Thai respondents to travel independently, as group travel is seen as too restrictive. However, there is a high propensity among first-time travellers to use group tours, because of their unfamiliarity with the destination and/or the convenience of an all-inclusive package.
- Tourism Australia reports that, of visitors from Thailand aged over 15 in 2006, 66% were travelling alone, 10% as a couple, 11% as families, 8% with friends, and 6% with business colleagues. In recent years, the proportions travelling alone have been rising, and those travelling in families falling.

AIR TRANSPORT

Airports

- Thailand has over 40 commercial airports, including five major international airports:
  - Suvarnabhumi Bangkok International Airport (BKK): the controversial new airport opened, late and over-budget, in September 2006, with a capacity of 76 flights/hour and 45 mn passengers/year, and was soon operating close to capacity.

- Bangkok International Don Muang (DMK) closed in September 2006, but re-opened in March 2007 to relieve pressure on the new airport. Prior to closure, it had a capacity of 60 flights/hour and 25 mn passengers/year; one of its three passenger terminals is now back in use. The intention seems to be to retain Don Muang as a complementary airport, with a focus on non-connecting domestic and international LCC flights.
- Phuket International Airport (HKT), with a capacity of 10 flights/hour and handling 3 mn passengers/year, is mainly used for flights serving inbound tourists heading for the southern holiday resorts.
- Hat Yai International Airport (CNX), in Songkhla, with a capacity of 30 flights/hour and handling 2 mn passengers/year, is particularly associated with flights serving the annual Hajj.
- Chiang Mai International Airport (CNX), with a capacity of 24 flights/hour and handling 2 mn passengers/year, serves the Northern Region.

- 19 airports in Europe are served by direct flights from Thailand: Amsterdam (AMS), Athens (ATH), Budapest (BUD), Copenhagen (CPH), Düsseldorf (DUS), Frankfurt (FRA), Helsinki (HEL), Istanbul (IST), London (LHR), Madrid (MAD), Milan Malpensa (MXP), Moscow Sheremetyevo (SVO), Moscow Domodedovo (DME), Munich (MUC), Paris (CDG), Rome (FCO), Stockholm (ARN), Vienna (VIE) and Zurich (ZRH). This is an exceptionally large number of destinations for a medium-sized long-haul market and even more are served by competitive indirect flights – although the vast majority of passengers are travelling from west to east, either to Thailand or to other points in Asia Pacific.

Airline Traffic / Capacity

- In October 2007 there were 191 direct flights a week from Thailand to Europe, offering 62,249 seats each way. The corresponding numbers last year were 181 flights and 58,954 seats.
- Thai International, one of the world's most successful airlines, increased the number of its flights to Europe from 75 a week in October 2006 to 80 a week in October 2007. LTU (a German carrier that operates predominantly charter flights) increased the number of its scheduled flights from two to eight. Malev Hungarian Airlines introduced a twice-weekly service, but Royal Brunei no longer offers seats between Bangkok and London.

Airlines operating direct services from Thailand to Europe, October 2007

Airline	Alliance	Flights	Seats	Origins	Destinations
Thai	Star Alliance	80	29,192	*See notes below*	
Eva Airways	–	13	3,707	BKK 13	LHR 6, AMS 4, VIE 3
China Airlines	–	10	3,529	BKK 10	AMS 7, FCO 3
Lufthansa	Star Alliance	7	2,730	BKK 7	FRA 7
British Airways	OneWorld	7	2,387	BKK 7	LHR 7
Finnair	OneWorld	7	2,009	BKK 7	HEL 7
KLM	Sky Team	7	1,946	BKK 7	AMS 7
Austrian	Star Alliance	7	1,946	BKK 7	VIE 7
Air France	Sky Team	7	1,820	BKK 7	CDG 7,
LTU	–	8	2,720	BKK 7, HKT 1	MUC 4, DUS 4
Qantas	OneWorld	7	2,758	BKK 7	LHR 7
Swiss	Star Alliance	7	1,750	BKK 7	ZRH 7
Turkish	–	7	1,747	BKK 7	IST 7
SAS	–	6	1,548	BKK 6	CPH 6
Aeroflot	Sky Team	4	940	BKK 4	SVO 4
Aerosvit	–	3	690	BKK 3	KPB 3
Malev	OneWorld	2	394	BKK 2	BUD 2
Transaero	–	2	436	BKK 4, HKT 1	DME 5

Notes: For airport codes, see above (under 'Airports'). Weekly flights and seat capacities shown. Numbers of flights are also shown against the originating and destination airports. Thai has flights to ATH 3, CDG 7, CPH 7, FRA 14, LHR 14, MAD 3, MXP 4, DME 3, MUC 7, CDG 7, FCO 4, ARN 7 and ZRH 7, all originating in BKK.

- The direct flights face strong competition from indirect services, including those of Emirates, Etihad, Qatar Airways, Kuwait Airways and Gulf Air from the Middle East, offering a wide variety of gateways into Europe (Emirates, for instance, offers flights from Dubai to Glasgow, Manchester and Birmingham as well as to London). Singapore Airlines, Cathay Pacific and Finnair also offer very competitive indirect flights to European destinations.

TRAVEL PLANNING & BOOKING

Travel Formalities

- Visas are required of Thai nationals for all European destinations and are reckoned by the travel trade to be one of the major obstacles to travel to Europe. The STB says that "difficulties in obtaining visas is reported as the single largest problem in organising tours to Europe".
- Applying for a UK visa is said to be a particularly lengthy process, fraught with bureaucracy, and the outsourcing of the process since April 2006 has not entirely resolved the problem.
- The convenience of a single Schengen visa is a consideration in selecting multiple destinations – and one in which tour operators and tourists 'game the system' in choosing the easiest channel through which to apply for a visa.

Travel Decisions

- Long-haul trips tend to be planned well in advance. VisitBritain found that, in 2005, three quarters of decisions to travel to the UK were taken at least one month in advance, and over 40% at least three months in advance.
- However, actual bookings tend to be made much later – often only two to three weeks before travel. This may be a problem if visas and other practical arrangements have not been tackled beforehand. And, if possible, people confirm their bookings at the eleventh hour.

Booking Methods

- Although precise figures do not seem to be available, the overwhelming majority of holiday trips to Europe are booked through travel agents. This is related to the fact that group travel still seems to be preferred for holiday trips to Europe – even for well-travelled, affluent, English-speaking Thais.
- Although these figures are clearly outdated, in 1998 ETC found that 56% of Thai travellers to Europe opted for a comprehensive tour package, 14% for a basic package and 30% booked only their flights (with the last falling from 45% among 20-29 year-olds to just 20% among 50-59 year-olds). TAT's research, on the other hand, suggests that the share of package tours to Europe is only around 30% (but note that this is the share of total trips, including those for business and conference travel).
- There is reportedly very little travel agency loyalty, with price dictating most people's choices.
- Although the internet is increasingly important as a source of information (see below), online bookings are still insignificant, and the travel trade does not expect this situation to change soon.

Information Sources

- The general impression is that, as travel information sources, the internet, word-of-mouth and travel agents are important and roughly evenly balanced. Tour operators, airlines, publications, advertising and broadcast media are more marginal.
- However, from the travel trade's point of view, the most important means of promotion are advertisements in the printed media (notably newspapers, travel magazines and business magazines). Many send out direct mail to previous customers. Some, for high-volume, aggressively priced products, go for TV commercials and events in shopping malls.
- Movies and soap operas are said to have a powerful influence on young people.
- Internet users are predominantly young: people between 15 and 24 represent more than half of all internet users in Thailand. People aged over 50, on the other hand, make up just 3%.

Internet & Media

- There are numerous Thai, English and Chinese newspapers and magazines in circulation in Thailand, and they are widely available and very influential. Thailand is reported to be the largest newspaper market in Southeast Asia, with an estimated circulation of over 13 mn/day in 2003.
- The NSOT reports that, in 2006, 42% of over 6-year-olds had a mobile phone. 26% had access to a computer and 14% had access to the internet. Broadband access is presumably even more limited.
- These are, by Southeast Asian standards, relatively low internet penetration rates. But, as usual, the penetration rates are very much higher among those likely to travel abroad, and particularly among younger travellers.
- TravelWireNews reported in May 2006 that 40% of all travel transactions were made online – 10% more than five years earlier – according to ATTA. This seems overly high and, if correct, presumably includes all types of domestic as well as international bookings, including simple flights on low-cost carriers.
- Online 'best prospects' research quoted by VB – which appears to relate to online travellers only – found that Thai 'best prospects' did the following on a daily basis:

Access national websites	76%
Watch national TV channels	73%
Access international websites	69%
Watch local TV channels	68%
Listen to national radio	64%
Watch cable or satellite TV	56%
Read national newspaper	52%
Listen to local radio	52%
Read local newspaper	51%

TRAVEL TRADE PROFILE

Structure of the Travel Trade

- In 1992, the Thai Government introduced compulsory registration for travel agents/tour operators under separate categories of domestic, inbound and outbound. However, the classification is not totally clear as many registered under more than one category.
- The total number of travel agencies is around 2,000, with no more than 350-400 involved in outbound business.
- The retail travel trade in Thailand is very fragmented, consisting mainly of small independent companies focused primarily on serving the demand for domestic travel. Travel agents handling outbound as well as domestic travel tend to be larger, and in practice most outbound group travel is handled by a small number of large agencies. These include Takerng Tour, Roongsarp Express, MD Tours, Siam Express and GM Travels.
- There are few conventional wholesalers. Instead, large retailers are linked to large numbers of small agencies which act as their sales representatives. Some organise their own, small-scale trade fairs at which consumers are also welcome.
- The trade is heavily concentrated in Bangkok, with smaller numbers in Chiang Mai, Pattaya and Phuket, and individual agents scattered elsewhere.
- There seem to be no companies specialising in handling incentive business. Instead, it is integrated into the product portfolios of most Thai travel agents.
- Only the largest companies are in a position to cater for the business of the big multinationals and government departments.
- According to VisitBritain and the STB, few European inbound operators have any significant business in Thailand. They include Miki, Kuoni, and Gulliver and, for Scandinavia, RTS.

Retail Travel Agencies

- The Association of Thai Travel Agents (ATTA) was set up in 1968 and currently has some 800 active members.

- Only about 20 travel agencies are significant in terms of travel to Europe, according to European NTOs. These include: Avenue Inter Travel Group, Beeline Tours & Travel Co. Ltd., Holiday Tour & Travel Co., Ltd., Central Holiday, Chai Tour Co., Ltd., G.M. Tour & Travel Co., Ltd., Fly Us Travel Center Co., Ltd., M.D. Tours & Travel Co., Ltd., Siam Express Co. Ltd., Unity 2000 Tour Co., Ltd., and Vacation Travel Group Corporation.

E-travel

- VisitBritain found that in 2006 the travel websites most often mentioned were:
  Sanook.com (the Thai equivalent to Google or Yahoo), Thai Airways.com, Travelbyyou.com, Asiatravel.com, Tourbyyou.com, Lastminute.com, Pantip.com and Vacationzone.co.th

KEY TRENDS AND FORECASTS

Key Characteristics of Thai Outbound Travellers

- Traditionally, Thais have not been known as great travellers: they are thought of as self-sufficient and (at home) somewhat suspicious of foreigners. However, the affluence of a growing part of the population has brought a desire for holidays and experiences abroad.
- The great majority of long-haul travellers come from Greater Bangkok and the surrounding areas. The people of the northern and northeastern regions are more traditional and less affluent, predominantly living off agriculture and cottage industries. The southern peninsula contains many of the kingdom's principal tourism destinations and, though not wealthy, is more outward-looking.
- Travellers to Europe are typically well educated, wealthy, English-speaking, with limited holiday entitlement (or are retired), and have often made several trips to Europe before. First-time travellers are likely to come from a broader stratum of Thai society, with a greater spread of ages, incomes and educational attainment, and are rather less likely to speak English.
- Thais rarely bring their children to Europe, partly because the school holidays fall outside the European peak season. However, the Thai school holidays in March-May and October offer an opportunity for the European travel trade and suppliers to offer attractive rates to Thais outside the peak European tourism season.
- On holiday, Thais seem to lean towards scenery, nature, tranquillity, rest and relaxation rather than intensive exposure to foreign culture and heritage. The secret for operators seems to be to combine visits to many attractions – but for only short periods of time – with plenty of time for relaxation and enjoyment and for meals. Thais are enthusiastic shoppers, but usually avoid bulky or fragile purchases.
- Traditional Thai values stress the avoidance of unnecessary friction with others, sincere friendship, close family relationships, a strong sense of hospitality and generosity, and respect for old people and ancestors. Seniority is an important concept in Thai culture. The elders always rule in family decisions or ceremonies. The traditional Thai greeting, the *wai*, is offered first by the youngest of the two people meeting, with their hands pressed together, fingertips pointing upwards as the head is bowed to touch their face to the hands.
- The Thai are dedicated royalists – and the relevance of this to the tourism industry is illustrated by the popularity among Thai tourists to Norway of the North Cape, which was visited by King Rama V – as long ago as 1907!

Short-term Prospects

- The continuing increase in per capita GDP and the openness of the economy is sustaining the growth in demand for outbound leisure and business travel. However, the political crisis of 2006-07 is throwing a degree of doubt over short-term prospects.
- Although the Thai economy has so far stood up well to this crisis, there is some evidence that consumers are reining in their discretionary spending, if not their day-to-day spending, and trading down in their travel decisions.
- Price is therefore currently even more important than usual. For Europe, this factor is all the more important because of the strength of the euro and sterling against the baht.

- The intensification of economic relationships within East and Southeast Asia and the powerful influence of regional low-cost carriers has led to an expectation, in recent years, that Europe's share of outbound travel would suffer. This does not seem to have happened.
- However, VisitBritain reports a shift in fashions and personal interests in favour of Asian – and particularly Chinese and Korean – culture and lifestyles. South Korean movies, music, models and pop idols have gained in popularity among young Thais. Mandarin Chinese is reportedly becoming more popular among students.

NOTES

[a] Multiple responses possible/percentages add up to more than 100%

[e] Estimates

[f] Forecasts

SOURCES OF INFORMATION

Principal statistical sources (by section):

- **Country Profile**: International Monetary Fund (IMF); United Nations Department of Economic & Social Affairs Population Division; International Organization for Migration (IOM); National Statistics Office of Thailand (NSOT); Bank of Thailand.
- **Travel Profile**: Tourism Authority of Thailand (TAT); World Tourism Organization (UNWTO); Pacific Asia Travel Association (PATA); NSOT; VisitBritain; Scandinavian Tourist Board (STB).
- **Profile of Travellers**: TAT; VisitBritain, STB; The Travel Business Partnership (TBP) from various industry sources.
- **Air Transport/Airlines**: SRS Analyser, OAG.
- **Travel Planning and Booking**: NSOT; VisitBritain; STB; *ETC Media Review.*
- **Travel Trade Profile**: VisitBritain; STB; TBP.

FURTHER INFORMATION

Association of Thai Travel Agents (ATTA):	www.atta.or.th
Tourism Authority of Thailand (TAT):	www.tat.or.th; www.tourismthailand.org
Airports of Thailand PCL (AOT):	www.airportthai.co.th
National Statistics Office of Thailand (NSOT):	www.nso.go.th

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