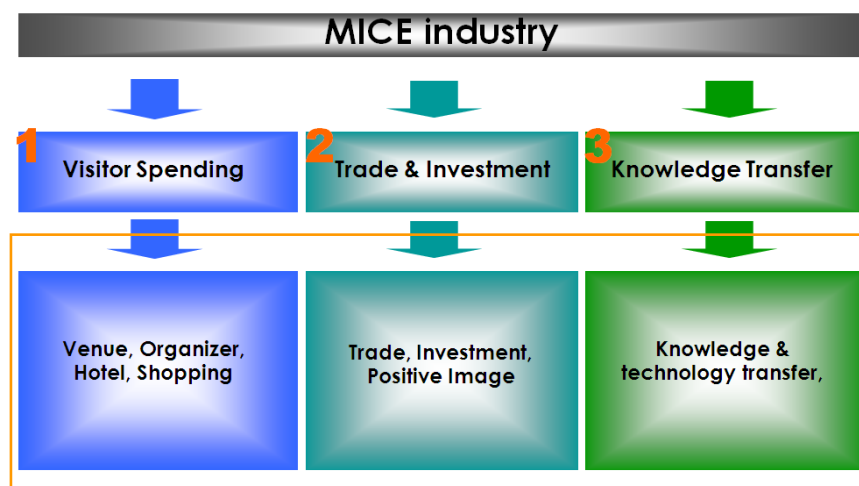


Growth of MICE in Thailand

Mentioned in ‘Measuring the Economic Importance of the Meetings Industry - Developing a Tourism Satellite Account Extension’ by the World Tourism Organization is that “the meeting industry has emerged over recent decades as an important contributor to national economies”.

Indeed, meetings and business events contribute notably to the Gross Domestic Product as well as the brand awareness of destinations. As a segment of the tourism industry, the MICE industry is reported to bring in multiple benefits in both quantifiable, in financial terms, and the non-quantifiable benefits to Thailand. These benefits are classified as follows:



1. Primary Benefits

The Primary Benefits are direct interest from international meetings, incentive travel, conventions, and exhibitions. The benefits gained are as follows:

Stakeholders	Benefits
Venues for international meetings, incentive groups, conventions and exhibitions	Revenue from servicing the meetings, incentive travel, conventions, and exhibition e.g. room/hall rental fees, space rental fees, bonded customs area rental fees, supplies and food and beverage, etc.
Organisers, Professional Convention Organisers (PCOs), Professional Exhibition Organisers (PEOs), Destination Management Companies (DMCs)	Management fees, service fees, registration fees and tourism service fees, etc.

Stakeholders	Benefits
Hotels	Hotel room charges for speakers, audiences, exhibitors, visitors and organisers.
Participants	Technological and knowledge exchange.
Visitors	Technological and knowledge exchange, product information gathering, networking.

2. Secondary Benefits

The Secondary Benefits are indirect benefits from international meetings, incentive travel, conventions, and exhibitions. The benefits gained are as follows:

Stakeholders	Benefits
Contractors	Decoration fees, designing fees, construction fees or prefabricated structure rental fees.
Freight forwarders	Service fees from taking care of customs services and delivering products to the exhibition
Exhibitors	Continued business for at least 3 to 6 months after the exhibition.
Hotels	Hotel room charges from participants and their accompanying persons, exhibitors, visitors and speakers.
Restaurant and Entertainment	Revenue from food and beverages, shows and other forms of entertainment that will be enjoyed by all related parties and their accompanying persons.
Tour Agents	Revenue from tours bought by some MICE travelers who will travel in Thailand before or after attending the international meeting, incentive, convention and exhibition. Tour agents also benefits from having potential future return business.
Shopping Centers	Shopping expenses for souvenirs, etc.
Transportation and Communication	Service fees from providing transportation and communication services to MICE travelers during and after international meeting, incentive travel, convention and exhibition.
Banks	Fees from facilitating money transfer, currency exchange, payment of goods and services through credit card, and any other financial transactions.

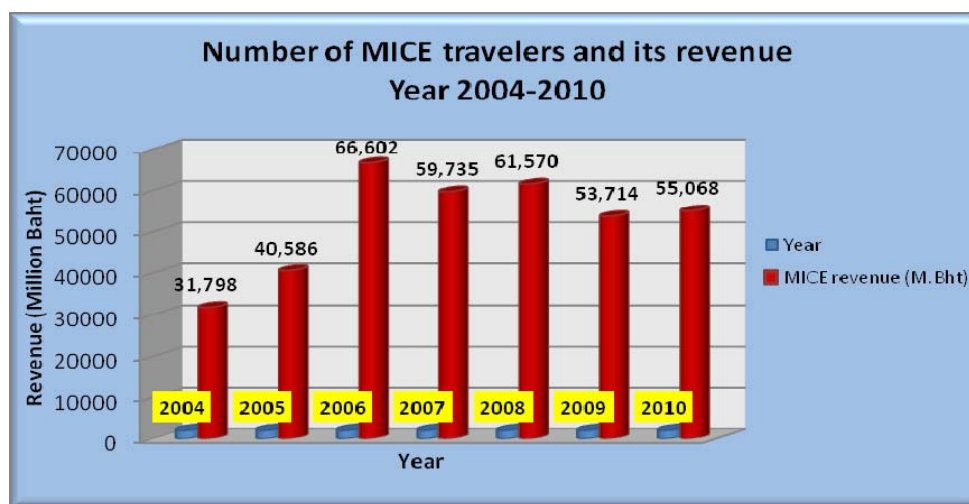
Stakeholders	Benefits
Temporary staff	Allowances. Each exhibition of multi-national enterprises especially ones with no agents in Thailand usually hire locals as their temporary staff to manage the exhibition and promote products in the exhibition area.

3. Tertiary Benefits

The Tertiary Benefits are multiple interests from international meetings, incentive travel, conventions, and exhibitions which is incalculable in financial terms. The benefits gained are as follows:

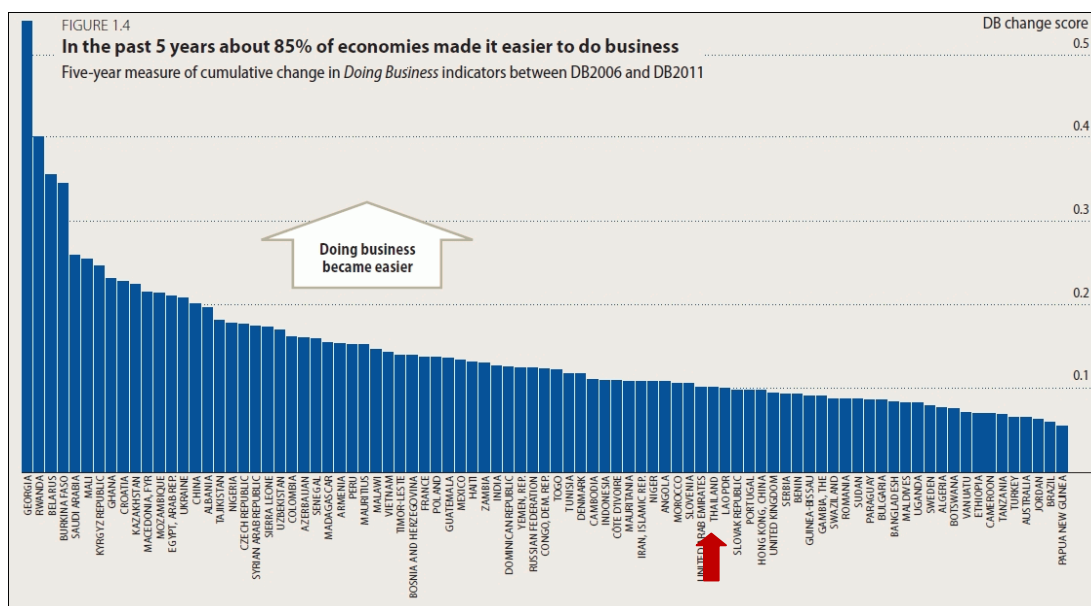
Stakeholders	Benefits
Thailand	Technology and knowledge transfer between buyers and sellers and participants at large.
	International Trade. This is a collateral benefit from international meetings, conventions and exhibitions e.g. research on new feasible products presented in a conference would attract investments, thereby increasing international investment and trade as well as creating more employment, which stimulates and has positive effects on the economy.
	National Economy. Spending and circulating of money in both goods and services from activities in each event will increase production and consumption and spur economic growths as well as create employment opportunities.
	Positive Image. Especially at world-class conventions, the nation has the opportunity to create and convey positive image to audiences from around the world. Thai organizers could also be known for their professionalism in organizing the event. The tourist attractions in Thailand would also be experienced, boosting the overall tourism industry and national economy.

In Thailand, the tourism industry is reported to generate an annual contribution to the country's GDP of 6.5% on average. As part of the tourism sector, the MICE industry is reported to generate 10.7% of the sector's annual income, with an average industry growth of 15-20%. The average spending of a single MICE traveler in 2010 is at approximately 81,000 Baht per trip, with total number of MICE travelers reported at 679,585 people, bringing in more than 50,000 million Baht in revenue to the country.



Source: MICE statistics Year 2004-2010 by Information Provider & Consultant

The overall trend of the industry is still demonstrating signs of growth despite the drop as a result of recent uncontrollable factors e.g. impact from the global economic downfall, the impact of the H1N1 virus and the domestic circumstances. Economies rank by ease of doing business between 2006 and 2011 by World Bank indicated that, in the past 5 years, doing business in Thailand has become easier. The ease of doing business index ranks economies from 1 to 183. For each economy the index is reported as calculated by the ranking, on the average, of its percentile rankings on each of the 9 topics described below.



Which indicators make up the ranking?

Starting a business	Paying taxes
<ul style="list-style-type: none"> Procedures, time, cost and paid-in minimum capital to open a new business 	<ul style="list-style-type: none"> Number of tax payments, time to prepare and file tax returns and to pay taxes, total taxes as a share of profit before all taxes borne
Dealing with construction permits	Trading across borders
<ul style="list-style-type: none"> Procedures, time and cost to obtain construction permits, inspections and utility connections 	<ul style="list-style-type: none"> Documents, time and cost to export and import
Registering property	Enforcing contracts
<ul style="list-style-type: none"> Procedures, time and cost to transfer commercial real estate 	<ul style="list-style-type: none"> Procedures, time and cost to resolve a commercial dispute
Getting credit	Closing a business
<ul style="list-style-type: none"> Strength of legal rights index, depth of credit information index 	<ul style="list-style-type: none"> Recovery rate in bankruptcy
Protecting investors	
<ul style="list-style-type: none"> Strength of investor protection index: extent of disclosure index, extent of director liability index and ease of shareholder suits index 	

In East Asia and the Pacific, Thailand is ranked 3rd on "ease of doing business" after Singapore and Hong Kong SAR, China.

Economy	Ease of Doing Business Rank ▲	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Singapore	1	1	2	1	3	1	2	1	2	1
Hong Kong SAR, China	2	2	1	10	2	2	1	2	1	3
Thailand	3	11	5	2	7	4	18	3	4	5
Malaysia	4	17	18	11	1	3	7	5	8	7
Taiwan, China	5	4	16	5	7	12	15	4	14	2

The country as a whole and the city of Bangkok still perform when it comes to their destination rankings. For example, Thailand ranked 6th out of more than 30 countries in terms of number of meetings per country in Asia Pacific & Middle East whilst Bangkok ranked 4th out of more than 66 cities in 2009 Statistics Report International Association Meetings Market Country and city rankings by International Congress and Convention Association (ICCA).

Asia Pacific & Middle East rankings: Number of meetings per country

Ranking	Country	# Meetings
1	Japan	257
2	China – P.R.	245
3	Republic of Korea	176
4	Australia	169
5	Singapore	119
6	Thailand	103

Asia Pacific & Middle East rankings: Number of meetings per city

Ranking	Country	# Meetings
1	Singapore	119
2	Beijing	96
3	Seoul	90
4	Bangkok	76
5	Kuala Lumpur	72

In addition, Travel and Leisure magazine has named Bangkok as the World's Best city in 2008. The ranking dropped slightly in 2009 with the global economic crisis and political situation in the city but still maintains the scoring for World's best city at 86.80. Bangkok has since regained the top rank again in August 2011. As stated by the magazine's on-line report: *"It's been a tough year for Bangkok, which has been coping with political upheaval that's roiled the city and made some travelers wary. But despite the unfortunate developments, this summer brought a welcome bit of news that showcased the Asian metropolis's enduring appeal: Travel + Leisure readers named Bangkok the World's Best City."* Additionally, Chiang Mai has won the second rank in the Top Ten Cities.

TRAVEL + LEISURE 2010 WORLD'S BEST AWARDS WINNERS OVERALL

WORLD'S BEST CITY	Bangkok
WORLD'S BEST HOTEL	Oberoi Vanyavilas Ranthambhore, India
WORLD'S BEST ISLANDS	Galápagos
WORLD'S BEST LARGE-SHIP CRUISE LINE	Crystal Cruises
WORLD'S BEST SMALL-SHIP CRUISE LINE	The Yachts of Seabourn
WORLD'S BEST RIVER CRUISE	Abercrombie & Kent
WORLD'S BEST INTERNATIONAL AIRLINE	Singapore Airlines
WORLD'S BEST DOMESTIC AIRLINE	Virgin America
WORLD'S BEST TOUR OPERATOR	Micato Safaris
WORLD'S BEST CAR-RENTAL AGENCY	Hertz Rent-A-Car
WORLD'S BEST DESTINATION SPA	Rancho La Puerta Tecate, Mexico

Source: http://www.travelandleisure.com/worldsbest/press_release

WORLD'S BEST AWARDS 2010

TOP 10 CITIES

RANK	'09	NAME	SCORE
1	3	Bangkok	90.30
2	5	Chiang Mai, Thailand	89.35
3	6	Florence	89.17
4	-	San Miguel de Allende, Mexico	89.09
5	9	Rome	88.60
6	-	Sydney	87.99
7	4	Buenos Aires	87.98
8	-	Oaxaca, Mexico	87.78
9	-	Barcelona	87.71
10	8	New York City	87.68

- means that the property was not among the top-ranked in this category last year.

Source: <http://www.travelandleisure.com/worldsbest/2010/cities>

As a governmental body whose mission is to support growth and development of the MICE industry, Thailand Convention and Exhibition Bureau (TCEB) has implemented the following:

1. The announcement of the MICE industry White Paper

Taking an orchestrated approach towards the development of Thailand's MICE industry, the Bureau listened to views of key industry players at a MICE summit in June 2010 and put together a list of aspects to consider with regards to Thailand's MICE development in a White Paper, which was then submitted to the government. The paper addressed the following issues as those of priority for Thailand's MICE industry development:

- 1.1 The domestic MICE marketing plan: stimulating more meetings, seminars and exhibitions in Thailand.
- 1.2 Improve market potential and create more selling opportunities in the MICE industry.
- 1.3 Maintain current events by closely working with customers and giving incentives to help their decision making.

- 1.4 Build confidence in Thailand from within, working outwards to the international level.
- 1.5 Create a better understanding of the MICE industry with governmental officers and other relevant organisations.
- 1.6 Develop human resources for a more sustainable MICE industry
- 1.7 Develop tangible measures and clearer support intention to host meetings and conventions with additional budget from the government to ensure unified and concrete development of the MICE industry.
- 1.8 Events, especially the flagship events in domestic and inbound markets, be driven by the government.
- 1.9 Establish a joint public and private fund to support and assist any organizations or body bidding to host an event.
- 1.10 Develop a complete MICE database to benefit both the government and private sectors.



The White Paper will be the industry's roadmap and a guideline for policy and operations setting, enabling the industry to move forward in the same direction. Additionally, it will improve the readiness and competitiveness of Thailand for the joining of the ASEAN Economic Community in 2015, and move Thailand towards being the preferred MICE destination in Asia. Thailand Convention and Exhibition Bureau organized the MICE Declaration to announce the direction being taken by the industry and drive the roadmap forward. The Bureau is also proposing this framework to the government for consideration as the MICE industry is an essential part of the national agenda so that policy measures and budget support can be systematically placed.

76.4% of TCEB's 2011 budget is allocated as budget for this mission under the Win-Promote-and Develop strategy. Next year, the target for TCEB and for the industry is 720,000 MICE travelers, who will generate 57,600 million Baht.

2. Believe in Thailand campaign



Believe in THAILAND

Thailand Convention and Exhibition Bureau has launched the "Believe in Thailand" campaign for overseas markets. Lasting until end of 2011, the campaign aims to boost international confidence in Thailand and affirm her potential and readiness to be the destination of choice for MICE and other related activities. As a result, it contains packages that are designed to stimulate the market by promoting team building activities, golf and spa and cultural events as well as CSR activities and Green meetings. The package offers financial support of 20,000 Baht to each group with no less than 50 people, staying in Thailand for at least 3 nights.



3. Domestic MICE campaign



The Cabinet's resolution on 20th January 2009 addressed stimulation of domestic tourism. One of the strategies to do so included governmental offices' considerations in organizing more trainings, meetings and seminars in the country. In addition, the meetings and accommodation fees of the private sectors are allowed to be deductible in the taxing calculation 2 times above the real expense. This campaign aims for a short-term pay off: the organization of more meetings in Thailand.



A number of activities have been carried out throughout 2010 to boost MICE market domestically. These include:

- Creating opportunities for buyers and sellers to meet e.g. a collaborative CSR activity with TICA (Thailand Incentive and Convention Association) as part of a familiarization trip in Krabi-Trang for executives of members of the Thai Listed Companies Association. This is the 7th and last of 2010 Domestic MICE familiarization trips that began in March 2010. The past 6 familiarization trips brought positive results, where 72 companies or a total of 28,000 people affirmed that they would organize Meetings and Incentives Events in Thailand, which will result in approximately 240 million Baht in revenue.
- Promoting MICE activities in the human resources and industrial estates segments by working in collaboration with Personnel Management Association of Thailand (PMAT) and Industrial Estates Bangplee, Industrial Estates Bangpu and Industrial Estates Amata Nakorn.
- A Memorandum of Understanding signed with Phuket to promote MICE activities in both public and private sectors. Previous agreements have been signed with Pattaya, Chiang Mai and Hat Yai.
- Working with the Thailand Incentive and Convention Association, the Association of Domestic Travel and the Tourism Authority of Thailand on marketing campaigns.

4. Support developments.

This includes:

MOU signed between Bangkok Metropolitan Administration (BMA) and Thailand Convention and Exhibition Bureau (TCEB) on 7th July 2008. The MOU highlighted the collaborative effort in the supporting and promoting of the MICE industry by means of:

- Exchanging knowledge.
- Utilizing the media of the BMA to promote exhibitions.
- Positioning Bangkok to be the leading city for Exhibition in ASEAN under the slogan 'Bangkok: Exhibition City of ASEAN'.

- Exchanging information in terms of urban planning and fundamental infrastructure development to increase MICE potential.
- Plan, direct and operate in support of MICE events.

Transportation developments:

- The Airport Link that divides into the Express Line (from Makkasan to Suvarnahumi) and the City Line (from Phayathai to Suvarnabhumi)
- An extension to the BTS: Silom line (from Taksin Bridge to Wongvien Yai) and Sukhumvit line (from Phayathai to Baring)
- Bangkok Bus Rapid Transit (BRT). The Bangkok BRT is a new transit system in Bangkok with a plan to build 14 bus routes by 2022. The Urgent 2012 plan is targeted at building 5 main routes including ones that connect the two airports. The five lines are 1) Sathorn-Ratchapruек 2) Mor Chit-Nonthaburi 3) Sathorn-Suksawasdi 4) Don Mueng-Min Buri-Suvarnabhumi and 5) Minburi-Srinakarin-Samrong. The first route (Sathorn to Ratchaphruek) was opened to the public in May 2010. It is expected that 35,000 people will be commuting on BRT daily. One BRT can accommodate up to 80 people, which would usually take 67 cars to transport (an average of 1.2 people per car in Bangkok). With the first line now opened, it is estimated that 6,000 people will be using the BRT, reducing more than 5,000 cars on the road. This will help to reduce the number of cars on the road and gas consumed as well as lessen the pollution produced by the city as the BRT uses NGV energy.

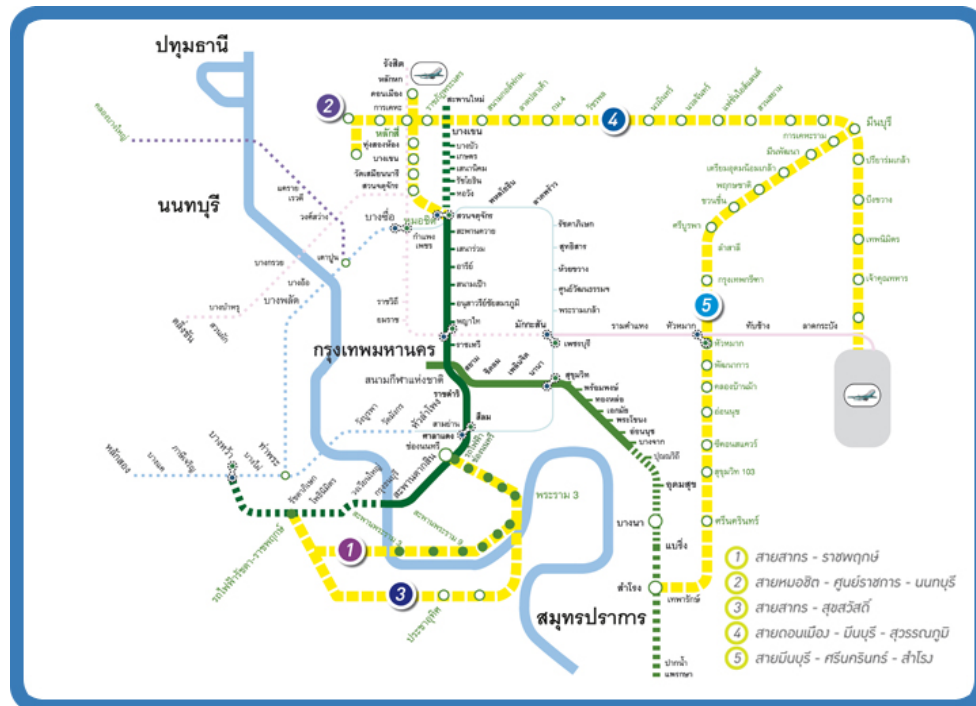


Image source: www.bangkokbrt.com

New hotels to open in 2011

A number of hotels will be opened in 2011. They are: X2 Bangkok, W Bangkok, the St. Regis Bangkok Hotel, Saffron Bangkok Hotel, Jumeirah Private Island Phuket, Cham's House Resort Koh Kood, Mövenpick Hotel, Eighth Heaven Phang Nga, U Khao Yai, Vana Belle Samui Resort & Spa, Santiburi Residence Resort Samui, Movenpick Resort & Spa Koh Samui, and Conrad Koh Samui Resort and Spa. Meanwhile, the Movenpick Resort & Spa Pattaya, Ibis Hua Hin, Wyndham Vacation Resort Pantipa Phuket, Maikhao Dream Beach Front Villa Resort & Spa and Kalima Resort and Spa Phuket are reported to be planning to open in 2012. All in all, a report from Thailand Hotel Association (THA) stated that the number of hotel rooms in the next three years (2010-2012) will be no less than 5,000 more than the currently reported 500,000 plus rooms nationwide. The increasing number of hotel rooms is a result of a contract signed between Thailand and International Chain hotels with a minimum of 15 hotels' brands. The influx of international hotel chains will be a catalyst not only to develop new hotel brands but also to bring in new hotel brands, much to the interest of hotels investors in Thailand.

Security surveillance systems

2,199 out of targeted 20,000 CCTV cameras to be installed within the next 4 years have been successfully installed in Bangkok.

11,000 out of 50,000 lights in 4 years in the main and sub-main roads have been put in place.

A security network with the links to trained volunteered motorcyclists of 52,000 people is being established.

The Municipal policemen are to coordinate with the police for the safety of all meeting participants.

Health and Environment

Being vigilant with contagious diseases e.g. H1N1, with 50 Health teams available to be dispatched within 48 hours.

On-call doctors and nurses, as well as readiness of the hospitals, especially with the increasing standards of hospitals, doctors and medical devices in Thailand, are more readily available.

Organization of staff to ensure the hygiene of main and sub roads, as well as venues and locations that organizes meetings and accommodating business travelers, are up to standard.

Increase green areas in Bangkok to 50,000 rai* within 4 years.

Cooperate with 680 other cities under the '60 Earth Hours project'.

*1 rai = 1,600 sq.m.

5. Promoting and pushing ahead the bid for the Thailand World Expo 2020.

THAILAND 2020
EXPO

In preparing to bid for the World Expo 2020, the Thailand Convention and Exhibition Bureau (TCEB) is conducting a primary feasibility study on the readiness of three potential host cities: Chon Buri, Chiang Mai and Ayutthaya. The study is to be completed and finalized this year, and will be submitted to the government for consideration in February, in time for Thailand to submit its main bid next year in accordance with the regulations set by the Bureau International des Expositions (BIE). Activities will be hosted all year round in order to educate Thai people about the benefit of hosting a World Expo and to build enthusiasm for the national project.



Needless to say, the meetings and business events industry is growing. So is its development in Thailand, which is driven not just by indicative industry trend figures, but also because people still **Believe in Thailand** to inspire the success of their business event.

References:

1. MICE statistics by Information Provider & Consultant
2. MICE White Paper
3. Information from MICE declaration slides
4. <http://www.travelandleisure.com/worldsbest>
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6. Information from Bangkok Metropolitan Administration