

Could Thailand's MICE dance away from the cat's claws in the wake of the current money woe? Revisiting a MICE mission possible

Setting the Scene: A World in a Bid to Survive the Brunt¹

According to the IFM, global economic prospects have improved again with world output growth forecast to reach 3.25 percent in 2013 and 4 percent in 2014. However, the road to recovery in the advanced economies would still remain bumpy. In advanced economies, activity is expected to accelerate gradually, starting in the later half of 2013. Private demand appears increasingly robust in the U.S. but still very sluggish in the euro area. In emerging market and developing economies, economic activity has already been put in motion. Policymakers in advanced economies have successfully defused two of the most powerful short-term threats to the global recovery: 1) the threat of a euro area breakup, and 2) a sharp fiscal contraction in the U.S. caused by a plunge off the "fiscal cliff." As a response, financial markets have rallied on a broad front. In addition, financial stability has improved.

Economic Prospects for Developed Economies Improve, but Bumpy and Divergent Outlooks Still Remain

Recently, policymakers in advanced economies have successfully defused two of the most powerful short-term threats to the global recovery: 1) the threat of a euro area breakup, and 2) a sharp fiscal contraction in the U.S. caused by a plunge off the "fiscal cliff." As a response, financial markets have rallied on a broad front. In addition, financial stability has improved.² The financial market rally has been boosting up economic recovery by improving funding conditions and supporting general confidence. However, prospects appear principally the same. In 2013, although U.S. private demand has been exhibiting strength as credit and housing markets are recovering, larger-than-expected fiscal adjustment is envisaged to render real GDP growth at the approximately 2 percent level. Meanwhile, in the euro zone, improved conditions for periphery sovereigns are, as yet, benefitting neither households nor firms as financial institutions are still troubled by a relatively low level of profitability and low capital, effectively restricting the supply of credit. Additionally, in many economies activity will be held back by continued fiscal adjustment, balance sheet weaknesses, and competitiveness problems. Moreover, new financial and political risks that could put a damper on the recovery have taken center stage. As a result, real GDP is projected to contract in comparison to 2012, by about 0.25 percent of GDP. By contrast, Japan will see a fiscal-and monetary-stimulus-driven rebound, with real GDP growth reaching 1.50 percent.

In aggregate, the annual growth forecast for developed economies in 2013 [a modest 1.25 percent] is no better than the 2012 performance figure. Provided that policymakers avoid setbacks and deliver their promised commitments, the projections in this *World Economic Outlook* (WEO) build on continued easing of the brakes on real activity. Accordingly, in 2013, after a weak first half, real GDP growth in the developed economies is projected to increase to

¹ This part draws significant on IMF's World Economic Outlook April 2013: Hopes, Realities, Risks,

<http://www.imf.org/external/pubs/ft/weo/2013/01/pdf/text.pdf>.

² As underscored in the April 2013 Global Financial Stability Report (GFSR)

above 2 percent for the remaining months of the year and to average 2.25 percent in 2014, stimulated by U.S. growth of approximately 3 percent.

Emerging Markets and Developing Economies: Reaccelerating Activity Continues

There was a perceivable slowdown in the emerging markets and developing economies during 2012, a reflection of the sharp deceleration in demand from key major developed economies, domestic policy tightening, and the end of investment booms in certain the major emerging market economies. However, with consumer demand resilient, macroeconomic policy effectively under control, and exports expanding, a great number of economies in Latin America and the Commonwealth of Independent States and most economies in sub-Saharan Africa and Asia are now experiencing bouts of higher growth. The recovery should once again gain momentum in the emerging region of Europe as demand from the more developed part of Europe gradually resumes.³

Further Symmetric Risks

Despite old dangers and new turbulence, the near-term risk picture has improved as recent policy actions in the U.S. and Europe have addressed certain gravest short-term risks. In the euro zone, the main short-term dangers now revolve around adjustment fatigue, weak balance sheets, broken credit channels in the periphery, and insufficient progress toward stronger economic and monetary union in the euro zone. In Japan and the U.S., risks relate mainly to medium-term fiscal policy. In short term, a failure on the part of the U.S. Congress to replace the automatic spending cuts [budget sequester] with back-loaded measures at the end of the current fiscal year would entail relatively lower-than-projected growth in late 2013 and beyond. Of much greater concern is a failure to raise the debt ceiling: the risk of such self-destructive inaction, however, is low. Over the medium term, downside risks revolve around 1) high private sector debt, limited policy space, and insufficient institutional progress in the euro zone, which may potentially culminate in an extended period of low growth; 2) high asset prices and overinvestment across various emerging markets and developing economies; 3) resulting distortions on account of easy and unconventional monetary policy across numerous developed economies; 4) the absence of strong fiscal consolidation plans in the U.S. and Japan. Unless policies adequately redress these risks, global economic activity is projected to suffer disruptions at times. In the same vein, a stronger-than projected policy response could as well foster a stronger recovery.

The focal fiscal policy requirements are persistent but gradual consolidation and, for Japan and the U.S., the design and implementation of comprehensive medium-term deficit-reduction platforms.⁴ In emerging market and

³ Nevertheless, economies in North Africa and the Middle East continue to handle difficult domestic transitions, while a couple of economies in South America are facing high inflation and increasing exchange market pressure. There is encouraging news emanating from developing economies. Although estimates of potential growth have been reduced in recent years in certain larger emerging markets, corresponding figures have been consistently improving elsewhere. Indeed, the prospects of many of currently dynamic low-income countries are more robust than the comparable economies during the 1960s and 1970s.

⁴ The specific requirements and country details are discussed in the April 2013 *Fiscal Monitor*. These requirements are particularly urgent for Japan, given the significant risks related to the renewal of stimulus in an environment of very high public debt levels. In the U.S., it is worrisome that after

developing economies, policy tightening of some kind is potentially appropriate in medium term. The tightening should begin with monetary policy and be supported with prudential measures as needed to rein in budding excesses in financial sectors. Also, policymakers should eventually return fiscal balances to levels that provide ample room for policy maneuvering. Some will need to take significant action presently, while others will need only limited improvements over the medium term.

Policy Externalities

The uneven recovery and skewed macroeconomic policy mix in the more developed economies are complicating the policymaking process in emerging market economies. Recently, concerns have resurfaced, when looser monetary policy in Japan and other factors triggered a significant depreciation of the Japanese yen. Complaints about competitive exchange rate depreciations appear overblown. At this point, there appear to be no large deviations of the major currencies from medium-term fundamentals. The U.S. dollar and the euro seem moderately overvalued and China's *renminbi* moderately undervalued. The evidence on valuation of the Japanese yen is mixed. The way to address currency worries is for all economies to pursue policies fostering internal and external balance. In the major developed economies, this requires more progress with medium- and long-term fiscal adjustment platforms, entitlement reform, and balance sheet repair. Short-term fiscal policies could then be less restrictive, which, in conjunction with better balance sheets, would relieve pressure from overburdened monetary policy.

In turn, emerging markets and developing economies encounter a different set of issues/challenges. Key external surplus economies should allow their exchange rates to be more market determined and should implement structural policies to rebalance the economy toward consumption-driven growth. Other economies need to administer and apply structural policies so as to foster the healthy absorption of capital inflows. When these flows threaten to destabilize their economies, they can adopt macro-prudential or capital-flow-management measures to avert the accumulation of major destructive internal imbalances.

three years of deliberations, policymakers have not agreed on a credible plan for entitlement and tax reform and that improvement in near-term prospects seems to have come with a decreased sense of urgency for progress.⁴ The April 2013 GFSR underscores the need for further financial repair and reform, including restructuring weak banks and, in certain cases, offering households and weak corporate debtors avenues other than traditional bankruptcy for dealing with debt overhang. Previous WEO reports also stressed the critical role of structural reforms in rebuilding competitiveness and boosting medium-term growth prospects in many euro area economies.

The Other Side of the Coin: Of MICE and Men: Trends and Immediate Future⁵

A number of industry surveys and predictions have shed a relatively bright picture indicating that the MICE industry is poised for vigorous growth. Recuperating after the recession, it is springing back, growing from strength to strength. The demand for MICE activities is on the rise and though companies are not indulging in expenses, luxury venues are not being ruled out either. Very much in the same vein, in their inaugural 'State of the Meeting Industry' survey, Destination Hotels & Resorts (Destination)⁶ tapped a diverse dataset of planners from around the United States to gauge their interest and focus for 2013. More than 30% of planners expect an increase in the number of meetings for 2013. Most planners felt budgets have stabilized, with 20% anticipating increased budget flexibility in the coming year. André Fournier, vice president of sales and marketing of Destination Hotels and Resorts argued that in almost every segment positive indicators suggested that 2013 will be a growth year for groups and meetings. Also it has been pointed out that the anticipated increase in lead time on bookings after a flat line for several years is a strong indication of a rebounding market is. 55% of meeting planners are looking at longer lead times, with 12% booking at least a year in advance. Destination attributes some of the advanced lead time growth to demand compression in urban markets, where inventory has remained relatively flat.⁷ More than 50% of meeting planners indicated that the majority of their meetings would take place at urban hotels in 2013.⁸

Promising Future for the MICE Sector

The prospects for the MICE sector are looking relatively promising. After the global economic recovery, the MICE industry is poised to grow from strength to strength. The changing trends are strongly indicating that this industry is making a steady comeback. There is a renewed demand for MICE activities to showcase latest products or for brainstorming sessions or simply for attracting customers. Countries are promoting themselves as MICE destinations/venues to attract event planner/organizers, while travel companies are offering specialized MICE services and activities. MICEs are essentially networking devices and the cornerstone of successful business operations. However, it is crucial to recognize the changing way in which business is conducted; the changing trends which are influencing global economies; the technological revolution which is making its presence felt in the way in which events and meetings are being conducted. Assimilating these changes effectively and seamlessly and responding to it with strategic initiatives as appropriate will only make the MICE sector stronger than previously.

⁵ World Luxury Tourism, <http://www.worldluxurytourism.com/MICE/MICE-trends-and-its-immediate-future.html>

⁶ See Executive Summary, Destination Hotels & Resorts, www.DestinationMeetings.com. Destination Hotels & Resorts is the fourth largest management company in the United States,

⁷ Destination has focused growth strategy in these markets, adding properties with a strong meetings base in Washington D.C., Chicago, and Houston in the last 12 months. See Executive Summary, Destination Hotels & Resorts, *ibid*.

⁸ Although experiencing a slower recovery than urban markets, the resort market is also forecasting a sunny outlook, with more than a quarter of planners indicating they will plan almost all of their programs in a resort setting. Also, as pointed out by Fournier, it is to be noted that 2013 would not be without challenges. Results show 18% of meeting planners are still booking less than 60 days out and 19% indicated that budgets would be decreasing in the coming year. See Executive Summary, Destination Hotels & Resorts, *ibid*.

11 Major Future Trends

To start with, there are certain readily perceivable emerging trends which have been identified across the industry. We shall now take a look at the top twelve trends in the MICE sector.⁹

- 1) Meeting demand is at its peak since 2008:** There is an upward trend in demand across all segments, ranging from telecommunications, education, insurance, healthcare, energy and beyond.
- 2) Living up to cut-throat competition:** The improvement in the economy inevitably entails fierce competition. No firm can afford to trail behind in the race for economic supremacy. Training budget outlays are being revamped to ensure best-trained staff members for survival in the competitive globalized community. Indeed, training is more intense with MICE activities tending to last longer than previously, reflecting the current competitive spirit.
- 3) Socially and environmentally responsible MICE events** and the need to give back remain strong: From initiatives such as Clean the World to an afternoon supporting Habitat for Humanity or a local Soup Kitchen, investing in the community is as important for planners and delegates as it is for MICE venues. Socially and environmentally responsible MICE events consist in both helping to safeguard the environment, as well as helping the public and private sectors to learn ways to more actively integrate into their local community and help enhance its social fabric.¹⁰
- 4) Meeting size is growing:** The growing demand for meetings has resulted in hotels giving preference to larger meetings with higher spending outlays/capacity. Accommodation establishments are not as readily flexible as they once were when it comes to walk-in bookings and last minute bookings are no longer possible. Preferred venues have to be booked well in advance.
- 5) Meeting space is changing:** The traditional 'boardroom-style' space is being replaced by an innovative/inspirational approach where smaller cosy nooks for limited gatherings, outsized outdoor meeting spaces, and different kinds of seating are being requested. The focus is obviously more on creating conducive/amenable settings and it is no longer a surprising sight to see participants assembled at a bar or around a campfire.
- 6) New-age technological transformation:** Meetings and events are getting more technology-oriented than was the case. Apps downloaded on smart phones and iPads, readily accessible mobile sites and Facebook

⁹ These trends have been observed, identified, and released by the Benchmark Hospitality International, a leading US-based firm operating approximately 35 renowned hotels, resorts and conference centers. This section draws significantly from Benchmark Hospitality International, <http://www.hospitalitynet.org/news/4055089.html>, World Luxury Tourism, *ibid*, and Executive Summary, Destination Hotels & Resorts, *ibid*, as well as the other sources quoted.

¹⁰ Eco-friendly practices are not new to the MICE sector. MICE events have been going "green" for some time. In relative terms, meeting planners are well ahead of the general leisure travel segment in evaluating green practices as part of their booking decision. While 45% of planners state eco-friendly practices are 'somewhat important' in their venue determination process, an additional 18% point out that it is 'extremely important,' a clear indicator that accommodation and MICE venue establishments are going to experience an impact on securing future business through offering thoughtful, established programs. A major positive move in this connection includes Destination's Destination Earth launched more than five years ago, which has proved an important tool in its sales efforts. Fournier argued that sustainable programming is not about a marketing message," notes. Planners are educated, sophisticated customers who fully appreciate ways to ensure properties are implementing measurable ways to reduce environmental impact. [Properties leading the way on eco-meetings include Hamilton Park Hotel in Morristown, New Jersey, the first Destination property to participate in Clean the World, which recycles soaps and delivers them to developing countries (by the end of 2011, participating Destination properties had diverted a combined 24,425 pounds of amenities from landfills)]. See Destination Hotels and Resorts, *ibid*.

pages designed for MICE activities are assisting planners with the registration process, enabling quick access to event itineraries, informing them of programs and offering an easier platform to gather post-event feedback from parties concerned. Note taking through iPads, LCD projectors and the latest audio-visual devices— events have been thoroughly transformed as a result. Currently, MICE technology is by far more than just a means of connectivity.

- 7) **The meeting package is making a comeback:** The last few years saw a decline in the meeting package but it has made a robust comeback again this year. Planners are now embracing the product for the value it offers the meeting budget. MICE planners are requesting for tailor-made/ customized packages rather than unbundling.
- 8) **Prices are trending up slowly:** Economic improvements are now resulting in slowly increasing prices of MICE activities. Though value for money is still an important factor, the planners are yielding to prices being slightly higher than previously.
- 9) **Return to luxury:** Budget constraints have not vanished and purse strings are not quite as yet being completely loosened. Nevertheless, luxury resorts are not out of bounds either.
- 10) **Team-building activities are now returning:** Venues, which are offering unique/creative options for team-building activities are in demand. For instance, venues offering options for holding cookery classes, beach-volleyball, mixology programs, and golf courses [on which conferees can test their mettle as a group] are attracting more meeting planners.
- 11) **Growing importance of the destination:** Time invested at in MICE activities is more valuable than was previously the case. The need to counter-balance this with destination experiences is taking on new meaning. Planners are looking for value for money and an exotic destination is not necessarily the primary factor. Destinations offering great value for money and a relaxed atmosphere are being preferred. Along with facilities/amenities MICE activities, destinations with learning in relaxed settings and recreational opportunities are currently gaining in popularity.

State of Affairs and Raison D’Etre for the Prosperity of Business Travel and the MICE Sector in Asia and the Pacific: Macro-Economic Perspectives

In line with the promising MICE prospects in the other parts of the world, recent developments in Asia and the Pacific point positively to contributing macro-economic forces at work in different MICE sectors: 1) Asia’s economic resilience and increasing relative economic size; 2) the forthcoming advent of the AEC towards the end of 2015 with its associated employment mobility and investment opportunities; and 3) proactive investment in MICE-related and other infrastructure projects in ASEAN and nearby locations.¹¹

1) Asia’s economic resilience and increasing relative economic size,

Asia is the fastest region to recover from the world economic crisis. In particular, tourism demand is expected to grow by 4% in Asia.¹² Travel and tourism are identified by the Asian Development Bank as playing an increasingly critical role in expediting the recovery of Asian-Pacific economies from a wide range

¹¹ For details of promising prospects for the global MICE sector in 2012, see Issue 1 of this digital publication [July 2012], and Steven Hacker, p. 68, PCMA Convene, November 2011,

<http://www.pcma.org/Documents/Convene/2012MeetingsIndustry.pdf>

¹² Global Travel Trends 2011/12, IPK International 2012

of problems, ranging from economic downturns to geopolitical crises and natural disasters. In particular The Asian Development Outlook 2012 notes the importance of travel and tourism in the economic reconstruction and recovery of Sri Lanka, the Maldives, and Thailand. It also highlights the potential role of tourism in the development of Myanmar, Laos and Bhutan.¹³

Particularly relevant to this is the fact that the combined economies of Asia and the Pacific, the Indian Sub-Continent, and the Middle-East on a PPP basis represent together 41.1% of the global economy, as of 2011. The corresponding forecast figure for 2015 is 45%.¹⁴ All these represent an engine of growth for Thailand's MICE as the country is geographically located in the middle of the region.¹⁵

2) The forthcoming advent of the AEC towards the end of 2015 with its associated employment mobility and investment opportunities

The advent of the 10-nation AEC in late 2015 is projected to significantly increase employment and investment opportunities with tremendous bearing on MICE industries. The AEC has combined markets of over 600 million people, a more liberalized labour market and improved work conditions,¹⁶ as well as a region endowed with natural resources, tropical riches and world cultural heritage sites. It encompasses marine and air logistic hubs connecting East Asia, the Middle East, the Indian Sub-continent and Oceania. It also constitutes a major global agricultural production base.¹⁷ All these set the forthcoming AEC on the path of a potentially flourishing region of enticing opportunity. Different levels of development in the region could mean transfer of technology, intra-regional investment opportunities, and other forms of cooperation. All these features serve as MICE topics and stimulating factors. As several ASEAN nations are already major Asian MICE players,¹⁸ a more liberalized ASEAN [as AEC] will, unmistakably, mean a more amenable MICE market, potentially leading to a significant and long-awaited trickle-down effect across socio-economic strata. This, in turn, would potentially encourage the other nations to join the bandwagon on account of their own specific potential. Internal and external factors are projected to interact to stimulate the growth of MICE sector in the region, culminating in its standing as a major global MICE platform.

3) Proactive investment in MICE-related and other infrastructure projects in ASEAN and nearby locations

MICE-related and other infrastructure investment projects in ASEAN and nearby locations add to the region's attractiveness and readiness and intensify the competitive tempo: e.g. the planned construction of Vietnam's Long Thanh Airport, and the expansion of Hong Kong International Airport and South Korea's Incheon Airport.

- **Long Thanh International Airport** (Sân bay Quốc tế Long Thành), planned for construction in Long Thanh, Dong Nai Province, is approximately 40 km northeast of Ho Chi Minh City and is projected to become operational by 2020. It will serve 50 million passengers annually by 2030 (*the*

¹³ Imtiaz Muqbil, <http://www.travel-impact-newswire.com/2012/04/asian-development-bank-highlights-tourisms-critical-role-in-recovering-diversifying-asian-economies/#axzz1uRIwcDE>

¹⁴ Calculated by Heritage Research Division, based on IBIS World and OECD data respectively

¹⁵ Heritage Research Division, MICE Reference Research Series, 2011

¹⁶ Seven professions are due for liberalization, while work conditions for migrant workers are being improved through the introduction, revision and implementation of relevant legislations with support of tripartite entities and international organizations concerned.

¹⁷ In actual fact, Southeast Asia is the world's largest production base for many agricultural products including rice, tapioca, and rubber.

¹⁸ In particular, Thailand and Singapore.

end of phase 2), and 100 million passengers when built to its maximum design capacity.¹⁹ This airport is projected to function as a major support infrastructure complex for Vietnam's promising MICE sector.

- The Hong Kong Airport Authority champions the cause of **Hong Kong's Airport's** future development into a three-runway system so as to maintain Hong Kong's status as a leading international aviation center. The new system is scheduled to be fully operational by 2020.²⁰
- Simultaneously, South Korea is in the process of expanding **Incheon International Airport**, adding a 2nd passenger terminal and a cargo terminal. Upon completion of a phase 4 expansion planned for 2020, the airport will have two passenger terminals, 4 satellite concourses, and 5 parallel runways (*one exclusively for cargo flights*), ready to handle 100 million passengers and 7 million metric tons of cargo annually.²¹

Micro-Economic Perspectives: Key Insights for Business Travel

Despite challenges, in view of the unresolved concerns over the outlook for the global economy and widespread commercial pressures from major players (in particular, the airlines), Asian firms are continuing to maximize benefits of business travel for growth opportunities and strengthening long-term strategic relationships. As emerging markets in Asia and the Pacific evolve and grow, they require more travel to be even more productive. In practical terms, sales, customer retention, strategic partnerships, and innovation all benefit from investments in business travel. More specifically, of all the regions, Asian companies and economies generate the highest ROI per dollar invested in business travel. Business travel in APAC yields a return of investment of more than 9:1 – i.e. one unit of incremental business travel spending produces sales of more than nine units.²²

A further trend in the Asia and the Pacific region is unmistakably clear: demand for business travel is expected to rise continuously. Asia's largest companies expect to spend more on business travel in 2013. At the regional level, China, India, and Indonesia are envisaged to be the biggest contributors over the next 10 years. Principally, this growth trend is expected to be domestically generated [referred as "2nd wave" rapid growth, compared to the "1st wave" which was the previous growth trend based on travel within Asia and rest of the world]. Also, additional demand from businesses globally will increase as they will be sending employees to APAC to capitalize on economic expansion.²³

As a consequence, corporate travel management practices will respond accordingly. A retreat from top-down central travel management and the embracing of market-based practices is expected [especially for foreign transnational

¹⁹ The airport will be accessible via the Ho Chi Minh-Long Thanh National Highway, Bien Hoa-Vung Tau 5 Expressway, Long An-Long Thanh Expressway, Ho Chi Minh-Long Thanh high-speed railway, and Ho Chi Minh-Nha Trang high-speed railway. See

http://en.wikipedia.org/wiki/Long_Thanh_International_Airport

²⁰ By 2030 air traffic demand at the Hong Kong Airport is projected to reach approximately 97 million passengers, 8.9 million tons of cargo and 602,000 flight movements per year. See <http://www.cnngo.com/hong-kong/life/green-light-third-runway-hong-kong-airport-599743>

²¹ By 2017, the airport will be able to handle 62 million passengers and 5.8 million tons of cargo annually, up from its current capacity of 44 million passengers and 4.5 million tons. See http://en.wikipedia.org/wiki/Incheon_International_Airport

²² WTTTC and Oxford Economics, quoted in Radius <http://www.slideshare.net/RADIUSTravel/2013-business-travel-forecast-for-the-asia-pacific-region>

²³ WTTTC and Oxford Economics, quoted in Radius, *ibid*.

corporations [TNCs] operating in Asia and the Pacific]. It is likely to witness a low level of travel policy compliance for APAC-based regional or domestic companies. In particular, Asian businesses are less concerned over travel costs when it comes to setting business travel policies.²⁴

Corporations are recognizing and considering evolving trends in technologies and product offerings. For example, the airlines sector will be restructured to strike a balance among full-service airlines, Hybrid, LCC, and multi-brand airlines. Simultaneously, online travel agencies (OTA), and mobile solutions for business travelers are increasingly playing a pivotal role.²⁵

Key Insights for the MICE Sector

With special reference the MICE sector in the region, MICE players are recognizing the importance of strategic MICE management. Major figures all point to strong growth and a firm foundation for the region's MICE sector: 1) MICE spendings are projected to increase from 6% to 8% for 2013 (Industry had 6.7% CAGR since 2003); 2) advance bookings for 2013 had increased by 5% to 6%; and 3) the average cost per attendee per day is projected to increase by 5% to 8%.²⁶ Approximately 70% to 75% of meetings are being held domestically. However, it is interesting to note that even for corporations with travel management programs, the MICE sector presents a fragmented and uncontrolled spending category as follows: 1) MICE spending is one of the least transparent spend categories; 2) as much as 35% of travel spending is dedicated to MICE activities; 3) unlike business travel, which normally requires TMC best practices, MICE activities necessitates the use of multiple tools; and 4) current challenges in the MICE sector include the following: 4.1 finding the synergies between business travel and MICE for further cost savings and better management controls; 4.2 overcoming fragmentation and decentralized data sources; and 4.3 consolidating data to improve negotiation with suppliers (such as airfares, hotels, and car rental).²⁷

²⁴ It is to be noted as well that most are relatively new to corporate travel management. Also, few have centralized travel policy. See Radius, *ibid.*

²⁵ By way of illustration, one could identify the development and presences of Thai Airways' Thai Smiles, Singapore Airlines' Scoot, Asiana's Air Busan, Korean Air's Jin Air as well as Jetstar, JetBlue, and Virgin Australia as proof of this state of flux. Meanwhile, in China, Civil Aviation Administration of China (CAAC) is strongly supporting LCC growth. See Radius, *ibid.*

²⁶ See Radius, *ibid.*

²⁷ See Radius, *ibid.*

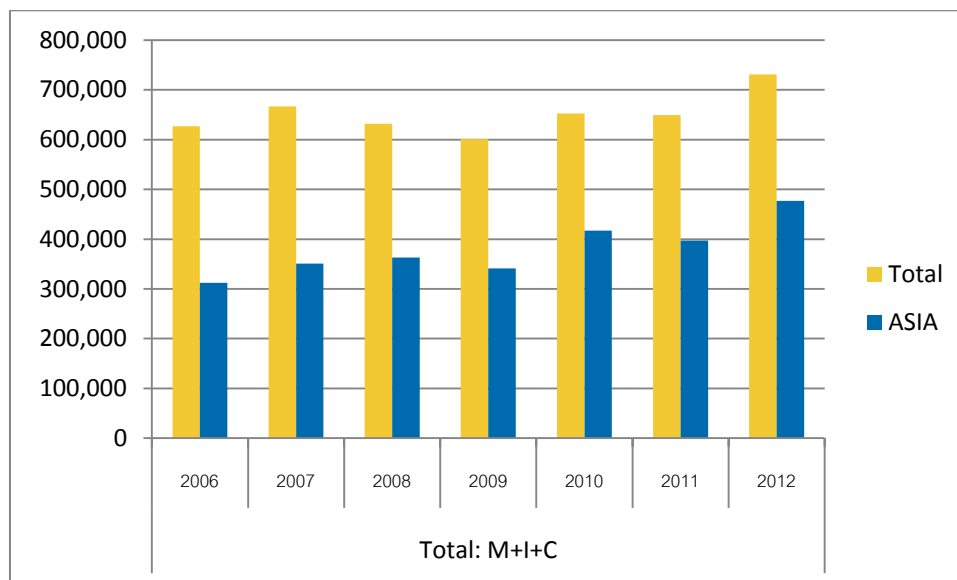
When Trees Bear Fruits in the Land of Smiles: Implications for Thailand’s MICE Sector, and Possible Ways Forward

Principally, current trends all point in the same direction: rather than facing bleak prospects and despite the recent economic downturn, the international MICE sector is exhibiting its own intrinsic strength with positive signs of growth in MICE activities and investment projects, in particular with special reference to Asia and the Pacific.

Now, let’s proceed to the nuts and bolts of this article: what are the potential implications of these developments for Thailand’s MICE? Lady MICE and gentlemen, your attention please, in this case, empirical evidence speaks the loudest. The IP&C Statistics Report²⁸ reveals a series of clear pictures:

- 1) In aggregate, Thailand’s MICE sector has been performing relatively steadily between year 2006 and year 2011 in terms of the number of incoming MICE traveler, moving within a certain narrow range with slight downward and upward trends. 2010 and 2012 represented considerable rebound rates, with 2012 depicting a decisively clear gain for the industry in comparison to the start year in this scrutiny [2006].
- 2) Years with a downward trend in the main reflect the then effect of the world economic recession. However, Thailand’s MICE sector was quick to rebound in 2010 and 2012, practically cancelled out the downward pressure experienced in 2008 and 2009, and 2011.
- 3) The true engine of growth in this scenario is the Asian MICE travelers, who have kept the Thai MICE’s international balance in shape and even growing in recent years.²⁹

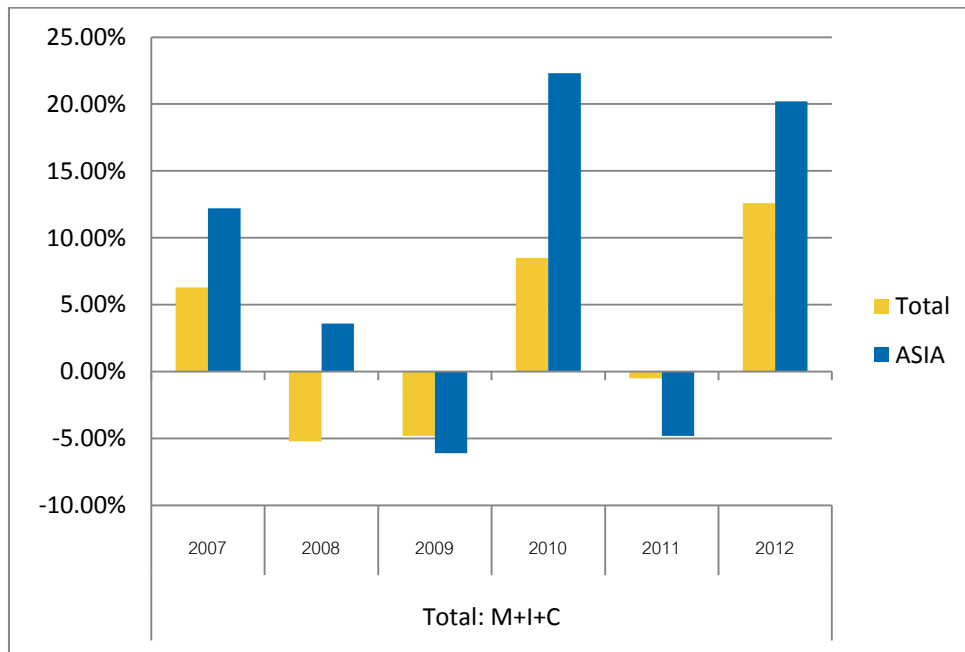
Number of MICE travelers to Thailand Between 2006 and 2012



²⁸ Strategic and Planning Division, TCEB, IP&C Statistics Report

²⁹ Analyzed by Heritage Research Division.

Growth in percentage of MICE travelers to Thailand Between 2007 and 2012



Therefore, one may draw three conclusions for the purposes of our discussion: 1) the recent world recession did have certain bearing on Thailand's in terms of the number of incoming MICE travelers; 2) the global MICE sector has shown positive signs of recovery, and 3) the Asian market has proved crucial to the growth and sustainability of Thailand's MICE industry. In other words, it is strategically important to tap into different subsections of the world market very much in the same vein as the portfolio investment structure so as to be on the safe side.

Admittedly, while it is tremendously important for the Thai MICE industry to fully appreciate recent developments in the global industry scenario, it is equally or even more crucial to ensure that constructive forces are at work and creative initiatives are implemented from within, based on its own world-class potential, efficient administration, and intra-industry collective action. In the wake of an increasingly full-fledged industrial setting with rising new entrants including Indonesia and Vietnam, as well as such current high-flyer powers as China and Singapore who are never complacent with their past achievements, the only healthy policy for Thai MICE entrepreneurs and parties concerned is **constant effective improvement**.

Specific Macro-Level Strategies for Thailand's MICE Sector³⁰

We have identified the following six aspects as possible steps towards sustainability for Thailand's MICE sector: 1) capitalizing on the country's jewels in the crown; 2) investing in constructive productivity-enhancing projects; 3) capacity building to fully master the arts of the trade; 4) international best practices and lessons learned; 5) implementing comprehensive revamping efforts of the country's missing links, and 6) MICE consolidation.

1) Capitalizing on the country's jewels in the crown

Thailand has its own tremendous potential which can serve the country's MICE sector significantly. Thailand's salient MICE treasure trove includes:

- 1.1) Thailand's and Bangkok's MICE potential as being among the top tourist destinations, having been selected by international polls as the best tourist country;³¹ the best tourist city³² and the most visited city in the world,³³ together with other relevant first-class facilities and support services such as accommodation and culinary amenities;
- 1.2) the position of Bangkok's Suvarnabhumi International Airport as the largest airport in ASEAN and one of the top 20 airports processing the most passengers in the world; and
- 1.3) Bangkok's role as the regional location of UN family institutions for Asia and the Pacific,³⁴

³⁰ This section draws significantly on 'Of MICE and Men' published in Issue 1 of this digital publication. In the main, this current section represents a revisit of 'Of MICE and Men' with certain additions to reflect the author's further contemplations on the industry, and changed realities.

³¹ Thailand has been voted the best tourist country internationally by a number of international agencies including the following:

1) The Grand Travel Award in 2012 as "*The World's Best Tourist Country*" held by **TravelNews**, an independent Norwegian travel trade magazine. Thailand has won this Norwegian Award for a ninth consecutive year. See http://www.highlightthailand.com/main/detail_content/GRAND-TRAVEL-AWARD-2012-THAILAND-WINS-THE-NORWEGIAN-GRAND-TRAVEL-AWARD-FOR-THE-WORLD-S-BEST-TOURIST-COUNTRY-2012/169.html;

2) The "*Best Tourist Country for 2011*" as part of the annual Sweden-based **Grand Travel Award** event. The country has been the winner in this category (also) for a ninth consecutive year. In 2010 over 400,000 tourists from Sweden visited Thailand, the leading visitors from Nordic countries. [See <http://www.thaiembassy.se/en/component/content/article/68>].

3) The "*Most Popular Destination*" by Go Asia, at the International Tourism Exchange (ITB) Berlin 2012 [also the ninth year in a row, truly an uncanny coincidence]. In addition, the **Tourism Authority of Thailand (TAT)** was honoured as the "Best Asian Tourism Board" for a fourth year in a row [see http://www.traveldailynews.com/pages/show_page/48192--Thailand-wins-Go-Asia-Awards-2012-at-ITB-Berlin-2012-].

³² Bangkok was voted the best city for tourism in 2008, 2010 and 2011, and the 3rd best city in 2009 in the annual selection organized by **Travel and Leisure**, a leading New York-based travel magazine of the American Express Group [see <http://www.travelandleisure.com/worldsbest/2011/cities>]. This achievement, being voted the world's best tourist city in 3 out of 4 most recent years, is the highest benchmark for any major tourist city in this category [see Heritage Research Division, p. 15, 2012, *ibid*].

³³ According to MasterCard Global Destination Cities Index for 2013, Bangkok is the most visited city in the world with 15.98 million international visitors [see <http://www.forbes.com/sites/andrewbender/2013/06/07/bangkok-tops-the-worlds-10-most-visited-cities/> and <http://b-i.forbesimg.com/andrewbender/files/2013/06/Top-20-destinations-chart.jpg>]

³⁴ The **Economic and Social Commission for Asia and the Pacific (ESCAP)** is the regional arm of the United Nations Secretariat for the Asian and Pacific region. It is the biggest of the UN's five regional commissions, both in terms of population served and area covered. 53 countries are members of ESCAP, and 9 countries are associate members. (see http://en.wikipedia.org/wiki/United_Nations_Economic_and_Social_Commission_for_Asia_and_the_Pacific).

- 1.4) the country's overall space capacity and support facilities for MICE activities. In spite of all these apparent strongholds, however, much remains to be done if Thailand is to attain the top selection in certain relevant areas. Close scrutiny reveals findings very much to the surprise of any serious observers – i.e. even within the tourism industry as such, Thailand has not been able to capitalize on its potential despite the much touted backdrop. The country still has not featured among the world's top 20 tourism countries in terms of top-earnings or top 20 tourist destinations. Within the ASEAN region, Thailand does trail behind Malaysia as yet.

In addition, Thailand has a great variety of natural tourist resources, anthropogenic corporeal creations, and socio-economic components which could practically serve the MICE sector when administered properly. Yet, the country still has not constituted one of the world's top 20 international MICE destinations, and ranks only 9th among major Asian MICE players, a relatively intriguing result. This state of affairs invites much closer scrutiny and points to the fact that the country's potential has not, been realized as yet. Additional elements should be factored into the equation, including public relations campaigns, communications strategies, improved facilities, relative expenses, and the readiness of the nation's human resources. Clearly, all of these have to be groomed to competitive keenness.

In this light, the possible expansion of Bangkok International Airport is a welcome move. The AOT has speeded up the 2nd phase expansion of Suvarnabhumi Airport to 2016, one year ahead of its scheduled completion in 2017. The plan is to strengthen Suvarnabhumi Airport's position as a regional aviation hub, raising the airport's capacity to 65 million passengers per annum. This upgrade will be undertaken in parallel with the construction of a new domestic terminal capable of handling another 20 million passengers per year. The two expansion projects are part of an overall airport expansion to attain an annual passenger handling capacity of 103 million by 2024. The expansion includes the construction of a third runway in addition to the present two.³⁵ On balance, all parties concerned will have to ensure that timely and cost-effective implementation of the expansion and creative route administration is actually realized. Only then will Thailand's MICE global standing be significantly enhanced.³⁶

2) Investing in constructive productivity-enhancing projects

Very much related to capitalizing on its potential, constructive productivity-enhancing investment could well take Thailand one step further. This refers to cost-effective investment projects which enhance linkages connecting different socio-economic activities through the concepts of the multiplier effect and the distributive trickle-down effect across the country's complex socio-spatial milieu. Examples of potentially constructive investments include the following:

- 2.1) There is an economic case for the construction of a proper international airport and cargo hub at Kampaeng Saen Airport, currently an aviation-training center in Nakhon Pathom Province. This project would also incur significantly lower budget outlays due to its relatively high elevation level. This airport will readily serve the nation's western region, including numerous major seaside resorts such as Hua Hin and Cha-am, and other natural attractions, as well as function as a link to Myanmar's Tavoy industrial complex.

³⁵ This figure comprises 73 million international and 30 million domestic passengers. Domestic and international terminals will be enlarged and improved with parking bays, car parks and other airport infrastructure. See http://en.wikipedia.org/wiki/Suvarnabhumi_Airport

³⁶ Currently, Bangkok is one of the top five MICE destinations in the Asia and the Pacific region. The others four major MICE destinations are Singapore, Shanghai, Sydney, Beijing, Bangkok [see Radius, *ibid*].

2.2) The construction of a proper international airport and cargo hub at U-Tapao Airport, formerly a naval airbase. Such an adaptation would incur much lower budget outlays due to its solid soil structure. This airport could readily serve the country's second largest urban agglomeration across the eastern region, incorporating world-famous coastal resorts, Laem Chabang deep-sea port, industrial estates, and a naval base. This mega-project could contribute to the establishment of an intermodal network forging an air, water and land logistics configuration. It would support the vibrant tourist activities along the eastern coast and further inland in the ecologically-rich regions within a 250-km radius, including a World Heritage site – Khao Yai National Park. Simultaneously, its service coverage would span the border to cover the western region of Cambodia after the forthcoming advent of the AEC. If such an aviation route administration were put in place, the upgraded and expanded airport could ideally enable the country's eastern region to forge ahead as an international economic, tourist, and MICE center proper.

The service coverage of both airports will also help to alleviate the current pressure on Bangkok's Suvarnabhumi Airport. Collectively, Bangkok's four airports network [Suvarnabhumi, Don Muang, U-Tapao, and Kampaeng Saen] would enable the capital metropolis to be on the par with London, one of the world's leading aviation centers, which already has access to 4 airports. With regard to potential financial investment outlays, these projects could be managed through a public-private partnership arrangement with partial contributions raised locally from economically advanced regions without causing much debt concern on the part of the public sector.

3) Capacity building to fully master the arts of the trade

Closely linked to the concept of MICE are capacity requirements across the board. Where these are lacking, the best solution then involves capacity building. Therefore, as Asia's top convention destination, Singapore regards as its top priority personnel development and specialized professional training so as to build up a pool of professional conference organizers (PCOs), professional exhibition organizers (PEOs), and destination management companies (DMCs).³⁷ If a newly emerging MICE powerhouse such as Thailand wishes to serve as an ideal, global, outward-looking, MICE hub (instead of being just another regional hub), it will have to provide training for a diverse pool of consecutive and simultaneous interpreters capable of catering for the needs of the MICE sector across a whole gamut of 1) 6 UN official languages, 2) 7-8 SEA national languages, 3)) the languages of the top 20 economic powerhouses, and 4) the remaining languages of the twenty most populous countries [including Hindi, Urdu, and Portuguese]. This would provide a significant practical competitive edge. In addition, a serious global MICE hub will also have to provide semantic and specialized linguistic training for technical areas.³⁸ It is to be noted, however, that the making of any proper high-caliber interpreter takes an extended period of time duration.³⁹ Therefore, a country inevitably needs a long-term plan for linguistic as well as other relevant capacity building schemes.

Another area which empirically proves crucial in MICE is the development of data and statistical management. Data and processed statistical information must be comprehensive, regularly updated,

³⁷ TCEB, *MICE Movement in Asia*, p. 47, (publication year not specified).

³⁸ The existence of a vast pool of interpreters and translators across the most frequently used languages, together with advanced economic and logistic services, *inter alia*, have made Germany Europe's top convention destination. Likewise, across Guang Dong Province in China, great numbers of students were trained at tertiary institutions to serve at the Canton Fair, Asia's largest tradeshow. See Charungkiat Phutiratana, *Conference Interpretation*, Unpublished Lecture Notes Series, pp. 18-22, (2010)

³⁹ Charungkiat Phutiratana, *ibid.*

strategically presented, and classified to serve administrative purposes and niche marketing. Data can be acquired from the well-developed ICCA database on the international ranking of countries and cities as convention destinations, based on its concise definition of 'international convention', which puts Thailand as Asia's no. 9 destination country. Thailand should develop its own databases to cover other types of international conventions which may not fall under the ICCA definition. It would facilitate a better picture of MICE contributions to the country's economy. This is especially relevant as a great number of the project-based meetings, seminars, and workshop series hosted by international organizations over a 2-3 year period in Thailand do not qualify as international conventions under the ICCA definition. Nonetheless, these activities make tremendous socio-economic contributions, and part of the resources and personnel utilized for ICCA-type conventions and non-ICCA conventions come from exactly the same pools. A comprehensive empirical picture of MICE contributions and the relative economic contributions of each component will be of utmost importance. Incorporating these elements into a single picture should not be difficult, and an overview of the constituent parts of the convention industry is needed. However, collecting data necessitates a well-functioning system of accurate information gathering and analysis, hence the need for institutional capacity building. This effort will of necessity involve intensive collaboration on the part of public entities such as TCEB, the National Statistical Office, the Immigration Police Bureau, and TAT, as well as private-sector entrepreneurs.

4) International best practices and lessons learned

Creating a pool of skilled personnel in the wake of the increasingly competitive international arena always pays off. For any new high-flyer entrant into the global MICE arena, the universal sky is the limit. Here we have identified 4 major best practices and lessons learned as a stepping stone for further development:

Firstly, the geographical distribution of venues across countries constitutes a well-established cornerstone to enhance the numeric development of MICE activities. Particular locales have their own advantages and disadvantages. Geographic location is only one consideration. Germany and Japan are unmistakably prominent in hosting conventions in the Western and Eastern hemispheres respectively.⁴⁰ Clearly, Bangkok has a firm grip on the Thai MICE scenario. However, there are multiple attractive poles throughout the nation. For instance, Chiang Mai was voted the world's 2nd best tourist city by readers of Travel and Leisure in 2010. Therefore, with its newly opened exhibition center, the City of Chiang Mai definitely stands a chance of becoming a regional MICE hub. The city's bid will fare significantly better should it have access to new airport facilities with more international airlines serving additional routes in the light of the AEC integration and ASEAN-plus-6 cooperation. Provided that support combinations are made available strategically in a timely manner, other candidates include Phuket, Pattaya, Samui, and Hat Yai, all of which enjoying comparable or similar international standing.⁴¹

⁴⁰Heritage Research Division, pp. 18-22, 2011, *ibid*.

⁴¹ In the case of Hat Yai in particular, its geographical proximity to Phuket, Samui, and Northern Malaysia could be a boon if supported by a truly international airport and an autobahn-type road network. Hat Yai is already one of the country's regional hubs with its educational clustering, vibrant economic sectors, and MICE facilities which have already undergone a certain level of development in the form of hotels and the PSU convention centre. Also, it is to be noted that other destinations, often overlooked, do offer remarkable merits. One such example is Ubon Ratchathani. With its proximity to Laos, Cambodia, Vietnam, and rich tourist attractions, Ubon Ratchathani could well be a MICE hub if 1) its international airport is expanded and administered to international standards in the true sense of the word, and 2) proper MICE and tourist infrastructure and conditions are adequately developed.

Secondly, Thailand ranks the region's top exhibition hub whereas Singapore is as ASEAN's number one convention destination in terms of revenue earned. At the Asia-wide level, Japan ranks first as the number one convention venue, with China close behind. At the same time, China is far ahead of the pack in terms of exhibitions. It is not stretching a point to say that China's and Thailand's rankings, to a great extent, suggest their domestic production capacity and activity. When convention and exhibition components are combined, the relative international MICE status of Thailand and Singapore are very much on the par. In this matter, economic size and efficiency clearly constitute the main ingredients in each country's recipe for MICE success, which actually come into play. As such, in light of its economic foundation, Thailand should aim at achieving structural balance in regard to its standing in the region's MICE scenario. Better prospects for Thailand could well materialize when greater institutional and personnel efficiency are put in place.

Thirdly, in the wake of the recent environmental concerns, Thailand should follow suit or even take the lead, based on its natural resources and traditional wisdom richly developed within its varied tropical ecological milieus. The country's current and prospective World Heritage sites, national parks, wildlife, and coastlines could easily serve as stepping stones as MICE topics and MICE-related recreational attractions. Also, Thai ways, handicrafts, culinary practices and indigenous corpus of knowledge, as well as utilities and applications learned from international, environmentally-friendly experience may be applied in organizing and carrying out events via MICE facilities as well as support services and materials. All these will encourage environmentally-conscious target groups and will contribute to collective action to champion common environmental and conservative causes.⁴² More specifically, the combined concept of **green meetings** and **event greening** is particularly relevance: both as a concrete form of action to safeguard the world and as a green marketing strategy. The City of Cape Town, a major global tourist and MICE destination, is as prime example of how these concepts may be implemented efficiently.⁴³

Fourthly, public relations efficiency is a key element in ensuring success for MICE activities may prove successful. A prime example is the constant email-based communications in English for China's *Guang Jiao Hui* [Canton Fair] liaison activities throughout the year. Hong Kong's strategy in this connection shares the same degree of zeal, with certain forms of differentiation.⁴⁴ With its large expatriate communities,⁴⁵ what Thailand could almost immediately pursue in this regard is the implementation of a combination of communications technology applications and a language policy to enhance the MICE sector. Customized web-based contents and regular emailing through a selected language range should take this purpose one step further. By all means, a Thai initiative by TAT with web-based contents in 24 languages is one commendable example of outreach activities. Well-designed MICE focal websites operating through a high-speed system should prove useful in this connection.

⁴² Examples include the 2010 ASEAN Sericulture Conference held in Bangkok in which the role of mulberry leaves in the sequestration process was highlighted as a contribution to the mitigation of global warming; and the 2011 World Sericulture Congress held in Chiang Mai, in which the Tunisian representative reiterated the role of sericulture in restoring economic alternatives and cultural identity. See Charungkiat Phutiratana, *Translating Technical Topics, Conference Interpretation, Unpublished Lecture Notes Series*, 2012

⁴³ See the City of Cape Town, *Smart Events Handbook: Greening guidelines for hosting sustainable events in Cape Town*, First Edition, June 2010

⁴⁴ For example, major targeted national groups may be provided with specific web-site representations to assert Hong Kong's standing as a leading global city with international settlements. It is to be noted, however, that Thailand is certainly no less cosmopolitan than Hong Kong.

⁴⁵ As suggested by the presence of numerous international schools offering tuition in English, French, German, Japanese, Mandarin, and Korean. Printed media in English, French, German, Japanese, and Mandarin are also available, not to mention a Pattaya-based, cable TV station broadcast in Russian.

Lastly, MICE sequencing and grouping to achieve focus and attention is an interesting option to explore. As MICE activities are in a state of flux, providing focus for international reference and business planning purposes could prove remarkably useful. This is particularly the case with tradeshows. The Canton Fair is a tremendous case in this connection. As far as Chinese manufacturers and traders and international attendants are concerned, the fair is easily accessible information-wise and planning-wise. It is organized in April and October each year at the same colossal venue with producers and traders of the same or similar categories grouped into particular time slots. This contributes to the Canton Fair's tremendous success. Thai MICE components should seriously consider the pros and cons of this type of arrangement. If this is agreed upon collectively, they could as well discuss possible steps to make this a reality for Thailand.

5) Implementing comprehensive revamping efforts of the country's missing links

A country's missing links [as well as pitfalls and loopholes] present challenges to its MICE capability and potential, both quantitatively and qualitatively. Some have been discussed in the above sub-sections. In this section, the aviation sector has been selected for explanation purposes. There is still room for improvement in Thailand's aviation operators, routes and coordination. For instance, the nation still does not provide access to direct flight operations with the whole of South and Latin America. This means as far as these markets are concerned, Thailand's MICE potential is regrettably limited. Singapore Airlines' practice is worth examining in this connection. Singapore Airlines (SIA Group), comprising Singapore Airlines, Silkair and Singapore Airlines Cargo, is the world's largest airline and cargo group in terms of stock-market capitalization, overtaking Southwest Airlines in 2006.⁴⁶ SIA (SIA) operates flights to São Paulo, Brazil (*its only South American destination*), whereas its subsidiaries and affiliated companies serve regional destinations in Asia and the Pacific through their lower cost operations.⁴⁷ Taken together, these 3 airlines, which cater for different specific markets, remarkably enhance Singapore's role across the board as Asia's number one international convention destination and a major exhibition hub.

To be sure, Thailand should deliberate upon operating flights to São Paulo, the largest city in the southern hemisphere and the Americas, and the world's 7th largest city by population.⁴⁸ This project could be implemented in cooperation with a Brazilian airlines operator to save operational costs, or even engage a three-nation operation, involving a third country in either directions [Africa or the Pacific] to enhance connectivity and potential profitability. Also, the government may take the lead in applying social CBA as profitability on this route could as well be based on calculation founded on socio-economic points of view [instead of just from a corporate standpoint]. MICE and business players could then make their appropriate constructive and innovative contributions accordingly, as they are the primary beneficiaries thereof.⁴⁹ A vertical urban axial connection for Thailand would be extended into the western Southern hemisphere – currently a major emerging economic region. This move would firmly enhance the country's status as a global MICE destination.

Meanwhile, Thai Airways' strategic response – the incorporation of Thai Smile Air – to serve the market gap between low-cost carriers and full service airlines is a welcome move. However, with its first and only confirmed international route as yet only to Macao.⁵⁰ It has a long way to fly before it can truly join the

⁴⁶ http://fr.wikipedia.org/wiki/Singapore_Airlines

⁴⁷ It is to be noted that at least two airlines operators of two other Asian MICE powerhouses operate flights to São Paulo: Air China and Korean Air.

⁴⁸ See http://en.wikipedia.org/wiki/S%C3%A3o_Paulo

⁴⁹ If this model works as suggested, a similar project could be envisaged for Mexico City and Buenos Aires or other cities of the same standing.

⁵⁰ The first scheduled flight was on 7 July, 2012),

regional aviation operators' club. 2013 will be a defining moment for Thai Smile Air as it plans to expand into international markets in Southeast Asia, with potential destinations including Amritsar, Brunei, Danang, Medan and Penang.⁵¹ This means that it could take the new entrant 5 to 15 years to reach a par with Silk Air, depending on the pace of development on either side.⁵²

6) MICE Consolidation:

MICE consolidation here refers to both **spending/cost consolidation** and **component consolidation**. Cost management proves particularly crucial as MICE clientele have become conscious regarding cost management strategies.⁵³ Industrial scrutiny reveals that consolidating business travel and MICE management is a must. By consolidation, all sourcing and contracting activities in aligning business travel and MICE are geared towards optimization and strategic spend management.⁵⁴ The government and MICE operators shall have to charter a course collectively to ensure that Thailand does have cost-effective offerings to cater for varying budget ceilings. In fact, many of our suggestions outlined above do have great bearing on this consolidation effort.

Meanwhile, by 'component consolidation' here we mean the marriage of different components of the MICE industry or relevant sectors. One prime example is a possible consolidation effort involving the health care sector and the MICE industry. Health-related topics have long constituted a significant proportion of the convention sector globally, while medical tourism for treatment purposes is a major tourist segment in Thailand. A strategic consolidation effort would be a combined package-promotion move involving medical treatment tourism, medicine-related conventions, and medical education [as Thailand is a medical education center in Southeast Asia]. This represents the **first-tier consolidation** effort. A **second-tier consolidation** effort requires contributions of the other element – spending/cost consolidation, in which case aviation strategies and accommodation package arrangements, among others, are to be incorporated in the entire effort.

Parties concerned should deliberate upon these possibilities collectively as this option is a truly powerful policy tool that pays off across the board. It is to be noted that for this to really have any bearing at all, collective action is the decisive prerequisite.

⁵¹ See http://en.wikipedia.org/wiki/Thai_Smile.

⁵² In addition, in order to get closer to SIA's overall position, Thailand's passenger aviation operators will need to find ways to forge closer links among all the top 4 Thai airlines and major cargo operators. Further proactive and imaginative operations should achieve collective synergy in MICE-related air logistics with respect to the number of routes and passengers served as Team Thailand over the next decade [see Heritage Research Division, pp. 32-35, 2011, *ibid.*].

⁵³ Charungkiat Phutiratana, It's MICE and Men, Unpublished Lecture Notes Series, 2012, and Radius, *ibid.*

⁵⁴ See Radius, *ibid.*

Major Micro-Challenges for MICE Operators and the MICE Sector

At the micro-level, in order to survive and function as an engine of economic development capable of weather any economic downturn cycles, Thailand's MICE sector and operators shall have to cope with the following twelve challenges/issues:⁵⁵

- 1) Introducing and implementing universal economic impact models: The MICE industry has to offer good value for money. Parties concerned need proof of economic returns/benefits.
- 2) Providing relevance and value: Demonstrate that MICE activities are a vital part of the solution, rather than the economic problem.
- 3) Trying and incorporating business models and revenue streams: MICE activities should serve as a stepping stone for continual revenue generation.
- 4) Developing a distinct MICE identity: The industry shall have to create its own MICE persona/characteristics distinct from travel and tourism, while strengthening financial consolidation with travel and tourist spending outlays for customer's benefits.
- 5) Applying technology for practical purposes: analysts view the growth of state-of-the-art digital media and other equipment as a new source of strength for the sector rather than as a threat. Better, cheaper technological options for events are always a welcome move. The innovative use of digital communications channels is extending the relevance of MICE activities prior to and after the actual event.
- 6) CSR and the green meeting concept constitute another cornerstone in the MICE sector, representing a sense of giving and belonging: An established group of like-minded clientele is ready to champion this cause along the line.
- 7) Thinking and behaving strategically: Assess the needs/requirements, anticipate forthcoming and unexpected challenges, as well as encounter them with appropriate and effective measures/action.
- 8) Nurturing agility and flexibility in operational approaches: MICE venues have to be open-minded regarding their meeting spaces and public spaces.
- 9) Adopting and applying value-chain thinking: Foster collaboration/cooperation among all parties concerned [stakeholders, suppliers, and planners].
- 10) Personalizing and deepening the learning experience: uphold adult-learning principles, and work with the audience regularly.
- 11) Acquiring, retaining and developing talent, as well as embracing diversity: Careers in the MICE sector should be regarded as stimulating and rewarding so as to attract high-caliber entrants.
- 12) Developing future leaders and managers: next generations of leaders are likely to achieve their goals and objectives through innovative practices and experimentation.

⁵⁵ See World Luxury Tourism, *ibid*; the City of Cape Town, *ibid*; issue 1 of this digital publication [July 2012]; and Steven Hacker, p. 68, PCMA Convene, November 2011, <http://www.pcma.org/Documents/Convene/2012MeetingsIndustry.pdf>.



Conclusions

In the aftermath of the 2009 financial crisis, global MICE sectors have proved relatively resilient, going from strength to strength, thanks to a series of positive developments, i.e. global and U.S. MICE sectors' recovery, Asia's economic growth and proactive infrastructure investment outlays, the forthcoming advent of the AEC towards the end of 2015, and Thailand's potential across the board. Instead of leaving indelibly negative marks on the MICE sector, the seemingly bleak prospects at the outset of the crisis a few years back provides a stimulus for comprehensive and cost-effective implementation of cautiously-designed courses of action, charted collectively across the board. Macro-economic and micro-level practices alike are of equal importance. Also, both the public and private sectors have their own pivotal role to play. In the wake of the current money woe that is all that is required of MICE and men. Without further ado, let's proceed to the light house!



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