



BANK OF THAILAND



Revitalising Thailand's tourism sector

In search of enablers for future sustainability



June 2021

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Foreword

by Bank of Thailand

Tourism sector has been one of the key engines of Thai economy. In 2019, nearly 40 million foreign tourists visited Thailand which helped generate revenue of about 2 trillion Baht (11% of GDP) and employed more than 7 million persons (20% of total employment).

Due to its nature and magnitude, the COVID-19 pandemic has caused tremendous setbacks to the Thai economy, particularly tourism industry, unlike any other shocks seen in this globalisation era. The prolonged near-zero-tourist arrival phenomenon has turned tourism spots around the country from lively to lonely, forcing businesses to shut down and lay off their workers. Yet, awaiting challenges to the Thai tourism industry are not only from attempting to survive through this difficult time but also from the changing tourism nature after the pandemic. Behaviours and preferences of tourists could abruptly change, and will inevitably affect the tourism businesses. The crucial questions for all of us are “What would tourism sector look like after we emerge from the shock?” and “How can we well survive in such new normal?” The cards are now in our hands to design the tourism sector that will be sustained and resilient.

One of the trends COVID-19 underscores is health and hygiene awareness, hence it plausibly alters tourists’ behaviour towards “the familiar, predictable, and trusted” settings. Survey data revealed that, in the new normal, tourism demand evolves towards (1) niche travel: tourists are travelling in smaller groups and seeking more customised experiences, (2) safety-first travel: travellers will avoid crowded attractions and prefer closer-to-home destinations and (3) digitalisation: technology facilitating contactless and seamless travel will be paramount in the new era.

As changes are inevitable, this time is an opportunity for Thailand to reposition our tourism industry to match the new global trend as well as revive our old tourism model which has been quantity-driven and concentrated in many aspects; tourist nationality, area, and seasonality. In order to attain the new tourism model, collaboration from key players in the ecosystem is needed to collectively push forward transformation efforts. With the mandate of promoting the country’s economic well-being, the Bank of Thailand is keen to be a part of these joint-forces to rebuild the new tourism landscape. We hope that this discussion paper on “*Revitalising Thailand’s Tourism Sector: In search of enablers for future sustainability*” will provide useful insight towards finding more sustainable tourism strategies into the future. We also hope that our work will induce many more ideas and models to help shape the new tourism sector that serves the country’s common goal towards higher economic resiliency, improved income distribution, and enhanced environmental sustainability.

Chayawadee Chai-Anant
Senior Director
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Foreword

by Visa

Tourism is one of the primary engines driving Thailand's economy. In 2019, tourism sector accounted for 11% of the country's gross domestic product. The Kingdom's wealth of natural resources, rich culture, and the welcoming nature of the Thai people have made the country one of the world's most popular tourist destinations for decades.

The COVID-19 pandemic has affected virtually all aspects of our lives and we have adapted quickly to cope with the changes. We are now working from home, shopping online and socialise virtually. Tourism can learn from all of us. It needs to adapt, to remain relevant, and to be revitalised.

Visa, the world's leader in digital payments, has been an integral part of Thailand's cashless society evolution for more than four decades. We take responsibility in ensuring Thailand remains at the forefront of payments evolution, leveraging our payment data and analysis, so that businesses and consumers can adopt and thrive. Therefore, we have developed "Revitalising Thailand's Tourism Sector – In search of enablers for future sustainability" (the "Study") in collaboration with the Bank of Thailand and analysed the data to develop a strategy for Thailand to utilise revitalise the country's tourism sector.

Using our payments data, the Study offers unique insights into international tourists behaviours and spending trends. The information we are presenting here could serve as a vital piece in the jigsaw to help unlock the potential that will benefit local tourism operators, the overall tourism industry in Thailand as well as stakeholders in the payment ecosystem.

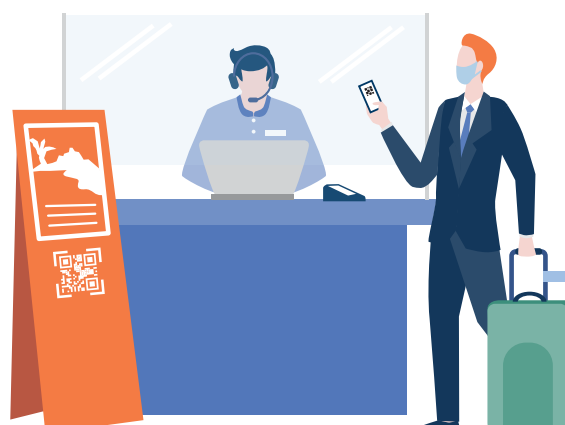
The Study is also part of Visa's continued commitment to helping industry players, our clients and partners in their pursuit of growth in the global travel and tourism industry, for both the near-term as the international travels resume and for the longer term as consumers and businesses settle into their new normal.

We hope you will find this Study as useful and informative as we do.

Suripong Tantiyanon

Country Manager

Visa Thailand





Executive

summary

The tourism sector is Thailand's key economic engine, accounting for 11% of the country's GDP. The COVID-19 pandemic has not only disrupted global travel and left a more serious scar on Thailand's tourism sector than any previous incidents, but it has also altered the global tourism landscape. Hence, it is essential for stakeholders, including policymakers, to understand the evolution of visitors' demand and Thailand's competitiveness in order to revitalise the tourism sector and prepare the ecosystem to enable the sustainable transition.

Looking ahead in the post-pandemic era, global tourism trends will change. A rising of health and hygiene concerns will transform tourists' preferences towards closer-to-home trips and will shift from mass to niche segment, including medical and wellness, community-based tourism, responsible tourism. Besides, the technology adoption has accelerated across tourism supply-chain to enable seamless, contactless and harmless travel.

Discovering Thailand's tourism competitiveness, the reputation of the healthcare system, the implementation of hygiene standards, as well as the development of the contactless payment and the tracing technologies should help improve tourists' confidence. At the same time, the ongoing mega infrastructure projects would enable greater tourism connectivity both domestically and regionally, and encourage new travel patterns while international openness strategy aimed at attracting foreign direct investment and professional staffs would also bring in a new potential group of tourists. However, safety and security standards, and environmental sustainability concerns, must be enhanced, or such risks could deter foreign visitors from returning.

As changes are inevitable, this time could be an opportunity for Thailand to reposition our tourism industry and reform our old tourism model to ensure sustainable economic outcome. The old model, which relies on mass tourism and has concentration risks, will put some businesses at risks, especially those who are slow to adjust to the changing landscape. By enhancing existing strengths and creating new values to match the new global demand, the new tourism sector positioning should help Thailand to achieve higher economic resiliency in four dimensions:

- 1) **Enable more stable revenue as a cushion against the upcoming shocks:** By diversified tourists' segment from mass to niche segment, tourists spending will be lifted up while revenue sources should become less concentrated, thereby increase tourism income stability.
- 2) **Improve income distribution:** New travel styles such as travelling to lesser-known destinations and uncrowded areas will encourage tourists to visit 2nd-tier cities and engage in higher domestic value-added activities, resulting in improved income distribution in both areas and the local economy.
- 3) **Enhance environmental sustainability:** Environmental sustainability will be supported in the future by rising trends such as eco-nature conservation travel, volunteer travel, and art and culture preservation travel.

- 4) **Induce more efficient resource distribution and increase country's productivity:** The need for investment upgrades to match new tourism trends, such as investment in attractions and technologies, will not only allow the re-allocation of labours to other service sectors, which have growing demand in the future, such as healthcare and wellness, but also provide opportunities to increase capital intensity in the tourism sector which will, in turn, improve country's productivity.

To enable such transformation, we need to put priority on re-designing ecosystem by enhancing the capabilities of attractions, infrastructures, people, and businesses at the macro and firm levels

- 1) **Attractions:** New premium products and marketing campaigns should be developed to attract new targets while incentive policies, such as tourism tax and price mechanism, could be one of the policy options to help diversify the tourist portfolio and reduce overtourism in some areas. One of the key enablers in this area could be the comprehensive tourism platform as it can be used as marketing channel to attract target group, tracking tool to boost tourists' confidence, as well as database for policy analysis.
- 2) **Infrastructure:** The infrastructures, both hard and soft, need to be advanced to ensure better connectivity and safety standard.
- 3) **People and businesses:** In the post-COVID world, policies, both financial and non-financial, must facilitate businesses and labour transformations, not only those that have potential to adapt to new demand but also the ones which might have to exit the industry to find other new productive sectors.

In conclusion, by pursuing the above new tourism strategies, Thailand is paving the way to achieve a more sustainable travel receipt, better income distribution, environmental sustainability, and more efficient resource distribution, thereby increasing country's productivity.





Defining **“New Normal”**

Global tourism trends in the post-pandemic world

“ In light of growing health and hygiene concerns, the pandemic is transforming traveller behaviours toward closer-to-home trips and shifting the tourism sector from mass to niche segment while accelerating the technology adoption across the tourism supply chain. ”



What are the demand evolutions?

COVID-19 has changed the travel landscape globally as **health and hygiene** have become the crucial consideration for travelling. As international travel gradually resumes, tourists will shift towards familiar, predictable and trusted travel styles. In the new normal, tourism demand is expected to evolve in three aspects:

- 1 Niche travel** : As tourists are shifting from mass to niche travel, they will prefer smaller groups and being free independent travellers (FITs), which will allow them to avoid contacting large groups of people and customise their trip easily. Green, responsible and community-based tourism are also global tourism megatrends that will become more popular. In addition, demand for health and wellness tourism will evolve as people place greater emphasis on their health.
- 2 Safety-first travel** : With safety-first travel in mind, travellers will also show preferences for travelling closer to home and taking domestic or regional trips. As they seek to avoid crowded attractions, travellers will also want to explore lesser-known outdoor destinations. They are also willing to pay more for premium services that provide greater safety and quality.
- 3 Digitalisation trends** : Digitalisation will play a significant role in enabling seamless, contactless and harmless travel throughout the tourists' journey such as virtual travel, online queuing system and contactless payment. The pandemic will also accelerate the adoption of technology across the tourism supply chain.

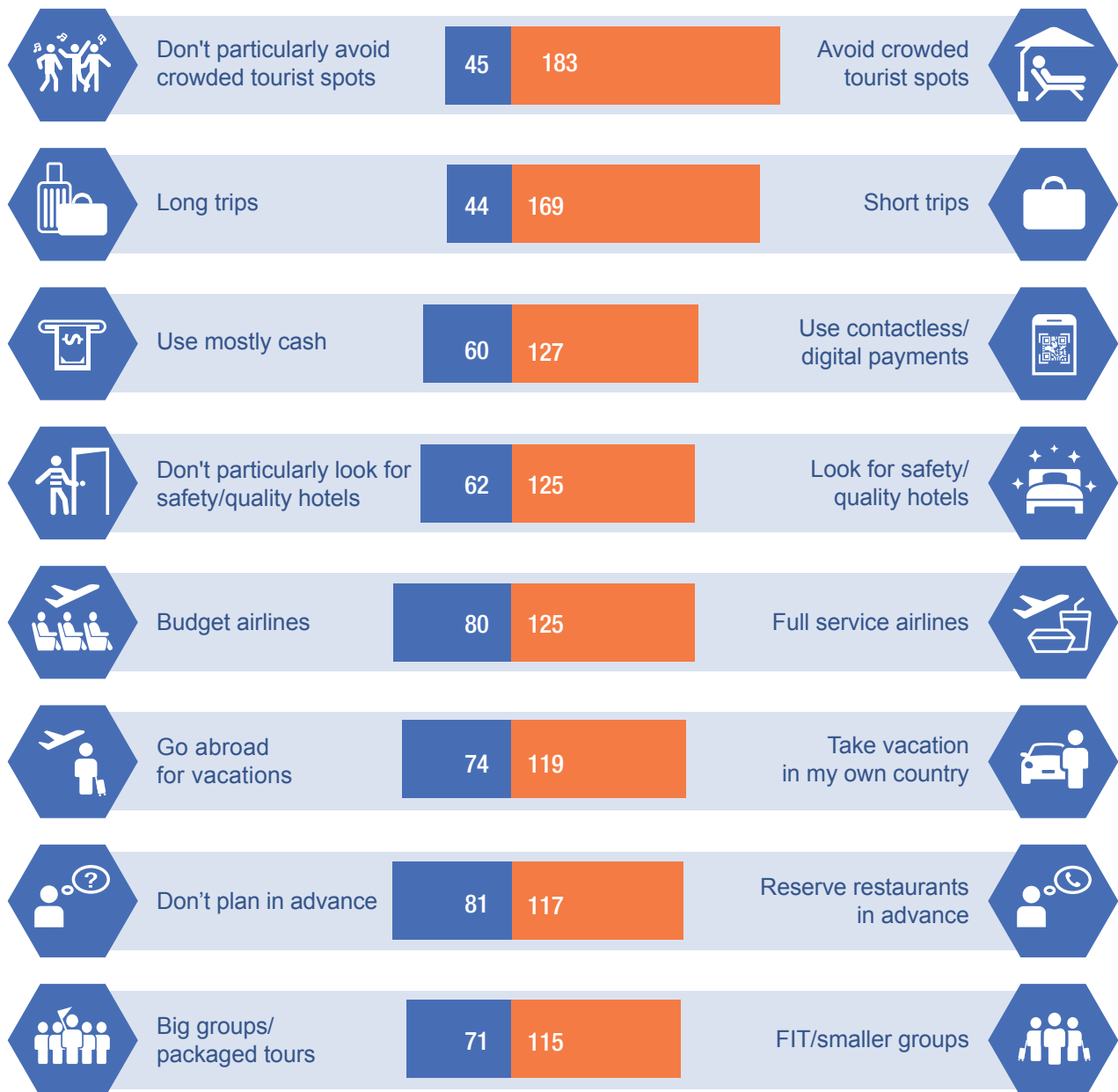
Global tourism trends in the post-pandemic world

Four trends are expected to lead the way through recovery in tourism sector post-COVID.



Survey of tourist's holiday planning after COVID-19 (pre-COVID = 100)

The survey data shows that tourists' demands evolve towards niche, safety-first and digitalisation.



If score >100 : tourists are willing to do each activity in post-COVID more than pre-COVID

Note: *Green Shoot Radar Research conducted quantitative survey augmented by social and search data during the period of October to November 2020 across 14 countries in Asia Pacific (China, Taiwan, Hong Kong, Japan, Korea, Singapore, Malaysia, Thailand, Indonesia, Philippines, Vietnam, India, Australia and New Zealand). The purpose of the survey was to better understand consumers' changing attitudes and behaviours.



Discovering Thailand

Competitiveness in transition

“ Health and hygiene standards, infrastructure linkages, and international openness would provide an enabling environment toward greater tourism connectivity while safety and security standards and environmental sustainability reflects areas for improvement that might hinder the return of international tourist arrivals. ”



What are our competitive edge and areas for improvement?

Competitive edge



Thailand's **health and hygiene** standards have been recognised worldwide, and in 2019 the country was ranked 6th in the Global Health Securities Index (GHS index) out of 195 countries. The Thai government has also established the Safety and Health Administration (SHA) standard to ensure high-quality service standards that prevent the spread of COVID-19, which will increase tourists' confidence.



Digital connectivity is another positive for Thailand's tourism sector. Contactless payment systems, both developed in Thailand and overseas, including QR code payments, PromptPay, which is currently linked to Singapore's PayNow, and foreign applications, such as WeChat, can facilitate tourists' spending activities in Thailand. Moreover, the government's MorChana and Thailand Plus applications have enhanced the country's capability in upgrading its tracking and tracing system that has effectively helped curb the spike in the virus spreading in Thailand.



For **infrastructure connectivity**, various infrastructure mega-projects are in progress. For example, the 873-kilometer China-Thailand high-speed railway project, which is expected to operate in 2026, will attract Chinese and ASEAN tourists. The Eastern Economic Corridor's (EEC) high speed rail, which links three international airports - Don Mueang, Suvarnabhumi and U-Tapao - and provides a connection between Bangkok and the eastern region of Thailand.



Thailand's international openness policy to attract foreign direct investment (Eastern Economic Corridor: ECC) and the smart visa initiated by the Board of Investment (BOI) is helping attract more multinational corporations, high-skilled manpower and investors. This will provide new opportunities for businesses in the tourism sector to tap into such as business events and family segments.

Areas for improvement



There is currently an urgent need for Thailand to improve its **environmental sustainability**. The country was ranked 130th out of 140 countries rated by the World Economic Forum in 2019, as some popular tourist spots have suffered environmental degradation due to overtourism.



Political uncertainty and tourist scams have undermined sentiment for over a decade, hindered Thailand's tourism sector to reach its full potential.



Thailand tourism competitiveness in transition

Thailand is undergoing six transitions which will influence tourism competitiveness.

Competitive edge



International openness

- BOI's smart visa policy
- EEC as an FDI hub



Soft infrastructure

- Digital platform
- Contactless payment
- Track & trace system e.g. MorChana



Health & hygiene

- SHA standard
- Vaccine passport
- Medical & wellness centres

Hard Infrastructure

- High-speed train connection to be operated in 2026 (China-Laos-Thailand)
- High-speed train connected Don Mueang, Suvannabhumi and U-Tapao airports



Safety & security

- Political uncertainties
- Tourist scams & crimes



Environment

- Pollution e.g. PM2.5
- Environment degradation

Areas for improvement



Emerging stronger

Building a more sustainable footing
in the post-pandemic world

“ Instead of pursuing the old path, Thailand’s best policy approach is to adapt to the new global tourism demand while also enhancing the country’s existing competitive edge and creating new values that lead to a more resilient economic engine. ”



Old path vs New positioning?

In light of the changing landscape, adhering to the old tourism model in the post COVID-19 era could put Thailand's tourism sector at risk because it relies heavily on mass tourism. So, in order to create a **more sustainable future**, the best policy option is to adapt to the new landscape by enhancing the country's existing competitive edge while creating new values that are in harmony with global demand, leveraging our tourism competitiveness.

In a post-COVID-19 world, Thailand's tourism sector should be repositioned to target higher spending tourists to compensate for a lower number of actual visitors. **Through this "new positioning", Thailand should ensure it not only maintains FITs and customised tour groups visiting the country's natural and cultural attractions who were a major part of the old legacy, but also attract more premium/business travellers**, especially in following segments: (1) health and wellness, (2) green and community-based, (3) business meetings such as investors and professionals, due to the Thailand's international openness policy and (4) domestic tourists. These target groups could provide not only a stable source of income but also improve income distribution and reduce the problem of overtourism in Thailand going forward.

Thailand's tourism landscape

The tourism sector should be repositioned, in response to the new tourism demand and Thailand's competitiveness landscape.

	Features	Travellers' Types	Destinations	People & Businesses	Policy Options at the crossroads
Old legacy New positioning New positioning	<ul style="list-style-type: none"> In-door activities Crowded areas Crime-prone areas Close contacts 	Tourist & business patterns against the new trends <ul style="list-style-type: none"> Mass/cheap tours Low-income travellers 	<ul style="list-style-type: none"> 1st-tier cities & iconic attractions only 	<ul style="list-style-type: none"> Businesses targeting group tours Labour-intensive industry Low-skilled labours 	Pursuing old path with lower demand <input type="checkbox"/>
	<ul style="list-style-type: none"> Nature & cultural attractions 	<ul style="list-style-type: none"> Private/customised tours FITs Regional travellers Leisure travellers 	<ul style="list-style-type: none"> 1st-tier + connecting & peripheral cities 2nd-tier cities 	<ul style="list-style-type: none"> Businesses for FITs/ small groups Skilled labours 	Enhancing existing competitive edge <input checked="" type="checkbox"/>
	<ul style="list-style-type: none"> Outdoor activities Green & community based tourism Medical & wellness Business meeting 	<ul style="list-style-type: none"> Premium travellers Domestic travellers Business travellers 	<ul style="list-style-type: none"> Lesser-known outdoor destinations 	<ul style="list-style-type: none"> Businesses with health standard Small & local businesses Contactless across tourism value chain 	Creating new values <input checked="" type="checkbox"/> Policy focus
	Tourist & business patterns in line with the new trends				



Old legacy represents long-term risks

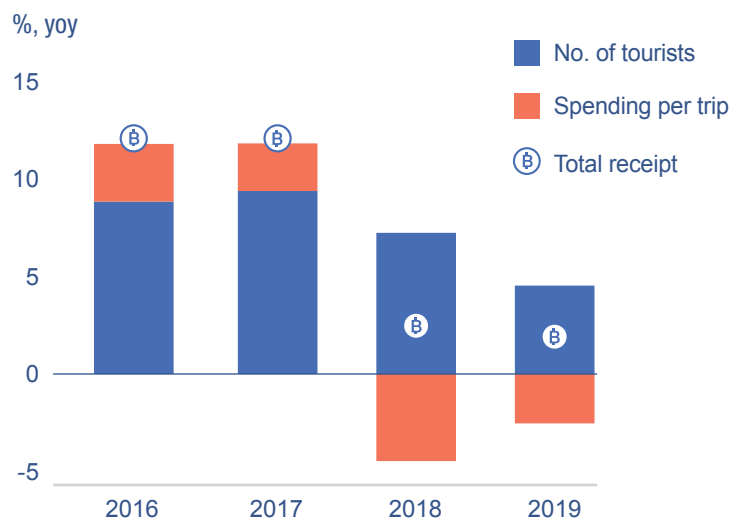
The old legacy of Thailand's tourism sector will add more fragilities to the tourism sector and has been suppressed by three main issues including quantity-driven growth, concentration risks, and survival risks for businesses in the new world.

1 Quantity-driven growth

Before COVID-19, travel receipts had been increasing. While this was driven by a higher number of tourists, spending per trip has been declining since 2018 across almost all categories. This is partly because 85% of foreign tourists are from low to medium income ranges.

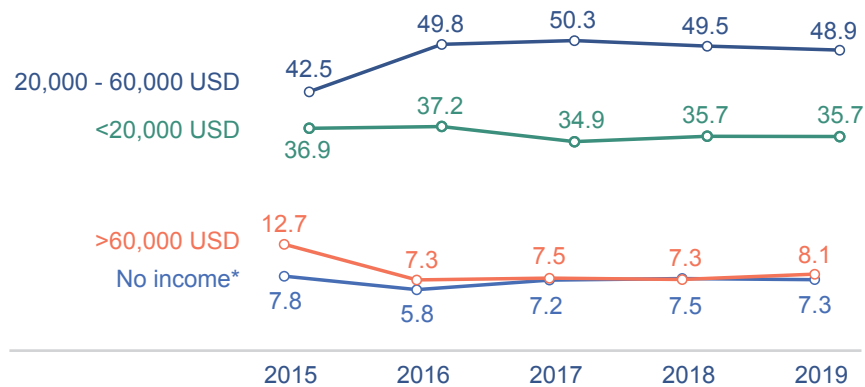
Contribution to growth of travel receipt

Tourism revenue was driven by an increase in number of tourists, while spending per trip declined.



Source: Ministry of Tourism and Sports

Share of tourists by income segment



Note: *including students and elderly persons who do not receive regular income

Source: Ministry of Tourism and Sports

2 Concentration risks

- **Sources of revenue:** Two-thirds of tourism revenue is from foreign tourists, although 75% is from short-haul tourists, mostly Chinese.
- **Destinations:** 80% of foreign tourists visit only 1st-tier provinces such as Bangkok, Phuket, Chonburi, Surat Thani and Chiang Mai. At the same time, tourists who visited just a single province account for 61% of total tourists (predominantly top-tier destinations) while another 39% of total tourists who visited more than one province still travelled in top-tier provinces and nearby areas. This is partly because of the lack of convenient logistic linkages between 1st-tier and other cities and within 2nd-tier cities.
- **Travelling seasons:** In Thailand, there are peak seasons and low seasons as international tourists mostly visit during the first and fourth quarters, particularly long-haul tourists. This poses another concentration risk to Thailand's tourism sector.

Concentration risks

Thailand's tourism sector faces concentration risks in terms of sources of revenue, travel destinations and travelling seasons.

2/3

of tourism revenue is from foreign tourists

75%

is short-haul

28%

is Chinese

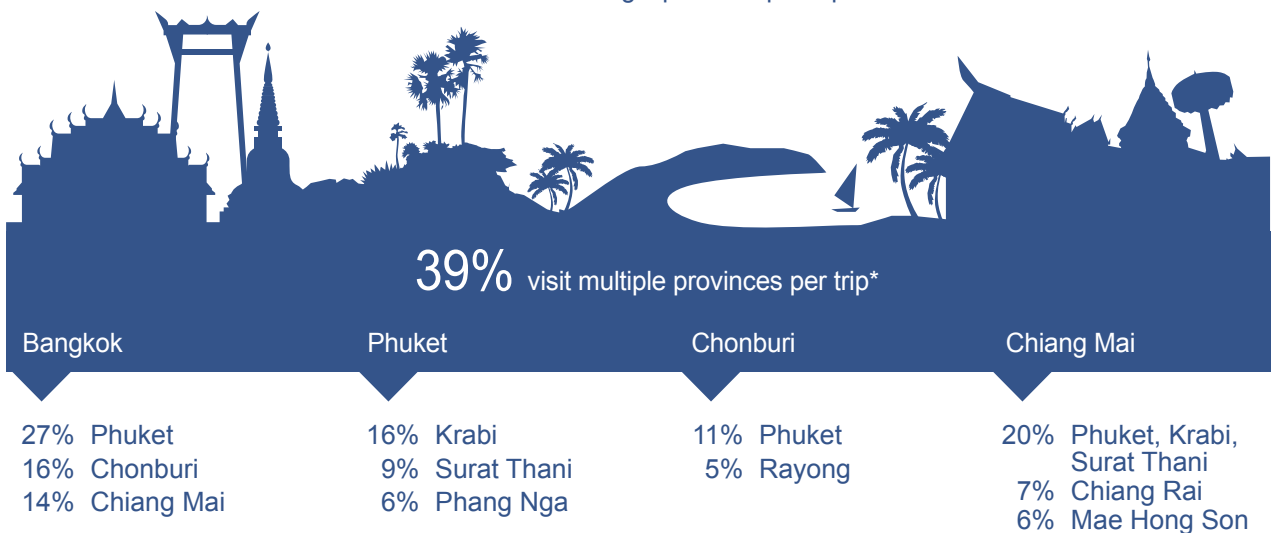
Nearly 80%

visit only 5 top-tier provinces

28%

of tourists visit in high season (December-February)

61% visit single province per trip



Note: *Visa conducted the tourist destination network study to explore inbound trip patterns and identify preferred routes across different cardholder profiles. The connecting cities were derived based on number of co-visitors.

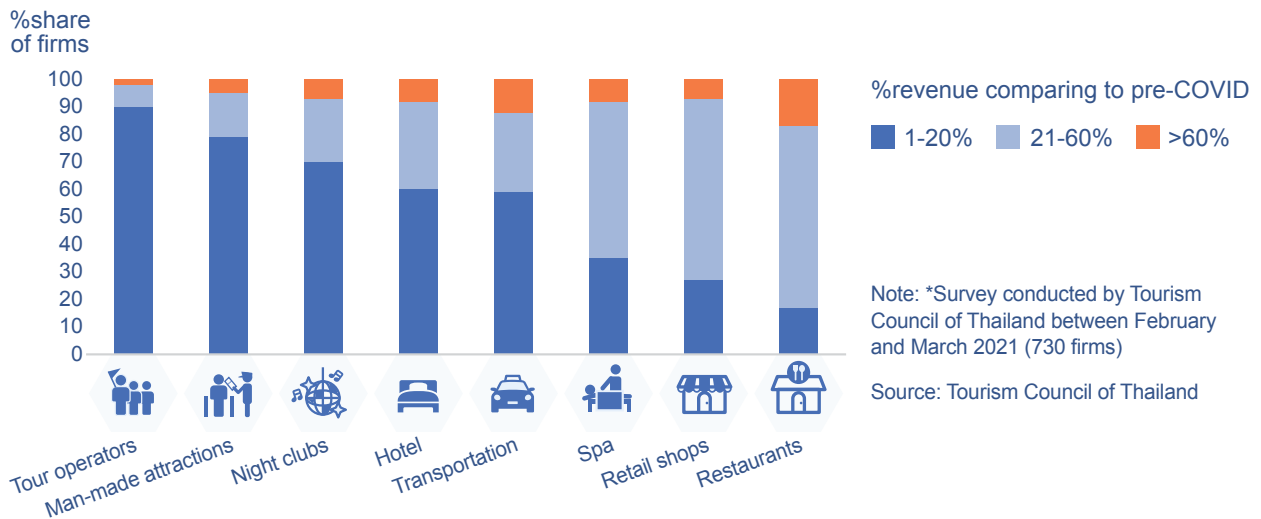
Sources: Ministry of Tourism and Sports and Visa

3 Survival risks for business in the new world

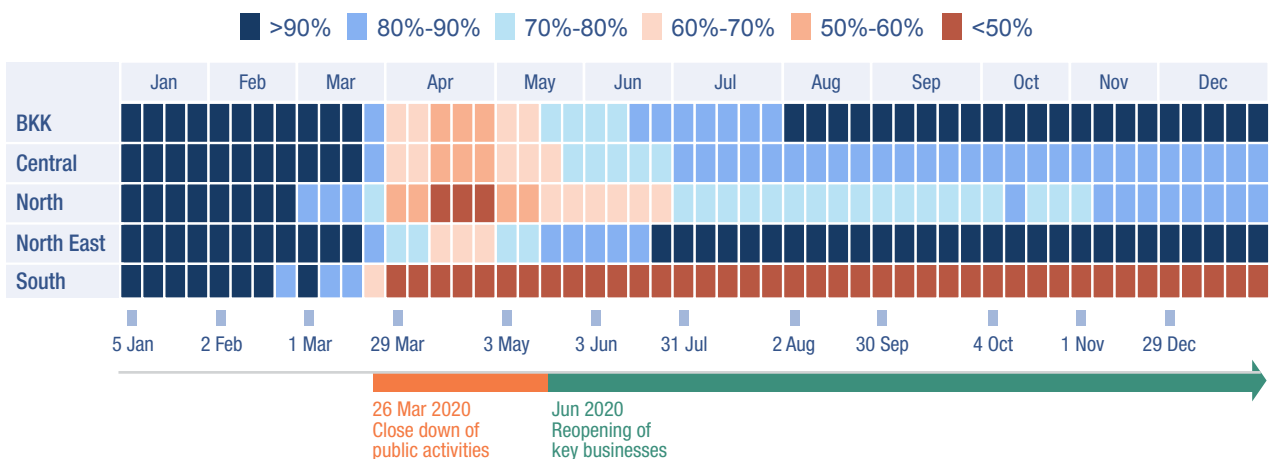
Against this backdrop, some businesses need to adapt in order to survive in a post-COVID-19 landscape, especially those severely impacted by the pandemic, and likely to diverge from the new trends. According to a survey conducted by the Tourism Council of Thailand, tour operators, revenue from man-made attractions and night clubs in the first quarter of 2021 recovered by just 20% compared to their pre-COVID levels. In terms of geographical impact, the situation deteriorated more severely in southern Thailand, which relies heavily on inbound tourists. At the end of 2020, active terminals data revealed that less than 50% of travel-related businesses were still operating when comparing to 2019.

Share of firms by revenue impact in Q1 2021 comparing to pre-COVID*

Based on survey of firms' revenue recovery and regional active terminal data, some businesses are among the hardest hit from COVID and need to adapt in order to survive in the post-pandemic.



Proportion of active terminals in 2020 compared to 2019 level (travel-related businesses only*)



Note: *Travel-related businesses include accommodation, airlines & travel services, transportation, vehicle rental, restaurant & quick-service restaurants, and supermarket

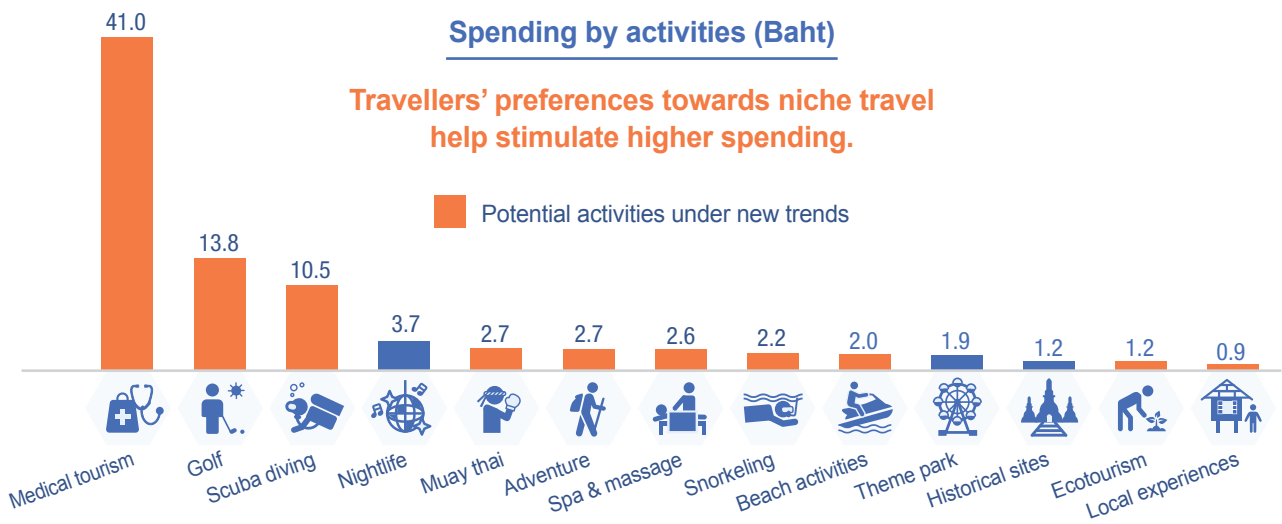
Source: Visa

New positioning towards a sustainable landscape

The new tourism model aims to transform the sector to become a more resilient economic driver in 4 main dimensions.

1 Enable more stable revenue as a cushion against the upcoming shocks:

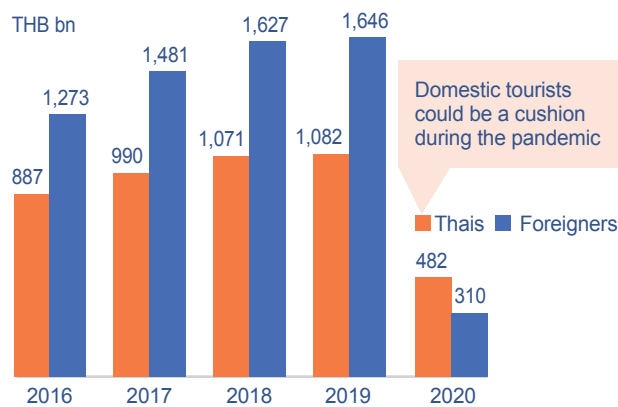
- Increase tourists' spending** by increasing composition of higher spending tourists, including FIT travellers - who spend 32% higher than those on group tours (approximately 51,000 Baht for FITs vs 39,000 Baht for group tours vs average of 48,000 Baht) - and other niche segments such as golf, scuba-diving and medical tourism. Moreover, there is a need to encourage tourists to experience more across various spending categories such as full-service airlines and premium hotels.
- Diversify revenue sources and smoothen the seasonal gap** The growing trend in more domestic and regional travel (short-haul tourists) will lead to more diversified sources of revenue and smoothen the seasonal gap. Before the COVID-19 pandemic, local tourists contributed only one-third of total tourism revenue, so increasing this proportion will make Thailand's tourism sector more resilient to external shocks. Besides Thai tourists, attracting more short-haul visitors who travel to Thailand all year round will help increase travel receipts during low seasons.



Source: Tourism Authority of Thailand

Tourism revenue: Thais vs Foreigners

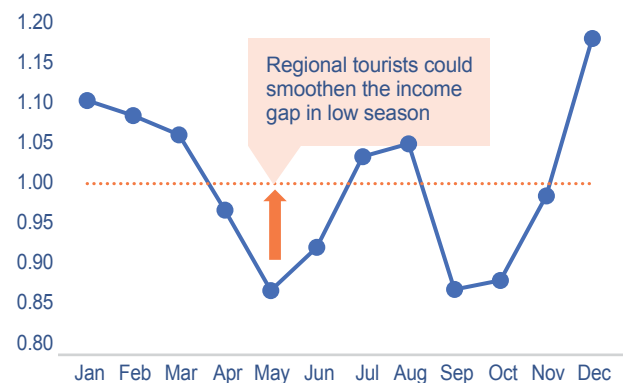
Domestic and regional travellers should help diversify tourist portfolio...



Source: Ministry of Tourism and Sports

Seasonality index of tourists visiting Thailand

... and smoothen seasonal gap, hence, bringing stability to Thailand's tourism income.



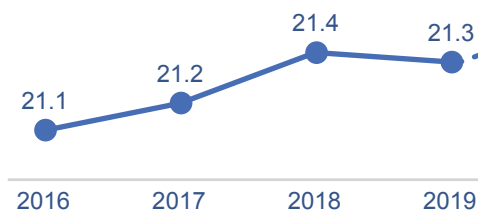
Note: *Seasonality index = Avg. tourist arrivals of month X / Avg. tourist arrivals in 2016 - 2019

Source: Ministry of Tourism and Sports, calculated by authors

2 Improve income distribution:

- **Improve income distribution:** In the post-COVID era, tourists might avoid crowded areas and shift to visiting 2nd-tier provinces more than ever. As a result, the proportion of tourists visiting 2nd-tier cities, which was only 20% in 2019, would increase, thereby helping improving income distribution.
- **Increase value-added tourism:** As the world emerges from COVID-19, tourists will increasingly engage in various activities tourism, which would generate higher value-added income for domestic businesses compared to popular activities in the pre-COVID era.
- *Local Alike* is a good example of community-based tourism that helps income distribution as it has helped create around 2,000 jobs and partnered with 100 communities in 46 provinces, which consequently attracted 32,000 tourists during 2011-2018.

Share of tourists visiting 2nd-tier provinces*



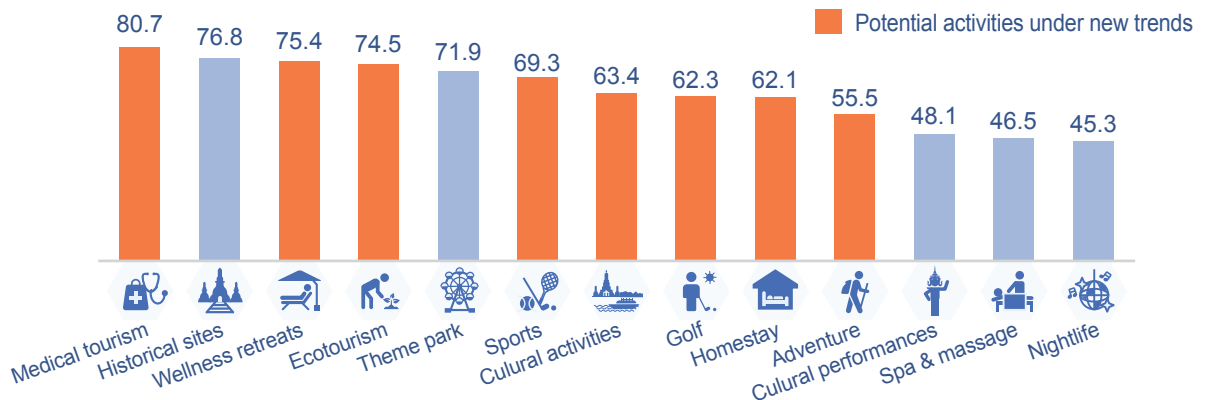
New travel trends also generate better income distribution and higher domestic value-added.



Note: *excludes Bangkok, Chonburi, Phuket, Surat Thai and Chiang Mai

Source: Ministry of Tourism and Sports, calculated by authors

Value-added per gross output



Source: Ministry of Tourism and Sports

3 Enhance environmental sustainability:

A survey conducted by the World Travel and Tourism Council revealed that 58% of tourists think more about the environment since COVID-19. This shift in thinking presents an opportunity for Thailand to transition to more eco-nature conservation travel, volunteer travel, and art and culture preservation travel.

Thailand's environmental sustainability (score out of 5)

New trends could lead to better environmental sustainability.



*The higher score, the better environmental sustainability

Responsible tourism examples



Sources : World Economic Forum Travel and Tourism Competitiveness Report 2019, World Travel & Tourism, 7 Greens by Tourism Authority of Thailand

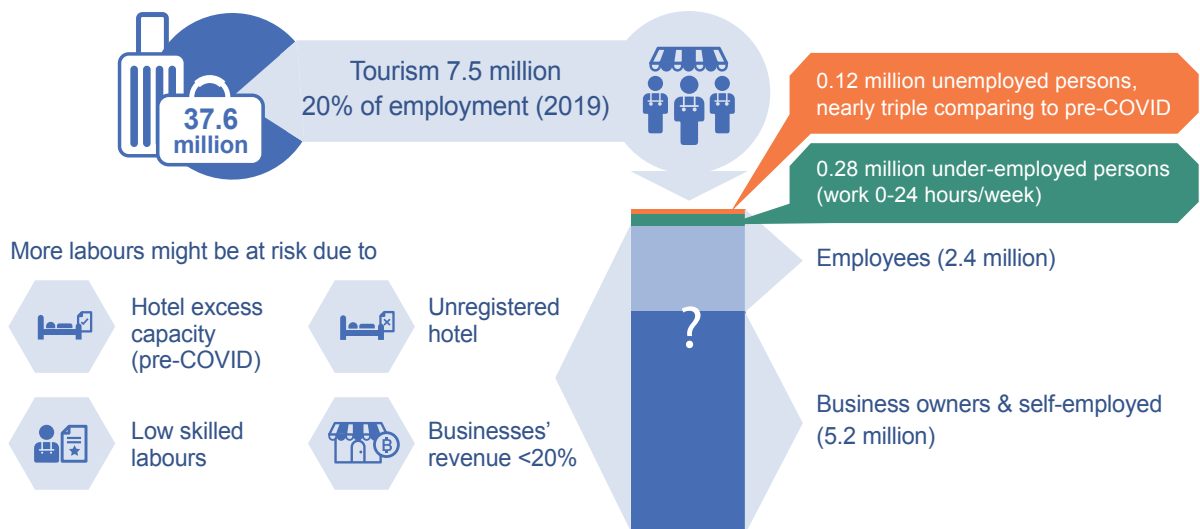
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Induce more efficient resource distribution and increase country's productivity:

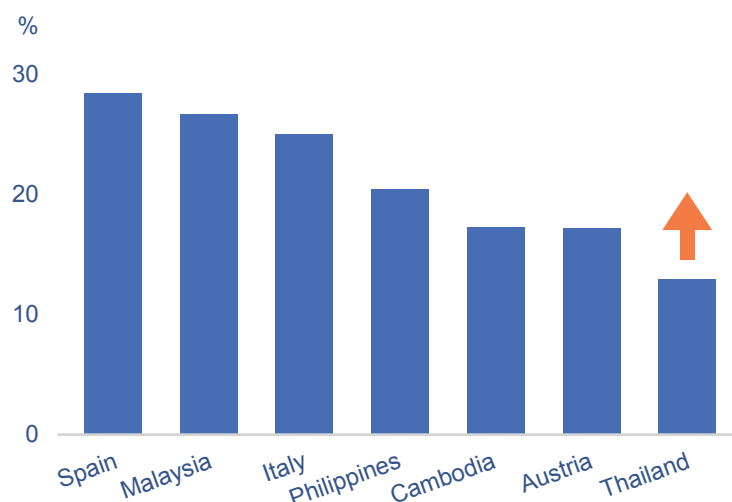
Before the pandemic, the tourism sector was labour-intensive with 20% of the country's entire workforce employed in the tourism sector (more than 7 million people) whereas capital investment is relatively low compared to other popular tourist destinations. The impact of COVID has resulted in more than 100,000 people in the tourism sector losing their jobs, with a further 300,000 employees having to accept fewer working hours. With the situation unlikely to be resolved soon, further job losses are expected. The new tourism model should help re-adjust resource distribution in the tourism sector by reducing the dependency on labour, thus reallocating labours to other service sectors, which have growing demand in the future, while increasing capital investment. For example, (i) investments for businesses to transform so they can meet the needs of the new tourism trends, including upgrades to existing attractions for premium, health and safety purposes, and (ii) investment to develop technology, including automation and smart devices for contactless tourism, tourism platforms and virtual tourism.

Labours at risk

Business transformation under new positioning could lead to better resource distribution from labour-intensive to more capital investment.



Source: Thailand's labour force survey, estimated by Bank of Thailand

Share of capital investment to travel receipt (2018)

Source: World Travel and Tourism Council



Implementing structural changes

Re-designing Thailand's tourism ecosystem

“ Priorities need to be put on re-designing the conducive ecosystem (people & businesses, attractions, and infrastructure) to enable the transformation to a new position in response to increased demand at the macro and firm levels. ”



How to transform tourism ecosystem to reap benefit from new opportunities?

Redesigning Thailand's tourism ecosystem

Transformation efforts needed to be made in five main aspects in order to achieve new positioning.



Transformation is needed across five main areas. For Thailand to reap the benefits from these new opportunities, the country must act on the following:

1 Policy at macro level (national and provincial)

Attractions



Create premium products and marketing campaigns to attract new targets and increase spending among tourists

- Create and promote new destinations, experiences and products that will deliver higher return e.g. medical tourism, golf tours, scuba diving tours, business meetings and international events
- Use tourism platforms to market both travel experiences and goods



Implement incentive policies to create a more diversified tourist portfolio

- Offer incentives such as a tourism tax and subsidy to increase domestic and regional tourists



Design area-based incentive policies to reduce overtourism, preserve tourism attractions and improve income distribution

- Set KPIs which focus on revenue for each province
- Impose budget reallocation
- Set quotas and price mechanisms, such as a tourism tax

Infrastructure

Improve infrastructure for seamless and safer travel



Digital infrastructure

- Apply contactless platforms for the tourism supply chain
- Implement a robust track and trace system to give tourists confidence that Thailand is safe



Non-digital infrastructure

- Build safe, well-connected and inter-provincial connections
- Increase flight connections and well-connected local transport, especially in 2nd-tier provinces

2 Policy at the firm level



People and businesses

- Provide financial support such as tax incentives and grants
- Provide suitable regulations while introducing stricter standards for tourism operators to provide a safer and more sustainable industry
- Provide upskilling and reskilling for workers, opening up more employment opportunities for them

This is where a long-term policy for sustainable tourism is crucial. Demand and supply must be balanced out, factoring in quality growth, inclusion and stability. It is important that the Thai government accelerates restructuring policies at the national, local and business levels to ensure the approach taken today will yield sustainable growth over the long term.

Enabling the new tourism ecosystem

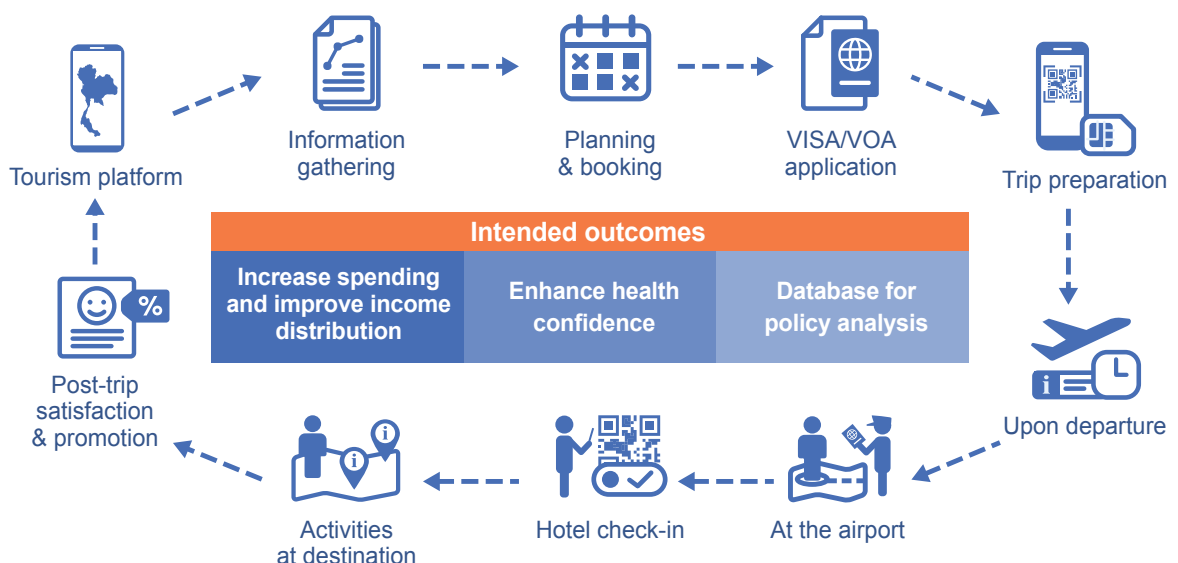
Data is the key to unlock Thailand’s future success. In this regard, a tourism platform could potentially be one of the key solutions to successfully reposition the tourism sector as it can be used as a marketing channel to promote new premium tourism products especially 2nd-tier destinations and high-value activities. In addition, a tourism platform could offer a track and trace function as well as provide a contactless solution for safe and seamless travel, thus enhancing health confidence across the tourist journey. More importantly, data sharing between platforms should make it a comprehensive tourism database for policy development.

This study has reviewed existing applications and platforms in the tourism sector that are available in the market. One interesting tourism application is TAGTHAI, Thailand’s comprehensive official digital platform. Currently, TAGTHAI offers services such as providing information for destinations/attractions and planning and booking hotels. The current infrastructure can be strengthened to make it a comprehensive one-stop services for seamless and safe travel by adding additional features to the platform, including:

- 1 Pre-departure:**
 Besides providing travel information which helps tourists plan their trip, the advertising of lesser-known destinations should be added to motivate tourists to visit 2nd-tier provinces along with the ability to book accommodation and apply for an e-visa. This will transform the platform into a one-stop service for tourists before they travel to Thailand.
- 2 In Thailand:**
 To provide tourists with seamless and convenient travel, the application should offer a QR code for fast-track immigration, advanced local transportation bookings, a QR code for hotel check-in, and a pop-up function offering suggestions for nearby attractions and destinations. Moreover, a track and trace function which allows tourists to know in real-time the density of certain areas will help enhance their confidence around their health.
- 3 Post-trip:**
 Satisfaction surveys and a virtual marketplace should also be added to the platform to monitor tourists’ satisfaction and also stimulate tourists to buy Thai products even after they leave the country.

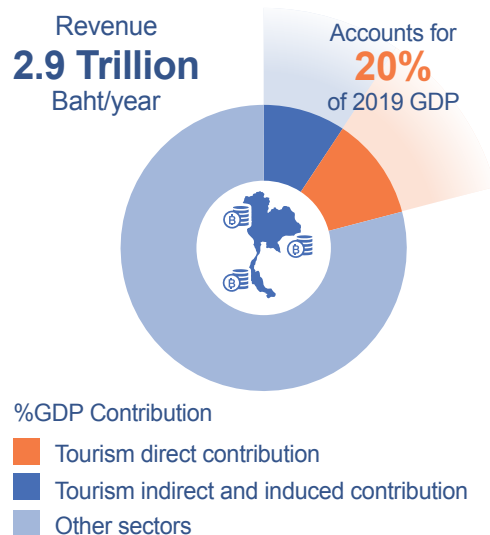
Tourism platform’s objectives and features

A tourism platform could potentially be one of the key solutions to successfully reposition the tourism sector.



Conclusion of a paradigm shift

Tourism revenue contribution in GDP



Source : World Travel and Tourism Council

Tourism receipt and GDP projection

In 2024	No. Tourist	X Spending per trip	= Receipt
Old Path	40 million	~48,000 Baht	1.9 trillion Baht
“We can achieve the same level of income with 20% lesser number of tourist.”			
New Path less is more	32 million	~60,000 Baht	1.9 trillion Baht
	32 million	~70,000 Baht	2.2 trillion Baht

GDP +2.7%

“Boosting 10,000 Baht more per person with new path leading to GDP upside of 2.7%”

Source: estimated by Bank of Thailand

The tourism sector is one of the biggest engines of growth for the Thai economy, accounting for 20% of GDP direct and indirectly. The pandemic has prompted a change in travel trends as well as scarring tourism businesses, with an expected slow return of number of tourists to pre-COVID levels. By rethinking tourism strategies towards a more sustainable new normal, all stakeholders must work together to revitalise and transform the tourism sector to become an engine for more economic resiliency.

One of the key success measures for new tourism strategies will be its ability to promote more stable revenue. In particular, with the “new positioning”, the same level of travel receipts can be achieved (1.9 trillion Baht) by boosting spending per trip to 60,000 Baht even though the number of inbound tourists are lower (from 40 million to 32 million persons). In this regard, the new positioning offers the Thai economy and businesses with a cushion should there be other disruptions in the future. This benefit, together with better income distribution, environmental sustainability, and efficient resource distribution, will ultimately be the key elements in creating a roadmap to future economic sustainability.





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