

Analysis of the Main International Tourist Arrivals to Thailand and Their Impacts on Thailand's Tourism Industry

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Abstract

Thailand's tourism industry grew rapidly in the past decade. The source of Thailand's tourism growth came from three main regions: East Asia, Southeast Asia and Europe. This paper focuses on analyzing the three main regions of international tourist arrivals to Thailand and their impacts on Thailand's tourism industry

Keywords: Thailand, tourism industry, international tourists

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1. Introduction

Thailand, located in the center of Southeast Asia, is considered a pearl of the Indochina peninsula. The Northern part of Thailand consists of jungles, mountains, and hills. The Southern part of Thailand is where the Gulf of Thailand and the Andaman Sea are both located. The climate is a tropical monsoon climate. Such geographical characteristics and climates make for a variety of different types of natural resources. Thailand has received and has been influenced by the world's large four cultures, which are Indian, Chinese, Khmer, and Western. This makes Thailand a multi-cultural nation with various ethnic characteristics and rich tourism resources. Today, the tourism industry is Thailand's pillar industry. With the Thai government's continuous support, the tourism industry has been growing increasingly, and Thailand has become one of the world's most popular tourism destinations.

1. Types of tourism in Thailand

The tourism of Thailand comprises two main types—natural tourism and cultural tourism. The natural tourism consists largely of inland and coastal vacation destinations. The inland tourism is located in the North, the Northwest, and the West of Thailand. Chiangmai, a province in the Northern part, has a lot of mountains and jungles, both of which are perfect for activities, such as rock climbing and elephant riding. In the Northeast of Thailand, there are Mae Klong River and

Sam Pan Bok, also known as the Grand Canyon of Thailand, which is located in Ubon Ratchathani Province. In Kanchanaburi Province, in the West of Thailand, there are many reserves and national forests, which possess many waterfalls and mountains. The coastal tourism is located mainly in the Eastern and Southern parts of Thailand. Provinces in the East, like Trat and Rayong, have many beaches and diving spots, such as Koh Chang and Koh Samed. Pattaya, one of the most famous travel destinations in Thailand, is in Chonburi Province in Eastern Thailand. Marine tourism is more abundant in the Southern part of Thailand. Popular and world-famous destinations include Phuket, Koh Samui, Koh Phi Phi, and Pang Nga Bay, which all offer plenty of recreational activities, such as swimming, snorkeling, and scuba-diving.

The cultural tourism consists largely of architectural tourism and heritage tourism. Thailand is a Buddhist country. There are more than four hundred temples in Bangkok alone. Famous temples in Bangkok include Wat Phra Kaew, Wat Po, and Wat Arun. Furthermore, there are many architectural sites, such as the Grand Palace, Phra Phrom, and historical monuments in Ayuthaya and Sukothai. As for the heritage tourism, Thailand has several unique traditions and customs that have been passed down for many generations. Examples of Thai festivals for tourists to experience are the Loi Krathong Festival and

the Songkran Festival. There are also the Royal Ploughing Ceremony, the Chinese Lunar Festival, the Elephant Festival, etc. All of these festivals entertain and are a fun experience for international tourists who visit Thailand.

2. The growth of foreign tourist arrivals to Thailand

2.1 Overview of the growth of Thailand's tourism industry

In 1991, the number of foreign tourists who traveled to Thailand did not reach the expectation (six million) due to the world's economic crisis and political issues in Thailand. During year 1993 to 2000, the number of Chinese tourists travelling to Thailand had grown rapidly. This was mainly because the Chinese government allowed their citizens to travel abroad. Malaysia,

Singapore and Thailand were the three most popular destinations for Chinese tourists. Chinese tourists had contributed greatly to the growth of Thailand's tourism industry and made tourism become the staple for Thai's national income. In 1997, Thailand's economy was in a downturn but Thai government took measures to stimulate and stabilize the growth of tourism industry. From 2005 to 2015, Thailand has seen a slight increase in the number of international tourist arrivals. This was mainly because of political turmoil and natural disaster during this period. However, the number of foreign tourists in Thailand is expected to continue to grow more sharply in the near future.

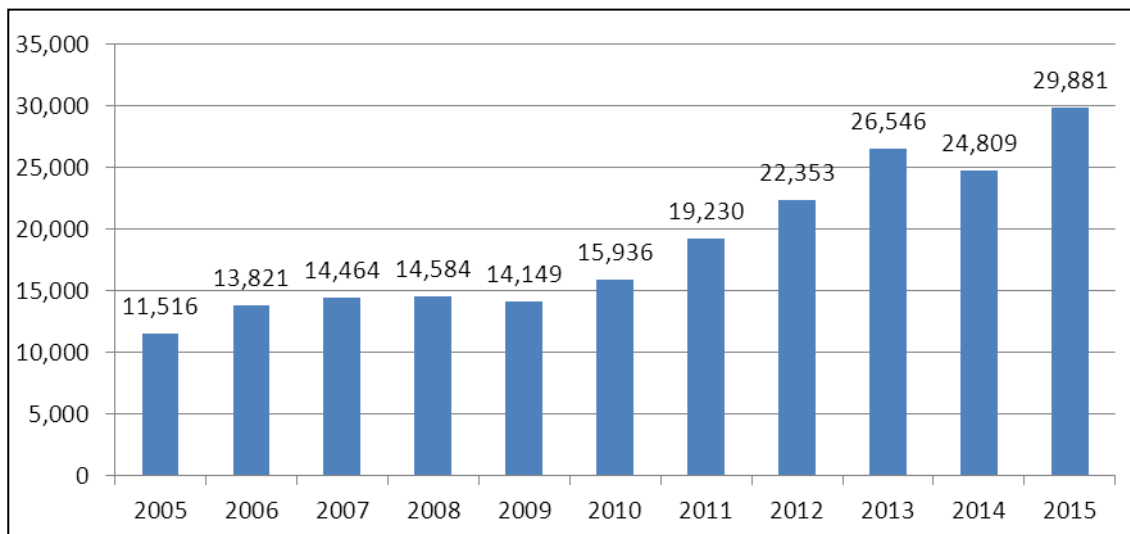


Figure 1: Growth of foreign tourist arrivals to Thailand from 2005 to 2015.

Source: Tourism Authority of Thailand

Figure 1 demonstrates the growth of foreign tourist arrivals to Thailand from 2005 to 2010. The number of tourists increased from 11,516,936 to 15,841,683 within those five years, due to the continuous development of Thailand’s tourism industry. From 2005 to 2010, Thailand saw a 7.5% increase in foreign tourist arrivals, especially in 2006, which marked the year that Suvarnabhumi Airport was officially opened. After 2010, there was a steady growth in Thailand’s tourism industry. The

Thai government’s efforts to promote Thailand’s tourism industry, together with the release of a popular Chinese film (“Lost in Thailand” or 泰囧), helped to increase the number of tourists from East Asian nations, especially Chinese tourists, to Thailand. Thus, Thailand’s tourism industry experienced a steep rise in 2010..

2.2 The growth of international tourist arrivals to Thailand classified by region

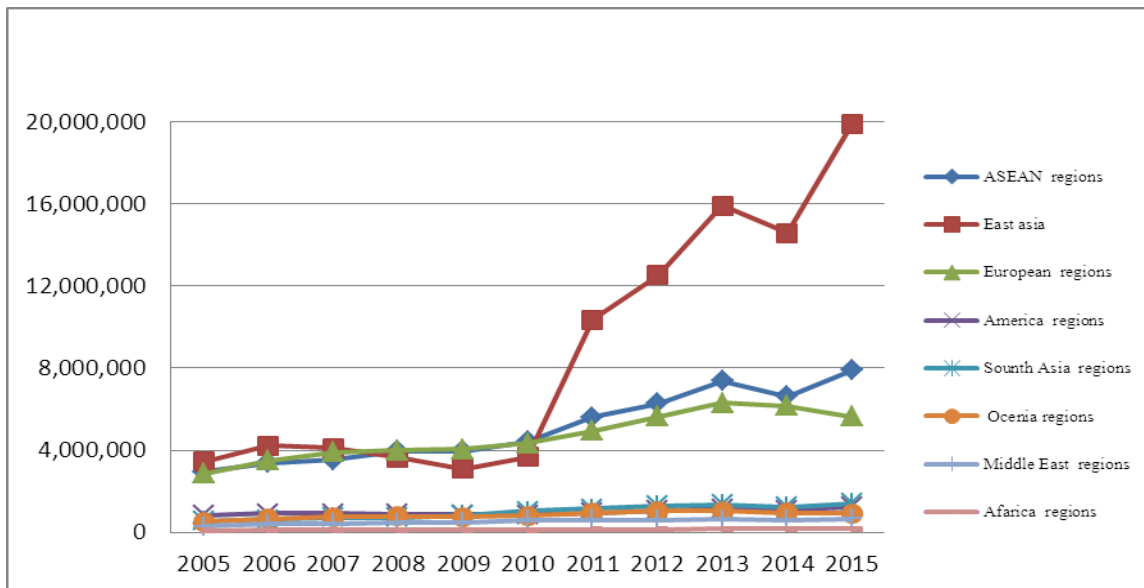


Figure 2: International tourist arrivals to Thailand classified by region from 2005 to 2015 (unit: 100 persons)

Source: Tourism Authority of Thailand

Figure 2 demonstrates international tourist arrivals to Thailand classified by regions from 2005 to 2015. International tourists were from the top three main regions: East Asia, Southeast Asia and Europe. Before 2007, there were more foreign tourists from East Asia than Southeast Asian nations and European countries. Thailand suffered greatly from tsunami in 2007. It also went through domestic political conflicts during 2009 and 2010 and an increasing price of oil and gasoline, which caused airplane ticket prices to rise. From the graph above, it can be clearly seen that these unfortunate events had no effect on the Southeast Asian and European tourists who traveled to Thailand. However, East Asian tourists, mainly Chinese

tourists, halted their plans to travel to Thailand as they also faced economic downturn in their country. Meanwhile, changes in the number of tourists from Southern Asia, America, the Middle East and Africa were low and not clearly visible, meaning only few tourists from these regions traveled to Thailand.

2.3 The growth of international tourist arrivals to Thailand classified by country

The analysis from previous section reveals that the source of Thailand's tourism growth came from three main regions: East Asia, Southeast Asia and Europe. This section will explain the growth of international tourist arrivals classified by country.

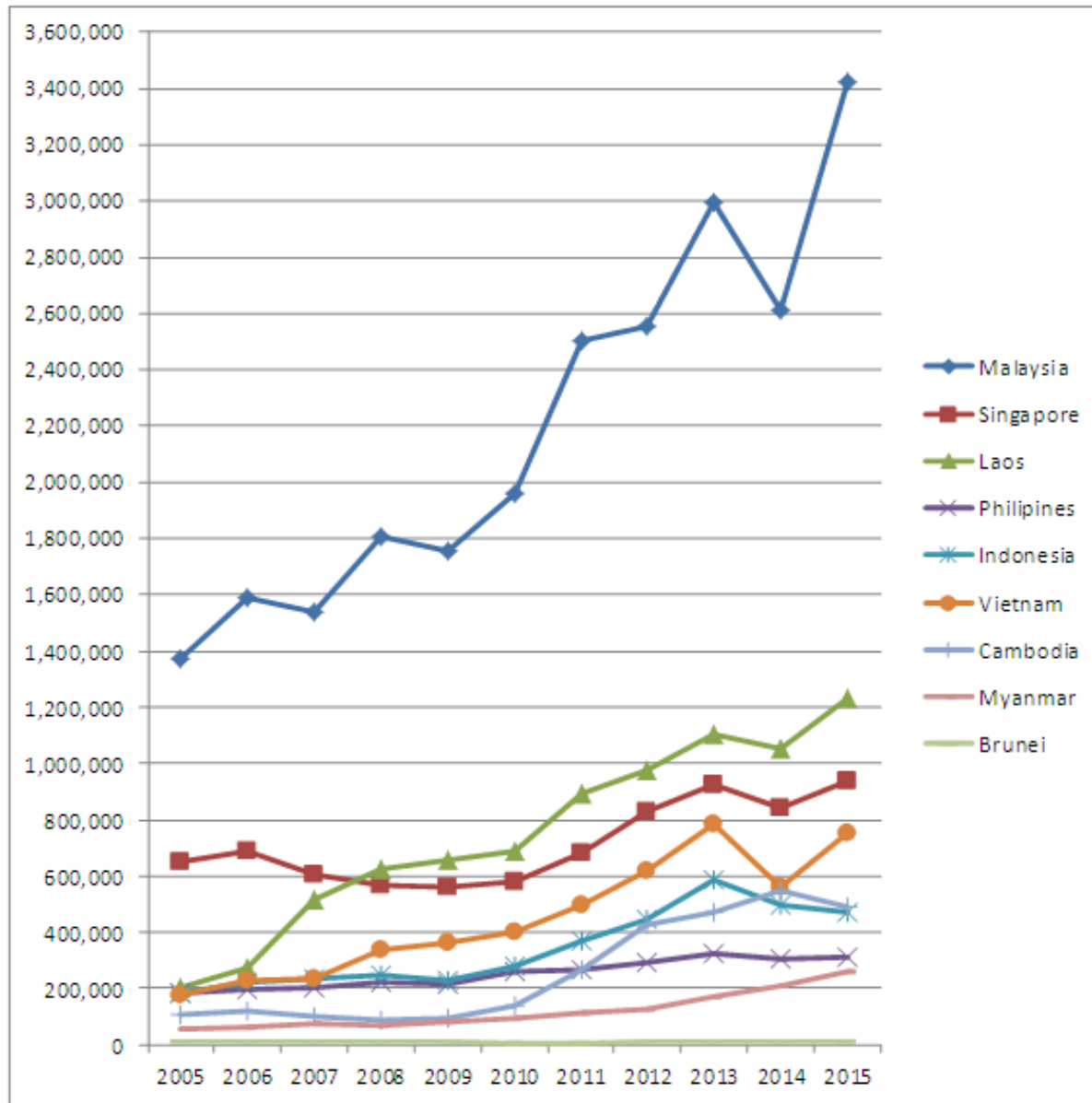


Figure 3: The growth of Southeast Asian tourist arrivals to Thailand classified by country (Unit: person)

Source: Tourism Authority of Thailand

In 2005, the ranking of foreign tourist arrivals in Thailand from Southeast Asian nations was: 1) Malaysia, 2) Singapore, 3) Laos, 4) the Philippines, 5) Indonesia, 6) Vietnam, 7) Cambodia, 8) Myanmar, and 9)

Brunei. A decade later, the ranking changed to: 1) Malaysia, 2) Laos, 3) Singapore, 4) Vietnam, 5) Indonesia, 6) Cambodia, 7) the Philippines, 8) Myanmar, and 9) Brunei. It can be seen in the later rankings that out of

the nine countries, Malaysia, Laos, and Singapore, were the top three nations with residents who travelled to Thailand. Due to the country's development, Vietnam raced ahead of Indonesia and the Philippines to be ranked in fourth place. Indonesia continued to be ranked in fifth place, the

same as it was ten years before. Cambodia, in sixth place, saw some growth in the number of tourists who visited Thailand. The Philippines stood in seventh place, and Brunei still held last place in the rankings.

2.4 The growth of East Asian tourist arrivals to Thailand classified by country

Table 1: Ranking and changes in the amount of tourists from East Asian region travelled to Thailand classified by countries from 2005 to 2015 (unit: person)

Year	China	Japan	Korea	Hongkong	Taiwan
2005	776,792	1,196,654	816,407	274,402	365,664
2006	949,117	1,311,987	1,092,783	376,636	475,117
2007	907,117	1,277,638	1,083,652	367,862	427,474
2008	826,660	1,153,868	889,210	337,827	393,176
2009	777,508	1,004,453	618,227	318,762	362,783
2010	1,127,803	984,763	815,970	321,120	385,689
2011	1,721,247	1,127,893	1,006,283	411,834	447,610
2012	2,786,860	1,373,716	1,163,619	473,666	394,225
2013	4,637,335	1,536,425	1,295,342	588,335	502,176
2014	4,636,298	1,267,886	1,122,566	483,131	394,149
2015	7,934,791	1,381,690	1,372,995	669,165	552,624

Source: Tourism Authority of Thailand.

From Table 1, we can see that the main East Asian countries with residents who travelled to Thailand were China, Japan, Hong Kong, South Korea, and Taiwan. In 2005, Japan became the East Asian country that had the highest number of tourists who travelled to Thailand. South Korea, China, Taiwan, and Hong Kong ranked second, third, fourth, and fifth, respectively.

Years later, these rankings showed some changes. A huge number of Chinese tourists travelled to Thailand, and in 2015, China replaced Japan as the top tourist country in the East Asian region. Almost eight million tourists were from China, which made it a powerful, driving force in Thailand's tourism industry.

The Chinese economy has been fast-growing, and the population have become richer and more modernized. The friendship between Thailand and China is strong, and Thailand does not requires any visa fee or arrival fee from Chinese tourists. The Chinese film, called “Lost in Thailand” (泰囧), has played a huge role in bringing Chinese people to visit Thailand. Beginning in 2005, the Chinese government agreed to collaborate with and assist the Thai government in improving Thailand’s tourism industry. Thai tourist companies and Chinese companies began joint operations of outbound travel and introduced several high-quality services to Chinese tourists, such as business travel, study tours, summer camp tours, and medical tourism. Furthermore, many Chinese tourist firms started up their businesses and invested in Thailand’s tourism industry.

2.5 The growth of European tourist arrivals to Thailand classified by country

The European region was an important source of tourists travelling to Thailand. In 2005, as showed in Figure 4, the

ranking of foreign tourist arrivals from European nations was: 1) England, 2) Germany, 3) France, 4) Sweden, 5) the Netherlands, 6) Switzerland, 7) Italy, 8) Denmark, 9) Russia, 10) Finland, 11) Norway, 12) countries in Eastern Europe, 13) Austria, 14) Belgium, and 15) Spain. The rankings changed greatly in 2015 and became: 1) Russia, 2) England, 3) Germany, 4) France, 5) Sweden, 6) countries from Eastern Europe, 7) Austria, 8) Belgium, 9) Spain, and 10) Ireland. From these rankings, it was obvious that the number of Russian tourists increased a great deal (from ninth place to first place). As for the Eastern European region, it leaped from twelfth place to sixth place.

From this information, we can conclude that the top five European countries with tourists who travelled to Thailand during the said period were Russia, England, Germany, France, and Sweden.

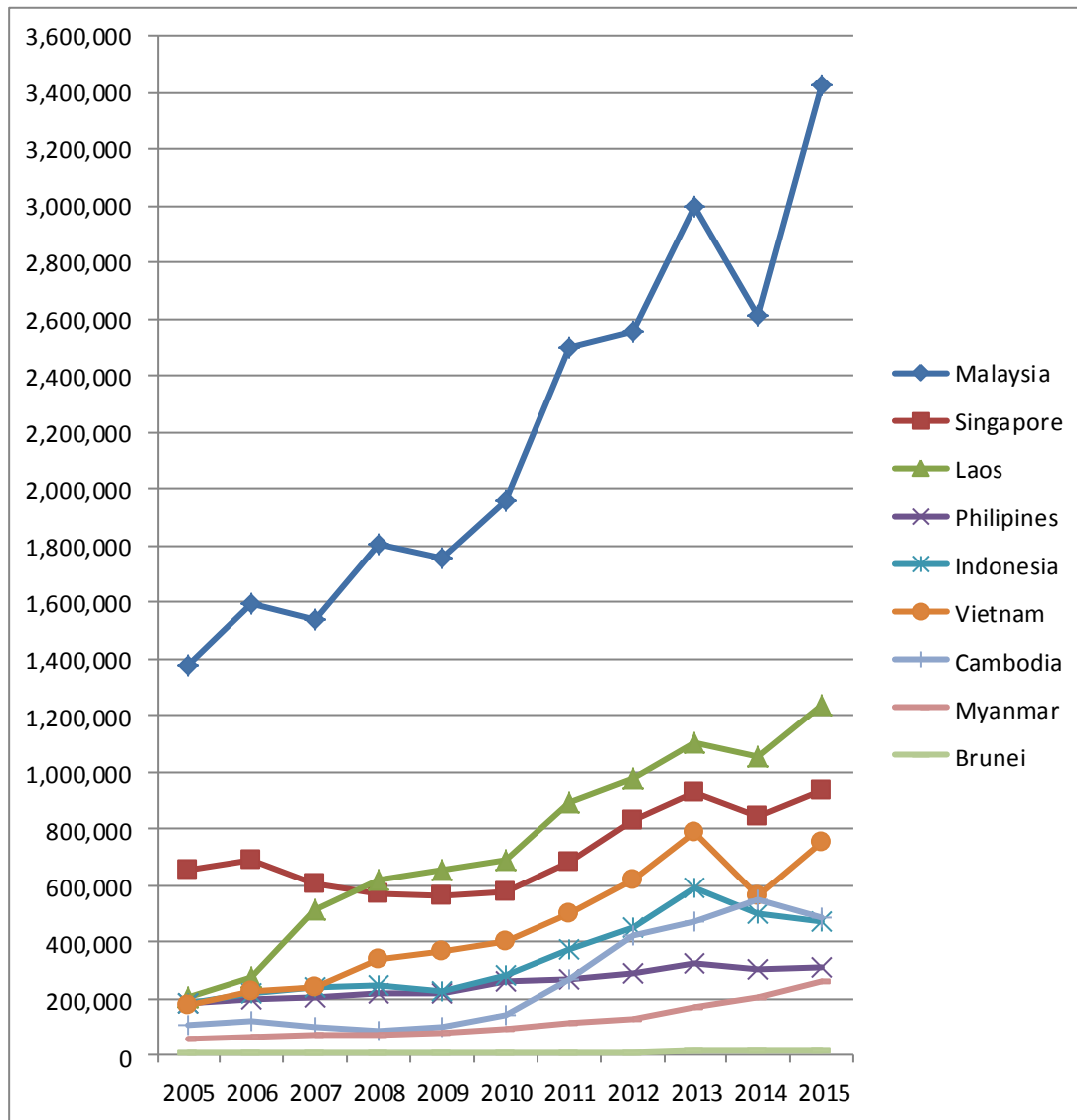


Figure 4: Changes in the amount of tourists from European region travelled to Thailand classified by countries from 2005 to 2015 (unit: person)

Source: Tourism Authority of Thailand

It can also be seen from Figure 4 that since 2013 the number of Russia tourists who travelled to Thailand were slightly decreased. One of the explanations is that the country faced an economic downturn

which resulted from the fell in export oil prices. In 2014, the international community led by the U.S., enforced economic sanctions against Russia, which caused the devaluation of the Ruble, Russian currency.

Thus, the Russian economy collapsed and caused a falling in national income, domestic inflation, and rising food prices. The Russian people suffered and lived with dire consequences.

Thailand's foreign tourists were mainly from three regions: East Asia, Southeast Asia, and Europe. In these three regions, countries in East Asia were the main countries with tourists visiting Thailand, especially China, which supplied Thailand with the highest number of visitors. In Southeast Asia, Malaysia, Singapore, and Laos were the top countries with tourists who travelled to Thailand, especially Malaysia. In Europe, countries like Russia was Thailand's largest supplier of tourists, but due to the collapse of the Russian economy in recent years, the position of Europe's largest source country benefiting Thailand's tourism industry was taken by Britain.

3. The effects on national income resulting from changes in the number of international tourists

The rapid development of Thailand's tourism industry, especially with the expansion in the number of Chinese tourists, has brought a lot of foreign exchange earnings to Thailand. According to statistical data, Thailand's tourism industry entered a golden era in the 1980s. At that time, the foreign exchange earnings created by the tourism industry had already

exceeded those that created by the export of traditional agricultural products of Thailand, such as rice. However, the amount of foreign exchange earnings created then by the tourism industry was quite small, compared with that created by tourism industry in 2015. By 1982, the amount of foreign exchange earnings created by Thailand's tourism industry had reached 3.878 billion baht. (Xin, 2014). In the 1990s, the amount of foreign exchange earnings created by Thailand's tourism industry accounted for 7.1% of the gross national product (GNP) of Thailand while over 70% of the Thai people were engaged in industries related to tourism. According to the Tourism Authority of Thailand, the amount of foreign exchange earnings created by Thailand's tourism industry had reached 8.55 billion dollars. In the 21st century, especially after 2010, the amount of foreign currency earnings created by Thailand's tourism industry has doubled. According to the Tourism Authority of Thailand, the amount of foreign exchange earnings created by Thailand's tourism industry reached 585.961 billion baht in 2010, about 16.742 billion dollars accounting for 11.9% of the GNP of Thailand. At that time, European tourists contributed the most to the foreign exchange earnings of Thailand accounting for 38.86% of the total amount of foreign exchange earnings of Thailand's tourism industry in that year. In 2010, the amount of

the foreign exchange earnings contributed by Chinese tourists was 34,007.81 million baht accounting for 5.8% of the total

earnings of Thailand’s tourism industry, up about 46.9% from 2009. (Figure 2-8).

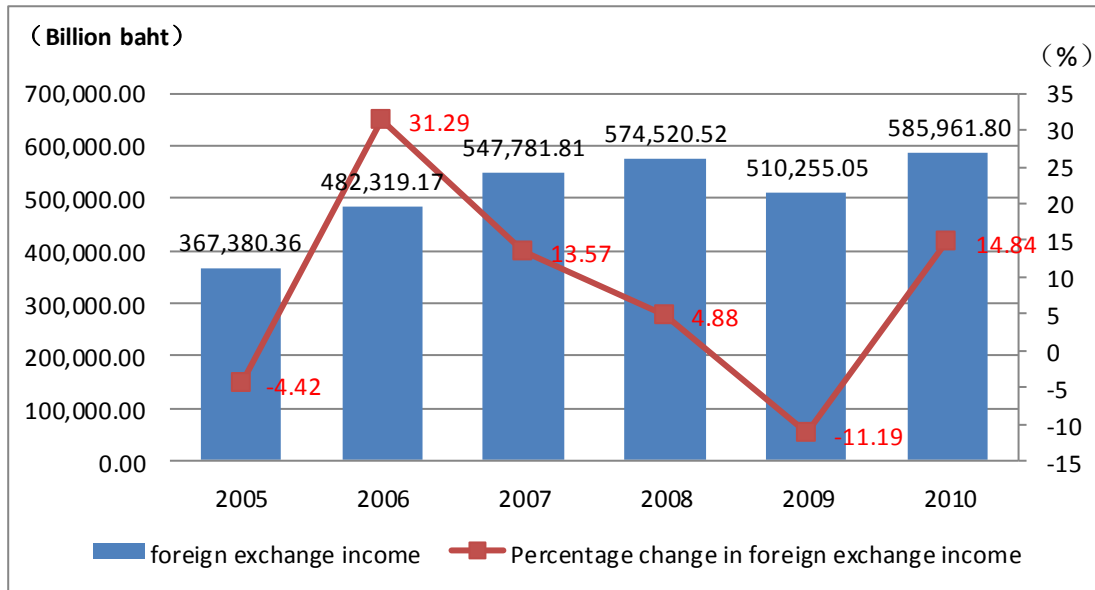


Figure 5 :Foreign exchange earnings created by Thailand’s Tourism Industry (2005-2010)

According to the Tourism Authority of Thailand, the amount of foreign exchange earnings created by Thailand’s tourism industry has reached 776.2172 billion baht in 2011, about 22.192 billion dollar, up 30.94% from 2010. In 2015, the amount of foreign exchange earnings created by Thailand’s tourism industry nearly doubled from 2011 and reached 1,447.15805 billion baht, about 41.347 billion dollar. In 2014, foreign exchange earnings contributed by Chinese tourists were 199.89927 billion

baht. In 2015, this number nearly doubled to 376.00137 billion baht. From the perspective of foreign currency earnings created by the tourism industry, as Chinese tourists contribute most to the foreign exchange earnings of Thailand’s tourism industry among all source countries, the situation of the export of Thailand’s tourism service to China directly affect the income of Thailand’s tourism industry, thus affecting the GNP of Thailand. (Figure 6).

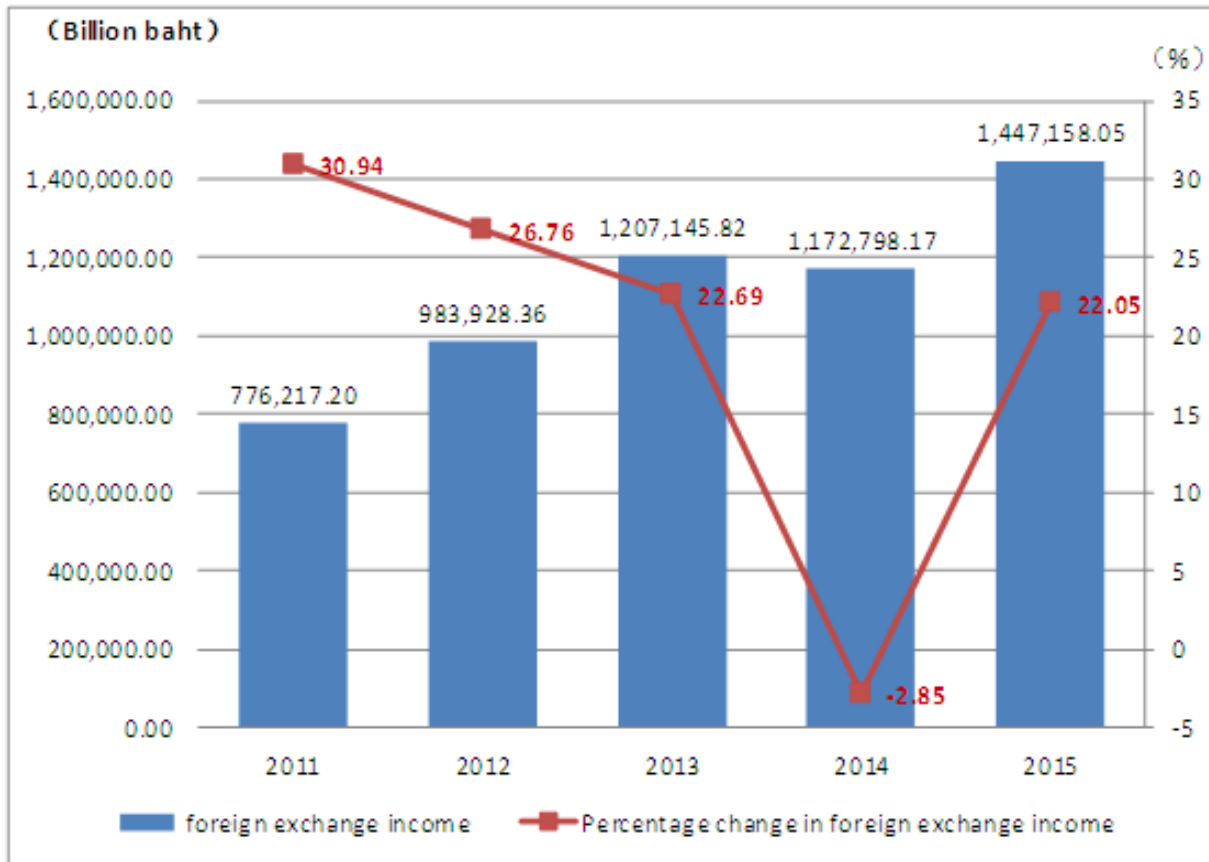


Figure 6: Foreign exchange earnings created by Thailand’s Tourism Industry (2011-2015)

4. Concluding Remarks.

It can be concluded that Chinese tourist arrivals to Thailand greatly contribute to expansion in tourism industry in Thailand, which is the pillar of the national economy of Thailand, and consequently affects the national income of Thailand. The above discussion shows that, since China has

become the main exporting target of Thailand’s tourism industry and because the number of Chinese tourists traveling to Thailand have increased sharply every year, Thailand’s tourism export policy towards China and the relationship between the two countries both have a great influence on the national income of Thailand.

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