Thailand

The Asia and the Pacific
Intra-regional Outbound Series

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Foreword

The Asia-Pacific region by the very nature of its surface area, population, cultural diversity, and economic activity is a vast store house of tourism. For too long the region has been associated with inbound tourism but a closer analysis shows that the outbound potential and growth rates are far superior to that of the other economic blocs of the world whether it be Europe or the Americas.

The UNWTO 2020 market survey predicts that China will be the leading inbound and the fourth largest outbound destination with 100 million tourists. Recent trends in the outbound figures of China indicate that this figure will be surpassed earlier than estimated. Another UNWTO survey has placed China and India amongst the fastest growing outbound destinations with growth around 10% per year.

A very interesting feature of the Asia-Pacific outbound statistics reveals that 78% of outbound Asian traffic is to the region itself. Intra-regional traffic therefore plays a very important role in the economic and tourist landscape which is gradually but firmly changing the world tourism scenario.

UNWTO has, therefore, commissioned the present series on "Asia and the Pacific – intra regional outbound" market studies through leading academics of Asia and the Pacific, working on their own or through reputed tourism institutes, to analyse the potential and future trends of seven leading markets viz: Australia, China, Hong Kong, India, Japan, Republic of Korea and Thailand.

It is the beginning of an initiative that hopefully will be continued in the future as more information, data, and research emerge of these outbound markets on the one hand and the efforts made by the inbound destinations to improve their infrastructure and products to receive their "neighbours" on the other.

I congratulate the Regional Representation for Asia and the Pacific of UNWTO for producing these studies.

Francesco Frangialli

Secretary-General
World Tourism Organization

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Acknowledgements

This study is a part of the Asia and Pacific intra-regional outbound tourism series, being conducted by the World Tourism Organization. As intra-regional tourism within the Asia-Pacific region is on the rise, and constitutes a good portion of the total tourists to the region, these studies focus on the potential of the Asia-Pacific generating markets, as a source market for the countries concerned.

The World Tourism Organization (UNWTO) hopes that this marketing study will be of benefit to the concerned NTAs, NTOs and other stakeholders in the tourism industry in their endeavour to understand the source market.

We wish to thank Mr. Pradech Phayakvichien, Advisor to the Tourism Authority of Thailand, for undertaking the study.

Mr. Omar Nawaz and Ms. Lorna Hartantyo, under the supervision of Mr. Xu Jing of UNWTO, are responsible for coordinating and editing the study.

This study is produced by the Regional Representation for Asia and the Pacific of UNWTO, in collaboration with the Market Intelligence and Promotion Department of UNWTO.

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Executive Summary

In 2003, Thailand's economy was ranked seventh from the Asia region, with a GDP of US$ 142,953 million. The population of Thailand is around 62.36 million, with an estimated number of households as of April 2005 at 19 million. 30% of the population of Thailand lives in the North Eastern Region and 17% in Bangkok and its surrounding suburbs while the remaining 50% live in the north, central and southern region of Thailand. The population group with an income of more than US$ 3,000 per month are executive staff and entrepreneurs who run their own business. They mostly live in Bangkok and its suburbs, while some are in the metropolitan areas of the other regions. The people of this group are the main commercial targets to purchase goods and services, especially luxury goods and services.

Thanks to a change in perception amongst the Thais, who used to see traveling as a luxury activity to one that is beneficial and productive, tourism has increased steadily over the years. After Thailand began to seriously support tourism, especially inbound tourism, Thailand saw its outbound tourism grow as well: growth of Thai tourism parallels national economic growth which has seen Thailand shift from a largely inbound destination to an increasingly important outbound source-market in the last few years. There is considerable opportunity for outbound travel to further grow in the future.

Thai outbound travel has grown consistently since 1978. Nevertheless, it had faced many problems such as the decree to curb foreign exchange outflows, economic crisis, as well as problems arising out of the war in Iraq, and SARS. Outbound travel expanded strongly in the early 90's because of steady economic growth, expansion of export and foreign investment, especially in construction and banking. Investment in the stock market, land and real estate also stimulated large consumption by the Thai people. Outbound travel, such as incentives, study as well as shopping grew significantly. There were 2.7 million departures by 2004.

Although average annual per capita income of Thais is low, households with an annual income of over US$ 6,000 comprise 14% of the population and are the primary target for Thai outbound travel. The majority of Thai people live in the provinces. The population is largely agricultural and blue collar, and only one in four people are city dwellers in the middle-high society level.

Seasonality of Thai outbound is different from other Asian markets. For example, school holidays are in March-April while the mid-term break is in October. These are considered the peak travel season in Thailand. During winter (December), there has been a noticeable growth in outbound travel too.

The main age group of outbound Thai travelers is between 24-44 years old, representing 54.3% of the total outbound travelers in 2004. Meanwhile, the share of people between 25-34 years old who are mostly in their early working-age group, represent 27.6%. Frequency to travel is still low, averaging only 2.4 trips a year due partly to their financial status and the rather short duration of summer holidays.

In terms of purpose for embarking on a trip, traveling for the holidays is the largest segment (53.8%), followed by business and conference with a combined market share of only half the number of those who go on holidays. Traveling to gain new experience and see famous tourist spots are also seen as important reasons for traveling abroad. One third of travel is in the form of package tours and almost all are inclusive packages especially to new, unfamiliar destinations such as South Asia or Africa.

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Type of travel has also changed from multi destination to single destination. More than 85% of travel has become single destination nowadays, except in Europe and the Americas. Up to now, Thais mostly traveled to short haul destinations within the region, but by 2000, almost all regions have seen growth in Thai outbound travel except for the Americas and Africa.

Most trips are of short duration of around 7.7 days. This is due to the fact that the labor law does not permit "paid vacations" for all workers in Thailand, but each company normally allows annual vacation period as part of the welfare scheme for about 10 days per year which in turns prevents Thai travelers from traveling for long periods.

As a world-class inbound destination, this also led to the development of air transport for both Thai Airways as well as other international airlines, to fly outbound. There are therefore no obstacles to outbound travel with a huge number of services offered by 74 to 79 airline companies, connecting 93 cities in 53 countries.

According to estimations, **there are approximately 350-400 outbound tour operators,** and they are mostly small-medium size companies.

In terms of existing traffic and travel pattern, Malaysia is ranked first as the most popular destination outside of Thailand. As a neighboring country to Thailand, the two countries have nurtured cooperation in many ways, and it receives the highest numbers of Thai travelers, mostly from overland visitors. In the meantime, Singapore, China, Hong Kong and Japan are considered "Market Leaders" amongst the Thai Outbound Market. New countries that will attract the Thai market in the future are China, Lao PDR, India and the Republic of Korea.

Long standing urban type destinations such as Singapore and Hong Kong are reaching a mature stage. They experience little growth in Thai visitors, but a high level of business traffic. However, they are very good at marketing, especially with their main attractions, being the duty free shopping in modern shopping complexes, as well as their delicious cuisine. Other destinations like Indonesia, Cambodia, Vietnam and Myanmar have a long way to go, mainly because they do not have any marketing offices in Thailand. While Vietnam is generating considerable interest due to word of mouth publicity of the natural beauty of Vietnam, Indonesia's competitiveness has been falling due to concerns over security.

Future trend for overseas travel by Thais is very positive. With a strong growth in the economy in 2005 and low domestic interest rate, this has led to public spending, which includes spending on travel and tourism. The lure of advertising and public relations by tour operators and various airlines have also contributed to the raising number of Thais traveling overseas.

Chapter I

Overview of Thailand

1.1 Geography

Thailand is situated in the heart of the Southeast Asian mainland, covering an area of 513,115 km^2 and extending about 1,620 km from north to south and 775 km from east to west.

Thailand borders the Lao People's Democratic Republic and the Union of Myanmar to the North, the Kingdom of Cambodia and the Gulf of Thailand to the East, the Union of Myanmar and the Indian Ocean to the West, and Malaysia to the south.

The capital city of Thailand is Bangkok, and its major other cities are Chiang Mai, located in the Northern region of Thailand, Songkhla, located in the South, Ayutthaya and Chonburi, located in the Centre, and Nakhon Ratchasima and Khon Kaen, both located on the North East region of Thailand.

The climate of Thailand is characterized by tropical monsoons, with a high degree of humidity.

The national and official language is Thai, while English is spoken and understood in major cities particularly in Bangkok and in business circles.

1.2 Population

The population of Thailand is around 62.36 million, of which more than 30% live in North Eastern Region and 17% in Bangkok and surrounding suburbs (8 million in Bangkok, and 3 million in the suburbs). The remaining 50% live in the North, Central and Southern Region where the population density is 70-140 people per km^2. Bangkok has a very high rate of population density at 3,600 people per km^2.

The number of households as of April 2005 is estimated at 19 million. The number of households in every region is estimated to be growing at an annual average rate of 2% per year (1995-2004), which is higher than the population growth rate of 0.85%. Hence, the number of family members per household has dropped from around 3.7/household in 1995 to 3.4/household in 2004.

Mostly households and people in Thailand live in provincial areas. In every region, only around 18-32% of households are located in metropolitan areas. It is only Bangkok and its surrounding suburbs where 80% of all households live in the Metropolitan area.

According to the structure of Thai population, 47% or around 34 million is between 20-55 years old, which is working age. About 800,000 people enter the labour market every year, with a majority not being highly educated. The average years of education attainment for the population aged over 15 years was 7.8 in 2002.

Because of local societal structure and low education levels, most households and population are employed in the field of agriculture (around 30%). Manufacturing and services together employ about 38% of the population. The hired employees, mainly ranging from working to middle class such as sales-persons, service personnel, as well as employees in manufacturing industry etc, administrative and executive employees comprise only 9-10% of all households. The percentage of entrepreneurs who

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run their own business is 15-17%; most of them small business entrepreneurs. To try and estimate the Thai outbound travel market simply from the household structure and population figures would be misleading.

1.3 Economy

In 2003, Thailand's economy ranked seventh in Asia region, with a GDP of US$ 143 billion of which 45% came from the manufacturing sector, 42% from the commercial and service sectors combined and only 10% from agriculture.

Thailand has been trying to improve its economic structure by changing its main source from agriculture to industry and commerce. This has boosted the GDP growth over the past two decades, especially during the end-80s to the mid-90s. The annual economic growth rate was in the double digits until the Asian economic crisis of 1997.

The economic crisis interrupted Thailand's GDP growth. Sharp increases in unemployment as well as bankruptcies in the commercial and banking sectors caused people to stop consuming. The government later launched policies to stimulate national consumer confidence and support exports which saw the Thai economy making a slow recovery by 2000. During 2002-2004 Thailand's GDP hit a growth rate of between 6-9%.

Most Thais are working and middle class people, mainly in the agriculture sector, 86% of households have a low annual income of less than US$ 6,000 per year. Only 4% of all households earn an annual income more than US$ 12,000. As a result, the country's average per capita income is only US$ 2,190 (2003), which is almost the same as developing countries like Peru and El Salvador. In Asia, Thailand ranks seventh in per capita income, after Malaysia.

The population group with an income of more than US$ 3,000 per month are executive staff and entrepreneurs who run their own business. They mostly live in Bangkok and its suburbs while some are in the metropolitan areas of other regions. The people of this group are the main commercial targets to buy goods and services, especially luxury goods and services.

Chapter 2

Thailand as an Outbound Tourism Market

2.1 Development of the Outbound Thai Traveler

Thanks to a change in perception among Thai people, from travel as a luxury activity to one that is beneficial and productive, (national) tourism has increased steadily over the years. In 1995, the number of Thai person-trips (including at least one overnight) was about 35 million. In 2004, this figure touched 48 million, or an annual average growth rate of 4%.

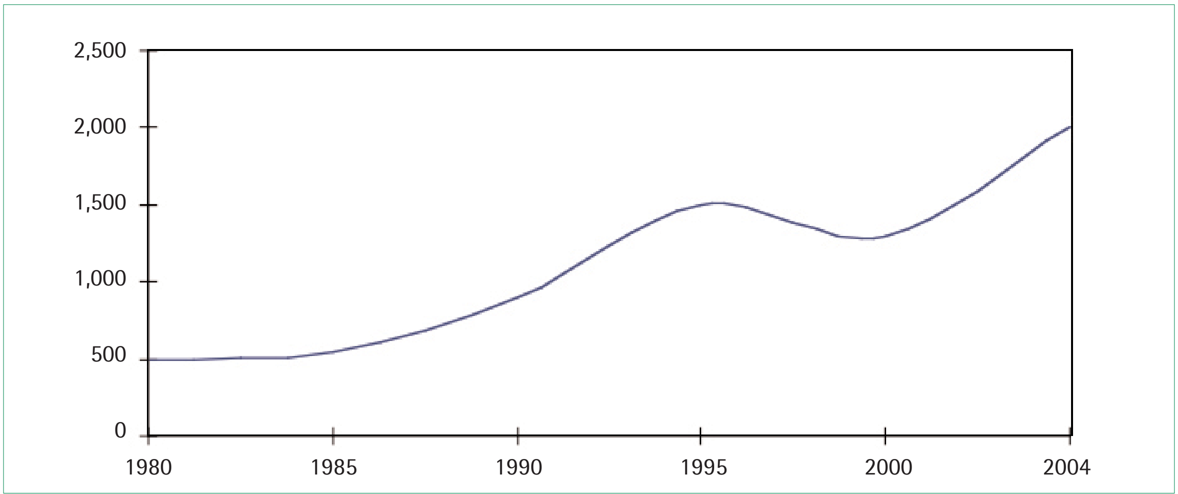
However, most Thais travel within the country; only 5% travel abroad. Although the market share of outbound segment is very low, the average annual growth trend of this segment has been very high at around 12.74% per year since 2000. By comparison, the average annual growth rate of the total travel market is 6.1% per year (based on 1999 data).

Market size and share of Thai Traveler, 1995-2004

Year	National Tourism		Domestic Tourism		Outbound Tourism	
	Number (000)	Growth	Number (000)	Growth	Number (000)	Growth
1995	35,334	-	33,536	-	1,798	-
1999 *	36,795	-	35,140	-	1,655	-
2000	37,079	0.77	35,170	0.08	1,909	15.35
2002	40,660	10.50	38,410	9.31	2,250	35.95
2003	45,142	22.69	42,990	22.34	2,152	30.03
2004	48,009	30.48	45,300	28.91	2,709	63.69
Average growth rate		**6.10**		**5.78**		**12.74**

Source: Statistical Report by TAT
* Base year

Development of the Thai Traveler Abroad, 1980-2004



Source: Statistical Report by TAT

In 1970, only 50,000 Thais travelled abroad. They comprised mainly government officers, businessmen and labourers on foreign work contracts.

After Thailand began to seriously support tourism, especially inbound tourism, outbound tourism also grew. The number of outbound travelers has grown significantly since 1978 when there were more than 300,000 outbound travelers. New, high-end travelers, many of whom had become newly rich through investments in finance and stocks, also helped market growth. As a result, outbound travel grew by 15-20% per year during 1979-1983.

That strongly affected the balance payments of the country, leading the government to launch a policy to prevent the drain of foreign exchange by imposing a departure tax of 1,000 baht (US$ 50 at that time) per person, and limit the amount of money that could be spent abroad. These measures caused a decline in the outbound market during 1984-1986. In 1987, the government withdrew the measures and the outbound market recovered to the same rate as previously.

Outbound travel expanded strongly in the early 90's because of steady economic growth, expansion of export and foreign investment especially in construction and banking. Investment in the stock market, land and real estate also stimulated large consumption by the Thai people. Outbound travel such as for incentives, study as well as shopping grew by double-digit. In 1992, the number crossed the one million mark.

Then came the 1997 financial crisis which affected the economy and saw declines in every segment of outbound travel, except labourers on work contracts. In 1996, the number of outbound travelers was 1.8 million which fell to 1.4 million in 1998 and did not recover to the same level until 2000. During the economic crisis phase, there was a downturn in both domestic and outbound tourism but inbound tourism grew steadily. Long-haul inbound travelers replaced short-haul travelers from Asian countries which were facing the same crisis. Some outbound tour operators were forced to change their strategy to start inbound business.

After the crisis receded, the number of outbound travelers grew steadily, but the growth rate was not as strong as in the past. Other crisis like SARS also caused temporary disruptions. In 2001, outbound travel totalled two million trips, and is projected at three million trips in 2005. But travel patterns have changed with declines in incentives and short-term study travel and growth in niche markets, family holidays and adventure travel.

Outgoing Thai Travelers, 1977-2004

Year	Number	+/- (%)
1977	239,433	+14.25
1978	322,361	+34.63
1979	396,585	+22.71
1980	479,217	+21.14
1981	580,893	+17.04
1982	642,768	+14.60
1983	766,186	+19.20
1984	607,527	-20.71
1985	545,329	-10.24
1986	541,383	-0.72
1987	650,605	+20.17
1988	733,271	+12.71
1989	800,658	+9.19

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Year	Number	+/- (%)
1990	883,328	+10.33
1991	955,415	+15.00
1992	1,261,845	+26.00
1993	1,516,864	+24.00
1994	1,657,373	+9.26
1995	1,798,324	+8.50
1996	1,823,676	+1.40
1997	1,637,595	-10.20
1998	1,393,845	-14.90
1999	1,654,740	+18.70
2000	1,908,928	+15.36
2001	2,010,616	+5.30
2002	2,249,636	+11.90
2003	2,151,709	-4.40
2004	2,708,941	+25.90

Source: Statistical Report by TAT

2.2 Volume of Outbound Tourism

Thai outbound travel can be divided into two major categories, the short and the medium haul, with 85% within the East Asia region. However, travel for leisure tourism and business is growing rapidly, especially due to the economic liberalization of the neighboring ASEAN countries and the improved facilitation in the form of visa exemption, visa on arrival and aviation linkages among Asian and ASEAN cities. For example, in 1996, Thai travelers to Lao PDR totaled only 54,469 but had grown to 106,793 in 2004, and travel to Vietnam had grown from 16,458 to 45,024 in the same period.

The entrance of low cost airlines and the price-dumping competition amongst airlines on routes to Malaysia and Singapore after the 2003 SARS crisis boosted travel to Malaysia and Singapore from 40.58% of total outbound travel in 2000 to 42.5% in 2004, and the intra-ASEAN share of travel grew from 40% in 1996 to 52% in 2004.

The opening of new attractions in China and India and Sri Lanka (especially for religious travel) diverted them from travelling to Hong Kong and USA.

Cost is one of the major considerations for Thai outbound travel. Travel to medium and long haul destinations costs two to three times more than travelling within the region. Not many Thai people have the spending power for long haul travel. For example, after the financial crisis of 1997 when Thai currency was devalued by over 30%, the spending power of the Thai people for medium and long haul destination for holiday and study dropped to Europe, America and Oceania, even though the growth rate had previously been high.

Europe with an 8.23% market share can be considered the most popular long-haul distance destination in 2004, with the most favourite countries being Germany, United Kingdom, France and Switzerland. Australia is the main destination in the Oceania region, where its market share dropped to 2.64% of total outbound travel in 2004 due to the financial crisis, from a share of 4.17% in 1996. The Americas experienced a similar downturn, from 3.82% market share before the crisis to only 1.34% post-crisis.

The market share of outbound Thai travel to the Middle East region is only 2.2%, mostly for labor contracts. The market share of South Asia was only 1.4% (25,770) in 1996 but rose marginally to 1.87% (50,548) in 2004, with India being the main destination in the region.

Regional Share and Growth by Thai Outbound, 1996-2004

Destination	1996		2000			2004		
	Number	(%)	Number	(%)	+/- (%) 00/96	Number	(%)	+/- (%) 04/02
East Asia	421,680	77.96	1,568,469	82.16	+10.33	2,265,068	83.61	+44.41
ASEAN	(726,428)	(39.83)	(946,389)	(49.58)	+30.28	(1,404,726)	(51.86)	(+48.43)
Europe	174,241	9.55	158,598	8.31	-8.98	222,912	8.23	+40.55
The Americas	69,693	3.82	48,457	2.54	-30.47	36,392	1.34	-24.96
South Asia	25,770	1.41	28,356	1.49	+10.03	50,548	1.87	+78.26
Oceania	75,978	4.17	63,714	3.34	-16.14	71,402	2.64	+12.07
Middle East	52,374	2.87	35,846	1.88	-58.44	60,174	2.22	+67.87
Africa	3,940	0.22	5,488	0.29	+39.29	2,445	0.09	-55.45
Total	**1,323,676**	**100.00**	**1,908,928**	**100.00**	**+4.67**	**2,708,941**	**100.00**	**+41.91**

Source: Statistical Report by TAT

Main Destination by Thai Outbound, 1996-2004

Destination	2004		2000		1996	
	Rank	Number	Rank	Number	Rank	Number
Malaysia	1	863,665	1	540,278	1	383,985
Singapore	2	287,597	2	234,482	3	268,560
China	3	285,893	4	135,517	5	105,820
Hong Kong	4	238,566	3	195,678	2	273,448
Japan	5	143,152	6	88,900	6	87,235
Taiwan	6*	107,749	5	134,880	4	107,825
Lao PDR	7	106,880	7	67,251	9	54,469
Republic of Korea	8	68,402	8	61,465	12	26,760
Australia	9	64,896	9	58,597	8	62,571
Germany	10	54,184	11	41,088	10	39,272
Vietnam	11	45,102	13	21,851	14	16,458
United Kingdom	12	43,626	12	31,171	11	36,616
USA	13	34,825	10	47,026	7	65,362
Myanmar	14	31,808	14	16,606	13	20,685

Source: Statistical Report by TAT

2.3 Propensity to Travel

Because of the low income of most households and population, their savings rate is also low. The daily income of most households is mainly spent on daily consumption. So they seldom travel. The people with a savings rate of more than 20%, who are professionals or executives, are the most promising target markets. They have the highest spending rate on tourism (around 1.8%). The second interesting target is the group of employees in the commercial and service sector whose savings share and spending share on tourism are around 13-15% and 1.2% respectively.

However, the propensity to travel of the two potential target markets mentioned above depends on household income level. Households with income level of US$ 12,000 + have the propensity to travel abroad at 15%.While households with an income level of US$ 6,000 – 12,000 have the propensity to travel abroad at only 4%.

2.4 Profile of Outbound Travelers from Thailand

2.4.1 Characteristics

In 2004, outbound Thai travel totalled 2,708,941 of which around 6% or 148,595 comprised outbound labourers to Taiwan, Singapore, Republic of Korea and Israel. The rest of the travelers, 2,560,346 can be divided into two groups. The first, which is around 33% of outbound traveler (901,039) is cross-border travelers to the neighbouring countries of Malaysia and Lao PDR. Most people in this group are from the Southern region close to Malaysia or the North-eastern region close to Lao PDR. Only 61% of outbound travel or 1,659,300 is outbound for actual tourism purpose. This is the potential market to be promoted. Most of it is concentrated in Bangkok and suburbs.

Distribution of Outbound by Characteristic, 2004 (%)

Labour force	6
Cross Border	33
Overseas Traveler	61

2.4.2 Gender

There is no difference between the male: female ratio amongst outbound travelers. In 2004, the ratio was 50.36:49.37. Although the ratio is very different in some years, it is not significantly different. Destinations in Europe, Oceania as well as Hong Kong attract more female travelers, because of the convenience of getting around in those destinations, shopping and beautiful scenery. Hence, these destinations tend to attract more female travelers (more than 55%).

Meanwhile, new destinations for outbound Thais such as Vietnam, Cambodia and Philippines suffer from a negative safety perception. Other countries such as Taiwan and those in the Middle East have a higher share of male outbound travelers (more than 60%).

Thai Outbound by Gender, 2002-2004

Destination	2004				2002			
	Male		Female		Male		Female	
	Number	(%)	Number	(%)	Number	(%)	Number	(%)
East Asia	1,167,482	51.53	1,097,974	48.47	983,916	51.89	912,106	48.11
Europe	92,750	41.66	129,866	58.65	72,584	41.30	103,167	58.70
The Americas	17,226	47.46	19,069	52.54	16,622	48.68	17,523	51.32
South Asia	25,835	51.26	24,565	48.74	15,855	55.86	12,529	44.14
Oceania	30,644	43.13	40,410	56.87	31,491	42.97	41,789	57.03
Middle East	36,253	59.73	24,438	40.27	22,623	63.45	13,033	36.55
Africa	1,403	57.76	1,026	42.24	3,235	50.54	3,166	49.46
Total	**1,371,593**	**50.63**	**1,337,348**	**49.37**	**1,146,326**	**50.96**	**1,103,313**	**49.04**

Source: Arrival card recorded by TAT

2.4.3 Age

The main age group of outbound Thai travelers is between 25-44 years, which is in the early to mid working-age bracket. This comprised 54.3% of total outbound travelers in 2004. The share of people in the early working-age bracket (25-34 years old) is 27.6%, which is slightly higher than share of people in the mid working-age bracket.

The working-age share in mid to high level bracket (45-54 years old) totals 18.9%, and has been growing the fastest during past 2-3 years. Although this share has very significant future growth potential, it is very sensitive to several factors.

The market share of youth (under 25) and elderly (over 54) is more or less the same at 14% and 13% respectively. As the youth share is growing at roughly the same rates as the middle to high level working-age share, it can be assumed that youth mainly travel with their family. Furthermore, a large percentage of young people are travelling to the United Kingdom, Oceania, Canada and United States of America, presumably for study.

Distribution of Thai Outbound by Age Group, 2000 and 2004 (%)

	2002	2004
< 25	15	14
25-34	30	27
35-44	26	27
45-54	18	19
> 54	11	13

Source: Statistical Report by TAT

2.4.4 Occupation

Excluding those working in the agricultural sector and working class, the segment of travelers classified by occupation is related to the structure of the population. Employees in the industrial manufacturing and service sector comprise the main share (37%) of outbound travel. This includes not just leisure travel but also foreign contract labor to some destinations such as Taiwan, Brunei and Israel.

The second largest outbound travel segment is that of staff and entrepreneurs in commercial and business sector with a market share of 22%. This group is nearly similar to the first group in terms of employment condition and income. The structure of destinations for travel only to both these segments is quite similar, with more than 85% of travelers in each segment traveling within the Asian region.

The next important market segments are the students (11%) and professionals/administrative executives (10%), both of which tend to travel as families. Both have a similar structure of travel patterns with a higher propensity to travel to medium and long-haul destinations like Europe, Oceania and America than the first two market-shares mentioned above.

The last segment, not very large, is that of the housewife/ unpaid family members who work as part of a family business and are a potential niche market. Despite comprising only 7-8% of all outbound Thai travel, the growth rate is good. They are interested in niche destinations such as religious destinations as well as unique and new destinations, etc.

Thai Outbound by Occupation, 2004 (%)

Labor and Service Worker	37
Employee in Commercial Sector	22
Professional and Administrative Employee	10
Students and Children	11
Housewife/Unpaid Family worker	8
Other	12

Source: Statistical Report by TAT

Destination for Thai Outbound by Occupation Group, 2004

Destination	Labor and Service Worker		Employee in Commercial Sector		Professional and Administrative Employee		Students and Children		Housewife/ Unpaid Family Worker	
	Number	(%)	Number	(%)	Number	(%)	Number	(%)	Number	(%)
East Asia	835,192	85.14	529,292	87.54	226,135	80.85	245,417	79.82	166,674	80.16
Europe	69,408	7.08	36,725	6.07	27,319	9.77	28,201	9.17	22,625	10.88
The Americas	10,059	1.03	6,189	1.02	5,519	1.97	6,633	2.16	2,889	1.39
South Asia	16,169	1.94	11,322	1.87	7,783	2.78	4,871	1.58	5,607	2.70
Oceania	19,460	1.98	9,893	1.64	8,661	3.10	18,454	6.00	6,166	2.97
Middle East	29,992	3.06	10,148	1.68	4,539	1.62	3,744	1.22	3,874	1.86
Africa	660	-	1,057	0.17	119	-	158	-	90	-
Total	**980,940**	**100.00**	**604,626**	**100.00**	**279,675**	**100.00**	**307,478**	**100.00**	**207,925**	**100.00**

Source: Arrival card recorded by TAT

2.5 Consumer Behavior Pattern on Outbound Travel

2.5.1 Motives of Travel

In 2004, around 1,457,000 Thais went abroad for holiday travel, with a share of slightly more than a half (53.8%). Compared to outbound travel in 2003, the share of holiday travel in 2004 had dropped. The second largest share of travel is for business and conference (26.6%), a substantial increase over that in 2003. Traveling for VFR and government official trips comprised a share of 7.5% and 6.3% respectively.

Oceania is most popular as a holiday destination among Thai outbound travelers, with 60% of Thai travelers having taken a holiday there. While some areas in Europe are purely holiday destinations such as the Scandinavian countries, others such as Germany, United Kingdom and Austria are popular holiday-cum-MICE destinations. Thais also like to visit Asian destinations such as China and Hong Kong as a holiday destination. Japan and countries in ASEAN (except Philippines) are holiday and business travel destinations, while the Republic of Korea, Taiwan and Philippines are business and holiday destinations.

The need to enjoy new experiences is the main motivation to travel, especially for office workers who have been abroad before. However, this group of travelers is restricted by the limited vacation period per year, and tends to choose destinations which are new and unique. Destinations in Asia such as Vietnam, Myanmar, India and Nepal as well as Egypt in the Middle East have become popular over the past 1-3 years. Meanwhile, new travelers are interested in well-known destinations which are both convenient as well as nearby such as Singapore, Hong Kong and Malaysia.

Most Thai travelers are not interested in culture or way of life in the destinations. Only 8-10% wants to see or study culture and tradition, which is different from that of Thailand. But 12-14% of them are interested in shopping. So shopping is included in most trips, but visiting museum, opera house or cultural activities are seldom found.

Purpose of Thai Outbound Traveler by Region of Destination, 2004 (%)

Region	Holiday	Conference / Exhibition	Business	VFR	Official Mission	Other
Total	**53.8**	**14.3**	**12.3**	**7.5**	**6.3**	**5.8**
East Asia	54.4	13.8	12.5	7.8	6.2	5.3
Europe	50.0	19.4	11.8	8.0	6.0	4.8
The Americas	50.0	16.3	5.9	6.3	13.3	7.9
South Asia	44.3	11.1	9.8	2.7	5.1	27.0
Oceania	63.2	12.9	7.6	3.2	8.5	4.6
Middle East	41.8	20.4	24.4	1.7	6.3	5.4
Africa	67.7	14.3	1.6	9.9	-	6.5

Source: Expenditure Survey Report 2004