

# THAILAND/'S TOURISM INDUSTRY EXPERIENCES SHARP DECLINES



Concerns over the safety of tourists in Thailand intensified on May 20th as it was announced to the world that the country was now under martial law. The development, which was made official by the army's chief via a televisual address, is sure to heighten fears over the country's status as a desirable and safe destination for those that are already planning to visit but the Thai foreign office has been quick to assure prospective travellers of their safety. The ministry has remained realistic about the potential threats and the situation, acknowledging that there is a risk of retaliation against this new power by locals; however, they still encourage tourists to go ahead with their visit, assuring them that if they are cautious and stick to the imposed curfew then they should be fine. This curfew applies to all locals and tourists nationwide and is in effect from 10pm to 5am, meaning visitors must stick to their hotels between these hours.

In the same time, Bangkok is suffering from a dramatic drop in visitors, a trend that is indictative of a much great problem in Thailand's tourism industry. The industry has lost the equivalent of 3 billion dollars in the past year a million fewer travellers are said to have arrived. Those reliant on tourism in the city are noting the especially clear absence of Chinese visitors, with tour groups feeling the effect of a lack of custom as their fleets sit dormant in the depot, and Suvarnabhumi airport has reported just 68,378 Chinese arrivals in the past month, which shows a massive drop of 58.57%. There is such a strong focus on the lack of Chinese visitors to Bangkok because they make up such a large percentage of these missing tourists - one tour group reportedly seeing 50% less Chinese users this year - but the country's problems show the potential for a much wider impact

There is a much greater, potentially worldwide, impact on Thailand's tourism industry because of the long term economic problems and uncertainty.

It is not just the Chinese that are failing to arrive at Suvarnabhumi in such great numbers as the airport saw a fall of 38% across all arrivals in the first quarter of 2014. Remarkably, China was actually the source country providing the most arrivals this past month; there were 30,141 Russian visitors - another sharp decline of 48.1% - and Indian, Japanese and South Korean arrivals are not favouring much better. It is believed that many tourists are staying away because of the state of the economy and a lack of spending confidence and some are calling this the worst tourism crisis in a long time. It is not just the tour companies who are suffering; anyone reliant on Thai tourism, especially minimum wage workers, are worried about the threat of a continued losses.

This continued decline in foreign confidence in Thailand is not being helped by talk of technical recessions, protests and questionable solutions. There is a lack of revenue in many markets, not just tourism, and also a lack of investment. A 50 billion bhat plan for a new District-Em shopping complex by Central Group in Bangkok was recently unveiled but it has been soured by doubts over its potential - with sales being down in the company's current key locations - and there are protests being held in Ratchaprasong, the home of the biggest and best of Bangkok's shopping malls. If the Thai government cannot get deal will its growing economic crisis, improvements in Thailand's tourism industry may struggle.

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