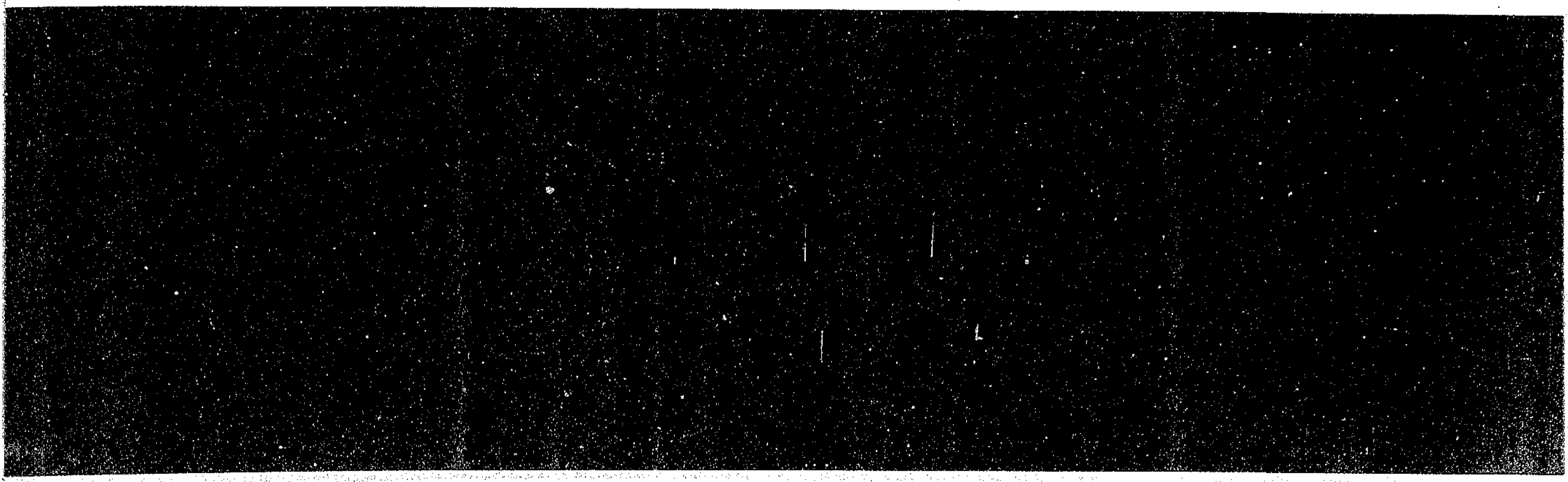
CHAPTER 3 SOUTHERN REGION TOURISM DEVELOPMENT STRATEGIES



3.1 TOURISM AND REGIONAL DEVELOPMENT POLICY

- A Dual Policy
  1) Tourism Growth Poles
  2) Dispersed Development

The 6th National Plan has placed special emphasis on the promotion of international tourism on the assumption that the tourism industry will contribute greatly to boosting the national economy and balancing the trade and current account deficit. The tourism sector grew at a 6.9 percent annual growth on the average in terms of number of international arrivals during the 5th National Plan period and based on this encouraging performance, the 6th National Plan has set an average annual growth target of 7.5 percent. In line with this national context, growth in international tourism is a key issue in Southern Region as well. However, this can be realized only by undertaking a dual policy: facilitating growth in selected strategically located areas with tourist growth potential as tourism growth poles, and stimulating local tourism activities to ensure a dispersed development by a bottom-up approach in the long-run.

3.1.1 THE NATIONAL CONTEXT

1) ECONOMIC ISSUES

- Growth of Tourism Industry
  1) Actual...12.2%(5th Plan)
  2) Goal..... 7.5%(6th Plan)

During the period of the 5th National Plan, the number of international tourist arrivals increased at 6.9 percent per annum on the average. The 6th National Plan places much emphasis on tourism development as one of the principal opportunities for the Thai economy, due to its remarkable performance of 12.2 percent annual growth during the 5th National Plan period. In the Production, Marketing, and Employment Development Program, one of the ten programs in the National Plan, it is stated that tourism will contribute to reducing the size of the trade and current account deficits by increasing income from tourism. The National Plan targets at a 7.5 percent annual growth in international tourist arrivals. Toward this goal, the National Plan envisages opportunities for urban educated employment by expanding the services to support tourism, and stresses development of regional tourism attractions by developing tourist facilities and improving the quality of local handicrafts and souvenirs in tourism areas. Regional tourism development plans are structured to pursue their particular goals so as to meet their endowments in line with the national context. Local governments, as well as the central government, intend to make use of tourism development as a stimulator of regional economic take-off.

2) ENVIRONMENTAL AND NATURAL RESOURCES

- Environmental Resources Management Policy

As broadly recognized, environmental conservation required to manage the problems of natural resources and environmental deterioration has become more crucial in the context of promoting the quality of life of the Thai people as a whole. Tourism development should be elaborated in terms of environmental resource management policies. A promotion cum control policy is now urgently required.

3) PUBLIC AND PRIVATE COORDINATION

- Public and Private Coordination

In order to realize the national targets, a lot of tasks need to be undertaken, not only by the central government, but also by local governments. The 5th Five-year Plan included a definite policy that, in order to stimulate private investment, the government would not intervene in any private tourism development activities and business except in special cases when such intervention was necessary to protect the public interest or solve some outstanding problems. The 6th National Plan placed more emphasis on complementary coordination between the government and private sector in terms of tourism development, investment and promotion in both the international and domestic markets. Improving the security of visitors and their property is another important task to be undertaken by the government. Similarly, the public relations promotion of Thailand in foreign countries is crucial to widen the international tourism market, and boost the Thai tourism industry.

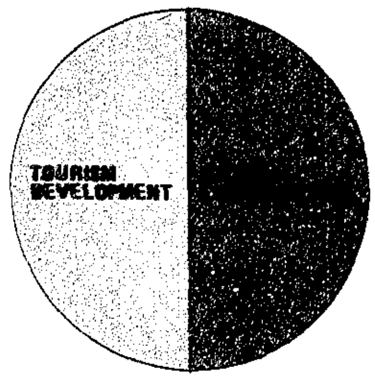
3.1.2 TOURISM DEVELOPMENT IN SOUTHERN REGION

- "New Economic Zones"
- "Songkhla Lake Basin Development Sub-region"
- "Upper South Development Sub-region"
- Songkhla/Hat Yai as an International Business and Industrial Center
- Surat Thani as the Gateway of the South
- Phuket as an International Gateway of the Andaman Sea

The 6th National Plan, which has inherited the major policies of the 5th National Plan, sets a strategy of dispersing development throughout potential regional centers in different parts of the economy to alleviate the congestion problem in the Bangkok Metropolitan Area. For this purpose, in Southern Region, Songkhla/Hat Yai has been developed with much emphasis on its becoming a growth pole or regional center. Phuket and Surat Thani have been recognized as "New Economic Zones" with enough potential to become another growth pole. The socio-economic system in Southern Region has been structured around these three potential urban centers, i.e., a triangular structure. Songkhla/Hat Yai, associated with its vast hinterland, forms a strategic development area, "Songkhla Lake Basin Development Sub-Region", while the corridor between Phuket and Surat Thani, is another strategic development area, "Upper-South Development Sub-Region". A wide variety of economic activities are expected to be further encouraged in these sub-regions with the following specific functions: Songkhla/Hat Yai as an international business and industrial center, Surat Thani as the gateway of the South and Phuket as the international gateway of the Andaman Sea.

In the above regional development context, these three centers are endowed with their own significant potential for being tourism centers with particular characteristics as well. All the existing tourism master plans in these areas aim at integrating the dispersed tourism assets located around the centers to form comprehensive tourism areas compatible with international tourism requirements. "International Tourism" is a key issue for all these areas. Domestic tourism has also been taken into account based on the existing traditional, cultural, and historical assets especially in Surat Thani and Songkhla Provinces. Phuket has been oriented towards being an international ocean resort island. All are expected to contribute greatly to the regional economies in terms of exchange earnings and creation of job opportunities. However, at the same time, some measures for controlling excess development and deterioration of environmental resources should be scrutinized urgently, especially in Phuket.

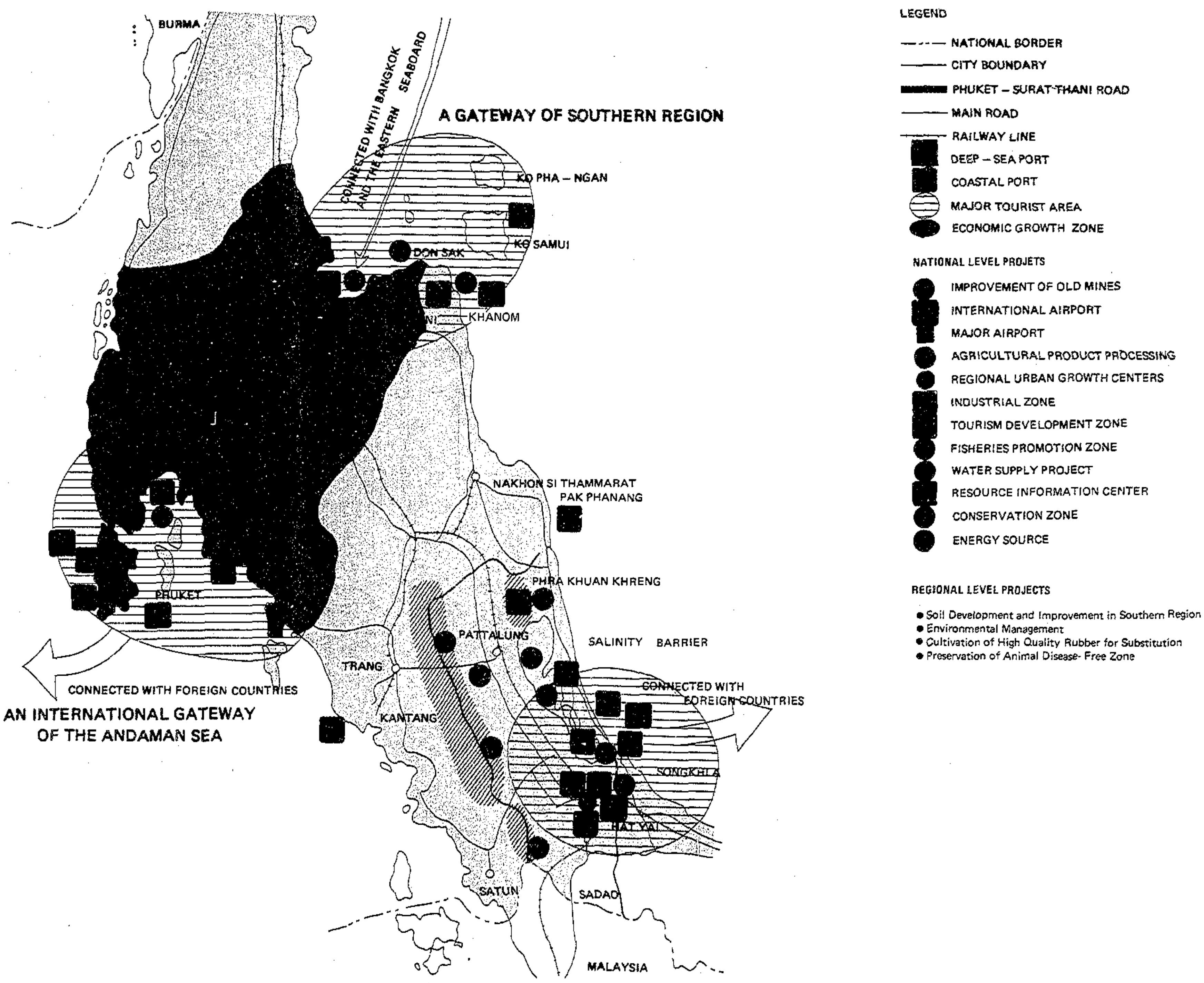
3.1.3 TOURISM DEVELOPMENT POLICY MIX



- Tourism Investment,More Efficient to Boost the Regional Economy
- Harmony between Development and Natural Conservation

All policies mentioned in the existing master plans and the national plan related to the study area are quite persuasive and interesting. It is recommended that programs listed in these plans be executed in a scheduled manner along with the policy guidelines. However, a number of additional recommendations or restructuring schemes of policies will be required, because it is necessary to integrate the individual plans into a comprehensive set of tourism development policies for Southern Region as a whole in a balanced manner. Additional policy considerations are basically twofold. One is to maintain harmony between development and natural conservation required at the regional level. Tourism policy should resolve the conflicts underlying these two aspects. In this regard, some definite legislative actions/programs may be required to maintain the environment. The other is the policy to make tourism development or investment more efficient in order to boost the regional economy along the national context. In this regard, two sorts of policies should be undertaken in parallel: a policy to stimulate the grass-root economic activities at the local level and to incorporate them into an overall regional tourism development system; and a policy to push further development of the potential areas where tourism development has already been achieved. This would be more effective to meet the national targets of 1) increasing foreign exchange earnings and employment, 2) and structuring dispersed development. The former policy requires a bottom-up approach to promote equity and even development throughout the regions, while the latter would be based on a more strategic policy like a growth pole concept. These two policies, are inherently different in terms of their budget allocations and planning methods. Those should jointly be undertaken at the same time. The argument should not be based on one side only.

FIG. 3-1-1 REGIONAL DEVELOPMENT PROGRAMS IN SOUTHERN REGION



3.2 TOURIST ATTRACTIONS

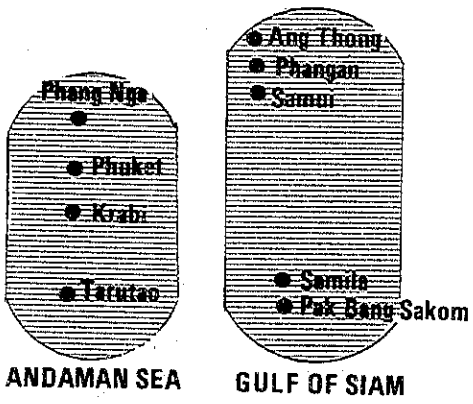
- Beach & Island Resorts in Phuket & Samui
- ASEAN Resort Context

The major tourist attractions in Southern Region are the beach and island resorts, especially in Phuket and Samui, which offer a tropical atmosphere along the coast. These natural attractions have already been developed to some extent, especially in the islands of Phuket and Samui. Cultural and historical attractions are valuable for tourism development in Southern Region, which vary in different localities. It is important to maintain and facilitate both natural and cultural/historical attractions in the context of the ASEAN resort tourism structure. (See Fig. 3-2-1)

According to the study "Tourism Development Plan, Feasibility Study for 8 Clusters" by TAT in collaboration with Chulalongkorn University, out of the thousands of the possible tourism assets in Southern Region, a number were identified as potential tourist spots. The types of those spots are illustrated in Fig. 3-2-4: Natural Attractions and Fig. 3-2-5: Cultural/Historical Attractions.

As past of this study, site reconnaissance was conducted to survey, and investigate those attractions to assess whether there is sufficient potential to attract international tourists. The conclusions are as follows:

3.2.1 BEACH AND ISLAND ATTRACTIONS



1) BEACHES AND ISLANDS IN THE ANDAMAN SEA SIDE

Beaches and islands located in the Andaman Sea such as the west coast beaches of Phuket, Phang Nga and Krabi, and the Tarutao island in Satun Province are outstanding for international tourists. Their attractiveness is good enough to compete with other beaches and islands in other tourist countries such as Indonesia, the Philippines, Malaysia and the small island countries of the Pacific Ocean region.

2) BEACHES AND ISLANDS IN THE GULF OF SIAM

The beaches and islands located in the Gulf of Siam such as Samui, Pha-ngan and Ang Thong in Surat Thani Province, and Samila and Pak Bang Sa Kom in Songkhla Province are also attractive to international tourists especially during the dry season when the Andaman Sea areas are in the monsoon season.

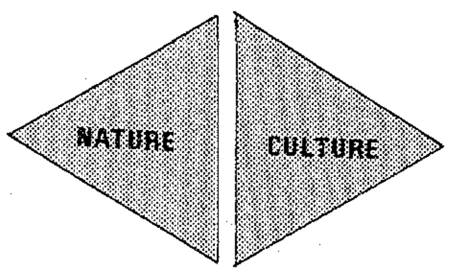
3) PROGRAMS TO UTILIZE THE NATURAL RESOURCES FOR TOURISM

These natural attractions have already been developed to some extent, especially in Phuket and Samui. In these areas, problems of environmental deterioration, inconvenient access, delays in the development of utilities, and uncontrolled hotel development without any appropriate land use plan have taken place. The following programs are indispensable if these natural resources are to be utilized as perpetual tourist assets:

a. Environmental considerations required to conserve the beautiful natural atmosphere and the biological conditions of the areas,
b. Planned investment for the transportation and other infrastructure development programs,
c. Promotion and regulation of hotel and other tourist' facilities development by private sector, and
d. Coordination with the other regional economic activities such as fishing, mining and agriculture.

3.2.2 CULTURAL AND HISTORIC ATTRACTIONS

- "Product Mix of Nature and Culture"



Although the potential of the cultural and the historic attractions, such as those in the towns of Chaiya, Phuket, Nakhon Si Thammarat, Songkhla and Pattani and Yala are considerable, they are not necessarily attractive to international tourists, compared with the attractiveness of shopping and entertainment in Hat Yai, especially for Malaysian and Singaporean tourists. From the long-term, world-wide point of view, the ASEAN countries must have a product image of "Product Mix of Nature and Culture" which means not only access to providing beautiful nature, but also unique culture for foreign tourists. In this sense, the cultural/historic attractions mentioned above should be made more accessible to international tourists through the following development programs:

a. Conservation and beautification of the historic towns of Chaiya, Nakhon Si Thammarat and Phuket,
b. Development of museums and cultural/handicraft centers,
c. Village tourism development programs, and
d. Promotion of local festivals, performances and special cultural events.

FIG. 3-2-1 WORLD TOURIST DESTINATIONS

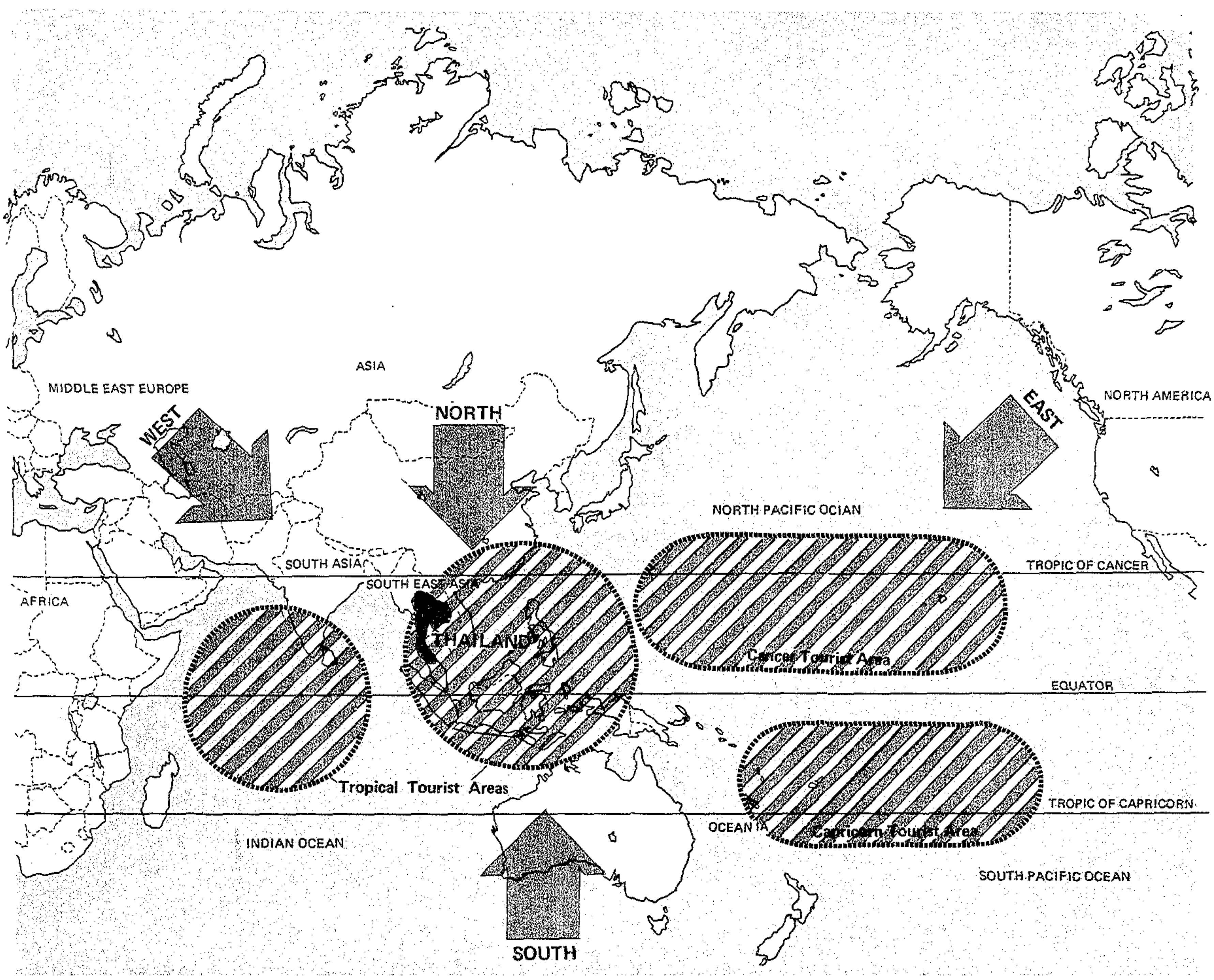
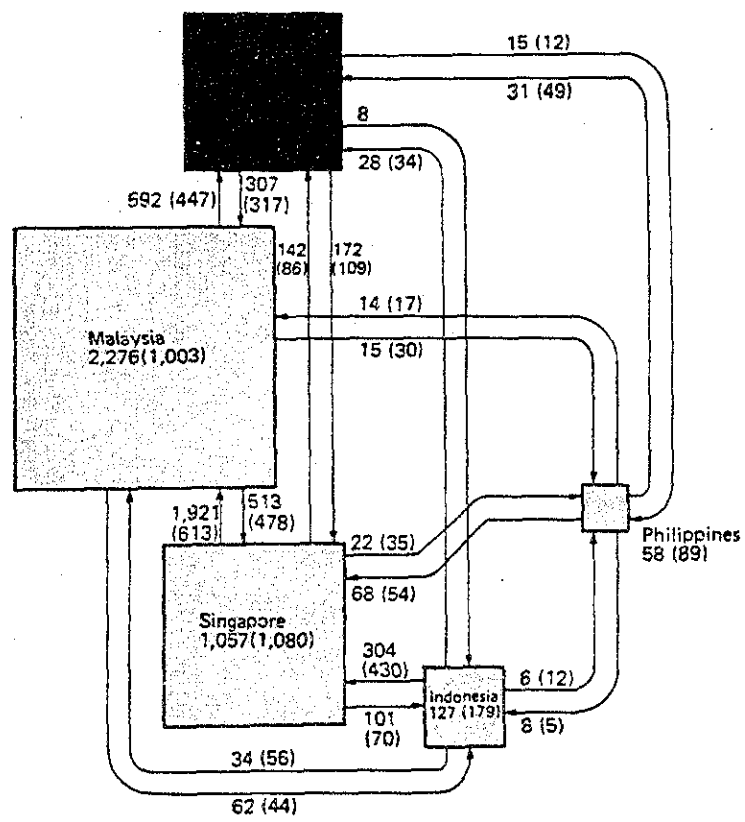


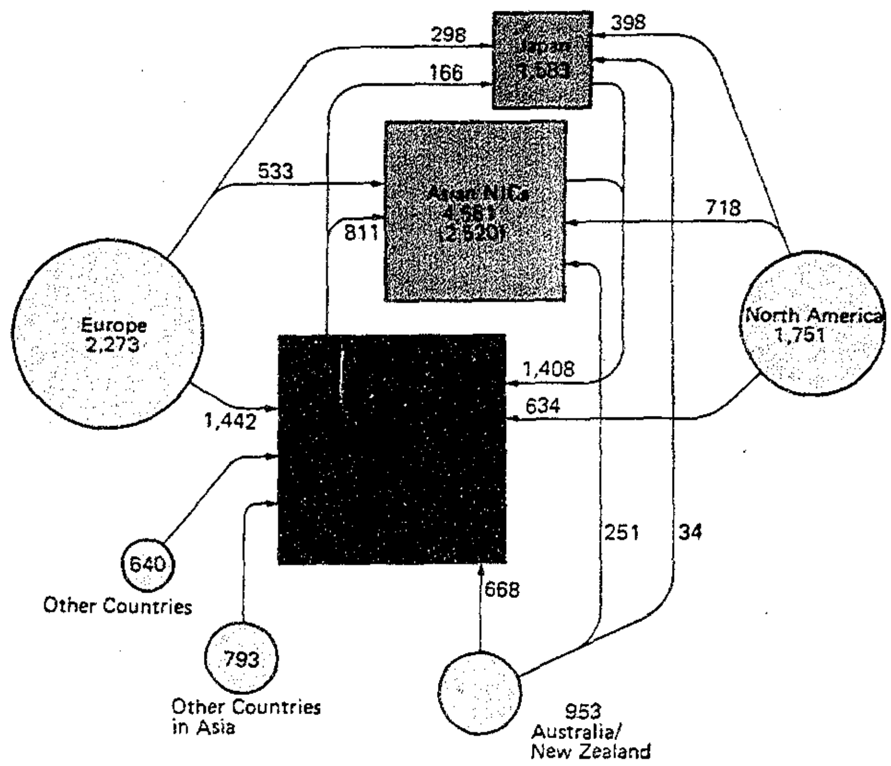
FIG. 3-2-2 TOURIST FLOW AMONG THE ASEAN COUNTRIES IN 1984 (,000) Persons



Note; 1) The figures in ( ) are in 1983
2) The tourist arrivals to Indonesia

1) From 4 major areas 19,910 (59.9%)
2) From ASEAN countries 177,681 (25.4%)
3) From other areas 103,319 (14.7%)
700,910

FIG. 3-2-3 INTERNATIONAL TOURIST FLOW TO ESAT ASIA FROM 5 MAJOR AREAS IN 1981 (,000) Persons



Note; 1) The fitures in circle and square are
8,063 = Total Tourist Arrivals
(2,914) = Generated Tourists within Area

TABLE 3-2-1 LIST OF NATURAL ATTRACTIONS IN SOUTHERN REGION

Code No	Name of Attractions	Type	Degree
	CHUMPHON		
A 1	Rap Ro Cave	Others	*
A 2	Kapo Waterfall	Waterfall	*
A 3	National Park	Others	
A 4	Samet Island	Island	*
A 5	Mattra Island/Tang Kuan Island	Island	*
A 6	Rang Ka Chiu Island/ Rang Kok Island	Island	*
A 7	Thong Lang-Island	Island	*
A 8	Raet Island	Island	***
A 9	Pharadonphas Beach	Beach	**
A10	Phanang Tak Bay	Beach	*
A11	Thung Wua Laen Bay	Beach	***
A12	Name Lot Cave, Khao Phlu	Others	*
A13	Thung Yo Waterfall	Waterfall	*
A14	Bo Mao Bay	Beach	**
A15	Laem Thaen	Beach	***
A16	Kho Ram Cave	Others	*
A17	Pak Nam Ta Ko	Others	**
A18	Sawi Chan Ratsami Garden Plant Experimentation Station	Others	*
A19	Ri Beach	Beach	***
	RANONG		
B 1	Tham Phra Khayong	Others	*
B 2	Punyaban Waterfall	Waterfall	*
B 3	Hot Water Spring	Others	**
B 4	Ngao Waterfall	Waterfall	*
B 6	Som Paen Beach	Beach	*
	Surat Thani		
C 1	Ba Thon Beach	Beach	***
C 2	Thong Yang Beach	Beach	***
C 3	Lamai Beach	Beach	***
C 4	Chaweng Beach	Beach	***
C 5	Bo Phut Beach	Beach	***
C 6	Mae Nam Beach	Beach	***
C 7	Bang Rak Bay	Beach	***
C 8	Thong Takhian Beach	Beach	**
C 9	Choeng Mon Beach	Beach	**
C10	Yai Noi Beach	Beach	**
C11	Hin Lat Waterfall	Waterfall	**
C12	Na Muang Waterfall	Waterfall	**
C13	Taen Island	Island	**
C14	Wiphawadi Waterfall	Waterfall	**
C15	Wang Hin	Others	**
C16	Chiao Lan Dam	Others	**
C17	Khao Sok National Park	Others	**
C18	Tae Nai Island	Island	*
C19	Ban Tai Bay	Beach	*
C20	Hat Rin Bay	Beach	*
C21	Angthong Island National Park	Island	**
C22	Khao Tha Phet Natural Studies Center	Others	**
	PHANGNGA		
D 1	Phangnga Bay National Park	Others	***
D 2	Similan Islands National Island		***
D 3	Surin Islands National Park	Island	***
D 4	Khao Lak Park	Others	***
D 5	Bang Sak Beach	Beach	*
D 6	Khao Pi Lai Seaside	Others	*
D 7	Tha Nun Seaside	Others	*
D 8	Thai Muang Seaside	Beach	*
D 9	Lampi Waterfall	Waterfall	*
D10	Ton Phrai Waterfall	Waterfall	*
D11	Tao Thong Waterfall	Waterfall	*
D12	Raman Waterfall	Waterfall	*
D13	Sa Nang Manora Park	Others	*
D14	Ko Yao Island	Island	*
D15	Tham Rishi Sawan and Tham Luk Sua	Others	*
D16	Tham Phung Chang	Others	*
	PHUKET		
E 1	Khao Rang	Others	*
E 2	Ton Sai Waterfall	Waterfall	*
E 3	Ton Sai Waterfall	Waterfall	*
E 4	Rawai Beach	Beach	***
E 5	Nai Han Beach	Beach	***
E 6	Pa Tong Beach	Beach	***
E 7	Surin Beach	Beach	**
E 8	Nai Yang Beach	Beach	**
E 9	Nai Khao Beach	Beach	*
E10	Nai Thon Beach	Beach	*
E11	Kalim Beach	Beach	*
E12	Nakhale Beach	Beach	*
E13	Laem Ka Beach	Beach	*
E14	Kata Beach	Beach	*
E15	Kata Noi Beach	Beach	***
E16	Karon Beach	Beach	***
E17	Kamala Beach	Beach	*
E18	Makham Bay	Beach	*
E19	Chalong Bay	Beach	*
E20	Phanwa Cape	Beach	**
E21	Phromthep Cape	Beach	**
E22	Phang Sea	Beach	*
E23	He Island	Island	*
E24	Lon Island	Island	*
E25	Nai Thon Island	Island	*
	KRABI		
F 1	Khao Khanap Nam	Others	**
F 2	75 Million-Year Shell Fossils	Beach	***
F 3	Ang Phra Nang	Island	***
F 4	Noparat Thara Beach	Beach	**
F 5	Tham Sadet	Others	*
F 6	Khao Phanom Bencha National Park	Others	*
F 7	Huay To Waterfall	Waterfall	*
F 8	Than Bok Khorani Botanical Garden	Others	*
F 9	Tham Lot Nua-Tai	Others	*
F10	Tham Phet	Others	*
F11	Hin Phoeng Waterfall	Waterfall	*
F12	Pipile Pipidon Island	Island	***
F13	Tham Phi Hua To/Tham Hua Kalok	Others	**
	NAKHON SI THAMMART		
G 1	Krung Ching Waterfall	Waterfall	***
G 2	Krarom Waterfall	Waterfall	*
G 3	Yong Watgerfall	Waterfall	*
G 4	Len Waterfall	Waterfall	*
G 5	Phommalok Waterfall	Waterfall	*
G 6	Ai Khieo Waterfall	Waterfall	*
G 7	Hin Ngam Beach, Sichon	Beach	**
G 8	Saboa Beach	Beach	*
G 9	Raet Cave	Others	*
	TRANG		
H 1	Khao Chong Waterfall	Waterfall	*
H 2	Pakmao Beach	Beach	*
H 3	Chao Mai Beach	Beach	*
H 4	Talibong Island	Island	*
H 5	Tonte Waterfall	Watgerfal	*
H 6	Song Hong Sea	Beach	*
H 7	Pina Hill	Others	*
	PHATTALUNG		
I 1	Noi Sea	Others	*
I 2	Khao Khram Waterfall	Waterfall	*
I 3	Khao Son Chai Hot-Water Spring and Cold-Water Spring	Others	**
I 4	Rangnok Island	Island	***
I 5	Lampa Lake	Others	*
I 6	OK Thalu Hill	Others	*
I 7	Khuhasawan Cave	Others	*
	SATUN		
J 1	Tarutao National Park	Island	**
J 2	Panan Waterfall	Waterfall	*
J 3	Ban Sea	Beach	*
	SONGKHLA		
K 1	Samila Beavch	Beach	***
K 2	Pakbangsakom Beach	Beach	*
K 3	Pakbangnathap Beach	Beach	*
K 4	Sathingphra Beach	Beach	*
K 5	Muangngam Beach	Beach	*
K 6	Nu Island-Maeo Island	Island	*
K 7	Kham Island	Island	*
K 8	Ban Khu Khut Bird Sanctuary	Others	***
K 9	Ton Nga Chang Waterfall	Waterfall	**
K10	Boriphat Waterfall	Waterfall	*
K11	Tangguan Hill-Thuai Hill	Others	*
	PHATTANI		
L 1	Phanare Beach	Beach	*
L 2	Khae Khae Beach	Beach	*
L 3	Palatimo Beach	Beach	*
	YALA		
M 1	Thanto Waterfall	Waterfall	*
M 2	Sai Khao Waterfall	Waterfall	*
	NARATHIWAT		
N 1	Bacho Waterfall	Waterfall	*
N 2	Chatwarin Waterfall	Waterfall	*
N 3	Narathat Beach	Beach	*

Notes:
Degree High : ***
Medium : **
Low : *
(Evaluated by Chulalongkorn University)

FIG. 3-2-4 NATURAL ATTRACTIONS IN SOUTHERN REGION

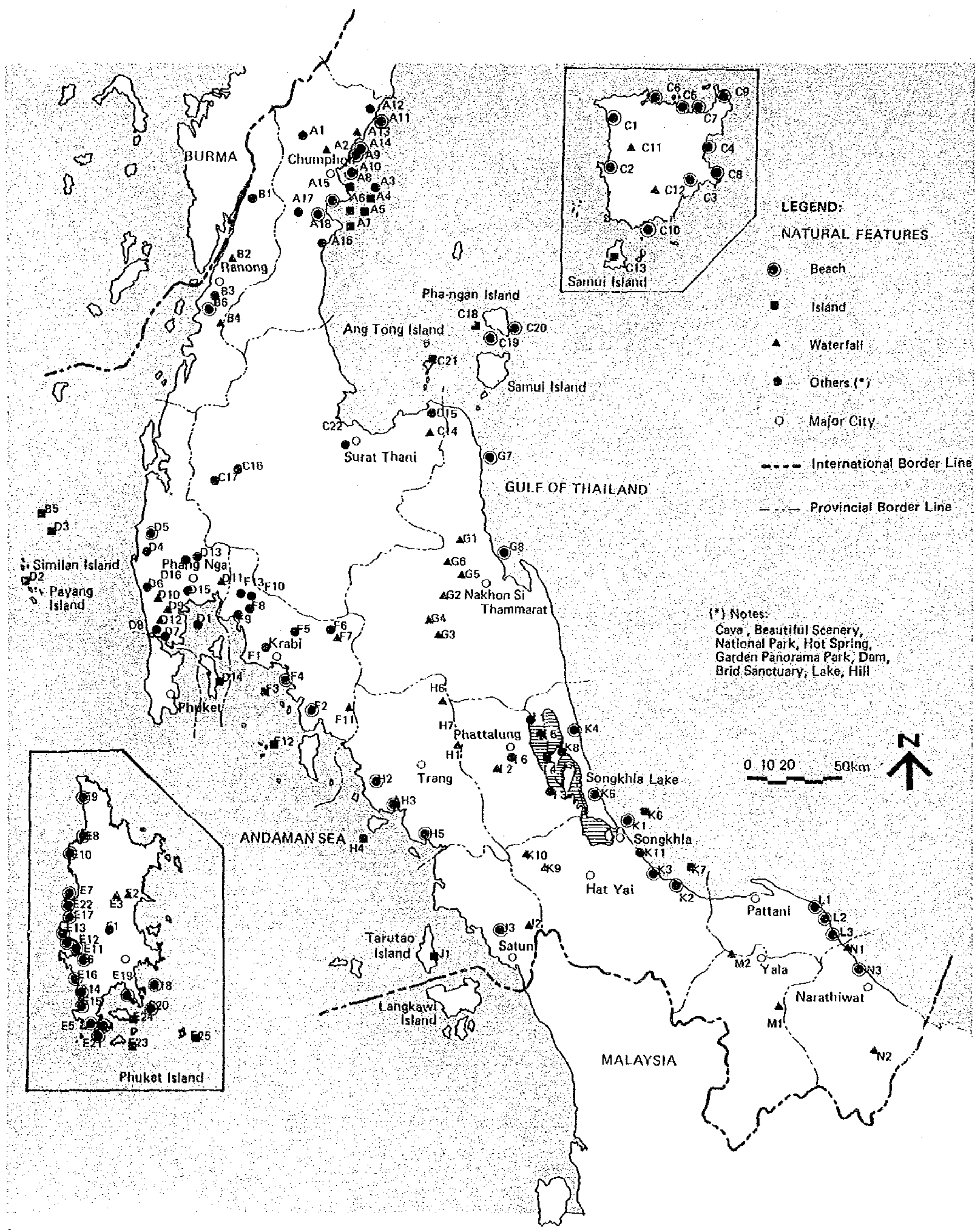


FIG. 3-2-5 CULTURAL AND HISTORICAL ATTRACTIONS IN SOUTHERN REGION

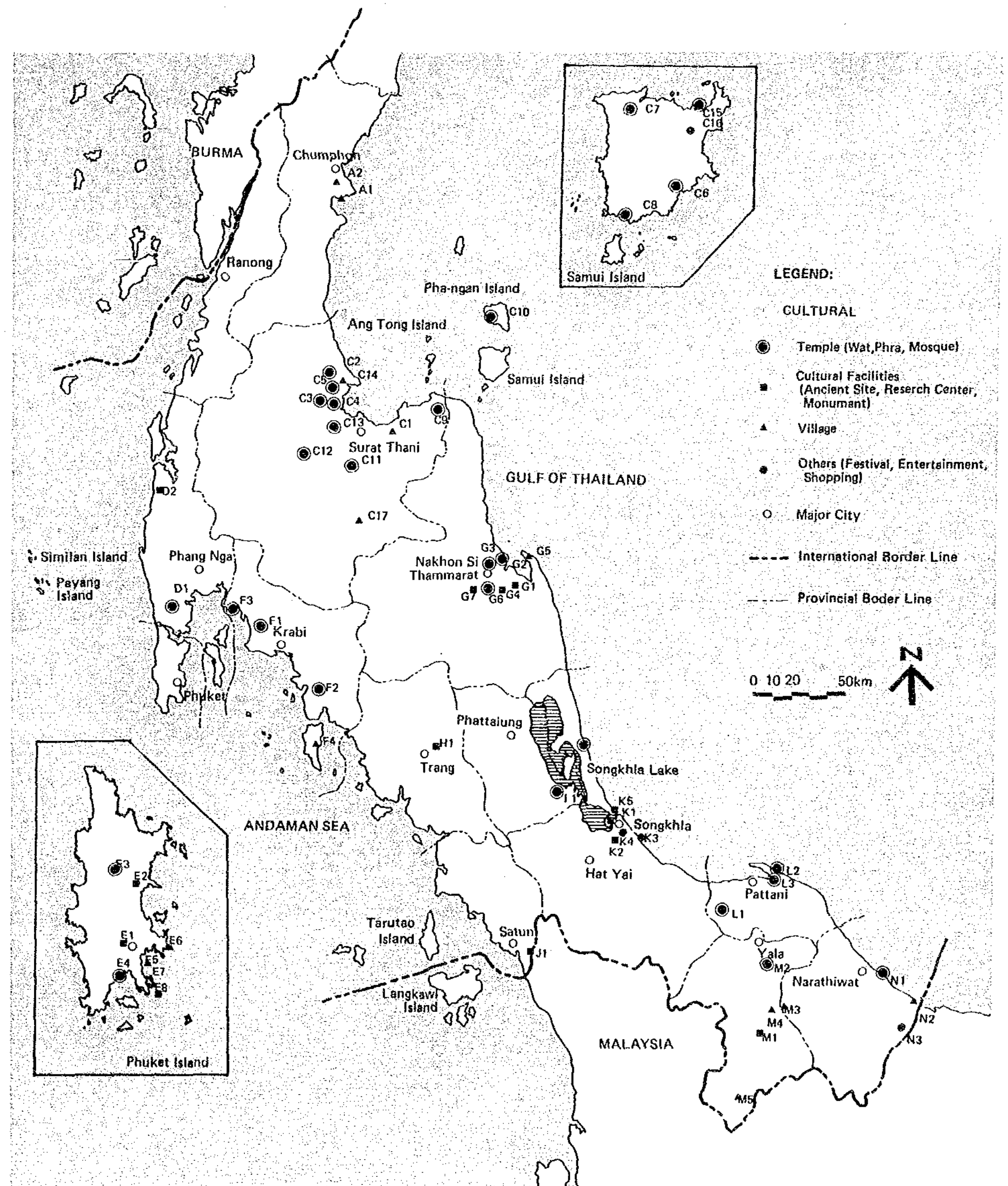


TABLE 3-2-2 LIST OF CULTURAL AND HISTORICAL ATTRACTIONS IN SOUTHERN REGION

Code No.	Number of Attractions	Type	Degree
	CHUMPHON		
A 1	Nai Pliu's Coffort	Village	*
	Plantation	Village	**
A 2	Wat Tham Sanuk	Village	*
	Pak Nam Chumphon		
	(Fishermen's Village +		
	Boat Trip to Island)		
	RANONG		
B 1	Phayam Island		*
	SURAT THANI		
C 1	Oyster Farm	Village	**
C 2	Wat Chiya	Temple	***
C 3	Wat Suan Mok	Temple	-
	National Museum	Cultural Facilities	**
C 4	Wat Kaew	Temple	**
C 5	Wat Long	Temple	**
C 6	Wat Sila Ngu	Temple	*
C 7	Wat Na Phra Lan	Temple	*
C 8	Chdi Laem So	Temple	*
C 9	Wat Khao Suwan Pradit	Temple	**
	Suan Phai Weruwan	Temple	*
C10	Wat Khao Tham	Temple	**
C11	Phra Chedi Si Surat	Temple	**
C12	Wat Tham Singkhon	Temple	**
C13	Wat Khao Si Wichai		
	Phum Chiang	Temple	**
C14	Fabric Weaving Village	Village	**
C15	Ko Fan Monk Residence	Temple	**
C16	Buffalo Fighting	Others	**
C17	Rambutan Garden	Village	*
	PHANGNGA		
D 1	Wat Suwankhuha	Temple	***
D 2	Ancient City at Ban	Cultural Facilities	**
	Thung Tuk		

Code No.	Number of Attractions	Type	Degree
	PHUKET		
E 1	Ancient Building	Cultural Facilities	***
E 2	Heronine Monument	Cultural Facilities	**
E 3	Wat Phra Thong	Temple	*
E 4	Wat Chalong	Temple	*
E 5	Chao Le Village	Village	***
E 6	Si Re Island	Village	**
E 7	Pearl Farm	Village	*
E 8	Marine Biological		
	Center	Cultural Facilities	**
	KRABI		
F 1	Tham Sua Meditation		
	School	Temple	*
F 2	Wat Khlong Thuam		
	Museum	Temple	***
F 3	Tham Phra	Temple	*
F 4	Lanta Island	Village	*
	NAKHON SI THAMMARAT		
G 1	Museum	Cultural Facilities	***
G 2	Wat Maha That	Temple	***
G 3	Vora Maha Viharn	Temple	*
G 4	Ancient Moat and wall	Cultural Facilities	*
G 5	Talumphuk Headland	Village	*
G 6	Pra Chedi Yak	Temple	*
G 7	Shiva Hall/Narayana		
	Hall	Others	*
	TRANG		
H 1	Phrya Rattanupradit		
	Monument	Cultural Facilities	**
	PHATTHALUNG		
I 1	Phra That Wat Takian	Temple	***
I 2	Muang Phatthalung	Others	***

Code No.	Number of Attractions	Type	Degree
	SATUN		
J 1	To Ya Wang Cave	Cultural Facilities	*
	SONGKHLA		
K 1	Yo Island	Cultural Facilities	***
K 2	Institute of Southern		
	Studies	Cultural Facilities	***
K 3	Hat Yai	Others	***
K 4	Songkhla	Others	**
K 5	Khao Daeng Ancient		
	Town	Cultural Facilities	**
K 6	Phakho Temple	Temple	*
	Kao Seng Hill	Others	*
	PHATTANI		
L 1	Chang Hai TGemple	Temple	*
L 2	Leng Chu Kiao Shrine	Temple	**
L 3	Ruasae Mosque	Temple	**
	Ban Paseyawo		**
	YALA		
M 1	Banglang Dam	Others	*
M 2	Wat Khuhaphimuk	Temple	*
M 3	Thanto Self-Help		
	Settlement	Village	**
M 4	Tham Thalu Cave	Village	*
M 5	Amphoe Betong	Village	*
N 1	**NARATHIWAT**		
	Rhaksin Ratchaniwet		
N 2	Palace	Temple	**
N 3	Takbai	Village	**
	Sungaikolok	Others	**

Notes:
Degree High : *** Medium : ** Low : *

(Evaluated by Chulalongkorn University)

3.2.3 SOCIO-CULTURAL CONSIDERATIONS

- **Socio-cultural Assets and Socio-economic Influences**
- **Local People's Participation in Tourism Development**

The socio-cultural aspect invites a double interpretation: one is that the socio-cultural assets/ characteristics are invaluable tourism assets and, therefore, should be fully utilized for that purpose, and the other is that the socio-cultural endowments are so vulnerable to new socio-economic influences like tourism development, that they should be protected from such influence. Tourism development always faces this contradictory problem. The most important thing is the policy that the local people should always take part in tourism development and that it should be directed in their favor. It is recommended that a monitoring system be developed and applied in this regard.

1) CULTURE-MIX

- **Buddhist Centers and Islamic Border Cities**

The South is an area of three mixed cultures; Buddhist; Chinese-Buddhist; and Thai-Islam. In this area there are locations where two religions are deep-rooted. In the Upper South there are the Buddhist centers of Suan-Mok at Chaiya in the Surat Thani cluster. In the Lower South, there are the four Islamic border cities of Pattani, Yala, Narathiwat and Trang. Songkhla is a city at the fringe of Islamic influence, and under the influence of Hat Yai, Chinese business tradition has less of a religion influences nature.

Phuket is a unique city, in that it lies between two influential religious areas. Of Chinese origin, Phuket has become a cultural mixed area. Chinese festivals such as "Vegetarian and Meditation Festival" are an essential part of local Phuket culture as well as having national recognition.

2) CULTURAL BASIS AND TOURISM

Surat Thani, center of southern Buddhist religion, has great economic development potential. With lots of natural resources and good irrigation, Surat Thani is the center of food production in Southern Region. But in terms of tourism, Surat Thani still needs time to develop to an international standard. At present, Surat Thani attracts domestic tourists and European tourists who love nature and who do not spend much. Border provinces, in the far South; Yala, Trang, Narathiwat and Pattani, are centers of Islam which exercises very strict control over personal behavior and social activities. For example, alcohol, entertainment and some foods are forbidden.

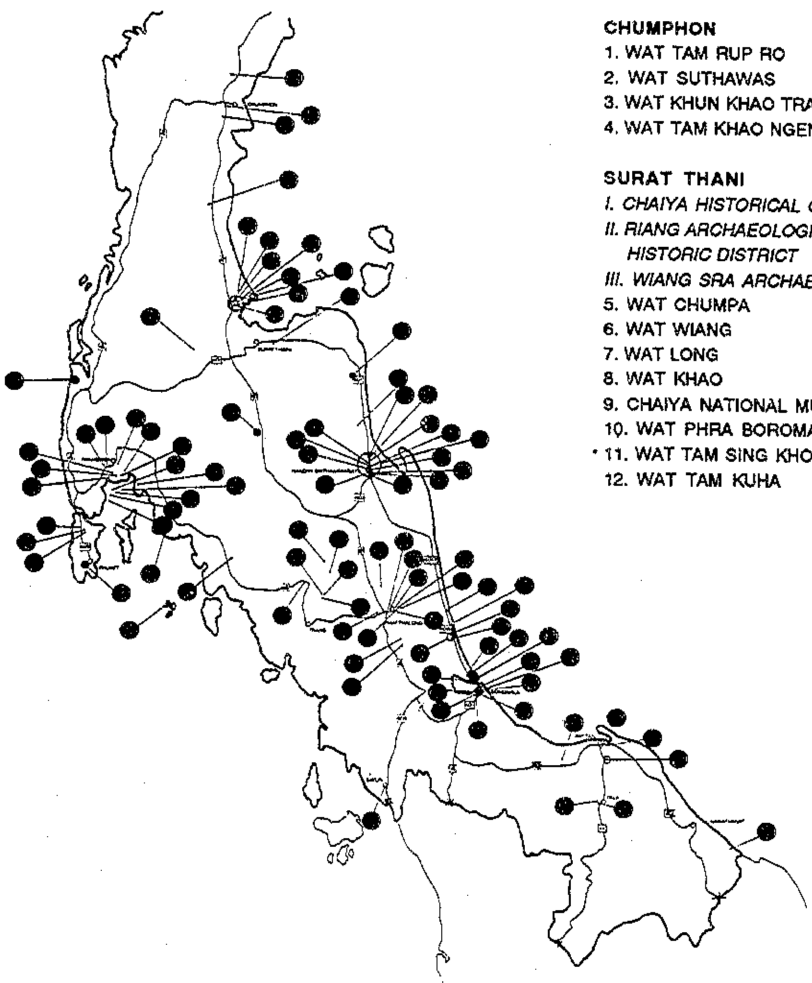
These cultural aspects might be restricted to international tourist activities. Security, along with other problems, might be for crucial the development of tourism in Southern Region.

Phuket has long term linkages with international business and entrepreneurship, as it exports rubber, tin and lately, palm oil which are the main crops on the top of the list of national export products. In terms of tourism, Phuket has developed tremendously in the last decade, adding many international standard hotels, most of which are having international chains. Moreover, with the advantage of many beautiful scenic beaches and islands, Phuket will become an international tourist paradise in the future. From now on till the year 2000, "Phuket" will be and should be the center of southern tourism. This area will be wide-open to international investment in the future as well.

3) INVENTORY OF SOCIO-CULTURAL RESOURCES IN SOUTHERN REGION

The following list shows the major tourist attractions in the socio-cultural field i.e., traditional architecture, unique habitation (tourism villages), religious facilities, cave paintings, museums etc.

TABLE 3-2-3 LIST OF ARCAEOLOGICAL AND HISTORICAL SITES IN SOUTHERN REGION



CHUMPHON
1. WAT TAM RUP RO
2. WAT SUTHAWAS
3. WAT KHUN KHAO TRA PING
4. WAT TAM KHAO NGEN

SURAT THANI
I. CHAIYA HISTORICAL CITY
II. RIANG ARCHAEOLOGICAL AND HISTORIC DISTRICT
III. WIANG SRA ARCHAE'CAL DISTRICT
5. WAT CHUMPA
6. WAT WIANG
7. WAT LONG
8. WAT KHAO
9. CHAIYA NATIONAL MUSEUM
10. WAT PHRA BOROMATHAT
11. WAT TAM SING KHON
12. WAT TAM KUHA

PHANG NGA
IV. TA KUA PA HISTORIC DISTRICT AND CAR KHAO ISLAND
13. PEUNG CAVE
14. SUM CAVE
15. RUSI CAVE
16. WAT TAM SUWAN KUHA
17. PHANG NGA MOUNTAIN
18. NUI MOUNTAIN
20. TAO MOUNTAIN
21. RAYA ISLAND
22. KHAO DANG ISLAND
23. KAEN ISLAND
24. PHYA NAK CAVE
25. PHRA AO TAO ISLAND

PHUKET
V. PHUKET HISTORIC DISTRICT
26. WAT PHRA NANG SARNG
27. TA LANG NATIONAL MUSEUM
28. PHYA WICHITSONGKRAM HOUSE

KRABI
VI. SICHOL ARCHAEOLOGICAL DISTRICT
29. PHI HUA TO CAVE
30. 75 MILLION YEAR SHELL FOSSIL BEDS
31. KLONG TOM ARCHAEOLOGICAL SITE
32. VIKING CAVE
35. WAT CHAENG

NAKHON SI THAMMARAT
VI. SICHOL ARCHAEOLOGICAL DISTRICT
VII. NAKHORN SI THAMMARAT HISTORICAL DISTRICT
33. WAT MOK LAAN
34. WAT PRADU
35. WAT CHAENG
36. CHEDI YUK
37. NAKHORN SRI THAMMARAT CITY WALL
38. SIVA SHRINE
39. VISHNU SHRINE
40. HO PHRA SIHING
41. WAT PHRA LAAN
42. WAT PHRA BOROMATHAT
43. NAKHON SI THAMMARAT COLLEAGE OF PERFORMING ART
44. WAT TAO KOT
45. NAKHORN SI THAMMARAT NATIONAL MUSEUM

SONGKHLA
VIII. SATINGPHRA ARCHAEOLOGICAL AND HISTORIC DISTRICT
IX. OLD SONGKHLA FORTIFIED CITY
X. SONGKHLA HISTORICAL DISTRICT
63. WAT JEDI NGAM
64. WAT SI YANG
65. WAT PAKOH
66. WAT JATING PHRA
67. MARAHOOM ISLAMIC GRAVEYARD
68. DUTCH CEMETORY
69. NA SONGKHLA FAMILY'S CEMETORY
70. TUNG KUAN HILL
71. WAT MATCHMAWAS MUSEUM
72. SONGKHLA CITY PILLAR
73. SONGKHLA CITY WALL
74. SONGKHLA NATIONAL MUSEUM
75. PAK NHAM LAME SAI FORT

TRANG
46. WAT TAM PHRA
47. TRA CAVE
48. LUK CHAN MOUNTAIN
49. KAO PINA CAVE
50. CHOOM TONG MOUNTAIN
51. WAT WIHAN

PHATTALUNG
52. WAT SOONTRAWAS
53. WAT KUHASAWAN
54. OKTALU MOUNTAIN
55. WAT WIHAN BERG
56. WAT YANG NGAM
57. LORD OF PHATTALUNG'S PALACE
58. WAT KAO JEAD
59. WAT WUNG
60. PHATTALUNG COLLEGE OF PERFORMING ART
61. CHAISON MOUNTAIN
62. WAT TA KAEN BANG KAO

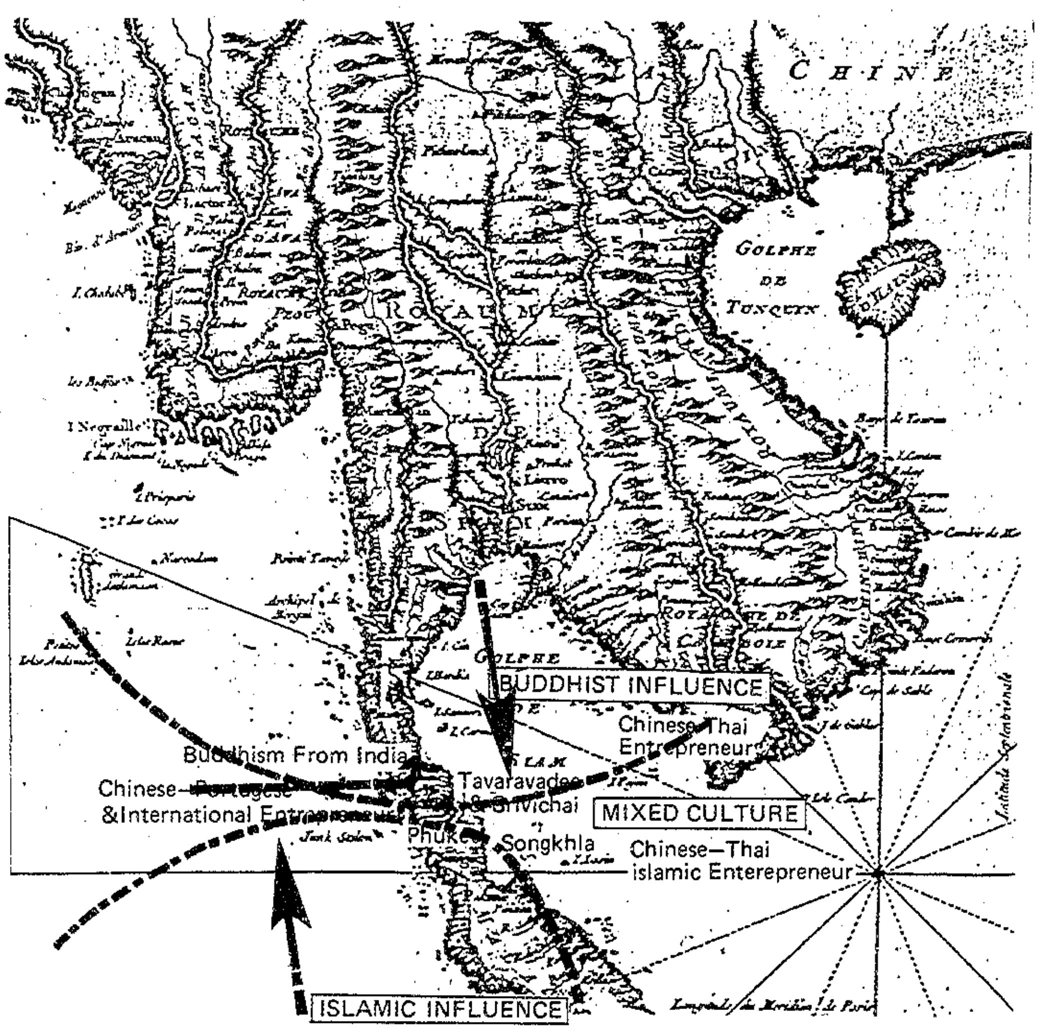
PATTANI
XI. YARUNG ARCHAEOLOGICAL DISTRICT
76. KING RAMA VII'S PAVILLION
77. PATTANI CENTRAL MOSQUE
78. KRUESAE MOSQUE AND TRACE OF CANAN FACTORY

YALA
79. WAT NA TAM
80. SILPA CAVE

SATUN
81. KUDEN MANSION

NARATHIWAT
82. WAT CHOLTHARA SINGHAE

FIG. 3-2-6 CULTURAL INFLUENCE ON SOUTHERN REGION



3.3 TOURISM MARKET AND PROJECTION

●5.7 Million Tourist Arrivals in 1991

The number of tourists who will visit Thailand in 1991 is estimated at 5,700,000 by this study. This estimate is larger by 23% than that forecast in the 6th National Plan. As for the long-term estimates in 1996 and 2001, a macro frame was assumed by setting a fixed average growth rate. The results of the distribution forecast in terms of the number of foreign and domestic hotel guests visiting the three clusters in Southern Region are shown as follows.

3.3.1 FORECAST OF FOREIGN TOURISTS TO THAILAND

1) TOURIST FORECAST FOR 1991

A model formula was used to make forecast of tourists from overseas to Thailand in 1991. The formula was established on the basis of estimates of growth in 10 major countries and other nations, between 1981 and 1987. Following are the assumptions:

a. A variable of briefings to show structural changes was incorporated for rapid changes in order to explain the changes between 1981 and 1987.
b. The effects of the campaigns in 1987 and 1988 were taken into consideration.
c. With the sole exception of the Japanese Yen, exchange rates were not used as a variable because of difficulties predicting their future trends.
d. Data for 1987 used to make the model formula were estimates. (Actual figures are larger.)

TABLE 3-3-1 FORCAST OF NUMBER OF INTERNATIONAL TOURISTS TO THAILAND IN 1991

(Unit : 1,000 person)

	1986	1987	1991
Japan	262	350	645
Malaysia	653	742	1,214
Singapore	221	277	559
U.S.A.	173	213	371
Hong Kong	165	251	309
W. Germany	114	149	199
Australia	103	123	182
U.K.	99	126	196
France	98	130	213
Italy	51	67	92
Others	879	1,055	1,720
Total	2,818	3,483	5,700

2) TOURIST FORECAST FOR 1996 AND 2001

From 1991 onward, the average annual rate was fixed at 6 percent for the five-year period up to 1996 and 5 percent for the period 1996-2001. The results are shown in Table 3-3-2.

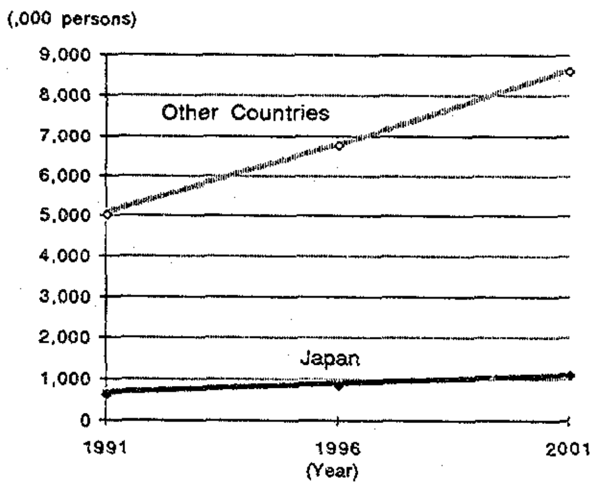


TABLE 3-3-2 FORCAST OF NUMBER OF JAPANESE AND OTHER INTERNATIONAL TOURISTS IN 1996 AND 2001

(Unit : 1,000 persons)

Foreign Tourist	1991	1996	2001
Japan	645	865	1,105
Other Countries	5,055	6,765	8,635
Total	5,700	7,630	9,740

3.3.2 REGIONAL DISTRIBUTION OF FOREIGN TOURIST

1) Tourists from overseas were distributed to the nine tourism clusters in Thailand. The zoning and distribution share were decided on the basis of the figures in TAT's "6th Tourism Development Plan"

A sharp increase in the number was recorded in 1986 and 1987. Given the jump, the forecast for 1991 was revised upward substantially. (3,700,000 for TAT and 5,700,000 for the program estimates). This accounts for the changes in distribution. The distribution changes were carried out on the premise that markets differ from area to area.

In this forecast, the growth was added to TAT's figures for each local area. For this calculation, "addition weights" were worked out by multiplying major market demands for each area by the growth rates between 1986 and 1991.

2) The following addition weights were fixed for the estimation.

a. The weights are after all "additional" factors.
b. The unexpected growth in the number of tourists was caused mainly by the revitalization of beach resorts.
c. Tourists from Europe, the United States, Japan and some of NIES played a key role in this growth.
d. This factor was taken into account for areas with beach resorts-Western, West Coast Upper Southern, and East Coast Upper Southern Regions. Meanwhile, the East Coast is going through a period of infrastructure improvement which takes time.
e. Various nations are included in the category of "Others." They are mainly Australia and Hong Kong, both of which show beach resort orientation. This trend is also reflected in the growth in the number of tourists to Bangkok.
f. In the forecast, ASEAN means Malaysia.
g. TAT figures are not available for Bangkok. On the assumption, Bangkok's share of overall foreign tourists remains unchanged and the figure was multiplied by the total number of foreigners in Thailand.

Results in 1987
2,743,000 stays divided by 2.47 stays per person = 1,111,000 people
(Source: TAT Annual Statistical Report)

- Stop-over rate in Bangkok in 1986
  1,111,000 persons/2,818,000 = 39.4%
- Tourist forecast in 1991 = 5,700,000
- Forecast of tourists to Bangkok in 1991
  5,700,000 x 39.4 % = 2,250,000

TABLE 3-3-3 DISTRIBUTION WEIGHT FOR 9 TOURISM CLUSTERS IN THAILAND

	TARGET					WEIGHT	SHARE
	JAPAN	EEC/EUR	USA	AREAN*3	OTHERS	CI x Wi	
a. International Arrivals(1986, thousand)	262	362	173	874	1,147	-	-
b. Increase (1991/1986)....1.31*1	0.50	0.11	0.27	0.18	0.18	-	-
c. Increase Weight by Target (a x b)	131	40	47	157	126	-	-
Target Weight by District *2 (W)							
1. Upper Northern Region Cluster		△	△			87	2.5
2. Lower Northern Region Cluster	△	△	△			218	6.1
3. Northeastern Region Cluster	△	△	△			218	6.1
4. Eastern Region Cluster	○	○	△		△	686	19.3
5. Western Region Cluster	△	△	△			218	6.1
6. Capital Region Cluster(Bangkok)	-	-	-	-	-	-	-
7. West Coast Upper Southern Region Cluster	●	○	○	△	○	1451	40.8
8. East Coast Upper Southern Region Cluster	△	○	○		△	518	14.6
9. Lower Southern Region Cluster				△		157	4.5
Total						3553	100.0

Note * 1 Arrivals Increase (Forecast by TAT Development Plan 6th (1987-1991))
* 2 ● : 5 Point ○ : 3 Point △ : 1 Point
* 3 Singapore, Malaysia

3.3.3 DOMESTIC TOURIST FORECAST

For the number of domestic tourists, the TAT results for 1986 (for four clusters) and the forecast for 1991 (for eight clusters except Bangkok) were used.

For the Phuket area (West Coast Upper Southern Region), the growth rate is set at 15 percent for five years until 1991, considering the past records and recent trends. The following period will show a moderate increase. The growth in the number of domestic tourists to specific tourist resorts will be substantial.

The number of tourists to the Phuket area in 1991 is projected at 448,000 which is 20,000 lower than TAT's forecast. (See Table 3-3-5)

3.3.4 LONG-TERM DEMAND FORECAST FOR 3 CLUSTERS IN SOUTHERN REGION (1991-2001)

For a long-term forecast, only macro-scale revisions are made, given the reliability of data (for domestic tourists) and the current unstable period (or growth period) for resort areas.

For foreign tourists to beach resorts such as Pattaya (Eastern), Phuket (West Coast Upper Southern) and Samui (East Coast Upper Southern), the annual growth rate is given as 7 percent between 1991 and 1996, and 6 percent between 1996 and 2001. The rate for all areas is put at 6 and 5 percent, respectively.

Regarding domestic tourists, and assuming that the number in Phuket (West Coast Upper Southern) will grow by 10 percent for the first five years and 7 percent for the following five years, the growth rate for the all areas will be 4 percent and 3 percent, respectively.

Phuket is different in that (1) it has a monsoon climate, creating an off-season period. Therefore, efforts are needed on the supply side to lure domestic tourists. (2) It is some distance from the metropolitan area, making it difficult to attract some tourists. However expectations of domestic tourist growth are high, because, unlike other areas, it is capable of luring tourists with its more developed infrastructure. In these respects, Phuket is particularly different from Pattaya.

1) FOREIGN TOURIST

The estimated number of foreign tourists visiting the following three clusters in 1991 are as follows:

	1991	1996	2001
Phuket Cluster	860,000	1,200,000	1,610,000
Surat Thani Cluster	300,000	420,000	560,000
Songkhla/Hat Yai Cluster	820,000	1,630,000	1,220,000

2) DOMESTIC TOURIST

The estimated number of domestic tourists visiting the following three clusters are as follows:

	1991	1996	2001
Phuket Cluster	450,000	720,000	1,010,000
Surat Thani Cluster	260,000	310,000	360,000
Songkhla/Hat Yai Cluster	870,000	1,050,000	1,210,000

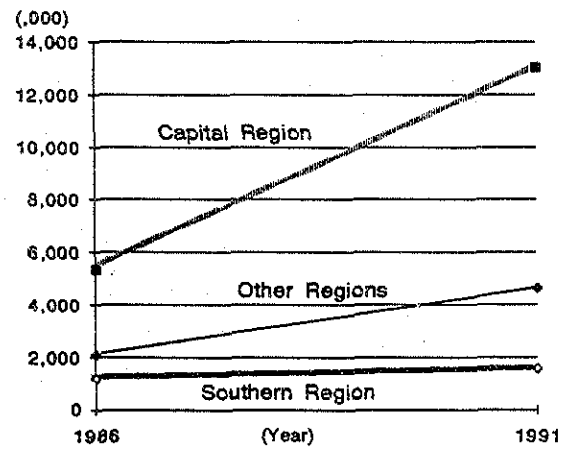


TABLE 3-3-4 REGIONAL DISTRIBUTION OF DOMESTIC TOURISTS

(Unit: 1,000)

	1986	1991 (forecast)	
Upper Northern Region Cluster	1,600	3,515	2,050
Lower Northern Region Cluster			1,465
Northeastern Region Cluster	2,100	5,437	5,437
Eastern Region Cluster	1,700	4,109	2,975
Western Region Cluster			1,135
West Coast Upper Southern Region Cluster (Phuket)			448
East Coast Upper Southern Region Cluster (Surat Thani)	1,200	1,580	262
Lower Southern Region Cluster (Songkhla)			870
SUB TOTAL	6,600	14,642	(91/86 222%)
Capital Region Cluster (Bangkok)	2,100	4,665	

Source : 1)TAT Tourism Plan 1988 and 6th Tourism Development Plan

Table 3-3-5 shows the forecast for 1996 and 2001 based on revised growth rates for each clusters, in Thailand.

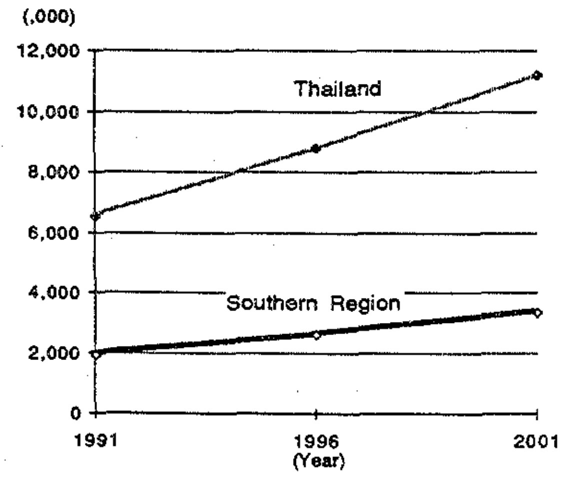


TABLE 3-3-5 REGIONAL DISTRIBUTION OF FOREIGN AND DOMESTIC TOURISTS TO 9 CLUSTERS IN THAILAND

CLUSTER		1991 Demand (A + B)	1991 TAT Forecast (A)	1991 Addition (B)	1996	2001
1. Upper Northern Region	Foerign	420	380	40	530	630
	Domestic	2,050	2,050		2,475	2,850
2. Lower Northern Region	Foerign	190	100	90	240	280
	Domestic	1,470	1,470		1,775	2,040
3. Northeastern Region	Foerign	140	50	90	180	210
	Domestic	5,440	5,440		6,570	7,565
4. Eastern Region	Foerign	1,320	1,030	290	1,850	2,480
	Domestic	2,980	2,980		3,600	4,145
5. Western Region	Foerign	280	190	90	350	410
	Domestic	1,140	1,140		1,380	1,590
6. Capital Region (Bangkok)	Foerign	2,250			3,010	3,840
	Domestic	4,670			5,640	6,500
7. West Coast Upper Southern Region	Foerign	860	240	620	1,200	1,610
	Domestic	450	450		720	1,010
8. East Coast Upper Southern Region	Foerign	300	80	220	420	560
	Domestic	260	260		310	360
9. Lower Southern Region	Foerign	820	750	70	1,030	1,220
	Domestic	870	870		1,050	1,210
Total Addition(5,700-3,000) 2,820/3,700				1,510		
Total						
1) Foreigner	Total Arrivals	6,580			8,810	11,240
	Total Tourists	5,700	3,700		7,830	9,740
	Total Excl. 6.	4,330	2,820		5,800	7,400
2) Domestic		19,330	19,330		23,520	27,270

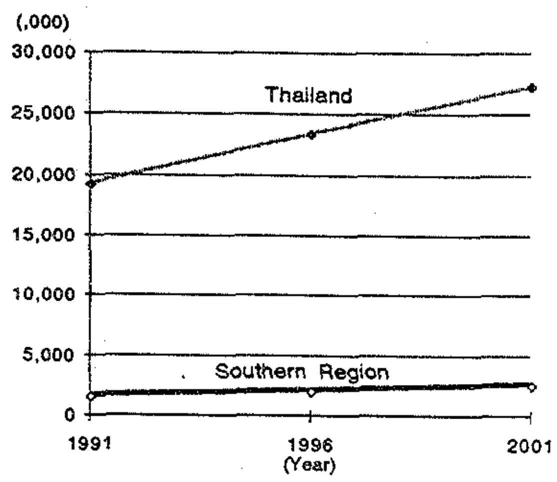
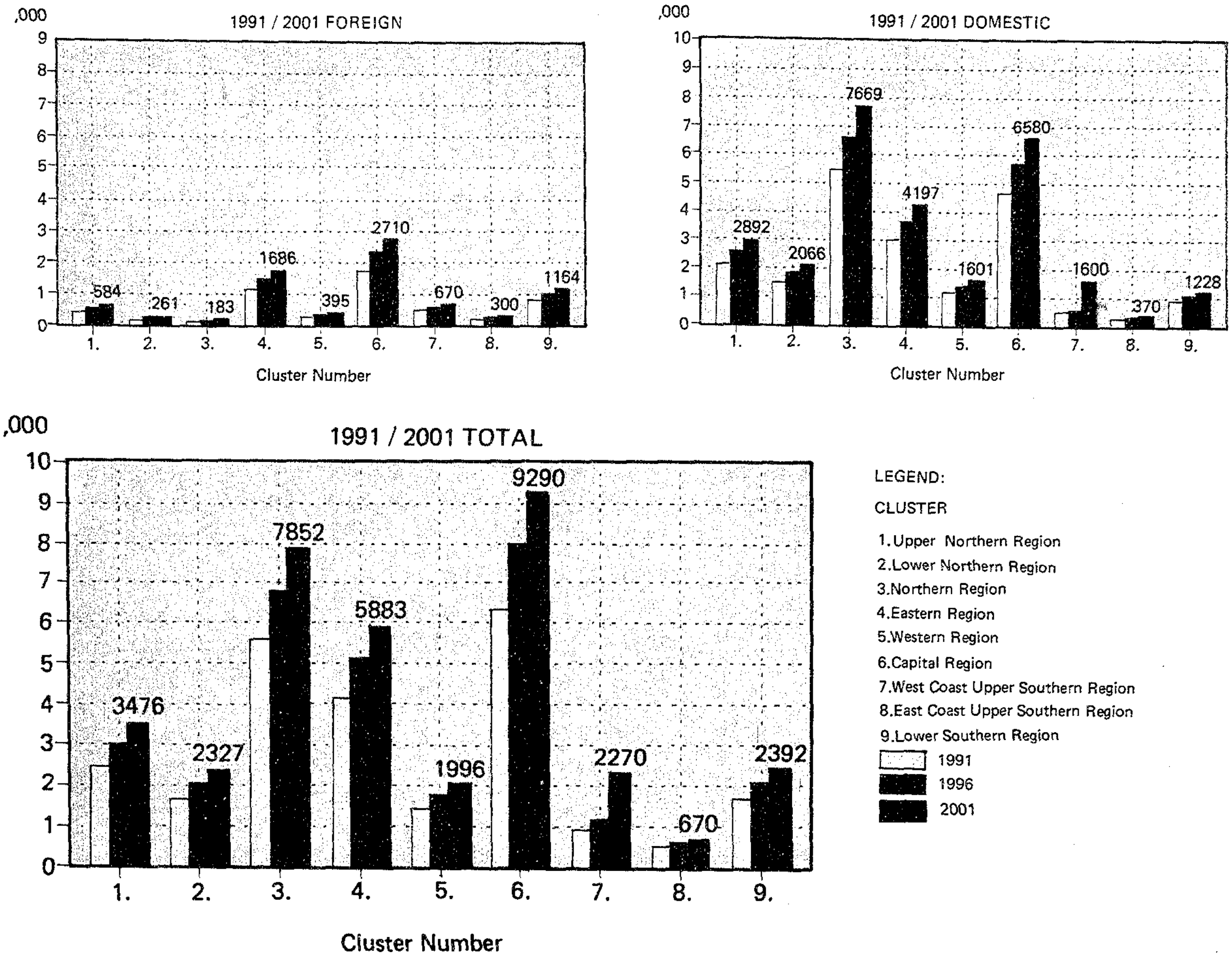


FIG. 3-3-1 REGIONAL DISTRIBUTION OF TOURISTS IN THAILAND TO 1991, 1996 AND 2001



3.3.5 HOTEL REQUIREMENT

As the result of forecasting the number of hotel rooms required in future, taking into account the number of hotel rooms currently available in Southern Region and a strategy of dispersed development, the overall number of hotel rooms will be required as follows.

The number of rooms required in 1991 and 2001 are estimated to be: 16,600 rooms, and 32,100 rooms in the Phuket cluster, 12,200 rooms and 20,100 rooms in the Surat Thani cluster; and 14,100 rooms and 24,000 rooms in the Songkhla/Hat Yai cluster respectively.

1) ASSUMPTIONS

TABLE 3-3-6 AVAILABLE ROOMS BY 3 CLUSTERS IN SOUTHERN REGION

unit : Rooms

	NUMBER OF ROOMS			REGIONAL DISTRIBUTION		
Hotel Classifications *)	HIGH	LOW	TOTAL	HIGH	LOW	TOTAL
PHUKET CLUSTER	4,799	3,286	8,085	100.00%	100.00%	100.00%
(Phuket)	4,483	2,048	6,531	93.42%	62.33%	80.78%
SURAT THANI CLUSTER	551	8,383	8,934	100.00%	100.00%	100.00%
(Samui)	404	2,757	3,161	73.32%	32.89%	35.38%
SONGKHALA-HAT YAI CLUSTER	2,393	7,466	9,859	100.00%	100.00%	100.00%
(Songkhla-Hat Yai)	2,393	3,193	5,586	100.00%	42.77%	56.66%

Source : TAT
Note : H/High: International Class Hotel Accommodation
: L/Low: Ecomony Class Hotel Accommodation

*) Hotel Classifications(Room Rate of Single)

Group I: 1,000 and more Group II: 701 - 1,000	High
Group III: 401 - 700 Group IV: 201 - 400 (including bungalows) Group V: 200 and less (bungalows, motels and guest houses)	Low

Source: TAT

TABLE 3-3-7 ASSUMPTION OF AVERAGE LENGTH OF STAY

	Year	1991	1996	2001
Phuket Cluster	Foreign	5.5	5.5	6.0
	Domestic	3.5	3.5	4.0
Surat Thani Cluster	Foreign	9.0	9.0	9.0
	Domestic	3.0	3.5	4.0
Songkhula / Hat Yai Cluster	Foreign	3.0	3.5	4.0
	Domestic	3.0	3.0	3.0

TABLE 3-3-8 PERCENTAGE SHARE OF UTILIZATION

		High/Low	High/Low	High/Low
Phuket Cluster	Foreign	72-28	74-26	75-25
	Domestic	29-71	44-56	49-51
Surat Thani Cluster	Foreign	20-80	30-70	40-60
	Domestic	20-80	20-80	20-80
Songkhula / Hat Yai Cluster	Foreign	30-70	30-70	30-70
	Domestic	20-80	20-80	20-80

TABLE 3-3-9 OCCUPANCY RATES (ASSUMPTION)

Year	1991	1996	2001
Phuket Cluster (High/Low)	58%	59%	60%
Surat Thani Cluster (High/Low)	50%	55%	55%
Songkhula / Hat Yai Cluster (High/Low)	60%	60%	60%

TABLE 3-3-10 DOUBLE OCCUPANCY RATES (ASSUMPTION)

Year	1991	1996	2001
Phuket Cluster (High/Low)	1.5(L) 1.8(H)	1.8(H,L)	1.8(H,L)
Surat Thani Cluster (High/Low)	1.5(L) 1.8(H)	1.5(L) 1.8(H)	1.5(L) 1.8(H)
Songkhula / Hat Yai Cluster (High/Low)	1.5(L) 1.8(H)	1.5(L) 1.8(H)	1.5(L) 1.8(H)

TABLE 3-3-11 PROJECTED HOTEL GUESTS TO 3 CLUSTERS IN SOUTHERN REGION, 1986-2001

Unit: ,000 Guests

	PHUKET CLUSTER					SURAT THANI CLUSTER					SONGKHLA/HAT YAI CLUSTER				
	Foreign		Domestic		Total	Foreign		Domestic		Total	Foreign		Domestic		Total
YEAR	No.	%	No.	%	No.	No.	%	No.	%	No.	No.	%	No.	%	No.
1986	254.0		223.0		477.0	86.3		205.6		291.9	445.5		681.3		1,126.8
1987	399.0	57.1	256.4	15.0	655.4	110.7	28.3	215.5	4.8	326.2	503.3	13.0	715.4	5.0	1,218.8
1988	516.0	29.3	294.8	15.0	810.8	142.1	28.3	225.8	4.8	367.9	568.6	13.0	751.3	5.0	1,319.9
1989	648.0	25.6	338.9	15.0	986.9	182.3	28.3	236.7	4.8	419.0	642.4	13.0	788.9	5.0	1,431.4
1990	778.0	20.1	389.7	15.0	1,167.7	233.8	28.3	248.1	4.8	481.9	725.8	13.0	828.5	5.0	1,554.3
1991	856.0	10.0	448.0	15.0	1,304.0	300.0	28.3	260.0	4.8	560.0	820.0	13.0	870.0	5.0	1,690.0
1992	916.0	7.0	492.9	10.0	1,408.9	320.9	7.0	269.3	3.6	590.2	858.3	4.7	903.3	3.8	1,761.6
1993	980.2	7.0	542.2	10.0	1,522.4	343.2	7.0	279.0	3.6	622.2	898.3	4.7	938.0	3.8	1,836.3
1994	1,048.9	7.0	596.5	10.0	1,645.4	367.1	7.0	288.9	3.6	656.1	940.2	4.7	973.9	3.8	1,914.1
1995	1,122.4	7.0	656.3	10.0	1,778.6	392.7	7.0	299.3	3.6	692.0	984.1	4.7	1,011.2	3.8	1,995.3
1996	1,201.0	7.0	722.0	10.0	1,923.0	420.0	7.0	310.0	3.6	730.0	1,030.0	4.7	1,050.0	3.8	2,080.0
1997	1,273.0	6.0	772.6	7.0	2,045.6	444.9	5.9	319.4	3.0	764.3	1,065.5	3.4	1,080.2	2.9	2,145.7
1998	1,349.4	6.0	826.7	7.0	2,176.1	471.2	5.9	329.1	3.0	800.3	1,102.2	3.4	1,111.3	2.9	2,213.5
1999	1,430.3	6.0	884.7	7.0	2,315.0	499.1	5.9	339.1	3.0	838.2	1,140.1	3.4	1,143.3	2.9	2,283.4
2000	1,516.1	6.0	946.7	7.0	2,462.7	528.7	5.9	349.4	3.0	878.1	1,179.4	3.4	1,176.2	2.9	2,355.5
2001	1,607.0	6.0	1,013.0	7.0	2,620.0	560.0	5.9	360.0	3.0	920.0	1,220.0	3.4	1,210.0	2.9	2,430.0

TABLE 3-3-12 DISTRIBUTION OF ROOM AND ROOM-NIGHTS REQUIIREMENTS IN 1991

	Room-Nights Required (Unit: ,000 Guests)							Number of Rooms (Unit: Rooms)								
	Foreign		Domestic		Total			Required			Available in 1986			Additional		
	High	Low	High	Low	High	Low	Total	High	Low	Total	High	Low	Total	High	Low	Total
PHUKET CLUSTER	**3,306**	**1,286**	**429**	**1,051**	**3,735**	**2,337**	**6,072**	**10,234**	**6,402**	**16,636**	**4,978**	**4,515**	**9,493**	**5,256**	**1,935**	**7,191**
Phuket	2,975	1,286	404	568	3,379	1,853	5,232	9,257	5,077	14,335	4,722	3,217	7,939	4,535	1,860	6,396
Pangnga	231	0	0	168	231	168	400	634	461	1,095	90	403	493	544	58	602
Krabi	33	0	4	158	37	158	195	102	432	534	0	480	480	102	0	102
Ranong	66	0	21	158	88	158	245	240	432	672	166	415	581	74	17	91
SURAT THANI CLUSTER	**720**	**2,880**	**173**	**693**	**893**	**3,573**	**4,467**	**2,447**	**9,790**	**12,237**	**551**	**8,383**	**8,934**	**1,896**	**1,407**	**3,303**
Surat Thani	144	864	35	416	179	1,280	1,459	489	3,507	3,996	72	3,277	3,349	417	230	647
Samui	540	1,123	130	173	670	1,297	1,967	1,836	3,552	5,388	404	2,757	3,161	1,432	795	2,227
Nakhon Si Thammarat	0	605	0	35	0	639	639	0	1,752	1,752	0	1,557	1,557	0	195	195
Chumphon	36	288	9	69	45	357	402	122	979	1,101	75	792	867	47	187	234
SONGKHLA-HAT YAI CLUST	**820**	**1,913**	**483**	**1,933**	**1,303**	**3,847**	**5,150**	**3,571**	**10,539**	**14,110**	**2,393**	**7,466**	**9,859**	**1,178**	**3,073**	**4,251**
Songkhla-Hatayai	820	842	483	812	1,303	1,654	2,957	3,571	4,531	8,102	2,393	3,193	5,586	1,178	1,338	2,516
Satum	0	96	0	77	0	173	173	0	474	474	0	379	379	0	95	95
Patani	0	57	0	77	0	135	135	0	369	369	0	180	180	0	189	189
Yala	0	440	0	464	0	904	904	0	2,477	2,477	0	1,717	1,717	0	760	760
Narathiwat	0	344	0	367	0	712	712	0	1,950	1,950	0	1,290	1,290	0	660	660
Trang	0	134	0	135	0	269	269	0	738	738	0	707	707	0	31	31

TABLE 3-3-13 DISTRIBUTION OF ROOM AND ROOM-NIGHTS REQUIIREMENTS IN 1996

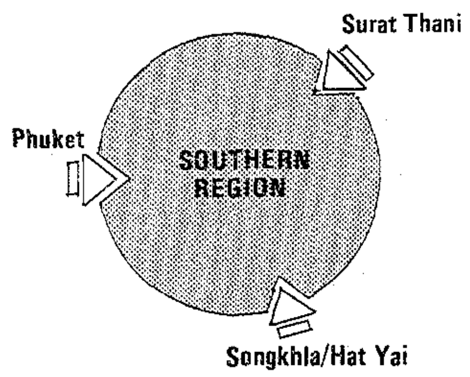
	Room-Nights Required (Unit: ,000 Guests)							Number of Rooms (Unit: Rooms)								
	Foreign		Domestic		Total			Required			Available in 1991			Additional		
	High	Low	High	Low	High	Low	Total	High	Low	Total	High	Low	Total	High	Low	Total
PHUKET CLUSTER	**4,519**	**1,588**	**1,002**	**1,275**	**5,521**	**2,863**	**8,384**	**15,126**	**7,844**	**22,971**	**10,234**	**6,450**	**16,684**	**5,133**	**1,416**	**6,548**
Phuket	3,615	953	752	893	4,367	1,845	6,212	11,964	5,056	17,020	9,257	5,077	14,335	2,707	0	2,707
Pangnga	678	318	200	230	878	547	1,425	2,406	1,499	3,905	634	461	1,095	1,772	1,038	2,810
Krabi	226	159	50	77	276	235	511	756	645	1,401	102	480	582	654	165	819
Ranong	0	159	0	77	0	235	235	0	645	645	240	432	672	0	213	213
SURAT THANI CLUSTER	**1,375**	**3,207**	**219**	**877**	**1,594**	**4,084**	**5,678**	**4,366**	**11,188**	**15,556**	**2,447**	**9,790**	**12,237**	**2,041**	**1,863**	**3,904**
Surat Thani	412	962	66	219	478	1,181	1,659	1,310	3,237	4,547	489	3,507	3,996	820	0	820
Samui	962	1,443	153	526	1,116	1,969	3,085	3,056	5,395	8,452	1,836	3,552	5,388	1,221	1,843	3,064
Nakhon Si Thammarat	0	481	0	88	0	569	569	0	1,558	1,558	0	1,752	1,752	0	0	0
Chumphon	0	321	0	44	0	365	365	0	999	999	122	979	1,101	0	20	20
SONGKHLA-HAT YAI CLUST	**1,202**	**2,804**	**583**	**2,333**	**1,785**	**5,137**	**6,922**	**4,890**	**14,075**	**18,965**	**3,571**	**10,539**	**14,110**	**1,320**	**3,954**	**5,273**
Songkhla-Hatayai	1,082	1,262	525	980	1,607	2,242	3,848	4,401	6,142	10,543	3,571	4,531	8,102	831	1,611	2,441
Satum	0	140	0	117	0	257	257	0	704	704	0	474	474	0	230	230
Patani	0	140	0	117	0	257	257	0	704	704	0	369	369	0	335	335
Yala	60	701	29	560	89	1,261	1,350	245	3,455	3,455	0	2,477	2,477	245	978	1,222
Narathiwat	60	561	29	443	89	1,004	1,093	245	2,751	2,751	0	1,950	1,950	245	801	1,046
Trang	0	0	0	117	0	117	117	0	320	320	0	738	738	0	0	0

TABLE 3-3-14 DISTRIBUTION OF ROOM AND ROOM-NIGHTS REQUIIREMENTS IN 2001

	Room-Nights Required (Unit: ,000 Guests)							Number of Rooms (Unit: Rooms)								
	Foreign		Domestic		Total			Required			Available in 1996			Additional		
	High	Low	High	Low	High	Low	Total	High	Low	Total	High	Low	Total	High	Low	Total
PHUKET CLUSTER	**6,473**	**2,158**	**1,517**	**1,579**	**7,989**	**3,736**	**11,725**	**21,889**	**10,236**	**32,125**	**15,366**	**7,866**	**23,232**	**6,522**	**2,370**	**8,893**
Phuket	4,337	1,295	1,001	947	5,338	2,242	7,579	14,624	6,142	20,765	11,964	5,077	17,041	2,660	1,064	3,724
Pangnga	971	302	288	347	1,259	649	1,903	3,449	1,779	5,229	2,406	1,499	3,905	1,043	280	1,323
Krabi	777	280	152	189	928	470	1,398	2,544	1,287	3,831	756	645	1,401	1,787	643	2,430
Ranong	388	280	76	95	464	375	839	1,272	1,028	2,300	240	645	885	1,032	383	1,415
SURAT THANI CLUSTER	**2,444**	**3,665**	**291**	**1,164**	**2,735**	**4,829**	**7,564**	**7,492**	**13,230**	**20,722**	**4,489**	**11,653**	**16,142**	**3,003**	**1,577**	**4,580**
Surat Thani	635	1,100	76	233	711	1,332	2,043	1,948	3,650	5,598	1,310	3,507	4,817	638	143	781
Samui	1,442	1,649	172	698	1,613	2,348	3,961	4,420	6,432	10,852	3,056	5,395	8,452	1,364	1,036	2,400
Nakhon Si Thammarat	244	550	29	116	273	666	940	749	1,825	2,574	0	1,752	1,752	749	73	822
Chumphon	122	367	15	116	137	483	620	375	1,323	1,698	122	999	1,121	252	324	576
SONGKHLA-HAT YAI CLUST	**1,627**	**3,796**	**1,008**	**2,353**	**2,635**	**6,148**	**8,783**	**7,219**	**16,845**	**24,064**	**4,890**	**14,493**	**19,383**	**2,329**	**2,352**	**4,681**
Songkhla-Hatayai	1,155	1,516	756	988	1,911	2,506	4,418	5,236	6,867	12,103	4,401	6,142	10,543	835	725	1,560
Satum	81	190	50	118	132	307	439	361	842	1,203	0	704	704	361	139	499
Patani	81	190	50	118	132	307	439	361	842	1,203	0	704	704	361	139	499
Yala	146	835	101	565	247	1,400	1,647	677	3,835	4,512	245	3,455	3,699	433	380	813
Narathiwat	81	683	50	447	132	1,130	1,262	361	3,097	3,457	245	2,751	2,996	116	346	462
Trang	81	380	0	118	81	497	579	223	1,362	1,585	0	738	738	223	624	847

3.4 REGIONAL TOURISM STRUCTURE

As a result of an assessment of tourism resources, a hierarchical of tourism structure in Southern Region can be delineated into three-levels. The primary areas, which are endowed with invaluable resources and the greatest potential for further development, are Phuket; Songkhla/Hat Yai; and Samui. The second level areas, which are capable of supporting or supplementing the primary order centers with particular attractiveness are Surat Thani, Phang Nga and Krabi in the upper-southern region, and Satun, Yala and Narathiwat in the lower southern region. All other areas with the small and the medium-scale attractions are classified as third level areas. This structure implies that a spatial guideline should be followed for strategic tourism development in Southern Region.



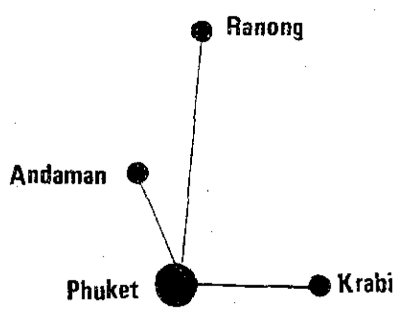
3.4.1 GATEWAYS

The following 3 areas are identified as tourist gateways to Southern Region (See Fig. 3-4-2)

1) Phuket: International and regional air and sea gateways (Western gateway)
2) Songkhla/Hat Yai: International and regional air and land gateways (Southern gateway)
3) Surat Thani: Regional air and land gateway (Northern gateways)

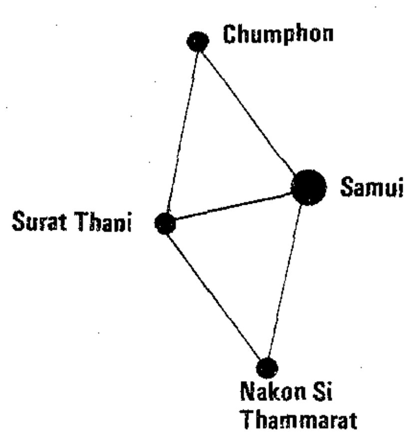
3.4.2 TOURISM DEVELOPMENT AREAS

The following 3 clusters and 15 areas are identified as tourism development clusters and areas (See Fig. 3-4-3 and 3-4-4)



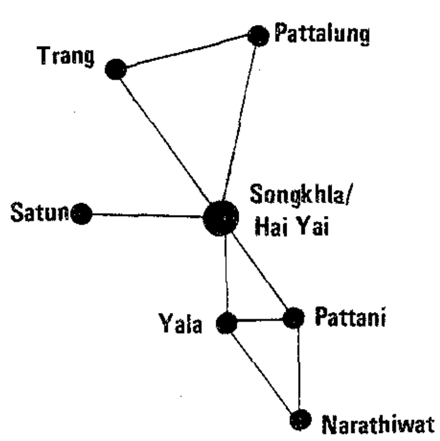
1) PHUKET CLUSTER

a. Phuket Development Area: The major international tourist destination in Southern Region and primary center of this cluster, it has *"BEACH AND MARINE RESORT"*attractions.
b. Andaman Islands Development Area (Phang Nga): One of the tourist destinations in this cluster having the attraction of being *"AN INTERNATIONAL DIVING SPORT AND ISLAND RESORT"*.
c. Krabi Development Area: One of the tourist destinations in this cluster having the attraction of going *"BACK TO NATURTE ON VIRGIN ISLANDS AND BEACHES"*.
d. Ranong Development Area : One of the tourist destinations in this cluster for the special interest group attraction of *"HIGHLAND RECREATION AND HEALTH REHABILITATION WITH A HOT SPA"*.



2) SURAT THANI/SAMUI CLUSTER

a. Samui Development Area: The major international tourist destination in Southern Region having the attraction of a *"NATURE-ORIENTED RESORT FOR LONGER-STAY TOURISTS"*.
b. Surat Thani Development Area: One of the tourist destinations and the primary center in this cluster having the characteristic of *"THE GATE TOWN OF THE SOUTHERN TOURISM REGION WITH SEAFOOD AND BUDDHISM CULTURE"*.
c. Nakhon Si Thammarat Development Area: One of the tourist destinations in this cluster having the characteristic of *"THAILAND'S BUDDHISM MECCA"*.
d. Chumphon Development area: Transit point and stop-over to this cluster having the attraction of being a *"A BEACH RESORT AND SCENIC BEAUTY"*, especially for domestic tourists.



3) SONGKHLA/HAT YAI CLUSTER

a. Songkhla/Hat Yai Development Area: The major international tourist destination in Southern Region having the attractions of *"ASIAN SHOPPING AND ENTERTAINMENT CENTER"* as well as being the primary center of this cluster.
b. Satun Development Area: One of the tourist destination in this cluster having the attractions of *"TARUTAO MARINE NATIONAL PARK AND THE MARINE RESORT AT SATUN"*
c. Phattalung Development Area: Transit point and stop-over to this cluster and other clusters having the attractions of *"LOCAL CULTURE AND NATURAL BEAUTY"*
d. Pattani Development Area: Transit point and stop-over to this cluster having the attractions of the *"CULTURE AND HISTORY OF SOUTHERN REGION"*, especially for Malaysian tourists*.
e. Yala Development Area: Transit point and stop-over to this cluster having the attractions of *"CULTURE AND HISTORY OF SOUTHERN REGION"*, especially for Malaysian tourists same as Phattani.
f. Narathiwat Development Area: Transit point and stop-over to this cluster having the attractions of *"LOCAL CULTURE AND BEACH"*, especially for Malaysian tourists*.

FIG. 3-4-1 PRESENT STRUCTURE OF SOUTHERN REGION

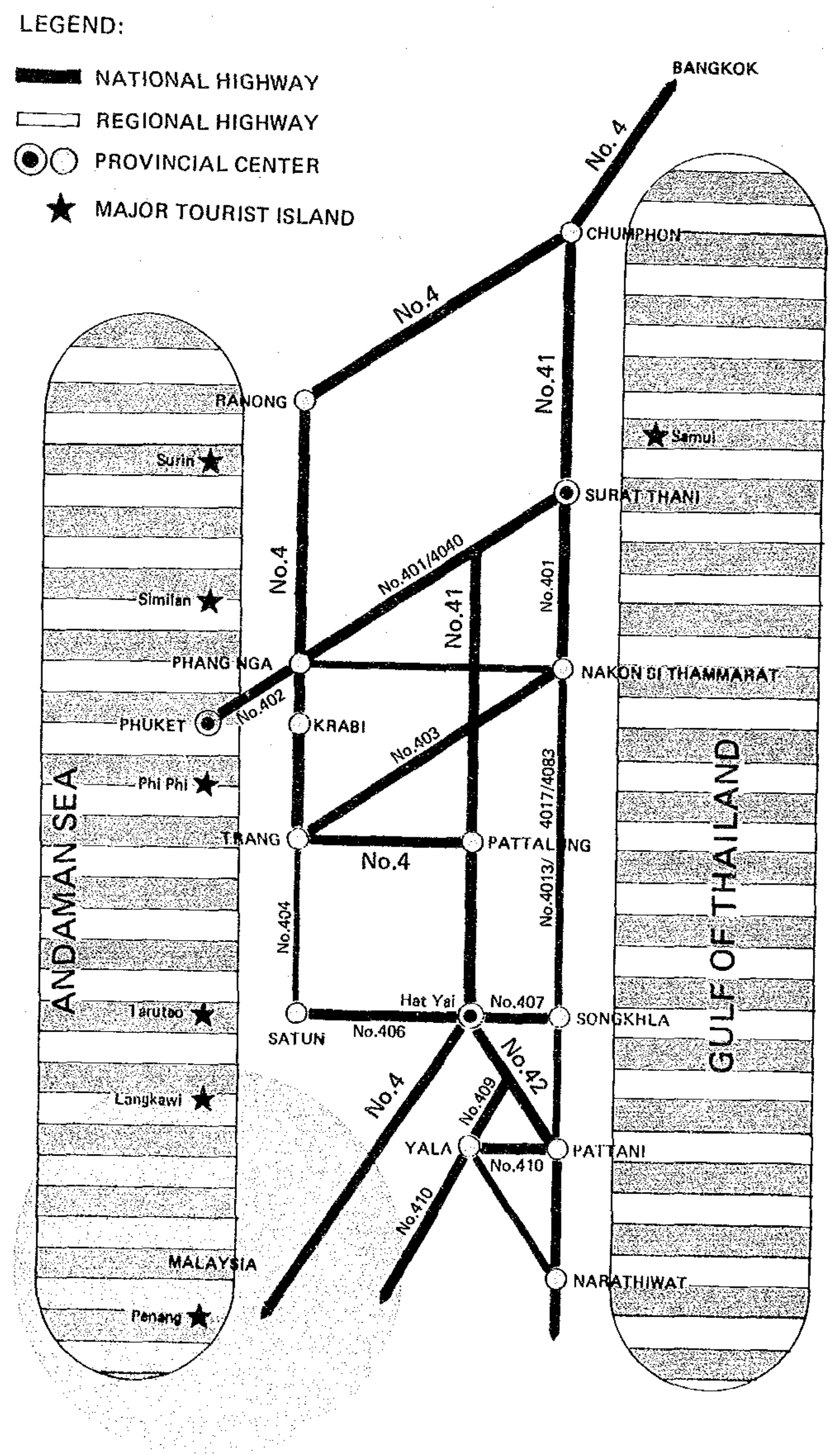
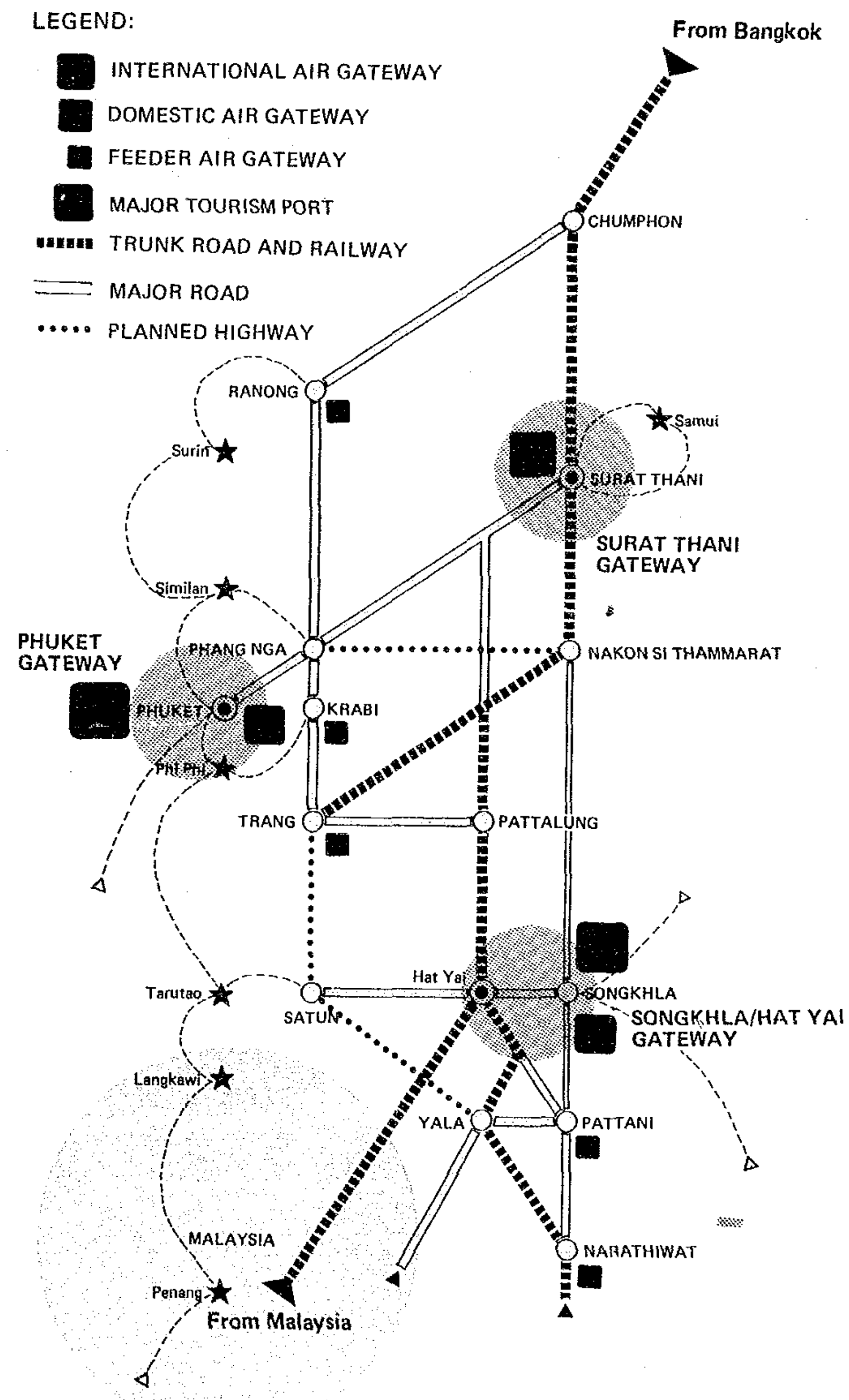


FIG. 3-4-2 TOURISM GATEWAYS OF SOUTHERN REGION



3.4.3 TOURISM DEVELOPMENT CENTER

Some 50 places have been identified as development centers and can be classified into 8 categories by type of development as follows; (See Fig. 3-4-5)

●Gate Towns

a. Gate Town Improvement and Historic/Cultural Development (6 places) including; Chaiya/Phumriang, Phuket, Nakhon Si Thammarat, Songkhla, Phattani and Yala.
b. Gate Town Improvement (8 places) including Chumphon, Surat Thani, Hat Yai, Phatthalung, Satun, Trang, Sungai Kolok, Na Thon in Samui.

●Marine and Beach Resorts

c. Marine and Beach Development (6 places) including; Phang Nga West, Patong in Phuket, Kantang in Trang, Samila in Songkhla, and the East Coast of Samui and Pha-ngan.
d. Beach Development (6 places) including; Pathiu and Lang Suan in Chumphon, West Coast of Phuket, Pak Phanang in Nakhon Si Thammarat, Pak Bang Na Tap/Pak Bang Sa Kom in Songkhla, Beach in Narathiwat.

●Ports

e. Marine and Port Development (3 places) including Takuapa in Phang Nga, Don Sak in Surat Thani and Langu in Satun.

●National Parks

f. Marine National Park Improvement (10 places) including; Hat Laem Son in Ranong, Surin, Similan, Hat Thai Muang and Phang Nga Bay, Hat Nopharat Thara and Phi Phi in Krabi, Ang Tong in Surat Thani, Hat Chao Mai in Trang and Tarutao in Satun.
g. Forest National Park Improvement (3 places) including, Lan Saka and Khao Luang in Nakhon Si Thammarat, Thaleban in Satun and Sungai Padi in Narathiwat.

●Landscape

h. Landscaping Development (9 places) including; Kra Buri and the Municipality in Ranong, Phanom in Surat Thani, Ao Luk in Krabi, Ranok and Khao Son Cha in Phatthalung, Khu Khud and Ton Ngachang in Songkhla and Bannang Star and Betong in Yala.

3.4.4 TOURISM DEVELOPMENT PRIORITY

Determination of the most appropriate phasing of the 15 development areas was based on several considerations as follows; (See Fig. 3-4-3)

a. The attractiveness of the area, especially the beach and marine resources which are outstanding in the world, as related to the potential tourist market, and existing and planned development of these attractions.
b. The existence of a gateway within the area, or the existing and planned accessibility to the area from the nearest gateway, including the time-distance to reach the area.
c. The relationship of the area to other development areas with respect to tour pattern interrelationships.
d. The quantity and quality of existing and planned hotels and other tourist facilities and services within the area and the potential for developing new facilities ,including the availability and cost of technical infrastructure to serve these facilities without creating environmental problems.
e. The capability of the socio-economic conditions of the area to cope with tourism without creating serious socio-economic problems.

In this regional tourism structure plan, the phasing of development is divided into three periods; 1988-1991, 1992-1996 and 1997-2001. A development phase is defined as the time required to develop a sufficient quantity and quality of tourist attractions, accommodations and other facilities and services and related infrastructure so that active tourism promotion can commence.

1) PHASE-I: 1987-1991 (During the 6th National Plan)

a. Phuket
b. Samui
c. Songkhla/Hat Yai

2) PHASE-II: 1992-1996 (During the 7th National Plan)

a. Andaman islands development area
b. Krabi development area
c. Satun/Tarutao development area
d. Narathiwat/Sungai Kolok development area
e. Yala development area

3) PHASE-III: 1997-2001 (During 8th National Plan)

a. Chumphon development area
b. Ranong development area
c. Nakhon Si Thammarat development area
d. Phatthalung development area
e. Trang/Kantang development area
f. Phattani development area

The detailed characteristics and guidelines for the planning and development of each development area and cluster are described in Chapter 4.

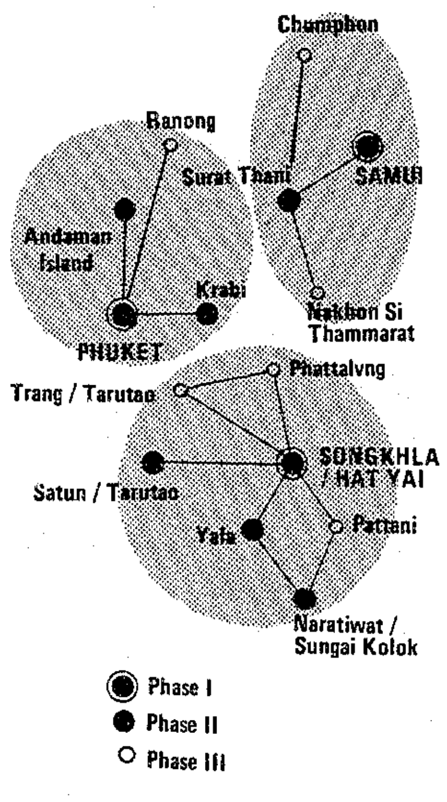


FIG. 3-4-3 TOURISM DEVELOPMENT AREAS AND CLUSTERS OF SOUTHERN REGION

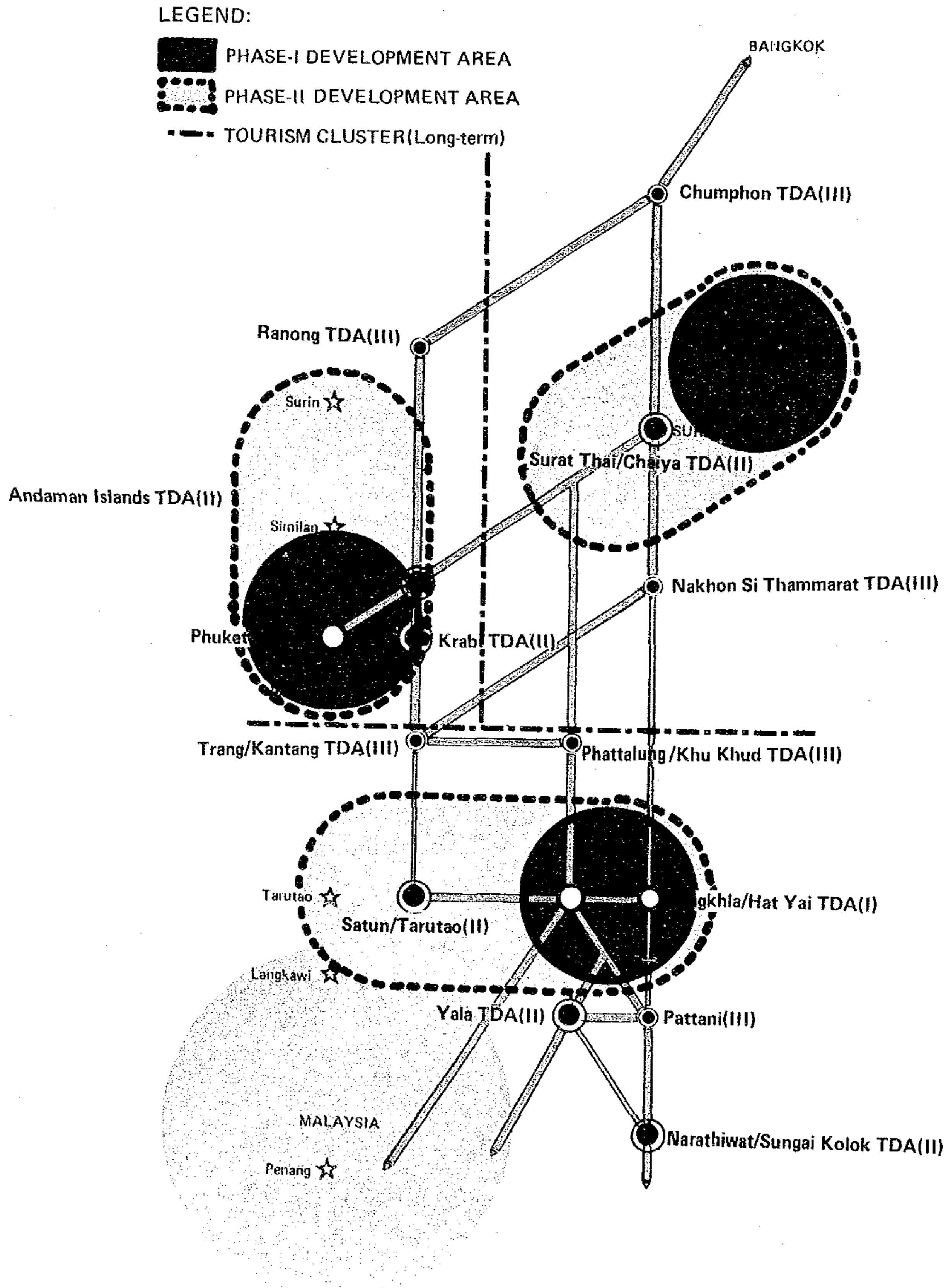


FIG. 3-4-4 TOURIST DESTINATIONS OF SOUTHERN REGION

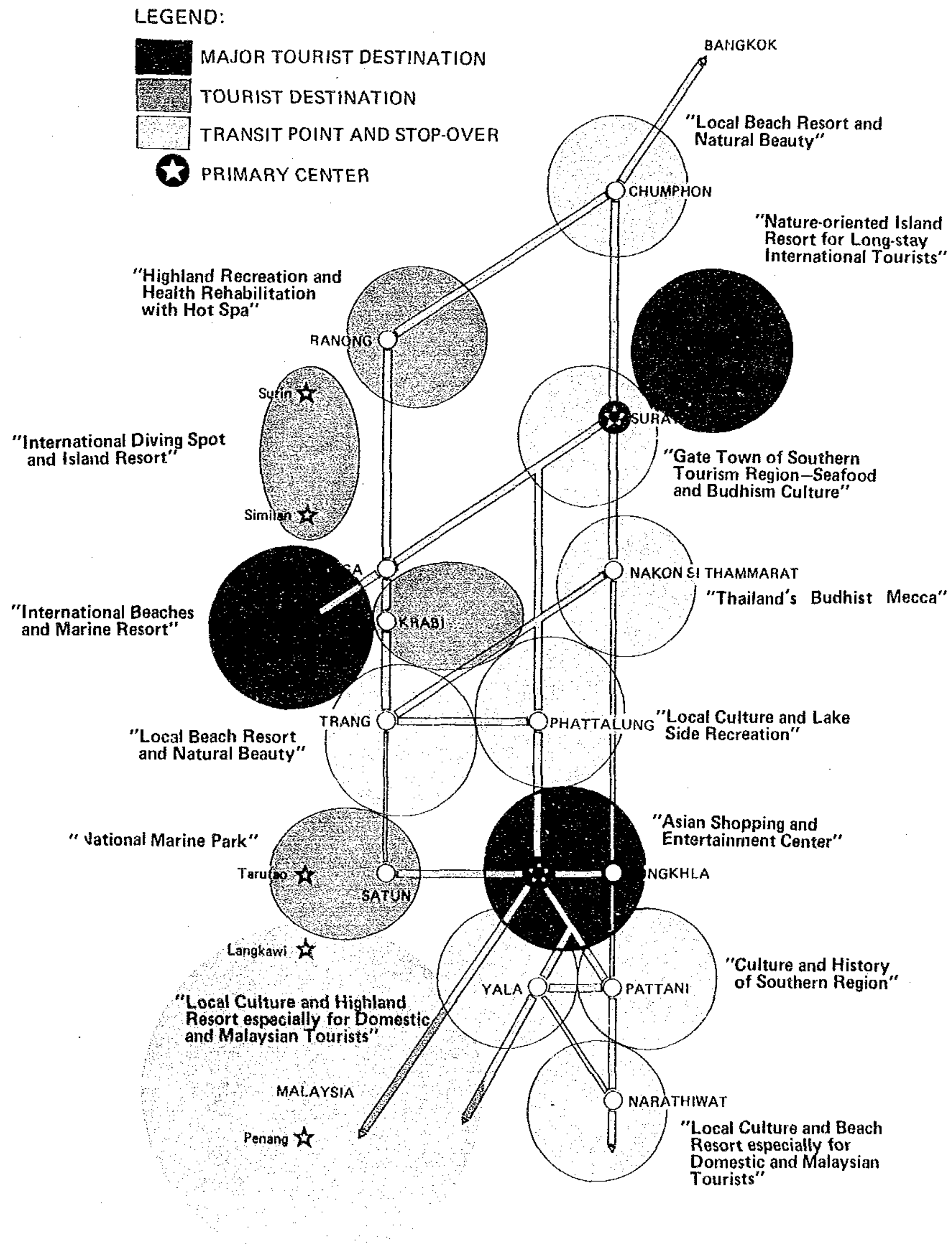
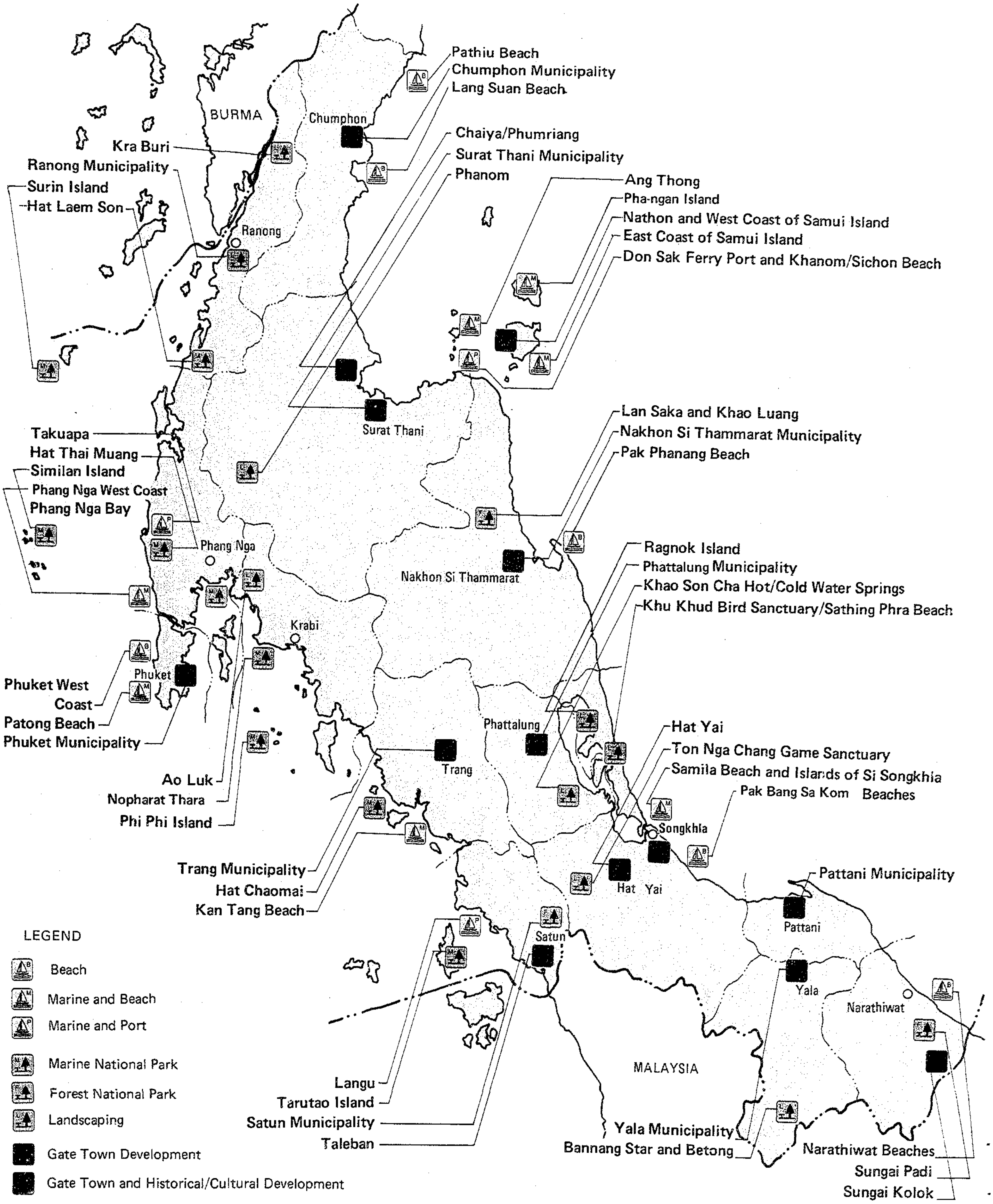
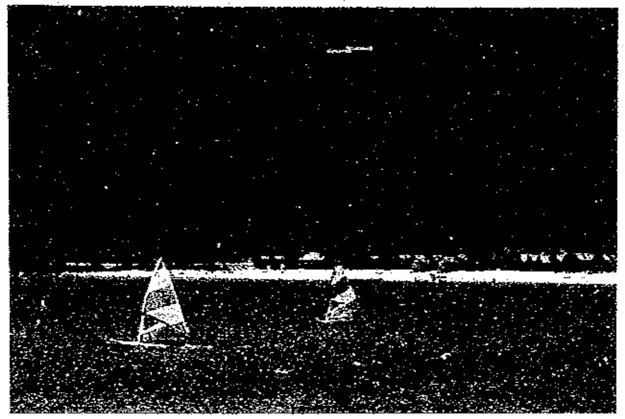


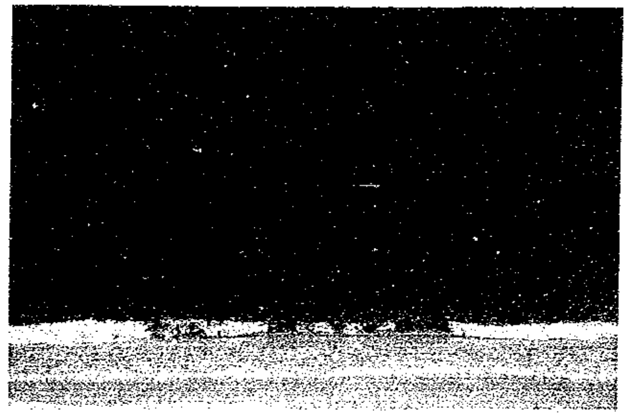
FIG. 3-4-5 TOURISM DEVELOPMENT CENTERS OF SOUTHERN REGION

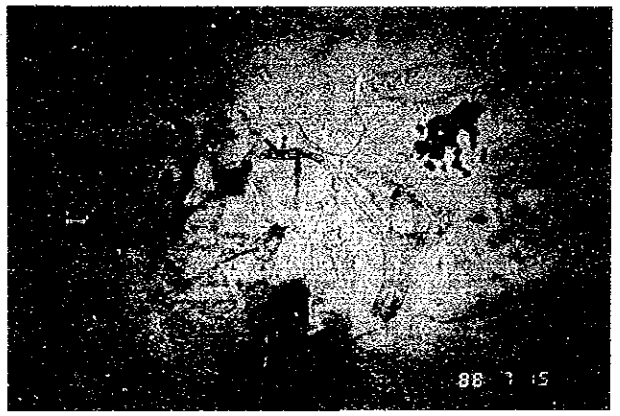


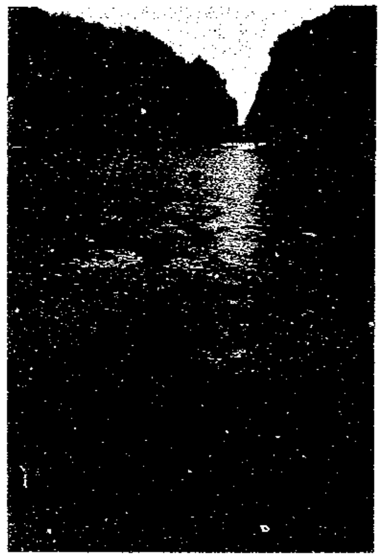

Water Sports at Samui, Surat Thani *


Nature Lover's Resort at Samui, Surat Thani*


Sunset at Big Buddha, Samui, Surat Thani*


Similan Island, Phang Nga*


Cave Painting in Krabi

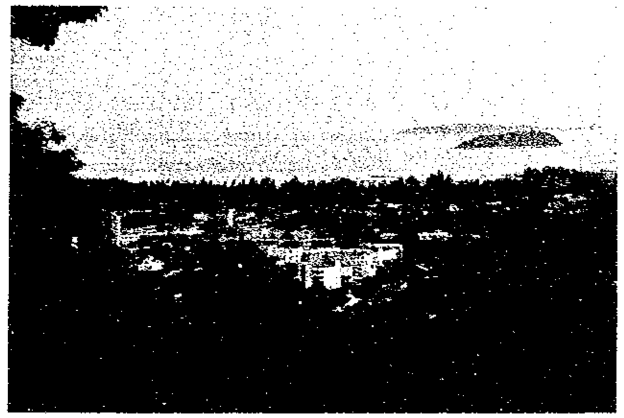

Ang-Tong, Surat Thani*


Thalang Street-Traditional District in Phuket Town


'James Bond Island' in Phang Nga Bay

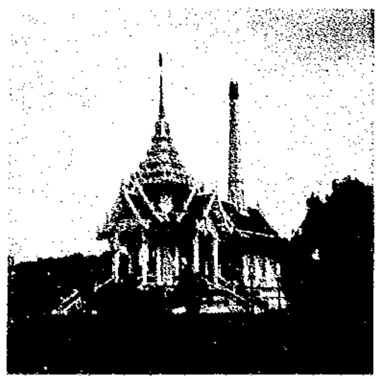

Buddha Image in Chiya


Resort Hotel Construction Booming in Phuket


Panoramic View to Phuket Gate Town

* Source: Post Cards
Photo By Pisit Jiropas


Cultural Performance at Thani Village,Phuket


Wat Chalong in Phuket


75 Million Year Shell Fossil Beds, KRABI


Song Khla Lake-Bird Sanctuary,SONG KHLA

3.5 TRANSPORT NETWORK

A well developed transport network system is crucial not only for facilitating tourism growth, but also for distributing its benefits over the region. Three major issues should be tackled in terms of transport network development: 1) to form an international linkage to respond to the increasing demands of international tourists, 2) to structure a more effective inter-regional transport system associated with air, sea and land transportation, and 3) to integrate the dispersed potential tourism assets/spots located in Southern Region.

- **A Safe and Reliable Transport Network Systems**
- **Integration of All Modes of Transportation**

For these issues, both the national and local governments have to jointly play a significant role in putting forth various projects/programs in a planned manner. Particular emphasis should be placed on development policies aiming firstly at formation of an international linkage in Southern Region as a whole. A safe and reliable air transport network system is a critical requirement. Not only air transportation, but also railway, highway and sea transport systems should be strengthened for this purpose. Secondly, the policy should address the integration of all modes of transportation with both regional and local functions in order to structure a comprehensive transport network system.

A general development concept in Southern Region is proposed as illustrated on Fig. 3-5-1. This concept is not only for tourism but for the whole regional economy. The proposed programs/projects in the transport sector is summarized as shown in Table 3-5-1. Basic understandings, ideas and reasons underlying these proposals are discussed below and described in depth by cluster in Chapter 4 of this volume.

TABLE 3-5-1 ROGRAMS/PROJECTS AND PHASING OF TRANSPORTATION

	Phase I	Phase II	Phase III
A. INTERNATIONAL MASS-TOURISM DEVELOPMENT PROGRAM			
1. The Phuket International Airport Improvement Project			
1) Extension of Runway (3,000m)	X		
2) Renovation of Terminal Building and Facilities	X		
3) Radar System Installation (ASR)	X		
4) Navigational Aid Systems (ILS, Lighting)	X		
5) Up-Grading of Aviation Safety Level		X	
6) Increase in International Flight Movements	X	X	X
7) Development of the Area Surrounding the Airport	X	X	
8) Access Road Improvement (3km)	X	X	
2. The Hat Yai International Airport Improvement Project			
1) Radar System Installation		X	
2) Development of the Area Surrounding the Airport	X	X	
3) Increase in International Flight Movements	x	X	
3. Land Transport System Improvement Project			
1) Asian Express Railway Operation		X	X
2) Maintenance of Asian Highway Nos. 2 and 18	X	X	X
4. Sea Transport System Development Project			
1) Inducement/Promotion of International Cruise Port Calls		X	X
2) Andaman International Sea Transport Network		X	X
B. INTER-REGIONAL LINKAGE IMPROVEMENT PROGRAM			
1. Domestic Air Transport Improvement Project			
1) Increase in Flight Movements b/w BKK and Phuket	X	X	X
2) Increase in Flight Movements b/w BKK and Hat Yai		X	X
3) Increase in Flight Movements b/w Phuket and Hat Yai		X	
4) Operations b/w Hat Yai and Surat Thani		X	
5) Surat Thani Terminal Building Improvement		X	
2. E-W Link Development (Phuket-Surat Thani Highway)	X	X	X
3. Improvement of the Southern Line (railway)	X	X	X
C. INTRA-REGIONAL TOURISM INTEGRATION PRGRAM			
1. Feeder Air Transport Network Development			
1) The Smaui Airport Up-Grading and Operations b/w Surat Thani and Samui	X		
2) The Krabi Airport Up-Grading and Operations b/w Phuket and Krabi		X	
3) Air Transport Network b/w Phuket and Samui		X	
4) Air Excursion Development in Phuket		X	X
2. Andaman Sea Excursion Routes and Facilities Development Project			
1) The Phang-Nga Bay Circuit	X	X	
2) The Northern Andaman Sea Excursion (Phuket-Similan-Surin)	X	X	
3) The Southern Andaman Sea Excursion (Phuket-Phi Phi-Tarutao)	X	X	
3. Krabi-Phuket Ferry Development		X	X
4. Local/Access Roads Improvement Project			
1) Phuket Island	X	X	
2) Samui Island	X	X	
3) Songkhla-Hat Yai New Road Development	X		
5. Town Revitalization Project (inc. Street Improvement)			
1) Phuket Town		X	X
2) Hat Yai Town		X	X

Notes: * shows projects already under way or committed under the 6th National Plan.

FIG. 3-5-1 INTER-MODAL TRANSPORT LINKAGE IN SOUTHERN REGION

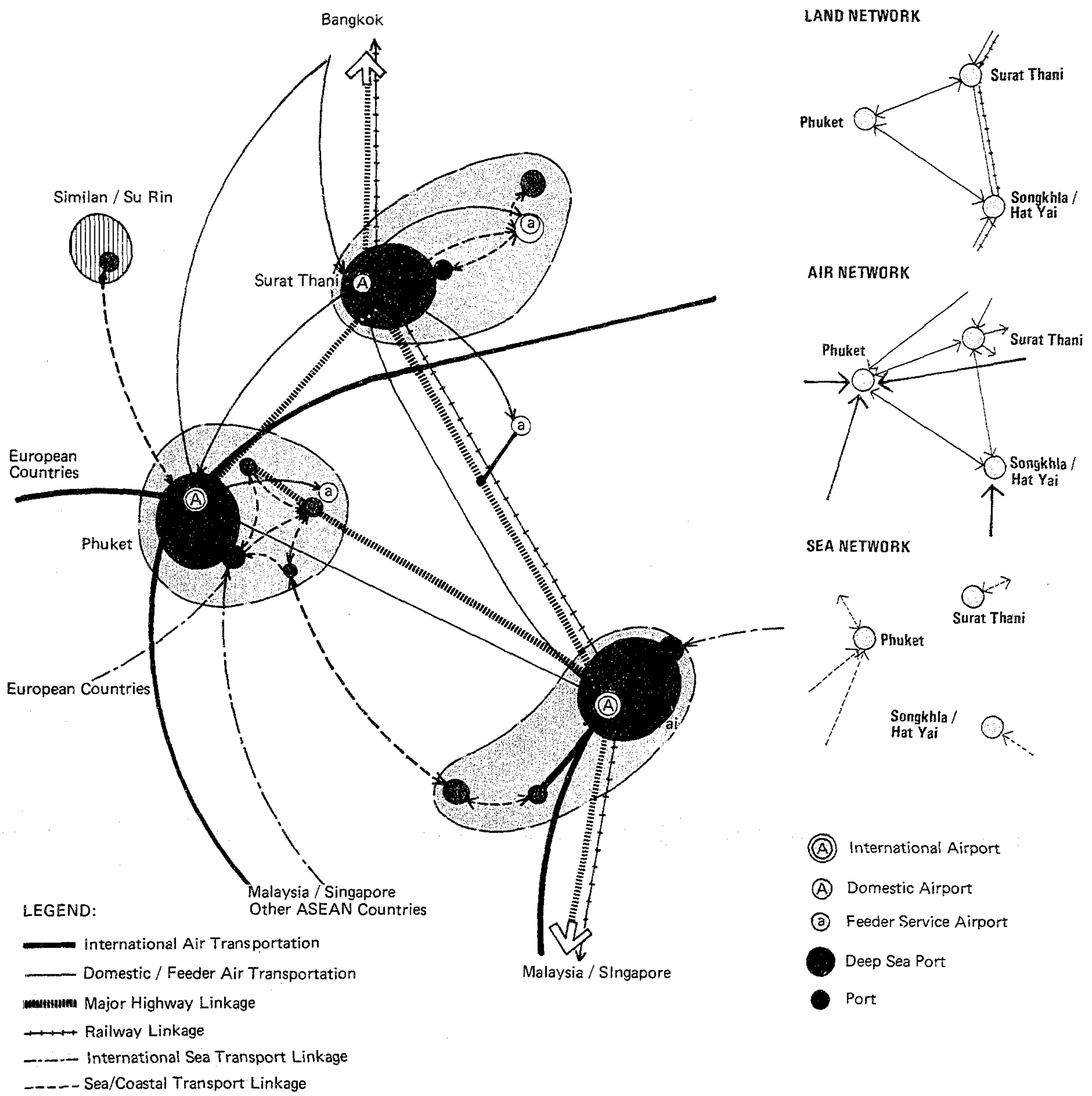


TABLE 3-5-2 SEATS CAPACITY TO BANGKOK AIRPORT

	Seat Available/Year		International Passengers Arrival/Year				International Tourists Arrival			
	(,000)	(,000)	(,000)	*1)	(,000)	*1)	(,000)	*2)	(,000)	*2)
Europe	481		417	0.87			583	1.40		
Middle East & Africa	752	2250	300	0.40	1134	0.50	123	0.41	911	0.80
West Asia	1,017		417	0.41			205	0.49		
East Asia	353		209	0.59			208	1.00		
Japan	265	1830	152	0.57	926	0.51	249	1.64	536	0.58
Hong Kong	1,212		565	0.47			79	0.14		
Oceania	109	1671	70	0.64	751	0.45	93	1.33	299	0.40
ASEAN	1,562		681	0.44			206	0.30		
Neighbors	32		36	1.13			28	0.78		
Americas			33				229			
Total	5,783		2,880	0.50			2,003	0.70		

Notes;
-*1) indicates load factor (International Passengers/Seat Available)
-*2) indicates tourist ratio (International Tourists/International Passengers)
-International Passengers don't include transit passengers
-International Passengers: by point of origin
-International Tourists: by nationality

3.5.1 AIR TRANSPORT

1) INTERNATIONAL AIR LINKAGES

Thailand is located in the center of the South East Asian Region and a leading country in this region in terms of economic growth. This leads to Bangkok International Airport playing an significant role as a major international transport center.

●Bangkok International Airport

Bangkok International Airport is not only the gateway of Thailand, but also a transit airport connecting with Far East, Middle East and Europe. Looking at international linkages in terms of the number of direct flight seats available, as shown in Fig. 3-5-2, it is found that Bangkok has the largest air transport capacity to/from Hong Kong, Singapore and India, followed by those to/from Japan, Malaysia, Philippines and Taiwan. The pattern of the international linkages centering on Bangkok is illustrated on Fig. 3-5-2.

●Chiang Mai and Khon Kaen Airports in Northern Region

Of the regional areas, Chiang Mai, the center of Northern Thailand, is another important international gateway, but it has no direct air transport linkage with southern countries such as Malaysia and Singapore. Khon Kaen Airport is anticipated to become another international airport with improvement of the facilities,and function as an air transport gateway to North-East Thailand.

●Phuket and Hat Yai Airports in Southern Region

In Southern Thailand, there are two international airports, Phuket and Hat Yai. Phuket Airport has direct routes to/from Hong Kong, Penang and Kuala Lumpur, while Hat Yai Airport has routes to/from Penang, Kuala Lumpur and Singapore. A package of improvement projects is going on at Phuket Airport to increase the passenger handling capacity and the number of direct flights from Japan and other countries. After completion of this project in 1989, it is expected that an international air transport network system in Southern Region, associated with Hat Yai Airport, will be strengthened to a considerable extent to meet the requirements of the current international mass-tourism demand in potential markets, thereby creating a broader international linkage independent of Bangkok. This will also contribute to promoting the international business as well as tourism in Southern Region.

Special emphasis should, however, be placed on promoting and improving the safety of air transportation at each international airport. This involves the improvement of both operational systems and physical conditions. Policies should target at complete avoidance of any air transport accidents. The development programs necessary for achieving this target should be given top priority.

2) INTER-REGIONAL AIR LINKAGES

●Increase of Air Passengers

●High Overall Load Factor

As commonly seen in advanced countries, once a highly information-oriented society has been developed, the demand for air transport increases proportionally at high rate. As shown in Fig. 3-5-3, the numbers of passengers have increased drastically at all major airports during the last decade. In moving towards a new era, the national air transport system needs to be strengthened in a planned manner, especially for the transport capacities of the trunk routes. Fig. 3-5-4 shows changes in load factors at major airports. Phuket, Surat Thani and Hat Yai airports have faced seasonal fluctuation in load factor to some extent, but shows a remarkably high rate of more than 80 percent, which implies that passengers always have difficulties in booking. It is strongly recommended, from not only a tourism but also a regional economic point of view, that the air transport capacities should be enlarged as much as possible to meet increasing demand.

In the present air network system at a national level, there are three service zones connected with Bangkok, as shown in Fig. 3-5-5, and they have the following characteristics:

●"Hub and Spoke" Pattern Centering on Chiang Mai

Northern Region: Chiang Mai and Phitsanulok have direct routes to/from Bangkok and are linked with several feeder services to major regional cities. The network has a " hub and spoke" pattern centering on Chiang Mai.

Northeastern Region: Every airport located in this region has a direct linkage with Bangkok. Khon Kaen, the center of this region, has local linkages with the other three airports.

●3 Airpors in 3 Clusters in Southern Region

Southern Region: Three major airports, Phuket, Hat Yai and Surat Thani, have direct routes to/from Bangkok, whereas the other local airports have feeder routes from these three major airports. Accordingly, the air network system in Southern Region is divided into three sub-clusters. The three airports, as the centers of these three clusters, may play a significant role in facilitating the regional tourism as well as the socio-economic functions.

3) INTRA-REGIONAL NETWORK

●Local Airports in Southern Region

●Krabi and Samui Airports

In Southern Region, there are four local airports with scheduled feeder air services, i.e., Trang, Nakhon Si Thammarat, Phattani and Narathiwat. Krabi Airport, initially developed by the provincial government, has not been in operation since 1987 because of insufficient traffic demands and its inadequate safety facilities. Samui Airport has already been constructed by the private sector, but is not open in service yet due to its safety problems.

Since a feeder air transport network system is important to cater for tourists as well as business activities, it should be incorporated into the national air network system. The potential airports in terms of tourism promotion are Krabi Airport and Samui Airport. It is recommended that a rehabilitation program for these two airports be explored urgently.

●Nakon Si Thammarat Airport

Nakhon Si Thammarat Airport, which is a feeder airport of Surat Thani, is assessed to be another airport which is potential to provide a wide range of transport services for the sub-regional economies. Direct flights to/from Bangkok may be feasible.

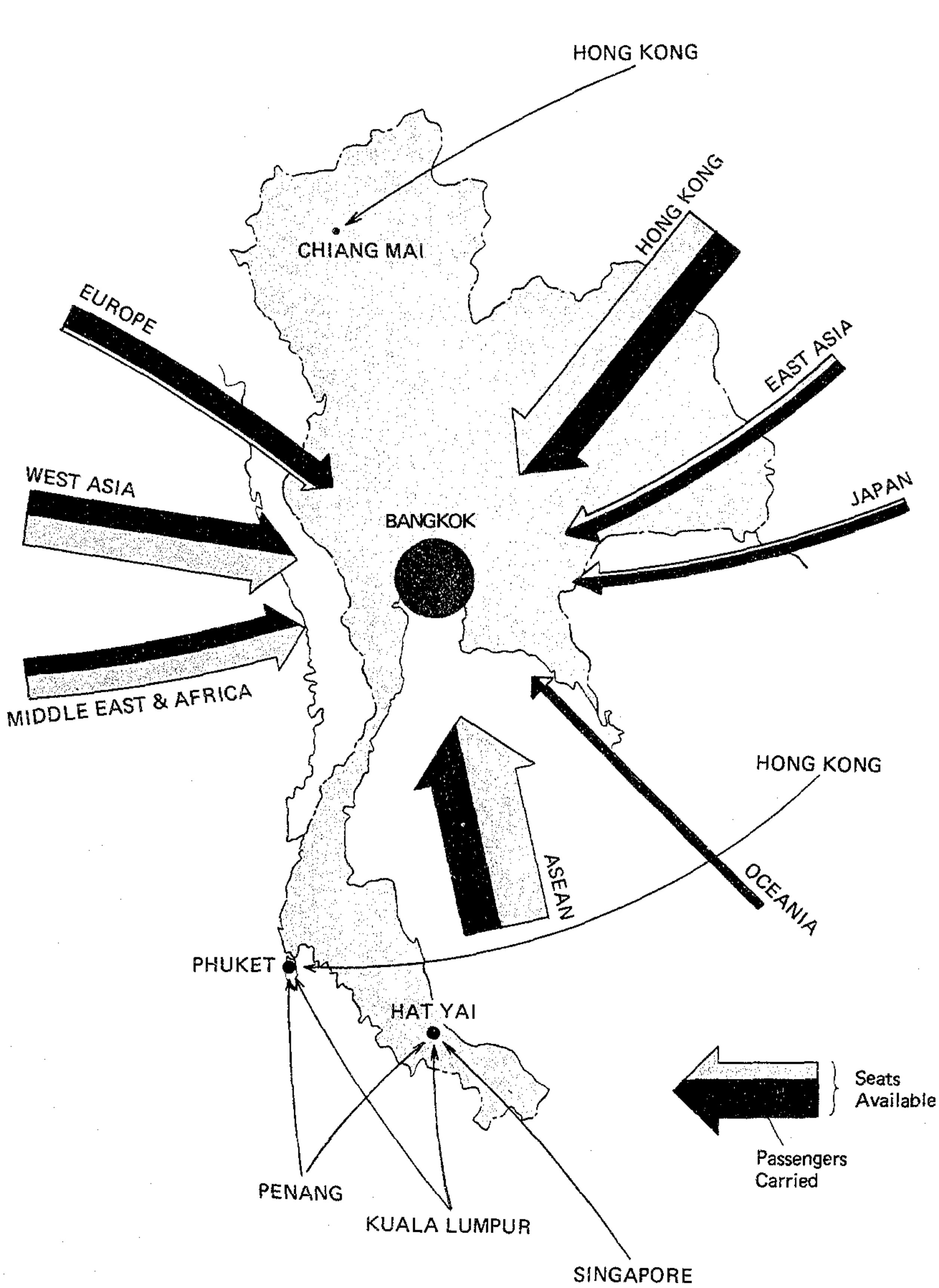


FIG. 3-5-2 INTERNATIONAL AIR TRSNSPORT TO THAILAND

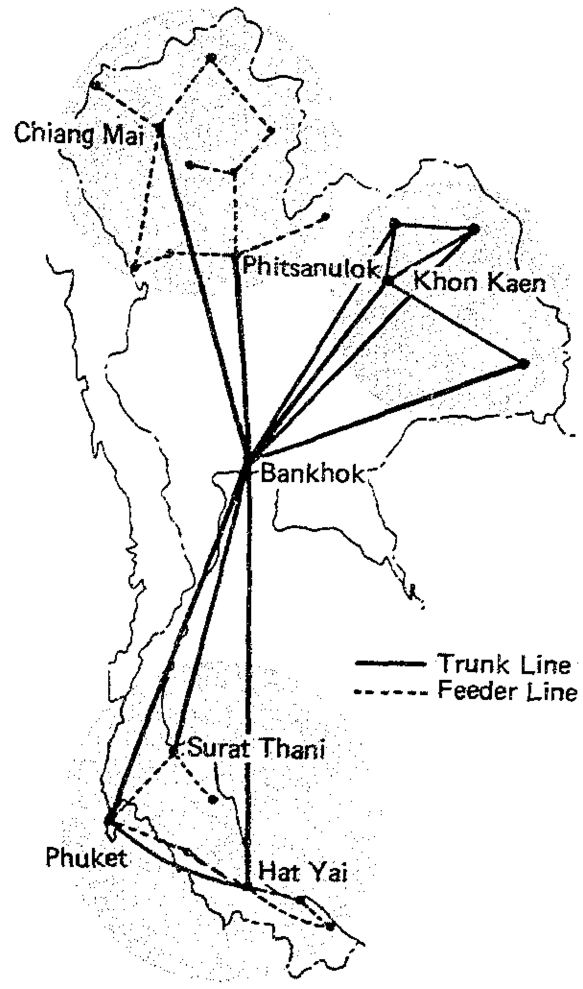


FIG. 3-5-5 AIR TRAFIC NETWORK IN THAILAND

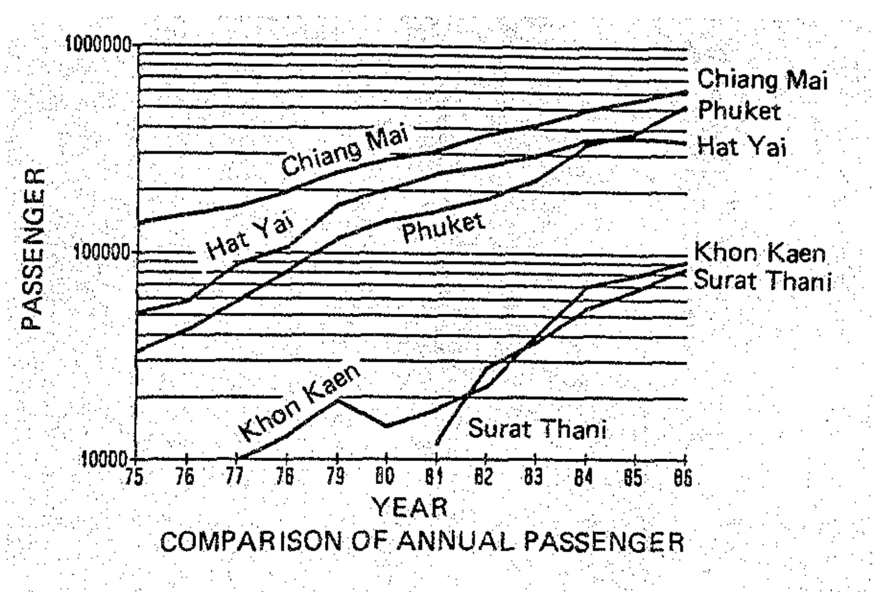


FIG. 3-5-3 NUMBER OF PASSENGERS CARRIED AT MAJOR AIRPORTS IN THAILAND

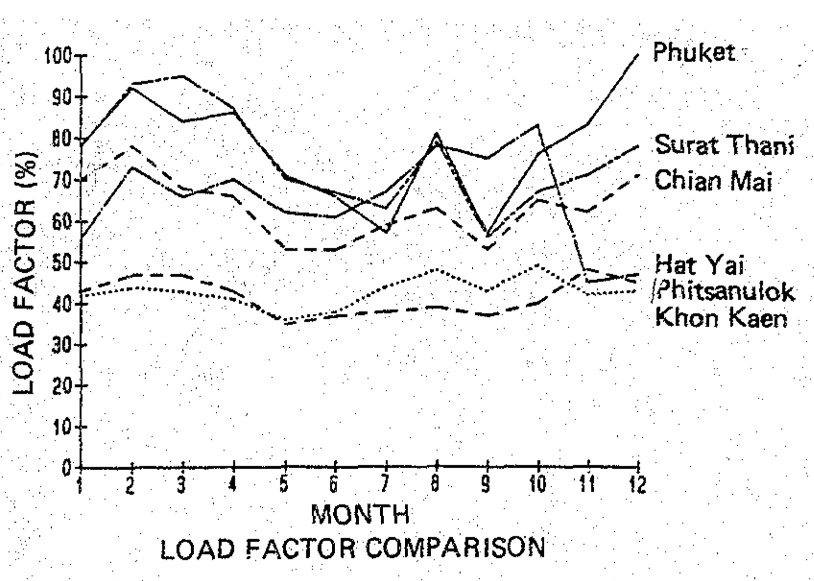


FIG. 3-5-4 COMPARISON OF LOAD FACTOR

3.5.2 LAND TRANSPORT

1) INTERNATIONAL LINKAGES

●Railway Transport, SRT
●"Oriental Express in Asia"

The railway is one of the potential transport modes for catering international tourists, therefore, it is recommended that it should be utilized for tourism promotion with more emphasis. The speed-up and modernization programs/projects of the southern line, some of which have been implemented by the State Railway of Thailand (SRT), should be more emphasized for this purpose. The through-operation of luxurious coaches called the "Orient Express in Asia", between Singapore and Bangkok through Malaysia planned by private sector, will be effective on attracting international tourists. Besides this program, it is recommended that a system of international operation of ordinal coaches without any hindrance of immigration procedures will be established in order to attract more tourists from neighboring countries such as Malaysia and Singapore where the demand for international tourism has drastically increased. This will bring benefits directly to Southern Region.

●Asian Highway

In the same sense, Asian Highways No.2 and 18 linking with the high potential market countries should be maintained in good condition. This will involve the large market of the Penang region with a 5 million population.

2) INTER-REGIONAL LINKAGES

●"East-West link" Road

It is recommended that an inter-regional stem structure is formed so that three regional tourism centers, Phuket, Surat Thani and Songkhla/Hat Yai, can be smoothly linked with each other as well as with the national gateway, Bangkok. National highways No.4 and No.41 are the trunk routes connecting with Phuket, Songkhla/Hat Yai, and Surat Thani, as shown in Fig. 3-5-6. However, another stem link between Phuket and Surat Thani is missing, although national highway route No.401 partially functions for this purpose. This link, called the "East-West Link", has been proposed and justified in previous studies. From a tourism development point of view as well, it is recommended that this link be developed with a high design standard. One of the expected benefits accruing from the development of this link is to enable Phuket to attract more pilgrim tourists from the Bangkok Metropolitan Area by reducing the travel time: the travel time between Phuket and Bangkok will be shortened by more than 2 hours. This will also benefit Surat Thani tourism by providing a more comfortable journey linking two major tourist destinations.

3) INTRA-REGIONAL INTEGRATION

By linking the dispersed and diversified tourism assets with each other, it is possible to enlarge the tourism growth potential of the region, and to boost the regional economies. For this purpose, sea and land transportation should be combined in a proper inter-modal system.

A number of highway improvement projects have been committed with a special emphasis on tourism promotion by the Department of Highways in the 6th National Plan. These are expected to be implemented on schedule. A number of additional projects, however, are needed for improvement of regional and local roads, especially in Phuket and Samui.

●Improvement of Town Streets

On the other hand, in order to promote urban tourism associated with, historic, cultural or attractive appearances should be improved as a policy for tourism diversification in the Phuket, Hat Yai and Songkhla town areas.

3.5.3 SEA TRANSPORT

1) INTERNATIONAL LINKAGE

●Importance of Sea Networks

Although international tourists arriving by ship are still a minority, at approximately 1% of the total, if the geographic advantage of Southern Region that it faces with both the Andaman Sea and the Gulf of Siam is noted, sea transport is potentially important. Two deep sea-ports in Songkhla and Phuket, both of which are scheduled to be opened in public, will be capable of accepting large international cruise ships from European countries, Japan and other countries. Although the demand for such international sea transport is not precisely predicable, the fact is that the demand for cruses has gradually increased. Provision of facilities and an administration system capable of responding to this potential demand should be undertaken in Phuket and Songkhla.

2) INTER-REGIONAL AND INTRA-REGIONAL LINKAGES

●Cruising Tour

It is recommended that a wide variety of sea excursions by fast cruiser be provided. This must be attractive for both foreign and domestic tourists. A number of potential tourism destinations such as Similan, Surin, Phi Phi and Tarutao islands exist in the Andaman Sea. The development of a sea transport network with port facilities and comfortable speed boats such as hydrofoils or Hovercraft are strongly recommended.

FIG. 3-5-6 LAND TRANSPORT NETWORK IN SOUTHERN REGION

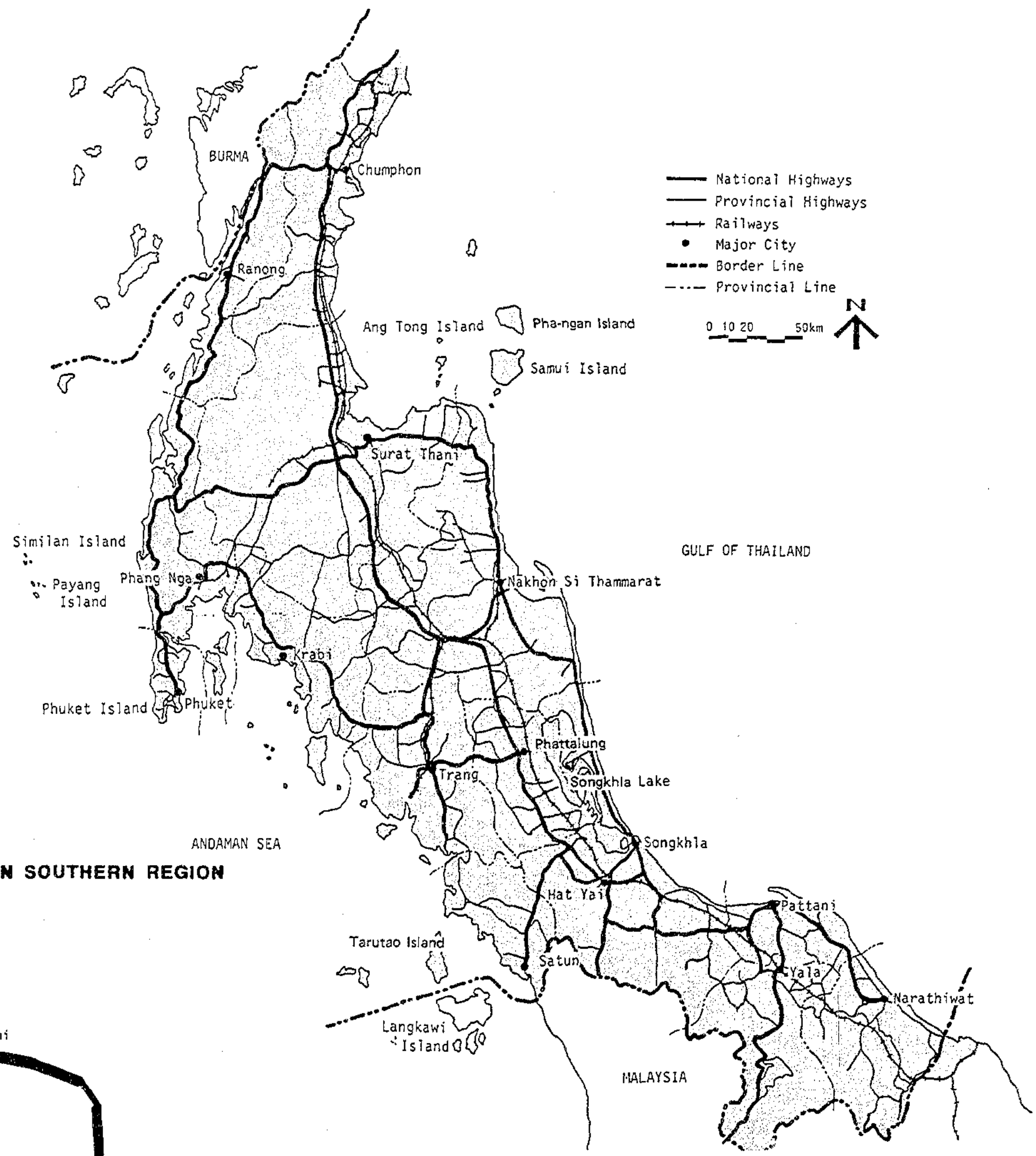
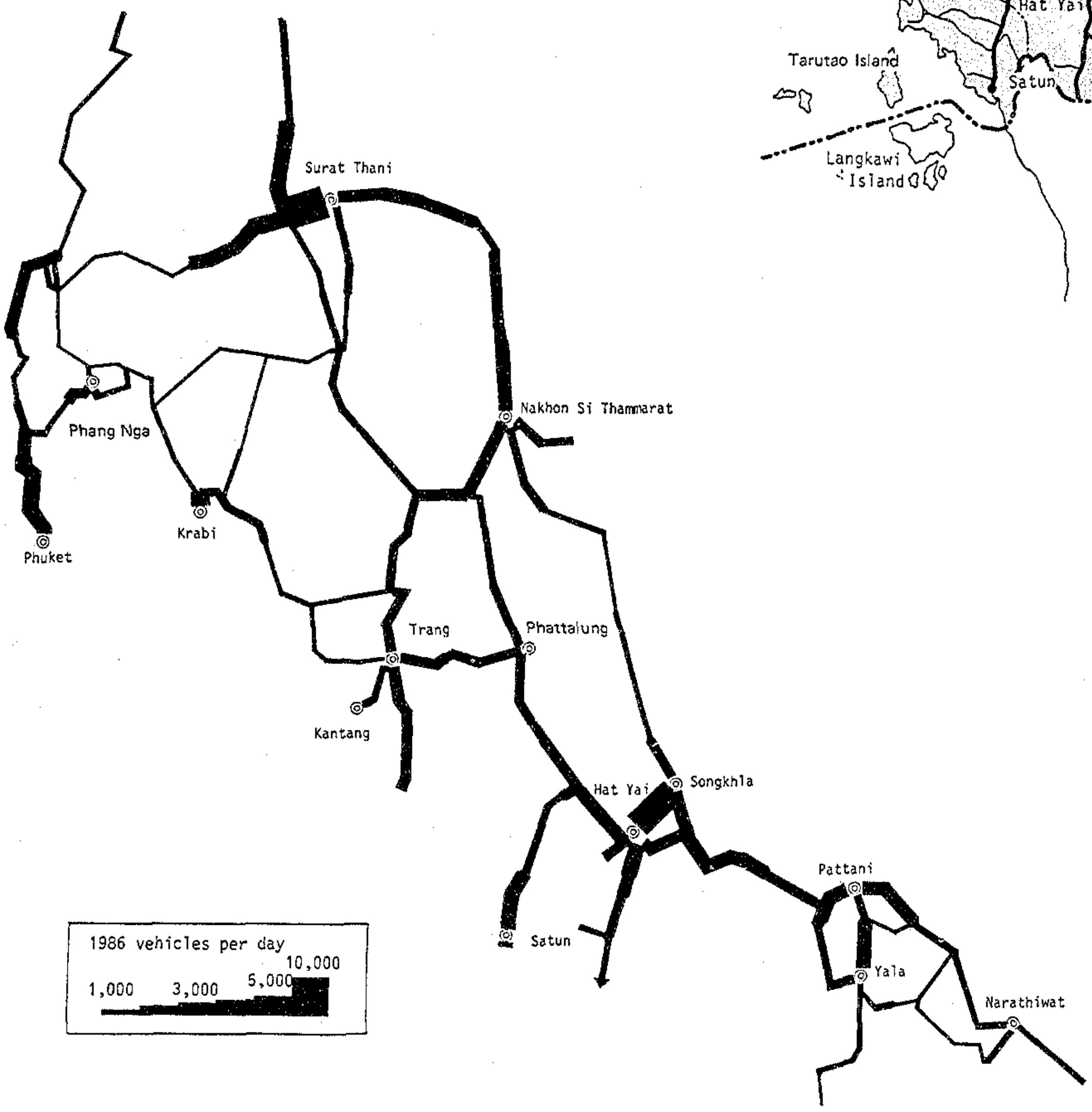


FIG. 3-5-7 HIGHWAY TRAFFIC IN SOUTHERN REGION



3.6 ENVIRONMENTAL CONSIDERATIONS ON BEACH RESORT DEVELOPMENT

● "Marine & Shoreline Conservation Area"

Coordination among governmental agencies and the private sector is needed to promote the sound development and conservation of natural assets. "Marine and Shore Line Conservation Areas" should definitely be designated in the areas where conservation is strongly desired, such as the areas along the west coast of Phuket, Samui and Pha-ngan. When undertaking tourism development in these areas, environmental considerations should be given high priority.

3.6.1 MARINE AND SHORE LINE CONSERVATION

Southern Region is endowed with a variety of existing and potential tourism resources such as wide and long beaches with clean sand and other natural and cultural attractions. However, some of them are losing their value due to deterioration of the environment. Harmony between tourism development and the natural environment is in a critical situation on some beaches. To secure the harmonious development of good quality resorts, the following governmental measures are recommended:

Legal designation of the marine and shore line conservation areas, where the regulations for National Parks are applied, should be established. The following two areas are recommended to be designated as the said conservation areas to maintain their attractive nature at an international level, as shown in Fig. 3-6-1:

- West Coast of Phuket;
- Samui and Pha-ngan;

3.6.2 ENVIRONMENTAL GUIDELINES

The following are the recommended guidelines for beach resort development in general:

● Recommended Guidelines

1) The shoreine should be protected from any large scale alteration which would increase the risk of erosion and flooding;
2) Control of water pollution caused by sanitary sewage should be strengthened;
3) Solid waste problems should be solved to keep the resort clean and neat;
4) Preliminary environmental impact assessment should be rendered even for small projects which do not require the full scale EIS;
5) Tin mining activities, both onshore and offshore, should be managed properly;
6) Areas where the existing coastal water quality standard has been applied should not be limited only to Karon Bay;
7) The coral reef and mangrove forest should be preserved from deterioration;
8) National Parks should be used for the promotion of tourism in a proper manner;
9) Close coordination among governmental agencies and the private sector should be encouraged with the same purpose of conserving nature.

3.6.3 PROVISION OF SEWERAGE SYSTEM

● "A Centralized Sewerage System"

For prevention of marine water pollution by discharged sewage, provision of a centralized sewerage system, instead of an individual system, is recommended in the areas with population density of 30 to 40 persons per hectare taking into account its economic efficiency. A typical structure of the centralized system is shown schematically in Fig. 3-6-2. In areas with a lower density than this, an individual treatment system could be enforced in accordance with the NEB regulations.

From an environmental point of view, attention should be paid to the following aspects:

● NEB Regulation on Karon/Kata Beaches

1) The existing environmental regulation of sea water quality (NEB), which has been applied only to the Karon/Kata beaches in Phuket due to coral, should be in effect for other valuable beaches with tourism potential areas as well.

● D-Rank Standard

2) A definite standard for hotel effluent should be prepared as soon as possible. However, until then, the strict D-rank standard should be applied to all areas, regardless of the number of rooms.

● Monitoring System

3) A well-organized monitoring system is necessary to check whether the standard has been kept. At the same time, a training program should be prepared for training the environmental specialists capable of assessing environmental factors both qualitatively and quantitatively.

Table 3-6-1 shows the model sewerage systems applicable to cases of beach resort development of varying scale and location. The table shows a development guideline of the facility/system suitable for each case in terms of water demand, treatment capacity, anticipated effluent water quality, necessary collection pipe-lines and pumping stations and approximate cost of the development.

FIG. 3-6-1 RECOMMENDED MARINE AND SHORELINE CONSERVATION AREAS

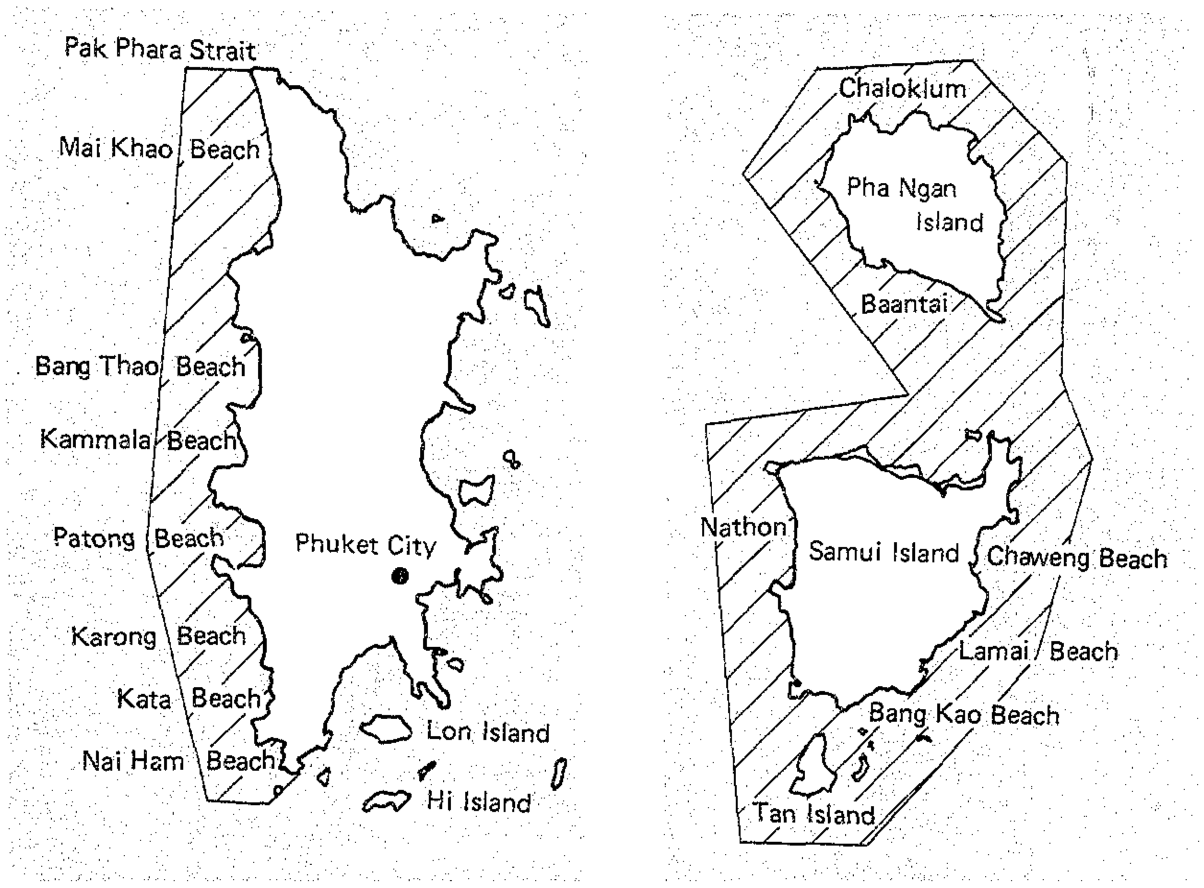


FIG. 3-6-2 RECOMMENDED SEWERAGE SYSTEMS IN DEVELOPED AREA

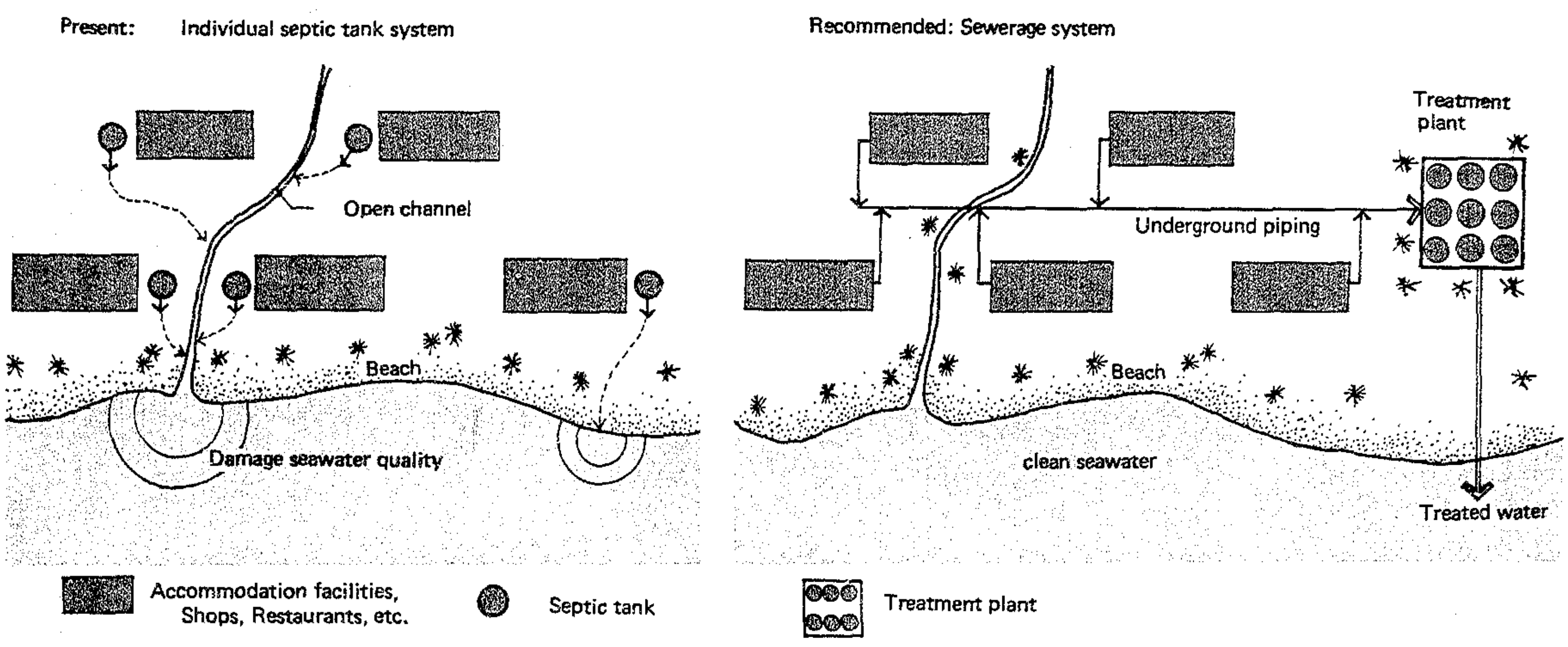


TABLE 3-6-1 A MODEL STUDY OF APPLICABLE WASTE WATER TREATMENT SYSTEMS

MODEL	1a	1b	2a	2b	3a	3b	4a	4b
BEACH CONFIGULATION								
1) Length(m)	3,000	ditto	1000	ditto	100	ditto	3000	ditto
2) Width(m)	1,000	ditto	50	ditto	100	ditto	100	ditto
HOTEL CATEGORIES								
Type	Complex	ditto	1-Hotel	ditto	1-Bungalow	ditto	Complex	ditto
Total Number of Rooms	3,000	ditto	500	ditto	25	ditto	750	ditto
1) High Class Rooms	2,000	ditto	500	ditto	-	ditto	-	ditto
2) Middle Class Rooms	1,000	ditto	-	ditto	-	ditto	-	ditto
3) Low Class Rooms	-	ditto	-	ditto	25	ditto	750	ditto
FACILITY REQUIREMENTS								
1) Water Demand(cbc.m/d)	3,000	ditto	500	ditto	15	ditto	450	ditto
2) Treatment Capacity(cbc.m/d)	3,000	ditto	500	ditto	15	ditto	450	ditto
APPLICABLE TREATMENT SYSTEM	Activated Sludge	Aerated Lagoon	Activated Sludge	Aerated Lagoon	Septic Tank	Septic Tank + Biofilter	Oxidation Ditch	Aerated Lagoon
EFFLUENT WATER QUALITY (mg/l)								
1) BOD	20	30	20	30	60	30	20	30
2) SS	30	40	30	40	50	40	30	40
COLLECTING PIPE	1=9,000m	ditto	-	1=500m	-	-	1=3,000m	ditto
PUMPING STATION	2 stns	ditto		1 stn.			2 stn.	ditto
COST ESTIMATE (Million B in 1988 price)	27.0	24.0	3.0	3.5	0.2	0.6	9.0	3.0

3.7 TOUR PACKAGE AND TOURISM PROMOTION

3.7.1 INTERNATIONAL TOURIST DESTINATION

The international tourism resources of the three clusters in Southern Region vary in their development stages and each cluster has its own characteristics in terms of tourist market segment as well as attractiveness. The Phuket cluster can be one full-fledged and self-sustained tourist destination for all market segments which will stand well in competition with other types of destinations in the ASEAN region. On the other land, Samui and Songkhla/Hat Yai are identified as being distinct tourist destinations for some limited segments of the tourist market.

TABLE 3-7-1 CHARACTERISTICS OF MAJOR ASIAN TOURIST DESTINATIONS

TYPE	DESTINATION
1 One city, concentrated	Singapore, Hong Kong
2. City with surroundings	Bangkok, Kuala Lumpur, Manila, Jakarta
3 Beach resort	Pattaya, Phuket, Bali , Penang, Cebu
4 Mountain resort	Cameron Highlands, Lake Toba
5. Inland tourism	Chiang Mai, Yogjakarta

The three clusters of Southern Thailand can be classified into:

Phuket and Samui	Type 3
Surat Thani and Hat Yai	Type 2
Songkhla	Type 2 and 3 (subject to the future development)

Of the above, Phuket undoubtedly forms the core of Southern Thailand tourism, as a fast developing international tourist destination, which is well qualified to cater to the influx of mass international tourism.

Where possible and applicable, strenuous efforts should be made to eliminate and rectify the inadequacies/shortcomings currently existing in order to make Phuket more competitive and attractive, so it can grab a bigger share of the tourist arrivals into the ASEAN region.

●"Phuket and Pattaya"

In identifying/positioning/promoting Phuket as one of Thailand's tourist destinations of the beach resort type, the greatest care should be taken so that Phuket does not compete with other beach resort destinations in Thailand, for example, Pattaya. If a successful Phuket campaign induces tourists away from Pattaya, the total tourism gain for Thailand will be virtually negated. Therefore, sophisticated marketing strategies will be required here.

A summary comparison of Phuket with the other major competing beach resorts in the ASEAN region by various tourism-related criteria is made in Table 3-7-2.

Notes on the summary comparison table.

a. Increase price competitiveness(compare Bali for 6 days)
b. Shorten flight time by direct flight service
c. Improve/expand/diversify tourism-related industries, in particular, in the field of dining and shopping.
d. Improve/expand/diversify tourism-resources(attractions) in all three fields(historical, cultural, folkloric).
e. Increase the importance of Phuket Town as a tourist service center, by adding diversified dining/shopping and tourist attractions.

3.7.2 TOUR PACKAGES AND PATTERNS

●Model Tour Routes

A proposal is made regarding package tour patterns and tour routes to integrate selected major spots into the overall tourism area/cluster in order to attract a more international tourists in the area. Existing tour packages have basically developed around three major independent tourism clusters; namely, Phuket, Surat Thani/Samui and Songkhla/Hat Yai, without having an organic linkage among them. Therefore, there is an urgent need to establish well-organized model tour routes covering all three clusters in Southern Region.

Tour packages currently on sale featuring Phuket are analyzed by three major source market areas:

1) Non-Asian market area	Europe, the Americas, Australia
2) Asian market area	Japan, Hong Kong, Taiwan
3) Neighbor-Asian market area	Malaysia, Singapore

The findings are summarized in Table 3-7-3

TABLE 3-7-2 COMPARISON OF BEACH RESORTS IN ASEAN REGION

NAME OF BEACH RESORT LOCATION		PHUKET THAILAND	PATTAYA THAILAND	PENANG MALAYSIA	BALI INDONESIA	PUERTO AZU PHILIPPINES	CEBU PHILIPPINES
Package Tour Price sold in Japan (10,000 yen)		6 day 13.0	5 day 12.0 (with BKK)	5 day 10.8	6 day 11.7	5 day 8.8	5 day 9.2
Air Access	Flight time	7.50hrs via BKK or HKG	6hrs to BKK, then 2:30hrs by bus	6:40hrs via Kuala	8:45hrs via Jakarta	4hrs to MNL, then 1:30hrs by bus	5hrs
	Direct flight	No	Yes (every day)	No	Yes (every day)	Yes	Yes
	Japanese carrier	No	Yes	No	No	No	No
Political Condition		Stable	Stable	Stable	Stable	Not stable	Not stable
Security		Good	Good	Good	Good	Not quite good	Not quite good
Season		Monsoon May- Oct	Rain May-Oct.	Monsoon May- Oct	All year round	Rain June-Nov. Typhoon Jul-Sept.	Rain Jun-Nov. Typhoon Jul-Sept.
Tourism Facilities	4/5-star hotels	Several available going to increase	Fully provided	Well provided	Fully provided	Fully provided	Well provided
	Japanese restaurant	No	Yes	Yes	Yes	No	Yes
Tourism Industry	Dine out	Not much available	Fully provided	Well provided	Fully provided	Well provided	Fully provided
	Shopping	Not much available some in Phuket Town	Fully provided	Well provided	Fully provided	Well provided	Fully provided
	Night amenity	Not much available some in Phuket Town	Fully provided	Well provided	Fully provided	Fully provided	Fully provided
	City tour/ excursion	Available	Available	Available	Available	No	Available
	Japanese tour bus	No	No	Yes	No	No	No
Tourism Resources	Historic	Not much available	No	Fort Cornwalis	Temples, Kerta Gosa,	No	Fort San Pedro Magellan Cross
	Cultural	No	No	Museum, Botanical garden	Museum Art Center Art Village	No	Museum, Taoist Temple
	Folkloric	Thai Village just opened	Nong Nouch Village	Islamic, Buddhist and Chainese temples	Dances (Baron, Kecak) Wayan		Guitor, Ukurere
Service Town		Phuket Town basic city infrastructure available	Bangkok	Butterworth full city infra. available	Denpasar full city infrastructure available	Manila full city infrastructure available	Cebu City fair city infrastructure available

Note: Please note that beach condition, scenery, marine sports activities, etc. are not considered as element for comparison, assuming that all the resorts listed are fully provided with those fundamental elements of established beach resorts.

TABLE 3-7-3 TOUR PACKAGE PATTERNS FROM MAJOR SOURCE OF MARKET AREAS

	Currently On Sale	To be Promoted
Non-Asian (Europe, the Americas, Australia)	BKK (4 or 5), PHUKET (7) (possible additional PHUKET (7)) BKK (4 or 5) SAMUI (7) (possible additional SAMUI (7)) BKK (4 or 5), KRABI(7) (possible additional KRABI (7)) BKK (4), PHUKET (7), SINGAPORE (3) (possible additional PHUKET (7))	- Basically no major change expected in Package Patterns - Efforts should be made to create, offer, sell more varied and attractive types of optional tours (mainly one day) in Phuket - Promote through trade (approach and sell the tour wholesalers/operators) to include Southern Thailand regional one week - refer TOUR ROUTE suggestions
Asian (Japan Hong Kong, Taiwan)	BKK(2), PHUKET (2 or 3) BKK(1), PHUKET (2 or 3), SINGAPORE(2)	- Promote through trade (approach and sell the tour to wholesalers/operators) to extend PHUKET stay minimum by one or two more days - Create, offer and have the tour wholesalers/operators include more varied and attractive types of optional tours (one-day) in the tour program
Neighbor-Asian (Malaysia, Singapore)	HAT YAI(2) Tour Packages coming to PHUKET follow similar tour package patterns as Asian	- Promote through trade (approach and sell the tour wholesalers/operarors) to extend HAT YAI stay by a minimum of one or two more days - Create, offer and have the tour wholesalers/operators include more varied and attractive types of optional tours around HAT YAI - Promote through trade to include and feature PHUKET optional tour (2 or 3 days) in the HAT YAI Holiday Tour Program

Note : ( ) denotes "night of stay"
: The combination of tour patterns in Southern Region related to the three major gateways is shown in Fig. 3-7-3.

3.7.3 TOUR ROUTES

1) LAND-ORIENTED CIRCUIT

a. The development/creation/expansion/sophistication of tourist sights and attractions should be implemented as soon as possible. (According to the time-limited field survey of the Study Team, the following resources can be potential tourist sights/attractions of value:)

- Hat Nai Yang Turtle Egg Hatching
- Khao Sok National Park
- Chiu Ran Dam
- Seafood Market, Surat Thani
- Wat Phra Mahathat, Nakhon Si Thammarat
- Khu Khud Waterbird Sanctuary
- Songkhla Lake Cruise

b. These tourist sights and attractions should be set up/distributed strategically along the Tour Circuit, to enhance its value.

2) SEA-ORIENTED CIRCUIT

a. Phuket - Phi Phi - Krabi - Phang Nga - Phuket circuit by speed boat. The improvement / addition / construction of suitable pier facilities are recommended. (Note the case with Chalong Bay, Phuket and Phi Phi Island)

b. Phuket - Thai Muang - Similan - Phuket circuit by speed boat, with a new jetty/pier to be created on a suitable site on the west coast of Phuket island. Thai Muang included in the circuit has the potential to tie in with the National Park development (also noting such tourist attractions as Turtle Egg Hatching, Waterfalls).

c. Surat Thani - Samui - Pha-ngan - Samui - Surat Thani,Don Sak - Samui - Don Sak and Samui - Ang Thong - Samui, circuit by speed boat. A new jetty/pier should be created in Pha-ngan and Ang Thong.

TABLE 3-7-4 TOUR ROUTES IN SOUTHERN REGION

Route A	Route B	Route C
Day 1: BKK - CHA AM/HUA HIN - RANONG	Day 1: BKK - CHA AM/HUA HIN	Day 1: BKK - sleeper rail - for THUNG SONG
Day 2: RANONG - PHUKET	Day 2: CHA AM/HUA HIN - CHUMPON	Day 2: THUNG SONG - NAKHON SI THAMMARAT - SONGKHLA
Day 3: PHUKET - air - BKK	Day 3: CHUMPON - RANONG - PHANG NGA	Day 3: SONGKHLA - HAT YAI - SONGKHLA
Day 4: (with possible extension in PHUKET for 1 to 3 days of Day 2)	Day 4: PHANG NGA - PHUKET	Day 4: SONGKHLA - TRANG - KRABI
	Day 5: PHUKET - air - HAT YAI	Day 5: KRABI - PHANG NGA
	Day 6: HAT YAI - SONGKHLA	Day 6: PHAN GNGA - PHUKET
	Day 7: HAT YAI - air - BKK	Day 7: PHUKET - air - BKK
	Day 8: (with possible extension in PHUKET for 5 to 7 days on Day 4)	Day 8: (with possible extension in PHUKET for 5 to 7 days on Day 6)

Route D	Route E
Day 1: BKK - air - PHUKET - PHANG NGA	Day 1: BKK - sleeper rail - for THUNG SONG
Day 2: PHANG NGA - KRABI	Day 2: ARRIVE THUNG SONG - NAKHON SI THAMMARAT
Day 3: KRABI	Day 3: NAKHON SI THAMMARAT - KRABI - PHANG NGA
Day 4: KRABI - boat - PHI PHI	Day 4: PHANG NGA - PHUKET
Day 5: PHI PHI - boat - PHUKET	Day 5: PHUKET -air - PENANG
Day 6: PHUKET - air BKK	Day 6: PENANG - IPOH - CAMERON HIGHLAND
Day 7: (with possible extension in PHUKET for 5 to 7 days on Day 5)	Day 7: CAMERON HIGHLAND - KUALA LUMPUR
	Day 8: KUALA LUMPUR - MALACCA - SINGAPORE
	Day 9: (with possible extension in PHUKET for 5 to 7 days on Day 4)

Note: Suggested Tour Routes in Southern Region (Unless otherwise noted as in the case of "air " or "sleeper rail", transportation is made by bus/coach)

3.7.4 TOUR CHARACTER

Thailand's Southern Region has three major tourist cores/destinations: Phuket, Samui (Surat Thani as transfer gateway), and Hat Yai (and Songkhla)

The characteristics of these destinations can be classified as:

● "Beach Holiday & Touring Holiday"

1) Phuket and Samui : "beach holiday" destination
2) Hat Yai : "touring holiday" destination

Major source market for three destinations up till now has been:

1) Phuket and Samui : Europe for "beach holiday" with a longer length of stay (7 to 14 days)
2) Hat Yai : ASEAN area for "touring holiday" with a shorter length of stay (1 to 3 days)

● "Tourism Holiday Arrivals"

With the very healthy increase in tourist arrivals into the region experienced in recent years, the composition of arriving tourists is beginning to change, notably in Phuket: in the form of an increase in "tourism holiday arrivals" mainly from the U.S.A., Japan, Hong Kong, Taiwan and the ASEAN area (Malaysia and Singapore).

FIG. 3-7-1 SEA-ORIENTED TOUR ROUTE

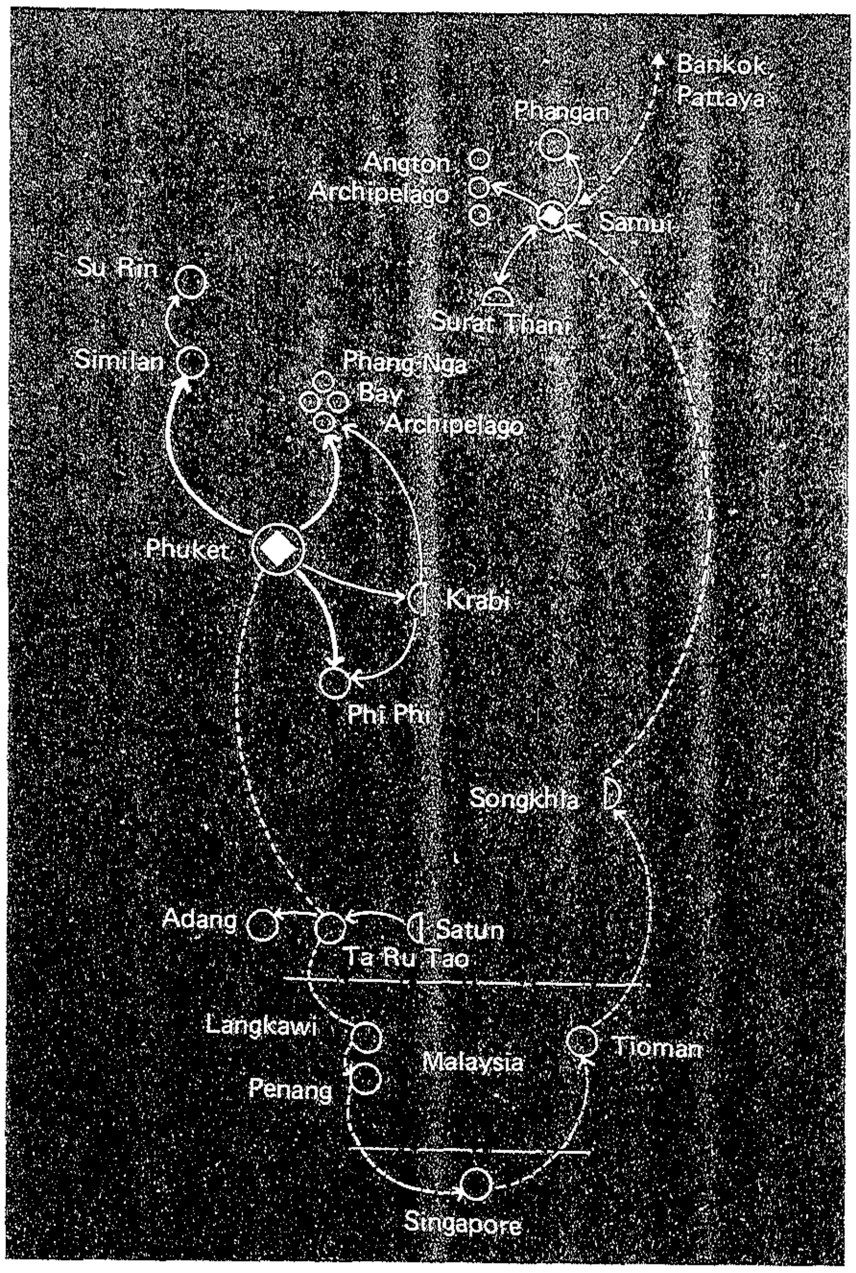


FIG. 3-7-2 LAND-ORIENTED TOUR ROUTE

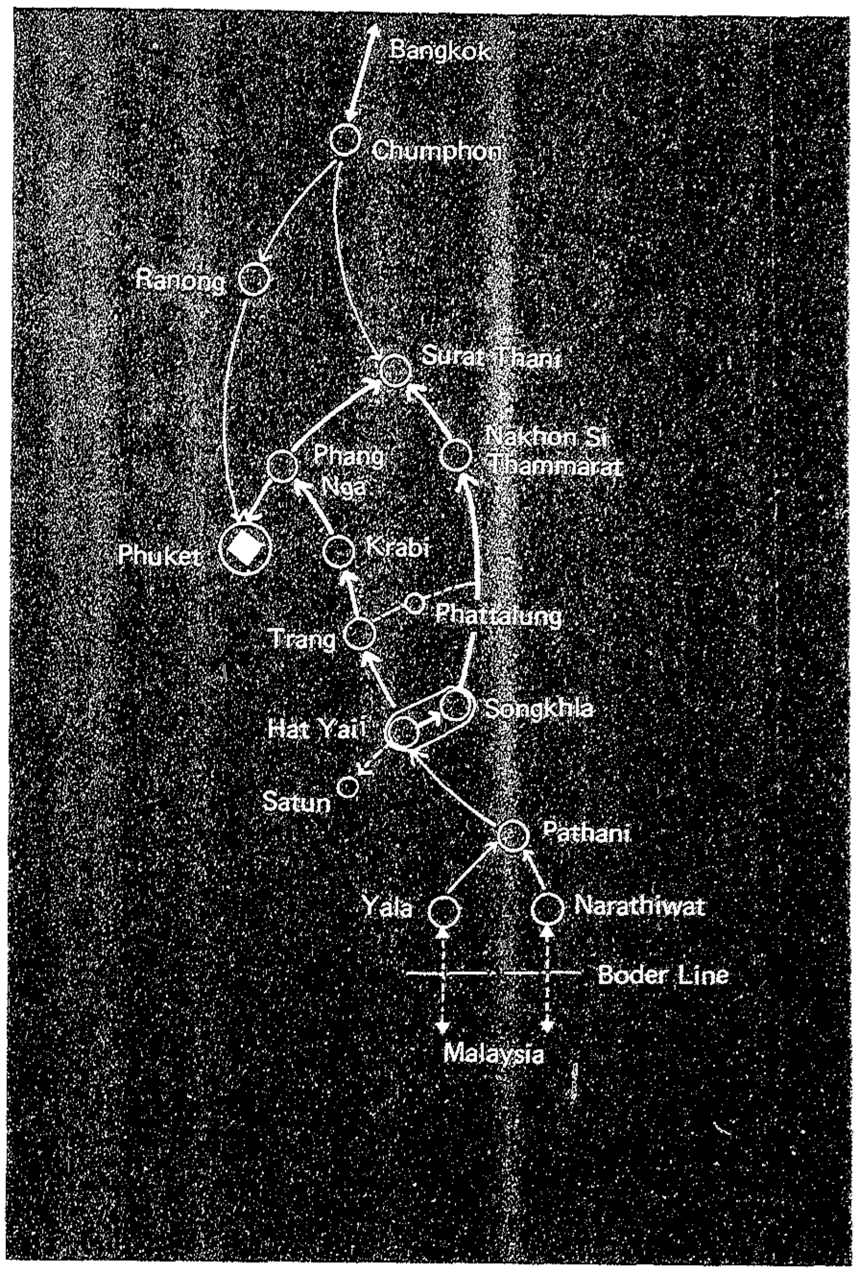
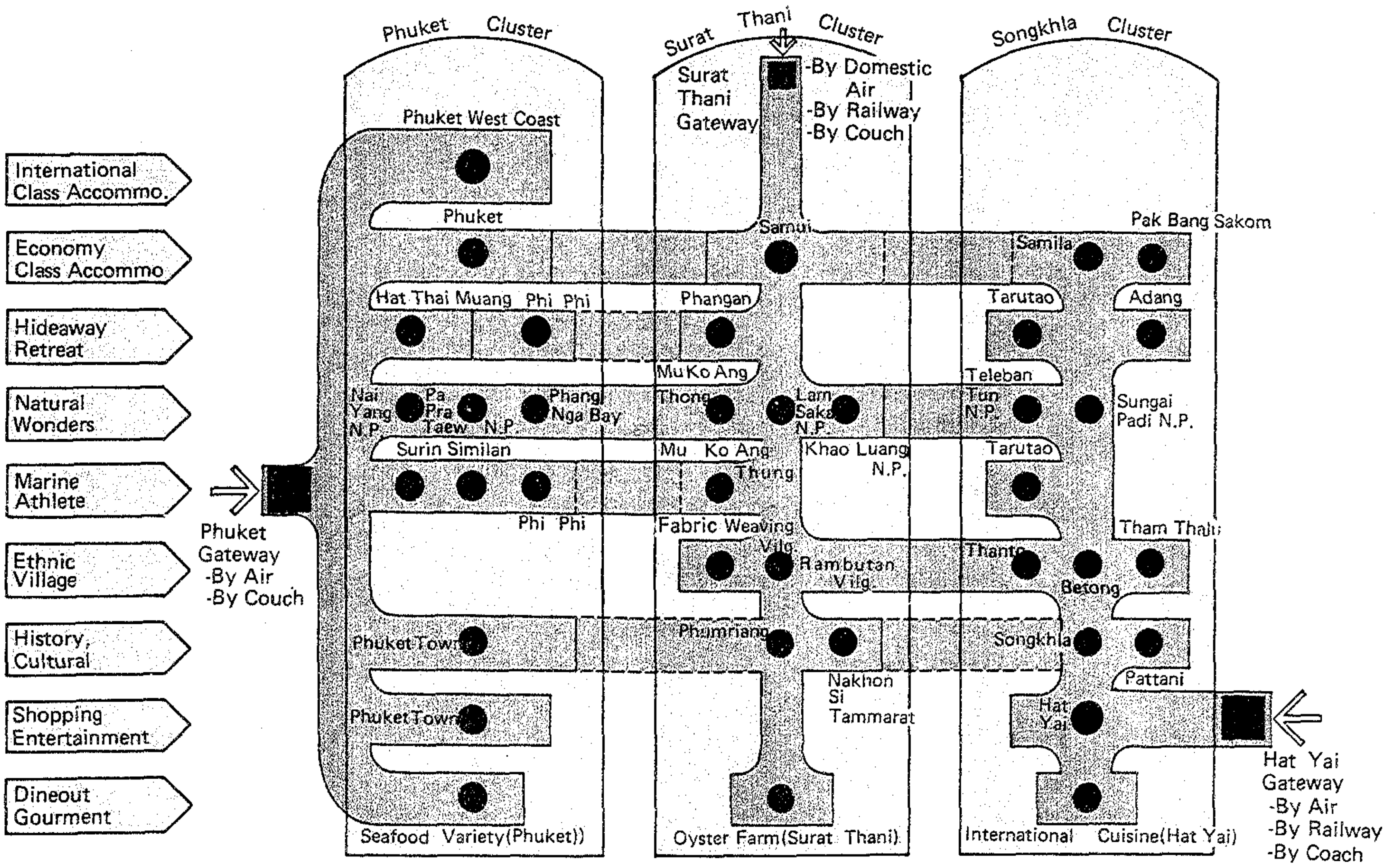


FIG. 3-7-3 THREE MAJOR GATEWAYS AND TOUR PATTERNS



3.7.5 TOURISM PROMOTION

●Selling Points to the Japanese Market

●Promotion to Travel-Trade

"A Unique Selling Message/Proposition" should be set up for Southern Region so that a clear and an unified regional tourist image/product can be created. Attractiveness of nature, peaceful tropical atmosphere, mixture of the traditional and modern, and the possibility of a wide variety of marine resort life activities is an effective image, especially for the Japanese market. TAT's promotional efforts should be directed more to travel-trade (tour wholesalers, operators, agencies and the travel media) rather than to individual consumers. The travel-trade has more direct access to/influence as high-yield consumers who will be good potential generators of tourist revenue in Thailand. Such promotional activities with an emphasis on the travel trade must bring about more cost-effective results.

●No Unified Tourist Image of Southern Region as a Whole

Promotional materials currently available are prepared for each tourist core, and current promotional activities have been created for each tourist core as well. However, changing composition of tourist traffic, requires a clear-cut image for the whole Southern Region as one tourist destination, competing with the other tourist regions in Thailand. There is no unified-tourist image of the region at the moment, and the three separate tourist cores; Phuket, Samui and Hat Yai, compete with each other in the region.

●"Information/Tour Guides"

●"Pearl of the South"

We recommend, in principle, "information/tour guides" to be produced in line with the existing format shown in "Phuket - Pearl of the South" (Folder with mono-color pictures). More practical information can be added to this edition, deleting some of the pictures. The folder can be split into several editions for a major destination such as Phuket: e.g.:
Phuket - Pearl of the South, covering general information as it is now

- Phuket - Hotel/Bungalow list
- Phuket - Neighboring attractions
- Phuket - Dining guide

For folders such as the hotel list and dining guide, there is a possibility that the production cost can be shared by the establishments listed.

3.7.6 REQUIRED PROMOTIONAL ACTIVITIES AND MATERIALS

1) PROMOTIONAL ACTIVITIES ABROAD

●TAT's Overseas Offices

a. Intensify general promotional activities at TAT's overseas offices.

If at all possible, a special promotional campaign featuring Southern Region is strongly recommended (with due note that TAT has to give good and equal support to all the regions in their promotional efforts. Policy guidelines may be required within TAT in this regard).

b. Organize inspection tours of the region by travel writers/journalists of leading travel magazines, newspapers and various other media (such as TV) in major source markets.

●TV Quiz Shows in Japan

- Japan: TV Quiz shows of world-wide topics are currently very popular, some with audience participation. Tie-in cooperation/participation with these programs will be cost-effective for guaranteed exposure.

●Familialization Tours

c. Organize familiarization tours of leading tour operators and tourism officials from the major source markets.

- Japan: Royal Orchid Holiday Fan Tour jointly planned by TAT/TG for 50 lady sales clerks visiting Bangkok and Phuket. One good example of the segmented target approach.

●Trade Shows/Travel Marts

d. Participate in major trade show/travel marts of the world, preferably with joint thrust for exposure of Southern Region by regional tourism bodies.

- Southern Region: Local mini-trade show/travel mart is another idea, to which overseas buyers are invited. The show can be coordinated with familiarization tours by tour operators.

●Leading Tour Operators

e. Approach/Solicit leading tour operators in major source markets to include Southern Region as part of their packaged tour programs. Small support for the production of tour catalogues on a cost-sharing basis will give guaranteed exposure of the region, which can be directly connected to tour booking.

●Trans-Malaysia Peninsula Route

f. With TDC(Tourism Development Corporation of Malaysia) and STPB (Singapore Tourism Promotion Board) jointly promote the Trans-Malay-Peninsula Route in particular, since Southern Region forms an integral part of this interesting itinerary.

- Joint production of model tour itineraries
- Joint operation of model tour programs with the participation of tour operators.
- Joint participation in the ASEAN Express project (Trans-Malay Peninsula Train)

2) PROMOTIONAL ACTIVITIES IN THAILAND

●Film Shows/Travel Talks/Seminars

a. Intensify general promotional activities in major cities, especially in Bangkok ,in order to solicit expatriate residents for Southern Thailand holidays. Film shows/travel talks/seminars for segmented markets may be one idea.

●Travel Agencies

b. Encourage/assist/subsidize (on a cost-shareing basis) travel agencies who are active in selling Southern Region.

- e.g.: Trans-Malay Peninsula route
- Southern Thailand Circle route

c. Organize inspection tours of the region by various media journalists stationed in Bangkok.

● Inspection Tours

d. Gradually shift the role of TAT at major gateways (Bangkok included) from consumer service (tourist assistance) to trade service (tourism body/travel agency assistance) which has a more direct impact on the promotion of the region.

● From Consumer Service to Trade Service

- e.g.: Set up a Tourist Information Center under the guidance/assistance of TAT, jointly funded by tourism-related industries (airlines, hotelers, travel agencies, etc.) to supplement or substitute for consumer service (tourist assistance) currently provided by TAT.

3) PROMOTIONAL MATERIALS OVERSEAS

a. Travel information manual (aimed at the travel trade)

● Travel Information Manual

A compact, practical travel manual describing:

- main tourist features in Southern Region
- how-to travel (air, sea, land transport)
- where to stay (hotels, cottages, bungalows)
- tours and travel agencies
- model tour itinerary

Note: One for the whole Southern Region is urgently needed.
A model Tour Itinerary section can be a separate/independent manual to promote Southern Region Circuit route.

b. Promotional folders (aimed at prospective tourists, distributed through TAT's overseas offices)

● Promotional Folders

- Three editions currently available (Phuket, Surat Thani and Songkhla/Hat Yai) are sufficient, with minor improvement/modification. Can be in a more compact format, in order to reduce the production cost while increasing the production volume (for wider distribution).

c. Promotional posters (to be used at TAT's overseas offices, and by trade shows, airlines, tour operators, overseas agencies)

● Promotional Posters

- One for the whole Southern Region is urgently needed, as the region currently lacks an image, with one unified motif to typically represent the whole region.

d. Promotional video clips (to be used at TAT's overseas offices trade shows, airlines, the travel industry, travel talks/seminars, etc.)

● Promotional Video Clips

- a minimum of two editions, one featuring Southern Region as a "beach holiday" destination and the other as a "touring holiday" destination.
- ideally three to four other editions, featuring the special interests of Southern Region, e.g., marine activities, scenic wonders, dining and shopping pleasures, etc.

4) PROMOTIONAL MATERIALS IN THAILAND

In consideration of available budget and resources, promotional materials used in Thailand should be limited to the production of "local information/tour guide" to be distributed among tourists at the destination city/area/region.

● "Local Information/Tour Guide"

The Study Team collected various formats of "information/tour guide" during the survey trip in December, 1987. The formats can be classified into 4 categories:

a. Printed sheet(s) stapled together

- e.g., Tourist Attractions in Southern Thailand

b. Folder with mono-color picture

- in English only
- in Thai and English
- e.g., Phuket - Pearl of the South
  Songkhla, Satun, Phattani, Yala, Narathiwat

c. One-sheet foldaway with/without picture

- e.g., Songkhla, Hat Yai
  List of hotels in Hat Yai - Songkhla

d. One-sheet foldaway in color/glossy print

- e.g., Phang Nga (in Thai/English)
  Ranong (in Thai/English)

3.8 ECONOMIC IMPACTS AND DEVELOPMENT OPPORTUNITIES

The economic effects of tourism development on the regional economy are likely to be manifest in three way: I) regional income and foreign exchange earnings; 2) employment opportunities creation; and 3) economic benefits for industry related to tourism. A number of policies are needed to maximize the economic, social and institutional benefits and distribute them properly throughout the region.

3.8.1 REGIONAL INCOME AND EXCHANGE EARNINGS

1) REGIONAL INCOME

The regional income is accrued directly from the expenditure of domestic and foreign tourists that they expense in the region.

●Recommended Economic Policies on Tourism Development

In a general sense, in order to maximize and optimize the regional economic benefits accrued from tourism, the following economic policies are recommended to be undertaken:

- Integration of tourism and development of tourist facilities into regional development programs.
- Encouragement of tourist spending and length of stay by providing a variety of attractions, tour itineraries, handicrafts and cultural performances.
- Giving priority to employment of local people in tourism.
- Encouragement of the use of locally-produced construction materials and food items in tourism through improvements of production and marketing.
- Making available investment and operational credit for tourist facilities and services to local entrepreneurs.

Based on the data from the tourists expenditure survey (TAT) and the number of tourists estimated by the study team, a total of tourist receipts from both foreign and domestic tourists in three clusters, Phuket, Surat Thani and Songkhla/Hat Yai, is projected to be about 49.0 billion baht in 1996 and about 69.8 billion baht in 2001. A large amount of income from tourism will be generated in the Phuket; and about 23.9 billion baht in Songkhla/Hat Yai in 2001, as shown in Table 3-8-1.

●Direct Tourist Expenditure

●Indirect Economic Benefit

The expenditures of domestic and foreign tourists are classified into 6 categories, namely 1) accommodation 2) food 3) domestic transport 4) entertainment 5) shopping, and 6) others.
These direct expenditures, in turn, are transferred to other related industry through the market mechanism, thereby generating a multiplier economic effect on the regional economy. Based on the input-output table examined by NESDB, the multiplier is estimated to be about 0.58. This means that the indirect economic benefit will occur 0.58 times as much as the direct expenditures.

The above mechanism on the regional tourism economy is conceptually indicated as shown in Fig. 3-8-1.

2) FOREIGN EXCHANGE EARNINGS (NET)

The expected net foreign exchange earnings can be examined from the expenditure of foreign tourists deducting increase of import, as shown in Table 3-8-2. The result indicates that Phuket is expected to earn the largest amount of foreign exchange because of the rapid development as the international tourism destination. Songkhla/Hat Yai enjoys the second position, and it comes from its particular character that there are many Malaysian tourists who are interested in shopping in Hat Yai.

3.8.2 EMPLOYMENT OPPORTUNITIES CREATION

●Direct & Indirect Employment

Tourism development has considerable potential to provide additional opportunities of employment both directly and indirectly, and is effective to resolve problems on employment condition. The total number of employment created both directly and indirectly based on the demand forecast is shown in Table 3-8-3 (the calculation procedure and the figures by industries are to see in Vol. 3). According to the Table, the increase of employment is the largest in Phuket cluster; it is estimated to be 216.2 thousand persons in Phuket, 89.3 thousand in Songkhla/Hat Yai and 86.6 thousand in 2001 as compared with that of 1987.

●Seasonality

Seasonality
At the beginning of the survey, it was supposed that seasonality would be a potent influence on employment condition in Phuket. According to the survey on the employment condition, however, it is appeared that seasonality is not so crucial problem because of the following reasons:
1) in low season (from May to October), hotel managers are trying to attract tourists and to increase the occupancy rate by taking some measures such as two for one system (Half price system),
2) construction industry strongly absorbs unskilled labour, mainly for hotel construction.

Therefore, it is considered that the problems of education and training are more important, facing to the increase in a demand for employment mentioned in 3.8.4.

FIG. 3-8-1 DIRECT AND INDIRECT INCOME OF TOURISM INDUSTRY

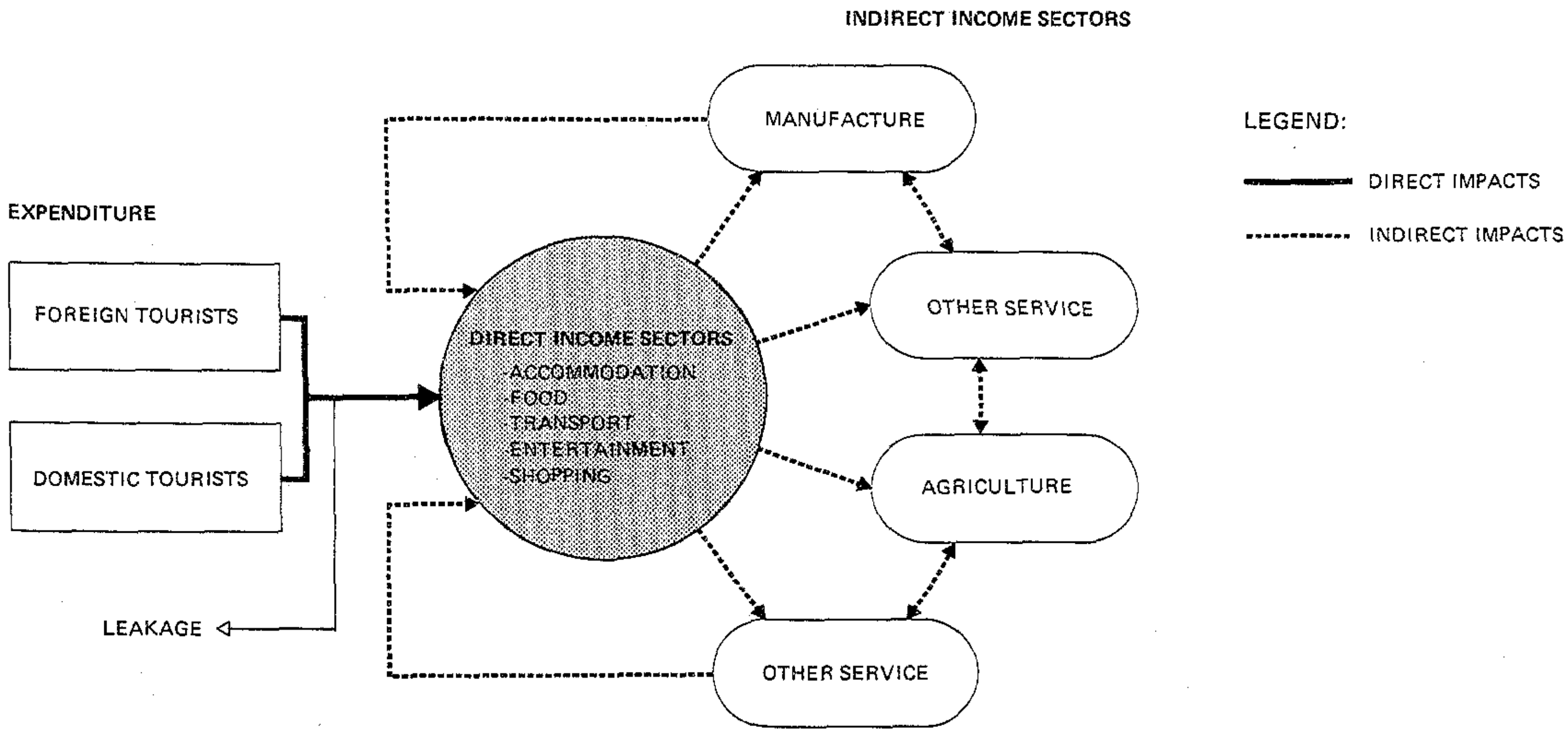


TABLE 3-8-1 DIRECT TOURISM INCOME BY CLUSTERS

Unit: Million Bahts

	Year	1991	1996	2001
PHUKET CLUSTER	Revenue from Foreign Tourists	14,227.6	19,961.8	29,138.1
	Revenue from Domestic Tourists	2,076.0	3,345.7	5,364.8
	Total	16,303.6	23,307.5	34,502.9
SURAT THANI CLUSTER	Revenue from Foreign Tourists	3,840.0	6,080.0	9,175.5
	Revenue from Domestic Tourists	1,203.0	1,621.6	2,135.1
	Total	5,043.0	7,701.6	11,310.6
SONGKHLA CLUSTER	Revenue from Foreign Tourists	9,353.3	13,299.1	17,792.7
	Revenue from Domestic Tourists	3,456.6	4,714.6	6,147.9
	Total	12,809.9	18,013.7	23,940.6
TOTAL	Revenue from Foreign Tourists	27,420.9	39,340.9	56,106.3
	Revenue from Domestic Tourists	6,735.6	9,681.9	13,647.8
	Total	34,156.5	49,022.8	69,754.1

Note : Constant 1988 Price

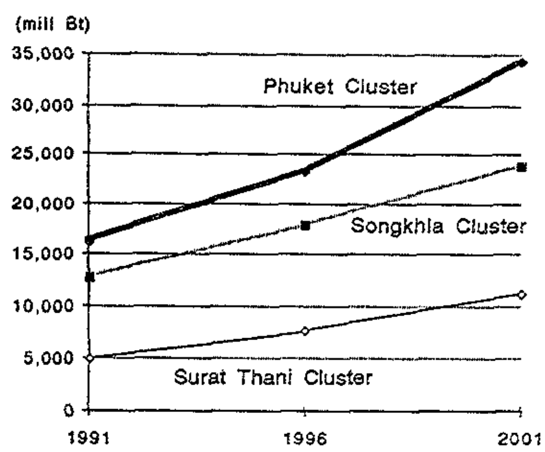


TABLE 3-8-2 EXPECTED NET FOREIGN EXCHANGE EARNING

Unit: Million US $

Year	1991	1996	2001
PHUKET CLUSTER9West Coast Upper Southern Region)	487.4	683.8	998.2
SURAT THANI CLUSTER(East Coast Upper Southern Region)	118.6	187.8	283.5
SONGKHLA CLUSTER(Lower Southern Region)	335.9	477.5	638.9
TOTAL	941.9	1,349.1	1,920.6

Note: The exchange rate is assumed to be 24.146 Bahts/US $

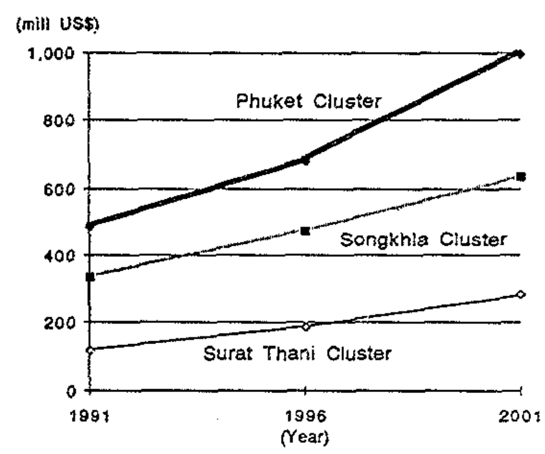
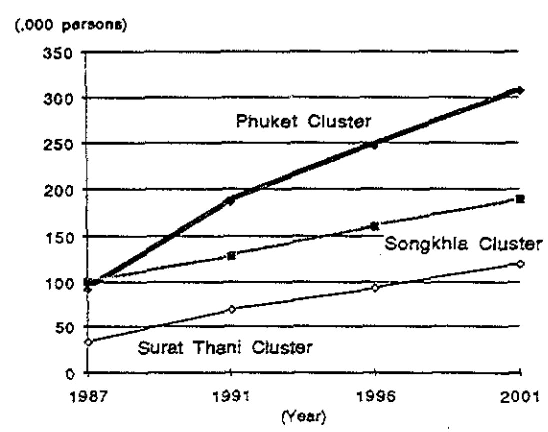


TABLE 3-8-3 EMPLOYMENT OPPORTUNITIES CREATION

Unit: thousand persons

Year	1987	1991	1996	2001
PHUKET CLUSTER (West Coast Upper Southern Region)	92.3	187.7	247.2	308.5
SURAT THANI CLUSTER (East Coast Upper Southern Region)	33.3	69.3	93.0	119.9
SONGKHLA CLUSTER (Lower Southern Region)	100.9	128.9	161.0	190.2



3.8.3 TOURISM RELATED INDUSTRY

Through the economic transaction mechanism, tourists' expenditure yields a multiplied effect over the relevant industrial sectors in the regions, as described before. The transport, the commercial, the restaurants/foods supplying, the personal services, and the other services sectors are directly influenced. By encouraging tourists' shopping activities on domestic/local products, the manufacturing sector will considerably benefit from tourism. The additional benefit taking place in this sector, in turn, affects the commercial and the service sectors through the market mechanism, thereby, creating a regional growth system. A policy to stimulate this economic system is strongly required at the local level.

●Policy Measures of Local Tourism Products

Strengthening of local tourism products, therefore, is essential. For this purpose the following measures are recommended to be explored:

- to establish Local Souvenir Center, where charming souvenirs are sold, preferably in Phuket and Hat Yai,
- for foreign tourists, to establish a big duty-free shop like those in Singapore and in Hong Kong, which is desirable to be located also in Phuket or in Hat Yai,
- to produce attractive souvenirs to sell in the Center, for that purpose, it is required to improve and upgrade the present local souvenir industry.

Regarding the means to encourage the local souvenir industry such as all kinds of garment, tin-product, etc., it is needed to positively accept technical assistance and guidance on design from foreign experts or famous designers so as to create or modify designs that will appeal to foreign tourists.

●Local Souvenir Center

And it is recommended that the Local Souvenir Center takes various characters as a technical center and an education and training center as well as a sales center. And it might be also recommended to make demonstration to tourists there. Cultured pearl production, on which several companies are mostly foreign joint venture, are successful in Phuket and surrounding islands, can be a good model.

3.8.4 EDUCATION AND TRAINING

●Large-scale Institute for Training the Tourism Service Personnel

Shortages of trained service personnel and of training opportunities will become a critical problem. It is estimated that in Phuket, about 7,500 persons will additionally be required for the middle technical staff, the upper technical staff and the management staff only in the hotel service sector by 2001, as shown in Table 3-8-4. This means that about 580 persons per annum should be educated from now till the year 2001, in order to cover these three clusters, about 1,350 persons annually should be educated for hither technical staff. Based on this examination, it is strongly recommended that a large scale hotel college exclusively for training the tourism service personnel is established in Phuket cluster (Vol. 2 5.1.2).

TABLE 3-8-4 REQUIRED MANPOWER

Cluster				Year of 1988		Year of 1991		Year of 1996		Year of 2001	
				Total	Increase	Total	Increase	Total	Increase	Total	Increase
Phuket	Room Requirement (rooms)		(a)	10,512		16,010	5,498	22,139	6,129	30,437	8,298
	Number of Employees (persons)	(a)x 1.5	(b)	15,768		24,015	8,247	33,209	9,194	45,656	12,447
	1) Management staff	(b)X 3%		473		720	247	996	276	1,370	374
	2) Upper Technical staff	(b)X 6%		946		1,441	495	1,993	552	2,739	746
	3) Middle Tachnical staff	(b)X16%		2,523		3,842	1,319	5,313	1,471	7,305	1,992
	4) Lower Technical staff	(b)X75%		11,826		18,012	6,186	24,907	6,895	34,242	9,335
Surat Thani	Room Requirement (rooms)		(a)	6,904		12,237	5,333	15,556	3,319	20,722	5,166
	Number of Employees (persons)	(a)x 1.5	(b)	10,356		18,355	7,999	23,334	4,979	31,083	7,749
	1) Management staff	(b)X 3%		311		551	240	700	149	933	233
	2) Upper Technical staff	(b)X 6%		621		1,101	480	1,400	299	1,865	465
	3) Middle Tachnical staff	(b)X16%		1,657		2,937	1,280	3,733	796	4,973	1,240
	4) Lower Technical staff	(b)X75%		7,767		13,766	5,999	17,501	3,735	23,312	5,811
Songkhla	Room Requirement (rooms)		(a)	11,186		14,110	2,924	18,965	4,855	24,064	5,099
	Number of Employees (persons)	(a)x 1.5	(b)	16,779		21,165	4,386	28,448	7,283	36,096	7,648
	1) Management staff	(b)X 3%		503		635	132	853	218	1,083	230
	2) Upper Technical staff	(b)X 6%		1,007		1,270	263	1,707	437	2,166	459
	3) Middle Technical staff	(b)X16%		2,685		3,386	701	4,552	1,166	5,775	1,223
	4) Lower Technical staff	(b)X75%		12,584		15,874	3,290	21,336	5,462	27,072	5,736