

## The Tsunami's Impact on Thai Tourism (Box 1)

By Pongsak Hoontakul <sup>ψ</sup>

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Thailand is one of the eight Asia Pacific countries impacted by Tsunami disaster on Dec. 26, 2004 at the peak of tourist season. (see Fig. 1 Map below). The major affected areas where are in Southern of Thailand and only at Andaman Seaside are in three provinces - Phuket, Phang Nga and Krabi. (See Fig, 2 Map below) Among islands (Koh) which are adversely affected are Phi Phi, Lanta, Ya amd Panyi. Most of casualties<sup>1</sup> and injured are concentrated in two areas - Khoa Lak, a coastal line in Phang Nga province and Koh Phi Phi, an island belonging to Krabi province, but not far from Phuket province. These are direct results of their geographic locations and undersea contour.

Economically tourism industry contributed about 12 % of Thailand's total USD165 billion GDP and employed 3.9 million workers or 8.3% of total work force as suggested by the Economist on Jan. 8, 05. Tsunami hit areas in the Southern may represent at least 20% of these national numbers. In the aftermath, international arrivals to Thailand have been fairly flat in the first half of the 2005 owing to many holiday makers and tour operators relocated their destinations inside the country. Inbound tourist spending in Phuket estimated by Visa plunged as much as 75% based on year on year (yoy) growth and the lagging negative effect was still average above 30% yoy as shown in Figure 3. According to the Deloitte Hotel Benchmark survey, in June 2005 hotel occupancy rates in Phuket are still perching around 40% comparing to 70% last year. The revenue per available room (RevPAR) is down by more than 40% in the first six months of 2005.

Much of the hotels and resorts in this Tsunami affected areas was not hit. All basic infrastructures were restored very quickly without any foreign help. No wide

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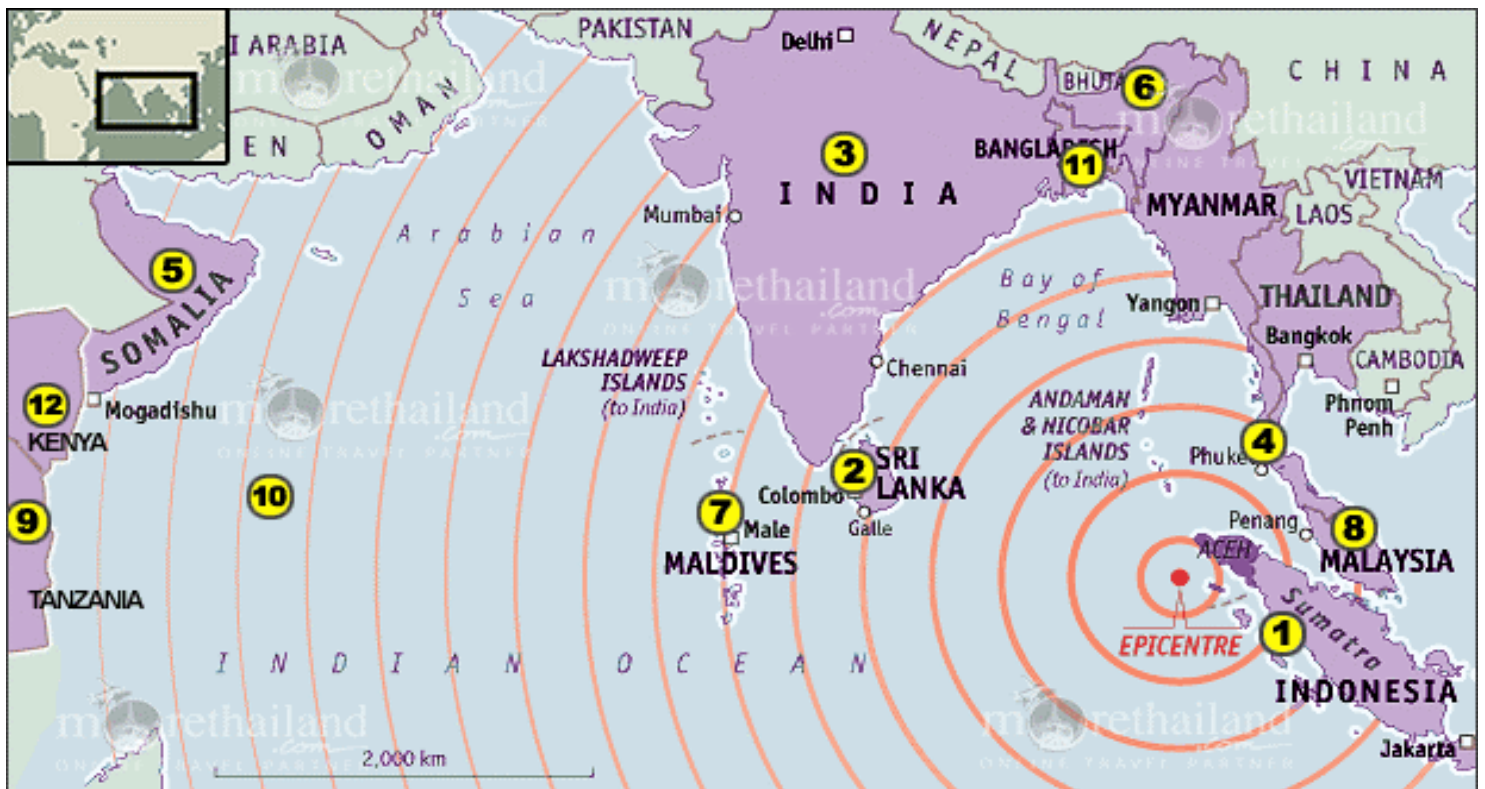
<sup>ψ</sup> Pongsak Hoontrakul is a senior research fellow at Sasin of Chulalongkorn University, Bangkok. All correspondence is at Sasin Graduate Institute of Business Administration of Chulalongkorn University, Sasa Patasala Building, Soi Chulalongkorn 12(2), Phayathai Road, Bangkok 10330, Thailand. Tel 662 954 1689 Email: [Pongsak@Hoontrakul.com](mailto:Pongsak@Hoontrakul.com) and URL [www.Pongsak.Hoontrakul.com](http://www.Pongsak.Hoontrakul.com)

<sup>1</sup> More than 5,000 people are counted dead and more than half came from 37 different countries around the world. At least other 2,800 people are still missing. There are about 1,200 orphans and 10,000 homeless from this unfortunate event.

spread disease was found. Only a few and small parts in remote areas are slowly being cleaned up after Feb. 2005. Still many traditional tourists decided to opt out due to psychological reasons.

The key objectives of the post-tsunami strategy for Tourism Authority of Thailand include focusing on the new markets of China and Russia, promoting new products like medical tourism and spa holidays and developing new tourism attractions of Tsunami Trail Tours. Miss Universe pageant was hastily organized in Bangkok and Phuket in May 2005. Only those first time visitors and bargain hunters are enjoying the excellent value vacation for now. Tourism experts are confident that the travel would recover from Tsunami impact faster than SARS episode since these areas are now used to “constant shock syndrome”. In short, it remains to be seen how Thai tourism would regain its prominent popular beach and sandal destination again.

Figure 1: The Map of Epicentre of Tsunami on Dec. 26, 04.



Source: [www.MoreThailand.com](http://www.MoreThailand.com)

Figure 2: The Map of Tsunami Impacted Areas in Southern Part of Thailand ( Source: [www.MoreThailand.com](http://www.MoreThailand.com) )



# Figure 3: Inbound spend in Phuket by Visa International

