

Chinese Tourism and its Impact to Thailand Economy

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Abstract

The study aims to analyze how service trade can impact the economy of Thailand by having a large amount of Chinese tourists visiting Thailand in each year and to see how Chinese tourism industry affects Thai economy growth and development. In addition, the research can show what affect it would be to Thai market without Chinese tourism. From this study we can learn more about the important of the Chinese tourism and can make some suggestion to improve and expand Thai tourism industry which can stimulate the economy growth in the future.

Keyword: Tourism, Service, Thailand, Chinese tourist

Introduction

When talking about international trade, the first thing comes up in our minds would probably be import and export products, or exchanging in goods between countries. This research paper is focusing on international trade; however, specialize in service trade in term of tourism. Service trade is the gateway for different countries to interact and exchange in service, products, economies, cultures, languages, and so on. Tourism is one of a good example of service trade, people from two countries have an interaction by traveling to different places using the transportation such as airplane, train, car, which creating more jobs in the market. With people traveling in other country, the tour guides sometimes are necessarily and can be very helpful. Tour guide industry has becoming more and more popular in these days, they are the key term for tourism service trade because their jobs are to provide the best service trying the best to make things convenient for tourists while they are in another country traveling. As people traveling, there will be more jobs of people selling goods, products, and service for the tourists, which will stimulate the economy.

Back in the old time, government did not want the money to flow out of country so they tried to remain the citizens inside of China, but later in 1983 government allowed Chinese citizens to travel to Hong Kong and Macau but under the condition of having the invitation from the family who lives in Hong Kong or Macau who will be responsible for the expenses. Then later in 1988, governments allowed Chinese citizens to travel to Thailand due to the good relationship between the two countries, thus during this time could considered to be an open gate between China and Thailand, and it was the time Chinese people were traveling more to Thailand and other countries. According to figure 1.1.1, though there not much of the change in population in these past 19 years, however, the number of people travelling significantly increases each year, we can clearly see that Chinese tourists started to travel during 1997 with the little number of 5,324,000 people departure from China and the number of travelers has increased every year up until 2015 with the number of 116,886,000 people and expected to continue increasing each year in the future.

Though Chinese tourists has traveled all over the world recently both Eastern and Western such as USA, Canada, Europe, Africa, Japan, Korea, and so on, however, Thailand is still one of the top countries from ASEAN where Chinese tourists choose to visit, and this research will be focusing mainly in Thailand and its service trade with China in term of tourism.

The chart below (figure 1.1.2) is showing the top 20 arrivals by nationality, and it is obvious that China is the top country who visited Thailand the most during 2006-2015

Figure 1.1.1

Year	China population (billion)	China Tourism Departures
1997	1.23	5,324,000
1998	1.242	8,426,000
1999	1.253	9,232,000
2000	1.263	10,473,000
2001	1.272	12,133,000
2002	1.28	16,602,000
2003	1.288	20,222,000
2004	1.296	28,853,000
2005	1.304	31,026,000
2006	1.311	34,524,000
2007	1.318	40,954,000
2008	1.325	45,844,000
2009	1.331	47,656,000
2010	1.338	57,386,000
2011	1.344	70,250,000
2012	1.351	83,183,000
2013	1.357	98,185,000
2014	1.364	107,276,000
2015	1.371	116,886,000

Source: World Bank

Figure 1.1.2

Rank	Country or territory	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
*	ASEAN	7,886,136	6,641,772	7,282,266	6,281,153	5,594,577	4,534,235	3,968,579	3,971,429	3,520,051	3,389,342
1	China	7,934,791	4,636,298	4,637,335	2,786,860	1,721,247	1,122,219	777,508	826,660	907,117	949,117
2	Malaysia*	3,423,397	2,613,418	3,041,097	2,554,397	2,500,280	2,058,956	1,757,813	1,855,332	1,540,080	1,591,328
3	Japan	1,381,690	1,267,886	1,586,425	1,373,716	1,277,893	993,674	1,004,453	1,153,868	1,277,638	1,311,987
4	South Korea	1,372,995	1,122,566	1,295,342	1,263,619	1,156,283	885,445	758,227	889,210	1,183,652	1,092,783
5	Laos*	1,233,138	1,053,983	976,639	975,999	891,950	715,345	655,034	621,564	513,701	276,207
6	India	1,069,149	932,603	1,050,889	1,013,308	914,971	760,371	614,566	536,964	536,356	459,795
7	United Kingdom	946,919	907,877	905,024	873,053	844,972	810,727	841,425	826,523	859,010	850,685
8	Singapore*	937,311	844,133	955,468	831,215	682,364	603,538	563,575	570,047	604,603	687,160
9	Russia	884,085	1,606,430	1,746,565	1,316,564	1,054,187	644,678	336,965	324,120	277,503	187,658
10	United States	867,520	763,520	823,486	768,638	681,748	611,792	627,074	669,097	681,972	694,258
11	Australia	805,946	831,854	900,460	930,241	829,855	698,046	646,705	694,473	658,148	549,547
12	Germany	760,604	715,240	737,658	682,419	619,133	606,874	573,473	542,726	544,495	516,659
13	Vietnam*	751,091	559,415	725,057	618,670	496,768	380,368	363,029	338,303	237,672	227,134
14	France	681,097	635,073	611,582	576,106	515,572	461,670	427,067	398,407	373,090	321,278
15	Hong Kong	669,165	483,131	588,335	473,666	411,834	316,476	318,762	337,827	367,862	376,636
16	Taiwan	552,624	394,149	502,176	394,475	394,225	369,220	362,783	393,176	427,474	475,117
17	Cambodia*	487,487	550,339	481,595	423,642	265,903	146,274	96,586	85,790	99,945	117,100
18	Indonesia*	469,226	497,592	594,251	447,820	370,795	286,072	227,205	247,930	237,592	219,783
19	Sweden	321,663	324,865	341,398	364,681	373,856	355,214	350,819	392,274	378,387	306,085
20	Philippines*	310,975	304,813	321,571	289,566	268,375	246,430	217,705	221,506	205,266	198,443

* Country in ASEAN

Source: Department of Tourism Thailand

Figure 1.1.3

Year	China Tourism Departures	Chinese Tourist Arrival in Thailand
1997	5,324,000	452,510
1998	8,426,000	604,472
1999	9,232,000	813,596
2000	10,473,000	753,781
2001	12,133,000	801,362
2002	16,602,000	797,976
2003	20,222,000	606,635
2004	28,853,000	729,848
2005	31,026,000	776,792
2006	34,524,000	949,117
2007	40,954,000	907,117
2008	45,844,000	826,660
2009	47,656,000	777,508
2010	57,386,000	1,122,219
2011	70,250,000	1,721,247
2012	83,183,000	2,786,860
2013	98,185,000	4,637,335
2014	107,276,000	4,636,298
2015	116,886,000	7,934,791

Source: Departure of Tourism Thailand

According to the chart above (figure 1.1.3) although the average Chinese tourist arrivals seemed to be increased each year, however, if we pay special attention to the year of 2012 and 2013 we can notice that the number of Chinese travelers has increased almost double in 2013 comparing to the year of 2012. The main reason of an enormous changed in number attributed to the popularity of the Chinese film “Lost in Thailand” where it was taken place in the northern province of Chiang Mai, Thailand and introduced Thailand to Chinese people.

Literature Review

Theory of Maslow's hierarchy of needs

•H•Maslow (1943) use the hierarchy of needs theory to explain people's motivation. Since needs is the driving force for people's behaviors which will decide of what to do and where to go. We need to first understand what people want and the motivation of people needs, and how to satisfy them. Since motivation can decide both how consumers will take part in tourism and also helped them to decide when, where, and what kind of tourist activities they should take part in, therefore, the concept of needs is very important for motivation theory.

Push factors drive people desire to travel, the pull factors attract people to travel somewhere. Yiamjanya & Wongleedee (2014), in their study on “international tourists’ travel motivation by push and pull factors and the decision making for selecting Thailand as destination choice”, they have divided pull motives into two parts, (1) sight-seeing - comfortable weather, beautiful beaches and sands, mountain and water fall, traditional markets, historical sites, Buddhist temples, night market, and (2) activities – Thai foods, inexpensive costs with good services, shipping with great deals, Thai festivals, relaxation from spa and massage, unique souvenir and crafts, nightlife and entertainments, sport (Muay Thai boxing). For push motives they have clarified as getting experience in foreign country, learning the new culture, trying new things including foods,

getting relax and getting better service than normal routine life, adventure, enjoying in natural resources, or even finding Thai partner.

Chinese Outbound Tourism

The research on tourism development reports that outbound tourism in China began in the early 1980s through three stages (Zhang and Heung, 2002) The first stage commenced in 1983, when the government allowed a limited number of organized tours to Hong Kong and later Macao. These tours were under China National Tourism Administration (CNTA) and were planned only for the purpose of visiting friends and relatives. The travel cost was required to be paid by the friends and relatives of the Chinese traveler.

The second stage began in 1990, when the government signed bilateral agreements with Singapore, Malaysia and Thailand. These agreements allowed Chinese tourists to self-support travel to these countries through the newly established Chinese Travel Service.

However, the real birth of international tourism from China came about with the third stage. In 1997, the Chinese government signed its first bilateral agreements with the non-Asian countries of Australia and New Zealand, providing an opportunity for Chinese residents to experience Western culture firsthand.

From that time on, Chinese outbound tourism has been regulated by the Approved Destination Status (ADS) system. The system is based on bilateral agreements between China and select overseas destinations. The ADS system restricts the overseas destinations to which Chinese citizens can travel, and restricts which foreign tour companies are allowed to operate in the Chinese market. By mid 2008, over 130 countries have been granted ADS by the CNTA, with the United States being the most recent country to join the ADS system (PRC, 2008).

Zhang et al. (2000) observe that the change from a planned economy to a market economy has also strongly affected Chinese outbound travel. They suggest that as the transition progresses, the increased openness will lead to improved standards of service and reliability from China's tourism intermediaries. However, they concern that the progress could be slow, and the contrast between mature tourism markets and rising markets such as China is likely to be the cause of some frustration.

An understanding of the tourist is an important first step in helping discussion of destination choice (Guillet et al, 2011). Wang and Sheldon (1995) reported that the Chinese market had been moving much faster than anyone had anticipated. China was already delivering large numbers of tourists to any countries prepared to accept them (Mok and DeFranco, 2000).

Although Pearce (1982) gave an overall view of tourist behavior, there is evidence in the literature (Richardson and Crompton, 1988; Reimer, 1990; Wong and Lau, 2001) that there are differences in destination choice in relation to the cultural background of the tourist (Guillet et al, 2011). While Chinese outbound tourists share many of the basic needs and desires of all tourists, they have particular expectations in terms of services and standards (Li et al, 2011). From the destination's point of view, China has become an important source market in Asian countries such as Japan, Singapore and the Philippines; the Greater China Region has emerged as the leading source market (Li, et al, 2011). In other countries, such as the USA, Canada and the UK, China is among the fastest-growing source markets and has quickly become one of the top Asian markets (Li et al, 2011).

Chinese Tourists' Misbehavior in Thailand

Want China Times (2013) reported that many Thai people were losing their patience with Chinese tourists because they always refused to obey rules, disrespect Thai culture, and many times behaved rudely. Not only Thai people were complained about Chinese misbehavior, but also other international tourists who traveled to Thailand as well. For example, some other tourists have been advised to visit to a place at a particular time just to avoid Chinese tourists; another toilet was built for non-Chinese visitors in the White Temple, Chiang Rai just to be separate with the Chinese tourists and so forth (Bangkok Post, 2015a; The Straits Times, 2015).

As the complaints of Chinese tourists' misbehavior increasing more and more, Thai government has issued manners manuals for Chinese tourists in February 2015 before they arrive to Thailand during Chinese New Year (Parameswaran, 2015). More Chinese written signs have also been set up at the tourism destination for Chinese tourists to see and understand better (Zhao, 2015). Unfortunately, some Chinese tourists still kicking temple bells and washing feet and shoes in public toilet sinks which considered being very disrespectful for Thai culture. It shows that the government's strategies are not useful at that moment. Though some groups of people have huge dissatisfaction against the Chinese tourists, the government advised them to tolerate their bad behaviors as they are now an important tourists market (Lefevre, 2015).

Research objective

1. To understand how the service trade plays role in an economy in term of tourism.

2. To analyze the significant of Chinese tourism in Thailand and how it affect Thai economy.
3. To identify the influence factor and motivation of Chinese tourists of choosing Thailand as a destination.

Methodology

Data Collection

The data used in this research is secondary data. The data is involved with Chinese tourism in Thailand statistics which will be collected from The Department of Tourism, The World Bank, Immigration Bureau, Royal Thai Police, other research papers, etc. in the duration time series of 2000-2015 or 15 years.

Data Analysis

Description Analysis: to analyze the overview of Chinese tourism in Thailand by collecting statistics of number of tourist arrival, how much spending, and so on.

Quantitative Analysis: to analyze the competitiveness advantage of Thai tourism in Chinese market.

Overview of Thailand and China Tourism Market

Figure 3 China Population, GDP, GNI, GNI per capita

Year	China population	China GDP (current USD)	China Gross National Income (USD)	China GNI per Capita (USD)
1997	1,230,000,000	961,600,000,000	950,600,738,257	750
1998	1,242,000,000	1,029,000,000,000	1,012,399,898,540	800
1999	1,253,000,000	1,094,000,000,000	1,079,527,197,613	860
2000	1,263,000,000	1,211,000,000,000	1,196,681,725,937	940
2001	1,272,000,000	1,339,000,000,000	1,320,223,266,603	1,010
2002	1,280,000,000	1,471,000,000,000	1,455,604,687,689	1,110
2003	1,288,000,000	1,660,000,000,000	1,650,070,073,698	1,280
2004	1,296,000,000	1,955,000,000,000	1,950,215,058,960	1,510
2005	1,304,000,000	2,286,000,000,000	2,269,857,095,786	1,760
2006	1,311,000,000	2,752,000,000,000	2,746,989,991,722	2,060
2007	1,318,000,000	3,552,000,000,000	3,560,223,463,687	2,510
2008	1,325,000,000	4,598,000,000,000	4,626,771,914,171	3,100
2009	1,331,000,000	5,110,000,000,000	5,101,421,377,756	3,690
2010	1,338,000,000	6,101,000,000,000	6,074,549,133,716	4,340
2011	1,344,000,000	7,573,000,000,000	7,502,177,512,961	5,060
2012	1,351,000,000	8,561,000,000,000	8,540,730,003,327	5,940
2013	1,357,000,000	9,607,000,000,000	9,529,397,333,678	6,800
2014	1,364,000,000	10,480,000,000,000	10,495,671,777,843	7,520
2015	1,371,000,000	11,060,000,000,000	11,018,570,855,078	7,940
2016	1,379,000,000	11,200,000,000,000	11,172,428,324,178	8,260

Source: World Bank

Figure 3 is showing some data of Chinese population, China GDP, China Gross National Income, and China gross national income per capita from 1997-2016. As we can see during these 20 years, though the number of population is steadily increased, however, the number of China GDP has been rapidly increased from 961,600,000,000 USD in 1997 to 11,200,000,000,000 USD in 2016, the number of China gross national income has been increased from 950,600,738,257 USD in 1997 to 11,172,428,324,178 USD in 2016, and the gross national income per capita is increased from 750 USD in 1997 to 8,260 USD in 2016. In other word, we can say that China has increased in population each year with more income and higher GDP.

China Outbound Tourism

As mentioned earlier in the introduction part about how China has just opened the country and government started to allow people to travel outside of the country in 1983, from figure 3.1 above we can see the number of Chinese tourists outbound during 2007 to 2014 and can easily notice how Thailand was always the top 5 countries except in 2009 Chinese tourists choose to visit. In 2007 and 2008, though the number slightly decreased from 716,900 Chinese tourists to 623,900 people, however, the number has incredibly increased in the next year of 2009 with the number of 6,219,000 Chinese tourist people. The explanation is the increasing of China tourism outbound related to the gross national income and GDP, as people making more money, there will be more people traveling and more spending.

The reasons of an increasing of outbound tourism in Thailand are including: relatively few in culture differences, lower in travel costs, transportation is now more convenient, short distance suitable for short or flexible holidays.

The reason for this rapid growth of Chinese outbound tourism are due to the growing in demand of tourism, steady developing economy, appreciation currency, welcoming visa policies in Thailand, and the increased in number of an international flights which provide convenience for travelers.

With the increased of Chinese outbound tourism, Chinese tourists have made huge contributions to Thailand in many aspects such as hotels, restaurants, attractions, airlines, and retail, which give benefits and stimulated Thailand economy.

Thai Tourism

Figure 3.2.1 Annual Statistics

Year ↕	Arrivals ↕	% Change ↕
2015	29,881,091	+20.44%
2014	24,809,683	-6.54%
2013	26,546,725	+18.8%
2012	22,353,903	+15.98%
2011	19,230,470	+20.67%
2010	15,936,400	+12.63%
2009	14,149,841	-2.98%
2008	14,584,220	+0.83%
2007	14,464,228	+4.65%
2006	13,821,802	+20.01%
2005	11,516,936	-1.15%
2004	11,650,703	<i>no data</i>

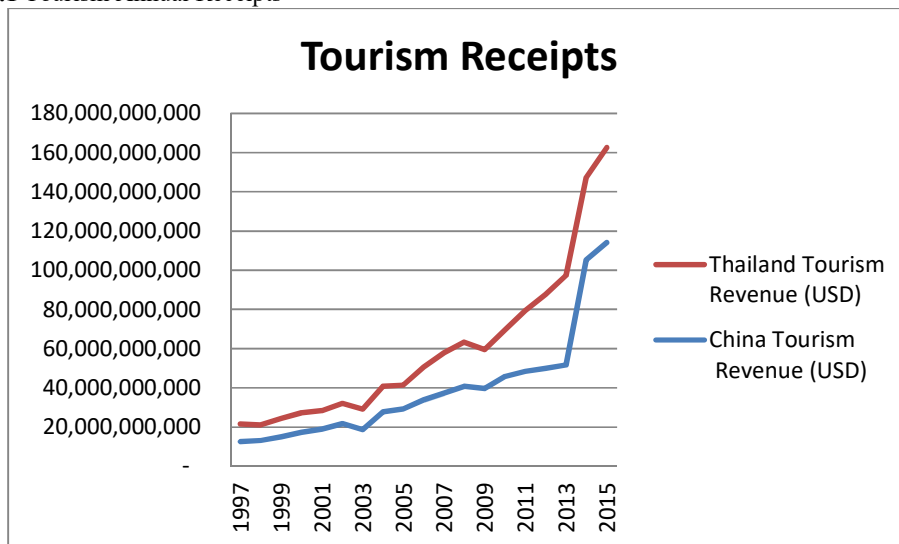
Source: Department of Tourism Thailand

According to figure 3.2.1, the annual statistics of an international tourist arrival in Thailand from 2004-2015, the number of tourist arise from 11,650,703 in 2004 to 29,881,091 in 2015. As we can see from the chart, the number of international tourist increased almost every year except in 2005, 2009, and 2014, however, in 2005 only decreased -1.15%, in 2009 decreased -2.98% and -6.54% in 2014 which still considered a small number comparing to the increased. The highest increased in tourism is roughly 20%, in 2006 increased 20.01%, in 2011 increased 20.67%, in 2013 increased 18.8% , and in 2015 increased 20.44%. Though tourism

in Thailand is not so stable, but the average of tourists are more likely to go up than down, which means Thailand is a good place suitable for tourism industry.

Compare and Contrast Thailand and China Tourism

Figure 3.3.1 Tourism Annual Receipts



Source: World Bank

Figure 3.3.1 is showing the annual tourism receipts between China and Thailand. First, let's take a deeper look in Thailand tourism market, according to World Bank data, Thailand had earned 9,052,000,000 USD in 1997 from tourism, and took 10 years to double the revenue to be 20,625,000,000 USD in 2007. According to the statistics, Thailand tourism receipts have been increased every year except in 2009 with the number down to 19,811,000,000 USD, though it did not decrease that much comparing to the previous year 2008 which was 22,510,000,000 USD, however, it was the first and only year Thailand tourism receipts have been decreased. Nevertheless, Thailand have brought up tourism revenue to 30,924,000,000 USD within two years in 2011, and continued to increase to 48,738,000 USD in 2013, and 48,527,000,000 USD in 2015.

In 1997, China have earned 12,626,000,000 USD in tourism industry, then doubled up to 21,742,000,000 USD within five years in 2002, and continued to increase during next ten years to 50,028,00,000 USD in 2012. Interestingly, the number of China tourism receipt has incredibly increased from 51,664,000,000 USD in 2013 to 105,380,000,000 USD within one year or in 2014, and still continue increased to 114,109,000,000 in 2015.

Although according from figure 3.3.1 China seemed to have more revenues from tourism with more than double in number of receipts, however, from figure 3.3.2 we can see that Thailand international receipts in percentage of total export is higher than China in each year since 1997 to 2015. While China seemed to be decreased from 8.984% in 1997 to 4.835% within twenty years or in 2015, and Thailand seemed to be increased from 12.499% to 17.592% in 2015. This means Thailand have more advantage and potential in exporting tourism than China.

Figure 3.3.2 Tourism Receipts in percentage of Total Export

Year	China International Tourism Receipts (% of total export)	Thailand International Tourism Receipts (% of total export)
1997	8.984	12.499
1998	9.358	12.068
1999	10.012	13.186
2000	9.113	12.151
2001	9.112	12.322
2002	8.78	12.76
2003	4.195	11.137
2004	4.589	11.449
2005	3.788	9.361
2006	3.423	10.897
2007	2.962	11.372
2008	2.731	10.804
2009	3.175	10.887
2010	2.856	10.472
2011	2.413	11.761
2012	2.3	13.612
2013	2.193	15.979
2014	4.279	14.897
2015	4.835	17.592

Source: World Bank

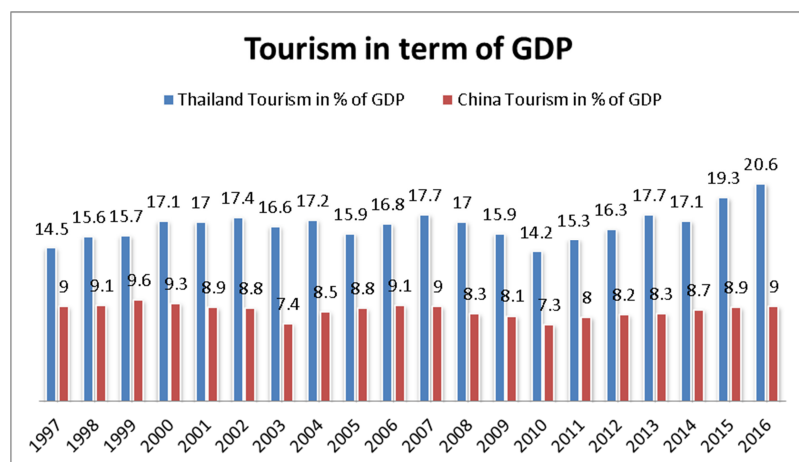


Figure 3.3.3 Tourism in term of GDP

Source: World Bank

Figure 3.3.3 is comparing Thailand and China tourism in term of GDP, once again we can see that Thailand tourism in term of GDP is almost double than China tourism. While China seems to be very stable in tourism since 1997 to 2016 with 9% in 1997, 8.8% in 2002, 9% in 2007, 8.2% in 2012, and 9% in 2016, Thailand on the

other hand has increased from 14.5% in 1997, 17.4% in 2002, 17.7% in 2007, 16.3% in 2012, and 20.6% in 2016.

Figure 3.3.4

Year	China Tourism Departures	Thailand Tourism Departures
1997	5,324,000	6,794,000
1998	8,426,000	6,444,000
1999	9,232,000	5,970,000
2000	10,473,000	5,721,000
2001	12,133,000	5,397,000
2002	16,602,000	5,451,000
2003	20,222,000	4,653,000
2004	28,853,000	3,908,000
2005	31,026,000	4,018,000
2006	34,524,000	3,382,000
2007	40,954,000	3,047,000
2008	45,844,000	2,709,000
2009	47,656,000	2,152,000
2010	57,386,000	2,250,000
2011	70,250,000	2,011,000
2012	83,183,000	1,909,000
2013	98,185,000	1,655,000
2014	107,276,000	1,412,000
2015	116,886,000	1,660,000

Source: World Bank

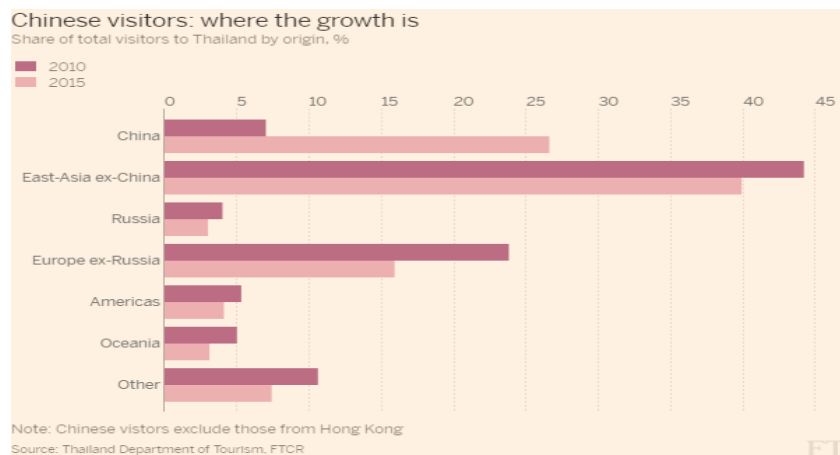
While Thailand on the other hand, tourism departure numbers or the number of Thai people travel outside of the country decreased each year from 6,794,000 in 1997 which was the highest number according to the chart (figure 3.3.4), and kept decreasing to 1,660,000 in 2015.

This means Thai outbound tourism is less than inbound tourism, people travel outside of the country less and less while international tourists including Chinese tourists are visiting Thailand more and more each year, when China inbound are steady progress while outbound rapidly grow.

What would it be without tourism?

Tourism has become the biggest source of growth in Thai economy. The numbers of Chinese visitors enlarge by more than 71% in 2015, taking growth in overall arrivals to more than 20%.

Figure 3.4.1



From the figure 3.4.1, Thailand received 29.9 million international tourists in 2015, with 7.9 million came from mainland China, more than a quarter of the total. Just five years earlier, China accounted for 7.9% of all arrivals.

The violent political protests in Bangkok scared away many tourists in 2014. Nevertheless, arrivals growth from China has continued through the year to end peak season with 29% growth in December and 45% in January.

The arrival of Chinese tourists has been a big help to Thailand’s economy which continues to be pressed by falling in exports, moderate consumption, weak commodity prices, and political instability. International tourism spending accounts for 11.4% of gross domestic product and has become the economy’s most import source of growth.

According to FT Confidential Research, Thai GDP expanded 2.9% in 2015, without foreign tourism spending the GDP would probably just grow about 0.6%.

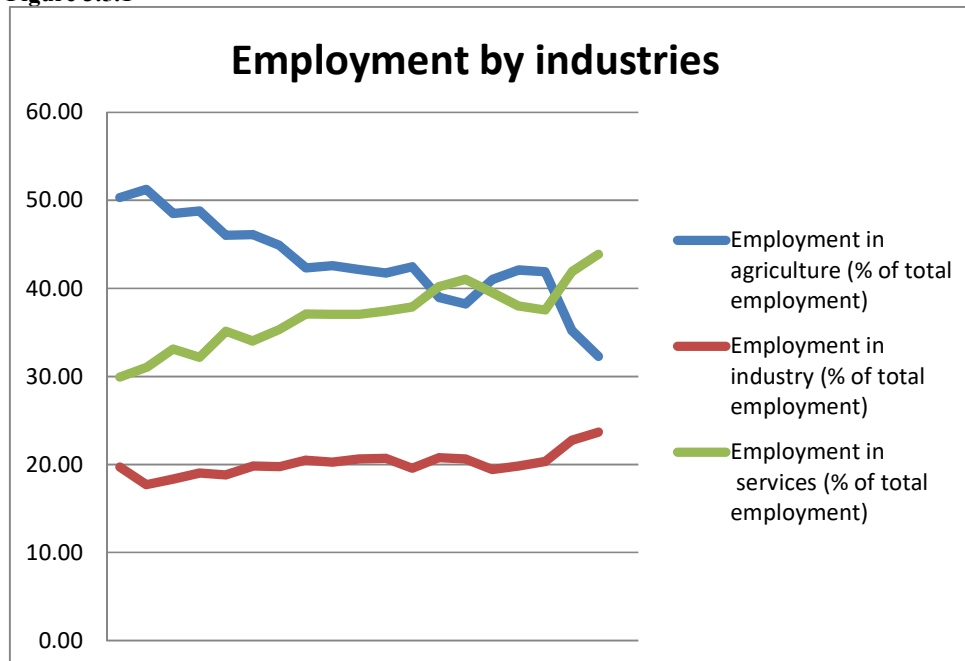
Figure 3.4.2



From the figure 3.4.2, we can see how much important tourism is to Thailand. Without tourism, many people would be suffering from losing their jobs; Thailand revenue would be significantly decreased, Thailand GDP would drop incredibly low, this will impact the whole economy and the whole country.

Employment by Industries

Figure 3.5.1



Source: World Bank

The graph above is comparing the employment among the three industries: agriculture, industry, and services. According to World Bank data, the number of employment rate in agriculture in percentage of total employment in 1997 was 50.32% and decreased to 32.28% in 2015, this means less people are working in the agriculture area. On the other hand, the number of employment rate for services in percentage of total employment in 1997 was 29.92% and increased to 43.87% in 2015, this means service industries are very elastic, more people are working toward services area due to the economy situations. The number of employment in industry seems to be stable; it was 19.71% in 1997 and slightly increased to 23.68% in 2015, though it seems to be inelastic, but the numbers of employment rates are still lower than agriculture and service industries in each year comparing from 1997 to 2015.

As mentioned earlier, tourism has created more jobs and increased employment rates. Tourism industry is related to many other services business and jobs such as restaurants, hotels, tour agencies, transportation, selling souvenirs, tour guides, and so on. As we can see from the graph above, people are now tended to work more in services industry rather than agriculture like back in the old days, without tourism the jobs such as hotels, restaurants, selling souvenirs and other products, transportation and others would not be as popular. Though tourism or travelling is not an exchanging in objective products, but people are willing to spend money in order to get services and experiences. Without tourism, not only there would be less of an inflow and outflow money or less import and export in term of service and tourism, but also less jobs for people, higher in an unemployment rates; perhaps Thai employment rates would be less in the service industry and higher in agriculture as twenty years ago.

Some factors attracting tourist

Destination

The most important about traveling is choosing destination of where one wants to go, something draw attention and makes someone wants to see which could be attraction places, sightseeing, shopping, cultures, foods, or people.

Thailand have some landscapes, some tourist attraction with different styles than China, some of the cultures are the same while many are different, shopping places are not quite the same with different products and cheaper price in Thailand, some foods are similar but most are different, and even people some looked the

same while many looked different; these differences attract many Chinese tourists to choose Thailand as their destination place for traveling.

Distance

Distance is one the factor people would consider when traveling, most people with short vacation would rather choose a shorter distance places to visit due to the convenience and limited of time. Since Thailand is very close to China, taking about 4 hours by airplane, then many Chinese people would choose Thailand as their destination, especially those who have limited time or short holidays.

Advertisement

One of the most important and best ways to introduce a country is by advertising, especially through social media. Chinese film taken place in Thailand has made a great advertise and introduced Thailand to Chinese people. This is probably on the best and fastest way to allow Chinese people to know more about Thailand and according to the statistics the number of Chinese tourists in Thailand has incredibly increased after the release of the Chinese film "Lost in Thailand". Not only the film, but also through the power of social network such as Wechat, Weibo, Youku, Alipay, and so on, many people can see more about Thailand and other countries through these social network in no time.

Exchange rate

Exchange rate is one of the factor people would consider when they want to travel to other countries. If its own country's currency is appreciated, then they can enjoy more when travel to a country with depreciates currency. For example, one Chinese Yuan is about five Thai bat, which means Chinese visitors in Thailand would spend less or in a simple word, things will be cheaper for Chinese tourist when they are in Thailand; while Thai people would have to pay more if they are coming to China, thing would be more expensive for them. This is one of the reason why many Chinese people want to go to Thailand because they feel it is cheaper for them when spend money buying.

Visa fee exemption and visa on arrival

Many people would be worried and concerned about visa when traveling to other country, not only because of the visa fee could be expensive, but also because it seems very trouble applying the visa.

However, since August 2014 Thailand released some strategies to attract foreign tourists by exempting the visa fee and allowed some countries to do visa on arrival. Visa on arrival allows visitors to travel to Thailand and apply visa at the airport after the landing, so they don't need to apply for visa and waiting for the process in their country before coming to Thailand, this made it very convenient for travelers. So this could be one of the reasons why the number of Chinese tourists increased enormously last year. However, one of the problems is Chinese people and other tourists who are applying the visa on arrival would have to wait for a long line at the airport, sometimes tourists have to wait for 4 hours for the process to be done. Though right now there are no exempting in visa fee anymore, but the visa on arrival is still applying for Chinese tourists and some other countries which still attract tourists to visit Thailand.

Airlines promotion

Since the competitive for airlines are very high, therefore many airlines released promotion for the cheaper flights which attract many tourists, the more airlines, the more competition, the more plane tickets promotion would be. Most people would rather spend less and find the cheapest plane ticket as it could be, and now many airlines both in China and Thailand have released special price for the plane tickets so people don't feel like traveling is too expensive or unaffordable like before, this is one of the main reason why Chinese would travel outside of the country. Nowadays the plane tickets from China to Thailand are very reasonable price and taking a plane is one of the best option since it is the fastest way and not too expensive, especially when the airlines are making special deals.

Travel Tour

Most of the Chinese tourists would choose to go to Thailand through the tour agency, go with the group tour with the tour guide taking them to places and provide information as needed. The reason people choose to go with the tour because it is very convenient, the tour agency will apply for the visa, booked the plane tickets, take them to Thailand, providing the tour guide who will explain all the things they need to know, prepare for the transportation, speaking in same language which make it very comfortable and convenient for them, and the most important is because less expensive. There are so many tour agencies nowadays which make it a very high competition; therefore, prices are cheaper to attract tourists. Since it is very convenient and cheap to travel somewhere with the travel tour, this is one of the factor why more and more people Chinese are traveling all over the world now.

Oil price

When oil price is increased, consumer will react with a declining in number of traveling roughly about 10%. Though oil price does not have a big effect for travelers, but it does has slightly impact to tourists. When the price of oil decreased, it means airlines are making more profit which leads them to release more promotions, if the price of oil increased then airlines will have to find a way to make up the costs, the chance of making special deals and promotions would be less.

Increasing in oil price will also affecting the transportation costs to be higher, the prices of goods and services could be increased, consumption prices would be increased, price of goods would also increased, and the demand of other goods could be decreased. These could bring inconveniences to tourists; travelers might find things are slightly more expensive than usual. However, most people would not really think of oil price when they are travelling, though it does have some effects to the economy.

Revealed Comparative Advantage (RCA)

Revealed Comparative Advantage (RCA) is one of the methodologies to analyze and calculate a certain country's advantage or disadvantage of goods or services for international trade.

Liesner (1958) was the first person who introduced the revealed comparative advantage (RCA) and later was developed by Balassa.

RCA has been used to measure country's export potential, if RCA is less than 1, that means a certain country's object does not have revealed comparative advantage, but if RCA is more than 1, then it means that the object has revealed comparative advantage in international competition.

Balassa (1965) defined RCA as a ratio among certain export products of a country's overall exports to the world and a country's total exports to total world exports (Vollrath, 1991; Bojnec, 2001)

Revealed comparative advantage (RCA) can be defined as:

$$RCA = (X_{ij}/X_i)/(X_{wj}/X_w)$$

X = Export

i = country, in this case it refers to China and Thailand

j = product, in this case it refers to tourism

w = world

Where:

X_{ij} = country i 's export of product j

X_i = country i 's exports of all products

X_{wj} = world export of product j

X_w = world exports of all products

In this research:

$$RCA = \left(\frac{\text{country tourism export}}{\text{country service export}} \right) / \left(\frac{\text{world tourism export}}{\text{world service export}} \right)$$

Analysis Result

With all the information and statistics calculated by the above formula to analyze the competitive advantage between China and Thailand in term of tourism, the results could be seen as the chart below.

Figure 4.1.1

Year	RCA Thailand	RCA China
1997	1.62	0.62
1998	1.73	0.61
1999	1.83	0.65
2000	2.11	0.65
2001	2.15	0.63
2002	2.06	0.65
2003	2.04	1.00
2004	2.16	1.11
2005	2.00	1.23
2006	2.33	1.24
2007	2.44	1.06
2008	2.72	1.02
2009	2.37	1.17
2010	2.47	1.39
2011	2.71	0.88
2012	2.73	0.89
2013	2.76	0.88
2014	2.62	1.66
2015	2.69	1.79

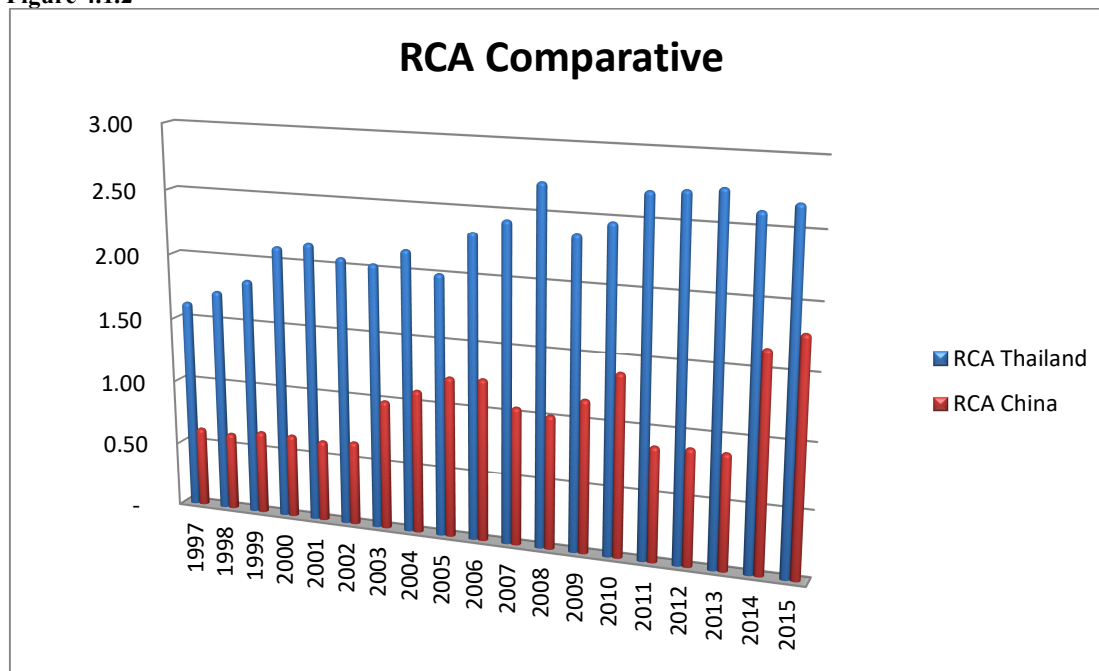
Source: calculated by author

Conclusion

Figure 4.1.2 is the result from comparing the RCA of Thailand and China during 1997 to 2015. As we can see the RCA number in Thailand is clearly higher than the RCA in China in each year. China RCA in 1997 was 0.62 and seemed to be very stable for six years with the number slightly increased to 0.65 in 2002, then little bit higher in 2003 with the number of RCA of 1.00, and increased to 1.39 in 2010. The RCA in China although more stable with slightly increased each year over past 14 years, however, it decreased to 0.8 in 2011, 0.88 in 2013, then increased to 1.66 in 2014 and 1.79 in 2015. While in Thailand the RCA started with 1.62 in 1997, reached to 2.11 in 2000, continued in increase to 2.72 in 2008, raised to the highest point in 2013 with the number of 2.76, and decreased to 2.69 in 2015.

China RCA index is lower than 1 from 1997 to 2002 because during those times China just started to open country and let people travel outside of the country. In 1997-2002 to China it was the first step for international trade in term of tourism. Though China GDP has increased more every year, gross national income is also increasing, however, China did not seem to focus on tourism in its own country, or in another word, there are more and more Chinese tourists travel all over the world, the number seems to increased each year, China is now the world top spender from travelling, but China did not promote or focus on international tourists to come and travel in mainland China.

Figure 4.1.2



Source: calculated by author

Suggestion

The problem which people concern the most when travelling are visa and language, 31% of tourists said that tourist service people cannot speak Chinese and 38% said that the street signs are not in Chinese which make it inconvenience for them. Culture differences are also one of the biggest issues for Chinese tourists in Thailand or even in other countries, however, since this research only focuses on Thailand then the suggestion would be for Chinese tourists in Thailand only.

Here are some suggestions for a better tourism industry for Thailand in Chinese market:

1. Established manuals and guidelines in Chinese language for Chinese tourists before visit Thailand, strictly inform travel agency on the tour guides' responsibility in communicating the appropriate travel manners with tourists before arriving to Thailand. Although many people are not traveling with travel agency, so this strategy might not cover all of the Chinese tourists, however, it is one of the basic way to inform and educate people how to manner outside of the country, especially those who are traveled for the first time and do not have experience. Since social network has a very strong impact on people nowadays, we can it to promote and introduce about Thailand and its tourist attraction places, and also use it to educate about the cultures and proper manners; in this way it could cover both people who are travelling with agencies and travel on their own.
2. Although English is the universal language, however, since many Chinese and Thai people are not expert in English and have a difficult time using English to communicate, so Thailand should put up more signs in Chinese language or translate into three languages (Thai, English, Chinese) to make it more convenient for Chinese tourists since they have the highest number of arrivals in Thailand.
3. Making visa progress faster or even exempt visa for 15 days or 30 days, this strategy will absolutely bring even more Chinese tourists to travel to Thailand without doubt. Many Chinese tourists are concerning about applying visa, if Thailand exempt visa for Chinese citizens it would be less concern and so much more convenient for them.
4. Provide more tourism services center for Chinese visitors where Chinese tourists can easily found and get help and the representatives can provide information in Chinese language for a better communication.
5. Providing more products and services for Chinese tourists, in this way they will spend more money. Sometimes Thai people purposely double or triple the prices when they are selling to tourists, if Thai vendors can control the price not to be exaggerated, then Chinese tourists will definitely spend more money shopping and that will circulate the economy in Thailand.
6. Stop being discrimination by separating Chinese tourists from other tourists and making them feel

- different. Some places built separate toilets for Chinese tourists, and some hotels separated the dinner rooms with Chinese tourists and other tourists, this way of solving problems could cause Chinese tourists to received different services compare to others and making them feel uncomfortable or unwelcome.
7. Paying though smart phone such as Wechat or Alipay is very popular in China. Thailand should also adopt this method of paying for more conveniences in paying money for Chinese tourists. Many Chinese tourists who have no or little experiences traveling sometimes did not prepare to exchange money before leaving China or once they arrived in Thailand which made it difficult to pay the money or exchange money later after left the airport. Some of them expected to pay through smart phone such as Wechat or Alipay like in China, but since Thailand online paying is not popular and not acceptable in most places so it could cause some inconveniences for Chinese tourists. If Thailand could adopt this online payment system and make it acceptable everywhere in Thailand, then it would be so much more convenient not only for Chinese tourists but for Thai people as well.
 8. More advertising through social media to let Chinese people know and learn more about Thailand. According to the research, film or movie which was taking place in Thailand had a huge influence on Chinese people to choose Thailand as their travel destination, after the film *Lost in Thailand* have released, the number of Chinese tourists had incredibly increased within a year, this means if Thailand can promote more through Chinese media, then the number of Chinese tourists coming to Thailand would be even more in the future.
 9. Transportation is also one of the most important factors; most people are now taking airplanes to go to Thailand because it is more convenient and reasonable. Back in the old time, taking planes traveling were quite expensive, however, now the competitive for airlines are very high, many airlines are now having promotion with extremely low costs which attract many tourists to choose traveling by airplane since it is much faster and even cheaper than other transportation options. Thus, Thailand airlines should make more promotions from China flying to Thailand to attract more tourists.
 10. Adding more direct flights in the main cities in China to the main tourist attraction places in Thailand. If we can add more direct flights from China to Thailand in every provinces and main cities in China besides Beijing, Shanghai, Xiamen, and so on, then it would be more convenient for Chinese tourists and will have an impact for them to choose Thailand as their destination.
 11. Satisfaction is the most important reason for consumers to return and revisit again. If Thai governments can focus on this issue and work on a better service, not only Chinese tourists will be satisfy but including other tourists as well. If visitors are satisfied and impressed with their journals, then Thailand reputation could be expand by their experiences, by word-of-mouth, or though social network. Therefore, having a good mindset and attitude and providing the best services to make customers impress and return with great memories and experiences are extremely important. With the conflicts of Chinese tourists and Thai people right now, having attitude towards Chinese tourists and serving them differently could cause disappointment for the visitors and that could cause them to choose other country as destination rather than choosing Thailand since Chinese tourists are now feeling unwelcomed and unwanted. So governments need to release some strategies and inform all the service businesses to work better on attitude and manners towards Chinese visitors when they are considered the customers and need to treat them equally as other visitors.

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