

Pattaya on course to see record numbers

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Pattaya is on track to accommodate a record 8 million hotel guests this year, the highest-ever for a Thai resort destination, as improvements in the domestic market and infrastructure boost demand, says a hotel industry report.

C9 Hotelworks, the hospitality consulting firm, recently released a report highlighting a 66% hotel occupancy rate for the Eastern Seaboard city last year.

The report stated in 2010 and 2011, occupancy rose by 17% and 9%, respectively. Visitors to the region doubled in 2010 despite fallout from the financial crisis and political turmoil.

Bill Barnett, managing director of the Phuket-based firm, attributed Pattaya's rise to solid infrastructure, a strengthening domestic market, international brands and changing perceptions of the city. "If you visit Pattaya, you're sitting next to the country's capital with an established tourism market. It's the *yin*

to Bangkok's *yang*," he said.

Infrastructure is the most important factor, said Mr Barnett. The proliferation of low-cost flights and improved toll roads to the area has made Pattaya an ideal weekend getaway for Thais, who account for a quarter of the market there.

Pattaya has clearly eclipsed Hua Hin as a weekend destination, he said while joking that the hour-and-a-half drive to the former sometimes matches the time it takes to cross Bangkok.

The report shows the international tourism market has flourished as well.

Russian and Chinese tourists flocked to Pattaya last year, and the Civil Aviation Department said total arrivals at the nearby U-tapao airport rose by 39% from 2010.

Chinese, Russians and Thais together accounted for nearly 60% of all Pattaya visitors in 2011.

But Pattaya is not all tourism. The second-best property market in Thailand is reaping the fruit of the nearby auto-

manufacturing sector.

In terms of a second business district outside of Bangkok, the Eastern Seaboard is developing, and Pattaya is benefiting from that, said Mr Barnett, adding that 60% of the occupancy at the Holiday Inn Pattaya is from corporate functions.

He said the rise of brand-name hotels and megaprojects will help, while the Cartoon Network will open a 1-billion-baht theme water park early next year.

These big demand generators will make the market sustainable.

Mr Barnett, who has worked in the Asian tourism industry for 27 years, said investors are stuck in the past, as investor sentiment has not kept up with market realities.

The real estate market is hot, and there is no oversupply of hotel rooms in the pipeline, signifying well-balanced growth.

"As long as the Thai middle class is growing strong, Pattaya isn't going anywhere," said Mr Barnett.