Phuket’s MICE market valued at THB10.9 billion, with over 800,000 visitors last year

Strong spending power for MICE demand on the island which averaged THB13,264 per person

MICE, which refers to Meetings, Incentives, Conferences and Exhibitions, is an important contributor to Phuket tourism. Revenue generated from the MICE sector almost doubled last year to THB10.9 billion from THB5.7 billion in 2016. A key to this sharp growth was the uptick spending after the mourning period ended for the late King Bhumibol Adulyadej.

In 2017, country-wide MICE revenue totaled THB174 billion, with the top three markets being Bangkok, Chiang Mai and Pattaya. Unlike other destinations with a convention center, Phuket attracts high-yield MICE groups with substantially less volume, dominated by the Asian market. While the average spending for international visitors was THB84,410 per person per trip in 2017, domestic visitors’ spending averaged THB2,803.

Looking forward, the Thailand Convention and Exhibition Bureau (TCEB) plans to establish a Phuket office to service MICE facilities with a focus on marketing and promotion. The MICE market on the island is expected to expand further in the future taking advantage of the airport expansion and increasing flight connectivity.

Bill Barnett, Managing Director, C9 Hotelworks

Trends

- Increasing direct flights with low-cost airlines to Phuket is one of the main drivers for MICE demand, especially for incentive groups.

- Wedding ceremonies are one of the major events held at hotels with the preference for a beach aspect. Demand is rising especially the India market.

- Sports events are the major public functions that attract high volume of participants, such as Laguna Phuket Marathon which has over 8,000 participants.

Forward Outlook

- Demand for government events is expected to decline as the public sector is developing MICE facilities with accommodations for internal use.

- A multi-purpose convention center with a capacity of 10,000 persons together with a hotel component as part of Central Phuket is scheduled to start construction in two years.

- Strong competition from other regional destinations such as Bali and Danang due to competitive pricing points and increasing flight connectivity.
In 2017 (latest available data), Phuket hosted 660 events in meetings segment with a total of 59,487 participants.

**Phuket Meetings Market – 3 Year Trend**

International visitors in 2017 vs. 2016 increased share to 78%, though domestic market was lower by 41%.

**Top 5 Key Geographic Source Market Trend - Thailand**

Indian market rose sharply by 47%, while Hong Kong went down by 14% y-o-y in 2017.

**Sports Event – Laguna Phuket Marathon**

Mainland China, Japan and Singapore are top 3 international participant source markets.
**MARKET CHARACTERISTICS & SUPPLY**

**Trend of International Geographic Source Markets 2017 – Thailand**

<table>
<thead>
<tr>
<th>Corporate Meeting Travelers</th>
<th>Incentive Travelers</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>India</td>
<td>Singapore</td>
</tr>
<tr>
<td>60</td>
<td>40</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Corporate Meeting Travelers</th>
<th>Exhibition Travelers</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Mainland China</td>
<td>India</td>
</tr>
<tr>
<td>-20</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Thailand Convention and Exhibition Bureau

**Key Phuket MICE Facilities by Size**

There are three major private and public MICE facilities including Royal Phuket Marina, Phuket Rajabhat University and Prince of Songkla University Phuket Campus. Currently, Phuket Rajabhat University is building a 121-key hotel in campus which is scheduled to be completed in Q2 2019. Moreover, Royal Phuket Marina plans to develop a hotel with a large-sized waterpark to attract more MICE business. The table below indicates key hotels with large event facilities.

<table>
<thead>
<tr>
<th>Hotel Name</th>
<th>Location</th>
<th>No. of Keys</th>
<th>No. of MICE Facilities</th>
<th>Indoor Meeting Space (sq.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hilton Phuket Arcadia Resort &amp; Spa</td>
<td>Karon</td>
<td>662</td>
<td>17</td>
<td>2,382</td>
</tr>
<tr>
<td>JW Marriott Phuket Resort &amp; Spa</td>
<td>Mai Khao</td>
<td>265</td>
<td>13</td>
<td>2,104</td>
</tr>
<tr>
<td>Angsana Laguna Phuket</td>
<td>Bangtao</td>
<td>400</td>
<td>11</td>
<td>1,638</td>
</tr>
<tr>
<td>Le Meridien Phuket Beach Resort</td>
<td>Karon</td>
<td>470</td>
<td>9</td>
<td>1,358</td>
</tr>
<tr>
<td>Phuket Merlin Hotel</td>
<td>Phuket City</td>
<td>183</td>
<td>8</td>
<td>1,270</td>
</tr>
<tr>
<td>The Slate Phuket</td>
<td>Nai Yang</td>
<td>209</td>
<td>9</td>
<td>1,101</td>
</tr>
<tr>
<td>Outrigger Laguna Phuket Beach Resort</td>
<td>Bangtao</td>
<td>255</td>
<td>4</td>
<td>1,028</td>
</tr>
<tr>
<td>Splash Beach Resort</td>
<td>Mai Khao</td>
<td>*615</td>
<td>10</td>
<td>962</td>
</tr>
</tbody>
</table>

*159 keys Grand West Sands Resort and Villas

Source: C9 Hotelworks Market Research
Thailand MICE Market Snapshot

MICE Destination Comparison (2017)

- **Chiang Mai**
  - 2.2 million visitors
  - THB12 billion revenue

- **Bangkok**
  - 32 million visitors
  - THB138 billion revenue

- **Khon Kaen**
  - 478,469 visitors
  - THB1.5 billion revenue

- **Phuket**
  - 821,785 visitors
  - THB10.9 billion revenue

- **Pattaya**
  - 617,681 visitors
  - THB11.5 billion revenue

Phuket’s Major Events 2018 - 2019

- **March 2018**
  - **Miss Grand Phuket 2018**
    - Phuket Rajabhat - 2,000 persons

- **June 2018**
  - **Laguna Phuket Marathon**
    - Laguna Grove - 8,800 persons

- **January 2019**
  - **Thailand Yacht Show & Rendezvous 2019**
    - Royal Phuket Marina - 8,000 persons (forecast)

- **April 2019**
  - **Laguna Phuket Food & Music Festival 2019**
    - Laguna Grove - 12,000 persons (forecast)

Source: Thailand Convention and Exhibition Bureau, Thailand Indian Wedding Association and C9 Hotelworks Market Research

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