



ASIA: THAILAND

What is making news in your country when it comes to spa and wellness?

In August, the Tourism Authority of Thailand (TAT) organized the second Thailand Medical & Wellness Tourism Trade & Media Familiarization Trip, inviting international medical tourism facilitators, travel agencies, and media to experience the world-class medical centers, clinics, wellness spas, and health resorts of Thailand.

The Thai government established a policy to promote Thailand as a medical tourism hub, focusing on the following four areas: medical treatments, health promotion, traditional Thai and alternative medicine, and health-related products (specifically Thai herbs). Led by the Thailand Board of Investment (BOI) and The Ministry of Public Health, this policy is to be implemented between 2012 and 2016 and expected to bring nearly \$25 billion into the country over the next five-year period. Additionally, BOI recently began issuing TISO incentives to foreign companies operating in Thailand (including those that offer consulting services, such as spa and wellness consultants), which grants them 100% foreign ownership, land rights for office space, and visa/work permit support for foreign employees.

Over the past few years, we've witnessed the establishment of major medical/wellness centers by leading industry players, including the Bangkok Mediplex (opened in 2011), a one-stop shopping center for all healthcare and wellness needs, and the World Medical Center (opened in 2013), a premium tertiary care facility operated under the Bangkok Chain Hospital. Due to Thailand's rapid commercial real estate development, we anticipate the establishment of many more of these types of centers. However, we foresee that saturation of the market and compromised quality will leave only the most successful centers standing in the coming years.

What is happening in your country when it comes to wellness tourism and/or medical tourism?

According to a 2012-2013 study, TAT reported 858,340 trips and approximately USD \$967 million in total revenue generated from medical, health, wellness and spa tourists. Over the past decade, spa revenues accounted for 1.1-1.6% of Thailand's total tourism revenue, while medical tourism revenues accounted for 0.5-1.2% (Euromonitor, 2012). Altogether, spa and medical tourism revenues constituted approximately 0.1-0.2% of Thailand's Gross Domestic Product (The International Monetary Fund, 2013). Travel Daily Asia (2013) forecasts that health and wellness tourism in Thailand could be an approximately \$62 billion industry by 2014. Thus, in the near future we anticipate significant growth in medical tourism, as TAT has set out to expand existing target markets while tapping into new ones.

On the consumer side, there has been a gradual shift away from reactive care towards a more preventive approach. This is evident in the rising number of medical/wellness centers focusing on more holistic lifestyle practices, as well as a boom in all types of spa facilities. Several hospitals, such as Bumrungrad Hospital and Bangkok Hospital, are no longer reserved for illness or diseases but now include health consultations, wellness programs, and a wide range of beauty services.

Please give us one sentence to describe the latest developments in your country for each of these spa categories:

Hotel Spas: This continues to be the most developed spa segment in Thailand, generating the largest revenue and growth.

Destination Spas: This segment remains relatively stagnant. Other than the few well-known destinations, such as Chiva-som and Kamalaya, there have not been many noteworthy developments in the last three to five years.

Hot Spring Spas: This segment continues to be largely hidden from tourists, as most of natural hot springs in Thailand

are located within restricted national park areas where many of the spas are small in scale and run by local operators.

What has been the general attitude about investing in the spa/wellness arena in 2013?

Following challenging economic times resulting from political instability, major flooding, and the effects of the global financial crisis, Thailand appears to be experiencing a recent surge of interest and activity related to investing, spa and wellness.

Tourism Boom: International tourist arrivals to Thailand have increased significantly over the past three years. MasterCard (2013) recently reported that Bangkok is now the most visited city by international tourists, ranking first among tourist destinations globally.

Hotel Industry: Thailand's tourism and hotel industries are making a strong comeback, demonstrating positive growth and solid prospects. 2012 was an especially lucrative year for hotel investment in the country, with over \$124 million in hotel transactions undertaken and international players becoming increasingly present on either the buyer and seller side (Jones Lang LaSalle, 2013).

Economic Incentives: BOI has exercised several economic incentives for spa, wellness, and related investors, including income tax exemption for health care providers, hospitals, producers of health food, and manufacturers of medical tools; benefits for pharmaceutical businesses; and tariff reduction for importers of medicine and medicinal ingredients.

Overall Consumer Spending: A recent survey conducted by the University of the Thai Chamber of Commerce estimated that spending in 2013 was slated to reach over \$3 trillion, up nearly 16% from 2012 and the highest in seven years.

Looking back at the past four decades of spa and wellness, what would you consider “a defining moment”?

Thailand has witnessed several “defining moments” in spa and wellness; however, the integration of Thai massage into mainstream spa and wellness tourism is certainly among the most interesting. It is said that Thai massage, also known as “lazy yoga,” was conceived in the Himalayan foothills over 2,500 years ago and later carried by Buddhist scholars and traders into the region now known as Thailand. The sacred practice was historically performed at temples and in communal areas around the country and over the years has gradually established itself as a staple treatment on spa menus, not only in Thailand but around the world.

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