



HOSPITALITY CONSULTING

Phuket

MICE Market Update

December 2018

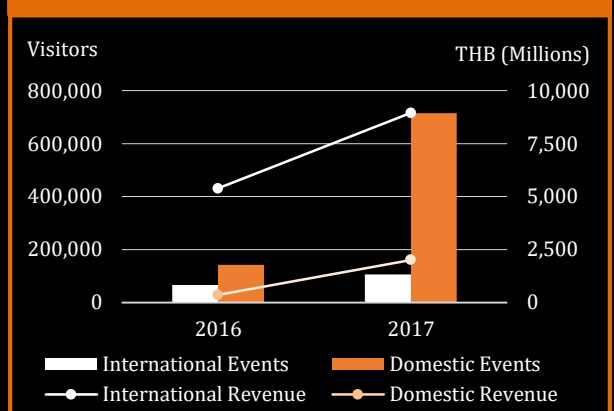
Phuket's MICE market valued at THB10.9 billion, with over 800,000 visitors last year

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.

Phuket MICE Market 2016 vs. 2017



Source: Thailand Convention and Exhibition Bureau

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.

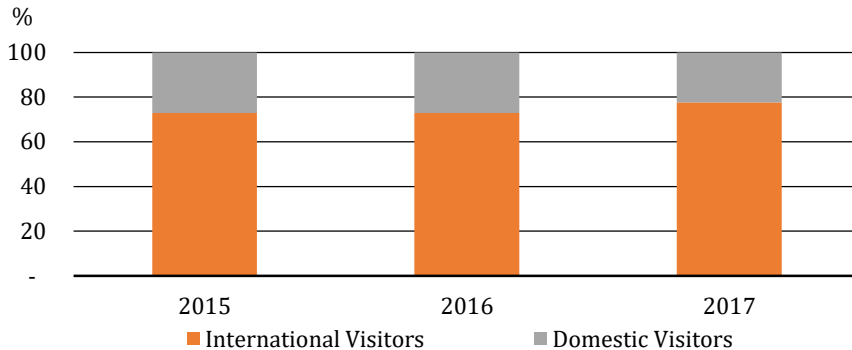
Forward Outlook

- 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.

MICE INDICATORS

In 2017 (latest available data), Phuket hosted 660 events in meetings segment with a total of 59,487 participants.

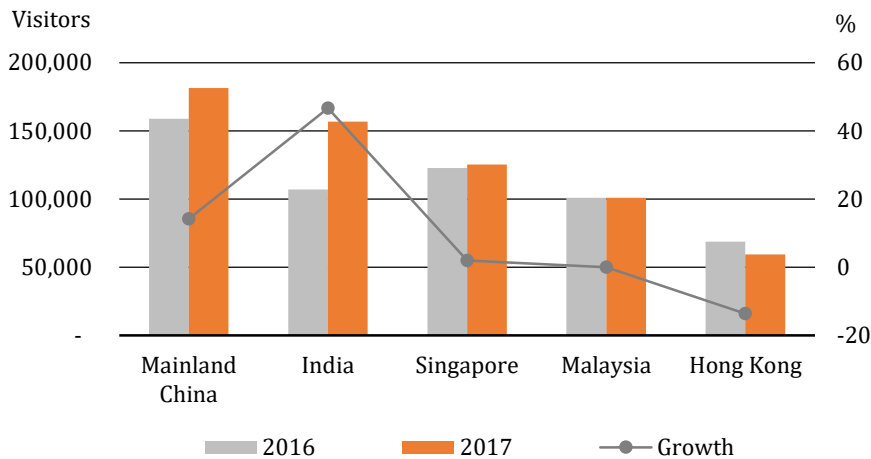
Phuket Meetings Market - 3 Year Trend



Source: Thailand Convention and Exhibition Bureau

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

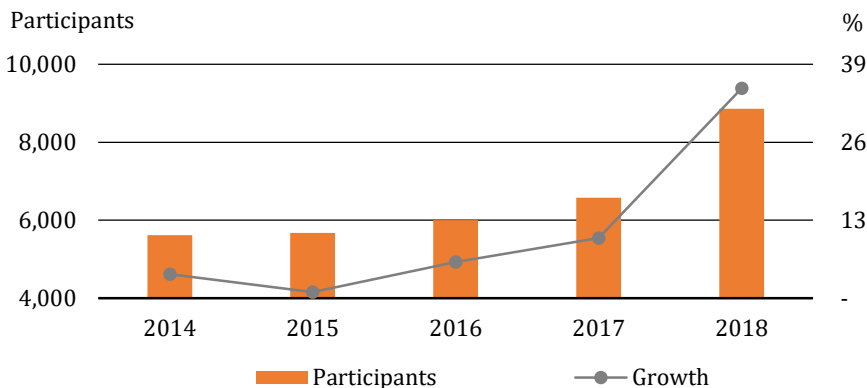
Top 5 Key Geographic Source Market Trend - Thailand



Source: Thailand Convention and Exhibition Bureau

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

Sports Event - Laguna Phuket Marathon



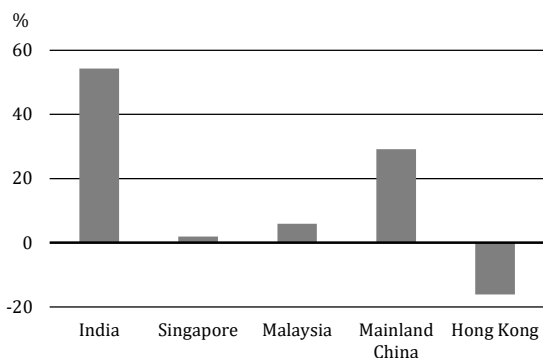
Source: Go Adventure Asia

Mainland China, Japan and Singapore are top 3 international participant source markets

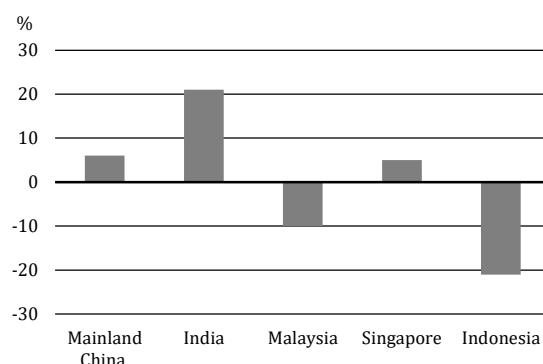
MARKET CHARACTERISTICS & SUPPLY

Trend of International Geographic Source Markets 2017 – Thailand

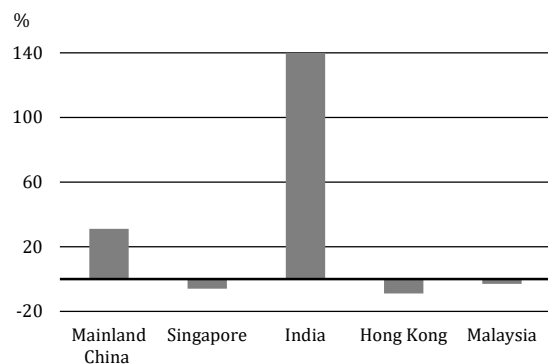
Corporate Meeting Travelers



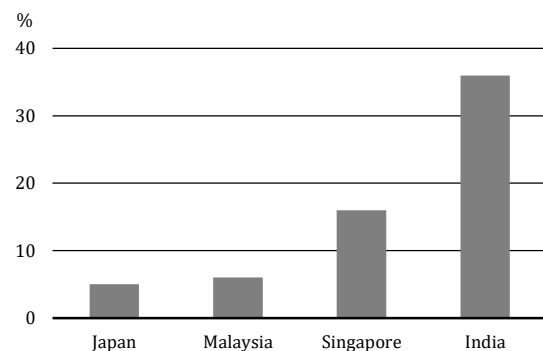
Incentive Travelers



Non-Corporate Meeting Travelers



Exhibition Travelers



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.

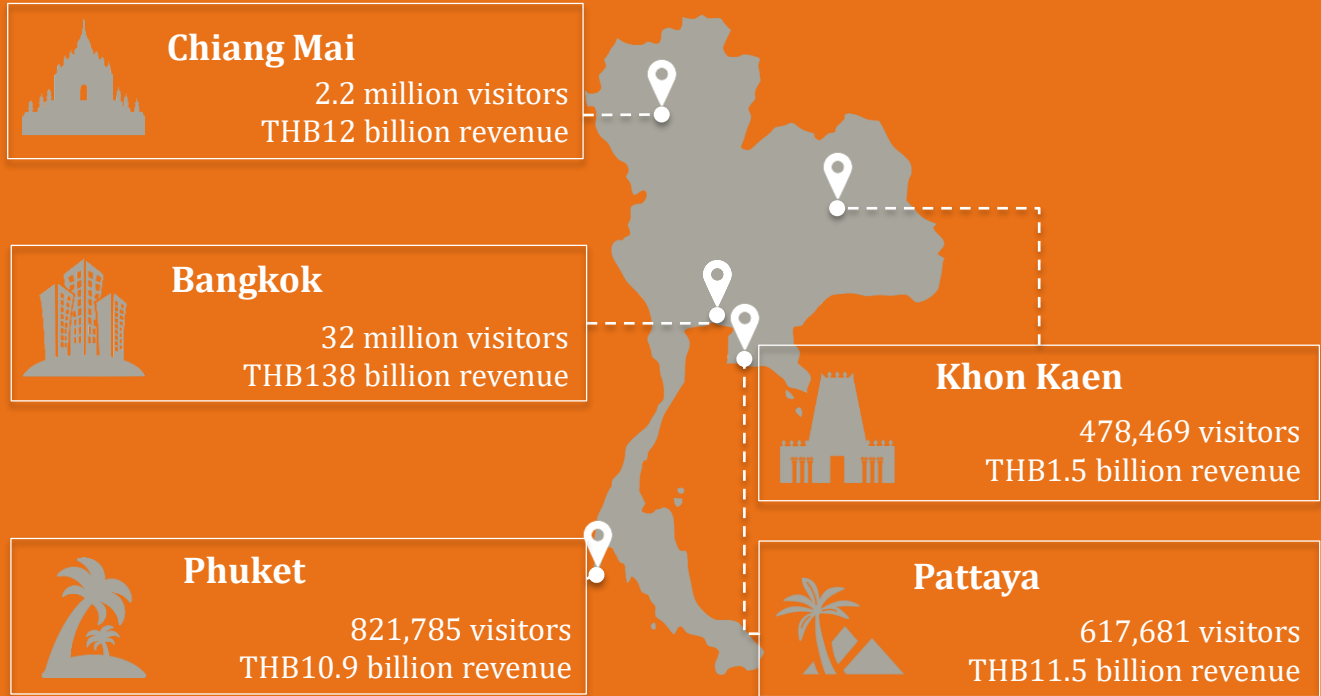
Hotel Name	Location	No. of Keys	No. of MICE Facilities	Indoor Meeting Space (sq.m.)
Hilton Phuket Arcadia Resort & Spa	Karon	662	17	2,382
JW Marriott Phuket Resort & Spa	Mai Khao	265	13	2,104
Angsana Laguna Phuket	Bangtao	400	11	1,638
Le Meridien Phuket Beach Resort	Karon	470	9	1,358
Phuket Merlin Hotel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

*159 keys Grand West Sands Resort and Villas

Source: C9 Hotelworks Market Research

Thailand MICE Market Snapshot

MICE Destination Comparison (2017)



Phuket's Major Events 2018 - 2019



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



C9 Hotelworks Company Limited

9 Lagoon Road, Cherngtalay, Thalang, Phuket, 83110, Thailand

www.c9hotelworks.com

T: +66 (0)76 325 346

E: info@c9hotelworks.com