

Phuket

MICE Market Update

HOSPITALITY CONSULTING

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 Visitors THB (Billion) 800,000 10.0 600,000 7.5 400.000 5.0 200.000 2.5 2016 2017 International Events Domestic Events - International Revenue - Domestic Revenue

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

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.

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 participates, such as Laguna Phuket Marathon which has over 8,000 participates.

MICE INDICATORS

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

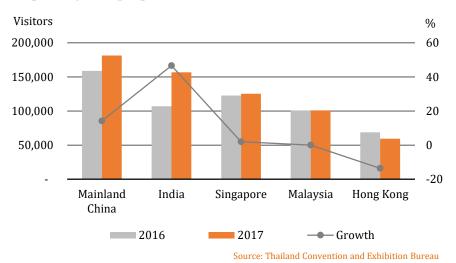
% 100 80 60 40 20 2015 2015 2016 2017 International Visitors

Phuket Meetings Market - 3 Year Trend



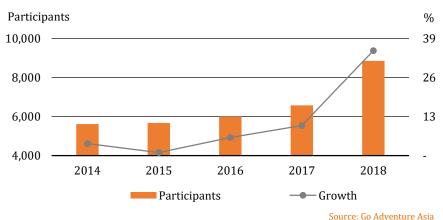
International visitors in 2017 vs. 2016 increased share to 78%, though domestic market was lower by 41%

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

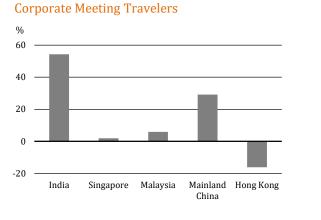
Sports Event – Laguna Phuket Marathon



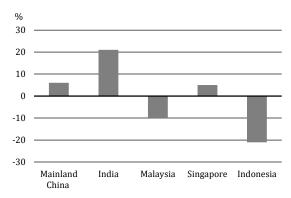
Mainland China, Japan and Singapore are top 3 international participant source markets

MARKET CHARACTERISTICS & SUPPLY

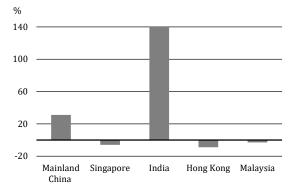
Trend of International Geographic Source Markets 2017 - Thailand



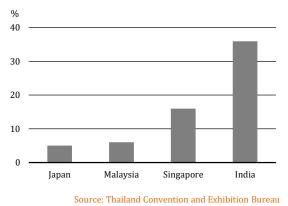
Incentive Travelers



Non-Corporate Meeting Travelers



Exhibition Travelers



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.

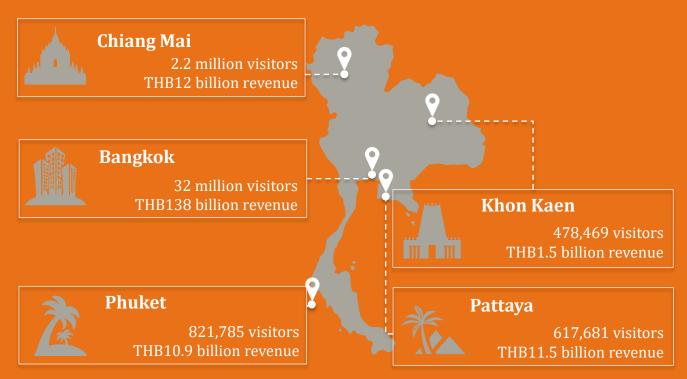
Hotel Name	Location	No. of Keys	No. of MICE Facilities	Indoor Meeting Space (sq.m.)
Hilton Phuket Arcadia Resort & Spa	Karon	662	17	2,382
JW Marriott Phuket Resort & Spa	Mai Khao	265	13	2,104
Angsana Laguna Phuket	Bangtao	400	11	1,638
Le Meridien Phuket Beach Resort	Karon	470	9	1,358
Phuket Merlin Hotel	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

Ŵ	3	March 2018	<u>Miss Grand Phuket 2018</u> Phuket Rajabhat - 2,000 persons
- Tis		June 2018	<mark>Laguna Phuket Marathon</mark> Laguna Grove - 8,800 persons
1. AN	I	January 2019	<u>Thailand Yacht Show & Rendezvous 2019</u> Royal Phuket Marina - 8,000 persons (forecast)
1		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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