

DOW JONES, A NEWS CORP COMPANY

DJIA 25197.52 -0.01% ▼

S&P 500 2733.62 0.09% ▲

Nasdaq 7245.03 -0.16% ▼

U.S. 10 Yr 13/32 Yield 2.862% ▲

Crude Oil 61.65 0.51% ▲

THE WALL STREET JOURNAL.

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.

<https://www.wsj.com/articles/thailand-loves-its-chinese-visitors-up-to-a-point-1518690603>

WORLD

Thailand Loves Its Chinese Visitors, Up to a Point

Upside: a cash windfall; downsides: traffic, crowds and overdevelopment concerns



Thailand is now the top foreign destination for Chinese travelers. PHOTO: TREFOR MOSS/THE WALL STREET JOURNAL

By *Trefor Moss*

Updated Feb. 15, 2018 10:07 a.m. ET

PHUKET, Thailand—This resort island is facing a challenge other vacation spots around the world may soon confront: how to cope when the Chinese tourists come.

Thailand is now the top foreign destination for Chinese travelers, and an estimated 400,000 of them will visit the country around the time of the Lunar New Year holiday that begins Thursday, according to the Association of Thai Travel Agents.

Phuket, famed for both scenic beaches and bargain shopping, was already busy with Chinese tourists last week. Ranai Pier, a departure point to offshore islets, looked more like the Shanghai subway at rush hour as Chinese tourists jostled for deck space on one of the revving speedboats below.



MORE FROM LIFE



Discount shopping outlets were jammed. At a store called Modern Latex, hundreds of Chinese visitors tested lime-green beds made from local rubber—mostly by sleeping on them—while children used them as trampolines.

At a duty-free mall nearby, Luo Yang and his wife trawled for deals. “Everything is so cheap!” said Mr. Luo, here with a tour group from the western Chinese city of Chongqing.

The upside for Thailand is a windfall of Chinese cash. But the downsides are mounting: roads snarled with traffic, picturesque spots teeming with people, and new hotels and holiday condos sprouting to meet surging demand, adding further to the sense of overdevelopment.



Boats departing from Ranai Pier in Phuket take tourists to offshore islets. PHOTO: TREFOR MOSS/THE WALL STREET JOURNAL

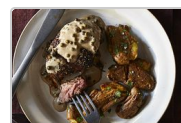
Now even some of tourism’s cheerleaders are warning that Phuket is close to a breaking point.

“It can’t just keep going up like this,” said Bhumikitti Ruktaengam, vice president of the Phuket Tourism Association.

The situation in Phuket is one result of the global upsurge in Chinese tourism. More than 62 million Chinese vacationed in other countries last year, twice as many as five years earlier. And while only 8% of people in China have passports now, millions more are getting them every year, according to China’s Ministry of Public Security.

For the most part, China’s outbound travelers are welcomed with open arms. The Chinese spent \$261 billion vacationing in 2016, according to the United Nations World Tourism Organization, far more than travelers from any other country, and China has accounted for roughly 80% of the growth in global tourism in dollar terms since 2008.

— ADVERTISEMENT —



MORE FROM LIFE





an exception, with tourists spending freely. Many of these stores are Chinese-owned, however, and funnel the money back to China.

Some tour groups even bring their own sightseeing guides, inciting a protest in December by the local contingent. Thai authorities have arrested about 200 unlicensed Chinese guides in Phuket alone over the last couple of years, but their numbers keep growing as Chinese tourism explodes, said Phuket tour guide Wannarisa Watt, who took part in the recent protests.

“It’s not right. There has to be a limit,” said Ms. Wannarisa, who wants the government to cap tour-group numbers.

Amid the backlash, Thai tourism minister Kobkarn Wattanavrangkul recently said the country needs to focus on quality growth, not just on quantity. Visitor numbers continue to climb, however, and many worry what might happen if Chinese tourists were to stop coming.

That happened in the Maldives, which emerged as a hot new destination as the Chinese tourism boom began. The islands invested heavily in new resorts, anticipating rising demand. Then Chinese visitor numbers unexpectedly slumped in 2014, sending a chill through the nation’s tourism-dependent economy.

South Korea has also seen its popularity with Chinese tourists decline: 8 million visited in 2016, but that number halved last year as Beijing—locked in a political row with Seoul—blocked tour groups from coming, causing agony in the Korean tourism sector.

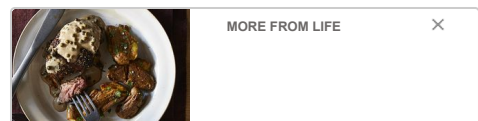
In Thailand, Chinese visits declined briefly in 2016 after a barrage of social-media posts by Thais alleging boorish behavior by Chinese tour groups and as Thai authorities sought to reduce zero-spend trips. But that was followed by a charm offensive by the panicked Thai government, which quickly reversed the trend.

China’s National Tourism Administration has conceded that its citizens sometimes behave poorly abroad, with line-cutting and littering among their infractions. Still, the money spent by Chinese tourists has “contributed socially to the welfare” of neighboring countries like Thailand, Xu Jing, the U.N. World Tourism Organization’s Asia-Pacific director and a Chinese national, told Chinese state media last year.

On the Ranai Pier, tour boat operator Karn Therdmaefaluang has no complaints about his Chinese customers. He said he is now able to employ 200 local Thais thanks to the 1,000 or so Chinese visitors who sail with his crews daily.

“The Chinese like to travel in large numbers,” Mr. Karn said.

Indeed, signs of Chinese influence include the yellow Ofo share-bikes on street corners and the widespread acceptance of Alipay and WeChat mobile payments.



Hawkers selling noodles and beer at Phuket's night markets have learned to holler in Mandarin at Chinese passersby. And at the crocodile show the bandanna-wearing impresario no longer shouts "hello" before thrusting his head into the creature's jaws.

These days, it's "ni hao."

Write to Trefor Moss at Trefor.Moss@wsj.com

Copyright ©2017 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.



MORE FROM LIFE

