

# Executive Summary

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## ***World Market for Meeting, Incentive Travel, Convention & Exhibition Business***

**T**ourism is the staple of Thai economy. It is a lucrative service business which generates incomes and leads to wide income distribution to all sectors of the economy, including those directly related to tourism such as hotels, accommodation in destinations, restaurants, souvenir shops, as well as those that are indirectly involved such as transportation, communications, advertising and public relations, etc. Moreover, the MICE business creates jobs and knowledge exchange between people of the same professions, leading to national human resource development.

Categories of travelers:

- Leisure travelers
- MICE travelers

### **MICE industry in the world**

#### **♦ *MICE business in different regions***

Europe was the first venue for MICE activities and it still has the highest MICE market share in the world. Asian countries have recently been of interest to MICE organizers as preferred destinations, particularly from 1980 onwards. In the same period, the growth of MICE activities in the Americas has been declining.

Europe has the greatest market share in international meeting/convention business. From 1999 to 2000, the market shares of Europe, Asia, North America, Latin America, Australia and Africa are 60%, 15%, 11%, 6%, 5%, 3% respectively.

#### **♦ *MICE business in different countries***

The U.S.A. has the highest market share in MICE business. Next to it are the U.K. and Germany. The Asian countries whose market shares rank in the top 25 are Japan, Singapore and Thailand – 9<sup>th</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> respectively. See Table 1.2

Thailand's rank improved from 1998 to 2000. It ranked No. 27, 26 and 23 in 1998, 1999, and 2000, respectively.

#### **♦ *MICE industry in Asia Pacific***

According to ICCA's figures, Australia is the most successful in Asia Pacific. Next is Japan. Thailand comes fifth. The number of international meetings/conferences in Asia Pacific grows constantly. In Asia Pacific region, in 2000, Sydney had the highest number of international meetings/conferences. Next to that was Singapore. Thailand ranked 9<sup>th</sup>, 6<sup>th</sup> and 5<sup>th</sup> in 1998, 1999, and 2000, respectively.

## **International Meetings and Conventions in Thailand**

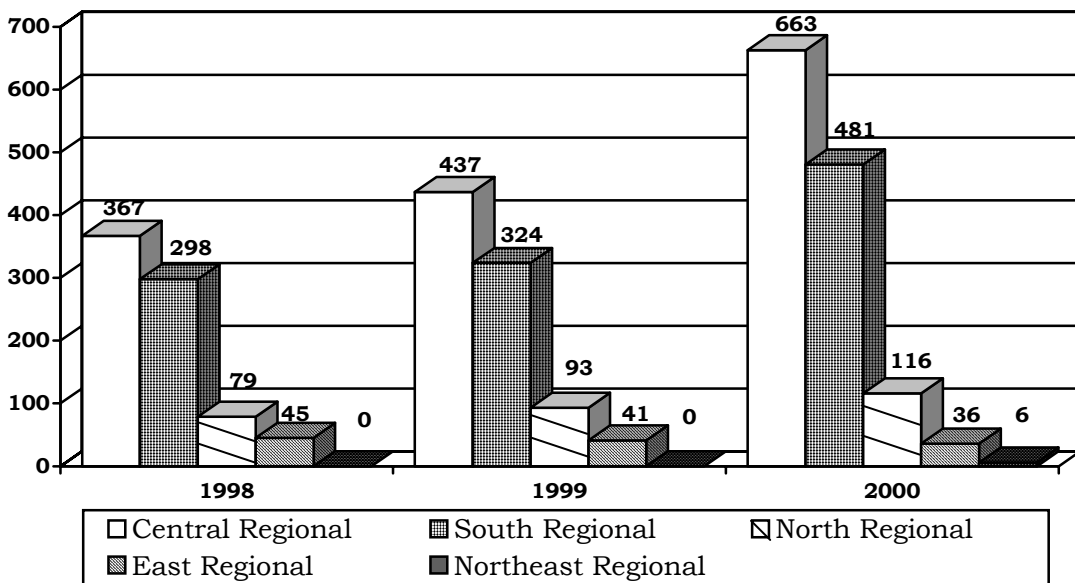
Thailand's entry into international convention business can be attributed to the establishment of the Central Plaza Hotel. At that time, the hotel's Bangkok Convention Center was the largest convention center in Thailand. In 1991, the Queen Sirikit National Convention Center (QSNCC) was completed to hold The 46<sup>th</sup> World Bank & IMF Annual Meeting, and from then on Thailand has become the new destination for international conventions and exhibitions.

Hotel operators are aware of this fact and have built new hotels in major provinces, particularly in Bangkok where they usually have large and small meeting rooms to accommodate meetings held outside convention centers. The meeting rooms are in addition to guest rooms that are used by ordinary tourists.

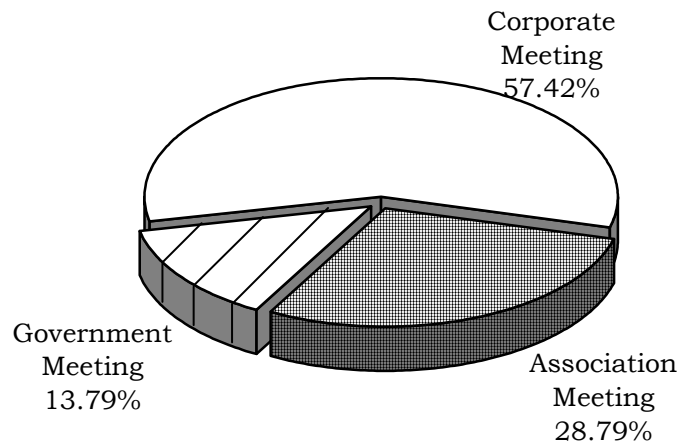
### **◆ International conventions in Thailand**

The survey of 113 hotels, convention centers, exhibition centers, 10 PCO's and PEO's, and 87 international convention organizers and coordinators nationwide revealed that there were 1,327 international convention held in the country. Most of them (663 convention) were held in the Central Region. Bangkok was the most popular destination in the region with 624 conventions. The second most popular region was the Southern Region with 481 conventions, with Phuket as the top convention destination with 450 international conferences. The Third most popular region was the Northern Region, with Chiang Mai as the top destination in the region. In 2000, Thailand received 98,895 foreign convention participant and 25,405 Thai participants.

**Figure a:** International conventions from 1998 to 2000 in different regions



**Figure b:** Comparison of international conventions in the year 2000 under different categories



In the year 2000, 762 corporate meetings (accounted for 57.42%), 382 association meetings (accounted for 28.79%) and 183 government meetings (accounted for 13.79%) were taken place. More than half of international conventions were corporate meetings.

In the year 2000, international conventions increased rapidly in line with fierce global competition. Trading companies and associations had to strive for competitiveness in the world market. They organized meetings for the purpose of personnel development, setting manufacturing and marketing strategies, launching new products and technologies, etc. In the field of telecommunications and technology, new products were quickly developed. Markets were constantly expanding. Meetings were organized with the aims of market entry, personnel development, improvement of product image, and strengthening brand loyalty.

Corporate meetings do not require a great deal of preparations. Short-term plans can be made. Therefore, the new exchange rates can cause the number of corporate meetings in Thailand to increase.

## **International exhibitions in Thailand**

As investments increased, private firms built BITEC and Impact Exhibition & Convention Center in Bangkok, and Pattaya Exhibition and Convention Hall (PEACH) in Pattaya. As a result, MICE business is growing every year. Now, Thailand is becoming another destination for trade exhibitions.

### **◆ The trends of international exhibitions in Thailand**

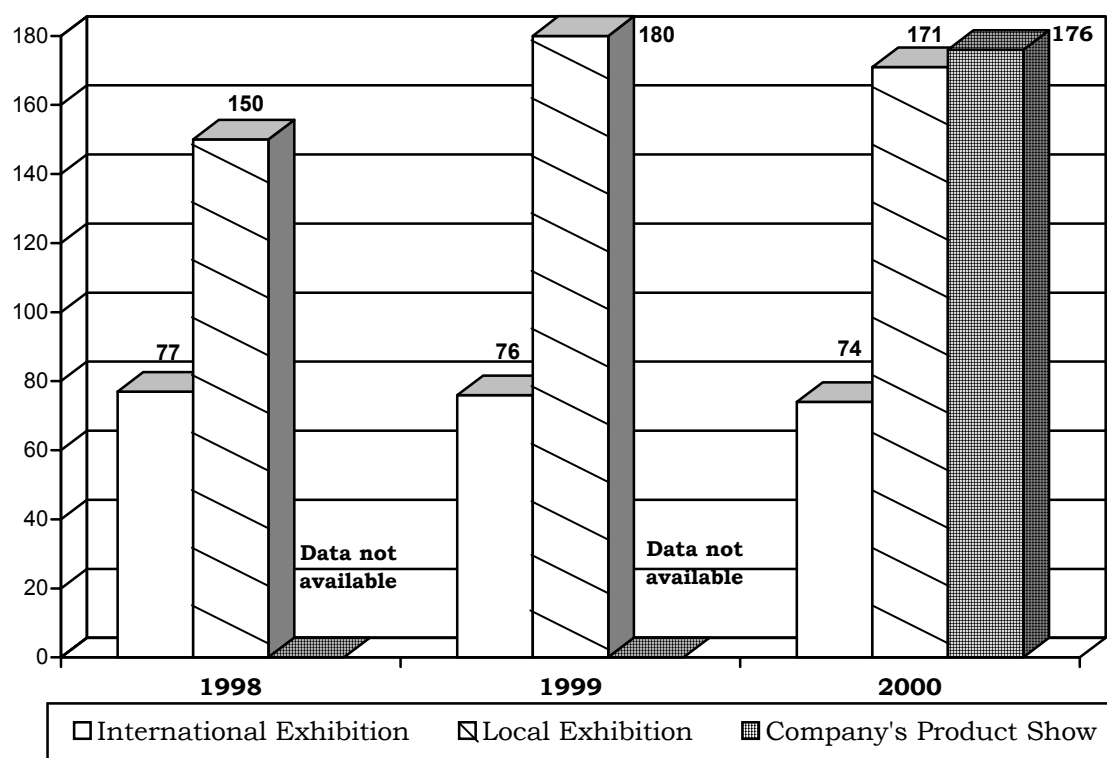
International exhibitions are held in Thailand for marketing and export promotion purposes to assist local manufacturers and exporters in export promotion.

Exhibitions are organized in line with the market trends. Certain exhibitions are aimed at visitors and exhibitors in the region, and others are aimed at the promotion of products under joint venture with overseas PEO's.

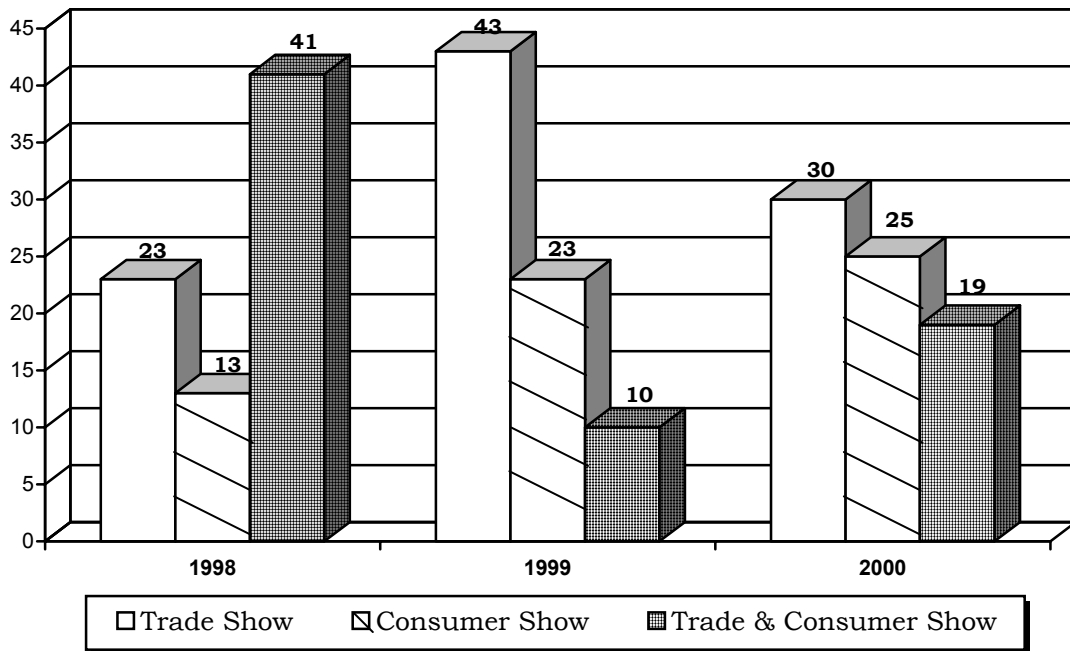
#### Present situation

In the year 2000, 74 international exhibitions were held in Thailand, mostly from September to November.

**Figure c:** Exhibitions from 1998 to 2000 Categorized by Types of Exhibitions



**Figure d:** International Exhibitions in 2000 Categorized by Types of Show



The 30 international exhibitions (40%) were trade shows, 25 of them (34%) were consumer shows and 19 of them (26%) were trade & consumer shows, most of which (77.03%) had meetings run concurrently. Seminars were held by organizers for the purpose of technology transfer in connection with the title of event.

Most exhibitions lasted 4 days with exhibitors staying for 3.3 days and visitors spending 2 days at the exhibition. The two groups tended to stay in Thailand for 7-8 days for each exhibition.

In 1999, 76 international exhibitions were held. The number of exhibitions in 2000 reduced from those in the previous year. As exhibitions are organized in line with the economic situation of the exhibitors and target groups, the decline can be attributed to the economic downturn in Asia.

Each international exhibition brings a lot of money to the country and generates incomes in the following businesses:

- PEO's earn money from organization of exhibitions in the form of exhibition space sale and registration fees. Such incomes are to be divided among joint venture companies. The registration fee (space rental) is around 60,000 baht per 9 square meters (for overseas exhibitors).

- The contractors leasing standard booths will earn about 5,000 baht per 9 square meters. This opportunity arises when some overseas exhibitors do not wish to spend money on construction.
- Shipping firms earn money from goods clearance, ATA Carnet, dispatch and delivery, transportation of goods to the exhibition and back to their origins. The service charge is approximately 5,000 – 10,000 baht per exhibitor.
- Hotels earn money from overseas exhibitors and visitors for at least 3-8 days – 4-5 show days, 2 decoration days, 1 post-exhibition day. The hotels are booked by organizers for exhibitors and visitors at special rates.
- Providers of services such as electricity installation and supply, plant rental companies and providers of decorative items and other items, e.g. brochure tables.
- Many shops earn money from selling many items such gifts to exhibitors, visitors and their companies.
- International exhibitions attract many traders and local manufacturers can expand the markets.

## ***Incentive travel in Thailand***

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An incentive travel is offered by a company as a reward to its employee for good performance or for agents and distributors who achieved set targets. The tour program, including activities and places of visit, must be very special and most memorable.

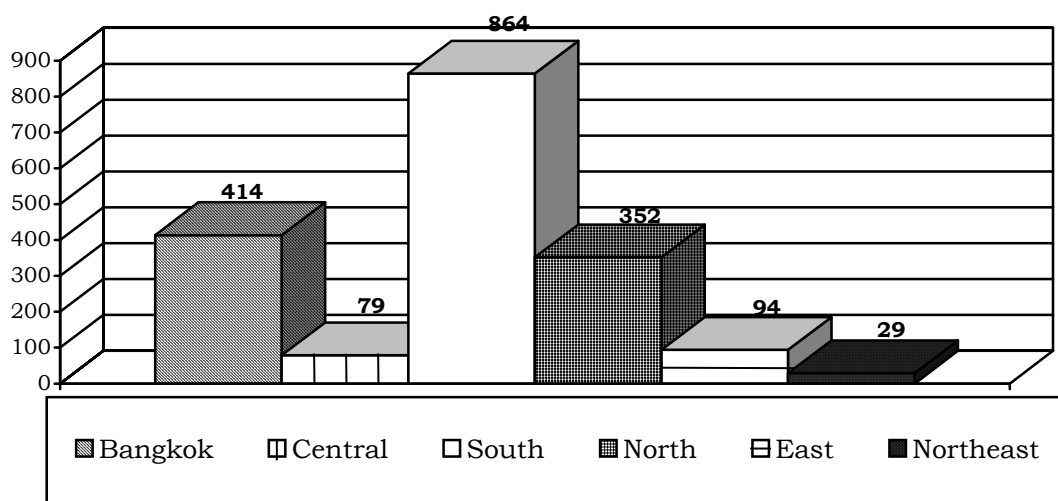
Thailand has good natural diversity, such as seas, mountains, forests, waterfalls, rivers, beaches, mangrove forests, and islands. It also has unique culture and traditions. Therefore, Thailand is a destination that many types of tour programs can be crafted, including activities based upon the country's diverse culture mixed with creative ideas. A number of 5-star hotels are skillful in organizing theme parties. All these factors contribute to the future success of incentive travel business in the country.

### **◆ *Incentive travel in Thailand***

Incentive travel has to be planned for at least one year in advance. Therefore, a poor economy in one year can affect the provision of incentives in the following year. On the other hand, a good economy can lead to more incentive programs in the following year. However, such planning is also affected by economic factors in another way in that even though a company plans to provide a number of incentives in one year but an overall economic slump may reduce the sales its employees and agents can achieve. The end result would be fewer incentives given out and that leads to a decline in incentive travel for that particular year.

Incentive travel has travelers and groups that remain more or less the same or rise and fall in expected levels. This is due to the tendency for companies to choose different destinations for their incentive programs so as to create interest among target groups. It normally takes 4-5 years before a program returns to the same destination.

**Figure e:** Incentive travels from overseas in the year 2000 categorized by regions



In the year 2000, 1,823 groups of overseas incentive travelers, totaling 164,224 tourists visited Thailand. The most popular destination was the south -- 864 groups went there. The second most popular one was Bangkok and the third one was the north.

◆ **MICE Traveler's views on services**

• **Factors contributing to participation**

Most MICE travelers were of the opinion that the most important factor was the title of exhibition and convention and next to it was the assigned mission. The third factor was that they found Thailand interesting. See Appendix Table 4.3. Upon finding out that Thailand was the venue for the exhibitions and conventions, 85.57% of the exhibitors, visitors and participants were satisfied. See Appendix Table 4.4.

• **Journey and length of stay**

Out of all MICE travelers, 52.2% of them traveled alone and 37.11% of them traveled with companies. See Appendix Table 4.6-8.

• **Satisfaction of being in Thailand**

Most MICE travelers were satisfied with Thailand's services, from the time of registration, entry to the kingdom, immigration procedures, check-in, meeting participation, and exhibition participation. In the survey, exhibitors gave 1-5 marks of satisfaction: 1= no satisfaction, 2 = dissatisfied, 3 = rather satisfied, 4 = satisfied, 5 = greatly satisfied. Most of the services got higher than 4. The communication during registration, customs procedure, local transportation, contractors' service got lower than 3. See Appendix Table 4.9.

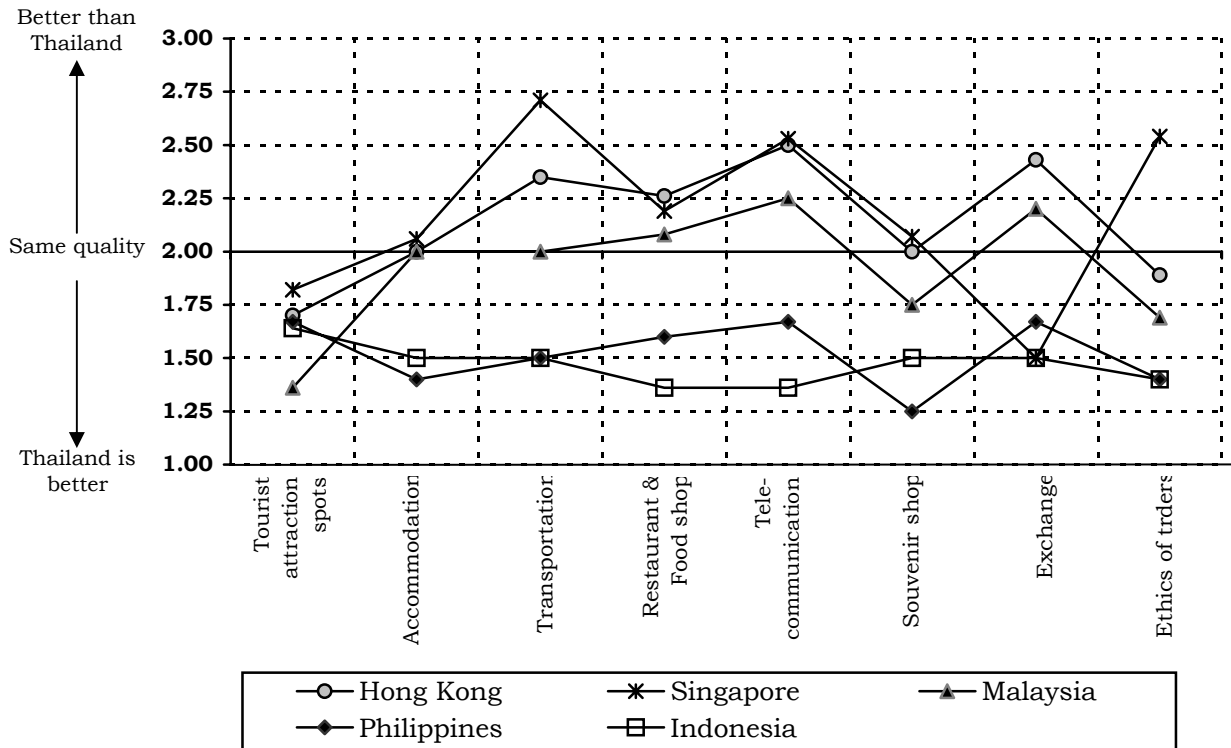
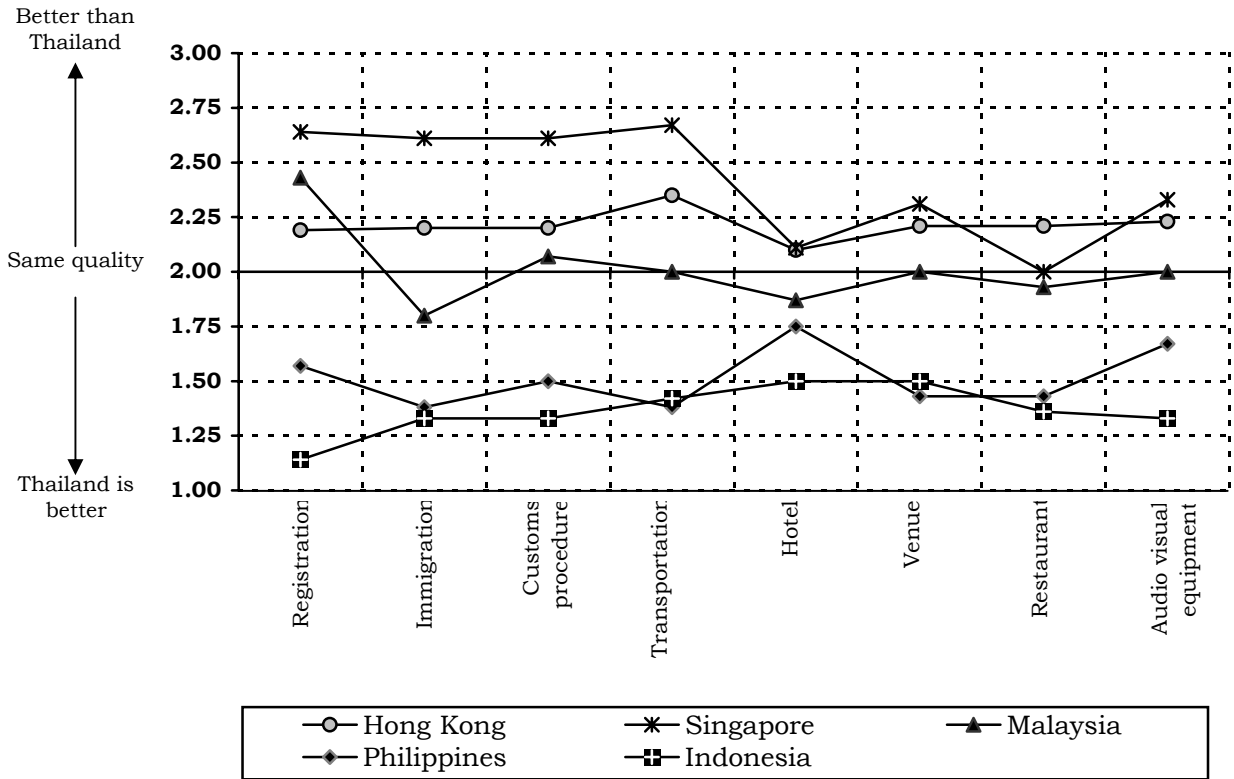


- **Post-exhibition and convention excursions**

The survey revealed that 32.2% of exhibitors returned home, and 28.2% of them went on excursions according to their own plans – 28.7% to places of cultural interest, 10.57% went shopping, and 16.53% took other trips for the purpose of conservation, education, sports and health. See Appendix Table 4.10-11.

• **Comparison of service with neighboring countries**

**Figure f:** Comparison of service in Thailand with Hong Kong, Singapore, Malaysia, Philippines, and Indonesia



Exhibitors compared the services in Thailand with those in Hong Kong, Singapore, Malaysia, Philippines and Indonesia and expressed the following views: Thailand's exhibitions/conventions and post- exhibitions/conventions tours were in all respects better than those in the Philippines and Indonesia.

Thailand's services were slightly better than those of Malaysia. Thailand's tours were as good as Malaysia.

Hong Kong and Singapore's services were better than those of Thailand. See Appendix Table 4.21-4.22.

- **Sponsorship**

Nearly half or 51.53 % of MICE travelers had their costs of participation paid by their companies or organizations. They were on assigned missions. About 7.5% of exhibitors had been invited and had their costs paid by organizers. See Appendix Table 4.23.

- ◆ ***Thailand's incomes from international exhibitions***

In the year 2000, the MICE industry brought into the country 7,549 exhibitors, 42,502 visitors, 98,895 participants and 164,224 incentives, totaling 313,170 tourists. Therefore, all the tourists participating in the MICE industry brought into Thailand US\$ 519.45 million in the year 2000.

In the year 2000, participants, exhibitors and visitors traveled with approximately 70,437 accompanies which brought into the country approximately US\$ 52.69 million.

*Survey on International Convention, Incentive Travel and  
International Exhibitions in Thailand 2000*

Summary of MICE Industry, 1998 - 2000

<i>Tourist</i>	1998	1999	2000	% Change (1999 - 2000)
<i>Overall International Tourists</i>				
Number of International Tourists (persons)	7,764,930	8,580,332	9,508,623	10.82%
Length of stay (days)	8.40	7.96	7.77	2.39%
Average expense/person/day (US\$)	90.98	98.03	96.27	- 1.80%
Average expense/person (US\$)	764.23	780.32	748.02	- 4.14%
Estimated Revenue (US\$)	5,934,192,453	6,695,394,370	7,112,620,208	6.23%
Estimated Revenue (Baht)	242,174,394,006	253,018,953,236.31	285,287,196,557	12.75%
<i>Overall MICE Industry</i>				
<i>Estimated Revenue in MICE Industry (MICE Travelers)</i>				
Number of Convention Participants (persons)	67,042	77,205	98,895	28.09%
Number of Exhibitors (persons)	NA	5,975	7,549	26.34%
Number of Visitors (persons)	NA	26,092	42,502	62.89%
Number of Incentives (persons)	118,539	134,605	164,224	22.00%
Total Number of MICE Tourist	185,581	<b>243,877</b>	<b>313,170</b>	28.41%
Estimated Revenue in MICE industry (US\$)	254,463,027	330,860,952	519,449,887	41.88%
Estimated Revenue in MICE industry (Baht)	10,384,636,131.80	<b>13,270,832,781.13</b>	<b>20,835,134,960</b>	52.69%
<i>Estimated Revenue in MICE Industry (MICE accompanying persons)</i>				
Estimated Revenue (US\$)	NA	NA	52,688,331	-
Estimated Revenue (Baht)	NA	NA	2,113,328,968.72	-
<i>Total Estimated Revenue in MICE Industry (MICE Travelers and Accompanying Persons)</i>				
Total Estimated Revenue (US\$)*	254,463,027	330,860,952	572,138,218	-
Total Estimated Revenue (Baht)*	10,384,636,131.80	<b>13,270,832,781.13</b>	<b>22,948,463,923.8</b>	-

Notes:           \*No records of accompanying persons from 1998 to 1999.  
                   Rate of exchange in       1998: 1US\$ = 40.81 baht  
                   Rate of exchange in       1999: 1US\$ = 37.79 baht  
                   Rate of exchange in       2000: 1US\$ = 40.11 baht

*Survey on International Convention, Incentive Travel and  
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*International Conventions*

	1998	1999	2000	% Change (1999 - 2000)
<i>Participants</i>				
Number of Conventions Participants (persons)	67,042	77,205	98,895	28.09%
Number of Conventions (events)	803	994	1,327	33.50%
Length of Stay	8.1	8.00	8.04	0.50%
Average expense/person/day (US\$)	174.56	190.79	246.10	28.99%
Average expense/person (US\$)	1,413.94	1,526.32	1,978.64	29.63%
<i>Estimated Revenue (US\$)</i>	<b>94,793,365</b>	<b>117,839,536</b>	<b>195,677,998</b>	66.05%
<i>Accompanying Persons</i>				
Number of Accompanying Persons (persons)	NA	NA	41,536	-
<i>Estimated Revenue (US\$)</i>	NA	NA	<b>31,069,597</b>	-
<i>Total Estimated Revenue in Convention Industry (Convention Participants and Accompanying Persons)</i>				
<i>Estimated Revenue (US\$)*</i>	94,793,365	117,839,536	226,747,595	-
<i>Estimated Revenue (Baht)*</i>	3,868,517,225.65	4,453,156,050.32	9,094,846,038.36	-

Notes:           \*No records of accompanying persons from 1998 to 1999.  
                       Rate of exchange in 1998: 1US\$ = 40.81 baht  
                       Rate of exchange in 1999: 1US\$ = 37.79 baht  
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International Exhibitions

	1999	2000	% Change (1999 - 2000)
<i>International Exhibitors</i>			
Number of Exhibitors (Companies)	5,975	2,475	-58.58%
Number of Exhibitors (Persons)	5,975	7,549	26.34%
Length of Stay	7.0	8.45	20.17%
Number of Exhibitions (Events)	76	74	-2.63%
Average expense/person/day (US\$)	287.57	311	8.15%
Average expense/person (US\$)	2,012.99	2,627.95	30.55%
<i>Estimated Revenue (US\$)</i>	<b>12,027,615</b>	<b>19,838,395</b>	<b>64.94%</b>
<i>International Visitors</i>			
Number of Visitors (Persons)	26,092	42,502	62.89%
Length of Stay	7.0	7.50	7.14%
Number of Exhibitions (Events)	76	74	-2.63%
Average expense/person/day (US\$)	168.30	264.00	56.86%
Average expense/person (US\$)	1,178.10	1,980.00	68.07%
<i>Estimated Revenue (US\$)</i>	<b>30,738,985</b>	<b>84,153,960</b>	<b>173.77%</b>
<i>Accompanying Persons</i>			
Number of Accompanying Persons (persons)	NA	28,901	-
<i>Estimated Revenue (US\$)</i>	NA	<b>21,618,735</b>	-
<i>Total Estimated Revenue in Exhibition Industry (Exhibitors, Visitors and Accompanying Persons)</i>			
<i>Estimated Revenue (US\$)</i>	42,766,600*	<b>125,611,089</b>	-
<i>Estimated Revenue (Baht)</i>	1,616,149,823*	5,038,260,786	-

Notes:           \*No records of accompanying persons in 1999.  
Rate of exchange in 1999: 1US\$ = 37.79 baht  
Rate of exchange in 2000: 1US\$ = 40.11 baht

*International Incentive Travel*

	1998	1999	2000	% Change (1999 - 2000)
Number of Incentive Travelers (Persons)	118,539	134,605	164,224	22.00%
Number of Incentive Groups (Groups)	1,771	2,080	1,832	-11.92%
Length of Stay	7.8	6.80	6.29	-7.50%
Average expense/person/day (US\$)	172.69	219.59	212.76	-3.11%
Average expense/person (US\$)	1,346.98	1,493.21	1,338.29	-10.38%
<i>Estimated Revenue (US\$)</i>	159,669,662	200,993,801	219,779,534	9.35%
<i>Estimated Revenue (Baht)</i>	<b>6,516,118,906.22</b>	<b>7,595,555,749.62</b>	<b>8,815,357,104.64</b>	<b>16.06%</b>

Notes:           Rate of exchange in 1998: 1US\$ = 40.81 baht  
                   Rate of exchange in 1999: 1US\$ = 37.79 baht  
                   Rate of exchange in 2000: 1US\$ = 40.11 baht

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## ***World Market for Meeting, Incentive Travel, Convention and Exhibition Business***

**T**ourism is the staple of Thai economy. It is a lucrative service business which generates incomes and leads to wide income distribution to all sectors of the economy, including those directly related to tourism such as hotels, accommodation in destinations, restaurants, souvenir shops, as well as those that are indirectly involved such as transportation, communications, advertising and public relations, etc. Moreover, the MICE business creates jobs and knowledge exchange between people of the same professions, leading to national human resource development.

There are essentially 2 groups of travelers:

- Leisure travelers
- MICE travelers

### ***Leisure Travelers***

Leisure travelers take their trips according to itinerary made from their own studies or by travel agencies, which organize group tours. They do not require a complete travel management program, as they are intent on travel for relaxation. They want a certain degree of comfort and expect to enjoy nature, culture and entertainment as planned.

Leisure travelers account for 90% of all foreign visitors to Thailand.

### ***MICE travelers***

MICE travelers require more professional services, as follows:

#### ***Meeting organizers and participants***

Meeting organizers and overseas participants expect professional conference venue services, food and beverages, meeting equipment, and overall meeting management. This will facilitate require better facilities. This will assist them to receive information, technology or new forms of knowledge from the meeting, as well as allow them to spend their free time making business contacts.



### Trade exhibitors and visitors

Overseas trade exhibitors expect professional facilitation concerning exhibition space, material delivery, customs procedures, and exhibition facilities. Most important of all, they want post-event business that is derived from visits by target groups that they had planned for.

Visitors to trade exhibitions expect to find all the products of their interest on display according to the information they have obtained.

### Incentive travelers

Sponsors and incentive travelers expect special treatment, as well as convenience and entertainment throughout the trip so that they return home with the most favorable impression. The Destination Management Company (DMC) has to constantly come up with new types of entertainment that are suitable for each incentive group, both during the trip and during functions. Hotels must provide a complete range of services and deliver a high degree of professionalism for a function to be successful.

According to the projection made by The World Travel & Tourism Council (WTTC), out of all visits to the Asia Pacific, 1-5%<sup>1</sup> of them are MICE travels. Although MICE travelers represent only a small percentage compared with other travelers, they are growing in importance to Thailand. Their spending in Thailand is 3 times higher and in Europe and America 10 times higher. Thailand is improving the quality of its MICE services and it is now prepared to receive this group of travelers.

## **1.1 Definition of MICE**

MICE: **M**eetings, **I**ncentive travel, **C**onventions and **E**xhibitions, all of which are interrelated businesses under the following categories:

### **M = Meetings**

A meeting arranged by individuals or an organization. There are two types of meetings<sup>2</sup>.

- Association Meeting : A meeting to exchange information by people in the same or similar professions, usually takes 4-5 days; small seminars are included.
  - : Preparation takes at least one year.
- Corporate Meeting : A meeting of persons from the same organization or group of companies, sometimes from many countries.
  - : Organized by the company with the venue fixed without seeking approvals from members. Not a great deal of publicity required as it is an internal meeting.
  - : Preparation takes less than a year. The size is smaller than an association meeting.

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<sup>1</sup> Projection made by The World Travel & Tourism Council (WTTC)

<sup>2</sup> Definition given by Asian Association Convention and Visitor Bureaus (AACVB)

**I = Incentive Travel**

A trip arranged by a company for an employee or individual as a form of reward for his or her satisfactory performance<sup>3</sup>.

**C = Conventions**

A meeting of people in the same profession to exchange information. Preparation of a convention requires at least two years. A convention is usually organized by international associations. There are two types of organized:

- Convention organized: The main method is by alphabetical order and by members usually held in regional areas.
- Bid to host a convention : The countries wishing to host the convention send their representatives to attend the meeting to make bids. Cooperation and support from government and private sectors are necessary due to high cost and long preparation.

**E = Exhibitions**

A show of goods and/or services for sale to target groups and interested persons and open to the public.. There are two types of exhibitions:

- Trade Show : An exhibition arranged for the benefit of business operators.
- Consumer Show : An exhibition arranged for the benefit of consumers.

At the exhibition, a meeting may be held on the same topic as the exhibition itself or other topics related to it.

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<sup>3</sup> Incentive travel can be disguised as corporate meeting to avoid taxes imposed by certain countries, especially in Europe. The sponsor helps incentive travelers avoid taxes by organizing a corporate meeting which involves traveling more than meeting.

## 1.2 MICE industry in the world<sup>4</sup>

### ▶ MICE business in different regions

Europe was the first venue for MICE activities and it still has the highest MICE market share in the world. Asian countries have recently been of interest to MICE organizers as preferred destinations, particularly from 1980 onwards. In the same period, the growth of MICE activities in the Americas has been declining.

**Table 1.1:** Number of international meetings/conventions in different continents from 1995 to 2000

Continents	1995-1996		1997-1998		1999-2000	
	(Events)	Share (%)	(Events)	Share (%)	(Events)	Share (%)
Europe	3,554	60	3,667	59	3,476	60
Asia	996	17	967	16	890	15
North America	702	12	691	11	651	11
Latin America	311	5	383	6	355	6
Australia / Pacific	229	4	275	4	290	5
Africa	162	3	181	3	153	3
<b>Total</b>	<b>5,954</b>	<b>100</b>	<b>6,164</b>	<b>100</b>	<b>5,815</b>	<b>100</b>

Source : International Congress and Convention Association (ICCA), Data, 2000.<sup>5</sup>

According to Table 1.1, Europe has the greatest market share in international meeting/convention business. From 1999 to 2000, the market shares of Europe, Asia, North America, Latin America, Australia and Africa are 60%, 15%, 11%, 6%, 5%, and 3%, respectively.

ICCA projected that in the near future the market shares will not change much, and that Australia will increase its share while Europe and Asia will lose its shares.

<sup>4</sup> Dr. Adele Ladkin and Joulie Spiller, **The meetings, Incentives, Convention & Exhibition Industry** (UK: Travel & Tourism Intelligence, May 2000)

<sup>5</sup> In keeping statistics of ICCA, the counting will be made only for the meetings having more than 50 participants and for the meetings are held continuously and that are held circularly in at least three countries.

► **MICE business in different countries**

The U.S.A. has the highest market share in MICE business. Next to it are the U.K. and Germany. The Asian countries whose market shares rank in the first 25 are Japan, Singapore and Thailand – 9<sup>th</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> respectively. See Table 1.2.

**Table 1.2:** Number of international meetings/conventions and market shares in different countries from 1998 to 2000 – first 25 places

Rank	Country	1998 (Events)	1999 (Events)	2000 (Events)	2000 (%)
1	U.S.A.	① 268	① 237	① 234	8.17
2	United Kingdom	② 186	② 166	② 193	6.74
3	Germany	③ 178	③ 165	③ 161	5.62
4	Australia	111	111	④ 152	5.31
5	Spain	④ 174	④ 163	⑤ 144	5.03
6	France	⑤ 160	⑤ 142	141	4.92
7	Netherlands	124	105	126	4.40
8	Italy	144	133	116	4.05
9	Japan	117	98	102	3.56
10	Canada	92	89	91	3.18
11	Finland	88	106	85	2.97
12	Brazil	52	75	83	2.90
13	Sweden	108	77	81	2.83
14	Austria	102	81	78	2.72
15	Norway	45	64	72	2.51
16	Switzerland	61	60	63	2.20
17	Belgium	69	54	55	1.92
18	Hungary	46	72	52	1.82
19	Denmark	84	74	49	1.71
20	South Africa	49	48	46	1.61
21	Portugal	85	45	43	1.50
22	<b>Singapore</b>	43	46	40	1.40
23	Thailand	②⑦ 32	②⑥ 41	②③ 39	1.36
24	Israel	58	45	36	1.26
25	Poland	24	27	35	1.22
	Others	676	626	548	19.13
<b>Total</b>		<b>2,500</b>	2,324	<b>2,865</b>	<b>100.00</b>

Source: International Congress and Convention Association (ICCA), Data, 2000 www.icca.nl

Remark: ① = Ranking number

According to Table 1.2, Thailand's rank improved from 1998 to 2000. It ranked No. 27, 26 and 23 in 1998, 1999 and 2000, respectively.

### 1.3 MICE industry in Asia Pacific

According to ICCA's figures, Australia is the most successful in Asia Pacific. Next is Japan. Thailand comes fifth. The number of international meetings/conferences in Asia Pacific grows constantly. As for Thailand, the growth is subject to fluctuation, but it is improving, that is, Thailand ranked No. 11<sup>th</sup> and No. 5<sup>th</sup> from 1995 to 1996 and from 1999 to 2000. See Table 1.3.

**Table 1.3:** Number of meetings/conferences in Asia Pacific countries from 1995 to 2000

Country	1995/1996	1997/1998	1999/2000	%Share
Australia	② 203	① 246	① 263	22.29
Japan	① 265	② 208	② 200	16.95
Singapore	74	67	③ 86	7.29
Israel	③ 132	③ 97	④ 81	6.86
<b>Thailand</b>	<b>⑪ 44</b>	<b>⑤ 76</b>	<b>⑤ 80</b>	<b>6.78</b>
South Korea	70	④ 92	75	6.36
Hong Kong	⑤ 80	60	64	5.42
China	④ 84	60	62	5.25
Taipei, China	32	60	52	4.41
Philippines	40	54	42	3.56
Malaysia	46	55	37	3.14
India	38	50	36	3.05
New Zealand	22	25	22	1.86
Indonesia	47	32	19	1.61
Others	48	60	61	5.17
<b>Total</b>	<b>1,225</b>	<b>1,242</b>	<b>1,180</b>	<b>100.00</b>

Source: International Congress and Convention Association (ICCA), Data, 2000

Remark: ① = Ranking Number

In the Asia-Pacific region, in 2000, Sydney had the highest number of international meetings/conferences. Next to that was Singapore. Bangkok ranked 9<sup>th</sup>, 6<sup>th</sup> and 5<sup>th</sup> in 1998, 1999, and 2000, respectively. See Table 1.4.

**Table 1.4:** Number of meetings/conferences in Asian Pacific cities from 1998 to 2000

<b>Country</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>% Share</b>
Sydney	④ 32	② 42	① 49	8.43
Singapore	① 43	① 46	② 40	6.88
Melbourne	28	⑤ 26	③ 35	6.02
Hong Kong	15	④ 30	④ 33	5.68
<b>Bangkok</b>	<b>⑨ 17</b>	<b>⑥ 24</b>	<b>⑤ 23</b>	<b>3.96</b>
Beijing	15	17	21	3.61
Jerusalem	② 42	23	18	3.10
Seoul	③ 34	③ 40	18	3.10
Adelaide	14	8	18	3.10
Manila	22	18	16	2.75
Taipei	25	23	16	2.75
Tokyo	⑤ 29	18	15	2.58
Brisbane	12	13	16	2.75
<b>Others</b>	290	271	263	45.27
<b>Total</b>	<b>618</b>	<b>599</b>	<b>581</b>	<b>100.00</b>

Source: International Congress and Convention Association (ICCA), Data, 2000

Remark :     ① = Ranking Number

## 1.4 Asian countries and their readiness for MICE business

Asian countries, such as Japan, China and Thailand are popular destinations for incentive and MICE travels due to their cultural and natural diversity. Japan, Singapore, Hong Kong, and Thailand have plenty of modern hotels, conference and trade centers which can accommodate international conferences and trade exhibitions.

### :: Japan

Japan with its high technology has become the business and trade hub of the world. About nine million people take business trips to Japan each year – accounting for 29 % of tourists.

According to Table 1.2, Japan ranks number 9 in the world -- next to USA and some European countries – for international conferences. It ranks number 2 in Asia Pacific – next to Australia

In 1994, Japanese government tried to promote MICE by introducing International Convention Promotion Law. The law has reduced taxes and lifted many restrictions on taxation in favor of international convention organizers. In 1997, Japan set the standards for international convention and tourism cities<sup>6</sup>.

**Table1.5:** Convention and Trade Centers in Japan

	Venue	Exhibition Area		Meeting Room		
		Indoor	Outdoor	Number of rooms	Seating	
					Classroom	Theatre
1	Tokyo International Exhibition Center (Tokyo Big Sight)	67,660	13,000	65	48,828	80,756
2	Tokyo International Conference Hall	7,960	-	5	3,284	6,820
3	Pacific Convention Plaza Yokohama	7,967	-	9	4,902	8,620
4	Tokyo International Forum (TIF)	14,240	-	6	7,375	12,484
5	Congress, Convention and Exhibition center	1,666	-	5	650	1,460
<b>Total</b>		99,493	13,000	90	65,039	110,140

Source: [www.icca.nl](http://www.icca.nl) , [www.bigstight.or.jp](http://www.bigstight.or.jp), [www.joho-kyoto.or.th](http://www.joho-kyoto.or.th), [www.pacifico.co.jp](http://www.pacifico.co.jp), [www.yumebutai.org](http://www.yumebutai.org)

<sup>6</sup> Dr. Adele Ladkin and Joulie Spiller, The meetings, Incentives, Convention & Exhibition Industry (UK., May 2000)

## Strengths and weaknesses of Japan's MICE business

### Strengths

- l Tax incentive for organizers of international conventions.
- l Japan Congress and Convention Bureau (JCCB) was established in 1995 to strengthen the links between the government sector, the local government convention bureau and the private sector.
- l High technologies for conventions & trade exhibitions.
- l Long recognition by organizers.
- l A business center that is convenient for business contacts at any time.
- l Commercial hub of the world; destination for successful business and marketing meetings, commercially viable trade exhibitions.
- l High technologies for data exchange, house of knowledge and research findings.

### Weaknesses

- l High costs compared with new destinations in Asia Pacific.

Japan is also the major client of MICE service, especially from 1999 when the yen appreciated in value. Japanese tourist business growth reached 4% in the year 2000<sup>7</sup>.

## :: Singapore

Singapore ranks No. 3 in Asia and No. 2 in the world. Breakdown of visits to Singapore: leisure 50%, business 16% and convention 2%.

Singapore is popular for meetings and exhibitions as it has modern facilities and infrastructure. This has made convention organizers confident that meetings would be convenient and successful. In addition, Singapore is the center of business and technology, resulting in many meetings related to them.

**Table 1.6:** Conventions and Exhibitions in Singapore

	Venue	Exhibition Area		Meeting Room		
		Indoor	Outdoor	Number of rooms	Seating	
					Classroom	Theatre
1	Singapore Expo	60,000	25,000	19	27,645	46,090
2	Singapore International Convention & Exhibition Center (SICEC)	26,830	-	33	10,916	22,796
3	World Trade Center Singapore	30,575	-	-	-	-
	<b>Total</b>	117,405	25,000	52	38,561	68,886

Source: [www.icca.nl](http://www.icca.nl), [www.singapore-expo.com.sg](http://www.singapore-expo.com.sg) and [www.hitec-trade.com](http://www.hitec-trade.com)

<sup>7</sup> Summary of Foreign Affairs in 2001 by Foreign Office, TAT



## **Strengths and weaknesses of Singapore's MICE business**

### Strengths

- l Large trade centers and international conference halls near airport.
- l International airport large enough to accommodate 40 million passengers per year; and it is to be expanded to provide services to 64 million passengers per year; the expansion is expected to be complete in 2006.
- l 5,000 rooms in 4- and 5-star hotels near SICEC which can accommodate many participants, exhibitors and visitors.
- l Sales promotion and government support.
- l Singapore Convention Bureau, a strong private organization.
- l Skills in administration, service and project management; high technologies for conventions and exhibitions.
- l Well recognized and trusted by organizers for a long time.
- l A business center that is convenient for business contacts at any time.
- l An international trade center that is able to draw business and marketing meetings, as well as commercially viable trade exhibitions.

### Weaknesses

- l No natural beauty to attract incentive groups, resulting in fewer numbers than other groups of MICE travelers.
- l No distinctive culture and nature.

## **:: South Korea**

South Korea's MICE business ranked No. 20 in the world in 1999 and No. 4 in Asia Pacific from 1997 to 1998. Seoul ranked at No. 5 for MICE destination in Asia Pacific in 2000. See Table 1.3.

**Table 1.7:** Conventions and Exhibitions in South Korea

	Venue	Exhibition Area		Meeting Room		
		Indoor	Outdoor	Number of rooms	Seating	
					Classroom	Theatre
1	COEX (Convention & Exhibition)	16,746	-	8	8,441	15,191
2	International Convention Center	8,711	-	7	7,560	9,100
3	Pusan Exhibition & Convention Center	4,962	-	3	2,489	5,760
	<b>Total</b>	30,419	-	18	18,490	30,051

Source: [www.icca.nl](http://www.icca.nl), [www.coex.co.kr](http://www.coex.co.kr), [www.iccjju.co.kr](http://www.iccjju.co.kr) and [www.puexco.co.kr](http://www.puexco.co.kr)

## **:: Taiwan**

Taiwan is a popular destination in Asia Pacific. Taipei ranks No. 11. Taiwan has 3 convention and exhibition centers with over 300,000 m<sup>2</sup> of exhibition space capable of accommodating 60,000 people. The number of international conventions in Taiwan increases every year. See Table 1.4.

Chiang Kai-Shek Airport has a new terminal which can accommodate more flights and passengers. About 14,000,000 passengers are likely to travel in and out of Taiwan per year.

**Table 1.8:** Conventions and Exhibitions in Taiwan

	Venue	Exhibition Area		Meeting Room		
		Indoor	Outdoor	Number of rooms	Seating	
					Classroom	Theatre
1	Taipei International Convention Center (TICC)	59,277	-	5	2,534	4,964
2	Taipei World Trade Center (TWTC)	182,197	-	13	50,915	54,464
3	World Trade Center Taichung	95,630	-	4	855	1,050
	Total	337,104	-	22	54,304	60,478

Source: [www.icca.nl](http://www.icca.nl), [www.tptaiwan.org.tw](http://www.tptaiwan.org.tw), [www.twtc.org.tw](http://www.twtc.org.tw) and [www.wtctxg.org.tw](http://www.wtctxg.org.tw)

## :: China

China is a highly popular destination for MICE. After opening its doors, China's infrastructure and facilities have been expanded to accommodate the influx of tourists, business and industry.

China has beautiful and diverse natural beauty that appeals to every tourist group.

Hong Kong is also a highly popular MICE destination, because it has modern infrastructure. There are many hotels conveniently located near convention and exhibition centers.

In 1998, Hong Kong had 286,565 MICE travelers, 54,934 convention participants, 56,816 incentive travelers, and 174,815 exhibition visitors – accounting for 61% of MICE travelers. This means Hong Kong is doing better with exhibitions compared with conventions and incentive travels <sup>8</sup>.

<sup>8</sup> Source: Hong Kong Tourist Association, 2000

**Table 1.9: Conventions and Exhibitions in China, Hong Kong and Macao**

Venue		Exhibition Area		Meeting Room		
				Number of rooms	Seating	
		Indoor	Outdoor			Classroom
<b>CHINA</b>						
1	Beijing International Convention Center (BICC)	7,579	-	39	4,103	6,904
2	China International Exhibition Center	60,000	7,000	8	-	-
3	China World Trade Center (CWTC)	11,537	5,153	6	7,330	11,450
4	Shanghai International Exhibition Center	12,000	-	5	6,000	10,000
5	Shanghai International Convention Center Co., LTD	6,180	-	4	3,186	4,186
6	Shanghai Trade Mart	21,600	-	14	13,036	21,545
7	China World Trade Center Zhejiang (CWTCZ)	1,888	-	5	1,000	1,480
Total		120,784	12,153	81	34,655	55,565
<b>HONG KONG</b>						
1	Hong Kong Convention and Exhibition Center (HKCEC)	56,187	3,510	40	7,992	15,626
2	Hong Kong International Trade and Exhibition Center (HITEC)	10,494	-	5	4,788	6,800
Total		66,681	3,510	45	12,780	22,426
<b>MACAO</b>						
1	Macao Cultural Center	42,000	-	4	18,720	31,200
2	Macao Exhibition Center	1,280	4,600	4	960	1,600
3	Macao Forum	15,435	-	4	5,091	8,485
4	Macao Landmark Convention and Exhibition Center	13,340	-	21	9,930	16,550
5	Tourism Activities & Conference Center	3,022	-	5	1,342	2,236
Total		75,077	4,600	38	36,043	60,071

Source: [www.bicc.com.cn](http://www.bicc.com.cn), [www.asiaconvention.com](http://www.asiaconvention.com), [www.intex-sh.com](http://www.intex-sh.com) and [www.shicc.net](http://www.shicc.net)

## :: Indonesia

Indonesia has many islands, resulting in diverse culture and nature. It is an attractive MICE destination, especially for incentive travels. From 1990 Indonesia's MICE business has constantly grown – by an average of 8.2% per year.

Unfortunately, the haze and political upheaval have caused MICE business and tourism to decline.

Indonesia has 4 major convention and trade centers with a total area of 60,000 m<sup>2</sup> and conference halls with a capacity of 40,000 delegates. See Table 1.10.

**Table 1.10:** Conventions and Exhibitions in Indonesia

	Venue	Exhibition Area		Meeting Room		
		Indoor	Outdoor	Number of rooms	Seating	
					Classroom	Theatre
1	Balai Sudirman	5,165	-	1	5,500	3,000
2	Bali – International Convention Center	6,546	-	22	5,473	8,059
3	Jakarta Convention Center (JCC)	15,050	-	17	9,550	13,850
4	Jakarta Fairgrounds	32,000	-	10	17,000	24,000
	Total	58,761	-	50	37,523	48,909

Source: [www.asiaconvention.com](http://www.asiaconvention.com), [www.bali-convention.com](http://www.bali-convention.com) and [www.jcc.co.id](http://www.jcc.co.id)

### ***Strengths and weaknesses of Indonesia's MICE business***

#### Strength

- Cultural and natural diversity and beauty suitable for incentive groups.

#### Weakness

- Political unrest.

## :: Malaysia, Philippines and Viet Nam

**Table 1.11:** Conventions and Exhibitions in Malaysia, Philippines and Viet Nam

Venue		Exhibition Area		Meeting Room			
				Number of rooms	Seating		
		Indoor	Outdoor			Classroom	Theater
<b>MALAYSIA</b>							
1	Malaysia International Exhibition & Conference Center (MICEC)	17,424	8,766	15	6,000	8,000	
2	Putra World Trade Center (PWTC)	17,309	-	24	6,274	16,440	
3	Sunway Lagoon Resort Hotel, Petaling Jaya	5,676	2,504	18	3,750	7,060	
<b>Total</b>		<b>40,409</b>	<b>11,270</b>	<b>57</b>	<b>16,024</b>	<b>31,500</b>	
<b>PHILIPPINES</b>							
1	Cebu International Convention Center	10,110	22,890	9	5,200	9,500	
2	AIM Conference Center Manila SGV	1,338	-	5	870	1,305	
3	Cultural Center of The Philippines International	12,733	-	4	8,750	10,960	
4	Convention Center (PICC)	7,586	-	16	11,070	17,280	
<b>Total</b>		<b>31,767</b>	<b>22,890</b>	<b>34</b>	<b>25,890</b>	<b>39,045</b>	
<b>VIET NAM</b>							
1	Giang Vo Exhibition Center	1 main Hall	-	8	-	-	
2	Ho Chi Minh City International Exhibition and Convention Center	8,000	-	6	-	-	
3	Kasati Center	6,000	-	-	-	-	
4	Reunification Palace	7,000	-	-	-	-	
5	Viet Nam International Convention Center	1,000	-	30	-	-	
<b>Total</b>		<b>22,000</b>		<b>44</b>			

Source: [www.mines.com](http://www.mines.com), [www.pwtc.com.my](http://www.pwtc.com.my), [www.sunway.com.my](http://www.sunway.com.my), [www.asiaconvention.com](http://www.asiaconvention.com), [www.vnpt.com.vn](http://www.vnpt.com.vn) and [www.icca.nl](http://www.icca.nl)