

**Pata CR Chapter joint meeting with Airport of Thailand (AoT) and other Chiang Rai Travel Industry Representatives on Tuesday, 12 February 2013 at the Mae Fah Luang Chiang Rai International Airport meeting room. Attended by Pata CR Chapter members, Don Ross, Jaffee Yee and Marc Dumur. Notes, recommendations and assessments of the dialogue.**



Airports of Thailand provided an informative and fact packed presentation on aviation in Thailand, Chiang Rai's current position and the potential to develop Mae Fah Luang Chiang Rai International Airport in the future.

The presentation outlined the current capacity in domestic services (10 flights daily) and a single scheduled regional service from Kunming in Yunnan province China three times a week. The presentation focused on the big picture in terms of logistics, cargo, handling capacity of Mae Fah Luang Chiang Rai International Airport and the need to build taxiways and aprons to improve the flow of aircraft as the airport becomes more popular with regional airlines. The full presentation was copied and given to representatives of the various associations and companies at the close of the meeting.

The conclusions were: Mae Fah Luang Chiang Rai International Airport has the capacity to cater to more airlines as it stands at present, but some services would need to be improved on the ground once more airlines and passengers begin to use the facilities.

A logistics centre would be needed to support the movement of air cargo which is an important revenue earner for airlines and helps to make a route profitable.

It was suggested at the meeting that airlines would find it difficult to generate local traffic in the province. Two-way traffic was identified as an important factor. There were varying opinions on whether there was an outbound travel demand in Chiang Rai.

The data provided by AoT suggested international tourism to Chiang Rai province through the airport was marginal with well over 90% of all the incoming tourists generated in the domestic market. There are 10 domestic flights a day. Passengers are mainly Thais and expatriates living in either Bangkok or Chiang Rai.

It was suggested that it was not feasible to expect airlines to launch direct services from points in Asia to Chiang Rai as demand was low and two-way traffic minimal.

It would be wiser to encourage airlines to add Chiang Rai as a stop on a route to other Mekong region capitals or popular tourist destinations such as Kunming, Hanoi, Luang Prabang, Mandalay, and cities in China that are close to the Mekong Region.

The routes could originate in Singapore, Kuala Lumpur, Hong Kong, Jakarta, Kunming, Ho Chi Minh City with a stop in Chiang Rai and a final destination in the Mekong Region or China.

Thailand's major airlines, THAI and Bangkok Airways, should be encouraged to offer seamless connections between regional services and domestic flights to Chiang Rai to improve connecting times as an immediate measure to encourage more travel. Bangkok Airways flies to Chiang Mai, 180 km southwest of Chiang Rai. Orient Thai has stopped its three daily services to Chiang Rai reducing domestic services out of Bangkok from 13 to 10 daily.

It was recommended that establishing charter flights to Chiang Rai would be more feasible than expecting airlines to invest in scheduled services, which requires a much bigger financial commitment in operational and marketing support.

A new airline R Airways based in Don Mueang Airport was represented at the meeting and suggested it was prepared to consider charters to Chiang Rai, possibly basing an aircraft at the airport in the future to serve Mekong region destinations.

There are challenges on the ground that will require various associations and government departments in Chiang Rai to work together to resolve.

They were identified at the meeting:

Chiang Rai's closeness to Chiang Mai means most airlines prefer to serve the larger market base in Chiang Mai than experiment with the smaller and untested market of Chiang Rai. This could be overcome by promoting luxury bus service connections between the two airports as well as city centre terminals.

Also the trend is for tourists to stay in Chiang Mai and make road trips to sightsee in Chiang Rai for a day or with a single overnight stay.

It was suggested that many residents in Chiang Rai and the business community were opposed to the idea that their town should follow the same expansion trend as witnessed in Chiang Mai.

Fears were expressed that expansion would damage Lanna culture in Chiang Rai. Lifestyle, heritage, the environment impact were identified as subjects that needed to be taken on board rather than just considering economic expansion and trade alone.

There is a lack of data and research available to give direction and provide airlines with facts that could help them assess if there is a sustainable market in Chiang Rai for new regional services.

Various associations need to work closely together to share data and build background information that be used by the AoT and other agencies to encourage airlines to consider the Chiang Rai option.

The province's travel industry will need to list and identify credible tourist attractions and review the present attractions to create more tour opportunities that encourage overnight stays.

The creation of a discount card with a built in free local calls sim card could be offered to visitors at the airport on arrival or through partner airlines. It would offer hotel, restaurant, museum and attraction discounts. "Cool Chiang Rai" would add value. It would make sightseeing a little cheaper and by linking it to a mobile phone service it could have the added attraction of a sim facility.

The local travel industry has to join hands to brainstorm and identify the branding of Chiang Rai and the optimum positioning of the province to improve tourism, without damaging asset.

Events and festivals have to be jointly promoted and a pipeline to provide an information flow to the international markets has to be established well in advance to promote a calendar of events.

Niche markets could be used to encourage airlines to establish services but it needs to be researched and promoted. They include:

**Sports tourism:** mountain biking, cycle races, marathon, adventure races and endurance events, para-gliding, rock climbing, martial arts etc.

**Golf tourism:** Chiang Rai has three golf courses that could attract tourists plus two other courses that could serve the market to a lesser extent. The South Korean market could be encouraged through a partnership with the Happy City owners. Suggestions on establishing charters from South Korea including golf and other activities placed on the table for talks with strategic stakeholders.

**Medical tourism:** private hospitals, and alternative medicine at the Mae Fah Luang Hospital, plus the wellness factor could all be exploited, but more research is needed on capacity and potential for growth.

**Religious tourism:** Chiang Rai's Buddhist temples and university, Wat Phra Kaew and a heritable trail that highlights the cities where the Emerald Buddha resided in a history stretching more than 1,000 years.

Islam—there are already tours from the Deep South that include a visit to the town's mosque, near the clock tower. There are halal restaurant, but more work is needed on developing restaurant quality,

Add to this the Mekong link to Islam; The mosque in Chiang Rai and the unique Chinese Muslim descendants from Yunnan generally referred to as *Chin Haw*.

Christianity-- There is strong base and missionary links to the ethnic minority groups. Churches represent all mainstream creeds within Christianity. There is a market for seminars and conferences that tap North Thailand's substantial Christian community.

**Art and heritage tourism:** Art galleries, artists, the city's links to some of the most famous artists in Thailand could be exploited further with a designated art street, the creation of a national art gallery and museum, permanent exhibitions etc. Chiang Rai has the potential to become the Santa Fe of Asia.

#### *Actions and priorities*

The meeting agreed that data should be sourced and shared across the industry associations. PATA Chiang Rai offered to coordinate this action and help to distribute data from all sources. The objective is to create more information, data and facts that can be used to convince airlines to consider Chiang Rai for a new service.

A concerted effort should be made to create co-operation not only within travel and tourism circles but beyond to touch experts in various fields that represent niche markets. A priority would be to recruit from the artist community to gain feedback on building art and heritage assets for the city to promote.

But all the niche markets have their experts who are not directly in touch with the tourism industry. To attract more airlines the meeting recognized we will need to demonstrate the diversity of Chiang Rai. This cannot be achieved by the travel community alone.

There was a suggestion that a sub-committee should be formed with representatives of various associations and the AoT to concentrate on the development of air links to the city.

AoT suggested a follow up meeting was required. PATA CR suggested that the travel industry should consider the points required to bring in a task force of experts to study the potential of the airport in cooperation with the AoT.

PATA head office will be asked to provide a pipeline to its "airline members" to tap interest and gain insights from airline experts on where to start the process of lobbying airlines to fly to Chiang Rai.