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AMCHAM Position Paper on Responsible Hospitality and Tourism Recovery

The American Chamber of Commerce in Thailand (AMCHAM) is the voice and focal point of the US business community in Thailand. We have 650 member companies, representing more than 50 billion US dollar in cumulative investment in the Kingdom and employing more than 200,000 Thai people, with approximately 15% the membership contributing to the growth of tourism and hospitality industry.

AMCHAM would like to reiterate our appreciation to the Royal Thai Government for its efforts to initiate the tourism recovery. There is a clear strategic refocus on 'quality tourism' by the Ministry of Tourism and Sports, with the majority of the estimated 5-6 million international tourists expected to come from the US, Europe, and the UK in 2022.

Premium food and drink is a key attraction for high yield tourists and MICE (Meetings, Incentives, Conferences & Exhibitions) business visitors from these markets. As Thailand strategically shifts toward a more sustainable, 'value over volume' strategy, AMCHAM members in the hospitality sector suggest the following measures to maintain and advance Thailand's competitiveness.

1) Clear timelines for the removal of the 'Test and Go' scheme

AMCHAM greatly appreciates the government's efforts to ensure the safe and sustainable reopening of its borders, and we recognize and welcome the removal of the pre-flight PCR from April 1, 2022, as a positive step to attract visitors to Thailand.

We respectfully request the Government to give business visitors and tourists further clarity by announcing a timeframe for the removal of Test & Go as the country moves towards an 'endemic' approach. A clear timeframe and communication plan for the removal of Test & Go could boost confidence, investment, and advance bookings.

2) Support the ease of doing business and tourism spending with a more flexible approach to alcohol sales

We recognize the importance of, and support the government's intent, to prevent underage drinking, reduce harmful consumption of alcohol, and minimize risks from Covid-19.

However, different sets of restrictions on the sale of alcohol beverages create confusion for both tourists and businesses. These restrictions include the ban between 2 pm to 5 pm, no sales after 11 pm in food and beverage outlets in blue and yellow zones (on-trade

alcohol consumption is completely banned in 20 orange zone provinces) and the ban on e-commerce sales of alcohol.

These restrictions reduce the spending potential of local and international tourists that contribute to government revenue through the increase of premium spending on high quality hospitality food and drink services.¹ They also remove a crucial revenue stream for smaller businesses struggling significantly with the impact of Covid-19.²

Instead of bans on sales hours (i.e., between 2-5 pm or up to 11 pm only) and e-commerce sales channels, the selling time in each type of venue could be clearly identified to be during operational hours between 11 am and 1 am. E-commerce sales channels which support the hospitality industry, could be introduced by the government under strict regulatory code³ to include best practice safeguards such as online verification at point of purchase, delivery driver training, and tracking/tracing of deliveries which prevent sale to those who are underage.

Preventative measures, and a more collaborative focus on education and risk minimization programs, could boost tourism attractiveness, increase revenue, support responsible businesses growth, while producing a greater safety outcome (see recommendation 4).

3) Continued financial assistance for hospitality-related businesses, and longer - term 'hospitality growth' plan

Continued financial assistance for businesses through low interest loans and individual support for hospitality workers is required, given the ongoing restrictions on opening hours and sales for food and beverage businesses, and with entertainment venues remaining closed across the country since April 2021.

Over the medium-term, we believe a strategic focus on re-building an improved, high quality hospitality sector will support the Government's economic recovery objectives. Many countries with the most successful hospitality service industries in the world (South

¹ Inbound tourists and business guests are coming primarily from markets (UK, EU, USA) where consumers are driving a growth in premium consumption and spending; IWSR (2022): <https://www.theiwsr.com/key-trends-driving-the-global-beverage-alcohol-industry-in-2022/>

² This has been recognized in the recommendations made by 'Regulatory Guillotine' project by the Strategic Transformation Office (2020)

³ Global Standards for Online Alcohol Delivery (2021) <https://cms.iard.org/IARD/media/Documents/25052021-Global-standards-for-online-alcohol-sale-and-delivery.pdf>



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Korea, Spain, the UK, the US, Japan) have developed multi-year, KPI-driven frameworks that seek to grow the hospitality and tourism sectors.

For example, the strategic focus may include measures such as the diversification of night-time activities (e.g., culture, arts, and festivals), regulatory reform, skills & training, support for SMEs and entrepreneurs, improving mobility and connectivity, as well as public health and safety considerations. AMCHAM welcomes the opportunity to share best practice examples and would like to suggest a multi-stakeholder workshop to consider these strategic unlocks.

4) Training and education programs as effective way to reskill and promote safe tourism

A skilled hospitality workforce is essential, particularly with the trend towards higher quality ('premium') hospitality services, and therefore higher tourist expectations. There are several programs provided by AMCHAM members that offer advanced hospitality skills, covering technical (hotel management, financial, SME management) and human skills (empathy, communication). For example:

- **Phuket Hotels Association Scholarship** – a multi-year program that offers a pathway to a career in hospitality and tourism through high-quality scholarship program focused exclusively on local Phuket residents
- **Diageo Learning for Life** – an annual training for 1,500 Covid-impacted young people across Thailand in core hospitality skills, with a clear focus of minimum 50% female participation and building environmentally sustainable practices

More broadly, we are aware of several Royal Thai Government sponsored SME capacity building programs which are congruent with the skill and capacity building programs AMCHAM members are supporting. For example:

- **OSMEP (Office of Small & Medium Enterprises – Thailand)** - Phra Dabos Students and the Entrepreneur Development Program
- **Suan Dusit Rajabhat University Hospitality Program**
- **Department of Skills Development Hospitality Training** (under the Ministry of Labor)

Our hospitality members would also like to work in partnership with the Royal Thai Government and other stakeholders on targeted, measurable education programs that promote compliance with Covid-19 measures and reduce harmful consumption.



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Examples of programs include Responsible Service of Alcohol for hospitality workers, DrinkIQ, which educated 39,000 consumers in 2021 to make informed choices about alcohol and integrating responsible service of alcohol into core hospitality skills training.

These hospitality and tourism educational programs could be integrated into central and provincial government educational campaigns, which could maximize impact and support safe, responsible, and environmentally sustainable tourism.