

## CHAPTER 2

### LITERATURE REVIEW/PREVIOUS RESEARCHES

It is true that when we want to travel to any country the first aspect we all check first is the cost of living , for some people price or cost doesn't really matter especially when the currency of the country this one is going to is lower, but for some other it is a big deal which can terminate a cancelation. The common situation that we will see everywhere we go is the " price deal" in some places the product price is fixed and in some other it depend on the negotiating skill of the buyer. Most of the time we get in trouble because we don't try to learn and know more about the country we are going to and the surprise brings irritation which could be avoided. For example, in Bangkok it is common to negotiate with the merchants on their wares and services in markets, but in Tokyo, it would be considered rude to try and negotiate a better deal – the price is the price. Some merchants set the price depending on the customer income or expenses: if you live in a nice hotel place and you are wearing expensive clothes and jewelry of course your price won't be the same as somebody living in a slum .Most of the time the merchants that changing prices are those who sale along the street or street market. Sometimes you don't feel bad about giving a big tip or paying what the sign says. Not all the time. We get offended and piss off when for example we see the same item we bought with someone else and with different price than us (cheaper) then we know that we have been ripped off and took advantage of you as a tourist because your ignorance. Most of the time tourist choose countries like third world or poor countries because they want in certain ways contribute to the development of this one by sometime paying little more or giving directly to people in need like homeless people, but they don't want to be in the middle of rip off attitude of greedy merchants or a possibly corrupted government who can't do anything to help. However, there is sometime a dual price that many tourist countries have for foreigners and locals, but there is an explication for it that is very simple such as

1. The price for Entrance to a museum, or zoo is not the same for tourists and locals; in some countries, tourists price is higher than locals price; – this method wants to encourage locals to see their own heritage and promotes travel within your home country .Now the think is that this two-price system is not always advertised, but if you notice people who look like they are locals paying much less, this could be the reason. I think to avoid the negative thinking of tourists, touristic places should explain to tourists so there won't be any issue about such as for instance In the old city of Ayutthaya in Thailand, it is clearly

marked: 'Don't take it personally, it is just recognizing that the difference between 100 baht and 30 baht isn't going to break you, but it may to a local family'.

The process can work reverse also in case where

2. The entrance to a museum or zoo price is reverse to the first process; tourist may pay less than locals – as this method tries to encourage tourists to be interested on the culture of the country, is like they spreading their culture through the difference of price, so tourists spend their time and money in the worthies way, rather than a different country. This system is almost always advertised to let tourists know they can save some money, usually through government sponsored , because tourists anyway always support the economy by their expenditures through the food , transport and souvenirs...they know a tourist will also support the economy by going out for lunch and buying a souvenirs.

Now what do we call the tourist price? A Tourist Price is the variation of prices against foreigners in comparison of locals in places/services where the three points stated:-world heritage from their ancestors, taxes paid to the government who manage the service, they cannot afford the standard price of admission; can give an explanation to the behavior.This is mainly seen at restaurants, lodging and transportation, and in many countries this practice is illegal (but never ever enforced) since in essence it's a form of discrimination against the costumer. On the other words, "**Tourist Price**" had the same meaning as "**Local Discount**". Local discounts are awarded by the government and (sometimes) local businesses to people who come from the same city, state or country.So it is mostly about opportunities, where some people who are looking for the best benefit of their business based on wealth, happiness, status and personal sense of accomplishment: this four factors are actually the motivated reasons for merchants to change prices between the locals and tourists. For example, in Africa people are looking for happiness and personal sense of accomplishment, when in Europe is all about wealth, status and sense of accomplishment,in Third-World countries: merchants are looking for healthiness from what I had experienced, just to survive and make their livingand try to improve the way they live.

This situation is very stressful and irritating, but when we look around we can see that it is a case almost everywhere and it seems normal if we take time to look deeper.According to the CT travel agency: It can be one of the most frustrating elements of travel, imagine that You arrive at a historical site or museum in an exotic corner of the planet to discover that, not only do you have to join a queue to enter the attraction of your choosing but you also have to pay more than many of the people around you to do so. Moreover

the costs of running a national park are sizeable, and that higher fees for international tourists help to fund this ,while permitting residents to enjoy the best of their own country at a rate that is not prohibitive. But Thailand is not the only country where price between tourists and locals is different,in Cambodia for instance A one-day pass to take in the temples of Cambodia's prime attraction Angkor Archaeological Park will set you back US\$20 (£13) if you hold a European passport, but precisely nothing if you live down the road in Siem Reap. Many attractions in the Caribbean also employ this slanted costing model. To pick an utterly random location, Harrison's Cave , an appealing if unremarkable subterranean warren in western Barbados – asks 60 Barbadian Dollars (£19.50) of overseas tourists, but BD\$50 (£16) of islanders.

Asking foreigner to pay more than local is not asking much on the other hand sometime, because my instinct is that, in countries where there is a huge income gap between hosts and guests is not so much, asking a foreign visitor to pay a little more to subsidize the system is not an unfair demand. The average salary in Cambodia is around US\$750 (£485) undoubtedly less than the amount it costs every European or American visitor to travel to a country devastated by war-damaged. In fact the question of advantages being taken maybe comes to the fore in places where there is less of a wage gap between visitors and residents. In my instinct the negative thinking sometime come from the country culture and believe of the guest, Such as in Russia – a nation with great economy and great living standard where losing a penny is seems as a crime. If you want to know better, Head to St Petersburg – not a city known for its lack of opulence, and you will find that, as a non-Russian, you will have to pay a little extra to wander its most prominent attraction.”The Hermitage: one of by definitions the finest art gallery on the planet, sets its fee for overseas tourists at 400 Rubles (£4.10) and its ticket price for Russians and Belarusians at R350 (£3.50). Not an enormous difference per person, but one which, when repeated across the many vast cruise ships which pause in St Petersburg, soon adds up. The magnificent Peterhof Palace, just outside the city, plays the same card – R550 (£5.60) up against R400 (£4.10).”

Believe it or not the tourists have an impact on the local economy somehow: imagine what happens when you live in a developing world where a simple vendor selling fridge magnets to busloads of tourists earning a higher income than highly trained doctors and other invaluable jobs in your society? What's the motivation to work in any job outside of the tourism sector?

And then, what happens to this increasingly tourism-dependent economy when locals need to visit a doctor but there aren't enough to go around? Now, locals are underserved by their own

infrastructure. Even worse, service price from doctor can be elastic due to the wealth appearance of the economy of the country with the enlarging class disparity between the rich and the poor. Also when hard times hit the developed countries, and there is uneased increasing tourist coming over, this crippled the economy for the countries that depend on tourism and pushed the tourists to go away. This comes again to the fact that choosing a country for tourism is very important to know such signs especially from developed country with economy based mostly on tourism, so don't overpay drastically for something just because you can afford it. Do as the locals do: by bargaining. You're not taking food out of people's mouths in so doing in fact; you might be putting food in more mouths by helping a local economy maintain some semblance of balance. Don't tip like you would in North America if the local economy doesn't adhere to similar practices; in fact, in some countries and industries abroad, tipping can be considered an insult. This means sometime price changing between tourists and locals comes from tourists that can afford any product price without bargaining, or people cultures of tipping that change vendors minds in the negative way; which means all tourists have the same goal and can all afford things for just any price and by that action local people also suffer of price getting high and cannot afford buying some product. Furthermore; think twice about how you're spending your money abroad, questions to ask yourself are: Is it helping or hurting that country? Is the souvenir ethically and locally made? Is that activity environmentally and socially responsible? Are you enabling somebody, or disabling a whole group of people?

Just like from a recent article *how to tourist crippled the local economy* wrote by Nora Dunn on July 31, 2014 saying: "When you travel to a country where the currency, culture, and people are different to your own, go with some knowledge of local practices and expectations. Get over your own hang-ups about haggling and do as the locals do. Although you'll still probably end up overpaying for something by a local's standards, you can minimize the negative impact and still contribute to – instead of cripple – a local economy".

Tourists almost always overpay for things. Sometimes it's because they don't know the actual (local) cost, or are unaware of negotiating tactics. Sometimes they think it's a good deal, but are actually unwittingly killing the local economies. So being ok with the overpaying because they think money worth more to locals vendors than themselves: by overpaying, you're setting a new price that is not affordable for local people especially for those that working in tourist sector, This can shake economies negatively such that there's no incentive for locals to sustain their own infrastructure in aspiring towards valuable and

necessary careers in their own country. If everybody wants to work in the tourism industry, and hard times hit the tourism sector, the local economy suffers unduly.

Sectors and things where prices usually being made up depending on the provider or owner are a lot ,we must just have to be aware of them , learn how to deal with them so we can live as a tourist happy with no risk of getting rip p off or make things difficult for locals .Here are some of them , written down in an article founded on internet by Nora Dunn “ 19 things that tourists should be aware of and how to avoid them”

#### 1. Souvenirs

Often, those little "local" trinkets were mass produced somewhere else for a song, and are being sold for "locally handmade" prices. Check out a few markets and shops before you buy; if you see identical stuff, it's not as special as it may seem. If you still want it, make sure it's priced (or negotiated down) accordingly. If you're in a foreign language country and you want to negotiate, learn a few phrases in the local language; you'll endear yourself much more to the vendor.

#### 2. Hotel Laundry

Being charged a lot for cleaning a shirt , when we can just go down to the laundry shop and do it by ourselves or, Chuck some shampoo in the sink and hand wash them. Or better yet, pack enough clothes to make this a non-issue for whoever doesn't want to spend vacation time fighting stains?

#### 3. Taxis

Some random taxi drivers will take you on the (not so) scenic route, if they're charging by the mile and it's obvious you're not familiar with the territory. Ask a local (such as hotel staff) how much a taxi should cost to your destination and how long it should take, and either pre-negotiate the fee with the driver, or if it's a metered cab, confirm with them how long it will take to get there. But the best way to avoid overpaying a taxi driver is take public transportation instead.

#### 4. Airport Junk

Almost everything at the airport is overpriced, especially after clearing security, since they have you hostage while awaiting your flight. Eat before you go, or take food with you. Bring an empty water bottle and fill it at the fountain after clearing security. And for goodness sake, don't impulsively browse airport shops.

#### 5. Currency Exchange

You can't avoid currency exchange fees and commissions, but you can minimize them by avoiding airport currency exchange counters, and if you're using a credit card, decline the vendor's offer to charge your card in your home currency (which comes with extra hidden fees).

## 6. Flights

Sometime we end up overpay the flight just because we didn't brows a lot of site to see different prices and get the best one .And also we sometimes forget that; we can get free or highly discounted flights with frequent flyer miles and mystery shopping.

## 7. Guided Tours

Many guided tours have higher overhead than necessary. Research the cost of average tours before traveling, and go local if you want a more local scoop. Also keep in mind that some cities (especially in Europe) offer "free" guided walking tours whose guides operate only on tips, meaning they're incentivized to make sure you have a great experience.

## 8. Minibar

Hotel minibars are categorically overpriced. Avoid overpaying by walking down the street and buying what you want locally.

## 9. Room Service

If you want to splash out and get (often mediocre quality, and always overpriced) food delivered to your room, go for it. Otherwise, you'll get better food at better prices in your hotel restaurant — and even better-priced food down the street.

## 10. Water

In some countries the local water isn't potable, but you don't need to buy bottled water. Some hotels have water coolers for you to fill your own bottle, or you can filter or sterilize water yourself. And if you're in a country with potable water, there's no excuse for overpaying and creating waste with bottled water. Fill reusable bottles at fountains, or if you must buy bottled water, avoid overpriced concession stands in touristy areas.

## 11. Restaurant Gratuity

Few countries have such rich tipping policies as in North America. In most places servers are paid proper hourly wages, and tips are nice but not expected. And even if it's expected it's not 18% *plus*. The best thing to do is to research the tipping etiquette before you travel.

Also beware of automatic gratuity being added to your bill. Before you chuck on an extra tip, read the fine print to ensure you're not double-tipping.

Hotels

Hotels aren't always the only option for accommodation; hostels have comfortable options including private rooms, and for a more local experience, you can get free accommodation with hospitality exchanges, home exchanges, house-sitting, and more.

### 13. Meals

Restaurants in tourist districts are usually overpriced. If you want to (or need to) eat in that area anyway, lunch is a cheaper option than dinner, with a similar (if not identical) menu and portions.

### 14. Food at Concession Stands

Concession stands in parks, tourist areas, and amusement parks are consistently overpriced. Avoid overpaying by bringing your own food, or buying snacks at a local shop down the street.

### 15. Cell Phone Roaming

Taking your cell phone abroad with your home SIM card could result in hundreds of dollars of roaming charges, even if you don't use the phone. Avoid this entirely by having an unlocked phone and buying a local SIM card, or using an international SIM card with no roaming charges, make sure your emails and Internet notifications aren't being pushed to your phone! It could cost you hundreds.

### 16. Airplane Meals

Don't assume meals are provided in the fare, even on long flights. Confirm whether meal service is included with your ticket, and if not, buy your meal at the airport. You're still paying more than you should, but it's less than you would if you wait until you're on the plane.

### 17. Car Rental

Look for alternatives to renting cars like car sharing, ride sharing, or using a vehicle delivery service. If you must rent a car, remember that rates are negotiable, and you can usually get a free upgrade simply by asking for it. Also remember to check your credit card's automatic insurance policy so you can waive the comprehensive (and expensive) insurance offered by the car rental agency.

### 18. Foreign ATM Withdrawals

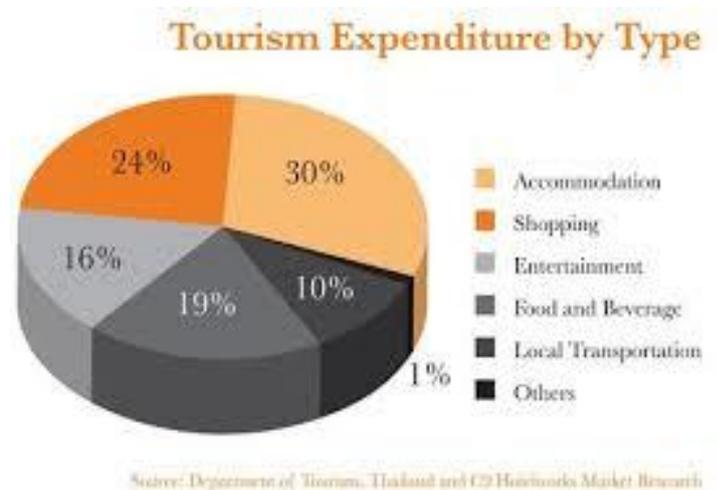
There are two things to be aware of when using foreign ATMs. One is that you should use bank-affiliated ATMS so you don't incur the extra fee charged by private ATMs. The other is to avoid withdrawal charges levied by your home bank .

Some banks automatically refund ATM charges or offer free foreign ATM withdrawals. Check your bank's terms and conditions, and if necessary, upgrade your account to include free foreign ATM withdrawals (and maintain any necessary balance to avoid monthly charges for the upgraded account).

### 19. Baggage Fees

Baggage fees are becoming increasingly common when flying; avoid charges for overweight or checked bags by traveling with carry-on only.

This tips and trick may be too much for some people and may sound weird but they are very important to know and to try to use .we should not only focus on the currency difference between our home country and the country hosted and do not care about overpaying just because we are making enough for living or too lazy to be arguing with the vendors .We should be aware of local people around also and how by our action of accepting to overpay will change their living. Yes we may think traveling for instance in a third world country we contribute to the economy by paying more and helping vendors to make more money to live ;but we forget that the new price we contributed to add in a simple product may change things around after we leave.



Now let us check about the difference between a tourist and a local person and how money divides. First of all, there is a marked difference between tourists and locals, particularly when traveling through the developing countries. Let's talk about transportation for example; Most times the distance can be measured monetarily. In some countries such as Brazil, a sign at the local boat dock advertises one dollar for the short boat ride across the bay to Isla Care Nero, the island where you lived. That price drops to fifty cents if the boat guy knows you. And if you're family or a close friend -- often one and the same in Bocas -- you might just hitch a ride for free if a tourist is already going your way. Locals often assume that travelers are loaded, and most of the time, it's comparatively true. Backpackers tend to carry a lot of cash. Bloggers stash laptops and cameras in their specialized padded backpacks, also not cheap. Even the most frugal will usually have an ipod. Imagine that your third-hand beaten down ipod costs more than a month's even a year's salary to many people across this planet.

But just because a traveler has more money than a local, does that mean we should necessarily pay a higher price for the exact same service? Of course no, but we can avoid that way to think by simply being modest tourist sometime because you will be judge by your items and priced accordingly with your image.

On the one hand: What difference does that fifty cents make to you? How much more would it mean to your boat driver and the family he supports? We should not look at local and see them as beggars ,bargaining is a good way to avoid being rip off but at the same time we should know when to bargain and for how much the difference. With the currency difference sometime we should just let it go and pay just that extra 50 cents on top to encourage the vendor for not begging or stealing.

That's much harder to do when you know your currency money costs more simply because you weren't born locally. How are you supposed to look at the boat guy as just another human being when he looks at you as if you're little more than a human money dispenser? In addition, when all tourists agree to pay a higher level of pricing, the entire economic structure inflates, ultimately impacting locals as well.

Talking about Thailand , the so-called “Thai price” is what torture many foreigners living in Thailand and tourists as well, the dual pricing been a subject of contention among the expat community , while most wealthy tourists probably don’t realize a dual economy exists, even though they may pay up to a third more than a Thai would on many items in tourist area, the large majority of expats complaint at paying more for goods and services than locals which is totally understandable: once you’ve lived in a country for five or so years, you’d expect to be treated like a local. It isn’t just street stalls and local shops that operate a dual economy, either. Many museums and national heritage sites stipulate dual pricing on entry, which is never usually more than a hundred Baht’s difference, but enough of a difference to rile some expats.

While I agree that purchases from local markets should be priced the same for everyone, and most are to be fair, particularly if you live outside of the tourist hotspots, when it comes to museums, heritage sites and other attractions, the best for expats is to get over the dual pricing. The reason is because; in the historical context, (in the current climate) for dual pricing in some cases, it’s important to look at the Thai economy couple of years ago. The first mistake Western critics tend to make is to compare it side by side with that of the UK, or the US. Thailand’s capitalist economy as it exists today is very immature, that presents itself as such but operates quite differently in many pockets of the country. In fact, many of the older generation still alive today will have grown up in a rural barter-type economy – for example, people still talk of swapping goods in her childhood and people lending their skills to each other in exchange

for food and household essentials. Also consider that Thailand has not experienced the immigration and subsequent “multi-culturalism” that Europe and the US has. In comparison, Thailand has very few foreigners, and trade laws and the buying of land and housing is still very restrictive for foreign nationals. Thais still very much do things the Thai way, and in the way they see fit. And yes, for many, this means ‘preference pricing’, which, by the way, is not restricted to foreigners. The fact here is that, the problem is not about the difference between the Thai price and foreigner price (which is small) but is the feeling of being discriminate against, a feeling that no matter how long we’ve been in the country we will always be treated as, and identified as, foreigners. On the face of it, this differential treatment is prejudice.

The reality is that dual pricing has evolved with Thailand; it has a sort of natural existence embedded in the market culture: as it does in numerous Asian and Middle-Eastern countries. Friends, family and regulars tend to pay less; it’s quite simple. But where entry to attractions and heritage sites is concerned, the pricing is based on economics, and not prejudice as some presume. The average wage is less than 10,000 Baht a month, and most Thais are earning little more than 300-400 Baht a day.

For example: if you are taking your family to a museum on the weekend, and an average earning Thai guy wants to take his family too. Let’s say If you earn 150,000 Baht a month, and the Thai earns 15,000 Baht, and the entry fee is 300 Baht for adults, he needs to spend more than a day’s wages for what should be something every father can easily afford to do for his family.

So there should not be, if he and his family entry are subsidized by the government and they only pay 100 Baht each to get in.

Who would have a problem with paying more than someone else because they earn 10 times more, if it meant their family could enjoy the same social outing?

You may pay more than the average Thai for entry to certain places and for certain goods because you earn more and have a privilege to be able to afford to live here and consistently enjoy yourself in nice hotels and swim in the waters of beautiful beaches, and to visit amazing temples and see wonderful landscapes.

The majority of Thais will never be able to take such a holiday in a foreign land. In fact, the majority of Thais have never visited the beautiful islands and wonderful corners of their own country. As a resident you should have privileged to live in a nice apartment, and to be able to afford to eat in lovely restaurants and enjoy all the city has to offer; again, way above and beyond the means of the average Thai person.

The average Thai is referring to the 17 million Thais who earn fewer than ten thousand Baht per month, most of whom, according to a recent bank survey, are in debt of an average of 150,000 Baht; Even the lowest paid expat jobs in Thailand massively outweigh the average Thai wage; so why continue to

grumble those with low salaries access to museums and local attractions at a discounted rate? When we complain how unfair it is that a dual economy exists, we should stop in our self-serving tracks and think for a moment; do we want museums and places of cultural interest to solely be accessible to foreigners and middle/upper class Thais by there being one price for all? Another question is do we want it the other way around, where everyone pays the “Thai price”. That way, we, along with the Thai middle and upper classes, get to clasp even tighter onto our saving, a solution which would no doubt contribute to lowering the wages of those working for state-run museums, national parks and other places of interest. But this isn’t about discrimination: this is about sensible economics. Sure, there are many well-off Thai people who get the Thai price when they can clearly afford more than the average foreigner. But we can’t dismiss 17 million other people on that basis. No, we have to get on with it and stop seeing this as some sort of prejudicial war on foreigners.

Things have moved very fast somewhat over the past few years, and vendors often make a point of telling customers (Thais included) that its “*one price for all*”. But with the actually economy in Thailand, a deal can usually be struck on most things you buy. So if you want to avoid paying more than the locals, you should learn to speak Thai and enable yourself to engage with sellers in their native language it’s all about getting fit to the culture

By making a little effort to learn the language, you’ll be able to bridge the gap and integrate into the local community. You’ll be able to strike up a conversation and ask for a discount (*Thai price*). Otherwise you can expect to be perceived as just another foreigner enjoying the fruits of the country but who arrogantly has no interest in bothering to learn the language. So let’s stop being so sensitive, and instead be compassionate enough to accept that this isn’t discrimination.

The authorities don’t set a Thai price to intentionally segregate us and hurt our feelings. No, it’s about giving those with considerably less money than we have access to museums, national heritage sites, local attractions and occasionally goods that they can’t afford. This enables poorer families to have more freedom; to take the kids out, to enjoy socializing in their local community. It also enables poorer families to save more money. And who knows, one day, just like you and I, they may be able to take out life insurance, send the kids to university, or at the very least enjoy a holiday in their own country once in a while to the cinema.

Meanwhile, industry is the foundation of a country; Thailand should also develop industry. Actually, tourism brings a lot of foreign exchange to Thailand, and this money is the foundation of development of industry. According to the research done by ESCAP, in 1985, the total demand for output induced gross

foreign exchange from exports of 239.8 billion baht. The total net foreign exchange earnings ratio was 0.814. Also, the overall ratio for net foreign exchange earnings by the tourism sector was 0.8795, which is higher than any of the four industries or the total net foreign exchange earnings ratio. This date was from 1985, today, the ratio is even higher. As we know, industrial development need a lot of money as investment, this amount money lays a solid foundation for industrial development in Thailand. Tourism now could play the role of source of that investment in the future

In addition, tourism solves a lot of social problems in Thailand, and a stable social order is good for economic development. First of all, tourism promotes development of related industries. Tourism is not just people come to Thailand going sightseeing to those historical places and natural landscape; people need restaurants to eat, hotels to live in, vehicles to take, stores to shop. For example, hotels, according to Thai Hotels Association (THA), in 2011, the average hotel occupancy rate was at 59.21 per cent. And there are over 4,000 hotels in Thailand. These hotels bring great benefits to Thai economy. Also, shopping in Thailand is also prosperous. Siam Paragon is the 10<sup>th</sup> biggest shopping mall in the world. Siam Paragon is in Bangkok, it has 3.22 million sq ft. Government takes 7% value added tax from goods. Shopping also bring great benefits to Thai economy.

Second, tourism offers a lot of jobs to people. According to the study from ESCAP, in 1985, tourism and it relative industry offered 14.6 million jobs in Thailand, which was 55 per cent of total jobs of 26.6 million.(ESCAP, 34) According to another study from the World Tourism Council, in 2009, tourism offered more than 4 million jobs, which was 11.1 per cent of total jobs. Unemployment is becoming one of the most serious issues of society, but when we looked at the WORLD FACTBOOK from CIA, in 2010, the unemployment rate of Thailand is 0.5 per cent; in 2011, it was 0.7 per cent. Compare to the United States (2010, 9.6% and 2011, 9.1%) and China (2010, 6.1% and 2011, 6.5%)\_tourism in Thailand does have positive effects of the society. Furthermore, Thailand government forecasts that by 2019, one job in every 8.3 jobs in Thailand will be related to tourism.

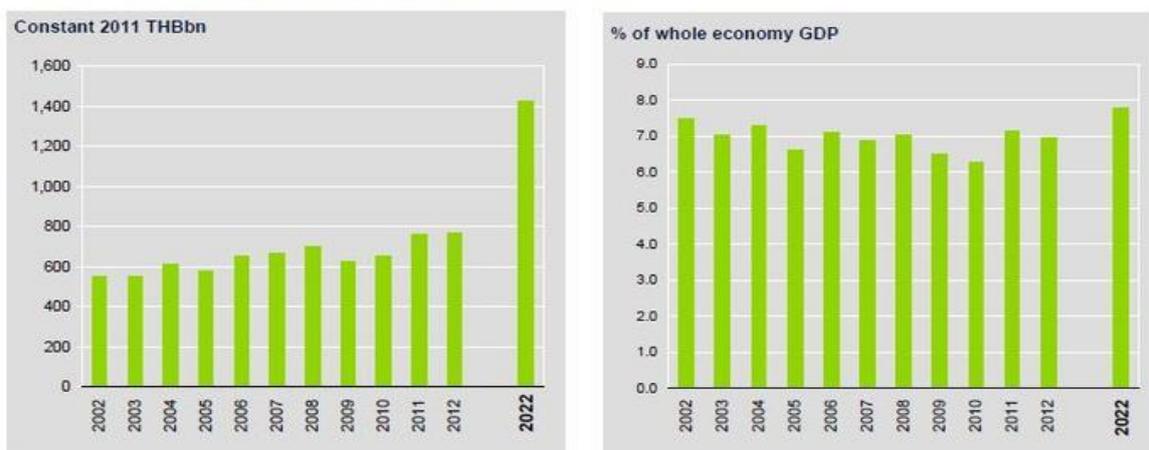
Everything in the world has its own two sides, and tourism in Thailand will be no exception. Besides those positive effects, tourism also has negatives in Thai society, such as education. Tourism workers don't need a lot of knowledge, and most tourism workers are doing physical labor, for example, washing dishes in restaurants, cleaning the floor of hotels, selling goods to consumers. People can do those works even they don't know how to read and write. Each year, even though about 700,000 graduate from Thai

school, and only 70% go on further studies, the number is decreasing now. But the quality of education in Thailand is poor. Sumate Yamnoon, who is from Higher Education Commission Secretary-general, claims:” Our process to screen students for higher education is problematic\_He believes that even though the number of offers has been increased from 235 to over 2,000 each year, but the number of lectures stays the same. All those shows Thailand’s government is paying less attention to education and poor education has long-term negative impact on a country.

Tourism also leads to sexual negatives on society, such as prostitution and other kinds of sex industry. For example, AIDS is becoming one of the most serious issues in Thailand. In the end of 2009, there are 530,000 people who are living with HIV, and in 2009, 28,000 people died from AIDS\_As we know, AIDS can be transmitted sexually. Controlling sex industry will be another mission for Thailand’s government.

Tourism makes possible impacts on the economy of Thailand. On the one hand, the contribution of tourism to GDP is in a high ratio in Thailand. The primarily reflects the economic activities generated by industries such as hotels, travel agents, airlines and other passenger transportations services. Also, it includes the consumptions activities supported by tourist. It means that a high proportion of GDP of Thailand is supported by tourism or tourism related activities. According to the graph from the World Travel & Tourism Council that shown below, it shows the direct contribution of tourism to GDP of Thailand. There is about 7% of GDP supported by tourism in average annually. This is a high ratio and proves that tourism affects positively to the economy of Thailand.

THAILAND: DIRECT CONTRIBUTION OF TRAVEL & TOURISM TO GDP



On the other hand, as tourism is important to the economic development of Thailand, it provides a lot of

job opportunities to the local population. According to the graph from the World Travel & Tourism Council that shown below, it shows that tourism generated about 2,000,000 jobs directly in 2011. Employment by hotels, travel agents, airlines and other passenger transportations services are the examples of job opportunities brought by tourism. Tourism increases the supply of jobs. This can help to reduce unemployment rate of Thailand. So, besides engaging the GDP, tourism also benefits to the societies of Thailand.

**THAILAND: DIRECT CONTRIBUTION OF TRAVEL & TOURISM TO EMPLOYMENT**

