

Tourism Industry Losses and Recovery Process from the Indian Ocean Tsunami - A Case of the Affected Tourist Destination in Southern Thailand -

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ABSTRACT :

Three years have past since the Indian Ocean Tsunami occurred on December 26, 2004. Southern Thailand that is famous as a worldwide sightseeing area suffered serious damage from this disaster. This paper provides the problems and the viewpoints for countermeasures in the sightseeing area from the disaster response to the Indian Ocean Tsunami and the agenda for a future action plan for tourism industry based on the recovery process in southern Thailand from the disaster for three years.

Firstly, we analyze the recovery process after the Indian Ocean Tsunami using the time-series number of tourists from the foreign countries such as Japan, Germany, Australia and Sweden to Phuket for six years before and after the event. Secondly, we grasp the recovery process to have interview to owners and managers of tourism-related business like hotels to hear about their post-disaster experiences in sequence from March 5 to 11, 2007.

As a result, it could be seen that the return of the tourists from the foreign countries to Phuket shows a different tendency from one to another. Especially, it is characteristic that Japanese tourists did not come back to Phuket after the tsunami. In addition, we proposed the six items based on the result of the interview, that is, the reinforcement of the refuge system, some loan programs for reconstruction of the facilities like hotels and bungalows, the necessity of diversification of risk to the hotel guests, a compensation system to foreign laborers, baseless and harmful rumors and countermeasures to them.

KEYWORDS:

tourism industry, damages and losses, disaster response, recovery process, the Indian Ocean Tsunami, southern Thailand

1. EFFECTS OF THE TSUNAMI ON THE NUMBER OF TOURISTS

Fig.1 shows the time-series tourists data for six years from four countries, that is, Japan, Australia, Sweden and German, to the Phuket International Airport. It could be seen that the return of the tourists from the foreign countries to Phuket shows a different tendency from one to another. Especially, it is characteristic that Japanese tourists did not come back to Phuket after the tsunami. As the reason, ways of thinking for the affected area are different every country (Fig.2). According to the VISA report 2005, more than 80% of Germans, Australians and Swedes who made a voyage to Asian countries including Thailand after the disaster think that 'it becomes the help of the revival to visit in the stricken area'. On the other hand, many Japanese think that 'it troubles the affected area to visit the stricken area'.

2. METHODS OF THE RESEARCH

Aiming at presentation of the rehabilitation/reconstruction process of the tourism industry in Southern Thailand and problems to tackle, we carried out interview for seven days from March 5th (Mon) to 11th (Sun), 2007 in Phuket Province and Phang Nga Province (Fig.3), where the damage to people and the structures were heaviest. Our interviewees were those who were in the tourism industry and had been directly involved in the reconstruction operation. The researched areas have their own characters: Phuket Province, which was developed from an early time, is a multi-purpose resort where short-stay tourists such as Japanese people enjoy

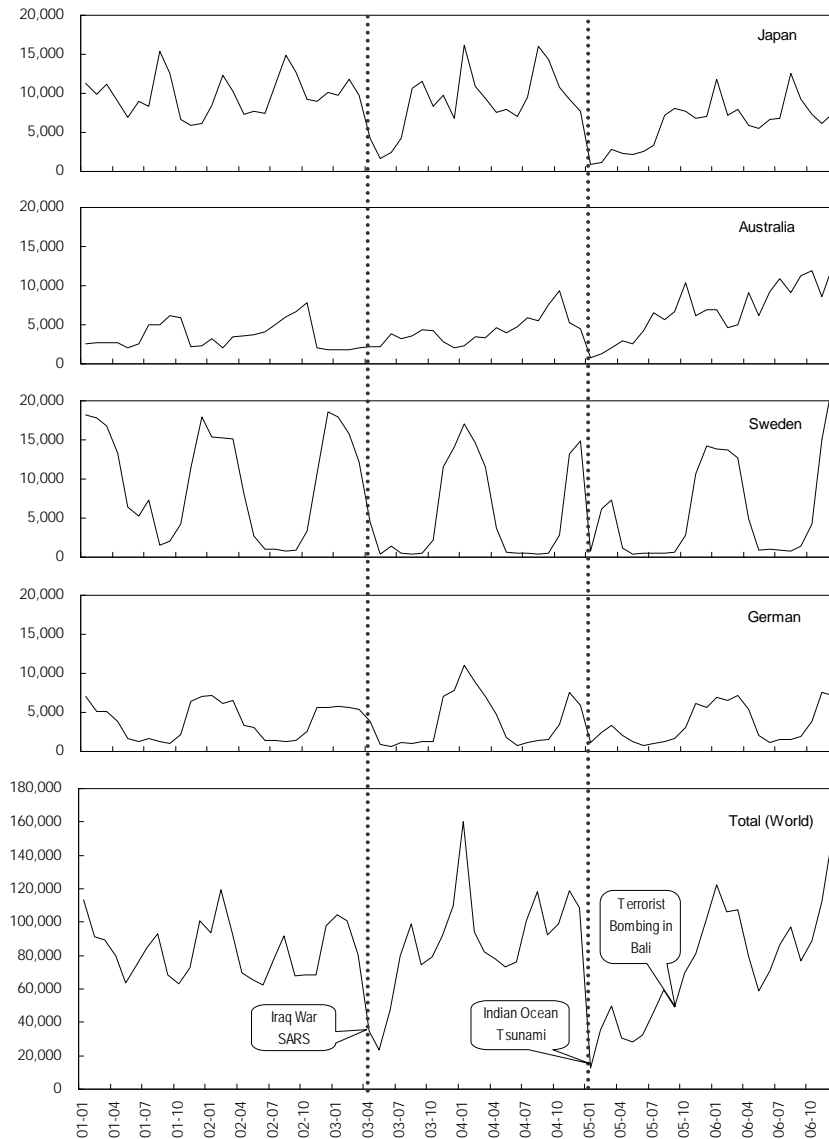


Fig.1 Time-series tourists data from four countries to the Phuket International Airport

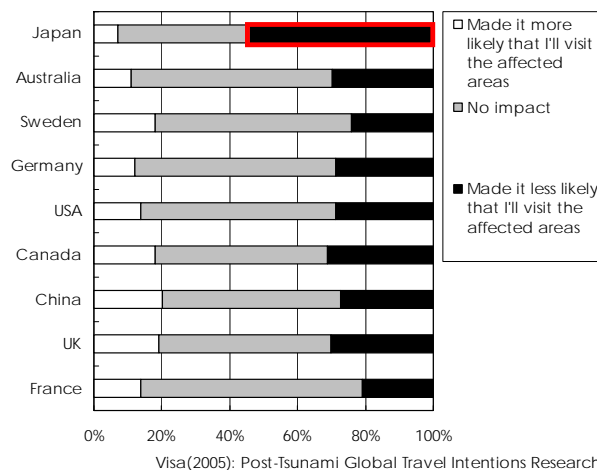


Fig.2 Impact of tsunami on the affected areas travel plans (VISA,2005)

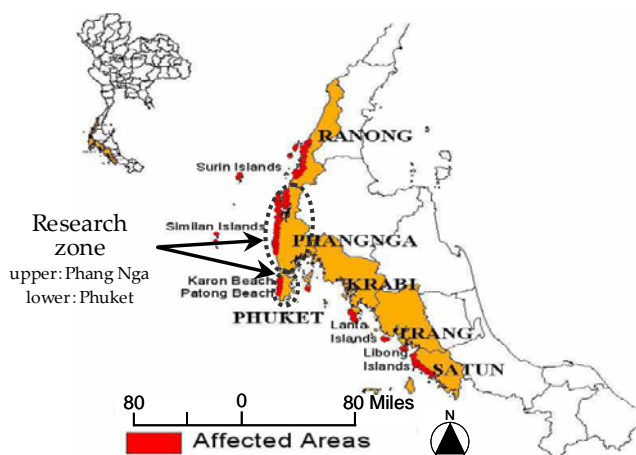


Fig.3 Affected areas and research zone

from sea bathing to amusement areas, whereas Phang Nga Province is a popular resort newly developed as a long-stay resort for Europeans and offers bungalows and guest houses at relatively low costs as main accommodations. Our main interviewees were those who ran accommodations of various scales (hotels, bungalows, guest houses) in either of the provinces or long-established diving shops, or those who work for Phuket branch of Thai government tourism office or for Phuket Japanese Society (later the rehabilitation/reconstruction committee), and each of them were interviewed for 1.5 - 3 hours.

The interview was not carried out in the “question & answer” style but the interviewees were given the explanation on the purpose of the research at the outset and were encouraged to talk freely focusing on the two points shown below:

- 1) Tell us your experience from the disaster up until present, chronologically wherever possible.
- 2) Concerning your stories in 1), tell us how you made judgments and coped in the situations you were in, including situations where you were troubled and/or when you were in confusion.

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3. THE RECONSTRUCTION PROCESS OF TOURISM INDUSTRY OBSERVED IN THE INTERVIEW

What all the interviews had in common was that they all had stories to tell about how the interviewees had gotten at a loss right after the tsunami stroke their areas, how they had evacuated their guests and how they had secured places of refuge for them, arrangements for guests returning to their home countries, cleaning up of their facilities, reconstruction and renovation, resumption of their business and suffering groundless rumors. I would like to summarize here what was common among the reconstruction stories the interviewees of the disaster-stricken areas told us.

3.1 Right after the occurrence of tsunami (Dec 26th, 2004(Sun), the day the tsunami happened)

3.1.1 Not knowing what was happening

“We’d never had earthquakes in Thailand. It was the first time I hear the word ‘Tsunami’”. It has been revealed that many of the tourists or the hotel staff that were killed in the tsunami had been out on the beach to collect fish and prawns left there after the water had receded as much as about 200m before the first wave of the tsunami arrived.

3.1.2 There was no large refuge

Neither Phuket Province nor Phang Nga Province had places of refuge for emergency. There was, however, an unspoken agreement among the local people in Phuket that they got together at a temple in the town when there were any special events such as a festival, and in Phang Nga at Wat Yang Yao (later used as a mortuary)

in Thakua-pa. However, in the coastal areas, most of the population was foreign tourists who did not know where meeting places were. Therefore they were thrown into confusion when the tsunamis stroke the area and they needed to be guided to places of refuges by the hotel staff.

3.2 1~3 days after the occurrence of disaster

3.2.1 Chaos at the passport control at Phuket International Airport

Huge effort was made at Phuket International Airport by airport staff, air companies and TAT staff to help the tourists get on their way home as quickly as possible. As many flights to Bangkok as possible were arranged by Thai Air, Bangkok Airways and the army. The airport staff and the others tried to give tourists priorities according the degrees of their injury, however, the airport fell into great disorder when some insisted on accompanying their injured relatives while others just tired to get on board as soon as possible. The chaos did not subside even after two days and tourists were given blank tickets and were put on board without going through the passport control.

3.2.2 The handling of victims by Disaster Operations Headquarters at Puhket Provincial Office's

From the day when the disaster happened, the 2nd floor of the Phuket Provincial Office has been used for Disaster Operation Headquarters where many tourists took refuge. As appeals for contribution and foreign-language- speaking volunteers were aired on 26th on the radio, from the second day of the disaster, the headquarter got filled with sightseeing tour guides and interpreters who were willing to work as volunteers. The main assignment of the volunteers was to interview foreign tourists under the instruction of the immigration bureau and/or the police for individual information such as names, countries of origin and what and who they had lost until embassies and the immigration bureau were ready to take over the task on the third day. As most of the tourists had lost their passports and/or air tickets, they were instructed to go to the police station to have IDs issued. On the third day, each embassy set up their own booth on the 2nd floor of the provincial office and carried out tasks such as issuing passports. Their efficient dealing helped the returning procedure flow smoothly and also later helped identifying missing people.

3.3 One week after the disaster

3.3.1 Prompt cleaning in and around facilities

Patong is a long-established resort which earns most in Phuket Province. As it was feared greatly that delay in its recovery could cause even worse damage to the economy, the administrative organs such as the provincial office and the town office very promptly arranged cleaning of the area. Debris, cars, parasols and jet skis were removed from the streets in a week by the overall collaboration of the administrative bodies.

3.3.2 Physical and mental trauma of managers

For one week after the occurrence of the disaster, hotel managers were kept busy with evacuation and departure procedure of their guests and with handling numbers of telephone calls and emails. Therefore after their gusts were gone, they suffered a sense of sudden solitude, mental and physical fatigue and lost motivation at work and at home. Although those people who worked in the disaster operations were at the same time victims of the disaster, no mental care had been considered for them. As a result, such traumatic period for those people continued long, and even now, two years after the disaster, some of them still mentally collapsed during the interview.

3.4 One to a few months after the disaster

3.4.1 Resentments over the rumors and mass-media reports

As explained previously, accommodation facilities in Patong suffered almost no physical damages. However, the number of tourists to the area plunged despite the efforts made in the management of the facilities. Especially returning of Japanese tourists who used to account for 10% of the total number of the tourists was particularly slow.

The members of the rehabilitation/ reconstruction committee which had been organized within the Japanese Society expressed their resentment claiming that the mass-media's false reports aired in Japan had caused groundless rumors which eventually lead to a long-term decrease in the number of Japanese tourists to the resorts. At the initial stage of the disaster, Phuket was reported as the most devastated are. However, as other calamities such as in Ache in Indonesia was confirmed later, many of the media correspondents turned their attention from Phuket without amending the false report that Phuket had been demolished. For instance, they

reported on the damage in Khao Lak from a beach in Patong, thus giving an impression that the whole Phuket was suffering a devastating damage.

3.4.2 Launching of rehabilitation/reconstruction committee and TAT's dealing of the rumor problem

As the problem of the rumors became outstanding, the rehabilitation/reconstruction committee was launched within Japanese Society to send the mass-media and Japan correct information about the facts and the state of the tsunami-stricken areas. The committee's main work is to set up a website where they actively reported facts on the recovery process of Phuket using maps, photos and data.

After a self-restrain period of 45 days, we proposed that, by collaborating with TAT overseas offices, we invite media correspondents from other countries including Japan and show them the important parts of Phuket so that the correspondents could report and appeal correctly on the steadily progressing reconstruction process. TAT paid all the travel cost but it did not lead to increase of Japanese tourists after all. We also organized concerts by popular singers such as Day After Tomorrow and Kumi Kouda but the turn-out was far lower than had been expected and our effort did not pay off. However, "no tourists" meant a matter of life and death to us and our employees. In the situation where Japanese tourists were not coming back and so there was not work to do, there was no choice for us but to do whatever we could do about the rumor problem and we felt we ought to do so apart from possible outcomes.

3.5 One year after the disaster

3.5.1 Reconstruction of facilities

In Patong, the physical damage to the facilities of middle to large scale hotels were covered by insurance to some extent. However, the coverage was limited and insurance was not applied to facilities such as swimming pools, which had been damaged badly, and the furniture in each room.

Many people stay in Khao Lak for a long term such as 2~3 months. When the devastating disaster hit Khao Lak, it was being advertised as a long-stay resort with bungalows and guest houses set in natural surroundings. Therefore quite a few people lost their properties while still paying mortgage and ended up with having two mortgages. Two years after the disaster, there still remained quite a few houses still not repaired or properties which had not yet recovered buildings.

Smaller scale accommodations such as bungalows guest houses did not have insurance and so had to pay for repair and/or rebuilding by themselves. The reason why they did not use the low-interest loan from the government bank was that the loaning period was very short and the task of reporting the degree of damage and how and when the borrowed money was used was felt too much bother. Most of the small buildings which were not made of RC (Reinforced Concrete) were washed away. Therefore not all the buildings were reconstructed exactly as same as the lost ones, but instead some more flexible reconstruction plans were adopted. For instance, seventeen out of forty bungalows were reconstructed by the owner in the first year, and depending on how those restored accommodations performed and how much income they could get, and also depending on how the reconstruction of the hotels in Khao Lak was progressing, they decided whether to commit the construction of another thirteen bungalows to constructors. That is to say, the loan scheme by the government and the bank did not suit such stepwise reconstruction plans according to demands.

3.5.2 Different trend of tourists depending on each resort

The number of Australian and European tourists returning to the hotels along the Patong beach gradually increased from mid to the end of 2005. Also many people were thinking more Australians were choosing Phuket instead of Bali in Indonesia since the terror bomb attack in October 1st, 2005. Patong enjoyed a steady influx of tourists from around August to September 2006 and some hotels even recovered the normal performance by the end of 2006. They have tourists mainly from Australia, Sweden and Switzerland, and, from Asia, mainly from China and Taiwan.

In Khao Lak, there was no change in origins of the tourists after the disaster, and tourists were mainly Germans, Swedish, English and French as ever, most of who were long-stay guests and stayed for a whole season. The accommodation facilities were almost completely destroyed in the disaster and they were left without any buildings, electricity or even coconut trees. The accommodations we visited reopened gradually from mid 2005 to 2006 but their performance remained low partly due to the devastation in the surrounding area. However, on the other hand, there is a thought among Europeans that visiting the disaster-stricken resorts helps their reconstruction. Many local people expressed gratitude to people who support them by repeatedly coming back.

3.5.3 Support schemes for foreign workers (Japanese expatriates in Thailand)

It is not clear how the contribution of one billion bhats form all around the world was used but nothing was heard about governmental support for reconstruction of the tourism industry. Especially, fifty thousand yen was granted to foreign workers (Japanese expatriates in Thailand) whose houses were completely destroyed but there was no more compensation for them at all. We approached the Japanese prime minister, ministers and statesmen for cooperation in vain. They all said it was an unprecedented situation and so was too difficult to tackle. The activities of Japanese Society were supported solely by volunteers within limited finances.

4. DISCUSSION BASED ON THE FIELD INTERVIEWS—LEARNING FROM REHABILITATION AND RECONSTRUCTION OF SOUTHERN THAILAND—

We propose the six items based on the result of the interviews, that is, the reinforcement of the refuge system, some loan programs for reconstruction of the facilities like hotels and bungalows, the necessity of diversification of risk to the hotel guests, a compensation system to foreign workers, baseless and harmful rumors and countermeasures to them. Some lessons of them are as follows.

4.1 Reinforcement of evacuation drills

Following the situation in the disaster this time, three tsunami warning towers were installed on the most important resort, the Patong beach. With the towers, it has become possible to warn of tsunami in six languages. Sign boards for places of refuge have been placed all around in the coastal area indicating routes to take and locations to evacuate to. In the interview we learnt that drills meant to take place regularly using warnings from the tower had taken place only once up to that point, but many Thai workers were confident their real experience in the past would help them cope with a disaster well should it happen again in future. There are necessary equipments to be sure but practices to make the best use of them will be continually needed.

4.2 Reinforcing collaboration within tourism industry

In most cases in the disaster this time, disaster operations such as evacuation of guests or securing places of refuge were carried out by each accommodation. Hotels which were run as a group were able to use some of their hotels which were located in inland areas and so were not directly affected as places of refuge. However, other hotels had a hard time securing places of refuge looking for vacancies in inland hotels, ending up paying unduly raised rates. If there is collaboration and agreements within the tourism industry at normal time, they will be able to effectively share facilities at times of emergency.

4.3 Financing schemes for tourism industry

Most of the bungalows and guest houses in Phang Nga Province had not taken out insurance for their buildings and so had no choice other than to rebuild new ones by themselves when the old ones suffered a devastating damage. Owners who have a large capital such as large landowners were able to recover from the damage. However, most of the facilities had already been borrowing money for new buildings when they were struck by the disaster, and so it was not possible for them to set up a new loan for reconstruction. Even at present there are vacant lots and half-built accommodations everywhere. In such a situation, it is not easy for a single accommodation to attract guests when there are no other accommodations operating normally around them. Therefore some bungalow owners are rebuilding new accommodations step-wisely taking enough time while they monitor reconstruction process in the surrounding area. There should also be a financing scheme which suites such a situation as this, in addition to the short-term full loan aimed solely at recovering the same buildings as the ones which have been lost.

4.4 Compensation schemes for foreign workers (expatriates in Thailand)

According to the president of Japanese Society in Phuket, there was a present of fifty thousand yen to Japanese workers in Thailand whose accommodation had been completely destroyed, however, other than that, they did not get any compensation from Thai government or from Japanese government. We visited Japan several times and appealed to the prime minister and statesmen, but, although we had certain response from them, nothing was materialized to facilitate a compensation scheme as it was “an unprecedented event”. Japanese people living in Thailand are playing an important role to introduce our culture to the local people through variety of events

while engaged in tourism industry. One may argue emergency relief to those Japanese people who actively work in a foreign land should not always be given by Japan. However, we must avoid a situation where those people are held up between Japan and the country they live in and get anything from neither of the two countries. Compensation schemes for Japanese expatriates should be further discussed in future while we carefully monitor the state of the damage and the schemes in both countries.

4.5 Necessity of risk dispersion marketing

There is some difference between tourists in Phuket Province and ones in Phang Nga Province. In Phuket Province, Patong, the largest resort in the island has been mainly attracting the Japanese and Australians, while natural and serene places such as Khao Lak beach have been attracting Swedish or Germans who prefer to stay for a long time. The damage to facilities is obviously less in Phuket but because Japanese tourists did not come back, most of those in tourism industry in Phuket suffered bankruptcy or a slump. From the disaster this time, we have learnt that business risk would have been dispersed by having as many markets as possible. In business in general, diversity in goods could reduce risks but at the same time it may cause relatively low profit. Which strategy to take is up to each business owner's judgment, but in disaster prone areas it is important to consider a strategy that take disasters into account.

4.6 Rumor problems and how to deal with them

From analysis of the trend in the number of foreign tourists and the contents of the interviews shown in Ichinosawa(2006), it has been revealed that Japanese consumers who rely on information they obtain second-hand from mass-media and/or travel agencies are refraining from purchasing holidays. However, the rumor problem in the tourism industry is regarded only as a problem in business and so is not thought to be a matter to discuss in terms of direct monetary or substantial support, while on the other hand government-led indirect support such as promotion of tourism has been implemented. Ways of support for damages to which the formula of "natural disaster= disruption of the foundation for living" does not apply should also be discussed in future. Also at the same time, we should renew our perception of the importance of truthful reports which incorporate consideration to reconstruction process in disaster-stricken areas.

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