Destination Level

Value Chain Analysis (VCA)

of the Tourism Sector in Phuket

SWITCH-ASIA Tourlink Project, March 2022

Prepared by
Claudine Nagiah
C.N. Consulting Co. Ltd.

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1. Introduction

The TourLink project is funded by the EU SWITCH-Asia Program. TourLink aims to green Thailand's tourism supply chain through a business-led approach, facilitating end-to-end, B2B sustainable supply chain partnerships, from EU buyers, Thai tour operators, their suppliers and communities. The project is working in partnership with PATA, TEATA, DASTA, the Thai Hotel Association, and a Working Group consisting of 14 Thai Tour Operators focusing on the EU market.

The project aims to support Thai tour operators and their suppliers to achieve a sustainable recovery from Covid-19. It will do this by developing common sustainability standards, providing sustainability training and capacity building, and promoting Thailand to the EU market as a leading, sustainable tourism destination.

Key actors in tourism supply chains include tour operators, transport, accommodation, food and drink, tourism activities (including community-based tours), souvenirs, and the tour guides who lead tours. Each of these key actors themselves rely on a large variety of inputs. A sustainable tourism sector strongly depends on the behaviour and operations of actors in the destinations visited and the availability of sustainable solutions and supplies from supporting sectors such as water and energy, waste management, transport, food, and other types of green trade. The more sustainable inputs are available and used, the more sustainable the supply chains will become. TourLink's innovative approach will mobilize and mentor tour operators, accommodations, and other Thai tourism providers to achieve minimum standards of sustainable consumption and production. In this way, TourLink will create benefits for people and planet by raising sustainability performance along Thai tourism supply chains and boosting demand for more sustainable product choices.

National Value Chain Analysis

***A Value Chain Analysis* (VCA)** of the Thai tourism industry is a key output of the TourLink project (Activity Cluster 4.1). It aims to provide an update on the current situation in Thai tourism and make recommendations for project implementation.

During 2021, the VCA was undertaken at national level. Activities included desk research and interviews with a sample of 18 Thai tour operators that focus on European markets. The national VCA describes the Thai sustainable tourism policy and stakeholder environment; identifies key sustainability issues in Thai tourism supply chains and destinations; introduces a sample of Thai-EU sustainable tourism operators; and helps to identify which Thai tourism suppliers, products, destinations and routes to prioritize in the Thai-EU tourism value chain. It describes key supply chains and identify opportunities for Thai tourism businesses to integrate more sustainable suppliers into operations and products. The VCA also identifies and prioritises opportunities for synergies and collaboration with other relevant organisations and projects and helps to identify priority actions for future Tourlink project implementation and serve as a point of reference for monitoring.

In early 2022 two Destination Level VCAs focusing on Chiang Mai and Phuket were carried out to "dig a little deeper" at local level and supplement and support the findings of the national VCA. This report contains the findings of the Destination Level VCA focusing on Phuket and the surrounding area. It aims to deepen TourLink's understanding of the key issues that need to be prioritized and tackled in Phuket

and help the team to identify specific tour operators and suppliers to engage in future TOURLINK project activities.

2. Approach and Methodology

2.1 The TourLink Approach

Tourlink focuses on mainstream supply chains, including excursions and DMC's core suppliers. Key focal sectors at destination level were identified and agreed during the National Level VCA, as follows:

1. Tour operators
2. Land transport (minivans, buses, taxis, coaches),
3. Water transport (speedboats, boats and longtails)
4. Marine excursions
5. Tour guides
6. Accommodations
7. Restaurants
8. Communities (EU-Thai tourism supply chains – either commercial sightseeing or CBT)
9. Captive animals (focus on elephants and monkeys in tourism)
10. Spa (low priority).

TourLink also focuses on the following cross-cutting themes:

- common sustainability standards by sector
- the SWITCH-ASIA priority issues of carbon, single use plastic, food waste and communities
- Scale, focusing on small, medium and large operators
- Sensitivity, respecting confidential information and privacy, safeguarding relationships, contact details and competitive advantages.

2.2 Phuket VCA Methodology

Background research and a series of consultations with local government officials, tourism association representatives, and tourism suppliers, was carried out in March 2022. The 14 DMCs in the Tourlink Working Group kindly provided the names and contact details of their major suppliers in the target destinations in the focus sectors, marine tours, land transportation companies, tour guides, hotels, restaurants, spas, elephant camps, and CBT villages. These suppliers were ranked by the number of DMCs they were working with, and the ones working with the most DMCs were selected for interview.

A list of around 30 priority suppliers, government agencies and tourism associations was compiled and contacted to request a meeting. At the time the research was being carried out, Phuket was experiencing a high incidence of Covid-19 cases. As a result, many of the people we approached for interview were not available; either because they were unwell, in isolation, or their businesses were temporarily closed. The translator who was engaged to support the consultation process also contracted Covid-19 during the research period and the Lead Consultant was required to isolate for 5 days as a high-risk contact. Although we were able to carry out several meetings via telephone, Zoom and LINE, some stakeholders were not comfortable using with these communication channels. Some of the contact details that had been kindly provided by the DMCs were found to be out of service or had no response, possibly due to high staff turnover and the temporary closure of some companies due to the uncertain business environment.

Despite these challenges we were able to conduct 18 meetings with different stakeholders between the 7th and 22nd March 2022. Stakeholders were asked to share their views and experience on a series of questions designed to provide the TourLink team with a greater understanding of the local situation relating to:

- existence of a strong, effective and enabling environment to facilitate sustainable destination management;
- the availability of high quality, sustainable tourism suppliers, including local communities;
- the availability of sustainable solutions and supplies from related sectors such as food, transport, water and energy, waste management, and other types of green trade; and
- the operations and choices of tourism businesses and tourists in the destinations visited.

The information gathered during the VCA research is supplemented by information collected by the Consultant during recent Travelife audits with hotels and tour operators in Khao Lak and Phuket.

The findings of the research are presented in the following chapters.

3. VCA Findings

Background Information

The Province of Phuket covers approximately 576 km^2 and consists of the main island and 32 smaller surrounding islands. The province is divided into 3 districts (*amphur*), with 17 sub-districts (*tambon*) and 9 municipalities (*thessabaan*). The population was reported to be 525,018 people in the last nation-wide census in 2010. Tourism is the main economy on the island. Therefore, the province's economy has been particularly hard hit by the Covid-19 pandemic from 2020-2022.

Phang Nga province is divided into eight districts, consisting of 48 sub-districts and 314 villages. The province has a number of popular attractions, including the beach resort of Khao Lak, the diving and snorkelling destinations of the Surin and Similan National Parks, the limestone karst scenery and mangrove forests of Phang Nga Bay, the islands of Koh Yao Yai and Noi, and the historic old town of Takua Pa. Many of these attractions can be reached in day-trips from Phuket. Phang Nga is not as heavily developed as the neighbouring province of Phuket, and agriculture, such as oil palm and rubber plantations, vegetable and fruit production, is a key part of the area's economy.

3.1 To what extent is there a strong, effective, and enabling sustainable destination management environment in the destination?

Without sustainable destinations, there can be no truly sustainable tourism. This means better places to live, work, play and travel in. Key success factors include leadership, governance, cooperation between different organisations, and the ability to see and create synergies across sub-sectors.

The highest-ranking government official is the Provincial Governor, who is appointed every two years. Each Governor brings his own priorities and agenda, which may or may not include sustainable tourism. Understandably, in recent years the primary focus of the local authorities has been on managing, mitigating and recovering from the Covid-19 pandemic, including everything from public health measures, feeding thousands of people who were out-of work, and restimulating the economy through domestic tourism and later international tourism through the Phuket Sandbox and Test and Go initiatives. There has been cooperation among different branches of government and also with the private sector on the Covid-19 response, however, the frequent changes of rules and regulations, coupled with ineffective communication with relevant stakeholders did create some challenges in implementation.

Sustainable tourism has been a topic of discussion in Phuket for at least 10 years and the concept is well understood. There is regular collaboration between the Governor's office, TAT, the major hotels, resorts, restaurants and tourism businesses and the charitable sector, such as social and environmental projects, events such as beach clean ups, and hosting and sponsorship of fundraising events. So far, however, the big challenges impacting sustainability in the destination have been more difficult to solve.

3.1.1. Key sustainability challenges, risks and opportunities at destination level?

The main sustainability challenges in Phuket relate to an inconsistency between the number of tourists the island receives and the island's infrastructure and carrying capacity.

Water Storage and Supply Infrastructure

The years immediately prior to the pandemic, were characterised by relatively dry weather and high demand for fresh water, leading to critically low levels of water in the island's public reservoirs. In 2019 the Thai Cabinet approved a B3.5 billion proposal to install a water-supply pipeline from Phang Nga canal to Phuket[1], but the current status of this proposal is not clear. Rainfall during 2021 and 2022 has been higher, and the number of people living on and visiting the island has fallen considerably, and the island's reservoirs are full once again. The immediate concern over water storage and supply has temporarily subsided. Nevertheless, this is likely to be a critical issue in the future, as periods of drought and rainfall become more severe and unpredictable. Therefore, water supply, storage and efficiency remain critical issues for sustainable tourism on the island.

Waste-water Treatment Infrastructure

During peak tourism periods island's municipal waste-water disposal facilities are insufficient to keep up with demand. In some locations, some homes, businesses, *sois* (small streets) and *klongs* (small canals) are not connected to the municipal waste-water treatment centre. Untreated waste-water can be observed entering the ocean, including on tourist beaches, especially after heavy rains. Despite considerable investment by the government to expand waste-water treatment facilities in problematic areas, this is an ongoing issue, even in 2021/2022 when the number of people living in and visiting the island are relatively low.

Waste Reduction, Disposal and Management

Phuket's waste management system is overseen by the Phuket Waste Management Committee led by the Provincial Governor, with the Chief of the Provincial Office of Natural Resources and Environment as secretary and leaders of the Local Administrative Organizations as members. The Committee oversees waste management policies, implementation, waste collection, transportation, processing and disposal. Waste collection from households, communities and businesses is carried out by private contractors hired by the 19 local administrative organizations. Phuket Province divides waste into four categories which are bio-degradable waste, sellable waste, general waste and hazardous waste.

The Municipal Waste Disposal facility at Saphan Hin consists of 5 landfills covering 120 rai (which are already full and cannot be expanded) and a 250 ton incinerator (currently not operational) and a 700 ton incinerator, as well as an incinerator for medical waste and a dump for other hazardous waste (Sivakunakorn et al. 2014). The Centre has the capacity to process around 700 tons of waste per day. During peak tourism periods this is insufficient, as up to 925 tons of waste can be received every day for processing[2].

The many smaller islands surrounding Phuket do not have their own waste disposal facilities, meaning that solid waste has to be shipped back to Phuket by boat to be properly disposed of at the Provincial Waste Disposal Facility, which is inconvenient and expensive, leading to improper waste management and low levels of recycling. Phang Nga province does not have facilities to process chemical, hazardous or electronic waste. To dispose of these items properly, operators need to collect them and transport them to Phuket in their own time and at their own expense.

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[1] https://www.thephuketnews.com/bridging-supply-%C2%A0officials-reveal-b3-5bn-proposal-to-resolve-island-water-shortage-woes-72197.php#RwxDs7g017QAYIV5.97

[2] https://www.thephuketnews.com/phuket-waste-woes-grow-landfill-nearly-full-69168.php

Recycling in Phuket and Phang Nga is handled by the private sector, which consists of informal waste collectors, merchants, companies and waste separation centres. Recycling facilities in Southern Thailand are limited, so recyclable materials are shipped to other parts of the country to be processed. There are no industrial composting facilities for food waste and biodegradable packaging available in the destination.

In recent years, a nascent movement away from the disposable plastic towards reusable and compostable packaging has started to take place. Efforts to reduce use of plastic bags have been led by major chains such as 7-11 and Central Department Stores and have found widespread support among the islands ex-patriate populations, affluent local residents and rural communities. However, there is still considerable progress needed in this area, especially among the smaller privately-owned convenience stores, fresh-market vendors, street-food vendors and small local restaurants, for who the higher cost of compostable packaging is a major inhibitor.

Transport Infrastructure

Phuket's International Airport is situated at the northern end of the island. The majority of the population lives in the southern part of the island, and the main tourist areas are located on the west coast beaches. The topography of the island makes the development of transport infrastructure challenging. 70% of Phuket's area is covered with mountains which run from north to south, and 30% is relatively flat plains in the central and south-eastern parts of the island. There is one main arterial road from north to south, a by-pass diverting the main north-south traffic around Phuket town, smaller roads connecting to the west and east coasts between or over the mountain ranges. During peak tourism periods, the islands roads become very congested, journeys are time-consuming, and road accidents are frequent.

Public transport on the island is limited to private taxis, songtaews (small buses), tuk-tuks and motorbike taxis. There is an airport bus which runs between the Airport and Phuket town, but does not serve the main tourist areas. The transport options available for tourists are limited and expensive, and there are often reports of over-charging, bad behaviour and violence relating to taxi and tuk tuk operators, especially in the tourist areas such as Patong.

Various solutions to Phuket's transport problems have been suggested over the last 10 years, including a road tunnel through Patong Hill, a boat transfer service from the airport to the west coast beaches, and a tram system that would run down the centre of the main road. All these proposals have significant inherent challenges and have not progressed very far.

Social Challenges and Human Rights Issues

While tourism to Thailand focuses on beach tourism, natural tourism and cultural heritage, there is also a thriving sex-tourism industry which is particularly evident in the destinations of Pattaya, Patong (Phuket) and certain parts of Bangkok. Although the sex-trade is officially illegal in Thailand, it is openly practiced. An analysis in 2015 by Havocscope, a research company studying the black market, estimated that the sex-trade generated around $6.4 billion per year, around 3% of the country's GDP. At that time, there were around 250,000 sex workers in the country, with around 20,000 of these working in the Phuket resort of Patong[3]. These workers consist of full-time sex workers affiliated with bars, freelancers supplementing their regular income with occasional prostitution, and migrants from neighbouring

[3] https://havocscope.com/prostitution-statistics/

countries, mainly informal workers with limited access to social security, health insurance, educational opportunities, and limited savings to fall back on. The industry was badly hit by nightlife closures during the pandemic, but as informal workers, sex workers did not qualify for government support programs.

Human trafficking, forced labour and exploitation is also present in other sectors, to provide cheap labour for agriculture, the fishing industry, construction, manufacturing and street hawkers in tourism destinations. These workers often face low or zero pay, poor living and working conditions, long working hours and can be subject to physical or sexual abuse[4]. Men, women, and children are all at risk.

There are a handful of NGOs and Foundations in Phuket and Phang Nga, working to support migrant workers and victims of trafficking, abuse and exploitation. These include:

- The Good Shepherd, which provides education, vocational training, support for pregnant migrant girls, and victims of abuse, exploitation and human trafficking.
- For Freedom International, which runs the Phuket Child Advocacy Centre to support young victims of trafficking, abuse and exploitation, as well as running vocational learning programs for adults and providing apprentices, business loans, and other forms of support for vulnerable people.
- The Foundation for Education and Development, based in Takua Pa which works to provide education and employment opportunities for Burmese migrant workers and their families.

3.1.2. What local priority issues do we need to be especially aware of and concerned about?

Prior to the COVID-19 pandemic, international tourism made up around 20% of Thailand's GDP. It is estimated that 1.6 million people relocated from Thailand's tourist areas to the countryside during the pandemic to access emergency relief from the government[5].

The local economy in Phuket is heavily dependent on tourism. In 2019, the accommodation and food services sectors alone made up almost 50% of the province's total gross production. In addition, tourism supports other sectors, such as transportation, activities and excursions, yachting, spas and massage, street-food vendors, etc. The disruption to tourism activities caused by the Covid-19 pandemic, hit the island very hard and caused severe economic hardship for low- and middle-income Thai people. Quarantine-free international arrivals were permitted in July 2021 under the Phuket Sand-Box Initiative, shortly followed by the Test and Go program. While these schemes have been successful in attracting international tourists back to the island, the overall number of tourist arrivals remains significantly lower than in 2019. Many tourism-related businesses remain closed or are in pure survival mode, hotels are operating at reduced capacity. Furthermore, many skilled and experienced tourism professionals have relocated to other provinces or started new business ventures, leaving a significant skills shortage in the local workforce. There appears to be a distinct shortage of Executive Chefs and experienced F&B staff, leaving hotels and restaurants relying on unskilled casual workers.

The Sandbox and SHA+ initiatives have tended to favour the larger well-established operators, and less support has been provided to smaller hotels and guesthouses, restaurants, shops, drivers and boat owners, activity and excursion providers, who are still facing considerable economic challenges. After two years of business closures, they also need access to loans or other types of financial support for

[4] https://www.chiangraitimes.com/news/17-children-rescued-from-human-traffickers-in-phuket

[5] Based on government data analyzed by Dr. Yongyuth Chalamwong, Research Director for the Thailand Development Research Institute

refurbishing and reopening their businesses. Tourism operators are hopeful of a return to semi-normality in the December 2022 - April 2023 high season.

The economic challenges caused by Covid 19 are now being exacerbated by rising food prices and oil prices. The rising price of oil is particularly impacting transportation operators, such as longtail boat drivers, speedboat operators, and taxi drivers. Interviewees explained that most tourists are unwilling to accept higher prices, since many are returning visitors and remember the fares from their previous trips, and assume they are being over-charged when asked to pay higher fares. This means that operators are unwilling to raise their prices to cover the increased food costs. With less tourists around, drivers are forced to accept low profit margins in order to get any customers at all. As a result, they are struggling to survive and earn enough income to feed their families.

Competition for business among marine tour operators is high. It was reported that some operators do not follow the government regulations on the number of tourists permitted on excursions, to prevent close contact during Covid 19, in order to generate greater revenue from the excursion. Against this background, operators are extremely wary of any measures that may increase their operating costs, including steps to improve sustainability, which they would be willing to support under different economic circumstances.

3.1.3. What are the key public and private sector orgs which already / should work together to help make tourism in the destination more sustainable (and what scales are they working at)?

The local government receive policy directions from central government and the various government departments work together with the Municipalities to implement. The Phuket branch of the Tourism Authority of Thailand (TAT) collaborates actively with many local organisations, supports local events, and has been very active in promoting sustainable tourism and community-based tourism during the reopening after Covid-19. The Thai Convention and Exhibition Bureau (TCEB) have pushed Thailand as a destination for sustainable events and have provided training on Responsible Food and Beverage Operations in September 2021 with 70 people in attendance and presentations from various national and international speakers. They have also provided online training on food waste reduction. In addition, the CBT villages in Phuket have received support from TAT and TCEB through the organisations of a Fam Trip for Thai DMCs to promote CBT in Phuket. These CBT villages have also collaborated with different organisations such as their local OrBorTor, Ratchabhat University, and local businesses in their surrounding area.

In the accommodation sector, the Thai Hotel Association's Southern Chapter is based in Phuket and covers Phang Nga, Krabi, Trang, Songhkhla and Pattani. There are also local hotel associations based in the large tourist destinations of Patong, Kata and Karon. The Phuket Hotel Association was established in 2017 as a non-profit organisation with around 70 member hotels. It aims to showcase Phuket as a destination, provide educational scholarships for Phuket's youth, support the member hotels to improve environmental performance and engage on community-based environmental activities.

During the desk research, we were able to identify other travel land transport associations, including the Andaman Bus Travel Association (ABTA), the Andaman Tour Guide Association (ATGA) and the Phuket Tour Guide Association, but none of these organisations were available for interview.

The Phuket Provincial Marine Department has provided training to longtail boat operators on the island about protecting the environment and also donated lifejackets. There are at least two long-tail boat

associations that we were able to identify during the research, the Chalong Long-tail Boat Association, and the Rawai Long-tail Boat Association. Members are required to pay a small registration fee to the Association, and can they access a cooperative loan facility, in case they need to pay for any repairs or serving to their boat. The Association has a code of conduct that members are required to follow, which includes not anchoring on coral, bringing all trash back to the mainland, safety standards, timeliness and professional conduct. Apart from the connection with the Marine Department, they do not have any business relationships with tour agencies or hotels that could generate more reliable stream of customers. They rely on walk-in customers and the boat drivers are facing significant loss of income due to Covid-19 and sometimes do not have enough money to eat.

Phuket's two local universities, The Prince of Songkla Phuket Campus and Ratchabhat University both support various environmental projects in collaboration with other organisations. This includes the supporting local restaurants to establish organic home-gardens, plastic waste reduction project, outlined below, support for small-scale composting solutions and supporting local CBT projects with social media and online marketing.

"Rethinking Plastics – Circular Economy Solutions to Marine Litter" is a project funded by the EU and the German Ministry for Economic Cooperation and Development and implemented by GIZ. The program includes 4 pilot projects to reduce plastics and improve waste management in Phuket. It is working to reduce the amount of waste at source in four sectors: tourism, restaurants, food delivery, households, and coastal communities. In September 2021, the Phuket Environmental Foundation launched a model for a plastic-packaging-free restaurant in collaboration with 15 restaurants at the Prince of Songkla University Campus in Phuket. Furthermore, an MoU was signed by 14 organisations, including the Phuket Governor, six local municipalities, the Provincial Office for Local Administration, the Provincial Health Assembly, the Regional Environment Office, the Provincial Public Health Office, the Provincial Office of Natural Resources and the Environment and the Phuket Environmental Foundation. The "Less Plastics in Phuket" project is implemented by the Phuket Environmental Foundation aims to find solutions to reduce and manage the amount of plastic waste and educate people about sustainable alternatives. Besides the restaurants and the food delivery sector, it works with local schools and hotels and builds a network for marine litter prevention in Phuket.

Green Fins is a proven conservation management approach, implemented internationally by The Reef-World Foundation and the UN Environment Programme, which leads to a measurable reduction in the negative environmental impacts associated with marine tourism. It aims to protect coral reefs through environmentally friendly guidelines promoting sustainable diving and snorkelling and training and education programs for divers and guides. It provides the only internationally recognised environmental standards for marine tourism and its robust assessment system measures compliance. Green Fins encourages divers, snorkellers, diving operators, coastal communities and tourists, to reduce the pressures on coral reefs by offering marine tourism companies practical, low-cost alternatives to harmful practices and providing strategic training, support and resources. Prior to Covid Green Fins Phuket had around 35 members, but most are currently inactive due to the Covid 19 pandemic.

There are also a number of non-profit foundations and community-based projects that are active on environmental issues and work in collaboration with local hotels and tourism businesses to promote sustainability on the island. These foundations include the Phuket Environment Foundation, Sustainable Mai Khao Foundation, Oceans for All Foundation, Kamala Green Club and Trash Hero.

3.1.4. How are tourism providers working with other sectors on sustainability? e.g., sustainable agriculture, fisheries, supporting waste reduction, low carbon efforts, etc?

Most hotels and restaurants purchase fresh fruits and vegetables from local markets. There are limited organic producers in Phuket and purchasing organic produce through them is challenging due to issues of varying quality and availability of supply. Sometimes, local restaurants and hotels are able to purchase fish and seafood from local markets and suppliers, but they mainly use hotel supply companies for convenience.

Hotels often send some of their waste materials to recycling businesses to be processed into other products, such as projects making biodiesel from used cooking oil, surfboards from used Styrofoam, and prosthetics from aluminium ring pulls and tealight holders. Many hotels, restaurants and tour operators are switching to compostable F&B packaging, such as straws made from paper, rice and bagasse, paper coffee cups and food boxes. It is also common to see branded reusable stainless steel water bottles for sale as souvenirs in gift shops of elephant camps and major tourist attractions.

3.1.5. Success stories, challenges, opportunities, and priorities for Tourlink to play a supporting role.

In general, tourism businesses in Phuket are becoming more committed to operating their businesses in a sustainable manner. This can be seen in the efforts of some of the larger leading businesses, such as the Kata Thani hotel group, the Royal Phuket Marina where many speedboat tour operators are based, and visitor attractions such as Blue Tree Phuket, as well as small cafés, and restaurants moving away from plastic straws, bags and food containers and interested in sourcing local, organically grown food. However, awareness and interest in sustainability does not always translate into concrete action, due to lack of financial resources and support. For example, all Phuket elephant camps want to operate in an ethical and responsible way and take good care of their animals, but very few have access to adequate land, financial resources, and knowledgeable, skilled staff to be able to achieve this.

As a result, suppliers are very interested in green finance opportunities that TourLink may be able to connect them with. For example, Alisa Transport company would like to reduce their energy consumption and carbon dioxide emissions by adding EVs to their fleet of vehicles if they were able to access green finance opportunities. The Old Phuket Town CBT community are looking for financial resources to enable them to renovate and standardize the heritage buildings, bury electricity cables underground, and re-position air-conditioning units to keep the traditional look of Thalang Road.

The CBT communities mentioned that they need support for product development and marketing and promotions, such as sign boards on the airport road and in popular tourist areas, and training and support to better promote themselves on social media.

Despite the re-opening of Phuket to international tourism, small tourism business and independent operators such as long-tail boat drivers, are still struggling. If the TourLink project can support these tourism operators, many of whom have already taken steps to operate in a more sustainable manner, to enter the Thai-EU supply chain, it would go a long way to support a sustainable recovery from Covid 19.

Most businesses are currently operating with minimal staffing levels, because they cannot afford to hire extra staff and local shortages of skilled workers. Businesses plan to hire more staff before the next high season (2022/2023) in the hope that greater tourist numbers will return. There will be a need to re-train and upskill these new team members in a short timeframe. In order for TourLink to be able to

reach the maximum number of people, pre-recorded training sessions that could be viewed online at any time as part of the businesses' re-orientation training, would be more effective than live fixed-date sessions.

3.1.6. What would motivate tourism operators to engage more with sustainability?

Lack of financial resources is the main factor that prevents suppliers from operating more sustainably. Access to green finance would help suppliers to improve energy efficiency and start to make a transition towards renewable energy, which is still beyond the financial means of smaller tourism operators.

Measures to help suppliers afford the higher cost of sustainable inputs, such as compostable packaging, would also be helpful. Purchasing these products is usually cheaper when done in bulk. Therefore, TourLink could explore the possibility of establishing groups of tourism operators in a given destination and encouraging them to form a collective to buy the products together in bulk, rather than as individual suppliers, in order to access reduced costs.

Operating in a more sustainable way tends to create additional costs and increases the price of the tour that can be sold to the customer. If one company tries to operate sustainably, their products will cost more than their competitors and will be less appealing to potential customers. Suppliers mentioned that greater promotion of sustainability by government agencies would help to raise awareness of the challenges and solutions and the need to protect the environment for the future, would help to encourage more operators to operate in a sustainable way. Furthermore, support from government agencies to introduce regulations and promote common sustainability standards would be helpful in making sure that all operators can move together, and sustainable operators are not priced out of the market by those who cut corners and have less sustainable operating standards.

3.1.7. What are tour operators' and suppliers' levels of interest in joining consultations to agree on common entry-level or 'step in standards' on sustainability by sector?

Approximately 30% of the tour operators, suppliers and tourism businesses contacted were available for interview. Of these, almost 100% would be interested in joining consultations on step-in standards and future training sessions.

3.1.8. Which private and public sector stakeholders should the TOURLINK team work with (prioritized from low and medium (passive) to high (active) engagement)?

The following table provides a list of private and public sector stakeholders that TourLink should work with in the destination.

Organisations	Recommendation for action			
	No action	Passive update	Active outreach	Suggestions for synergies?
Public sector				
Tourism Authority of Thailand (TAT)			X	Promoting Phuket as a sustainable destination and linking with local CBT Communities.
Phuket Provincial Administrative Organisation			X	Outreach to identify participants for sustainability training
Tourism Association				
Phuket Tourism Association			X	Outreach to identify participants for sustainability training. Members include 48 excursion providers, 10 transportation companies, 7 restaurants, and retail centres.
Phang Nga Tourism Association			X	Outreach to identify participants for sustainability training.
Tour guides				
Phuket Tour Guide Association Mr Panompon Thammachartniyom (President)			X	Outreach to identify participants for sustainability training
Andaman Tour Guide Association (ATGA)			X	Outreach to identify participants for sustainability training
Transport				
Andaman Bus Travel Association (ABTA) Mr Chonawee Eaktiewsakul			X	Outreach to identify participants for sustainability training
Rawai Longtail Boat Owners Association			X	Outreach to identify participants for sustainability training (if costs can be covered)
Chalong Longtail Boat Owners Association			X	Outreach to identify participants for sustainability training (if costs can be covered)
Marine Tour Operators				
Green Fins			X	Outreach to members for participating in training and step-in standards
Go Eco Phuket			X	Outreach to members for participating in training and step-in standards
Marine Departments in Phuket & Phang Nga			X	Outreach to registered marine tourism operators
Accommodation				
Phuket Hotels Association (PHA)			X	Outreach to member hotels for participating in training and step-in standards
Thai Hotel Association, Phuket chapter			X	Outreach to member hotels for participating in training and step-in standards
Local Hotel Associations in Patong, Kata and Karon			X	Outreach to member hotels for participating in training and step-in standards
Elephant Camps				
Livestock Department			X	Willing to support with development of step-in standards
Phuket Elephant Camp Owners Union (President, Khun Montri)			X	Outreach to camps in Phuket for participating in training and development of step-in standards
Southern Thai Elephant Foundation			X	Outreach to camps in Phang Nga for participating in training and development of step-in standards.

Universities				
Prince of Songkla University		X		Has been working on a single use plastic reduction Master Plan for Phuket
Rajabhat University, Phuket		X		Provides training on composting and supports CBT villages with marketing and social media.
Foundations and Projects				
GIZ project on Plastic Reduction		X		To explore synergies and see if any lessons learned from pilot project can be applied to tourism suppliers.
Phuket Environmental Foundation		X		To explore synergies and see if any lessons learned from pilot project can be applied to tourism suppliers.
Sustainable Mai Khao Foundation			X	Outreach to Mai Khao CBT community to participate sustainability training and step-in standards

3.2 Availability of high quality, sustainable tourism suppliers, including local communities?

Phuket's tourism infrastructure is well developed and experienced in catering to the European market. The quality of tourism facilities, products and services on offer is generally high. We were able to identify exemplary suppliers in all areas (marine excursions, land transport, hotels, restaurants, elephant camps, communities and guides) with a good understanding and track record on sustainability best practices. Higher end suppliers tend to have higher standards of sustainability and environmental protection, whereas budget operators who need to keep operating costs to a minimum and cater to larger groups, are less focused on sustainability.

There are 14 CBT Communities on the island. Of these 10 are operational and 4 are not fully developed. The operational CBT villages are:

1. Chat Chai Pier - Fishermen way of life in Lak Lovoy and Sarasin Bridge area
2. Baan Kanan - Buddhist village
3. Bang Rong - eco tourism which involves visits to pineapple and coconut plantation, blue crab conservation project, local food and traditional handicrafts.
4. Bang Tao CBT - Agriculture, goat farm and marine excursion to Koh Waew
5. Baan Kien - the city way of life and the history of 2 Phuket Heroines, and visit to the Thalang museum
6. Bann Lipon Taii - Shadow Puppet (Nhang Ta Loong Pa Tok) which is very unique attraction
7. Koh Rae - connecting with Paa Lha and Lobster farm in the middle of the sea 8.
8. Baan Man Nik - agricultural project
9. Pa Tong - Baan Mon, agriculture and way of life
10. Cape Panwa - Muslim village (can link to Koh Rae)

Of these Bang Rong and Old Phuket Town communities appear to be the most well developed, high quality and popular with the EU market. However, both communities mentioned that they already receive high numbers of tourists, and Bang Rong in particular is already operating at maximum capacity. Therefore is order to share the benefits of EU tourism more equitably around the island, it would be more effective for TourLink to concentrate on increasing the quality and sustainability practices of the other CBT villages. During interviews, CBT operators have mentioned their need for support with product development, IT, marketing and promotions and social media.

3.2.1 Sustainable tourism highlights: which tour operators and suppliers are demonstrating exemplary practice?

Katathani Resort in Kata beach is one of the leading and longest-standing sustainable properties on the island. They have achieved widespread recognition for their efforts from different organisations. Examples of their achievements include sustainable water sourcing, treating the waste-water of the Kata Noi community in their waste-water treatment system, installation of solar panels more than 10 years ago, waste reduction and producing their own biodegradable cleaning solutions in-house from waste fruit peel and EM. However perhaps the most notable achievement is how they have managed to instil sustainability awareness and respect for the environment into the organisational culture and the mindset and behaviour of their staff members.

Alisa Travel is a family run transportation business currently operating 16 vehicles. They have implemented policies and practices to protect the environment, including replacing plastic water bottles with glass, switching off the engine when waiting for passengers, keeping the AC at 25-26 degrees, maintaining a speed limit and checking the tyre pressure and engine condition regularly to ensure maximum efficiency of the vehicles.

SeaStar Andaman in Khao Lak has created a new product, called SeaStar plus, which is marketed as a sustainable tour. This tour program features smaller groups sizes and more flexible itineraries and uses a high-speed catamaran which is smoother and has more space than a speedboat, enabling them to take a water dispenser on board for guests to refill their reusable bottle.

The CBT Community in Ban Rong has worked hard to make their entire tourism offering free of single-use plastic waste. Drinking water is served in a glass carafe, the food provided is locally produced and organic and served in reusable or compostable plates. During the visit guests make their own hand-made bag using pateh, a traditional southern Thai technique similar to batik. The bag can be used by tourists during their holiday so they can refuse plastic bags.

Elephant camps demonstrating exemplary best practice in elephant welfare and are the Phuket Elephant Jungle Sanctuary in Kathu, the Phuket Elephant Sanctuary in Paaklok. Each of these camps has a different business model with different activities and forms of interaction with the elephants, but they all share a strong commitment to high standards of elephant (and mahout) welfare and offer high quality tourism products.

In addition to the above operators whose contact details were provided by the DMCs and are major players in the EU-Thai supply chain, there are many other hotels and restaurants that place a high importance on sustainability. Notable examples include the Zeavola Resort in Phi Phi, The Merlin Resort in Khao Lak, our Jungle House in Khao Sok, the Pru restaurant at Trisara, Project Artisan Restaurant in Phuket and the Phang Nga Elephant Park in Thung Kha Ngok,Phang Nga province.

3.2.2 Which are the most important routes, excursions, products and suppliers for Thai-EU supply chains?

The most important and popular excursions, activities and attractions, for the Thai-EU supply chain that were identified in the destination during the VCA research, are as follows:

- Boat trips to the Phi Phi islands to visit Maya Bay, tours of Phang Nga Bay including James Bond Island and Koh Panyi, and adventure tours that incorporate kayaking in the caves and wildlife

spotting. Preferred operators in the Eu supply chain include Andaman Leisure, Andaman Wave Master, John Gray's Sea Canoe and SeaStar Andaman in Khao Lak.

- Destinations popular with EU tourists include Patong, Karon, Kata, Kamala and Khao Lak.
- Hotels popular in the EU supply chain include Kata Thani, Kata Palm Resort, Banyan Tree Phuket, The Old Phuket, Cape Panwa hotel and the Novotel Resort, Phuket.
- Popular Phuket restaurants include the Blue Elephant in Phuket Town based in a renovated colonial mansion, and the large beachfront restaurants, such as Palm Seafood, Kan Eng Pier, Mon Tri's Boathouse and Baan Rim Pa.
- Ethical and responsible elephant camps such as Phuket Elephant Sanctuary (PES) and the Elephant Jungle Sanctuary (EJS) camp in Kathu.
- Most 4 and 5 star hotels have their own internal spa, and there are also large independent spa chains such as Oasis, Sukko Spa, as well as a myriad of smaller operators around the island. Bang Rong Agro-tourism project, and the Old Phuket town CBT project and Thalang Road Night Market are the CBT projects that are most popular with European tourists.
- In Phang Nga, the Sunday night market at the historic town of Takua Pa was popular pre-Covid with European tourists wanting to experience traditional Thai lifestyles, food and culture.

3.2.3 Which of these local agents and suppliers are still open and active (surviving COVID) and interested to work on common sustainability standards and join project trainings?

Of the key suppliers in the EU supply chain identified by the DMCs, we were able to conduct meetings and interviews with the following suppliers. All suppliers list below confirmed their interest in further collaboration with TourLink:

- Andaman Leisure Phuket
- Seastar Andaman
- Alisa Transport Phuket
- Katathani Resort in Kata
- Elephant Jungle Sanctuary
- Phuket Elephant Sanctuary
- Phuket Old Town Community
- Baan Bang Rong Community
- Baan Kamala Community
- Baan Bang Tao Community

Unfortunately, the other suppliers on the list were either not contactable, not interested to participate in the VCA interviews, or were unavailable to participate due to reasons relating to Covid 19.

3.2.4 What is expected to change post Covid-19?

The most significant change post Covid-19 is the number of tourists visiting the island. All but one of the suppliers we spoke to, reported that the numbers of customers had decreased dramatically. The marine tour operators are currently operating between 15% - 40% of previous capacity and the land transport company's operations are between 10-15% of pre-Covid levels. One elephant camp has lost 70% of its customers compared to before Covid, and the other camp had closed three of its former locations and is now only operating out of one location. Longtail boat association in Rawai used to operate 200 boats (speedboats and longtails) but currently only operate 80 longtails and 20 speedboats. In some sectors

there is support to move away from the mass-tourism model and focus on high-quality tourism with lower tourist numbers.

Prior to Covid the Phuket Old Town Community received around 600 visitors per day, but this model was more like mass market tourism, rather than a quality CBT product. Post Covid, the community are focusing on providing high quality tourism services based on creativity and culture. This type of tourism creates something special for the tourists, adds more value to the Old Town visit, and is more in line with the carrying capacity of the community.

In contrast, the CBT community at Bang Rong, has seen its popularity soar after the pandemic and now receives tourists almost every day. This is because many of the international tourists who came to Phuket as part of the Sandbox scheme were return visitors to the island. Unable to visit the regular sites in neighbouring provinces, such as Phang Nga Bay and Koh Phi Phi, due to Sandbox restrictions, there was demand for new and interesting activities to do in Phuket. They also received valuable support from the TAT and TCEB through the organisation of a fam trip with Thai DMCs. Blogs, articles and photographs of previous guests have been widely shared through social media which has led to continuing demand.

The demographic of tourists visiting Phuket in 2022 and 2023 is expected to be mainly European. This is due to ongoing Covid-19 travel restrictions and the current Russian conflict in Ukraine, which are impacting the major supplying markets of China and Russia. This provides a potential "once-in-a-lifetime" opportunity for mainstream tourism operators to be supported and encouraged to shift their business models towards sustainable tourism, in order to attract these European guests who place high importance on sustainability, conservation, and local culture.

As well as focusing on the well-established and reputable suppliers already working with the DMCs in the EU-Thai supply chain, TourLink should also consider how it can reach out to and support to these other operators, who are likely to need greater support to operate sustainably. Many of these suppliers are already aware about and willing to operate more sustainably. They have started to take small steps to be more sustainable where they can, for example by trying to reduce plastic and protect the marine environment, but they lack the resources and knowledge to make a greater shift towards sustainability.

3.3 Availability of sustainable solutions and supplies from related sectors, e.g. food, transport, water, energy, waste management and other types of local, green trade?

3.3.1 The opportunities for linkages and synergies in the target areas: how can tourism support local, sustainable products and services in other sectors? (e.g. opportunities to increase local links between tourism and sustainable farming and fisheries, art and crafts, etc.).

Due to the more agricultural nature of the province, Phang Nga hotels are more able to source food supplies directly from local farmers and fishermen in their communities. However, most hotels and restaurants in Phuket purchase their food suppliers in the local markets, cash and carry supermarkets or through local supply companies, where the majority of food supplies are delivered from other parts of the country.

Sustainable food production in Phuket is very small scale. Pineapple is a widely grown, and there are a handful of hydroponic vegetable producers (sustainability credentials unknown) and one seafood producer that exports to Australia under a sustainability label. There are also a handful of small growers

of certain pesticide-free fruits and vegetables, but these are difficult for large hotels and restaurants to incorporate into their regular menus, due to varying quality, low quantities available, and seasonality. One potential way to create linkages between sustainable farmers and tourism operators would be for hotels and restaurants to offer a daily special that uses local, organic, seasonal produce. Alternatively, the development of community-based farm to table cooking classes and dining experiences, can connect agricultural producers more closely to the tourism sector and give tourists a unique opportunity to learn about Thai culture, way of life, local produce, sand gastronomy. This concept is currently available in one or two high end hotels, and the CBT community in Bang Rong has an interest to develop a similar activity.

Most of the gifts and souvenirs available for sale in mainstream tourist venues tend to be the cheap, mass produced, low-quality items from China. Some venues offer more unique hand-crafted items that aim to support local people, such as hand-made jewellery made by staff to generate additional income, and products such as bags made from water-hyacinth which originates from the provinces of southern Thailand.

3.3.2 Availability of green suppliers to provide 'better inputs' for tour operators and suppliers at operational level (e.g. clean energy, water, cleaning materials, crafts, paper, organic food, natural products, safe-chemical sourcing, local options for luxury goods, etc)

Recycled office paper, FSC certified toilet and tissue paper, fair trade tea and coffee, and organic eggs are readily available in the destination. Other sustainable solutions and suppliers do exist in the destination, but they tend to be more difficult to source and more expensive to purchase.

In the last 5 years, there has been a notable increase in the availability of sustainable food packaging, as alternative to single use plastic. These include paper and cardboard cups and boxes (although most retain the plastic lining for water-resistance), good quality paper straws, bagasse boxes and straws, and leaf plates which can now be found in supermarkets and other mainstream retailers, or purchased online. Many of these packaging producers have lost a lot of business during the pandemic. The loss of tourists has translated to reduced orders for their products from hotels and restaurants, and lower levels of production increases their operational costs. Moreover, the large trade fairs where they were able to showcase and promote their products have been cancelled due to Covid-19. Many of the producers have ceased production or switched their focus to online sales for overseas customers in order to stay in business.

There is a water filtration company in Khao Lak that bottles purified drinking water into reusable and glass bottles, branded with the hotel logo, for in-room complimentary water. There is no local service available in Phuket as yet, so most operators that have moved away from drinking water in plastic bottles, use national brands such as Singha or Crystal, or provide water by the glass or carafe in restaurants. There are safety limitations to where glass bottles can be used, as well as practical issues since they need to be collected and returned. In response to these challenges, drinking water in aluminium cans is starting to emerge, but at the current time the cost is prohibitive for the majority of operators. Approximately 10 larger resorts in the areas have invested in installing their own on-site water filtration and purification systems and bottling their own water in-house.

In Phuket there is one supplier of biodegradable cleaning and laundry products, plus one pest control service-provider that uses natural, plant-based products. These service providers are mainly used by the larger 4 and 5 star hotels that are committed to protecting the environment.

Natural spa products, soaps, body-wash, shampoos etc. are available from Phuket-based "Lemongrass House" which has grown from a small family business into a well-known international brand. These products are used in many hotels, restaurants, spas and fitness centres in Phuket. The products are still packaged in plastic, but the more popular products can be purchased in large 1ltr containers which can be returned for reuse.

Renewable energy production through on-site solar panel installations is slowly increasing among larger hotels and resorts, international schools, residential developments, shopping centres, and privately-owned villas, driven by improved technology, greater efficiency, and lower costs. The number of local services providers in Phuket has increased notably over the last 5 years. The number of EV vehicles and charging stations in Phuket are also slowly increasing.

There are at least three Thai producers (two in Phuket and one in Bangkok) of reef-safe sunscreen, i.e. that does not contain the substances banned from use in Thai Marine National Parks in August 2021[6]. However, it is challenging for tourists and marine tour operators to comply with this law, because 1) most tourists do not know about it when planning their holidays from their home countries; and 2) marine tour operators do not know where to purchase products that do not contain oxybenzone. There is an opportunity to link these local producers of natural sunscreens with the marine tour operators, to help protect the health of Thailand's coral reefs. Tour operators and DMCs can also inform their customers about this law before departure and provide a list of oxybenzone free brands and stockists.

3.3.3 What kind of inspiring, green suppliers have appeared during COVID times, which have potential to be integrated into new, greener, programs? Appropriate to what scale(s)?

Without international tourists and struggling to generate income with which to feed their elephants, two Phuket elephant camps diversified their businesses into Elephant Cafes. This business model was more suited to local residents and Thai domestic tourists, who are unlikely to join a full day or half day elephant activity. The Cafes offer refreshments in a natural setting, from which the elephants can be observed as well as short elephant feeding opportunities where the customers can buy a basket of food and feed the elephants. One café has also expanded into hosting larger events such as children's birthday parties, yoga classes and school camps.

A number of new small cafes, food stalls and restaurants have popped up around the island, established by professionals from the F&B industry Phuket that were furloughed or made redundant during the pandemic, with financial support packages provided by the government. With their extensive skills, experience and connections with quality suppliers, they are able to provide high quality F&B experiences. These are mainly small-scale operators, although some combine a small coffee shop or café with another related business, such as hydroponic vegetable farms or bakeries supplying hotels and resorts.

Another interesting new product is the Baan Mai Khao Agricultural Preservation Tourism Group at the north of the island. The community in this area maintains a more traditional and slow-paced lifestyle which can be interesting for European guests to experience. Attractions in the area include the famous airport viewpoint for selfie-opportunities, rice paddies, buffalos, local seafood delicacies, waste-to-energy composting, a therapeutic mineral sand-spa which is said to remove toxins from the body and

[6] The banned substances are oxybenzone, octinozate, 4-methylbenzylidene camphor and butylparaben.

promote healing[7], and a historic Thai house, restaurant and museum dating back to Phuket's tin mining era. The community began to develop their CBT activities prior to Covid, under the guidance of the previous Village Head who was passionate about sustainability. The community is receiving support from the Sustainable Mai Khao Foundation to develop and package their CBT offering to be ready for the coming high season in 2022/23.

3.4 Choices and operations of tourism businesses and tourists in the destinations visited

Sometimes it is difficult for operators to make more sustainable choices, even though they may wish to. For example, speedboat operators are not able to offer refillable water on their boat trips due to limited space, the bumpy nature of the boat, and limited availability of refill points during the trip. Not all elephant camp operators, have access to the considerable financial resources funds and land required to operate as a elephant viewing sanctuary. While many camps have now moved away from riding activities, most still offer bathing activities which although popular with tourists and generate good revenue for the camps, they can be over-crowded and stressful for the elephants.

The tourists who are the most likely to choose sustainable products and services are from northern Europe, particularly the Scandinavian countries and Germany. British, American, Australian, southern European and Russian visitors are also somewhat interested. Chinese tourists are felt to be more price-conscious, although there are indications that the younger generation of Chinese travellers is becoming more aware of environmental concerns.

3.4.1 Best and worse practices

In 2018/2019 the Phuket Hotel Association supported and encouraged its hotel members to replace plastic drinking water bottles in guest rooms with glass bottles, and to remove plastic straws from F&B operations. Based on these efforts, it is estimated that the member hotels avoided the use of around 1.6 million plastic straws and 4.4 million plastic water bottles[8].

More hotels and attractions are starting to provide drinking water refill stations in their properties, where customers can refill their bottles for free. In Phuket, Krabi and Koh Lanta large numbers of businesses such as hotels, restaurants, and schools have signed up to water bottle refill programs, such as Trash Hero and Refill My Bottle. However, more can be done to make sure there are adequate refill stations available at the locations and attractions included in DMCs tour programs, especially on the islands, because refilling the bottle twice a day (pre-departure and lunchtime) is not sufficient for most people.

As mentioned above, GIZ and the Phuket Environmental Foundation are piloting a project to encourage restaurants and food delivery services to switch to reusable containers. As mentioned previously, the cost of biodegradable packaging is much higher that single-use plastic, and is beyond the means of most small restaurants and food vendors. In an effort to address this challenge, Blue Tree Phuket organised a meeting of the WanSao Market vendors, where the environmental concerns around single-use plastic were explained. A local supplier of compostable packaging presented their products to the market vendors and products were available for purchase at a discounted price. When there are greater economies of scale, producers are able to offer lower prices, which can encourage more vendors and operators to make the switch to environmentally-friendly alternatives.

[7] http://fahthaimag.com/natural-healing/

[8] Personal communication from PHA Environmental Working Group, 10th March 2021.

Worst practices in the elephant welfare industry, including the chaining of elephants on short chains, for long periods of time without access to shade, water and food. This practice can often be seen around tourist attractions such as The Big Buddha, where baby elephants are chained on the roadside to attract tourists to visit. The hiring of inexperienced or untrained mahouts and use of unethical training and behaviour management techniques is also a problem.

Feeding of other wildlife, such as wild monkeys at temples and fish at coral reefs is both unhealthy for the animals and leads to them becoming aggressive towards tourists. For example, reef fish at locations where tour operators provided bread for guests to feed the fish, now have a habit of following swimmers and snorkelers and biting them, instead of avoiding them.

The smaller islands around Phuket, such as Koh Hey, Koh Naka, Koh Rang Noi, are popular stop-off destinations for boat tours. Some of these islands have restaurants that can provide lunch for the customers. However, waste management facilities on these islands are very limited, and separating and transporting waste and recycling back to the mainland is inconvenient, costly and time-consuming, and instead the garbage is burned in a big pit, contributing to air pollution, health issues and damaging the marine environment. Environmental management standards on these islands varies considerably. While some families and businesses take care of the environment and regularly clean the beach, others have allowed the environment to deteriorate to the extent that the sand and coral reefs are littered with plastic waste, bottle tops, cigarette ends and other garbage.

3.4.2 Key issues where tourists play a part (to inform details of consumer codes of conduct)

Consumer codes of conduct about key issues in the destination, should include the following information about sustainability and cultural issues:

- Avoid plastic bottles - bring your own bottle and use available refill stations wherever possible.
- Try to carry your own reusable straw and shopping bags to reduce single-use plastic waste in the destination.
- No littering – please dispose of waste carefully, use recycling bins where available, don't drop cigarette butts on the floor/sand and consider taking e-waste such as batteries back to your home country where they can be disposed of properly.
- Do not feed wildlife, such as monkeys and fish.
- Bartering – while friendly negotiation over the price of taxi fares, boat fares and souvenirs is acceptable, please be respectful and mindful of rising costs in the destination. The cost of living in Phuket is higher than in other destinations in Thailand.
- Culturally appropriate behaviour and dress codes, especially when visiting traditional Thai communities.

3.4.3 Overall state of play by sector with sustainability practices and standards, key needs (training and non-training), etc.

Hotels and Accommodations

Based on listings provided by Booking.com, 169 of a total of 1477 (11.5%) of properties in Phuket, and 13 out of 203 (6.5%) of properties in Phang Nga Province, have a recognised certification or accredited provided by Green Tourism, EU Ecolabel, or the GSTC.

The Thai Hotel Association operates the Thai Tourism Standard Rating system. There are five standards in the Thai hotel sector, of which the Green Hotel standard and the Green Leaf Foundation standard, focus more on environmental issues and sustainability. There is also an ASEAN Green Hotel Standard.

Restaurants

We were not able to identify a Phuket Restaurant Association. Nor were we able to find any sustainability standards that relate to restaurants. TCEB have previously provided online trainings in sustainability and food waste, which some Phuket operators participated in. The Pledge on Food Waste is a certification system focusing on Food Waste reduction, but as yet there are no restaurants in Phuket participating in this Certification program.

Marine Industry

The Green Fins Code of Conduct sets out 15 standards for environmentally-friendly diving and snorkelling operations. The code of conduct covers best practices for activities that take place both above and below the water, including waste management, pollution prevention, good mooring practices and marine conservation. Prior to Covid, Green Fins Phuket had around 35 members, but are not currently inactive due to the Covid 19 pandemic. More information on the Green Fins Code of Conduct can be found here.

The Marina Industries Association (MIA) is the major representative body for commercial marinas, boatyards, mooring and marine storage facilities, as well as sailing and boating clubs, in Australia, Asia and the Pacific. They offer 4 different accreditations, including Gold Anchor, Clean Marina, Fish-Friendly Marina, Single-Use Plastic Free Marina. Royal Phuket Marina has achieved the 5 star Gold Anchor Award and signed the Single-Use Plastic Free Pledge. Yacht Haven Marina has a Clean Marina Level 4 accreditation and a Gold Anchor Award.

As mentioned above, the long-tail boat Associations also have their own Codes of Conduct for their members to follow.

Elephant Camps

At least six elephant camps in Phuket and Phang Nga participated in the previous Travelife project to development welfare standards for Captive Elephant attractions. Two of these, the Phuket Nature Elephant Reserve and the Elephant Jungle Sanctuary in Kathu are accredited with the Asian Captive Elephant Welfare Standards (ACES). The Phuket Elephant Camp Owners Union also has its own Code of Conduct.

There is ongoing effort from the Thai government to develop its own standard of captive elephant welfare which will be under the Ministry of Agriculture. The standards will have three tiers for small, medium and large camps and include criteria about relevant legislation, regular health checks and understanding elephant behaviour. It will initially be a voluntary standard that will become mandatory after 2 years. Camp operators expressed some reservations about the standard, which in their opinion is more appropriate for zoo operations, and how the requirements on land size and bi-annual TB testing will impact upon their operations. It was noted that a rigid, one-size-fits-all standard would not be able to accommodate the different size, styles and types of elephant activities that exist in Thailand, and a

tiered system based on the number of elephants at the camp would be better able to accommodate the multiple business models in the elephant tourism industry.

Community-Based Tourism

The Ministry of Tourism has developed a Thai CBT Standard, which is now recognized by the GSTC. It consists of 5 categories and 100 criteria. Of the four communities we spoke to during the research, only 1 had attained this CBT standard.

Spa

In 2021 the Office of National Higher Education Science Research and Innovation Policy Council (NXPO), Thailand Science Research and Innovation (TSRI) and Rajabhat Phuket University, published a Standard manual for Eco Spas, as a part of a project to "Level Up Spa Competitiveness in the South to be World-Leading". The standards and criteria are grouped under 6 themes, which include organisation management, employee knowledge and understanding, service, products, building environment and community participation, and include sustainability through criteria on waste management, energy and water efficiency, air quality, use of eco-friendly spa products and cleaning products, local sourcing, and promotion of Thai history, culture, local wisdom and way of life.

In general, the key needs identified were financial support, greater regulation from the government relating to sustainability, and support for product development, marketing and promotions, especially via social media. The general picture that emerged from the interviews was that most people are aware of sustainability and the importance of protecting the environment but lack the financial resources to implement it as part of their business operations.

4 Discussion and Recommendations

The methodology used for selecting suppliers for interview was designed to generate a list of priority suppliers that are already operating in the Thai-EU supply chain. These suppliers are already working with DMCs that have achieved a Travelife sustainability award, which includes criteria about selecting and inspecting sustainable suppliers and activity providers. Therefore, the suppliers and activity providers that we spoke to during the VCA research are already knowledgeable about sustainable tourism and have been selected to work with the DMCs because of their sustainable operating practices (among other things). The findings of this report are limited to this segment of the tourism operators and should not be regarded as indicative of the tourism industry in the destination as a whole.

The suppliers we spoke with can already be considered as local leaders on sustainability. They have attended many trainings on sustainability, and many have already achieved sustainability awards and certifications such as Travelife for Accommodations, Green Leaf, and the ACES elephant welfare standard. However, even the smaller suppliers we spoke to thay are not part of the Thai-EU supply chain were knowledgeable about sustainability and had taken steps to reduce the environmental impact of their operations. Broadening EU-Thai supply chains to include more of these suppliers and operators, who have received less support from the government, less benefits from the Sandbox and SHA+ programs and are still struggling financially, would enable more suppliers in the destination to participate in a sustainable recovery from Covid-19. When identifying suppliers to participate in online sustainability trainings, TourLink may therefore wish to focus its efforts on other segments of the market, such as:

1) small suppliers who are doing their best to operate sustainably, but who find it challenging to engage with an international sustainability certification; and
2) mainstream suppliers who have not yet started on their sustainability journey.

Due to the intense competition for fewer numbers of tourists, many suppliers mentioned the need for greater support from government agencies to introduce and enforce environmental regulations and common sustainability standards in order for all operators to be able to move forwards together. This is urgently needed to ensure that the more sustainable operators are not priced out of the market by those who cut corners and have less sustainable operating standards. The TourLink project may wish to consider how it can play a role in encouraging greater engagement from the Thai government on this.

Finally, there was considerable interest from suppliers in the possibility of accessing Green Finance opportunities through the TourLink project, for projects such as buildings renovation in Phuket Old Town and purchasing EVs. The suppliers requested to be kept informed about opportunities in this area.

List of People and Organisations interviewed

1. Mr. Montri Manator, Deputy Director, TAT
2. Mr. Artanon Huangthanapan, Spokeperson, Phuket Tourism Association
3. Mr. Pakdipong Sooknimitr, Inspector of Water Transportation, Phuket Marine Department
4. Mr. Tewin Sawaensin, Director, Phuket Livestock Department
5. Mr. Chalermsak Maneesri, Mayor of Patong Municipality
6. Mr Pornrit Witchapin, General Manager, Seastar Andaman
7. Mr Jirayu Thanawarikornkul, Managing Director, Andaman Leisure
8. Mr. Benjapol Wangdee, Owner, Alisa Transportation
9. Mr. Chatr Pao-Kem, President of the Rawai Long-tail Boat Owners Association
10. Khanittha Boonyong, Executive Assistant Manager, Katathani Phuket Beach Resort and The Shore
11. Mr. Buncha Treyasorasai, Manager, Blue Elephant Phuket
12. Mr. Montri Todtane – CEO of Phuket Elephant Sanctuary and President of the Phuket Elephant Camp Owners Association
13. Khun Ilada Sungoum, Veterinary Assistant, Elephant Jungle Sanctuary
14. Mr. Siwakorn, Freelance Tour Guide
15. Mr. Torakan Patan, Vice President of Phuket Old Town Community
16. Mr. Prasert Ritruksa. Head of Product at Bangrong Community Based Tourism
17. Ms. Ladda Kawijit, president of Bang Wan CBT, Kamala
18. Mr. Sonthaya Kongtip, President Bang Tao Cherng Talay CBT Community

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Annex: Local Green Suppliers