

## **THAILAND – THE ‘WELLNESS CAPITAL OF ASIA’ MINISTRY OF PUBLIC HEALTH CERTIFICATION OF THAI SPAS**

featuring

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Health tourism, a novel concept, is Thailand’s ‘rising star’. The Royal Thai Government sees vast potential in fast-tracking the development of Thailand’s healthcare and health-related services. The mission, spearheaded by the Ministry of Public Health and the Ministry of Commerce, aims to firmly establish Thailand’s leadership position on three fronts - as Health Tourism Hub of Asia, Wellness Capital of Asia, and Thai Herbs for Health.

In 2004, Thailand embarked on a five-year strategic plan, spearheaded by the Ministry of Public Health, to establish Thailand as ‘Centre of Excellent Health of Asia’. The plan focuses on three key areas: medical services, healthcare services and Thai herbal products. The three leading products under the “Healthcare Services” category are health spas, traditional Thai massage, and long-stay healthcare products and services.

Four key destinations were initially targeted for the health and wellbeing ‘blitz’ – Bangkok, Chiang Mai, Phuket and Samui. In 2005, ten additional provinces with high development potential for health tourism have been incorporated into the plan. They are Chiang Rai, Chon Buri, Phetchaburi, Udon Thani, Prachuap Khiri Khan, Prachin Buri, Krabi, Phang-nga, Ranong and Songkhla.

### **SPA CAPITAL**

Thailand’s spa sector has witnessed phenomenal growth. A study undertaken by Intelligent Spas reports a growth of 64% for the period 2000-2002. Between June 2001 - June 2002, some 230 Thai spa operators attracted a total of 3.3 million spa users, out of which 2.5 million, or 79 per cent of the country’s total spa clientele, were overseas spa patrons contributing a total of US\$85 million to Thailand’s foreign exchange earnings. In 2004, Thai spas continued to register strong growth. They generated 5.3 billion baht in revenue, exceeding the original target by nearly ten per cent. The 2005 revenue target is 6.7 billion baht, an increase of 26 per cent.

### **MEDICAL HUB OF ASIA**

Thailand has also made remarkable progress in strengthening its status as ‘Medical Hub of Asia’. In 2004, 600,000 foreign patients seeking treatment in Thailand generated 20 billion baht revenue for the country. Regarded as a sector that offers great promise in generating significant foreign exchange earnings, medical tourism is expected to grow by an impressive 66 per cent in 2006 with approximately one million foreign patients travelling to Thailand for medical treatment and health services. As ‘Health Tourism Hub of Asia’, the priority for medical services is to ensure that the Thailand is perceived as being a quality destination in the delivery of superior medical and health-related services. Medical care, dental care, and medical check-ups are the core products offered.

**MINISTRY OF PUBLIC HEALTH FIVE-YEAR PLAN 2004 – 2008**  
**REVENUE FORECAST**

	2004	2005	2006	2007	2008	TOTAL
	(in '000,000 baht)					
MEDICAL SERVICES	19,635	23,100	27,433	32,898	39,833	142,899
HEALTH SERVICES [Spa services & Thai massage]	4,996	6,753	9,185	12,492	16,989	50,416
HERBAL PRODUCTS	1,550	2,000	3,000	4,000	7,000	17,550

All indicators suggest that there is vast potential in Thailand's health services sector. With the destination firmly established as the Wellness Capital of Asia, achieving world-class status is next on the national agenda. The Thai government realises that it is of vital importance to offer assurance to spa guests and visitors to Thailand that safety, hygiene, service quality and quality assurance are top priorities.

To achieve planned and sustainable growth in this sector, the national strategy addresses the critical step of building consumer confidence and trust in the range of products Thailand offers. This is being achieved through the introduction of quality standards, registration, certification and regulation, and legislation.

Mechanisms have been put in place to ensure compliance and enforcement, with processes to drive the systematic improvement of standards. The comprehensive plan also includes guidelines and measures to ensure fair pricing.

**CERTIFICATION STANDARDS FOR THAI SPAS**

Spa operators around the world have opted for self-regulation. Other than the presence of the International Spa Association or ISPA, there is not a global organisation, agency or legal entity responsible for setting global standards for spas per se.

Thailand has set an extraordinary precedent. The state has been working jointly with private sector operators and Thai spa associations to develop specific standards for the Thai spa industry and has taken a step beyond current practice - the regulation and the enforcement of industry standards via legislation.

Under the Ministerial Announcement dated 21 April 2004 issued by the Ministry of Public Health (MOPH), the ministry assumes the role of custodian overseeing the growth and development of the spa sector with one of its duties being to assist in the development of guidelines and specific standards for the Thai spa industry. Local industry standards are being developed in accordance with existing benchmarks for quality adopted by the global spa industry - a move which lifts the bar for health spas, traditional Thai massage, and long-stay healthcare products and services - the three leading products in this category.

**SETTING STANDARDS FOR THAI SPAS**

Two sets of standards are applicable to Thai spas and spa operators :

- \* Standards dictated by legislative provisions as reflected in the certification standards stipulated in the MOPH Ministerial Announcement dated 21 April 2004
- \* World-class standards as defined by internationally-recognised convention and 'best practices' A joint state-private sector working committee has been established to identify, define and develop appropriate criteria.



Standards dictated by legal provisions

There are five sets of standards that make up the overall standard governing Thai spas as required by Thai law. These articles of law are currently in force.

Standards related to the establishment/facility

Standards related to the spa operator including duties and responsibilities

Standards for the provision of spa services

Standards related to the spa service provider

Standards pertaining to security

Participation in the MOPH certification programme is voluntary with operators submitting a request. The MOPH had received 1,252 applications for certification. Of the 796 operators certified as of July 2005, 238 (30%) were spa operators; 426 (54%) were operators offering health and beauty services and 132 (16%), operators offering Thai massage services. Under the abovementioned April 2004 MOPH Ministerial Announcement, operators offering spa, health and beauty and Thai massage services are issued with certificates that are valid for one year and must be extended annually. Operators are required to submit an application for inspection and re-certification 30 days before the existing certificate expires.

#### OPERATORS CERTIFIED BY THE MINISTRY OF PUBLIC HEALTH BREAKDOWN BY CATEGORY – AS OF JULY 2005

	NO. OF ESTABLISHMENTS CERTIFIED	
Category 1: SPAS	238	30%
Category 2: HEALTH & BEAUTY SERVICES	426*	54%
Category 3: THAI MASSAGE SERVICES	132	16%
TOTAL:	796	63.58% of total applications received by the MOPH
TOTAL SURVEYED:	1,252	

#### CERTIFICATION BY CATEGORY: BREAKDOWN BY GEOGRAPHIC AREA– JULY 2005

CATEGORY:	BANGKOK	CENTRAL	NORTH	NORTHEAST	SOUTH	TOTAL:
I. SPAS	85	39	25 (Chiang Mai 17)	1	88	238
II. HEALTH & BEAUTY SERVICES	255	90	32 (Chiang Mai 24)	42	7	426
III. THAI MASSAGE	109	17	5 (Chiang Mai 5)	1	-	132

**CERTIFIED SPA OPERATORS BY GEOGRAPHIC AREA AND TYPE – JULY 2005**

Source: Ministry of Public Health

PROVINCE	NO. OF SPAS CERTIFIED	BREAKDOWN BY TYPE		
		Hotel & Resort Spas	Day Spas	Destination Spas
<b>KEY DESTINATIONS:</b>				
• BANGKOK	85	10	75	
• CHIANG MAI	17	3	12	2
• PHUKET	51	34	17	
• SURAT THANI	29	21	8	
• KRABI	5	5	0	
<b>CENTRAL THAILAND</b>				
Pathum Thani	1	0	1	
Nonthaburi	5	0	5	
<b>PATTAYA &amp; THE EASTERN SEABOARD</b>				
Chon Buri	6	6	0	
Rayong	5	2	3	
Trat	3	3	0	
Chanthaburi	3	0	3	
<b>GULF COAST</b>				
Petchaburi	3	0	3	
Prachuap Khiri Khan	5	4	1	
<b>NORTHERN THAILAND</b>				
Mae Hong Son	1	0	1	
Lampang	1	0	1	
Phitsanuloke	5	2	3	
Petchabun	1	1	0	
Nakhon Sawan	8	0	8	
<b>NORTHEASTERN THAILAND</b>				
Nakhon Ratchasima	1	0	1	
<b>SOUTHERN THAILAND</b>				
Ranong	2	1	1	
Pattani	1	0	1	
<b>TOTAL:</b>	<b>238</b>	<b>92</b>	<b>144</b>	<b>2</b>

**WORLD-CLASS STANDARDS FOR THAI SPAS**

Efforts are being made to raise the quality of Thai spa operations to bring these services in line with internationally-recognised spa standards and practices.

A joint state-and-private-sector working committee has been established to spearhead these efforts. World-class standards and corresponding criteria for the following are being identified, defined and developed.

- The definition of a Thai spa
- Standards for the Thai spa establishment or facility
- Standards related to provision of Thai spa services
- Standards for spa operators
- Standards for the spa service provider/masseuse
- Standards related to security
- Standards for equipment and products

Once the drafting process has been completed, the proposed standards will be presented and discussed in an open forum prior to being announced for implementation.

The working committee consists of representatives from state agencies as well as private sector trade associations and academic institutions. Members representing the state sector are from the Department of Health Support Services and the Department for the Development of Thai Traditional and Alternative Medicine of the Ministry of Public Health; the Department of Medical Services and representatives from state universities. Private sector representatives are from spa associations nationwide and Rangsit University.

In addition to defining standards, the MOPH blueprint for the development of world-class Thai spa operations also includes:

- the establishment of a joint public-private sector certification body and the subsequent development of a spa rating system, possibly based on a star-rating system;
- the development of promotional signage that serves as a ‘hallmark of quality’ for Thai spas to increase the international awareness of Thai spas worldwide and the dissemination of information and education of spa visitors;
- the development of an information base and information channels to provide spa operators with access to essential information, sources of knowledge and the transfer and exchange of knowledge;
- the development of a database and the creation of a registry of professional spa operators and spa-related service providers;
- and strengthening of the Thai spa esprit de corps to promote ethical standards; facilitate professional vocational training; promote continuous process improvement; foster a positive image of Thai spas and uphold the good reputation of Thai spas.

With clear direction and strategy formulated for the development of the sector as one of the key drivers to promote economic growth, the next critical step in the process is to achieve the seamless integration of state and private sector efforts and more efficient utilization of existing resources.

The MOPH role in the development process will be to identify and select high potential products and interface with operators and service providers in the development of product potential and to be the centre of integration for all three product lines - medical services, health services, and Thai herbal products for health.

### **TRADITIONAL THAI MASSAGE**

Thai massage is an ancient art offering significant therapeutic benefits -- as anyone who has experienced it can attest.

Traditional Thai massage, a treatment believed to impart formidable healing powers, embodies qualities and traits inherent in Thai culture. This enables spa guests and visitors to Thailand to experience fascinating dimensions of ‘Thai-ness’ and some of the richness of Thailand’s heritage up close and personal.

Dr Rewat Wisutwet, Director General of the Department of Health Service Support, Ministry of Public Health, reiterated that the Thai government attaches great importance to the systematic development of traditional Thai massage as an economic sector because of the sizeable contribution that the sector can potentially make to social as well as economic development through the creation of jobs, particularly at the grassroots level.

The incorporation of the ten additional provinces with high development potential for health tourism into the plan to establish Thailand as the Wellness Capital of Asia significantly increases the number of jobs that will be made available in provinces such as Chiang Rai, Chon Buri, Phetchaburi, Udon Thani, Prachuap Khiri Khan, Prachin Buri, Krabi, Phang-nga, Ranong and Songkhla.

There are currently 20,000 professionally-trained spa therapists and masseuses employed in the industry. According to the MOPH, traditional Thai massage alone accounted for 1.2 billion baht in Thailand's foreign exchange earnings.

As a demonstration of its commitment to individuals professionally employed in the Thai spa industry in the aftermath of the tsunami incident of December 2004, the MOPH immediately sponsored refresher training programmes for spa therapists and masseuse who were employed by hotel and resort spas and other spa operations in Phuket, Krabi and Phang-nga that were severely impacted by the tourism downturn. This offered an opportunity for spa-related employees to remain employed.

Additionally, as the visibility of Thai spas spreads internationally, greater awareness of the distinctive qualities of Thai spas is driving up international interest and worldwide demand for Thai spa products and services. In response to market demand, the Thai government has embarked on a major venture to take the Thai spa concept abroad. Thai spa products and services will be promoted overseas under the 'Thai Spa Goes International' banner.

The growing demand for Thai spa products and services is being mirrored by an increase in demand for professionally-trained and highly experienced spa therapists and masseuses, both at home and abroad. To develop sufficient staff resources to meet the sector's personnel needs, a much-expanded recruitment effort, intensive training and certification is imperative.

### **THAI HERBS FOR HEALTH**

This is a sector with vast untapped potential for growth. The popularity of Thai cuisine worldwide has resulted in growing awareness that tropical Thailand is a rich source for a diverse range of fresh herbs known for their therapeutic and healing qualities.

As the Thai spa concept takes root worldwide, there is expected to be an increase in demand for Thai herbal products. With "Thai-ness" and Thai herbs being the core ingredients of the Thai-style spa, this is an area that supports cross-sector linkages. Herbal products and herbal teas, food supplements, cosmetics and beauty products are slated to be the key product categories with high potential on the world market. According to the Department of Export Promotion targets for 2005, Thailand's exports of health and beauty products is slated to generate US\$8.72 million representing an increase of 28% over 2004.

Thailand will be hosting a Wellness Summit in the royal seaside resort of Hua Hin in September 2005 and ISPA 2006 Thailand – the International Spa Association's Asia-Pacific Conference and Exhibition – from May 3-5, 2006. With 'The Best of the East' as its theme, ISPA 2006 Thailand is seen as the perfect opportunity to reinforce the country's positioning as the Spa Capital of Asia and launch Thailand as a leading world class spa destination and supplier.