Recent trends in spending by visitors to Thailand

An analysis of Visa card spending in Thailand by international cardholders
Welcome

On behalf of Visa International Asia Pacific, I am pleased to present a new research publication, Recent trends in Visa card spending by visitors to Thailand. This report is designed to provide our tourism authorities, travel industry, analysts and media with a comprehensive snapshot of tourist spending using electronic payments in the industry.

Thailand’s tourism industry does not operate in a vacuum, which is why this report also looks at tourist spending across the region as a whole. Tourism plays an important role in Asia’s economic vibrancy. In 2003, travelers spent approximately US$100 billion across the Asia Pacific region and visitors to Thailand spent nearly US$8 billion. According to the Tourism Authority of Thailand, tourism represents close to six percent of gross domestic product and is one of the highest foreign revenue earners and contributes significantly to our economy.

This report highlights the value of electronic payments in stimulating tourist spending. Visa has been a long-time supporter of Thailand’s tourism industry through active partnerships with tourism authorities and our network of more than 150,000 merchants around the country.

In the last two years, despite the many challenges posed by global uncertainties that dampened international travel, tourist spending on Visa cards has demonstrated strong resilience.

Research shows that Visa is an increasingly important channel in delivering tourism revenues for Thailand, with an estimated 26 percent of all tourist spending made with Visa cards.

Information about where these cardholders come from, how they spend their money, and who the biggest spenders are is valuable to Thai businesses that are seeking to attract inbound travelers. It can help them plan the goods and services they should offer and how they can diversify their offerings and marketing to insulate their business from market downturns.

Visa recognizes the value tourism authorities place on data collection and analysis. We hope that this report will provide additional comprehensive data and insight that will help Thailand strengthen its competitiveness in attracting tourists and encouraging them to spend more.

We will continue to work with our member banks and merchants to ensure that both Thais and visitors to our country benefit from an efficient modern payments system.

Somboon Krobleeranon

Country Manager Thailand
Visa International
June 2004

If you have any feedback on this publication please email apoorpc@visa.com

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Tourism is important to Asia Pacific economies. Around 90 million travelers visited the Asia Pacific region in 2003 and spent around US$100 billion during their stay.¹

International payment cards — that is, credit and debit cards — play an important role in facilitating tourism. They ease the difficulties travelers face when making purchases in other countries and reduce transaction costs.

International payment card networks are large and growing. Visa International (Visa) alone has more than one billion cardholders globally, many of whom use their credit and debit cards to purchase goods and services when traveling to another country.

Data collected by Visa can be valuable to tourism and export oriented businesses. It provides information about the types of goods and services that international cardholders are purchasing and identifies the biggest spenders by their country of origin. This information can assist tourism and export businesses to decide on the range of goods and services they should offer, the markets they could target, how they should present goods and services, and how they might be able to better insulate their businesses from market downturns.

The Visa dataset shows:

- Total international spend on Visa cards in the Asia Pacific region was US$17.3 billion in 2003.² This compares to US$16.0 billion in 2002 and US$14.0 billion in 2001.
- On average, 91 percent of total international Visa spend in Asia Pacific (US$15.7 billion) is transected between cardholders and merchants in person³, in preference to over the telephone, Internet or mail order transactions. This is equivalent to around 16 percent of total visitor spending in Asia Pacific (according to PATA survey data).
- The top five destination countries in terms of in-person Visa spend are Australia (US$3.31 billion in 2003), Thailand (US$2.05 billion), Hong Kong (US$1.33 billion), Japan (US$1.28 billion) and China (US$1.19 billion).
- The ranking of destination countries in terms of total Visa spend by international cardholders differs from the ranking based on visitor numbers. This reflects differences in card take-up within cardholders’ country of origin, the level of payment card acceptance within destination countries, and visitor demographics (for example, some countries attract a higher proportion of budget travelers with a different propensity to use credit cards).

- Intra-regional tourism is important to Asia Pacific countries. International cardholders from Asia Pacific countries accounted for 45 percent of total Visa Asia Pacific spend in 2003.

¹ Approximate figures based on PATA 2003 Quarterly Statistical Report and PATA 2003 Annual Statistical Report 2002. PATA defines a visitor as “any person visiting the country other than that in which he has his/her usual place of residence for any reason other than following an occupation remunerated from within the country visited and remaining at least 24 hours.” This matches the World Tourism Organization’s definition of a “tourist”.

² International cardholders are cardholders who use a payment card to purchase goods and services in countries other than the country in which the card was issued.

³ That is, the cardholder has physically traveled to the country in which the merchant is located and conducted the transaction on a face-to-face basis with the merchant.
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Highlights

Tourism is important to Asia Pacific economies. Around 90 million travelers visited the Asia Pacific region in 2003 and spent around US$100 billion during their stay.1

International payment cards— that is, credit and debit cards—play an important role in facilitating tourism. They ease the difficulties travelers face when making purchases in other countries and reduce transaction costs.

International payment card networks are large and growing. Visa International (Visa) alone has more than one billion cardholders globally, many of whom use their credit and debit cards to purchase goods and services when traveling to another country.

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• On average, 91 percent of total international Visa spend in Asia Pacific (US$15.7 billion) is transacted between cardholders and merchants in person3, in preference to over the telephone, Internet or mail order transactions. This is equivalent to around 16 percent of total visitor spending in Asia Pacific (according to PATA survey data).

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2 International cardholders are cardholders who use a payment card to purchase goods and services in countries other than the country in which the card was issued.

3 That is, where the cardholder has physically traveled to the country in which the merchant is located and conducted the transaction on a face-to-face basis with the merchant.
However, the two largest spending countries of origin in 2003 (the United States and the United Kingdom) both lie outside the Asia Pacific region. Other countries making up the top five Visa spenders in Asia Pacific during 2003 were Japan, Hong Kong and Australia. These countries accounted for 56 percent of total Visa Asia Pacific spend by international cardholders.

There is no discernable correlation between total Visa spend and per transaction spend. Cardholders from the United States and the United Kingdom collectively spend more than cardholders from other countries. However, cardholders from China (average of US$253 per transaction) and Spain (average US$202 per transaction) on average spend considerably more per transaction than cardholders from the United States (average US$135 per transaction) and the United Kingdom (average US$141 per transaction).

Retail stores and accommodation providers attract the most Visa Asia Pacific spend of the 12 broad spend categories.4

Across the region, education goods and services attract the highest average spend per transaction (US$674), followed by accommodation services (US$213) and transport services (US$202). However, there is some variation across countries. In Australia, New Zealand, Thailand, Singapore and Malaysia, education attracts the highest average spend per transaction. In Hong Kong, household goods attract the highest average spend per transaction. In Japan, accommodation attracts the highest average spend per transaction. In China, mail and phone order transactions attract the highest average spend per transaction by international Visa cardholders.

The Visa dataset confirms that Asia Pacific is not a homogenous destination — cardholders shop for different goods and services in different countries. For example, spend by Visa cardholders at art and craft stores is very high in China (fourth highest spend of 272 merchant categories) relative to other destinations in Asia Pacific. In Hong Kong, international Visa cardholders spend more on clothing, while in Australia cardholders spend relatively more on education services relative to other destinations in Asia Pacific. Electronic and computer-related goods stand out as relatively popular merchant spend categories in Japan and Singapore.

1 | Introduction

Around 90 million travelers visited Asia Pacific countries during 2003 and spent approximately US$100 billion during their stay. Information about where these travelers came from, what they spent their money on, and who were the biggest spenders is valuable to businesses in the region that are seeking to attract inbound travelers. It helps them to plan the goods and services they should offer, how they should present and market them, and how they can diversely their offering, presentation and marketing to insulate their business from market downturns.

Traditionally, businesses around Asia Pacific have obtained this information from national tourism bodies. These include the Bureau of Tourism Research in Australia, the Hong Kong Tourism Board, the Japan National Tourist Organisation, the China National Tourism Administration, the Singapore Tourism Board, the New Zealand Tourism Research Council, Tourism Malaysia and the Tourism Authority of Thailand. However the data published by these bodies can be difficult to use in cross-country comparisons because of differences in data collection methods, frequencies of data collection and dissemination, and different levels of aggregation.

A variety of other international tourism bodies also disseminate tourism data. For instance the Pacific Asia Travel Association (PATA) releases quarterly and annual statistical reports containing information about visitor arrivals and spend. Tourism data is also published by the Asia-Pacific Economic Cooperation’s (APEC) Tourism Information Network and the World Tourism Organization (WTO). This report draws on aggregate-level data from these sources to provide tourism trend analysis on a comparable cross-country basis.

The quality and frequency of visitor arrivals data from these sources are generally high.5 However, accurate visitor spend data is more difficult to obtain as it is typically based on survey data and it is not always available in complete time series. Due to the time it takes to compile the data, there is often a substantial lag between when the data is collected and when it is released publicly.

Visa International (Visa) has a large database that potentially supplements the data available from these other sources. Visa’s information identifies how much international cardholders from particular countries of origin are spending at various merchants in particular Asia Pacific destinations using Visa cards. The dataset captures the population of Visa transactions by international cardholders and is not survey based. Data is collected as each transaction flows through Visa’s processing network. Since Visa has more than one billion cards in circulation and more than 20 million merchants worldwide that accept its cards, the dataset is able to generate statistically significant results for most Asia Pacific destination countries and the vast majority of countries of cardholder origin.7

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4 Refer to Appendix C for a description of Visa’s 12 broad spend categories.

5 This figure should be considered as an indicative only. It is a rough estimate based on PATA 2003 Quarterly Statistical Reports and on PATA 2003, Annual Statistical Report 2002.

6 The primary source for PATA visitor arrival data is the embarkation/deparkment card completed by most visitors to Asia Pacific destinations.

7 The Visa dataset does not contain information at the individual cardholder level or individual merchant outlet level. It therefore preserves both cardholder privacy and merchant confidentiality.
• However, the two largest spending countries of origin in 2003 (the United States and the United Kingdom) both lie outside the Asia Pacific region. Other countries making up the top five Visa spenders in Asia Pacific during 2003 were Japan, Hong Kong and Australia.

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Visa data is collated on a quarterly basis and is complete across countries and through time. The Visa dataset provides information about total spend and number of transactions by country of origin of cardholders. Spend can be broken down into 12 broad spend categories, or further disaggregated into 272 merchant categories. It therefore facilitates a highly disaggregated analysis of spending patterns by cardholder country of origin.

The Visa dataset captures all types of credit and debit card transactions, including those made by international cardholders at the point of sale, mail order, Internet and telephone order transactions. It therefore includes spending by international cardholders even when the cardholder does not physically travel to the merchant’s country of business. Notwithstanding this, the majority of Visa spending by international cardholders occurs in person (over 90 percent in most countries), requiring the cardholder to be physically present at the merchant’s premises. Even when transactions are not conducted in person, they may still be tourism-related. For example, visitors regularly pay for airline tickets and package tours using their credit card over the Internet or telephone.

If it is conservatively assumed that 91 percent of Visa card spend in the Asia Pacific by international cardholders is associated with inbound travel, around 16 percent of total visitor spend in the Asia Pacific in 2003 was made using a Visa card.

This report highlights recent trends in Visa card spending by international cardholders across Asia Pacific. It focuses on the 35 largest countries of destination within the Asia Pacific region (listed in Appendix A). These destination countries collectively account for almost 100 percent of total Visa spend by international cardholders in the Asia Pacific.

2| Tourism activity in Asia Pacific

Key points

Around 90 million people visited the Asia Pacific region in 2003, compared to 95 million in 2002. Most countries in the region experienced declines in visitor numbers during 2003 due to the impact of Severe Acute Respiratory Syndrome (SARS) and uncertainty about security and related issues.

Two-thirds of the visitors to Asia Pacific countries come from other countries in the Asia Pacific region.

China and Japan are the standout countries of origin for visitors to Asia Pacific countries.

China, Malaysia and Thailand are the most popular Asia Pacific destinations for travelers.

Visitors to Asia Pacific destinations spent an estimated US$100 billion in 2003 during their stay.

Average spend per visitor varies widely throughout the region, reflecting differences in the cost of living in the destination country and in the average length of stay of visitors.

2.1 Visitor numbers

In 2003, around 90 million travelers visited the Asia Pacific region. This compares to 95 million in 2002 and 90 million in 2001.

Visitor region of origin

Around two-thirds of these visitors arrived from another country within the Asia Pacific region ('intra-regional visitors') while the remainder arrived from North or South America (nine percent), Europe (15 percent), and the rest of the world (seven percent) (see Chart 1).
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*This is conservative estimate because the remaining 9 percent of Visa spend card representing card not-present transactions includes tourism-related expenditures conducted on a card not-present basis.

Based on total spend figures for 2003 approximated from PMA data.

*Note: 2003 figures include projected estimates for Q2 2003.

Data source: PMA 2003, Annual Statistical Report 2002, Table 2.4

*Approximate figure based on preliminary PMA figures.

Top countries of origin

The top five countries of origin of visitors to Asia Pacific countries in 2002, the latest period for which consistent data is available, were China (16 percent of all visitors to the region), Japan (14 percent), Singapore (12 percent), Taiwan (11 percent) and Hong Kong (eight percent).

Eight of the top 10 countries of origin of visitors to Asia Pacific countries are other Asia Pacific countries. The top non-Asia Pacific countries of origin are the United States and the United Kingdom (see Chart 2).

Top 10 countries of origin of visitors to the Asia Pacific region, 2002


2.2 Total visitor spend

Data on total spend by visitors to the Asia Pacific region is not always consistent across countries. For some countries no data is available whereas for others it is available only for some periods. A rough estimate is that around US$100 billion was spent by visitors to the region in 2003.13

Generally, the countries that receive the largest share of visitor spend are those that receive the greatest number of visitors. However cross country differences in the cost of living and the cost of travel in each country also influence total visitor spend. For example, Hong Kong, Australia and New Zealand tend to receive a larger share of total spend as a proportion of the number of visitors than do other countries in the region. This may reflect the fact that these countries have a relatively high cost of living. China also receives a high proportion of total spend relative to the number of visitors based on PATA and APEC data (see Chart 4).

2.3 Average visitor spend

Average visitor spend data is difficult to obtain since it requires information on both total spend and visitor numbers. Nevertheless some indicative data is available. Average spend per visitor tends to vary widely throughout the region, reflecting differences in the cost of living in the destination country and the average length of stay of the visitor (see Chart 5).

For example, per-visitor spend in Hong Kong is relatively low, reflecting the fact that the average length of stay is short (around three days), whereas spend per visitor in New Zealand is much higher, reflecting a longer average length of stay (around 20 days). However daily spend per visitor-day is significantly higher in Hong Kong than in New Zealand.
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Top Asia Pacific destinations

Among the eight destination countries profiled in this report, the top destinations for visitors to the region are China, Malaysia, Thailand, Hong Kong and Singapore (see Chart 3). The top six Asia Pacific destinations in Chart 3 are also the top six most popular destinations for the region as a whole. Australia ranks as the seventh most popular destination among the countries profiled in this report, but ninth among all Asia Pacific destinations (after South Korea and Indonesia). New Zealand ranks eighth among the eight destination countries profiled in this report, but 14th among all Asia Pacific destinations.


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3 | Visa spend in the Asia Pacific region in 2003

Key points

International Visa cardholders collectively spent US$17.3 billion in Asia Pacific countries during 2003. Of this, 91 percent or US$15.7 billion, was transacted by cardholders and merchants on a face-to-face basis.

Visa cardholders from Europe and North America accounted for 53 percent of total Visa spend in the Asia Pacific region during 2003. Cardholders from other Asia Pacific countries accounted for 45 percent of total Visa Asia Pacific spend. The remaining two percent of Visa spend was by cardholders from other parts of the world.

The top five Asia Pacific destinations among Visa cardholders in terms of in-person Visa spend in 2003 were Australia (US$3.31 billion), Thailand (US$2.05 billion), Hong Kong (US$1.33 billion), Japan (US$1.28 billion) and China (US$1.19 billion).

The top five Visa Asia Pacific spenders by country of origin during 2003 were the United States (US$3.26 billion), the United Kingdom (US$2.62 billion), Japan (US$1.81 billion), Hong Kong (US$1.07 billion) and Australia (US$970 million).

Cardholders from China and Spain recorded the highest average spend per transaction. Nearly 60 percent of total Visa Asia Pacific spend by international cardholders relates to retail store and accommodation purchases.

Travel agents, department stores, jewellery stores and duty free stores attract the most Visa retail spend in Asia Pacific countries.

3.1 Overview

International Visa cardholders collectively spent US$17.3 billion in the Asia Pacific region during 2003. This compares to US$16.0 billion in 2002 and US$14.0 billion in 2001. Visa spend has grown in each of the last five years with the exception of 2001, when it fell slightly compared to the previous year.

Of the total Visa Asia Pacific spend in 2003, 91 percent (US$15.7 billion) was spent at the point of sale, requiring the cardholder to be physically present at merchant premises. This is equivalent to approximately 16 percent of PATA total spend by visitors to the region.

3.2 Top destinations for Visa card spending

Australia attracts the largest in-person Visa spend by international cardholders, followed by Thailand, Hong Kong and Japan (see Chart 6). In 2003 international Visa cardholders visiting Australia spent US$3.31 billion in person at Australian merchants. This compares with US$2.05 billion in-person spend at Thai merchants by Visa cardholders visiting Thailand and US$1.33 billion in person spend at Hong Kong merchants by Visa cardholders visiting Hong Kong.

In-person Visa spend by international cardholders in 2003 was up relative to 2002 in all countries except Hong Kong (down from US$1.63 billion17 and Singapore (down from US$1.01 billion to US$976 million). The downturn in the value of face-to-face transactions in these two popular destination countries is likely explained by the outbreak of SARS during 2003.

Cardholders from countries outside the Asia Pacific region account for a higher share of total Visa Asia Pacific spend than is indicated by their share of total visitors (presented in Section 2). In 2003 they accounted for 31 percent of visitors and 55 percent of Visa Asia Pacific spend. Conversely, cardholders from countries within the Asia Pacific region account for a lower share of total Visa Asia Pacific spend than is indicated by their share of total visitors. In 2003 they accounted for 69 percent of visitors and 45 percent of Visa Asia Pacific spend.

Some factors that may explain the higher spend of cardholders from outside of the Asia Pacific region include:

- Lower credit card penetration in Asia Pacific (issuing) countries relative to non-Asia Pacific markets, such as North America and the European Union
- Higher average spend per transaction of non-Asia Pacific cardholders, possibly reflecting higher average incomes
- A greater propensity for visitors from outside of Asia Pacific to purchase goods from merchants with credit card payment facilities

Over the last five years, the proportion of total Visa card spend in Asia Pacific by cardholders from within the region has increased (from 39 percent in 1999 to 45 percent in 2003), while the proportion of total Visa card spend in the region by cardholders from North America and the European Union has declined (from 58 percent in 1999 to 53 percent in 2003).

3.3 Visa spend by cardholder region of origin

Intra-regional spend is still outweighed by external spend, but this is changing

In 2003 around 45 percent of international spending on Visa cards was by cardholders from other countries in the Asia Pacific region (i.e. intra-regional spend). Europeans and North Americans collectively accounted for 53 percent of total Visa spend by international cardholders in Asia Pacific (see Chart 7).


14 Spend data is reported in inflation-adjusted US dollars to facilitate cross-country comparisons.
15 At average 2003 prices.
16 This is an approximate figure based on 2002 PATA visitor expenditure numbers (the latest period for which comparable numbers are available), with figures interpolated where they were available.
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Visa cardholders from Europe and North America accounted for 53 percent of total Visa spend in the Asia Pacific region during 2003. Cardholders from other Asia Pacific countries accounted for 45 percent of total Visa Asia Pacific spend. The remaining two percent of Visa spend was by cardholders from other parts of the world.

The top five Asia Pacific destinations among Visa cardholders in terms of in-person Visa spend in 2003 were Australia (US$3.31 billion), Thailand (US$2.05 billion), Hong Kong (US$1.33 billion), Japan (US$1.28 billion) and China (US$1.19 billion).

The top five Visa Asia Pacific spenders by country of origin during 2003 were the United States (US$3.26 billion), the United Kingdom (US$2.62 billion), Japan (US$1.81 billion), Hong Kong (US$1.07 billion) and Australia (US$970 million).

Cardholders from China and Spain recorded the highest average spend per transaction. Nearly 60 percent of total Visa Asia Pacific spend by international cardholders relates to retail store and accommodation purchases.

Travel agents, department stores, jewelry stores and duty free stores attract the most Visa retail spend in Asia Pacific countries.

3.1 Overview
International Visa cardholders collectively spent US$17.3 billion in the Asia Pacific region during 2003. This compares to US$16.0 billion in 2002 and US$14.0 billion in 2001. Visa spend has grown in each of the last five years with the exception of 2001, when it fell slightly compared to the previous year.

Of the total Visa Asia Pacific spend in 2003, 91 percent (US$15.7 billion) was spent at the point of sale, requiring the cardholder to be physically present at merchant premises. This is equivalent to approximately 16 percent of PATA total spend by visitors to the region.

3.2 Top destinations for Visa card spending
Australia attracts the largest in-person Visa spend by international cardholders, followed by Thailand, Hong Kong and Japan (see Chart 6). In 2003 international Visa cardholders visiting Australia spent US$3.31 billion in person at Australian merchants. This compares with US$2.05 billion in-person spend at Thai merchants by Visa cardholders visiting Thailand and US$1.33 billion in person spend at Hong Kong by Visa cardholders visiting Hong Kong.

In-person Visa spend by international cardholders in 2003 was up relative to 2002 in all countries except Hong Kong (down from US$1.63 billion17 and Singapore (down from US$1.01 billion to US$976 million). The downturn in the value of face-to-face transactions in these two popular destination countries is likely explained by the outbreak of SARS during 2003.

Cardholders from countries outside the Asia Pacific region account for a higher share of total Visa Asia Pacific spend than is indicated by their share of total visitors (presented in Section 2). In 2003 they accounted for 31 percent of visitors and 55 percent of Visa Asia Pacific spend. Conversely, cardholders from countries within the Asia Pacific region account for a lower share of total Visa Asia Pacific spend than is indicated by their share of total visitors. In 2003 they accounted for 69 percent of visitors and 45 percent of Visa Asia Pacific spend.

Some factors that may explain the higher spend of cardholders from outside of the Asia Pacific region include:
- Lower credit card penetration in Asia Pacific (issuing) countries relative to non-Asia Pacific markets, such as North America and the European Union
- Higher average spend per transaction of non-Asia Pacific cardholders, possibly reflecting higher average incomes
- A greater propensity for visitors from outside of Asia Pacific to purchase goods from merchants with credit card payment facilities

Over the last five years, the proportion of total Visa card spend in Asia Pacific by cardholders from within the region has increased (from 39 percent in 1999 to 45 percent in 2003), while the proportion of total Visa card spend in the region by cardholders from North America and the European Union has declined (from 58 percent in 1999 to 53 percent in 2003).

3.3 Visa spend by cardholder region of origin
Intra-regional spend is still outweighed by external spend, but this is changing
In 2003 around 45 percent of international spending on Visa cards was by cardholders from other countries in the Asia Pacific region (i.e. intra-regional spend). Europeans and North Americans collectively accounted for 53 percent of total Visa spend by international cardholders in Asia Pacific (see Chart 7).
3.4 Visa spend by cardholder country of origin

Cardholders from the United States and United Kingdom are the biggest Visa spenders.

The top five cardholder countries of origin accounted for 56 percent of total Visa spend at Asia Pacific merchants by international cardholders in 2003. The top five comprises cardholders from the United States (US$3.26 billion), the United Kingdom (US$2.62 billion), Japan (US$1.81 billion), Hong Kong (US$1.07 billion) and Australia (US$570 million).

The top 10 cardholder countries of origin accounted for 74 percent of total Visa Asia Pacific spend by non-resident cardholders. Four of the top 10 spending countries of origin lie outside the Asia Pacific region, including the two largest, the United States and United Kingdom (see Chart 8).

![Chart 9: Top 10 spenders in Asia Pacific region by average transaction size, 2003](image)

Average spend per transaction for individual countries of origin can vary quite markedly through time. For example, Spain ranked eighth in 1999, 13th in 2000, first in 2001, first in 2002 and second in 2003. Canada ranked first in 1999 but had slipped to 19th place by 2003. Average spend per transaction is more consistent among visitors from Asia Pacific countries. China, Hong Kong, South Korea, Japan and Thailand all rank in the top 10 in terms of average spend per transaction in each of the last five years.

3.5 What are international Visa cardholders buying?

Retail shopping and accommodation are the biggest spend categories

Visa cardholder spend in the Asia Pacific is unevenly distributed across the 12 broad spend categories (see Chart 10).

![Chart 10: Visa Asia Pacific spend by broad spend category, 2003](image)

The biggest spend within the top 10 over the last five years have been Australia and Canada. Australian cardholders were the fifth highest Visa Asia Pacific spenders in 2003, up from eighth place in 1999. Canadian cardholders were the fifth highest Visa Asia Pacific spenders in 1999, but by 2003 they had moved to 10th place.

Chinese and Spanish cardholders have the highest average spend per transaction

In 2003 the largest Visa Asia Pacific spenders on a per transaction basis were from China (average US$253 per transaction), Spain (average US$203 per transaction), Indonesia (average US$196 per transaction) and South Korea (average US$194 per transaction) (see Chart 9).

![Chart 11: Visa Asia Pacific average spend per transaction by broad spend category, 2003](image)

In 2003, 59 percent of Visa Asia Pacific spend by international cardholders related to retail store purchases (US$4.22 billion) and accommodation purchases (US$3.26 billion). The next largest spend categories were sports and leisure activities (US$949 million), transport services (including land, sea and air transport) (US$855 million), and restaurants and food (US$629 million).

The ranking of the largest Visa spend categories has remained steady over time – retail and accommodation have been the two largest spend categories each year since 1999. However, there have been some movements among the smaller categories. Spending on transport goods and services rose from seventh largest of the 12 categories in 1999 to fourth largest in 2003, while spend on clothing fell from third largest in 1999 to sixth largest in 2003. The rise in transport spend partly reflects increased card acceptance by services such as railways and airlines, particularly in Japan.

Average spend per education transaction is around three times higher than average spend per accommodation transaction

Average spend per transaction in each of the Visa spend categories is uncorrelated with total spend (see Chart 11). Average spend is highest on education goods and services (US$661 per transaction in 2003), followed by accommodation (US$214 per transaction) and transport services (US$202 per transaction). Average spend is lowest for restaurants and food transactions (US$52 per transaction in 2003). Generally average spend per transaction for each broad spend category has been relatively stable through time, although average spend on education has increased by 66 percent since 1999 (when average spend per transaction was US$433 in average 2003 prices).

![Chart 12: Breakdown of Visa retail spend in Asia Pacific, 2003](image)

It is important to recognize that Asia Pacific is not a homogenous destination. Cardholders prefer to buy different goods and services depending on what the country they are visiting has to offer. Thus, while travel agents attract the highest retail spend for the Asia Pacific region as a whole, they do not attract the most retail spend in every Asia Pacific destination country.

18 We excluded manual and ATM cash withdrawals from this analysis, so total spend aggregated across spend categories is less than total spend aggregated across countries of origin.
3.4 Visa spend by cardholder country of origin

Cardholders from the United States and United Kingdom are the biggest Visa spenders

The top five cardholder countries of origin accounted for 56 percent of total Visa spend at Asia Pacific merchants by international cardholders in 2003. The top five comprises cardholders from the United States (US$3.26 billion), the United Kingdom (US$2.62 billion), Japan (US$1.81 billion), Hong Kong (US$1.07 billion) and Australia (US$970 million).

The top 10 cardholder countries of origin accounted for 74 percent of total Visa Asia Pacific spend by non-resident cardholders. Four of the top 10 spending countries of origin lie outside the Asia Pacific region, including the two largest, the United States and United Kingdom (see Chart 8).

Average spend per transaction for individual countries of origin can vary quite markedly through time. For example, Spain ranked eighth in 1999, 13th in 2000, first in 2001, first in 2002 and second in 2003. Canada ranked first in 1999 but had slipped to 19th place by 2003. Average spend per transaction is more consistent among visitors from Asia Pacific countries. China, Hong Kong, South Korea, Japan and Thailand all rank in the top 10 in terms of average spend per transaction in each of the last five years.

3.5 What are international Visa cardholders buying?

Retail shopping and accommodation are the biggest spend categories

Visa cardholder spend in the Asia Pacific is unevenly distributed across the 12 broad spend categories (see Chart 10).

The biggest movers within the top 10 over the last five years have been Australia and Canada. Australian cardholders were the fifth highest Visa Asia Pacific spenders in 2003, up from eighth place in 1999. Canadian cardholders were the fifth highest Visa Asia Pacific spenders in 1999, but by 2003 they had moved to 10th place.

Chinese and Spanish cardholders have the highest average spend per transaction in 2003 the largest Visa Asia Pacific spenders on a per transaction basis were from China (average US$253 per transaction), Spain (average US$203 per transaction), Indonesia (average US$196 per transaction) and South Korea (average US$194 per transaction) (see Chart 9).

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The ranking of the largest Visa spend categories has remained steady over time – retail and accommodation have been the two largest spend categories each year since 1999. However, there have been some movements among the smaller categories. Spending on transport goods and services rose from seventh largest of the 12 categories in 1999 to fourth largest in 2003, while spend on clothing fell from third largest in 1999 to sixth largest in 2003. The rise in transport spend partly reflects increased card acceptance by services such as railways and airlines, particularly in Japan.

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In 2003, 19 percent of Visa Asia Pacific spend by international cardholders related to travel store purchases (US$3.55 billion) and transportation purchases (US$2.60 billion). The next largest spend categories were sports and leisure activities (US$1949 million), transport services (US$855 million), and restaurants and food (US$629 million).

The data suggests that average transaction size depends on the type of goods being purchased rather than the total amount being spent in the particular spend category. For example, education goods such as university fees tend to be ‘lumpy’ and paid only periodically, leading to a high per-transaction spend, whereas food spending is purchased more frequently and in smaller quantities each time, leading to a low per-transaction spend.

3.6 Retail spending on Visa cards in Asia Pacific

Travel agents and department stores are the most popular retailers

Of the 12 broad spend categories, retail goods and services attract the largest share of total Asia Pacific spend by international Visa cardholders. During 2003 the merchants that benefited most from Visa Asia Pacific retail spend by international cardholders were travel agents (US$713 million), department stores (US$658 million), jewelry stores (US$620 million) and duty free stores (US$359 million) (see Chart 12).

It is important to recognize that Asia Pacific is not a homogenous destination. Cardholders prefer to buy different goods and services depending on what the country they are visiting has to offer. Thus, while travel agents attract the highest retail spend for the Asia Pacific region as a whole, they do not attract the most retail spend in every Asia Pacific destination country.

We excluded manual and ATM cash withdrawals from this analysis, so total spend aggregated across spend categories is less than total spend aggregated across countries of origin.
Computer and software merchants attract the highest spend per transaction of all retail merchants

Of the 10 most popular retail merchants, computer and software merchants attracted the highest average spend per transaction in 2003 (average US$821 per transaction), while department stores attracted the lowest (average US$82 per transaction) (see Chart 13).

Average spend per transaction for each spend category has been relatively stable though time, except for computer and software stores (up from US$267 per transaction in 1999) and electronics stores (down from US$516 per transaction in 1999 to US$288 in 2003).

During 2003 91 percent of Visa transactions made by international cardholders in the Asia Pacific region (US$15.7 billion) were conducted in person (i.e. cardholder was physically present at merchant premises), while four percent (US$690 million) were made online and five percent (US$865 million) were MOTO transactions. Recurring transactions accounted for less than one percent of total transactions by value (see Chart 14).

The relative importance of card–not–present transactions has been growing steadily over the last five years in line with growth in Internet use and other electronic payment services. In 1999 only two percent of transactions (by value) were conducted on a card–not–present basis, but by 2003 this had increased to nearly 10 percent of transactions (see Chart 15).

3.7 Preferred transaction method

In-person transactions still dominate

Visa card transactions can be made in person, on a recurring (REC) basis (such as automatic bill payments), via mail order or telephone order (MOTO), or via the Internet/e-commerce (Online). The cardholder is present at the point of sale for in-person transactions, but not for the other three types of transactions. These other types of transactions are collectively referred to as ‘card-not-present’ transactions.

3.8 Summary of key statistics

<table>
<thead>
<tr>
<th>Total spend US$</th>
<th>Average spend per transaction US$</th>
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</tr>
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<tr>
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a Includes the United States, the United Kingdom, Japan, Hong Kong and Australia.
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Note: In 2003 prices.
4 | Visa spend by visitors to Thailand

Key points

In 2003 10.1 million visitors arrived in Thailand compared to 10.9 million in 2002. In 2002 overseas visitors spent Baht 329 billion (US$7.67 billion) in Thailand, according to PTTA data.

International Visa cardholders spent Baht 84.3 billion (US$2.05 billion) in person while visiting Thailand during 2003, equivalent to around 26 percent of total visitor spend. This is second highest proportion of total visitor spend on Visa cards in the Asia Pacific region after Australia.

The largest Visa spenders in Thailand in 2003 were cardholders from the United States, the United Kingdom, Japan, Hong Kong and Sweden. 60 to 65 percent of Visa spend in Thailand is transacted by cardholders from outside the Asia Pacific region. Thailand is one of the Asia Pacific destinations least reliant on intra-regional tourism spend.

The most popular Visa spend categories were retail goods and services (24 percent of total Visa spend), accommodation (15 percent) and clothing (4 percent of total spend). The total number of transactions made by international Visa cardholders in Thailand increased by 57 percent between 1999 and 2003.

The average transaction size in 2003 was Baht 6,967 (US$169). Average spend per transaction by international Visa cardholders was highest for cardholders from Sweden, Spain and South Korea.

4.1 Overview of inbound traveler activity in Thailand

In 2003 10.1 million visitors arrived in Thailand, down from 10.9 million in 2002. Visitors to Thailand spent a total of Baht 329 billion (US$7.67 billion) during 2002, or Baht 33,880 (US$790) per person (see Chart 16). This places Thailand third in the Asia Pacific region in terms of visitor numbers and third in terms of total visitor spend.

4.2 Visa spend in Thailand by international cardholders

International cardholders spent Baht 84.3 billion (US$2.05 billion) in person while traveling in Thailand in 2003. Spend on Visa cards has increased steadily over the last five years from Baht 52.5 billion (US$1.38 billion) in 1999.

International Visa cardholders spent Baht 84.3 billion (US$2.05 billion) at the point of sale while traveling in Thailand in 2003. This is equivalent to around 26 percent of total visitor spend and is second highest proportion of total visitor spend on Visa cards of the eight Asia Pacific destinations profiled in this report. International Visa cardholder spend in Thailand was Baht 82.6 billion (US$1.93 billion) in 2002. This indicates that Visa spend has held up strongly in 2003, in contrast to the falls in overall visitor numbers and spend.

4.3 Who are the biggest Visa spenders in Thailand?

Thailand is less reliant on intra-regional spend than many other Asia Pacific destinations

Over the past five years around 60 to 65 percent of total international Visa cardholder spend in Thailand was transacted by cardholders from outside the Asia Pacific region (see Chart 19). Along with Australia, this is the lowest reliance on intra-regional spend by international Visa cardholders of the eight countries profiled in this report.

21 Data preliminary for 2003, based on PTTA Quarterly Statistical reports.
22 The latest year for which PTTA publish total spend data. The Tourism Authority of Thailand (TAT) has not published actual tourism revenue in Thailand for 2003. However preliminary estimates indicate that spend was down by about 15 percent compared to 2002.
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\(^3\) Excludes cash withdrawals.

\(^4\) the latest year for which APEC and PATA total spend data is available.

Removing the seasonal component from the data enables underlying trends in spend and visitor arrivals to be seen more clearly (see Chart 17). The seasonally adjusted data indicates visitor numbers have been growing steadily but suffered a setback during the second quarter of 2003 when international travel to Asia Pacific was severely affected by SARS. The Tourism Authority of Thailand estimates total tourism revenue in 2003 will drop by around 11 percent due to the impact of SARS. Tourism spend also dipped in 2001 due to the same factors that affected other countries in the region, namely global recession and the threat of terrorism.

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\(^5\) Based on comparison of Visa and APEC 2002 spend data.

\(^6\) at average 2003 prices.
Cardholders from the United States and the United Kingdom are the biggest Visa spenders.

The top five Visa spenders in Thailand in 2003 were cardholders from the United States (Baht 15.3 billion, equivalent to US$371 million), the United Kingdom (Baht 12.8 billion, equivalent to US$311 million), Japan (Baht 9.3 billion, equivalent to US$225 million), Hong Kong (Baht 4.3 billion, equivalent to US$103 million) and Sweden (Baht 4.2 billion, equivalent to US$102 million) (see Chart 20). Collectively cardholders from these five countries of origin accounted for 52 percent of total international Visa spend in Thailand in 2003.

### 4.4 What are international Visa cardholders buying from Thai businesses?

### Clothing is a popular purchase by international cardholders visiting Thailand

During 2003 international Visa cardholders spent most on retail goods and services (Baht 21.1 billion, equivalent to US$513 million), accommodation (Baht 13.4 billion, equivalent to US$326 million), clothing (Baht 3.4 billion, equivalent to US$83 million) and restaurants and food (Baht 2.08 billion, equivalent to US$51 million) (see Chart 21). The relative importance of each of the categories has remained stable over the past five years.

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**International Visa cardholder transactions in Thailand have increased 57 percent since 1999**

Swedish Visa cardholders show a particular preference for travel to Thailand. They are the fifth largest spenders in Thailand, but do not appear in the top 10 Visa spending countries of origin in any other Asia Pacific destination.

The largest upward movers since 1999 are cardholders from Sweden (up from ninth in 1999 to fifth in 2003); and South Korea (up from 14th in 1999 to seventh in 2003). The largest downward mover has been France (down from fourth in 1999 to ninth in 2003). The increase in Visa spend by Swedes and South Koreans corresponds to an increase in the number of visitors from these destinations. Visitor numbers from Sweden and South Korea approximately doubled between 1999 and 2003.27

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**Swedes spend more per transaction in Thailand than any other visiting nationality**

Swedes and Spaniards spend the most per transaction.

Average spend per transaction by international Visa cardholders in Thailand during 2003 was highest for cardholders from Sweden (Baht 8,275, equivalent to US$201); Spain (Baht 8,177, equivalent to US$199) and South Korea (Baht 8,057, equivalent to US$196) (see Chart 23).

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### 4.5 Average Visa spend per transaction

Solid growth in number of transactions

The total number of transactions made by international Visa cardholders in Thailand has increased by 57 percent since 1999. In 2003 international cardholders made a total of 12.5 million transactions using their Visa cards compared to 8.0 million in 1999 (see Chart 22). However transaction numbers were stable during 2002 and 2003. Most transactions in 2003 were made at accommodation places (1.6 million), department stores (882,000), duty free stores (665,000) and restaurants (660,000).

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Average spend per transaction is recovering

Average spend per transaction in 2003 was Baht 6,967 (US$169). This compares to an average spend per transaction of US$147 for the Asia Pacific region overall. Average transaction size has risen in each of the last five years by an average of 1.5 percent per annum in current price terms. However after adjusting for inflation, growth has been slightly negative in all years except 2003 (see Chart 22).

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4.6 Preferred Visa card transaction payment method

In-person transactions still dominate

More than 96 percent of Baht 84.3 billion (US$2.06 billion) of transactions by international Visa cardholders in Thailand are transacted by cardholders in person, at the point of sale (see Chart 25). This is one of the highest proportions of in-person Visa spend of the eight countries profiled in this report.

Over time more international Visa cardholders are making purchases from Thai merchants via mail and telephone order and online, although these payment methods still account for a very small share of total Visa transactions in Thailand. In 2003 1.6 percent of Visa transactions by international Visa cardholders (valued at Baht 1.4 billion or US$35 million) were MOTO transactions and 1.8 percent (valued at Baht 1.6 billion or US$39 million) were electronic commerce or Internet transactions. These categories together comprised less than one percent of all transactions by international Visa cardholders in 1999.
Cardholders from the United States and the United Kingdom are the biggest Visa spenders.

The top five Visa spenders in Thailand in 2003 were cardholders from the United States (Baht 15.3 billion, equivalent to US$371 million), the United Kingdom (Baht 12.8 billion, equivalent to US$311 million), Japan (Baht 9.3 billion, equivalent to US$225 million), Hong Kong (Baht 4.3 billion, equivalent to US$103 million) and Sweden (Baht 4.2 billion, equivalent to US$102 million) (see Chart 20). Collectively cardholders from these five countries of origin accounted for 52 percent of total international Visa spend in Thailand in 2003.

4.4 What are international Visa cardholders buying from Thai businesses?

Clothing is a popular purchase by international cardholders visiting Thailand.

During 2003 international Visa cardholders spent most on retail goods and services (Baht 21.1 billion, equivalent to US$513 million), accommodation (Baht 13.4 billion, equivalent to US$326 million), clothing (Baht 3.4 billion, equivalent to US$83 million) and restaurants and food (Baht 2.08 billion, equivalent to US$51 million) (see Chart 21). The relative importance of each of the categories has remained stable over the past five years.

Average spend per transaction is recovering.

Average spend per transaction in 2003 was Baht 6,967 (US$169). This compares to an average spend per transaction of US$147 for the Asia Pacific region overall. Average transaction size has risen in each of the last five years by an average of 1.5 percent per annum in current price terms. However after adjusting for inflation, growth has been slightly negative in all years except 2003 (see Chart 22).

4.5 Average Visa spend per transaction

Solid growth in number of transactions.

The total number of transactions made by international Visa cardholders in Thailand has increased by 57 percent since 1999. In 2003 international cardholders made a total of 12.5 million transactions using their Visa cards compared to 8.0 million in 1999 (see Chart 22). However transaction numbers were stable during 2002 and 2003. Most transactions in 2003 were made at accommodation places (1.6 million), department stores (882,000), duty free stores (665,000) and restaurants (660,000).

Swedes spend more per transaction in Thailand than any other visiting nationality.

Swedes and Spaniards spend the most per transaction.

Average spend per transaction by international Visa cardholders in Thailand during 2003 was highest for cardholders from Sweden (Baht 8,275, equivalent to US$201), Spain (Baht 8,177, equivalent to US$199) and South Korea (Baht 8,057, equivalent to US$196) (see Chart 23).

Among the top 10 countries of origin (in terms of average transaction size) in 2003 the biggest upward movers have been Spain and South Korea. Spain ranked second in 2003 compared to ninth in 1999, while South Korea ranked third in 2003 compared to eighth in 1999 (see Chart 24).
4.7 Snapshot of Visa spend in Thailand by five top spending countries of origin, 2003

<table>
<thead>
<tr>
<th>Country</th>
<th>United States</th>
<th>United Kingdom</th>
<th>Japan</th>
<th>Hong Kong</th>
<th>Sweden</th>
<th>All countries of origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Visa spend (Baht, millions)</td>
<td>15,266</td>
<td>12,813</td>
<td>9,270</td>
<td>4,257</td>
<td>4,200</td>
<td>87,418</td>
</tr>
<tr>
<td>Total transactions (millions)</td>
<td>7,453</td>
<td>7,565</td>
<td>6,938</td>
<td>5,680</td>
<td>8,275</td>
<td>6,967</td>
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<tr>
<td>Total retail spend (Baht, millions)</td>
<td>3,182</td>
<td>2,385</td>
<td>2,581</td>
<td>1,212</td>
<td>327</td>
<td>21,133</td>
</tr>
<tr>
<td>Average retail spend (Baht)</td>
<td>7,473</td>
<td>6,881</td>
<td>6,303</td>
<td>3,897</td>
<td>4,973</td>
<td>6,073</td>
</tr>
<tr>
<td>Total accommodation spend (Baht, millions)</td>
<td>2,025</td>
<td>1,840</td>
<td>1,870</td>
<td>983</td>
<td>286</td>
<td>13,435</td>
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<tr>
<td>Average accommodation spend (Baht)</td>
<td>9,095</td>
<td>9,214</td>
<td>8,723</td>
<td>9,296</td>
<td>7,600</td>
<td>8,309</td>
</tr>
<tr>
<td>Total clothing spend (Baht)</td>
<td>451</td>
<td>478</td>
<td>245</td>
<td>177</td>
<td>144</td>
<td>3,403</td>
</tr>
<tr>
<td>Average clothing spend (Baht)</td>
<td>8,105</td>
<td>8,314</td>
<td>7,144</td>
<td>4,201</td>
<td>9,005</td>
<td>6,809</td>
</tr>
<tr>
<td>Total restaurant &amp; food spend (Baht, millions)</td>
<td>251</td>
<td>177</td>
<td>378</td>
<td>214</td>
<td>24</td>
<td>2,082</td>
</tr>
<tr>
<td>Average restaurant &amp; food spend (Baht)</td>
<td>1,891</td>
<td>2,274</td>
<td>2,737</td>
<td>2,587</td>
<td>2,202</td>
<td>2,327</td>
</tr>
<tr>
<td>Total sports &amp; leisure spend (Baht, millions)</td>
<td>266</td>
<td>194</td>
<td>395</td>
<td>191</td>
<td>25</td>
<td>1,974</td>
</tr>
<tr>
<td>Average sports &amp; leisure spend (Baht)</td>
<td>3,464</td>
<td>3,961</td>
<td>4,667</td>
<td>4,204</td>
<td>3,757</td>
<td>3,969</td>
</tr>
</tbody>
</table>


Appendix A
List of Asia Pacific destination countries included in this report

- American Samoa
- Indonesia
- Philippines
- Australia
- Japan
- Samoa
- Bangladesh
- Kiribati
- Singapore
- Brunei
- Laos
- Solomon Islands
- Cambodia
- Macau
- South Korea
- China
- Malaysia
- Sri Lanka
- Cook Islands
- Maldives
- Taiwan
- East Timor
- Mongolia
- Thailand
- Fiji
- Nepal
- Tonga
- Guam
- New Zealand
- Vanuatu
- Hong Kong
- Pakistan
- Vietnam
- India
- Papua New Guinea
### 4.7 Snapshot of Visa spend in Thailand by five top spending countries of origin, 2003

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<thead>
<tr>
<th></th>
<th>United States</th>
<th>United Kingdom</th>
<th>Japan</th>
<th>Hong Kong</th>
<th>Sweden</th>
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<tbody>
<tr>
<td>Total Visa spend (Baht, millions)</td>
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<td>12,813</td>
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<td>4,200</td>
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<tr>
<td>Total transactions (millions)</td>
<td>7,453</td>
<td>7,565</td>
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<td>5,682</td>
<td>8,275</td>
<td>6,967</td>
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<tr>
<td>Total retail spend (Baht, millions)</td>
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<td>2,385</td>
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<td>983</td>
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<td>8,309</td>
</tr>
<tr>
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<td>144</td>
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<td>2,327</td>
</tr>
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<td>395</td>
<td>191</td>
<td>25</td>
<td>1,974</td>
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<td>4,667</td>
<td>4,204</td>
<td>3,757</td>
<td>3,969</td>
</tr>
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</table>


### Appendix A

**List of Asia Pacific destination countries included in this report**

<table>
<thead>
<tr>
<th>American Samoa</th>
<th>Indonesia</th>
<th>Philippines</th>
</tr>
</thead>
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<td>Australia</td>
<td>Japan</td>
<td>Samoa</td>
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<tr>
<td>Bangladesh</td>
<td>Kiribati</td>
<td>Singapore</td>
</tr>
<tr>
<td>Brunei</td>
<td>Laos</td>
<td>Solomon Islands</td>
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<td>South Korea</td>
</tr>
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<td>China</td>
<td>Malaysia</td>
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<td>Cook Islands</td>
<td>Maldives</td>
<td>Taiwan</td>
</tr>
<tr>
<td>East Timor</td>
<td>Mongolia</td>
<td>Thailand</td>
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<td>Fiji</td>
<td>Nepal</td>
<td>Tonga</td>
</tr>
<tr>
<td>Guam</td>
<td>New Zealand</td>
<td>Vanuatu</td>
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<tr>
<td>Hong Kong</td>
<td>Pakistan</td>
<td>Vietnam</td>
</tr>
<tr>
<td>India</td>
<td>Papua New Guinea</td>
<td></td>
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### Appendix B

**Table B2: Summary of survey statistics, 2003**

<table>
<thead>
<tr>
<th>Country</th>
<th>Total visitors (millions)</th>
<th>Total spending (US$ millions)</th>
<th>Average spending per visit (US$)</th>
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</thead>
<tbody>
<tr>
<td>Australia</td>
<td>4.81</td>
<td>3,330</td>
<td>698</td>
</tr>
<tr>
<td>China</td>
<td>1.20</td>
<td>3,120</td>
<td>2,600</td>
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<tr>
<td>Japan</td>
<td>0.89</td>
<td>3,050</td>
<td>3,500</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.54</td>
<td>2,980</td>
<td>5,500</td>
</tr>
<tr>
<td>New Zealand</td>
<td>0.50</td>
<td>2,700</td>
<td>5,400</td>
</tr>
<tr>
<td>Singapore</td>
<td>0.35</td>
<td>2,100</td>
<td>6,000</td>
</tr>
<tr>
<td>Thailand</td>
<td>0.25</td>
<td>1,200</td>
<td>4,800</td>
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<tr>
<td>Total Asia Pacific</td>
<td>14.90</td>
<td>37,500</td>
<td>2,500</td>
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</table>

### Table B3: Breakdown of average spend per visit by international cardholders across Asia Pacific destinations, US$ 2003

<table>
<thead>
<tr>
<th>Country</th>
<th>Retail</th>
<th>Accommodation</th>
<th>Sports &amp; leisure</th>
<th>Travel &amp; transport</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>97</td>
<td>147</td>
<td>69</td>
<td>184</td>
</tr>
<tr>
<td>China</td>
<td>235</td>
<td>204</td>
<td>137</td>
<td>315</td>
</tr>
<tr>
<td>Japan</td>
<td>140</td>
<td>203</td>
<td>126</td>
<td>268</td>
</tr>
<tr>
<td>Malaysia</td>
<td>170</td>
<td>332</td>
<td>237</td>
<td>321</td>
</tr>
<tr>
<td>New Zealand</td>
<td>70</td>
<td>352</td>
<td>312</td>
<td>371</td>
</tr>
<tr>
<td>Singapore</td>
<td>97</td>
<td>323</td>
<td>297</td>
<td>300</td>
</tr>
<tr>
<td>Thailand</td>
<td>205</td>
<td>288</td>
<td>245</td>
<td>290</td>
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<tr>
<td>Total Asia Pacific</td>
<td>1257</td>
<td>1370</td>
<td>1168</td>
<td>1369</td>
</tr>
</tbody>
</table>

Source: Visa International, 2003
### Appendix B

**Statistical appendix**

**Table B1. Summary of country statistics, 2003**

<table>
<thead>
<tr>
<th>Country</th>
<th>Australia</th>
<th>China</th>
<th>Hong Kong</th>
<th>Japan</th>
<th>Malaysia</th>
<th>New Zealand</th>
<th>Singapore</th>
<th>Thailand</th>
<th>Asia Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total visitors (millions)</td>
<td>4.48</td>
<td>11.14</td>
<td>8.26</td>
<td>5.40</td>
<td>10.58</td>
<td>2.10</td>
<td>6.13</td>
<td>10.1</td>
<td>Approx 90</td>
</tr>
<tr>
<td>Total Visa spend (US$ millions)</td>
<td>4.06</td>
<td>1.20</td>
<td>1.20</td>
<td>1.350</td>
<td>630</td>
<td>1.290</td>
<td>1.130</td>
<td>2.120</td>
<td>17.290</td>
</tr>
</tbody>
</table>

**Top five spending countries of origin**

1. United Kingdom  
2. United States  
3. New Zealand  
4. Japan  
5. Hong Kong

**Top five merchant categories**

1. Accommodation  
2. Travel agents  
3. Restaurants  
4. Car rentals  
5. Airlines


---

**Table B2. Average Visa spend per transaction by international cardholders across Asia Pacific destinations, US$**

<table>
<thead>
<tr>
<th>Category</th>
<th>Australia</th>
<th>China</th>
<th>Hong Kong</th>
<th>Japan</th>
<th>Malaysia</th>
<th>New Zealand</th>
<th>Singapore</th>
<th>Thailand</th>
<th>Asia Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>97</td>
<td>140</td>
<td>169</td>
<td>170</td>
<td>75</td>
<td>67</td>
<td>166</td>
<td>146</td>
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<tr>
<td>Accommodation</td>
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<td>277</td>
<td>325</td>
<td>162</td>
<td>93</td>
<td>225</td>
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<tr>
<td>Sports &amp; leisure</td>
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<td>157</td>
<td>112</td>
<td>171</td>
<td>157</td>
<td>59</td>
<td>67</td>
<td>93</td>
<td>120</td>
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<tr>
<td>Transport</td>
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<td>316</td>
<td>280</td>
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<td>190</td>
<td>309</td>
<td>320</td>
<td>193</td>
<td>199</td>
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<tr>
<td>Restaurants &amp; food</td>
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<td>94</td>
<td>76</td>
<td>111</td>
<td>63</td>
<td>33</td>
<td>54</td>
<td>56</td>
<td>60</td>
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</table>

Source: Visa International 2004

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**Table B3. Breakdown of average spend per Visa transaction by international cardholders across Asia Pacific destinations, US$**

<table>
<thead>
<tr>
<th>Category</th>
<th>Australia</th>
<th>China</th>
<th>Hong Kong</th>
<th>Japan</th>
<th>Malaysia</th>
<th>New Zealand</th>
<th>Singapore</th>
<th>Thailand</th>
<th>Asia Pacific</th>
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<tbody>
<tr>
<td>Retail</td>
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<td>230</td>
<td>668</td>
<td>424</td>
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<td>76</td>
<td>67</td>
<td>76</td>
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<td>Travel agencies</td>
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<td>318</td>
<td>273</td>
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<td>127</td>
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Source: Visa International 2004
## Appendix C

### Visa broad spend categories

<table>
<thead>
<tr>
<th>Spend category</th>
<th>Merchants included in spend category</th>
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<tbody>
<tr>
<td>Accommodation</td>
<td>Lodging, hotels and motels</td>
</tr>
<tr>
<td>Clothing</td>
<td>Clothing stores (including children and infant wear), commercial footwear, dry cleaners, luggage and leather shops</td>
</tr>
<tr>
<td>Clubs, organizations and associations</td>
<td>Auto associations, civic, social and fraternal associations, massage parlors, member organizations and religious organizations</td>
</tr>
<tr>
<td>Education</td>
<td>Primary, secondary and tertiary education institutions, business and secretarial schools, correspondence schools, trade and vocational schools</td>
</tr>
<tr>
<td>Household goods</td>
<td>Retailers of household items and household related services, including, art dealers and galleries, carpentry services, carpet and upholstery stores, furniture stores, glassware and crystal stores and hardware stores</td>
</tr>
<tr>
<td>Mail and phone order</td>
<td>Mail or phone order goods and services for example, telemarketing, direct marketing, catalog merchants and computer network information services</td>
</tr>
<tr>
<td>Medical</td>
<td>All medical service suppliers, for example, ambulance service, chiropractors, dental services, doctors, physicians and pharmacies</td>
</tr>
<tr>
<td>Professional and commercial services</td>
<td>Accountants, auditors, advertising services, agricultural business services, child care services, contractors, insurance sales and lawyers</td>
</tr>
<tr>
<td>Restaurants and food</td>
<td>Restaurants, caterers, supermarkets, dairy product stores, grocery stores and bakeries</td>
</tr>
<tr>
<td>Retail</td>
<td>All retailers not included in other categories, for example, duty free stores, plumbing and heating stores, service stations, travel agencies, and miscellaneous specialty retail stores</td>
</tr>
<tr>
<td>Sports and leisure</td>
<td>Sports and leisure goods retailers, leisure activity services, and related suppliers such as bicycle shops, boat dealers, amusement parks and cinemas, health and beauty spas</td>
</tr>
<tr>
<td>Transport</td>
<td>International and domestic airlines, telecommunications and postal services for example, car and truck dealers, motor freight carriers, parking lots and garages, telecommunication equipment and towing services</td>
</tr>
</tbody>
</table>
### Appendix C

**Visa broad spend categories**

<table>
<thead>
<tr>
<th>Spend category</th>
<th>Merchants included in spend category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation</td>
<td>Lodging, hotels and motels</td>
</tr>
<tr>
<td>Clothing</td>
<td>Clothing stores (including children and infant wear), commercial footwear, dry cleaners, luggage and leather shops</td>
</tr>
<tr>
<td>Clubs, organizations and associations</td>
<td>Auto associations, civic, social and fraternal associations, massage parlors, member organizations and religious organizations</td>
</tr>
<tr>
<td>Education</td>
<td>Primary, secondary and tertiary education institutions, business and secretarial schools, correspondence schools, trade and vocational schools</td>
</tr>
<tr>
<td>Household goods</td>
<td>Retailers of household items and household related services including, art dealers and galleries, carpentry services, carpet and upholstery stores, furniture stores, glassware and crystal stores and hardware stores</td>
</tr>
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