

## Thailand Watch

## Return of the Chinese tourist

**Upbeat recovery**

Thailand's foreign tourist arrivals for December was recorded at 3.26mn, a significant increase from 2.64mn in November and the highest monthly figure since COVID-19. Estimated tourism revenue rose to Bt155.8bn in December from Bt127.0bn in November. For the full-year 2023, foreign arrivals totaled 28.1mn or 70% of the 2019 level and total revenue was about Bt1,300bn.

**Recovery to continue in Jan-Feb**

The Bank of Thailand's three-month advance booking indicator signals a continued robust recovery through February. The early release of daily passenger data in January pointed to a somewhat softer momentum compared to the December peak season, with about 2.97mn arrivals but is still comparable to the pre-COVID monthly arrival. The average room rate in January from the Agoda platform also softened compared to December.

**Strong rebound of Chinese tourists**

Mainland China arrivals in December surprised on the upside at 425,941 or 49.9% of the December 2019 level (compared to 310,266 in November or 38.8% of the November 2019 level). The total inbound of 3,476 passenger flights from mainland China in December indicates a cabin load factor of about 67.4%, up from 59.1% in November.

Various indicators suggest that the Chinese tourist momentum could continue in January. Weekly data showed that the volume of Chinese tourists strongly recovered to 120,000 per week in the latest week (ending 21 January), compared to about 80,000 in 4Q23 (vs the 211,000 pre-pandemic level). Passenger flight data also recovered to about 3,600 flights per month, compared to below 3,200 flights in 4Q23 (vs the 6,200-flight pre-pandemic level). We expect Chinese arrivals to record at more than 450,000 in January, and the figure is likely to increase in February as the Chinese plan for the busiest travel season around the Lunar New Year. Nevertheless, the economic situation in China, domestic policies, and the recovery of Chinese outbound tourists remain key.

**Europeans climb to their peak**

For other markets, European tourists recorded a 25% share of total arrivals in December. We expect that they will reach their peak in January-February at about 30%. Meanwhile, Chinese arrivals have started to regain their market share in December at 13.1% from 11.8% in November but remained much lower than the pre-COVID level at a 27% share.

**On track towards target**

The surprise rebound of tourists in December is good news for the Thai economy which relies on tourism recovery as a key driver. If the momentum continues, tourism should be on track to reaching KKPS's forecast of 35.2mn in 2024 (of which 6.0mn are Chinese tourists) and 38.8mn in 2025 (of which 8.4mn are Chinese). The key upside risks include the return of longer-haul travelers and Indian tourists, while downside risks are a weaker-than-expected Chinese economy in 2024 and geopolitical risks.

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GEM Economics  
Asia | Thailand

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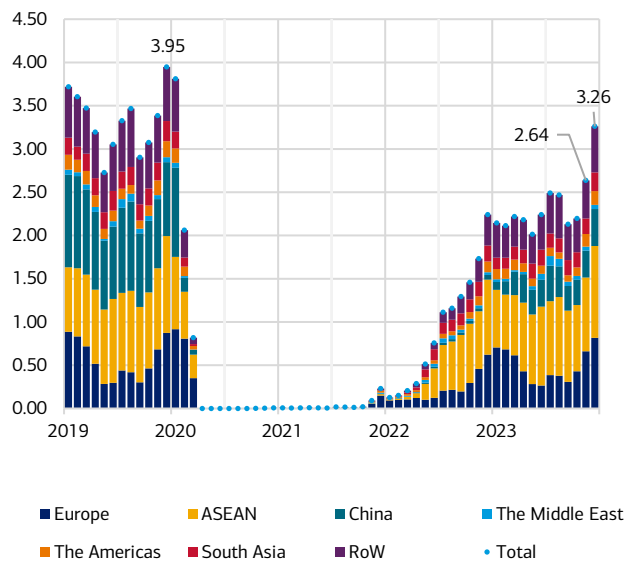
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# Tourism chartbook #15

## Exhibit 1: Arrivals skyrocketed to 3.26mn in December

Monthly tourism arrivals (mn persons)

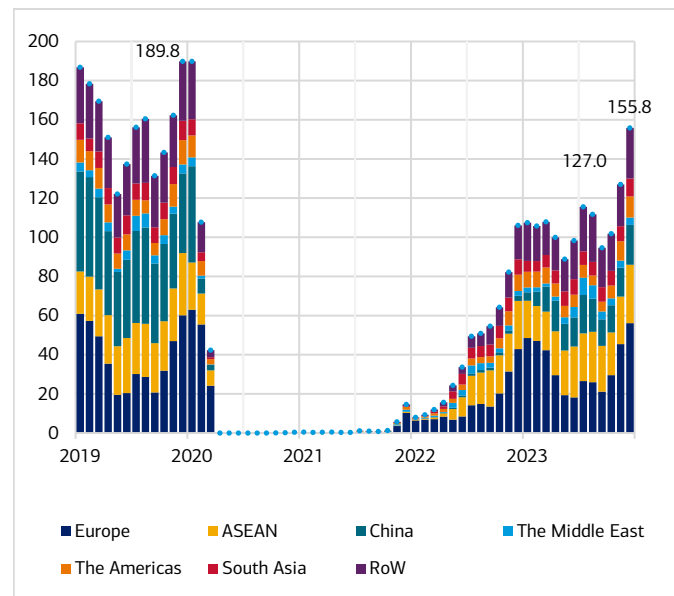


Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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## Exhibit 2: Tourism revenue was recorded at Bt155.8bn in December

Monthly tourism revenue (bn baht)



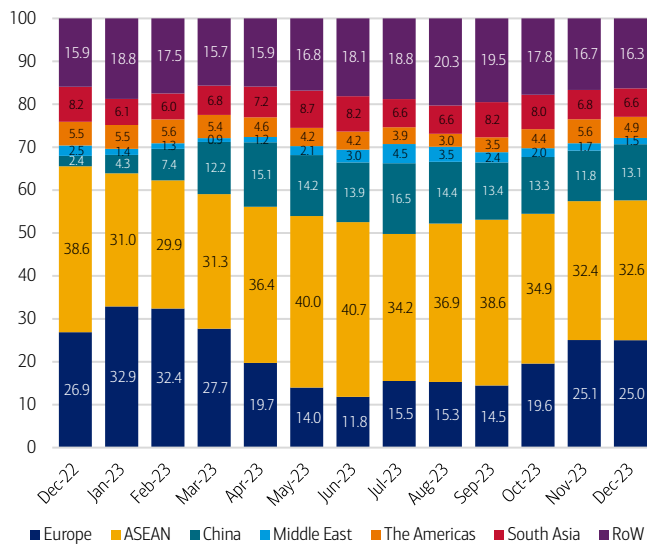
Note: Based on 2019 revenue by nationality

Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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## Exhibit 3: The tourism high season in December saw a strong EU recovery as well as Chinese tourists

Monthly tourism arrival share by nationality

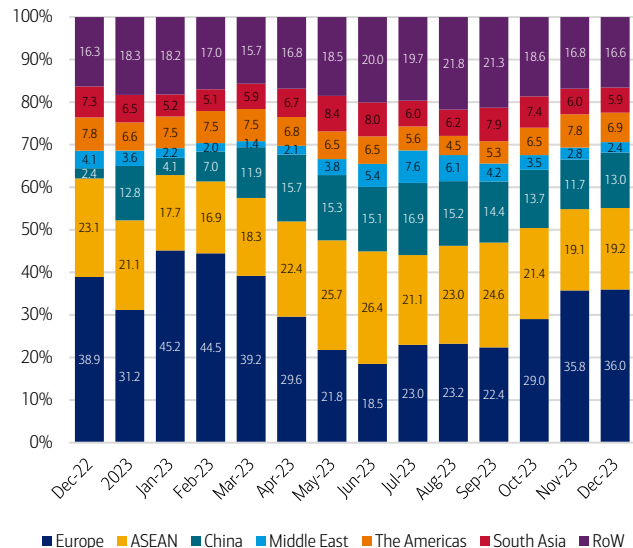


Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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## Exhibit 4: The EU contributed the most to tourism revenues during the high season

Monthly tourism revenue share by nationality



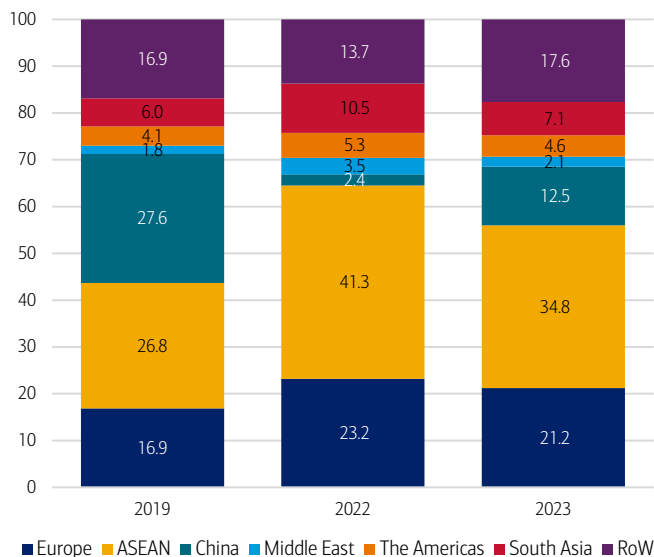
Note: Based on 2019 revenue by nationality

Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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### Exhibit 5: ASEAN tourists were the main market in 2023 followed by Europeans and Chinese...

2023YTD tourism arrival share by nationality

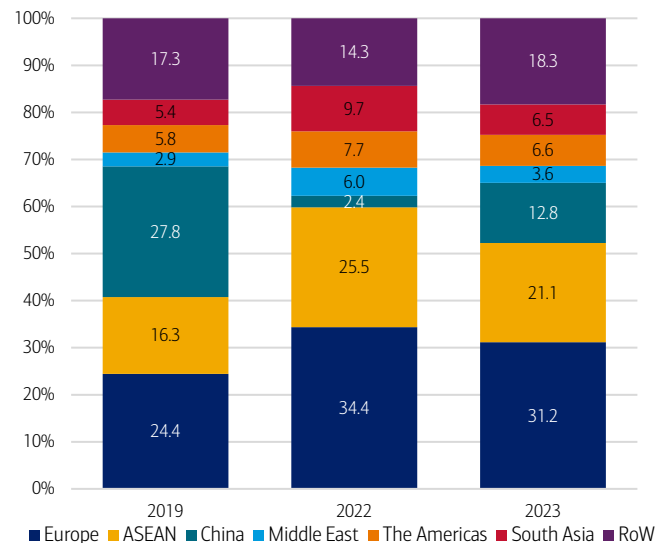


Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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### Exhibit 6: ...While Europeans were the main contributor in terms of revenues

2023YTD tourism revenue share by nationality



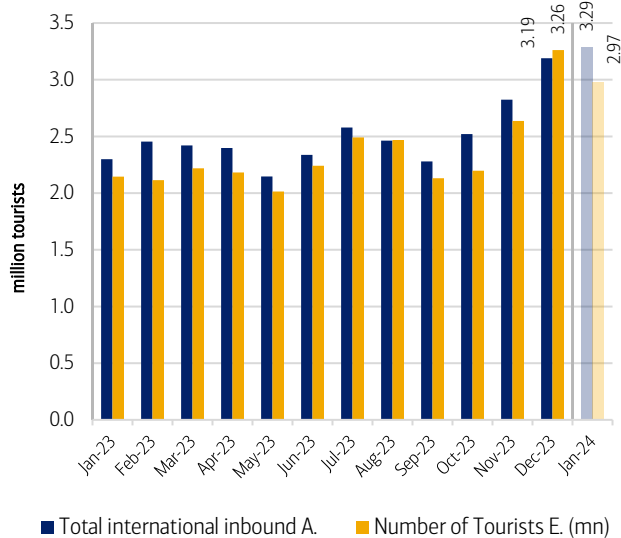
Note: Based on 2019 revenue by nationality

Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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### Exhibit 7: Early release data show that momentum has started to fade from its peak after the New Year festival

Monthly tourism arrival estimation from daily inbound

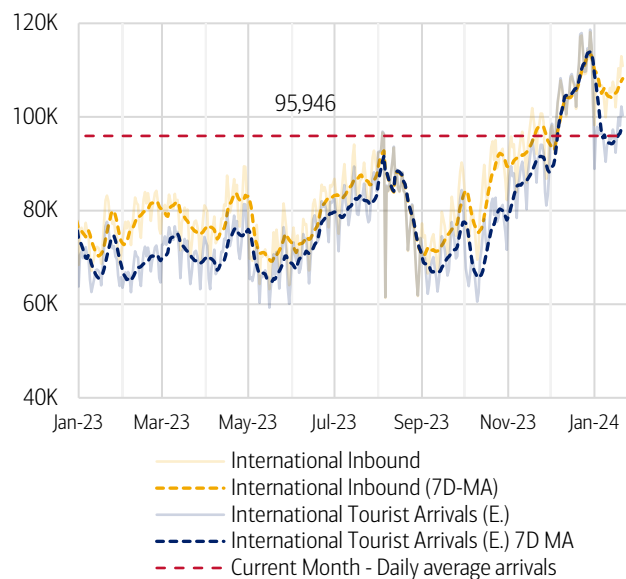


Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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### Exhibit 8: Daily inbounds and arrivals slightly dropped after the New Year festival

Daily tourism arrival estimation from daily inbound



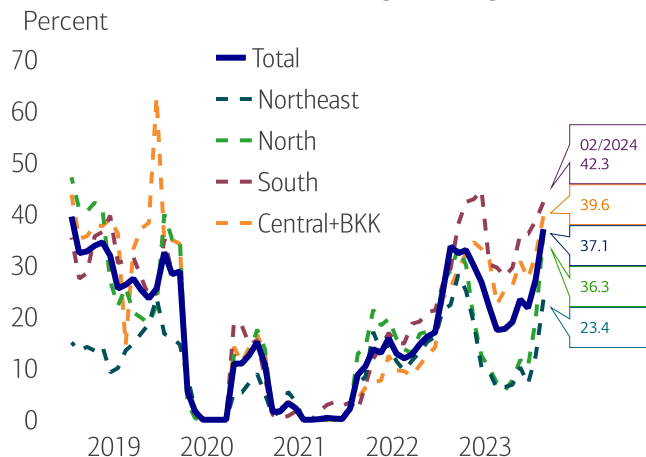
Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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### Exhibit 9: Advanced booking indicated a continued recovery in February

3-month advanced booking by region (% of rooms)

#### 3-Month Advanced Booking (rolling over)



Source: Bank of Thailand (BOT)

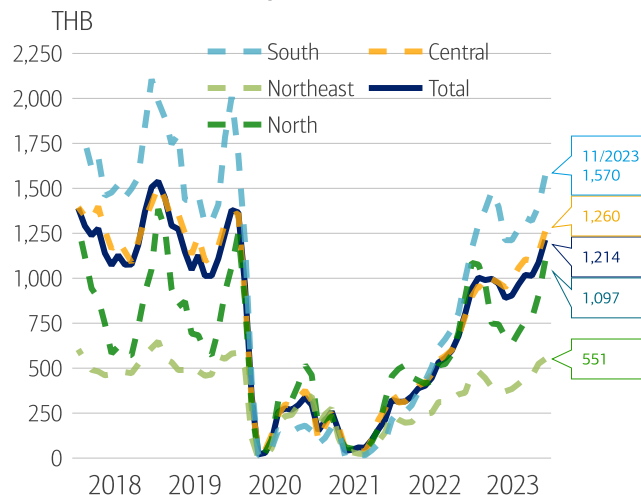
Source: Bank of Thailand, Kiatnakin Phatra Securities

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### Exhibit 10: The room rate continued to recover but is well below the 2019 level

Revenue per available room (Bt)

#### Thailand Revenue per Available room

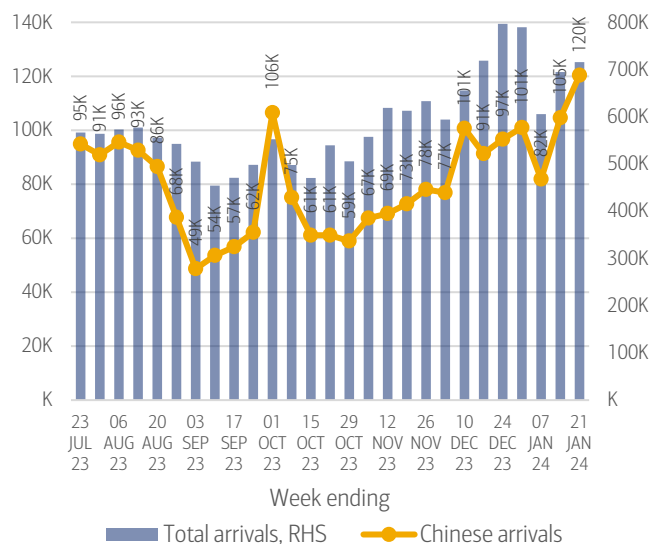


Source: Bank of Thailand, Kiatnakin Phatra Securities

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### Exhibit 11: Weekly Chinese arrivals strongly recovered back to highest level since COVID-19 but are still well below the pre-pandemic level

Weekly Chinese arrivals vs total arrivals (persons)

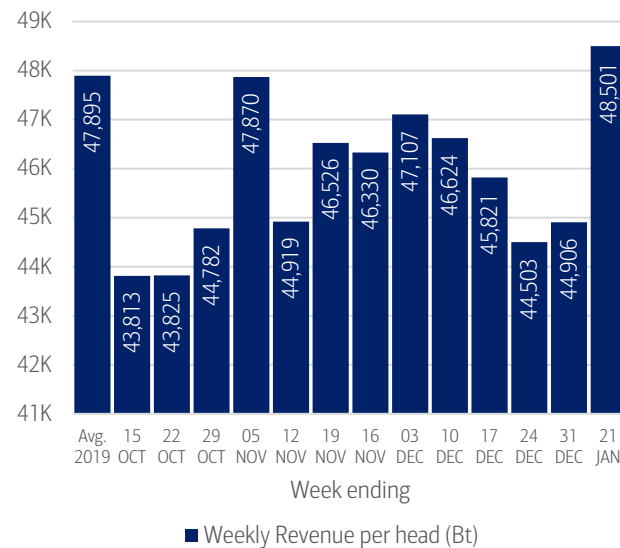


Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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### Exhibit 12: Weekly total revenue per head recovered back to its pre-pandemic level in the latest week

Weekly revenue per head vs 2019 (Baht)

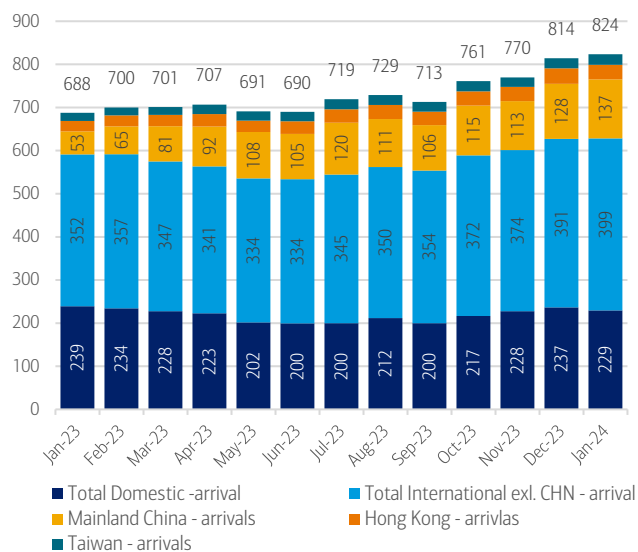


Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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### Exhibit 13: Daily flights from China have steadily recovered through the high season

Monthly average flights per day to Thailand through six main airports

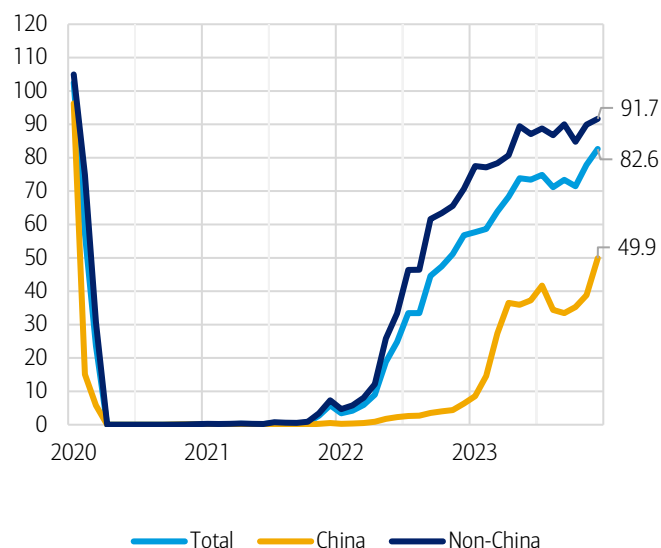


Source: ADS-B Network, Kiatnakin Phatra Securities

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### Exhibit 14: China arrivals strongly recovered but were still well below other countries

China vs non-China arrivals (index 2019 = 100)

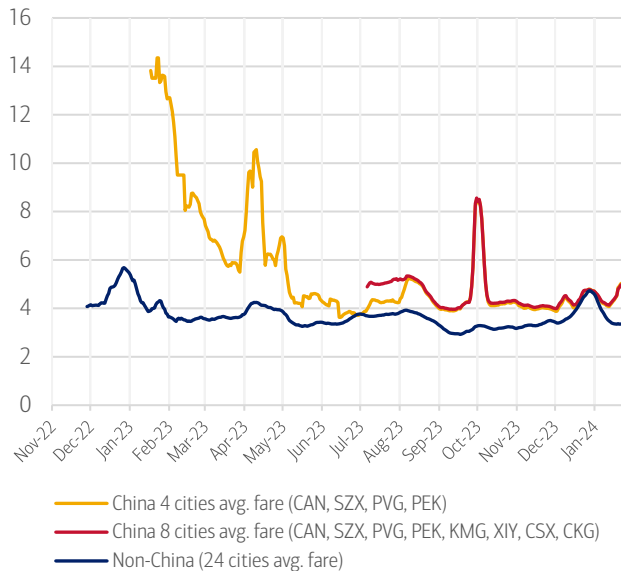


Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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### Exhibit 15: Airfare has continued to rise during the high season, especially flights from non-China routes

Airfare per distance (Bt/km)

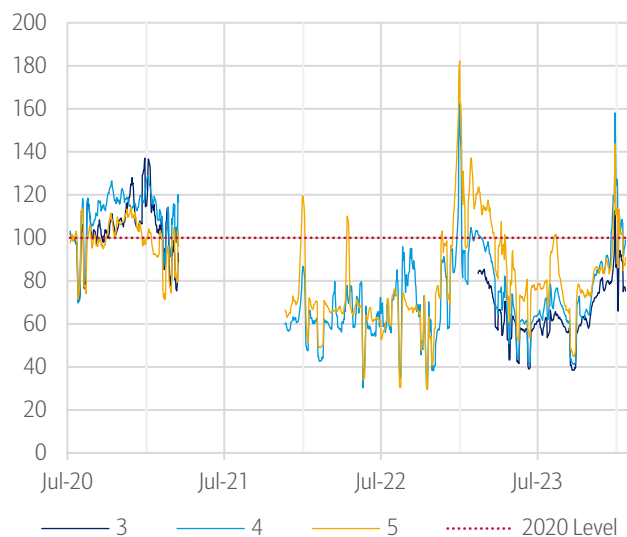


Source: Google Flight, Kiatnakin Phatra Securities

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### Exhibit 16: The hotel room rate also recovered during the high season

7DMA hotel room rate by star (Jul-20 = 100)



Source: Agoda, Kiatnakin Phatra Securities

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