

Thailand Watch

Solid tourism recovery over LNY

Tourism on track in January

Thailand's foreign tourist arrivals totaled 3.04mn in January (79.8% of the pre-COVID level) from 3.26mn in December 2023 (82.5% of the pre-COVID level). Estimated tourism revenue slightly fell to Bt152.9bn in January from its peak at Bt155.8bn in December. Tourists from Europe and China continued to see robust recovery. The drop from December was from seasonally lower ASEAN tourist arrivals in January, mainly attributed to a slowdown of Malaysian visitors.

Strong momentum of Chinese and European travelers

Chinese and European tourists continued to see a robust recovery in January. Chinese tourist arrivals reached a post-COVID high of 508,563, +82,000 higher than the previous month. European tourists increased as expected from 816,116 to 879,741 (+63,000) in their peak travel month. Other nationals including those from the Middle East, the Americas, and South Asia remained flat or slightly lower than the previous month.

February tourism boosted by LNY travels

The early release of daily passenger and flight data in February pointed to a stronger momentum with 3.2-3.4mn arrivals expected, thanks to the LNY travel season in the beginning of the month and higher-than-expected Malaysian visitors. Chinese tourists are expected to reach 650,000 in February or almost 61% of the February 2019 level, compared to about 48.5% in January.

The strong LNY effect, however, has started to fade away in the second half of the month with many indicators pointing in the same direction. For example, weekly arrivals fell 8.2% WoW (with Chinese arrivals falling 28.2% WoW). The number of flight arrivals also fell from about 570 flights per day to 550 flights per day (with Chinese flights falling by about 20 flights from 170 flights per day to 150 flights per day). The international inbound through the six main airports fell from 114,000 arrivals per day during the LNY to about 106,000 currently.

Entering low season soon

We expect the Thai tourism sector to enter its low season of this year from March through June and then in August and September, with a pick-up expected in July boosted by the summer travel season. Based on the early indicators, our arrival forecast of 35.2mn in 2024 is so far still on track. The key downside risk is the trajectory of the Chinese tourist recovery over the course of the year since other countries have almost recovered back to their pre-COVID level. We expect Chinese tourist arrivals to rebound again in October during the Golden Week holiday.

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GEM Economics
Asia | Thailand

Pipat Luengnaruemitchai
Emerging Asia Economist
Kiatnakin Phatra Securities
+66 2 305 9221
pipat.luen@kkpfg.com

LNY – Lunar New Year

ASEAN – Association of Southeast
Asian Nations

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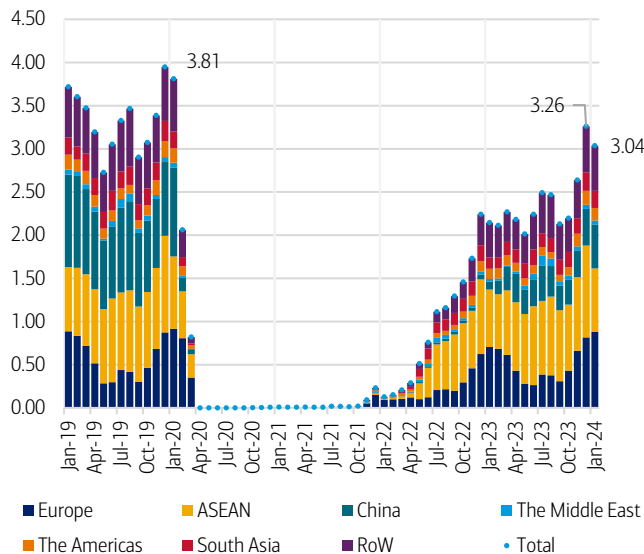
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Tourism chartbook #16

Exhibit 1: Arrivals fell to 3.04mn in January from 3.26mn in the previous month

Monthly tourism arrivals (mn persons)

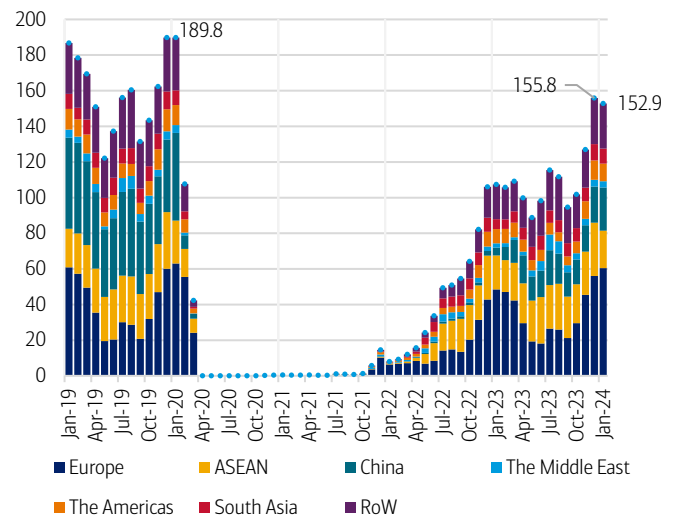


Source: Ministry of Tourism and Sports, Kiatnakin Pattra Securities

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Exhibit 2: Tourism revenue also fell to Bt152.9bn in January

Monthly tourism revenue (bn baht)



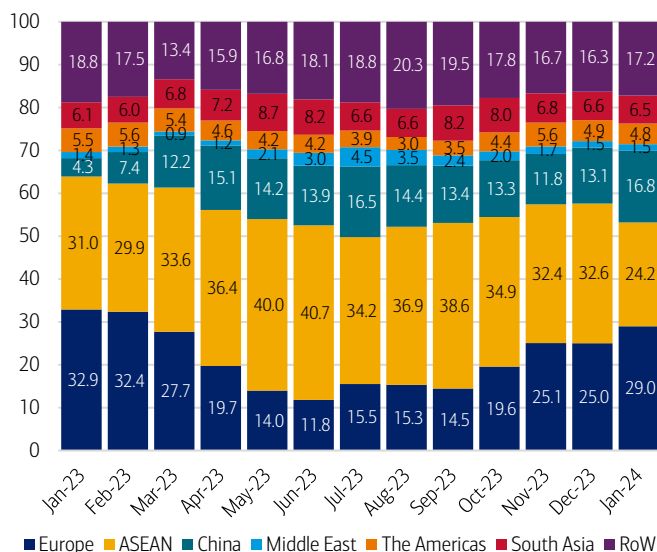
Note: Based on 2019 revenue by nationality

Source: Ministry of Tourism and Sports, Kiatnakin Pattra Securities

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Exhibit 3: The EU was reaching its peak in January, while Chinese tourists were also picking up toward the LNY in February

Monthly tourism arrival share by nationality

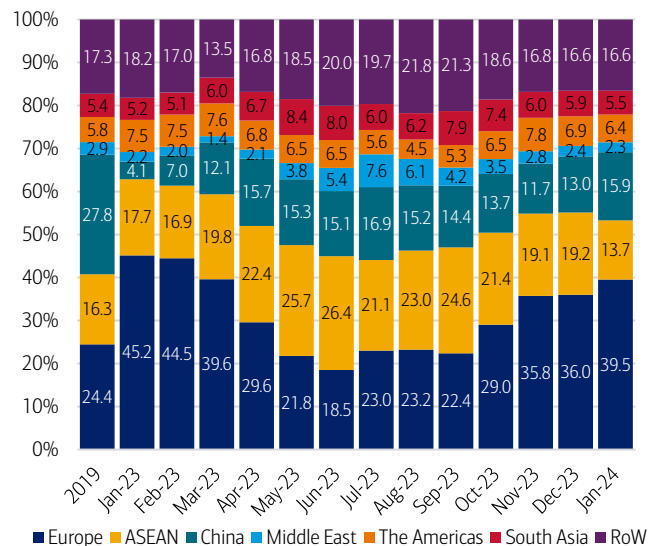


Source: Ministry of Tourism and Sports, Kiatnakin Pattra Securities

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

Monthly tourism revenue share by nationality



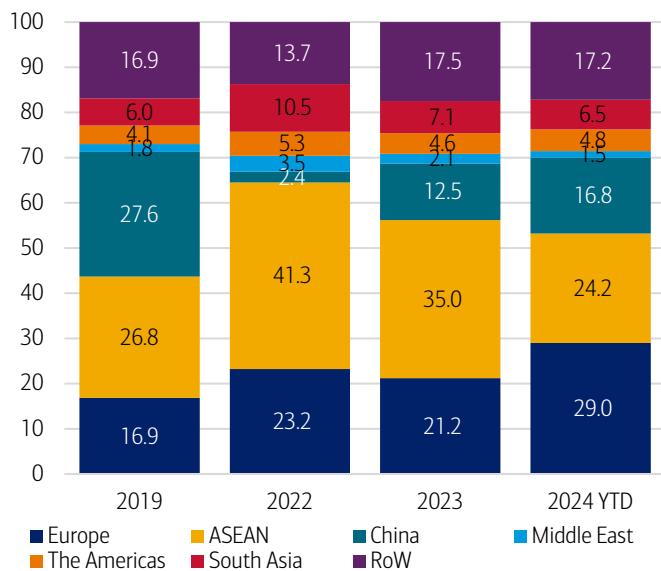
Note: Based on 2019 revenue by nationality

Source: Ministry of Tourism and Sports, Kiatnakin Pattra Securities

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Exhibit 5: The EU was reaching its peak in January, while Chinese tourists were also picking up toward the LNY in February

2023YTD tourism arrival share by nationality

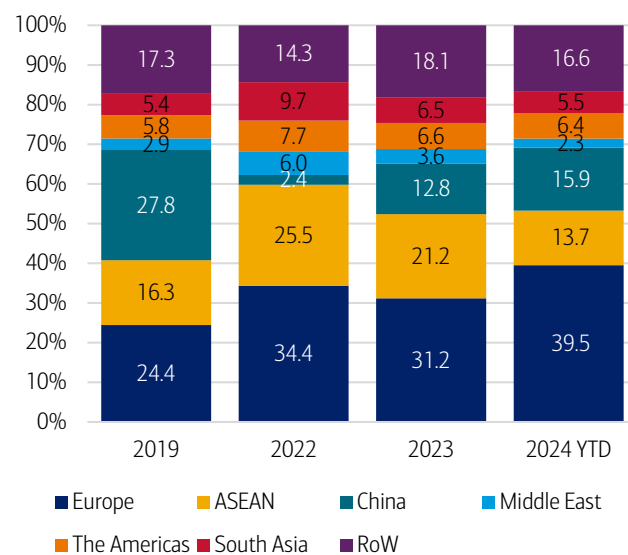


Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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Exhibit 6: The EU contributed the most to tourism revenue during the high season

2023YTD tourism revenue share by nationality



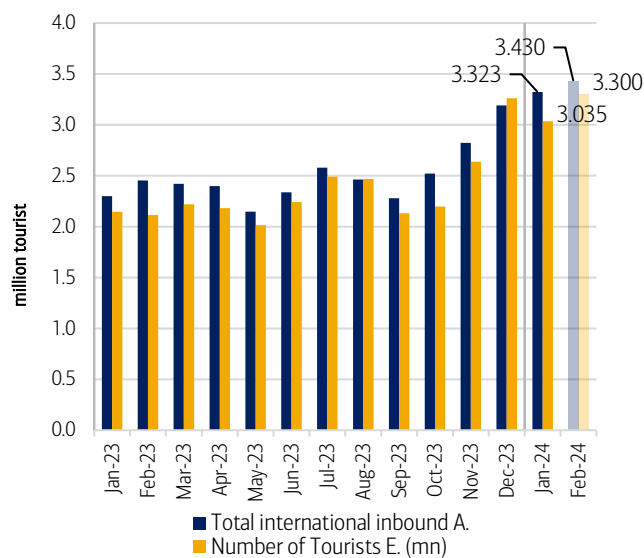
Note: Based on 2019 revenue by nationality

Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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Exhibit 7: Early release data show a strong momentum thanks to the LNY festival

Monthly tourism arrival estimation from daily inbound

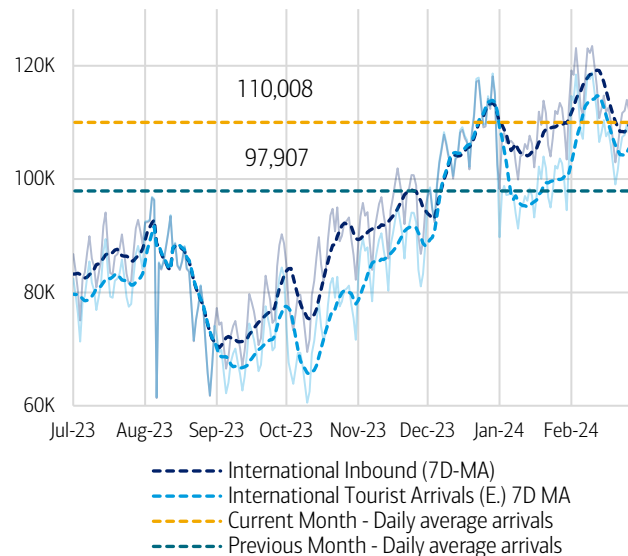


Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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Exhibit 8: Daily inbounds and arrivals skyrocketed toward the LNY, but somewhat faded away after that

Daily tourism arrival estimation from daily inbound

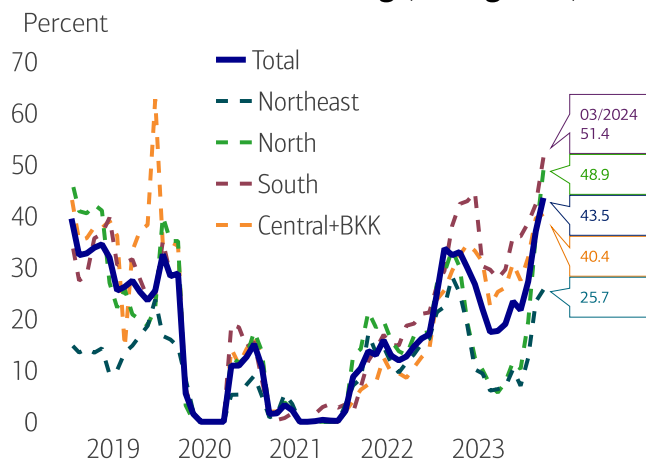


Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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Exhibit 9: Advanced booking indicated a continued recovery in March
3-month advanced booking by region (% of rooms)

3-Month Advanced Booking (rolling over)



Source: Bank of Thailand (BOT)

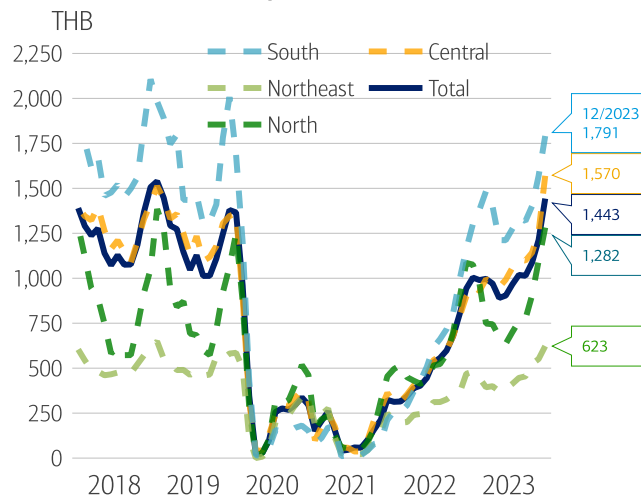
Source: Bank of Thailand, Kiatnakin Phatra Securities

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Exhibit 10: Room rate continued to recover but is well below the 2019 level

Revenue per available room (Bt)

Thailand Revenue per Available room

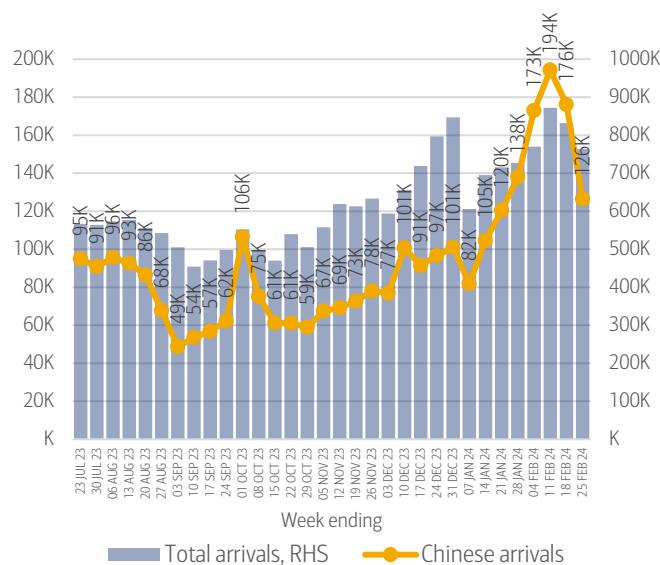


Source: Bank of Thailand, Kiatnakin Phatra Securities

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Exhibit 11: Weekly Chinese arrivals peaked during the LNY and sharply fell afterward

Weekly Chinese arrivals vs total arrivals (persons)

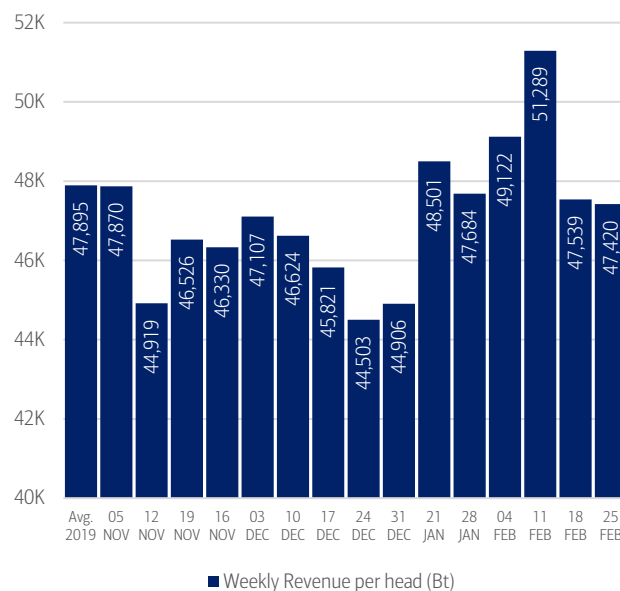


Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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Exhibit 12: Weekly total revenue per head also fell after the LNY

Weekly revenue per head vs 2019 (baht)

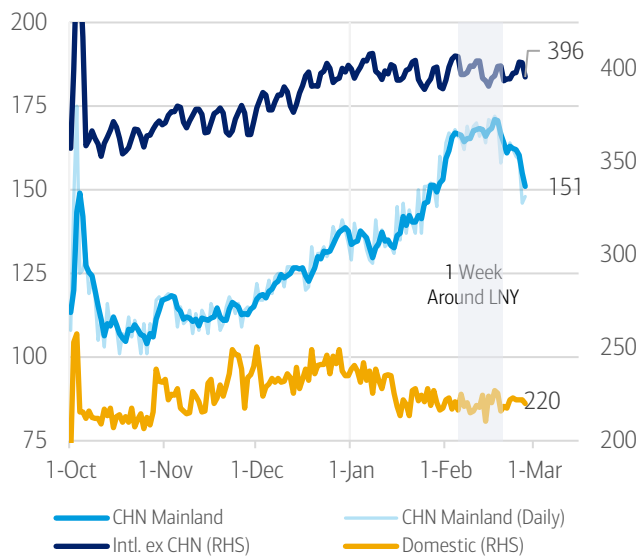


Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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Exhibit 13: Daily flights from China peaked during the LNY and fell afterward

Monthly average flights per day to Thailand through six main airports

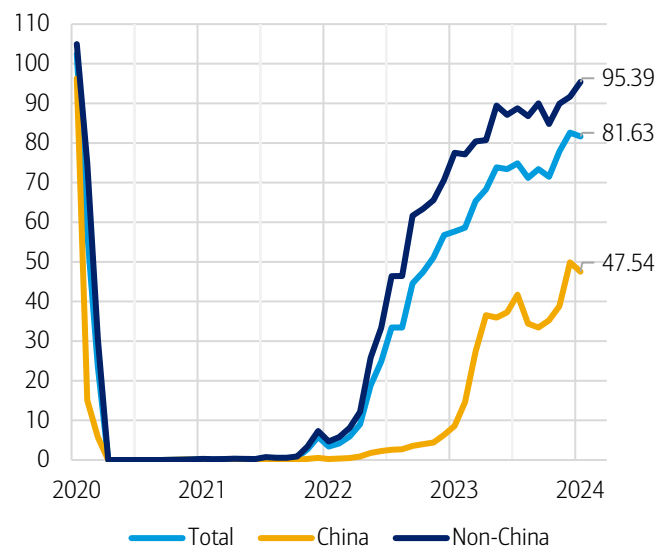


Source: ADS-B, Kiatnakin Phatra Securities

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Exhibit 14: Despite a strong recovery of Chinese tourists, it still lagged behind the 2019 level

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

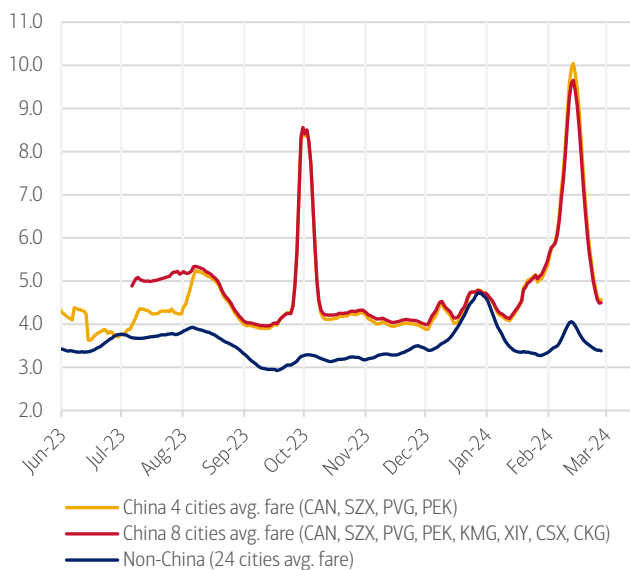


Source: Ministry of Tourism and Sports, Kiatnakin Phatra Securities

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Exhibit 15: Airfare normalized after the LNY

Airfare per distance (Bt/km)

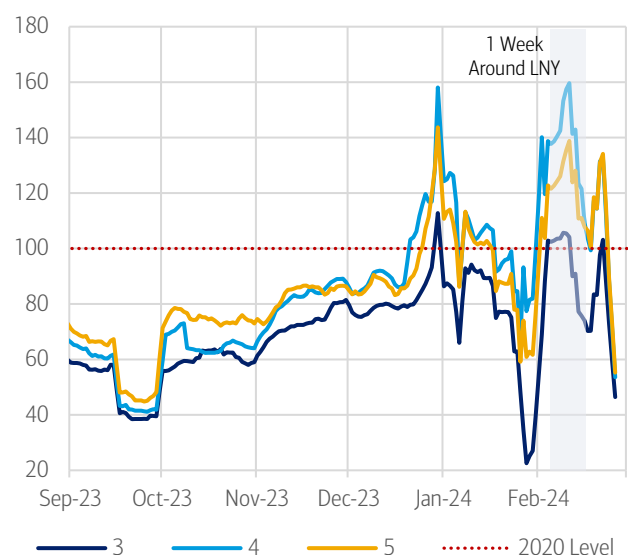


Source: Google Flight, Kiatnakin Phatra Securities

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Exhibit 16: Hotel room rate also fell after the LNY

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



Source: Agoda, Kiatnakin Phatra Securities

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