



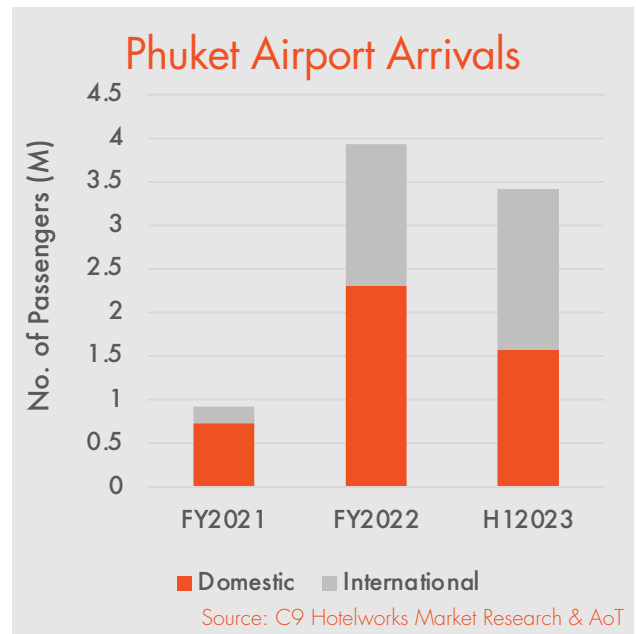
# Promising momentum in first half of 2023 sets an optimistic path for remainder of year

## Visa free for Chinese may boost Phuket’s recovery

“In the first half of 2023, Phuket experienced a resurgence, signaling a promising path toward recovery. International and domestic flights both saw significant increases, accounting for 75% of the total flights in 2022. Airlines and travelers alike are eager to reengage with Phuket’s offerings. In terms of passenger arrivals, the first half of 2023 displayed an impressive rebound, already representing 87% of 2022’s volume.

This optimistic outlook is further supported by the addition of new direct flights from China. The reopening of Chinese borders led to a timid resurgence of Chinese tourists, particularly in the second quarter. Additionally, plans announced by the new government cabinet to expand the list of visa-free countries, including China and India, could likely contribute to boosting Chinese tourist arrivals, a key factor in Phuket’s recovery.

Furthermore, investment opportunities in Phuket are on the rise due to high demand for both Hotels and Branded Residences, combined with the weakening of the Thai baht against major currencies. Foreign and Thai investors are increasingly looking to the Phuket region for their next projects.



Looking ahead, Phuket’s market is set to surpass both 2022 results and 2019 levels. As the high season approaches, there are mounting concerns over the island’s failing infrastructure. Upgrading is imperative to accommodate sustained demand. While Phuket’s tourism market continues to grow, there may be dark clouds on the horizon if badly needed infrastructure projects continue to lapse. ”

Bill Barnett, Managing Director, C9 Hotelworks

### Trends

- Chinese tourists are slowly increasingly coming back to Phuket since restrictions were lifted in their home country.
- New direct flight from Saudi Arabia to Phuket will increase arrivals from the Middle East and connecting opportunities.
- Weakening Thai baht against major currencies equates to likelihood of more foreign travelers.

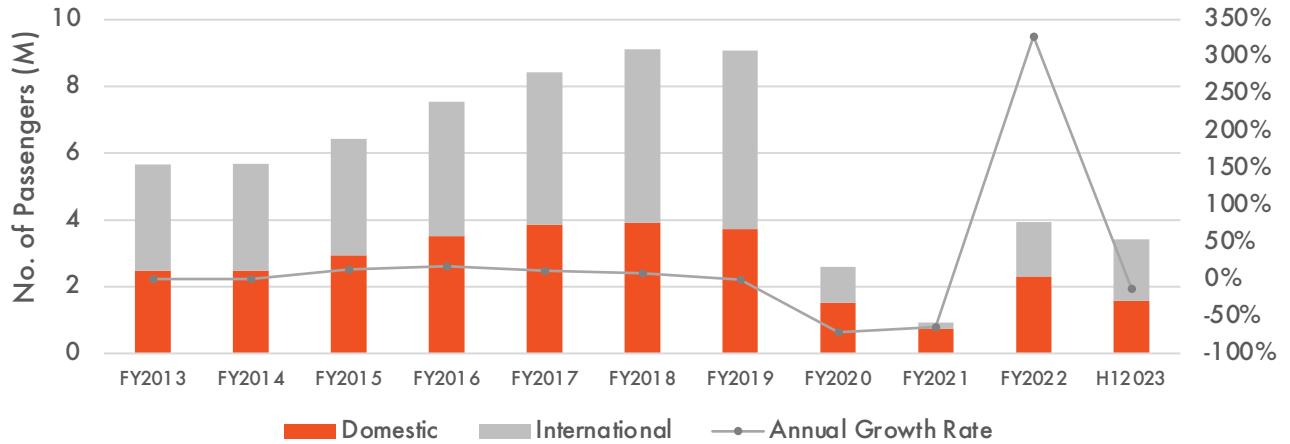
### Forward Outlook

- Continued support in the improvement of the island’s infrastructure despite Phuket’s failed bid for hosting Expo2028.
- Likely return en masse of Chinese groups and tourists starting from the fourth quarter of 2023 helped by the ease of visa requirements.
- Foreign investment opportunities on the rise as Phuket market shows promising return for investors.

# TOURISM MARKET REVIEW

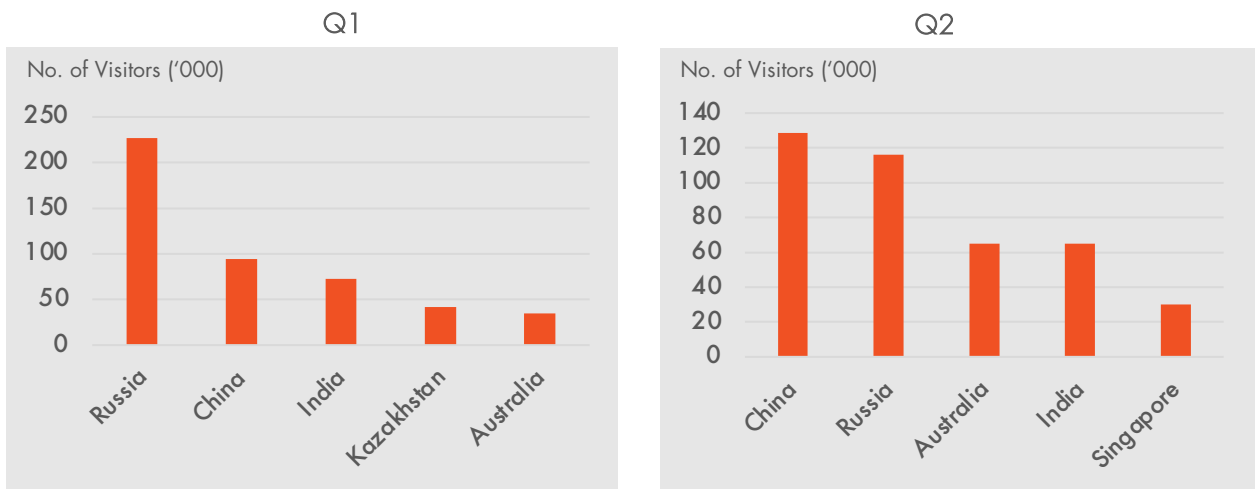
## Tourism Indicators

10-Year Phuket International Airport Passenger Arrival Trend



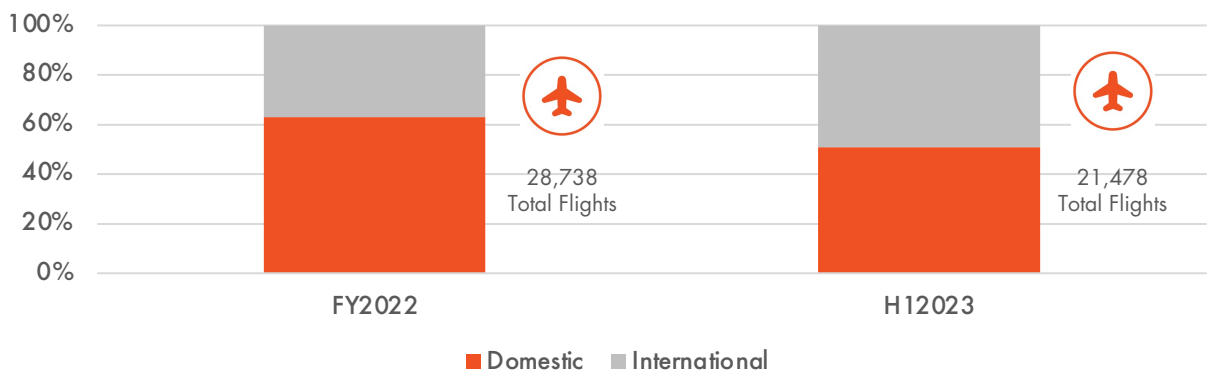
Source: C9 Hotelworks Market Research & AoT

Top 5 International Source Markets – H12023



Source: Phuket Immigration Office

International and Domestic Flights – FY2022 vs. H12023

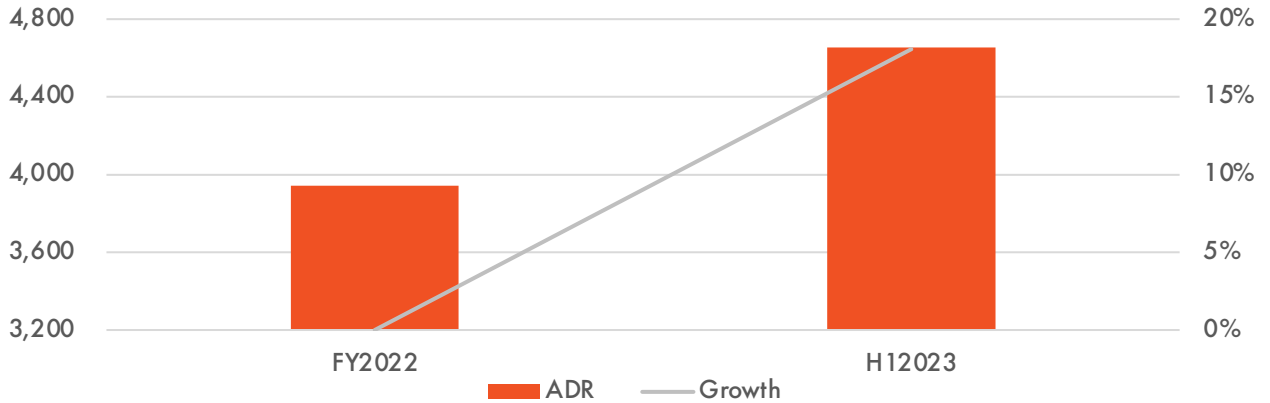


Source: C9 Hotelworks Market Research & AoT

# HOTEL MARKET REVIEW

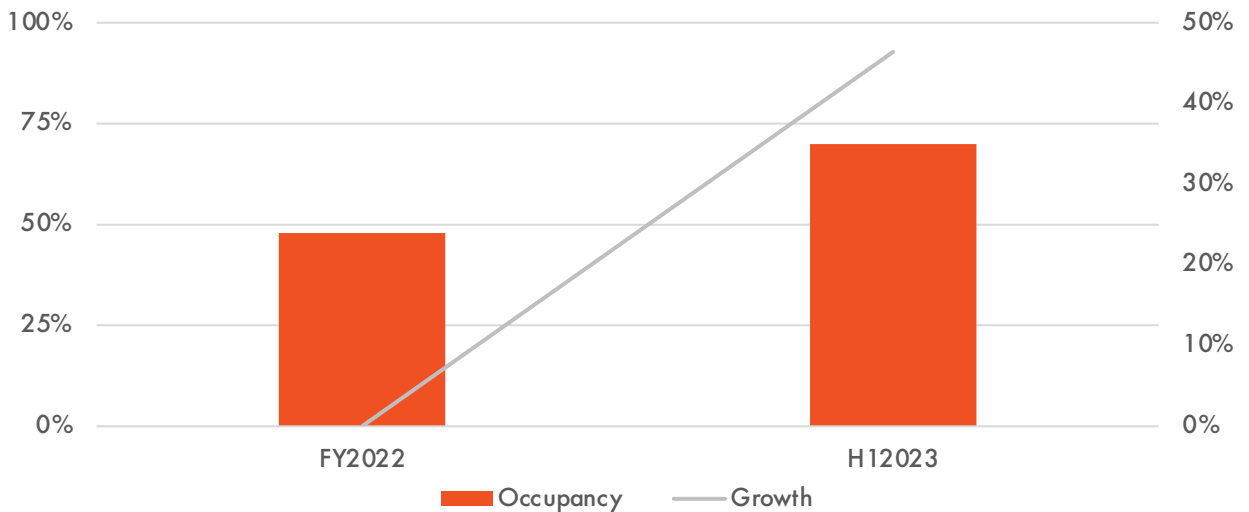
## Hotel Performance - H1 2023

### Average Daily Rate (in THB)



Source: C9 Hotelworks Market Research & CoStar

### Occupancy



Source: C9 Hotelworks Market Research & CoStar

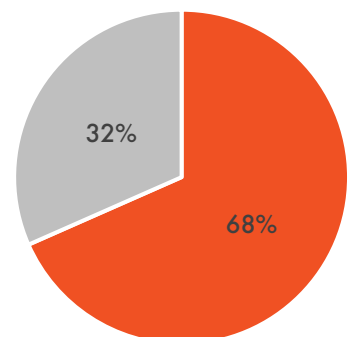
## Phuket Hotel Supply



In H12023, there were a total of 2,031 registered establishments, comprising 106,011 keys.

- Hotels & Resorts
- Bungalows, Homestays & Serviced-Apartments

### H12023 Phuket's Hotel Supply



Source: TAT

# HOTEL PIPELINE

Hotels	Location	Keys	Opening
Courtyard by Marriott Phuket, Patong Beach (rebranded)	Patong	445	Q4 2023
HOMA Phuket Cherngtalay	Bangtao	423	Jan 2024
Holiday Inn Phuket Kata Beach	Kata	140	2024
Holiday Inn Express and Suites Kata Beach	Kata	135	2024
MGallery Hotel MontAzure Lakeside Phuket	Kamala	236	2024
Radisson Red Phuket Patong Beach (rebranded)	Patong	390	2024
Radisson Resort Phuket Mai Khao Beach	Mai Khao	224	2024
Meliá Phuket Karon	Karon	214	2025
Holiday Inn Express Phuket Kata	Kata	300	2025
The Ritz-Carlton Phuket (Former Westin Siray Bay)	Siray Bay	182	2025
Veranda Resort Phuket, Autograph Collection	Cape Panwa	154	2026
JW Marriott Phuket Resort & Spa Chalong Bay	Chalong Bay	189	2026
Courtyard by Marriott at Chalong Bay Phuket	Chalong Bay	277	2026
Forest by YOO2 Hotel	Patong	432	2026
Holiday Inn Vana Nava Phuket	Kathu	255	TBA
W Phuket - Nai Harn Beach	Nai Harn	60	TBA
Movenpick Phuket Kamala Beach	Kamala	182	TBA
Fairfield by Marriott Phuket City West	Phuket City	300	TBA
Courtyard by Marriott Phuket City West	Phuket City	260	TBA
Moxy Phuket Naiyang Beach	Naiyang	200	TBA
The Mandarin Oriental, Phuket	Leam Singh Bay	105	TBA
Centra by Centara Maikhao Resort Phuket	Mai Khao	280	TBA
Centara Phuket Central Floresta	Mueang Phuket	200	TBA
COSI Phuket Central Floresta	Mueang Phuket	120	TBA
The Beach Plaza Phase 1	Kata	730	TBA
Tonino Lamborghini Boutique Hotel Phuket	Ao Por	46	TBA
Hilton Phuket Mai Khao	Mai Khao	258	TBA
Tribe Phuket Patong Avista	Patong	230	TBA
Park Inn Radisson Phuket Town	Phuket Town	130	TBA
Novotel Phuket Naiharn Beach	Naiharn	650	TBA
Sheraton Phuket Grand Bay Resort	Ao Por	270	TBA
<b>Total</b>		<b>8,017</b>	

Hotel Residences with Mandatory Rental Program	Location	Keys	Opening
Angsana Oceanview Residences**	Bangtao	149	Dec 2023
Platinum Bay Phuket	Kamala	432	2024
Oceana Surin - Hotel Zone	Surin	333	2024
Patong Bay Hill 2	Patong	199	2025
Patong Bay Seaview Residence	Patong	454	2025
Himalai Oceanfront Condominiums	Kamala	427	TBA
Grand Himalai Oceanfront Residences	Kamala	426	TBA
Patong Bay Oceanview Cottages	Patong	300	TBA
Patong Bay Residence Phase 3	Patong	114	TBA
<b>Total</b>		<b>2,834</b>	

Hotel Residences with Optional Rental Program	Location	Keys	Opening
The Marin Phuket	Kamala	260	Sept 2023
Utopia Karon	Karon	238	Nov 2023
Beachfront Bliss Naiyang	Nai Yang	96	Dec 2023
Utopia Mai Khao	Mai Khao	92	2024
Laya Condominium and Resort	Layan	926	2024
Oceana Surin - Residential Zone	Surin	555	2024
Utopia Dream	Nai Harn	595	2024
Forest by YOO Residences	Patong	131	2026
VIP Galaxy Villas Rawai	Rawai	114	TBA
The Residences at Sheraton Phuket Grand Bay	Ao Por	107	TBA
<b>Total</b>		<b>3,114</b>	
<b>Grand Total</b>		<b>13,965</b>	

\*\* Additional Keys for Existing Hotel with Residences;  
Source: C9 Hotelworks Market Research

# PHUKET SUMMARY

## Tourism Market Summary



Passenger arrivals in H12023 represent **87%** of FY2022 total passenger arrivals and in comparison to FY2019, it represents **38%** of the total arrivals.



Tourist arrivals at Phuket International Airport surged by **328%** from 2021 to 2022 as restrictions began to be lifted in mid-2022.



**China** and **Russia** led the way as the top source markets for tourist arrivals in Phuket in the first half of 2023.



New direct flights from Phuket and **Vietnam, Saudi Arabia and China** have been added in 2023.

Source: C9 Hotelworks Market Research & AoT

## Infrastructure Summary



**Land appropriation decree** for the Kathu-Patong tunnel issued. Future bidding may also include the motorway project to attract the private sector.



Phase 2 of Phuket Airport, scheduled for **completion in 2027**, will increase capacity to accommodate more than **18 million** passengers annually. Phuket Airport 2 project, situated in Phang Nga, is still in the **preliminary study phase**.



Phuket's private sector urged the new government cabinet to reconsider the **Phuket Convention Center** project in order to push **MICE facilities** on the island.



Phuket's Light Rail Transit (LRT) project is currently on **hold**. New government cabinet will reconsider if an **electric bus or tram** line is the best option for the island.

Source: C9 Hotelworks Market Research

## Hotel Pipeline Summary



**Numerous hotels** are choosing to **rebrand** such as the Andaman Beach Hotel launching the first Handwritten Collection by Accor in Thailand.



A total of **1,993 keys** to be added by the end of 2024 with the opening of **7 hotels** across Phuket.



An increase of **14 new registered establishments** from 2022 representing an increase of **955 keys**.



A number of **4** branded-residences set to open by the **end of 2023**, and **6** more to be completed by **2024**.

Source: C9 Hotelworks Market Research & TAT

# About C9 Hotelworks

## BILL BARNETT MANAGING DIRECTOR

C9 Hotelworks is an internationally recognized consulting firm with extensive experience in the Asia Pacific region. Its core business focus includes:

- Hotel and Resort Development
- Mixed-Use Branded Residences Advisory
- Project Feasibility and Analysis
- Hotel Operator Search

Key competencies include international hotel operator search, selection and contract negotiation, mixed use hotel and residential planning and operation reviews.

A wide range of both institutional and private developers and a comprehensive portfolio of completed projects give C9Hotelworks the skill set and background to focus on key issues, evaluate complex ones and assist clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has over 37 years of experience in Asia Pacific, the firm is well positioned to serve an increasing demanding marketplace.

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