



# The Rundown

## Thailand Tourism Forum

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# Source market progress

## On the way, but it's a long rebound



Chinese embracing domestic short- and long-haul travel, with good reason  
Flight capacity still only 50%, you should be aware by now this takes time  
But it's growing and they want to come back to Thailand – Major holidays potential

## Huge diversity potential



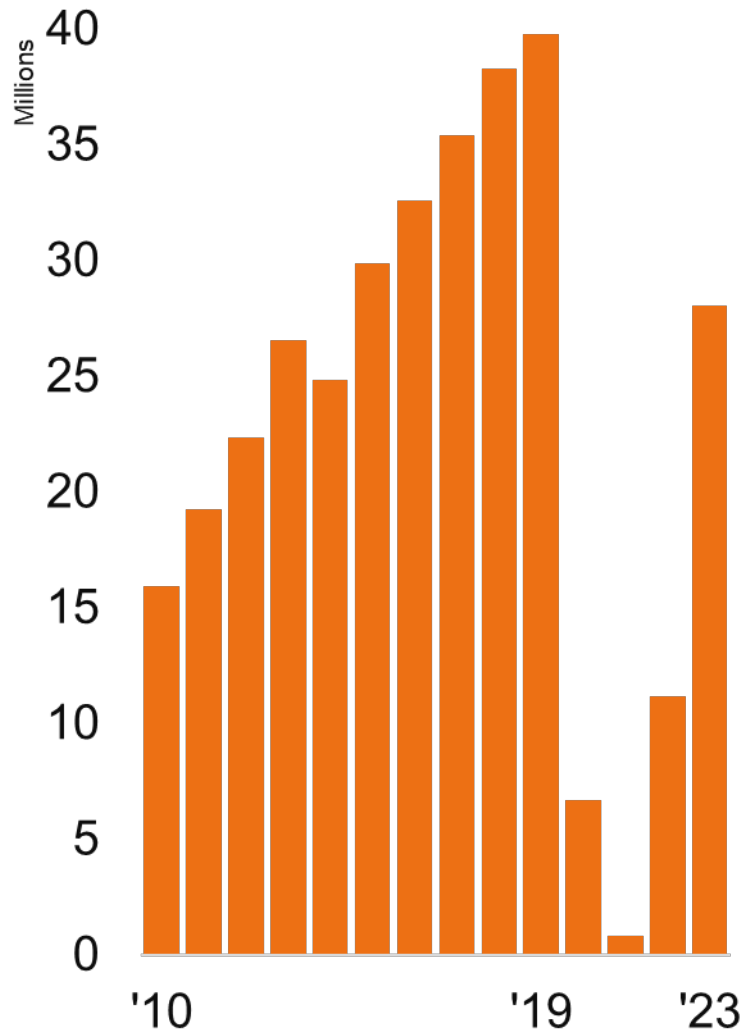
Growth in share into Thailand over 2019 still a bit muted, but...  
Thailand an attractive destination and more flight routes coming,  
and fundamentals of Indian source market bring major potential, large and diverse

## Growing via limited options and

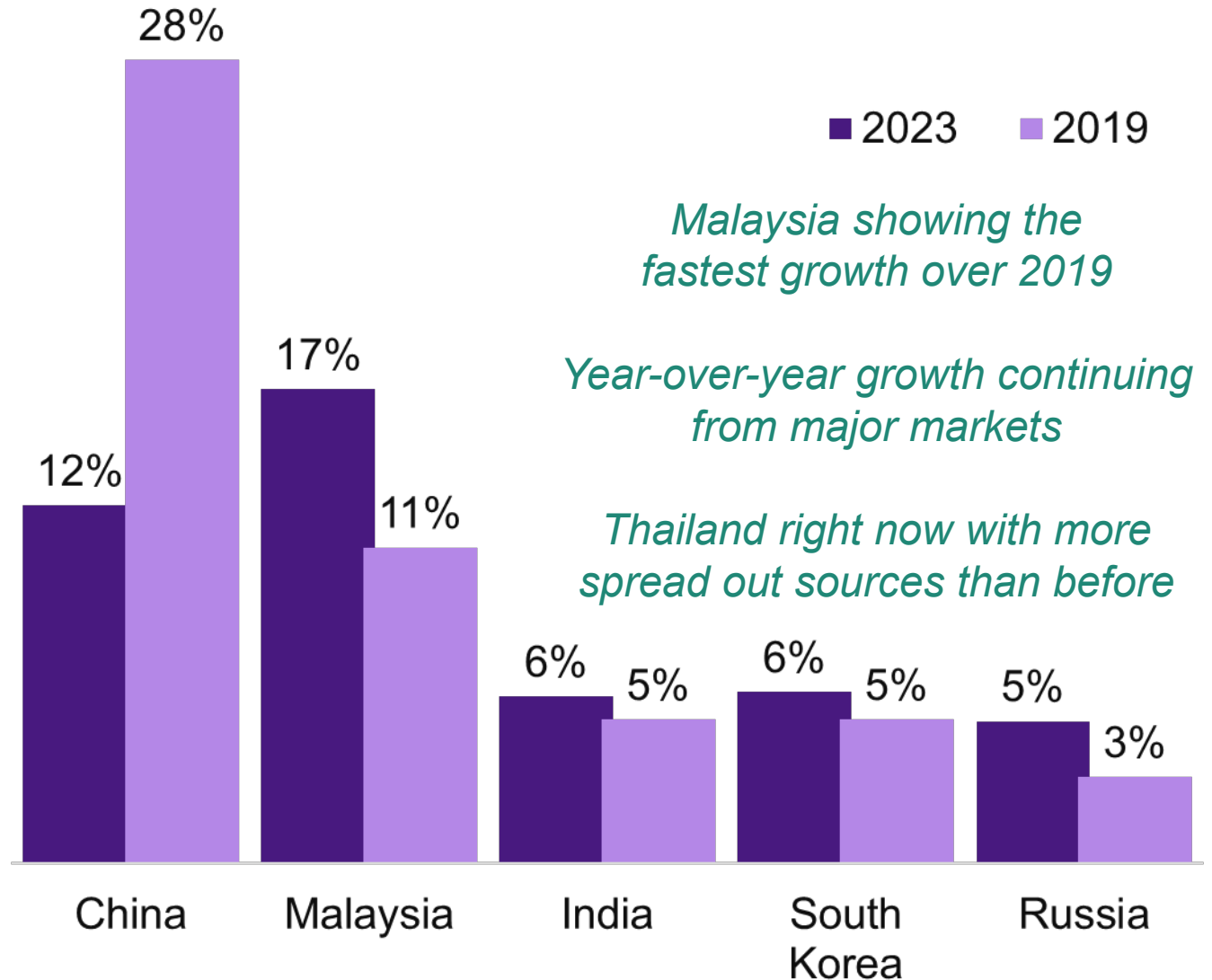


Limited countries open to Russians and strong recent attraction to Thailand  
Spending big to keep airlift going to accessible countries  
2023 have closed to doubled its share from 2019

# Getting back to 40m



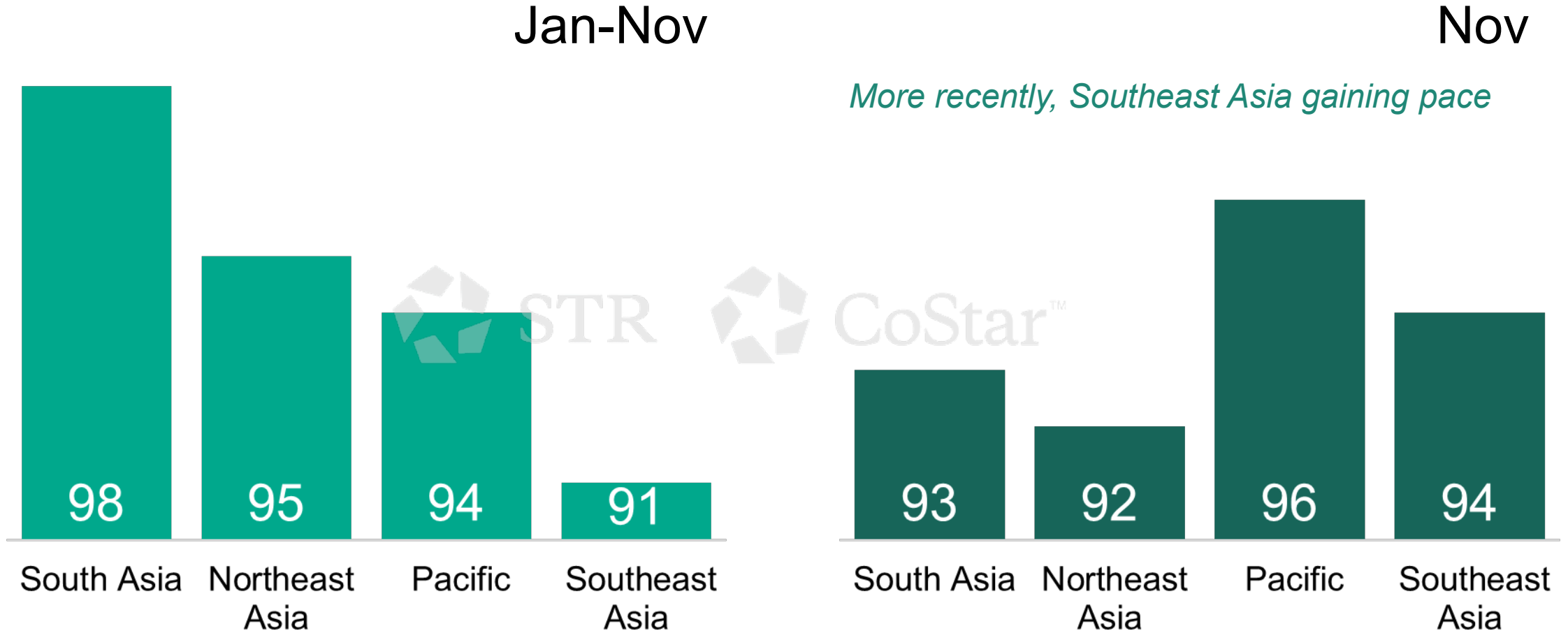
# From where?



# The last 5-10% was always going to take a while

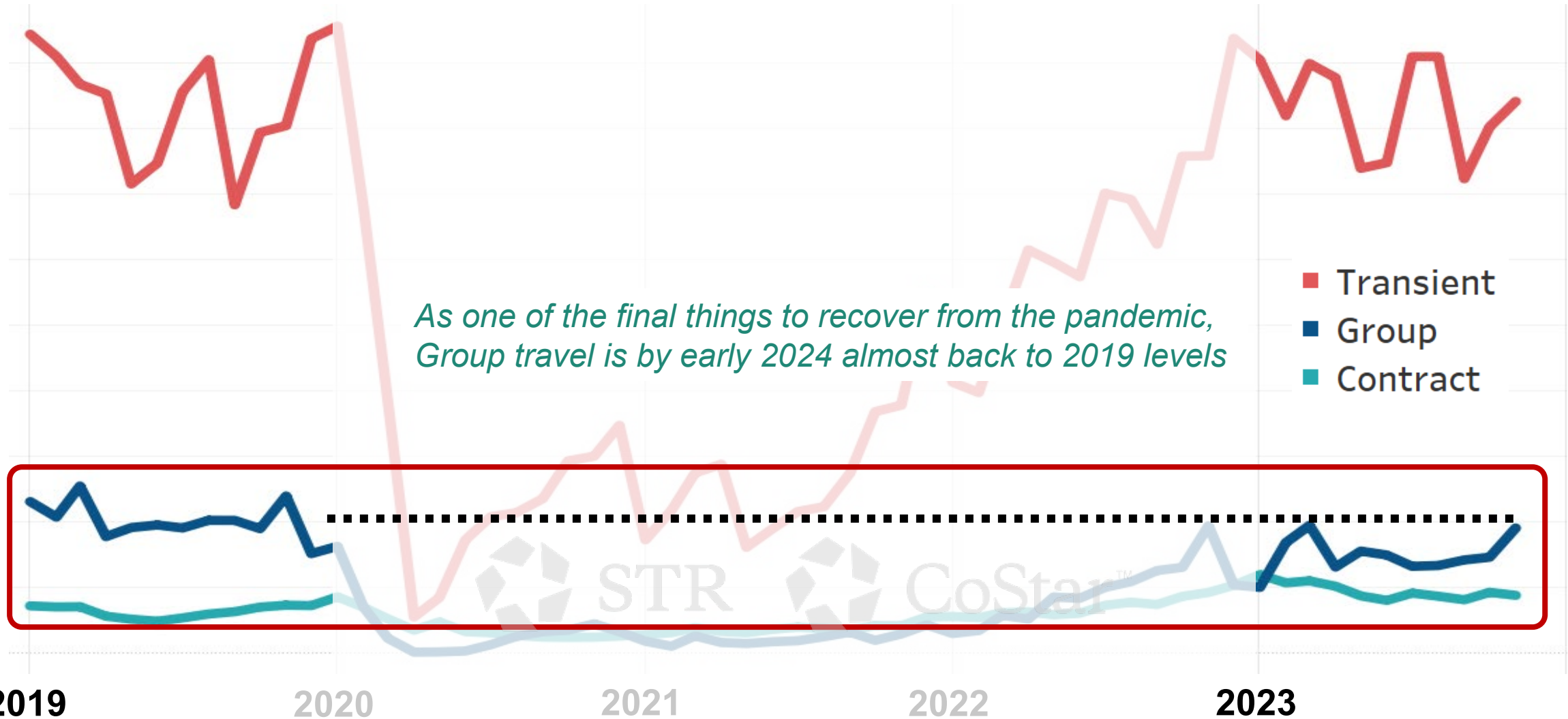
Asia Pacific Hotel Occupancy indexed to 2019, Nov '23 and Jan-Nov '23

100 = 2019 levels



# Group (almost) back with consistency

Thailand Demand by segmentation, 2019-2023



2019

2020

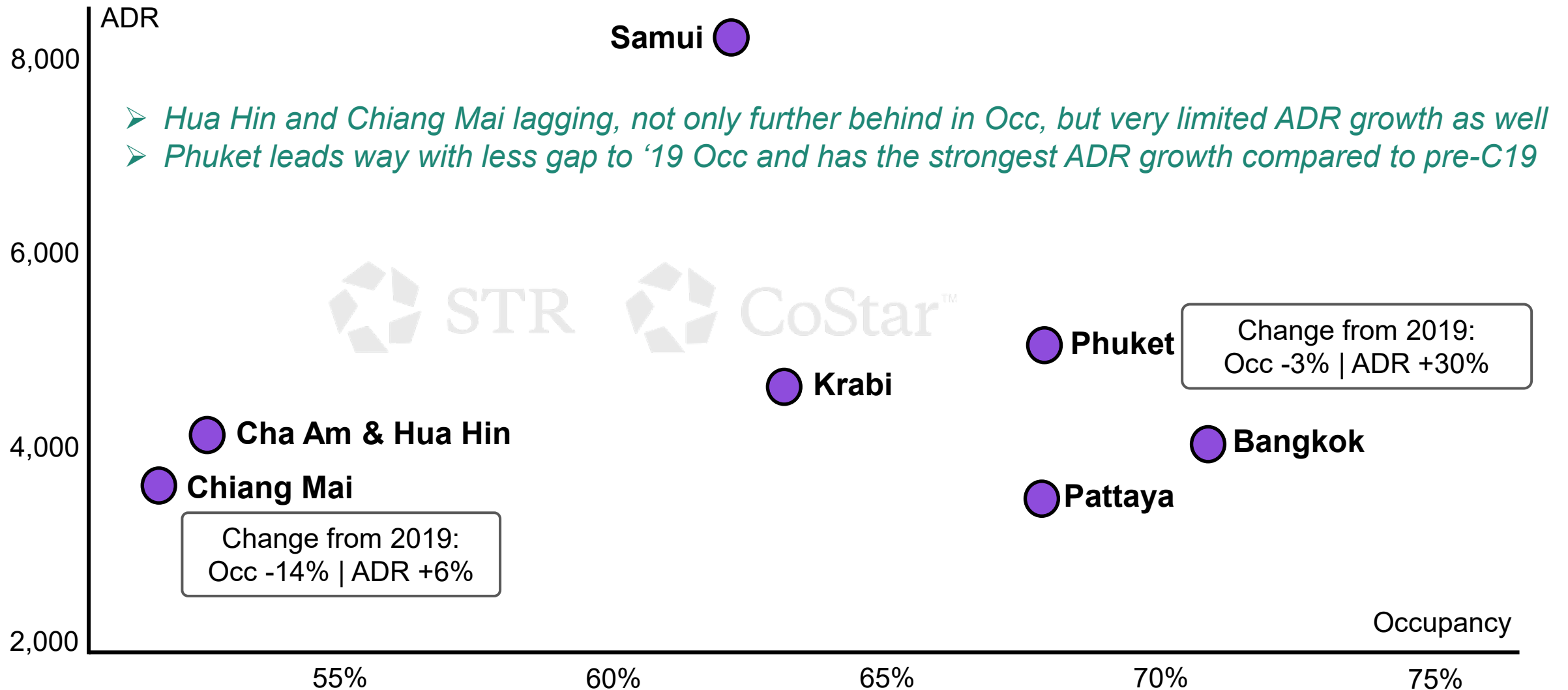
2021

2022

2023

# Stabilising but still with some irregular levels

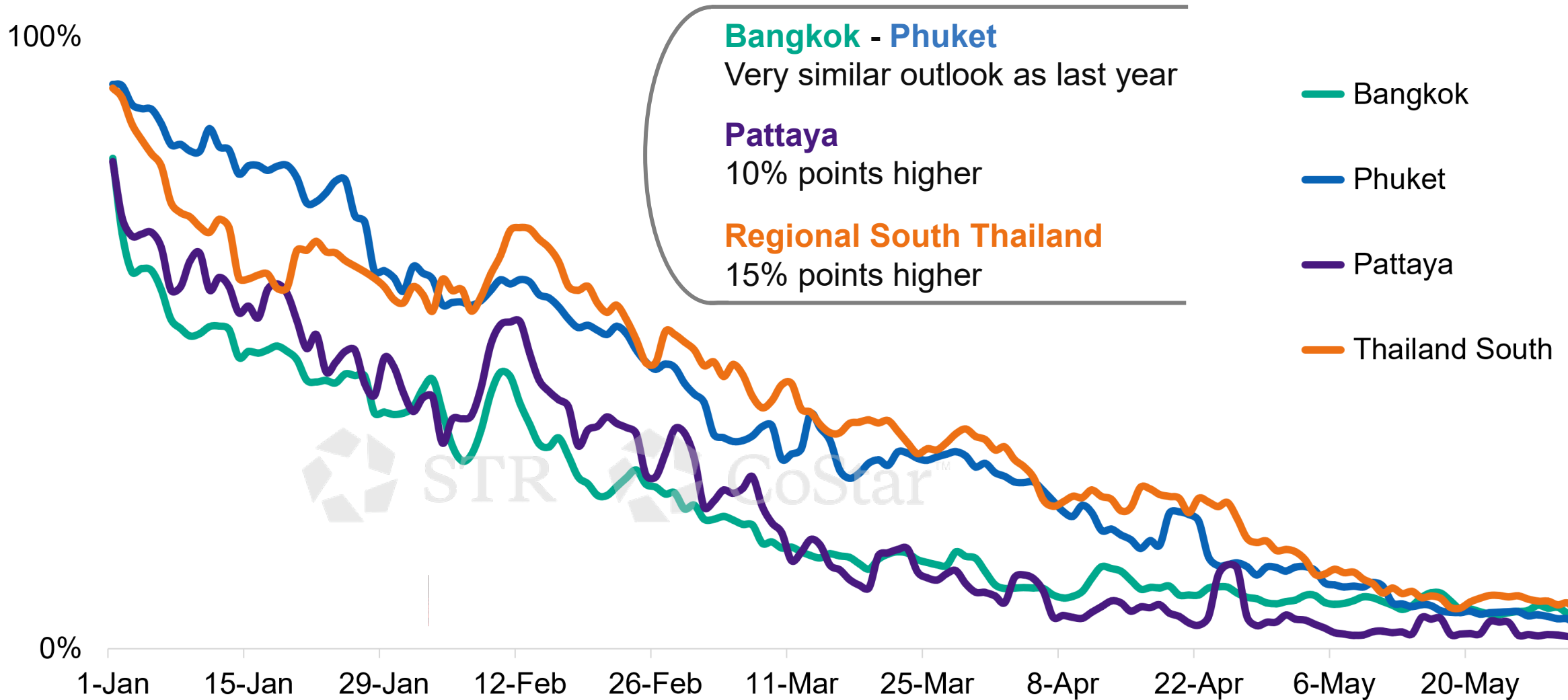
Thailand Markets/Submarkets, Occ/ADR Jan-Nov 2023 (THB), and compared to 2019





# Q1 stacking up reasonably well

Occupancy on the books, Next 5 months, as at 1 Jan 2024

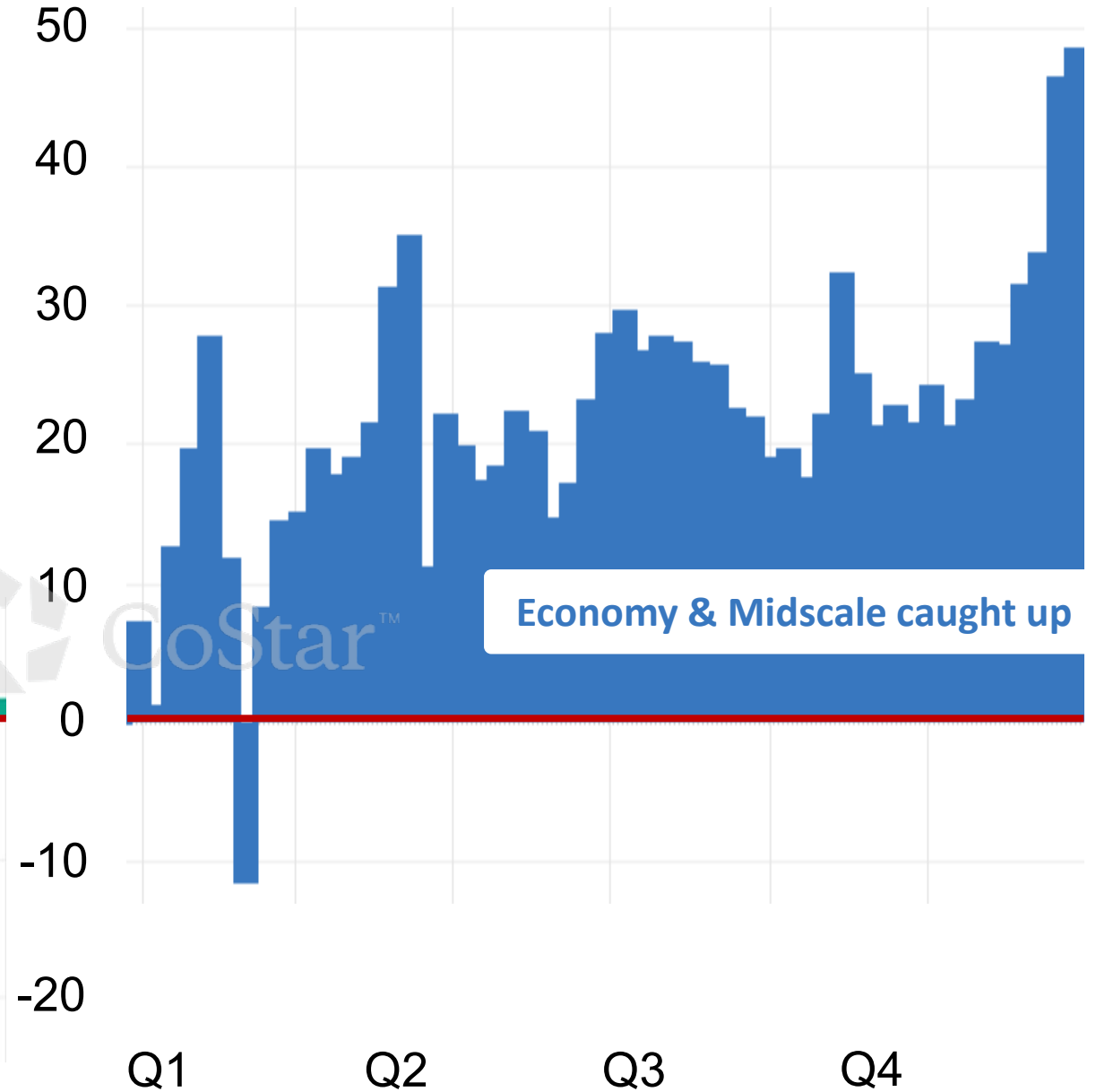
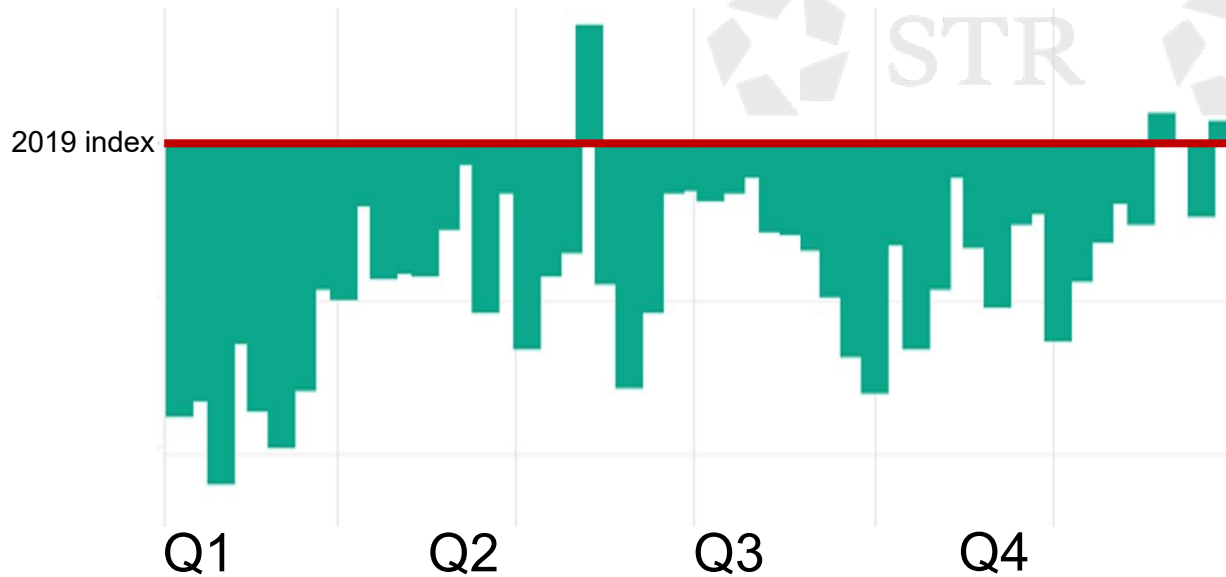


# Not a unique story

Thailand, Weekly index 2023 vs 2019

Occ, ADR (THB), Daily data

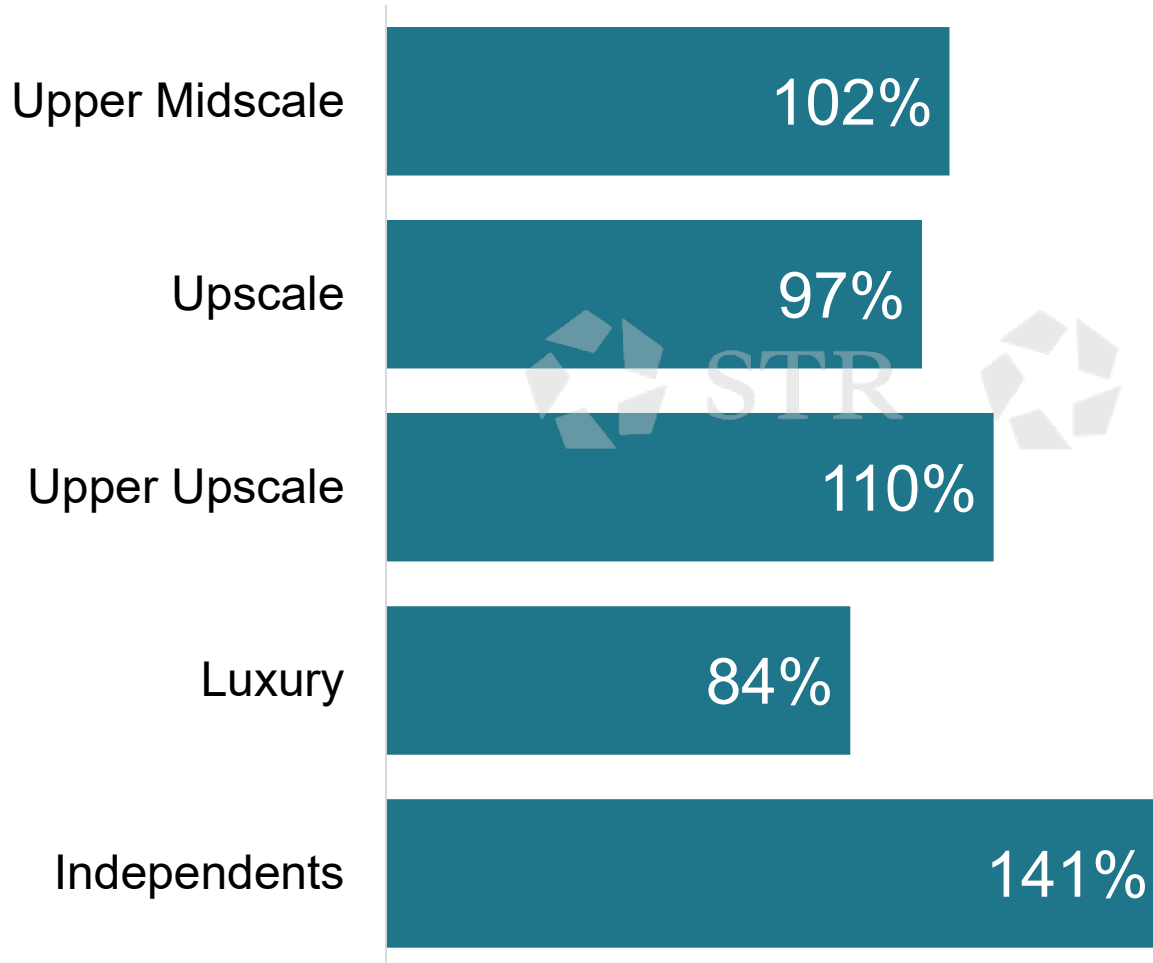
*A common balance in the region  
Higher RevPAR than pre-pandemic  
Occ 5-10% behind and ADR ~20% ahead  
Eventually all hotel classes found higher rates*





# End of '23 showing independent comeback

Total Thailand | GOPPAR November 2023, Indexed to November 2022



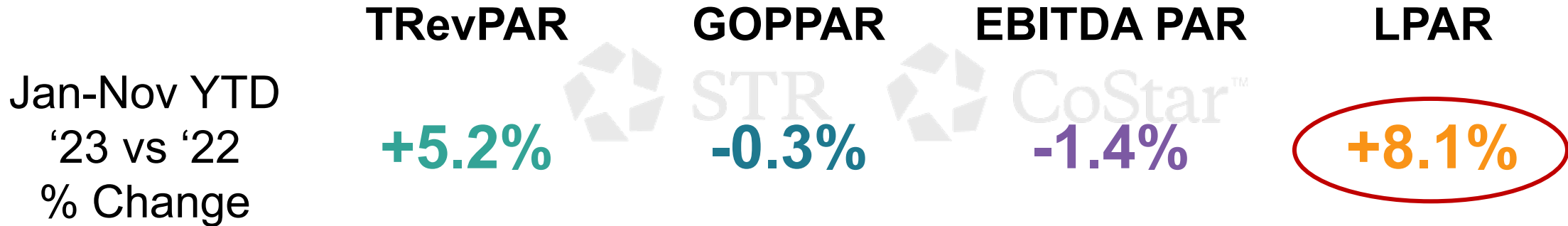
*Towards end of year, as in this November 2023 example, when comparing to same month in 2022, Independent (non-branded) hotels had made a strong profitability comeback, by capturing higher revenues and managing cost.*

*Branded Luxury had already grown very quickly until end of 2022 and subsequently take a step back as that rate and revenue growth was bound to slow down.*

*In Summary:  
Profitability more even across hotel classes*

# An anomaly to pay attention to? Labour cost pushing results

Total Thailand | Profitability KPIs per-available-room indexed to same period 2023 vs 2022



Avg % growth  
by cost category

*Unusually for Southeast Asia, Thailand saw labour cost growing faster than revenue KPIs  
As rate and revenue growth slows down, this put further pressure on cost control  
However, towards end of year, this balance shifted and labour cost growth was lower again  
It's currently moving in right direction – But no guarantees it stays that way  
Cost Control seems to be the key word moving into 2024*

**Only** Nov  
'23 vs '22

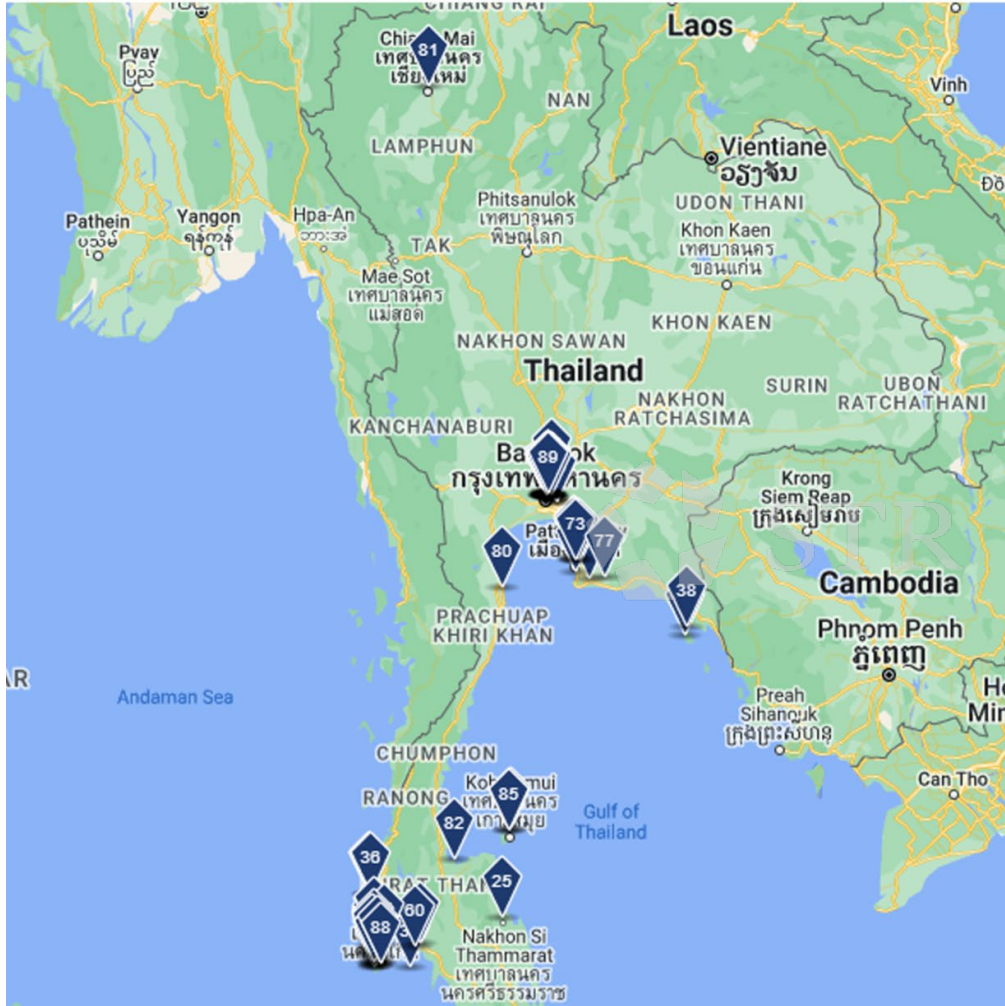
+23%

>

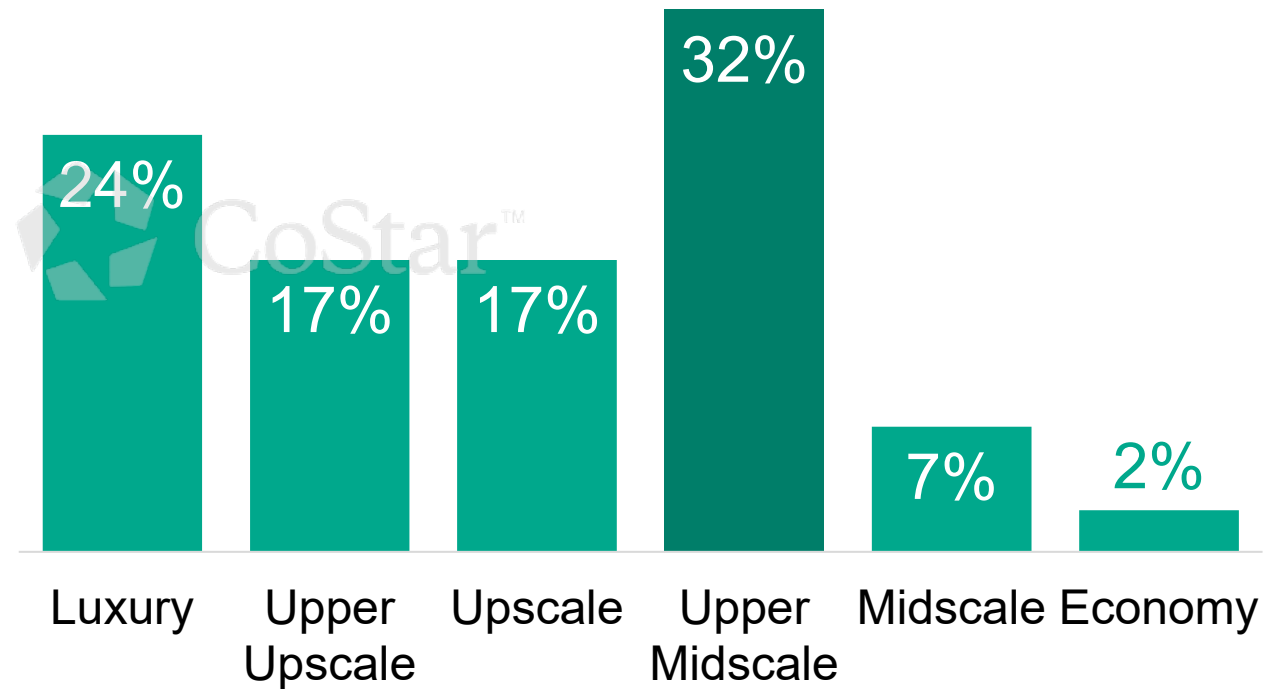
+13%

# Is new supply going to influence '24 in Thailand?








Confirmed Pipeline of new hotels in Thailand



- 10,000 rooms due to open in 2024
- Heavily weighted on Upper Midscale



# Summary

-  Airlift impacting Chinese & Russian travellers
-  Occupancies within that last 5% of 2019 will take a bit longer to arrive
-  Rate levels at historic highs, growth now subsiding
-  GOP steadies: One to watch is Labour Cost balance
-  In Store for '24 vs '19: Bangkok Occ -4 p.p. but +18 p.p. ADR
-  Long-term growth underpinned by high rates
-  Expectation: Potential for more transactions and brand shifts



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