

THE TOURISM AUTHORITY OF THAILAND DOWNGRADED ITS FORECAST FOR THE TOURISM REVENUE 2024



The TAT (Tourism Authority of Thailand) has stated that Thailand will not be able to achieve its previous tourism goals in 2024 due to multiple crises. The government had aimed to attract 40 million international tourists in 2024, the same number as in 2019.

According to the TAT, tourism revenue from the international market in 2024 is unlikely to match the level seen in 2019 due to the impact of a "poly-crisis." As a result, the target has been lowered to 1.92 trillion baht from the previous 2.29 trillion baht. Despite this setback, the overall target of 3 trillion baht remains unchanged as the agency plans to encourage the domestic market to reach 1 trillion-baht next year.

According to Yuthasak Supasorn, the Governor of the TAT, Thailand is currently facing a poly-crisis that has adversely affected the tourism industry. This crisis stems from various negative events such as inflation, recession, interest rate increases, rising fuel costs, and the slow recovery of international flights, which have only reached 70% of their 2019 levels.

Next year, tourism may face challenges as growth drivers like the Chinese market have not been as strong as anticipated. Experts point out that Thailand may welcome only 7 million to 8 million Chinese visitors next year, down from 10 million in 2019.

According to Yuthasak, revenue may stay at the same level as this year, reaching 2.4 trillion baht in 2024 in the worst-case scenario. However, if things proceed according to the most optimistic scenario, which forecasts tourism revenue of 1.92 trillion baht, the short-haul market will generate the highest revenue of 1.2 trillion baht. This will be due to a significant volume of around 25.8 million visitors, accounting for 74% of the total revenue.

According to Tanes Petsuwan, deputy governor for Asia and the South Pacific at TAT, the short-haul market is expected to recover faster than the long-haul market. The short-haul market revenue is predicted to reach 94% of the pre-pandemic level in 2019, while the number of visitors will grow slower, only reaching 83% of the pre-pandemic level. TAT expects the short-haul travel market to attract 18 million tourists this year, generating 949 billion baht in revenue. On the other hand, the long-haul market is expected to generate 720 billion baht from 9.2 million visitors.

According to Siripakorn Cheawsamoot, the TAT deputy governor, ongoing geopolitical tensions and high oil prices are still causing challenges for the travel industry. This result in higher travel costs. However, it is predicted that next year, international flights will reach 85-90 percent of the levels seen in 2019. While the Civil Aviation Authority of Thailand has forecast a full recovery in air traffic by 2025, this year's summer timetable is expected to see 100,493 incoming flights, a significant increase from the 53,839 flights for the 2022 winter timetable.

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