

THAI TOURISM CONTINUES TO STRUGGLE



While the COVID-19 emergency may be behind us, the road to recovery for the Thai tourism industry is still challenging. Despite the authorities' optimism, the industry's struggles are increasingly evident.

Both internal and external conditions influence the sector's fragility. The reported figures are heavily influenced by various parameters, such as distinguishing between tourists and overall arrivals and including or excluding transit travelers. **This contrasts with the actual economic impact, which has caused Thailand to fall to 40th place in the international tourism sector rankings this year.**

This situation creates uncertainty and underscores the need for a structural plan to revive the economy, where tourism could have played a crucial role.

Furthermore, the country's image is marred by political instability resulting from ongoing conflicts between former adversaries and the military, who have joined forces to keep reformist movements out of power. This political situation has decreased confidence among potential tourists, especially from North America and the European Union, which are traditional sources of tourists to Thailand.

In recent months, Thai authorities have introduced new types of visas to allow longer stays for different categories of visitors, including those coming for studies, temporary work, or extended stays. These measures were expected to increase tourist arrivals. Additionally, they have recently extended visa-free entry to 60 days for citizens of 93 countries and territories, up from 57. However, these measures have yet to lead to an increase in tourist arrivals. Instead, they have encouraged special, and sometimes illegal, situations for foreign citizens, which the local media have widely covered.

Official figures of Thai tourism for this year's first six months show 17.5 million tourist arrivals, a 35% increase from last year, but still below the pre-pandemic levels. Most arrivals are Chinese and Indian nationals and visitors from other countries who prefer shorter stays and contribute less to the local economy by using prepaid packages from their home countries.

For example, Malaysians often spend their holidays or weekends of leisure or shopping in resorts immediately across the border. The Russian community in Phuket has become the most significant European or Western group by estimated size, with 1.4 million arrivals in 2023. Business organizations have noted that the lower spending capacity of these travelers hinders investments needed to adapt facilities to a more diverse and often more demanding tourist clientele compared to the past.

The Thai Tourism Authority (TAT) has unveiled an ambitious strategy for 2025, dubbed the 'Great Year of Tourism of Thailand.' With this bold initiative, TAT President Natthriya Thaweewong is poised to steer the country's tourism industry toward a promising future.

TAT has set the following targets for 2025:

Foreign tourists: 40 million (up from the projected 39 million for 2024)

Domestic travel: 220 million (compared to the planned 200 million for 2024)

Total tourism revenue: approximately 3.4 trillion baht (94 billion U.S. dollars), an increase of 7.5 to 10% from 2024.

To reach these goals, TAT plans to synchronize operations with tourist trips and collect feedback before, during, and after trips to enhance services.

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