THAILAND’S PROPOSED DEPARTURE TAX RISKS UP TO US$ 4.5 BILLION IN ANNUAL TOURISM LOSSES



The Thai Travel Agents Association (ATTA) has warned that a proposed 1,000 baht departure tax could lead to the loss of 50 to 150 billion baht (US$ 1.5 to US$ 4.5) annually for tourism, well above the 45.9 billion baht that the government expects the tax to raise.

Adith Chairattananon, honorary secretary general of ATTA, said the levy would discourage visitors and that **the government's revenue projection was based on a formula using 2025 passenger numbers of 32.9 million foreign tourists and 13 million trips by Thai nationals,** multiplied by 1,000 baht. Industry analysts say that increasing costs may reduce visitation numbers sufficiently to offset any gains from the tax.

Evidence Drawn from the Maldives Experience

ATTA's figures were based on a study by Naresuan University academics using a 2023 paper published in the Journal of Travel Research, which determined that a 10 percent rise in Maldives tourism taxes led to a 5.4 percent fall in demand. Chairattananon said the islands were a useful case study as they attracted similar numbers of Chinese, Indian, British and Russian visitors as Thailand.

Although ATTA warned that the Maldives study could not be directly applied to Thailand, the fall in visitor numbers would have a serious impact. ATTA calculated that one million fewer foreign visitors would equal 50 billion baht in lost revenue, based on an average 50,000 baht spend per visitor. Three million fewer visitors would mean 150 billion baht in lost revenue.

For its three biggest markets - China, India and Malaysia - ATTA estimated that a five percent fall in visitor numbers would mean 446,000 fewer visitors and a 10 percent fall would mean almost 891,000.

Cumulative Costs Could Reach 2,570 Baht (US$ 77) per Visitor

Travel agents also say that a 1,000 baht departure tax would be added to other airport levies such as the 1,120 baht airport fee already imposed on flights departing from the six airports operated by Airports of Thailand (from 20 June 2026) and a possible 450 baht tourist tax currently under consideration by the government. This would bring cumulative airport taxes to 2,570 baht, or 5.14 percent of an average 50,000 baht tourist budget.

The government is considering ways to avoid double taxation, and the 450 baht tourist tax had broad support when it was proposed (80.5 percent approval of the principle and 78.3 percent of the amount). Revenues would go into a Tourism Promotion Fund to insure tourists and finance restoration of tourist sites. The Ministry of Tourism estimates that 8 billion baht would be left after insurance and tax payments, and that it would be imposed initially on visitors arriving by air, with implementation for land and sea arrivals to follow in one year.

Airlines Join Opposition

Tassapon Bijleveld, executive chairman of Asia Aviation (which owns Thai AirAsia), said the seven member airlines of the Thai Airlines Association oppose the tax, and it would reduce Thailand's competitiveness at a time when visitor numbers are falling. An increase in value added tax would be a better option, he said.

Chairattananon said fewer visitors would also hit jobs in the hotel and related industries, at a time when the government was seeking to boost growth. The International Monetary Fund has forecast Thai GDP growth of just 2.1 percent in 2026.

Next Steps

Tourism association representatives plan to consult together before possibly meeting the Finance Minister, possibly after the IMF and World Bank meetings due to be held in Bangkok 12-18 October. **The Ministry of Finance continues to support the principle of a 1,000 baht departure tax on all air departures, regardless of nationality, but has not announced a date for implementation.** A public consultation by the Department of Tax Revenue will end on 29 October 2026, after which the government will decide whether to implement the proposal as drawn up or make changes based on industry concerns.

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