

Thailand's Tourism and Hotel Industry



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Thailand's tourism sector is one of the core economic pillar and has broadly recovered since the COVID-19 shock, with international arrivals returning and domestic trips surpassing pre-pandemic volumes, while spending has not fully rebounded. Reasons include uneven source-market recoveries, cautious post-pandemic spending, inflationary price pressures, and geopolitical shocks that curb high-value travel.

Hotel supply and investment have rebounded since 2022, concentrated in Bangkok, Chonburi, and Phuket, with notable room-supply growth in secondary provinces.

Opportunities exist in premium and wellness tourism, experiential travel, and strategic expansion into secondary provinces. Asset-light brand/management models and targeted PropTech adoption offer effective levers to scale quickly, improve margins and differentiate products. However, key risks to watch are rising operating costs, intensifying regional competition across the region, regulatory limits, and geopolitical volatility that can abruptly affect source-market flows.

Strategic entry options for foreign investors include BOI-promoted projects, management contracts, and 49% joint ventures, each presenting different trade-offs among control, capital exposure, and licensing complexity.

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I. Thailand Tourism Snapshot

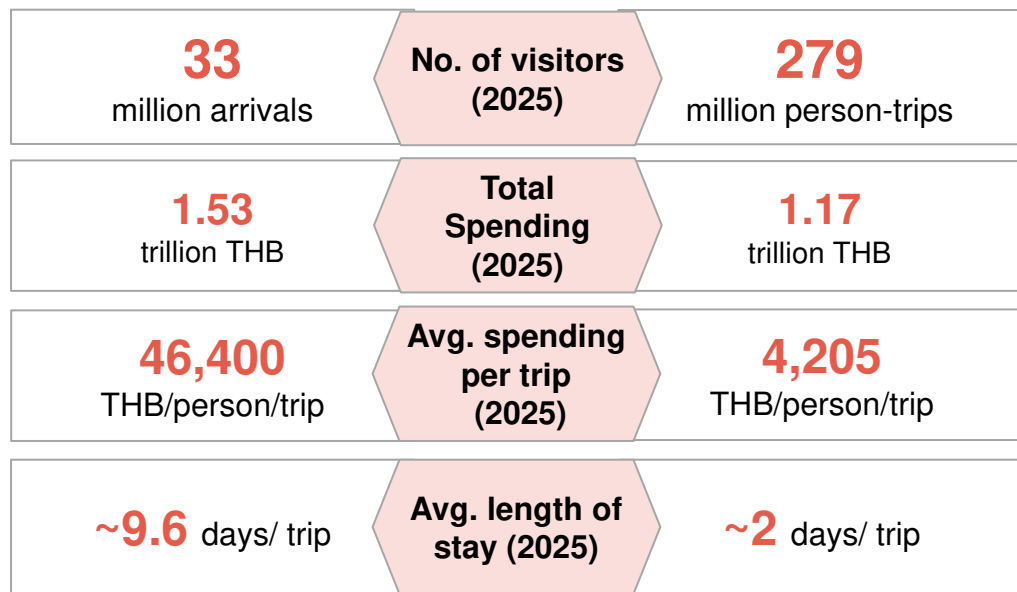
Key Tourist Figures



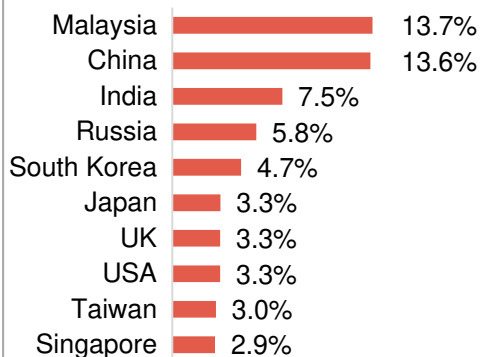
International arrivals



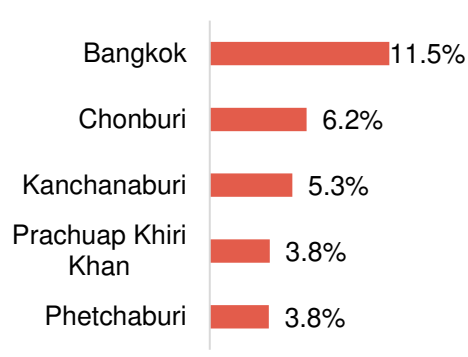
Domestic travelers



Top 10 international arrivals source-markets (2025)



Top 5 domestic tourist destinations (2025)



Key Hotel Figures



15,500
Hotel establishments
(Apr 2026)



688
thousands room
(Apr 2026)

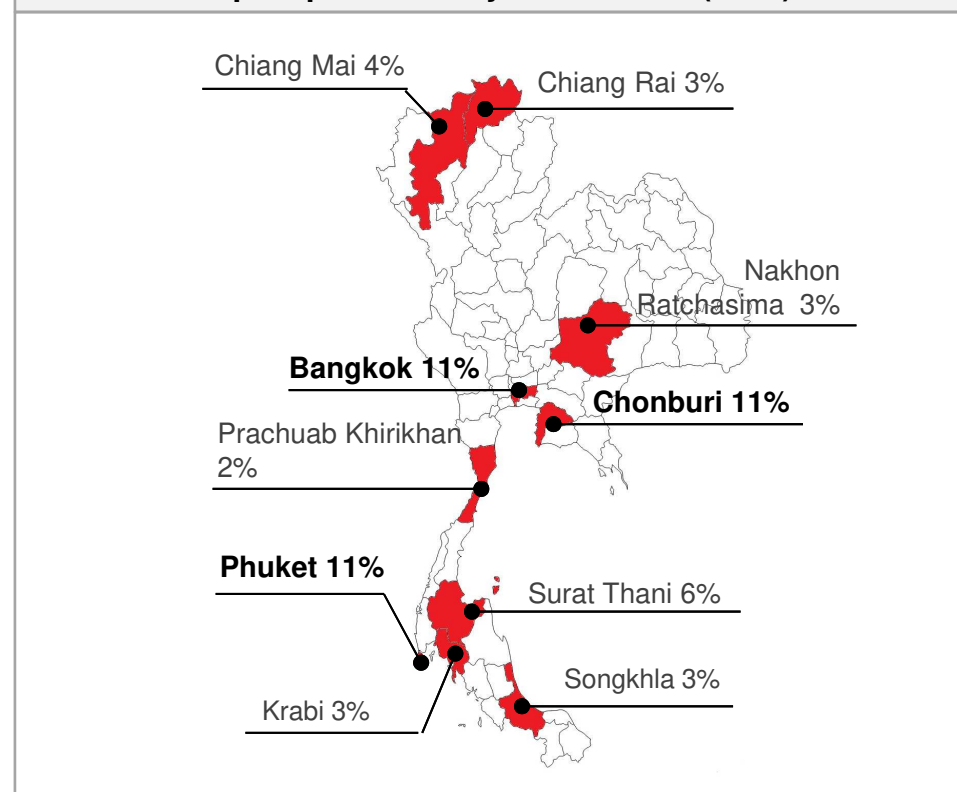
Occupancy Rate (OCC) (2025)

71%

Average Daily Rate (ADR) (2025)

1,832
THB/ room

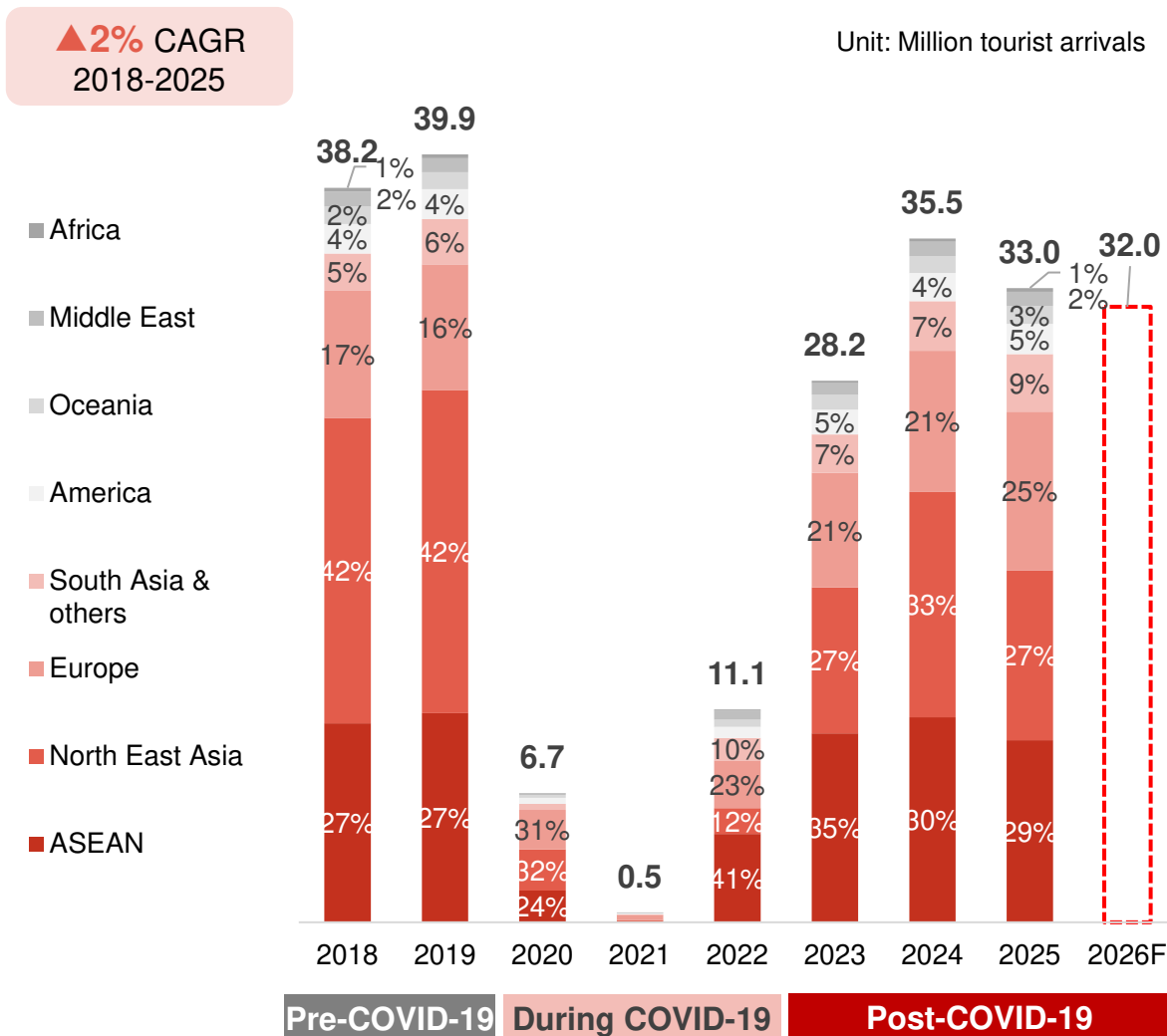
Top 10 provinces by Hotel Room (2026)



II. International Tourist Trends: International tourist arrivals (1/2)

- Tourist arrivals remain below pre-pandemic levels, largely because of fewer visitors from China and some ASEAN countries amid safety concerns, scam reports and border tensions.
- Arrivals are forecast to decline further in 2026 due to the Middle East conflict and uneven source-market recoveries.

International Tourist Arrivals Trend by Regions (2018-2025)



Prior to the COVID-19 pandemic

- Foreign tourist arrivals peaked in 2019 at almost 40 million visitors, with Northeast Asia, led by China, accounting for 42% of total international arrivals.
- The ASEAN region was the second-largest contributor to Thailand's tourism market.
- Major factors attracting travelers from these regions were ease of access, affordability, and a diverse range of attractions.

Post COVID-19

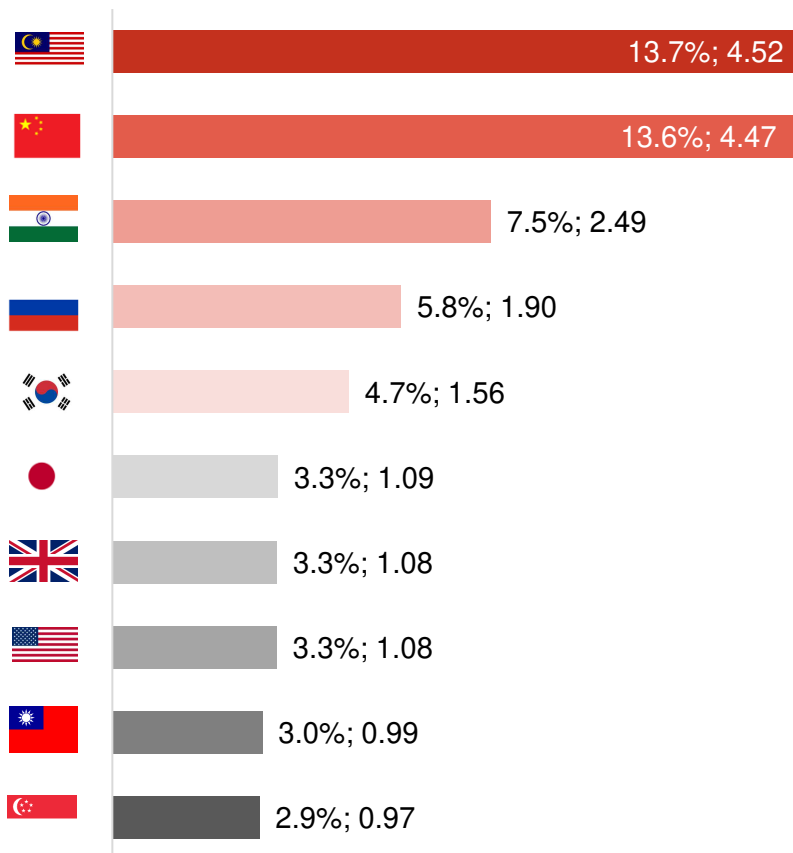
- International tourist arrivals recovered to 36 million in 2024, approaching but not fully reaching pre-pandemic levels.
- The recovery weakened in 2025, when arrivals fell to 33 million, largely due to reduced visitors from China, Cambodia, and Vietnam amid safety concerns, scam reports, and border tensions. This shift caused a notable decline in the shares of ASEAN and Northeast Asia.
- Looking ahead, arrivals are expected to decline further in 2026, in part because of the ongoing conflict in the Middle East and persistent unevenness in source-market recoveries.

II. International Tourist Trends: International tourist arrivals (2/2)

- Thailand's major international tourist markets in 2025 were Malaysia, China, and India.
- Arrivals from China fell sharply due to safety concerns, including scams and crime incidents.
- In contrast, arrivals from India, Taiwan, and Russia increased, driven by expanded flight capacity and visa-free access.

Top 10 International Tourist Arrivals by Country of Origin (2025)

Unit: Million visitors



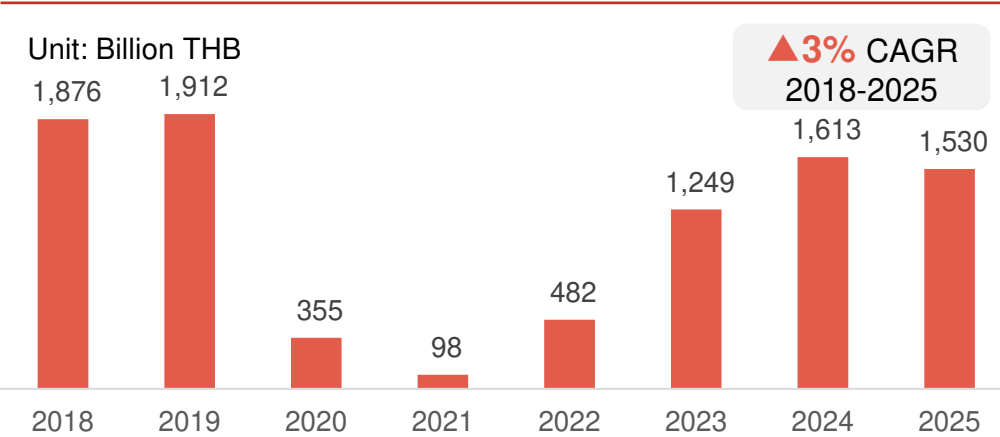
CAGR 2018-2025	
Malaysia	2%
China	▲12%
India	7%
Russia	4%
South Korea	▲2%
Japan	▲6%
UK	2%
USA	▲0%
Taiwan	6%
Singapore	▲3%

- **Malaysia, China, and India were among Thailand's three largest international tourist markets** in 2025, collectively accounting for 34.8% of total foreign tourists.
- **India, Taiwan, and Russia have emerged as key growth markets** for Thailand's tourism, recording CAGRs (2018-2025) of 7%, 6%, and 4%, respectively, driven mainly by the expansion of direct-flight connectivity and visa-free entry policies.
- On the other hand, **tourist arrivals from China and Japan exhibited sharp declines** over 2018–2025, contracting at CAGRs of –12% and –6%, respectively.
- The primary causes of the downturn in Chinese arrivals were **safety concerns related to scams and crime reports**, including high-profile incidents such as kidnapping of Chinese actor, together with a domestic economic slowdown and government measures encouraging domestic travel.
- These factors encouraged Chinese travelers to seek alternatives such as domestic travel or other destinations, including Japan, South Korea, and Vietnam.
- Meanwhile, Japanese inbound tourism to Thailand declined primarily due to a **weakening yen and Japan's economic slowdown**.

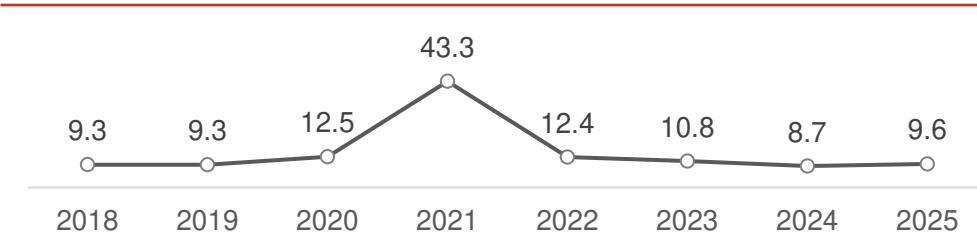
II. International Tourist Trends: Tourism expenditure

- International tourist expenditures in Thailand have yet to recover to pre-COVID levels, reflecting more cautious spending behavior: eight of the top ten source markets spent less per trip in 2024 than in 2019.
- While most spending categories declined, accommodation spending rose, driven by a shift toward upscale offerings and inflationary increases in room prices.

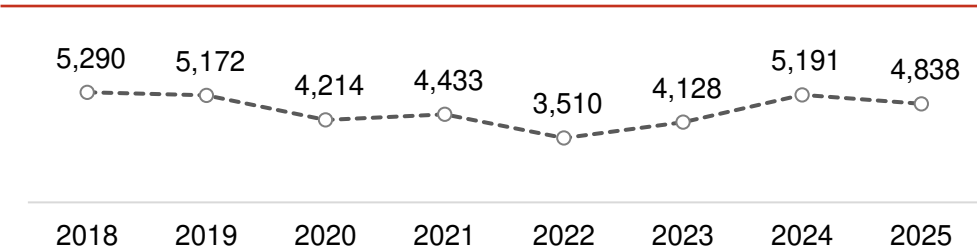
International Tourist Expenditures (2018-2025)



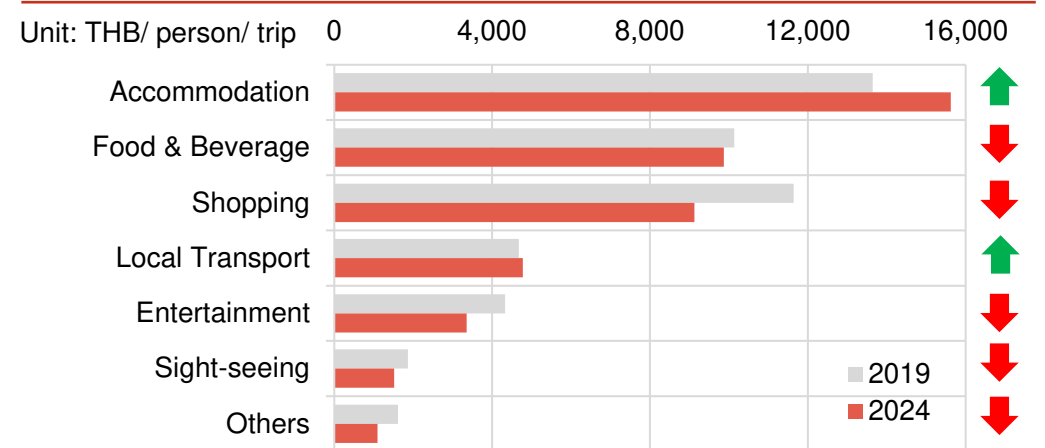
Average Lengths of Stay (Days)



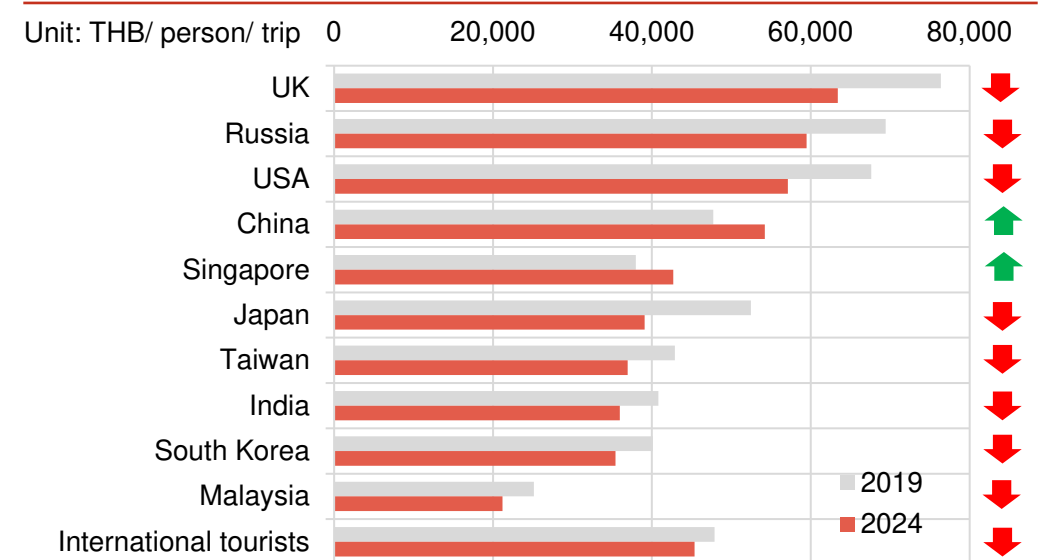
Average Expenditures (THB/person/day)



Average Spend by Item (2019 vs 2024)*



Average Spend of Top 10 Markets (2019 vs 2024)*



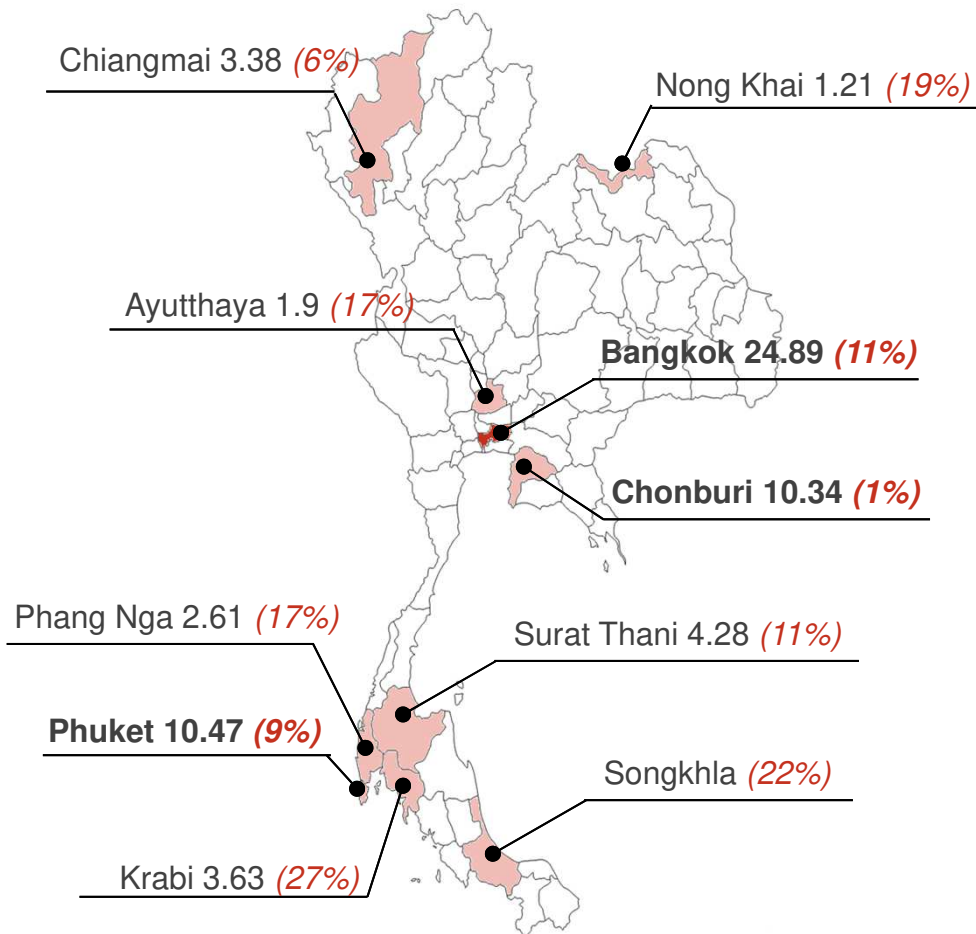
Note: * The average spend broken down by items and average spend by markets is only available through 2024.

II. International Tourist Trends: Main destinations

- Thailand's top international tourist destinations in 2025 were led by Bangkok, Phuket, and Chonburi.
- World-famous beach provinces such as Surat Thani, Songkhla, and Krabi, along with historic and cultural destinations like Ayutthaya and Nong Khai, also posted strong growth since 2023.

Major Destinations for International Tourists (2025)

Unit: Million persons (CAGR 2023-25)



- In 2025, **Bangkok, Phuket, and Chonburi** remained Thailand's top destinations, together attracting inbound arrivals of over 45 million.
- **Southern provinces** such as Surat Thani, Songkhla, Krabi, and Phang Nga also saw strong growth, driven by world-famous beaches and islands like Koh Samui and Koh Phi Phi.
- **Ayutthaya and Nong Khai** have seen robust tourism growth, driven by historical sites, spiritual appeal, and cultural attractions.

Major Destination	Characteristics of Foreign Tourists	Attracting Factors
Bangkok	<ul style="list-style-type: none"> • Mixed nationalities • Mainly young generation (Gen Z and millennials) 	<ul style="list-style-type: none"> • Affordability • World-famous street food • Cultural landmarks (e.g. Wat Phra Kaew) • Cultural events (e.g. Songkran) • Vibrant nightlife
Phuket	<ul style="list-style-type: none"> • Russia, China, India, various European markets • Higher spending preferences • Mainly millennials and families 	<ul style="list-style-type: none"> • Beautiful beaches and nature • Diverse sea activities • A wide range of hotels from affordable to luxury resorts • Varied cuisine • Direct international flights
Chonburi	<ul style="list-style-type: none"> • Mainly Asian visitors • Young generations and families • Leisure and entertainment seekers 	<ul style="list-style-type: none"> • Popular beaches and islands with many sea activities • Unique nightlife and entertainment • Proximity to Bangkok

II. International Tourist Trends: Traveler trends

- Key trends among international travelers to Thailand include growing interest in authentic local experiences and experiential travel, as well as rising demand for wellness tourism, which reflects a shift toward localization, personalization, and high-value experiences.

International Traveler Trends in Thailand

Local-Like Experiences

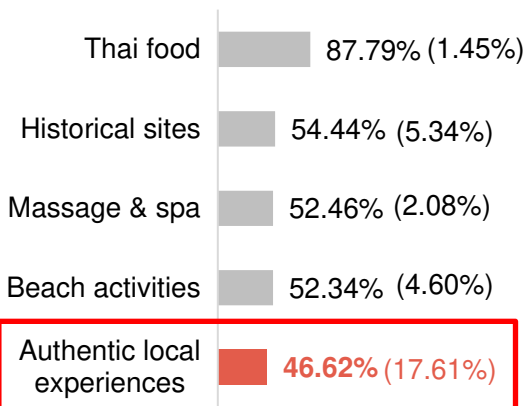


- **Local-like experiences in Thailand are a major growing trend** as travelers increasingly pursue authentic and cultural-based immersion.

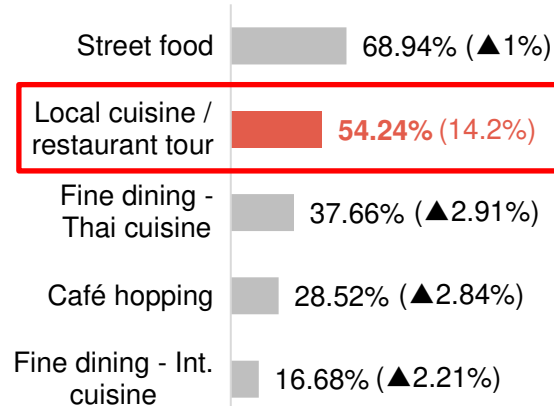
- According to TAT's 2025 survey of international tourist behavior, **authentic local experiences provided by local communities** were the fastest-growing activity; **local cuisine tours and visits to local restaurants** also rose sharply in foreign tourists' food preferences.
- Another notable trend is **tourists renting and wearing traditional Thai costumes** near Bangkok's old town to explore historic landmarks such as Wat Arun, Tha Tien area.

TAT's 2025 survey of international tourist behavior

Popular Activities



Food Preferences



Experiential Travel Shift



- **International tourism in Thailand has shifted to prioritize** experiential travel over simply visiting major landmarks.

- This is reflected by longer stays and slower growth in revenue per visitor despite rising arrivals, indicating more cautious spending and a preference for value-for-money or niche experiences such as wellness, luxury and culture- and community-based travel.
- This shift may foster broader income distribution nationwide and drive opportunities for more personalized travel offerings.

Rising Wellness Demand



- **Wellness tourism is a fast-growing opportunity for Thailand** and has grown to become one of Asia's wellness hub.

- Thailand is leveraging its strengths in spa services, Thai massage, traditional medicine, healthy cuisine, and rich biodiversity.
- The sector primarily serves health-conscious travelers, working-age adults seeking stress relief, retirees, and high-spending premium wellness tourists, as well as international leisure-and-health travelers who particularly value Thai culture, herbs, and traditional therapies.
- Wellness travelers tend to spend more per trip, supporting premium packages and longer restorative programs.

III. Domestic Tourist Trends: Number of domestic tourists

- Domestic tourism has continued to expand, driven largely by government promotion initiatives such as tax reductions, co-payment subsidies, and promotion of secondary provinces.
- Other key drivers include improvements in tourism infrastructure, expanded flight routes, and a shift toward higher-value travel that bolsters regional tourism.

Domestic Visitor* Trend (2016-2025)

Unit: Million person-trips



Note: *The number of visitors broken down by type is only available through 2022.
 An excursionist is a person who goes on a short pleasure trip, typically returning home on the same day without an overnight stay.
 A tourist is a visitor who stays at least one night in a destination.

- Except for the COVID-19 period, Thailand has experienced sustained growth in domestic tourism.
- Domestic travel began recovering in 2022, rising to 205 million person-trips and climbing to 279 million person-trips in 2025, representing an 11% CAGR.
- After COVID-19, the domestic travel market has been driven primarily by growing numbers of excursionists and short-stay travelers.
- **This expansion was supported by key factors:**

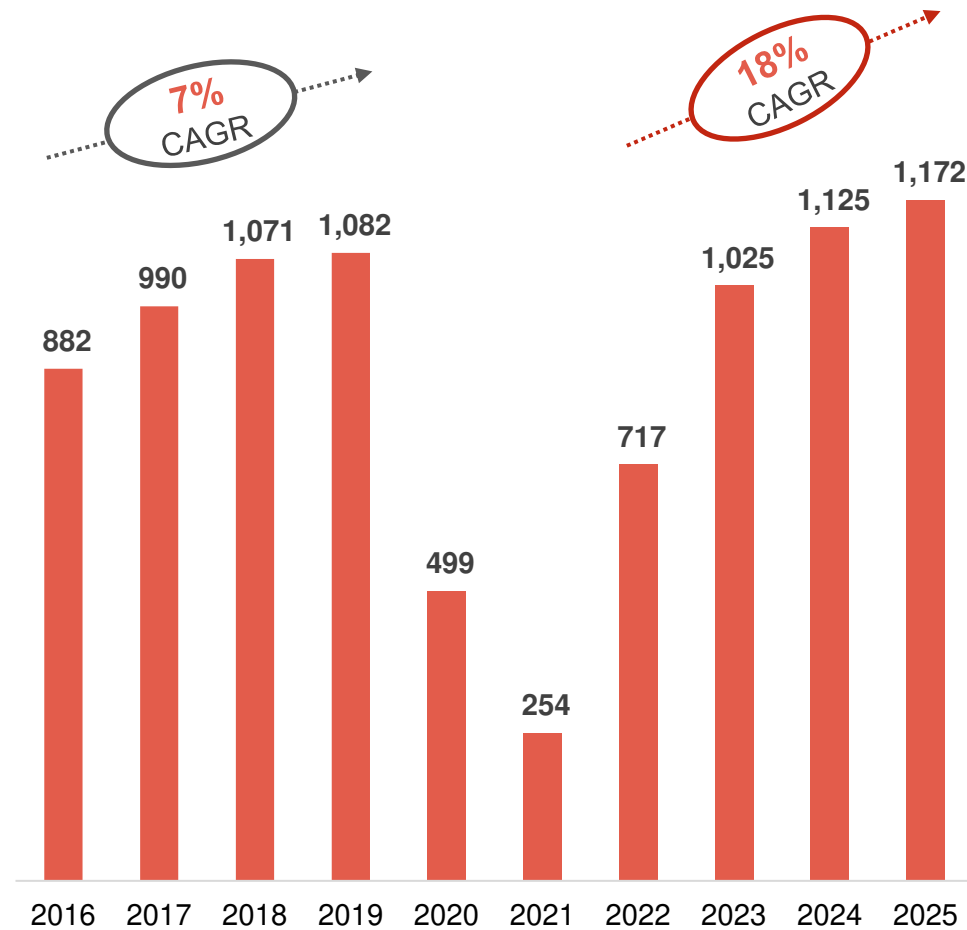
Government stimulus and tax incentives	<ul style="list-style-type: none"> • The “We Travel Together” program subsidized travel-related expenses and helped jump-start recovery from 2022. • Tax measures for individuals allowed deductions for hotel accommodation and meal expenses, and corporate tax incentives encouraged organizations to hold training seminars domestically.
Regional initiatives and private-sector promotion	<ul style="list-style-type: none"> • Regional tourism initiatives across 55 secondary provinces expanded demand outside primary urban centers. • The private sector’s annual tourism promotion campaigns reinforced recovery.
Market and infrastructure improvements	<ul style="list-style-type: none"> • Expansion of the regional MICE (Meetings, Incentives, Conferences and Exhibitions) market. • Transportation infrastructure upgrades and expanded low-cost air routes increased accessibility and capacity.

III. Domestic Tourist Trends: Tourism expenditure

- Although total spending by domestic visitors has risen, the average expenditure per person remains below pre-COVID levels.
- By category, only transport costs have increased, largely because of higher energy prices, while other categories (e.g. accommodation, food, and shopping) have declined.
- Together with shorter lengths of stay, this pattern suggests more cautious and selective spending by travelers.

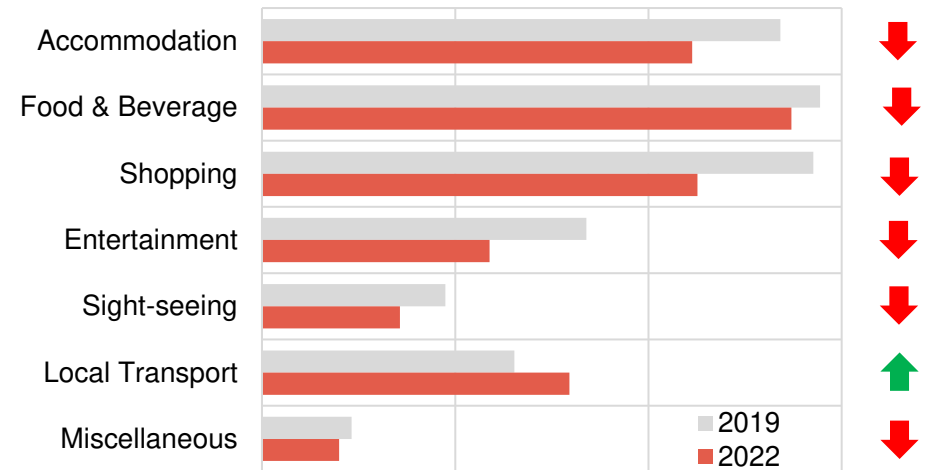
Domestic Visitor Expenditure (2016-2025)

Unit: Billion THB



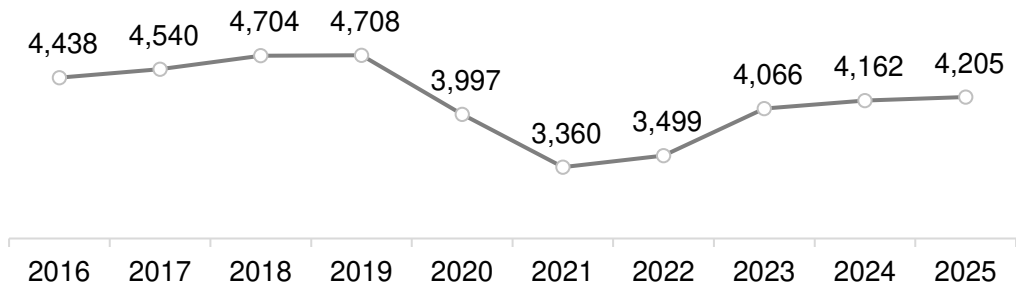
Average Domestic Visitor Expenditures by Items*

Unit: THB/ person/ trip 0 200 400 600



Average Domestic Visitor Expenditures (2016-2025)

Unit: THB/ person/ trip



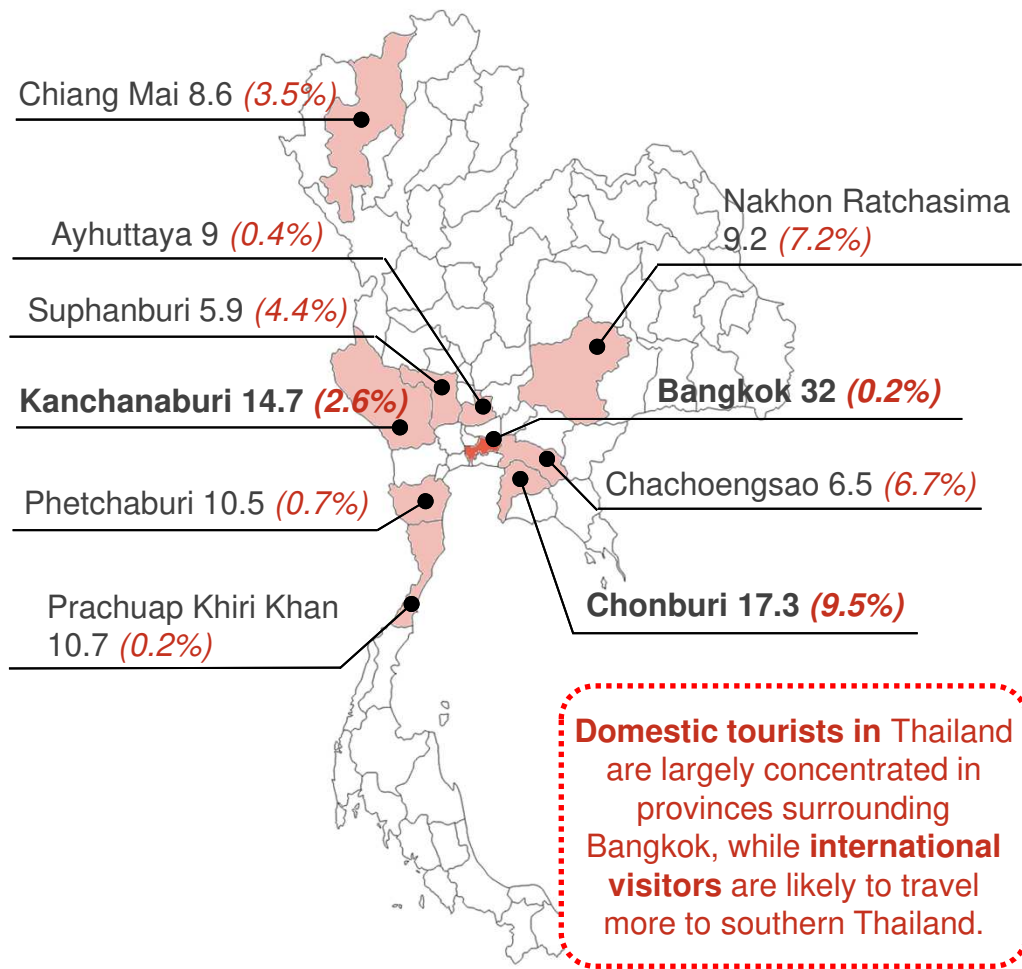
Note: *The average expenditure broken down by type is only available through 2022.

III. Domestic Tourist Trends: Main destinations

- Bangkok, Chonburi and Kanchanaburi remained primary destinations for domestic travelers.
- Secondary provinces, particularly Kalasin, exhibited faster growth in domestic tourism, influenced by a trend of seeking new “hidden gems” and government policies promoting travel to secondary cities.

Major Destinations for Domestic Tourists (2025)

Unit: Million persons (CAGR 2023-25)



- **Tourist arrivals in major provinces rose** from 2023 to 2025, with **Bangkok** remaining the **top destination**, thanks to its diverse attractions, shopping, food, and easy transport.
- The TAT survey* highlights **Wat Phra Kaew, Wat Arun, Chinatown street food**, and malls such as **CentralWorld and Siam Paragon** as popular draws for Thai visitors.
- **Chonburi** and **Kanchanaburi** are also prominent destinations, offering distinct vibes and attractions such as beaches and natural sites for a short getaway with easy access from Bangkok.
- **Secondary provinces experienced larger gains** in domestic tourists, led by **Kalasin**, famed for Thailand's largest dinosaur fossil, rich Isan culture, and diverse natural sites.
- The rise of secondary provinces are mainly driven by **Thai travelers discovering new hidden gems**, along with **government policies** that support travel to secondary cities.

Major Promising Secondary Provinces	No. of Thai Travelers in 2025 (Million person)	CAGR 2023-25
Kalasin	2.51	65.9%
Nakhon Nayok	3.07	24.4%
Phatthalung	1.81	23.0%
Narathiwat	0.51	20.8%
Chaiyaphum	2.06	17.7%
Pattani	0.47	16.1%
Ratchaburi	3.03	15.1%
Ubon Ratchathani	3.87	12.0%

Note: *The survey of domestic tourist behavior (2025) by Tourism Authority of Thailand (TAT).

III. Domestic Tourist Trends: Traveler trends

- Thai domestic tourism trends reflect a diverse evolution: travelers are exploring secondary provinces, embracing work-life integration, pursuing event-based experiences, and modernizing faith-based tourism through Gen Z and Millennials.

Domestic Traveler Trends in Thailand

Secondary Provinces Travel



- **Travel to secondary cities and hidden gems has grown in popularity**, driven by a desire to avoid crowds, a search for authentic experiences at lower costs, and strategic government initiatives.
- According to Kasikorn Research Center, the **average spend per trip in secondary cities** is THB 2,800 per person, **significantly lower than** the THB 5,000 average in **major destinations**. This price gap appeals to **budget-conscious millennials and families** seeking longer stays.
- Provinces like **Phrae, Nan, and Phatthalung** are trending for their 'slow-life' appeal. The stimulus package, which offers a higher accommodation subsidy for secondary cities (50%) compared with major hubs (40%), has strengthened this trend,

Workation & Staycation



- **The integration of remote work and local leisure has transformed Thai travel behavior from seasonal vacations into a continuous lifestyle**, prioritizing flexibility and mental well-being over long-distance travel.
- **Around 68% of Thai travelers plan to work during their trips**, leading to a rising demand for '**workation-friendly**' facilities such as high-speed internet and dedicated workspaces, according to the survey by SiteMinder.
- **Staycations** have gained popularity, with residents opting for 4–5-star hotels within their own provinces to enjoy luxury amenities while remaining productive. To cater to this trend, hotels now offer "Office Syndrome" treatments for urban workers seeking a quick recharge.

Faith-Based Tourism



- **Spiritual tourism ('Mu-te-lu')** has remained popular even during economic recessions. This trend has evolved through social media to attract younger generations seeking luck, prosperity, and emotional security.
- While once dominated by seniors, faith-based travel is now **highly popular among Gen Z and Millennials**. **Social media influence often sparks spontaneous trips** to temples and shrines.
- For example, '**Ai Khai**' in **Nakhon Si Thammarat and the Naga shrines in Udon Thani** have become destinations where Thai travelers pray for career success, love life, and financial wealth.

Event-Driven

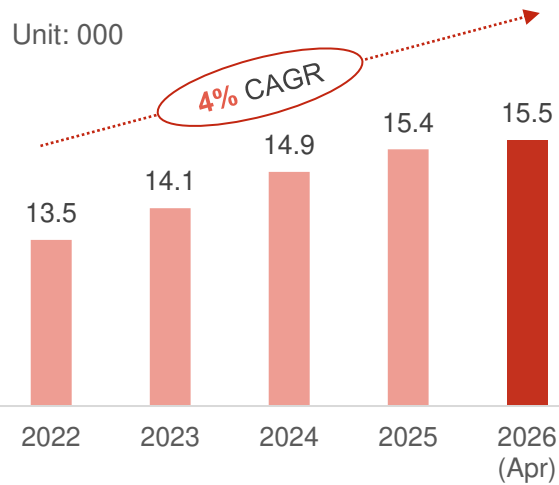


- **Thailand is strategically repositioning itself as a global 'World-Class Event Hub,'** leveraging high-profile international concerts, professional sporting events, and world-class festivals to **drive cross-provincial travel and premium tourism spending**.
- There is a significant rise in event tourism, particularly in the sports sector. Major events such as the **MotoGP in Buriram** draw hundreds of thousands of domestic and international travelers, creating a substantial economic boost for local businesses and hotels.

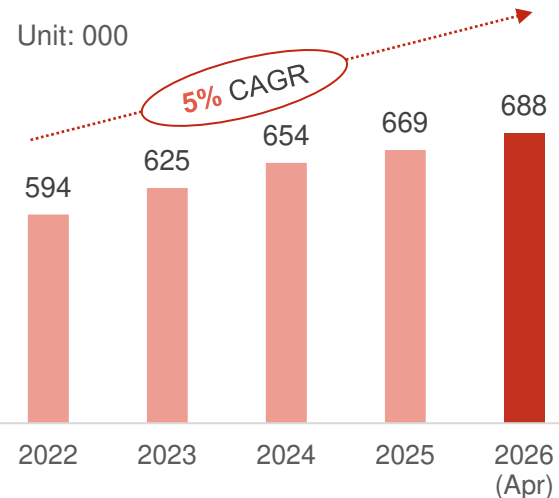
IV. Hotel Industry Trends: Hotel market size & growth

- Since 2022, Thailand's hotel and guest room supply has shown a robust recovery, driven by the return of international tourists.
- Hotel room supply remains highly concentrated in major tourist destinations like Bangkok, Chonburi, and Phuket, while Chiang Rai exhibited the fastest growth in hotel room numbers.

No. of Hotel Establishments



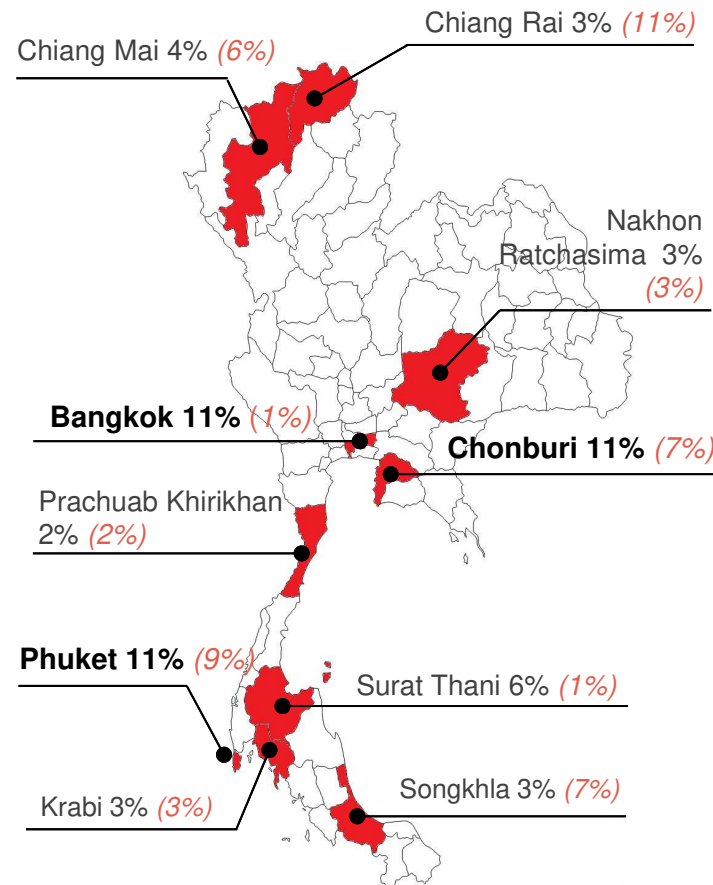
No. of Guest Rooms



Top 10 Provinces by Hotel Room

As of Apr 2026

(CAGR 2022-Apr 2026)



Hotel Industry Trend

- From 2022, the Thai hotel industry began to recover as international and domestic tourist arrivals gradually returned after COVID-19 restrictions eased.
- Regarding hotel supply, operators have resumed their hotel investments, leading to a rise in hotel establishments and guest rooms through 2022-2026, with a CAGRs of 4% and 5%, respectively.

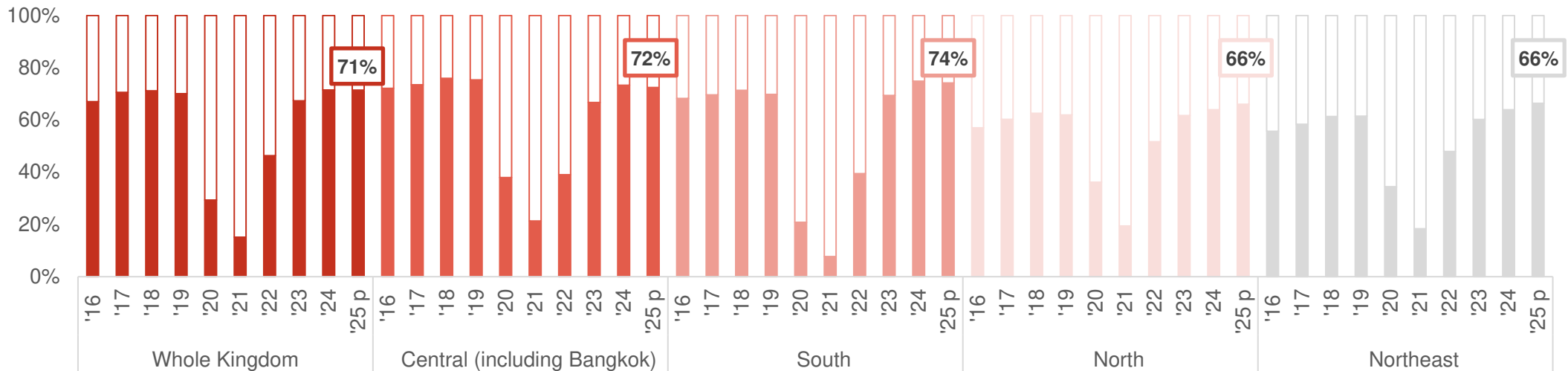
Top Provinces by Hotel Room

- As of April 2026, Bangkok, Chonburi, and Phuket hosted the largest supply of hotel rooms, where international tourists are clustered.
- Chiang Rai exhibited high growth in hotel room supply, influenced by government promotion of travel to secondary provinces.
- Moreover, with overcrowding in major destinations like Chiang Mai, Chiang Rai has emerged as an alternative destination offering a similar vibe.
- This reflects opportunities for regional expansion in hotel investment.

IV. Hotel Industry Trends: Occupancy rate & average daily rate

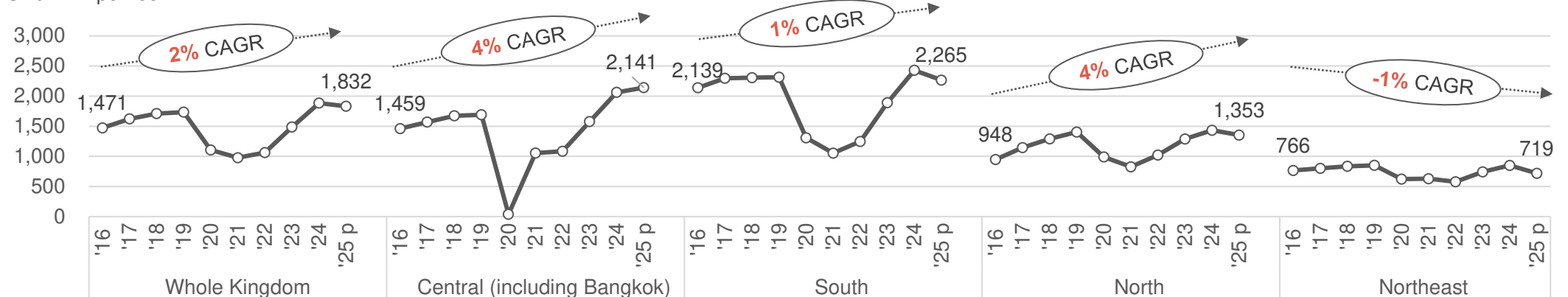
- Thailand's occupancy has rebounded rapidly since 2022, accelerating through 2023–2025, with 2025 projected to near pre-pandemic levels at about 70% nationwide.
- The Southern region consistently shows the highest average room rate, reflecting stronger pricing power and premium demand, while both the South and Central regions are showing a significant recovery in room rates.

Occupancy Rate (OCC) (%) (2016 – 2025p)



Average Daily Rate (ADR) (2016 – 2025p)

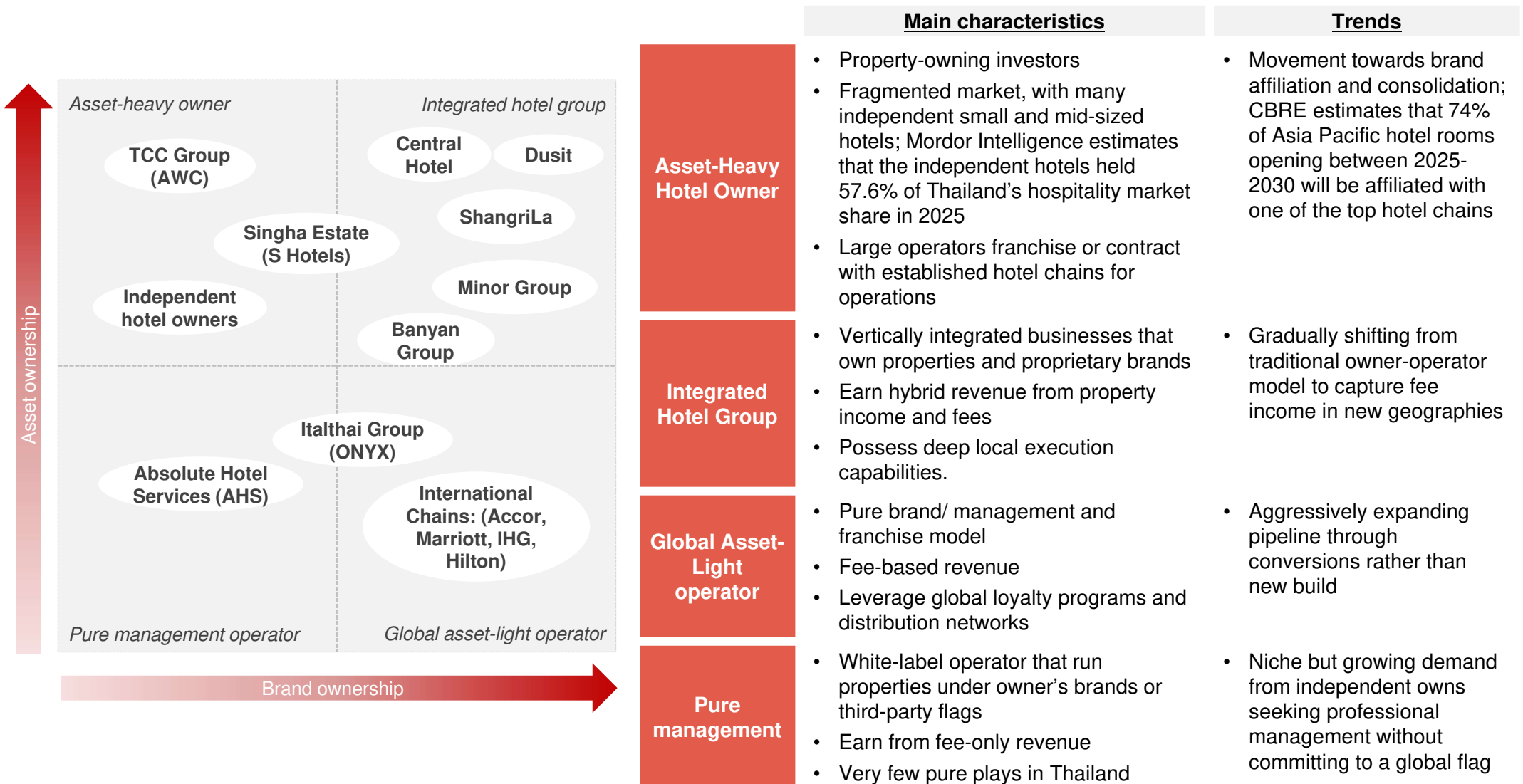
Unit: THB per room



V. Competitive Landscape: Structure of hotel industry players

- Thailand's hotel industry can be divided into four key segments based on asset and brand ownership, each exhibiting distinct characteristics and trends.

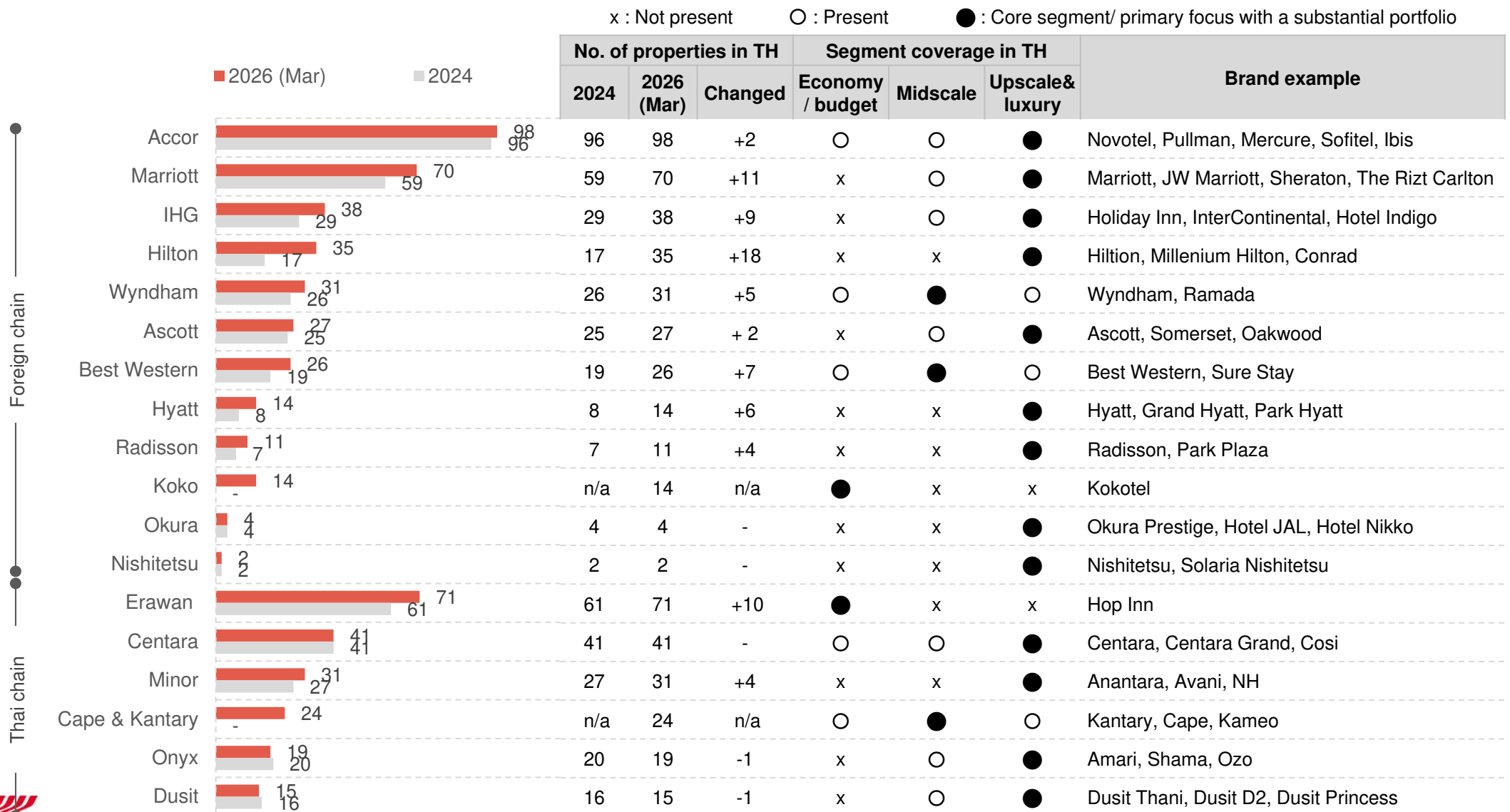
Mapping Thailand's Hotel Players: Asset x Brand Ownership



V. Competitive Landscape: Major hotel chains

- Foreign chains are aggressively expanding in Thailand's upscale and luxury segment, while Thai chains hold their ground through scale and budget dominance.

No. of hotel properties of the major hotel chains in Thailand



V. Competitive Landscape: Major hotel operators

- Major hotel operators such as MINT, CENTEL, and DUSIT are shifting to an asset-light model.
- In contrast, AWC pursues an asset-heavy strategy with investments in the luxury segment, while ERW continues acquiring new properties for its budget hotel brands.

Business of Major Thai Hotel Operators

		Minor International (MINT)	Central Hotel (CENTEL)	Dusit International (DUSIT)	Asset World Corp. (AWC)	THE Erawan Group (ERW)
Business model		• Owner, operator, & franchise	• Owner, operator, & franchise	• Owner, operator, & franchise	• Owner & developer	• Owner & developer
Brand	Own	• Anantara, Avani, NH	• Centara, COSI	• Dusit Thani, ASAI, Dusit Princess	• -	• Hop Inn
	Non-own	• Marriott, St. Regis	• -	• -	• Marriott, Hilton, IHG, Melia	• Hyatt, Marriott, Accor, Hilton
Focused segment		• Upscale/ luxury	• Upscale/ luxury	• Upscale/ luxury	• Upscale/ luxury	• Budget
No. of hotels (2025)	Total	• 566 hotels	• 51 hotels	• 51 hotels*	• 24 hotels	• 103 hotels
	In TH	• 46 hotels (7%)	• 40 hotels (78%)	• 17 hotels (33%)	• 24 hotels (100%)	• 88 hotels (85%)
Rooms (2025)	Total	• 81,611 rooms	• 11,137 rooms	• 10,816 rooms	• 6,834 rooms	• 12,332 rooms
	In TH	• 6,005 rooms (7%)	• 8,009 rooms (72%)	• 3,484 rooms (32%)	• 6,834 rooms (100%)	• 7,796 rooms (63%)
Key strategies		• Focuses on an asset-light expansion from 2024 onwards	• Focuses on asset-light expansion, portfolio diversification, and digital transformation	• Pursues asset-light expansion with multi-brand strategy	• Plans to grow its hotel portfolio to 31 by 2027, prioritizing luxury, high-EBITDA projects in tourism hotspots	• Pursues aggressive expansion of its “Hop Inn” budget brand and seeks to maximize luxury and midscale value of hotels
Strength		• Global diversification	• Dominant in Maldives and Thai resorts	• Strong luxury heritage reputation	• Portfolio of quality assets valued >THB 218 billion backed by the large conglomerate (TCC Group)	• Leader in the budget segment

Note: *DUSIT's hotel number accounts for owned and non-owned hotel. Villas are excluded.

VI. Regulatory Framework: Regulatory constraints on foreign investment

- Foreign investors face strict ownership and land restrictions in Thailand.
- However, three viable entry models exist, BOI-promoted hotel, management contracts, and 49% Joint ventures, each trading off control, capital exposure, and licensing complexity.

Key restrictions

Business ownership restriction

- Under the Foreign Business Act (List 3, Item 17), **hotel operations are restricted. A foreign entity*** may not operate a hotel unless it secures special permission and a Foreign Business License (FBL).
- **Obtaining an FBL is unpredictable, complex, and time-consuming**, which usually takes 4–6 months or longer. In practice, FBL applications are often rejected when foreign companies cannot demonstrate they bring distinctive expertise that will be transferred to and retained within the local workforce.

Exemptions

- Hotel management services are generally exempt from this specific restriction and can be 100% foreign-owned.
- **Majority foreign ownership can be permitted through BOI incentives** or under international treaties.

Land ownership restriction

- According to the Land Code, **a foreign entity* is prohibited from owning land in Thailand.**

Exemptions

- **BOI-promoted entities are permitted to hold land ownership** for conducting promoted investment activities in a quantity deemed appropriate by the BOI.
- **Long-term leaseholds are permitted** under the Thai Civil and Commercial Code (CCC) for up to 30 years, and under the Hire of Immovable Property for Commerce and Industry by Foreigners Act BE 2542 (1999) for up to 50 years.

Recommended business models

BOI-promoted hotel



Applying for a BOI-promoted project to obtain a foreign business certificate (FBC) allowing foreign ownership and operation of hotels. This option is less restrictive than the FBL but requires high capital. It is well-suited for greenfield luxury hotel developments.

Benefits:

- 100% foreign equity permitted.
- Right to own land.
- Eligibility for tax incentives, subject to specified conditions.

Management contract model



A foreign company can execute a management agreement with a Thai majority-owned entity, removing the requirement to obtain hotel business license and an FBL.

Benefits:

- Does not require an FBL or hotel business license.
- No equity or balance-sheet risk.
- Full operational and brand control.

49% JV with local partner



Enter into joint venture with a local partner in which foreign investors hold a minority stake (no more than 49%); the joint venture will be treated as a Thai entity.

Benefits:

- Does not require an FBL.
- Economic return via JV dividends.

VI. Regulatory Framework: BOI investment incentives

- The BOI offers incentives that enable foreign entities to operate hotel business and be permitted to own land.
- Tax incentives are also offered based on the hotel's location.

BOI Investment Incentives and Eligibility Criteria





Hotel size	Eligibility criteria		Investment incentives		
<p>Hotel with 100 or more guest rooms</p>	<ul style="list-style-type: none"> • Must have a capital investment of at least THB 2 million per room (excluding the cost of land and working capital) 		<ul style="list-style-type: none"> • A hotel located in the high-potential tourism provinces (secondary cities) as specified by the Ministry of Tourism and Sports* 	<p>Tax incentives</p>	<p>Non-tax incentives</p>
<p>Hotel with fewer than 100 guest rooms</p>	<p>Application for SME Investment Promotion Measures</p>	<ul style="list-style-type: none"> • Must have a capital investment of at least THB 1 million per room (excluding the cost of land and working capital) • Must have a majority Thai shareholding (51% minimum) 		<p>5-year CIT exemption</p>	<ul style="list-style-type: none"> • Permit for foreign nationals to enter the country for the purpose of studying investment opportunities. • Permit to bring into the Kingdom skilled workers and experts to work in investment promoted activities • Permit to own land • Permit to take out or remit money abroad in foreign currency
	<p>Project Not Eligible for SME Investment Promotion</p>	<ul style="list-style-type: none"> • Must have a capital investment of at least THB 600 million (excluding the cost of land and working capital) 	<ul style="list-style-type: none"> • A hotel located in other provinces 	<p>Not eligible</p>	

Note: *The Ministry of Tourism and Sports has designated 55 provinces as secondary cities.

VI. Regulatory Framework: Hotel business operation license

- Thailand's Hotel Act mandates four types of hotel operation licenses, ranging from accommodation-only to full-service hotels, each with specific room size and facility requirements.
- License fees scale from 10,000-40,000 THB depending on type, with a uniform annual fee of 80 THB per room.

Thailand Hotel Business Operation License: Types, Conditions, and Fee Structure

Type of license		 Type I: Hotel offering accommodation only	 Type II: Hotel offering accommodation and dining services	 Type III: Hotel offering accommodation, dining, and either meeting/seminar facilities or an entertainment venue.	 Type IV: Hotel offering accommodation, dining, meeting/seminar facilities, and an entertainment venue.
Condition	Specific condition	<ul style="list-style-type: none"> • Room size: ≥ 8 sq.m. • Guest rooms: ≤ 50 	<ul style="list-style-type: none"> • Room size: ≥ 8 sq.m. 	<ul style="list-style-type: none"> • Room size: ≥ 14 sq.m. • Entertainment venues permitted only for hotels with more than 80 guest rooms. 	
	General condition	To obtain a license, hotel operators must satisfy a number of requirements related to the following areas: <ul style="list-style-type: none"> • Appropriate site access: e.g., entrance and exit arrangements. • Building structure: e.g., walkway widths, staircases, and load-bearing capacities. • Safety and security systems: e.g., fire protection systems. • Essential facilities and utilities: e.g., guest registration and communication systems, parking, adequate restrooms, proper wastewater and drainage, lighting, and ventilation. 			
Fees	License fee	10,000 THB	20,000 THB	30,000 THB	40,000 THB
	Annual fee	80 baht/ room			
Licensing authorities	License applications depend on the hotel's location: <ul style="list-style-type: none"> • Hotels located in Bangkok: submit applications to the Department of Provincial Administration. • Hotels located in other provinces: submit applications to the relevant district office. 				
License validity	<ul style="list-style-type: none"> • The license is valid for five years from the date of issuance. 				







Note: Business with ≤4 rooms and a service limit of 20 guests are exempted from a license but must still inform the licensing authority.

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VII. Opportunities and Challenges

- Premium and wellness tourism, smart-hotel technologies, and secondary-city travel are key growth areas offering promising opportunities for investors
- However, the sector remains challenged by intensifying regional competition, operational margin pressure, and geopolitical volatility.

Opportunities and Challenges

Opportunities		Challenges	
<p>Hotels and Resorts</p> 	<ul style="list-style-type: none"> • Evolving from mass to premium and wellness travel, many hotels and resorts are integrating wellness into their offerings, e.g. meditation retreats and medical rehabilitation programs, to enhance guest value and diversify revenue streams. • Target businesses: <i>Luxury hotel chains, spa operators, medical rehabilitation and wellness centers, senior-care resorts.</i> 	<p>Intensifying Regional Competition</p> 	<ul style="list-style-type: none"> • Aggressive new supply and promotional efforts in neighboring markets (e.g., Vietnam, Indonesia, Malaysia and other ASEAN countries), compete on price, new attractions, and improved infrastructure, putting pressure on Thailand's market share, ADR, and occupancy if alternative destinations offer better value.
<p>Prop Tech</p> 	<ul style="list-style-type: none"> • Rising labor costs and the need for operational efficiency are driving demand for PropTech solutions that automate routine tasks and reduce staffing pressure. • Opportunities exist in providing end-to-end smart hotel solutions, including self-services kiosks, service robots. • Target businesses: <i>PropTech vendors, robotics providers, and property management system (PMS) providers</i> 	<p>Operational Pressure</p> 	<ul style="list-style-type: none"> • Rising operating costs, staff shortages, and higher guest expectations for personalized and digital services are compressing margins. • Maintaining consistent high service quality is becoming harder and requires significant capital expenditure (automation, PropTech, digital systems) with long payback periods
<p>Property Management and RE</p> 	<ul style="list-style-type: none"> • With growing travel to secondary cities, developers can capitalize on lower land costs and demand for boutique and lifestyle hotels tailored to local experiences. • Business opportunities include small-scale branded conversions*, mixed-use developments, and asset-light management model**. • Target businesses: <i>Real estate developers, professional property management firms, and hospitality designers</i> 	<p>Geopolitical Volatility</p> 	<ul style="list-style-type: none"> • Unpredictable geopolitical or macro events (regional tensions, global conflicts, travel advisories, and FX volatility) can quickly reduce arrivals from affected source markets, causing sharp drops in occupancy and revenue; recovery may be slow.

Note: *Small-scale branded conversion is converting existing independent or non-branded properties (often boutique hotels, guesthouses) into properties operating under a recognized hotel brand or soft-brand, typically without major structural redevelopment

**Asset-light management model is a business model where a hotel operator/brand focuses on management, franchising, and fee income rather than owning real estate

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