

THAILAND Focus 2025



Beyond Recovery: Transforming Thailand's Tourism for a Sustainable and High-Value Future

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Mr. William Ellwood Heineke, Chairman, Minor International

Steering Thai tourism toward a sustainable and asset-light future

- Post-COVID tourism trends in Thailand include sustainable and wellness tourism, particularly attracting long-haul travellers from the Middle East and Asia. Tourists are increasingly interested in natural attractions and cultural experiences.
- While visitors may not always be willing to pay higher prices, they show growing preference for companies with environmental responsibility. Minor International has responded with 'Dollar for Deeds' program, matching guest donations to support local communities and conservation projects, as well as applied European sustainability standards across its global operations, including Asia and the Middle East, as part of its commitment to achieving Net Zero by 2050. Hotels are assessed, and environmental contributions are detailed in financial reports. In addition, Minor has issued sustainability-linked bonds to finance green initiatives.
- Minor is shifting from an asset-heavy model to an asset-light approach, prioritizing hotel management and franchising while retaining equity investments in high-return markets (Europe, Asia, Australia, Africa). New hotels have recently been announced in Japan, Singapore, and Greece, alongside branded residential projects such as AVANI Residences in Dubai.

Confronting geopolitical risks and shifting global travel dynamics

- Key challenges to Thai tourism include a significant decline in Chinese tourists due to safety concerns, global geopolitical risks, and the Thai–Cambodian conflict. The latter has raised tensions and border closure risks. This disrupts both tourism and logistics, as Cambodia is often accessed via Thailand. Some

flows have already shifted through Vietnam. Thai businesses with heavy investments in Cambodia are feeling the impact, coupled with rising anti-Thai sentiment there. The reduced number of direct flights from Europe to Thailand, with travellers increasingly routed through the Middle East, also weakens competitiveness. Swift conflict resolution with Cambodia, together with stronger political and economic stability, is essential to restore confidence and attract both tourists and investment. Expanding direct long-haul connectivity, especially from Europe, would further strengthen Thailand's position.

Mr. Chai Eamsiri, Chief Executive Officer, Thai Airways International

Thai Airways is modernizing its fleet, embracing sustainability, and upgrading services to boost efficiency

- Thai Airways is simplifying its fleet from eight aircraft types to four within five years to reduce costs and improve efficiency. The fleet mix is shifting from 20% narrow-body and 80% wide-body to 30% narrow-body and 70% wide-body to expand regional capacity. Passenger mix has as well changed: in early 2025, 80% of traffic was direct and 20% connecting, up from 6% connecting previously, helping fill flights during the low season, particularly long-haul routes feeding into Bangkok.
- A major focus of the airline is sustainability. Thai Airways is retiring 4-engine aircraft in favour of fuel-efficient two-engine models and has introduced operational measures such as single-engine taxiing to reduce fuel use. A key driver of long-term sustainability is the adoption of Sustainable Aviation Fuel (SAF), which is now mandated at 2% of fuel supply in the EU starting in 2025. While Thailand has not yet introduced SAF requirements, Thai Airways is actively engaging with regulators to encourage industry-wide adoption. Other eco-friendly initiatives of its product line include uniforms made from recycled materials, zero-waste onboard products such as label-free water bottles, and pre-order meal systems to reduce food waste.
- Fleet modernization and service upgrades are also underway to improve efficiency, customer experience, and profitability. On the digital side, the airline has upgraded its mobile app with improved mileage redemption, user experience, and expanded payment options, alongside ongoing enhancements to its online platforms.

While global industry challenges and shifting travel demand

- The airline industry continues to face global challenges, including supply chain disruptions that affect aircraft parts and delivery timelines, and workforce shortages in specialized roles such as pilots. To address this, Thai Airways is investing in scholarships and training programs to build a future talent pipeline.
- Despite these challenges, opportunities are emerging as global travel patterns shift. Trade tensions and tariff-related declines in EU–US and Canada–US routes have redirected demand toward Asia, positioning Thailand as an increasingly attractive destination for both travellers and investors. Rebuilding the

confidence of Chinese travellers, many of whom currently transit through Thailand, is also a key priority in restoring Thailand as their preferred destination.

Mr. Damien Pfirsch, Chief Commercial Officer, Agoda

Thailand's enduring global appeal, rising demand for sustainable and diverse travel experiences

- Agoda data shows Thailand remains a top global tourist destination draw, ranking second in searches with 17% year-on-year growth, especially from Japan, Korea, India, and Singapore. Bangkok is the most revisited city in Asia for the second consecutive year. Secondary destinations in Thailand are also growing, up 20% year-on-year. However, a decline in Chinese-origin visitors remains visible.
- Sustainability is a rising priority, with 84% of travellers surveyed considering it important, though most are unwilling to pay more. To match the trend, Agoda has launched 'Eco Deals,' a program that contributing back to WWF a donation of 1 dollar per booking for conservation projects, with pledges up to USD 1.5 million across Asia. Agoda also partnered with the Global Sustainable Tourism Council (GSTC) to launch the Sustainable Tourism Academy, a free training platform for hotels to adopt sustainable practices. Agoda does not require sustainability badges for listings, but highlights certified properties, which improves conversions.
- Thailand's visa-free entry for Chinese and Indian travellers boosted demand. However, Malaysia and Vietnam have implemented similar measures, and Chinese travellers show growing interest in those markets.
- Travellers are becoming more diverse and information-driven, with deeper interest in cultural and nature-based experiences. Agoda is investing in AI-powered tools, including multilingual chatbots and personalised recommendations, to enhance the traveller journey from planning through post-trip engagement.

The need for stronger infrastructure to spread tourism growth beyond major hubs

- To spread tourism growth across the country, infrastructure investments beyond major traditional tourist hubs are recommended, allowing Thailand to distribute tourism benefits more evenly across local communities.