

# Hotel Industry

## Agenda

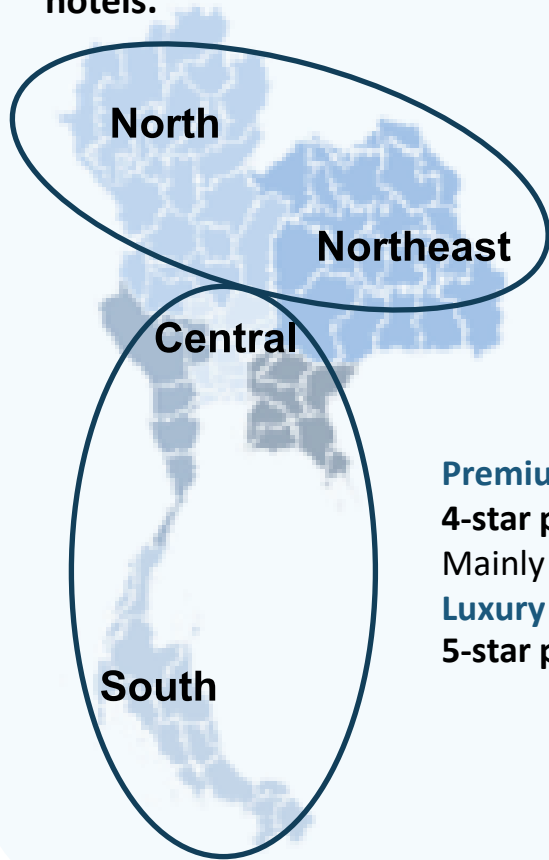
- Hotel Industry Overview
- Hotel Industry Outlook and Policy
- Hotel Industry : SMEs Business Opportunities



Business Research  
November 2023

## Hotel Types by Region

The northern and northeastern regions of Thailand have mid-range and economy hotels. Meanwhile, the central and southern regions have a greater number of luxury and more expensive hotels.



### Budget Hotels:

**1 to 2-star plus hotels.** Dominated by guesthouses with having basic amenities.

### Medium Price Range Hotels:

**3-star plus hotels.** Many are small-sized independent hotels.

### Premium Hotels:

**4-star plus hotels.** Often Thai-owned hotels. Mainly chain hotels and business hotels.

### Luxury Hotels:

**5-star plus hotels.** Up-market budget range.

## Major Players in Hotel

Thai Hotel Chain	Hotels
Central Plaza Hotel (THA)	Centara Grand, COSI, Centara Boutique
The Erawan Group (THA)	Grand Hyatt, JW Marriott, Hop Inn
Onyx Hospitality Group (THA)	Amari, OZO
Minor International (THA)	Anantara, AVANI, Four Seasons
Dusit Thani (THA)	DusitD2, Dusit Princess, Dusit Thani
International Hotel Chain	Hotels
Accor SA (FRA)	Sofitel, Fairmount, Novotel
Intercontinental Hotels Group (GBR)	Indigo, Hualuxe, Staybridge Suites, Crowne Plaza
Starwood Hotels & Resorts Worldwide (USA)	Sheraton, St Regis, Four Points, Element, Le Meridien, Westin, W Hotels, Aloft

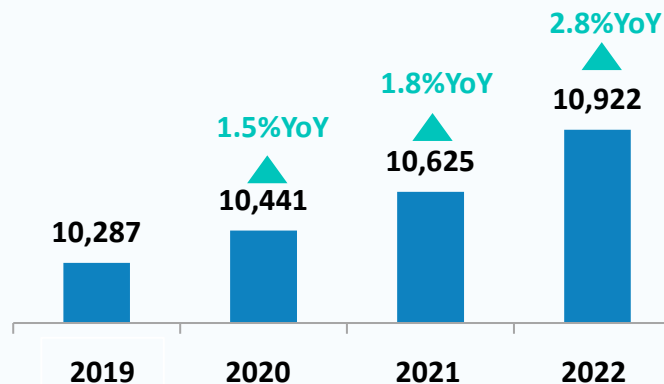
# Hotel Industry: Thailand's Hotel Industry Value Chain



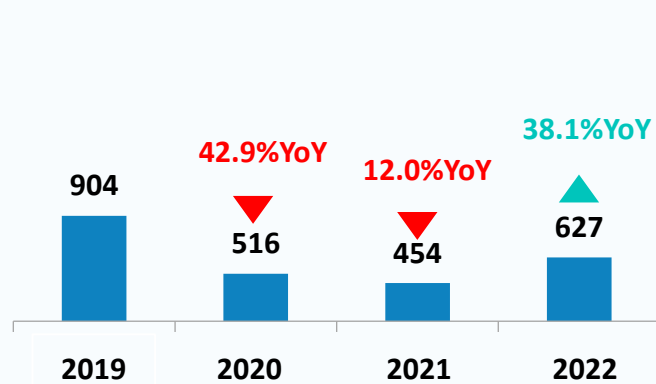


**The hotel business in Thailand** is expected to experience significant growth and investment over the next few years. This is attributed to numerous positive trends, including a rise in tourism, an upswing in business travel, and the construction of new high-quality hotels around the country, especially in a major tourism province such as Samui, Phuket, Pattaya, and Chiang Mai.

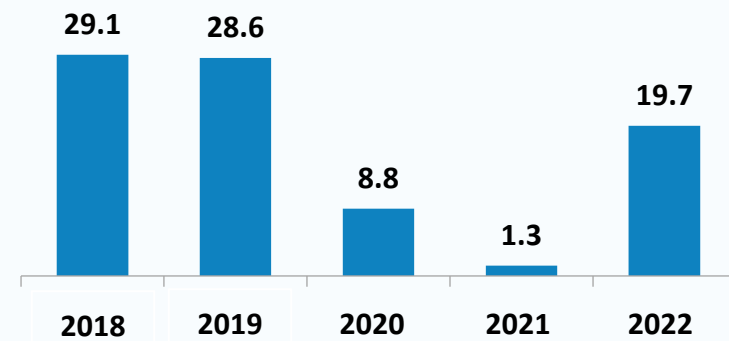
Hotel Business in Operation (Units)



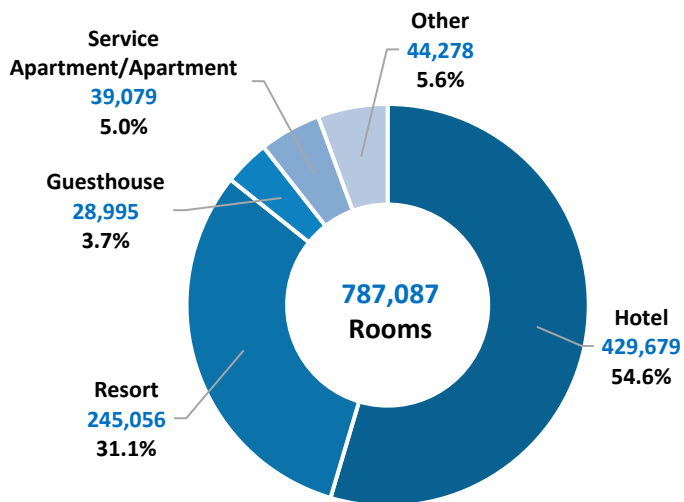
Newly Established Resort Hotel Business (Units)



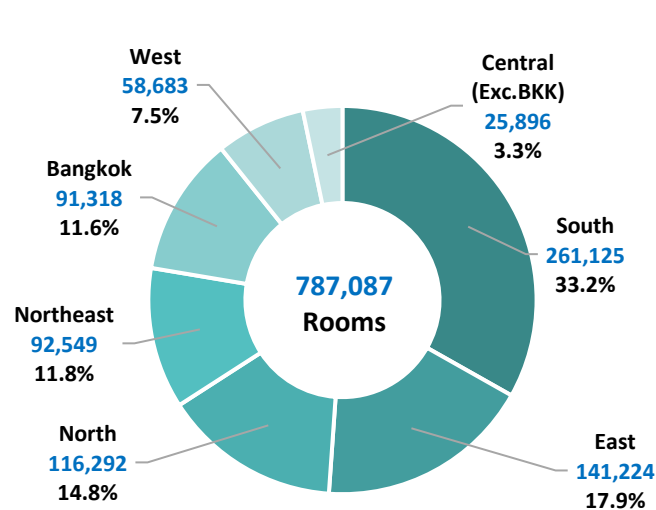
Share of income from conferences/seminars of accommodation (%)



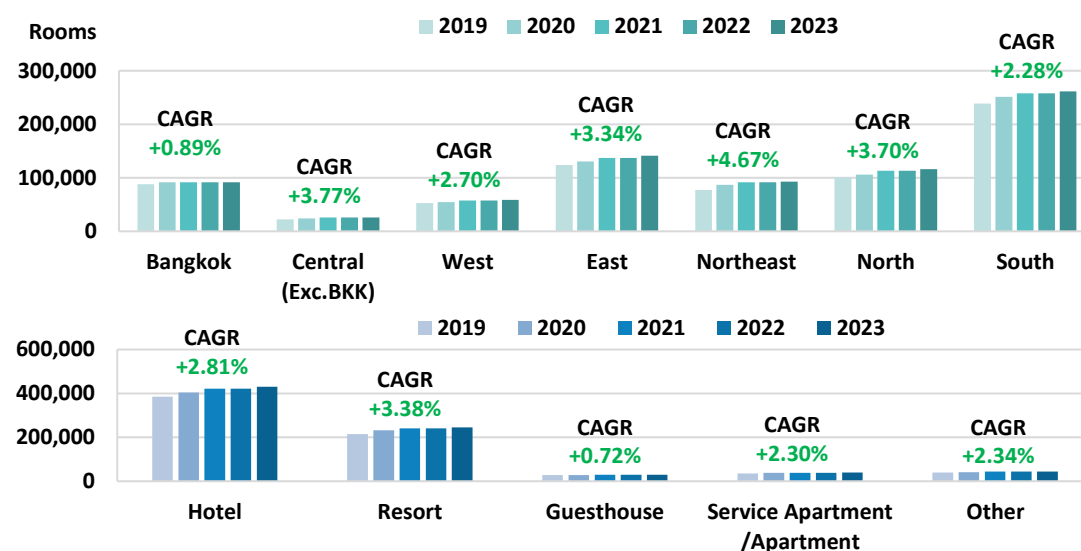
Proportion of Rooms by Type (2023)



Proportion of Rooms by Region (2023)



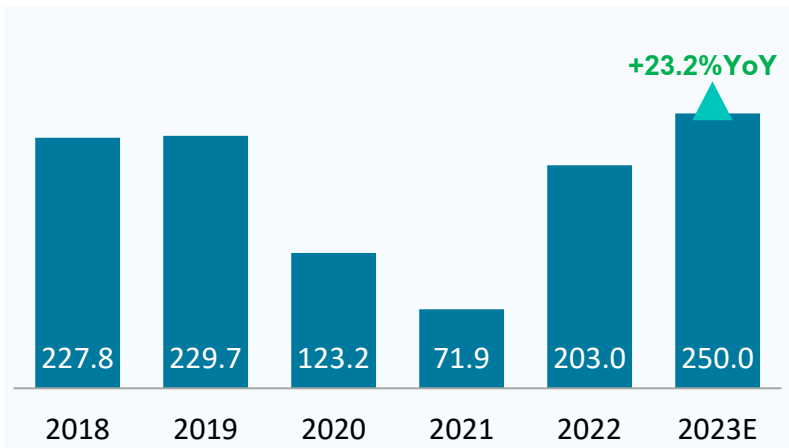
Growth Trend in the number of rooms (2023)



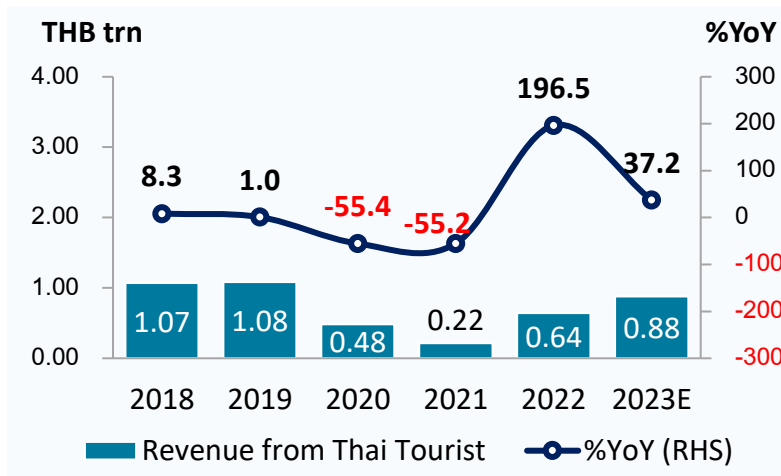
Remark: Number of rooms data as of Nov 2023

**In 2023, it is projected that Thailand's tourism market will generate a total revenue of 2.43 trillion baht, or at least recover to 80% of pre-COVID levels. The Chinese tourist market is predicted to make a noteworthy contribution to the overall recovery of the tourism sector.**

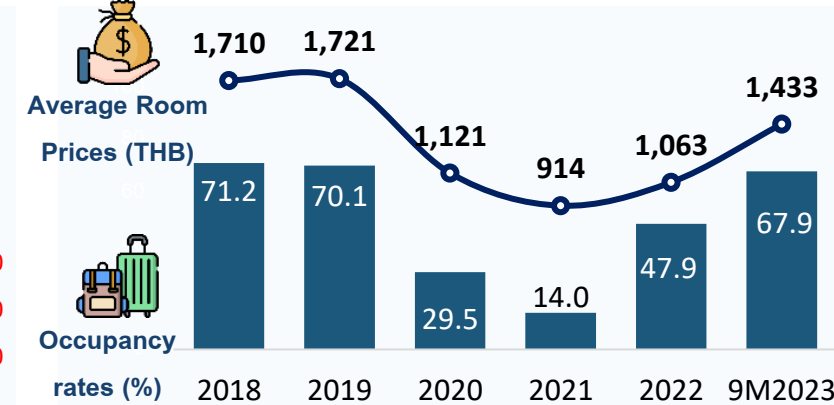
**Number of Thai Visitors (Million People-Times)**



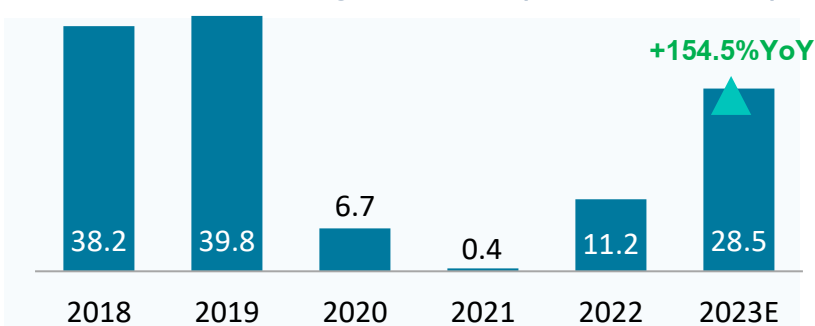
**Revenue from Thai Tourists (THB trn)**



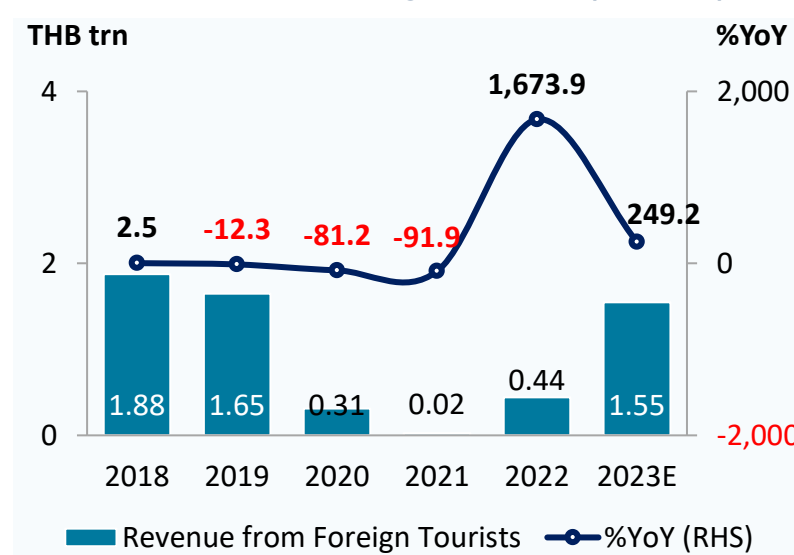
**Occupancy Rates and Average Room Prices**



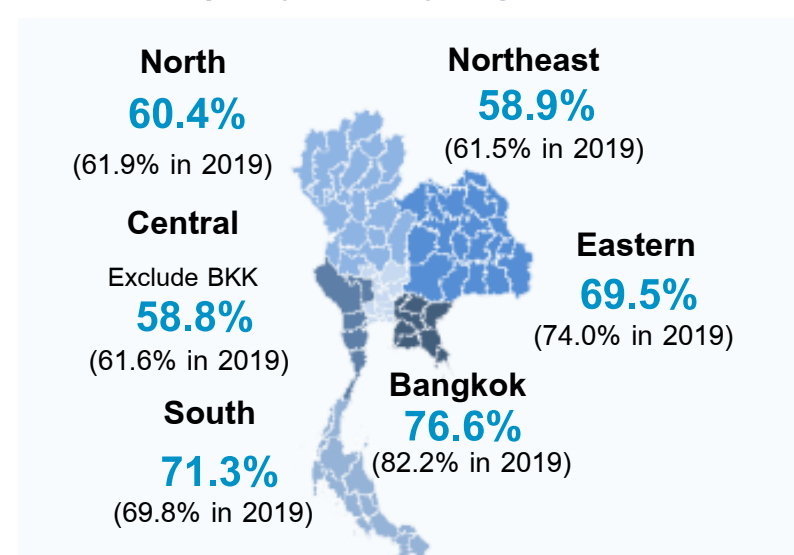
**Number of Foreign Tourists (Million Persons)**



**Revenue from Foreign Tourists (THB trn)**



**Occupancy Rates by Region in 9M2023**



**Top 5 countries to Visit Thailand in 9M2023**





# Hotel Industry : Outlook, Supporting Factors & Challenges

Thailand remains a popular tourist destination, attracting millions of visitors from around the world, particularly due to the lower cost of living compared to some other countries in the Asia-Pacific region and tourists can find luxury five-star hotels to low-key hostels and guesthouses across the country. **In 2024, The hotel industry has thus benefitted from the increase in visitors, especially foreign tourist arrivals are expected to increase to 34 million persons.**

## Tailwind

- **The hotel business will benefit from the accelerating rate of recovery in the number of foreign tourists**, especially from the Chinese tourist market, which is expected to increase as a result of the free visa measure.
- **The domestic market will also continue to expand according to the economic improvement**, particularly through the consumption stimulus measures.
- **The wellness tourism is a major opportunity for Thai tourism**, because of these tourists are high expense per trip. In 2020, Thailand's wellness tourism market value was ranked 15th in the world by GWI and aims to be in the top 5 by 2027. In addition, The tourism and medical services industry is also 1 of the 12 target industries that the government is supporting as a mechanism to drive the economy in the future.

## Headwind

- **The trend in business costs for entrepreneurs is rising**, such as the cost of raw materials, energy prices, rising wage policies and the upward trend in interest rates. This limits the use of pricing strategies and may affect a business's capability to pay interest expense, especially SMEs.
- **The hotel business continues to face competition from the existing problem of oversupply and the increasing number of new players** entering the market (especially, relaxing the ministerial regulation prescribing the criteria for hotel business operation). This also puts pressure on the business, particularly in the main tourist cities and on groups of hotels and accommodation that have been built over a long period of time and are located far from tourist attractions.
- **The possibility of a prolonged geopolitical conflicts (Russia-Ukraine and Israel-Hamas)** may pose a risk to the recovery of tourism sector.

# Hotel Industry : Government's Support Policy

## BOI Promotion for Hotel Business

The current BOI promotion scheme covers only ten sections, with the 10th being tourism activities. Under this section, **sub-section 10.9.1 – hotel business**

Activities	Conditions	Incentives
10.9.1 Hotel Business	<b>1. Room and Capital conditions</b> 1.1 There must be at least 100 rooms and the investment per room is not less than 2 MB (land and working capital excluded). 1.2 If there are rooms less than 100 rooms, must be the investment at least 500 MB (land and working capital excluded). 1.3 Cases that have been promoted under the BOI Promotion Scheme for SMEs, there must be a number of rooms at least 20 rooms but not more than 100 rooms and the investment per room (excluding land cost and working capital) must be at least 1 million baht. <b>2. Must be a hotel that meets the standards set by the office.</b> <b>3. Additional Incentive conditions</b> 3.1 In the case of projects located in Krabi, Bangkok, Kanchanaburi, Khon Kaen, Chachoengsao, Chon Buri, Chiang Mai, Nakhon Pathom, Nakhon Ratchasima, Nonthaburi, Pathum Thani, Prachuap Khiri Khan, Phra Nakhon Si Ayutthaya, Phang Nga, Phetchaburi, Phuket, Rayong, Songkhla, Samut Prakan, Samut Sakhon, Saraburi and Surat Thani	<b>B</b>
	3.2 In the case of projects located in another province.	<b>A4</b>

Basic Incentives
<b>Activities Group B</b> ✕ Exemption of corporate income tax ✓ Exemption of import duties on machinery ✓ Exemption of import duties on raw materials used in R&D ✓ Exemption of import duties on raw materials used in production for export ✓ Non-Tax incentives <b>Activities Group A4</b> ✓ Exemption of corporate income tax for 3 yrs. ✓ Exemption of import duties on machinery ✓ Exemption of import duties on raw materials used in R&D ✓ Exemption of import duties on raw materials used in production for export ✓ Non-Tax incentives

# Hotel Industry : Market Overview

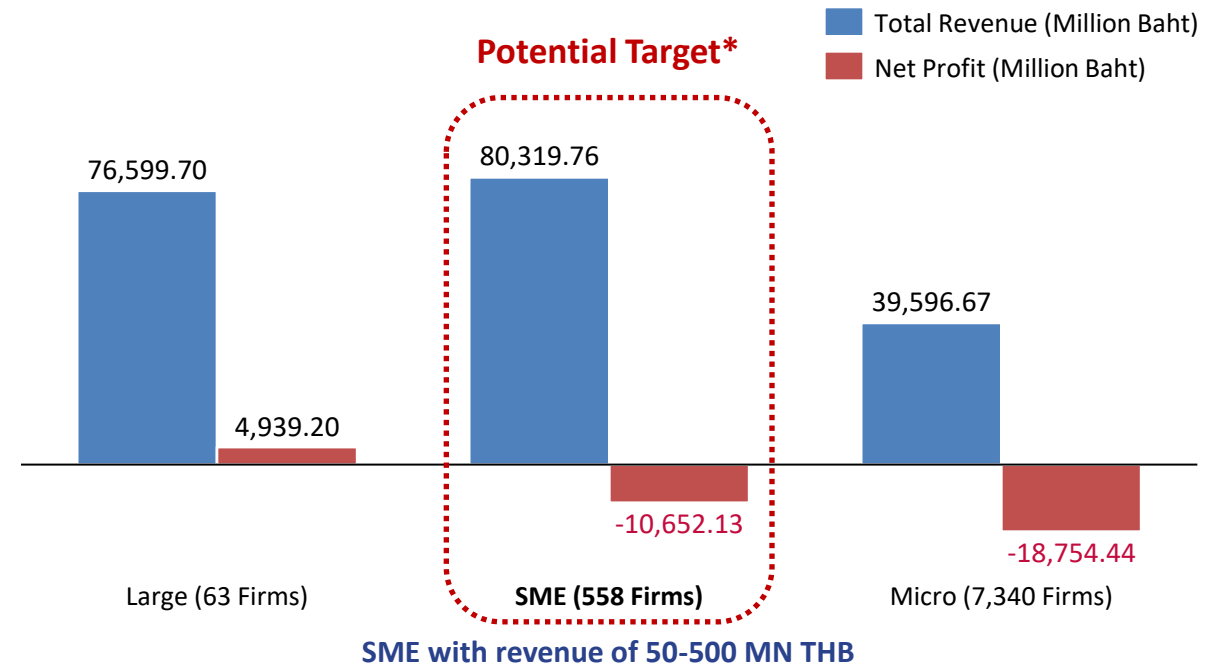
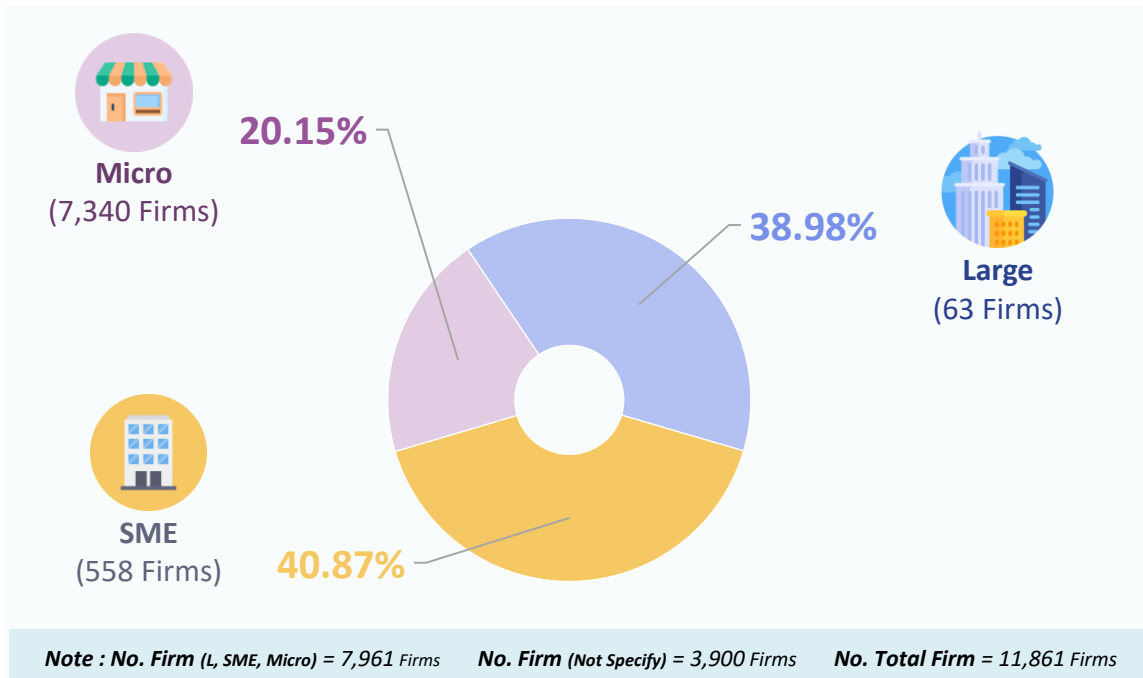
Based on selected TSIC groups (in 2022), Thailand's Hotel Business was valued at 196,516.13 million baht, with large enterprises accounting for 38.98% of the market share. This is followed by SME with 40.87% and micro with 20.15%.

## Share of Hotel Business Value by firm size

(55101, 55102)

Market Value (L, SME, Micro) = 196,516.13 Mn THB

Total Firms = 11,861 Firms



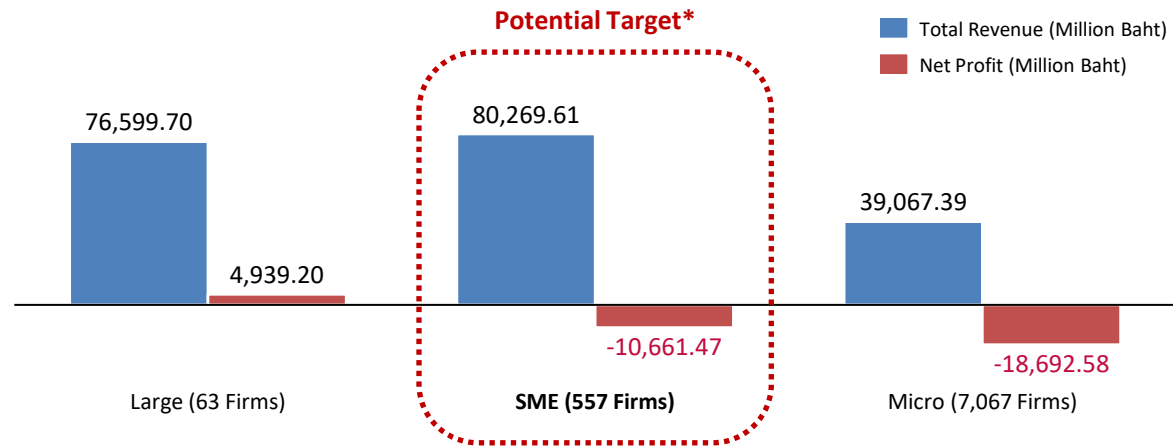


# Hotel Industry : Market Overview

## 55101 : Hotels and Resort Hotels

Market Value = 195,936.70 Mn THB

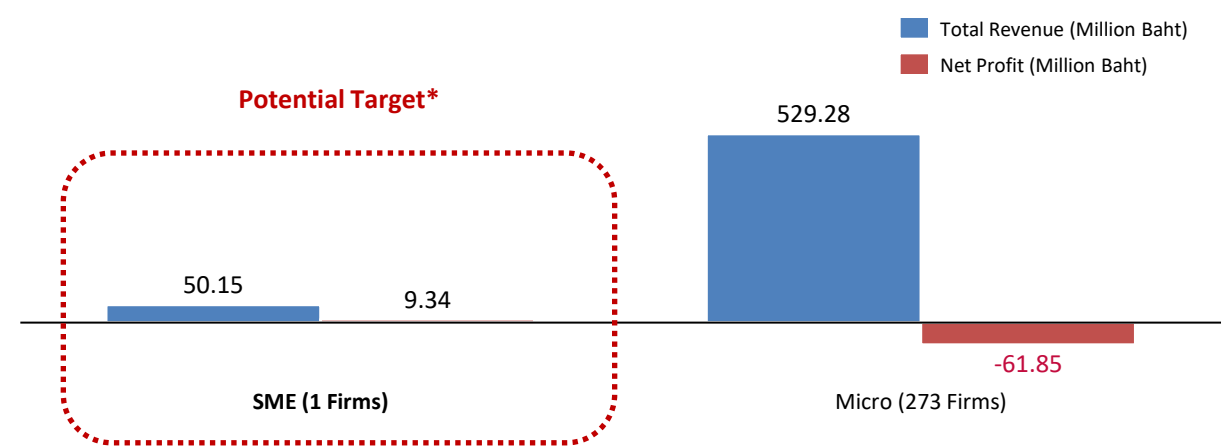
Total Players = 11,357 Firms



## 55102 : Guesthouses

Market Value = 579.44 Mn THB

Total Players = 504 Firms



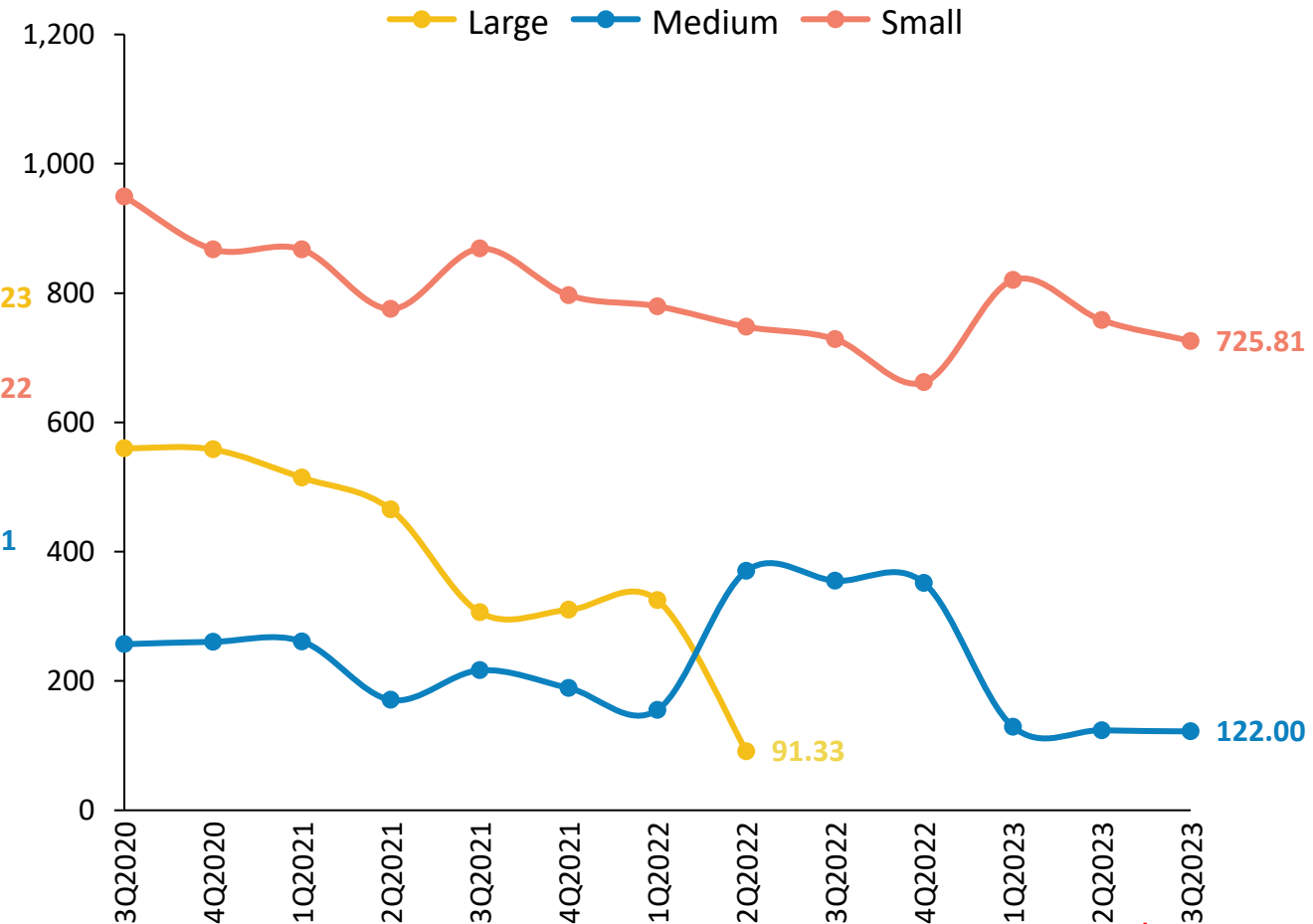
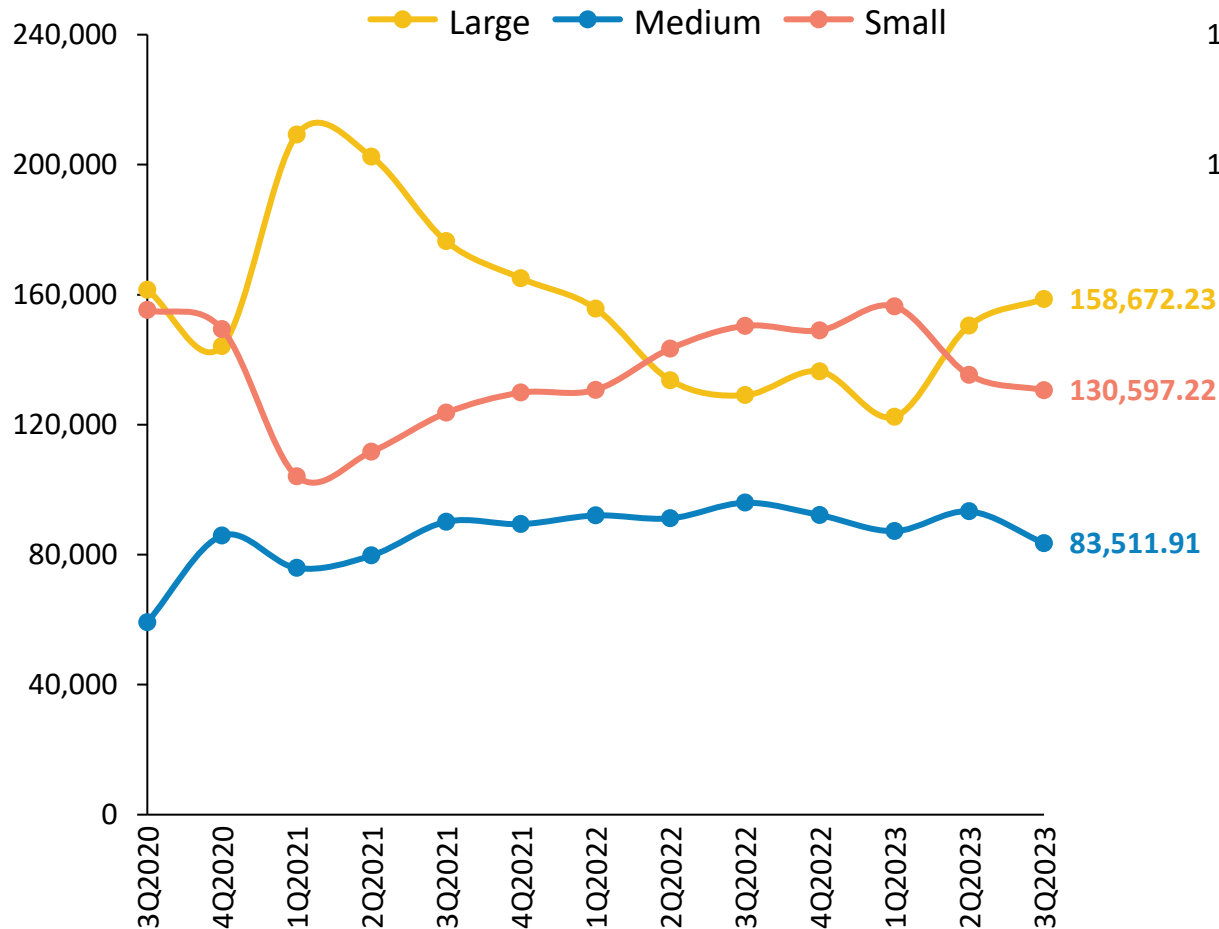
# Hotel Industry : Loan Outstanding

55101 : Hotels and resort hotels

Loan Size\* = 372,781.36 Mn THB

55102 : Guesthouses

Loan Size\* = 847.81 Mn THB



\* Data as of 3Q2023

# End of Presentation

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## Disclaimer

ข้อมูล บทวิเคราะห์ และการแสดงความคิดเห็นต่างๆที่ปรากฏอยู่ในรายงานฉบับนี้ ได้จัดทำขึ้นบนพื้นฐานของแหล่งข้อมูลที่ได้รับมาจากแหล่งข้อมูลที่เชื่อถือได้ เพื่อใช้ประกอบการวิเคราะห์ภาวะเศรษฐกิจและอุตสาหกรรมซึ่งเป็นเอกสารภายในของธนาคารแลนด์ แอนด์ เฮ้าส์ จำกัด (มหาชน) เท่านั้น ทั้งนี้ธนาคารฯ จะไม่รับผิดชอบความเสียหายใดๆทั้งปวงที่เกิดขึ้นจากการนำข้อมูล บทวิเคราะห์ การคาดหมาย และความคิดเห็นต่างๆ ที่ปรากฏในรายงานฉบับนี้ไปใช้ โดยผู้ที่ประสงค์จะนำไปใช้ต้องยอมรับความเสี่ยง และความเสียหายที่อาจเกิดขึ้นเองโดยลำพัง

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