Tourist arrival resurgence – an economic boon but currency bane?

- Tourist arrival resurgence in 4Q25 is a boon to economy but a bane to currency

- Chinese and Malaysian tourist rebounds are the silver lining for Thai tourism

- Top picks are AOT and BA

Tourist inflows surged in 4Q25

As of 12 Dec-25, Thailand has welcomed 30.8m tourist, just a small shy from its full-year 2025 target of 32m, with long-haul arrivals (Europe, Americas, MEA) surpassing 10m for the first time, led by 1m+ UK tourists. China, Malaysia, India, Russia, South Korea, remain the top tourists with a rebound in short-haul recovery at 8% from Malaysia after the large flood in Haad Yai.

Chinese/Malaysia still stand as Thailand's two key tourism sources

The ongoing conflict between Japan and China has seemed to diverted parts of Chinese tourists from Japan to Thailand and other destinations. While Chinese tourists to Japan had been rising to hit 8.2m in 10M25, up 18% y-y, but plunging by 30% in Nov-Dec 2025, Thailand has saw a pick-up in Chinese tourists to 0.327m in Nov alone, down only 14.2% y-y vs -30% y-y drop in 10M25. Yet Chinese tourists accounted for 13.8% (4.1m) of Thailand's tourist number, followed Malaysian tourists at 14.4% (4.4m) but in term of spending, Chinese tourists still spent THB55k per head on a 7-day average stay, compared to Malaysia's THB22k spending on a 4-day average.

Stronger fund and tourist inflows – a boon or bane?

THB/USD has continued to strengthen from THB32.9/USD on 23 Oct to THB31.5/USD, caused by the incessant inflows of revenue from tourism and FDI. While the FDI capital inflow is estimated to be THB100-200b, the tourism income revenue has reached THB1.5tr as of early Dec-25, closing to the spending target of THB1.78tr set by Thailand Authority of Tourism. We think the stronger number of tourists in Dec-25 into 2026 should be a boon to Thailand's economy but a bane to THB/USD currency, leaving room for Bank of Thailand to intervene.

How significant are Chinese tourists to Thailand?

Very significant. Not only in term of the number of tourists in general but also in term of tourism spending given Chinese tourists are one of the highest tourists spending per head in Thailand. We estimate that Chinese tourist spending account for 16% of total revenue vs 14% of total tourist arrivals. If we include tourists from mainland China (13.8% in 11M25), Hong Kong (2%), Macao (0.1%), and Taiwan (3%), China and its territories will account for 18.9% of Thailand's total tourist arrival or 5.617m tourists in 11M25.

### Long-term picks: SCC, IVL; Tactical picks: PTTGC, IRPC

We preferred AOT and BA as our top picks in Thai tourism sector, considering that AOT's net profit upsides will come from its recently hike in PSC from THB730/departure passenger to THB1,120, effective in 2Q26, and BA on its continued strong revenue from Samui flights plus the coming earnings growth from Samui airport expansion that will begin in 1Q26 to 2027 and could generate earnings upside in the range of THB1.0b-THB2.0b to BA by the end of 2027, based on our estimate.

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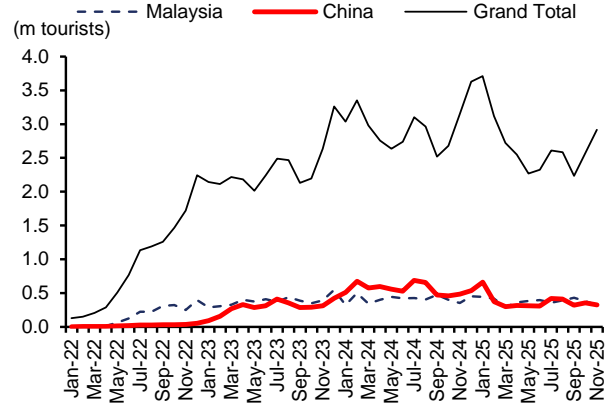suwat.s@globlex.co.th,
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Exhibit 1: Thailand's tourists from China and its territories
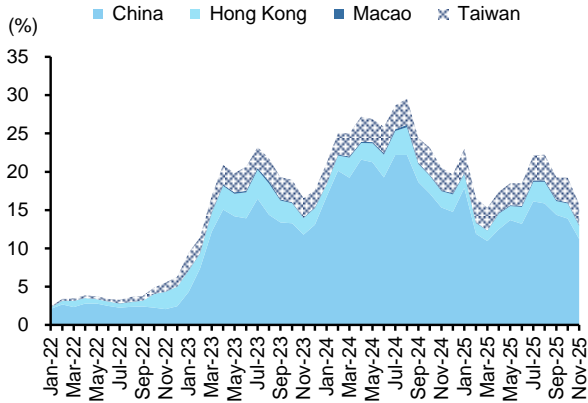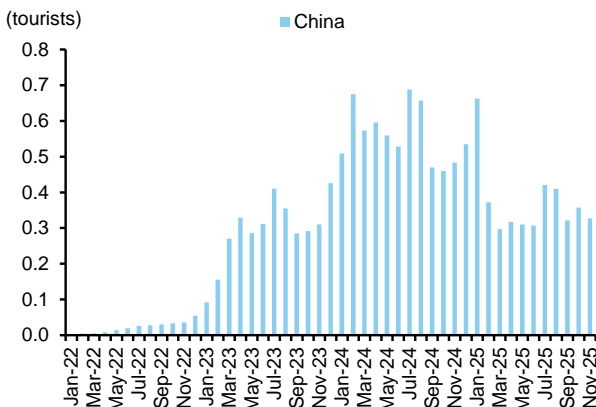

Sources: MOTS

Exhibit 2: Thailand's tourist number from two largest tourist nationality – China vs Malaysia
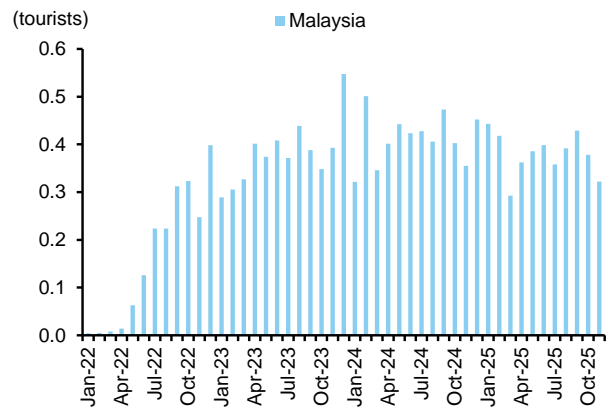

Sources: MOTS

Exhibit 3: Chinese tourist number to Thailand
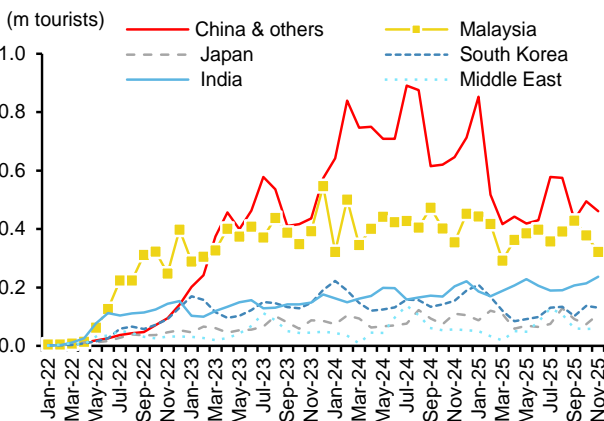

Sources: MOTS

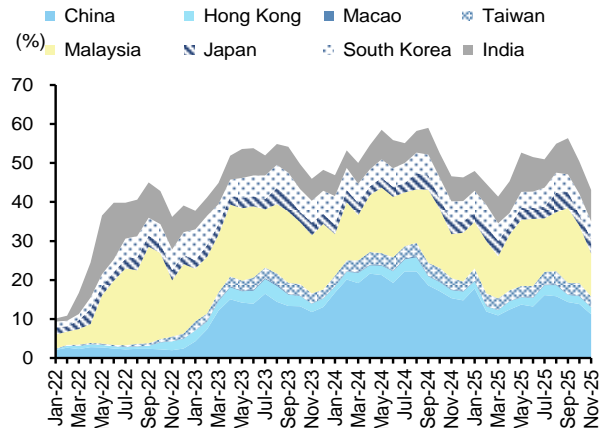**Exhibit 4: Malaysian tourist number to Thailand**

Sources: MOTS

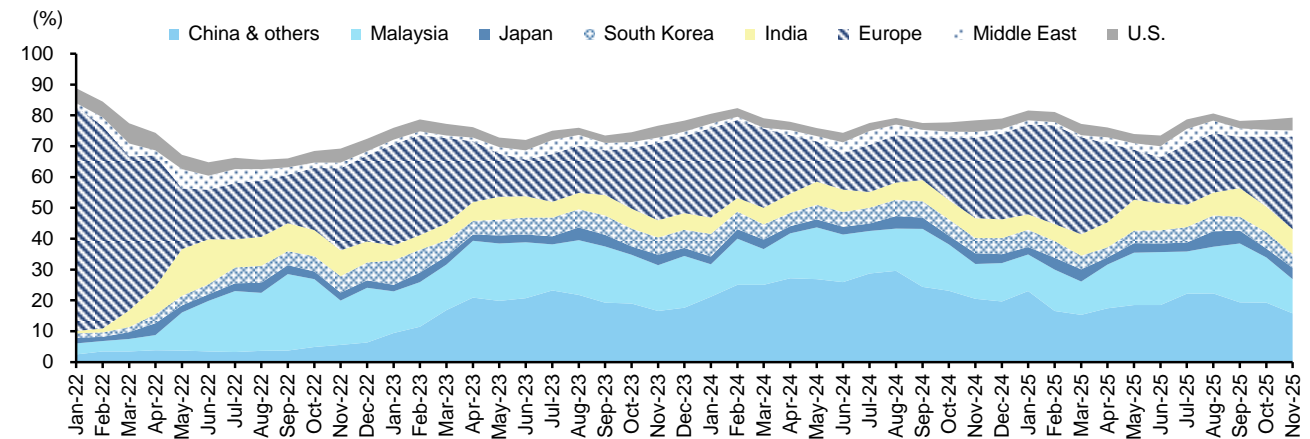**Exhibit 5: Thailand's tourists by key country**

Sources: MOTS

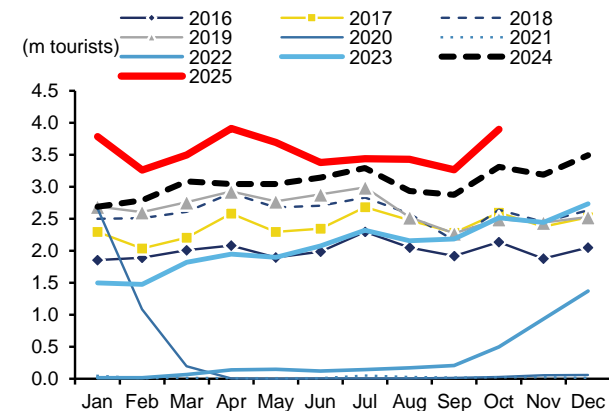**Exhibit 6: Thailand's tourist by key country (%)**

Sources: MOTS

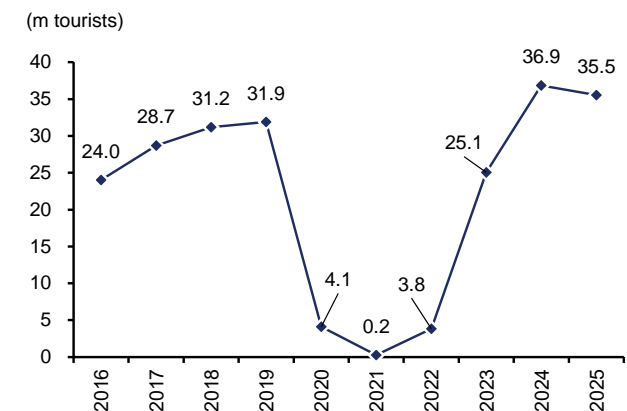**Exhibit 7: Thailand's tourist arrival breakdown**

Sources: MOTS

Exhibit 8: Japan's monthly international tourist number (2016-2025)
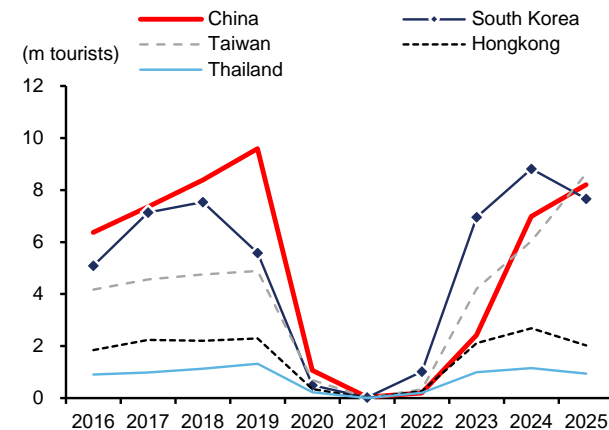

Sources: JNTO

Exhibit 9: Japan's annual international tourist number

Sources: JNTO

Exhibit 10: Number of key international tourists to Japan

Sources: JNTO

Exhibit 11: Japan's international tourist breakdown by country
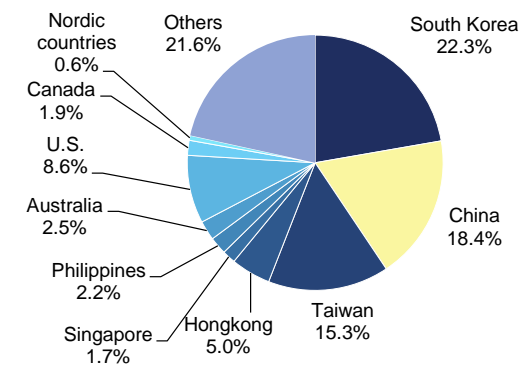
Sources: JNTO

Exhibit 12: Japan's international tourist number breakdown by country

(m tourists)

Country	Value
China	8.2
Taiwan	8.6
U.S.	2.7
Hongkong	2.0
Thailand	0.9
Singapore	0.5
Malaysia	0.5
Indonesia	0.5
Philippines	0.7
Vietnam	0.6
India	0.3
Australia	0.9
Canada	0.6
Mexico	0.2
UK	0.5
France	0.4
Germany	0.4
Italy	0.3
Spain	0.2
Russia	0.2
Nordic	0.2
Middle east	0.2
Others	1.6
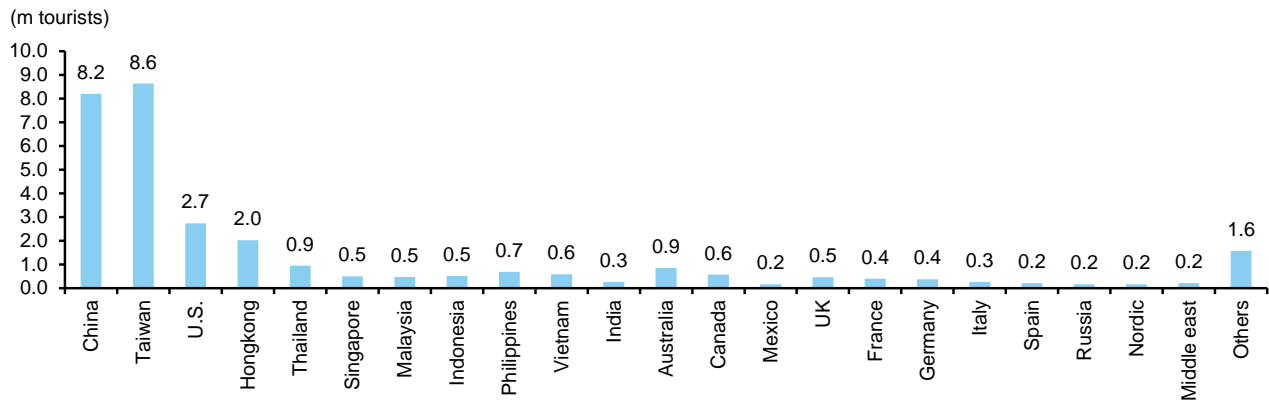
Sources: JNTO

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Analyst Certification

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RECOMMENDATION STRUCTURE
Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY:　　　Expected return of 10% or more over the next 12 months.
HOLD:　　 Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight:　　　The industry is expected to outperform the relevant primary market index over the next 12 months.

Neutral:　　　　　The industry is expected to perform in line with the relevant primary market index over the next 12 months.

Underweight:　　　The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.