



Full steam ahead for Thailand?

Navigating uncertainty with a powerful engine

Thailand Tourism Forum 2019

Jesper Palmqvist



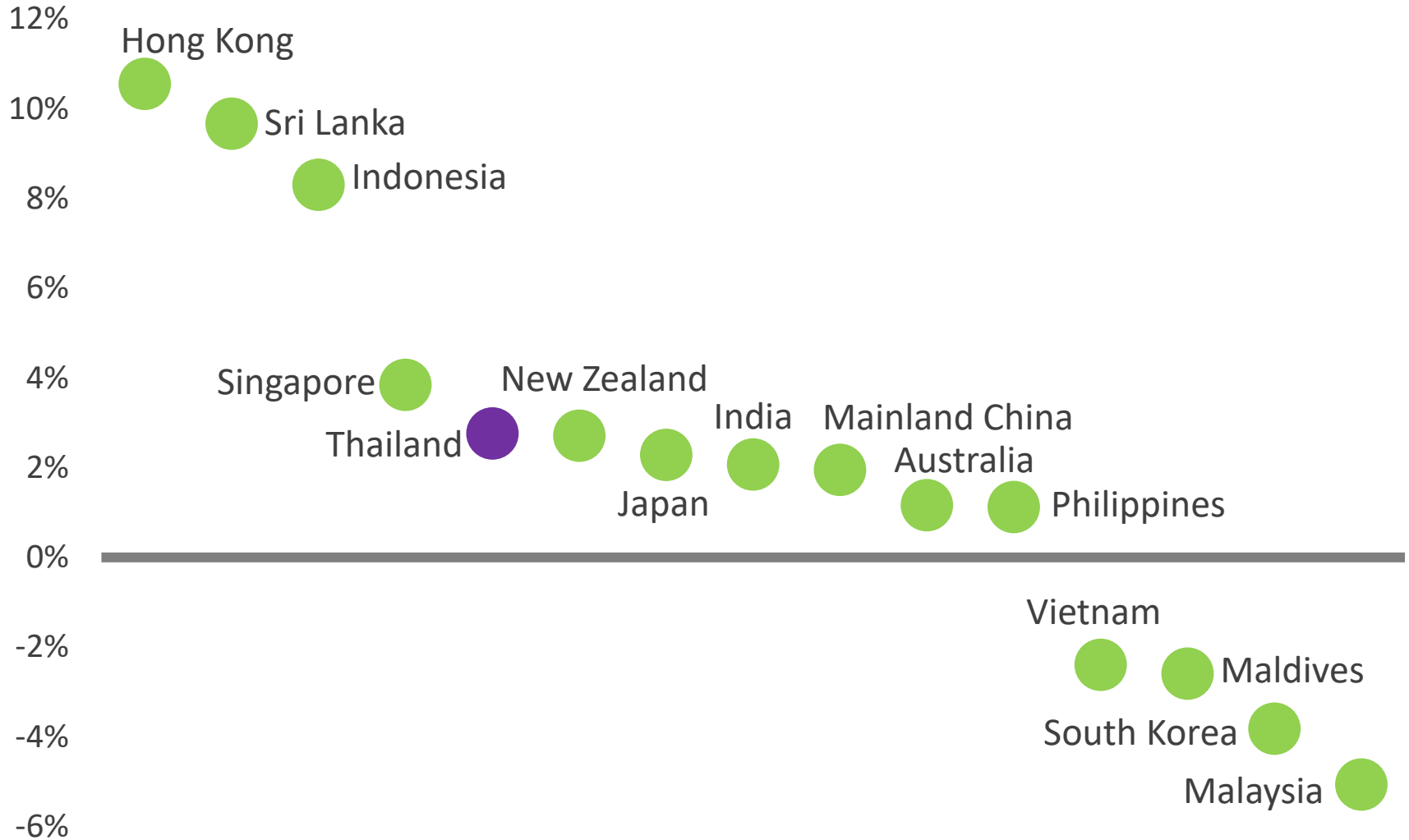
jpalmqvist@str.com

© 2019 STR, Inc. All Rights Reserved.

Any reprint, use or republication of all or a part of this presentation without the prior written approval of STR, Inc. or STR Global, Ltd. trading as STR (collectively "STR") is strictly prohibited. Any such reproduction shall specifically credit STR as the source. This presentation is based on data collected by STR. No strategic advice or marketing recommendation is intended or implied.

Benchmarking
↑ your world

Winds of change – Movements from peak



Occupancy, ADR, RevPAR Growth – FY 2018, Local Currency

**Demand
growth**



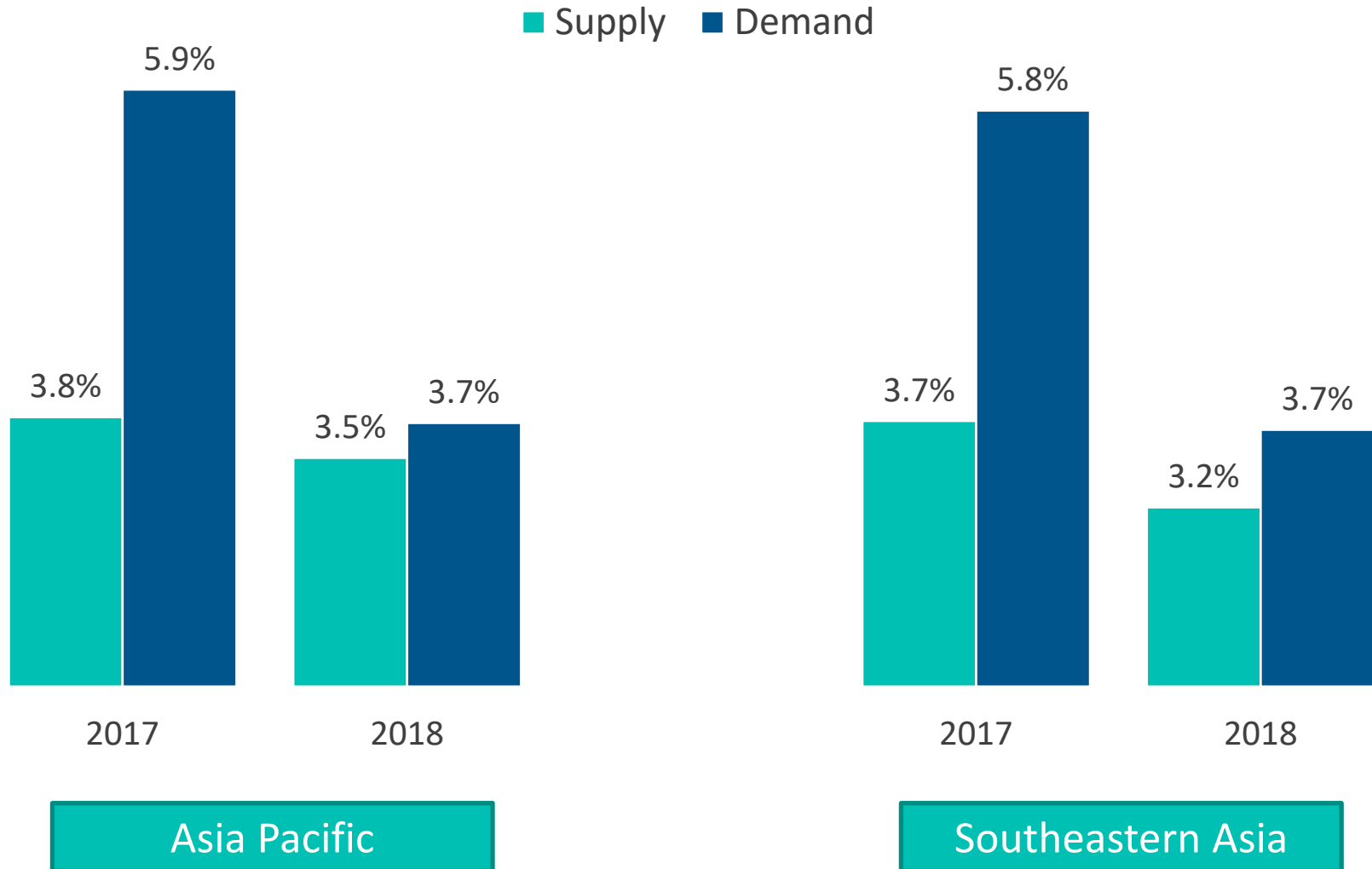
**Supply
growth**

Amount of guests is growing faster than amount of new hotels opening



The Lowest Supply Growth Level in last 5 years

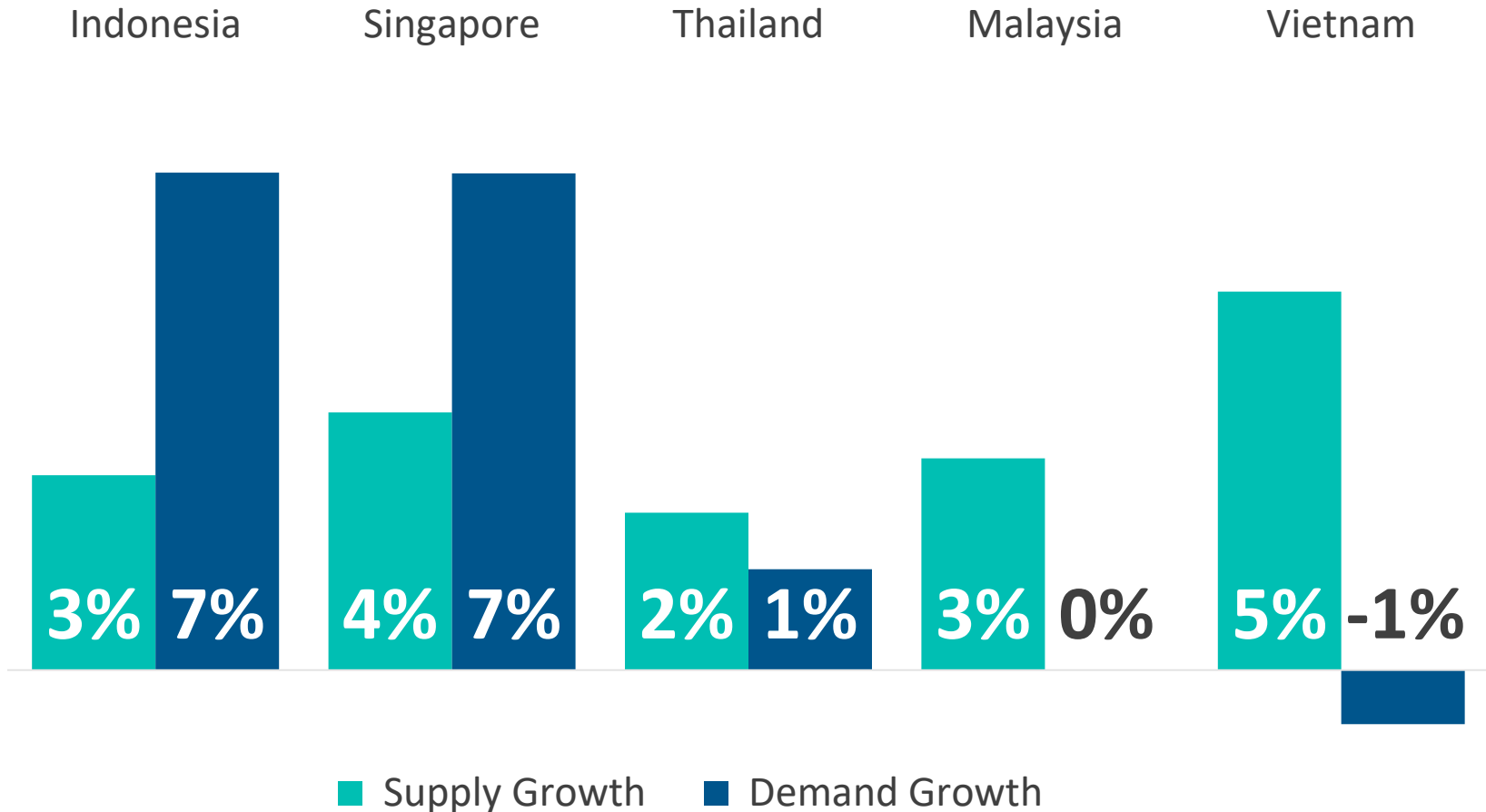
Total APAC & SEA, Supply & Demand Growth, FY 2017 vs FY 2018



Trajectories now differ again



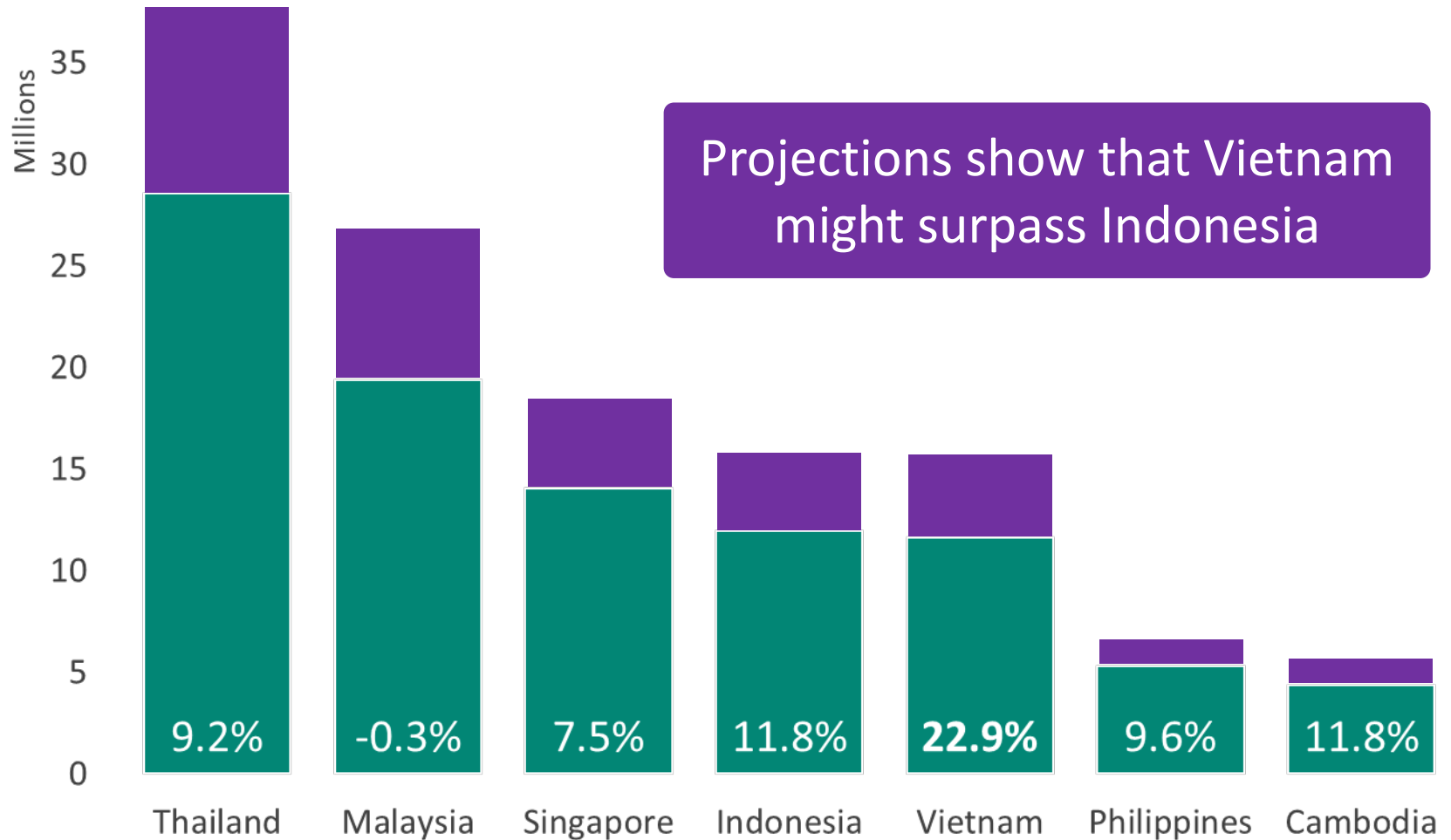
Softening in Indochina compared to comeback further south in ASEAN



Key ASEAN markets, Demand & Supply growth 2018 vs 2017

Yes, Thai uncertainty may play into other hands

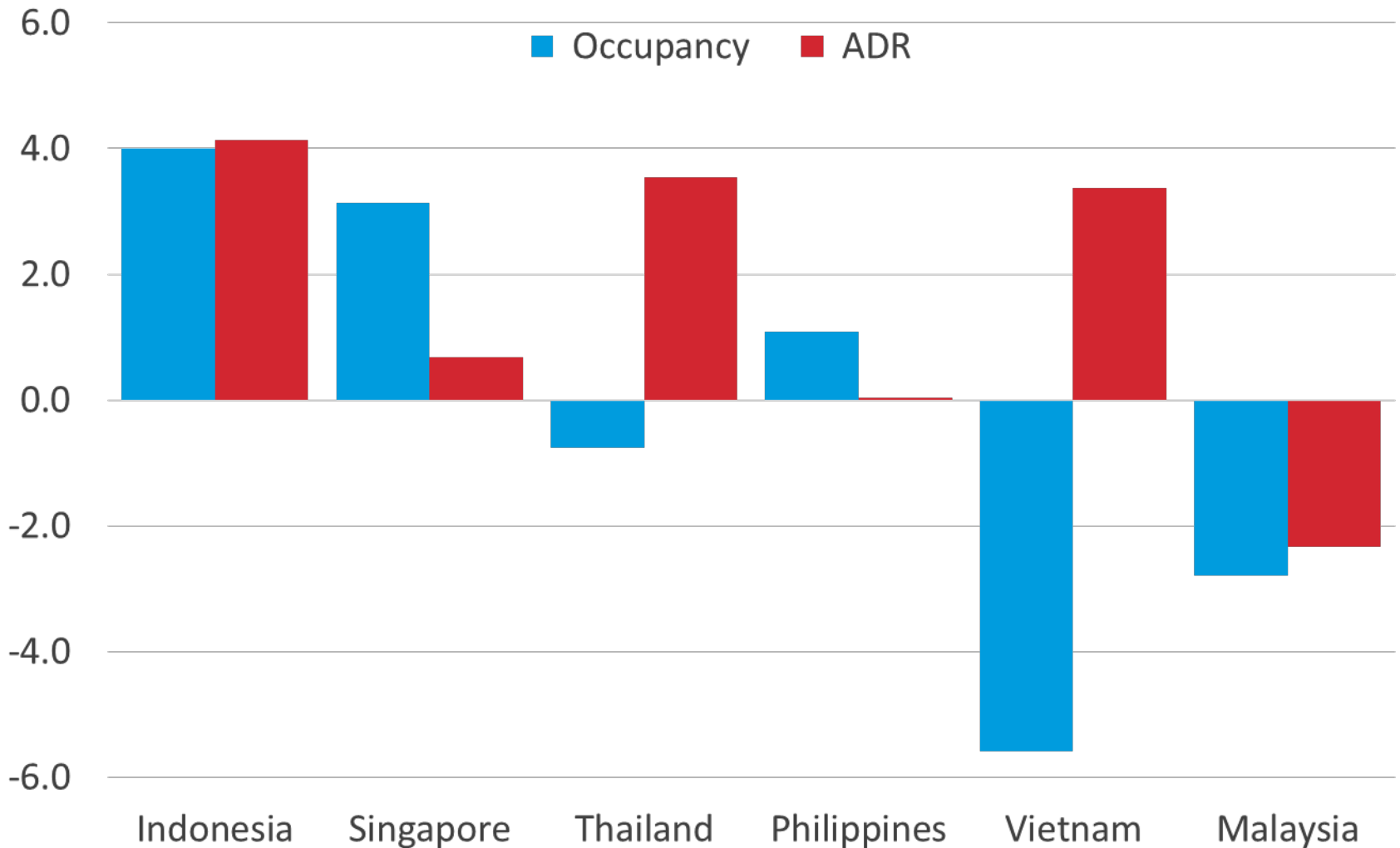
Selected SEA Countries, Total International Visitors, YTD September 2018



Source: PATA, Tourism Authorities of each country

Mostly about rate growth – apart from Vietnam

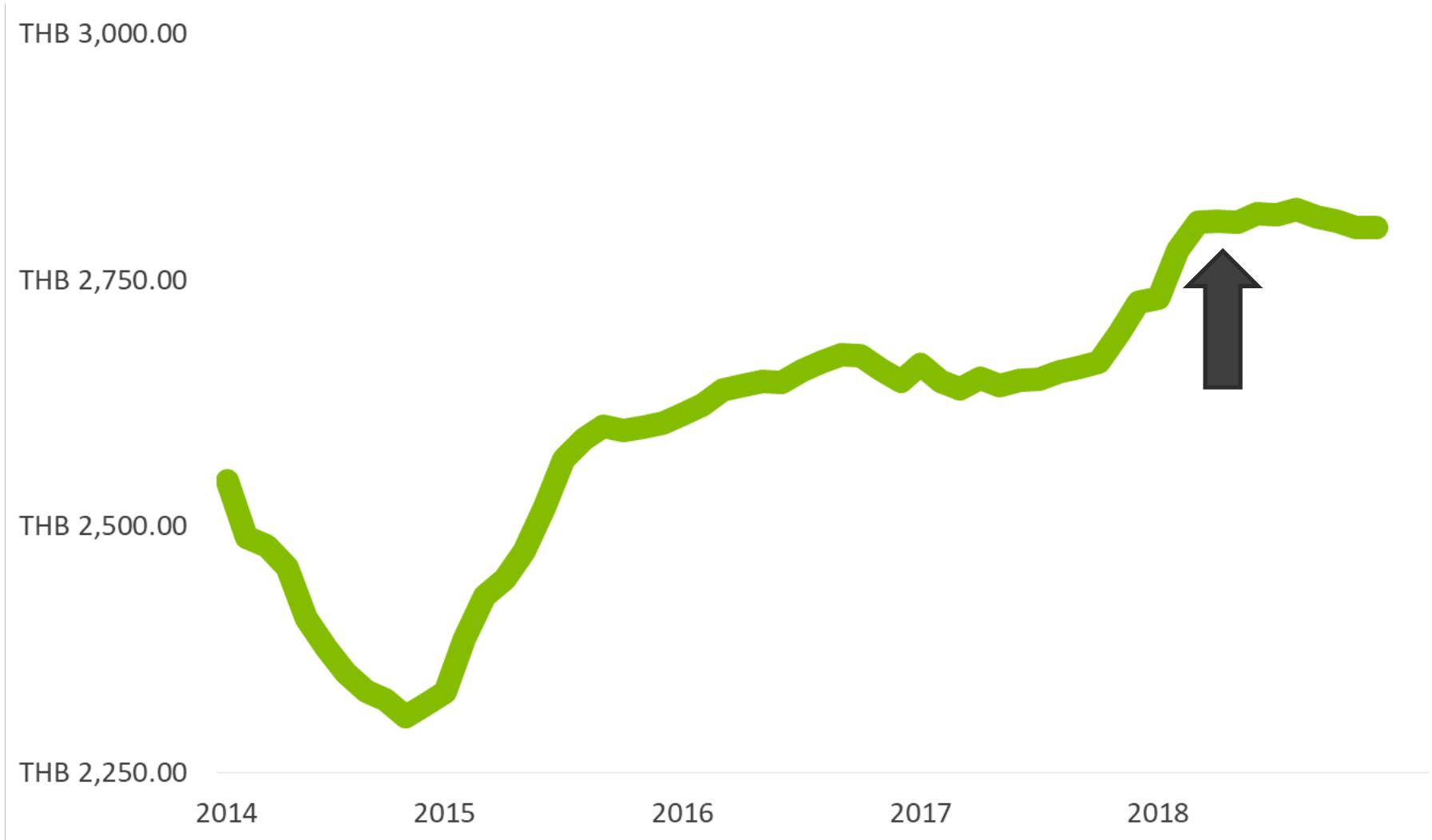
ASEAN 6 markets Occupancy and ADR growth (%) in local currency over 2017



Thailand Hotel Performance



2018 saw higher performance overall – but we're now at an interesting point



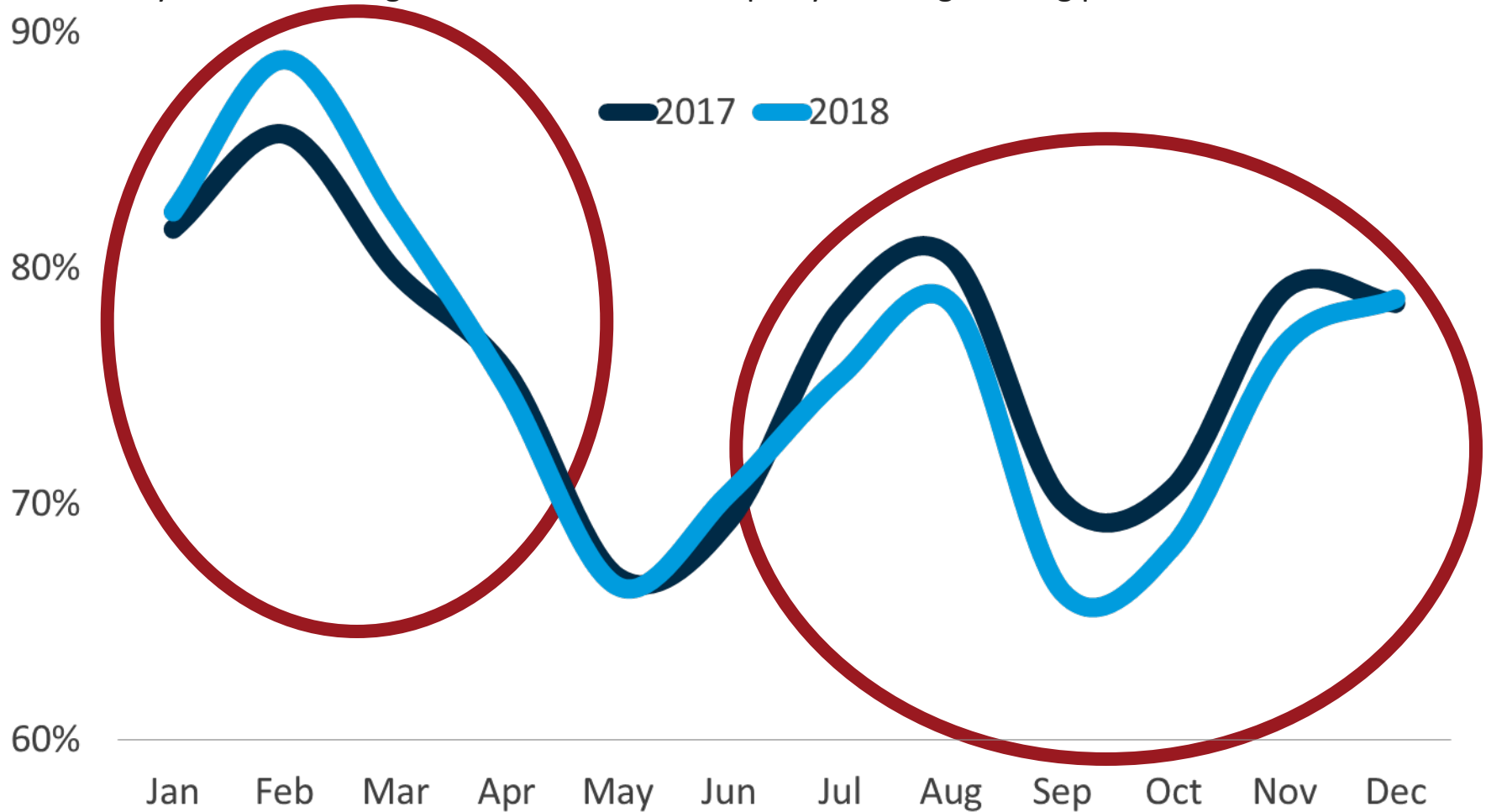
Total Thailand, Monthly Absolute RevPAR Performance, R12, 2014-2018

© 2019 STR. All Rights Reserved.

Occupancy and Demand wasn't entirely normal

Grew well at the start but fell towards the end of the year

Historically we have seen growth in low season help any challenge during peak



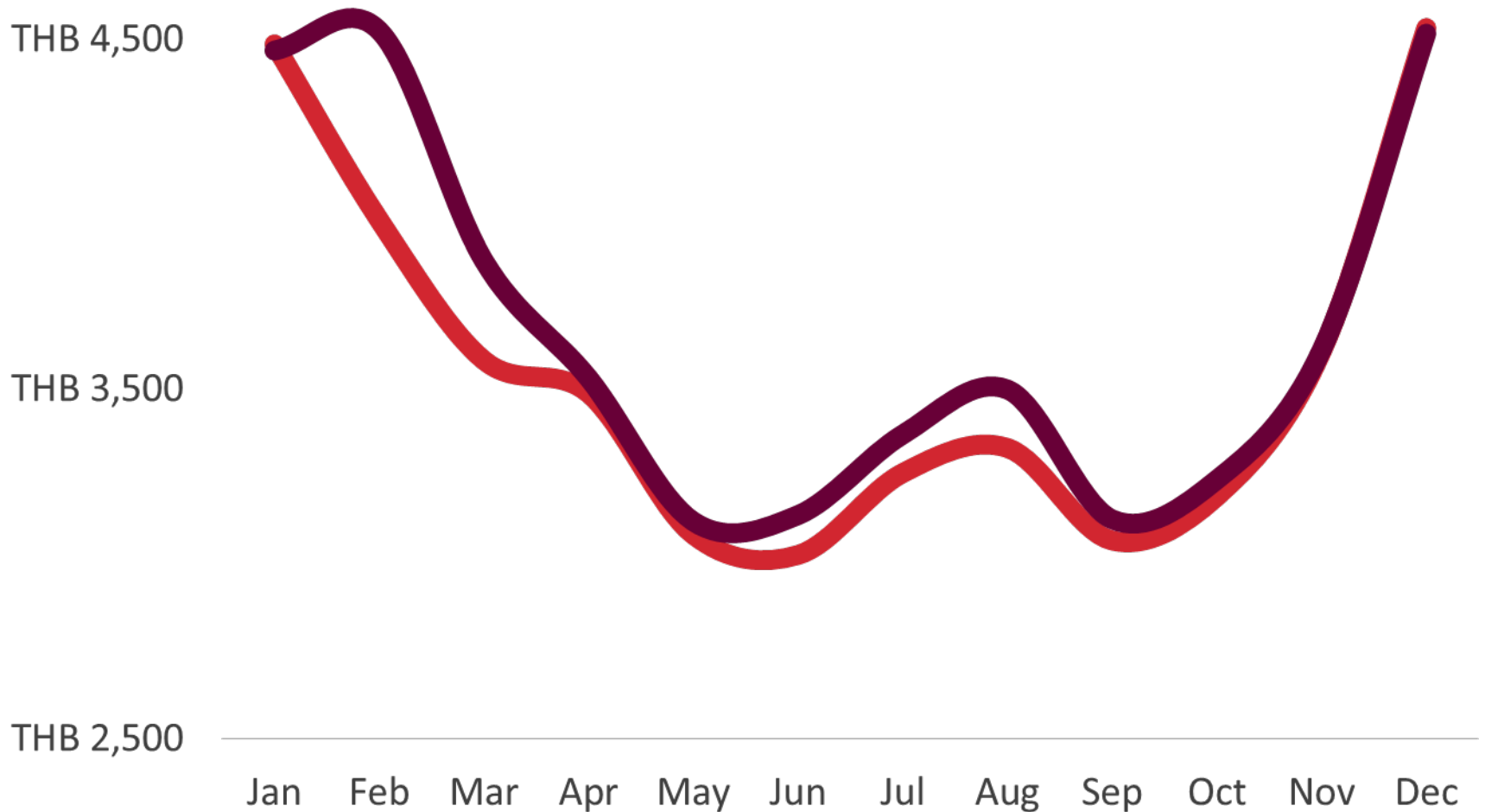
Total Thailand, Occupancy by month (%), 2017-2018

But rates managed to increase all throughout the year

Historically we have seen growth in low season help any challenge during peak



2017 2018



Total Thailand, ADR (THB), 2017 vs 2018 by month

Around the country – Increased variation



Recovery

Chiang Mai

flat

Krabi

-1.0%

Slower, but growth

Hua Hin | Cha Am

+2.9%

Pattaya

+2.1%

Continued growth

Bangkok

+4.9%

Two-Face

Phuket

+0.4%

Decline

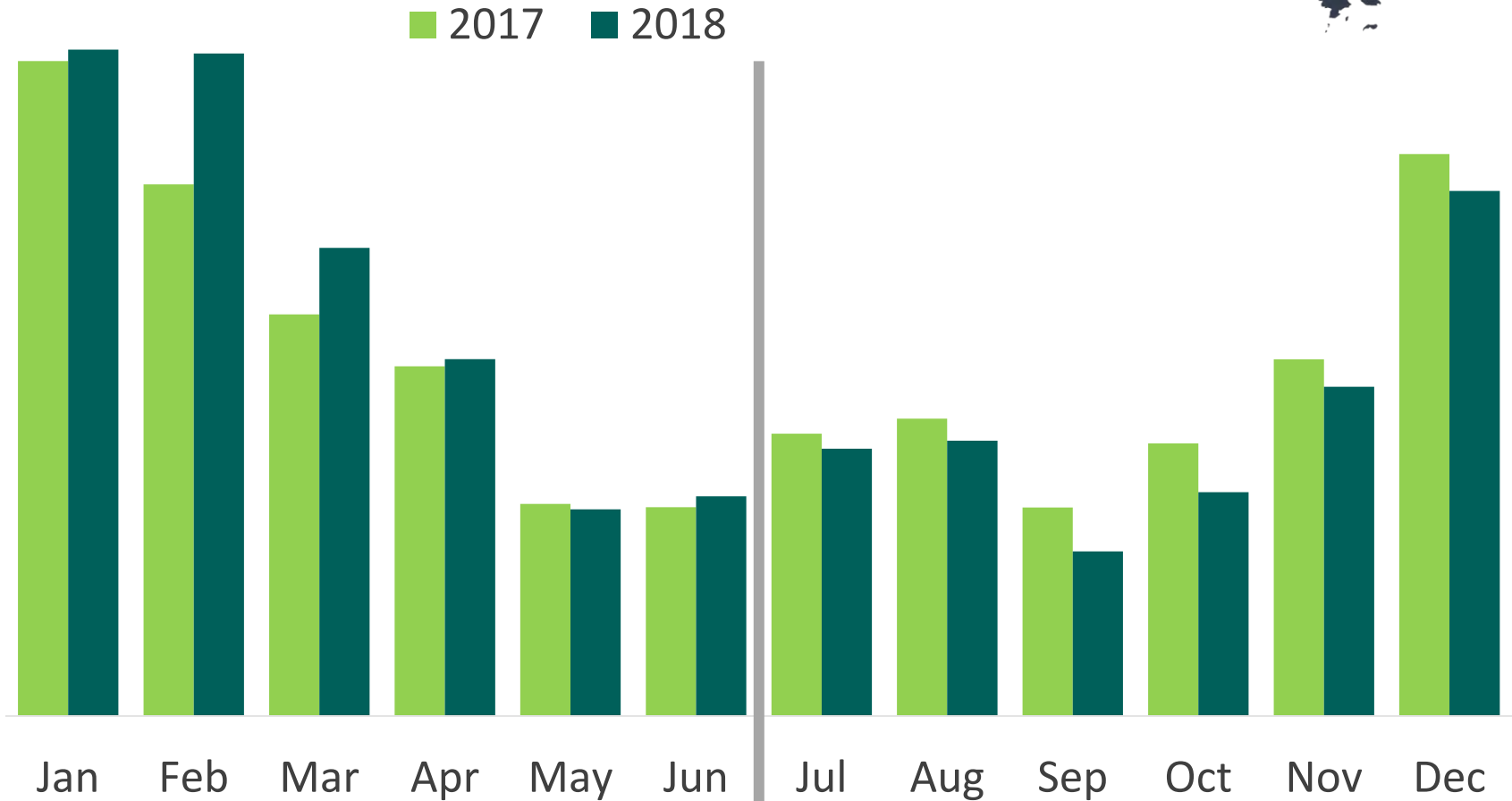
Samui | Phangan

-6.8%



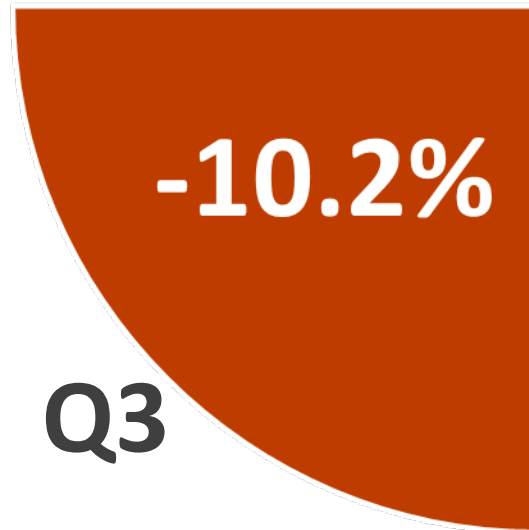
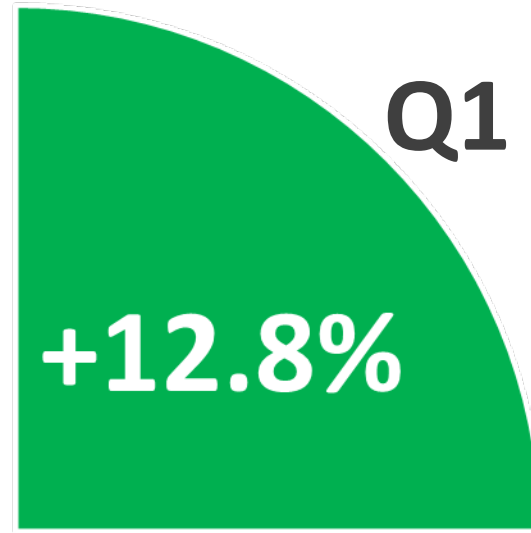
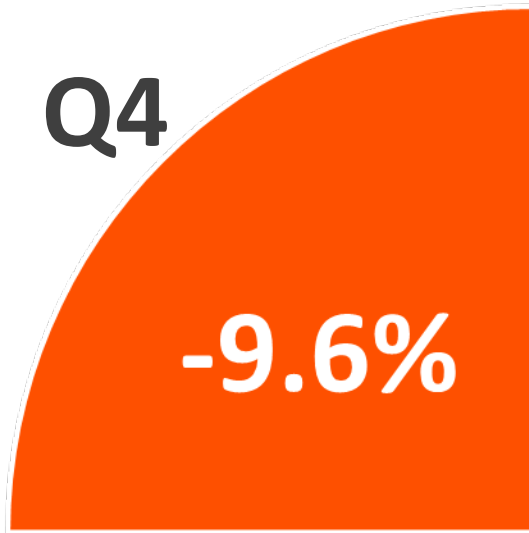
The two-faced year of Phuket - rise and fall

Boat incident clearly not helping – but softer fall Nov-Dec. Rates helped, less Occ



Total Phuket, RevPAR (THB), Monthly 2017 vs 2018

Aug-Oct reversed all gains



Total Phuket, RevPAR (THB), Quarterly 2017 vs 2018

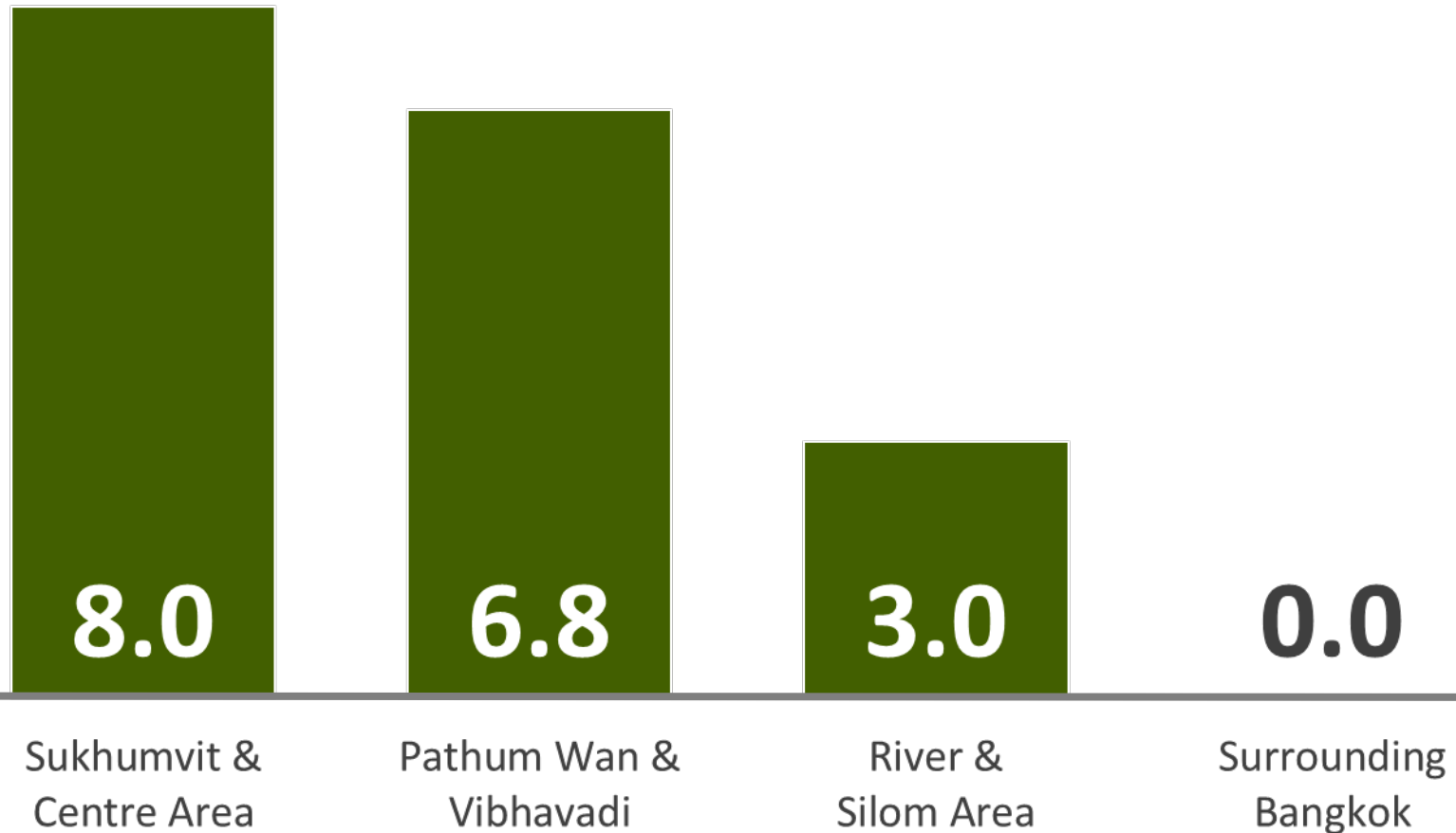
Bangkok: Supply growth was manageable in 2018

As Bangkok Demand dropped from previous years, so did Supply



Total Bangkok, Supply & Demand Growth (%), 2018 vs 2017

Strong reaction to new supply in central Bangkok

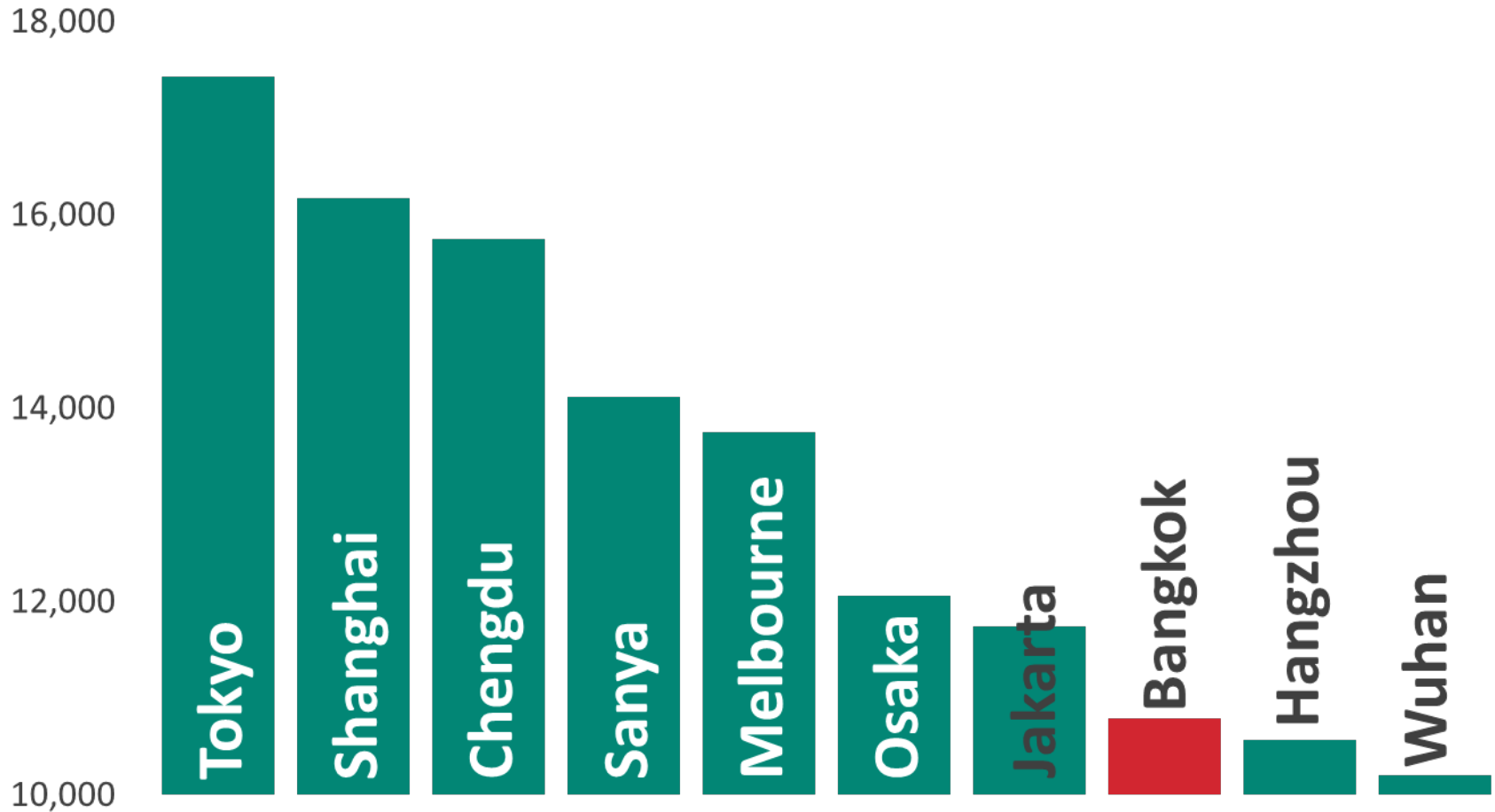


Bangkok by Submarkets, RevPAR Growth (% , THB), 2017 vs 2018



Bangkok has moved into the top 10

With almost 12,000 rooms in under contract pipeline



Top 10 APAC Cities, Under Contract Pipeline, by Total Number of Rooms, as of November 2018

What supply can we expect in Bangkok?



12,000

Rooms coming to Bangkok in the next few years

13%

Increase over existing room stock

20%

Planned to open in the next 6 months

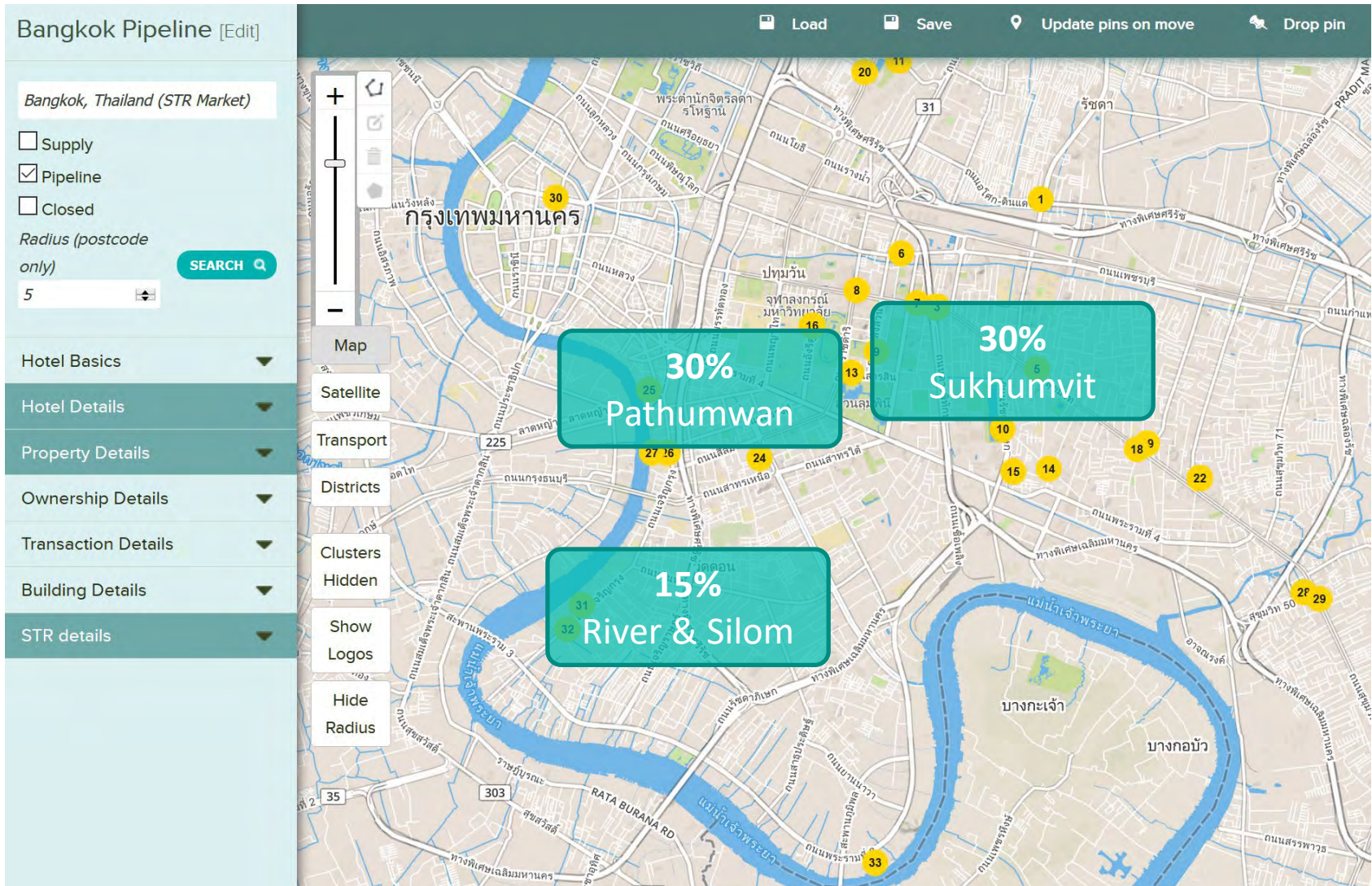
60%

In construction – past the planning stages

37%

In Luxury + Upper Upscale. Upscale still biggest.

Where is the new supply coming?

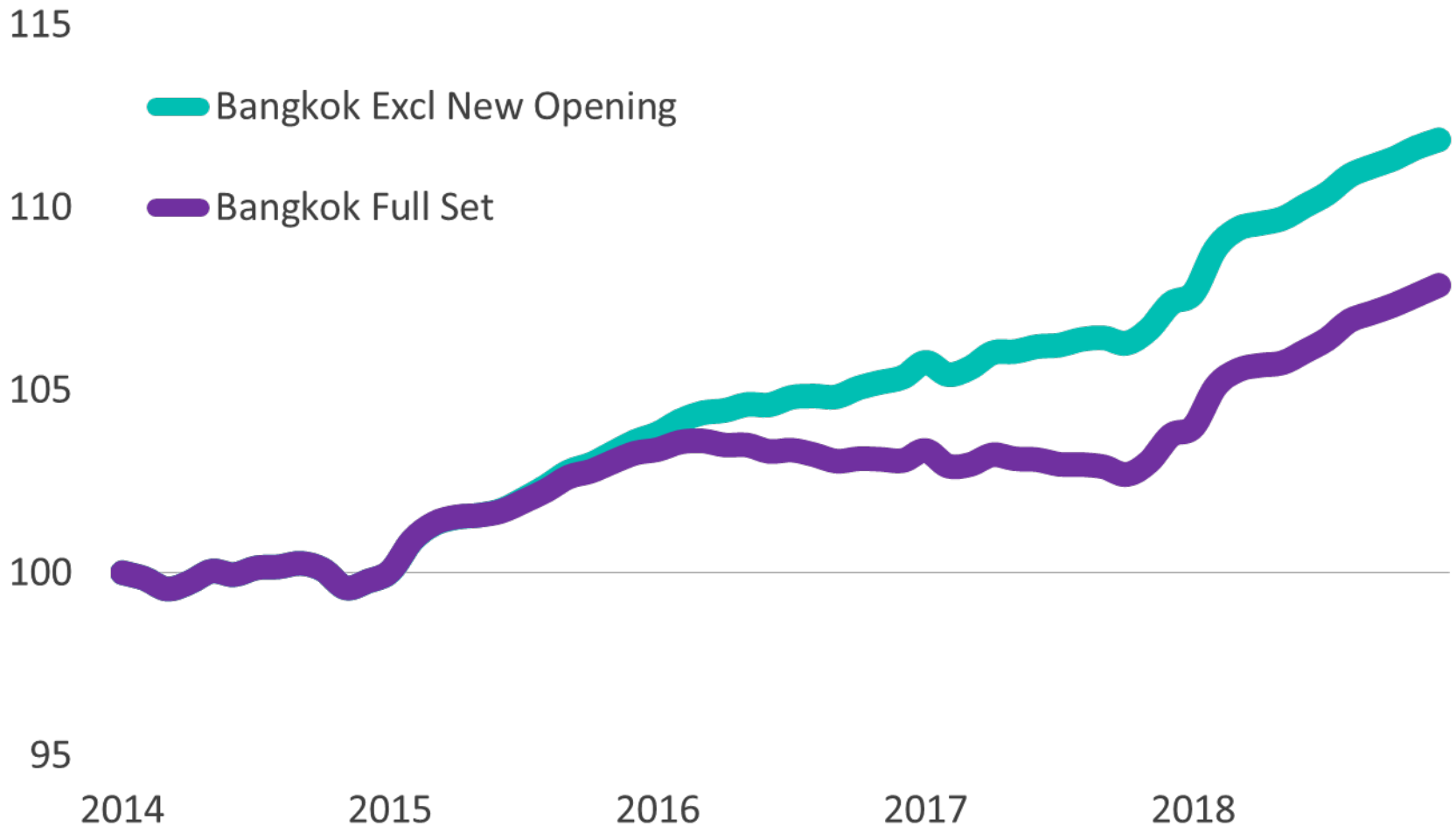


New hotel projects in Bangkok as per Jan 2019 in AM:PM, the STR tool for Census & Pipeline

Performance looks pretty good when omitting new hotels



'Same store' shows very strong growth – confirms the ramp-up challenge



ADR Index (Indexed to Jan 2014), R12 Jan 2014 – Dec 2018



Summary

Lower Growth ahead

Increased Diversity

Phuket not down and out yet

Bangkok supply resilience - one more test



Thank you

Thailand Tourism Forum 2019

Jesper Palmqvist



jpalmqvist@str.com

+65 6800 7850

© 2019 STR, Inc. All Rights Reserved.

Any reprint, use or republication of all or a part of this presentation without the prior written approval of STR, Inc. or STR Global, Ltd. trading as STR (collectively "STR") is strictly prohibited. Any such reproduction shall specifically credit STR as the source. This presentation is based on data collected by STR. No strategic advice or marketing recommendation is intended or implied.

Benchmarking
↑ your world