

THAILAND'S TOURIST SECTOR 2022

During the global COVID-19 pandemic, Thailand has taken measures to prevent and control the spread of COVID-19. This includes measures to curb the flow of visitors to Thailand.

After two years of fighting Covid and significant travel restrictions, international travel is finally returning to normal on 1 July 2022. From 1 July, the following changes will be implemented for all international travellers.

Foreigners do not need to show proof of Covid insurance. All mandatory quarantine in hotels has been cancelled. Thailand Pass is no longer required for international travellers to enter Thailand. Vaccinated travellers do not need to provide proof of vaccination prior to arrival.

Unvaccinated travellers (including children travelling with unvaccinated parents) will need to have an RT-PCR or professional antigen test (Pro-ATK) 72 hours before departure to Thailand. The confirmation does not need to be uploaded before travelling. Airlines and Thai Immigration will conduct random checks to confirm that travellers are compliant with Covid prevention requirements (vaccination or Covid test) [1].

In 2022, Thailand recorded a real GDP growth of 2.6%, indicating a relatively modest pace of economic recovery from the recession caused by the COVID-19 pandemic. Thailand's growth rate in 2022 was quite moderate compared to other large ASEAN economies such as Malaysia, Vietnam and the Philippines, which have seen very strong growth rates as they recovered from the pandemic.

A key factor behind the improved economic growth in 2022 was the recovery in

private consumption, which grew by 6,3% compared to a mere 0,6% year-on-year increase in 2021. The growth rate of private investment also improved from 3% in 2021 to 5,1% in 2021. However, public investment declined by 4,9% in 2022, while public consumption remained unchanged [2].

Strong growth in private consumption and investment, as well as rising imported energy prices, helped accelerate import growth, which grew by 15,3% in 2022, while exports grew by only 5,5% in USD terms. Consequently, the trade balance shrank from USD 32,4 billion in 2021 to USD 10,8 billion in 2022.

Due to the important contribution of international tourism to Thailand's GDP, the slow pace of international tourism recovery in 2022 was a key factor that restrained the pace of Thailand's economic recovery in 2022, although it picked up in the second half of 2022.

Thailand's manufacturing sector also showed some improvement in dynamics: The S&P Global Thailand Manufacturing PMI for February 2023 showed a significant increase. The latest PMI data indicates further growth in production and new orders. The PMI rose for the third consecutive month to 54,8 in February from 54,5 in January, indicating an improvement in business conditions for the 14th consecutive month [2].

Thailand's new orders for manufactured goods rose at the fastest pace in five months. The easing of COVID-19 disruptions supported the latest expansion. However, external demand for Thailand's manufactured goods continued to contract due to the challenging external environment.

International tourism was a key part of Thailand's GDP before the COVID-19 pandemic and accounted for approximately 11,5% of GDP in 2019. However, after April 2020, the number of foreign tourists declined as many international borders around the world were closed, including Thailand's own restrictions on foreign visitors.

As border restrictions were gradually eased in Thailand, as well as in many of Thailand's largest tourist destinations, during 2022 due to COVID-19, international tourism showed a significant improvement in the second half of the year. The number of international tourist arrivals reached 11,15 million in 2022, up from just 430,000 in

2021. However, the total number of visits was still well below the 2019 peak of 39,8 million, indicating significant scope for further rapid growth in the tourism sector during 2023 [3].

Literature:

1. How to travel to Thailand in 2022. URL : <https://www.thaiembassy.com/travel-to-thailand/how-to-travel-to-thailand-in-2022>
2. Thailand's tourism sector drives economic recovery. URL : <https://www.spglobal.com/marketintelligence/en/mi/research-analysis/thailands-tourism-sector-drives-economic-recovery-mar23.html>
3. Amazing Thailand Countdown 2023. URL : <https://www.tatnews.org/2022/12/amazing-thailand-countdown-2023-concludes-2022-with-1-5-trillion-baht-tourism-revenue/>