

Thailand's hotels struggling as ME tensions dampen travel demand

- A Monitor Desk Report

Date: 03 May, 2026



Dhaka: Thailand's tourism industry is facing renewed pressure as hotel bookings decline sharply, with the ongoing conflict in the Middle East continuing to weigh on international travel demand.

According to reports citing Thai Hotels Association, hotels across the country have reported a noticeable slowdown in reservations beginning in May, with some southern destinations seeing particularly steep drops. Areas heavily reliant on European visitors, such as Phangnga, have experienced booking declines of up to 50 percent.

Reports also cited industry leaders saying, the uncertainty surrounding the conflict, combined with rising airfares linked to higher fuel costs, is discouraging long-haul travel. President of the association Thienprasit Chaiyapatranun noted, as per reports, that forward bookings have weakened across all regions, especially from Europe and the Middle

East—two key markets for Thailand’s tourism sector.

Popular resort areas including Phuket, Krabi, and Koh Samui are reporting softer occupancy levels. Luxury hotels, in particular, are seeing occupancy hover around 40 percent in May, reflecting both a dip in tourist arrivals and fewer airline crew stays.

The outlook for the second quarter remains uncertain. European markets—traditionally a strong source of visitors—are being hit hardest, with arrivals to Phuket down by around 17 percent and declines in Krabi ranging between 20 percent and 30 percent, especially among travelers from Germany and the United Kingdom.

Some regional markets are helping to cushion the downturn. Visitor numbers from China have surged in certain destinations, while India has become a leading inbound market for Krabi. Meanwhile, travelers from Malaysia are gradually returning, offering modest growth in key tourist hubs.

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