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Thai Hotels Association to Challenge Nationwide Minimum Wage in Administrative Court

The Thai Hotels Association (THA) has voted to file a lawsuit with the Administrative Court against the government's decision to impose a nationwide daily minimum wage of 400 baht, which took effect on July 1. The association argues that while it supports wage increases to improve workers' livelihoods, applying a blanket nationwide rate is unfair and unrealistic, as it does not reflect regional differences in tourism demand, cost of living, and economic conditions.

Only five or six major tourist cities such as Bangkok and Phuket are currently experiencing growth, while most second-tier cities remain sluggish, with more than 54,000 room-nights left unsold despite government tourism subsidies. He emphasized that wages already make up about 30% of hotel operating costs, and smaller provinces like Narathiwat, Pattani, and Yala—where wage levels are around 337 baht—would face disproportionate burdens under the new law.

The THA claims the wage committee's announcement violates Section 87 of the 1998 Labour Protection Act, which requires that minimum wages be based on economic factors such as inflation, productivity, GDP, and business capacity. The association plans to ask the court to review and revoke the decision, arguing that the committee cannot arbitrarily set a nationwide wage without considering these conditions. Legal costs for the case are estimated at 1.7 million baht.

The association warns that without revisions, many hotels may be forced to close or lay off workers, while illegal hotels could exploit lower operating costs to compete unfairly. Broader challenges also loom, as Thailand's tourism industry remains weak: the National Economic and Social Development Council projects only 33 million foreign arrivals in 2025, down from 35.5 million last year, with hotel revenues expected to fall 7% year-on-year.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com