



Thailand's Proposed Tourism Tax and Visa Reforms Raise Policy and Enforcement Questions

Thailand's new government is considering the introduction of a THB 300 tourism tax on incoming travellers, alongside a proposal to reduce visa-free stays from 60 days to 30 days. These measures come at a sensitive time for the tourism sector, which is already facing headwinds from geopolitical tensions and rising travel costs. While the proposed levy is relatively modest, stakeholders remain divided on whether its timing could negatively affect travel sentiment, particularly as airlines reduce capacity and airfares increase.

From a policy perspective, the tourism tax is intended to generate funding for tourism development and infrastructure. Some industry representatives view the measure as reasonable, noting that most international travellers currently visiting Thailand are less price-sensitive. However, concerns have been raised that introducing the tax during a period of weakened demand could create additional friction for inbound tourism, suggesting that timing and implementation strategy will be critical to its effectiveness.

The proposal to shorten visa-free stays has also sparked debate, primarily in relation to its role in addressing illegal activities by foreign nationals. Authorities and industry groups have pointed to instances of foreigners engaging in unauthorised work or operating unlicensed businesses while residing in Thailand under extended visa-free privileges. Reducing the permitted stay period is seen as a tool to limit such risks, although questions remain as to whether a uniform rule is appropriate given differing travel patterns across markets, particularly for long-stay visitors such as those seeking medical or wellness services.

Legally, both measures would require amendments to existing regulatory frameworks governing immigration and tourism-related levies, likely involving coordination between multiple government agencies. The developments highlight an ongoing shift toward more active regulatory management of Thailand's tourism sector, balancing revenue generation, security concerns, and economic competitiveness. Their ultimate impact will depend on how effectively the government aligns legal reforms with enforcement capacity and broader tourism policy objectives, ensuring that regulatory changes do not inadvertently hinder recovery in a fragile global environment.