

# Luxury brands embrace Thailand

## Article



**The insight:** Thailand is emerging as a key market for luxury brands seeking to offset headwinds from [China's ailing economy](#).

**How we got here:** The country's growing appeal as a luxury travel destination, coupled with a sizable increase in the number of ultra-high-net-worth individuals (UHNWIs), is fueling the boom.

- **Thailand has the third-highest number of UHNWIs**—people with assets over \$30 million—in Southeast Asia, just behind Singapore and Indonesia. That cohort is expected to increase by
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14.7% by 2028, according to property consulting firm Knight Frank.

- New luxury developments, including Bangkok's first **Ritz-Carlton** and a combination hotel-residential property from ultra-luxe hotelier **Aman**, are boosting Thailand's popularity among wealthy tourists—many of whom come from places like [India and the Middle East](#), where luxury demand is also on the rise.

**The big picture:** As Thailand's star rises, China's is fading. **Companies like [Kering and Burberry](#) have been forced to offer discounts of as much as 50%** to tempt cautious Chinese consumers—fueling the search for alternative markets where growth is more certain.

President [Donald Trump's tariff plans](#) are another headache for luxury brands to contend with. Additional levies on Chinese imports could deal a fresh blow to China's fragile economy, further weighing on consumer sentiment—which is already at or near record lows, according to executives from **Richemont** and **LVMH**. And Trump's threats to impose universal tariffs could make luxury goods even more expensive in the US, putting them out of reach for more consumers.

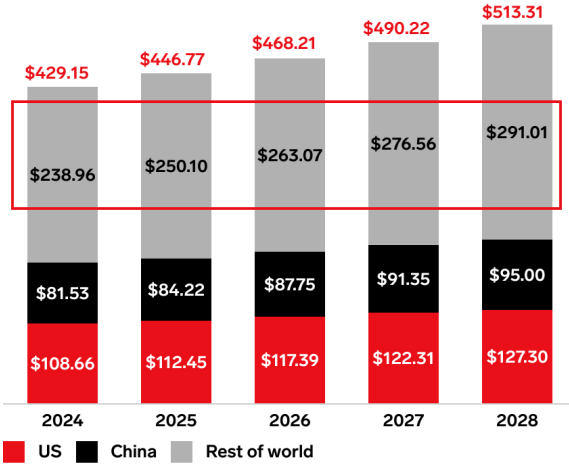
Faced with severe headwinds in the two largest markets for personal luxury goods, **brands will have to deepen their investments in Thailand, India, and other fast-growing regions.**

**Go further:** Read our latest [report on luxury ecommerce](#).

## The US and China Share of Global Luxury Retail Sales Will Contract Slightly Through 2028

billions in personal luxury retail sales in the US, China, and rest of world, 2024-2028

The rest of the world will grow by 21.8% during this period vs. 17.2% and 16.5% for the US and China, respectively



Note: includes items such as ready-to-wear designer clothing and footwear, bags and accessories (including eyewear), jewelry and watches, and cosmetics and fragrances that meet the definition of luxury; excludes automobiles, travel and leisure services, boats and yachts, fine art and collectibles, fine wines and spirits, and consumer electronics; includes goods sold in owned stores, department stores, and outlets, as well as travel retail, through online and offline channels; excludes secondhand sales of luxury goods

Source: EMARKETER Forecast, Aug 2024

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