

Asia's Tourism Renaissance: From Rickshaws to Riches

March 2026



From Recovery to Reinvention

Asia's tourism sector has moved past recovery. What defined the years immediately after the pandemic, pent-up demand and border reopenings, has given way to something more durable: a structural shift in how capital flows into the region's hospitality and travel infrastructure. Private equity ("PE") firms are acquiring and repositioning hotels at scale. Listed travel platforms are generating greater profits and a new generation of travelers from Mumbai to Shanghai to Jakarta is spending more, travelling further, and expecting more.

The numbers frame the opportunity. Asia accounts for 31% of global international travel demand, with Eastern Asia and Southeast Asia leading. Hotel investment across Asia-Pacific is forecast to reach US\$13.3bn in 2026, up from US\$11.9bn in 2025. Southeast Asia's travel and tourism market is projected to grow from an estimated US\$39.5bn in 2026 to US\$67.4bn by 2031, a compound annual growth rate ("CAGR") of 11%. These figures reflect a market that is attracting sustained institutional capital.

Three markets are doing heavy lifting. Japan benefits from a weak yen, record inbound arrivals, and a government target of 60 million visitors by 2030. India is growing on the back of a vast domestic middle class and double-digit deal activity. Vietnam is attracting infrastructure capital, with Long Thanh Airport the clearest signal, and is increasingly positioned as the region's premium coastal destination. China's outbound market has not fully recovered, but domestic travel is strong, and Chinese tourists moving through Singapore and Japan are spending at the luxury end.



The Ritz-Carlton, Okinawa

Private Equity: Buying, Converting, Repositioning (1/2)

PE is no longer just providing rescue capital to distressed assets, it is building the region's new hotel infrastructure. Firms are acquiring properties, converting them, rebranding them, and preparing them for institutional exit via real estate investment trusts ("REITs") or sovereign wealth funds.

Japan: The Most Active Market

Japan has become the dominant theatre for PE activity in Asian hospitality. Yen weakness makes assets cheap for foreign buyers and inbound tourism is driving hotel revenue. The government of Japan is actively encouraging corporate governance reform and asset recycling. **Blackstone** holds one of the largest foreign hospitality portfolios in Japan, valued at US\$1.3bn. Its assets include the Bespoke Hotel Osaka Shinsaibashi and the Ritz-Carlton Okinawa. With assets spanning across major tourist cities: Tokyo, Kyoto, Osaka, Okinawa, and Fukuoka, hospitality is clearly established as one of Blackstone's highest-conviction themes in Japan real estate.

KKR and **Gaw Capital** demonstrated the return potential of the Japanese market in a landmark 2025 deal, exiting the Hyatt Regency Tokyo for **US\$814m** to **Japan Hotel REIT**, reportedly at double the original investment. The deal validated the value-add model: acquire a distressed landmark, reposition it operationally, and sell to an institutional buyer seeking stabilized yield.

TPG Angelo Gordon has been active in Japan's business hotel segment, acquiring the Grand Nikko Tokyo Daiba for **US\$695m** (US\$788,000 per key), a benchmark transaction for the segment. **SC Capital Partners** secured **JPY25.4bn** (US\$162m) from CPP Investments to target mid-scale hotels in secondary Japanese cities, including Sapporo. The PE thesis has moved well beyond Tokyo trophy assets.

The Conversion Playbook

Across Tokyo, Seoul, and Taipei, PE firms are acquiring ageing office buildings and converting them into select-service or lifestyle hotels. Office vacancies have risen, asset prices are discounted, and hotels allow daily room rate adjustments that act as an inflation hedge, something long-dated office leases cannot offer. The conversion model has become one of the defining investment themes of 2025 and 2026.

Southeast Asia and India

Warburg Pincus, through its Lodgis platform, controls over 4,000 keys across Southeast Asia, with a focus on the Fusion hotel brand and luxury heritage properties in Vietnam and Cambodia. The approach is buy-and-build applied to a fragmented regional market: acquire individual assets, apply consistent brand standards, and create an institutional-grade portfolio that a single buyer or REIT can underwrite.

Private Equity: Buying, Converting, Repositioning (2/2)

India is attracting a different type of PE interest, less focused on existing hotel assets and more on travel technology and infrastructure. Over one-third of new Asian PE fund commitments in the past 12 months have targeted India. Sovereign wealth funds from the Gulf are active in resort development in Goa and Kerala. **Apollo Global Management** has been evaluating online travel agent (“OTA”) platforms that combine booking infrastructure with hospitality operations.

In Southeast Asia, **Bain Capital** has invested US\$200m+ in regional food and beverage operators, a recognition that food tourism and destination dining have become a meaningful component of the travel decision. PE capital is following as hospitality, food, and lifestyle converge.

Selected PE Transactions in Asian Hospitality

Date	Asset / Target	Market	Value (US\$m)	Investor
2026	Fleur	India	US\$106m	Warburg Pincus
2025	Hyatt Regency Tokyo	Japan	US\$814m	Japan Hotel REIT
2024	Grand Nikko Tokyo Daiba	Japan	US\$695m	TPG Angelo Gordon
2024	Unizo Hotel Company: Portfolio of 14 hotels	Japan	n.a.	KKR & Marriott International, Inc.
2023	Portfolio of 27 resort hotels	Japan	US\$900m	SC Capital & ADIA & Goldman Sachs AM
2019	The Leela	India	US\$576m	Brookfield

Sources: MergerMarket, press reports



Novaland Ongoing Project: Aqua City, Đồng Nai, Vietnam

Listed Players: Platforms and Volume (1/2)

For investors who want liquidity, the public markets offer exposure to the platforms that sit above the hotel bed: the OTAs, the airline networks, the diversified hospitality operators. These businesses benefit from volume regardless of which specific property a traveler books.

The OTA Giants

Trip.com Group (Nasdaq / HKEX: TCOM) is the clearest expression of the Chinese travel recovery. The company owns Ctrip, Skyscanner, and a portfolio of regional OTA assets. It reported US\$2.4bn in net profit in 2024, US\$4.6bn in net profit in 2025, and the stock trades at 12.9x forward earnings. Southeast Asian bookings have been a particular area of strength, with year-on-year growth rates into the triple digits from a lower base. One caveat: Trip.com faces antitrust scrutiny from Chinese regulators, which adds regulatory risk to the investment case.

MakeMyTrip (Nasdaq: MMYT) dominates India's online travel market with an estimated 55%–60% share. Revenue reached US\$1,039m in 2025. The company has expanded beyond leisure into corporate travel, which offers higher margins and more predictable revenue. With India's domestic aviation market growing faster than any other in the world, MakeMyTrip is well positioned as the booking layer on top of that growth.

Booking Holdings (Nasdaq: BKNG), parent of Agoda, brings global scale to Southeast Asian distribution. Agoda adds over 10,000 properties annually across the region and uses AI-driven pricing tools that smaller regional players cannot match. With market capitalization of around US\$138bn, Booking Holdings has the balance sheet to invest ahead of demand in markets where booking infrastructure is still maturing.

Airlines and Hospitality Operators

AirAsia Group (Bursa Malaysia: CAPITAL A) is the connectivity layer for Southeast Asian travel. Route capacity has grown around 21% year-on-year as visa liberalization between ASEAN member states stimulates point-to-point demand. **Singapore Airlines** (SGX: SIA) sits at the premium end, reporting US\$1.7bn in net profit in its most recent financial year. It remains the primary gateway for inbound luxury travel to Asia.

Minor International (SET: MINT) is one of the most instructive listed players in regional hospitality. The Thai conglomerate operates the Anantara and NH Hotels brands across Southeast Asia, the Middle East, and Europe. Its asset-light management model means revenue grows with new signings rather than with capital expenditure. The wellness positioning of the Anantara brand aligns directly with the structural shift toward health-focused travel.

Listed Players: Platforms and Volume (2/2)

Marriott International (Nasdaq: MAR) signed 187 deals across the Asia-Pacific region in 2025, adding 28,000 rooms to its pipeline, representing a 32% year-over-year increase. The company's strategy, like that of **Hilton** (NYSE: HLT) and **IHG Hotels & Resorts** (LSE: IHG), is to sell owned real estate to PE firms and REITs while retaining management and franchise agreements. The major brands are becoming capital-light platforms, growing fee income without growing balance sheets.

Oriental Land (TSE: 4661), operator of Tokyo Disneyland and DisneySea, is hitting record attendance figures driven by inbound tourists who increasingly include a Tokyo theme park visit as part of a broader Japan itinerary.

Selected Listed Companies in Asian Tourism

Company	Ticker	Exchange	Revenue (US\$m)	Description
Trip.com Group	TCOM	Nasdaq / HKEX	8,684	Chinese OTA; owns Ctrip, Skyscanner
MakeMyTrip	MMYT	Nasdaq	1,039	India's dominant OTA; 55-60% share
Booking Holdings	BKNG	Nasdaq	26,917	Parent of Agoda; global scale
Capital A Berhad	CAPITAL A	Bursa Malaysia	466	SE Asia's leading LCC
Singapore Airlines	C6L	SGX	14,990	Premium gateway to Asia
Minor International	MINT	SET	5,019	Anantara, NH Hotels operator

Sources: Company filings, CapIQ

Investment Themes (1/3)

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Investment Themes (2/3)

The Silver Economy

Japan, China, and South Korea are ageing faster than almost any other societies in the world. A growing cohort of older, affluent travelers with time and money is creating demand for a new type of property: the integrated wellness resort. These combine luxury accommodation with preventative health programs, longevity clinics, and in some cases aesthetic medicine.

Banyan Tree Holdings (SGX: BTH) has been the most prominent listed operator in this space, embedding regenerative and wellness credentials across its Indonesian and Thai properties and reporting around 15% revenue growth from its eco-luxury portfolio in 2025. The segment commands price premiums that standard leisure hotels cannot match.

Digital Infrastructure

Around 58% of active Asian travelers now use AI tools in trip planning, according to industry surveys. The investment flowing into travel technology, from AI-driven personalization to dynamic pricing engines and virtual reality destination previews, is creating a new layer of infrastructure on top of the physical hotel asset.

KKday (private, founded by Ming Chen), a Taiwanese platform offering local experiences across 15 Asian countries, raised US\$70m in 2024 to invest further into their artificial intelligence and research projects. **Klook** (private, co-founded by Eric Gnock Fah), the Hong Kong-based activities and experiences platform, monetizes the portion of the travel budget that goes beyond the hotel room and the flight ticket. These tech-driven solutions for the increasing demand in 'experience-based travel', a large, largely unconsolidated slice of travel spend that channels tourism revenue toward local operators and communities across Asia.

Bleisure and the Long-Stay Traveler

The separation between business travel and leisure travel has narrowed. Long-stay demand has become a meaningful segment in Bangkok, Bali, Taipei, and Singapore. **Airbnb** (Nasdaq: ABNB) claims that in global tourist hotspots, stays of 28 days or more have increased by 30% post-pandemic, now making up 17-18% of the business. The investable response has been the apart-hotel, a hybrid format offering serviced apartment amenities on a hotel booking platform. PE capital is moving into this format across all four of those cities.

Investment Themes (2/3)



Sunlight Ecotourism Island Resort, Palawan, Philippines

ESG Premiums and Brown Discounts

Institutional limited partners now require ESG compliance from the hospitality assets they hold through PE funds. This is showing up in transaction pricing. Properties that fail energy efficiency thresholds are being marked down, the so-called brown discount. Eco-luxury resorts in markets such as Palawan in the Philippines and Bali in Indonesia are commanding price premiums over comparable conventional properties. For institutional investors, ESG compliance is now priced into transactions.

Intra-Regional Connectivity

The ASEAN visa liberalization agenda, combined with the expansion of low-cost carrier (“LCC”) networks, is the structural driver of intra-regional travel growth. AirAsia Group has added routes connecting secondary Southeast Asian cities, opening new tourism catchment areas that did not previously exist as commercial markets.

Traveloka (private, co-founded by Ferry Unardi), the Indonesian super-app for travel, holds an estimated 21% share of the Southeast Asian online travel market. It has embedded insurance, financial services, and lifestyle bookings into its platform, making it the most complete regional travel aggregator outside of China.

Investment Themes (3/3)

Key Investment Themes in Asian Tourism

Investment Theme	Key Markets	Projected Growth (2026-2030)	Attracting Factors	Notable Players
Regenerative Tourism	Vietnam, Indonesia	11.27% CAGR (SE Asia, 2026-2031)	Eco-projects, policy support	Banyan Tree Holdings (listed)
Digital Innovation	Japan, China	+35% YoY APAC travel search. (2026-2030)	Tech adoption, personalization	Agoda (Booking Holdings, listed), KKday (entrepreneur-owned)
Wellness/Adventure	Bhutan, Sri Lanka	9.11% CAGR (APAC wellness tourism, 2025-2030)	Health focus, immersive experiences	Anantara Hotels (Minor International, listed), RedDoorz (entrepreneur-owned)
Intra-Regional Connectivity	ASEAN, Japan	+5.9% YoY International air demand, (2026-2030)	Visa reforms, LCC expansion	AirAsia Group (listed), Singapore Airlines (listed)

Sources: Mordor Intelligence (SE Asia Tourism Market, 2025; APAC Wellness Tourism Market, Sep 2025); Expedia Group / ADB SEADS (APAC travel search volume, 2025); IATA (January 2026 Air Passenger Market Analysis, Mar 2026)

Risks

Geopolitical tension across Northeast Asia creates uncertainty for regional air traffic and investment flows. Overtourism is a real operational risk in Japan: Kyoto and Fujisan have both introduced visitor restrictions, which could dampen government enthusiasm for further capacity expansion. A sharp yen reversal would reduce the attractiveness of Japanese assets for foreign PE buyers and any escalation in US-China trade tensions affects Chinese outbound consumer confidence.

None of these risks are new. But investors entering the sector in 2026 are doing so at higher asset valuations than the post-pandemic vintage. The margin for execution error is narrower.

Outlook: Where the Deals Are (1/2)

The best private equity investment opportunities in Asia's tourism sector for 2025 to 2026 are concentrated in markets where recovery is underpinned by long-term demand growth.

Vietnam and **Japan** are the two strongest markets for investment. **Singapore** remains the primary hub for regional dealmaking.

Top Geographic Opportunities

Vietnam is currently the region's fastest-growing tourism market, with international arrivals up 20.4% year on year in 2025, the fastest growth rate of any major market in the region. The country generated an all-time record of US\$40bn in tourism revenue in 2025, contributing approximately 8.8% of GDP. Hotspots include Phu Quoc, along with Nha Trang and Cam Ranh which are both situated in the Khanh Hoa province, which recorded 14.8 million visitor stays in the first 10 months of 2025, up 16.1% year on year.

Japan remains a safe-haven for institutional capital. PE deal value reached US\$20.9bn in the first half of 2025 alone, already surpassing the full-year 2024 total. A weak yen, corporate restructuring, and strong international arrival growth (+21% in 1H 2025) are driving opportunities.

Thailand is seeing a significant shift toward leasehold transactions, particularly in Bangkok, where high land prices are drawing interest from publicly listed developers. Despite a dip in arrivals from some markets, Thailand remains a consistent contributor, with hotel transaction volumes reaching a record US\$846m in 2025.

Indonesia's Bali is evolving from a pure leisure destination into a financial-lifestyle nexus, with new superyacht marinas and special tax zones under development.

Cambodia is positioned as a high-potential frontier market, leveraging Angkor Wat to drive broader industrialization similar to Thailand's growth path in the 1980s.

Strategic Investment Themes

- Institutional investors became more selective in 2025, with Asia-Pacific hotel transaction volumes falling 23% in H1. Private equity and high-net-worth buyers stepped in with smaller, value-add acquisitions, shifting activity toward the mid-market.
- Singapore is leading a MICE boom (Meetings, Incentives, Conferences, Exhibitions), with a heavy emphasis on green-certified events and sustainable luxury.
- Online travel bookings in Southeast Asia have more than doubled since 2022, creating opportunities for tech-enabled travel services.
- Sophisticated investors are increasingly favoring operational improvements and capital-light models over pure real estate plays.

Outlook: Where the Deals Are (2/2)

BDA is actively tracking investment opportunities across Asia's travel and hospitality landscape. With dedicated teams in Tokyo, Singapore, Hong Kong, Mumbai, and Ho Chi Minh City, we bring on-the-ground market knowledge to every mandate, whether that is a hotel acquisition in Japan, a platform investment in an Asian OTA, or a cross-border expansion for a regional hospitality brand. Our track record spans buy-side and sell-side advisory across consumer, travel, and real estate sectors throughout Asia. If you are evaluating opportunities in this market, we would welcome the conversation.

BDA Team



Euan Rellie
Managing Partner
New York
+1 (212) 265 5300
erellie@bdapartners.com



Olivia Feng
Vice President
New York
+1 (315) 928 0217
ofeng@bdapartners.com



Atticus Dobouny
Analyst
London
+44 (0)74 3472 3249
adobouny@bdapartners.com



NEW YORK

1270 Avenue of the Americas
Suite 2901
New York, NY 10020,
United States
Tel +1 (212) 265 5300

LONDON

2nd Floor, 17 Waterloo Place
St James's
London SW1Y 4AR
United Kingdom
Tel +44 (0) 20 3327 3360

MUMBAI

B-902, One BKC, G Block,
Bandra Kurla Complex,
Mumbai, Maharashtra 400051
India
Tel +91 (22) 6140 3800

HO CHI MINH CITY

Level 19, Deutsches Haus
33 Le Duan Street, Ben Nghe Ward
District 1, Ho Chi Minh City,
Vietnam
Tel +84 (28) 3620 8806

SINGAPORE

50 Collyer Quay
OUE Bayfront, #08-01
Singapore 049321
Singapore
Tel +65 6958 1200

HONG KONG

Suite 2002 20/F, 100QRC
100 Queen's Road, Central
Hong Kong SAR
Tel +852 3698 1700

SHANGHAI

HKRI Centre Two, Units 1704-1706
288 Shimen Road (No.1)
Shanghai, 200031
China
Tel +86 (21) 3217 8222

SEOUL

2F, Youngpoong Building
41, Cheonggyecheon-ro, Jongno-gu
Seoul, 03188
Republic of Korea
Tel +82 (2) 735 4214

TOKYO

27F Atago Green Hills Mori Tower
2-5-1 Atago, Minato-ku
Tokyo, 105-6201
Japan
Tel +81 (3) 3433 5800

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