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Report Highlights:

This guide serves as a resource for U.S. companies seeking to do business in Thailand, and provides practical tips and information on local business practices, consumer preferences and trends, food standards and regulations, import and inspection procedures. This guide also identifies opportunities and entry approaches for the three major market sectors (food retail, food service, and food processing). Finally, this guide identifies the best high-value product prospects and key contacts.

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Section I. Market Overview

Thailand commonly bills itself as the “Kitchen to the World.” As Southeast Asia’s second largest economy, strong annual economic growth has been driven by rapidly growing exports for both food and manufactured products. Thailand is the world’s number one producer of natural rubber, rice, canned and frozen seafood, canned tuna, canned pineapples and cassava, and the number two producer of sugar. Growth in agricultural exports picked up in 2007 after a negative performance the previous year. Exports of products such as palm oil, rice, and natural rubber all rose on higher commodity prices. Much of the export growth went to the Middle East, China and India. An increase in minimum wages in early 2008 should help increase Thai consumer spending. However, political instability and the global economic recession have slowed economic growth since the second half of 2007. Economic growth is projected to reach 4.5 percent for 2007 while forecasts for 2008 show growth slowing to 0-2 percent due to political instability and the recent Bangkok airport closures.

Employment growth in Thailand has been driven by the manufacturing sector, which has factored heavily in Thailand’s overall economic growth. The unemployment rate declined from 2.4 percent in 2002 to 1.4 percent in 2007. However, Thailand’s unemployment rate is expected to rise to 2.0 percent in 2009, up the 1.4 percent estimated for 2008. During 2007, Thai Baht ranged from 33.66 to 35.93 Baht per U.S. Dollar, and the average rate was 34.52 Baht per US dollar.

Thailand is currently the 19th largest export market for U.S. agricultural products including fish and forestry products. In 2007, Thailand imported \$218 million in consumer oriented foods from the U.S., up 36 percent over 2006’s \$160 million. Corresponding U.S. imports from Thailand were \$684 million, up 8 percent. Total exports of U.S. foods (including bulk and intermediate, consumer oriented, and edible fishery) to Thailand have shown tremendous growth over the past five years. For example, exports to Thailand jumped from \$725 million in 2003 to \$946 in 2007. The fastest growing segments are consumer oriented agricultural products (21 percent), edible fish and seafood products (10 percent), and bulk and intermediate products (2 percent). The mix of products exported to Thailand from the U.S. has remained constant; bulk and intermediate goods account for 70 percent followed by consumer-oriented products with 23 percent and edible fishery products with 7 percent in 2007.

U.S.-Thailand Trade of Consumer Oriented Agricultural Products					
(m; US\$ per year)	2003	2004	2005	2006	2007
Imports from Thailand	450	498	543	633	684
Exports to Thailand	84	114	136	160	218
Trade Balance	-366	-384	-407	-473	-466
Source: USDA Foreign Agricultural Service - Bangkok, Thailand					

High duties on agriculture and food products are a major hurdle for exports of high-value U.S. food products. Duties on imported consumer-ready food products range between 30 and 60 percent. Tariffs on meats, fresh fruits and vegetables, and processed foods are equally high, even for items with little domestic production. Frozen french fries, for example, are not produced in Thailand, but face a high tariff of 30 percent (WTO bound rate for 2006). When import duties, excise taxes, and other surcharges are calculated, imported wines face a total tax of nearly 360

percent. The tariff on apples stands at 10 percent, while pears and cherries see tariffs as high as 30 and 40 percent (2006 WTO bound rate) respectively.

Change in Thai Food Import Mix from the U.S.					
(m; US\$ per year; % of total)	2003	2004	2005	2006	2007
Bulk & Intermediate	600	571	539	543	662
%	83%	78%	76%	74%	70%
Consumer Oriented	84	114	136	160	218
%	11%	15%	19%	22%	23%
Edible Fishery	41	49	37	32	66
%	6%	7%	5%	4%	7%
Total	725	734	712	735	946

Source: USDA Foreign Agricultural Service - Bangkok, Thailand

Thailand offers many opportunities for alert U.S. exporters. Some examples include:

- Thailand, covering 198,114 square miles, is situated in the heart of Southeast Asia and is considered as the gateway to Southeast Asia. Thailand borders with Laos in the north and northeast, the Union of Myanmar in the north and west, the Andaman Sea in the west, Cambodia and the Gulf of Thailand in the east, and Malaysia in the south. With a population of 63 million, Theravada Buddhism is the national religion and is actively practiced by about 95 percent of Thais, with the remainder practicing Islam, Christianity, Hinduism and other faiths. About 49 million Thais are aged of 15 years and over.
- The size of the work force now exceeds 37 millions, of which 53 percent are male and 47 percent are female.
- The minimum wage in Thailand is roughly \$5.88 per day in Bangkok, and between \$4.29-\$5.71 per day in other provinces.
- A literate population due to increased overseas studies, international travel, access to Internet and cable TV.
- Over 49 percent of Thai population aged 6 years and older favored snack foods. Over 40 percent of children aged between 6-14 years old ate snacks everyday.
- Bangkok has been the economic hub of Thailand and is where most jobs and business opportunities are concentrated. About 16 percent of the total population lives in Bangkok which accounts for 90 percent of the sales of fast moving consumer goods.
- Most medium and high-income consumers live in the major cities, including Bangkok, Phuket, Chiang Mai, Prachuapkhirikhan, Chonburi, Hat Yai, Nong Khai, Nakorn Ratchasima, Samui Island, Surat Thani, Ubon Ratchatahni and Udon Thani.
- Thais in urban areas have become relatively brand conscious and their shopping styles have moved away from the traditional open-air wet markets to modern supermarkets and shopping centers which offer convenience and a wide selection of products.
- There has been ongoing expansion of retail businesses, particularly hypermarkets, supermarkets, modern shopping malls, convenient stores, department stores, etc.
- The demand for imported processed food and raw materials used for re-processing and re-exporting has increased as they are considered better quality than local products.
- Due to the increasing number of women and young adults in the work force, the introduction of ready-to-eat and prepared food items is expected to trigger major growth in

the convenience food market in Thailand. Moreover, the younger population is very receptive to new food tastes that fit their lifestyles.

- The Tourism Authority of Thailand has set a target to develop Thailand as a tourism hub of Asia. The tourism promotion plan targets major markets such as European and Asian countries where there is strong purchasing power. For 2007, the number of foreign tourists totaled 14.5 millions, increasing by 4.6 percent from 2006, and the revenue generated was \$15.56 billion, an increase of 6 percent. The tourist target for 2008 was set at 15.7 million and the revenue is expected to reach nearly \$17.9 Billion in 2008.
- The hotel occupancy rate in Thailand for 2007: Bangkok-68 percent, Chiang Mai-42 percent, Kanchanaburi-45 percent, Krabi-58 percent, Hua Hin-53 percent, Nakhon Ratchasima-54 percent, Nongkhai-41 percent, Pattaya-58 percent, Phuket-66 percent, Ubonratchathani-43 percent, and Trat-42 percent.
- High growth in the number of hotels, resorts and other tourist accommodations leads to greater demand for imported food and beverage items for food service.
- Upper and middle-income consumers in Thailand like to spend money on food, especially during the holidays. Consumption of imported food products peak during New Year, Christmas, Chinese New Year and Thai New Year as gifts of food are given, especially consumer products such as coffee, tea, milk, snack food, jelly, jam, crackers, nuts, fruit juice, wine, beer, whisky, health foods and fresh fruit.
- Continued growth in the number of health-conscious consumers has lead to higher demand for healthy and functional food and drinks.
- Thai consumers view U.S.-origin foods and beverages as being high quality and consistent products, for instance: U.S. beef, French Fries, dried and fresh fruit, nuts, fruit juice, jams, and other products are always rated by local consumers as the best in the world. However, this perspective does not apply to all U.S. products, as some local consumers still prefer French wines over competing countries.
- Even though Thai consumers view U.S. products as high quality, they are very price conscious and susceptible to the current economic downturn. There is a high possibility that the low and middle-income consumers will shift to cheaper products of acceptable quality during these times.

Clearly, the Thai market offers many opportunities for U.S. exporters, but it is not without challenges. To put these opportunities in perspective, some U.S. “Advantages” and “Challenges” are shown in the table below:

Advantages	Challenges
<ul style="list-style-type: none"> • Varieties of superior U.S. high quality agricultural products from fresh to processed food • Several niche market opportunities for U.S. products 	<ul style="list-style-type: none"> • U.S. exporters have incomplete knowledge about the Thai market and at the same time face strong competition from China, Australia, New Zealand, Japan and neighboring countries.

<ul style="list-style-type: none"> Growth in Thai consumer preferences for high quality products 	<ul style="list-style-type: none"> U.S. products are not always price-competitive compared to imports from other Asian countries due to high tariffs, shipping costs and the long distance to Thailand Bilateral free trade agreement between Thailand and other countries, particularly China, Australia, New Zealand and India, induces the import of more low-price products from these trade partners
<ul style="list-style-type: none"> Local Thai consumers view US-origin products as high quality and safe and are confident in the consistency of U.S. foods and beverages 	<ul style="list-style-type: none"> Local manufacturers can improve or change quality of products, tastes or packaging sizes according to changes in consumer behavior and can lower production costs
<ul style="list-style-type: none"> Proliferation of retail industry. New retail outlets are expanding which allow consumers in any part of Thailand to get access to new imported products 	<ul style="list-style-type: none"> Lack of importer and retailer knowledge and training in purchasing and handling of U.S. food products Strong local brands which are either foreign or Thai origins in many food and beverage products e.g. Nestle, Singha Beer, Chang Beer, Frito-Lay, etc.
<ul style="list-style-type: none"> Eating style of Thai people is changing to include more imported food items 	<ul style="list-style-type: none"> Lack of continuous promotion of U.S. varieties in Thai market. Exporters need to support market promotion campaigns to attract and build new markets
<ul style="list-style-type: none"> The international food service industry is expanding rapidly, both in number of companies entering the market and in numbers of outlets. Most major international fast food companies are represented in Thailand, including McDonalds, Burger King, KFC, A&W, Pizza Hut, Auntie-Anne's, Baskin Robbins, Swensen's, Delifrance, Starbucks, Subway etc. The rapid growth of the fast food sector has stimulating many related businesses such as bakery products, dairy products, meat and poultry etc. 	<ul style="list-style-type: none"> Local production is increasingly substituting traditional food imports. Snack foods, salad dressings, sauces, jams and other processed foods that are relatively inexpensive, but have high freight costs, are increasingly being produced locally.
<ul style="list-style-type: none"> The rising number of middle class households spurs consumer spending, which benefits the imported food business. Increase in niche markets with higher incomes and high premium product preferences 	<ul style="list-style-type: none"> Market penetration for imported products is concentrated in Bangkok and major tourist-destination provinces mostly
<ul style="list-style-type: none"> Demand within the tourism industry is growing U.S. beef, turkey, seafood, wine and seasonings which can be used in American, French, Japanese and other international style restaurants 	<ul style="list-style-type: none"> American style food products produced locally cost less
<ul style="list-style-type: none"> Reliable supply of U.S. agricultural products and advanced U.S. food processing technology 	<ul style="list-style-type: none"> Thai government's policy and actions try to increase demands for Thai local products Food safety concerns
<ul style="list-style-type: none"> Government's policy to support the development of value-added production, this will boost the demand of food ingredients, especially new ingredients 	<ul style="list-style-type: none"> Some food ingredients can be produced locally

<ul style="list-style-type: none"> • Good relationships with foreign suppliers 	<ul style="list-style-type: none"> • High import tariffs on high value consumer food and beverage products, especially U.S. meats, wine, spirits, cherries, peaches, plums, pears, French fries, etc.
<ul style="list-style-type: none"> • Thai importers prefer to deal with quality and reliable U.S. suppliers who are able to supply products at competitive prices 	<ul style="list-style-type: none"> • Lack of trader and consumer awareness of U.S. products, while marketing costs to increase consumer awareness are high
<ul style="list-style-type: none"> • Thailand's beneficial geographical location is viewed as a gateway to other Asian markets 	<ul style="list-style-type: none"> • Due to high import tariffs on U.S. products, most Thai importers have shifted to import products from other Asian countries, especially Australia, China, Malaysia, and Singapore
<ul style="list-style-type: none"> • Increasing Thai exports of food products drive demand for food ingredients. • Increasing demand for using imported ingredients for innovative products. • Growing number of companies paying attention to quality over cost for food ingredients. 	<ul style="list-style-type: none"> • US products, especially soya based products, are experiencing some issues with GMO content. There is no problem with food products destined for local consumption, but there are issues for export products to countries such as EU and Japan.

Section II. Exporter Business Tips

The following includes observations collected from a variety of sources on exporting food products to Thailand. Some are obvious, but warrant repeating, while some you may not have considered. They are organized under three topics: communicating, meeting, and exporting. We hope these suggestions will prove useful in your efforts to export to Thailand.

Communicating

- When greeting a Thai, use the word Khun (pronounced coon) in place of "Mr." or "Mrs." and the person's first name, which is listed first on his or her business card. For example, a Westerner with the name "Peter Moore" would be called "Khun Peter". Among Thais, family names are not usually used. Most Thais refer to each other by their first names only. Never refer to yourself with the word Khun; simply say your first name. Thais will probably address you by using "Mr." or "Mrs." and your first name.
- Introductions: foreign companies may write directly to Thai companies, although personal introductions will always enhance a firm's credibility and acceptance.
- Most Thais greet someone by bowing slightly towards them while bringing the hands pressed together in a praying position between the chest and forehead. The exact location of the hand depends on the level of respect being offered — the height and depth of a person's bow indicates social status. This gesture, known as a "wai", can be used when greeting someone on arrival and departure, and also when saying, "I am sorry" or "thank you." There is no need to wai taxi drivers, secretaries, clerks, and other support or service people.
- It would behoove foreign businesses to hire a representative or agent with local connections, especially if they intend to buy from or sell to Thailand. Assess any local representative or partner's political relationship, as the government is still very much involved in the private sector. Networking with government officials and/or correct authorities can be the key to doing business successfully, especially if your firm intends to do a major project. Although a local representative is often the best choice, monitor your representative closely and require measurable performance.

- Keep in mind that in most of Asia, calendar dates are shown in the day/month/year format, ex. 05/12/08 means December 5, 2008. To avoid confusion, you may want to use the full date in correspondence.
- Have some fun by learning a few words of the local language, especially social greetings. This displays interest in the country.

Meetings

- Avoid business visits during the New Year Festivals (both the Chinese and Thai ones).
- Heavy traffic is the most common excuse for tardiness.
- Business cards are always exchanged at the first meeting. It is important to carry a sufficient quantity; failure to offer a business card may make Thais suspicious of your position and authority. Be sure your card indicates your position and responsibility. And be sure to have your personal information in Thai on the back of the card. Don't throw or slide your card.
- Begin initial meetings with casual conversation on such topics as your travels, the beauties of Thailand, possibly questions about your counterpart's overseas experiences.
- Avoid topics relating to politics, the royal family, and religion. A little praise of the country and the Thai people goes a long way.
- Never touch or point with your feet. It is consider rude to cross your legs and point your feet at someone. Thais place a great importance on appearance and politeness.

Exporting

- It is essential to visit the market to conduct market research, especially for product testing, price comparisons, and for reviewing export statistics of the last 3-5 years.
- Localize your products: adjusting the product for local tastes, verifying consumers' preferences and setting your products' price to be very competitive.
- U.S. exporters should locate the best distribution channel (e.g. local importers, distributors, supermarkets, retailers, etc.) and establish a good relationship with them, as they are very useful in facilitating and promoting exports of U.S. consumer-ready foods to Thailand.
- Trade fair participation is another way to raise awareness of your product.
- In Thailand, some large manufacturers and retailers import raw materials or products directly while medium, small manufacturers, retailers, as well as hotels, prefer to purchase products from local importers.
- Successful U.S. exporters must provide reliable product availability, consistently quality, technical support, and accurately responding to inquiries within 24 hours as Australia and New Zealand are just a phone call away in a similar time zone.
- Understand that there is likely only one decision-maker in a company, and that person often is not the purchasing manager.
- Product Registration: Applications for product registration should be submitted to the Food Control Division, FDA. The approximate amount of time required for product registration, starting from submitting the application, is about one month. However, delays are usually caused by inaccurate or unacceptable details in the documents. There is little chance for licensing a product unless the manufacturer or exporter provides the necessary details required by the FDA.

- The product should be packed and shipped for a tropical climate and have clear storage instructions. This is especially important, as few cold storage or air-conditioned facilities and delivery trucks exist.
- When introducing new products, several factors should be kept in mind. Middle to upper income Thai consumers have an aversion to low quality products and are attracted to branded products. They also tend to be image conscious. Existing brand loyalties are most likely to be broken by new products that are of good quality, well packaged, distributed, promoted and competitively priced.
- Be patient and think long term. It is not unusual to visit the market 2-3 times before details are finalized.
- Study the most recent Food and Agriculture Import Regulations and Standards (FAIRS) Report for Thailand. This concise document - covering food laws, labeling requirements, food additive regulations, pesticide and other contaminants, import procedure and other key regulations, requirements and specific standards-should be required reading for all exporters and is available on the internet at <http://www.fas.usda.gov/>
- Contact the Foreign Agricultural Service in the U.S. Embassy, Bangkok (agbangkok@fas.usda.gov) with any questions on issues such as standards, tariffs, regulations, labeling, or other concerns. In addition, FAS office in Bangkok has prepared the monthly newsletter "SAWASDEE THAILAND" providing the latest information on the Thai agricultural situation and U.S. export opportunities to U.S. exporters. For subscription of this newsletter, please contact FAS office in Bangkok.

Section III. Market Sector Structure & Trends

The retail market accounts for more than 70 percent of total food spending, while consumers are allocating a lower proportion of their expenditures to food service (30 percent). This reflects a tendency among low and middle income Thais to cook at home rather than dine out, particularly in rural areas. However, eating out and patronizing restaurants is growing among the younger generation, as well as working professionals, as it is more convenient and efficient than cooking at home. Some people rarely cook at home as they can buy foods, which are cheaper, and more varied than they could make themselves. Furthermore, the increasing number of food establishments in the market has also resulted in a considerable increase in food service.

Tourism is Thailand's second-biggest source of foreign revenue after exports, accounting for 6 percent of GDP. In 2007, tourists in Bangkok, Chiangmai and Nakhon Ratchasima spent about 24 percent on shopping activities – the largest share. In general, low cost products, unique Thai traditional products, and in particular different retail concepts ranging from department stores to large-scale flea markets attract tourists. Accommodation expenditure constituted a significant 28 percent share for other major tourist expenses. Tourism activities in 2008 were expected to continue improving in line with the rising foreign tourists, especially from Europe, Oceania, and the Middle East, which have exhibited high growth in recent years. However, the Bank of Thailand estimates that the recent airport shutdown could end up costing Thailand more than \$5 billion in lost trade and tourism alone from now until February 2009 when the high tourism season typically tapers off.

Tourism Spending								
(m; US\$ per year; % of total)								
	Bangkok	%	Chiangmai	%	Pattaya	%	Krabi	%
Accommodation	2,141	22%	264	23%	582	34%	218	30%
Food and Beverage	1,513	16%	182	16%	332	19%	127	18%
Excursion	548	6%	83	7%	121	7%	88	12%
Travel within country	1,061	11%	111	10%	159	9%	63	9%
Shopping	2,092	22%	299	27%	247	14%	113	16%
Entertainment	2,000	21%	130	12%	215	13%	76	11%
Other expenses	303	3%	57	5%	63	4%	33	5%
Total	9,659	100%	1,127	100%	1,719	100%	716	100%

Source: USDA Foreign Agricultural Service - Bangkok, Thailand

Tourism Spending								
(m; US\$ per year; % of total)								
	Nakhon							
	Phuket	%	Ratchasima	%	Trat	%	Hua Hin	%
Accommodation	765	28%	52	21%	69	36%	82	31%
Food and Beverage	472	17%	55	23%	41	21%	60	22%
Excursion	223	8%	12	5%	13	7%	14	5%
Travel within country	340	12%	36	15%	20	11%	27	10%
Shopping	449	16%	53	22%	22	11%	49	18%
Entertainment	352	13%	26	11%	23	12%	27	10%
Other expenses	129	5%	10	4%	6	3%	8	3%
Total	2,730	100%	244	100%	194	100%	267	100%

Source: USDA Foreign Agricultural Service - Bangkok, Thailand

Retail Sector

Thailand represents one of the most attractive food and drink markets in the Asia Pacific region. The country's retail sector is a vital component of the Thai economy and retail sales in Thailand are predicted to continue growing despite concerns surrounding the international financial market downturn and domestic political uncertainty. It is estimated to be worth \$3.5 billion, contributing 15 percent to gross domestic product. Retail trade in 2007 expanded from the previous year due to the sales expansion seen in supermarkets and department stores as well as the sales of fresh food, fruits and vegetables. According to the Thai Retailers Association, retail sales increased monthly, leading to average growth of 7-10 percent for the retail sector in the first three months of 2008. Sales from department stores rose by 7 percent and discount stores 10 percent. Thailand's retail sector experienced a rapid increase in new investments from both local and foreign players since 2003 despite economic uncertainty. Driven by hypermarkets and convenience stores, Thailand is the second most dynamic retail market in Asia after China. There are 7,000 convenience stores nationwide and 15 percent of packaged FMCG (fast moving consumer goods) sales go through this channel. Over 90 percent of urban Thai shoppers use convenience stores and they visit them regularly, an average of 13 times a month. As of September, 2008, the average number of customers visiting convenient stores, per store per day, was 1,204.

Multinational retailers have dominated Thailand's modern food retail market with aggressive store expansion in 2000-2002, especially in the hypermarket segment. The majority of these investments have come from the leading international retail chains: UK-based Tesco with its

Tesco Lotus stores, Big C Supercenter of Casino Guichard-Perrachon SA of France, Carrefour of France, and Netherlands-based Makro. About 90 percent of urban Thai shoppers use hypermarkets at least once a month. The average Thai consumer spent is about \$150 per month on retail products, of which 49 percent was spent on fresh foods. These larger firms represent excellent opportunities for U.S. exporters of consumer food items. Intense competition in the retail market, particularly from these large-scale modern companies that use price strategies and loan extensions to low-income consumers led to the closure of many traditional stores. As a result, the retail market structure continues to evolve, with modern retailers such as hypermarkets, supermarkets and convenience stores gaining market share while traditional retailers gradually decline.

Since the beginning of 2003, hypermarket expansion in Bangkok has been experiencing decelerating growth, given the fewer new hypermarket construction projects underway. This is due to a limited number of good locations in urban areas, space limitations under the Retail Business Act (RBA), and changes in consumer lifestyles. Therefore, there have been some changes in store formats since 2007. The number of stores with complex formats should outpace the old style store format, namely stand-alone stores (no theater, restaurants, or entertainment places). It is projected that retail business competition in the future will be more in the form of innovative channels to meet consumer demand; branches to cover more areas, and searching for newer and better products to offer to customers. In addition, the flow of local shoppers has been diverted from department stores, wet markets and grocery stores to hypermarkets and supermarkets. Therefore, supermarkets and hypermarkets are the best method of entry for U.S. exporters to enter Thailand's retail food market and offer a variety of quality products at competitive prices to satisfy Thai customers' desires.

Large convenience store chains like 7-Eleven are recommended for selected foodstuffs. They are trying to increase the number of food items to be 90 percent of total products, up from 70 percent, or 1,700 items at present. It is estimated that by the end of 2009, the number of 7-Eleven stores in Thailand will reach 5,000. The main factors U.S. exporters should consider for U.S. food products are pricing, shelf life of the product, and consumer preferences. The traditional 'Mom and Pop' stores and wet markets in Thailand are not the ideal entry points for U.S. exporters as price sensitivity and preferences for traditional diets by consumers in this sector are not a good match. U.S. exporters should be aware that many U.S. branded food products such as snack foods, candy, chocolate and breakfast cereals are present in the market as locally or regionally produced food products. The ASEAN Free Trade Area (AFTA) is one of the major factors contributing to shift in manufacturing bases.

Most supermarkets and hypermarkets in Thailand have their own house brands for ready-to-eat foods, ready-to-cook prepared foods, home-made bakery items, sausages, water, cooking oil, rice, sauces, dairy products and fruit juice. The margins on house-brand products for the retailers are double that of branded products. House branded items for some particular products have grown in popularity due to their cheaper price, especially for somewhat generic food items, such as sugar, fish sauce, bottled water, etc. Despite this, there are significant opportunities for the private label products to grow in this market since the market share in the packaged food category of private label products is less than 5 percent. Almost all hypermarket and supermarkets provide space for fast food outlets, kiosks, laundry, a florist, bookstores, photography, movie rentals and

restaurants. They also have their own distribution centers to ensure product freshness and operation efficiency.

Entry Strategy – Supermarkets, Hypermarkets and Cash and Carry

The best method for U.S. exporters to sell to supermarkets, hypermarkets or cash and carry is to directly contact these outlets, which typically import directly, and also should contact importers and distributors. U.S. exporters should be aware that many multinational retailers in Thailand charge listing fees or a listing allowance for new products. The fee will be charged in accordance with a formula based on the number of retail outlets and SKU (stock keeping unit).

Distribution Channels - Supermarkets, Hypermarkets and Cash and Carry

The distribution channel for supermarkets, cash and carry, and hypermarkets in Thailand normally begins with importers and goes to distributors, then to a central warehouse or direct to retail outlets. The foodstuffs will be kept either in the importers' warehouse, distributors' warehouse, or a central warehouse before delivery. Some supermarkets, superstores and hypermarkets operated by multinational operators import food products directly and keep them at their own distribution centers before delivery to each outlet.

Entry Strategy - Convenience Stores, Gas Marts & Kiosks

The best method for U.S. exporters to enter this market segment is to contact the head office of convenience stores, gas marts and kiosks. U.S. exporters should be aware of the listing fee or listing allowance that may be charged by large convenience store chains. The fee will be charged in accordance with a formula based on the number of outlets and SKU.

U.S. branded foods sold in these stores are generally produced in Thailand or neighboring Southeast Asian countries. These products include snack foods, chocolates, cookies, candies, gums and breakfast cereal. Distributors often import U.S. branded foods from neighboring countries rather than from the United States because of the low cost and AFTA preferential tariffs. Sales trends of imported food in C-stores versus locally produced goods will decrease gradually from five to zero percent, in line with the purchasing power of the target group. U.S. products will be well received by Thai consumers in C-stores if price and quality is similar to what local suppliers offer.

Distribution Channels - Convenience Stores, Gas Marts & Kiosks

A common distribution channel for convenience stores, gas marts and kiosks originates from U.S. exporters to U.S. consolidators and traders to Thai distributors to C-stores, gas marts and kiosk distribution centers. Some Thai distributors distribute foodstuffs directly to C-stores, gas marts and kiosk outlets. Most of the foodstuffs that are distributed directly to the outlets are fresh, including baked goods and dairy products. The flow pattern of different retailers varies depending on the sales volume and number of outlets. A key ingredient in the success of the larger retailers is control of their own distribution centers.

Entry Strategy - Traditional Markets

For U.S. exporters, Thai traditional wet markets are more difficult to enter considering the expected purchase price of products, low consumer purchasing power, the size and traditional distribution channels of the outlets, and consumer preference for traditional Thai and Chinese food.

Distribution Channels - Traditional Markets

Usually local manufacturers will have their own distributors to distribute their products. Some local producers are under supervision of a Royal Project in which assigned distributors manage the distribution.

Best Market Prospects

The best market prospects for U.S. suppliers include breakfast cereal, frozen seafood (scallop, lobster, fish, mussel), fruit juices, instant and ground coffee, jam, nuts (walnuts, hazel nuts, macadamia nuts), canned soup and fruits, candy, chocolate, chocolate milk mix, dairy products (cheese, cheese spread, cream cheese, whipped cream, cheese sticks, cheese dip and ice-cream), dips, fresh fruits (cherries, grapes, peach, plums, nectarine, berries, grapefruit, apples), frozen pizza, frozen peas, pie fillings, frozen processed turkey, dried fruits, red meat, American spices, seasonings and sauces, snack foods, syrup, vinegar, wine, spirits and pet food.

The best selling U.S. food products are U.S. beef, U.S. Turkey, fresh fruits (cherries, grapes, and WA apples), frozen French fries, scallops, snack foods, breakfast cereal, wine, dried fruits, and pet foods. Products that are not currently present in the market in significant quantities but have good sales potential are American bourbon and whisky, seafood including Alaska King crab legs, halibut and other fish, fruit juices, biscuits, candy, peaches, pears, plums, nectarines, chocolate milk mix, cheese, dip sauce, other cooking products.

Further Information

Further information on this area is available in A Market Brief on Thailand's Retail Food Sector Report, which can be obtained from the FAS homepage at <http://www.fas.usda.gov>

HRI Food Service Sector

Thailand's large HRI food service sector comprises approximately 150,000 outlets including some 100,000 restaurants and more than 5,000 hotels and resorts. Hotels, resorts, restaurants and institutional contracts are the heavy users of imported food for food preparation and ready-to-eat meals at restaurants, catering services for airlines and cruise lines. This is because this sector attracts middle to higher income Thais, Thai corporate businessmen, resident expatriates, and tourists. Consumer expenditure on hotels and catering per capita was \$155, a 1.37 percent increase from the previous year. Throughout 2007, international tourist arrivals to Thailand totaled 14.5 million, up 4.6 percent, and the average hotel occupancy rate was at 60.8 percent, declining from 63.0 percent in previous year. Domestic political issues held hotel and restaurant growth fairly flat at 0.2 percent in the third quarter of 2008, compared with the 9.2 and 5.9 percent

expansion in the first and second quarter. Thailand's tourism is an important component of the service sector and generated approximately \$15.56 billion revenue in 2007.

Food and beverage sales in hotels and resorts account for about 30 percent of total revenues. The average rate of imported food versus locally produced food in the entire HRI sector is 30 percent; the U.S. has approximately 15-20 percent of the imported product share. U.S. beef, seafood (lobster, Alaska king crab legs, scallops, etc.), wines, potato, seasonings, etc are well known in the hotel/restaurant trade, and with airline catering companies. Thai Airways International uses 30-40 percent imported food in their in-flight catering service.

Independently owned restaurants have been largely replaced by chains of restaurants such as Oishi, Fuji, Zen, S&P, Black Canyon, MK Suki, Grayhound, etc. Sidewalk restaurants have been replaced by food centers and food courts, which are more hygienic and more convenient. Food centers and food courts can be seen in most department stores and office buildings. Fast food and chain restaurants have boomed for the last few years and are expected to continue expanding for the next few years. Hot and cold drinks including coffee and ready-to-eat foods are served in convenience stores and stand alone outlets.

Retail Consumer Expenditure on Alcoholic Drinks 2002-2007						
(m; US\$)	2002	2003	2004	2005	2006	2007
Total	3,184	3,511	3,807	4,135	4,671	5,320
Source: Euromonitor						

The consumption of alcohol beverages continued to rise despite government campaigns discouraging drinking, which include limitations placed on the sale times of alcohol. In 2007, the average spending on alcohol per household was \$69 per year and account for 1.4 percent of their total household expense.

Entry Strategy

Direct contact with local food service importers is the best entry for U.S. exporters. Normally hotels and resorts do not import food directly. It is easier for hotels and resorts to order from food service companies because they have specialized in providing high quality U.S. products to the five-star hotel and restaurant industry. Restaurants such as fast food chains or family style restaurants, also order and purchase imported food from food service companies or from their affiliate companies who act as their distributors. Five star hotels and resorts are highly recommended for U.S. exporters. International food restaurants located in prime areas of Bangkok, Phuket, Hua Hin, Krabi, Chiang Mai, Samui Island and Pattaya are secondary recommendations for U.S. exporters. Direct contact with Thai Airways International's catering department is also recommended.

Best Market Prospects

Best market prospects for U.S. suppliers include U.S. beef, turkeys, seafood such as U.S. fish (halibut, king salmon, cod), Alaska king crab, scallop, mussels, and oysters; spices, seasonings and sauces; baking products, canned foods (soup, fruit and vegetables), dairy products (cheese, cheese spread, cream cheese, whipped cream, sour cream, cheese dip, ice-cream, dips), fresh

fruits and vegetables (radish, celery, carrots, apples, grapes, cherries, avocados, blueberries, grapefruit, oranges), frozen berries, pie fillings, frozen peas, fruit juice (apple, prune, orange, grape, sparkling white grape), jam and jelly, nuts (walnuts, hazel nuts, macadamia nuts), dried fruits, pickles, ready-to-mix pancakes, cookies, muffins and cake, syrup, vinegar, wine and whisky.

Food Processing Sector

Thailand has become one of the leading food producers in the world and is the largest food exporter among all Southeast Asian countries. There are over 10,000 food-processing companies in Thailand, the majority (80 percent) of which are small sized establishments and cottage industries. Reflecting Thailand's state of economic development, the average household spending on food and non-alcohol beverages is about 25 percent in-between that of the Philippines (around 40 percent) and Singapore (around 13 percent). In 2007, consumer expenditures on food and non-alcohol beverages stood at \$33.23 billion. The total value of spending on food & beverages will rise by an average of more than 7 percent a year, reaching \$38 billion in 2009.

Additionally, Thailand is a leading supplier of a wide variety of commodities and/or products including rice, rubber, cassava, sugar, seafood, poultry meat, frozen, ready-to-eat foods, and processed fruits and vegetables. Thailand's food processing sector is heavily export-oriented with more than 50 percent of production sold outside the country. Approximately 67 percent of exports are processed seafood products. Thai food processors import large quantities of food ingredients for the food processing industry, which are not available locally.

Although domestic ingredients hold the greatest share of the market, these items tend to be low-value, high-volume raw and semi-processed products such as grains, vegetable oils, and starches. Higher value and more technology-based ingredients are generally not available locally and must be imported. The food ingredient market is growing continuously due to increases in population and in purchasing power; increases in the number of dual income families; and new product development.

Followings are some general characteristics of the Thai food processing industry:

- The Thai processed food sector is one of the most developed in South East Asia. The primary processed food and beverage products are frozen shrimp, sugar, poultry, canned tuna, confectionery and snacks, canned pineapple and tapioca.
- The Thai market for raw materials is growing. Thai companies primarily supply raw inputs to the food-processing sector. Nevertheless, the import market for these ingredients continues to grow. Demand growth for raw materials is due to increased localized production of processed products that are in high demand and are expensive to ship long distances;
- Many Thai retail stores are modernizing and increasing their refrigerated and frozen foods capacity. In addition, modern logistics and technology are being introduced by multinational retail chains to the market;
- Major retail chains purchase directly from processed food producers;

- Increased local production of some traditionally imported foods. Snack food, salad dressings, sauces, jams and other processed foods that are relatively inexpensive but have high freight costs will be increasingly produced locally;
- An increase in the use of imported ingredients for innovative products;
- A move toward higher quality ingredients. There are some companies moving towards using better quality ingredients instead of ingredients chosen on the sole basis of cost;
- High investment in capital equipment, improvements in food technology, stronger sanitary requirements, marketing innovations, and Thai exports of finished food products have all contributed to increasing demand for food ingredients. Major food exporters have expanded their production capacity through new machinery purchases or upgrades to meet demand for a variety of products in the major markets and to satisfy international quality standards including HACCP and ISO;
- There is rising awareness of the benefits of healthy foods. Consequently, natural ingredients are playing an increasingly important role. Nonetheless, some food processors still prefer artificial flavorings and additives due to the limitations of natural ingredients, e.g. shelf life, consistency, quality of taste, color etc.

Fish and seafood, dried fruits, soybean, milk products, cereals, fat and oils, starches and derivatives, fresh fruit and vegetable products, and coloring were the leading food ingredients imported into Thailand. Larger food processors tend to be more export-oriented with their major markets being Japan, the US and the EU. Accordingly, Thailand must meet international standards.

Thailand's processed food exports have been increasing steadily due to a number of factors: the government's efforts to improve the quality of local industries' output to export quality; the processed food sector's efforts to raise quality and sanitation standards; and the introduction of new, ready-to-cook products, mainly for the Japanese and EU markets. Domestic consumption of processed food continues to grow, following the population and income growth and lifestyle changes

Although domestic ingredients hold the largest share of the market, at the moment, these items tend to be low value, high volume, raw and semi-processed products such as grains, vegetable oils, and starches. Higher value and further processed products are generally not available locally and must be imported. Expected expansion in the food processing industry should provide many export opportunities for U.S. food ingredient exporters in the medium- and long-term as this market segment continues to grow.

The Thai food and beverage manufacturing industry has a broader base than many of their competitors in Southeast Asia. Most of the major Thai food processing companies are also involved in exporting their products to overseas markets. Several trends are influencing the type and quality of inputs used in processed foods:

- Thailand's open trading environment has stimulated the extensive use of imported ingredients by the local food processing industry. This has enabled the industry to experiment and introduce a wide range of new processed products to the market, e.g. prepared frozen foods, processed meats, and new beverages types;

- Thai consumers have increased awareness about their health and nutrition. Macrobiotic foods, vegetarian foods, and health foods have become popular in recent years. Although the scope of the healthy foods business is smaller and less advanced compared to Western countries, Thai consumers are steadily becoming more health-conscious and demanding more flavor-intensive convenient health foods;
- Changes in the retail sector have driven changes in the processing sector. The trend in the retail sector is away from small grocery stores and towards supermarkets and hypermarkets. Currently there are approximately nearly 800 branches of supermarkets and hypermarkets in Thailand. Consumer expectations have also changed significantly. Faced with an increasingly diverse range of products, quality and price, consumers have become more demanding. In response to increasing consumer expectations, large food retailers, especially international companies, are demanding that Thai food manufacturers meet higher quality standards;
- The rapid change in consumption patterns has led Thai food processors to begin investing in ready-to-eat meals and frozen food products;
- The snack foods industry has also benefited from the trend toward Western foods. The increasing popularity of mini-marts and convenience stores are the driving force in the snack foods market. There are over 15 large manufacturers of snack foods in Thailand and a large number of small firms supply snacks to the local market. Several of the larger manufacturers are increasing exports to other Asian countries, Europe and the U.S.;
- The snack market is becoming increasingly competitive. Therefore, snack manufacturers have to differentiate their products by introducing innovative flavorings, especially for potato chips and rice crackers. In addition, consumers are increasing their rate of snack consumption, trying new snack tastes and varieties.
- Thailand's seafood processing sector is the fourth largest in Asia after Japan, China, and India. More than 90 percent of its output is bound for export markets, so continual improvements in production quality are being made to maintain and expand demand. Canned and frozen products account for 80 percent of the output. The leading products are canned tuna, frozen prawns, squid, and assorted fish.

Entry Strategy

The most effective way for U.S. food ingredients exporters to enter the Thai market is either appoint a reputable and experienced local importer/distributor or contact directly to the food manufacturers. Local firms usually have a good understanding of the market and know how to make direct contact with food manufacturers, government officials and other key contacts. A good local importer/distributor can also provide valuable support in arranging meetings with the manufacturers especially their R&D and manufacturing divisions, translating technical information, and help arrange other marketing and sales activities. Trade shows are also highly effective ways to promote new food ingredient products. Food Ingredients Asia, a well attended food trade show, will be held in Thailand again in 2009.

U.S. market development cooperators are also active in Thailand and other Southeast Asia countries. These groups offer many marketing opportunities for U.S. firms, including trade team visits, technical seminars, local promotional events, and other activities. Cooperators with active programs in Thailand and other regional countries include the U.S. Grains Council, U.S. Meat Export Federation, U.S. Poultry & Egg Export Council, U.S. Dry Pea and Lentil Council, U.S.

Dairy Export Council, California Raisin Administrative Committee, U.S. Wheat Association, American Soybean Association, U.S. Potato Board, various U.S. fruit and nut associations, as well as several state and regional groups such as WUSATA, SUSTA, and Food Export Association of the Midwest USA.

Best Market Prospects

The best market prospects for food processing include dried fruit and nuts, wheat, maize, dehydrated potatoes, soybeans, food chemicals and additives, flavorings, starch, meat, whey, skim milk powder, juice concentrates and other baking ingredients.

Distribution System

Food processing generally is distributed through two channels. The first is through traditional importers, who re-sell to local distributors or distribute through their own marketing and delivery network to end-users. As Thailand's food processing industry has grown and become more sophisticated over the past few decades, food manufacturers are increasingly importing directly from foreign supplies. This is especially true for large, integrated food processors, which are well oriented for international trade.

Further Information

Further information on this area is available in A Market Brief on Thailand's Food Processing Sector Report, which can be obtained from the FAS homepage at <http://www.fas.usda.gov>

Section IV. Tariff

	PRODUCT	HARMONIZED CODE	QUOTA	TARIFF RATE (for USA)			PRODUCT	HARMONIZED CODE	QUOTA	TARIFF RATE (for USA)	
				(%)	Volume					(%)	Volume
1	BEEF (Fresh and Frozen)*	0201		50		24	POPCORN	190490		30	
		0202				25	SAUSAGES	1601		30	
2	BEEF OFFALS*	020610		30		26	SUGAR CONFECTIONERY	170410		30	
3	PORK MEAT	020329		30				170490			
4	MEAT OF SHEEP/LAMB	0204		30		27	CHOCOLATE & FOOD PREP. WITH COCOA	1806		10	
5	TURKEY	020724-020727		30		28	MILKFOOD FOR INFANTS	190110		30	
6	SALMON,TUNAS,COD,SARDINES	0303		5		29	BREAKFAST CEREAL	190410		20	
	MACKEREL AND OTHER FISH					30	FROZEN FRIES	200410		30	Bt.25.00/kg
7	CRABS	030614		5		31	JAMS, FRUIT JELLIES	2007		30	Bt.25.00/kg
8	SCALLOPS	030721		5		32	PEANUTS	200811		30	Bt.25.00/kg
		030729				33	ALMOND (ROSTED)	200819		30	Bt.25.00/kg
9	SKIMMED MILK	0402	X	5 (in-quota) 216 (out-quota)		34	CANNED PEACH	200870		30	Bt.25.00/kg
10	CHEESE & CURD	0406		30		35	FRUIT & VEG JUICE	2009		30	Bt.10/l.
11	DRIED PEAS, BEANS, LENTILS	0713		5		36	INSTANT COFFEE	210111	X	40 (in-quota) 49 (out-quota)	
12	ALMONDS, FRESH/DRIED	080211		10	Bt.8.50/kg			210112		30	
	IN SHELL & SHELLD	080212				37	INSTANT TEA	210120		30	
13	PISTACHIOS, FRESH/DRIED	080250		10	Bt.8.50/kg	38	TOMATO KETCHUP	210320		30	
14	ORANGE	080520		40	Bt.33.50/kg	39	MUSTARD	210330		30	
15	GRAPEFRUIT, FRESH/DRIED	080540		40	Bt.33.50/kg	40	OTHER SAUCES & PREP	210390		5	
16	GRAPES, FRESH	080610		30	Bt.25.00/kg	41	SOUPS & BROTHS & PREPARATION	210410		20-30	
17	RAISINS	080620		30	Bt.25.00/kg			210420			
18	APPLE (FRESH)	080810		10	Bt.3.00/kg	42	BEER	2203		60	
19	PEARS & QUINCES	080820		30	Bt.15.00/kg	43	CHAMPAGNE	220410		54	
20	CHERRIES (FRESH)	080920		40	Bt.33.50/kg	44	WINE	220421		54	
21	PEACHES, INCL. NECTARINES	080930		40	Bt.33.50/kg			220429			
22	PLUMS AND SLOES	080940		40	Bt.33.50/kg	46	WHISKIES	220830		60	
23	COFFEE	0901	X	30 (in-quota) 90 (out-quota)		47	DOG&CAT FOOD	230910		9	

Remark: *Inspection fee by Livestock Department is equal to Baht5/kg. for beef and Baht20/kg. for offals

Section V. Key Contacts & Further Information**A) U.S. Department of Agriculture, Foreign Agricultural Service**

The Foreign Agricultural Service in Bangkok maintains current information covering food and agricultural import opportunities in Thailand and would be pleased to assist in facilitating U.S. exports and entry to the Thai market. Questions or comments regarding this report should be directed to following:

Local:

Office of Agricultural Affairs
U.S. Embassy
120-122 Wireless Road
Bangkok 10330 Thailand
Tel: 662-205-5106
Fax: 662-255-2907
E-mail: agbangkok@usda.gov
Website: www.fas.usda.gov

U.S. Mail:

Office of Agricultural Affairs
U.S. Embassy, Box 41
APO AP 96546

Key Contact(s):
Gary W. Meyer, Agricultural Counselor
Corey Pickelsimer, Agricultural Attaché

B) Cooperators

Feel free to contact the U.S. non-profit organizations, representing U.S. agricultural products by conducting market development activities to promote various U.S. commodities and high value products in Thailand and other Asian markets. Please note: some of these organizations are located in Thailand and others in neighboring countries such as Singapore have regional responsibilities.

American Soybean Association
Thailand Representative
59/43 Baan Klangmuang
Ladprao 71 Road
Bangkok 10230
Tel. 662-539-5373, 539-5332
Fax 662-539-5256
E-mail: asathai@loxinfo.co.th

California Table Grape Commission
California Tree Fruit Agreement
48 Toh Guan Road East
#02-129 Enterprise Hub
Singapore 608586
Tel: 65 6515 6113
Fax: 65 6278 4372
E-mail: Richelieu@lieumktg.com.sg

Cotton Council International (Thailand)
2 Soi Farm Wattana,
Phrakanong, Klongtoey,
Bangkok, 10110 Thailand
Tel: 662-253-8604
Fax: 662-381-1437
Email: kraipob@pangsapa.com

Northwest Cherry Board
208 Ram-Inthra Soi 19, Ram-Inthra Road
Bankhen, Anusao-waree
Bangkok 10220, Thailand
Tel. 662-521-2170
Fax. 662-970-8208
E-mail: pt@waapples.com

Pear Bureau Northwest
48 Toh Guan Road East
#02-129 Enterprise Hub
Singapore 608586

Raisin Administrative Committee
48 Toh Guan Road East
#02-129 Enterprise Hub
Singapore 608586

Tel: 65 6515 6113
Fax: 65 6278 4372
E-mail: Richelieu@lieumktg.com.sg

U.S. Dairy Export Council
Southeast Asian Representative Office
P.O. Box 1492
Nana Post Office
Bangkok 10112
Tel. 662-254-3768
Fax 662-254-3769
E-mail: usdec@pacrimassociates.com

U.S. Meat Export Federation
#15-03 Liat Towers
541 Orchard Road
Singapore 238881
Tel: 656-733-4255-6
Fax: 656-732-1977
E-mail: singapore@usmef.com.sg

U.S. Wheat Associates
#15-02 Liat Towers
541 Orchard Road
Singapore 238881
Tel: 656-737-4311
Fax: 656-733-9359
E-mail: msamson@uswheat.org

Washington Apple Commission
208 Ram-Inthra Soi 19, Ram-Inthra Road
Bankhen, Anusao-waree
Bangkok 10220, Thailand
Tel. 662-521-2170
Fax. 662-970-8208
E-mail: pt@waapples.com

Tel: 65 6515 6113
Fax: 65 6278 4372
E-mail: Richelieu@lieumktg.com.sg

U.S. Dry Pea & Lentil Council
No. 416, 4 th Fl., Ambassador's Court
76/1 Soi Langsuan
Ploenchit Road
Bangkok 10330
Tel. 662-251-8655/6, 251-8669, 251-8772
Fax 662-251-0390
E-mail: agsource@loxinfo.co.th

USA Poultry & Egg Export Council
#15-04 Liat Towers
541, Orchard Road
Singapore 238881
Tel: 656-737-1726
Fax: 656-737-1727
E-mail: usapeec_sing@pacific.net.sg

United States Potato Board
2 Soi Farm Wattana,
Phrakanong, Klongtoey,
Bangkok, 10110 Thailand
Tel: 662-253-8604
Fax: 662-381-1437
Email: kraipob@pangsapa.com

Wine Institute of California
48 Toh Guan Road East
#02-129 Enterprise Hub
Singapore 608586
Tel: 65 6515 6113
Fax: 65 6278 4372
E-mail: Richelieu@lieumktg.com.sg

C) American Chamber of Commerce in Thailand

The American Chamber of Commerce in Thailand serves as point of contact and exchange for members of the American business community; it also serves as a valuable resource of information and interaction for members. The Chamber has an active Food & Agribusiness Committee, which represents Chamber member firms on issues concerning food, agriculture, and agribusiness. The Committee also promotes a dialogue on these issues between the American food and agricultural community and Thai decision-makers in the public and private sectors.

7th Fl., GPF Witthayu
Tower A, 93/1 Wireless Road,
Lumpini, Pathumwan,
Bangkok 10330
Tel: 662-254-1041
Fax: 662-251-1605
E-mail: info@amchamthailand.com

Key Contact(s):
Judy Benn, Executive Director

D) Thai Government

These are the major regulatory government agencies that deal with food and agricultural products.

Food & Drug Administration, Ministry of Public Health

Import License, Product Registration & Label Approval

Food Control Division
Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7178
Fax: 662-591-8460
E-mail : food@fda.moph.go.th

Food Products from Animals

Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7207/8
E-mail: food@fda.moph.go.th

Food Products from Plants

Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7023
E-mail: food@fda.moph.go.th

Chemicals and Food Additives

Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7209, 590-7219
E-mail: food@fda.moph.go.th

Food for Special Purposes and Food Supplement

Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7205, 590-7098
E-mail: food@fda.moph.go.th

Other Food Products

Tivanont Road, Muang
Nonthaburi 11000
Tel: 662-590-7220
E-mail: food@fda.moph.go.th

Food Inspection

Inspection Division
Tivanont Road, Muang
Nonthaburi 11000
Tel. 662-590-7323
Fax 662-591-8477
E-mail: food@fda.moph.go.th

Department of Medical Sciences, Ministry of Public Health**Food Analysis**

Food Analysis Division
Department of Medical Sciences
Soi Bumratnaradul Hospital
Muang, Nonthaburi 11000
Tel: 662-951-0000 Ext. 9561
Fax: 662-951-1023

Department of Foreign Trade, Ministry of Commerce**Import Control**

Commodity Trade Division
Sanam Bin Nam-Nonthaburi Road
Nonthaburi 11000
Tel: 662-547-4737
E-mail: cdtdft@moc.go.th

Commodity Division

Sanam Bin Nam-Nonthaburi Road
Nonthaburi 11000
Tel: 662-547-4801

Grain Division

Sanam Bin Nam-Nonthaburi Road
Nonthaburi 11000
Tel. 662-547-4820

Department of Livestock, Ministry of Agriculture and Cooperatives**Animal Quarantine Inspection Services**

Phyathai Road
Bangkok 10400
Tel. 662-653-4444 Ext. 4110
Fax 662-653-4865
E-mail: dcontrol8@dld.go.th

Bangkok Seaport Animal Quarantine Station

Klong Toey Port
Bangkok 10110
Tel. 662-249-2112
Fax 662-249-4358

Bangkok Airport Animal Quarantine Station

Suvarnabhumi Airport
Bangkok
Tel: 662-134-0731-2
Fax: 662-134-0733

Department of Fisheries, Ministry of Agriculture & Cooperatives**Marine Animals**

Chief of Fisheries Administration &
Management Section
Fisheries Resources Conservation Division
Kasetsart University, Chatuchak
Bangkok 10900
Tel: 662-562-0600/15 Ext 3509
Fax: 662-562-0528
E-mail: fishtradeins@dof.thaigov.net

Department of Agriculture, Ministry of Agriculture and Cooperatives**Plant Quarantine Subdivision**

Agricultural Regulatory Division

Chatuchak, Bangkok 10900

Tel: 662-940-6573, 940-6670 Ext. 108

Fax: 662-579-4129

E-mail: ard@doa.go.th**Excise Department, Ministry of Finance****License of Alcoholic Beverages**

License Subdivision

Bureau of Tax Administration 1

Excise Department

1488 Nakhon Chaisri Road

Bangkok 10300

Tel: 662-243-0525

Department of Intellectual Property, Ministry of Commerce**Application for Patent and Trademark****Services and Information Division**

Department of Intellectual Property

338 Rachadapisek Road

Huay Kwang, Bangkok 10320

Tel: 662-275-4854

Fax: 662-276-0061

Customs Department, Ministry of Finance**Import Formalities Division**

Klong Toey, Bangkok 10110

Tel: 662-249-4266, 671-5250

Fax: 662-249-4297

Legal Affairs Bureau

Klong Toey, Bangkok 10110

Tel: 662-671-7560 Ext. 9310, 9311

Fax: 662-671-7626

Appendix I. Statistics**Table A. Key Trade & Demographic Information**

Agricultural Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$5,575 Mil/19%
Consumer Food Imports From All Countries (\$Mil)/U.S. Market Share (%)	\$1,960 Mil/14%
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$1,822 Mil/4%
Total Population (Millions) / Annual Growth Rate (%)	63.04 Mil/0.33%
Urban Population (Millions) Annual Growth Rate (%)	19.8 Mil/1.3%
Number of Major Metropolitan Areas	37 provinces
Size of the Middle Class (Millions) / Growth Rate (%)	5.09 Mil/0.39%
Per Capita Gross Domestic Product (U.S. Dollars)	\$3,718
Unemployment Rate (%)	1.4%
Per Capita Food Expenditures (U.S. Dollars)	\$497
Percent of Female Population Employed	54%
Exchange Rate (2006)	US\$1=34.52

Table B. Consumer Food & Edible Fishery Product Imports

Thailand Imports (In Thousands of Dollars)	Imports from the World			Imports from the U.S.			U.S. Market Share		
	2005	2006	2007	2005	2006	2007	2005	2006	2007
CONSUMER-ORIENTED AGRICULTURAL TOTAL	1,279,828	1,440,407	1,960,281	171,958	201,620	271,250	13.44	14.00	13.84
Snack Foods (Excl. Nuts)	74,928	89,122	107,840	4,246	5,905	6,304	5.67	6.63	5.85
Breakfast Cereals & Pancake Mix	20,258	20,078	22,606	715	672	715	3.53	3.35	3.16
Red Meats, Fresh/Chilled/Frozen	7,993	12,128	20,834	31	446	531	0.38	3.68	2.55
Red Meats, Prepared/Preserved	3,247	3,454	4,551	183	301	440	5.62	8.71	9.67
Poultry Meat	851	874	1,424	265	301	445	31.15	34.45	31.26
Dairy Products (Excl. Cheese)	353,302	360,867	533,464	28,036	34,426	65,473	7.94	9.54	12.27
Cheese	10,845	14,818	21,849	234	181	754	2.16	1.22	3.45
Eggs & Products	9,803	9,894	13,660	292	374	419	2.98	3.78	3.07
Fresh Fruits	100,693	134,591	183,597	18,177	19,616	24,438	18.05	14.57	13.31
Fresh Vegetables	40,758	55,359	62,179	67	564	156	0.16	1.02	0.25
Processed Fruit & Vegetables	119,294	134,340	206,205	27,515	30,816	36,471	23.07	22.94	17.69
Fruit & Vegetable Juices	18,423	24,640	32,347	3,843	4,580	6,120	20.86	18.59	18.92
Tree Nuts	24,152	22,582	25,665	7,628	8,211	7,657	31.58	36.36	29.83
Wine & Beer	19,997	34,424	45,290	657	765	1,393	3.29	2.22	3.08
Nursery Products & Cut Flowers	10,242	5,192	6,112	18	35	59	0.17	0.68	0.97
Pet Foods (Dog & Cat Food)	16,316	15,949	18,131	5,276	5,250	5,688	32.34	32.92	31.37
Other Consumer-Oriented Products	448,726	502,095	654,527	74,774	89,176	114,187	16.66	17.76	17.45
FISH & SEAFOOD PRODUCTS	1,390,663	1,514,256	1,821,790	39,836	44,514	66,448	2.86	2.94	3.65
AGRICULTURAL PRODUCTS TOTAL	4,150,536	4,280,181	5,575,296	837,092	754,554	1,035,227	20.17	17.63	18.57
AG, FISH & FORESTRY TOTAL	6,268,765	6,434,287	8,065,282	909,248	835,537	1,136,876	14.5	12.99	14.10

Source: Global Trade Atlas and USDA Bangkok, Thailand

Table C. Top 15 Suppliers of Consumer Foods & Edible Fishery Products

Thailand - Top 15 Suppliers

CONSUMER-ORIENTED \$1,000	2005	2006	2007
China	188,443	244,385	356,839
New Zealand	159,783	191,418	272,958
United States	171,958	201,620	271,250
Australia	127,297	142,615	146,458
Malaysia	62,475	85,646	135,078
Netherlands	86,505	71,265	89,183
Singapore	53,794	72,129	86,352
Germany	26,206	37,069	69,190
France	40,095	47,585	69,101
Indonesia	52,309	57,049	64,396
Japan	33,521	36,919	38,962
Czech Republic	21,524	18,159	30,920
Philippines	20,682	19,389	26,577
Ireland	12,642	16,351	24,724
Vietnam	37,465	18,755	24,518
Other	185,126	180,053	253,775
World	1,279,828	1,440,407	1,960,281

Source: Global Trade Atlas and USDA Bangkok, Thailand

FISH & SEAFOOD PRODUCTS

	2005	2006	2007
Taiwan	155,646	188,830	247,720
Indonesia	223,728	175,394	239,753
Vanuatu	119,306	158,833	187,402
Japan	140,942	125,648	155,354
Korea South	61,331	75,775	130,362
China	44,662	65,179	78,240
United States	39,836	44,514	66,448
Chile	49,097	51,714	62,584
Norway	15,709	23,460	55,468
Maldives	45,358	60,831	54,392
Myanmar	55,960	54,439	50,171
Vietnam	32,487	31,242	42,175
Pakistan	12,437	27,659	32,487
Papua New Guinea	15,392	28,430	31,410
India	21,828	42,717	30,865
Other	356,946	359,592	356,959
World	1,390,663	1,514,256	1,821,790

Table D. Economic Projection of 2008

	Actual Data			Projection 2008	
	2005	2006	2007	26-May-08	25-Aug-08
GDP (at current price: Bil.USD)	176.2	206.6	245.4	292.5	284.3
GDP Growth (at constant price, %)	4.5	5.1	4.8	4.5-5.5	5.2-5.7
Investment (at constant prices, %)	10.6	3.8	1.4	8.5	6.2
Private (at constant prices, %)	10.6	3.7	0.5	9.3	7.3
Public (at constant prices, %)	10.8	3.9	4.0	6.0	3.0
Consumption (at constant prices, %)	5.3	3.0	2.7	4.7	3.5
Private (at constant prices, %)	4.5	3.2	1.4	3.8	3.2
Public (at constant prices, %)	10.8	2.3	10.8	10.0	5.0
Export volume of goods&services (Volume, %)	3.9	8.5	7.1	7.3	8.5
Export value of goods (Bil.USD)	109.4	127.9	150.0	171.3	174.8
Growth rate (%)	15.2	17.0	17.3	13.3	16.5
Growth rate (Volume, %)	7.4	11.2	10.9	6.3	8.0
Import volume of goods&services (Volume, %)	8.7	2.6	3.5	10.0	8.4
Import value of goods (Bil.USD)	117.6	126.9	138.5	169.8	171.2
Growth rate (%)	25.8	7.9	9.1	22.0	23.6
Growth rate (Volume, %)	18.4	1.3	3.5	11.0	9.5
Trade balance (Bil.USD)	(8.3)	1.0	11.6	1.5	3.6
Current account balance (Bil.USD)	(7.6)	2.2	15.8	6.0	7.5
Current account to GDP (%)	(4.3)	1.0	6.4	2.0	2.6
Inflation (%)					
CPI	4.5	4.7	2.3	5.3-5.8	6.5-7.0
GDP Deflator	4.5	5.0	2.7	5.5-6.0	5.5-6.0
Unemployment rate (%)	1.8	1.5	1.4	1.5	1.5

Source: Office of the National Economic and Social Development Board, August 2008.

Table E. Exchange Rate (2002-2007)

Exchange Rates						
(Baht per unit of US Dollar annual average)						
	2002	2003	2004	2005	2006	2007
US\$	42.96	41.49	40.22	40.22	37.88	34.52

Source: Bank of Thailand

End of Report.