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Thailand

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Report Highlights:
TH9152: 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.

Post:
Bangkok

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 exporter of natural rubber, rice, canned and frozen seafood, canned tuna, canned pineapples and cassava, and the number two exporter of sugar. The Thai economy in 2009 is projected to contract by 3.0 percent, mainly due to lower exports as a result of the global economic crisis. However, it is expected that Thailand’s economy will recover during the second half of this year due to an increase in public expenditures, especially from the economic stimulus program “Strong Thailand 2012”, which will have outlays of $32 billion mainly for infrastructure projects, along with the economic revival of Thailand’s major trading partners.

The employment growth in Thailand for 2008 was driven by employment growth in the agricultural sector as the employment in the manufacturing sector continued to contract as a result of the global economic slowdown. The unemployment rate declined from 2.4 percent in 2002 to 1.4 percent in 2008. During 2008, Thai Baht ranged from 31.41 to 35.04 Baht per U.S. dollar, and the average rate was 33.31 Baht per U.S. dollar.

Thailand is currently the 19th largest export market for U.S. agricultural products including fish and forestry products. In 2008, Thailand imported $262 million in consumer oriented foods from the US, up 20 percent over 2007’s $218 million. Corresponding U.S. imports from Thailand were $822 million, up 20 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 $734 million in 2004 to $1,109 in 2008. The fastest growing segments are consumer oriented agricultural products (18 percent) and bulk and intermediate products (7 percent). In 2008, the mix of products exported to Thailand from the U.S. remained constant; bulk and intermediate goods account for 72 percent, consumer-oriented products with 24 percent and edible fishery products with 4 percent.

U.S.-Thailand Trade of Consumer Oriented Agricultural Products

(m; US$ per year)	2004	2005	2006	2007	2008
Imports from Thailand	498	543	633	684	822
Exports to Thailand	114	136	161	218	262
Trade Balance	**-384**	**-407**	**-472**	**-466**	**-560**

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 or no domestic production. Frozen french fries, for example, are not produced in Thailand, but face a high tariff of 30 percent. When import duties, excise taxes, and other surcharges are calculated, imported wines face a total tax burden of 390 percent. The tariff on apples stands at 10 percent, while pears and cherries face tariffs as high as 30 and 40 percent respectively.

Change in Thai Food Import Mix from the U.S.					
(m; US$ per year; % of total)	2004	2005	2006	2007	2008
Bulk & Intermediate	**571**	**539**	**543**	**666**	**801**
%	78%	76%	74%	70%	72%
Consumer Oriented	**114**	**136**	**160**	**218**	**262**
%	15%	19%	22%	23%	24%
Edible Fishery	**49**	**37**	**32**	**66**	**46**
%	7%	5%	4%	7%	4%
Total	**734**	**712**	**735**	**951**	**1,109**
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 63.39 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 54 percent are male and 46 percent are female.
- The gross domestic product per capita was $4,018 in 2008, an increase of 8 percent from 2007 and a purchasing power parity per capita of $8,400.00.
- An increasingly sophisticated consumer due to increased overseas studies, international travel, access to internet (13.5 million users) and cable TV with a tertiary enrollment of 35.3%
- According to a media consumer preference study, over 49 percent of Thais aged 6 years or older favored snack foods. Over 40 percent of children aged between 6-14 years old ate snacks everyday.
- Bangkok is the economic hub of Thailand and is where most jobs and business opportunities are concentrated. About 15 percent of the total population lives in the Bangkok Metropolitan Area which accounts for 90 percent of the sales of fast moving consumer goods.
- Thais in urban areas (33 % of the population) have become relatively brand conscious and their shopping styles have moved away from traditional open-air wet markets, which has had the effect of an ongoing expansion of retail businesses, particularly hypermarkets, supermarkets, modern shopping malls, convenient stores, and department stores,.
- The demand for imported processed food and raw materials such as juice concentrates, whey powder, modified starch, wheat gluten, wheat flour, skimmed milk powder, food colorings, and flavorings used for re-processing and re-exporting has increased as they are considered of better quality than local products.

- An increasing number of women and young adults in the work force are expected to trigger high growth rates in ready-to-eat and prepared food items in the convenience food market in Thailand. Moreover, the younger population is very receptive to new food tastes that fit their westernized lifestyles.
- The Tourism Authority of Thailand has set a target to develop Thailand as a tourism hub of Southeast Asia. In 2008, the number of foreign tourists totaled 14.6 million, an increase of 0.8 percent from 2007, with $14.9 billion in revenues. The tourist target for 2009 was set at 12 million and the revenue is expected to be $11.3 billion.
- The hotel occupancy rate in Thailand for 2008 (October-December): Bangkok-54 percent, Chiang Mai-42 percent, Kanchanaburi-49 percent, Krabi-64 percent, Hua Hin-46 percent, Nakhon Ratchasima-60 percent, Nongkhai-64 percent, Pattaya-34 percent, Phuket-34 percent, Ubonratchathani-44 percent, Udornthani-67 percent, and Trat-37 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, most high valued U.S. are exclusively consumed here.
- Consumption of imported food products peaks 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 led to a higher demand for healthy and functional food and drinks, boosting the demand for U.S. organic products which are displayed in the aisles of major retailers.
- 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 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 below:

Advantages:
- Comparative advantages on the quality, affordability and reliability of U.S. agricultural products from fresh to processed food.
- Several growing niche market opportunities for U.S. products such as beef, turkey, processed meats, organics, fruit juices, confectionary products, fruits, wines, and spirits.
- Growing consumer preferences for wholesome high quality products over price concerns of US-origin products.
- Proliferation of the retail industry. New retail outlets are expanding which allows greater product availability throughout Thailand on newly introduced products.
- Eating habits of Thai people are changing to include more imported food items such as temperate

fruits and fruit juices, dried fruits and nuts, cheeses, seafood, etc.
- The international food service industry is expanding rapidly, both in numbers of companies entering the market and in numbers of outlets. Major international fast food companies are represented in Thailand, these include: McDonalds, Burger King, KFC, A&W, Pizza Hut, Auntie-Anne's, Baskin Robbins, Swensen's, Delifrance, Starbucks, Subway, and Au Bon Pain. The rapid growth of the fast food sector has increased the activity of businesses that service or compete against these outlets such as bakery, dairy, meat and poultry establishments.
- A growing middle class that increasingly spends on imported food, estimated at 22 million in 2008.
- Growth in the tourism industry has resulted in a growing demand for U.S. beef, turkey, seafood, wine and seasonings which are used in American, French, Japanese and other international food restaurants.
- Government's policy to support the development of value-added production for local and foreign consumption is boosting the demand of food ingredients.
- Good relationships with foreign suppliers
- Thailand's geographical location and advanced infrastructure is a gateway to other Asian markets such as Cambodia, Philippines, Laos, and Indonesia.
- - Increasing demand for using imported ingredients for innovative products.
- Growing number of companies paying attention to quality over cost for food ingredients.

Challenges:
- U.S. exporters have incomplete knowledge about the Thai market, as a result local manufacturers can improve or change the quality of products, tastes or packaging sizes according to changes in consumer behavior.
- 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.
- U.S. products are not always price-competitive compared to imports from other Asian countries due to high tariffs and shipping costs.
- Bilateral free trade agreements between Thailand and other countries, particularly China, Australia, New Zealand, Japan and India has the effect of reducing import prices on products due to lower tariff rates, making U.S. products less competitive especially on high value consumer products such as meats, wine, spirits, cherries, peaches, plums, pears, french fries.
- Lack of importer and retailer knowledge and training in purchasing and handling of U.S. food products
- Strong local brands of other foreign competitors or Thai companies in many food and beverage products e.g. Nestle, Singha Beer, Chang Beer, etc.
- Lack of continuous promotion of U.S. products in Thai market. Exporters need to support market promotion campaigns to attract, build and expand new markets, due to lack of trader and consumer awareness of U.S. products.
- Market penetration for imported products is concentrated in Bangkok and major tourist-destination provinces mostly
- Thai government's policy and actions try to increase demands for Thai local products
- Some food ingredients that used to be imported are now produced locally.

Section II. Exporter Business Tips

The following includes observations collected from a variety of sources on best practices of exporting food products to Thailand. They are organized under three topics: communicating, meeting, and exporting.

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 the first name 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."
- 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 work on 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. 05/12/09 means December 5, 2009. 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 plenty; 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, competitors, preferences, etc.,.
- 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.
- 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.

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 world economic downturn and domestic political uncertainty. Retail sales accounted for 16.5 percent of GDP and the industry accounted for 15 percent of total employment. According to the Thai Retailers Association, the retail market for 2009 will grow by 5 percent with a gradual improvement of consumer spending after July 2009 onwards.

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 over 7,000 convenience stores nationwide and 15 percent of packaged FMCG (fast moving consumer goods) sales go through this channel. It is estimated that the number of convenient stores will reach 9,000 in 2013. As of July 2009, CPALL has achieved its target of 5,000 stores and is now the world's third largest 7-Eleven network after only Japan and US with the total of 5,016 stores. 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 convenience stores, per store per day, was 1,204. Thai convenience retail is enormously competitive; CP All's 7-Eleven chain leading the group, following by Tesco Lotus Express and FamilyMart.

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 week. 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. Modern retailing accounts for approximately 70.6 percent of total retail sales.

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.

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.

The slowdown in the local economy led modern retailers to increase their focus on expanding their house brand product offerings as well as offering value for money promotions and discounts. 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.

<u>Entry Strategy</u> – 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).

<u>Distribution Channels</u> - 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 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.

<u>Further Information</u>

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 $172, an 11.33 percent increase from the previous year. Throughout 2008, international tourist arrivals to Thailand totaled 14.6 million, up 0.8 percent, and the average hotel occupancy rate was at 56.4 percent, declining from 61.0 percent in previous year. Thailand's tourism is an important component of the service sector and generated approximately $14.9 billion revenue in 2008.

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.

Consumer Expenditure on Food and Beverages 2004-2008					
(m; US$)	2004	2005	2006	2007	2008
Food	19,647	21,598	24,895	28,352	32,077
Bread and Cereals	4,515	5,038	5,814	6,564	7,243
Meat	2,585	2,669	2,910	3,141	3,381
Fish and Seafood	2,153	2,432	2,907	3,480	4,180
Milk, Cheese, and Eggs	2,004	2,194	2,521	2,852	3,219
Oils and Fats	839	912	1,048	1,203	1,365
Fruits	1,984	2,207	2,570	2,968	3,417
Vegetables	3,674	4,113	4,826	5,612	6,509
Sugar and Confectionery	651	694	777	865	956
Other Food	1,241	1,340	1,522	1,668	1,807
Non-Alcoholic Beverages	3,304	3,692	4,336	4,906	5,672
Alcoholic Beverages	5,267	5,670	6,374	7,188	8,002
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 2008, the average spending on alcohol per capita was $126 per year.

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’s food processing industry has developed rapidly throughout the past decade and is one of the most developed in South East Asia. 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. There are over 10,000 food and beverage processing factories consisting of small, medium and large-scale plants. Most of these factories, which are small to medium size, serve mostly the domestic market, while medium to large food processors tend to produce higher-valued products for the domestic and export markets.

Thailand's food processing sector is heavily export-oriented with more than 50 percent of production sold outside the country. Despite the global economic situation, Thai food manufacturers will still seek high-quality food ingredients at reasonable prices. The US is considered to be a world leader in food ingredient technology and one of the major food ingredient suppliers to the world. U.S. suppliers should focus their attention on new functional food ingredients, flavors and other ingredients for promoting health and wellness benefits in foods.

In 2008, Thailand's food ingredient imports exceeded $1.4 billion, a 25 percent increase from the previous year. Although domestic ingredients hold the greatest share of the market, these items tends to be low-value, high-volume raw and semi-processed products such as grains, vegetable oils, and starches. High-value and more technology-based ingredients are generally not available locally and must be imported. The food ingredient market continues to grow due to increases in population and in purchasing power, increases in the number of dual income families; and new product development.

The following are some general characteristics of the Thai food processing industry:
- Thailand has earned foreign currency from exports of processed foods since 1970. Thereafter, Thai agriculture successfully diversified into high-value products, livestock and fisheries and is among the world's leading exporters of several commodities.
- The Thai market for raw materials is growing. Raw inputs for the food processing sector are primarily supplied by Thai companies. Nevertheless, the import market for these ingredients has been growing continuously, reaching 1.4 billion in 2008. The growth in demand for raw materials is due to increased localized production of processed products that are in high demand and are expensive to ship long distances.
- An increasing shift in using imported ingredients for new products.
- A move toward higher quality ingredients. Some companies are moving towards higher-quality ingredients despite higher cost.
- 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.

Reflecting rising and income levels in Thailand, demand for food products is shifting from unprocessed foods from fresh markets to a wider array of processed foods available in large supermarkets. As a result, the need for processed versions of Thai cuisine is growing steadily. The same applies to Western processed food products as they are perceived as being higher quality than domestically processed food. With rising demand for processed foods, Thai food processors must import large quantities of food ingredients that are not locally available. The value of imported food ingredients for use in the food processing industry in Thailand stood at $1.4 billion in 2008.

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.

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 2011.

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, starches, dehydrated potatoes, soybeans, food additives, colorings, flavorings, starch, meat, whey, milk powder, juice concentrates and other baking ingredients. Products that can substitute for traditional ingredients, such as preservative-free ingredients that provide extended shelf life and nutrient/functional ingredients have strong potential in Thailand. Thai consumers prefer new foods that are flavor-intensive, palate-pleasing and healthy. Food ingredients that maximize flavor and healthful benefits will continue to experience growth in Thailand.

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)	
				(%)	Volume
1	BEEF (Fresh and Frozen)*	0201		50	
		0202			
2	BEEF OFFALS*	020610		30	
3	PORK MEAT	020329		30	
4	MEAT OF SHEEP/LAMB	0204		30	
5	TURKEY	020724-020727		30	
6	SALMON,TUNAS,COD,SARDINES	0303		5	
	MACKEREL AND OTHER FISH				
7	CRABS	030614		5	
8	SCALLOPS	030721		5	
		030729			
9	SKIMMED MILK	0402	X	5 (in-quota)	
				216 (out-quota)	
10	CHEESE & CURD	0406		30	
11	DRIED PEAS, BEANS,LENTILS	0713		5	
12	ALMONDS, FRESH/DRIED	080211		10	Bt.8.50/kg
	IN SHELL & SHELLED	080212			
13	PISTACHIOS, FRESH/DRIED	080250		10	Bt.8.50/kg
14	ORANGE	080520		40	Bt.33.50/kg
15	GRAPEFRUIT, FRESH/DRIED	080540		40	Bt.33.50/kg
16	GRAPES, FRESH	080610		30	Bt.25.00/kg
17	RAISINS	080620		30	Bt.25.00/kg
18	APPLE (FRESH)	080810		10	Bt.3.00/kg
19	PEARS & QUINCES	080820		30	Bt.15.00/kg
20	CHERRIES (FRESH)	080920		40	Bt.33.50/kg
21	PEACHES, INCL NECTARINES	080930		40	Bt.33.50/kg
22	PLUMS AND SLOES	080940		40	Bt.33.50/kg
23	COFFEE	0901	X	30 (in-quota)	
				90 (out-quota)	

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

	PRODUCT	HARMONIZED CODE	QUOTA	TARIFF RATE (for USA)	
				(%)	Volume
24	POPCORN	190490		30	
25	SAUSAGES	1601		30	
26	SUGAR CONFECTIONERY	170410		30	
		170490			
27	CHOCOLATE & FOOD PREP. WITH COCOA	1806		10	
28	MILKFOOD FOR INFANTS	190110		30	
29	BREAKFAST CEREAL	190410		20	
30	FROZEN FRIES	200410		30	Bt.25.00/kg
31	JAMS, FRUIT JELLIES	2007		30	Bt.25.00/kg
32	PEANUTS	200811		30	Bt.25.00/kg
33	ALMOND (ROSTED)	200819		30	Bt.25.00/kg
34	CANNED PEACH	200870		30	Bt.25.00/kg
35	FRUIT & VEG JUICE	2009		30	Bt.10/l.
36	INSTANT COFFEE	210111	X	40 (in-quota)	
		210112		49 (out-quota)	
37	INSTANT TEA	210120		30	
38	TOMATO KETCHUP	210320		30	
39	MUSTARD	210330		30	
40	OTHER SAUCES & PREP	210390		5	
41	SOUPS & BROTHS & PREPARATION	210410		20-30	
		210420			
42	BEER	2203		60	
43	CHAMPAGNE	220410		54	
44	WINE	220421		54	
		220429			
46	WHISKIES	220830		60	
47	DOG&CAT FOOD	230910		9	

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
Orestes Vasquez, 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

Cotton Incorporated
2 Soi Farm Wattana,
Phrakanong, Klongtoey,
Bangkok, 10110 Thailand
Tel: 6689-030-3380
Fax: 662-381-1437
Email: pailin@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
Tel: 65-6515-6113
Fax: 65-6278-4372
E-mail: Richelieu@lieumktg.com.sg

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. 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

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

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

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

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

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

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
Soi Bumratnaradul Hospital
Muang, Nonthaburi 11000
Tel: 662-951-0000 Ext. 99561
Fax: 662-951-1023
Email: mailto:wanida.b@dmsc.mail.go.th

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 (%)	$7,305 Mil/17%
Consumer Food Imports From All Countries ($Mil)/U.S. Market Share (%)	$2,2710 Mil/15%
Edible Fishery Imports From All Countries ($Mil) / U.S. Market Share (%)	$2,396 Mil/7%
Total Population (Millions) / Annual Growth Rate (%)	63.39 Mil/0.56%
Urban Population (Millions) Annual Growth Rate (%)	19.9 Mil/0.51%
Number of Major Metropolitan Areas	37 provinces
Size of the Middle Class (Millions) / Growth Rate (%)	15.11 Mil/16%
Per Capita Gross Domestic Product (U.S. Dollars)	$4,018
Unemployment Rate (%)	1.40%
Per Capita Food Expenditures (U.S. Dollars)	$638
Percent of Female Population Employed	46%
Exchange Rate (2008)	US$1=33.31

Table B. Consumer Food & Edible Fishery Product Imports

Thailand Imports	Imports from the World			Imports from the US			U.S. Market Share		
(In Thousands of Dollars)	2006	2007	2008	2006	2007	2008	2006	2007	2008
CONSUMER-ORIENTED AGRICULTURAL TOTAL	1,440,407	1,960,281	2,270,870	201,620	271,250	334,417	14.00	13.84	14.73
Snack Foods (Excl. Nuts)	89,122	107,840	136,350	5,905	6,304	7,012	6.63	5.85	5.14
Breakfast Cereals & Pancake Mix	20,078	22,606	28,063	672	715	1,214	3.35	3.16	4.33
Red Meats, Fresh/Chilled/Frozen	12,128	20,834	25,950	446	531	525	3.68	2.55	2.02
Red Meats, Prepared/Preserved	3,454	4,551	6,323	301	440	630	8.71	9.67	9.97
Poultry Meat	874	1,424	1,850	301	445	767	34.45	31.26	41.47
Dairy Products (Excl. Cheese)	360,867	533,464	580,854	34,426	65,473	87,258	9.54	12.27	15.02
Cheese	14,818	21,849	26,296	181	754	640	1.22	3.45	2.43
Eggs & Products	9,894	13,660	14,609	374	419	453	3.78	3.07	3.10
Fresh Fruits	134,591	183,597	219,168	19,616	24,438	27,396	14.57	13.31	12.50
Fresh Vegetables	55,359	62,179	83,647	564	156	4,635	1.02	0.25	5.54
Processed Fruit & Vegetables	134,340	206,205	213,960	30,816	36,471	50,299	22.94	17.69	23.51
Fruit & Vegetable Juices	24,640	32,347	42,463	4,580	6,120	9,901	18.59	18.92	23.32
Tree Nuts	22,582	25,665	38,061	8,211	7,657	6,951	36.36	29.83	18.26
Wine & Beer	34,424	45,290	52,482	765	1,393	1,289	2.22	3.08	2.46
Nursery Products & Cut Flowers	5,192	6,112	8,041	35	59	40	0.68	0.97	0.50
Pet Foods (Dog & Cat Food)	15,949	18,131	20,768	5,250	5,688	7,699	32.92	31.37	37.07
Other Consumer-Oriented Products	502,095	654,527	771,985	89,176	114,187	127,706	17.76	17.45	16.54
FISH & SEAFOOD PRODUCTS	1,514,256	1,821,790	2,395,932	44,514	66,448	174,013	2.94	3.65	7.26
AGRICULTURAL PRODUCTS TOTAL	4,280,181	5,575,296	7,305,071	754,554	1,035,227	1,228,085	17.63	18.57	16.81
AG, FISH & FORESTRY TOTAL	6,434,287	8,065,282	10,369,795	835,537	1,136,876	1,433,154	12.99	14.10	13.82

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	2006	2007	2008
China	244,385	356,839	393,710
United States	201,620	271,250	334,417
New Zealand	191,418	272,958	309,337
Australia	142,615	146,458	190,026
Malaysia	85,646	135,078	159,939
Singapore	72,129	86,352	97,490
Netherlands	71,265	89,183	87,409
France	47,585	69,101	84,037
Germany	37,069	69,190	73,306
Indonesia	57,049	64,396	63,088
Philippines	19,389	26,577	49,303
Japan	36,919	38,962	48,091
India	13,430	17,682	40,902
Vietnam	16,178	24,518	34,096
United Kingdom	18,755	21,053	23,279
Other	184,954	270,685	282,440
World	1,440,407	1,960,281	2,270,870

FISH & SEAFOOD PRODUCTS

	2006	2007	2008
Taiwan	188,830	247,720	341,852
Japan	125,648	155,354	222,057
Indonesia	175,394	239,753	209,778
Vanuatu	158,833	187,402	176,259
United States	44,514	66,448	174,013
South Korea	75,775	130,362	145,610
China	65,179	78,240	143,358
Norway	23,460	55,468	88,948
Myanmar	54,439	50,171	74,800
Chile	51,714	62,584	67,770
Maldives	60,831	54,392	66,785
Vietnam	31,242	42,175	54,813
Pakistan	27,659	32,487	51,036
India	42,717	30,865	49,669
Malaysia	14,250	16,836	40,887
Other	373,773	371,534	488,297
World	1,514,256	1,821,790	2,395,932

Source: Global Trade Atlas and USDA Bangkok, Thailand

Table D. Economic Projection of 2009

Economic Projection of 2009	Actual Data			Projection 2009	
	2006	2007	2008	25-May-09	24-Aug-09
GDP (at current price: Bil.USD)	206.9	245.8	273.4	248.8	258.4
GDP Growth (at constant price, %)	5.2	4.9	2.6	(-3.5)-(-2.5)	(-3.5)-(-3.0)
Investment (at constant prices, %)	3.9	1.3	1.1	-6.2	-10.0
Private (at constant prices, %)	4.1	0.6	3.2	-9.7	-14.8
Public (at constant prices, %)	3.3	3.4	-4.8	5.0	5.0
Consumption (at constant prices, %)	2.9	2.7	2.2	2.0	0.7
Private (at constant prices, %)	3.0	1.6	2.5	0.4	-0.8
Public (at constant prices, %)	2.4	9.2	0.5	11.3	9.4
Export volume of goods&services (Volume, %)	9.1	7.1	5.4	-9.8	-12.4
Export value of goods (Bil.USD)	127.9	150.0	175.3	147.2	146.7
Growth rate (%)	17.0	17.3	16.8	-15.0	-16.3
Growth rate (Volume, %)	11.2	11.0	5.5	-11.0	-13.6
Import volume of goods&services (Volume, %)	3.3	3.4	7.5	-9.9	-18.4
Import value of goods (Bil.USD)	126.9	138.5	175.1	140.7	132.7
Growth rate (%)	7.9	9.1	26.4	-19.6	-24.2
Growth rate (Volume, %)	1.3	3.6	12.0	-11.6	-20.3
Trade balance (Bil.USD)	1.0	11.6	0.2	8.3	14.0
Current account balance (Bil.USD)	2.3	14.0	-0.2	9.3	14.5
Current account to GDP (%)	1.0	6.1	-0.1	3.7	5.6
Inflation (%)					
CPI	4.7	2.3	5.5	(-0.5)-(0.5)	(-1.0)-(-0.5)
GDP Deflator	5.1	3.2	4.5	(-0.5)-(0.5)	(-1.0)-(-0.5)
Unemployment rate (%)	1.5	1.4	1.4	2.0-2.5	1.8-2.0

Source: Office of the National Economic and Social Development Board, August 2009.

Table E. Exchange Rate (2003-2008)

Exchange Rates						
(Baht per unit of US Dollar annual average)						
	2003	**2004**	**2005**	**2006**	**2007**	**2008**
US$	41.49	40.22	40.22	37.88	34.52	33.31
Source: Bank of Thailand						