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**Report Highlights:**

Thailand's foodservice is expected to grow by 7 percent this year with the market size of \$32.85 billion, supported by store expansion and a recovery in tourism sector. However, there are factors that are expected to impact the business such as the government's policy of raising the minimum wage, which will result in higher costs since the food service business relies heavily on minimum wage labor. Additionally, the food service business faces increasingly intense competition from new entrants.

## Market Fact Sheet

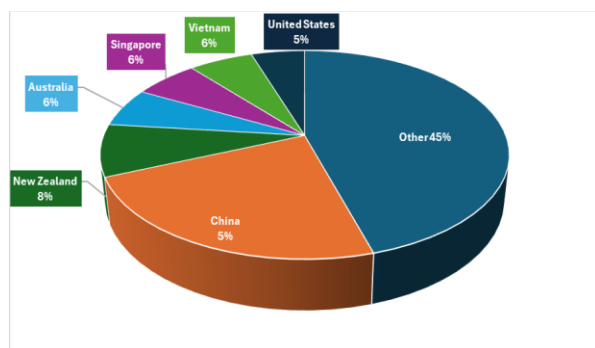
### **Executive Summary**

Thailand's economy in 2024 experienced moderate growth, driven by tourism and private consumption, with the GDP growth forecasted at 2.3 percent by Bank of Thailand. The Siam Commercial Bank and Euromonitor estimate Thailand's foodservice is expected to grow by 7 percent this year with the market size of \$32.85 billion, supported by store expansion and a recovery in tourism sector.

### **Imports of Consumer-Oriented Products**

The United States was tied for 6<sup>th</sup> place, exporting \$393 million of consumer-oriented products in 2023.

### **Thailand's Imports of Consumer-Oriented Food and Agricultural Products in 2023**



### **Food Retail Industry**

Thailand's food retail sales reached \$5.1 billion in 2023. The forecast for 2024 total retail sales is \$113 billion, a 3 percent growth from 2023, with food and beverage industry representing 6 percent of the total retail sector in Thailand. The food retail sector is projected to grow despite a high non-performing loan outlook and rising living cost impacting consumers' spending power, especially among the middle class.

### **Food Processing Industry:**

Thailand is a leading food and agricultural exporter with a well-developed food processing sector. With a rising global demand for processed foods, Thai food processors need to import large quantities of materials not available domestically. Thailand exported \$26.5 billion in processed food products in 2023 and imported \$8.2 billion, including \$331.2 million worth from the United States.

### **Food Service (HRIs) Industry**

Thailand's foodservice is expected to grow by 7 percent this year with the market size of \$32.85

billion, supported by store expansion and a recovery in tourism sector.

## **Quick Facts 2024**

### **Imports of Consumer-Oriented Products:**

U.S. \$7 billion

### **List of Top 10 Growth Products in Host Country**

- |                        |                         |
|------------------------|-------------------------|
| 1) Dairy products      | 2) Fresh vegetables     |
| 3) Seafood products    | 4) Food preparation     |
| 5) Fresh fruits        | 6) Bread, pastry, cakes |
| 7) Tree nuts           | 8) Wine and beer        |
| 9) Chilled/frozen beef | 10) Healthy beverages   |

### **Food Industry by Channels (U.S. billion) 2024**

Retail Food Industry	\$5.1
Foodservice – HRI	\$32.85
Food Processing	\$26.5

### **Top Thailand Retailers**

#### **Supermarkets**

- 1) Central Food Retail
- 2) Gourmet Market
- 3) Villa Market
- 4) Foodland
- 5) UFM Fuji Super
- 6) MaxValu

#### **Cash and Carry**

- 1) Makro
- 2) Go Wholesale

#### **Hypermarket**

- 1) Tesco Lotus
- 2) Big C

#### **Cash and Carry**

- 1) 7-Eleven
- 2) Family Mart
- 3) Lawson 108

### **GDP/Population**

**Population (millions):** 66.05 (as of 2023)

**GDP (billions USD):** \$525.5 (November 2024 estimation)

**GDP per capita (USD):** \$7,484 (November 2024 estimation)

### **Strengths/Weaknesses/Opportunities/Challenges**

#### **Strengths**

Well-established market with modern distribution channels

#### **Weakness**

Trade barriers on imported food & beverages to protect domestic producers.

#### **Opportunity**

Growing urban population and many international tourists

#### **Challenge**

Higher tariffs on U.S. products compared with countries with free trade agreements with Thailand.

**Sources:** Trade Data Monitor, Bank of Thailand

## SECTION I: MARKET SUMMARY

Thailand’s economy in 2024 experienced moderate growth, driven by tourism and private consumption, with the GDP growth forecasted at 2.3 percent by Bank of Thailand. The Siam Commercial Bank and Euromonitor estimate Thailand’s foodservice is expected to grow by 7 percent this year with the market size of \$32.85 billion, supported by store expansion and a recovery in tourism sector. However, there are factors that are expected to impact the business such as the government’s policy of raising the minimum wage, which will result in higher costs since the food service business relies heavily on minimum wage labor. Additionally, the food service business faces increasingly intense competition from new entrants.

Thailand’s restaurants can be divided into the following three categories:

**Quick Service Restaurants (QSRs) or the Limited-Service Restaurants** account for 15 percent (estimated at \$5.56 billion) of HRI sector. According to Euromonitor, there are 33,253 QSRs outlets in 2024, 3.6 percent from last year, and is projected to reach 34,322 outlets in 2025. While the burger limited-service restaurant is the best performing category, with foodservice value sales increasing by 20 percent in current terms to \$289.97 million, chicken limited-service restaurants gained the most sales at \$912.54 million with the biggest segment of Thailand’s QSR market.

### Sales in Quick Service Restaurants 2020 – 2023 (in millions of dollars)

Sales in Limited-Service Restaurant (Quick-Service Restaurants)	2020	2021	2022	2023	(2022-2023 % Change)
Convenience Stores Limited-Service Restaurants	2,368.22	2,226.39	2,695.78	2,972.56	10.3
Chicken Limited-Service Restaurants	729.17	641.36	794.04	912.54	14.9
Others Limited-Service Restaurants	548.64	449.96	576.49	648.35	12.5
Bakery Limited-Service Restaurants	255.50	236.02	292.76	331.21	13.1
Pizza Limited-Service Restaurants	245.26	219.12	253.27	271.24	7.1
Burger Limited-Service Restaurants	197.99	184.11	241.42	289.97	20.1
Ice Cream Limited-Service Restaurants	91.76	78.16	107.36	116.38	8.4
Asian Limited-Service Restaurants	13.24	10.73	14.38	16.06	11.7
<b>Total Limited-Service Restaurants</b>	<b>4,449.78</b>	<b>4,045.85</b>	<b>4,975.51</b>	<b>5,558.32</b>	<b>11.7</b>

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources. Average Exchange Raate as of November 2024: US\$1 = 34 THB

QSRs are the most flexible and adaptable among all restaurant groups, leading to the expansion of their number of branches. In 2024, consumers can observe that many QSR chains have been evolving their business models, including store remodeling, leveraging technology, focusing on delivery services, and implementing engaging marketing activities. For example, KFC under Central Restaurant Group (CRG) has been presenting menus that meet consumer needs, renovating some branches into flagship stores with the concept of the KFC Digital Lifestyle Hub incorporated with digital services for ordering food and features store design by Thai graffiti artist, introducing KFC application, etc. Taco Bell, the Mexican fast-food chain, also introduced their new “Shipping Container” store concept located in gas stations, community areas, and other unconventional locations stemming from their “advance sustainability” policy. Using containers is a form of material recycling, offering flexibility and convenience for future branch expansions as well as providing a modern ambience. Besides the store concept, being in the community areas allow customers to get to know the brand identity and have opportunities to try Taco Bell’s variety of menu options.

Approximately 80 percent of Thailand’s food franchises are partnerships with U.S. brands including McDonald’s (250 outlets), KFC (1,060 outlets), Domino Pizza (26 outlets), Au Bon Pain (35 outlets), Starbucks (500 outlets), Shake Shack (3 outlets), Burger King (120 outlets), Swensen’s (300 outlets), Dairy Queen (502 outlets), Auntie Anne’s (111 outlets), and Subways (148 outlets.)

**Full Service Limited Restaurants (FSRs)** account for about 14 percent (estimated at \$4.82 billion) of Thailand’s foodservice sector. The return of international tourists has boosted the number of customers and revenue, as travelers are looking for authentic and unique dining experiences. This led to higher demand for full-service restaurants that offered a variety of food selections and experiences. Asian full-service restaurants registered the most growth in value due to the rising popularity of Chinese cuisine, especially the mala hotpot chained restaurants such as Haidilao, Suki Teenoi, etc., followed by North American full-service restaurants.

**Sales in Full-Service Restaurants 2020-2023 (in millions of dollars)**

Sales in Full-Service Restaurant	2020	2021	2022	2023	(2022-2023 %Change)
Asian Full-Service Restaurants	2,962.55	2,448.09	3,377.59	3,822.79	13.2
Others Full-Service Restaurants	425.27	313.84	386.60	424.19	9.7
North American Full-Service Restaurants	248.99	194.29	259.86	287.92	10.8
Pizza Full-Service Restaurants	139.72	132.76	134.77	141.50	5
European Full-Service Restaurants	137.36	112.64	133.13	148.36	11.4
<b>Total Full-Service Restaurants</b>	<b>3,913.89</b>	<b>3,201.62</b>	<b>4,291.96</b>	<b>4,824.76</b>	<b>12.4</b>

**Sales in Chain and Independent Full-Service Restaurants 2023 (in millions of dollars)**

Sales in Full-Service Restaurant	2020	2021	2022	2023	(2022-2023 %Change)
Full-Service Chain Restaurants	1,488.46	1,232.50	1,653.50	1,826.65	10.47%
Independent Full-Service Restaurants	2,425.43	1,969.12	2,638.46	2,998.11	13.13%
<b>Total Full-Service Restaurants</b>	<b>3,913.89</b>	<b>3,201.62</b>	<b>4,291.96</b>	<b>4,824.76</b>	<b>12.4%</b>

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources. Average Exchange Raate as of November 2024: US\$1 = 34 THB

In 2024, consumers are becoming increasingly discerning when dining out, emphasizing immersive and memorable experiences beyond traditional meals. Therefore, restaurants need to create unique brands to stand out from the competition. Thai restaurant companies and brands have an advantage as they are well-acquainted with the market and consumer behavior. iberry Restaurant Group has launched several full-service restaurant chains with strong concepts to meet consumer preferences. Their Chin-Bo-Daeng brand, for instance, was introduced to cater consumers’ desire for Thai-style barbecue in a pleasant atmosphere. Ohkajhu, another Thai full-service restaurant brand, was established as the first organic salad café offering chemical-free vegetables.

High-end restaurants are also classified under the full-service restaurant category. Thailand is emerging as a prime destination for fine dining and sophisticated restaurants, which are becoming increasingly important to the country’s tourism industry. The Tourism Authority of Thailand aims to generate 20-25 percent of its revenue from the food sector. Despite aspiring to be a destination for indulging in high-end cuisine, Thailand still offers lower costs compared to other gastronomic hubs like Hong Kong and New York, making it an attractive option for both local and international tourists. Thailand now has 34 MICHELIN-starred restaurants, categorized into one to three and green MICHELIN stars. ‘Sorn’ is the first and only restaurant to receive three MICHELIN stars, highlighting Southern Thai cuisine that

blends tradition with modernity. ‘Coda’, promoted as one MICHELIN star, celebrates regional Thai cuisine offering a concise and expertly seasoned tasting menu.

**Cafés and Bars in Thailand** experienced significant growth due to the revival of pre-pandemic lifestyles and inbound tourism. Cafés, both specialized coffee and tea shop chains, in particular, led this growth driven by the rising coffee culture among Thai and international tourist consumers. To meet the demand, most chain cafes resumed expansion strategies, focusing on standalone and drive-through locations to align with consumer behavior and facilitate pick-up and delivery services. Starbucks Thailand set an ambitious goal of opening new outlets across the country by expanding its presence with two key strategies to target different consumer needs: doubling the number of drive-thru outlets to provide greater convenience for busy workers and increasing the number of inclusivity-focused community stores with environmentally friendly greener stores under the "Starbucks Reserve" concept, which will serve as working and gathering spaces for friends and families. Juice and smoothie bars also fall into this category.

With health and wellness emerging as a persistent trend in foodservice industry, these bars have strong growth potential. Consumers increasingly view juice and smoothies as convenient options for upping their intake of vitamins and minerals from fruits and vegetables. This has led to the rise in the number of juice and smoothie bars offering healthy menu choices including options that boost immunity, increase energy, or provide detoxing properties. Numerous juice bars are opening to meet the growing demand, including popular names like Boost Juice Bar, Oh Juice, Plantiful, etc. Boost Juice Bar, Australia's first juice and smoothie bar brand, opened its first branch in Thailand in 2022 and has grown to 62 branches in just 2 years. Oh Juice was introduced by Ohkajhu Restaurant Group to the market in 2024 and has quickly become popular among teenagers. The brand is now expanding its number of stores under the concept of premium, organic, and aesthetically pleasing offerings.

#### Sales in Cafés and Bars 2020-2023 (in millions of dollars)

Cafés and Bars	2020	2021	2022	2023	(2022-2023 % Change)
Bars/Pubs	3,825.20	1,636.54	5,774.91	7,480.24	29.5
Specialist Coffee and Tea shops	618.68	787.61	994.81	1,136.71	14.3
Café	271.89	235.84	305.36	352.37	15.4
Juice/Smoothie Bars	34.06	30.70	34.92	38.68	10.8
<b>Total Cafés and Bars</b>	<b>4,749.83</b>	<b>2,690.68</b>	<b>7,110.01</b>	<b>9,008.00</b>	<b>26.7</b>

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources. Average Exchange Raate as of November 2024: US\$1 = 34 THB

**Small Restaurants (SMEs)** represent about 80 percent of all restaurants. Independent restaurants, including local stores and street vendors constitute the majority of businesses in this category, which offers distinct menus and dining experiences attractive to locals and millions of tourists alike. Hypermarkets and shopping center food courts have raised SME quality standards but also heightened competition among small restaurant operators. Thai consumers are increasingly encountering food halls where multiple restaurants share a kitchen and dining space. Well-known small restaurants have been invited by big companies or investors to open branches in high-traffic areas such as the food zones of shopping centers, office buildings, and community malls. These locations are frequented by both local consumers and tourists, providing a strategic advantage for these restaurants to attract a diverse customer base.

Social media and digital penetration play a crucial role in HRI-related marketing. Over 80 percent of foodservice operators utilize social media to engage with their consumers, establish brand identity, and generate sales and income. Food bloggers have become a significant trend, with restaurants hiring them to review their establishments. The short-video and live functions on social media have greatly contributed to this phenomenon. Additionally, chefs are becoming well-known figures, not only working in the kitchen but also increasing their income through special culinary events, such as exclusive or collaborative chef tables, appearances on TV programs, and using their social media platforms to advertise their restaurants and build their personal brands. With the influence of social media marketing, storytelling has become increasingly important. Previously, consumers would observe high-end restaurants presenting their seasonal menus with elaborate storytelling for each dish. However, in contemporary times, even small restaurants are incorporating storytelling, thereby making their offerings more engaging and appealing in the realm of social media.

To summarize, the restaurant business in 2024 is expected to benefit from several positive factors. Firstly, the expanded marketing reach through food delivery platforms allows operators to extend their service areas without the need for significant investment in physical assets, thereby reducing the necessity for high-rent locations. This enables restaurants to efficiently reach a broader customer base. During the first half of the year, the market was divided with delivery service provider Line Man holding a 44% market share, followed by Grab (40%), and Shopee Food (10%). Secondly, the trend of influencer-driven consumer behavior is helping restaurants quickly build new customer bases, as consumers increasingly choose food based on influencer reviews. This reduces the reliance on prime locations, which often come with high rental costs. Thirdly, there is an anticipated increase in profit margins through delivery platforms. The inclusion of service fees (GP) in the net price results in a price increase of about 30-35%, which consumers perceive as the standard cost per meal. Consequently, many restaurants are setting a single price for both in-store and platform orders, capturing additional profit from in-store customers.

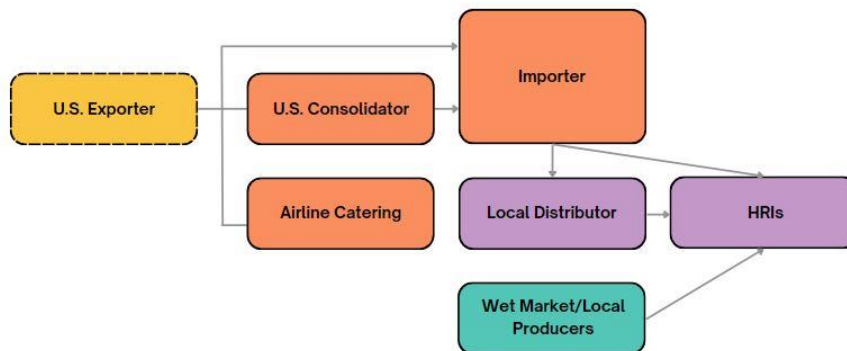
On the other hand, the restaurant business also faces several challenges. Rapid trends can impact business planning, as viral marketing quickly creates consumer awareness, but the popularity may be short-lived. The fast-paced nature of information sharing can shorten the lifespan of trends as new ones emerge. Intense competition is another challenge, with food delivery platforms increasing service area overlap and attracting new businesses due to the lack of barriers to entry. As food prices rise due to platform service fees, profit margins increase, drawing more entrants, but the demand for food remains constant, leading to fierce market competition. Additionally, potential business locations are becoming more centralized in large hubs, reducing the viability of previously prime locations. This shift can negatively impact sales, especially in physical stores.

The HRI sector sources about 30-35 percent of its food products through imports. In 2024, Thailand imported \$393 million in U.S. consumer-oriented food exports. HRI foodservice operators regularly import U.S. beef, seafood, cheese, frozen potatoes, seasonings, fresh fruits, dried fruits, nuts, bakery fillings, fruit juice, juice concentrate, wines, craft beer, and health and wellness products. Food preparation and ready-to-eat meals continue to be key products for HRI establishments, accommodating both delivery services and small food outlets.

## Advantages and Challenges Facing U.S. Food and Beverage Products in Thailand

Advantages	Challenges
<b>High Quality and Safety:</b> U.S. products are perceived as high quality, safe, and healthy, which aligns with the expectations of both local consumers and international tourists seeking reliable and premium food options.	<b>Intense Competition:</b> The Thai market is highly competitive with numerous local and international brands vying for consumer attention.
<b>Diverse Offerings:</b> The variety of U.S. food and beverage products caters to the diverse tastes of consumers, enhancing their dining experience with a wide range of options.	<b>Regulatory Issues:</b> Navigating Thailand's regulatory environment, including import regulations and food safety standards, can be complex and time-consuming.
<b>Health and Wellness Trend:</b> With the growing trend of health and wellness, U.S. products that emphasize these aspects are in high demand among health-conscious consumers.	<b>Market Entry Barriers:</b> Establishing distribution channels and building brand recognition in a new market can be challenging and require significant investment.
<b>Brand Recognition:</b> Many U.S. food and beverage brands are globally recognized, providing a sense of familiarity and trust for consumers.	<b>Price Sensitivity:</b> Tourists and local consumers may be price-sensitive, making it difficult for premium-priced U.S. products to compete with more affordable local options.
<b>Culinary Innovation:</b> U.S. products often introduce innovative flavors and ingredients, appealing to consumers looking for unique and memorable culinary experiences.	

## SECTION II: ROAD MAP FOR MARKET ENTRY



New-to-market exporters should conduct thorough market research to identify target customers and distribution channels. Visiting the market is essential for effective research. U.S. exporters should identify the most suitable distribution channels, such as local importers, distributors, retailers, and food service providers, and build strong relationships with their representatives.

Direct contact with local food service importers is the best strategy for U.S. exporters to access the Thai market. These importers have established contacts and relationships with key HRI businesses and possess a solid understanding of local customer needs. Most businesses, including large QSR brands, hotels, resorts, and full-service restaurants, do not import food and ingredients directly but rely on food service importers or their affiliated companies to act as distributors. Five-star hotels, resorts, and international restaurants in tourist areas such as Bangkok, Phuket, Pattaya, Samui, and Chiang Mai are the heaviest users of U.S. products but do not import food directly in volumes that are typically attractive to U.S. exporters.

Food exhibitions and trade shows are excellent avenues for U.S. exporters to introduce new products and develop relationships with Thailand's foodservice operators, chefs, and other professionals. Participation in these trade shows offers significant exposure opportunities for U.S. companies and products. THAIFEX-Anuga Asia and Fi Asia are Thailand's largest food and beverage trade shows. Upon request, FAS Bangkok can provide a list of importers to U.S. companies and highlight U.S. food and ingredient products at both THAIFEX-Anuga Asia and Fi Asia food exhibitions.

### **SECTION III: COMPETITION**

U.S. agricultural exports to Thailand face fierce competition from both local Thai products and imported products from countries with free trade agreements (FTAs). Local Thai products are often preferred by consumers due to their familiarity and lower cost. Additionally, countries with FTAs benefit from reduced tariffs and other trade advantages, making their products more competitive in terms of price and accessibility. This dual competition creates a challenging environment for U.S. agricultural exports, as they must compete on both quality and price to gain market share in Thailand.

The best U.S. food and beverage products for the Thai market include:

- Meat: frozen and chilled beef;
- Potatoes: frozen fries, dehydrated potatoes;
- Fresh and frozen seafoods: fish fillets, scallops, lobsters, mussels, oysters, salmon, halibut, cod fish, Alaska king crab, etc.;
- Poultry: turkey;
- Dairy products: cheese, processed cheese, whipped cream, cream cheese, artisanal cheese, dips, snack cheese;
- American spices and seasonings;
- Bakery and baking products: flour, biscuits, pancake mixes, waffles, cookies, muffins, cakes, frosting and icings, and puff pastries;
- Beverages: fruit and vegetable juices, wines, liquors, whiskies, cocktail mixes, and healthy beverages;
- Dried fruits and nuts;
- Canned foods: soup, fruits and vegetables;
- Condiments: bacon bits & toppings, barbecue and cocktail sauce, dips, hot sauce or pepper sauce, mayonnaise, mustard, olives, salsa and taco sauce, pickles, steak sauce, syrups, salad dressing and vinegar;
- Fresh fruit: apples, table grapes, cherries, blueberries, grapefruit, oranges, pears, peaches;
- Jams, jellies, and spreads;



- Snacks, candies, and popcorn;
- Health and wellness products;
- Plant-based products; and
- Alternative protein and dairy products.

#### **SECTION IV: POST CONTACT AND FURTHER INFORMATION**

The Foreign Agricultural Service (FAS) office in Bangkok maintains up-to-date information on food and agricultural import opportunities in Thailand and welcomes inquiries from U.S. suppliers to assist in accessing Thailand's market. Questions or comment regarding this report should be directed to:

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**Attachments:** [Thailand's Imports of Consumer Oriented Products 2023.docx](#)