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Thailand

Exporter Guide

2014

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Report Highlights:

TH4140: 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, and import and inspection procedures. This report 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

Executive Summary:

Section I. Market Overview

Thailand is Southeast Asia's second largest economy with a Gross Domestic Product (GDP) of \$366 billion. Exports account for more than 62 percent of its GDP. Thailand remains a strong agricultural competitor as it is the world's leading exporter of natural rubber, frozen shrimp, canned tuna, canned pineapples, cooked poultry, and cassava. It is also a major exporter of sugar and rice. Thailand's economy is forecast to grow between 1.5 - 2 percent in 2014 compared to 2.9 percent growth in 2013. The political disruption in the first five months of 2014 slowed the recovery of its export sector and the continued decline in car production and sales also contributed to the slower economy. Economists expect that the Thai economy will improve in the second half of 2014 driven by government spending and an improvement in business and consumer confidence. These two factors are anticipated to jumpstart the economy and result in an increase in foreign investments. In July, the National Council for Peace and Order approved a 2.4-trillion-baht infrastructure plan that would fund a dual-track rail, electric trains, highways, waterways and airports project. In addition, the new government installed by the military is still working to approve other long-delayed infrastructure projects, but the benefits of such spending may not be seen until 2015 or later.

Thailand is the 20th largest export market for U.S. agricultural products. In 2013, Thailand imported \$672 million in consumer oriented foods from the United States while total U.S. agricultural exports to Thailand were nearly \$1.3 billion (Table 1).

Table 1: U.S.-Thailand Trade of Consumer Oriented Agricultural Products					
(million; US\$ per year)	2009	2010	2011	2012	2013
Imports from Thailand	851	947	1,072	1,163	1,274
Exports to Thailand	254	317	380	401	672
Trade Balance	-597	-630	-692	-762	-601
Source: Global Trade Atlas and USDA Foreign Agricultural Service - Bangkok, Thailand					

In 2013, the mix of products exported to Thailand from the United States changed slightly from last year. Bulk and intermediate goods accounted for 53 percent of exports while consumer-oriented products comprised 33 percent, and edible fishery products with 14 percent.

Table 2: Change in Thai Food Import Mix from the U.S.					
(million; US\$ per year; % of total)	2009	2010	2011	2012	2013
Bulk & Intermediate	805	888	1245	1146	1061
%	64%	63%	66%	64%	53%
Consumer Oriented	254	317	380	401	672
%	20%	22%	20%	22%	33%
Edible Fishery	208	210	274	253	280
%	16%	15%	14%	14%	14%
Total	1,266	1,415	1,899	1,800	2,013
Source: Global Trade Atlas and USDA Foreign Agricultural Service - Bangkok, Thailand					

Thailand currently has trade arrangements with other Association of Southeast Asian Nation countries (ASEAN), Australia-New Zealand, China, India, Japan, Peru, and South Korea (Table 3). These agreements have created additional challenges for U.S. agricultural exports, particularly when dealing with higher tariffs.

Table 3: A list of free trade agreements with Thailand

Country	Trade Agreement Effective Date
Thailand-Australia	January 1, 2005
Thailand-New Zealand	July 1, 2005
Thailand-Japan	November 1, 2007
Thailand-India	September 1, 2004
ASEAN-China	October 1, 2003
ASEAN-Korea	January 1, 2010
ASEAN-Australia-New Zealand	March 12, 2010
ASEAN-India	January 1, 2010
ASEAN-Japan	June 1, 2009
AFTA	January 1, 2002 – 5 percent January 1, 2010 – 0 percent
Thailand-Peru	December 31, 2011

Duties on imported U.S. 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 potatoes, for example, are not produced in Thailand, but face a tariff of 30 percent. Under a new excise tax scheme, import duties, excise taxes, and other surcharges on imported wines could face a total tax burden of more than 300-600 percent. The tariff on apples stands at 10 percent, while pears and cherries face tariffs as high as 30 and 40 percent respectively. Section IV of this report has a detailed list of bound duties on major U.S. agricultural exports.

Advantages	Challenges
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About 30 million middle-to-upper income consumers are eager to purchase imported food products.	U.S. products are not always price-competitive due to high tariffs and shipping costs.
A dynamic and eager younger population (between ages of 15 and 35, which represents 32 percent of total population) is willing to try new products and receptive to trends that fit their westernized lifestyles.	Free trade agreements between Thailand and other countries, particularly China, Australia, New Zealand, Japan, and Korea have made U.S. products less competitive especially on high value consumer products such as meats, wine, spirits, cherries, peaches, plums, pears, and frozen potatoes.
Thais in urban areas (36 percent of the population) increasingly spend more on imported food items and have become relatively brand conscious and are changing their eating habits to accept more western style foods.	Local production is increasingly substituting traditional food imports. Locally produced snack foods, salad dressings, sauces, jams and other processed foods are relatively inexpensive.
Increasing purchasing power of consumers in rural areas translates into more discretionary spending on non-traditional agricultural products.	Market penetration for imported products is mostly concentrated in Bangkok and major tourist-destination areas.
The Thai food processing industry is looking for new ingredients and shows a strong interest in importing health and functional food ingredients.	Imports of some U.S. food products are currently subject to restrictive trade barriers, including high import tariffs, rigid food import procedures/legislations, and numerous documentations.
Growing number of retail outlets.	The oligopolistic nature of hypermarkets exerts some control over prices, while convenience stores prefer low priced locally or regionally products over U.S. exports.
Well-developed food service industry.	Strong government protection on local agricultural products such as poultry and livestock products make it difficult for imported products to enter the market.
Growth in the tourism industry and an increase in number of hotels lead to greater demand for imported hotel, restaurant, and institutional food products.	Regional tourists sometimes seek cheaper local food alternatives or food products sourced from their respective countries.
Middle income women give greater attention to health and beauty and are demanding new products from retailers.	Free trade agreements with neighboring Asian countries are decreasing U.S. market share.

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: communications, meetings, and exporting.

Communications

- 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 who have a good understanding of Thai food and agriculture regulations and food import procedures.
- Networking with government officials and/or correct authorities can be the key to doing business successfully in Thailand.
- Keep in mind that in most of Asia, calendar dates are shown in the day/month/year format; ex. 05/12/14 means December 5, 2014. To avoid confusion, you may want to spell the name of the month in correspondences.
- 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 New Year festivals (including Chinese and Thai).
- Heavy traffic is the most common excuse for tardiness.
- Business cards are always exchanged at the first meeting. 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 considered 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, gauging competitors, preferences, etc.

- Localize your products: adjust the product to local tastes, verify consumers' preferences, and set a competitive price.
- U.S. exporters should identify the best distribution channel (e.g. local importers, distributors, supermarkets, retailers, etc.) and establish a good relationship with their representatives 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, consistent quality, technical support, and respond to inquiries within 24 hours.
- 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 Bureau of the Thai Food and Drug Administration (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. More information on food product registration in Thailand is available in GAIN report [TH8116](#).
- 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 replaced by new products that focus on good quality, better packaging, availability, promotions, and competitive prices.
- 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 Agricultural Import Regulations and Standards report for Thailand. This document contains information on food laws, labeling requirements, food additive regulations, pesticide and other contaminants, import procedure and other key regulations, requirements and specific standards. The report 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, the 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 and working professionals as it is more convenient, entertaining, and provides more free time compared to cooking at home. The growth of food establishments in the market have also contributed to the growing Thai food

service sector.

Consumer disposable incomes also continue to rise. In 2013, Thai consumer expenditures on food and beverages reached \$63 billion and per capita disposable income rose 4 percent to \$3,386. The typical Thai diet consists of rice, meats, eggs, vegetables, fish, and seafood. In 2013, spending on food and non-alcoholic beverages accounted for 25 percent of all household expenditures.

Retail Sector

Thailand represents one of the most attractive food and drink markets in the Asia Pacific Region. It is estimated that the overall retail sector expanded about 6-8 percent. Changing Thai consumer lifestyles and growing urban population offer modern retailers many growth opportunities. The retail market continues to expand rapidly and not only in the Bangkok. In every big city, there are new retail developments being constructed ranging from small stores to community mall sized retail establishments. The retail food market structure continues to evolve with hypermarkets, supermarkets, cash and carry, and convenience stores. The latter is continuing to gain market share while traditional retailers gradually decline. Modern food retailing accounts for approximately 70 percent of total retail sales as the flow of local shoppers has been diverted from wet markets and grocery stores to hypermarkets and supermarkets. These changes began in 2000 when Thailand's retail sector experienced an increase in new investments from both local and foreign players, which has made Thailand the second most dynamic retail market in Asia after China. The majority of these investments have come from the leading international retail chains such as hypermarket UK-based Tesco with its Tesco Lotus stores, Big C Supercenter of Casino Group of France and cash and carry Netherlands-based Siam Makro, which was acquired by the Thai company "CP All" in August 2013. Locally run supermarkets and convenience stores have also increased in numbers, which include stores such as Villa Market, Tops Marketplace, Foodland Supermarket, and 7-Eleven.

Sales from modern retail food establishments were estimated to be around \$25 billion, while 32 percent of these sales came from the hypermarket sector, 15 percent from the cash and carry sector, 17 percent from the supermarket sector, and 36 percent from convenience stores. Competition in the retail food business is expected to remain intense. Most investments will aim to improve and modernize existing stores, as well as develop store formats that are suited for urban areas, space limitations under the zoning laws, and consumer preferences. Many retailers have shown interest in smaller-sized stores, which can better reach communities and serve the needs of new consumers who like to shop near their homes or communities, such as condominium projects. It is projected that competition in the retail food business will be more in the form of innovative channels that meet consumer demand, such as branches that will be tailored to specific areas, and offering innovative and convenient products to meet customers' needs. In addition, retailers will continue to maintain its focus on being able to more effectively serve its core customer base through strategic initiatives that include store layout enhancements, expansions, and improving their product assortments and offerings that are in line with market demand trends.

The hypermarket segment has been the best performing retail sector as 90 percent of urban Thai shoppers use hypermarkets at least once a week. At present, there are only two major hypermarkets in Thailand, which are Big C and Tesco Lotus. Big C's takeover of France based Carrefour Group in 2010, enabled it to expand its customer base in Bangkok and the provinces and turn it into the

hypermarket with the most outlets. Since 2012, overall expansion in the hypermarket sector has stabilized and major retailers have emphasized their focus in small store formats. In general, the hypermarkets offer over 100,000 stock keeping units (SKUs) of consumer goods and vary in size from 4,000 to 12,000 square meters (sqm). In addition, these hypermarkets offer a wide range of fresh and packaged foods and beverages, which generally account for 60 to 65 percent of their total assortments. The average Thai consumer spends about \$150 per month on retail products, of which 49 percent is spent on fresh foods. Both Big C and Tesco Lotus have also introduced a new store format called “Extra” which offers a greater range of premium products including a wide selection of imported products targeting middle and high income customers.

Big C has three hypermarket formats: Big C Supercenter, Big C Extra, and “wholesale professional-oriented” format called Big C Jumbo. Big C Supercenter targets low to middle income customer segments. Big C Extra targets middle to high income customer segments offering a wider range of premium fresh and dry food items as well as a wide selection of imported products, including Casino private label products. Big C Supercenter and Big C Extra offer over 100,000 SKUs of consumer products and food items. Their sizes vary from 4,000 to 12,000 square meters (sqm) and the sales mix is approximately 60 percent food and 40 percent non-food items. Big C Jumbo stores use a wholesale membership format that target hotels, restaurants, caterers, small and medium size retailers, companies and institutions, and households that buy in large volumes. Big C Jumbo’s sales mix is approximately 80 percent food and 20 percent non-food items. Big C Market stores utilize supermarket formats that target low-to-middle income customer segments. These stores have smaller selling areas ranging between 750 to 2,000 sqm and a smaller number of items ranging from 10,000 to 15,000 SKUs. Mini Big C stores use convenience store formats that target low-to-middle income customer segment and carries up to 4,300 SKUs with an average size of 160 sqm and a sales mix of 90 percent food and 10 percent non-food items.

Siam Makro, the first membership-based cash & carry retail store in Thailand was established in 1988 and registered under the name “Makro.” In August 2013, Siam Makro was acquired by the Thai company “CP All” in order to strengthen its business operations and its subsidiaries, especially in the area of new product sourcing and catering products to customers’ demand. At the end of 2013, Makro had a total of 64 stores and 5 Siam Frozen shops nationwide with over 2.5 million members. Makro operates five different store formats in Thailand, which are:

- 1) Classic Store: Typical cash & carry structure designed to serve professional customers with store sizes ranging between 5,500-12,000 sqm. Its customer base consists of small retailers, hotels, restaurants, and caterers (HoReCa), and other institutional business operators.
- 2) Eco Store: These stores are designed to serve HoReCa customers located in tourist areas like Phuket, Samui, and Krabi. The majority of the selling space is dedicated to food products.
- 3) Eco Plus Store: These stores are designed to serve food professionals, both HoReCa and small food retailers. Most of the selling space is dedicated to food products for the HoReCa and small food retailers. The format is expected to be the main concept for future expansion.
- 4) Siam Frozen Shop: These are small stores with approximately 100-150 sqm that are positioned as frozen food specialty stores selling mostly frozen products to HoReCa customers. The company now has two outlets in Chiang Mai and Udonthani.
- 5) Makro Foodservice store: These newly launched specialty stores with approximately 1,000-5,000 sqm provides specific food service solutions for the full spectrum of HoReCa customers, ranging from

small street vendors, fine dining restaurants, and 5-star hotels. The first store was launched in Hua Hin in January 2012. These store formats include walk-in fruit and vegetable cold-rooms; a seafood section with live, fresh, and frozen seafood; and gourmet section for meats, cheeses, bakery, and wines.

Makro used to be the only major cash and carry retailer in Thailand targeting professional customers, small retailers, hotels, restaurants, and catering institute customers. However, in early 2011, Big C launched its “Big C Jumbo,” a wholesale professional-oriented” store format to expand their food professional customer base. These store formats usually encompasses an area of 10,000 sqm and carries 12,000 to 15,000 SKUs. It carries approximately 80 percent food and 20 percent non-food items.

The supermarket business in Thailand is driven by six major players, which are the Central Food Retail (Central Food Hall and Tops Marketplace), The Mall Group (Home Fresh Mart and Gourmet Market), Foodland Supermarket, Villa Market, MaxValu Supermarket, and UFM Fuji. This highly competitive segment is concentrated in Bangkok where higher income and sophisticated consumers form the customer base. The supermarket sector tends to cater to medium and upper income consumers by offering a wide range of premium products and a broader assortment of local and imported processed food, fruits and vegetables, meat, seafood, and beverage products. Central Food Retail dominates this segment with 218 outlets nationwide.

The convenience store sector is the fastest growing retail food sector with over 12,000 convenience stores nationwide and sells 15 percent of fast moving consumer goods (FMCG) in Thailand. In 2013, the growth of convenience stores was estimated around 10-15 percent. The leading player is 7-Eleven, which accounts for 53 percent of total sales and has 7,429 outlets nationwide at the end of 2013. Thailand 7-Eleven is the world’s third largest 7-Eleven network after Japan and the United States. CP All, the local operator of 7-Eleven, expanded by 607 new outlets both as stand-alone stores and stores located in PTT gas stations to reach more target customers both in Bangkok and provincial areas. Intense competition can be clearly seen in small store formats arising from significant numbers of new players and with the entry of Central group through its acquisition of the Family Mart operation, and by the announcement of a joint venture between the Japan’s second largest convenience store chain Lawson and Sahapat Group.

Over 90 percent of urban Thai shoppers use convenience stores and visit them on an average 13 times a month. It is reported that an average of 9.2 million customers visit convenience stores each day. Due to their popularity, the Thai convenience retail sector has become enormously competitive. 7-Eleven chains face growing competition from Tesco Lotus Express, Mini Big C, Tops Daily, and Family Mart. The strong competition has led convenience stores to focus its sales strategies on food items and new food product lines, especially ready-to-eat-products. Food and beverage products account for 70-80 percent of the total product line in convenience stores. Ready-to-eat food products account for approximately 20 percent of their sales. In addition, to generate more sales, 7-Eleven introduced new products during various festivities as well as bakery and coffee products under the Kudsan brand.

Table 4: Number of Convenience Stores in Thailand

Convenience Stores	2010	2011	2012	2013
Stand-alone convenience stores	8,883	9,773	9,526	10,404

• 7-Eleven stores	4,920	5,350	5,842	6,373
• Others	3,963	4,423	3,684	4,031
Convenience stores in gas stations	2,075	2,135	1,988	2,062
• 7-Eleven stores	870	926	980	1,056
• Others	1,205	1,209	1,008	1,006
• Total convenience stores	10,958	11,908	11,514	12,466

Source: CP All Plc.

Hypermarkets, supermarkets, and cash and carry establishments present excellent opportunities for U.S. exporters of consumer food items. The main factors U.S. exporters should consider before entering the Thai market are pricing, product shelf life, and consumer preferences. Intense competition in the retail food market, particularly from large-scale modern companies that use price strategies and loan extensions to low-income consumers, have led to the closure of many traditional stores. Thailand's hypermarket sector is dominated by two large companies, which normally gives it bargaining power with suppliers. The convenience sector is not considered to be an attractive channel for U.S. products due to the pricing disadvantages as these stores mostly carry locally and regional produced goods. U.S. exporters should be aware that many U.S. branded food products such as snack foods, candy, chocolate, and breakfast cereals are already present in the market as locally or regionally produced food products.

Most food retailers recently modified their marketing strategies by expanding their private label product offerings, instituted money promotions, provide discounts, and started loyalty programs in order to attract customers and maintain market share. Some supermarkets and hypermarkets have their own private label 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 juices. These private label products provide a good market opportunity for U.S. food ingredients, although some U.S. ingredients, such as frozen fries, are not competitive due to lower tariff rates provided by Free Trade Agreements (FTA). The margins on private label products for retailers are double that of branded products and have grown in popularity due to the ability of retailers to price them accordingly. For example, the Central Food Retail has three brands of private labels, namely "My Choice" for ready-to-eat products, "Cooking for Fun" for specialty products such as olive oil, pasta, and rice, and "Tops" brand for premium consumer products. Big C also has three private label brands, which are "Happy Baht" for price sensitive customers, "Big C" for medium-end customers and "Big C Advance" for high-end customers. Despite these established private labels, there are still significant opportunities for private label products to grow in this market. Currently, the market share in the packaged food category for private label products is less than 5 percent.

Table 5: Key Food Retailers in Thailand

Company Name	Store Format	No. of Outlets
Ek-Chai Distribution System Co., Ltd.		1,645

• Tesco Lotus Hypermarket	Hypermarket	109
• Tesco Lotus Extra	Hypermarket	12
• Tesco Lotus Value	Compact Hypermarket	36
• Talad Lotus	Supermarket	184
• Lotus Express	Convenience Store	1,304
7-Eleven – CP All Pcl.	Convenience Store	7,429
Siam Makro Pcl.		63
• Makro	Cash and Carry	64
• Siam Frozen Stores	Cash and Carry (focus only on frozen food items)	5
• Makro Food Service	Food Service Operator	1
Big C Supercenter Pcl.		257
• Big C Supercenter	Hypermarket	101
• Big C Extra	Hypermarket	16
• Big C Market	Supermarket	30
• Mini Big C	Convenience Store	278
• Big C Jumbo	Cash and Carry	2
Central Food Retail Co., Ltd.		956
• Central Food Hall	Supermarket	5
• Tops Marketplace	Supermarket	75
• Tops Superkoom	Supermarket	27
• Tops Super	Supermarket	19
• Tops Daily	Supermarket	24
• Family Mart	Convenience Store	806 (estimated figures)
The Mall Group		11

• Home Fresh Mart	Supermarket	7
• Gourmet Market	Supermarket	5
Foodland Supermarket	Supermarket	14
MaxValu - Aeon (Thailand) Co., Ltd		
• MaxValu	Supermarket	19
• MaxValu Tanjai	Mini-Supermarket	46
Villa Market	Supermarket	31

Source: USDA Foreign Agricultural Service - Bangkok, Thailand (as of December 31, 2013)

Entry Strategy – Supermarkets, Hypermarkets and Cash and Carry

The best method for U.S. exporters to enter these market segments is to directly contact supermarkets, hypermarkets or cash and carry companies. Selecting the right importer is one of the most important decisions for exporters developing their business in Thailand. The local importer will be a key partner in helping expand business opportunities and minimize the need for exporters to establish direct contact with multiple retail chains. A local importer familiar with market conditions and the regulatory environment can help exporters successfully market their products in this competitive market. 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 SKUs.

Distribution Channels - Supermarkets, Hypermarkets and Cash and Carry

The distribution channel for supermarkets, cash and carry, and hypermarkets in Thailand normally begins with the importers, distributors, and then to a central warehouse or directly 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 SKUs.

U.S. branded foods sold in convenience stores are generally produced in Thailand or neighboring Southeast Asian countries. These products include snack foods, chocolates, cookies, candies, gums, and breakfast cereals. Distributors often import U.S. branded foods from neighboring countries rather than from the United States because of their lower cost and preferential tariffs they receive from the various

trade agreements. Sales trends of imported food from neighboring and other FTA countries in convenience stores will increase in line with consumers' purchasing power. U.S. products are well-received by Thai consumers in convenience stores if the price and quality is similar to what local suppliers and other low cost exporting countries offer.

Distribution Channels - Convenience Stores, Gas Marts & Kiosks

A common distribution channel for convenience stores, gas marts and kiosks starts off with U.S. exporters, U.S. consolidators and/or traders to Thai distributors to convenient stores, gas marts and kiosk distribution centers. Some Thai distributors distribute foodstuffs directly to convenience stores, gas marts, and kiosk outlets. Most of the foodstuffs that are distributed directly to these 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 element in the success of the larger retailers is attributed to the 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 low prices, low consumer purchasing power, the size and traditional distribution channels of this segment, and consumer preference for traditional Thai and Chinese food products.

Distribution Channels - Traditional Markets

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

Best Market Prospects

The best market prospects for U.S. suppliers include fresh fruits (cherries, grapes, strawberries, oranges, apples, berries), nuts (walnuts, hazel nuts, and pistachios), breakfast cereal, frozen seafood (scallop, lobster, fish, mussel), dried fruits (raisin), fruit juices, jam, vegetable oils, candy, chocolate, chocolate milk mix, dairy products (cheese, cheese spread, cream cheese, whipped cream, cheese sticks, cheese dip and ice-cream), pie fillings, processed meat, American spices, seasonings and sauces, snack foods, crisp bread, syrup, vinegar, wine, spirits, and pet food.

The best-selling U.S. food products are fresh fruits (cherries, grapes, and Washington apples (WA), frozen fries, scallops, snack foods, breakfast cereal, wine, dried fruits, popcorn, 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, sugar confectionary, soup and broth, biscuits and wafers, candy, stone fruits (peaches, plums, nectarines), processed meat, chocolate milk mix, cheese, dip sauce, other cooking products.

HRI Food Service Sector

Thailand's large hotel and restaurant industry (HRI) food service sector comprises approximately 150,000 outlets including some 100,000 restaurants and more than 5,000 hotels and resorts. The industry has steadily increased in recent years driven by continuous growth in the country's tourism industry as well as a change in consumer behavior as modern urban families tend to eat out more regularly. Hotels, resorts, restaurants and institutional contractors are heavy users of imported food for food preparation and ready-to-eat meals. This sector attracts middle to higher income Thais, Thai corporate businessmen, resident expatriates, and tourists. In 2013, consumer expenditures on hotels and catering per capita were \$498, an 8 percent increase from the previous year. The hotel and restaurants sector expanded by 15.1 percent, in the second quarter of 2013. In 2013, Thailand welcomed a total of more than 26.7 million international tourists, a notable 19.6 percent increase from the year before.

Growth in the country's tourism sector is expected to continue and the Tourism Authority of Thailand (TAT) predicts that 30 million overseas visitors will travel to Thailand in 2015.

Thailand's tourism is an important component of the service sector, which generated an estimated \$28 billion for the Thai economy in 2013. Thailand's HRI food service sector is reliant on the tourism industry, thus, the increase in tourist arrivals should bode well for growth in Thailand's HRI sector.

Thailand's high tourism levels, healthy economic forecast, and increasing food consumption are expected to continue fueling the growth of the country's HRI food service sector. In addition, many on-going construction projects involving new community shopping malls is expected to serve as perfect venues for most of the global food chains and premium restaurants.

Sales of food and beverages account for about 30 percent of Thailand's hotels and resorts' total revenues. On average, 30 percent of Thailand's HRI food and beverages are imported. The United States has a 15 to 20 percent share of the of this import market. U.S. beef, seafood (lobster, Alaska king crab legs, scallops, etc.), wines, frozen potatoes, seasonings, etc., are well known in Thailand's hotel and restaurant trade and with airline catering companies. Thai Airways International uses 30 to 40 percent of imported food products in their in-flight catering service.

The casual dining restaurants accounted for approximately 85 percent of total restaurant sales. The outlook for the casual dining restaurant industry remains positive owing to increasing urbanization, escalating disposable income, and less time for home cooking. In addition, overseas studies, international travel, widespread social media have led to an increasingly westernized younger population and urban dwelling Thais, moving away from traditional open-air food stands to casual dining restaurants. Besides independently local owned restaurants, the establishment of restaurant chains such as Oishi, Fuji, Zen, S&P, Patio, Black Canyon, Pepper Lunch, and MK Suki Restaurant has resulted in more choices in Bangkok and major tourist destinations in Thailand. Sidewalk restaurants are gradually being 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 in the last few years and are expected to continue expanding in the next few years. Hot and cold drinks including coffee and ready-to-eat foods are served in convenience stores and stand-alone outlets.

Entry Strategy

In this sector, 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 specialize 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 affiliates 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 in this sector 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 products including rice, rubber, cassava, sugar, seafood, poultry meat, frozen, ready-to-eat foods, and processed fruits and vegetables. Thailand has more than 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 United States is considered to be a world leader in food ingredient technology and one of the major food ingredient suppliers to the world. In this market, U.S. suppliers should focus their attention on new functional food ingredients, flavors, and other ingredients that promote the health and wellness benefits in foods.

In 2013, Thailand's food ingredient imports exceeded \$2.5 billion, a 12 percent increase from the previous year. Although domestic producers hold the greatest share of the ingredients market, these items tends to be of low-value, raw and semi-processed. These products include grains, vegetable oils, and starches. High-value and more technology-based ingredients are generally not available locally and must be imported, providing an opportunity for U.S. exporters. The food ingredient market continues to grow due to an increase in the population, purchasing power, the number of dual income families, and new product developments.

The following are some general characteristics of the Thai food processing industry:

- Thailand has earned foreign currency from exports since 1970. Subsequently, Thai agriculture

successfully diversified into high-value products, livestock and fisheries and is among the world's leading exporters of several agricultural commodities.

- The Thai market for raw materials is growing. Raw inputs for the food processing sector are primarily supplied by Thai companies. The growth in demand for these products is due to increased localized production of processed products and high cost of transportation. The following are also contributing factors:

- An increasing shift in using imported ingredients for new products.
- A move toward better quality ingredients, despite the higher cost.
- Major food exporters have expanded their production capacity through the purchase of new machinery or upgrades to meet the demand for a variety of products and satisfy international quality standards including HACCP and ISO.

Demand for food products is shifting away to a wider array of processed foods available in large supermarkets from unprocessed foods found in fresh markets. Thailand's exposure to international food products has led to significant changes in attitudes and consumption patterns of Thai consumers. Moreover, the rapid urbanization and the growing number of women in the workforce have also increased demand for processed foods and ready to eat meals. Frozen food products, particularly frozen ready meals, desserts, and seafood show the biggest growth. As a result, retail food outlets are increasing their product lines of ready-to-eat food products that are normally found in convenience stores like 7-Eleven, Family Mart, and Lawson 108. Demand for these ready-to-eat products are also fueling interests in 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.

Moreover, the Thai health food market still shows signs of continual growth due to a strong desire among Thai consumers to maintain a healthy lifestyle. As a result, there is growing awareness of functional ingredients such as herbs, fibers, collagen, L-carnitine, minerals, vitamins, omega fatty acids, and probiotic. The sales of health and wellness products reached \$4.8 billion in 2013. The rising demand for health and functional food products have caused Thai food manufacturers to focus on developing new functional foods and beverage products. This presents a lucrative opportunity for the U.S. companies to develop and keep expanding their customer base in this new growing market.

Although domestic ingredients currently hold the largest share of this market, items such as grains, vegetable oils, and starches tend to be low value, high volume, raw and semi-processed. 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 this market segment is either to appoint a reputable and experienced local importer/distributor or contact food manufacturers directly. 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 arranging 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 2015.

U.S. agricultural Cooperators (non-profit U.S. agricultural trade organizations) 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 the food processing sector 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 healthy, flavor-intensive, and palate-pleasing. 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 suppliers. This is especially true for large, integrated food processors, which are well oriented for international trade.

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 MACKEREL AND OTHER FISH	0303		5	
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 IN SHELL & SHELLED	080211 080212		10	Bt.8.50/kg
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		5	Bt.4.00/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 kernels (for popping purpose)	10059010			Bt 2.75/kg
	"Already-pop" popcorn	1904.10.90		20	
	Microwave popcorn	2008.19.90		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	GIN	220850		54	
48	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 can facilitate 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@fas.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):

Bobby Richey, Agricultural Counselor
Rey Santella, Agricultural Attaché

B) Cooperators

Feel free to contact the U.S. non-profit trade organizations, also known as Cooperators that represent specific agricultural commodities. These organizations can help you conduct market development activities that 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, but some have offices in neighboring countries such as Singapore, which have regional responsibilities. The following are some of the cooperators who are responsible for the Thai market:

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 Milk Advisory Board
At Success Marketing Co., Ltd.
7th Floor, Room 7-01,
Ploenchit Center
2 Sukhumvit Road, Klongtoey
Bangkok 10110 Thailand
Contact: Ms. Theeravee Ungkuvorakul, Managing Director
Tel: (662) 656-7921
Fax: (662) 656-7931
Email: theeravee@successmarketing.co.th

California Table Grape Commission
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@tatch.in.th

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, 4th 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
627A Aljunied Road
04-04 Biztech Centre
Singapore 389842
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: usapec_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
At Success Marketing Co., Ltd.
7th Floor, Room 7-01,
Ploenchit Center
2 Sukhumvit Road, Klongtoey
Bangkok 10110 Thailand
Contact: Ms. Apiradee (Tulip) Phanuroote, Manager
Tel: (662) 656-7921
Fax: (662) 656-7931
Email: tulip@successmarketing.co.th

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. The Chamber has an active Food & Agribusiness Committee, which represents 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 Bureau
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@dmisc.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 and Demographic Information	
Agricultural Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$10,946 Mil/15.84 %
Consumer Food Imports From All Countries (\$Mil)/U.S. Market Share (%)	\$4,344 Mil/15.48%
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$3,066 Mil/9.14%
Total Population (Millions) / Annual Growth Rate (%)	64.79 Mil/0.51%
Urban Population (Millions) Annual Growth Rate (%)	23.55 Mil/0.52%
Number of Major Metropolitan Areas	21 provinces
Size of the Middle Class (Millions) / Growth Rate (%)	27 Mil/-3.9%
Per Capita Gross Domestic Product (U.S. Dollars)	\$5,673
Unemployment Rate (%)	0.70%
Per Capita Food Expenditures (U.S. Dollars)	\$734
Percent of Female Population Employed	54%
Exchange Rate (2013)	US\$1=30.73

Source: USDA Foreign Agricultural Service - Bangkok, Thailand

Table B. Consumer Food & Edible Fishery Product Imports

Thailand Imports (In Thousands of Dollars)	Imports from the World			Imports from the US			U.S. Market Share		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
CONSUMER-ORIENTED AGRICULTURAL TOTAL	3,286,741	3,946,280	4,343,730	380,217	400,986	672,285	11.57	10.16	15.48
Snack Foods (Excl. Nuts)	230,245	301,869	287,046	6,307	7,906	9,503	2.74	2.62	3.31
Breakfast Cereals & Pancake Mix	33,695	41,726	45,587	1,538	1,692	1,728	4.56	4.05	3.79
Red Meats, Fresh Chilled/Frozen	81,972	112,801	81,715	870	1,430	2,378	1.06	1.27	2.91
Red Meats, Prepared/Preserved	13,752	24,767	44,990	1,407	1,467	1,514	10.23	5.92	3.36
Poultry Meat	3,369	3,851	17,478	1,183	972	2,087	35.12	25.24	11.94
Dairy Products (Excl. Cheese)	616,110	612,544	641,183	61,036	42,788	70,889	9.91	6.99	11.06
Cheese	42,700	42,583	48,925	2,074	3,125	4,728	4.86	7.34	9.66
Eggs & Products	13,646	18,666	21,268	2,104	1,272	2,410	15.42	6.82	11.33
Fresh Fruits	363,243	492,205	535,090	39,185	45,099	45,301	10.79	9.16	8.47
Fresh Vegetables	144,558	167,627	192,378	4,563	5,734	3,508	3.16	3.42	1.82
Processed Fruit & Vegetables	325,867	437,919	426,276	33,224	35,233	39,456	10.2	8.05	9.26
Fruit & Vegetable Juices	63,625	68,046	77,288	13,865	8,589	8,955	21.79	12.62	11.59
Tree Nuts	114,163	99,531	107,620	12,481	15,528	18,976	10.93	15.60	17.63
Wine & Beer	54,410	60,386	68,424	2,742	4,226	3,749	5.04	7.00	5.48
Nursery Products & Cut Flowers	19,642	25,671	22,499	36	32	29	0.19	0.13	0.13
Pet Foods (Dog & Cat Food)	31,946	33,401	43,232	9,743	11,062	8,521	30.5	33.12	19.71
Other Consumer-Oriented Products	1,133,798	1,402,687	1,682,731	187,857	214,831	448,555	16.57	15.32	26.66
FISH & SEAFOOD PRODUCTS	2,689,045	3,038,105	3,066,280	274,262	253,201	280,132	10.2	8.33	9.14
AGRICULTURAL PRODUCTS TOTAL	9,854,430	10,959,067	10,945,628	1,624,938	1,546,571	1,733,240	16.49	14.11	15.84
AG, FISH & FORESTRY TOTAL	13,348,502	14,797,000	14,786,580	1,929,848	1,841,871	2,051,274	14.46	12.45	13.87

Source: Global Trade Atlas and USDA Bangkok, Thailand

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

CONSUMER-ORIENTED AGRICULTURAL IMPORTS

\$1,000	2011	2012	2013
China	686,528	827,244	878,936
United States	380,217	400,986	672,285
New Zealand	397,542	387,402	375,479
Australia	244,088	255,863	366,982
Malaysia	212,903	332,498	297,072
Singapore	140,300	227,673	235,774
Netherlands	127,166	125,895	153,907
Vietnam	96,125	127,815	132,994
Indonesia	135,085	150,888	122,490
France	99,256	106,271	114,902
India	76,737	130,262	104,660
Germany	82,394	85,946	84,164
Cambodia	37,380	95,804	73,142
Japan	72,676	83,428	71,077
Philippines	66,532	76,998	67,920
Other	429,202	531,307	591,947
World	3,286,741	3,946,280	4,343,730

FISH & SEAFOOD PRODUCTS

	2011	2012	2013
Taiwan	286,947	379,163	319,532
United States	274,262	253,201	280,132
China	202,439	247,247	279,295
Indonesia	153,183	241,787	244,860
Japan	170,163	188,438	202,203
Vanuatu	127,863	162,247	187,835
South Korea	171,242	197,290	184,500
Vietnam	103,795	134,325	141,108
India	108,512	107,080	128,839
Norway	105,840	107,894	118,244
Chile	111,452	90,939	82,583
Marshall Islands	91,641	83,816	76,221
Peru	23,533	31,614	73,009
Maldives	40,475	35,879	71,525
Philippines	65,528	90,794	62,301
Other	583,967	633,596	614,094
World	2,689,045	3,038,105	3,066,280

Source: Global Trade Atlas and USDA Bangkok, Thailand

Table D. Economic Projection 2014 and 2015

Economic Projection 2013 and 2014					
	Actual Data		Projection		
	2012	2012	2014		2015
			Aug 18, 2014	Nov 17, 2014	Nov 17, 2014
GDP (at current price: Bil.USD)	366.0	387.0	380.0	378.0	393.0
GDP Growth (at constant price, %)	6.5	2.9	1.5-2.0	1.0	3.5-4.5
Investment (at constant prices, %)	13.2	-2.0	-2.0	-1.9	5.8
Private (at constant prices, %)	14.4	-2.8	-2.9	-1.0	4.8
Public (at constant prices, %)	8.9	1.3	1.0	-5.0	9.8
Consumption (at constant prices, %)	6.8	1.1	1.3	1.2	3.1
Private (at constant prices, %)	6.7	0.3	0.8	0.7	2.6
Public (at constant prices, %)	7.5	4.9	3.7	3.6	5.6
Export volume of goods&services (Volume, %)	3.1	4.2	1.7	-0.3	4.4
Export value of goods (Bil.USD)	225.9	225.4	229.9	225.4	234.4
Growth rate (%)	3.1	-0.2	2.0	-	4.0
Growth rate (Volume, %)	2.5	0.2	3.0	0.9	4.0
Import volume of goods&services (Volume, %)	6.2	2.3	-3.1	-4.3	5.4
Import value of goods (Bil.USD)	219.9	218.7	208.1	204.6	214.8
Growth rate (%)	8.8	-0.5	-4.9	-6.5	5.0
Growth rate (Volume, %)	7.1	1.6	-4.4	-5.8	5.5
Trade balance (Bil.USD)	6.0	6.7	21.8	20.8	19.6
Current account balance (Bil.USD)	-1.5	-2.5	9.9	10.9	8.8
Current account to GDP (%)	-0.4	-0.6	2.6	2.9	2.2
Inflation (%)					
CPI	3.0	2.2	1.9-2.4	2.1	1.4-2.4
GDP Deflator	1.3	1.7	1.9-2.4	2.1	1.4-2.4

Source: Office of the National Economic and Social Development Board, 17 November 2014

Table E. Exchange Rate (2008-2013)

Exchange Rates						
(Baht per unit of US Dollar annual average)						
	2008	2009	2010	2011	2012	2013
US\$	33.31	34.29	31.69	30.49	31.08	30.73

Source: Bank of Thailand