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Thailand

Exporter Guide

2012

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Report Highlights:

TH3004: 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 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

Executive Summary:**Section I. Market Overview**

Thailand is Southeast Asia's second largest economy with a GDP of \$346 billion. Exports account for more than 65 percent of its GDP. In 2012, Thailand's economy is estimated to grow by 5.5 percent. Factors influencing its growth include private sector spending and increased tourism. 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. Export demand, however, is anticipated to slow mainly due to lower external demand resulting from the global economic slowdown and the EU debt crisis.

In 2013, the Thai economy is forecast to grow around 4.5 to 5.5 percent. The main driving factors for growth are stronger domestic demand; improved global demand for exports; and an increase in capital inflows and foreign direct investments. The government is expected to implement a national policy to raise the minimum wage to 300 baht (\$10)/day on January 1, 2013. The government's decision to continue supporting its rice mortgage scheme will inject an additional 300 billion baht (\$10 billion) into the economy. Strong consumer demand should lead to an increase in discretionary spending on non-traditional agricultural products.

Thailand is the 16th largest export market for U.S. agricultural products including fish and forestry products. In 2011, Thailand imported \$380 million in consumer oriented foods from the United States while U.S. imports from Thailand were \$1,072 million (Table 1). 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 \$1,103 million in 2007 to \$1,899 in 2011 (Table 2). In this period, bulk and intermediate products and consumer oriented goods grew by 10 percent and fish and seafood products grew by 33 percent. In 2011, the mix of products exported to Thailand from the U.S. remained constant; bulk and intermediate goods accounted for 66 percent, consumer-oriented products with 20 percent and edible fishery products with 14 percent.

Table 1: U.S.-Thailand Trade of Consumer Oriented Agricultural Products

(m; US\$ per year)	2007	2008	2009	2010	2011
Imports from Thailand	718	868	851	947	1,072
Exports to Thailand	271	334	254	317	380
Trade Balance	-447	-534	-597	-630	-692
Source: Global Trade Atlas and USDA Foreign Agricultural Service - Bangkok, Thailand					

Table 2: Change in Thai Food Import Mix from the U.S.

(m; US\$ per year; % of total)	2007	2008	2009	2010	2011
Bulk & Intermediate	765	894	805	888	1245
%	69%	64%	64%	63%	66%
Consumer Oriented	271	334	254	317	380
%	25%	24%	20%	22%	20%
Edible Fishery	66	174	208	210	274
%	6%	12%	16%	15%	14%
Total	1,103	1,402	1,266	1,415	1,899
Source: Global Trade Atlas and USDA Foreign Agricultural Service - Bangkok, Thailand					

In January 2010 Thailand continued the implementation of additional trade arrangements, which has created additional challenges for U.S. agricultural exports, particularly in dealing with higher tariffs. Thailand currently has trade arrangements with ASEAN, Australia-New Zealand, China, India, Japan, Peru, and South Korea (Table 3).

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. 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. Section IV of this report has a detailed list of bound duties on major U.S. agricultural exports.

Advantages	Challenges
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	Free trade agreements between Thailand and other countries, particularly China, Australia,

16 percent of total population) is willing to try new products and receptive to trends that fit their westernized lifestyles.	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 (39 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 the rural sector 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.
Strong Baht versus weak U.S. Dollar.	Imports of some U.S. food products are currently subject to restrictive trade barriers, including high import tariffs, rigid food import procedures/legislations, and abundant documentation.
Increase 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.
The Thai food processing industry is looking for new ingredients and shows a strong interest in importing health and functional food ingredients.	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: 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 and has a good understanding of 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. 05/12/12 means December 5, 2012. To avoid confusion, you may want to use the full date 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 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 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, 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 efficient than 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 2011, Thai consumer expenditures on food and beverages reached \$71 billion. Per capita disposable income rose 63 percent to \$3,181 in 2011. The typical Thai diet consists of rice, meats, eggs, vegetables, fish, and seafood. In 2011, spending on food and non-alcoholic beverages accounted for 32 percent of all household expenditures.

Retail Sector

Thailand represents one of the most attractive food and drink markets in the Asia Pacific Region. The country's retail sector is predicted to grow by 7 percent in 2012 as consumer spending continues. It is estimated that growth for the wholesale and retail sector in 2011 was only 4 to 5 percent due to the damage retailers suffered from the massive flooding in Thailand. The floods seriously affected retail supply chains and logistics operations, as well as delayed the opening of new retail stores during the last few months of the year.

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 and Big C Supercenter of Casino Group of France. Cash and carry Netherlands-based Siam Makro and 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.

In 2011, total modern retail market sales were \$23 billion out of which 31 percent came from the hypermarket sector, 14 percent from the cash and carry sector, 17 percent from the supermarket sector, and 31 percent from convenience stores. In 2012, 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. 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 food and packaged food 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.

Siam Makro, the first membership-based Cash & Carry retail store in Thailand was established in 1988 and registered under the name "Makro." At end of 2011, 52 Makro stores of varying formats and sizes existed in Thailand with 9 stores located within the greater Bangkok area and 43 stores in the provinces. 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. Their customer bases are small retailers, hotels, restaurants, and caterers (HoReCa), and other institutional business operators.
- 2) Eco Store: This store is 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: This store is 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. This format is expected to be the main concept for future expansion.
- 4) Siam Frozen Shop: Small stores with approximately 100-150 sqm that are positioned as frozen food specialty stores selling mostly frozen products to the HoReCa customers. The company now has two outlets in Chiang Mai and Udonthani.
- 5) Makro Foodservice store: This newly launched specialty store concept, with approximately 5,700 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. This store format includes 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" cash and carry store to further expand their food professional customer base. This store format 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 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 11,000 convenience stores nationwide and sells 15 percent of fast moving consumer goods (FMCG) in Thailand. The leading player is 7-Eleven, which accounts for 53 percent of total sales and has 6,276 outlets. 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, plans to open 500 new outlets a year in order to reach its goal of 7,000 outlets by 2013. 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 7.6 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.

Table 5: Number of Convenience Stores in Thailand

Convenience Stores	2008	2009	2010	2011
Stand alone convenience stores	7,288	7,906	8,883	9,773
• 7-Eleven stores	4,065	4,462	4,920	5,350
• Others	3,223	3,444	3,963	4,423
Convenience stores in gas stations	1,961	2,012	2,075	2,135
• 7-Eleven stores	713	808	870	926
• Others	1,248	1,204	1,205	1,209
• Total convenience stores	9,249	9,918	10,958	11,908

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, shelf life of the product, 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 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 rely on 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 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, discounts, and 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 of U.S. ingredients, such as frozen fries and dried fruits, are not competitive due to lower tariff rates provided by FTAs. 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 label, there are still significant opportunities for the 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 6: Key Food Retailers in Thailand

Company Name	Store Format	No. of Outlets
Ek-Chai Distribution System Co., Ltd.		1,672
• Tesco Lotus Hypermarket	Hypermarket	99
• Tesco Lotus Value	Compact Hypermarket	36
• Talad Lotus	Supermarket	130
• Lotus Express	Convenience Store	755
• Talad Lotus and Lotus Express	Supermarket and Convenience Store	652
7-Eleven – CP All Pcl.	Convenience Store	6,276
Siam Makro Pcl.	Cash and Carry	52
BigC Supercenter Pcl.		171
• Big C and Big C Extra	Hypermarket	107
• Big C Market	Supermarket	12
• Mini Big C	Convenience Store	51
• Big C Jumbo	Cash and Carry	1
Central Food Retail Co., Ltd.		218
• Central Food Hall	Supermarket	4
• Tops Marketplace	Supermarket	50
• Tops Supermarket	Supermarket	45
• Tops Daily	Supermarket	119
The Mall Group		11
• Home Fresh Mart	Supermarket	7
• Gourmet Market	Supermarket	4
Foodland Supermarket	Supermarket	13
MaxValu - Aeon (Thailand) Co., Ltd		

• MaxValu	Supermarket	17
• MaxValu Tanjai	Mini-Supermarket	41
Villa Market	Supermarket	22
Family Mart	Convenience Store	665

Source: USDA Foreign Agricultural Service - Bangkok, Thailand

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. Appointing 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 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 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 the outlets, and consumer preference for traditional Thai and Chinese food products.

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 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. 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 2011, consumer expenditures on

hotels and catering per capita were \$271, a 6 percent increase from the previous year. The sector continues to expand by 6.9 percent in line with the expansion of inbound tourists. The number of inbound tourists in 2011 was recorded at 5.3 million, representing an increase of 8.4 percent from the previous year. It is expected that the number of inbound tourists for the entire 2012 is expected to exceed 20.5 million. For the first 9 months of 2012, the hotel and restaurant sectors expanded by 7 percent. The international tourist arrivals to Thailand in 2011 totaled 19.2 million, up 21 percent, and the average hotel occupancy rate was at 65 percent, which is 61 percent increased over the same period in 2010.

Thailand's tourism is an important component of the service sector, which generated approximately \$25 billion for the Thai economy in 2011. 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 imported food in their in-flight catering service.

Besides independently local owned restaurants, the establishment of restaurant chains such as Oishi, Fuji, Zen, S&P, Black Canyon, Pepper Lunch, and MK Suki Restaurant are also available 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 2011, Thailand imported more than \$2.1 billion of food ingredients, a 29 percent increase from the previous year. Although domestic ingredients hold the greatest share of the market, items such as grains, vegetable oils, and starches tend to be of lower value and quality. High-value and more technology-produced ingredients are generally not available locally and must be imported. The food ingredient market continues to grow due to increases in population and purchasing power, increases in the number of dual income families, and developments of new products.

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. Nevertheless, the import market for these ingredients has been growing reaching 1.4 billion in 2010. The growth in demand for food processing materials

is due to increased local production.

- 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.

Reflecting rising and income levels in Thailand, demand for food products is shifting away from unprocessed foods from fresh markets to a wider array of processed foods available in large supermarkets. As a result, the demand for processed 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.

Moreover, the Thai health food market is showing signs of 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, minerals, vitamins, omega fatty acids, and probiotic. These health concerns have driven the overall sales of ready-to-drink tea sales in Thailand to more than \$312 million in 2011. Sales are expected to grow 21 percent to \$377 million by 2012. Capitalizing on this trend, local Thai fruit juice manufacturer, Tipco, started producing new nutritional innovative products, including concentrated pomegranate juice, which has increased sales by 120 percent. 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 2013.

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	X	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		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 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):
John Wade, 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@waapples.com

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: 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
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 (%)	\$9,854 Mil/16.49%
Consumer Food Imports From All Countries (\$Mil)/U.S. Market Share (%)	\$3,287 Mil/11.57%
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$2,689 Mil/10.20%
Total Population (Millions) / Annual Growth Rate (%)	64.08 Mil/0.31%
Urban Population (Millions) Annual Growth Rate (%)	25.26 Mil/9.34%
Number of Major Metropolitan Areas	37 provinces
Size of the Middle Class (Millions) / Growth Rate (%)	30 Mil/1.59%

Per Capita Gross Domestic Product (U.S. Dollars)	\$5,113
Unemployment Rate (%)	0.70%
Per Capita Food Expenditures (U.S. Dollars)	\$806
Percent of Female Population Employed	67%
Exchange Rate (2011)	US\$1=30.49

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		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
CONSUMER-ORIENTED AGRICULTURAL TOTAL	1,969,643	2,520,438	3,286,741	253,506	317,088	380,217	12.87	12.58	11.57
Snack Foods (Excl. Nuts)	140,299	170,735	230,245	6,767	5,406	6,307	4.82	3.17	2.74
Breakfast Cereals & Pancake Mix	25,782	29,803	33,695	1,201	1,333	1,538	4.66	4.47	4.56
Red Meats, Fresh/Chilled/Frozen	25,111	36,635	81,972	500	815	870	1.99	2.22	1.06
Red Meats, Prepared/Preserved	5,743	7,367	13,752	610	1,101	1,407	10.63	14.94	10.23
Poultry Meat	978	1,709	3,369	499	461	1,183	50.98	26.98	35.12
Dairy Products (Excl. Cheese)	289,730	496,941	616	27,514	53,954	61,036	9.5	10.86	9.91
Cheese	24,685	33,895	42,700	965	1,190	2,074	3.91	3.51	4.86
Eggs & Products	11,320	13,064	13,646	1,356	2,698	2,104	11.98	20.65	15.42
Fresh Fruits	257,246	284,362	363,243	28,343	32,720	39,185	11.02	11.51	10.79
Fresh Vegetables	92,959	105,333	144,558	2,670	201	4,563	2.87	0.19	3.16
Processed Fruit & Vegetables	196,801	251,458	325,867	23,655	34,286	33,224	12.02	13.64	10.2
Fruit & Vegetable Juices	45,981	62,813	63,625	18,941	18,872	13,865	41.19	30.05	21.79
Tree Nuts	39,036	61,610	114,163	8,361	12,499	12,481	21.42	20.29	10.93
Wine & Beer	42,956	39,155	54,410	1,774	1,589	2,742	4.13	4.06	5.04
Nursery Products & Cut Flowers	12,056	14,276	19,642	228	111	36	1.89	0.78	0.19
Pet Foods (Dog & Cat Food)	30,187	32,600	31,946	8,598	11,124	9,743	28.48	34.12	30.5
Other Consumer-Oriented Products	728,771	878,654	1,133,798	121,521	138,728	187,857	16.67	15.79	16.57
FISH & SEAFOOD PRODUCTS	1,934,623	2,116,800	2,689,045	207,880	210,724	274,262	10.75	9.93	10.2
AGRICULTURAL PRODUCTS TOTAL	6,045,133	7,821,541	9,854,430	1,058,322	1,204,895	1,624,938	17.51	15.41	16.49
AG, FISH & FORESTRY TOTAL	8,502,396	10,623,841	13,348,502	1,294,816	1,444,172	1,929,848	15.23	13.59	14.46

Source: Global Trade Atlas and USDA Bangkok, Thailand

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

CONSUMER-ORIENTED AGRICULTURAL IMPORTS				FISH & SEAFOOD PRODUCTS			
\$1,000	2009	2010	2011		2009	2010	2011
China	432,828	525,301	686,528	Taiwan	219,088	299,370	286,947
New Zealand	201,506	320,828	397,542	United States	207,880	210,724	274,262
United States	253,506	317,088	380,217	China	110,316	88,633	202,439
Australia	169,900	210,522	244,088	South Korea	146,191	122,487	171,242
Malaysia	138,562	169,700	212,903	Japan	127,614	162,181	170,163
Singapore	85,962	103,189	140,300	Indonesia	148,752	151,631	153,183
Indonesia	70,703	90,203	135,085	Vanuatu	103,048	132,994	127,863
Netherlands	70,592	82,977	127,166	Chile	50,317	65,220	111,452

France	66,908	75,945	99,256
Vietnam	39,038	62,957	96,125
Germany	40,019	63,777	82,394
India	24,384	32,966	76,737
Japan	48,104	57,635	72,676
Philippines	43,556	56,258	66,532
Italy	18,790	27,106	39,991
Other	265,287	323,958	429,202
World	1,969,643	2,520,410	3,286,741

Source: Global Trade Atlas and USDA Bangkok,
Thailand

India	58,675	95,433	108,512
Norway	68,501	92,723	105,840
Vietnam	64,742	65,907	103,795
Marshall Islands	16,023	38,896	91,641
Spain	25,531	30,876	70,763
Philippines	36,474	30,443	65,528
Myanmar	72,302	66,454	61,448
Other	479,167	462,827	583,967
World	1,934,623	2,116,800	2,689,045

Table D. Economic Projection 2012 and 2013

	Actual Data		Projection		
	2010	2011	2012		2013
			20 Aug 12	19 Nov 12	19 Nov 12
GDP (at current price: Bil.USD)	318.8	345.6	367.3	369.8	399.4
GDP Growth (at constant price, %)	7.8	0.1	5.5-6.0	5.5	4.5-5.5
Investment (at constant prices, %)	9.4	3.3	11.3	12.0	8.1
Private (at constant prices, %)	13.8	7.2	12.2	13.7	8.0
Public (at constant prices, %)	-2.2	-8.7	8.1	5.7	8.5
Consumption (at constant prices, %)	5.1	1.3	4.7	5.3	3.8
Private (at constant prices, %)	4.8	1.3	4.8	5.2	4.0
Public (at constant prices, %)	6.4	1.1	3.8	6.0	2.5
Export volume of goods & services (Volume, %)	14.7	9.5	7.7	4.2	7.8
Export value of goods (Bil.USD)	193.7	225.4	241.8	237.8	266.8
Growth rate (%)	28.4	16.4	7.3	5.5	12.2
Growth rate (Volume, %)	17.7	10.2	6.8	5.0	8.0
Import volume of goods & services (Volume, %)	21.5	13.7	10.5	6.8	8.5
Import value of goods (Bil.USD)	161.9	201.9	229.2	219.7	246.9
Growth rate (%)	37.0	24.7	13.5	8.8	12.4
Growth rate (Volume, %)	26.8	13.3	11.0	7.0	8.7
Trade balance (Bil.USD)	29.8	17.0	12.6	12.6	13.7
Current account balance (Bil.USD)	10.0	5.9	0.3	2.8	3.8
Current account to GDP (%)	3.1	1.7	0.1	0.8	1.0
Inflation (%)					
CPI	3.3	3.8	2.9-3.4	3.0	2.5-3.5
GDP Deflator	3.7	4.2	2.9-3.4	1.5	2.5-3.5

Source: Office of the National Economic and Social Development Board, 19 November 2012

Table E. Exchange Rate (2006-2011)

Exchange Rates						
(Baht per unit of US Dollar annual average)						
	2006	2007	2008	2009	2010	2011
US\$	37.88	34.52	33.31	34.29	31.69	30.49

Source: Bank of Thailand

