

The Food and Beverage Market Entry Handbook:

Thailand:

**a Practical Guide to the Market in Thailand for European Agri-food
Products**



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1 The Food and Beverage Market Entry Handbook: Thailand

This Handbook is intended to act as a reference for those agri-food producers planning for, or in the process of entering, the Thai market. This Handbook provides **step-by-step guides** on entering the agri-food market in Thailand including relevant information such as **analysis of the Thai market** for different product categories, **market access** and **market entry procedures**, **IP protection**, **referrals to professional buyers** and a signposting and referral system providing useful contacts and ways to penetrate the Thai market.

1.1 How to use this handbook

Depending on your stage of market entry, company profile, and product range, different sections within this handbook will be helpful to a different extent for your business strategies.

For those wishing to learn more about the Thai food and beverage market in general, section 2 provides a general country overview; section 3 provides an overview of the agri-food market; and section 3 an overview on market entry. These latter two sections contain information on: the food and beverage market, market access procedures, customs procedures, SPS and labelling requirements, intellectual property protection, including the status of geographical indications. The information contained within these sections is of a general nature and so may not be relevant for those in the more advanced stages of market entry.

If you want to find out more information relevant for your product, then check out the **Market Snapshots for Selected Products** (section 5). This content illustrates the market situation, market access procedures, SPS requirements etc. specific for this product or product category. This information will provide more industry specific information to consider as part of any market entry or market expansion strategies.

If you already have decided that the Thai market is where you want to be, but you need some support, then the **Support Services Directory** can point you in the right direction. Contact information for a service provider, business facilitation support organisation, or from a business contact, could help put you in touch with the right parties who can help you to build your brand in the Thai market.

2 Country introduction and overview



Capitals:	Bangkok						
Population:	69 Million						
Area:	513 120 km ²						
Political structure:	Unitary Parliamentary Constitutional Monarchy						
Major languages:	Thai						
Major religions:	94% Buddhism, 4% Islamic, 1% Christian						
Life expectancy:	Total Population 75.3 years (Male 71.8 Years, Female 79.3Years)						
Currency:	Thai Bhat ฿ THB/; 1 EUR = 34.5 THB (2019 average)						
GDP growth:	3.8 % (2019)						
Exports:	66.82% of GDP (2018)						
Imports:	56.49% of GPD (2018)						
Main exports*:	Office Machinery (9.2%), Integrated Circuits (5.6%), Delivery Truck (4.4%)						
Main imports*:	Electrical Machinery (18%), Mineral Fuels including oils (15.7%), Machinery including Computers (12.4%)						
Unemployment rate:	0.7% (2019)						
Labour force:	68% (2019)						
Main industries:	<table> <tr> <td>Agriculture:</td> <td>6.5 % of GDP</td> </tr> <tr> <td>Industry:</td> <td>35% of GDP</td> </tr> <tr> <td>Services:</td> <td>46% of GDP</td> </tr> </table>	Agriculture:	6.5 % of GDP	Industry:	35% of GDP	Services:	46% of GDP
Agriculture:	6.5 % of GDP						
Industry:	35% of GDP						
Services:	46% of GDP						
Average household income (2019):	EUR 11 561						
Household expenditure on food and beverages (2019):	EUR 2 978						
Food and beverage market size (2019):	EUR 73.4 billion						

Sources: Euromonitor International: Economies and Consumers, 2020; IMF; UN, World Bank; WHO, ECB. * Goods only listed

2.1 Country overview: Thailand at a glance

2.1.1 Past economic and political trends

- *Thailand is a strategic location in South East Asia, despite this the nation has remained largely independent throughout its history and avoided western colonisation that inflected its neighbours.*
- *Thailand's independence throughout its history has led to a largely homogenous nation ethnically, linguistically and religiously.*
- *Thailand was at the centre of the 1997 Asian financial crisis and has since recovered.*
- *Thailand has been a democracy since the mid-1970s, albeit with some challenges.*

Thailand is a historical nation with ethnic Thais inhabiting the region today known as Thailand since the 11th century. Despite a number of empires rising and falling within its vicinity coupled with later western colonisation in the region, the nation of Thailand has remained largely independent throughout its history. This independence has allowed the Thai culture to flourish throughout its history and today the nation is very ethnically, linguistically and religiously homogenous. The head of state in Thailand currently is King Vajiralongkorn who rules a throne that has remained in place for almost 800 years, leading to much admiration and respect for the royal family of Thailand. Thailand for most of its existence has had an economy which was largely focused on agriculture. However, since the cold war era the nation has been slowly closer aligned to the west and this opened up the country to investments and business opportunities allowing the Thai economy to rapidly develop in the 1980s; for each of the years 1980-84, the country recorded above 5% GDP growth rates. The Thai economy ran into difficulties during the 1990s which cumulated with the 1997 Asian financial crisis and the collapse of the local currency the Bhat. However, the country had recovered by 2001 and managed to repay its debts to the IMF by the year 2003, ahead of schedule. The 2004 earthquake and consequent tsunami ravaged the South East Asian region and Thailand was no exception, the country's economy suffered as a result. Politically, Thailand has been an effective democracy since the 1970s, and despite numerous uprisings and political challenges, it effectively remains a democracy to this day. Thailand has had some political upheaval revolving around a 2006 Coup d'état which led to an era of political uncertainty. The situation did then stabilise, but further coups d'état in 2013 and 2014 led to the installation of a military led government before elections took place again in 2019.

2.1.2 Current economic situation and mid-term outlook

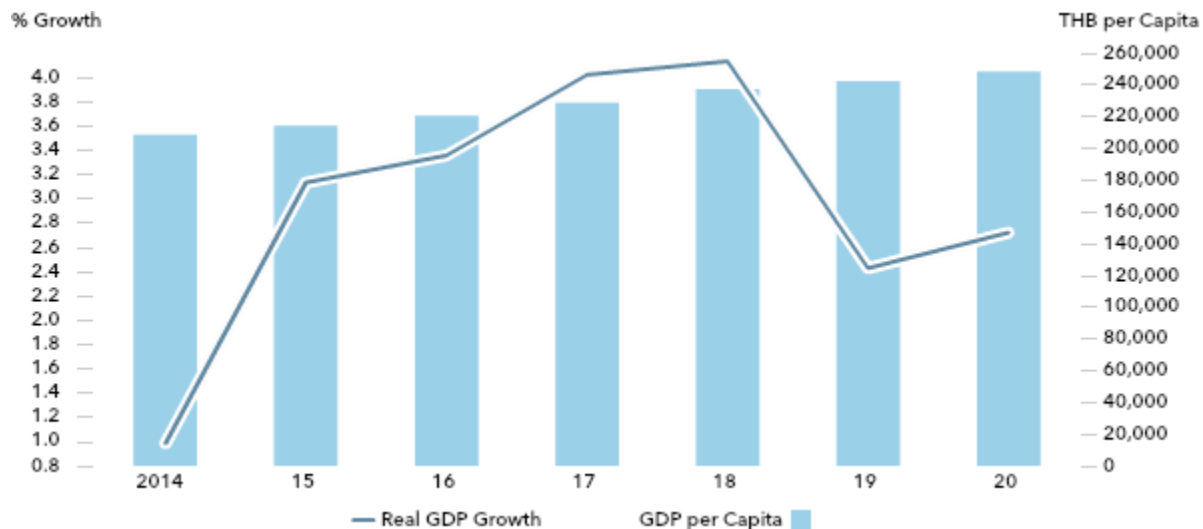
- *Thailand has stabilised after an era of political upheaval.*
- *Thailand is an influential member of the ASEAN Political bloc.*
- *The Thai government is committed to reforming and modernising the country.*
- *Agriculture will remain key for employment in the country.*

The economy was one of many effected by the 2008 financial crisis and political upheaval in the country also played a role in economic stagnation. However, the economy had stabilised by 2014 and recorded continuous economic growth rates up until 2019 which included year GDP growth rates hovering around 4% year on year (Figure 2-1). Thailand has one of the lowest rates of unemployment in the world. In 2016 the current government unveiled the Thailand 4.0 initiative, a programme of economic reforms and

investments to transform the nation from a middle-income economy to a high-income economy in five years. The initiative includes the creation of additional economic clusters and corridors in the country and investments in high tech digital start-ups and initiatives. Thailand as a member of ASEAN holds political influence in the region.

Despite the fact that agriculture's share of GDP has been slowly declining since the 60s, the industry still plays a huge part in the economy and culture of Thailand. Thailand is one of the world's largest exporter of rice. 32 % of Thailand's land is arable. Agricultural employment accounted for more than half of total employment for almost three decades and was stimulated by the government via subsidy policies since 2011-2012. Today agricultural workers account for 34% of the total workforce though they create only 7% of the country's GDP. Employment in the service sector, expected to be Thailand's new engine of growth, is yet to increase significantly. Tourism and manufacturing also remain significant to the economy of Thailand.

Figure 2-1: Real GDP Growth and Per Capita GDP in Thailand: 2013-2019



Note: Data for 2019 is forecast. GDP per capita are in constant 2018 prices

Source: Euromonitor International: Economies and Consumers, 2020

2.1.3 Populations trends

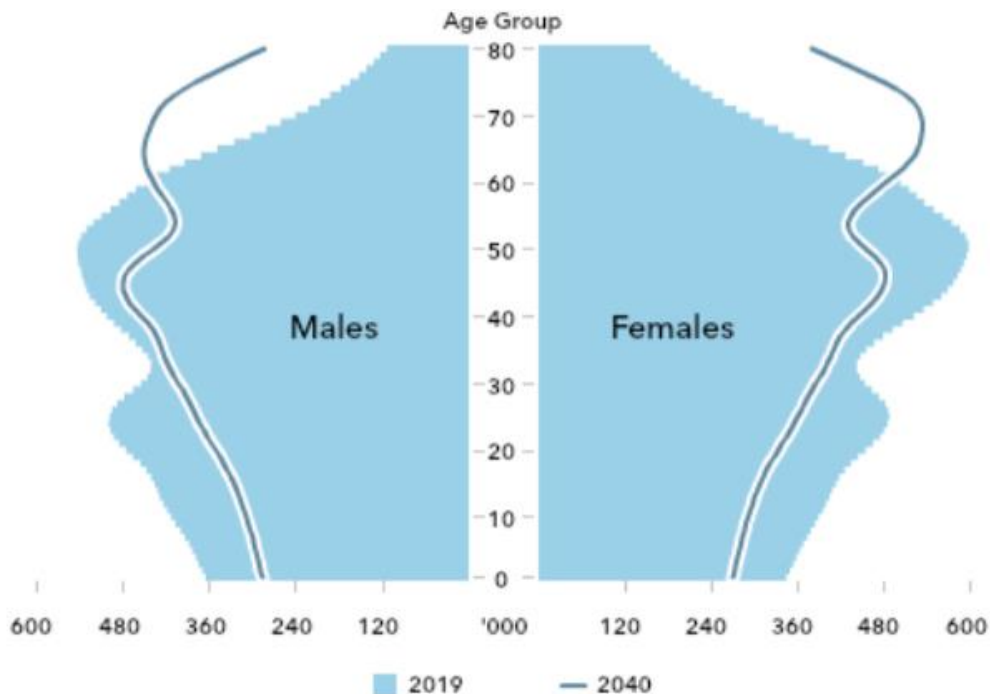
- The population has reached 69 million, making it the 20th most populous country in the world.
- The population has aged since 2000, with an increase in the median age and the decrease of fertility rate (to 1.5% in 2020).
- The population is set to gradually decrease from the late 2020s. Working-age population as percentage of total population is expected to decline to 52 % by 2040
- Half of the population of Thailand is urban and it is concentrated in the Northern and Southern regions (50% in Bangkok and its vicinity). The population is highly ethnically homogeneous (91.5% is Thai).

Thailand has a population of around 69 million people. The population grew steadily from 1960 to 2000 (3.5% per annum). The industrialization process during the mid-1980s came together with a rapid inflow of migrant workers, with around 2-3 million irregular immigrants arriving in the late 1990s (more than half of which were from Myanmar, with Cambodia and Laos also common origins)¹.

The growth rate in percentage terms has fallen since 2000 to under 0.3% per year today, and this trend is predicted to continue over the coming years². The urbanisation process, the decrease in the fertility rate, and the aging population (the over 65 population is expected to increase to represent 1/5 of the total population by 2030) could generate future challenges for the labour market as working-age population (15-59 years) is expected to decline from around 68% of the total population in 2010 to 52 % by 2040³.

Thailand's age pyramid has a narrow base indicating declining birth rates with each succeeding age group getting smaller than the previous one (Figure 2-2).

Figure 2-2: Age Pyramid in 2019 and 2040 in Thailand



Source: Euromonitor International: Economies and Consumers, 2020. Note: Data for 2030 is forecast.

¹ Chantavanich S, Jayagupta R (2009) Immigration to Thailand: the case of migrant workers from Myanmar, Laos, and Cambodia. In: Sagal U, Elliot D, Mayadas N (eds) Immigration worldwide: policies, practices, and trends. Oxford University Press, New York.

² P. Warr, Thailand's Development strategies and Growth Performance, World Institute for Development Economics Research, <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.434.7678&rep=rep1&type=pdf>

³ The state of Thailand's Population 2015, Features of Thai Families in the Era of Low Fertility and Longevity, https://thailand.unfpa.org/sites/default/files/pub-pdf/State%20of%20Thailand%20Population%20report%202015-Thai%20Family_en.pdf

In Thailand the major population is concentrated in the Northern and Southern regions, almost half of them in Bangkok, and are ethnically Thai, Khmer and Malay⁴.

Thai people make up the largest ethnic group of Thailand. Representing 91.5% of the population, Thai people form part of the Tai ethnolinguistic Southeast Asian population that includes central Thai, northern Thai, southern Thai, and Isan people, predominantly Theravada Buddhists. *Tham bun* or merit-making is a common practice which involves donating food or another donation to the monk or [?] a contribution to the maintenance of the temple. The Khmer people (2.3% of the population of Thailand) are native to Cambodia and belong to the larger and older Austroasiatic Language Family currently situated in the provinces of Surin, Buriram, and Sisaket, confined in rural areas of rice farming. They speak the Khmer language and most follow the Khmer variation of Buddhism, influenced by the Theravada Buddhism's worship of ancestors and Shamanism. Malays represent 2.1% of the population and belong to the Austronesian groups of peoples, generally found in the southern regions of Thailand, and are coastal-traders with a strong cultural practice. They are mainly Sunni Muslims and observe most of the major Islamic holidays and festivals. Other ethnic groups in Thailand are Bamar (1.5%), Karen (0.6%), Chinese (0.4%) and Hmong (0.3%). Overall there are an estimated 2.5m foreign residents in Thailand. While the majority, around 70% come from neighbouring Myanmar, Cambodia and Laos, there are also notable groups from Europe, China, the US and Japan.

Tourism in Thailand

Thailand is a major tourism destination; at around 38m tourists per year, it is the 9th most visited country in the world; and the second most visited country in Asia after China. As the average tourist stays around 10 days in Thailand, this means that, on average, Thailand hosts around 1m tourists at any given time; making it a notable additional, albeit non-resident group. ASEAN and China are the most important origins of tourists, each counting for just over 10m visitors per year. Europe accounts for just under 7m tourists per year and the Americas a bit under 2m.

2.2 Geography and key markets

Thailand is located in South East Asia and borders the nations of Cambodia, Laos, Myanmar and Malaysia. The country acts as a key crossroads in the South East Asian region and its location allows it to exert key political and economic influence in the region.

- The Thai highlands makeup the north of the country and is a region dominated by rugged hills and mountains which extend into the Himalayas mountains.
- The central region of the country is often referred to as the heartland of the country and the rice bowl of Asia as the regions' rivers and topography allow for scalable and extensive agricultural activity in the region.

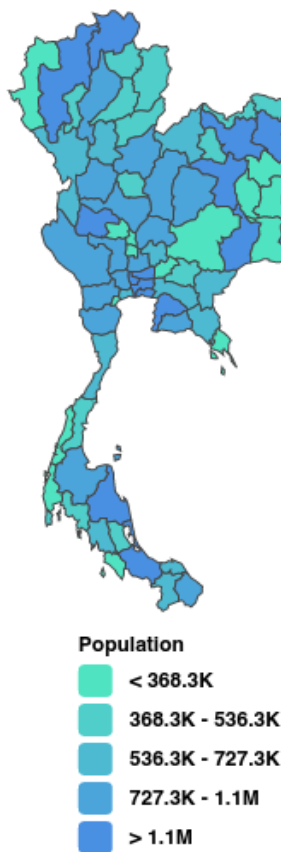
⁴ Pholphirul P, Kamlai J (2014) How much do low-skilled immigrants contribute to the Thai economy?: analysis of three methodologies. *Asian Pacific Migr J* 23(1):85–112; Sujarittanonta, P. and Kamseang, C. 2017. Competition: Missing Piece in Innovation Equation. Bank of Thailand Symposium 2017; World Bank Group. 2016b. Thailand Systematic Country Diagnostic: Public Engagement (Online). www.worldbank.org/thailand.

- Eastern Thailand is characterised by short mountain ranges which are often suitable production for fruits.
- Southern Thailand is characterised by coastal regions with mountains dotted across the region. This forms the industrial and service hub of the country.

2.2.1 Overview of urban markets

A large number of urban markets in Thailand are centred around the coast of the country and the Capital region Bangkok. The city of Bangkok is home to 5 million individuals with its metro region extending the population to around 14 million. Bangkok forms the political and economic core of the country and the situation in the city drastically impacts the rest of the country. Bangkok is the largest primate city in the world with a population around 20 times the size of the second biggest city in the country, Nonthanburi. The population of Thailand is roughly split in half between urban and rural with the city of Bangkok and its periphery accounting for most urban residents. The country of Thailand as a whole is made up of 76 administrative regions and one special administrative region, the capital Bangkok. As seen in Figure 2-3, the population is spread out fairly evenly throughout the country with the South, the capital region around Bangkok and touristic coastal regions making up a large percentage of the total population with a population cluster to the north around the city of Chiang Mai.

Figure 2-3: Administrative regions of Thailand



Provinces of Thailand by region

Capital: Bangkok (Krung Thep Maha Nakhon) – <i>special administrative division</i>
North: <i>Chiang Mai, Chiang Rai, Lampang, Mae Hong Son, Nan, Phayao Phrae, Uttaradit</i>
North East: <i>Amnat Charoen, Bueng kan, Buriram, Chaiyaphum, Kalasin, Khon Kaen, Loei, Maha Sarakham, Mukdahan, Nakhon Phanom, Nakhon Ratchasima, Nong Bua Lamphun, Nong Khai, Roi ET, Sakon Nakhon, Sisaket, Surin, Ubon Ratchathani, Udon Thani, Yasothon</i>
West: <i>Karachanaburi, Phetchaburi, Prachuap Khiri Khan, Racthaburi, Tak</i>
Central: <i>Ang Thong, Chat Nai, Kampeang Phet, Lopburi, Nakhon Nayok, Nakhon Pathom, Nakhon Sawan, Nonthanburi, Phatum Thani, Phetchaburi, Phichit, Phitsanulok, Phra Nakhon Si Ayutthaya, Samut Prakan, Samut Sakhon, Samut Songkhram, Saraburi, Sing Buri, Sukhothai, Suphan Buri, Uthai Thani</i>
East: <i>Chachoengsao, Chanthaburi, Chonburi, Prachinburi, Rayong, Sa Kaeo, Trat</i>
South: <i>Chumphon, Krabi, Nakhon Si Thammarat, Narathwai, Pattani, Phang Nga, Phatthalung, Phuket, Ranong, Satun, Songkla, Surat Thani, Trang, Yala</i>

Source: Agra CEAS based on various

2.2.2 Snapshots of important markets

As was seen in Figure 2-3, a large percentage of the Thai population live around the Bangkok metropolitan area, making Bangkok the key market and nearby Pattaya an interesting market. There are also a number of large cities located on the southern Thai coast which is also a prime location for retirees and tourists; among these Phuket and Hat Yai stand out as being particularly interesting. Across central and northern Thailand there are a small number of large cities and indeed only Chiang Mai stands out as a major market (Udon Thani, while it has certain potential attractions, is ultimately quite a small market). Figure 2-4 presents the identified focus markets.

Figure 2-4: Location of focus markets



Source: Agra CEAS

Bangkok Metropolitan Area



Key facts:

Total GDP (current prices):	EUR 237 bn
Real GDP growth (2019):	2.7%
Food and non-alcoholic beverage market (2019):	EUR 21.87 bn
Population:	5.4m; metro area up to 14m

Bangkok is almost 20 times larger than the second largest city in the country. It is therefore inevitably the economic and political core of Thailand. With a population of 5.4 million, it is the second largest city in the ASEAN bloc behind Jakarta and is a key business hub for the South East Asian region. The city acts as a

gateway for entry into Thailand and many international companies and banks have set their South East Asian headquarters in the region. Bangkok's metro area extends the city's population to 14 million people with as many as 5 million commuters travelling to the city each day; creating a huge potentially reachable market of almost 30% of the Thai population.

Bangkok is amongst one of the world most visited cities and tourism forms a crucial part of the local economy. Bangkok alone accounts for 48% of the service sector of Thailand which is a sector that in turn accounts for 46% of the country's GDP. The city of Bangkok is also home to one of the largest automobile manufacturing centres in South East Asia.

Bangkok is one of the most diverse cities in both Thailand and south east Asia with 75% of residents being Thai, 14% being Thai Chinese and the rest being made up of Malay and a number of immigrants from the South East Asian region and beyond. The city of Bangkok is associated with dishes such as Pad Thai. Its local Chinatown district, which is one of the largest Chinatowns in the world, offers a selection of foods from both Thailand and China. The city of Bangkok largely influences further cultural and economic practices in the rest of Thailand given its disproportionate size.

The city of Bangkok is home to two international airports, Suvarnabhumi airport and Don Mueang International. Suvarnabhumi has surpassed Don Mueang as the largest airport in Thailand and is the largest entry point into Thailand with over 63 million passengers travelling through the airport in 2018.

Bangkok's Khlong Toei Pot (maritime?) port is one of the largest in the nation and welcomes up to 20% of Thailand's total freight traffic.

Bangkok is currently constructing a new railway station which will be known as Bang Sue Grand Station. When constructed, finalisation expected by end 2020, it will be the largest railway station in South East Asia. This infrastructure reinforces Bangkok's position as the key national transportation hub, and an important regional one.

Sources Euromonitor International: Economies and Consumers, 2020; CIA World Factbook <https://www.cia.gov/library/publications/the-world-factbook/geos/th.html>; Government aims for 5 million train commuters daily, The Bangkok Post, Available at <https://www.bangkokpost.com/thailand/general/1394186/govt-aims-for-5-million-bangkok-train-commuters-daily>

Pattaya Chonburi metro area



Key facts:

Total GDP (current prices):	EUR 32.7bn
Real GDP growth (2019):	4.4%
Food and non-alcoholic beverage market (2019):	EUR 2.3bn
Population:	320 000 city; 1.8 million metro area

Pattaya is the second most visited city in Thailand and is at the centre of the Pattaya-Chonburi Metropolitan area which has a combined population of roughly 1 million people [1.8 million? See above?]. Pattaya began to develop into a tourism hub in the 1960s and today tourism forms a key segment of the local economy.

Most residents in the city are ethnic Thais with migrant workers and seasonal workers also being a significant percentage of the local population.

A growing number of individuals from western and South east Asian nations are choosing Pattaya to retire. Pattaya is attractive for retirees due to the climate and general cost of living. Pattaya is located in what is known as the Eastern Economic Corridor (EEC); an initiative from the Thai government to stimulate economic activity in the region. This initiative is leading to the construction of infrastructure projects in the city such as a new airport and deep seaport which will open up the city to additional tourists in the future and increase the city's significance to the Thai economy. The EEC also foresees the development of certain industries – including food processing – making it a potentially interesting area for importing agri-food goods for further processing.

14 million visitors went to Pattaya in 2018 which contributed 70% of the total economic income of the city. The growth of Pattaya's tourist sector is linked the numerous tourist attractions such as Wat Khao Phra bat Temple and Ramayana which is one of the largest waterparks in Asia. The main dish from the region is Pattaya fried rice. The city is influenced by the many visitors it receives each year leading to a more open and liberalised market which compounds the consumption of imported goods in the city.

Sources: Business Dynamics :Thailand, Economies and Consumers, 2020; (Thailand); Thai Businesses to revitalise Pattaya tourism via economic zone, Nikkei Asian Review, <https://asia.nikkei.com/Business/Business-trends/Thai-businesses-to-revitalize-Pattaya-tourism-via-economic-zone>; Pattaya eyes becoming economic hub of EEC, VOV, <https://english.vov.vn/economy/pattaya-eyes-becoming-economic-hub-of-eeec-404710.vov>

Hat Yai



Key facts:

Total GDP (current prices):	<i>EUR 4.7bn</i>
Real GDP growth (2019):	<i>1.5%</i>
Food and non-alcoholic beverage market (2019):	<i>less than EUR 1bn</i>
Population:	<i>380 000 (metro); up to 1m (region)</i>

Hat Yai is one of the largest cities in the south of Thailand and the fourth largest in the country as a whole. Hat Yai forms a key economic core for that region of the country. The city is home to an international airport which welcomed 4.9 million visitors in 2019 and continues to grow as efforts to attract visitors to the city continue. Hat Yai is the transportation hub of southern Thailand with the largest railway station in the south of the country and the location of the Asian highway network which passes through the city. A large amount of goods destined for Malaysia will pass through the city as the major highway to the country is located here and traders from Malaysia will often use Hat Yai as a hub for their activities in Thailand.

The demographics of the city make it an interesting outlier in the context of Thailand as the city is home to a significant amount of Malay-Muslim and Thai Chinese ethnic groups. Hat Yai is an attractive city for visitors from Singapore and Malaysia due to its geographic location and lower costs compared to both countries. The city of Hat Yai is known for its selections of sticky rice's and fried chicken, foods influenced from nearby Malaysia also impacts the city as the city is located just 60 Km from the Malaysian borders.

Sources: Euromonitor International: Economies and Consumers, 2020; Green city action-plan for Songkhla and Hat Yai Municipalities, Indonesia, Malaysia and Thailand growth triangle available at <https://www.adb.org/sites/default/files/related/41572/imt-gt-green-city-action-plan-songkhla-hat-yai-municipalities-2015.pdf>

Chiang Mai



Key facts:

Total GDP (current prices):	EUR 3.9bn
Real GDP growth (2018):	3.5%
Food and non-alcoholic beverage market (2019):	less than EUR 1bn
Population:	~960 000 (city and surrounds)

Chiang Mai is the largest city in northern Thailand and forms a key economic and cultural centre for the north of the country. Chiang Mai is also a city of significance for followers of the Buddhist religion as the city is home to almost 300 Buddhist temples. A famous dish that is synonymous with the city is *Khao Soi*, a noodle soup made with hand cut rice and egg noodles. As the city is the largest in northern Thailand it acts as an important transportation hub for both the northern Thai region and the movement of goods and people into neighbouring Laos and Myanmar.

The city has a small airport with most flights connecting with Bangkok. The city is known for its greenery and one is often regarded as one of the most environmentally friendly cities in Thailand which offers a contrast from the capital city of Bangkok which in turn leads to many residents of Bangkok having vacation homes in the city of Chiang Mai.

As part of to the Thailand 4.0 initiative, the government of Thailand has designated the city of Chiang Mai as a digital city with many elements of the city's economy, from the service sector to the agricultural sector, set to receive numerous investments in order to digitalise and modernise these sectors.

As Chiang Mai is off the beaten path it has managed to preserve much of its local history and Buddhist traditions which makes the city an increasing tourist hotspot in the country, with tourism forming an ever growing element of the city's economy.

Sources: Euromonitor International: Economies and Consumers, 2020; Chiang Mai: The future of creativity, Kyoto Review of SEA, Available at <https://kyotoreview.org/yav/chiangmai-the-future-of-the-creative-economy-in-thailand/>

Phuket Island



Key facts:

<i>Total GDP (current prices):</i>	<i>EUR 9 bn</i>
<i>Real GDP growth (2019):</i>	<i>5.7%</i>
<i>Food and non-alcoholic beverage market (2019):</i>	<i>less than EUR 1bn</i>
<i>Population:</i>	<i>430 000+ (island/metro area)</i>

Phuket is a melting pot of diverse ethnicities from ethnic Thais to Thai Chinese and Malays. Phuket is hot and humid throughout the year and is one of the most visited cities in Thailand. Phuket is the largest island in Thailand and is also composed of 32 smaller islands off its coast. Phuket is one of the major tourist destinations in Thailand. It has the second highest GDP per capita in Thailand outside of the Bangkok metropolitan area.

Traditionally agriculture has been the main component of the economy of the island however this has gradually faded as services and the tourist sector today dominate the islands economy. Annually, Phuket receives roughly 9 million visitors which is significant for an island with a population of around 430 000 (of which around 4/5 are Thai). Phuket is home to a wide variety of food and beverages with many western products being readily available on the island to cater for the large number of tourists there.

Seafoods are the main foods associated with Phuket however one can find most foods available on the island throughout the day from ramen shops to high end restaurants being common sights on the island. Many bars exist on the island and many will stock imported alcohols to cater to the large number of visitors the island annually receives.

Rubber trees are the second largest component of the economy of Phuket and is significant towards making Thailand the largest rubber producer in the world.

Sources: Euromonitor International: Economies and Consumers, 2020; Discover Thailand, Phuket – Overview, Available at <https://evolutiontour.com/57-description-of-phuket/>, Economy of Phuket, Phuket.net, Available at <https://www.phuket.net/>

2.3 Domestic agricultural production and regions

With 20.4 million hectares of farmland (around 40% of total land and 60% of the used land), Thailand is one of the main agricultural producers and exporters in Asia thanks to its great biodiversity: it is the world's second largest rice exporter, and a major exporter of sugar cane, cassava, pineapple, rubber cashew nuts, corn, tobacco, cotton, cocoa soybeans, medical plants, dairy, fishery products, and palm oil. More than half of the country's farmland surface is dedicated to rice cultivation. Thailand dominates much of the world rice market, despite increasing competition from India and Vietnam. Rice remains the main component of the Thai diet and one of the main exports of the country.

Thailand is the leading Asian producer of sugar cane and the second largest producer in the world, after Brazil. Sugar cane is highly dependent on the weather conditions (85% of the plantations depend on rainfall); and this explains its price fluctuations in international markets, and its domestic production decrease since 2015.

The production of natural rubber has also been reduced due to the low prices of raw materials on the world market. In recent years, Thailand has become one of the world's largest producers of this raw material, whose production is mainly concentrated in the south of the country. Tapioca, extracted from the root of cassava, has increased in importance due to the export demand for feed. In recent years, some of the production of palm oil, coconuts, cassava and sugar cane has been used as a biofuel as these crops can produce more energy than is required to make them.

The poultry sector has been widely acknowledged as the greatest agri-business success story in Thailand, transforming itself over the past four decades from near universal backyard farming into a leading exporter. Today Thailand has one of the most advanced broiler production sectors, with levels of efficiency and overall performance equal or exceeding that of most countries in the world. This is reflected by its massive trade surplus in poultry.

As previously commented, 1/3 of the population in the agricultural sector creates only 7% of the GDP, though agriculture has demonstrated its capacity of absorbing surplus labour in areas such as the north-eastern region where the poorest and largest population lives. Agricultural wages tend to be low, though they show positive real growth over time. The dispersion of land ownership explains some of the challenges to competitiveness of Thai agriculture, since it prevents small farmers from obtaining benefits based on economies of scale. For this reason, there has been a push/trend in favour of large agricultural companies to ensure greater stability for farmers. The use of fertilizers in the sector has increased significantly in recent years (by about 40%). However, agricultural productivity generally remains low due to low yields and difficulties for farmers to diversify their harvests, considering the reduced (comparatively small?) surface of irrigated areas (just over 6m hectares).⁵

⁵ Klyuev, V. 2015. Structural Transformation - How does Thailand Compare? International Monetary Fund, IMF Working Paper, WP/15/51.

Various instruments have been tried as a way to increase agricultural competitiveness and combat the low wages in the agricultural sector. These include customs protection for sensitive sectors, soft loans to farmers, subsidies to production factors (water, fertilizers and fuels, among others; most notably in the rice and sugar sectors) and technical assistance. Thailand's tariff policy continues to be quite protectionist on certain agricultural products, with currently applied MFN tariffs generally ranging from 0% to 65%, with an average of around 25-30%. The recently launched 'Thailand 4.0' government strategy intends to boost the economy improving agricultural productivity among other industries (see box below).

Thailand 4.0 strategy and agriculture

The main objectives in terms of agriculture are to increase the yield per cultivated area, optimize the consumption of water, fertilizers and insecticides and other chemical products and reduce the harmful effects on the soil, animals and people. It is intended that different technological solutions be used to attain this goal, according the type of farmer; those technological solutions which have been earmarked for four different farmer types are as set out below:

- **Traditional farmers:** Automatic or semi-automatic irrigation systems. Fertilization systems. N-K-P sensors and drones with multispectral camera. Logging and prediction software and applications. Farm machinery. Performance data processing services.
- **Fruit and vegetables export-oriented producers:** Plant stress monitoring sensors. Soil moisture and water tension sensors. Crop climate and growth monitoring systems. Maturation analysis sensors for the regional climate.
- **New Generation Farmers and Agricultural Investors:** Greenhouses for tropical climate. Water and fertilizers system and sensors. Thermometers. Pesticide type and quantity monitoring systems. Sensors and lighting systems.
- **Smart and Precision Agriculture:** Cup structure measurement systems and sensors. Large area management and monitoring technology. Knowledge transfer in management. Technology for logistics efficiency.

2.3.1 Agriculture, climate and climate change

As noted above, Thailand's harvest is highly dependent on the weather conditions (rice and sugar cane in particular); and hence is subject to climate change. The southern, north and north-eastern regions are projected to receive higher negative impacts than east and central regions. Rain fed farms, where the poorest Thai population is harvesting, are more sensitive to climate change than irrigated farms. Impacts on harvests and large losses are expected as a result of climate change going forwards, and arguably some of the actions of the government, including the Thailand 4.0 initiative outlined above, aim to mitigate these impacts.⁶

⁶ Attavanich, W. 2018. How is climate change affecting Thailand's Agriculture? A literature review with policy update. Online at <https://mpr.ub.uni-muenchen.de/90255/> MPRA Paper No. 90255; Attavanich, W. 2017. Effects of Climate Change on Thailand's Agriculture: New Results. Working Paper. Department of Economics, Faculty of Economics, Kasetsart University.

Thailand is highly exposed to the effects of climate change such as the rising sea levels and extreme weather events. Droughts are a persistent feature of Thailand's climate and recently appear to be worsening year by year.

Seasons in Thailand

Thailand has three tropical seasons: rainy, winter and summer according the monsoon winds.

- **Rainy or southwest monsoon season** (*mid-May to mid-October*). The southwest monsoon prevails over Thailand and abundant rain occurs over the country. In the Southern Thailand East Coast abundant rain remains until the end of the year.
- **Winter or northeast monsoon season** (*mid-October to mid-February*). Mild period of the year, quite cold in December and January in upper Thailand and rainfall in the Southern Thailand East Coast. This is when rice is harvested.
- **Summer or pre-monsoon season** (*mid-February to mid-May*). Transitional period from the northeast to southwest monsoons. The weather becomes warmer, especially in upper Thailand. This is when tapioca, soybean and tropical fruits such as durian, mangosteen, rambutan, logan, salak and langsat are generally harvested.

Climate in the North is near sub-tropical with conditions favourable for the production of cool-season crops almost throughout the year.

3 Introduction to the food and beverage market and consumers

3.1 Overview of the food and beverage market and demand for imported products

3.1.1 F&B market summary

As noted in section 2.3, Thailand has a considerable agricultural production. The food and beverage sector contributes significantly to Thai employment (around 600 000 people in processing alone), representing 23% of the gross domestic product (GDP), and 18% of exports (food is around 13% and agricultural raw materials 4-5%). There has been an industrialization in food industry to meet customer demand. As a result food manufacturers and also consumers increasing holding the power in the food chain that previous was held by farmers. The food processing sector has grown rapidly in recent years in Thailand, generally at a rate ahead of that of GDP.⁷

3.1.2 International trade in F&B

Recent data places Thailand as the second largest agri-food exporter in Asia, after China. As noted above Thailand has strong agricultural production supported by a good proportion of arable land. Thailand's principal food exports include rice, canned tuna, sugar, meat, cassava products, and canned pineapple⁸.

Although the second-largest rice exporter in the world with a 22% market share, the country is facing increasing competition from Vietnam, as well as leading rice exporter India. Sugar exports generates USD 2.66 billion, positioning the country as the second largest exporter just under a 10% market share, though the country has suffered a 42% decline in sales values due to the worldwide decrease in the sugar value during the last five years. Thailand is also the biggest exporter of natural rubber in the world.

In addition to the agricultural exports identified above, major food and beverage exports include meat preparations which target Japan and UK; processed fish and animal food to Japan and USA as main destination markets; and other processed fruits and nuts to USA, China and Japan.⁹ The major food and beverage imports are soybean meal (19%) mainly from Brazil and Argentina and edible preparations as beer, wine, alcohol, flavoured water, etc (11%) from Singapore and USA; rolled tobacco (9%) and malt extract (~7%) from Singapore, South Korea and Philippines; and animal food (5%) from Netherlands, France and UK¹⁰.

The EU has trade deficit in agri-food production with Thailand, as its imports in 2013 were valued at EUR 1.6 billion while the exports from the EU to Thailand were valued at EUR 1.2 billion (Figure 3-1).

⁷ Europe's food sector at a crossroads. <https://www.tcd.ie>; S. Lekuthai, "The importance of the food industry to the Thai economy: an input-output perspective," ASEAN Economic Bulletin, vol. 24, pp. 238-253, 2007; United State Department of Agriculture. Thailand. <https://www.fas.usda.gov/data/thailand-food-processing-ingredients-0>

⁸ UNCTAD Statistics 2018. <https://unctadstat.unctad.org/CountryProfile/GeneralProfile/en-GB/764/index.html>.

⁹ OEC World Profile Country (2017). <https://oec.world/en/profile/country/tha/#Imports>

¹⁰ OEC World Profile Country (2017). <https://oec.world/en/profile/country/tha/#Imports>

As per Figure 3-1, the structural deficit had been slightly increasing between 2014 and 2018, with commodities exports from the EU to Thailand decreasing, though exports of processed food (including wine) and food preparation imports have increased over the same period; however it subsequently narrowed in 2019.

Figure 3-1: Structure of EU-27 agri-food trade with Thailand, 2009 to 2019

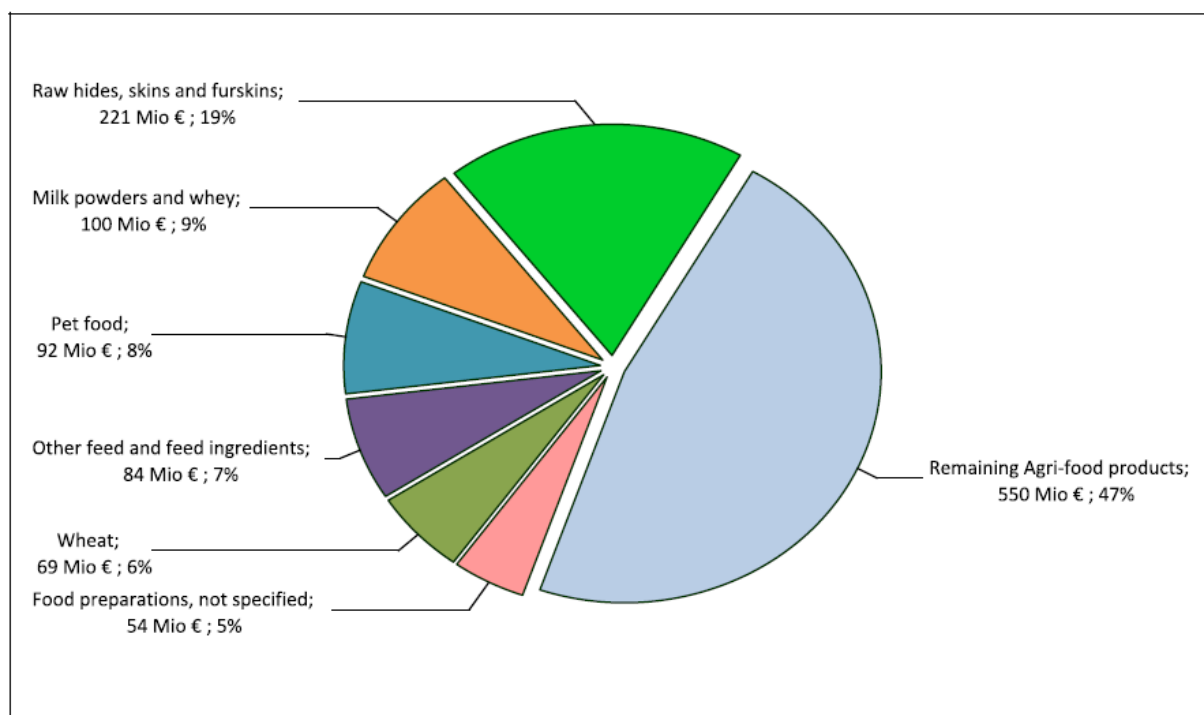


Source: European Commission: agri-food trade statistical factsheet, European Union – Thailand. Based on Eurostat-COMEXT data.

As observed in Figure 2-1 notable exports from EU to Thailand in 2019 covered by the sector snapshots in this handbook were, in terms of value:

- Milk powders and whey (9%)
- Pet food (8%)
- Wine, vermouth and vinegar (4%)

Figure 3-2: Top EU-27 agri-food exports to Thailand in 2018



Source: European Commission: agri-food trade statistical factsheet, European Union – Thailand. Based on Eurostat-COMEXT data

3.1.3 The market for imported F&B

The economic growth and urbanisation in Thailand over the last few decades had contributed to growing demand for higher-value fresh and processed products among a well-educated, middle and upper-income population. Bangkok's metropolitan area, and increased tourism contribute to increasing demand for quality imported food and beverages from the EU, Australia, USA, Japan and South Korea.

Traditional fresh food markets are preferred by consumers, but ready-to-eat food items are emerging as popular alternatives to home cooking, opening opportunities to provide: fresh fruit and vegetables; smoked salmon and seafood; Japanese-style delicacies; grain and cereal products; chocolate and confectionery; natural fruit juice and drinks; jams and spreads; dairy products and milk powder; pasta; salted snacks; and some meat and meat by-products (e.g. raw materials, sometimes with halal certification).

As previously observed in Figure 3-1 Thailand's agri-food imports from EU had been decreasing in value since 2015, because of the impact of the following categories: agricultural food and feed products (wheat, rice, cereals, flours, soybeans, sugar, milk powders and whey, etc), and food preparations and beverages (pet food, pasta, chocolate, coffee and tea, spirits and liqueurs, beer, waters and soft drinks, etc). In particular, the categories pet food, other feed and feed ingredients presented an increase in value in 2016, with a slow decrease afterwards. Milk powders and whey and food preparations categories had been

decreasing in value since 2014. On the contrary, non-edible products (raw hides, wood and silk, cotton, etc) imported from EU, had increased during the period 2014-2018 ¹¹.

The principal EU 27 countries with a relevant market share in food and beverage imports are Netherlands and France.

3.2 Growth Drivers and Trends

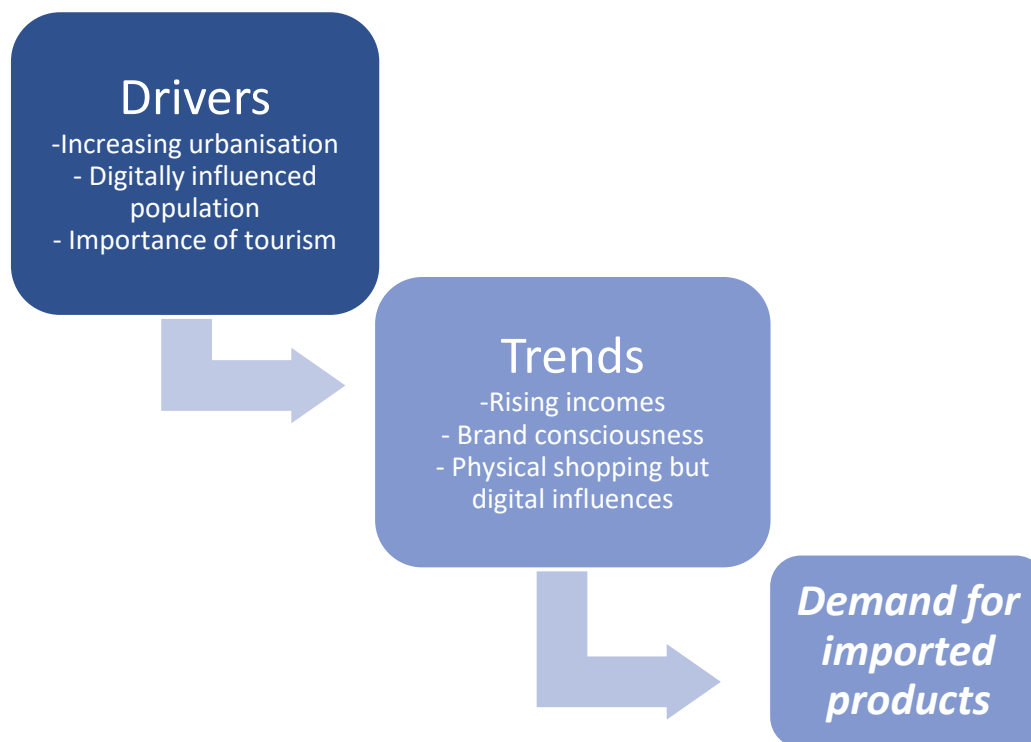
As per Figure 3-3 the three key **drivers** of the Thai market that stand out at present are as follow:

1. **Increasing levels of urbanisation.** Presently, Thailand's 69 million population (2019) is roughly split 50-50 between those living in rural areas and those living in urban areas. However, the urban population has been steadily increasing for over a decade, bringing higher levels of income and changes in lifestyles. Bangkok, being home to almost 14 million citizens when its metro area is included, is by far the largest urban centre; and many consumer practises done in the city will resonate across the country, as a large percentage of the Thai population will need to travel to the city at some point in their lives. This is because the city is the economic and political centre of the country. In contrast to their urban counterparts, those living in rural areas face additional challenges to access imported goods. Slower and sometimes non-existent internet connections, the lack of retailers selling imported goods and the abundance of goods produced in rural areas – all leading to a lack of exposure to western brands. This in turn makes rural consumers a much hard consumer group to penetrate in comparison to urban ones.
2. **Digitally influenced population.** Thais have embraced smartphones, in turn increasing access to the internet; roughly 70% of the Thai population now have access to the internet. Indeed, the adoption of the internet means that an increasing proportion of the population tries to work from home or freelance. Social media adoption has increased alongside internet usage; in recent years it has been common for many Thais to associate their social media profiles with a platform to sell their goods and services. Urban consumers are particularly likely to receive information about sales and new products through these platforms. Retailers have caught onto this driver and notable examples include marketing campaigns by Tesco Lotus and Big C which placed an emphasis on social media. More information on digital media in Thailand can be found in section 6.1.1.
3. **The importance of tourism.** As previously noted, Thailand receives some 39 million visitors a year, making it the second most visited country in Asia after China. With the average tourist staying 10 days, the country effectively hosts, on average, 1m tourists at any one time; a substantial number in the context of its population of 69 million. Tourism is an important driver of the economy, and this is reflected by its estimated 20% contribution to the GDP of Thailand. The average tourist is estimated to spend approximately THB 50 000 (almost EUR 1 500) during their stay in Thailand. While the greatest number of tourists come from China closely followed by the ASEAN region (around 10m each), the higher per person average expenditure of the 7m European tourists means that the overall importance of European tourists for expenditure is greater than that of

¹¹ European Commission: agri-food trade statistical factsheet, European Union. Thailand Based on Eurostat-COMEXT data 2018.

those from China or ASEAN. This is partly because tourists from Europe (as well as the Americas) are more likely to stay longer (2-3 weeks). The small group of middle eastern tourists are those which spend the most per person on average.¹²

Figure 3-3: Growth drivers and trends – the Thai food and beverage market



Source: Agra CEAS based on European Commission agri-food factsheet; Euromonitor International and various (see footnotes).

Following on from the drivers, the main trends at present of relevance to imported food products are as followed:

1. **Rising incomes driving more luxury purchases.** Thailand is becoming a middle-income country as the combination of increased urbanisation and economic growth in Thailand is leading to higher average levels of income; which in turn is leading to increased consumer confidence and changes in consumer habits. Expenditure on more luxurious goods is unsurprisingly increasing as a consequence. As may be expected the increase of expenditure on more luxurious goods disproportionately favours consumers with higher levels of income. Nonetheless, on average Thais have shown a willingness to spend and outspend consumers of other countries in the immediate vicinity.
2. **Brand consciousness.** Thai consumers have repeatedly been identified as the most brand loyal consumers in the south east Asia region. Often, Thais are willing to spend more to obtain their

¹²

<https://www.thaiwebsites.com/tourism-income-Thailand.asp>;
<https://knoema.com/atlas/Thailand/topics/Tourism/Travel-and-Tourism-Total-Contribution-to-GDP/Contribution-of-travel-and-tourism-to-GDP-percent-of-GDP>; <https://www.geckovilla.com/thailand-tourism-statistics.html>

favourite brands and will remain loyal to the said brands – this is fairly universal across product categories. However, generally a brand must be in the top tier of its category in order to attract a strong following and loyalty. Against the background of rising incomes set out above, this brand consciousness makes Thailand an interesting market for branded products. As noted above and in section 6.1.1, some operators have tried to leverage digital media to increase brand popularity.

3. **Physical shopping preferred, but with digital influence.** It is estimated that almost half of sales in Thailand are digitally influenced, with consumers often conducting research regarding purchase online, with social media particularly popular for this. However, while growing, the e-commerce channel is limited by some factors. Firstly, the Thai have a love of physical shopping. There has been a boom in the number of shopping malls in Thailand in recent years, and shopping is a popular pastime, particularly in urban centres and tourist destinations. Secondly, there are concerns regarding the security of payment by credit or debit card; though many e-retailers are overcoming this through payment on delivery. As urban lives become busier, there is the potential for greater e-commerce with particular potential for “informal” e-commerce through social media. That said, in the food and retail space the convenience store has grown greatly in popularity of late, through its ability to combine physical shopping with convenience. Food delivery for food service has also increased in popularity¹³.

3.3 Consumer profiles and preferences

3.3.1.1 Consumer profiles

Against the drivers and trends set out in section 3.2 above, certain elements should be borne in mind when considering the consumers to address in Thailand. Most notably:

- **The urban-rural divide.** As already noted above, there is an increasing rate of urbanisation in Thailand; with Bangkok standing out as by far the largest urban centre. Various factors, including the retailing infrastructure, level of income and general exposure to western brands make the urban markets more attractive for imported products. That said, rural consumers are increasingly shopping online – in similar proportions to urban consumers – making access to imported products, including potentially some food and beverage ones, easier. City dwellers are, on average, younger than rural residents.
- **Income levels and expenditure on non-essential/luxury items.** While Thailand has very successfully reduced the poverty rate in the country, income equality remains very high – more so than any other country in ASEAN according to some statistics. As would be expected, the likelihood of consuming more luxurious or non-essential goods and services increases with income; though interestingly, beyond very low income levels this relationship is fairly linear rather than exponential (i.e. increases in income do not disproportionately increase the likelihood of non-essential purposes). This may be due to the aforementioned greater willingness to spend

¹³ Euromonitor International: Economies and Consumers, 2020; <https://www.bcg.com/publications/2017/globalization-go-to-markets-five-consumer-trends-watch-thailand.aspx>; <https://santandertrade.com/en/portal/analyse-markets/thailand/reaching-the-consumers>; <https://www.consultancy.asia/news/451/rising-incomes-are-shaping-new-consumer-trends-in-thailand>; <https://theaseanpost.com/article/growing-gap-between-richest-and-poorest-thais>

than in other countries in the region; which is ultimately reflected in Thai consumers' higher average household debt than that of consumers in neighbouring countries. In relation to gender Thailand has a very even income disparity with many Thai women being very well educated and earning the same and, in some cases, more than their male counterparts.

- **The importance of tourism for shaping some areas.** The importance of tourism for Thailand as a whole (38m visitors a year, 20% of GDP) was established in the previous section. Overall, Bangkok and southern Thailand are the most popular regions for foreign tourists, though some parts of north and central Thailand are also popular. In tourist-focused hotspots such as Phuket, the tourist industry can play a defining role for the shopping environment. It can also have notable impacts in larger cities which welcome large numbers of tourists, such as Chiang Mai and Pattaya. Most notably it impacts the demand for imported goods particularly in the beer, spirits and wine sectors. It is also worth noting that Thailand's unique culinary culture also attracts many visitors who out the unique dishes that Thailand has to offer.
- **Brand consciousness and loyalty.** Thai consumers are brand conscious, and as noted above the most brand loyal in the south east Asia region. An estimated 4/5 of Thai consumers will look for their favourite brand when making a purchase decision. While there is a general willingness to pay more for the habitual brand, this does not mean that brand overrides price at all costs. However, the combination of brand and the perception of a bargain (often e.g. through haggling at the time of purchase) is a powerful one in Thailand.
- **The concept of minimalism.** There is an inherent connection between the Buddhist religion and minimalism; and this can feed through to purchasing behaviour. The minimalist tendency can manifest itself in a couple of main different ways; either by the aversion of some consumers to purchase certain non-essential items; or the preference of consumers to purchase a higher quality item that will last, rather than a lower quality one¹⁴.

While the various factors highlighted above should be taken into consideration when considering target consumers, the following rather broad consumer types bring together some of the elements mentioned.

- **The freer spending, more impulsive consumer.** This consumer group embodies several of the elements mentioned above; brands are important to them, shopping is an enjoyable activity, and purchasing behaviour is more spontaneous. Against this background, brands sold at discounts can be particularly appealing. These consumers pay attention to information through a variety of marketing channels. The aggregate income level of these consumers is likely to be quite high.
- **Quality focused minimalists.** While this consumer is less likely to purchase non-essential items, when they do, they are likely to focus more on quality. They are also more likely to pay attention to attributes of brands such as sustainability, environmental and community impact. The purchasing behaviour of these consumers tend to be more influenced by family and friends than

¹⁴ Euromonitor International: Economies and Consumers, 2020; <https://www.bcg.com/publications/2017/globalization-go-to-markets-five-consumer-trends-watch-thailand.aspx>; <https://santandertrade.com/en/portal/analyse-markets/thailand/reaching-the-consumers> ; <https://www.consultancy.asia/news/451/rising-incomes-are-shaping-new-consumer-trends-in-thailand>; <https://theaseanpost.com/article/growing-gap-between-richest-and-poorest-thais>

by more commercial marketing channels. Such consumers are more commonly well-educated with more moderate levels of income; and are based in larger cities¹⁵.

3.3.2 Cultural Sensitivities and Other Considerations

Thailand is a unique nation and its independence throughout history has allowed the country to remain in touch with its traditionalist roots which still largely influence the country today. Thai families are very close and it is not uncommon for a family to remain in a home for generations. Eating food together as a family remains a key feature of the Thai culture, particularly in rural areas and Thais who move to urban areas will continue to feel a connection to their homes in rural areas. Typical dishes consumed in Thailand include Pad Thai, the national dish of the country which includes a combination of vegetables, spices and meats. Thais will typically consume a large amount of vegetables and spices in their daily consumption habits.¹⁶¹⁷

3.3.2.1 Regional differences

As already noted in section 2.2.1, the centre around Bangkok represents the most developed and urbanised region of the country by some margin and provides a stark contrast to the largely rural areas in the north of the country. There is a slight north-south divide with the south of the country being largely wealthier than the north of the country and hosting the majority of the population of Thailand.

3.3.2.2 Traditional cuisine and the local pallet

Thai dishes typically consist of a mix of rice, spices, vegetables and meat or fish. Different variations of these ingredients can be found in Thai dishes with each region of the country typically having its own unique blend. Pat Thai is Thailand's national dish and is emblematic of the many dishes found in Thailand.

As the country is large and at the crossroads of many nations in South East Asia many regional differences combine influences from both Thailand and the nations in vicinity of the region. An example is the South of Thailand which is influenced by the culture of Malaysia with a larger Islamic population translating to higher consumption of halal foods. The centre around Bangkok is the most developed region of the country and the influence of Chinese immigrants to the city is prevalent with the presence of Bangkok Chinatown being an example of this. The north of the country sharing a border with Myanmar and Laos is also influenced through its neighbours with Myanmar dishes such as *Kaeng Hang Le* a pork curry being popular here. The centre of Thailand is said to have the mildest dishes which include Jasmine rice. North Eastern Thailand typically consumes sticky rice, and this is viewed as a staple in the region and is typically combined with a selection of meats.

¹⁵ Euromonitor International: Economies and Consumers, 2020

¹⁶ Respect and Humor, how to be culturally sensitive in Thailand, The spiceroads cycling blog, Available at <http://blog.spiceroads.com/2015/11/25/respect-and-good-humour-how-to-be-culturally-sensitive-in-thailand/>

¹⁷ Table manners and food etiquette in Thailand Tripsavvy <https://www.tripsavvy.com/table-manners-in-thailand-1458507>

3.3.2.3 Colours

Specific colours in Thailand, as is common in many Buddhist majority nations, have certain associations. Firstly, red, white and blue is commonplace in the country as these are the colours of the flag and by extension associated with Thailand as a whole. The red symbolises the blood of those who fought for Thailand, the blue represents the royal family and the white typically is said to represent purity and Buddhism. Green, black and in some cases blue, are colours associated with mourning in Thailand.

Lucky colours of the day are also a cultural phenomenon in Thailand with the following colours being associated with luck on a given day:

- Monday- Yellow
- Tuesday- Pink
- Wednesday – Green
- Thursday – Orange
- Friday- Light Blue
- Saturday- Purple
- Sunday – Red

These colours and days are said to be influenced by Hinduism but remain a popular cultural trait in Thailand.

3.3.2.4 Cultural symbols

Thailand is home to many cultural symbols which include:

- **The Elephant** which is the national animal and features on national stamps and regional state seals.
- **The Monarchy** - Images of the royal family are so respected that laws exist which includes punishment for anyone degrading or negatively alternating them, which extends to the local currency featuring members of the Royal family.
- **Phra Khrut Pha** (right)– The national emblem of the country; it is a mystical creature associated with Buddhism and Hinduism and has been used as an image associated with the royal family and Thailand for centuries.



3.3.2.5 Celebrations and Festivals

Buddhist Calendar Year

As Thailand is a majority Buddhist nation its population follows the traditional Buddhist calendar. While the Gregorian calendar is used for official practises, the Buddhist calendar is used to celebrate events related to the religion. The Buddhist calendar in Thailand is 543 years ahead of the Gregorian calendar with the Year 2020 corresponding to the year B.E. (Buddhist Era) 2563. The calendar consists of 12 -13 months which translates to 354, 355 or 384 days in the year depending on the lunar cycle.

Many national celebrations are tied to the Buddhist religion and the royal family.

- **Magha Puja** - The third most important Buddhist festival in the calendar year, this day usually falls on the full moon of the third calendar month and is associated with reverence. Alcohol sales are banned on this day.
- **Chakri Day**- National holiday on 6th April which commemorates the establishment of the Chakri dynasty.
- **Songkran** – Songkran is on the 13th April each year and has recently been extended to allow celebrations to last five days to the 18th April. These days observe Thai new year and the passage into a new astrological cycle which is typically associated with animals with 2020 being the year of the rat.
- **Vesak**- A holiday which commemorates the birth and death of the Buddha, the founder of the majority Buddhist religion. This day falls on 7th May.
- **Beginning of Vassa**- Vassa will last from the 6th July to 1st October and is associated with the Buddhist religion as a time of abstentions of certain products such as alcohol and tobacco. It is similar to lent observed in the Christian faith.
- **Chulalongkorn Memorial Day**- This is an important day in the Thai calendar as citizens on this day pay respect to king Chulalongkorn, a figure largely associated with the revitalisation of Thailand in the 20th Century. The day of commemoration takes place on 23rd October.
- **Constitution Day** - This day which falls on 11th December is a national holiday in Thailand and many workers will have the day off to commemorate the adoption of Thailand as a Monarchy which took place in 1932.

3.3.2.6 Gift giving

Gift giving is not common in Thailand and largely only takes place on special occasion such as weddings and birthdays. There are however some superstitions that surround the practise in the country, which may also impact the packaging of any products intended as presents. Most notably, **one should not wrap a present in green or black**. These colours are largely associated with mourning and have negative connotations associated with them in the context of gift giving. Also, it is not common for Thais to open presents in front of the giver; nor for guests invited to a home to bring a gift with them.¹⁸

¹⁸ Anglo info, Thai Customs and Etiquette, Available at <https://www.angloinfo.com/how-to/thailand/moving/country-file/customs-etiquette>

4 Market access and entry

This section provides details on the necessary requirements for entry into the Thai market, outlining existing market access restrictions and explaining procedures. A summary of market access and entry is presented in section 4.1, in the form of a SWOT analysis.

4.1 Summary SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Thailand is an important regional hub in many fields. For example, Bangkok serves as the Asia Pacific hub for many international organisations. ▪ The country is a popular tourist destination, welcoming 38m tourists each year. Western tourists account for the largest part of tourist expenditure. ▪ Modern retail channels play an important role in distribution. ▪ Consumers are the most brand loyal in the region, and as a result are generally less focused on price as a purchase criterion. 	<ul style="list-style-type: none"> ▪ The country is a major agricultural producer with a strong domestic agri-food industry – as reflected by its tag “the kitchen of the world”. ▪ Furthermore, there have been considerable efforts to boost food processing as well as agricultural production, leading to increasingly competitive domestic food processing. ▪ Access for fresh meat and fruit and vegetable products difficult to obtain; subsequently limited access. ▪ Legislation, while not the most complex, is not always straightforward, with some unclarities around interpretation and applicability. Consolidated legislation is not published in English.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ While Thailand is a large agricultural producer, EU and Thai (and indeed regional ASEAN) agricultural production has a fairly high extent of complementarity; meaning the EU is strong in production of some agri-food goods that Thailand has limited production or regional supply of. ▪ Increasing interest in organic produce – supported by a national organic plan and recently updated standards – makes this an interesting segment. ▪ Increased level of interest in health and nutrition, as reflected by government action (e.g. trans fats ban, sugar tax) provides opportunities for healthy products. 	<ul style="list-style-type: none"> ▪ The Australia and New Zealand FTA provides these countries with more favourable access terms to the Thai market for some products; though their market positioning is often different. ▪ Thailand is considering joining the TPP; while it already has FTAs with the majority of TPP members, Canada, Chile and Mexico could obtain favourable access under the TPP. ▪ Thailand is a member of ASEAN, so major producers in the region have access. China has favourable access for some products through its farm trade FTA with Thailand signed in 2003.

4.2 Food and beverage legislation and regulations

4.2.1 Import requirements/restrictions, customs procedures and documentation

Import procedures and requirements tend to vary by product. Table 4-1 sets out the general documents required for all shipments. This includes, most notably:

- Air waybill or bill of lading
- Commercial invoice or pro-forma invoice
- Insurance certificate
- Customs import declaration
- Manifest
- Packing list

However, there are also various products specific requirements. Table 4-2 provides a more detailed overview of the different specific documents which are required and the products for which they are generally applicable. For example, products of animal origin including fresh meat and dairy products require: a veterinary health certificate for animal products; a licence to deal in live animals; and animal products and import approval for live animals and animal products. Most processed foods require multiple documents including: food formula registration; an import licence for foodstuffs; and a food record / declaration.

In general it is recommended to follow the steps below before exporting products to Thailand:

1. **Confirm the category of the food that is being exported** (see section 4.2.2). This will substantially affect the requirements for export.
2. **Register the food with the Thai FDA before exporting** if the food falls in the “specially controlled foods” category. Even if not a specially controlled food it is nonetheless worth thoroughly checking all other requirements to **ensure that the product complies with necessary legislation** (see section 4.2.2). In the case of fresh meat and fruit and vegetable products, this also means checking that the country of origin (and in some cases for meat, facility) is authorised for export to Thailand. More information on this is provided in the corresponding market snapshots (sections 5.1.4 and 5.2.4).
3. **Obtain the necessary licences**. An overview of these is set out in Table 4-2, though for some products the licences can further vary from this overview based on the specificities of the product.
4. **Ensure the necessary documents accompany the shipment**.

Working with a local importer, agent or distributor may facilitate the steps above and general compliance with import restrictions.

Table 4-1: General requirements for goods exported to Thailand (including F&B)

Name	Description	To be prepared by	Language
Air Waybill	A document containing the details of the transportation of products by air and proving the transport contract between the consignor and the carrier's company. One Air Waybill may be used for the multiple transshipment of products.	Carrier (or their agent)	Usually EN
Bill of Lading	A document containing the details of the international transportation of products by sea.	Carrier (or their agent)	Usually EN
Commercial Invoice; Pro forma invoice	Former: a document containing the details of the transaction. Latter: a document containing the details of the transaction prior to proper invoicing; it may be required.	Exporter	Usually EN
Insurance certificate	Document proving a contract for insurance has been signed.	Insurance company of importer/exporter	EN
Customs import declaration	Official form for clearance of goods. Fee of 270 THB.	Importer (or their agent)	EN / TH
Manifest	A document notifying the authorities of the arrival of a vessel / an aircraft and summarising the goods loaded therein.	Freight forwarder (or their agent)	EN / TH
Packing List	A document containing the details of the shipment.	Exporter	EN / TH
Certificate of non-preferential origin	Certifies the non-preferential origin of goods. Only required if requested by importer or customs.	Exporter	Usually EN

Source: European Commission Market Access Database.

Table 4-2: specific requirements for F&B products imported into Thailand.

Name	Description	Main handbook products affected
Import permit for plants and certain plant products	Permit to allow the import of certain plant and plant products. Obtained from the ministry of agriculture and co-operatives, required for customs clearance.	Some F&V and processed F&V
Plant quarantine declaration	Document to notify plant quarantine officials in the customs offices of the arrival of plants and plant products.	F&V, processed F&V
Phytosanitary certificate	Document confirming plants/plant products have been inspected according to appropriate procedures and are free from quarantine pests. Translation into English may be necessary.	F&V, processed F&V
Importer / exporter identification card	A document for importers and exporters dealing with products administered by the Department of foreign trade.	Some F&V, dairy,
Import approval for agricultural	A document certifying that certain agricultural products may be imported at reduced tariff rates if they are allocated a quota.	Various, only in the case that TRQs exist

goods subject to quota		
Certificate of analysis	A document certifying that microbiological and physical / chemical tests have been carried out by an appropriate lab in the country of export. Translation into English or Thai necessary.	Some F&V, prepared baby food, any other foods considered specially controlled foods.
Veterinary health certificate for animal products	Document with proof that products of animal origin have been inspected according to appropriate procedures; are not contaminated; and do not carry any contagious diseases. Can be in any language, but a translation to English or Thai necessary.	Fresh meat, dairy, prepared baby food
Licence to deal in live animals and animal products	A document proving the bearer is authorised to deal in certain livestock products. Obtained from the ministry of agriculture and co-operatives, required for customs clearance and market access.	Fresh meat, dairy
Import approval for live animals and animal products	Document approving the import of certain products of animal origin that have been subject to quarantine. To be applied for by the importer and required for customs clearance.	Fresh meat, dairy,
CITES permit	Document permitting the import of species subject to the convention on International Trade in Endangered Species of Wild Fauna and Flora; if applicable to the species in question.	Fresh meat (only some products)
Food formula registration	A document proving that a formula of a specially controlled food is registered with the Thai FDA	Prepared baby food only; though in specific cases may apply to other categories if considered specially controlled foods
Import licence for foodstuffs	A document proving the bearer is allowed to import specially controlled, standardised and general food	Confectionery, ice cream, pasta, prepared baby food, bakery products, biscuits + cereal bars, wine, beer, spirits
Food record / declaration	A document approving standardised food and food required to bear a standard label, for the purpose of issuing a serial number	Confectionery, ice cream, pasta, bakery products, biscuits + cereal bars, wine, beer, spirits
Licence per invoice for foodstuffs	A document permitting the import of certain foodstuffs.	Some: confectionery, ice cream
Health product classification	A document providing the classification for some foodstuffs	Confectionery, ice cream, pasta, prepared baby food, bakery products, biscuits + cereal bars, wine, beer, spirits

Free sale certificate	A document confirming the goods are freely sold in the country of export.	Confectionery, ice cream, pasta, prepared baby food, bakery products, biscuits + cereal bars, wine, beer, spirits
GMP certificate	A document certifying that a manufacturing site and its methods comply with the requirements of good manufacturing practice (GMP). This must be in Thai or English (translations to Thai should be performed by the Thai embassy).	Prepared baby food and all standardised foods, including e.g. ice cream, pasta, (some) confectionery, olive oil, (some) bakery products, biscuits + cereal bars; (generally) wine, spirits and beer
Import permit for alcoholic beverages	A document permitting the import of alcoholic beverages. Required for import and valid for a single import only.	Wine, spirits, beer
Licence to sell alcoholic beverages	A document confirming the holder is authorised to deal in alcoholic beverages in Thailand. A pre-requisite for an import permit for alcohol.	Wine, spirits, beer

Source: European Commission Market Access Database.

Note: Pet food is not included in this table. As a non-food product requirement are different; these are covered in section 5.9.4.

4.2.2 Food safety and other food certification requirements

The main body responsible for food safety in Thailand is the Food Division of the **Thai Food and Drug Administration (FDA)**, itself part of the **Ministry of Public Health**. Meat products and fruit/vegetables primarily fall under the responsibility of the department of livestock development and the department of agriculture respectively.

The Food Act of B.E.2522 (1979) is the main piece of legislation in Thailand which regulates food. This act authorises the aforementioned Thai FDA to administer and implement the same act; and empowers the Ministry of Public Health to introduce ministerial regulations which set out the procedures for aspects such as applications, registrations and licences.

An unofficial translation of the Food Act of B.E.2522 (1979) can be found at the following address:

http://food.fda.moph.go.th/law/data/act/E_FoodAct2522.pdf

The Food Act identifies three categories of food (one of which contains two sub-categories):

1. **Specifically-controlled foods:** registration is required for this category. There are legal provisions relating to standard quality, specifications, packaging, labelling and other aspects of good manufacturing practices.
2. **Standardized foods:** foods produced under this category do not require registration but must adhere to quality standards as defined in the regulations. The background to this category is that

it was created to standardize the production of locally produced food by small-scale or household industries (primarily through defining criteria for microbiological and other contamination), hence assisting and protecting consumers.

3. **Other foods:** are foods other than those under the first two categories. While these foods do not require registration and do not have to follow specific quality standards for manufacturing, they are still controlled. There are two sub-categories within this category:
 - a. Foods required to bear standardized labels that provide consumer information.
 - b. Other general foods.

The foods under each category can change, but Table 4-3 below links the Food Act categories to products in this handbook based on the latest available information.

Table 4-3: Food act categories and handbook products

Food Act Category	Products in this handbook
Specially controlled foods	Prepared baby food
Standardised foods*	Dairy, ice cream, chocolate confectionery <i>Olive oil, some processed F&V, pasta, biscuits and cereal bars, some baked goods</i>
Other food with standardised labelling	Bread (under baked goods), sugar confectionery,
Other general foods	Fruit and vegetables, some processed F&V, fresh meat

* In addition to certain specifically identified products, the broad group of foods in sealed containers are considered to fall in this category. It is on this basis that all products in *italics* are considered to be included in this category.

Source: Agra CEAS based on the Food Act and <https://www.tilleke.com/resources/apfi-food-safety-regulations-series-thailand>

Food additives

The use of food additives in Thailand must follow the set objectives for the specified kinds of food; must respect the maximum permissible quantity for the food type. Food additive functional classes in Thailand are categorized according to CODEX.

The Thai FDA issues notifications with lists of authorised additives. An unofficial translation of the most recent notification at the time of writing - (No.389) B.E. 2561 (2018) Re: Food Additives (No.5) can be found at the following link:

[http://www.fda.moph.go.th/sites/food/FoodAdditives/MOPH\(No.389\)B.E.2561\(2018\)Re_AdditiveNo.5.pdf](http://www.fda.moph.go.th/sites/food/FoodAdditives/MOPH(No.389)B.E.2561(2018)Re_AdditiveNo.5.pdf)

This contains a list of food additives, their functional classes and their maximum use levels by food category. It is highly recommended to consult this list if there are any concerns regarding the potential use of a food additive.

Furthermore, it is important to note that the previous notification - No. 381 B.E. 2559 Re: Food Additive (No. 4) from 2016 – introduced a maximum level requirement in the case that two or more food additives of the same functional class are used in one product. In effect, this states that the sums of the proportions of the maximum use levels for individual of additives from the same group must not exceed 1. For

example, if there is a maximum level of 1 000 ppm for additive A and 500 ppm for additive B it is possible to use 500 ppm of A (50% of the maximum level) and 250ppm of B (50% of the maximum level); but not greater of either as this would exceed the aggregate level of 100% or 1.

An unofficial translation of the 2016 notification can be found at the following address:

[http://www.fda.moph.go.th/sites/food/FoodAdditives/MOPH\(No.381\)B.E.2559\(2016\)Re_AdditiveNo.4.pdf](http://www.fda.moph.go.th/sites/food/FoodAdditives/MOPH(No.381)B.E.2559(2016)Re_AdditiveNo.4.pdf)

As it is outlined in the Notification of the Ministry of Public Health No. 372 B.E. 2558 Re: Food Additive (No. 3), food additives must be labelled. More information on necessary labelling of additives on pre-packaged food labels is provided in section 4.2.3 below. The specific requirements for the labelling of food additives sold alone is not covered as it is out of scope of this handbook.

Pesticides and other contaminants

The *maximum levels of pesticide residues in food* are established by notification from the Ministry of Public Health. The most recent of these dates from 2017; and unofficial translation can be found at the following address:

http://food.fda.moph.go.th/law/data/announ_moph/V.English/No.387.pdf

Key points to retain are as follows:

- Annexe 1 of this notification contains a list of hazardous type 4 substances. It is not permitted to produce, import or export these substances in Thailand, and there is a zero tolerance of the MRL for these products.
- Annex 2 of this notification contains accepted MRL levels for pesticides by commodity type. 52 pesticides are identified here.
- Annex 3 of this notification contains some default limits for plants by pesticide.
- If a pesticide residue is not specified in annex 2 of the regulation (and obviously the pesticide is not listed in annex 1), pesticides residues must not exceed the limits recommended by Codex Alimentarius Commission or Joint FAO/WHO Food Standards Programme.
- For any pesticides which falls outside the categories above, there is a default limit of 0.01 milligrams of pesticide residue per kilogram of the food.

Status of glyphosate in Thailand

There have been considerable discussions regarding a ban on Glyphosate in Thailand, and indeed it was foreseen that glyphosate be moved to a hazardous type 4 substance, effectively meaning there is a zero MRL. However, this decision was at least temporarily reversed in late 2019, with the glyphosate maintain its hazardous type 3 substance classification. It is prudent for an exporter who believes he would be impacted by a zero tolerance on glyphosate in Thailand to carefully monitor the situation.

In addition to MRLs for pesticides, there are also restrictions on *other contaminants* in food. Most notably:

- Limits on metals in foods (in mg per kg): tin 250, zinc 100, copper 20, lead 1, arsenic 2.
- Limit on aflatoxin of 20 parts per billion

- No presence of certain chemical contaminants; notably chloramphenicol, nitrofurazone, nitrofurantoin, furazolidone, furaltadone, malachite green, β -Agonist chemical groups and their salts.

Relevant legislation covering these contaminants are:

- Ministerial Notification No. 98 of B.E. 2529 (1986)
- Ministerial Notification No. 273 of B.E. 2546 (2003)
- Notification No. 299 B.E. 2549 (2006)
- Notification No. 269 B.E. 2546 (2003)

These notifications can be consulted for more detail.

Finally, with regard to **veterinary drugs**, Ministerial Notification No. 303 BE. 2550 (2007) provides details of MRLs. An unofficial translation of this can be found at:

http://food.fda.moph.go.th/law/data/announ_moph/V.English/No.303-50%20Veterinary%20Drugs%20Residues%20in%20Foods.pdf

Further legislation impacting certain products

There is also legislation which is either for specific products or impacts certain products.

The main legislation which affects multiple product categories are:

- Notification No. 193, B.E. 2543 (2000) on the Method of Food Manufacturing and Equipment for Manufacturing Food and Food Storage. This requires domestic manufacturers and foreign suppliers for certain types of products to adhere to **good manufacturing practices** [GMP? See table 4-4].
- Notification No. 364 B.E. 2556 (2013) on Food Standards as Regards **Pathogens**. This requires importers of the products in question to present a lab analysis which confirms that imported products are pathogen free or their presence does not exceed maximum specified limits stated in the same notification. Among others, government laboratories from the country of origin are accepted for this analysis. Unofficial translation available at:
http://food.fda.moph.go.th/law/data/announ_moph/V.English/No.%20364%20Standards%20for%20Pathogenic%20Microorganisms%20in%20Food.pdf
Full details of the pathogens in question, by product type, can be found in the unofficial translation.

Table 4-4 below maps the main pieces of legislation above to the product categories in this handbook for which they are relevant.

Table 4-4: other main legislation and the products in this handbook that it affects

Product category	GMP	Pathogens
Fresh meat		
Fresh F&V		
Dairy	X	X
Wine	*	
Spirits	*	
Olive oil	*	*
Beer	*	
Confectionery	X	X chocolate; * sugar confectionery
Baby food	X	X
Ice cream	*	X
Processed F&V	*	*
Pasta	*	*
Bakery goods	X	X (bread); * rest
Biscuits / cereal bars	*	*

* on the basis of it being a food in a sealed container (or in the case of GMP for some processed F&V, a frozen food)

There are specific regulations for standardised foods; as a general rule these cover microbiological contamination and other contamination, by product.

In addition to this, there are specific regulations affecting specific product categories. As a general rule, these are covered in more detail in the corresponding product snapshots in section 5. Key points are:

- Specific notifications for **fresh meat** have been published. These mandate the obtention of import permits for meat products, and in some cases, specific controls (e.g. for beef from BSE affected areas, and pork meat).
- The plant quarantine act (No. 3) B.E. 2551 establishes some specific import controls and pest risk assessment that affect **fruit and vegetables**.
- As a specifically controlled food, there is specific legislation which affects **baby food**.
- While processed meat products are out of the scope of the products covered in section 5 of this handbook, it should be noted that the approval process for processed meat products recently changed as responsibility was transferred from FDA to the department of livestock development. Those products which were previously on the market maintain grandfathering rights, and so can still be placed on the market up until the Thai authorities complete an audit of the national authority. This does, however, create a barrier for new exporters to Thailand. It is strongly recommended that any exporters wishing to send processed meat to Thailand contact the respective ministry in their Member State for more information prior to attempting any export.
- **Beer, wine and spirits** are impacted by a couple of pieces of specific legislation, including most notably the Alcohol Consumption Control Act. Furthermore, there are quality standards for imported beverages, as well as a requirement for a certificate of analysis prior to import (see box below). Finally, there are also specific labelling requirements for alcoholic beverages (see next section).

Quality standards and certificate of analysis for alcohol

New quality standards for imported alcoholic beverages were introduced in June 2019. These specify, by alcohol type, limits to? certain attributes, contaminants, additives and other properties. Test methods are also specified. A link to an unofficial translation of the notification can be found at the following link:

https://members.wto.org/crnattachments/2019/TBT/THA/19_3488_00_e.pdf

These new standards move away from the old ones which had caused considerable concern for alcoholic beverages. Nonetheless, if importing alcoholic beverages into Thailand it is highly recommended to consult the notification in order to ensure conformity with the quality standards, as challenges for some specific cases may remain.

Thailand has also introduced the requirement to obtain a certificate of analysis, with results to be provided prior to import. As noted in section 4.3.4, this – together with the quality standards mentioned above - have been the subject of dispute from other countries. Furthermore, the introduction of this requirement pre-export has been delayed multiple times, with multiple extensions to the implementation date for its introduction; during which it has been possible to perform the analysis in the 30 days after import.

In view of the changing situation with the certificate of import, if working with a local importer/partner, it is recommended that they be contacted prior to import to confirm the latest status regarding implementation of the certificate of analysis requirement.

Legislation and foods with sugar, sodium and trans-fats

The situation at the time of writing can be summarised as follows¹⁹:

- **Sugar:** a tax on sugar-sweetened soft drinks was introduced in Thailand in 2017 and subsequently increased. There have been discussions regarding the introduction of a similar measure for foods; however, these have not advanced due to the potential complexity of applying such a measure.
- **Sodium:** a regulation to tax foods with added sodium has been extensively discussed with a proposal floated in late 2019.
- **Trans-fats:** a ban on the use of partially hydrogenated oils (PHOs) in food entered into force in January 2019.

Given the clear government interest in these issues, it is well worth keeping a close eye on developments in these fields going forwards.

4.2.3 Labelling Requirements

Table 4-3 in section 4.2.2 above identified the different categories of food in Thailand that require labelling. While there are some specific labelling requirements by product, the standard labelling

¹⁹

<https://www.tilleke.com/resources/regulation-and-planned-taxation-sodium-thailand>;
<https://www.bangkokpost.com/thailand/general/1773794/govt-proposes-new-taxes-on-salty-processed-food>;
<https://academic.oup.com/cdn/article/3/6/nzz045/5454737>

requirements for those products which must be labelled are set out below. Labels on food may be checked by the authorities prior to entry; therefore it is recommended that food be labelled prior to entry; failure to do so does risk the food being seized by the authorities at import. Pre-approval of labels is only required for specifically controlled foods (i.e. prepared baby food, among the products in this handbook).

Labelling legislation

There two main pieces of legislation on general labelling in Thailand are:

- Notification of the Ministry of Public Health (No. 367) B.E. 2557 of 2014 sets out the labelling of pre-packaged foods. An unofficial translation is available at: [http://food.fda.moph.go.th/law/data/announ_moph/V.English/No.367-\(383\).pdf](http://food.fda.moph.go.th/law/data/announ_moph/V.English/No.367-(383).pdf)
- Notification of Ministry of Public Health (No. 394) B.E.2561 of 2018 sets out nutrition labelling and energy value, sugar, fat, sodium on the labels of some kinds of foods; plus Guideline Daily Amounts and GDA labelling. An unofficial translation can be found here: http://food.fda.moph.go.th/law/data/announ_moph/V.English/No.394.pdf

This legislation is periodically updated through the issuing of new notifications which tend to supersede the existing one in the corresponding area. The notifications above also build on previous notifications in the area, including Notification of the Ministry of Public Health No.194 (B.E.2544) of 2000.

Summary of general labelling requirements for pre-packaged food

Key labelling requirements stemming from the legislation above are as follows:

- Pre-packaged foods must be labelled, with few specific exceptions (e.g. food which has not passed through any processing, and pre-packaged foods produced and sold in food service channels).
- Unless there is any specific exemption, the following information must be provided on the label of imported foods **in the Thai language**:
 - Name of food (if any);
 - Food serial number;
 - Name and address of importers or head office (prefixed by the words “importer” or “imported by”);
 - Name and country of the manufacturer;
 - Metric system contents of food (weight for solid foods; volume for liquid foods; either for semi-solid foods)²⁰;
 - % by weight of main ingredients in descending order²¹;
 - Allergy information / may contain information for foods that can be allergens or contain hypersensitive substances. These are, with some specific exceptions: cereals with gluten,

²⁰ Drained weight must also be stated for some very specific foods for which it is relevant and required by Thai legislation.

²¹ Except in some specific cases, such as: the label of the total food is less than 35cm² or the food has only one ingredient. The notification should be consulted for more details on exceptions.

- crustaceans, egg / egg products, fish / fish products; peanuts, soybeans, milk and dairy, tree nuts and sulphites above 10mg/kg²²;
- Functional class titles and names or international numbering system for food additives²³;
- “natural / natural imitation / artificial flavour added” if relevant;
- Expiration date: “to consume by” or “expiration date”, followed by day, month and year (in that order) for products with a shelf life of under 90 days, or month and year for products with a shelf life over 90 days;
- Warning, storage and cooking instructions, if any;
- Instructions for use in the case of infant/baby food
- There are some minor different requirements for domestically produced food relating to the address of the details of the domestic manufacturer/packer.
- Labels should not directly or indirectly mislead (this extends to the contents of labels in any language, pictures, designs, marks and brands). They should also not be opposed to Thai culture or directly or indirectly create conflict or disharmony e.g. to society, culture, tradition or behaviour.
- Text on labels must be prominent and readily legible. As a general rule, the minimum size of letters should be 2mm for labels over 35cm² and 1mm for labels under (though under certain conditions, there are other specific requirements for height).

There are some further specific labelling requirements in the pre-packaged food labelling notification. These however are unlikely to affect many products in this handbook as they relate to: foods packed together with material intended for quality control purposes; food used aspartame as sweetener foods; and foods containing aloe vera, ginkgo biloba, chia seed, Jerusalem artichoke / sunchoke, dried chiangda vegetables, and phytosterols and phytosterol esters or phytostanol and phytostanol esters. The annex to the notification provides more details on labelling requirements for such products.

Summary of nutritional and GDA labelling requirements

Only certain products are required to bear nutritional labelling and GDA guidance. In short, these are:

- Snacks
- Chocolate
- Bakery products
- Certain semi-processed products
- Chilled / frozen ready to eat meals
- Soft drinks
- Flavoured and fermented milk, and other milk products
- Ice cream

²² Exceptions include glucose and alcohol in the case of cereals, and oil in the case of soybeans. The notification should be consulted for more details on exceptions.

²³ in some specific cases, the text “food additive” may be used instead of the functional class title; the notification should be consulted for more details.

In short, this translates to the following product categories covered by section 5 of this handbook: Confectionery (chocolate); Bakery products; Biscuits and snack bars; Dairy; Ice cream.

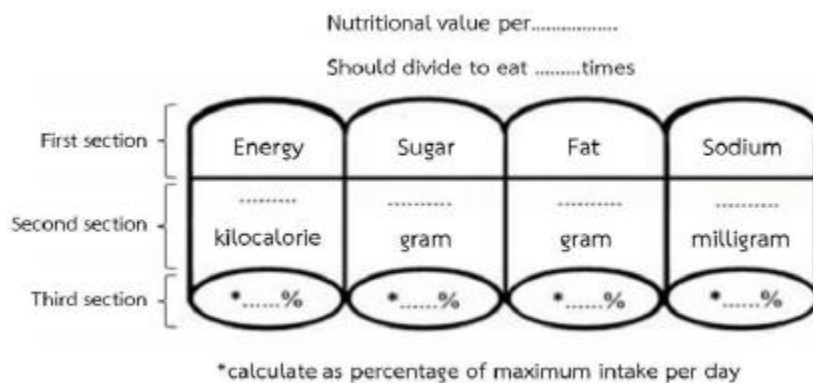
Food categories not listed above may also use nutritional labelling and GDA guidance as long as it adheres to the format established by the notification (which is summarised below).

For some products, in case the front of the individual pack is less than 65cm², the nutritional labelling and GDA information may be provided on the wholesale packages rather than individual packs (please refer to the notification for more details).

In terms of **nutrition labelling**, as a minimum the following below must be provided. It is also possible to provide full nutritional facts (as defined by Thai FDA notifications); and in the case of food making claims, this full nutritional information is actually mandatory.

- total energy
- total fat
- protein
- total carbohydrate
- sugar
- sodium
- cholesterol for foods with more than 2 milligrams per serving

GDA information must also be provided for energy, sugar, fat and sodium. This information must be provided in the format set out below (with “...” representing the information to be added). All information in the example below must be provided. Lines must be black or dark blue, and backgrounds white.



The percentages for the third section are to be calculated based on the following maximum daily intakes:

- Energy: 2 000 kilo calories
- Sugar: 65 grams
- Fat: 65 grams
- Sodium: 2 000 mg

An additional **information statement** is required for **snacks, chocolate and bakery products**. This statement, which must be clear and in a bold font, states (in Thai): "consume small amount and exercise for healthy condition".

Organic labelling

Organic labelling is controlled by the Certification Alliance Organic Standard 2019 (which replaced the previously long-standing Organic Agriculture certification act - ACT). Organic agriculture has furthermore been promoted through the National Organic Agriculture Development Strategy, 2017-2021. More details on organic labelling and the strategy are provided in the market snapshot for fruit and vegetables (section 5.2); though some of the information here will be relevant for other products as well.

The use of the term "Premium" on foods.

The use of this term on food labels is regulated in Thailand. Products have to meet a certain set of quality standard and specific characteristics. These are set out in the Ministry of Public Health Notification No. 365 B.E 2556 of 2013. If there is the intention to use the term *premium*, it is strongly recommended that this notification be consulted.

In brief, the rules foresee that any product using this term either complies with certain production standards or certifications and/or the place of manufacture must pass an assessment. The certifications include organic and GI certifications recognised by the Thai authorities

An unofficial translation of the 2013 notification can be found at:

http://food.fda.moph.go.th/law/data/announ_moph/V.English/No.%20365%20Displaying%20of%20the%20term%20%E2%80%9CPremium%E2%80%9D%20on%20food%20labels.pdf

It should be noted that an updated draft notification, which is yet to enter into force, was published in the first half of 2019.

Claims

The framework for claims in Thailand is currently under review. If the use of a claim on food is foreseen, it is strongly recommended to check the latest situation as regards the claims legislation and whether the claim foreseen will be permitted. This should ideally be checked with the Thai FDA (http://www.fda.moph.go.th/sites/fda_en/Pages/Main.aspx)

Claims are traditionally focused around nutrient claims (e.g. "low in fat") and nutrient function claims. A list of authorised nutrient function claims can be found in the unofficial translation of the corresponding notification, as per the link below:

http://www.fda.moph.go.th/Food/Notification_of_Food/1%20Declaration%20of%20Nutrient%20Function%20Claim.pdf

Advertising

Food advertisement through public media requires the prior approval of the Thai FDA, and misleading advertising (in terms of quality or claimed benefits) is banned. The Thai FDA's Advertisement Control and Public Relations Division is responsible for the approval of statements or visual images used for advertising food.

Alcoholic beverages face severe advertising restrictions in Thailand. These are set out in the Alcoholic Beverage Control Act. It is strongly recommended the act be consulted if there is an intention to advertise. Baby food also faces severe advertising restrictions (see section 5.10.4).

Labelling requirements for specific products

For certain products, such as milk and modified milk for infants, there are further specific labelling requirements. Where these currently exist, these are covered in the corresponding market snapshots in section 5.

Alcoholic beverage labelling

Alcohol in Thailand needs to indicate the following information on the label:

- product name
- the alcoholic percentage
- size of the bottle / container
- name / address of the importer
- name / address of the manufacturer
- a government approved and distinguishable warning message.

Labelling requirements for alcoholic beverages were also updated through the Notification of Alcoholic Beverages Control Re: Rules, Procedures and Conditions for Labels of Alcoholic Beverages (2015). As noted in section 4.3.4 on WTO disputes, this notification has been the subject of some contention both from other countries and private operators. The main issues identified are: (1) the lack of clarity relating to the messages permitted or prohibited on the label; and (2) the effective prohibition of the use of cartoon images, quality or certain statements such as "premium". These issues are further compounded by the potential for different interpretations.²⁴

Unlike much other Thai legislation, an unofficial translation of this notification is not publicly available. In brief, the notification prohibits the following on labelling or packaging:

1. Any content that is not fair against consumers or any content that may cause any harmful effect to society, either such content related to origin, condition, quality, or characteristics of such product or service as well as delivery and utilization of such product or service. The following fall into this category:
 - False or exaggerated contents;

²⁴

https://www.eabc-thailand.org/wp-content/uploads/2019/07/PostionPaper_Food-and-Beverage-WG_2019_RO_29.04.2019.pdf

- Contents that may cause any misunderstanding on subject matter of product or service, either based on or referred to any academic report, statistic or any source that is false or exaggerated;
 - Contents supporting illegal or immoral actions, either directly or indirectly, causing any disgrace to Thailand's culture;
 - Contents causing any disharmony or destruction of unity among Thai people.
2. Any content motivating consumer to consume alcohol beverage or claiming any property, benefit, or quality of alcohol beverage directly or indirectly.

Given the subjectivity of the above, two sets of guidelines for interpretation have been subsequently issued, but the issue of interpretation cannot yet be considered fully resolved. In view of the uncertainty and ongoing discussions around the situation with alcohol labelling laws, if working with a local importer or agent it is recommend that they be contacted for the latest status and local interpretation.

Discussions about graphic warning legislation for alcoholic drinks

In addition to the aforementioned legislation on alcoholic labelling, there have been discussions since 2010 on the introduction of graphic warnings being made obligatory on alcoholic drinks. While no requirement exists at present, given the long-standing interest in the labelling, the situation should be monitored.

4.2.4 Protection of intellectual property rights, including geographical Indications (GIs)

IPR protection framework - trademarks

The Department of Intellectual Property is the main body responsible for intellectual property in Thailand; and the Trademark Act is the main legislation of relevance to trademarks. An unofficial translation of the trademark act can be found at the following link:

https://www.ipthailand.go.th/images/781/..._1_1.pdf

In brief, in order to be registered a trademark must be:

- distinctive
- not be prohibited by the Act
- not be the same or similar to a trademark which has already been registered

Trademarks are registered for 10 year and this is renewable. A fee has to be paid for the registration of trademarks (currently 1 000 TBH), and the application for trademarks must be accompanied by several documents (see link below). Trademarks that are not registered in Thailand receive very limited protection.

Link to list of supporting documents for trademark applications

<https://www.ipthailand.go.th/en/trademark-002/item/%E0%B9%80%E0%B8%AD%E0%B8%81%E0%B8%AA%E0%B8%B2%E0%B8%A3%E0%B8%9B%E0%B8%A3%E0%B8%B0%E0%B8%81%E0%B8%AD%E0%B8%9A%E0%B8%81%E0%B8%B2%E0%B8%A3%E>

[0%B8%A3%E0%B8%B1%E0%B8%9A%E0%B8%88%E0%B8%94%E0%B8%97%E0%B8%B0%E0%B9%80%E0%B8%9A%E0%B8%B5%E0%B8%A2%E0%B8%99%E0%B9%80%E0%B8%84%E0%B8%A3%E0%B8%B7%E0%B9%88%E0%B8%AD%E0%B8%87%E0%B8%AB%E0%B8%A1%E0%B8%B2%E0%B8%A2%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B8%84%E0%B9%89%E0%B8%B2.html](https://www.ipthailand.go.th/en/gi-003.html)

Geographical Indications

GIs are protected through the Geographical Indications Protection Act B.E. 2546 (2003). Since the introduction of the GI legislation in 2003, there has been considerable effort to promote the concept of GIs across the country; and well in excess of 100 domestic GIs from across the country have been registered for protection.

GI protection is also open to foreign GI holders who meet the necessary requirements, a full list of which, along with other conditions, can be found (in English) at the following link:

<https://www.ipthailand.go.th/en/gi-003.html>

At the time of writing, there is a 500 TBH fee for a GI application.

A full, unofficial translation of the GI act can be found at the following link:

<https://www.wipo.int/edocs/lexdocs/laws/en/th/th023en.pdf>

As of January 2019, the following EU GIs had been registered in Thailand²⁵:

- Barbaresco (IT)
- Barolo (IT)
- Brunello di Montalcino (IT)
- Champagne (FR)
- Cognac (FR)
- Parmigiano Reggiano (IT)
- Prosciutto di Parma (IT)

No recent, notable issues with the infringement of EU GIs have been identified. However, it may be worth noting that some issues of visual evocation of scotch whisky (e.g. the use of castles on labels of non GI products) were identified a few years ago.²⁶

ASEAN GI database

While the Thai authorities do not have an online, publicly available GI database in English, ASEAN does maintain one. It is possible to search this database specifying “Thailand” as the country of registration.

The database can be found at the following link:

<http://asean-gidatabase.org/gidatabase/>

²⁵ https://euipeuf.eu/sites/default/files/arise-docs/2019/ASEAN_GI-Booklet.pdf

²⁶ Due to the UK’s departure from the EU, the GI of scotch whisky is not considered an EU GI in this handbook.

4.2.5 Relevant authorities for IPR and GI protection and further contacts

<p>IP, including trademarks and GIs</p> <p>The Department of Intellectual Property 563 Nonthaburi Road, Bangkrasor, Muang Nonthaburi 11000 Thailand</p> <p>☎ (+66) 2 547 5024</p> <p>✉ / 🌐 https://www.ipthailand.go.th/en/contact.html</p>

4.3 International trade

4.3.1 Thailand and foreign trade

Thailand is also located between two of the largest markets in the world China and India. As a central member of ASEAN and having a largely export oriented economy the pursuit of free trade agreements and foreign trade appeals to Thailand and is a key element for the country's future economic progress. Thailand's economy remains export-dependent at roughly two-thirds of GDP. In November 2019, the country's main export partners were, in order: United States (~13% of total exports), China (~12%), Japan (10%), Vietnam (5%), and Hong Kong (5%). The main import partners of Thailand are China (21% of total imports), Japan (14%), United States (7%) and Malaysia (5%). The ongoing US-China trade war is having effects on Thailand's foreign trade as the country seeks to enter external markets to offset the effects of the trade war.

4.3.2 Key trade agreements, present and future

Thailand has reached out to a number of patterns to establish free trade agreements, which can be viewed in Table 4-5.

Table 4-5: Chronological list of Thailand's main trade/economic agreements with third countries/regions

Partners	Type of agreement	Entry into force
ASEAN Free Trade Area	Free Trade Area	1993
China (farm trade only)	Free Trade Agreement	2003
India	Partial Free Trade Agreement	2004
Australia	Free Trade Agreement	2005
New Zealand	Free Trade Agreement	2005
India	Partial Free Trade Agreement	2007
Japan	Free Trade Agreement	2007
Korea (a)	Comprehensive Economic Cooperation Agreement	2007
Australia, New Zealand (a)	Free Trade Agreement	2009
India (a)	Comprehensive Economic Cooperation Agreement	2010
Peru	Partial Free Trade Agreement	2011

(a)Agreements signed in association to ASEAN

Source: Agra CEAS based various

Thailand is seeking new FTAs, such as:

- Accession to the Trans-Pacific Partnership (TPP)
- Ongoing negotiations for the Asia-Pacific Regional Comprehensive Economic Partnership (RCEP)
- Israel-Thailand FTA
- Pakistan -Thailand FTA
- Russia – Thailand FTA
- Turkey – Thailand FTA

Among the possible agreements, accession to the TPP appears to be the most advanced, with a decision as to whether or not to join originally expected in April 2020 – though the combination of the COVID-19 situation and some concerns regarding IPR issues (notably regarding seeds and breeding rights) subsequently delayed this. Thailand already has FTAs with a number of TPP signatories; though not with Canada, Chile and Mexico. The negotiation with Turkey is somewhat limited due to Turkey’s existing customs union with the EU.

4.3.3 EU Thailand FTA history and current status

Negotiations between the European Union and Thailand towards a potential free trade agreement were launched in 2013, and from an EU perspective, they co-existed with negotiations with other nations in the region such as Singapore and Vietnam. Political upheaval in Thailand stalled negotiations in 2014. While negotiations have not yet resumed, exploratory work about resuming the negotiations is ongoing. This exploratory work is particularly important given the various developments since negotiations with Thailand were originally launched – including the signing of various FTAs with other countries by the EU with chapters covering certain issues which were not originally in the scope of discussions for the EU-Thailand FTA-. A free trade agreement between these two markets would help to compound the total trade between the two which in 2018 reached a value of EUR 38 Billion. As a block, the EU is also the third biggest export partner of Thailand while Thailand is the EU’s 25th biggest export partner.

4.3.4 WTO disputes and other trade barriers

Thailand currently has ongoing current disputes with the WTO in relation to following areas with relevance to agri-food trade:

- **New Certificate Requirement (Certificate of analysis) for alcoholic beverages.** Thailand has implemented a new quality analysis requirement for alcoholic beverages. The main problem for the EU is that the technical standards originally required by the Excise Department were the outdated voluntary standards of the Thai Industrial Standards Institute issued in 2001 and did not align with international or European alcohol standards. Implementation of this COA was delayed several times before being finally introduced in 2019 with updated technical standards, which are perceived to address the majority of the issues. More information on this can be found in the corresponding market snapshots for alcoholic beverages, sections 5.4.4 5.5.4 and 5.8.4.
- **Cumbersome and undue delays of import application procedures.** With limited capacity for inspections, several applications of EU countries for exports of livestock and plant products to the

Thai market have been left with the status of pending for a number of years without any indication of when the process will be finalised. For example, no exports of pork products to Thailand are currently authorised from any EU country – all remain pending. More details on this can be found in the corresponding market snapshots for meat (section 5.1.4) and fruit and vegetables (section 5.2.4).

- **Non-Recognition of regionalisation due to avian influenza.** Thailand generally imposes country-wide import bans in the event of an outbreak of avian influenza in an EU Member State, despite effective zoning (regionalisation) measures are put in place in line with international standards. France and Hungary are currently the exceptions to this. It is likely that the regionalisation issue would also be encountered in the case of other disease outbreaks (e.g. Newcastle's disease); and in fact the same situation has been encountered with African Swine Fever.
- **Alcoholic Labelling Laws.** A new legislation from Thailand declares that a ban of alcohol labelling which promotes the encouragement of drinking alcoholic beverages. As a result, almost every product description in normal use to differentiate, e.g. quality categories, could potentially fall foul of this legislation. Guidelines have subsequently been issued on this law; however, some unclarity around interpretation remains, and discussions on the law are still ongoing (see section 4.2.3).
- **Technical Barriers to Trade.** Thailand maintains cumbersome third-party certification procedures (including testing in Thailand and mandatory factory inspection), which are costly, time consuming and can be considered to disadvantage to exporters.
- **New excise tax reform.** A new excise tax code which was implemented in the country in 2017 aimed to reduce inequalities in sales licensing fees, most notably between imported and domestically produced alcohol. However, so far this inequality has only been partially reduced and still is considered an issue in the country. Wine and spirits have been highlighted as sectors that are particularly affected by this.

Further information, as well as an up to date list of trade barriers can be found here:

https://madb.europa.eu/madb/barriers_result.htm?isSps=false&countries=TH

4.3.5 Summary of key trade barriers

The EU is already a large export partner for Thailand and has a track history of investments into the country. However, as it can be observed in section 4.3.4, a number of barriers do nonetheless exist. The lack of regionalisation acceptance from Thailand and the stalled status of many applications for export presents a number of challenges for EU meat exports in particular, but also fruit and vegetable exporters to an extent. The unclear alcoholic labelling laws coupled with a new tax reform system which has yet to fully address inequalities in the market in Thailand, remain stumbling blocks for EU exports of wine and spirits in particular going forward. The political situation in Thailand has remained stable for a prolonged period of time which allows for the effective negotiation and addressment of these issues which gives room for optimism that a free trade agreement between the EU and Thailand is a realistic prospect in the future.

4.4 Operating in the Thai food and beverage market

4.4.1 Logistical services and transportation infrastructure

Shipping and road transport have been historically the most commonly used logistical methods, due to the country's geography. The reforms in transport infrastructure have improved Thailand's logistics performance, positioning the country second in the ASEAN countries according to the World Bank's Logistics Performance Index 2018. The new reform (The 12th Plan 2017-2021) is concentrated in improve connectivity in border towns with neighbouring countries.

Thailand's position as a transportation hub for the Greater Mekong Sub-region (GMS)²⁷ has been strengthened, during the past 5 years increasing the country's opportunities for cross-border trades and import-export shipments. Road transportation is the main logistic mean of transport, owned in high percentage by multinational logistics companies, which motivated by the business opportunity are gaining significant market share to local providers.

²⁷ Is the trans-national region of the river Mekong composed by the following Southeast Asian countries: Cambodia, Laos, Myanmar (Burma), China (specifically Yunnan Province and Guangxi Zhuang Autonomous Region), Thailand and Vietnam.

Figure 4-1 Key transportation infrastructure in Thailand



Source: Agra CEAS

Shipping

The Port Authority of Thailand (PAT) operates Thai ports in conjunction with public companies including Hutchison Ports Thailand and PSA International. PAT operates not only the largest ones: Bangkok, and Laem Chabang, but also Chiang Saen, Chiang Khong (river ports), Ranong, as well as the Bangkok Coastal and Barge Domestic Terminal.

Laem Chabang, located in the eastern Thailand, on the Gulf of Thailand, is the country's main deep sea port. It consists of several separate ports and occupies over 10km².

Bangkok port, located on the east side of the Chao Phraya River, in Khlong Toei District, occupies over 900 acres (3.6 km²). It was the busiest seaport until 1997, when the Laem Chabang stated in the first position until now.

In 2016 these ports handled 9 379 vessel calls, and total cargo volume of 93 million tons.²⁸

Figure 4-2 Main ports in Thailand



Source: Agra CEAS
Inland river ports in brown.

Air freight

Thailand has 109 airports, among them the bigger international airports are in the cities of Bangkok (Suvarnabhumi and Don Muang), Chiang Mai, Chiang Rai, Phuket and Hat Yai.

The two busiest airports for air cargo freight are located near the capital of Thailand:

- Bangkok Suvarnabhumi
- Bangkok Don Mueang

In 2018 freight transport grew 4.6%, representing 1.65 million metric tons (of which 94.4% corresponded to international cargo).²⁹

²⁸ PAT Performance in fiscal year 2016". Bangkok Post. Port Authority of Thailand (PAT) (2016).

²⁹ ICEX International trade studies 2019. <https://www.icex.es/icex/es/navegacion-principal/todos-nuestros-servicios/informacion-de-mercados/estudios-de-mercados-y-otros-documentos-de-comercio-exterior/index.html>

Figure 4-3: Major International cargo airports in Thailand



Source: Agra CEAS based on various

Rail freight

Thailand has an extensive passenger and cargo railway network, reaching to the borders of Burma, Laos, Cambodia and Malaysia, allowing trade to the nearest ASEAN countries.

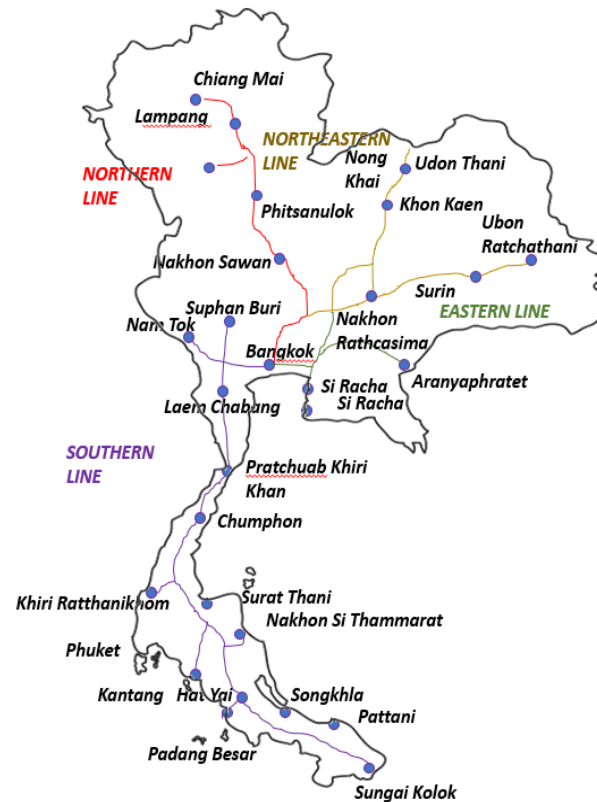
The 4 500 km rail network (not including mass transit lines in Bangkok) is operated by the State Railway of Thailand and covers four main lines:

- Northern Line, which terminates in Chiang Mai
- North-eastern Line, which terminates at Ubon Ratchathani and the Lao border in Nong Khai Province
- Eastern Line, which terminates at the Cambodian border in Sa Kaeo Province
- Southern Line, which terminates at the Malaysian border in Songkhla and Narathiwat Provinces

All long-distance trains originate from Bangkok's Hualamphong Train Station. Alongside the main routes the Thai Railway system has several curious branch lines, originates in the need of connection with the old fishing ports. Despite the developed rail network, rail freight remains minor, accounting for about 2% of all freight transported in Thailand.³⁰

³⁰ <https://asia.nikkei.com/Politics-Economy/Economy/Thailand-takes-a-long-term-gamble-on-Isaan-region?page=1>

Figure 4-4 Railway network in Thailand



Source: Agra CEAS

Road Freight

As part of the Greater Mekong area road network Thailand is acknowledged as having the most extensive road transportation network in all Southeast Asia with all-weather highways and intercity roads linking them to the road network covering the whole country, and moreover, developing the economic corridor to improve trade between the neighbour countries. The continuous expansion and improvement of the country's roadways could be seen in the more than 390 026 km of road, of which 384 176, (98.5%) is tarmac, and 66 266 km forming a national highway network connecting each region of the country. The Department of Highways has developed the concept of a 20-year Intercity Motorway Development Master Plan for the period 2017 – 2036, comprising 21 routes with a total length of 6 612 km.³¹

Major investment to create a logistic shortcut for the region is underway. The road networks between Myanmar's Dawei Port and Thailand's biggest port Laem Chabang, will provide immense business opportunities opens the western gateway for existing production bases in East Asia. New highways throughout the country will eventually become part of the East-West Economic Corridor (EWEC), which

³¹ The Board of Investments of Thailand. Highways 2019. <https://www.boi.go.th/index.php?page=highways>

will link the South China Sea with the Bay of Bengal, and the North-South Corridor which will link Singapore with Kunming in China.

In view of the level of development of the road network, it is unsurprisingly the main way of transporting goods within the country.

4.4.2 Distribution

4.4.2.1 Retail channel overview

Thailand's retail food sector is modernising due to the government investment in transport, internet infrastructures and private investment, leading to a competitive market for food and beverage products.

Supermarkets and Hypermarkets

Supermarkets and hypermarkets are a common retail channel in Thailand, offering a range of different products, including local and imported food, fruits, vegetables, seafood, beverages, and organic products. Frequently, supermarkets have in-store restaurants, to promote meat and seafood products in their frozen/chilled form, prepared in restaurant menus, or prepared in take-home meals.

Supermarkets are concentrated in the Bangkok metropolitan area and in major provincial urban centres such as Chiang Mai, Phuket, Chonburi, and Nakorn Rachasima; and they target the middle-high income consumer. In contrast to supermarkets, hypermarkets are located in the outskirts and non-metropolitan areas due to the high land prices. Hyper and supermarket chains had started to offer new formats of smaller-scale retail stores (mini-markets and convenience stores), more oriented to medium-low income consumers.

Central Food Retail (Central Food Hall and Tops Market), The Mall Group (Home Fresh Mart and Gourmet Market), Foodland Supermarket, Villa Market, UFM Fuji, and Rimping Supermarket lead the supermarket sector and Tesco Lotus and Big C the hypermarket one.³² Supermarkets such as Central Food Retail and Villa Market have their own import divisions, whereas hypermarkets like Tesco Lotus only import company branded products. Siam Makro (cash & carry) also sources and imports food and beverages products worldwide³³.

Convenience stores

Due to the recent changes in Thai society, demand for convenient, inexpensive, and time-efficient foods has increased significantly. In line with this, convenience stores serving ready-to-eat meals, coffee, beverages, baked goods, a variety of snacks, and other confectionaries constituted the sector that experienced the highest growth in the country in 2018 (in comparison with supermarkets and hypermarkets). One recent trend in Thailand is that the division between convenience stores and

³² Krungsri Research, Euromonitor International, USDA Foreign Agricultural Service, Bangkok, Thailand.

³³ USDA Foreign Agricultural Service. Thailand Retail Food 2019.

https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Retail%20Foods_Bangkok_Thailand_7-2-2019.pdf

supermarkets has been blurring with chains offering deluxe convenience stores with greater offerings and mini supermarkets with a limited variety of items.

7-Eleven is the key player in the convenience store retail market, accounting for 64% of the 17 205 convenience stores and is sourced locally by the CP food group³⁴.

Independent small grocers

As noted above, convenience stores have grown rapidly in popularity in Thailand in recent years, largely at the expense of independent small grocers. Nonetheless, this channel remains one of the most popular in Thailand for the local purchasers of food and drink products; and they can be found in both metropolitan and rural areas. In small towns and villages in remote areas of the country, where modern retail is not present, there is a heavy reliance on these independent small grocers with traditional food and beverage products.

Food markets

Thailand is also known for its many food markets, offerings of ready-to-eat meals, snacks, fruits and drinks at food carts or food stalls on the street side of many cities. Bangkok has the most famous street centres as Yaowarat (Talat Noi, Wat Traimit and Chaleoem Buri), Nang Loeng, Sam Phraeng, Pratu Phi, Bang Lamphu, Totse, Sam Yan, Tan Din Daeng, Wongwian Yai, Wang Lang, Talat Phlu, etc.³⁵

The proliferation of Thailand's street food culture is attributed not only to rich culinary culture but to previous mentioned factors as Thai way of life that revolved around agriculture and food production, the rapid urbanization that created local demand and subsequently opportunities in food service especially in urban areas, as well as rising demand for local foods by foreign visitors.

Wet markets

Due to the local importance of fresh food in culinary tradition, accessibility and its competitive lower prices, wet markets are a key venue for grocery shopping in Thailand. Traditional wet markets or meat stalls selling fresh meat, often have the advantage of being located near slaughter facilities, promoting the distribution of the product and the lower prices to the final consumer. Wet markets also have increased their role supplying supermarkets and hypermarkets, meanwhile the number of wet market providers is almost static over the years³⁶.

E-commerce

As previously mentioned, Thailand 4.0 scheme established a good internet infrastructure, with one of the highest penetrations in the region, laying the groundwork for a promising e-commerce expansion. However, despite the high level of use the average expenditure through e-commerce in 2018 was around USD 100, significantly lower than world average of just over USD 600. The fastest growing online sales

³⁴ Krungsri Research, Euromonitor International, USDA Foreign Agricultural Service, Bangkok, Thailand.

³⁵ Chawadee Nualkhair (2015). Thailand's Best Street Food: The Complete Guide to Streetside Dining in Bangkok, Chiang Mai, Phuket and Other Areas. ISBN 9781462915293.

³⁶ Roughneen, Simon (2018). Southeast Asia's traditional markets hold their own. Nikkei Asian Review

category from 2017 to 2018 was the food and personal care sector with sales worth EUR 0.4bn and 30% growth compared to 2017. Some of the reasons for this were explored in section 3.2.

Online grocery sector is expanding rapidly in Thailand, making Thailand in the 5th fastest-growing online grocery markets in the world. Due to this, Thailand is expected to have the largest 'modern trade' grocery market in Southeast Asia by 2021, with the country's overall grocery spend forecast to be second only to Indonesia amongst the region's largest economies with traditional grocery players in the centre of the development. Kaidee has proven a particularly important channel for grocery retail (see section 6.1.1.1 for some more information).³⁷

Hotels, restaurants and cafés

As previously mentioned, changes in modern culture, a wider range of consumers with higher incomes and the importance of Thailand as one of the most attractive travel destinations have increase interest in restaurants and hotels in offer more expensive and gourmet food of foreign countries. The development in the hospitality industry and the recent investments have increased their importance for food and beverage imports. As the industry continues to develop, the role of importers and wholesalers in this particular chain may decrease as operators begin to work with larger food service operators instead.

4.4.2.2 Intermediaries

Due to the characteristics of distribution chain in Thailand, Intermediaries can play an important role in getting products on the shelves in Thailand. The need for intermediaries and nature of ideal intermediaries varies depending on the end market targeted:

- **Retail sector:** while some retailers, larger ones in particular, will import directly, there are importers who focus on the import and supply of goods to the retail sectors.
- **Food service and hotels:** it is estimated that around 1/3 of food and drink products used by this channel are imported. Cash and carry is the main sourcing channel the sector uses, with Makro a notable name in the cash and carry space that offers a wide range of imported food. Wholesale markets are also commonly used for sourcing by the food service and hotel industry.
- **Food processing:** generally this segment will source ingredients from channels different to those used by the retail and food service sectors. Large trading companies tend to be an important source – and hence intermediary – for this segment.

Thailand is an important regional hub in general terms, and indeed offers several advantages and incentives for companies who are considering a regional presence e.g. through setting up a subsidiary. However, it does not serve as a particularly strong regional hub for intermediaries. Therefore, while some intermediaries present in Thailand may offer access to other markets in the region and perform regional re-export, most intermediaries will be primarily active on the Thai market only.

Intermediaries and retailers will most commonly have minimum order quantities (MOQs) or weights on a fortnightly or monthly rolling basis; some indicative minimums are presented in Table 4-6 below. As the

³⁷ Australia Trade Government. Guide e-commerce in Thailand. <https://www.austrade.gov.au>

ones for food service and retail are based on what is standard for the local market in Thailand, importers may have higher MOQs for some products given the additional challenges of importing. Generally products are sold on a wholesale basis rather than a consignment basis; the latter may only be accepted for products with very high order value.

Table 4-6: MOQs for selected products and end markets in Thailand

MOQ by sector	Local Food Service	Local Retail	Regional re-export
Wine	6-7 cases of 12 bottles	10 standard cases of 12 bottles of 750 ml wine	100 standard cases of 12 bottles of 750 ml wine
Spirits	2-3 cases of 12 bottles	10 standard cases of 12 bottles	50 standard cases of 12 bottles
Beer	50 cartons of around 300ml	Min. 200 cartons of 330ml	Min 1 container (1200-1400 cartons)
Chocolates and confectionary	Min. 1kg	Min. 50 packets	1000 cartons
Fresh fruits and vegetables	Min. 5kg	10 crates	

Source: Agra CEAS / Euromonitor International

With regard specifically to the import of alcoholic beverages, it should be noted that only companies registered in Thailand with majority Thai ownership are permitted to market alcohol in Thailand and the excise department requires that such a company be appointed as a sole importer/distributor of a certain imported alcoholic product. There are no legal restrictions on elements such as the duration of exclusivity and geographical coverage – these are open to negotiation with the partner in question.

Finally, some points to consider when working with Thai intermediaries:

- As with most markets, it is useful to conduct more detailed market research prior to entry taking into account the specificities of your product. It can be beneficial to adapt the product to the local tastes, and suitable pricing is important.
- EU 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.
- 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 (see also section 3.3). Existing brand loyalties are most likely to be replaced by new products that focus on good quality, better packaging, availability, promotions, and competitive prices.
- Trade fair participation is another way to raise awareness of your product and, in some cases, identify potential intermediaries (a list of trade fairs can be found in section 8.4).

- To be successful exporters should provide reliable product availability, consistent quality, technical support, and try to respond to inquiries within 24 hours.
- Most business in Thailand is conducted based on a network of referrals and on the reputation of the partner. This is important to bear in mind both when reaching out to potential intermediaries; and when selecting an intermediary. With regard to the latter, exporters should try to work with a representative or agent who has or can get strong local connections with target customers (retailers, hotels, restaurants, and food processors), has a good understanding of Thai food and agriculture regulations, and food import procedures. Intermediary knowledge of the correct authorities and their staff can be the key to doing business successfully in Thailand.
- Exporters should be patient and think long term. It is not unusual to visit the market 2-3 times before details are finalised.

Business Contact Database:

A database of importers, wholesalers, retailers and distributors can be found in section 8.5

N.B. due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these individuals, organisations or firms and no corresponding responsibility or liability is accepted by the authors.

4.4.3 Business environment

Thailand ranked 21st out of 190 countries in the World bank's report on ease of doing business, and as mentioned before, with openness to the international market, and with the agri-food sector in particular boosted by the Board of Investment under the title "*Thailand, Kitchen of the World*". Thailand is in the eight-best position of the index of Economic Freedom considering Asian Pacific countries in 2019.

However, foreign companies face numerous restrictions mainly in telecommunications, banking and insurance. Labour informality of around 50% and wages disparities, low performance in the corruption perception index and challenges with keeping up with changing legislation must also be considered ³⁸.

A number of reforms are facilitating the business landscape in the last years, as 'getting electricity' scheme to increase transparency, stablish a fixed registration costs to start a business, and "e-matching" scheme to digitalize the import and export expeditions, reducing the fulfilment. Businesses using the internet expanded from 20.5% of businesses in 2013 to 30.1% in 2018³⁹.

The Thai market is often perceived by EU companies as a difficult and hence rated as a secondary market in its strategies on the Asian continent, in which the large markets of China, India, Korea or Japan are

³⁸ World Bank. Doing Business <https://www.doingbusiness.org/en/data/exploreconomies/thailand/starting-a-business>

³⁹ Euromonitor International: Economies and Consumers, 2020

prioritized. Japan, Singapore and Australia are the major investors in the country, meanwhile the EU stopped being the second source of investment in 2015 as the Netherlands withdrew investment.

It is important to consider that business is generally conducted in English (or Thai), face to face. More information on etiquette and do's and don'ts can be found in section 7.

4.4.4 Key operational considerations and challenges: summary

Key challenges to bear in mind are as follows:

- Challenges to keep up to date and comply with legislation, both the release and interpretation of which are not always clear for foreign companies
- Protection of your IP if your product possesses notable IP.
- The existence of foreign exchange controls (although more relaxed following 2018 reforms).
- The challenges posed by the geography of the country and the internal transportation network, which may in turn make it more attractive to target specific markets within the country.

4.4.5 Other relevant information

4.4.5.1 Methods of payment in Thailand

In Thailand the vast majority of informal transactions are conducted in cash. However, similar to many other ASEAN countries (e.g. Indonesia, Malaysia and Philippines), Thailand is focusing on development of digital financial services as part of their National Financial Inclusion Strategies. The use of “faster payments” mobile money enables real-time payment to individuals, businesses and Governments on 24 hours a day/7 day a week basis. This has been encouraged for government tax credits (also paid by cheque) and in the revolving funds for microfinance and grants for community projects.⁴⁰

The improved e-payment infrastructure and e-commerce expansion has increased exponentially the growth in usage of mobile banking. The largest no-cash consumer segment is made up of heavy users called “Middle Aged Go-Getter” who look for mobile banking applications with high levels of reliability and useful features.

4.4.5.2 Travel from the EU to Thailand

Nationals of EU countries are exempt from requiring a visa to enter for short durations (30 days), with the exception of Bulgaria, Cyprus, Malta and Romania that should apply for a visa on arrival for 15 days. The Thailand embassy in your country will provide further information and requirements in case your country is on the exception list (www.thaiembassy.org). There are a maximum two entries by land per year, but this limit does not apply to airport entries.

⁴⁰ World Bank Group Publications, 2019. <http://pubdocs.worldbank.org/en/361051561641115477/pdf/Fintech-executive-summary.pdf>

5 Market Snapshots for Selected Products

This section provides specific information for various food and beverage categories and products. This information covers three main categories:

- **Consumption:** data on the evolution of consumption; consumer profiles and any notable consumer trends;
- **Offer:** domestic production; imports and exports; the competitive landscape; relevant specific customs procedures/import considerations;
- **Distribution:** main distribution channels used; domestic and imported offer.

Furthermore, each category contains a SWOT analysis and a key takeaways message.

Fresh meat	Fresh fruit and vegetables	Dairy
Wine	Spirits	Olive oil
Chocolate and confectionery	Beer	Pet food
Ice cream	Prepared baby food	Processed fruit and vegetables
Pasta	Baked goods	Biscuits and cereal bars

5.1 Fresh meat

5.1.1 SWOT analysis

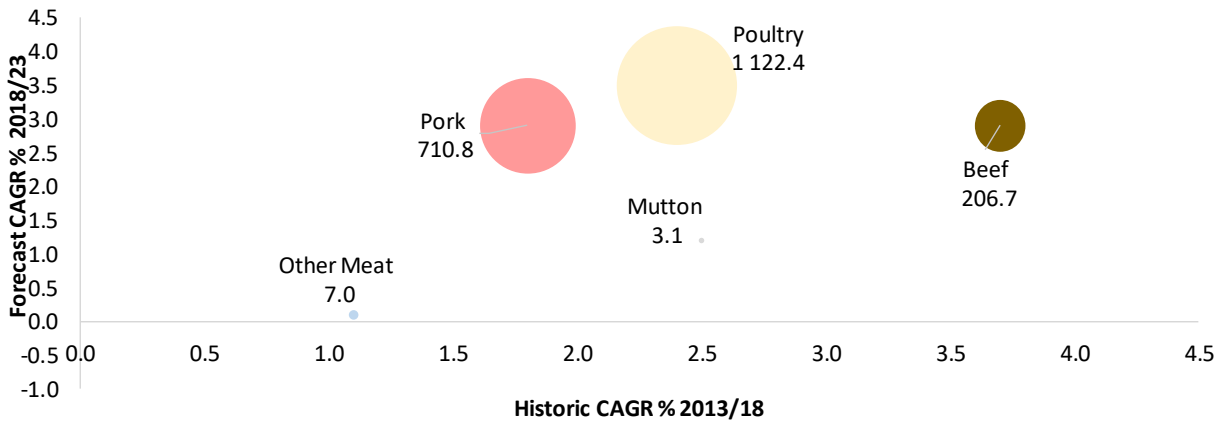
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Fast growing demand for meat – well ahead of population growth – fuelled by increasing incomes. ▪ While price is an important consideration, quality is also taken into consideration; and consumers are increasingly paying attention to factors such as production method and origin. 	<ul style="list-style-type: none"> ▪ Country is self-sufficient in almost all types of meat. ▪ Pork and poultry – demand for which is satisfied for domestic production – dominate the market. Demand for mutton on the other hand is almost non-existent. ▪ Despite extensive efforts from Member States and the EU, few export protocols have been granted.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ A shortage of domestic production of high end beef means imports are needed to fulfil this demand. ▪ High levels of demand for imported edible offal, notably for the pork processing industry. ▪ Any new export protocols granted to EU exporters will offer considerable opportunity given the limited access that other countries also have to the market. 	<ul style="list-style-type: none"> ▪ Very strong, and still developing domestic production. ▪ Australia and Argentina well established in the niche market of high-end beef.

5.1.2 Consumption

5.1.2.1 Evolution of consumption

Poultry is the most popular meat in Thailand by some distance; over 1.1m tonnes were consumed in 2018. As well as being popular, the market is fast growing; it grew at 2.4% per year over the period 2013-18 and is forecast to grow even more quickly at over 3% per year going forwards. Pork is the second most popular meat with 711 000 tonnes consumed. Growth of the market for this meat – both historical and projected – is lower in volume terms. While the market for beef is considerably smaller at 207 000 tonnes, it was the fastest growing meat in volume terms over the period 2013-18 at 3.7% per year. Going forwards, consumption is forecast to grow in line with pork at around 3% per year. The market for mutton is negligible, at just 3 000 tonnes (Figure 5-1).

Figure 5-1: Evolution and forecast of fresh meat market (000 tonnes) in Thailand, 2013-2023; total volume



Source: Euromonitor International: Fresh Food, 2020.

5.1.2.2 Consumer profile and purchase criteria

Consumers

Meat is an integral part of Thai cuisine, with many dishes including either poultry and pork in particular. As a consequence of this, meat is consumed by the vast majority of the Thai population to some extent. Nonetheless, both the level of consumption and type/cut of meat consumed varies across the Thai population. For example, meat features more heavily in the traditional cuisine of central and northern Thailand than that of southern Thailand, which is primarily based around seafood. As is the case elsewhere in the region, consumers with higher levels of income tend to consume greater quantities of meat; beef in particular stands out as a meat that is more commonly consumed by wealthier consumers. Traditional Thai cuisine was based on stewing to a high extent, which facilitated the use of tougher cuts of meat; though other cooking methods such as frying were subsequently introduced into Thai cuisine, expanding the range of cuts used.⁴¹

Drivers and method of consumption

As implied above, the use of meat in traditional dishes is a notable driver of meat consumption and method of consumption. Nonetheless, there are further notable drivers, most of which are more recent. Indeed, some of these explain the recent lower growth of pork, which traditionally been extensively used in Thai cuisine. These drivers include:

- **Domestic availability of meat.** As noted in section 5.1.3.1, Thailand has become a major producer of poultry meaning there is substantial domestic supply. At the same time, production of pork in Thailand has been impacted recently by African swine fever. These supply patterns have subsequently driven consumption of poultry in particular through the mechanism of price.

⁴¹ <https://www.foodnetwork.com/recipes/articles/regional-thai-cuisine>; <https://www.ajas.info/upload/pdf/ajas-31-7-968.pdf>

- **Increased health consciousness**, leading to higher consumption of poultry meat rather than red meats; as well as increased interest in certain production methods such as organic and GMO-free feed.
- **Religious and cultural restrictions**. While predominantly a Buddhist country (see section 2.1.3), there are sizeable minorities with different restrictions on meat consumption. The Muslim minority with restrictions on pork consumption is the most obvious, though Hindu and Chinese folk religions also pose restrictions. For example, the southern city of Phuket practices a 9 day vegetarian festival in September and October due to its large population that practices Chinese folk religion.
- **Use in traditional Thai cooking as well as demand in certain growing foreign cuisines**. The use in traditional Thai cooking drives consumption to a great extent, with poultry and pork both popular partly for this reason. Beef on the other hand does not feature much in the cuisine of Central and Northern Thailand (but does to an extent in the south). Typically, meat used in traditional Thai cuisine will be deboned and cut in to small pieces. However, increasing interest in certain foreign foods such as Japanese and Korean-style yakiniku or shabu-shabu have further fuelled the demand for high quality, juicier pork such as Korubuta pork; as well as for some cuts such as belly.

Purchase criteria

Firstly, the overall preferences for different meats set out above play – influenced by certain drivers such as health consciousness – have a notable role in the overall purchase decision. In addition to this, price is an important overarching criterion for the Thai mass market. Nonetheless, there are additional criteria which will be taken into account by some consumers. Quality is a notable purchase criterion that purchasers often apply in combination with price (i.e. consumers will often look for products of a good quality at reasonable prices). Increasingly, branding is gaining importance in the purchasing decision in the case of purchase through modern retail channels. It is often seen as an indication of quality assurance, and indeed perceptions of brand weigh heavily for some consumers.

Further building on the criterion of quality, there are some consumers who specifically look for high quality premium products; and this is reflected by the availability of such products in modern trade channels across the country. For these consumers, sub criterion such as origin and method of rearing/feeding are important indicators of quality; in addition to brand (which was mentioned above).

In the specific case of poultry meat, dark meat is preferred by consumers over white meat (as is generally the case in the south east Asia region). Leg quarters in particular are popular. Chicken offal can also be quite popular. For pork and red meat, while cuts will vary depending on dishes/usage, a certain level of marbling is generally preferred. Overall, somewhat lean meat that can be cut into small pieces is preferred for pork, though belly, ribs, intestines and head can also be popular. As noted above, beef is more

consumed in the south than other regions with consumers most often choosing based on the tenderness of the cut.⁴²

5.1.2.3 Recent market trends

Meat consumption is forecast to continue to grow in Thailand, driven by increases in income. Despite already being the most popular meat in Thailand, poultry is forecast to grow at 3.5% per year in volume terms for the period up to 2023, well above the country's almost negligible population growth. Pork and beef are also forecast to grow quickly at 2.9% per year over the same period (Figure 5-1).

As noted in section 5.1.2.2, increasingly criteria other than price are being taken into account. With this trend expected to continue going forwards, increased focus on farming systems, feed, animal welfare and standards such as organic can also be expected in the future. Producers are likely to continue to push their brands; and indeed they are likely to plug in to some of the factors identified above.

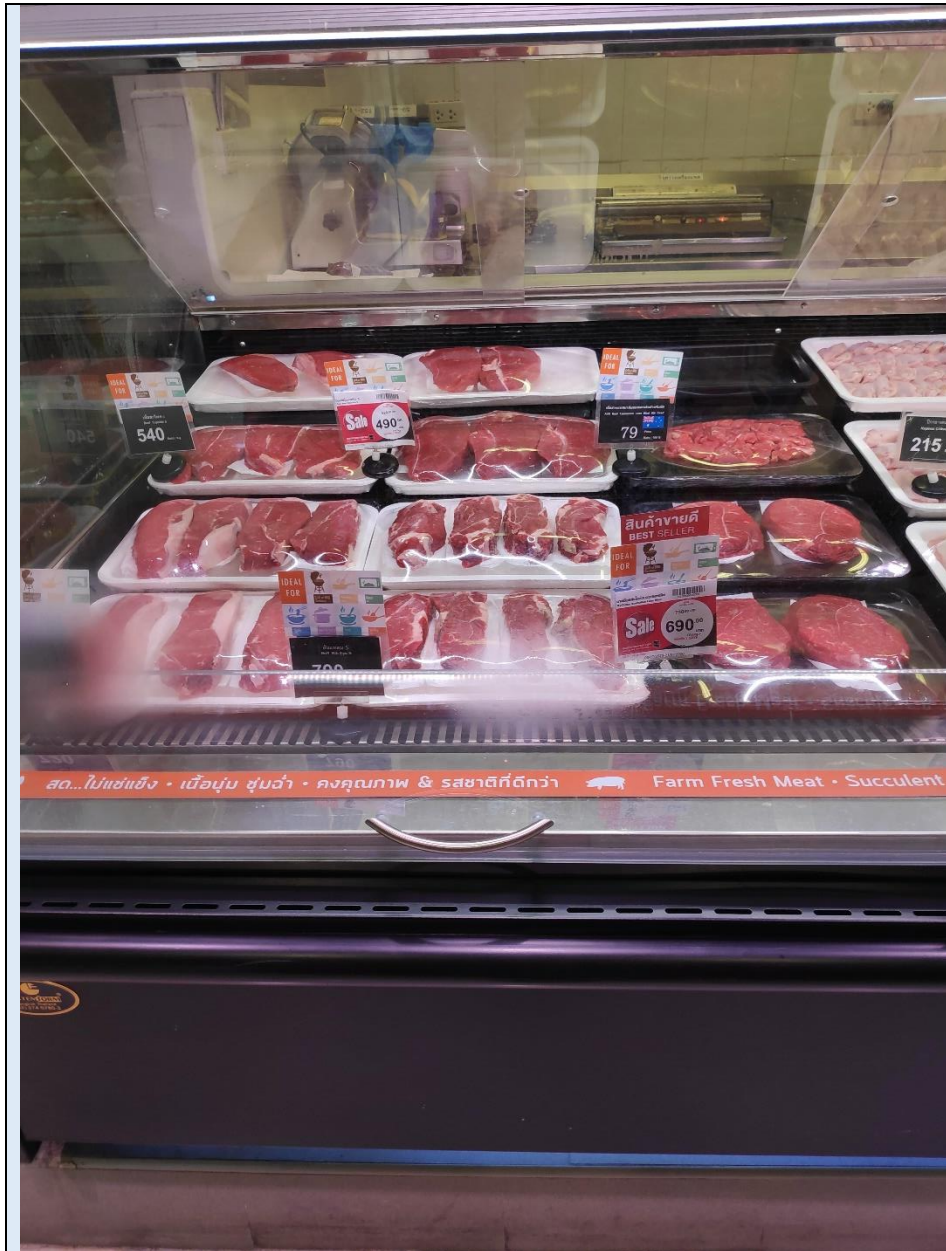
The food service channel is of increasing importance for meat consumption, as will be seen in section 5.1.5. Busy, urban lifestyles are contributing to the increasing consumption of meat outside the house in food service channels; and this trend is likely to continue into the future. Finally, in the specific case of pork, while leaner meat is that which is traditionally preferred for Thai dishes, consumers, as seen in section 5.1.2.2 consumers increasing take into account the marbling of the meat and also consider cuts which may not be considered lean, such as belly.⁴²

Meat on retailers' shelves in Thailand

While modern retail outlets are increasing in popularity, wet markets continue to play a role in the distribution of fresh meat in Thailand (see section 5.1.5). Meat may either be sold through retail channels prepacked on shelves, or at a specialist butcher's counter (see below).

⁴² Euromonitor International: Fresh Food, 2020; <https://www.fas.usda.gov/data/thailand-poultry-and-products-annual-4>; <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6819675/>





Imported products are most clearly visible in the premium segment, notably that of beef. Premium imported beef is most commonly sold in packages of 200-300 grams. Pricing varies; while THB 150 (EUR 4.50) is a common price for premium beef in such a package size, it is possible to find products priced up to THB 1000 (EUR 27) for a similar pack size. Imported beef products may be displayed separately from other products. Flexible plastic is generally used for packaging, but paper packaging may also be added for labelling purposes and to provide a premium appearance (see below).



While other imported products are available, they may not be as prominent. Commonly local importers will import a bulk lot and then take care of the packaging themselves.

Pictures: © Agra CEAS / Euromonitor International, 2020.

5.1.3 Offer

5.1.3.1 Domestic production

Thailand is a major producer and exporter of poultry meat; indeed the poultry sector evolved massively over the last 40 years to become among the country's most important agri-food producing and exporting sectors, albeit still some way behind rice and sugar. Thailand produces a bit under 2m tonnes of poultry meat; and while around 2/3 of this is consumed domestically, the remaining 1/3 is exported (whether processed or unprocessed). Production of poultry meat has increased fairly steadily and is expected to continue to increase going forwards. Production in Thailand has both modernised and become increasingly integrated over time. It is now estimated that 10 main integrated companies account for around 80% of production. Nonetheless, Thailand is not a low cost poultry producer, with the high cost of feed greatly influencing the price at which poultry can be produced.

In recent years, a bit under 1m tonnes of pork are produced in Thailand. Production of pork has increased in recent years as well as intensified, and the majority of farms can be found in the central province close to Bangkok. However, in the last year or so production has been impacted to some extent by the regional outbreaks of African Swine Fever (ASF), with potentially infected animals being culled and other preventative measures being taken to avoid the disease spreading into the country from neighbouring ones. At the same time, the regional shortage of pork has resulted in a recent spike in pork prices as Thai production has been in demand both inside and outside the country.

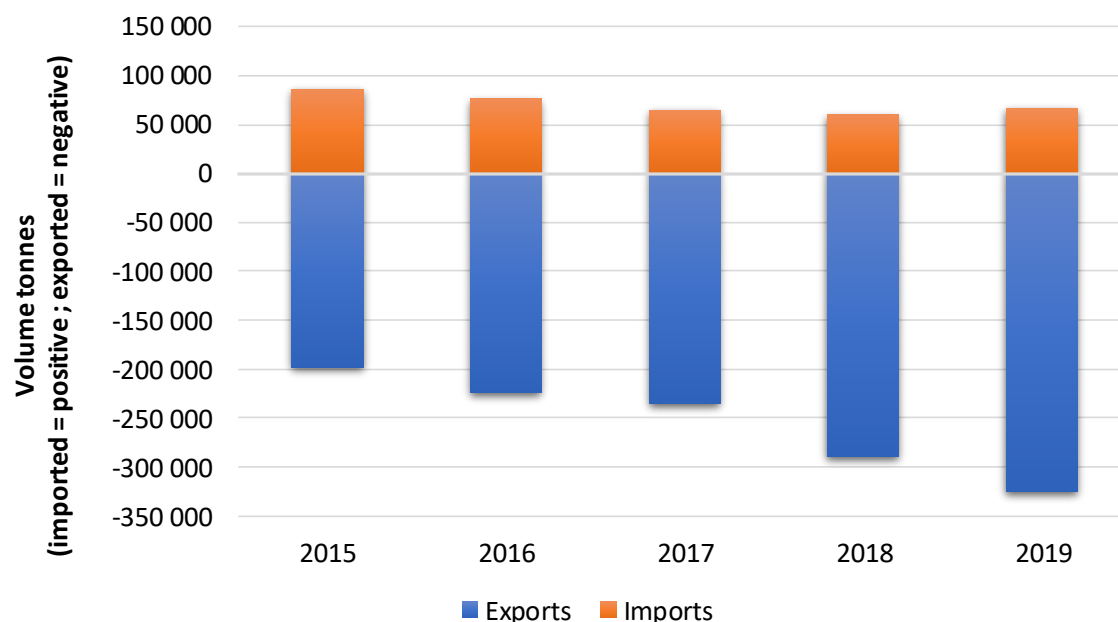
Production of beef on the other hand is quite limited, though growing. It is estimated that around 1m cattle are slaughtered in Thailand each year, producing in the region of 150 000 to 200 000 tonnes of meat. Nonetheless, the actual cattle herd size contains several times this number of heads, with a fair amount of live cattle export e.g. to China (through Laos) taking place. A lack of natural grassland has traditionally disadvantaged large scale cattle production in Thailand and continues to do so. The production system remains quite fragmented and this is reflected by the very small quantities of premium beef produced⁴³.

5.1.3.2 Imports and exports

Thailand is a major net exporter of meat, with exports outweighing imports by a factor of approximately 5 to 1 in 2019. Over the period 2015-2019, exports increased by over 50% to around 325 000 tonnes; while imports fell to just under 70 000 tonnes (Figure 5-2).

⁴³ <https://www.rvo.nl/sites/default/files/2016/12/FACTSHEET-POULTRY-SECTOR-IN-THAILAND.PDF>; <https://www.fas.usda.gov/data/thailand-poultry-and-products-annual-4>; https://www.researchgate.net/publication/309515244_Spatial_analysis_and_characteristics_of_pig_farming_in_Thailand; <https://www.nationthailand.com/news/30380758>

Figure 5-2: Trade balance (imports and exports) of fresh meat in Thailand, 2015-19; volume tonnes

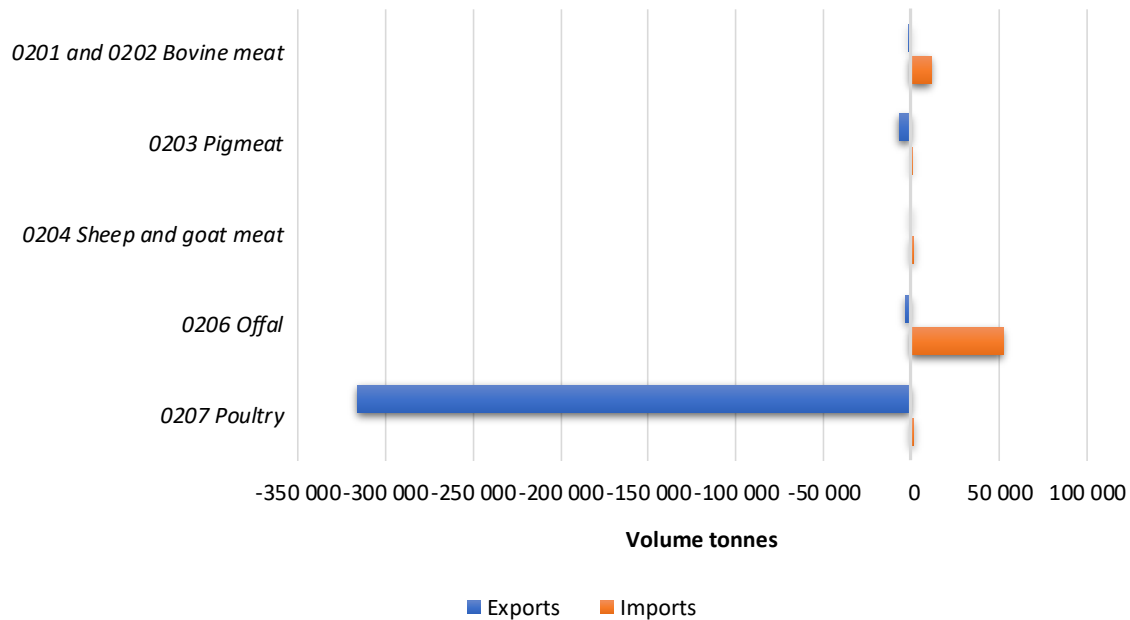


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

The main reason that Thailand is a large net exporter of meat is its high exports of fresh / frozen poultry – 315 000 tonnes in 2019 (over 95% of all meat exports). Imports of poultry were negligible at 2 000 tonnes. Offal is the main import, with 50 000 tonnes imported in 2019; though more than 10 000 tonnes of beef were also imported (Figure 5-3). Mutton imports are minor (1 500 tonnes) and pork imports almost non-existent. As noted in section 5.1.3.1 above, domestic production of high quality beef is limited. Therefore a lot of the imported beef is higher priced quality beef; as reflected by the unit value of imports, which is roughly double that of exports. Some seasonality in the small pigmeat and poultry imports can be observed, with imports primarily occurring during the second half of the year.

With regard specifically to offal, while some is consumed domestically as fresh/frozen or used in food service, a large percentage of imported offal goes into the food manufacturing and processing industries. More specifically, pork offal accounts for the majority of edible offal; and this mainly is used for the manufacture of processed pork meat products. Bovine offal, while a minority of imports, are commonly used in the food service industry (noodle shops in particular).

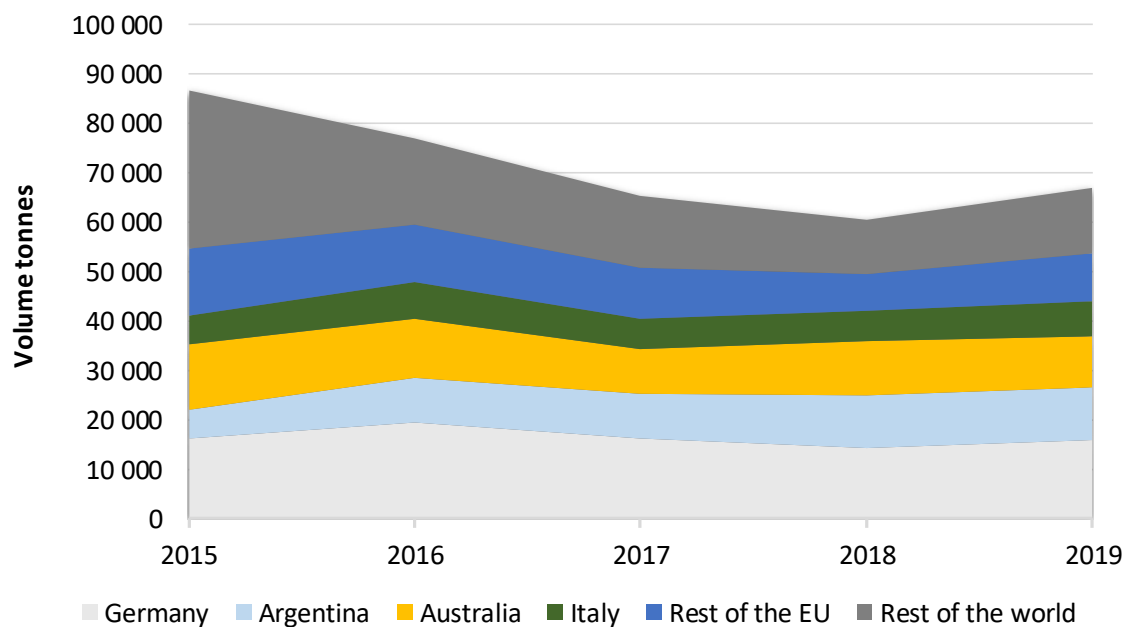
Figure 5-3: Trade balance (imports and exports) of fresh meat in Thailand, by type, 2019; volume tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

Origins of imports are quite fragmented; and when examining origin, it must be remembered that almost 80% of meat imports are offal. Germany is the number one origin, accounting for just under ¼ of imports in volume terms. It is followed by Argentina and Australia, each with around 15%. Both of these countries – Australia in particular – are important origins for imports of beef. Italy accounts for around 10% of imports and the rest of the EU a further 15%. Imports from the EU are almost all edible offal (Figure 5-4).

Figure 5-4: Thailand imports of fresh meat by country, 2015-19; volume tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

5.1.3.3 EU GI products

No EU fresh meat products are registered as GIs in Thailand.

5.1.3.4 Main competitors

The main competition comes from domestic production. Poultry is the most popular meat in Thailand, and the country runs a strong production surplus in the meat, despite being partially hamstrung by higher production costs due to the price of feed. Indeed, Thailand imported only 2 000 tonnes of poultry meat in 2019, a fraction of the 325 000 tonnes it exported. The country is self-sufficient in pork with almost insignificant imports. The country has a very minor deficit in beef imports (self-sufficiency is over 90%). This deficit is largely due to a lack of domestically produced beef targeting the high-end; with Australia, Argentina, New Zealand and the US competing to fill this void. Australia and New Zealand in particular have favourable access terms to the beef market, with tariffs on many beef products having fallen to zero at the beginning of 2020.⁴⁴ The main area where competition is non-domestic is that of offal. While origins of offal are quite fragmented, Germany is the number one origin, accounting for around 30%, followed by Argentina and Italy.

⁴⁴ <https://www.austrade.gov.au/Australian/Export/Export-markets/Countries/Thailand/Industries/food>

5.1.4 Specific market entry requirements

Market Access and Entry

Countries must be approved for the meat product in question before it can be exported to Thailand. The situation with access can change; a list from 2018 can be found at the following address:

<http://en.dld.go.th/index.php/en/imports-exports/list-of-countries-to-import-menu>

However, given the frequency of potential change and the backlog of applications for some EU countries, it is recommended that the corresponding Ministry in the Member State in question, or the Embassy of the Member State in Thailand be contacted to check if access for a certain meat product has been granted. For example, the above list does not contain foie gras for which France is authorised. It also does not contain the list of countries authorised for processed animal protein or genetic material. It should, however, be noted that the list is correct with regards to pigmeat – no EU Member States are authorised for export to Thailand at the time of writing.

It is important to note that accreditation of a country is valid for three to four years; after which it has to be renewed. In the case that a re-audit has not historically been possible within the timeline (e.g. due to insufficient resources to perform the re-audit), authorisation has been extended in the past. Whether or not the individual establishments in a country have to be accredited as well as the authorities of a country itself depends on the protocol in place following accreditation; once again, it is recommended that the Ministry in the Member State in question be consulted to determine this.

As per Table 4-2, various documents are required to import fresh meat products into Thailand. These include: an import approval for live animals and animal products; a veterinary health certificate for animal products; and a licence to deal in animal products. These may incur fees. The 2018 rates for the licence can be found at the following link: <http://en.dld.go.th/index.php/en/>

In terms of tariffs, European fresh meat products face varying tariffs. By major meat type:

- Beef faces 50% MFN tariffs
- Mutton faces 30% MFN tariffs
- Pork, poultry and edible offal of meat face 30-40% MFN tariffs

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website by entering the corresponding CN code:

e.g. pork: <https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hscod=0203>

Customs procedures

The customs procedures for importing foodstuffs are set out in 4.2.1. A full list of the general requirements for export were set out in Table 4-1. A list specifically for fresh meat was identified in per Table 4-2 and full details can be found on the website indicated in the box below.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website by entering the corresponding CN code:
e.g. poultry: <https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?hscod=0207&countries=TH>

Standards, SPS measures

As noted in section 4.3.4, there are two main barriers that EU exporters should be aware of:

- **Delays to import application procedures.** Several applications of EU countries for exports of livestock products have remained pending for a number of years without any indication of when the process will be finalised. Most notably this includes several applications for pigmeat.
- **Non-recognition of regionalisation due to avian influenza (AI).** Thailand imposes country-wide import bans in the event of an outbreak of avian influenza in an EU Member State; though regionalisation for AI has been recognised in the specific cases of France and Hungary. Due to the small number of protocols in place, there is not recent experience with the regionalisation issue for other diseases; however, it is fair to expect that the non-recognition of regionalisation would likely extend to other diseases as well.

Up to date information on appropriate documents concerning SPS measures and provisions for meat can be found at:
<https://madb.europa.eu/madb/viewPageIFpubli.htm?doc=overview&hscod=0201&countryid=TH#h20>

Labelling

Generic labelling requirements were described in section 4.2.3; though as a food which has not passed through any processing, fresh meat should not be subject to these. Bulk meat must generally bear a meat inspection legend.

Any meat products being labelled as halal need a halal certificate and must bear the halal logo. The authority responsible for halal certification in Thailand is the Central Islamic Council of Thailand (CICOT). The country of origin should be marked on any retail meat packaging.

5.1.5 Distribution

The majority of meat - 64% - is distributed through retail channels. The remainder is mainly distributed through food service channels, though a small percentage passes through institutional channels. Nonetheless, the importance of retail channels has fallen in recent years at the expense of food service (Figure 5-5).

Figure 5-5: Distribution of fresh meat in Thailand (volume)



Source: Euromonitor International: Fresh Food, 2020.

Among retail channels, wet markets are the key traditional channel. They are falling in importance as an increasing share of consumers have refrigerators, so the habit of buying perishable food on a daily basis from wet markets is in decline; and increased interest in product standards / hygiene drive consumers to other channels. Nonetheless, wet markets do remain popular for many consumers in rural areas. Modern retail channels (hypermarkets, supermarkets and convenience stores) at the same time are increasing in importance for the distribution of fresh meat. Indeed these channels are now estimated to account for over 60% of the retail distribution of all fresh products (meat and fruit and vegetables) in Thailand. Urban consumers are an important driver in the increasing popularity of modern retail channels for fresh produce distribution. Cash and carry outlets are notable channels which the food service industry uses for sourcing fresh meat products.

5.1.6 Challenges for EU products

The main challenges that EU products face are twofold. Firstly, there is a general lack of demand for them. Thailand is a large producer of meat, and entirely self-sufficient in poultry and pork, the two most popular meats that represent 90% of the market by volume. Imports of both these types of meat are negligible. While the country is almost self-sufficient in beef, a slight shortage does provide some opportunities for importers – though countries such as Australia (which has favourable access terms) and Argentina are already fairly well established in this niche. Secondly, it is very difficult to be granted an approval to export to Thailand, and despite the considerable efforts of both Member States and the EU, few Member States and products are authorised for export. Nonetheless, the difficulty in obtaining access does mean that for any country that enjoys newly granted access, international competition is limited meaning opportunities may exist.

Market Takeaway: Fresh meat

Consumption: poultry the most popular meat, accounting for over half of consumption by volume. Pork second. Beef a small market and lamb very much a niche.

Competition: high domestic production in the popular meats of poultry and pork. While a niche for high-end beef imports exists, Australia and Argentina well established. EU countries strong in offal exports.

Distribution: just under 2/3 distributed through retail channels, with modern retail channels now estimated to account for the majority of retail distribution. Food service gaining in importance in recent years.

Challenges: strong domestic production provides very few structural opportunities for imports; and limited market access further accentuates this. Most notably, there is no real opportunities for pork or poultry imports. Australia has good access terms which allows it to dominate beef imports.

Opportunities: some demand for high end beef imports. High demand for offal, which is in demand from the processing industry (and to a lesser extent, food service). Exporters should carefully monitor the situation with new export protocols as the granting of one will provide access to a market that very few exporters globally have.

5.2 Fresh fruit and vegetables

5.2.1 SWOT analysis

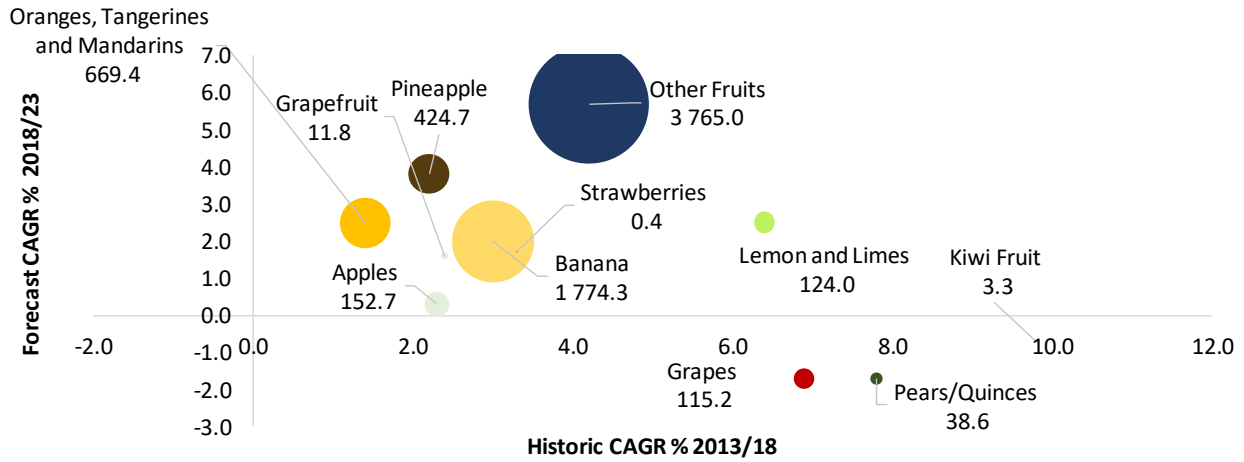
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ The consumption fresh fruit and vegetable is firmly ingrained in Thai culture through national dishes such as <i>Khao niao</i> and <i>pat thai</i>. ▪ Consumers are readily exposed to fresh fruit and vegetable products in Thailand due to the large amount of domestic production in the country. ▪ The government has joined with private entities and retailers in a campaign to encourage the consumption of these products. 	<ul style="list-style-type: none"> ▪ Domestic production is so large in Thailand that oversupply in the market has become a problem. ▪ Thailand has strict access requirement and the process for EU exports to gain approval to export is often long. ▪ Agricultural workers make up a large amount of total employment in Thailand, which encourages locals to buy locals to support this key element of the economy.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Premium fruits in Thailand such as pears and cherries (and to a lesser extent apples, apricots and prunes) are increasingly desired and are not grown to scale in Thailand. ▪ Imported fruits are typically purchased as a gift product in Thailand. ▪ Increased interest in organic fruit and vegetables in Thailand 	<ul style="list-style-type: none"> ▪ Nations in Thailand's immediate vicinity such as Vietnam can quickly address any shortfalls in local production. ▪ China and India are both expanding their agricultural sectors and are both located within Thailand's vicinity. China has attractive trading terms under its long standing agri FTA. ▪ Premium products such as kiwis are largely imported from New Zealand which has an FTA with Thailand.

5.2.2 Consumption

5.2.2.1 Evolution of consumption

The consumption of fruits continues to grow in Thailand. Thailand has an ideal climate for the growth of fruits such as bananas, oranges and mangoes which leads to these fruits being readily available in the country. This is reflected in Figure 5-6 as the most popular fruits; bananas, apples and pineapples are all grown locally in the country. Consumers also consume a significant amount of lemon, limes and grapes in the country. The largest category "other fruits" has a total volume of 3.8m tonnes and includes fruits such as durian and rambutan. The market for kiwis, which are largely imported, is rapidly growing. It was worth EUR 12.8 million in 2018, having grown exponentially in the previous five years with a compound annual growth rate (CAGR) since 2013 of 12.4%. However this growth rate will slow down to a 1.3% CAGR up until 2023. Grapes have a similar situation in that they have grown quickly historically, at a CAGR of 11.5% since 2013; however, this will slow down to a 0.2% CAGR up until 2023. Despite the slowdown, grapes have a large market value in Thailand of EUR 225 million.

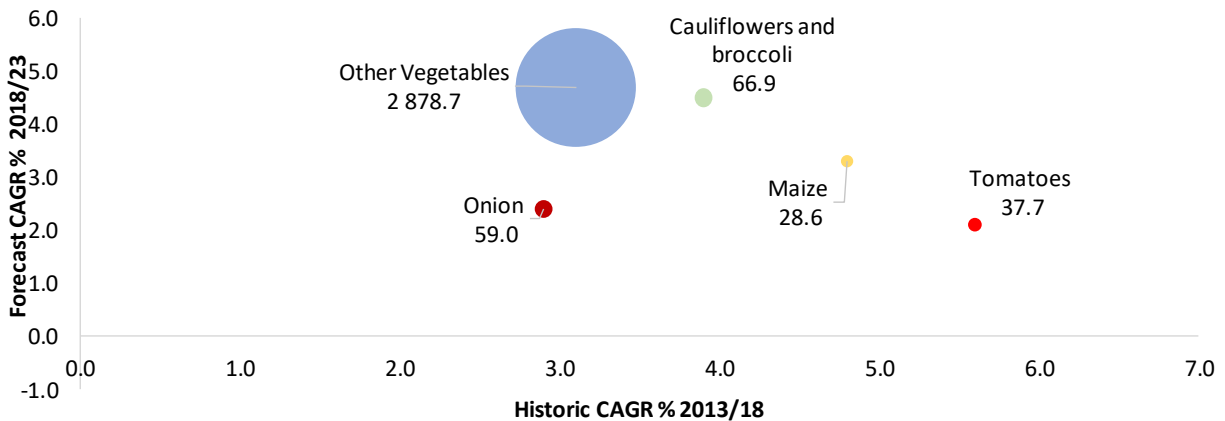
Figure 5-6: Evolution and forecast of fruits market (000 tonnes) in Thailand, 2013-2023; total volume



Source: Euromonitor International: Fresh Food, 2020.

Vegetables are notably consumed in lower quantities than fruits in Thailand. However, this category is growing in Thailand and is expected to reach a total volume of 3.9 Million tonnes by 2024, a CAGR of 4% from today. Popular vegetables in Thailand include cauliflowers and broccoli, onions and tomatoes which are all expected to grow in consumption. The largest category, the “other vegetables” category is made up of vegetables such as potatoes, spinach and leeks which are all key elements for many Thai dishes (Figure 5-7).

Figure 5-7: Evolution and forecast of vegetables market (000 tonnes) in Thailand, 2013-2023; total volume



Source: Euromonitor International: Fresh Food 2020.

5.2.2.2 Consumer profile and purchase criteria

Consumers

Consumers of fresh fruit and vegetables cross all income levels and these products are a common sight in both rural and urban markets. Younger consumers are increasingly moving towards the consumption of organic fruits and vegetables as the price of these products continue to fall in Thailand coupled with a rise in a desire to have a balanced and healthier diet amongst younger consumers. New local government regulations and standardisation measures in 2019 have injected a newly found optimism and reassurance into the market for these organic products as consumers are increasingly reassured about the quality of the fresh fruit and vegetable products their purchasing. This coupled with a government campaign backed by private entities to encourage the consumption of fresh fruit and vegetables products has resonated with Thai consumers and helps to explain the growth of this sector. Urban consumers are often exposed to fruits through wet markets, retailers and small grocery stores with a wide variety of fruits available to them from both Thailand and abroad. Rural consumers will have less exposure to imported fruits such as kiwis and strawberries however will be readily exposed to the many fruits produced in Thailand such as durian and pineapple.

As these products are readily available in both rural and urban environments and have been key elements of the average Thai diet it is likely that fresh fruit and vegetable products will remain important for Thai consumers.

Drivers and method of consumption

Key drivers and methods of consumption of fresh fruit and vegetables in Thailand include:

- **A key part of the national diet and use in cuisine.** National and regional dishes such as Pad Thai and Khao phat all incorporate fresh fruits and vegetables. Across Thailand dishes will commonly use both fresh fruit and vegetables and as these dishes have been consumed in Thailand in some instances for decades, the idea of incorporating fresh fruit and vegetables into a dish is firmly ingrained into the culinary culture of Thailand. Such examples of fruits incorporated into Thai dishes include: Thai fruit salad – pineapple and durian; *Kaeng Kanun* (curry) – jackfruit; *Singzu* (salad) – papaya. Thai dishes which incorporate vegetables include: *Nam Phik long ruea* – Peas and lentils; *Guay Teow* – cabbage; and *Som Tam* – Carrots.
- **Premium fruits and gifting.** Premium fruits which in the context of Thailand include cherries, grapes and kiwi are priced higher in comparison to local fruits and as a result are typically purchased with the intention of being a gift. Even though gifting overall is not as common in Thailand as in some other countries, expensive premium fruit is also considered as a luxury and thoughtful gift to be given on special occasions such as New Year celebrations, Chinese ancestry worship, anniversaries, birthdays, etc. Retailers in the country now typically offer premium fruits in hampers or a box arrangement. Consumers are more willing to spend on purchasing premium fruit as a gift for others than buying it for their consumption and thus this is a major driver for certain imported fruits. Offering imported and premium products such as kiwi fruit, Japanese melon or grapes is perceived as not only an act of generosity but also a showcase of the giver's wealth and status. Oranges are considered a sacred fruit of the Chinese people, used to pay respect or given as gifts such as Chinese New Year, birthdays, weddings, and many other blessings.

Imported apples are also a popular fruit in every festival of Thailand because apples resemble peace and no sickness. Grapes, especially red grapes, symbolize the abundance of food, meaning an abundance of material wealth according to Feng Shui, and thus, are widely used for gifting loved and dear ones, with seedless grapes commonly included as a part of gift baskets during festive seasons. Strawberries and cherries are often gifted as single fruits and not in baskets because they can bruise easily. Besides these mainly imported fruits some local ones such as bananas, pineapples and dragon fruits are used as gifts as well.

- **Health consciousness and the rise of organic fruit and vegetables.** As the government continues to encourage the consumption of fresh fruit and vegetable products, the rise of organic products in the market have appealed to a growing desire for a healthy amongst Thai consumers. Plant based diets is an increasing norm in Thailand with many restaurants and retailers now offering vegetarian friendly options.

The market for organic and organic certification on Thailand

In 1995, the Organic Agriculture Certification Thailand or ACT was set up. It plays an important role to provide professional organic certification services for all agricultural production, processing and handling operations. It offers the organic certification services which are recognized at the international level. It was replaced in 2020 by the Certification Alliance Organic Standard 2019, the full text of which can be found at the following address:

http://actorganic-cert.or.th/wp-content/uploads/2020/02/CertAll_Std_v-1.0.pdf

In broad terms, the standard is equivalent to the IFOAM Standards Requirements. However, if intending to export organic produce to Thailand it is strongly recommended that the full text of the standard (above) be consulted. Furthermore, a simple overview of the standard can be found at the following page:

<https://actorganic-cert.or.th/download/act-organic-standards/>

The introduction of the new standard can be considered part of a wider push towards organic agriculture in Thailand. In April 2017, the National Organic Agriculture Development Strategy 2017-2021 – which was intended as a framework to develop organic agriculture – was approved. This aimed to increase organic production, production efficiency and the recognition of Thai organic production both domestically and abroad.

In summary, there is considerable and growing interest in organic produce in Thailand.

Purchase criteria

As there is a large availability of fresh fruit and vegetables in Thailand the price of these products is accessible to most consumers in the country. Oversupply is a common problem in Thailand as many farmers in the country rush to get their products to the market during peak periods of the year such as the harvest. This in turn leads to the demand failing to meet supply which pushes down costs for the consumer, at the detriment of the farmers; and means that consumers are often used to purchasing good quality fruit and vegetables at a low price. The Thai government has stepped in to address this issue which

in turn could lead to prices of fresh fruit and vegetables in the country stabilising and growing slightly in the future.⁴⁵

Whilst price is therefore often a key consideration (particularly during seasons of plentiful supply), there are further purchase criteria for fresh fruits and vegetables:

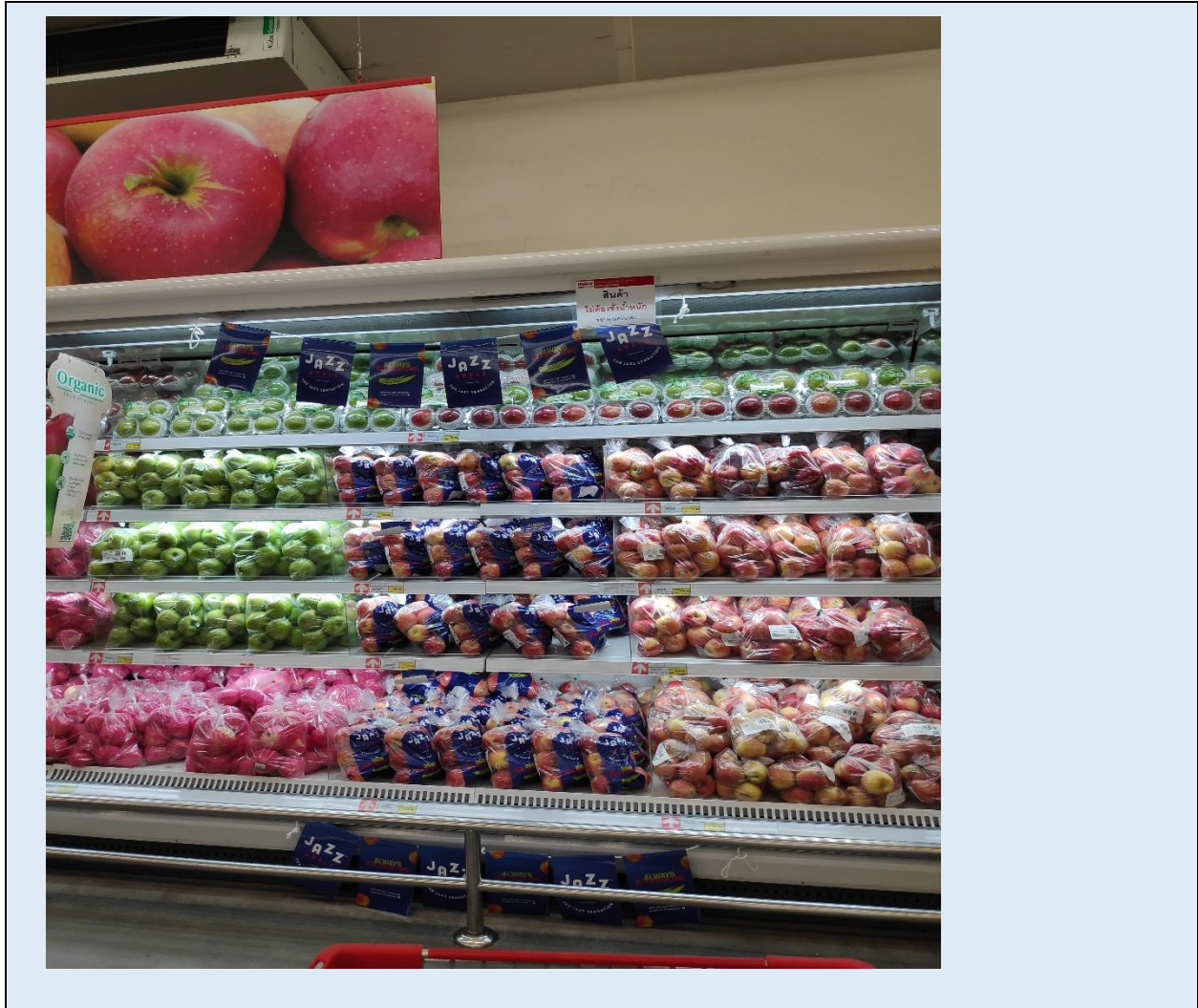
- **Local vs imported:** Local vegetables are preferred by many Thai consumers, as they are available through all channels, especially in wet markets within rural areas, at affordable price points; and have wider applications in everyday Thai cooking. Nonetheless, against a lack of domestic production, imported oranges, grapes and apples may be specifically looked for by consumers on a regular basis for their nutritional benefits.
- **Nutritional benefits:** with the health and wellness trend dramatically shaping the landscape for fresh food, fruits and vegetables perceived as healthier, but still common in Thai cuisine – such as cauliflower and broccoli – are specifically looked for by some consumers.
- **Origin and branding:** The origin and brand of the product have increasingly emerged to be an important factor for consideration of fruit and vegetable purchases amongst Thai consumers. Most notably, recent news on excessive chemical use on farms including some in China has made consumers pay attention to origin and/or brand when buying fruit. This interest in origin, combined with an increasing level of attention paid to packaging and labelling (see section 5.2.2.3) can benefit some imported products.

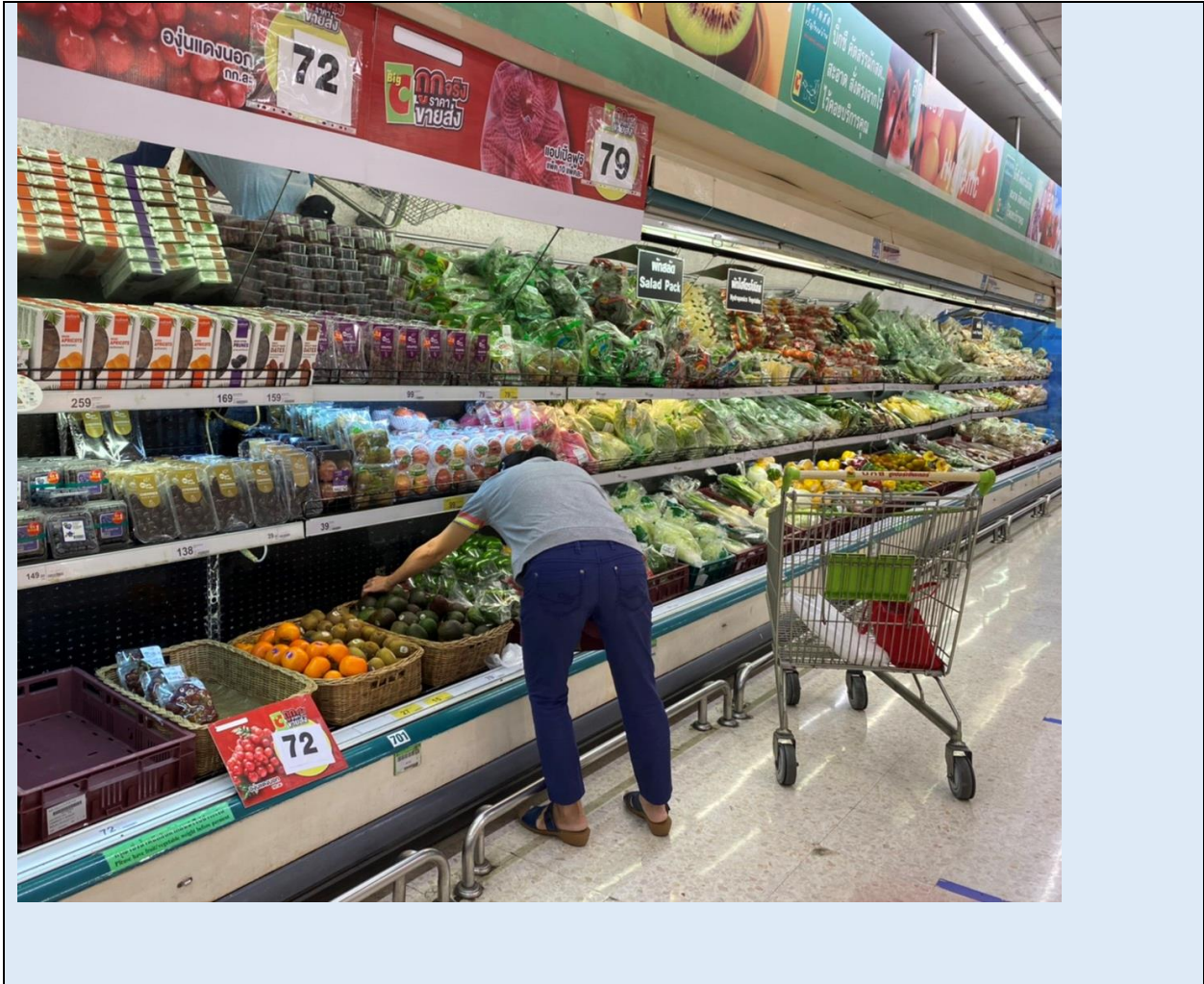
Fresh fruit and vegetables on retailers' shelves in Thailand

Fresh Fruit and Vegetables are grown across Thailand and as such are readily available in retailers throughout the nation, as such prices are relatively cheap. Good quality local fruit and vegetables are typically available at THB 35 (EUR 1) per kilogram. However, more rare imported fruit may reach higher prices; notably berries commonly retail at around THB 600 (EUR 16) per kilogram.]

Pre-packaging in plastic is common for imported fruits and vegetables in particular.

⁴⁵ Euromonitor International: Fresh Food, 2020; <https://www.austrade.gov.au/Australian/Export/Export-markets/Countries/Thailand/Industries/Fruit-and-vegetables>; http://ethesisarchive.library.tu.ac.th/thesis/2017/TU_2017_5902040020_8405_6768.pdf







Pictures: © Agra CEAS / Euromonitor International, 2020.

5.2.2.3 Recent market trends

As discussed in section 5.2.4, a number of new regulations and quality checks on these products have been introduced in 2019, this in turn has led to a renewed assurance for consumer about the quality of the fresh fruit and vegetable products they are purchasing which compounds growth in this sector. The rise of organic fruit and vegetables coupled with a plant-based diet increasing in popularity in the country has also helped to encourage growth in this sector. More information on key notable trends is set out below:

- **Packaging and labelling:** in recent years, Thai consumers are paying more attention to the environment. Thus, paper packaging or eco-friendly friendly packaging is preferred by Thais, especially within the younger generation. Transparent packaging is preferred, but not essential. However, consumers like to purchase those imported fruits and vegetables which specify the country of origin plus any relevant nutritional information. Imported fruits and vegetables should be marked with label/sticker showing the brand name or origin and most importantly the manufacturing and expiry dates.

- **Plant-based diets:** In Thailand, many restaurants and cafés either specialise in serving plant-based dishes or offer vegan/vegetarian dishes as well as their regular dishes. Many Thais are experimenting with this lifestyle and are becoming more conscious of what they eat both from a health and environmental perspective. As this trend is here to stay, the demand for fresh vegetables is also likely to grow in the future from both retail consumers and foodservice perspective. More varieties of vegetables are expected to be introduced and transformed into different vegetarian- and vegan-friendly dishes in response to the higher demand for meat-free consumption.
- **Home-grown fruits and vegetables:** Thais are becoming increasingly concerned about toxic chemicals and pesticides that come with store-bought vegetables. They are increasingly turning to grow their vegetables for personal consumption. Costs of home gardening are low and social media is increasingly becoming a conduit to educate consumers on this issue. In the coming years, seed packs for growing vegetables are expected to grow in popularity. However, this is a niche trend and is unlikely to affect volume growth in sales of vegetables.
- **Rising demand for organic:** Organic products, especially organic vegetables, are becoming more popular nationwide, propelled by local producers and retailers. Each brand has its concept of competing against one another even though organic vegetables might not be particularly competitive. One brand may sell only premium organic produce with quality in sizes, while another brand may focus on a variety of organic vegetables and their packaging.
- **Hotel, Restaurants and Institutional (HRI) channel:** Some foreign exporters of fruits and vegetables (including European ones) have recently shifted their attention to the high-end market of hotels and restaurants and domestic processing businesses because the off-trade market in Thailand is relatively competitive.

5.2.3 Offer

5.2.3.1 Domestic production

Thailand has a favourable climate for the mass production of both fresh fruit and vegetable products. Thailand also has an economy that in the past largely revolved around agriculture, while this is increasingly not the case agriculture remains important and the local knowledge in regard to fruit and vegetable cultivation helps maintain domestic production. Thailand produces many exotic fruits such as durian, guavas and coconuts. Many farmers in the country have switched towards growing durians and longan fruits instead of rubber as prices have become higher for these products in recent years. According to the Thai department of agriculture there were a total of 11 different main varieties of fruits exported from Thailand in 2017 with these being pineapple, longan, durian, mangosteen, mango, orange, rambutan, tamarind, lychee, apples and grapes. It is worth noting that Thailand is the world's largest exporter of pineapple which is mainly grown in the south of the country. Typical fruits grown regionally in Thailand include longan typically grown in the north of the country and mangosteen grown in the east.

Vegetable production in Thailand is an important element of its agricultural sector. Thailand is one of the largest exports of baby corn in the world and the government has committed to increasing this trend to other products grown in the country through food safety quality checks and an increasingly strict

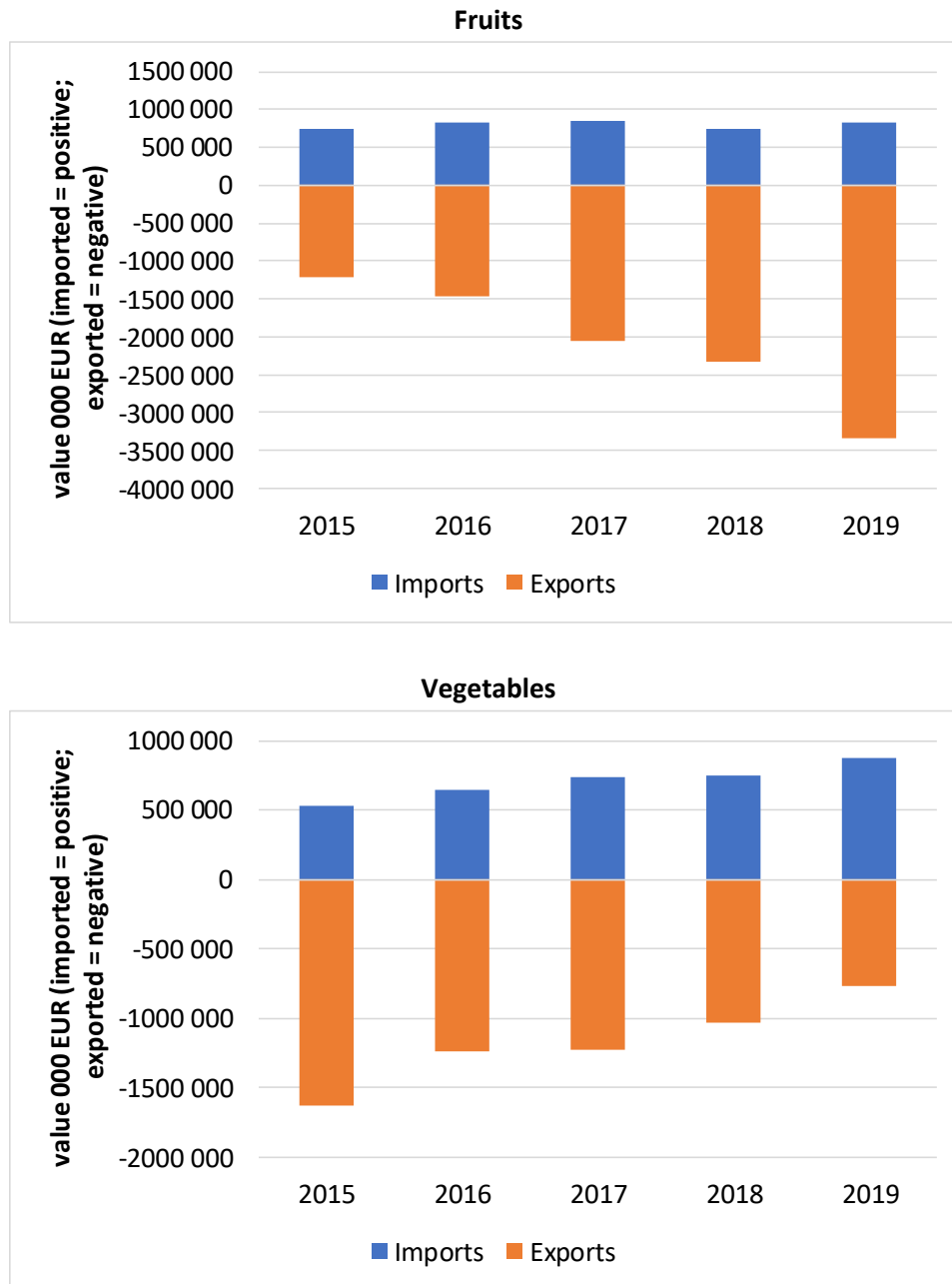
regulatory system. The majority of fresh fruit and vegetable products that are grown in Thailand will be consumed there, however exportation of fruits continues to grow as the prospects of earning a higher income through exportation continues to grow. Vegetable exports have fallen in recent year however production in the country remains stable as locals have shown a preference for local vegetables.⁴⁶

5.2.3.2 Imports and exports

As observed in Figure 5-8, Thailand is an overwhelming net exporter of fruit; this trend has also been growing each year with exports doubling since 2015. In an interesting reverse trend from fruit, the level of Thai vegetable exports has declined in recent years being surpassed by imports in 2019. Thai imports vegetables mainly from China, Cambodia and Laos with Germany being the largest EU exporter of vegetables to the country.

⁴⁶ Analysis of tropical fruits in Thailand, (FFTC) Available at http://ap.ffc.agnet.org/ap_db.php?id=818;http://caer.eco.ku.ac.th/2019/wp-content/uploads/2018/11/Development-of-fruits-production-in-Thailand.final_.pdf

Figure 5-8: Trade balance (imports and exports) of fruits and vegetables in Thailand, 2015-19; value 000 EUR

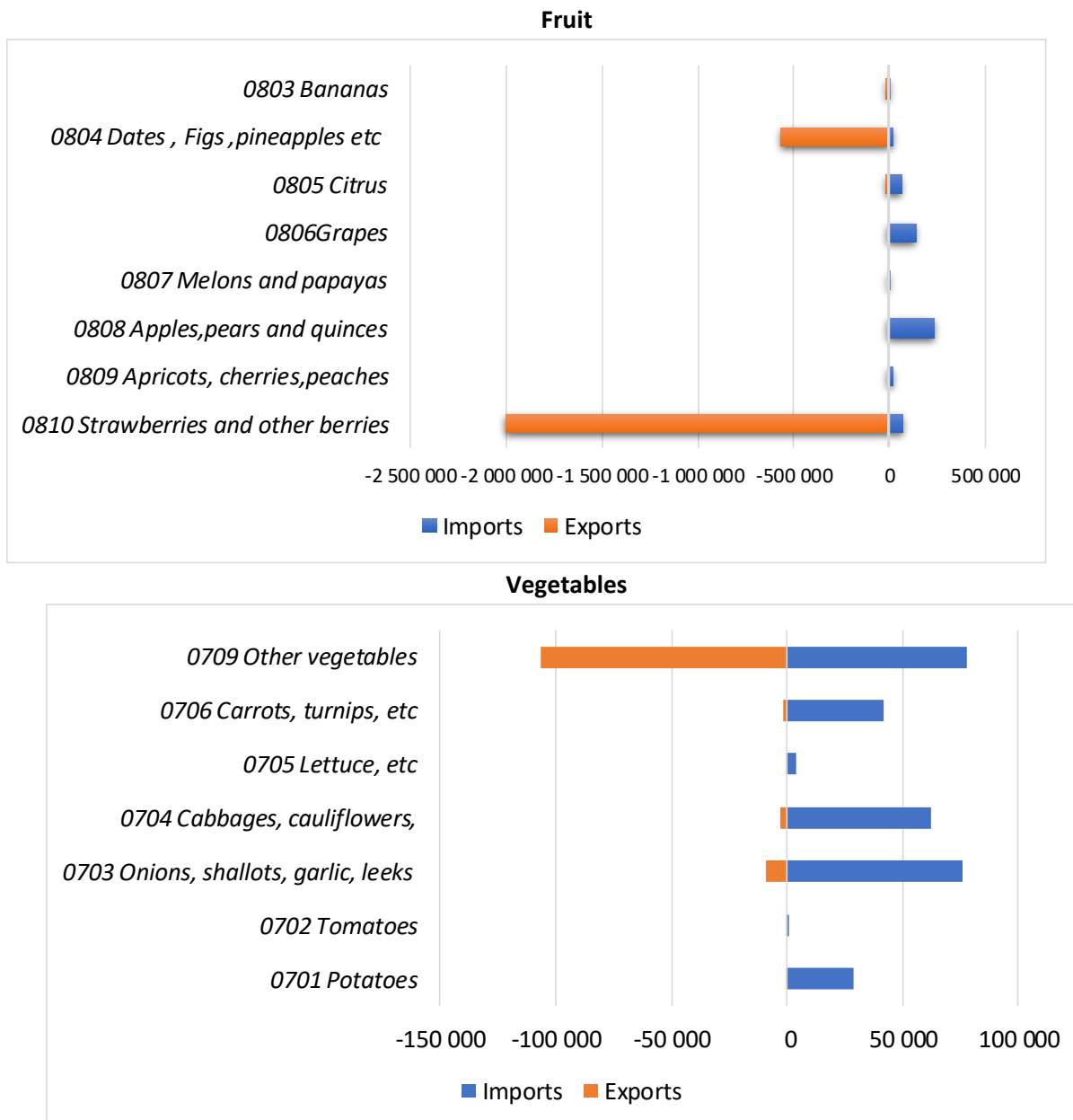


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 07 and 08.

As observed in Figure 5-9 Thailand exports a large amount of strawberries and pineapples while other exports of fruit are limited or non-existent. It is important to note that this is not a reflection of domestic production as many of the products illustrated in Figure 5-9 are grown and consumed in Thailand; so domestic production is considerably higher. Thailand's biggest fruit import by product is apples and pears with a value in 2019 of EUR 821 million which it imports largely from China, New Zealand and the USA, with France being the largest EU apple and pear exporter to Thailand.

Similarly, the high levels of imports in relation to exports of vegetables to Thailand does not reflect domestic production as vegetables in Thailand being largely consumed in the country with only specialty vegetables such as manioc, sweet potatoes and artichokes being exported on a large scale, mainly to China and Japan. Thailand imports its vegetables mainly from China and the amount is relatively small with the largest imported product onions only coming to a value of EUR 76 million.

Figure 5-9: Trade balance of fruit and vegetables by type, 2019 (value 000 EUR; selected types only)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Note: names for CN codes abbreviated in most cases.

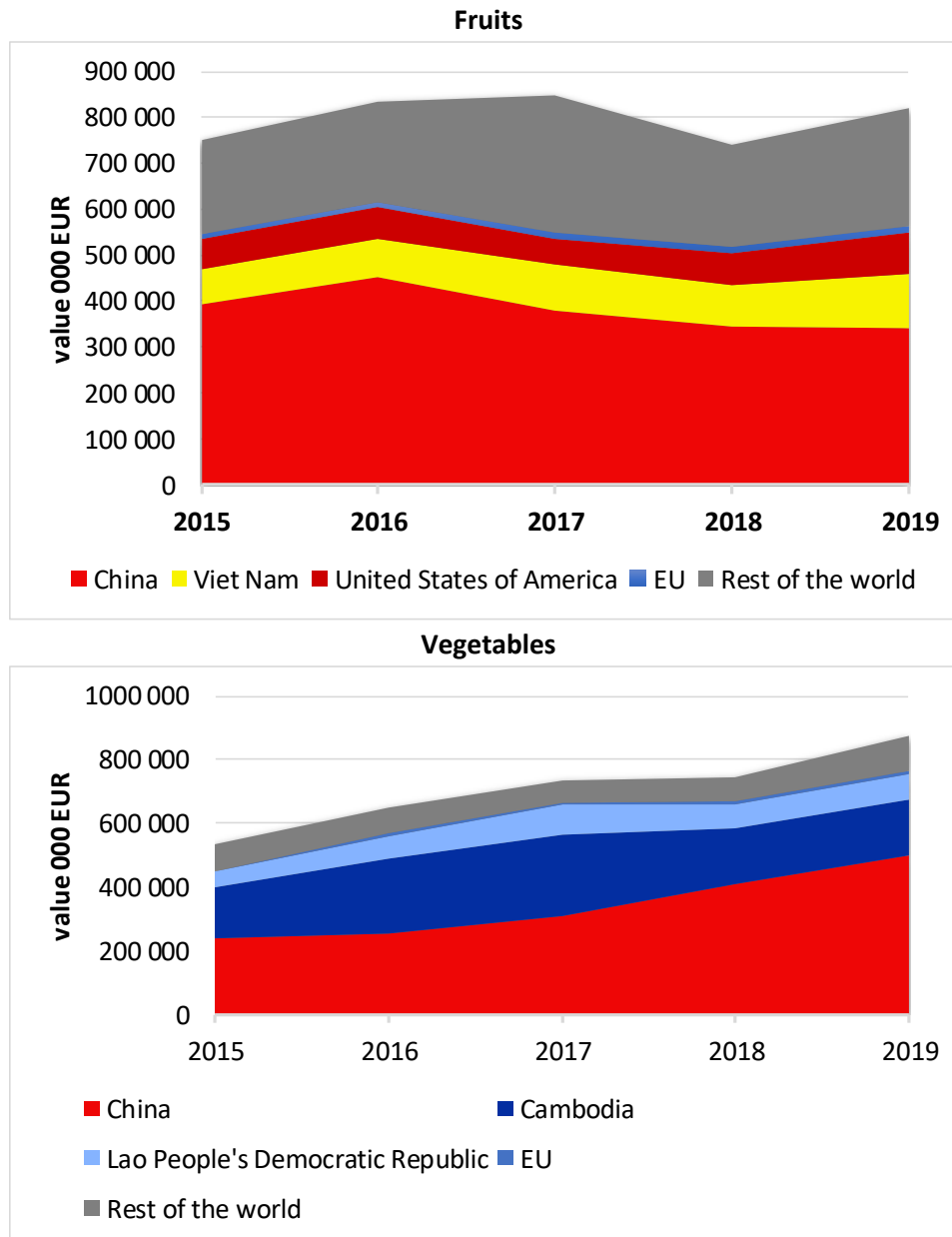
Only indicated CN codes presented in these figures. 6 codes for fruit and 7 codes for vegetables are missing, which is why individual figures do not add up to totals in previous graphs.

As observed in Figure 5-10 below it is clear that China is the largest fruit exporter to Thailand. China exported in 2019 a combined value of EUR 341 million worth of fruit to the country, twice that of the second largest fruit exporter Vietnam which had a fruit export value to Thailand of EUR 118 million. The USA is the biggest exporter from outside the Asian continent with a total fruit export value of EUR 90 million. The EU impact in this category is small with France being the biggest fruit exporter with a value

of EUR 7.7 Million in 2019. Vegetable imports from Thailand is steadily growing with China being the largest exporter to the country having a majority of the market share in 2019 which translated to a vegetable export value to Thailand of EUR 500 million. Cambodia is the second largest exporter with a total value of EUR 177 million, declining by a significant margin from the EUR 253 Million worth of vegetables it exported in 2017. The largest EU exporter of vegetables to Thailand is Germany with a total value of EUR 7 million in 2019.

Against the background of China's high levels of exports of fruit and vegetables to Thailand, it is important to note that China has a long standing FTA with Thailand specifically for farm products, which provides the country with favourable access terms (see section 4.3.2).

Figure 5-10: Thai imports of fruits and vegetables by country, 2015-19; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 07 and 08.

5.2.3.3 EU GI products

No GIs for fruit and vegetables are registered in Thailand at present.

5.2.3.4 Main competitors

The main competitors for EU producers seeking to enter this market are the large number of domestic producers in the country of Thailand; and furthermore, countries in the immediate vicinity such as Cambodia and Vietnam are both major producers themselves as well as notable origins of products

imported by Thailand. This makes the importation of products such as apples, bananas and oranges a largely unnecessary practice. Certain products such as pears, cherries and kiwis are perceived to be premium products by consumers as they are not readily available in Thailand. This gives EU producers a window of opportunity as Thai consumers have shown they are likely to spend more to obtain them either for personal consumption or as a gift.

5.2.4 Specific market entry requirements

Market Access and Entry

Countries must be approved for export to Thailand of the fruit or vegetable in question. As noted in section 4.3.4, this can be a long process, with particularly strong requirements for the pest risk analysis (PRA).

There is no publicly available list of the countries which have access for different products. At the time of writing, Member States with access for different products include apples from Belgium, France, Germany, Italy, Netherland, Poland. Four of these were concluded recently following considerable efforts from both the Member States and the EU. Several applications (e.g. cherries for Spain, pears for Belgium) remain pending and if successfully concluded would open up new potential markets.

Nonetheless, it is strongly recommended that the corresponding ministry in the Member State in question, or the Embassy of the Member State in Thailand be contacted to check if access for a certain fruit or vegetable exists (or is currently awaiting approval); and they will also be able to clarify if the protocol in place has any preclearance requirements.

While the protocols in place will contain more details, it should be noted that the Mediterranean fruit fly may be considered a quarantine pest in Thailand, and in transit cold treatment is generally required. The requirements for this can be quite specific (e.g. multiple sensors). Discussions around the acceptance of pre-departure cold treatment are ongoing.

As described in section 4, European producers need to be aware that they will require a number of documents in order to export their fresh fruit and vegetable products to Thailand, in addition to general requirements. Specific documents required include:

- An import permit for plants and certain plant products
- A plant quarantine declaration
- A phytosanitary certificate
- Pest risk analysis

Some of these documents may incur fees. Full details can be found on the MADB website (see the box in “Customs procedures” below).

In terms of tariffs, currently European fruit and vegetable products generally face MFN tariffs of 30-60% (for a few products such as some nuts, this is lower, e.g. 10%).

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website by entering the corresponding CN code, e.g.:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hscod=0707>

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=TH&hscod=0808>

Customs procedures

A list of standard documents required for the import of fresh fruit and Vegetable into Thai is presented in Table 4-1, in section 4.2.1. As noted above, some specific documents are required.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website by entering the corresponding CN code: e.g. citrus <https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?hscod=0705&countries=TH>

SPS measures, standards

The plant quarantine act (No. 3) B.E. 2551 controls plants and plant products in Thailand including fresh fruit and vegetables for import. It includes the need for pest risk analysis and phytosanitary certificates. A translation of the act can be found at the following address:

<http://thailawforum.com/database1/plant-quarantine-act.html>

The maximum levels of **pesticide residues** in food are established by notification from the Ministry of Public Health. The most recent of these dates from 2017, and it lists MRLs by commodity and pesticide. An unofficial translation can be found at the following address:

http://food.fda.moph.go.th/law/data/announ_moph/V.English/No.387.pdf

There have been some discussions about a possible ban on glyphosate in Thailand. More details on this are provided in section 4.2.2. It is recommended that any producers using glyphosate and planning to export monitor the situation.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=0707&countryid=TH#h20>

Labelling

Generic labelling requirements were described in section 4.2.3; though as a food which has not passed through any processing, fresh fruit and vegetables should not be subject to these.

Specific requirements for fresh fruit and vegetable labelling for some cases was introduced in the Notification of the Ministry of Public Health Number 386, B.E. 2560 (2017) Re: Prescription of production process, equipment and utensil for production and storage of some fresh fruits or vegetables and labelling. However, the notification does not apply to fresh fruit and vegetables sold directly to consumers. A link to an unofficial translation of the notification can be found at the following link: http://food.fda.moph.go.th/law/data/announ_moph/V.English/No.386-

[PrescriptionOfProductionProcess.pdf](#)

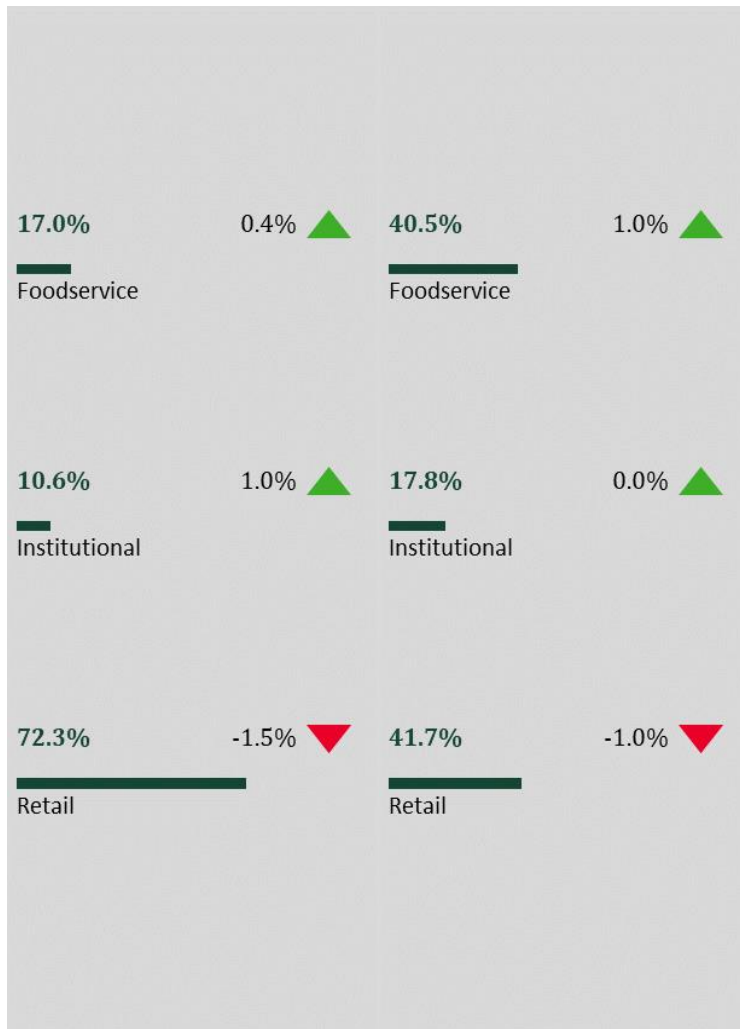
5.2.5 Distribution

As observed in Figure 5-11, the distribution of fruits in Thailand mainly comes from the retail sector, with many farmers in the country having supply chain contracts with retailers in the country. Foodservice providers such as restaurants are a growing distribution channel for fruits in the country but remains at 17% of distribution.

Vegetables are more likely to be sold in restaurants which can be explained by their prevalence in Thai dinner dishes which will typically be served in restaurants. Vegetable distribution through the foodservice channel stands at 40.5% roughly the same as the retail sector which stands at 41.7%. Institutional channels remain significant for vegetables at 17.8% of distribution.

The retail distribution network for fruits is vast in Thailand. Fresh fruit is sold extensively through both modern and traditional distribution channels across Thailand. Wet markets stock an extensive range of fresh foods from local farmers, while modern retailers such as Tesco Lotus and Big C have wide distribution networks of supermarkets and hypermarkets. Traditional trade outlets target the rural areas and lower-income groups, while the supermarkets and hypermarkets target higher income groups with better quality produce and hygienic packaging. The significance of wet markets is expected to decrease over the next few years with modern channels further penetrating the rural regions and consumers are increasingly attracted to the convenience of modern channels. Some key channels for imported fruits and vegetables are supermarkets and hypermarkets, cash and carry, wholesale markets as well as online retailing.

Figure 5-11: Distribution of fruit (left) and vegetables (right) in Thailand



Source: Euromonitor International: Fresh Food 2020.

5.2.6 Challenges for EU products

As stated previously, the main challenges for EU exports to Thailand include the massive domestic production of fresh fruit and vegetable products. This coupled with the long process of getting approval to export to Thailand make it a market that can be difficult to penetrate; and in transit cold treatment requirements can create additional challenges. However, EU producers who can export products that are not readily available in Thailand such as pears and cherries can capture a segment of Thai consumers; and these consumers may pay more for products they are loyal to.

Market Takeaway: Fresh fruit and vegetables

Consumption: Consumed daily by Thai consumers through dishes such as Khao Mao and Pat Thai. These products are a staple of the common Thai consumers diet.

Competition: The large number of local producers, coupled with additional supply from countries close to Thailand vicinity make the necessity to import fresh fruit and vegetables from the EU small.

Distribution: Fruits largely sold through retail distribution channel at 72%, Vegetables more balanced as many restaurants will serve vegetables in their dishes which corresponds to the foodservice distribution channel being practically even with the retail distribution channel, each accounting for approximately 40%.

Challenges: Considerable challenges to obtain access. Thai producers already face an oversupply problem in the market for a large amount of goods; and competition from China in particular (which has favourable terms through an FTA) is tough. Potential challenges from cold treatment requirements.

Opportunities: Premium fruits in Thailand include pears, cherries and kiwis (some protocols are in place, others are pending). These are premium because they are not grown to scale in the country. As export protocols are finalised EU exporters of these products to Thailand face a window of opportunity to capture a segment of the consumer base that is typically very loyal to products of preference.

5.3 Dairy

5.3.1 SWOT analysis

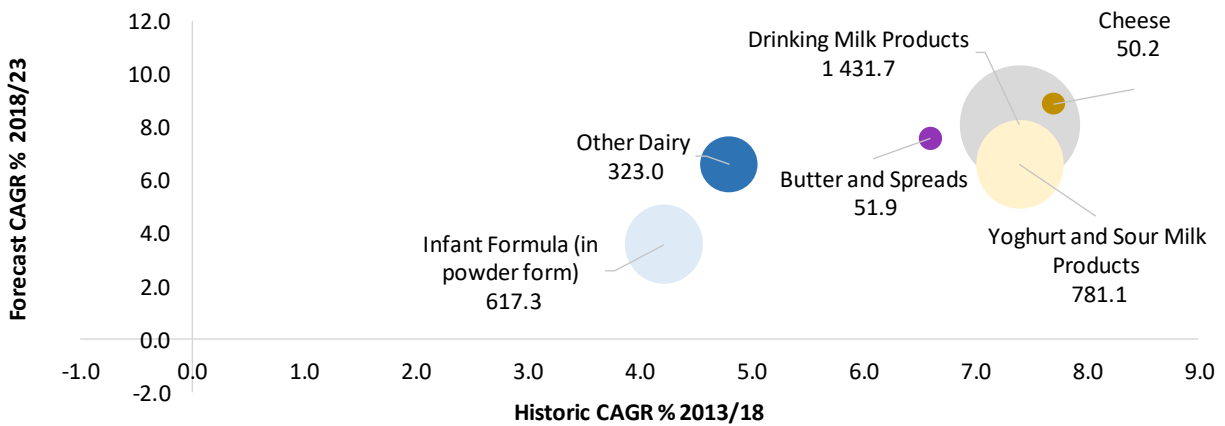
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Rapidly growing market, with growth rates for some products touching 9% per year. ▪ Increasing structural shortage of many dairy products. ▪ While the market is competitive, no one company dominates a single product segment; and companies are not strong across multiple segments. 	<ul style="list-style-type: none"> ▪ No traditional usage of dairy products in Thailand and short history of their consumption limits products and methods of consumption. ▪ Consumer groups of butter and cheese are currently small and quite limited. ▪ Food service an important driver of multiple categories, which limits the opportunities for importers to get their brands in stores.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Following on from strengths, Thailand has an increasing need to import dairy products to fulfil demand. ▪ Increased attention to healthiness a trend across multiple dairy segments that creates niche opportunities. ▪ The methods of consumption and awareness of some dairy products (including cheese) is beginning to expand; and the younger consumer, who is more dynamic in this respect, may offer specific opportunities. 	<ul style="list-style-type: none"> ▪ Thai government has historically paid a high level of attention to the domestic industry, having played a key role in its rapid development. ▪ New Zealand dominates imports in multiple categories; and producers from this country as well as from Australia have recently taken various approaches to try and target the Thai cheese consumer.

5.3.2 Consumption

5.3.2.1 Evolution of consumption

Drinking milk products account for the largest share of dairy products in Thailand, with a market worth some EUR 1.4bn in 2019. The segment is also among the fastest growing, recording an annual growth rate of 7.4% over the period 2013-18, and higher growth rates expected going forwards. Yoghurt and sour milk products form the second largest segment, worth EUR 780m in 2019. At 7.4%, historical growth is in line with that for drinking milk products but is expected to slow going forwards. The markets for cheese and butter/spreads remain small in Thailand, each worth around the EUR 50m mark. However, cheese is both the fastest growing segment historically (7.7% per year over the period 2013-18) and that with the fastest forecast growth going forward (8.9% per year for the period till 2023). The butter/spreads segment is also fast growing, albeit to a lesser extent (6.6% per year historical and 7.6% forecast). The market for other dairy products in Thailand is large (worth EUR 323m in 2019); and that for infant formula is even larger with the market worth EUR 617m in 2019 (Figure 5-12).

Figure 5-12: Evolution and forecast of dairy market (retail value, EUR millions) in Thailand, 2013-2023



Source: Euromonitor International: Packaged Food, 2020.

5.3.2.2 Consumer profile and purchase criteria

Consumers

Dairy is not part of the traditional Thai diet; indeed, dairy farming was only introduced to Thailand in the early 20th century by Indian immigrants. For the first half of the 20th century, dairy production, and hence also consumption remained very low. However, production was increased greatly after 1960 leading to greater availability of dairy products. Full national school milk programmes were introduced in the 1990s, and these have had the impact of greatly expanding the consumer group for dairy products. While familiarity with, or consumption of dairy is now quite widespread among the Thai population, consumers do have certain specificities, as noted below:

- Drinking milk.** The mandatory provision of milk through schools to children started in Thailand in the 1990s and remains in place to this day. As a result of this, children are a major consumer of drinking milk; whether it be through the school milk programme (which is estimated to account for 20-30% of the milk market); or independently. The elderly and active adults are further notable consumer segments in Thailand for drinking milk. Overall, it is estimated that some 40% of the Thai population drink milk daily.
- Yoghurt.** The majority of yoghurt consumers – around 85% - are female. Over half of all yoghurt is consumed in Bangkok, with office workers and students accounting for over 2/3 of consumption. While children and teenagers prefer fruit flavoured yoghurt drinks, young adults prefer probiotic yoghurt and older consumers premium yoghurt. Overall, about 20% of Thai consumers frequently consume yoghurt.
- Cheese.** Historically, consumers are the wealthier segment of the population which visits higher end restaurants. However, the increasing use of cheese through a wider range of food service channels is also leading to a broadening consumer base; though it should be noted that the average Thai still does not consume cheese products. Cheese consumption is focused in urban areas, and among foreigners and expatriates.

- **Butter / spreads.** Due to its higher price point, the typical pure butter consumer is the more affluent consumer who prioritises product quality over price and/or may be a food enthusiast. Margarine has traditionally had a wider consumer base than butter; however, increased awareness of the impact of trans fats – spurred by recent regulation restricting the production, import and sale of foods containing partially hydrogenated oils (PHOs) – has restricted this consumer base. The regulation ultimately led to an expansion of the butter consumer based, but price is likely to remain a barrier to some extent, and indeed butter blends are emerging to fill the void.
- **Other dairy.** As will be seen below in the section on drivers, the main driver of this segment is coffee consumption; and hence coffee drinkers are the main consumer (whether directly through retail or indirectly through food service); though there are some differences by exact product.

Drivers and method of consumption

As noted above, the school milk scheme is a key driver of **drinking milk** consumption in Thailand. The impacts of it spill over to later life, as drinking milk becomes the main dairy product that consumers are aware of; as reflected by its high share of the dairy market. The perceived healthy status of milk is also a notable driver which has led to a segmentation of the market based on function and nutrition (see purchase criteria below). As indicated above under consumers, milk is typically drunk.

Health considerations and convenience are the major drivers of **yoghurt** consumption. In terms of health, digestion is the main driver, followed by the vitamins and minerals yoghurt can provide. Yoghurt is often consumed as a breakfast meal or snack; in the case of the former, yoghurt is often either consumed alone, or with cereals or salad. Very occasionally, yoghurt may be used for skincare.

Food service is now a major driver of **cheese** consumption in Thailand; particularly through its use in foreign dishes in this channel, such as pizza, pasta and salads. However, its use through this channel is now spilling over into other mainstream local dishes. Cheese can now be found as part of instant noodles; as a topping for barbecued meats; or as a dip; plus is increasingly used in bakery products. Overall, food service accounts for an estimated 85%+ of all cheese consumption in Thailand by volume. Retail consumption of cheese is low; it is generally only used at home as part of western food.

Similarly, the food service channel plays an important role in driving consumption of **butter** and spreads. Consumption of butter in particular has been driven recently by higher end bakeries in particular promoting the use of the better-perceived butter in their products; and by demand stemming from tourism. Similar to the situation with cheese, it is estimated that over 80% of butter is consumed through food service channels.

Just under half of the **other dairy** segment is accounted for by condensed milk. Around a further 1/3 is accounted for by cream, and the remainder by coffee whiteners. Consumption of all three is largely driven by coffee consumption. While cream is often used in more western style coffee houses to create milk/cream based coffee drinks, condensed milk and whiteners are commonly added to coffee in outlets selling to lower end consumers and/or on the street. The sector is therefore largely driven by food service.

At home, consumers increasingly add milk to coffee; though some healthier coffee whiteners may also be purchased. Cream and condensed are sometimes purchased for home use in desserts / as a treat. They are also commonly used once again in the food service channel by bakeries in their products.

Purchase criteria

With the market for **drinking milk** quite highly segmented by user group / function, consumers tend to look specifically for products which target their age group and lifestyle. For example, the elderly are more likely to look for high calcium/low fat drinking milk products; while parents purchasing for children are attracted by products with added vitamins and minerals; and active adults want products with higher protein levels. Chilled products are generally preferred, though shelf stable ones may be chosen by certain consumer groups including children.

With health a major driver of **yoghurt** consumption, health related considerations are major purchase criteria. Low sugar content, high protein products and products with digestive benefits are often looked for. Convenience is also a notable criterion, and this often favours drinkable yoghurt.

The fact that Thai consumers have a low knowledge of **cheese**, and that it is mainly consumed through food service channels mean that clear purchase criteria do not exist for cheese at present. Overall, processed cheese is more likely to be purchased by Thai consumers through retail channels as they are more familiar with it, with sliced processed cheese the dominant sub-category. While price has not historically been a primary consideration, it is becoming more of an issue as cheese moves from niche to more mass market. Origin is increasingly paid attention to by consumers, with European origin hard cheeses well regarded. With emerging efforts to develop a cheese culture – as noted below – purchase criteria may emerge in the future.

The high level of consumption of **butter** through food service channels also complicates the identification of purchase criteria for the product. Nonetheless, the restrictions on products with trans fats, as well as increased scrutiny from the Thai FDA on butter labelling practices is leading to consumers paying more attention to butter labelling, (and the labelling being clearer). Against this background, there is a general perception that the higher the level of fat content, the better the product is. Imported products are also often seen as superior. Nonetheless, price still plays a role; as noted in the consumer section above, price restricts the consumption of pure butter to a certain consumer segment; and consumers may nonetheless choose local brands over imported ones for reasons of price.

Once again, for the **other dairy category**, the importance of the food service channel limits the relevance of purchase criteria. That said, with an increased focus on the healthiness of dairy products, the nutritional content (fat in particular) of products such coffee whiteners is increasingly taken into account by consumers making purchases through retail channels. The convenience of packaging for intended use is also taken into account (e.g. squeezable bottles are currently quite popular⁴⁷).

⁴⁷ Euromonitor International: Packaged Food, 2020; http://ap.fttc.agnet.org/ap_db.php?id=730; <http://www.fao.org/3/i0588e/i0588E10.htm>; <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5906937/>;

Dairy products on retailers' shelves

By far the most prominent clearly imported dairy product found on retailers' shelves is cheese. While other imported products, such as yoghurt, may be found on retailers' shelves, they are both less common and origin is less likely to be as prominent on the packaging.

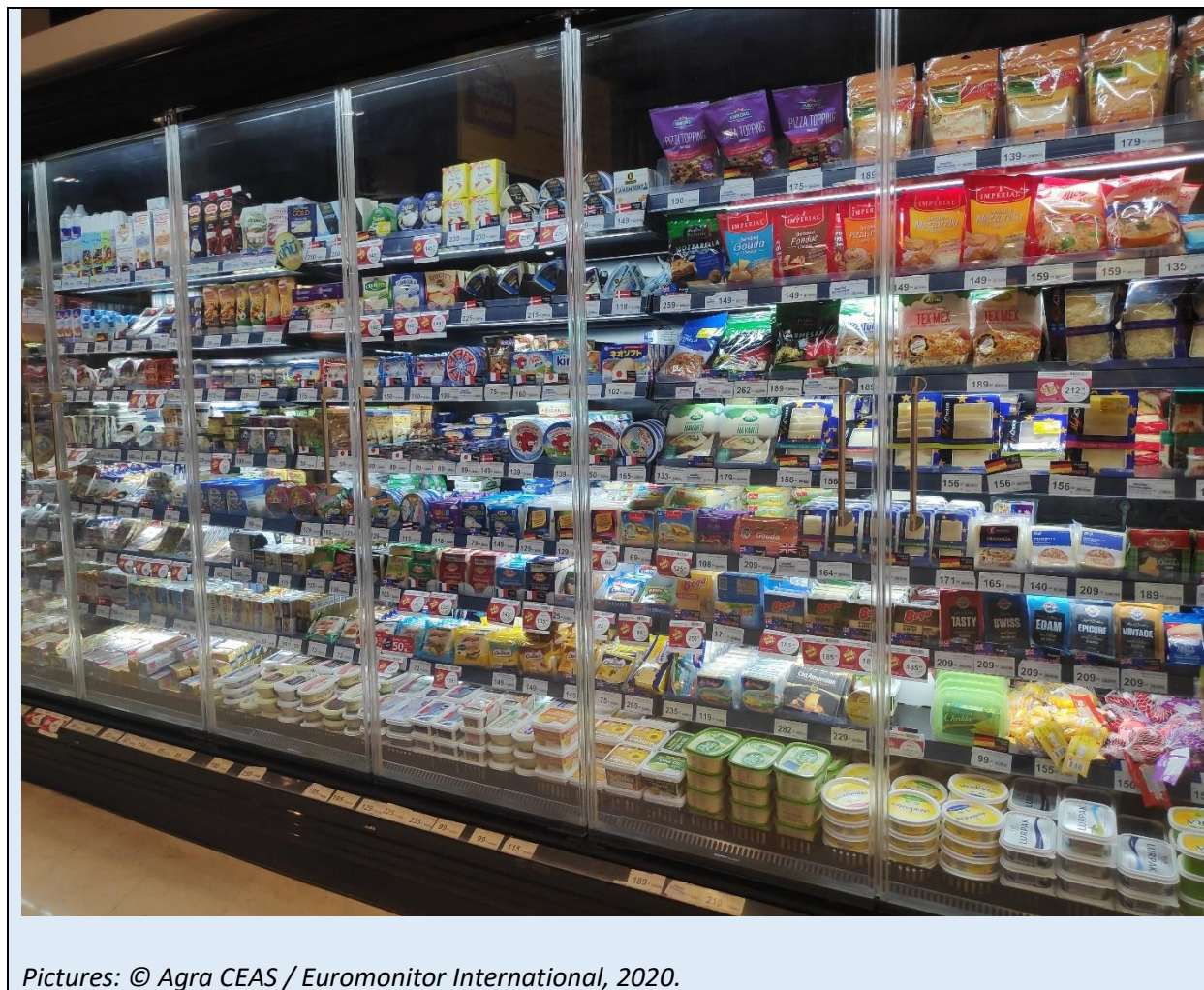


Imported cheese generally targets the mid-range segment. Price obviously varies by cheese type, but the majority of cheese retails at between THB 400 and 1 200 per kg (EUR 11 to 33). That said, the most common packet sizes are between 150g and 250g, translating to unit prices generally being between THB 90 and 200 (EUR 2.50 and 5.50). Packet sizes larger than 250g are generally only found in cash and carry outlets that target specifically the food service industry. Such products targeting the food service industry typically come in package sizes of above 1kg, and often appear on shelves at a lower level (see picture below).



Plastic packaging – generally flexible plastic - is by far the most common for cheese. That said, carton packaging may be used for some specific products.

The lack of strong cheese consumption culture in Thailand means that cheese products are often found on the shelves surrounded by other dairy products such as yoghurt, butter and margarine. However, they often hold prominent eye or touch level positions on the shelves (see below).



Pictures: © Agra CEAS / Euromonitor International, 2020.

5.3.2.3 Recent market trends

As noted in Figure 5-12, all major dairy categories are forecast to grow quite rapidly over the next years, at rates generally between 6% and 10% per year. Notable recent market trends by product category are as follow:

- Among **drinking milk**, alternative milk products have grown quickly of late, albeit from a low base. These alternatives include nut oat milks which are favoured for their nutrients and low fat, as well as lactose intolerant and vegan consumers. Almond milk has been particularly popular.
- For **yoghurt**, increased health consciousness has led to a higher level of interest in low sugar and high protein products; often priced at a premium. Greek and Greek style yoghurt – both of which have been in Thailand for years – have benefitted from this trend. Plant based yoghurts and those with granola topping have also benefitted.
- As noted above, **cheese** consumption is and continues to be driven by food service. Indeed this channel is likely to remain the main driver of cheese consumption for the foreseeable future; as well as acting as a conduit for the introduction of new types of cheese and new uses/methods of

consumption of cheese. Nonetheless, some producers have started targeting the retail market on a larger scale, promoting at the same time how the cheese can be consumed or used. With cheaper cheeses increasingly available on the market, and some of these cheaper products being distributed through convenience stores, the consumer base for cheese is growing. Processed cheeses with additional flavours (e.g. smoky BBQ or black pepper) have also been released. Finally, origin and brand are considerations which are being increasingly taken into account by consumers in the cheese market. Some Australian and New Zealand companies have tried to take advantage of some of these recent trends by introducing cheaper products; products with electronic traceability through QR codes; and unique flavours targeting Thai consumers.

- The trans-fat ban outlined above has increased demand for **butter** of late over other spreads. However, in order to target a wider range of consumers with differing products, products incorporating butter with other fats, while respecting the trans-fats ban, are increasingly available.
- The health trend has also affected the **other dairy** category in recent years. Home based consumption of condensed milk and coffee whitener is being replaced by healthier options. At the same time, some healthier / lower fat condensed milk and coffee whiteners are being released to combat this market loss. Also, these other dairy products are being increasingly used in food service channels; not only in coffee, but also in dessert and bubble tea preparation.⁴⁸

5.3.3 Offer

5.3.3.1 Domestic production

As noted in section 5.3.2.2 above, dairy production was only introduced to Thailand in the 1910s; and it was not until the 1960s that production began to ramp up, spurred by considerable government support. Between the early 1980s and early 1990s, dairy production increased fivefold. While increases after this period were not as fast, production has nonetheless increased, partly due to government schemes to encourage it. The sector has inevitably become more commercialised with higher yields throughout this development process. Co-operatives play an important role in the dairy chain in Thailand, operating milk collection centres which collect the majority of milk in the country. More than 1m tonnes of milk are now produced in Thailand each year. There are around 25 main dairy processors, though it should be noted that a certain percentage of milk goes through pasteurising plants straight to the extensive school milk programme. Major dairy processors include both local companies such as Lactasoy, as well as the local operations of multinationals. The markets for different dairy products are quite segmented and fragmented; few companies hold a high level of importance in more than one product segment, and no one company entirely dominates one particular segment⁴⁹

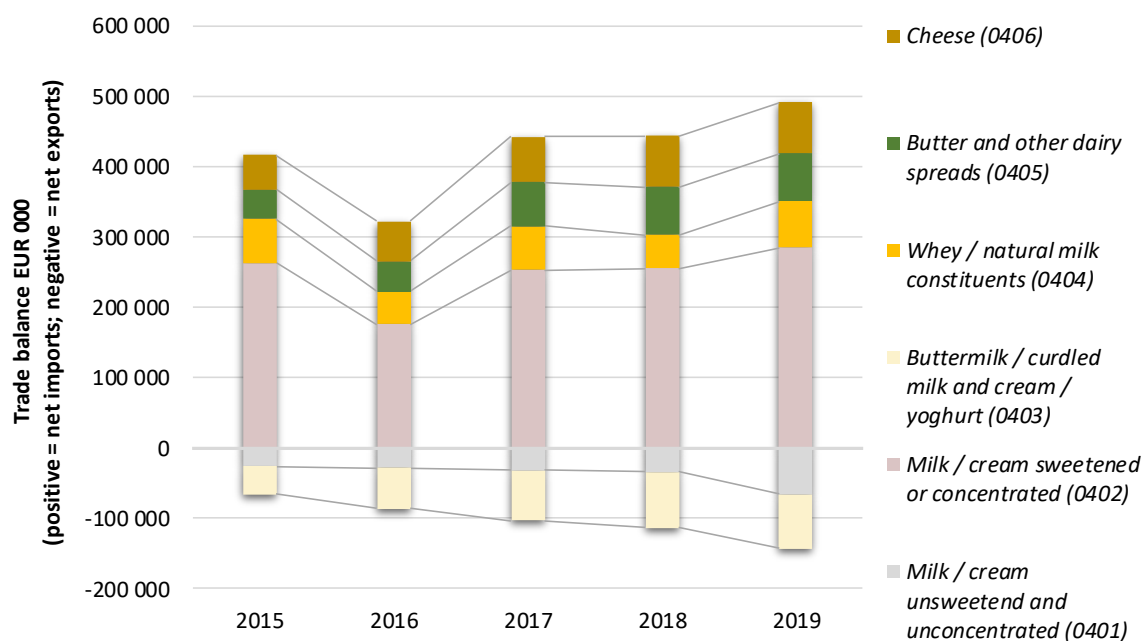
⁴⁸ Euromonitor International: Packaged Food, 2020

⁴⁹ http://ap.fftc.agnet.org/ap_db.php?id=730; http://dairyasia.org/Events/9-10-Mar-17/Workshop_Material/Presentations_of_National_Focal_Points/Thailand.pdf; <http://www.fao.org/3/i0588e/i0588E10.htm>

5.3.3.2 Imports and exports

Thailand is a large net importer of dairy overall in value terms. That said, there are differences by product category. It is a marginal net exporter of buttermilk and unsweetened milk; but a major net importer of sweetened/concentrated milk and cream (almost EUR 300m in 2019). It is also a net importer of cheese, butter/spreads and whey/natural milk constituents. With an exception of a dip in 2016, net imports and net exports have grown for their respective categories in recent years. Net exports of buttermilk / yoghurt and net imports of cheese and butter/spreads stand out as having grown particularly quickly in relative terms (Figure 5-13).

Figure 5-13: Trade balance (net imports and exports) of dairy in Thailand, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
CN codes in brackets.

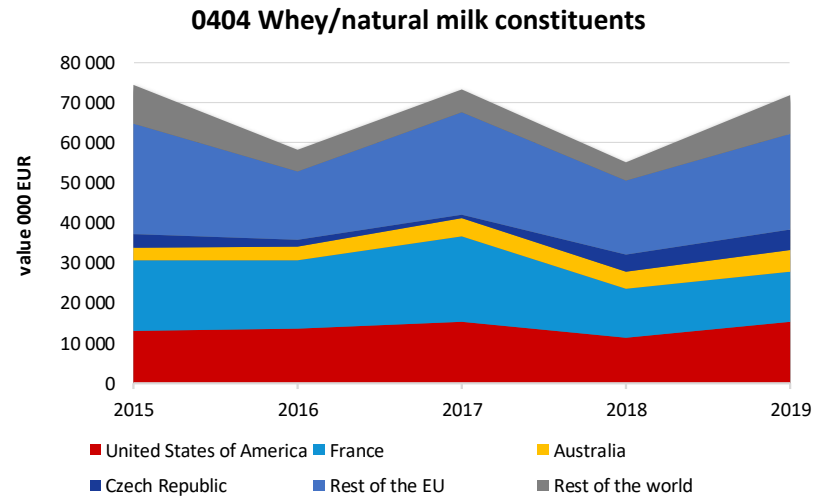
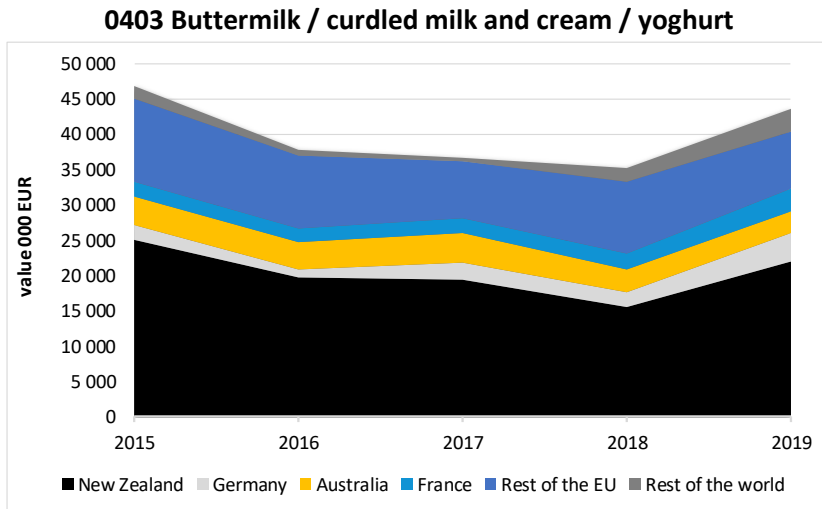
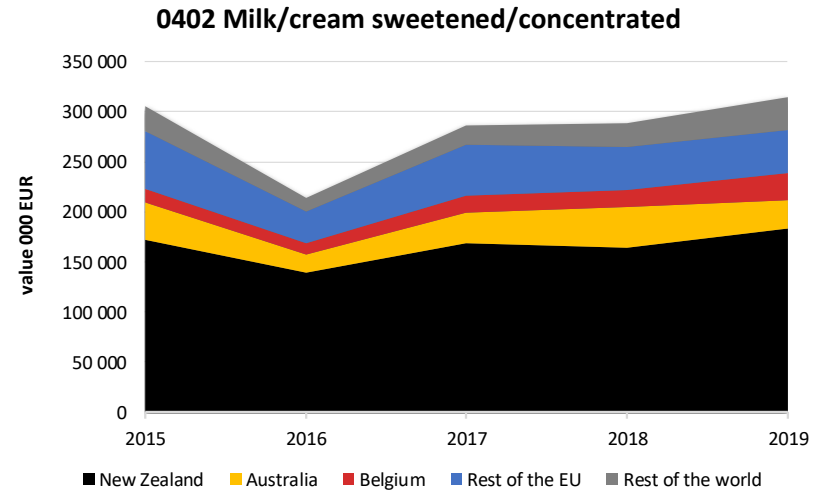
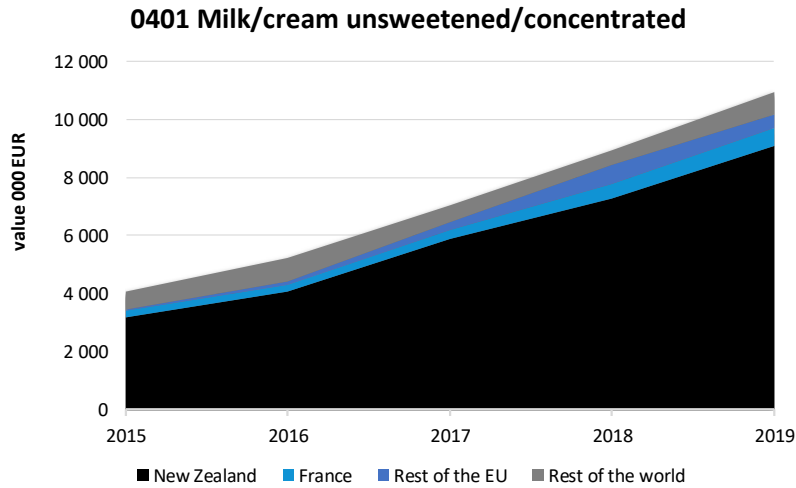
While origins do vary by product, New Zealand is an important origin for multiple products. The country dominates imports of both sweetened/concentrated and unsweetened/unconcentrated milk and cream; though it must be remembered that while total imports of the former category are large at EUR 300m, imports of the latter category are minor at EUR 10m. New Zealand also accounts for roughly half of buttermilk / yoghurt imports; half of butter imports; plus ¼ of cheese imports.

Indeed, imports of butter – which have steadily grown to reach EUR 70m in 2019 – are dominated by the two nearby southern hemisphere countries of New Zealand and Australia. Combined they account for over 80% of imports. Most of the remainder is accounted for by EU countries, led by France. While the two southern hemisphere countries also hold a strong position in growing cheese imports, the position is not as dominant. Combined, they accounted for roughly 50% of the almost EUR 80m of imports in 2019. EU countries, led by France, Italy and Belgium, have a strong position in the remaining 50% of imports.

Imports of whey and milk constituents are highly fragmented, with the largest players, the US and France, each accounting for only 20%. The remainder of the EU combined accounts for around 40% of imports, which totalled EUR 70m in 2019 (Figure 5-14).

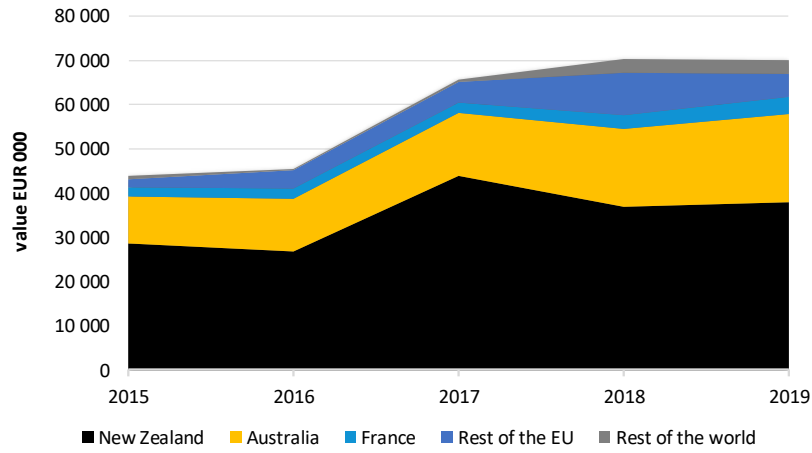
Market Entry Handbook

Figure 5-14: Thai imports of different dairy categories by country, 2015-19; EUR 000

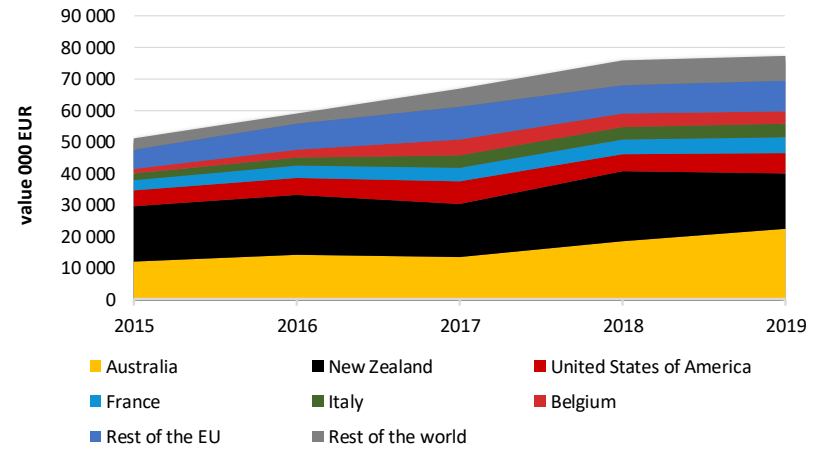


Market Entry Handbook

0405 Butter/dairy spreads



0406 Cheese



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

CN codes in brackets.

5.3.3.3 EU GI products

Parmigiano Reggiano is a protected GI in Thailand.

5.3.3.4 Main competitors

Competition comes from both inside and outside Thailand. While Thailand is a net importer of dairy products as a whole, its domestic industry has developed rapidly over the last 60 years, and there are continued efforts to further develop it, as witnessed by the consistently growing milk production, though growth of this recently has slowed to around 3% per year compared to previous increases closer to 10% per year. Among importers, New Zealand stands out as a major competitor in all segments except whey; it dominates imports of various products and is the origin of ¼ of all cheese imports. Australia is also an important origin. However, the fact that the markets for different dairy products are quite segmented, and no one company entirely dominates one particular segment suggests that there may be scope for careful entry into some dairy market.

5.3.4 Specific market entry requirements

Market Access and Entry

As per Table 4-2, various documents including a veterinary health certificate are needed for the import of dairy products. In terms of tariffs, European fresh dairy products face varying MFN tariffs which range from 5% (for some concentrated/sweetened milk and cream, whey, spreads and other products) to 40% (for unsweetened milk/cream). Tariffs for butter and cheese are generally 30%.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website by entering the corresponding CN code:

e.g. cheese:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hscod=0406>

Customs procedures

A list of standard documents required for the import of dairy products into Thailand is presented in Table 4-1 and Table 4-2 in section 4.2.1. Most dairy products are normally considered standardised foods; and as such are subject to the requirement of a GMP certificate in Thai or English.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website by entering the corresponding CN code:

e.g. cheese:

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?hscod=0406&countries=TH>

SPS measures, standards

Dairy products are generally considered a standardised food, and so there is specific legislation covering microbiological and general contamination. However, given this was mainly introduced to standardise informal production inside Thailand, it is unlikely to pose a challenge for goods imported from the EU; and no historical cases of problems with it have been identified for EU exporter.

In the context of dairy spreads (e.g. margarine), it is important to note that Thailand implemented **a ban on partially hydrogenated oils (PHOs) and products containing these**. Thai FDA inspectors at ports of entry may request proof that certain categories of food do not contain PHOs. Margarine and spreads are among the goods for which this evidence can be requested.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=0406&countryid=TH#h20>

Labelling

Dairy labelling has to follow general label requirements set out in section 4.2.3.

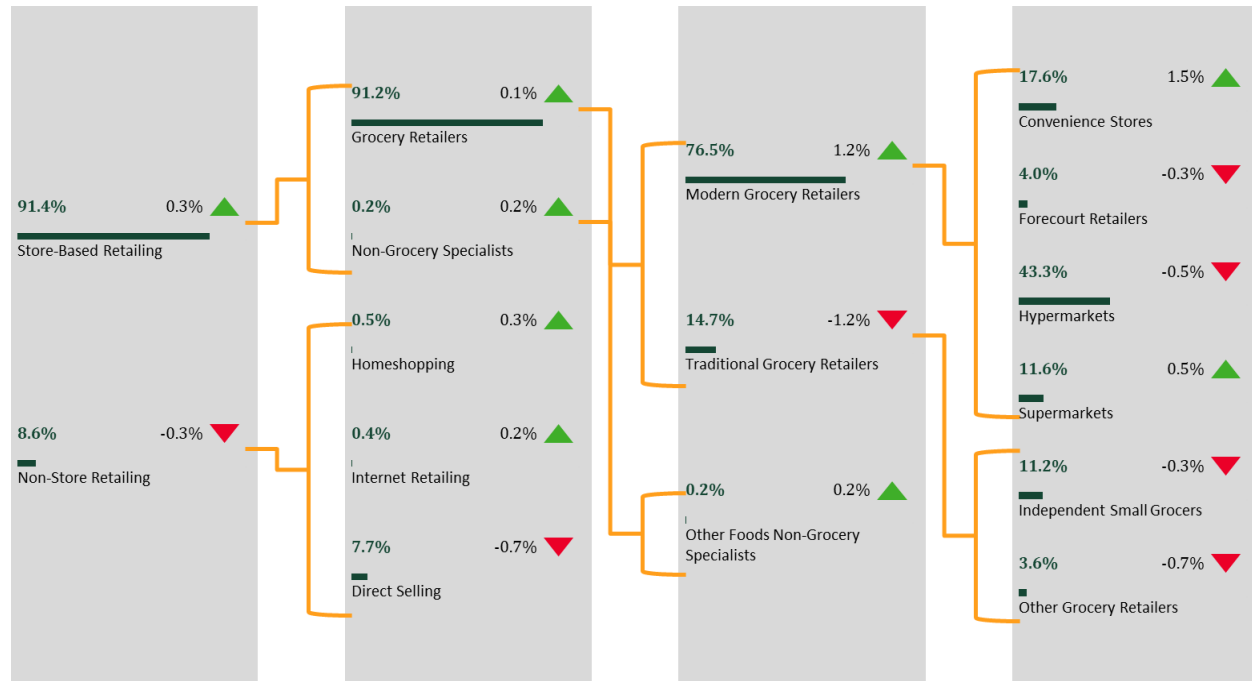
5.3.5 Distribution

In general terms, dairy products in Thailand are most commonly distributed through modern grocery retailers (77%); more specifically, hypermarkets in particular (43%). Among modern retailers, convenience stores and supermarkets are popular to lesser extents. Independent small grocers account for 11% of distribution. Non-store retailing, though a minority, is surprisingly popular with some 9% of all dairy products being distributed through this channel, with direct selling the leading distribution method within it (Figure 5-15).

There are, nonetheless, some specificities by different dairy product. More specifically:

- **Butter and spreads:** modern retailers play a smaller role, accounting for only 62% of distribution. Independent small grocers account for some 24% of distribution. The only non-store method of distribution is internet retailing (2%). However, as noted above, food service is by far a more important channel for butter distribution than retail.
- **Cheese:** modern retailers (led by hypermarkets) are even more dominant, accounting for 88% of distribution. There is minimal non-store distribution. The situation is similar for **other dairy** products, though the degree of dominance of modern retailers is slightly lower (84%). However, it must be remembered that the vast majority of cheese is consumed through food service channels rather than the retail channels discussed above.
- **Yoghurt:** non-store retailing (dominated by direct selling) is very popular accounting for over ¼ of distribution of yoghurt products. This is largely at the expense of modern retailers.
- **Drinking milk** is effectively all sold through store retailing; predominantly through modern retailers (85%).

Figure 5-15: Distribution channel overview of dairy in Thailand (2018); all dairy products; retail value



Source: Euromonitor International: Packaged Food, 2020.

5.3.6 Challenges for EU products

There is tough competition in the Thai dairy market, from a combination of the rapidly evolved domestic production, and the dominance of New Zealand in multiple import categories. However, the rapid increases in domestic production are largely in the past, and milk production has only been increasing at 3% per year in recent years, below the volume growth rate of multiple dairy products such as drinking milk, cheese and butter.

Market Takeaway: Dairy

Consumption: drinking milk by far the largest market. Multiple markets, including that for butter and cheese increasing at fast rates.

Competition: domestic production and New Zealand the main competitors. The market is quite fragmented and segmented, meaning that players neither dominate within a single dairy category, or across categories.

Distribution: modern grocery retailers, led by hypermarkets, are dominant. However, food service is far more important than retail for both butter and cheese.

Challenges: high level of competition. Strong historic interest of the Thai government in the development of the domestic dairy industry.

Opportunities: most recently, the growth in domestic production has been outstripped by demand, leading to increasing imports. Interesting opportunities in the niches for butter and cheese, though these are not without competition.

5.4 Wine

5.4.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Wine sales show a positive performance in volume and value terms. ▪ EU products are perceived as high quality/premium. ▪ An increasing proportion of tourists and locals have a taste for wine. 	<ul style="list-style-type: none"> ▪ Wine market still eclipsed by beer and spirits. ▪ Increasing local production both in terms of quantity and quality.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Demand for imported wine is not greatly impacted by price increases. ▪ Notable consumers among young professionals in big cities and tourists; with the former group in particular growing. Females as well as tourists and expats are in particular interested in wine. 	<ul style="list-style-type: none"> ▪ Restrictions for advertising and prohibitions in certain zones (e.g. near educational centres). ▪ Competition from other less expensive markets: Chile, Argentina, New Zealand and Australia.

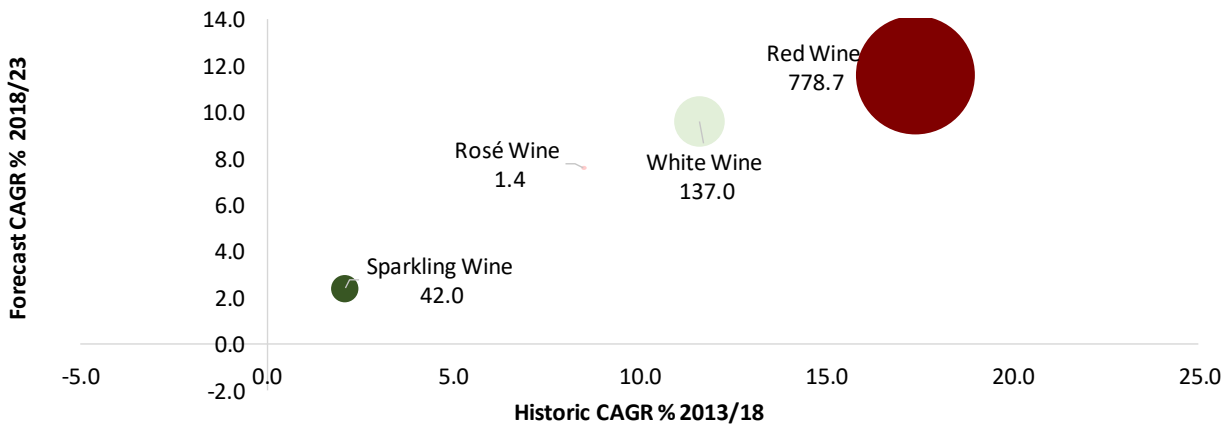
5.4.2 Consumption

5.4.2.1 Evolution of consumption

The evolution of wine market in Thailand shown in Figure 5-16 demonstrates the popularity of red, white and sparkling wines over the period 2013-2018. With about 80% share market, red wine registers the highest value, with EUR 778.7m in 2018 approaching sales of 23 million litres and total volume growth of 15%. In 2018, white wine made up 14% (EUR 137m), and sparkling wine reached the 4% (EUR 42m). Consumption of rosé wine was relatively low, amounting to EUR 1.4 million.

Although per capita wine consumption is low (0.4 litres per head) in comparison with European countries, wine sales have been steadily growing, over the last five years. In 2018 alone, wine registered double-digit growth in both total volume and current value terms, largely due to a new taxation system for alcoholic drinks in the country: The Excise Tax Act BE 2560 (2017). Over the forecast period wine is expected to post a total volume CAGR of 8.3% to exceed sales of 40 million litres in 2023.

Figure 5-16: Evolution and forecast of wine market (million EUR) in Thailand, 2013-2023; total value



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.4.2.2 Consumer profile and purchase criteria

Consumers

The culture of wine is increasing as it is a drink perceived as a sign of higher social status amongst Thais. Penetration of western-style food in growing number of restaurants, bars and pubs has ensured the acceptance of wine as an everyday drink. Furthermore, it is now accepted it combines well with some Thai-style food.

Expanding on this, consumers of the beverage exhibit the following characteristics among the population:

- **Tourists and expats:** there is major demand of foreign wine by visitors originally from European countries and Australia. Most notably, wine appreciation is also becoming an increasingly important part of the luxury lifestyles of affluent expats.
- **Thai population 25 to 55 years:** Older generations generally prefer to buy red wines and classic wines. However, the introduction of affordable labels has helped the consumer base of imported wine expand considerably to include younger professionals such as millennials. Younger consumers like to experiment and has access to more types of wine.
- **Urbanites:** Most consumers of (European) wines belong to the urban areas of the country such as Bangkok, Phuket, Udon Thani and Chiang Mai, with demand for wine benefitting from the thriving nightlife there. For urbanites, wine appreciation has now become a significant indicator of social status, with consumers increasingly able to make an informed decision when choosing a bottle of wine on a menu. They usually decide to buy across price points based on the occasion.
- **Females:** Females are considered to be the main wine consumers in Thailand, accounting for over 50% of all wine consumption, including that of EU wines. Women tend to prefer high-quality imported wines, especially from EU.

In general, Thais prefer strong, bold, punchy and heavier wines. The best-selling red varieties are Shiraz and Cabernet Sauvignon. Chardonnay and Sauvignon Blanc are the top two white varieties. Middle-aged consumers, as well as white-collar workers, are the main target groups of imported wines and are expected to see the strongest growth in wine consumption in the future.

Research studies demonstrated that the change in taxation policy in Thailand does not affect imported wine, as a luxury good, demand for it is not sensitive to price increases. Local wines, orientated to local low to medium-income consumers, are mainly competing with beer industry rather than imported wines.

Drivers and method of consumption

Expensive and foreign wines are becoming popular for business dinners or gifts targeted to middle-income classes who possess higher education levels and higher spending power. Wine is also a Thai gift for special occasions and festivals.

Most wines consumed in Thailand are imported from France (25%), Australia (17%), Singapore (16%) and Italy (12%) in 2017. Thai consumers generally have a positive perception of European wines due to their long presence in Thailand and well-known names globally. However, foreign wines with tariff reductions (Australia and New Zealand) or from less expensive suppliers (Chile and Argentina) are having a large effect on the market and are creating a significant advantage.

Purchase criteria

Although consumption of European wine has a long history in Thailand, there is strong penetration by new wines due to price competition, product availability and product variety. Thus, **price** is a major determinant in wine purchase, because of the changes of the life-style and the price-sensibility of Thai consumers. For higher income consumers the foreign wines are more desirable as a prestige mark, meanwhile local wine appears to compete mostly with beer as a drink of choice for the vast majority of Thai alcohol beverage drinkers. The price of the better Thai wines, which are beginning to be viewed locally as competitive with imported wines, will be over USD 20 per bottle, which is almost the same range that the consumers can shop for good imported wines. Despite the overall price focus, consumers generally purchasing such expensive wines are non-price sensitive.

Availability has become an important factor driving the sales of EU wines in Thailand. Not only do off-trade channels account for the majority of wine sales in Thailand, but their importance is further increasing along with the range of retail channels offering wine. For example, convenience stores are increasingly offering wine and indeed sales of some brands have been boosted by their availability in these channels.

Another factor persuading consumers to purchase wines are **attractive packaging and labelling** because it adds value to wine as a gift item. EU wines are often favoured in luxurious packaging, as they may be purchased not only to drink and gift but also to display in the house as a status symbol. Wine offered in gift packs coupled with other products such as beer, chocolates, confectionery and fruits are becoming popular during holidays.

Finally, type of wine is important, in line with the trends set out in section 5.4.2.2 above. Thai consumers are likely to become more familiar with wine and a wine culture is expected to develop further in the country as wine consumption increases gradually.⁵⁰

Wine on retailers' shelves in Thailand

Imported wine commonly retails at the following prices:

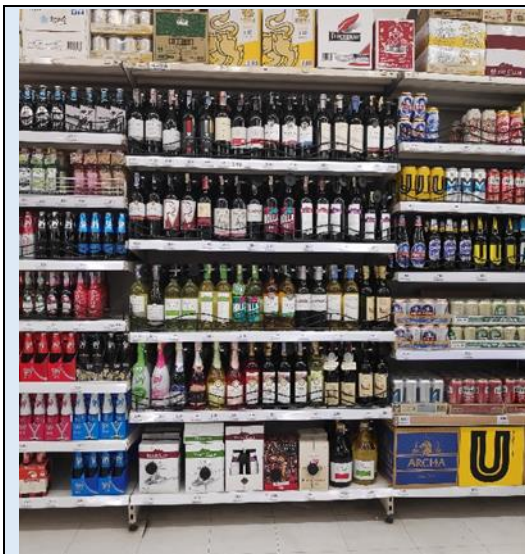
- Economy – under 500 HBT (13.50 EUR) per 750ml
- Mid – 500 HBT to 1 000 HBT (13.50-27 EUR) per 750ml
- Premium – Above 1 000 HBT (27 EUR) per 750ml



Nearly all wine is sold in glass bottles in Thailand. Most of them have a volume of 750 ml, however, smaller as well as bigger bottles exist on the market as well and mostly contain either 200ml, 700ml or even 1l or 2l. Price discounts or promotions for wine do not seem to be common in Thailand. As red wine is the most popular wine category it often takes up most shelf space depending on the size of the shop. Most wine offered in modern outlets are mid to premium priced and mainly in eye sight and ready to grab. Cheaper wine is usually placed on lower shelves.

⁵⁰ Euromonitor International: Alcoholic Drinks, 2020; OEC Import Database Thailand.

<https://oec.world/en/profile/country/tha/#Imports>; Economic determinants of wine consumption in Thailand. International Journal of Economics and Business Research. November 2016 DOI: 10.1504/IJEBR.2016.10002114.



In most stores, wine is placed in a general alcohol section together or next to other products such as beer and spirits as depicted in the picture on the left. The smaller the shop, the closer different kind of alcohol are put together. This is why it can be complicated to make some products stand out from others.

As already noted above, more expensive EU wines are often favoured in luxurious packaging, as they are purchased not only to drink and gift but also to display in the house as a status symbol. Wine offered in gift packs is often coupled with other products such as beer, chocolates, confectionery and fruits are becoming popular during holidays.

A significant number of wine drinkers in Thailand lack thorough knowledge of wine. Thus, consumers may look for assistance when choosing wine for special occasions, which is why trained staff or specialist stores (as shown in the picture on the right) might be useful when it comes to selling premium products. Moreover, specialist and gourmet stores can often display their products better and space them out more.



Pictures: © Agra CEAS / Euromonitor International, 2020.

5.4.2.3 Recent market trends

Over the next years, wine is projected to continue its positive performance in total volume terms, with sales of red and white wine leading the growth, as previously seen in Figure 5-16. Middle-higher income urban-based consumers seems to lead the increase in demand for imported wine, meanwhile less expensive local wine is competing with beer and a variety of foreign more affordable drinks, as mentioned in section 5.4.2.2.

Price is likely to remain a notable consideration for consumers overall, as reflected by increased interest in new world wines. Nonetheless, there are some trends emerging which take into account the price consideration. For example, wines which blend different grape varieties and ultimately offer a more rounded taste profile are growing in popularity; the Cabernet – Merlot – Shiraz blend being a notable

example. Good blends are increasingly seen as offering value for money by consumers. Younger urban consumers also show an increased willingness to experiment with new wines, including different European wines.

5.4.3 Offer

5.4.3.1 Domestic production

Although Thailand is not generally viewed as a wine-producing nation, local winemakers have found success by studying the viticulture practices used in countries like France and New Zealand and adapting them to the local climate. Thailand produces over 1 million bottles of wine every year, corresponding to wineries in the Monsoon Valley, the rolling hills of Khao Yai, 81 miles northeast of Bangkok. The application of innovative solutions and intense-labour force due to the volatile climate, had greatly increased the performance of wine production in the region. The Monsoon valley has hence become the face of Thai wine with over 350 000 bottles produced yearly. Other Thai wineries are PB Valley Winery, Gran Monte Vineyard & Winery, J&J Vineyard, Village Farm and Winery. The most popular grapes include the following varieties: Shiraz, Pokdum, Sangiovese for red wines; and Chenin, White Melage and Colombard for white wines.

Aside from grape wine made traditionally, Thailand is also home to various fruit wines due to their dizzying abundance of tropical and subtropical fruits. Such fruit wines are on average cheaper than traditional grape wine and are very popular with new wine drinkers looking for everyday wines suitable for casual situations.

Exports are also on the rise, again chiefly to supply the global Thai restaurant sector. Initially, wines were almost entirely made soft and fruity to match spicy food, but now a range of styles are made including crisper, drier styles to be drunk on their own.

As local wine production increases, it is likely that more Thai consumers will start to pay attention to this type of alcoholic drink.⁵¹

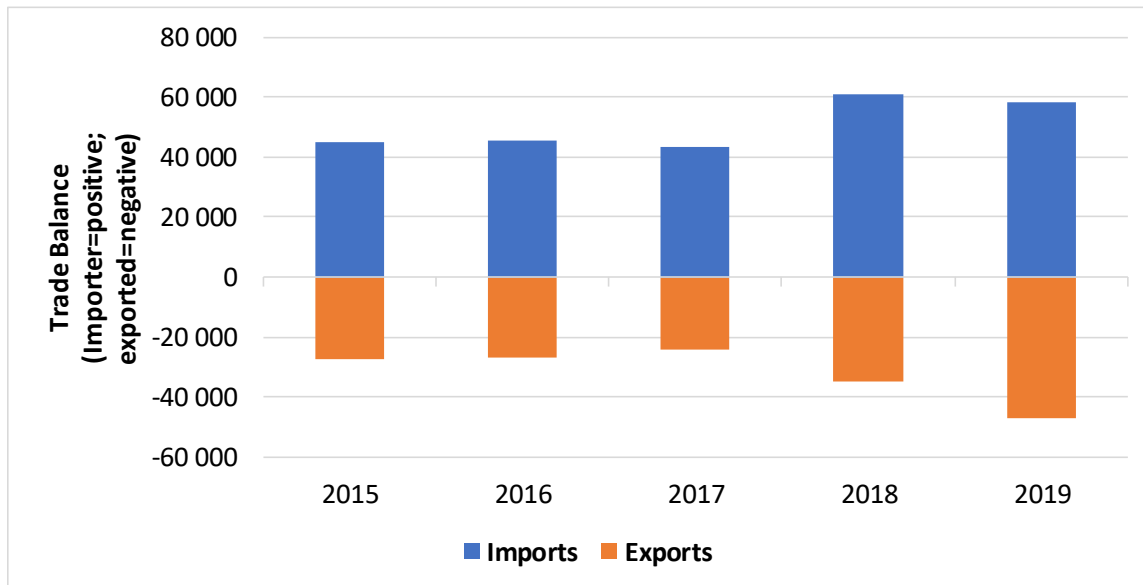
5.4.3.2 Imports and exports

As mentioned above, increase rise of Thai wine recognition has accelerated exports in the recent years. Following the acceleration of exports in 2018 and 2019, Thailand has changed from a strong net importer of wine to a marginal net importer; and imports themselves have fallen slightly to EUR 60m (Figure 5-17).

⁵¹

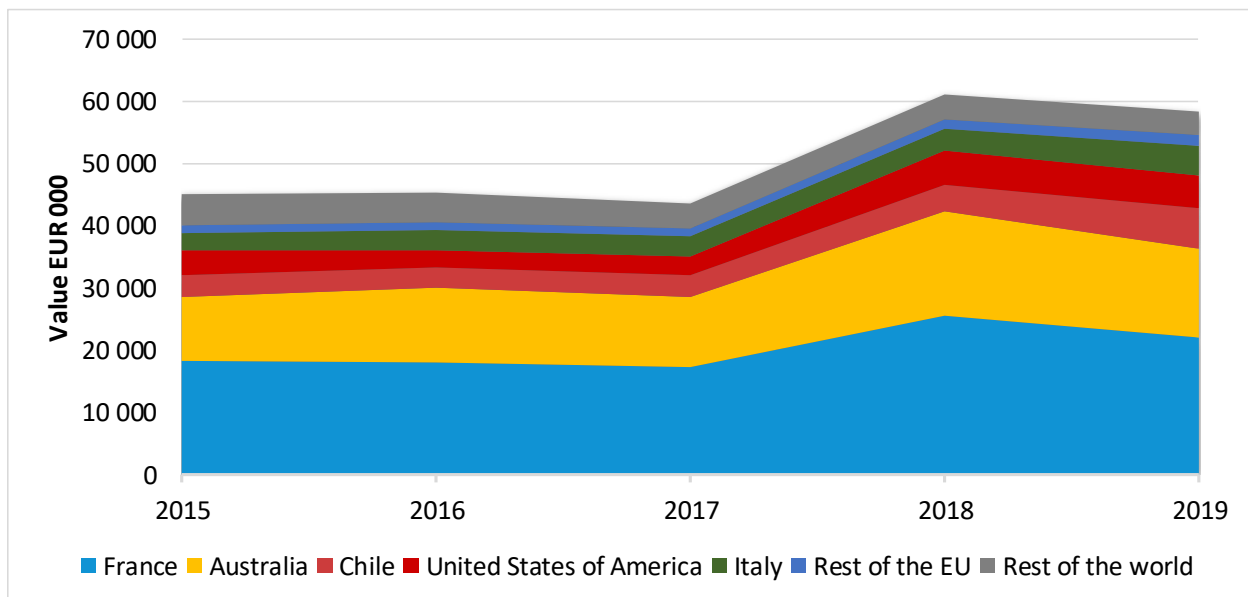
<https://worldoffoodanddrink.worldtravelguide.net/drink/thai-wine-a-remarkable-success-story/>;
<https://12go.asia/en/thailand/wine-in-thailand>

Figure 5-17: Trade balance (imports and exports) of wine in Thailand, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2204.

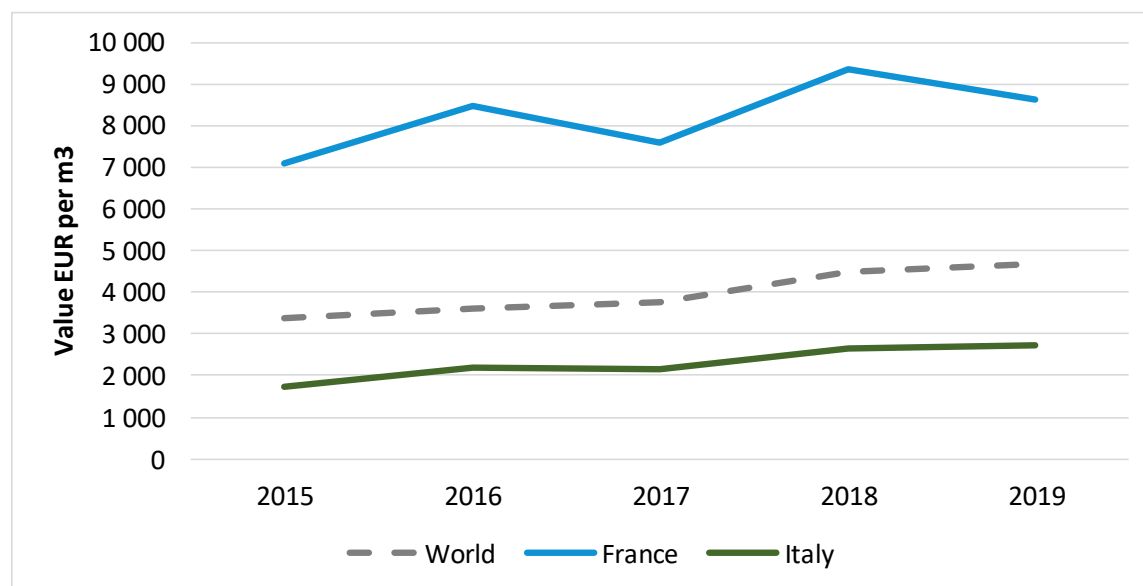
Figure 5-18: Thai imports of wine by country, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2204.

In 2018, Thailand mostly imported wine from France with a wine market share of 25% of wine imports by value, worth approximately EUR 26 million. Australia is in the second place (18%) with around EUR 13 million, and the advantage of lower import tariffs. Chilean wine has been introduced as an affordable product, with high recognised quality (Figure 5-18).

Figure 5-19: unit value of Thai imports of wine by country, 2015-19; EUR per m3



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204.

As mentioned before, French and Italian products have large shares of imports and are considered as luxury goods. This is reflected by the unit price of French imports in particular, which is over double the world average. Unit values of both French and Italian wine imports have been constantly rising over the past five years (Figure 5-19).

5.4.3.3 EU GI products

The taste for wine is increasing the high consideration of EU products. The following wines had been registered as GI in Thailand as of January 2019⁵²:

- Barbaresco (IT)
- Barolo (IT)
- Brunello di Montalcino (IT)
- Champagne (FR)

5.4.3.4 Main competitors

As outlined in section 5.4.3.2, EU producers have an important share of the market, France and Italy are the largest importers of wine into Thailand. On top of that, Australian wines are also expected to increase their market share over the next years, taking advantage of the tax benefits. Other countries with cheaper wines, as Chile and Argentina, have also competitive advantages for market penetration. Furthermore, technology improvement and policy support by the government has benefitted domestic production, which now is considered a direct competitor for imported wine in some cases.

⁵² https://euipoef.eu/sites/default/files/arise-docs/2019/ASEAN_GI-Booklet.pdf

5.4.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry of wine can be found in section 4.2. Most notably, an import permit for alcoholic beverages is required; and in order to obtain this, there is a requirement to secure a certificate of analysis (COA). This COA requirement remains contentious, however (see also section 4.3.4) and in view of this contention, its full implementation has been postponed several times, with the option to perform the necessary analysis in the 30 days after import offered in the interim. In view of ongoing discussions around the COA requirement, if working with a local importer or partners, it is recommended that they be consulted for the latest status with the COA requirement prior to sending any shipments.

EU wines entering Thailand face MFN tariffs of between 54% and 60%.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hscod=2204>

Customs procedures

A list of standard documents required for the import of wine into Thailand is presented in Table 4-1 and Table 4-2 in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2204&countryid=TH#h9>

SPS measures, standards

As noted above, the requirement to obtain a certificate of analysis prior to import has been introduced in Thailand. New quality standards were also introduced in June 2019. An unofficial translation of the notification introducing these can be found at the following link:

https://members.wto.org/crnattachments/2019/TBT/THA/19_3488_00_e.pdf

It includes maximum levels for chemical attributes such as ethyl carbamate and methyl alcohol; food additives (benzoic acid or salt of benzoic acid; sulphur dioxide; and sorbic acid or salt of sorbic acid); and contaminants (arsenic, lead and ferrocyanide). It is strongly recommended that the notification be consulted for full details on the maximum levels and necessary test methods. While the new quality standards are generally considered a lot less problematic than the old ones, it has been noted that the limit on aldehyde could cause problems for sherry; and other limits such as ethyl carbamate and arsenic may differ from those which are present in some wine producing countries.

As noted in section 4.3.4, the COA requirement and quality standards have been the subject of dispute as they are not considered to align with international or European alcohol standards.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2204&countryid=TH#h20>

Labelling

As noted in section 4.2.3, wine in Thailand need to bear the following information on the label:

- product name
- the alcoholic percentage
- size of the bottle / container
- name / address of the importer
- name / address of the manufacturer
- a government approved and distinguishable warning message.

It should also be noted that labelling requirements for alcoholic beverages were also updated through the Notification of Alcoholic Beverages Control Re: Rules, Procedures and Conditions for Labels of Alcoholic Beverages (2015). However, this legislation has been the subject of some contention, as noted in section 4.3.4. Key issues perceived with this legislation are:

- the lack of clarity relating to the messages permitted or prohibited on the label
- the effective prohibition of the use of cartoon images, quality or certain statements such as “premium”
- the potential for different interpretations of the above points and other elements of the legislation.

In view of the uncertainty and ongoing discussions around the situation with alcohol labelling laws, if working with a local importer or agent it is recommend that they be contacted for the latest status and local interpretation.

Finally, as explored in section 4.2.3 it is worth remembering:

- There are considerable restrictions on the advertising of alcoholic beverages
- There have been discussions on graphic warning labels on alcoholic beverages, though legislation for this has not yet materialised.

Up to date information on appropriate documents concerning labelling measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2204&countryid=TH#kap92>

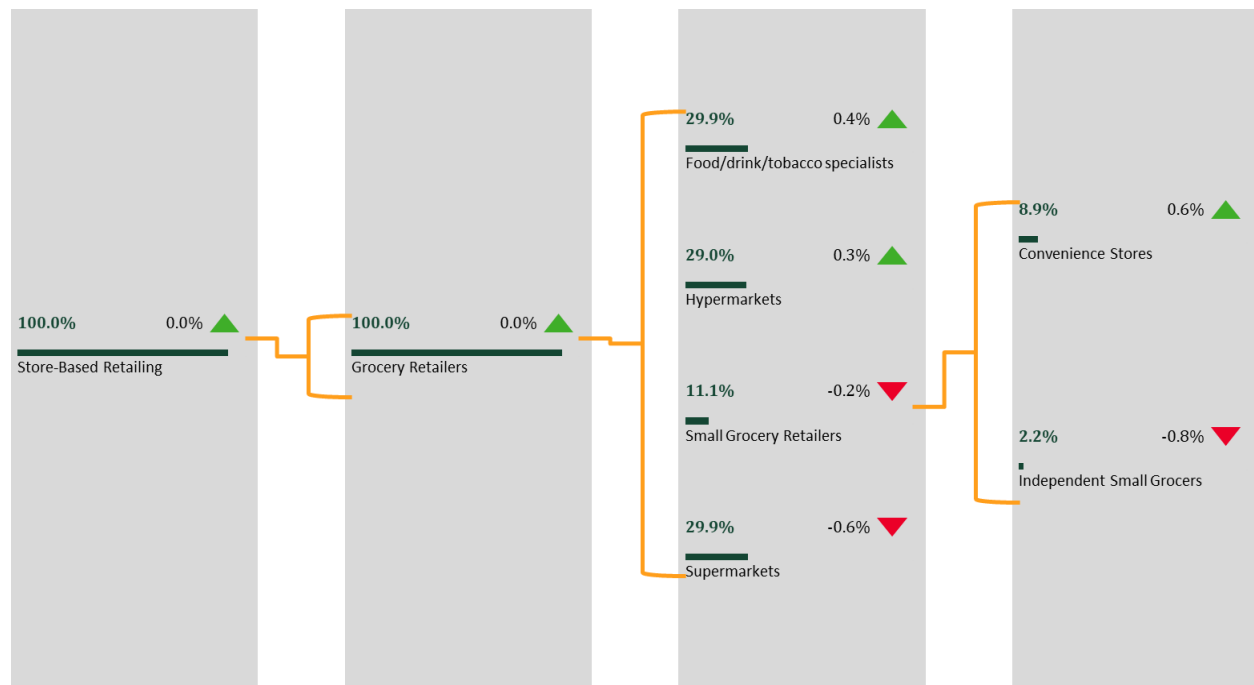
5.4.5 Distribution

Two-thirds of wine by volume is sold in off-trade channels and one-third in on-trade. The two main types of on-trade premises for the sale of alcoholic drinks are full-service restaurants and bars/pubs.

The main off-trade channels, as reported in Figure 5-20 are supermarkets, hypermarkets and food/ drink/ tobacco specialists in equal percentages (~30%) in 2018. Supermarkets and hypermarkets generally offer wine at competitive prices in lower price brackets. Premium wines are distributed through specialised wine outlets, online shopping, mail-order/catalogue, upper-tier hotels and restaurants.

Small grocery retailers (11%) – mostly composed by convenience stores that are increasing - and supermarkets are the categories showing a share drop off in 2018.

Figure 5-20: Distribution channel overview of wine in Thailand (2018); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.4.6 Challenges for EU products

High income consumers, tourists and expatriates have a preference for expensive foreign wine; meanwhile Thai low-income consumers have a divided preference between local wine and beer. Competition from lower priced Chilean and Argentinian wines, and the lower tariffs faced by Australian and New Zealand wine producers threatens the overall long-term dominance of EU exports, mainly for France and Italy. Nonetheless, it should be noted that the good perception of EU wines indicates that they do not always target the same consumer as these other importers; and hence may be expected to maintain a good market share nonetheless.

Market Takeaway: Wine

Consumption: Wine consumption is rising, although the average volume consumed per person is low; red wine accounts for 81% of the market.

Competition: EU exporters face the strong competition with Australian wines, due to the lower tariffs they face. Domestic production of good quality wines, competes with the lower price foreign wines of Chile and Argentina.

Distribution: About 2/3 of volume is sold in off-trade channels, mostly in supermarkets, hypermarkets and food/drink/tobacco specialists, in equal percentage. On-trade channels represents 1/3 of the volume and take place at full-service restaurants and bars/pubs.

Challenges: EU exporters currently face high tariffs and taxes, which can complicate competition based on price with countries with better market access under the trade agreements.

Opportunities: The growing domestic consumer base, especially amongst wealthy consumers. French and Italian wines in particular perceived as high quality.

5.5 Spirits

5.5.1 SWOT analysis

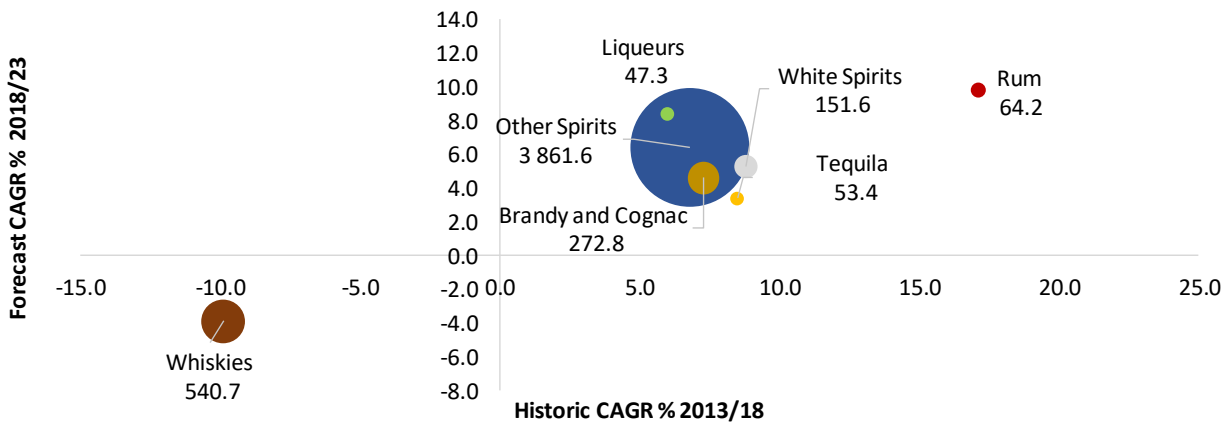
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Spirits are the largest consumed alcoholic beverage in Thailand. ▪ It is common during meetings and gatherings in Thailand for spirits to be consumed, in small amounts. ▪ France is the second largest exporter of spirits to Thailand with Sweden and Germany being in the top ten. 	<ul style="list-style-type: none"> ▪ Unclear labelling laws can make it difficult for EU producers to comply with Thai regulations ▪ The prices of imported spirits remain higher than that of local ones due to excise taxes, although the situation is improving. ▪ Chinese Baijiu and Japanese whiskies are popular in Thailand and are inspiring other Asian producers to enter the Thai market.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Many imported products such as rum and vodka have yet to be produced on a large scale in the country, providing foreign producers with a niche that it will likely take many years for domestic producers to gain a foothold in. ▪ EU Products have become more competitive In Thailand due to a new tax regime, though a price gap still exist. ▪ High levels of tourists arriving in Thailand increases the demand for imported spirits. 	<ul style="list-style-type: none"> ▪ The Thai government has been readily advocating against the consumption of spirits with restrictions of sale hours and advertising presenting problems, it is likely tighter restrictions may be implemented in the future. ▪ Domestic producers are starting to produce products such as rum and vodka which have yet to be produced on a large scale in the country. ▪ Craft spirits are growing in popularity in Thailand.

5.5.2 Consumption

5.5.2.1 Evolution of consumption

Thai consumers consume a large amount of spirit products, with spirits being the most popular beverage in the country in absolute alcohol content. As illustrated in Figure 5-21, whisky is the single most valued spirit in the Thai market with a market value of EUR 540 million, this is followed by brandy and cognac at a market value of EUR 272 million and white spirits at a value of EUR 151 million. Rum, tequila and liqueurs all fall under a market value of EUR 100 million however are expected to grow rapidly in the Thai market with rum forecast to at a CAGR of 9.8% for the period to 2023. All spirit products in the Thai market are expected to grow with the exception of whiskey which is contracting slightly. The “other spirits” category has a market value of EUR 3.8 Billion which makes it by far the largest category. Products included in the “other spirits” category include national specialities which dominate the Thai market with Sura Khao being an example of a product from this category and also the most consumed spirit by product.

Figure 5-21: Evolution and forecast of spirits market in Thailand, 2013-2023; total value, EUR millions



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.5.2.2 Consumer profile and purchase criteria

Consumers

As stated previously Thais consume a large amount of spirits, with spirits being the most popular alcoholic beverage in the country. The rise of an urban population has compounded the consumption of spirits as they have become readily more accessible for consumers; in Bangkok the sale of spirits is a common sight in the city and often associated with the culture of the city. Spirit consumption is often a light-hearted affair in Thailand with heavy consumption in a single session being uncommon, but rather consumption is a daily occurrence which explains the large consumption per capita. In general, spirits will be consumed by consumers of all ages and income levels as the price of spirits in Thailand is generally cheap and the youth of Thailand generally consume spirits as their first alcoholic beverage. That said, consumption of spirits is most prevalent within the 25 to 44 age group. Imported spirits such as cognac, gin and rum are usually more expensive in Thailand than other spirits; and subsequently are associated with wealth and success. The higher price tag does limit consumers among the general population to an extent, with affluent consumers aged 25-44 the group most likely to consume these. However, organisers of the many conferences and events in Thailand will tend to stock these imported spirits due to the aforementioned association. Men are the predominant consumers of spirits in the country and they are likely to consume white spirits such as Sura Khao (traditional Thai white spirit) and vodka, women in the country are more likely to consume cocktails and consumption of spirits for women has been growing steadily in recent years.

Drivers and method of consumption

- The influx of tourism.** An estimated 38 million tourists visited Thailand in 2018, this compounds the sales of spirits as tourist travelling to party spots in Thailand such as Phuket often associate the city with alcohol consumption, and by extension spirit consumption. As imported spirits are not too expensive compared to local spirits from a tourist point of view, this encourages on-trade establishments catering to tourist to stock up on international brands.

- **The rise of craft spirits.** The craft spirit industry in Thailand has grown since 2018 which also offers a stark difference from craft beer which have declined. Spirits in particular that are experiencing a rise in craft production include English gin, and white rum. Many producers of craft spirits have relocated to neighbouring Laos and Cambodia to set up production to avoid harsher measures in Thailand while remaining able to sell into the Thai market. While this craft spirit trend could be considered to be detracting from the market for large established brands, it is also sparking interest in smaller brands regardless of their origin. In general however, these craft spirits are not expected to be a major threat to commercial brand imported spirits, as the overall volume produced is too low to be accessible to the general public.
- **Thai Drinking culture.** Drinking spirits in Thailand as previously mention is typically a light-hearted affair. This entails an unspoken etiquette which surrounds the consumption of spirits. Rather than ordering one cocktail at a time it is typical in Thailand to order a bottle for the group. A bucket of ice and optional mixers are then presented with the bottle allowing individuals to create spirit mixes to their own preference. Controlling alcohol levels consumption and personal taste preference are key traits to the consumption of spirits in Thailand. Thais will typically consume spirits in the evening with daytime consumption of spirits not being too common in the country; drinking habits in Thailand mirror in many ways the consumption habits in the west in this regard. Drinking spirits with meals is common and it must be noted that Thais will typically share one bottle between a group, sharing is a key trait to the drinking culture of Thailand.
- **Cocktails, special celebrations.** Imported spirits are most commonly consumed as part of cocktails or with mixers. Special occasions such as new year, weddings and birthdays are times when imported spirits are particularly likely to be consumed.

Purchase criteria

A new excise tax introduced in 2017 affected the spirits market. The measure came as an effort to narrow the gap in prices between domestic and imported spirit products, this measure has yet to lead to a significant narrowing of prices as spirits are not as price sensitive as other alcoholic beverages in the market such as beer; indeed some consumers will actively look for more expensive imported spirits as this is a sign of status.

Thais are typically loyal to the products they enjoy, and flavour is an important determinant for Thai consumers. Despite the higher costs, Thais who can afford to spend more on imported spirits will if it they can. Lower income earners will likely stick to local spirits either brewed locally or in Thailand as a whole. Tourists in the country which will typically have higher incomes can readily afford imported spirits and may also purchase them over relatively unknown Thai variants. Overall, spirits in Thailand have a fairly high level of brand loyalty.

Finally, accessibility is a notable factor that affects the purchase decision. While this has traditionally favoured domestic spirits, which have always been widely available across multiple retail outlets,

imported spirits are increasingly available in a range of outlets. This in turn is facilitating the trading up of some consumers from local spirits.⁵³

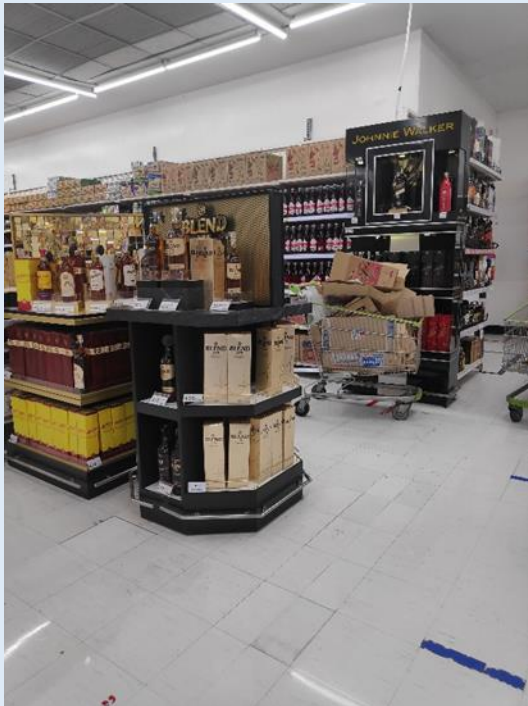
Spirits on retailers' shelves in Thailand

Typical retail price ranges for imported spirits are as follow:

- Economy: between THB 300 –600 (EUR 8-16) per 700ml
- Medium: between THB 600 – 1 000 (EUR16-27) per 700ml
- Premium: above THB 1 000 (EUR 27) per 700ml



⁵³ Euromonitor International: Alcoholic Drinks, 2020; Drinking Culture in Thailand – Dos and Dents, Jonesy in Thailand, available at <https://jonesyinthailand.com/culture/drinking-culture/>; <https://www.ped.co.jp/eng/report/asia07/>



Imported spirits are mainly premium products and thus are located at eye-sight of consumers. Cheaper products are mostly located below, but sometimes above premium products as well. Yet, depending on the size of the shop and the amount of different spirits and brands available premium products are also sometimes a touch or stretch away (picture above). To stand out some spirits are displayed on extra shelves (picture on the left). Promotions around spirits are not very common, however sometimes multipacks containing several bottles are offered.

Spirit brands are evolving their packaging design and size centred around glass bottles. The designs are not only limited to the label, but also to an array of different bottles and colours so that products visually stand out on the shelf. For instance, some brands offer opaque glass-bottles with different colour text, while others use rectangular glass bottles as shown on the picture to the right. Sometimes brands even offer extra carton packaging to make their products stand out. Most spirit bottles contain 700ml, however, smaller (such as 200ml) and bigger (such as 1l) bottles exist as well.



Pictures: © Agra CEAS / Euromonitor International, 2020.

5.5.2.3 Recent market trends

As previously stated, a new excise tax has impacted the market in Thailand and led to increased competitiveness for imported spirits. Whiskies from markets such as Japan have been popular in the country and the success of whisky from Japan in the Thai market has inspired spirits sellers from other nations in

the region to look at the Thai market as viable, with Korean Soju being an example of a new spirit from the region entering the market. Chinese Baijiu and Kentucky bourbon have entered the market in recent times and have garnered a small following. Imported spirits are increasingly targeting the mid-price segment and subsequently challenging the dominance of local Thai production.

5.5.3 Offer

5.5.3.1 Domestic production

The domestic production of spirits in Thailand is dominated by one large player, Thai beverage PLC. This is a result of the company and the Sirivadhanabhakdi family having a monopoly of the spirit market in Thailand until 2000 when the market was liberalised, however today the company retains an 81% share of the market. New players have recently started producing in country in an attempt to challenge the dominance of Thai beverage, which include companies like Diageo who are producing dark rum in Thailand and Tawandang 1999 which has recently built a new distillery in the Chai Nat's Hankha district. The introduction of a new tax regime in 2017 has put pressure on domestic producers to innovate and compete with imported spirits which now find themselves in a much more balanced and competitive market.

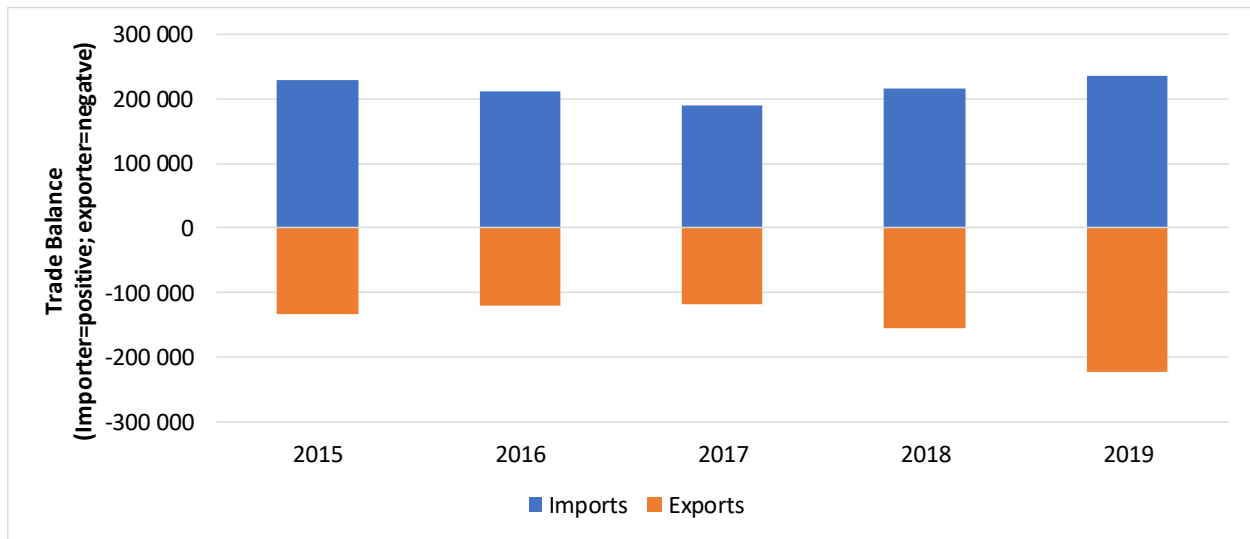
Grape based spirits are mainly produced commercially by the companies of Regency and Meridien Thai Brandy (ThaiBev) with combined production of 2.2 million cases annually, while whiskey has no large scale producers which opens this market up to foreign producers.

Craft spirits have grown in popularity in the country and variants that stand out which are increasingly produced in Thailand are English gin and rum. Some variations of grape spirits may be infused with flavours unique to Thailand such as pineapple; though in some cases these spirits are distilled abroad and then blended once they arrive in Thailand. Nonetheless, stringent excise laws mean that the production of craft spirits in Thailand remains challenging.

5.5.3.2 Imports and exports

As can be seen below in Figure 5-22, Thailand has gradually shifted from being a net importer of spirits towards being in broad equilibrium. In 2019 Thailand imported a total value of EUR 236 Million and exported a total value of 222 Million, which was a significant rise from the EUR 157 Million it exported in 2018. A rise in domestic production coupled with a new regulatory and taxation regime implemented in 2017 helps to explain this rise in exports and the gradual movement towards a trade equilibrium of spirits in the country.

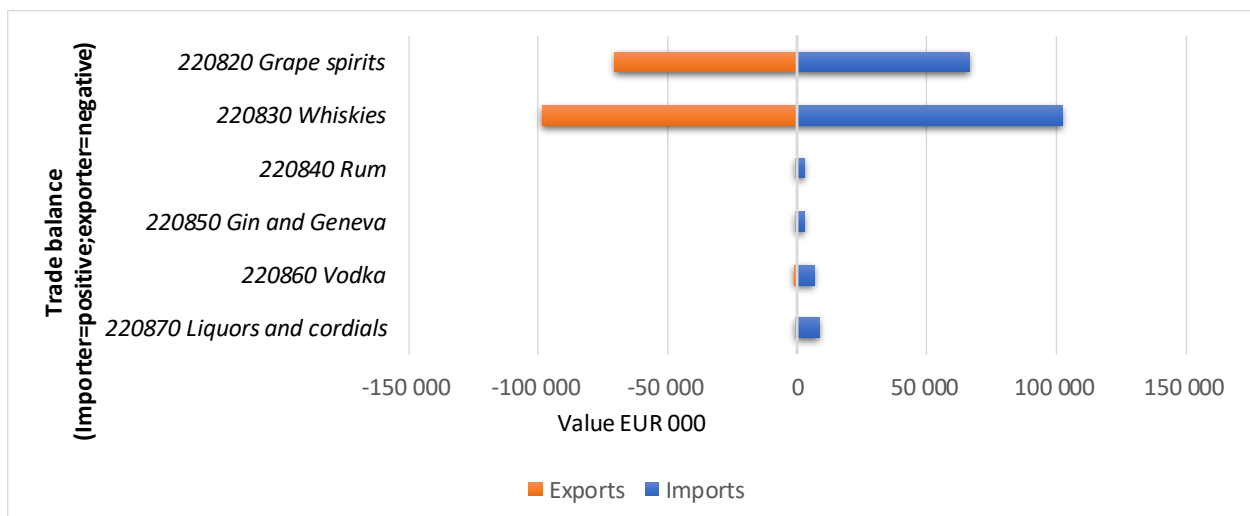
Figure 5-22: Trade balance (imports and exports) of spirits in Thailand, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2208.

As can be seen in Figure 5-23 below, trade of spirits in and out of Thailand largely revolves around two products, those being whiskies and grape spirits with both roughly being equal in value in relation to imports and exports. In 2019 Thailand exported EUR 70 million worth of grape spirits and imported EUR 66 Million, while it exported EUR 98 Million worth of whiskey and imported EUR 102 Million. Other products are largely imported by Thailand as the domestic production of products such as rum and gin has yet to reach a large scale. The balancing of pricing levels for imported spirits in relation to domestic products helps to increase the demand for imported spirits.

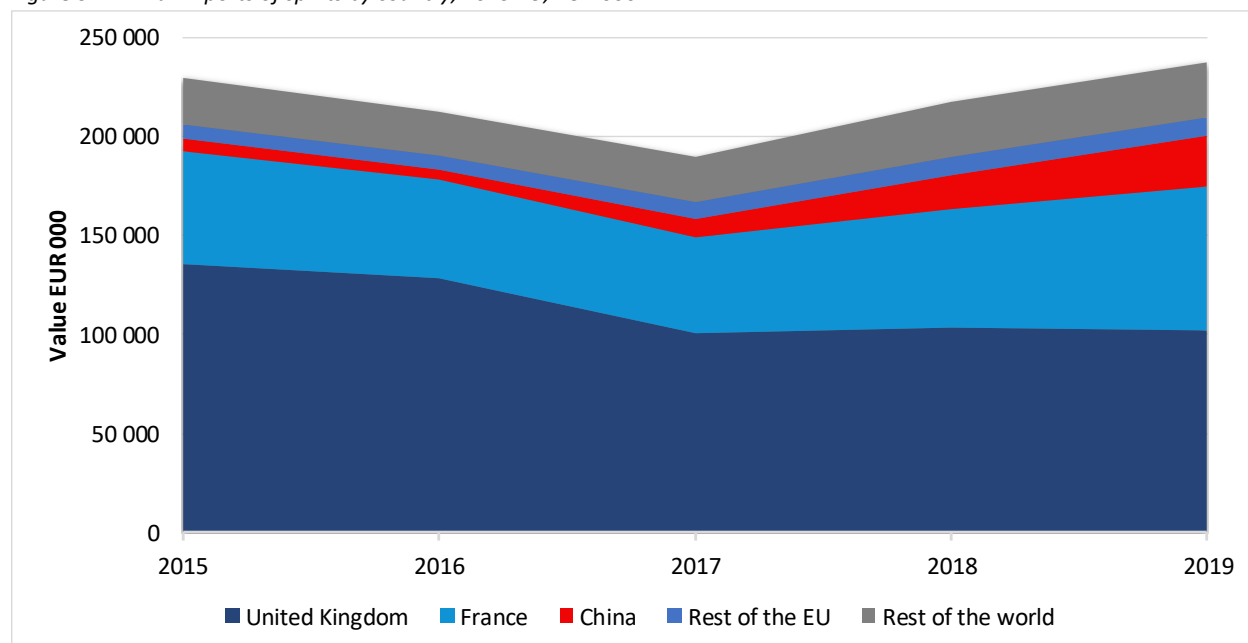
Figure 5-23: Trade balance (imports and exports) of spirits in Thailand by type, 2019; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Spirit names shortened. CN codes before spirit name.

Going into further detail, Figure 5-24 demonstrates that the United Kingdom is the largest exporter of spirits to Thailand with whiskies accounting for the largest product exported to Thailand from the UK. France is the largest EU exporter of spirits to Thailand and the second largest overall; grape spirits is the largest product exported by France, with liquors and cordials also being exported at a significant scale. China is the largest exporter of spirits to Thailand in its immediate vicinity and largely exports national speciality spirits such as Baijiu. The rest of the EU has a small share of spirit imports at present.

Figure 5-24: Thai imports of spirits by country, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2208, Unit Value

5.5.3.3 EU GI products

Cognac is a protected GI in Thailand.

5.5.3.4 Main competitors

The UK is the largest exporter of spirits to the country, with whisky being the main spirit product sold to the country which is significant considering this type of spirit has the largest market value in Thailand for a sole spirit product. China has increased its production of Baijiu and this product is increasingly visible in Thailand; while Japan has had success in its trade of whisky to Thailand which acts as an inspiration for other spirit products produced within Thailand's immediate vicinity to view Thailand as a viable market. However, the large volumes of spirits produced domestically – including notably craft spirits following the opening up of the market – should be considered as a major competitive threat.

5.5.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry of spirits can be found in section 4.2. Most notably, an import permit for alcoholic beverages is required; and in order to obtain this, there is a requirement to

secure a certificate of analysis (COA). This COA requirement remains contentious, however (see also section 4.3.4); and in view of this contention, its full implementation has been postponed several times, with the option to perform the necessary analysis in the 30 days after import offered in the interim. In view of ongoing discussions around the COA requirement, if working with a local importer or partners, it is recommended that they be consulted for the latest status with the COA requirement prior to sending any shipments.

EU spirits entering Thailand face MFN tariffs of 60% (with the exception of Gin/Geneva, for which tariffs are a lower 54%).

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hscod=2208>

Customs procedures

A list of standard documents required for the import of spirits into Thailand is presented in Table 4-1 and Table 4-2 in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2208&countryid=TH#h9>

SPS measures, standards

As noted above, the requirement to obtain a certificate of analysis prior to import has been introduced in Thailand. Quality standards were also introduced in June 2019. An unofficial translation of the notification introducing these can be found at the following link:

https://members.wto.org/crnattachments/2019/TBT/THA/19_3488_00_e.pdf

It includes maximum levels for chemical attributes such as fusel oil and methyl alcohol; food additives (benzoic acid or salt of benzoic acid and sorbic acid or salt of sorbic acid); and contaminants (arsenic and lead). It is strongly recommended that the notification be consulted for full details on the maximum levels and necessary test methods.

As noted in section 4.3.4, the COA requirement and quality standards have been the subject of dispute as they are not considered to align with international or European alcohol standards.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2208&countryid=TH#h20>

Labelling

As noted in section 4.2.3, spirits in Thailand need to bear the following information on the label:

- product name
- the alcoholic percentage
- size of the bottle / container
- name / address of the importer
- name / address of the manufacturer
- a government approved and distinguishable warning message.

It should also be noted that labelling requirements for alcoholic beverages were also updated through the Notification of Alcoholic Beverages Control Re: Rules, Procedures and Conditions for Labels of Alcoholic Beverages (2015). However, this legislation has been the subject of some contention, as noted in section 4.3.4. Key issues perceived with this legislation are:

- the lack of clarity relating to the messages permitted or prohibited on the label
- the effective prohibition of the use of cartoon images, quality or certain statements such as “premium”
- the potential for different interpretations of the above points and other elements of the legislation.

In view of the uncertainty and ongoing discussions around the situation with alcohol labelling laws, if working with a local importer or agent it is recommend that they be contacted for the latest status and local interpretation.

Finally, as explored in section 4.2.3 it is worth remembering:

- There are considerable restrictions on the advertising of alcoholic beverages
- There have been discussions on graphic warning labels on alcoholic beverages, though legislation for this has not yet materialised.

Up to date information on appropriate documents concerning labelling measures:

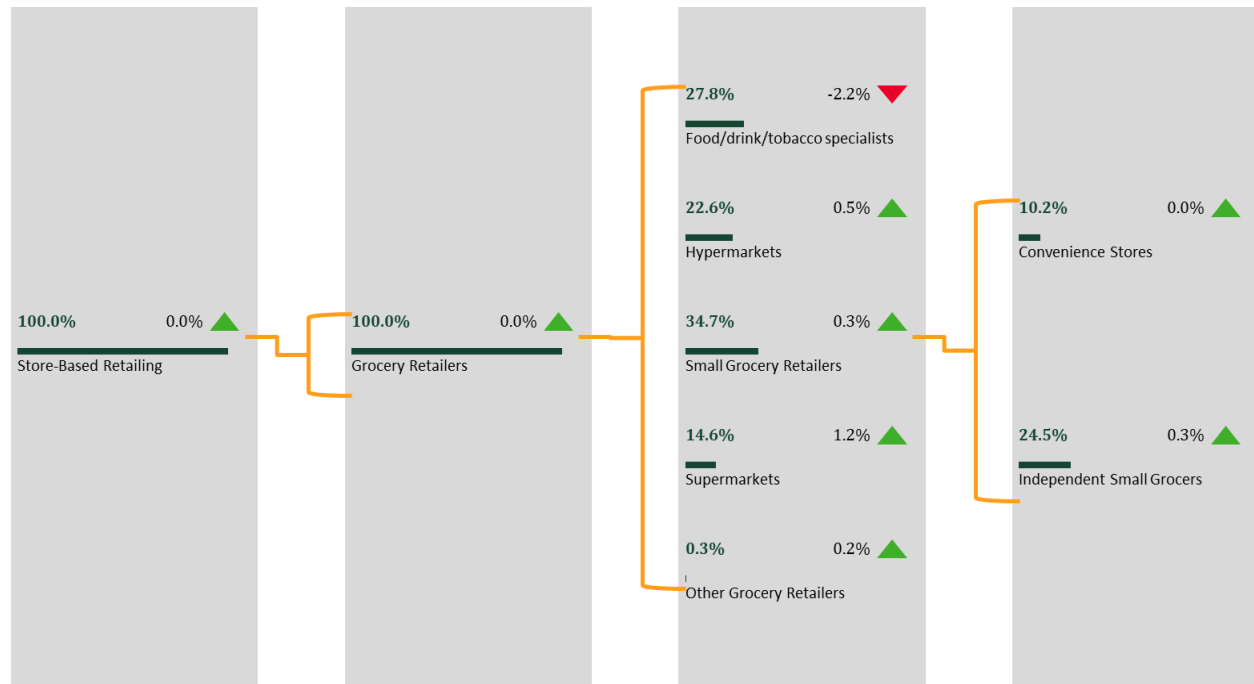
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2208&countryid=TH#kap92>

5.5.5 Distribution

As shown in Figure 5-25, spirits are directly sold through grocery retailers in the country in relation to off-trade sales (as is also the case with beer). Small grocery retailers are the largest distributors of spirits in the off-trade channel sector accounting for 34% of sales. Typically, these retailers will be more inclined to stock domestic spirits as taxes associated with imported spirits will still be too high for small grocery retailers to afford, despite progress in their reduction. Hypermarkets and supermarkets in the country account for a significant amount of sales with 22.6% of sales coming from hypermarkets and 14.6% of sales coming from supermarkets. Food and tobacco specialist retain a 27.8% share of sales but are under threat from government restrictions on sales near schools and temples which impacts these traders harder than other sectors. In relation to on-trade sales, these account for around 19% of sales by volume and as many on-trade distributors in the form of bars and restaurants will be prevalent in touristic

hotspots in it is likely these traders will be more inclined to stock imported spirits in combination with domestic brands.

Figure 5-25: Distribution channel overview of spirits in Thailand (2018); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.5.6 Challenges for EU products

As previously discussed, a new tax regime was implemented in 2017 which aimed to narrow the gap between the prices of imported spirits which were typically previously much higher than those of domestic spirits as a result of excise tax. While this new tax measure did result in some narrowing of the pricing gap, domestic producers still enjoy a slight pricing advantage over EU and other imported products. Alcohol labelling laws, which can in some cases be considered vague and hard to comply with, can also present a challenge to EU producers. These challenges can however be overcome as the EUR 72 Million French spirit exports to Thailand demonstrates.

Market Takeaway: Spirits

Consumption: Spirits are the largest consumed alcoholic beverage in Thailand, while typically not heavily consumed in one setting, the daily consumption of spirits in the country with meals and gatherings is a common practise.

Competition: Effective domestic production monopoly, though some spirits not produced locally. UK a major origin and the largest exporter to Thailand. China is also growing its spirits production and gaining a share in the market in Thailand. The success of Japanese whisky in the country has also inspired other nations in the region to view Thailand as a viable market for their products.

Distribution: Generally distributed through off-trade channels which comes largely in the form of small grocery retailers. Hypermarkets and supermarkets are important growing distribution channels for spirits and will typically

have imported spirits amongst their selections. On-trade sellers are also significant to the distribution of spirits in the country and are influenced by the large number of tourists who visit Thailand and demand imported spirits.

Challenges: *Domestic producers continue to have a slight competitive advantage over imported spirits in relation to taxes although this problem has been partially addressed by the Thai government and progress is being made to balance the market.*

Opportunities: *Many imported products such as rum and vodka have yet to penetrate the Thai market in a significant manner, allowing for EU producers of this product to enter a relatively untouched market.*

5.6 Olive oil

5.6.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Olive oil sales are growing very quickly. ▪ EU countries account for most exports of olive oil to Thailand. ▪ The health trend is driving demand. 	<ul style="list-style-type: none"> ▪ Olive oil is not commonly in the traditional Thai cooking; hence the market is very small. ▪ Limited knowledge about different types of olive oils, in comparison with other vegetable oils.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Consumers' associations between olive oil and the Mediterranean healthy diet constitutes an advantage for the market entrance. ▪ With health concerns and fat types an ongoing discussion, opportunities for olive oil may exist if health advantages are clearly communicated. ▪ Some opportunities among female, mid-high income and predominantly urban consumers. ▪ Blended oil, organic olive oil, endorsements from organisations and smart packaging are trending. 	<ul style="list-style-type: none"> ▪ Strong, indirect competition from the wide range of other oils available. ▪ Following on from the above, the low level of knowledge of olive oil combined with the high price means that few consumers either consider or can afford olive oil.

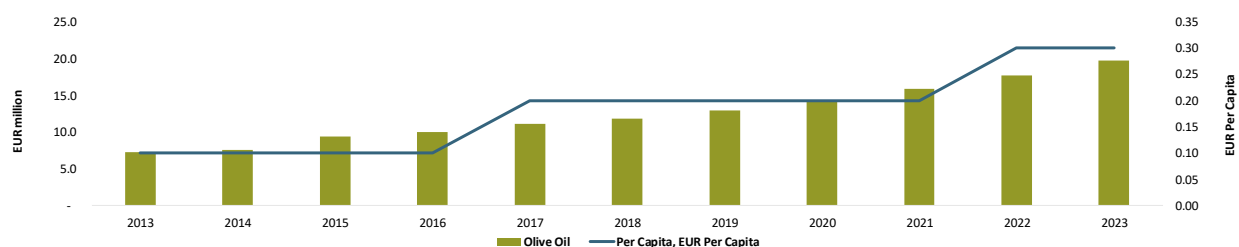
5.6.2 Consumption

5.6.2.1 Evolution of consumption

Olive oil consumption has been growing in EUR per capita, as per Figure 5-26. The market size is expected to further increase from EUR 12 million in 2019 to EUR 19 million in 2023. Indeed, consumption of olive oil has been on a stable growth path and is expected to remain on the upward trend.

However, as Thais most commonly cook with coconut oil, palm oil, peanut oil, or soybean oil, sales in the olive oil sector remain marginal compared to sales in previous mentioned oil segments. According to Euromonitor International data, olive oil is the least-sold oil in Thailand of all edible oils, although it is the third in sales value. However, olive oil has registered the highest volume growth in the 2013-2018 period of all edible oils and its growth forecasts until 2023 are the most favourable in the category.

Figure 5-26: Evolution and forecast of market for olive oil (value, EUR millions) and olive oil consumption per expenditure, in Thailand; 2013-2023



Source: Euromonitor International: Packaged Food, 2020.

Note: figures for 2019 to 2023 based on forecasts.

5.6.2.2 Consumer profile and purchase criteria

Consumers

Vegetable oils, mainly soybean and palm oil, enter mainly in the Thai market competing with traditional coconut oil and pork lard, preferred for local consumers due to the accessibility and the lower price. Over time, other variations as corn oil, rice bran oil, safflower oil, sunflower oil and canola oil stepped onto the scene.

The ongoing urbanisation has pushed a rise in the number of single-person households and greater health awareness, which has consequently influenced the demand for edible oils. The middle class, urban Thai consumers are placing a higher value on health and wellness with more time being spent learning about food and health-related products. Olive oil is most popular among urban consumers who are starting to learn more about the nutritional content and usage of different types of cooking oils based on their fat composition and smoking point.

Thai consumers of olive oil are more likely to have the following characteristics:

- **Female:** Thai women are educated and there is little difference between the disposable income of women compared to men. With the dual responsibilities of earning an income and maintaining a household, working women in particular tend to be the primary decision-makers for household purchases. With increasing efforts to look after their own and family's health, they are opting to buy olive oil due to its multiple benefits.
- **Younger generation (aged 18-35 years):** The youth in Thailand is growing increasingly health-conscious and are influenced by the western culture. They are ready to make the necessary changes in their dietary patterns and are seeking products with good quality ingredients. They are aware of the health benefits of olive oil, and therefore, are willing to spend more and use it for everyday cooking especially when following western cuisine recipes.
- **Middle- and high-class urbanite:** The population in urban areas of Thailand are educated, tech-savvy and understand the health benefits of using unsaturated vegetable oils over saturated vegetable oils for cooking. The expanding middle class in urban areas (over 70% of the population in Bangkok is middle-class) is driving the growth of olive oil through the health-conscious consumer. The growing Thai urbanites look for premium international brands such as Bertolli to integrate into their diets. Also, the urban population has greater access to modern retail channels such as supermarkets, which are the dominant retailers of edible oil in Thailand.

Drivers and method of consumption

As previously mentioned, tradition Thai cuisine mostly used coconut oil, and pork lard; vegetable oils as soybean oil and palm oil have entered into the market due to changes in modern lifestyle. Olive oil consumption is driven by restaurants and hotels, and it is also consumed for beauty purposes for skin and hair with the product available in pharmacies and special stores. Consumers in Thailand are also starting to buy specific oils for different purposes instead of purchasing large bottles of multi-purpose cooking oil.

Generally, olive oil is the preferred oil to prepare western cuisine recipes in Thailand. Olive oil has been commonly used in non-heat exposed foods such as cold marinate, salads and dips, because of its lower

smoking point. However, there is increasing use of olive oil in hot foods for hot, fried and stir-fry cooking. Consumers do not use olive oil for deep frying yet, disliking its strong smell. Some Thai consumers have started to use olive oil for the preparation of more typical local dishes, though this remains a rarity.

Overall, the average Thai consumer prefers those oils with softer or more neutral flavours and in general, does not distinguish between different qualities (extra virgin, virgin, orujo). However, among the urban higher income population, there is increased knowledge of olive oils; and hence such consumers have a preference for extra virgin olive oil for cooking purposes (which is most commonly obtained in supermarkets and hypermarkets).

The relevance of the canning food sector in the Asian country has led to an increase in the industrial purchase of olive oil expecting a growth trend for the next years.

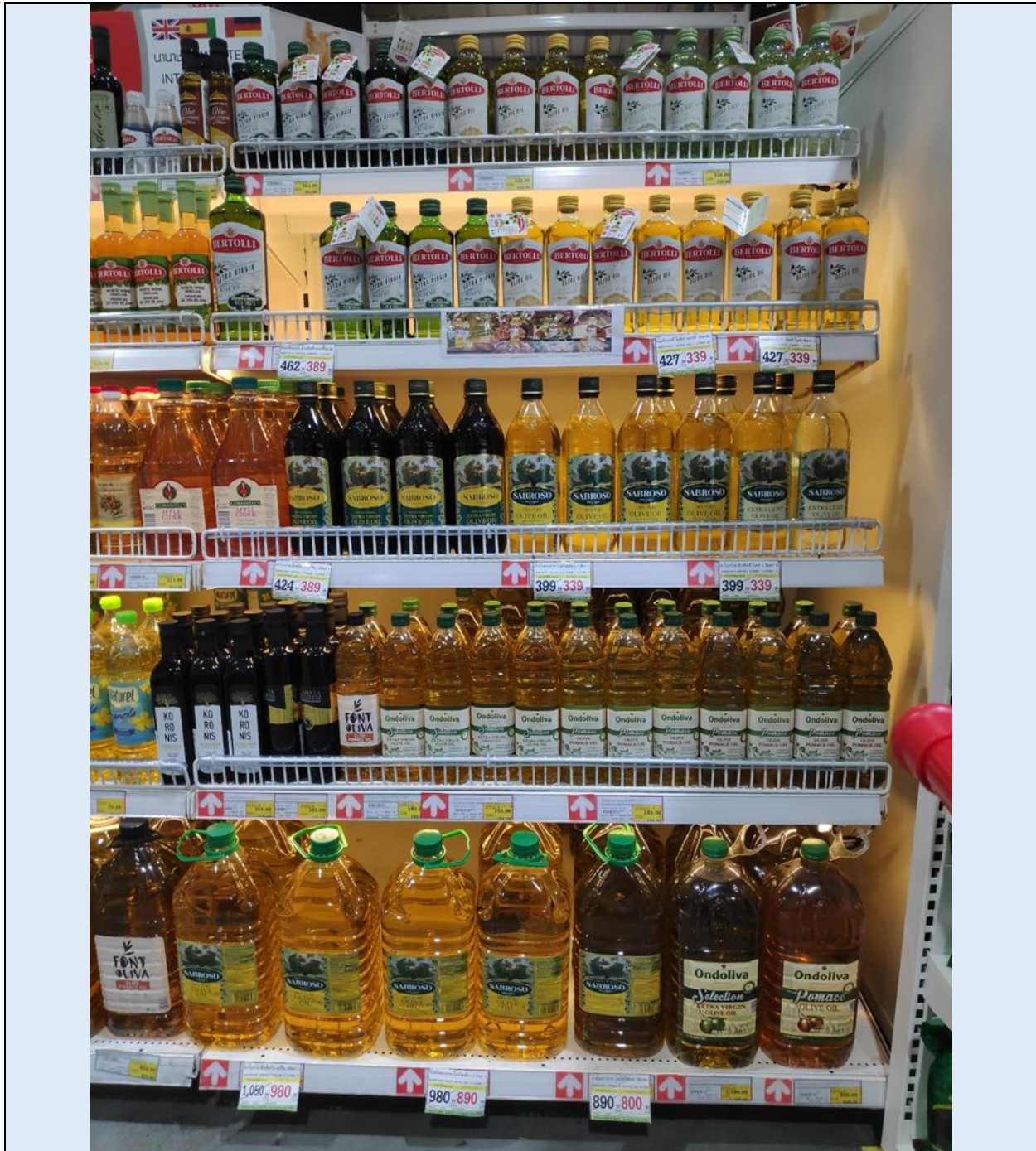
Purchase criteria

Once a consumer has decided to purchase olive oil over other types – often influenced by health considerations -, the taste and aroma are two main criteria driving decision making when purchasing olive oil in Thailand. The taste of extra virgin olive oil is generally not suitable for all types of Thai dishes. However, it is preferred for western cuisine where it is used to add aroma and rich flavour to the dish. For broader use which may include incorporation in more Thai style dishes, consumers tend to prefer a light and subtle flavour olive oil. Given the limited price difference between variants, consumers tend to choose the type of olive oil based on the versatility of food preparation, inclining towards light tasting olive oil which can be used for preparing hot as well as cold food. The price difference is not likely to affect consumers who are likely to stay loyal to European olive oil, as a result of consumer satisfaction (due to past experiences), brand equity and high quality associated with EU brands.

As noted above, health is a key trigger for Thai consumers to purchase olive oil. However, Thai consumers do not tend to choose the type of olive oil based on the amount of antioxidant. Most Thai consumers view that olive oil, in general, is healthier than other edible oils for healthier polyunsaturated fats but are not able to identify which olive oil is healthier. Only health enthusiasts prefer Extra Virgin Olive Oil due to higher antioxidants over a product labelled as 100% olive oil.

Olive oil on retailers' shelves in Thailand

The popularity of olive oil is increasing; however, it is not yet an oil which is used on a daily basis by Thai consumers. Most stores, which offer olive oil are located in the urban centres of the country. Even though it is typical to see olive oil surrounded by other edible oils in bigger urban shops it is often displayed on extra shelves or spots as shown in the following two pictures. If olive oil is placed between other edible oils it mostly is positioned at eye-sight of consumers (mid to premium positions).



Olive oil is seen as a premium product and thus, is much more expensive than other edible oils in Thailand. It starts at around 200 THB (EUR 5.50) for imported cheaper olive oils mainly distributed in PET bottles and can go up to 1 100 THB (EUR 33) or even higher for premium products which are mainly sold in glass bottles. As seen in the pictures most products are sold in bottles containing 500ml, however, some companies also offer smaller (250ml) bottles or bigger ones (1l to 2l) to offer consumers different options to buy according to their usage.



Pictures: © Agra CEAS / Euromonitor International, 2020.

As seen in the picture above retailers offer price reductions for olive oils to encourage consumers to buy it.

Moreover, olive oil gets oxidized quickly. Therefore, consumers prefer to purchase olive oil packaged in dark bottles to any clear bottle. For example, Extra Virgin Olive Oil, which is sensitive to light, is preferably bought in dark green coloured bottles, which deter UV rays from penetrating the olive oil and altering the flavour.

To encourage consumers to try olive oil retailers may group it together with other products which go along well with olive oil such as pasta such as shown in the second picture.

5.6.2.3 Recent market trends

Thailand is a net importer of olive oil from EU. Olive oil saw the highest value growth in 2019, and it is expected a CAGR% of 11.1% for the period 2019-2024. The product consumption, who reached the EUR 10 million in 2018 is expected to reach EUR 19 million in 2023.⁵⁴

There are several notable trends in Thailand that are of relevance to olive oil:

- **Blended oil:** Besides the health benefits of olive oil, manufacturers also strived to improve the usability of their products among various dishes. This helped companies gain share by positioning their brands as suitable for all cooking methods. As such, blended oils – i.e. those blending oils from different sources, including olive oil - have grown in popularity among both manufacturers and consumers and have a more premium positioning due to offering some added value. Blended oils tend to carry logos or claims regarding improving certain bodily functions. For example, the company Oleen launched Oleen Plus, which boasts strong nutritional claims due to combinations of various oils.
- **Smart packaging:** Many olive oils in the Thai market also come with smart packaging to help provide essential product information for consumers. For instance, Bertolli, a popular brand in Thailand, provides smart packaging using innovative electronic traceability and transparency. It has NFC (near field communication) label placed underneath the external label which is activated

via a smartphone antenna to read traceability information. It also offers a tamper-proof device composed of a bottle cap containing an RFID (radio frequency identification) adhesive label in its glass bottles, which supports a smooth supply chain including transport and distribution of products.

- **Endorsements from organisations:** For instance, Lam Soon (Thailand)'s new product launches are certified by the WHO and also carry the Thai Trust Mark. These indicate the importance of engendering trust among consumers and targeting health-conscious Thais who scrutinise packaging labels.

Thailand has implemented a ban on partially hydrogenated oils (see section 4.2.2). While as seen above, olive oil is a small part of the overall oil market in Thailand and other oils such as sunflower or safflower may be better positioned to take advantage of this, this ban may nonetheless provide some opportunities for olive oil. Most notably, the ban coincides with greater consumer awareness of health issues and fat types; and against this background the health benefits of olive oil – if consumers are made fully aware of them – may allow olive oil to benefit from this wider trend and legislative trend. That said, even before this law came into effect, the majority of the edible oil sold in the retail market in Thailand was not hydrogenated. Local manufacturers stopped using this method for vegetable oil production to extend the shelf life of the oil. However, after the law change, food manufacturers have been advised to move to indigenous oils such as palm oil or coconut oil as well as blended oils and the consumers have been advised to limit the consumption of fats, good or bad. The increasing confusion in the market has also led to people opting for organic and natural oils, which may be opening some opportunities for olive oil. Indeed, organic olive oil is benefitting from this ban to some extent.

5.6.3 Offer

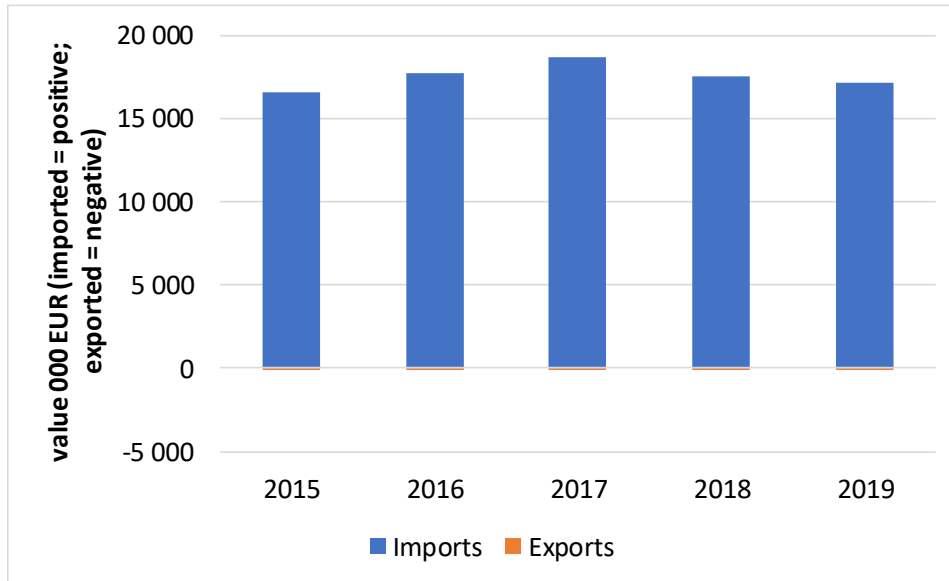
5.6.3.1 Domestic production

Thailand is not a producer of olive oil.

5.6.3.2 Imports and exports

Thai imports of olive oil have remained relatively stable in terms of volume and value during the period 2015-2019, representing in average EUR 16.5 million, according to Figure 5-27. The small volume of exports can be explained through re-export.

Figure 5-27: Trade balance (imports and exports) of olive oil in Thailand, 2015-2019; EUR 000

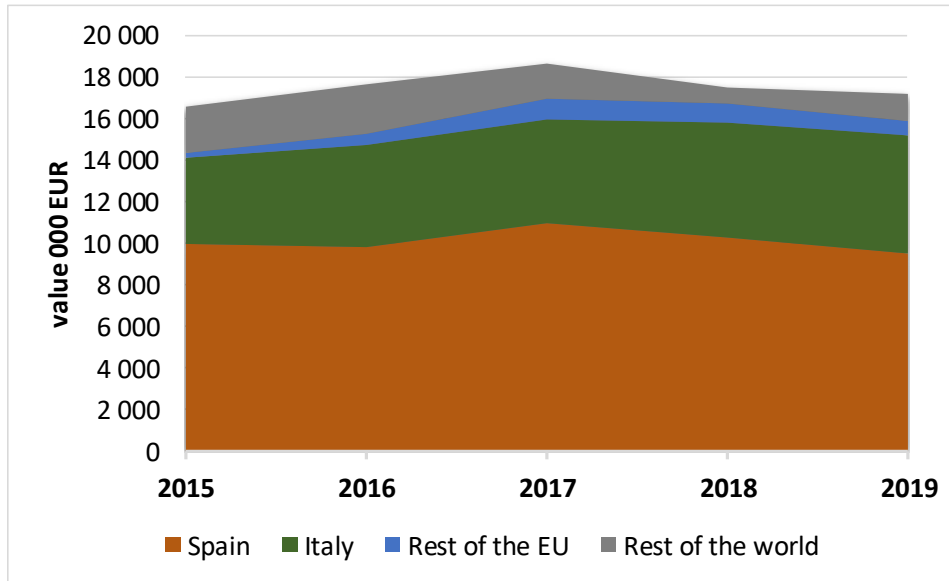


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1509.

Regarding the geographical distribution of Thai imports of this product, the market in Thailand is 85% concentrated in Spanish and Italian oils; while the rest is divided into olive oils of Turkish, Greek and Tunisian origin.

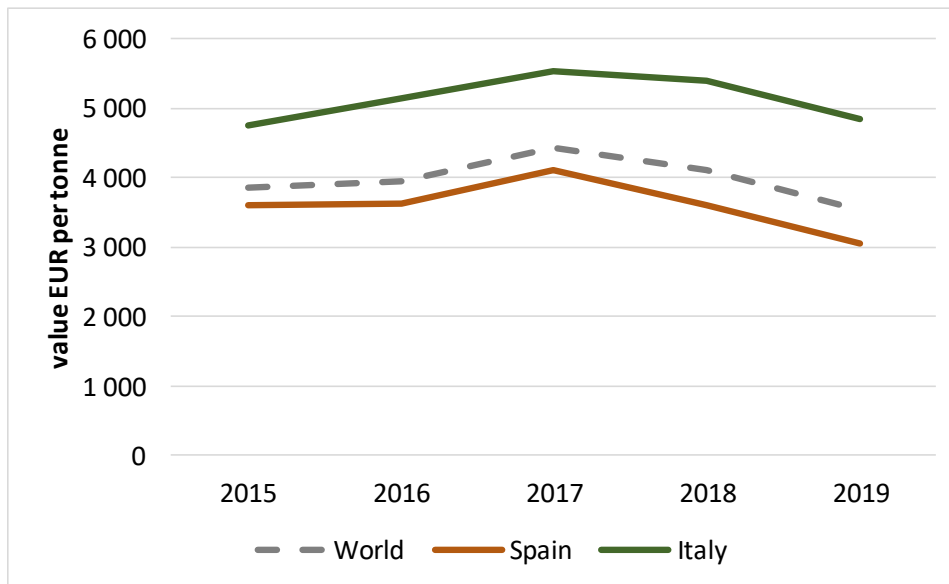
Spain has established itself as the main olive oil supplier to Thailand in volume and value terms (Figure 5-28). Spanish exports in 2015 represented about 60% of the olive oil market during the period 2015-2019 in Thailand in terms of value, meanwhile Italian olive oil exports has slightly increase from about 28% to 35% in the same period. On the contrary, Spanish exports in terms of volume had decreased from about 3 500 to 3 000 tonnes, and Italy has maintained the exports in 5 200 tonnes average (Figure 5-28).

Figure 5-28: Thai imports of olive oil by country, 2015-2019; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1509.

Figure 5-29: Thai imports of olive oil by country, 2015-19; Value EUR per tonne



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1509.

The unit value of Italian olive oil is valued above Spanish in the Thai market. Despite the broader presence of Spanish olive oil in the Thai market than Italian one, Spanish olive oil is more likely to be consumed as

an ingredient by the canning industry or to be bottled in Thailand, not always mentioning the Spanish origin.⁵⁵

5.6.3.3 EU GI products

No EU GIs for olive oil are currently registered in Thailand.

5.6.3.4 Main competitors

Almost all imported olive oil has European origins. Spanish brands which are particularly popular present include Fragata and Borges.

5.6.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry for olive oil can be found in section 4.2. EU olive oil products face MFN tariffs, which are quantity rather than ad valorem. The tariff rate for olive oil is 7 THB per 1 litre.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hocode=1509>

Customs procedures

A list of standard documents required for the import of olive oil into Thailand is presented in Table 4-1 and Table 4-2 in section 4.2.1. Notably this includes an import licence for foodstuffs and a GMP certificate in Thai or English (as olive oil is considered a standardised food).

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hocode=1509&countryid=TH>

SPS measures, standards

Olive oil is a standardised food, and so there is specific legislation covering microbiological and general contamination. However, given this was mainly introduced to standardise informal production inside Thailand, it is unlikely to pose a challenge for goods imported from the EU; and no historical cases of problems with it have been identified for EU exporter.

Up to date information on appropriate documents concerning SPS measures:

⁵⁵ ICEX International trade studies. Olive oil market in Thailand. Executive report 2019. <https://www.icex.es/icex/es/navegacion-principal/todos-nuestros-servicios/informacion-de-mercados/estudios-de-mercados-y-otros-documentos-de-comercio-exterior/index.html>

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1509&countryid=TH#h20>

Labelling

Olive oil labelling has to follow general label requirements set out in section 4.2.3.

5.6.5 Distribution

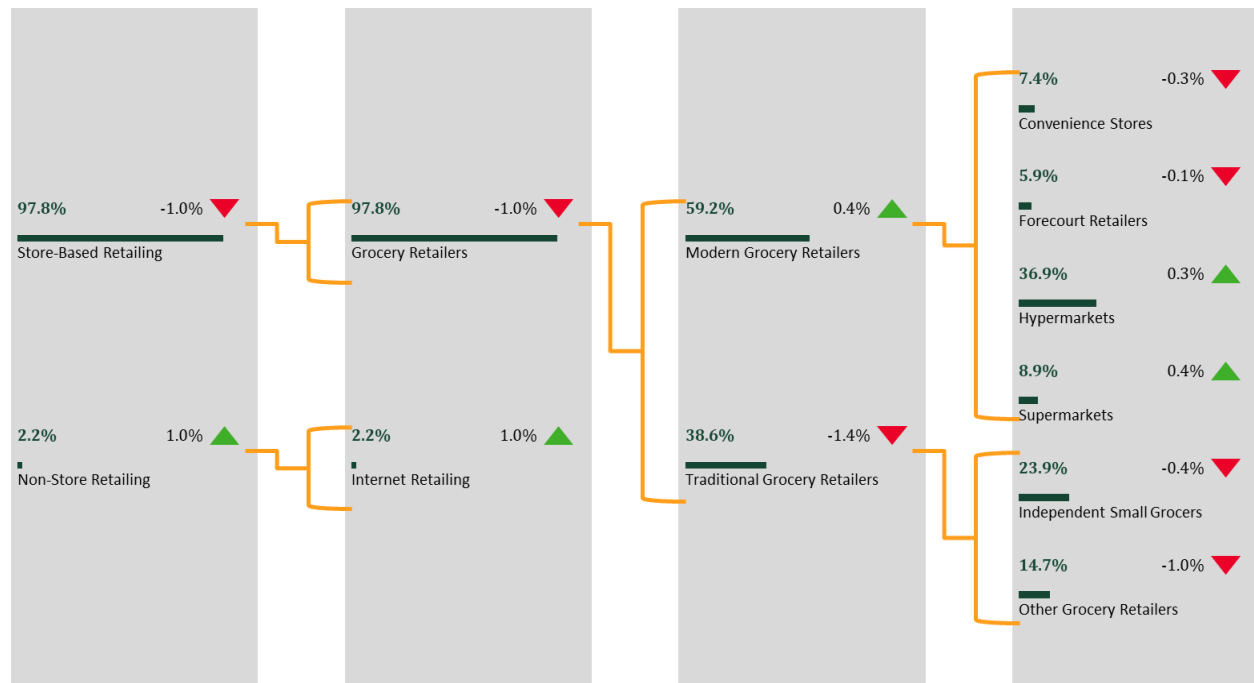
As described in Figure 5-30 distribution channels of edible oils to the final consumer is carried in major proportion (~59%) through modern grocery retail establishments (supermarkets, hypermarkets and gourmet supermarkets). Traditional channels and convenience stores show a rapid decline in the edible oil sales.

Stores with greater variety of imported products located in areas where Thai people with high and medium-high income levels and expatriates reside, attract the major olive oil consumers. Such stores are therefore important for olive oil distribution.

The retail sector in Thailand is highly concentrated in a few companies, some of which manage both supermarket chains and gourmet supermarkets. It has been observed that it is increasingly common for distributors to be interested in incorporating their own white brand of olive oil, which is very competitive in price. Imports of bottled olive oil are made through an importer duly registered with the Thai FDA. Although the regulations do not require it, it is common for importers to demand exclusivity. The import process is not complicated, but it can be time consuming and bureaucratic. Some supermarket and hypermarket chains make direct purchases of olive oil to producers, but for the most part they are purchases of oil to sell under their own distributor brand (private label).⁵⁶

⁵⁶ ICEX International trade studies. Olive oil market in Thailand. Executive report 2019. <https://www.icex.es/icex/es/navegacion-principal/todos-nuestros-servicios/informacion-de-mercados/estudios-de-mercados-y-otros-documentos-de-comercio-exterior/index.html>

Figure 5-30: Distribution channels overview of edible oils (including olive oil) in Thailand (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

5.6.6 Challenges for EU products

The main challenge is that olive oil is a minor product in Thailand, with other oils much more widely used. However, while this market is small, it is rapidly growing, providing significant opportunities as well.

Market Takeaway: Olive oil

Consumption: Relatively small but rapidly growing demand.

Competition: EU is leading in exports, with Spain and Italy leading with a market share of 85%.

Distribution: Store based retailing, mainly in supermarkets and specialist shops located near higher income consumers.

Challenges: Brand promotion and healthy diet tendency is the key point to market differentiation more than price.

Opportunities: The lack of domestic production and the need for imports to satisfy the growing domestic demand. Increased interest in bulk import and bottling in Thailand, including for blending with other oils and for the canning industry

5.7 Chocolate and confectionery

5.7.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Many chocolate confectionery categories are popular. ▪ All chocolate confectionery categories are forecast to grow at generally high rates, as are most sugar confectionery categories. ▪ Thailand is a net importer of chocolate confectionery. 	<ul style="list-style-type: none"> ▪ Chocolate confectionery market value about 60% less than the one for sugar confectionery. ▪ Thailand is a net exporter of sugar confectionery and the EU was only accountable for a small part of the markets value in 2019 of about 8%. ▪ Even though Thailand is a net importer of chocolate, the EU only accounts for 28% of the total imports value.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Countlines, chocolate pouches and bags, tablets, and boxed assortments are the chocolate categories with the best opportunities. ▪ Premiumisation trend is favourable for high-quality EU products. ▪ Health trend is an opportunity for healthier chocolate/confectionery e.g. sugar-free chocolate and medicated confectionery. 	<ul style="list-style-type: none"> ▪ The general price consciousness of consumers can be problematic for higher-priced EU products. ▪ The increasing popularity of local bean to bar chocolate manufacturers/artisans who often use cocoa grown / sourced locally in Thailand.

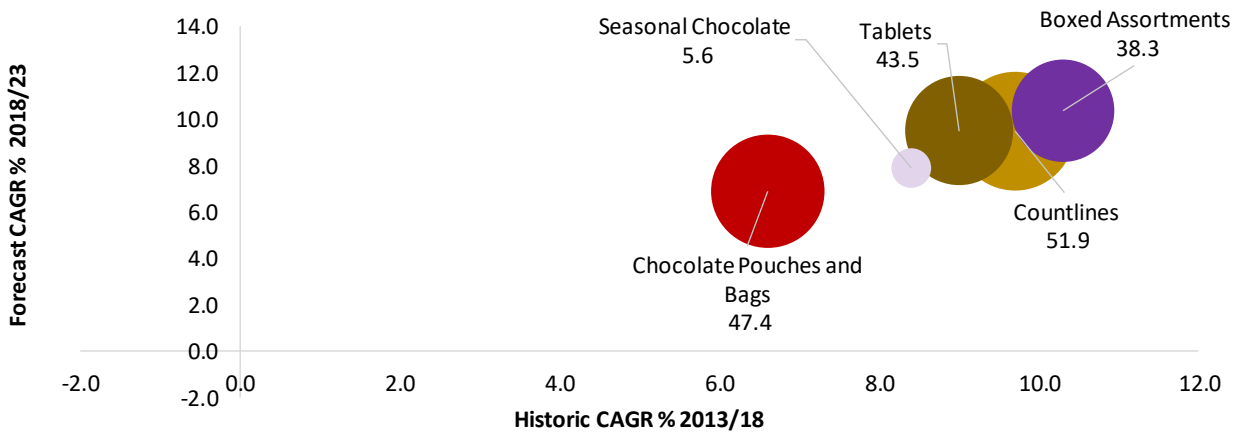
5.7.2 Consumption

5.7.2.1 Evolution of consumption

The total market size of chocolate confectionery in Thailand in 2018 was about EUR 187m (Figure 5-31). The different chocolate confectionery groups countlines, chocolate pouches and bags, tablets and boxed assortments share the biggest market share by value, ranging from approximately EUR 52m in 2018 for countlines to just over EUR 38m for boxed assortments. Thus, four out of six chocolate categories nearly account for the whole market size. The market size of seasonal chocolate was about close to EUR 6m in 2018, whereas the market for chocolate with toys was neglectable. Considering the volume, in 2018 about 7.7m tonnes of chocolate confectionery were consumed in Thailand with countlines, and chocolate pouches and bags being the most prominent ones. Just like the value is forecast to grow, so is the volume of all chocolate categories forecast to grow as well in the same period.

Moreover, Figure 5-31 depicts historic and forecasted CAGR of these chocolate categories. All historic compound annual growth rates (CAGRs) between 2013 and 2018, as well as forecasted CAGRs between 2019 and 2023, are all high and at fairly similar levels both historically and going forwards, with the sole exception of chocolate with toys which did not grow historically nor is it forecasted to grow. The highest CAGR is registered for boxed assortments with a growth rate of 10.4% between 2019 and 2023. The countlines, chocolate pouches and bags, and tablets categories are all forecast to grow at high rates of around 9.5% as well and even seasonal chocolate is forecast to grow at a CAGR of nearly 8%.

Figure 5-31: Evolution and forecast of chocolate confectionery market in Thailand, 2013-2023; total retail value EUR million

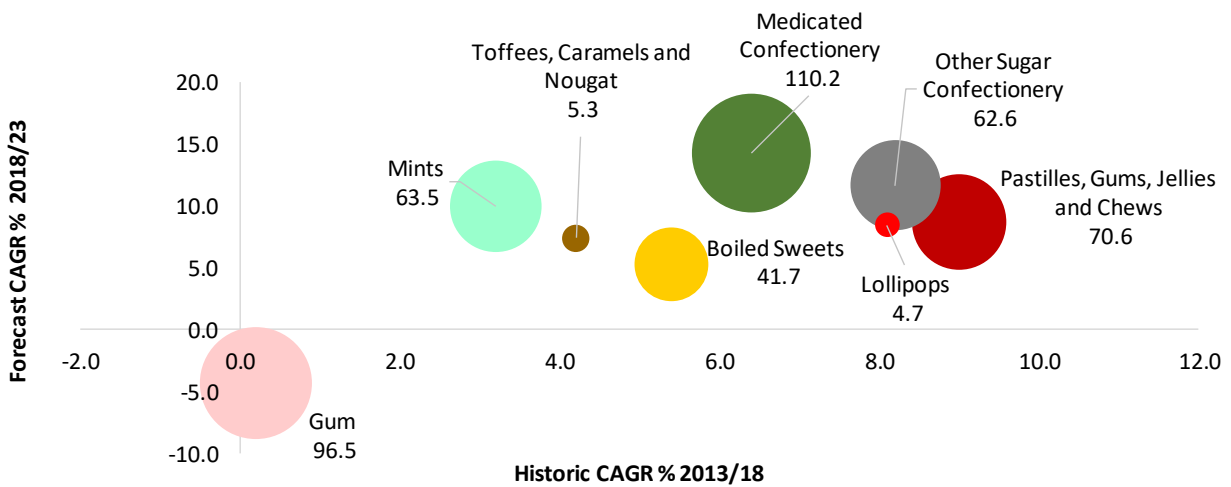


Source: Euromonitor International: Packaged Food, 2020.

The market value for sugar confectionery in 2018 was about 60% bigger than the one for chocolate confectionery at about EUR 455m (Figure 5-32). The two categories with the biggest market share were medicated confectionery with around EUR 110m and gum with just under EUR 97m. These two are followed by pastilles, gums, jellies and chews with close to EUR 71m, mints with nearly EUR 64m and other sugar confectionery with close to EUR 63m. After those categories, boiled sweets followed with about EUR 42m. The three categories with the lowest market share were toffees, caramels and nougat; lollipops, and liquorice, which together only accounted for about EUR 10m. Volume-wise Thailand consumed over 50m tonnes of sugar confectionery in 2018, with pastilles, chews, jellies and mints as well as the category of mints accounting for most volume. In general, the volume of imports is forecast to grow as well between 2019 and 2023.

The historic CAGR's between 2013 and 2018 were at least positive for all sugar confectionery categories, whereas in the forecasted CAGRs between 2019 and 2023 the second strongest category gum is forecast to lose value by 4.3% as depicted in Figure 5-32. This is the only obvious negative change. In general, the forecasted CAGR's are higher than the historic ones. The biggest group (medicated confectionery) historically grew at a rate of 6.4%. This number more than doubled in the forecast. The second biggest CAGR is forecasted for other sugar confectionery with nearly 12%. Liquorice is the only category with a market size of zero and a historic as well as forecasted CAGR of zero as well. All other CAGRs of the remaining categories are forecast to grow at rates between 5% and 10% between 2018 and 2023, which shows strong growth as well.

Figure 5-32: Evolution and forecast of sugar confectionery market in Thailand, 2013-2023; total retail value, EUR million



Source: Euromonitor International: Packaged Food, 2020.

5.7.2.2 Consumer profile and purchase criteria

Consumers

Chocolate confectionery consumers span all age groups as well as social groups, however, there are some differences. Lower-income consumers are more price sensitive and are less likely to consume chocolate confectionery on a regular basis. Millennials, with their rising disposable incomes, form a major group of chocolate confectionery consumers and are moreover interested in innovative and new flavours and brands. The younger population, as well as consumers from most rural areas and lower-income ones prefer local mass-producing brands which offer cheaper products. Another consumer for chocolate confectioneries are tourists coming to Thailand that buy premium chocolates as souvenirs or gifts. Premium chocolates in general, are mostly consumed by the high-income groups and those living in big cities. In general, middle to upper-income consumers, are willing to pay for premium products.

Sugar confectionery products are consumed by any age and social group as well. However, sugar confectionery is popular with young children, teenagers and young adults in particular. Kids enjoy sour candy a lot, while the other young groups mostly rely on medicated confectionery due to the health consciousness and the move away from high sugar consumption. Consumers in general, older generations in general, tend to be brand loyal, as long as product prices fit their budget.

Drivers and method of consumption

Thai consumers see chocolate as a nice treat for themselves and is often consumed at home. Special occasions are increasingly helping to drive demand for chocolate confectionery in Thailand with consumers looking for presents, especially on Valentine's Day and in the run-up to Christmas. Valentine's Day is the leading occasion for gift chocolate confectionery sales, as Thai consumers prefer to give chocolate over other products such as flowers and cards, particularly those in central, north and north-eastern Thailand. The increasing Western culture in Thailand further boosted this trend, as consumers sought new ways including gifting to express their romanticism.

Sugar confectionery consumers buy products either for themselves as a snack and often because of different other functions such as to satisfy their emotion, satisfy cravings, to increase their energy or simply to relax and reduce stress. Sugar confectionery is also bought as a gift for friends or family for special occasions or as a sweet gesture. The sugar confectionery market is moreover largely driven by its popularity among children. Children remained the main consumers of lollipops in Thailand. The relatively low unit price was another key contributor to the category's performance. Sugar confectionery mainly is affordable for mass consumers. Consumers of mint and gums mainly look for functional benefits such as to freshen their breath, to keep themselves awake or the ability to relieve symptoms of cough and cold due to the presence of herbal extracts in them. In the recent years, many Thai consumers switched from chewing gum to alternative products such as mints and medicated confectionery, with the latter not only offering the same breath freshening properties but also having a better image, for example among professionals in a working environment. Gifting is not as common in this segment; however, heart shaped candies stand out in gifting segment, especially during Valentine's Day.

Purchase criteria

Thai consumers pay a lot of attention to the taste of chocolate, in fact, more than most other Asian countries which make taste the number one purchase criteria. Moreover, consumers also value products of good value and such products that trigger their emotions in one way or the other. According to studies, most Thai consumers prefer sweeter chocolate. However, the ongoing health trend fosters the popularity of darker chocolate as well, as it has less sugar and is deemed to be the healthier choice. And thus higher income consumers are willing to pay more for premium brands, organic alternatives, dark chocolates, sugar-free, keto-friendly and vegan options in chocolates. Yet, the price is still important. Lower-income groups cannot always afford chocolate confectionery and thus either buy other goods as replacements or choose smaller sized and thus cheaper package sizes. Moreover, the majority of Thai consumers views international products as being of higher quality and better taste compared to other common local brands. The established presence and strong reputations of these international companies helped them to earn consumer confidence in the product quality offered. Consumers often choose innovative flavours within chocolate confectionery. More specifically, flavour-filled chocolate tablets remain popular due to the ability to enjoy a mixture of flavours with chocolate.

Finally with regard to chocolate, during special occasions such as New Year, birthdays and Valentine's Day, consumers mainly prefer attractive gift packaging. Brands such as Lindt and Mondelez with their special packaging are popular gifting brands during seasonal sales. Packaging, thus, plays a significant role in attracting the interest of customers and impacting their decision.

Within sugar confectionery, consumers are increasingly looking out for low sugar or no sugar options or those with alternative sweeteners. Consumers mainly favour medicated confectionery (as reflected in Figure 5-32), because it is not only deemed to be the healthier choice than ordinary sugar confectionery but also because it often has additional benefits. For example, medicated confectionery can contain herbal ingredients which can relieve throat discomfort and freshen up the breath or vitamins and collagen which are good for body and health in general. Gum is losing its popularity because consumers switch to

medicated confectionery or mints because of their better image. Moreover, this switch is due to the ban on dropping chewing gum in public places. Innovative new products with more diverse flavours as well as sour confectionery are in particular popular with children.⁵⁷

5.7.2.3 Recent market trends

The following are the main recent market trends influencing chocolate confectionery products: new flavours, smaller package sizes, premiumisation and the health trend. New flavours are essential for keeping customers interested, in particular younger customer with less brand loyalty. Millennials are particularly drawn to new and unusual flavours, as this consumer base is attracted to new experiences. Launches also help brands to stand out in a congested market, with players making widespread use of social media to drive interest in these products. For example, Nestlé (Thai) Ltd launched special flavoured Kit Kat Thai tea to attract consumers. The company chose the tea flavour because most people drink a lot of tea in Thailand and so this was seen as a way of trying to customize the product to the local market. Furthermore, as already mentioned before consumers sometimes prefer smaller packages due to their smaller prices. Thus, several manufacturers have been miniaturising their products. Not everyone has the finances to consume chocolate on a regular basis. Leading brands in this development are e.g. international ones such as M&M's, Hershey and Kit Kat.

Although some consumers being very price-conscious, the premiumisation trend also entered Thailand. International premium brand companies such as Royce and Godiva gain popularity, in particular because their high-quality products are still cheaper than artisanal and local high-quality products and on top of that can be bought usually in normal supermarkets. Local premium chocolate became an interesting niche product for higher-income groups that value high-quality chocolate. Moreover, dark chocolate as well as sugar-reduced chocolate is trending because of its healthier ingredients due to the ongoing health trend. Thai Glico Co Ltd for example launched Zero Sugar Chocolate, which is sugar-free chocolate that targeted increasingly health-conscious female consumers.

The recent market trends for sugar confectionery are similar to the chocolate confectionery ones, however the main trend that has effects on all products and brands is the strong health trend. Consumers increasingly pay attention to the amount of sugar they consume, which seemingly makes it not easy for sugar confectionery to maintain their position on the market. Yet, this is not the case as shown in 5.7.2.1 and the sugar confectionery market is forecast to grow in value and volume. One reason behind this is the inventiveness of sugar confectionery producers, who focus on developing new products which are low in sugar or contain other healthy ingredients. In addition, products with unusual flavour varieties are trending as well. For example, the brand Nude Capsule claims to be the first brand to offer not only breath but also belly refreshers, which made their value grow by double digits. Other leading players within sugar confectionery launched creative combinations such as Heartbeat Sour Lemon Lime Salt, Halls XS Colour,

⁵⁷ Euromonitor International: Packaged Food, 2020; APAC not a 'universal market': Asia's multifaceted taste and texture preferences for chocolate, <https://www.confectionerynews.com/Article/2016/09/19/What-are-Asian-consumers-looking-for-in-chocolate-Kadence-research>; Marketing of the functional candy toward Thailand's aging population, http://ethesisarchive.library.tu.ac.th/thesis/2015/TU_2015_5702040196_3479_2381.pdf

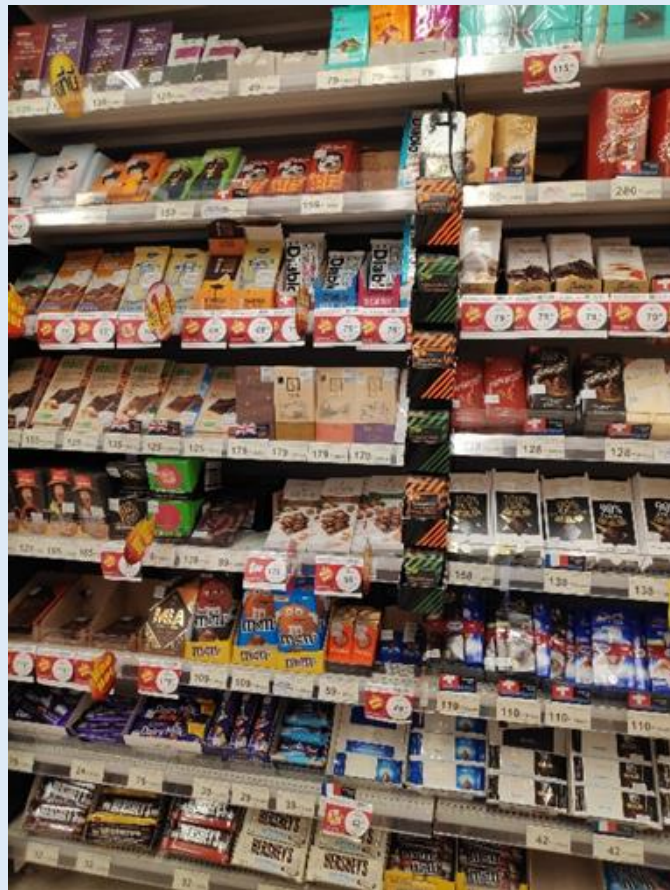
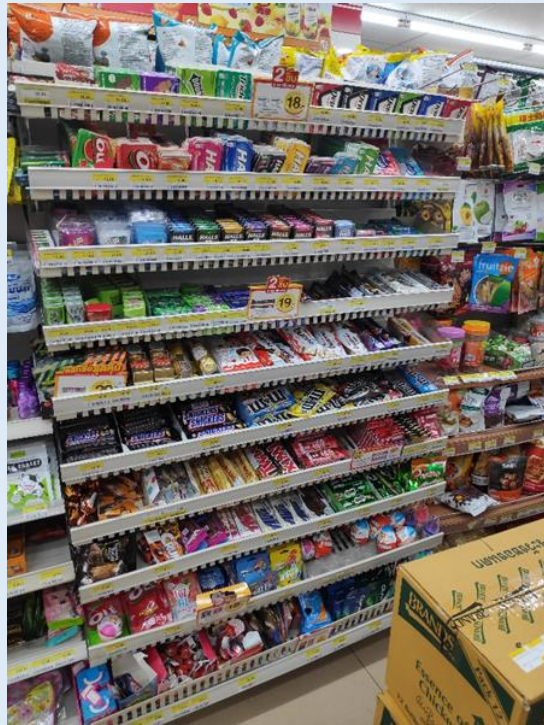
and Halls Blue Soda. Children are particularly attracted to new flavours mainly towards sour varieties such as Skittles Sour and Mentos Sour Mix. To keep the younger generations interested companies moreover increasingly put their efforts into their social media presence, which seems to be successful. Even though the gifting culture is less dominant in the sugar confectionery category attractive packaging during festive seasons can still boost demand.⁵⁸

Chocolate and sugar confectionery on retailers' shelves in Thailand

In general, locally produced chocolates are priced around THB 10-35 (EUR 0.30-0.95) per unit, whereas many imported chocolates which are positioned as "affordable luxury" and are priced around THB 30-45 (EUR 0.80-1.25) per chocolate piece. Thus, imported goods are mainly positioned at eye-sight of consumers, whereas cheaper local products often are placed on lower or higher shelves.

Most confectionery is sold in flexible paper or plastic. In order to distinguish high-quality goods from the mass-produced variants, manufacturers are focussing on packaging designs to attract consumers. This is more common among products such as seasonal chocolate or confectionery. These products usually have a mid to premium position. Imported chocolate tablets from the EU are usually wrapped in paper and have a nice catchy design. Within sugar confectionery, packaging developments are likely to move towards sleeker designs, iconic shapes and better re-sealability as visualised in the pictures below. They need to be designed to be used on the go without the risk of damage.

⁵⁸ Euromonitor International: Packaged Food, 2020



Imported chocolates are commonly used for gifting purposes, especially during festivals such as Valentines, Mooncake festival, Christmas and New Year are expected to have premium and luxurious packaging, which is why they are mainly sold in folding cartons. Personalised boxes and wrappers are also popular, created with the design of customer choice. Such gifts are commonly used for corporate events or as welcome gifts.

Manufacturers use larger pack sizes with small individually-wrapped confectionery items to cater to mindful indulgences as shown in the picture below. The most common promotions for new products are free tasting samples. Other offers include discounts of 10-20%, bundled free toys or “buy one get one free” (BOGOF).



Pictures: © Agra CEAS / Euromonitor International, 2020.

5.7.3 Offer

5.7.3.1 Domestic production

Cocoa has a comparatively short history in Thailand, which is why the chocolate culture is dominated by several international big companies. Besides the general popularity of international companies' consumer also value usually cheaper Thai brands such as Jinny, Bon o Bon or Beng, which together accounted for more than 6% of the total value in 2019. These local brands struggled to establish their reputation and thus, are consumed mainly by low-income segments. However, the artisanal bean to bar chocolate market is getting more popular in Thailand. Local craftspeople which are mainly situated around Chiang Mai and Bangkok, two cities close to areas with local cocoa plantations. Value-added brands are on the rise and events like the weekly chocolate buffet in Bangkok are boosting the business. In Chiang Mai bean to bar brands and companies such as Siamaya, Mark Rin, Clean Chocolate and Aimmika can be found there and others such as Kad Kokoa, Paradai, Shabae Chocolate and Xaconat in Bangkok.⁵⁹

⁵⁹Thailand's Homegrown Craft Chocolate Culture, <https://damecacao.com/thailand-chocolate-culture/>; Cocoa Through the Lens: A Chocolate Revolution in Thailand, <https://www.worldcocoaoundation.org/blog/cocoa-through-the-lens-a-chocolate-revolution-in-thailand/>

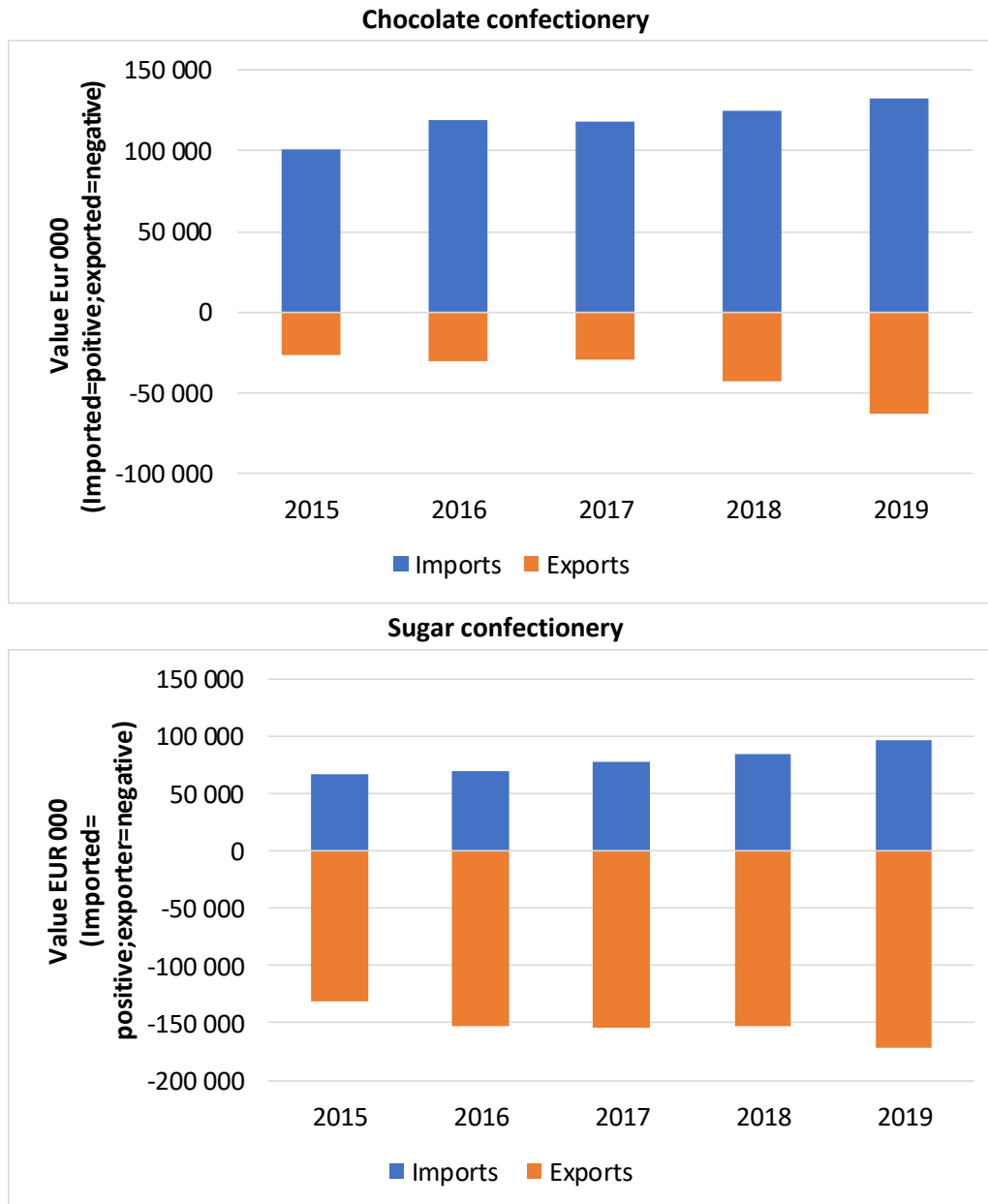
The sugar confectionery market is dominated by international companies such as Mondelez International (Thailand) Co Ltd, Perfetti van Melle Group, and Mars Thailand Inc (in that order). Each of these roughly accounts for between 10% and 20% of the market, and they are producing in the country. Mondelez's dominance is driven by the established presence of its Halls and Clorets brands. Mondelez has two manufacturing sites in Thailand- one in the Lad Krabang Industrial Estate and the other in Khon Kaen. The manufacturing plant in Lad Krabang produces candy (Clorets and Halls) for both local market distribution and export. The factories produce gum and sugar confectionery to export to 10 countries. Of the top 5 brands, only VS Foods Marketing is a Thai company with its Jele brand. The VS Foods Marketing Co Ltd.'s Jele brand is growing faster than ever and in total has four production facilities in Thailand.

5.7.3.2 Imports and exports

Figure 5-33 shows the trade balance graphs of chocolate confectionery and sugar confectionery in Thailand. The country is very clearly a net importer of chocolate confectionery. In 2019 Thailand imported more than double as much as it exported with an approximate value of EUR 132m, while its exports were around EUR 63m. In 2015 Thailand imported chocolate confectionery with a value of circa EUR 119m, which means the market size grew about 11% between 2015 and 2019. Thailand's exports of chocolate confectionery grew from around EUR 27m in 2015 to about EUR 63m in 2019. Thus, the market value increased by about 57% between 2015 and 2019.

On the other hand, Thailand is a net exporter of sugar confectionery as shown in the same Figure (Figure 5-33). In 2019 Thailand exported about 40% more than it imported with an approximate value of about EUR 171m, while it imported close to EUR 97m. In 2015 Thailand exported sugar confectionery with a value of close to EUR 131m, which means the market size grew about 23% between 2015 and 2019. The imports of sugar confectionery rose from about EUR 67m in 2015 to up to EUR 97m in 2019, which means the import market value rose by circa 31%. The growth rate of the value of imports is thus stronger than the one of exports, however, this does not change the fact that Thailand is a net exporter of sugar confectionery. Furthermore, the import market in general grew at a steady pace of between EUR 3m and EUR 8m each year between 2015 and 2019.

Figure 5-33: Trade balance (imports and exports) of confectionery in Thailand, 2015-19; EUR 000



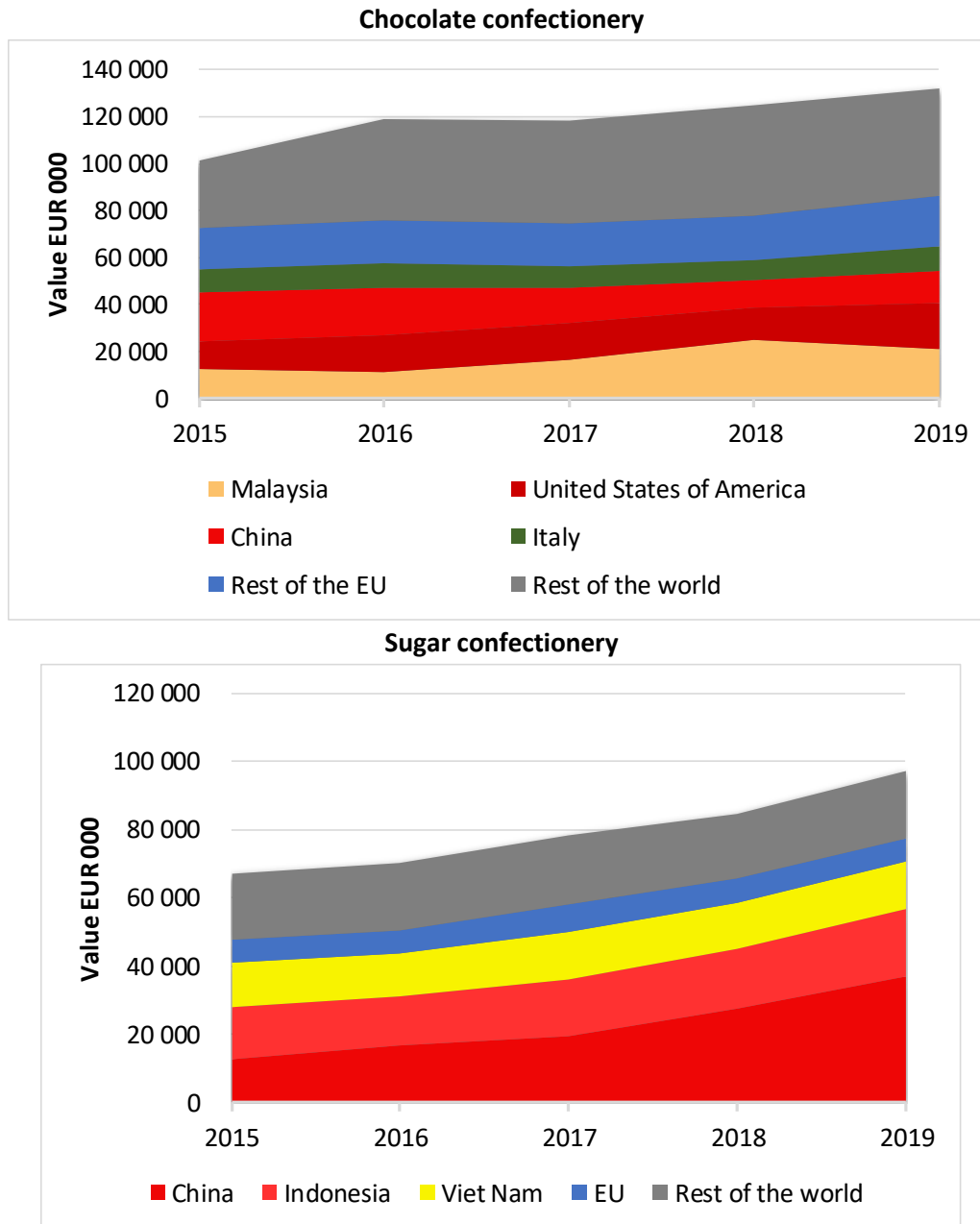
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1806 and 1704.

Figure 5-34 shows the imports of chocolate and sugar confectionery to Thailand by country. Out of the first ten strongest chocolate confectionery exporting countries, three are from the EU. However, the strongest three countries are Malaysia with EUR 21m exports of chocolate confectionery to Thailand in 2019, followed by the USA with about EUR 19m and China with about EUR 14m. Thus, those three countries alone accounted for about 41% of the whole value of chocolate confectionery imports. The EU country with the biggest market value of exports was Italy with circa EUR 10m in 2019. The rest of the EU exported chocolate confectionery worth of approximately up to EUR 27m. All EU countries together

accounted for circa 28% of the total market value, which is way lower than the share of the market value of only the first three strongest countries Malaysia, the USA and China. The graph moreover shows that especially Malaysia's and the USA's export values nearly doubled between 2015 and 2019 whereas China's declined about 1/4th within the same period of time. Italy's export value on the other hand stayed more or less stable.

Moreover, Figure 5-34 depicts the imports of sugar confectionery. In 2019 no EU country was part of the top 10 list of origins of imports in this category. The three biggest origins of Thai imports are China, Indonesia and Vietnam. China was far ahead of the other two with a value of circa EUR 37m of sugar confectionery exports to Thailand in 2019, which is nearly double as much as Indonesia with about EUR 20m and Vietnam with close to EUR 14m. Those three countries together accounted for about 68% of the total market value of sugar confectionery imports, whereas the whole exports from the European Union in 2019 accounted for about 8% (EUR 7.7m) of the total import value of sugar confectionery. Between 2015 and 2019 the value of sugar confectionery exports from China grew by nearly 70%. This big leap forward is easy to see in the figure. Moreover, the value of exports from Indonesia grew by approximately 25%, whereas the value exported from Vietnam stayed at the same level.

Figure 5-34: Thai imports of confectionery by country, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

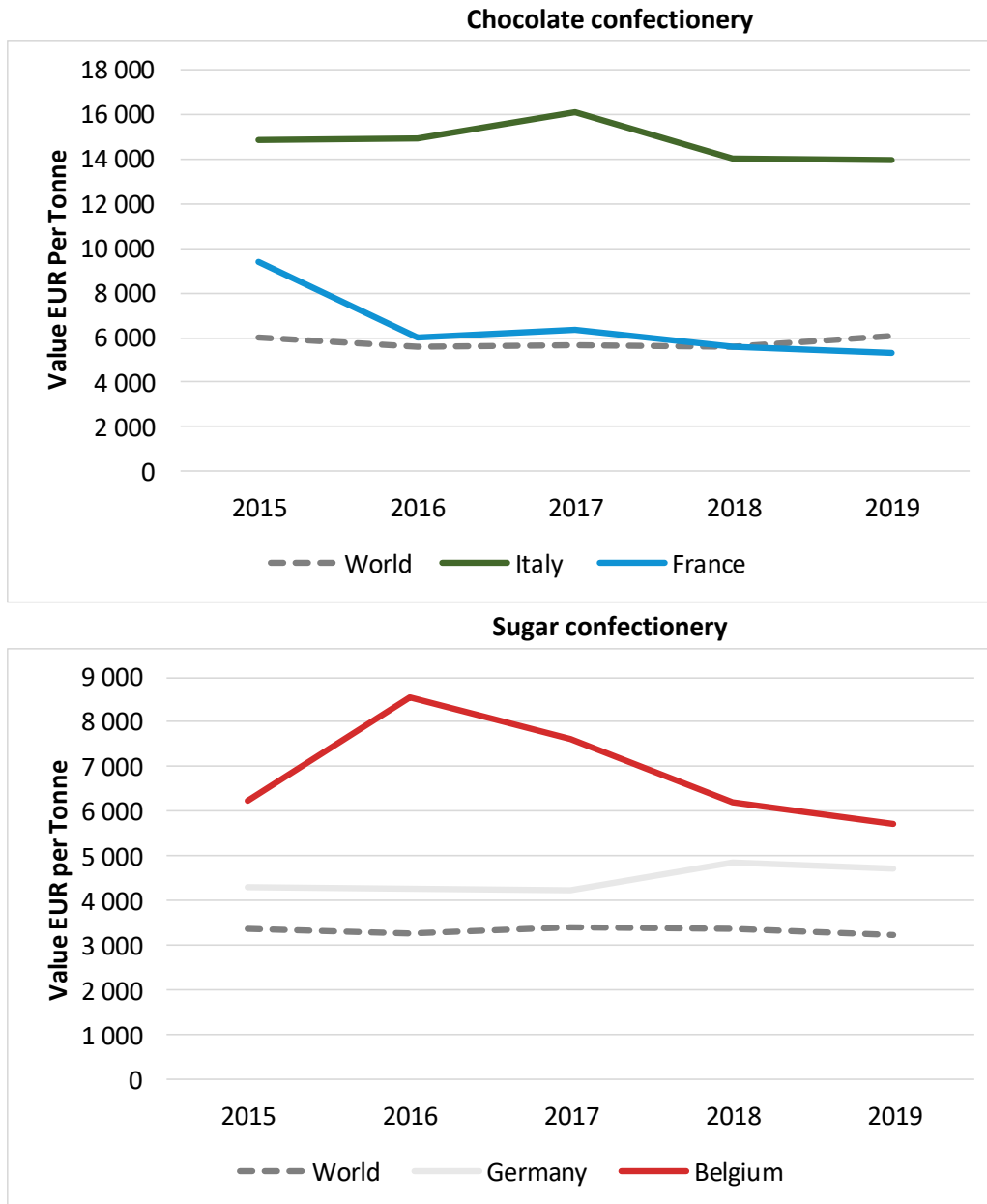
Data for CN code 1806 and 1704.

Figure 5-35 shows the per-unit value of chocolate confectionery and sugar confectionery of certain EU exporting countries in comparison to the world's average. The world's average per unit value of chocolate confectionery stayed more or less stable between 2015 and 2019 at between EUR 5 600 and EUR 6 000 per tonne. The figure shows moreover very clearly that the unit value of chocolate coming from Italy is more than double the world's average, which suggests that Thai consumers see Italian chocolate as a high-quality product, which is worth spending the higher price on. On the other hand, this also suggests

that the volumes exported are more limited. The unit value of chocolate coming from France on the other hand was going down between 2015 and 2019 from EUR 9 400, which was above the world's average, down to EUR 5 300, which is slightly below the world's average. The unit value of the two big exporters Malaysia and China is also below the world's average which again suggests that those countries export a lot quantity-wise, whereas the unit value of chocolate from the USA is close to the Italian one and thus high compared to the average.

In 2019 the world's average sugar confectionery price of exports to Thailand was about EUR 3 200 as shown in Figure 5-35. The unit values of the two biggest EU exporters Germany and Belgium were above this average at circa EUR 4 700 for German products and EUR 9 000 for Belgian sugar confectionery products. The world's average unit value per tonne was more or less stable between 2015 and 2019 but sank about EUR 200 between 2018 and 2019. In general, the unit values from EU sugar confectionery products are higher than the ones of the three biggest exporters China, Indonesia and Vietnam, which are closer to the unit value of the world's average. This suggests that these countries have to export higher quantities of sugar confectionery to achieve their high export values to Thailand.

Figure 5-35: Per unit value of Thai imports of confectionery for selected countries, 2015-19 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1806 and 1704.

5.7.3.3 EU GI products

There are no EU GIs listed for chocolate or sugar confectionery in Thailand.

5.7.3.4 Main competitors

Due to the fact that Thailand is a net-importer of chocolate confectionery, the main competitors are other exporting nations such as Malaysia and China. Other Asian countries often are able to sell their chocolate at cheaper prices, which makes them strong competitors.

In general, the EU is not big in exporting confectionery to Thailand. Sugar confectionery exports only accounted for 8% (EUR 7.7m) and EU chocolate confectionery exports for around 28% (EUR 36m) of market value. The biggest competitor for sugar confectionery is local production, which enables Thailand to even be a net-exporter of sugar confectionery. Most notably, multinational company Mondelez has a regional production hub in Thailand from which confectionery is sent 10 different countries.

5.7.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry for chocolate and sugar confectionery can be found in section 4.2. EU chocolate confectionery products face MFN tariffs of 10 %. Sugar confectionery products face MFN tariffs of 20%.

Detailed information on import duties and Rules of Origin can be consulted on the European

Commission website:

Sugar confectionery:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hscod=1704>

Chocolate confectionery

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hscod=1806>

Customs procedures

A list of standard documents required for the import of chocolate and sugar confectionery into Thailand is presented in Table 4-1 and Table 4-2 in section 4.2.1. Notably this includes an import licence for foodstuffs; and in the case of chocolate confectionery, as it is normally considered a “standardised”, a GMP certificate in Thai or English. While sugar confectionery is generally considered “other food with standardised labelling”, a GMP certificate is not normally necessary but nonetheless it may be prudent to include it if available.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

Sugar confectionery:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1704&countryid=TH>

Chocolate confectionery

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1806&countryid=TH>

SPS measures, standards

Chocolate confectionery is a standardised food, and so there is specific legislation covering microbiological and general contamination. However, given this was mainly introduced to standardise informal production inside Thailand, it is unlikely to pose a challenge for goods imported from the EU; and no historical cases of problems with it have been identified for EU exporter. Sugar confectionery and gum is generally considered “other food with standardised labelling”, and hence there is not the same specific legislation.

It is worth remembering that Thailand has implemented a ban on trans fats (see section 4.2.2).

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1704&countryid=TH#h20>

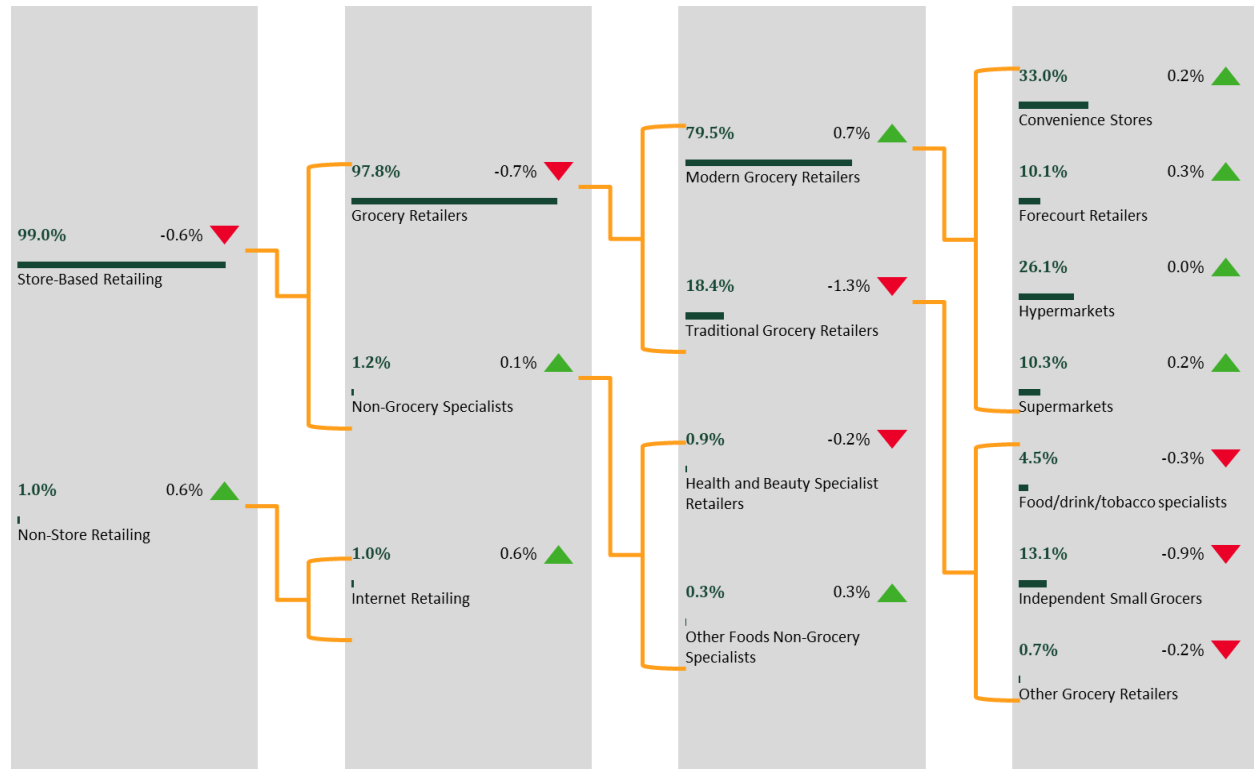
Labelling

Both sugar and chocolate confectionery labelling have to follow general label requirements set out in section 4.2.3.

5.7.5 Distribution

Figure 5-36 shows that most of chocolate confectionery is distributed in store-based retailing with 99%. Thus, having had a positive growth rate of 0.6% internet retailing makes up about 1% in total. Nearly all store-based retailing is done through grocery retailers and only a little bit over 1% is through non-grocery retailers such as health and beauty specialists or other foods non-grocery specialists. Nearly 4/5th of chocolate confectionery products get distributed through modern grocery retailers such as convenience stores, forecourt retailers, hypermarkets and supermarkets, whereas the remaining 1/5th is being distributed through traditional grocery retailers. In 2019 consumers tend to visit modern grocery retailers more often, which made this channel of distribution grow by 0.7%, while the traditional grocery retail channel lost about 1.3% in the same year. The most used outlet in 2019 were convenience stores, which distributed approximately 33% of chocolate confectionery products in Thailand.

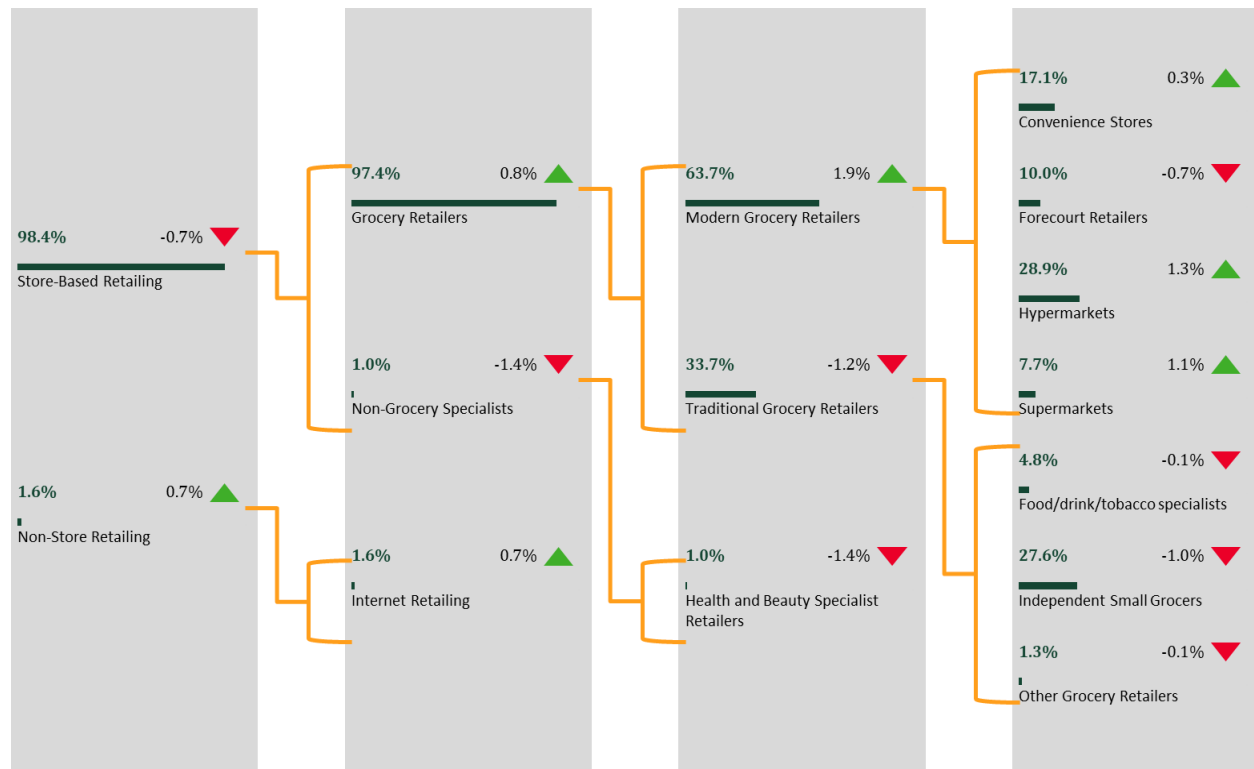
Figure 5-36: Distribution channel overview of chocolate confectionery in Thailand (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

Figure 5-37 depicts the distribution channels of sugar confectionery in Thailand, with the most prominent being slightly different than the ones for chocolate confectionery. The non-store internet retailing of sugar confectionery makes up 1.6% of the retail sector. Most products are sold in grocery retailers. Modern grocery retailers accounted for close to 64% of the retail value in 2019 and traditional grocery retailers for about 34%. The three most prominent outlets were hypermarkets, independent small grocery and convenience stores. Together those three accounted for nearly 74% of the total retail value.

Figure 5-37: Distribution channel overview of sugar confectionery in Thailand (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

5.7.6 Challenges for EU products

Challenges for EU products to enter the confectionery market in Thailand are high. The EU does not export a lot of chocolate or sugar confectionery to Thailand compared to other countries. In particular, products from other Asian countries seem to be popular due to several reasons. One reason for their popularity are their cheaper prices. For sugar confectionery, domestic production is high. Moreover, the market is dominated by big international companies such as Nestlé, Mars or Mondelez which are by far consumers favourites. In addition, it is not easy to reach half of the Thai population because many people live in rural areas and do not necessarily have access to exported chocolate and sugar confectionery products.

Market Takeaway: Chocolate and confectionery

Consumption: Both sectors, for chocolate and sugar confectionery, are forecast to grow in value as well as in volume terms, with high forecasted CAGRs for both. Medicated confectionery is very popular.

Competition: Competition is high. The market is dominated by international companies producing locally as well as bigger local producers. High-quality artisanal chocolate manufacturers grow in numbers as well.

Distribution: Store based in modern grocery retailers mainly in convenience stores for chocolate confectionery and in hypermarkets and independent small grocers, which is a traditional grocery outlet for sugar confectionery.

Challenges: It is not easy to compete with big international players and the many other countries which export chocolate and sugar confectionery at comparatively low prices.

Opportunities: The premiumisation trend in chocolate confectionery is a good opportunity. The health trend is an opportunity for chocolate and sugar confectionery. Moreover, there are some opportunities for innovative products with interesting flavours.

5.8 Beer

5.8.1 SWOT analysis

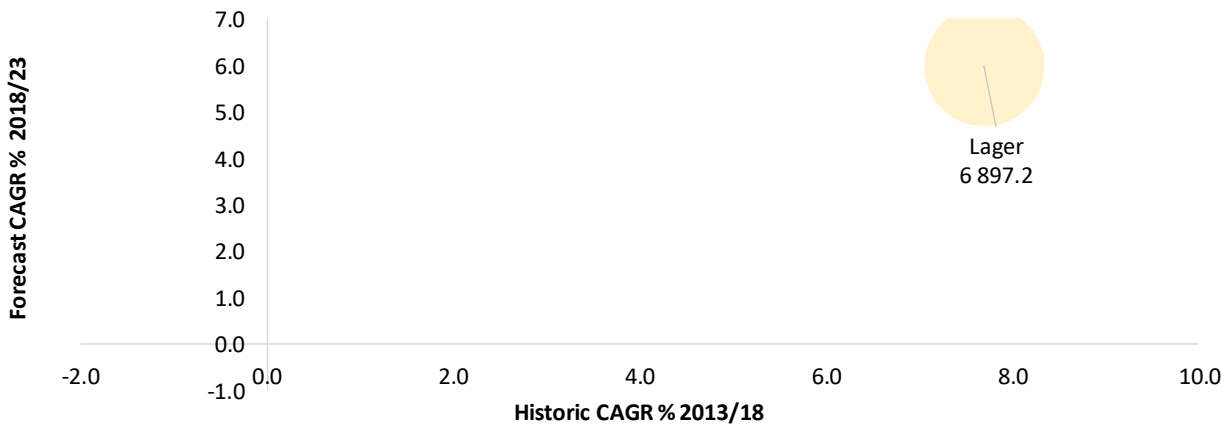
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Thai consumers are amongst the highest consumers of beer in the south east Asian region. ▪ Rising incomes in the country allow for consumers to purchase imported beers with interest driven by curiosity. ▪ Thailand welcomes a large number of tourists from Europe each year. 	<ul style="list-style-type: none"> ▪ Thailand's domestic market is dominated by two domestic companies, Boon Rawd and Thai Beverage. ▪ Excise taxes make EU products more expensive than domestic products.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Thai consumers are increasingly demanding healthier beer options such as alcohol free-alternatives and organic beer, neither of which is largely produced in Thailand. ▪ Non-lager beers have yet to penetrate the Thai market with EU producers of stout and even potentially cider entering an untouched market. ▪ Thai consumers are very brand conscious and Thai consumers who become accustomed to EU beers will likely continue to purchase them to some extent regardless of price. 	<ul style="list-style-type: none"> ▪ The Thai government has implemented regulations with specifically aim to curb beer alcohol consumption. ▪ Vietnam is increasing its beer production and is the largest exporter of beer to Thailand. ▪ Labelling laws can be difficult to interoperate and comply with for EU producers.

5.8.2 Consumption

5.8.2.1 Evolution of consumption

As shown in Figure 5-38, lager is by far the largest consumed beer in the country with a total value of EUR 6.9 billion and is expected to grow at a CAGR of 6% for the forecasted period up until 2023. This is due to heavy drinkers of beer however the product is the second largest alcoholic product consumed in Thailand in pure alcohol terms, accounting for just under 30% of consumption, a long way behind spirits which account for all but a fraction of the rest. Thailand however is one of the largest consumers of beer per capita in the south east Asian region with consumers consuming on average 27 litres of beer per year. Non-Alcoholic beers are growing in popularity but have yet to penetrate the market at a significant scale.

Figure 5-38 the beer market in Thailand (value, EUR million); 2013-2023



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.8.2.2 Consumer profile and purchase criteria

Consumers

- Domestic beer is popular with the locals.** Thailand is a large producer of beer which translates to local beer being prevalent in retailers and foodservice operatives. The largest three brands in Thailand are Singha, Leo and Chang which all enjoy a local following amongst Thai consumers for their taste and price. These beers are almost marketed very well to Thai consumers with Singha deriving its name from the Sanskrit word for Lion, and is the name of a mystical beast in the Hindu religion, Chang is the Thai word for elephant which as previously mentioned in 3.3.2.4 is a national symbol in the country. Finally, Leo has a Thai tiger as its logo. Thai consumers of all incomes will purchase domestic beer and the beer produced in Thailand is generally perceived to be of a good quality by local consumers. Other domestic beers with a significant following in Thailand include Phuket Island, Tiger and Archa. In terms of volume within lager, which comprises over 99% of total beer sales, 2.0 billion litres of lager consumed are from domestic brands compared to just 3.3 million litres of imported brands. Therefore, the vast majority of beer consumption in Thailand stems from local production.
- Demand for alcohol free variants are increasing.** Despite not impacting the market significantly yet, consumers are increasingly seeking out alcohol free variants of their favourite beers as a result of a mix of increased government advocacy against alcohol consumption and the rise in health consciousness among consumers. Demand for alcohol free beers is expected to grow in Thailand. Brands like Bavaria and Heineken have recently introduced alcohol free variants of their products to the Thai market to address demand by consumers and it is expected many other producers will follow suit.
- Premium beer is growing in popularity.** The demand for premium beer is growing in Thailand due to combination of factors which include a rising urbanising population with higher purchasing power and consumers increasingly paying more attention to quality over quantity. Commonly

now a set of Thai consumers will pay particular attention to both the flavours of the beer they are thinking of purchasing and the alcohol level of the beer which is an increasingly important metric in the decision making process for Thai beer consumers.

Drivers and method of consumption

Key drivers are:

- **The influence of climate.** Thailand is a tropical country and extremely humid which corresponds to the demand for cold beverages in the country. As a result, it is not uncommon for ice to be served in beers purchased in bars and restaurants, regardless of whether it was requested or not. The climate makes an ideal environment to drink cold beers and helps to spur growth in this sector.
- **Thais increasingly enjoy beer consumption to interact and relax.** While beer is not consumed to the same level as spirits, it is however increasingly common for Thais to enjoy a beer with their meals. Sharing is a key trait to the drinking culture of Thailand, and it is uncommon to find a Thai consumer drinking beer alone as the product has largely been associated with gatherings such as work events or meals. Like many events, keeping face during drinking beer is important and it will be very uncommon for Thais to drink an amount that causes them to act inappropriately; drunken behaviour is largely shunned in Thailand.
- **The influx of tourism.** Tourist have been flocking to Thailand for decades with a total of 38 million people travelling to Thailand in 2018. This compound the consumption of both local and international beers. Tourist hotspots such as Pattaya and Phuket have marketed themselves as party hotspots which corresponds to the consumption of alcohol being associated with these cities. As there are many tourists from the west arriving in Thailand it is common for many cultural centric bars to exist such as British, Irish and Spanish bars which will typically stock up on beers from these countries.

Purchase criteria

Locals make little distinction between domestic and imported beers in relation to their premium product perception and as a result imported beers do not have the luxury of automatically leveraging themselves as a premium brand. The production of high-quality beer already in Thailand makes this even more difficult to do. Excises taxes on imported beers also drives up the costs of them which makes the consumption of imported beers almost exclusive to tourist or Thais with an acquired taste for them, given that Thai consumers pay attention to the value for money they receive. Economy beers, the most popular given the price-quality rapport that Thai consumers focus on, are dominated by domestic beers with Leo and Chang largely meeting the demand for economy beer in the country.⁶⁰

Beer on retailers' shelves in Thailand

Imported beer tends to be premium in Thailand with prices varying depending on location and the influx of tourism into the region, typically however across Thailand imported beer will cost in the range

⁶⁰ Euromonitor International: Alcoholic Drinks, 2020; https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/Studie%20Beer%20Markt%20in%20Thailand.pdf

of THB 100 to 200 (EUR 2.70 to 5.40) for 330 or 500ml As shown in the images below, brands like Heineken are popular in retailers and the non-alcohol variation is presented beside standard Heineken. Bottled Belgian beer is also popular and feature prominently amongst other international brands from both the EU and further afield.



Beer cans come in a variety of amounts as shown below, with the most common beer coming in a 500ml can with other varieties including Heineken's 330ml, and bottles which are also generally around 330ml, much like in Europe. Packaging of beer will typically entail a country of origin on European products with connotations such as "German malt" and "Royal Dutch beer" typically being shown along with the brand of beer itself along with a variation of some national insignia such as a royal crown. In regard to

bulk buying beer, they are typically sold in packs of 6 with packs of 12 and 24 also being available for imported beers. Imported beers are typically sold in the same variety and manner as in Europe which has been adopted by domestic beers which leads to ease of purchasing for Thai consumers.



Pictures: © Agra CEAS / Euromonitor International, 2020.

5.8.2.3 Recent market trends

As stated previously the government has been gradually implementing new measures to curb the consumption of beer in Thailand. New taxes and the restriction of sales to certain times of the day have had an impact which explains why the Thai beer market had a negative growth rate in 2018. As these measures begin to become widely accepted and Thais adjust the consumption and shopping habits to become accustomed to the new measures, it is expected that beer sales in Thailand will grow in the country going forwards. The tourist sector and a rising urban population will help to compound the growth of beer sales in the country. Lager will remain the most popular by a large margin with health-conscious beers such as organic or alcohol free alternatives expected to capture a segment of the market in the future. With regards to the latter, while alcohol free very much remains a niche, it is a growing one as witnessed by the multiple foreign based producers moving into the niche of late, and the increasing availability of alcohol free beer in supermarkets.

Consumers' demand for new flavours and varieties different from a standard lager is increasing, and the local craft beer industry is a result of this. The craft beer category is also benefiting from rising purchasing power and the preference for premium products, especially among the urban youth who are eager to try out novel flavours. As a result of this, there has been the emergence of craft beer bars in Thailand, which offer a variety of both local and foreign craft beers. Imported beers have increasingly targeted supermarkets of late in an attempt to take advantage of two trends: (1) the consumer demand for different flavours and (2) the increase in popularity of home drinking.

5.8.3 Offer

5.8.3.1 Domestic production

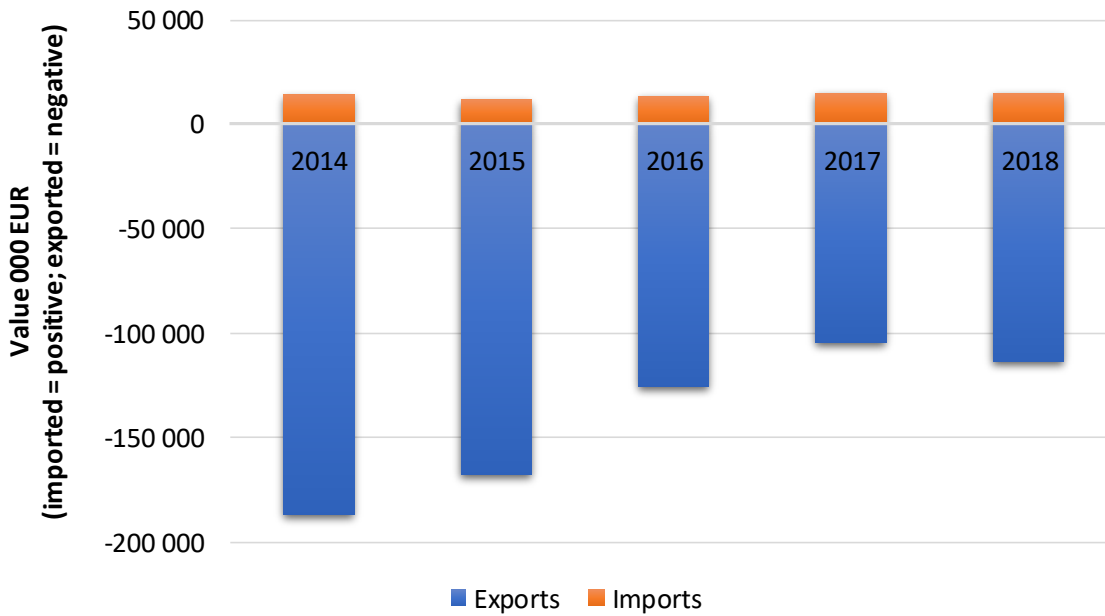
The domestic production of beer in Thailand is dominated by two large companies, Boon Rawd brewery and Thai Beverage. The two companies are responsible for the most popular Thai beers with Thai beverage producing Chang beer and Boon Rawd producing Leo. Together both these companies account for 93% of the Thai beer market. The only other notable company is Thai Asia Pacific brewery which has a 5% share of the market and is mostly known for producing San Miguel Thailand. Craft beer had been growing in Thailand, however new measures from the government which saw the introduction of a law which stated only brewers producing 100 000 litres of beer combined with a paid-up capital of THB 10 Million (EUR2.7 Million) can obtain a brewing license. As a result, many smaller craft beer brewers have been snapped up by larger players in the Thai market.⁶⁰

Domestic crafter beers occupy less than 1% of the market, with around 50-60 main brands. Despite this, consumers' demand for craft beers continues to grow as they seek newer flavours and varieties different from a standard lager; and craft beer production is expected to increase in line with this.

5.8.3.2 Imports and exports

As observed in Figure 5-39 Thailand overwhelmingly exports more beer than it imports, though the gap between exports and imports reduced somewhat over the period 2015-19. This is a combination of the factors stated in 5.8.2.2 and the popularity of Chang, Singha and Leo in countries outside of Thailand.

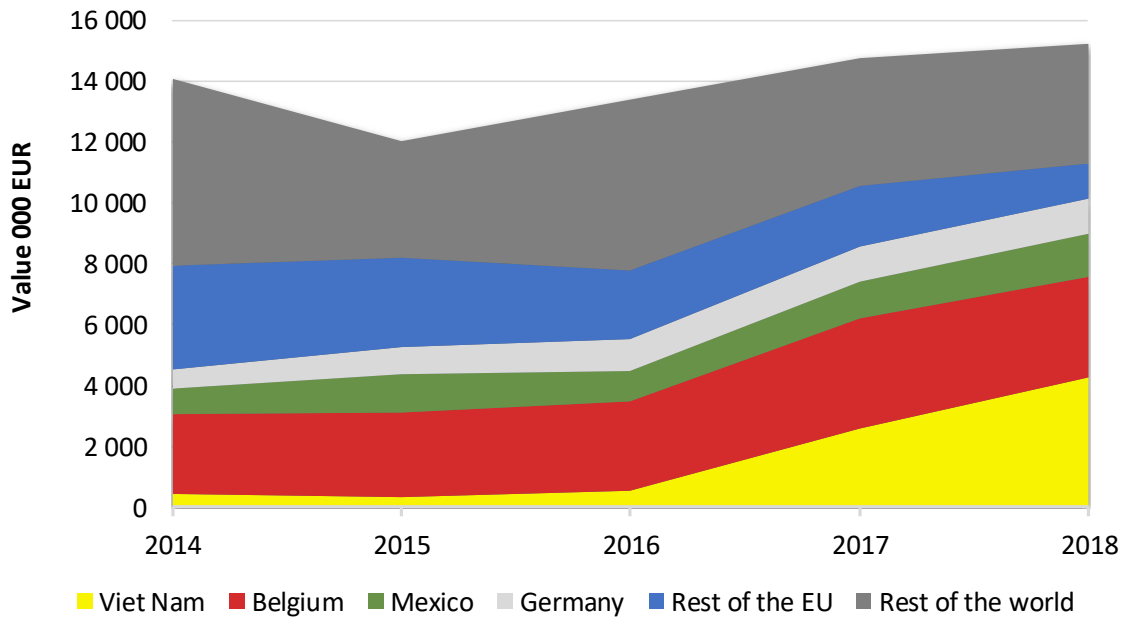
Figure 5-39: Trade balance (imports and exports) of beer in Thailand, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2203.

Thailand imports its beer from a variety of different markets which is reflective of the demands from the many tourists that enter the country and growing curiosity amongst Thai consumers. As observed in Figure 5-40 Vietnam is the largest exporter of beer to the country with a total value of EUR 4.2 Million. Belgium is the second largest with a total value of EUR 3.3 Million followed by Mexico with a total value of EUR 1.4 million.

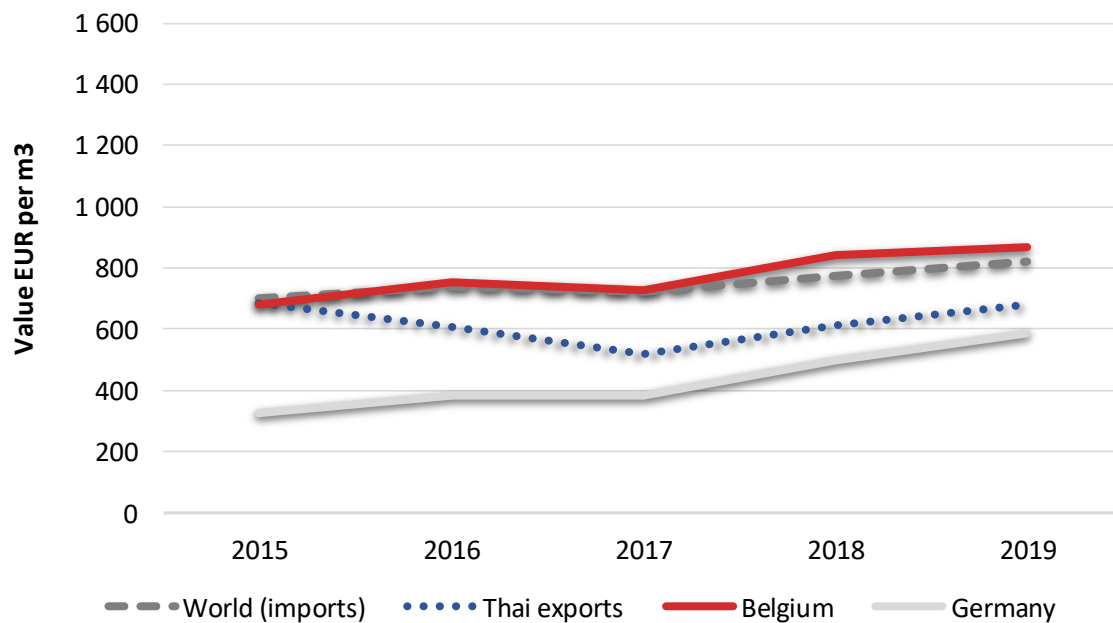
Figure 5-40: Thai imports of beer by country, 2015-19; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 2203.

As shown below in Figure 5-41 the unit value of beer from both Belgium is high, while Germany's is somewhat lower. The introduction of new taxes potentially explains the bump from 2017.

Figure 5-41: Per unit value of Thai imports of beer for selected EU countries, 2015-19 (EUR per m3)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2203.

5.8.3.3 EU GI products

No EU beers are registered as GIs in Thailand.

5.8.3.4 Main competitors

The main competition for EU producers comes from the already well established and dominant domestic players in the Thai market. Two companies Boon Rawd brewery and Thai Beverage hold 93% of the market share in the country and have well established supply links with Thai retailers and food sellers. Imported beers also lack the distinction of a premium product over domestic ones which is often afforded to them in different markets but not in Thailand which produces its own beer that is classified and roundly perceived by consumers as premium. Vietnam provides limited competition for EU producers as they are the biggest exporter of beer to the country but it is important to note that despite being the biggest beer exporter to the country, the total value of Vietnamese beer exports to Thailand is just EUR 4.2 Million.

5.8.4 Specific market entry requirements

Market entry and access

All general rules about market access and entry of beer can be found in section 4.2. Most notably, an import permit for alcoholic beverages is required; and in order to obtain this, there is a requirement to secure a certificate of analysis (COA). This COA requirement remains contentious, however (see also section 4.3.4); and in view of this contention, its full implementation has been postponed several times, with the option to perform the necessary analysis in the 30 days after import offered in the interim. In view of ongoing discussions around the COA requirement, if working with a local importer or partners, it

is recommended that they be consulted for the latest status with the COA requirement prior to sending any shipments.

EU beers entering Thailand face MFN tariffs of 60%.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hscod=2203>

Customs procedures

A list of standard documents required for the import of beer into Thailand is presented in Table 4-1 and Table 4-2 in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2203&countryid=TH>

SPS measures, standards

As noted above, the requirement to obtain a certificate of analysis prior to import has been introduced in Thailand. Quality standards were also introduced in June 2019. An unofficial translation of the notification introducing these can be found at the following link:

https://members.wto.org/crnattachments/2019/TBT/THA/19_3488_00_e.pdf

It includes maximum levels for chemical attributes (ethyl carbamate and methyl alcohol); food additives (sulphur dioxide); and contaminants (arsenic, lead, copper and ferrous contaminants). It is strongly recommended that the notification be consulted for full details on the maximum levels and necessary test methods.

As noted in section 4.3.4, the COA requirement and quality standards have been the subject of dispute as they are not considered to align with international or European alcohol standards.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2203&countryid=TH#h20>

Labelling

As noted in section 4.2.3, beer in Thailand need to bear the following information on the label:

- product name
- the alcoholic percentage
- size of the bottle / container
- name / address of the importer
- name / address of the manufacturer

- a government approved and distinguishable warning message.

It should also be noted that labelling requirements for alcoholic beverages were also updated through the Notification of Alcoholic Beverages Control Re: Rules, Procedures and Conditions for Labels of Alcoholic Beverages (2015). However, this legislation has been the subject of some contention, as noted in section 4.3.4. Key issues perceived with this legislation are:

- the lack of clarity relating to the messages permitted or prohibited on the label
- the effective prohibition of the use of cartoon images, quality or certain statements such as “premium”
- the potential for different interpretations of the above points and other elements of the legislation.

In view of the uncertainty and ongoing discussions around the situation with alcohol labelling laws, if working with a local importer or agent it is recommend that they be contacted for the latest status and local interpretation.

Finally, as explored in section 4.2.3 it is worth remembering:

- There are considerable restrictions on the advertising of alcoholic beverages
- There have been discussions on graphic warning labels on alcoholic beverages, though legislation for this has not yet materialised.

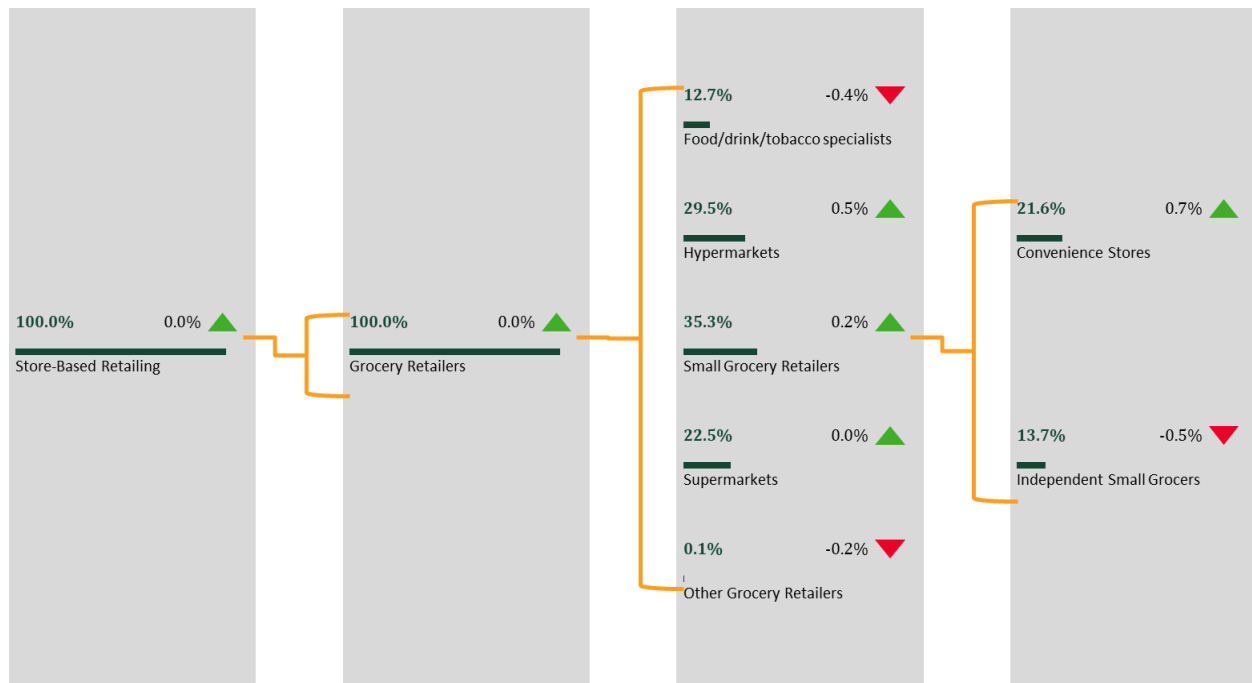
Up to date information on appropriate documents concerning labelling measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2203&countryid=TH#kap92>

5.8.5 Distribution

Off-trade distribution is the largest form of beer distribution by volume in Thailand at 67%. As illustrated in Figure 5-42, all beer purchased from the off-trade distribution channel come from grocery retailers, with small grocery retailers being the largest distributor at 35% of sales. Supermarkets and hypermarkets are a growing channel for beer distribution with hypermarkets accounting for roughly 30% of sales and supermarkets at 23%. Convenience stores which are growing in Thailand is a growing distribution channel with retailers such as 7/11 with manufacturers looking to these outlets to achieve stronger consumer awareness of their brands. On-trade sales account for 33% of beer sales in Thailand with the many bars and restaurants in both urban centres and touristic hotspots compounding the sale of beers through this distribution channel.

Figure 5-42: Distribution channel overview of beer in Thailand (2018); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.8.6 Challenges for EU products

Several challenges exist for EU producers seeking to enter the Thai market, though the biggest one is probably the massive, high quality domestic production of beer. Indeed, as a general rule Thai consumers do not consider imported beer to be superior to quality domestic production; causing challenges for imported beers to differentiate themselves given their normally higher price tag. Vague and unclear labelling laws make it difficult for EU producers to comply with Thai regulations. Thai consumers are increasingly demanding health conscious products such as organic beers and non-alcoholic alternatives with present small windows of opportunity for EU producers to enter the Thai market.

Market Takeaway: Beer

Consumption: *the second most consumed alcoholic beverage in Thailand. Consumed across Thailand with urban centres and touristic hotspots being notable areas of consumption.*

Competition: *Large domestic production of high-quality beers in Thailand with two companies Boon Rawd and Thai beverage capturing 93% of the market share in the country.*

Distribution: *Distributed through grocery retailers in the country which account for 66% of beer sales. The large number of touristic hotspots and rising urban centres has allowed on-trade sales through bars and restaurants to reach 33% of the distribution of beer in Thailand.*

Challenges: *Unclear labelling laws make it difficult for EU producers to comply with Thai regulations; this combined with excise taxes on imported products and massive domestic production make entering the Thai beer market challenging.*

Opportunities: *The rise of a health conscious population which is demanding healthier beer options such as organic or alcohol free beers present a window of opportunity for EU producers as these products aren't products on a large scale in Thailand.*

5.9 Pet food

5.9.1 SWOT

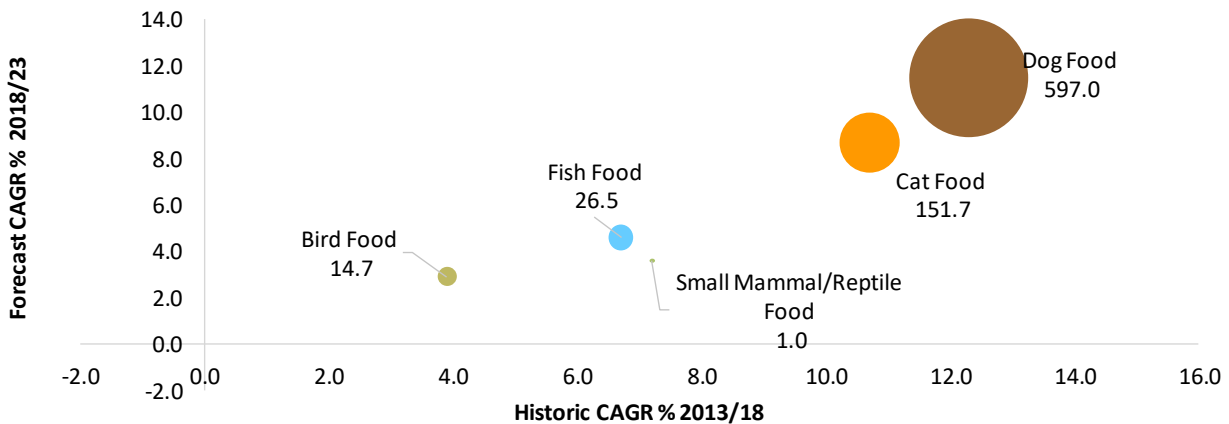
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Pet ownership is growing quickly in Thailand. ▪ Social media is growing in Thailand and posting content in relation to pets is popular, and increases ownership. 	<ul style="list-style-type: none"> ▪ Domestic production is very high and producers can meet economy pet food demands, plus export huge quantities. ▪ The legislative framework is opaque and evolving.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Eccentric pet ownership such small reptiles is growing, providing niche opportunities. ▪ An urbanising environment is helping to increase the rate of pets that adapt to these environments such as cats, guinea pigs and small reptiles; and hence demand for pet food for these. 	<ul style="list-style-type: none"> ▪ Domestic producers have shifted to the production of premium pet foods, which were traditionally imported, eating into the remaining niche for imported pet food.

5.9.2 Consumption

5.9.2.1 Evolution of consumption

As illustrated in Figure 5-43, dog food is by far the largest valued pet food product in Thailand with a market value of EUR 597 million. Cat food is the second most valued pet food product in the country but significantly lags dog food with a market value of EUR 151 million. Fish food have a market value of EUR 26.5 million, however it is important to note that fish food is typically cheaper than dog and cat food. Bird foods had a value of EUR 14.7 Million. As pet ownership is growing in Thailand it is expected that all the categories will grow in value up until the forecasted period of 2023. With dog food expected to grow at a CAGR of 11.5% and cat food at a CAGR of 8.7% these two products will grow the fastest with fish food having a CAGR of 4.6% and bird food a CAGR of just 2.9%.

Figure 5-43: Evolution and forecast of the pet food market in Thailand, 2013-2023; retail value EUR million



Source: Euromonitor International: Pet Care, 2020.

5.9.2.2 Consumer profile and purchase criteria

Consumers

The consumers purchasing pet food are inevitably determined by the animals owned. Typically, younger consumers will be more likely to have pets as the negative connotations that were traditionally attached to having pets has little influence on this segment compared to older consumers.

- **Dogs are the most popular pet**, and as a result dog food is the biggest single pet food market bought in the Thai market. Dog ownership is compounded by a general acceptance amongst the Thai population of pet dog ownership. Traditionally dogs were associated with violence and disease (e.g. rabies), however this stigma from consumers has generally faded in recent years.
- **Cats are the fastest growing pet**. While cat ownership lags far behind dog ownership and this is unlikely to change in the immediate future, they are the fastest growing pet with many Thais appreciating the low maintenance and convenience of cat ownership. Cats require less space and are generally able to care for themselves, and these are traits appreciated by Thais, especially in tighter urban environments.
- **Other pets remain largely a niche**. Outside of cats and dogs, the ownership of alternative animals as pets is small in Thailand. Small reptiles and birds have a small following compounded by social media which encourages more eccentric Thais to house these animals as pets. Small gatherings of pet owners of these animals do occur in Thailand; however, attendees tend to be few, reaffirming the niche nature of these pets.

Drivers and method of consumption

The number and nature of pets are key drivers for demand for pet food. More specifically:

- **General acceptance of pets**. Pet ownership was not a common thing in Thailand until recent years with many followers of the Buddhist religion refusing to have pets due to the view of the religion on animals. Recently, however it has become more acceptable to have pets and it is no longer an

uncommon occurrence. Furthermore, businesses and organisation will generally accept pets on site in their establishments which represents the wider acceptance of pet ownership amongst the Thai society. This in turn inevitably drives pet food demand.

- **A rising urban environment.** As the population of Thailand is gradually shifting from its currently spilt rural and urban population to an increasingly urban population the appeal of pet ownership is rising for animals such as cats and guinea pigs which have lower maintenance for owners and generally take up a small amount of space. Fish have also become quite popular in office spaces and households as smaller pets accustomed to an urban environment. Furthermore, this drives demand for commercially prepared pet food over homemade.
- **Social Media compounds pet ownership growth.** The role of social media in influencing pet ownership is large in Thailand. This is particularly true for cat ownership as many Thais with cats will post content in relation to their cats on their social media feeds in a trend that is popular in the country. Once again, this trend is a tailwind for commercially prepared pet food. Companies have caught on to this trend and it is not uncommon for large pet food produces to advertise their products through sponsorship agreements with cat owners that have garnered a large following on social media.

Purchase criteria

Pet owners in Thailand will generally spend a significant amount of their income in the healthcare, wellbeing and general maintenance of their pets. The importance of price as a purchase criterion varies. Local producers can usually produce and sell their products on the market and a cheaper price the imported products which gives them a pricing advantage appreciated by many consumers. However it is not uncommon for some Thais to spend more on imported product due to a perceived quality advantage from them over domestic products.⁶¹

5.9.2.3 Recent market trends

As touched on in 5.9.2.2, the role of social media coupled with the gradual acceptance of pet ownership in Thailand have been the two defining trends in the pet food sector of the country. Pet animals no longer have negative connotations attached to them and pet ownership is generally accepted in the country. Social media is helping to drive pet ownership as many Thais will take to social media to upload content in relation to their pets, as a result a small following surrounding pet ownership has emerged in the country. It is expected that, as the population continues to urbanise that pets more accustomed to urban environments such as cats, fish, guinea pigs and small reptiles will grow in ownership; however, dogs will remain the most popular pet in the country as a whole.

⁶¹ Euromonitor International: Pet Care, 2020; Ups and downs of owning pets in Thailand, Tieland in Thailand, Available at <https://www.tielandtothailand.com/ups-downs-owning-pets-thailand/>

5.9.3 Offer

5.9.3.1 Domestic production

Thailand is a major producer of pet food, with a large volume being exported and the availability of raw materials helping boost production. The list of companies that export pet food from Thailand gives an idea of the extent of production (<http://en.dld.go.th/index.php/en/imports-exports/list-of-companies-that-export-petfood>). Most of the pet food consumed in Thailand is also produced in the country with many companies seizing on the rise of pet ownership early as well as export opportunities. This includes multinational companies which produce in Thailand. Mars Thailand has the largest share of the domestic dog food market with over 30% share, dwarfing the second largest dog food producer Nestle Purina Petcare Co which has a ~10% share. The market for cat food is more balance with Mars Thailand retaining the largest share in this sector albeit with almost ¼ of the market, just ahead of the second largest cat food producer Perfect Companion. Royal canine and Nestle Purina Petcare Co are also large producers in Thailand, each with around 15% market share. Economy foods produced in Thailand are reasonably priced and provide adequate nutritional value for pets which makes the demand for these products high, which in turn compounds production.

The production of foods for other pets is varied as many producers tend to focus on one animal, notable examples including See-all Aquariums which focuses on fish food. Pet food producers in the country are increasingly shifting product towards premium pet food varieties with dog treats which were typically imported now largely being produced in Thailand as local players understand the value of cheaper product costs and prices, they hold over international players in the Thai market, as well as the potential for export opportunities. International brands such Orijen have adapted by establishing links with official Thai importers to reduce costs, however local players will continue to have an advantage in the Thai market.⁶²

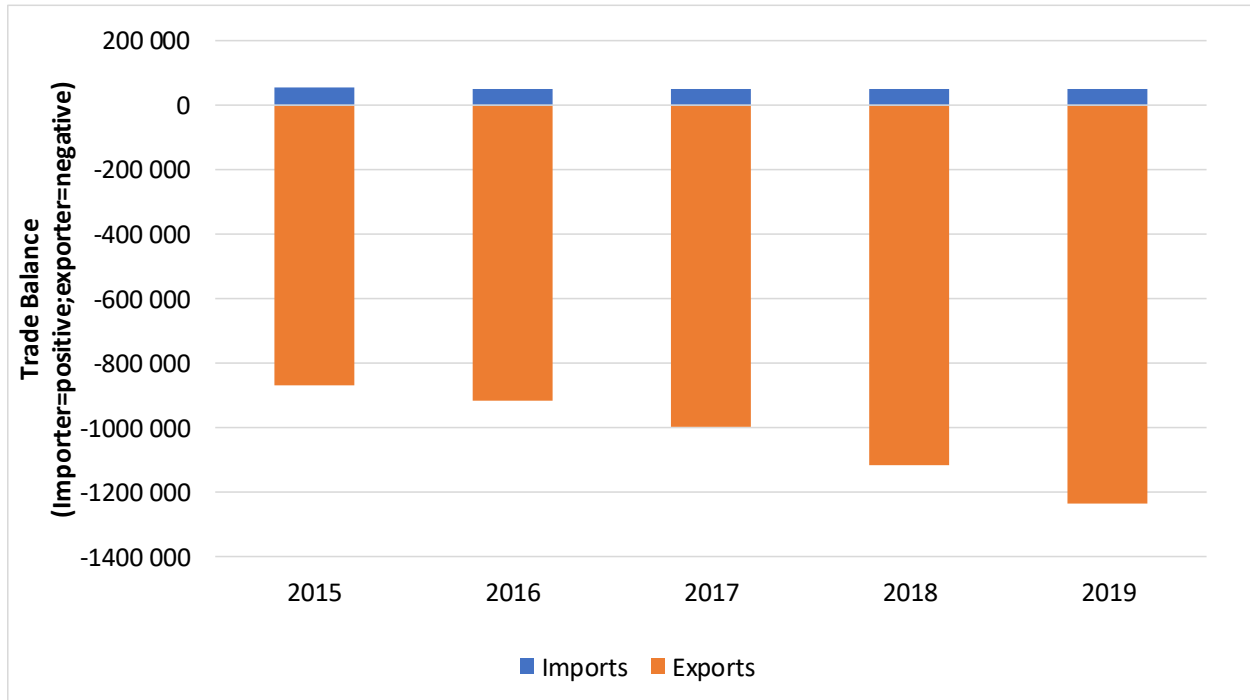
5.9.3.2 Imports and exports

Data in this section is specifically for cat and dog food (as previously seen, the vast majority of the pet food market in Thailand). This corresponds to HS code 230910.

As observed in Figure 5-44 Thailand is a massive net exporter of pet food. This is a result of the large level of domestic production of pet food in the country, much of which is specifically for export; with multinationals having large production hubs in Thailand (see 5.9.3.1). Over the period 2015-19, exports have grown from EUR 870m to over EUR 1.2bn. During the same period, imports have fluctuated around the EUR 50m mark.

⁶² Euromonitor International: Pet Care, 2020; Thai Pet food industry and pet nutrition science; available at https://www.researchgate.net/publication/309209079_Thai_petfood_industry_and_pet_nutrition_science

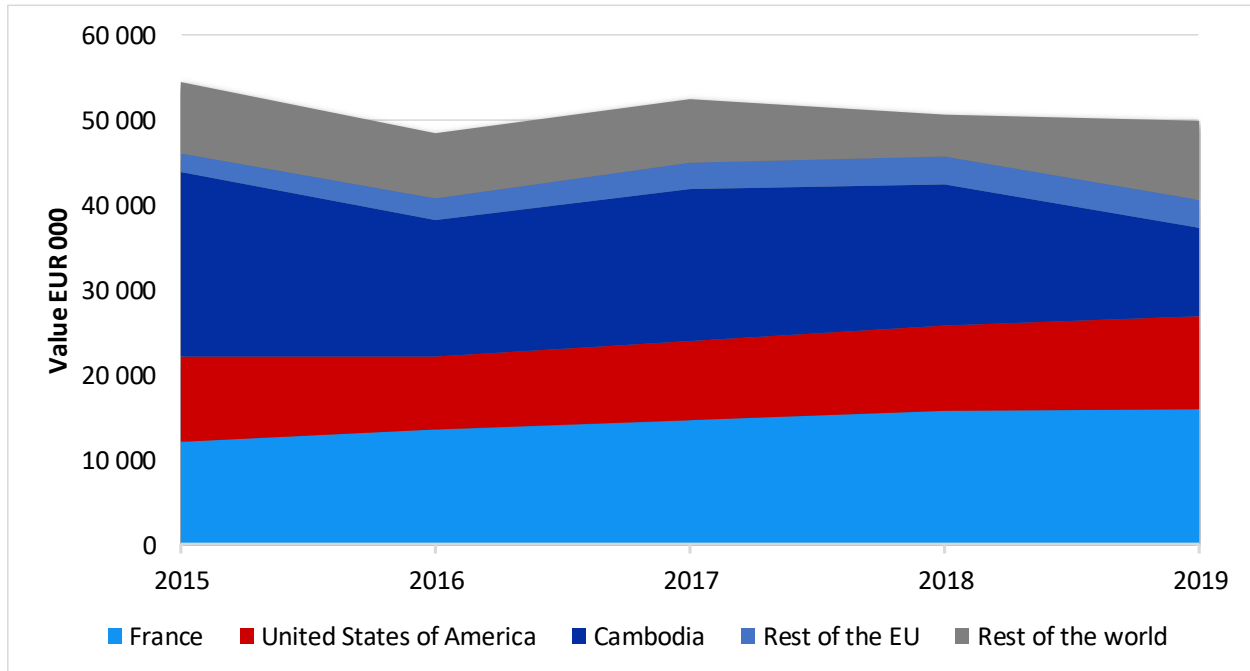
Figure 5-44: Trade balance (imports and exports) of pet food in Thailand, 2015-19; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 230910 (cat and dog food)

In terms of origin, France is now the number 1 country of origin of pet food, overtaking previously dominant Cambodia, which has fallen to third place behind the US. France accounts for just under 1/3 of imports, while the US and Cambodia each account for a bit over 20%. The rest of the EU accounts for less than 10% of imports Figure 5-45.

Figure 5-45: Imports of pet food in Thailand by origin, 2015-19; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 230910 (cat and dog food)

5.9.3.3 EU GI products

There are no EU pet foods with GIs in Thailand.

5.9.3.4 Main competitors

The main competitors for EU producers in this sector come from the massive level of domestic producers in the Thai market which can not only meet most of the local demand for pet food products, but even export huge quantities. Local producers are also increasingly shifting to the premium pet food market which was a market that afforded importers of pet food some room for growth. The production of dog and cat food treats which were typically imported into Thailand has largely shifted towards being produced domestically in the country. Organic pet foods or owners that have a particular loyalty to imported pet foods present the main avenues for growth for pet food producers in a market increasingly dominated by domestic producers.

5.9.4 Specific market entry requirements

Market Access and Entry

As a meat based product, pet food falls mainly under the responsibility of the Department of Livestock Development (DLD). As a result of this, feed including animal proteins is only generally accepted from countries and establishments which have first been audited by DLD. There are a number of specific documents that must be acquired in addition to the general requirements import requirements of Thailand (Table 4-1) in order to export pet food to the country (see also below).

EU dog and cat food face MFN tariffs of 7 to 9% to access the Thai market.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website by entering the corresponding CN code, e.g.: cat and dog food:
<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hscod=2309>

Customs procedures

A full list of the general requirements for export were set out in Table 4-1. As a non-food product, the specific requirements for pet food differ slightly from those for different food products. Full details can be found on the website indicated in the box below; most notably, the following are required:

- A licence to deal in live animals / animal products
- Import approval for live animals and animal products
- Veterinary health certificate for animal products

As noted in the sub-section below, further documents may also be necessary.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website by entering the corresponding CN code, e.g.: cat and dog food:
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2309&countryid=TH>

SPS measures, standards and labelling

The standards for animal feed – including pet food – are complex in Thailand. Historically, product registration prior to export has been required for the majority of feed products containing animal protein. A few pieces of legislation have been introduced in recent years, some without prior notification to the WTO. Notable ones include:

- Animal Feed Quality Control Act (B.E. 2558) of 2015
- Notification on Rules, Procedures, and Conditions for the Importation for Specifically Controlled Animal Feed Ingredients (B.E. 2560) of 2017
- Notification on the Determination of the Products Listed as Specifically Controlled Animal Feed Ingredients that are Subject to Production Facility Audit and Approval (B.E. 2560) of 2017
- Notification on Characteristics and Conditions for Prohibited Importation of Animal Feed with Avian Influenza (AI) Risk (B.E. 2560) of 2017
- Notification on the Determination of Procedures and Conditions for Import of Animal Feed with Avian Influenza Risk (B.E. 2560) of 2017
- Notification on Characteristics and Conditions on Prohibited Importation for Animal Feed Ingredients that are at Risk of BSE Disease (B.E. 2560) of 2017

Some reports containing more details on the requirements of this new legislation have been published by third parties⁶³. However, given the various recent changes and increasing complexity of the legislative framework, it is highly recommended that the DLD be contacted for an up to date picture of regulation, including of current labelling requirements.

🖨 <http://en.dld.go.th/index.php/en/contact-us-menu>

✉ foreign@dld.go.th

Up to date information on appropriate documents concerning SPS measures:

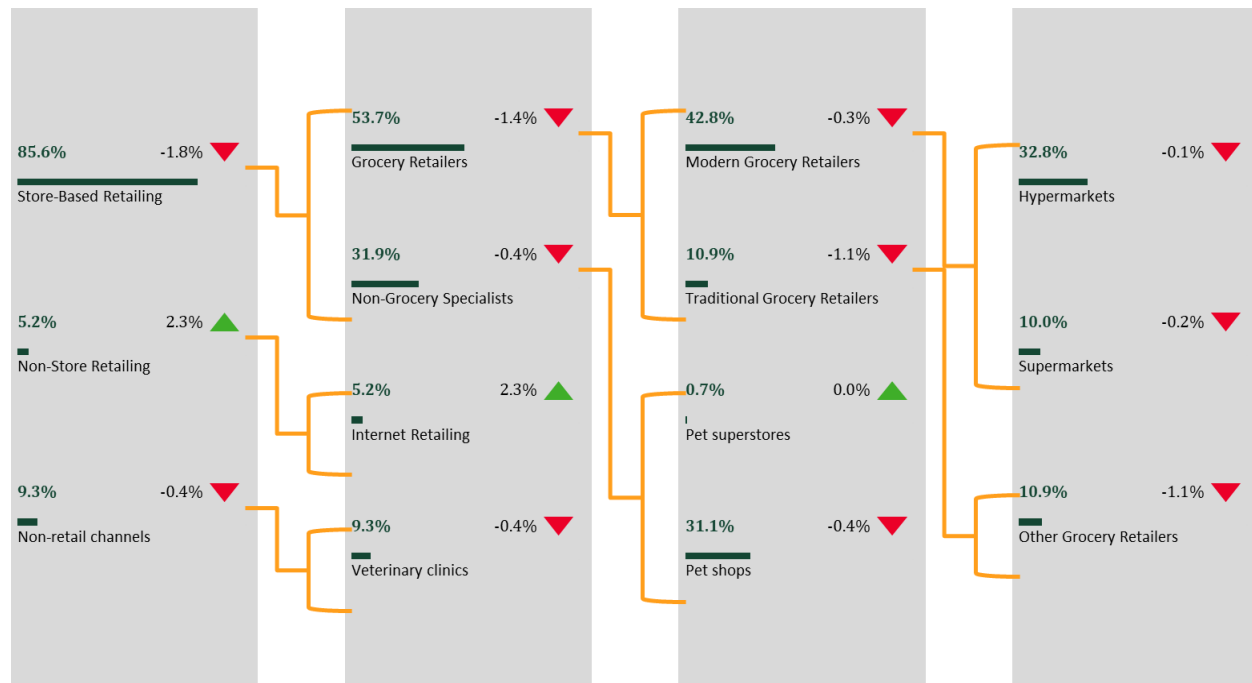
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2309&countryid=TH#20>

5.9.5 Distribution

As illustrated below in Figure 5-46, store-based retailing is the largest distribution channel for pet foods in Thailand with over half of pet food purchased in Thailand coming from grocery retailers. Pet food shops account for 31% of pet food sales in the country with pet superstores becoming a growing phenomenon in the country that today stands at 0.7% of sales but is expected to increase. Internet retailing in the country has grown with pet food in particular experiencing a 2.3% point growth in sales from this distribution channel. Pet foods purchased through internet retailing are likely to be specialised goods or imported pet foods.

⁶³ <https://www.tilleke.com/resources/animal-feed-control-update-thailand%E2%80%99s-legislation> ; unofficial translation of the 2015 act: <http://extwprlegs1.fao.org/docs/pdf/tha159736.pdf>; <https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=An%20Update%20on%20Recent%20Thai%20Regulations%20on%20Animal%20Feed%20Imports> Bangkok Thailand 12-13-2017.pdf

Figure 5-46: Distribution channel overview of pet food in Thailand (2018); retail value



Source: Euromonitor Pet Care, 2020.

5.9.6 Challenges for EU products

The main challenge for EU products comes from the large, maturing pet food production sector in Thailand which after practically meeting most of the demand for budget and economy-based pet foods has shifted its focus towards the production of premium foods and treats. Premium foods and treats typically had less domestic production which gave importers room to capture a share of the market however this is increasingly threatened as producers in Thailand adapt to this evolving market and produce premium foods and treats.

Market Takeaway: Pet food

Consumption: Dog food is the most popular pet food in the country followed by cat food. Pet ownership is an increasingly common occurrence in Thailand which spurs the growth in consumption of pet foods.

Competition: overall domestic production is huge, and manufacturers have moved into the production of premium pet foods and pet treats, two products which have been significantly imported in the past.

Distribution: Distributed largely through grocery retailers with pet shops and vets also being important distribution channels. Pet superstores and internet retailing are likely to grow in the distributed of pet foods in Thailand.

Challenges: The need to import pet foods has declined in recent years as domestic production has increased in the production of premium foods and treats.

Opportunities: Pet ownership is growing in Thailand and pet owners with a fondness for imported products will likely stay loyal to them to some extent as Thai consumers are typically very brand conscious.

5.10 Ice cream

5.10.1 SWOT analysis

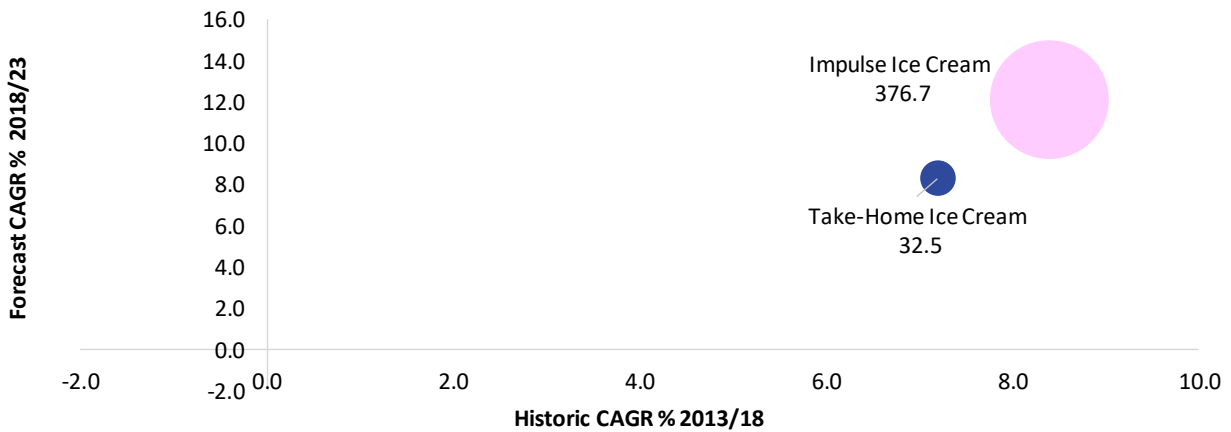
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ The ice cream market is forecast to grow at a quite high rate. ▪ Tropical climate fosters ice cream sells in Thailand. 	<ul style="list-style-type: none"> ▪ Imports of ice cream into the country come mainly from other Asian countries such as Indonesia and Japan. (France is the only country with a competitive export value). ▪ Only store-based retailing of ice cream.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Opportunities for categories of impulse ice cream in particular, as well as in take-home ice cream. ▪ Consumers are interested in new flavours, textures and forms (e.g. unicorn). ▪ Healthy ice cream is in trend. ▪ There is a niche market for premium ice cream products, which could suit exports of the European market. 	<ul style="list-style-type: none"> ▪ Thailand is a big net exporter of ice cream. ▪ Big international companies such as Unilever and Nestlé dominate the ice cream market. ▪ More and more local small-scale ice cream manufacturers pop up.

5.10.2 Consumption

5.10.2.1 Evolution of consumption

In 2018 the value of the ice cream market in Thailand was about EUR 409m (Figure 5-47). The market consists of two categories, impulse ice cream, which accounted for up to 90% (EUR 377m) in 2019 and take-home ice cream which made up close to 10% (EUR 33m). Other categories such as frozen yoghurt or unpackaged ice cream were not prominent on the market in Thailand. Since 2013 the market for impulse ice cream and take-home ice cream has been growing and they are forecast to grow even stronger, impulse ice cream with a CAGR of about 12% and take-home ice cream with a CAGR of over 8% between 2018 and 2023.

Figure 5-47: Evolution and forecast of the ice cream market in Thailand, 2013-2023; retail value EUR million



Source: Euromonitor International: Packaged Food, 2020.

5.10.2.2 Consumer profile and purchase criteria

Consumers

Consumers can be found throughout all parts of society, in particular within young generations. The general Thai ice cream consumer is price sensitive and interested in new flavours and other innovations. The young generation in particular is increasingly influenced by social media.

Drivers and method of consumption

Ice cream mainly is bought as a personal indulgence during the day. The tropical climate in Thailand drives ice cream sales throughout the year, though there may be slight variations in consumption between seasons. Sometimes ice cream, e.g. premium ice cream cakes are used as gifts for friends and family as well. Consumers mainly consume ice cream outside of their homes with impulse buys, however, some ice cream is also consumed at home. On a side note, tourism is a big driver for the consumption of local premium ice cream.

Purchase criteria

Consumers price sensitivity reflects on what kind of ice cream or which brand they are choosing. Over half of the value of the ice cream market came from ice cream on sticks and around 1/3rd from ice cream cones. In 2019 the four most popular tastes were classics such as chocolate and vanilla, followed by chocolate chip and strawberry. In addition to those flavours consumers tend to increasingly prefer new flavours with new textures as well as shapes. Consumers in particular enjoyed local tastes such as mango, Thai tea or banana. Moreover, consumers pay a lot more attention to their sugar intake, which is why the more and more switch to options which are deemed to be healthier such as yoghurt or fruit flavours, or ice cream with less sugar and fat content.⁶⁴

⁶⁴ Euromonitor International: Packaged Food, 2020.

5.10.2.3 Recent market trends

The three main trends in the ice cream sector are premiumisation, the health trend and the development of brands social media presence. Young consumers consumption in particular depends a lot on brands and products social media presence and marketing. Products therefore become more diverse and try to create as well as to follow new trends to keep up to date with what young consumers demand. One focus point is ice cream that is shaped and coloured in an interesting way, such as UniCornetto's unicorn ice cream. Like in many other sectors the health trend is also visible in Thailand's ice cream sector, which is why healthier options, containing less fat or sugar or as healthier deemed ingredients, are a big recent market trend. Moreover, convenience stores have become a very popular channel for ice cream distribution in Thailand. Another trend which seems to establish itself on the market is premiumisation. Even though consumers are price-conscious, there is a niche for high-quality premium products. Häagen-Dazs for example successfully launched some high-class ice cream cakes. Furthermore, many new local shops pop up, which make and sell high-quality premium ice cream with many interesting local flavours, which are different from the ones of big companies, such as chocolate obsession, green tea serenity or vanilla allure.

5.10.3 Offer

5.10.3.1 Domestic production

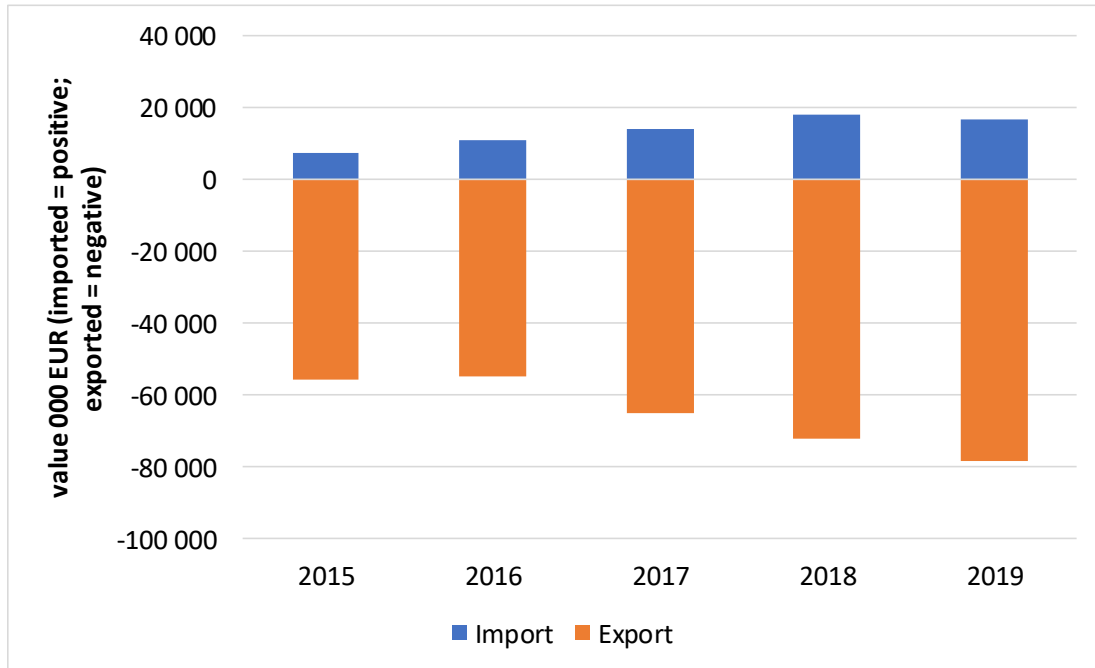
In 2019 the three biggest ice cream selling companies by value were Unilever Thai Holdings Ltd who generated almost half of the total market value, followed by Nestlé (Thai) Ltd. with close to a fifth and F&N Dairies (Thailand) Ltd. Both of these large international companies produce ice cream in Thailand. For example, Nestlé has its Bangchan factory in Bangkok, which specifically is focused on producing all ice creams under the Nestlé brand.⁶⁵ In addition to those big players, the number of smaller local players is increasing as local ice cream shops become widely accepted in the culture. Those local brands usually focus on local flavours. Iberry and Guss Damn Good are only two examples of successful ice cream businesses.

5.10.3.2 Imports and exports

Thailand is a net exporter of ice cream as very clearly shown in Figure 5-48. In 2019 Thailand exported ice cream products with a value of close to EUR 78.5m and imported circa EUR 16.7m. This means the value of exports has been about 79% higher than the one of imports. Between 2015 and 2019 the ice cream export market grew by close to 30%, which means by around EUR 23m. The ice cream import market value increased by around EUR 9.2m between 2015 and 2019.

⁶⁵ Our location, https://www.nestle.co.th/en/aboutus/our_locations

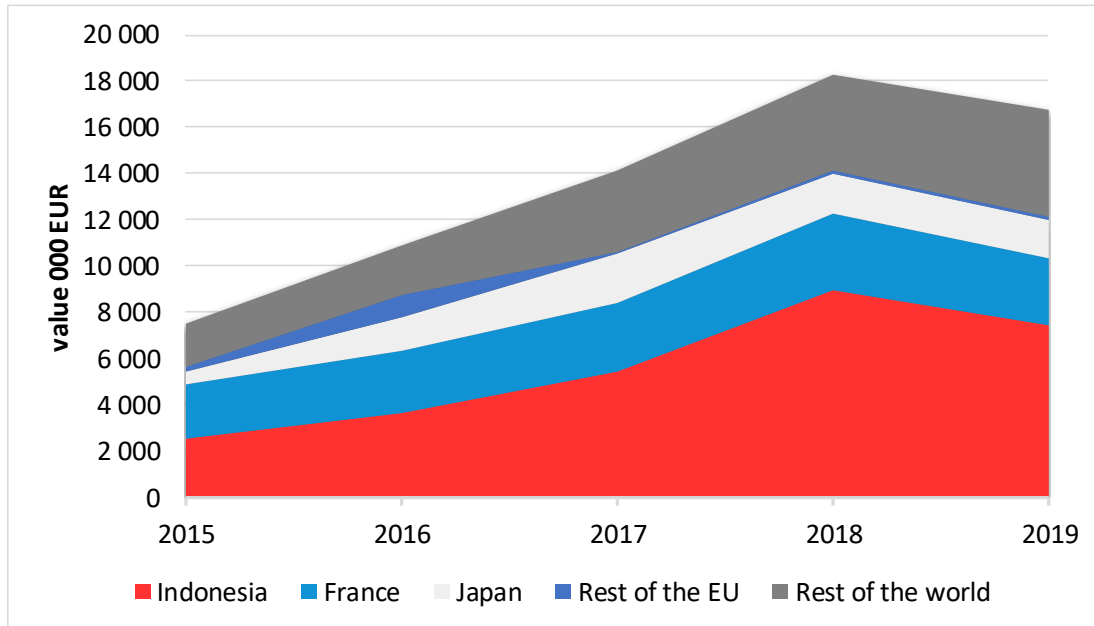
Figure 5-48: Trade balance (imports and exports) of ice cream in Thailand, 2015-19; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2105.

Figure 5-49 depicts the Thai imports of ice cream by country. The biggest three exporters of ice cream to Thailand are Indonesia, France and Japan. In 2019 Indonesia's imports accounted for more than 44% of the value of all exports and were as high as EUR 7.4m. France came second with around EUR 2.9m followed by Japan with more or less EUR 1.6m. France is by far the biggest ice cream exporter to Thailand from the EU. The rest of the EU together only exported around EUR 0.9m in 2019.

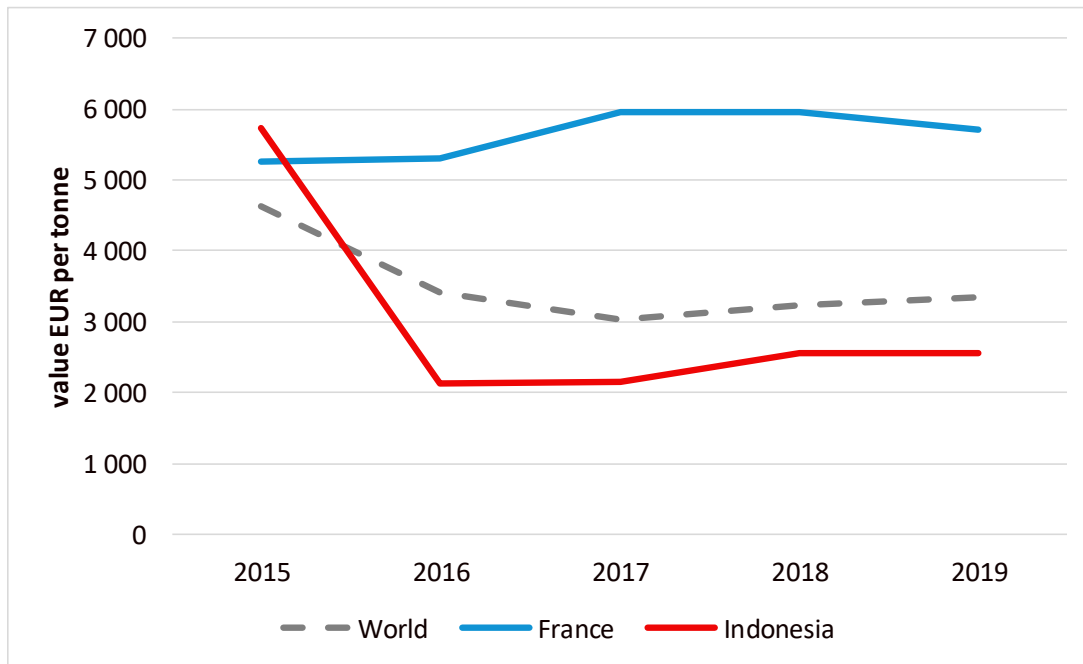
Figure 5-49: Thai imports of ice cream by country, 2015-19; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2105.

Figure 5-50 depicts the unit value of the two biggest ice cream exporters to Thailand, as well as the world's average unit prices of ice cream exported to Thailand. In 2019 the world average unit price was around EUR 3 400 per tonne. The unit value of French ice cream products was much higher than that, at about EUR 5 700 and the one of Indonesia below the average at around EUR 2.6m. This means that Indonesia was exporting a lot more volume-wise than France did; otherwise, it would not have reached such high export value numbers in 2019.

Figure 5-50 Per unit value of Thai imports of ice cream for selected EU countries, 2015-19 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2105.

5.10.3.3 EU GI products

There are no ice cream products listed as GI.

5.10.3.4 Main competitors

The main competitors are international companies, which dominate the Thai ice cream market and produce locally - Unilever and Nestlé in particular. Indeed, there is a high domestic ice cream production in Thailand in general. Moreover, the market for imported ice cream to Thailand partly dominated by mostly other Asian countries (Indonesia and Japan), which generally sell their products at lower prices than the EU.

5.10.4 Specific market entry requirements

All general rules about market access and entry for ice cream can be found in section 4.2. EU ice cream imports face MFN tariffs of 30%.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hscod=2105>

Customs procedures

A list of standard documents required for the import of ice cream into Thailand is presented in Table 4-1 and Table 4-2 in section 4.2.1. Notably this includes an import licence for foodstuffs; and, as ice cream is normally considered a standardised food, a GMP certificate in Thai or English.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2105&countryid=TH>

SPS measures, standards

As a standardised food, there is specific legislation covering microbiological and general contamination. However, given this was mainly introduced to standardise informal production inside Thailand, it is unlikely to pose a challenge for goods imported from the EU; and no historical cases of problems with it have been identified for EU exporter.

It is worth remembering that Thailand has implemented a ban on trans fats (see section 4.2.2).

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=2105&countryid=TH#h20>

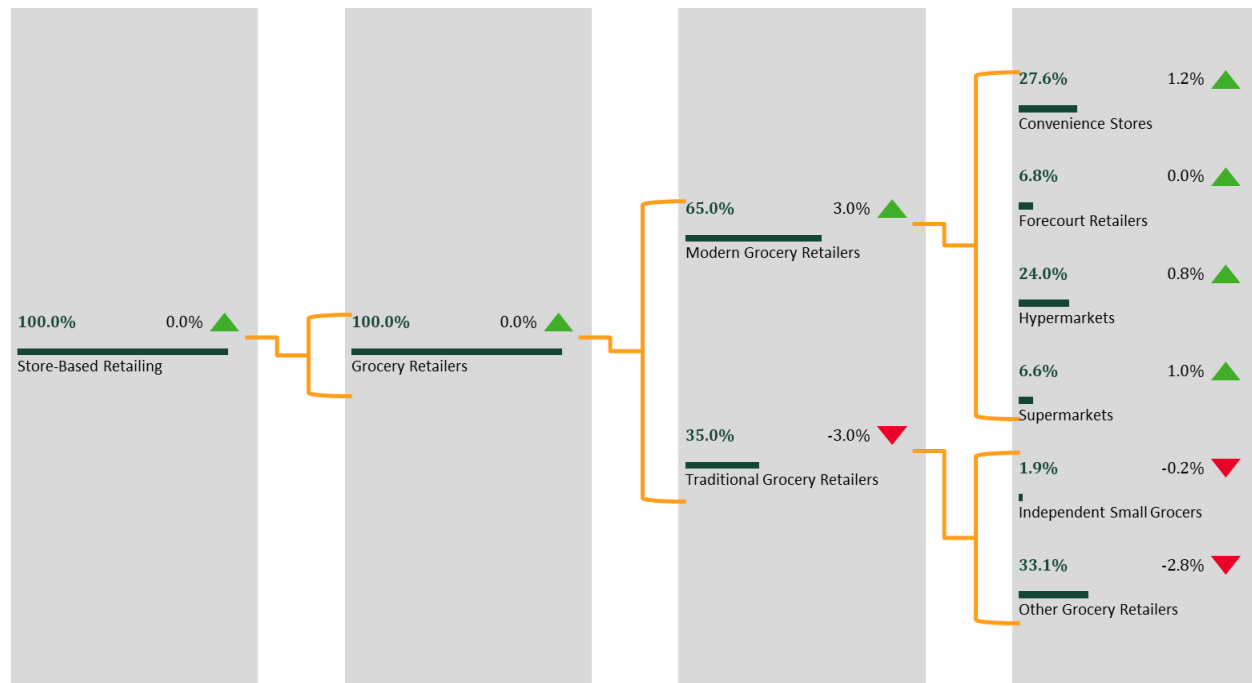
Labelling

As a standardised food, ice cream labelling has to follow general label requirements set out in section 4.2.3.

5.10.5 Distribution

All ice cream is distributed in store-based retailing. Online retailing of ice cream is not happening in Thailand as depicted in Figure 5-51. Around 2/3rd of ice cream is distributed through modern grocery retailers and about 1/3rd through traditional grocery retailers. However, modern grocery retailers are increasingly becoming the more popular choice. This retail channel grew by around 3% in 2018. However currently the most popular channel, which generated the most retail value in 2018 (even though it declined by about 2.8%) is that of other grocery retailers which belong to the traditional grocery retailers' channel. Those were followed by two modern grocery retailers. Convenience stores with around 27.8% and hypermarkets with about 24%. Those three channels together accounted for close to 85% of the total ice cream retail value in 2018.

Figure 5-51: Distribution channel overview of ice cream in Thailand (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

5.10.6 Challenges for EU products

Due to high competition, EU exporters face some challenges. On the one hand, they have to compete with the big international players producing locally which dominate the market. Moreover, they have to compete with the increasing amount of local premium ice cream from small manufacturers and with other ice cream exporting nations, like Indonesia and Japan, which usually export cheaper products. Furthermore, Thailand is by far a net-exporter of ice cream itself, which leaves less need for imports from other countries.

Market Takeaway: Ice cream

Consumption: Ice cream consumption (impulse ice cream & take-home ice cream) is forecast to grow at a quite high pace until 2023.

Competition: Strong competition with high domestic production, international big companies as well as with other big ice cream exporters, which are mainly from Asia.

Distribution: Off-trade only store-based retailing with modern grocers becoming increasingly popular e.g. convenience stores and hypermarkets, but 1/3rd also in traditional grocers.

Challenges: It is a challenge to go against all these different competitors to find a way to establish a product on the Thai ice cream market. Moreover, the price consciousness of consumers and the current need for innovation and change.

Opportunities: Classic flavours stay important, however new flavours, textures and forms of ice cream are interesting. Moreover, ice cream which is in line with the health trend shows potential.

5.11 Prepared baby food

5.11.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Accessibility to these products, which are largely distributed through supermarkets and hypermarkets. ▪ Interested consumer groups of busy urban professionals with growing income. 	<ul style="list-style-type: none"> ▪ General preference for breast feeding. ▪ Government promotes breastfeeding and places strong restrictions on the marketing of baby food.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Demand seems to be not very sensitive to price, providing some protection in case of prices increase due to government regulations. ▪ Increased interest in healthy, natural and organic baby food. 	<ul style="list-style-type: none"> ▪ Increased competition from fresh milk. ▪ Local producers with natural fresh products are preferred.

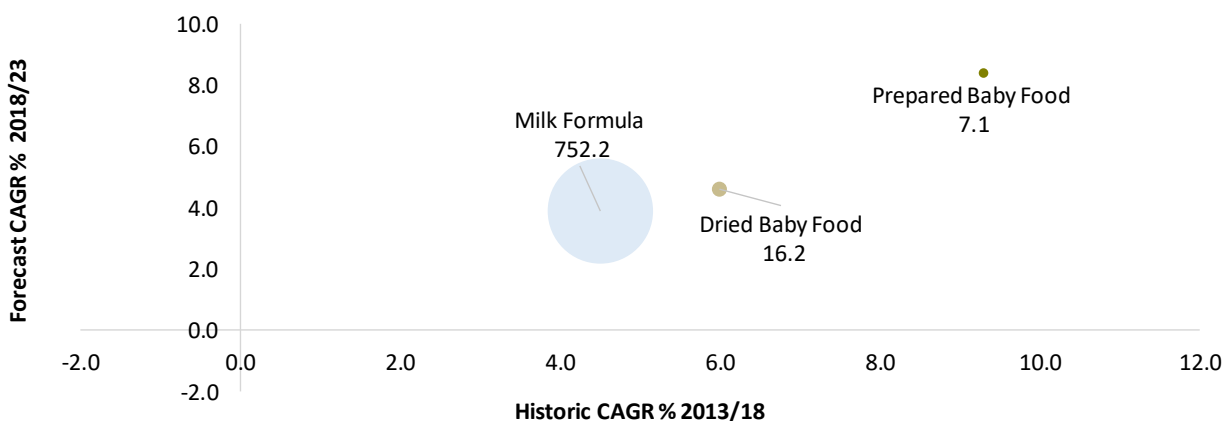
5.11.2 Consumption

5.11.2.1 Evolution of consumption

Milk formula is by far the largest category of baby food in Thailand, worth some EUR 752.2 million in 2018. However, milk formula has faced challenges recently due to the knock-on effect on the law banning marketing activities relating to standard milk formula for new-born babies.

Dried baby food is the second category (EUR 16.2m in 2018), with Nestle (Thai) Ltd with more than 96% of the market share. The market for prepared baby food on the other hand is small, worth only EUR 7.1m. (Figure 5-52).

Figure 5-52: Evolution and forecast of prepared baby food market in Thailand, 2013-2023; retail value, EUR million



Source: Euromonitor International: Packaged Food, 2020.

5.11.2.2 Consumer profile and purchase criteria

Consumers

The decreasing fertility rate of 1.5 in the Thai population (mentioned in section 2.1.3) along with the government promotion to breast feeding are factors limiting demand for prepared baby food. On the other hand, as parents become increasingly occupied with work, there is likely to be a growing demand for premium prepared baby food, with major brands set to introduce more options that address a baby's health, namely organic variants with no added sugar or artificial flavours and products with a high protein content to aid development. Overall, higher-incomes urban parents with more access to retail markets selling baby formula are more likely to purchase prepared baby food.

Drivers and method of consumption

The population who prioritise giving their children prepared baby food products over breast feeding is not driven only by those who face medical or special circumstances, but also by the segment of urban consumer with full-time jobs see in these processed products an advantage in terms of time and money. Due to the less healthy image associated with mass brands, such processed baby food could lose their share in the upcoming years. Meanwhile, brands offering health and wellness ranges such as those with organic and natural ingredients, products with no added sugar or food additives and versions that are vegan-friendly, are likely to increase their market shares, driven by consumer concerns about health and naturalness

Purchase criteria

Overall, health considerations have become a notable purchase criterion for baby food. Among the consumers of prepared baby food products, awareness of the nutrient content of the preparations is growing, increasing the demand for premium products that provide strong nutritional benefits. Due to this trend, which is coherent with the increasing level of attention paid to food composition in Thailand more generally, health conscious parents increasingly look for dietary options without sugar, preservatives, and artificial colours or flavours.

5.11.2.3 Recent market trends

As a result of government intervention and public consciousness about breast feeding (see box), baby food producers have increasingly focussed on promoting products for growing up aimed at children older than 2 and not for new-born babies. Thai parents are increasingly showing a preference towards fresh or shelf stable milk products, and the use of natural ingredients in baby food preparations.

The trend towards healthier and premium baby food is expected to continue, with niche brands gaining share, major brands are also expanding their product lines to have a stronger positioning in this segment. For example, Nestlé SA, which leads baby food, launched its NANKID Suprema 3 line of milk formula in late 2018, which is designed for toddlers aged over 12 months.

Government intervention / policy on baby food

Breastfeeding has been promoted in Thailand on a significant scale since the 1990s. However, government policy has recently moved strongly in favour of breast feeding through the introduction of new legislation. Thailand's Control of Marketing of Infant and Young Child Food Act (B.E. 2560) of 2018 bans advertising of substitutes and complementary foods for infants, recognizing breastmilk as the single best nutrition source for infants. Specific statements must be provided on labels; and there are significant restrictions on advertising. More information can be found in section 5.11.4.

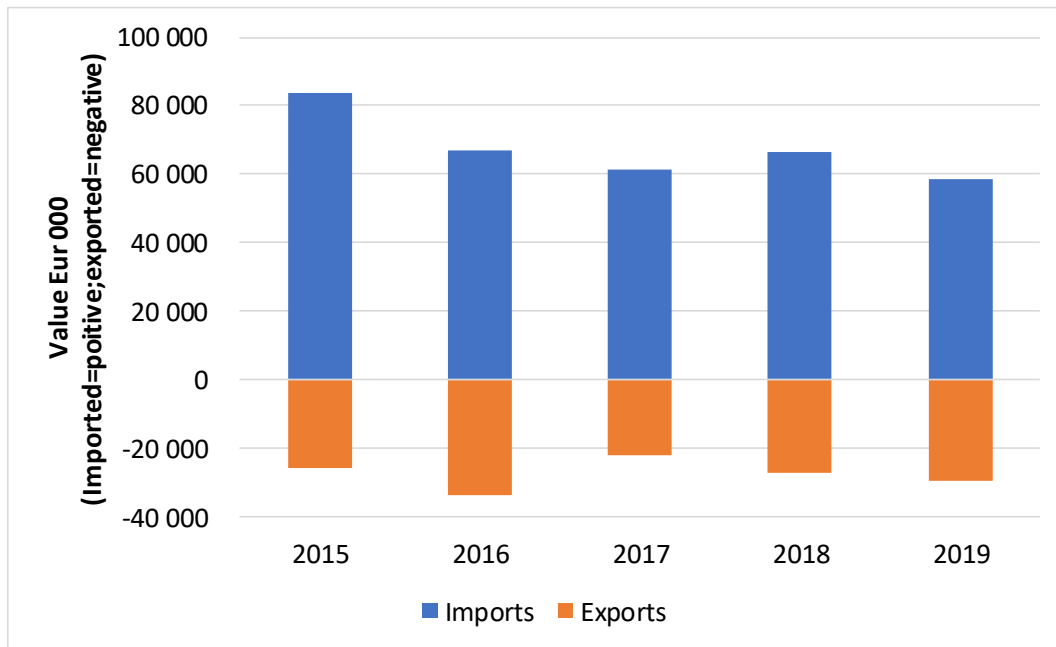
5.11.3 Offer**5.11.3.1 Domestic production**

Domestic producers have a large percentage of the total market share. They are positioning themselves as the next best alternative when a home-cooked meal is too troublesome to prepare. Local brands such as Xongdur, Baby Natura and Peachy offer organic baby food with natural and wholesome plant-based ingredients, without any added preservatives, sugar or artificial colours or flavours. Peachy Village Co Ltd shown the most dynamic growth in current value terms and was ranked second in prepared baby food in 2019.

5.11.3.2 Imports and exports

Thailand is a major net importer of food preparation for infants as set out in Figure 5-53. However, imports of these products have steadily dropped since 2015 (when the value was above the EUR 80 million) to around EUR 60 million in 2019. Exports on the other hand, have fluctuated in value, between about EUR 20m and EUR 35m during the period 2015-2019.

Figure 5-53: Trade balance (imports and exports) of food preparations for infant use in Thailand, 2015-19; value EUR 000

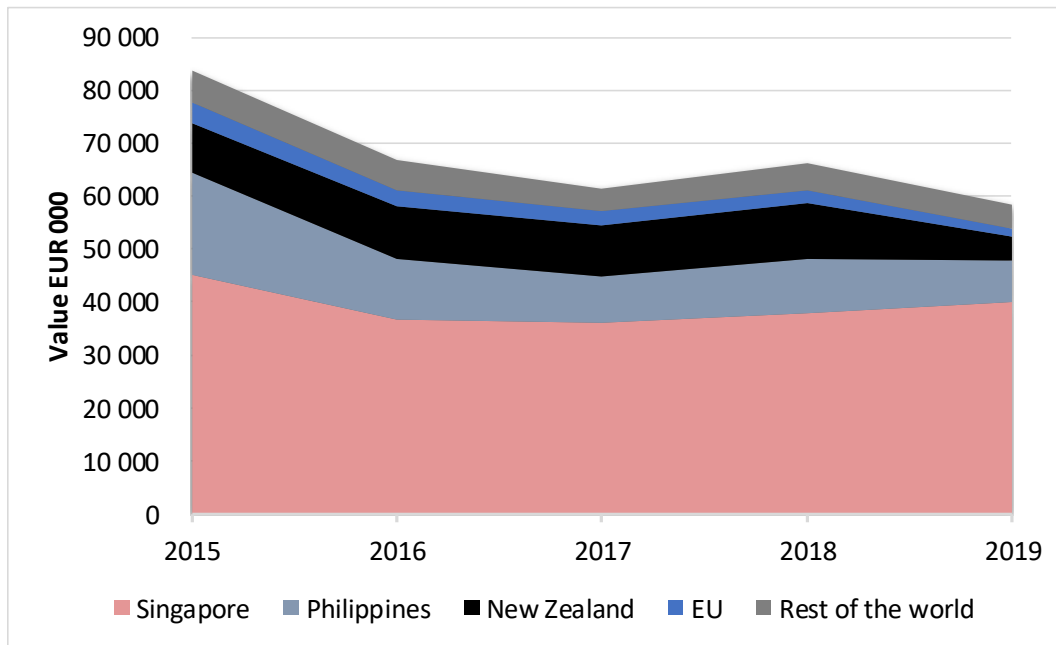


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 190110

In terms of origin of imports, Singapore is recorded as the most important source with more than 60% of the imports. Singapore is indeed an important production hub for baby food for the region, however, a certain proportion of imports from Singapore are likely to have originated from another country and have been subsequently shipped through Singapore. Philippines and New Zealand stand out as important origins, with about 20% and 5% in 2019. EU as a whole accounts for under 5% of imports Figure 5-54.

Figure 5-54: Thai imports of food preparations for infant use by country, 2015-19; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 190110

5.11.3.3 EU GI products

Currently there are no EU GI baby food products listed .

5.11.3.4 Main competitors

Thai consumers have a good perception of the domestic production, position local producers as Peachy Village, Xongdur and Baby Natura as important competitors who respond well to local trends. Nonetheless, the search for premium products with higher added value open a niche for international brands penetration. Singapore holds the most sizeable share in baby food imports in terms of value by some distance.

5.11.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry for prepared baby food can be found in section 4.2. It is important to note that imported baby food is classified as a “specially controlled food” in Thailand. As such it is necessary for the product to be registered with the Thai FDA before any export can take place. As part of this registration, an analysis of the product as well as details of the process and ingredients are required.

Tariffs vary depending on the CN code of the product; but products under CN code 190110 for example face MFN tariffs of between 5 and 10%.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website by entering the corresponding CN code, e.g.:
<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hscod=190110>

Customs procedures

A list of standard documents required for the import of processed baby food products into Thailand is presented in Table 4-1 and Table 4-2 in section 4.2.1. The most important point to retain is that – as mentioned above - this is a “specially controlled food”, and as such it has to be registered before any export can take place; and documentation requirements may be more stringent than for other products (for example, a certificate of analysis is required).

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website by entering the corresponding CN code, e.g.:
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=190110&countryid=TH>

SPS measures, standards

As a specially controlled food, processed baby food products in Thailand are subject to specific legislation; this is Health Notification No. 156 (B.E. 2537 (1994)) Re: Infant Foods and Follow-up Formula Foods for Infants and Young Children. This has since been amended, most notably in 2004 with regards to the sugars that can be used; and in 2007 with regards to labelling.

A translation of the 1994 notification can be found at the following address:

http://food.fda.moph.go.th/law/data/announ_moph/V.English/No.157-37%20Food%20for%20infant.pdf

An unofficial translation of the 2004 amendment can be found at the following address:

[http://food.fda.moph.go.th/law/data/announ_moph/V.English/No.%20287%20Infant%20Foods%20and%20Follow-up%20Formula%20Foods%20for%20Infants%20and%20Young%20Children%20\(No.3\).pdf](http://food.fda.moph.go.th/law/data/announ_moph/V.English/No.%20287%20Infant%20Foods%20and%20Follow-up%20Formula%20Foods%20for%20Infants%20and%20Young%20Children%20(No.3).pdf)

An unofficial translation of the 2007 amendment can be found at the following address:

<http://extwprlegs1.fao.org/docs/pdf/tha159856.pdf>

Legislation covers various areas including composition criteria, qualities and standards with which infant formula must comply. A consolidated version of the notification translated into English unfortunately is not available. As an early stage of the obligatory registration process, it is prudent to check with the Thai FDA for the availability of an up to date, consolidated notification.

Up to date information on appropriate documents concerning SPS measures:
<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=190110&countryid=TH#h20>

Labelling

Prepared baby food products have to follow general label requirements set out in section 4.2.3, but are also subject to specific requirements set out in dedicated legislation. Most notably, various labelling requirements are set out in the 1994 notification (see above) and subsequently amended in 2007, including the requirement to include instructions for preparation as well as statements such as:

- The best food for infants is maternal milk owing to its full nutritional content
- Modified milk for infants should be recommended by a physician, nurse or nutritionist
- Incorrect preparation or mixture will be hazardous for infants

It is strongly recommended that the legislation be consulted for full details of required labelling.

In addition, as indicated in the box in section 5.11.2.3, significant restrictions on the marketing of infant formula were introduced in 2017 through the Marketing of Infant and Young child Food act (B.E. 2560). An unofficial translation of this can be found at the following address:

[http://origin.searo.who.int/thailand/news/control-marketing-of-infant-and-young-child-food-act\(2017\).pdf](http://origin.searo.who.int/thailand/news/control-marketing-of-infant-and-young-child-food-act(2017).pdf)

Among the restrictions, manufacturers, importers and distributors are prohibited from:

- Advertising food products for infants and young children in a way that may cause families to believe they are good or necessary
- Claiming any nutritional or health benefits on food labels for infants and young children
- Giving discount coupons, tie-in-sales, prizes, product samples or gifts
- Offering gifts, money incentives or other benefits to public health personnel
- Organizing meetings, trainings or seminars on food products for infants and young children for public health service agencies or their personnel
- Donating food for infants or children to public health service agencies or their personnel, except to those who are sick with specific diseases or those with abnormal physical conditions that require supplementation
- Demonstrating or sponsoring a demonstration of food products for infants or young children in healthcare facilities or any other venues with the goal of encouraging or promoting the consumption of these products, except when such activities are conducted for medical purposes or for the benefits of treating infants or young children

It is recommended that the full text of the act be consulted for more detail.⁶⁶

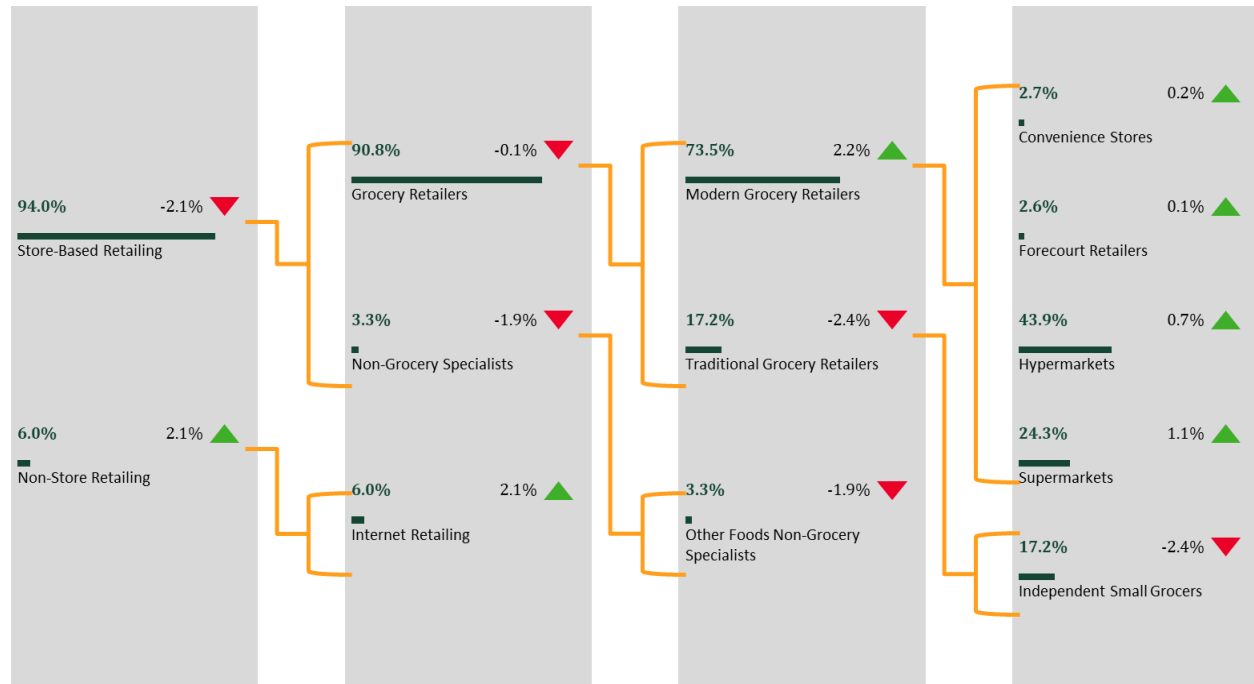
5.11.5 Distribution

These products generally carry a premium price and are distributed through larger channels such as supermarkets, hypermarkets and internet retailing. As per Figure 5-55, modern grocery retailers

⁶⁶ More background on the labelling and marketing restrictions can be found at the following address:
http://www.who.int/nutrition/publications/code_english.pdf;
https://www.unicef.org/thailand/media_22880.html

represent the main distribution channel (73.5% of total grocery retailers) expecting to increase in the next years, meanwhile sales in traditional and independent small grocers are in decline.

Figure 5-55: Distribution channel overview of prepared baby food in Thailand (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

5.11.6 Challenges for EU products

In response to tightening government regulation – which poses a challenge to both domestic and foreign producers alike - local manufacturers have focused their advertising campaigns on growing-up milk formula rather than formula milk for new born babies. Despite this intervention, the market for baby food remains among parents with medical challenges and busy full-time workers. However, in addition to the overarching challenge of government regulation, EU producers also face the challenge of strong competition. Local production is considerable and Singapore is quite dominant in terms of imports (even if a certain part of imports from Singapore may actually originate in other countries).

Market Takeaway: Prepared baby food

Consumption: Even though birth rates are declining the sector is forecast to grow in value in the coming years mainly due to premium differentiation. Busy, wealthier urban parents and those with medical challenges are the main consumers.

Competition: Main competition from domestic production and imports from Singapore. Indirect competition with more natural products as milk.

Distribution: mainly in modern grocery retailers such as supermarkets and hypermarkets.

Challenges: The government promotion of breast feeding and decreasing birth rates, as well as the strong competition noted above.

Opportunities: organic and natural products and the market for milk for over 2 year olds; both among busier urban consumers.

5.12 Processed fruit and vegetables

5.12.1 SWOT analysis

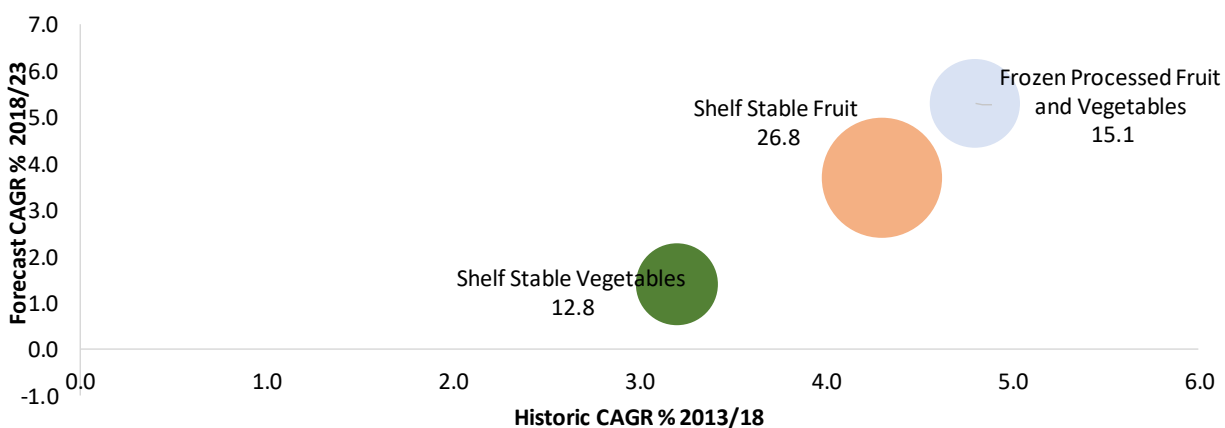
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Processed fruit and vegetables generally gifted during special events such as new year's. Vegetarianism is strong in Thailand and the country plays host to many vegetarian oriented events with cause a spike in demand. 	<ul style="list-style-type: none"> Advertising and marketing of these products in Thailand by producers has not substantially increased consumption. Thais continue to hold concerns relating to the sugar content of many processed fruit and vegetable products.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Certain processed fruits that are not produced locally such as pears present a small potential window of opportunity A rising urban population will cause a rise in demand for niche processed fruits and vegetables such as Acai berries and avocados. 	<ul style="list-style-type: none"> Fresh fruit and vegetables are readily available and cheaper and preferred by consumers. Thai on-trade establishments will be expected to serve fresh fruit and vegetables instead of processed ones.

5.12.2 Consumption

5.12.2.1 Evolution of consumption

As illustrated in Figure 5-56, shelf stable fruit is the largest processed fruit and vegetable product in the Thai market with a market value of EUR 26 million. The segment had a CAGR since 2013 of 4.3% which is forecasted to decline to 3.7% in the period up until 2023. Frozen processed fruit and vegetable products have a market value of EUR 15 million and the segment has grown the fastest since 2013 with a CAGR of 4.8%. Looking ahead, frozen processed fruit and vegetable products are expected to grow at 5.3% per year making these products the fastest growing category in this sector. Shelf stable vegetables are the smallest category with a market value of EUR 13 million, as well as the slowest growing with a CAGR of 3.2% since 2013 and just 1.4% going forwards up until the year 2023.

Figure 5-56: Evolution and forecast of the market for processed fruit and vegetables (EUR million) in Thailand, 2013-2023



Source: Euromonitor International: Packaged Food, 2020.

5.12.2.2 Consumer profile and purchase criteria

Consumers

As there is a wide variety of fresh fruit and vegetables produced in Thailand and priced cheaper than their processed counterparts, Thai consumers will overwhelmingly prefer these products instead. Processed fruit and vegetables have struggled to appeal to consumers in Thai at a significant level which is a result of an often-poor marketing campaign from producers and a lack of innovation which affects the sector and its ability to reach out to new potential consumers. Many Thai consumers have reservations about processed fruit and vegetables in relation to their health as the rise of a health-conscious population coupled with concerns about the levels of sugar found in processed fruits and vegetables have acted as a deterrent for consumers. Producers have made some changes to address the difficult marketplace, such changes include the increased production of premium processed fruit and vegetables with added nutritional value and a new awareness campaign to increase the awareness of these new products. Processed fruit and vegetable are often given as a gift which compounds the view of these products as being associated as a treat product rather than a mainstream component of the Thai diet.

Drivers and method of consumption

As noted above, fresh fruit and vegetables are fairly universally preferred by Thai consumers to processed. Nonetheless, there are some specific drivers of consumption of processed fruit and vegetables.

- **Special occasions a key driver.** Thais have demonstrated that they are willing to spend more on processed fruit and vegetables to celebrate a special occasion. The purchasing of processed fruit and vegetables in this context is typically as a gift given on the occasion with new year's eve in particular being a popular time to gift processed fruit and vegetable products in the country. Typical processed fruit and vegetables gifted in Thailand include passion fruit, papaya and pineapple.
- **Vegetarian festivals cause a spike in demand.** As vegetarianism is popular in Thailand festivals celebrate the trend in the country. The largest such festival is known as the *Tesagan gin je festival* which takes place in across the country every October. During this festival the consumption fruit and vegetables as a whole rises, and processed fruit and vegetables also benefit from this as advocacy for a plant-based diet increases combined with travellers attending the events being typically vegetarian.
- **Novelty processed fruit and vegetables expected to grow in consumption.** As the population continues to urbanise and the country of Thailand as a whole shifts from a rural-urban split known today towards predominantly urban society it is expected the demand for novelty processed fruit and vegetables such as frozen acai berries and canned durian, mangosteen and longan which will grow in demand diet becomes increasingly desired combined with these products not being readily available in a fresh variety in urban centres.

Purchase criteria

Thais have shown they will spend more to obtain products perceived to be of high quality and as noted above this extends to processed fruit and vegetables for certain occasions. This, together with brand loyalty among Thai consumers in general present some optimism for premium processed fruit and

vegetable providers. The availability of fresh fruit and vegetables as a result of domestic production causes these products to have prices significantly lower than processed fruit and vegetables which prices processed fruit and vegetables largely out of the market for low income earners. Most notably, consumers will spend more to purchase processed fruit and vegetables as gifts which peaks around special occasions however generally consumers will prefer to purchase fresh alternative due to a combination of nutritional value and price.⁶⁷

5.12.2.3 Recent market trends

Lack of innovation in this sector in Thailand has caused the sector to stagnate in recent years. Processed fruit and vegetable producers in the country have struggled to advertise and market their products in a market that prefers fresh produce. Government advocacy of a healthy based diets combined with modern and traditional retailers readily having fresh fruit and vegetable options available in their stores at prices which are overwhelmingly cheaper the processed fruit and vegetables have caused consumption to decline in recent years and is the most impactful trend in this sector. Premium processed fruit and vegetables are likely to be the area with the largest amount of growth in this sector as Thais continue to desire health conscious foods which incorporate nutritional added value.

5.12.3 Offer

5.12.3.1 Domestic production

The largest player in the Thai market is Malee Sampran which has a quarter of the market in the country and directly impacts the market of the country as a whole through their business decisions with their recent development of sugar-reduced fruit inspiring other producers in the country to do the same. Production of processed fruits and vegetables is low in the country as a result of general low demand for the product. However, the production of premium processed fruit and vegetables are growing to meet a small rise in demand for these products. Oversupply of fresh fruit and vegetables at times can lead to them being sent to be processed in the country but the overwhelming trend is for them to compete at a lower price in the market or be exported to wider markets. The domestic demand is almost entirely met by domestic producers. Some producers such as Universal food PLC have shifted to internet retailing to reach wider markets in an innovative move that is typically uncommon in this sector in Thailand.

5.12.3.2 Imports and exports

Identifying data on trade in processed fruit and vegetable product is extremely complicated due to the number of different lines under which such products can be imported. Data on trade in processed fruit and vegetables is ultimately captured under the trade data for fruit and vegetables in section 5.2.3.2.

5.12.3.3 EU GI products

No EU processed fruit and vegetable GIs are registered in Thailand at present.

⁶⁷ Euromonitor International: Packaged Food, 2020; The vegetarian festival in Bangkok (Tesagan gin je), Expique <https://www.expique.com/article/vegetarian-festival-bangkok/>

5.12.3.4 Main competitors

The main competition for EU producers of this product come from domestic producers who are accustomed to the production of Thai centric processed fruit and vegetables such as durian and pineapples and have a distinct advantage in a small market in which any excess of the extensive fresh production may be turned into processed.

5.12.4 Specific market entry requirements

All general rules about market access and entry for processed fruit and vegetables can be found in section 4.2. Tariffs vary depending on the CN code of the product but are generally around 30%.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website by entering the corresponding CN code, e.g. fruit uncooked or cooked by steaming, frozen:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hscod=0811>

Customs procedures

A list of standard documents required for the import of processed fruit and vegetables into Thailand is presented in Table 4-1 and Table 4-2 in section 4.2.1. Notably, as these goods are normally considered as standardised food, a GMP certificate in Thai or English. Some of the permit and phytosanitary certificate requirements for fresh fruit and vegetables may extend to processed fruit and vegetables, depending on the precise nature of the product.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website by entering the corresponding CN code, e.g. fruit uncooked or cooked by steaming, frozen:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=0811&countryid=TH>

SPS measures, standards

As normally considered standardised food, there is specific legislation covering microbiological and general contamination which can extend to process fruit and vegetables . However, given this was mainly introduced to standardise informal production inside Thailand, it is unlikely to pose a challenge for goods imported from the EU.

As noted above, depending on the nature of the processed fruit and vegetable product, some requirements applicable to fresh fruit and vegetables may apply. More details on these, including on pesticides and maximum residue levels can be found in section 5.2.4.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=0811&countryid=TH#h20>

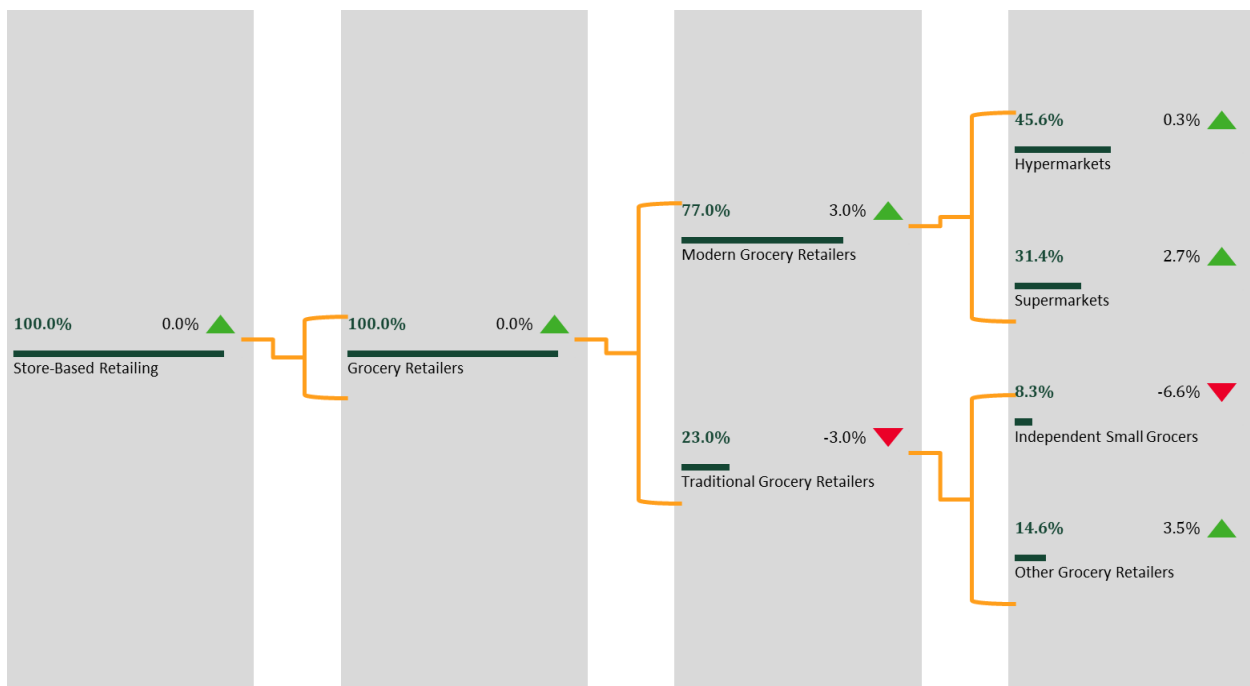
Labelling

As processed fruit and vegetables are normally considered standardised food, labelling has to follow general label requirements set out in section 4.2.3.

5.12.5 Distribution

As observed below in Figure 5-57, 100% of processed fruit and vegetables are distributed through store-based retailers in the country. This breaks down to a three quarter share for modern grocer retailers and traditional grocery retailers largely occupying the last quarter. Hypermarkets and supermarkets have the largest share of the market with 46% for hypermarkets and 31% for supermarkets. These chains benefit from having accessible to appliances such as freezers which allows for the long-term storage of frozen processed fruit and vegetable products. Independent small grocers have an 8% share of processed fruit and vegetable product distribution, with their importance having fallen sharply in recent years.

Figure 5-57: Distribution channel overview of processed fruit and vegetables in Thailand (2018); retail value



Source: Euromonitor International: Packaged food, 2020.

5.12.6 Challenges for EU products

The largest challenges for EU products in the country come from the general low demand for processed fruit and vegetables which already significantly impacts domestic producers; coupled with the large variety of fruit and vegetables anyhow produced in Thailand. There may be some niche possibilities among processed fruits that are not domestically produced.

Market Takeaway: Processed fruit and vegetables

Consumption: Fresher alternatives generally preferred by consumers due to a combination of nutritional value, price and the rise of a health conscious diet.

Competition: Domestic producers can largely fulfil the demand domestically which is quite low.

Distribution: Distributed through store-based retailers due to the need for necessary appliances (Such as a freezer) to make selling frozen products viable. Independent small grocers have experienced a sharp decline in distribution recently.

Challenges: Interest is generally low, and processed Fruit and Vegetable producers have struggled to innovate and advertise their products effectively in Thailand which has caused consumer interests in these products to decline.

Opportunities: Many Thais will gift processed fruit and vegetables during special occasions such as New Year's.

5.13 Pasta

5.13.1 SWOT analysis

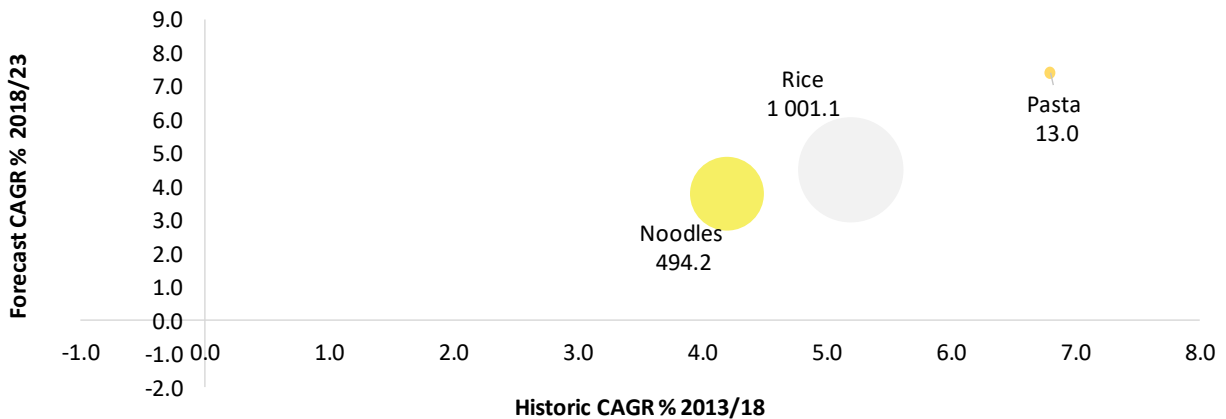
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Italy is the second biggest exporter to Thailand of pasta, noodles and couscous. ▪ The market for pasta, while small, is very fast growing. 	<ul style="list-style-type: none"> ▪ Pasta is mainly distributed in urban areas and thus rural communities do not have access. ▪ Pasta is not a staple food in the Thai market, with rice and noodles preferred.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Thais are very open to new flavours and products. ▪ Due to social media and TV cooking shows consumers become increasingly knowledgeable and interested in western cuisine, which includes pasta dishes. 	<ul style="list-style-type: none"> ▪ Strong indirect competition from rice and noodles. ▪ High level of domestic production of the neighbouring category of noodles.

5.13.2 Consumption

5.13.2.1 Evolution of consumption

Figure 5-58 shows Thai rice, noodles and pasta consumption in 2018. The total market had a value of over EUR 1.5bn. Rice was by far the category with the highest market value, with about EUR 1bn and thus accounted for more than 66% of the market value in 2018. In the same year noodles had a market value of around EUR 494m, about half of the rice markets value, but nonetheless still high. The pasta categories on the other hand had a market value of comparatively low EUR 13m, however is expected to grow with the highest forecasted CAGR of around 7.4% between 2018 and 2023 and moreover also has the highest historic CAGR of about 6.8% growth between 2013 and 2018. Rice and noodles are forecast to grow as well, just slightly less. The rice market is forecast to grow around 4.5% between 2018 and 2023 and the noodle market about 3.8% in the same period.

Figure 5-58: Evolution and forecast of market for pasta compared to rice and noodles (000 tonnes) in Thailand, 2013-2023



Source: Euromonitor International: Packaged Food, 2020.

Note: figures for 2019 to 2023 based on forecasts.

5.13.2.2 Consumer profile and purchase criteria

Consumers

Pasta consumers are usually high-income consumers because pasta is commonly more expensive than rice or noodles. Moreover, most pasta consumers in Thailand are either locals, who enjoy western food, western expatriates who moved to Thailand and do not want to miss their western cuisine or the many western tourists, who also want to enjoy their western cuisine during their holidays in a foreign country. Most pasta consumers live in urban centres and are mainly from the younger generation, because they grew up in a more globalised world and therefore are more prone to experience international cuisines.

Drivers and method of consumption

Pasta is not a staple food in Thailand and consequently consumers do not generally consume it on a regular basis. However, Thai consumers get more and more used to the western cuisine through the many western style restaurants, special marketing on social media and even through different cooking TV programmes or videos on YouTube, which promote pasta recipes. Thus, pasta is forecast to become more common on plates in Thailand.

Purchase criteria

The price is one of the main purchase criteria for Thai consumers because of the limited income of many Thai. Pasta is expensive compared to rice and noodles and as a consequence is mainly being bought by expats, who are used to western cuisine as well as by the tourism sector which offers pasta dishes to western tourists. However, the Thai community is getting more knowledgeable and interested in western cuisine, which means they might buy pasta out of curiosity.

5.13.2.3 Recent market trends

As established in 5.13.2.2 Pasta is forecast to become more popular and demanded. In general flavours from other origins than Asia are forecast to become more prominent in Thailand; opening up interest in products such as pasta. Moreover, pasta recipes are currently popular on Thai cooking TV shows and in YouTube videos and thus, this whole product segment is gaining prominence in Thailand, giving a positive outlook for this small segment.

5.13.3 Offer

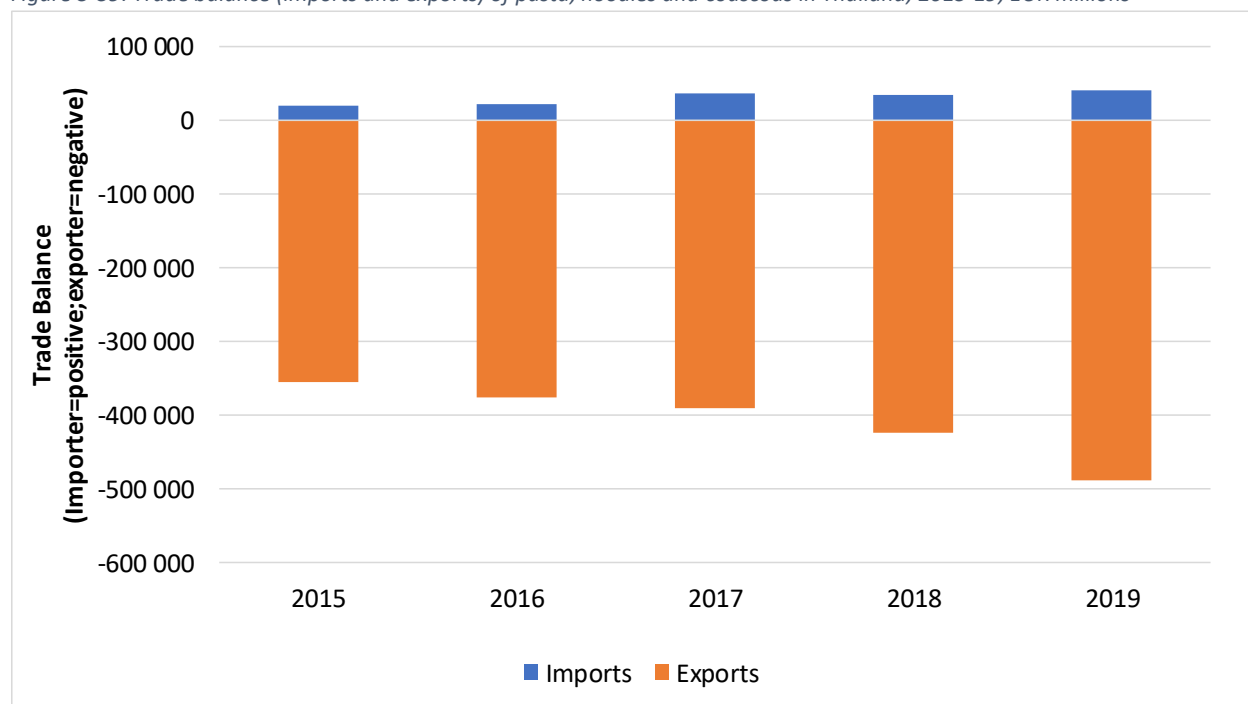
5.13.3.1 Domestic production

Rice is extensively produced and consumed in Thailand; and noodles are also produced to a large extent. Pasta production on the other hand is minimal, with the vast majority imported.

5.13.3.2 Imports and exports

The trade balance depicted in Figure 5-59 clearly shows that Thailand is by far a net-exporter of pasta, noodles and couscous; a fact fundamentally explained by noodles. In 2019 Thailand exported those products with a value of close to EUR 489m, while it exported products with a much lower value of around EUR 40m, which is only around 8% of Thailand's exported value. Between 2015 and 2019 the export market grew by around EUR 133m (about 28%), whereas the import market grew by more or less EUR 21m (approximately 53%). Thus, even though Thailand's export market is bigger the export market grew more percentagewise between 2015 and 2019.

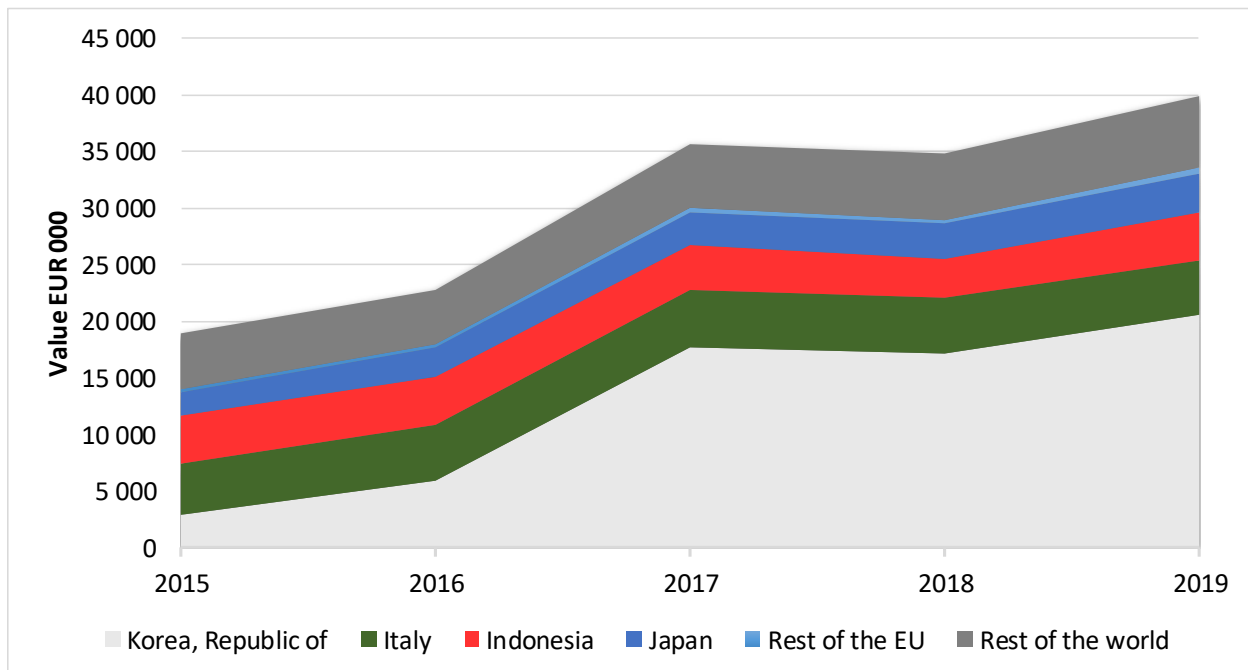
Figure 5-59: Trade balance (imports and exports) of pasta, noodles and couscous in Thailand, 2015-19; EUR millions



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1902.

Figure 5-60 shows the countries where pasta, noodles and couscous exports to Thailand mainly come from. The Republic of Korea exported products with a value of around EUR 20.6m to Thailand in 2019, and thus accounted for over half of the total export market value. Italy came second with a value of about EUR 4.8m, followed by Indonesia with approximately EUR 4.8m and Japan with around EUR 3.4m in 2019. The rest of the EU together exported products with a value of close to EUR 0.5m. Between 2015 and 2019 the export value of the Republic of Korea increased drastically by more than 86%, whereas most other countries exported values stayed more or less stable.

Figure 5-60: Thai imports of pasta, noodles and couscous by country, 2014-2018; EUR millions



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1902.

5.13.3.3 Main competitors

The main competitor for the EU is indirect from Thailand's own high rice and noodles production because those products are substitutes for European pasta and are used on a more daily basis in the country. Moreover, the main export competitors are other Asian countries such as the Republic of Korea, Indonesia and Japan; though once again this is indirect for noodles rather than pasta.

5.13.4 Specific market entry requirements

All general rules about market access and entry for pasta can be found in section 4.2. EU pasta imports face MFN tariffs of 30%.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hscod=1902>

Customs procedures

A list of standard documents required for the import of pasta into Thailand is presented in Table 4-1 and Table 4-2 in section 4.2.1. Notably this includes an import licence for foodstuffs; and, as pasta is normally considered as standardised food, a GMP certificate in Thai or English.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1902&countryid=TH>

SPS measures, standards

As standardised food, there is specific legislation covering microbiological and general contamination. However, given this was mainly introduced to standardise informal production inside Thailand, it is unlikely to pose a challenge for goods imported from the EU; and no historical cases of problems with it have been identified for EU exporter.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1902&countryid=TH#h20>

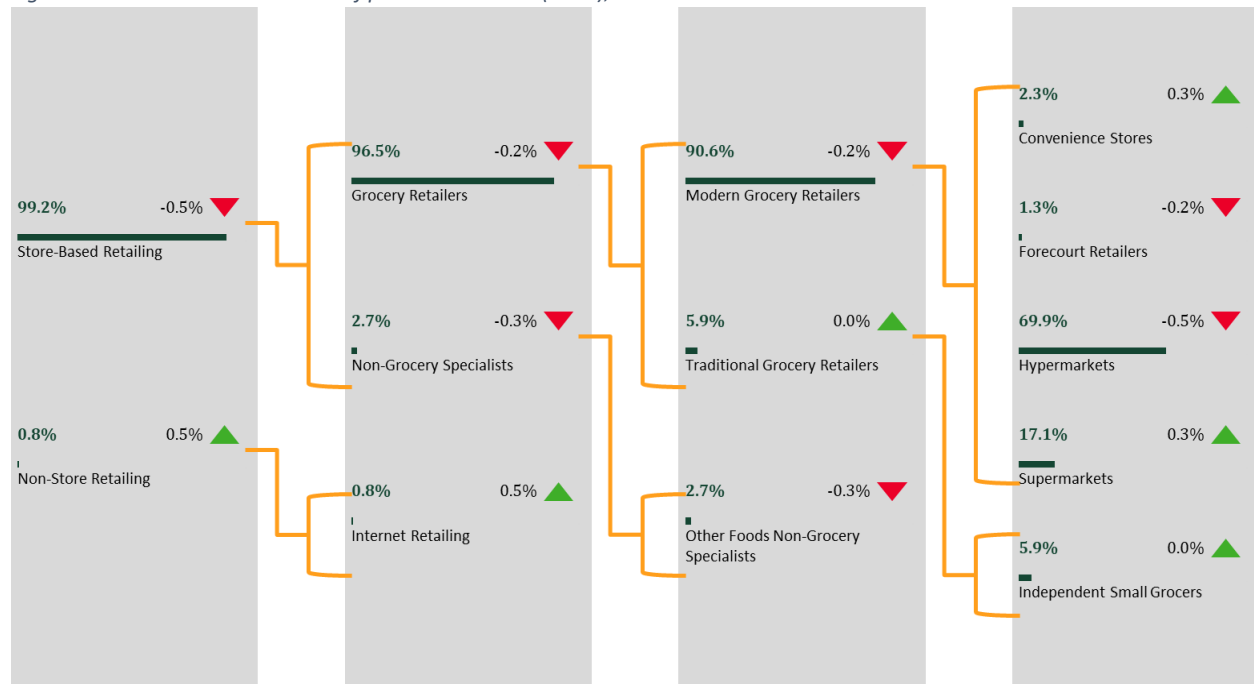
Labelling

As standardised food, pasta labelling has to follow general label requirements set out in section 4.2.3.

5.13.5 Distribution

Pasta is mainly distributed through store-based retailing with stores over 99% of the retail value in 2018 as shown in Figure 5-61. Even though internet retailing grew by about 0.5% in 2018, it was still low at around 0.8%. Modern grocery retailers accounted for just over 90% of the retail value with hypermarkets being by far the most prominent channel in 2018. Nearly 70% of retail value come from this distribution channel. Hypermarkets were followed by supermarkets, which still accounted for more than 17% of the retail value. Together these two outlets only accounted for approximately 87% of the whole sectors retail value in 2018.

Figure 5-61: Distribution channels of pasta in Thailand (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

5.13.6 Challenges for EU products

The market for EU pasta is challenging because it is not a staple product which is used on a regular basis. This mainly cook with rice and noodles instead of pasta. With the exception of Italy, the EU does not export a lot of pasta, noodles and couscous to Thailand compared to other Asian countries. Moreover, the government is promoting rice in particular for low-income consumers and has a project which offers this group to buy rice at even lower prices. Pasta is mainly distributed through modern grocery retailers such as hypermarkets and supermarkets, which are situated in urban centres. With about half of the population living in the countryside many consumers do not have easy access to outlets selling pasta. However, despite the general clear dominance of rice and noodles, pasta is beginning to gain prominence, and urban-based consumers with higher incomes are best suited to potentially consume the higher priced pasta products.

Market Takeaway: Pasta

Consumption: *Even though pasta consumption is growing, it still can be seen as more of a niche product. Thai consumers mainly consume rice and noodles instead of pasta.*

Competition: *Growing domestic production of pasta substitutes (rice and noodles) together with imports from mainly other Asian countries.*

Distribution: *Largely distributed through modern grocery retailers such as hypermarkets and supermarkets which account for 87% of distributed sales.*

Challenges: *Pasta being a niche product and consumers mainly using rice and noodles instead and the fact that pasta is mainly distributed in urban areas but not in high populated rural areas.*

Opportunities: *Local production is small, and the market is forecast to grow, which gives room for EU products to enter the market. Another advantage is the fact that the EU is a well-known and trusted pasta producer.*

5.14 Baked goods

5.14.1 SWOT analysis

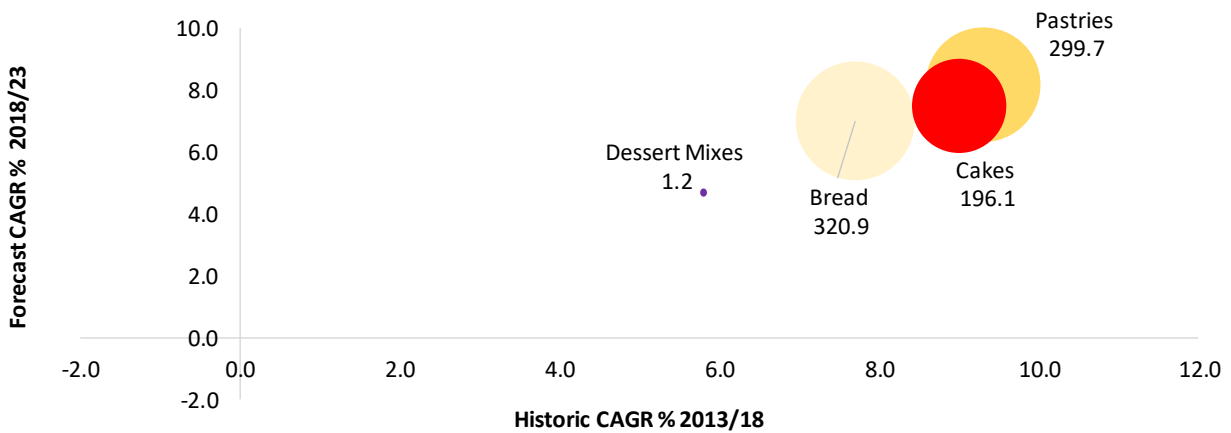
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Baked goods increasingly consumed in Thailand. ▪ Convenience of baked goods an increasingly desired trait. 	<ul style="list-style-type: none"> ▪ Domestic players can largely meet local demand. ▪ Domestic producers accustomed to producing Thai-centric baked goods which incorporate products such as durian and pineapple.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The rise in the demand for baked good products gives EU producers a window of opportunity. ▪ Thais are willing to spend more on baked goods that have nutritional added value and increased interest in health with the PHO ban. 	<ul style="list-style-type: none"> ▪ Malaysia is a major exporter of baked goods to Thailand. ▪ Consumers concerned about the health effects of baked good consumption .

5.14.2 Consumption

5.14.2.1 Evolution of consumption

As illustrated in Figure 5-62 below, bread had the largest market value of a category in the baked goods sector in Thailand with a market value of EUR 320 million which is helped with a CAGR of 7.7% since 2013; this growth rate is forecasted to remain largely the same for the forecasted period up until 2023. Pastries in Thailand have a market value of roughly EUR 300 million and has grown faster than bread in recent years with a CAGR since 2013 of 9.3%; a rate that is forecasted to remain high albeit slightly slower than recent years with it being 8.2% up until 2023. Cakes have a market value in Thailand of EUR 196 million which has been helped achieved through a 9.0% CAGR since 2013. Looking ahead cakes are expected to grow at 7.5% per year until 2023. Desert mixes have a significantly smaller market from the largely three categories of EUR 1.2 million and is expected to grow slower than the other categories with a forecasted CAGR of 4.7% up until 2023.

Figure 5-62: Evolution and forecast of baked goods market in Thailand (million EUR), 2013-2023; total value



Source: Euromonitor International: Packaged Food, 2020.

5.14.2.2 Consumer profile and purchase criteria

Consumers

Consumers of baked goods in Thailand incorporate all incomes and ages to some extent as they are readily available throughout the country. Examples of baked goods from Thailand include *Khanom bueang* and *roti bread*. Thais are increasingly placing a value on premium products that can provide nutritional added value and producers in the baked goods sector have begun to increase production in such products to cater to this demand. Typically, consumers of premium products will have higher incomes; however low-income earners will continue to purchase them if they feel particularly loyal to the product, such loyalty comes from traits such as flavour something that is often a key deterrent in the consumption habits of Thai consumer. Bakery products that incorporate exotic flavours that Thai consumers often look for include sweet potatoes buns, durian buns and Hokkaido milk buns, more niche products will have flavours such as bamboo charcoal, beetroot and rice berry.

The convenience of baked goods appeals strongly to consumers; most notably, increasingly hectic lives which comes from an increasingly urban population means that consumers leading such lives value the convenience that baked goods offer. Baked goods products that specifically cater to this demand include quick grab and eat products such as berry muffins and coconut cookies but in general most baked goods will appeal to the consumer in relation to convenience.

Drivers and method of consumption

Thais will typically consume baked goods as a quick snack during their day to day activities, with lunch being the main meal they will sit down and consume a baked good product. In Thailand the distinction of which dish for a particular part of the day is not set in stone, so consuming baked goods can occur at any part of the day. However, it is rarely a part of a larger meal but rather a standalone snack. Bread is typically consumed as a side option to main dishes, however the consumption of bread in Thailand generally is not so great.

In terms of drivers, pop-up stands are an increasingly common sight. Domestic players such as Good Morning Farmhouse have begun to set up pop-up stands to sell their baked good products in Thailand's urban centres, the company has also set up vending machines which are popular in Thailand and stocked them up with baked good products. It is expected that many other players will follow in the example from Food Morning Farmhouse in the country.

Furthermore, producers have become acutely aware of the significance of the Internet for promoting some baked goods. Consumers seeking new and unique flavours have increasingly sought them through the internet with many social media influencers promoting these flavours on their perspective social media channels. Producers have sought these influencers to promote their goods in the country, typically the healthier varieties of baked goods they have on offer.

Purchase criteria

Thai consumers are willing to spend more on a baked goods product they perceive to be of a higher quality in term of nutritional and flavours than other alternatives. Many low-income earners will continue to consume cheaper alternatives; however, a producer that is able to produce high quality goods can be expected, despite a higher price, to have a loyal following of consumers in the market. Unpackaged baked goods are increasingly preferred as a result of a rise in health-conscious consumers.⁶⁸

5.14.2.3 Recent market trends

As stated previously, the rise of health consciousness combined with the desire for increased unique flavours from Thai consumers are the defining trends in this sector and will influence the market here for years to come. Producers are increasingly engaging in new and unique ways to raise awareness and consumption of their products with pop-up stands selling baked goods next to busy areas such as the line at a bus station and the rise of baked goods vending machines making these products increasingly visible of the streets of Thailand.

5.14.3 Offer

5.14.3.1 Domestic production

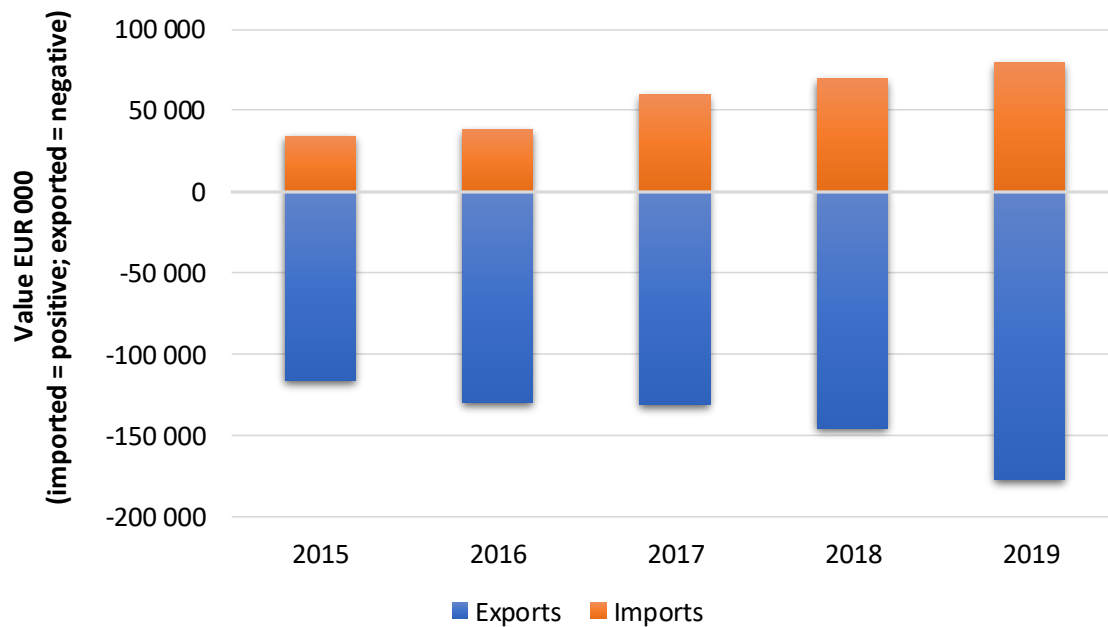
Large domestic players dominate the market in Thailand which is due in part to their wide variety of assortments, a wide distribution market, competitive prices and brand loyalty. Farmhouse has the largest brand share of baked goods in Thailand with 22%, its share compounded by recent innovations such as pop-up stands in urban areas. Le Pan is the second largest with 12% of the brand market share in the country. These brands typically produce products with artificial food additives which can be discouraging to consumers in the country allowing producers such as cubic bread and the oven farm to gain ground through their healthier options and growing distribution networks. There are a number of smaller producers which cater to specific regions of Thailand, such as Secret recipes (Thailand) which focuses of the Bangkok metro area. In addition, there are several retail chain bakeries that span the country with notable examples including coffee beans by Dao and Breadtalk. Investments in new facilities in the country such as the construction of a new bread and bakery factory in Bangkok at the Lat Krabang

Industrial Estate should move to ensure that general domestic production in this sector in Thailand continues to grow.⁶⁸

5.14.3.2 Imports and exports

As observed below in Figure 5-63, Thailand overwhelmingly exports more baked goods than it imports. In 2019 Thailand exported a market value of EUR 176 million a rise from the EUR 145 million it exported in 2018. Thailand imported a market value of EUR 79 million worth of baked goods in 2019 a rise of EUR 10 million from 2018.

Figure 5-63: Trade balance (imports and exports) of baked goods in Thailand, 2015-19; tonnes



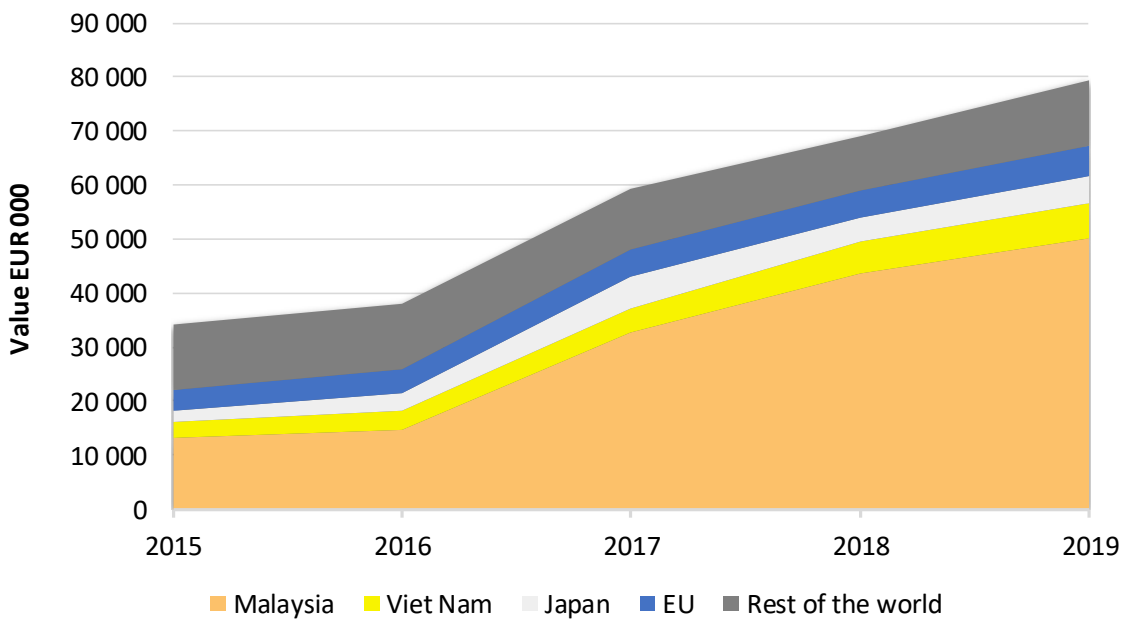
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 190590.

As illustrated in Figure 5-64 Malaysia is by far the largest exporter of baked goods to Thailand with a total export value of EUR 50 million in 2019, a rise from the EUR 13 million worth of baked goods Malaysia exported to Thailand in 2015. Geographical proximity and cultural similarities help compound trade between the two countries. Vietnam is the second largest baked good exporter to Thailand with a market value of EUR 6 million in 2019 followed by Japan with a market value of EUR 5 million. France is the largest EU exporter of baked goods to Thailand with a market value of EUR 1.7 million in 2019. Germany and Spain are amongst the top ten baked goods exporters to Thailand however the value of their exports are small with both being below the EUR 1 million mark.

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<https://www.rvo.nl/sites/default/files/2013/08/Business%20Opportunities%20Study%20in%20Thai%20Bakery%20Sector.pdf>; Euromonitor International: Packaged food, 2020

Figure 5-64: Thai imports of baked goods by country, 2015-19; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 190590.

5.14.3.3 EU GI products

No EU GIs for bakery products are registered in Thailand at present.

5.14.3.4 Main competitors

The main competition in this market comes from the large number of domestic producers in the country which can largely cater to the demands of the consumer base. Malaysia is by far the biggest competitor internationally and will likely remain the largest exporter of baked goods to Thailand as the country borders Thailand and has a growing baked goods production in their own right.

5.14.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry for baked goods can be found in section 4.2. EU baked goods imports generally face MFN tariffs of 30%.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:
<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hcode=1905>

Customs procedures

A list of standard documents required for the import of baked goods into Thailand is presented in Table 4-1 and Table 4-2 in section 4.2.1. Notably this includes an import licence for foodstuffs. Bread generally

falls under the category of “other food with standardised labelling”, while other baked goods fall under standardised food. The former category not subject to the GMP certification requirement while the latter is. It is worth confirming the Thai FDA classification of any bakery goods prior to export as, if considered a standardised food, further requirements including the GMP certificate will be required; or if in doubt, consider it a standardised food and provide documents to that effect.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1905&countryid=TH>

SPS measures, standards

It is important to note that Thailand implemented **a ban on partially hydrogenated oils (PHOs) and products containing these**. Thai FDA inspectors at ports of entry may request proof that certain categories of food do not contain PHOs. Bakery goods are among the goods for which this evidence can be requested.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1905&countryid=TH#h20>

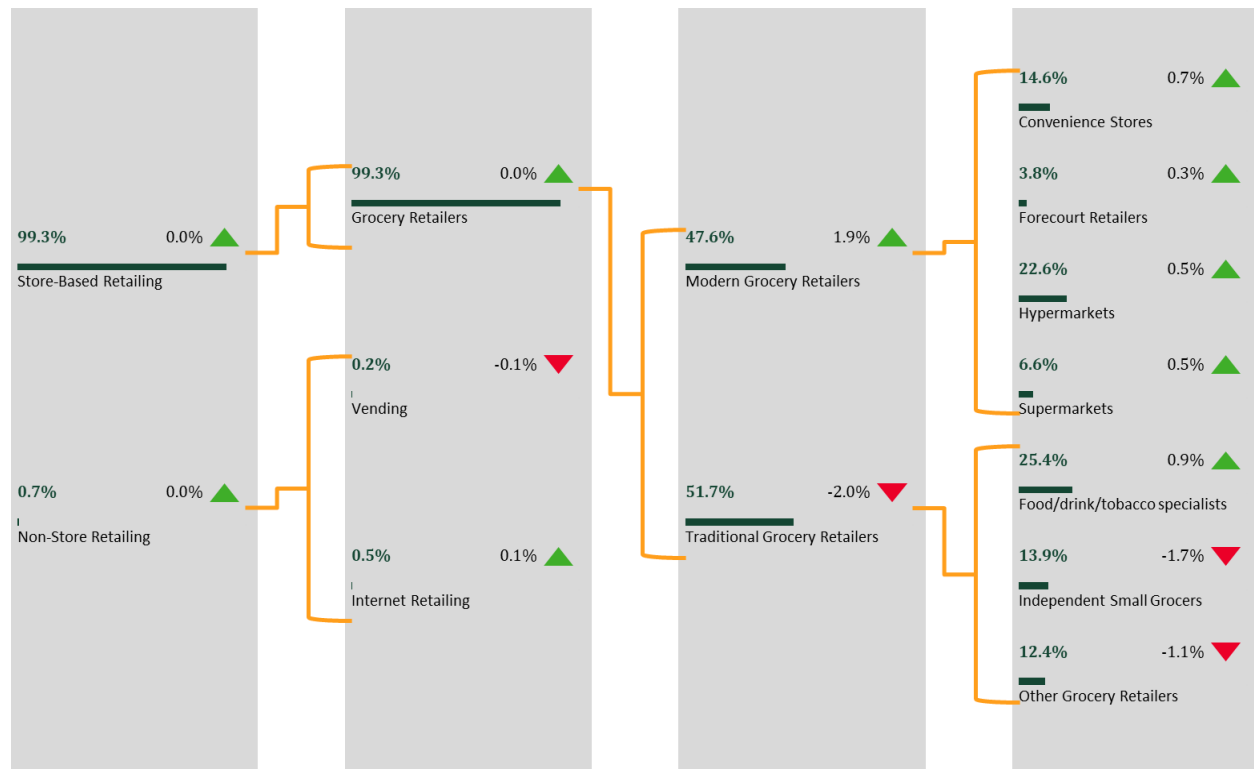
Labelling

Labelling of packaged baked goods has to follow general label requirements set out in section 4.2.3.

5.14.5 Distribution

As observed in Figure 5-65 virtually all of the baked goods sold in Thailand will be sold through grocery retailers, with a split between traditional grocery retailers (51.7%) and modern grocery retailers (47.6%) occurring. A further breakdown illustrates that the sales of baked goods occur in a variety of grocery retailers with food/drink and tobacco specialist having the largest distribution share at 25% followed by a 22.6% share for hypermarkets. Convenience stores have a 14.6% share which is growing while independent small grocers at 13.9% has seen a decline. Internet retailing is expected to grow in Thailand however present baked goods distributed through this channel account for only 0.5% of sales.

Figure 5-65: Distribution channel overview of baked goods in Thailand (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

5.14.6 Challenges for EU products

The challenge for EU products comes from domestic producers largely meeting the demands locally and having the experience in producing Thai centric based goods which incorporate local ingredients such as durian. Baked goods in Thailand typically comprises products that are produced in the country or in neighbouring Malaysia. The rise of a health conscious consumer base has increased demand for healthier baked good alternatives which may present a small window of opportunity for EU producers.

Market Takeaway: Baked goods

Consumption: Consumed as a snack item mainly, consumers appreciate the convenience of baked goods products.

Competition: Domestic producers can largely meet the demands of the market in Thailand with Malaysia presenting to largest sole competitor from outside Thailand.

Distribution: Sold through a variety of grocery retailers with food/drink and tobacco specialist being the largest distributor, followed by hypermarkets, convenience stores and small independent grocers.

Challenges: Many producers in Thailand are accustomed to producing Thai-centric baked goods which incorporate local products such as durians and pineapples, giving them an advantage over EU producers.

Opportunities: A rising demand for healthier alternatives may give EU producers a window of opportunity in this market.

5.15 Biscuits and cereal bars

5.15.1 SWOT analysis

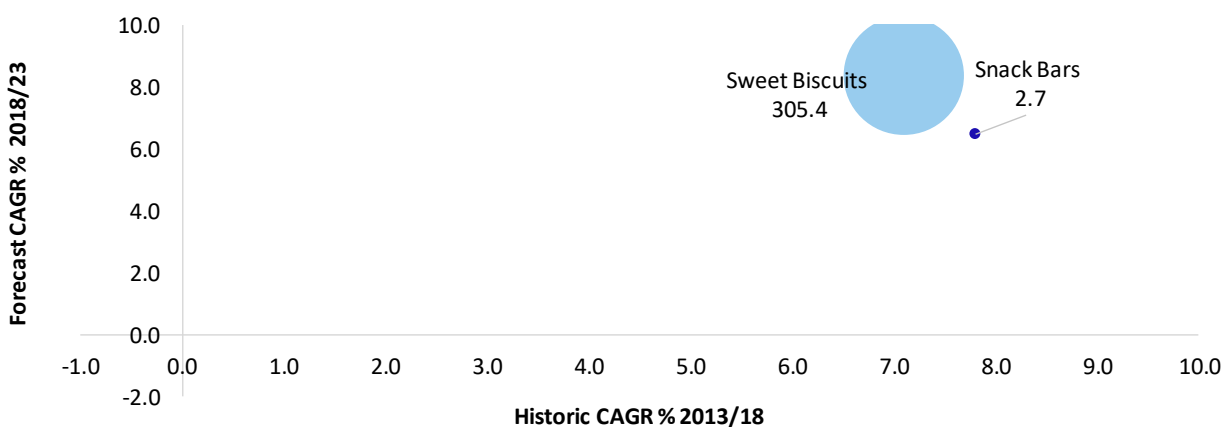
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Biscuits and cereal bars are growing in consumption Thailand. Tourist from western nations accustomed to consuming biscuits and cereal bars compounded the growth in consumption. 	<ul style="list-style-type: none"> Thais are price sensitive about these products in particular. Flavours are a valued trait and Thailand has the capacity to produced unique flavours domestically.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Snack bars yet to have a meaningful impact on the market in Thailand, EU producers of this product will face less competition. Thais place an emphasis on flavour, and unique EU biscuits such as Danish butter cookies may garner a small following in Thailand. 	<ul style="list-style-type: none"> Malaysia and Indonesia the largest exporters to Thailand account for half of exports. A desire for healthier alternatives puts pressure on producers to adapt.

5.15.2 Consumption

5.15.2.1 Evolution of consumption

As can be observed below in Figure 5-66, sweet biscuits are by far the most popular biscuit product in Thailand with a market value of EUR 305 million which has been helped through a 7.1% CAGR since 2013. Looking ahead it is expected that sweet biscuits will grow by a CAGR of 8.4% up until 2023. Snack bars have had a CAGR of 7.8% since 2013 to today have a much smaller market value of EUR 7.8 million. Snack bars are expected to have a CAGR of 6.5% up until 2023.

Figure 5-66: Evolution and forecast of the market for sweet biscuits and snack bars in Thailand, 2013-2023; EUR million



Source: Euromonitor International: Packaged Food, 2020.

5.15.2.2 Consumer profile and purchase criteria

Consumers

Biscuits and cereal bars appeal to consumers in the country in a number of ways. Firstly, however it should be noted that consumers of middle and higher incomes can readily afford to purchase a wide variety of biscuit and cereal bar products; and these products are available throughout the country of Thailand.

Nonetheless, these products have been in indirect competition with fruit snacks, as Thailand produces an abundance of fruits. In response to this, it is increasingly common for biscuits and cereal bars to incorporate some of these produces into their products. Okra, pineapple and berry are particular fruits that can be found in Thai biscuits and this added flavour appeals to consumers; flavour is an important determinant for Thai consumers with plain biscuits having the lowest appeal to consumers in the country. While it has been shown that Thais will be willing to spend more to obtain products they desire, this desire is strained in relation to biscuits and cereal bars with many producers adapting to offering cheaper alternatives to their mainstream products in an effort to capture a share of the low-income market which typically passes up on purchasing biscuits and cereal bar products.

Thai consumers have a desire for filled biscuits with it being the most popular type of sweet biscuit amongst consumers. Chocolate coated biscuits are the second most popular category followed by wafers and then cookies. As previously noted, plain biscuits are typically not too popular in Thailand.

Drivers and method of consumption

As inferred above, biscuits and cereal bars are generally consumed as a snack; which can be at any point of the day. Certain drivers for consumption stand out:

- **Smaller packages a new way of increasing demand.** As many Thais are price sensitive in this category, any effort to reduce costs to the consumer tend to be well received in this category. Producers such as Oreo, Fun-O and Cream-O have introduced smaller packages with smaller biscuits at a lower price which resonates with lower income earners who typically pass up purchasing larger packaged biscuit products.
- **Eccentric tourists seek unique flavours.** A recent drive noted in touristic hotspots has been the desire for biscuit and cereal bars which incorporate local flavours. Westerners in particular who are more accustomed to the consumption of biscuit and cereal bar products have been seeking Thai alternatives creating a small submarket for producers to compete in. Products desired by tourist typically include products with durian, longan and pineapple.
- **Snack bars have yet to make an impact in Thailand.** The variety of fresh fruits, street foods and biscuits available in Thailand has proven to provide stiff competition for snack bars which have yet to make a significant impact in the market there. Some brands have disappeared recently in the country as demand hasn't been enough to facilitate their production. The rise of an urban population seeking convenience foods may in the future cause a growth in snack bar production.

Purchase criteria

Thais typically will spend more to obtain their favourite products however this sector has largely bucked this trend with consumers of biscuit and cereal bar products placing an emphasis on the price of these products. These products are still viewed as a treat product by many Thais and as such price plays a larger role. Gifts in Thailand are typically in the form of fruits and vegetables with the gifting of biscuits being a less common occurrence hence the market for luxury biscuits and cereal bars to cater to this practise is small. Producers that make steps to lower the prices of their products such as Oreo with their smaller packages will resonate better with the Thai consumer base.

5.15.2.3 Recent market trends

Producers have been moving towards the production of healthier biscuit and cereal bar alternatives in recent years in an effort to capitalise on the growing demand for health-based products. Price plays a large role in this sector and producers have adapted accordingly with new smaller and cheaper packages of sweet biscuits being available to Thai consumers. Snack bars have struggled to gain ground in this market and will have to continue adapting to Thai consumption habits in order to generate meaningful growth in the country.

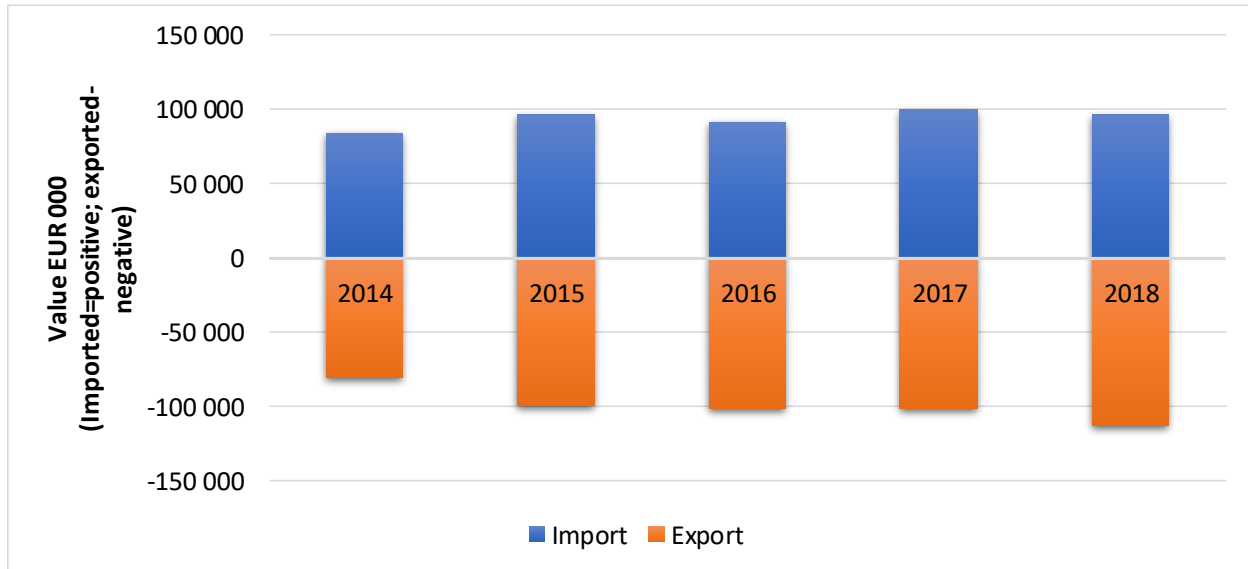
5.15.3 Offer**5.15.3.1 Domestic production**

Domestic production in Thailand for this sector is unique in that International players producing locally have a defining role in the market here. The largest player in the Thai biscuit and cereal bar sector is URC (Thailand) a company based in the Philippines with a market share of 27.5%. Thai glico co is the second largest company in the market here and is owned by the Japanese producer Ezaki glico and have a share of 16.7%. Mondelez has the third largest share of the market in Thailand with a 7.9% share of the market. The largest domestic player in the market is KCG Corp co with a market share of 3.6%. Many producers in Thailand will cater for smaller regions of the country such as Thai lotte co which focuses mainly on the Bangkok metro area.

5.15.3.2 Imports and exports

As observe in Figure 5-67 the importation and exportation of biscuit and cereal bars has remained largely equal in recent years. Exports have grown slightly in recent years while imports have remained largely stable.

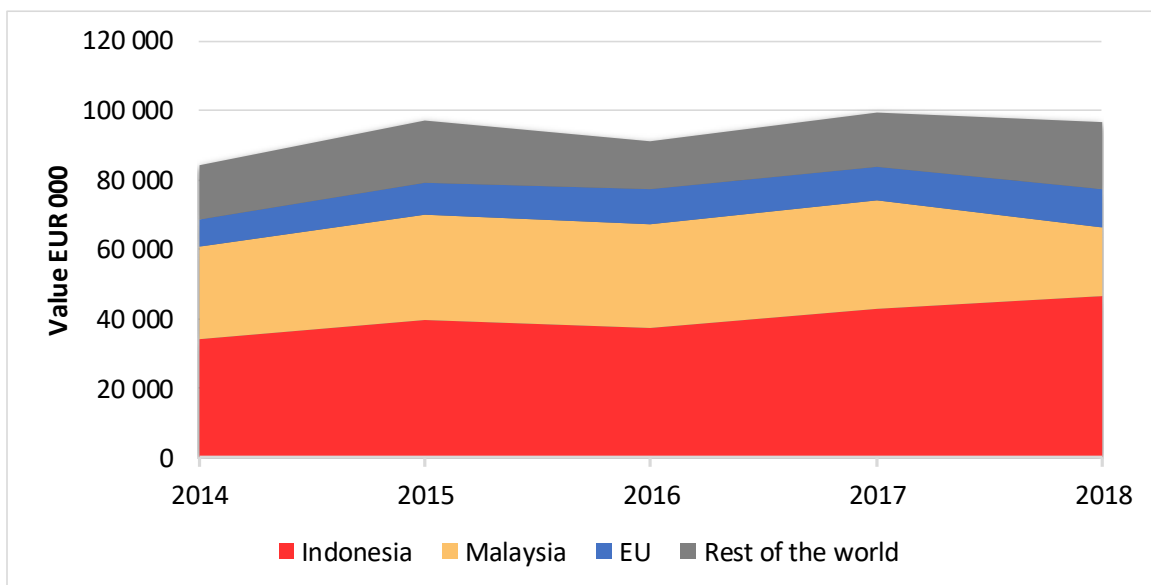
Figure 5-67: Trade balance (imports and exports) of biscuits, waffles and wafers in Thailand, 2015-19; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN codes 190531 and 190532.

As shown below in Figure 5-68 it is observed that Indonesia is the largest exporter of biscuit and cereal bars to Thailand followed by Malaysia, together these nations represent over half of the total exports of biscuit and cereal bars to Thailand. Austria is the largest exporter of biscuit and cereal bars from the EU with Germany, Italy and Poland also making up the top ten largest exporters.

Figure 5-68: Thailand imports of biscuits, waffles and wafers by country, 2015-19; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN codes 190531 and 190532.

5.15.3.3 EU GI products

No EU GIs for biscuits/cereal bars are registered in Thailand at present.

5.15.3.4 Main competitors

The main competition for EU producers comes from the nations of Indonesia and Malaysia which both together account for over half of the total biscuit and cereal bar exports to Thailand. Within Thailand a number of producers exists which can cater to the unique demands of the Thai consumer base in relation to price, nutritional value and the desire for products with a sweet flavour such as sweet biscuits.

5.15.4 Specific market entry requirements

Market Access and Entry

All general rules about market access and entry for biscuits and cereal bars can be found in section 4.2. EU biscuit imports generally face MFN tariffs of 20%.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=TH&hscod=1905>

Customs procedures

A list of standard documents required for the import of biscuits and cereal bars into Thailand is presented in Table 4-1 and Table 4-2 in section 4.2.1. Notably this includes an import licence for foodstuffs; and, as biscuits are normally considered as standardised food, a GMP certificate in Thai or English.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on the European Commission website:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1905&countryid=TH>

SPS measures, standards

It is important to note that Thailand implemented **a ban on partially hydrogenated oils (PHOs) and products containing these**. Thai FDA inspectors at ports of entry may request proof that certain categories of food do not contain PHOs. Biscuits and cereal bars, through their association with the broader category of baked goods, are among the goods for which this evidence can be requested.

As a standardised food, there is specific legislation covering microbiological and general contamination. However, given this was mainly introduced to standardise informal production inside Thailand, it is unlikely to pose a challenge for goods imported from the EU; and no historical cases of problems with it have been identified for EU exporter.

Up to date information on appropriate documents concerning SPS measures:

<https://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=1905&countryid=TH#h20>

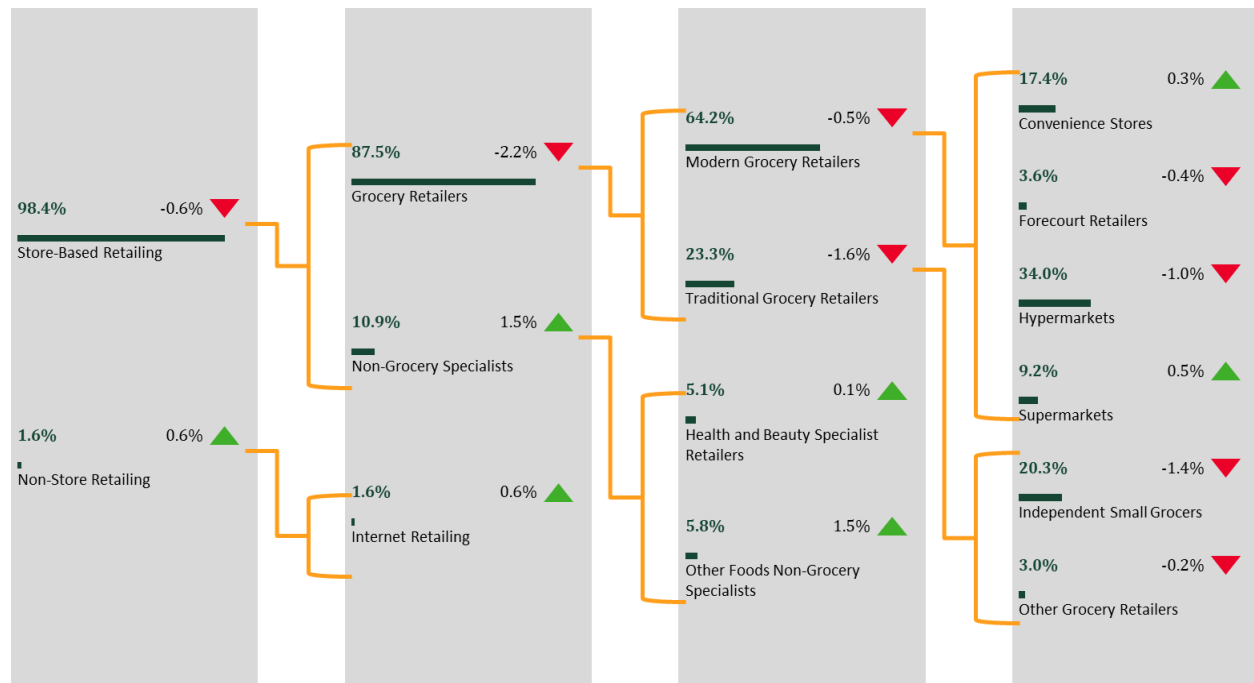
Labelling

As standardised food, biscuit and cereal bar labelling has to follow general label requirements set out in section 4.2.3.

5.15.5 Distribution

As observed in Figure 5-69 below grocery retailers account for 87.5% of distributed biscuit sales in Thailand which further breaks down to modern grocery retailers at 64.2% followed by traditional grocery retailers at 23.3%. Hypermarkets are the largest sole trader of biscuit products with 34% of distributed sales. 17.4% of sales come from convenience stores. Traditional grocery retailers account for 23.3% of distributed biscuit sales with independent small grocers accounting for 20% of this share. Other foods non-grocery specialist account for 5.8% of sale followed by health and beauty specialist account for 5.1% of sales. Internet retailing is a growing distribution channel with a current percentage of 1.6% which is expected to grow.

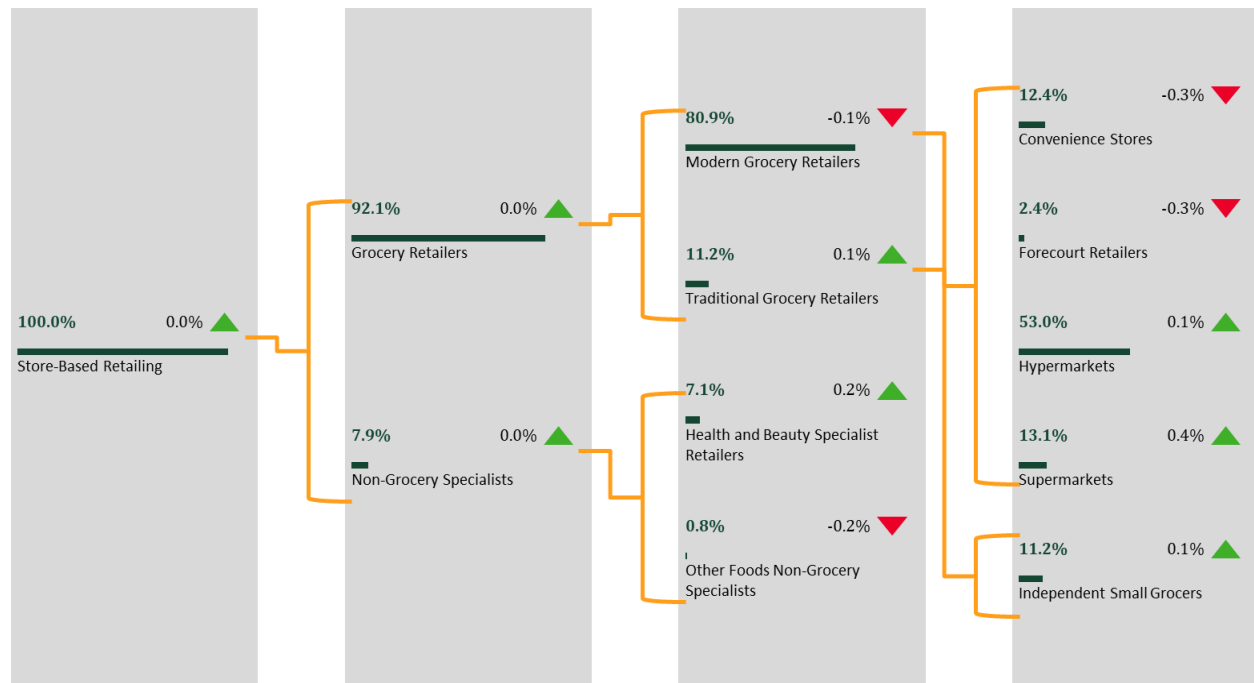
Figure 5-69: Distribution channel overview of sweet biscuits in Thailand (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

As illustrated in Figure 5-70 below it can be shown that snack bars are predominantly distributed through modern grocery retailers which have an 80% share of distributed sales of the product. Hypermarkets accounted for over half of sales. Supermarkets accounted for 13.1% while convenience stores accounted for 12.4%. Independent small grocers accounted for 11.2% of sales followed by health and beauty specialist which accounted for 7.1% of sales.

Figure 5-70: Distribution channel overview of snack bars (including cereal bars) in Thailand (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

5.15.6 Challenges for EU products

The main challenges for EU products come from the level of biscuits and cereal bars produced already in Thailand coupled with snack bars struggling to gain a meaningful impact in the market. Malaysia and Indonesia present themselves as the two largest competitors from outside of Thailand as these countries both account for over half of total exports of biscuits and cereal bar product to Thailand.

Market Takeaway: Biscuits and Cereal bars

Consumption: Consumed largely as a treat product in Thailand with many aspects associated with health still a desire such as the incorporation of fruit products.

Competition: Domestic production largely meet the domestic market demand with Indonesia and Malaysia being the biggest competitors from outside Thailand.

Distribution: Both products largely distributed through modern grocery retailers with health and beauty specialist and independent small grocers also being a significant distributor.

Challenges: Price remains a large challenge for producers with producers readily adapting to make their products cheaper. Biscuits and cereal bars are an anomaly largely as Thai consumers aren't typically very price sensitive.

Opportunities: Snack bars have yet to have a meaningful impact in the Thai market, EU producers that can adapt their products to the Thai market and market them efficiently will be entering a largely untouched market.

6 Communication

Thailand has a well-developed mass media network, with standards of media infrastructure in the country generally being better than that of other nations in the region. The Thai government and the military of the country have a significant control of the media in the country and what is published. Multichannel TV via satellite and cable is widely available and the media scene in the country is very competitive, particularly in Bangkok; despite the large number of regulations set by the government in relation to media output. The rise of the internet has drastically changed the media landscape in Thailand and Internet continues to penetrate a larger segment of the consumer base in Thailand. Currently, Thailand is ranked 140th in the world press freedom index, largely as a result of the role the government plays in regulating and controlling media in the country.

6.1.1 Online & Digital Media

The internet remains the most popular medium in Thailand for the exchange of information, a recent upgrade of the internet to 4G has helped improve the quality and coverage of the internet in Thailand. Today over half of Thais use the internet with 73% of them using it through smartphone devices. The most popular activity amongst Thai internet users is social media. Social media has drastically altered consumer spending decisions as many consumers now refer to the internet to seek new products and review prospective ones. The three most popular social media platforms in the country are YouTube, Facebook and Line.⁶⁹

Digital advertising agencies (see box below for a few of them) may provide companies with support to develop a successful digital marketing strategy.

Selected Digital Advertising Agencies in Thailand:

Trends Digital, <https://www.trendsdigital.com/>

Vertigo Video Productions <https://www.vertigovideo productions.com/>

Vault Mark <https://vaultmark.com/>

Invisible Ink <https://www.invisibleink.asia/>

AUN Thai Laboratories <https://www.aun-thai.co.th/>

Marketing Bangkok <https://www.marketingbangkok.com/>

BFP Agency <https://bpfagency.com/>

Digital marketing in Thailand incorporates appropriate advertising for products with many digital agencies on the ground in the country being much more accustomed to working within the strict regulatory framework of the Thai mass media landscape. This, along with cultural sensitives which may not be

⁶⁹ Info Quest, Thailand Media Landscape, Available at <https://blog.infoquest.co.th/iqmedialink/>

apparent at the onset to outsiders make working with domestic digital marketing agencies an effective way to adapt advertising to the Thai market.

6.1.1.1 Social media platforms

As mentioned above, social media is popular in Thailand and a new phenomenon in the country is to increasingly use social media profiles to advertise products with many profiles acting as both a personal and business profile for users. Data from various sources including Wisersight, a social media analysing service in Thailand, showed that approximately 41 million people in Thailand had a Facebook profile, over 5 million had a twitter profile, 14 million used Instagram and 33 million used LINE. YouTube is the most popular social media platform however users don't need a profile to access this service. Kaidee is a hugely popular online marketplace in Thailand and boasts 35 million users.

YouTube

YouTube is the most used social media platform in Thailand with an estimated 96% of internet users viewing at least one video on the platform per week through direct and indirect means. YouTube has become a leading platform for the promotion of goods and services in the country and it is not uncommon for brands to partner with YouTube channels of a large following in Thailand to advertise their goods and services. Many users are younger with the most popular social media platform for the older generation X users being LINE.

Facebook

Facebook is an important social media platform with many profiles also acting as a business page for users. Approximately 41 million people in Thailand have a Facebook profile which places the country as having the world's 8th highest number of Facebook users, one spot lower than neighbouring Vietnam. Facebook incorporated the Facebook live feature in Thailand in 2016 and this has since become extremely popular in the country with many users viewing important news events and influencers in the country to gain information that will affect their consumer habits.

Selected Top Facebook influencers in Thailand

[Kholod](#)

[Workpoint Entertainment](#)

[CH7HD](#)

[Thairath](#)

[Mario Maurer](#)

[Ichitan](#)

[Bhin Fanclub](#)

LINE

Line is a popular messaging app in Thailand and is popular amongst users as it does not require a lot of data to install, plus it has many video recording and messaging features which appeal to Thai consumers. Line is the third most popular social media platform in Thailand but is the most popular amongst older consumers. The app originated in Japan and has since gained popularity in Asia.

Instagram

Instagram has a large following in Thailand of roughly 14 million users which accounts for almost 20% of the country's population. The majority of users – over 60% - are female, with the most popular age group using Instagram being between the ages of 18-24 at 5 million users. Instagram influencers have gained an importation role in influencing the consumer habits from users with many influencers advertising Thai and imported products on their profiles.⁷⁰

Selected Top Instagram influencers in Thailand

[Blackpinks Lisa](#)

[Aum Patchrapa](#)

[Bambam1a](#)

[Chomismaterialgirl](#)

[Urassayas](#)

[Bellacampen](#)

Kaidee

Kaidee – an online marketplace with elements of social media - is the largest online marketplace in Thailand and boasts over EUR 2 billion in transaction values. It is estimated that Thais will visit the Kaidee website collectively over 30 million times a month. It is estimated that there are roughly 5000 items sold on the platform which largely solely to the Thai market. Many small business owners in Thailand will now use Kaidee as a channel to advertise and sell their products.

6.1.1.2 Food blogs

Food bloggers in Thailand have a large following as the many ethnic dishes from the country are popular both domestically and abroad. Many followers of Thai food bloggers will also be interested in the varied cooking and seasoning techniques used throughout Thailand with many regions having their own specific blend which increases curiosity from both Thais and outside onlookers. Some notable blogs include:

- ***Thai food Master***; started by expats in the country, the Thai food master blog is one of the more recognisable food blogs about ethnic Thai dishes with a large following both in Thailand and abroad.

⁷⁰ Info Quest, Thailand Media Landscape, Available at <https://blog.infoquest.co.th/iqmedialink/>

- **OHHAPPYBEAR;** is a food blog centred around the many variety of foods found in the city of Bangkok. The Blog is popular with residences and won the 2019 best food blog award in Thailand.
- **Sirinyas Thailand;** founded by Thai-German blogger Sirinya Pakditawan this blog reports on Thai ethnic food festivals and the many variety of new foods unveiled at these festivals.
- **She Simmers;** is a food blog in Thailand which focuses on the diverse tastes of the Thai cuisine and is run by Leela Punyaratabandhu, a Thai national based in Bangkok,

6.1.2 Traditional Media

Traditional media in Thailand is highly competitive, especially in the Bangkok metropolitan area. Traditional media remains an important source of information for many Thais, however the government and military exert a lot of influence on the media produced through this medium in particular.

- **Newspapers** remain popular in Thailand with the largest newspaper being Thairath which has a daily circulation of roughly 1 million, followed by Khao Sod with 950 000 newspapers in daily circulation. The largest news agencies in the country are NNT, Thai News Agency and Independent News Network.
- **Television:** Television first arrived in Thailand in 1955. Television has slowly moved from analogue to digital in Thailand with digital viewers representing roughly half of television viewers in the country. Some of the most popular TV channels in the country include Channel 7, Channel 3, Mono TV, Workpoint TV and Amarin TV.
- **Radio:** the use of Radio Is popular in Thailand and competition in this media space is fierce. A growing number of people have switched to online radio, however conventional radio remains the most popular medium. Radio broadcasts in Thailand are regionalised with many radios stations reporting on events in local areas - which in Bangkok can mean a small district in the city.

6.1.3 Fairs and exhibitions

A large number of food and beverage fairs and exhibitions take place in Thailand as the country is situated at the crossroads of many cultures and markets which makes it a prime located for producers in both Thailand and its neighbouring vicinity to advertise their products in the country. Bangkok is often referred to as the gateway to south east Asia, and by extension the ASEAN bloc which makes it an appealing location to promote agri-food and beverages. As Thailand has a rich cultural culinary tradition many events celebrating Thai foods also take place in the country which attracts international interests.

A list of major fairs/exhibitions in 2020 can be found in section 8.4.

6.2 Advertising regulations

Advertising in Thailand is subject to the Consumer Protection Act of 1979, in addition to other laws depending on the type of product or service. The Act creates serious criminal penalties for any violations; therefore, it is important that businesses ensure that their advertisements are compliant, in order to limit any possible legal liability. Generally, Thai consumer protection law regarding advertising follows the

same standards as in other countries with certain products such as alcohol facing stricter regulations. The Act prohibits the following types of statements:

- A statement which is false or exaggerated; except that a statement which an ordinary person knows cannot be true is not prohibited;
- A statement which will cause misunderstanding in the essential elements concerning goods or services, notwithstanding it is based on or refers to any technical report, statistics or anything which is false or exaggerated;
- A statement which is directly or indirectly encouraging the commission of an unlawful or immoral act, or which adversely affects the national culture;
- A statement which will cause disunity or adversely affects the unity among the public.

In addition to the aforementioned act, it should be remembered that there are serious restrictions on the advertising of baby food and alcohol in Thailand.

The government of Thailand exerts a lot of influence on advertising in Thailand and will come down hard on any advertiser which violate the advertising regulations of the country.

Further detailed information about advertising rules and the Code of Advertising conduct can be found at the Asian Lii official website: http://www.asianlii.org/th/legis/consol_act/cpa1979246/

7 Thailand Etiquette

7.1 Quick facts

Business Culture

Thai business culture mirrors similar practices in the region such as the value of saving face and keeping strictly to set times. As Thailand was not subject to western colonisation, many western business trends have not impacted the business culture here, with the business culture keeping its traditional features instead. The concept of *Sanuk* is important to the business culture of the country; *Sanuk* is essentially the effort to achieve satisfaction in one's work and to make the most out of any given situation. Personal relationships are important in Thailand and one should expect to conduct many meetings in order to negotiate a successful agreement with many of the first meetings revolving around getting to know each other and building trust, which is important to Thais.⁷¹

Hierarchy is important to Thais and extends from the business culture to society as a whole with individual status such as education, income and seniority determining the role an individual will play in business negotiations. It is expected that individual pay respect to senior members of the team and ensure their actions do not cause them to lose face. Thais tend not to challenge the heretical structure and will follow the actions desired by senior members of the team.

Gift-giving is not a common practice in Thailand during business meetings. However, the gift-giving of fruit during a first meeting will be well received, though one should not expect it to be reciprocal.

Thais place a large value on business cards, and you must handle these business cards with respect as the condition you treat this card will be perceived as your feeling towards the person in general. Cards are usually presented on a first meeting and you will be expected to have cards with you. Typically, cards will be in both Thai and English, with Thai taking preference. It is important that you examine the card in detail before storing it as failing to do so may cause the giver of the card to lose face which will result in an uneasy business meeting.

Naming

The first name is followed by the surname and many Thai surnames will be very long by western standards often having ten plus letters in their name. As Thai surnames are long; it is common to refer to people by their first names followed by *Khun* which is a non-gender specific equivalent to Mr or Ms. Many Thais will have nicknames; however, one should only refer to Thais by their nickname once being invited to do so. Thais may choose to use a westernised name when conversing with westerners in order to create

⁷¹ Thailand: Business practices, Santander Trade Markets, Available at https://santandertrade.com/en/portal/establish-overseas/thailand/business-practices?&actualiser_id_banque=oui&id_banque=17&memoriser_choix=memoriser

familiarity and out of respect for the fact that the Thai language is particularly difficult for outsiders to understand.⁷²

Visits

Visits to people's houses are mostly pre-arranged in Thailand and it is uncommon for individuals to arrive unannounced with the exception of close friends. If invited into a Thai household one should note that there exist some unwritten rules. You should refrain from raising your voice and this will be perceived as an expression of anger even when that is not the intention. Taking your shoes off is important and expected. Bringing a gift is not expected and could be perceived slightly as insulting as many Thais take pride in their households and receiving a gift might imply that the household is in a poor condition. You should try to refrain from having your head intentionally above your host as this may be perceived as disrespectful due to the reverence of the head in Thai culture.

Dining

Dining rules in Thailand can be confusing for outsiders but must be respected as they are long established in the country. Unlike in western countries where the head of the table is the most important, the host will typically sit in the middle of table and if you are an "honoured" guest you will sit directly across from them. The spoon is the primary utensil used in Thailand with forks being used much less frequently than in other nations. Thais will typically use a spoon with their right hand and a fork with their left. Seasoning your food in front of the host will not cause them to be insulted as this is a common and almost expected practise in Thailand. Saving face remains important and as such one should wait for the most senior individual at the setting to begin eating first before starting as failure to do so will cause them to lose face. Dining is usually a slow affair with many Thais taking their time eating their food leading to meals often lasting for an hour.

⁷² Thai Culture : Culture atlas, Available at <https://culturalatlas.sbs.com.au/thai-culture/thai-culture-core-concepts#thai-culture-core-concepts>

7.2 Key DOs and DON'Ts

DO	DO NOT
<ul style="list-style-type: none"> • Always take care of any business cards you receive and take the time to examine them carefully as failure to do so will cause giver to be insulted. • Dress appropriately when visiting a temple. • Eat with a spoon. • Respect the concept of <i>Sanuk</i> which includes not complaining too much and being generally satisfied despite your situation; this is key in Thai society. • Respect all images of the Buddha, he is well revered in the country. • Treat monks in the country with the greatest of respect. • Take your shoes off when entering a home. • Remember the value of face to Thais and ensure your actions help them to maintain face. 	<ul style="list-style-type: none"> • Thais are generally conservative and partaking in actions that insult the Buddhist religion will not be well received. • Insult the monarchy of the country, this will lead to trouble. • Insult the country of Thailand; Thais are proud that they have maintained independence for centuries and insulting the country will not be well received. • Cross your legs in the presence of monk, this will not be well received. • Raise your voice, regardless of the context of the conversation this will be received as an expression of anger. • Be late to meetings, Thais appreciate time management and failing to adhere to this will not be well received.

8 Directory of Trade Support Projects, Organisations, and Service Providers

There are a variety of services available, both within the EU and in Thailand, for producers wishing to export to Thailand. These service providers include EU funded projects, services provided by the Member States and their embassies, other organizations and service providers, as well as buyers, importers, and distributors.

- Section 8.1 contains the project profiles for EU funded initiatives operating in Thailand.
- Section 8.2 contains the contact information for Member State embassies within Thailand.
- Section 8.3 contains a listing of service providers including some information on the services available.
- Section 8.4 provides a calendar of exhibitions, trade shows, and other events to be held in Thailand in 2020.
- Section 8.5 contains a database of professionals' contacts (buyers, importers, and distributors).

8.1 European Union Organisations

Certain EU funded, or co-funded, projects within Thailand offer a range of business enabling services and information providing important insights into the Thai market. Depending on your company profile these services can be free or fee based; and are available for companies from any EU Member State.



European association for business and commerce

The European association for business and commerce is situated in Thailand and acts as a voice for European business in Thailand with the aim to promote trade and investment from both the European Union into Thailand and vice versa. It is important to note that this organisation also covers member states of the EEA and the UK.

Contacts

📍 4, 4/5 Central Tower, 12th floor, Central world, Rajdamri road, Pathumwan,
Bangkok, Thailand

☎ (+66) 2 697 9112

✉ office@eabc-thailand.org

🌐 <https://www.eabc-thailand.org/>



Thai European Business Association

The Thai European business association was established in 2009 and acts as an organisation which seeks to promote trade between Thailand and the EU. The organisations have many links and channels throughout both the Thai and EU market and can be consulted by companies trying to enter both markets

Contacts

📍 The Trendy Building, 10/27, Sukhumvit Soi 13 Klongoey-Nua, Wattana, Bangkok, Thailand

☎ (+66) (0)2 1687 486

✉ communications@thaieuro.biz

💻 <http://www.thaieuro.biz/>



EU-ASEAN Business council

Based in Singapore, the EU-ASEAN business council is a voice for European business operating in the ASEAN region. The overarching objective of the EU-ABC is to promote changes in policies, rules and regulations so that European businesses can more easily invest and develop their businesses in ASEAN, benefiting not only their own shareholders but also local economies and populations.

Contacts

📍 19/F Singapore Tower, 50 raffles place, Singapore 048623

☎ (+65) 6631 2751

✉ info@eu-asean.eu

💻 <https://www.eu-asean.eu/>

8.2 Directory of EU Member State Embassies/Consulates

MS Embassy	Address	Contact Information
Austria (Embassy)	14, Soi Nantha-Mozart Sathorn Soi 1, Sathorn Tai Road Thungmahamek, Sathorn Bangkok 10120	☎ +66 (0)2105 6700-09 ✉ bangkok-ob@bmeia.gv.at 🌐 www.bmeia.gv.at/oeb-bangkok/
Belgium (Embassy)	16/F Sathorn Square - 98 North Sathorn Road - Silom Sub-District, Bangrak District Bangkok 10500	☎ +66 2 108 18 00 ✉ bangkok@dipobel.fed.be 🌐 thailand.diplomatie.belgium.be/
Bulgaria (Consulate)	3675 Krungthai Tractor Building, 4th floor, Rama 4 Rd, Phrakanong, Kongtoey, Bangkok 10110	☎ (+66) 2661 5669 ✉ foreign@ktt.co.th 🌐 www.mfa.bg/en/embassyinfo/thailand
Croatia (Consulate)	Jewellery Center Building 23th Floor, Room C-7 138/51 Nares Road, Siphraya, Bang Rak, Bangkok 10500	☎ (+66) (0)2776 4855-58 ✉ croatian_consulate_thailand@yahoo.com 🌐
Cyprus (Consulate)	96/14 Bharani Building 3rd Floor, Sukhumvit 23, Wattana, Bangkok 10110	☎ (+66) (0) 2261 8408 ✉ Bangkok.cyprus@gmail.com 🌐 http://www.mfa.gov.cy/mfa
Czech Republic (Embassy)	71/6 Ruam Rudee Soi 2, Ploenchit Rd. Lumpini, Pathumwan Bangkok 10330	☎ (+66) (0)2-250-9223 ✉ Bangkok@embassy.mzv.cz 🌐 www.mzv.cz/bangkok/en/index
Denmark (Embassy)	Sathorn Soi 1, (10 Attakarn Prasit), South Sathorn Rd 10120 Bangkok	☎ (+66)(0)2343 1100 ✉ bkkamb@um.dk 🌐 https://thailand.um.dk/
Estonia (Honorary Consulate)	601/100 Pracha-Uthit Road Wangthonglang Bangkok 10310	☎ (+66) 89 313 7777 ✉ consul@estonia.or.th 🌐 vm.ee/en/countries/thailand
Finland (Embassy)	Athenee Tower, 14th floor 63 Wireless Road (Witthayu) Lumpini, Pathumwan Bangkok 10330	☎ (+66)(0)2 207 8700 ✉ sanomat.BAN@formin.fi 🌐 finlandabroad.fi/web/tha/
France (Embassy)	35 Rue De Brest, Charoen Krung Soi 36, Charoen Krung Road, Bang Rak, Bangkok 10500	☎ (+66)2 657 5100 ✉ ambassade@ambafrance-th.org 🌐 th.ambafrance.org/

MS Embassy	Address	Contact Information
Germany (Embassy)	9 South Sathorn Road - Bangkok 10120	☎ (+66)2 287 90 00 ✉ info@bangkok.diplo.de 🌐 www.bangkok.diplo.de
Greece (Embassy)	23rd Floor, Sathorn Nakorn Tower, No.100 North Sathorn Road, Silom Sub-District, Bangrak, Bangkok	☎ (+66)(0)2 6670090 ✉ gremb.ban@mfa.gr 🌐 https://www.mfa.gr/bangkok
Hungary (Embassy)	Park Ventures Ecoplex 14th Floor, 57 Thanon Witthayu, Lumpini, Phatumwan, Bangkok 10330	☎ (+66)2 118 9600 ✉ mission.bgk@mfa.gov.hu 🌐 bangkok.mfa.gov.hu
Ireland (Embassy)	208 Wireless Road, 12th Floor, Unit 1201, Lumpini, Phatumwan Bangkok 10330	☎ (+66) 2 016 1360 ✉ Contact through website 🌐 dfa.ie/irishembassy/thailand/
Italy (Embassy)	CRC Tower, 87 Wireless Road, Lumpini, Phatumwan, Bagkok 10330	☎ (+66) 2 250 4970 ✉ ambasciata.bangkok@esteri.it 🌐 ambbangkok.esteri.it
Latvia (Honorary Consulate)	113/13 Surawong Road, Bangkok 10500	☎ (+66) (0) 2266 5931 ✉ crestinfo2000@yahoo.com 🌐 consulate- Latvia-in-Bangkok
Lithuania (Honorary Consulate)	252 Rachadaphisek Road, Complex B, 17th Floor, Huaykwang, Bangkok 10310	☎ (+66) 02 665 4190 ✉ visa@thaiconsulate.lt 🌐 http://www.thaiconsulate.lt/
Luxembourg (Embassy)	Q House Lumpini 17th Floor 1 South Sathorn Road Tungmahamek Sathorn Bangkok 10120	☎ (+66) (0)2 677 7360 ✉ bangkok.consulat@mae.etat.lu 🌐 https://bangkok.mae.lu
Malta (Honorary Consulate)	56 Naradhiwat Rajanagarindra Rd, Thung Wat Don, Sathorn, Bangkok 10120	☎ (+66)(0)2234 9729 ✉ Maltaconsul.bangkok@gov.mt 🌐 http://www.mfa.go.th
The Netherlands (Embassy)	15 Soi Ton Son, Lumpini, Pathumwan Bangkok, 10330	☎ (+66) 23095200 ✉ ban@minbuza.nl 🌐 www.netherlandsandyou.nl/
Poland (Embassy)	Unit 605-607, 6th Floor, Athenee Tower, Wireless Road, Lumpini, Pathumwan, Bangkok, 10330	☎ (+66)2 079 7300 ✉ bangkok.amb.sekretariat@msz.gov.pl 🌐 www.gov.pl/web/thailand/embassy
Portugal (Honorary Consulate)	26 Bush Lane, Bangkok 10500	☎ (+66)(0) 22342123 ✉ sconular.bangkok@mne.pt

MS Embassy	Address	Contact Information
		 banguecoque.embaixadaportugal.mne.pt/pt/
Romania (Embassy)	3388/41 Sirinrat Office Building, 12th Floor, Rama IV Road, Khlong Toei, Bangkok 10110	 (+66) (0)2 2402522  Bangkok@mae.ro  http://bangkok.mae.ro/
Slovakia (Embassy)	YMCA Building, 9th Floor, South Sathorn Rd 25, Bangkok	 (+66) 267723445  emb.bangkok@mzv.sk  www.mzv.sk/web/bangkok-en
Slovenia (Honorary Consulate)	298/2 Silom Road, Soi 28 10500 Bangkok	 (+66) 2234 7637  phatra@anitasilk.com  www.gov.si/en/countries/thailand/
Spain (Embassy)	123 Ratchadaphisek Rd, Khlong Toei, Bangkok 10110	 (+66)(2)661 8284  Emb.bangkok@maec.es  www.exteriores.gob.es/Embajadas/Bangkok/es/Paginas/
Sweden (Embassy)	20th Floor, One Pacific Place, 140 Sukhumvit Rd,	 (+66)(2)263 72 00  Ambassaden.bangkok@gov.se  www.swedenabroad.se/en/embassies/thailand-bangkok/

8.3 Other organisations and service providers

Service provider	Address	Contact information
SERVICES FOR AUSTRIAN COMPANIES		
Thai-Austrian Society	No.14 Soi Nantha Yeak soi Atthakan Prasit,Sathon tai Rd Khwaeng Thung mahamek, Khet Sathon, Bangkok	☎ (+66) 02 302 1456 ✉ welcome@thaiaustriansociety.org 🌐 www.thai-austrian-society.org/
SERVICES FOR BELGIAN COMPANIES		
The Belgian-Luxembourg/Thai Chamber of Commerce	496-502 Amarin Plaza Building, 10th floor, Room No.10 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330	☎ (+66)(0)23056844 ✉ info@beluthai.org 🌐 beluthai.org/
SERVICES FOR BULGARIAN COMPANIES		
Bulgarian Chamber of Commerce & Industry	17, Adriana Budevaska Str. Sofia 1463, Bulgaria	☎ (+359 2) 8117 400; 987 26 31 ✉ bcci@bcci.bg
SERVICES FOR CROATIAN COMPANIES		
Croatian Chamber of Economy	Rooseveltovej trg 2, 10000 Zagreb, Croatia	✉ investicije@hgk.hr ; hgk@hgk.hr 🌐 www.investincroatia.hr
SERVICES FOR CZECH COMPANIES		
Czech Chamber of Commerce	Florentinum, Na Florenci 2116/15, 110 00 Praha 1	☎ +420 266 721 300 ✉ office@komora.cz 🌐 komora.cz
SERVICES FOR CYPRIOT COMPANIES		
Cyprus Chamber of Commerce and Industry	38, Grivas Dhigenis Ave. & 3, Deligiorgis Str., P.O.Box 21455, 1509 Nicosia	☎ +357 22889800 ✉ chamber@ccci.org.cy
SERVICES FOR DANISH COMPANIES		
Danish-Thai Chamber of Commerce	34 C.P Tower 3, 9 th Floor Tower A Phayathai Rd, Ratchathewi Bangkok 10400	☎ (+66) 2354 5220 ✉ contact@dancham.or.th 🌐 https://dancham.or.th/
SERVICES FOR DUTCH COMPANIES		
Netherlands – Thai Chamber of Commerce	15 Soi Tonson, Ploenchit Rd, Bangkok 10330	☎ (+66)(0)2 254 6434 ✉ info@ntccthailand.org 🌐 www.ntccthailand.org/
SERVICES FOR ESTONIAN COMPANIES		

Service provider	Address	Contact information
Estonian Chamber of Commerce & Industry	Toom-Kooli 17, 10130 Tallinn	+372 604 0060 koda@koda.ee
SERVICES FOR FINNISH COMPANIES		
Thai-Finland Chamber of Commerce	Two-Pacific Place Building, 23 rd floor 142 Sukhumvit Rd, Klongtoey, Bangkok 10110	(+66) 2 684 6933 tfcc@thaifin.or.th https://thaifin.org/
SERVICES FOR FRENCH COMPANIES		
Franco-Thai Chamber of Commerce	5 th Floor, Kian Gwan House III, 152 Wireless Rd, Lumpini, Pathumwan Bangkok 10330	(+66) (0)2650 9739 contact@francothaicc.com https://www.francothaicc.com/en
SERVICES FOR GERMAN COMPANIES		
German-Thai Chamber of Commerce	14 th Floor, AIA Sathorn Tower, 11/1 South Sathorn Rd, Yannawa 10120	(+66) (0) 20550600 info@gtcc.org thailand.ahk.de/en/
SERVICES FOR GREEK COMPANIES		
Enterprise Greece – Invest & Trade	109 Vasilissis Sophia's Avenue, 115 21 Athens, Greece	+30 210 335 5700 info@enterprisegreece.gov.gr
SERVICES FOR HUNGARIAN COMPANIES		
Hungarian Export Promotion Agency	1095 Budapest, Ipar utca 5	06 1 810 1600 info@hepa.hu hepa.hu
SERVICES FOR IRISH COMPANIES		
Irish – Thai Chamber of Commerce	47/7 Evanston, Soi Promprak Sukhumvit 49/6, Klongton Nua Watanna, Bangkok 10110	contact@irishthaicc.com https://www.irishthaicc.com/contact-us/
SERVICES FOR ITALIAN COMPANIES		
Italian- Thai Development Corps	2034/132-161 Italthai Tower, New Petchburi Rd, Bangpaki, Huaykwang, Bangkok 10310	(+66)(0)2716 1494 cccs@itd.co.th www.itd.co.th/index.php
SERVICES FOR LATVIAN COMPANIES		
Latvian Chamber of commerce and industry	35 Krisjana Valdemara str., Riga, LV-1010, Latvia	+371 67225592 info@chamber.lv
SERVICES FOR LITHUANIAN COMPANIES		
Lithuanian Chamber of commerce and industry	Vašingtono sq. 1-63a, LT- 01108 Vilnius	(370) 2613 102 info@chambers.Lt

Service provider	Address	Contact information
		https://chambers.lt/en/
SERVICES FOR LUXEMBURG COMPANIES		
The Belgian-Luxembourg/Thai Chamber of Commerce	496-502 Amarin Plaza Building, 10th floor, Room No.10 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330	☎ (+66)(0)23056844 ✉ info@beluthai.org 🌐 beluthai.org/
SERVICES FOR MALTESE COMPANIES		
The Malta Chamber of Commerce, Enterprise and Industry	64, Republic Street, Valletta, Malta	<i>Not available</i>
SERVICES FOR POLISH COMPANIES		
Polish Investment and Trade Agency	Singha Complex, 1788 New Petchaburi Rd, Bangpaki, Huai Kwang, Bangkok	☎ (+66) 6321 99373 ✉ Norbert.bak@paih.gov.PL 🌐 www.gov.pl/web/thailand/bilateral-relations
SERVICES FOR PORTUGUESE COMPANIES		
Portuguese chamber of commerce	Rua Das Portas De Santo Antao, 89 1169 022 Lisbon	☎ (+351) 213 224 050 ✉ geral@ccip.pt 🌐 www.ccip.pt/en/
SERVICES FOR ROMANIAN COMPANIES		
Chamber of Commerce and Industry of Romania	Address: 2, Octavian Goga Blvd, sector 3, 030982 Bucharest	☎ +40 21 3117534 ✉ narcis.pirnaeu@ccir.ro 🌐 www.ccir.ro
SERVICES FOR SLOVAK COMPANIES		
Slovak Chamber of Commerce & Industry	Gorkého 9, 81603 Bratislava, Slovakia	☎ +421 2 54433272
SERVICES FOR SLOVENIAN COMPANIES		
Chamber of Commerce and Industry of Slovenia	Dimičeva 13, SI-1504 Ljubljana	☎ +386 1 5898 000 ✉ info@gzs.si
SERVICES FOR SPANISH COMPANIES		
Spanish Chamber of Commerce	C/ Ribera de Loira, 12 - 28042 Madrid	☎ (+34) 010 213 0064 ✉ infor@spaincc.ore 🌐 https://www.camara.es/en
SERVICES FOR SWEDISH COMPANIES		
Sweden Chamber of Commerce	Brunnsgatan 2, 111 38 Stockholm, Sweden	☎ (+46) 8 555 100 00 🌐 https://www.chamber.se/

8.4 Calendar of trade events and exhibitions in 2020

Note: the ongoing issues with coronavirus at the time of writing may result in changes to the calendar outlined below. It is strongly recommended to monitor the links provided for events.

Event	Date	Recurrence	Venue	Organiser Details
JUNE 2020				
Asia Drink Conference	17-20	Annual	BiTec Bangkok International Trade & Exhibition Centre	☎ (+66) (0) 2 036 0511 ✉ kanyasa.m@informa.com 🌐 https://www.asiadrinkconference.com
Food innovation Asia conference 2020	18-20	Annual Location Rotation	BiTec Bangkok International Trade & Exhibition Centre	☎ (+66) (2) 9428528 ✉ fiachelpdesk@gmail.com 🌐 http://www.fiac-thailand.com/
Pig Focus	23-24	Annual	AVANI Atrium Bangkok	☎ (+44) 1377 241724 ✉ info@positiveaction.co.uk 🌐 http://www.positiveaction.info/
JULY 2020				
Natural Expo South East Asia	09-12	Annual	IMPACT Exhibition Centre Nonthaburi, Bangkok	☎ (+49) 9 11 86 06-86 98 🌐 https://www.naturalexpo-southeastasia.com/en
AUGUST 2020				
International Conference on food science and packaging	20-21	Annual location rotation	Amari Watergate, Bangkok	🌐 https://waset.org/
SEPTEMBER 2020				
Food and Hotel Thailand	9-12	Annual	Samsennai, Phayathai, Bangkok	☎ +66 0 2 036 05000 ✉ supaporn.a@informa.com 🌐 https://www.foodhotelthailand.com/food/2020/en/index.asp
Bellavita Bangkok	09-12	Annual	BiTec, Bangkok International trade & exhibition centre	☎ (+44) (0) 20 3002 0506 ✉ info@quirismedia.com 🌐 http://web.bellavita.com/
International exhibition for wine & spirits	9-12	Annual	BiTec, Bangkok International trade & exhibition centre	✉ supaporn.a@informa.com 🌐 https://www.foodhotelthailand.com/food/2020/en/index.asp

Event	Date	Recurrence	Venue	Organiser Details
Thailand Sugar Conference	10-11	Annual	Kice: Khonkaen International Convention and Exposition Centre	☎ (+66) 2513-1418 ✉ thai@juz-talk.com 🌐 http://sugar-conference.com/
THAIFEX	22-26	Annual	Impact Exhibition Centre, Pak Tret, Bangkok	☎ (+65) 6500 6743 ✉ ira.iskandar@koelnmesse.com.sg 🌐 https://thaifex-anuga.com
OCTOBER 2020				
Thailand retail food and hospitality services	14-17	Annual	BiTec, Bangkok International trade & exhibition centre	☎ (+66)2-861-4013 ✉ apaporn.kavin@gmail.com 🌐 http://www.thailandhoreca.com/
Duck Meat quality conference	20-21	Annual	Bangkok	☎ (+60) (3) 7846 2353 ✉ conny@asian-agribiz.com 🌐 https://asian-agribiz.com/
Propack Asia	20-23	Annual Location Rotation	BiTec, Bangkok International trade & exhibition centre	☎ (+66) (0) 2 036 0500 ✉ nongnaphat.j@informa.com 🌐 https://www.propakasia.com/
International Conference on Pharma and food	22-23	Annual Location Rotation	Imperial Pattaya Hotel, Pattaya	☎ (+91) 8763630140 ✉ info@academicsera.com 🌐 http://academicsera.com/
NOVEMBER 2020				
Global summit on food fortification	08-09	Annual Location Rotation	BiTec, Bangkok International trade & exhibition centre	☎ (+41) 22 749 18 50 ✉ Summit2020@gainhealth.org 🌐 https://www.gainhealth.org
JANUARY 2021				
Food Pack Asia	27-30	Annual	BiTec, Bangkok International trade & exhibition centre	☎ (+66) (0)2 – 838 9999 ✉ tbp.publication@gmail.com 🌐 https://www.foodpackthailand.com
MARCH 2021				
Free from Food Asia	10-12	Annual	Impact Exhibition Centre, Pak Tret, Bangkok	☎ (+31) (0) 75 205 0501 ✉ chris@ebcexpo.com 🌐 https://bangkok.freefromfoodexpo.com

8.5 Database of professionals' contacts

8.5.1 List of relevant buyers, importers and distributors


























Note: as stated in section 4.4.2.2, due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these individuals, organisations or firms and no corresponding responsibility or liability is accepted by the authors.


Note: The Thai Ministry of Commerce keeps a database of exporters and importers which can be consulted by registered users. For companies seriously considering exporting to Thailand and looking for more a more detailed list of specific importers, it is recommended that registration is completed and this database consulted. The link to the database is: <http://www2.ops3.moc.go.th/ie/Default.aspx>

Company name	Type	Area of interest	Contact information
Vanichwathan a Fine Wines	Importer & Distributor	Wine (some spirits and beer)	☎ (+66) 02 222 2450 ✉ vanich@vanichwathana.com 🌐 https://www.vanichwathana.com/
fin - fabulous is needed	Importer & Distributor	Wine	☎ (+66) 02 653 0154 ✉ info@fin-wine.com 🌐 http://www.fin-wine.com/
Black Forest Distribution Co., Ltd.	Importer & Distributor	Wine	☎ (+66) 76 608 876 ✉ drink@phuketwine.com 🌐 http://www.phuketwine.com/
Ambrose Wine	Importer & Distributor	Wine & Spirits	☎ (+66) 02 719 8206 11 ✉ info@ambrosewine.com 🌐 https://www.ambrosewine.com/
GFOUR International	Importer & Distributor	Wine & Spirits	☎ (+66) 02 01 284 10 ✉ contact(at)gfourinternational.com 🌐 https://gfourinternational.com/
Global Wines	Importer & Distributor	Wine	☎ (+66) 76 311 509 ✉ orders@globalwines.co

Company name	Type	Area of interest	Contact information
			 https://globalwines.co/
Estella Wine	Importer & Distributor	Wine	 (+66) 2 318 5200  sales@estellawine.com  http://www.estellawine.com/
Wine Connection	Importer & Seller (online shops and own restaurants)	Wine	 (+66) 02 238 2137  infoth@wineconnection.com  https://www.wineconnection.co.th/
Vinum Lector	Importer & Distributor	Wine	 (+66) 22 771602  shop@vinumlector.com  https://www.vinumlector.com/
Italasia Phuket	Importer & Distributor	Wine (mostly Italian) & Spirits	 (+66) 07 6375 667  italasiaphuket@me.com  https://www.italasiaphuket.com/
Global Vineyards	Importer & Distributor	Wine	 (+66) 2 150 7148  globalvineyards@gmail.com  https://www.globalvineyards.net
Independent Wine & Spirit	Importer & Distributor	Wine & Spirits	 (+66) 2 634 7037 39  sales@iws.co.th  http://www.iwsthailand.com/
Lovely Wines	Importer & Distributor	Wine & Spirits	 (+66) 02 318 1588  info@lovelywines.co.th  http://www.lovelywines.co.th
Sibour	Importer & Distributor	Wine & Spirits & Beer	 (+66) 23005613  marketing@sibour.com  http://www.sibour.com/
The California Wine	Importer & Distributor	Wine	 (+66) (949) 248 9988

Company name	Type	Area of interest	Contact information
Company Limited			✉ neven@ca-wine.com 🌐 http://www.ca-wine.com/
Comptoir Francais	Importer & Distributor	Wine	☎ (+66) 2 7455454 ✉ info@comptoirfrancaisduvin.com 🌐 http://comptoirfrancaisduvin.com/
Sunny Hill Distribution	Importer & Distributor	Wine & Spirits	☎ (+66) 0 63 597 6792 ✉ contact@sunnyhillth.com 🌐 http://sunnyhillth.com/
Napaphan	Importer & Distributor	Wine	☎ (+66) 02 693 3897 ✉ napaphanwinecellar@gmail.com 🌐 http://www.napaphan.com/
B-Delicious	Importer & Distributor	Beer (and some spirits)	☎ (+66) 02 877 5977 8 ✉ info@b-delicious.com 🌐 http://www.b-delicious.com/
Bangkok Beer & Beverages	Importer & Distributor	Wine & Spirits	☎ (+66) 02 136 8500 ✉ mkt@bbb.co.th 🌐 https://www.bbb.co.th/
Amber Spot	Importer & Distributor	Beer	☎ (+66) 0 2 002 0528 ✉ info@amberspotco.com 🌐 http://amberspotco.com/
Belgian Beverage	Importer & Distributor	Beer (Belgian)	☎ (+66) 02 105 4039 ✉ Sales@belbev.asia 🌐 https://belbev.asia/
KGC Corporation	Importer & Distributor	Mainly dairy, bakery and biscuits	☎ (+66) 2332 8040-9 ✉ info@kcgcorporation.com 🌐 https://kcgcorporation.com/

Company name	Type	Area of interest	Contact information
Jagota Brothers	Importer & Distributor (for retail and food service)	Various F&B inc. meat, F&V, dairy, bakery, and Mediterranean products.	 (+66) 02 365 8200  purchasing@jagota.com  www.jagota.com
City Fresh Fruit Co	Importer	F&V	 (+66) 84454 7772  cf_delivery@cityfreshfruit.com  https://cityfreshfruit.com/
Happy Fresh Delivery	Distributor	F&V	 (+66)  hello@happyfresh.com  https://www.happyfresh.com/
Makro	Importer / cash and carry (mainly used by food service)	All F&B	 (+66) 0-2067-8999  https://www.siammakro.co.th/
Charoen Pokphand Foods Public Company	Importer / trader (notably for food processing industry)	All F&B	 (+66) 2766 8000  consumercenter@cpf.co.th  https://www.cpfworldwide.com/
Wishbeer	Importer / distributor / outlet	Beer, wine, spirits	 (+66) 02 3921403  https://wishbeer.com/
Wine not limited	Importer / distributor	Wine	 (+66) 02 718 9742  md@sibour.com  http://www.winenot.co.th/wn/
Big C	Supermarket	All F&B	 (+66) 02 308 4666  https://www.bigc.co.th/
MaxValue	Supermarket	All F&B	 (+66) 02 970 1825-30  https://www.aeonthailand.co.th/
Lawson 108	Supermarket / convenience	All F&B	 http://www.lawson108.com/
Tops Super	Supermarket	All F&B	 (+66) 02 295 0930

Company name	Type	Area of interest	Contact information
			 Topsonlinecs@tops.co.th  https://www.tops.co.th/en/

9 European GIs protected in Thailand

Note: in the absence of an FTA, the GIs protected in Thailand are those that have been individually registered. These are the same ones which are listed in section 4.2.4

Trademark Name	Product type
FRANCE	
Champagne	Wine (sparkling)
Cognac	Spirits
ITALY	
Barbaresco	Wine
Barolo	Wine
Brunello di Montalcino	Wine
Parmigiano Reggiano	Cheese
Prosciutto di Parma	Processed meat

* Source: ASEAN GI database, accessed 15/4.2020 <http://asean-gidatabase.org/gidatabase/>

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