Thailand: A Market Ripe

Sporting the most vigorous economic growth in ASEAN in 1986, Thailand offers a market of significant potential in the medium term. To take advantage of these inviting circumstances, Canadian companies are being encouraged by Thai and Canadian government officials to compete in the Thai market.

By matching Canadian competitive advantage to industrial growth industries in Thailand, the market potential for Canadian companies includes:

- manufactured goods and services
- agro-fish processing and forest production, and
- energy and mineral development.

Manufactured Goods and Services

In conjunction with the focus of the Sixth Five-Year Plan (1986–1991) on the development of Thailand's export-oriented industries, Canadian companies would be wise to consider investment growth opportunities in the following areas:

1) **Industrial Machinery and Services**

Demand for industrial machinery is projected to increase steadily due to the high pace of development in the manufacturing, agricultural and construction sectors.

Special industrial machinery that requires high technology is imported.

The major end-users for industrial machinery and services are plants and organizations involved in electricity generation, electrical utility services, oil/gas exploration and refining, mining, agro/food processing, hotels and high-rise buildings.

2) **Mining Equipment and Services**

The Sixth Plan emphasizes a continuing increase in the exploration and development of Thailand's sizable natural resources. Large scale exploration will begin in the production of economically beneficial minerals. Thailand has commercial deposits of antimony, lignite, limestone, phosphate, tin, tungsten, zinc and gold.

Development of these natural resources offers excellent opportunities for engineering consulting services and sales of a wide range of products including mining equipment/instrumentation, mineral processing, and material handling equipment.

3) **Computer Hardware and Software**

Thailand is entirely dependent on imports of computers, peripherals and computer related equipment. Total imports of these products in the first half of 1986 was US$115-million.

The principal customer is the government sector, where the degree of computerization is still far behind that of the private sector due mainly to earlier budget constraints. The Sixth Five Year Plan will concentrate on developing data and information systems, especially the establishment of information networks for policy planning.

Computer Opportunities

Opportunities for Canada lie in the areas of (a) computer peripherals such as data input/output devices, and communications/transmission equipment (b) specialized products and systems such as radio data transmission, image analysis, SCADA and (c) turnkey systems such as videotex and CAD/CAM.

4) **Medical Equipment and Supplies**

Thailand's total imports of medical, surgical and hospital equipment in 1985 was US$160-million. North American and European medical equipment and supplies are well accepted.

The Ministry of Public Health, which runs about 600 hospitals in Thailand, is the single largest consumer of medical equipment and supplies with an estimated 1987 budget of US$50-million. Another 4,000 clinics are operated by the private sector.

5) **Food Processing/Packaging Equipment**

Thailand is a major food producer and one of the few developing countries capable of exporting quality food products on a large scale. The Thai government has placed a major emphasis on the development of agriculture and food-related industries.

Despite higher prices, imported equipment is still preferred by Thai food processors and packers due to its quality and durability.

Agriculture/Fish Processing and Forest Production

Agriculture is the mainstay of the Thai economy and Thailand is virtually self-sufficient in the production of food.

There are however, certain areas that merit attention for the export of Canadian products and services to Thailand.

Photo by: A. Inkpen

Bangkok, with its rich cultural heritage and rapidly expanding business and industrial base, will lead Thailand's growth.