

Yoghurt

As consumers become more health conscious, yoghurt consumption is expected to continue to post impressive gains. The yoghurt segment is broken into three segments: drinking yoghurt, which is the most popular; set yoghurt with mixed fruits; and finally, plain yoghurt. In the drinking yoghurt segment, the key company is Yakult. Yakult was a pioneer in developing the original drinking yoghurt product in Thailand. Foremost and Thai-Denmark are the other major drinking yoghurt producers competing in the market. Foremost, Dutchmill, Thai-Denmark and CP-Meiji are all key players in the set yoghurt market. Overall, the domestic yoghurt market is growing around 15-20 percent per year. Due to the immature nature of the yoghurt industry in Thailand, historic sales figures are not available; however, in 1992 the value of all yoghurt produced in Thailand was set at 1,200 million baht (approximately C\$62 million - Thai BOI). The Thai Board of Investment has recently listed yoghurt production as a key investment opportunity.

TCBY, the international frozen yoghurt franchise, has been successfully operating in Thailand for the past 4 years. Competition from other frozen yoghurt franchise companies is expected to be present by the end of 1994. Thais have been extremely receptive to this new product.

Ice Cream

The ice cream market has grown dramatically over the past several years from a value of around 1.2 billion baht in 1989 (C\$ 63 million) to an estimated size of approximately 3 billion baht in 1993 (C\$157 million). This market is expected to continue growing at a rate of at least 20 to 25 percent per year over the next several years. At present, the per capita consumption of ice cream in Thailand is only around one litre per year. In comparison, countries such as Singapore, Malaysia, and Hong Kong consume between 4 and 5 litres per capita per year.

Within the ice cream market, the key growth sub-segment is that of premium grade and novelty products - particularly premium foreign-brand ice creams. These are distributed through ice cream parlour-type franchise outlets such as Swensen's and Baskin-Robbins. Uncle Ray brand is the main local competition in the parlour-type ice cream market. A small amount of premium grade brands are also imported as finished products. Growth in the premium ice cream sub-segment is currently estimated at between 30 and 40 percent per year. This reflects the increasing affluence of the average consumer and the increasing demand for high quality products.

If we look at this market, we will see two sectors of the business: one is local brands and the other is imported brands. Most of the local manufacturers are expanding their production and at the same time enlarging their product line as shown below: