

Potential competitors at PEA and MEA are relatively smaller in size. The Japanese are only able to capture less than 50 per cent market share in these two organizations. The Korean, Taiwanese, French, Italian, and new comers from the Eastern Bloc countries share the other half of the cake with a number of experienced local manufacturers.

7. Procurement

Procurement in all Thai government agencies are generally done through bidding. There are several forms of procurement methods or biddings, mainly determined by the size or total value of the procurement package and the source of financing. Procurement methods could be classified in to

1. Local procurement
2. Foreign procurement

7.1 Local procurement

It is normally stipulated in the terms and conditions for local procurement that only local companies are eligible to participate in the bidding. Local companies is defined as company which is registered with the Ministry of Commerce under the Thai Business Act and has its domicile in the Kingdom of Thailand. Goods and services procured under this method can either be available locally or imported. However, fund for the procurement will be from local sources only, such as from the government's budget, or from the agency's own revenue. Therefore, all price quoted must be in local currency, the Thai Baht. All correspondence and documents are written in Thai Language. Local procurement is again divided into "price enquiry" and "bidding", depending on the size or value of the total package.

7.1.1 Price enquiry is normally for goods and services that do not exceeds a budget of Baht 800,000. It is normally carried out in the form of closed bidding. At least three companies will be contacted by the agency for price enquiry. There is no fixed date and time for submission of quotation nor official announcement of the result. Purchase order will go to the company which offers the lowest price. No bid bond or performance bond is required in this kind of procurement.

7.1.2 Bidding normally involves procurement which exceeds Baht 800,000. Bid invitation will be announced at least 15 days prior to the closing date. Bidding results would be made known to the bidders one to two hours after the closing time. For the results to be valid, there must be at least three bidders participating in the bid. In this kind of procurement, a bid bond has to be submitted with the bid and a performance bond submitted upon being awarded the contract.