

The introduction of the value added tax (VAT) in January 1992 was greeted with uncertainty by Thai liquor importers. Many were unsure of the repercussions this tax would have on future trading strategies and subsequent inventory values. As a result, imports of liquor fell.

The situation is slowly getting better. This is due to higher disposable income and a greater understanding of the VAT. Higher salaries and wages have improved lifestyles among a growing middle class. Says Riche Monde's Paul Choong:

*"Drinking Scotch has become a simple way of reflecting success, prosperity and confidence. Obviously rich people have more access to luxury products such as premium Scotch. Some people while not actually being rich themselves, but by doing as the rich do, can step much more easily into rich people's shoes."*

With continued economic growth and prosperity, most imported liquor brands will enjoy great popularity. So much so that the number of liquor importers keeps increasing, and many more are expected to enter the field this year. Nonetheless, only the hugely popular brands such as Johnny Walker and Chivas Regal have a truly unquestionably large and stable following. On the other hand, that has not stopped importers from bringing in other brands, in the hope of cashing in on the trend for scotch and other imported whiskies and alcoholic beverages. Despite overwhelming popular support for a relatively small number of successful and prestigious brands, some new products do succeed. Canadian spirits are well known in Thailand, particularly Canadian Club and Crown Royal.

#### THAILAND SPIRITS IMPORTS (UNITS OF '000 NINE-LITRE CASES)

PRODUCTS	1992	1993	1994 (estimated)
Scotch Whisky	1,500,000	1,700,000	1,800,000
Cognac	90,000	93,000	95,000
Wine	140,000	160,000	175,000
Others	15,000	15,500	16,000

#### Wine

Considering the dynamic growth of the wine market in Asia as a whole, particularly in Japan, wine producers worldwide are scrutinizing Asian markets to see where the market potential lies. Thailand, with a healthy economy and a fairly steady tourism flow appears to be an ideal target for wine exporters.