

8. JUICE

The size of Thailand's juice market is very large: 1500 million baht (C\$78.5 million in 1992). It is expected that the juice industry will continue to grow at a rate of 10% annually.

Thailand's retail juice market can be divided into two segments: ready-to-drink and concentrates. By far, ready-to-drink juices constitute the majority of the retail market segment. 90% of juices sold in stores are in a ready-to-drink form, available in small 6 or 8 oz. cans and larger 40 oz. cans, or in the relatively new-to-the market tetrapaks. Powders, mixes and concentrates make up less than 10% of the market.

The packaging of juices in the ready-to-drink category are available in two forms: canned juices which represent 95% of the market segment and tetrapaks, while growing in popularity, account for 5%. Glass bottling is very rare. Convenience stores typically stock smaller, individual portioned juices while the supermarkets carry both individual and larger 40 oz. cans. The tetrapak, introduced into the market only a few years ago, is used mainly in the sale of milk.

Tetrapak technology recently entered Thailand. If tetrapak's popularity with consumers in the west is any indicator, the expansion of tetrapak packaging facilities in the juice (and others) markets will be needed. As Thais continue to embrace western tastes, their demand for Canadian non-traditional (grape, apple) juice products will surely grow. With an annual growth rate of 10%, opportunities will continue to present themselves to Canadians eager to pursue this market.

In almost all brands, a high amount of sugar is added to the juice to adjust to Thai tastes. There are a limited number of juices, such as grapefruit juice imported from the United States, that do not have a high sugar content. A higher sugar content is usual in most beverages such as juices, pop, ice tea and ice coffee, etc. to account for Thais' penchant for sweet tastes. This leaves Bangkok's large expatriate population, many of whom do not share the appetite for sweet drinks, with limited choices.

Juice has traditionally been thought of as a drink for the affluent. The majority of Thais outside of the Bangkok region, where the purchasing power of an individual drops dramatically, drink water or pop. A one-litre bottle of water typically costs C\$.25 or C\$.30, and a 6 oz. bottle of cola also sells for about the same price. In contrast, a can of juice costs C\$.80 to 1\$. Thus, in the past only the affluent have purchased juices. However, with the recent rise in living standards and the increased disposable income of the emerging middle class, consumption of consumer goods, including juices, have risen comparably. An increase in ranges of products available for consumption and wider distribution has also led to the perception that juices are no longer a drink only for the wealthy.

The following table shows imported juice figures for 1992. The majority of these imports were in the form of concentrates, which after entering Thailand, were then repackaged for