

I. INTRODUCTION AND METHODOLOGY

For Canadian companies in the midst of exploring export opportunities, Thailand is often not the first country to come to mind. Most people's impression of Thailand is that of a third-world country with abundant opportunities for Canadian companies involved with infrastructure projects or for those supplying the most basic of human needs. Traditionally, Thailand is not seen as having a substantial market for products such as imported foodstuffs. This is far from the truth.

Thailand has changed dramatically in the past decade. As the world's fastest growing economy in the late 1980s, Thailand's economic development has paved the way for extensive social change. Personal incomes, particularly in urban areas, have increased substantially with a commensurate rise in disposable income. One of the more tangible results of this economic expansion has been the development of a substantial middle class with noticeably different buying habits when compared to earlier generations. These changes have created opportunities for Canadians in many market areas, including food products.

Between 1980 and 1991, imports of food and beverages into Thailand grew more than 212%, from C\$325.4 million in 1980 to just over the one billion dollar mark in 1991 (Bank of Thailand). This growth has not slowed down in the intervening period.

This report will examine recent changes in Thailand that have made this country much more attractive to Canadian food exporters, as well as begin to review specific areas of opportunity that Canadians should begin to explore further. While this report does not attempt to provide all details necessary to begin exporting food products to Thailand, it should provide Canadian exporters with enough information to begin the process. Once the decision has been made to seriously target Thailand as an export destination, additional information should be sought from the Canadian Embassy (Commercial Section) in Bangkok, from the Federal Government's ASEAN Agri-Food specialist located in the Canadian High Commission in Singapore, or from one of the other organizations listed in the "Useful Groups" section of this report.

Most figures in this report are stated in Canadian dollars, and the exchange rate used is C\$1 = Baht 19. In regards to telephones, Thailand's Country Code is 66, and the city code for Bangkok is 2. Unless otherwise stated, all Thai phone numbers listed in this report can be reached using these prefixes (ie from Canada dial 011 - 66 - 2 - then the seven digit number). The use of English is wide in most areas of the business community, but do not expect English to be used in all situations. French is not common. Contracts can be in both English and Thai and may be a single page or a multi-chapter document. It is advisable to seek professional legal assistance when dealing with contracts.

The research for this report was completed almost entirely in Thailand, and is the result of primary research. Where information was not directly obtainable by the author the secondary sources have been identified.

This report has attempted to locate and dwell upon new opportunities in the food market in Thailand. Traditional areas like grains and wheat were mentioned, but were not emphasized as in many cases Canadian companies have long-standing relationships with Thai importers. Instead,