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Thailand

Market Development Reports

Thailand's Move to Counter Rising Imports

2007

Approved by:

Gary W. Meyer, Agricultural Counselor
U.S. Embassy, Bangkok

Prepared by:

Maysa Kunasirirat, Agricultural Assistant

Report Highlights:

On July 12, the Thai Department of Foreign Trade (DFT) announced the "Campaign to Increase People's Awareness of Using Thai Goods" in an effort to lower luxury good imports. The objective is to increase consumption of domestically produced goods, and is specifically targeted at appliances, fruits and vegetables, watches, and cosmetics. FAS/Bangkok has not received any reports of trade disruptions for agricultural products, but continues to monitor the issue with all relevant stakeholders.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Bangkok [TH1]
[TH]

On July 12, the Thai Department of Foreign Trade (DFT) announced the "Campaign to Increase People's Awareness of Using Thai Goods" in an effort to lower luxury good imports. The objective is to increase consumption of domestically produced goods, and is specifically targeted at appliances, fruits and vegetables, watches, and cosmetics. Other potentially affected products include processed food products, home-decorative items, garments, cigarettes, alcoholic beverages and brand-name shoes and bags. FAS/Bangkok has not received any reports of trade disruptions for agricultural products, but continues to monitor the issue with all relevant stakeholders. In 2006, the imports of U.S. fresh fruit exceeded \$19 million.

The "Buy Thai" campaign, which is being funded at 1.6 million Baht (just over \$46,000), is targeted at increasing public awareness for Thai products and encouraging Thais to purchase domestically produced goods. Additionally the DFT hopes the "Buy Thai" campaign will tackle trade deficit issues and instill nationalism into Thai consumer behavior. The DFT plans to promote this campaign through local media, including television, radio and print media. The DFT also plans to request assistance from the Thai Food and Drug Administration and Customs Department to more stringently monitor the quality of imported luxury goods. Several years ago, the Thai Government altered their internal procurement regulations, which largely prohibits government agencies from purchasing imported goods. These rules are still in effect.

Currently the Thai currency, the Baht, is trading at a 10-year high of 34.31/\$U.S. The ongoing strengthening of the Baht has resulted in a significant increase in luxury good imports. In the first five months of 2007, imports of fruits and vegetables increased nearly 31 percent, followed by electrical appliances (27 percent), cosmetics (18 percent) and watches (7 percent). As of May 2007, the value of these commodity groupings exceeds \$4 billion.

Thailand Import Statistics								
UDG: Fresh Fruit, Group 23 (2007)								
Year To Date: January - December								
Partner Country	United States Dollars				% Share			
	2004	2005	2006	2007 (Jan-May)	2004	2005	2006	2007 (Jan-May)
World	93,370,264	100,692,606	134,591,424	58,952,249	100.00	100.00	100.00	100.00
China	58,788,909	62,095,589	82,864,895	33,302,554	62.96	61.67	61.57	56.49
Australia	4,170,884	5,642,238	7,156,042	5,919,291	4.47	5.60	5.32	10.04
United States	15,022,839	18,177,488	19,616,057	5,262,606	16.09	18.05	14.57	8.93
Vietnam	1,571,420	2,470,975	6,540,399	3,356,173	1.68	2.45	4.86	5.69
South Africa	5,880,662	3,771,054	6,285,245	5,335,262	6.30	3.75	4.67	9.05
New Zealand	1,574,633	1,777,490	3,526,401	1,873,651	1.69	1.77	2.62	3.18
France	769,250	1,092,669	1,929,449	423,561	0.82	1.09	1.43	0.72
Chile	787,555	482,199	1,106,046	822,616	0.84	0.48	0.82	1.40

End of Report.