Agriculture and Agri-Food Canada
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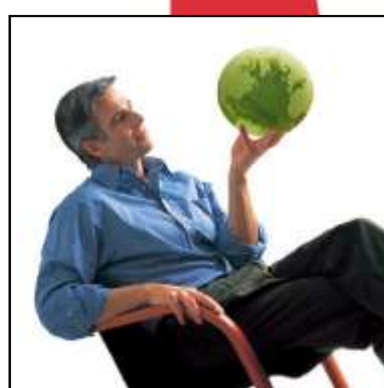
International Markets Bureau

MARKET INDICATOR REPORT | JUNE 2012

Foodservice Profile
Thailand

Source: Planet Retail.

Source: Planet Retail.



Growing Forward

Canada

EXECUTIVE SUMMARY

Source: *Planet Retail.*

Thailand is the world's twentieth-largest country in terms of population, and the World Economic Forum listed Thailand as the thirty-ninth-most competitive economy in 2011. Thailand has a Gross Domestic Product (GDP) worth US$627 billion. This classifies Thailand as the second-largest economy in Southeast Asia, after Indonesia.

The increasing number of women in the Thai labour market, out-of-home food consumption, and urbanization have all contributed to growth in the foodservice industry. However, the political unrest and natural disasters Thailand experienced in 2010 and 2011 caused a deterioration in that growth. Leading chained stores, which have high cash flows, were able to recover faster than small chained stores or independent outlets, while large numbers of small operators have been forced out of business. In 2010, road closures, arson attacks and a government-declared state of emergency and curfew in Bangkok and other major provinces resulted in a major decline in the number of consumers eating out at night. A new government is in place, but long-term stability is not guaranteed, as some conflicts still continue in key shopping and tourist areas.

Despite these issues, overall consumer foodservice performance is expected to improve in Thailand, with a projected Compound Annual Growth Rate (CAGR) of 2%. The Tourism Authority of Thailand is also predicting tourist arrivals in 2012 to reach 19.55 million, with December 2011 to March 2012 numbers (second half of the tourism high season) reinforcing a full industry recovery.

Several foodservice operators are looking to expand in northern areas. In December 2010, Unilever Foodsolutions indicated the company was targeting the Thai market because it was one of the fastest growing markets for foodservice. The company is expecting to double its business volume in Thailand over the next five years.

Several leading chained coffee shop specialists and chained bakery fast food operators continue to tap into hospitals and university areas, with these two locations becoming increasingly attractive for many chained consumer foodservice players.

INSIDE THIS ISSUE

DID YOU KNOW?

- Breakfast menus contributed to the growth of several fast food chains in Thailand during 2010.
- In 2010, chained convenience stores dominated the foodservice sector, accounting for 60% of value sales. The top chained convenience store was 7-Eleven, with 54% of market share.

Economy

Economic activity in Thailand showed many highs and lows in 2010 and 2011. Quarterly economic growth rates, however, show the economy is returning to normal, reaching levels not seen since 2008. Overall, the World Bank indicates that the Thai economy grew by 3.7% in 2011.

In the World Economic Forum's *Global Competitiveness Report 2011 to 2012,* Thailand is listed as the thirty-ninth-most competitive economy in the world. The country's macroeconomic environment has seen improvement, with a lower public deficit and improvements in efficiency within the labour market. However, Thailand will need to improve efficiency in its deteriorating public institutions by implementing changes to protect property, as well as intellectual, physical and financial rights, to restore the trust and confidence of the business community. The World Bank's Thailand economist stated that the country needs to accelerate growth in the services sector and boost agricultural productivity by enhancing labour skills and also needs to build social insurance mechanisms to better manage the aging population. For industry, the World Bank indicates there is a need to improve the environment for research and development and innovation as well. Nevertheless, Thailand has a good supply chain with qualified companies. While Thailand's infrastructure could be improved, the quality of its infrastructure is better than most of its neighbours, according to the World Bank's Economic Monitor, November 2010 issue.

Thailand has a Gross Domestic Product (GDP) worth US$627 billion. This classifies Thailand as the second-largest economy in Southeast Asia after Indonesia. Despite this, the country ranks midway in the wealth spread in Southeast Asia, as it is the fourth-richest nation, according to GDP per capita, after Singapore, Brunei and Malaysia. In 2010, Thailand's unemployment rate was ranked seventh-lowest in the world at 1.2%, slightly lower than the 2009 rate of 1.5%. Inflation for 2010 was calculated to be 3.3%.

Thailand is considered an emerging economy that is heavily export-dependent. Thai exports account for more than two thirds of the GDP, with top exports centred around the machinery, electronic components, agricultural commodities and jewellery sectors. At the heart of the economic crisis in 2009, Thailand's exports contracted severely, with most sectors experiencing double-digit drops. However, by the end of 2010, the Thai GDP expanded by 7.8% from 2009, and grew by an estimated 0.1% in 2011.

Demographics

- Thailand has a population of 66 million, with a per capita GDP of US$2,733. Bangkok, with a population of 9 million residents, is the country's capital and the largest city. The population of the greater Bangkok area is close to 12 million.
- Thailand's urban population as a percentage of the country's total population (absolute) was 34.6% in 2010, which represents growth of 1.2% over 2009 figures. Datamonitor predicts that the urban population, as a proportion of the total population, will reach 36.8% by 2015.
- Women made up 45.63% of the total workforce (absolute) in 2010.

▶ COUNTRY OVERVIEW (continued)

Demographics (continued)

Thailand—Daily Food Consumption—Market Value—By Age—% of Total

Age	2005	2006	2007	2008	2009	2010
0-14	17.87	17.87	17.85	17.83	17.81	17.78
15-24	19.14	19.11	19.07	19.04	19.01	18.98
25-34	20.32	20.30	20.28	20.26	20.24	20.23
35-44	19.65	19.68	19.71	19.74	19.77	19.80
45-54	12.73	12.73	12.75	12.77	12.79	12.81
55+	10.31	10.31	10.34	10.36	10.38	10.40

Source: *Datamonitor, Consumption and Usage Demographics, December 2011.*

Thailand—Food Consumption—Consumer Demographic—Market Value by Status—% of Total

Status	2005	2006	2007	2008	2009	2010
Married/Living as Married	52.26	52.28	52.35	52.42	52.40	52.43
Single	32.22	32.24	32.26	32.30	32.33	32.36
Widowed	11.36	11.34	11.28	11.22	11.22	11.19
Divorced	4.17	4.15	4.10	4.06	4.05	4.02

Source: *Datamonitor, Consumption and Usage Demographics, December 2011.*

Thailand—Food Consumption—Consumer Demographic—Market Value by Income—% of Total

Income	2005	2006	2007	2008	2009	2010
US$0-3,599	17.05	17.03	17.03	17.03	17.04	17.05
US$3,600-4,599	19.06	19.07	19.07	19.08	19.09	19.1
US$4,600-6,499	20.91	20.93	20.92	20.92	20.92	20.91
US$6,500-13,399	21.24	21.26	21.26	21.27	21.27	21.27
US$13,400 +	21.73	21.72	21.71	21.7	21.68	21.67

Source: *Datamonitor, Consumption and Usage Demographics, December 2011.*

Income Levels

- In August 2011, the World Bank upgraded Thailand's income categorization from a lower-middle income economy to an upper-middle income economy.
- In 2010, 7% of Thailand's population was living below the poverty line, giving the country one of the lowest poverty rates in Asia.
- Income inequality in Thailand is more pronounced than in most of the rest of East Asia.
- Salaries in Thailand are rising, but not at the same rate as those on the eastern seaboard of China. As a result, many Chinese companies are choosing to move some of their operations to Thailand, finding the costs reasonable when compared to rapidly rising Chinese costs.

COUNTRY OVERVIEW (continued)

Income Levels (continued)

Thailand—Regional Income Disparities—Annual Income per capita versus 2006 (US$)—by % change			
Region	**1995**	**2006**	**% change**
Northeast	775	1,184	55
North	1,135	1,924	70
South	1,771	2,942	65
Eastern	4,159	9,435	125
West	1,747	2,930	70
Central	2,848	5,905	107
Bangkok and vicinity	6,518	9,409	44

Source: *Bangkok Post, 2010.*

Thailand Income Indicators—Historic/Forecast					
Indicator	**Unit**	**2009**	**2010**	**2011**	**2015**
Household Income, Net, US$ (Absolute)	US$ Millions	180,113	200,465	216,133	302,924
Household Income, Net, US$ (Growth)	Percentage	-4	11	8	8
Net Disposable Income per Household, US$ (Absolute)	US$	9,611	10,547	11,207	14,945
Net Disposable Income per Household, US$ (Growth)	Percentage	-5	10	6	7

Source: *Datamonitor, December 2011.*

Eating Habits

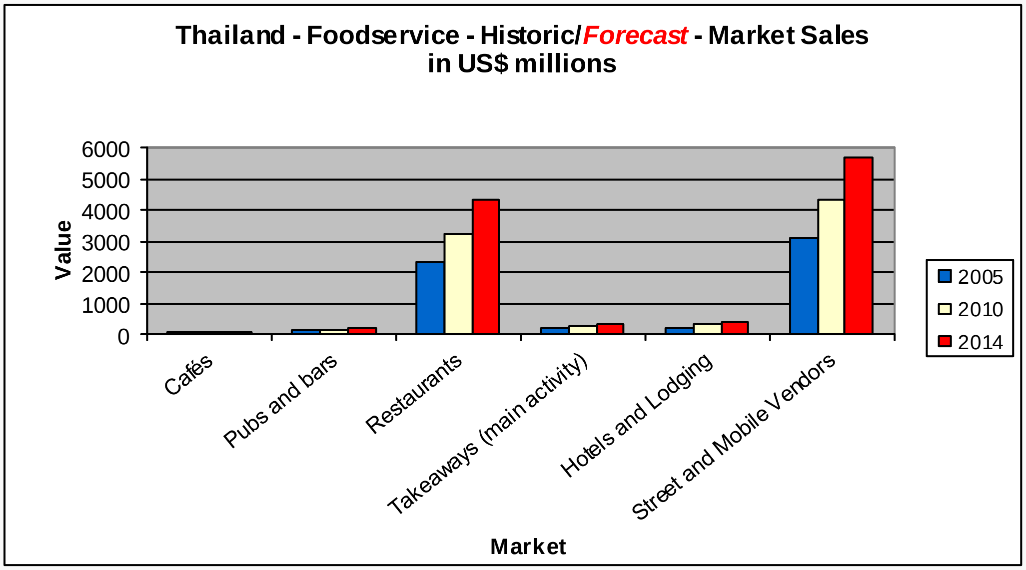
- Common ingredients in Thai cuisine include garlic, chillies, lime juice, lemon grass, and fish sauce. Rice is a staple in Thailand, particularly the jasmine variety (also known as Hom Mali rice), which is included in almost every meal. Thailand is the world's largest exporter of rice, and Thais consume over 100 kg of milled rice per person, per year, domestically.

- The Thai population has not embraced microwave cooking to the extent of other countries in the Asia-Pacific region, and often prefer traditional cooking methods.

- Generally speaking, in harder economic times, time-constrained, Asia-Pacific consumers increase their demand for takeaways, which offer a favourable cost/quality compromise for eating at home, versus dining out. Time-constrained consumers are also spending less time preparing meals at home.

- A Nielsen Out-of-Home Dining Report (May 2009) found that consumers across the Asia-Pacific ate out more often than their counterparts in other regions, especially in Hong Kong, where 31% eat at restaurants on a daily basis. The explanation for this is that many Asian countries place an emphasis on out-of-home socializing, as opposed to the European culture which is more focused on sharing a family meal together.

FOODSERVICE CHANNEL TRENDS



Source: *Datamonitor, Foodservice Analyzer, December 2011.*

Takeaways/Delivery

- In 2010, the number of takeaway outlets in Thailand numbered 3,277. Datamonitor is predicting that number to fall to 3,267 by the end of 2014.
- In the foodservice sector, chained pizza, both 100% home delivery and takeaway, led growth in 2010, with current value sales increasing by 9%.
- Growth in this sector is limited by the increase in the availability of delivery service from full-service restaurants, fast food operators, and ready-meals from chained convenience stores.
- Thailand's independent operators in this sector will continue to lose competitive edge, as they appeal to a limited number of consumers and face more cost control and advertising budget difficulties.

Thailand Foodservice—Takeaways and Delivery— by Brand Name—Historic Market Value—% breakdown

Brand	Company name	2007	2008	2009	2010
Pizza Co., The	Minor International PCL	41.7	47.1	47.4	47.5
Pizza Hut	Yum Restaurant Int'l. Thailand Co. Ltd.	14.5	15.8	21.6	22.2
Oishi Delivery	Oishi Group PCL	0.6	1.4	1.2	1.2
Suthep Delivery	Suthep Delivery Co. Ltd.	0.1	0.1	0.1	0.1
Pizza Hut	Central Restaurants Group	2.8	2.4	0.6	0.0
Others	Others	40.3	33.3	29.2	29.0

Source: *Euromonitor, Brand Shares, December 2011.*

Café/Bars

- In 2010, Thailand's café's numbered 924 outlets, and are forecasted to reach 974 by 2014. Pubs and bars numbered 2,376 in 2010, and are predicted to reach 2,464 by 2014. Café chain outlets equaled 17 in 2010 and are predicted to reach 20 by 2014. Pubs and bar chains amounted to 240 in 2010 and are forecast to reach 244 by 2014.

- Manufacturers focused on providing a variety of menu options to consumers in 2010.

- Chained specialist coffee shops were sector leaders in value growth for 2010, with 9%. This growth is attributed to aggressive expansion by McCafé, Café Baan Rai, and True Coffee.

- Euromonitor is predicting a compound annual growth rate (CAGR) of 2%.

Thailand Foodservice—Top 10 Cafés and Bars—by Brand Name—Historic Market Value— % breakdown

Brand	Company name (GBO*)	2007	2008	2009	2010
Starbucks	Starbucks Coffee (Thailand) Co. Ltd.	37.6	41.7	43.6	44.8
Black Canyon	Black Canyon Thailand Co. Ltd.	11.5	11.9	12.5	12.7
True Coffee	True Life Retail Co. Ltd.	2.2	3.2	4.6	5.7
Coffee World	Coffee World Corp.	4.1	4.3	5.2	5.7
McCafé	McThai Co. Ltd.	1.4	2.7	4	5.4
94^{0}c coffee	Ultimate Beverage Products Co. ltd.	1.9	1.8	1.8	1.6
Chester's Coffee	Charoen Pokphand Group	0.9	1.1	1.4	1.6
Café Baan Rai	Baan Rai Coffee House Co. Ltd.	1.9	2.1	0.5	1.5
My Bread	Black Canyon Thailand Co. Ltd.	6	3.7	2.5	1.2
Segafredo	Central Retail Corp.	0.2	0.2	0.3	0.3

***GBO =** Global Brand Owner*
***Source:** Euromonitor, Brand Shares, December 2011.*

Full-Service Restaurants

- In 2010, there were 9,557 restaurants in Thailand, and that number is predicted to reach 9,669 by 2014. Chain restaurants, such as Oishi, Fuji, Zen, S&P, and Black Canyon, are rapidly replacing independently owned restaurants. In addition, food centres and food courts are increasing in popularity, as they are perceived to be cleaner and more convenient than their sidewalk restaurant counterparts. Chain foodservice restaurants totaled 1,520 in 2010 and are predicted to reach 1,530 in 2014.

- Overall, value sales fell by 1% in 2010 over 2009 figures due to the political unrest experienced in Thailand.

- Chained Asian restaurants led growth in this sector in 2010, while Japanese restaurants also remained highly popular.

- European and North American restaurants continued to show slow growth, attributed to the decline in tourists in 2010. Most of these restaurants are independent outlets located in hotels, main streets and tourist areas.

- Pizza restaurant value sales continued to decline during 2010, however, Italian restaurants are expanding, as Thai consumers become more familiar with Italian dishes.

FOODSERVICE CHANNEL TRENDS (continued)

Full-Service Restaurants (continued)

Thailand Foodservice—Top 10 Full-Service Restaurants—by Brand Name Historic—Market Value—% breakdown					
Brand	**Company name (GBO*)**	**2007**	**2008**	**2009**	**2010**
MK Suki	MK Restaurants Co. Ltd.	27.2	29.0	31.3	31.6
Fuji Japanese Restaurant	Fuji Tsukui Group	5.6	5.7	5.7	5.9
Hachiban Ramen	Hachiban Ramen Co.Ltd.	4.7	4.9	4.9	4.9
S&P	S&P Syndicate PCL	5.1	4.8	4.6	4.5
Sizzler	Minor International PCL	3.0	3.1	3.7	4.0
Pizza Co., The	Minor International PCL	5.9	4.9	4.2	3.8
Zen	Zen Japanese Restaurant Group	2.2	2.2	2.5	2.5
Bar B Q Plaza	Bar B Q Plaza Corp	2.3	2.3	2.1	2.2
Shabushi	Oishi Group PCL	0.9	1.1	1.6	2.0
Jum Sab Hut	Bar B Q Plaza Corp	2.0	2.0	2.0	2.0

***GBO =** Global Brand Owner*
***Source:** Euromonitor, Brand Shares, December 2011.*

Fast Food

- Thailand has seen rapid growth in the fast food sector, with major international fast food companies well represented.
- Breakfast menus contributed to the growth of several fast food chains in Thailand during 2010. Leading chained bakery, chicken and burger fast food players are putting a strong menu focus on the first meal of the day.
- The dominant player in the fast food industry is the chained convenience store, which accounted for 60% of value sales in 2010, growing 16% over previous year figures. The 7-Eleven chain was the market leader in 2010, due to aggressive expansion. The company will continue to open 400 to 450 stores a year, aiming for a network of 7,000 stores by 2014. The chain will continue to focus its strategy on providing ready-to-eat menus, and price promotions.
- Chained bakery fast food is one of the most dynamic in the sector with players like Krispy Kreme, Mister Donut and Central Restaurants Group in heavy competition.

Thailand Foodservice—Top 10 Chained Fast Food Restaurants—by Brand Name Historic—Market Value—% breakdown					
Brand	**Company name (GBO*)**	**2007**	**2008**	**2009**	**2010**
7-Eleven	CP All PCL	47.7	48.1	50.9	54.0
KFC	YUM Restaurant Int'l Thailand Co. Ltd.	7.8	7.8	8.2	8.0
KFC	Central Restaurants Group	5.6	5.4	5.0	5.0
McDonald's	McThai Co. Ltd.	4.7	4.9	5.1	4.9
Swensen's	Minor International PCL	3.7	3.6	3.5	3.4
S&P	S&P Syndicate PCL	2.6	2.6	2.6	2.6
Mister Donut	Central Restaurants Group	2.7	2.4	2.2	2.2
Gateaux House	Gateaux House Co. Ltd.	2.5	2.2	2.1	1.9
Chester's Grill	Charoen Pokphand Group	1.8	1.9	1.9	1.8
Dairy Queen	Minor International PCL	1.7	0.7	1.6	1.5

***GBO =** Global Brand Owner*
***Source:** Euromonitor, Brand Shares, December 2011.*

FOODSERVICE CHANNEL TRENDS (continued)

Street Stalls/Kiosks

- In 2010, the number of street stalls and mobile vendors equalled 110,129 and is expected to reach 112,875 by 2014. Street stalls and kiosk enterprises in Thailand focus mainly on providing hot and cold beverages and ready-to-eat foods.
- These food vendors maintain a strong presence in Thai consumer foodservice and accounted for 34% of overall value sales in 2010.
- Many leading chained operators use street stalls and kiosks in promoting their packaged food products and brands.
- Charoen Pokphand Food is a sales leader in this industry, recording a 31% value share in 2010.
- Recent additions to modern kiosk menus, found in shopping malls, include: beverages, ice cream, coffee, fruit juice, cakes, bakery products, sushi, and pizza. This shows a growing demand for on-the-go products.
- Office and residential areas in Thailand are where you will find the country's mobile kiosks. They offer economically priced products, such as beverages, fresh fruits, fruit juices, iced tea and coffee.

Thailand Foodservice—Street Stalls and Kiosks by Brand Name—Historic—% breakdown

Brand	Company name (GBO*)	2007	2008	2009	2010
5 Star Grilled Chicken	Charoen Pokphand Foods PCL	18.5	20.3	20.7	21.0
Chay Si Ba Mee Kaew	Various franchisees	13.4	13.3	13.5	13.5
5 Star Fried Chicken	Charoen Pokphand Foods PCL	3.3	5.1	6.8	8.0
Thai Chong Brok	Baan Rai Coffee House Co. Ltd.	0.3	0.4	0.5	0.5
Pizza Today	Pizza Today Co. Ltd.	0.4	0.4	0.1	0.1
Oishi Sushi Bar	Oishi Group PCL	0.1	0.1	0.1	0.0
Others	Others	64.0	60.3	58.4	57.0

***GBO =** *Global Brand Owner*
Source: *Euromonitor, Brand Shares, December 2011.*

FOODSERVICE CHANNEL TRENDS BY LOCATION

Thailand—Foodservice Market Sizes—Historic/Forecast—by Value—US$ millions

Categories	2005	2010	2015
Consumer Foodservice Through Stand-alone	10,353.0	12,597.7	15,460.7
Consumer Foodservice Through Leisure	646.2	793.9	968.0
Consumer Foodservice Through Retail	3,557.7	5,127.7	6,894.1
Consumer Foodservice Through Lodging	1,191.1	1,286.9	1,419.1
Consumer Foodservice Through Travel	797.3	993.0	1,339.8

Source: *Euromonitor, Market Share as of December 30, 2011.*

▶ FOODSERVICE CHANNEL TRENDS BY LOCATION (continued)

Stand-alone

- Stand-alone outlets in Thailand dominated sales in the foodservice sector for 2010, with chained operators having the most presence.
- In 2010, Thailand's stand-alone outlets included street stalls and kiosks, full-service restaurants, and cafés and bars.
- Forecasted transaction growth in stand-alone foodservice locations is 1.4%, over the 2010 to 2015 timeframe.
- Value growth in the 2010 to 2015 period for stand-alone foodservice outlets is forecast to be 1.9%.

Leisure

- In 2010, foodservice outlets in leisure locations numbered 1,614, with the potential to reach 1,724 in 2014, according to Euromonitor. Thailand's chained foodservice outlets in leisure locations numbered 80 in 2010, with growth forecast to total 84 outlets by 2014.
- Though leisure locations are minimal in number, they host numerous leading chained stores like Starbucks, Coffee World, and KFC. This penetration is due to the rising demand for fast food and specialist coffee.
- Value growth in the 2010 to 2015 period for leisure foodservice outlets is forecast to be 1.8%.

Retail Foodservice

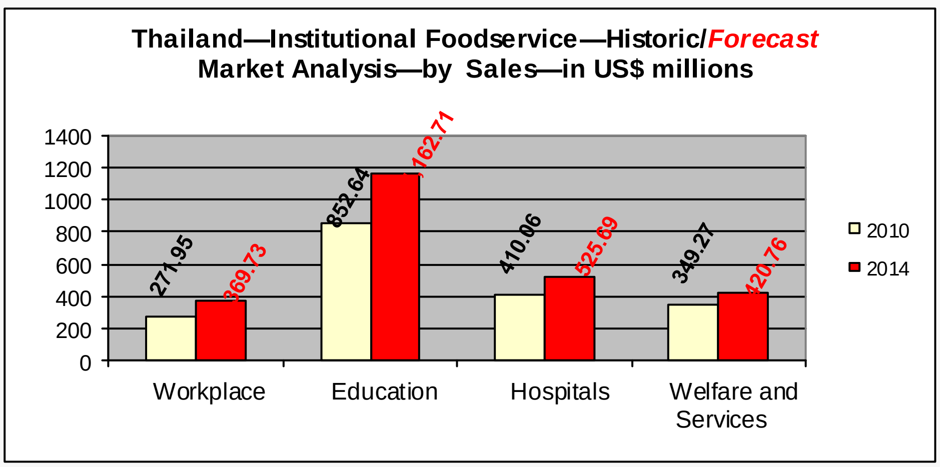
- In 2010, foodservice outlets in retail locations in Thailand numbered 19,853, representing a growth of 5%. Retail outlets are leading growth within the consumer foodservice industry.
- Thailand's retail foodservice outlets are primarily occupied by fast food operators and self-service cafeterias.
- Supermarkets, hypermarkets, convenience stores and shopping malls were the biggest contributors to retail foodservice channel success in 2010. The shopping mall channel is expected to grow in importance within consumer foodservice, as malls address the rising consumer demand for a one-stop-shopping experience.
- Comparatively, retail foodservice locations are forecast to experience the greatest average growth from 2010 to 2015, at 3.9%.
- Forecast transaction growth in retail foodservice locations is 4.7%, over the 2010 to 2015 timeframe.
- Value growth in the 2010 to 2015 period for retail foodservice outlets is forecast to be 3.8%.

FOODSERVICE CHANNEL TRENDS BY LOCATION (continued)

Lodging

- In 2010, hotels and lodging outlets numbered 5,266 and are forecast to grow to 5,394 by 2014. Thailand's chained hotels and lodging outlets numbered 591 in 2010, a number predicted to reach 633 by 2014.
- In 2010, consumer foodservice outlets in lodging locations struggled, due to declining tourist numbers caused by ongoing political turmoil and environmental issues.
- Euromonitor is forecasting transaction growth in foodservice outlets located in lodgings to contract by 6.1% over the 2010 to 2015 timeframe. Value growth in the 2010 to 2015 period for lodging foodservice outlets is forecast to be –0.3%.
- Within the lodging sector, most foodservice outlets were full-service restaurants.
- While cafés and bars in lodging locations had only 27% of the number of transactions of full-service restaurants in 2010, they had the highest value of sales.

INSTITUTIONAL FOODSERVICE OVERVIEW BY LOCATION



Source: *Datamonitor, Foodservice Analyzer, December 2011.*

Workplace

- Foodservice outlets in workplaces in Thailand totaled 7,230 in 2010 and are forecast to reach 7,388 by 2014. In a further breakdown, industrial outlets numbered 2,180, and retail, financial and office-based outlets totaled 1,434. The remaining 3,616 outlets were listed as "other."

Education

- In 2010, foodservice outlets in the educational sector totaled 3,240. This number is expected to fall to 3,222 by 2014.

INSTITUTIONAL FOODSERVICE OVERVIEW BY LOCATION (continued)

Welfare and Services

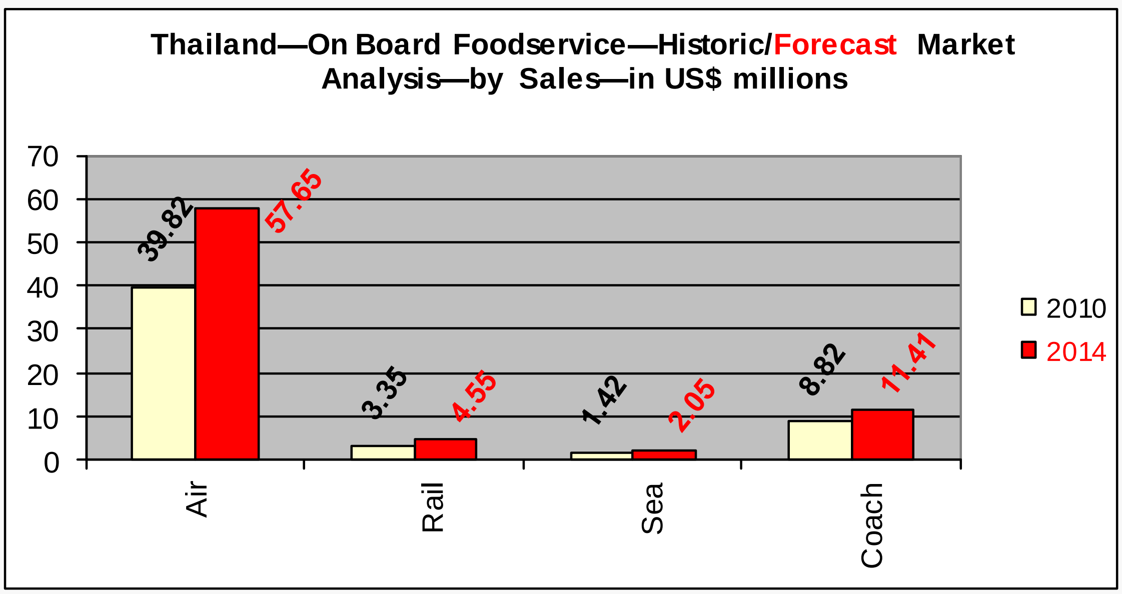
- In 2010, armed services foodservice outlets equalled 285, while residential care outlets totaled 429, welfare meal outlets numbered 2,629, and detention foodservice outlets totaled 135. Minimal growth will be seen in this sub-sector up to 2014, averaging only 0.18% growth from 2005 to 2014.

Hospitals

- Thailand's hospital foodservice outlets equalled 659 in 2010, and are forecast to see modest growth, reaching 677 outlets by 2014.

- Several leading chained coffee shop specialists and chained bakery fast food operators continue to pop up in hospitals and university areas, as these two locations are becoming increasingly attractive to many chained consumer foodservice players. Their university presence is helping to attract new consumers; the presence within hospitals is helping to improve the image of foodservice operators as providers of healthy meals. In addition, Thai hospitals and universities are becoming more well-known internationally, and continue to attract a number of patients and university students from abroad.

ON-BOARD FOODSERVICE BY LOCATION



Source: *Datamonitor, Foodservice Analyzer, December 2011.*

Thailand Tourism and Travel Statistics—Historic							
Indicator	**Unit**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Business Travel and Tourism Spending (Absolute)	US$ Millions	4,810	5,570	6,735	7,488	6,032	6,556
Domestic Travel and Tourism Spending (Absolute)	US$ Millions	8,101	8,928	10,825	11,849	10,482	12,001
Leisure Travel and Tourism Spending (Absolute)	US$ Millions	15,465	20,056	24,824	26,975	23,993	28,224
Travel and Tourism as a % of GDP (Absolute)	Percentage	15	16	16	16	15	13
Travel and Tourism Contribution to GDP (Absolute)	US$ Millions	27,711	34,651	43,643	46,022	41,409	46,660

Source: *Datamonitor, Country Statistics Database, December 2011.*

Thailand Tourism and Travel Statistics—Forecast							
Indicator	**Unit**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Business Travel and Tourism Spending (Absolute)	US$ Millions	6,765	6,853	7,349	8,075	8,938	9,793
Domestic Travel and Tourism Spending (Absolute)	US$ Millions	13,107	12,970	13,392	14,516	15,637	16,862
Leisure Travel and Tourism Spending (Absolute)	US$ Millions	30,793	32,395	34,201	36,731	39,813	43,285
Travel and Tourism as a % of GDP (Absolute)	Percentage	12	13	13	13	13	13
Travel and Tourism Contribution to GDP (Absolute)	US$ Millions	50,052	50,915	52,435	55,546	59,838	64,858

Source: *Datamonitor, Country Statistics Database, December 2011.*

Political protests in Thailand, from March to May 2010, had a temporary impact on tourism. The tourism sector's quick recovery, however, helped boost consumer confidence. The number of foreign visitors to Thailand in 2011 was estimated at 18.4 million, slightly down from the previously projected 19.5 million. In the first half of 2011, Thais traveling in the country rose by 11.8 percent over the same period the year before.

Thailand has also taken a further step to support growth in its tourism sector by joining other Association of Southeast Asian Nations (ASEAN) partners in signing a Memorandum of Understanding (MOU) to facilitate travel between the ASEAN countries and India. It also signed an ASEAN-led MOU between national tourism organizations of ASEAN members and those of the People's Republic of China, Japan, and the Republic of South Korea. The Tourism Authority of Thailand (TAT) embarked on a road show in December 2011, visiting three major cities in China: Shanghai, Beijing, and Guangzhou. Thailand is expecting more Chinese tourists enter the country starting in January 2012. The TAT is also predicting tourist arrivals in 2012 to reach 19.55 million, with December 2011 to March 2012 numbers (second half of the tourism high season) reinforcing a full industry recovery.

FOODSERVICE TRAVEL AND TOURISM (continued)

A Bangkok University study indicated there are five top reasons foreign tourists enjoy traveling to Thailand: the food, hospitality, historical sites, shopping centres, and culture and folk arts. Most of the foreign tourists in this study indicated Chian Mai in the north as their destination of choice, followed by Samui Island in Surat Thani, and Bangkok.

Food and beverage sales in hotels and resorts account for about 30% of total tourism revenues. The average rate of imported food versus locally produced food in Thailand's entire hotel/restaurant industry sector is 30%; of which the United States (U.S.) has approximately 15%-20% of product share. American beef, turkey, seafood (lobster, Alaska king crab legs, scallops, etc.), wine, potatoes and seasonings are well known in the hotel/restaurant trade, especially in American, French, Japanese and other international restaurants, and with airline catering companies. Thai Airways International use 30%-40% imported food in their in-flight catering service.

Thailand's large Hotel, Restaurant, Institutional (HRI) food service sector comprises approximately 150,000 outlets, including some 100,000 restaurants and more than 5,000 hotels and resorts. Hotels, resorts, restaurants and institutional contracts are heavy users of imported food, for food preparation and ready-to-eat meals at restaurants, catering services for airlines and cruise lines. This sector attracts middle- to higher-income Thais, Thai businesspeople, resident expatriates, and tourists.

FOODSERVICE FOOD VALUE BY MARKET

Thailand—Foodservice—Food and Drink
Market Analysis—by Sales—in US$ millions

Market	2010	2014
Bakery and cereals	**81.4**	**89.2**
Bread and rolls	7.13	7.84
Breakfast cereals	1.29	1.45
Cakes and pastries	34.88	38.2
Cereal bars	0	0
Cookies (sweet biscuits)	35.48	38.78
Crackers (savoury biscuits)	2.41	2.7
Morning goods	0.21	0.22
Canned food	**131.18**	**140.08**
Canned desserts	0.23	0.24
Canned fish/seafood	42.14	44.63
Canned fruit	28.17	30.51
Canned meat products	49.65	52.82
Canned pasta and noodles	2.84	3.09
Canned ready meals	2.25	2.4
Canned soup	5.53	6.01
Canned vegetables	0.37	0.39

Source: *Datamonitor, December 2011*

Continued on the following page...

▶ FOODSERVICE FOOD VALUE BY MARKET (continued)

Thailand—Foodservice—Food and Drink *Market Analysis—by Sales—in US$ millions*		
Market	**2010**	**2014**
Chilled food	**120.79**	**130.17**
Chilled bakery	0	0
Chilled fish/seafood	0	0
Chilled fresh pasta	1	1.07
Chilled meat products	119.45	128.74
Chilled pizza	0	0
Chilled ready meals	0.23	0.25
Chilled soup	0	0
Deli food	0.11	0.12
Sandwiches/salads	0	0
Confectionery	**0.2**	**0.23**
Chocolate	0.1	0.12
Gum	0.08	0.09
Sugar confectionery	0.02	0.02
Dairy food	**185.92**	**207.27**
Cheese	7.58	8.38
Chilled desserts	0	0
Cream	0.4	0.43
Fromage frais	0	0
Milk	153.64	171.62
Spreadable fats	15.19	16.87
Yogurt	9.11	9.96
Dried food	**160.61**	**185.98**
Dessert mixes	0.28	0.31
Dried soup	1.98	2.15
Dried pasta	8.16	8.99
Dried ready-meals	0.53	0.58
Rice	149.66	173.96
Drink Total	**3200.2**	**3719.01**
Beer	1520.47	1841.14
Cider	4.63	5.27
FABs	22.66	24.97
Brandy	7.12	7.68
Gin	1.44	1.59
Liqueurs	19.32	21.34
Rum	0.42	0.47
Specialty spirits	270.14	292.89
Tequila and mescal	2.63	2.91
Vodka	1.39	1.51
Whiskey	628.19	685.66
Fortified wine	2.31	2.6
Sparkling wine	4.81	5.46
Still wine	24.91	28.32
Champagne	0.45	0.5
Fresh food	**1465.72**	**1672.71**
Fresh fish	635.55	719.51
Meat - beef	178.3	207.07
Meat - lamb	162.37	186.98
Meat - pork	231.28	263.7
Meat - poultry and other	99.14	112.51
Fresh veg. - potatoes	15.34	17.69
Fresh veg. - other	143.74	165.26

Source: *Datamonitor, December 2011*

Continued on the following page...

FOODSERVICE FOOD VALUE BY MARKET (continued)

Thailand—Foodservice—Food and Drink *Market Analysis—by Sales—in US$ millions*		
Market	**2010**	**2014**
Frozen food	**591.06**	**629.49**
Frozen bakery products	0.91	0.97
Frozen desserts	0.47	0.5
Frozen fish/seafood	6.29	6.89
Frozen fruit	3.73	3.98
Frozen meat products	567.52	604.06
Frozen pizza	0.71	0.77
Frozen potato products	1.29	1.38
Frozen ready-meals	7.24	7.82
Frozen vegetables	2.92	3.12
Hot drinks	**125.91**	**145.22**
Coffee	67.6	79.22
Tea	40.71	45.93
Other hot drinks	17.6	20.08
Soft drinks	**563.44**	**651.49**
Bottled water	138.69	168.74
Carbonates	208.07	236.33
Concentrates	0	0
Functional drinks	129.08	146.76
Juices	19.37	23.57
Ready-to-drink (RTD) tea and coffee	**68.21**	**76.09**
Ice cream	55.01	61.3
Artisanal	9.83	11.23
Frozen yogurt	0	0
Impulse	43.47	48.19
Take-home	1.71	1.87
Oils and fats	**98.3**	**109.13**
Oils	89.97	99.88
Solid fats	8.33	9.25
Sauces, dressings and condiments	**292.47**	**318.84**
Dry cooking sauces	1.01	1.08
Condiment sauces	274.46	299.53
Dips	0	0
Dressings	4.42	4.82
Pickled products	0	0
Seasonings	0	0
Table sauces	12.51	13.34
Wet cooking sauces	0.07	0.08
Savoury snacks	**102.64**	**113.02**
Nuts and seeds	50.27	54.98
Popcorn	4.76	5.35
Potato chips	19.96	21.87
Processed snacks	22.17	24.68
Other savoury snacks	5.48	6.14
Sweet and savoury spreads	**66.69**	**71.98**
Chocolate spreads	50.85	54.86
Nut-based spreads	4.25	4.6
Jam/jelly/marmalade	10.2	11
Savoury spreads	0.14	0.15
Honey	1.25	1.37

Source: *Datamonitor, December 2011*

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