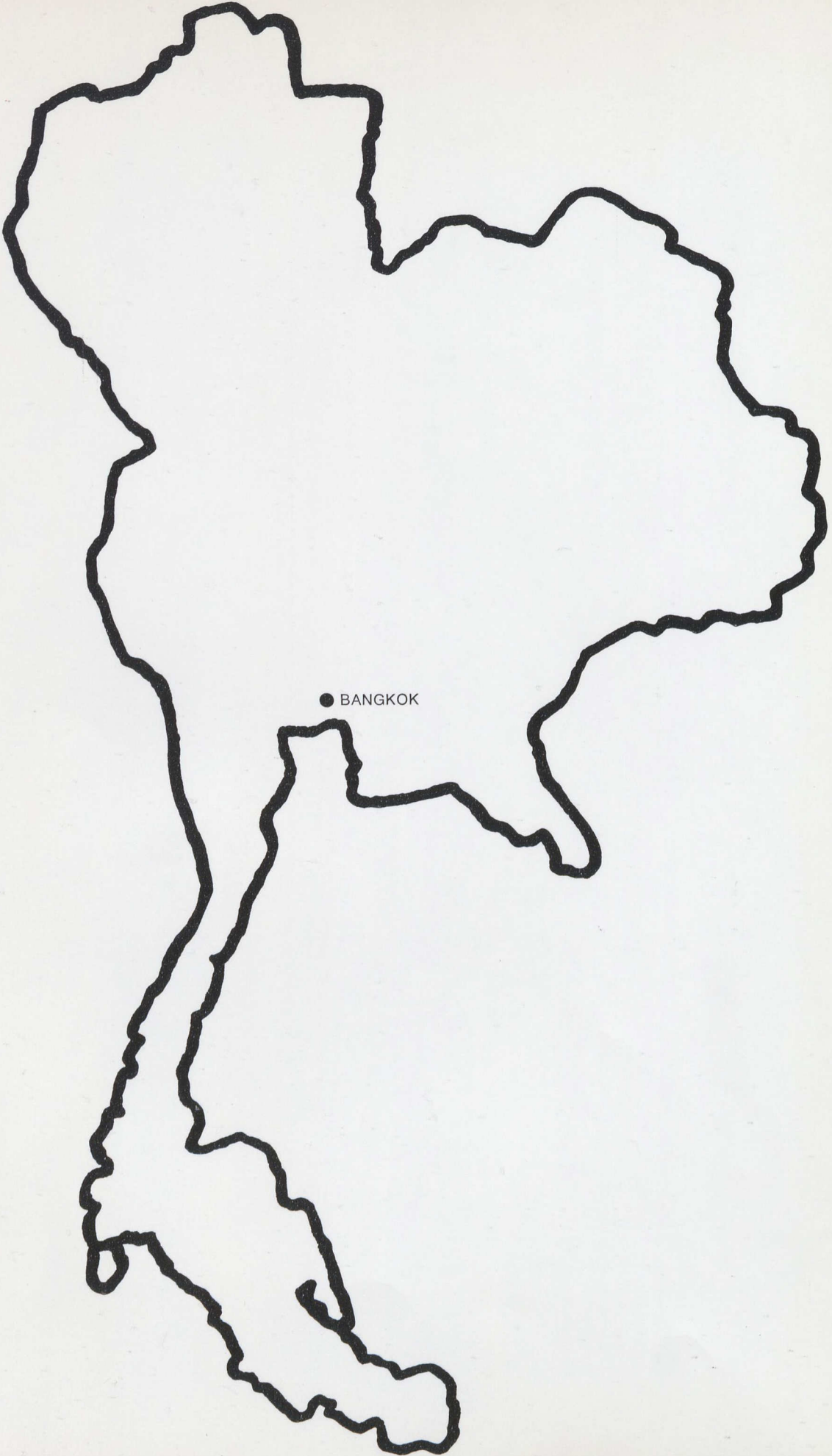


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Thailand

markets
for canadian
exporters

THAILAND



● BANGKOK

MARKETS FOR CANADIAN EXPORTERS

THAILAND



Government
of Canada

Gouvernement
du Canada

Industry, Trade
and Commerce

Industrie
et Commerce

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I. GENERAL

Area and Geography

The Kingdom of Thailand, formerly Siam, occupies much of the western part of the Southeast Asian peninsula. Less than half the size of Ontario, the country is divided into four distinct regions: the mountainous north, the northeastern plateau, the central plains and the southern peninsula.

Thailand borders on Burma in the west and north, Laos in the north and east, Kampuchea (formerly Cambodia) in the east and south, and Malaysia in the extreme south.

Climate

The climate is monsoon-tropical, with slight variations from north to south. Although Canadians may find Thailand consistently hot and humid, there are three identifiable seasons: the cool from November to February; the hot from March to June; and the rainy season, which begins with occasional showers during June, July and August and becomes regular, heavy downpours throughout September and October.

Population

Thailand's population of 43 million includes more than 30 ethnic groups. About 80 per cent of the population are Thai, 10 per cent Chinese, three per cent Malay, seven per cent others. Population growth has decreased to 2.7 per cent annually.

Approximately 30 per cent live in the central plains, 35 per cent in the northeast, 22 per cent in the north and 13 per cent in the south. Only 12 per cent are city dwellers. About 70 per cent are literate.

Thai Buddhism, a mixture of Theravada Buddhism, Hinduism and animism, is practised by 90 per cent of the population.

Principal Cities

Bangkok -- known locally as Krung Thep -- and its sister city, Thon Buri are Thailand's government, business and commercial centres. Situated 20 miles inland on the Chao Phraya River, Bangkok is Thailand's major port. The city's population is more than 4.5 million, 30 per cent of whom are of Chinese origin.

Other urban centres are Chiang Mai, a northern city with 165,000 inhabitants; Khorat (Nakhon Ratchasima), a city of 150,000 in central Thailand; and the southern cities of Hat Yai and Songkhla, each with populations exceeding 100,000.

Local Time

Thailand is 12 hours ahead of Eastern Standard Time. When it is 9:00 a.m. in Toronto or Montreal, it is 9:00 p.m. in Bangkok.

The Thai calendar is based on the Buddhist system which is 543 years ahead of the Gregorian calendar. Thus 1978 AD is BE 2521.

Weights and Measures

The metric system is used although Siamese weights and measures are occasionally used. For example, the rai, equivalent to two-fifths of an acre (1,600 square metres), is often used as the basic unit of area.

Electricity

Electricity for domestic use is supplied at 220 volts, 50 cycles AC. The industrial supply is 220 and 380 volts, 50 cycles AC on a three-phase system.

Currency and Exchange Rates

The Thai unit of currency is the baht, which is divided into 100 stang. Coinage includes bronze 25 and 50 stang pieces and silver one and five baht pieces. Paper notes are issued in five, 10, 20, 100 and 500 baht denominations.

The baht is traditionally a stable currency and the exchange rate is about 20 baht to the U.S. dollar. Few formalities govern exchange transactions and any convertible currency can be bought or sold.

Visitors are not required to complete currency declarations when entering or leaving the country.

Public Holidays

Holidays generally observed by the Thai business community are:

New Year's Day	January 1
Chinese New Year (three days)	January or February (varies)
Makha Bucha Day	February (varies)
Chakkri Memorial Day	April 6
Songkran Festival	April 13
Labour Day	May 1
Coronation Day	May 5
Visakha Bucha Day	May (full moon)
Mid-year Holiday	July 1
Buddhist Lent	July (varies)
Queen's Birthday	August 12
Chulalongkorn Day	October 23
King's Birthday	December 5
Constitution Day	December 10
Christmas Day	December 25
New Year's Eve	December 31

Historical Background

The earliest Thais entered the northern part of the country from southern China during the fifth to seventh centuries AD. Several independent kingdoms emerged, but by the 13th century, the Kingdom of Sukhothai predominated.

The Thai king of a unified state, Rama Thibodi moved his capital in 1350 to Ayutthaya, a city about 50 miles north of Bangkok. Vestiges of the government administration and legal system set up during Rama Thibodi's reign are still evident.

In the mid-seventeen hundreds the nation's capital was established at Thon Buri. About 15 years later Rama I, founder of the present Chakkri Dynasty, moved the capital to Bangkok.

The arrival of Portuguese traders and missionaries in the sixteenth century marked the beginning of Thai contact with the West. In the early 17th century Dutch and British traders arrived followed by the Japanese.

Thailand maintained relations with the West until 1668, when fear of a possible French plot to gain control of the kingdom closed its borders to foreigners. However, due to strong European influence on Thailand's neighbours during the early 19th century, this isolationist policy was gradually eliminated.

II. THE ECONOMY

Economic Policy

Thailand's development policy, co-ordinated by the National Economic and Social Development Board (NESDB), focuses on economic growth in the private sector. The fourth Five Year Development Plan (1977-1981) concentrates on agricultural and industrial projects to raise living standards of rural dwellers. Infrastructural development and improvement of export performance are also priorities.

The Thai government appreciates that to achieve these objectives, foreign investment and technical assistance are necessary. Accordingly, it is striving to create an investment climate that will attract foreign investors.

General Economic Conditions

About 75 per cent of Thailand's labour force is engaged in agriculture which accounts for about 30 per cent of GDP. Industry accounts for more than 20 per cent of GDP and about five per cent of the labour force.

Sharply rising commodity prices and strong international demand assisted Thai's economy in achieving a real growth rate of more than 10 per cent in 1973. In 1974 deteriorating trade and a recession in major export markets caused the growth rate to decline to 3.2 per cent. Since then the economy has shown signs of recovery. A growth rate of 6.4 per cent was registered in 1975, with a similar increase in 1976. Both domestic and foreign investment lagged during 1975 and 1976, but the installation of a new government determined to improve the investment climate should lead to a resumption of investment spending.

The Thai balance of payments continues to be tight although conservative fiscal policies have maintained a healthy level of reserves.

Inflation, which ran as high as 24 per cent in 1974, fell to five per cent in 1975 and since then has remained at 10 per cent.

Energy

Considerable quantities of exploitable natural gas have been discovered through extensive exploration in the Gulf of Thailand. Proven reserves, sufficient to supply 150 million cubic feet per day for more than 20 years, justify massive expenditures for a pipeline running about 350 miles underwater and overland to Bangkok. Thailand depends on Middle East petroleum for 92 per cent of its energy requirements. The objective is that natural gas will replace fuel oil in electricity generation and in a wide range of heavy industries, substantially reducing one of Thailand's largest, costliest imports.

Electric generating capacity reached 2,437 mW in 1976, with hydro generation producing about 35 per cent and thermal plants the balance. As the potential for hydro generation is almost fully realized, and fuel costs have increased dramatically, the installation of a 600 mW nuclear plant by the mid-1980's is under consideration.

Surface Transportation

Thailand has an adequate transportation system, although Bangkok has chronic traffic problems. Highway and rail systems are extensive and are currently being upgraded. Water transport on the country's complex network of "klongs" (canals) is a common means of distribution.

Facilities at the Port of Bangkok, Thailand's busiest, are limited. Containerized cargoes cannot be handled efficiently and since the port is at the estuary of the Chao Phraya River, goods must be transferred from large oceangoing vessels to river barges. The construction of a deep-water seaport on the Gulf of Thailand is being considered.

Civil Aviation

Commercial aviation in Thailand has grown rapidly in recent years. A major improvement and expansion is underway at Bangkok's Don Muang International Airport due to substantial annual increases in passenger traffic, and the construction of a new airport for air freight is under consideration.

Telecommunications

An extensive telecommunications network links Bangkok with the world's major cities. Expansion of the telephone network is an ongoing, long-term program.

Agriculture, Fisheries and Food

Although rice continues to reign supreme among agricultural products, kenaf, jute, maize, tapioca and sugar production has expanded considerably during the past 10 years. There is a large and growing demand for imported farm machinery, fertilizers, pumps, tractors and pesticides. A fledgling livestock production program has created opportunities for foreign suppliers of veterinary products, and a market for breeding stock and semen may develop. Thailand is self-sufficient in the production of fish.

Forestry

Indiscriminate and illegal cutting have depleted Thailand's rich forest resources. As yet, reforestation is not sufficiently widespread to offset this problem. About 40 per cent of the country is still covered by forests and the government has taken action to protect these reserves.

The forestry industry, composed primarily of sawmills and flooring mills, produces sufficient lumber and parquet-type flooring to meet domestic requirements. Production of chipboard, hardboard, particle board, plywood and veneer is increasing and the local rattan and teak furniture industries are expanding.

Demand for pulp and paper continues to rise. As a result, the government is encouraging development of a local industry based on indigenous materials such as pine, bamboo and kenaf. Annual domestic demand for paper products is 250,000 tons; about 65,000 tons of newsprint and 105,000 tons of pulp were imported in 1975. Thailand's most important product is rubber.

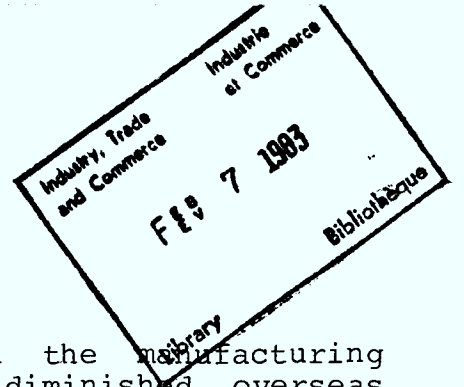
Mining

With substantial mineral resources Thailand is developing its mining industry as a major earner of foreign exchange.

By far the most important mineral product is tin, which is exported as ingot. Metallurgical grade fluorite ranks second followed by tungsten, manganese, antimony, gypsum, lignite, lead and zinc ore. Significant though unproven reserves of other ores, including potash, have been discovered.

Manufacturing

Manufacturing is the fastest growing sector of Thailand's economy and accounts for approximately 20 per cent of GDP. A rising demand for capital equipment emphasizes the growing importance of industry to the Thai economy. Import substitution is encouraged by the imposition of high protective tariffs. The easier import substitution opportunities are practically exhausted and future manufacturing installations will concentrate on export markets.



Textiles

The textile industry, the largest employer in the manufacturing sector, fell on hard times in 1974 due to diminished overseas demand and excess capacity. Although there has been some recovery, the imposition of import quotas in export markets has dampened prospects for future growth. Thailand is a net importer of textiles.

Garment exports are also gaining momentum. While emphasis is on mass market goods, high fashion and luxury items such as Thai silk enjoy wide acceptance in overseas markets.

Chemicals

Although there is an abundance of key chemical raw materials, demand for most chemicals and chemical products does not justify local production. Consequently, the majority of chemicals and chemical products are imported.

Locally-produced fertilizer satisfies only a fraction of Thailand's expanding requirements and virtually all phosphorus and potassium fertilizers are imported.

Thailand imported 100,000 tons of plastic resins in 1975. There is no local monomer production and only limited polymer production. The industry is fragmented and cannot meet domestic requirements.

Electronics

The recently developed electronics industry is primarily involved in assembly operations. Sophisticated electronic products are not manufactured locally.

Iron and Steel

Steel production capacity is about 400,000 metric tonnes per year. The country's 11 rolling mills, which rely on imported primary steel, produce reinforcing round bars, wire rods and sections.

Automobiles

The vehicle assembly industry represents a major growth sector. Seventeen plants are in operation as are a number of components and parts factories. As a result the local tire and tube industry has gained momentum and now satisfies most of the domestic demand.

Tourism

Tourism is Thailand's seventh largest earner of foreign exchange. Industry earnings have risen from \$10m in 1960 to more than \$225m in 1975. By 1980 there are expected to be 15,000 first and second-class hotel rooms in Thailand catering to an anticipated 1.6 million visitors. Bangkok, Chiang Mai and the beach resorts at Pattaya and Phuket are the major tourist centres.

Foreign Investment

In 1975 foreign investment in Thailand fell, reflecting uncertainty about the future of the region in general and the stability of the previous Thai government in particular. Recent government policy recognizes the importance of foreign investment to industrial development and job creation and Thailand has taken steps to bolster the range of investment incentives and guarantees to investors in approved areas of activity. Foreign equity participation is limited to 49 per cent. Leading foreign investors include Japan, the United States, Taiwan, Britain and the Federal Republic of Germany.

Board of Investment

The Board of Investment (BOI) is a government organization responsible for determining the promotional privileges for projects. Under the Act for the Promotion of Industrial Investment, various investment incentives may be extended. For details write to:

The Chief Representative
U.S. and Canada
Office of Thailand Board of Investment
Five, World Trade Centre
Suite 3443
New York, New York 10048
U.S.

Tel: (212) 466-1745
Cable: THAIBOI, NEW YORK

III. FOREIGN TRADE

The economy is heavily trade oriented. Thailand is traditionally an exporter of agricultural and mineral products and an importer of semi-fabricated and capital goods.

Total Value of Imports and Exports 1970 - 1976

<u>Year</u>	<u>(\$m)</u> <u>Imports</u>	<u>Exports</u>	<u>Balance</u>
1970	1,422	775	-642
1971	1,410	910	-500
1972	1,625	1,184	-441
1973	2,220	1,696	-524
1974	3,370	2,588	-782
1975	3,518	2,500	-1,018
1976	3,789	3,358	-431

Source: Thai Ministry of Commerce

Exports

Value of Main Exports

\$ Millions

	<u>1975</u>	<u>1976</u>
Rice	308	453
Tapioca products	235	390
Sugar	300	337
Maize	295	294
Rubber	183	281
Tin	118	156
Kenaf	34	29

Source: Thai Ministry of Commerce

Thailand's principal customers in 1976 were Japan, which accounted for approximately one-quarter of all export sales, followed by The Netherlands, U.S., Singapore and Hong Kong.

Imports

Principal Products Groups Imported

	<u>\$ millions</u>		
	<u>1974</u>	<u>1975</u>	<u>1976</u>
Mineral fuels	667.9	759.2	411.9
Machinery, mechanical appliances	540.4	551.1	224.4
Iron and steel and articles thereof	327.8	268.1	148.7
Vehicles and parts	285.8	357.3	190.1
Electrical machinery and parts	175.9	192.7	108.8
Organic chemicals	111.4	90.6	62.6
Cotton	95.8	101.5	56.9
Artificial resins and plastic materials	82.0	94.4	49.8
Fertilizers	69.2	85.1	37.2
Man-made fibres (continuous)	59.2	37.2	17.4
Works of art and antiques	58.5	65.8	45.7
Miscellaneous chemical products	57.8	51.0	33.6
Aircraft and parts	52.7	83.6	39.0
Paper and paperboard and articles of paper	49.7	48.4	24.3
Pharmaceutical products	47.6	49.7	24.9

Source: Thai Ministry of Commerce

Thailand's principal suppliers in 1976 were Japan, which accounted for 31 per cent of imports, followed by the U.S. Saudi Arabia, Qatar, the Federal Republic of Germany and Britain.

Trade Balance

Thailand incurs a substantial trade deficit each year. A billion dollar deficit in 1975 was reduced by about 60 per cent in 1976 but is expected to reach about \$850m in 1977. Preliminary trade figures for 1977 indicate exports running 14 per cent ahead of 1976, while imports are up 24 per cent.

Despite this chronic trade deficit, earnings from tourism plus investment and developmental inflows have usually resulted in an overall balance of payments surplus.

IV. CANADA-THAILAND TRADE

Exports

Canadian exports to Thailand are predominantly low-value-added, semi-finished products. In 1976, Canada's exports totalled \$38.2m.

Canada Exports to Thailand

<u>Year</u>	<u>*Raw Materials %</u>	<u>Semi- Finished %</u>	<u>Fully Manufactured %</u>	<u>Total Value \$m</u>
1972	5	73	22	11.4
1973	4	76	20	14.9
1974	14	55	31	24.8
1975	14	49	37	22.4
1976	17	50	33	38.2
<hr/>				
1976 (Jan-June)	12	47	35	15.4
1977 (Jan-June)	20	61	19	25.2

*includes animal and food products

Source: Statistics Canada

MAJOR CANADIAN EXPORTS TO THAILAND

(\$'000s)

	<u>1976</u>	<u>1977</u>
Aluminum pigs, ingot, shot slabs, etc.	3,856	12,259
Nitrogen phosphate fertilizers n.e.s.	1,284	8,796
Wood pulp, all	5,715	5,017
Asbestos milled fibres, group four and five	1,636	2,996
Milk powder, skim milk	54	2,610
Newsprint paper	1,655	2,235
Asbestos shorts, group 6-9 grades	1,972	2,119
Power boilers, equipment and parts	6,340	1,628
Files and rasps	1,377	1,556
Nickel and alloy fabricated material n.e.s.	-	1,255
Total	<u>23,889</u>	<u>40,471</u>
Other	<u>14,125</u>	<u>13,551</u>
Total Exports	<u>38,014</u>	<u>54,022</u>

MAJOR CANADIAN IMPORTS FROM THAILAND

(\$'000s)

	<u>1976</u>	<u>1977</u>
Denims, cotton	1,238	1,915
Pineapple, canned	973	1,429
Polyester-cotton broad woven fabric	52	1,311
Lumber, exotic species n.e.s.	973	1,049
Beans, dried n.e.s.	236	1,014
Tobacco, unmanufactured stemmed n.e.s.	-	572
Gem and ornamental stones n.e.s.	586	527
Jute yarn n.e.s.	145	434
Tableware n.e.s.	220	391
Costume jewellery n.e.s.	81	240
Total	<u>4,504</u>	<u>8,882</u>
Other	<u>4,582</u>	<u>3,199</u>
Total Imports	<u>9,086</u>	<u>12,081</u>

V. DOING BUSINESS IN THAILAND

Opportunities for Canadian Products and Services

In Thailand, as in many developing nations, the government and its associated agencies are major buyers and end users. Since there are no onerous foreign exchange restrictions on private trade transactions, import purchasing power in this sector is buoyant. Additionally, the extensive World Bank and Asian Development Bank programs in Thailand are sources of opportunities for Canadian exporters of goods and services.

For information on specific opportunities, contact either the Trade Commissioner at the Canadian Embassy in Bangkok or the Southeast Asia Desk Officer, Asia Division, Pacific, Asia and Africa Bureau, Department of Industry, Trade and Commerce, Ottawa, Ontario, K1A 0H5.

The following is an outline of general areas of export opportunities.

Capital Goods (Government Sector)

- Electrical production, transmission and distribution equipment
- Communications equipment
- Airport equipment
- Materials handling, bulk storage equipment

Capital Goods (Private Sector)

- Manufacturing and processing equipment
- Mining and refining equipment
- Construction equipment

Industrial Raw Materials

- Fertilizers
- Pulp and paper products
- Metals
- Construction

Consumer Goods

- Automotive accessories
- Consumer durables

In addition, there are prospects for Canadian engineering consultants.

Agents

Given the need for ongoing marketing activity, the importance of on-the-spot follow-up and the complexities of selling in a distant country, it is of paramount importance for a Canadian exporter to appoint a local agent. Conducting business through an agent is normal practice in Thailand, and in many cases, the government requires bids on tenders to be submitted through a local agent.

Bangkok has numerous import houses, varying from the small one-man operation specializing in specific product sectors and servicing only a few accounts or projects, to the large diversified trading companies which may trade as principals and also be involved in assembling, manufacturing and wholesaling throughout the country.

When appointing an agent, care should be taken to ensure that conflicting accounts are not held and that the agent has sufficient marketing skill and manpower to provide adequate representation. Agents are usually appointed on an exclusive basis for an initial period of one year.

For the names and addresses of prospective representatives Canadian exporters looking for suitable agents can write to the Commercial Division of the Canadian Embassy in Bangkok, enclosing six sets of company brochures. The Canadian company should then contact the Thai agents directly.

Commercial Agency Reports

Brief bank reports can be obtained free of charge through the Canadian Embassy in Bangkok. More detailed financial and background reports can be purchased through local commercial information firms.

Correspondence

Correspondence should be in English and sent airmail. Prompt replies, acknowledgements and follow-up correspondence are extremely important when dealing with Thai importers.

Price Quotations

Quotations should be in U.S. dollars, or other currency agreed to with the buyer. For capital equipment, where costs are high and deliveries span a year or more, purchasers require both FOB and CIF price quotations. Suppliers of other products need only submit CIF prices.

Usual Terms and Methods of Payment

Payment is usually made by letter of credit until the customer becomes well known to the exporter. Due to high interest rates in the Thai capital market, availability of supplier credit often determines success or failure of a marketing program. "Documents on acceptance," up to 180 days, is a widely practised method of payment.

Advertising and Promotion

The usual facilities and media used in Canada are available in Thailand. There are a number of advertising and promotional agencies in Bangkok and Canadian exporters are advised to consult them before embarking on comprehensive advertising campaigns.

English language promotional literature is acceptable to the Thai business community. A Canadian company's complete address, postal code, telephone and telex numbers should be clearly marked on all catalogues and brochures.

The English language press, composed of three daily newspapers and three business magazines, is eager to receive information about new products and processes. The Canadian Embassy can assist with placing material in these publications.

Imported printed advertising matter is dutiable at 30 per cent ad valorem or three baht per net kilogram, whichever is higher.

Warehousing

Warehouse facilities are available in Bangkok and charges begin after the first 72 hours. Goods stored in warehouses for more than two months and not claimed by the consignee are held at the risk of the owner or agent. The Port Authority reserves the right to auction stored goods before accumulated charges reach the estimated value of such goods.

Tendering

Thai government tendering procedures often stipulate that bidders register by purchasing documents before submitting bids. The Embassy usually receives a complimentary copy of bid documents which is duplicated and distributed to interested Canadian firms. While these complimentary copies may be used to formulate bids, bidders should request the Embassy to register them by purchasing documents on their behalf. Bids by unregistered firms are not accepted. Strict compliance with tender stipulations is mandatory, including payment of bid bonds when required.

Visa Requirements for Residence

A committee now exists "to facilitate and expedite" visa applications filed by foreign businessmen wishing to carry on business in Thailand. The committee normally notifies applicants of a decision within three weeks of application, and where applications are approved, the Immigration Division and the Labour Department will attempt to issue residence and work permits within another two weeks.

Applicants must possess a non-immigrant visa before entering Thailand; holders of a tourist visa will not be eligible to apply through the above procedure.

There are provisions for the issuance of re-entry visas and extensions of residence visas.

Details available from:

The Thailand Management and Productivity Centre
Department of Industrial Promotion
Ministry of Industry
Rama VI Road
Bangkok 4
Thailand

Tel: 281-7033, 281-7148, 281-7329

SHIPPING SERVICES FROM CANADA TO THAILAND

OCEAN TRANSPORT

From Eastern Canadian Ports

Barber Blue Sea Lines schedules three sailings per month from Saint John, New Brunswick to Bangkok. Space for general cargo, refrigerated cargo, bulk liquids and container cargo is available. The line is represented in Canada by Hurum Marine Ltd., Montreal and Toronto, and R. C. Elkin Ltd., Saint John.

P. T. Djakarta Lloyd schedules monthly sailings from Toronto and Montreal in summer, and from Saint John in winter to Bangkok. Space for general cargo and container cargo is available. The line is represented in Canada by Saguenay Shipping Ltd., Montreal and Toronto, and R. C. Elkin Ltd., Saint John.

Scindia Line schedules monthly sailings from Montreal in summer and Halifax and Saint John in winter to Bangkok. Space for general cargo, bulk liquids and container cargo is available. The line is represented in Canada by Montreal Shipping Co. Ltd., Montreal and Toronto.

From Canadian Pacific Coast Ports

East Asiatic Company schedules two sailings per month from Vancouver to Bangkok. Space for general cargo, refrigerated cargo and container cargo is available. The line is represented in Canada by Johnson Walton Steamships Ltd., Vancouver and Hurum Marine Ltd., Montreal and Toronto.

Fesco Straits Pacific Line schedules monthly sailings from Vancouver, Nanaimo, Port Alberni and New Westminster to Bangkok. Space for general cargo and container cargo is available. The line is represented in Canada by Morflot Freightliners Ltd., Vancouver, and Universal Container Services Ltd., Montreal and Toronto.

States Line schedules three sailings per month from Vancouver and New Westminster to Bangkok/Sattahip. Space for general cargo, refrigerated cargo, bulk liquids, container cargo and Ro/Ro cargo is available. The line is represented in Canada by Dodwell of Canada Ltd., Vancouver, British Columbia.

Air Transport

There are no direct flights from Canada to Thailand. CP Air provides a service from Vancouver to Bangkok via connecting flights at Hong Kong. Air Canada offers flights to Bangkok with interline connecting flights at Los Angeles or Vancouver. Several airlines schedule flights from Montreal and Toronto with connecting flights via American gateways such as San Francisco, Los Angeles and New York, and European gateways such as Frankfurt, Paris, Rome, Zurich and London.

Since flight schedules are subject to change it is recommended that the originating carriers in Canada be consulted regarding all-cargo flight routings and the most expedient routing for air freight and passenger travel.

Telephone Rates

There is only one rate to Thailand: \$12.00 for first three minutes; \$4.00 each additional minute.

Cable Rates

Day rate: \$0.41 each word. Every word counts. Tax extra.

Night letter: \$4.51 for 21 words, \$0.205 each additional word. Every word counts. Tax extra.

Banking

Major Canadian banks have either direct representatives in Bangkok or correspondent relationships with local banks.

Legal, Accounting and Consulting Services

There are a number of excellent legal firms in Bangkok which specialize in both domestic and international law. Accounting and general consulting services are also available.

Patents

There is no patent law in Thailand. However, to achieve a certain measure of protection, proprietors should register their patents in Thailand with the Embassy of the country that originally issued the patent. Registration and the owner's name should then be published in the local press, thereby establishing priority in the event that a patent law is promulgated.

Trademarks

Trademarks are protected under the Trademarks Act. Application is generally made through an appointment agent, as the applicant is required to have a business address in Thailand. Registration, if approved, is valid for 10 years and may be renewed.

Copyrights

Copyright is covered by the same legislation as trademarks.

VI. CUSTOMS AND EXCHANGE REGULATIONS

Import Documentation

At least five copies of the commercial invoice should be forwarded to the importer. Four certified copies, including the original, are required by Thai Customs and one is required by the Bank of Thailand. If the goods are packed in more than one case, a copy of the packing list must accompany each invoice.

Normally three signed negotiable copies of the bill of lading are forwarded through the importer's bank and at least one signed non-negotiable copy to the importer. Special documentation is required for certain imports of seeds, plants and live animals.

Import Licensing

Most products do not require an import licence. Major exceptions are tobacco, dangerous or radioactive goods, firearms, ammunition, animals and some plants.

Import Duties and Taxes

Thailand has a single column tariff based on Brussels Tariff Nomenclature. Most duties are levied on an ad valorem basis and assessed on the CIF value of the import.

Additionally, a business tax of up to 15 per cent is assessed on CIF value of goods, plus the import duty and the standard profit margin. The latter, which averages 11 per cent of the duty-paid value of the import, is a notional profit allowance set by the government for estimating wholesale prices.

For example, the business tax and landed price of a \$1,000 air-conditioning unit are calculated as follows.

(a) Invoice value CIF Bangkok	\$1,000
(b) Import duty: 80 per cent of (a)	800
(c) Standard profit margin: 13 per cent of (a) plus (b)	234
(d) Business tax: 15 per cent of (a) plus (b) plus (c)	305
(e) Landed price: (a) plus (b) plus (d)	2,105

A municipal tax equivalent to 10 per cent of the business tax (in this case \$30.50) is also charged.

Exchange Control

The Bank of Thailand administers a system of exchange control, but in practice, few restrictions are imposed. Although commercial banks must obtain Bank of Thailand approval prior to opening a letter of credit involving foreign exchange, difficulty is seldom encountered.

To avoid potential problems, the importer often requests the exporter to forward a pro forma invoice, which is then submitted to a commercial bank as support documentation when opening a letter of credit. Special exchange control approval is required for credits valid for more than 270 days.

Samples

Samples may be imported temporarily against either a deposit of the duty (refundable on re-export) or a bank guarantee. Travellers are required to submit a complete list of samples in their possession when entering the country.

Labelling and Marking

The origin and metric weight of most food products must be clearly marked on labels. Certain types of packaged commodities must have their net volume clearly displayed on the outside of packages. Because some food products require special labelling, close liaison with the agent is required.

All identifying shipping marks, including the consignee's mark, should be plainly inscribed on packages. In addition, packages should be numbered unless contents are readily identifiable.

VII. YOUR BUSINESS TRIP TO THAILAND

Advise and Consult the Trade Commissioner

The need to have a personal relationship with a competent local agent, the importance of being familiar with and having contacts in various ministries and state agencies, and the advantages of gaining firsthand exposure in the Thai market makes a personal visit to Bangkok an essential initial element of any export marketing effort.

Advise the Commercial Division of the Canadian Embassy in Bangkok of your trip well in advance of your departure. Inform them of the objective of your visit and include several copies of product brochures. The commercial staff will be pleased to arrange appointments with local business people and authorities.

Hotels

There are several first-class hotels in central Bangkok. The Oriental, Dusit Thani and Siam Intercontinental offer a high standard of comfort with all the conveniences and services of their North American counterparts. Reservations can be easily arranged by your travel agent in Canada. Rates, including meals, in the major hotels range from about \$40 to \$55 per day. In addition to service charges, leading hotels charge an 8.25 per cent government tax.

Tipping

Hotels normally add a 10 per cent surcharge to their bills. Tips over and above this charge are not essential, but if given, should be moderate.

Documents

A valid passport and Thai visa are required. Visitors stopping in Bangkok en route to other destinations are automatically given a seven-day transit visa at Customs. For visits exceeding seven days, a tourist visa -- valid up to 30 days -- is required. Tourist visas can be obtained from the Embassy of Thailand in Ottawa or other national capital cities. Also required is a valid certificate of vaccination against smallpox and inoculation against cholera.

When to Go

Since there is no special buying season in Thailand, a visit can be made anytime during the year. However, travellers may wish to avoid the hot season, May to July, and the rainy season, August to November.

Clothing

Lightweight clothes are worn year round. Business suits are normally worn only on calls to senior officials.

Medical Facilities

Medical facilities in Bangkok are good and most hotels have a physician on staff. Care should be taken not to drink tap water. Bottled drinking water is provided in hotels.

Changing Money

Visitors are advised to purchase baht at commercial banks and avoid changing money at hotels, where the exchange rate is low.

Dining and Entertainment

Bangkok has many restaurants serving all types of cuisine. Prices for food and liquor are comparable to those in Canada, but wines are expensive. A wide variety of entertainment and nightlife is available.

Taxis

Air-conditioned chauffeured cars are available at major hotels for about \$3 per hour. Regular taxis can be hailed in the street. Meters are not used and fare bargaining is definitely in order. Fares to most locations in the city centre are between 15 and 30 baht (\$.75 to \$1.50). It is advisable to have the exact amount on hand as taxi drivers are often unable to give change. It is also advisable to have the address of your next appointment written in Thai.

Punctuality

Thai businessmen are punctual and every effort should be made to arrive at meetings on time. Canadians should bear in mind that Bangkok traffic is often congested.

Local Forms of Address

In Thai, the prefix "Khun" is used to show respect, much like Mr. and Mrs. In day-to-day contact, Thais are usually referred to by their first names. Thus, Mrs. Pichitra Ratanaphanikorn would be referred to as Khun Pichitra, saving the Western visitor the often difficult task of coping with Thai last names. Note, however, that the full name should be used in addressing letters. The universal greeting in Thai is "sawadi krap." "Kopkun krap" means thank you. Women, however, use slight variations; specifically, "sawadi ka" and "kopkun ka."

Business Cards

Canadian visitors should have adequate stocks of business cards, brochures, promotional literature and price lists. If the exporter prefers not to carry such material in his personal luggage, it should be forwarded to the Embassy by air freight about three weeks prior to arrival.

Etiquette

Thais are proud of their history, culture and traditions. Visitors should be aware of the following local customs: never touch a Thai on the head which is considered sacred. This shows a lack of respect; care should be taken not to point your feet directly at a Thai or an image of Buddha; when entering a Thai house or temple, it is customary to remove one's shoes; the king is highly revered and must always be referred to with deference.

VIII. SERVICES FOR EXPORTERS

Export Development Corporation

Of vital importance to Canadian businessmen is the Export Development Corporation (EDC), a Crown Corporation that reports to Parliament through the Minister of Industry, Trade and Commerce. Its purpose is to encourage, facilitate and develop Canadian export trade by providing credit insurance, guarantees, loans and other financial assistance to enable exporters to meet international competition.

The main functions of EDC are:

1. to insure the Canadian exporter against nonpayment due to credit or political risks beyond the control of either the exporter or the buyer when export sales are made on normal credit terms. Almost all export transactions are insurable, not only those involving goods or technical services, but also those involving "invisible" exports such as managerial services, advertising programs, the licensing or sale of patents, trademarks, copyrights, etc.
2. to issue appropriate guarantees to chartered banks or to any person providing nonrecourse supplier financing in respect of an export sale. Guarantees may also be issued in connection with a loan made to a foreign buyer for the purchase of Canadian goods and services;
3. to finance foreign buyers of Canadian capital goods and related services when extended credit terms are necessary and are not available from commercial lenders. Major engineering and other technical services (but not feasibility studies) may be financed, even when such sales are not related to the export of goods;
4. to insure Canadian investments abroad against non-commercial risks such as loss through confiscation, expropriation, war or revolution or the inability to repatriate capital or earnings.

For further information on EDC services contact:

EXPORT DEVELOPMENT CORPORATION
Head Office
110 O'Connor Street
Ottawa, Ontario
K1P 5T9

Tel: (613) 237-2570
Telex: 053-4136

EXPORT DEVELOPMENT CORPORATION
Eastern Region
Lock Box 124
Tour de la Bourse
Montréal (Québec)
H4Z 1C3

Tél: (514) 866-4796

EXPORT DEVELOPMENT CORPORATION
Ontario Region
Suite 2011
145 King Street West
Toronto, Ontario
M5H 1J8

Tel: (416) 364-0135

EXPORT DEVELOPMENT CORPORATION
Western Region
P.O. Box 49024
The Bentall Centre
Vancouver, British Columbia
V7X 1C4

Tel: (604) 688-8658
Telex: 045-4284

Federal Export Programs and Services

To further its export development objectives, the Department of Industry, Trade and Commerce administers two trade promotional programs, namely:

- a) The Promotional Projects Program (PPP) in which the department plans and implements the projects; and
- b) The Program for Export Market Development (PEMD) in which the initiative rests with Canadian companies operating either individually or collectively (for details see PEMD brochure).

Through the PPP, Canadian trade fairs abroad, trade missions and trade visits are initiated, organized and implemented by the department. The range of these activities includes participation in international trade fairs, solo shows and in-store promotions; the organizing of technical seminars and trade missions abroad; and the sponsoring of foreign visits to Canada to stimulate the sale of Canadian products in various export markets. The department also provides promotional publicity and specially designed exhibits for the trade fair participants. Missions and technical seminars vary in type depending on the objective. In general, outgoing missions are used for market investigation, evaluation and identification of technical market access problems. Incoming missions are designed to invite foreign government or company representatives, who can influence buying, to inspect the industrial capacity and technical capabilities of Canadian firms and the products and services they can supply. Technical seminars are used to acquaint potential buyers with Canadian expertise and technology in specific fields as a basis for joint ventures and/or sales of Canadian products and services. Using the Trade Visitors section of the PPP, the department is able to take advantage, on short notice, of export market opportunities by bringing foreign government trade representatives, buyers and export-oriented trainees to Canada.

In contrast to the PPP projects, proposals under PEMD are made by Canadian industry rather than the government. Through PEMD, the department makes repayable loans to individual companies to cover costs in developing export business which, because of the risks involved, might otherwise discourage such initiatives. There are several sections in PEMD each of which is designed to deal most effectively with a particular market in terms of the regions, products or services and marketing techniques concerned. In all sections, companies are encouraged to develop self-sustaining export markets for their products.

Section "A" deals with Canadian participation in capital projects abroad; Section "B" with the export of Canadian products and services; Section "C" with participation in trade fairs outside Canada; Section "D" with the bringing of foreign buyers to Canada; and Section "E" with the formation of export consortia.

USEFUL ADDRESSES

IN THAILAND

Commercial Secretary
Canadian Embassy
P.O. Box 2090
Boonmitr Building
138 Silom Road
Bangkok, Thailand

Tel: 234-1561-8
Telex: 2671
Cable: DOMCAN BANGKOK

IN CANADA

Asia Division
Pacific, Asia and Africa Bureau
Department of Industry Trade and Commerce
235 Queen Street
Ottawa, Ontario
K1A 0H5

Tel: (613) 992-0356

The Royal Thai Embassy
704-85 Range Road
Ottawa, Ontario
K1N 8J6

Tel: (613) 237-1517

Royal Thai Consulate General
Suite 1005
1155 Dorchester Boulevard
Montreal, Quebec
H3B 2J2

Tel: (514) 866-8205

Royal Thai Consulate
Seventh Floor
Bank of Canada Building
250 University Avenue
Toronto, Ontario
N5H 3E5

Tel: (416) 362-4981

REGIONAL OFFICES

IF YOU HAVE NOT PREVIOUSLY MARKETED ABROAD, CONTACT THE NEAREST REGIONAL OFFICE OF THE DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE IN YOUR AREA.

NEWFOUNDLAND LABRADOR	Director P.O. Box 6148 127 Water Street (2nd floor) St. John's, Newfoundland A1C 5X8	Tel: (709) 737-5511 Telex: 016-4749
NOVA SCOTIA	Director Suite 1124, Duke Tower 5251 Duke Street, Scotia Square Halifax, Nova Scotia B3J 1N9	Tel: (902) 426-7540 Telex: 019-21829
NEW BRUNSWICK	Director Suite 642, 440 King Street Fredericton, New Brunswick E3B 5H8	Tel: (506) 452-3190 Telex: 014-46140
PRINCE EDWARD ISLAND	Director P.O. Box 2289 Dominion Building 97 Queen Street Charlottetown Prince Edward Island C1A 8C1	Tel: (902) 892-1211 Telex: 014-44129
QUEBEC	Le directeur Bureau 2124, Place Victoria C.P. 257, Tour de la Bourse Montréal (Québec) H4Z 1J5	Tél: (514) 283-6254 Télex: 012-0280
	Le directeur Suite 620, 2, Place Québec Québec (Québec) G1R 2N5	Tél: (418) 694-4726 Télex: 011-3312

ONTARIO	Director Commerce Court West 51st Floor P.O. Box 325 Toronto, Ontario M5L 1G1	Tel: (416) 369-3711 Telex: 022-1691
	Regional Officer 9th Floor 235 Queen Street Ottawa, Ontario K1A 0H5	Tel: (613) 996-1216 Telex: 053-4124
MANITOBA	Director 507 Manulife House 386 Broadway Avenue Winnipeg, Manitoba R3C 3R6	Tel: (204) 949-2381 Telex: 075-7624
SASKATCHEWAN	Director Room 980 2002 Victoria Avenue Regina, Saskatchewan S4P 0R7	Tel: (306) 569-5020 Telex: 071-2745
ALBERTA NORTHWEST TERRITORIES	Director 500 Macdonald Place 9939 Jasper Avenue Edmonton, Alberta T5J 2W8	Tel: (403) 425-6330 Telex: 037-2762
BRITISH COLUMBIA YUKON	Director P.O. Box 49178 Suite 2743 Bentall Centre, Tower III 595 Burrard Street Vancouver, British Columbia V7X 1K8	Tel: (604) 666-1434 Telex: 04-51191



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