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**Report Highlights:**

This report gives an overview of Thailand's food retail sector and current market updates. The food and beverage industry is one of the biggest retail segments in Thailand. Thailand's growing young, middle-income population with higher disposable incomes and a greater propensity to spend and a trend towards urbanization have also fueled the growth in the retail industry. The impact of the pandemic continues to impact the retail sector with the Thai Retailers Association reporting that Thailand's retail sector contracted 7-8 percent in the first quarter of 2021. Changes in the structure of Thai households and the pandemic have led to changes in how Thais eat with a rising demand for convenient ready-to-eat meals, healthy food products, and food delivery.

# Market Fact Sheet: Thailand

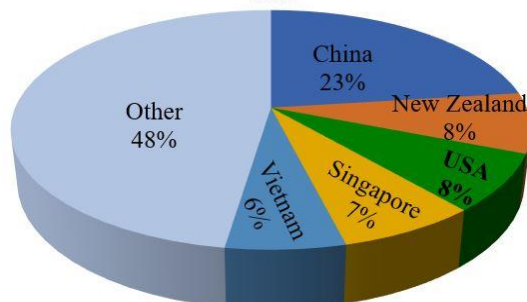
## Executive Summary

Thailand is one of the world's leading agricultural suppliers, primarily due to its well-developed food processing sector. The country has one of the most advanced food processing industries in Southeast Asia, which enables Thailand to export value-added products. The food industry is the country's third largest industry, contributing 21 percent to the country's Gross Domestic Product (GDP). Major food exports include rice, canned tuna, sugar, chicken meat, cassava products, shrimp, and canned pineapple. The National Food Institute reported that the value of Thai food exports was U.S. \$32.67 billion in 2020. The macroeconomic situation and key data about the Thai economy can be found in [Thailand's Exporter Guide Report dated December 23, 2020](#)

## Imports of Consumer-Oriented Products

In 2020, the United States was the 3<sup>rd</sup> largest supplier of these products to Thailand with exports valued at U.S. \$459 million.

Thailand's Imports of Consumer-Oriented Products, 2020



## Food Retail Industry

The Thai Retailers Association reported that Thailand's retail sector contracted 7-8 percent in the first quarter of 2021. The food and beverage industry is one of the biggest retail segments in Thailand. In general, growth of the Thai retail industry has been largely driven by the country's economic growth, coupled with higher disposable incomes in the middle-income population, a greater propensity to spend, and a trend towards urbanization. Changes in the structure of Thai households and the pandemic have led to changes in how Thais eat with a rising demand for convenient ready-to-eat meals, healthy food products, and food delivery.

## Food Processing Industry

Thailand's food processing industry has developed rapidly and is one of the most developed in Southeast Asia. There are many medium-to-large food processors that produce higher-value products for domestic and export markets.

Thai processed foods exports were valued at U.S. \$19.4 billion in 2020. The packaged food industry is highly fragmented, with the top ten companies controlling only about one-third of the total sales value. Opportunities in Thailand's food processing sector continue to grow as domestic sales of processed foods rise due to a major shift in consumption pattern towards convenience food. With rising demand for processed foods, Thai food processors must import large quantities of food ingredients that are not locally available.

## Quick Facts 2020

**Imports of Consumer-Oriented Products:** U.S. \$5.9 billion

### List of Top 10 Growth Products in Host Country

- |                        |                         |
|------------------------|-------------------------|
| 1) Dairy products      | 2) Fresh vegetables     |
| 3) Seafood products    | 4) Food preparation     |
| 5) Fresh fruits        | 6) Bread, pastry, cakes |
| 7) Tree nuts           | 8) Wine and beer        |
| 9) Chilled/frozen beef | 10) Healthy beverages   |

### Food Industry by Channels (U.S. billion) 2020

Total Agricultural Exports:	\$37.9
Total Agricultural Imports:	\$18.0
Full-Service Restaurant Sales	\$4.3
Food Delivery Sales	\$1.1
Food and Drink E-commerce Sales	\$0.4

### Top Thailand Retailers

#### Supermarkets

- 1) Central Food Retail
- 2) Gourmet Market
- 3) Villa Market
- 4) Foodland
- 5) UFM Fuji Super
- 6) MaxValu

#### Hypermarkets

- 1) Tesco Lotus
- 2) Big C

#### Cash and Carry

- 1) Makro

### Convenience Stores

- 1) 7-Eleven
- 2) Family Mart
- 3) Lawson 108

### GDP/Population

Population (millions): 69.8  
 GDP (billions USD): \$502 (as of 02/2021)  
 GDP per capita (USD): \$7,219 (as of 02/2021)

## Strengths/Weaknesses/Opportunities/Challenges

### Strengths:

Strong food industry with well-established retail, food service, and food processing industries.

### Opportunities:

Rising incomes and rapid urbanization. Urban Thai consumers are more willing to pay for premium food products.

### Weakness:

High level of local industry protection results in restrictive trade barriers for imported food and beverages

### Challenges:

High import tariff on U.S. food exports to Thailand.

**Data and Information Sources:** Euromonitor, TDM, Office of the National Economic and Social Development Board, World Bank, Kbank Research, and Industry Estimates

## SECTION I – MARKET SUMMARY

Thailand's retail market experienced a slow growth of 3 percent over the past few years. The National Economic and Social Development Council forecasted Thailand's economic growth would be around 1.5-2.5 percent for 2020 before the pandemic. The overall Thai economy, however, contracted significantly in 2020 by 6.1 percent due to the COVID-19 pandemic that resulted in several containment measures severely impacting tourism, hospitality, and exports. The impact of the third COVID-19 wave in late March 2021 has severely impacted consumer spending on food and beverages in the retail sector for 2021 despite the Thai government providing several stimulus measures to help Thai consumers and stimulate spending. Retail businesses have been under major economic pressure due to various factors, including rapid consumer behavioral changes. Retailers across the board are seeing less in-store traffic than average, even those that are considered essential such as food and pharmacies due to an increased use of delivery services.

The growth of the Thai retail industry in the past has been largely driven by Thailand's economic growth. Thailand's growing young, middle-income population with higher disposable incomes and a greater propensity to spend and a trend towards urbanization have also fueled the growth in the retail industry. The Thai food retail industry, however, faced a number of challenges in 2020 such as a slowdown in overall economic activity, shrinking purchasing power, and the impact of COVID-19. The impact of the pandemic continues to impact the retail sector with the Thai Retailers Association reporting that Thailand's retail sector contracted 7-8 percent in the first quarter of 2021.

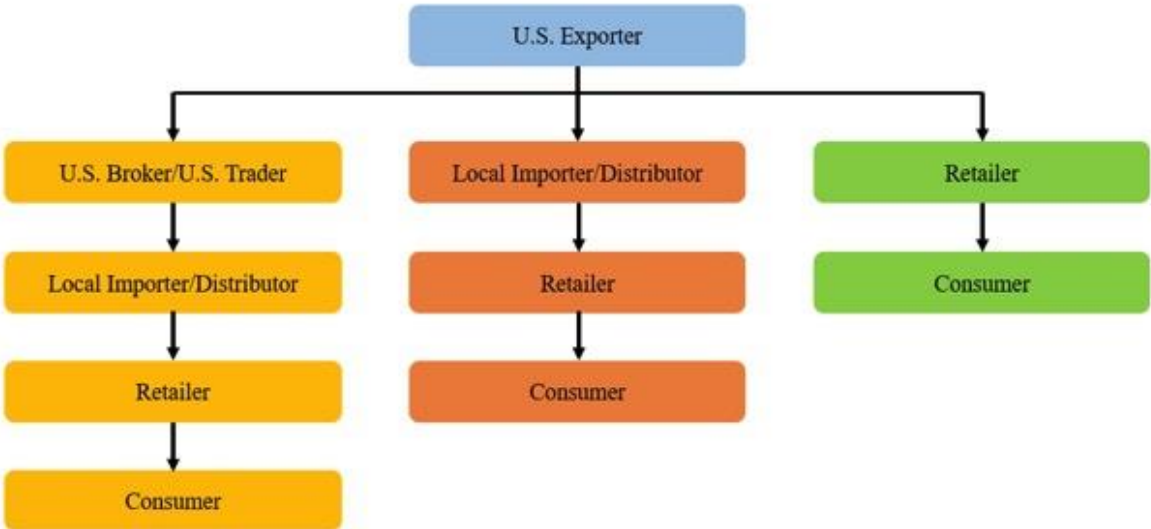
Food and beverage sales are driving Thailand's retail sector. Changes in the structure of Thai households have led to changes in how Thais eat with a rising demand for convenient ready-to-eat meals, healthy food products, and food delivery. Thailand will be considered an aging society in 2022. In 2030, the aging population will increase to 27 percent of the total population. A growing aging population, coupled with the pandemic, has increased demand for healthy and functional food products. Thais are prioritizing healthier eating habits to protect themselves from illness and for their general well-being.

Thais are adapting to a new normal way of life due to the COVID-19 pandemic, being more concerned about health, hygiene, and social distancing. Many companies have encouraged their employees to work from home, and the Thai government has restricted dine-in services off and on throughout the past year during spikes in COVID-19 cases. Social distancing measures have led consumers to purchase food and beverage through online commerce and on-demand delivery. Demand for products for in-home consumption and cooking, such as fresh food and ready to cook products, has increased. Due to increasingly hectic lifestyles, demand for products that can offer better health, boost wellbeing, manage weight, and increase nourishment is growing even those that are generally more expensive than normal products.

Advantages	Challenges
U.S. exporters are able to provide a variety of high-quality agricultural products ranging from fresh to processed foods.	U.S. products are generally less price competitive than similar products from countries that have free trade agreements (FTA) with Thailand, such as Australia, New Zealand, China, Peru, Chile, India, Korea, and Japan.
U.S. food safety is highly regarded. FDA norms are used as a reference by Thai government health authorities to enforce more efficient regulations to safeguard consumers.	Lack of local interagency communication/coordination causes interruptions in trade, as new regulations are imposed on imports without prior notification.
In 2030, the aging population will increase to 27 percent of the total population. Many in the Thai elderly population have disposable income to spend on high-quality premium products.	Substitutes for American imports can be produced locally, frequently at lower cost. High import tariffs on some consumer food and beverage products make it easy to replace U.S. imports with locally produced items
Health-conscious consumers create new opportunities for U.S. exporters particularly those who have products marketed as sustainable, containing all-natural ingredients, or have other marketable health features.	High marketing costs (advertising, discounts, promotions, sampling, etc.) are necessary to promote new market products.

The third wave of COVID-19 in Thailand inevitably impacted the food retail industry. The continued economic slowdown led to increased unemployment and fueled concerns over an economic crisis. Consumer confidence is at a low, resulting in increased precautionary savings and cautious spending. The third wave of COVID-19 in Thailand disrupted the expansion plans of retailers and thwarted the recovery of the tourism industry. The outlook for Thailand's food retail industry will rely much on domestic demands over sales generated from tourists and expatriates through the end of the year. Even though Thailand has faced some vaccine distribution problems, most retailers are hopeful and optimistic that consumers will return to their physical stores by the end of 2021.

**SECTION II. ROAD MAP FOR MARKET ENTRY**



Food importers in Thailand are constantly looking for a variety of new imported products to offer to retailers. Merchandising at supermarkets and hypermarkets is driven by the tastes and preferences of

local Thais. To penetrate the retail food sector, it is often best for U.S. exporters to partner with importers/distributors willing to introduce products to major retailers. Offline and online promotional activities, point of sales (POS), and product samplings are important tools to promote food and beverage products in the Thai retail food market. In addition, advertising through social media, newspapers, radio, television, celebrity endorsements, and bloggers is recommended.

Supermarkets such as Central Food Retail and Villa Market have their own import divisions. Siam Makro (cash & carry) also sources and imports food and beverages products worldwide. Food products imported to Thailand are regulated by Thai government agencies such as the Food and Drug Administration (FDA) of the Ministry of Public Health, the Department of Livestock (DLD) and the Department of Agriculture of the Ministry of Agriculture and Cooperatives, and the Thai Excise Department of the Ministry of Finance. U.S. exporters should refer to Thailand’s regulations on food and beverage products to prepare documents required by Thai government agencies from GAIN Reports, which include the Food and Agricultural Import Regulations and Standards – Annual Country Report and Certification. Furthermore, U.S. exporters are encouraged to attend or participate in food shows in Thailand as listed below as key importers usually attend these trade shows to source new products, to create networks with exporters, and to learn more about new food trends:

**THAIFEX Anuga Asia**

Date: May

Venue: IMPACT Arena, Exhibition and Convention Center

Web Site: <https://thaifex-anuga.com/en/>



**Food & Hotel Thailand (FHT)**

Date: September

Venue: BITEC, Bangkok

Web Site: [www.foodhotelthailand.com](http://www.foodhotelthailand.com)



**Modern Grocery Retail Outlets in Thailand**

There are three major conglomerates dominating the Thai retail market (i.e., Central Group, TCC Group, and CP Group). Central Group owns supermarket chains Central Foodhall and Tops Market. TCC Group, which also has Thai Beverage (the key alcohol beverage producer under Chang beer) has Big C hypermarkets. CP Group runs 7-Eleven, a convenient store chain with over 12,000 outlets and Makro, which is a cash-and-carry store.

Convenience Stores:

This sector has experienced a continuous growth in comparison to traditional retailers. Competition in this sector is high as Thailand has a total of 19,353 stores nationwide, with 1,113 stores opened in 2020 alone. Demand for convenient, inexpensive, and time-efficient foods has increased significantly due to changes in Thai society. Convenience stores serve ready-to-eat meals and fruits, baked goods, a variety of snacks, desserts, coffee, beverages, and other confectionaries. Food and beverage products account for approximately 71 percent of all products sold in convenience stores including ready-to-eat foods,

bakery products, processed foods, frozen foods, prepared fruits, ice cream, beverages, canned food, etc. Convenience store operators have also increased healthy food assortments such as ready-to-eat fresh fruits and vegetables, fruit and vegetable juices, functional drinks, low-calorie foods, and healthy snacks to accommodate the need and growth of health conscious and aging customers. On average, over 11 million customers per day shopped at a convenience store nationwide in 2020. 7-Eleven has launched vending machines that sell food, beverages, and non-food products in some areas not suitable to have store. In 2020, the company had over 2,500 vending machines nationwide.

#### Supermarkets:

Supermarkets are highly competitive and are concentrated in Bangkok and in other major provinces such as Chiang Mai, Phuket, Chonburi, and Nakorn Rachasima. Thailand's supermarket segment has many players including Central Food Retail (Central Food Hall and Tops Supermarket), MaxValu, The Mall Group (Gourmet Market and Home Freshmart), Villa Market, UFM Fuji, and Foodland. Middle to high income consumers remain the key target segment for supermarkets, driven by a desire for premium products and services. It is estimated that the average sales per square meter of supermarket was U.S. \$291 per month in 2020, a 15 percent decrease from the previous year. Supermarkets are trying to offer imported products by seeking exclusive arrangements with international exporters to offer unique and hard-to-find items to differentiate themselves from their competitors. Imported food and beverages such as fruits, vegetables, seafood, meat, frozen food, beverages, packaged foods, and organic products are well positioned and recognized by consumers. Most supermarkets now have dine-in counters (in-store restaurants) for customers to shop raw materials at the retail store for cooking and dine in as well. This allows them to promote meat and seafood products in their frozen/chilled form, prepared in restaurant menus, or prepared in take-home meals.

#### Hyper Market/ Cash & Carry:

Hypermarkets and "cash & carry" establishments present good opportunities for U.S. exporters of fresh and frozen food, and beverage products as well as products that cater to mainstream consumers. Due to limited space and high land costs in the Bangkok metropolitan area, new outlets have expanded to other provinces focusing on large growing provincial cities. Hypermarket operators are also diversifying their store formats to smaller-scale retail stores including mini-supermarkets, express stores, and convenience stores.

#### On-line Retailing:

Thai consumers keep shifting from the concept of traditional markets towards convenience stores and other modern trends in retail markets. Online retail sales reached U.S. \$47 billion in 2020, up from \$33 billion in 2017, according to the Electronic Transactions Development Agency (ETDA). A rapid growth in smartphone penetration, the growing awareness of technology in the young and tech-savvy population, and rising internet penetration has allowed Thais to access the internet at their convenience and at faster speeds. The increased access to the internet has driven more growth in the retail online commercial market. COVID-19 transformed consumer behavior and accelerated the growth of online grocery purchases. People are demanding more convenience and speed from their products and services. The demand for online purchases pushed grocery retailers to quickly launch or expand their e-commerce offerings when the pandemic first started. Nevertheless, online sales revenue accounts for only 10-15 percent of total revenue. Many retailers have utilized omnichannel retailing during the pandemic. For example, Central Food Retail heavily utilized omnichannel retailing and resulted in an increase of 106 percent food sales in the first quarter of 2020 compared to the same period last year.

Several retailers have launched successful online food (e-commerce) channels, including Central Food Retail Co., Ltd ([www.tops.co.th](http://www.tops.co.th)), Villa Market (<https://shoponline.villamarket.com/home>), Tesco Lotus (<https://shoponline.tescolotus.com/>), Big C Supercenter (<https://www.bigc.co.th/>), and Siam Makro ([www.makroclick.com](http://www.makroclick.com)). Gourmet Market Thailand just recently launched its on-line shopping platform on June 16 under <http://www.gourmetmarketthailand.com>. These retailers either developed their own delivery service or collaborated with a third-party grocery delivery service provider such as Happy Fresh, GrabFresh, LINEMAN Mart, etc.

### Key Players and Outlets

Convenience Store					
Brand	Company Name	2017	2018	2019	2020
7-Eleven	CP All PCL	10,442	10,988	11,712	12,432
Tesco Lotus Express	Ek-Chai Distribution System Co	1,559	1,607	1,650	1,865
Mini Big C	Big C Supercenter PCL	605	800	1,016	1,215
Family Mart	Central Group	1,132	1,008	968	901

*Source: USDA Foreign Agricultural Service, Bangkok, Thailand*

The key leader of this sector is 7-Eleven operated by CP All Public Co. Ltd with approximately 64 percent market share in the number of outlets in 2020, followed by Tesco Lotus Express (9 percent) and Family Mart (6 percent). At the end of 2020, the CP All operated about 12,432 outlets of 7-Eleven nationwide and has more than 40 million user accounts on its online customer channels including its website, application, social media channels, and other communication channels. The CP food group sources most food and beverage products sold in 7-Eleven stores locally.

Supermarket					
Brand	Company Name	2017	2018	2019	2020
Tops Market	Central Group	108	113	116	223
Central Food Hall	Central Group	8	10	11	13
Gourmet Market/Home Freshmart	Mall Group	20	20	17	15
Foodland	Foodland Supermarket	21	23	22	24
Villa Market	Villa Market	34	34	34	34
UFM Supermarket	Fuji Citio Co., Ltd. and Metro Group	4	4	4	4
Rimping Supermarket	Tantraphan Supermarket	9	10	9	8
Big C (Big C Market, Big C Depot and Big C Foodplace)	Berli Jucker Public Co. Ltd.	60	61	61	48
Talad Lotus	CP All PCL	n/a	n/a	n/a	18

*Source: USDA Foreign Agricultural Service, Bangkok, Thailand*

The largest two hypermarkets are Tesco Lotus and Big C. Both hypermarkets offer a wide range of premium products including a wide selection of imported foods targeting middle and high-income customers. Siam Makro is the membership-based cash and carry retailer. Its target groups are small and medium-sized businesses including grocery shops, hotel and restaurants, catering, culinary institutions,

and food business services providers. Siam Makro also has its own import division, which delivers frozen imported and local food products such as American fries, cheese, and frozen seafood.

<b>Hypermarket/Super Store/Cash and Carry</b>					
<b>Brand</b>	<b>Company Name</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Tesco Lotus Hypermarket	Ek-Chai Distribution System Company	193	205	216	215
Big C Hypermarket	Big C Supercenter PCL	140	147	151	151
Siam Makro (Cash and Carry)	CP All PCL	123	129	134	137

*Source: USDA Foreign Agriculture Service - Bangkok, Thailand*

### SECTION III. COMPETITION

U.S. food products face strong competition from similar products sourced from countries that have FTAs with Thailand, such as China, Australia, New Zealand, Japan, Korea, Peru, Chile, and India. Although the U.S. food industry has a good reputation in regards to manufacturing high-quality products, high import taxes and marketing costs limit the supply of U.S. products imported by local retailers.

#### Overall Competitive Situation for Consumer-Oriented Products

<b>Products</b>	<b>Total Imports</b>			<b>Imports from the U.S</b>			<b>Major Competitors 2020</b>
	<b>2019</b>	<b>2020</b>	<b>% Growth</b>	<b>USD</b>	<b>% Growth</b>	<b>% Share</b>	
Snack food (excl. nuts)	1,302,650,707	1,523,379,348	17%	211,676,213	-7%	14%	Myanmar (16%) Singapore (15%) United States (14%)
Fruits, fresh/dried	634,087,082	748,085,490	18%	32,455,758	-29%	4%	China (65%) New Zealand (8%) Australia (6%)
Dairy products (excl. cheese)	631,596,589	652,840,952	3%	59,026,884	62%	9%	New Zealand (48%) United States (9%) Australia (8%)
Tree Nuts, fresh/dried/process	285,615,529	372,542,646	30%	40,792,062	-27%	11%	Vietnam (40%) Indonesia (27%) China (12%)
Salmon, Pacific, Atlantic, Sockeye (incl. fillets)	309,628,225	285,601,021	-8%	68,164,507	36%	24%	Norway (38%) United States (24%) Chile (22%)
Coffee, roasted and extracts	116,142,453	143,663,685	24%	2,694,974	17%	2%	Malaysia (68%) Vietnam (8%) Indonesia (7%)
Beef and beef Products	87,387,134	108,666,277	24%	7,046,456	-1%	6%	Australia (63%) New Zealand (13%) Japan (11%)
Cheese and curd	86,612,754	84,443,013	-3%	7,009,600	-4%	8%	Australia (34%) New Zealand (29%) United States (8%)



Whiskies	114,731,460	76,767,007	-33%	3,239,859	-35%	4%	United Kingdom (86%) United States (4%) Myanmar (3%)
Frozen potatoes	77,491,205	74,866,215	-3%	13,183,758	-13%	18%	India (35%) Netherlands (24%) United States (18%)
Crabs	87,634,178	61,235,048	-30%	5,144,369	-38%	8%	Bahrain (25%) Myanmar (20%) Pakistan (8%)
Fruit vegetable juices	61,497,376	60,925,657	-1%	5,895,111	-12%	10%	Israel (29%) China (12%) United States (10%)
Wines and Sparkling wines	65,410,127	49,304,880	-25%	6,924,857	18%	14%	France (28%) Australia (29%) United States (14%)
Beer	17,008,792	16,370,426	-4%	381,028	-8%	2%	Vietnam (46%) Belgium (14%) Mexico (6%)
Scallops	15,588,503	11,503,860	-26%	581,546	-63%	5%	China (47%) Japan (46%) United States (5%)
Raisin	13,430,362	10,859,935	-19%	3,449,432	-30%	32%	United States (32%) China (21%) Chile (19%)
Oysters	7,492,534	6,435,503	-14%	113,487	-63%	2%	Japan (34%) France (29%) South Korea (24%)
Turkey meat	1,421,577	912,992	-36%	533,612	-22%	58%	United States (58%) Australia (21%) Spain (8%)

Source: Trade Data Monitor

## SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

### Top Consumer-Oriented Products Imported from the World

- The top consumer-oriented products imported by Thailand include fresh fruits (apples, grapes, oranges, pears, cherries, strawberries, persimmons, kiwi, avocados), snacks, beef, seafood, dried fruits, nuts, dairy products, soup, prepared food, and pet food.

### Top Consumer-Oriented Products Imported from the United States

- Major consumer-oriented products from the United States to Thailand include almonds, pistachios, walnuts, raisins, food preparation ingredients, whey, milk and cream, frozen potatoes, apples, grapes, cherries, strawberries, cocoa preparations, beef, seafood, wines, and pet food.

### Products Not Present Because They Face Significant Barriers

- The United States lacks market access for pork meat, beef offal, poultry, raspberries, persimmon, pomegranate, and avocados.

### Products Present in the Market Which Have Good Sales Potential

- A growing aging population has increased demand for healthy and functional food ingredients including dried fruits, nuts, pulses, plant-based proteins, proteins and amino acids, vitamins, minerals, prebiotics and dietary fiber, probiotics, carotenoids, essential oils, omega-3 and 6 fatty acids. Also growing demand for organic ingredients, gluten free, plant-based ingredients, and protein boost food ingredients.
- A growing number of health and beauty-conscious consumers and sport enthusiasts has increased demand of health and wellness foods including fresh fruits and vegetables, herbs, protein drinks, functional food and drink products, and other related health products
- Fresh fruits
- Dairy and non-dairy beverages
- Meat and seafood products
- Bakery (both premium and mass market) ingredients including wheat flour, bread improver, dough blend, wheat flour, milk and cream, butter, cheese, dried fruits, potato starch, nuts, pastry fillings, sugar, colors & flavors, etc.
- Snack foods

### **SECTION V - POST CONTACT AND FURTHER INFORMATION**

The Foreign Agricultural Service in Bangkok maintains up-to-date information covering food and agricultural import opportunities in Thailand and would be pleased to assist in facilitating U.S. exports and entry to the Thai market. Questions or comment regarding this report should be directed to the Foreign Agricultural Service in Bangkok at the following addresses:

U.S. Department of Agriculture  
Office of Agricultural Affairs  
U.S. Embassy  
Bangkok Thailand 10330  
Tel: + 662 205-5106  
Fax: +662 255-2907  
Email: [agbangkok@usda.gov](mailto:agbangkok@usda.gov)  
Website: [www.fas.usda.gov](http://www.fas.usda.gov)

FAS Bangkok publishes numerous market and commodity reports, which are available through the Global Agricultural Information Network (GAIN) reporting system (<https://gain.fas.usda.gov>)

**End of Report.**

### **Attachments:**

No Attachments