

FAST FACTS



Thailand

Export Opportunities in Thailand

In 2016, Thailand ranked 25th among U.S. export destinations and 21st among Virginia export destinations. Some of the top opportunities for U.S. exporters in Thailand include:

- » Personal Care and Beauty Products
- » Aviation
- » Defense and Security
- » Telecommunications
- » Franchising
- » Medical Equipment
- » Education Services
- » Electrical Power Systems

Map of Thailand



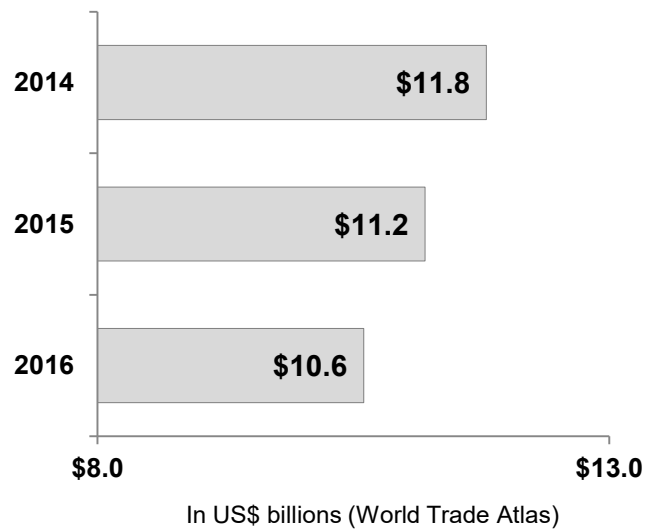
(U.S. Central Intelligence Agency)

Top Virginia Exports to Thailand

Export Category	2016 Value	Change 2016/2015
All Commodity Chapters	\$ 177.1	39%
Aircraft & Spacecraft	\$ 81.0	46599%
Plastics	\$ 22.2	-17%
Industrial Machinery	\$ 16.0	57%
Fruits, Seeds, Grains	\$ 11.0	-67%
Food Residues	\$ 5.4	-48%
Electrical Machinery	\$ 5.1	42%
Medical Instruments	\$ 4.5	-18%
Fibers And Fabrics	\$ 4.0	-8%
Vehicles, Not Railway	\$ 3.3	82%
Paper & Paperboard	\$ 2.7	16%

In US\$ millions (World Trade Atlas)

U.S. Exports to Thailand



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Opportunities in Thailand for Exporters

Defense and Security

The Thai military and defense equipment market is an attractive sector. In 2015, Thailand was ranked 10th on the Institute for Economic & Peace's Terrorism Index. This relatively high number indicates potential for the demand of defense and security equipment. As a result, demand for military and defense equipment is expected to rise. For 2017, the government allocated 1.42% of the country's GDP to defense, which is approximately US\$6 billion. The best prospects include:

- » Defense Satellites
- » Defense intelligent systems
- » Armored vehicles
- » Helicopters

Medical Equipment

Thailand has a global reputation for its world-class yet affordable healthcare service. The country has internationally-certified doctors and medical staff that practice in modern facilities. In 2015, medical tourism generated over \$3 billion revenue to the country. This represented 15% growth for the economy. Currently, Thailand has 32 private hospitals that are certified by the Joint Commission International, the sector's top accreditation body. Top opportunities include:

- » Rehabilitation equipment
- » Respiratory devices
- » Neurological and surgical devices
- » Clinical diagnostic devices

This information is adapted from the U.S. Commercial Service. [Click here for more export opportunities.](#)

Franchising

The franchise industry is still very popular among Thai investors and has been successful in the Thai market. It has an annual growth rate of 10% each year. Currently, there are a total of 730 franchise brands with a total of approximately 65,000 outlets in Thailand. They generated a total of \$8 billion revenue in 2014. The total market value is expected to grow 10% in the next few years. The best prospects include:

- » Retail convenience stores
- » Hotel management
- » Education and computer training
- » Real estate management and security services

Electrical Power Systems

Electrical power accounts for approximately 20 percent of Thailand's total energy consumption and plays an important role in the country's development. The Royal Thai government plans to gradually increase electricity generation capacity in the next 20 years under Thailand's Power Development Plan. Under the current PDP 2015, the Royal Thai Government plans to have built 2 nuclear power plants with a combined capacity of 2,000 megawatts in 2036. The best prospects for U.S. exporters include:

- » Fossil Fuel Power Generators
- » Renewable/Alternative Fuels
- » Transmission Infrastructure
- » Distribution Networks

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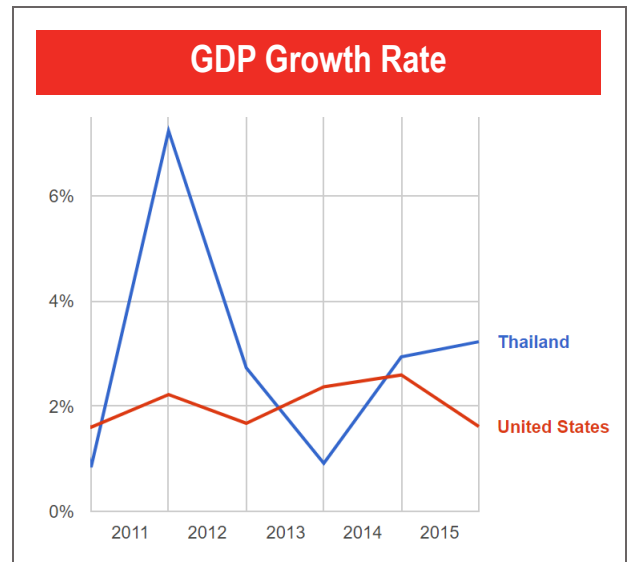


Economic Overview

With a well-developed infrastructure, a free enterprise economy, and generally pro-investment policies, Thailand historically has had a strong economy, but it experienced slow growth in 2013-2015 as a result of domestic political turmoil and sluggish global demand, which curbed Thailand's traditionally strong exports - mostly electronics, agricultural commodities, automobiles, and processed foods.

Thailand faces labor shortages, and has attracted an estimated 2-4 million migrants workers from neighboring countries. In 2013, the Thai government implemented a nation-wide 300 baht (\$10) per day minimum wage policy and deployed new tax reforms designed to lower rates on middle-income earners. The household debt to GDP ratio is over 80%.

(U.S. Central Intelligence Agency)



Cultural Guide

- » The wai is the common form of greeting and adheres to strict rules of protocol. Raising both hands, palms joined with the fingers pointing upward as if in prayer, lightly touching the body anywhere between the chest and forehead, is the standard form. The wai is a sign of respect as well as a greeting. The person who is junior in age or status is the first person to offer the wai. The senior person then returns the wai.
- » Thais generally use first rather than surnames, with the honorific title Khun before the name. Khun is an all-purpose form of address that is appropriate for both men and women.
- » Thais prefer doing business with people they respect. Relationships develop slowly and do not flourish after one meeting; it may take several meetings.
- » Thai communication is formal and non-verbal communication is often more important than verbal.
- » It is a good idea to send a list of who will be attending the meeting and their credentials so that Thais know the relative status of the people attending the meeting and can plan properly.
- » Always send an agenda and material about your company as well as data to substantiate your position prior to the meeting. Allow sufficient time for the material to be reviewed and digested.
- » Remain standing until told where to sit. The hierarchical culture has strict rules about rank and position in the group.

(Commisceo Global)

Rank is always respected. The eldest person in the group is revered.

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Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

Additional Resources

[Thailand Country Commercial Guide](#)

[Doing Business in Thailand](#)

[Ease of Doing Business Report](#)

[Thailand Overview](#)

[Kwintessential Thailand](#)

U.S. Commercial Service

United Kingdom Trade & Investment

World Bank

Global Edge - Michigan State University

Kwintessential Guide to Thailand

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