Export Opportunities in Thailand

In 2017, Thailand ranked 26th among U.S. export destinations and 33rd 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

Top Virginia Exports to Thailand

<table>
<thead>
<tr>
<th>Export Category</th>
<th>2016 Value</th>
<th>Change 2016/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodity Chapters</td>
<td>$106.1</td>
<td>-39%</td>
</tr>
<tr>
<td>Plastics</td>
<td>$24.8</td>
<td>12%</td>
</tr>
<tr>
<td>Fruits, Seeds, Grains</td>
<td>$19.5</td>
<td>81%</td>
</tr>
<tr>
<td>Food Residues</td>
<td>$8.8</td>
<td>62%</td>
</tr>
<tr>
<td>Industrial Machinery</td>
<td>$7.1</td>
<td>-56%</td>
</tr>
<tr>
<td>Medical Instruments</td>
<td>$4.8</td>
<td>6%</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>$3.8</td>
<td>-20%</td>
</tr>
<tr>
<td>Paper &amp; Paperboard</td>
<td>$3.3</td>
<td>21%</td>
</tr>
<tr>
<td>Misc. Chemical Products</td>
<td>$2.9</td>
<td>29%</td>
</tr>
<tr>
<td>Wadding, Felt, Nonwovens</td>
<td>$2.8</td>
<td>308%</td>
</tr>
<tr>
<td>Vehicles, Not Railway</td>
<td>$2.4</td>
<td>91%</td>
</tr>
</tbody>
</table>

In US$ Millions

U.S. Exports to Thailand

- 2015: $11.2
- 2016: $10.5
- 2017: $11.0

(World Trade Atlas)
# FAST FACTS

## Opportunities in Thailand for Exporters

### Defense and Security

The Thai military and defense equipment market is an attractive sector. Demand for U.S. products is expected to increase after visits by senior Thai military officials to the U.S. in 2017 and 2018. Separatist groups, terrorists, human smuggling, and drug trafficking are common security threats. Thus, for 2018, the government will allocate 1.35% of the country’s GDP to defense, which is approximately US$7 billion.

The best prospects include:
- Defense satellites
- Airport and ground support equipment
- Armored vehicles

### 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. Medical tourism is growing over 10% each year, attracting 38% of such visits in Asia and accounting for 30% of private hospital revenue in 2017. Currently, Thailand has 64 private hospitals certified by the Joint Commission International, the sector’s top accreditation body.

Top opportunities include:
- Rehabilitation equipment
- Neurological and surgical devices
- Clinical diagnostic devices

### Personal Care and Beauty Products

Thailand’s beauty and personal care products market was valued at around $4.7 billion in 2017, a 7.8% increase over 2016. Skincare products are the largest segment at 47% of the market. There is a tendency towards high-end products as Sephora made a market entry. Most cosmetic ingredients are imported.

The best prospects include:
- Anti-aging and skin whitening
- Men’s grooming
- Baby and child-specific products
- Natural and organic products

### 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 increase electricity generation capacity gradually over the next 20 years under Thailand’s Power Development Plan. The government also plans to build two nuclear power plants with a combined capacity of 2,000 megawatts by 2036.

The best prospects for U.S. exporters include:
- Fossil Fuel Power Generators
- Renewable/Alternative Fuels
- Transmission Infrastructure
- Distribution Networks

(US Commercial Service)
FAST FACTS

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, which has encouraged the arrival of 2-4 million migrant workers from neighboring countries. In 2013, the Thai government implanted a nationwide 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%. Over the long-term, household debt and political uncertainty pose risks to growth.

(CIA World Factbook)

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 may take several meetings to flourish.
- Thai communication is formal and non-verbal communication is often more important than verbal.

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

- 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)
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 Overview**
  - Global Edge - Michigan State University

- **Kwintessential Thailand**
  - Kwintessential Guide to Thailand

- **Thailand Country Commercial Guide**
  - U.S. Commercial Service

- **Doing Business in Thailand**
  - United Kingdom Trade & Investment

- **Ease of Doing Business Report**
  - World Bank