

# NEWSLETTER

## EXPORTING TO THAILAND

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### Export opportunities for Australian food products

The Australian Food Grocery Council (AFGC) is the leading national organisation representing Australia's food, drink and grocery manufacturing industry. The AFGC supports and represents industry across a wide range of issues and, reflecting industry's focus on export opportunities to Asia, the AFGC has increased its engagement with international trade issues. The AFGC is working to deliver market reports on export opportunities for snacks, beverages, condiments and baking products to Malaysia, Thailand and China. This activity has received funding from Austrade as part of the Asian Century Business Engagement Plan.

#### Export opportunities to Thailand

Thailand has a population of approximately 70 million people with average annual economic growth of 3 per cent over the last six years. While per capita incomes are low by Western standards, incomes continue to grow as do the high income sections of the population.

AFGC representatives recently completed a market visit to Thailand where they met retailers, importers and distributors to better understand the market and opportunities for Australian food exporters. There are significant opportunities for Australian agri-food exports as Australian products are viewed favourably with retailers seeking support for 'Australian promotions', there is ongoing growth in the market, and market entry is navigable.

While there are great opportunities for Australian exporters there is also stiff competition from a range of our traditional food competitors (Canada, EU and the US) as well as from newer competitors (Argentina, Brazil, Chile, Japan and Korea) in particular categories. Registration of food products with the Thai Food and Drug Administration is a lengthy process however Australian product generally meets all requirements.

#### Australian Product available in premium retailers, foreign-owned retailers and distributors

Visual inspections of product ranges across multiple channels revealed that Australian products are relatively well represented. Multiple brands are present across the following categories:

- Snacks and biscuits
- Pasta sauce
- Table sauces
- Dips
- Non-alcoholic beverages
- Frozen vegetables
- Dairy products
- Cereals



## Key Findings

- There is significant interest among retailers, importers and distributors in stocking Australian processed food products.
  - a. There is demand from expats, tourists and increasingly, the local population.
  - b. In packaged food categories, high-end retailers are seeking boutique, hand-made, premium products particularly in support of Australian promotions such as ANZAC and Australia Days.
    - i. It is a matter of discussing with retailers and providing products which meet a price point, demand, and then backing the product and retailer with promotion and support.
- Listing a product with a Thai retailer takes time and money.
- Australian product can often be the most expensive of the imported product (including from the European Union, United States and Canada) and can be up to four times more expensive than local substitutes.
- In order to be successful in exporting to Thailand, Australian companies must be in it for the long haul. Successful companies have been engaged with Thailand for 20+ years.
- Australian companies need to be prepared to do business at trade shows and other key meetings with buyers.
  - a. Key information and approaches include having an export price list ready for discussion, having order quantities and options for expansion available, and following up requests, queries and contacts very promptly.
  - b. Product samples for buyers are a key selling point.
- Australian product does not receive the same level of promotional support as product from other countries. There is a significant opportunity for greater company promotional activity. Consumer promotions, such as sampling, are critical in building success, particularly in the face of aggressive competition from the EU, US, Japan and Korea.
  - a. As a practical first step, retailers identified that printed promotion material would be very helpful.

## Next Steps

In June 2014, the AFGC will release full market reports on export opportunities in Malaysia, Thailand and China for snacks, beverages, baking products, and sauces and spreads. Reports will contain detailed commercial information and market intelligence on products covered. For further information please contact Michael Rogers: [Michael.Rogers@afgc.org.au](mailto:Michael.Rogers@afgc.org.au)



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