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Report Highlights:

This report gives an overview of Thailand's food retail sector and current market updates. Food and beverage sales are driving Thailand's retail sector. Thailand's growing urbanization and young, middle-income population with higher disposable incomes and a greater propensity to spend have fueled growth in the retail industry.

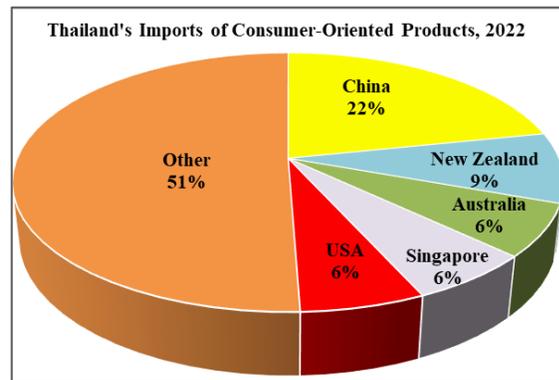
Market Fact Sheet: Thailand

Executive Summary

Thailand is Southeast Asia’s second largest economy with a gross domestic product (GDP) of \$495 billion in 2022. Thailand remains a strong agricultural competitor and is a major exporter of rice, sugar, natural rubber, frozen shrimp, canned tuna, canned pineapples, cooked poultry, and cassava. Thailand is the 20th largest export market for U.S. agricultural products, while the United States is the third largest supplier of agricultural products to Thailand, accounting for 8 percent of all agricultural imports.

Imports of Consumer-Oriented Products

The United States was the 5th largest supplier of consumer-oriented products to Thailand in 2022, with exports valued at \$485 million.



Food Retail Industry

The Thai Retailers Association forecasts that Thailand’s retail sector will grow 6-8 percent in 2023 as the tourism sector recovers. The food and beverage industry is one of the largest retail segments in Thailand. 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, fueled the growth in the retail sector prior to the pandemic. Changes in the structure of Thai households and the pandemic has 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 is one of the most developed in Southeast Asia. There are many medium-to-large food processors that produce high-value products for domestic and export markets. Thailand aims to be one of the world’s top ten processed food exporters by 2027 and a key global

player in the “Future Food” market. The value of Thailand’s food exports was \$38.8 billion in 2022, while the value of Thailand’s imports of food ingredient was \$3.3 billion. With rising demand for processed foods, Thai food processors must import large quantities of food ingredients that are not locally available.

Quick Facts 2022

Imports of Consumer-Oriented Products: \$7.8billion

List of Top 10 Growth Products in Host Country

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

Food Industry by Channels (U.S. billion) 2022

Total Agricultural Exports:	\$47.3
Total Agricultural Imports:	\$22.3
Full-Service Restaurant Sales	\$3.8
Food Delivery Sales	\$0.4
Food and Drink E-commerce Sales	\$5.1

Top Thai Retailers

Supermarkets

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

Hypermarkets

- 1) Lotus’s
- 2) Big C

Cash and Carry

- 1) Makro

Convenience Stores

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

GDP and Population (as of 02/2023)

Population (millions): 70.1
 GDP (billions USD): \$495
 GDP per capita (USD): \$7,090

Strengths/Weaknesses/Opportunities/Challenges

Strengths: Strong food industry with well-established retail, food service, and food processing industries.	Weakness: High level of local industry protection results in restrictive trade barriers for imported food and beverages.
Opportunities: Rising incomes and rapid urbanization. Urban Thai consumers are more willing to pay for premium food products.	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, the 2nd largest economy in ASEAN after Indonesia, is known for its vibrant economy, strategic location in Southeast Asia, and strong tourism industry. The country's economy has been resilient and stable since the pandemic. The National Economic and Social Development Council (NESDC), however, adjusted its forecast for Thailand's economic growth rate in 2023 to 2.7-3.7 percent, down from 3-4 percent citing slower growth in the first quarter of 2023. Nevertheless, the growth still shows a significant improvement from the fourth quarter of 2022. The agricultural and service sectors have fueled the economic recovery since the beginning of 2022, resulting in an increase in private consumption. According to Kasikorn Research Center and Euromonitor, Thailand's retail sector grew 8-9 percent in 2022, with a total value of \$108 billion, while the share of e-commerce in the retail sector increased 12 percent, capturing 19 percent of the Thai retail business. Thailand's retail market gradually improved in 2022 and continues to show improvement in the first quarter of 2023. The return of foreign tourists boosting overall retail sales, the Thai government's stimulus measures encouraging travel and shopping, and the high purchasing power of the middle-upper earners have driven the improvement in Thailand's retail market.

The recovery of the tourism industry has been a boon for retailers. Thailand removed all entry requirements due to COVID-19 on July 1, 2022, resulting in a recovery in the tourism sector from both Thai tourists and a higher number of foreign tourists in 2022. Foreign tourist arrivals in Thailand reached 9.5 million from January to mid-May 2023 in comparison to the 11.5 million visitors for the entire year of 2022. Retailers located in high tourist areas often carry a wide assortment of products to serve international tourists from around the world. These retailers present an opportunity for U.S. agricultural exporters, especially those retailers whose main customers are long-term tourists and expatriates. In addition, Thailand's growing urbanization and young, middle-income population with higher disposable incomes and a greater propensity to spend have fueled growth in the retail industry.

Food and beverage sales are driving Thailand's retail sector. Sales of packaged foods in 2022 was \$15.2 billion, a slight increase from \$14.4 billion in 2021. The pandemic has changed eating patterns and habits for many in Thailand. Thais are shifting towards a more flexible pattern of eating and more convenient food and beverages. While the demand for convenient food and beverages is increasing, consumers are becoming more conscious about nutritional values, health benefits, traceability, and food safety. The result is an increasing trend towards healthy, functional, quality, and organic food products, reflected in the introduction of more of these products into retail stores. A growing aging population, coupled with the pandemic, has also increased demand for healthy and functional food products. Individuals over the age of 60 years old will make up 27 percent of the total population by 2030.

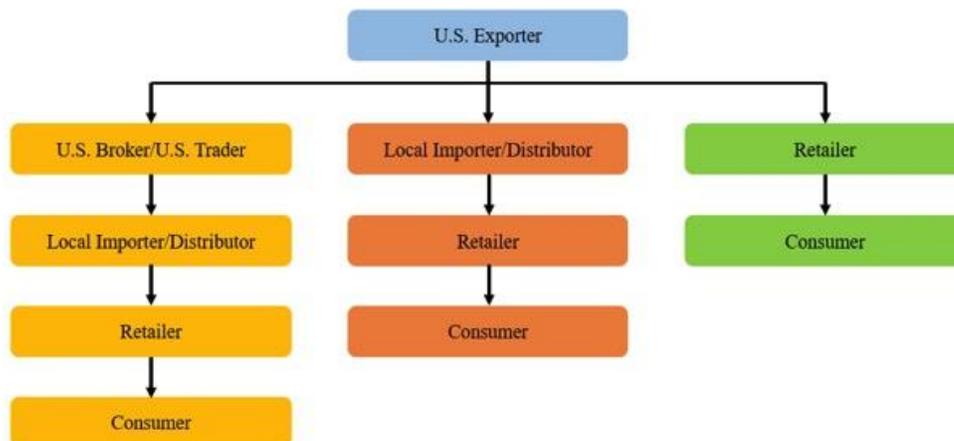
Thais continue to adapt to a new normal way of life following the pandemic. The use of online ordering and delivery services continues to grow. Many retailers are using their store outlets as distribution points for delivery services, which helps capture more sales and maintain product quality. Due to increasingly busy lifestyles, demand for products that offer better health, boost wellbeing, weight management, and increase nourishment is growing, even for products that are generally more expensive than their alternatives. While about two-thirds of food on retail shelves are domestic products, opportunities still exist for U.S. products. Middle-to-high income consumers remain the primary target for U.S. foods and beverages as this group of consumers prefer imported products. The younger Thai population with its increasing purchasing power and preference towards imported products also presents opportunities for

imported U.S. products. Local Thai importers look for products from well-known brands, that are trendy, and that are new to market when deciding on which products to order.

Advantages	Challenges
U.S. exporters can provide a variety of high-quality agricultural products ranging from fresh to processed foods.	U.S. products are generally less price competitive in comparison to products from countries that have free trade agreements (FTA) with Thailand, such as Australia, New Zealand, China, Peru, Chile, India, Korea, and Japan.
Thai officials and consumers highly regard U.S. food safety regulations. Thai government health authorities use U.S. FDA protocols as a reference to enforce more efficient regulations to safeguard consumers.	A lack of local interagency communication and coordination causes interruptions in trade, as new import regulations go into effect without prior notification.
Individuals over the age of 60 years old will make up 27 percent of the total population by 2030. Opportunities exist to target the Thai elderly population for high-quality, premium products.	Substitutes for American imports can be produced locally or regionally, usually at a lower cost. High import tariffs on some consumer food and beverage products make it easy to replace U.S. imports with locally or regionally 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 beneficial health features.	Supply chain challenges (e.g., port and labor challenges, high logistic costs, and container shortages) are increasing the time it takes to get product from the United States to Thailand.

Retailers have improved and developed their supply chain systems to strengthen their capacity to source and supply products during the pandemic. Most retailers, especially supermarkets, hypermarket, and cash and carry, are offering a wide range of value-added fresh food to meet customers’ needs, including marinated, ready-to-cook, ready-to-eat meals, and plant-based foods and beverages. The pet food market also holds good prospects for U.S. exporters due to the increasing number of pet owners in Thailand. As the purchasing power of Thai consumers has notably increased in recent years and the financial situation of the middle class has improved, sales turnover has risen significantly, even in the premium and super-premium segments.

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. The tastes and preferences of Thais drive the merchandising at supermarkets and hypermarkets.

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, celebrity endorsements, and social influencers are highly effective at boosting demand for food and beverage products. Social media continues to grow, with more than 73 percent of the country's population using platforms like Line, Tiktok, Facebook, and Instagram. Social media has become an essential tool for marketing food and beverages in Thailand. Additional information is available at: [2022 Social Media Marketing Trends for the Food Industry in Thailand](#).

Food and beverages in supermarkets, hypermarkets, and cash & carry comprise of imported products, locally sourced items, and private label brands. Supermarkets such as Central Food Retail and Villa Market have their own import divisions. Makro (cash & carry) also imports food and beverages products from around the world. Several government agencies regulate imported food products, such as the Food and Drug Administration (FDA) of the Ministry of Public Health; the Department of Livestock (DLD) and the Department of Agriculture (DOA) of the Ministry of Agriculture and Cooperatives; and the Thai Excise Department of the Ministry of Finance. U.S. exporters can learn more about import requirements and documentation for food and beverage products from GAIN reports, such as the Food and Agricultural Import Regulations and Standards – Annual Country Report and Certification. Furthermore, food shows in Thailand (as listed below) are a great way to meet key importers who are looking to source new products, to create networks with exporters, and to learn more about new food trends:



[THAIFEX Anuga Asia](#)

Date: May 28-June 1, 2024
Venue: IMPACT Arena,
Exhibition and Convention
Center, Bangkok



[Food & Hospitality Thailand \(FHT\)](#)

Date: August 23-26, 2023
Venue: Queen Sirikit National
Convention Center (QSNCC), Bangkok

Modern Grocery Retail Outlets in Thailand

The overall landscape in the Thai retail business remains competitive. There are a number of well-established players in modern trade retail market. There are three major conglomerates dominating the Thai retail market (i.e., Central Group, TCC Group, and CP Group). Central Group owns Tops Foodhall and Tops Market supermarket chains. The TCC Group, which also has Thai Beverage (the key alcohol beverage producer under Chang beer), owns Big C. The CP Group runs 7-Eleven, a convenient store chain with over 13,000 outlets, Makro, a cash-and-carry store, and Lotus's, which is one of the only two major hypermarket retailers in Thailand.

Convenience Stores

This sector has experienced continuous growth in comparison to other retail formats. Thailand has a total of 21,548 stores nationwide, with 1,225 stores opening in 2022. Demand for convenient, inexpensive, and time-efficient foods has increased significantly due to changes in Thai society. Food and beverage products account for approximately 74 percent of all products sold in convenience stores including ready-to-eat meals, fruits, baked goods, a variety of snacks, desserts, coffee, beverages, and other confectionaries. 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 12 million customers shop at convenience stores nationwide per day in 2022. 7-Eleven also arranges vending machines that sell food, beverages, and non-food products in some areas that are not suitable for a store. In 2022, the company had over 4,200 vending machines nationwide. 7-Eleven also arranges coffee and mini kitchen corners to sell beverages including coffee and tea, freshly baked products, or prepared food, such as freshly baked pizza and non-coffee drinks, such as smoothies and freshly squeezed juices. Another example of a new trend that is well-received by customers are collaborations of well-known restaurants and famous chefs to produce new ready-to-eat meals (<https://www.7eleven.co.th/new-product/bakery/2286-rosniyom>).

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, MaxValu, The Mall Group (Gourmet Market), Villa Market, UFM Fuji, and Foodland. Central Food Retail underwent a major rebranding in 2022 of the Tops supermarket business. Central Food Retail merged its food business into a single brand "Tops" and rebranded Central Food Hall into "Tops Food Hall."

Middle to high income consumers remain the key target segment for supermarkets, offering premium products. Supermarkets have the highest sales growth in the retail industry because supermarkets are able to sell daily necessities and consumables to high-spending middle- and upper-income earners. The supermarkets reported a recovery of 80 percent in sales during the first quarter of this year, with double-digit growth compared to the same period last year. Competition for imported products is on the rise in supermarkets. Free trade agreements with 14 different countries have lowered or removed tariffs on a wide variety of imported products, making them cheaper, which has created higher demand for higher quality products. Supermarkets often seek exclusive arrangements with international exporters to offer unique and hard-to-find items to differentiate themselves from their competitors. Consumers recognize the high quality of imported food and beverages such as beef, fruits, vegetables, seafood, frozen foods, beverages, packaged foods, and organic products. Most supermarkets now have dine-in counters (in-store restaurants) that will cook food purchased in the retail stores for in-store dining or take home. This allows them to promote meat and seafood products in their frozen/chilled form, prepared in restaurant menus, or prepared in take-home meals.

Hypermarket/ Cash & Carry

Hypermarkets and "cash & carry" establishments present good opportunities for U.S. exporters of fresh and frozen food, beverage products, and products that cater to mainstream consumers. Cash and carry retailers' target customers who are small to medium sized grocery shops, hotels, restaurants, caterings, and other food service operators. The product mix strategy for both hypermarket and cash & carry is to focus on fresh food by increasing fresh food sales space and product ranges. Makro, which is a cash and carry retailer, imports and distributes frozen and chilled food with delivery services. The company focuses on premium food products for direct import to cater to 4- and 5-star hotels, high-end restaurants, hospitals, and airline businesses. In addition, cash and carry retailers have developed and launched their own brand to cater to food service customers. This is an interesting area for U.S. exporters of fresh and frozen products. Lotus's and Makro's private label sales accounted for 10 percent and 16 percent of total sales, respectively, in 2022. Despite facing competition from e-commerce retailers and smaller

specialized stores, hypermarkets have proven to be resilient due to their competitive pricing and extensive product ranges.

Online Retailing

Retailers have introduced online retail platforms to optimize consumer convenience to access product information and shop for products anytime and anywhere with ease of paying online and delivery services. Thais have shown an incredible interest in online shopping since the COVID-19 pandemic. According to [the 2022 Digital Report](#), Thailand has over 54 million internet users, with a majority of users between the ages of 16 and 64. The global average for time spent using the internet is 6 hours and 58 minutes per day, but Thailand exceeds the global average. Ranking 7th in the world, Thai users average 9 hours and 6 minutes per day of time spent using the internet. Euromonitor reported that e-commerce sales of food and beverage was \$1.2 billion in 2022, up 20 percent from \$1 billion in 2021. Increased access to the internet has driven growth in the online retail commercial market.

The pandemic transformed consumer behavior to demand more convenience, accelerating the growth of online grocery sales. The demand for online shopping pushed grocery retailers to quickly launch or expand their e-commerce offerings. 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, which helped sales grow 15 percent from the previous year, contributing to 18 percent of total sales. The changes and digital disruptions due to COVID-19 on retail businesses forced retailers to launch online food (e-commerce) channels to serve their customers such as 7-Eleven (www.allonline.7eleven.co.th), Central Food Retail (www.tops.co.th), Gourmet Market (<http://www.gourmetmarketthailand.com>), Villa Market (<https://shoponline.villamarket.com/home>), Lotus's (www.lotuss.com) Big C Supercenter (<https://www.bigc.co.th/>), and Siam Makro (www.makroclick.com). These retailers either developed their own delivery service or collaborated with a third-party grocery delivery service provider such as GrabFresh, and LINEMAN Mart.

Key Players and Outlets

The prominent 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 2022, followed by Lotus's (9 percent) and Mini Big C (6 percent). At the end of 2022, CP All operates about 13,838 outlets of 7-Eleven nationwide and has more than 60 million user accounts on its online customer channels, including its website, application, social media channels, and other communication channels. CP food group sources most food and beverage products sold in 7-Eleven stores locally. However, the company recently expanded their sourcing for more imported food and beverage products for their online platform.

Convenience Stores

Brand	Company Name	2019	2020	2021	2022
7-Eleven	CP All PCL	11,712	12,432	13,134	13,838
Lotus's	CP All PCL	1,650	1,865	2,197	2,153
Mini Big C	Big C Supercenter PCL	1,016	1,215	1,352	1,430
Family Mart	Central Group	968	901	805	415

Source: USDA Foreign Agricultural Service, Bangkok, Thailand

Lotus's and Big C offer a wide range of products including a wide selection of imported foods targeted at middle income customers. Makro is a membership-based cash and carry retailer. Its target groups are small and medium-sized businesses including grocery shops, hotels, 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.

Supermarkets

Brand	Company Name	2019	2020	2021	2022
Tops, Tops Food Hall, Tops Fine Food, and Tops CLUB	Central Group	127	236	281	298
Gourmet Market/Home Freshmart	Mall Group	17	15	17	17
Foodland	Foodland Supermarket	22	24	23	23
Villa Market	Villa Market	34	34	35	35
UFM Supermarket	Fuji Citio Co., Ltd. and Metro Group	4	4	4	4
Rimping Supermarket	Tantraphan Supermarket	9	8	8	7
Big C (Big C Market and Big C Foodplace)	Berli Jucker Public Co. Ltd.	47	47	47	47
Lotus's	CP All PCL	n/a	n/a	199	202

Source: USDA Foreign Agricultural Service, Bangkok, Thailand

Hypermarket/Cash and Carry

Brand	Company Name	2019	2020	2021	2022
Lotus's	CP All PCL	216	215	222	223
Big C Hypermarket (Supercenter and Extra)	Big C Supercenter PCL	151	151	153	153
Big C Depo and MM Food Service (Wholesale)	Big C Supercenter PCL	n/a	n/a	n/a	14
Makro (Cash and Carry)	CP All PCL	134	137	142	152

Source: USDA Foreign Agricultural Service, Bangkok, Thailand

SECTION III: COMPETITION

Thailand has 14 FTAs with their trading countries. Thailand is a member of China's Regional Comprehensive Economic Partnership (RCEP) and has had a bilateral FTA with China since 2003. 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 manufacturing high-quality products, high import taxes and marketing costs limit the supply of U.S. products imported by local retailers. The United States is the 5th largest supplier of consumer-oriented products with a 6.2 percent market share, behind China at 21.7 percent, New Zealand at 8.8 percent, Australia at 6.5 percent, and Singapore at 6.2 percent (Please see the attached table of the overall competitive situation for consumer-oriented products in Thailand).

SECTION IV: BEST PRODUCT PROSPECTS CATEGORIES

Top Consumer-Oriented Products Imported from the World

- The top consumer-oriented products that Thailand imports are fresh fruits 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 dried fruits and nuts, food preparation ingredients, whey, milk and cream, cheeses, popcorns, frozen potatoes, fresh fruits, 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 of individuals over the age of 60 years old 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. There is also a growing demand for organic ingredients, gluten free ingredients, 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, and colors & flavors.
- 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:

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Website: 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: [Overall Competitive Situation for Consumer-Oriented Products in Thailand 2022.pdf](#)