

ABSTRACT

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MARKET STUDY FOR EXPORT POTENTIAL OF THAI RICE

By

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The objectives of this research were to study 1) rice trading situations in the world market, particularly the rice import from Thailand; 2) Thailand's rice exportation to overseas markets, by analyzing rice markets and demand of 10 rice importers i.e. China, Taiwan, Hong Kong, Japan, Brunei, Indonesia, Malaysia, The Philippines, Korea and Singapore; and 3) rice trading and import from Thailand of those 10 countries. The data were collected by interviewing rice exporters, Embassies of the 10 countries, various agencies under the Ministry of Commerce and international organizations such as FAO and ESCAP. Secondary data were collected from statistics of various sources such as USDA, commercial agencies under the embassies of the 10 countries, and documents from governmental and private sectors such as Foreign Trade Department, Custom Department, and Thai rice exporting companies, and then analysed as percentage, mean, percentage of change and ratio. The research results were as follows:

World rice trading during the period of 1991-1995 was 17 million tons/year with the average value of 130,000 million Baht; Thailand, USA and Vietnam were the major rice exporters. Thailand's export volume per year was 5.1 million tons and the 10 major importers had a great demand for high quality Thai rice. The details are as follows:

Hong Kong: The average per capita income in Hong Kong was quite high. It is a leading country in tourism which has no land for agriculture. Therefore, it had a great demand for quality rice, especially Thai Jasmine rice, at the import quantity of 209,727 tons per year.

Singapore: Singapore, quite similar to Hong Kong, with high average per capita income, is a tourism destination and has no rice farming. There was a high demand of Thai Jasmine rice in Singapore market; the total annual import from Thailand was 168,785 tons per year.

China: Thai rice export to China market has been increasing every year. The major rice export was the 100% rice which was 43% of the total export to China. There has been a demand on high quality rice in the specific commercial zone where the people had high income and high purchasing power.

Taiwan: The import volume was quite small, but the major import quantity was the rice from Thailand; the percentage of the 10% Thai glutinous rice export to Taiwan was 72 or an average of 2,808 tons per year.

Japan: Japan imported a small volume of rice, but, according to WTO regulations, Japan has imported a minimal volume of rice since 1995. Thai rice export to Japan, mostly the 100% rice, was 83% or 147,338 tons.

Malaysia: Malaysia has long imported high quality Thai rice but in recent years, due to its import policies, Malaysia imported rice from various sources to distribute the demand, instead of relying on a single country i.e. Thailand. However, Malaysia still had a great demand for high quality 100% rice from Thailand, which was 70% or 158,137 tons per year.

Brunei: Brunei imported high quality rice only from Thailand; 79% of the total 100% rice export was sold to Brunei.

South Korea: Like Japan, South Korea had to import Thai rice only for industrial purposes according to WTO regulations. The total Thai export of the 15% rice, 35% rice and broken rice was 91%.

Indonesia: Indonesia has long imported Thai rice. Despite its own production policy, it still has had to continue importing Thai rice, due to natural disasters. Thailand's export of the 25% rice to Indonesia was 63% of the total export.

Philippines: The rice import of the Philippines has been unsteady, depending on changing situations of the country. Thailand's export of the 35% rice to the Philippines was 95% of the total export.