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GAIN Report

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Report Highlights:

Thailand's fishery industry has developed and become one of the world's largest fishery exporters, generating about 20 percent of Thailand's total food product exports. Major export items accounting for over 70 percent of total fishery products exports are canned tuna and sardines, processed shrimp, prawn, and squid. Raw material sourced from both the Andaman Sea and Gulf of Thailand are decreasing year by year and the industry increasingly relies on imported raw material such as pollock, salmon, and other white and red meat fish. The food service industry in Thailand targets medium to high end consumers and expatriates are happy to pay for premium quality wild seafood such as lobster, Alaska crab, oyster, scallops, and others.

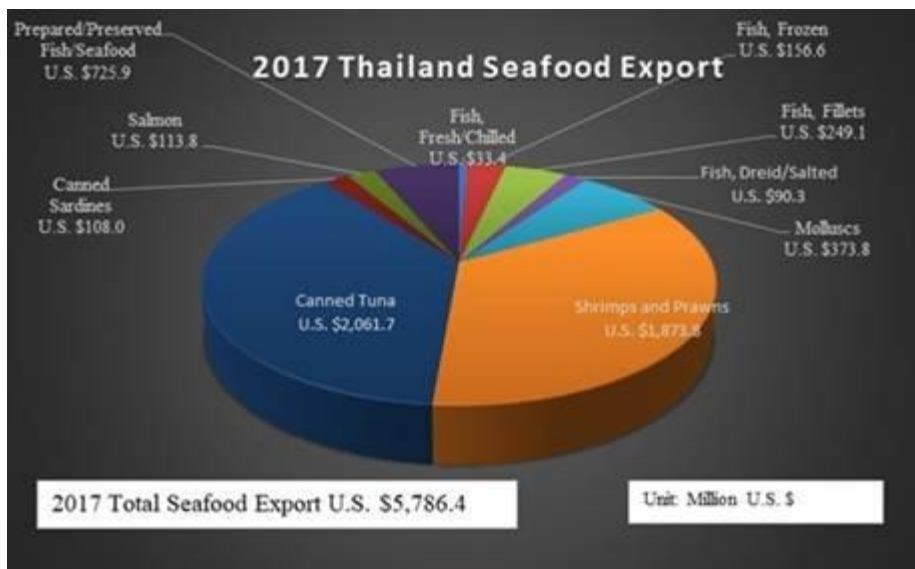
General Information:

I. Thai Fishery Industry Overview

Thailand has successfully developed its fishery industry and has become one of the world's largest fishery exporters, generating about 20 percent of total Thai food product exports. Table 1 shows that total fishery exports increased by 4 percent from U.S. \$5.6 billion in 2016 to U.S. \$5.8 billion in 2017. Major exported seafood in 2017 include canned tuna (U.S. \$2.1 billion), processed shrimp/prawns (U.S. \$1.8 billion), processed squid/cuttlefish (U.S. \$345 million), and canned sardines (U.S. \$108 million), which account for three-quarters of the total fishery exports. The top five markets for Thai fishery products includes Japan, the United States, Australia, Canada, and China.

Table 1: Thailand Seafood Exports

	2014	2015	2016	2017
Total Export Million U.S. \$	6,300.5	5,352.30	5,567.10	5,786.4
Fish, fresh/chilled, excluding fish fillets and other fish meat (0302)	51.8	45.1	42.8	33.4
Fish, frozen, excluding fish fillets and other fish meat (0303)	173.8	127.4	121.6	156.6
Fish fillets and other fish meat, fresh/chilled/frozen (0304)	317.6	289.1	281.7	249.1
Fish, dried, salted, smoked (0305)	110.2	95.1	104.9	90.3
Molluscs, live/fresh/chilled/frozen/dried (0307)	448.1	364.1	352.8	373.8
Shrimps and Prawns, frozen/not frozen/prepared or preserved (030617, 0330626, 030627, 160521, 160529)	1,974.3	1,644.20	1,952.80	1,873.8
Tuna, Skipjack and Boito, prepared/preserved (160414)	2,354.8	1,966.20	1,978.80	2,061.7
Sardines, Sardinella and Brisling or Sprats, prepared/preserved (160413110)	168.8	154.5	116.9	108.0
Salmon, prepared/preserved (1604111000, 16041190000)	122.3	132.8	100.2	113.8
Cuttle Fish, Squid, Octopus, live/frozen/chilled (030741, 030742, 03074910001, 03074910002, 03074910003, 030743, 030751, 030752, 03075910000)	349.8	289.8	283.5	345.0
Other prepared/preserved fish/seafood	578.8	533.8	514.6	725.9
Source: Global Trade Atlas				



Thailand's strength in exporting comes from continuous new product development and investment in processing technology. Thailand, accordingly, is able to produce a wide range of product from semi-processed products to high value products to meet international standards and demand.

Fishery processors produce and export a wide variety of products, from basic raw frozen products to semi-processed and value-added products. Seafood canning processors mainly use tuna, sardines, and mackerel as well as other processed seafood products made from salmon, cuttlefish/squid, and pollock. These products are normally produced under manufacturers' brands or foreign brands on an original equipment manufacturer (OEM) (Private Label) contract basis. Popular Thai brands include Three Lady Cooks, Roza, Sealect, Hi-Q, Ayam, and Nautilus. While the main products are typical canned fish in water, vegetable oil, or tomato sauce, many processors have also developed products with Thai food flavors in order to meet local consumers' tastes and the growing demand from Asian communities in foreign countries. Thai Union Food (TUF) Group is the largest canned seafood producer in Thailand with a global network in marketing and raw material sourcing. It acquired some large canned tuna companies in the United States and in the EU in recent years and now supplies multiple brands including Chicken of the Sea, Genova, Petit Navire, John West, Mareblu, and Rugen Fisch.

However, Thailand is increasingly encountering challenges to cope with troubled raw material supplies, disease outbreak emergences (mostly in shrimp farming), trade barriers from importing countries, and an unfavorable economic situation.

Domestic demand for fishery products is also growing due to increased middle and high income segment of the population. Thailand is also a favorite haven for international restaurant chains in forms of franchising and own investment, due to changing lifestyles among Thai people and a booming tourism industry. According to the National Statistical Office (NSO), about 230,000 restaurants operate in Thailand with total sales of U.S. \$10.8 billion in 2016. Most international chain restaurants are American or Japanese. Quick Service Restaurants (QSR) such as KFC, Chester's, McDonald's,

Burger King, Mos Burger, A&W, and Texas Chicken are serving primary chicken, pork and beef in their menus, rather than heavily focusing on fish or seafood. On the other hand, full-service chain restaurants which serve grilled food, Japanese foods, Korean foods, and Thai/International foods, are a promising market for imported salmon and mackerel (Saba) in particular.

Restaurants in four-to-five stars hotels, stand-alone restaurants, and Chinese restaurants also serve imported seafood, including cod, halibut, lobster, Alaskan King crab, scallops, oysters, and mussels.

It is estimated by Kasikorn Research that on-line food sales and delivery business totaled U.S. \$666 million in 2016. This marketing channel is very popular in big cities like Bangkok, Phuket, and Chiang Mai, and the market should continue to grow favorably in the next few years. Some seafood importers also develop their own on-line business for seafood products, while some others operate their own seafood restaurants.

While traditional fresh markets, which still play an important role in Thailand, sell local fish and seafood products, modern trade supermarkets and superstores are selling both local and imported fishery products in big cities. Typical imported products available in these modern trade stores targeting medium to high end Thai consumers and expatriates include salmon, cod, snow fish, lobsters, Alaska King crab, and mussels. Since modern trade stores are expanding, the demand for imported fishery products are rising.

II. Fishery Production in Thailand

Thailand's domestic fishery supplies are locally derived from marine and inland capture fisheries and freshwater aquaculture.

One product that constitutes a high portion of Thailand's fishery exports is cultured shrimp product. A disease called Mortality Syndrome (EMS), Hepatopancreatic Acute Necrosis Syndrome, hit Thai cultured shrimp production in 2013 which immediately cut back the shrimp supply by 50 percent from the level of 540,000 metric tons (MT) in 2012. Although the industry made a lot of progress in diagnosing the disease and improving farm management practices, shrimp production never recovered to the record high level of before the outbreak. 2018 shrimp production is estimated at 350,000 MT.

Based on the Department of Fisheries' latest survey on Thailand's fishery catch production in 2015, total production of fisheries altogether for both marine and fresh water fisheries has continuously declined from 3.04 million metric tons (MMT) in 2011 to 2.43 MMT in 2015 (Tables 1). This reduction is mainly attributed to decreased production from the marine and inland catches. Thailand has been listed as a country with prevailing problem of human trafficking and illegal, unregulated, and unreported fishing (IUU). Thailand has responded the high pressure from the United States and the EU by highly restricting fishing practices, and as a result, Thai marine fishing activities dropped dramatically in the past few years.

Table 1: Thailand's total fisheries production of both marine and fresh water

Unit = 1,000 Ton					
Year	Total	Marine Capture	Inland Capture	Coastal Aquaculture Culture	Freshwater Aquaculture Culture
2011	3,036.5	1,610.4	224.7	817.0	384.4
2012	2,991.6	1,500.2	219.4	817.7	454.3
2013	2,822.1	1,614.5	210.3	561.5	435.8
2014	2,567.8	1,488.3	181.8	482.6	415.1
2015	2,429.8	1,317.2	184.1	508.7	419.8

Source: Department of Fisheries

Table 2 indicates that marine fish capture remains the major marine fishery, accounting for 82 percent of total marine catch of 1.32 MMT in 2015, while the rest goes to shrimp, crabs, squid and cuttlefish, and others. As for marine fish production 1.07 MMT (excluding shellfish), about three-quarters is used for human consumption, and the rest for making fishmeal for animal feed.

Table 2: Thailand's total production of marine capture fisheries by groups of species

Unit = 1,000 Ton									
Year	Total	Fish			Crustaceans		Cephalopod		Others
		Sub-Total Fish	Food Fish	Trash Fish	Shrimps	Crabs	Squids & Cuttlefishes	Molluscs	
2011	1,610.4	1,273.7	917.9	355.8	48.6	36	128.4	18.2	105.5
2012	1,500.2	1,238.3	916.6	321.7	45.5	40.5	119.9	14.3	41.7
2013	1,614.5	1,277.1	953.5	323.6	41.3	31.3	117	20.1	127.7
2014	1,488.3	1,235.2	933.3	301.9	40.3	28.4	100.9	18.3	65.2
2015	1,317.2	1,074.6	793.6	281	31.5	26.8	91	16.7	76.6

Source: Department of Fisheries

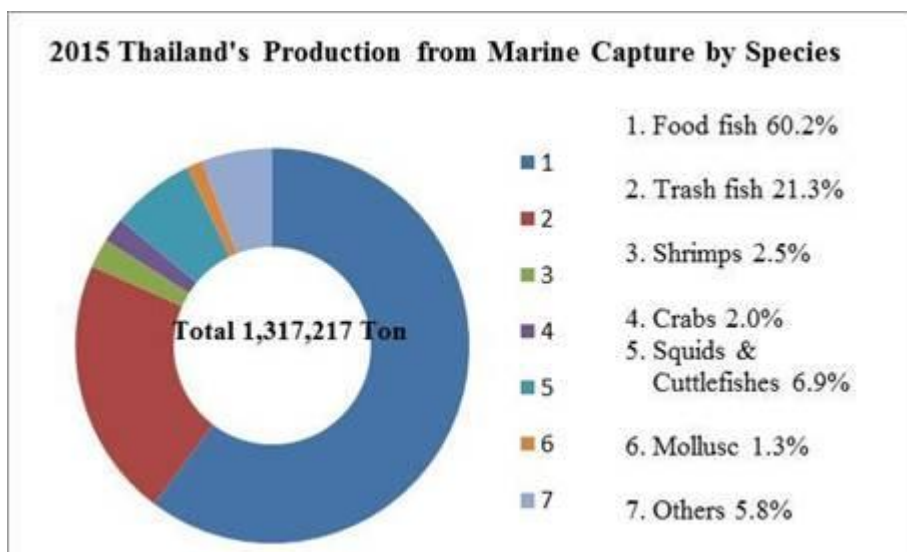


Table 3 illustrates that about 58 percent of coastal aquaculture production is derived from shrimp farming, followed by shellfish (38 percent) and fish (4 percent).

Table 3: Thailand's yield from coastal aquaculture by type of culture

Unit = 1,000 Ton								
Year	Total	Fish Culture	Shrimp Culture	Shellfish Culture				
				Sub-Total Shellfish	Blood Cockle	Green Mussel	Oysters	Horse Mussel
2011	817.0	18.9	611.4	186.7	51.7	126.6	8.4	0.0
2012	817.7	22.2	609.7	185.8	66.5	103.2	16.1	0.0
2013	561.5	19.3	325.4	216.8	71.3	127.9	17.6	0.0
2014	482.6	19.1	280.0	183.5	53.7	117	12.8	0.0
2015	508.7	19.5	294.8	194.4	59.0	115.5	19.9	0.0

Source: Department of Fisheries

Table 4 depicts a breakdown of fishery species by marine fishing and coastal aquaculture. Major types of marine species in 2015 include anchovies, sardines, Indo-Pacific mackerel Indian mackerel, crabs, squid/cuttlefish, and mollusc.

Table 4: Thailand's marine fisheries (including coastal aquaculture) production by species

Unit = 1,000 Ton					
Species	2011	2012	2013	2014	2015
Total	2,427.4	2,317.9	2,176.0	1,970.9	1,825.9
Sub-Total Fish	1,292.80	1,260.60	1,296.40	1,254.30	1,094.00
Sub-Total Pelagic	610.3	578.9	575.4	589.8	520.7
Indo-Pacific mackerel	147.8	129.0	145.3	145.3	70.3
Indian mackerel	54.2	48.8	50.1	49.8	46.6
King mackerel	8.8	8.6	7.4	7.5	8.5
Wolf-herrings	4.8	5.0	3.2	3.3	3.1
Longtail tuna	14.7	17.8	15.9	17.1	16.0
Eastern little tuna	23.6	21.5	23.4	24.9	26.1
Round scads	34.1	34.4	34.2	36.3	39.8
Hardtail scad	16.8	13.7	13.7	13.8	28.1
Trevallies	51.8	46.1	45.0	43.8	50.8
Big-ene scad	19.9	18.3	18.5	19.4	21.5
Black banded kingfish	1.2	2.8	2.6	2.1	0.6
Threafm	0.9	1.0	1.2	0.8	0.6
Sardines	62.6	73.3	71.9	75.4	81.0
Anchovies	142.8	129.4	116.7	127.7	102.1
Mullet	6.5	6.4	4.0	3.7	3.4
Black pomfret	2.1	2.4	2.0	1.7	1.7
Silver pomfret	0.6	1.2	0.7	0.4	1.0
Barracudas	16.7	18.7	19.3	16.4	19.1
Tunas	0.4	0.5	0.3	0.4	0.4
Sub-Total Demersal Fish	191.7	211.2	233.8	203.8	167.0

croaker	13.4	17.3	13.7	11.8	7.2
Threadfin breams	49.4	53.3	65.1	55.3	36.9
Monocle breams	3.3	2.4	7.0	8.1	12.6
Lizard fish	32.7	36.8	45.9	41.0	33.1
Haitail	10.2	8.3	6.7	6.2	5.9
Red snappers	5.9	6.5	6.2	4.8	10.5
Sea bass	16.2	19.4	16.9	16.7	17.5
Big-eyes	34.4	35.9	40.0	32.0	23.1
Sand whittings	2.7	2.9	2.5	2.6	1.3
Catfish eel	0.5	0.5	0.6	0.6	0.8
Sea catfish	1.9	4.7	3.3	3.6	1.3
Rays	3.4	4.3	4.1	3.8	3.2
Sharks	1.4	2.9	2.4	2.2	1.0
Flatfish	5.0	4.3	7.7	5.1	2.4
Indian halibut	1.5	2.0	2.6	1.8	0.6
Conger eel	3.2	2.5	2.6	2.3	2.3
Groupers	6.6	7.2	6.5	5.9	7.3
Other food fish	135.0	148.8	163.6	158.8	125.3
Trash fish	355.8	321.7	323.6	301.9	281.0
Sub-Total Crustaceans	695.8	695.6	398.0	348.6	353.1
Sub-Total Shrimp & Prawn	659.8	655.0	366.7	320.3	326.3
Banana shrimp	7.4	11.8	10.7	6.7	7.5
Giant tiger prawn	7.9	22.0	14.8	16.9	12.5
Green tiger shrimp	1.5	1.0	0.4	0.5	1.1
King prawn	1.2	1.3	0.6	0.3	0.3
School prawn	17.0	12.6	8.3	7.1	6.7
White leg shrimp	603.2	588.4	310.7	263.2	281.9
Other shrimp	15.3	12.9	16.9	22.0	12.9
Acetes	5.0	3.4	1.6	1.8	2.3
Flathead lobster	1.1	1.3	1.8	1.0	0.7
Mantis shrimps	0.2	0.3	0.9	0.8	0.3
Sub-Total Crabs	36.0	40.6	31.3	28.3	26.9
Swimming crabs	28.8	33.5	25.7	23.9	22.4
Mangrove crabs	2.6	2.9	2.2	1.6	1.5
Other crabs	4.6	4.2	3.4	2.8	3.0
Sub-Total Cephalopod	333.3	320.0	353.9	302.8	302.2
Sub-Total Squid & Cuttlefish	128.4	119.9	117.0	100.9	91.0
Squid	93.5	80.1	75.6	67.7	68.1
Cuttlefish	23.0	24.7	25.2	21.0	13.8
Bigfin reef squid	4.2	4.9	6.0	3.2	3.9
Octopus	7.7	10.2	10.2	9.0	5.2

Sub-Total Molluscs	204.9	200.1	236.9	201.9	211.2
Blood cockle	53.1	68.5	72.9	54.3	59.5
Green mussel	126.6	103.2	127.9	117.0	115.5
Oyster	8.4	16.1	17.6	12.8	19.9
Short necked clam	12.6	8.7	12.4	12.4	8.5
Scallop	0.3	0.4	0.3	0.8	4.1
Other shellfish	3.9	3.2	5.8	4.6	3.7
Sub-Total Others	105.5	41.7	127.7	65.2	76.6
Jellyfish	105.2	41.5	126.5	64.9	76.3
Others	0.3	0.2	1.2	0.3	0.3

Source: Department of Fisheries

Table 5 and Table 6 present fresh water fishery production. The main species of fishery production from inland catching are common silver barb, walking catfish, striped snake-head fish, and snake skin gourami (Table 5). Meanwhile, major types of fishery production from aquaculture include Nile tilapia, walking catfish, and common silver barb (Table 6).

Table 5: Thailand's production from inland capture by groups of species

Unit = 1,000 Ton									
Year	Total	Fish						Shrimp	Others
		Sub-Total Fish	Common Silver Barb	Walking Catfish	Striped Snake-Head Fish	Snake Skin Gourami	Other Fish		
2011	224.7	222.7	41.0	12.9	24.8	3.3	140.7	1.0	1.0
2012	219.4	217.4	36.2	12.5	24.7	3.1	140.9	1.2	0.8
2013	210.3	207.9	21.7	8.5	14.3	4.0	159.4	1.5	0.9
2014	181.8	179.7	21.5	8.4	14.9	2.9	132	1.1	1.0
2015	184.1	181.9	21.1	8.3	15.0	2.9	134.6	1.2	1.0

Source: Department of Fisheries

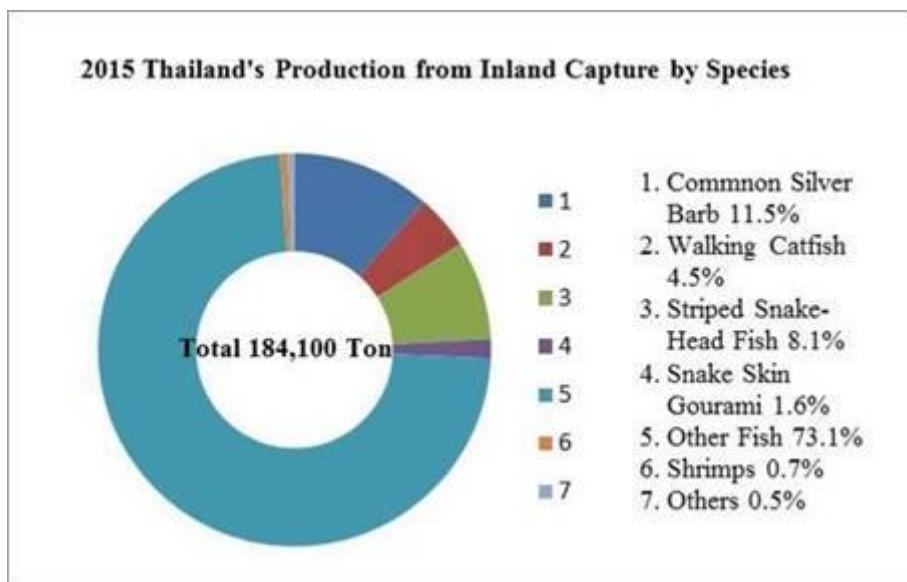


Table 6: Thailand's yield from freshwater aquaculture by species

Unit = 1,000 Ton

Year	Total	Fish										
		Sub-Total Fish	Nile tilapia	Common carp	Common silver barb	Snake skin gourami	Walking catfish	Striped snake-head fish	Striped catfish	Other fish	Crust prawn	Others
2011	3844	3500	155.5	2.2	30.4	31.3	100.8	3.8	20.7	12.0	21.1	4.4
2012	4543	4312	202.0	1.9	31.3	26.8	124.5	4.1	25.9	11.7	18.7	4.4
2013	4653	4157	197.6	1.9	30	26.7	120.3	3.8	22.6	10.6	15.0	4.1
2014	4171	3944	189.9	1.9	28.7	22.9	115.8	4.3	22.5	10.9	16.9	3.5
2015	4190	3903	205.9	1.3	26.5	15.0	114.2	3.0	19.1	10.3	16.2	4.3

Source: Department of Fisheries

III. Fishery Product Imports by Thailand

An increasing shortage of domestic raw materials has driven Thailand to become a large importer of fish products to serve its fishery processing for export. Thailand's fishery product imports totaled U.S. \$3.4 billion in 2017, up 16 percent from the 2016's level. Table 7 indicates that China is the largest supplier of fishery products to Thailand with U.S. \$380.2 million in value, followed by India at U.S. \$268.7 million, Taiwan at U.S. \$256.3 million, Vietnam at U.S. \$229.3 million, and the United States at U.S. \$229.2 million. Imports from these 5 supplying countries account for 40 percent of total fishery product imports.

Table 7: Thailand: Total Fish & Seafood Products Import from Top 5 Countries (Harmonized Codes 0302, 0303, 0304, 0306, 0307, 1604, and 1605)

Unit: Million U.S. \$			
	2015	2016	2017
World	2,456.2	2,947.9	3,421.6
China	353.6	428.5	380.2
India	130.1	181.0	268.7
Taiwan	191.1	246.2	256.3
Vietnam	189.7	209.8	229.3
U.S.A.	197.4	192.7	229.2

Source: Global Trade Atlas

As for fish imports, Table 8 indicates that Thailand's fresh/chilled fish imports increased by 30 percent to U.S. \$229.2 million from 2016's level. Major suppliers of fresh/chilled fish imports are Myanmar (37 percent), Norway (33 percent), and Malaysia (14 percent). Supplies from Myanmar are mainly nesoi (not elsewhere specified or included) fish and Indian Mackris, while those from Norway are Atlantic salmon, Danube salmon and trout. On the other hand, Malaysia is mostly supplying tuna and fish nesoi. Thailand imported only U.S. \$18,797 of anchovies and flatfish from the United States in 2017. It should be also noted that, since 2015, Thailand's fresh/chilled salmon imports from the U.S. has decreased because Thailand turned to import less expensive frozen fish products.

Table 8: Thailand's Fresh/Chilled Fish Product Imports by Country of Origin (HS Code 0302)

Unit: U.S. \$				
	2015	2016	2017	2017 Market Share
World	93,699,350	176,182,063	229,205,550	100.0%
Myanmar	10,268,749	55,085,151	84,921,489	37.1%
Norway	34,709,503	64,409,332	74,771,477	32.6%
Malaysia	5,116,063	17,008,942	31,241,906	13.6%
Japan	8,345,067	11,260,331	14,662,239	6.4%
Cambodia	1,321,676	3,298,391	5,947,136	2.6%
U.S.A.	225,635	35,095	18,797	0.0%

Source: Global Trade Atlas

Frozen fish are the main products in Thailand's fishery imports. Table 9 indicates that Thailand's frozen fish imports totaled U.S. \$2.1 billion in 2017. While Thailand imported frozen fish from over 100 countries, the major top five suppliers in 2017 are Taiwan (U.S. \$252 million), the United States (U.S. \$183 million), China (U.S. \$164 million), India (U.S. \$160 million), and Japan (U.S. \$124 million), respectively.

Main fish imported from the United States include tuna, salmon, and Alaska pollock.

Table 9: Thailand's Import of Fish, frozen excluding Fish Fillet and Fish Meat (HS Code 0303)

Unit: U.S. \$				
	2015	2016	2017	2017 Market Share
World	1,517,396,992	1,789,149,168	2,098,162,322	100.0%
Taiwan	179,372,195	238,585,203	252,405,051	12.0%
U.S.A.	166,982,550	160,548,033	182,700,711	8.7%
China	120,543,659	168,585,008	163,624,295	7.8%
India	73,081,103	113,402,286	160,152,184	7.6%
Japan	128,174,699	97,460,090	123,780,806	5.9%
Source: Global Trade Atlas				

Thai also imports fish fillets and other fish meat from Vietnam, the United States, and Norway, altogether accounting for about three-quarters of total fish fillets and other fish meat imports (Table 10).

Table 10: Thailand's Imports of Fish Fillet and Other Fish Meat (HS Code 0304)

Unit: U.S. \$				
	2015	2016	2017	2017 Market Share
World	197,037,242	194,540,582	224,958,296	100.0%
Vietnam	105,713,931	107,421,247	121,315,504	53.9%
U.S.A.	17,684,407	16,391,360	31,931,245	14.2%
Norway	15,106,477	13,546,854	16,842,088	7.5%
India	994,438	2,048,425	12,805,503	5.7%
China	16,640,362	19,326,158	9,582,871	4.3%
Source: Global Trade Atlas				

Table 11 indicates that Thailand's crustaceans imports (including crabs, lobsters, rock lobsters, shrimps, and prawns) totaled U.S. \$213 million in 2017, up 28 percent from the 2016 level. Major suppliers of crustaceans to Thailand are Argentina, accounting for 25 percent market share, followed by India 9 percent, and Canada and Myanmar (8 percent each). Thailand also imported live lobsters and frozen crab meat from the United States, totaling U.S. \$10 million altogether.

Table 11: Thailand's Import of Crustaceans, live, fresh, chilled, frozen, dried, smoked, in shell, cooked or boiling (HS Code 0306)

Unit: U.S. S				
	2015	2016	2017	2017 Market Share
World	137,136,982	166,757,500	213,167,056	100.0%
Argentina	17,112,448	39,940,623	53,056,230	24.9%
India	30,410,833	16,789,663	20,006,854	9.4%
Canada	15,092,416	19,388,270	16,515,087	7.7%
Myanmar	5,652,377	10,931,996	15,882,797	7.5%
U.S.A.	8,997,706	12,445,404	12,065,417	5.7%

Source: Global Trade Atlas

Table 12 shows that, in 2017, Thailand imported U.S. \$454 million of molluscs and about 60 percent of imports were sourced from China, India, and Vietnam. Main products imported from China and India are frozen squid while Vietnam mainly supplies frozen/dried cuttlefish. Thailand also imported frozen scallops from the U.S. but only a small amount of U.S. \$1.3 million in 2017.

Table 12: Thailand's Imports of Molluscs, live, fresh, chilled, frozen, dried, salted, or smoked (HS Code 0307)

Unit: U.S. S				
	2015	2016	2017	2017 Market Share
World	340,479,422	397,260,129	454,158,642	100.0%
China	149,273,575	152,991,925	139,953,740	30.8%
India	25,645,092	48,759,617	75,710,445	16.7%
Vietnam	43,920,057	41,408,912	51,682,069	11.4%
Peru	32,334,653	22,614,196	25,436,682	5.6%
Indonesia	8,036,929	27,479,414	23,305,472	5.1%
U.S.A.	2,928,212	2,799,690	2,156,139	0.5%

Source: Global Trade Atlas

Table 13: Thailand's Imports of Prepared or Preserved Fish; Caviar and Caviar Substitutes Prepared from Fish Eggs (HS Code 1604)

Unit: U.S. \$				
	2015	2016	2017	2017 Market Share
World	137,141,818	178,363,627	144,475,963	100.0%
Vietnam	33,792,841	50,996,999	44,922,654	31.1%
China	54,874,015	73,143,984	36,777,688	25.5%
Indonesia	17,064,642	22,964,019	32,510,349	22.5%
Thailand	16,574,558	12,802,822	12,481,321	8.6%
Japan	4,853,785	6,267,409	6,295,522	4.4%
U.S.A.	261,606	265,027	287,963	0.2%
Source: Global Trade Atlas				

Table 14: Thailand's Imports of Prepared or Preserved Crustaceans, Molluscs and Other Aquatic Invertebrate (HS Code 1605)

Unit: U.S. \$				
	2015	2016	2017	2017 Market Share
World	33,271,125	45,672,419	57,516,150	100.0%
China	12,303,530	14,498,370	30,247,333	52.6%
New Zealand	10,614,964	14,208,561	12,280,473	21.4%
Chile	3,983,013	3,236,341	3,985,467	6.9%
Japan	1,022,011	3,257,104	2,966,948	5.2%
Vietnam	1,061,346	1,693,615	2,776,557	4.8%
U.S.A.	332,046	205,975	5,037	0.0%
Source: Global Trade Atlas				

Thailand applies 5 percent import duties for all fishery products from WTO member countries. However, due to having Free Trade Agreement (FTAs) with Thailand, New Zealand, Australia, Peru, Japan, China, and other ASEAN countries. All enjoy a privilege of a zero tariff on nearly all of their fishery products exported into Thailand.

On January 1, 2015, the Ministry of Finance reduced tariff rates, from 5 percent to 0 percent, for certain seafood products under Sub Harmonized Code of 0302 - 0308 (see more details in the GAIN Report (TH5016). This tariff change was intended to assist Thai export-oriented food processors to compete in the world market, especially with manufacturers in ASEAN Economic Community (AEC) countries.

IV. Thailand: High Potential Market for U.S. Fishery Products

Increasing shortages of domestic raw materials to serve the export-oriented seafood producers generates high potential market opportunities for imported fishery products from global suppliers including the United States. Thailand's canned fishery industry is considered the world largest player. Thai cannery processors are sourcing products globally for tuna, sardine, and mackerel to serve their production lines as well as squid/cuttlefish and salmon for processed seafood. Thailand is also a large producer of surimi

products for export in the world. The Thai surimi industry has high demand for Alaska pollock, which is considered as one of the most important materials to make high valued products.

U.S. exports of pollock to Thailand increased significantly from U.S. \$8.4 million in 2015 to U.S. \$30.0 million in 2017. U.S. wild salmon is also high potential for Thailand due to its reputation of relatively lower fat content and being derived from sustainable fishing management. U.S. exports of Pacific and Sockeye salmon to Thailand rose to U.S. \$56.5 million in 2017 as compared to U.S. \$29.5 million in 2016.

Thailand is also a promising market for imported fishery products in the retail market sector due to lower domestic supplies and higher incomes among the Thai population. According to industry sources, about 15 percent of frozen fishery products being sold in high-end supermarkets in major cities are imported products. Imported fresh/chilled fishery products typically include salmon, halibut, cod, snow fish, tuna, yellowfin Tamaji, scallops, and oysters. On the other hand, frozen imported products are normally Maine lobster, Alaska King crab, Alaska King crab legs, cod, mussel, and salmon.

Supermarkets normally display high value fishery products on ice trays with signs indicating product names and country of origin. This means most customers are being educated about the products that they buy. Although Thai consumers are familiar with local seabass, tilapia, and shrimp, several Japanese restaurants (including stand-alone restaurants, restaurant chains, noodle chains, and quick-service outlets) are serving imported fishery products including salmon, Japanese-type fish and other seafood products. Grilled salmon is a popular menu being served in all Japanese-food restaurants in Thailand. High-end restaurants also offer more specific imported items such as lobster, halibut, King crab legs, cod, mussels, oysters, scallops, and etc.

Euromonitor International reports that the amount of fresh fishery products being sold in the retail market and food service sectors is growing sharply, by 25 percent, from 1.6 million tons in 2013 to 2.2 million tons in 2017. Sales of processed seafood also grew in the same degree from the 2013 level to 57,780 tons in 2017, of which 7,900 tons belongs to frozen processed seafood and 49,880 tons shelf stable seafood (canned sardines and tuna). It should be noted that annual growth of frozen processed seafood sales is higher than shelf-stable products. This might reflect that Thai consumers are looking for convenient foods that saves their energy, money and time like semi-cooked or TV dinner products (prawns, fish balls, fish cakes, fish fingers, process calami, etc.).

Sales of Processed Seafood during 2013-2017 by Volume (Tons)

	2013	2014	2015	2016	2017	Percent Annual Growth 2013/2017
Processed seafood	46,240	48,780	51,520	54,510	57,780	+6.2
Shelf stable seafood	40,500	42,520	44,730	47,170	49,880	+5.8
Frozen processed seafood	5,740	6,260	6,790	7,340	7,900	+9.4

Source: Euromonitor International

Table 15 describes U.S. exports of fishery products to Thailand. In 2017, U.S. frozen/fresh/chilled fish, excluding fish fillets and other fish meat, is the primary fishery product being exported to Thailand with a total value of U.S. \$183 million; followed by fish fillet and other fish meat exports at U.S. \$32

million; crustaceans (crabs, lobsters, shrimps, prawns, and more) at U.S. \$12 million; mollusc (scallops, oysters, mussels, clams, and others) at U.S. \$2 million; and combined prepared/preserved fish (caviar and caviar substitutes, crustaceans, mollusc and other aquatic invertebrates) at U.S. \$0.3 million.

Table 15: Categories of U.S. Fish and Seafood Export to Thailand

Unit: Million U.S. \$	2013	2014	2015	2016	2017
Fish, fresh, frozen, excluding fish fillet and other fish meat (tuna, salmon, Alaska pollock, cod, mackerel, and more) (0302-0303)	309.8	234.3	167.2	160.6	182.7
Fish filets and other fish meat, fresh/chilled/frozen (Alaska pollock, salmon, flat fish, fish meat, and more) (0304)	7.2	11.0	17.7	16.4	32.0
Crustaceans, live fresh chilled frozen dried; smoked; in shell (crabs, lobsters, shrimps, and more) (0306)	4.0	8.5	9.0	12.4	12.1
Molluscs, whether in shell or not, live/fresh/chilled/frozen/dried (scallops, oysters, mussels, clams, and more) (0307)	2.4	2.5	2.9	2.8	2.2
Prepared/preserved fish; caviar and caviar substitutes, Crustaceans, molluscs and other aquatic invertebrates (1604-1605)	1.6	0.3	0.6	0.5	0.3
Source: Global Trade Atlas					

Major U.S. fish and seafood products exports to Thailand include tuna, flat fish, Alaska Pollock, dogfish, cod, coalfish, salmon, crabs, lobsters, scallops, oysters, clams, and cockles.

Table 16: Major Fish and Seafood Import from U.S. in 2017

'000 U.S. Dollars					
Fish Species	HS Code Number	Major Exporting Countries and US	'000 U.S. \$	From World '000 U.S. \$	Market Share
Skipjack Tuna, Yellowfin Tunas, Bigeye Tunas, Longfinned Tunas, Bluefin Tunas (includes filets)	030343, 030342, 030344, 030341, 030487, 030235	Taiwan	243,426	1,302,293	19%
		S. Korea	119,868		9%
		US	109,574		8%
Flat Fish	030339, 030483	US	6,332	8,192	77%
		Canada	521		6%
		Japan	444		5%
Alaska Pollock (includes filets)	030367, 030494, 030475	US	30,260	34,433	88%
		Russia	3,912		11%
Dogfish, Sharks, Shark Fins	030381, 030392	US	1,271	4,387	29%
		Indonesia	1,533		35%
		Taiwan	610		14%
Cod (includes filets)	030363, 030471	Norway	688	2,142	32%
		S. Korea	524		24%
		Russia	483		23%
		US	291		14%
Fish Livers & Roes	030390, 030391	Iceland	5,036	10,325	49%
		US	3,200		31%
		Denmark	748		7%
Salmon, Pacific, Atlantic, Sockeye (includes filets)	030312, 030311, 030313, 030481, 030214, 030213	Norway	101,716	289,233	35%
		Chile	86,315		30%
		US	56,786		20%
		Russia	26,607		9%
Crabs	030614, 030624, 030633	Canada	6,404	61,828	10%
		Bahrain	10,603		17%
		Bangladesh	10,747		17%
		Pakistan	6,242		10%
		US	4,086		7%
Lobster	030612, 030622, 030532	US	6,220	10,509	59%
		Canada	3,962		38%
Shrimps & Prawns	030617, 030627, 030636	Argentina	53,056	96,910	55%
		India	14,317		15%
		Australia	4,997		5%
		US	934		1%

Rock Lobster, Sea Crawfish	030611, 030621, 033063	Vietnam	3,117	13,230	24%
		Myanmar	1,920		15%
		Brazil	1,203		9%
		Australia	1,114		8%
		US	316		2%
Scallops	030721, 030722, 030729	Japan	4,426	8,245	54%
		China	1,746		21%
		US	1,334		16%
		France	174		2%
Oysters	030711, 030712	France	3439	6060	57%
		Japan	931		15%
		US	436		7%
Clams, Cockles, Ark Shells	030771, 030779	India	3149	6708	47%
		Myanmar	1425		21%
		Malaysia	863		13%
		US	276		4%
Mussels	030731	France	653	1787	37%
		Australia	436		24%
		Cambodia	330		18%
		US	35		2%

Source: Global Trade Atlas

V. Advantages and Challenges for U.S. Seafood Products in Thailand

Advantages	Challenges
Thai population in urban areas (52 percent of total population) are increasing their spending more on imported food items	U.S. products are less competitive as compared to products from some supplying countries which enjoy FTA tariff differentials and their proximity to Thailand.
Eating style of Thai people is changing in favor of imported food items	A lack of promotion of U.S. seafood varieties on a regular basis in the Thai market. Exporters should conduct market promotion and development campaigns.
Growing niche markets among high income consumers who want to experience in high quality products.	Market penetration for imported products is concentrated in Bangkok and major tourist-destination provinces.
U.S. exporters are able to provide many varieties of seafood products.	Exporters are not aware that there is a room to promote new less expensive products.
Japanese, fine dining and other international style restaurants are willing to serve imported seafood products.	Prices of U.S. seafood products are relatively high.
Seafood is considered as a healthy protein source for consumption.	
Thai importers prefer dealing with reliable U.S. suppliers who are able to supply products at competitive prices.	A lack of trader and consumer awareness of U.S. products, while marketing costs to increase consumer awareness are relatively high.
	U.S. exporters prefer selling a full container of only one or two products.

<p>Thailand's fishery product processors are looking for U.S. products as alternative raw materials.</p>	<p>U.S. exporters have insufficient information and no good connection with fishery product processors in Thailand. U.S. exporters should hire Thai consultanting experts to update, follow up, and do business matching with Thai potential buyers.</p>
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End of Report.