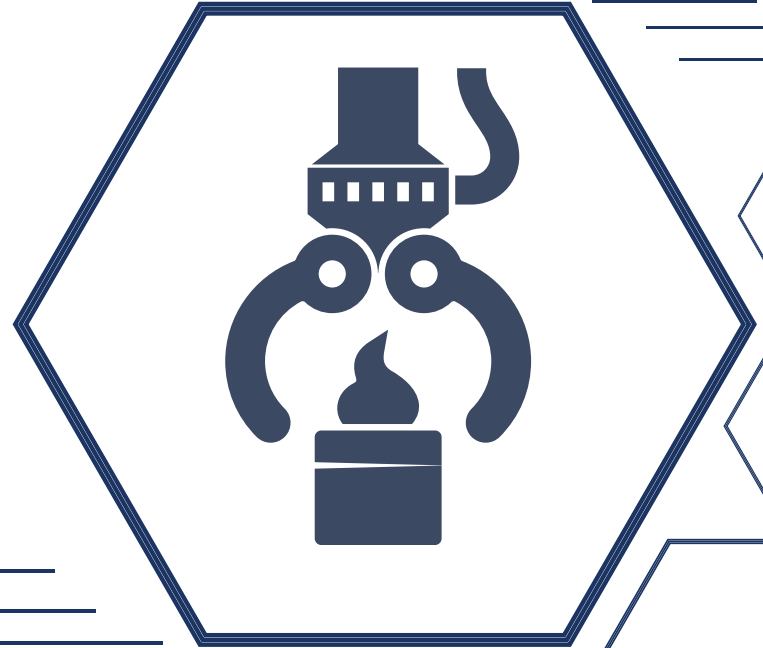







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Overview: Understanding Food Product Types

The Food and Agriculture Organization of the United Nations (FAO) has identified 3 types of food products based on their production processes as follows:

Types	Production Processes	Product Examples	
Minimally processed foods	<ul style="list-style-type: none">Uncomplicated processesGoal: Increasing shelf life for further processing	<ul style="list-style-type: none">Frozen food	
Processed culinary ingredient	<ul style="list-style-type: none">Extracting substance from raw materials	<ul style="list-style-type: none">Extracted oilModified starch	
Ultra-processed product	<ul style="list-style-type: none">Highly manipulated food that go through multiple processesLarge amount of added ingredients	<ul style="list-style-type: none">Soft drinksChipsChocolates	

Source: FAO



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Consumer Trends in the Food Industry

Consumer trends can be divided into three categories: megatrends, macro effects and micro effects. The megatrends will generate macro effects, which will in turn lead to micro effects on the food industry.

Three megatrends are (1) Globalization & Changing Economies, (2) Health & Wellness, and (3) Sustainability & Food Safety. Some of the resulting micro effects from these megatrends include globalization of ethnic food, the operation of both online stores and physical presences, free-from food, and transparent value chains.

	Megatrends	Macro effects	Micro effects
	Globalization & Changing Economies	Urbanization Gen-Y Globalization	Convenience Bricks and Clicks Indulgence and Visual Eating Social Media and Affluence Globalization changing competition Ethnic Food goes global
	Health & Wellness	Natural Trend Lifestyle Nutrition Preventive Healthcare	Free from Back to basics: Ancient foods Fitness for everybody Condition Nutrition Affordable Nutrition
	Sustainability & Food Safety	Traceability Responsible Nutrition	Transparent value chains Eating local, supporting local Eco is consumer friendly Ethical Trade

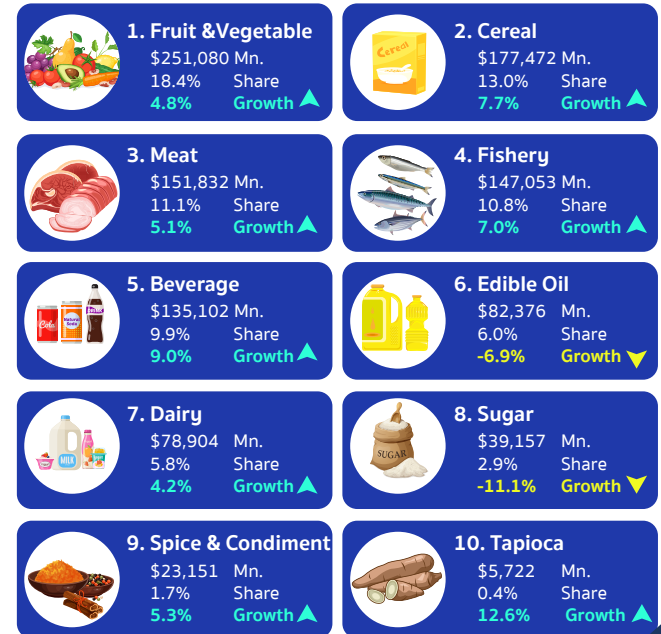
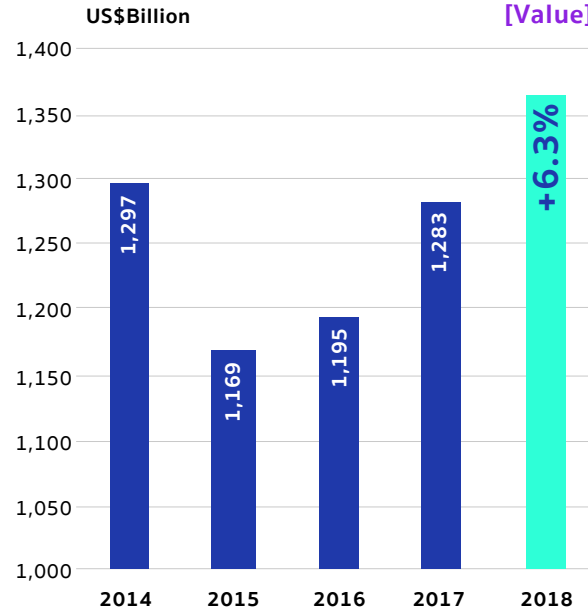
Source: Frost and Sullivan

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Global Food Market (2018)

In 2018, the global food market was valued at US\$1.364 Billion, with a growth rate of 6.3% from the previous year.



Source : Department of Research and Information, NFI analysis data from UNComtrade and Global Trade Atlas

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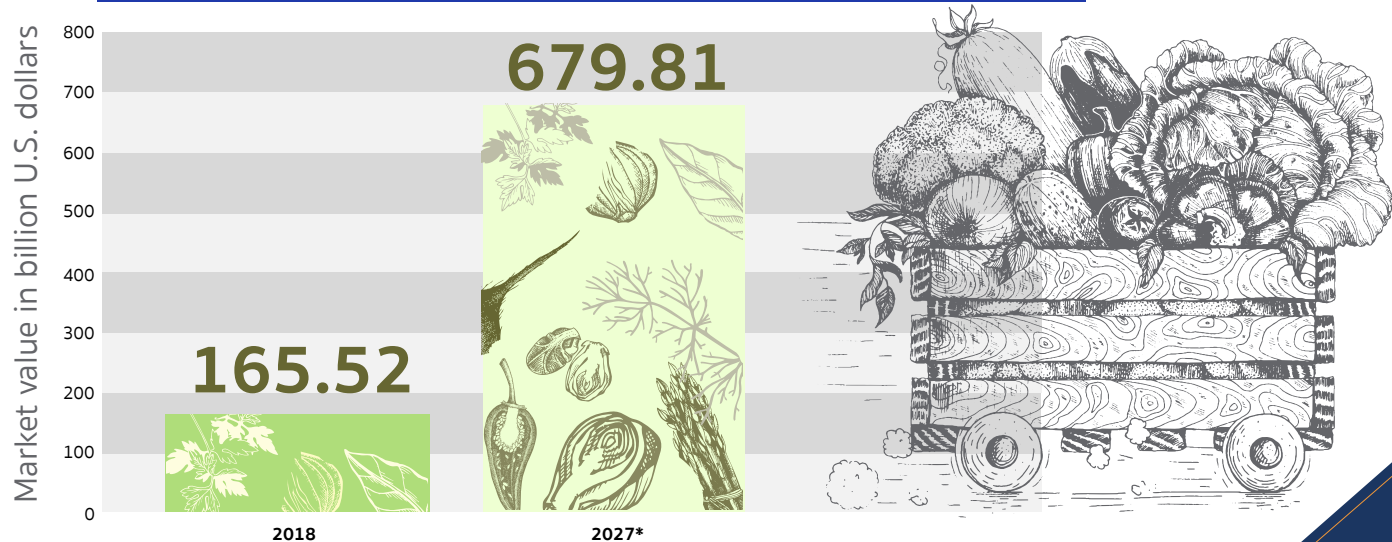
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Focus Area for Food Manufacturers: Shift to Organic & Natural

Today's consumers have shown increasing concerns about harmful side effects of synthetic additives. For this reason, they are demanding for natural alternatives. Food manufacturers are replacing synthetic products with natural ingredients and organic food, and the 'natural' label has become a distinguished trend.

Forecasted global market value of organic food and beverage (in US\$ Billion)



Source : Statista, 2019

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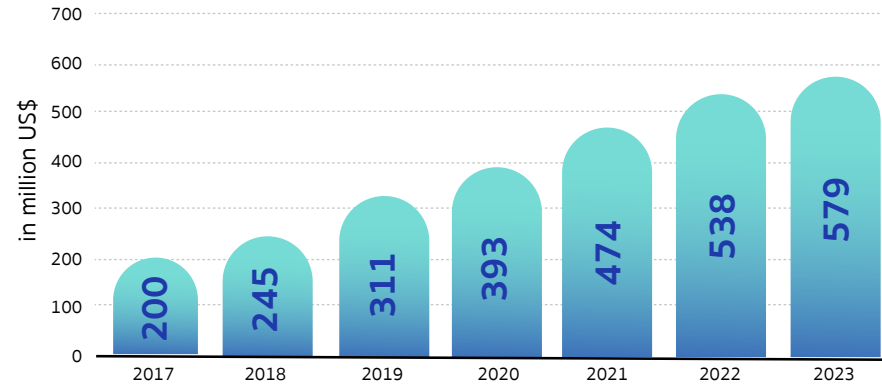
Overview of the Food Industry in Thailand

Known as “the kitchen of the world”, Thailand possesses abundant raw materials including cassava, sugar, rice and palm oil. Thai food processing companies can domestically source over 80% of their raw materials.

Revenue in the Food & Beverages segment amounts to US\$311m in 2019 and it is expected to show an annual growth rate (CAGR 2019-2023) of 16.8%, resulting in a market volume of US\$579m by 2023.

Almost 118,610 acres of land is being used for organic agriculture, with organic rice being the largest sector. Thai organic food products are being sold in many well-known supermarkets globally.

Revenue



Source: Statista, September 2019



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20 Largest Food Exporters (2018)

In 2018, the United States was the biggest food exporter in the world, followed by the Netherlands and Germany. Thailand was ranked as the 12th largest food exporter globally.



	Value (\$US Million)		Growth	Share		Rank	
	2017	2018	18/17	2017	2018	2017	2018
World	1,283,200	1,364,000	6.3%	100%	100%		
1. USA	128,311	129,535	1.0%	10.00%	▼ 9.50%	1	1
2. Netherlands	82,002	87,544	6.8%	6.39%	▲ 6.42%	2	2
3. Germany	71,413	74,831	4.8%	5.57%	▼ 5.49%	4	3
4. Brazil	70,695	72,014	1.9%	5.51%	▼ 5.28%	3	4
5. China	65,004	67,456	3.8%	5.07%	▼ 4.95%	5	5
6. France	62,032	66,753	7.6%	4.83%	▲ 4.89%	6	6
7. Spain	51,250	53,693	4.8%	3.99%	▼ 3.94%	7	7
8. Italy	43,219	47,216	9.2%	3.37%	▲ 3.46%	9	8
9. Canada	45,353	46,940	3.5%	3.53%	▼ 3.44%	8	9
10. Belgium	39,648	41,800	5.4%	3.09%	▼ 3.06%	10	10
11. Mexico	30,913	33,101	7.1%	2.41%	▲ 2.43%	13	11
12. Thailand	29,995	32,190	7.3%	2.34%	▲ 2.36%	14	12
13. India	32,543	31,206	-4.1%	2.54%	▼ 2.29%	11	13
14. UK	27,124	29,439	8.5%	2.11%	▲ 2.16%	15	14
15. Poland	26,328	29,232	11.0%	2.05%	▲ 2.14%	16	15
16. Australia	30,953	28,376	-8.3%	2.41%	▼ 2.08%	12	16
17. Vietnam	24,600	26,000	5.7%	1.92%	▼ 1.91%	18	17
18. New Zealand	22,608	23,246	2.8%	1.76%	▼ 1.70%	19	18
19. Russia	19,076	22,979	20.5%	1.49%	▲ 1.68%	20	19
20. Argentina	24,763	22,340	-9.8%	1.93%	▼ 1.64%	17	20

Source : Department of Research and Information, NFI analysis data from UNComtrade and Global Trade Atlas

Thailand's Food Export by Products (2018)

Ranking	Food Products	Export (Million Baht)	% of total export	% Change from 2017	
1	Rice	180,116	17.5	8.0	
2	Chicken	110,290	10.7	13.4	
3	Sugar	88,227	8.5	-3.0	
4	Canned Tuna	73,015	7.1	9.5	
5	Shrimp	58,896	5.7	-12.7	
6	Tapioca Starch	44,579	4.3	33.1	
7	Seasoning	23,832	2.3	12.5	
8	Coconut	19,845	1.9	19.7	
9	Pineapple	16,534	1.6	-27.8	
10	Ready to Eat	6,424	N/A	10.6	



Source : Department of Research and Information, NFI analysis data from Global Trade Atlas and Ministry of Commerce

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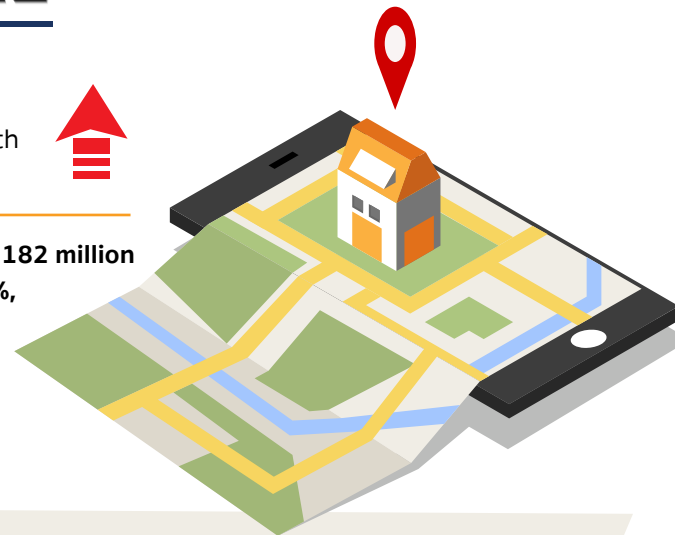
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Digitalized Food Service

Thailand's online food delivery market has seen steep growth with the proliferation of mobile devices.



Revenue in the Online Food Delivery segment amounts to **US\$ 182 million** in 2019. It is expected to show an **annual growth rate of 18.5%**, resulting in a market volume of US\$ 359 million by 2023.



Source: Statista

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Supportive Ecosystems

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The World Food Valley, which will cover 2,000 rai in Ang Thong province, is a collaboration between Thailand's public and private sectors. The project will provide infrastructure and comprehensive industry development services, including raw materials and quality control, testing, approval, and mentoring services. All levels of the value chain will be assembled in one place.



The Food Innopolis, which was established in 2016 at Thailand Science Park, covers 124,000 square meters. The facility is equipped with both wet and dry laboratories, with the purpose of strengthening the value chains for SMEs and large corporations. Resources located in the Innopolis include:



- 10,000 food
science students



- 20 pilot plants



- Over 3,000
highly-skilled food
researchers



- 150 research
laboratories



- 11 food and agricultural
factories



Investment incentive package for investment projects in the Eastern Economic Corridor (2020-2021)

Key features	Investment Incentives	Targeted activities			
		Section 8	A1	A2	A3
1. Standard tax package	Tax holidays	10 Years (no cap)	8 Years (no cap)	8 Years	5 Years

Human resource development programs (additional tax incentives)

2. Investment projects which are engaged in human resource development programs	Tax holidays	2 Years (no cap)	-	-	-
	50% reduction of CIT	-	3 Years	3 Years	3 Years

Projects located in the four promoted zones for specific industries (EECi, EECd, EECA and EECmd) OR industrial estates and promoted industrial parks

3. Investments located in EECi, EECd, EECA and EECmd	Tax holidays	1 year (no cap)	-	-	-
	50% reduction of CIT	-	2 Years	2 Years	2 Years

OR

3. Investments located in industrial estates and promoted industrial parks.	Tax holidays	1 year (no cap)	-	-	1 Year
	50% reduction of CIT	-	-	-	-

Remarks:

- A1 : Knowledge-based activities focusing on R&D and design to enhance the country's competitiveness.
A2 : Infrastructure activities for the country's development, activities using advanced technology to create value-added, with no or very few existing investments in Thailand.
A3 : High technology activities which are important to the development of the country, with a few investments already existing in Thailand.
Section 8 : Technology and Innovation Development includes targeted core technology development such as development of biotechnology, nanotechnology, advanced materials technology and digital technology.

New investment promotion measure in EEC

- Starting January 2, 2020

According to the announcement of the Board of Investment No.2/2563, announced on January 15th, 2020,

- Applications must be submitted by the last working day of 2021.

- Projects located in the four promoted zones for specific industries (EECi, EECd, EECA and EECmd) are eligible for the incentives without application deadline.

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Supporting Organizations



National Food Institute

Provide academic and technical knowledge and updated information to promote “Value Creation” in the Thai food industrial sector and to boost the competitiveness of the food sector.



Food Innopolis

A global food innovation hub with a fully-integrated infrastructure for science and technology focusing on research, development and innovation in the food industry.



Food Processing Industry Club

Supports and strengthens the relationship between the club's members to further improve the network in order to enhance efficiency in the food industry.



Thai Food Processors' Association

Provides recommendations and support in establishing domestic food regulations and international food standards. Also serves as a communications link between members and government agencies.



The Halal Standard Institute of Thailand

Promotes and increases the competitiveness of the country's halal food industry to support production, expand export opportunities, and protect Islamic consumers locally.



The Halal Science Center Chulalongkorn University

Provides analytical services, conducts R&D on new product innovation, and support related to scientific matters involved in the certification of Halal foods to enhance the quality of Thailand's Halal foods industry.