ASIA-INVEST

MARKET PLACE MONITORING

MARKET AND DESK RESEARCH IN THAILAND

WOOD SECTOR:
(TIMBER, FURNITURE, WOOD-WORKING MACHINERY)

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Direzione Generale Artigianato

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Introduction and background

Under the patronage of the European Union, Cestec (Centro Lombardo per lo Sviluppo Tecnologico e Produttivo delle Piccole e Medie Imprese) of Milan is seeking to promote links between Italian and Spanish companies and Thai companies in the specific field of wood industry.

As part of the initiative TICC (Thai-Italian Chamber of Commerce) has been appointed as Thai consultant to carry out a market study and compile information on the Thai market for wooden products and woodworking machinery and technologies.

The objectives of this project are to:
-provide background information on environment and supply of raw materials for wood industry;
-provide data analysis on production in Thailand of semi-finished and finished wooden products, giving specific attention to the sector of furniture;
-provide data analysis on import and export trends in the Thai market for semi-finished and finished wooden products, giving focusing on the sector of furniture;
-provide data analysis on production and imports in Thailand of wood-working machinery;
-provide appropriate recommendations to Italian and Spanish companies willing to enter in business relations with Thai counterparts;
-identify business opportunities for a selected group of Italian and Spanish companies looking for an agent, a distributor or a supplier in the Thai market.

This report has been prepared by TICC during the period November/December 1999 and is arranged as per the following sections:

1. Overview of Thailand and economic indicators
2. Forestry resources and timber production
3. Analysis of the market of wood industry (including a general outlook and separate analysis for: sawmills and production of sawn wood; the market of intermediate wooden products; the market of finished wooden products; the market of furniture)
4. Analysis of the market of woodworking machinery
5. General and specific information on the business environment, focusing on: channels of distribution for wooden products and wood-working machinery; Government regulations, including import regulations and custom’s duties; Government institutions and industrial associations, conditions of doing business, investment possibilities, internationals exhibitions held in Thailand in the specific sector of wood industry and furniture
6. Business opportunities identified during the research on the field, through personal visits to Thai companies
7. Conclusions and recommendations

Annexed are lists , company profiles of importers/distributors of furniture and woodworking machinery, manufacturers of furniture, manufacturers/exporters of semi-finished wooden products.

Summary report

1. Economic Overview of Thailand

Thailand has undergone a structural transformation in the past 30 years developing from an agriculture-based economy into an emerging industrial economy. The success of this transformation has resulted in Thailand having the fastest growing economy in the world over the period 1986/1995.
After more than a decade of sustained growth, the Thai economy entered in 1996 in a phase of adjustment, and in July 1997 the Thai Government let the baht to float, resulting in a devaluation that in January 1998 picked up for a short time to 110%.
In 1997 Thailand committed to a US$ 17 billion rescue package arranged under the umbrella of the IMF. In 1998 the GDP declined 10% but in middle 1999 the economy is believed to have bottomed out.
The main concern is the amount of not performing loans of banks. The problem is not over but forecasts for the growth of GNP are positive (+3.5/4% in 1999).

2.Natural resources

2.1 Forestry resources

Thailand has traditionally been one of the greenest countries on earth and one of the major producing countries for timber. In 1961, 53% of the land of the country was covered by rainforests, but not any more. In 1998, only 25% of the land surface could truly be called forested areas.
The current figures show that from the total Thailand's land of 513,115 sq.km. at present time just about 129,722 sq.km. is forested land. Since 1961 at least 140,000 sq.km. of forested land has been spoiled mostly due to industrialisation, fires and illegal cuttings.

2.2 Timber Production

In 1960 precious hardwoods were abundant and the kingdom was the world's leading exporter of teak, but illegal logging drastically reduced forestry resources.
In 1989 a mudslide in the South, caused by excessive logging, killed dozens of people and prompted the government to instigate a ban on logging. Since then deforestation has been reduced and the total production of wood from natural forest have been decreasing from 90,000 cum. in 1990 to 25,000 cum. in 1998.
To keep pace with its demand for timber Thailand has became a large importer of timber and reforestation has become an important issue with many projects of eucalyptus and rubberwood plantations. Consumption of wood declined from a peak of 4 million cum. in 1994 to 1.2 million in 1998. Species of timber imported are mainly yang, teak, pradu, krabak, conifer, oak and meranti.

2.3 Activities of sawmills-Production of sawn wood

Since 1989, when the logging ban has been enforced, 1,500 sawmills were in activity and more than 50% closed down but many sawmills survived due to been successful in obtaining logging concessions in Laos, Cambodia and Myanmar.
Currently 682 sawmills are in activity, 38% of them been located in provinces of central region. Only 633 sawmills currently in activity are equipped with sawing machines, the remaining 49 are still sawing manually.

3. The market of wood industry

3.1 Outlook on the state of the market of wood industry

In 1998 the total market of wooden products and furniture was valued at 85 billion baht of which 50% were products exported to foreign markets and the remainder being consumed domestically.
Official figures of exports of wooden products and furniture in 1998 are as follows:
-exports of intermediate wooden products: 3,293 million baht;
-exports of construction materials and finished products: 11,696 million baht;
-exports of metal furniture: 1,928 million baht;
-exports of wooden furniture and parts: 21,911 million baht.

3.2 The market of intermediate wooden products

It is estimated that in 1998 the total market value for intermediate wooden products should have been over 12/13 billion baht, 30/40% down from 1997.

In 1998 Thailand exported 20% of local production of intermediate wooden products.

3.2.1 Chipboard, particleboard and hard board

At present there are in Thailand 11 manufacturers of chipboard with a production of 125,000 cum. per year. The local production of particleboard and hard board in 1998 was valued at 442,500 cum. worth 2.9 billion baht, a decrease of 40% from 1997 in terms of volume.

Forecasts for the year 2000 are positive with the production of a few leading companies fully booked. There are at least 17 manufacturers of particleboard in Thailand.

3.2.2 Medium density fibreboard (MDF)

The production of medium density fibreboard (MDF) in Thailand is concentrated in five companies, the biggest one being S.T.A. Group. 80% of the MDF produced in Thailand is manufactured from rubberwood, 11% from bagasse and 9% from eucalyptus.

Total production capacity is 2,240 cum. per day. In 1998 the production is estimated to be of 200/300,000 cum.

3.2.3 Veneer and plywood

In 1994 Thailand was still depending mainly from imports to satisfy local demand of sheets for plywood and veneer sheets. Currently the production of veneer is meeting local demand while local producers of plywood are facing competition from Malaysian suppliers.

There are in Thailand 60 manufacturers of plywood having a production capacity of 12.6 million sheets. The production of plywood was valued 1 billion baht in 1998. Local manufacturers of plywood are using as raw material light hardwood and rubberwood.

In recent years Thailand became an exporter of veneer with over 15,000 cum. of material exported in 1998. The number of factories manufacturing veneer is currently less than 20.

3.3 The market of finished wooden products

In Thailand there is a long tradition of manufacturing wooden products. Total production of wooden finished products excluding furniture is over 25 billion baht.

In Thailand there are some 2,600 companies manufacturing wooden products, employing 200,000 workers, 20% of them considered skilled workers.

3.3.1 Wooden floorings and parquet

Thailand is manufacturing and exporting parquet of good quality in teak, cherry, oak and rubberwood, but foreign importers are complaining that export prices are non-competitive. Exports of floorings are mainly strips and friezes unfinished, made in teak.

3.3.2 Doors and window and door frames.

Production of doors and window and doorframes in Thailand increased steadily from 1990 and the level of quality improved over last years. Today Thailand is exporting yearly over 120 million baht of doors and window and door frames of which doors and door frames worth 80/90 million baht per year and window frames worth 30/40 million baht per year.

3.3.3 Boxes, pallets, packing

There are in Thailand over 200 manufacturers of wooden pallets, boxes and packing. Most companies are manufacturing their products by hand or using pneumatic tools. Mechanisation is still far from been introduced except for few companies exporting high quality products mainly to USA and to Japan and EU.

In 1998 Thailand exported wooden pallets, boxes and packing worth 2.3 billion baht, mainly to USA.

3.3.4 Wooden frames for pictures

In last decade Thailand developed the industry of manufacturing picture frames with a production-gaining acceptance in USA and in other overseas markets.

Local production of picture frames for export is made in parawood and in rubberwood, ash, red and white oak, hard and soft maple, yellow poplar and cherry.

In 1998 Thailand exported picture frames worth 4.7 billion baht, mainly to USA.

3.3.5 Tableware and kitchenware

Wooden tableware and kitchenware are the third largest wooden product for export in Thailand, with

2.5/3 billion baht of materials exported. USA accounts for more than 35% of the total.

3.4 The market of furniture

3.4.1 Domestic production

In Thailand there are over 1,800 manufacturers of furniture and parts, of which 90% manufacturing wooden furniture. Most companies are small and medium size. Local furniture industry is employing an estimated 400,000 workers, 25% of whom are considered skilled labour.

Today 90% of Thai wooden furniture are made from parawood and related products such as MDF and particleboard, 10% are made from hardwood and rattan.

Over the last 15 years the Thai furniture industry has posted growth rates of over 10% per year due to both the boom of the construction industry in Bangkok and the increasing demand from foreign markets.

In 1998 the total production of furniture went down to an estimated 41/42 billion baht.

In 1997 and 1998 over 150 companies manufacturing wooden furniture for local market closed down while companies manufacturing wooden furniture for export survived.

3.4.2 Exports of furniture

Thai furniture products of all categories have gained in the years ‘80s wider access in the global market as a result of the industry’s success in achieving a higher degree of sophistication in design, craftsmanship, choice of material, functionality, look, quality and competitive price.

Manufacturers of wooden furniture for local market are producing finished furniture while manufacturers of wooden furniture for export turned mostly to the production of knocked-down furniture.

In 1998 Thailand exported furniture and parts worth 24 billion baht of which 70% exported to USA and Japan.

3.4.3 Imports of furniture

Thailand became early in ‘90s an importer of high quality wooden furniture, mainly from USA, Italy, Germany and Japan, worth 150/200 million baht per year. However, as a consequence of the prohibitive customs duty of 60%, import figures remained till 1995 to a modest level.

In 1996 imports of furniture in Thailand increased dramatically and in 1997 reached the peak with 1,800 million baht, 60% of which imported from three countries: USA, Japan and Italy.

The reduction of custom duty in 1996 from 60% to 40% and a further reduction in 1997 to a mere 20% contributed to spur Thai imports of furniture.

The slump in the Thai economy, and in particular in the construction sector, resulted in a drastic reduction in imports of furniture of high quality: -72% in 1998 imports and -20% in first half of 1999.

4. The market of woodworking machinery

4.1 Local demand and apparent consumption

As the local production of woodworking machinery is limited to the manufacture of simple machines and tools, 97% of woodworking machinery used by local industry of wood are imported.

The number of Thai companies in activity in 1999, using woodworking machinery, was 5,098, plus 633 sawmills equipped with sawing machines. The number of companies working wood by hand was 819, of which 49 being sawmills.

Apparent consumption of woodworking machinery in 1998 was estimated to be 1.56 billion baht.

4.2 Domestic production of woodworking machinery

Local companies producing woodworking machinery and tools are small size companies, mainly family businesses**.** Currently in Thailand there are 35 manufacturers of woodworking machinery with a total turnover which in 1999 is forecasted to be less than 80 million baht, down 45/50% from the figures of 1997.

4.3 Exports of woodworking machinery

Over 50% of local production of woodworking machinery and tools are exported. In 1998 Thailand exported woodworking machines worth 71.6 million baht.

4.4 Imports of woodworking machinery

Local demand for woodworking machinery is met by imports from five leading countries: Germany,

Japan, Taiwan, Italy and USA.
The demand for woodworking machinery has risen steadily over last two decades, but lost steam when the economy slump affected the activity of local manufacturers of furniture and other wooden products.
Imports of woodworking machinery felt down from 4,668 million baht in 1995 to 1,640 million in 1997 and 1,528 million in 1998 and forecasts for imports of woodworking machinery in 1999 are not positive.

4.5 Market segmentation

Of the different groups of end-users of woodworking machinery manufacturers of wooden furniture buy the highest portion of woodworking machinery, while the demand from sawmills slowed-down along this decade.
Demand of woodworking machinery from manufacturers of wooden furniture for export is increasingly oriented towards higher technology (and higher price) machines.

5 Business environment

5.1 Channels of distribution

Furniture of good quality locally made is directly distributed by manufacturers through showrooms located in shopping centres and department stores or in specific commercial areas. Furniture of medium and low quality is still distributed through small shops. For imported furniture of high quality importers opened their own show rooms in Bangkok. Mark-up for imported furniture is currently within 40% and 60% of landing cost, except for exclusive furniture of highest quality
Locally made woodworking machinery are sold directly from the manufacturer to the end-user. 85/90% of woodworking machinery imported from abroad are distributed through 18/20 local companies acting both as commission agents and as direct importer/distributor. Commissions for local agents for indent imports are within 5% and 10% on FOB value. Mark up on landing cost for machinery imported directly by local distributor went down to a minimum of 15%/20%.
Of a total of 35/40 importers of woodworking machinery in activity in 1994, at least 30% closed down and another 20% switched temporarily to other activities. Currently only 18/20 companies are fully in activity as importers of woodworking machinery.

5.2 Import regulation and custom duties

In Thailand there are no extra-tariff barriers affecting imports of wooden products and woodworking machinery, except for specific types of sawing machines, which must obtain, prior to import, a licence.
Import tariffs are as follows:
-sawn timber and woodworking machinery: 5% on CIF value + VAT 7%
-intermediate and finished wooden products and furniture: 20% on CIF value + VAT 7%
On exports of sawn timber, veneer, plywood, MDF and particleboard an export duty of 40% is levied.

5.3 Government institutions

Government institutions involved in forestry and wood industry and in industrial activity, investment promotion and export promotion in general, are as follows: the Royal Forestry Department, the Thai Economic Reforestation and Forest Industry Development Association, the Department of Industrial Works of Ministry of Industry, the Department of Industrial Promotion, the Department of Export Promotion and the Board of Investment.

5.4 Industrial associations

Industrial associations of private sector involved in wood industry are as follows: the Federation of Thai Industries, the Thai Furniture Industries Association, the Sawmills Association and the Thai Parawood Association.

5.5 Conditions of doing business

In Thailand is generally advantageous to a foreign investor to have a Thai partner.
A foreigner may engage in business in a form of: single proprietorship; limited company; partnership; joint venture; branch of a foreign corporation; representative office or regional office.
In 1972 the Alien Business Law was promulgated to restrict foreign presence in certain types of

business activities; however foreign presence will be accepted if foreign investor is willing to invest accepting a minority position.
Companies promoted by the BOI may be permitted to engage in certain business activities restricted to Thai nationals under the Alien Business Law. It is required that all foreigners willing to work in Thailand must have a work permit.

5.6 Investment possibilities

The B.O.I. is the central investment planning authority of Thailand, responsible for promoting both domestic and foreign investments, through the provision of a range of fiscal and non-fiscal incentives and guarantees for specific investment projects. In the last 4 years over 3,000 applications for new projects have been submitted to B.O.I.
Since 1980 the wooden furniture industry has become one of the industrial sector of activity receiving promotion privileges from B.O.I. In first 10 months of 1999 B.O.I. received 26 applications for new investments in wooden products and furniture sectors.

5.7 International exhibitions

Reed-Tradex, is holding every three years Furnitech-Woodtech, the “International Woodworking, Furniture Production Machinery, Accessories and Technology Trade Exhibition and Conference**”**. Next edition will be held in BITEC on 4-7 October 2001.
Department of Export Promotion (DEP) will organise next year the “International Furniture Fair 2000**”** to be held in BITEC on 19-23 of April 2000. The exhibition shows mainly local production of wooden furniture for export. However a few foreign companies are used to participate in this exhibition.

6 Business opportunities identified during the research

During the first phase of the project the staff of researchers of TICC visited 34 local companies (15 importers of furniture; 5 manufacturers/exporters of furniture; 4 manufacturers/exporters of wooden products; 9 importers/distributors of woodworking machinery, 1 manufacturer/exporter of woodworking machinery).
22 business opportunities have been identified.

7 Conclusions and recommendations

The negative trend of the economy that Thailand experienced in all sectors during the last two years, deeply affected imports and local demand of both furniture and woodworking machinery, but forecasts for the year 2000 are quite positive.
Thai market of high quality imported home furniture focuses mainly in products made in Italy, Spain and USA. The perception of Thai importers is that European furniture has the best design and quality, being at the same time high-priced, but perception is also that Italian and Spanish companies are sometimes not professional in finishing, packing and shipping furniture to Thailand.
As the demand for imported furniture appears to be on the raise, there is scope for exporters of European-made furniture to pay personal visits to the Thai market to arrange agreements of exclusive agency with reliable local agents.
The demand of **woodworking machinery** has been slowing down, keeping in 1998 the pace of the manufacturing sector in general, but resulting in an unusual drop of imports during first half of 1999. A positive sign for a rebound of the market in 2000 is the high number of enquiries and requests of quotation that local importers received in December 1999.
European suppliers of woodworking machinery are well established in the Thai market, and Thai agents and end-users have a perception of high quality for European made machinery.
Since Thai end-users do not appear to be particularly brand-conscious and base their buying focusing on price, an accurate selection of a reliable Thai agent and distributor is the key to enter in the Thai market.

List of Companies and Associations visited by TICC staff and consultant		
Date	*Company/Association*	*Personnel*
2 November *(Meetings with Association and Institutions based in Bangkok)*	World Bank - library	Thai-Italian Chamber of Commerce (TICC)
	Asiatic Development Bank - library	
3 November *(Meetings with Association and Institutions based in Bangkok)*	Italian Trade Commission - library	TICC
	USA Embassy	
	Royal Department of Forestry	
	Economic Reforestation and Forest Industry Development Ass.	
4 November *(Meetings with Association and Institutions based in Bangkok)*	Board of Investment	TICC
	Department of Export Promotion	
5 November *(Meetings with Association and Institutions based in Bangkok)*	Thai Furniture Industries Association	TICC
	Federation of Thai Industries	
8 November *(Meetings with department stores)*	Central Department Store Ladprao	TICC
	Central Department Store Chidlom	
	Sogo Emporium	
	Maboonkrong Centre.: Acmen Co. ChawawatCo. Modenform (Casa Bella)	
9 November *(Meetings with importers in their showrooms)*	Moma Collection Co., Ltd.,	TICC
	Casa Mia Import export Co., Ltd.	
	Picotee Plus co., Ltd.,	
	R.P.S. Import Export Co., Ltd.	
10-12 November *(Meetings with companies and association in South Thailand)*	Thai Parawood association	TICC
	BSN Wood Industry Co., Ltd.	
	Daichii Particleboard Co., Ltd.	
16 November *(Meetings with companies in Chancoengsao Ind. Area)*	K.T. Thai Local Products Co., Ltd.	TICC
	Wood Vision and Scene Co., Ltd.	
17-19 November *(Follow up with European delegation)*	Moma Collection Co., Ltd.	TICC CCISEA Impiva
	Central Department Store,	
	Sopex Co., Ltd., Panasa Co., Ltd.	
	Pornpol Co., Ltd.	
	Casa Mia Import Export Co., Ltd.	
	Eurocreation Co., Ltd.	
	Deco Mart. Co.	
	Furniline Co., Ltd.	
	Panasa Co.	
	Picotee Plus Co., Ltd.	
22-24 November *(Meetings with companies in Northern Thailand)*	Chiangmai Sudaluck Co., Ltd.	TICC
	Dao-Ngearn Handicraft Co., Ltd.	
26 November *(Visits to companies in Samut Prakarn and Sri Racha Ind. Area)*	Sri Racha Industrial Park co., Ltd	TICC
	Dragon Thai Lumber Co., Ltd.	

	B.B. Home Design Co., Ltd.	
	ACT Leather (Thailand) Co., Ltd.	
30 November *(Meetings with companies in Rayong Ind. Area)*	Hemraj Industrial Park Co.	TICC
	Ltd.; Apina Industry Co., Ltd.	
	Rayong Particleboard Co., Ltd.	
	Union Forest Co., Ltd.	
13-16 December *(Meetings with companies in Bangkok)*	Boonthavorn Co., Ltd.	TICC
	Golden Hill Trading Co., Ltd.	
	Nan dee Intertrade Co., Ltd	
	Sahamit Machinery Public Co., Ltd.	
	Thai Int.'l Machinery Co., Ltd	
	Solimac Co. Ltd.	

A - MARKET PLACE OVERVIEW

1. Economic overview

1.1 Economic indicators

	1996	1997	1998	1999E
1-Population (Million)	60.0	60.6	61.2	61.8
2-GDP				
2.1 GDP at constant 1998 price (% change)	5.9	-1.8	-10.0	3.0/4.0
2.2 Agriculture	3.6	-0.7	-0.7	3.0
2.3 Non-agriculture	6.2	-1.9	-11.1	3.0/4.0
3-CPI change (%)	5.9	5.6	8.1	0.4*
4-External account (Billion USD)				
4.1 Export	54.7	56.7	52.9	41.1*
(% change)	(-1.9)	(3.8)	(-6.8)	(4.2)*
4.2 Import	70.8	61.3	40.6	33.9*
(% charge)	(0.6)	(-13.4)	(-33.8)	10.7*
4.3 Trade balance	-16.1	-4.6	12.3	7.2*
4.4 Current account balance	-14.4	-3.1	14.3	8.9*
4.5 Net capital movement	19.5	-9.1	-9.5	-4.7**
4.6 Balance of payment	2.2	-10.6	1.7	2.3
4.7 International reserves	38.7	27.0	29.5	32.4***
4.8 Total debt outstanding	90.5	93.4	86.2	79.7*
(of which public debt)	16.8	24.3	31.5	35.4*
5-Monetary statistics (Billion baht)				
5.1 M2	3,726.6	4,339.3	4,753.4	4,792.6*
(% change)	(12.6)	(16.4)	(9.5)	(2.2)*
5.2 M2a	4,752.2	4,821.8	5,118.1	N/A.
(% change)	(12.7)	(2.0)	(6.1)	N/A
5.3 Interest rate (year end)				
Prime rate	13/13.25	15.25	11.5/12	8.5/8.75*
Fixed deposit (one year)	8.5/9.25	10/13	6	4.5/4.75*
6-Exchange rate (baht/USD) (Average)	25.34	31.37	41.37	37.52*

**September   **August   ***October*

Source: Bank of Thailand

1.2 Overview of Thailand

Thailand has undergone a structural transformation in the past 30 years developing from an agriculture-based economy into an emerging industrial economy. The success of this transformation has resulted in Thailand having the fastest growing economy in the world over the period 1986/1995. **Thailand's manufacturing sector in 1996 accounted for over 30% of the GDP**, compared to 16% in 1970, while the contribution of agriculture came down to 11% in 1996 from 26% in 1970.

The most evident result of this economic prosperity has been the **increase of the per-capita GNP** in the period 1986/95 at the average rate of 8%, amounting to over US$ 2,700 in 1996.

After more than a decade of such a sustained growth, the Thai economy entered 1996 in a phase believed to be a “period of adjustment”, when the GDP growth slowed to 5.5%, but the situation deteriorated in 1997 with the local currency, the baht, going under strong pressure.

In July 1997 the Thai Government gave up the policy of defending the baht **and let the currency float**, resulting in a **devaluation** that in August was contained within 50% but in January 1998 picked up for a short time to 110%.

At the end of August 1997 Thailand committed to a **US$ 17 billion rescue package** arranged under the umbrella of the International Monetary Fund, substantially reducing expenditures, initiating a program to privatise state-owned enterprises and instituting a wide range of finance sector reforms.

For full-year 1997 Thailand experienced a decline of a mere 1.8% in GDP but in **1998** the **GDP declined 10%** with a negative growth forecasted for 1999. On the other side a bouncing baht recovered strongly with an historical minimum (for the period 1998/99) of 35.8 baht giving free hands to the Government for a more liberal financial policy.

Relaxation in controls of capital movements, low bank interest rates, positive data in both trade balance and balance of payments contributed in early 1999 to lift sentiments.

To speed up the recovery of manufacturing industry, reduce inflation and improve domestic consumption, the Government cut in April 1999 the value-added tax from 10% to 7%.

According to several economic indicators **the economy is believed to have bottomed out in middle 1999:**
-private consumption increased substantially with sales of cars leading the recovery;
-international reserves returned to an healthy amount of USD 33 billion, prompting the Government to stop withdrawing financial resources from FMI;
-the inflation went under control at the end of 1998, however signs of deflation appeared in 1999;
-exports are expected to rise at least 5% by the end of 1999;
-imports, both of consumer goods and industrial products, showed a positive trend, giving clear sign of increases in local demand;
-the baht maintained all around the year 1999 a stable exchange rate within the range of 37/40 baht per US$;
-the interest rate for bank deposits felt down from 12/15% in 1998 to 3.50/4% at the end of 1999 and the lending rate felt down from 19/20% to 8/10%.

Low interest rates and a steady baht through the second half of 1998 and first half of 1999 helped many firms gain breathing room to renegotiate debts, restructure operations and raise new capital.

The main concern is the amount of **not performing loans of the bank system**. No sign of substantial recovery has yet appeared and the percentage of not performing loans (loans not having repaid capital and interests for at least 2 months) was at the end of 1999 still at the level of 38-40% for private banks, 60-65% for state banks and over 70% for financial companies. However, early in 1999 the banking system started a wide program of restructuring of 1.5 trillion baht of bad loans with several major debt cases already settled at the end of 1999.

Although the problem of bad loans is giving clouds to the picture of Thai economy, **forecasts for the growth of GNP are positive**; both Thai Government and FMI are expecting a growth of GNP of 3.5/4% in 1999 and 5.5/6% in 2000.

2. Natural resources

2.1 Forestry resources

Thailand has traditionally been one of the greenest countries on earth and one of the major producing countries for timber. **In 1961 53% of the land of the country was covered by lush rainforests** fed by mighty river systems flowing down from Himalayan mountain range. Precious hardwoods were so abundant that the kingdom was the world's leading exporter of teak.

Not any more. Whereas once most of the country was covered in a thick blanket of forest, **in 1998 only 25% of the land surface could truly be called forested area.**

Several factors have contributed to the destruction of at least 55% of the kingdom's woodlands, including fires and illegal cuttings, but the main factor was Thailand rapid emergence as an industrialising country with at least 7 million hectares lost to build roads, dams, cities, agricultural co-operatives.

Also the changing of geopolitics of the region have paid a part in deforestation. Once, hilltribe people roamed across the borders of several Southeast Asian nations for periodical migrations, reaping forest's resources but doing not extensive damage.

As central governments increased controls on the borders, forcing hilltribes to settle in one country, Thailand's hilltribe people increased from 100,000 to 800,000 and the toll they took on Thailand's forest became much greater.

The current data from the Data Centre, Information Office of the Royal Forest Department show that from the total Thailand's land of 513,115 sq.km. at present time just about **129,722 sq.km. is forested land**. Since 1961 at least 140,000 sq.km. of forested land have been spoiled.

Of forested land 129,722 sq.km. 56.3% (or 73,057 sq.km.) is located in the North, where teak and pine are the predominant species. As per type of forest, 43% is tropical evergreen forest, 22% is mixed deciduous forest and 31% is dry dipterocarp forest.

Currently forests in Thailand are divided in three sectors:

- those cultivated and tended by the Thai Government's Forestry Department;
- those cultivated and used by the Forest Industry oranization, which is a state enterprise;
- those grown by planters on their own private land and who tend to the trees thereby reaping the profits.

2.2 Timber Production

In 1960 precious hardwoods were abundant and the kingdom was the world's leading exporter of teak, but illegal and disorderly activities of logging carried on in '70s and '80s drastically reduced forestry resources.

In the period from 1977 to 1988 an estimated **2.5 million cubic metres of wood has been produced yearly in Thailand** both from authorised and unauthorised logging. Over 30 concessions for logging were in activity in 1998.

In 1989 a mudslide in the Southern region of Chumpon, caused by excessive logging, killed dozens of people and prompted the government to instigate a **nation-wide ban on logging**.

Since then deforestation has been dramatically reduced and the total production of wood from natural forest has been gradually decreasing from 90,000 cubic metres in 1990 to 25.000 cubic metres in 1998.

To keep pace with its demand for timber, which in the '70s and '80s has been rising by 5/7% per year, Thailand has become in early '90s the largest importer of timber in the region.

As a result of the decreasing of logging in forest area, reforestation has become an important issue for Thai government with many **projects of eucalyptus and rubberwood plantations totalling, at the end of 1999, over 6.500 square Km.** of which:
-5.400 square Km. of rubberwood;
-1.100 square Km. of eucalyptus.

The Royal Forest Department has been very active, with forest plantations concentrated in the South (4.000 sq.km.) and in the Northeast (1.350 sq.km.) of Thailand, while private sector realised their own projects of concessionaire's reforestation on a land totalling 1.470 square Km.

Projects of **eucalyptus plantation** brought a lot of problems with land completely spoiled after harvesting and consequentially **rubberwood plantation** became popular with pararubber wood utilised by most of local manufacturers of MDF, particle wood and furniture. Plantation of rubberwood tree is currently concentrated in the South of Thailand (in Songkhla, Surathani and Nakhon Sri Thammarat provinces).

In 1998 the total harvest of rubberwood was estimated by The Royal Forest Department to be 30.000 hectares. However, in Thailand the felling of rubber trees for parawood should be in accordance with the Sixth National Economic and Social Development Plan which supports the felling of not over 312.500 rai (i.e. 52.100 hectares) per year.

As per official statistics, the **total local consumption of wood declined from a peak of 4 million cubic metres in 1994 to 1.2 million in 1998**, with imports of 278.000 cubic metres of logs mainly from Myanmar and 961.000 cubic metres of sawn timber mainly from Malaysia.

Species of logs imported are mainly yang, teak, pradu, krabak and meranti. Species of sawn timber imported are mainly yang, teak, conifer, krabak, oak, pradu and meranti.

Official statistics of export show that since 1995 Thailand has been exporting sawn timber, mostly to Malaysia, in a quantity exceeding local production of logs. According to statistics of the Data Centre, Information Office of the Royal Forest Department, **in 1998 Thailand exported logs and sawn timber worth 108.000 cubic metres**, 54.000 cubic metres more than local production of wood.

Thailand exported in 1998 only logs of eucalyptus and conifer. For sawn timber exports were mostly concentrated in parawood (70%), plus exports for small quantities of teak, conifer and pradu.

Local production of timber in 1998 was valued from Forestry Department to be 54.800 cubic metres of which 11,900 cubic metres of teak and 15,800 cubic metres of other reserved species confiscated.

Consequentially, official figures of domestic wood apparent consumption are lower than import figures with total imports of wood worth 1.239.700 cubic metres and domestic apparent consumption at the level of 1.186.300 cubic metres.

Apparent Domestic Consumption of Wood (1,000 cubic metres)

Year	Local production	Imports of logs and sawn wood	Exports of logs and sawn wood	Apparent domestic consumption
1995	34.9	3,463.6	80.5	3,418.0
1996	43.9	3,231.8	45.4	3,230.3
1997	59.7	2,358.6	79.7	2,338.6
1998	54.8	1,239.7	108.2	1,186.3

In reality it is estimated that **large quantities of logs and sawn timber are illegally imported in Thailand** from neighbour countries: Myanmar, Cambodia and, for small quantities, Laos and Malaysia. Most of illegally imported wood is teak, yang and krabak.

Hardwood logs are also frequently imported from USA, Africa and Brazil. American Hardwood Export Council, the international trade organization of the US hardwood industry, set up an office in Hong Kong in 1992 to promote exports of hardwood to Southeast Asia.

2.3 Activities of sawmills-Production of sawn wood

Since 1989 when the logging ban was enforced, more than 50% of the 1500 sawmills in activity closed down. However, many sawmills survived by successfully obtaining logging concessions in Laos, Cambodia and Myanmar.

Currently 682 **sawmills are in activity**, 38% of them been located in provinces of central region. Only 633 sawmills currently in activity are equipped with sawing machines, the remaining 49 are still sawing manually.

Total production capacity of five largest sawmills is estimated to be 1.000/1.500 cubic metres of logs per day.

Sawmill	Address	Telephone
Aree Apirak Co.Ltd.	86 Moo 4, Banchang - Pathumthani	587-8873/4
Eab Huat Seng Sawmill	45/3 Charunsanitwong Road-Bangkok	424-6553
Santi Forestry Co.Ltd.	Sino-Thai Tower-Asoke Road-Bangkok	260-1210
Thai Chiang Sawmill L.P	637 Pracharaj 1 Road-Bangsue-Bangkok	585-1369
Vanachai Group of Companies	2/1 Phibulsongkram-Bangseu-Bangkok	526-9682/6

Santi Forestry Co., Ltd. belongs to Santi Forestry Group, one of the biggest groups in wood industry; Thai Wood Sawmill is a sawmill under control of the Forest Industry organization.

Technologies for sawing in use in local sawmills and in factories manufacturing wood products, and popular brands are as follows:

- Allied Ware from Japan (bandsaws);

- Bruks Chipper from Sweden (mobile chippers);
- Colombo & Cremona from Italy (high speed peeling lathes; electronic log chargers);
- Coral from Italy (dust collectors);
- Daichi from Japan (tools for saw);
- Duspohl from Germany (mitre circular saws);
- Flai from Italy (circular saw blades);
- Jocar from Portugal (various kind of saws);
- Kvaerner Mesna from Norway (saw blades);
- Maggi and Omga from Italy (radial arm saws);
- Nardi from Italy (timber pre-dryers and steaming chambers for logs);
- Posch from Austria (machines for logs);
- Rexma International from Taiwan (table circular saws; band saws);
- Sandvik from Sweden (radial bandsaws);
- Scortegagna from Italy (hack saw machines);
- Stenner from United Kingdom (log bandsaws);
- Stromab from Italy (radial saws);
- Vollmer Werke from Germany (machines for sharpening of saw blades).

3. The market of wood industry

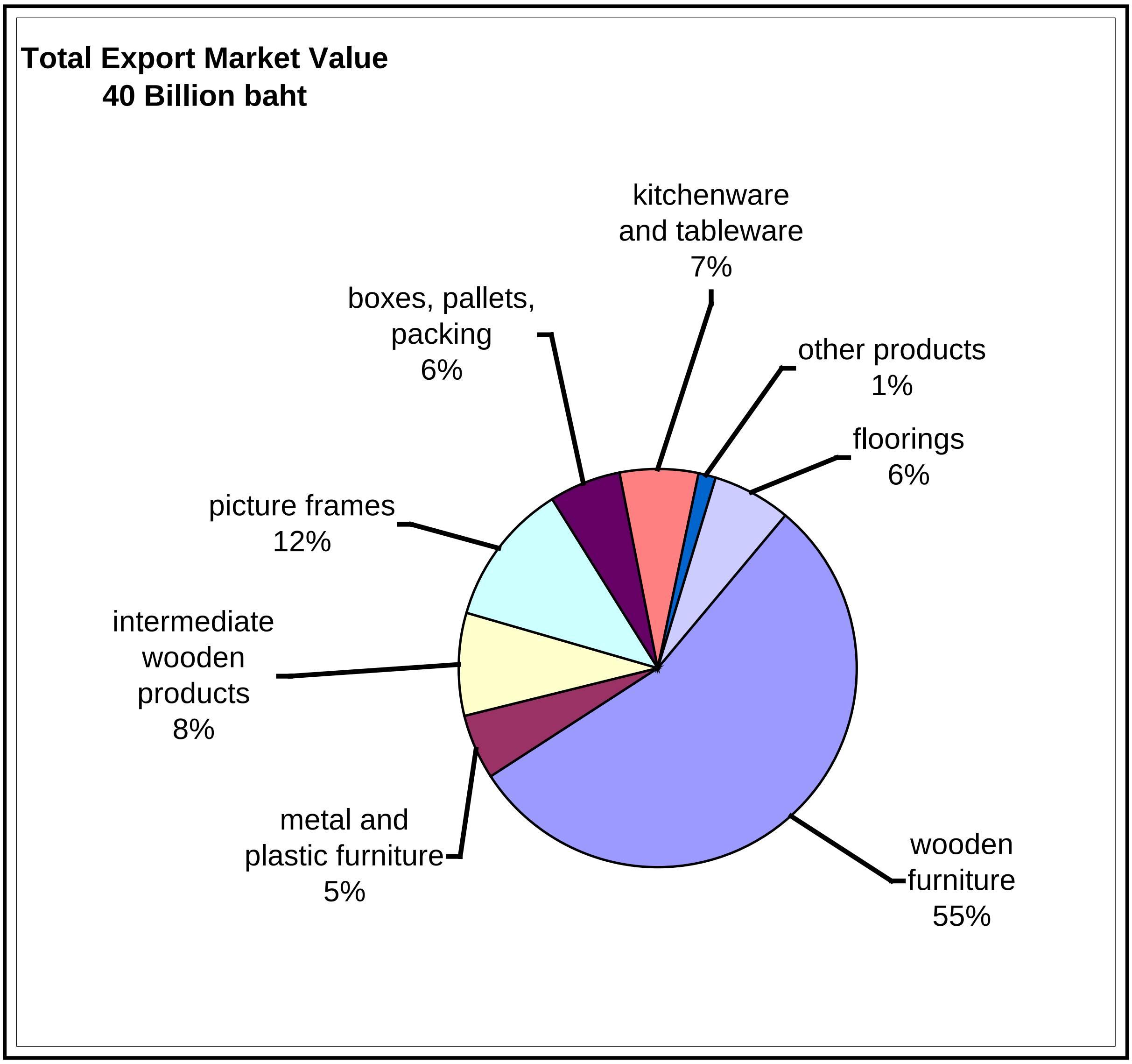
3.1 Outlook on the state of the market of wood industry

In 1998 the **total market of wooden products (both intermediate and finished products, including furniture) was valued at 80 billion baht** of which 50% (or 40 billion baht) were products exported to foreign markets and the remaining was consumed domestically.

In 1998, according to data released by the Customs Department:

- the export market of intermediate wooden products (chipboard and other boards, MDF, veneer, plywood) was valued at 3,293 million baht;
- the export market of construction materials (doors, window and door frames, parquet) and finished products (tableware and kitchenware, picture frames, boxes and packing), was valued at 11,696 million baht;
- the export market of metal furniture was valued at 1,928 million baht;
- the export market of wooden furniture and parts was valued at 21,911 billion baht;
- the export market of furniture in plastic materials was valued at 183 million baht.

Breakdown of exports of wooden products and furniture



Traditionally **two big industrial groups** should be mentioned as leaders in the Thai market of wooden products:

- Santi Group of Companies founded in 1972 by Mr. Santi Vayakornvichitr. The Group has a registered capital of 500 million baht and it is manufacturing wooden furniture, wooden materials for interior decoration, floorings, veneer, parawood finished products. An associated company of Santi Group (Santi Forestry Co.Ltd.) is one the five biggest sawmills of Thailand.

- Vanachai Group of Companies which entered the wood processing industry as long ago as 1943, launching in 1978 its innovative products onto the construction and furniture market and finally developing its wood substitute industry, adapting its activity to natural resource conservation strategies. The Group controls 6 companies: Durospan Co., Ltd., Mae Yai Co., Ltd., Particle Planner Co., Ltd., Vanachai Chemical Industries Co., Ltd., Vanachai Panel Industries Co., Ltd., Woodtek International Co.Ltd. The Group has a registered capital of 1 billion baht.

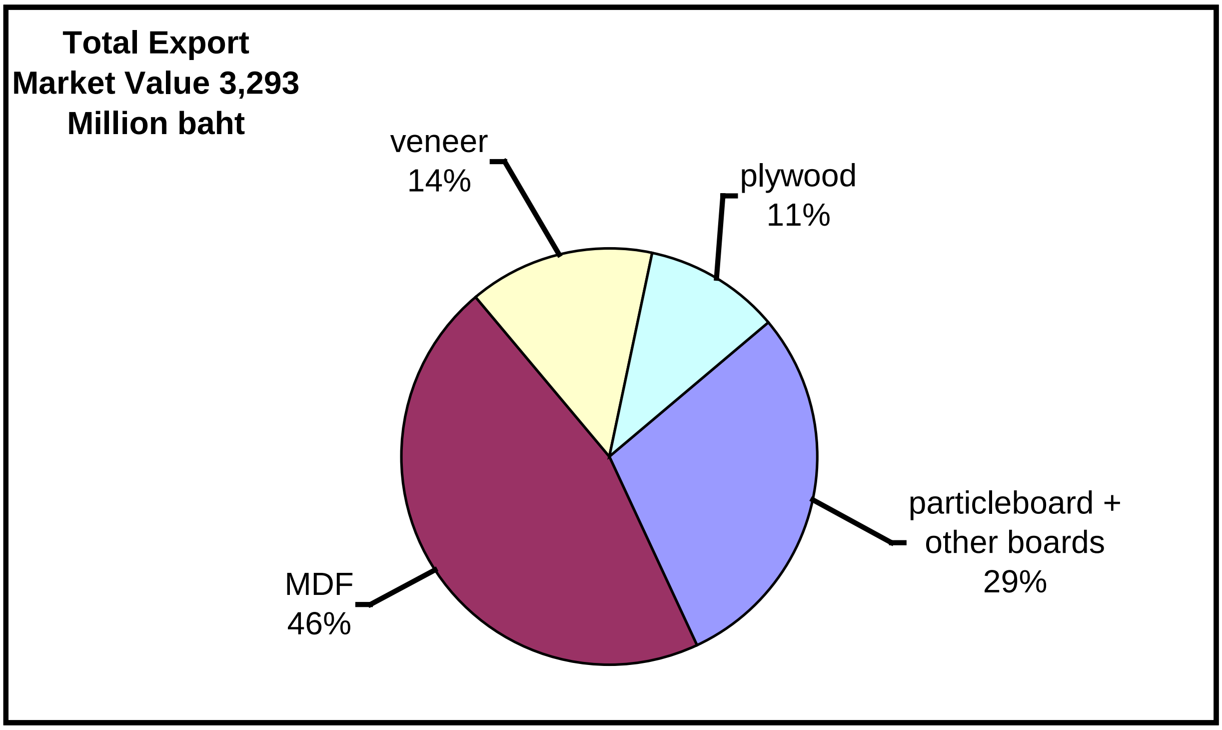
3.2 The market of intermediate wooden products

Official figures on the total of industrial production of intermediate wooden products (particleboard and other board, MDF, veneer and plywood) are not available from Ministry of Industry. Official figures are only made available for particleboard and plywood.

From local manufacturers it is estimated that in 1998 the total market value for intermediate wooden products should have been over 12/13 billion baht, 30/40% down from 1997.

In 1998 Thailand exported intermediate wooden products worth 3,293 million baht, or 30% of local production.

Breakdown of exports of intermediate wooden products



3.2.1 Chipboard, particleboard and hard board

The local production of chipboard is mainly concentrated in the Northeast of Thailand and only a few factories are located close to Bangkok. At present there are in Thailand **11 manufacturers of chipboard with a production of around 125,000 cubic metres per year.**
The range of panels of chipboard manufactured in Thailand is from 1.20 to 2.40 metres with thickness from 9 to 35 millimetres.

The local production of particleboard and hard board in 1998 was valued at 442,500 cubic metres worth 2.9 billion baht, a decrease of 40% from 1997 in terms of volume.

Official figures released by the Ministry of Industry show that in Thailand there is currently an over-capacity of production installed in local manufacturing companies of these boards. The **rate of utilisation of combined production capacity** (valued in 2.5 million sheets per year) went down from the already poor figure of 28% in 1995 to a mere 17% in 1998 and many companies manufacturing particle board have been obliged to close down.

Forecasts for the year 2000 are positive with the production of a few leading companies fully booked by local manufacturers of furniture and other finished wooden products. Local distributors of machinery for manufacturing of particleboard are receiving enquiries for possible investment in new plants.

Currently both three-layer particle board and graduate particleboard are manufactured from recycled rubberwood branches, shavings and chips.

There are at least 17 manufacturers of particleboard in Thailand. Largest companies are listed below.

Manufacturer	Raw material	Production capacity
Daiichi Particleboard Co., Ltd.	Parawood	100 cum./day
Durospan Co., Ltd.	Parawood	150 cum./day
M.P. Particle Board Co., Ltd.	Bagasse	200 cum./day
Particle Planner Co., Ltd.	Parawood	410 cum./day
Phanggna Parawood Co., Ltd.	Parawood	200 cum./day
Rayong Particle Board Co., Ltd.	Parawood	250 cum./day
Reung Uthai Particle Co., Ltd.	Parawood	280 cum./day
S.T.A Group PLC.	Parawood	900 cum./day
Sahachai Particle Board Co., Ltd.	Parawood	150 cum./day
Santi Paratech Co., Ltd.	Parawood	150 cum./day
Sor Kitchai ParticleBoard Co., Ltd.	Parawood	150 cum./day
V.P. Wood Products Co., Ltd.	Parawood	150 cum./day
Vanachai Panel Industries Co., Ltd.	Parawood	1,000 cum./day

Source: The Thai Furniture Industries Association - 1999 Directory

Only one of the biggest companies (M.P. Particle Board) is manufacturing particleboard from bagasse, while a small part of the production of two other companies (Thai Namsaeng Wood Industry and V.P. Wood Products) is represented by particleboard manufactured from eucalyptus.

The increase of volume of domestic production of particleboard brought to an increase in exports of particleboard and similar wooden board. **In the first half of 1999 exports of particleboard and other similar wooden board surged to 670 million baht**, an increase of 42% from the same period of 1998.

The increase in exports was mainly due to a strong demand of particleboard from South Korea where the furniture industry showed a good recovery from the slump of 1997/98.

Exports of particleboard and similar board of wood
(Million baht)

	1997	1998	1999 (Jan./June)
Total	**560.2**	**958.6**	**669.6**
South Korea	26.3	129.9	226.5
Hong Kong	183.1	288.7	121.6
Malaysia	143.1	196.4	114.9
Taiwan	25.3	97.8	81.8
China	18.8	72.4	74.7
Japan	108.5	54.5	25.2
Italy	0.3	1.0	-
Spain	-	-	-

Source: Department of Business Economics with co-operation of the Customs Department

The increase in the volume of domestic production of particle board brought as well, in 1998, to a cut in imports of particle board and similar wooden board to a mere 24 million baht per year, mainly from Malaysia and USA, from over 70 million baht imported in 1997. During first half of 1999 imports of particleboard registered a further decrease, to 7 million baht.

Imports of particleboard and similar board of wood
(Million baht)

	1997	1998	1999 (Jan./June)
Total	**70.8**	**24.3**	**6.9**
Malaysia	6.5	5.2	3.0
Japan	2.9	1.3	0.9
Indonesia	2.4	0.7	0.7
USA	6.2	5.1	0.6
Australia	3.4	0.4	0.4
Italy	3.5	-	0.4
Sweden	5.6	4.0	-
Spain	-	-	-

Source: Department of Business Economics with co-operation of the Customs Department

3.2.2 Medium density fibreboard (MDF)

The production of medium density fibreboard (MDF) in Thailand is concentrated in five companies, the biggest one being S.T.A. Group. The insufficient supply of raw materials prompted some of the manufacturers of plywood to move to the production of MDF made from recycled rubberwood sawdust and composite logs or from bagasse and eucalyptus wood. Most of the MDF produced in Thailand (80%) is currently manufactured from rubberwood, 11% from bagasse and 9% from eucalyptus.

Till 4/5 years ago the local furniture industry was not aware of the technology of MDF, but recently MDF became popular within local manufacturers of furniture and other wooden products.

Total production capacity of the biggest five companies manufacturing MDF is 2.240 cubic metres per day. In 1998 the production was estimated to be of 200/300.000 cubic metres.

Manufacturer	Raw material	Production capacity
Agromats Co., Ltd	Eucalyptus wood	200 cum./day
Khon Kaen M.D.F. Board Co., Ltd.	Bagasse	240 cum./day
Metro M.D.F. Co., Ltd.	Parawood	300 cum./day
S.T.A. Group PLC.	Parawood	800 cum./day
Vanachai Group	Parawood	700 cum./day

As a result of both the increasing local production of MDF and the decreasing demand of MDF from local manufacturers of furniture and other wooden products, exports of MDF went up in 1998 and 1999 respectively of 59% and 24%.

Exports of fibreboard of wood
(Million baht)

	1997	**1998**	**1999 (Jan./June)**
Total	**905.6**	**1,513**	**1,001.3**
Hong Kong	299.2	463.7	258.0
South Korea	0.2	23.5	221.9
Taiwan	145.1	279.9	115.4
Philippines	101.3	149.7	102.0
India	66.1	163.2	61.1
Vietnam	16.1	75.1	40.2
Spain	-	-	0.4
Italy	-	0.2	-

Source: Department of Business Economics with co-operation of the Customs Department

MDF imported in Thailand is mostly fibreboard of a density not exceeding 0.35 grams per cubic centimetre, surface covered, supplied by New Zealand and fibreboard not surface covered supplied by Malaysia.

Imports of fibreboard of wood
(Million baht)

	1997	1998	1999 (Jan./June)
Total	**115.9**	**83.0**	**39.0**
New Zealand	8.1	15.1	14.3
Malaysia	15.6	33.8	7.4
Slovak	5.6	4.7	4.2
Brazil	12.2	1.8	3.3
USA	28.5	3.6	2.3
Germany	0.8	0.8	1.8
Italy	0.1	1.6	0.3
Spain	-	-	-

Source: Department of Business Economics with co-operation of the Customs Department

Technologies in use in factories manufacturing particleboard and MDF, and for panel cuttings, are as follows:

- Altendorf from Germany (sliding table panel saws);
- Burke from Germany (presses);
- C.F. Scheer & Cie from Germany (panel sizing plant with automatic in-feed);
- Flai from Italy (circular saw blades for chipboard);
- Giben from Italy (panel saws);
- Holzma from Germany (automatic panel saws);
- Italpress from Italy (pressing machines);
- Sandvik from Sweden (panel saws);
- Tai Chan Machinery from Taiwan (panel saws).

3.2.3 Veneer and plywood

In 1994 Thailand was still depending mainly from imports to satisfy local demand of sheets for plywood and veneer sheets.

Currently the production of both plywood and veneer is meeting local demand and imports from Indonesia of veneer sheets and sheets for plywood are balanced with exports of similar products to Denmark.

In recent years, Thailand has become an exporter of veneer sheets and sheets for plywood with over 15.000 cubic metres of material exported in 1998.

Exports of veneer sheets and sheets for plywood
(Million baht)

	1997	1998	1999 (Jan./June)
Total	**373.4**	**471.5**	**171.6**
Denmark	166.1	210.9	74.2
France	17.0	41.8	21.4
USA	12.7	32.3	13.1
Germany	19.6	27.0	8.4
Italy	10.0	13.9	8.0
Spain	-	0.1	-

Source: Department of Business Economics with co-operation of the Customs Department

Imports of veneer sheets and sheets for plywood declined from 20.500 cubic metres worth 428 million baht in 1995 to 10.735 cubic metres worth 410 million baht in 1998.

Price of veneer sheets manufactured in Indonesia increased a stunning 95% from 1995 to 1999, thus prompting Thai importers to reduce imports.

Imports of veneer sheets and sheets for plywood
(Million baht)

	1997	1998	1999 (Jan./June)
Total	**435.8**	**410.5**	**188.9**
Indonesia	135.5	145.3	70.6
USA	43.1	46.1	19.7
Finland	33.7	25.7	18.9
China	11.2	12.6	17.7
Malaysia	30.0	41.0	17.3
Italy	24.3	13.4	4.1
Spain	0.1	-	0.5

Source: Department of Business Economics with co-operation of the Customs Department

The **number of factories manufacturing veneer is currently less than 20** (with a decrease of 30/40% from 1997), but is tipped to increase again due to new investments already planned by most of the leading groups of companies involved in the wood manufacturing business and by manufacturers of MDF.

The largest manufacturers of veneer are listed below:

- Pacific Wood Co.Ltd., based in Thonburi, in the suburbs of Bangkok, manufacturing veneer for furniture industry;
- Nakornluon Veneer, based in Bangkok;

- Vinachai Group of Companies, the biggest industrial group in the wood industry in Thailand;
- Metro MDF, a leading company manufacturer of MDF;
- Longsan Veneer, a company belonging to Santi Forestry Group of Companies, the second biggest group of Thailand in the wood industry, manufacturing veneer in teak for export.

Currently veneer is manufactured mostly from rubberwood, with a few companies using teak imported from Myanmar. Veneer manufactured in rubberwood is sold in the local market, while veneer manufactured in teak is exported.

Combined production capacity of local manufacturers of plywood was valued by the Ministry of Industry to be of 12.6 million sheets, unchanged from 1996 to 1998.

However, the rate of utilisation of available capacity of production declined from 81.9% in 1996 to 57.8% in 1997 and 33.4% in 1998, reflecting the poor performances of all manufacturing industry of Thailand. Reduction in the rate of utilisation of production capacity was also due to accumulated stocks of plywood unsold in 1998 (1.7 million sheets) and 1997 (an additional 400.000 sheets). Stocks went slightly down in 1998 with sales of 5.2 million sheets, 22% more than the total production of the year.

The Ministry of Industry valued the production of plywood in 1.9 billion baht in 1996, 3.4 billion in 1997 and a mere 1 billion baht in 1998.

Local manufacturers of plywood are facing fierce competition from Malaysian suppliers offering prices 30% lower than Thai production.

According to data released by the Thai Plywood Co., Ltd. **there are in Thailand 60 manufacturers of plywood**, most of them located in the industrial area of the great Bangkok. Most companies manufacturing plywood received privileges from the Board of Investment.

Five largest manufacturers of plywood are:
- Vanachai Plywood (with a production capacity of 2.5 million units per year);
- Yong Cheng Lung (2 million);
- Nakorn Luang Plywood (2 million);
- Thai Plywood (1.5 million);
- Thai Wanaphun (1.5 million).

Thai Plywood Co., Ltd. depends directly from the Ministry of Agriculture.

Most of local manufacturers of plywood are using light hardwood imported from Malaysia and Myanmar, namely meranti and kerong, as raw material but some manufacturers prefer local rubberwood.

The standard dimension of plywood is 1.22 x 2.44 mm. with thickness from a minimum of 3.2 mm. to a maximum of 20 mm.
Thailand is **exporting plywood and similar laminated wood worth 350/400 million baht per year,** mainly to United Kingdom, Hong Kong, Japan, Germany and India. During the first six months of 1999 exports of plywood and similar laminated wood increased 17% from the same period of 1998.

Exports of plywood, veneered, panels and similar laminated wood (Million baht)

	1997	1998	1999 (Jan./June)
Total	**77.3**	**350.6**	**199.1**
United Kingdom	1.4	29.5	63.3
Hong Kong	-	4.6	35.5
Japan	14.9	25.0	25.5
Germany	1.5	7.1	21.4
India	1.2	28.5	19.7
Malaysia	0.4	4.9	10.0
Italy	0.7	6.0	2.0
Spain	-	0.7	-

Source: Department of Business Economics with co-operation of the Customs Department

Imports of plywood and similar laminated wood are slowing down (-41% for the period January-June 1999 compared to the same period in 1998) due to fall in supplies from Indonesia and Laos. In 1998 Thailand imported only 5.183 cubic metres of plywood.

Imports of plywood, veneered, panels and similar laminated wood (Million baht)

	1997	1998	1999 (Jan./June)
Total	**679.5**	**430.6**	**137.6**
Indonesia	235.6	217.9	46.3
Malaysia	119.7	35.5	46.3
Laos	141.6	123.5	29.6
Taiwan	55.2	17.1	11.3
Mali	25.6	7.9	5.4
China	5.6	1.7	2.9
Spain	1.6	1.6	0.4
Italy	3.4	-	0.3

Source: Department of Business Economics with co-operation of the Customs Department

Technologies in use in factories manufacturing veneer and plywood are**:**

- Scheer & Cie from Germany (veneer cutting machines with diamond tooled finishing unit);
- Colombo & Cremona from Italy (plants for the production of plywood and veneer; automatic veneer stackers; electronic rotary veneer clippers);
- Duspohl Vertriebs from Germany (veneer laminating machines; veneer slitting machines);
- G. Joos from Germany (veneer presses);
- Italpresse Engineering from Italy (presses with automatic and manual loading for the production of plywood);
- Kanefufie from Japan (veneer lathe knifes, slicers);
- Kuper from Germany (veneer splicer);

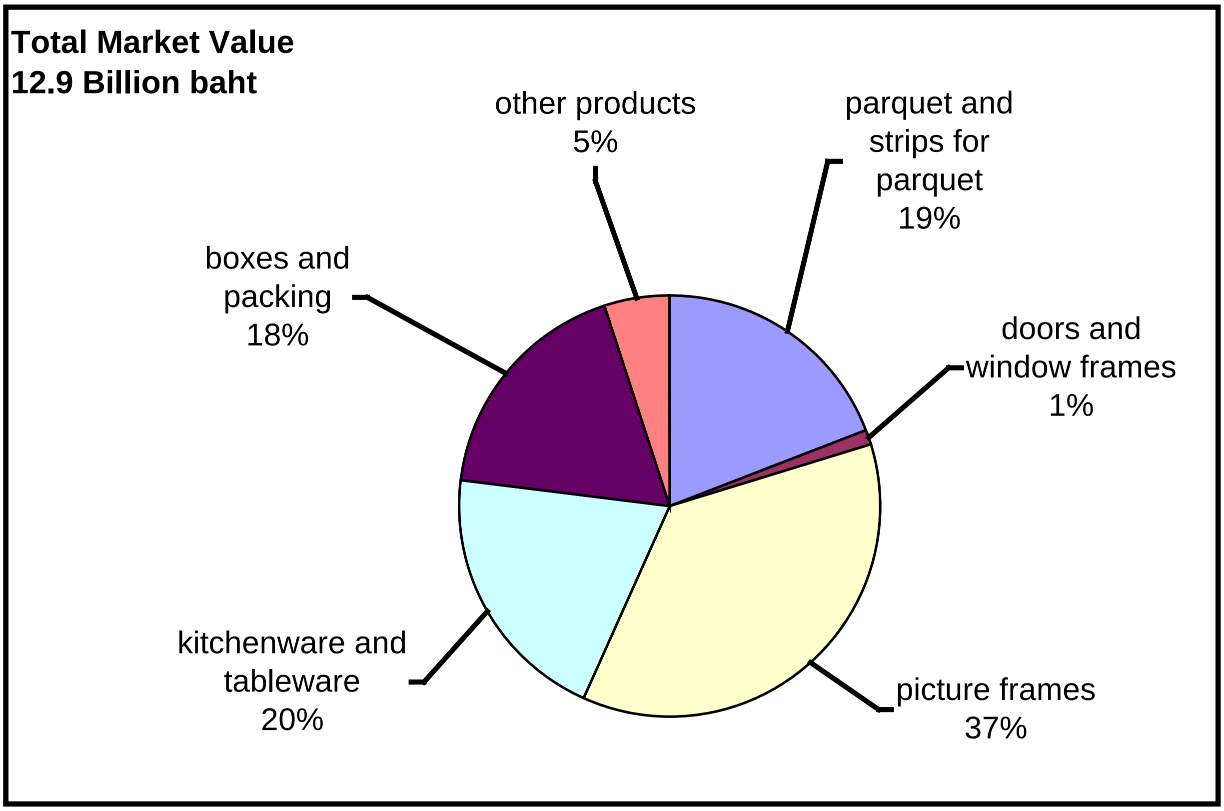
- Orma Macchine from Italy (heavy hot presses for veneering);
- Sandingmaster from Netherlands (sanders for veneer).

3.3 The market of finished wooden products

In Thailand there is a long tradition of manufacturing wooden products. According to statistics of the Ministry of Industry the **total production of wood industry (including construction materials, picture frames, packing materials, boxes, pallets, carvings and wooden tableware and kitchenware) was over 25 billion baht, of which 50% exported.** The figure does not include furniture production.

In Thailand there are some **2,600 companies manufacturing wooden products, employing 200.000 workers**, 20% of them considered skilled workers.

Breakdown of exports of finished wooden products



3.3.1 Wooden floorings and parquet

Thailand is manufacturing and exporting parquet of good quality in teak, cherry, oak and rubberwood, but foreign importers are complaining that export prices are non-competitive.

Exports of floorings are mainly concerning strips and friezes unfinished, made in teak.

Largest companies manufacturing wooden floorings and parquet are:

- BNS Wood Industry, a company with 22.5 million baht of registered capital, based in Surathani, manufacturing floorings in parawood;
- Pacific Wood , a company with 15 million baht of registered capital, based in the suburbs of Bangkok (Thonburi), manufacturing floorings in white ash, white oak, maple, cherry;
- Santi Forestry Group, one the biggest industrial group in wooden industry, with 500 million baht of registered capital, manufacturing parquets.

Thailand is still **importing small quantities of strips and friezes for floorings and other continuously shaped wood,** worth 80/100 million baht per year, mainly from Laos, China and Myanmar.

Currently, imports of continuously shaped wood appear to slow down, with a 25% decrease in the first six months of 1999 compared to the same period in 1998.

Exports of strips and friezes for floorings and other continuously shaped wood (Million baht)

	1997	1998	1999 (Jan./June)
Total	**1,766.5**	**2,067.6**	**1,219.3**
Japan	664.4	651.2	383.1
USA	286.6	366.4	178.2
Netherlands	184.5	243.9	109.8
Australia	28.5	111.9	69.1
Taiwan	4.2	19.5	59.2
Italy	28.7	50.7	48.6
Spain	11.8	55.0	46.9
Denmark	85.3	96.1	43.0

Source: Department of Business Economics with co-operation of the Customs Department

3.3.2 Doors, window and door frames

Production of doors, window and door frames in Thailand increased steadily from 1990 and the level of quality improved over the last years. In 1998 the production slowed down due to a slump in the construction industry in Bangkok, but demand from up-country provinces and from export markets maintained a positive trend and today Thailand is **exporting yearly over 120 million baht of doors, window and door frames.**

Thailand is exporting doors and door frames worth 80/90 million baht per year, of which 30/40% are products of good quality exported to Japan. Other markets importing from Thailand doors and door frames of medium and low quality are South Korea, Malaysia and Myanmar.

Figures of exports of window frames are less impressive with 30/40 million baht of products of medium/high quality sent yearly to markets of industrialised countries (Sweden, USA and Germany).

Four companies manufacturing doors and window and door frames of good quality, all members

of the Thai Furniture Industry Association, are listed below:
- Kiamvivat, based in Bangkok, manufacturing doors and door frames in hardwood and teak;
- Ruang Utai Wood Industry, based in Pathumthani, manufacturing doors and window and door frames in rubberwood;
- Sumit Furniture, based in Bangkok, manufacturing doors and door frames in MDF and particle board;
- S.S. Furnitech, based in Nonthaburi, manufacturing doors and door frames in hardwood.

3.3.3 Boxes, pallets, packing

There are in Thailand over 200 manufacturers of wooden pallets, boxes and packing Most companies are manufacturing their products by hand or using pneumatic tools. Mechanisation is still far from been introduced except for few companies exporting high quality products mainly to USA, Japan and EU.

In this sector of activity a dozen of joint ventures with Japanese co-investment are operating using timber imported from New Zealand and exporting the final product to Japan.

Nan Dee Intertrade, a leading company distributing equipment and tools to 65 local manufacturers of pallets, has just started to import Italian machines for the pallet industry.

Exports of wooden manufactured goods (boxes, packing, barrels, tools, etc.) (Million baht)

	1997	**1998**	**1999 (Jan./June)**
Total	**2,835.9**	**2,293.9**	**890.8**
USA	2,134.9	622.9	304.0
United Kingdom	78.2	188.1	102.3
Japan	317.3	143.2	97.2
Germany	31.5	108.9	57.8
France	52.1	82.3	39.3
Netherlands	6.2	86.9	32.7
Spain	32.8	54.6	24.2
Italy	16.5	61.6	19.3

Source: Department of Business Economics with co-operation of the Customs Department

Thailand is importing 200/250 million baht per year of boxes, packing, barrels and tools from Myanmar, China, Japan and Vietnam.

3.3.4 Wooden frames for pictures

In the last decade Thailand **brilliantly developed the industry of picture frames manufacturing** with a production quickly gaining total acceptance in USA and in other overseas markets such as Japan, Canada, United Kingdom, and other countries of EU.

Exports of wooden frames for paintings, photographs, mirrors
(Million baht)

	1997	1998	1999 (Jan./June)
Total	**3,335.9**	**4,679.7**	**1,696.4**
USA	2,134.9	3,143.1	1,313.4
Japan	317.3	343.5	146.9
Canada	54.1	97.8	49.2
United Kingdom	78.2	135.5	40.2
Spain	32.8	62.7	35.4
Italy	16.5	43.8	30.3
France	52.1	53.5	21.6

Source: Department of Business Economics with co-operation of the Customs Department

Local production of picture frames for export is made either in parawood or in rubberwood, ash, red and white oak, hard and soft maple, yellow poplar and cherry.

The **largest company manufacturing and exporting picture frames** of maple and white ash is Laemchabang Industry, established in 1991, located in the commercial area of Sukhumvit and having a registered capital of 110 million baht.

Other companies producing picture frames are:
- Dao-Ngearn Handicraft, a company based in Chiangmai, manufacturing picture frames made to order;
- Prayuenyong Associates, located in the suburbs of Bangkok (Bangkapi), manufacturing picture frames in hardwood, ash, oak;
- Siam Interframe, located in Nonthaburi, manufacturing picture frames in parawood;
- Siam Frame Industry, located in the suburbs of Bangkok (Bangkae), manufacturing picture frames in rubberwood, ash, red and white oak, hard and soft maple, yellow poplar;
- Surina Industries, a company based in Bangkok, manufacturing picture frames in oak, maple, cherry, parawood;
- Thapani, a company based in Patthalung, manufacturing picture frames in parawood.

Thailand **imports every year an average 20/30 million baht of picture frames** mainly products of medium or low quality manufactured in China, Laos, Taiwan and Malaysia. The trend of imports of picture frames appears to be positive, with a 14% increase in the first six months of 1999 compared to the same period in 1998.

Major importers are department stores (importing also a few products of high quality from Italy) and distributors of products for interior decoration.

3.3.5 Tableware and kitchenware

Wooden tableware and kitchenware are the third largest wooden product for export in Thailand, with 2.5/3 billion baht of materials exported to different markets of industrialised countries, with USA accounting for more than 35% of the total Thai export of tableware and kitchenware.

Exports of tableware and kitchenware of wood
(Million baht)

	1997	1998	1999 (Jan./June)
Total	**2,892.4**	**2,608.6**	**1,100.2**
USA	1,064.2	948.4	415.6
Germany	338.4	374.8	167.7
United Kingdom	256.8	293.8	132.0
Japan	329.2	235.3	85.4
France	56.4	65.9	32.7
Italy	75.7	65.4	31.1
Spain	16.0	18.3	6.6

Source: Department of Business Economics with co-operation of the Customs Department

During the last three years Thailand has imported yearly 20/30 million baht of tableware and kitchenware of low quality mainly from China, Taiwan and Vietnam, but figures from Customs Department show a 30% fall in imports in first six months of 1999.

3.4 The market of furniture

3.4.1 Domestic production

According to data from the Thai Furniture Industries Association, in Thailand there are over **1,800 manufacturers of furniture and parts**, of which 90% manufacturing wood furniture. Most companies are small and medium size.

Nearly all-big manufacturers of furniture are members of the Thai Furniture Industries Association (TFA). 141 manufacturers of furniture are associated to TFA with a combined registered capital of 4,400 million baht and an estimated production capacity of over 15 billion baht per year. Most of the companies associated to TFA are manufacturing furniture for export.

The local furniture industry is employing an estimated 400,000 workers, 25% of whom are considered skilled labour.

Early in the ‘80s the Thai furniture industry had solid foundation on which to build. Thailand had an abundance of local resources necessary for furniture making; most important among them were wood and manpower.

Thailand was home for much teak and other hardwood forests and the Kingdom also had already a corps of carvers and craftsmen whom skills handed down from generation to generation creating classical Thai-style furniture.

When Thailand ran into trouble because of deforestation and the government instituted a hardwood logging ban, furniture makers, in a brilliant move, turned to parawood made from rubber trees whose sapping days were already done and therefore ready to be felled.

Nowadays **90% of Thai wooden furniture is made from parawood** and related products such as MDF and particleboard. 10% of furniture is made from hardwood (teak, rosewood, chingchan, etc.) imported from neighbour countries and from rattan.

Some hardwood are imported from USA, Canada and New Zealand and made into furniture which is then re-exported back to those countries who require that the furniture is made from their own country's wood.

Over the last 15 years the Thai furniture industry has consistently posted growth rates of more than 10% per year due to both the boom of construction industry in Bangkok and the increasing demand from foreign markets.

In 1995, the last year of high growth rate before the economical crisis, total production of the furniture industry was estimated in 43/44 billion baht of which 40% (17.4 billion baht) exported to foreign markets.

Since then the local demand for furniture went down because of the slump in the construction industry and the furniture industry lost steam.

In 1997 and 1998 over **150 companies manufacturing wooden furniture for local market closed down** while most of the companies manufacturing wooden furniture for export appeared not affected by the slump in the economy and could survive.

In 1997 the revenue in hard currency from exports of furniture decreased 11% from figures of 1995, while increasing 12.8% in local currency.

Following the slump in local demand combined with an increase in exports valued in local currency, the total production of furniture went slightly down to an estimated 41/42 billion baht in 1998.

3.4.2 Export of furniture

Thai furniture products of all categories for home, office and other uses have gained in the '80s wider access in the global market as a result of the industry's success in achieving a higher degree of sophistication in design, craftsmanship, choice of material, functionality, look, quality and competitive price.

Strong recognition of Thai furniture in overseas markets, particularly in highly developed countries, has been the key to the rise in demand for Thai furniture.

To match with the demand of high quality and style from export markets, during the last fifteen years the Thai furniture industry has been improving design, production technologies and marketing strategies.

18 years of exports of furniture

Year	*(million baht)*	*Increase %*	*Year*	*(million baht)*	*Increase %*
1981	707.0	22.7	**1990**	7,721.2	15.8
1982	793.0	12.2	**1991**	10,161.5	31.6
1983	982.0	23.8	**1992**	11,473.2	12.9
1984	1,017.0	3.6	**1993**	13,549.8	18.1
1985	1,317.0	29.5	**1994**	16,256.5	19.9
1986	1,865.3	41.6	**1995**	17,384.0	6.9
1987	3,384.3	81.4	**1996**	17,404.9	0.1
1988	5,972.4	76.5	**1997**	22,180.4	12.7
1989	6,667.1	11.6	**1998**	24,022.3	8.3

Source: The Thai Furniture Industries Association

Manufacturers of wooden furniture for local market are producing finished furniture while **manufacturers of wooden furniture for export turned mostly to the production of knocked-down furniture.**

In recent years manufacturers of wooden furniture for export are step by step improving efficiency, adopting standards of production (ISO 9000 series) and of factory system (ISO 14000 series), to cope with world market requirements.

Exports of furniture and parts
(Million baht)

	1997	**1998**	**1999 (Jan./June)**
Total	**22,180.4**	**24,022.3**	**12,295.0**
Japan	11,096.2	9,905.7	4,981.8
USA	4,786.6	7,111.0	3,423.3
United Kingdom	511.1	716.2	461.3
Germany	735.2	793.8	442.0
France	656.8	606.5	371.7
Netherlands	525.9	524.1	286.6
Canada	238.4	520.9	231.7
Australia	269.3	307.7	175.5
South Korea	386.7	218.0	155.7
Singapore	228.6	245.3	141.7
Italy	0	136.3	124.6
Spain	0	93.0	88.0

Source: Department of Business Economics with co-operation of the Customs Department

Most of the wooden furniture exported to USA, Japan and Europe are made according to specifications (design, size, style, quality of components, etc.) indicated in the orders of foreign customer.

Thai exporters are taking all advantages from knocked-down furniture that can be conveniently packaged and entails for lower costs of transport.

Exports of metal furniture are on the raise since five years ago and currently account for 13% of total exports of furniture, with Japan being the larger export market, followed by USA and the Netherlands. During the first 6 months of 1999 exports of metal furniture showed a more dynamic trend (13% over the similar period in 1998) than wooden furniture (+2% over the similar period of 1998).

The main negative point is now the pricing considered by European importers not anymore competitive with export prices offered by leading companies from Malaysia and Indonesia.

As Thailand is losing the advantage of its low-cost labour to Malaysia, Indonesia and other neighbour countries the Thai furniture industry needs urgently to upgrade its technologies and export practices in order to remain competitive in export markets.

Competition from China is still limited to the end-segment of the wooden furniture industry but Indonesian and Malaysian manufacturers have successfully entered the upper-segment of the wooden furniture being currently direct competitors of Thai exporters.

3.4.3 Import of furniture

Although Thailand is a large exporter of wooden furniture, **it also became early in the'90s an importer of high quality wooden furniture, mainly from USA, Italy, Germany and Japan,** worth 150/200 million baht per year. However, import figures remained till 1995 at a modest level as a consequence of the prohibitive custom duty of 60%.

In 1996, because of the boom of construction of high level condominium buildings, imports of furniture in Thailand increased dramatically and in 1997 **total imports of furniture and parts reached the peak with 1,800 million baht** of furniture imported, 60% of which imported from three countries: USA, Japan and Italy.

The reduction of custom duty in 1996 from 60% to 40% and a further reduction in 1997 to a mere 20% contributed to spur Thai imports of furniture. However, the main factors of the booming of Thai market for high quality imported furniture in the years 1996 and 1997 are thought to include:
-the uncontrolled tendency of high and medium class in Bangkok to buy expensive cars, garments, decorative items and consumer goods imported from abroad;
-the desires of Thai companies to upgrade corporate image in a phase of the economy when appearance was more important than corporate concrete results.

The slump in the Thai economy, and in particular in the construction sector, resulted in a **drastic reduction in imports of high quality furniture: -72% in 1998 followed by another -20% in first half of 1999**. However, imports of low and medium quality furniture remained practically unchanged with an increase in imports from Myanmar and Malaysia and a reduction of imports from Taiwan.

Imports of furniture and parts
(Million baht)

	1997	1998	1999 (Jan./June)
Total	**1,799.6**	**605.0**	**274.7**
Japan	397.5	98.9	47.5
USA	434.8	121.8	41.3
Myanmar	2.3	39.3	39.3
Italy	252.7	65.0	22.5
Taiwan	127.5	59.5	19.6
Malaysia	7.5	36.6	13.9
Australia	13.5	5.7	13.6
China	26.5	27.3	13.4
United Kingdom	58.6	9.6	8.2
Germany	69.0	32.1	6.0
Netherlands	39.9	6.2	5.7
Spain	52.3	16.7	5.7
Hong Kong	19.9	7.5	4.7
France	24.5	8.5	4.7
Indonesia	56.7	11.6	4.7

Source: Department of Business Economics with co-operation of the Customs Department

In the year 2000 a reduction of custom duty (from 20% currently levied to 5%) on furniture imports from Asean countries will take place and prices for furniture imported from Malaysia and Indonesia will be more competitive.

Technologies in use in the furniture industry and popular brands are as follows:

- boring machines from:
  - Biesse from Italy (semiautomatic boring machines);
  - Bacci Paolino from Italy (boring machines);
  - Hwa Shin Machinery Works from Taiwan (multiple boring machines);
  - Vitap from Italy (boring machines);
  - Calder Wilkinson from United Kingdom (multi head single side borers);
  - Gustav Weeke Maschinenbau from Germany (CNC boring machines);
  - C.F. Scheer & Cie from Germany (boring and routing centres for frames);
  - Hafele Group from Germany (boring machines);

- CNC equipment from:
  - Biesse from Italy;
  - Selco from Italy;
  - Heian from Japan;

- cutting machines from:
  - Bacci Paolino from Italy (cutting machines);
  - Fimac from Italy (auto-cutting machines);
  - Chuan Chier Industrial from Taiwan (cutting machines);
  - Dusphol from Germany (roll cutters and winding machines);

- drilling machines from:
  Young Machinery from Taiwan (chairs line-drilling machines; multiple spindle drilling machines);
  Comil from Italy (CNC centres for drilling);
  Polymac from Italy (semi-automatic drilling machines);

- edge banding machines from:
  Hirzt from Italy (edge bander);
  SCM from Italy (edge banding machines);
  Polymac from Italy (automatic and manual edge banding machines);
  Stefani from Italy (post-forming and soft-forming machines);

- gluing machines from:
  Michael Weinig from Germany (gluing machines);
  Chuan Chier Industrial from Taiwan (gluing machines);
  Italpresse from Italy (gluing machines);

- grinding machines from:
  Walter AG from Germany (tool and cutter grinders);
  Wadkin from United Kingdom (grinding machines);

- joining and assembling machines from:
  Michael Weining from Germany (joining machines);

- laminating machines from:
  Dusphol from Germany (laminating machines);

- lathes from:
  Mini Max from Italy (wood copy lathes);
  Calder Wilkinson from United Kingdom (automatic rotary knife lathes);
  Pinacho from Spain (lathe machines);
  Strogimport from Czech Republic (lathe machines);

- planers and moulding machines from:
  Michael Weinig from Germany (automatic planers/moulders);
  Young Machinery from Taiwan (seat planers);
  Gau Jing Machinery Industrial from Taiwan (four sides planers and moulders);
  Inoki Iron Works from Japan (planing machines);
  Wadkin from United Kingdom (planing machines);

- presses from:
  Dieffenbacher from Germany (hydraulic presses and continuous presses);
  Italpresse from Italy (presses for solid wood panel and veneer)

- sanding machines from:
  Imeas from Italy (thickness sanding machines);
  Biesse from Italy (semiautomatic sanding machines);
  Delle Vedove from Italy (sanding finishing machines);

Amitec from Japan (wide belt sanders);
Star Master from Taiwan (wide belt sanders);
Karl Heesemann from Germany (belt sanding machines);
Butfering from Germany (wide belt sanders);
Chuan Chier Industrial from Taiwan (wide belt sanders);
Sandingmaster from Netherlands (sanders for MDF and veneer);
Makita from Japan (80% of the market for small movable sanders);

- shaping machines from:
  Lih Woei Carpentry from Taiwan (auto copy shaping machines);

- tenoning machines
  Celiaschi from Italy (tenoning machines);
  Wadkin from United Kingdom (tenoning machines);

- thickening machines from:
  Griggio from Italy (thickening machines).

4. The market of woodworking machinery

4.1 Local demand and apparent consumption

As the local production of woodworking machinery is limited to the manufacturing of simple sawing machines, cutters, tools and small machines made to order**, 97% of woodworking machinery used by local industry of wood are imported.**

Apparent Domestic Consumption of Woodworking Machinery (Million Baht)

Year	**Estimated local production**	**Imports of woodworking machinery**	**Exports of woodworking machinery**	**Apparent domestic consumption**
1997	150	1,640	64	1,726
1998	100	1,528	72	1,556
1999 (6 months)	35	449	11	473

The number of Thai companies in activity in 1999, using woodworking machinery was quoted to be 5.098, plus 633 sawmills equipped with sawing machines. The number of companies working wood by hand was estimated to be 819, of which 49 being sawmills.

4.2 Domestic production of woodworking machinery

Local companies producing woodworking machinery and tools are small size companies, mainly family businesses. Currently in Thailand there are 35 manufacturers of woodworking machinery and tools for wood industry with a total turnover which in 1999 is estimated to be less than 80 million baht, down 45/50% from the figures of 1997.

Unable to compete with the high and sophisticated technology of imported machinery and tools, local manufacturers supply only small, simple, and lower-priced machines, easy to move to different sites, to be used by local contractors for works of interior decoration.

Local manufacturers have positioned themselves at the low-end of the market, producing only table-saws, sawing machines, wood dry kilns and tools for sawmills and cutters for furniture industry.

Local companies are also manufacturing small machines on customer’s order or duplicating from imported machines, specifically planers, assembling machines, moulding machines, drilling machines, bending machines.

Usually the woodworking machinery manufactured in Thailand is limited in type and cannot meet international standards.

The main advantages are represented by short delivery time and payment conditions. Local equipment has significantly lower prices than Taiwanese equipment, which is generally the least expensive imported equipment for wooden industry.

Moreover, some Thai manufacturers of low/medium quality furniture feel that the lower quality equipment made in Thailand is better fit for the unskilled manpower.

The largest Thai manufacturers of woodworking machinery and tools are Warodome International (manufacturing also metalworking machinery), Tavorno Lohakit, Lohasunti Wood and Boonchai Engineering.

4.3 Export of woodworking machinery

Over 50% of local production of woodworking machinery and tools are exported. Japanese and European markets are importing mainly tools and machines which can carry out different operations while Laos, Myanmar, China and other Asiatic countries are importing equipment for sawmills, assembling machines, grinders and polishing machines.

Exports of woodworking machinery
(Million baht)

	1997	1998	1999 (Jan./June)
Total	**63.9**	**71.6**	**11.3**
Japan	1.5	19.2	3.2
Laos	14.5	2.0	2.6
India	-	-	1.4
Myanmar	7.4	11.8	1.3
Malaysia	0.5	2.2	0.7
China	4.6	4.3	0.6
Singapore	6.3	1.8	0.3
Indonesia	1.4	0.9	0.3
Germany	5.3	7.7	2.2
USA	0.7	7.1	0.1
Italy	7.3	1.5	-
Spain	-	0.2	-

Source: Department of Business Economics with co-operation of the Customs Department

4.4 Import of woodworking machinery

As already mentioned **97% of local demand for woodworking machinery is met by imports, mainly from five leading countries: Germany, Japan, Taiwan, Italy and USA.**

The demand for woodworking machinery has risen steadily over last two decades, but lost steam when the economy slump affected the activity of local manufacturers of furniture and other wooden products.

Imports of woodworking machinery felt down from 4,668 million baht in 1995 to 1,640 million in 1997 and 1,528 million in 1998. From the statistics of first six months of this year, released by Customs Department, **forecasts for imports of woodworking machinery in 1999 are not positive and the trend seems to point to a 35/40% further fall from import figures of 1998.**

Germany has become in '90s the largest exporter of woodworking machinery to Thailand, with a market share of 60% in 1995 and 57% in 1998. Germany is supplying mainly complete plants and large machines with advanced technological functions.

In first half of 1999 imports of woodworking machinery from Germany went sharply down and the market share for Germany felt to 12.3%, a fall that local importers attributed both to slowing down of imports of sophisticated and expensive machines from local end users and to the stand-by strategy of local industries for new investments in big complete plants.

Traditionally Japan was the largest exporter of woodworking machinery to Thailand, been replaced in ‘90s by Germany. In 1999 Japan went back to first position with a 39% share of the market, supplying less expensive and medium level technology machines.

Also Taiwanese machines gained ground with a share of 24.8% of Thai market in first half of 1999, supplying machines with lowest exporting price and simplest technology.

Italy is positioned in the high-end of the market supplying wide range of medium size machines of high quality. The share of Thai market for Italian machinery went sharply down to 5/6% in 1998/99 from 12/13% in 1995/97.

Imports of woodworking machinery
(Million baht)

	1997	**1998**	**1999 (Jan./June)**
Total	**1,640.5**	**1,528.1**	**448.7**
Japan	389.5	251.7	175.5
Taiwan	231.9	127.4	111.3
Germany	579.8	871.4	55.2
Italy	213.1	68.9	28.0
Switzerland	76.7	23.8	25.4
USA	55.4	105.0	11.3
China	16.9	6.8	10.3
Sri-Lanka	-	-	22.8
Israel	-	0.8	8.0
Malaysia	9.3	33.1	7.7
Spain	12.4	5.9	4.6
Sweden	9.5	1.5	3.6
South Korea	4.5	2.7	2.4

Source: Department of Business Economics with co-operation of the Customs Department

Imports of **sawing machines** felt sharply down from 100 million baht in 1997 to 39.3 million in 1998, but is tipped to recover in 1999, having already reached a level of 28.4 million baht of imports in first half of the year. In 1998 55% of sawing machines have been imported from Japan and 17% from Taiwan. Figures of first half of 1999 show a switch of Thai sawmills from Japanese suppliers in favour of suppliers from USA.

In 1998 imports of **planing, milling, moulding and cutting machines**, went down 40% from 1997 figures, but imports recovered in first half of 1999 (+35% over similar period of 1998). In 1999, largest suppliers are Japan (34% of the market) and Taiwan (23%) followed by Germany and Italy. Total imports of first half of 1999 were valued at 59.4 million baht.

Imports of **grinding, sanding and polishing machines**, slowed down both in 1998 (-13% from 1997 figures) and in first half of 1999 (-11% from same period of 1998). For the period January-June of 1999 Thailand imported grinding, sanding and polishing machines worth 79.1 million baht, of which 50% from Japanese suppliers, 25% from Taiwan and 13.5% from Switzerland and the remainder mainly from Germany and Italy.

The sub-sector better performing in first half of 1999 has been the **drilling and morticing machine's** sector with imports worth 96 million baht, up 180% from figures of similar period of 1998. The share of the market for Japanese suppliers went up to 69.5% with the remainder of the market going to Switzerland, Taiwan, Italy and Germany.

4.5 Market segmentation

Of the five groups of end-users of woodworking machinery:
- sawmills;
- manufacturers of intermediate wooden products;
- manufacturers of wooden furniture for distribution to the local market;
- manufacturers of wooden furniture for export to foreign markets;
- manufacturers of wooden construction materials, frames, boxes and other similar products;

manufacturers of wooden furniture for export to foreign markets buy the highest portion of woodworking machinery. The demand from sawmills slowed-down along this decade and the demand from manufacturers of furniture for local distribution remains weak.

Demand of woodworking machinery from manufacturers of wooden furniture for export is increasingly oriented towards more sophisticated and higher technology (and higher price) machines.

The needs of sawmills and the needs of manufacturers of wooden furniture for distribution to local market are quite different: in this segment of the market the end-user tend to purchase low-cost equipment with technology easy to be operated by unskilled workers.

CNC equipment account only for 10/15% of purchases from manufacturers of wooden furniture for exports but local importers believe that in short time there will be an increase in the demand of CNC equipment. Currently local end-users are concerned of lack of capacity of local manpower to operate CNC equipment.

5. Business environment

5.1 Channels of distribution

5.1.1 Distribution of furniture

Currently, most of the good quality furniture locally made is directly distributed by manufacturers through showrooms located in shopping centres and department stores or in specific commercial areas of Bangkok and other largest cities.

In Bangkok distribution of locally made furniture of medium and low quality is still organized through small shops scattered through lower rental cost areas of the Centre and in suburbs of Bangkok. In the province the distribution of furniture locally made is done through show-rooms belonging to the manufacturer and through dealers buying furniture from the manufacturers with deferred payment conditions (90/120 days).

For high quality imported furniture, importers opened their own show-rooms in Bangkok focusing both on few commercial areas (Sukhumvit Road, Ploenchit, Radjadamri, etc.) and in shopping centres and department stores. All imports of high quality furniture are settled by letter of credit.

Shopping centres rent out the space to manufacturers of furniture while department stores are both distributing furniture directly, or renting out space to manufacturers.

Recently department stores modified their strategies increasingly acting as shopping centres (renting out space) or showing furniture received in consignment from manufacturers and importers.

The **largest companies distributing wooden furniture produced locally** are:
- Acmen International Co.Ltd.
- Act Leather (Thailand) Co.Ltd.
- Dragon Thai Lumber Co.Ltd.
- Fancy Wood Industries Co.Ltd.
- Furnitech Asia Industrial Co.Ltd
- Khaomahachai Parawood Co.Ltd.
- MDEC International (1991) Co.Ltd.
- Modernform Imports Co.Ltd.
- Parawood Corporation (Worldwide) Co.Ltd.
- Picotee Plus Co.Ltd.
- S.B. Furniture Industry Co.Ltd.
- Santi Group
- Thai Taiyo Co.Ltd.
- Unique Design Co.Ltd.
- Vanachai Group of Companies

The **largest importers of furniture** are:
- Acmen International Co.Ltd.
- Casa Mia Import Export Co.Ltd.
- Central Department Store Co.Ltd.
- Chawawat Co.Ltd.
- Decor Mart
- Euro Creations Co.Ltd.

- Modernform Imports Co.Ltd. (Casa Bella)
- Moma Collection Co.Ltd.
- Picotee Plus Co.Ltd.
- R.P.S. Import Export Co.Ltd.

Local importers of furniture from Europe are currently asking for exclusive agency to engage in promotion of new brands, but still most of foreign suppliers of furniture are used to operate in Thai market without any exclusive agent.

Mark-up for imported furniture is currently within 40% and 60% of landing cost, except for exclusive furniture of highest quality having higher mark-up. Importers of furniture usually receive quotation only in FBO prices.

5.1.2. Distribution of woodworking machinery

Locally made woodworking machinery are sold directly from the manufacturer to the end-user without any dealer’s interference.

Traditionally local made woodworking machinery was sold with 20/30% of advanced payment and 70/80% of deferred payment. Deterioration of economical situation caused a drastic change in commercial strategies of local manufacturers of woodworking machinery which are now requesting an advanced payment of 30/50% and the balance to be paid at the delivery of the machine.

Woodworking machinery imported from abroad is distributed through a few local companies acting both as commission agent and as direct importer/distributor. Only 10/15% of woodworking machinery imported in Thailand is bought from local end-user through direct order to foreign manufacturer.

Most local agents/distributor are currently looking for suppliers available for an agreement of exclusive agency, but still part of woodworking machinery is imported without any agreement of exclusive agency. To promote selling of big plants, local agents pretend at least an exclusive agency agreement limited to a specific local client or clients.

Of a total of 35/40 importers of woodworking machinery in activity in 1994, at least 30% closed down and another 20% switched temporarily to other activities. Currently only 18/20 companies are fully in activity as importers of woodworking machinery.

The **largest companies importing and distributing woodworking machinery** are:
- Conimex Supply Co.Ltd.
- Eiwlee Industrial Co.Ltd.
- Furniline Co.Ltd.
- Min Sen Machinery Co.Ltd.
- Nan Dee Intertrade Co.Ltd.
- Panasa Co.Ltd.
- SDP Intertrade Co.Ltd.
- Sahamit Machinery Public Co.Ltd.
- Sevenoaks Co.Ltd.
- Solimac Co.Ltd.
- Sopex Co.Ltd.
- Thai Advanced Enterprise Co.Ltd.
- Thai Nagoya Machinery Co.Ltd.
- United Machinery

Commissions for local agents for indent imports are within 5% and 10% on FOB value.

For machinery imported directly by local importer/distributor the competition between importers became fierce, due to the difficult economical situation. To reduce at minimum the stock period the mark-up of local importers went sharply down, from 40/45% of landing cost, to a minimum of 15%/20%. Consequentially local importers have been able to reduce stock period from an average of 3/5 months in 1995 to an average of 2/3 months.

Currently machinery imported directly by local importers are distributed to local end users with cash payment, without any differed payment condition.

Largest importers are well organized for after sale technical assistance with deposits of wear and tear spare parts but since a deposit of a wide range of spare parts would cost big investment to the importer and an high increase of cost to the end user, Thai end users prefer sometimes to approach foreign supplier and buy directly spare parts.

5.2 Import regulation and custom duties

Thailand's activities of export and import proceed with a minimum of regulation. However, import and export of certain items are subject to restrictions in the form of outright prohibition or licensing of dealers or imposition of export or import duties of high level to discourage imports or exports of certain items.

Thus exports of some agricultural and forestry products (specifically timber) are subject to a payment of an export duty; to export certain items one must secure a licence from pertinent government authorities.

With the exception of some specified items considered to be in direct competition with domestic products, goods may be freely imported in Thailand.

Custom duties are governed by the Customs Tariff Decree issued of 1987 to conform to the Harmonised System of the Customs Co-operation Council.

Custom duties on imported goods are mostly levied on an ad valorem and in few cases on a specific rate basis.

The majority of goods imported are subject to rates ranging from 5% to 30% and are subject to two different taxes:
-tariff duty on CIF value of the goods;
-VAT (added value taxation) on CIF value of the goods plus tariff duty and excise tax, if any.

In the specific sectors of wood, wooden products and woodworking machinery there are no extra-tariff barriers affecting imports, except for sawing machines.
Following the logging ban in 1989, imports of sawing machines went under strict control:
-saws workable with electrical motor must obtain, prior to import, a license from the Forestry Department;
-saws workable with engine must obtain, prior to import, a license from the Government Cabinet.

Import tariffs are as follows:

- **sawn timber** **5% on CIF value + VAT 7%**

- **plywood** **20% on CIF value + VAT 7%**
- **veneer** **20% on CIF value + VAT 7%**
- **MDF** **20% on CIF value + VAT 7%**
- **particleboard** **20% on CIF value + VAT 7%**
- **wooden furniture** **20% on CIF value + VAT 7%**
- **woodworking machinery** **5% on CIF value + VAT 7%**

On exports of sawn timber, veneer, plywood, MDF and particleboard an export duty of 40% is levied.

5.3 Government institutions

Government institutions involved in forest and wood industry as well as in industrial activities, investment promotion and export promotion in general are as follows:

- **The Royal Department of Forestry**

Address:	61 Phaholyothin Road - Lardyao - Chatuchak Bangkok 10900
Tel:	02/561-4292/6
Fax:	02/579-9707
President:	Dr. Prodprasop Suradsawadee
Contact person:	Mr. Sermsakul Boonthaweekun
Activity:	The Forestry Department is a state enterprise under control of the Ministry of Industry. The Forestry Department is responsible for the conservation of Thailand's forests.

- **Thai Economic Reforestation and Forest Industry Development Association**

Address:	61 Phaholyothin Road - Lardyao - Chatuchak Bangkok 10900
Tel:	02/579-8441
Fax:	02/579-5588
President:	Dr. Yokthi Salikhabuti
Contact person:	Mr. Narong Mahannop
Activity:	This organization belongs to the Ministry of Agriculture and Co-operatives. It is the state enterprise responsible for supervising the implementation of the Thai government's forestry and reforestation policies.

- **Department of Industrial Works - Ministry of Industry**

Address:	76/5 Rama VI Road - Ratchathewi Bangkok 10400
Tel:	02/204-400
Fax:	02/245-6715

- **Department of Industrial Promotion**

Address:	Rama VI Road, Bangkok 10400
Tel:	2024414-6
Fax:	2714942
Contact person:	Damri Sukho-Thanang
Activity:	This Department of the Ministry of Industry is responsible for promotion of local industrial activities.

- **Thai Industrial Service Institute - Ministry of Industry**

Address:	Soi Kluayanamthai, Rama IV Road Bangkok 10100
Tel:	3678249
Fax:	3811603
Contact person:	Thawee Kaew Manee
Activity:	Industrial promotion, development and consultancy.

- **D.E.P. - Department of Export Promotion**

Address:	22/77 Ratchadapisek Road - Chatuchak Bangkok 10900
Tel:	02/511-5066 512-0093
Fax:	02/512-1079 513-1917
President:	Mr. Bampot Hongthong
Activity:	Government institution responsible for promotion of Thai exports.

- **B.O.I. - Board of Investment**

Address:	555 Vibhavadi, Rangsit Road - Chatuchak Bangkok 10900
Tel:	02/537-8111
Fax:	02/537-8177
President:	Mr. Staporn Kavitanont
Activity:	B.O.I. is the central investment planning authority responsible for promotion of both domestic and foreign investments in Thailand.

5.4 Industrial associations

Industrial associations of private sector involved in wood industry are as follows:

- **The Federation of Thai Industries**

Address:	60 Queen Sirikit National Convention Centre, Zone C, 4th Floor, Ratchadapisek - Klongtoey 10110 Bangkok 10100
Tel:	02/229-4255
Fax:	02/229-4941
President:	Dr. Tawee Bodsoonthorn
Contact person:	Mr. Pennapa Srichusa
Activity:	Association of Thai industries organized in sector "clubs".

- **The Thai Furniture Industries Association**

Address:	1267/3 Lardprao Soi 35, Lardprao Road - Chatuchak Bangkok 10900
Tel:	02/513-6262/3
Fax:	02/513-1082
President:	Mr. Pisith Patamasatayasonthi
Contact person:	Mr. Sanpakit Tawornwong
Activity:	TFIA is the association of manufacturers and distributors of furniture, distributors of woodworking machinery, and distributors of glue, paint, wood and fittings. TFIA is member of CAPFA, the regional association with furniture manufacturing associations of each Asean country being its members.

- **Sawmills Association**

Address:	101/1 Amnuaysongkram Road Bangkok 10300
Tel:	02/243-4754/5
Fax:	02/243-4754
President:	Surasak Eimdeengamlert
Contact person:	Chaiyawat Chotisorayuth
Activity:	Association of local sawmills.

- **The Thai Parawood Association**

Address:	Southern Industry Promotion Centre Bldg. 3rd Floor Karnchanawanich Road Hadyai (Songkhla)
Tel:	074/211-902
Fax:	074/211-903
President:	Mr. Witthaya Ngamthawee
Contact person:	Ms. Naridsara Kuanoon
Activity:	Association of producers of parawood.

5.5 Conditions of doing business

5.5.1 Forms of doing business

In Thailand it is generally advantageous for a foreign investor to have a Thai partner although foreign investment is limited to few key sectors.

A foreigner may engage in business in a form of:
-single proprietorship;
-limited company;
-partnership
-joint venture
-branch of a foreign corporation;
-representative or regional office.

Partnership: there are three different types of partnership:
-Unregistered ordinary partnership (all partners are jointly liable, without any limitation on the partnership's obligations; this partnership is not a legal entity and is subject to taxation as if it was an individual);
-Registered ordinary partnership (is a juridical entity having a separate personality from each of the partners and is treated as a corporate entity for income tax purposes);
-Limited partnership (one or more partners whose individual liabilities are limited to their contributions while one or more other partners are jointly liable without any limitation; a limited partnership is taxed as a corporate entity).

Private Limited Company: in Thailand a private limited company is similar to what is commonly referred to as corporation and the company can be fully owned by foreigner. However, foreigner's participation is limited to 49% for all activities that are reserved for Thai nationals.
The liability of the shareholders is limited to the par value of the registered capital.
There is no minimum level of capital but the number of shareholders must not be fewer than seven; all the shares must be subscribed and at least 25% of the shares must be paid up.

Public Limited Company: The procedure for setting up a public limited company is similar to that for a private one. The major difference is that the private limited company is prohibited from offering shares to public; another relevant difference is that the number of promoters and number of shareholders of a public limited company must not be fewer than fifteen.

Joint Venture: a joint venture is a group of natural or juridical persons entering into an agreement in order to carry on a business together. A joint venture is not a legal entity although income is subject to corporate taxation.

Branch of a foreign corporation: a company incorporated abroad may establish a branch to do business in Thailand. Branch offices are required to maintain carefully only those accounts relating to the activities carried on by the branch in Thailand; however, the Revenue Department may consider revenues directly earned by the head office as revenue of the branch.

Regional Office of a Multinational Corporation: a multinational corporation may establish in Thailand a regional office to engage in limited non-revenue activities (contacting, co-ordinating, supervising the activities of affiliated companies in the region, providing services to affiliated branches).

5.5.2 Alien Business Law

In 1972 the Alien Business Law was promulgated to restrict foreign presence in certain types of business activities; however, foreign presence will be accepted if the foreign investor is willing to invest accepting a minority position.

Companies promoted by the BOI (Board of Investment) may be permitted to engage in certain business activities restricted to Thai nationals under the Alien Business Law.

The Alien Employment Act lists the occupations that may be undertaken exclusively by Thai nationals and prescribes procedures to regulate alien participation in others.

The law requires that (with a few exceptions) all foreigners willing to work in Thailand must have a work permit to be issued by the Ministry of Labour and restricted to a specific activity, a specific employer and a specific locality. For any change the foreigner must apply for a new work permit.

5.6 Investment possibilities

The Board of Investment (B.O.I.) is the central investment planning authority of Thailand considered by many foreign investors one of the most active and efficient investment institution of the region.

B.O.I. is responsible for promoting both domestic and foreign investments in key sectors of Thailand’s economy, through the provision of a range of fiscal and non-fiscal incentives and guarantees for specific investment projects.

In the last 4 years **over 3,000 applications for new projects have been submitted and 2,900 received promotional statuses from BOI, for a total investment of over 45 billion USD**.

Of total applications received by B.O.I. in 1998 38% came from Thai investors, 17% from foreigners and 45% from joint ventures between Thai and foreigners.

Projects of investments receiving BOI privileges in 1996/99

Year	**1996**	**1997**	**1998**	**1999***
No. of applications submitted	1,042	808	692	543
Total investment proposed (Billion USD)	23.7	12.1	5.5	2.8
Number of employees	212,050	143,838	172,618	90,705
No. of projects approved	974	868	649	442
Total investment approved (Billion USD)	20.9	14.9	6.6	2.8
Number of employees	203,201	151,510	137,674	110,051

**January-August*
Source:: Investment Services Centre - Board of Investment (BOI) - November 1999

Since 1980 the wooden furniture industry (especially the industry of furniture in parawood) has become one of the sector of activity receiving promotion privileges from the Board of Investment (BOI).

In first 10 months of 1999 B.O.I. received 26 applications for new investments in wooden products and furniture sectors for:

- manufacturing furniture in parawood: 11 applications for a total investment of 399 million baht of which 80% being foreign investment, and with employment of 3,415 workers;
- manufacturing wooden products: 9 applications for a total investment of 265 million baht of which 13% being foreign investment, and with employment of 1,046 workers;
- manufacturing furniture in other materials: 6 applications for a total investment of 166 million baht of which 33% being foreign investment, and with employment of 1,263 workers.

5.7 International exhibitions

Reed-Tradex, the Thai leading company organiser of international exhibitions, holds every three years Furnitech-Woodtech, the "**International Woodworking, Furniture Production Machinery, Accessories and Technology Trade Exhibition and Conference"**.

Last edition of the exhibition has been held in Bangkok International Trade and Exhibition Centre (BITEC) in Bangna Trad, km. 1, in the suburb of Bangkok, on October 1998.

Applications to participate in next edition, to be held in BITEC on 4-7 October 2001, should be sent to:

Reed-Tradex Co., Ltd.
Reed-Tradex House - 323, Bond Street, Office Villa
Muang Thong Thani -Chaeng Wattana
Nonthaburi 11120
Tel: 662 / 503-2199 ext. 412
Fax: 662 / 503-4963

Effective 1 March 2000 Reed Tradex will move to a new address:
100/68-69, 32nd floor, Sathornnakorn Tower, North Sathorn Road
Silom - Bangrak - Bangkok 10500
Tel: 662/636-7272 Fax: 662/636-7282

Department of Export Promotion (DEP) will organize next year the **"International Furniture Fair 2000"** to be held in BITEC on 19-23 of April 2000.

This exhibition is organized by DEP, in collaboration with the Furniture Industries Association and the Federation of Thai Industries, to show mainly local production of wooden furniture for export. However a few foreign companies from Australia, United Kingdom, Germany, Hong Kong, are used to participate in this exhibition.

B - FIELD RESEARCH

Overview on Thai wood products market

The negative trend of the economy that Thailand experienced in all sectors during the last two years, deeply affected imports and local demand of both furniture and woodworking machinery, but forecasts for the year 2000 are quite positive. The feeling within Thai agents and importers/distributors of woodworking machinery and furniture is that both sectors have bottomed out during the last two/three months.

After over 2 years of listlessness, customers resumed visits to local importers of high quality **furniture** enquiring for quotations and placing orders, and the market of imported furniture is tipped to recover in 2000, at very least, to the level of 1996.

Thai market of high quality imported home furniture focuses mainly in products made in Italy, Spain and USA, with an increasingly competition coming from Indonesia.

The perception of Thai importers is that European furniture has the best design and quality, being at the same time high-priced. Local demand appears to turn again in favour of high quality products with most of the customers not concerned about price and largest companies importing furniture are planning to increase imports from Italy and Spain, no matter of how high the price.

On the other side Department Stores strategies still point mainly to pricing, with increasing imports from USA and Indonesia. Department Stores are reducing the space for furniture directly imported, in favour of agreements with local importers/distributors for show-areas of furniture given in consignment or rented-out to local importers/ distributors.

Most of the Thai importers of high quality furniture are used to visit yearly international exhibitions in Europe (Milan, Valencia and Cologne) and are fully aware of European trends in production, design, style of furniture industry. The majority of Department Stores and some of the largest importers of furniture collaborate with buying agents in Italy and Spain to select new furniture to be imported in Thailand and get a service of control of quality before shipment is done.

Perception of local importers is that Italian and Spanish companies are sometimes not professional in finishing, packing and shipping furniture to Thailand.

As the demand for imported furniture appears to be on the raise, there is scope for exporters of European-made furniture to pay personal visits to the Thai market to arrange agreements of exclusive agency with reliable local agents.

The demand of **woodworking machinery** has been slowing down, keeping in 1998 the pace of the manufacturing sector in general, but resulting in an unusual drop of imports during the first half of 1999.

The most important positive sign for a rebound of the market of woodworking machinery in 2000 is the high number of enquiries and requests of quotation that local importers received in

December 1999. Enquiries are mainly from manufacturers of intermediate wooden products who are looking for offers and quotations for complete plants, more than single machines.

Currently, Thai end-users base their buying on a number of factors but mainly focus on price, although direct visits from export managers of machinery suppliers and from Thai agents can exert some influence over the final decision.

Anyway, as regards to the level of technology, Thai end-users are still reluctant to engage in CNC machinery and machines with advanced technological functions, being currently concerned of lack of capacity of local manpower to operate such a complicated equipment.

Local agents believe that in a short future demand from Thai end-users will increasingly turn to highly advanced technologies to cope with the demand from export markets for higher quality finished products.

European suppliers of woodworking machinery (mainly German and Italian companies) are well established in the Thai market, and Thai agents and end-users have a perception of high quality for European made machinery.

After-sale service and technical assistance are perceived to be of higher level for German-made machinery while for suppliers from other European countries (Italy and Spain included) there is scope to improve the perceived quality of after-sale service and professionalism in presentation of their technologies.

As regards to presentation and promotion of technologies the perception of Thai agents and end users is that Italian and Spanish companies sometimes lack of professionalism being slow in replying to enquiries, distributing incomplete information material not translated in English and paying rare personal visits to Thai customers.

Since Thai end-users do not appear to be particularly brand-conscious, an accurate selection of a reliable Thai agent and distributor is the key to enter in the Thai market of woodworking machinery for a newcomer foreign supplier.

As Thai end-users are not particularly brand-conscious and are most of all price-sensitive, agents and distributors have in Thailand considerable influence over consumer’s decision to buy a specific brand.

Introduction

During the first phase of the project the staff of researchers of TICC visited 34 local companies, of which:

- 15 importers of furniture;
- 5 manufacturers/exporters of furniture;
- 4 manufacturers/exporters of wooden products;
- 9 importers/distributors of woodworking machinery;
- 1 manufacturer/exporter of woodworking machinery.

The business opportunities in the following pages have been identified (see the attached reports on the organised meeting and paragraph n. 6 of the desk research).

1. Acmen International Co.Ltd.

Address:	340 Ekamai Road Soi Sukhumvit 63 - Klongton - Klongtoey Bangkok 10110 Tel: 02/381-0012 Fax: 02/381-2270
CEO:	Mr. Wiwat Rungwattanapak
Contact person:	Mr Sukhon Chatchawalnont
Line of business:	Manufacturer, distributor, exporter and importer of office furniture, office seating and custom made furniture
Size of the company:	Big size company, leader in Thailand for office furniture, established in 1968. Registered capital: 50 million baht.
Brands imported:	Estel, Poltrona Frau, Deco, Ine', Tallin.

Interested in:
-import of office chairs mechanisms for their own production line;
-import and distribution of office chairs of high standard, quality and design.

Contacts with Italian and Spanish companies requested:
1-Mr Sukhon looked at the catalogue of Federico Giner finding that his production is too simple, not up to Acmen standard of quality.
As Mr Sukhon did not find anything of his interest within catalogues of Italian and Spanish companies already included in the project, he is seeking for assistance from Cestec to find a supplier of **high quality office chairs and office chairs mechanisms of high technology.**

Comments:
Acmen is one of the best Thai manufacturers of office chairs, willing to realize projects of industrial cooperation with European partners or to import finished products from Europe.
They will be glad to receive new proposals from Cestec.

2. Boonthavorn Ceramic (Rangsit) Co.Ltd.

Address: 61 Soi Roongruang, Ratchadapisek Road - Samsennok
Bangkok 10320
Tel: 02/693-1111/7 Fax: 02/693-1118

Contact person: Mr. Jiradate Prownpuntu

Line of business: Importer/distributor of ceramic, kitchen and bathroom furniture, knock-down furniture, metal furniture.

Size of the company: Medium size company.

Brands imported: Gardinia and Saime from Italy;

Interested in:
-import, for own use, of flexible panels for manufacturing of kitchen furniture;
-import of furniture for their show-room of ceramics;
-import of classical furniture and modern iron wrought furniture.

Contacts with Italian and Spanish companies requested:
1-They expect to receive complete catalogues and price lists from companies producing classic furniture.

Comments:
The main business of Boonthaworn Ceramic is distribution of bathroom ceramic tiles imported from Italy and Spain.
As forecasts for the year 2000 are positive, the company is opening a new show room for ceramic tiles and is looking for imported furniture to decorate the show room.
The company plans to increase his activity in the field of kitchen furniture and is trying to improve the quality and the design of the products that they are distributing;
Boonthavorn Ceramic registered a drop of 20% in sales in 1997/98 but expects an increase of 12% in the second half of this year.

3. Casa Mia Import Export Co.Ltd.

Address:	25 Alma Link Bldg. 1st Fl., Soi Chidlom, Ploenchit Road - Pathumwan - Bangkok 10330 Tel: 02/655-6166/8 Fax: 02/655-6169
Contact person:	Mr K. David
Line of business:	Importer/distributor of classical European furniture and gifts items. Manufacturer of ceiling ornaments.
Size of the company:	Big size company.
Brands imported:	Distributor of Silix and furniture imported from Italy (mostly from Friuli, Como, Bergamo) and Spain (Canella; Vidal Grau).

Interested in:
-import and distribution of sofas, armchairs, classical furniture, classical reproduction of European furniture, metal bed structures.

Contacts with Italian and Spanish companies requested:
1-Mr David showed interest for the classic furniture and is looking for complete catalogues and price lists to study more in deep if his company could be interested in import and/or in exclusive agency agreement.

Comments:
Casa Mia is importing furniture of high quality 100% from Europe and Mr David is willing to continue dealing with European suppliers.
Currently Casa Mia is importing set for dining room and sofa, but is willing to expand to furniture for bedroom.
The target of Casa Mia is high income customers, both Thai and foreigners.

4. Central Department Store Co.Ltd.

Address: 1027 Soi Chidlom, Ploenchit Road - Pathumwan
Bangkok 10330
Tel: 02/255-3833/47 Fax: 02/655-7477/8

Contact person: Ms. Yara Tapia - Merchandising Manager

Size of the company: Central is the biggest group of department stores in Thailand, with over 20 stores (both with Central brand name and BIG brand name) in Bangkok and in other provinces.

Line of business: Chain of Department Stores. Importer/retailer of furniture.

Brands imported: Furniture from USA, Indonesia, Italy, and Spain.

Interested in:
-import of complete set for dining room, living room, bedroom; coffee table; side table;
-import of sofas both in leather and fabric;
-import of garden furniture manufactured in Italy;
-import of table in wood with glass;
-import of lamps and lighting fixtures in general;
-import of office furniture.

Contacts with Italian and Spanish companies requested*:*
1-Ms. Yara Tapia is willing to receive complete catalogue, with FOB price list, from spanish producers of classic furniture, together with confirmation that those companies are available for exclusive agency agreement.
2- Ms. Yara Tapia is willing to receive complete catalogue and price lists from Italian companies producing classic furniture. She is interested to enter business with those companies if prices are competitive.

Comments:
In each department store of Central a wide area (usually an entire floor) is utilized for furniture and furnishing.
At least 60% to 70% of the space is rented out to private companies, both local manufacturer and importer of furniture. The remaining 30-40% of the space is organized as a show room of furniture and furnishing directly imported by Central or received in consignment.
The strategy of Central is to increase the area rented out to private companies and reduce direct imports.
Currently Ms Yara Tapia' s perception is that furniture imported from USA and from selected Indonesian companies are of high quality with prices more competitive than those for similar production from Europe.

5. Chawawat Co.Ltd.

Address:	33/35 Maboonkrong Center 5th Fl - Phyathai Road Bangkok 10330 Tel: 02/217-9272 Fax: 02/217-9273
Contact person:	Mr. Natachai Gosrisirikul
Line of business:	Importer/distributor of classical reproduction of European furniture and lighting.
Size of the company:	Small/medium size company.
Brands imported:	Furniture and lighting imported from Italy and Spain.

Interested in:
-import of sofas, arm-chairs, classical reproduction of European furniture;
-arrange new deals with small and medium size companies supplying furniture from Europe.

Contacts with Italian and Spanish companies requested:
1-They expect to receive complete catalogues and price lists from Italian producers of classic furniture.

Comments:
Chawawat is importing furniture 95% from Italy and the rest from Spain.
They have two buying agents both in Italy and in Spain.
Mr Natachai is visiting every year Milano Fair.

6. Decor Mart Co., Ltd.

Address:	402, Moo 5, Srinakarin Road - Samrong Nua - Muang Samutprakarn 10270 Tel: 02/758-7310/9 Fax: 02/758-7252/6
Contact person:	Ms. Chutima Worawisutsarakul
Line of business:	Importer/distributor of home furniture and furnishings.
Size of the company:	Medium/big size company with three show rooms in Sogo Department Store, in Emporium Department Store and in Srinakarin Road.
Brands imported:	Calligaris; Arsenico; Accademia; Archetipo; Vidal Grau; Utopia.

Interested in:
-import of classical furniture from Italy;
-import of classical reproduction of European furniture within one or two years;
-import of sofas and armchairs in fabric, not in leather.

Contacts with Italian and Spanish companies requested:
1-Ms Chutima is willing to receive complete catalogue and FOB price list from Italian and Spanish producers of furniture.

Comments:
Decor Mart is currently importing modern furniture from Italy (where the company has a buying agent), classical furniture from Spain and upholstery from USA.
The company is also distributing furniture manufactured in Thailand.
The company is used to visit every year international fairs in Europe.
Decor Mart's customers are traditionally Thais; only recently Decor Mart captured a portion of Japanese and American customers thanks to the opening of a new show room in Emporium Department Store.
Currently the company is not dealing with classical reproduction of European furniture but is willing to enter in this market, starting imports of such furniture within one or two years.
Ms. Chutima complained the low level of business accuracy of some Italian and Spanish companies who are used to send catalogues in the original language, without English translation, useless for promotion in Thailand.

7. Euro Creations Co.Ltd.

Address:	894 Moo 12 - Bangna Trad Road - Bangna Bangkok 10330 Tel: 02/746-8875/6 Fax: 02/746-7540
Contact person:	Ms. Amarat Gambir
Line of business:	importer/distributor of classical reproduction of European furniture, lighting and accessory. Manufacturer of lighting fixture.
Size of the company:	big size company with two show rooms currently in operation and a third show-room to be opened next year in the commercial area of Sukhumvit.
Brands imported:	Vincente Saragoza; Koher; Bagus; Bejorama; Epoca; Solomondo; Canela (Spain); Gasperini; Rampori; Turi; Neri; Ferrari; Presento; Marconi; B&B (Italy)

Interested in:
-import and distribution of classical leather sofas, armchairs, classical furniture, classical reproduction of European furniture, lighting fixture from Italian and Spanish companies able to deal in English.

Contacts with Italian and Spanish companies requested:
1-Euro Creations contacted in the past Neri but did not receive any answer and is looking for help from Cestec to start business with this company.
2-They are importing sofas from B&B but due to high price they would like to switch to another company with similar production looking from help from Cestec.
3-The company showed interest for classic and modern furniture and they might want to receive further catalogues and price lists. We should receive a confirmation within the 15th December.

Comments:
Euro Creations is now selling 100% imported furniture and is willing to concentrate in the business of classical furniture.
The forecast of Euro Creations is that the market will pick up at the end of this year and next year but the company is still recording a reduction in sales during the first ten months of 1999.
The company opened his first show-room in 1996 and the second one in 1998 in the middle of the worst period for Thai economy, but the management of Euro Creations is optimistic on short time recovery of the market and has already planned the investment in a third show-room.
On January 2000 Euro Creations will organize a two-day exhibition in his show rooms in collaboration with Unicef.
Ms. Amarat is willing to import furniture only from Italy and Spain but recent experiences

with Italian and Spanish companies have sometimes been disappointing due to long delays in delivery time. For few shipments Ms. Amarat received damaged furniture with damages imputable to poor finishing of furniture, not imputable to poor packaging.
Euro Creations is specialized in supplying of furniture and furnishing for specific projects; in 1999 they supplied furniture and furnishings to two leading hotels in Bangkok: Oriental Hotel and Grand Sheraton Sukhumvit Hotel.
The management of Euro Creations is visiting every year exhibitions in Italy and Spain.

8. Furniline Co.Ltd.

Address: 202 Moo 6, Ramkhamhaeng Road - Sukhapiban 3
Sanphasung Bangkok 10240
Tel: 02/517-4461 Fax: 02/517-5550

Import Manager: Mr Annop Sirikrai

Line of business: Importer/distributor of woodworking machines, tool and glue for furniture, dust collector from Italy, Germany and Japan. Manufacturer of picture frame.

Size of the company: Big company with 770 employees and a turnover over 90 million baht.

Brands imported: Casadei; Bongiovanni; Cefla; Celaschi; Coral; DMC; Morbidelli;
IDM; Sipest; Stefani; Tiger (Italy)
Dai Nippon (Japan)
Invicta (Brazil)
Homeg Group; Buftering; Brandt; Jonsdorf; Holzma; Letron; Arminius; Altendorf; Schroeder (Germany)

Interested in:
-medium/small wood-working machine, of good quality, for manufacturing of board for furniture industry;
-pressing line for stripwood laminating;
-complete plants for manufacturing of veneer and plywood.

Contacts with Italian and Spanish companies requested:
1-Furniline is interested in the Italian pressing line and asks for complete technical documentation and price list.
2-Furniline has good business relations with local manufacturers of veneer and plywood and will be glad to enter in a business agreement with Italian producers of wood working machinery to promote export of complete plant for veneer and plywood. Collaboration should be based on long term exclusive agency for specific
3-Furniline is already in contact with Spanish companies.

Comments:
Furniline has been established 15 years ago and is importing and distributing both new and second hand woodworking machines, mainly from Germany and Italy.
The company is selling 70% standard machinery and 30% CNC machinery, for distribution to their customers interested in quality and after-sale service more than price.
They operate only as exclusive agent with a commission of 5% to15%, depending of the value of the machine.

Furniline is used also to import small machines on his own to be presented to potential customers in his show room.

Furniline is specialized in selling machines for solid wood rather than machines for boards.

Businesses of Furniline went up 101% in 1996 to 120 million baht but dropped to 24% in 1998.

Mr. Annop Sirikai is visiting every year International Fairs in Europe (Hanover and Milan) and in Asia (Singapore and Japan).

9. Modernform Imports Co.Ltd.

Address:	699 Modernform Tower Bldg., 15th Fl - Srinakarin Road - Suanluang - Bangkok 10250 Tel: 02/722-8371/5 Fax: 02/722-8376
CEO:	Mr. Jajjai Dhammarungruang (Casa Bella)
Contact person:	Mr. Wichai Satayapornpisut (Casa Bella)
Line of business:	Importer/distributor of home and office furniture, sofas, decorative items, fitting equipment (handle, hinge, key, drawer, etc.). Manufacturer of sofas distributed by Casa Bella.
Size of the company:	Big group of companies (Modernform; Casa Bella; Steelcase) with four show-rooms for furniture.
Brands imported:	Natuzzi; Caimi Brevetti; Lavamar; Zoffoli; Tornelli; Basculant; Reflex.

Interested in:
-import of sofas and arm-chairs;
-arrange new deals with small and medium size companies supplying furniture from Europe.

Contacts with Italian and Spanish companies requested:
1-They expect to receive complete catalogues and price lists from Italian producers of classic furniture.

Comments:
The company started doing business nine years ago under the name of Casa Bella that after became a subsidiary of Modernform. Modernform is now running also a joint venture with a leader in manufacturing of office furniture, Steelcase.
Casa Bella is running 4 show rooms in Maboonkrong Shopping Centre, Emporium Department Store and Modernform Tower.
Modernform imports furniture 90% from Italy (including chairs from Udine) and for the remaining 10% from Spain and Denmark; for furnishing and chairs Modernform is also importing from Hong Kong and Taiwan.
The company plans to increase his activity in the field of kitchen furniture and is trying to improve the quality and the design of the products that they are distributing;
Management of Modernform is visiting every year Milano Fair.

10. Moma Collection Co.Ltd.

Address:	10/9-10 Sukhumvit 39 Road Bangkok 10110 Tel: 02/2596212-4 Fax: 02/2588328
Owners:	Mrs. Cristina Thamachavoen and Mr Kanit Setaruchi
Line of business:	Importer/distributor of modern home furniture and furniture for offices. Interior decorator.
Size of the company:	Small/medium size company organized as a family business, with two show-rooms in the commercial area of Sukhumvit.
Brands imported:	Cassina; Molteni; Doce; Media Arte; Kron.

Interested in:
-import of blinds for interior decoration both for distribution and for its own activity of interior decorator;
-import and distribution of modern furniture (sofas and upholstered furniture; drawer chest; furniture for dining room);
-import of folding door.

Contacts with Italian and Spanish companies requested:
1-Moma Collection is willing to receive a complete catalogue and price list with payment conditions from Italian producers of classic furniture.
2-The company is very interested in the production of Spanish producers of classic furniture and would like to discuss an agreement of sole agency. They would be glad if Those companies could send technical documentation and small samples, as well as conditions for a sole agency agreement.

Comments:
Moma Collection faced problems during 1997/98 due to the economic slump (both for their activities of imports of furniture and for the business of interior decoration), but they have got good business activities this year and they are very optimistic for the year 2000.
Since 1997 Moma Collection had problems of quality with Italian furniture built with parts (mainly particle boards of low quality) imported from China.
They have no experience with Spanish manufacturers but they believe that some Thai importers had problems with Spanish suppliers due to poor packaging of furniture and difficulties to carry on correspondence in English.
Moma Collection is importing furniture for specific projects of local interior decorators.

11. Nan Dee Intertrade Co.Ltd.

Address: 327/35-39 Soi Wat Prok 2, Chan Road - Sathorn
Bangkok 10120
Tel: 02/213-0115/6 Fax: 02/212-1871

Managing Director: Mr. Anukit Sirichanyakul
Marketing Manager: Mr. Danai Charoenthanakit

Line of business: Importer/distributor of wood-working machine (grinder;sawing machine; sander; drilling machine); nailing machine; packaging machine; cartoning machine; palletizer; depalletizer; pneumatic tools.

Size of the company: Big size company with registered capital of 20 million baht, turnover of 223 million baht (1998) and 100 employees.

Brands imported: Siat (Italy)
Stra Pack; Max; Nitto Kohki; Wellstone; Vessel (Japan)

Interested in:
-sole agency for import and distribution of machines for production of pallets and wooden boxes;
-sole agency for import of small sanders and table saw easy movable, to be distributed to local contractors for works of interior decoration.

Contacts with Italian and Spanish companies requested:
1-Mr Danai is interested in sole agency for the Italian machines**.**
2-Nan Dee is asking for assistance from Cestec to find an Italian or Spanish supplier of small sanders and small table saw.

Comments:
Nan Dee Intertrade has been founded in 1983
The company is currently suppliyng nailing machine to 65 local manufacturers of pallet.
As forecasts for next year are positive, Mr Anukit is willing to expand the business of the company importing small wood-working machines; if successful in this new activity Nan Dee could start assembling machines in Thailand.
Nan Dee is used to cooperate with foreign suppliers of tool and machine on the basis of agreement of exclusive agency.

12. Panasa Co.Ltd.

Address: 59/503-504 Romyen Bldg., Rama IV Road - Bangkhuntien
Bangkok 10150
Tel: 02/416-8965/6 Fax: 02/416-8967

Managing Director: Mr Rawat Seeholarnkul

Line of business: Importer/distributor of woodworking machines (mainly panel saw; cutting machine; sanding machine) and tools from Italy, Germany, Taiwan and Japan.

Size of the company: Big company, ranked third or fourth in the market, with turnover of 60 million baht (1998) and 40 employees.

Brands imported: Delle Vedove; Friulmac; Griggio; Pade; Vitap; Sicar; Comec (Italy)
Michael Weinig; Guhdo; Venjakob; Waco; Grecon; Dimter; Torwegge; Loroch (Germany)
Taihei; Amitec; Shoda Iron Works (Japan)
Fulpow (Taiwan)

Interested in:
-import of machinery for manufacturing of chairs;
-import of lathe;
-import of varnishing machinery from Italy and Spain.

Contacts with Italian and Spanish companies requested:
1-Panasa is interested in technologies offered by Italian and Spanish companies producing wood working machines and is willing to receive complete catalogues with FOB price list.
2-Panasa is also interested in machinery manufactured by Spanish companies and is looking for assistance from Cestec to enter in contact with both companies.
3-Mr Rawat is already in contact with an Italian company and confirms that he is interested in doing business with this company.

Comments:
Panasa is importing wood—working machine for distribution both in Thailand (90% of their sales) and Myanmar (10%).
They also deal with metalworking machines and machines for industry of plastic materials, but those two sectors represent now only 10% of the turnover of Panasa.
The import of woodworking machines is divided as follows: 45/50% from Europe (Germany, Italy, Spain), 30/35% from Japan, 15/20% from Taiwan.
90% of machinery sold by Panasa are small and medium size standard machines and only 10% is CNC equipment.
Panasa is importing standard machines and selling directly to local end-user giving assistance

for installation and after-sale service. For CNC equipment Panasa is acting as agent and the exporter is sending technicians to take care of installation and start-up of the equipment.
Panasa is also importing from Italy and Japan reconstructed second-hand machines for distribution to their local customers.
Mark-up of Panasa is usually 15/20%.
The management of Panasa is visiting every year international exhibitions in Milan, Hanover and Kuala Lumpur.
Customers of Panasa are mostly concerned about price and after-sale service, more than high quality of machinery.
The company suffered a dramatic drop in sales from 95/96 from 400 million baht in 1995/96 to 60 million baht in 1998. Panasa deals with customers manufacturing furniture in solid wood more than MDF or boards.

13. Picotee Plus Co.Ltd.

Address: 912-914 Sukhumvit Road (between Soi 38 and 40) - Prakanong Klongtoey, Bangkok 10110
Tel: 02/392-1276 02/712-1448-9 Fax: 02/712-3711

Contact person: Ms. Saranee Subhunnithi

Line of business: Interior decorator. Manufacturer/distributor/exporter of modern wood furniture (particle wood and MDF), sofas, dining set, kiddies bed. Importer/retailer of interior decoration material (furniture fittings and handles, upholstery fabric, laminated sheets, high-pressure laminate floor in real wood-oak loor).

Size of the company: Big company.

Brands imported: Unifor/Molteni, Polfix, Farex, Fricchetto.

Interested in:
-import, for own use, of flexible panels, veneer edgebanding and profile wrapping veneer.
-industrial collaboration with an Italian manufacturer of furniture, providing low cost for local manufacturing in exchange of design supplied by the Italian partner.

Contacts with Italian and Spanish companies requested:
1-Picotee is expecting to receive complete catalogues and price lists from Spanish companies
2-They were not impressed by the catalogues of Italian and Spanish companies offering modern furniture and sofas and they are not interested in dealing with classical furniture.

Comments:
Picotee has been importing furniture from Italy for over seven years keeping in stock but recently they decided to stop importing furniture to be kept in stock and they are importing only on customer's orders.
Picotee has no previous experience with Spanish companies.
In Thailand Picotee is marketing to high-income customers as local customers of Picotee are mainly foreigners.
Furniture manufactured by Picotee is mainly exported to USA and Japan where Picotee has a big market for simple and not too creative style of furniture.
Ms. Saranee is visiting every year international exhibitions in Milan, Cologne and Valencia.
Forecasts of Picotee are not positive: the recovery of the construction sector will last not less than five years.

14. Pornpol Co.Ltd.

Address:	129 Boon Siri Road - Sarnchaoporsua Bangkok 10400 Tel: 02/224-2095 02/225-8764 Fax: 02/226-1850
CEO:	Mr. Somrak Watananusan
Import Manager:	Mr Chalerm Watananusan
Line of business:	Importer/distributor of small and medium-size woodworking machines from Europe (thickener; band-saw; planer; saw bench; spindle moulder; rouler; wood turning lathe). Importer of second-hand woodworking machines. Importer of veneer and plywood.
Size of the company:	Small company with 5 employees and turnover of 5/6 million baht, organized as family business.
Brands imported:	Compa; Nardi; Minimax**.**

Interested in:
-import of small machines for furniture industry (planer; sanding machine; thickener; turning machine) and sawmills (band saw).

Contacts with Italian and Spanish companies requested:
1-Mr. Somrak is willing to receive complete catalogues and price list from Italian and Spanish producers of wod working machines
2-Pornpol is not interested in one of the Italian companies because they believe that prices of that firm are not competitive with prices of similar equipment from Japan.

Comments:
Pornpol is a small company having more than 25 years of experience of Thai market of woodworking machine and a management quite conservative.
Agreements with suppliers of machines are based on trustworthy relationships.
70% of the turnover of Pornpol is from import of woodworking machines from Italy, Germany and Denmark.
In the past, Mr. Somrak had already business relations with Spanish companies (Laymi offering complete equipment at competitive price).
From Denmark Pornpol is importing equipment for teak.
The company was established in 1973.

15. R.P.S. Import Export Co.Ltd.

Address: 760/9-10 Sukhumvit Road, between Soi 30 and 32
Bangkok 10110
Tel: 02/258-5390 259-2507 Fax: 02/259-2508

Contact person: Mr Prasit Suppakarnpanich

Line of business: Importer/distributor of lighting fixtures (since 30 years), furniture (since 10 years) and decorative articles.

Size of company: Big size company, running three show rooms (two for furniture and one, in Sukhumvit area, for lighting).

Brands imported: Narduzzi; Formenti; Silix (furniture)
Tiffany (lighting fixtures).

Interested in:
-imports of sofas in leather; classical furniture and classical reproductions of European furniture.

Contacts with Italian and Spanish companies requested:
1-Mr. Prasit was very interested in the production of Italian producers of classic furniture; they wish to receive complete catalogues and price lists from those 3 companies to explore the possibility of import and distribute their production in Thailand.
2- R.P.S. Import Export had already dealt in the past with Spanish companies, importing for 20 years lighting from one of the Spanish company, and the company already knows most of Spanish manufacturers of furniture included in the project;

Comments:
R.P.S. finds sometimes difficult to deal with Italian companies for language problems.
The company interrupted the activity of imports of furniture in 1997 and resumed this activity at the end of 1998.

16. Solimac Co.Ltd.

Address:	3755/6 Rama IV Road - Prakanong - Klongtoey Bangkok 10110 Tel: 02/381-2296/7 Fax: 02/381-2295
CEO:	Mr. Banchered Crua-Chottikul
Import Manager:	Mr Banleu Crua-Chottikul
Contact person:	Mr. Thada Utaiwan, manager of machinery department
Line of business:	Importer/distributor of small and big wood-working machines (sawing machine; planner; drilling machine; grinding machine; press; sanding machine; wood turning lathe; edge banding machine, CNC center); hydraulic and pneumatic equipment; sandcloth and sandpaper for distribution to manufacturers of furniture.
Size of the company:	Big size group of companies with turnover of over 150 million baht, registered capital of 4 million baht and over 100 employees.
Brands imported:	Bacci; Biesse; Casolin; Giardina; Stefani; Italpresse; Polymac; RBO Meccanica; Comil (Italy) Heian International (Japan); Wadkin; Desoutter (United Kingdom): Sandingmaster (Netherlands); KL Woodworking Machinery; Kuper; Grecon Electronic (Germany)

Interested in:
-import of lathes for solid wood;
-import of sander machines;
-import of complete plant for production of veneer.

Contacts with Italian and Spanish companies requested:
1-Solimac is interested in the production of a Spanish company and is willing to receive complete catalogue with FOB price list, together with confirmation of availability of that company Valencia for a sole agency agreement;

2-Solimac is dealing with a local customer, manufacturer of veneer, interested in a new plant for production of veneer from teak and rubberwood;
Mr Thada will be glad to enter in a business agreement with one of the Italian company to promote export of complete plant for veneer. Collaboration should be based on long term exclusive agency for specific.
3-Solimac is looking for a company manufacturing **lathes of high technology for solid wood**

and is asking for assistance from Cestec.

Comments:
Solimac Co.Ltd. is the importer of wood-working machine and is the leading company within a group of companies which includes B.& B. Solimec is also importer of intermediate goods and consumer goods for interior decoration and construction industry.
Solimac is representing, with sole agency agreement, over 15 companies manufacturing woodworking machines from Italy, Japan, United Kingdom, Netherlands; Germany.
Solimac operates with sole agency agreements with suppliers of woodworking machinery.
Mr Thada is not interested in the production of presses from Simimpianti and Orma Macchine because Solimac has already an agreement of exclusive agency with a leader manufacturer of presses from Italy (Italpresse).

17. Sopex Co.Ltd.

Address: 3146 Ladprao Road - Klongchan- Bangkapi
Bangkok 10240
Tel: 02/731-0203/6 Fax: 02/375-1017

Import Manager: Mr Somporn Phun-Sawan

Line of business: Importer/distributor of wood-working machines (tenoner; mortise machine; shaper; automatic multi-boring machine; edge Bandar; pressing machine; panel saw; sanding master; wide-belt sand; finger-joint machine; veneer splitter; Turing lathe; CNC router), pneumatic/hydraulic equipment, water proofing and metal-working machine.

Size of the company: Medium size company with turnover of 15 million baht and 27 employees.

Brands imported: OMGA; Mini Max (Italy);
Calder Wilkinson (United Kingdom);
Ample Wood Working Machine; Starmaster Industrial (Taiwan)

Interested in:
-import of lathe; sanding machines; band saw machines for board;
-import of abrasives.

Contacts with Italian and Spanish companies requested:
1-Mr. Somporn is willing to receive complete catalogues and price list from Spanish companies.

Comments:
50% of turnover of Sopex is from distribution of woodworking machines and 50% from distribution of metalworking machines.
The main office of Sopex is in Chiang Mai with a branch in Bangkok.
Sopex is selling only standard machines and is not dealing with CNC equipment. Mr. Somporn believes that in Thai market skilled manpower able to appropriately operate CNC equipment is still not available. Sopex is importing woodworking machinery from Taiwan, China, Italy, United Kingdom and Japan.
For after-sale service they trust Taiwanese companies more than European companies but they find Italian technology of higher level than the Taiwanese one.
Forecasts from Mr. Somporn are positive and he believes that Government programs for technical training of skilled workers could allow introducing CNC equipment into the Thai market.
Sopex management is not used to travel to Europe to visit international exhibitions; they have

been introduced to Italian manufacturers of woodworking machinery through the Italian Embassy that gave them addresses and information.

18. Thai International Machinery Ltd.Part.

Address: 116/17-19 Rangnum Road - Phayathai
Bangkok 10400
Tel: 02/245-1953 Fax: 02/246-5084

Import Manager: Mr Pravit Kobkulsuwan

Line of business: Importer/distributor of small wood-working machines, veneer knifes, welding machines and diamond saw blades from Italy, Japan, Germany and Sweden.

Size of the company: Small size company.

Brands imported: Flai (Italy)
Kanefusa (Japan)
Vollmer, Reform (Germany)

Interested in:
-sole agency for import and distribution of Italian diamond saw blades for MDF;
-sole agency for import and distribution of small lathes for MDF, veneer and plywood.

Contacts with Italian and Spanish companies requested:
1-Mr Pravit is interested in the production of Italian companies**.** One copy of the catalogue of those companies has been left to Mr. Pravit for consideration.

Comments:
The company is specialized in import of small machines and tools for distribution to local manufacturers of MDF, veneer, plywood and furniture.
They are not equipped for distribution and after-sale services for big machines and complete plants.

19. Golden Hill Trading Ltd.Part.

Address: 1668/17-18 New Road - Yannawa - Sathorn
Bangkok 10120
Tel: 02/211-4569 212-6646 Fax: 02/212-0528
Contact person: Mr Thana Thanaprachum (manager)
Line of business: Importer/distributor of woodworking machinery (radial arm saws; automatic edgers; sanding machines; lathes; shaping machines; chisels and mortising chains; knives; saw blades), tools and abrasives.
Size of company: Small size company with 10 employees and a turnover of 5/10 million baht.
Brands imported: Maggi Engineering; Officina del Molino (Italy); Kvaerner Mesna (Norway); Will Keil (Germany); Star M (Japan); Kwang Myung Abrasive (South Korea).

Interested in:
-import of small machines for manufacturing of doors and window frames (planing machines; mortisers; feeder units; cutting machines; arm saws);
-exclusive agency for TCT knifes for sawmills.

Contacts with Italian and Spanish companies requested:
1-Mr Thana is interested in the production of a Spanish company**.** One copy of the pamphlet of the company has been left to Mr. Thana for consideration but Mr Thana is asking for a complete catalogue to better verify the interest of local end-users.
2-Golden Hill is willing to import TCT knife for sawmills and is looking for assistance from Cestec to find an Italian or Spanish supplier of such saw blades.

Comments:
Golden Hill is small size company, with good and long tradition of activity in imports of woodworking machinery, but is specialized in import of small machines and tools for distribution to local manufacturers of door, window frames and furnitures.
They are not equipped for distribution and after-sale services for big machines and complete plants.

20 Sahamit Machinery Public Co.Ltd.

42/48 Soi Chokchai Jongjumroen - Rama III Road - Yannawa
Bangkok 10120
Tel: 02/295-1000/8 Fax: 02/295-2531
Contact person: Mr Pramote Sivaruk (vice-president)
Line of business: Importer/distributor of woodworking-machines (sanding machines; metal cutting tools; impregnation lines; hydraulic press; continous presses; knives). Manufacturer of paper for newspapers. Distributor of paper pulp.
Size of company**:** Big company with 200 employees and a turnover over 500 million baht.
Brands imported: Imesa; Tocchio; Sesa (Italy); Seco; Avesta (Sweden); Hermes Abrasive; Dieffenbacher; Burke (Germany); Bohler (Austria); Bruks Chipper (Sweden).

Interested in:
-import of lathes for manufacturing of furniture;
-import of sander machines;
-import of complete plants for production of veneer.

Contacts with Italian and Spanish companies requested:
1-Mr Pramote is interested in the production of **a** Spanish company**.** One copy of the pamphlet of that company has been left to Mr. Pramote for consideration but Mr Pramote is asking for a complete catalogue to better verify the interest of local end-users.
2-Sahamit has many customers manufacturing veneer and would be glad to enter in contact with Italian companies to discuss opportunities of cooperation.

Comments:
Sahamit is a big company, with long tradition of activity in imports of woodworking machinery, and good relations with local manufacturers booth of intermediate products and finished products and furniture.
They are well equipped for distribution and after-sale services also for big machines and complete plants.

C – FINAL RESULTS

Conclusion and recommendation

The negative trend of the economy that Thailand experienced in all sectors during the last two years, deeply affected imports and local demand of both furniture and woodworking machinery, but forecasts for the year 2000 are quite positive. The feeling within Thai agents and importers/distributors of woodworking machinery and furniture is that both sectors have bottomed out during the last two/three months.

After over 2 years of listlessness, customers resumed visits to local importers of high quality **furniture** enquiring for quotations and placing orders, and the market of imported furniture is tipped to recover in 2000, at very least, to the level of 1996.

Thai market of high quality imported home furniture focuses mainly in products made in Italy, Spain and USA, with an increasingly competition coming from Indonesia.

The perception of Thai importers is that European furniture has the best design and quality, being at the same time high-priced. Local demand appears to turn again in favour of high quality products with most of the customers not concerned about price and largest companies importing furniture are planning to increase imports from Italy and Spain, no matter of how high the price.

On the other side Department Stores strategies still point mainly to pricing, with increasing imports from USA and Indonesia. Department Stores are reducing the space for furniture directly imported, in favour of agreements with local importers/distributors for show-areas of furniture given in consignment or rented-out to local importers/ distributors.

Most of the Thai importers of high quality furniture are used to visit yearly international exhibitions in Europe (Milan, Valencia and Cologne) and are fully aware of European trends in production, design, style of furniture industry. The majority of Department Stores and some of the largest importers of furniture collaborate with buying agents in Italy and Spain to select new furniture to be imported in Thailand and get a service of control of quality before shipment is done.

Perception of local importers is that Italian and Spanish companies are sometimes not professional in finishing, packing and shipping furniture to Thailand.

As the demand for imported furniture appears to be on the raise, there is scope for exporters of European-made furniture to pay personal visits to the Thai market to arrange agreements of exclusive agency with reliable local agents.

The demand of **woodworking machinery** has been slowing down, keeping in 1998 the pace of the manufacturing sector in general, but resulting in an unusual drop of imports during the first half of 1999.

The most important positive sign for a rebound of the market of woodworking machinery in

2000 is the high number of enquiries and requests of quotation that local importers received in December 1999. Enquiries are mainly from manufacturers of intermediate wooden products who are looking for offers and quotations for complete plants, more than single machines.

Currently, Thai end-users base their buying on a number of factors but mainly focus on price, although direct visits from export managers of machinery suppliers and from Thai agents can exert some influence over the final decision.

Anyway, as regards to the level of technology, Thai end-users are still reluctant to engage in CNC machinery and machines with advanced technological functions, being currently concerned of lack of capacity of local manpower to operate such a complicated equipment.

Local agents believe that in a short future demand from Thai end-users will increasingly turn to highly advanced technologies to cope with the demand from export markets for higher quality finished products.

European suppliers of woodworking machinery (mainly German and Italian companies) are well established in the Thai market, and Thai agents and end-users have a perception of high quality for European made machinery.

After-sale service and technical assistance are perceived to be of higher level for German-made machinery while for suppliers from other European countries (Italy and Spain included) there is scope to improve the perceived quality of after-sale service and professionalism in presentation of their technologies.

As regards to presentation and promotion of technologies the perception of Thai agents and end users is that Italian and Spanish companies sometimes lack of professionalism being slow in replying to enquiries, distributing incomplete information material not translated in English and paying rare personal visits to Thai customers.

Since Thai end-users do not appear to be particularly brand-conscious, an accurate selection of a reliable Thai agent and distributor is the key to enter in the Thai market of woodworking machinery for a newcomer foreign supplier.

As Thai end-users are not particularly brand-conscious and are most of all price-sensitive, agents and distributors have in Thailand considerable influence over consumer’s decision to buy a specific brand.

Business opportunities

During the first phase of the project the staff of researchers of TICC visited 34 local companies, of which:
- 15 importers of furniture;
- 5 manufacturers/exporters of furniture;
- 4 manufacturers/exporters of wooden products;
- 9 importers/distributors of woodworking machinery;
- 1 manufacturer/exporter of woodworking machinery.

The following business opportunities have been identified (see the attached reports on the organised meeting and paragraph n. 6 of the desk research):

1. ACMEN INTERNATIONAL CO., LTD
Interested in:
-import of office chairs mechanisms for their own production line;
-import and distribution of office chairs of high standard, quality and design.

2. BOONTHAVORN CERAMIC (RANGSIT) CO.LTD.
Interested in:
-import, for own use, of flexible panels for manufacturing of kitchen furniture;
-import of furniture for their show-room of ceramics;
-import of classical furniture and modern iron wrought furniture.

3. CASA MIA IMPORT EXPORT CO., LTD.
Interested in:
-import and distribution of sofas, armchairs, classical furniture, classical reproduction of European furniture, metal bed structures.

4. CENTRAL DEPARTMENT STORE CO., LTD.
Interested in:
-import of complete set for dining room, living room, bedroom; coffee tables; side tables;
-import of sofas both in leather and fabric;
-import of garden furniture manufactured in Italy;
-import of tables in wood with glass;
-import of lamps and lighting fixtures in general;
-import of office furniture.

5. CHAWAWAT CO., LTD.
Interested in:
-import of sofas, armchairs, classical reproduction of European furniture;
-arrange new deals with small and medium size companies supplying furniture from Europe.

6. DECOR MART CENTER (THAILAND) CO., LTD.
Interested in:
-import of classical furniture from Italy;

-import of classical reproduction of European furniture within one or two years;
-import of sofas and armchairs in fabric, not in leather.

7. EURO CREATIONS CO., LTD.

Interested in:

-import and distribution of classical leather sofas, armchairs, classical furniture, classical reproduction of European furniture, lighting fixtures from Italian and Spanish companies able to deal in English.

8. FURNILINE CO., LTD.

Interested in:

-medium/small woodworking machinery, of good quality, for manufacturing of board for furniture industry;
-pressing line for stripwood laminating;
-complete plant for manufacturing of veneer and plywood.

9. GOLDEN HILL TRADING LTD., PART.

Interested in:

-import of small machines for manufacturing of doors and window frames (planing machines; mortisers; feeder units; cutting machines; arm saws);
-exclusive agency for TCT knifes for sawmills.

10. MODERNFORM IMPORTS CO., LTD.

Interested in:

-import of sofas and armchairs;
-arrange new deals with small and medium size companies supplying furniture from Europe.

11. MOMA COLLECTION CO., LTD.

Interested in:

-import of blinds for interior decoration both for distribution and for its own activity of interior decorator;
-import and distribution of modern furniture (sofas and upholstered furniture; drawers chests; furniture for dining room);
-import of folding doors.

12. NAN DEE INTERTRADE CO., LTD.

Interested in:

-sole agency for import and distribution of machines for production of pallets and wooden boxes.
-sole agency for import of small sanders and table saws easy movable to be distributed to local contractors.

13. PANASA CO., LTD.

Interested in:

-import of machines for manufacturing of chairs;
-import of lathes;
-import of varnishing machines from Italy and Spain.

14. PICOTEE PLUS CO.LTD.

Interested in:
-import, for own use, of flexible panels, veneer edgebanding and profile wrapping veneer.
-industrial collaboration with an Italian manufacturer of furniture, providing low cost for local manufacturing in exchange of design supplied by the Italian partner.

15. PORNPOL CO., LTD.
Interested in:
-import of small machines for furniture industry (planers; sanding machines; thickeners; turning machines) and sawmills (band saws).

16. R.P.S. IMPORT EXPORT CO., LTD
Interested in:
-imports of sofas in leather; classical furniture and classical reproductions of European furniture.

17. SAHAMIT MACHINERY PUBLIC CO., LTD.
Interested in:
-import of lathes for manufacturing of furniture;
-import of sander machines;
-import of complete plants for production of veneer.

18. CO., LTD.
Interested in:
-import of lathes for solid wood;
-import of sander machines;
-import of complete plant for production of veneer.

19. SOPEX CO., LTD.
Interested in:
-import of lathes; sanding machines; band saw machines for board;
-import of abrasives.

20. THAI INTERNATIONAL MACHINERY LTD., PART.
Interested in:
-sole agency for import and distribution of Italian diamond saw blades for MDF;
-sole agency for import and distribution of small lathes for MDF, veneer and plywood.

3. Follow up proposals

3.1 Classic and Modern Furniture

The negative trend of the economy that Thailand experienced in all sectors during the last two years, deeply affected imports and local demand of both furniture and woodworking machinery, but forecasts for the year 2000 are quite positive.
Thai market of high quality imported home furniture focuses mainly in products made in Italy, Spain and USA. The perception of Thai importers is that European furniture has the best design and quality, being at the same time high-priced, but perception is also that Italian and Spanish companies are sometimes not professional in finishing, packing and shipping furniture to Thailand.
As the demand for imported furniture appears to be on the raise, there is scope for exporters of European-made furniture to pay personal visits to the Thai market to arrange agreements of exclusive agency with reliable local agents.
We consider of interest for all the Italian and Spanish companies to participate to the exhibition organised in Thailand and in particular to the following:

- **Furnitech-Woodtech** - Reed-Tradex, is holding every three years the "International Woodworking, Furniture Production Machinery, Accessories and Technology Trade Exhibition and Conference**"**. Next edition will be held in BITEC on 4-7 October 2001.
- **International Furniture Fair 2000** - Department of Export Promotion (DEP) will organise next year the " International Furniture Fair 2000 **"** to be held in BITEC on 19-23 of April 2000. The exhibition shows mainly local production of wooden furniture for export. However a few foreign companies are used to participate in this exhibition.

On the other hand, most of the main Thai importers of high quality furniture are used to visit yearly international exhibitions in Europe (Milan, Valencia and Cologne) and are fully aware of European trends in production, design, style of furniture industry. For those reasons it is also possible to organise meetings with Thai counterparts during the most important sector fairs organised in Europe.
The majority of Department Stores and some of the largest importers of furniture collaborate with buying agents in Italy and Spain to select new furniture to be imported in Thailand and get a service of control of quality before shipment is done.

3.2 Woodworking Machinery

The demand of woodworking machinery has been slowing down, keeping in 1998 the pace of the manufacturing sector in general, but resulting in an unusual drop of imports during first half of 1999. A positive sign for a rebound of the market in 2000 is the high number of enquiries and requests of quotation that local importers received in December 1999.
European suppliers of woodworking machinery are well established in the Thai market, and Thai agents and end-users have a perception of high quality for European made machinery.
Since Thai end-users do not appear to be particularly brand-conscious and base their buying focusing on price, an accurate selection of a reliable Thai agent and distributor is the key to enter in the Thai market.
As regards to presentation and promotion of technologies the perception of Thai agents and end users is that Italian and Spanish companies sometimes lack of professionalism being slow in replying to enquiries, distributing incomplete information material not translated in English and paying rare personal visits to Thai customers.
Since Thai end-users do not appear to be particularly brand-conscious, an accurate selection of a reliable Thai agent and distributor is the key to enter in the Thai market of woodworking machinery for a newcomer foreign supplier. As Thai end-users are not particularly brand-

conscious and are most of all price-sensitive, agents and distributors have in Thailand considerable influence over consumer's decision to buy a specific brand. For those reasons, there is scope for exporters of European-made machinery to pay personal visits to the Thai market to arrange agreements of exclusive agency with reliable local agents.
We consider of interest for all the Italian and Spanish companies to participate to the main exhibitions (Woodtech and International Furniture Fair 2000) organised in Thailand and to consider the participation of the Thai counterparts to the main European exhibitions.

3.3 Forestry products

Thailand has traditionally been one of the major producing countries for timber. In 1961, 53% of the land of the country was covered by rainforests, but not any more. In 1998, only 25% of the land surface could truly be called forested areas. However, in consideration of the deep process of de-forestation and to keep pace with its demand for timber Thailand has became a large importer of timber and reforestation has become an important issue with many projects of eucalyptus and rubberwood plantations. Consumption of wood declined from a peak of 4 million cum. in 1994 to 1.2 million in 1998. Species of timber imported are mainly yang, teak, pradu, krabak, conifer, oak and meranti.
Since 1989, when the logging ban has been enforced, 1,500 sawmills were in activity and more than 50% closed down but many sawmills survived due to been successful in obtaining logging concessions in Laos, Cambodia and Myanmar.
It is estimated that in 1998 the total market value for intermediate wooden products should have been over 12/13 billion baht, 30/40% down from 1997. In 1998 Thailand exported 20% of local production of intermediate wooden products.
In conclusion, the Thailand is still a very interesting market of forestry products, even if the volume and the species offered are smaller than in the '70s and '80s. To operate in the Thai market is necessary to take direct contact with local producers and/or agents and traders, specifying them all the data and information about:

- the main technical features of the products interested;
- the available volumes in relation to the different period of the year;
- the prices of the products.

D- ANNEXES

Annexed I - Company profiles of importers/distributors of woodworking machinery

Conimex Supply Co., Ltd.
149/356 Soi Petchkasem 95, Petchkasem Road - Omnoi - Kratumban
Samut Sakorn 74130
Tel: 02/811-1786/7 Fax: 02/811-1784
CEO: Mrs. Pathama Chai
Line of business: Importer/distributor of woodworking machinery (grinding machines; laser machines; sawing machines; automatic edgers; sanding machines; lathes; shaping machines); tools.
Size of company**:** Medium size company with registered capital of 4 million baht.
Brands imported: Brevetti M.A. (Italy); Stehle (Germany).

Eiwlee Industrial Co., Ltd.
175 Lampang-Changmai Rd., Hangchat
Lampang 52190
Tel: 6654 356761-5 Fax: 6654 356669
CEO: Mr. Thanet Utaraphatriyakul
Line of business: Importer/distributor of woodworking machinery (sawing machines; edge banding machines; sanding machines; lathes; shaping machines). Manufacturer of furniture in parawood and particle board.
Size of company**:** Medium size company with registered capital of 15 million baht.
Brands imported: Lovewood (wooden houseware) & Floorever (Veneer Flooloring).

Furniline Co., Ltd.
202 Moo 6, Ramkhamhaeng Road - Sukhapiban 3 - Sanphasung
Bangkok 10240
Tel: 02/517-4461 Fax: 02/517-5550
Contact person: Mr Annop Sirikrai (import manager)
Line of business: Importer/distributor of woodworking machinery, tools and glue for furniture, and dust collectors from Italy, Germany and Japan. Manufacturer of picture frame.
Size of company**:** Big company with 770 employees and a turnover over 90 million baht.
Brands imported: Casadei; Bongiovanni; Cefla; Celaschi; Coral; DMC; Morbidelli; IDM; Sipest; Stefani; Tiger (Italy); Dai Nippon (Japan); Invicta (Brazil); Homeg Group; Buftering; Brandt; Jonsdorf; Holzma; Letron; Arminius; Altendorf; Schroeder (Germany).

Golden Hill Trading Ltd., Part.
1668/17-18 New Road - Yannawa - Sathorn
Bangkok 10120
Tel: 02/211-4569/212-6646 Fax: 02/212-0528
Contact person: Mr Thana Thanaprachum (manager)
Line of business: Importer/distributor of woodworking machinery (radial arm saws; automatic edgers; sanding machines; lathes; shaping machines; chisels and mortising chains; knives; saw blades), tools and abrasives.
Size of company**:** Small company with 10 employees and a turnover of 5/10 million baht.
Brands imported: Maggi Engineering; Officina del Molino (Italy); Kvaerner Mesna

(Norway); Will Keil (Germany); Star M (Japan); Kwang Myung Abrasive (South Korea).

Min Sen Machinery Co., Ltd.
777 Mahachai Road - Wangburapapirom - Pranakorn
Bangkok 10200
Tel: 02/621-1000/29 Fax: 02/621-1054
Contact person: Mr. Sakol Pungaprecha (machine tools division)
Line of business: Importer/distributor of woodworking machinery (rolling machines; hack sawing machines; grinders; boring machines; lathes; milling machines; bending machines)
Size of company: Big company with turnover of 50 million baht and 60 employees.
Brands imported: Scortegagna; Davi (Italy); Pinacho (Spain); Strogimport (Czech Rep.).

Nan Dee Intertrade Co., Ltd.
327/35-39 Soi Wat Prok 2, Chan Road - Sathorn
Bangkok 10120
Tel: 02/213-0115/6 Fax: 02/212-1871
Contact person: Mr Danai Charoenthanakit (marketing manager)
Line of business: Importer/distributor of woodworking machinery (grinders; sawing machines; sanders; drilling machines); nailing machines; packaging machines; cartoning machines; palletizers; depalletizers.
Size of company: Big company with registered capital of 20 million baht, turnover of 223 million baht (1998) and 100 employees.
Brands imported: Siat (Italy); Stra Pack; Max; Nitto Kohki; Wellstone; Vessel (Japan).

Panasa Co., Ltd.
59/503-504 Romyen Bldg., Rama IV Road - Bangkhuntien
Bangkok 10150
Tel: 02/416-8965/6 Fax: 02/416-8967
Contact person: Mr Rawat Seeholarnkul (managing director)
Line of business: Importer/distributor of woodworking machinery (mainly panel saws; cutting machines; sanding machines) and tools from Italy, Germany, Taiwan and Japan.
Size of company: Big company, ranked third or fourth in the market, with turnover of 60 million baht (1998) and 40 employees.
Brands imported: Delle Vedove; Friulmac; Griggio; Pade; Vitap; Sicar; Comec (Italy); Michael Weinig; Guhdo; Venjakob; Waco; Grecon; Dimter; Torwegge; Loroch (Germany); Taihei; Amitec; Shoda Iron Works (Japan); Fulpow (Taiwan).

Pornpol Co., Ltd.
129 Boon Siri Road - Sarnchaoporsua
Bangkok 10400
Tel: 02/224-2095 02/225-8764 Fax: 02/226-1850
Contact person: Mr Chalerm Watananusan (import manager)

Line of business: Importer/distributor of small and medium-size woodworking machinery from Europe (thickeners; band saws; planers; saw benches; spindle moulders; roulers; wood turning lathes). Importer of second-hand woodworking machinery. Importer of veneer and plywood.
Size of company: Small company with 5 employees and turnover of 5/6 million baht organized as family business.
Brands imported: Compa; Nardi; Minimax**.**

Sahamit Machinery Public Co., Ltd.
42/48 Soi Chokchai Jongjumroen - Rama III Road - Yannawa
Bangkok 10120
Tel: 02/295-1000/8 Fax: 02/295-2531
Contact person: Mr Pramote Sivaruk (vice-president)
Line of business: Importer/distributor of woodworking machinery (sanding machines; metal cutting tools; impregnation lines; hydraulic presses; continuous presses; knives).
Size of company**:** Big company with 200 employees and a turnover over 500 million baht.
Brands imported: Imesa; Tocchio; Sesa (Italy); Seco; Avesta (Sweden); Dieffenbacher (Germany); Bohler (Austria).

SDP Intertrade Co., Ltd.
169/78-79 Ratchadapisek Road - Dindaeng
Bangkok 10320
Tel: 02/276-9210/21 Fax: 02/276-9222
Line of business: Importer/distributor of saw blades; planers; cutters; routers; drillers from Germany, Taiwan, Japan and Italy.
Size of company: Big company.
Brands imported: Shen Ko Machine; Sheng Shing (Taiwan); Leuco (Germany).

Sevenoaks Co., Ltd.
23/331 Navanim Road
Bangkok 10230
Tel: 02/510-0308 Fax: 02/510-2887
Contact person: Mr Anuck Sirichumroonwit (managing director)
Line of business: Importer/distributor of woodworking machinery (plywood and veneer machines; sawing machines; equipment for preparation of logs).
Size of company: Small company with turnover of 20 million baht and 6 employees.
Brands imported: Griggio (Italy); Wema Probst, Deutsche Babcock; Kloeckmer (Germany); Jocar (Portugal).

Solimac Co., Ltd.
3755/6 Rama IV Road - Prakanong - Klongtoey
Bangkok 10110
Tel: 02/381-2296/7 Fax: 02/381-2295
Contact person: Mr Banleu Crua-Chottikul (import manager)
Mr. Thada Utaiwan (manager of machinery department)

Line of business:	Importer/distributor of small and big woodworking machinery (sawing machines; planers; drilling machines; grinding machines; presses; sanding machines; wood turning lathes; edge banding machines, CNC centres); hydraulic and pneumatic equipment; sandcloth and sandpaper for distribution to manufacturers of furniture.
Size of company:	Big group of companies with turnover of over 150 million baht, registered capital of 4 million baht and over 100 employees.
Brands imported:	Bacci; Biesse; Casolin; Giardina; Stefani; Italpresse; Polymac; RBO Meccanica; Comil (Italy); Heian International (Japan); Wadkin; Desoutter (United Kingdom); Sandingmaster (Netherlands); KL Woodworking Machinery; Kuper; Grecon Electronic (Germany).

Sopex Co., Ltd.
3146 Ladprao Road - Klongchan- Bangkapi
Bangkok 10240

Tel: 02/731-0203/6	Fax: 02/375-1017
Contact person	Mr Somporn Phun-Sawan (import manager)
Line of business:	Importer/distributor of woodworking machinery (tenoners; mortise machines; shapers; automatic multi-boring machines; edge banders; pressing machines; panel saws; sanding masters; wide-belt sanders; finger-joint machines; veneer splicers; turing lathes; CNC routers), pneumatic/hydraulic equipment, water proofing and metalworking machinery.
Size of company:	Medium size company with turnover of 15 million baht and 27 employees.
Brands imported:	OMGA; Mini Max (Italy); Calder Wilkinson (United Kingdom); Ample Wood Working Machine; Starmaster Industrial (Taiwan)

Thai Advanced Enterprise Co., Ltd.
341/13-14 Settakit Village Lane, Petchkasem Road - Bangkhae Nua - Bangkhae
Bangkok 10160

Tel: 02/421-0031/6	Fax: 02/421-1978
Contact person:	Mr Chatree Laipunya (CEO)
Line of business:	Importer/distributor of woodworking machinery (panel saws; surface planers; thicknessing machines; dust collectors; boring machines; edge banders; high speed routers) and metalworking machinery.
Size of company:	Medium size company with registered capital of 2 million baht, turnover of 10 million baht and 15 employees.
Brands imported:	Stromab; Griggio; Paoloni(Italy); Tai Chan Machinery; Hwa Shin Machinery; Rexma Intl (Taiwan).

Thai International Machinery Ltd., Part.
116/17-19 Rangnum Road - Phayathai
Bangkok 10400

Tel: 02/245-1953	Fax: 02/246-5084
Contact person:	Mr Pravit Kobkulsuwan (import manager)
Line of business:	Importer/distributor of small woodworking machinery, veneer knifes, welding machines and diamond saw blades from Italy, Japan, Germany and Sweden.
Size of company:	Small company.
Brands imported:	Flai (Italy); Kanefusa (Japan); Vollmer; Reform (Germany).

Thai Nagoya Machinery Co., Ltd.

661/8-9 Sathupradit Road - Bangpongpang - Yannawa
Bangkok 10120

Tel: 02/294-0757	Fax: 02/297-3073
Contact person:	Mr Sunti Sudpreecha (general manager)
Line of business:	Importer/distributor of woodworking-machinery (radial arm saws; edge banding machines; planing machines; sanding machines; shapers; wood turning lathes; drilling machines; presses for veneer)
Size of company**:**	Medium size company with 25 employees and a turnover of 50 million baht.
Brands imported:	Omga; Orma Macchine; SCM (Italy); Ru Long; Chia Lung; Kuang Yong (Taiwan).

United Machinery
20 Larnluang Road - Banbad - Pomprab
Bangkok 10100

Tel: 02/ 282-7140/9	Fax: 02/280-0433
CEO:	Mr. Wasan Wiriyanuprab
Line of business:	Importer/distributor of woodworking machinery (sawing machines; edge banding machines; planing machines; sanding machines; shapers; wood turning lathes; drilling machines) and sheet metalworking machinery.
Size of company**:**	Big company with 20 million baht of registered capital.
Brands imported:	Omga; Orma Macchine; Centauro; Griggio; Stromab (Italy); Empire (USA)

Annexed II - Company profiles of importers/distributors of furniture

Acmen International Co., Ltd.
340 Ekamai Road Soi Sukhumvit 63 - Klongton - Klongtoey
Bangkok 10110

Tel: 02/381-0012	Fax: 02/381-2270
CEO:	Mr. Wiwat Rungwattanapak
Contact person:	Mr Sukhon Chatchawalnont
Line of business:	Manufacturer, distributor, exporter and importer of office furniture, office seatings and custom made furniture
Brands imported:	Estel, Poltrona Frau, Deco, Ine’, Tallin.

Boonthavorn Ceramic (Rangsit) Co., Ltd.
61 Soi Roongruang, Ratchadapisek Road - Samsennok
Bangkok 10320

Tel: 02/693-1111/7	Fax: 02/693-1118
Contact person:	Mr. Jiradate Prownpuntu
Line of business:	Importer/distributor of ceramics, kitchen and bathroom furniture, knockdown furniture, metal furniture.
Brands imported:	Gardinia and Saime from Italy.

Casa Mia Import Export Co., Ltd.
25 Alma Link Bdg. 1st Fl., Soi Chidlom, Ploenchit Road - Pathumwan
Bangkok 10330

Tel: 02/655-6166/8	Fax: 02/655-6169
Contact person:	Mr K. David
Line of business:	Importer/distributor of classical European furniture and gifts items. Manufacturer of ceiling ornaments.
Brands imported:	Silix and furniture imported from Friuli, Como, Bergamo.

Central Department Store Co., Ltd.
1027 Soi Chidlom, Ploenchit Road - Pathumwan
Bangkok 10330

Tel: 02/255-3833	Fax: 02/655—7477/8
Contact person:	Ms Rungnipa
Line of business:	Chain of Department Stores. Importer/retailer of furniture.
Brands imported:	Aris (Italy), Koher (Spain). Sofas and furniture for dining and living room are imported mostly from USA, Indonesia, Italy and Spain.

Chawawat Co., Ltd.
33/35 Maboonkrong Center 5th Fl - Phyathai Road
Bangkok 10330

Tel: 02/217-9272	Fax: 02/217-9273
Contact person:	Mr. Natachai Gosrisirikul
Line of business:	Importer/distributor of classical reproduction of European furniture and lighting.
Brands imported:	furniture imported from Italy and Spain.

Decor Mart Center (Thailand) Co., Ltd.
402, Moo 5, Srinakarin Road - Samrong Nua - Muang

Samutprakarn 10270
Tel: 02/758-7310/9 Fax: 02/758-7252/6
Contact person: Ms. Chutima Worawisutsarakul
Line of business: Importer/distributor of home furniture and furnishing and office furniture.
Brands imported: Calligaris, Arsenico, Accademia, Archetipo, Vidal Grau, Utopia.

Euro-Creations Co., Ltd.
894 Moo 12 - Bangna Trad Road - Bangna
Bangkok 10330
Tel: 02/746-8875/6 Fax: 02/746-7540
Contact person: Ms. Amarat Gambir
Line of business: importer/distributor of classical reproduction of European furniture, lighting and accessories. Manufacturer of lighting fixtures.
Brands imported: Vincente Saragoza, Koher, Bagus, Bejorama, Epoca, Solomondo, Canela (Spain), Gasperini, Rampori, Turi, Neri, Ferrari, Presento, Marconi, B&B (Italy).

Modernform Imports Co., Ltd. (Casa Bella)
699 Modernform Tower Bldg., 15th Fl - Srinakarin Road - Suanluang
Bangkok 10250
Tel: 02/722-8371/5 Fax: 02/722-8376
CEO: Mr. Jajjai Dhammarungruang
Contact person: Mr. Wichai Satayapornpisut
Line of business: Importer/distributor of home and office furniture, sofas, decorative items, fitting equipment (handles, hinges, keys, drawers, etc.). Manufacturer of sofas distributed by Casa Bella.
Brands imported: Natuzzi, Caimi Brevetti, Lavamar, Zoffoli, Tornelli, Basculant, Reflex.

Moma Collection Co., Ltd.
10/9-10 Sukhumvit 39 Road
Bangkok 10110
Tel: 02/2596212-4 Fax: 02/2588328
Owners: Mrs Cristina Thamachavoen and Mr. Kanit Setaruchi
Line of business: Importer/distributor of modern home furniture and furniture for office. Interior decorator.
Brands imported: Cassina, Molteni, Doce, Media Arte, Kron.

Picotee Plus Co., Ltd.
912-914 Sukhumvit Road (between Soi 38 and 40) - Prakanong - Klongtoey
Bangkok 10110
Tel: 02/392-1276 Fax: 02/712-3711
CEO: Ms. Pornthipa Pinitkanchanapun
Contact person: Mr. Saranee Subhunnithi

Line of business:	Interior decorator. Manufacturer/distributor/exporter of wood furniture (particle wood and MDF), sofas, dining sets, kiddies beds. Importer/retailer of interior decoration material (furniture fittings and handles, upholstery fabrics, laminated sheets, high pressure laminate floor in real wood-oak loor.
Brands imported:	Uniform/Molteni, Polfix, Farex, Fricchetto.

R.P.S. Import Export Co., Ltd.
760/9-10 Sukhumvit Road, between Soi 30 and 32
Bangkok 10110

Tel: 02/258-5390	Fax: 02/259-2508
Contact persons:	Miss Ratree and Mr Prasit Suppakarnapich
Line of business:	Importer/distributor of lighting fixture (since 30 years), furniture (since 10 years) and decorative article. The company runs three showrooms.
Brands represented:	Distributor of furniture of Narduzzi, Formenti, Silix and lighting fixture of Tiffany.

Annexed III - List of manufacturers of furniture

Acmen International Co., Ltd.
340 Ekamai Road Soi Sukhumvit 63 - Klongton - Klongtoey
Bangkok 10110

Tel: 02/381-0012	Fax: 02/381-2270
CEO:	Mr. Wiwat Rungwattanapak
Line of business:	Manufacturer, distributor, exporter and importer of office furniture, office seatings and custom made furniture
Size of company:	Big company with registered capital of 50 million baht.

Act Leather (Thailand) Co., Ltd.
562 Moo2, Soi Bagpoo-Mai - Meung
Samut Prakarn 10280

Tel: 02/ 324-0656	Fax: 02/324-0657
CEO:	Mss. Supanee Lourvanij
Line of business:	Manufacturer/exporter/distributor of sofas in leather, artificial leather and fabric.
Size of company:	Big company with registered capital of 100 million baht.

Bangkok Interfun Co., Ltd.
43.13 Moo 7, Soi Rama II Soi 50, Rama II Road - Samaedam - Bangkhuntien
Bangkok 10150

Tel: 02/415-0077	Fax: 02/ 415-1763
CEO:	Mr. Pisit Phiphatkusolssok
Line of business:	Manufacturer/exporter/distributor of furniture for home, office and restaurant made in parawood, MDF, particle board, steel.
Size of company:	Big company with registered capital of 60 million baht.

Dragon Thai Lumber Co., Ltd.
32/2 Moo 7, Soi Tavontawat - Bangna-Trad Road (km 25.5) - Bangsothong
Bangkok 10540

Tel: 02/ 338-1361	Fax: 02/338-1360
CEO:	Mr. Michael Chien
Line of business:	Manufacturer/exporter/distributor of furniture in parawood.
Size of company:	Big company with registered capital of 78 million baht.

Fancy Wood Industries Co.,Ltd.
257 Moo 1, Soi Hyland, Suksawat Road - Pakklong Bangplakod - Prasamutjaedee
Samuta Prakarn 10290

Tel: 02/425-8080/11	Fax: 02/ 425-8358
CEO:	Mr. Vichai Tanpatanarat
Line of business:	Manufacturer/exporter of furniture in parawood.
Size of company:	Big company with registered capital of 125 million baht.

Furnitech Asia Industrial Co., Ltd.
197 Moo 8, Nongobousala - Meung
Nakorn Ratchasima 30000
Tel: 044/ 212-933/4 Fax: 044/ 212-321
CEO: Mr. Veerasak Promdee
Line of business: Manufacturer/distributor of bedroom suites and office furniture in particle board, plywood and MDF.
Size of company: Big company with registered capital of 80 million baht.

MDEC International (1991) Co., Ltd.
1/33 Moo 7, Soi Sinprasong, Petchkasem 122 Road - Omnoi - Kratumban
Samuta Sakorn 74130
Tel: 02/420-1546 Fax: 02/420-1552
CEO: Mr. Narong Charuvajana
Contact person: Mr. Preecha Jirasupangkul
Line of business: Manufacturer/exporter/distributor of kitchen furniture, sofas, office furniture in particle board, MDF, leather, metal and aluminium.
Size of company: Big company with registered capital of 60 million baht.

Modernform Group PLC.
699 Modernform Tower Bldg., 126^{h} Fl - Srinakarin Road - Suanluang
Bangkok 10250
Tel: 02/722-8371/5 Fax: 02/722-8376
CEO: Mr. Jajjai Dhammarungruang
Contact person: Mr. Wichai Satayapornpisut
Line of business: Manufacturer/importer/exporter/distributor of home and office furniture in parawood, MDF, plywood and leather, decorative items, fittings, (handles, hinges, keys, drawers, etc.).
Size of company: Big group of companies with registered capital of 600 million baht.

Parawood Corporation (Worldwide) Co., Ltd.
370/5-7 Sukhumvit 50 Road - Klongtoey - Prakanong
Bangkok 10250
Tel: 02/311-3141 Fax: 02/311-7078
CEO: Mr. Thongchai Sethanand
Line of business: Manufacturer/exporter/distributor of dining tables in parawood, pine, oak, beech and glass.
Size of company: Big company with registered capital of 200 million baht.

Picotee Plus Co., Ltd.
912-914 Sukhumvit Road (between Soi 38 and 40) - Prakanong - Klongtoey
Bangkok 10110
Tel: 02/392-1276 02/712-1448-9 Fax: 02/712-3711
CEO: Ms. Pornthipa Pinitkanchanapun
Contact person: Mr. Saranee Subhunnithi
Line of business: Interior decorator. Manufacturer/distributor/exporter of wooden furniture (particle wood and MDF), sofas, dining sets, kiddies beds.
Size of company: Big company.

S.B. Furniture Industry Co., Ltd.
111/145 Moo 5, Chaengwattana Road - Pakkret
Nonthaburi 11120

Tel: 02/ 583-6942	Fax: 02/584-2588
CEO:	Mrs. Soraya Chawaldit
Line of business:	Manufacturer/exporter/distributor of furniture in parawood.
Size of company:	Big company with registered capital of 90 million baht.

Santi Forestry Group of Companies
6th floor, Sino-Thai Tower, 32/27 Asoke Road - Klongtoey _ Prakanong
Bangkok 10110

Tel: 02/260-1210/9	Fax: 02/259-2920
CEO:	Mr. Santi Vayakornvichitr
Line of business:	Manufacturer/exporter/distributor of wooden furniture, parquet floorings, veneer.
Size of company:	Big group of companies with registered capital of 500 million baht.

Sumit Furniture Co., Ltd.
41 Lertpanya Bldg., Soi Lertpanya, Sri Ayudhya Road - Rajthevi
Bangkok 10400

Tel: 02/642-7871/4	Fax: 02/642-7875
CEO:	Mr. Lertsug Uttasart
Line of business:	Manufacturer/ exporter/distributor of bedroom suites, kitchen furniture, office furniture, in particle board and MDF.
Size of company:	Big company with registered capital of 70 million baht.

Tai Maruni Ltd.
178 Moo 4, Settakit 1 Road - Thamai - Kratumban
Samut Sakorn 74110

Tel: 034/471-894/7	Fax: 034/846-708
CEO:	Mr. Peter Lourvanij
Line of business:	Manufacturer/exporter/distributor of dining tables in parawood and ash.
Size of company:	Big company with registered capital of 100 million baht.

Thai Taiyo Co., Ltd.
73/12 Rajadapisek Road - Lardyao - Chatuchak
Bangkok 10900

Tel: 02/512-0044	Fax: 02/513-2004
CEO:	Mr. Grieng Suriboot
Line of business:	Manufacturer/exporter/distributor of office furniture and safety boxes in metal, MDF and particle board.
Size of company:	Big company with registered capital of 160 million baht.

Unique Design Co., Ltd.
64 Moo 2, Suwintawong Road - Klongnakornnengkhet - Meung
Chachoensango 24000

Tel: 038/593-216/8	Fax: 038/593-219
CEO:	Mr. Akio Horiuchi
Contact person:	Mr. Malivan Hantragool
Line of business:	Manufacturer/exporter of home furniture (dining tables; dining chairs; cabinets) in parawood, MDF and metal.
Size of company:	Medium/big size company with registered capital of 59 million baht.

Vanachai Group of Companies
2/1 Pibulsongkram Road - Bangseu
Bangkok 10800

Tel: 02/585-4900/3	Fax: 02/587-0516
CEO and MD:	Mr Sompon Sahavat
Manufacturer of:	Moulded doors; flush doors; furniture; particle board; M.D.F.
Size of company:	Big group of companies with registered capital of 1 billion baht.

Annexed IV - List of manufacturers/exporters of veneer, plywood, particleboard, fibreboard

Agromats Co., Ltd.
122 Kasetrungreungpeutpol Bldg. - North Sathorn Road - Bangrak
Bangkok 10500
Tel: 02/267-7164/233 Fax: 02/2369445
Factory: in Prachinburi
Owner: Mr Kitti Damnerncharnvanich
Manufacturer of: M.D.F.

Daiichi Particle Board Co., Ltd.
539/1 Moo 5, Natawee Road - Phangla - Sadao
Songkhla 90170
Tel: 074/541-550/3 Fax: 074/541-554
Factory: in Songkhla
Owner: S.T.A. Group PLC
Manufacturer of: particleboard.

Durospan Co., Ltd.
2/1 Pibulsongkram Road - Bangseu
Bangkok 10800
Tel: 02/585-4900/3 Fax: 02/587-0516
Factory: in Bangpakong (Chanchoengsao)
Owner: Mr Sompon Sahavat
Manufacturer of: particleboard.

Khon Kaen M.D.F. Board Co., Ltd.
18F K.S.L. Tower Bldg. - 503 Sri Ayudhya Road - Phyathai - Rajthevi
Bangkok 10400
Tel: 02/642-6160/9 Fax: 02/642-6173
Factory: in Khonkaen
Owner: Mr Chavalit Chinthammit
Manufacturer of: M.D.F.

M.D.F. Planner Co., Ltd.
2/1 Pibulsongkram Road - Bangseu
Bangkok 10800
Tel: 02/585-4900/3 Fax: 02/587-0516
Factory: in Cholburi
Owner: Mr Sompon Sahavat
Manufacturer of: M.D.F.

M.P. Particle Board Co., Ltd.
21F Ploenchit Building Centre - 2 Sukhumvit Soi 2 - Klongtoey
Bangkok 10110
Tel: 02/656-8527 Fax: 02/656-8534
Factory: in Phukiew (Chayaphum)
Owner: Mitrapol Sugar Group
Manufacturer of: particleboard.

Metro M.D.F. Co., Ltd.

74 Moo 2, Nonthaburi Road - Bangkrasor - Amphur Meung
Nonthaburi 11000
Tel: 02/526-6212/7 Fax: 02/526-6106
Factory: in Karnchanaburi
Owner: Piya Piyasombatkul
Manufacturer of: M.D.F.

Particle Planner Co., Ltd.
2/1 Pibulsongkram Road - Bangseu
Bangkok 10800
Tel: 02/585-4900/3 Fax: 02/587-0516
Factory: in Banbeung (Cholburi)
Owner: Mr Sompon Sahavat
Manufacturer of: particleboard.

Phanggna Parawood Co., Ltd.
38 Moo 5, between Soi 29 and 31 - Petchkasem Road - Bangwha - Pasricharoen
Bangkok 10160
Tel: 02/868-7981/2 Fax: 02/868-7983
Factory: in Phanggna
Owner: Mr Sombat Adiseth
Manufacturer of: particleboard.

Rayong Particle Board Co., Ltd.
2/1 Banbeung-Klaeng Road - Kaelong
Rayong 21110
Tel: 038/671-974/5 Fax: 038/671-973
Factory: in Rayong
Owner: Mr Somporn Pislaphul
Manufacturer of: particleboard.

Reung Uthai Particle Co., Ltd.
39 Moo 7, Pathumthani -Banglane Road - Lardlumkaew
Pathumthani 12140
Tel: 02/598-1112/8 Fax: 02/598-1284
Factory: under construction in Suratthani
Owner: Mr Sirichai Srilomsak
Manufacturer of: particleboard.

Sahachai Particle Board Co., Ltd.
47/3 Moo 1, Tambol Talad Kwan - Ampur Meung
Nonthaburi 11000
Tel: 02/588-1074 Fax: 02/580-1440
Factory: in Nonthaburi
Owner: Mr Assachan Ocharos
Manufacturer of: particleboard.

Santi Forestry Group of Companies
6th floor, Sino-Thai Tower, 32/27 Asoke Road - Klongtoey _ Prakanong
Bangkok 10110
Tel: 02/260-1210/9 Fax: 02/259-2920
CEO: Mr. Santi Vayakornvichitr
Manufacturer of: veneer.

Santi Paratech Co.Ltd.
16F Sino Thai Tower Bldg. - 32/27 Asoke Road - Sukhumvit 21 - Prakaning
Bangkok 10110
Tel: 02/260-1210 Fax: 02/259-0841
Factory: in Suratthani
Owner: Mr Santi Vayakornvichitr
Manufacturer of: particleboard.

Sor Kitchai Particleboard Co., Ltd.
4 Moo 3, Songsaleung - Klaeng
Rayong 21110
Tel: 038/632-049 Fax: 038/632-039
Factory: in Rayong
Owner: Mr VichienSaengvongkij
Manufacturer of: particleboard.

S.T.A Group PLC.
3195/11 Vibulthani Bldg. Rama IV Road - Klongton - Klongtoey
Bangkok 10110
Tel: 02/661-5200/14 Fax: 02/661-4136
Factory: in Songkhla
Owner: Mr Kamol Phulsawad
Manufacturer of: particleboard and M.D.F.

V.P. Wood Products Co., Ltd.
33/1 Rama III Road - Chongnonsri - Yannawa
Bangkok 10120
Tel: 02/285-3461/2 Fax: 02/285-3457
Factory: in Bangpakong (Chanchoengsao)
Owner: Pramote Sivarak
Manufacturer of: particleboard.

Vanachai Group PLC.
2/1 Pibulsongkram Road - Bangseu
Bangkok 10800
Tel: 02/585-4900/3 Fax: 02/587-0516
Owner: Mr Sompon Sahavat
Manufacturer of: M.D.F.

Vanachai Panel Industries Co., Ltd.
2/1 Pibulsongkram Road - Bangseu
Bangkok 10800
Tel: 02/526-9682/6 Fax: 02/587-0516
Factory: under construction in Suratthani
Owner: Mr Sompon Sahavat
Manufacturer of: particleboard.

Annexed V - Bibliography

Dr Plodprasop Suraswadi - Director General of Royal Forestry Department
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Mid-year report on Thai economy (May 1999)

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Mid-year report on industrial sectors offering business opportunities (Sept 1999)

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Forestry Satistics of Thailand 1998

5 – THE EXTERNAL CONSULTANT

THAI-ITALIAN CHAMBER OF COMMERCE IN BRIEF.

Founded in 1979 the THAI-ITALIAN CHAMBER OF COMMERCE is an independent, private, not-for-profit THAI corporation devoted to fostering **trade between Italy and Thailand.**

Thai-Italian Chamber of Commerce, through its membership network, provides you with **the right business contacts.**

Moreover, membership allows you to extend this network worldwide through **ASSOCAMERESTERO** the international association of Italian Chambers.

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