

ECONOMIC OVERVIEW

Thailand's economy experienced a slow growth in 2007. Third quarter gross domestic product (GDP) grew by 4.9%, improving from the 4.3% in the second quarter and 4.2% in the first quarter. The full-year GDP growth in 2007 is expected to reach an average of 4.5%, slightly lower than the 5.1% in 2006. The economic outlook for Thailand in 2008 is expected to improve with an average growth rate of 4.5 - 5.0%.



THAILAND-U.S. BILATERAL TRADE RELATIONS

The United States is among one of the largest trading partners of Thailand along with Japan, the EU, and ASEAN. However, the United States is currently Thailand's largest export market while Thailand is the United States' 27th largest export destination and 18th largest supplier. Total two-way trade between Thailand and the United States in 2007 was valued at approximately US\$ 31.2 billion, increasing by 1.9% over the US\$ 30.6 billion in 2006.

	VALUE (MILLIONS US\$)					GROWTH (%)		
	2004	2005	2006	Jan.- Dec. 2006	2007	04/05	05/06	06/07
U.S. - Thai								
Volume of Trade	23,947.38	27,146.37	30,612.98	30,612.98	31,197.79	13.36	12.77	1.91
Share (%)	1.05	1.05	1.06	1.06	1.00			
Export	6,368.44	7,256.62	8,146.65	8,146.65	8,444.88	13.95	12.27	3.66
Share (%)	0.78	0.80	0.79	0.79	0.73			
Import	17,578.94	19,889.76	22,466.33	22,466.33	22,752.91	13.15	12.95	1.28
Share (%)	1.20	1.19	1.21	1.21	1.16			
Balance of Trade	-11,210.51	-12,633.14	-14,319.68	-14,319.68	-14,308.03	12.69	13.35	-0.08

Source: World Trade Atlas, Global Trade Information Services

MAJOR THAI IMPORTS FROM THE UNITED STATES

Total Thai imports from the United States grew by 3.6% from US\$ 8.14 billion in 2006 to US\$ 8.44 billion in 2007. Some of the major Thai imports from the United States include integrated circuits, keyboard and typewriter parts, semi-conductors, cotton, aircraft and parts, computer and parts, electronics, soybeans, and oil.

Thailand's Major Import Markets (Million US Dollars)			
Rank	Import Source	2006	2007
1	Japan	25,847.80	30,783.72
2	China	13,642.11	17,590.29
3	United States	8,627.93	10,304.72
4	Malaysia	8,470.95	9,342.06
5	United Arab Emirates	7,217.55	7,409.41
6	Singapore	5,732.40	6,807.72
7	Taiwan	5,152.79	6,208.54
8	South Korea	5,072.00	5,723.67
9	Saudi Arabia	4,260.99	4,969.82
10	Indonesia	3,462.68	4,325.04

MAJOR THAI EXPORTS TO THE UNITED STATES

Exports from Thailand to the United States in 2007 amounted to US\$ 22.75 billion, increasing slightly by 1.28 % from US\$ 22.46 billion in 2006. Some of the major Thai exports to the United States include electronics, computers and parts, televisions and monitors, jewelry, seafood, clothing and apparel, furniture, natural rubber, footwear, tires, auto parts, and rice.

Featured Product: Thai HOM MALI Rice

UNIQUENESS

Thai HOM MALI Rice is the only naturally fragrant rice truly indigenous to Thailand. Grown only in a selected part of the Northeastern region of Thailand, Thai HOM MALI Rice is as white as the color of the jasmine flower. Its natural scent is the distinct aroma of the pandanus leaves. When cooked, it is soft and tender in texture, with a hint of sweetness in its flavor.

PRODUCTION

For the 2006/2007 growing season, the total planted area for Thai HOM MALI Rice is estimated at 18.85 million rai with a yield of approximately 6.2 million tons. However, for the past 3 years, Thai HOM MALI Rice production has been experiencing a slight decline mainly due to unpredictable weather and soil conditions.

EXPORT

The total export volume of Thai HOM MALI Rice for the period of January-September 2007 amounted to 2.05 million tons, rising 13.07% from the same period in 2006, and was value at US\$ 939 million.

MAJOR EXPORT MARKETS

The United States is the second largest export market of Thai HOM MALI Rice after Corte d' Ivoire. In 2006, exports of Thai HOM MALI Rice to Corte d' Ivoire amounted to 0.34 million tons and the United States amounted to 0.33 million tons. Some of the other major export markets for Thai HOM MALI Rice include Senegal (0.31 million tons), China (0.30 million tons), and Hong Kong (0.22 million tons).

When classified by type, Thai HOM MALI Rice can be classified as Head Rice and Brokens. Head Rice accounts for 66% while Brokens account for 34% of the total export of Thai HOM MALI Rice.

For Head Rice, Asia is the largest export market for Head Rice, accounting for approximately 46.41% of the total Head Rice export with China as the largest export market in the region. The North American Region ranks second accounting for approximately 23.68% of the total Head Rice export with the United States as the largest export market in the region.

Africa is the largest export market for Brokens with a total volume of 0.76 million tons or accounting for approximately 86.10% of the total exports of Brokens. Senegal is the largest export market in the region accounting for 41% of the total exports of Brokens to the region followed by Corte d' Ivoire (38%) and Ghana (8%).

PRICE

The export price of Thai HOM MALI Rice fluctuates annually depending on several internal and external factors. Some of the major internal factors that may influence the export price of Thai HOM MALI Rice include declining production and the amount of stock held by traders, mills, and agricultural institutes. On the other hand,

some of the potential external factors that may affect the price of Thai HOM MALI Rice include rice import policies imposed by the importing country, quantity restrictions, and the opening of markets in compliance with obligations under the World Trade Organization (WTO).

For the month of October 2007, the average export price (FOB) for Thai HOM MALI Rice increased 0.72% from US\$ 558 per ton in September to US\$ 562 per ton.

