

Thailand x China business relations

April 2023


daxueconsulting
beijing shanghai hongkong





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Baidu search data exposes Chinese perceptions of Thailand

TV series, food, and tourism are the main topics Chinese netizens interested in.

Associated words on Baidu Index*



* The associated words related to the name of the country

Suggested topics on Baidu Search^



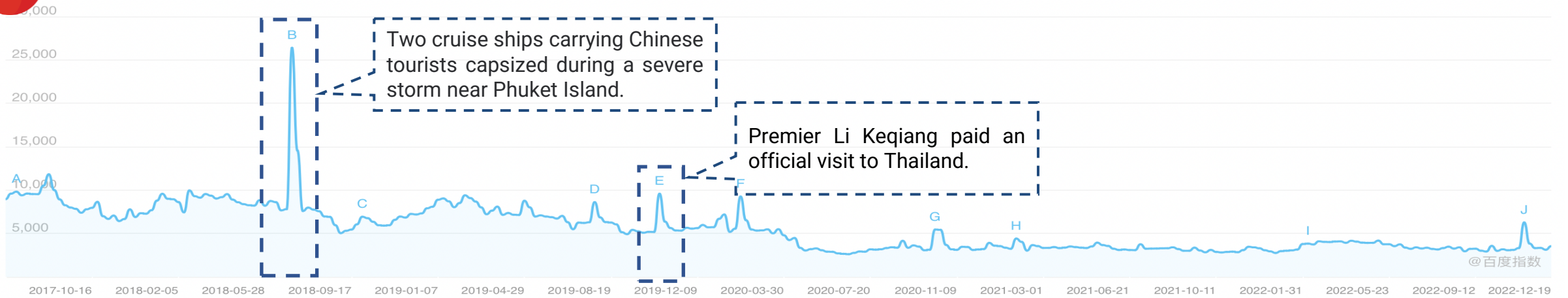
^ The suggested topics after typing the name of the country in the search bar

Source: Baidu & Baidu Index, 2022.

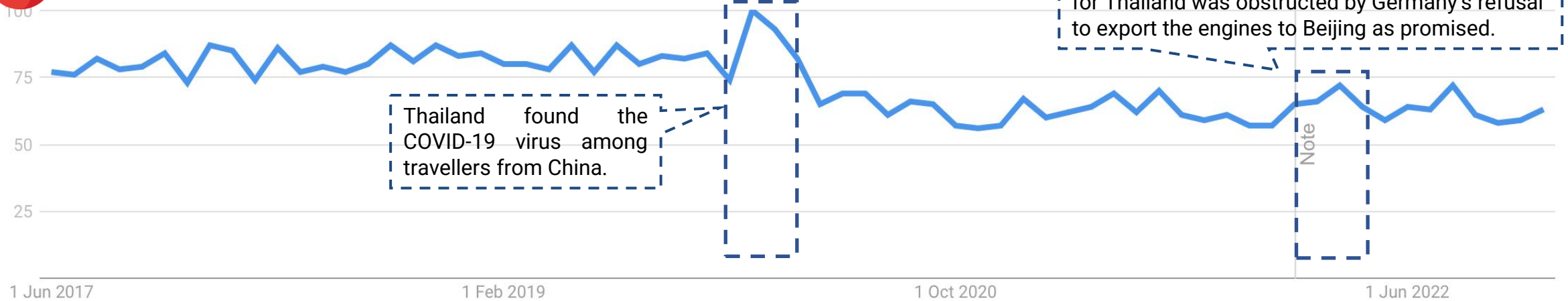
Chinese netizens searched for travel accident and political news in Thailand



Chinese netizens' search frequency of "Thailand/泰国" on Baidu



Thai netizens' search frequency of "China" on Google



Time frame: Jun 2017 – Dec 2022

Where in Thailand are Chinese investing? (1/2)

Bangkok, Pattaya, and Sathon are places that generate high rental returns.



SUKHUMVIT—Bangkok's largest residential and commercial area: It is an important CBD development area with Bangkok Mass Transit System (BTS) MRT, many offices and buildings. It is also one of the most important residential areas for foreigners and Thais.

SILOM/SATHON—Bangkok's oldest CBD financial and residential area: It is known as the "Wall Street of Thailand". The area is home to many of Thailand's largest corporations, including Massive Group and Bangkok Bank. There are many high-rise condominiums in the area, making it a very convenient place to live. There is also an increasing trend where elite people move to this area.



Image source: Unsplash, Ashwani Verma, 2021

The Coral Islands, Pattaya

CENTRAL PATTAYA—Real estate projects with high potential for appreciation: It is the heart of Pattaya. It has a full range of commercial facilities such as restaurants, bars, shopping centers and entertainment venues. Thus, it is convenient to live here. Central Pattaya is suitable for all types of investors and tenants. The rental and occupancy rates in this area are high.

Source: Juwai

Where in Thailand are Chinese investing? (2/2)

Beaches that offer scenic views attracted international investors.



Image source: Freepik, User6832922

A view from Pratumnak Hill



Image source: Unsplash, Norbert Braun, 2022

A view of the Patong Beach

PRATUMNAK HILL—Convenient location with a nice view: Pratumnak Hill has a high elevation and faces the sea. Many condominium units on Patna Hill have ocean views. In addition, it is conveniently located close to downtown Pattaya and within 15 minutes of the major commercial centers.

PATONG BEACH—The busiest and liveliest beach with the best facilities: 70% of the island's hotels, resorts and restaurants are located here. The beach is surrounded by restaurants ranging from local to Michelin restaurants. Various hotel chains and large shopping centers are also located in the area. Visitors can do all kinds of leisure activities here. This area is celebrated by long-term investors globally who are looking for an occasional vacation every year and whose main objective is the rental return.

Source: Juwai

Plastic raw materials and fruits dominate Thailand's exports to China

There is a high demand for tropical fruits from Thailand among Chinese consumers and plastic raw materials for industrial usage.

Thailand's top 10 exports to China and share of exports to China in 2020 (Million US\$)

Category	Exports to China	Share of exports to China
Plastic raw materials	2,985	37.4%
Fruits	2,909	71.2%
Rubber goods	2,820	23.3%
Storage device	2,208	11.8%
Chemical products	1,624	24.1%
Cassava	1,600	59.8%
Auto & moto parts	1,390	6.5%
Rubber	1,284	36.4%
Woods	1,063	46.6%
Integrated circuits	703	9.8%



- Plastic raw materials are Thailand's largest export category to China. Yet, **exports of industrial raw materials to China have been on a declining trend since 2020.**



- Fruits are Thailand's second largest export to China and have been growing rapidly** for three consecutive years from 2018 to 2020. Fruit exports from Thailand to China increased by nearly 40% year-on-year in 2020.



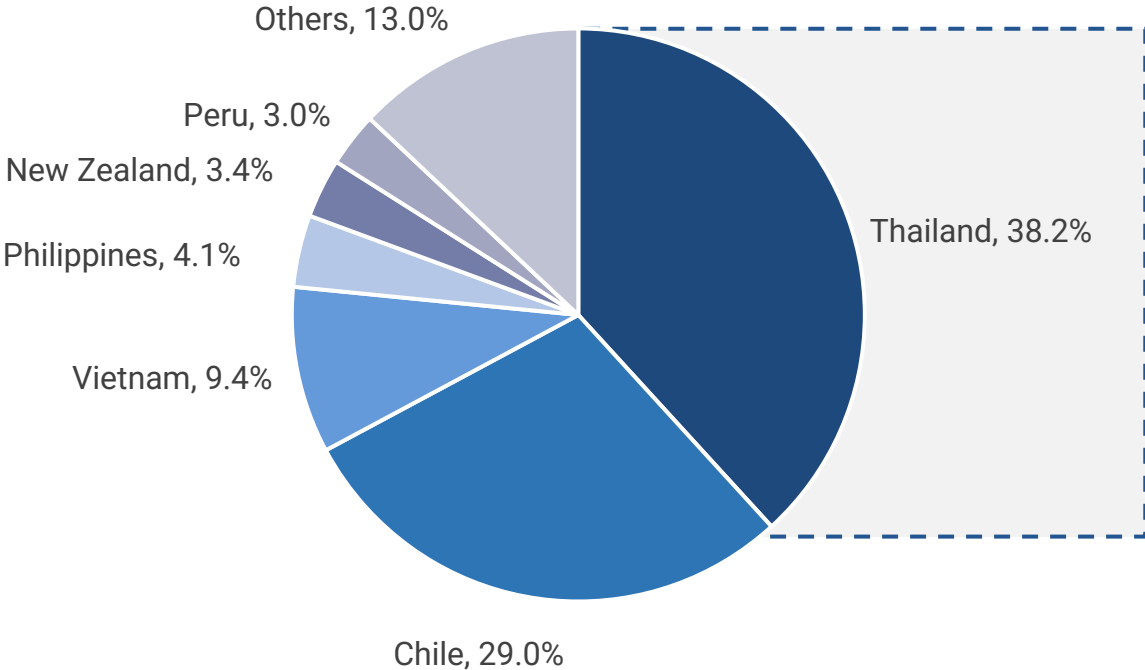
- The Thailand-China Free Trade Agreement deemed fruits as **tariff-free products**, which can significantly reduce export costs and provide price advantages in the market.

Source: Thailand Agricultural Department; zcqtz

Durian is the most imported fruit by China from Thailand in 2021

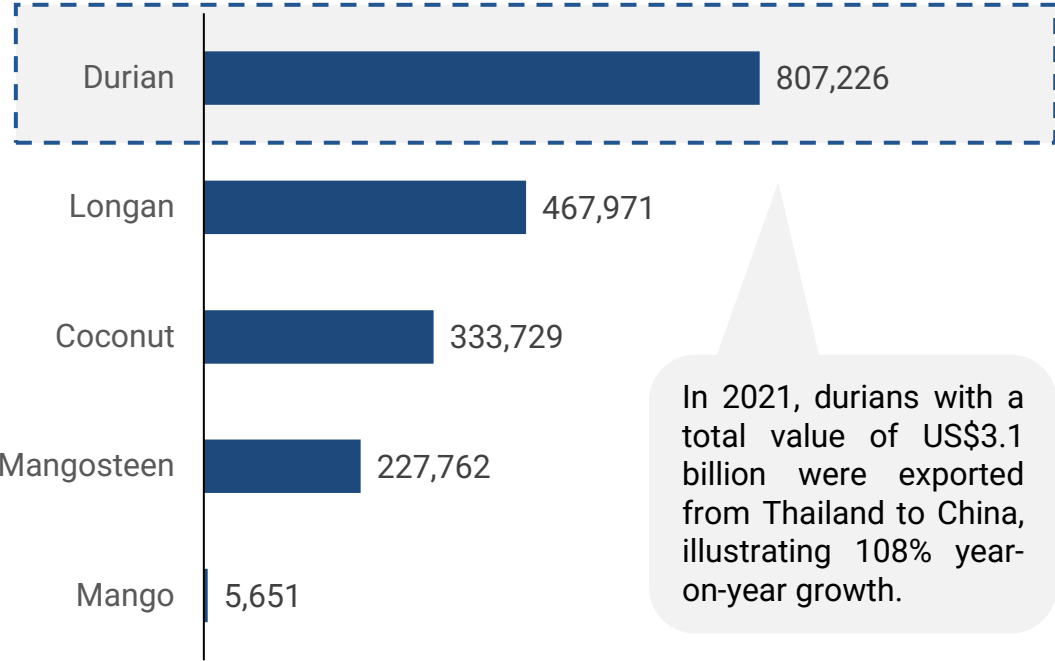
China's large population contributes to the strong demand for fresh fruits. Thailand is located in the tropics and could provide sufficient quantities of fruit for exports for three seasons a year. Thus, Thailand could export a rich variety of tropical fruits to China.

Source of China's fruit imports in the first half of 2022



Source: China Chamber of Commerce of I/E/ of Foodstuffs (2022)

China fruit imports from Thailand in 2021 (in tons)



In 2021, durians with a total value of US\$3.1 billion were exported from Thailand to China, illustrating 108% year-on-year growth.

Source: Thailand Ministry of Agriculture and Cooperatives

Golden pillow durian is the best-selling variant in China

It is sweeter than other variants and could be kept for a longer period of time after being frozen.

- Monthong durian, also known as the golden pillow durian, is the main variety exported to China from Thailand as Monthong is sweet and can be kept for a long time without changing its texture after freezing.



- A search on Tmall shows that the “golden pillow” durian from Thailand is the best-selling variant. A store on Tmall even has more than 10,000 product sales each month.
- On Tmall, golden pillow durians with a weight of around 1.5 – 2 kg are priced at approximately CNY130 (US\$19).

THAI FRUIT EXPORTS TO CHINA IN THE FIRST HALF OF 2022

Exports to China (Million ton)

1.16

Value of Exports (Billion THB)

92



- Founded in 2014, Mr. Fruity is a producer and exporter of Thailand’s fruits with premium Monthong durian as their main export product.



- Mr. Fruity offers frozen durians and various fresh fruits such as durians, longans, coconuts, mangosteens, mangoes, and so on.



- Hongjiu Fruit is a Chinese multi-brand fruit company focusing on the supply chain of fruits from both domestic (China) and overseas.



- One of their brands is MengXiang (猛象) which specializes in importing Thailand durians.

Sources: Global Times, IDE-JETRO, and China International Import Expo

Sources: Mr. Fruity, Hongjiu Fruit, Thailand Agricultural Department, Ministry of Commerce of China

Thailand is the biggest automotive producer in ASEAN

EVs from Chinese manufacturers are taking 58% of Thailand's EV market share in 2021.

- In 2019, Thailand is the **11th largest automotive producer in the world** and the biggest in ASEAN. It attracts international automotive manufacturers to set up plants in Thailand.
- Great Wall Motor from China owns a **manufacturing plant in Rayong** Province, Thailand. This is the manufacturer's **second-largest** full-production manufacturing facility outside China. In less than a year, the manufacturing plant has hired 700 people and is targeted to reach a total workforce of 1,000 by 2021.
- Chinese EV manufacturers are taking a substantial portion of the EV industry in Thailand.

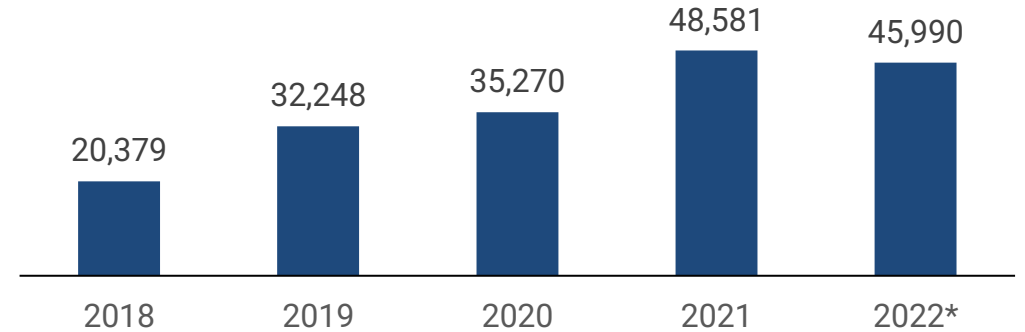
58%
of the market
share in 2021

&

Expected to take
80%
in 2022

Source: Nikkei Asia (2022)

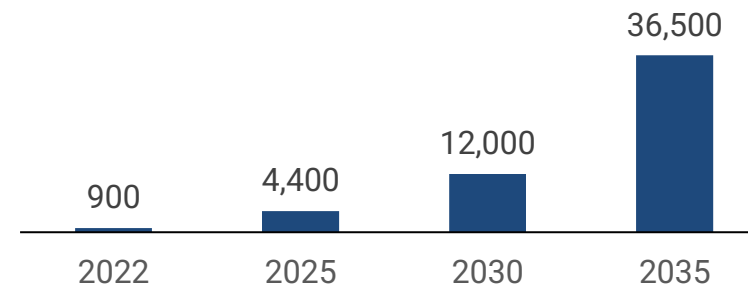
Number of new EV registration in Thailand



Source: Electric Vehicle Association of Thailand (2022)

*Until 30 June 2022

Public fast chargers in Thailand



Quick charging infrastructure is also growing in Thailand.

Source: Electric Vehicle Association of Thailand (2022)

Case study: Great Wall Motor



HAVAL H6 HEV
฿1.149mil. – ฿1.249mil.

1984

Named after the Great Wall of China, Great Wall Motor (GWM), a private Chinese automobile manufacturer, was founded in Baoding, Hebei.

2021

- GWM entered Thailand on February 9th.
- The company officially opened its first smart factory on June 9th in Rayong province, Thailand.

2022

- To date, GWM has 5 brands in China with only 2 brands currently available in Thailand: Haval & Ora.
- A total of 3 models are available for purchase in Thailand: Haval H6 HEV, Haval Jolion HEV & Ora Good Cat.

Sources: Go Mechanic, Great Wall Motor, Automotive World

GWM's Haval H6 HEV gained strong market share in Thailand

The model
ACCOUNTS FOR
33.2%
in Thailand's C-class SUV market



RANKING
1st
in the C-class
SUV segment



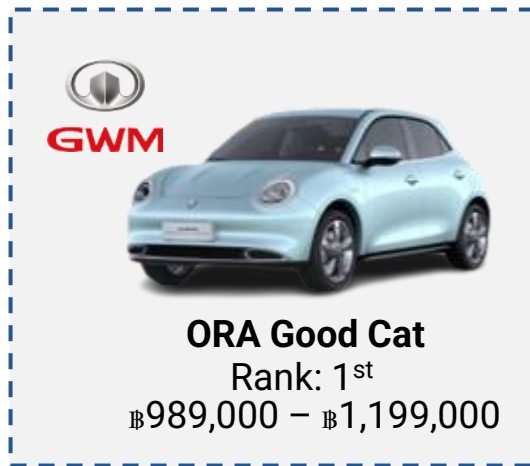
Earned
SALES CHAMPIONSHIP
in the C-class SUV for **two**
consecutive months

Source: Haval Global, Auto Life Thailand

GWM's ORA Good Cat was the best-selling BEV* in Thailand in 1H2022

Its lower price attracts Thai car owners who chose to purchase EVs for its lower operating cost.

- For the period of January-June 2022, ORA Good Cat accounts for around **43.8%** of the GWM total BEV* sales.
- **GWM's popularity could be due to its relatively low price** and attractive appearance. The following is the price comparison between BEV*s with top sales for the period of January-June 2022.



Volvo XC40
Rank: 2nd
฿2,590,000



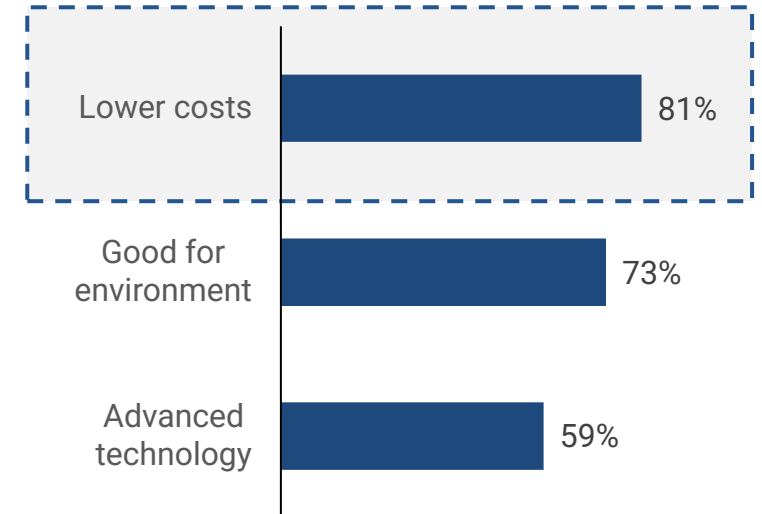
Porsche Taycan
Rank: 4th
฿7,100,000 – ฿11,700,000

*BEV: Battery Electric Vehicle

Sources: Auto Life Thailand, Electric Vehicle Association of Thailand

People who own EV(s) perceive the **lower operating costs** as the top motivation for buying EVs.

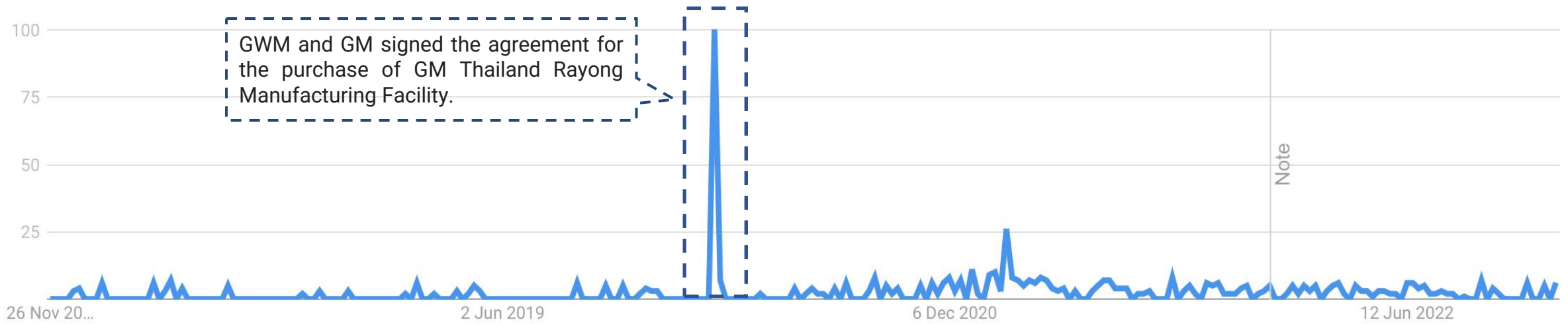
Factors influencing EV purchase among Thai EV owners



Source: Krungsri Research (2022)

Remarks: The survey has 818 respondents

Search trends of Great Wall Motor (GWM) on Google in Thailand



Time frame: Jun 2017 – Dec 2022

Related queries

GWM's smart factory in Rayong created more than 3,000 job opportunities.



สมัคร งาน Great Wall Motor
(Apply job at Great Wall Motor)



Great Wall Motor ราคา
(Great Wall Motor price)

Source: Google Trends

Note: Google's improvement in data collection system

Best selling products from Thailand on Tmall (Excluding tourism products)

VFOODS MIX BISCUIT STICKS



Price: CNY19.90–39.90 (US\$2.93–5.87)

Monthly sales: 3,000+

Reviews: 10,000+

Popularity due to: Crispy, smells great, good taste, great delivery service, various flavor

Source: Tmall, 2022

DE LA LITA WHOLE WHEAT CHIPS



Price: CNY83 (US\$12.22)

Monthly sales: 600+

Reviews: 100+

Popularity due to: Very healthy, crunchy, low-cal, great taste, contains coarse fiber, high protein

KOH-KAE FLAVOR COATED GREEN PEAS



Price: CNY17.90–75.80 (US\$2.64–11.20)

Monthly sales: 2,000+

Reviews: 2,000+

Popularity due to: Crispy, good packaging, great taste, delicious wasabi flavor, crispy

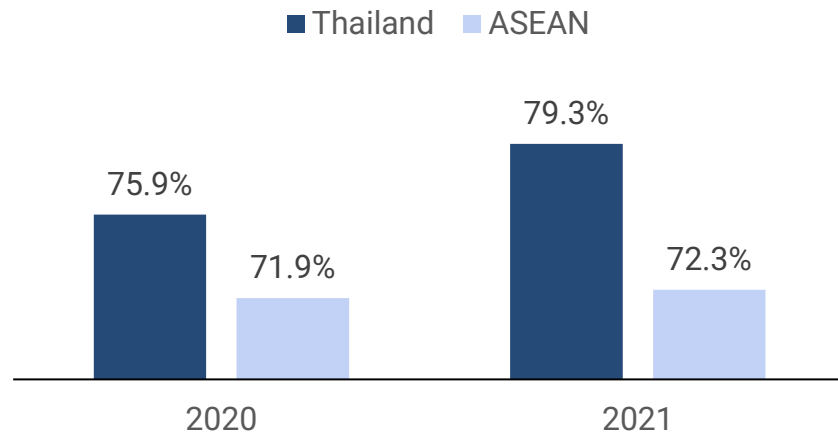
What do Thai people think about China?

China's political and strategic influence was felt strongly by Thailand due to geopolitical reasons.



- Compared to other ASEAN countries, citizens from Thailand are more concerned with China's growing regional power because of geopolitical issues.
- Young Thai consumers often buy fashion items and electronics from China due to its competitive pricing.

Thai and ASEAN respondents who are worried about China's growing regional economic influence (2020-2021)



The number of respondents: (approx.) 131
Source: ISEAS-Yusof Ishak Institute

Price, quality, and variety lead young Thai consumers to buy Chinese products

- **Clothing, shoes, and electronics** are the Chinese products most often purchased by Thailand's university students.
- The research also found that many were compelled to buy Chinese goods as there is a limited selection of domestic products available for purchase within Thailand.
- For Thai people, **both price and perceived quality** are important when it comes to buying Chinese goods.

Source: ASEAN Journal of Management & Innovation

About Daxue Consulting



Our mission is to guide businesses to holistic growth in Asia

Through our market research and strategy consulting, we equip businesses with the knowledge and guidance to achieve growth in China and beyond

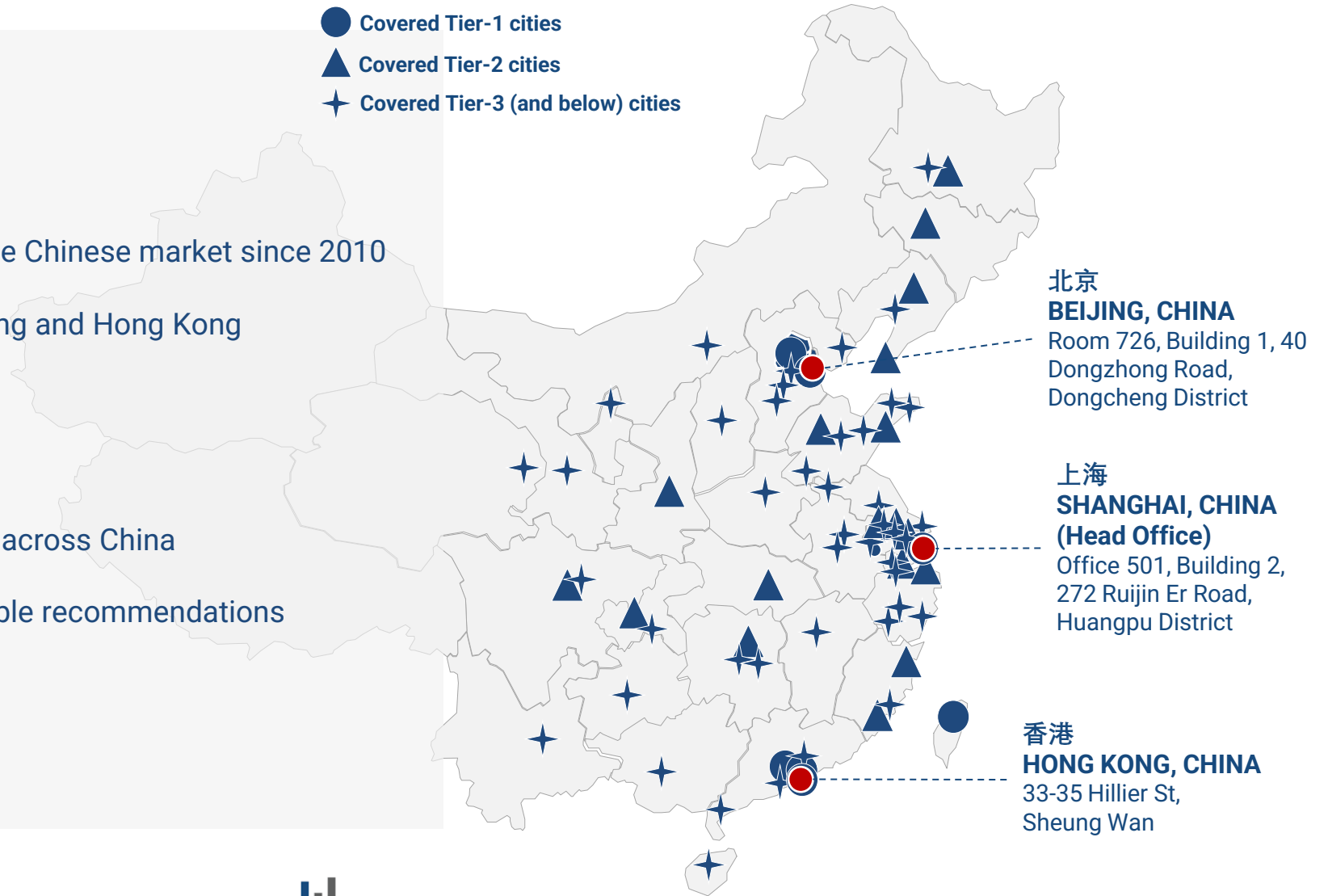
Who We Are

Your Market Research Company in China

We are Daxue Consulting:

- A market research firm specializing on the Chinese market since 2010
- With 3 offices in China: in Shanghai, Beijing and Hong Kong
- Employing 30+ full-time consultants
- Full, complete, national coverage
- Efficient and reliable fieldwork execution across China
- Using our expertise to draw precise, reliable recommendations
- With key accounts from around the world

- Covered Tier-1 cities
- ▲ Covered Tier-2 cities
- ✦ Covered Tier-3 (and below) cities



The values we embrace



Our clients' goals are our goals

We see ourselves as an extension of the client's business in China or their target country, hence, we advise them as if we were in their shoes and investing along with them.



Embrace change enthusiastically

Similar to how markets are constantly changing, our mindset is also always evolving. We value routine only when it helps us improve and we value change because it helps to keep pace with our time.



Intellectual humility gives clarity

Only through the lenses of humility can knowledge be seen clearly. At daxue consulting, we are humble toward science and the truth. We interpret data in a way that lets it speak for itself, even if contradicts our hypothesis.



Freedom enriches creativity & responsibility

Freedom to manage and envision her or his mission increases the sense of responsibility to that mission.



Knowledge is meant to be shared

While our projects team dives deep to provide catered research to clients, the media team shares insights publicly. At the same time, we foster a culture of sharing knowledge in our team, each individual works to increase their own knowledge and freely shares ideas each other.

What we do



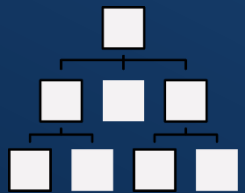
Market research

Our China market research services leverage both qualitative and quantitative methods across a broad range of industries sectors to fuel your strategic plan and support your expansion in China.



Strategy consulting

Our team can provide you with a wide selection of consulting services aimed at supporting your strategic decisions in China.



Management consulting

Our consulting service aims to give you both a clearer understanding of any aspect of your business, as well as a comprehensive overview of your target market.



Branding

Through using a set of different methodologies, our international team of market managers can answer your branding issues and support your growth in China.

Our services and methodologies



Desk research



Tribe marketing



Employee engagement survey



Persona definition



Brand positioning



Expert interviews



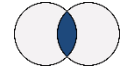
Market sizing



Online & offline surveys



Lean management



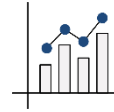
Co-branding strategy



A/B testing



Focus groups



Online data scraping



Activation toolkit



Sensory research



Tech-assisted research



Store checks & mystery shopping



Social listening



Brand naming



Market entry

Our past and current clients

400+ clients with 600+ projects for the past 10 years

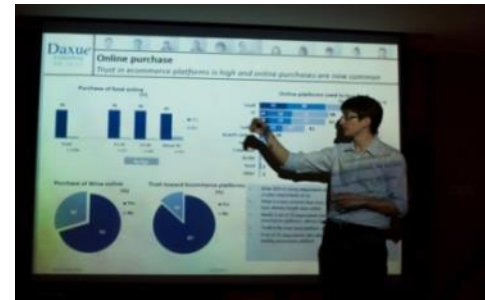


An experienced organization with the Asian market

Regularly featured and quoted in publications all over the world



TV INTERVIEWS ON PRIME-TIME TELEVISION IN SINGAPORE



WORKSHOP ON CHINA'S FOOD IMPORTS



LECTURING AT PEKING UNIVERSITY MBA.



DAXUE ON THOUGHTFUL CHINA



FREQUENT SPEAKERS ON BUSINESS TOPICS



STAY UPDATED ON ASEAN MARKET INSIGHTS



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