Canadian Nursery Landscape Association
Association Canadienne des Pépiniéristes et des Paysagistes

AIPH

Canada

THAILAND

COUNTRY PROFILE - APRIL 2024

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AIPH

ABOUT

THE INTERNATIONAL ASSOCIATION OF HORTICULTURAL PRODUCERS (AIPH)

The world's champion for the power of plants

In 1948, amid strained relationships following the end of the Second World War, a group of representatives from the national grower associations of Western Europe came together in Zurich. They were united by an ambition to mend relations between European horticulturists, to rebuild burnt bridges. That vision inspired them to form the Association Internationale des Producteurs de l'Horticulture (AIPH), laying the foundations for an international community that exists to this day.

Since then, things have changed. The world seemed to start spinning faster. We moved from the countryside into the city. We flew to places we never knew existed. We went to the Moon. We started dreaming bigger but sleeping less. We invented the web, the smartphone and social networks. Slowly, sadly, we detached ourselves from the natural world. Our intimate bond with nature, so pivotal to our health and wellbeing, was weakened. We found ourselves living unnatural lives.

That is why AIPH lives and breathes today: to rekindle and maintain an enduring relationship with plants. Serving the diverse needs of growers in a globalised world. Pushing the boundaries of science and sharing cutting edge research. To make clear the value of plants in the urban setting, and to advance the essential role they play in sustaining our planet. To help all of us rediscover an affinity with our surroundings as old as humanity.

Our mission is clearer than ever: to reignite and uphold an appreciation of plants that we believe is a basic human instinct. As an organisation we strive for a world in which humanity, technology and nature exist in healthy and stable equilibrium. By achieving this we will build a balanced and prosperous future for all, sustaining the planet for this generation and the next.

We support and promote the work of our members – the grower organisations around the world who together form our proud AIPH community. Through the expertise and energy they give to horticulture, they embody everything that we stand for.

Globally we act as the central source of industry information. The AIPH International Statistics Flowers & Plants Yearbook gives an unrivalled view of industry trends and developments, valued by our community and all who take interest in our rapidly moving sector.

We bring members together both physically and digitally, and encourage the sharing of new ideas and techniques so that horticulture never stands still.

We advocate fair and robust plant breeders' rights, encouraging innovation and rewarding quality so that growers too can reap the benefits of their work. We promote the most sustainable, ethical, and advanced practices in ornamental plant production, celebrating the most progressive growers and sharing pioneering new approaches. This strengthens the ornamental horticulture industry and is an affirmation of our determination to build a more balanced future from the ground up.

We lead global thinking on the successful integration of nature into the built environment. Our Green City initiative promotes the essential role of plants in creating vibrant urban areas in which people and businesses can thrive. Our environment, human wellbeing, social cohesion and economies are all improved by intelligently designed green space.

Finally, AIPH is responsible for the world's finest horticultural expositions. Upholding the very highest standards, we ensure that approved exhibitions benefit growers and visitors alike by inspiring greater appreciation of ornamental plants. Drawing on experience acquired over generations, we provide organisers with expert guidance to create world class spectacles that live long in the memory. Our great hope is for a world where the essential value of plants is recognised and reflected in every step forward for humanity. AIPH is, and will always be, the world's champion for the power of plants. Our relationship with nature was pivotal in our past. It is fundamental to our future.

WE AIM TO PUT FLOWER, PLANT, AND LANDSCAPING SERVICES ON A GLOBAL AGENDA, WITH A VISION TO:

- Stimulate increased demand for ornamental trees, plants and flowers worldwide.
- Protect and promote the interests of the industry.
- Be an international hub for industry information and knowledge exchange.
- Lead best practice in ornamentals production

1. EXECUTIVE SUMMARY

With a population of nearly 70 million people, the Kingdom of Thailand is the second strongest economy in South East Asia after Indonesia, with a GDP of $495.4 billion USD and $6,909.96 per capita in 2022. Nevertheless, the COVID-19 pandemic, which strongly affected the tourism industry, together with recession and other factors, have slowed down the economy.

In 2022, agriculture (rice, sugarcane, rubber) accounted for about 8.8% per cent of Thailand's GDP, however this sector employs more than a third of the country's labour force.

Thailand enjoys ideal environmental conditions for producing a wide range of cut flowers and ornamental plants. Skillful growers, well-structured grower organisations, good transportation infrastructure and efficient, up-to-date production techniques, are also key ingredients contributing to the success of the Thai ornamental sector.

It´s geographical location with respect to important consuming markets such as China, Japan, Korea, and even Australia, brings special advantages for international trade. In 2023, Thailand ranked as the 14th flower exporter in the world, with about 0.4% of the international market share, holding second place within the Association of Southeast Asian Nations (ASEAN) region after Malaysia; it is the second largest orchid exporter in the world after the Netherlands. New and fast growing markets now include France, Kuwait, and Qatar. In addition, Thai orchids are now reaching more distant locations like the United States, Italy, the Netherlands and Brazil.

The production area was estimated at 10,700 ha, yielding about 116,330 tonnes of flowers and ornamental plants. In 2023, Thailand's exports of ornamental products amounted to $132 million USD, showing the sector is on track to recovery towards pre-pandemic numbers. Of these, about 70% were orchids; ornamental plants exported include *Sansevieria, Musa, Dracaena, Zoysia, Bougainvillea, Euphorbia, Ixora, Hoya, Plumeria, Aglaonema*, and *Adenium* (desert rose).

Important production areas for flowers and plants include Bangkok, Nakhon Pathom, Nonthaburi, Samut Sakhon, Ratchaburi, and Kanchanaburi. Orchid production mainly takes place around Bangkok and near-by provinces where optimum climate conditions and adequate infrastructure exist. Two harvest peaks normally occur in the year, in the months of June and October.

The Thai ornamental industry has shown sustained development over several decades and caters strongly to domestic consumers who by tradition use flowers as an essential ingredient of religious celebrations, various festivals, and many kinds of special occasions. The landscape and gardening industry currently offers opportunity for expansion, as does the tourism sector, which is now on its way to recovery after the pandemic. Additionally the number of people seeking exotic plants or simply looking for plants and flowers for home decoration is on the rise. Consumers increased online purchases during the COVID pandemic and this trend continued after restrictions lifted, so currently an increasing number of transactions occur virtually. Perhaps this has also driven an appetite for flowers not extensively grown in Thailand such as chrysanthemums, carnations, and roses, which are being increasingly imported into the country.

Cut flowers presently account for more than half of Thailand's ornamental exports (52%); total cut flower exports from Thailand amounted to nearly $70 million in 2023. Aside from orchids, smaller amounts of dried, or otherwise processed flowers, and other fresh flowers such as carnations, chrysanthemums, lilies, and roses are also exported.

Destination markets for Thai cut flowers have shifted over the past decade: exports to the USA and Vietnam have increased substantially and are now practically recovered after the pandemic, whilst exports to Japan, Italy, and India show variation. New markets are being accessed including China, Australia, Singapore, and Russia. The United Arab Emirates (UAE) is an emerging market with high purchasing power and increasing demand for imported flowers and ornamental plants.

The market for live plants is expanding: aside from potted orchids, which compose about 90% of the product offer, other species traded include *Dracaena*, *Sansevieria, Aglaonema, Plumeria*, musas, and bromeliads. Unrooted cuttings and slips – used for propagation purposes – also show an increasing trend, although this was not evident in the period 2022 – 2023, when fruit and nut trees, plus ornamental shrubs and bushes appear to be growing faster. These go to mainly to USA, the Netherlands, and Vietnam but still in low numbers

Along with exports, imports of ornamental products from Thailand have also increased, showing an upward trend over the past decade; they are sourced from China, Malaysia, and more recently Indonesia. Although still small transactions, countries like Kenya, Ecuador, and Colombia are now recorded among supplying countries. In 2023, Thailand imported about $43 million worth of mostly cut chrysanthemums but also carnations, lilies, and roses. There is a growing category of "other flowers" composed of many different species used for making bouquets flowers.

Imports of live plants and cuttings amounted to $16 million in 2023. Suppliers fluctuate and include China, USA, the Netherlands, Malaysia, Vietnam, Madagascar, and Costa Rica; comparatively large imports were recorded from the UAE in 2021 but are now on a decreasing trend.

A recent survey conducted by the Horticultural Science Society of Thailand (HSST) assessed the current market for flowers and ornamental plants and found that it concentrates on three important segments:

a) Flowers and plants of high economic importance, mainly orchids and siam tulips (*Curcuma alismatifolia*) plus ornamental plants like snake plant (*Sansevieria*), *Monstera, Philodendron,* or *Aglaonema*.

b) Flowers and plants with potential for growth in the domestic market. This group offers opportunities for importing floral products such as roses, lotus, chrysanthemums and lilies into Thailand, as domestic production is currently insufficient to meet the demand.

c) Locally produced flowers, which are relevant to the Thai lifestyle such as jasmine, gardenia, marigold, crown flower and lotus, with an annual turnover estimated at around $270 million.

The Thai Department of Agricultural Extension is currently supporting projects to increase production efficiency in floriculture by implementing modern practices increasing competitiveness and allowing for successful market expansion. Production of flowers and ornamental plants is encouraged in various areas of the country, with a vision of increasing production so it meets market demands.

After five decades of development, Thai floriculture is a well-established, business savvy sector. Flower growers have strong production skills and the ability to develop orchid varieties; public and private sectors support the orchid industry and appropriate business infrastructure is in place to support the orchid value chain. In addition, local demand for ornamental plants continues to expand and there is untapped potential in the Asian and global markets for Thai flower and ornamental plant exports.

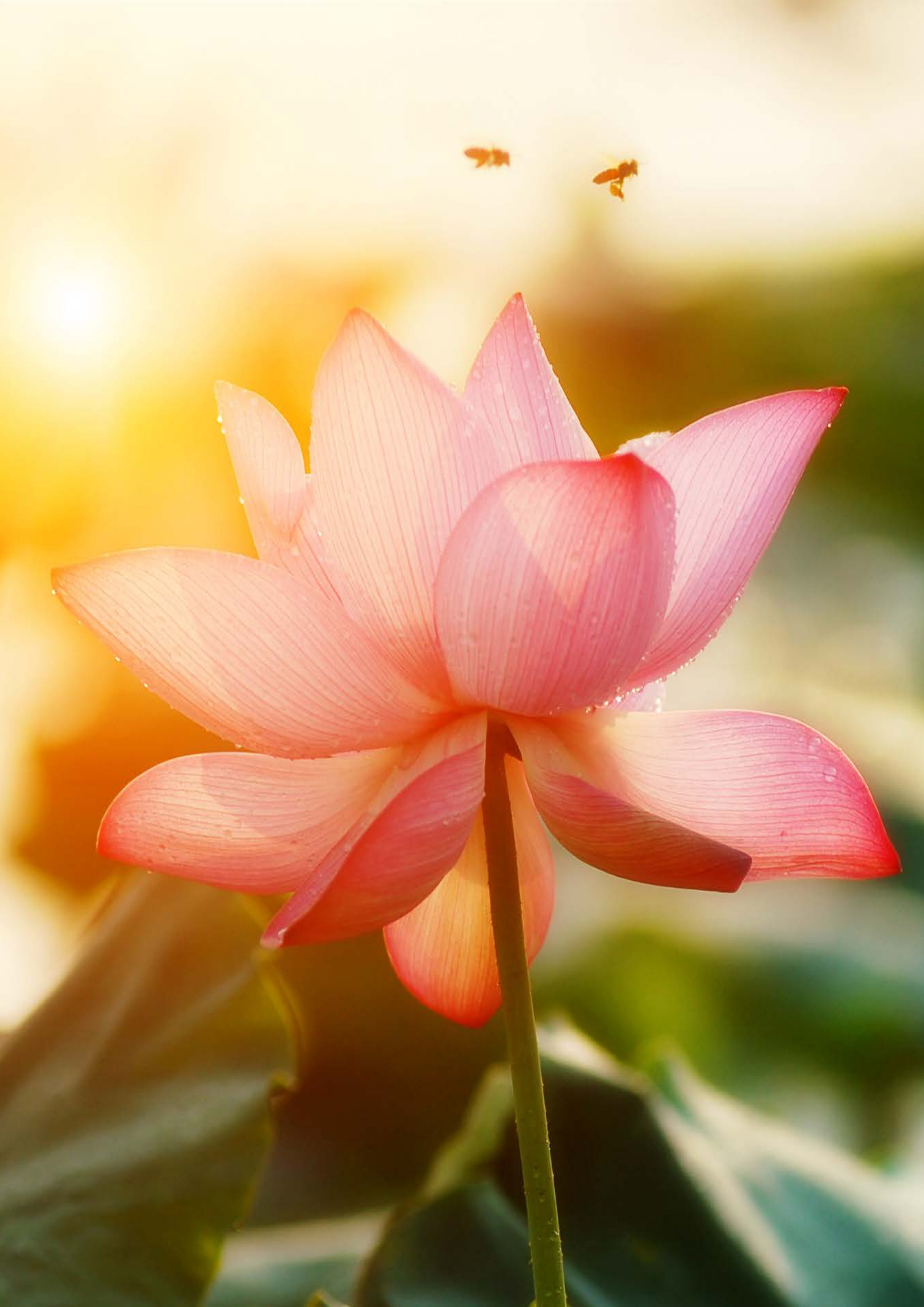
The floriculture industry however faces a number of challenges especially in relation to production planning allowing producers to meet quantity and quality requirements according to consumption trends along the year. Market intelligence, postharvest management, packaging, and cold chain schemes are all areas needing strengthening.

As a member of ASEAN, Thailand has drawn 14 Free Trade Agreements involving which 18 countries mostly but not exclusively in the region, which allow for tariff-free trade of many products including flowers and ornamental plants. Currently only India maintains import tariffs on some flowers and ornamental products, but efforts to secure free trade of these products are under way. In addition, other free trade agreements are currently under discussion, for example with Europe and Türkiye, and negotiations under the ASEAN-Canada Free Trade Agreement are expected to finalise in 2025.

Flower Market in Bangkok, Thailand

Import licenses are required for plants and seeds to enter Thailand. It is particularly important to be aware of any phytosanitary requirements - for example a phytosanitary certificate - for the specific products being exported. Partnering with a local agent or distributor is the most effective way to enter the Thai market and reach potential Thai buyers. Tradeshows, business rounds, or other events related to the ornamental sector in Thailand and the ASEAN region also provide efficient opportunities to develop contact and business relationships with both buyers and suppliers.

Information available on Thai consumer preferences for flowers and plants indicates that there may be opportunities for supplying new and emerging growers with nursery plant materials needed for establishing production of plants and flowers not widely available in Thailand but which are currently in demand. More thorough research on the particular species showing most potential, the environmental conditions of production areas, the infrastructure available, shipping and distribution channels and regulations and requirements applying to the importation of these materials into Thailand are needed.



2. INTRODUCTION

With a population of nearly 70 million people, the Kingdom of Thailand is the second strongest economy in South East Asia after Indonesia. Boasting a GDP of $495.4 billion[1] and $6,909.96 per capita in 2022.[2] The country boasts one of the lowest unemployment rates in the world (1.79%); the percentage of people living below the poverty line has decreased very significantly over the past decades, from 62.6% in 1988 to 8.61% in 2016. The World Bank classified Thailand as an upper-middle income economy in 2011 and recognised the country as "one of the great development success stories".[3]

Nevertheless, the COVID-19 pandemic, which strongly affected the tourism industry, together with recession and other factors, have slowed down the economy.

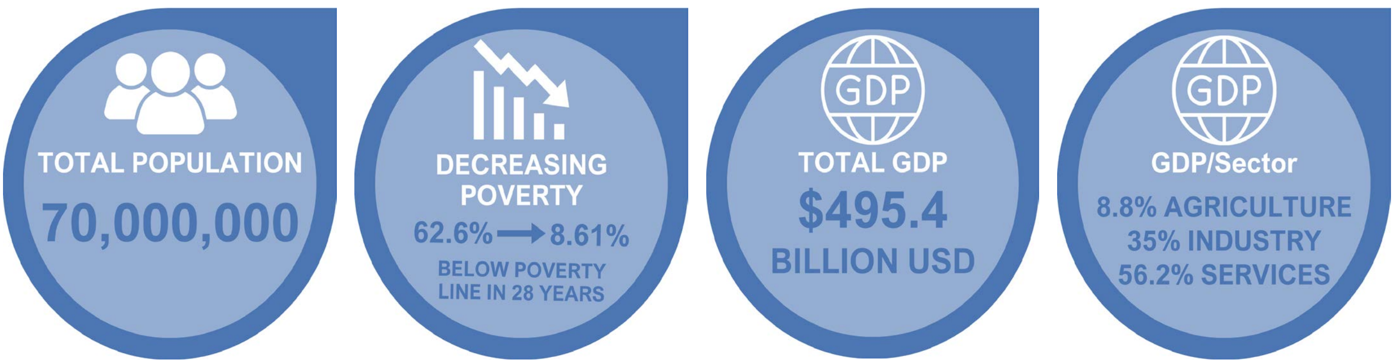
In 2022, agriculture (rice, sugarcane, rubber) accounted for only about 8.8% percent of Thailand's GDP, however this sector is very relevant to the local economy as it employs more than a third of the country's labour force. Industry (appliances, computer components, vehicles) contributes about 35% to the GDP and the remaining 56.2% is taken by the services sector (e.g. tourism, including medical).[4]

1 Wikipedia 2024. Economy in Thailand.

2 World Bank Open Data, 2024.

3 The World Bank, 2011. Thailand now an upper middle economy.

4 Statista, 2024. Thailand: share of economic sectors in the gross domestic product (GDP) from 2012 to 2022.



3. THE FLORICULTURE SECTOR IN THAILAND

Production and Consumption

3.1 THE FLORICULTURE INDUSTRY

Located in the tropics, with a mild climate prevailing throughout the year, blessed with fertile soils, plus abundant water and high light intensity, Thailand has ideal conditions for producing a large range of cut flowers and ornamental plants. Skilful growers, well-structured grower organisations, good transportation infrastructure, and efficient, up-to-date production techniques, are also key ingredients contributing to the success of the Thai ornamental sector.

Orchids, lotus flowers, and tropical blooms currently form the lion-share of the product mix, but many other flower types are produced, for example jasmine, marigold, *Calotropis* (crown flower or milkweed), and roses. Ornamental plants including *Pandamus* palms and other palm species, various kinds of bamboo and *Ficus*. The nursery sector is also strong, concentrating on live plants for gardens and landscaping and also young plant material for propagation purposes.

The production area was estimated at 10,700ha yielding about 116,330 tonnes of flowers and ornamental plants.[5] In 2023, Thailand's exports of ornamental products amounted to $132 million, showing full recovery towards pre-pandemic numbers. In 2017, orchids ranked as the most important floral export from Thailand accounting for about 61.5% share of the total export value and over 70% in 2023; other important export products include *Sansevieria, Musa, Dracaena, Zoysia, Bougainvillea, Euphorbia, Ixora, Hoya, Plumeria, Aglaonema,* and *Adenium* (desert rose).[6]

In 2021, orchid production was reported to span over more than 3,039ha, yielding 33,729 tonnes of flowers and plants. These numbers are lower than the 3,537ha and 50,084 tonnes reported for 2015,[7] which no doubt reflect the contraction resulting from the COVID-19 pandemic in 2020. Overall, current figures point towards recuperation to pre-pandemic levels.

Important production areas of flowers and plants include Bangkok, Nakhon Pathom, Nonthaburi, Samut Sakhon, Ratchaburi, and Kanchanaburi (see Fig. 1 for locations). Orchid production mainly takes place around Bangkok and near-by provinces where optimum climate conditions and adequate infrastructure exist.

Two harvest peaks normally occur in the year, in the months of June and October.

Thailand´s geographical location with respect to important consuming markets such as China, Japan, Korea, and even Australia brings special advantages for international trade. In 2023, Thailand ranked as the 14th flower exporter in the world, with about 0.4% of the international market share, but holds second place within ASEAN[8] after Malaysia, and is the second largest orchid exporter in the world after the Netherlands.[9]

The vast diversity of orchids found naturally in Thailand (about 1,129 species and 178 genera) further contribute to its current role as top producer and successful supplier of cut orchids. The introduction of the *Dendrobium* 'Pompadour' orchid in the 1970's was a breakthrough, spurring cut-orchid expansion over the past five decades. Starting with small orchids exports in 1966, by 2012 orchid production had skyrocketed and an estimated 54% of the orchid production was reaching international markets.[10]

5 Horticultural Science Society of Thailand (HSST), 2024

6 Lekawatana, S. and Suwannamek, B. (2017). Ornamental plants in Thailand. Acta Hortic.

7 AIPH 2023. International Statistics flowers and plants 2023

8 ASEAN. Association of Southeast Asian Nations, is the political and economic union of 10 states in Southeast Asia (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam)

9 International Trade Centre ITC (2024). Trademaps: List of exporters for product 060313 Fresh cut orchids and buds of a kind suitable for ornamental purposes.

10 Thammasiri, K. (2015). Current status of orchid production in Thailand. Acta Hortic.

Fig. 1. Map of Thailand

Flower Float in Chiang Mai, Thailand

Orchids currently make up 73% of total Thai flower exports, with orchid plants composing 27% of that segment, bringing into the country about $70 million per year. *Dendrobium* is still the orchid species with the highest export volume, followed by *Oncidium Mokara, Vanda, Aranda* and others.

Further expansion is clearly evident: aside from Vietnam, China, and Japan, new and fast growing markets now include France, Kuwait, and Qatar with growth rates of 200%, 120%, and 100% in recent years. In addition, Thai orchids are now reaching more distant locations like the United States, Italy, the Netherlands, and Brazil.[11 12]

Some important exporters of orchids in Thailand are: (in alphabetical order):

- Bangkok Green Co., Ltd.
- Bangkok Intimex Co., Ltd.
- BJ. Orchid (Thailand) Co., Ltd.
- KrungThep Interflora Co., Ltd.
- Suphachadiwong Orchid Co., Ltd.

3.2 THE LOCAL FLOWER MARKET

The Thai ornamental industry has shown sustained development over several decades and caters strongly to domestic consumers who by tradition use flowers as an essential ingredient of religious celebrations, various festivals, and many kinds of special occasions. By strong and long-standing tradition, flowers and ornamental plants are part of daily life; the impressive plant and flower markets in Bangkok such as Bang Yai, Bang Bua Thong, and Soi Wat Phra Ngoen where hundreds of thousands of flower stems and plants are traded daily are a clear testimony of this.

The landscape and gardening industry currently offers opportunity for expansion, as does the tourism sector, which is now on its path to recovery after the pandemic. Additionally, the number of people seeking exotic plants or simply looking for plants and flowers for home decoration is on the rise. Consumers increased online purchases during the COVID pandemic and this trend continued after restrictions lifted, so currently an increasing number of transactions occur virtually. Perhaps this has also driven an appetite for flowers not extensively grown in Thailand such as chrysanthemums, carnations, and roses, which are being increasingly imported into the country.

According to Indian marketing portal 6Wresearch,[13] the Thai market for flowers and ornamental plants market is expected to grow at a compound annual growth rate (CAGR) of 4.7% over the period 2020-2026, as a result of an increasing demand for flowers, potted plants, indoor and garden plants, cut flowers, and other ornamental products. With increased purchasing power resulting from improved economic conditions, Thai citizens are showing an interest in gardens and landscaping as well as unusual or exotic varieties. Further, government initiatives promoting sustainable production and encouraging consumption are likely to spur further development and open new opportunities in this market.

The following sections provide more in-depth analysis of the current trade balance in the floriculture sector of Thailand.

11 Horticultural Science Society of Thailand (HSST), 2024

12 Adhikari, S. 2023. Top ten flower-growing countries in the world, their production capacity and the overall demand for flowers.

13 6Wresearch

4. EXPORTS OF ORNAMENTAL PRODUCTS

For market analysis purposes, ornamental plant products are divided into four main categories: cut flowers; live plants, including cuttings and slips (for propagation purposes); cut foliage; and bulbs, rhizomes, and tubers (planting materials). Since the late 1960s, Thailand has steadily developed its ornamental exports, mostly towards countries within the region such as Japan and Korea, and more recently China and Vietnam. More distant consumer markets in Europe (e.g. Italy, France, Germany, Russia), the United States, Australia, and UAE are being increasingly and successfully accessed.

Cut flowers presently account for more than half of Thailand's ornamental exports (52%) and are bouncing back from a hard blow resulting from the COVID-19 pandemic when logistics and transportation significantly affected trade. Notably, the live plants and cuttings category is growing steadily as illustrated by Fig. 2; this category is also mainly composed of orchid plants – a small percentage of which are tissue cultured plantlets meant for propagation purposes.

4.1 CUT FLOWERS

Total cut flower exports from Thailand amounted to nearly $70 million in 2023. As stated previously, orchids are by far the largest category of exported cut flowers, followed at great distance by dried, or otherwise processed flowers. Other kinds of flowers – mostly "temperate" flowers such as carnations, chrysanthemums, and roses – make up for a small percentage of the product offer as seen in Fig. 3.

Destination markets for flower exports have shifted over the past decade as observed in Fig. 4: exports to the USA and Vietnam have increased substantially and are now practically recovered after the pandemic, whilst exports to Japan, Italy, and India have declined in varying proportions. Japan in particular does not seem to have recovered its previous participation (possibly as a result of other exporters coming into scene, particularly Chinese Taipei). The category "Rest of the World", composed by over 30 different countries, has become smaller but still holds an important segment.

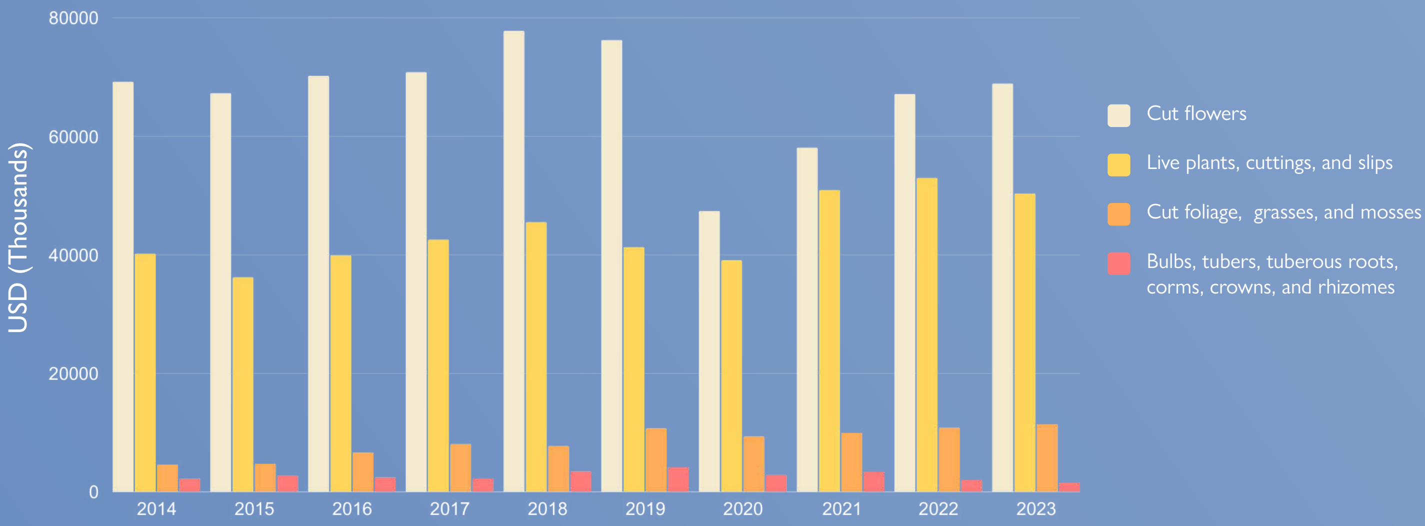
Japan is a key importer, with high and stable demand. According to a survey by the Yano Research Institute,[14] in 2020 the value of Japan's flower and ornamental plant industry was around 966.8 billion yen in 2020. The United Arab Emirates (UAE) is an emerging market with high purchasing power and increasing demand for imported flowers and ornamental plants, which due to their hot and dry environment they cannot produce easily. Thai exports to UAE are still comparatively small but growing, and include roses, orchids, lilies, and chrysanthemums; orchid plants and flowers, particularly red, purple, and white Dendrobium are another segment of interest. The most imported varieties, according to the buyer's needs, price, and duration of use.

When considering orchid exports in particular, a slightly different picture emerges (Fig. 5): Japan imported about 30% of the offer in 2023 and the USA 13%. The "Rest of the World" category currently absorbs about 20% of the product offer (includes over a dozen different countries for example Malaysia, Taiwan, Russia, the Netherlands, and Singapore). Other important markets include China, Vietnam, Italy, France, and Germany. Other important importers are Australia, Singapore, and Russia.

The Japanese wholesale market for fresh flowers is one of the largest in the world, and is a coveted destination for Thai orchids. India has increased demand for imported orchids that are used in various celebrations especially weddings. Approximately 95% of flowers imported by India come from Thailand and are dendrobium orchids, many of which are tinted as per consumer preference; they are also used for extracting oil used in the perfume business.

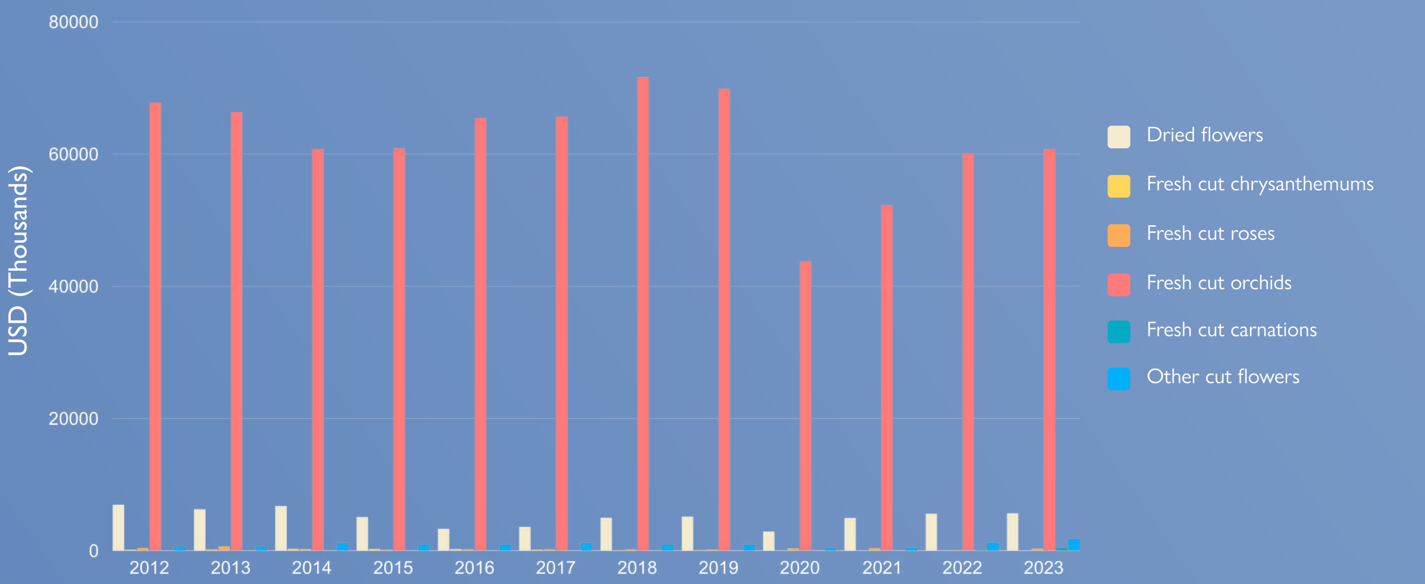
14 Yano Research Institute

Fig. 2. Thailand exports of ornamental products – by category (based on value)



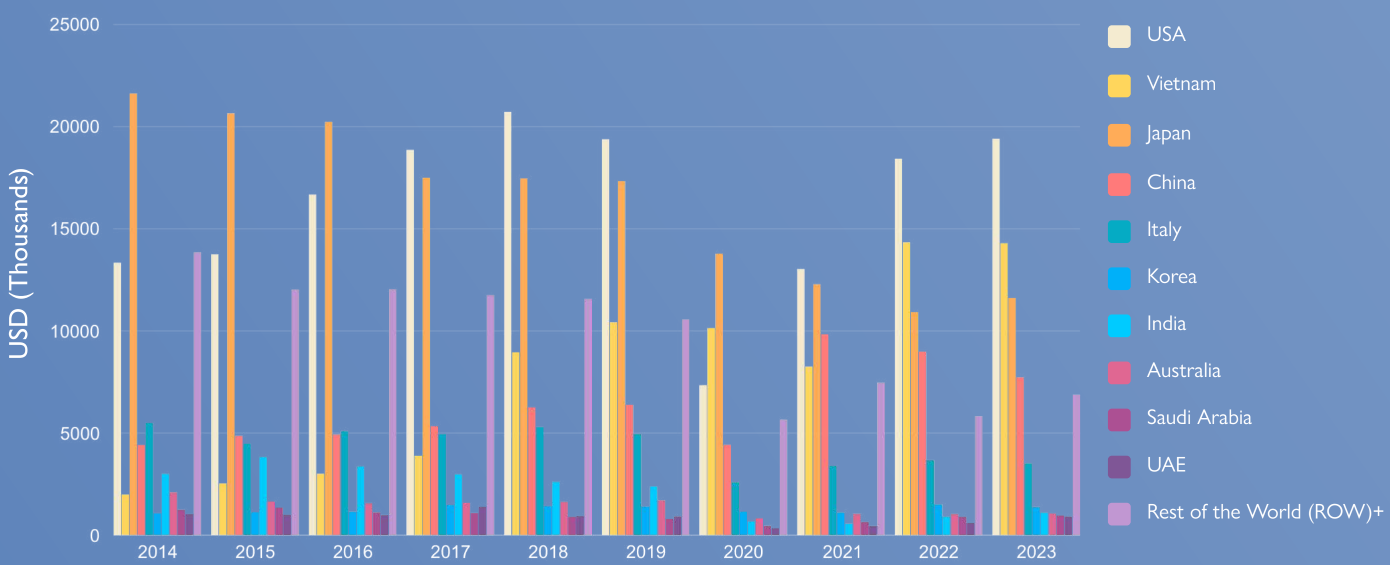
Source: ITC International Trade Centre 2024

Fig. 3. Cut flower exports from Thailand – product mix 2012 -2023 (based on value)



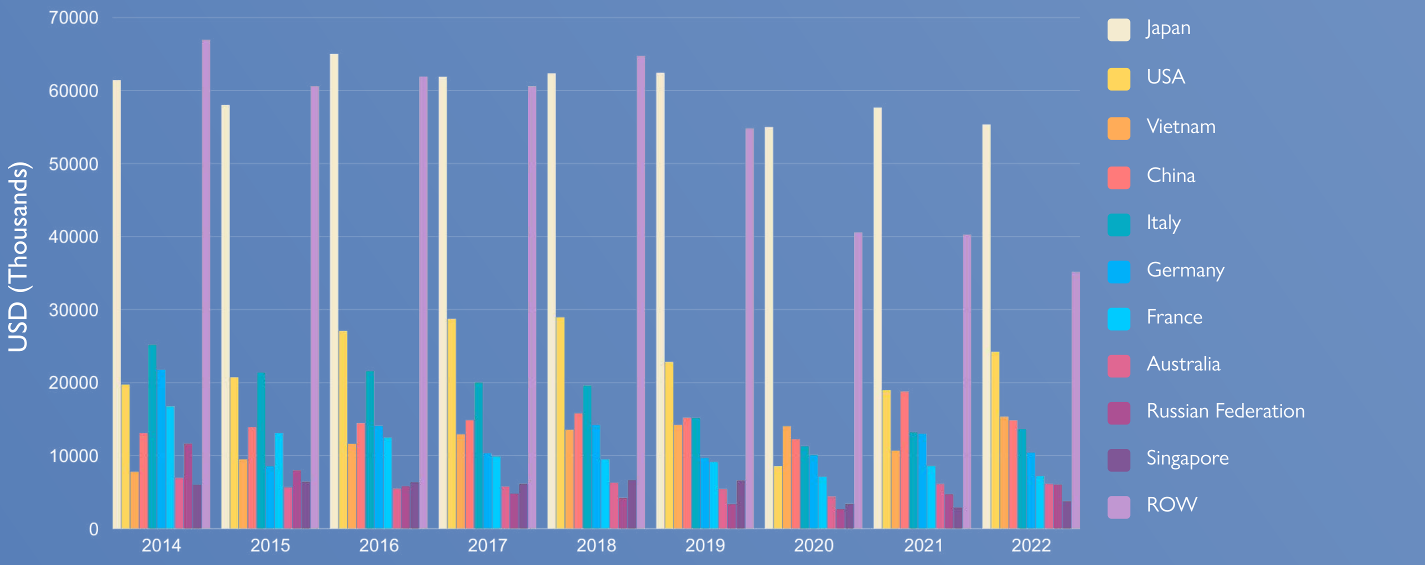
Source: ITC International Trade Centre 2024

Fig. 4. Cut flower exports by destination 2014 – 2023 (based on value)



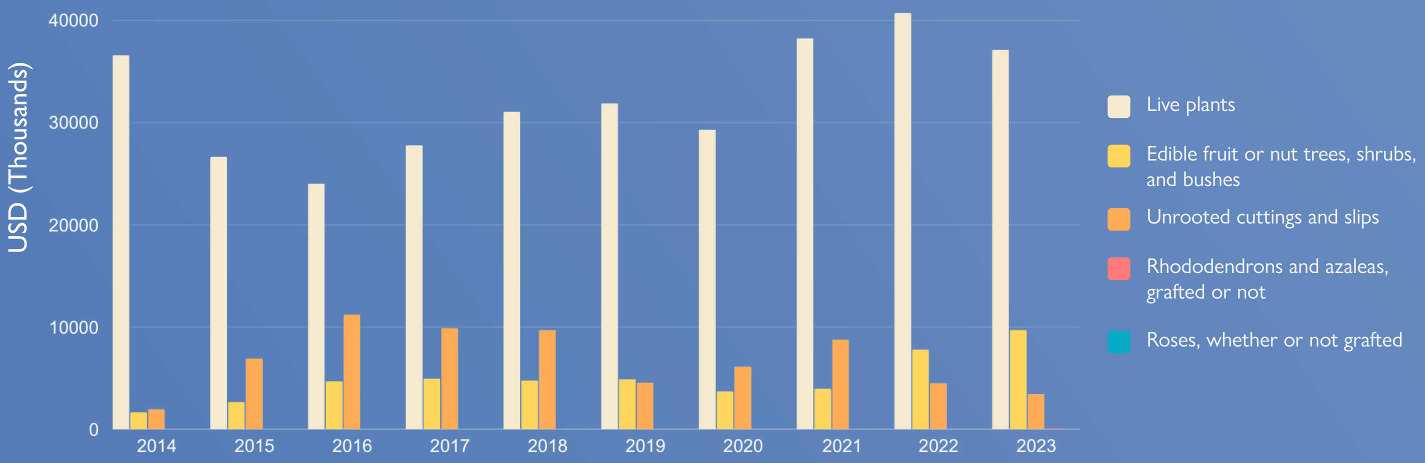
Source: ITC International Trade Centre 2024

Fig. 5. Cut flower exports by destination 2014 – 2023 (based on value)



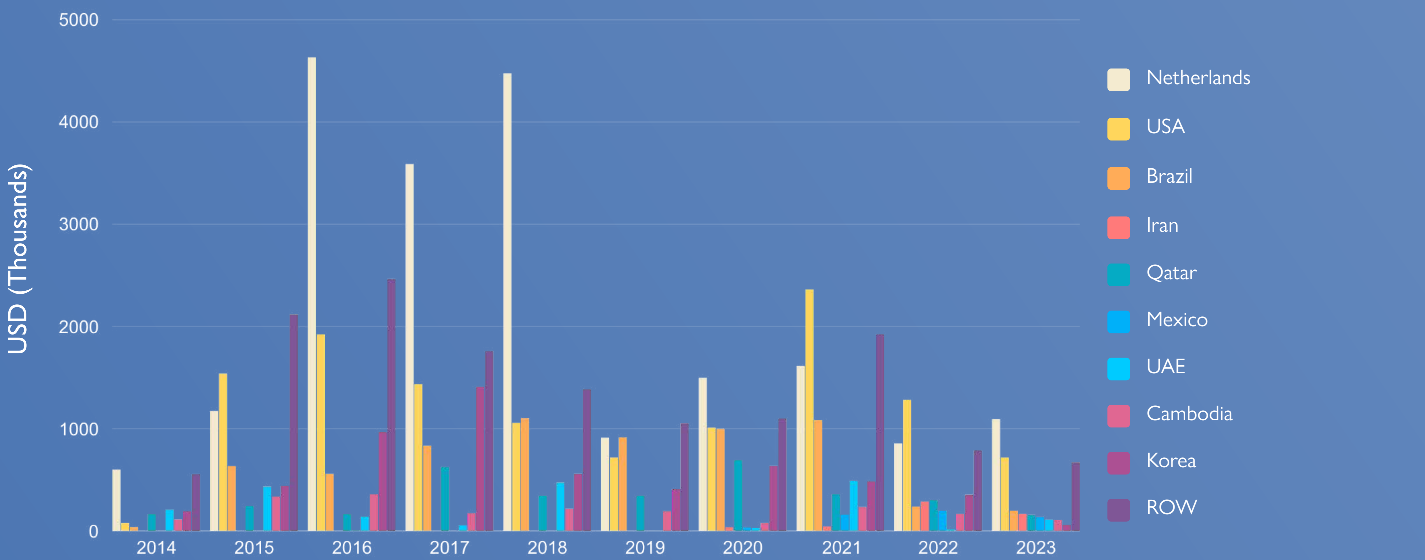
Source: ITC International Trade Centre 2024

Fig. 6. Thailand exports of live plants and cuttings 2014 – 2023 (based on value)



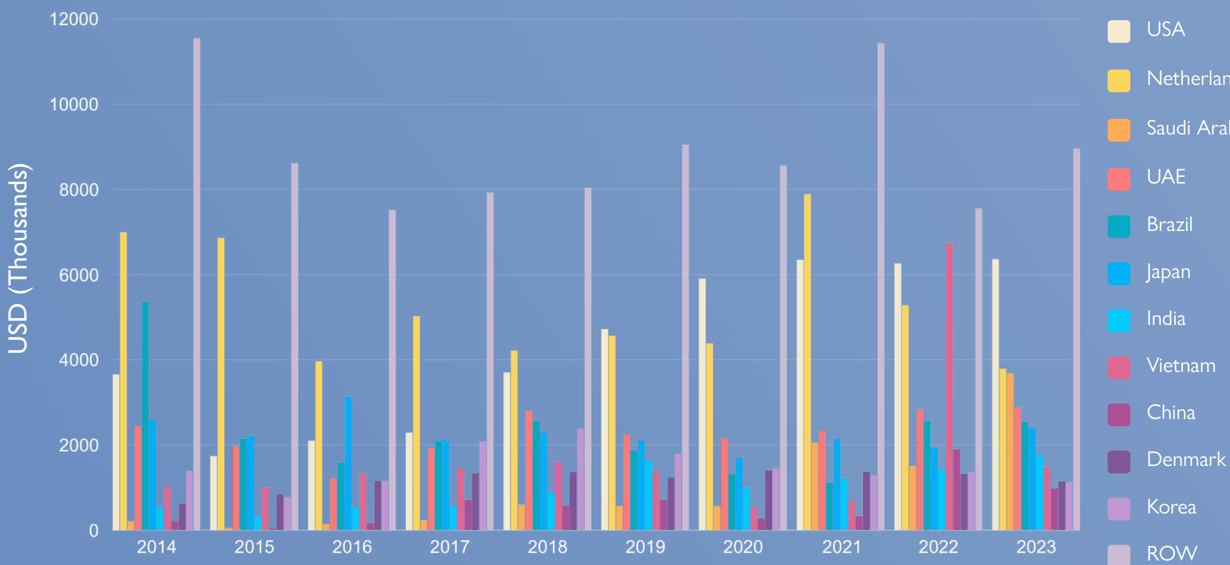
Source: ITC International Trade Centre 2024

Fig. 7. Exports of unrooted cuttings from Thailand by destination 2014 - 2023



Source: ITC International Trade Centre 2024

Fig. 8. Exports of live plants from Thailand by destination 2014 – 2023 (based on value)



Source: ITC International Trade Centre 2024

4.2 LIVE PLANTS, CUTTINGS, AND SLIPS

As shown in Fig. 6, the market of live plants is expanding: aside from potted orchids, which compose about 90% of the product offer, other species traded include *Dracaena, Sansevieria, Aglaonema, Plumeria*, musas and bromeliads. Unrooted cuttings and slips – used for propagation purposes – also show an increasing trend, although this was not evident in the period 2022 – 2023, when fruit and nut trees, plus ornamental shrubs and bushes appear to be growing faster.

International trade of live plants and cuttings is subject to restrictions and special permits in many markets; for example, many species of orchids are included in the CITES convention[15] protecting endangered species, so the marketed plants may require identification and a certificate of exemption from that restriction. Further, many countries will not accept plants with soil attached to their roots for fear of introducing foreign pests, diseases, or weeds, making it necessary to either use an approved artificial substrate such as polyurethane or shipping bare-rooted plants where the roots have been completely washed before shipping.

To avoid restrictions associated with the trade of live plants, unrooted cuttings, or slips are often a preferred option. Fig. 7 presents exports of these materials from Thailand over the past decade, showing many variations: whilst the Netherlands grew significantly in 2016 and 2017; the United States shows less variation except for 2021; Brazil, which emerged as an important destination until 2021, now has lost participation. Although active trade is apparent within the Asia region, it is also evident that Thailand is striving to open new markets, as the category "Rest of the World" indicates. Exports to Canada increased substantially in 2020 and 2021 (not shown, included in ROW category) but have since gone down.

Live plants form a category of their own. Although these are not recorded by individual species in export data, other sources of information report that the majority of such live plants are orchids generally rooted in polyurethane plugs or blocks in order to bypass restrictions placed on soil and certain substrates. The main trade partners for live plants exported from Thailand are The United States, the Netherlands, and Brazil, with Vietnam and Saudi Arabia emerging recently as strong new destinations as can be seen in Fig. 8. The category "Rest of the World" has increased its share; although composed by over 20 different countries where small quantities of plants are exported, its growth reflects efforts by Thai exporters to expand and diversify access to different markets.[16]

15 Convention on International Trade in Endangered Species of Wild Fauna and Flora, an international agreement, signed by 184 parties in 1973, designed to ensure that international trade in animals and plants does not threaten their survival in the wild.

16 Observatory of Economic Complexity 2024. Thailand: Live trees, plants, bulbs, cut flowers and ornamental plants.

5. IMPORTS OF ORNAMENTAL PRODUCTS

Along with exports, imports of ornamental products from Thailand have also increased over the past decades. In particular, local demand for fresh cut flowers, cuttings and live plants has grown. This reflects an interest for flowers used for bouquets and arrangements but also a need for propagation plant materials

In 2023, Thailand imported about $43 million worth of cut flowers and $16 million in live plants and cuttings. Cut foliage and bulbs were also imported, in smaller amounts ($1.6 million and $0.3 million respectively) as seen in Fig. 9.

5.1 CUT FLOWERS

As seen in Fig. 10, imports of cut flowers from Thailand show an upward trend over the past decade and especially come from China, Malaysia, and more recently Indonesia. Although still small transactions, countries like Kenya, Ecuador, and Colombia are now recorded among supplying countries, mostly for roses (here included in the "Rest of the World" category.

When considering specific flower types imported (Fig. 11), chrysanthemums take the lead, followed by carnations, lilies, and roses. There is however a large category of "other flowers" composed of many different species used for making bouquets.

5.2 LIVE PLANTS, CUTTINGS, AND SLIPS

The category "live plants, cuttings, and slips" most often refers to young planting material used for propagation purposes. Although small, it is a critical segment of the floriculture business since access to new varieties, novelty colours and presentations, resistance to pests or diseases, and others is essential for the continuity and success of the business. Developing such varieties requires lengthy, specialised and often costly breeding and selection processes and a high level of expertise.

In addition, most plant varieties are protected by plant breeders' rights so payment of royalties is common in exchange for their use. For these and other reasons producers often import propagation materials, or they may be jointly produced between specialised breeders and producers to ensure the new cultivars are proven for the particular circumstances of location, climate, and market windows desired.

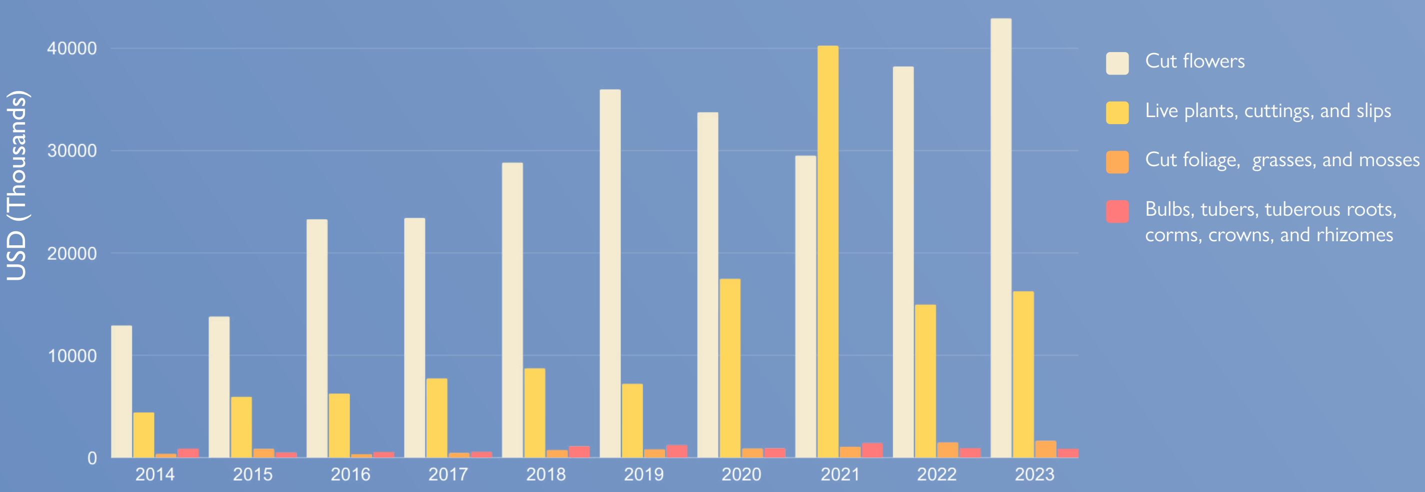
Imports of live plants shows strong variation over the past decade (Fig. 12). Although China's share grew at a very fast pace during the period 2019-2021, it plummeted in 2022, with the Netherlands following a similar pattern as well as Spain, although in much smaller numbers. At the same time, Madagascar has made a place for itself in this market, increasing its exports substantially since 2021 and Costa Rica shows fluctuations.

Unfortunately there is no disaggregated information with respect to the species of plants imported.

Many plants can be propagated efficiently by cuttings or slips and this offers many advantages for their transportation and distribution, mainly due to ease of packing, storing and shipping, and simpler phytosanitary requirements (especially related to the absence of attached soil). They do require specialised infrastructure for rooting and establishing the resulting plants.

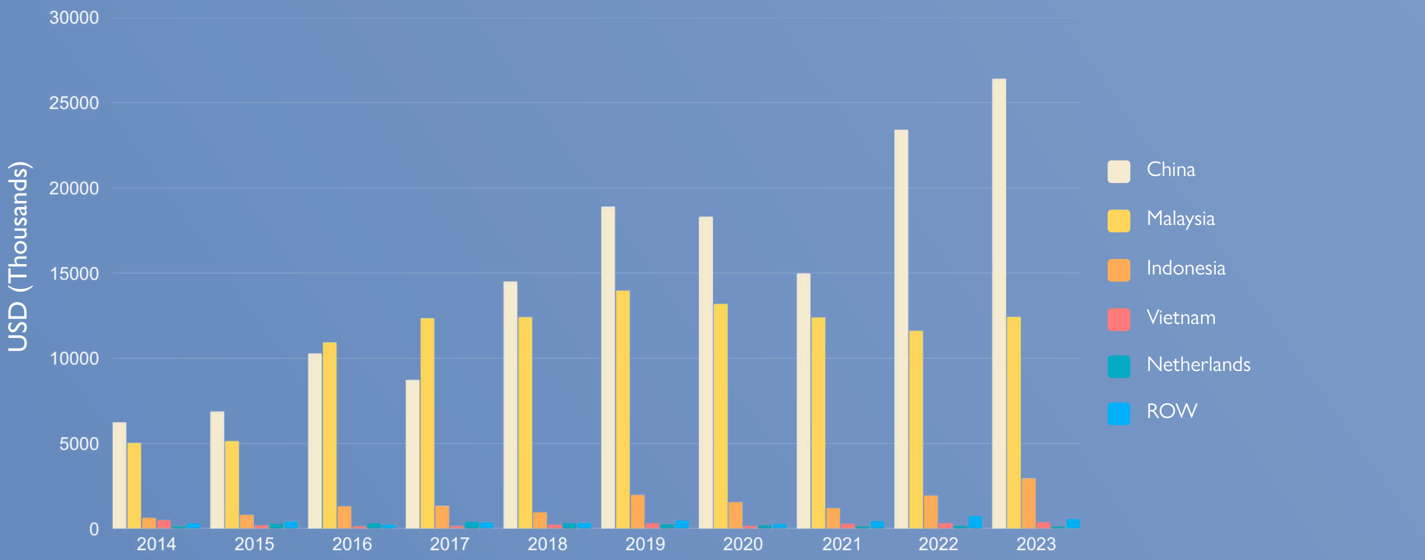
As shown in Fig. 13, a large number of countries supply cuttings and slips top Thai producers (see the large "Rest of the World" category). Malaysia and Vietnam have held a share of this market over the past decade; very large imports were recorded from the UAE in 2021 which, although still significant in the two following years, are now on a decreasing trend. The USA has emerged as a supplier in 2023, whilst the Netherlands, which peaked in 2021, has strongly declined. Once again, it is unfortunate that there is no clear information with respect to the species of plants imported that would allow further analysis.

Fig. 9. Imports of ornamental products into Thailand 2014 – 2023 (based on value)



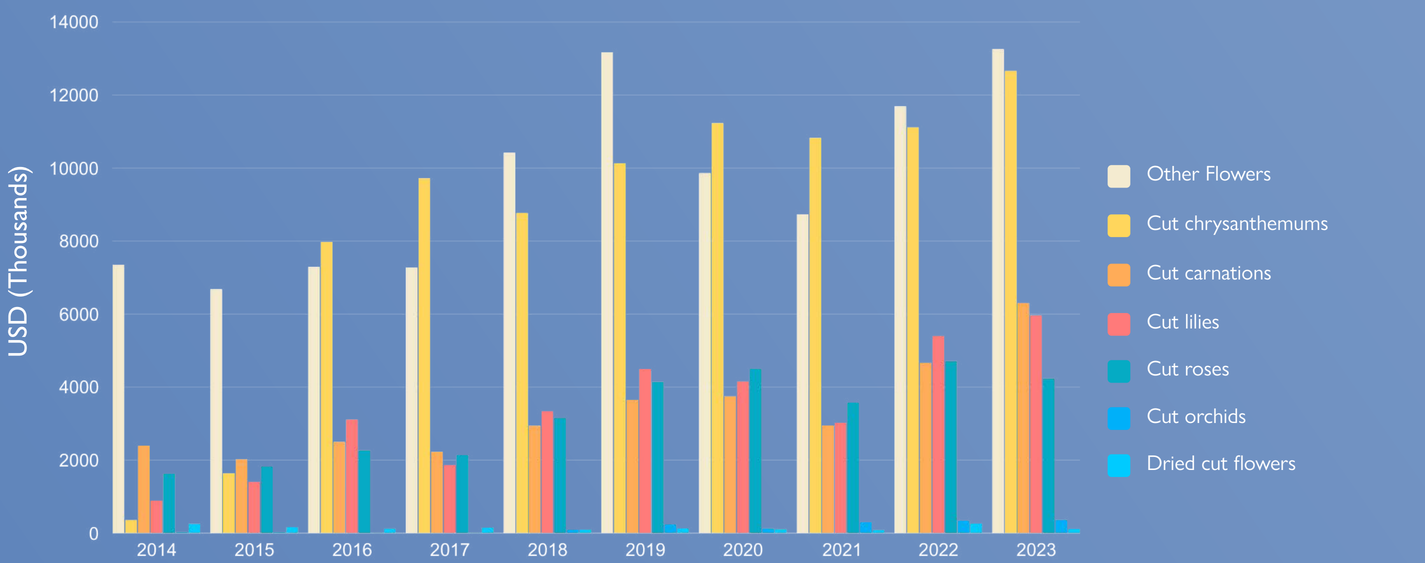
Source: ITC International Trade Centre 2024

Fig. 10. Cut flower imports by origin 2014 – 2023 (based on value)



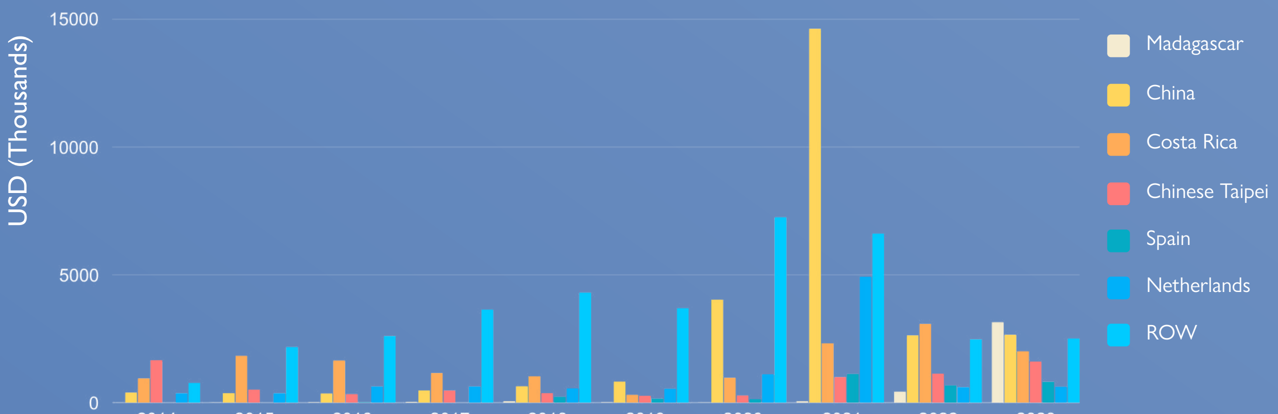
Source: ITC International Trade Centre 2024

Fig. 11. Cut flower imports into Thailand by flower type 2014 – 2023 (based on value)



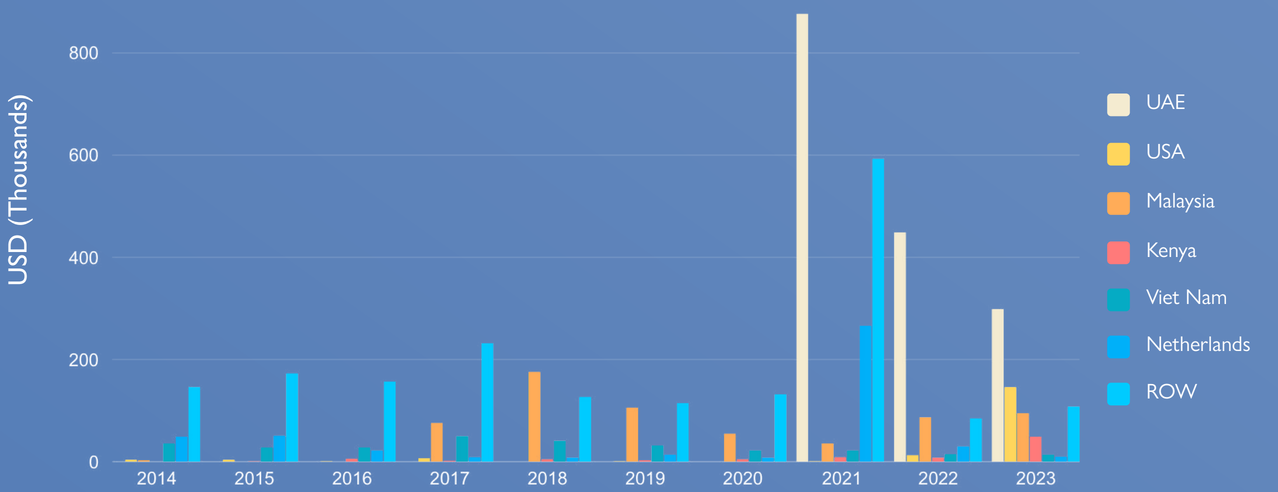
Source: ITC International Trade Centre 2024

Fig. 12. Imports of live plants by origin 2014 – 2023 (based on value)



Source: ITC International Trade Centre 2024

Fig. 13. Imports of cuttings and slips by origin (based on value) 2014 – 2023



Source: ITC International Trade Centre 2024

Flower arrangement for the Loy Krathong Festival

6. OPPORTUNITIES – THE BUSINESS ENVIRONMENT

The COVID-19 pandemic led to an economic recession, which coupled with strong inflation occurring in 2020 - 2021, significantly affected exports and negatively impacted flower production and quality in Thailand. Production costs increased diminishing revenues; and production areas shrank, and sometimes were even abandoned. However, since 2023 things seem to have taken a turn for the better and the industry is showing signs of recuperation.[17]

6.1 A SNAPSHOT OF THE MARKET DEMAND

A recent survey conducted by the Horticultural Science Society of Thailand (HSST) assessed the current market for flowers and ornamental plants and found that it concentrates on three important segments:

1) Flowers and plants of high economic importance. These comprise the largest category fetching the highest revenue as exports, and mainly include orchids, siam tulips (*Curcuma alismatifolia*) and some others. In addition, it comprises new groups of ornamental plants that have significantly increased their export values and deserve particular attention, for example snake plant (*Sansevieria*), *Monstera, Philodendron* or *Aglaonema.*

2) Flowers and plants with potential for growth in the domestic market. This group offers opportunities for importing floral products into Thailand, as domestic production is currently insufficient to meet the demand. There are efforts under way aiming to replace imports using dedicated expertise and innovative technology to develop these species which include for example roses, lotus, chrysanthemums, and lilies. Imports of such products are valued at over 1,900 million baht ($50 million) per year. Detailed information on imports of these flowers can be found in section 5.2 of this report and show Malaysia as the largest supplier. Carnation imports are also substantial and currently come mainly from China (Figs. 9 and 10).

3) Locally produced flowers, which are relevant to the Thai lifestyle. These are flowers as jasmine, gardenia, marigold, crown flower and lotus, widely used in Thai celebrations, religious ceremonies and cultural events. It is a significant category, with an annual turnover estimated at around $270 million.

The Thai Department of Agricultural Extension is currently supporting projects to increase production efficiency in floriculture by implementing modern practices increasing competitiveness and allowing for successful market expansion. Production of flowers and ornamental plants is encouraged in various areas of the country, with a vision of increasing production so it meets market demands.

The survey examined the trade of floral products amongst ASEAN countries, and found that Thailand has significantly expanded exports to Malaysian, followed by Myanmar, Cambodia, and Singapore. An important reason for this is the advantage offered by free trade agreements between Thailand and ASEAN countries plus other important trade partners such as Japan and the UAE as discussed in section 6.3.

The Ministry of Agriculture and Cooperatives of Thailand has recently prepared a Draft Orchid Development Plan (Ornamental flowers and plants, 2023 – 2027) to support orchid production by improving the production and quality of flowers and ornamental plants to be in line with the needs of consumers and trading partners. This plan also considers providing growers assistance for strengthening and improving postharvest management to extend flower vase life and creating added value products (e.g. by using flower dyes), develop standards for orchid production and quality, spur the adoption of technology, and innovation and promote Thai orchids to increase market demand. It is an upgrade to the "Good agricultural practices for cut flower orchids" standard produced in 2009.[18]

17 Horticultural Science Society of Thailand (HSST), 2024

18 National Bureau of Agricultural Commodity and Food Standards. Ministry of Agriculture and Cooperatives. Thai Standard TAS 5501-2009.

6.2 STRENGTHS AND CHALLENGES OF THE THAI FLORAL SECTOR

After five decades of development, Thai floriculture is a well-established, business savvy sector. The Horticultural Science Society (HSST) of Thailand highlights the following strengths of the floral sector as:

- Flower growers have strong production skills and the ability to develop orchid varieties
- Both public and private sectors support the orchid industry.
- Appropriate business infrastructure is in place to support the orchid value chain, all the way from production to delivery at export markets. This includes long-standing commercial partners/ importers, meeting quality and regulatory requirements, efficient delivery, and customer requests.
- Locally in Thailand, the demand for ornamental plants continues to expand and there is untapped potential in the Asian and global markets for Thai flower and ornamental plant exports.

Together with the strengths described above, the HSST has identified a number of challenges in the floriculture industry as follows:

- Production planning needs improvement as the quantity and quality of the orchids produced often does not line up with market demand. This results in flower prices that are unpredictable, variable and unstable.
- Market intelligence needs to be strengthened. Marketing studies that consider the particular circumstances of the Thailand floriculture sector are needed. Shipping and distribution options, consumption trends including peak seasons, and market demands and requirements should be better defined.
- Postharvest management needs upgrading: packaging and cold chain schemes, aimed at maintaining orchid quality and improve vase life, reduce transportation costs and in general, optimise this important segment of the value chain.
- Some negative effects of the COVID-19 pandemics prevail, limiting investment research and development on new varieties and increasing the costs of inputs such as fertilisers, pesticides, and labour.

Aside from the challenges above, producers face additional problems, which are more difficult to addresss or mitigate. This refers in particular to climate change, bringing unseasonal rain and flooding (including with saltwater), or drought and warmer weather. Such extremes affect disease and insect outbreaks, with strong impacts on flower production and quality.

6.3 MARKET ADVANTAGES - FREE TRADE AGREEMENTS (FTAs)

Thailand is a member of ASEAN, which was established in 1967. ASEAN is composed of ten members, namely Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. Under ASEAN, Thailand has drawn 14 Free Trade Agreements including bilateral agreements, which total 18 countries. These are mostly but not exclusively in the region, and allow for tariff-free trade of many products including flowers and ornamental plants:

- ASEAN Free Trade Area (AFTA)
- ASEAN Economic Community (AEC)
- ASEAN-China
- ASEAN-India
- ASEAN-Japan
- ASEAN-South Korea
- ASEAN-Australia-New Zealand
- ASEAN-Hong Kong
- Thailand-Australia
- Thailand-New Zealand
- Thailand-Japan
- Thailand-Peru
- Thailand-Chile
- Thailand-India

Most recently, in early 2022, the Regional Comprehensive Economic Partnership (RCEP) has entered into force. This is a FTA held between the ASEAN and Australia, China, Japan, New Zealand, and South Korea, 15 countries accounting for about 30% of both the world's population and the world's GDP, and is expected to eliminate about 90%.

All these treaties benefit trade in floral products and offer good opportunities for both importing and exporting transactions. Currently only India maintains import tariffs on some flowers and ornamental products.

In addition, other free trade agreements of Thailand are currently under discussion, namely:

- The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Corporation (BIMSTEC) Free Trade Area – which could bring duty-free trade with India
- The Thailand-Pakistan Free Trade Agreement
- The Thailand-Sri-Lanka Free Trade Agreement

In Europe,

- The Thailand-European Free Trade Association (EFTA) Free Trade Agreement
- The Thailand-European Union Free Trade Agreement
- The Thailand-Turkey Free Trade Agreement

Flower Stall in Bangkok, Thailand

And in North America:

- The ASEAN-Canada Free Trade Agreement. In November of 2021, Canada entered an agreement with ASEAN which, as a group, represented Canada's fourth largest commercial partner in that year. The agreement has the potential to create new opportunities in this fast growing market and increase Canada's presence in the region. Five rounds of negotiations have taken place since the agreement was drawn and it is envisioned that they will conclude in 2025.[19]

6.4 MARKET ACCESS

Import licenses are required for many items, including agricultural items such as plants and seeds to be allowed to enter Thailand. It is particularly important to be aware of any phytosanitary requirements – for example a phytosanitary certificate – which can vary with the specific products being exported. This is under the jurisdiction of the Department of Agriculture of Thailand.

Partnering with a local agent or distributor is the most effective way to enter the Thai market and reach potential Thai buyers. The agent or distributor can facilitate and expedite market entry with their market knowledge, established distribution networks, and relationships with key business and government officials.[20]

Attending tradeshows, business rounds or other events related to the ornamental sector in Thailand and the ASEAN region also provides efficient opportunities to develop contact and business relationships with both buyers and suppliers.

Several tradeshows of this kind take place every year. As an example, the HORTEX show taking place each year in Ho Chi Minh City, Vietnam, recently announced plans to alternate this trade fair between Vietnam and Thailand as of 2025. The first joint edition will be held at the Saigon Exhibition and Convention Centre (SECC) on 12-14 March 2025, and the first Thailand edition will take place in 2026. In addition, an AIPH-approved International Horticulture Exhibition is to be held in Udon Thani, Thailand, in 2026 and the World Horticultural Exhibition, Korat 2029 will provide further opportunities for internationalising the Thai ornamentals industry.

19 Government of Canada, 2024. Canada-ASEAN Free Trade Agreement.

20 Thailand, Country commercial guide 2024.

Flower Garden in Chiang Mai, Thailand

7. OPPORTUNITIES FOR CANADA

Canada's ornamental horticulture sector comprises production of cut flowers and pot plants (68.4%), nursery plant materials (25.2%), turf (5.3%), and others. Ontario is the state with the higher proportion of flower and nursery operations, followed by British Columbia and Quebec. The sector is on an upward trend, growing 4% in 2022 with respect to 2021 and showing recovery from the impacts caused by the COVID-19 pandemic.[21]

The Canadian Nursery Landscape Association (CNLA), a non-profit organisation with more than 4,600 members from nine horticulture and landscape associations across the country, is seeking to develop market opportunities in the Thai floral/ornamental products sector. Members are landscape professionals, landscape suppliers, garden centres, and nursery growers. CNLA is a member of AIPH and in that capacity has requested a sector analysis aimed at developing market intelligence for Canadian ornamental products in Thailand.

Currently, exports of flowers or nursery materials from Canada to Thailand are very small, and consist of only about $70,000 of ornamental shrubs or bushes in 2023. Thailand on its part does report some exports of ornamentals to Canada, which in 2023 consisted of cut foliage ($260,000), live plants, cuttings, and slips ($400,00), and cut flowers ($410,000).[22] This means that trade channels for plants and flowers exist and may provide a basis upon which to build up exports from Canada into Thailand.

Information available on Thai consumer preferences for flowers and plants indicates that there may be opportunities for supplying new and emerging growers with nursery plant materials needed for establishing production of plants and flowers not widely available in Thailand but which are currently in demand. More thorough research on the particular species showing most potential, the environmental conditions of production areas, the infrastructure available, shipping and distribution channels, and regulations and requirements applying to the importation of these materials into Thailand are needed.

21 Government of Canada 2024. Statistical overview of the Canadian ornamental industry, 2022.

22 www.trademaps.org

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