

HE Mr Abhisit Vejjajiva
Prime Minister

Cc HE Mr Trairong Suwanakiri
Deputy Prime Minister

Cc HE Mr Korn Chatikavanij
Minister of Finance

Cc HE Mr Pradit Phataraprasit
Deputy Minister of Finance

9 December 2010

Your Excellency,

It has been well known for a very long time by all food and beverage professionals, and many others in the hospitality industry, that their interests have been consistently neglected by every government, past and present. However, we are not the kind of professionals who ask for government handouts, or make a big hue and cry whenever we are adversely affected by factors completely outside our control, such as the recent political turbulence.

All we want is space to develop our businesses in an open and transparent manner, free from unnecessary and unhelpful interference from government officials. As in other countries, we want the government to assist and facilitate our business, not to place obstacles in our way.

We would like to see the government make a serious effort to understand our business, and to act quickly to bring the Thai food and beverage business back into conformity with regional and international practice. In particular, Thailand cannot credibly continue to penalise the wine trade and ban wine promotion, when wine has become a vital accompaniment to the international consumption of Thai food and other fine cuisines.

At international wine events I have attended recently in Singapore, Tianjin, Beijing, Shanghai and Hong Kong, Thai cuisine was rarely mentioned. Today, Chinese, Japanese, Korean, Vietnamese, Malaysian and even Singaporean food is being heavily promoted in conjunction with wines from around the world. Despite the quality and international popularity of our cuisine, it now risks being relegated to the sidelines of international fine dining.



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In Thailand itself, despite the vital importance of our tourism sector to the economy – and in flat contradiction to the stated policy of shifting our tourist profile upmarket - the Health Ministry permits its officials to harass and damage the food and beverage industry at every turn.

The government also needs to understand that if Thailand wants to mount a serious bid for the 2020 World Expo, it will need to promote wine and food in the same open and enthusiastic manner that China has done.

In particular, it is imperative that all perishable goods intended for trade exhibition must be exempted from tax. At present, Thai law-makers and officials still do not seem to understand just how important business transparency and fair trade are to attract a world-class trade exhibition. Thailand aims to be a regional leader in the MICE field, but this will not be possible until the opaque bureaucracy and associated widespread corruption in the Customs and Excise Departments are subjected to thoroughgoing reform.

Thailand's wine tax is 380 per cent, and the tax operates in an overcomplicated manner that exporters find almost impossible to understand. This situation offers major opportunities for corruption at all levels of officialdom, which is no doubt why it survives. Please note that Singapore currently charges a flat rate of 7 Singapore dollars for every bottle of wine imported, thus helping to control the quality of wine coming into Singapore and keeping out the cheapest produce. If Thailand were to charge a 200 baht flat rate on every bottle of wine, whether cheap or expensive, this would also be sufficient to keep out low-quality wine aimed at a mass market. Most importantly, it would be simple, clear, and eliminate most or all of the corruption currently associated with the importation of wine into Thailand. Smugglers who cannot compete with wine imported legitimately through Customs will simply go out of business.

I might add that a tax regime of this kind would encourage tourist consumption of wine in Thailand, not only adding to the attraction of Thailand as a high-end tourist destination, but significantly boosting the revenues (including VAT) the government actually receives from the local wine trade.

I have raised the wine tax and fair trade issues with HE Mr Korn Chatikavanij on several occasions, but failed to gain his attention. Maybe this is because I am not a major business entrepreneur or otherwise an important person.

I have also addressed related issues with the Tourism Minister, HE Mr Chumpol Silpa-Archa, and Deputy Prime Minister, HE Maj-Gen Sanan Kajonprasart, but I managed to reach only their advisers and matters ended there.

Wine: Vital to Thailand's Hotel and Restaurant Industry



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I interviewed Your Excellency for 'Thailand Timeout' magazine in June 2006, when you were opposition leader. You told us that "all Thais must have equal opportunities and the government must support all kinds of business".

As you are aware, Thai food is famous around the world. I have always believed that Thai cuisine and wine make an excellent combination for healthy living – a concept which is highly promotable in today's world. I really cannot fathom why the Thai government has chosen to ignore this major opportunity.

At present, Thailand is pursuing an extreme anti-alcohol policy which in practice curbs legitimate food & beverage operators instead of irresponsible drinkers. Health officials are making impromptu visits to major hotels, restaurants and bars to hand out warnings about the promotion of alcoholic beverages.

They are banning all kinds of alcohol advertising in such premises, including electronic visuals for wine, beer or other alcoholic beverages, and mentions of special promotions such as happy hours. They even ban hostesses known as 'pretties' wearing outfits with the name of beverage sponsors.

No other civilised country mounts such a crude, unfocused and unintelligent assault on alcohol per se, and this policy does nothing either to enhance Thailand's reputation or to solve the country's drink-related social problems. Everywhere in the developed world, the focus is on encouraging people to consume less alcohol, especially high-volume alcoholic drinks, and move towards higher quality.

All the current campaign demonstrates is that this government, like all its predecessors, has failed to solved the problem of alcohol abuse, and has no credible policy for improving the situation. Moreover, it demonstrates that it does not know how do how to deal with social problems without damaging an economic sector as important as hospitality. I might add that if such campaigns continue, they will eventually deter Thais from seeking careers in the food and beverage industry, forcing operators to import workers from neighbouring countries. I personally witnessed a very similar situation in London in the 1970s, when I was doing my training in hotel management.

There is no good reason why Thailand, like other developed and developing countries, should not be able to attack alcohol abuse while simultaneously promoting socially responsible drinking in moderation.

"Wine: Vital to Thailand's hotel and restaurant industry"

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Without wine, what are we going to suggest foreigners drink with Thai food? Traditional high-volume *laokao*? Beer? Do we have any interest at all in promoting Thai food as one of the world's great cuisines?

Yours sincerely,

Joe Sriwarin
Fair-trade promoter

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Promoter: Bangkok International Wine Fair (BIWF)

Co-Founder: Southeast Asia Sommelier Alliance

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