



BANGKOK
INTERNATIONAL WINE FAIR

GATEWAY TO THE EMERGING MARKETS OF SOUTHEAST ASIA

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Mr Akapol Sorasuchart
President
Thailand Convention & Exhibition Bureau
Siam Tower, 26th floor
989 Rama I Road, Bangkok 10330

29 October 2010

Dear Mr Akapol,

We regret to inform you that the Bangkok International Wine Fair (BIWF), scheduled from 25 to 27 November 2010, will not now take place.

The aim of Thailand's first wine fair was to promote boutique wines from around the world to Thailand and the wider region of mainland Southeast Asia.

Thailand currently attracts 15 million overseas visitors annually, and has more luxury hotels and fine-dining restaurants than all its neighbours combined. We have no doubt that there is a huge potential market here for boutique wines.

This cancellation follows 18 months of planning, including an international road show. Unfortunately, we were hit hard by the political instability which resurfaced in Thailand this year, and government promises of compensatory support have failed to materialise. This combination of factors has convinced us that the time is not ripe to promote the wine trade in Thailand.

BIWF was launched in October 2009, and by March this year had attracted over 100 producers from around the world, with dozens more enquiring about the fair.

In April and May, the siege of Bangkok's business centre by the political Red Shirt movement, and subsequent bloody crackdown by government troops, caused BIWF to put the proposed fair on hold.

In July, BIWF management decided that with cancellations running slower than expected, local wine importers remaining supportive and the government promising support to businesses affected by the political turmoil, the fair could still be viable.

With support from the Thailand Convention and Exhibition Bureau, BIWF approached the relevant authorities to request tax exemption for wine intended for trade exhibition. The reason cited was that in the current political climate, attractive additional incentives were needed to attract overseas exhibitors. We were later informed by the authorities concerned that the exemption would be granted forthwith.

In September, BIWF informed overseas producers of this good news in the hope that exhibitors who had booked exhibition space would finalise their decision to attend the November fair.

Wine: Vital to Thailand's Hotel and Restaurant Industry



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Most unfortunately, and despite much chasing, BIWF still has not received official confirmation of the tax exemption, and it now looks increasingly apparent that we never will. Among the reasons we have been given for the exemption's non-appearance is that the country is facing severe flood problems. At any event, with time running out, we were obliged to inform exhibitors that they would now have to ship wine to Thailand through the conventional channels.

As the law stands, tax is applied to all goods intended for exhibition events, including perishable goods. Many exhibitors new to Thailand have found that the tax is not only heavy in itself, but is accompanied by formidable bureaucratic regulations which makes the all-in cost of sending exhibition samples of wine to Thailand prohibitive. For this reason, most intending exhibitors have recently decided to cancel their bookings and inform us that they will not now be coming to Thailand in November.

After carefully evaluating the situation, we were concerned that a low turnout by overseas exhibitors risked turning the show into a wine-drinking party, not a proper trade fair where wines were being tasted for commercial purchase. Moreover, BIWF has found itself under increasing pressure from the Health Ministry, with an influential anti-alcohol unit making it increasingly difficult to promote wine openly in the kingdom.

For all the above reasons, BIWF decided that Thailand's wine trade fair must be put on hold until further notice - at least until the government has a clearer vision for promoting the Thai food and beverage industry, and government departments are better able to co-ordinate their activities.

I understand that Thailand plans to bid to host the 2020 World Expo. If the country does mount a serious bid, then perhaps we will at last see policy change re. tax on wine and other perishable goods for exhibition, because Thailand will most certainly be expected to conform to international norms.

BIWF has reassured all exhibitors who have already paid for exhibition space, or placed a deposit, that their payments will be refunded in full.

I am sorry this project has ended so badly.

Yours sincerely,

Joe Sriwarin
Fair-trade promoter

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