

Mama thai instant noodle

[Business](#), [Industries](#)



Company Background Thai President Foods Public Company Limited was established on February 15, 1972 with an initial registered capital of 6 million baht through a joint venture between President Enterprise Co. , Ltd. of Taiwan - providing manufacturing technology expertise and Saha Pattanaphibul Co. , Ltd. - responsible for marketing and distribution. The founding objective was to produce instant noodles under the " MAMA" brand. The Company's first Head Offices were located on New Petchburi Road, while the first factory was inaugurated at Nong Khaem District, Bangkok.

After the first year, all the shares then were transferred to Thai shareholder who remains as the major shareholder until now. The Company have been listed on the Stock Exchange of Thailand and become a Public Company in 1994 with presently Registered Capital 240 million baht, comprising 18, 000, 000 ordinary shares, par value 10 bath per share, paid up 180 million baht.

Mama Products Mama has variety of brands and products in food industry in which they separate their domestic products from export products.

Mama's main product is instant noodles under the brand name Mama is one of the most popular in Thailand as the brand has been a part in Thai market for the longest time comparing with other brands. The company had later launched many other products and brands including Homey, Bissin, Ruski, Mendake, Thai Chef, Kelly and Bamee. Under these brands, the company is able to expand its' product lines to other kinds of food such as snacks, biscuits, fruit juice, etc. Today, Mama instant noodles have more than 20 variety of flavors which allow the company to match its exported products with each country preferences.

The most famous flavor to all consumers both Thai and foreigner is Mama Shrimp Tom Yum. Mama instant noodles is also offered in vary sizes including pack 55-60 grams, pack 90 grams, bowl 60 grams, bowl 80 grams and cup. Internal Analysis Internal Analysis of Product ; Strength ?? Cheap and Quick : Mama has low price. It's only 5 baht per package and it uses 3 minutes for preparation. ?? Easy to Cook : Mama is one of the foods that require low abilities of cooking. It is only pour hot water then it is ready to eat. ? Easy to Find : Mama has many distribution channels.

You can easily find Mama in everywhere even in a small shop near your house or a big store. ? Many flavors : Mama has lunched many flavors to suit individually person. There are at least 20 flavors with also different type of noodles. ?? Promotions : Mama has many promotions for their customers e. g. lucky draw for gold. ? BrandLoyalty: Mama has been introduced for 35 years. Therefore, everyone known Mama and will choose Mama as the first choice. Weaknesses ?? Low Nutrient Mama has mostly only carbohydrate in their product.

And people concern about the Monosodium Glutamate that Mama has been use in the ingredient. ? High Production Cost Recently, Mama has been face with the problem of high production cost. Internal Analysis of the Company ; Strength ? Global Network : The company has a global network and its products are sell in both Thailand and International markets. ? Reputation : The company has won the reputation as one of the most successful Thai distributors with its effective logistics system, wide distribution networks, and efficient handling services. Wide Range of Products : The company has

wide range of products and can customize to serve different preferences of customers in different countries. ? Large Markets : The company's market has expanded to many countries like North America, Europe, Asia, and Oceania with the estimated annual capacity of 100 million packages per year. Weaknesses ? Image : Because the company specially focus on MAMA so consumer only knows that this company sells only MAMA even they produce many products besides MAMA. Exact Product Line we are going to export . Instant Noodles Artificial Tom Yum Pork Flavour 2. Instant Noodles Shrimp Creamy Tom Yum Flavour 3. Instant Noodles Shrimp Flavour (Tom Yum) Target Market Demographic: Pilipinos 15-60 years old. Geographic: Urban and Suburban area Psychological: Lower income people and those who preferred as desired. In-land Transportation In order to ship our products to Philippines, we first have to transport the products to Laem Chabang port. Mama factory is currently located in Chonburi which is only around 16 kilometers from Laem Chabang port.

As we are using the ocean shipping service from NYK, the company also offers the pick-up service from our factory to Laem Chabang port. HS code Instant Noodle: 1902. 30. 10. 00 1902: Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagna, gnocchi, ravioli, cannelloni; couscous, whether or not prepared. Custom Classification & Valuation Export Tariff structure of Thailand for instant noodles * Thailand Export Duty is exempted due to the agreement of ASEAN

Import Tariff structure of Philippines for instant noodles Instant noodles that are imported goods into Philippines are levied on 1. Import Duty According to the Philippines's custom policy, all imported goods are subjected to pay 3% of value of products. 2. Value Added Tax (VAT) According to the Philippines's custom policy, it is 12% of the price of product. 3. Import processing fee The Philippines has import processing fees that are normally assessed against items that require review or examination, certifications, quarantine or similar services that are required upon import.

Mama has food certifications which are needed to be examined for the first time exporting into Philippines. The rate of Import processing fees are as following. <http://www.tariffcommission.gov.ph/cao02-2001.html> Non-tariff barriers 1. Food Safety Certification In order to export "Mama" to Philippines, the certificates that the company needs to have are following. 1. 1 GMP : Good Manufacturing Practice GMP is a collection of generally recognized rules, procedures and practices that together provide a code stating what is acceptable and what is not acceptable in the Food Industry.

It reflects the whole body of knowledge that has been developed by experience and scientific study in the fields of food preservation and technology and hygiene. GMP is closely linked to Quality Assurance because it is preventive in its approach. It aims to produce safe and wholesome food through well-controlled operations that avoid waste and any type of contamination. It is applied in the whole production and supply chain. 1. 2

HACCP : Hazard Analysis Critical Control Points

HACCP is a preventive risk management technique designed to provide increased control and monitoring during critical stages of the food processing chain. It is a systematic and scientific approach of identifying food safety hazards along the manufacturing process flow and supply chain, setting limits or specifications, establishing controls and monitoring and then documenting results. Safety hazards precluded by this system are not only biological, microbiological and chemical hazards but also hidden allergens, physical contaminants such as dangerous foreign bodies and radiological contaminants. . 3 BRC Global Standard The BRC Global Standards are a leading global safety and quality certification programme. The BRC Global Standards are widely used by suppliers and global retailers. They facilitate standardization of quality, safety, operational criteria and manufacturers' fulfillment of legal obligations. They also help provide protection to the consumer. 1. 4 ISO 9001 ISO 9001 is an international standard that gives requirements for an organization's quality management system (QMS).

The requirements cover a wide range of topics, including supplier's top management commitment to quality, its customer focus, adequacy of its resources, employee competence, process management (for production, service delivery and relevant administrative and support processes), quality planning, product design, review of incoming orders, purchasing, monitoring and measurement of tis processes and products, calibration of measuring equipment, processes to resolve customer complaints, corrective/preventive actions and a requirement to drive continual improvement of the QMS.

Also, there is a requirement for supplier to monitor customer perceptions about the quality of the goods and service it provides.

2. Packaging

According to mandatory label information, the label on packaging of foods exporting to Philippines should bear the following information.

1.) Name of the Food : The name should indicate the true nature of the food and shall normally be specified and not generic...
2. List of Ingredients : A complete list of ingredients should be declared in descending order of proportion on either the principal display panel or information panel except that when a food product is covered by a Food Standard, only the optional ingredients shall be declared unless otherwise required by such regulation...
3.) Net Contents and Drained Weight : The net content should be declared using the metric system of measurement or “ SI” (International System of Units) on either the principal display panel or the information panel and in line generally parallel to the base of the package. .) Name and address of Manufacturer, Packer and Distributor : The name and address of either the manufacturer, packer or distributor of the food should be declared on the label.
5.) Lot Identification : The lot identification code shall be embossed or otherwise permanently marked on immediate individual packages or containers.

PEST : Philippines

1. Political & Legal Environment
1. 1 Import tariff : There is no tariff of instant noodle product between Thailand and Philippines because of the ASIAN contract. Normally they charged 7% tariff restriction for noodles.
1. Free Trade Agreement : Philippines has join ASEAN as free trade agreement.
1. 3 Political System : Democracy modeled on the U. S. system
2. Economic Environment
2. 1 Market Size (Population): Total Population in Philippines is 92. 2 million people. The target consumer age 16-

24 is around 61. 1% of total population in the country (male 31, 103, 967/ female 31, 097, 203). The annual population growth rate 2. 04% per year. 2. 2 GDP growth rate: GDP (2011 estimate): \$188. 7 billion. Annual growth rate (2011 estimate): 7. 3%. GDP per capita is \$2, 007. 2. 3 Number of hypermarket and supermarket : Philippines has 192

Malls and Shopping Centers, 248 groceries, and 66 convenience stores.

These are a lot of numbers of ways to sell and expand our noodles to Philippines. Especially for the groceries where they usually sell instant noodles in. Most of them are Greenfield groceries which use the owner name as the shop name. 2. 4 Import Volume : Total value of imports for the country is US\$59. 9 billion. Primary imports products are electronic products, mineral fuels, machinery and transport equipment, iron and steel, textile fabrics, grains, chemicals, plastic. Primary imports partners are Japan (12. 5 percent of total imports), US (12 percent), China (8. percent), Singapore (8. 7 percent), South Korea (7. 9 percent), Taiwan (7. 1 percent), Thailand (5. 7 percent). In Thailand we import instant noodles from Philippines at USD\$ 26, 454, 000 value. 2. 5 Export Volume : Total value of exports: US\$50. 72 billion. Primary exports - commodities: semiconductors and electronic products, transport equipment, garments, copper products, petroleum products, coconut oil, fruits. Primary exports partners: US (17. 6 percent of total exports), Japan (16. 2 percent), Netherlands (9. 8 percent), Hong Kong (8. 6 percent), China (7. 7 percent), Germany (6. 5 percent), Singapore (6. percent), South Korea (4. 8 percent). In Thailand we export instant noodles to Philippines at USD 27, 933, 000 value. 3. Social Environment 3. 1

Geographic Distance (from Thailand) : The distance between Thailand and

Philippines are 2, 215 kilometers away. 3. 2 Consumer eating habits :
 Philippines people love to eat. Since people are kind and hospitality, food is important of their social life. Rice is the main component as usual in Asia countries. They eat three meals a day plus 2 snacks in between. The ingredients of the food they like to eat are usually contain salt and remain fresh.

They commonly use spoon and fork as an equipment to eat. Some local people they still use hand to eat. 3. 3 Environmental Performance Index (EPI) : The Environmental Performance Index of Myanmar is now scored 65. 7at ranked 50th. 4. Technological Environment 4. 1 Infrastructure (Seaport) : Since the Philippines country is island, there are 19 Seaports available in the country. We can choose the appropriate location to export the instant noodles. Most of them meet the standard quality so we make sure that there won't have much problem about the facilities and procedures. 4.

Infrastructure (Roads &Highways) : The road and highways in Philippines are most likely the same as in Thailand. They spent adequate budget to improve the road systems every year. The route of the cities and houses around the country are all connected. The road quality is great. We can transport the product within the country by using car or truck with no problems. 4. 3

Infrastructure (Telecommunication) : In Philippines thecommunicationsystem is quite perfect. The telephone system is provided to every houses. The internet, FAX, mails and other communication tools are provided. O

(opportunities)| T (Threats)| P (Political)| ASEAN trade member| There are import tariff (3%)and VAT (12%)| E (Economic)| - Large market size (3rd largest in ASEAN)- Highest GDP growth rate in ASEAN- Various convenience

stores& department stores| There are only few big shopping malls in the country but there are large numbers of small grocery stores. So, it will be difficult for us to distribute the products in the country. | S (Social)| Same eating habitat as Thai| | T(Technology)| Highly developed of telecommunication system| Moderate infrastructure of transportation|

PEST : Thailand

1. Political & Legal Environment
 1. 1 Import tariff : There is no tariff of instant noodle product between Thailand and Philippines because of the ASIAN contract. Normally they charged 7% tariff restriction for noodles.
 1. 2 Free Trade Agreement : Thailand has join ASEAN as free trade agreement.
 1. 3 Political System : Democracy; The politics of Thailand is currently conducted within the framework of a constitutional monarchy, whereby the Prime Minister is the head of government and a hereditary monarch is head of state.
2. Economic Environment
 2. 1 Market Size (Population): Total Population in Thailand is 66. 7 million people. The target consumer age 15-64 years: 70. 9% of total population (male 23, 410, 091/female 23, 913, 499). The annual population growth rate 0. 566% per year.
 2. 2 GDP growth rate: GDP (2011 estimate): \$616. 783 billion. Annual growth rate (2011 estimate): 9%. GDP per capita is \$9, 598.
 2. 3 Number of hypermarket and supermarket : Thailand has 297 Malls and Shopping Centers all over provinces. These are a lot of numbers of ways to sell and expand our noodles in Thailand.
 2. 4 Import Volume : Total value of imports: US\$156. billion - Primary imports - commodities: capital goods, intermediate goods and raw - materials, consumer goods, fuels - Primary imports partners: Japan (18. 7 percent of total imports), China (12. 7 percent), Malaysia (6. 4 percent)
 2. 5 Export Volume : Total value of exports: US\$191. 3 billion -

Primary exports - commodities: textiles and footwear, fishery products, rice, rubber, jewelry, automobiles, computers and electrical appliances - Primary exports partners: US (10.9 percent of total exports), China (10.6 percent), Japan (10.3 percent) 2.6 Exchange Rate : 1 baht = 1.3832 pesos

This currency chart displays the value of the Philippine peso in relation to 1 Thai baht (PHP/THB) over a 6-month period. To view the currency graph over different time period please click the links below the chart. | 5-Day| 7-Day| 10-Day| 14-Day| 1-Month| 3-Month| 6-Month| 9-Month| 1-Year| 2-Year| 5-Year| 10-Year|

3. Social Environment

3.1 Geographic Distance (from Thailand) : The distance between Thailand and Philippines are 2,215 kilometers away.

3.2 Consumer eating habits : All types of food items are used by Thai people and they are also conscious about their health. They used to eat all dairy products, poultry products, eat, chicken, seafood, vegetables, fruits and grain products. Here are some famous dishes of Thailand that people love to prepare and eat frequently. Thai pad Som tum Tom yum goong Tom kha kai Pad kaprao Moo satay

3.3 Environmental Performance Index (EPI) : The Environmental Performance Index of Myanmar is now scored 62.2 at ranked 12th in Asia-Pacific.

4. Technological Environment

4.1 Infrastructure (Seaport) : Thailand seaport are fully equipped with many technology machines. We can able to move or transfer the cargo around the port. The areas are big and clean. The security system and safety are very great.

There is a lot of private service to help provide facilities to us. The port also has general warehouses that we can keep our product or good, distribution

centers, road and railway network system which connects every part of the country. Furthermore, the port provides significant utilities such as electricity, water and land lines throughout the whole port. 4. 2

Infrastructure (Roads &Highways) : The road and highways in Thailand are good. Total road network includes motorways, highways, and main or national roads, secondary or regional roads, and all other roads in a country.

4. Infrastructure (Telecommunication) : In Thailand the communication system is quite moderate. Daily Newspaper, Telephone, Mobile, 3G, Internet, FAX, mails and other communication tools are provided. Thailand | O (opportunities)| T (Threats)| P (Political)| Thailand is always willing to promote the exportation in order to bring more wealth to the country. Thai government will support us and help us to export our product to the Philippine. Some advice or tax reduction or premium we might gain from the government. | Thailand and Philippine don't do the business together much if we compare to other countries.

Trust will be needed and bank guarantee should be the appropriate method.

| E (Economic)| Thailand has a great number of cultivated area and be able to produce at very low cost. | As thai baht has been lately appreciated against pesos, this make our products more expensive to Pilipino people. | S

(Social)| | The effect of major flooding in Thailand affect a lot to agriculture and maybe next year there will be a flood happen in Thailand again. |

T(Technology)| Today, social network is very useful for the marketing purpose. We can bring the awareness of our product in less cost. The oil price in Thailand is going up especially diesel which can increase the transportation's cost within country. | Five Forces Analysis : Philippines 1.

Rivalry Among Current Competitors (High) From our research, the market in the Philippines now having various brands of instant noodles sell in the country. Those brands are produce in the country and some were imported from other countries. Lucky me brand is seems to be the biggest brand that earn a lot of market shares in Philippines. In the Philippines there are a lot of groceries and convenience stores where usually instant noodles have been sold.

In each stores sell many kinds of instant noodles. Customer can choose the one they like easily. Each brand uses different promotions and different method to sell and present their products. This will challenge us, Mama Company, to think of new strategy in order to sell the product in Philippines.

2. Bargaining Power of Suppliers (Not our concern) For this type of industry, they mostly have ordered the ingredients and produced in the same place. The floor and other materials come from same factory. This type of factory are not much seen in the country because ostly the instant noodles product are imported (produced in other countries). So, the bargaining power of suppliers in Philippines are tend to be high. It is not not a good idea if we choose to produce the product in Philippines. Since we are doing the export method this should not be a problem. 3. Bargaining Power of Customers (Low) Even though there are a lot of instant noodle brands sell in the country. The price range is likely the same numbers. This price range tends to be fixed and most of stores in the market use this price range (From 1 USD to 2 USD). Customers can not bargain the price much because the prices are the same.

If they are not satisfied with the price, they still have to buy it because every stores sell at the same prices. There are few well-known shopping malls in The Philippines. Convenience stores is tend to be more popular among the customers. In every area, city and local, there will be small groceries in each village. These small convenience stores or groceries buy the instant noodles product from shopping mall and sell it again in their own stores. EDSA Central/JTC Mall in Bantay, Ilocos Sur. Southway Square/StarMall And many convenience stores and groceries

4. Threat of Substitute Products or Services (High)

As we already know instant noodles are easily cooked and can eat instantly in few minutes. This type of product has different features and brands. These could be cereals breakfast, tea, coffee, cream soup, joke, and many others that can be easily cooked instantly.

5. Threat of New Entrance (Moderate)

Since there are many goods (instant noodles) imported from many countries. Most of them are in the trade agreement that concern the surplus and reduce the tax between countries. Especially the ASEAN trade agreement that pay very little tax or no tax to export the instant noodles into Philippines.

For those who are not in the trade agreement, Philippines charge 10% tax rate and it would be very hard to those new comer to survive in the Philippines market.

Competitor	Positioning	Low Price	Low Price	Payless
Payless	Quick Chow	Quick Chow	Lucky Me	Lucky Me
Quality	Quality	Market	Share	Market
Share	Market	Share	Mama	Mama
Various	Tastes	Various	Tastes	Explanation

Our company, Mama, currently have many types of tastes and the

production cost is low so the price is not high. Lucky Me has been in the Philippines market for a long time. They have a lot of market share in the country. Payless is expert in selling price.

They sell the product at low price and have some market share. Quick Chow is in the middle of everything. SWOT Analysis Strengths * Cheap and Quick : Mama has low price. It's only 5 baht per package and it uses 3 minutes for preparation. * Easy to Cook : Mama is one of the foods that require low abilities of cooking. It is only pour hot water then it is ready to eat. * Easy to Find : Mama has many distribution channels. You can easily find Mama in everywhere even in a small shop near your house or a big store. * Many flavors : Mama has lunched many flavors to suit individually person.

There are at least 20 flavors with also different type of noodles. * Promotions : Mama has many promotions for their customers e. g. lucky draw for gold. * Brand Loyalty : Mama has been introduced for 35 years. Therefore, everyone known Mama and will choose Mama as the first choice. Weaknesses * Image : Because the company specially focus on MAMA so consumer only knows that this company sells only MAMA even they produce many products besides MAMA. Opportunities * Since Philippines and Thailand are in the ASEAN trade member, There is no tariff collected when doing export-import business. Philippines has a lot of seaport and also has good facilities to export our product by shipment. * People eating habits in the Philippines are likely to consume noodles type quite often. * The current tastes of instant noodles in Philippines are not various enough. If we introduce new tastes of the product, we might success and earn lots of market share. * Thailand is

always willing to promote the exportation in order to bring more wealth to the country. Thai government will support us and help us to export our product to the Philippine. Some advice or tax reduction or premium we might gain from the government. Thailand has a great number of cultivated area and be able to produce at very low cost. * Today, social network is very useful for the marketing purpose. We can bring the awareness of our product in less cost. Threats * Philippines currently has a lot of instant noodle brands. It would be serious competition in the market. * As the government of Philippines encourages foreign company to come and invest in the country, it would be easy for other competitors to enter into the market. * Philippines has a lot of stores in the country, many small one, The delivery system of flowing our product within the country might face a potential complex. Thailand and Philippine don't do the business together much if we compare to other countries. Trust will be needed and bank guarantee should be the appropriate method. * As thai baht has been lately appreciated against pesos, this make our products more expensive to Pilipino people. * The effect of major flooding in Thailand affect a lot to agriculture and maybe next year there will be a flood happen in Thailand again. * The oil price in Thailand is going up especially diesel which can increase the transportation's cost within country. Demand Situation Currently in Philippines has a lot of instant noodle brands sell in the country.

Which means Pilipinos like to consume noodles very often? All kind of food related Noodles is seems to be the main dish of Philippine people. In today instant noodle production has contribute more ingredients, vitamins, various of taste, and other food enrichments. People would like to consume it more

not because only it is cheap but also have qualities and benefits. Another factor is that the trend of Korean TV shows that show about the Korean teenagers like to eat instant noodles more often. It makes a huge impact around Asia to boost the sales of instant noodles up high.

In Philippines the demand of the instant noodle product are increasing everyday due to the variety of brands provide to them. Some people want to try new taste different from the local traditional taste. If we export our instant noodle products to the country with new feature taste that different from the current taste that already sell in the Philippine. Focus on the young customers who like to be adventurous and want to try new things. Rank|

Country| 2007| 2008| 2009| Total| 9| Philippines| 24. 8| 25. 0| 25. 5| 27. 0|

13| Malaysia| 11. 8| 12. 1| 12. 0| 12. 2| 26| Singapore| 1. 2| 1. 3| 1. 3| 1. 2|

Sales Contact Agreement Number: 1234a55b

Date: 08/03/2012 [date of acceptance and legal agreement number] This

sales agreement is committed between: Thai President Foods Public

Company Limited. And SM Investments Corporation. INCOTERM: CIF Port of

Bangkok Incoterm 2010 Term of Payment: Documentary Letter of Credit,

Time Draft Price of the goods: S\$1 Sales organization details: Name: Thai

President Foods Public Company Limited Address: 304 TF Bldg. , Srinakarin

Rd. , Huamark, Bangkok, Bangkok 10240 Thailand. Factory: Sahapat Group

Industrial Park, 601 Sukapiban 8 Rd. , Nongkarm, Sri Racha, Cholburi 20232

Thailand. Phone Number: Telephone : (662) 374-4730 Fax : (662) 374-7743

Buyer organization details: Name: SM Hypermarket Address: Building E, SM

Corporate Office 1000 Bay Boulevard Central Business Park Pasay Metro

Manila Philippines Contact number: +6328311212 Whereas, the buyer is interested to buy the following products from the seller organization 1. Instant Noodles Artificial Tom Yum Pork Flavour 2. Instant Noodles Shrimp Creamy Tom Yum Flavour 3. Instant Noodles Shrimp Flavour (Tom Yum) The seller organization will receive \$_____ [money in the local currency] on every purchase as the buyer organization has already received \$_____ as advance amount.

This sales agreement is commencing on 17/08/2012 and is ending on 16/08/2017. [Give required dates] Both the organizations will follow the given terms: - Importers are required to source products from regulated establishments. The food is produced under proper sanitary conditions. - Traders and manufacturers adhere to quality assurance procedures that are acceptable to the AVA (Agri-Food & Veterinary Authority of Singapore). - AVA demands the importers to submit certified-true-copy documents from the food safety authority of the country of origin certifying that the imported food product is produced by licensed or regulated premises.

Validation of the sales agreement by both the organizations: Signature of the Seller organization: _____ Signed by the buyer organization: _____ [approved by both the parties] Incoterm CIF (Port of Manila) INCOTERMS 2010 Cost , Insurance and Freight (CIF) Exporters have to pay the transportation costs and freight cost that are required to bring the goods or the product from the factory at beginning to the named port of destination (Port of Manila). More ever, Exporter (us) is also required to find and buy

insurance against the buyer's risk of loss or damage to the products (Mama) during sea transportation.

Furthermore, the exporter is required to clear the goods for export custom as well. * Our company (Mama) will prepare all the documents that are needed for clearing export procedures, and deliver the goods to the reach the port of origin. * Our company will load the finished goods from the factory in Sriracha, Chonburi into our own trucks and give all prepared documents with them for export clearing purpose. * When trucks reach the custom clearing point at the port, do the export custom clearing with all prepared documents to let the goods go into the harbor. Then we follow all the export procedures to get our products or containers into Laem chabang port. * The products will ship to port of Manila along with insurance that we pay. Reasons to choose this CIF INCOTERMS The reason why we choose CIF incoterm method for export our product to the Philippine because Ports Port of Shipping Laem Chabang Port We choose Laem Chabang port as the main port to send the product, instant noodles, and export to Philippines port. Laem Chabang port is elected to be the main major seaport in Thailand for years and it is also Thailand's largest port.

It is Deep-water port and used for international importation and exportation. It is located between Laem Chabang district, Amphoe Sriracha and Amphoe Bang Lamung in Chonburi province Thailand. This port is under control by Port Authority of Thailand in overall management. Private firms are responsible for the activities process. This port is first open in 2534 and was fully supported by Thailand Government all along. Leam Chabang port can

handle or has ships or vessels come to port around 8, 118 ships. The areas around Laem Chabang port are being developed to be economic area of the country.

The area that being developed are housing, utilities, communications, transportation, industry, and government center. In 2005 Laem Chabang port was order to be the 20th busiest port in the world. Many of the international shipping come in and out of Thailand will go through this Laem Chabang port. Laem Chabang Port has many sub-port and they was separated into 4 main zones; -Zone A -Zone B -Zone C -Zone D -Others

Factors why we choose this port

5. Location Mama instant noodle has 3 factories which are located at Rayong, Lumpoon, and Sriracha. Especially the factory in Sriracha is very near to Laem Chabang port.

So it is very easily to transport the product or goods by in-land from the factory through the Laem Chabang port.

6. Facilities and equipment Surely, Laem Chabang port is the main port that mostly used in Thailand. This port is fully equipped with many technology machines. We can able to move or transfer the cargo around the port. The areas are big and clean. The security system and safety are very great. There is a lot of private service to help provide facilities to us. The port also has general warehouses that we can keep our product or good, distribution centers, road and railway network system which connects every part of the country.

Furthermore, the port provides significant utilities such as electricity, water and land lines throughout the whole port.

List of facilities in Laem Chabang port

7. Provincial Office of Chonburi - Public Relations Office of Chonburi -

Chonburi Transportation Station - City Council of Chonburi - Local Police Station (Pattaya) - Local Police Station (Bang Lamung) - Tourist Police - Tourist Police (Jom Tien) - Tourist Police (Pattaya) - Bangkok-Chonburi Hospital - Eak-Chol Hospital - Bang-La-Mung Hospital - Many banks ; Bank of Ayudhya included - Courier express - Accommodation 8. Service We can say that Laem Vhabang port has a one stop service.

Many of private and government firms in the port provide different service and cover all port activities. There is custom burean in the port that take care about the documents and also many private firms have helping service for us to prepare the document and give advice. Laem Chabang open 24 hours a day and 7 days a week: that's mean the port opens all the time. The port has skillful and experienced employees, truck services, vessel routes, train schedule, shipping lines, forwarders, and many other more. The port also has an efficient website that provides understanding information and contacts. Port of Destination

Manila Port, Philippine The Port of Manila is the largest seaport in the Philippines. It is widely used as the main port of all international shipping gateways to the Philippine. The port is located in the vicinity of Manila Bay. The Port of Cagmat is another name of this port for local and it is also known as Manila International Cargo Terminal. This port is operated by International Container Terminal Services Inc. This port is recognized as one of Asia's major seaports and one of the Philippine most active port with full of activities every day. In 2005, port of Manila was list as 31st the world most active port.

Manila is also the Philippine country's main economic, cultural, and political center because Manila is the capital city and has the highest population. -

Port of Manila has 3 major areas. 1. Manila North (seaport code MNN) 2.

Manila South (MNS) 3. Manila (MNL) Port Location Map 9. Quick fact

Summary information Port Location: Manila Port Name: Port of Manila Port

Authority: Philippine Ports Authority, PDO Manila/Northern Luzon Address:

PNR Building South Harbor Manila Philippines Phone: 527-44-14 Fax: 527-

44-14 Email:com. ph Web Site: www. ppa. com. ph

Latitude: 14° 31' 27" N

Longitude: 120° 56' 57" E UN/LOCODE: PHMNL Port Type: Seaport Port

Size: Very Large Factors why we choose this port 10. Reliable This port is

very popular and has been trusted by many countries. The Philippine Ports Authority (PPA) who control and manage the port promise to provide reliable services, sustaining the development of port communities and the

environment. The Philippine Ports Authority's priority objectives are include of establishing, developing, regulating, managing, and operating a national port system that supports trade and development for the nation of the Philippines.

To meet these goals, the PPA will make adjustment at least ten ports by the year 2010, improve port services, reduce costs for port customers,

corporative between ports and communities, development and operation, and provide a working environment to improve productivity and job

satisfactions. 11. Location Manila is the capital city. It implies the highest population city in Philippine. It will be a perfect place to enter our product to

the market. This city has many distribution channel including Macro; where we going to send our cargo to. So this port is quite near to the destination location. 12. Facilities

With no doubt, port of Manila is the largest and busiest port in Philippine. This port serves a total of 5325 vessels for both foreign and domestic. The entrance to the Bay of Manila is 19 Km wide and it will expand to 48 Km in the future so, the vessels could easily reach the port. The Port of Manila International Cargo Terminal (MICT) also help developing the facilities on the port. The company (MICT) is responsible for managing, operating, and administrating the Port of Manila. They are planning, developing, and constructing better facilities; supplying all equipment, handling more capacity, and controlling the system.

Term of Payment Method of Payment : Documentary Letter of Credit (L/C) 16
 16 15 15 14 14 13 13 12 12 11 11 2 2 4 4 8 7 8 7 7 7 6 6 5 5 Custom Shipper
 Custom Shipper Shipper Shipper Custom Shipper Custom Shipper Shipper
 Shipper 3 1 3 1 1 1 Issuing Bank Issuing Bank Advising Bank Advising Bank
 Exporter Exporter Importer Importer 9 9 10 10 1. Negotiation in sales
 contact. 2. Send request to open L/C together with sending all documents
 required. 3. After bank verify the correctness of the documents, issue L/C
 and transfer to Advising bank. 4. Advising bank notifies the exporter the
 presence of L/C. 5.

Exporter makes a shipping reservation. 6. Shipper sends export document to
 custom. 7. Receive mate's receipt once product is on broad. Exchange
 mate's receipt for Bill of Lading with shipper. 8. Documents collection as

agreed. 9. Export sends documents for payment to advising bank. 10. Advising bank confirms documents and receives payment. 11. Advising bank sends documents and requests for reimbursement. 12. Issuing bank checks document and requests payment. 13. Importer makes a payment and documentation. 14. Reimbursement 15. Importer exchanges B/L for delivery order (D/O). 16. Shipper shows D/O for goods shipped to custom.

Document needed * Draft or Bill of Exchange * Commercial Invoice, Packing List, Bill of Lading * Certificate of Origin, Insurance policy, License (if any) * Certificate of Health, Certificate of Analysis * Certificate of Inspection, etc * Insurance Certificate, Commercial, Official or Legal Documents (for shipping)
Reasons for choosing this term of payment As we will export a large amount of goods to the foreign company as well as this is the first time that we do business with this company, using “ Documentary Letter of Credit” will reduce the commercial risk or the risk of not being paid.

This is because, for the first of doing business, there will be low trust of buyer's credit and high risk that importer or buyer might not pay for the goods. Therefore, we choose “ Irrevocable Letter of Credit, Time Draft (60 days)” to reduce risk. By using irrevocable letter of credit, issuing bank will be the one who is responsible for importers' obligations toward exporters under the specified term and conditions and commit themselves not be able to make amendment without consensus from all parties related. Cable / Swift charges for LC opening| THB 1, 000 for the first page, THB 300 for the other pages| THB1, 000 (Max. pages, Next pages = 500/page)| Asia, Australia, % NZ: THB 500 Middle East, US, Europe, Africa ; Rest of the world: THB 800

With attached sheet: THB 400 per attached sheet Others: THB 400| L/C amendment | In case increase in amount or extension of validity date : ? % of opening amount for validity of each 90 days (1 period), fraction of month will be treated as one period (Minimum THB 500) Other cases: THB 500| Increase Amount - 0. 5% of increasing amounts (min. THB1, 000. 00), Extend validity if exceed 1 period - THB 500 per item| Increase of L/C amount: 0. 25% of additional amount per period (90 days) or part thereof min. THB 1, 000 Extension of L/C validity: 0. 25% of opening amount per period (90 days) or part thereof min. THB 1, 000| Cable / Swift charges for LC amendment| THB 500 per item| THB 500 per item| THB 400/item| Revolving L/C comission| ? of opening amount upon L/C times amount of time for revolving (Minimum THB 1, 000)| 0. 25% per quarter or part thereof with a minimum of THB 1, 000| 0. 25% of opening amount per period (90 days)or part thereof min. THB1, 000 | Standby L/C comission| N/A| Morethan 2. 5% per annum or part thereof with a minimum of THB 300| 1. 5 - 2. 5 % per annum min. THB 1, 000| Kasikorn Bank Kasikorn Bank Bangkok Bank Bangkok Bank Bank of Ayudhaya Bank of Ayudhaya Postage (Courier Charges) | N/A| Asia, EU and USA: THB 500 except China, Laos and Cambodia: THB 700| THB300. 0 for 1st envelope, additional charge of THB100. 00 per additional envelope | Reasons for choosing Kasikorn Bank 1. Kasikorn Bank provides the services of Cable/Swfit charges for L/C opening, Cable/Swift charges for L/C amendment, Standby L/C and postage fee at the rate cheaper than other banks. 2. Kasikorn Bank has professional staff, innovative technology and worldwide network that will enhance our international transaction easily and smoothly.

3. Kasikorn Bank got the award of Best Trade Finance Providers 2011 for the fourth consecutive year (2008-2011).

This guarantees that it provides good international trade services. 4.

Kasikorn bank got the award of Best Bank (Thailand) for the second consecutive year (2010-2011). This guarantees that the bank is reliable and

trustable. 5. Kasikorn Bank provides a lot of information towards its services on the internet. So, the customer can find the information about the fee, procedure and document needed of services easily and conveniently. 6.

Kasikorn Bank has K-BIZ contact center that provides business information for 24 hours.

So, we can contact the bank anywhere anytime when we need information, advice or when we have a problem regarding our business. In addition, the K-BIZ staff are well-trained. So, we can be sure that we will get

comprehensive and accurate answers or advice. Trade Finance Services 1.

Export L/C Advising Kbank acts on behalf of the beneficiary in receiving the L/C issued by the overseas issuing bank. The bank will check the apparent authenticity of the L/C before notifying and delivering it to the beneficiary.

Documents Needed 1.

Letter of Credit agreed upon by both sellers and buyers. 2. Pro forma invoice

3. Application form for amendment of letter of Credit Procedure for Export

L/C Advising 13. After receiving the L/C from the issuing bank in overseas,

the bank will check its apparent authenticity. 14. Kbank notifies exporter of

the arrival of the original L/C. 15. Before picking up the original L/C at

any Corporate ; SME Service Center, exporter have to pay for the L/C

advising fees. 16. It is recommended that exporter has to review all terms and conditions specified in the L/C.

If they are not comply with the terms and conditions as agreed with the importer, exporter is required to notify the importer to amend those conditions in the L/C. By using export L/C advising from Kbank, we can receive the authenticated L/C within 3 hours after Kbank receives it by SWIFT Message from the issuing bank in overseas and a copy L/C will be delivered to us in advance by facsimile or email to allow us to prepare export documents in advance. So, it's more convenient for us to do the international transaction. 1. L/C Confirmation

L/C Confirmation is the service that the bank, Kbank, add confirmation on the letter of credit received from the oversea issuing bank which allows adding confirmation and the beneficiary in the L/C request it to do so. The bank will add confirmation on full amount, not on partial amount, and effect payment to the beneficiary upon receipt of conforming documents provided that all terms and conditions have been complied with the L/C's. Documents Needed

1. Application for L/C confirmation 2. Original L/C and amendment L/C (if any)

Procedure for L/C Confirmations . Exporter (the beneficiary in L/C) submits an application for L/C confirmation alongwith the original L/C and the amendment of L/C (if any) to Kbank. 2. The bank will examine the application form, conditions in the L/C and credit rating and country rating of the issuing bank. 3. If all criteria is met, the bank will collect all confirmation charges and other expenses from the beneficiary. 4. A letter of confirmation and the

original L/C will be delivered to the beneficiary. 5. The bank, then, inform the issuing bank of the adding confirmation without delay.

By using this service, we will have more security in receiving payment under L/C, Kbank will serve us with L/C confirmation with their professional and experienced staffs. Therefore, it is more reliable and secure than using only Export L/C advising. 2. Export Collection under L/C Kbank acts as the nominated bank authorized by the L/C issuing bank to collect payment from the L/C issuing bank in a foreign country by sending the documents for collection under L/C provided that all terms and conditions have been complied with L/C. Documents Needed 1.

Application for Negotiation/Discount of Export Bills Drawn Under Letter of Credit. 2. Original L/C and amendment L/C (if any). 3. Other documents stipulated in the L/C. Procedure for Export L/C Collection 1. Kbank receives the export documents submitted by the beneficiary, then check for the complying presentation. 2. Notify the beneficiary of checking result. 3. Send the documents to the issuing bank for collection. Also, tracking payment (as the case may be). 4. Upon receipt of payment, inform the beneficiary and remit proceeds to the beneficiary's account.

By using this service, we can be more assured of receiving payment under L/C. Moreover, the documents will be checked by professional and experienced staff. Also, they will be re-checked by CDCS or Certified Documentary Credit Specialists. As a result, we can operate our export business smoothly and confidently. Custom Export Clearance Procedure in Thailand Generally, the export clearance processes include 4 stages: 1.

Submission of a Declaration: The export procedures start when an exporter/broker submits an Export Declaration in ebXML message to the e-Customs system. 2.

Verification of a Declaration: The second stage is automated verification of the Declaration. As soon as the e-Customs system receives the Export Declaration data, such data is preliminary validated. In cases where the validated data contains no error, the Goods Declaration number is generated in conjunction with the e-Payment system (if export taxes and duties are applicable.). The response message, then, is transmitted to the exporter/broker. In addition, the selectivity profile system will validate the transmitted data and classify the Goods Declaration into two categories: Green Line and Red Line. . Payment of Duties and Taxes: The third stage is payment of applicable duties and taxes and/or guarantee. There are currently 3 means for payment of export duties and taxes: payment at the Customs Department, payment via e-Payment system, and payment at banks. 4. Inspection and Release of Cargo: The last stage is to inspect and finally release cargo from Customs custody. At this stage, a freight forwarder loads cargo into containers and electronically sends a cargo control report to the e-Customs system. The e-Customs system validates the data, and reports any error for immediate online correction.

If no error is found, the cargo control report number is automatically generated by the system and the response message is sent to the freight forwarder and the exporter/broker. The freight forwarder then prints out the cargo control report with its number and removes the cargo to the port of

exit. At this stage, the Customs officer at a sub-gate checks whether the declaration is a Red Line or a Green Line. 4. 1 In case of the green line, the Declaration is cleared within a few minutes. After the cargo is exported, a shipping company/agent is required to submit the manifest information to the e-Customs system.

The system then automatically loads the Goods Declaration and transmits the response message back to the exporter/broker. 4. 2 In case of the red line, the cargo is removed for physical inspection. Documents needs 1. Export Declaration 2. Invoice 3. Export License (if applicable) 4. Other relevant documents such as catalogue, product ingredients, etc. Example of Documents Custom Import Clearance Procedure in Philippines Documents required in all shipments to the Philippines * Commercial Invoice * Bill of Lading or Airway Bill for air shipments * Certificate of Origin, if requested * Packing List Applicable special certificates required due to the nature of goods being shipped/requested by importer/bank/letter of credit clause, such as the Bureau of Food and Drugs (BFAD) license * Commercial Invoice of Returned Philippine Goods and Supplemental Declaration on Valuation * For Letter of Credit (L/C) Transaction, a duly accomplished Letter of Credit (L/C) including Proforma Invoice and Import Entry Declaration for Advance Customs Import Duty (ACID) * For non-L/C Transactions, either Draft Documents against Acceptance (D/A), Documents Against Payment (D/P), Open Account (OA) or self-funded, a Proforma Invoice

Example of Documents Container * Type of Cargo and Container Size:
Container| Interior Dimension| Door Opening| Tare Weight| Cubic Capacity|

Payload| 20' Dry Container| L: 5. 919m 19' 5" W: 2. 340m 7' 8" H: 2. 380m 7' 9 ? "| W: 2. 286m 7' 6" H: 2. 278m 7' 5 ? "| 1, 900 kg 4, 189 lbs. | 33. 0 cbm 1, 116 cu. Ft. | 22, 100 kg 48, 721 lbs| As our products can be packed in cases, they are classified to be general cargo and can be stuffed in containers.

Our products to be exported to Philippines will be sold throughout the country, we believe that the demand of the whole country with a huge number of population like Philippines is sufficient for us to fill up the whole container, meaning that we can use full cargo load. Our products do not require any special container, the normal general purpose container or dry cargo of 20'ft is sufficient to keep the products safely while transporting them from Thailand to Philippines. One 20 footer container can fit 360 cartons, one carton contains 6 boxes of 30 packs. Totally one container can fit 68, 400 pack of Mama. * Container Transport Status:

In order to deliver the products to Philippines, we have to use the combination of transportation modes that includes land and ocean transportation. The products will be placed in the container and taken from our factory by using the container truck or line haul to transport them to the port. At the port, the products then will be moved from the truck onto the container ship which will transport our products from the port of Thailand to the port of Philippines and again the products will be taken of the ship and placed on the container truck and deliver them to the distribution of our customers in Philippines.

The most suitable container transport status for us is FCL/FCL. We as the only one seller deliver products by using full container load from Thailand and export to only one buyer in Philippines which is SM Hyper Market. To keep the products safe and in the best condition, we have to use the right method of packaging and cargo unitization which are mention below. Freight Forwarder As our products are shipped from Thailand to Philippines which are already a normal and often travelled route, we can save our cost by using the service from conference line vessel or the so called "Liners".

By using these liners, the service is cheaper than to use the non-conference vessels or charter ships. The rates are fixed and standardized, the schedule is also strictly followed which allow us to deliver our products to customers at the expectable time. The company that we use for ocean transportation is NYK and the route is FTS (Far East Thailand Service) which serves from Laem Chabang pass by Port of Manila to Busan. The turnaround day for the service route is 21 days. The total fee for ocean transportation is 765 USD which includes 730 USD for the service fee plus with 35 USD fuel fee which is calculated to be roughly around 23, 532 Baht.

Insurance Company As we are using CIF Incoterm 2010, we are responsible for all the risks of lost or damages occur during the inland transportation from our factory to Laem Chabang port and we are assigned to purchase the insurance to cover any risks of lost and damages occur during the ocean shipment from Laem Chabang port to Port of Manila. We selected Dhipaya Insurance Public Company Limited as our insurance company. The type of

policy selected is open policy, which covers over a period of time as we plan to ship the products quite often in the near future.

The package we choose is " Institute Cargo Clauses type C" which covers fire or explosion; vessel stranded or sunk, collision of vessel and discharge of cargo at port of distress. The reason we choose Dhipaya Insurance is because the company has a long history as well as the credit of the company is widely accepted both in Thailand and other countries in this region.

Marketing Mix Marketing Mix(4P) 1. Product 2. Price 3. Place 4. Promotion
Product Ingredients and Condiments of MAMA instant noodles still remain the same. The size of MAMA's pack and accumulated net weight within the pack are also the same.

But label that state on the pack will be changed from Thai language to English language. And all informations at the back of the pack will be translated to Pilipino as well. - Product Standardization We make our product to be standardized. We not change any Research&Development. We use the same strategies as in Thailand. We dont adapted or changed our products forward Pilipino . Price We changed the price from originally 6 baht in Thailand to 30 baht or 1USD per pack selling Philippines. We set the price followed our competitors but our competitors set 1USD or more than but we set only 1USD to penetrate the market. Pricing Policy We use Dual Pricing because we change the selling price from 6Baht to 1USD. We add more price because we have to calculate cost-plus method , For example; Import taxes, Vat, Transportation cost, Shipping cost, etc. Place We decided to sell our products MAMA instant noodles into Philippines though only one major

distribution channel, SM hypermarket company. Promotion We use quantity discounts as a promotion in Pilipino market. Consumers will pay less if they buy pack of six. Cost Structure EXPORT| IMPORT| Cost element| Cost| Cost element| Cost| Factory cost of 205, 200[(#)]US\$0. 098 per packs| US\$20, 109. | Land cost CIF| \$****| Expenses:| | Duty @ 3%| \$****| Export packing (205, 200[(#)]US\$0. 005 per pack)| US\$1, 026| Other Taxes| \$****| | Brokerage - Clearance fees| \$****| Consular invoice| US\$30| Forwarder Fees| \$****| Freight forwarder Fee (included in transportation cost)| -| Banking charges| \$****| FOB price| US\$21, 165. 6| Total landed cost (DDP)| \$****| | Expenses:| | | Warehouse| \$****| | Repacking| \$****| | Freight out| \$****| | Advertising| \$****| | Interest| \$****| | Others| \$****| Marine Insurance| US\$317. 5| Total landed plus expenses| \$****| | | |

Transportation (Ocean)| US\$2, 295| Plus Markup| \$****| Landed cost (CIF)| US\$23, 778. 1| Suggested selling Price| \$****| | | | | | | Reference *
http://www.dksh.ph/htm/388/en_PH/News-Detail.htm?Id=60707 *
<http://goodnewspilipinas.com/2010/04/06/philippines-set-to-become-food-safety-hub-of-asean/> * <http://www.selamat.wur.nl/NR/rdonlyres/F6A33BEE-EE82-464A-A1EB-118034E1F9D9/122444/Philippines.pdf> * http://www.iso.org/iso/iso_catalogue/management_and_leadership_standards/quality_management/more_resources_9000/9001supchain.htm#what_is_iso_9001 *
<http://www.rcglobalstandards.com/GlobalStandards/Home.aspx> *
<http://www.inspection.gc.ca/food/fish-and-seafood/exports/by-jurisdiction/philippines/eng/1304243817860/1304243914409> * <http://www.mama.co.th/faqs.php> * [https://assignbuster.com/mama-thai-instant-noodle/](http://ebook.https://assignbuster.com/mama-thai-instant-noodle/)

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* <http://www.laemchabangport.com> * <http://www.mama.co.th> * www.thaiblogonline.com * maps.google.co.th * <http://www.ppa.com.ph> *
<http://www.maplandia.com/philippines/ncr/manila/port-area/> * http://www.worldportsource.com/ports/PHL_Port_of_Manila_1947.hp * <http://www.mapsofworld.com/cities/philippines/manila/port.html> *
<http://smhypermarket.com/hypermarket/index.php?p=420> * http://en.wikipedia.org/wiki/SM_Hypermarket * <http://internet1.customs.gov.th/wps/wcm/connect/custen/importexport/exporter/exporter> * http://www.dti.gov.ph/dti/index.php?p=196&fb_source=message * <http://www.chanrobles.com/presidentialdecrees/presidentialdecreeno1679.html> *
http://www.nykline.co.th/main/content_view.php?data_cat=6&data_id=16 * <http://www.dhipaya.co.th/> * <http://www.x-convert.com/chart/PHP-THB?period=6m>