Title: Import Demand for Thai Products of the Gulf Cooperation Council Countries

Researcher: Asst. Prof. Rungravee Weravess
Faculty: Economics, The University of the Thai Chamber of Commerce

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Abstract*

This research aims to analyze import demand for Thai Products trading in GCC member countries. GCC refers to Gulf Cooperation Council which presently has 6 member countries namely, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. This study focuses on 6 major products which are rice, canned and processed seafood, gems and jewelry, air-condition, Refrigerators & Freezers, and cars and its parts. Error Correction Mechanisms (ECM) method and the quarterly time-series data in the period of 2000-2007 are used in this research.

The results of each product are slightly difference which can be summarized as follow;

- Gems and Jewelry; Import demand of all GCC countries depend mostly on their income.
- Canned and Processed Seafood; import demands of Bahrain, Kuwait and Oman depend on income while import demands of others depend on import price from Thailand.
- Rice; import demands of Kuwait, Oman, Qatar and Saudi Arabia depend on income. While import demand of Bahrain and of UAE depend on import price from Thailand and import price from Thailand’s rival countries, respectively.
- Air-condition; import demands of Bahrain, Oman, Saudi Arabia and UAE depend on Thailand import price while import demands from others are determined by their income.
- Cars and its parts; import demands of Bahrain, Kuwait, Saudi Arabia and UAE depend on Thailand import price while import demand of Qatar and Oman are determined by import price from Thailand’s rival countries and income, respectively.
- Refrigerators and Freezer; import demands of Oman, Qatar, Saudi Arabia and UAE depend on Thailand import price while import demand from Kuwait is determined by their income.

However, for the elasticity of import demand of each product in each country, surprisingly, the elasticities of all products in all countries are greater than 1. It means that products are highly sensitive in all GCC member countries.

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