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Chinese entrepreneurs are confident to invest 700 million baht in a durian processing factory in southern Thailand (15 July 2019)

Chinese entrepreneurs have invested 700 million baht in a durian processing factory in Southern Thailand, where this article will take you to visit.

First, let's take a look at Southern Thailand as a whole, which is rich in nature and agricultural products with a unique taste, especially durian. The strain of durian that is highly popular is "Sai Khao," the premium produce of Khok Pho District, "Ochee durian" of Betong District, as well as other tasty variations of durian. However, one of the problems faced by agricultural farmers is price fluctuation and an unpredictable market. In this regard, the setting up of a durian processing factory in the area, which will source its supply from local producers, will help guarantee the price of durian as well as help farmers expand cultivation areas.

Mr. Yao Heng Seang, a Chinese entrepreneur, stated that prior to coming to invest in the Southern Provinces of Thailand, he had already known about the situation in the area. Nevertheless, he followed through with his intention to invest, and was prepared to take risks, as he had perceived that this area had the best quality durian and that the factors were suitable for investment. He also trusted the Royal Thai Government to provide all the necessary facilities, as the establishment of a durian processing factory would contribute to higher employment rates in the area and increase local income.

Hence, the Manguwang Food Co., Ltd was founded by Mr. Xiao Yaoheng, Managing Director, and Mr. Prasert Kananurak, an investor in Pattani. It is located at 88 Ban Timun, Pagbang, Tepa District, Songhla. The founders jointly invested 700 million baht in the factory, which underwent construction since December 2018 and opened a processing line on 7 July 2019. The factory mainly produces frozen dried fruit including durian for export to China. Currently, there is high demand there but durians from Thailand only account for 3 percent of total import.

Exporting durian to China is done via land transportation followed by shipping overseas. The production process uses approximately 1,200 labourers and the operation of the factory requires approximately 2,000 million baht of cash flow. In 2019, the factory purchased 12,000 tons of durian, and expects to increase the number to 20,000 tons in 2020, which would account for one third of durians in the Southern Border Provinces. Manguwang Food Co., Ltd. is one of the three largest durian exporters in Thailand.

This project is a good opportunity for durian farmers in the Southern Border Provinces, as they can sell more and earn more, which will contribute towards their improved living standards in the future.