

The Beginning of the Thai Beer Industry*

The Establishment of the Boonrawd Brewery Co., Ltd

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Abstract

This article examines the beginning of the Thai beer industry in the early 1930's. I mainly focus on Phraya Phiromphakdi, the founder of the Boonrawd Brewery Co., Ltd., which Phiromphakdi established in 1933.

There are several points to be examined in this article. Firstly, the founder's motivation is analyzed in terms of his entrepreneurship. It is easy to imagine that starting the brewing industry was difficult in Thailand in the 1930's. There were various problems for the brewing industry such as capital, technology, machinery, and raw materials. Why did Phraya Phiromphakdi decide to enter into the brewing business? Secondly, the alcohol market in Thailand during the 1920's and 1930's is studied in order to reveal how Phraya Phiromphakdi exploited a business opportunity. Until 1933, the beer market had been dominated by imported beer. The demand for other products such as wine, whisky, brandy, and samshu (Chinese wine) is also carefully examined in this article to find out why the alcohol industry shifted in the early 1930's from other spirits to beer. Thirdly, the brewing industry is a business licensed by the government so negotiations with the government were important in terms of deciding a liquor tax. Besides this tax, customs duties on raw materials and brewing machinery affected Phraya Phiromphakdi's business seriously, thus getting permission with advantageous conditions was vital to him. Lastly, this article compares early domestic beer production in the 1930's to imported beer volume to ascertain if the Boonrawd Brewery Company succeed in competing with the imported beer market.

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