

**University of Hohenheim**  
Faculty V – Economic and Social Sciences  
Institute for Economics  
Department of International Economics  
Prof. Dr. Ansgar Belke

In Cooperation with:  
Faculty IV – Agricultural Economics II  
Institute for Agricultural Economics and  
Social Sciences in the Tropics and Subtropics,  
Department of Agricultural Marketing  
Prof. Dr. Dr. Matthias von Oppen

## **Diploma Thesis**

**The Importance of the World Market for Mangos for Developing  
Countries with Special Consideration of Thailand**

Stefan Jedele  
Am Wolfsberg 40  
70597 Stuttgart  
Registration Number: 0239006  
Semester (FS): 12  
Course of Study: Economics and Business Administration

Hohenheim, July 1, 2002

This thesis was financed by the Eiselen Foundation, Ulm

## ABSTRACT

Agricultural products are presently still a very significant source of export earnings for developing countries. In the tropics and subtropics, mango represents such an important agricultural product. The objective of this thesis is to analyze the world market for mangos and determine its importance for developing countries – especially for their welfare – by applying the concept of an interregional trade model. Special emphasis is put on Thailand and its market for fresh and canned mangos.

The theoretical part of this thesis concerns the theory of supply and demand – with a focus on agricultural products – as well as the two most common explanations of international trade, namely the theorems of Ricardo and Heckscher-Ohlin.

The paper also presents an overview of the current situation of the world mango market. This includes an analysis of country-specific and regional data on mango production, yield, and international trade. A world model shows volumes and directions of the interregional mango flows.

The Thai mango market is observed in more detail. During a two-and-a-half-month-long stay in Thailand, interviews were conducted with various sources involved in mango production and marketing. This includes farmers, wholesale traders, exporters of both fresh and canned mangos, as well as officials from the Export Promotion Office and the Office of Agricultural Economics. Results are presented concerning marketing channels, production and marketing costs, profit margins, and export destinations.

Through the application of a computer program two scenarios are created, which simulate interregional trade: one represents the current situation, the other one simulates a situation with reduced tariffs. It is demonstrated that a reduction of tariffs leads to increased mango production, increased mango trade, and increased aggregated world welfare. A third scenario simulates the current production and trade of canned mangos. Optimum production regions and export directions for fresh and canned mangos, as well as regional and aggregated welfares are included in the results.