



## 泰国橡胶协会

# Current Situation of Thailand NR Industry and Outlook for 2021

20-23 April 2021

Mr. Supadetch Ongsakul

Deputy Secretary General

The Thai Rubber Association



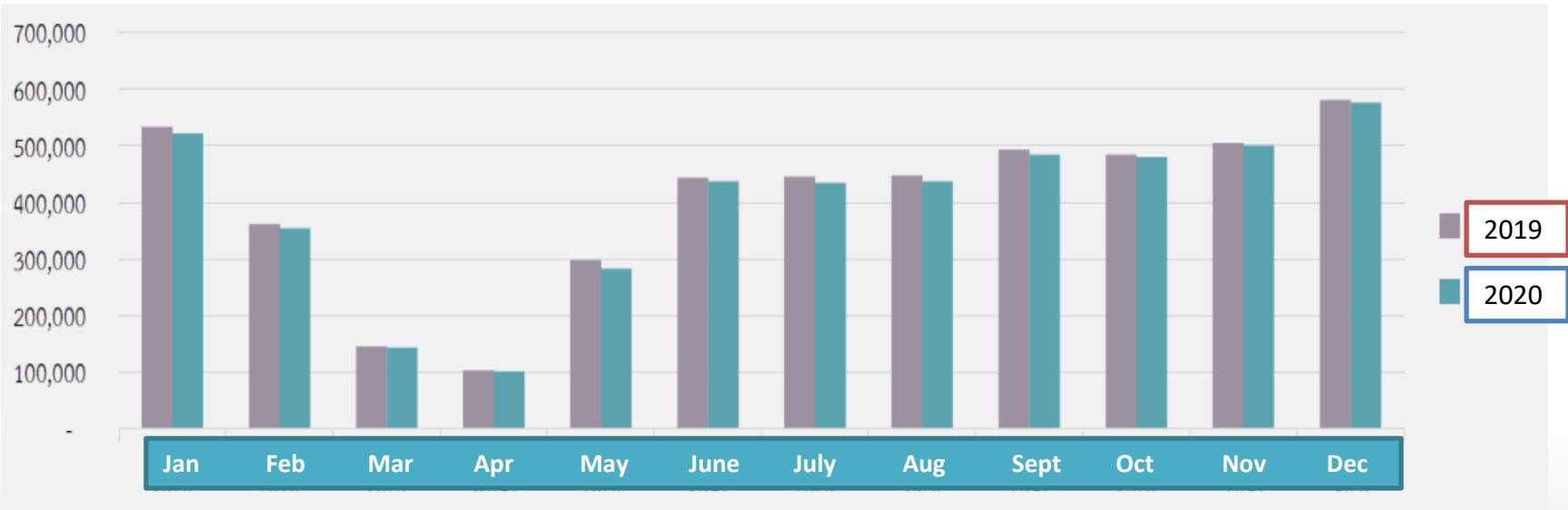
# Review of Thai NR Industry and Outlook

- **Current situation of Thailand NR Industry (Production, Export, Rubber prices)**
- **Economics (GDP growth, Inflation, Exchange, Oil price)**
- **Natural Rubber Outlook for 2021**
- **RAOT's 3 Year-Plan on Rubber Plantation Management & FSC**





# Thai Rubber Production Situation 2019-2020



Unit: Million Ton	Q4/2019	Q4/2020	Growth rate (%)	2019	2020*	Growth rate (%)	2021f*	Growth rate (%)
Rubber	1.57	1.56	-0.78	4.84	4.75	-1.84	4.85	2.07

Source: Office of Agricultural Economics (\*forecasted at December 2020)

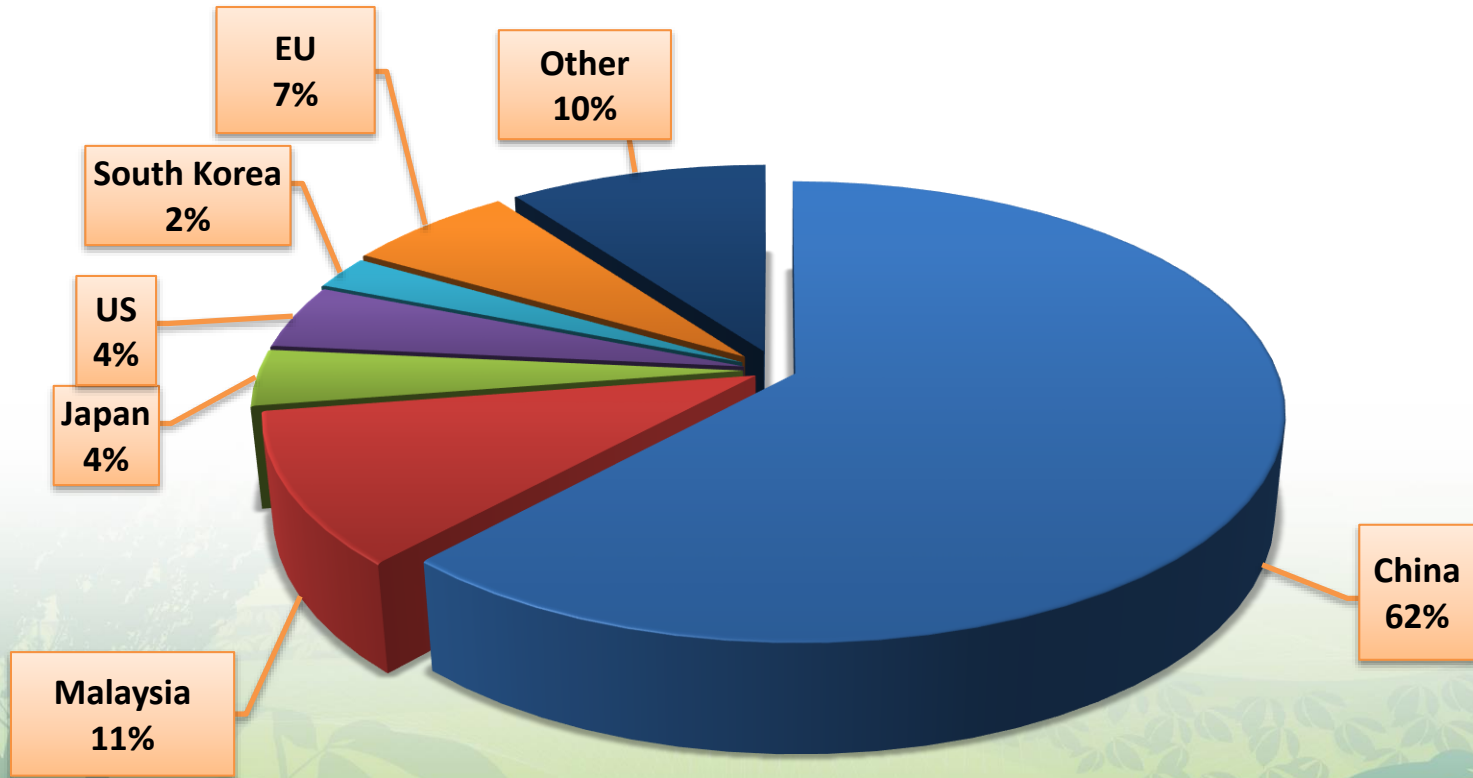


# Thai NR Export to Destination 2015-2020 ('000 tons)

Country	2015	2016	2017	2018	2019	2020
China	2,136	2,192	2,583	2,591	2,310	2,349
Malaysia	432	375	393	421	385	406
Japan	221	211	208	210	200	151
US	154	190	171	192	221	172
South Korea	156	144	109	112	103	89
EU	247	304	283	286	284	249
Other	404	410	649	488	476	382
<b>Total</b>	<b>3,749</b>	<b>3,826</b>	<b>4,397</b>	<b>4,301</b>	<b>3,979</b>	<b>3,801</b>



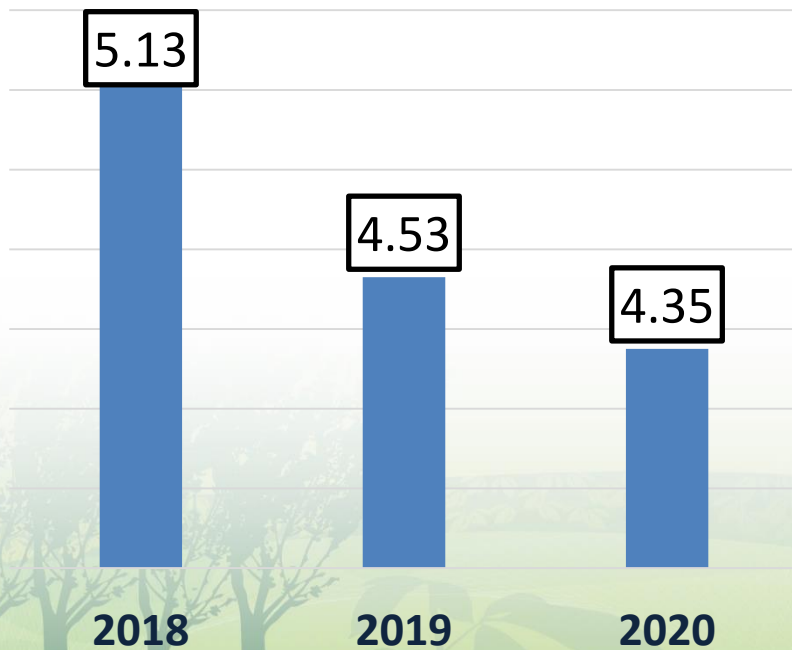
# Thai NR Export to Destination in 2020





# Thailand NR Export

## Quantity (Million Tons)



## Value (Billion USD)



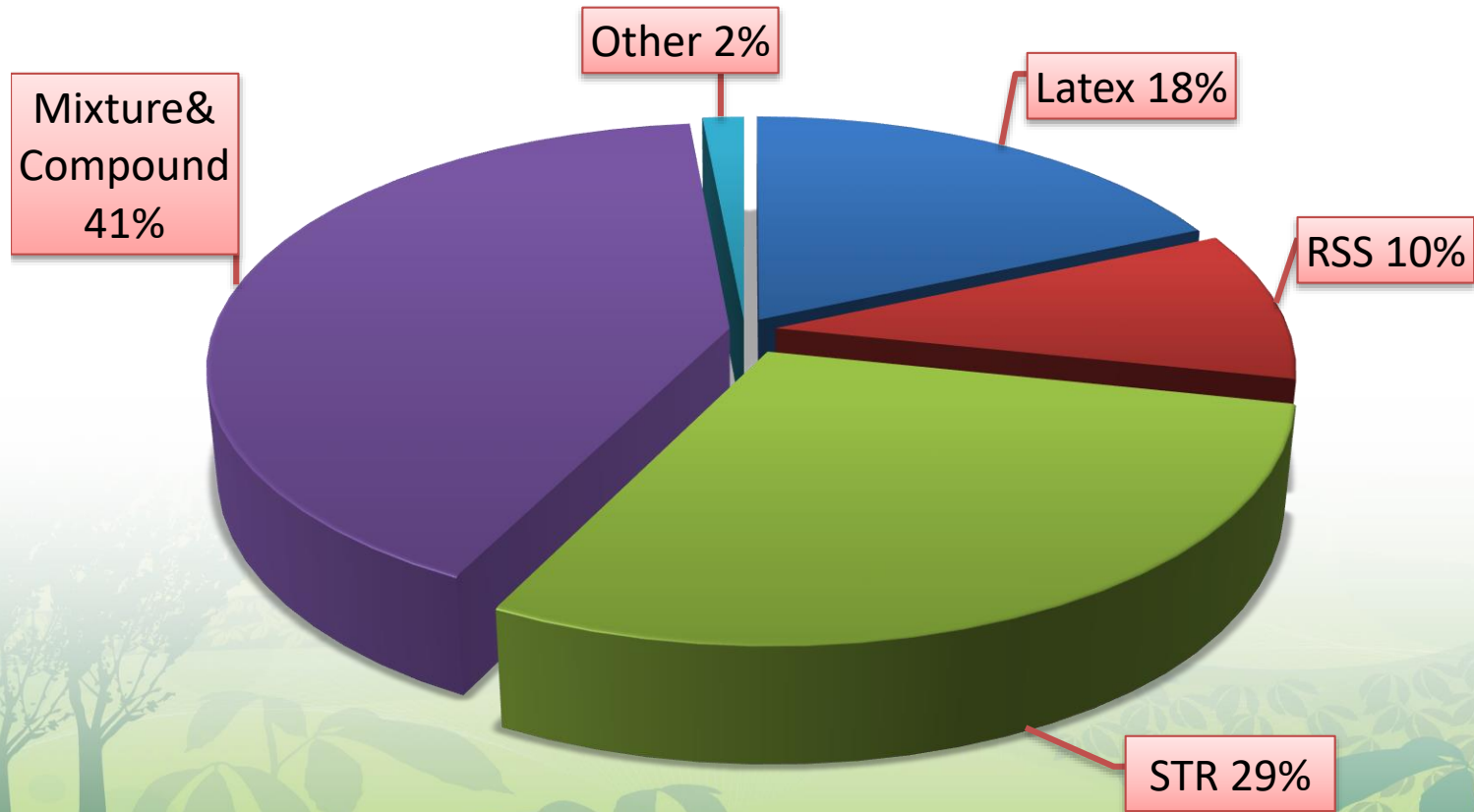


# Thai NR Export Quantity and Value (Million USD)

Thai NR Export		Dec 2020	Jan 2021	%		Jan 2020	Jan 2021	%
				MoM	YoY			
<b>STR</b>	Quantity (tons)	122,846.51	107,544.68	-12.46	-14.62	125,959.33	107,544.68	-14.62
	Value	196.2	181.19	-8.31	-1.77	183.66	181.19	-1.77
<b>RSS</b>	Quantity (tons)	35,646.35	33,608.07	-5.72	-31.55	49,099.28	35,646.35	-31.55
	Value	80.24	79.78	-1.26	1.71	78.10	79.78	1.71
<b>Latex</b>	Quantity (tons)	100,275.72	94,691.45	-5.57	-17.58	114,885.67	100,275.72	-17.58
	Value	141.81	129.56	-9.28	7.22	120.32	129.56	7.22
<b>Compounded Rubber</b>	Quantity (tons)	9,948.04	10,466.90	5.22	30.42	8,025.57	9,948.04	30.42
	Value	24.56	27.62	11.68	50.29	18.30	27.62	50.29
<b>Mixtures</b>	Quantity (tons)	114,634.80	81,438.84	-28.96	-38.41	132,229.44	114,634.80	-38.41
	Value	158.64	122.14	-23.30	-34.02	184.32	122.14	-34.02
<b>Other</b>	Quantity (tons)	2,968.66	3,133.27	5.55	-51.07	6,404.18	2,968.66	-51.07
	Value	3.44	3.83	10.59	-39.71	6.33	3.83	-39.71
<b>Total</b>	Quantity (tons)	386,320.07	330,883.21	-14.35	-24.21	436,603.46	386,320.07	-24.21
	Value	604.44	544.15	-10.60	-8.33	591.06	544.15	-8.33



# Thai NR Export by Type in 2020







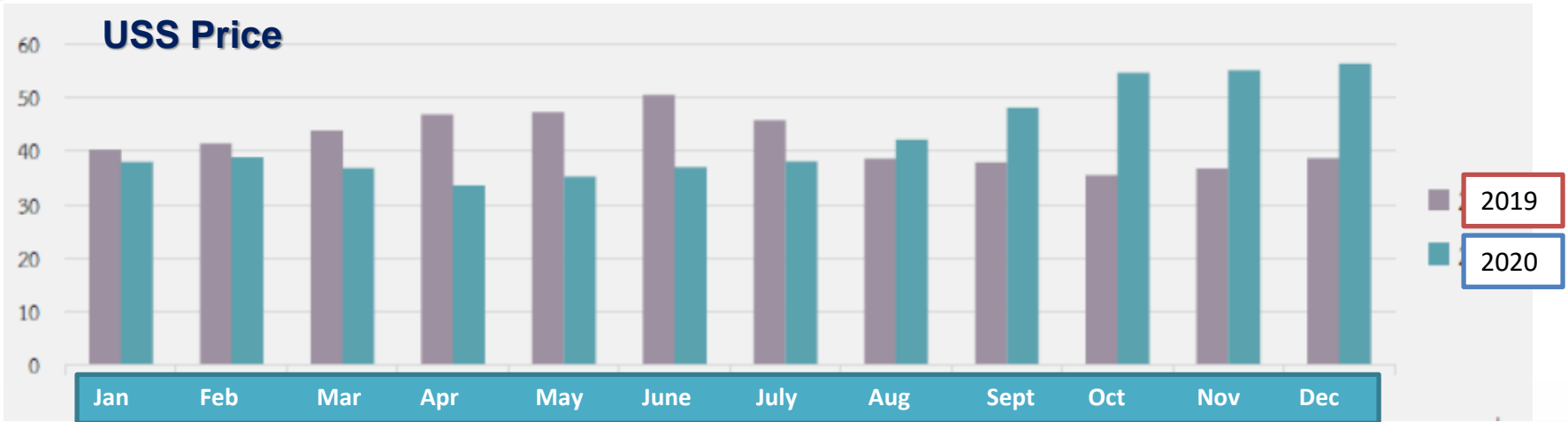
# Average Rubber Prices by Type

Rubber Average Prices (USD/kg.) By The Office of Songkhla Central Rubber Market	Jan 2021	Feb 2021	%	
			MoM	YoY
USS (local)	1.77	1.79	1.53	39.25
Latex (at the factory)	1.57	1.71	9.07	25.99
USS (Central Rate)	1.81	1.86	2.96	39.3
RSS 3 (Central Rate)	1.92	2.00	3.85	40.48
FOB. (Bangkok)	2.12	2.19	3.38	37.64

\* 1 Baht= 0.03255



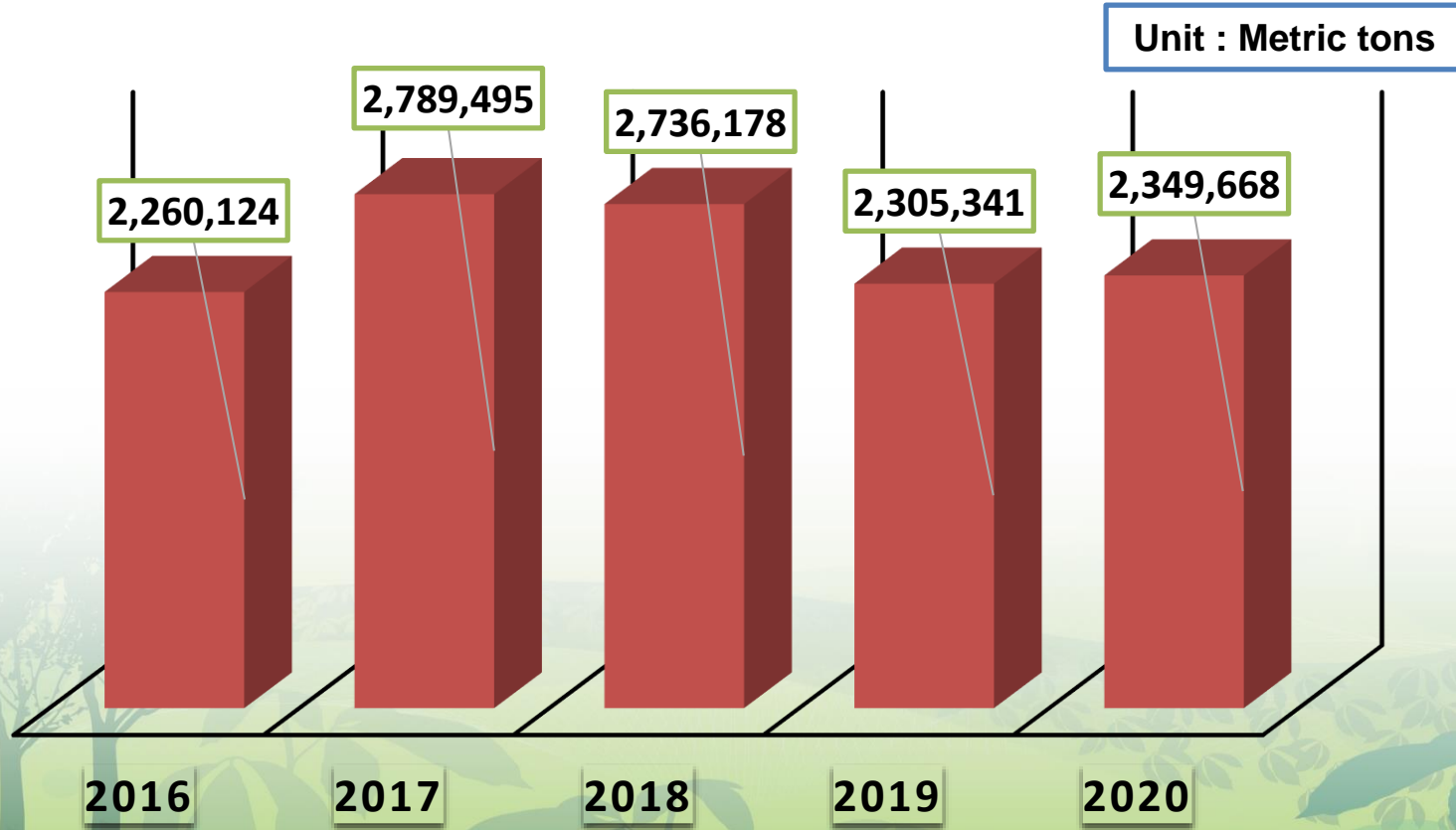
# Rubber Prices from Rubber Farmers



Unit: Baht/kg	Q4/2019	Q4/2020	Growth Rate (%)	2019	2020	Growth (%)
<b>US\$ 3</b>	<b>37.05</b>	<b>55.54</b>	<b>49.90</b>	<b>41.04</b>	<b>44.85</b>	<b>9.27</b>
<b>Cup Lump</b>	<b>17.55</b>	<b>20.59</b>	<b>17.32</b>	<b>19.81</b>	<b>18.53</b>	<b>-6.46</b>
<b>Latex</b>	<b>33.25</b>	<b>47.11</b>	<b>41.68</b>	<b>37.49</b>	<b>40.70</b>	<b>8.56</b>



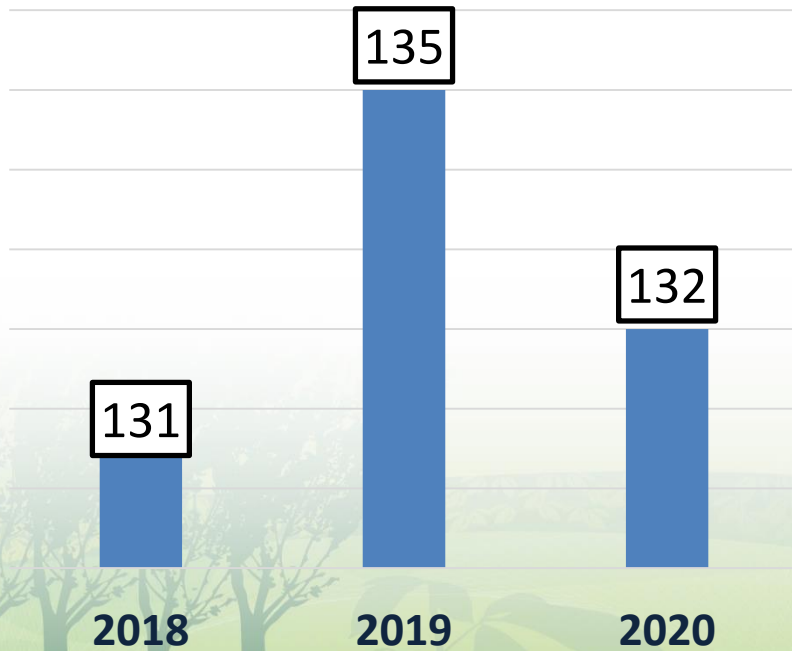
# Thailand Rubber Export to China



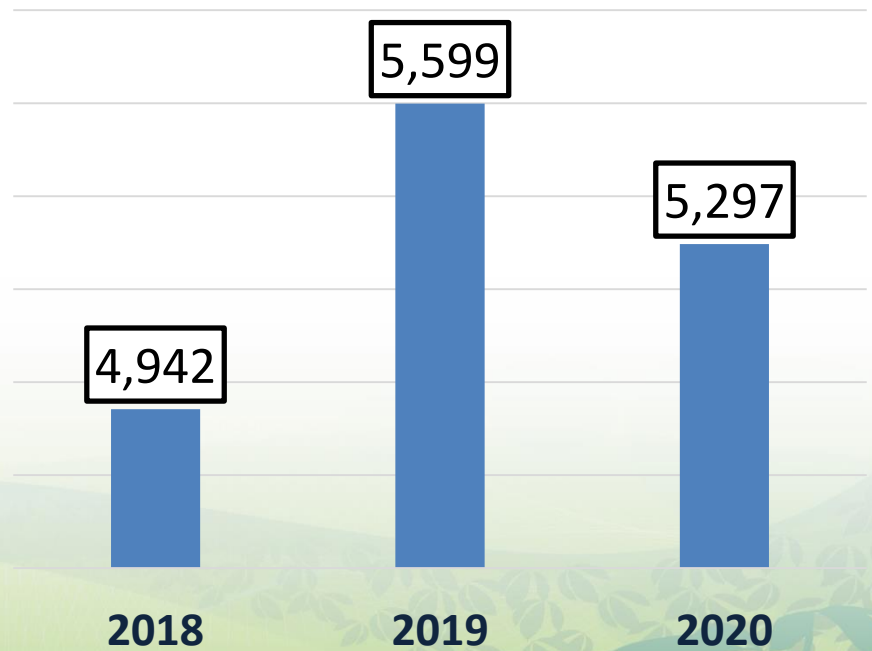


# Thailand Tires Export

## Quantity (Million Units)



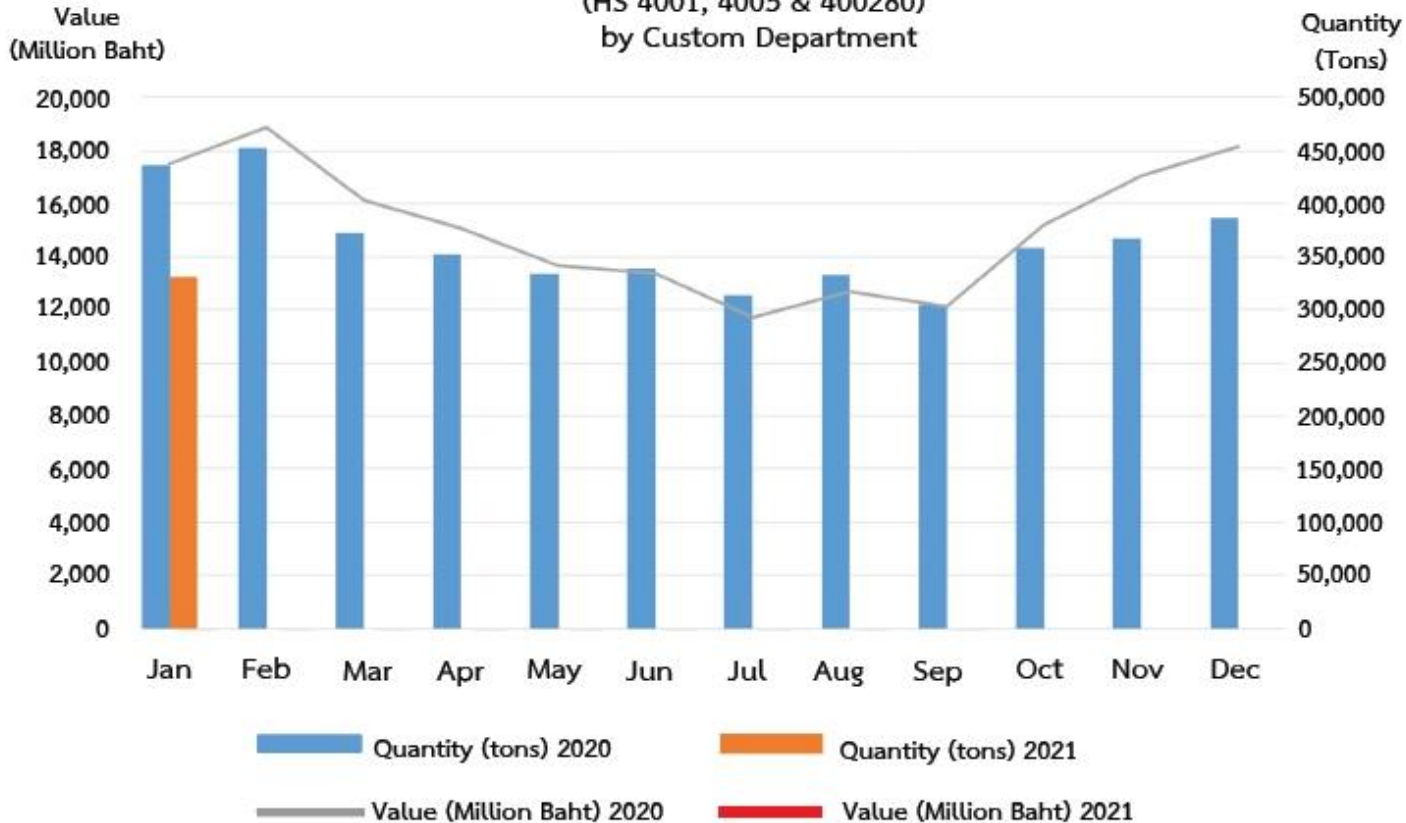
## Value (Million USD)





# Thai NR Export Quantity and Value

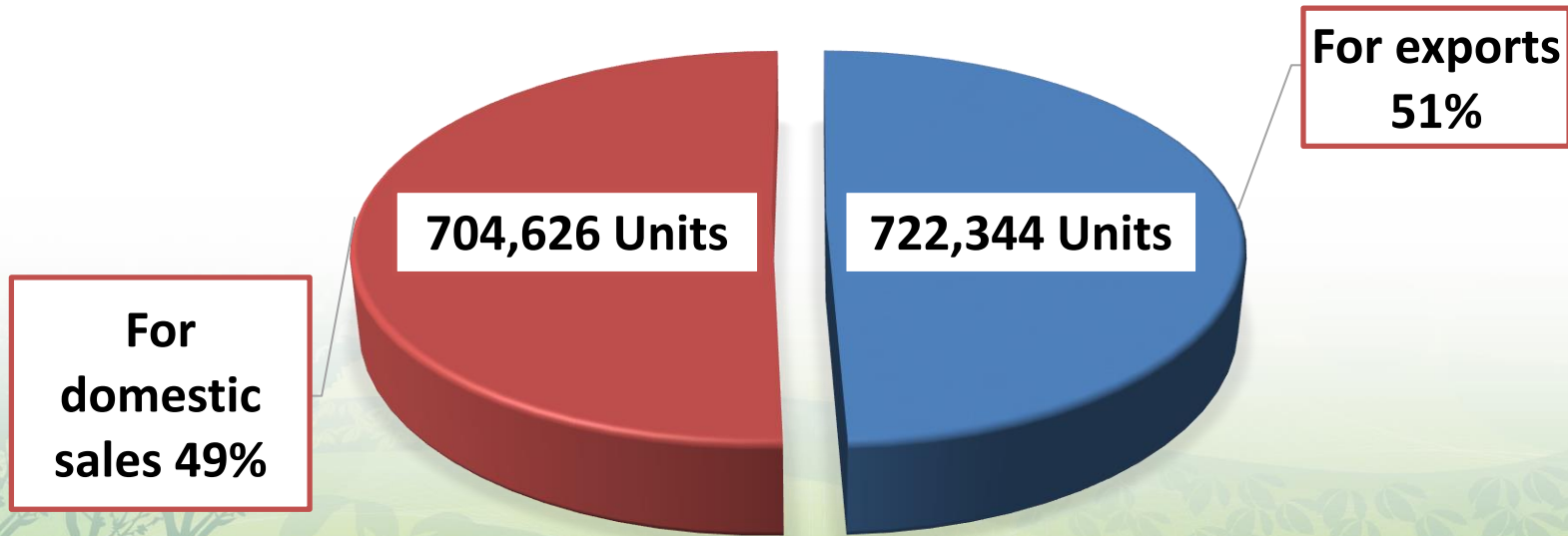
Thai rubber export quantity and value  
(HS 4001, 4005 & 400280)  
by Custom Department





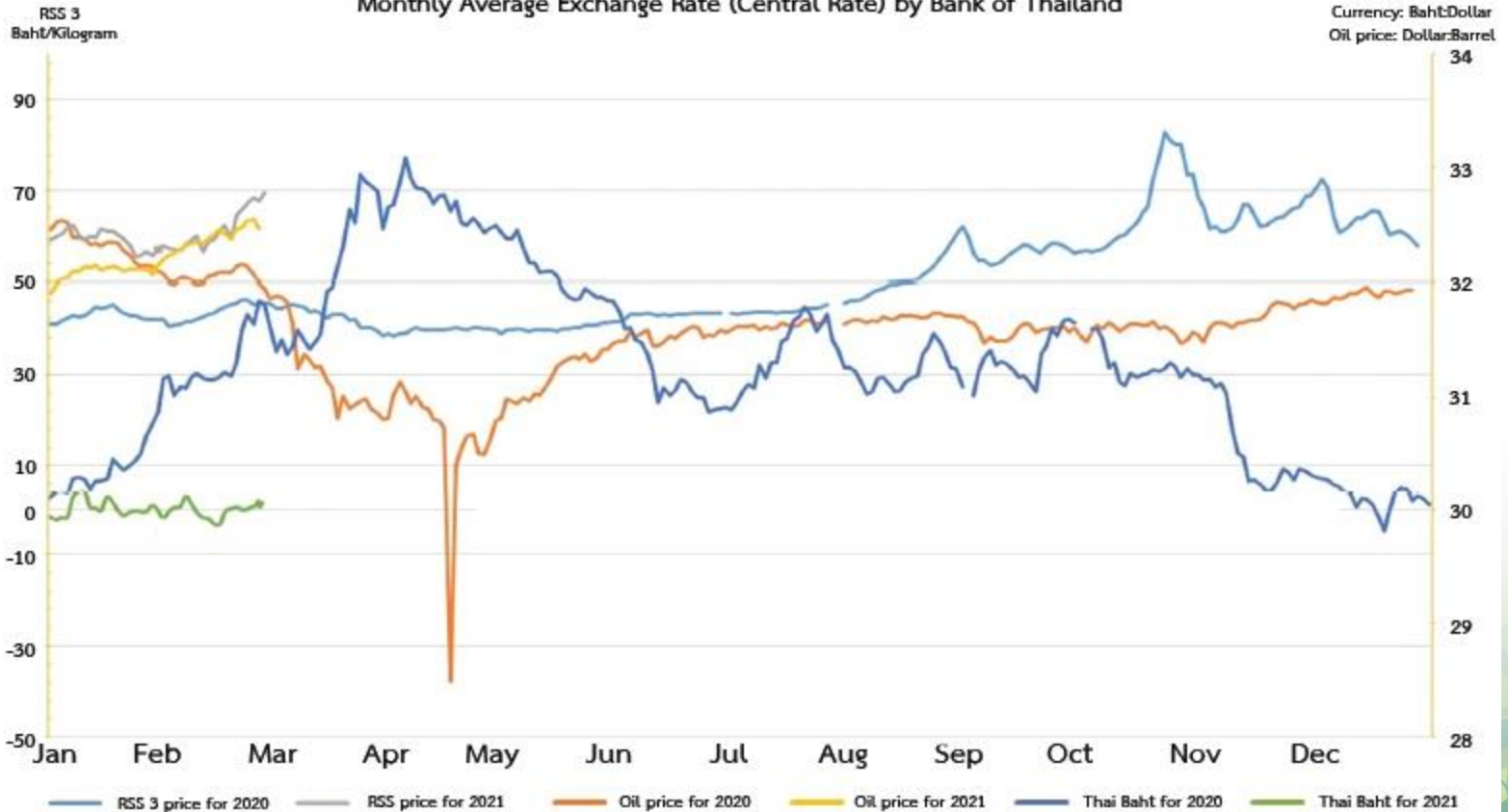
# Thailand's Automotive Sector 2020

The number of cars produced in 2020 total amount **1,426,970** units





RSS 3 Price by Central Rubber Market, Songkhla,  
WTI Crude Oil Price by U.S. Department of Energy and  
Monthly Average Exchange Rate (Central Rate) by Bank of Thailand





# Thailand Economic Stability Indicators

	2019	2020	2020						2021
			Q1	Q2	Q3	Q4	Nov	Dec	Jan
Domestic									
Unemployment Rate (%)	1.0	1.6	1.1	2.0	1.3	1.9	2.0	1.5	NA
Headline Inflation Rate (%YoY)	0.7	-0.8	0.4	-2.7	-0.7	-0.4	-0.4	-0.3	-0.3
Core Inflation Rate (%YoY)	0.5	0.3	0.5	0.1	0.3	0.2	0.2	0.2	0.2
Public Debt to GDP Ratio (%)	41.2	52.1	41.7	45.8	49.4	52.1	50.5	52.1	NA
Foreign									
Current Account (million USD)	38.2	16.5	9.8	1.3	6.6	-1.2	-1.5	-0.7	NA
Capital Reserve (million USD)	224.3	258.1	226.5	241.6	251.1	258.1	253.5	258.1	256.8
Net Forward Position (million USD)	34.7	28.3	34.4	24.5	24.2	28.3	27.0	28.3	29.8





# The Economic Outlook of Trading Partner Forecast

The Economic Outlook of Trading Partner	2019	2020			2020 (Forecast by FPO*)		2021 (Forecast by FPO*)		2020/2021 compared
		Q3	Q4	YTD	Oct 2020	Jan 2021	Oct 2020	Jan 2021	
<b>15 countries (77.7%)</b>	<b>3.1</b>	<b>-2.5</b>	<b>NA</b>	<b>-3.8</b>	<b>-4.1</b>	<b>-3.6</b>	<b>5.1</b>	<b>5.2</b>	
<b>1. US (12.7%)</b>	<b>2.3</b>	<b>-2.8</b>	<b>NA</b>	<b>-3.9</b>	<b>-4.5</b>	<b>-3.6</b>	<b>3.2</b>	<b>4.0</b>	
<b>2. China (11.8%)</b>	<b>6.1</b>	<b>4.9</b>	<b>6.5</b>	<b>2.3</b>	<b>2.0</b>	<b>2.3</b>	<b>8.6</b>	<b>8.6</b>	
<b>3. Japan (9.9%)</b>	<b>0.7</b>	<b>-5.8</b>	<b>NA</b>	<b>-5.9</b>	<b>-4.2</b>	<b>-5.3</b>	<b>2.3</b>	<b>2.5</b>	
<b>4. EU (6.9%)</b>	<b>1.2</b>	<b>-4.3</b>	<b>NA</b>	<b>-7.4</b>	<b>-8.1</b>	<b>-7.2</b>	<b>5.2</b>	<b>4.1</b>	
<b>5. Vietnam (4.9%)</b>	<b>7.0</b>	<b>2.7</b>	<b>4.5</b>	<b>2.9</b>	<b>1.6</b>	<b>2.9</b>	<b>7.1</b>	<b>6.8</b>	
<b>6. Hong Kong (4.8%)</b>	<b>-1.2</b>	<b>-3.5</b>	<b>NA</b>	<b>-7.2</b>	<b>-8.5</b>	<b>-5.6</b>	<b>2.9</b>	<b>6.3</b>	
<b>7. Malaysia (4.3%)</b>	<b>4.3</b>	<b>-2.7</b>	<b>NA</b>	<b>-6.4</b>	<b>-5.9</b>	<b>-5.0</b>	<b>5.7</b>	<b>6.1</b>	

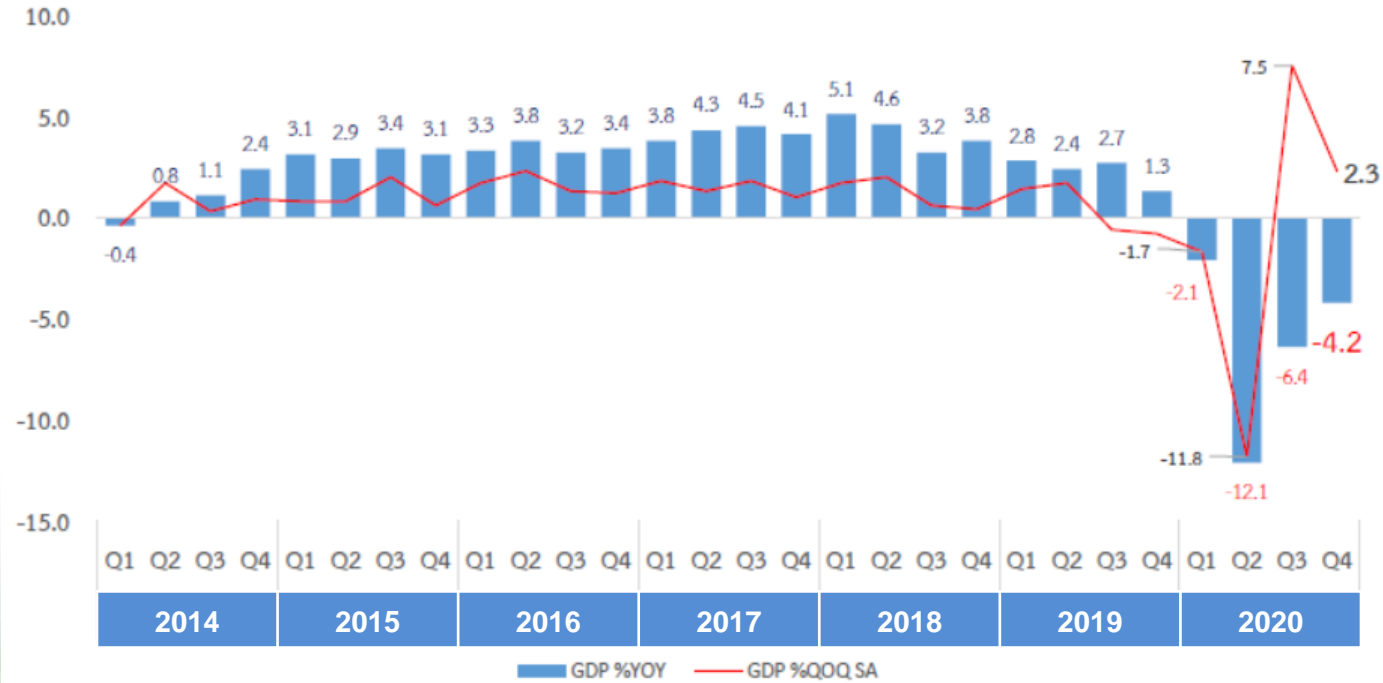


# The Economic Outlook of Trading Partner Forecast

The Economic Outlook of Trading Partner	2019	2020			2020 (Forecast by FPO*)		2021 (Forecast by FPO*)		2020/2021 compared
		Q3	Q4	YTD	Oct 2020	Jan 2021	Oct 2020	Jan 2021	
<b>8. Australia (4.1%)</b>	<b>1.8</b>	<b>-3.8</b>	<b>NA</b>	<b>-2.9</b>	<b>-4.5</b>	<b>-4.2</b>	<b>4.2</b>	<b>3.0</b>	
<b>9. Indonesia (3.7%)</b>	<b>5.0</b>	<b>-3.5</b>	<b>NA</b>	<b>-2.0</b>	<b>-1.4</b>	<b>-1.7</b>	<b>5.6</b>	<b>4.6</b>	
<b>10. Singapore (3.6%)</b>	<b>0.7</b>	<b>-5.6</b>	<b>-3.8</b>	<b>-5.8</b>	<b>-6.3</b>	<b>-5.8</b>	<b>4.9</b>	<b>4.9</b>	
<b>11. India (3.0%)</b>	<b>5.3</b>	<b>-7.5</b>	<b>NA</b>	<b>-9.3</b>	<b>-7.3</b>	<b>-10.3</b>	<b>6.2</b>	<b>6.2</b>	
<b>12. Philippines (2.8%)</b>	<b>5.9</b>	<b>-11.5</b>	<b>NA</b>	<b>-10.0</b>	<b>-7.8</b>	<b>-8.8</b>	<b>6.9</b>	<b>6.9</b>	
<b>13. South Korea (1.9%)</b>	<b>2.0</b>	<b>-1.1</b>	<b>NA</b>	<b>-0.9</b>	<b>-1.3</b>	<b>-1.9</b>	<b>2.9</b>	<b>2.9</b>	
<b>14. UK (1.6%)</b>	<b>1.4</b>	<b>-8.6</b>	<b>NA</b>	<b>-10.6</b>	<b>-10.4</b>	<b>-10.8</b>	<b>5.2</b>	<b>5.2</b>	
<b>15. Taiwan (1.6%)</b>	<b>2.7</b>	<b>3.9</b>	<b>NA</b>	<b>2.3</b>	<b>0.2</b>	<b>2.6</b>	<b>3.2</b>	<b>3.9</b>	



# Real Gross Domestic Product (GDP)



	2013	2014	2015	2016	2017	2018	2019	2020
Average	2.7%	1.0%	3.1%	3.4%	4.2%	4.2%	2.3%	-6.1%



# Thailand Economy

## Forecast Summary in Monetary Policy Report – December 2020

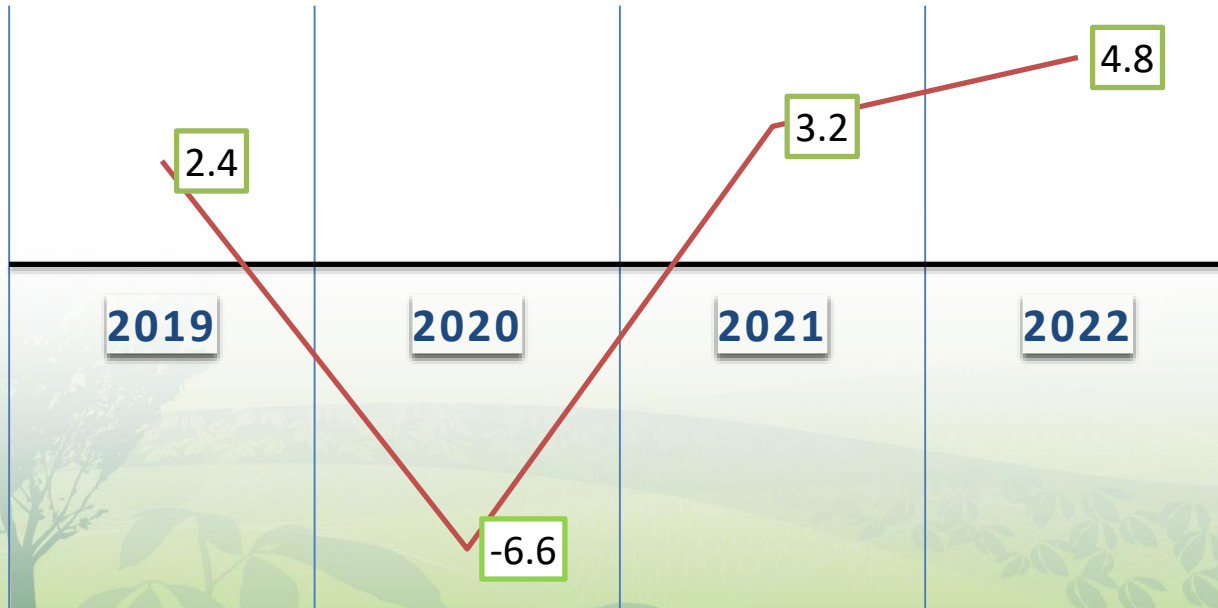
	2019	2020	2021	2022
<b>GDP Growth</b>	<b>2.4</b>	<b>-6.6</b>	<b>3.2</b>	<b>4.8</b>
<b>Headline Inflation</b>	<b>0.7</b>	<b>-0.9</b>	<b>1.0</b>	<b>1.0</b>
<b>Core Inflation</b>	<b>0.5</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>

Source: Bank of Thailand (BOT)



# Thailand GDP Growth Forecast

Forecast Summary in Monetary Policy Report – December 2020

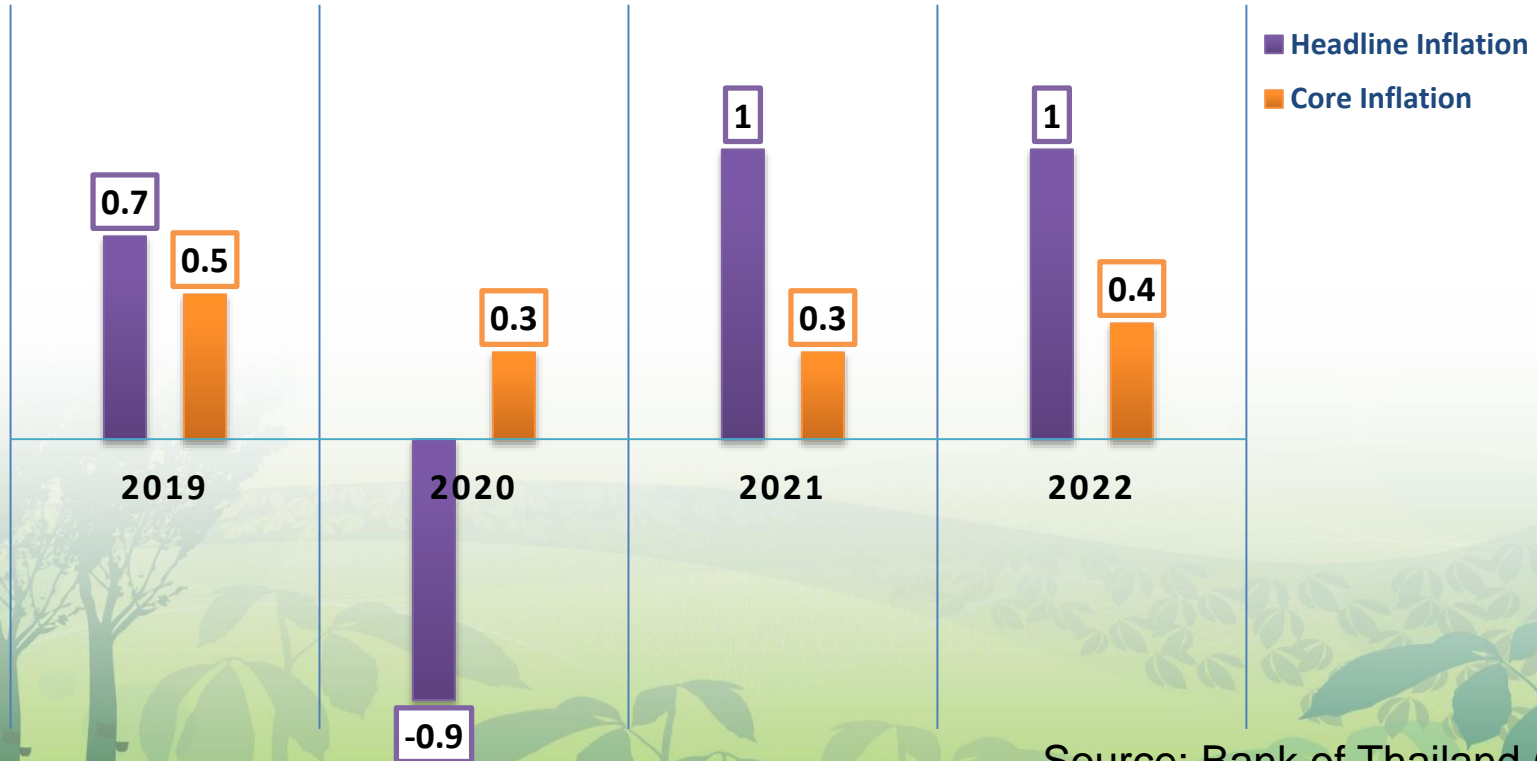


Source: Bank of Thailand (BOT)



# Thailand Inflation Forecast

## Forecast Summary in Monetary Policy Report – December 2020



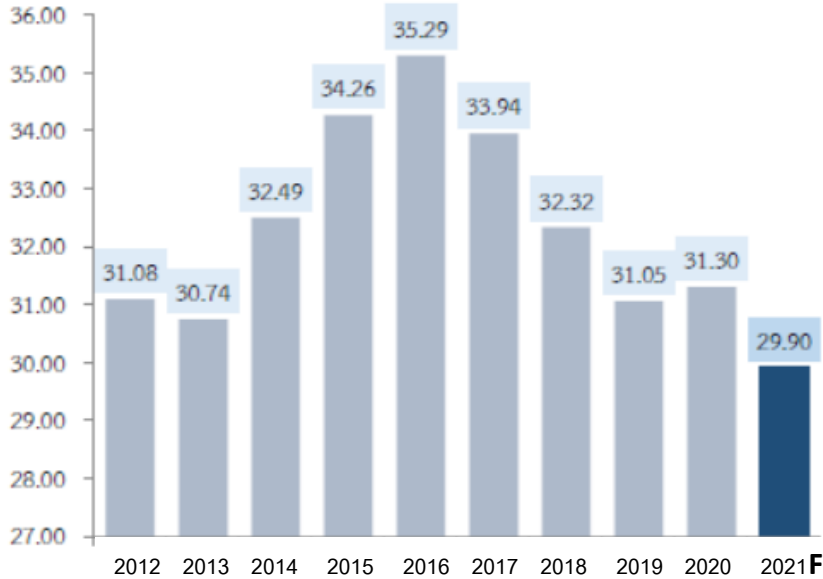
Source: Bank of Thailand (BOT)



# THB to USD Exchange Rate and NEER Forecast

## THB to USD Exchange Rate Forecast

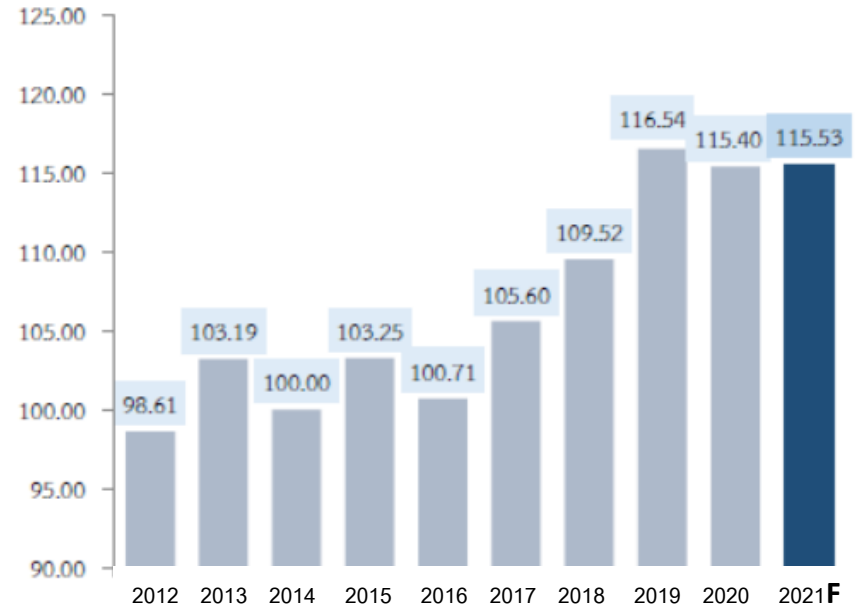
THB/USD



Average

## Nominal Effective Exchange Rate (15 Trading Partner Countries)

NEER



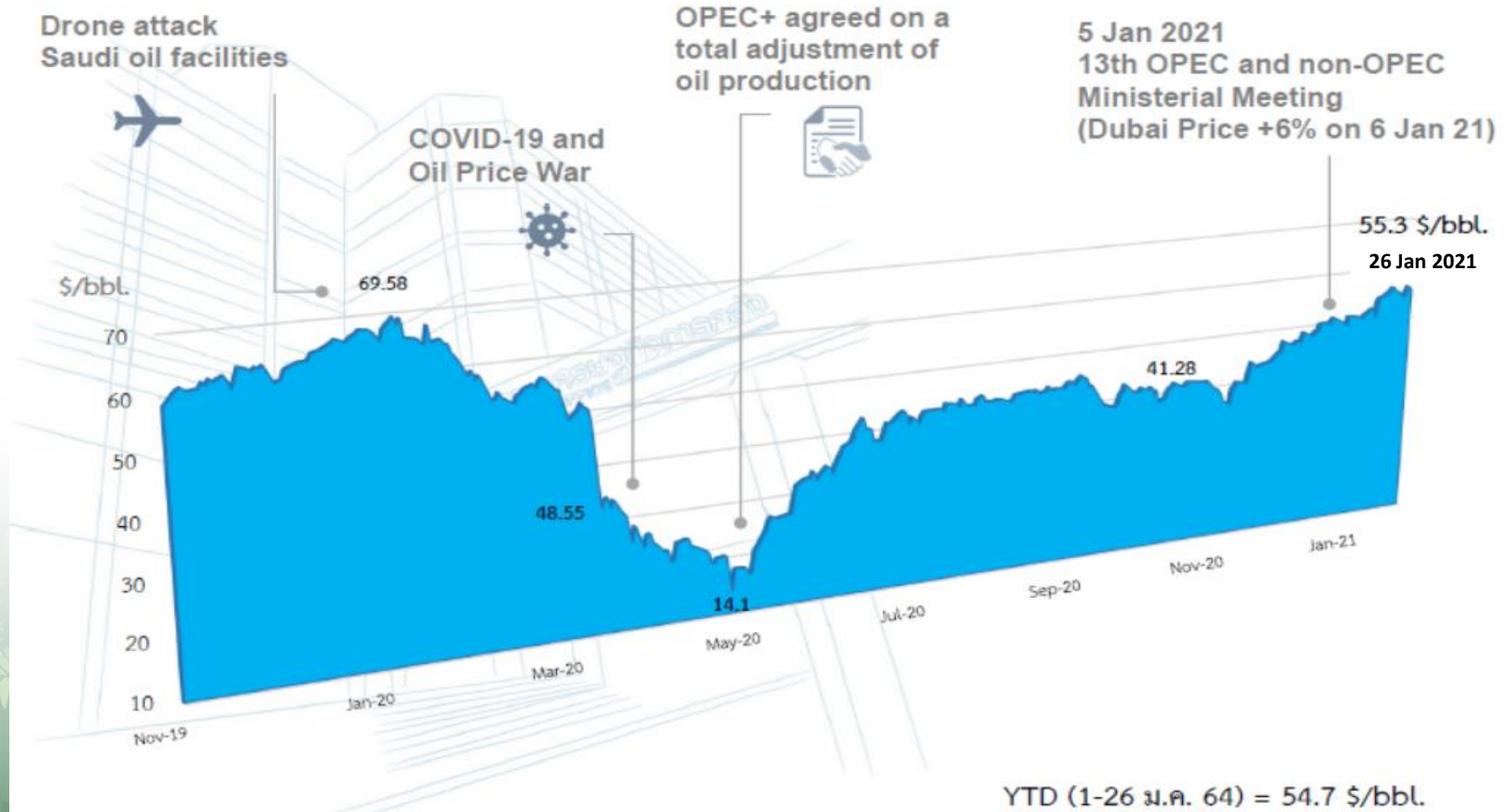
Average

Average from  
1-26 Jan 2021

- THB/USD = 30.01 (Appreciated by 4.1% comparing with 2020)
- NEER = 115.26 (Depreciates by 4.1% comparing with 2020)



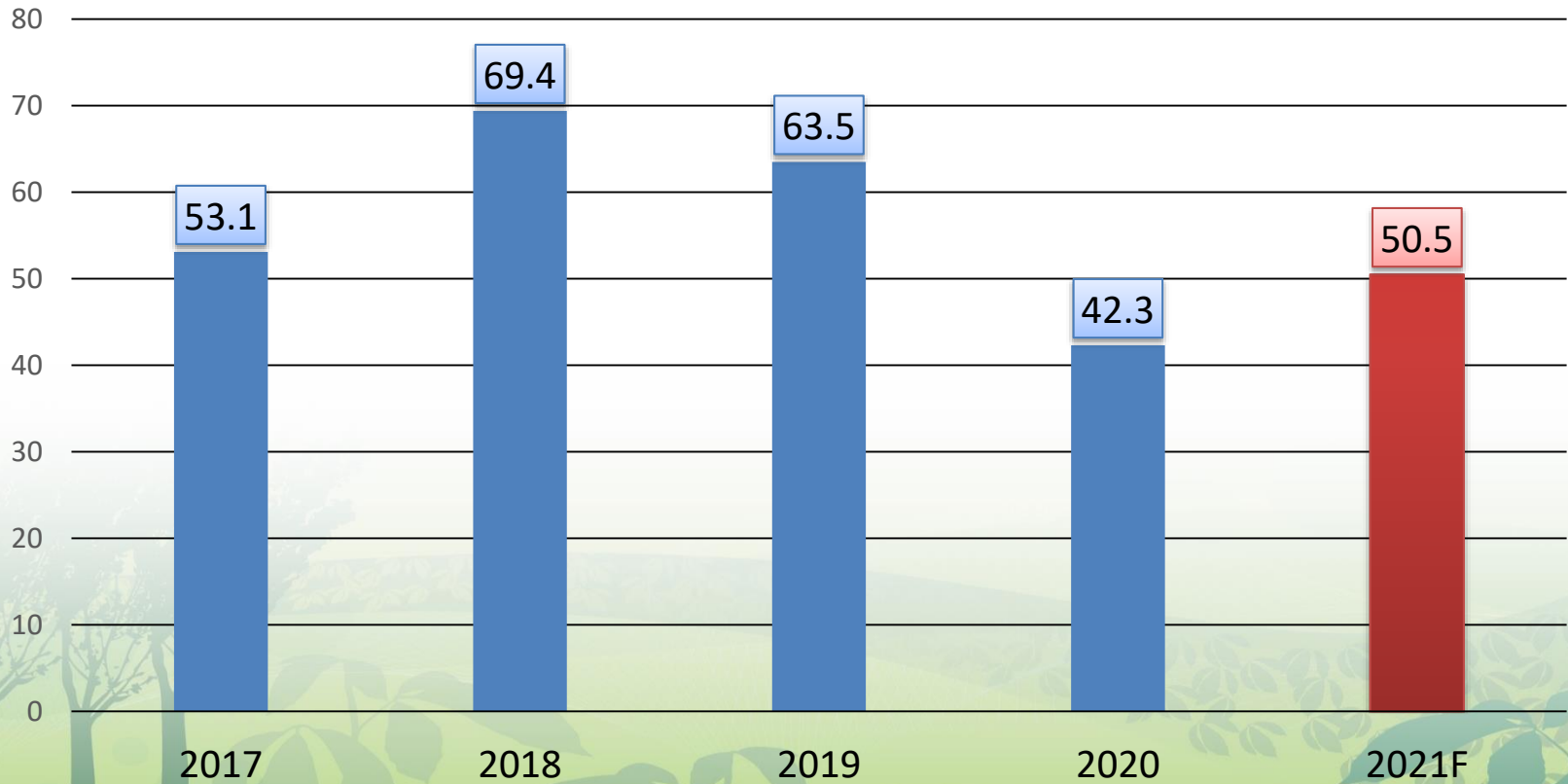
# Dubai Crude Oil Prices







# FPO Dubai Forecast (USD/Barrel)



Source: Fiscal Policy Office (FPO)

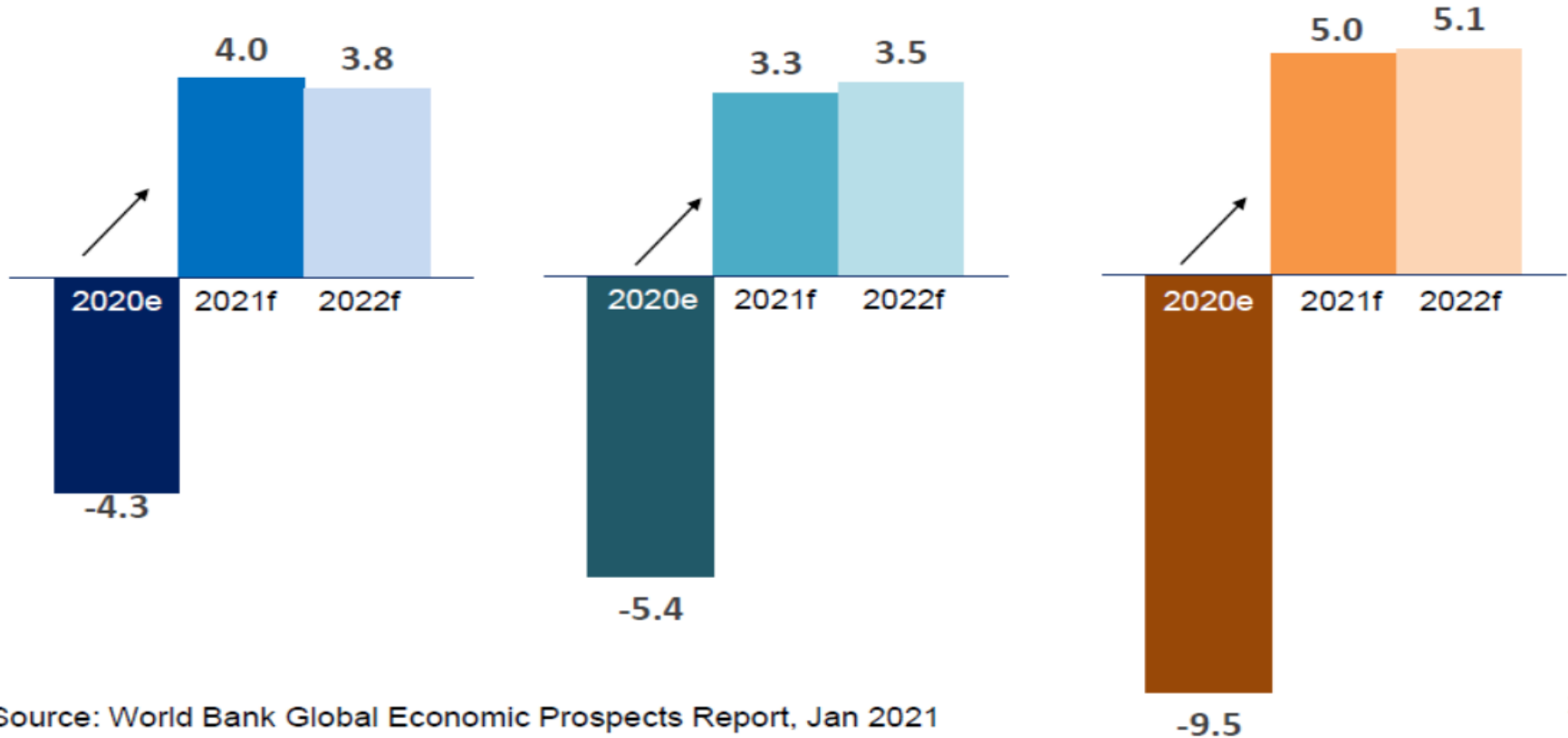


# World Economic Outlook Growth Projections

## World Economies

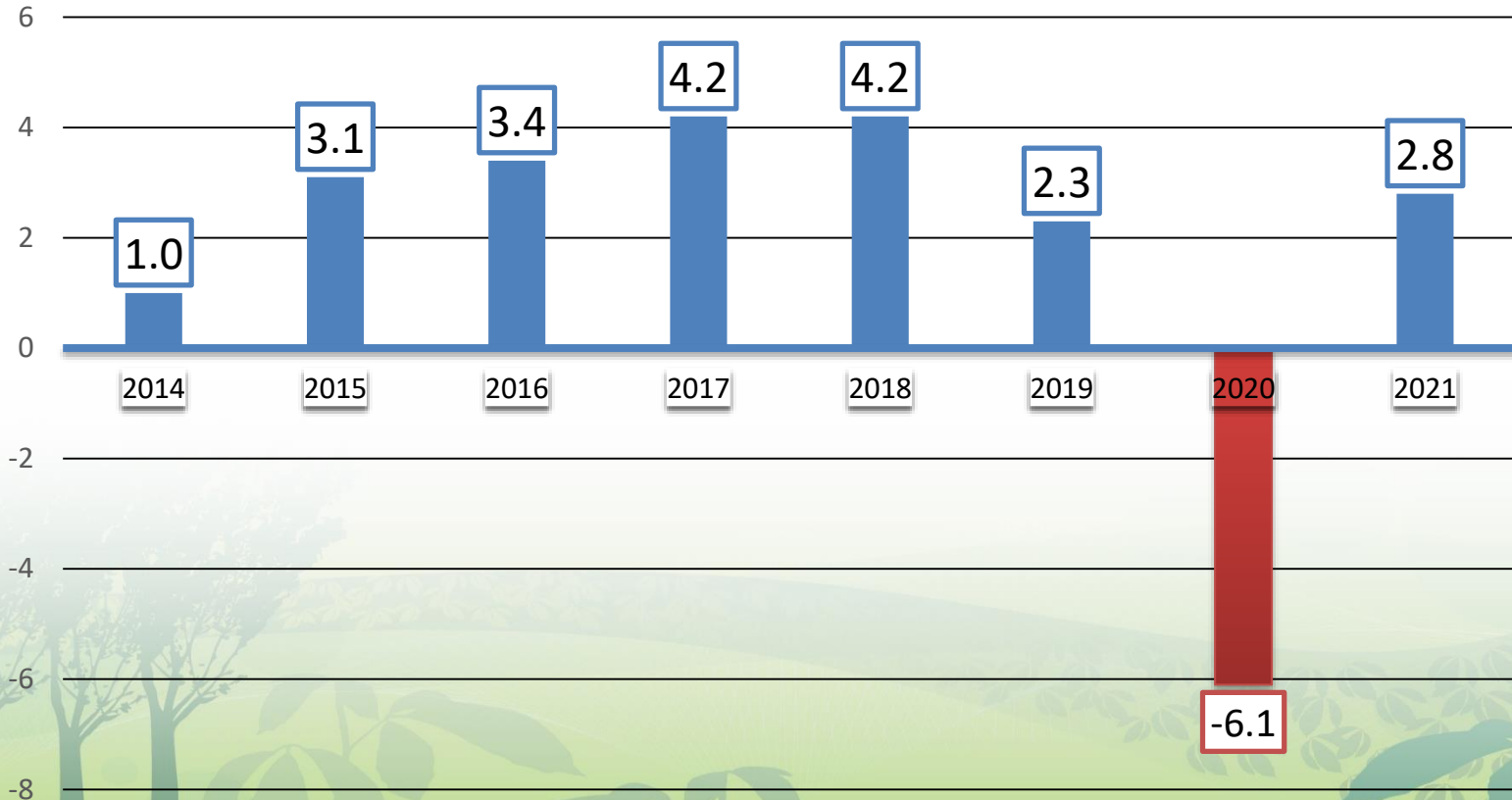
## Advanced Economies

## World Trade Volume





# Thailand Economic Growth in 2021 Forecast



Source: Fiscal Policy Office (FPO)



# Thailand Economic Outlook 2021

Forecasted by FPO	2018	2019	2020	2021F (Jan 2021)	estimate
<b>The world's economic growth (%)</b>	3.9	3.1	-3.6	5.2	4.7-5.7
<b>Baht to USD exchange rate (average)</b>	32.3	31.0	31.3	29.9	28.90-30.90
<b>Dubai Crude Oil Prices (USD/Barrel)</b>	69.4	63.5	42.3	50.5	45.5-55.5
<b>Foreign Tourists (million people)</b>	38.2	39.9	6.7	5.0	4.0-6.0
<b>Public Expenditure (Trillion Baht)</b>	3.61	3.70	3.79	4.24	4.19-4.29



# Risk Factors for Thailand's Rubber Export in 2021



**Container Shortage**



**The COVID-19 Pandemic**



**Geopolitics Tension**



# National Plan of the 20 years Thai Rubber Strategy (2017-2036)



**Rubber Plantations:** drop from 3.72 million hectare in 2016 to 2.94 million hectare in 2036



**Rubber Yield:** increase from 1,400 kg/hectare/year in 2016 to 2,250 kg/hectare/year in 2036

**Domestic Consumption:** increase from 13.6% in 2016 to 35% in 2036



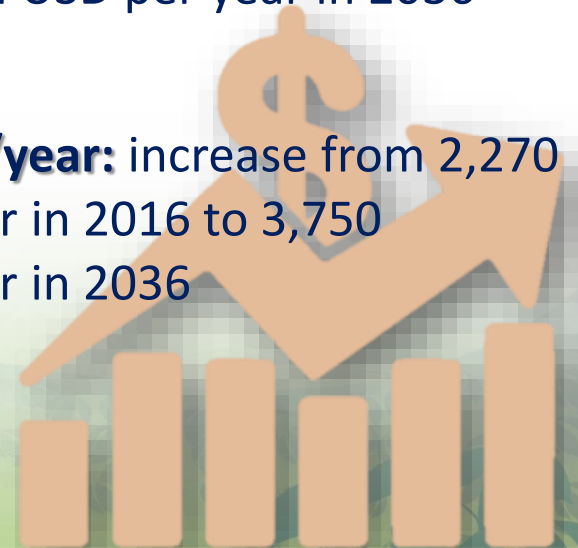
# National Plan of the 20 years Thai Rubber Strategy (2017-2036)



## Rubber-based Product Export Income:

increase from 7,575 million USD per year in 2016 to 24,242 million USD per year in 2036

**Income/hectare/year:** increase from 2,270 USD/hectare/year in 2016 to 3,750 USD/hectare/year in 2036



Source: Rubber Authority of Thailand (RAOT)



# Sustainability Target (Thailand)

Indicator	Unit	2016	Period			
			1-5 years (2017-2021)	6-10 years (2022-2026)	11-15 years (2027-2031)	16-20 years (2032-2036)
Rubber plantations that are approved with FSC	Million Rai	0.4	4	10	14	18
	Million hectare	0.064	0.64	1.6	2.24	2.88



**Forest Stewardship Council**

Source: Rubber Authority of Thailand (RAOT)





# Integrated Farming

**Integrated farming** (also known as mixed farming) is a farming system with simultaneous activities involving crops and animals.



3\*10 m. Reducing from  
500 rubber trees/hectare  
to 313 rubber trees/hectare



# RAOT's 3 Year-Plan on Rubber Plantation Management with Sustainable FSC-Forest Management (2019-2021)

## Goal

To establish Thailand rubber plantation standard into international standard forest managements such as FSC , PEFC

To expand the market for rubber products and rubber yield to international markets



**FSC Forest Stewardship Council**



# RAOT's 3 Year-Plan on Rubber Plantation Management with Sustainable FSC-Forest Management (2019-2021)

Target areas to implement rubber plantation management are **419,137 Rai** or **67,061.92 Hectares** consist of 2 parts

1. Rubber Plantations of RAOT  
**30,955.75 Rai** or **4,952.92 Hectare**

2. Rubber plantation of farmers who participate in the project  
**388,171.25 Rai** or **62,107.4 Hectare**



# FSC: Forest Stewardship Council



Ethical sourcing –  
*the root of success*

“ Sustainability is becoming a business imperative; doing nothing is no longer an option. It is about securing your business for the future.”

PricewaterhouseCoopers<sup>1</sup>

## Going up...

Despite difficult economic conditions, worldwide demand for goods branded as “ethical” continues to grow. For example, in the UK...<sup>2</sup>



## Demand...

Demand for sustainable timber and paper in the UK has grown even faster.



## Forest Stewardship Council®

Much of the responsibly managed timber and paper used in Europe is certified by the Forest Stewardship Council (FSC®).

It's not just timber for building and paper products that can be certified...



# FSC: Forest Stewardship Council

An FSC logo means you can be confident you are not contributing to the destruction of the world's forests.

## Illegal logging

Every two seconds, somewhere on Earth an area of forest the size of a football pitch is clear-cut by illegal loggers.<sup>3</sup>

Products of illegal timber trade can be found everywhere, from building sites to private homes.<sup>4</sup>

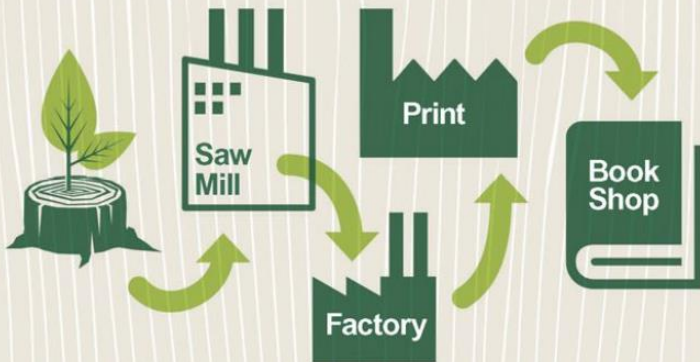


## From forest to store with the FSC

The rights and needs of local people and workers have been respected.

The product has been tracked from the forest to the store.

The highest environmental and conservation standards have been applied.



## Benefits of FSC certification

Top three opportunities.<sup>5</sup>





# FSC: Forest Stewardship Council

**150,000,000**  
hectares of forest  
worldwide are  
managed to FSC  
standards<sup>6</sup>



## Meet the FSC

The world's leading forest  
certification organisation

**International** Founded 1993

Endorsed by WWF, Greenpeace, Oxfam, Fundecor and Altropico

**Non-governmental** 800+ members

**Non-profit** **Democratic**

Forests in 79 countries

<sup>1</sup> PricewaterhouseCoopers: Sustainability - Are Consumers Buying it? 2008

<sup>2</sup> Ethical Consumerism Report 2011: The Co-operative Group

<sup>3</sup> The World Bank: Justice for Forests - Improving Criminal Justice Efforts to Combat Illegal Logging, March 2012

<sup>4</sup> FSC Website: About Us – [www.FSC-uk.org/?page\\_id=5](http://www.FSC-uk.org/?page_id=5)

<sup>5</sup> FSC Business Value and Growth: Global Market Survey 2011

<sup>6</sup> FSC: Facts and Figures on FSC growth and markets, February 2012

[www.fsc.org](http://www.fsc.org)



# 3 Ways to Deal with Old Rubber Plantations

Rubber trees that run out of latex (around 25 years up),  
less yield or damaged rubber trees

## The 1<sup>st</sup> way : Good-Quality Rubber Type

- Contact RAOT to receive the good-quality rubber type in order to plant replacing the old rubber plantations within 31 July 2021



# 3 Ways to Deal with Old Rubber Plantations

## The 2<sup>nd</sup> way : Important Economic Alternative Crops ( 3 types)



**Fruit Tree**

- Rambutan
- Coconut
- Longkong
- Durian etc.



**Perennial Crops for Processing**

- Burma Padauk
- Teak
- Siamese Rosewood
- Bamboo etc.



**Other Crops**

- Coffee plants
- Cacao
- Palmyra Palm
- Cashew Nut etc.





# 3 Ways to Deal with Old Rubber Plantations

## The 3<sup>rd</sup> way : Sustainable Agriculture

- Reduce rubber trees in rubber plantation 200 trees/hectare
- Add farm ponds for cropping and fish farming
- Integrated farming together with fish farming and livestock

### Benefit

- Farmers' income increasing
- Reducing risks such as low rubber prices and over demand





**Whatever happens,  
either good or bad, one day,  
it will disappear.**

**Mr. Supadetch Ongsakul  
Deputy Secretary General  
The Thai Rubber Association**





**Thank you for  
your attention**

