



Thai Rubber Product Global Prospects

มองข้างหน้า ผลิตภัณฑ์ยางไทยในตลาดโลก

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Who's FTI?

Established by the FTI Act of 1987

Following up
developments
of govt.
regulations &
policies

Coordinating
among members
& with relevant
govt. & non-govt.
agencies

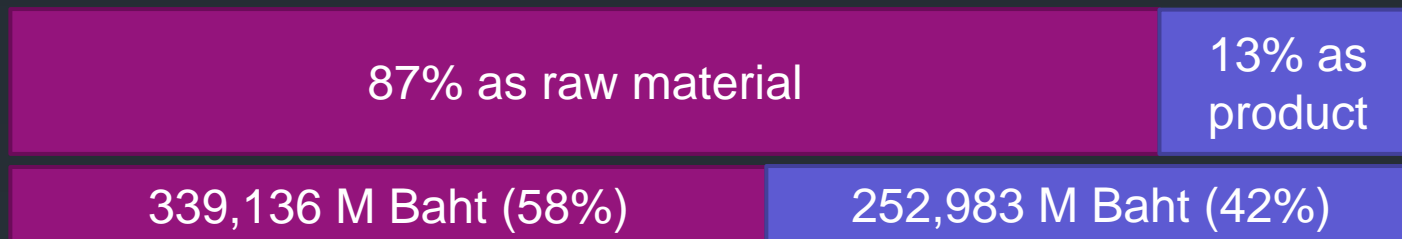
Advocating
towards the
best interest of
the industry &
stakeholders

Approx. 8000 Members
42 Industrial Groups
18 Workgroups
74 Provincial Chapters
10 Affiliated Institutes

FTI

Current Situation (end of 2012)

- World's biggest producer of NR (3.35 million MT)
- Using only 13% domestically, the remaining is exported as raw material (typical for the past 6 years)



- GDP Contribution 764,000 M Baht (including wood)
- Supply Chain: 18M rai, 6M people, 40 provinces
 - Upstream 6M people
 - Mid-stream 20,000 people
 - Downstream 80,000 people

Current Situation

- Many rubber products are price-controlled by the government
- Thailand is no longer a low-cost country – minimum wage rose 39.5% on April 1st , 2012 to \$10/day.
- Thailand is a net exporter. About 50-70% of rubber products are exported
- Outdated & poorly enforced industrial standard for products
- Minimal support from the government
- Free trade agreements open door for duty-free imports

Thailand Rubber Product vs. NR Production

(Unit: in MT)

	2006	2007	2008	2009	2010
Tire	137,153	170,893	208,886	233,257	290,982
Elastic band	68,179	72,193	54,108	50,107	49,663
Glove	52,312	54,808	52,436	42,635	46,064
Rubber Band	16,382	17,232	21,657	23,806	24,262
Motorcycle Tire	21,577	29,589	29,614	22,787	13,101
Shoes	4,860	4,759	5,055	5,419	8,563
Conveyor Belt	1,318	1,370	1,862	2,457	4,950
Retread	6,143	6,212	5,943	2,153	2,763
Medical/Scientific	907	840	831	1,706	2,452
Glue	1,553	2,430	2,591	1,659	2,036
Vehicle part	1,227	1,435	2,091	1,556	1,704
Shoe sole	3,632	4,162	1,249	1,422	1,289
Condom	210	291	281	1,396	1,185
Rubber Hose	950	964	940	529	636
Sponge	364	419	395	371	326
Balloon	28	140	139	152	-
Others	4,090	5,922	9,517	8,003	8,661
Total	320,885	373,659	397,595	399,415	458,637
NR Production	3,136,993	3,056,005	3,089,751	3,164,379	3,252,135
NR Used	10%	12%	13%	13%	14%

Source: Rubber Research Institute of Thailand

Thailand Rubber Product Export

(USD: in million)

	2,006	2,007	2,008	2,009	2,010
Tire	1,452.8	1,790.6	2,219.7	2,290.9	2,742.9
Masterbatch	430.9	395.5	589.5	954.1	1,570.6
Glove	909.6	842.5	933.9	954.1	1,014.9
Elastic Band	228.9	213.5	217.1	254.9	324.9
Hose	135.3	156.6	191.2	119.3	169.2
Condom	59.9	68.7	75.2	82.2	91.9
Inner Tube	63.4	73.6	78.8	81.1	82.7
Conveyor Belt	35.2	78.2	81.4	71.4	100.7
Seal	91.4	87.9	81.5	67.1	94.5
Rubber Band	82.3	55.2	70.5	63.1	76.8
Floor Mat	16.1	21.4	14.9	25.4	32.3
Liner	19.1	11.2	7.4	7.1	9.2
Nipple	6.1	4.9	4.1	2.7	2.2
Vaculnized Rubber	9.8	7.1	3.1	2.5	4.0
Eraser	0.9	2.1	1.5	0.8	0.7
Reclaimed	1.1	0.9	0.9	0.4	1.1
Other	376.4	390.0	426.3	83.9	462.4
Total	3,919.2	4,206.5	4,997.0	5,066.9	6,781.0

Source: Rubber Research Institute of Thailand

Thailand Rubber Product Import

(USD: in million)

	2,006	2,007	2,008	2,009	2,010
Tire	171.8	226.5	227.0	250.1	294.1
Hose	93.6	97.7	122.6	250.1	136.6
Conveyor Belt	54.0	28.8	30.2	28.8	63.1
Masterbatch	29.6	42.5	42.6	28.6	47.4
Floor Mat	4.0	3.0	27.3	24.3	31.8
Inner Tube	23.7	24.4	25.6	23.7	29.2
Glove	22.4	20.8	24.6	21.6	27.9
Seal	21.4	22.3	23.9	21.0	10.2
Reclaimed	4.3	5.0	6.4	4.1	5.5
Liner	6.4	5.9	4.7	3.3	5.4
Eraser	1.0	1.2	1.0	1.4	1.7
Valculnized Rubber	7.2	5.1	1.1	1.1	1.4
Elastic Band	2.2	1.2	0.3	0.6	1.0
Rubber Band	0.9	0.3	0.3	0.2	0.5
Others	383.3	410.3	408.8	303.3	420.8
Total	826.4	895.7	947.7	802.0	1,076.5

Source: Rubber Research Institute of Thailand

Challenges

- Leveraging on ASEAN market as a replacement for US and European markets

YEAR	2009	2010	2011	2012
EXPORT	31,193	46,429	55,804	41,355
IMPORT	412	560	795	2,383
Diff.	76	83	70	17

Source: Ministry of Commerce

(17 folds net exporting to ASEAN!)

- Overcoming technical barrier to trade such as tire standard and tire labeling directive
- Securing mutual recognition agreement (MRA) to ease barrier to export
- Capitalizing on growing automotive and health care industry

Vehicle Sale - Potential Growth for Rubber Consumption!

(Unit: In Million)

		2009		2010		2011	
Ranking	Country	Total	% change	Total	% change	Total	% change
	Total	61.79	-12%	77.86	26%	80.06	3%
1	China	13.79	48%	18.26	32%	18.42	1%
2	USA	5.73	-34%	7.76	35%	8.65	12%
3	Japan	7.93	-32%	9.63	21%	8.40	-13%
4	Germany	5.21	-14%	5.91	13%	6.31	7%
5	S. Korea	3.51	-8%	4.27	22%	4.66	9%
6	India	2.64	13%	3.54	34%	3.94	11%
7	Brazil	3.18	-1%	3.65	15%	3.41	1%
8	Mexico	1.56	-28%	2.35	50%	2.68	14%
9	Spain	2.17	-15%	2.39	10%	2.35	-1%
10	France	2.05	-20%	2.23	9%	2.29	3%
11	Canada	1.49	-28%	2.07	39%	2.13	3%
12	Russia	0.73	-60%	1.40	94%	1.99	42%
13	Iran	1.39	9%	1.60	15%	1.65	3%
14	Thailand	1.00	-28%	1.64	65%	1.48	-10%
15	UK	1.09	-34%	1.39	28%	1.46	5%
16	Czech R.	0.98	4%	1.08	10%	1.20	12%
17	Turkey	0.87	-24%	1.09	26%	1.19	9%
18	Indonesia	0.46	-23%	0.70	51%	0.84	19%

Source: International Organization of Motor Vehicle Manufacturers