

Rubber Business

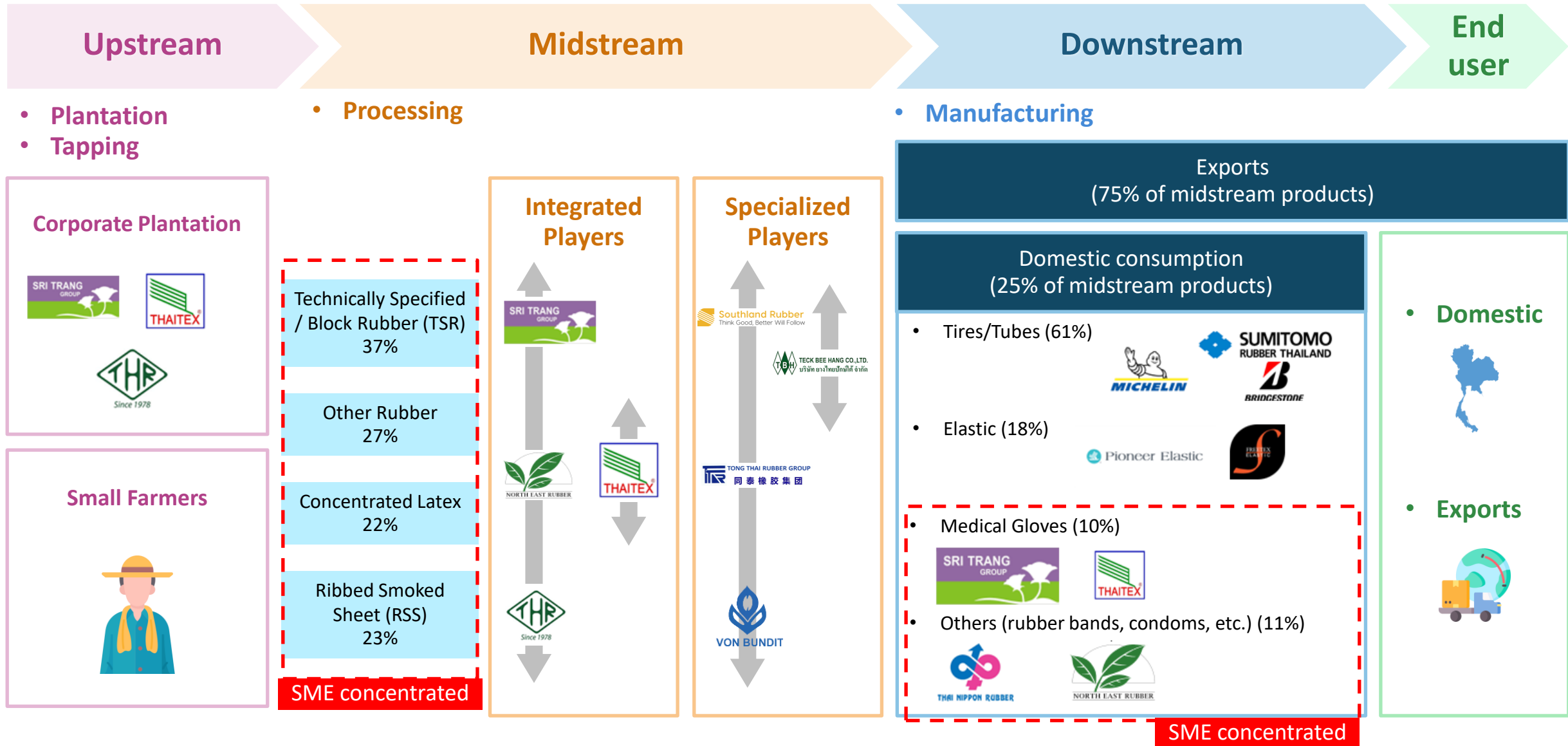
Agenda

- Thai Rubber Business : Overview
- Thai Rubber Business : Outlook
- Thai Rubber Business : SMEs Business Opportunities



**Business Research
January 2024**

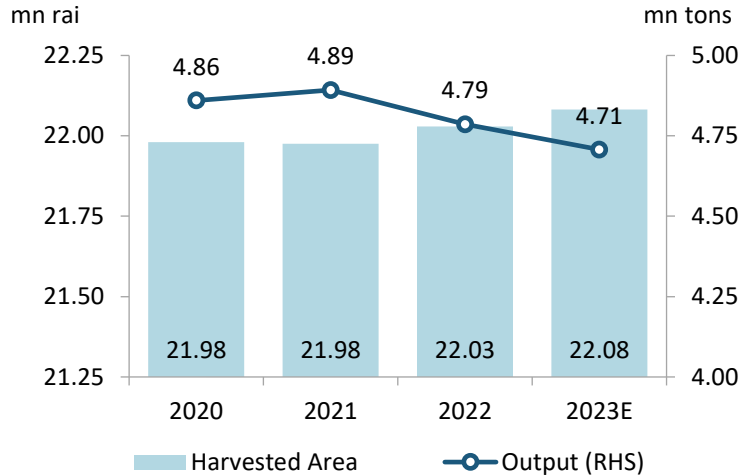
Thailand Rubber Business : Supply Chain Overview



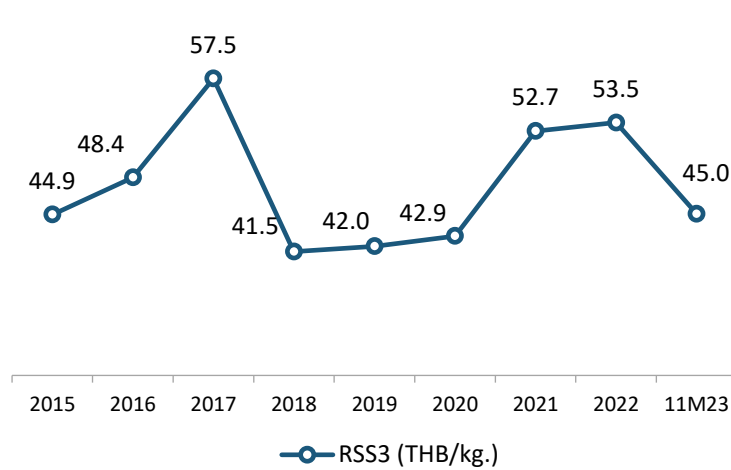
Thailand Rubber Business : Key indicators

Thailand

Thai Rubber Harvested Area

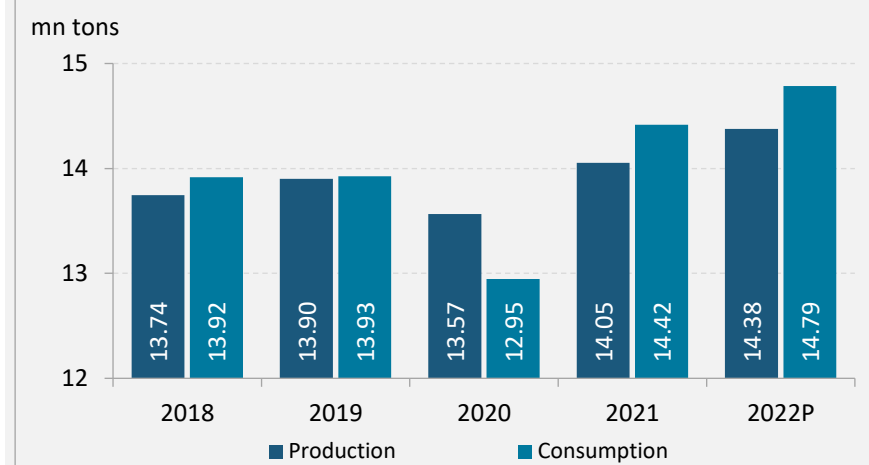


Thai Rubber Prices at Farm Gate



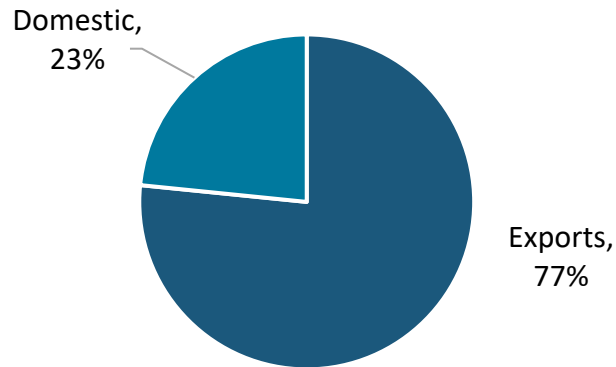
Global

World Natural Rubber Balance

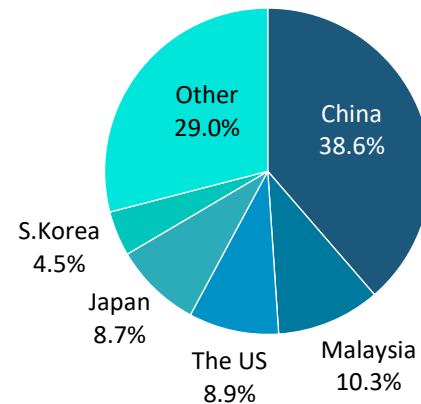


Source : OAE

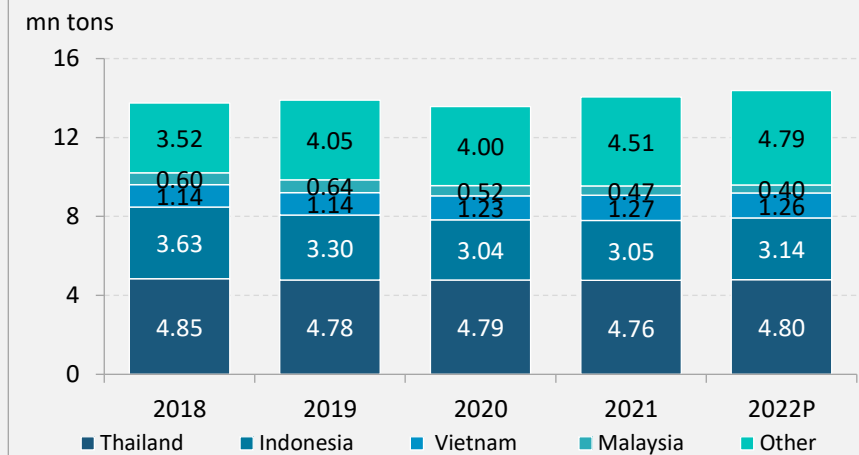
Thailand Rubber Sales Average 2018 - 2022



10M23 Thai Rubber Exports by Destination



Natural Rubber Production by Country

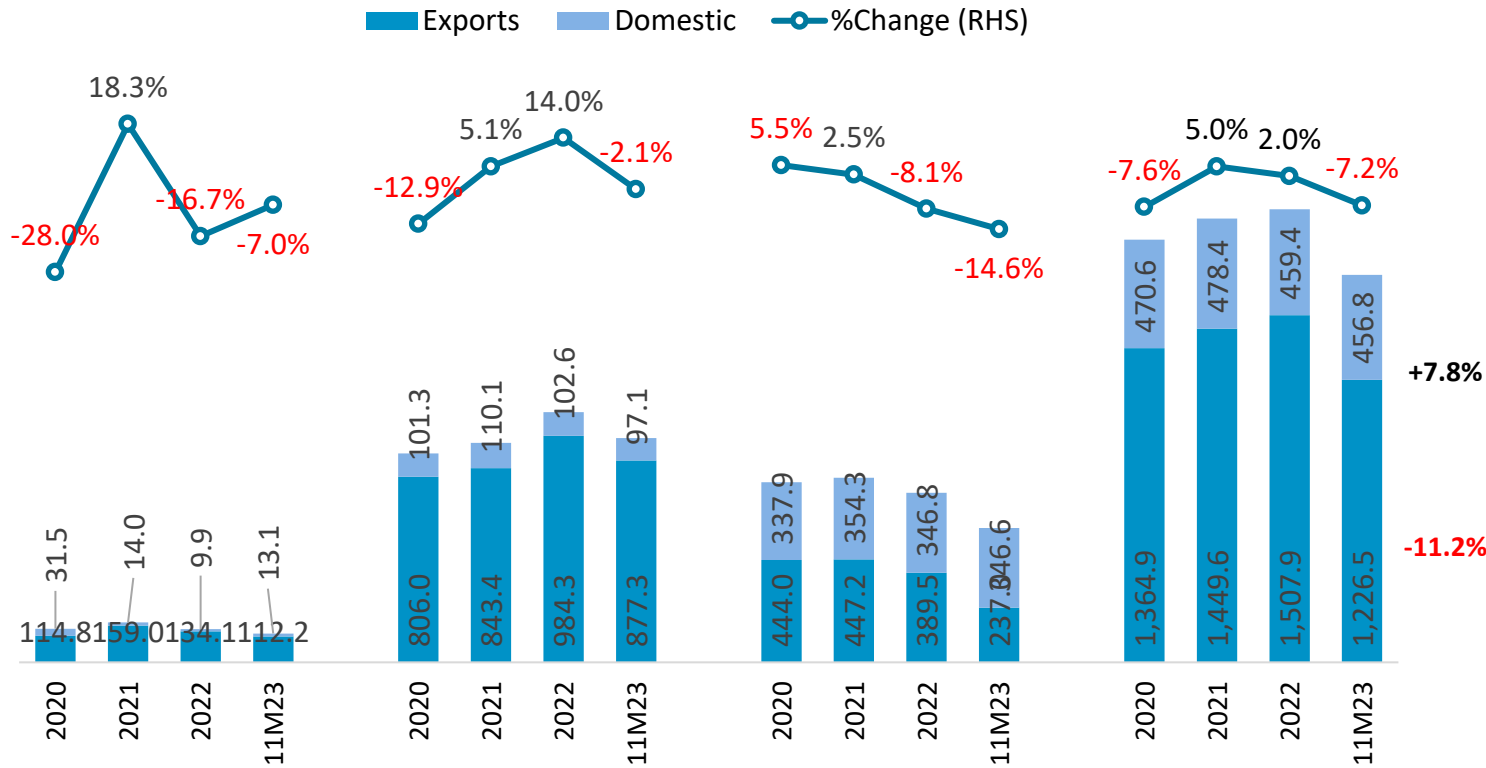


Source : OAE

Source: MOC, DBD Datawarehouse, OAE

Thailand Rubber Business : Midstream Outlook

Midstream Rubber products sales and exports volume (Thousand Tons)



Rubber Sheet



Block Rubber



Concentrated Latex



Total

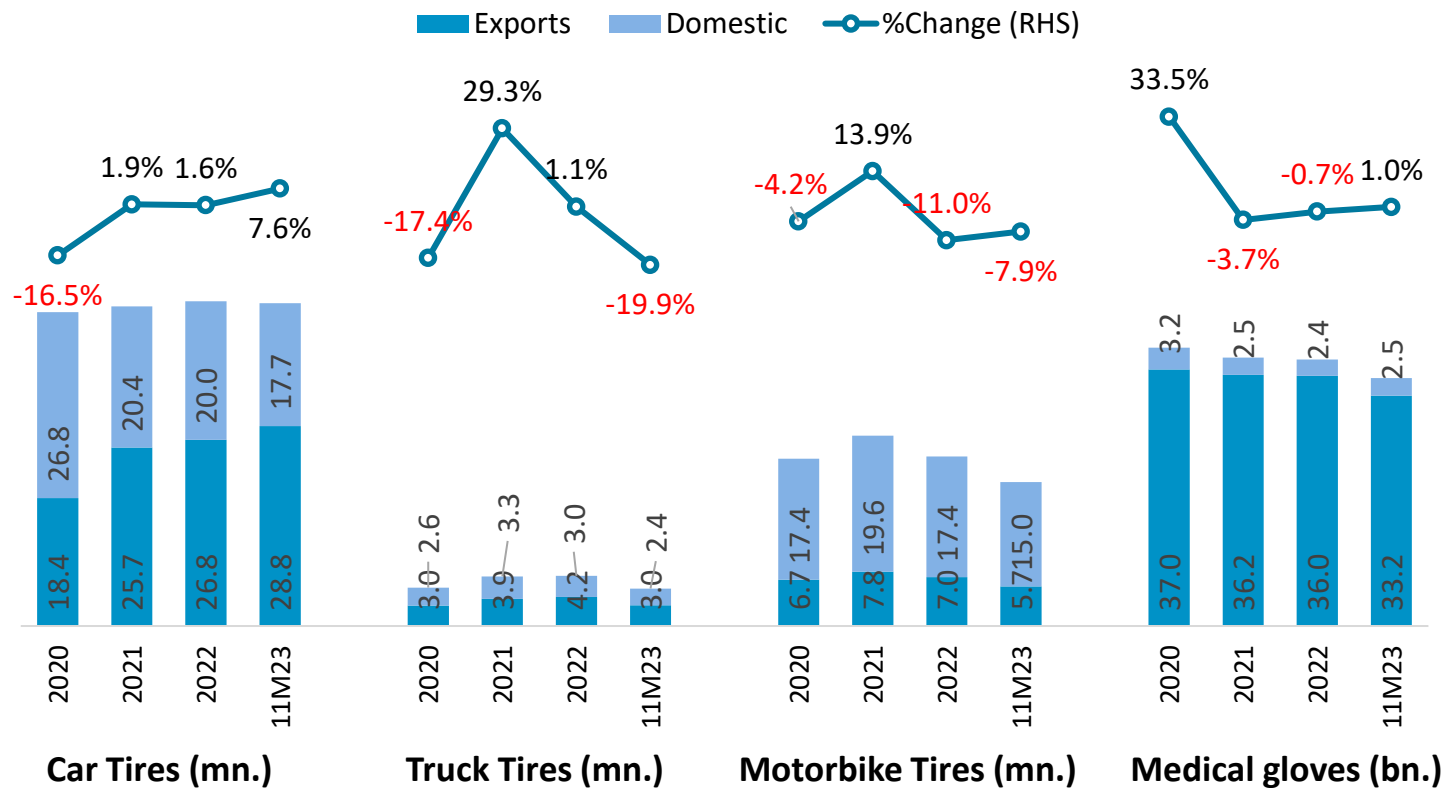


Rubber

The midstream rubber business is likely to decline in 2024 as exports of all three types of midstream rubber products, rubber sheets, rubber blocks and concentrated latex, are declining. This is partly because the recovery of the automotive industry in China is expected to be slower than anticipated, including the demand for Malaysian concentrated latex as a raw material for the production of rubber gloves, it is likely to decline after the COVID-19 outbreak situation improves in many countries. However, domestic sales of midstream rubber products began to bottom out in the first 11 months of 2023, with growth of 7.8%, especially rubber sheets and concentrated latex, which rebounded 38.1% and 9.1%, respectively, following a recovery in car tire and medical glove production.

Thailand Rubber Business : Downstream Outlook

Downstream Rubber products sales and exports volume



Rubber products

Sales and exports of **downstream rubber products** There is a trend of slight growth in 2024, especially for passenger car tires and medical gloves. In the first 11 months of 2023, sales of passenger car tires increased by 7.6%, mainly due to exports. There are orders from major trading partners such as the United States and South Korea. Meanwhile, medical glove sales grew slightly by about 1%, with more than 90% of sales exported. It is the first recovery after the COVID-19 outbreak. This is the period when the base is high. The demand for medical gloves is higher than usual.



Thailand Rubber Business : Policy Support

Rubber Action Plan 2018 - 2037

1. Measures to improve the income and quality of life of rubber farmers, farmers' institutes and entrepreneurs
2. Promotion of integrated rubber plantations, New agricultural theory. Promotion of sustainable management of rubber plantations Including compliance with international standards
3. Promote knowledge for modern rubber plantation training including scholarships for rubber farmers.
4. Promote the rubber industry, Support rubber entrepreneurs to be competitive, Support research and development of rubber processing technology, rubber products, promote rubber processing. throughout the rubber supply chain
5. Encourage rubber production to meet GAP and GMP standards, reduce the use of chemicals and reduce the release of waste that impacts the environment. This includes the promotion of environmentally friendly practices.

Central Rubber Market: A market where rubber is traded between buyers and sellers, with real trading and real delivery with an agency **Rubber Authority of Thailand** strict supervision to ensure transparency and fairness to all parties involved.

Main objectives as follows:

- To be a reference market for the price of rubber in the country.
- To encourage farmers to develop rubber quality to meet standards.

To promote and develop the Thai rubber industry by helping farmers to obtain higher rubber prices. Encourage farmers to improve rubber quality and help the Thai rubber industry to be strong and competitive in the world market.

Groups of industries and types of enterprises receiving investment support

Type of business	Business groups and benefits	Conditions
Business of natural rubber products	A2	Do not encourage the production of rubber bands, balloons and rubber rings.
		The amount of natural rubber used as a raw material must be at least 51 percent of the amount of raw materials used in the project.
Business of Primary rubber processing	A4	
Business of vehicle tires	A2	
Business of special rubber compounds Including continuous products in the same project	A3	

Business group	Exemption from corporate income tax	Exemption from import duties on machinery	Exemption from import duties for research purposes	Exemption of duties on raw materials produced for export.	*Non-tax rights and benefits
A2	8 Years	✓	✓	✓	✓
A3	5 Years	✓	✓	✓	✓
A4	3 Years	✓	✓	✓	✓

*Non-tax rights and benefits include land ownership. Import of craftsmen and experts Visa and work permit Import of foreigners to study investment opportunities and export of foreign currency

Factors influencing Thailand Rubber Business

Tailwind

-  • **Thailand has a climate which is suitable for rubber cultivation** because the country is in the humid tropics. The average annual temperature is about 27 degrees Celsius. The average annual rainfall is about 1,500-2,500 millimeters and the average relative humidity is about 70-80%. All these factors favor the growth of rubber trees.
-  • **The demand for rubber in the global market is expected to continue to grow as rubber is an important raw material in the manufacture of a wide range of products** such as car tires, rubber gloves, shoes, rubber hoses, medical equipment, etc. The factors influencing the demand for rubber in the global market include the growth of the automotive industry.
-  • **The price of rubber has tended to rise steadily in the past as the amount of rubber produced in the world has decreased.** At the same time, the demand for rubber on the world market continues to rise due to labor shortages and rubber leaf disease in Indonesia and Malaysia. The result is a tight supply situation in the rubber market.
-  • **The development of rubber production technology is helping rubber producers to produce rubber with higher quality and efficiency.** As a result, the demand for rubber in various industries has increased.
-  • **Support from the government, which has a policy of providing ongoing support to the rubber industry,** such as providing soft loans to rubber farmers, creating a central rubber market and encouraging investment in the rubber processing industry.

Headwind

-  • **The cost of rubber production tends to increase** due to various factors such as labor costs, fertilizer costs and transportation costs.
-  • **Thailand has major competitors in the rubber market, including Malaysia, Indonesia and Vietnam.** These countries have large rubber production potential. Rubber production technology is constantly improving.
-  • **Climate change may affect global rubber production.** This is because rubber is a plant grown in areas with hot and humid climates. If the weather changes, it may become more difficult to grow rubber.
-  • **Measures to prevent international trade by some trading partners,** such as imposing tariffs to create barriers to Thai rubber exports.

Thailand Rubber Business : Market Overview

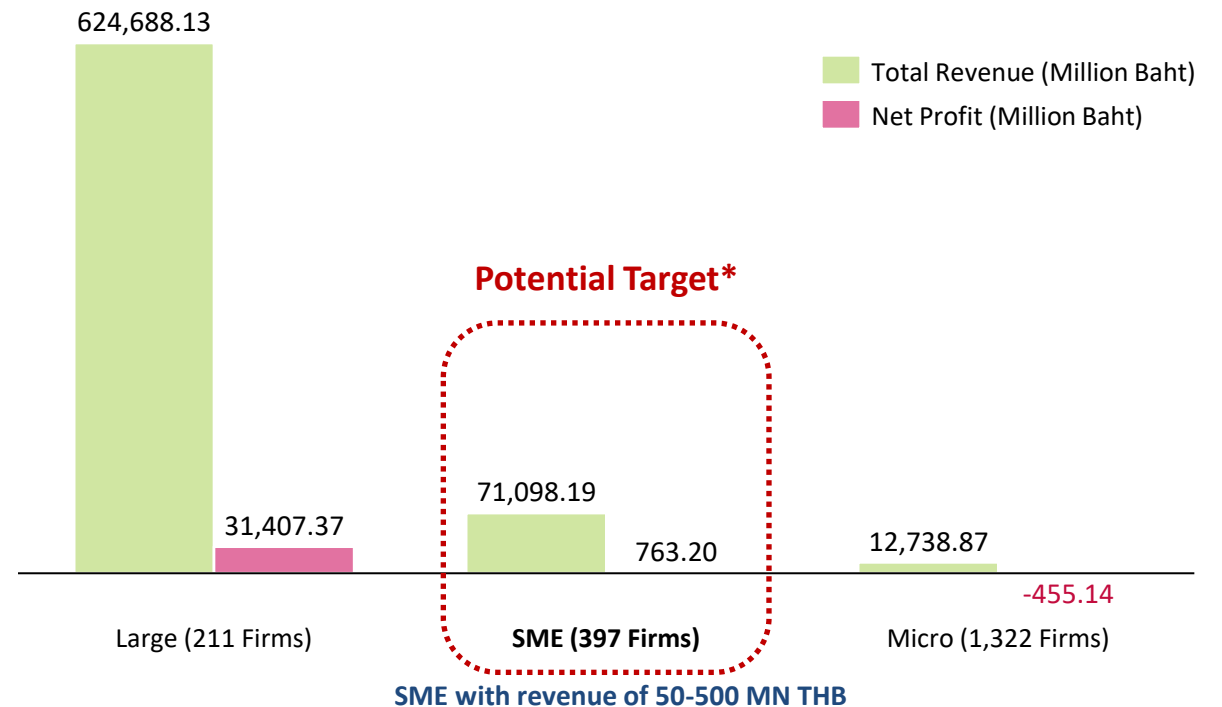
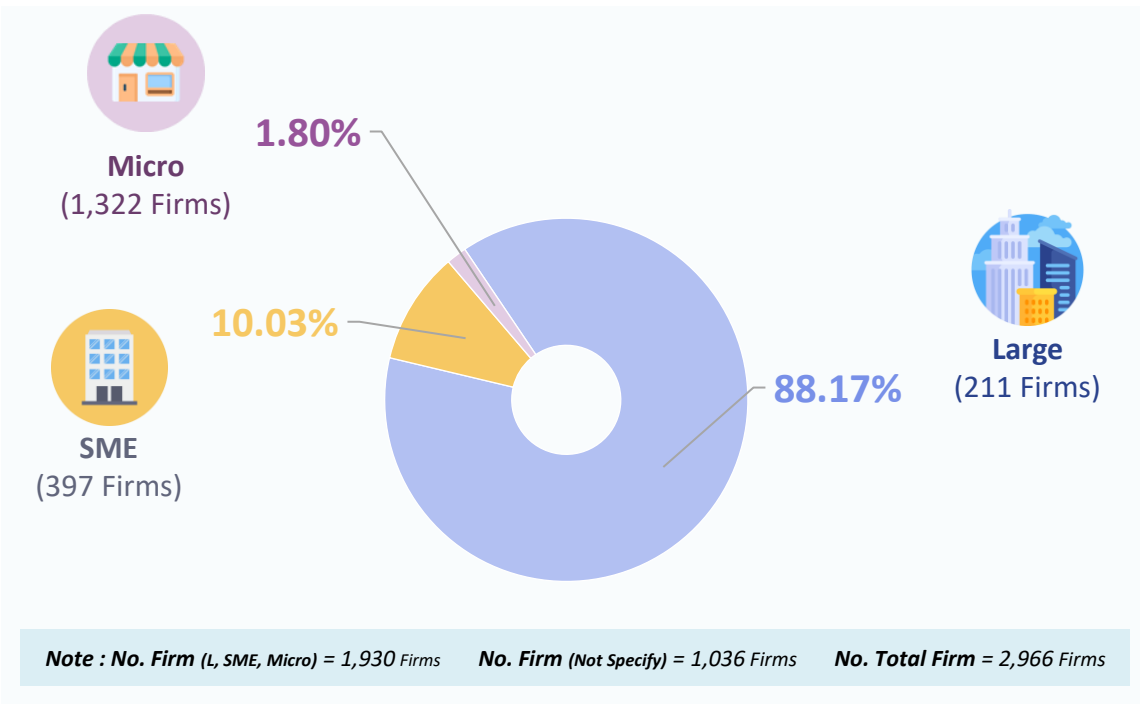
Based on selected TSIC groups (in 2022), Thailand's Rubber Business was valued at 708,525.18 million baht, with large enterprises accounting for 88.17% of the market share. This is followed by SME with 10.03% and micro with 1.80%.

Share of Rubber Business Value by firm size

(22191, 22192, 22193, 46693, 22199)

Market Value (L, SME, Micro) = 708,525.18 Mn THB

Total Firms = 2,966 Firms

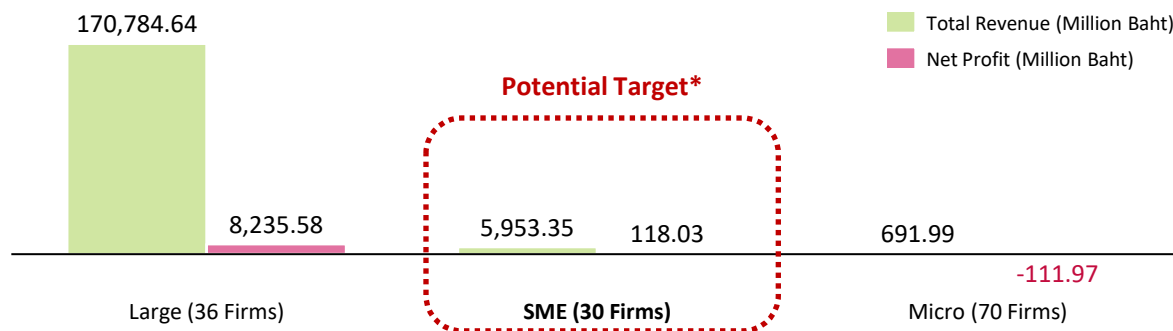


Thailand Rubber Business : Market Overview

22191 : Manufacture of rubber plates, sheets, strip, rods, profile shapes

Market Value = 177,429.97 Mn THB

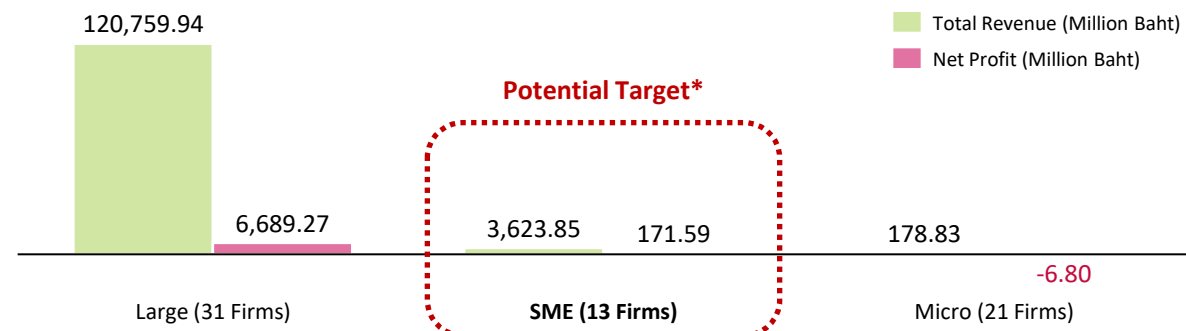
Total Players = 196 Firms



22192 : Manufacture of concentrated latex

Market Value = 124,562.63 Mn THB

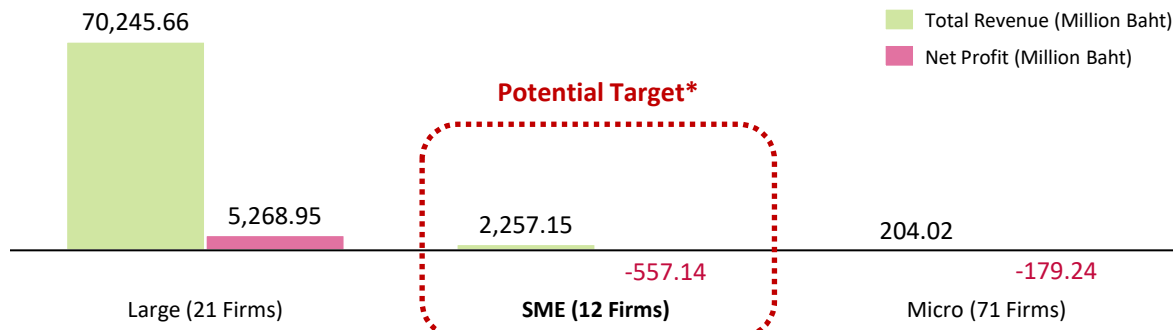
Total Players = 79 Firms



22193 : Manufacture of rubber hygienic or pharmaceutical articles

Market Value = 72,706.83 Mn THB

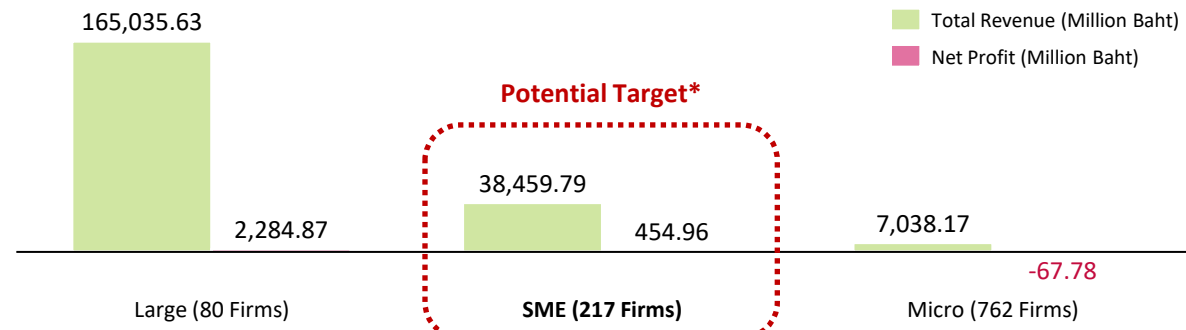
Total Players = 198 Firms



46693 : Wholesale of rubber and plastic materials in primary forms

Market Value = 210,533.59 Mn THB

Total Players = 1,775 Firms

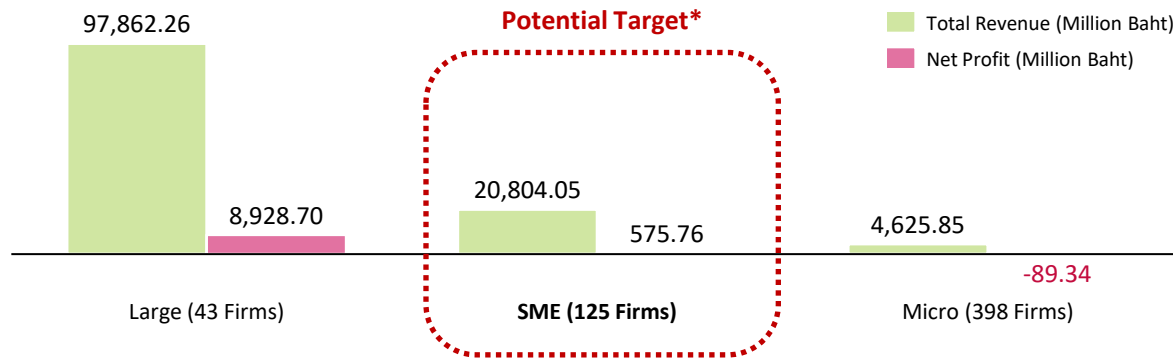


Thailand Rubber Business : Market Overview

22199 : Manufacture of other rubber products, not elsewhere classified

Market Value = 123,292.16 Mn THB

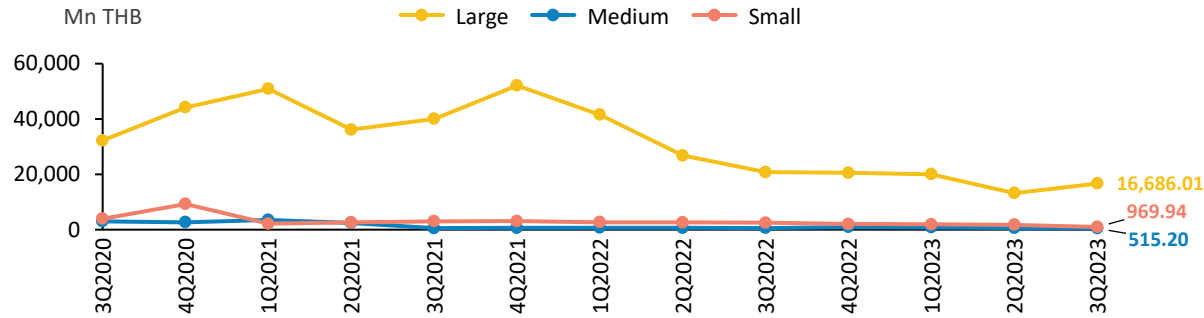
Total Players = 718 Firms



Thailand Rubber Business : Loan Outstanding

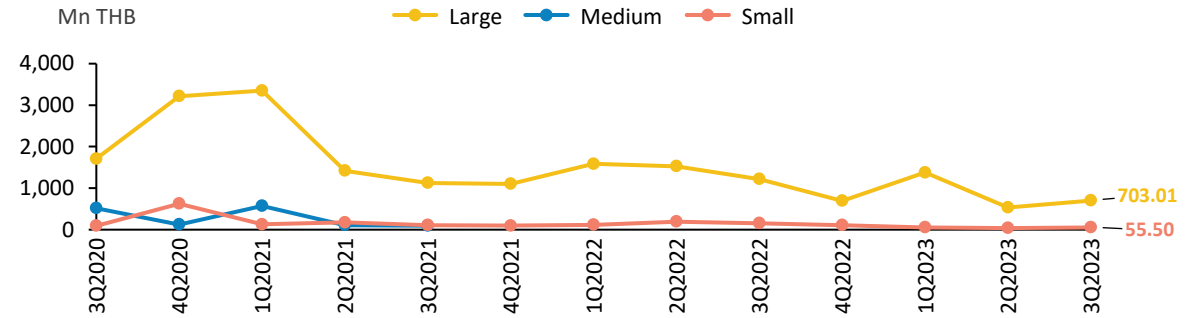
22191 : Manufacture of rubber plates, sheets, strip, rods, profile shapes

Loan Size* = 18,171.15 Mn THB



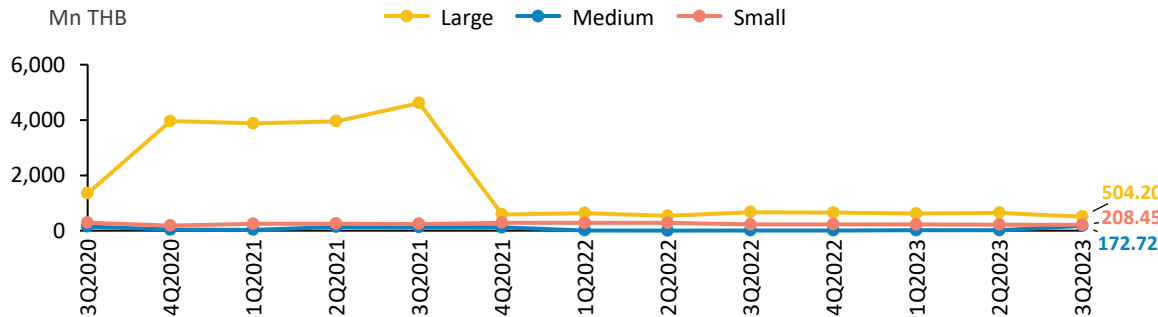
22192 : Manufacture of concentrated latex

Loan Size* = 758.51 Mn THB



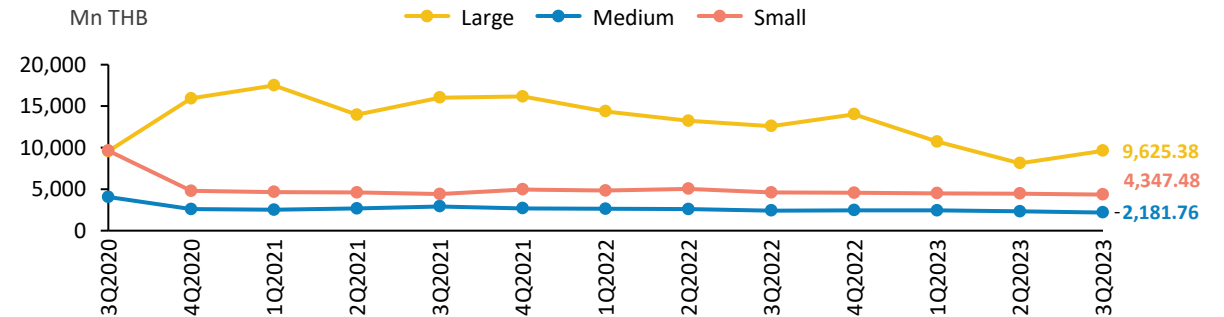
22193 : Manufacture of rubber hygienic or pharmaceutical articles

Loan Size* = 885.37 Mn THB



46693 : Wholesale of rubber and plastic materials in primary forms

Loan Size* = 16,154.62 Mn THB

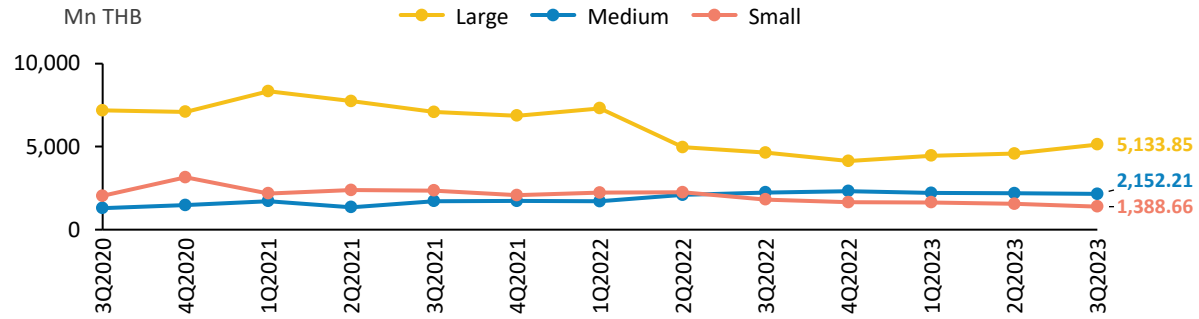


* Data as of 3Q2023

Thailand Rubber Business : Loan Outstanding

22199 : Manufacture of other rubber products, not elsewhere classified

Loan Size* = 8,674.73 Mn THB



* Data as of 3Q2023

End of Presentation

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