Overall, exports of Thai latex are forecast to see continuous growth in line with growing world demand for disposable latex gloves and Thai producers are also expected to be able to retain their high market share. However, the outlook for exports from Thailand to China of sheet rubber, technically specified rubber (TSR) or so called block rubber, and compound rubber will face risk from lower demand from China and stiff competition from operators in the CLMV nations, which are significantly stepping up the level of their exports to China, is eating into the share of the market currently occupied by Thai products. Over the next three years, prices for rubber on world exchanges are likely to move only within a narrow range and this will reduce the risk of stock losses relative to last year.

Overview

Providing over 90% of global supply, Asia is by far the world’s most important source of natural rubber and Thailand is the world’s largest single producer, its output of 4.56 million tonnes representing 35.9% of world production in 2017. Thailand is followed in order of importance by Indonesia, Vietnam, China, Malaysia and India, which respectively account for 26.0%, 8.6%, 8.0%, 5.5% and 5.0% of global output.

The natural rubber supply chain in Thailand has three major components. (i) Upstream industries involve the growing and harvesting of rubber on plantations by growers and tappers but to add value to primary production, some producers are now beginning to engage in basic processing of their rubber to produce dried rubber products, such as rubber cup lump, rubber scraps, sheet rubber and crepe rubber. Almost all upstream production in Thailand is consumed as inputs into domestic midstream industries\(^1\). (ii) Midstream industries, or natural rubber processors, take rubber produced from plantations\(^2\) and convert this into semi-finished products, such as ribbed smoked sheets (RSS), technically specified rubber (TSR), concentrated latex, compound rubber and skim rubber, which variously have the qualities and properties required as inputs to downstream producers in both domestic and international markets. (iii) Downstream producers, or producers of rubber products, include manufacturers of items such as automobile tires, latex gloves, condoms, elastics, rubber shoes, and so on. In some cases, synthetic rubber (SR), which has been developed by the petrochemical sector as either an alternative to natural rubber\(^3\) or for mixing with NR to become more suitable properties for each applications.

Investment in downstream rubber industries within Thailand has been limited; therefore, some 85% of the output of domestic midstream industries is exported to manufacturers of rubber products overseas. Of this, by value, 50% goes to China, which is followed in importance by Malaysia (13%), Japan (8%) and South Korea (5%). Of the remaining 15% which is used for domestic consumption, 85% is used by the tire industry, 6% bylatex gloves and 5% by other industries.

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<td>Export [86%]</td>
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Source: OIE, Krungsri Research

\(^1\) In 2017, some rubber producers began to work together to process their primary output into crepe rubber by cleaning and pressing rubber cup lump and rubber scraps into sheets. These sheets are then dried through exposure to the sun or by using hot air dryers to produce principally brown crepe rubber, which is in demand on the Chinese market as an input into the manufacture of TSR. This form of processing has been increasingly practiced by growers in the north and north-east of Thailand, areas which are relatively far from the major consuming regions of the country.

\(^2\) In 2017, exports of crepe rubber from Thailand totaled 93,000 tonnes, compared to an average of 10,000-11,000 over the previous 5 years.

\(^3\) In the production of synthetic rubber, precursors include butadiene, which is produced from oil. Important types of synthetic rubber include styrene butadiene rubber (SBR), butadiene rubber (BR), ethylene propylene diene rubber (EPDM), 1,2-polybutadiene rubber (PB), chloroprene rubber (CR), isoprene rubber (IR), butyl rubber (IIR), and styrene butadiene rubber (SBR).
by domestic midstream operators, 60% goes to tire manufacturers, 19% to elastics and rubber band production, and 14% to latex glove production. Other applications include use in the production of rubber hosing, rubber bedding and pillows, and road surfacing.

In 2017, output by Thai midstream players had a total value of approximately THB 250 bn. Thanks to domestic upstream producers outputting primarily field latex (89% of output), which can be used as a raw material in all midstream processes, Thai operators have the capacity to produce a wide range of midstream products. This differs from the situation in Malaysia and Indonesia, where primary producers tend to output rubber cup lump and so in these countries, the focus is on the production of TSR.

Thai midstream production is split between that of technically specified rubber, concentrated latex, and sheet rubber. By volume, TSR is the most important and accounts for 45% of all midstream output.

- **Ribbed smoked sheet (RSS)** is produced by first filtering field latex to remove dirt and impurities. This filtered latex is then mixed with concentrated formic acid, which causes the rubber to coagulate and these solids are then rolled into raw sheet rubber before being dried for six hours in the sun to produce air-dried sheets. If these sheets are then smoked or further dried, a process which reduces the moisture content and with it the risk of fungal infection, these are called ‘Ribbed Smoked Sheet’ (RSS). This is a form of dried rubber which can be stored for longer periods of time than can other types.

- Generally, the quality of RSS is graded on a scale from RSS1 to RSS5, with RSS1 the highest quality and RSS5 the lowest. Grading is made according to a variety of criteria, including the number of air bubbles in the product, its color, the consistency of the material, and so on. Over 80% of Thai output is of RSS3, which has properties equivalent to TSR, and this can be used in the production of tires, belts, hosing, rubber parts for automobiles, and rubber shoes.
The global market for RSS has shrunk over the past decade, consumption having declined from 1.5 million tonnes in 2006 to 1 million tonnes currently. This has been driven by a change in the production of tires; because of its superior qualities, producers are increasingly moving from using RSS to TSR as the primary raw material. This process has been accelerated by the expansion of Chinese automobile production. While global output of automobile increased by 3.0% per year between 2006 and 2016, over the same period of time, output from China increased by 14.2% per year and this increasing dominance of Chinese producers, coupled with the fact that Chinese automobile tire production uses a high proportion of TSR, is changing the shape of the market. In 2017, the total value of Thai RSS production came to THB 55 bn, down from THB 80 bn in 2006. 12% of this was distributed on the domestic market and the remaining 88% was exported, mainly to China (36% of Thai exports of RSS by value), Japan (18%) and the United States (12%).

Major producers and exporters of RSS include Von Bundit, Southland Rubber, Sri Trang Agro-Industry, B. Right Rubber, and Thai Hua Rubber.

Technically specified rubber (TSR) or block rubber is made from either field latex or some form of dried rubber such as sheet rubber, cup lump and scrap rubber that is separated into small pieces by a high-speed process, washed, dried, and cut into bars. TSR that is produced in Thailand is thus made from one of these materials. (i) Field latex, which forms the basis of 80% of Thai TSR, produces a product with good physical properties (i.e. it has high levels of purity and flexibility) and that is therefore suitable for use in manufacturing high-quality goods such as automobile, radial and aircraft tires. In addition, TSR made from field latex can be used in several types of products such as elastic bands, hair bands, sports goods, rubber parts and so on. Standard of TSR made from field latex is divided into the three grades\(^4\): STR XL, STR 5L and STR 5, with the majority of Thai TSR production belonging to the last category. (ii) The remaining 20% of Thai TSR is made from dried rubber and its physical properties may be inconsistent and lack uniformity as this type of TSR is made from a number of different rubber inputs. These products are divided into two grades\(^5\): STR 10 (made from cup lump and high-quality sheet rubber) and STR 20 (made from rubber scraps mixed with raw sheet rubber, cup lump or RSS).

Domestic production of TSR had a value of THB 120 bn in 2017. 90% of this went to export, with China taking 64% of TSR exports by value, Japan 6%, South Korea 5% and the United States 4%. The 10% which went to the domestic market was almost entirely consumed by tire manufacturers.

Major Thai producers and exporters of TSR include Southland Rubber, Von Bundit, Sri Trang Agro-Industry, Thai Tech Rubber, and Southern Rubber.

Concentrated latex is produced from field latex. The latter comes directly from tapping and typically has a rubber content of around only 33% and it usually also has properties which make it unsuitable for use directly in downstream production. It is therefore converted into concentrated latex by high-speed spinning to separate out water, dissolved chemicals and other impurities. The resulting concentrated latex is at least 60% rubber and now has the qualities required for use as a raw material in further processing.

In 2017, domestic output of concentrated latex had a value of THB 65 bn. 78% of this was exported, with 45% by value going to Malaysia and 37% going to China. 22% was used within the country and much of this went to downstream production of latex gloves and condoms.

The most significant players in the production and export of concentrated latex are Tavorn Rubber Industry (1982), Tat Win, Southland Latex, Tha Chang Rubber, and Thai Rubber Latex Corporation.

The other important part of the midstream rubber sector comprises compound rubber products. These are midstream products that mix natural rubber with synthetic rubber and other chemicals such as vulcanite, accelerators, and fillers in order to produce a material that has the special properties required for a particular downstream forming process. Examples of the latter include the manufacture of automobile tires, latex gloves, condoms, rubber bearing pads, hosing and elastic bands. This industry has developed in Thailand as a result of the demands of the Chinese market, which in 2017 took 56% of compound rubber products. Thai producers focus on the manufacture of compound rubber products that are 95% natural rubber. Important Thai players, both producers and exporters, include Michelin Siam, Thai Hua Rayong Rubber, Toyotsu Chemiplas, A.A. Rubber and Yokohama Tire Manufacturing.

\(^4\) The standards for Thai rubber produced from field latex are: (i) STR XL, which contains no more than 0.02% impurities and has a color of not more than 4 degrees Lovibond; (ii) STR 5L, which contains no more than 0.04% impurities and has a color of not more than 6 degrees Lovibond; and (iii) STR 5, which also contains no more than 0.04% impurities but which may be of any color and so may be used in any high-quality product that is not highly colored.

\(^5\) Standards for Thai TSR that is manufactured from dried rubber specify grades according to the level of impurities, the initial plasticity, the plasticity retention index, the volatile matter content, and the nitrogen content. Material graded as STR 10 has a higher quality than that marked as STR 20.
However, the Thai midstream rubber sector’s reliance on exports means that Thai operators are exposed to fluctuations in world economic conditions and to changes in the state of downstream industries in export markets. In addition, because products are dependent on only primary products and have just low levels of product differentiation, Thai midstream producers are subjected to high levels of competition. At the moment, this is coming particularly from other ASEAN countries, especially Indonesia and CLMV, which like Thailand produce a large surplus supply of natural rubber6/ (Figure 4). Despite this, Thailand remains a major supplier of midstream rubber products to global markets. In 2016, Thailand was the world’s biggest supplier of concentrated latex and RSS, producing 75.8% and 62.9% of global exports, respectively. Thailand was also the source of 27.5% of exports of TSR and 5.7% of exports of compound rubber (Figure 5).

An examination of the markets for Thai midstream operators reveals that exports of TSR, concentrated latex and compound rubber are highly concentrated and so exporters are at an elevated risk of being adversely affected by serious fluctuations in the state of these major export markets; at present, China takes over 60% of Thai exports of TSR and compound rubber, while Malaysia consumes almost 50% of exports of concentrated latex.

In addition, because China is the world’s biggest consumer of rubber (it takes around 40% of world output) and the major export target of Thai midstream operators, China made extensive investments in expanding rubber cultivation in the CLMV (Cambodia, Laos, Myanmar and Vietnam) region between 2006 and 2012. Chinese production of rubber has thus expanded significantly and China now enjoys a much stronger negotiating position in the world market. Indeed, in 2017, the total tapping area of Chinese production (including rubber plantations in the CLMV region) came to 15 million rai, compared to Thailand’s 20 million rai of tapping area7/.

The replacement of natural rubber with synthetic rubber is another factor which has had an influence over the operations of Thai midstream players. Although synthetic rubber cannot be used as an alternative to natural rubber in all applications, because it is able to overcome some of the shortcomings of natural rubber in terms of better tolerating exposure to heat, sun, oil, and chemicals, it is used in downstream production slightly more than is natural rubber; in the first half of 2017, globally natural and synthetic rubber were consumed in the ratio 46:54. The uniformity, and quality and quantity of production of synthetic rubber is also more easily managed since this is an entirely industrial process (oil products are its primary input) and this allows downstream producers to plan and to control costs better.

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6/ Natural rubber consumption in Thailand, Indonesia and Vietnam accounts for only 15-20% of total output in each country. Therefore, excess supply for export is ample.
7/ Based on the analysis "Thai Rubber and ASEAN" by Associate Professor Dr. Aet Phinanavichit, Center for International Trade Studies (CITS), University of the Thai Chamber of Commerce.
Situation

In the period 2004-2010, the price of rubber rose to historic highs. Two factors were behind this. (i) Imbalances in world markets were caused by strong growth in demand for rubber, especially from China and India, which at this time saw their economies grow quickly and their automobile sectors develop rapidly. (ii) Steep rises in the price of oil during the years following the new millennium pushed up the costs of synthetic rubber (a petrochemical product) and since natural rubber is a replacement for this, this caused its price to rise too.

During the same time period, these high prices stimulated an expansion of the area given over to rubber plantations, especially in Asia and this in turn has led to a significant and continuing over-supply of the market. It is estimated that at the end of 2017, total world stock holdings of rubber came to 3.52 million tonnes and this has put downward pressure on prices. The price of RSS3, which is used a reference price in the industry, topped out at THB 190.30/kg in February 2011 but since then prices have slid dramatically, averaging just THB 50-55/kg. at the end of 2017.

- Global supply of natural rubber has increased on an expansion of the area given over to rubber plantations, especially in Asia and this in turn has led to a significant and continuing over-supply of the market. It is estimated that at the end of 2017, total world stock holdings of rubber came to 3.52 million tonnes and this has put downward pressure on prices. The price of RSS3, which is used a reference price in the industry, topped out at THB 190.30/kg in February 2011 but since then prices have slid dramatically, averaging just THB 50-55/kg. at the end of 2017.

- From 2012, growth in demand for rubber slowed as growth rates in China, the world’s largest consumer of rubber, eased. In addition, synthetic rubber has increasingly been used as a replacement for natural rubber since developments in production technology have enabled downstream producers of tires and latex gloves, which account for 83% of world demand for rubber, to increasingly use synthetic rubber and subsequent changes in the market for rubber products (such as radial tires for passenger car and mixed natural and synthetic rubber gloves) have meant that even as the relative natural rubber/synthetic rubber price ratio has fallen below 1, synthetic rubber is still used in greater amounts than is natural rubber (Figure 8).

7/ Radial tires are produced with a mix of approximately 60-40 synthetic and natural rubber. These tires give a better ride and also grip the road surface better.
8/ Using synthetic rubber helps to reduce problems with skin allergies reation or dermatitis caused from natural latex.
Beyond this, an analysis of the factors determining movements in rubber prices over the last 2-3 years shows that demand and supply factors within the industry are exerting a greater influence than they did in the past, while the relationship between the prices of oil and rubber is weakening. Analysis shows that the correlation coefficient of the prices of WTI oil and natural rubber in 2015-2017 was 0.519, down from the 0.743 for the period 2005-2012 (figure 9).

The changing market conditions and declines in prices described above have inevitably had negative consequences for Thai midstream producers over the past few years. For Thai players, income has declined steadily since 2012 while market share in export targets has been lost to new entrants to the sector, particularly those from the CLMV region. This region has benefitted from heavy Chinese investment and this start tapping, as is reflected in the steady fall over the past 3-4 years in both the quantity and market share of exports on world markets of Thai-produced RSS and compound rubber (figures 10 and 11).

For 2017, high levels of instability and fluctuations in the price of rubber on world market resulted in heavy stock losses for operators. In the first quarter of 2017, prices for rubber rose sharply as a temporary supply disruption hit the market. This was caused by flooding in the south of Thailand, where some rubber supplies were lost and tapping was halted in 10 provinces that supply 60% of domestic rubber production. As a consequence of this, the 1Q17 price of exports rose 90% relative to prices a year earlier; the price of RSS3 averaged THB 90.9/kg, STR20 averaged THB 79.2/kilo and concentrated latex averaged THB 58.0/kg. However, as the floods abated, prices slid and by December 2017, the average prices for RSS3, STR20 and concentrated latex had fallen back to THB 53.4/kg., THB 47.8/kg. and THB 35.8/kg., respectively. This represented a greater than 40% fall on average 1Q17 prices and for the year, prices for these three products averaged THB 69.4/kg., THB 59.8/kg. and THB 45.6/kg.

To make matters worse, exports in 2017 were affected by a softening of demand on world markets, though this was especially the case in Asia. In India, imports rose only slightly, while China is gradually increasing its imports from the CLMV region and these factors meant that exports from Thailand increased by only 4.8% YoY to 3.66 million tonnes with a value of USD 6.03 bn. This latter was an increase of 35.7% YoY but this was due to a large rise in average prices.

In terms of individual midstream products, the situation for exports is as follows.

- **RSS**: Exports totaled 0.71 million tonnes (up 24.5% YoY) with a value of USD 1.44 bn (up 60.7% YoY). These figures are partly explained by comparison with low exports in the previous year and partly by extra orders from China in the second half of the year. These were caused by re-stocking triggered by sharp falls in the price of RSS and a temporary boost to sales following a fire at a major rubber warehouse in Qingdao (China’s major rubber warehouse accounting for 40% of total China’s stocks) which destroyed stocks that subsequently had to be replaced.
• **TSR:** Exports of TSR fell to 1.58 million tonnes (-10.2% YoY) but thanks to a rise in prices, the value of exports increased 20.7% YoY to USD 2.75 bn. Declining demand from automobile and tire manufacturers in China following a ramping up of production in the previous year was to blame for this.  

• **Concentrated latex:** Exports of concentrated latex rose on increasing demand from manufacturers of latex gloves in the main export markets of Malaysia, China and the United States. Exports thus rose 4.4% YoY to 1.18 million tonnes, with a value of USD 1.53 bn (up 33.9% YoY).

• **Compound rubber (95% natural rubber):** Exports of these products came to just 0.15 million tonnes, a fall of 25.0% YoY, though the value of these exports increased 1.7% YoY to USD 0.33 bn. This decline was caused by a change in government policy in China (specifically by the commission for national standards on chemicals and rubber). In order to meet demand from the EU and the United States, which are China’s principal trading partners, and to regulate the quality of midstream products used in the manufacture of rubber products, the regulations on compound rubber were amended to specify that compound rubber used in China should contain no more than 80% natural rubber by weight.

### Industry Outlook

The price for rubber on global markets will, over the next three years, stabilize at the low levels seen at the end of 2017. The forecast is thus for the price of RSS3 to average THB 50-55/kg. This will be due to the following factors.

• **Production of Chinese-backed rubber in the CLMV region** will continue to increase gradually as new supply and increasing yields feed into an ever-growing expansion of stocks on world markets. This situation will continue to weigh on the sector and over the next 3 years, excess production is likely to run to 0.3-0.4 million tonnes per year, assuming that no concerted and coordinated efforts to cut production and to remove plantations are made by Asian producers and that world demand for rubber grows at the relatively low rate of 2-3% annually. In this case, stocks of rubber are expected to hit historic levels of 4.5 million tonnes by 2020.

• **China is likely to strengthen its position in global rubber markets.** The Economist Intelligence Unit forecasts that by 2022, China will have surpassed Thailand and Indonesia to become the world’s largest producer of rubber. By that point, Chinese output of rubber (including that from the CLMV region) is expected to total 26% of world output, greater than Thailand’s (24%) or Indonesia’s (22%).

• At present, oil is reasonably priced and production of synthetic rubber from oil is thus expected to continue to expand, particularly in Asia and North America. This additional supply will add to the **global glut of synthetic rubber** (International Institute of Synthetic Rubber Producers or IISRP predicts world’s supply of synthetic rubber will increase 7% in 2017-2019), depressing prices and increasing the use of synthetic rubber as a replacement for natural rubber.

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11/ In 2016, the Chinese government stimulated the domestic market for small automobiles by cutting sales tax on these vehicles from 10% to 5% of selling prices and this caused a significant increase in production and sales. Moreover, the output of tires and automobiles for the export market was boosted by the expectation that the new American administration would impose barriers on trade between the United States and China.
• Risks from supply disruption triggered by turbulent weather condition will be minimized during 2018-2020. According to the data of National Oceanic and Administration (NOAA) in the past 60 years, the severe El Nino and the La Nina would occur every 12-15 years. If such phenomenon would happen, the turbulent weather may recur in Thailand in 2022 (the adverse La Nina was seen in 2010-2011 while the adverse El Nino in Thailand was in 2015-2016).

• Joint efforts to hold back supply by Thailand, Indonesia and Malaysia are not expected to raise prices substantially and will likely yield only short-term results as past attempts by the International Tripartite Rubber Council (ITRC) have not been sustained or cooperative, though most recently, these three countries have agreed that for the period January to March 2018, Thailand, Indonesia and Malaysia will reduce their exports 230,000 tonnes, 95,000 tonnes, and 20,000 tonnes respectively. Problems with cooperation have also been multiplied by the entry of new players to the market and so efforts by Thailand, Indonesia and Malaysia are in any case unlikely to be sufficient to solve problems with low rubber prices on world exchanges.

Over the next three years, the situation for Thai exporters of rubber products may experience risk from decreasing demand from trading partners and is pressured by fiercer global competition.

• RSS: Exports of RSS are forecast to decline by 1% to 3% per annum as competition from Chinese production in the CLMV region strengthens. The majority of this production is of cup lump and RSS, and competition with this supply will also push down the prices for Thai exporters.

• TSR: Exports of TSR are likely to grow only at the low rate of 0-2% annually. This is because: (i) tire manufacturers are tending increasingly to use synthetic and compound rubber as raw materials in the production of tires as technology develops and also to follow the standards of the European Union and the United States, which do not use more than 80% natural rubber; (ii) China is moving to the import of crepe rubber from Thailand for use in domestic production of TSR\textsuperscript{12}, as can be seen in the increasing number of Chinese traders sourcing goods in the north and north-east of Thailand; and (iii) growth of passenger cars and EV market in developed countries may lower TSR demand growth as 1) the proportion of SR used in production of radial tire for passenger cars is higher than NR and 2) develop of electric vehicles will reduce for tires (EVs are lighter and therefore wear of tires is reduced).

• Concentrated latex: Exports of concentrated latex should rise by 1-3% per year. Growth will head in the same direction as growth in the output of latex gloves and other medical equipment but concentrated latex is also slowly being displaced by synthetic rubber and so growth in demand for concentrated latex will not expand at the same rate as expansion in the market for latex gloves. Indeed, demand for the latter is forecast to grow by 5-6% and the Malaysian Rubber Export Promotion Council forecasts that global demand for latex gloves will grow to 287 billion units by 2020.

• Compound rubber: Exports of compound rubber will remain depressed following China’s decision to reform its rubber standards. Chinese buyers will steadily switch to sourcing goods locally and so exports from Thailand to China are likely to shrink.

However, on the positive side, demand for rubber from domestic producers will tend to increase following investment in the manufacture of automobiles, tires, auto parts, and medical devices. Thai rubber producers will also benefit from the fact that the medical device sector is one of the government’s targeted industries and so investors in it are eligible to apply for special investment assistance. In addition, the Thai government aims to increase public-sector consumption of rubber and in 2018, the target for consumption has increased from 80,000 tonnes to 200,000 tonnes. If this policy meets its targets, this will help to ease the sluggishness of the export market.

In terms of operators, investments or seeking trading partners in downstream high value-added rubber production could mitigate risks from fluctuation and intense competition in global markets. Particularly, investment should be embarked in downstream businesses with the government’s support under “Thailand 4.0” policy and the ongoing market growth such as rubber used for medical and healthcare products (e.g. medical gloves, surgical gloves, condom, urinary catheterization, feeding tube, and IV tube), vehicle tires, and aircraft tires.

\textsuperscript{12} The production of TSR from crepe rubber reduces the need to dry the product with heat and this increases the flexibility of the resulting TSR.
Krungsi Research’s view

Significance for Thai operators: Midstream manufacturers will experience weakening market conditions and increasing competition, while for growers, prices will tend to fall beneath operating costs and they will therefore face the risk of running losses.

Midstream producers: Producers of concentrated latex will have the opportunity for continuing growth in line with global demand from downstream consumers. In addition, many primary producers of rubber around the world focus on the output of cup lump and rubber scraps (partly due to production processes which are not up to high standards) and this means that competition for exports of concentrated latex is not too severe. However, for Thai producers of sheet rubber, TSR and compound rubber, the outlook is less positive. Demand from China is declining and competition from new producers in Asia, and especially those in the CLMV region, who are exporting to China will tend to stiffen. Relative to Thailand, the CLMV nations enjoy advantages in production and transportation costs and exporters in the CLMV region also gain from generally being direct investments by Chinese operators. The outcome of this will be the gradual erosion of Thai market share in China. However, Thai operators will still benefit from prices which are expected to remain in a fairly narrow range and this will help to reduce the risk of stock losses from the higher levels experienced in the recent past.

Rubber traders: For this group income is uncertain because the trade in rubber has narrowed due to changes in industry distribution channels, rubber processors are likely to buy directly from growers, central markets and cooperatives. In addition, Chinese traders are increasingly traveling to Thailand to buy from rubber farmers directly and this too may help to cut Thai traders out of the loop.

Rubber growers: This group may face continuing losses despite government efforts to support farmers through measures such as financial assistance for rubber growers, low-interest loans and financial support for the planting of alternative crops. Unfortunately, the costs of production of Thai rubber are typically THB 55-60/kg. and this is somewhat higher than the average forecast prices of THB 43-45/kg. which their product is likely to realize.
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