

Thailand Updates After The Political Turmoil

Challenges and Opportunities



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Chairman Thai Timber Association

Chairman The Asean Forest Product

Industry Council

Chairman The Thai Bamboo Network

Vice President



Federation of Thai Industries (Wood

Processing Group) Vice Chairman

Council of Asia Furniture Associations (CAFA)

Secretary General



Thai Furniture Industries Association



Dep MD Deesawat Industries Co., Ltd

MD & Creative Director Deesawat D

Co., Ltd



Facts

1.

Nobody knows exactly what to
expect from demonstration.

Anti Taksin?

2.

Demonstration in Thailand were
very friendly and hotspots for
shopping and freebies

3.

Politics and business are 2
separate issues

Affected tourism, real estate, some related
industries

4.

People were fed up with the
present politics so change
opened up new opportunities

OPPORTUNITIES

THAILAND?

WOOD Related?

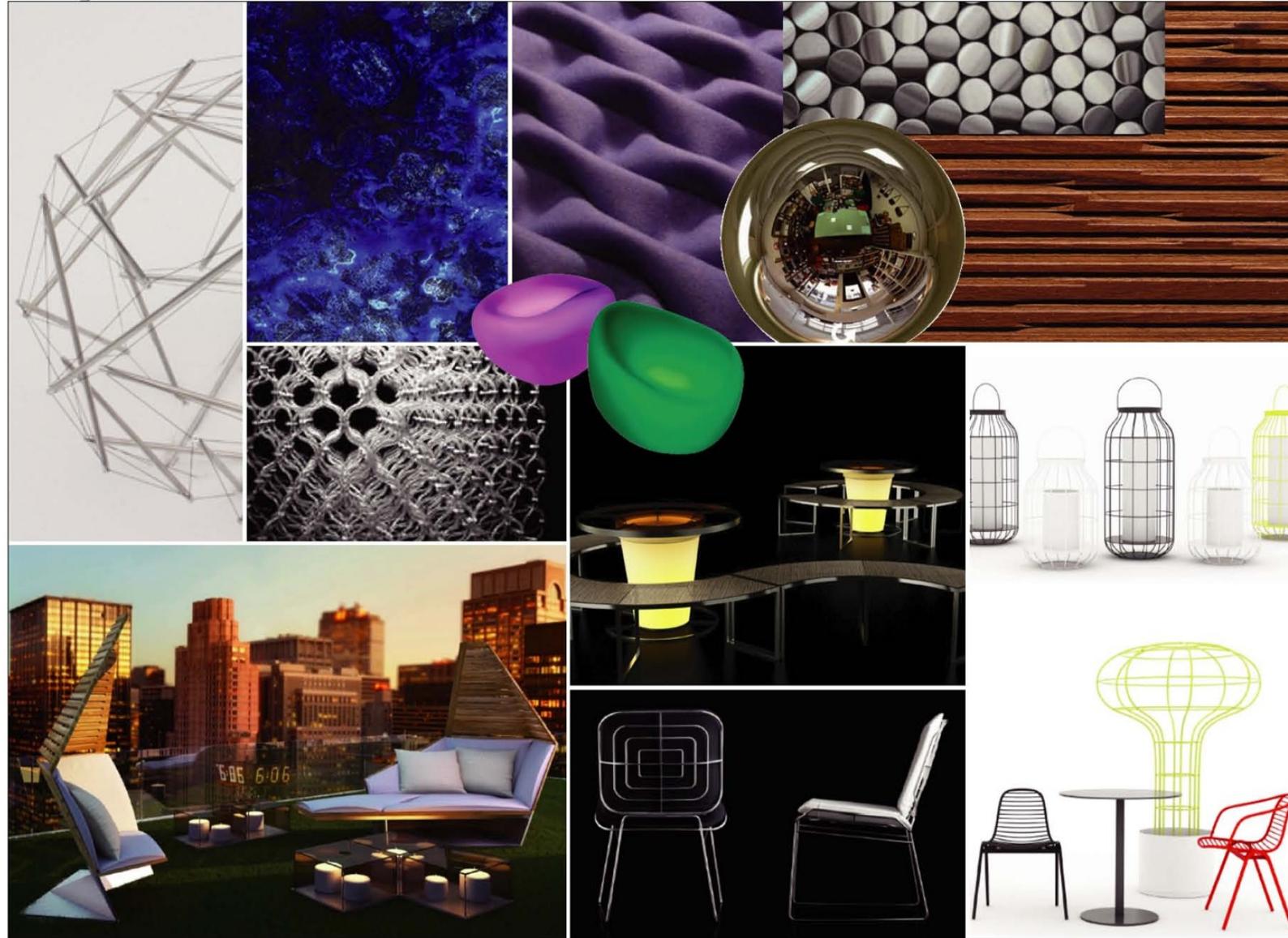
1.

Opportunities

Design Platform

Craft + urban + eco + natural design

Hybrid & Unison



Modern Reflection of Nature





Marketing Thainess

ความเป็นไทย





NOT



BUT





SMALL ORDER OK

SMALL ORDER OK

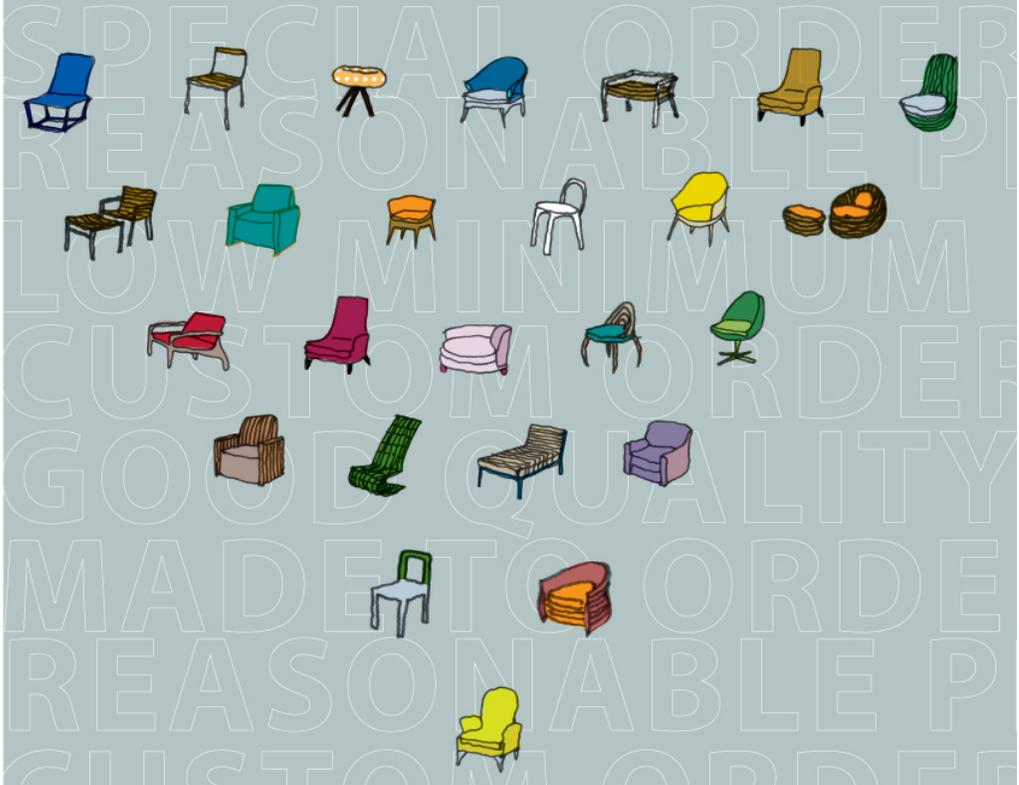
Special, service-minded, caring, attention
to details, any size of order



SMALL ORDER OK!

No matter what size your order is, we're happy to serve you.





SMALL ORDER OK!
No matter what size your order is, we're happy to serve you.



WHAT is **SOOK** ?

SOOK in Thai means "**HAPPINESS**"

This sign represents the commitment among companies in **TIFF2011** to bring customers happiness, no matter how big or small the order is. When you happy, we happy.

Organized by



LOW MINIMUM



REASONABLE PRICE



MADE TO ORDER



SPECIAL ORDER

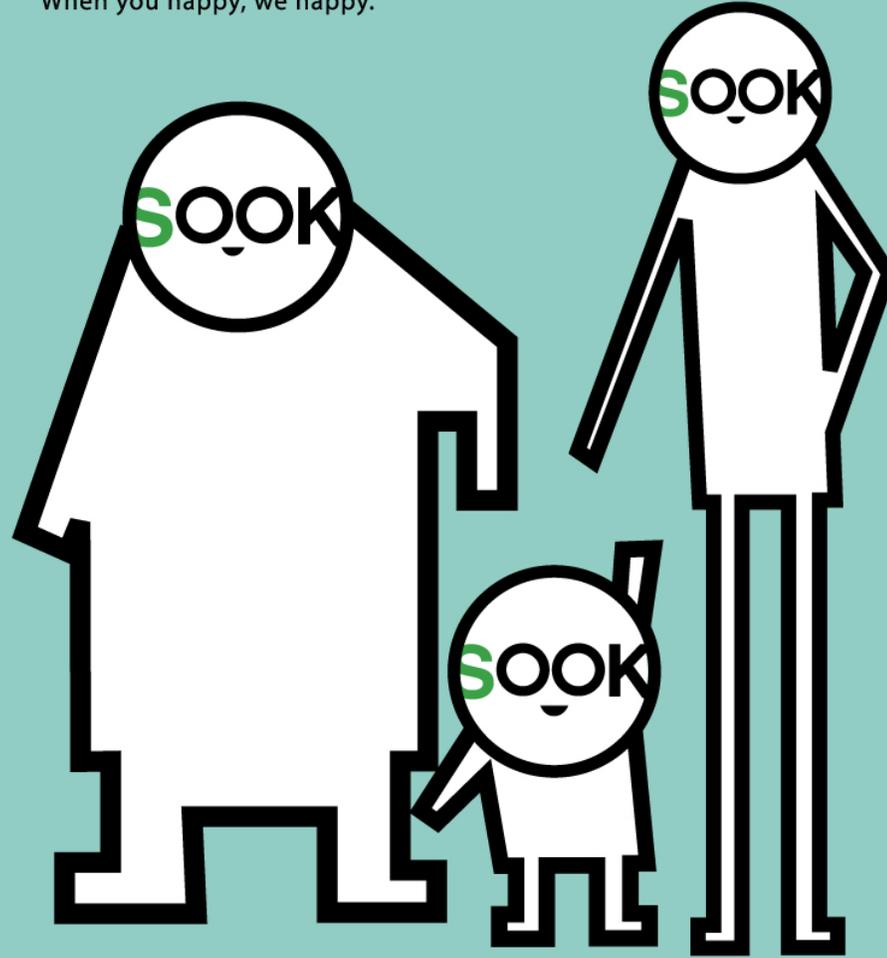


GOOD QUALITY

SIZE doesn't matter.

SOOK in Thai means "**HAPPINESS**"

This sign represents the commitment among companies in **TIFF2011** to bring customers happiness, no matter how big or small the order is. When you happy, we happy.



Organized by



SMALL ORDER OK!
TAKE A FIRST STEP
 for a New Business
 opportunity



SOOK in Thai means "HAPPINESS"
 This project represents the commitment
 among companies in **TIFF2013**
 to bring customers happiness,
 no matter how big or small the order is.
When you happy, we happy.



SAWASDEE!
 My name is **SOOK**

SOOK in Thai means "HAPPINESS"
 This project represents the commitment
 among companies in **TIFF2013**
 to bring customers happiness,
 no matter how big or small the order is.
When you happy, we happy.



SMALL ORDER SOOK OK



SOOK in Thai means "HAPPINESS"
This project represents the commitment among
companies in **TIFF2013** to bring customers happiness,
no matter how big or small the order is.
When you happy, we happy.



ARE YOU HAPPY? SMALL ORDER OK!

No matter what size your order is, we're happy to serve you.



SOOK

SOOK in Thai means "HAPPINESS"
This project represents the commitment
among companies in **TIFF2013**
to bring customers happiness,
no matter how big or small the order is.
When you happy, we happy.



2.

Opportunities

Strong Economic foundation

Stable Exchange rate
good infrastructure
low inflation

No bubble economy
Strong Tourism market
Strong local consumption
Strong export industry

3.

Opportunities

Logistic Platform

D



turmoil

Thailand is in the middle of ASEAN logistically physically linking Indochina Laos, Cambodia, Myanmar, Malaysia

Hi Speed Train
Railway system throughout
inter country streets connected

Inter-connectedness

Boarder Trade becomes the new
trade channels of the country

150 border points

4.

Opportunities

Domestic Market Opportunities

Tourism hits 20 millions
people/ year

New hotels/restaurants/ etc

New House Starts hits
600,000 units/ year

Boarder Trade hits
500,000 millions baht
(17,000 millions US\$)

DESIGN PLATFORM
Strong Economic Platform
Logistic Platform
Domestic Market Opportunities

Timber Sectors

Thailand is both producer
and consumer market

We are wood PROCESSING
country

Construction

- 6 million tons
- Import from Malaysia, Laos, USA, etc
- domestic



Furniture & millworks

- 9 million tons
- local plantations: teak, rubberwood, etc
- Domestic/ export



Pulp and Paper

- 5 million tons
- local/ imported: Eucalyptus, Acacia, etc
- Domestic/export



Energy

- 10 million tons
- Eucalyptus, Acacia, Rubberwood
- domestic



Thailand wood consumption ...in a nutshell

- 30 million tons
- Or 50 millions Cubic Meter



Furniture

- Export is about 1,200 millions US\$/ year
- Domestic market is about 2,000 millions US\$/ year
- Wood is the biggest portion about 60%
- 2014, despite all the troubles, growth rate is about 3%

- Main Markets: Japan/ USA/ EU/ CHINA/ ASEAN
- AEC countries are growing rapidly.
- China and Indonesia becomes new emerging markets for Thailand

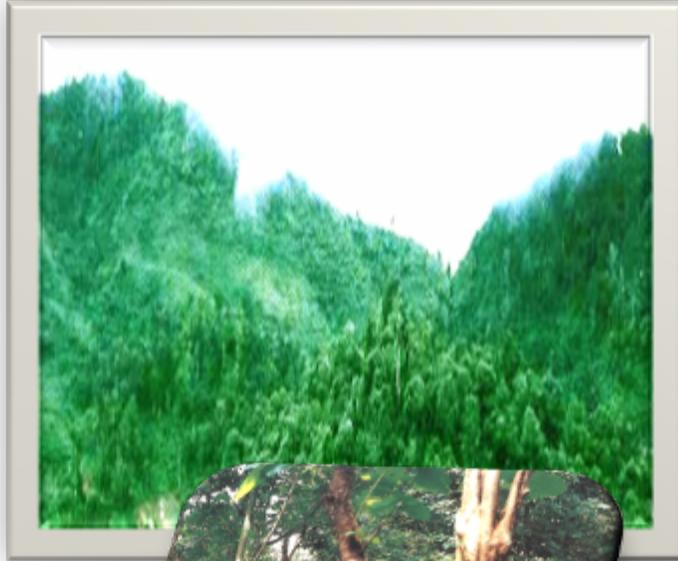
Construction materials

- Export is about 2,000 millions US\$/ year
- Domestic market is about 3,000 millions US\$/ year
- Wood is the biggest portion about 60%
- Growing number of wood substitute.
- 2014, despite all the troubles, growth rate is about 5%

Renovation markets

- Getting more important
- About US\$ 1,000 millions/ year

RAW MATERIAL?



- 51.3 millions
hectars of
land
- 64 millions
population



- **33.44%** forest estate.
- **41%** agricultural land
 - **last survey in 2008**
 - **Increase is from rubber wood/ teakwood plantation**

3 economic timbers in Thailand

1. Teak
2. Eucalyptus
3. Rubber wood

Thai Teak



Plantation Grown 10-40 years

100% Domestic USE

Some plantations already FSC certified

NOT allowed to export

Teak is the controlled wood

largest Plantation Plot owned by FIO (state enterprise)

300,000 cum/year

Eucalyptus



Pulp & Paper Biomass Energy

Very organized structure
about 2.5 millions acre
30% contract farming
Genetic improvement

Capacity 11-12 millions tons/ yr

Export 3-4 millions tons/yr

(70% to China)

Local consumption 8-9 millions ton/yr

Import 1million ton/ year

rubberwood



About 5 millions acre

KD sawn wood 4 millions CUM/ yr
(90% export to China)

New opportunity of leftover
rubberwood for wood pellets.
(to be exported to Japan/ Korea)

Why Rubberwood can
export?

We are wood PROCESSING
country

We have to rely on IMPORTS

IMPORTS

Wood Imports (sawn timbers/ logs – not fibers)

- 2012 Thailand imported 1.6 million CUM
- 2013 Thailand imported 0.66 million CUM
- 2014 Thailand imported 1 million CUM

4 largest suppliers

- Laos
- Malaysia
- USA
- Myanmar

Laos

- Wood supplies from Laos are very seasonal and not regular.
- Mostly red wood, maka
- Timbers were secured from Dam construction.

Malaysia

- Wood from Malaysia are mainly for the construction.
- For the past year, the quantity dropped due to the political turmoil.
- We imported mostly from Sarawak, Sabah

Myanmar

- Most expensive wood is Teak from Myanmar
- We use a lot of teak and we also produce for export.
- For furniture and decoration.

USA

- Very steady at about 75,000 cum per year.
- 10% market share and growing.
- Furniture & Decoration

TLAS in Thailand?

Legality Assurance System



New regulations regarding
illegal logging.

TLAS in Thailand

- Nation based
- License based

Laws involved in TLAS

- Forest Act, (Forest Product) B.E. 2484 (1941):
- Forest Act (Natural Reserve) B.E. 2507 (1964)
- Forest Act (Plantation forest) B.E. 2535 (1992)
- Forest Act (saw motor) B.E. 2545 (2002)
- Protocol on certification of timber, products and wood charcoal for export B.E. 2552 (2009)

- LOG BAN in B.E. 2530 (1987)

- Paper based in all process
(logging – trading)
- License based in all process
(logging – trading)

- Mobility license (wood license)
valid 24 hours
- Soon to be upgraded on-line
system through single window

Upgrading our due Diligence



- Clarification needed on rubberwood/ How to control rubberwood!
- Legality definition to be agreed by stakeholders.

- Independent monitoring unit to be developed.
- Institutional placement of the licensing body.

What is in place?

Single window is part of the
VPA roadmap

Sustainable Forestry Management Standard

มาตรฐานการจัดการสวนป่าอย่างยั่งยืน
สำนักงานมาตรฐานผลิตภัณฑ์อุตสาหกรรม
เสมอ

Standard for environmental friendly wood manufacturing

เกณฑ์การออกแบบและการผลิต
เฟอร์นิเจอร์ไม้
ที่เป็นมิตรกับสิ่งแวดล้อม กรมส่งเสริม
สิ่งแวดล้อม

Green Label

- Rubber wood Products
 - Plywood
- Rubber wood materials

Packaging

Door and frame

มาตรฐานฉลากเขียว
เฟอร์นิเจอร์ไม้ยางพารา

Not only legality but also
sustainability



responsibility



**Please show your
responsibility**



Thank you



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