

# Thailand Updates After The Political Turmoil Challenges and Opportunities



# Jirawat Tangkijngamwong (JIRO)



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 Industries

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.

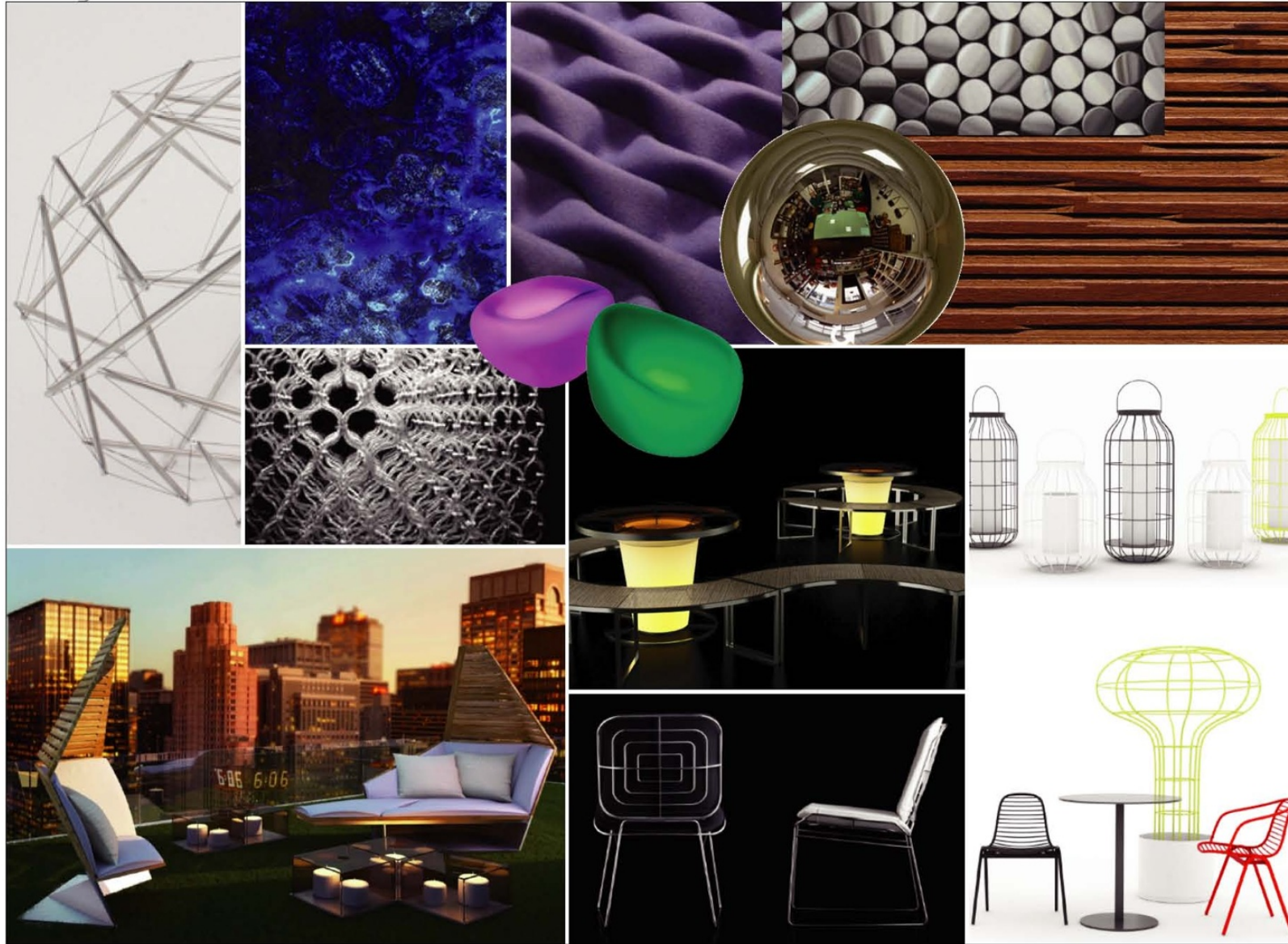
Opportunities

# Design Platform

Craft + urban + eco + natural design



# Hybrid & Unison





# Modern Reflection of Nature





[illegible]



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** 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**

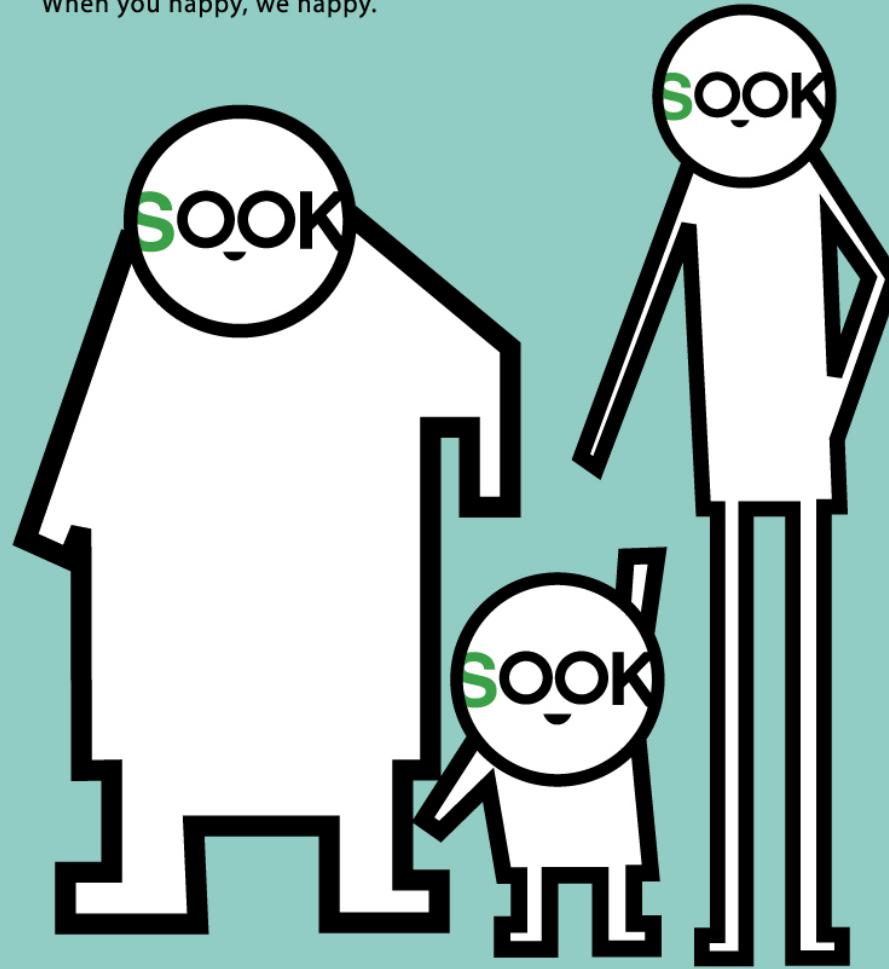


**GOOD QUALITY**

# 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



**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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