

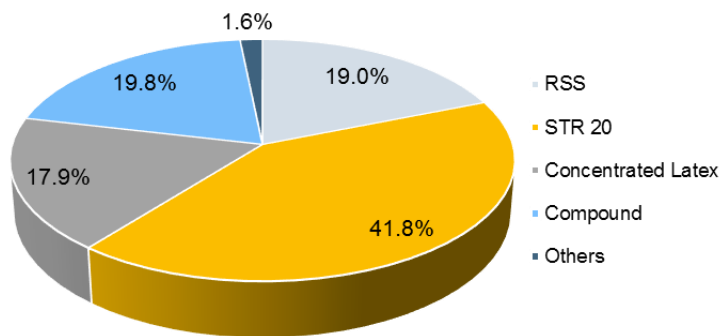
Appendix 1

Production environment of rubber farmers

1.1 Rubber exports by type

As represented in Figure A.1, the largest export product is STR, which makes up around 40 percent, followed by RSS with 19 percent of the market.

Figure A.1: Exports of rubber by type, 2014



Source: Rubber Research Institute Department of Agriculture.

1.2 Export Trends in RSS

RSS export trends are more evenly dispersed among countries as RSS is exported to various countries. Although China is the largest RSS export destination, export dependence on the Chinese market is 28.6 percent than for STR. As seen in Figure 2, the main importing market of RSS is China:

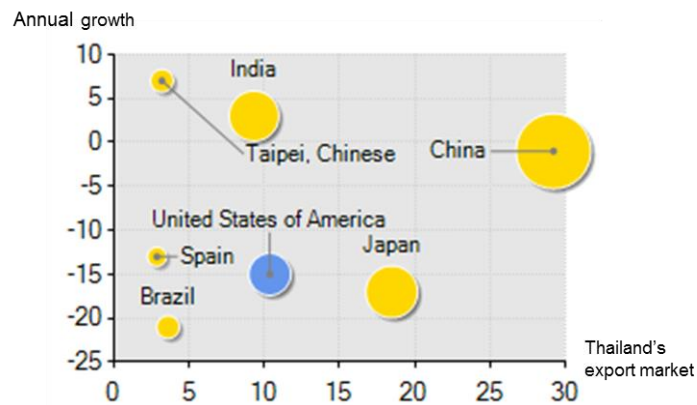
- Share of China in Thailand's export represents 29.21 percent.
- Annual growth in China's imports: -1 percent.
- Share in world imports: 28.6 percent.

- China import growth from the world is greater than Thailand's export growth to China.

As seen in Figure 3, growth of the national supply and international demand for RSS exported by Thailand in 2014 are as follows:

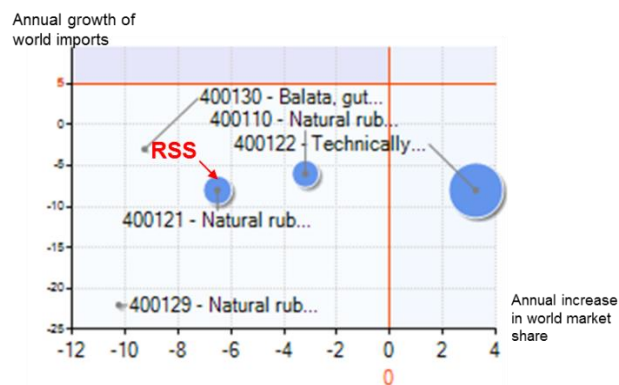
- Annual increase in the world market share: - 6.52 percent.
- Annual growth of world imports: -8 percent.
- Exports: US\$1,493 million as a net exporter of RSS.

Figure A.2: Share of importing markets of RSS in 2014



Source: Trade Map, International Trade Center

Figure A.3: National supply and international demand in 2014



Source: Trade Map, International Trade Center.

1.3 Export Trends of TSR

TSR export trends: Export dependence of TSR on China is very high, which accounted for 63 percent of Thailand's total TSR export market.

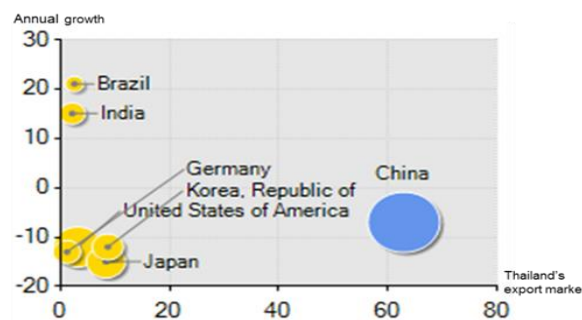
As seen in Figure A.4, the main importing market of TSR is China.

- Share of China in Thailand's export represents 63 percent.
- Annual growth China's imports: -7 percent.
- Share in world imports: 30.7 percent.
- China's import growth from the world is less than Thailand's export growth to China.

As seen in Figure A.5, growth of national supply and international demand for TSR exported by Thailand in 2014 are as follows:

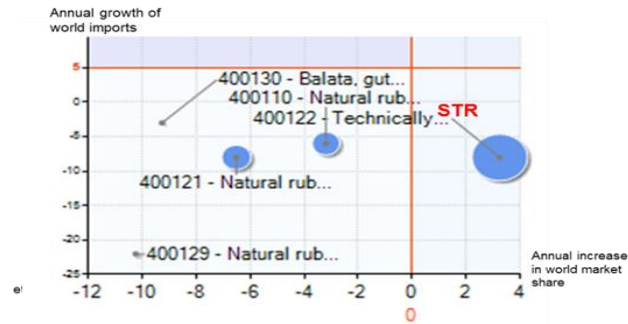
- Annual increase in world market share represents 3.26 percent.
- Annual growth of world imports: -8 percent.
- Exports: US\$2,929.7 million as a net exporter of STR

Figure A.4: Share of TSR importing markets in 2014



Source: Trade Map, International Trade Center.

Figure A.5: National supply and international demand in 2014



Source: Trade Map, International Trade Center.

1.4 Export Trends of Concentrated Latex

Concentrated latex export trend: high dependence on Malaysia.

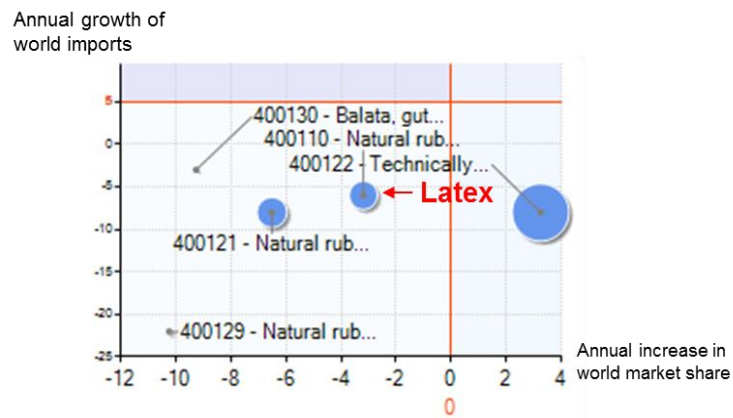
As seen in Figure A.6, the main importing market of natural rubber latex is Malaysia.

- Malaysian share of Thailand's exports represents 49.86 percent.
- Annual growth of Malaysia's imports: -4 percent.
- Share of world imports: 34.2 percent.
- Malaysia's import growth from the world is greater than Thailand's export growth to Malaysia.

As seen in Figure A.7, growth of national supply and international demand for Latex exported by Thailand in 2014 are as follows:

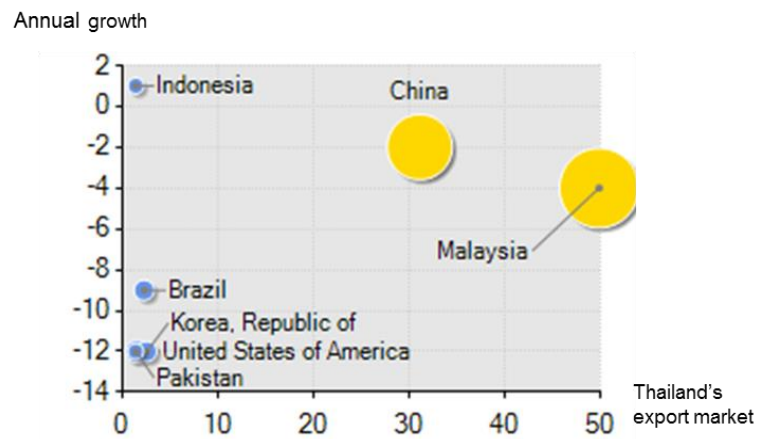
- Annual increase in world market share: - 3.19 percent.
- Annual growth of world imports: -6 percent.
- Exports: US\$1,427.5 million as a net exporter of natural rubber latex, whether or not pre-vulcanised

Figure A.6: Share of importing markets of concentrated latex in 2014



Source: Trade Map, International Trade Center.

Figure A. 7: National supply and international demand in 2014



Source: Trade Map, International Trade Center.

Appendix 2

Regional Rubber Market

(Reference) Regional Rubber Market as mentioned below;

- Background

The Governments of Thailand, Indonesia and Malaysia under the framework of International Rubber Consortium Limited (IRCo) need to develop the rubber market in region in order to strengthen the market position of rubber in Asian countries.

Mission: Be the reference market in the future

- The objectives of establishment

The objectives of establishment are to prevent rubber price fluctuations, to increase bargaining power in world markets, and to reduce the price reference from futures markets, including TOCOM and SICOM, which are the markets that have no physical delivery.

The concept of a Regional Rubber Market will focus on rubber transactions that have physical delivery in order to reduce speculation and increase rubber price stability.

The organisation in charge: IRCo

- Rubber product transaction: RSS3, TSR20 (for Thailand)

- Trading condition

In terms of buyers (both domestic and foreign) who are members of the regional market, they can come to the market to make an auction. For sellers, the regional market will set spec of RSS bale based on GMP/ISO.

- Current status

Now it is in the process of studying and planning. However, the market mechanism may be propelled and could be set up in 1-2 years.