Thailand Pulp & Paper Industry

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Located at the heart of Asia, Thailand provides an **ideal springboard across the world**.

With its strategic geopolitical position and significance as the second-largest economy in the Association of Southeast Asian Nations (ASEAN), the country plays a major role in promoting regional cooperation and integration.
Growth in gross domestic product for the year 2016 as a whole is expected to slightly exceed the forecast in March to be 3.2%, and for 2017 is still seen picking up to 3.5%.

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<th>2014</th>
<th>2015</th>
<th>2016*</th>
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</thead>
<tbody>
<tr>
<td>Population (million)</td>
<td>68.7</td>
<td>68.8*</td>
<td>69.0</td>
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<tr>
<td>GDP at current prices (US$ billion)</td>
<td>404.3</td>
<td>395.3*</td>
<td>409.7</td>
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<td>GDP per capita (US$)</td>
<td>5,889</td>
<td>5,742*</td>
<td>5,940</td>
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<td>Real GDP growth (%)</td>
<td>0.8</td>
<td>2.8*</td>
<td>3.0</td>
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<tr>
<td>Inflation (%)</td>
<td>1.9</td>
<td>-0.9</td>
<td>0.2</td>
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<td>Unemployment rate (%)</td>
<td>0.8</td>
<td>0.9</td>
<td>0.8</td>
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<tr>
<td>Exports (US$ billion)</td>
<td>224.8</td>
<td>213.9*</td>
<td>204.7</td>
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<td>Export (% change)</td>
<td>-0.3</td>
<td>-4.9</td>
<td>-4.2</td>
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<tr>
<td>Imports (US$ billion)</td>
<td>200.2</td>
<td>182.3*</td>
<td>185.4</td>
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<tr>
<td>Import (% change)</td>
<td>-8.5</td>
<td>-8.9</td>
<td>+1.7</td>
</tr>
<tr>
<td>Exchange rate (THB:USD)</td>
<td>32.96</td>
<td>36.09</td>
<td>35.69</td>
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Sources: Bank of Thailand, IMF, EIU
* Estimates by IMF, EIU
Thailand Pulp & Paper Overview

**P&P VOLUME: 2015**

- **8 Pulp Mill**
- **49 Paper & Paperboard manufacturers**
- **Major Players are Double A, Siam Paper, and Phoenix Pulp & Paper**

![Chart showing P&P Volume: 2015](chart.png)

**P&P REVENUE: 2015**

- **Opening of new markets in US & Europe improves profitability.**
- **Fluctuation in foreign exchange rates poses risk still.**

![Chart showing P&P Revenue: 2015](chart.png)

Source: The Thai Pulp and Paper Industries Association (TPPIA), 2013 ~ 2015
Thailand Pulp Trends

- Thailand continues to be a fiber shortage country. Installed capacity is not completely utilized (89%).
- 2015 Demand at 1617 Thousand Tons
- Produces only short fiber grade, which are most internally consumed. While a small share is exported to China, India and ASEAN countries
- While bulk of the import is Long fiber fiber from USA, Canada, Sweden.

Source: The Thai Pulp and Paper Industries Association (TPPIA), 2013 ~ 2015
Thailand Paper & Paperboard Trends

- Driven by the government’s scheme to support the economy and acceleration of investment through BOI incentives, the Paper & Paperboard industry have been on a steady growth of 4%
- Capacity dominated by, Kraft Paper 59%, Printing & writing: 22%, Paperboard paper: 9%, Newsprint paper: 2%, Tissue Paper: 2%
- 2015 Demand at 4430 Thousand Tons
- Except for Kraft Paper and Printing & Writing segment, rest will continue to have shortage of supply
- Utilization rate at 86%

Source: The Thai Pulp and Paper Industries Association (TPPIA), 2013 ~ 2015
Thailand Printing & Writing Paper Trends

- Printing & writing production capacity forms 22% of the Thailand Paper & Paperboard segment.
- Market is dominated by Double A & SCG paper.
- 2015 Demand at 995 Thousand Tons, Expected market growth at 4% (till 2017)
- Utilization rate at 83%

Source: The Thai Pulp and Paper Industries Association (TPPIA), 2013 ~ 2015
Thailand Uncoated Wood Free Paper Trends

- Market is dominated by local players: Double A & SCG paper.
- 2015 Demand at 706 Thousand Tons
- Operating rate remains steady at 86% ~ 89%, supported by new market demand opening (US & Europe Market)
- Expected market growth is 2.7% while average consumption rate (2015) is 10.29 Kg

Source: RISI 2016 & The Thai Pulp and Paper Industries Association (TPPIA), 2013 ~ 2015
Thailand Cut Size Paper (UWF) Trends

- Market is dominated by Double A & SCG paper.
- 2015 Demand at 253 Thousand Tons
- Operating rate remains steady at 86% ~ 89%, supported by new market demand opening (US Market)
- Average consumption rate (2014/2015) is 3.69 Kg

Source: RISI 2016 & The Thai Pulp and Paper Industries Association (TPPIA), 2013 ~ 2015
Thank You