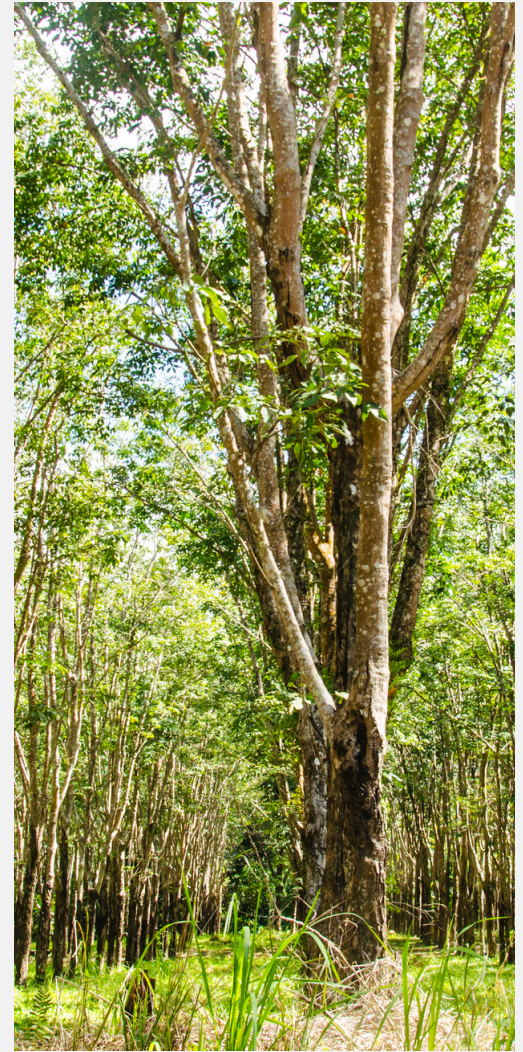


EUDR : Impact and Support Measures for Thailand.

In 2023, Thailand's rubber export volume reached 3.989 million tons, with China as the primary trading partner, accounting for 61.93% of total exports.

The European Union (EU) represented a smaller share at 6.69%, equating to 0.267 million tons of various rubber products. This was comprised of block rubber, smoked rubber sheets, concentrated latex, compound rubber, and other types of rubber, with proportions of 70.84%, 22.75%, 3.59%, 2.53%, and 0.29%, respectively.

Rubber product exports to the EU increased from 1,538 million baht in 2019 to 1,754 million baht in 2023, averaging an annual growth rate of 4.74%. These exports were divided into rubber hoses, rubber flooring/wall tiles, elastic rubber, and other vulcanized rubber products, with shares of 64.14%, 28.79%, 7.01%, and 0.06%, respectively.



Wood and Wood Product Exports to the EU. The export of processed wood and wood products (including rubberwood and all types of wood) increased from 2019 to 2022, but significantly declined in 2023.

The export value of processed wood decreased from 40,071 million baht in 2019 to 10,158 million baht in 2023, reflecting an average annual decrease of 22.32%.

In 2023, the export value of processed wood to the EU was 8 million baht. For wood products, the export value increased from 32,365 million baht in 2019 to 79,784 million baht in 2022, but dropped to 11,561 million baht in 2023, averaging an annual decrease of 16.40%. The export value of wood products to the EU in 2023 was 445 million baht.

Despite the relatively minor direct export figures to the EU, Thailand's role as a key supplier of raw materials for rubber and wood products positions it significantly under the new European Deforestation Regulation (EUDR), which was announced on 29 June 2023. The EUDR mandates stringent certification of the origin of raw materials to prevent deforestation and will start to apply on 30 December 2024. As a significant exporter of rubber, Thailand faces inevitable repercussions.



The regulation affects not only the direct exporters but also primary processors, product manufacturers, and farmers who supply raw materials. The Rubber Authority of Thailand (RAOT) has initiated the Thai Rubber Trade (TRT) platform to mitigate these impacts. The platform enables systematic auction-based transactions and maintains comprehensive production data for traceability. In May 2023, RAOT began auctioning Grade 3 smoked rubber sheets and rubber cup lumps, with future plans to include traceable fresh latex sales through its central markets in Songkhla and Buriram.

The TRT system's ability to provide traceable rubber sources aligns with EUDR requirements. RAOT has also developed a Geographic Information System (GIS) to register farmers and ensure compliance with EUDR standards. The EUDR necessitates certification for wood products, pushing Thailand to enhance its sustainable forestry practices.

The Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC) standards have been promoted to certify Thai rubber plantations. However, the high certification costs pose a challenge for many farmers. To address these challenges, several strategies can be implemented :

- a. Enhanced Traceability Systems: Develop tools to link data between farmer registries, cooperatives, and businesses, ensuring traceability across the supply chain. This system should encompass all transactions to provide comprehensive oversight.
- b. Sustainable Practices Certification: Expand support for farmers to achieve FSC or PEFC or other alternative certification by subsidizing costs and providing technical assistance. Promoting the sustainable forestry management will help meet EUDR standards and potentially open new markets.
- c. Carbon Credit Trading: Encourage farmers to sell carbon credits as an additional income stream. This approach not only supports livelihoods but also promotes sustainable rubber plantation management.
- d. Government Action Plans: Implement the Rubber Action Plan (2023–2040) to enhance product quality and supply chain standards. This plan includes promoting sustainable forest management certifications and ensuring legal land ownership among rubber farmers.
- e. Public and Private Collaboration: Foster partnerships between government agencies, private enterprises, and international organizations to share best practices and technologies for sustainable rubber and wood production.

Finally, The EUDR presents both a challenge and an opportunity for Thailand's rubber and wood industries.

By implementing robust traceability systems, supporting sustainable certifications, and promoting carbon credit trading, Thailand can adapt to the EUDR requirements and maintain its position as a key supplier of raw materials. These measures will not only comply with international standards but also contribute to long-term environmental sustainability and economic resilience.