

ASEAN's Plastics Industry

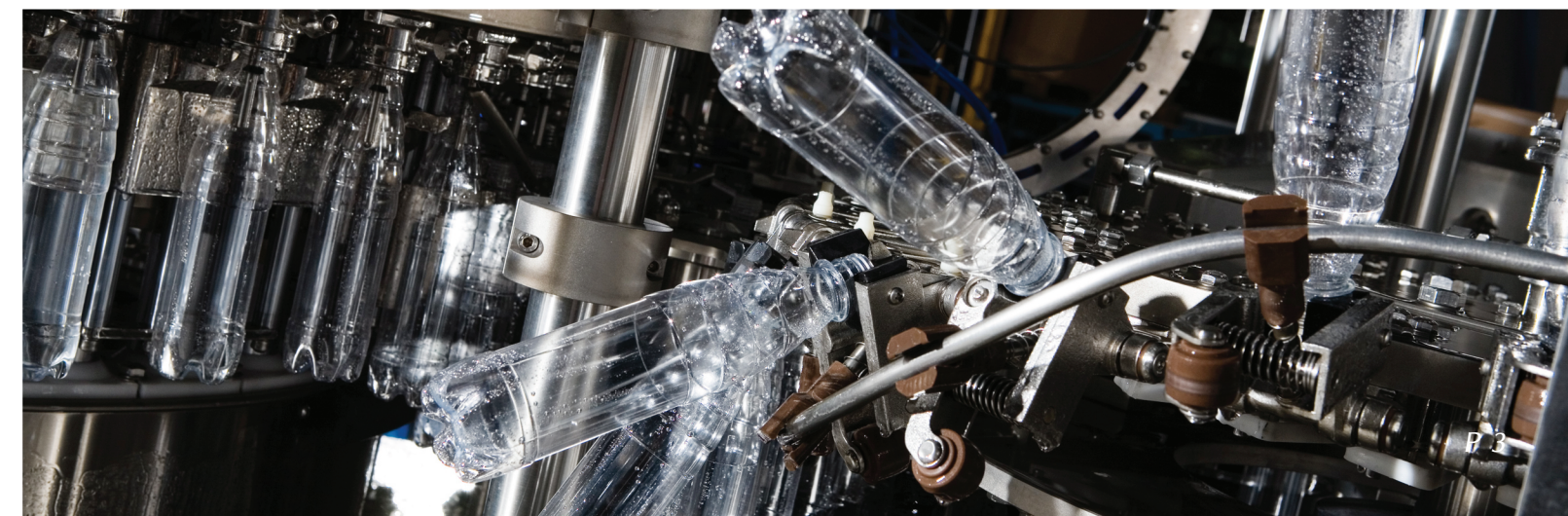
*A dynamic and expanding sector
in the heart of the world's largest
plastic market*



“Global plastics demand is forecast to grow 5% annually”

Global plastics demand is forecast to grow 5 percent annually as a result of urbanization, growing energy demands, climate change and technological advances.

The material is favored for its flexibility, lightweight, durability, strength and ease of processing. Globally, the packaging industry remains the largest end-user of plastics (37 percent), followed by building and construction (21 percent), automotive manufacturing (8 percent) and electronics manufacturing (6 percent). Asia has been the world's largest plastics consumer for several years, accounting for about 36.5 percent of global consumption (North America's share is 26 percent and Western Europe 23 percent).

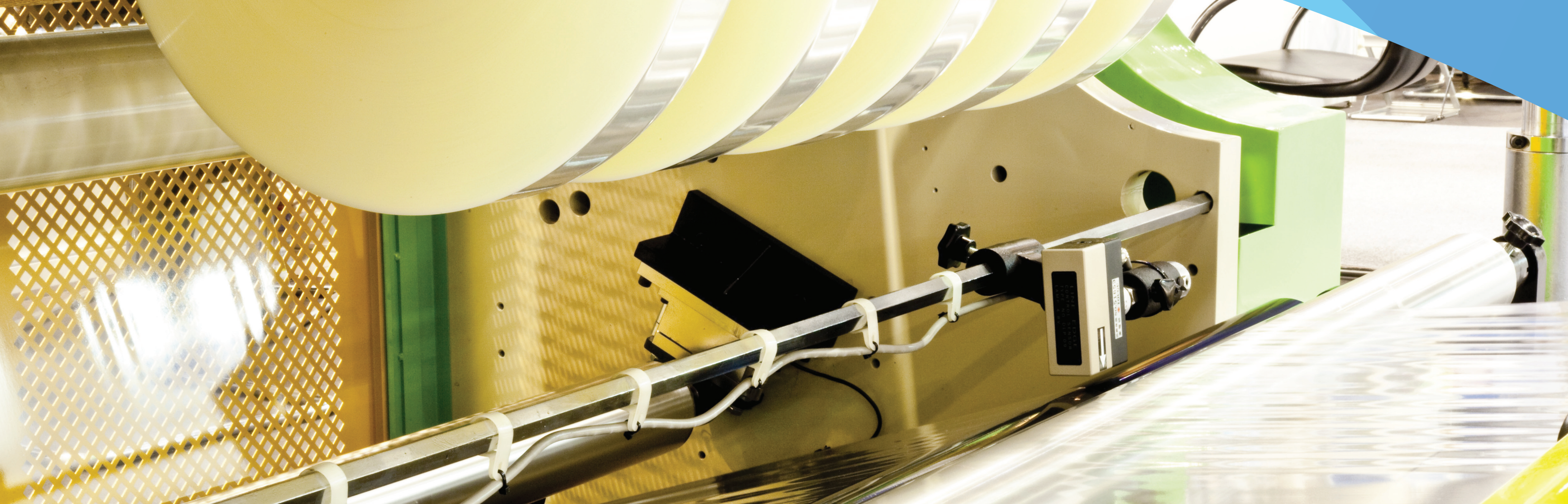


ASEAN is an emerging market with great opportunities for ready-made plastic products as well as complex plastic parts. With its strategic location, Thailand is one of the few countries capable of developing plastic products efficiently and so the kingdom is well placed to quickly expand to promising neighboring markets.

The country's exports of plastic products (an estimated US\$3 billion in 2011) are forecast to grow as Thailand is the region's most prominent plastics manufacturing base.

The realization of the ASEAN Economic Community (AEC) in 2015 and its free trade provisions will benefit Thailand's plastic manufacturers. Makers of plastic pellets in Thailand, Malaysia and Singapore, where supplies exceed demand, are poised to enter Indonesia, Vietnam and the Philippines which all lack suppliers. Raw material producers and converters will also be looking to collaborate. From their production bases in ASEAN, plastics manufacturers will be aiming to penetrate the global market.





Thailand is ASEAN's top producer of automobiles, electrical appliances and food, each heavy consumers of plastics for a variety of uses such as car parts, mobile phones and temper-evident packaging. The industry is supported by the Thai government's fund for technical training and industrial upgrading.

The Thai industry achieved full integration of its petrochemical production in 1996, allowing the country to be self-sufficient in its production of the raw materials enabling the production of plastic resins. The growth of the Thai plastic processing industry soon followed. Today, a complete range of both commodity and engineering plastic resins are produced locally, giving plastic converters a secure supply of raw materials.

An estimated 5,000 factories of small, medium and large scales with world-class production systems are engaged in the production of plastic resins, finished and semi-finished plastic products, machines and moulds.

The growth in demand for plastics parallels that of Thailand's many export-oriented industries. Technology acquisition has become a priority in order to achieve higher productivity and reduce labor costs. For example, the adoption of sophisticated technologies and the use of plastic-based products such as specialist films for Thailand's vast food and agricultural sector are essential for Thai producers to reduce spoilage and contamination while maximizing shelf-lives and yields.

The optimistic outlook for Thailand's plastics industry is based on sustained demand from the domestic market as well as from the Asia-Pacific region. Economic growth in India and China is lifting the plastics industry in Thailand and throughout ASEAN. The Asia-Pacific plastic market is propelled by demands for durable goods, industrialization, and urbanization. Thailand-based businesses are well positioned to benefit from these trends, offering excellent business opportunities, value for money, and the flexibility businesses crave.





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