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FERTILIZER SITUATION IN THAILAND^{1/}

by

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We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

Thailand is predominantly an agrarian country. Hence the large number of its population is engaged in agricultural activities. Its present cultivated land areas (farm holding land) are estimated approximately 19 million hectares, of which about 65 per cent is paddy land. While another approximately 33 million hectares are still unclassified. At present, the use of fertilizer in agricultural production is considerably low, i.e. between 400,000 - 500,000 tons/year, as compared to the ratio normally used in other countries. The reason considered to be the main factor of relatively low utilization is the inadequate promotion and encouragement to induce the farmers to use more fertilizer for increasing their production, consequently causes low yield per capita as to cultivated land areas.

The Government, having fully recognized the situation, recently created the National Committee on Fertilizer and Pesticides Industry Development of Thailand to undertake, inter alia, the responsibility of solving this particular problem, including the preparation of projects to establish fertilizer plants within the country aiming at first to satisfy primarily domestic requirements. The project preparation is basically based on available indigenous raw materials such as natural gas and potash. While other, yet small quantity of phosphate deposits sources are also discovered scattered around the country but are still insufficient to be economically commercialized. However, Government is now expeditiously and zealously encouraging its further exploration. It is expected that large amounts of phosphate deposits will be discovered shortly in the near future and in sufficient quantity to be sufficiently supply inputs for moderate scale of

about 100,000 - 250,000 ton/year industrial fertilizer plants. As of today the fertilizer project under preparation is still at the early state of planning and elaboration. Therefore it obviously needs external technical assistance in various forms such as experts and consultants to assist in our feasibility studies such as infrastructure needed for the production and distribution of fertilizer; the construction and operation of fertilizer plants; the financing of fertilizer plants and associated infrastructure. It is also in this connexion that the Government of Thailand earnestly welcomes foreign investment in this particular enterprises either in the forms of joint venture.

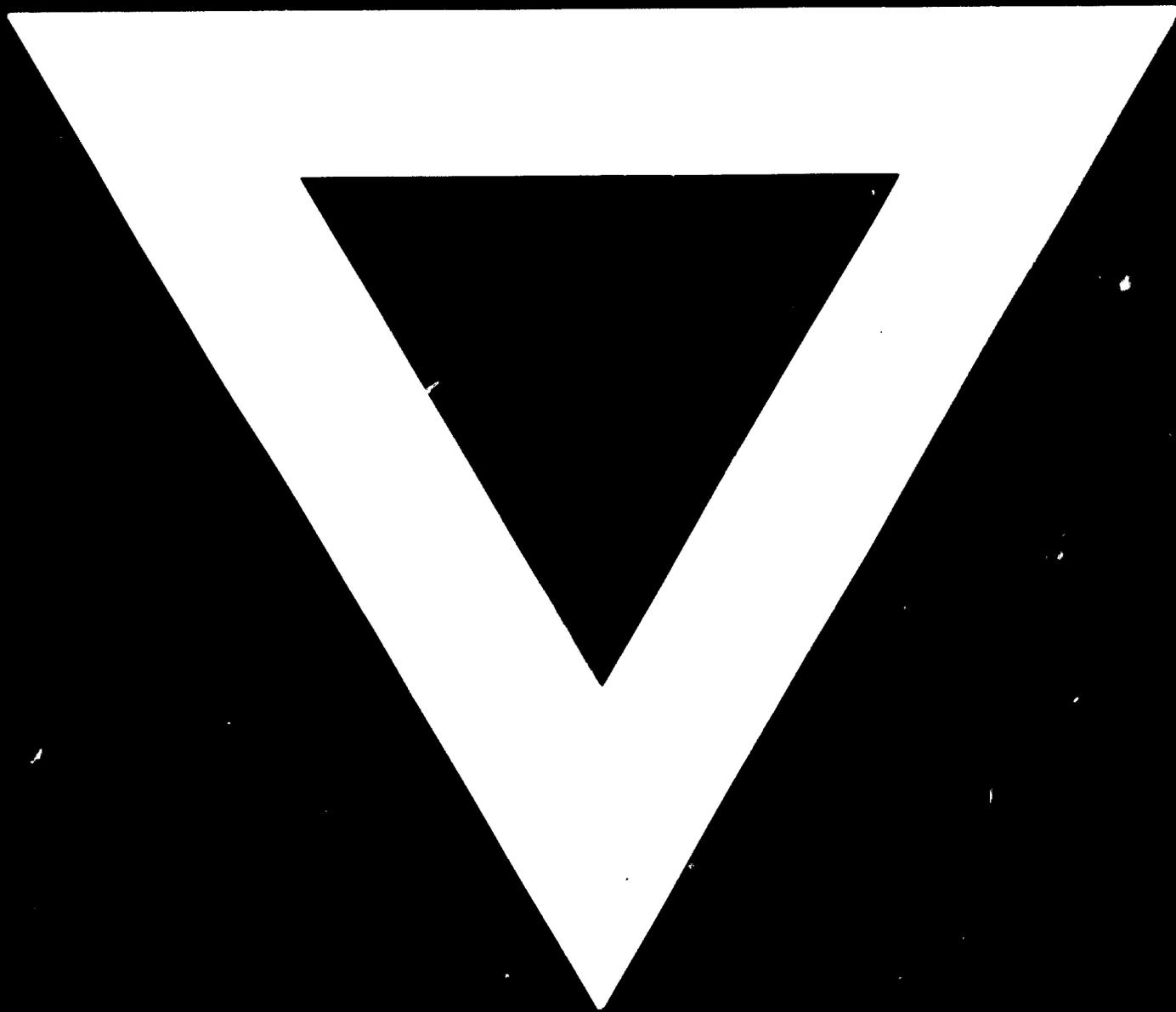
At present Thailand imports 90% of its fertilizer needs. Hence a substantive market awaits potential foreign investors. It is hoped that this fact coupled with abundance of (and raw materials for fertilizer production) will prove attractive enough for foreign investors

At the same time, as already mentioned earlier, the Government's current policy in this connexion is also clearly demonstrated, in the form of encouragement to farmers in every way possible to utilize more fertilizer in their process of production in order to raise per capita ratio of yielding to the land area on the one hand and increasing the overall production on another. Moreover when considering the vast availability of yet potential uncultivated land area of 33 million hectares which will eventually be exploited in accordance with the Government's land reform policy, it is clear that Thailand will undoubtedly require even more use of fertilizers in its agricultural process.

In terms of international cooperation, Thailand has also been very active, particularly with the member states of the ASEAN. There have been, under the ASEAN Industrial Complementation Schemes, the consensus of agreement on the exchange of various industrial products, raw materials and facilities among the member states. In this context, while Thailand is still unable to produce fertilizer enough to at least meet the basic domestic requirement, the country is looking forward to mutually exchange its industrial produces under the industrial complementation schemes with the ASEAN countries, and exchange equitably with other countries within and outside the region, in accordance with the concept of international industrial cooperation explicitly expressed by the Lima Declaration and Plan of Action on industrial co-operation.



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