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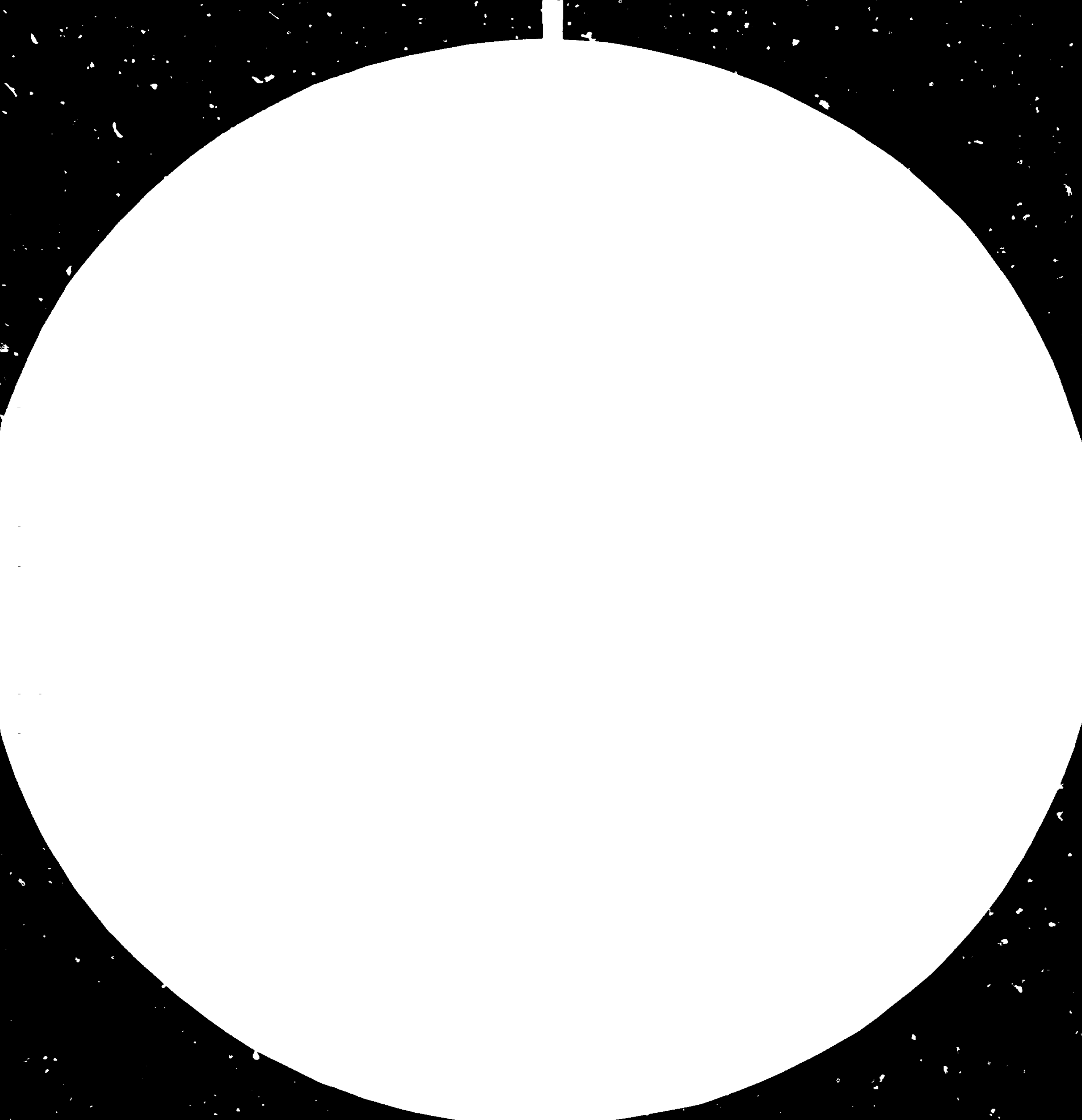

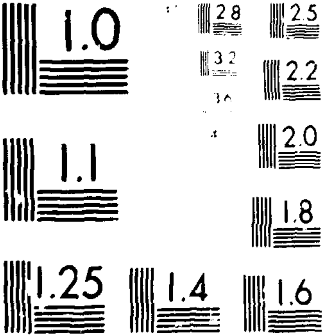

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THE SITUATION OF THE SYNTHETIC FIBRE INDUSTRY IN THAILAND*

by

Sriprapan Foongkiat**

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Synthetic fiber production in Thailand began in 1969 by producing polyester fiber, followed by nylon 6 production in 1970. Nowadays there are six companies who produce synthetic fibers. The production capacity are 50,000 metric tons per year for polyester staple fiber, 20,000 metric tons per year for polyester filament yarn, 2,500 metric tons per year for polyester partially oriented yarn and 17,000 metric tons per year for nylon filament yarn. The mentioned production is close to capacity.

Thailand has population of 46 millions in 1981 and the annual growth rate is 2.4%, i.e. one million people. The approximate amount of 50% of the synthetic fiber production is for domestic use, 45% for producing goods for exporting and the remaining 5% for direct export.

The domestic consumption of polyester and nylon from 1976 to 1981 (first quarter) is shown in Table 1. The synthetic fiber manufacturers had planned to increase their production to support the expanding spinning mill in 1981. But the main worry is that South Korea and Taiwan appear to be planning to expand synthetic fiber production quite substantially which will affect world market prices. However the Thai Government has placed surcharge of 20% on these fibers and filament yarns to help the domestic manufacturers.

For acrylics and wool, the domestic consumption is small due to the tropical climate in Thailand. However some of the fibers and yarns are imported to be used in knitted garments and carpets for exporting. Table 2 shows the amount of the imported fibers and yarns of acrylics and wool from 1977 to 1979. The imported fibers are spun into woollen yarn.

Since the synthetic fibers are blended with cotton and rayon, it is worthwide to mention these two fibers. There is one rayon manufacturer whose production is approximately 9,000 metric tons per year. Most production are locally consumed.

For cotton, the total consumption of cotton fiber in 1980 is over 100,000 metric tons and the 80-90% of this amount is imported. The cotton yarn consumption in 1976 to 1980 is shown in Table 3. Actually Thailand herself has good trend in producing long staple cotton fiber with excellent quality. The reasons why Thailand has to import most of the cotton is Thai farmers have no intention for growning cotton unlike most other crops which furish in Thailand. Also cotton cultivation needs constant attention and higher capital investment. However, the Thai government has planed to promote cotton cultivation under the fouth five-year economical and social development planning (1982 to 1987) in order that the Thai herself has enough cotton to cover the consumption as well as exporting.

For the textile industry situation, Thailand is one of the leading textiles exporters in the Asean region exporting some 400,000 sq.yards of the fabrics and over 100 million pieces of garments in a year. The exports income ranges about 10,000 million baht (U.S.$ 500 millions) for all textiles products making textiles Thailand's top foreign exchange earner in the manufacturing sector. The industry has a combined capacity of 1,350,000 spindles, 57,000 looms and 37,500 knitting machines. Production is in the region of 2,000 million sq.yards,between 60-70% of which are consumed locally and the rest exported.

Since the nature of the textiles industry tends to have periodical booms and slump years, 1978-1979 was the peak of market demand for textiles and 1980 the market demand began weakening. Therefore the Thai government is persuading textiles manufacturers to aim for a higher quality market and increasing garment exporting.

The Thai government established a textile centre named Textile Industry Division (TID) which is in the Department of Industrial Promotion, Ministry of Industry in 1972 under the Co-operation of UNIDO. The TID has responsibilities for textile industry policy and rendering technical assistance as well as training industrial staffs in order to upgrade the textile quality and increase productivity. The TID also has started some research works on Thai cotton classification and grading, Thai silk finishing development and jute technology.

There are also some other institutes which contribute textile technology, namely

- Chulalongkorn University
- Institute of Science and Technology Research
- Institute of Technology and Vocational Education, Bangkok Technical Campus

Table 1: Domestic Consumption of Synthetic Fibers

Metric Tons

	Polyester Staple Fiber	Polyester Filament Yarn	Nylon Filament Yarn
1976	27,671	10,825	11,153
1977	32,374	11,212	10,454
1978	41,611	10,036	11,578
1979	43,873	10,689	11,857
1980	46,455	12,018	13,022
1981 1st Quarter	13,481	3,038	3,428

Source : The Thai Synthetic Fiber Manufacturers' Association

Table 2 : Import of Acrylics and Wool

Metric Tons

	Acrylic		Wool	
	Fiber	Yarn	Fiber	Yarn
1977	857	160	44	187
1978	1,480	207	12	284
1979	2,743	970	78	467

Source : Foreign Trade Statistics of Thailand

Table 3 : Consumption of Yarn

Tons:

	1976	1977	1978	1979
<u>Cotton Yarn</u>				
Production	85,870	93,766	102,044	104,391
Import	116	59	41	301
Export	882	2,872	2,501	768
Domestic Consumption	85,104	90,953	99,584	103,928
<u>Man-made Yarn</u>				
Production	76,331	88,370	103,596	111,702
Import	5,777	3,413	3,930	6,146
Export	11,648	14,603	19,151	14,696
Domestic consumption	71,060	77,130	88,369	103,152

Source : The Thai Textile Manufacturing Association