

Thailand: Low rubber price hurts South

The declining price of natural rubber has caused a recession in the economy of the southern region, Perk Lertpanwong, chairman of the Rubber Farmers Association of Thailand, said on Sunday. The purchasing power of rubber farmers was down by more than 50% after the rubber price dropped to 60 baht per kilogramme from 100 baht last year, he said. It was estimated that about 10,000 pickup trucks bought through the leasing system by rubber farmers would be seized by car agents because they cannot meet installment payments, Mr Perk said. He projected that more than 100,000 pickup trucks would be appropriated by the end of this year on the back of rubber farmers' liquidity shortage. There were signs that the rubber price would go down even more to 40-50 baht a kilogramme because of the ongoing global economic slowdown that has sharply trimmed the demand for natural rubber. The government should rapidly come up with measures to help ease the difficulties faced by rubber growers, he said. Vithoon Kupantawee, vice president of Pithan Panich, a sales agent for Honda motorcycles in lower part of the South, said his firm's sales volume had contracted by 3% in the first quarter of the year on the same period last year. There were no signs of any improvement in the second quarter because of the declining rubber price, he added. Mr Vithoon said the government should step in to help the rubber farmers as their motorcycles would be seized. An owner of a big teashop in tambon Mae Kharee municipality of Phatthalung's Ta Mode district took the same tone. He said about 300 million baht circulated in the municipality's economy daily. But that figure was down to about 100 million baht.