

THAILAND BURMA BORDER CONSORTIUM

UPDATE ON RICE PRICE CRISIS

On 22nd May, TBBC was still baht 217 million (US\$ 6.8 million, EUR 4.3 million) short of funding to cover basic refugee needs for 2008. Since that time the situation has improved dramatically thanks to a generous response from Donors, easing rice prices and improving exchange rates. The attached graphs show the latest rice prices, exchange rate movements and cash-flow projections.

1. Rice Prices: During the during the first quarter of 2008 when rice prices were soaring, analysts were predicting that they would soon pass 31,000 baht/ metric tonne (USD 1,000, EUR 650). Fortunately this has not happened. Instead, prices stabilized in April at around baht 25,000/ MT (US\$ 800, EUR 500) and have eased during the last few weeks to around baht 21,000/ MT (USD 650, EUR 400). The future remains uncertain, but TBBC is now using this rate of baht 21,000 for budgeting purposes.

2. Donor Responses: TBBC launched its first emergency appeal in March and almost immediately received commitments of additional funding from the governments of The Netherlands, Ireland and Poland. These were followed in early June by additional contributions from the Canadian and UK Governments and we have now just received additional commitments from the USA and Australia. Besides these, we have received many encouraging smaller contributions from private donors including a tremendous response to an appeal made to TBBC's own staff, family and friends. Funds committed from all sources this year, additional to that originally budgeted, are as follows:

Source	Currency	Baht M	Source	Currency	Baht M
USA (PRM/ IRC)	USD 1.4 m	46.20	Caritas Switzerland	CHF 100,000	3.13
Canada (CIDA/ Inter-Pares)	C\$ 1 m	32.00	Caritas New Zealand	NZ\$ 125,000	3.11
Netherlands (ZOA)	EUR 500,000	25.50	American Baptists	USD 50,000	1.62
UK (DFID/ Christian Aid)	GBP 330,000	21.28	TBBC Staff & Friends	USD 45,000	1.49
Ireland (Trocaire)	EUR 300,000	14.66	Poland	EUR 28,000	1.43
CARITAS Australia	AUD 250,000	8.07	DanChurchAid	DKK 126,000	1.26
Australia (AusAID/ NCCA)	AUD 200,000	6.20	Church World Service	USD 10,000	0.33
Birmanie por la Paz	EUR 62,000	3.16	ERD	USD 7,000	0.25
Total			Equivalent	USD 5.2m; EUR 3.3m	169.69

3. TBBC Cash Flow and Funding Needs: The Thai baht, after continually strengthening for three years against most foreign currencies, has begun to weaken. Taking into account current exchange rates, rice prices and the additional funds committed, TBBC is now about baht 50 million (USD 1.5 million, EUR 1 million) short of funds for 2008, compared with as much as baht 250 million projected in March. As the graph illustrates, based on current assumptions, funding is now secured through November.

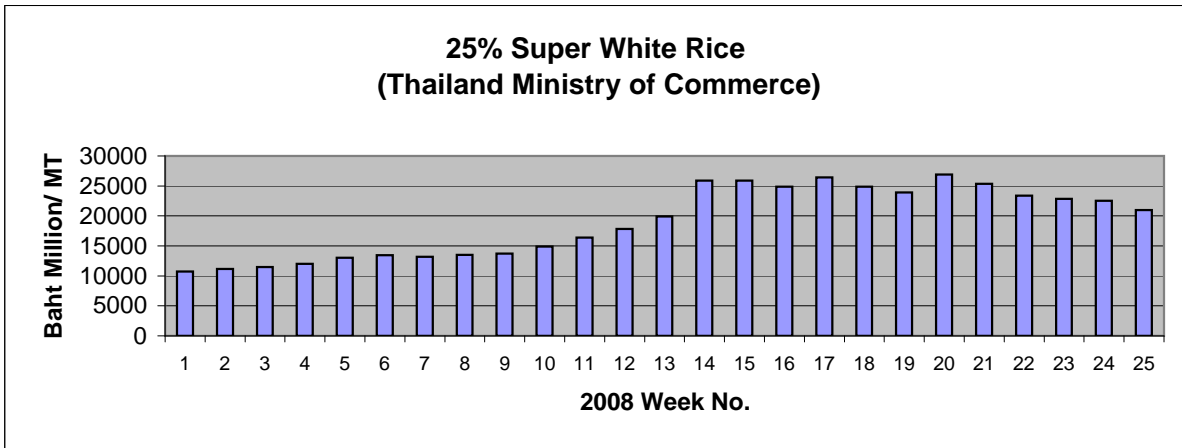
4. The Future: Fund raising is ongoing to meet the remaining shortfall and TBBC is still awaiting a response to a request for support from the Royal Thai Government. **It now looks quite possible though that by the time the TBBC Board meets again on 13th August the crisis for 2008 will have been resolved and no further ration cuts will be necessary. TBBC would like to express sincere thanks to all Donors who have responded during this critical time.**

This should now give us a welcome breathing space to plan for the challenges ahead. The coming months will determine how quickly Burma can recover from Cyclone Nargis and whether this will result in increased migration, and we still have to face 2009 with rice prices likely remaining high. Before the TBBC Donors Meeting scheduled for 28th October, it is hoped that there will be strategic discussions between the NGO's, UNHCR, Donors and the RTG to agree to a coordinated and progressive approach towards refugees for the next few years. It is difficult to foresee any immediate improvement in the situation, but hopefully a renewed commitment with a shared vision can help avoid further repetitions of recent funding crises.

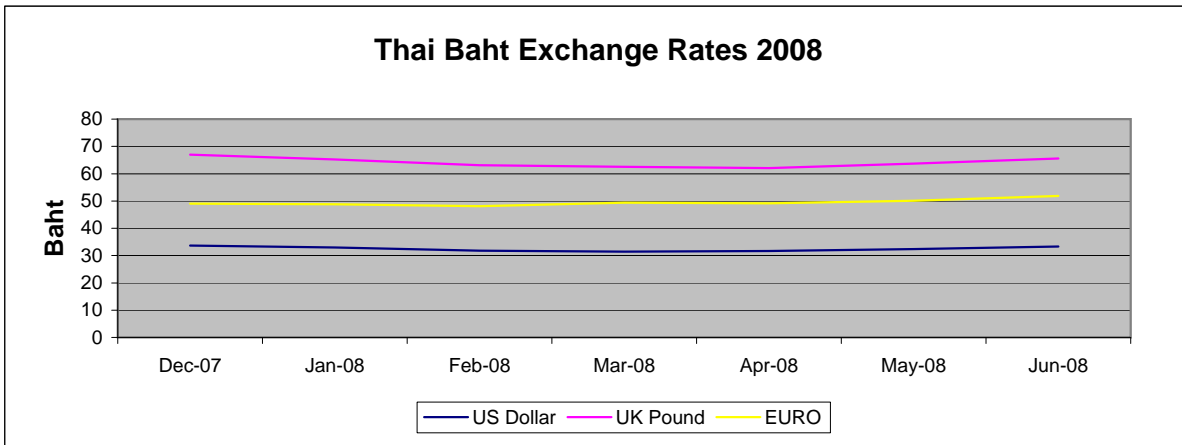
As always, on behalf of the refugees and displaced Burmese, we thank you for your support.

Jack Dunford
Executive Director
Bangkok
25th June 2008

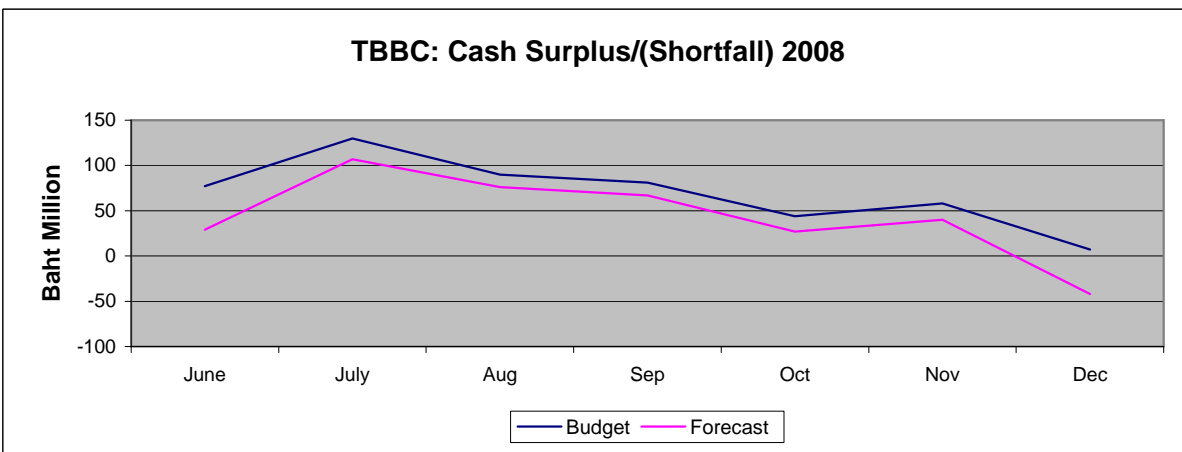
Effect of Rice Price on TBBC Finances: 25th June 2008



The price of rice rose steeply in the early part of the year to baht 26,000 per metric tonne. In the last few weeks it has begun to fall, to the current level of baht 21,000 per metric tonne.



The Thai baht had been strengthening against most foreign currencies for about three years but, during 2008 it has begun to weaken.



The lower rice price, the small improvement in exchange rates, and additional funding from USA, Canada, Netherlands, UK, Ireland, Australia and others has reduced TBBC's funding shortfall to around baht 50 million.