

# Natural rubber supply to fall 5.6% this year

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The latest estimates of demand and supply of natural rubber (NR) by the Association of Natural Rubber Producing Countries (ANRPC) show the supply would be 5.6 per cent low in 2011 and 3.6 per cent in 2012.

The revised outlook suggests the total supply this year (January-December) will rise to 10.02 million tonnes (mt), up 5.6 per cent, but lower than the six per cent rate previously expected.

Early estimates by ANRPC indicate the price fall had started impacting the supply of the commodity. The global price of RSS-4 grade fell to ₹174-175 a kg from ₹185 a kg a month back. The average price in September was ₹205 a kg. The decreasing trend in price is expected to affect the production of rubber. The total supply from member-countries of the ANRPC, which grew annually at 10.6 per cent in the first quarter and 10.7 per cent in the second, has slowed to 2.5 per cent in Q3, and is expected to do so further to 0.6 per cent in Q4.

ANRPC noted the supply of NR in the last quarter of 2010 was significantly down, and the forecast for the equivalent period in 2011 was only marginally above the reduced figure. The crisis in the euro zone has seriously affected output in most producing countries. ANRPC also estimates a three per cent fall in exports during October-December.

NR production increased five per cent during April-October. Total production increased to 480,700 tonnes as against 457,650 tonnes in the same period of last year. While consumption increased to 551,425 tonnes as against 550,230 tonnes, the gap between production and consumption is likely to touch 150,000 tonnes.