

Rubber output to rise as harvest resumes

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Natural rubber output will increase in the coming weeks as farmers resume harvesting after the traditional low-production season, easing the tightness in global supplies, according to the Association of Natural Rubber Producing Countries. Production from its member countries, representing 92 per cent of global supply; may climb 10.5 per cent to 2.3 million tonnes (mt) in the three months through June, the group said in a monthly bulletin. Output in the first quarter is estimated to have advanced 6.1 per cent to 2.27 mt, the group said.

Rubber futures have surged 16 per cent since dropping to a four-month low of 335 yen a kg on March 15 after Thailand, Indonesia and Malaysia, the top three growers, joined forces to tackle the slump in prices. The most-active contract gained 2.8 per cent to settle at 389.1 yen a kg (\$4,773 per tonne) on the Tokyo Commodity Exchange today.

Increasing production will probably pressure prices amid worries over weakening demand, after Japan's earthquake disrupted the supply chain of auto manufacturing, Mr Sureerat Kunthongjun, an analyst at AGROW Enterprise Ltd, said.