

# Global natural rubber output estimates cut

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GLOBAL production of natural rubber (NR) is projected to fall this year on bad climatic conditions. The total supply of the commodity, based on the trends since the beginning of this year, is likely to be 10.02 million tonnes (mt), as against the earlier projection of 10.06 mt.

The total supply from ANRPC (Association of Natural Rubber Producing Countries) nations is expected to rise only 5.8 per cent this year as against 6.2 per cent projected earlier. The production estimates were lowered as Thailand, the world's largest producer, may have a lower production of 3.43 mt from the earlier 3.38 mt, followed by low production in China.

The initial trends of 2011 indicate slight improvement in production in India and Indonesia. In India, production is expected to touch 902,000 tonnes as against the earlier projection of 884,000 tonnes and in Indonesia production is likely to increase to 2.97 mt from the earlier 2.96 mt.

The latest concern over the supply is mainly caused by unseasonal heavy rainfall and floods in Thailand and Malaysia during March and April. The concern over supply, rise in demand in China coupled with a set back to the dollar indicate a strong market for NR in the remaining eight months of this year.

The global market has showed signs of correction from mid of April, but this is likely to be reversed in the coming weeks according to latest market trends. In April, imports by China increased 17.4 per cent to 270,000 tonnes. The country accounts for 33 per cent of the commodity's total global consumption.