

Ivory Coast turns a major NR supplier to India

It is now the fourth largest producer of the industrial commodity

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India's natural rubber imports from Ivory Coast (Cote d'Ivoire) made up 28 per cent of total shipments into the country in May, making the West African country a major competitor to many South-East Asian nations in the supply of the key raw material for the tyre and rubber industries.

Under pressure

Jom Jacob, an analyst in the global rubber industry, said if block rubber (TSR) shipments alone are taken into account, Ivory Coast contributed 37 per cent of total imports. India's NR imports in May were 60,500 tonnes. Indian automotive tyre companies increasingly prefer Ivory Coast material over S-E Asian countries in view of its availability and competitive cost. It also provides them a bargaining power to negotiate

Source of imports for natural rubber

(Quantity in '000 tonnes)

Countries	Total from Jan to May			During May		
	2021	2022	% change	2021	2022	% change
Vietnam	38.0	53.9	42.0	3.5	8.7	145.9
Indonesia	72.0	44.6	-38.0	13.0	8.1	-38.0
Ivory Coast	20.5	44.2	115.7	3.1	16.2	430.4
Malaysia	35.7	42.1	17.8	5.6	6.4	14.3
Thailand	35.5	39.4	11.0	5.7	9.2	61.7
Ghana	2.7	12.5	0.3	3.7		
Singapore	15.1	8.2	-45.5	2.7	1.5	
Myanmar	2.4	7.0	0.3	1.4		
Nigeria	0.2	2.1	0.1	0.5		
Bangladesh	1.0	1.6	0.1	0.1		
Others	23.6	23.5	-0.4	1.9	2.0	
Total	246.5	279.1	13.2	36.3	57.9	59.3

with suppliers in SE Asian countries.

While Ivory Coast is emerging as a major natural rubber supplier at competitive prices, Jacob said SE Asian producing countries will be under pressure as their profit margin will get squeezed..

K.N. Raghavan, Executive Director, Rubber Board, said NR production has increased in Africa considerably during the past decade. Ivory Coast has become the fourth largest producer after Thailand, Indonesia and Vietnam.

Similarly, countries such as Ghana, Nigeria and Cameroon are fast emerging as major producers. Hence, the consuming industry world over has started looking to Africa as an alternative source of NR.

Jacob said the availability of low-cost rubber from African countries could be a threat to Kerala in the long run, as Ivory Coast offers considerable economic advantage over S-E Asian producers. However, there are limits for the Ivory Coast to influence global,

given the present size of the natural rubber industry and its relative share in world exports.

Rajiv Budhraj, Director General, Automotive Tyre Manufacturers Association (ATMA), said the offtake from the African region is mainly finding application in off-the-road (OTR) tyres leading to a distinct jump in the sourcing of NR from the Ivory Coast. The pricing is competitive and the quality is also good with at least some of the suppliers. However, shipping takes time compared to traditional rubber growing and exporting countries, which is a deterrent.

Covid impact

Over the years, Indonesia used to be the main source of natural rubber for India due to its cost advantage. But it lost its cost competitiveness during the Covid pandemic with several TSR processing factories going bankrupt or discontinuing operations, making it difficult in sourcing raw material (cup-lump). Indonesian natural rubber became expensive and subsequently exports started to decline.