

Natural rubber production could rise 4.9% in FY13

GEORGE JOSEPH

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Production from the Association of Natural Rubber Producing Countries (ANRPC) region might rise 4.9 per cent to 10.9 million tonnes (mt) for 2012-13.

The rise in production is on the back of increased output from Indonesia, the world's second-largest producer, likely to go up to 3.26 mt, Malaysia's to one mt and Vietnam's to 915,000 tonnes.

ANRPC has 11 members — Cambodia, China, India, Indonesia, Malaysia, Papua New Guinea, Philippines, Singapore, Sri Lanka, Thailand and Vietnam. These account for 92 per cent of the global production of natural rubber.

According to the initial trends from various countries, ANRPC earlier scaled down its production estimate for 2012 to 10 mt from 10.42 mt. This was based on the output in the first quarter (January-March) which fell 9.5 per cent, as farmers in Thailand and

Malaysia trimmed tapping on a steep drop in prices.

According to latest reports from these countries, production is likely to go up this financial year.

Meanwhile, the biggest concern over global production is dropping prices. International markets have shown a continuous fall for the past few weeks and the Bangkok market today quoted ₹176 a kg for the commodity. This was ₹180 a kg last Wednesday. The Indian counters are also on a decreasing mode and RSS-4 quoted at ₹187 a kg. Experts feel that prices are likely to pick up in the coming months, as despite a slowdown in top consumers, China and India, the demand will be almost steady this year.

Demand from emerging markets, such as West Asia, Brazil and Russia will also support prices.

On the supply side, erratic rain in Thailand — the largest producer — has been disrupting tapping and slowing supplies after the low-output winter season.