

## **Global Rubber Output To Rise 5.0% In 2012; Vietnam Overtakes India**

Vietnam has increased its estimate of natural rubber production this year to a level that would take it past India as the world's fourth-largest producer of the commodity, contributing to a 5% increase in global rubber output in 2012.

Global production is estimated at 10.86 million metric tons this year, up from its August estimate of 10.83 million tons, the Association of Natural Rubber Producing Countries said in its September bulletin, released Monday.

Vietnam is already the world's fourth-largest exporter of natural rubber behind Thailand, Indonesia and Malaysia, well ahead of India, where most of the output is consumed domestically. The potential change in production rankings highlights Vietnam's increasing importance as a producer and exporter of natural rubber.

Vietnam has raised its estimate to 930,000 tons from a previous estimate of 915,000 tons thanks to increased tapping area, to 528,400 hectares from 520,000 hectares, said the ANRPC, which collates information from governments of its member countries.

This would make Vietnam's natural rubber production 14.5% higher than its 2011 total.

India, the world's second-largest natural rubber consumer after China, has estimated its 2012 production at 920,000 tons.

Thailand, Indonesia and Malaysia are the founding members of the International Tripartite Rubber Council, a cartel that controls 70% of the world's natural rubber production. ITRC recently flexed its muscle to support flagging rubber prices, imposing a collective export and production cut that went into effect Oct. 1.

Although ITRC has for years been wooing Vietnam, Vietnam has been deterred by the cost of joining the cartel, a Vietnam Rubber Association official told Dow Jones Newswires last month.

But Thailand's Deputy Agriculture and Cooperatives Minister Nattawut Saikuar said Friday that Vietnam will participate as an observer during the next ITRC meeting, in December, raising expectations that its ITRC membership could be imminent.

Counting Vietnam, ITRC would account for about 80% of the global trade. ANRPC member countries, with 11 members in all, account for around 93% of global natural rubber production.

The ANRPC didn't factor ITRC's export cut into its estimates in its bulletin. The three countries have said they will collectively reduce natural rubber exports by 300,000 tons between October and March.