

Rubber industry aims to double production by 2016

Government agencies, finance institutions and industry stakeholders have set goals, including doubling production in the near future, as part of their roadmap for the rubber industry.

Saying that they “envision the Philippines as one of the major natural rubber-producing countries in Asia,” Trade and Industry Undersecretary Merly Cruz outlined some of their aims at the first Philippine Rubber Investment and Market Encounter (PRIME 2012) in Clark.

“We are targeting to double the Philippine rubber industry’s production in 2010 and supply 50 percent of domestic natural rubber requirements by 2016,” she said.

PRIME 2012 is first industry event in the country to focus on providing access to market and investment opportunities in the rubber industry.

It was attended by government agencies, industry experts, policy makers, rubber producers, processors, traders and exporters, and manufacturers such as Yokohama Tire Philippines Inc. and members of the Philippine Rubber Industries Association.

One of PRIME 2012’s goals is to expand the domestic market for natural rubber, provide opportunities for the natural rubber producers and jobs for rubber farmers and industry workers.

“To increase the domestic market share of natural rubber by 50 percent for the next 5 years, we intend to facilitate direct market access to tire and other natural rubber-based manufacturers in the country,” Cruz said.

The undersecretary added that it is their intention to increase the export of crumb rubber to China and other Asian markets 25 percent by 2016 by improving product quality and ensuring compliance with product standards.

The current low quality of local crumb rubber is already a sticking point with Yokohama Tire Philippines, who earlier said that it will only consider increasing its local sourcing of rubber if the quality improves enough to meet its standards.

Cruz said the concerned agencies and industry stakeholders plan to increase rubber productivity by:

- using “improved and new technology and upgrading dilapidated processing facilities in identified rubber producing regions and provinces”;
- “provid[ing] smallholders and cooperatives easier access to financing facilities and strengthen farmer organizations and cooperatives”; and
- “aim[ing] to create an environment conducive to the development of the rubber industry by providing support facilities and infrastructures, policy, incentives, and other support services.”

Other government agencies who committed support for the industry were the Department of Agriculture, the Department of Environment and Natural Resources, the Department of Agrarian Reform, the Department of Science and Technology, Land Bank of the Philippines, and the

Development Bank of the Philippines.