

Cambodia: SEA firms to ship \$2b of rubber to China

Cambodia's Prominence Investment Enterprise and Thailand's Panpee Group have signed an agreement to supply China's Yunnan Rubber Co Ltd with 500,000 tonnes, or US\$2 billion worth, of rubber per year, Sam Kay, general manager of the local partner, said yesterday. The companies would source rubber in Cambodia, Thailand and Laos to meet the contract, he said. The amount of rubber Cambodia would contribute is unknown, however, as domestic rubber capacity is uncertain, Sam Kay said. Cambodia's supply would most likely fall short this year, he said. The deal, however, should lead to an increase in domestic production of rubber resin. "This is the biggest rubber deal Cambodia has ever had. It will have farmers planting even more so they can earn as much money as in neighbouring countries," Sam Kay said, adding that the company will cooperate with local rubber-producing companies and households. Under the agreement, both companies also plan to invest in rice, pepper and cassava, according Sam Kay. Cambodia's current domestic production of rubber would meet about a fifth of the Chinese quota, according to officials. "Very soon, I think we will have more than 100,000 tonnes of rubber to be exported," president of Golden Rice Co Ltd Sok Hach said at a meeting on Cambodian exports on Monday. He noted that exact data on rubber output was still unavailable. According to the Ministry of Commerce, Cambodia exported about 46,727 tonnes of rubber worth \$200.9 million in 2011.