

Global natural rubber output to be low this year

The Association of Natural Rubber Producing Countries (ANRPC) has lowered its natural rubber (NR) supply estimates for 2012. According to it, total supply would be 10.42 million tonnes (mt) from 10.52 mt expected a month ago. With the revised figures, supply is expected to rise only 1.1 per cent from the supply in 2011. Earlier, the increase expected was 2.6 per cent. The total production of NR in January from ANRPC members fell 12.8 per cent from a year earlier. Despite a sharp rise in prices since the middle of the month, the production fell to 291,000 tonnes in Thailand (from 385,000 tonnes in January 2011), 239,000 tonnes in Indonesia (from 247,000 tonnes) and 85,000 tonnes in Malaysia (from 108,700 tonnes) largely due to lacklustre demand from China. However, India and Vietnam managed a marginal increase during the month. In Malaysia, unseasonal rain for almost a month from February 14 disrupted harvesting of trees. The Hainan region, which is China's major rubber-producing belt, saw more rainy days during March with an unusually cloudy atmosphere, indicating trees may have been affected by the powdery mildew disease. It is now anticipated that the first quarter (January-March) would end with a 5.1 per cent fall in supply from the same quarter of the previous year. Total supply will be 2.23 mt, as against 2.35 mt in the same period last year. Production is expected to fall 12.6 per cent in Thailand and 14.4 per cent in Malaysia during January-March. Indonesia's performance is estimated to be static while China, India and Vietnam are expected to perform better. In China, production is estimated to be 23,000 tonnes (up 44.7 per cent), Vietnam is expected to produce 141,000 tonnes (an increase of 25.9 per cent) and in India, production is likely to be 219,000 tonnes (up 3.7 per cent). This latest trend in major producing countries indicates further strengthening of prices in April and May as tapping is affected due to summer. Production might be lower in these months, according to experts. Meanwhile, the latest ANRPC data indicates total supply grew 8.6 per cent to 10.31 mt during 2011 as against 9.49 mt in 2010. Thailand tops the table with 3.57 mt, followed by Indonesia with 3 mt. Malaysia produced 996,000 tonnes, India 893,000 tonnes, Vietnam 812,000 tonnes and China 707,000 tonnes. All the major producing countries, except Indonesia and Malaysia, recorded growth in production in 2011, with China (6.1 per cent) and Vietnam (six per cent) topping the chart, when compared with production in 2010.