

Top rubber producers set intervention price at \$2.70/kg

KUALA LUMPUR, Oct 5 (Reuters) – The world’s top rubber-producers, Thailand, Indonesia and Malaysia, have linked any future intervention in the market to rubber prices falling to \$2.70 per kg, a Malaysian industry source told Reuters on Friday.

The deal was struck on Thursday when officials from the Southeast Asian countries met in Thailand to review measures to support the market, said the source who attended the meeting but who declined to be named as he was not authorised to discuss the outcome.

There was no immediate confirmation from the Malaysian government.

“The last thing left on the table was the defence price,” said the source. “It had to be sorted out quickly for the three governments since a lot of small farmers are rubber producers in the respective countries.”

Physical prices are well above \$3.00 per kilo after the three countries, which account for 70 percent of global output, agreed in August to cut exports and replant trees to shore up the market which was flagging at the time.

Exports from all three countries started to fall in October, the source said. Under the agreement, Thailand was supposed to have cut back exports by 150,000 tonnes, Malaysia by 40,000-50,000 tonnes and Indonesia by around 100,000 tonnes.

(Reporting by Niluksi Koswanage; editing by Miral Fahmy)