

Malaysia: No plans to set minimum price for rubber

KUALA LUMPUR: The government does not intend to set a minimum price for rubber to control the commodity's price slide as the move will incur big financial allocation, the Dewan Rakyat was told today.

Deputy Minister of Plantation Industries and Commodities Datuk Hamzah Zainudin said rubber prices are determined by several factors including world economy growth rate and the economic climate in major rubber-importing countries, supply and demand in the global rubber market.

"However, to strengthen rubber prices, Malaysia, Thailand and Indonesia, the world's three major rubber producers, are closely monitoring the rubber price trend in the world market under the International Rubber Council framework of cooperation," he said when replying to Amran Ab Ghani (PKR-Tanah Merah) during question time.

Amran had asked whether the government proposed to fix a minimum price for rubber in efforts to control the commodity's price slide.

Hamzah said Malaysia, Indonesia and Thailand would meet to decide on proactive measures if rubber prices dwindle to worrying level including collectively implementing an export control mechanism.

He, however, said the government constantly monitored rubber prices to ensure that rubber tappers' income, particularly rubber smallholders, was not affected.

"Currently, although rubber prices are on fluctuating trend, prices are still at encouraging level.

"Until August this year, smallholders owning 2.3 hectares of rubber smallholding can earn over RM2,400 a month, an amount considered a lucrative income for smallholders," he added.