

PRESS STATEMENT by the ITRC Ministers on the Implementation of Agreed Export Tonnage Scheme

We, the Ministers under the International Tripartite Rubber Council (ITRC), express concern on the recent drop in Natural Rubber (NR) prices which has a direct effect on the income of rubber smallholders in our three Countries. This is despite the fact that the demand for NR remains strong with low stock level. The drop in NR price was mainly contributed by negative market sentiment caused by various other factors including uncertainties in global economic growth. The Governments of Thailand, Indonesia and Malaysia have finalised the mechanism for the implementation of Agreed Export Tonnage Scheme (AETS). Under the AETS, the three Countries will withdraw exports of 300,000 tonnes of NR. The three countries also agreed to accelerate the replanting programme of 100,000 hectares which will result in further reduction of export by 150,000 tonnes. With these two measures, a total of 450,000 tonnes of NR will be withdrawn from the market. We are optimistic with joint implementation of these measures, the rubber price will recover and continue to be fair and remunerative to all smallholders and other stakeholders in the NR industry. This implementation will be closely monitored by the ITRC Monitoring and Surveillance Committee.