

Malaysia, Thailand, Indonesia to establish mechanism to stabilise rubber price

JASIN: Three major natural rubber producing countries — Malaysia, Indonesia and Thailand — will establish the mechanism to ensure that rubber price remains stable and competitive following a downtrend projection due to the current economic crisis faced by the euro zone countries. Malaysia Rubber Board chairman Datuk Wira Ahmad Hamzah said the meeting, expected to be held in Bandung, Indonesia, in the first week of next month is expected to be attended by two major rubber importing nations — China and India. “What we want is a fair and stable price to protect smallholders’ interests against the backdrop of lower demand from european countries which will to a certain extent lead to a fall of current rubber prices,” he told reporters at his Hari Raya open house in his residence at Umbai here today. Rubber price, which contributes four per cent to the gross domestic product, closed at RM7.81 a kilogramme on Friday. Ahmad said rubber price usually depended on demand and supply but the market now was exposed to speculations, rendering the price to be unstable. Ahmad, who is expected to attend the meeting, said long-term programmes for annual rubber exports for the three major rubber producers are also expected to be discussed at the meeting apart from rubber replanting initiatives. He also said the Malaysia Rubber Board is to implement five major projects in Sungai buloh following the sale of 1,052 hectares of its land to the Employees Provident Fund. “The signing of the agreement on Aug 17 is a win-win situation to both parties, adding the total overall transaction to RM1 billion,” he said. From the proceeds, the board is expected to implement five development programmes — to build a tower block for Malaysia Rubber Board, a rubber research and development centre, a royal college for rubber, a rubber museum and establish a cluster of businesses related to commodities, he said. “All these projects will take five years to complete. They will be carried out on a 230 hectares owned by the board,” he added. — BERNAMA