

Rubber price intervention given green light

The National Rubber Policy Committee has given the nod for the Rubber Estate Organisation (REO) to buy rubber at three baht above the bidding price at the central rubber market in order to boost prices.

Deputy Agriculture Minister Natthawut Saikua said this past Thursday's price will be used as the floor price.

When the price drops below that level, the REO will buy at three baht higher.

The proposal will be screened by the committee of economic ministers and later the cabinet.

Mr Natthawut said the government earlier approved a 15-billion-baht budget to intervene in the market and stabilise the price of rubber.

About 30% or 4.5 billion baht has been used so far.

The cabinet has set a goal of lifting the price of rubber to 120 baht a kilogramme, said Mr Natthawut, adding that it is necessary for the intervention price to reflect the market price.

He said the committee acknowledged the meeting of the International Rubber Consortium, a joint venture formed by Thailand, Indonesia and Malaysia.

All members are worried about stability, especially the impact of the euro-zone crisis on rubber prices and the futures market.

At the annual meeting of the tripartite company this December, three more nations – Vietnam, Laos and Cambodia – are expected to be invited to become members in order to stabilise rubber prices.