

ITRC to meet Dec on rubber prices -Indonesia assoc

JAKARTA, Nov 21 – The world’s top three rubber-producing countries, Thailand, Indonesia and Malaysia, will meet in December to discuss possible price intervention, the Indonesian Rubber Association (Gapkindo) said on Monday. This came after the International Tripartite Rubber Council (ITRC) said after a meeting on Saturday they did not see any immediate need for price intervention as they expected the rubber market to pick up soon for seasonal reasons. The meeting in Bangkok came after a slump in prices caused by worries about a recession in Europe and a slowdown in other big markets.

“The current demand is actually enough to support a better price, however fund managers have been suppressing the price by selling their stocks,” Asril Sutan Amir, chairman of Gapkindo told Reuters. He added that the ITRC had agreed to hold further discussions on the natural rubber price until December, and watch price developments.

Thailand’s benchmark smoked rubber sheet (RSS3) hit a record high of \$6.40 per kg in February but has almost halved since then and was offered at \$3.45 per kg on Friday. The three countries generally export around 6 million tonnes of rubber each year and account for 70 percent of global output.

Last week, Gapkindo urged members to stop exports if prices dip below \$3 per kg. Asril said the association expects natural rubber exports to fall in the several months to come mainly because of falling raw material supply from the farmers.

On Friday Suharto Honggokusumo, executive director of Gapkindo said Indonesia’s natural rubber exports in the fourth quarter are seen falling to 500,000 tonnes, from more than 600,000 tonnes per quarter so far this year, on weaker demand from key consumers such as China.