

MEDIA STATEMENT

BY THE INTERNATIONAL RUBBER CONSORTIUM (IRCo) ON 4TH AGREED EXPORT TONNAGE SCHEME (AETS)

"We shall implement and comply" is the pledge by the Rubber Associations from Thailand, Indonesia and Malaysia when they met at a special meeting organized by the International Rubber Consortium (IRCo) at the Raffles Hotel, Singapore on 26 February 2016.

The Governments of Thailand, Indonesia and Malaysia under the framework of the International Rubber Tripartite Council (ITRC) have agreed to implement Agreed Export Tonnage Scheme (AETS) beginning 1 March 2016 until August 2016. This involves cutting back exports of 615,000 tonnes. The special meeting was organized by IRCo to get industry members' comments and commitments. The Presidents/Representatives of Thailand Rubber Association (TRA), Gabungan Perusahaan Karet Indonesia (Gapkindo) and Malaysian Rubber Exchange (MRE) gave their commitment and pledge to implement AETS.

Viet Nam, which has agreed to become a strategic partner of ITRC, also attended the meeting. Through the President/Representatives of Vietnam Rubber Association/Group (VRA/VRG), Viet Nam expressed its commitment to cooperate and agreed to support AETS through the export cut back of its industry members.

Besides AETS, the 4 Rubber Associations also supported the establishment of a Regional Rubber Market, a major initiative by ITRC in providing a platform among natural rubber producing countries for rubber traders to trade physical natural rubber with the objective to provide credible price discovery mechanism.

The Rubber Associations also expressed concern on sustainability of natural rubber production in the future as smallholders have started replanting natural rubber with other crops such as cassava in Indonesia and switching to other economic activities in Thailand and Malaysia. Viet Nam indicated that its planted areas have begun to decline beginning 2013 due to continuous decline of natural rubber price. The Associations agreed to cooperate to provide more credible statistics to IRCo and looked forward to the Prize Competition to be organized by IRCo, with the objective to increase local and global demand for natural rubber.

Overall, the Rubber Associations expressed their strong cooperation/commitment with ITRC member Governments in implementing measures minimizing price volatility and ensuring sustainable natural rubber industry with the hope to give remunerative prices to smallholders and fair to consumers.
