

## Natural Rubber Output Set to Grow 4.7% to 10.83 Million Tons

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Sept. 4 — Rubber production from key growers is poised to increase at the slowest pace in three years after top shippers pledged to take steps to cut supplies to help boost prices of the commodity used in tires.

Production from members, representing 93 percent of global supply, may expand 4.7 percent to 10.83 million metric tons this year, the Association of Natural Rubber Producing Countries said in a monthly report today. That compares with growth of 8.7 percent to 10.342 million tons a year earlier, the highest since at least 2007, according to ANRPC data. Output increased 6.8 percent in 2010 and shrank 3.8 percent in 2009. The group predicted in July growth of 4.8 percent for 2012.

Rubber has plunged 58 percent from a record in February 2011, cutting income for growers and costs for tire makers such as Bridgestone Corp., as growth slowed in China, the top user, and Europe struggled to contain its debt crisis. Thailand, Indonesia and Malaysia, which represent about 70 percent of global supplies, agreed to lower exports and cut down aging trees, removing a total of 450,000 tons from the market to boost prices, the International Tripartite Rubber Council said Aug. 17.

Under these circumstances the demand-supply situation with respect to natural rubber will presumably be affected, the group said in the report referring to the council's decision.

Rubber for delivery in February traded at 225.4 yen a kilogram (\$2,876 a ton) on the Tokyo Commodity Exchange at 2:08 p.m. Futures reached a record 535.7 yen on Feb. 18 last year.

Production growth may slow to 2 percent in the third quarter to 2.9 million tons, compared with an expansion of 6.2 percent in the same period last year, the report said.

Production may decline 3.8 percent in October to 915,000 tons, compared with a growth of 19 percent last year, it said.

Consumption by member countries is expected to slow to 3.1 percent to 6.46 million tons, from last year's growth of 3.6 percent, because of declining demand by China, the group said.

China's demand may expand 1.9 percent this year to 3.67 million tons, compared with a growth of 5.3 percent last year. China will probably import 3.08 million tons this year, compared with 2.85 million tons last year, ANRPC said.