

Rubber Exports Bounce Back

Thai rubber exports will remain on the rise in 2013, with growth estimated at about 3-5% boosted by higher demand from emerging markets including China, India and Brazil.

According to Luckchai Kittipol, honorary president of the Thai Rubber Association, the industry was expected to end 2012's shipments with not more than 3 million tonnes, slightly more than the 2.99 million tonnes in 2011.

Export value, however, was estimated at 250 billion baht in 2012, compared with 300 billion baht in 2011.

That sharp decrease was partially due to a price drop as growth slowed in China, the top consumer, and Europe.

Rubber prices plunged 43% in 2011 and reached its lowest point in almost three years by mid-2012, leading Thailand, Indonesia and Malaysia, representing about 70% of global natural rubber supply, in August to agree on steps to boost prices.

As part of the move, Thailand, the top shipper, at first allocated 15 billion baht to purchase 100,000 tonnes of rubber.

Later, in September, it raised spending worth another 30 billion baht to purchase rubber from farmers at above-market rates to shore up prices.

The target buying price came in line with earlier cabinet approval for the natural rubber intervention scheme at 100 baht per kilogramme for third-class raw rubber sheets and 104 baht per kg for smoked rubber sheets.