

MONTHLY Rubber Statistical News



Statistics & Planning Department
Rubber Board Kottayam-686 002
Kerala India
E-mail: stat@rubberboard.org.in
Phone: 0481-2574903

Vol.65 \$ No12 \$ May 2007

THE YEAR 2006-07

NATURAL RUBBER (NR)

Production Sector

During 2006-07 natural rubber production in the country increased to 852,895 tonnes compared to 802,625 tonnes during 2005-06 with a growth of 6.3%. The major factors for the growth in production were the higher price of NR together with better climatic conditions that prevailed during the year. During 2006-07 the productivity of rubber plantations in the country has increased to 1879 kg/ha from 1796 kg/ha. Now India occupies the first position in productivity in the world. Production of NR for the year 2007-08 is projected at 8.74 lakh tonnes with a growth of 2.5%.

Consumption Sector

The consumption of NR during 2006-07 increased to 820,305 tonnes with a growth of 2.4% as against 801,110 tonnes during 2005-06 at a growth of 6.1%. The slow down in consumption of NR was mainly due to the shift in consumption of NR to SR by tyre companies. The auto tyre sector had a slower growth of 4.3% as against a higher growth of 9.0% during 2005-06 and the general rubber goods sector recorded a minute growth of 0.01% only compared to 2.6% during the previous year. The projected consumption for the year 2007-08 is 8.53 lakh tonnes with a growth of 4.0%.

Import & Export

As per the import figures collected from various ports upto 31st March 2007, the quantity of import during 2006-07 was 88,040 tonnes as against 45,285 tonnes during 2005-06. As the domestic price was higher than the international price during the peak production period (October to January) the tyre companies took advantage by importing bulk quantity of NR during the last four months of the year 2006-07. The country exported 56,545 tonnes of NR during the year 2006-07 compared to 73,830 tonnes during the previous year. The de-valuation of US dollar against Indian Rupee and price difference between domestic and international market during the second half of the year weakened the export of NR.

The growth in production and import of NR had contributed to a stock pile of 163,530 tonnes at the end of March 2007.

SYNTHETIC RUBBER (SR)

Production & consumption

Production of SR increased to 99,513 tonnes during 2006-07 from 97,638 tonnes recording a growth of 1.9%; out of which the share of poly-butadiene rubber was 72%.

Consumption of SR increased to 270,830 tonnes during 2006-07 registering a growth of 14.0% over the previous year. The automotive tyre sector consumed 170,809 tonnes of SR as against 141,580 tonnes consumed during 2005-06, recording a growth of 20.6%. The relative share of consumption of NR and SR in India shifted to 75 : 25 during the year 2006-07 from 77 : 23. The consumption details of NR and SR are summarized in Table 1.

Table 1 CONSUMPTION OF NR AND SR

	2006-07 (Tonnes)	2005-06 (Tonnes)	Growth (%)
Natural Rubber			
Auto Tyres & Tubes	462081	442921	4.3
General Rubber Goods	358224	358189	0.01
Total NR	820305	801110	2.4
Synthetic Rubber			
Auto Tyres & Tubes	170809	141580	20.6
General Rubber Goods	100021	95915	4.3
Total SR	270830	237495	14.0
NR & SR			
Auto Tyres & Tubes	632890	584501	8.3
General Rubber Goods	458245	454104	0.9
Total NR & SR	1091135	1038605	5.1

The import of SR by the rubber goods manufacturing industry during 2006-07 was increased to 171,998 tonnes, whereas it was 132,118 tonnes in 2005-06.

Price of Natural Rubber

During the year 2006-07 the natural rubber prices in the domestic and international markets have been ruling high. The domestic price for the year 2006-07 increased from Rs.8634/qtl for RSS-4 grade in April 2006 to Rs.10692/qtl in June 2006 and then it decreased to Rs.9057/qtl in March 2007 with some ups and downs. The international price was higher than the domestic price except for the months from October 2006 to January 2007.

Continued to page 3

(Metric Tonnes)					
Type-wise Production & Consumption of NR & SR	March 2007 (1)	March 2006 (2)	April 2006 to March 2007 (3)	April 2005 to March 2006 (4)	Percentage increase (+)/ decrease(-) of (3) & (4) (5)
Production					
Natural Rubber (NR)					
Ribbed Smoked Sheet (RSS)	23615	26590	612735	566445	
Solid Block Rubber	7355	7365	98500	92540	
Latex Concentrates (drc)	7370	7505	86780	90950	
Pale Latex Crepes	210	175	2055	2555	
Others	4055	4255	52825	50135	
Total	42605	45890	852895	802625	6.3
Synthetic Rubber (SR)^P					
Styrene Butadiene (SBR)	1094	1380	12285	14470	
Poly Butadiene(BR)	6400	6350	71730	67286	
Others	965	1446	15498	15882	
Total	8459	9176	99513	97638^R	1.9
Total NR & SR	51064	55066	952408	900263	5.8
Consumption *					
Natural Rubber (NR)					
Ribbed Smoked Sheet (RSS)	43545	47270	561580	561655	
Solid Block Rubber	14645	9160	132755	115840	
Latex Concentrates (drc)	7445	7470	76190	74670	
Pale Latex Crepes	240	335	2170	2435	
Others	4415	4320	47610	46510	
Total	70290	68555	820305	801110	2.4
Out of which Auto Tyre Manufacturers	41056	38836	462081	442921	4.3
Synthetic Rubber (SR)^P					
Styrene Butadiene (SBR)	8410	7485	98170	80885	
Poly Butadiene(BR)	7690	6860	79900	69080	
Others	7495	7115	92760	87530	
Total	23595	21460	270830	237495	14.0
Out of which Auto Tyre Manufacturers	15038	13308	170809	141580	20.6
Total NR & SR	93885	90015	1091135	1038605	5.1
Out of which Auto Tyre Manufacturers	56094	52144	632890	584501	8.3

*: indigenous and imported

R- revised

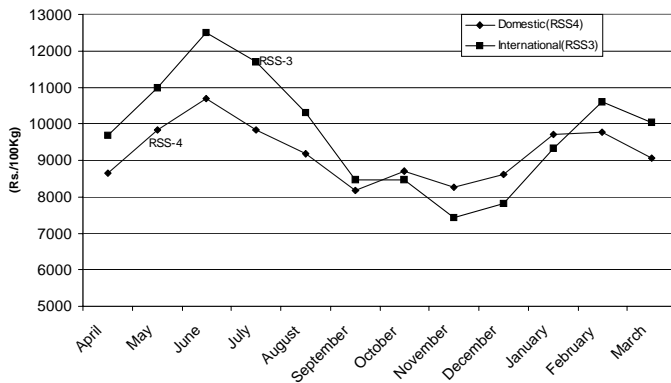
(Metric Tonnes)				
Production Consumption and stock of RR	March 2007 (1)	March 2006 (2)	April 2006 to March 2007 (3)	April 2005 to March 2006 (4)
Reclaimed Rubber (RR)				
Production @	6720	6405	78495	76645
Consumption	6810	6370	78435	76535
Out of which Auto Tyre Manufacturers	2043	2031	23714	21978
Stock with Manufacturers (end of month/year)	3725	3665		
@: indigenous purchase by manufacturers				
IMPORT/EXPORT & STOCK OF NR & SR				
Import (p)				
Natural Rubber	15799	2575	88040	45285
Synthetic Rubber	15845	13350	171998	132118
Total NR & SR	31644	15925	260038	177403
Export (p)				
Natural Rubber	3552	8447	56545	73830
STOCK AT THE END OF MARCH# 2007 (Metric tonnes)				
Natural Rubber				
With Growers	44075	Ribbed Smoked sheet		107915
With Dealers & Processors	48975	Solid Block Rubber		22650
With Auto Tyre units©	55342	Latex(drc)		15690
With other manufacturing units	15138	Pale Latex Crepe		765
		Others		16510
Total	163530	Total		163530
©: including transit				
Synthetic Rubber				
Producers	8150p			
With Auto Tyre units	15005	SBR		13990
With other manufacturing units	3255	Others		12420
Total	26410	Total		26410

p:provisional # Revised the grade-wise stock

Table II Price of Natural Rubber - 2006-'07 (Rs./100Kg)							
Month/ Year	RSS-5	RSS-4	RSS-3	Latex (60% drc)		ISNR 20	SMR 20
	Domestic		International**	Domestic	International*	Domestic	International*
2005-06	6494	6699	7432	7879	8491	6432	6868
April '06	8508	8634	9695	10481	11182	8482	8768
May	9542	9841	10998	12177	12421	9418	9786
June	10218	10692	12484	13189	13814	9966	10825
July	9589	9821	11710	13350	13374	9464	10742
Aug	8911	9182	10303	12408	10827	8828	10011
Sep	7974	8169	8480	11120	8515	7869	8438
Oct	8507	8709	8463	9976	9275	8286	8328
Nov	8016	8260	7426	9359	8147	7860	7274
Dec	8294	8615	7811	9374	8369	8208	7299
Jan '07	9132	9716	9319	10865	10377	9055	8556
Feb	9421	9757	10605	11225	12204	9190	9313
March	8933	9057	10050	10753	12095	8819	9157
2006-07	8920	9204	9779	11190	10883	8787	9041

*Refers to Kuala Lumpur Market, **Refers Bangkok Market.

PRICE OF NATURAL RUBBER-2006-07



The annual average price of RSS-4 grade for the year 2006-07 was Rs.9204/qtl compared to Rs.6699/qtl in 2005-06. The increase in domestic rubber prices is due to various factors such as currency appreciation in the Asian countries, increase in the international NR prices etc. During the year 2006-07, even in the peak production season the price has shown an increasing trend except in November'06, but diminishing trend prevailed in the month of March 2007.

The average international price for RSS-3 grade for the year 2006-07 was Rs.9779/qtl as against Rs.7432/qtl during the previous year. The unseasonable heavy rain over the main rubber producing regions of south east Asia have contributed to the hike in price of NR. The variation in crude oil price in international market is also quoted to be a reason for the increase in the international market. Increased demand in China for NR continued during the year 2006-07 also had a positive impact in NR prices.

World Rubber Situation - 2006

According to the International Rubber Study Group (IRSG) the world rubber production of Natural Rubber (NR) is estimated to have increased to 9.65 million tonnes in 2006 with a growth rate of 8.6% compared to 8.88 million

Table III Country-wise Production of NR ('000 tonnes)

Country	2005	% share	2006	% share
Thailand	2937	33.07	3137	32.53
Indonesia	2271	25.57	2637	27.34
Malaysia	1126	12.68	1284	13.31
India	772	8.69	853	8.84
Vietnam	469	5.28	540	5.60
China	510	5.74	533	5.53
Others	797	8.97	661	6.85
World Total	8882	100.00	9645	100.00

tonnes in 2005 while the synthetic rubber (SR) production moved upto 12.53 million tonnes by 3.0% growth against 12.16 million tonnes produced in 2005. The increase in world NR production growth in 2006 was due to the improvement in rubber production growth by 14.0% in Malaysia, 16.1% in Indonesia, 10.5% in India and 15.1% in Vietnam along with a growth of 6.8% in Thailand compared to 2005.

World NR consumption is estimated to have increased to 9.23 million tonnes in 2006 with a growth rate of 1.6% from 9.08 million tonnes consumed in 2005. At the same time, the world SR consumption increased from 11.91 million tonnes to 12.21 million tonnes with a growth rate of 2.6%. The growth in consumption of NR in China increased to 11.6% whereas the consumption in USA declined to 13.5%. The consumption of NR in Japan and India increased to 2.0% and 3.3% respectively. World NR and SR consumption ratio is 43: 57 for the year 2006.

Table IV Country-wise Consumption of NR ('000 tonnes)

Country	2005	% share	2006	% share
China	2150	23.67	2400	26.01
U.S.A.	1159	12.76	1003	10.87
Japan	857	9.44	874	9.47
India	789	8.69	815	8.84
Malaysia	386	4.25	383	4.15
Rep. Of Korea	370	4.07	364	3.95
Thailand	335	3.69	321	3.48
Others	3036	33.43	3066	33.23
World Total	9082	100.00	9226	100.00

Supply - demand balance

According to IRSG the world NR production exceeded consumption resulting a surplus of 4,19,000 tonnes in 2006.

The world supply - demand balance is shown below:

Table V World NR Supply / demand balance ('000 tonnes)

	2005	2006	% growth
Production	8882	9645	8.6
Consumption	9082	9226	1.6
Balance	-200	419	

IRSG forecast the world NR production and consumption at 10.83 million tonnes with a growth of 4.0% and 9.63 million tonnes with a growth of 4.5% respectively in 2007