

# rubber statistical news

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**The Year 2005-06**

May 2006

## Production Sector

The production of Natural Rubber (NR) in the country during 2005-06 was 802,625 tonnes as against 749,665 tonnes produced during 2004-05. The growth recorded in NR production during 2005-06 was 7.1 per cent as against 5.3 percent achieved during 2004-05. Expansion of tapped area of rubber plantations, better adoption of agro-management practices and intensive tapping during the last quarter of the year on account of the rising prices in the domestic and international markets are the major factors for the increased production during the year. Owing to this, the productivity of rubber plantations in the country has increased to 1796 kg/ha during 2005-06 from 1705 kg/ha during 2004-05.

## Consumption Sector

With the revival of the industrial sector during 2005-06, the performance of the rubber manufacturing sector improved significantly. The consumption of NR increased by 6.1% to 801,110 tonnes during 2005-06 as against 5.0% with a consumption of 755,405 tonnes during 2004-05. The improvement in consumption was due to high production growth of various categories of tyres together with the growth in exports. The auto-tyre sector achieved a higher growth of 9.0% during 2005-06 compared to 7.4% in 2004-05. The general rubber goods sector posted 2.6% growth during 2005-06 as against 2.2% during the previous year.

## Import & Export of NR

As per the statistics published by the Directorate General of Commercial Intelligence & Statistics (DGCI & S), the quantity of import during 2005-06 was 45,285 tonnes as against 72,835 tonnes during 2004-05. The country exported 73,830 tonnes of NR during the year 2005-06 as against 46,150 tonnes during the previous year. The variations in export and import figures were due to the hike in the international price which ruled above the domestic price since July 2005.

## Production and consumption of Synthetic Rubber

Production of Synthetic Rubber (SR) increased to 97,634 tonnes during 2005-06 from 93,854 tonnes recording a growth of 4.0%, mainly contributed by polybutadiene rubber as in the previous years.

The consumption of SR increased to 237,495 tonnes during 2005-06 registering a growth of 5.7% over the previous year. The automotive tyre sector alone consumed 442,921 tonnes of NR during the year 2005-06 as against 406,226 tonnes consumed during 2004-05. The relative share of NR and SR in India remains unchanged for the last three years in the ratio 77:23.

The consumption details of NR and SR are summarized in Table 1.

	2005-06	2004-05	Growth (%)
	(Tonnes)		
<b>Natural Rubber</b>			
Auto Tyres & Tubes	442921	406226	9.0
General Rubber goods	358189	349179	2.6
<b>Total NR</b>	<b>801110</b>	<b>755405</b>	<b>6.1</b>
<b>Synthetic Rubber</b>			
Auto Tyres & Tubes	141580	131267	7.9
General Rubber goods	95915	93353	2.7
<b>Total SR</b>	<b>237495</b>	<b>224650</b>	<b>5.7</b>
<b>NR &amp; SR</b>			
Auto Tyres & Tubes	584501	537493	8.7
General Rubber goods	454104	442562	2.6
<b>Total NR &amp; SR</b>	<b>1038605</b>	<b>980055</b>	<b>6.0</b>

The import of SR during 2005-06 increased to 132,118 tonnes whereas it was 113,095 tonnes in 2004-05.

## Price of Natural Rubber

During the year 2005-06 the natural rubber prices peaked several times setting record prices every time by crossing the previous high prices. Even though the domestic price for the year 2005-06 increased from Rs. 5840/qtl for RSS-4 grade in April 2005 to Rs.8069/qtl for RSS-4 grade in March 2006 with ups and downs upto September 2005, the international price was ruling above the domestic price except for the months April 2005 and May 2005.

The annual average price of RSS-4 grade for the year 2005-06 was Rs.6699/qtl compared to Rs.5571/qtl. The increase in domestic rubber prices is attributed to various factors such as increased economic activity, the phenomenal increase in the growth rate of the tyre sector which consumes about 55% of the total NR production in the country, seasonal climate conditions affecting the NR production, increase in the international NR prices etc. Demand for NR has been rather moderate. During the year 2005-06, even in the peak production season the price has shown an increasing trend which is contrary to the general diminishing trend of the season.

<b>(Metric Tonnes)</b>					
	Mar. 2006	Mar. 2005	April 2005 to Mar. 2006	April 2004 to Mar. 2005	Percentage increase (+)/ decrease (-) during Apr.2005 to Mar. 2006 compared to Apr. 2004 to Mar. 2005
	(1)	(2)	(3)	(4)	(5)
<b>PRODUCTION</b>					
<b>NATURAL RUBBER</b>					
Solid Block Rubber	7090	5645	90510	84275	
Latex Concentrates (DRC)	7160	5450	84935	78795	
Pale Latex Crepes	175	110	2555	2070	
RSS	27245	26295	569490	532155	
Others	4220	4050	55135	52370	
Total	45890	41550	802625	749665	(+) 7.1
<b>SYNTHETIC RUBBER (P)</b>					
Styrene Butadiene (SBR)	1643	2007	17602	18964	
Poly butadiene (BR)	6350	5790	67286	63762	
Others	1187	1198	12746	11128	
Total	9180	8995	97634	93854 <sup>R</sup>	(+) 4.0
Total NR & SR	55070	50545	900259	843519	(+) 6.7
<b>CONSUMPTION</b> *					
<b>NATURAL RUBBER</b>					
Solid Block Rubber	9160	10175	115840	117130	
Latex Concentrates (DRC)	7470	6715	74670	71880	
Pale Latex Crepes	335	205	2435	2210	
RSS	47270	43100	561655	519855	
Others	4320	4115	46510	44330	
Total	68555	64310	801110	755405	(+) 6.1
Out of which Auto Tyre Manufacturers	38836	35984	442921	406226	(+) 9.0
<b>SYNTHETIC RUBBER</b>					
SBR	7485	6310	80885	75610	
BR	6860	6485	69080	64620	
Others	7115	5985	87530	84420	
Total	21460	18780	237495	224650	(+) 5.7
Out of which Auto Tyre Manufactures	13309	11059	141580	131267	(+) 7.9
Total NR & SR	90015	83090	1038605	980055	(+) 6.0
Out of which Auto Tyre Manufactures	52145	47043	584501	537493	(+) 8.7

\* Indigenous and imported

<b>(Metric Tonnes)</b>				
	Mar. 2006	Mar. 2005	April 2005 to Mar. 2006	April 2004 to Mar. 2005
	(1)	(2)	(3)	(4)
<b>IMPORT (P)</b>				
<b>NATURAL RUBBER</b>	2575	4473	45285	72835
SBR	6860	3053	61665	52449
BR	2075	945	14995	7475
Others	4415	5026	55458	53171
Total	13350	9024	132118	113095
Total NR & SR	15925	13497	177403	185930
<b>EXPORT OF NR (P)</b>				
	8447	2358	73830	46150

### STOCK AT THE END OF MARCH # 2006

<b>NATURAL RUBBER</b>		<b>(Tonnes)</b>			<b>(Tonnes)</b>
With Growers	22125		Ribbed Smoked Sheets		44705
With Dealers & Processors	20905		Estate Brown crepes and remilled crepes		8550
			Latex (drc)		11870
With Auto tyre units (C)	39942		Pale latex crepes		610
With Other manufacturing units (C)	10048		Block Rubber		10640
			Scraps (drc)		16435
			Other grades		210
<b>Total</b>	<b>93020</b>		<b>Total</b>		<b>93020</b>
	<b>(Rounded)</b>				
	(C: including transit)				

### SYNTHETIC RUBBER

Producers	5780 <sup>P</sup>	SBR	9350
Auto Tyre units	17860	Others	16375
Other manufacturing units	2085		
<b>Total</b>	<b>25725</b>	<b>Total</b>	<b>25725</b>

### RECLAIMED RUBBER

	Mar. 2006	Mar. 2005	April 2005 to Mar. 2006	April 2004 to Mar. 2005
	(1)	(2)	(3)	(4)
Production @	6405	6190	76645	73060
Consumption	6370	6125	76535	72905
Out of which Auto Tyre Manufacturers	2031	1816	21978	19908
Stock with Manufacturers (end of month/year)	3665	3555		3555

@ Indigenous purchase by manufactures

P - Provisional      R - Revised    # Revised the gradewise stock

The average international price for RSS-3 grade for the year 2005-06 was Rs. 7432/qrtl as against Rs. 5751/qrtl during the previous year. The civil unrest in some Thai provinces and heavy rain followed by summer may have contributed to the hike in price of NR. The soaring crude oil price in international market is also cited to be a reason for the flare up in international rubber prices. Increased demand in China and Japan for NR also had a positive impact in NR prices in the international market.

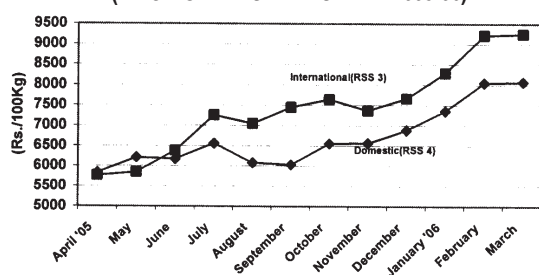
The trend in prices of NR in the Indian and International markets during the year 2005-06 is furnished in Table 2.

**Table 2 Average Market Price of NR during 2005-06 (Rs/100kg)**

	RSS 4		RSS 3		Latex (60% drc)		ISNR 20		SMR 20	
	Domestic	International**	Domestic	International*	Domestic	International*	Domestic	International*	Domestic	International*
2004-05	5571	5751	7057	6542	5301	5490				
April 2005	5840	5768	6877	6777	5728	5336				
May	6214	5850	7019	6810	5936	5277				
June	6173	6384	7146	7276	5723	5593				
July	6562	7260	7024	7990	5860	6193				
Aug.	6084	7053	7079	7741	5577	6241				
Sept.	6034	7447	6958	8108	5898	6905				
Oct.	6555	7644	7651	8637	6378	7342				
Nov.	6566	7366	7605	8389	6360	7182				
Dec.	6886	7666	8199	8699	6657	7472				
Jan. 2006	7360	8287	8986	9292	7145	7809				
Feb.	8045	9211	10067	11007	7941	8561				
March	8069	9246	9933	11165	7978	8508				
2005-06	6699	7432	7879	8491	6432	6868				

\* Refers to Kuala Lumpur market. \*\* Refers to Bangkok market

**(PRICE OF NATURAL RUBBER-2005-06)**



### World Rubber situation 2005

According to International Rubber Study Group (IRSG), the aggregate world NR production in 2005 slightly dipped to 8.63 million tonnes from 8.65 million tonnes in 2004 representing a marginal decrease of 0.2% in the place of 8.2% growth attained during 2004. Even though NR production in Indonesia, India, Vietnam and Latin American Countries increased, it declined in Thailand and Malaysia. Indonesia is estimated to have the highest growth rate of 9.9% among the three major producing countries.

The production of natural rubber in the main producing countries during the years 2004 & 2005 are furnished below:

**Table 3 Country-wise Production of Natural Rubber**

Country	2004		2005	
	('000 tonnes)	% share	('000 tonnes)	% share
Thailand	2984	34.5	2833	32.8
Indonesia	2066	23.9	2270	26.3
Malaysia	1169	13.5	1126	13.0
India	743	8.6	772	9.0
China	486	5.6	428	5.0
Vietnam	415	4.8	436	5.1
Other countries	784	9.1	764	8.8
<b>TOTAL</b>	<b>8647</b>	<b>100.0</b>	<b>8629</b>	<b>100.0</b>

The world natural rubber consumption is estimated to have increased to 8.76 million tonnes in 2005 from 8.36 million tonnes in 2004. The growth decreased to 4.8% from 4.9% in the previous year. Almost all the consuming countries have shown an increase in NR consumption except Malaysia.

The world production of Synthetic Rubber during the year 2005 was 12 million tonnes whereas the consumption of SR was only 11.9 million tonnes. The ratio of world NR and SR consumption during the year 2005 was 42:58.

The consumption of natural rubber in main consuming countries during the years 2004 and 2005 are furnished below.

**Table 4 Country-wise Consumption of NR**

Country	2004		2005	
	('000 tonnes)	% share	('000 tonnes)	% share
China	1630	19.5	1826	20.9
USA	1144	13.7	1159	13.2
Japan	815	9.8	857	9.8
India	745	8.9	789	9.0
Malasia	403	4.8	386	4.4
Rep.of Korea	352	4.2	370	4.2
Thailand	319	3.8	330	3.8
Other countries	2950	35.3	3039	34.7
<b>TOTAL</b>	<b>8358</b>	<b>100.0</b>	<b>8756</b>	<b>100.0</b>

According to IRSG the world NR consumption exceeded production resulting a deficit of 127,000 tonnes in 2005.

The world supply - demand balance is shown below.

**Table 5 World NR Supply / demand balance**  
( ' 000 tonnes)

	2004	2005	% Change
Production	8647	8629	-0.2
Consumption	8358	8756	4.8
Balance	289	-127	