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## THE YEAR 2009-10

### NATURAL RUBBER (NR)

#### Production Sector

Natural Rubber (NR) production in the country during 2009-10 was 831,400 tonnes compared to 864,500 tonnes during 2008-09 and recorded a negative growth of 3.8% compared to the previous year. The decline in production of NR in the country was due to adverse weather conditions and intensive harvesting in 2008. As a result, during 2009-10, productivity declined to 1784 kg/ha from 1867 kg/ha during 2008-09. Production of NR for the year 2010-11 is projected at 8.93 lakh tonnes with a growth rate of 7.4%.

#### Consumption Sector

India has now overtaken USA and Japan in NR consumption emerging as the second largest consumer after China. During the year 2009-10, there was a significant increase in consumption of NR in the rubber goods manufacturing sector. The total consumption of NR in 2009-10 was 930,565 tonnes with a growth rate of 6.8% as against 871,720 tonnes during 2008-09. The auto tyre sector registered a growth of 13.4% as against 2.5% achieved during 2008-09, which is the highest growth since 2003-04. The general rubber goods sector recorded a negative growth of 2.5% during 2009-10 compared to (-)0.6% registered during the previous year. The growth in consumption was due to the increase in production of truck & bus tyres by 15% and 21% in production of passenger car tyres during 2009-10 compared to 2008-09. However, the growth in export of tyres showed downward trend during 2009-10 by 5%. The projected consumption for the year 2010-11 is 9.78 lakh tonnes with a growth of 5.0%.

#### Import & Export

The quantum of import of NR during 2009-10 as per the import figures collected from various ports upto 31<sup>st</sup> March 2010 was 170,679 tonnes recording the ever-highest import of NR. As per the Statistics published by the Directorate General of Commercial Intelligence & Statistics (DGCI&S), the total import of NR was 77,762 tonnes during 2008-09. The export of NR during 2009-10 was 25,090 tonnes compared to 46,926 tonnes during the previous year. Even though the export of NR decreased considerably during the first half of 2009-10, the trend reversed during the second half of 2009-10 due to the depreciation of US dollar against Indian Rupee and price

difference in the domestic and international markets. Stock of NR at the end of March'10 was 247,895 tonnes.

### SYNTHETIC RUBBER (SR)

#### Production & consumption

Production of SR increased to 106,743 tonnes during 2009-10 from 96,739 tonnes during 2008-09, registering a growth of 10.3% as against a negative growth of 9.0% during 2008-09. The share of poly-butadiene rubber reduced to 68% during 2009-10 compared to 74% of the previous year.

SR consumption increased to 347,710 tonnes during 2009-10 registering a growth of 18.7% as against a negative growth of 1.4% attained last year. The automotive tyre sector consumed 238,153 tonnes of SR during 2009-10 as against 185,094 tonnes during 2008-09, recording a growth of 28.7%. The relative share of consumption of NR and SR in India changed to 73:27 during 2009-10 from 75:25 during 2008-09.

Consumption details of NR and SR are summarized in Table 1.

Table 1 CONSUMPTION OF NR AND SR			
	2009-10	2008-09	Growth
	(Tonnes)		(%)
<b>Natural Rubber</b>			
Auto Tyres & Tubes	576210	508121	13.4
General Rubber Goods	354355	363599	-2.5
<b>Total NR</b>	<b>930565</b>	<b>871720</b>	<b>6.8</b>
<b>Synthetic Rubber</b>			
Auto Tyres & Tubes	238153	185094	28.7
General Rubber Goods	109557	107856	1.6
<b>Total SR</b>	<b>347710</b>	<b>292950</b>	<b>18.7</b>
<b>NR &amp; SR</b>			
Auto Tyres & Tubes	814363	693215	17.5
General Rubber Goods	463912	471455	-1.6
<b>Total NR &amp; SR</b>	<b>1278275</b>	<b>1164670</b>	<b>9.8</b>

Import of SR by the rubber goods manufacturing industry during 2009-10 increased to 250,210 tonnes compared to 190,630 tonnes during 2008-09.

(Metric Tonnes)					
Type-wise Production & Consumption of NR & SR	March 2010  (1)	March 2009  (2)	April 2009 to March 2010(p)  (3)	April 2008 to March 2009  (4)	Percentage increase (+)/ decrease(-) of (3) & (4) of (5)
<b>PRODUCTION</b>					
<b>Natural Rubber (NR)</b>					
Ribbed Smoked Sheet (RSS)	31360	29675	578650	617125	
Solid Block Rubber	9350	8810	120780	110275	
Latex Concentrates (drc)	7260	5950	85760	88070	
Others	2680	3865	46210	49030	
<b>Total</b>	<b>50650</b>	<b>48300</b>	<b>831400</b>	<b>864500</b>	<b>-3.8</b>
<b>Synthetic Rubber (SR)</b>					
Styrene Butadiene (SBR)	1694	1713	17997	12523	
Poly Butadiene(BR)	5797	6350	72666	71758	
Others	972	1425	16080	12458	
<b>Total</b>	<b>8463</b>	<b>9488</b>	<b>106743</b>	<b>96739</b>	<b>10.3</b>
<b>Total NR &amp; SR</b>	<b>59113</b>	<b>57788</b>	<b>938143</b>	<b>961239</b>	<b>-2.4</b>
<b>CONSUMPTION *</b>					
<b>Natural Rubber (NR)</b>					
Ribbed Smoked Sheet (RSS)	54995	48935	621435	597440	
Solid Block Rubber	13635	12590	190545	146060	
Latex Concentrates (drc)	7675	7995	82515	80520	
Others	2345	4680	36070	47700	
<b>Total</b>	<b>78650</b>	<b>74200</b>	<b>930565</b>	<b>871720</b>	<b>6.8</b>
Out of which Auto Tyre Manufacturers	48992	43523	576210 <sup>R</sup>	508121	<b>13.4</b>
<b>Synthetic Rubber (SR)</b>					
Styrene Butadiene (SBR)	14190	10650	138905	111745	
Poly Butadiene(BR)	9350	7815	104465	82740	
Others	10765	8020	104340	98465	
<b>Total</b>	<b>34305</b>	<b>26485</b>	<b>347710</b>	<b>292950</b>	<b>18.7</b>
Out of which Auto Tyre Manufacturers	23347	16256	238153 <sup>R</sup>	185094	<b>28.7</b>
<b>Total NR &amp; SR</b>	<b>112955</b>	<b>100685</b>	<b>1278275</b>	<b>1164670</b>	<b>9.8</b>
Out of which Auto Tyre Manufacturers	72339	59779	814363	693215	<b>17.5</b>

\*: indigenous and imported

<b>(Metric Tonnes)</b>				
Production Consumption and stock of RR	March 2010 (1)	March 2009 (2)	April 2009 to March 2010 <sup>P</sup> (3)	April 2008 to March 2009 (4)
<b>Reclaimed Rubber (RR)</b>				
Production <sup>@</sup>	7670	7140	93535	86390
Consumption	7720	7380	92250	86030
Out of which Auto Tyre Manufacturers	3331	2690	34968	29191
Stock with Manufacturers (end of month/year)	5280	3995		

@: indigenous purchase by manufacturers

<b>IMPORT/EXPORT &amp; STOCK OF NR &amp; SR</b>				
<b>Import (p)</b>				
Natural Rubber	10767	6737	170679	77762
Synthetic Rubber	25262	15035	250210	190630
<b>Total NR &amp; SR</b>	<b>36029</b>	<b>21772</b>	<b>420889</b>	<b>268392</b>
<b>Export (p)</b>				
Natural Rubber	6035	1962	25090	46926

<b>STOCK AT THE END OF MARCH 2010</b>			
<b>(Metric tonnes)</b>			
<b>Natural Rubber</b>			
With Growers	98025	Ribbed Smoked sheet	165545
With Dealers & Processors	81140	Solid Block Rubber	28910
With Auto Tyre units <sup>©</sup>	52520	Latex(drc)	13435
With other manufacturing units	16210	Others	40005
<b>Total</b>	<b>247895</b>	<b>Total</b>	<b>247895</b>

©: including transit

<b>Synthetic Rubber</b>			
With Producers	5745 <sup>P</sup>		
With Auto Tyre units	25625	SBR	19545
With other manufacturing units	3540	Others	15365
<b>Total</b>	<b>34910</b>	<b>Total</b>	<b>34910</b>

p:provisional R- Revised

Note :- Gradewise production and stock revised.

**Table II**

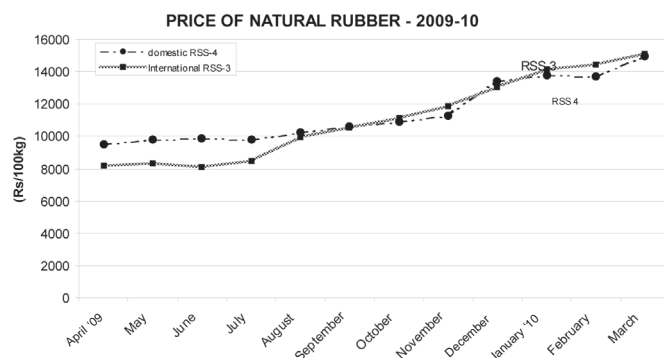
<b>Price of Natural Rubber-2009-10 (Rs./100Kg)</b>							
	RSS 5	RSS 4	RSS 3	Latex (60% drc)		ISNR 20	SMR 20
	Domestic		International**	Domestic	International*	Domestic	International*
<b>2008-09</b>	<b>9897</b>	<b>10112</b>	<b>10379</b>	<b>11604</b>	<b>11749</b>	<b>9692</b>	<b>9972</b>
April '09	9309	9488	8189	11528	9948	9066	7740
May	9546	9805	8300	11877	9640	9218	7855
June	9676	9913	8109	13744	8856	9076	7683
July	9619	9819	8505	13763	8999	8824	8046
August	10049	10250	9925	13004	10660	9425	9168
September	10266	10651	10569	11632	11021	9651	9953
October	10389	10898	11103	11759	11197	9749	10506
November	10816	11302	11893	11642	11961	10557	11353
December	12900	13430	13048	13383	13515	12712	12793
January '10	13217	13772	14163	14803	15066	13213	13677
February	13404	13700	14465	14864	16038	13285	13840
March	14782	14948	15084	15956	16949	14661	14374
<b>2009-10</b>	<b>11164</b>	<b>11498</b>	<b>11113</b>	<b>13163</b>	<b>11988</b>	<b>10786</b>	<b>10582</b>

\* Refers to Kuala Lumpur Market.

\*\*Refers to SICOM Market.

## Price of Natural Rubber

Natural rubber prices in the domestic as well as in the international markets peaked to Rs.15,650 and Rs.15,752 per 100 Kg for domestic RSS-4 grade and international RSS-3 grade respectively during 2009-10. Annual average price for domestic RSS-4 grade rubber for the year 2009-10 was Rs11,498/100kg compared to Rs.10,112/100kg in 2008-09. The corresponding international RSS-3 price was Rs.11,113/100kg and Rs.10,379/100kg respectively. During 2009-10, price of RSS-4 grade in the domestic market was increasing rapidly from Rs.9488/100kg during April 2009 to Rs.14,948/100 kg during March 2010 except for a slight decrease in July'09 and February'10. At the same time international price of RSS-3 grade was also moving up from Rs.8189/100 kg during April 2009 to Rs.15,084/100kg in March 2010. The domestic RSS-4 price was ruling above the international RSS-3 grade during the first half of the year 2009-10. But the trend reversed and since then, except for December'09 international price of RSS-3 grade was higher than domestic RSS-4 grade. The increase in domestic rubber prices is attributed to various factors such as increase in growth of the tyre sector which consumes about 69% of the total NR production in the country, shortage in NR production, increase in international NR prices etc.



## World Rubber Situation – 2009

### Production

According to the International Rubber Study Group (IRSG), the world NR production decreased to 9.62 million tonnes in 2009, compared to 10.04 million tonnes in 2008, registering a negative growth of 4.2% mainly due to the effect of global warming. While production in Thailand, Vietnam and China increased, the output in Indonesia, Malaysia and India declined. Global synthetic rubber (SR) production during 2009 was 12.09 million tonnes as against 12.74 million tonnes produced in 2008 registering a negative growth of 5.1%.

**Table III**

Country-wise production of NR ('000 tonnes)			
Country	2008	2009	% growth
Thailand	3090	3164	2.4
Indonesia	2751	2440	-11.3
Malaysia	1072	856	-20.1
India	881	820	-6.9
Vietnam	660	724	9.7
China	560	637	13.8
Others	1022	976	-4.5
<b>World Total</b>	<b>10036</b>	<b>9617</b>	<b>-4.2</b>

### Consumption

Global NR consumption decreased to 9.39 million tonnes in 2009 registering a negative growth rate of 7.7% compared to 10.17 million tonnes in 2008. Consumption of NR in China during 2009 increased to 3.46 million tonnes from 2.94 million tonnes at a growth rate of 17.7% and consumption in India increased to 0.91 million tonnes from 0.88 million tonnes at a growth rate of 2.7%. While consumption of SR in China and India increased by 22.6% and 9.2% respectively, consumption of SR in U.S.A and Japan decreased by 16.5% and 26.9% respectively during the year 2009. World NR and SR consumption ratio also changed to 44:56 for the year 2009 from 45:55 during 2008.

**Table IV**

Country-wise consumption of NR ('000 tonnes)			
Country	2008	2009	% growth
China	2940	3460	17.7
India	881	905	2.7
U.S.A.	1041	687	-34.0
Japan	878	636	-27.6
Malaysia	469	470	0.2
Indonesia	414	422	1.9
Thailand	398	399	0.2
Rep.of Korea	358	330	-7.8
Others	2794	2081	-25.5
<b>World Total</b>	<b>10173</b>	<b>9390</b>	<b>-7.7</b>

According to IRSG, the world NR production exceeded consumption by 227 thousand tonnes in 2009.

Source: Rubber Industry Report (April-June 2010) of International Rubber Study Group.