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THE YEAR 2010-11

NATURAL RUBBER (NR)

Production Sector

Production of Natural Rubber (NR) in the country during 2010-11 was 861,950 tonnes compared to 831,400 tonnes during 2009-10 and recorded a growth of 3.7% compared to the previous year. The factors attributed to the growth in production were favourable weather conditions except in October and November and intensive harvesting due to attractive price. India continued to be in the first position in the world in productivity during 2010-11 also, which increased to 1807 kg/ha from 1775 kg/ha during 2009-10. Production of NR for the year 2011-12 is projected at 9.02 lakh tonnes with a growth rate of 4.6%.

Consumption Sector

The total consumption of NR in 2010-11 was 947,715 tonnes with a growth of 1.8% as against 930,565 tonnes during 2009-10. The auto tyre sector registered a growth of 3.7% as against 13.4% achieved during 2009-10. The general rubber goods sector recorded a negative growth of 1.2% during 2010-11 compared to a negative growth of 2.5% registered during the previous year. According to the Automotive Tyre Manufacturers Association (ATMA), the average growth in tyre production during the year 2010-11 was 22% compared to 18% in 2009-10. The truck & bus tyre production registered a growth of only 3% during 2010-11 compared to 15% growth achieved during 2009-10. The production of tyres of passenger car segments recorded 31% growth in 2010-11 as against 21% growth attained during 2009-10. Export of tyres also increased by 22% even though truck & bus tyre exports declined by 2%. The projected consumption for the year 2011-12 is 9.77 lakh tonnes with a growth of 2.9%.

Import & Export

As per the import figures collected from various ports upto 31st March 2011 the country imported 177,637 tonnes during 2010-11. The total import of NR was 177,130 tonnes during 2009-10 as per the statistics published by the Directorate General of Commercial Intelligence & Statistics (DGCI&S). Exporters have utilized the advantage of price differential between domestic and international price during the initial and terminal months and exported 29,851 tonnes of NR during 2010-11 compared to 25,090 tonnes during

the previous year. Stock of NR at the end of March 2011 was 277,600 tonnes.

SYNTHETIC RUBBER (SR)

Production & Consumption

The Synthetic Rubber production increased to 110,340 tonnes during 2010-11 from 106,743 tonnes during 2009-10, registering a growth of 3.4% as against a growth of 10.3% during 2009-10. The share of poly-butadiene rubber was 69% during 2010-11.

SR consumption increased to 411,830 tonnes during 2010-11 registering a growth of 18.4% as against 347,710 tonnes consumed during 2009-10. The automotive tyre sector consumed 298,414 tonnes of SR during 2010-11 as against 238,153 tonnes during 2009-10, recording a growth of 25.3%. The relative share of consumption of NR and SR in India changed to 70:30 during 2010-11 from 73:27 during 2009-10.

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

Table 1 CONSUMPTION OF NR AND SR			
	2010-11	2009-10	Growth (%)
	(Tonnes)		
Natural Rubber			
Auto Tyres & Tubes	597623	576210	3.7
General Rubber Goods	350092	354355	-1.2
Total NR	947715	930565	1.8
Synthetic Rubber			
Auto Tyres & Tubes	298414	238153	25.3
General Rubber Goods	113416	109557	3.5
Total SR	411830	347710	18.4
NR & SR			
Auto Tyres & Tubes	896037	814363	10.0
General Rubber Goods	463508	463912	-0.1
Total NR & SR	1359545	1278275	6.4

Import of SR by the rubber goods manufacturing industry during 2010-11 increased to 302,030 tonnes compared to 250,210 tonnes during 2009-10.

(Metric Tonnes)					
Type-wise Production & Consumption of NR & SR	March 2011	March 2010	April 2010 to March 2011(p)	April 2009 to March 2010	Percentage increase (+)/ decrease(-) of (3) & (4) of (5)
	(1)	(2)	(3)	(4)	(5)
PRODUCTION					
Natural Rubber (NR)					
Ribbed Smoked Sheet (RSS)	35665	31310	618960	578650	
Solid Block Rubber	9600	9400	117830	120780	
Latex Concentrates (drc)	6575	7260	76065	85760	
Others	2560	2680	49095	46210	
Total	54400	50650	861950	831400	3.7
Synthetic Rubber (SR)^p					
Styrene Butadiene (SBR)	1663	1694	19994	17997	
Poly Butadiene(BR)	6000	5797	75905	72666	
Others	1580	972	14441	16080	
Total	9243	8463	110340	106743	3.4
Total NR & SR	63643	59113	972290	938143	3.6
CONSUMPTION *					
Natural Rubber (NR)					
Ribbed Smoked Sheet (RSS)	57890	54995	607455	621435	
Solid Block Rubber	13585	13635	235130	190545	
Latex Concentrates (drc)	6290	7675	77380	82515	
Others	2245	2345	27750	36070	
Total	80010	78650	947715	930565	1.8
Out of which Auto Tyre Manufacturers	51666	48992	597623	576210	3.7
Synthetic Rubber (SR)^p					
Styrene Butadiene (SBR)	14920	14190	174855	138905	
Poly Butadiene(BR)	11570	9350	125305	104465	
Others	9535	10765	111670	104340	
Total	36025	34305	411830	347710	18.4
Out of which Auto Tyre Manufacturers	26295	23347	298414	238153	25.3
Total NR & SR	116035	112955	1359545	1278275	6.4
Out of which Auto Tyre Manufacturers	77961	72339	896037	814363	10.0

*: indigenous and imported

(Metric Tonnes)				
Production Consumption and stock of RR	March 2011 (1)	March 2010 (2)	April 2010 to March 2011(p) (3)	April 2009 to March 2010 (4)
Reclaimed Rubber (RR)				
Production @	8470	7670	99960	93535
Consumption	8620	7720	100290	92250
Out of which Auto Tyre Manufacturers	3570	3331	40511	34968
Stock with Manufacturers (end of month/year)	4950	5280		

@ : indigenous purchase by manufacturers

IMPORT/EXPORT & STOCK OF NR & SR				
Import (p)				
Natural Rubber	6355	11990	177637	177130 ^R
Synthetic Rubber	26275	25262	302030	250210
Total NR & SR	32630	37252	479667	427340
Export (p)				
Natural Rubber	7943	6035	29851	25090

STOCK AT THE END OF MARCH 2011				
(Metric tonnes)				
Natural Rubber				
With Growers	106455	Ribbed Smoked Sheet		194215
With Dealers & Processors	98800	Solid Block Rubber		27565
With Auto Tyre units©	51325	Latex(drc)		13945
With other manufacturing units	21020	Others		41875
Total	277600	Total		277600

©: including transit

Synthetic Rubber				
With Producers	4695			
With Auto Tyre units	27365	SBR		21860
With other manufacturing units	3390	Others		13590
Total	35450	Total		35450

p:provisional

Note: Gradewise stock of NR revised.

R : Revised as per monthly statistics of Foreign Trade of India (Annual Number), DGCI&S, Kolkata.

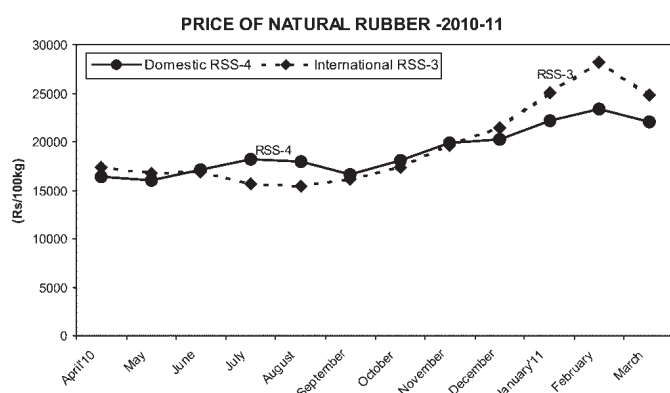
Table II

Price of Natural Rubber-2010-11 (Rs./100 Kg)							
	RSS 5	RSS 4	RSS 3	Latex (60% drc)		ISNR 20	SMR 20
	Domestic		International	Domestic	International	Domestic	International
2009-10	11164	11498	11113	13163	11988	10786	10582
April '10	16237	16418	17354	17286	17719	15871	14698
May	15708	15983	16715	16999	16628	14360	13069
June	16872	17087	16902	19603	17061	15241	13449
July	17750	18215	15680	20375	17070	15919	13513
August	17128	17952	15442	18512	17194	15440	14265
September	16206	16645	16199	18880	17809	15608	15514
October	17336	18112	17308	19753	18475	17743	16768
November	18844	19876	19614	21537	20555	19377	18746
December	19377	20188	21404	21980	23061	19673	20745
January '11	21250	22160	25061	24915	24949	21725	23722
February	22600	23400	28153	24617	26653	23113	25247
March	21715	22002	24826	21543	24701	21646	21458
2010-11	18419	19003	19555	20500	20156	17976	17600

Note: Domestic price refers to Kottayam market, international price for RSS 3 refers to Bangkok price since 3-5-2010 and international price of latex and SMR 20 to Kuala Lumpur market.

Price of Natural Rubber

During the year 2010-11, natural rubber prices in the domestic and international markets have been ruling high. Domestic RSS-4 price peaked at Rs.24,050/- per 100 kg on 18.2.2011 and international price of RSS-3 peaked at Rs.29,298/- per 100 kg on 21.2.2011. Annual average price for domestic RSS-4 grade rubber for the year 2010-11 was Rs 19,003/- per 100 kg compared to Rs.11,498/- per 100 kg in 2009-10. The corresponding international RSS-3 price was Rs.19,555/- per 100 kg and Rs.11,113/- per 100 kg respectively. Domestic RSS-4 price was ruling above the international RSS-3 price except for initial 2 months and terminal 4 months of 2010-11. The surge in price was predominantly due to tight supply, increased demand, rise in crude oil price, climatic factors, currency movements, futures market movements etc. There was a sudden slump in rubber prices in the domestic and international markets towards mid-March 2011 immediately after the earthquakes in Japan and recovered soon as fundamentals were very strong.



World Rubber Situation – 2010

Production

According to the International Rubber Study Group (IRSG), the world NR production increased by 6.1% to 10.3 million tonnes in 2010, compared to a negative growth of 4.2% during 2009. The output in Indonesia, Malaysia, India and Vietnam increased during 2010 due to intensive tapping as an effect of attractive price whereas the production in Thailand declined by 2.9% during 2010 due to adverse climatic conditions. Global synthetic rubber (SR) production during 2010 was 14.00 million tonnes as against 12.26 million tonnes produced in 2009 registering a growth of 14.2 %.

Table III

Country-wise production of NR ('000 tonnes)			
Country	2009	2010	% Growth
Thailand	3164	3072	-2.9
Indonesia	2440	2829	15.9
Malaysia	856	939	9.7
India	820	851	3.8
Vietnam	724	750	3.6
China	644	650	0.9
Others	1054	1200	13.9
World Total	9702	10291	6.1

Consumption

Global NR consumption increased to 10.67 million tonnes in 2010 registering a growth of 14.4% compared to 9.33 million tonnes in 2009 buoyed by strong recovery in demand for vehicles and tyres. India continued her position as second in global consumption after China in 2010 also. Consumption of NR in China during 2010 increased to 3.63 million tonnes from 3.38 million tonnes at a growth rate of 7.4%. The consumption of NR in USA and Japan increased by 32.2% and 16.2% during 2010 compared to negative growths of 34.0% and 27.8% respectively during 2009. Global SR consumption increased to 13.86 million tonnes during 2010 from 11.94 million tonnes during 2009, recording a growth of 16.1%. World NR and SR consumption ratio remained unchanged during 2010 and it was 44:56.

Table IV

Country-wise consumption of NR ('000 tonnes)			
Country	2009	2010	% Growth
China	3384	3634	7.4
India	905	944	4.3
U.S.A.	687	908	32.2
Japan	636	739	16.2
Malaysia	470	458	-2.6
Indonesia	352	421	19.6
Thailand	399	420	5.3
Rep.of Korea	330	384	16.4
Others	2162	2763	27.8
World Total	9325	10671	14.4

According to IRSG, the world supply-demand balance of natural rubber showed a deficit of 380,000 tonnes during 2010.

Source: Rubber Industry Report (April-June 2011) of International Rubber Study Group.