

# MONTHLY Rubber Statistical News



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## THE YEAR 2008-'09

### NATURAL RUBBER (NR)

#### Production Sector

During the year 2008-09 natural rubber production in the country rose to 864,500 tonnes compared to 825,345 tonnes during 2007-08 with a growth of 4.7%. The major factors for the growth in production were the attractive price of NR, better climatic conditions and also as a result of lower production attained during 2007-08. During the year 2008-09 the productivity of rubber plantations in the country has increased to 1867 kg/ha from 1799 kg/ha during 2007-08. India occupied the first position in productivity in the world since 2006. Production of NR for the year 2009-10 is projected to be at 8.67 lakh tonnes with a nominal growth of 0.3%.

#### Consumption Sector

The total consumption of NR during 2008-09 increased to 871,720 tonnes with a growth of 1.2% as against 861,455 tonnes during 2007-08 with a growth of 5.0%. The lower growth in consumption compared to the previous year was due to the economic recession in major global markets since November 2008. The auto tyre sector also showed a lower growth of 2.5% as against a growth of 7.2% achieved during 2007-08. This was mainly due to the dominant truck and bus tyre segments registered a negative growth of 2.7% during the year. The general rubber goods sector recorded a negative growth of 0.6% compared to 2.2% achieved during the previous year. The projected consumption for the year 2009-10 is 8.75 lakh tonnes with a lower growth of 0.4%.

#### Import & Export

As per the import figures collected from various ports upto 31st March 2009, the quantity of import of NR during 2008-09 was 81,545 tonnes as against 86,394 tonnes during 2007-08. The country exported 46,926 tonnes of NR during the year 2008-09 compared to 60,353 tonnes during the previous year. Exports have witnessed a significant fall of 22% because of the lack of demand in the international markets. Imports have also declined to around 6%.

The growth in production and import had accumulated the stock to 200,015 tonnes of NR at the end of March 2009.

### SYNTHETIC RUBBER (SR)

#### Production & consumption

Production of SR declined from 106,286 tonnes to 96,739 tonnes during 2008-09 registering a negative growth of 9.0%. The share of poly-butadiene rubber was 74% during 2008-09.

Consumption of SR decreased to 292,950 tonnes during 2008-09 registering a negative growth of 1.4% over the previous year. The automotive tyre sector consumed 185,094 tonnes of SR as against 191,507 tonnes consumed during 2007-08, recording a negative growth of 3.3%. The decrease in the production of truck & bus tyres reduced the consumption of SR in the auto-tyre sector. The relative share of consumption of NR and SR in India changed to 75 : 25 during the year 2008-09 from 74:26 during 2007-08.

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

	2008-09 (Tonnes)	2007-08 (Tonnes)	Growth (%)
<b>Natural Rubber (NR)</b>			
Auto Tyres & Tubes	508121	495577	2.5
General Rubber Goods	363599	365878	-0.6
<b>Total NR</b>	<b>871720</b>	<b>861455</b>	<b>1.2</b>
<b>Synthetic Rubber (SR)</b>			
Auto Tyres & Tubes	185094	191507	-3.3
General Rubber Goods	107856	105648	2.1
<b>Total SR</b>	<b>292950</b>	<b>297155</b>	<b>-1.4</b>
<b>NR &amp; SR</b>			
Auto Tyres & Tubes	693215	687084	0.9
General Rubber Goods	471455	471526	-0.02
<b>Total NR &amp; SR</b>	<b>1164670</b>	<b>1158610</b>	<b>0.5</b>

The import of SR by the rubber goods manufacturing industry during 2008-09 decreased to 190,630 tonnes, whereas it was 195,705 tonnes in 2007-08.

#### Price of Natural Rubber

The annual average price of RSS-4 grade for the year 2008-09 was Rs.10,112/qtl compared to Rs.9,085/qtl in 2007-08. The increase in domestic rubber prices was due to various factors such as increase in the international NR prices, currency appreciation against US\$ etc. The average international price for RSS-3 grade for the year 2008-09 was Rs.10,379/qtl as against Rs.9,675/qtl during the previous year.

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<b>(Metric Tonnes)</b>					
Type-wise Production & Consumption of NR & SR	March 2009	March 2008	April 2008 to March 2009 (p)	April 2007 to March 2008	Percentage increase (+)/ decrease(-) of (3) & (4)
	(1)	(2)	(3)	(4)	(5)
<b>Production</b>					
<b>Natural Rubber (NR)</b>					
Ribbed Smoked Sheet (RSS)	29675	28395	617125	583875	
Solid Block Rubber	8850	7640	110275	100705	
Latex Concentrates (drc)	5950	7755	88070	88305	
Others	3825	3460	49030	52460	
<b>Total</b>	<b>48300</b>	<b>47250</b>	<b>864500</b>	<b>825345</b>	<b>4.7</b>
<b>Synthetic Rubber (SR)</b>					
Styrene Butadiene (SBR)	1709	1239	12523	16879	
Poly Butadiene(BR)	6350	6400	71758	74045	
Others	1429	1757	12458	15362	
<b>Total</b>	<b>9488</b>	<b>9396</b>	<b>96739</b>	<b>106286</b>	<b>-9.0</b>
<b>Total NR &amp; SR</b>	<b>57788</b>	<b>56646</b>	<b>961239</b>	<b>931631</b>	<b>3.2</b>
<b>Consumption *</b>					
<b>Natural Rubber (NR)</b>					
Ribbed Smoked Sheet (RSS)	48935	48520	597440	577635	
Solid Block Rubber	12590	12950	146060	155670	
Latex Concentrates (drc)	7995	7975	80520	77715	
Others	4680	4560	47700	50435	
<b>Total</b>	<b>74200</b>	<b>74005</b>	<b>871720</b>	<b>861455</b>	<b>1.2</b>
Out of which Auto Tyre Manufacturers	43523	43737	508121 <sup>R</sup>	495577	<b>2.5</b>
<b>Synthetic Rubber (SR)</b>					
Styrene Butadiene (SBR)	10650	10495	111745	110965	
Poly Butadiene(BR)	7815	7230	82740	88205	
Others	8020	6895	98465	97985	
<b>Total</b>	<b>26485</b>	<b>24620</b>	<b>292950</b>	<b>297155</b>	<b>-1.4</b>
Out of which Auto Tyre Manufacturers	16256	16297	185094 <sup>R</sup>	191507	<b>-3.3</b>
<b>Total NR &amp; SR</b>	<b>100685</b>	<b>98625</b>	<b>1164670</b>	<b>1158610</b>	<b>0.5</b>
Out of which Auto Tyre Manufacturers	59779	60034	693215	687084	0.9

\*: indigenous and imported

<b>(Metric Tonnes)</b>				
Production Consumption and stock of RR	March 2009 (1)	March 2008 (2)	April 2008 to March 2009 (p) (3)	April 2007 to March 2008 (4)
<b>Reclaimed Rubber (RR)</b>				
Production @	7140	7165	86390	83075
Consumption	7380	7085	86030	83165
Out of which Auto Tyre Manufacturers	2690	2469	29191 <sup>R</sup>	27589
Stock with Manufacturers (end of month/year)	3995	3635		
@: indigenous purchase by manufacturers				
<b>IMPORT/EXPORT &amp; STOCK OF NR &amp; SR</b>				
<b>Import (p)</b>				
Natural Rubber	7404	4278	81545	86394
Synthetic Rubber	15035	18250	190630	195705
<b>Total NR &amp; SR</b>	<b>22439</b>	<b>22528</b>	<b>272175</b>	<b>282099</b>
<b>Export (p)</b>				
Natural Rubber	1962	13076	46926	60353
<b>STOCK AT THE END OF MARCH 2009 (Metric tonnes)</b>				
<b>Natural Rubber</b>				
With Growers	95925	Ribbed Smoked sheet		143170
With Dealers & Processors	65035	Solid Block Rubber		18600
With Auto Tyre units©	23015	Latex(drc)		11385
With other manufacturing units	16040	Others		26860
<b>Total</b>	<b>200015</b>	<b>Total</b>		<b>200015</b>
©: including transit				
<b>Synthetic Rubber</b>				
With Producers	9365			
With Auto Tyre units	13055	SBR		13775
With other manufacturing units	3250	Others		11895
<b>Total</b>	<b>25670</b>	<b>Total</b>		<b>25670</b>
p:provisional		R-Revised		

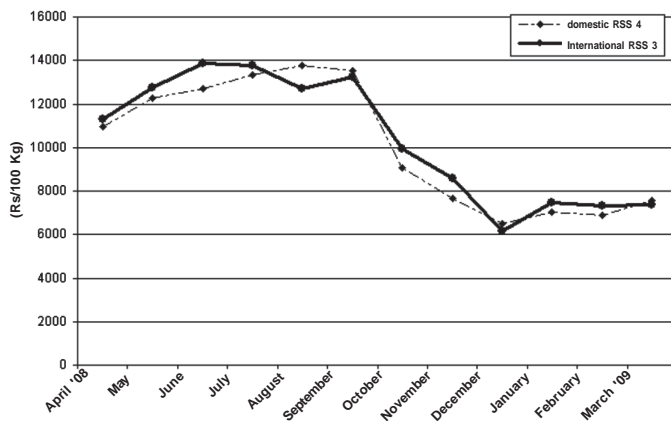
Note:-Gradewise production and stock revised.

<b>Table II Price of Natural Rubber - 2008-'09 (Rs./100Kg)</b>							
Month/ Year	RSS-5	RSS-4	RSS-3	Latex (60% drc)		ISNR 20	SMR 20
	Domestic		International	Domestic	International	Domestic	International
<b>2007-08</b>	<b>8891</b>	<b>9085</b>	<b>9675</b>	<b>10491</b>	<b>10622</b>	<b>8817</b>	<b>9308</b>
April '08	10756	10965	11318	12313	12474	10683	10727
May	11970	12248	12755	13731	13444	11629	12201
June	12389	12708	13860	14383	15260	12340	13432
July	13180	13340	13780	14772	15391	13141	13643
August	13549	13782	12720	14033	13338	13145	12547
September	13284	13536	13228	13658	13983	12560	12837
October	8831	9074	9963	10886	10640	8659	9320
November	7413	7681	8599	9230	10308	7393	8256
December	6279	6488	6156	7502	7732	6075	5921
January '09	6874	7034	7449	9652	8885	6800	6922
February	6788	6903	7331	9543	9257	6633	6757
March	7448	7583	7388	9540	10277	7250	7096
<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>

Note: Domestic price refers to Kottayam market, international price for RSS 3 refers to SICOM price from 23-1-2009 and that of latex and SMR 20 to Kuala Lumpur market

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PRICE OF NATURAL RUBBER - 2008-09



During the year 2008-09 natural rubber prices in the domestic and international markets have been ruling high upto September'08 and then showed a downward trend till the end of the year due to the change in economy. The average domestic price of RSS-4 grade increased from Rs.10,965/qrtl in April 2008 to Rs.13536/qrtl in September 2008 and then it declined to Rs.6488/qrtl during December'08. Thereafter with some ups and downs the average price of RSS4 grade recorded in Kottayam market was Rs.7583/qrtl during March '09. The international price of RSS3 grade was higher than the domestic price of RSS4 except for the months August'08, September'08, December'08 and March'09.

### WORLD RUBBER SITUATION - 2008

#### Production

According to the International Rubber Study Group (IRSG), the world NR production increased to 9.88 million

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

Country	2007	2008	% growth
Thailand	3056	3090	1.1
Indonesia	2755	2751	-0.1
Malaysia	1199	1078	-10.1
India	811	881	8.6
Vietnam	602	663	10.1
China	590	560	-5.1
Others	693	853	23.0
<b>World Total</b>	<b>9706</b>	<b>9876</b>	<b>1.8</b>

tonnes in 2008, compared to 9.71 million tonnes in 2007, recording a growth of 1.8%. While production in Vietnam, India, Thailand and Sri Lanka increased, output in China, Indonesia and Malaysia declined. Synthetic rubber (SR) production during 2008 was 12.82 million tonnes as against

13.44 million tonnes produced in 2007 registering a negative growth of 4.6%.

#### Consumption

Global NR consumption decreased to 9.73 million tonnes in 2008 registering a negative growth rate of 1.6% compared to 9.88 million tonnes in 2007. Consumption of NR in China during 2008 increased to 2.56 million tonnes from 2.55 million tonnes at a growth rate of 0.4% and consumption in USA increased to 1.04 million tonnes from 1.02 million tonnes at a growth rate of 2.3%. Consumption of NR in India increased by 3.5% during the year 2008 while consumption in Japan decreased by 1.0%. Now India is the third largest consumer after China and USA. World NR and SR consumption ratio changed to 44 : 56 for the year 2008 from 43:57 during 2007.

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

Country	2007	2008	% growth
China	2550	2560	0.4
U.S.A.	1018	1041	2.3
Japan	887	878	-1.0
India	851	881	3.5
Malaysia	446	469	5.2
Rep.of Korea	377	358	-5.0
Thailand	374	398	6.4
Others	3379	3141	-7.0
<b>World Total</b>	<b>9882</b>	<b>9726</b>	<b>-1.6</b>

#### Supply – demand balance

According to IRSG, the world NR production exceeded consumption by 150 thousand tonnes in 2008.

The world supply – demand balance is shown below.

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

	2007	2008	% growth
Production	9706	9876	1.8
Consumption	9882	9726	-1.6
Balance	-176	150	

Source: Rubber Industry Report, IRSG (April - June 2009)

The world NR production is projected to be a decline of 2.3% in 2009 reducing the output to be 9.65 million tonnes during 2009 while the world NR consumption is projected to be a decline of 5.1% in 2009 compared to a negative growth of 1.6% in 2008 due to slow down in the world economy. The consumption projected was 9.2 million tonnes during the year 2009.