

MONTHLY Rubber Statistical News



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THE YEAR 2007-'08

NATURAL RUBBER (NR)

Production Sector

Natural Rubber (NR) production in the country during 2007-08 decreased to 825,345 tonnes compared to 852,895 tonnes during 2006-07 with a negative growth of 3.2%. The decrease in production of NR in the country was caused by vector borne diseases among tappers in the major rubber growing areas in Kerala, unfavourable weather conditions and also due to abnormal leaf fall that affected the rubber trees in Kerala. Consequently, during 2007-08 productivity also declined to 1797 kg/ha from 1879 kg/ha during 2006-07. The diminution in growth in production during the first half of the year has come down from October'07 onwards due to higher yield caused by intensive tapping. Production of NR for the year 2008-09 is projected at 8.75 lakh tonnes with a growth rate of 6.0%.

Consumption Sector

There was significant growth in consumption of NR by the rubber goods manufacturing sector. During 2007-08 the total consumption of NR increased to 861,455 tonnes with a growth rate of 5.0% as against 820,305 tonnes during 2006-07. The auto tyre sector had performed well with a growth of 7.2% as against 4.3% achieved during 2006-07. The general rubber goods sector also recorded a growth of 2.2% compared to 0.01% during the previous year. The improvement in consumption was due to the high production growth of various categories of tyres, mainly truck & bus and passenger car tyres. The projected consumption for the year 2008-09 is 8.99 lakh tonnes with a growth of 4.5%.

Import & Export

The quantum of import of NR during 2007-08 as per the import figures collected from various ports upto 31st March 2008 was 89,295 tonnes. During 2006-07, the total import of NR was 89,699 tonnes, as per the Statistics published by the Directorate General of Commercial, Intelligence & Statistics (DGCI&S). The export of NR during 2007-08 was 60,280 tonnes compared to 56,545 tonnes during the previous year. Even though there was decline in the export during the period August'07 to October'07 due to the depreciation of US dollar against Indian Rupee and price difference between domestic and international markets, the total NR exported was higher

than the previous year. Stock of NR at the end of March'08 was 167,120 tonnes.

SYNTHETIC RUBBER (SR)

Production & consumption

Production of SR increased to 101,265 tonnes during 2007-08 from 99,513 tonnes registering a growth of 1.8% as against 1.9% during 2006-07. The share of poly-butadiene rubber was 73% during 2007-08.

SR consumption increased to 297,155 tonnes during 2007-08 registering a growth of 9.7% as against 14.0% attained during the previous year. Consumption of SR by automotive tyre sector was 190,987 tonnes during 2007-08 as against 170,809 tonnes during 2006-07, recording a growth of 11.8%. The relative share of consumption of NR and SR in India changed to 74 : 26 during the year 2007-08 from 75 : 25.

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

Table 1 CONSUMPTION OF NR AND SR			
	2007-08 (Tonnes)	2006-07 (Tonnes)	Growth (%)
Natural Rubber			
Auto Tyres & Tubes	495526	462081	7.2
General Rubber Goods	365929	358224	2.2
Total NR	861455	820305	5.0
Synthetic Rubber			
Auto Tyres & Tubes	190987	170809	11.8
General Rubber Goods	106168	100021	6.1
Total SR	297155	270830	9.7
NR & SR			
Auto Tyres & Tubes	686513	632890	8.5
General Rubber Goods	472097	458245	3.0
Total NR & SR	1158610	1091135	6.2

Import of SR by the rubber goods manufacturing industry during 2007-08 increased to 195,705 tonnes compared to 171,998 tonnes in 2006-07.

Price of Natural Rubber

Natural rubber prices in the domestic as well as in the international market have been ruling high during the year

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(Metric Tonnes)					
Type-wise Production & Consumption of NR & SR	March 2008 (1)	March 2007 (2)	April 2007 to March 2008 (3)	April 2006 to March 2007 (4)	Percentage increase (+)/ decrease(-) of (3) & (4) (5)
Production					
Natural Rubber (NR)					
Ribbed Smoked Sheet (RSS)	27655	24135	585445	612735	
Solid Block Rubber	7625	6500	98740	98500	
Latex Concentrates (drc)	7680	7705	86735	86780	
Pale Latex Crepes	140	210	1975	2055	
Others	4150	4055	52450	52825	
Total	47250	42605	825345	852895	-3.2
Synthetic Rubber (SR)p					
Styrene Butadiene (SBR)	1479	1094	15379	12285	
Poly Butadiene(BR)	6400	6400	74045	71730	
Others	1002	965	11841	15498	
Total	8881	8459	101265	99513	1.8
Total NR & SR	56131	51064	926610	952408	-2.7
Consumption *					
Natural Rubber (NR)					
Ribbed Smoked Sheet (RSS)	48520	43545	577635	561580	
Solid Block Rubber	12950	14645	155670	132755	
Latex Concentrates (drc)	7975	7445	77715	76190	
Pale Latex Crepes	205	240	2390	2170	
Others	4355	4415	48045	47610	
Total	74005	70290	861455	820305	5.0
Out of which Auto Tyre Manufacturers	43729	41056	495526	462081	7.2
Synthetic Rubber (SR)p					
Styrene Butadiene (SBR)	10495	8410	110965	98170	
Poly Butadiene(BR)	7230	7690	88205	79900	
Others	6895	7495	97985	92760	
Total	24620	23595	297155	270830	9.7
Out of which Auto Tyre Manufacturers	16233	15038	190987	170809	11.8
Total NR & SR	98625	93885	1158610	1091135	6.2
Out of which Auto Tyre Manufacturers	59962	56094	686513	632890	8.5

*: indigenous and imported

(Metric Tonnes)				
Production Consumption and stock of RR	March 2008 (1)	March 2007 (2)	April 2007 to March 2008 (3)	April 2006 to March 2007 (4)
Reclaimed Rubber (RR)				
Production @	7165	6720	83075	78495
Consumption	7085	6810	83165	78435
Out of which Auto Tyre Manufacturers	2474	2043	27391	23814
Stock with Manufacturers (end of month/year)	3635	3725		
@: indigenous purchase by manufacturers				
IMPORT/EXPORT & STOCK OF NR & SR				
Import (p)				
Natural Rubber	4738	15364	89295	89699
Synthetic Rubber	18250	15845	195705	171998
Total NR & SR	22988	31209	285000	261697
Export (p)				
Natural Rubber	13011	3552	60280	56545
STOCK AT THE END OF MARCH 2008 (Metric tonnes)				
Natural Rubber				
With Growers	46390	Ribbed Smoked sheet		114325
With Dealers & Processors	42095	Solid Block Rubber		18430
With Auto Tyre units©	62853	Latex(drc)		13285
With other manufacturing units	15782	Pale Latex Crepe		480
		Others		20600
Total	167120	Total		167120
©: including transit				
Synthetic Rubber				
With Producers	6100p			
With Auto Tyre units	17520	SBR		15550
With other manufacturing units	2605	Others		10675
Total	26225	Total		26225
p:provisional				

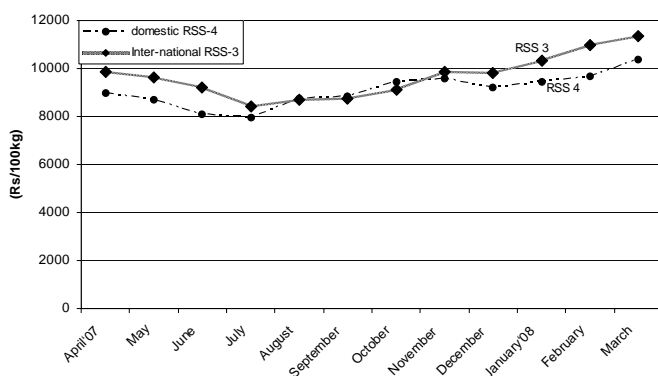
Table II Price of Natural Rubber - 2007-'08 (Rs./100Kg)							
Month/ Year	RSS-5	RSS-4	RSS-3	Latex (60% drc)		ISNR 20	SMR 20
	Domestic		International**	Domestic	International*	Domestic	International*
2006-07	8920	9204	9779	11190	10883	8787	9041
April '07	8877	8979	9870	10983	11503	8856	9139
May	8564	8685	9638	10395	10611	8522	9127
June	7980	8093	9226	10127	9748	7920	8774
July	7796	7943	8420	9440	8790	7805	8237
August	8499	8742	8690	10375	9228	8470	8498
September	8577	8856	8737	10104	9733	8351	8587
October	9210	9424	9130	10496	9877	8984	8907
November	9358	9603	9868	10658	10566	9026	9323
December	8922	9221	9833	10096	10600	8848	9644
January '08	9244	9432	10334	10296	11579	9303	10040
February	9516	9687	10994	11216	12617	9565	10659
March	10152	10354	11354	11703	12613	10150	10759
2007-08	8891	9085	9675	10491	10622	8817	9308

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

2007-08. However, the annual average price for RSS 4 grade rubber for the year 2007-08 was Rs.9085/100kg compared to Rs.9204/100kg in 2006-07.

The increase in domestic rubber prices is attributed to various factors such as increased economic activity, increase in growth of the tyre sector which consumes about 55% of the total NR production in the country, shortage in NR production, increase in international NR prices etc.

Price of Natural Rubber 2007-'08



WORLD RUBBER SITUATION - 2007

Production

According to the International Rubber Study Group (IRSG), the world NR production increased to 9.73 million tonnes in 2007, as compared to 9.69 million tonnes in 2006, recording a growth of 0.4%. While production in

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

Country	2006	2007	% growth
Thailand	3137	3056	-2.6
Indonesia	2637	2797	6.1
Malaysia	1284	1200	-6.5
India	853	807	-5.4
Vietnam	554	602	8.7
China	533	600	12.6
Others	688	663	-3.6
World Total	9686	9725	0.4

Vietnam, China and Sri Lanka increased, output in Thailand, Malaysia and India declined. Synthetic rubber (SR) production during 2007 was 13.58 million tonnes as against 12.65 million tonnes produced in 2006 registering 7.4% growth.

Consumption

Global NR consumption increased to 9.72 million tonnes in 2007 registering a growth rate of 5.5% as compared to 9.22 million tonnes in 2006. Consumption of NR in China during 2007 increased to 2.55 million tonnes from 2.40 million tonnes at a growth rate of 6.3% and consumption in USA increased to 1.02 million tonnes from 1.0 million tonnes at a growth rate of 1.5%. Consumption of NR in Japan and India increased by 1.6% and 4.4% respectively during the year 2007. World NR and SR consumption ratio also changed to 42 : 58 for the year 2007 from 43:57 during 2006.

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

Country	2006	2007	% growth
China	2400	2550	6.3
U.S.A.	1003	1018	1.5
Japan	874	888	1.6
India	815	851	4.4
Malaysia	383	449	17.2
Rep.of Korea	364	377	3.6
Thailand	321	374	16.5
Others	3056	3212	5.1
World Total	9216	9719	5.5

Supply – demand balance

According to IRSG, the world NR production exceeded consumption by 6,000 tonnes only in 2007.

The world supply – demand balance is shown below.

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

	2006	2007	% growth
Production	9686	9725	0.4
Consumption	9216	9719	5.5
Balance	470	6	

Source: Rubber Industry Report/ IRSG (May-June 2008)