

NATURAL RUBBER

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The very good demand from China, Korea and in some cases from the tyre manufacturers caused continuously a very firm market. Even though the main production months in Thailand are July till September, the raw material (Unsmoked Sheets, Cuplumps and Field Latex) are scarce and expensive due to continuous rainfall. Some producers in Thailand and even in Vietnam had to postpone shipments already.

End of July the quantities in private warehouses of Japan dropped to 13.650 mt, a decrease of approx 20% compared with mid July, another factor for the upward trend in the market.

The Thai Agriculture Ministry will in all probability allocate 34 million USD for the planting of further 160.000 ha of land with rubber tree cuttings in the North and North East of the country. The new transplants, of course, can only be tapped after 6 to 7 years. With this the rubber export should increase to 2,8 mio mt per year (2,46 mio mt in 2002). However, should the upswing in China continue as expected, then these measures alone will not be sufficient to satisfy the demand.

The Euro stands at 1,12 – 1,13 against the USD - no change to mid July.

Outlook: With continued good demand from Asia and supportive buying from the Europeans and Americans after the Summer Holidays, a further price increase is to be expected.