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Press Release

Dr. Hidde Smit predicts an upswing in natural rubber price

Kochi
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The possibility of a growing demand supply gap in future may necessarily begin to push the prices of natural rubber (NR) up in five to six years time and the upswing in price is likely to continue in to the 2030s, said Dr. Hidde Smit, Consultant on Analysis and Forecasts of the Rubber Economy, The Netherlands and Former Secretary General, Inter National Rubber Study Group (IRSG), Singapore. Dr. Smit was giving a talk on the subject ‘Price forecasting of rubber’ as part of the second day deliberations of India Rubber Meet 2018. Dr. Smit attempted to see if a realistic price forecast can be made because prices have been ruling low for quite some time. He analyzed the data regarding trends in new planting and replanting conducted in the recent past, change in tapping practices, substitution possibilities for NR etc. Low prices have had a negative influence on planting thereby decreasing production in future. But the prospects of an immediate upswing in price is unlikely in recent future, he added.

“Rubber stakeholders need to accept and embrace the fact that ‘sustainability challenge is gaining momentum and is here to stay. There are opportunities for those who do to differentiate themselves, add value, protect or gain market share’”, said Mr. John Heath, Director, Latex Services and sustainability Corrie Macoll International, UK). He was speaking on the topic ‘sustainable rubber industry’ on the second day of India Rubber Meet. “NR is inherently sustainable, green, renewable – far better socially and environmentally accepted than SR. But factors like low prices and high volatility are very tough for the primary producers on whom the whole industry depends to plan and make a decent, relatively stable income. Issues do exist in the NR supply chain increasing the attraction of NGOs, media and government’s attention. More partnerships between producers, consumers and trusted NGOs are needed to guide and monitor compliance with own policy declarations in the rubber sector”, he said.

The third deliberation was on the subject ‘Commodity derivatives for price discovery and risk management: Global experiences’ by Dr. Prabhakar Reddy Patil, CGM, Department of Economic Policy Analysis & Library, SEBI, Mumbai. Price risks in agriculture sector are larger than in most other industries. Demand stemming from general business fluctuations or changing export demands can have substantial effects on price. Traditionally, producers have borne most of the risk resulting from price fluctuations. The trade of agricultural commodities has evolved from spot markets where the commodity is transferred from seller to buyer immediately after the two parties agree on a price. Spot markets provide information regarding instantaneous prices only, as prices set are for goods that will be delivered immediately’, said Mr. Patil.

ORGANISERS | The Rubber Board (Ministry of Commerce & Industry, Govt. of India) | All India Rubber Industries Association (AIRIA) | Association of Latex Producers of India (ALPI) | Automotive Component Manufacturers Association of India (ACMA) | Automotive Tyre Manufacturers Association (ATMA) | Block Rubber Processors Association of India (BRPA) | CAPEXIL (Ministry of Commerce & Industry, Govt. of India) | ExxonMobil | GRP Ltd. | Harrisons Malayalam Ltd. | Indian Cycle and Rikshaw Tyre Manufacturers Association (ICRTMA) | Indian / International Rubber Journal | Indian Rubber Dealers Federation (IRDF) | Indian Rubber Growers Association (IRGA) | Indian Rubber Institute (IRI) | Indian Rubber Manufacturers Research Association (IRMRA) | Indian Synthetic Rubber Private Limited (ISRPL) | Kerala State Co-operative Rubber Marketing Federation (Rubber Mark) | Latex Rubber Thread Manufacturers Association (LARTMA) | National Federation of Rubber Producers Societies (NFRPS) | Reliance Industries Ltd. | Rubber Asia | Rubber Skill Development Council (RSDC) | The Cochin Rubber Merchants Association (CRMA) | United Planters Association of Southern India (UPASI)



The talks were followed by panel discussions. The panel discussion on international scenario 'Global Challenges and Emerging Alternatives' was chaired by Dr. Hidde Smit. Mr. Jom Jacob (Senior Economist, ANRPC, Malaysia), Dr. Lakshmi Nair (Head of Economics and Statistics, International Rubber Study Group, Singapore), Mr. Diogo Esperante (Executive Director, APABOR, Brazil) and Mr. C. Vinayaraghavan (President, Harrisons Malayalam Ltd.) were the panelists.

The second panel discussion on 'Challenges & Opportunities from Stakeholders' Perspective' was chaired by Mr. D. Anandan IAS (Chairman & Executive Director, Rubber Board of India). The panellists were Mr. Rajiv Budhraj (Director General, ATMA), Mr. V.T. Chandrasekharan (Vice President, AIRIA), Mr. Radhakrishna Hebbar (Planter, Neria Estate, Belthangady, Karnataka), Mr. Shiyaz Ali (Secretary, Block Rubber Processors Association of India) and Mr. Tomy Abraham (President, Indian Rubber Dealers Federation).

Mr. D. Anandan IAS (Chairman & Executive Director, Rubber Board), Chairman of the Organizing Committee declared that the fifth edition of India Rubber Meet is proposed to be held in Chennai in 2020

Mr. Vinod Simon (Chairman, Rubber Skill Development Council), Vice - Chairman, Organizing Committee, IRM 2018 proposed a vote of thanks in the closing session of India Rubber Meet 2018.

Member Secretary
(Publicity Committee- India Rubber Meet 2018)

Photo caption:

1. Dr. Hidde Smit addressing the gathering in the technical session on the second day of *India Rubber Meet 2018*.
2. Mr. D. Anandan (Chairman, Rubber Board) chairing the panel discussion on the second day of *India Rubber Meet 2018*.

INDIA RUBBER MEET 2018
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