



MALAYSIAN RUBBER BOARD

D I G E S T

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Natural Rubber Market Review

September

In September, the Kuala Lumpur rubber market started the month with a firmer tone as price of SMR 20 surged to the highest level since January 2020 at 580.00 sen/kg. The market was supported by demand recovery from China and expectation on tight supply of natural rubber (NR) in major rubber producing countries. Prices thereafter drifted uncertainly as a spike in new Covid-19 cases globally, stronger ringgit against the U.S dollar, slumping oil prices and sharp losses in global equity markets continued to weigh on physical rubber market sentiment. Compared with those on 28 August 2020, the price of SMR 20 increased by 7.0 sen/kg or 1.3% to close at 563.00 sen/kg. Meanwhile, latex concentrate closed at 493.50 sen/kg, rose by 22.5 sen/kg or 4.8%. Price movements of selected grades of rubber in September are shown in Table 1.

The downtrend throughout the month was driven by weaker advices from regional rubber futures market due to profit taking activities amid mounting concerns over escalating Covid-19

cases globally. Market sentiment was dampened by sharp losses in global stock markets resulting from a sell-off in technology stocks on Wall Street and patchy U.S. economic recovery. The U.S. Federal Reserve pledged to keep interest rates near zero until inflation is on track. Market operators also reacted negatively to slumping crude oil prices and a stronger ringgit against the U.S dollar. Crude oil prices slumped following concerns about fuel demand due to the resurgence of Covid-19 cases globally, increasing U.S crude oil inventories and as Saudi Arabia made the deepest monthly price cuts to Asia. Meanwhile, the ringgit strengthened in September to RM 4.1105 - 4.1735, as compared with August at RM4.1700 - 4.2335. Lingering worries of the impact of Covid-19 pandemic on the global economy persisted among market operators. According to the United Nations Conference on Trade and Development (UNCTAD) report, the global economy is expected to contract by 4.3% this year, wiping out global output worth over USD 6 trillion. Furthermore, the World Bank estimated East Asia and the Pacific to grow only 0.9% in 2020, the lowest rate since 1967.

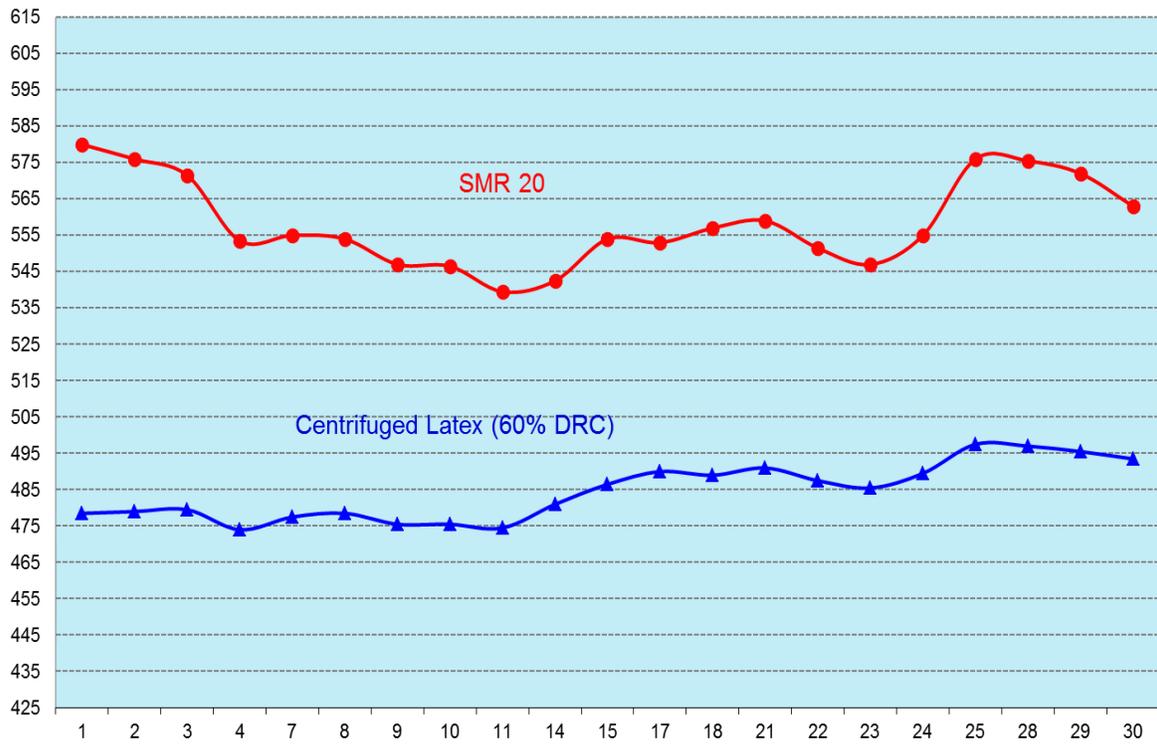
However, further losses throughout the month were capped by the signs of demand recovery

Table 1: Reference Prices (Noon) of SMR CV, SMR 20 and Centrifuged Latex (60% DRC), September 2020

	SMR CV		SMR 20		Centrifuged Latex (60% DRC)	
	sen/kg	RM/tonne	sen/kg	RM/tonne	sen/kg	RM/tonne
Highest	849.00	8,490.00	580.00	5,800.00	497.50	4,975.00
Lowest	810.00	8,100.00	539.50	5,395.00	474.00	4,740.00
Average	827.64	8,276.40	558.50	5,585.00	484.57	4,845.70
Change from the last day of the previous month	37.50	375.00	7.00	70.00	22.50	225.00

Note: * Reference price of Centrifuged Latex, 60% DRC
Source: Malaysian Rubber Board

sen/kg **Reference Prices (Noon) for SMR 20 and Centrifuged Latex (60% DRC), September 2020**



Source : MRB

**Reference Prices (Noon) for SMR 20 and Centrifuged Latex (60% DRC)
1 October 2019 - 30 September 2020**



Source : MRB

from China due to the positive economic data. According to the China Association of Automobile Manufacturers (CAAM), China's auto sales in August rose 11.6% from a year earlier to 2.19 million vehicles. Furthermore, China's industrial profits grew for the fourth straight month in August at 19.1% year-on-year, buoyed in part by a rebound in commodities prices and equipment manufacturing. It was reported that China's official manufacturing Purchasing Manager's Index (PMI) expanded at a faster pace in September at 51.5 thanks to a return to exports growth after several months of shrinking sales, bolstering a steady recovery for the economy. The market reacted positively to the declining Malaysian NR production and rubber stocks in July 2020 as reported by Department of Statistics Malaysia (DOSM) on 14 September. Production of NR in July 2020 decreased by 30.4% year-on-year to 41,801 tonnes. Meanwhile, total domestic consumption for NR was 46,844 tonnes, increased 5.8% month-on-month. Market was supported by recovery of oil prices due to disrupted oil supply from a tropical storm in the Gulf of Mexico, short covering activities by investors coupled with compliance effort by Organization of the Petroleum Exporting Countries (OPEC) and its allies, OPEC+. In addition, the positive sentiment brought by a media release of the International Tripartite Rubber Council (ITRC) on 23 September. ITRC predicted the tight NR supply through early 2021 and pledged to implement relevant measures with the objective of ensuring a fair and remunerative price levels will benefit all stakeholders in the NR industry, in particular for rubber smallholders.

Outlook

Prices are expected to be range bound in the near term amid worries over uncertainties arising from the Covid-19 pandemic. Nevertheless, there could be some improvement in prices due to expectation on improving demand from China and tight NR supply until early 2021 as predicted by ITRC. The decline in production was due to erratic weather, reducing tapping activities, *Pestalotiopsis* leaf fall disease and wintering season in Southern Sumatera, Indonesia. On the other hand, the Association of Natural Rubber Producing Countries (ANRPC) in its latest Natural Rubber Trends & Statistics, August 2020 released on 10 September 2020 anticipated that

the world production of NR in 2020 at 13.149 million tonnes, down 4.9% from the previous year. Meanwhile, world NR consumption in 2020 is scaled down to 12.544 million tonnes or down 8.9% from the previous year. Prices are likely to track the performance of ringgit, crude oil prices and regional rubber futures markets.

News Briefs

Cotton and rubber demand recovery more than 2 years off: Olam CEO

The cotton and rubber industries cannot expect a full recovery from the Covid-19 mayhem slack global demand, supplier stoppages, logistic bottlenecks until the end of 2022, according to the chief executive of commodity trader Olam International. As supply chains recover, one concern for global companies is the escalating tensions between the U.S. and China.

- *asia.nikkei.com*, 1 Sep

MRC to boost Malaysia's rubber potential

For the past two decades the nation's rubber downstream industry has been guided by the Malaysian Rubber Export Promotion Council (MREPC), which has seen the sector grow to a level where our rubber products are now exported to 195 countries and in 2019 generated RM23.3billion worth of export earnings. MREPC's transformation to Malaysian Rubber Council (MRC) goes beyond a mere change of name as it reflects the expansion of its earlier role. The rebranded council's new direction and wider mandate that coincided with its 20th anniversary was recently announced by Plantation Industries and Commodities Minister Datuk Dr Mohd Khairuddin Aman Razali.

- *thestar.com.my*, 2 Sep

Factories worldwide shake off Covid-19 gloom but outlook shaky

Factories across Europe, Asia and North America continued to shake off the Covid-19 gloom in August as the global economy emerged from a downturn triggered by the health crisis, thanks in part to massive fiscal and monetary stimulus programmes. J.P. Morgan's measure of global manufacturing activity rose to a 21-month high of

51.8 in August from 50.6 in July, the second straight month above the neutral reading of 50.

- reuters.com, 2 Sep

US private employers add 428,000 jobs in August, signaling slow recovery from pandemic

Private employers added 428,000 jobs in August, indicating the nation's pandemic-ravaged labor market is continuing to slowly recover from the Covid-19 crisis, according to the ADP National Employment Report released. It missed the 950,000-job increase that economists surveyed by Refinitiv had expected, but marked a jump from the upwardly revised 212,000 jobs added in July.

- foxbusiness.com, 3 Sep

China's auto sales to grow slightly in next five years, industry body predicts

China's auto market, the world's biggest, is expected to grow only slightly in the next five years, the country's top auto industry body said. "The next five years will be the key period of industry's transformation and upgrade," Li Shaohua, senior executive at the China Association of Automobile Manufacturers (CAAM) told an industry conference hosted by China Automotive Technology and Research Center (CATARC) in Tianjin. CAAM predicts China's auto sales will reach around 27.75 million vehicles in 2025, up from 25.77 million units in 2019, Li's presentation showed. Though sales have picked up in recent months, CAAM predicts they will fall around 10% for all of 2020, as the Covid-19 pandemic hit the market hard early in the year.

- reuters.com, 4 Sep

Sri Lanka to implement Rubber Master Plan

The Sri Lanka government has commenced work on the implementation of the Rubber Master Plan crucial for the development of the sector aimed at increasing yields while taking a pragmatic decision not to interfere in pricing. With the rubber industry facing a number of issues the government has appointed a committee to look into the implementation of the Rubber Master Plan in a bid to initiate its proposals, Sri Lanka

Association of Manufacturers and Exporters of Rubber Products Director General Rohan Masakorala told the Business Times.

- pressreader.com, 6 Sep

China's exports rise at fastest pace in nearly 1-1/2 years as economies reopen; imports slip

China's exports rose for the third consecutive month in August, eclipsing an extended fall in imports, as more of its trading partners relaxed Covid-19 lockdowns in a further boost to the recovery in the world's second-biggest economy. Exports in August rose a solid 9.5% from a year earlier, customs data showed, marking the strongest gain since March 2019. The figure also beat analysts' expectations for 7.1% growth and compared with a 7.2% increase in July. Imports however slumped 2.1%, compared with market expectations for a 0.1% increase and extending a 1.4% fall in July.

- reuters.com, 7 Sep

Thai Ministry rallies behind rubber for innovation

The Ministry of Agriculture and Cooperatives plans to develop rubber products with innovative ways to create new market demand and help strengthen prices, said deputy government spokeswoman Rachada Dhnadirek. Several projects are in the pipeline, including research grants, funds for startups and the creation of a "Rubber Valley", or hub for innovative rubber projects. A "Rubber Valley" proposal is being studied by the Rubber Authority of Thailand (RAOT), with the southern province of Nakhon Si Thammarat being surveyed for the project.

- bangkokpost.com, 7 Sep

RRIMniaga to be compulsory from January 2021

The Government is sticking with its decision to make RRIMniaga compulsory next year. RRIMniaga is a special mobile application (app) to record and ease rubber transactions for licence holders, buyers and dealers registered with the Malaysian Rubber Board. Minister of Plantation Industries and Commodities Datuk Dr. Mohd Khairuddin Aman Razali warned that those who fail to comply with the requirements would face

revocation of their licences.

- *theedgemarkets.com*, 7 Sep

China August PPI -2.0% year-on-year, CPI up 2.4% year-on-year

China's factory gate prices fell in annual terms for the seventh straight month in August, but at the slowest rate since March, official data showed, suggesting the country's industries continue to recover from the Covid-19 outbreak. The producer price index (PPI) fell 2.0% last month from a year earlier, the National Bureau of Statistics of China (NBS) said, in line with expectations for a 2.0% decline in a Reuters poll. It fell 2.4% year-on-year (y-o-y) in July. The consumer price index (CPI) increased 2.4% from a year earlier in August, the statistics bureau said, in line with analyst expectations in a Reuters poll.

- *reuters.com*, 9 Sep

Malaysian economy showing clear signs of recovery, Dewan Negara told

The early economic indicators for July have shown that the nation's economy is improving, said Deputy Finance Minister II Mohd Shahar Abdullah. He said exports have increased by 3.1% year-on-year (y-o-y), while sales of passenger cars and commercial vehicles also rose by 27.3% and 44.8%, respectively, during the month, compared to June 2020.

- *malaymail.com*, 9 Sep

Covid-19 crisis 'far from over', more support required: IMF

The International Monetary Fund warned that the coronavirus crisis was "far from over" and underscored the need for multilateral cooperation to ensure adequate supplies once a vaccine is developed. "The recovery remains very fragile and uneven across regions and sectors. To ensure that the recovery continues, it is essential that support not be prematurely withdrawn," the two economists wrote in the essay.

- *businesstoday.in*, 10 Sep

2020 Global Tyre Report: Double-digit declines define first half

While business has begun showing signs of life midway through the third quarter, few if any of the world's leading tyre makers expect sales to rebound sufficiently in the third and fourth quarters to overcome the pandemic-induced deficits that piled up in the first half. Of the dozen larger publicly traded tyre makers that have reported half-year finances, nine reported net losses and all reported high double-digit drops in operating income, or even operating losses and sales declines ranging from 16% to nearly 32%.

- *rubbernews.com*, 10 Sep

MITI: Rubber glove exports up 50% in Jan-July

Malaysia's rubber glove exports grew by 50.1% to RM15.06 billion for the January-July 2020 period from RM10.03 billion in the same period last year. The growth was driven by higher demand and the government's efforts to assist the rubber gloves industry, said Deputy International Trade and Industry (MITI) Minister Datuk Lim Ban Hong. "Global demand for rubber gloves is estimated at 330 billion units for 2020, and Malaysia's production for the export market is estimated at 220 billion units, which is 67% of the global demand.

- *thestar.com.my*, 10 Sep

China's EV sales rise for second month as overall market continues recovery

New energy vehicle (NEV) sales in China surged 26% on year to 109,000 units in August for their second consecutive month of gain, a promising sign for automakers that have invested heavily in the world's biggest market for electric vehicles (EVs). For the full year, NEV sales are likely to reach 1.1 million vehicles, down around 11% from last year, said the China Association of Automobile Manufacturers (CAAM). NEVs include battery-powered electric, plug-in gasoline-electric hybrid and hydrogen fuel-cell vehicles. China's overall auto sales in August rose 11.6% to 2.19 million vehicles from the same month a year earlier, the fifth consecutive month of gain as China comes off lows hit during the Covid-19 lockdown in the first few months of the year.

- *reuters.com*, 10 Sep

ANRPC Natural Rubber Trends & Statistics - August 2020

The first seven months of 2020 has witnessed an 8.9% year-over-year (y/y) fall in the world production and a 14.0% y/y fall in world consumption of natural rubber. Based on preliminary estimates available up to July 2020 from individual countries, and anticipated figures for rest of the year, the world production in the year 2020 is anticipated at 13.149 million tonnes, down 4.9% from the previous year. This is slightly lower than the outlook for 2020 reported in July 2020 which was 13.195 million tonnes, down 4.5% from the previous year. The outlook for world consumption in 2020 is scaled down to 12.544 million tonnes or down 8.9 % from the previous year. The consumption outlook for 2020 as reported in July 2020 was 12.754 million tonnes, down 7.3% from the previous year.

- *anrpc.org*, 10 Sep

Thailand: Bright outlook for natural rubber prices

The prospects for natural rubber prices are rising, boosted by a sharp uptick in demand for protective rubber gloves because of the pandemic and limited supply in the world market. Luckchai Kittipol, honorary president of the Thai Rubber Association, said he is more upbeat about the rubber outlook after the prices of smoked rubber sheet grade 3 reached 60 *baht* per kilogramme for the first time on Sept 1 in more than a decade. A recent surge in demand for protective rubber gloves, propelled by the Covid-19 pandemic, has driven rubber producers to shift their output to latex, which is used to make rubber gloves. This year Thailand's latex production is expected to represent up to 30% of the overall rubber production compared with 20% last year, according to Mr Luckchai.

- *bangkok.post*, 11 Sep

Need import duty rationalisation for rubber industry to grow: AIRIA

India's rubber industry requires rationalisation of import duties and change in the inverted duty structure for the sector's raw materials and finished goods to grow and contribute to the vision of 'Aatmanirbhar Bharat', V.T. Chandrasekharan, President of the All India

Rubber Industries Association (AIRIA), said. It should be 0-5% on raw materials, 15-20% on intermediaries and on finished goods, you can have 30-40% import duty," he said.

- *dailypioneer.com*, 14 Sep

Order visibility for rubber gloves to continue at least until 1H of 2021

Order visibility of glove makers is expected to continue at least until the first half of 2021 on the back of the current strong demand for glove globally. CGS-CIMB analyst Walter AW said the acute global shortage of gloves was likely to worsen as Covid-19 cases worldwide had shown no signs of slowing down.

- *nst.com.my*, 14 Sep

Government lays out efforts to stabilise global rubber price

The Malaysian government is committed to stabilising rubber prices and increasing its added value as since the beginning of this year, the Covid-19 epidemic has affected demand in the global market, especially from China, the Dewan Negara was told. Deputy Plantation Industries and Commodities Minister II Datuk Seri Dr Wee Jock Seng said the government is cooperating with the world's major rubber producing countries, namely Thailand and Indonesia under the International Tripartite Rubber Council (ITRC) framework to strengthen and stabilise the price of rubber in the international market.

- *bernama.com*, 14 Sep

China's industrial output accelerates, consumers start to perk-up in boost to recovery

China's industrial output accelerated the most in eight months in August, while retail sales grew for the first time this year, suggesting the economic recovery is gathering pace as demand starts to improve more broadly from the Covid-19 crisis. Industrial output growth quickened to 5.6% in August from a year earlier, the fastest gain in eight months, data from the National Statistics Bureau of China (NBS) showed. Analysts polled by Reuters had expected a 5.1% rise from 4.8% in July. Retail sales also rose 0.5% on-year, snapping a seven-month downturn and beating

analysts' forecast for zero growth.

- reuters.com, 15 Sep

China extends tariff exemptions for 16 U.S. products

China's Finance Ministry said it will extend existing tariff exemptions for 16 products from the United States including lubricants, whey and fish meal by an additional year. The products received exemptions from retaliatory tariffs imposed by China on U.S. goods as counter measures to U.S. Section 301 action in 2019. The extension will last through 16 September, 2021.

- reuters.com, 15 Sep

Developing Asia' to shrink for first time in nearly six decades: ADB

The Covid-19 pandemic will cause economic output in "developing Asia" to shrink for the first time in nearly six decades in 2020 before it bounces back next year, the Asian Development Bank (ADB) said. "Developing Asia", which groups 45 countries in Asia-Pacific, is expected to contract 0.7% this year, the ADB said, forecasting the first negative quarterly figure since 1962. The ADB's previous forecast in June had reckoned on 0.1% growth.

- reuters.com, 15 Sep

ETRMA applauds listing of NR as critical raw material

The European Union (EU) has included natural rubber on its list of "critical" raw materials for a second time, a move praised by the European Tyre & Rubber Manufacturers' Association (ETRMA). The Brussels-based trade group hailed the decision, saying it supported industry efforts to diversify the supply of the "incredibly important" raw material for the European tire and rubber industry.

- rubbernews.com, 15 Sep

Fed vows to keep interest rates near zero until inflation rises

The Federal Reserve kept interest rates pinned near zero on 16 Sep and made a bold, new

promise: to keep them there until inflation is on track to "moderately exceed" the U.S. central bank's 2% inflation target "for some time." The new guidance marks a monetary policy shift, first announced by the Fed last month, that is aimed to offset years of weak inflation and allow the economy to keep adding jobs for as long as possible.

- reuters.com, 17 Sep

Soft crude price offsets rise in natural rubber cost for tyre companies

International prices of natural rubber (NR) have risen 25% in the past three months, but tyre makers won't be overly concerned as benign crude oil prices are expected to offset the impact of higher rubber prices. For tyre manufacturers, natural rubber and crude derivatives account for around 45% each of the total raw material cost. Indian tyre companies import a large part of their NR requirement from Southeast Asia. Prices of international NR rose in August because of high demand from China amid supply constraints, analysts said.

- livemint.com, 17 Sep

European car sales tumble in August

The European Automobile Manufacturers Association (EAMA) said sales fell 18.9% in the month, following a July decline of 5.7%, which had sparked some hopes that the industry was starting to crawl out of the pandemic-induced slump. Over the first eight month of the year, EU demand for passenger cars tumbled 32%, with 6.1 million new cars registered across the region over that period. That was 2.9 million fewer than the same period a year ago. Across the four big EU markets, Italy saw the best performance with a drop of 0.4%, while Germany and France saw declines of around 20% each.

- marketwatch.com, 17 Sep

China rolls out fresh policies to boost hydrogen vehicle sales

China, the world's biggest automobile market, rolled out fresh policies to support hydrogen fuel cell vehicles to improve the industry's supply chain and technologies, the finance ministry said. China is also the world's largest market for new

energy vehicles (NEVs), which include battery electric vehicles as well as plug-in hybrid and hydrogen fuel cell vehicles.

- reuters.com, 21 Sep

Pandemic leaves impact on synthetic rubber market

In this bizarre year that is 2020, the synthetic rubber (SR) market and materials that feed it are no different than most other industry sectors. The coronavirus global pandemic has wreaked havoc with the fundamental drivers, and it may be years before some market levels rebound to pre-Covid-19 levels. That was the message put forth by Bill Hyde, an analyst with IHS Markit, during a presentation on 18 September.

- rubbernews.com, 21 Sep

Malaysia's exports to benefit from improving Chinese import demand

Malaysia's exports are set to benefit from improving Chinese import demand and the electronics cycle, according to the Global Economic Outlook report from Oxford Economics. The report, which was commissioned by chartered accountancy body the Institute of Chartered Accountants in England and Wales (ICAEW), indicated that the speed of economic recovery will likely slow given current sluggish global demand, high unemployment and weak investment.

- theedgemarkets.com, 21 Sep

Coronavirus recession to push U.S. debt to nearly twice GDP by 2050 –CBO

The Covid-19 pandemic will darken the U.S. long-term fiscal outlook for decades to come, the Congressional Budget Office (CBO) said, releasing new forecasts that show federal government debt in 2050 will be nearly twice U.S. economic output. Without changes to tax and spending laws, the federal debt held by the public will reach 195% of GDP by 2050, the CBO said in its long-term budget outlook - a level approaching the current debt ratios of Japan and Greece.

- reuters.com, 22 Sep

Global economy to contract 4.3% in 2020; UNCTAD report

The global economy is expected to contract by 4.3% this year, hit hard by the Covid-19 pandemic, which will wipe out global output worth over USD 6 trillion, a United Nations Conference on Trade and Development (UNCTAD) report said.

- deccanherald.com, 23 Sep

Asian business confidence rebounds sharply, pandemic cast shadow

Business sentiment among Asian firms rebounded in the third quarter as easing coronavirus restrictions lifted sales but lingering uncertainty over the pandemic thwarted a return to business-as-usual, a Thomson Reuters/INSEAD survey showed. Asian firms' outlook for the next six months tracked by the Thomson Reuters/INSEAD Asian Business Sentiment Index jumped to 53 in the third quarter from an 11-year low of 35 in the second, according to the survey of 103 companies across 11 Asia-Pacific countries.

- reuters.com, 23 Sep

China's economic rebalancing will boost global growth, say economists

China's strategic focus on strengthening self-sufficiency while deepening opening-up will build up its economic resilience and boost global economic growth, economists observed. Their analysis came following the country's recently strengthened commitment to establishing a "dual circulation" development pattern, in which domestic and foreign markets complement and reinforce one another, with the domestic market as the mainstay.

- thestar.com.my, 23 Sep

Media Release by the International Tripartite Rubber Council (ITRC)

ITRC expected a decrease in the production of natural rubber (NR) for the rest of 2020 and further decline into early 2021. The decline in production of NR is attributed by erratic weather, declining in tapping activities due to Covid-19 pandemic and *Pestalotiopsis* leaf fall disease.

Furthermore, ITRC projected that the NR supply would be further constrained by the shortage of tappers in Thailand and Malaysia. Moreover, the wintering season in South Sumatera in Southern Hemisphere also contributed to the decline of NR production. Consumption is expected to increase as China, the biggest consumer of NR, accelerates its economic activities post Covid-19 lockdown. The Government of China has been encouraging its domestic automobile sector leading to the increase of compounded and mixtures rubber imports from Thailand, Indonesia & Malaysia (TIM). The export data for TIM's of Compounded and mixtures rubber to China for the first 7 months of 2020 (January – July) showed an increase of 405,473 MT as compared to the same period in 2019. Furthermore, the export was projected to increase to a total of 700,000 MT for the whole 2020. On top of that, NR production in ITRC Member Countries for 2020 was estimated to decrease at least 859,000 MT from 8.793 million MT in 2019.

- ircorubber.com, 23 Sep

China auto's recovery path is accelerating

The decline in China auto sales narrowed to 9.5% in the first eight months, from double digits. Commercial vehicles outperformed passenger vehicles, on robust logistics and construction demand. We revise our assumptions on 2020 auto sales to a 6%-9% decline, vs. the previous 8%-10% drop. We anticipate a 4%-6% growth next year, vs. the former 2%-4%, on improving consumer sentiment. In our view, sales will return to 2019 level in 2022.

- spglobal.com, 23 Sep

Half of rubber trade agrees to new policies to cut deforestation, human rights from supply chains

Major players in the NR trade have agreed to work towards stronger sustainability commitments that weed out deforestation and human rights abuses from their supply chains. Making up about half of the rubber industry by volume, they include tyre manufacturers and automotive firms as well as growers. Under a new framework, they will establish or strengthen sustainability policies for their rubber supply chains. The framework was devised by the Global Platform for Natural Sustainable Rubber (GPSNR), a non-profit for

sustainable rubber cultivation that has garnered 90 members since it launched in November 2018.

- eco-business.com, 24 Sep

India: Commerce Minister calls for boosting rubber production to counter supply squeeze

Natural rubber cultivation in India is passing through a challenging phase on account of prolonged period of low prices and the domestic production not being able to meet the demands of consuming industry, said Piyush Goyal, Union Minister for Commerce and Industry. He was delivering a message through Rubber Board Facebook Live, conducted in connection with the launching of the campaign (Campaign 2020) of the Board to promote self-tapping and low frequency tapping among rubber growers.

- globalrubbermarkets.com, 25 Sep

China's industrial profits grow for fourth straight month

Profits at China's industrial firms grew for the fourth straight month in August, buoyed in part by a rebound in commodities prices and equipment manufacturing, the statistics bureau said. China's recovery has been gaining momentum as pent-up demand, government stimulus and surprisingly resilient exports propel a rebound. Industrial firm profits grew 19.1% year-on-year (y-o-y) in August to 612.81 billion yuan (USD89.8 billion), the statistics bureau said. That compares with a 19.6% increase in July and is the fourth straight month of profit growth.

- reuters.com, 28 Sep

China tyre exports continued to rise in August

China exported 46.3 million units of new rubber tyres in August, an increase of 8.2% from the same month a year ago, official state figures show. The value climbed to USD1.3 billion, an increase of 3.5%, according to China's General Administration of Customs. This contrasts with a 6.6% fall in July. Weight of these exports also jumped 14.1% from August 2019, to 610,000 metric tonnes.

- rubbernews.com, 28 Sep

Pandemic to keep Asia's growth at lowest since 1967, warns World Bank

The coronavirus pandemic is expected to lead to the slowest growth in more than 50 years in East Asia and the Pacific as well as China, while up to 38 million people are set to be pushed back into poverty, the World Bank said in an economic update. The bank said the region this year is projected to grow by only 0.9%, the lowest rate since 1967. Growth in China was expected to come in at 2% this year, boosted by government spending, strong exports and a low rate of new coronavirus infections since March, but held back by slow domestic consumption.

- reuters.com, 29 Sep

China's leaders to endorse lower 2021-2025 growth target at key meeting

China's leaders are poised to endorse a lower economic growth target for Beijing's next five-year plan compared with 2016-2020, as authorities navigate growing challenges fuelled by a deepening rift with the United States, policy sources said. President Xi Jinping and other leaders are expected to discuss and approve China's economic and social development blueprint for 2021-2025 at a key Communist Party conclave in October, probably in the second half of the month, the sources told Reuters.

- theedgemarkets.com, 29 Sep

Rubber industry players urged to adopt IR4.0

A RM20 million fund for automation and green technology has been allocated to encourage local rubber industry members to move towards automation and IR4.0, as well as renewable energy resources. The Malaysian Rubber Export Promotion Council which has been renamed as the Malaysian Rubber Council (MRC), said an additional RM36 million fund has been allocated recently to encourage downstream rubber companies to employ more locals, which is expected to benefit some 10,000 Malaysians and will also help to address worker shortage issues faced by the industry.

- themalaysianreserve.com, 29 Sep

China's factory activity expands at a faster pace in September: official PMI

China's factory activity expanded at a faster pace in September thanks to a return to exports growth after several months of shrinking sales, bolstering a steady recovery for the economy as it rebounds from the coronavirus shock. The official manufacturing Purchasing Manager's Index (PMI) rose to 51.5 in September from 51.0 in August, data from the National Bureau of Statistics (NBS) showed, and remained above the 50-point mark that separates growth from contraction. Analysts had expected it to pick up slightly to 51.2.

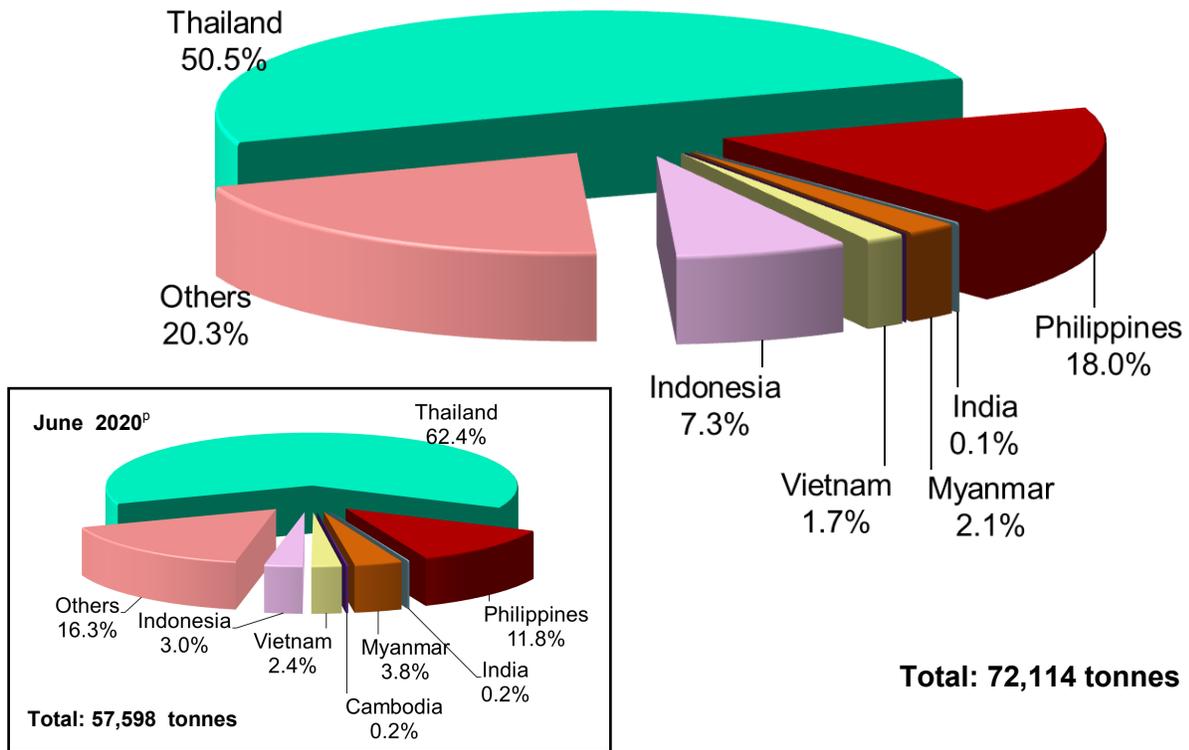
- reuters.com, 30 Sep

China's factory activity extends solid growth in September, new export orders surge: Caixin PMI

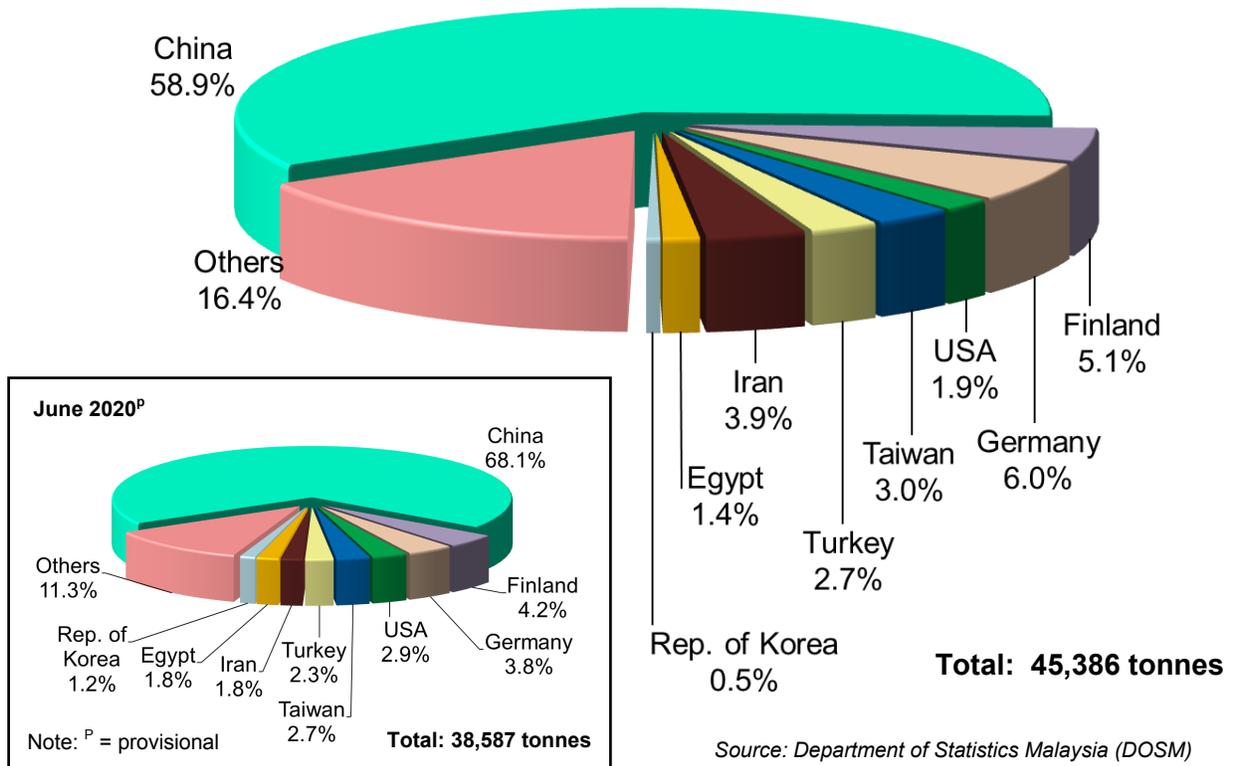
Activity in China's factories extended solid growth in September as payrolls expanded for the first time this year and overseas demand surged, adding further momentum to an economy recovering from the coronavirus crisis. The Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) barely budged from the previous month, down fractionally to 53.0 from August's 53.1, with the gauge staying above the 50-level that separates growth from contraction for the fifth consecutive month.

- reuters.com, 30 Sep

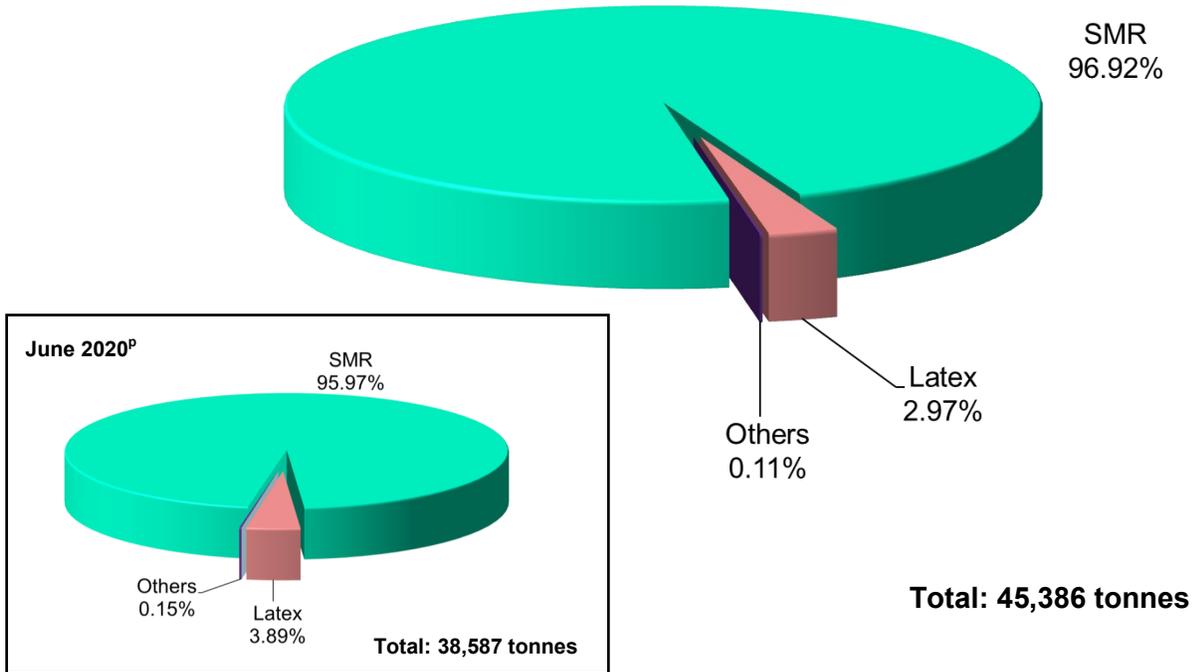
Malaysia's NR Imports by Countries, July 2020^P



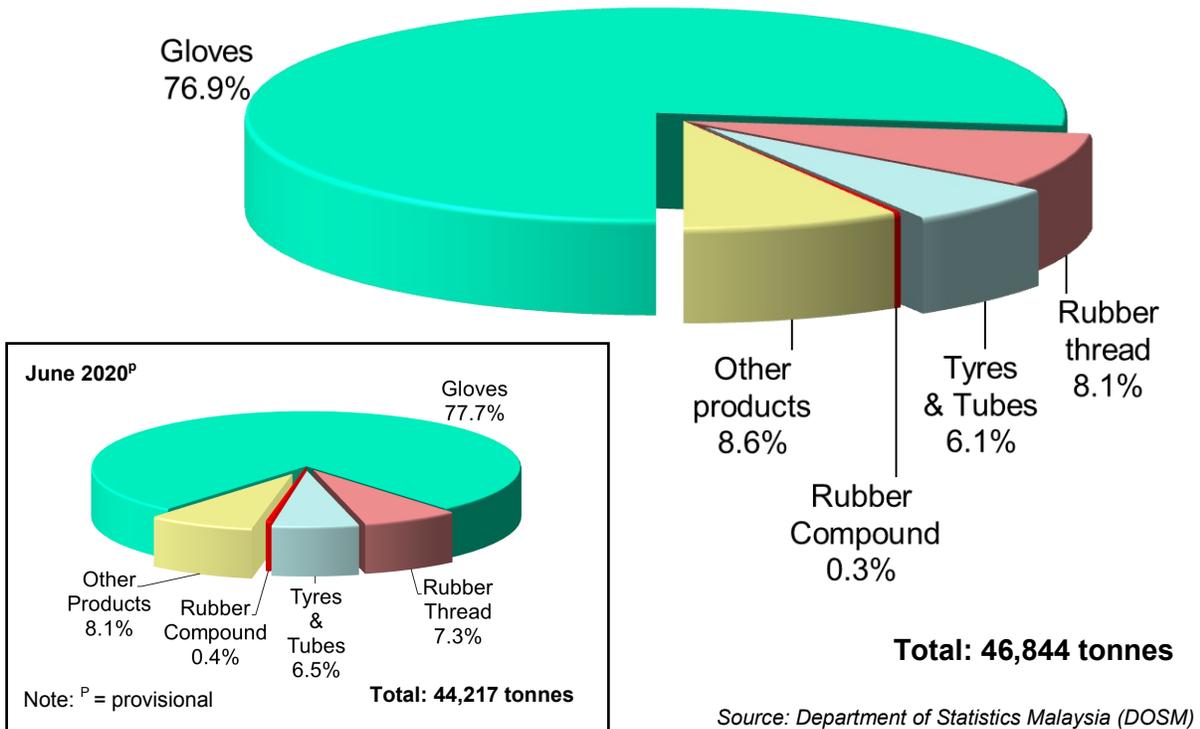
Malaysia's NR Exports by Countries, July 2020^P



Malaysia's NR Exports by Types, July 2020^P



Malaysia's NR Consumption by Sectors, July 2020^P



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