Natural Rubber Market Review

December

Steady conditions began to prevail in the Kuala Lumpur Rubber Market in December with price of SMR 20 reaching the highest level since June 2019 at 611.50 sen/kg on 13 December. The uptrend during the first half of the month was boosted by strong demand from consumers amid fears of supply shortages following an outbreak of a fungal disease and rainy season in major rubber producing countries. The positive sentiments were also lifted by easing trade tensions between United States and China, declining rubber stocks in China and firmer oil prices. Nevertheless, the market turned lower and ruled in quiet condition after mid-month with most traders unwilling to deal ahead of the approaching Christmas and New Year holidays. Compared with those on 29th November 2019, the price of SMR 20 rose by 15.0 sen/kg or 2.6% to close at 591.00 sen/kg. Meanwhile, latex concentrate closed at 453.00 sen/kg, an increase of 8.0 sen/kg or 1.8%. Price movements of selected grades of rubber in December are shown in Table 1.

Higher advices from regional rubber futures markets helped prices to open steadier during the first half of the month. The market witnessed bullish momentum after China's official Purchasing Managers' Index (PMI) and Caixin/Markit PMI in November were reported edged up to 50.2 and 51.8, respectively. Persistent rains in growing areas restricted supplies of raw materials and provided some support to the market. The market reacted positively to the media release by the International Tripartite Rubber Council (ITRC) on 5 December 2019. ITRC is exploring possible strategies to maintain the recent market positive momentum, including a recommendation on the possibility of implementing another export curb through the "Agreed Export Tonnage Scheme" (AETS) to ensure price steadiness. Prices trended steadier after the Department of Statistics Malaysia (DOSM) reported that Malaysia's NR production decreased 5.2% in October 2019 to 48,549 tonnes as compared to the same month in the previous year. Comparison month-on-month also showed a decrease of 21.4% from 61,731 tonnes, which is recorded in September 2019.

NR consumption has registered a marginal growth at 0.8% to 8.082 million tonnes during the same reference period on a year-to-year (y-o-y).

Table 1: Reference Prices (Noon) of SMR CV, SMR 20 and Centrifuged Latex (60% DRC), December 2019

<table>
<thead>
<tr>
<th></th>
<th>SMR CV</th>
<th></th>
<th>SMR 20</th>
<th></th>
<th>Centrifuged Latex</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>sen/kg</td>
<td>RM/tonne</td>
<td>sen/kg</td>
<td>RM/tonne</td>
<td>sen/kg</td>
<td>RM/tonne</td>
</tr>
<tr>
<td>Highest</td>
<td>789.00</td>
<td>7,890.00</td>
<td>611.50</td>
<td>6,115.00</td>
<td>461.50</td>
<td>4,615.00</td>
</tr>
<tr>
<td>Lowest</td>
<td>766.00</td>
<td>7,660.00</td>
<td>581.50</td>
<td>5,815.00</td>
<td>447.50</td>
<td>4,475.00</td>
</tr>
<tr>
<td>Average</td>
<td>778.60</td>
<td>7,786.00</td>
<td>595.50</td>
<td>5,955.00</td>
<td>455.17</td>
<td>4,551.70</td>
</tr>
<tr>
<td>Change from the last day of the previous month</td>
<td>13.50</td>
<td>135.00</td>
<td>15.00</td>
<td>150.00</td>
<td>8.00</td>
<td>80.00</td>
</tr>
</tbody>
</table>

Note: * Reference price of Centrifuged Latex, 60% DRC
Source: Malaysian Rubber Board
The market also saw a rally in its prices after the Thailand government has approved a 20-year plan to slash rubber plantations by 21% nationwide and increase the value of rubber exports by more than threefold. The targets include reducing rubber plantations by 21%, from 23.3 million rai (3.73 million hectares) in 2016 to 18.4 million rai (2.94 million hectares), and increasing the value of exports of natural rubber (NR) or rubber products from THB 250 billion to THB 800 billion per year. Sentiment in the rubber market was bullish in tandem with rising oil prices after the Organization of the Petroleum Exporting Countries (OPEC) and associated producers agreed to deepen output cuts from 1.2 million barrels per day (bpd) to 1.7 million bpd in early 2020. Rubber inventories in warehouses monitored by the Shanghai Futures Exchange (SHFE) fell sharply by 50.1% from 489,541 tonnes on 22 November to 244,245 tonnes on 13 December. This gave further support to the movement of prices in the rubber market. Sentiment in the rubber market was bullish with most traders taking the cue from the positive development between United States and China as both have reached a phase one trade agreement and expected of signing it in early January 2020.

Prices turned easier after mid-month tracking the downtrend in regional rubber futures markets resulting from profit taking activities. Trading was thin toward the end of the month as market operators were mostly on holiday mood and looking for market direction. Declining China’s car sales was another factor that dampened the market sentiment. China’s car sales sank 5.4% in November from a year earlier, recorded a continuous decline for 17 months. The uptrend throughout the month was capped by a stronger ringgit against the U.S dollar at RM4.0925 – 4.1815.

**Outlook**

The market is expected to remain steady in the near-term in anticipation of higher demand from China before the Lunar New Year holiday. Thailand, Indonesia and Malaysia under the ITRC projected reduction of NR production by 800,000 tonnes in 2019 due to unexpected factors in particular the outbreak of fungal (Pestalotiopsis) disease, erratic weather conditions and sluggish tapping activities due to prolonged low prices. Growing optimism that the United States and China would sign their “phase one” trade deal in early January 2020 would help bolster economic growth in China as the world’s largest consumer of natural rubber. International Monetary Fund (IMF) forecasts China economy to grow 6.0% in 2020, up from 5.8% prediction in October. However, prices will be influenced by movements of regional rubber futures markets which are expected to be volatile as more investors will return to the market after their long break at the end of December.

**News Briefs**

**A private survey shows China’s manufacturing activity expanded more than expected in November**

A private survey showed China’s manufacturing activity expanded more than expected in November as the Caixin/Markit manufacturing Purchasing Managers’ Index (PMI) came in at 51.8. Caixin and IHS Markit said in a joint press release that the pace of improvement was the strongest since December 2016. The index was expected to have fallen to 51.4 in November from 51.7 in October, according to economists polled by Reuters. China’s official PMI was 50.2 in November, up from 49.3 in October to hit its highest level since March, China’s National Bureau of Statistics said.

*cnbc.com, 1 Dec*

**Thai Government is seriously expanding rubber markets**

Prime Minister Prayut Chan-o-cha vowed to boost marketing campaigns for Thai rubber exports and support the development of rubber products. Gen Prayut sent his message while opening Thailand Rubber Expo 2019 at the IMPACT exhibition and convention complex in the Muang Thong Thani estate in Nonthaburi province. Thailand Rubber Expo was aimed at being a venue for business negotiations of local and foreign operators in rubber business, promoting rubber products of Thai farmers and operators, and presenting Thailand’s potential as a leading producer and exporter of rubber products.

* - pattayamail.com, 1 Dec
**Seed imports banned as fungal disease hits Thai rubber trees**

The outbreak of a fungal disease that weakens rubber trees in Thailand has led to the halt of imports of rubber seeds, seedlings, and saplings into Myanmar, local authorities announce. Following the outbreak of the *Pestalotiopsis* sub species fungal infection of Thai rubber trees, rubber seeds, seedlings, and saplings will not be allowed through local airports and border gates, the Crop Protecting Unit of the Department of Agriculture said.

- mmtimes.com, 2 Dec

**Obtain quality certification, Cambodian rubber industry owners told**

The Ministry of Agriculture, Forestry and Fisheries has called on rubber industry owners to obtain quality certification for their product to boost rubber prices. The ministry’s director of the Department of Administration and Legislation under the ministry’s General Directorate of Rubber Khuon Phalla spoke to The Post. The directorate’s rubber data shows that Cambodia’s rubber exports in the first nine months of this year reached 173,072 tonnes, worth USD231 million, up almost 22% year-on-year from about USD190 million.

- factiva.com, 2 Dec

**Ivory Coast Jan-Oct rubber exports up 17% y/y**

Ivory Coast exported 676,715 tonnes of natural rubber in the first ten months of 2019, up about 17% from the same period the previous year, provisional port data showed on Monday. Ivory Coast, the world’s top cocoa producer, is also Africa’s leading grower of natural rubber. Exports have risen in recent years as farmers, lured by the promise of more stable incomes, have increasingly switched to rubber from cocoa.

- globalrubbermarkets.com, 3 Dec

**China wants new energy vehicle sales in 2025 to be 25% of all car sales**

China hopes new energy vehicle (NEV) sales can reach around a quarter of all car sales in 2025, up from a target of “over 20%” laid out in a 2017 planning document, the industry ministry said in a draft plan for development of the NEV sector. China’s market for NEVs - which include plug-in hybrids, battery-only electric vehicles and those powered by hydrogen fuel cells - has been a bright spot in an otherwise lackluster car market, with sales jumping 62% last year, versus a 2.8% drop in all car sales. But a steep cut in subsidies this year has dented NEV sales in recent months. In October, NEV sales fell 45.6% from a year earlier. China sold a total of 28.1 million cars in 2018, including 1.3 million NEVs, according to the China Association of Automobile Manufacturers, so NEV sales were 4.6% of the overall market.

- reuters.com, 3 Dec

**USTMA raises 2019 shipment forecast slightly on expected aftermarket gains**

The U.S. Tyre Manufacturers Association has raised its 2019 U.S. tyre shipment forecast slightly, to 333.1 million units, buoyed by a stronger forecast for replacement passenger and light truck tyre demand. The new overall shipment forecast represents a 0.8% increase over 2018 shipments, up from the 0.6% gain projected in August. Replacement passenger tyre shipments are projected to increase by 6.4 million units—or 2.9%—over 2018, the USTMA said without providing any commentary on its reasons for raising the forecast. The new forecast represents an additional 600,000 units in demand versus the August pronouncement. Replacement light truck tyre shipments are expected to rise 1.6% to 32.2 million units, up 200,000 units versus the August forecast.

- rubbernews.com, 4 Dec

**Global car market shrinking at fastest rate since financial crisis**

The global car market will have shrunk faster in 2019 than at the height of the financial crisis, with 4 million fewer vehicles sold than last year, according to the lobby group for the German auto
industry. The Association of the Automotive Industry (VDA) warned of further job losses during the next 12 months, with an ongoing downturn in China. Rapid growth there helped the sector recover from the global recession a decade ago.

Last week, Volkswagen brand Audi and Mercedes-Benz parent Daimler axed 20,000 roles in total, citing the costs of investing in electric vehicles and reduced profits. Parts suppliers such as Continental and Bosch have also cut thousands of jobs. Germany’s car industry directly employs about 830,000. “The conversion of the industry to electromobility will lead to job losses, which cannot be offset by growth in the coming years,” said CAR’s Ferdinand Dudenhöffer, who predicts that about 233,000 jobs are at risk in Germany over the next decade.

*ft.com, 4 Dec*

**Thai Cabinet agrees to slash rubber plantations, ramp up value of exports**

The cabinet has approved a 20-year plan to slash rubber plantations by 21% nationwide and increase the value of rubber exports by more than threefold, a government spokeswoman said. To prop up prices and stabilise farmers’ incomes, the government has outlined a set of targets to achieve by the year 2036, said deputy government spokeswoman Rachada Dhnadirek.

The targets include reducing rubber plantations by 21%, from 23.3 million rai (3.73 million hectares) in 2016 to 18.4 million rai (2.94 million hectares), and increasing the value of exports of natural rubber or rubber products from 250 billion baht to 800 billion baht per year. The government also wanted to raise average yield per rai by 60% and average income per rai by 65%, and increase domestic rubber consumption to 35% from 13.6% of total rubber production each year.

*reuters.com, 6 Dec*

**Global economy will recover in the second half of 2020, says UBS Global Wealth Management**

Global growth will recover in the second half of 2020 as the trade war between Washington and Beijing eases and central banks’ monetary policies come into effect said Adrian Zuercher, APAC head of asset allocation at UBS Global Wealth Management’s Chief Investment Office. But while the environment is currently slow, he said global growth will see a “significant recovery going into the second half of 2020, particularly in the fourth quarter.”

*- cnbc.com, 6 Dec*
**Thailand: Straw mushrooms a life saver for Southern rubber growers**

With the prices of rubber and palm oil so low, some farmers in Nuea Khlong district at Krabi province have turned to growing straw mushrooms, which bring in a daily revenue of Bt600 to Bt1000, Asara Chindapol, a mushroom growing pioneer, said. Farmers from more than 20 families have been growing the mushrooms for distribution to large stores for almost a year,” she said. “This business has able to create enough revenue for those farmers, compensating for the low prices they are getting for rubber and palm oil.

- factiva.com, 7 Dec

**China's economy to rebound in first half of 2020**

China’s key economic barometers are likely to rebound in the first half of 2020, J.P. Morgan's Chief China Economist Zhu Haibin has said, advising against market pessimism. Attributing China’s downward economic pressure in 2019 mainly to cyclical factors, Zhu said manufacturing and infrastructure investment will possibly start driving up the economy next year. The manufacturing sector is looking at more investment amid the estimated recovery of the producer price index that may boost profit for companies in the industry, said Zhu.

- xinhuanet.com, 10 Dec

**RM164 million monsoon aid allocation to be distributed to rubber smallholders, tappers**

An allocation of RM164 million will be distributed to 274,639 rubber smallholders comprising 255,997 business owners and 18,642 rubber tappers through the 2019 Monsoon Season Aid programme. According to Economic Affairs Minister Datuk Seri Mohamed Azmin Ali, aid of RM600 per person would be paid in two installments directly to the smallholders’ accounts in Dec 2019 and Jan 2020 by the Rubber Industry Smallholders Development Authority (RISDA).

- factiva.com, 9 Dec

**Malaysia’s natural rubber production falls 5.2% in October**

Malaysia’s natural rubber production dropped 5.2% to 48,549 tonnes in October as compared to the same month in the previous year, official data showed. According to the Malaysian Statistics Department, on month-on-month basis, the production slumped 21.4% from 61,731 tonnes in September. Meanwhile, Malaysia’s natural rubber exports rose 5.3% month-on-month to 50,600 tonnes. China remained a key exports market, accounting for 39.3% of total exports in October. This was followed by Germany, Iran, the United States and Finland.

- thesundaily.my, 10 Dec

**Rubber sector to bounce back in 2020, says Affin Hwang Capital**

The domestic rubber sector is expected to bounce back in 2020, as US buyers will likely increase Malaysian shipments following the tariff imposed on Chinese imported gloves. Affin Hwang Investment Bank Bhd (Affin Hwang Capital) upgraded the sector to ‘Overweight’ from ‘Neutral’ previously, as it projects things to turn around next year. “We believe that 2020 would be a better year for glovemakers as they would likely benefit from stronger demand from the US after its imposition of a 15% tariff on Chinese imported gloves.

- themalaysianreserve.com, 10 Dec

**Pakistani/Chinese jv to set up tyre plant in Pakistan**

Pakistan’s Service Industries Ltd. and China’s Chaoyang Long March Tyre Co. Ltd. have set up a joint venture in Pakistan for the construction of a radial truck/bus tyre plant. Service Industries has a 51% stake in the joint venture. Located in Pakistan’s southern Sindh province, the USUSD250 million plant will be the country’s first radial truck tyre plant in Pakistan. The plant will have a capacity of up to 600,000 truck tyres/year initially with a second phase to double the capacity. The plant’s capacity will be expanded to 2.4 million units/year.

- rubberjournalasia.com, 11 Dec
**India auto sales fall in November as consumers curb spending**

Passenger vehicle sales in India declined in November after a blip in the previous month, prompting the nation’s main auto industry group to call for tax cuts to spur demand for cars and motorcycles. Sales of passenger vehicles fell 0.8% to 263,773 units last month, the Society of Indian Automobile Manufacturers, or SIAM, said in a statement. Sales had risen 0.3% in October on the back of festival demand. Cars witnessed an 11% slump to 160,306 units in November, although sport-utility vehicles saw sales surge nearly 33%. SIAM's automobile sales are counted as factory dispatches, and not retail sales.

- asia.nikkei.com, 11 Dec

**China’s car sales sank 5.4% in November marking 17th consecutive monthly decline**

China’s car sales sank 5.4% in November from a year earlier, putting the industry’s biggest global market on track to shrink for a second year after a 17th consecutive monthly decline. An industry group, the China Association of Automobile Manufacturers (CAAM) said drivers bought just over 2 million sport utility vehicles, sedans and minivans. Demand has been dented by consumer jitters over cooling Chinese economic growth and a trade war with Washington. Sales for the 11 months through November were down 10.5% from a year earlier, while total vehicle sales, including trucks and buses, were down 3.6% at 2.5 million.

- scmp.com, 11 Dec

**Fed Decision: Interest rates left unchanged, indicates no changes through 2020**

The Federal Reserve held interest rates steady following its two-day meeting this week and indicated that no action is likely next year amid persistently low inflation. Concluding a year that saw the central bank take down its benchmark rate three times, the Federal Open Market Committee met on 11th Dec widely held expectations and kept the funds rate in a target range of 1.5%-1.75%. In its statement explaining the decision, the committee indicated that monetary policy is likely to stay where it is for an unspecified time, though officials will continue to monitor conditions as they develop. The decision to keep rates unchanged was unanimous, following several dissents in recent meetings.

- cnbc.com, 12 Dec

**China to buy USD50 billion in U.S. farm products in return for tariff concessions**

The White House has agreed to suspend some tariffs on Chinese goods and reduce others in return for Beijing’s pledge to hike purchases of U.S. farm products in 2020, sources said, taking a step towards de-escalating the trade war between the world’s two biggest economies. A sourced briefed on the status of bilateral negotiations said the United States would suspend tariffs on USD160 billion in Chinese goods expected to go into effect on Dec. 15 and roll back existing tariffs. In return, Beijing would agree to buy USD50 billion in U.S. agricultural goods in 2020, double what it bought in 2017, before the trade conflict started, two U.S.-based sources briefed on the talks said.

- reuters.com, 13 Dec

**China to keep policies steady in 2020 as economic growth slows**

China will keep economic policies stable while making them more effective in 2020 to help achieve its annual growth target, the Xinhua news agency said after a meeting of top officials as the economy has cooled amid a trade war with the United States. “In order to achieve the expected target for next year, we should prioritize stability. Macro policies will be stable, micro policies will be flexible, underpinned by social policies,” Xinhua reported on Thursday, after the meeting. China’s economic growth cooled to a near 30-year low of 6% in the third quarter and could slip further in the fourth quarter, although for the full year it remains on track to meet the government’s target of 6%-6.5%.

- reuters.com, 13 Dec
China auto sales set for third year of decline - industry association

China’s auto market, the world’s biggest, is set for a third year of contraction with a 2% decline in sales next year, hit by a weaker economy and U.S.-China trade tensions, the country’s top auto industry body said. The China Association of Automobile Manufacturers (CAAM) expects sales to slide to about 25.31 million vehicles in 2020, Xu Haidong, CAAM’s assistant secretary general, said at a conference. China’s car sales fell by 9.1% in the first 11 months this year, having slid 3% last year in the first sales contraction since the 1990s.

- reuters.com, 13 Dec

Natural rubber supplier calls for sustainability standards

Halcyon Agri, the natural rubber company, has launched Bounce, a movement to drive industry and consumer change for an equitable natural rubber industry. The supplier said Bounce was a call to action for suppliers, manufacturers and stakeholders to develop and adopt a set of sustainability standards for natural rubber production. The movement also aims to increase consumer awareness of how natural rubber is made - and to encourage them to demand a sustainable option when purchasing rubber goods.

- reuters.com, 16 Dec

Hainan Rubber achieves sustainable high-quality growth via sci-tech innovation

China Hainan Rubber Industry Group Co., Ltd., a leading Chinese company mainly engaged in the planting, processing and distribution of natural rubber, has bucked the industrial downward trend and achieved sustainable high-quality growth via scientific and technological (sci-tech) innovation in recent years.

The company bagged a net profit of 229 million yuan in 2018, and ranked first among the province’s 31 listed companies in terms of business performance in the first half of 2019. The achievements came after Hainan Rubber’s sci-tech innovation in agricultural and industrial links as well as development of rubber plantations.

-factiva.com.com, 17 Dec

China imported 636,000 tonnes of natural and synthetic rubber in November 2019

Data released by the General Administration of Customs on 8th December shows that China’s imports of natural and synthetic rubber (including latex) in November were 636,000 tonnes, an increase of 27.2% from 500,000 tonnes in October, and a decline from 664,000 tonnes in the same period last year. From January to November, the import volume of natural and synthetic rubber (including latex) was 5,848,000 tonnes, a decrease of 7.8% over the same period last year.

-globalrubbermarkets.com, 17 Dec

New development for Vietnamese rubber industry

According to a report from the MARD’s Agricultural Products Processing and Market Development Department, volume and value of rubber exports in the first 11 months are estimated at 1.53 million tonnes and USD2.06 billion, up 9.9% in volume and 9.3% in value compared to 2018. China, India and South Korea were the three largest rubber consuming markets of Vietnam in the first 10 months of the year, accounting for 65.3%, 8.8% and 3% of market share respectively. In recent years, average export rubber price in the first 10 months reached USD1,353/tonne, down 1.1% compared to 2018.

-factiva,com. 18 Dec

Development opportunities abound for Vietnamese plastic, rubber industries

Growing 12-15% per year and contributing 6.7% to the country’s gross domestic product (GDP), the plastics and rubber industries have significant development potential. The domestic rubber industry has been growing on a sustainable basis. In 2018, natural rubber was Vietnam’s fifth largest agricultural export, with sales of rubber tyres, components, shoe soles, gloves, sports tools and medical products to the US, Malaysia,
Belgium, Germany, Brazil, Japan, and Thailand.

-Thai minister promises more overseas buyers for rubber growers

Thailand's Deputy Prime Minister and Commerce Minister Jurin Laksanawisit said that he will find more overseas buyers for Thai latex products and implement the income guarantee for Thai rubber farmers.

Visiting a rubber pillow factory operated by a local rubber farmer cooperative in northeastern Bueng Kan province, Jurin assured some 300 rubber farmers that he has kept his election campaign promise and he will do his utmost to introduce income guarantee for rubber farmers who have suffered price slump for years.

- IMF Head forecasts China GDP to grow 6% in 2020, up from 5.8% prediction in October

The new head of the International Monetary Fund (IMF) applauded the phase one trade deal between China and the U.S. as a "very positive step" for both countries and the world economy, and called for continuous discussions on broader policy topics. IMF Managing Director Kristalina Georgieva said she expects the agreement between the two countries to boost China’s growth to around 6% next year, up from the IMF’s previous estimate of 5.8% made in October.

-Automakers to pay USD3 billion in new U.S. tariffs under USMCA: budget estimate

U.S. President Donald Trump’s rewrite of North American trade rules will cost automakers nearly USD3 billion more in tariffs over the next decade for cars and parts that will not meet higher regional content requirements over the next decade, the Congressional Budget Office (CBO) estimates. The projection was contained in the non-partisan budget referee agency’s cost estimate of implementing legislation for the new U.S.-Mexico-Canada Agreement, which will be considered by the U.S. House of Representatives on Thursday.

-Guizhou Tyre to expand capacity in China, Vietnam

Guizhou Tyre broke ground on two new tyre production plants in China and Vietnam, on 14 and 15 Dec, respectively. Being constructed at its new headquarters in Guizhou, the Chinese facility will have capacity to produce 3 million truck and...
bus tyres per year. The Vietnam unit will have the capacity to produce 1.2 million units of truck and bus tyres per year and is situated in the Long Giang Industrial Park in Tien Giang province, adjacent to Ho Chi Minh City.

- rubbernews.com, 19 Dec

U.S. new vehicle sales expected to fall to below 17 million units in 2020

U.S. light vehicle sales will fall 1.2% to 16.8 million next year as slower job growth, lower consumer spending and affordability weigh on demand, according to the latest National Automobile Dealers Association forecast. New car and light truck deliveries in 2019 have dropped 1.4% through November, according to Automotive News Data Center estimates, but the industry remains on track to generate sales in excess of 17 million units for a record fifth year in a row, helped in part by higher discounts and higher fleet shipments that have offset lower retail volume.

- rubbernews.com, 20 Dec

Agriculture Ministry to produce rubber pillows to help farmers

Deputy Agriculture Ministry Thammanas Phromphao said on 19th December that he will meet with officials of the Ministry of Finance, the Government Lottery Office and the Bank for Agriculture and Agricultural Cooperatives (BACC) next week to discuss the Pracharat Rubber Pillow project. “This project aims to produce 30 million rubber pillows valued at Bt18 billion to distribute to poor people nationwide,” he said. “The Marketing Organization for Farmers (MOF) will be responsible for manufacturing the pillows, while the Agriculture Ministry will handle the distribution to people at one pillow per household.”

- factiva.com, 20 Dec

US third-quarter economic growth unrevised at 2.1%

U.S. economic growth nudged up in the third quarter, the government confirmed on 20th December, and there are signs the economy more or less maintained the moderate pace of expansion as the year ended, supported by a strong labor market. Gross domestic product increased at a 2.1% annualized rate, the Commerce Department said in its third estimate of third-quarter GDP. That was unrevised from last month’s estimate. The economy grew at a 2.0% pace in the April-June period.

- cnbc.com, 20 Dec

Changing times put Ivory Coast’s rubber industry under pressure

A decade after rubber was heavily promoted as a goldmine for Ivory Coast’s cocoa-dependent economy, planters are under pressure to address criticism that they are damaging the environment and weakening the country’s ability to feed itself. Well-managed rubber production is an asset,” said Eugene Kremien, the president of the Association of Professionals of Natural Rubber (APROMAC), whose detractors argue that plantations exhaust the soil and endanger food security and forests. The association is seeking to show that the rubber industry can meet mounting demands for sustainability, both for the environment and its producers. The stakes are high in a country that produces 60 per cent of Africa’s rubber and holds seventh place worldwide.

- factiva.com, 26 Dec

Vietnam gains more than USD2b over 11 months from rubber exports

Exports of 1.5 tonnes of rubber between January and November 2019 have earned Vietnam a whopping USD2.02 billion; about 200,000 tonnes of rubber was exported in November alone, which brought in some USD260 million. According to Vietnam’s Ministry of Agriculture and Rural Development (MARD), the rubber exports rose 7.6% in value and 8.1% in volume year on year, and about 11.3% and 16.2% from the same period last year. The ministry also reported that export price in that month grew by 4.5% year on year to USD1,300 per tonne.

- rubberjournalasia.com, 26 Dec
Coffee, cocoa and rubber farmers begin to use GAP methods with NGOs' help

This year, good agricultural practices (GAP) have become more accessible as a number of NGOs have created training, research, financing and even off-taking initiatives for cacao, coffee and rubber farmers. Rubber and rubber products exports fell 6.35% to USD5.6 million through January to November 2019 from USD5.9 million over the same period last year. According to Widyantoko Sumarlin, a senior executive at the Indonesian Rubber Producers Association (GAPKINDO), additional farm extension services are needed to help smallholders increase the yield of their plantations through best farming practices. The Sustainable Trade Initiative Indonesia Foundation (Yayasan IDH) has been working with companies to train producers of rubber, among other commodities, to adopt good agricultural practices.

- factiva.com, 26 Dec

China’s growth likely to slow to 5.9% in 2020: Survey

Leading economists’ average forecast for China’s GDP growth in 2020 is 5.9%, a survey of experts in the field by Nikkei and Nikkei Quick News has found. The projection is even lower than the 6.2% forecast for this year, as the U.S.-China trade war is expected to keep applying downward pressure. It would be the first time since 1990 -- the year after the Tiananmen Square incident -- for China’s economy to expand less than 6%.

- asia.nikkei.com, 26 Dec

Asia is expected to contribute 60% of global growth by 2030. India’s massive demographic dividend and burgeoning middle class will aid economic growth.

In 2020 Asia’s GDP will overtake the GDP of the rest of the world combined. By 2030, the region is expected to contribute roughly 60% of global growth. Asia-Pacific will also be responsible for the overwhelming majority (90%) of the 2.4 billion new members of the middle class entering the global economy. The bulk of that growth will come from the developing markets of China, India and throughout South-East Asia and it will give rise to a host of new decisions for businesses, governments and NGOs. The pressure will be on them to guide Asia’s development in a way that is equitable and designed to solve a host of social and economic problems.

- theprint.in, 29 Dec

Thailand’s natural rubber exports continue to decline year-on-year

According to data released by the Thai Customs, in November 2019, the export volume of Thai natural rubber (including composite and mixed rubber) was about 416,100 tonnes, and the export volume increased by 14.08% month-on-month and decreased by 11.16% year-on-year. The main production areas entered the seasonal supply season, and the output increased month-on-month. The decrease in the price of rubber in the US dollar stimulated market purchasing sentiment. However, the long-term downturn in rubber prices has led rubber farmers to neglect rubber trees, rubber plant yields have fallen, and downstream demand has been dull. Natural rubber exports have continued to decline year-on-year. In November, Thailand’s natural latex export volume was about 102,000 tonnes, a year-on-year decrease of 8.4% and a month-on-month decrease of 1.3%.

- globalrubbermarkets.com, 30 Dec

China says manufacturing activity expanded in December

China’s official Purchasing Managers’ Index for manufacturing came in slightly above expectations at 50.2 for the month of December, the country’s statistics bureau said. Economists polled by Reuters expected the official December manufacturing PMI to come in at 50.1. Manufacturing PMI was 50.2 for the month of November, said China’s National Bureau of Statistics. The data comes as the U.S. and China remain locked in a long-drawn trade dispute that has weighed on sentiment.

- cnbc.com, 30 Dec
China’s service sector activity grows at slower pace in December: official PMI

Growth in China’s services sector activity cooled in December, official data showed on Tuesday. The official services PMI slipped to 53.5, from an eight-month high of 54.4 in November, the National Bureau of Statistics said. Beijing has been counting on a strong services sector to help offset prolonged weakness in manufacturing, which has been weighed down by weak domestic and global demand and the protracted U.S.-China trade war. Economic growth has slowed to near 30-year lows. The official December composite PMI, which includes both manufacturing and services activity, fell to 53.4 from November’s 53.7.

- reuters.com, 31 Dec
Malaysia's NR Exports by Countries, October 2019

- China: 39.3%
- Others: 26.5%
- Total: 48,058 tonnes

Source: Department of Statistics Malaysia (DOSM)

Malaysia's NR Imports by Countries, October 2019

- Thailand: 52.2%
- Others: 30.9%
- Total: 89,809 tonnes

Note: ^ = provisional

Source: Department of Statistics Malaysia (DOSM)
Malaysia's NR Exports by Types, October 2019

- SMR: 95.9%
- Latex: 3.4%
- RSS: 0.5%
- Others: 0.2%

Total: 50,600 tonnes

Malaysia's NR Consumption by Sectors, October 2019

- Gloves: 75.6%
- Tyres & Tubes: 7.1%
- Rubber Compound: 0.3%
- Rubber thread: 7.6%
- Other products: 9.4%

Total: 41,924 tonnes

Source: Department of Statistics Malaysia (DOSM)