Rubber4U

E-Marketing Bulletin

Latest update at the earliest time

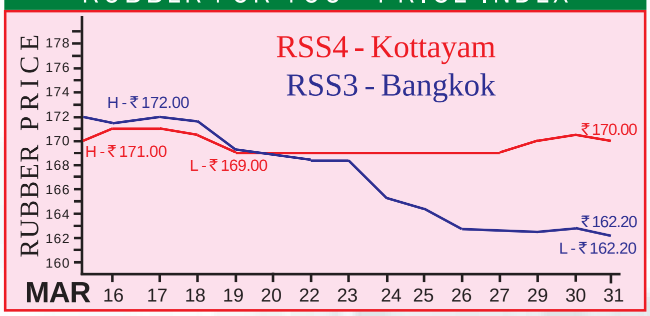
For Tomorrow's Prospect, Think Today

For Daily updates visit: www.rubber4u.blogspot.in

For more details: www.rubber4u.com

Vol. XII 018 | 1st APRIL 2021

RUBBER FOR YOU - PRICE INDEX



Visit: www.rubber4u.com /Statistic/Commodity Markets

Suez Canal crisis

After having left stranded for almost a week, container ship Evergreen was finally 'refloated' on Monday, raising hopes that the busy waterway will soon be reopened for a big backlog of ships. Authorities expected operations to return to normal within days. Clearing the queue of vessels may take as long as two and a half days, with canal operations returning to normal within four days, Suez Canal Authority Chairman Osama Rabie said at a press conference.

The Suez Canal, 120 miles (193 km) long, 79 ft (24 m) deep, and 673 ft (205 m) wide, provides the shortest route between the continents, and carries nearly 100 ships a day. Any blockage of the Suez Canal means all ships between Europe and Asia must circumnavigate the Cape of Good Hope in South Africa.

After the world's key waterway channel blocked by a container ship run aground, massive efforts to move the vessel proved futile. The incident occurred on Egypt's Suez Canal, just north of the port of Suez early on 23rd March, the Ever Green, registered in Panama, lost control and ran aground causing a traffic jam of cargo vessels in the region.

India has evolved a four-pronged plan to address the Suez Canal crisis, rerouting vessels, prioritising perishable cargo, stabilising freight rates and handling expected bunching-up at Indian ports. Rerouting around the Cape of Good Hope entails a delay of 15 days. India's shipments of oil, textiles, furniture, cotton, auto components and machine parts to Europe, North America and South America could get delayed. Meanwhile, oil prices shot up in anticipation of prolonged disruption.

The Suez Canal jam affected more than 150 vessels and as many as 540.716 TEUs stuck. The Ever Green has an all-Indian crew, all the 25 of whom are reported safe and accounted, but concern was rising in India about the impending impacts of the massive sea channel crisis caused when one of the world's largest container ships got stuck in the narrow canal. Much of India's export travels west.

Evergreen Marine Corp., headquartered in Taoyuan City of Taiwan received a notice from the Japanese owner of Ever Given that the chartered vessel ran aground in the Suez Canal at around 8 am local time on 23rd March. The Ever Green was bound for the port city of Rotterdam in the Netherlands from China and was passing northwards through the canal on its way to the Mediterranean. The vessel's Japanese owner Shoei Kisen Kaisha apologised for the incident, and stated that dislodging the boat was proving extremely difficult.

The Suez Canal crisis compounded the problems facing Indian ports and exports. While exports won't be affected much in March, the impact may get considerably evident by May-June. Indian cargo deliveries will be delayed

both ways, Indian exporters operating on a payment against delivery model will be impacted in particular as this cohort of exporters will have to combat working capital crunch at least in the short to medium term.

Even if Suez Canal operates at 100% efficiency, the backlog that the vessel has created itself will take a substantial amount of time to clear, and the domino effect is expected to sustain for the medium term. While Indian exports are predominantly westbound, its imports come in from the countries to the east, such as China and the Far East. However, a large amount of high-value imports originate from the western countries including Germany, Italy, and United States.

WTI Crude Oil
(May Contract)
Prices

US$59.50
On 31st March 2021
- At 18:30 pm CST

Container traffic has already been witnessing its share of troubles. As 12 major ports in India witnessed a considerable dip in cargo traffic for the 11th consecutive month in February 2021. Micro, small and medium enterprises (MSMEs) among Indian exporters have been especially hard-hit. Secretary General of the Federation of Indian MSMEs (FISME), Anil Bhardwaj, had revealed to the media earlier in March that during the last six to eight months, the freight charges have increased from $800 to $2500. The jam in the Suez Canal will also create a further demand-supply imbalance, forcing freight rates to further escalate for all types of vessels.

The Suez Canal blockage has disrupted east-west shipping, could impact India's trade and curtail key manufacturing supplies while raising transport costs as shipping rates spike due to the crisis. ●●

Natural rubber does not fulfill most criteria

The taskforce on the rubber sector set up by the Union Government has recommended treating natural rubber as an agricultural product and its inclusion under the minimum support prices (MSP) scheme, the Centre told the Lok Sabha. However, natural rubber has not been included in the selected 25 crops for which MSP is notified every year as it does not fulfill most of the criteria for inclusion under the scheme. The commodity is also not covered under the comprehensive scheme for studying the cost of cultivation of principal crops in India, Union Minister of State for Commerce and Industry, Hardeep Singh Puri said in a written reply.

Centre fixes MSP for 25 agricultural crops. MSP for the crops is fixed on the basis of recommendations of the Commission for Agricultural Costs and Prices (CACP).

The CACP, while recommending MSP of mandated crops, considers various factors which inter-alia include the cost of production, overall demand-supply situations of various crops in domestic and world markets, domestic and international prices, inter-crop price parity, terms of trade between agriculture and non-agriculture sector, Puri said. ●●

High raw material prices hits industrial units hard

Exactly a year ago, the pandemic hit the nation and lockdown was imposed, the industrial units got shut leaving manufacturers, traders, industrialists in trouble. Towards the end of the year 2020, the situation got a little normalised and the manufacturers gathered some courage to get back on track. But the relief was little, as high prices of raw material like iron, copper, furnace oil, zinc, rubber chemicals, played a major spoil sport. The industrialists are not able to work properly, failing to meet the deadlines of the orders because of skyrocketing prices of the raw materials.

Neeraj Arora, president of the Rubber Footwear Manufacturers Association, said this happened for the first time in the history where the prices of the chemicals had doubled.

Now, the second wave of Covid has proved double whammy for the industrial units. The manufacturers said that they had started managing their units after big difficulties, but this second wave and other issues have made them handicapped. ●●

MCX India's No.1 Commodity Exchange India

Click: www.rubber4u.com

Trade Date: 31st March 2021

(Prices in ₹. / kg)

Month	Open	High	Low	Close
March 2021	-	-	-	169.80
April 2021	171.25	171.79	171.00	171.26
May 2021	173.00	174.00	173.00	173.50
June 2021	-	-	-	172.00
July 2021	-	-	-	173.00

Tripura exports natural rubber to Nepal

Rubber Board official Arunabha Majumder, who is the General Manager of the Rubber Board promoted marketing company - Manimalayar Rubbers Pvt. Ltd., said a 18 tonne rubber sheet produced in Tripura was imported by a shoe manufacturing company at Biratnagar in Nepal. The consignment was flagged off and is likely to reach its destination in a week through the Bihar-Nepal border route.

At present, Tripura is cultivating natural rubber in 85,500 hectares and produces 62,000 tonne annually. More than 1.5 lakh families are directly and indirectly associated with rubber cultivation in the north-eastern state. According to the officials of the Tripura Industries and Commerce department, more than 90% of the total rubber produced is sent outside the state, earning nearly ₹.600 crore annually as the state has no rubber-based industries.

Transportation of natural rubber through Bangladesh or exporting it to the neighbouring country is not possible due to various restrictions imposed by the Bangladesh government. The Bangladesh government only allowed transportation of raw rubber (latex) not in the form of sheets through their country or to export. Technically, carrying or export of raw rubber is very difficult, an official of the Industries and Commerce Department said. ●●

Tyres to become costlier

Tyre manufacturers may raise prices again due to an increase in natural rubber prices. The increase might be 5% on average, said industry sources. Tyres manufactured in India have a ratio of 40% natural rubber and 50% of synthetics rubbers.

This will be the third price increase by the companies after the lockdown. The companies have already increased prices by 2-4% and this has happened due to an increase in prices of crude derivatives. Oil and its linked derivatives such as carbon black form an integral part of a tyre company's raw material basket.

The price of natural rubber has increased from ₹.115 a kg as on 20th May 2020 to ₹.171 a kg on 16th March 2021 and currently trading at ₹.170 a kg. This surge in prices would eventually affect the price of vehicles and tyres. ●●

Auto volumes to grow

The India Ratings and Research (Ind-Ra) revised its outlook for the auto sector to improving for 2021-22 from negative on account of a likely revival across segments aided by positive consumer sentiments amid macroeconomic tailwinds as the economy recovers from the Covid pandemic.

The validity of fitness certificate, all types of permits, driving licence and registration or any other documents, pertaining to motor vehicles are further extended to 30th June 2021. The validity of the documents, which expired since the beginning of the lockdown in March 2020, was earlier extended till 31st March 2021.

Ind-Ra expects auto volumes to rebound at 16 to 20% y-o-y in 2021-22 after recording an estimated decline of 14 to 18% in 2020-21. Passenger vehicle, two-wheelers and commercial vehicles can record a decline of 5 to 8%, 13 to 16% and 30 to 35% respectively in 2020-21.

Continued preference for personal mobility and demand across urban and rural markets will be positive for Passenger vehicle and two-wheelers and can grow by 18 to 22% and 16 to 20% respectively in 2021-22.

Commercial vehicles can record high double-digit growth in 2021-22 of 25 to 30%, aided by an uptick in industrial production, increased infrastructure and construction activities and a low base owing to the slowdown over 2019-20 to 2020-21. Nevertheless, the monthly sales in commercial vehicles segment are likely to achieve 2018-19 levels only by 2H of 2021-22.

Huge potential for rubber cultivations

The Deputy Chief Minister, Chowna Mein in a meeting with the Chairman cum Executive Director of Rubber Board of India, Dr K N Raghavan has urged to revive the rubber plantations in Arunachal Pradesh in order to boost the economy of the people.

Chowna Mein said that there is huge potential of rubber cultivations in the State and it has come up in a big way in the whole of NE States some years back. However, there is reluctant among the people to grow because of the non-marketing of their product. He urged the Rubber Board to made subsidy available to the farmers and increase their activities by conducting workshops for the people in order to restore the lost confidence amongst the people on Rubber cultivation. Arunachal has highest land bank in the North East and has the potential to become the Rubber bowl of the North East.

Dr Raghavan have assured to bring more areas under Rubber cultivation in the State and also assured to impart training to the rubber growers for tapping and to further facilitate in marketing of the rubber sheets after harvest.

No proposal to bring petroleum under GST

At present, there is no proposal to bring crude oil, petrol, diesel, jet fuel (ATF) and natural gas under Goods and Services Tax (GST), Finance Minister Nirmala Sitharaman said in a written reply to a question in the Lok Sabha.

The law prescribes that the GST Council shall recommend the date on which the goods and services tax be levied on petroleum crude, high-speed diesel, motor spirit (commonly known as petrol), natural gas and ATF. So far, the GST Council, in which the states are also represented, has not made any recommendation for inclusion of these goods under GST.. The Council may consider the issue of inclusion of these five petroleum products at a time it considers appropriate keeping in view all the relevant factors, including revenue implication, Finance Minister said.

The excise duty rates have been calibrated to generate resources for infrastructure and other developmental items of expenditure keeping in view the present fiscal position, Anurag Singh Thakur, Minister of State for Finance, said giving reasons for raising the levy.

India's fuel consumption fell for the second month in a row in February 2021 to its lowest since September 2020. Petroleum product consumption fell 4.9% to 17.21 million tonnes in February as demand for both petrol and diesel fell, according to data from the Petroleum Planning and Analysis Cell (PPAC) of the Ministry of Petroleum & Natural Gas.

Limits on purchase of fertilisers

Plantation sector in Southern India said that the Ministry of Chemicals & Fertiliser's proposed decision to implement a maximum limit for purchase of subsidized fertilizers. The Ministry has proposed the limit be fixed at 200 bags per month per plantation.

The United Planters' Association of Southern India (UPASI) president, Prashant Bhansali said that the limit prescribed is very low for the plantation sector. The size and production of the plantation has to be taken into account. The allocation will have to be on a per hectare basis rather than per plantation, as the size of plantations ranges from a few hectares to a few thousand hectares. Each hectare of plantation requires from 2 bags to 4 bags per month depending on the land productivity. Any reduction in the allotment of subsidised fertiliser will adversely impact many growers and the production will drop in larger plantations, if adequate fertiliser is not applied. Plantations require the fertiliser during certain months of the year, depending on the rainfall, and therefore will not be in a position to buy every month. The limits, if any, will have to be allotted on an annual basis. The annual requirement of fertilizers varies from 24 bags per hectare to 48 bags per hectare. Entitlement should be based on land holdings and land area is a more practical criteria.

The arbitrary fixation of limits without taking into account practical criteria will adversely impact the competitiveness of the industry, especially when it is going through a difficult phase due to the rise in the cost of production on account of high wages and input costs.

The proposed restrictions will have serious implications for the export competitiveness of plantation commodities and will deny level playing field in the international market. The Department Related Parliamentary Standing Committee on Commerce in its 102nd report had observed that the high cost of production in plantations would adversely affect price competitiveness in the world market. Accordingly, the Committee had recommended to the Department to ensure that fertiliser subsidy is available to growers and to engage the State Governments for timely availability of fertilizers. The proposed measures will no way help in preventing the misuse of fertiliser but will put genuine growers of plantation crops into great difficulty and inconvenience and, therefore, it is not justifiable, said Upasi president.

Govt offers sops to buy new vehicles

India will offer tax breaks and financial incentives to encourage owners to scrap their old vehicles as part of a policy that seeks to promote the use of fuel-efficient and cleaner automobiles while driving sales of new vehicles.

The automobile industry has been demanding a vehicle scrappage scheme to generate demand for new vehicles which has remained subdued for the past two years. Welcoming the scrappage policy, the Society of Indian Automobile Manufacturers (Siam) said in a note that industry body will work closely with the road transport and highways ministry on issues such as the best way forward to expedite testing infrastructure in a sustainable and scalable manner and the possibility of initiating vehicle fitness testing much earlier in the life cycle of a private vehicle, as is done in developed countries.

Commercial vehicles older than 15 years and passenger vehicles more than 20 years old will have to be scrapped if they fail to pass fitness and emission tests, according to the country's first-ever vehicle scrappage programme. Owners who voluntarily scrap vehicles will earn a road tax rebate of 15-25% and a waiver of registration fees on the purchase of a new vehicle. Automakers have been encouraged to offer a 5% discount on the purchase of a new vehicle against a certificate of vehicle scrapping. The scrap value of old vehicles will fetch owners around 4-6% of the price of a new vehicle, according to the policy.

The policy in the long run is expected to improve the fuel efficiency of vehicles, boost localisation, increase the availability of low-cost raw materials for industries and increase the GST revenue for the Indian govt. Phasing out of the old vehicles is expected to increase the demand in the industry and the overall turnover of the auto industry would increase by around ₹.5.5 lakh crore from the current ₹.4.5 lakh crore.

Ministry of Road Transport and Highways (MoRTH) has confirmed that the rules for fitness tests and scrapping centres will be notified by 1st October 2021. Mandatory fitness testing for heavy commercial vehicles will begin from 1st April 2023, while the other categories of vehicles will be mandated for fitness testing in a phased manner starting from 1st June 2024.

Nitin Gadkari, minister for road transport and highways, said the policy will help reduce vehicular pollution, increase demand for new, fuel-efficient vehicles and boost employment. The new policy does not have any penal provisions to help protect low-income families that own older vehicles. Fitness centres will be established in a public-private-partnership model to check vehicles and this can create a lot of jobs. Investments of around ₹.10,000 crore will be required to set up such centres.

JSS ties up with IRI

JSS Science and Technology University (JSS STU) Mysuru, which is in the forefront in bridging the gap between industry and institution, has collaborated with Indian Rubber Institute (IRI) to set up a Centre of Excellence (CoE) at their campus. The JSS has provided 10,000 sq. ft of land on long lease to IRI for establishing the Centre. The JSS has provided 10,000 sq. ft of land on long lease to IRI for establishing the Centre.

A memorandum of understanding between IRI and JSS Mahavidyapeetha was signed. JSS Mahavidyapeetha Executive Secretary C.G. Betsurmath and R. Mukhopadhyay, Chairman, Governing Council, IRI, Mysuru, exchanged the documents in the presence of Shivarathri Deshikendra Swami of Suttur Mutt and other top officials of the Mahavidyapeetha.

The centre has been established at an estimated cost of ₹.60 crore. IRI has decided to dedicate the Centre of Excellence to D. Banerjee, who is known as the Father of Indian Rubber Industry. The centre is aimed to be empanelled with RSDC, NSDC, and Ministry of Skill Development and Entrepreneurship as a premier institute of skill development of rubber sector in the country, according to a press release from IRI. ●●

BSE EXPERIENCE THE NEW

Stock Market 4 You

Rubber & Rubber related Companies

Equity on Bombay Stock Exchange

Company Name	16.03.21	23.03.21	31.03.21
20 MICRONS	38.45	36.15	35.20
AKZOINDIA	2399.20	2184.8	2308.15
APCOTEX INDS.	189.65	175.80	179.20
APOLLO TYRES	232.25	229.25	223.75
AVT NATURAL	46.65	44.75	45.00
BALKRISHNA INDS.	1638.70	1627.55	1690.45
BASF INDIA	2215.65	2081.60	2073.55
BATA INDIA	1487.40	1487.65	1404.65
BIRLA TYRES	26.95	25.00	22.75
CEAT LTD.	1577.55	1538.85	1561.25
DOLFIN RUBBERS	44.00	43.65	46.40
EASTERN TREADS	63.00	59.95	55.00
ELGI EQUIPEMENTS	194.40	189.75	190.20
GOODYEAR (I)	939.15	924.60	891.45
GOVIND RUBBER	5.22	4.14	3.23
GRP LTD.	860.90	864.35	794.00
GULF PETRO	40.75	38.70	35.60
HARRISON MALAYAL	162.20	145.00	139.10
HIMADRI CHEMICAL	45.05	43.25	41.70
INDAG RUBBER	98.10	97.00	89.90
JK TYRE INDS.	119.05	117.30	108.85
KESORAM INDS.	80.45	76.20	70.10
KHADIM INDIA	166.75	154.20	147.30
M.M. RUBBER	55.80	51.80	52.75
MAHALAXMI RUBTECH	41.40	42.20	39.15
MODI RUBBER	155.60	120.55	93.40
MRF LTD.	86828.85	84618.85	82218.70
NOCIL LTD.	176.90	175.35	174.60
ORIENTAL CARBON	1004.50	961.35	917.05
PHILIP CARBON	202.40	199.00	191.00
PIX TRANSMISSION	343.35	330.05	335.20
PTL LTD.	39.95	38.95	38.80
RELAXO FOOTWARE	826.90	869.60	874.15
RELIANCE INDS.	2100.45	2089.05	2003.20
RISHIROOP RUBBER	80.00	81.70	81.45
RUBFILA INTERNAT.	61.20	59.45	59.45
SOMI CONVEYOR	32.05	32.40	31.40
TINNA RUBBER	NA	36.80	NA
TTK HEALTHCARE	552.35	532.55	494.60
TVS SRICHAKR	1794.80	1809.15	1776.25
VAMSHI RUBBER LTD.	19.55	19.45	19.40
YASHO INDUSTRIES	248.25	263.50	341.75

(Source: BSE)

E-Marketing Bulletin

Rubber4U

Latest update at the earliest time

interNATIONAL Update4U

CURRENCY EXCHANGE RATE

Currency	On 16th Mar INR/1Unit	On 31st Mar INR/1Unit
Chinese (Yuan)	11.16	11.13
Europe (Euro)	86.62	85.96
Indonesian (Rupiah)	0.0050	0.0050
Japanese (Yen)	0.66	0.66
Malaysian (Ringgit)	17.63	17.64
Singapore (Dollar)	53.95	54.33
Sri Lanka (Rupee)	0.36	0.36
Taiwan (Dollar)	2.57	2.56
Thailand (Baht)	2.35	2.33
US (Dollar)	72.59	73.23
Vietnam (Dong)	0.0031	0.0031

Visit: www.rubber4u.com /Statistic/Notices/Currency Conversion

Demand continues to outstrip supply

Malaysia, the world's biggest rubber gloves manufacturer, is racing to increase production to close a supply gap caused by the covid-19 pandemic that it warns could last until into 2023. The global supply of rubber gloves is projected to reach 420 billion pieces this year, some 80 billion pieces short of the projected demand of 500 billion pieces, according to the Malaysian Rubber Glove Manufacturers Association (MARGMA).

There was a shortfall of 100 billion pieces of rubber gloves last year, when global demand reached 460 billion but supply was only at 360 billion. In 2019, the shortfall was 40 billion pieces, when global demand was 340 billion pieces, while supply reached 300 billion pieces. Out of the estimated global supply of rubber gloves this year, 67% of that will come from Malaysia, MARGMA told a virtual briefing on the industry's outlook.

Thailand is expected to provide 18% of the total, followed by 10% from China and 3% from Indonesia, it said.

Glove demand is expected to be robust until the second quarter of 2022 as new norms due to Covid-19 are expected to stay and sustain current elevated demand. Post pandemic, we think, demand for gloves will still grow more than pre-Covid-19 rates, with an estimated annual growth of between 12% and 15%, compared with an annual growth of 8% to 10% before Covid-19. Overall, the situation looks robust for the glove industry. During the pandemic, glove demand surged to between 25% and 35%, said MARGMA president Dr Supramaniam Shanmugam.

Meanwhile, the rubber glove industry is expected to invest up to RM3 billion annually for capacity expansion, research and development and automation to reduce reliance on foreign workers. While productivity in glove manufacturing has improved over the years from needing 9.7 workers to produce one million gloves back in 2008 to needing 1.7 workers to produce the same quantity in 2020, the industry aims to further improve this ratio to 1.5 workers for one million gloves by 2024, said Supramaniam.

The demand for gloves will continue to rise post pandemic due to enhanced health awareness, increased use of gloves in industries such as the food and beverage and aviation industries, and an ageing population. Global demand is far higher than supply and expects this trend continuing not only for 2021 but also going into 2022, with 13,318 gloves being used every single second. The lead time currently is about seven months for the gloves to be delivered to the end customer.

Risda aims to raise household income

Rubber Industry Smallholders Development Authority (Risda) is aiming to raise smallholders' monthly household income to RM4,500 through the newly launched Risda Strategic Planning Model 2021-2025. The strategic plan is a continuation of Risda's previous five-year plan which ended last year and was formulated in line with the 12th Malaysia Plan.

According to a report, more idle rubber lands in the country have been recorded due to declining number of rubber tappers and the unattractive prices of natural rubber. While according to last year's industrial data, 63% or 682,914 hectare of rubber plantation in the country have been identified as abandoned as tappers struggled to make decent returns during the pandemic.

At a press conference, Rural Development Minister Datuk Dr Abdul Latiff Ahmad said among the initiatives formulated through the strategic plan is to encourage young generations to be involved in domestic agricultural production. We hope the new initiatives introduced under Risda's 2021-2025 strategic plan will help encourage younger generations, especially those from families who own rubber plantations, to continue working on their families' lands. We want to promote Malaysia's rubber cultivation and increase the local production given the high demand for rubber medical products by the healthcare industry.

The government has also increased the allocation for the rubber replanting programme. Risda also received an additional allocation of RM15.7 million to manage the plant's disease, commonly known as pestalotiopsis. Risda Strategic Planning Model 2021-2025 is targeting seven key areas viz replanted rubber plantation, increased productivity, farm commodity prices, human capital development, increased number of entrepreneur smallholders, higher household income and profit growth of Risda-owned companies.

This year, the ministry has set aside RM410.8 million for Risda to implement a development programme involving RM322.1 million for the smallholder rubber plantation area programme; RM58.7 million for productivity enhancement and smallholder development programmes; and RM30 million for a new revenue development programme, said the minister.

Effort to grow rubber exports

Global Rubber Industries (Pvt) Ltd. (GRI), founded in 2002 has partnered with Kingslake, the manufacturing solutions experts, to lay the foundation for its next phase of growth. By leveraging Kingslake's Advanced Planning and Scheduling (APS) solutions, Sri Lanka's leading manufacturer of specialised tyres hopes to make a significant contribution to the rubber industry.

Sri Lanka's natural rubber and rubber-based products industries have contributed $1 billion export revenue in 2018. With a revenue target of $4.4 billion set for 2024, all eyes are on specialist companies such as GRI to bolster their own production, advanced planning, and scheduling capabilities so as to stay on par with global players.

As a member organization of the Sri Lanka Export Development Board (SLEDB), GRI's move to partner with Kingslake will help the local export economy stay competitive as a result. Kingslake continues to build and deliver fit-for-purpose software that enables manufacturers to increase the visibility of their operations, be it customer service, inventory management, planning, procurement, manufacturing, engineering, HR, transport, or finance.

We are certain that our digital solutions and expertise will reap greater dividends for GRI, and for Sri Lanka's rubber export industry as a whole, said Duleep Fernando, CEO of Kingslake.

Ministry planning to open regional office

The Ministry of Plantation Industries and Commodities is planning to set up a Malaysian Agricommodity Regional Office in Jeddah-Saudi Arabia to capitalise on the market potential for the nation's agricultural commodities in the Middle East and the African continent. By setting up the regional office, local companies will have the opportunity to export.

The regional office, which would act as a hub for Malaysian commodities, would include the Malaysian Palm Oil Council, the Malaysian Rubber Council, and the Malaysian Timber Council, said Plantation Industries and Commodities Minister Datuk Dr Mohd Khairuddin Aman Razali.

The opening of this regional office is part of the (Plantation Industries and Commodities Ministry's) efforts to realise its target, which is to ensure that Malaysian commodity products, including oleochemical products and biofuel — would dominate the region's markets in the future, he said in a statement.

China demand stretches rubber prices

The prices of Cambodian natural rubber latex on international markets have risen by more than 10% y-o-y in the first quarter, driven by rising demand from China. Cambodia exported a total of 83,620 tonnes of natural rubber latex in January-February 2021, representing a y-o-y increase of 10.3% from 75,809 tonnes, according to a senior official of the Ministry of Agriculture, Forestry and Fisheries.

General Directorate of Rubber head Pol Sopha said China's improved economic growth had boosted demand for rubber in the East Asian country. This has fuelled shipments of Cambodian rubber to the Port of Ho Chi Minh City in Vietnam where the selling price of the commodity stands at $1,800, up from about $1,500 in March last year, as prices had been on an upswing since the end of 2020. The rise in rubber prices now is due to surging demand in China, but also in India. Chronic labour shortages in regional rubber growing areas have also played a part in the accelerated prices and exports of Cambodian rubber.

Rubber plantations in Cambodia covered a total of 404,118 hectare, according to the ministry. Of this, 292,497 hectare are tapped for latex, while 111,621 hectare are under maintenance or in their immature phase yet to deliver a first harvest.

The price of rubber has risen due to strong demand in China and high percentage of untapped area has also helped propel prices higher. The current booming Cambodian rubber prices could see a slight reduction in the next two-to-three months as harvest seasons picks up. ■■

DL E&C to build NBL plant

Korean based DL E&C announced that it has won an order to build a nitrile butadiene rubber latex (NBL) plant worth about 150 billion won in Malaysia. This is the first project ordered by LG Petronas Chemicals Malaysia Sdn. Bhd., a joint venture between Korea's LG Chem and Malaysia's Petronas Chemical Group.

The site is located at the Pengerang Integrated Petrochemical Complex, 414 kilometers southeast of Kuala Lumpur. Ground will be broken for the plant in the middle of 2021. The plant will be completed in the first quarter of 2023. ■■

Rubber replanting assistance rate increased

The rubber replanting assistance rate for 2021 has been increased to RM13,710 per hectare for the peninsula, followed by RM14,805 (for Sarawak) and RM14,955 (Sabah) respectively. We hope this new rate will attract rubber growers to replant the crop. We also see that rubber latex prices are getting better at the moment, said Rural Development Minister Datuk Dr Abdul Latiff Ahmad.

He said the government had also agreed to provide an additional allocation of RM15.7 million to the Rubber Industry Smallholders Development Authority (RISDA) to control the Pestalotiopsis disease (leaf blight) found damaging rubber trees.

The new rate is in line with the introduction of RISDA's Strategic Planning Model (MPSR) 2021-2025, which aims to increase the income of rubber smallholders and ensure the sustainability of the rubber industry. ■■

Truck manufacturing industry faces severe lack of new tyres

North Korean authorities continue to highlight the achievement of the country's economic goals, but the lack of raw materials is causing serious disruptions to production in the country's industries. North Korea's vehicle manufacturing industry in particular is facing a severe lack of new rubber tyres. Following the failure of denuclearization talks between the US and North Korea and the prolonging of sanctions on the country, has been unable to import enough raw materials and parts needed for its vehicle manufacturing industry. This has led to a situation where vehicles ordered by country's important organizations are shipped out with new tyres, but vehicles purchased by ordinary enterprises or other business entities are simply fitted with used tyres so they can be rolled off the production site.

North Korea is facing difficulties importing not just rubber tyres but also rubber itself, so even shoe factories, which require rubber for their production processes are facing production difficulties. ■■

Tikiri Toys awarded GOLS accreditation

Tikiri Toys acclaimed Sri Lankan brand of natural play products for children – is the first-ever natural rubber toy manufacturing company to be awarded the Global Organic Latex Standard (GOLS) accreditation. Tikiri Toys is locally-designed and manufactured by DSL Lanka (Pvt) Ltd, the chief exporter of organic soft toys for toddlers from Sri Lanka.

The accreditation, which was initiated by Tikiri Toys after recognising an industry need, is a pioneering award for the first global standard for organic latex by Control Union Certifications. It is the equivalent of the well-known Global Organic Textile Standard (GOTS) certification and ensures the traceability in any latex used at every stage of production.

We are excited that our efforts have resulted in a new global standard for toy manufacturers. It serves as recognition of the impeccable care we have taken to ensure that our products are made from 100% pure organic rubber. It sources latex from small plantations in Sri Lanka which are certified organic, and this safeguards that all toys are pure, natural and safe for infants and toddlers. The hand-painted toys use plant-based non-toxic dyes. In addition, all cotton materials are ethically sourced, and our toys are biodegradable. While the packaging incorporates recycled board and soy-based inks, stated Mano Sheriff, CEO of DSL Lanka.

Dow introduces low density LSR

Dow announced the general availability of its first low-density liquid silicone rubber (LSR) for injection molding to brand owners and formulators in Europe and North America. The material's properties make it a favourable option particularly for food dosing valves, closures, dispensers, seals, gaskets and other food contact applications.

This innovative material expands Dow's Silastic injection molding LSR portfolio in several key areas. It allows us to help our partners along the value chain fulfill ambitious recycling targets. The innovation at the same time enables attractive gains versus standard LSR and TPE in processing and in-use performance, said Nathalie Gerard, European market manager, consumer rubber, Dow Consumer Solutions.

Silastic 9250-40 LSR has been designed specifically for the molding of closures and dispensers in a wide range of consumer packaging applications. Silastic 9250-40 LSR is formulated to meet the requirements of the BfR XV recommendation and of FDA 21 CFR 177.2600. One aspect that sets Silastic 9250-40 LSR apart from standard LSR is its low density.

Top satisfaction scores in J.D. Power's survey

Michelin has again earned top customer satisfaction scores in the annual J.D. Power Awards. For 2021, drivers gave Michelin the highest ratings in original equipment tyre customer satisfaction for luxury, performance sport, passenger car and truck/utility vehicles.

With these honors, Michelin has won 97 total J.D. Power Awards, more than any other tyre manufacturer. It was the company's 18th consecutive highest ranking in the luxury category and sixth consecutive highest ranking in the truck/ utility vehicle category.

The 2021 U.S. Original Equipment Tire Customer Satisfaction Study was based on responses from more than 28,000 vehicle owners of 2018 and 2019 model year vehicles. Satisfaction was examined in four areas: tyre wear, tyre ride, tyre appearance and tyre traction/handling.

Goodyear giving farmers another value-added product

More Goodyear tyres on American roads mean more consumption of soybean oil, giving farmers another value-added product. Goodyear Tire and Rubber announced that it aims to replace petroleum oil in its tyres by 2040. Through this policy, it can help guide processors, farmers, and all other members of the supply chain to establish practices and make sound environmental and social decisions related to the growing, harvesting, and processing of soybeans.

Graphene made from old tyres helps strengthen concrete

Rice University scientists have optimised a process to convert waste from rubber tyres into graphene that can, in turn, be used to strengthen concrete.

If we can use less concrete in our roads, buildings and bridges, we can eliminate some of the emissions at the very start. Recycled tyre waste is already used as a component of Portland cement, but graphene has been proven to strengthen cementitious materials, concrete among them, at the molecular level. While the majority of the 800 million tyres discarded annually are burned for fuel or ground up for other applications, 16% of them wind up in landfills. Reclaiming even a fraction of those as graphene will keep millions of tyres from reaching landfills, said chemist James Tour.

Rubber proved more challenging than food or plastic to turn into graphene, but the lab optimised the process by using commercial pyrolysed waste rubber from tyres. After useful oils are extracted from waste tyres, this carbon residue has until now had near-zero value. Tyre-derived carbon black or a blend of shredded rubber tyres and commercial carbon black can be flashed into graphene. Because turbostratic graphene is soluble, it can easily be added to cement to make more environmentally friendly concrete, Tour said.

The Rice lab flashed tyre-derived carbon black and found about 70% of the material converted to graphene. When flashing shredded rubber tyres mixed with plain carbon black to add conductivity, about 47% converted to graphene.

Goodyear teams up with UFODRIVE

The Goodyear Tire & Rubber Company announced a strategic relationship with UFODRIVE, an all-digital, all-electric car Rental Company, aimed at improving electric vehicle fleet performance.

The companies will together pursue opportunities to integrate their complementary mobility solutions, including Goodyear's intelligent tyre monitoring system and proactive solutions suite and UFODRIVE's advanced eMobility software as a service platform. Goodyear and UFODRIVE will also conduct studies designed to optimise vehicle utilisation and servicing to maximise energy usage and tyre replacement cost savings and minimise the carbon impact of fleets.

Launched in 2019, Goodyear Total Mobility is an end-to-end fleet offering that brings together premium tyres and a suite of data-driven monitoring and predictive analytics solutions to provide fleet operators with real-time tyre performance information, including pressure and temperature. UFODRIVE has developed and proven its eMobility platform by delivering a radically better car rental experience in eight countries and 17 locations across Europe in less than two years.

Specialty chemicals market volumes fell

Winter storms dampened U.S. specialty chemicals market volumes in February, according to American Chemistry Council (ACC). Volumes fell 4.1% in February 2021, bringing activity back to 3Q of 2020 levels. Of the 28 specialty chemical segments that ACC monitors, only six expanded in February, down from 21 in January, while 22 segments declined. Of the six segments rising in February, only foundry chemicals, rubber processing chemicals, and textile specialties featured gains of 1% or more.

During February, overall specialty chemicals volumes were off 7.6% on a y-o-y basis. Volumes stood at 103.8% of their average 2012 levels in February. This is equivalent to 7.07 billion pounds. Specialty chemicals are materials manufactured on the basis of the unique performance or function and provide a wide variety of effects on which many other sectors and end-use products rely. Specialty chemicals make up most of the diversity in commerce at any given time and are relatively high value, with greater market growth rates.

CLICK HERE

AAAM hosts vehicle component suppliers in Ghana

The African Association of Automotive Manufacturers (AAAM) hosted an exploratory visit by automotive component manufacturers to Ghana in March. The objective was to introduce potential investors to the Ghanaian automotive market. The initial visit was focused on aftermarket opportunities, which in time will also support OE assembly as the volumes grow, as currently almost all components are imported.

This is the first of many visits planned by the AAAM office in Accra in support of developing the automotive industry in Ghana, said David Coffey the CEO of AAAM.

A particularly important aspect of the Ghana Automotive Development Policy is to develop auto component manufacturing with local partners. In a positive meeting with Minister Kyerematen, the Minister emphasised the significance of this initiative and the government's willingness to engage on competitive fiscal incentives for those component manufacturers wanting to invest in Ghana.

The Hon. Alan Kyerematen indicated that the takeoff of the component manufacturing industry within the automotive sector would provide a strategic guideline for the development of the steel, aluminum, and rubber industry in the country.

Kumho Tire to sell rubber processing plant

South Korea's second-largest tyre maker, Kumho Tire Co., said it will sell its natural rubber processing plant in Vietnam to focus on its core business. It has struck a deal with a joint venture between Korean automaker Hyundai Motor Co. and Thanh Cong Group of Vietnam to sell its rubber factory. It plans to finalize the deal by May 2021.

The company opened the US$4 million factory in southeastern Vietnam in 2007, which can supply rubber for 6 million tyres a year. The tyre maker has been grappling with shrinking sales amid the Covid-19 pandemic and worsening profit due to a hike in raw material prices.

The deal comes as the U.S. Department of Commerce is moving to slap anti-dumping duties on tyre makers of four Asian nations, including South Korea, later this year.

The impact of the Suez Canal blockage may cause disruptions in China's synthetic rubber industry, which imports raw materials from Europe.

Sector wise Consumption of Natural & Synthetic Rubber

During April - November (in Tonnes)

Sector	2020*	2019	Growth (%)
Natural Rubber			
Auto Tyres & Tubes	453541	515158	-11.96
General Rubber Goods	192369	237962	-19.16
Total	**645910**	**753120**	**-14.23**
Synthetic Rubber			
Auto Tyres & Tubes	249486	291666	-14.46
General Rubber Goods	114504	146604	-21.89
Total	**363990**	**438270**	**-16.95**
Natural & Synthetic Rubber			
Auto Tyres & Tubes	703027	806824	-12.86
General Rubber Goods	306873	384566	-20.20
Total	**1009900**	**1191390**	**-15.23**

Type-wise Import & Export of Natural Rubber

DURING NOVEMBER 2020 (Qty in Tonnes)

	IMPORT		EXPORT	
TYPE	Qty	% Share	Qty	% Share
RSS Grades	3,150	9.8	-	0.0
Solid Block Rubber	28,468	88.5	122	3.2
Latex Concentrates (drc)	200	0.6	3510	92.7
Others	360	1.1	153	4.1
Total	**32,178**	**100.0**	**3,785**	**100.0**

* Provisional

Rubber Stock as on 30th November 2020

Natural Rubber (Fig. in tonnes)

With Growers	106000	Ribbed Smoked Sheet	199800
With Dealers & Processors	103000	Solid Block Rubber	50200
With Auto Tyre units©	78000	Latex(drc)	22750
With other mfg. units	24000	Others	38250
Total	**311000**	**Total**	**311000**

©: including transit

Synthetic Rubber"

With Producers (d)	29980		
With Auto Tyre units	42500	SBR	53245
With other mfg. units	27500	Others	46735
Total	**99980**		**99980**

Provisional (d): including their accredited stockists ": including export

(Source: Rubber Board)

INDIAN RUBBER POSITION

As of November

(Metric Tonnes)

Rubber	2020	2019
Production		
Natural Rubber (NR)		
Ribbed Smoked Sheet	60650	56785
Solid Block Rubber	14350	10990
Latex Concentrates (drc)	9350	7775
Others	2650	2450
Total	**87000**	**78000**
Synthetic Rubber (SR)		
Styrene Butadiene	21210	16712
Poly Butadiene (BR)	11400	9779
Others	7830	3448
Total	**40440**	**29939**
Total NR & SR	**127440**	**107939**
Consumption*		
Natural Rubber (NR)		
Ribbed Smoked Sheet	49640	43320
Solid Block Rubber	43780	44280
Latex Concentrates (drc)	8130	7100
Others	2450	2300
Total	**104000**	**97000**
Synthetic Rubber (SR)		
Styrene Butadiene	31670	30175
Poly Butadiene (BR)	18780	15380
Others	10350	8605
Total	**60800**	**54160**
Total NR & SR	**164800**	**151160**

*: indigenous and imported

Reclaimed Rubber (RR)		
Production @	12750	11675
Consumption	12900	11535
Stock with Manufacturers (End of November)	14415	13360

@: indigenous purchase by manufacturers

Import / Export		
Import *(p)*		
Natural Rubber	32178	36907
Synthetic Rubber	30220	31500
Total NR & SR	**62398**	**68407**
Export *(p)*		
Natural Rubber	3785	339

p:provisional

(Source: Rubber Board)

JAPAN EXCHANGE GROUP
OSAKA EXCHANGE

Rubber RSS3 Future

Trade Date: 31st March 2021

Day Session As of 31st March 2021

(Prices in yen / kilogram)

Month	Open	High	Low	Last	Change%	Volume	Settlement
April 2021	245.1	245.1	237.6	240.8	-6.8	46	241.0
May 2021	244.8	244.8	238.6	239.2	-6.3	110	239.2
June 2021	245.9	245.9	239.6	239.6	-5.5	171	239.6
July 2021	244.4	245.5	239.5	240.3	-6.8	291	240.3
August 2021	244.3	246.3	239.9	239.9	-6.8	2,584	239.9
September 2021	245.5	247.2	241.1	241.7	-6.4	3,406	241.7

Exhibition & Conference SCHEDULE

ChinaPlas 2021
13 - 16 April 2021
At Shenzhen WE&C Center,
PR China.

International Rubber Glove Conference & Exhibition (IRGCE)
11 - 13 August 2021
Kuala Lumpur Con. Centre,
Kuala Lumpur, Malaysia.

China International Tire Expo
16 - 18 August 2021
At Shanghai WEE & CC,
Shanghai, China.

INAPA 2021
25 - 27 August 2021
At JIExpo Kemayoran,
Jakarta, Indonesia.

Tyre & Rubber Indonesia
25 - 27 August 2021
At JIExpo Kemayoran,
Jakarta, Indonesia.

Rubber & Tyre Vietnam 2021
26 – 28 August 2021
At Saigon Exhn. & Convn. Center,
Ho Chi Minh City, Vietnam.

RubberTech China 2021
15 - 17 September 2021
At Shanghai New International
Expo Centre,
Shanghai, China.

Latin Tyre Expo & Latin Auto Parts Expo
6 - 8 October 2021
At Amador Convention Center,
Panama City, Panama.

Arab Plast
15 - 18 November 2021
At Dubai World Trade Centre,
Dubai, United Arab Emirates.

CLASSIFIED Advertisements