

MOAC assembles four nations to price rubber

MOAC to partner with Indonesia, Malaysia and Vietnam to establish major natural rubber pricing board equivalent to OPEC

Mr. Grisada Boonrach, Minister of Agriculture and Cooperatives revealed that he had discussed with the Ministry of Commerce to establish a committee in order to determine the domestic price of natural rubber, as natural rubber is currently restricted goods. The committee will be comprised of the Government sector, entrepreneurs, and rubber planters. The formation of the board is expected to be finalized within 3 months.

There are also plans on the international level as the Ministry of Agriculture and Cooperatives (MOAC) has coordinated with Indonesia, Malaysia and Vietnam to establish a natural rubber pricing committee in order to create a market and a negotiation platform for major rubber-producing countries, equivalent to the oil-producing international organization of OPEC. The countries have diplomatically agreed to the formation of the committee and are expecting approval from their respective governments in May.

While the global price of oil has been rising, the price of natural rubber in Thailand has not improved as much due to the rigidity of the Thai baht. The price of smoked sheet rubber grade 3 (RSS3) is currently listed at 50.19 thb/kg.

The MOAC is undergoing several measures to stabilize the price of rubber, and has confirmed that no rubber trees will be cut down with the exception of 25-30 year old rubber trees.

Both domestic and international measures have been made to stabilize rubber prices which include the domestic measure to increase natural rubber consumption by 200,000 tonnes within the fiscal year. Rubber consumption is expected to meet its goal within schedule as the re-regulation of rubber application in construction has increased consumption by 30,000 tonnes, of which the Department of Rural Roads and local administrations across Thailand are the main consumers.

In addition, Prime Minister Gen. Prayut Chan-o-cha is preparing to assign the military to apply 105,000 tonnes of rubber in stock in military road construction which is expected to use the Government Budget, and the decrease in stock will be one of the methods to lighten pressure on the price.

Source: Posttoday Newspaper (27 Apr 2015)