

F-05 Major trends in consumption of natural rubber with significant implications for the future

I N Samarappuli, C W Wickramaratne
(*Rubber Research Institute*)

Natural rubber (NR) producing countries are becoming industrialized. These nations have the desire and resources to convert raw material into value added rubber products for both domestic and export markets. This study examines the major trends in the consumption of NR and its implications for the future activities of the rubber industry with special reference to major NR producing countries. Time series data for a 20-year period (1975-94) were used to estimate the trend equations and to make forecasts up to year 2000.

The results strongly suggest that natural rubber industry is undergoing a major transformation, from an export industry to a value added industry. World NR consumption is forecast to increase at an average rate of 87 million kilograms

(Mn.kg) per year up to the end of this decade of which Asian natural rubber producing countries (ANRPCs) will retain nearly 84 Mn.kg every year. On the contrary, the NR consumption in the “rest of the world” (excluding Asia) is forecast to decline at a rate of nearly 6.5 Mn.kg per year.

In the year 2000, the ANRPCs and Asian region as a whole will consume nearly 38% and 58% of the global NR production respectively. This transformation as it develops, will have a significant effect on the economics of both NR producing countries as well as on developed countries. It could also have some impact on the price and trading system of NR. Moreover, changes in the pattern of NR consumption is likely to influence the balance between natural and synthetic rubber.