



Reyong Kittipol

China, India hold the key to set NR price trends: Reyong Kittipol

Talking to *Rubber Asia* on the sidelines of the launching ceremony of Thai Hua International Rubber Co.Pvt Ltd, India, in Kochi, Thai Hua Executive Vice President Reyong Kittipol says China and India hold the key to set NR price trends as the economic situation in these two Asian giants will have a great bearing on NR consumption. **Excerpts** from the interview:

What is your outlook for the future if the rubber industry?

The future of the rubber industry depends largely on the economic development in China which is the biggest consumer of rubber. Although China's GDP is growing at an impressive pace, the rise in inflation is a cause for concern. If China's rubber consumption declines, it will seriously affect the industry. The price of rubber will come down. The next decisive factor is India. India has good GDP, big population and availability of manpower.

What will be the impact of the US financial crisis on the global rubber industry?

The oil price is showing a downtrend after the debt crisis hit the US. This may bring down the cost of synthetic rubber. But that won't affect the demand for natural rubber so long as consumption by Asian giants like China and India remains high. Though there could be a slight fall in NR price, it will rebound as it happened after the last US recession.

Do you think the present high price of NR will continue?

I don't see any possibility for a big crash in rubber price as demand will outstrip supply. The heavy rainfall in Thailand has adversely affected the yield. This year, we received 35% more rainfall compared to last year.

How far is the rubber plantation in Thailand affected by climate change?

Global warming has affected the NR yield. We are now in the process of developing high-yielding and

heat-tolerant clones which will be able to withstand rise in temperature.

You have taken up rubber cultivation in a big way in Laos and Cambodia. Do you have plan to plant rubber in any other region like Africa?

No plan, for the time being. Thai Hua has 17,000 ha of rubber plantation in Thailand. We have 30,000 ha of land available in Laos, of which rubber is planted only in 15,000 ha. In Cambodia, we have 20,000 ha of land for rubber plantation.

What prompted you to open your first Indian trading outlet in Kerala?

India is an important market for world rubber. The quality of Indian NR is among the best in the world. We hope to further improve the quality by sharing our technical knowhow with Indian manufacturers. By leveraging technology, Thailand produces high-quality rubber. Indian manufacturers are welcome to make use of our technology to enhance the quality of NR.

There is an apprehension among growers and dealers that your entry into Kerala will adversely affect their interests. Is it true?

None needs to have any apprehension over our entry into Kerala. We are not such a big player as to have the potential to disturb the local market. It is not our intention to import rubber and sell it here. We will be sourcing our rubber from the local dealers. It will help the growers to find better market. The price of rubber now-a-days depends on the global situation. Prices are set by various international factors. So our entry into Kerala is not going to make any difference to price. ■