

## **IRA Chairman remarks**

**At the Management Committee Meeting of the International Rubber Association  
Taj Samudra Hotel, Colombo, Sri Lanka  
Sunday, 6 May 2018**

Rubber market last year has seen another extreme volatility rallying to over \$2000 a ton in Q1 2017, only to fall back miserably into the more familiar trading range of \$1400 to \$1600 by the end of 2017. This range appears to remain valid for this year so far. Demand has been relatively constant albeit a small increase. But ANRPC seems to revise the supply surplus in 2017 to 300,000 tons and again this year may be as high as 400,000 tons. This may keep to cap the hoped for rally at least for now.

Various actions taken by the producing countries have also failed to make much headway into the price recovery. With the potential trade wars globally initiated by the United States Trump administration, and tariff measures and counter measures being contemplated by the US and the targeted countries, coupled this with the recent resurgence of the US dollar, we may be heading towards a very difficult time ahead.

Rubber farmers around the producing countries have already endured a lot of hardship. We hope the market will not trade much lower in order to give them the incentive to continue to produce rubber for our downstream industries.

Coming back to IRA matters.

Last year, we adopted the amended IRA Contract for TSR on 19 March 2017. The contract was effective on 1 June 2017. This year, we look forward to the standardization and amendment to the IRA contract for Latex in drums as well.

As I have mentioned in last year meeting regarding the change of chairmanship and Secretariat of the IRA. The IRA Management Committee Meeting held in Bali, Indonesia on 26 October 1998 agreed that the term of chairmanship should not be held by the same organization for more than two terms. The time has come for TRA to relinquish both the Chairmanship and the Executive Secretary post to the capable hands of another member organization.

Finally I would like to thank all members and observers for the continued support for the activities of IRA and hope the spirit of the cooperation will continue to benefit all participants of the rubber industry.

Paul Sumade Lee  
IRA Chairman