

News Review of Rubber Industry in Myanmar

In Myanmar, hundreds of thousands of hectares of land are leased to investors for rubber plantations, often in controversial circumstances. **Only 8 percent of the total production is used within Myanmar, with the rest exported to China: 70 percent of which is of low quality.**

Japan is providing state of the art technology to process raw rubber and boost local production in a bid to find a new supply for its tyre manufacturing industry. According to an MoU between the Myanmar Rubber Planters and Producers Association and Japanese manufacturers, Japan will provide technology to produce high-quality raw rubber from plantations.

Myanmar rubber is not good enough to export, even growers complain that the price of \$300-400 per tonne is unfairly low, according to U Khaing Myint, Secretary of the Myanmar Rubber Planters and Producers' Association. Due to growing demand in the global rubber commodity market, Myanmar rubber can be sold at standardized prices.

Myanmar's first central rubber market will be built at Mawlamyine in Mon State as authorities seek to help the industry amid low prices and sluggish sales. Mon State is the country's top rubber producer and the commodity is considered a "promising export" in Myanmar's National Export Strategy (NES). However, local planters have struggled to sell in the international market, due to issues with quality and falling global prices. The NES highlights the need for a central rubber market. The central rubber market is set to be built in a compound on Ministry of Commerce-owned land in Mawlamyine, and will be jointly managed by the Ministry of Commerce, the Ministry of Agriculture and Irrigation, and the Myanmar Rubber Planters and Producers Association (MRPPA). The establishment will help rubber planters to sell their wares. Exporters will be able to buy rubber through an auction system at the market. Planters can refuse to sell if they are not happy with the bid, though exporters will be blacklisted if they do not buy at their bidding price.

Mon State, Tanintharyi, Bago and Ayeyarwady regions are the major rubber producers. However, Mon State is the first choice for a market, as it is the largest producer. If the rubber market in Mon State is successful, the Department of Export Promotion will consider establishing rubber markets in other states and regions. **The Mon State rubber market will be based on an MRPPA study of rubber markets in Thailand and will be built during the next fiscal year, starting on 1 April 2016.** A related law is being drafted and a regulatory body will also need to be formed.

With help from Japan, a laboratory for testing the quality of rubber has been set up in Yangon, and Myanmar is also applying for membership at the International Rubber Association (IRA) in Malaysia. "It is quite difficult to get a certificate from IRA. Our laboratory is necessary to become a member, as every product certified by the laboratory is globally recognized," stated the Department of Export Promotion.

Myanmar's rubber growers have struggled to produce high-quality products. Out of the four tyre factories in the country, only one – the Yangon Tyre factory – is able to export, according to the MRPPA. Three of the country's four tyre factories are owned by the state, two by the Ministry of Industry and the others by the military-owned Myanmar Economic Cooperation.

Yangon Tyre Factory, the only privately owned plant, has been exporting to Malaysia for two years, in batches of 800, by sea. The company has earned about US\$200,000 by exporting a total of 3200 tyres at \$60 each. Rubber growers believe this kind of success indicates the need for more factories capable of exporting, and promote more factories of this kind.

References: <http://www.mmtimes.com/index.php/business/17536-rubber-market-to-be-built-in-mawlamyine.html> [Latest News](#), [Foreign Companies](#), [foreign investment](#), [International Rubber Association](#), [investment](#), [Ministry of Commerce](#), [Myanmar Rubber Planters and Producers Association \(MRPPA\)](#), [natural resources](#), [special economic zone](#), [tyre industry](#), [U Htin Kyaw Oo](#), [Latest News](#) , [Japan's Rubber Trade Association](#), [Japanese manufacturers](#), [Khine Myint](#), [Myanmar Rubber Planters and Producers Association](#), [Raw Rubber](#), [Technology](#), [tyre manufacturing industry](#), [Yoshio Kanai](#), [Latest News](#), [Economy](#), [export](#), [Myanmar Rubber Planters and Producers Association](#), [Ribbed Smoked Sheets](#), [RSS](#), [Rubber](#), [Trade](#), [U Khaing Myint](#), [Latest News](#), [Daw Theingi Myint](#), [Kayin State](#), [Mon State](#), [Myanmar Rubber Planters and Producers Association](#), [Myanmar Times](#), [Rubber prices](#), [Tanintharyi Region](#), [Tokyo](#), [U Khin Kyu](#), [U Khine Myint](#), [Zabudate rubber plantation](#).

Myanmar Rubber Plantation and Production (2014-2015 FY)

No	Region/State	Planted Area (Acre)	Productive Area (Acre)	Average Productive (Per Year/Acre/Pound)	Production (Pound)
1.	Nay Pyi Taw				
2.	Kachin State	76,537	1,846	500.65	942,657
3.	Kayah State	36			
4.	Kayin State	260,838	121,728	762.53	92,821,079
5.	Chin State	9			
6.	Sagaing Region	12,622	283	424.12	120,025
7.	Thaninthayi Region	334,051	121,773	554.20	67,486,164
8.	Bago Region	115,129	39,053	619.91	24,209,202
9.	Magwe Region	80			
10.	Mandalay Region	114			
11.	Mon State	489,053	313,893	730.65	229,346,381
12.	Rakhine State	36,523	2,000	530.39	1,116,458
13.	Yangon Region	42,233	9,688	425.17	4,109,083
14.	Shan State	183,320	28,416	559.27	15,892,331
	Shan State (South)	1,128	98	692.81	67,895
	Shan State (North)	81,308	21,092	536.48	11,305,442
	Shan State (East)	100,884	7,226	628.00	4,508,994
15.	Areyarwaddy Region	33,570	700	728.73	510,837

Source: Myanmar Rubber Planters and Producers Association (MRPPA)

Myanmar Rubber Planted Area and Production

Myanmar FY Year	Planted Area (Acre)	Productive Area (Acre)	Production (MT)
2005-06	558,565	267,180	64,239
2006-07	728,329	303,907	73,355
2007-08	935,800	342,930	88,528
2008-09	1,057,395	356,437	93,207
2009-10	1,143,427	411,688	111,673
2010-11	1,246,531	460,767	127,921
2011-12	1,342,202	490,151	149,619
2012-13	1,435,931	527,693	164,425
2013-14	1,506,867	572,737	176,915
2014-15	1,584,115	639,482	198,024
2015-16 (plan)	1,611,386	734,436	227,533

Source: Myanmar Rubber Planters and Producers Association (MRPPA)

Myanmar Rubber Export (2005-06 to 2014-2015)

Myanmar FY Year	Export (MT)	Export Value (Million USD)
2005-06	52,800	63.42
2006-07	46,930	76.55
2007-08	61,610	116.49
2008-09	40,070	73
2009-10	78,785	133.19
2010-11	92,677	304.41
2011-12	78,881	312.46
2012-13	86,881	265.26
2013-14	84,299	196.13
2014-15	77,018	111.85

Source: Myanmar Rubber Planters and Producers Association (MRPPA)

Myanmar Rubber Export Price (15 January 2016)

Rubber Type/Per Ton	Cost (USD)
R.S.S (1)	1000-1100
R.S.S (2)	950-1050
R.S.S (3)	900-1000
R.S.S (4)	850-950
R.S.S (5)	800-900
Crepe Rubber	700-800
M.S.R (3)	1150-1250-
M.S.R (10)	900-1000
M.S.R (20)	850-950
M.S.R (50)	750-850

R.S.S: Rubber Smoke Sheet, M.S.R: Myanmar Standard Rubber

Source: Myanmar Rubber Planters and Producers Association (MRPPA)
