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### Three-nation deal to keep rubber prices steady

MALAYSIA, Indonesia and Thailand signed a shareholders' agreement on the International Rubber Consortium Ltd (IRC), an organisation aimed at protecting some 10 million planters in the three countries.

The IRC, the brainchild of Primary Industries Minister Datuk Seri Dr Lim Keng Yaik, will ensure prices of the commodity hover between US\$1 (RM3.80) to US\$1.20 per kg.

The consortium has a paid-up capital of US\$4.5 million, with Thailand contributing US\$2 million, Indonesia US\$1.5 million and Malaysia US\$1 million.

Dr Lim signed for Malaysia at a ceremony on Monday night, Agriculture and Co-operatives Minister Soraat Klinpratoom signed for Thailand, and Industry and Trade Minister Rini M. Sumarno Soewandi signed for Indonesia.

The signing ceremony, held on the sidelines of the Asean Summit, was witnessed by Prime Minister Datuk Seri Dr Mahathir Mohamad, Thai Prime Minister Thaksin Shinawatra and Indonesian President Megawati Sukarnoputri.

The IRC is a follow-up to the Bali Declaration 2001, where the three countries agreed to set up the consortium and implement the Supply Management Scheme (SMS) and the Agreed Export Tonnage Scheme (AETS).

Under the SMS, Malaysia, Thailand and Indonesia, whose rubber output account for 70 per cent of the global market, agreed to cut supply by four per cent, and a further 10 per cent under the AETS.

"As a result, rubber prices rose from a 30-year low of US\$0.48 to US\$1.17," said Dr Lim.

The IRC would closely monitor the prices of rubber and, if necessary, purchase the commodity from producers and sell them at a higher price.

"It's not our intention to push prices to unreasonable levels. As it stands today, I think it's quite fair." He said, high prices would only make synthetic rubber more popular.