

Journal Website:
<https://theamericanjournals.com/index.php/tajssei>

Copyright: Original content from this work may be used under the terms of the creative commons attributes 4.0 licence.

Research Article

INTERNATIONAL RUBBER PRODUCTION AND MARKETING TRADE IN NIGERIA

Submission Date: February 15, 2023, Accepted Date: February 20, 2023,

Published Date: February 25, 2023 |

Crossref doi: <https://doi.org/10.37547/tajssei/Volume05Issue02-01>

Dr Umar Mohammed Ali

City University Cambodia Africa Campus, Cambodia

ABSTRACT

This paper focus on International Rubber on production and marketing trade in Nigeria .Rubber in Nigeria was one of the major export ranking after cocoa, groundnuts, cotton, and palm products. It was a product that provided income to rural people of Edo, Delta Rivers, Ondo, Abia, Akwa, Ibom, cross river and Imo state. However, rubber production in Nigeria has gone into precipitate decline due to neglect, therefore pushing Nigeria fro first position to fourth among the producing countries in Africa. Ironically, rubber export would wide has assumed a new dimension as one of the leading export commodities because of increasing world market price. At a price of about U\$1,500 per metric tonn, rubber presently is one of the highest priced agricultural products in the international market surpassing traditional products such as cocoa, coffee/tea, cotton, palm products etc. Forecast by experts predict further rise in rubber price as a result of various factors including, rising demand in china, and high cost of processing synthetic rubber as a result of rising cost of crude oil. Despite the potentials and the market opportunity which the international market offers, Nigeria rubber production is declining against increasing production in neighboring countries like Camerom, liberali and cote D'ivore.

KEYWORDS

Marketing , Trade , International ,Production , Rubber , Nigeria.

INTRODUCTION

Natural rubber is an elastic hydrocarbon polymer that occurs as a milky colloidal suspension or latex, in the sap of rubber tree. It is used extensively in many applications and products. As with most raw materials, the quality of natural rubber depends to a large extent on the manner in which it is harvested and processed.

Traditionally, natural rubber has been marketed in a variety of types and grades including the ribbed smoked sheets (RSS), air-dried sheets, pale crepes, crumbs, viscosity, stabilized grade, general-purpose grade etc.

Rubber is as indispensable to modern society as steel or wood. The use of rubber is wide spread, ranging from household products, entering the production stream at the intermediate stage or as final products. Tyres and tubes are largest consumers of rubber, accounting for around 56% of the total consumption in 2005. The remaining 44% are taken up by the general rubber goods (GRG). These non-tyre items include industrial products (i.e transmission and elevator belts, house, tubes, industrial lining, and bridge bearings), consumer products (i.e golf and footballs, and other recreational and sport goods, erasers, footwear, apparel) articles for use in medical and health sector (i.e. threads, adhesive in paper and carpet industry) and fibre for textile industries, (engine mounting etc.).

Rubber in Nigeria was one of the major export ranking after cocoa, groundnuts, cotton, and palm products. It was a product that provided income to rural people of Edo, Delta Rivers, Ondo, Abia, Akwa, Ibom, cross river and Imo state. However, rubber production in Nigeria has gone into precipitate decline due to neglect, therefore pushing Nigeria from first position to fourth among the producing countries in Africa. In order to access the favorable gain in price, processors and exporters who set up processing plants to process rubber for both domestic use and export were

frustrated due to non availability of raw materials. This problem arose from the following factors:

- Ageing of rubber trees;
- Low acreage under cultivation;
- Poor infrastructure;
- Poor quality of natural rubber;
- Lack of rehabilitation and replanting programme by state governments;
- Absence of medium/long term loan; and
- High cost of input and labour

In view of the foregoing, the federal government set up a “Presidential initiative on rubber production, Utilization and Export” to identify the problems of rubber production, with the aim of finding ways of reviving the dwindling industry in Nigeria and putting the country back as major world producer and exporter of rubber.

The Nigerian export promotion council, worried by the sorry of the rubber industry and its existing challenge, also engaged the service of Hudson consulting group, a US based Nigerian consultant to come up with strategies and implementation options to resuscitate the industry and improve its effectiveness to enable it contribute substantially towards the GDP growth. In the same vein, the council had equally organized seminars among stakeholders in the rubber industry group (mainly exporting companies and potential exporters). The forum was equally aimed at reviving the rubber industry in Nigeria.

INTERNATIONAL RUBBER PRODUCTION AND MARKET

The supply of natural rubber depends upon the interplay of several factors, including production capacity, underlying technological change, input and processing costs as well as price differential with

synthetic rubber. In 2005, the six leading producers, Thailand, Indonesia, Malaysia, India, China and Vietnam accounted for roughly 89% of the world natural rubber (NR) production. 2.1 million tonnes in 1961 to over 9.1 million tonnes in 2005.

On consumption, it should be noted that rubber are intermediate goods (notably tyres) which are demand-driven. However the five largest NR consuming countries are China, USA, Japan, India and Malaysia. China overtook USA to become the world highest NR consumer with over 1.8 million tonnes in 2005, because of high demand for motor vehicles tyres. Thailand is the largest exporter (from 184,500 tonnes in 1961 to 3 million tonnes in 2004). By this it accounted for 4% of the world total as compared to her 8% in 1961. Indonesia is next with an average of 26% of world export.

TYRE MARKET

The tyre industry which is the largest single rubber consuming industry in the world presents a good and considerable market just as auto estimates that the

global tyre market for passenger cars, light, medium and heavy duty application accounted for nearly 1.29 billion tyres sold in 2007, out of which 949m (73%) were replacement tyres. Although, only one-quarter of road tyres are specified and bought by vehicle makers, this segment of the market is significant as it drives technical development and has major influence over the after market. Three large key players—Bridgestone, Goodyear and Michelin dominate the world tyre market with a share of about 56%. The four mid-sized companies which have about 18% of world market are Continental, Sumitomo, Pirelli and Yokohama.

In total, 11 companies account for 81.6% of world market. Notable automotive industries in the world that provide significant market share for the tyre industry are General Motors, Toyota, Ford, Volkswagen, Daimler Chrysler, PSA, Peugeot, Citroën, Hyundai, Nissan, Honda, and Renault. The key factor that distinguishes the tyre market from automotive component is the size of the replacement market or after market and this holds a big promise in the future due to increasing demand.



Natural Rubber in Nigeria (Private Sector Perspectives)

Development of Natural Rubber

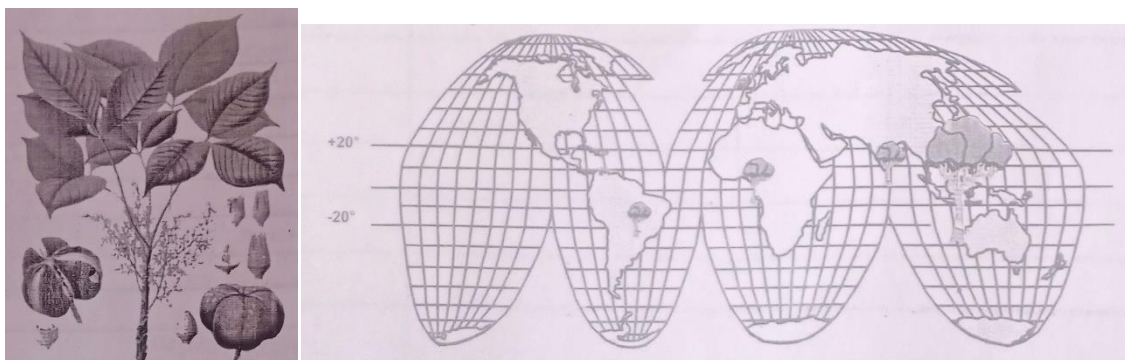
- the primary source of natural rubber is from the para rubber tree (*Hevea brasiliensis*), often simply called rubber tree.
- Initially grew only in the Amazon Rainforest, *hevea brasiliensis* belongs to the family of Euphorbiaceae
- Discovery of the vulcanization procedure (1839) and development of tires industry led to a boom in growing rubber tree

Rubber trees in plantations

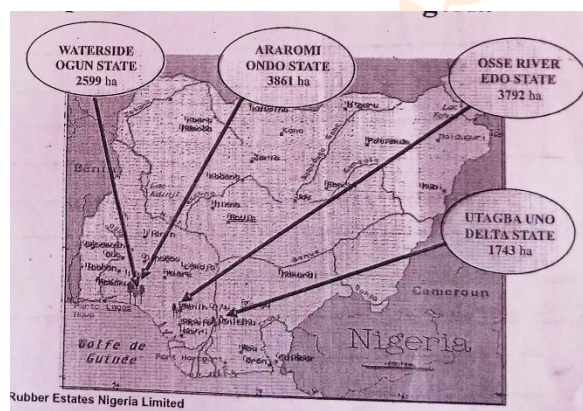


Potential Development in Nigeria the condition for rubber production:

- Deep and well drained soils
- Average temperature of 30 °C
- Well Distributed rainfall
- (>1500mm/year)



Condition perfectly met in S Nigerai Nigerian export only 42,000 tons Annually mainly from private Agencies but the potential of Production is mush higher.



Implantations of RENI in Nigeria Industrial Plantations & Smallholders Smallholders plantations along Industrial plantation benefit:

- Production of stumps
- Technical assistance
- Purchase of rubber production

Contribution to sustainable development
Development of the communities:

- Creates perennial employment in rural area

- Poverty alleviation, monthly income all year long for the farmers,
- Reduce the rural exodus
- Farmers get a technical knowledge,

- Greater access into enclaves of isolated regions.

Environment protection:

- Natural rubber is a natural renewable resource,
- Reduction of the deforestation (firewood, wood valorisation)
- Climate regulation and soil preservation (forest like ecosystems)

Major Challenges for rubber in Nigeria

- Seldomly individuals that are actually into viable rubber cultivation
- No workable government policy for rubber growers
- Need to support smallholder planters in the local communities to improve their economy and increase the global need for rubber.
- Problem of land accessibility
- Non existence of sufficient budwood garden with identifiable and improved clones of good genetic qualities.

CONCLUSION

In the light of this both government and private agencies should demonstrate interest to encourage small holder planting especially in the area of credit facilities. For example, in 2007 planting season, the presidential initiative on rubber through the federal ministry of Agric Abuja, assisted the small holder planting.

Michelin planted 283,605 budded stumps (511ha) for small holders in 2007/2008, out of which, 103000 budded stumps came from the presidential initiative on rubber (185ha).

As it is today, nothing is happening towards government assisting the small holder again for the next planting seasons, 2008, 2009 etc. and it is pertinent to note that the only way to increase the global need for natural rubber is to support the small holder planning which will improve the local and national economy.

REFERENCE

1. National seed service, A paper presented at the national cotton forum held at Hamdala hotel, Kaduna, March 18-19-2005
2. Federal ministry of agriculture and rural development, A paper presented at the national cotton forum held at the Hamdala Hotel, Kaduna, March 18-19-, 2005
3. International cotton advisory committee, world cotton review, 2004
4. International cotton advisory committee, world cotton review, 2006
5. Central bank on Nigeria. Annual report and statement of account, 2006
6. Gherzi consultants, A report of a nationwide study of the Nigeria textile industry, 2003
7. Gherzi consultants, A paper presented at the second experts meeting of the action committee on raw materials of the G-77, held at the Transcorp Hilton hotel, Abuja, March 23-24, 2006