



THE COLOMBO RUBBER TRADERS' ASSOCIATION

**ANNUAL REPORT
2023/2024**

The History of The Colombo Rubber Traders' Association

The Rubber Committee of the Ceylon Chamber of Commerce, which had addressed the interests of the Rubber Trade since 1891, identified the need for a separate forum to promote the interests of the Rubber Industry. A meeting was held on November 27, 1918, at which the Colombo Rubber Traders' Association [CRTA] was formally inaugurated. Attending this meeting were personalities well known in the business circles of Colombo, which included Messrs. Hayley, Durrent, Mackwood, Oldfield, Henry De Mel and John Tarbat. Knighthoods were conferred on the last two named gentlemen.

The first Chairman of the CRTA was Mr. J. Lochore of Carson & Co. Ltd. Initially, the Committee comprised two nominees each of the sellers and buyers. A Brokers' representative was invited to serve on the Committee at a later date.

Members of the CRTA Committee were exclusively European, till Mr. S.T.L. De Soysa of C. W. Mackie & Co. Ltd. was elected as one of the buyers' representatives in 1945.

The first rubber auction was held on November 4, 1910, which was prior to the formation of the CRTA. During the war years, the rubber auction was suspended. The first crepe auction to be conducted following the war was held on June 2, 1950. The first sheet auction was held on April 30, 1981, on the termination of the Rubber/Rice pact with the Peoples Republic of China. The first sale of latex by Auction was held on January 24, 1997.

Mission

“To be the Premier Forum for Rubber in the Country”

Objectives

- *To advance efficient and transparent trade between Sellers, Producers, Buyers, Exporters and Dealers.*
- *To support the expansion and sustainability of the Rubber Industry in Sri Lanka.*
- *To facilitate the development of value addition in the Industry by promoting the manufacture of Rubber based products and to support the Industry efforts in moving up the value chain to achieve greater harmony with the aspirations of consumers.*
 - *To promote co-operation amongst all sectors of the Industry and, thereby, to create a synergistic and dynamic Rubber industry.*
 - *To stimulate innovation, investment and enhanced productivity throughout the Industry.*
 - *To project Sri Lanka Rubber and Rubber based products as leaders in the global markets.*
 - *To objectively address major issues, which have a bearing on the Rubber Industry.*
 - *To serve as the voice of the Rubber Industry in dialogue with the Public Sector.*
 - *To widen the influence of the Rubber Industry by creating and nurturing appropriate links which would be beneficial to it.*
 - *To encourage the concept of Corporate Social Responsibility, by example, in promoting sound environmental initiatives, desirable business ethics and rational social practices.*
 - *To safeguard the common interest of members by initiating prompt, legitimate and effective action to satisfy their business and professional needs.*

COMMITTEE – 2023/2024

CHAIRMAN

Mr. Manoj Udugampola - Pussellawa Plantations Ltd

VICE CHAIRMAN

Mr. Harin de Silva - Eastern Merchants PLC

BUYER REPRESENTATIVES

A.M. Rahim & Co Limited
Almar Trading Co. (Pvt) Ltd
C.W Mackie PLC
Eastern Merchants PLC
Lalan Rubber (Pvt) Ltd
Richard Pieris & Co. PLC

SELLER REPRESENTATIVES

Balangoda Plantations PLC
Horana Plantation
Kegalle Plantations PLC
Kelani Valley Plantations PLC
Kotagala Plantations PLC
Pussellawa Plantations Ltd

BROKER REPRESENTATIVE

Asia Siyaka Commodities PLC

BY INVITATION

The Planters' Association of Ceylon
The Colombo Rubber Buyers' Association
Non - CBA Broker – J. D. and Sons (Pvt) Ltd
Dr. L. M. Keerthi Tillekeratne - Industrial Expert

SECRETARIAT

The Ceylon Chamber of Commerce

SUB COMMITTEES - 2023/2024

MEMBERSHIP & DISCIPLINE

Mr. A. Weerasinghe (Convener)	
Mr. D Wekunagoda	Mr. M. Udugampola
Mr. H. de Silva	Mr. P. Gunasekara
Mr. L. Fonseka	Mr. R. Jansz
Mr. L. Perera	Mr. N P Bandara

WAREHOUSE

Mr. A. Edirisinghe (Convener)	Mr. H. de Silva
Mr. A. Weerasinghe	Mr. N Seneviratne
Mr. B. Gunasekara	Mr. R. Fernando
Mr. L. Perera	Mr. R. Jansz

BY LAWS & CONSTITUTION

Mr. M.S. Rahim (Convener)	Mr. H de Silva
Mr. A. Edirisinghe	Mr. L. Fonseka
Mr. A. Weerasinghe	Mr. M. Udugampola
Mr. B. Gunasekara	

FREIGHT & SHIPPING

Mr. N P Bandara (Convener)	Mr. H de Silva
Mr. A. Edirisinghe	Mr. M. Udugampola
Mr. D Wekunagoda	Mr. T. Frink
Mr. L. Perera	

REGULATORY REFORMS

Mr. M. Udugampola (Convener)	Mr. M.S. Rahim
Mr. A. Edirisinghe	Mr. P Gunasekera
Mr. A. Weerasinghe	Mr. R. Fernando
Mr. H. de Silva	
Mr. L. Fonseka	
Mr. M. Dias	

REPRESENTATION ON OTHER BODIES

THE CEYLON CHAMBER OF COMMERCE

Mr. Manoj Udugampola, Chairman CRTA was nominated to serve on the Committee of the Ceylon Chamber of Commerce for the year 2023-2024.

SRI LANKA SHIPPERS' COUNCIL

Mr. T. Frink was nominated to serve on the Committee of the Sri Lanka Shippers' Council for the year 2023-2024, as the CRTA representative.

EXPORTERS' ASSOCIATION OF SRI LANKA

Mr. Harin de Silva was nominated to serve on the Committee of the Exporters' Association of Sri Lanka [EASL] for the year 2023-2024, as the CRTA representative.

SRI LANKA SOCIETY FOR RUBBER INDUSTRY

Mr. Manoj Udugampola, Chairman CRTA was nominated to represent the CRTA on the Board of the Sri Lanka Society for Rubber Industry for the year 2023-2024.

EDB ADVISORY COMMITTEE ON RUBBER

Mr. Manoj Udugampola, Chairman CRTA and Mr. Harin de Silva, Vice Chairman were nominated to represent the CRTA on the EDB Advisory Committee for Rubber for the year 2023-2024.

RUBBER RESEARCH BOARD

Mr. Manoj Udugampola, Chairman CRTA was nominated to represent the CRTA on the Rubber Research Board for the year 2023-2024.

MEMBERS***Buyer Members*****ALMAR TRADING CO. (PTE) LTD**

143/17, Sri Wickrama Mawatha,
Colombo 15
Tel : 5340440
Fax : 5344100

ALI BROTHERS (PVT) LTD.

228, Layards Broadway,
Colombo 14
Tel : 2330207 – 8
Fax : 2541104

ASSOCIATED MOTORWAYS (PVT) LTD

185, Union Place,
Colombo 2
Tel : 2309309
Fax : 2323781

ASSOCIATED SPECIALTY RUBBER (PVT) LTD

Yatideriya Rubber Factory
Undungoda. 71200
Tel : 035-2278812
Fax : 035-2278811

A. M. RAHIM & CO. LIMITED

64, W. A. D. Ramanayake Mawatha.,
Colombo 2
Tel : 2320421/2333625/2445856
Fax : 2448345

AROMA NATURAL RUBBER [PVT] LTD

Keraminiya Watta, Mawanella.
Tel : 035-2248050
Fax : 035-2246648

ATIRE (PVT) LTD

No. 02, Udugalla Estate,
Paragasthota, Bandaragama
Tel : 077 3873 601/ 034 4298 561/ 0 11 2620 603
Fax : 011 2620 603

DAMRO EXPORTS (PVT) LTD

No. 361, Kandy Road, Nittambuwa
Tel : 334 679200,
Fax : 332 285449

CEAT- KELANI INTERNATIONAL TYRES (PVT) LTD

P. O. BOX 53,
Nungamugoda,
Kelaniya.
Tel : 2911305/2911241/2911269
Fax : 4817721/2911453

CEYLON TRADING CO. LTD

36, D. R. Wijewardena Mawatha,
Colombo 10
Tel : 2327336/9 /2328904/2325665

Fax : 2449586

C. W. MACKIE PLC

36, D. R. Wijewardena Mawatha,
Colombo 10
Tel : 2440229/2423554-63
Fax : 2440228

EASTERN MERCHANTS PLC

NO. 240
Torrington Avenue
Colombo 07
Tel : 2325736/2328406
Fax : 2448474

GLENROSS RUBBER COMPANY

B/2, Elvitigala Flats, Elvitigala Mw., Colombo 8
Tel : 2699607
Fax : 2866765

GLOBAL RUBBER INDUSTRIES (PVT) LTD

28, Joseph's Lane
Colombo 4
Tel : 2598831
Fax : 2551091

HAMEED BROTHERS COLOMBO (PVT) LTD

377, Grandpass Road,
Colombo 14
Tel : 2320832/2324447/2345934-5
Fax : 2335617

JAFFERJEE BROTHERS

150, St. Joseph's Street,
P O Box 1180, Grandpass
Colombo 14
Tel : 2432051/ 2434041
Fax : 2446085

K. R. V. ENTERPRISES

33, Kelani Ganga Mill Road, COLOMBO 15
Tel : 4936826
Fax : 2433499

LALAN RUBBER (PVT) LTD

95 B, Zone A
Export Processing Zone
Biyagama, Malwana
Tel : 4311200/4311241
Fax : 2820579/2311222

LAK LATEX CENTRIFUGE (PVT) LTD

Baduraliya
Tel : 0718527717 / 0773118746
Fax : 0342244026

MALWATTE TRADERS

635/A2, Malwatte,
Malwana
Tel : 2439451

MICHELIN LANKA (PVT) LTD

Regents Court, 218, Minuwangoda Road
Ekala, Ja-Ela

Tel : 4837659

Fax : 2232828

MICROCELLS (PVT) LTD

Koskanatte Road,
Mampe, Piliyandala

Tel : 2708908

Fax : 2708917

RICHARD PEIRIS & COMPANY PLC

310, High Level Road

Nawinna, Maharagama

Tel : 4304028/2852644

Fax : 2856787

SHUMS & CO LTD

33A, Queens Road, Colombo 3

Tel : 2580027/2580170/2588470

Fax : 2503619/2503440

Seller Members

AGALAWATTE PLANTATIONS PLC

590, Galle Rd, Colombo 3

Tel : 7990000

Fax : 7990050

BALANGODA PLANTATIONS PLC

P.O.Box No. 6, Palmgarden

Ratnapura

Tel: : 045 2231445/7

Fax : 045 2223598

ELPITIYA PLANTATIONS PLC

305, Vauxhall Street,

Colombo 02

Tel : 5335572-74

Fax : 5335573

HAPUGASTENNE PLANTATIONS PLC

Level 11, Browns Capital Building

No. 19, Dudley Senanayake Mawatha,

Colombo 08

Tel : 045 2222717/ 2222319

Fax : 045 2222717

HORANA PLANTATIONS PLC

No. 400, Deans Road,

Colombo 10

Tel : 5400700 - 87

Fax : 5400730

KAHAWATTE PLANTATIONS PLC

111, Negambo Road,

Peliyagoda

Tel : 4723937

Fax : 4722495

KEGALLE PLANTATIONS PLC

310, High Level Road, Nawinna,

Maharagama.

Tel : 4310823 / 4310799

Fax : 4310799

KELANI VALLEY PLANTATIONS PLC

400, Deans Road,

Colombo 10

Tel : 2686274-5/2627700

Fax : 2694216

KOTAGALA PLANTATIONS PLC

53 1/1, Sir Baron Jayathileke Mawatha

Colombo 1

Tel : 2381508-10

Fax : 2381513

MALWATTE VALLEY PLANTATIONS PLC

280, Dam Street,

Colombo 12

Tel: 5388800

Fax: 2543937

NAMUNUKULA PLANTATIONS PLC

310, High Level Road

Nawinna,

Maharagama.

Tel : 4310801, 4310500

Fax : 4306726

PUSSELLAWA PLANTATIONS LTD.

590, Galle Rd, Colombo 3

Tel : 7990000

Fax : 7990050

WATAWALA PLANTATIONS PLC

No. 60, Dharmapala Mawatha,

Colombo 03

Tel :4702400

Fax :4716365

Broker Members

ASIA SIYAKA COMMODITIES PLC

Deutsche House Building,

320 T. B. Jayah Mawatha,

Colombo 10

Tel : 4939438

Fax : 2678145

COMMODITY CONSULARS (PVT) LTD

49/4, Sir Chiththampalam A Gardiner Mawatha,

Colombo 2

Tel : 0777 700 999

Fax : 5665429

FORBES & WALKER COMMODITY BROKERS (PVT) LTD

46/38, Navam Mawatha, Colombo 2

Tel : 2433720/43

Fax : 2437147

H. W. J. DIAS & BROTHERS (PVT) LTD.

199/96, Obeysekera Crescent,

Rajagiriya Road, Rajagiriya

Tel : 2 876 372 / 777 395 487

J. D. & SONS (PRIVATE) LTD.

512, R A De Mel Mw,
Colombo 3
Tel : **0112586035**

JOHN KEELLS PLC

186, Vauxhall Street,
Colombo 2.
Tel : 2306551
Fax : 2326121

RANSRI ENTERPRISES (PVT) LTD.

199/96, Obeyesekere Crescent,
Rajagiriya Road, Rajagiriya.
Tel : 2 876 372 / 777 395 487

AN OVERVIEW OF THE INDUSTRY

RUBBER PRODUCTION

Sri Lanka, once renowned as the cradle of the rubber industry, has been a significant global source for natural rubber and rubber-based products for nearly 150 years.

However, the industry has faced significant challenges over the past decade, continuing into 2023. It is disheartening to note that national rubber production declined from 70,900 MTs in 2022 to 64,400 MTs in 2023. In addition to erratic weather conditions, the Circular Leaf Spot Disease (CLSD), also known as PESTA, significantly contributed to the reduction in crop yield. Consequently, production exhibited a decline of 9.1% compared to the previous year.

This marks the third consecutive year in which rubber production has decreased by approximately 10% year on year.

Out of the country's total production, approximately 20,000 MTs are exported as Sole Crepe, Latex Crepe, Ribbed Smoked Sheets, and other natural rubber grades. Consequently, only about 40,000 MT is available for internal value addition, such as the tyre and glove industries. Given that the annual requirement for natural rubber for internal consumption is around 130,000 MT, it becomes necessary to import approximately 90,000 MT annually.

All stakeholders must seriously look into the current situation of the natural rubber industry in Sri Lanka, as the cultivated extent and production have shown an unprecedented decline since 2012. Rubber production, which reached a high of 152,030 MTs in 2012, has fallen to 64,440 MTs in 2023, whilst the cultivated extent as per the latest census in 2022 has decreased to 98,393 hectares from 138,526 hectares according to government agency – Rubber Development Department (RDD) sources. This represents a decrease of 57.6% in the production whilst the extent shows a decline of 29% over a decade.

At a time when the value-added and finished rubber product sector shows significant growth and contributes substantially to national foreign income, the decline in the cultivated extent and production are severe blows. Despite the production challenges, the rubber finished products industry earned an export income of US\$ 902 million in 2023, though this was an 8% reduction compared to the previous year.

TABLE 1

SRI LANKAN RUBBER PRODUCTION 2016 - 2023

(Mn. Kgs.)

CATEGORY TOTAL	2016	2017	2018	2019	2020	2021	2022	2023	% SHARE OF TOTAL 2023
Sheet Rubber	39.8	41.5	41.3	37.4	39.1	38.4	34.7	32.2	50
Crepe Rubber	14.9	11.5	14.5	14.4	13.0	13.9	14.5	11.1	17
TSR	3.9	1.2	0.8	1.2	1.5	-	-	-	-
Others	20.5	28.9	26.0	21.7	24.6	24.6	21.7	21.1	33
Total	79.1	83.1	82.6	74.7	78.2	76.9	70.9	64.4	100%

Source: Rubber Development Department

Between 2016 and 2023, Sri Lankan rubber production experienced fluctuations, with a general declining trend in total output. The production peaked at 83.1 million kilograms in 2017 but fell to 64.4 million kilograms by 2023.

Category-wise Breakdown for 2023:

- **Sheet Rubber:** Dominates the production with 32.2 million kilograms, accounting for 50% of the total output.
- **Crepe Rubber:** Contributed 11.1 million kilograms, making up 17% of the total.
- **TSR (Technically Specified Rubber):** Production ceased after 2020, having recorded minimal output in previous years.
- **Others:** Accounted for 21.1 million kilograms, representing 33% of the total.

This data, sourced from the Rubber Development Department, highlights the ongoing shifts and challenges within the rubber production sector in Sri Lanka.

TABLE 2

NATURAL RUBBER PRODUCTION 2012-2023 (Mn Kgs)

Year	Sheet Rubber	Sole Crepe	Scrap Crepe	Latex Crepe	TSR	Latex & Other	Total
2012	59.2	1.9	1.3	36.6	8.7	44.4	152.1
2013	62.8	2.4	2.4	15.4	9.5	37.9	130.4
2014	48.5	2.4	1.0	11.8	7.6	27.2	98.5
2015	44.4	1.9	0.9	8.3	7.6	25.5	88.6
2016	39.8	1.5	0.8	12.6	3.8	20.5	79.1
2017	41.5	1.5	0.8	9.2	1.2	28.9	83.1
2018	41.3	1.4	2.6	10.5	0.8	26.0	82.6
2019	37.4	2.1	4.5	7.8	1.2	21.7	74.7
2020	39.1	1.1	4.7	7.2	1.5	24.6	78.2
2021	38.4	1.1	4.6	8.2	-	24.6	76.9
2022	34.7	1.3	4.3	8.9	-	21.7	70.9
2023	32.2	1.2	3.9	6.0	-	21.1	64.4

Source: Rubber Development Department

Over the period from 2012 to 2023, Sri Lanka's natural rubber production has shown a notable declining trend. The total production dropped from 152.1 million kilograms in 2012 to 64.4 million kilograms in 2023. The data highlights significant changes in the production volumes of various types of rubber, reflecting shifts in industry focus and external economic factors.

Production Trends:

- **Sheet Rubber:** The primary product, saw a reduction from 59.2 million kilograms in 2012 to 32.2 million kilograms in 2023.
- **Sole Crepe, Scrap Crepe, and Latex Crepe:** These categories also experienced fluctuations, with Sole Crepe and Scrap Crepe production remaining relatively stable while Latex Crepe dropped significantly from 36.6 million kilograms in 2012 to 6.0 million kilograms in 2023.
- **Technically Specified Rubber (TSR):** Production ceased after 2021, indicating a shift away from this type of rubber.
- **Latex & Other:** This category has consistently contributed to the total production, although it also saw a decline from 44.4 million kilograms in 2012 to 21.1 million kilograms in 2023.

TABLE 3

DOMESTIC CONSUMPTION OF NATURAL RUBBER 2016-2023 (IN THOUSAND TONS)

Category Total	2016	2017	2018	2019	2020	2021	2022	2023
Total Dry Rubber and Latex	141.9	128.2	135.2	112.5	112.1	133.8	117.3	91.9

Source: Rubber Development Department

EXPORTS

TABLE 4

EXPORTS OF RUBBER – 2016 – 2023 (IN THOUSAND TONS)

Year	Sheet Rubber	Sole Crepe	Scrap Crepe	Latex Crepe	TSR	Latex & Other	Total
2016	1.6	1.5	-	10.5	1.1	1.4	16.2
2017	2.9	1.4	-	7.6	0.9	4.4	17.2
2018	1.4	1.3	-	8.7	0.5	2.0	13.9
2019	2.1	2.0	-	6.5	0.9	1.5	13.0
2020	4.3	1.0	-	6.0	1.1	3.3	15.7
2021	3.3	1.1	-	7.2	0.6	3.3	15.5
2022	4.2	1.2	-	7.4	1	1.3	15.1
2023	4.4	1.2	-	5.0	1.0	1.1	12.7

Source: Rubber Development Department

Over the period from 2016 to 2023, Sri Lanka's export volumes of various rubber products have exhibited variability. The total export volumes have fluctuated, reflecting changes in both domestic production capabilities and global market dynamics.

Export Trends:

- **Sheet Rubber:** Exports showed significant growth, increasing from 1.6 million kilograms in 2016 to 4.4 million kilograms in 2023, indicating strong demand and production focus on this category.
- **Sole Crepe:** Export volumes remained relatively stable, fluctuating between 1.0 and 2.0 million kilograms throughout the years.
- **Latex Crepe:** Despite some fluctuations, Latex Crepe exports remained an essential component, peaking at 10.5 million kilograms in 2016 and decreasing to 5.0 million kilograms in 2023.
- **Technically Specified Rubber (TSR):** Exports of TSR remained consistently low, averaging around 1.0 million kilograms annually.
- **Latex & Other:** This category experienced the most variability, with exports ranging from 1.1 to 4.4 million kilograms.

Total Exports: The total export volume of rubber products declined from 16.2 million kilograms in 2016 to 12.7 million kilograms in 2023, highlighting a need for strategic improvements to boost export performance.

TABLE 5**EXPORTS OF NATURAL RUBBER FROM SRI LANKA FOR 2023 (Kgs)**

2023	
CREPE RUBBER	
Sole Crepe	
South Africa	462,500
Vietnam	326,683
Portugal	172,290
Albania	50,520
Turkey	30,000
Other	114,425
Total	1,156,418
Latex Crepe	
Japan	1,030,300
China	833,800
Germany	535,600
Pakistan	449,650
USA	422,858
Other	1,769,877
Total	5,042,085
Scrap Crepe	
	-
	-
Total	-
SHEET RUBBER	
RSS	
Pakistan	3,578,000
India	565,500
Turkey	75,000
UAE	73,000
Iran	57,000
Italy	5,040
Total	4,353,540
LATEX & OTHER	1,115,716
TSR	1,004,935
GRAND TOTAL	12,672,694

NATURAL RUBBER PRICES

The Colombo Market Prices of Rubber in 2015 - 2023 are shown in Table 6.

TABLE 6**COLOMBO MARKET PRICES 2015 – 2023 (Rs./Kgs)**

YEAR	RSS		LATEX CREPE		SCRAP CREPE NO. 1 X BR
	NO. 1	NO.2	1X	NO. 1	
2015	248.17	242.92	301.53	296.30	187.80
2016	239.28	229.76	262.31	258.81	179.988
2018	336.72	329.82	351.71	347.97	269.55
2018	281.36	273.85	321.70	313.12	210.34
2019	288.51	282.78	302.32	298.38	245.06
2020	348.27	315.57	360.74	355.94	253.09
2021	458.52	445.47	635.16	629.61	412.96
2022	600.47	565.50	845.70	871.17	495.12
2023	567.25	570.81	726.25	709.47	461.78

Source: CRTA Auction Prices

The Colombo Market prices for various grades of natural rubber have shown significant fluctuations from 2015 to 2023. The price trends reflect the dynamic nature of the global and local rubber markets, influenced by factors such as supply and demand, production costs, and international market conditions.

Price Trends:

- **RSS (Ribbed Smoked Sheets):**
 - Prices for RSS No. 1 started at Rs. 248.17 per kg in 2015 and peaked at Rs. 600.47 per kg in 2022.
 - RSS No. 2 followed a similar trend, starting at Rs. 242.92 per kg in 2015 and reaching Rs. 570.81 per kg in 2023.
- **Latex Crepe:**
 - The price of Latex Crepe No. 1X saw an increase from Rs. 301.53 per kg in 2015 to Rs. 726.25 per kg in 2023.
 - Latex Crepe No. 1 also showed a substantial rise, from Rs. 296.30 per kg in 2015 to Rs. 709.47 per kg in 2023.
- **Scrap Crepe No. 1 BR:**
 - Prices for Scrap Crepe No. 1 BR fluctuated more moderately, starting at Rs. 187.80 per kg in 2015 and increasing to Rs. 461.78 per kg in 2023.

Key Observations:

- **2015-2016:** The prices of all rubber grades experienced a slight decline, reflecting global market conditions and reduced demand.
- **2017-2018:** There was a notable recovery in prices across all categories, indicating an improvement in market conditions.
- **2019-2020:** Prices stabilized and began to increase, driven by higher demand and production adjustments.
- **2021-2022:** A sharp rise in prices was observed, with significant increases for all grades, particularly Latex Crepe and RSS, due to supply constraints and increased global demand.
- **2023:** Although there was a slight decrease in some categories compared to the peak in 2022, prices remained high, reflecting ongoing market strength.

NR Price Changes 2023 Vs 2022

The average 1X crepe market price started at Rs. 600.00 in January 2023 and ended up at Rs. 898.00 by December 2023. The highest rubber price realized for Latex Crepe 1X in the year 2023 was on 12th December 2023 and was Rs. 925.00

Similarly, the RSS No 1 price which started at Rs. 472.67 in January 2023 went up to Rs. 793.33 by December 2023.

In the latter part of 2023, natural rubber prices exhibited an upward trend. However, overall rubber prices showed negative growth in 2023 compared to 2022 as follows;

Grade	2022	2023	Change	%
Latex Crepe 1 X	845.70	726.25	-119.45	-14%
RSS No 1	600.47	567.25	-33.22	-6%
Scrap 3X brown	479.45	443.46	-35.99	-8%

Source: CBA/ CRTA Auction Prices

TABLE 7

STATISTICAL OVERVIEW OF THE RUBBER INDUSTRY 2018- 2023

	Unit	2018	2019	2020	2021	2022	2023
1. Total Rubber Extent	Ha	137,106	137,608	137,834	138,621	138,526	98,393
2. Mature Area	Ha	107,196	113,600	120,529	123,117	123,301	84,598
3. Immature Extent	Ha	29,910	24,008	17,305	15,504	15,225	13,586
4. Replanted Extent	Ha	861	1,040	956	1,467	887	1,186
5. New Planted Extent	Ha	350	1,103	726	1,185	412	417
6. Yield Per Hectare	Kg	774	658	649	679	631	835
7. Production	MT '000	82.60	74.75	78.20	76.88	70.87	64.44

Circular Leaf Spot Disease *Pestalotiopsis* (PESTA)

A new addition to the list of economically important diseases affecting natural rubber cultivations in the country is Circular Spot Leaf Disease (CLSD) which is also known as *Pestalotiopsis* Leaf Disease.

This fungal disease was initially reported in Sri Lanka in 2019, and by 2023, it had spread across more than 50,000 hectares. The severity of the disease is notably higher in rubber-growing areas that experience a high annual rainfall and an increased number of wet days. As per details released by the Regional Plantation Companies, over 70% of the extent under them have got affected with the Circular Leaf Spot Disease.

The severity of the disease has shown a continuous upward trend since its first appearance. The considerable negative impact on latex production and the growth of young rubber plants poses a serious threat to the sustainability of rubber cultivations in the country. The affected areas have witnessed a decline in yield of up to 30%. The growth in disease-affected immature rubber areas has shown negative results, extending the immature period to well over seven years. As a result, growers in both the smallholder and corporate sectors have drastically reduced replanting activities.

Growers face various constraints in adopting chemical control measures for the disease, including the high costs of chemicals (Rs 25,000 per hectare per annum), the challenge of effectively spraying fungicides to cover the entire canopy of tall rubber trees, and the persistent wet weather prevalent in traditional rubber growing areas. These factors collectively contribute to the difficulties in mitigating the impact of CLSD on rubber cultivation.

GOVERNMENT INTERVENTION IN RUBBER CULTIVATION

Due to adverse economic conditions and financial constraints faced by the Government of Sri Lanka, The New and Replanting Subsidy Scheme has been put on hold in 2023 which is a severe blow to the Industry. The CRTA also made several representations to the Government on this subject but without any success.

EUROPEAN UNION DEFORESTATION REGULATIONS (EUDR)

The EU introduced EU Deforestation Regulations (EUDR) in May 2023. The EUDR is a crucial set of regulations designed to combat deforestation and encourage sustainable practices within the production and trade of commodities. With these regulations set to take effect from 30th December 2024, it is imperative that Sri Lankan Rubber Industry also are well-prepared to adhere to these requirements and if not Sri Lanka will not be able to export our Natural Rubber production to EU direct or through exporters. All involved in the rubber trade should strive to achieve full compliance with EUDR no later than September 2024.

Over the past few months, the CRTA has taken steps to educate our members on the EUDR by organizing programs and facilitating participation in EUDR working groups and committees.

It is paramount for the sustainability of our industry and continued access to the European market that we are fully compliant with these regulations. The CRTA recommended designating a responsible individual within the organization to oversee EUDR compliance, ensuring that all necessary adjustments are made and ongoing adherence is maintained.

A significant aspect of the EUDR mandates that exporters must provide geolocations of the rubber production areas intended for export to Europe. These details, sourced from the producers/sellers, should confirm that the rubber is procured from sustainable sources compliant with the regulations.

IMPLICATIONS OF THE VALUR ADDED TAX (AMENDMENT) BILL TO RUBBER SECTOR

As per the amendment outlined in the Value Added Tax (Amendment) Act, No. 32 of 2023, the exemption for the supply of rubber under item (xlvi) Paragraph (b) of Part II of the First Schedule to the VAT Act was no longer be applicable, starting from January 01, 2024.

In line with section 2 of the VAT Act, registered individuals are obligated to charge VAT on taxable supplies of goods or services in the course of carrying on a taxable activity in Sri Lanka. Therefore, manufacturers of rubber were required to charge VAT on the sale of rubber to exporters or local suppliers, passing the VAT to the purchaser, if the manufacturer/supplier's taxable supply exceeds the registration threshold indicated by the IRD after VAT registration.

The CRTA played a pivotal role in getting redress to the membership. The CRTA met the Deputy Minister of Finance and the Commissioners of Inland revenue Department (IRD) to design a suitable protocol for natural rubber sector in the country. The CRTA was successful in persuading the Government officials to appointing The Rubber Development Department as the Certify Body for Rubber Sector on VAT Registration process.

ACTIVITIES OF THE ASSOCIATION

104th ANNUAL GENERAL MEETING

The Colombo Rubber Traders' Association (CRTA) held its 104th Annual General Meeting on Friday, 21st July 2023, at Marino Beach Colombo. The event, saw significant participation from key industry stakeholders, underscoring its importance in Sri Lanka's rubber industry calendar.

The Chief Guest, Hon. Shehan Semasinghe, State Minister of Finance, and the Guest of Honour, Mr. M.S. Rahim, were warmly welcomed by Mr. Manoj Udugampola, Chairman, and Mr. Harin de Silva, Vice Chairman of the CRTA.

Mr. Manoj Udugampola opened the AGM, acknowledging the contributions of attendees and highlighting the rubber industry's significance in Sri Lanka's economy. Hon. Shehan Semasinghe emphasized the government's commitment to supporting the rubber industry through economic and policy measures, stressing the importance of innovation and sustainability. Mr. M.S. Rahim provided insights on industry trends and challenges, calling for cohesive efforts to drive growth and modernization.

The Annual Report and Audited Statement of Accounts for 2022/2023 were adopted, followed by the reappointment of Mr. Manoj Udugampola as Chairman and Mr. Harin de Silva as Vice Chairman for 2023/2024. The committee members representing various buyer, seller entities, and brokers were also announced.

A highlight of the evening was the launch of the new CRTA logo and website, symbolizing CRTA's commitment to modernization and enhanced member engagement.

The meeting concluded with a vote of thanks from Mr. Harin de Silva, expressing gratitude to participants, speakers, and organizers. The 104th AGM of the CRTA ended on a high note, with attendees appreciating the informative sessions and networking opportunities.



INFORMATIVE SESSION WITH MR. LAKSHMAN ABEYSEKERA, CHAIRMAN, RUBBER RESEARCH INSTITUTE OF SRI LANKA

The Colombo Rubber Traders' Association (CRTA) hosted an insightful session with Mr. Lakshman Abeysekera, Chairman of the Rubber Research Institute of Sri Lanka. The event, which welcomed CRTA members, provided a comprehensive overview of the Institute's ongoing initiatives and support for the rubber plantation sector in Sri Lanka.

Mr. Abeysekera discussed key areas including the PESTA project, research and development of high-yielding clones, and the Institute's analytical services. The session highlighted the vital role of the Rubber Research Institute in advancing the industry through innovation and strategic support.

CRTA members found the session highly informative and valuable for understanding the latest developments and opportunities within the rubber industry.



MEETING WITH HON. MINISTER SHEHAN SEMASINGHE, STATE MINISTER OF FINANCE

The CRTA committee held discussions with Hon. Shehan Semasinghe (MP), State Minister of Finance, regarding the implementation of VAT policy. Following these discussions, the Inland Revenue Department committed to address the issues raised by the association providing appropriate solutions.



CRTA CONDUCTS VAT CONCERNS AND CLARIFICATIONS SESSION

The Colombo Rubber Traders' Association (CRTA) held a crucial meeting for CFOs and Financial Managers of Sellers, including RPCs and Rubber Brokers on 12th January 2024, to discuss new invoicing and related issues concerning Value Added Tax (VAT).

The session took place at Asia Siyaka Commodities PLC, with representatives addressing specific concerns and seeking clarifications on VAT matters. This initiative underscores CRTA's commitment to ensuring its members are well-informed and compliant with the latest tax regulations.



CRTA HOSTS SEMINAR ON EUROPEAN UNION DEFORESTATION REGULATIONS (EUDR)

The Colombo Rubber Traders' Association (CRTA) hosted an informative session on the European Union Deforestation Regulations (EUDR) with Mr. Lanka Subasinghe, Key Commodity Director at Michelin Lanka Pvt Ltd. The event took place on 22nd January 2024 at the Board Room of the Ceylon Chamber of Commerce.

As the EUDR will come into effect on 30th December 2024, this regulation aims to achieve deforestation-free practices, specifically targeting rubber. The CRTA recognizes the significant impact these regulations will have on its members, including exporters, buyers, and producers who engage with the European market.

Mr. Subasinghe, along with his team, provided valuable insights and detailed information on the EUDR, having conducted extensive work on this matter for Michelin Lanka. The session aimed to educate CRTA members on the implications and requirements of the EUDR, ensuring they are well-prepared for the upcoming changes.

The presentation by Mr. Subasinghe was well-received, with members appreciating the opportunity to gain a deeper understanding of the EUDR and its potential impact on their operations.

COLOMBO RUBBER AUCTION

The Colombo Rubber Auction was continued to be conducted as a one-day sale every week with the consent of all stakeholders, in the ground floor auditorium of the Ceylon Chamber of Commerce.

A notable decrease in the quantities sold at the Colombo Weekly Auction in the current year serves as evidence of the declined rubber production in the country in 2023.

	2022	2023	Difference	%
Quantity sold in Auction (kgs)	9,552,863	7,110,008	(2,442,855)	-25.57%

RUBBER SAMPLE ROOM

Viewing of Rubber Samples were continued at the sample room located at **the All Ceylon Buddhist Congress (ACBC)**, No. 380, Bauddhaloka Mawatha, Colombo 7. The contract with ACBC was renewed for an additional two years, effective August 14, 2023.

THE CEYLON CHAMBER OF COMMERCE

Duminda Hulangamuwa was elected as the new Chairman of the Ceylon Chamber of Commerce (CCC) during its 184th Annual General Meeting held on June 30. Hulangamuwa, Country Managing Partner of Ernst & Young Sri Lanka and the Maldives, succeeds Vish Govindasamy in this role.

In his acceptance speech, Hulangamuwa acknowledged the relative economic, social, and political stability achieved compared to the previous year, attributing the CCC's significant role in this progress. He emphasized the Chamber's commitment to supporting governmental institutions and steering the country towards sustained growth and prosperity.

Highlighting the CCC's mission as a member-driven organization, Hulangamuwa underscored its responsibility to address member concerns, promote economic reforms, and advocate on issues such as corporate agriculture, trade agreements, and tariff policies. He credited past chairmen, EY partners, and mentors for their support in his journey to the chairmanship.

The AGM's Chief Guest, Ambassador of Japan Hideaki Mizukoshi, stressed the importance of completing reforms aligned with IMF programs to enhance transparency, efficiency, and consistency in Sri Lanka's business environment. He reaffirmed Japan's commitment to supporting Sri Lanka's debt restructuring and economic reforms.

Additionally, the following were elected to the CCC's Board: Amal Cabraal (Lion Brewery), Kasturi Chellaraja Wilson (Hemas Holdings), Sarath Ganegoda (Hayleys PLC), Supun Weerasinghe (Dialog Axiata), Vinod Hirdaramani (Hirdaramani Group), and Buwanekabahu Perera (Secretary General and CEO of CCC).

Each board member brings extensive expertise, contributing to the CCC's efforts to foster the private sector as a key driver of economic growth in Sri Lanka.

Mr. Manoj Udugampola is also a member of the chamber committee representing the CRTA.

THE COLOMBO RUBBER BUYERS' ASSOCIATION

Mr. A. Edirisinghe served as the representative of the Colombo Rubber Buyers' Association on the CRTA Committee for the year 2023-2024.

THE COLOMBO BROKERS' ASSOCIATION

Mr. Lalith Perera of Asia Siyaka Commodities PLC as the nominee of the Colombo Brokers' Association on the CRTA Committee during the year under review.

THE PLANTERS' ASSOCIATION OF CEYLON

Mr. L Fonseka represented the Planters' Association of Ceylon on the CRTA Committee during the year under review.

EXPORTERS' ASSOCIATION OF SRI LANKA

The Exporters' Association of Sri Lanka (EASL), which is an approved association of the Ceylon Chamber of Commerce, held its 26th Annual General Meeting (AGM) at the Ceylon Chamber of Commerce auditorium recently, with Export Development Board Chairman Dr. Kingsley Bernard in attendance as the chief guest.

Mr. Ranil Goonetilleke was elected as the Chairman for the year 2023-2024.

Mr. Harin de Silva was nominated to serve on the Committee of the Exporters' Association of Sri Lanka [EASL] for the year 2023/2024, as the CRTA representative.

SRI LANKA SHIPPERS' COUNCIL

The Sri Lanka Shippers' Council successfully conducted its 53rd Annual General Meeting at The Kingsbury Hotel recently and Sri Lanka Tea Board Chairman Niraj De Mel graced the occasion as the distinguished chief guest.

During the meeting, MAS Holdings Director Logistics Sean Van Dort was elected as Chairman, while Lalan Rubbers (Pvt.) Ltd General Manager Shipping and Customer Service Trisherman Frink and Flintech Transducers (Pvt.) Ltd Managing Director Tyrone Weckasinghe were appointed as First Vice Chairman and Second Vice Chairman, respectively. Martin Bauer Hayleys (Private) Limited Head of Logistics Russell Juriansz will serve the committee as the Immediate Past Chairman.

Mr. T Frink was nominated to serve on the Committee of the Sri Lanka Shippers' Council, as the representative of the CRTA, for the year 2023/2024.

SRI LANKA SOCIETY FOR RUBBER INDUSTRY

Mr. Manoj Udugampola continued to act as the representative of SLSRI for the year 2023 – 2024

APPROVED WAREHOUSES OF BROKER / SELLER

REGISTERED NO	LOCATION DETAILS
1	ASIA SIYAKA COMMODITIES PLC
	No. 349 B, Dippitigoda Road, Hunupitiya, Wattala
2	FORBES & WALKER WAREHOUSING (PVT) LTD
	No.805/4C, Bangalawatta Road, Building-D Mabola, Wattala
	No. 235/2, Hekitta Road, Wattala
3	JOHN KEELLS WAREHOUSING (PVT) LTD
	No.455/1, Dippitigoda Road, Hunupitiya, Wattala
4	JD & SONS (PVT) LTD
	Main warehouse- KG Plastics Warehouse Complex, 106 Weliamuna Road, Hendala, Wattala

BALLOT FOR THE ELECTION OF THE COMMITTEE – 2024/2025

On the results of the ballot, the following were elected to the Committee of the CRTA for the year 2024-2025:

Buyer Representatives

1. C.W Mackie PLC
2. Almar Trading Co. (Pte) Ltd
3. Shums & Co Ltd
4. Eastern Merchants PLC
5. Lalan Rubber (Pvt) Ltd
6. A .M Rahim & Co. (Pvt) Limited

Seller Representatives

1. Balangoda Plantations PLC
2. Horana Plantations PLC
3. Kotagala Plantations PLC
4. Kegalle Plantations PLC
5. Kelani Valley Plantations PLC
6. Elpitiya Plantations PLC

BY ORDER OF THE COMMITTEE

Sgd.
FOR SECRETARY

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