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The Rubber Letter

A sixth year of deficit, the EUDR pushed back to 30 December 2026 and EPDM up 12.8% in Europe.



FROM THE EDITOR

Summer 2026 confirms a market under double tension: the natural rubber shortage enters its sixth consecutive year while the European regulatory framework takes shape.

Between the EUDR delay, soaring synthetic elastomers and demand redrawn by electric vehicles, securing supply becomes the central issue for the new season.

KEY FIGURES

15.3 Mt

Global natural rubber production forecast for 2026 (+2.4%)

$1.77/kg

Reference price for TSR20, the automotive grade of natural rubber

+12.8 %

Rise in EPDM price in Europe (≈ $3.43/kg, Apr. 2026)

Industry news

REGULATION

EUDR: application pushed back to 30 December 2026

The revision adopted in late 2025 postpones entry into force of the European deforestation regulation to the end of 2026 for large and medium-sized companies (June 2027 for SMEs). Natural rubber is still covered: traceability and due diligence statements will be required.

SHORTAGE

Deficit: a sixth consecutive year

ANRPC expects a shortfall close to 400,000 tonnes in 2026, with demand (15.6 Mt) outpacing production. Without faster replanting, the deficit could reach 600,000 to 800,000 t by 2028.

PRICES

AUTOMOTIVE

Synthetics under pressure

Driven by the cost of ethylene, propylene and energy, EPDM prices jumped 12.8% in Europe. Automotive and construction demand supports the rise, as synthetics offset the scarcity of natural rubber.

EVs: demand is being redrawn

The rise of electric vehicles in South-East Asia, Latin America and Korea is reshaping long-term demand. The FKM elastomer market is expected to reach $2.75bn by 2035 (+4.6%/year).

Trends & outlook

01

Traceability & compliance

The EUDR is pushing the whole industry towards documented, “zero deforestation” supply chains.

02

Synthetic elastomers

EPDM, NBR and FKM are establishing themselves as cover against natural rubber volatility.

03

Regional sourcing

Logistics disruption and shipping problems are strengthening the case for nearby suppliers.

04

Electric vehicles

Battery protection, thermal management and high voltage open new sealing markets.

TECHNICAL TIP OF THE MONTH

Secure your supply in the face of volatility

01

Price volatility

Lock in your costs with multi-year framework contracts and buffer stocks on critical references.

02

EUDR compliance

Prepare now: require traceability and due diligence statements from your natural rubber suppliers.

03

Controlled substitution

Qualify synthetic grades (EPDM, NBR, FKM) suited to each application and chemical constraint.

DID YOU KNOW?

Rubber trade is reorganising around new agreements: in January 2026, the EU and India concluded a free trade agreement lowering duties on rubber products, followed in February by an interim US–India agreement cutting those duties from 50% to 18%.

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