

Stretching the options for rubber

The rubber industry and tyre manufacturers are stretching out in a different direction. Moving away from their usual demand for duty free imports, they are asking the Government to replicate China's experiment of acquiring land abroad to grow natural rubber and meet rising domestic demand in the Twelfth Plan. India's natural rubber consumption last year was 0.94 million tonnes, against production of 0.85 million tonnes. The demand-supply gap can only be expected to widen. The data on new plantations and replanting would seem to support the rubber industry's argument. Replanting has taken a hit with rubber prices ruling over Rs 150 a kg since March last year, as growers did not want to replace old trees that were still giving them returns aplenty. New planting, particularly in non-traditional areas, is not yielding the desired results, with productivity being lower than expected. The traditional areas of Kerala have reached a saturation point, with ever increasing demand for land for other purposes, such as realty, tourism