

Natural rubber imports set to increase on tyre demand

July 15: Natural rubber imports by India, the fourth-biggest producer, may climb as much as 13% this year as rising car sales lift demand for the commodity used in tyres and gloves.

Purchases may climb to about 200,000 tonnes in the year that began on April 1 from 177,482 tonnes a year earlier, Rajiv Budhraj, director general of the Automotive Tyre Manufacturers Association, said. Imports in the three months through June rose 10% to 41,929 tonnes, the government-owned Rubber Board said in a statement on Friday. Purchases in June surged 60% to 19,118 tonnes.

Higher Indian purchases may extend a 44% rally in rubber prices in the past year in Tokyo and increase costs for Indian tyre makers including MRF and Apollo Tyres.

"International prices have declined and are now on par with domestic prices, leading to higher purchases from India," Budhraj said. "Most tyre companies plan imports in the first half as it is the lean production season in India." December-delivery rub-



ber gained as much as 1.2% to 380.6 yen a kg (\$4,808 a tonnes) before settling at 378 yen at on the Tokyo Commodity Exchange. Futures have tumbled 29% since reaching a record 535.7 yen a kg reached on February 18.

Bridgestone and its Indian rivals including Apollo and MRF are investing \$3 billion in plants to meet rising demand for tyres, according to the tyre manufacturers group. Car sales in the world's second-most populous nation may more than double to 3 million by 2015, according to the government, boosting demand for rubber.

"Main demand for the tyre industry comes from

the replacement market for trucks and buses. If the overall economic and the agricultural growth remain good, then the demand from this sector will receive a boost," he said.

India's car sales may grow 10% to 12% this financial year, the Society of Indian Automobile Manufacturers said on July 11. That's less than the 16% to 18% it predicted earlier.

Imports will climb in July even after domestic natural rubber output gained 5.3% in the three months through June, Budhraj said. Production last month advanced 4.1% to 59,200 tonnes, according to the board. *Bloomberg*

India to head rubber body

India has been elected as the new chair of the International Rubber Study Group (IRSG). The decision was made unanimously in the meeting of the heads of delegations held at Singapore. Head of the Indian delegation to IRSG, Sheela Thomas, who is also the chairman of the Indian Rubber Board, will officiate as the chairperson IRSG. She will remain chairperson of the group for the next two years.

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