

Small rubber units want raw materials issue sorted out

Our Bureau

Kochi, March 9

The All-India Rubber Industries Association (AIRIA) has told the Centre that inadequate supply and high prices of natural rubber is making the industry uncompetitive.

This is particularly true of the small and tiny units compared to their counterparts in other Asian countries, it said in its pre-Budget memorandum.

The ratio of natural rubber consumption had been divided equally between tyre and non-tyre segments of the rubber industry.

However, the non-tyre segment is fast losing space to the tyre segment.

"What is worrisome is the fact that not only the percentage of rubber consumption but even the absolute consumption by the small scale non-tyre sector has dwindled over the years. Rubber Board has also taken cognisance of this fact. We sincerely believe the Finance Minister will look into addressing the raw material concerns of rubber industry," said Mr Vinod Simon, President AIRIA.

► *Levy of anti-dumping duties on raw materials such as carbon black and rubber chemicals have made Indian products more expensive than imported finished products.*

ANTI-DUMPING DUTIES

AIRIA has also said that anti-dumping duties on raw materials are also making Indian rubber-based industries uncompetitive and sought their removal.

Levy of anti-dumping duties on raw materials such as carbon black and rubber chemicals have made Indian rubber products more expensive compared with imported finished products, AIRIA said.

High interest cost and energy rates have also led to many of SME units shut their operations.

Similarly, the levy of anti-dumping duties on high styrene butadiene rubber has made the Indian footwear products more expensive, leading to a surge in import of footwear products from Nepal, Sri Lanka and China.

All rubber products are being imported with normal rate of duty without facing anti-dumping provision.

With over 15,000 rubber products, it is difficult to prove the dumping charges and most manufacturers are small producers who do not have the resources to initiate anti-dumping proceedings according to the law.

The industry body, therefore, has asked for withdrawing anti-dumping duties on rubber chemical and carbon black which it has termed 'unjustified.'

While consumption of natural and synthetic rubber is constantly increasing, there has been no corresponding growth in production, AIRIA said.

Even at high prevalent prices, availability is an issue, the association said.

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