

Natural rubber imports on the rise as output drags

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Kochi, 12 June

Natural rubber (NR) production dropped five per cent in April-May while consumption improved by 1.2 per cent. Imports too, rose sharply while a serious shortage of quality sheet rubber, especially RSS-4 grade, hit the local market.

According to provisional data from the Rubber Board, cumulative consumption in April and May increased to 163,500 tonnes as against 161,495 tonnes in the same period last year. Total production in the two months dropped to 110,700 tonnes as against 116,500 tonnes earlier.

The fall in production in May was rather moderate at 2.8 per cent, compared to 7.2 per cent in April. This was thanks to consuming industries performing better in May as the monthly usage registered 3.1 per cent increase. In April, consumption was down 4.7 per cent compared to the same month last financial year.

The widening gap between supply and demand in the local market was the main reason for the sharp rise in imports. In May, production was just 58,000 tonnes, while consumption edged up to 83,000 tonnes, leaving a gap of 25,000 tonnes over the two months. In April and May, rubber-based industries, especially tyre companies, imported 35,298 tonnes as against 22,811 tonnes in the same period of the previous year. For the first time, India's total imports crossed 200,000 tonnes in 2011-12 at 205,050 tonnes, up from 188,337 tonnes in 2010-11.

According to experts, at this pace, imports would strengthen further, with total imports during the financial year crossing 250,000 tonnes.