

Rubber makers stretched by raw material shortage

Association demands duty-free import and accurate stock assessment

Our Bureau

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The import duty on natural rubber should be done away with to address the growing shortage of the raw material, according to rubber product manufacturers.

The All India Rubber Industries Association's President, Mr Vinod T. Simon, quoting official figures pointed out that the shortage of natural rubber is estimated at about 75,000 tonnes this year against an estimated consumption of over 10 lakh tonnes.

LEVY OF IMPORT DUTY

But import duties at about 10-35 per cent are levied on natural rubber while finished products are imported at much lower rates. The industry should be allowed to import at least the deficit quantity duty-free, he said.

This is the second consecutive year with a shortfall in the raw material. Despite this, there is an incentive programme being considered to



Mr K.M. Philip (second from right), doyen of the rubber industry, addresses the gathering at the National Rubber Conference, in Chennai on Friday. The others are (from left) Mr Vinod T. Simon, President, All India Rubber Industries Association; Mr Anand Rangachary, Managing Director- South Asia & Middle East, Frost & Sullivan; and Mr Niraj Thakkar, Senior Vice-President, AIRIA. — Bijoy Ghosh

encourage natural rubber exports, which is unfortunate. The proposal has alarmed the industry, which will represent against the move, Mr Simon said. Mr Simon said the Association - which represents the

gamut of rubber product manufacturers, including large companies manufacturing tyres, medium and small players making auto components, and tiny industries producing miscellaneous items - is col-

lecting data on rubber products being imported to argue for anti-dumping duty.

Small players in the domestic market have been hit particularly hard as rubber balloons, gloves, sheets and a wide range

of products are imported cheap.

INVENTORY ASSESSMENT

The Rubber Board, a statutory body constituted by the Government of India and a key player in framing policies for the industry, estimates that the stock of rubber is about 2.4 lakh tonnes. But the industry believes that this should be 60,000 tonnes lesser.

The difference is primarily in the method of assessment as the Board includes the inventory with the manufacturers. The Board should provide the inventory levels at every stage to ensure an accurate assessment of stocks, Mr Simon felt.

Mr Simon, addressing media persons on the sidelines of the inauguration of the two-day National Rubber Conference organised by it, said that the production of natural rubber is growing at about four per cent against consumption levels growing at about 8 per cent annually. The widening supply gap is of concern.