

Indonesia invites India Inc to invest in rubber plantations

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Thiruvananthapuram, Aug 13: Even as Indian rubber industry majors were considering a buying or leasing arrangement for rubber estates in other rubber-producing regions in the world, Indonesia has come forward with a similar offer.

Dickey Fabrian, Consul General, Republic of Indonesia in India, has invited Indian rubber industry to benefit from the ample natural rubber (NR) resources, a newsletter of All-India Rubber Industries Association (AIRA) has informed its members. Fabrian has conveyed Indonesia's "eagerness" to host Indian rubber manufacturing units, highlighting the country's edge in "availability of natural rubber, inexpensive labour/ power and friendly government policies." What is significant is that Indonesia

has also invited AIRA for investment in rubber plantation through lease of land.

In the context of India's shrinking rubber cultivated area and the expansion plans of tyre industries, it would be only a matter of days, before tyre industry also follows

tion" for both Indian and Indonesian industry. "In the wake of the capacity expansion plans of tyre companies, the demand for NR has accelerated in a pace that domestic production is unable to catch up. Thus, we have no option now, but to look for alterna-

sider this: In 2011, April to July period, NR availability (domestic production plus import) fell below the off take (domestic consumption plus export) by 7,680 tonnes. In 2012, this deficit grew nearly five times at a whopping 35,496 tonne. According to the forecasts, India is projected to import 225,000 tonne of NR in 2012-2013. During 2011-2012, this was only 205,050 tonne.

"We have been trying to improve sheet quality upgradation through technical workshops," says Sheela Thomas, chairman, Rubber Board. Efforts to improve competitiveness through assuring availability, however, is yet to pay off. India is ranked sixth in terms of area of rubber cultivation in the world, first in productivity (1,760 kg per hectare), second in consumption (0.90 tonne per year) and fourth in production (831,400 tonne in 2009-10).

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suit. The details of the MoUs between Indonesian businessmen and Indian rubber industry would be worked out in a meeting in Jakarta in October and later in the Indian Rubber Expo in January 2013 in Mumbai, AIRA top brass said.

Niraj Thakkar, Sr Vice President of AIRA says it would be a "win-win situa-

tives outside the country," Rajiv Budhraj, Director General, Automotive Tyre Manufacturers Association (Atma) told FE.

While the Rubber Board is trying to maintain an optimistic front, Atma and AIRA are worked up about the diminishing rubber availability in the coming years, based on their own estimates. Con-