

# Higher tyre output drives up rubber offtake in Nov

## Gap between domestic output and demand seen widening

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The country's tyre production increased by 10 per cent in November, with rubber consumption growing in tandem.

Truck and bus tyre production that account for the most significant portion of rubber consumed in the country was up by six per cent.

Reflecting the low base of November 2010, the production of passenger car tyres rose by 14 per cent.

### STEADY GROWTH

According to the figure available from the Automotive Tyre Manufacturers' Association, jeep tyre production was up by 33 per cent even though their total numbers are not very significant.

The Light Commercial Vehicle tyre was another important sector which witnessed steady growth of 10 per cent. Scooter tyre production witnessed a significant growth of 22 per cent and their total numbers are quite significant. But, given

the small size of the scooter tyres, the sector still accounts for a very small portion of the country's total rubber consumption.

Rubber consumption in November grew by 5.1 per cent, while production was up a notch lower at 4.3 per cent. But there was surplus production during the month.

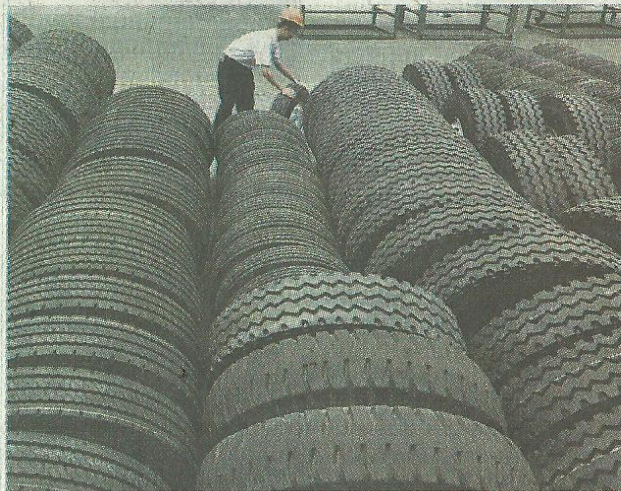
However, with the lean production season setting in over rubber plantations in the country, consumption is poised to overtake production in the coming months.

This was already in evidence for December when rubber production fell behind consumption.

### PRODUCTIVITY

Much more remains to be done as far as the small rubber holders in the country are concerned, Mr N Radhakrishnan, Advisor to the Cochin Rubber Merchants Association said.

Pointing to large plantation companies such as Harrisons Malayalam and Aspinwal, he said that while their productivity had gone



beyond 2,000 kg/hectare while the small growers' productivity was still around 1,500 kg/hectare.

The plantation companies were able to achieve this feat through scientific cultivation and planting greater number of trees per hectare while the small grower was still to bring in these changes, Mr Radhakrishnan said.

And the small grower accounts for close to 85 per cent of the country's total

rubber production.

Given the high price of rubber, the small grower is still averse to slaughter tapping of rubber and replanting the aged trees with high yielding clones to increase the farm's productivity.

Hence, the practice of tapping the aged trees with decreasing productivity continues, Mr Radhakrishnan said.

The growth in natural rubber production during

the current financial year has been satisfactory.

However, the gap between domestic production and consumption of natural rubber is expected to widen in the times to come, Mr Rajiv Budhraja, Director General, ATMA said.

Tyre industry has lined up large scale investments towards additional capacities, especially in the truck and bus radial tyres and rubber demand will get a further fillip.

While reiterating duty free imports in the short term, he said that more area has to be brought under rubber cultivation in the medium term to resolve the crisis.

There was also the need for Government support to the industry for taking up rubber plantations abroad as the long-term measure to improve natural rubber availability in India.

Although India ranks at the top as far as productivity was concerned, much more remain to be done as far as acreage and production are concerned, he pointed out.

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