

Only 5.2% of SMEs in rubber products sector to invest in computers

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Only 5.2 per cent of respondents in a survey of SMEs in the rubber and rubber products conducted by IndiaMART Knowledge Services revealed that they planned to invest in computers.

This was so despite the fact that a large majority – 71.3 per cent – revealed that they planned to increase their production capacity. Another 16.5 per cent said they were looking at increasing their employee base, but only 6.9

per cent of the SMEs said they would be opening new offices.

IndiaMART is one of India's largest online B2B marketplaces.

For 30.4 per cent of the respondents, the order book position increased in the 0-20 per cent range in the period from January-September 2011. For 27.8 per cent it did not show any change, while for 26 per cent of the respondents it increased by more than 20 per cent. Only 15.6 per cent of the survey participants witnessed a decline in their order book

during this period.

The survey further revealed that the main challenge for 55.6 per cent of the respondents is increasing raw material costs, while 19.3 per cent of the respondents believe global competition is their biggest hurdle. Poor infrastructure and access to adequate finance came third and fourth with 10.4 per cent and 11.3 per cent respectively. Only 3.8 per cent cited rising fuel costs as an obstacle.

To counter challenges, 62.6 per cent of the respondents said that creating new

products could help them gain a competitive edge, while 19.1 per cent said training labour was the answer to their problems. About 18.2 per cent said better finance options could help them move forward.

Around 80.8 per cent of the respondents said they took up continuous product improvement as part of a new initiative, while 9.5 per cent each said they had undertaken green energy technology and promoting community development as part of a new company initiative.