

In Jalandhar, the rubber industry mainly manufactures tyres, tubes and rubber footwear. Talking to reporter, Jalandhar Rubber Goods Manufacturers' Association president B B Jyoti said, many manufacturers have closed their units in the last five to six years because the input cost has risen significantly, compared to industries in tax-free zones and close to the centre of raw material.

To save Punjab's rubber industry, local manufacturers have demanded that the government should abolish

the cess and lift the cumbersome and undesirable conditions on the import of rubber. □□

## Industry finds it difficult to stretch further

Jalandhar, once famous for its footwear industry and other rubber products, with more than 450 units functional till a few years ago, is now left with only 70 to 80 units. The increased prices of rubber, besides several other factors, have given a severe jolt to the industry, which comes under the small and medium enterprises sector.

Industrialists blame the slowdown on the defective price policies of the Rubber Board under the pressure of the Kerala lobby of rubber producers, coupled with policies of forward trading and various cumbersome conditions imposed on imports, besides the unprecedented hike in rubber prices.

According to a manufacturer, Rajesh Kumar, rubber prices have risen to Rs 156.50 per kg as on 30th March 2010, besides, a cess of Rs 1.5 per kg is charged from us and there is an acute shortage of natural rubber in Kerala, the only rubber producing state in the country, owing to the growing demand. As rubber accounts for 33% of the cost of production, the increase in prices results in high costs of the finished product.