

Industry-rubber board conflict on projections may hit imports

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RUBBER consuming industries and Rubber Board are at loggerheads over natural rubber consumption projections, which is a major factor affecting import policy decisions. While the tyre and non-tyre products manufacturers claim that the Board has agreed to make annual consumption estimates after 'close interactions' with them, the Board maintains that its past projections have been "perfect".

All India Rubber Industries Association and Automotive Tyre manufacturers Association (ATMA) on Monday had a meeting with Rubber Board on the 12th Five Year plan proposals of the sector. At the meeting,

AIRIA and ATMA officials pointed out that the production deficit in natural rubber for the current financial year, as per them, is 1,89,000 tonnes, whereas the Rubber Board has projected it to be 75,000 tonnes.

"Unfortunately, Rubber Board has projected an increase in consumption by only 40,000 tonnes during the current financial year. Accordingly, the gap between domestic production and consumption has been put at 75,000 tonnes by the Board. This is at wide variance with industry estimates based on actual capacity expansion. The conservative consumption estimates by the Rubber Board affects the desired policy making for the rubber sector," said Rajiv Budhraj,

director general of ATMA. The decisions on import of natural rubber are taken by the government based on the Rubber Board's data.

After the meeting, ATMA and AIRIA officials said the Rubber Board has agreed to work closely with the industry on this. Rubber Board officials, however, declined to divulge the details of what transpired at the meeting. When asked about the consumption projections, board officials maintained that their projections are perfect.

"We make the projections based on the returns filed by the manufacturers, GDP growth and factors like inflation and so they are perfect," board officials said.

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