

# Compound rubber import duty hike upsets stakeholders

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The Rubber Board has welcomed the budget proposal over increasing the basic customs duty rate on compound rubber from 10 per cent to 25 per cent or ₹30/kg, whichever is lower, at par with natural rubber other than latex, saying it will help domestic growers get higher prices. The duty hike is to curb circumvention of duty, she said tabling the budget in Parliament.

However, the United Planters Association of Southern India (UPASI), a key stakeholder, has opposed this saying it will apply only to countries, given the most-favoured-nation (MFN). It will not apply to countries with which India has

free trade agreements. UPASI said under Indo-ASEAN free trade agreement, India had conceded preferential tariff at zero per cent for compound rubber. The imports of compound rubber from ASEAN countries such as Thailand, Malaysia, Indonesia and Malaysia are at zero duty.

It appears that the proposal will not apply to the ASEAN countries. This means that ASEAN countries could continue to export compound rubber duty-free, while countries such as the US, Germany, South Korea, will have to pay higher duty as announced in the Union Budget 2023-24, R Sanjith, secretary, UPASI said.

Automotive Tyre Manufacturers Association and All India Rubber Industries Association are unhappy over the proposal.