

# Insufficient availability of natural rubber affecting tyre production

**FE BUREAU**

Kochi, November 24

**LOWER AVAILABILITY OF** natural rubber (NR) is adversely disrupting the production processes at tyre manufacturing units even as the demand for tyres is peaking, tyre industry body Automotive Tyre Manufacturers Association (ATMA) said on Wednesday.

The association has written to the Union minister of commerce & industry stating that the scarcity of NR at the height of peak production season in Kerala is unprecedented and doesn't augur well for the tyre industry value chain.

ATMA reports that as against the average domestic production in the range of 75,000

tonne each in the months of October and November, the same is not expected to exceed 45,000-50,000 tonne each in October and November of the current year.

NR consumption, on the other hand, is expected to remain at over 1 lakh tonne each in these two months, with a resultant deficit of 1 lakh tonne in a short span of 2 months of the ongoing peak production season leading to major concern for tyre Industry that consumes nearly 75% of total NR produced in the country, ATMA has stated.

“The scarcity comes at a time when domestic production of commercial vehicles (CVs) is looking up after a prolonged downturn. Truck and bus (T&B) tyres have relatively

higher NR content. NR demand is therefore expected to firm up further but the availability crisis is likely to throw a spanner in the works, said Rajiv Budhraja, director general ATMA.

With a view to ensure that tyre production and exports take place in an uninterrupted manner, duty free imports of NR need to be allowed to the extent of projected demand-supply gap in the country. The duty free import volumes can be reviewed every year, as Tariff Rate Quota (TRQ) quantity, in accordance with production, consumption estimates put up by the Rubber Board, he added.

Moreover, restrictions at various ports on import of natural rubber need to be removed.