

Need import duty rationalisation for rubber industry to grow: AIRIA

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The country's rubber industry requires rationalisation of import duties and change in the inverted duty structure for the sector's raw materials and finished goods to grow and contribute to the vision of 'Aatmanirbhar Bharat', V.T. Chandrasekharan, President of the All India Rubber Industries Association (AIRIA), said.

Speaking to IANS, Chandrasekharan noted that import of raw materials such as natural rubber and latex attract import duties of as high as 70 per cent, while that on finished goods is much lower and this impacts the local rubber goods producing industry.

"Our major concern is the duty structure. We have been professing that on raw materials, the duty structure should be minimum.

It should be 0-5 per cent on raw materials, 15-20 per cent on intermediaries and on finished goods, you can have 30-

DEMAND IN THE SECTOR, THAT IT HAS BEEN IMPACTED POST THE LOCKDOWN AS ANTICIPATED, BUT IS GRADUALLY PICKING AFTER THE RESTRICTIONS WERE LIFTED- AIRIA PRESIDENT

40 per cent import duty," he said.

"Unfortunately, it's the other way round for the industry."

The AIRIA President said that the industry body has to resort to import of natural rubber as the quality produced in the country is not "up to the mark" and the tyre manufacturers buy the bulk of domestically-produced high-quality supplies, leaving no choice for the MSMEs and the other rubber goods producers than to go for imports for good quality

raw materials.

He also said that India lags in terms of supply of machinery and their quality.

Chandrasekharan noted that the quality of the machines available is not as good as foreign countries, which forces the rubber goods industry to bring in supplies from China.

The industry body's chief was of the view that the sector players, along with the government, will have to look for ways of sourcing in modern technology, including transfer of technology from foreign players investing in India.

Saying that the Indian rubber industry is "quite capable" of manufacturing products for the major sectors including automobiles and healthcare, he said that availability of technology and lower duties would play the drivers of the growth of the sector.

Both tyre and non-tyre rubber goods industries had a demand for 1.2 million tonne of rubber last year, out of which 50 per cent was catered

through imports, he said.

This year, he feels the imports will be lower because of the fall in demand.

About the demand in the sector, he said that it has been impacted post the lockdown as anticipated, but is gradually picking after the restrictions were lifted.

Chandrasekharan said that a major issue for the industry, more than poor demand, right now is the labour crunch. Most of the skilled labourers who went back to their villages during the lockdown have not been able to return yet, which is leading to disruption in operations.

"Even the 40-60 per cent orders we have, we are facing difficulty in delivering that, because we don't have the trained labour," he said.

He noted that skill development is an important requirement and AIRIA along with other industry partners have been involved in programmes to impart the required skills to the workers.