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Rubber Board asks industry to take up cheap imports issue with govt

OUR BUREAU

Kochi, April 29

Rubber Board Chairman A Jayathilak has urged the industry to participate actively in discussions on anti-dumping and safeguard measures introduced by the Centre.

In his inaugural address at the national rubber conference organised by the All India Rubber Industries Association (AIRIA) at New Delhi, the Chairman said that influx of cheap imports from China is hurting the rubber MSME sector. Tariff concessions offered under Free Trade Agreements could be leading to a surge in imports. The dumping of finished rubber products also could not be ruled out, which is causing distress for the MSME rubber sector, he said.

Assuaging the concerns of the industry - of not being meted out equal treatment between industry and plantation issues - Jayathilak said the Rubber Board places equal importance to the development of both natural rubber producing and consuming interests.

According to Mohinder Gupta, President of AIRIA, domestic production of natural rubber and some of the synthetic rubber is far less than consumption. In the last fiscal, production of natural rubber in India was about 50 per

cent less than domestic consumption. Not only is availability of natural rubber in short supply, but domestic rubber prices are also ruling 20 per cent higher than international prices.

Import duty on raw materials of the rubber industry is much higher than duty on finished products. Finished rubber products can easily be imported as import duty on rubber products is between 0 to 10 per cent, while duty on natural rubber is 25 per cent, and that on latex is 70 per cent.

This inverted duty structure has forced many rubber product manufacturers to turn into traders of Chinese rubber goods and stop manufacturing, thus leading to shutting down of plants and subsequently, job losses. Moulded rubber goods, rubber compounds, rubber rice rollers and balloons manufacturers etc, have been severely impacted, he said.

He said India's share in international rubber exports market is a paltry 1.48 per cent, while that of China is 11 per cent. The country's share can be easily enhanced to 5 per cent in the next 5-7 years and India's ranking can be enhanced to 5th position from current 19th, if the Centre addresses the problems faced by the rubber sector, he said.