

Rubber Bodies Favour 'Elastic' NR Import

ENS Economic Bureau

Kochi: The All India Rubber Industries Association (AIRIA) and Automotive Tyre Manufacturers Association (ATMA) have strongly criticised the port restrictions on import of natural rubber terming the move as anti industry.

“Restrictions placed on import of a critical raw material such as rubber strike at the very root of Make in India Initiative. India is grossly deficient in production of natural rubber. Despite the fact that rubber prices in India are about 20 per cent higher than international prices, rubber imports are inevitable for

manufacturing.

Port restrictions are another way of putting non-tariff barriers for import of raw materials”, said Raghupati Singhanian, Chairman ATMA.

The Directorate General of Foreign Trade (DGFT) has allowed import of natural rubber of all varieties/forms only



through sea ports of Chennai and Nhava Sheva.

Governments in other natural rubber producing countries are providing incentives for domestic value addition. On the other hand India is increasing restrictions on availability of raw material to the industry, he added.

“Prime Minister had assured that rubber products manufacturing will be included in Make-in-India. However there cannot be any Make-in-India if raw material is not available. Earlier the export obligation period was drastically reduced from 18 months to six months wherever natural rubber is allowed as an input (under Advance Authori-

sation scheme) making it difficult for MSMEs to cope with such stiff laws... And now port restrictions have been placed on import of rubber.

Certainly the government has not kept in mind the plight of thousands of rubber MSMEs who will be affected by this decision,” said Mohinder Gupta, President AIRIA.

If the Kerala/Central governments wish to help and support the rubber growers, it should be done directly by way of a subsidy to the growers and by increasing their efficiencies like it is done in countries like Thailand, Malaysia, Indonesia and Sri Lanka, Rubber industry players said.