

Rubber Imports Head for New High

Fall in output and rise
in demand push
imports up by 35% for
nine months to Dec '18

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Kochi: Natural rubber imports to India are heading for a new high with continued fall in production and rise in consumption.

The imports are up by close to 35% for the nine months to December 2018 from a year ago at 4,49,088 tonnes, as per Rubber Board data. In 2017-18, rubber import stood at 4,69,760 tonnes.

The production for the period showed over an 8.5% decline at 4,79,000 tonnes. Even for the usual peak production month of December, it was down by 8,000 tonnes from a year ago at 78,000 tonnes.

However, rubber consumption has been going up consistently. For the nine-month period, it rose 13% to 9,21,600 tonnes, well on its way to 1.2 million tonnes targeted by the board.

The production in the remaining three months is expected to be lower as the lean tapping season has begun. Usually, tapping comes to

an end by January. But this time, some places, which began tapping late, are still continuing though the yield is less.

"Tapping is happening in around 50% of the rubber areas even now. But demand from the tyre and non-tyre sector is sluggish as imports have gone up," said N Radhakrishnan, a rubber merchant in Kochi.

He said prices may not improve in the next year as the economy in China, the largest consumer of rubber, is not in good shape. "The price support scheme of the state government, which assures Rs 150 per kg, is an incentive for the grower to continue tapping," he said.

Though the Rubber Board has targeted a production of 6,00,000 tonnes for the year, the trade expects it to be much less. Both import and production are expected to be around 5.5 lakh tonnes.

Meanwhile, the Centre has set apart lesser funds than what was allotted last year in the Union budget. Against the Rs 172 crore last year, they have been allotted Rs 146 crore for 2019-20. The board expects to get additional funds for giving subsidies.

"The applicants for subsidies have come down with a decline in replanting. Around 20% of the rubber production area in Kerala also remains untapped," said Sabu P Idicula, rubber production commissioner.