

Rubber Producers, Consumers Lock Horns Over Import Duty

Users say imports not significant while producers want a ban

Our Bureau

Kochi: Rubber producers and consumers have reached a deadlock over the issue of import duty on rubber with over a week to go for the Union Budget.

While natural rubber users argue that increase in imports has been just a fraction of the actual drop in output, producers disagree saying it is a misleading statement.

Producers want an immediate ban on imports and enhancement in duty to 30%, to which the consumers say such a demand is without any merit.

Rubber producers have been saying that rising imports is one of the reasons for the drop in rubber prices. Automotive Tyre Manufacturers' Association (ATMA) director general Rajiv Budhrajia stated that against contraction in domestic rubber production of 100,000 tonne in the 10 months of the current fiscal, the imports have gone up by just 45,000 tonne and hence, there is no question of imports affecting domestic production.

Chairman of Association of Planters of Kerala, C Vinayaraghavan, says it is misleading since during the last fiscal, an extra 1,52,767 tonne of rubber was imported than the required 2,07,520 tonne.



Imports have already touched over 3,59,000 tonne this year, which is more than the requirement. He said in the past five years, the consuming industry through various channels has been importing in excess of 100,000 tonne more than their actual consumption. The non-remunerative and manipulated price in the market are preventing the growers from tapping, leading to a drop in production, which is being pointed out as a reason for increased imports, according to the association. Farmers are losing more than ₹30 a kg at the current price level, if they have to sell a kg of rubber.

He said if corrective measures are not taken, it may force the growers to move away from rubber cultivation, adding the small growers have already started looking for other vocations for a sustainable income.

Mohinder Gupta, president of All India Rubber Industries' Association, said the industry should be allowed

ON RUBBER USAGE

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MOHINDER GUPTA

President, All India Rubber Industries' Association

access to cheaper raw material so that value-addition takes place in India.

"The natural rubber consumption has picked up just 3.8% during the first 10 months. Against the backdrop of Make in India campaign, this is a worrisome trend since India has the potential to increase rubber manufacturing to a large extent," he said. Gupta wants the industry to wait for the outcome of national rubber policy formulation, which is expected to look at all aspects of the rubber sector.