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Rubber products' exports record 5% growth

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Exports of rubber products, which have been growing at a healthy double digit rates for about two decades, have seen the growth rate dwindle in the last three financial years. This is a cause of concern as rubber is a sunrise sector and the potential for exports is immense notwithstanding the economic slowdown in some of the export markets, said Mohinder Gupta, President of All India Rubber Industries Association (AIRIA).

According to Chemicals and Allied Products Export Promotion Council (Capexil) data, the exports of rubber products increased 5 per cent in FY15 to \$2.82 billion from \$2.74 billion in FY14. The increase in exports was boosted by non-tyre rubber products manufactured largely by around 5,500 rubber MSMEs.

The fact that rubber MSMEs have been able to manage a growth of 10 per cent (from \$1,056.82 million

in FY14 to \$1,168.91 million in FY15) notwithstanding the overall exports scenario is pointer to the fact that there is large potential for growth if policies for rubber MSMEs are in place.

The share of India in rubber export market is a paltry 1.48 per cent, whereas China is 11 per cent. India's share can be easily enhanced to 5 per cent in the next 5- 7 years and India's ranking can be enhanced to fifth position from current 19th.

Firstly import of raw materials needs to be facilitated. India is grossly deficient in production of natural rubber (NR). Import of NR is therefore inevitable. However, there is import duty of 25 per cent on import of NR while rubber products can be imported at 10 per cent or even lower rates of duty under Free Trade Agreements (FTAs), he said.

For encouragement of exports of rubber products, AIRIA has asked for a separate Rubber Export Promotion Council (Rubexil) with to view to maximise the export potential of Rubber industry.

Rubber industry fits in with the Government's initiatives of Make in India and Skill India as thousands of rubber units spread across the country manufacture around 35,000 different rubber products, which find usage in auto, defence, healthcare, agriculture and in various other critical sectors. Rubber industry is labour intensive already employing three million people, a large percentage of which are unskilled and around one million skilled, therefore rubber sector has all the ingredients to lead these initiatives.