BUSINESS LINE
N. D 05/04/18

Spot rubber stays flat

Kottayam, April 4

Spot rubber closed unchanged on Wednesday. The market lost its direction amidst extremely dull volumes. RSS-4 finished flat at ₹123 a kg, according to traders and the Rubber Board. The grade was quoted steady at ₹120 by dealers. April futures declined to ₹119.51 (122.45), May to ₹122 (125.53)on the NMCE. RSS-3 (spot) slid to ₹111.29 (111.40) at Bangkok. Its April futures dropped to ₹104.76 (104.93) on the TOCOM. Spot rubber rates (₹/kg): RSS-4: 123 (123); RSS-5: 121 (121); ISNR 20: 110 (110) and Latex (60% drc): 81 (81). OUR CORRESPONDENT

BUSINESS LINE N. D 05/04/18

Tyre industry wants Govt to lower import duty on rubber

V SAJEEV KUMAR

Kochi, April 4

With the domestic production of rubber nosediving by 16 per cent in February, the tyre industry has urged the government to make imports easier through lowering of duties to meet the growing demand.

Quoting data released by the Rubber Board, the industry said rubber production in February 2018 stood at 52,000 tonnes against 62,000 tonnes produced in the same month last year.

Strong demand

For the first time, the consumption has crossed a million tonne (1,003,060 tonnes) mark in the 11-month period (April-February FY18).

On the other hand, the production is just 6.4 lakh tonnes (lt) during the period leaving a yawning production-consumption gap of about 3.6 lt.

Rajiv Budhraja, Director-General of the Automotive Tyre Manufacturers Association, said that the tyre industry has been passing through a challenging phase as far as raw material availability is concerned.

The industry has put in significant production capacities to meet the demand from automobile industry and transportation/mining sector.

Domestic supplies low

However, production planning is seriously undermined as domestic availability of rubber is in awfully short supply. As much as 35 per cent of the requirement needs to be met by imports.

The domestic availability is in short supply despite the fact that average domestic prices have been ruling 11 per cent higher than international prices during the year. The exports have come to a grinding halt and the entire domestic production is being picked up by the industry.

While the consumption has, for the first time, crossed a million tonne (1,003,060 tonnes) mark in the 11-month period (April-February FY18), the production is just 6.4 lakh tonnes.

While imports are imperative to keep the plants running, India levies the highest import duties on rubber in the world.

The industry has asked for duty free import of rubber equivalent to the projected domestic deficit as high import duty is hurting the price competitiveness of the industry.

Consumption pattern

The tyre industry consumes 65-70 per cent of the rubber produced in the country. Adding to the industry's worry is the fact that lean production period has already commenced which will last till September. So, the availability will be significantly curtailed in the off peak months.

"On priority, industry has asked for import of rubber on a tariff rate quota (TRQ) basis at 'nil' rate of duty to the extent of gap between domestic production and consumption. It has also asked for removal of port restrictions on rubber which is permitted to be imported only at two ports (Chennai and JNPT) further adding to the cost and delays", Budhraja said.

BUSINESS STANDARD
N. D 05/04/18

Rubber output falls 16% in Feb

T E NARASIMHAN
Chennai, 4 April

Natural rubber (NR) production in India dropped 16 per cent in February. The tyre industry, which consumes nearly 70 per cent of the produce, has urged the government to relax import curbs.

Rubber Board data shows NR production in February at 52,000 tonnes, as against 62,000 tonnes in 2017. NR consumption in India crossed a million tonnes (1,003,060 tonnes) in the first 11 months of 2017-18, a first. Production was 640,000 tonnes in the period, leaving a consumption gap of 360,000 tonnes.

The tyre industry said a lean production period had already started, to last till September. This will add to the industry's problems.

Rubber Board officials were not available for comment.

The industry has put in significant production capacities to meet growing demand from the automobile industry and the transportation and mining sectors. "However, production planning is undermined as domestic availability of NR is in short supply. As much as 35 per cent of the requirement needs to be imported," said Rajiv Budhraja, director general of Automotive Tyre Manufacturers Association.

Domestic availability is in short supply despite average domestic NR prices ruling 11 per cent higher than international prices during the year. NR export has come to a halt and the entire domestic production is being taken by the industry. India levies the highest import duties on NR in the world, at close to 30 per cent, another complaint from the industry.

FINANCIAL EXPRESS
N. D 05/04/18

Tyre firms ask govt to cut import duty on rubber

FE BUREAU
Thiruvananthapuram, April 4

TYRE INDUSTRY HAS urged Centre to make natural rubber (NR) imports easier through lowering of duties, highlighting that rubber production in February has fallen by 16%.

In its communication to the Ministry of Commerce & Industry, the industry has asked for duty free imports of NR equivalent to the projected domestic deficit, which is about 3.6 lakh tonne.

"Tyre industry has been passing through a challenging phase as far as the raw material availability is concerned. The industry has put in significant production capacities to meet the demand from automobile industry and transportation/ mining sector. However, production planning is seriously undermined as domestic availability of NR is in awfully short supply. As much as 35% of the requirement of natural rubber needs to be met by imports," said Rajiv Budhraja, director general ATMA (Automative Tyre Manufacturers Association, in a release.