

Tyre industry bemoans the shortage of natural rubber

But Board data show production is rising

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Faced with a natural rubber crunch, the tyre industry is in touch with the Rubber Board to increase domestic production and improve quality.

Domestic produce usually arrives in the market at the onset of peak season mid-September. But this year, even in mid-November, supply has not increased. This is also indicative of the effect of climate change in the traditional growing areas, said Rajiv Budhraj, Director General, Automotive Tyre Manufacturers Association (ATMA).

The tyre industry has always aspired to have a competitive domestic natural rubber sector. Almost the entire production is

consumed domestically, especially by the industry, as there are hardly any natural exports from India. The domestic NR sector is a beneficiary of complete off-take by the consuming interests even though domestic prices have been ruling higher than international rates, he said.

“What is equally disturbing is that this year the demand for natural rubber is less in view of the ongoing slowdown, so imports have contracted due to the increased

dependence on domestic rubber. Imports in September contracted by 40 per cent,” he said.

“Had it been a year of normal tyre production, the impact of late and limited arrivals and overall tightness in availability would have been even more severe,” Budhraj added.

Rubber Board data

However, production figures available from the Rubber Board contra-

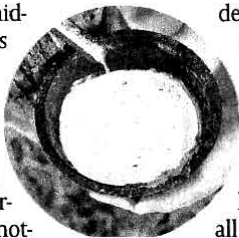
Natural rubber snapshot

(in tonnes)

	September		April to September	
	2018	2019(p)	2018	2019(p)
Production	65,000	68,000	2,77,000	3,08,000
Consumption	1,03,000	85,000	6,14,040	5,67,120
Import	70,887	42,550	2,99,460	2,57,943
Export	694	933	1,844	3,571

p: provisional

Source: Rubber Board



dicts the industry claim. According to the statistics, natural rubber production during April-September 2019 was 3,08,000 tonnes, compared with 2,77,000 tonnes in the corresponding period last year.

Industry sources said the Rubber Board figures point to increased production, but natural rubber arrivals in the market are squeezed. They said production has gone up in the first half, while consumption reported a declining trend in the same period.

Official sources maintain that the continuing rains — right from the South West monsoon to the North East monsoon in the growing regions till date — has hindered tapping in several plantations in a big way. Normally rains during the North East monsoon take place only in the evening. But the current spell, especially in the morning hours, has hampered tapping. This, coupled with lower price realisation of rubber, has forced many farmers to abstain from harvesting.