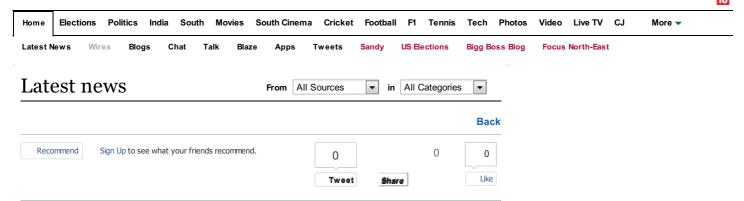


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## Relook at duty structure: Rubber industry body plea to govt

Mumbai, Nov 2 (PTI) All India Rubber Industries Association, a not-for-profit making body serving the rubber industry, today asked the government to take urgent steps to increase natural rubber output and remove "inverted" duty structure. "Inadequate availability of natural rubber and comparatively higher import duties on raw materials than on finished products (inverted duty structure) are impacting the competitiveness of the Rs 50,000 crore rubber industry in India," All India Rubber Industries Association (AIRIA) President Niraj Thakkar told PTI here. The local production of rubber is estimated at 9.50 lakh tonne per annum (tpa) as against the demand of 11 lakh tpa, Thakkar said, adding that the country imports 1,00,000 tonnes of rubber from Sri Lanka, Malaysia and Thailand. In the current year also, domestic natural rubber production is projected to fall short of domestic consumption, he said. It is important to secure raw material needs of the industry through increased domestic production or duty-free imports of rubber to the extent of domestic deficit, Thakkar said on the sidelines of National Rubber Conference here. The industry, in a representation to the government, has also said that surge in cheap imported rubber products from China and other countries has caused concern for the Indian manufacturers as many finished rubber products are imported at much lower rate of duty than that applied on raw materials. With over 35,000 rubber products, it is difficult to prove the dumping charges and most of the manufacturers being small, they do not have the resources to initiate anti-dumping proceedings, the industry has pointed out. On the other hand, levy of anti-dumping duties on carbon black and rubber chemicals, major raw materials for the industry, has made the Indian rubber products more expensive in comparison to imported finished products. According to AIRIA, the import of even those raw materials of rubber industry which are not indigenously produced, is subjected to high rate of Custom Duty, making it very difficult for the rubber industry to survive and to compete against import of finished products. AIRIA has asked for waiver of customs duty on raw materials not manufactured domestically such as butyl rubber and other hi-tech synthetic rubbers, and polyester tyre cord. The industry body has also asked for reduction of custom duty on raw materials where domestic production lags behind consumption including raw materials such as PBR, nylon tyre cord fabric and steel tyre cord. The high customs duty structure on raw materials has gravely affected the industry and in many cases has led to lower capacity utilisation or even closure of rubber products manufacturing units. PTI AP ABC KSR RYS RYS

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