

Govt should help natural rubber growers get better prices: AIRIA president

Subramani Ra Mancombu

Chennai

The Centre should help natural rubber producers get better prices while cutting the import duty on the industrial raw material, besides allowing shipments into all ports in the country, All India Rubber Industries Association President Ramesh Kejriwal said.

“We are facing a demand-supply deficit of at least five lakh tonnes (lt) annually. Natural rubber prices have dropped to below ₹150/kg from about ₹180 a year ago. The government should handhold the growers so that they will continue to take interest in the crop and not switch over to other crops. It should try to bring more area under rubber cultivation,” Kejriwal, told *businessline*.

His views come on the heels of the country’s natural rubber



STIMULUS. AIRIA demanded that the Centre set a benchmark price that will encourage rubber growers to produce more

imports rising to a three-year high of 5.46 lt despite production increasing to a five-year high of 7.75 lt. This was because demand for the industrial commodity increased to a record 12.38, data from the Rubber Board show.

INVERTED DUTY

On the import duty for natural rubber and latex, he said it was 25 per cent currently, whereas

the duty for finished goods was less, not exceeding 10 per cent depending on the product.

CURBS RAISING COSTS

“It is not good to have such an inverted duty structure which will affect the domestic industry in which most are small and medium units,” he said. The duty structure affects AIRIA members, all of them small and medium entrepren-

eurs, more than bigger tyre manufacturers.

With tyre companies importing more than purchasing from the domestic market, the Centre needs to handhold growers and try to set a benchmark price that will encourage them to produce more.

The other problem with rubber imports is that they are currently permitted only through Chennai and Mumbai ports. “Rubber is consumed across the country. There is Kolkata and other such ports. A unit in Kolkata will have to bring the raw material from one of these ports by road, incurring additional costs,” he said.

Pointing out that small entrepreneurs are manufacturing rubber products, he said the government should handhold them by coming out with a policy for rubber goods like the one it announced for the textile industry.