

Rubber industry seeks govt support for tech upgradation

Cash-strapped MSMEs facing difficulties in technology upgradation: Sawar Dhanania

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Bengaluru, March 8

Amidst a pick up in rubber consumption, Sawar Dhanania, Rubber Board Chairman and President of All India Rubber Industries Association, has urged the government to announce a modernisation package for the micro, small and medium enterprises (MSMEs) operating in the non-tyre segment.

There are about 1,300 MSME rubber units in the country, which account for the majority of the units in the non-tyre rubber sector.

The rubber industry, in value terms, was estimated to be around ₹1,04,000 crore in 2020-21, with the auto tyres manufacturers accounting for about ₹62,000 crore and non-tyre rubber product makers for around ₹42,000 crore.

“As the cost of acquiring

modern technology is high and out of reach for cash-strapped MSMEs, the rubber industry urgently requires a technology upgradation fund, a special package and PLI programmes for MSMEs so that they can adopt cutting-edge technology to make essential improvements to their existing machinery,” Dhanania said.

While the government has taken steps to bring in about 2 lakh hectares under rubber cultivation in the North East to augment supply of natural rubber in the year ahead, strengthening the MSMEs through a policy support would help achieve self sufficiency in the rubber sector, he said.

Besides, a policy push will also help in attracting investments from manufacturers of special purpose rubbers and synthetic rubber for which India relies on



Sawar Dhanania, Chairman, Rubber Board and President of All India Rubber Industries Association

the overseas producers, he added.

Consumption pattern

“Our tyre and non-tyre sectors consume around 6,18,000 tonnes of synthetic rubber (SR), accounting for roughly 30 per cent of overall rubber consumption compared to a global average of 65 per cent. In India, the SR consumption is growing at a rate of 5-7 per cent each year. While there are various types of SR used in the rubber industry, our

domestic production is limited to certain grades of SBR, butyl rubber, PBR, NBR, HSR and synthetic latex (nitrile, VP latex, XSB & acrylic latex) only,” Dhanania said.

Dhanania said the overall natural rubber consumption in the country is growing in the range of 5-6 per cent. While the natural rubber consumption is around 11 lakh tonnes, the domestic production is a little over 7 lakh tonnes and the shortfall is met through imports.

Around 31 per cent of MSMEs depend on the synthetic rubber and nearly 50 per cent of the SR is imported as domestic production is not sufficient to meet the demand, he added.

Demand-supply gap

According to Dhanania, the overall consumption of the rubber in the country has caught up, fuelled by the infrastructure development and growth in auto sector among other factors. As a result, the demand-supply

gap is expected to go up in the years to come.

“Timely re-plantation has to be done to meet the growing demand. It is estimated that re-plantation has to be taken up in around 2 lakh hectares and the Board is making a study of that,” he said.

Support for MSMEs

“MSMEs also require testing facilities at reasonable pricing to improve the quality of goods. There is also a need for the government’s assistance in creating an interface and network between research and development institutes, academia, industry, and finance institutions,” he added.

He also stressed upon the need for establishing a foundation for rapid commercialisation of technologies generated at the host institution by forming spin-off venture businesses to transform breakthroughs into marketable goods.