

Tyre firms approach Centre as demand-supply gap of natural rubber widens to 45%

The consumption of natural rubber (NR) has increased by 12 per cent, crossing 1.02 million tonnes (mt) in the first 10 months of this year. This has widened the demand and domestic supply gap to 45 per cent.

Alarmed by the shortage of domestic supply, tyre manufacturers have approached the Centre to ease the availability and reduce the import duty for NR to less than 10 per cent.

Data from Rubber Board shows production stood at 0.5 mt during April 2018 to January 2019, compared to 0.6 mt in the year-ago period.

“For the first time, the NR consumption in India has crossed the mark of 1 mt in the first ten months of a financial year, recording an average monthly consumption of 0.01 mt. The commitment of the tyre Industry to increase production footprint needs to be supported by increasing the supply of raw materials. Else, it will leave domestic manufacturing uncompetitive”, said Rajiv Budhraj, director general, Automotive Tyre Manufacturers Association.

The production-consumption gap for the same period of previous fiscal stood at 0.3mt.

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