

# Tyre industry asks govt to ease availability of natural rubber

FE BUREAU

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**PANIC WAVE HITS** tyre giants from the shortage of raw material as sharp fall in domestic natural rubber (NR) production leaves a 45% gap between demand and supply in the country.

In a letter to the commerce ministry, the industry has urged the Centre to ease the availability of NR for consuming interests.

“For the first time, the NR consumption in India has crossed the mark of 10 lakh tonne in the first 10 months of a fiscal year, recording an average monthly consumption of 1 lakh tonne. The commitment of tyre industry to increase production footprint in the country needs to be supported by increasing the supply of raw materials, or otherwise it will leave the domestic manufacturing uncompetitive,” said Rajiv Budhraj, director general, Automotive Tyre Manufacturers Association (Atma).

According to the latest figures released by the Rubber Board, India’s NR consumption has touched 10.2 lakh tonne during April 2018-January 2019 while the production stood at 5.6 lakh tonne during the same period, leading to a gap of 45%.

NR consumption has logged double-digit growth at 12%, while its production



has declined 7% in the April 2018-January 2019 period. The NR production-consumption gap for the period in the previous year stood at 3.16 lakh tonne, which had increased to 4.63 lakh tonne in the current financial year.

According to Atma, NR consumption in India is likely to surpass the projection of 12 lakh tonne made by the Rubber Board for the year 2018-19. The domestic NR production suffices only 55% of the total NR consumption in the country, according to Budhraj.

The dependence on imports has increased 30% as compared to the previous year, leaving the tyre industry worried about raw material sourcing.