MRF expects imports of rubber to increase

Plans to acquire plantation and manufacturing units abroad

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Tyre manufacturer MRF Ltd was expecting its imports to go up in future, with the supply of the raw material from domestic sources not catching up with demand, said Arun Mammen, managing director of the company.

"The availability of rubber within the country is not enough to meet the demand and we are forced to import more. We expect the imports to go up," he said. He was speaking to reporters on the sidelines of a press conference organised by MRF Pace Foundation, which announced the appointment of Australian cricketer Glenn McGrath as the foundation's new director, replacing Australian cricketer Dennis Lillee, who was the director of the foundation for last 25 years.

The company has a requirement of 14,000 to 15,000 metric tonnes of rubber per month. At present, the company sources around 40 per cent of the total requirement from import, he added. This is expected to increase in future, he added.

The import of duty free rubber is cheaper and is almost same to the domestic rubber prices and the company also gains from exports, he added. While the rubber price is at around ₹171 in India, the import price is around ₹152, he said. Even taking into account of the duty, the import prices would be around the same price of Indian rubber, he added. He also reiterated the company plans to acquire rubber plantations and manufacturing plants overseas. However, he added the plans are in a nascent stage and could not be commented on at present.

Mammen also said the company expects the slowdown in the automobile market to impact the tyre industry, though there was a positive performance in the first quarter of the year due to the decline in the prices of natural rubber.