

India: Suspend rubber imports, says growers' body

THIRUVANANTHAPURAM, DEC. 24:

Indian Rubber Growers Association has urged the Centre to suspend import of natural rubber under advance licence till prices improve.

In a memorandum, it also demanded that import duty on all rubber-manufactured goods, including tyres, be raised to 8 per cent.

PRICES FALL

Domestic prices have fallen from Rs 242 to Rs 163 over a period of the past one year, the association said.

Prices have been fluctuating in recent times; gap with international prices has been widening. Price volatility is not good for the health of the sector, it added.

It may be noted that 1.91 lakh tonnes were imported during 2010-11, while imports had gone up to 2.14 tonnes the very next year.

The first year under reference saw 71 per cent being contracted under advance licence for duty free import while it was 70 per cent in the second.

The memorandum said that the cost of production of natural rubber had gone up exorbitantly during the period.

Any further fall in prices would drive farmers away from cultivation, it feared.

LOW DUTY

Low import duty on manufactured goods including tyres has been affecting the domestic industry too.

The memorandum recalled that when prices fell in 1999, the Centre had temporarily suspended imports under advance license by a notification.

The memorandum said that about 11 lakh growers are directly and another 50 lakhs indirectly involved in rubber-related agri-business.

The country produces 9.3 lakh tonnes of natural rubber annually, of which as much as 93 per cent is produced by small growers.

Rubber has been able to change the face of life in Kerala and the North-East, particularly in Tripura and growing areas of Assam, Meghalaya and Nagaland.

It has contributed to welfare of tribals in Andhra Pradesh and Odisha. Its potential to bring about inclusive growth and sustainable development to growing areas has also been taken note of.

Focus is now on extending it into Naxal-infected areas of Andhra Pradesh, Odisha, Jharkhand and Chhattisgarh during the 12th Plan, the memorandum said. Business Line