

India: Natural rubber consumption falls as auto sector slows

Natural rubber consumption dropped 1.5 per cent in the April-May period, compared with the corresponding months last year. However, production recorded a rise of 1.2 per cent, according to the latest provisional data of the Rubber Board. Cumulative consumption during April-May dropped to 165,000 tonnes against 167,440 tonnes in the year-ago period, while output rose to 112,000 tonnes from 110,700 tonnes, the data showed. A slowdown in tyre production in the last financial year was the main reason behind the drop in rubber consumption. According to Rajiv Budhraja, director general, Automotive Tyre Manufacturers Association (Atma), except the first quarter, all the other quarters of the last financial year saw sales and production slowing drastically. The setback on the demand front is persistent, as tyre production has slowed continuously for seven months, Budhraja added. This has also impacted the import of rubber. The cumulative import in April-May was 31,730 tonnes, while it was 38,393 tonnes a year ago. Demand for tyres in the original equipment segment has been weak for nine months. This was more obvious in the passenger car industry, Budhraja told Business Standard. Although exact figures are yet to be tabulated, the drop in demand in April-May comes close to 10 per cent. So, there is nothing unusual in the rubber consumption fall, he added. The current situation in the auto and tyre industries might further weaken demand for rubber this year. business-standard.com