

## **Rubber Board sees India FY13 imports topping estimates**

-Rubber Board head: FY13 rubber imports seen over 200,000 tn-Initially pegged FY13 rubber imports at 160,000 tn-India FY12 rubber imports were at 217,000 tn-FY13 rubber export seen below 40,000 tn estimate-Exports down due to weak global prices-FY13 rubber output estimate cut to 930,000 tn-FY13 rubber output earlier pegged 942,000 tn-FY13 rubber consumption seen 1.06 mln tn-FY13 rubber supplies adequate to meet demand-FY13 end rubber stocks seen up at 270,000 tn-Aiming 24,000 ha more area under rubber FY13-Aim 23,000 ha more area under rubber in FY14-750,000 ha under rubber plantation in FY12

India's natural rubber imports in the current financial year ending March are likely to top the Rubber Board's estimates, but may still fall marginally short of last year's level. The country is likely to import over 200,000 tn natural rubber in 2012-13 (Apr-Mar), compared with 217,000 tn a year ago, Rubber Board Chairman Sheela Thomas said. "(Our) import projection was 160,000 tn (for the current financial year). But the present trend shows that it would be higher than this estimate... It is possible that our imports may cross 200,000 tn this year," Thomas told NewsWire18 in a telephonic interview. According to latest Rubber Board data, India imported 22,748 tn rubber in November, as against 16,125 tn a year ago. During Apr-Nov, the commodity's imports had risen over 32% on year to 153,855 tn. Asked whether rubber imports are likely to top last year's 217,000 tn, Thomas said, "Last year, it was 217,000 tn. I can't say (whether) it would cross last year's level, but largely it would be line with last year." Asked for the reason behind rubber imports topping expectations, she said: "(Around) 50% of imports are under advance licences, and for the rest they (importers) have to pay duty. We are not able to understand why they are resorting to (imports). They should buy from domestic market." Industry experts and tyre companies say it is cheaper to import rubber rather than procuring it from the domestic markets, as global rates are lower. Thomas said so far in the current financial year, domestic prices have averaged around 185 rupees a kg compared with an average of 178 rupees in the global markets. Thomas said global rubber prices have been weak for most of the year due to the global economic slowdown, which has led to shrinking demand. India's natural rubber exports were around 58% lower on year during Apr-Nov at 9,179 tn. "We have been projecting export of 50,000 tn for last few years, but we have not touched that so far. So we had reduced that target to 40,000 tn for this year. We might not reach that (target also)," Thomas said. She said exports are not lucrative because of weak global prices. India, the fourth largest rubber producer in the world, typically exports rubber to Europe, Japan, Malaysia, Turkey and the US. Iran is also a very good market for Indian rubber exports but because of the payment issue, sales have not been very robust to the West Asian country, Thomas said. Iran is also a very good market for Indian rubber exports but sales here have not been very robust due to issues in payment, she said. These issues have cropped up following western countries' sanctions on the West Asian nation over its nuclear programme.

OUTPUT, CONSUMPTION

India's natural rubber output is now seen declining to 930,000 tn in the current financial year due to a fall in production over the past few months, Thomas said. "(Output) Projection is 930,000 tn for the current financial year. At the beginning of this year, we had projected 942,000 tn, but there was a dip in production for few months. Therefore, we have revised the production estimates," she explained. India's natural rubber production in 2011-12 had risen 4.3% on year to 899,400 tn. The fall in production notwithstanding, there would be enough supplies in the country to meet the projected consumption of 1.06 mln tn, Thomas said. "Though, consumption is higher than production, we would have lot of stocks and imports. We started the year (April) with a stock of 230,000 tn. We would end this year (March) with a stock of 270,000 tn because of more (higher) imports," she said. In 2011-12 (Apr-Mar), the country's rubber consumption had risen nearly 2% on year to 966,215 tn.

#### PLANTATION PUSH

Thomas said the Rubber Board has taken up planting activities in a major way and is eyeing plantations in non-traditional areas. "We are trying to expand rubber production in the northeast, parts of West Bengal, Odisha, Andhra Pradesh, Maharashtra and Karnataka. Target for this year 23,000 ha for new planting and 10,000 ha for replanting," she said. Thomas said there has been a lot of rubber planting post-2002, so most of the trees are young. "So we don't have to worry about the recovery and yield. This year also there will be considerable replanting of rubber plants and it gets rejuvenated. Therefore, condition of plants is not a matter of concern as of now," she said. She said, the total area under rubber plantation in 2011-12 was 750,000 ha and the Board has targeted an additional 24,000 ha of new plantation and 17,000 ha under re-planting in the current financial year. The life span of a rubber tree in a plantation is 32-35 years, of which about 25 years constitute the productive phase. "Projection for 2013-14 replanting is 15,000 ha, and new planting is 23,000 ha. The projection for 2013-14 is less due to sufficient old plantings," Thomas said. NewsWire18