

India: Trade minister Sharma favours revision in rubber import duty

NEW DELHI, Monday, Mar 4: Minister for Commerce and Industry Anand Sharma today said there is a need to revise import duty on rubber.

Industry officials have demanded around 70% hike in import duty for natural rubber in order to safeguard the interest of domestic rubber growers.

According to industry sources, the minister had a meeting with Members of Parliament from Kerala and it was decided that the commerce ministry would soon send a proposal on the same to the finance ministry.

Kerala is India's biggest rubber producing state.

The minister confirmed having such a meeting, but refrained from detailing the likely alteration in the duty structure.

"We had consultation with MPs of Kerala on rubber import duty," Sharma said on the sidelines of an event here today.

Industry officials said that rubber import duty is proposed to increase to 34 rupees per kg or 20%, whichever is lower.

Currently, natural rubber attracts an import duty of 20 rupees per kg or 20%, whichever is lower.

Domestic rubber growers are concerned due to rise in imports which is hurting domestic demand for rubber and local prices.

The country's natural rubber imports rose over 18% on year to 197,113 tn during Apr-Jan.

Local price of benchmark RSS-4 variety of rubber has declined to 157 rupees per kg as on Friday from around 190 rupees in early October.

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