

India: Ease supply of rubber, tyre makers tell Board

The tyre industry has sought availability of natural rubber in the face of acute supply shortage in the domestic market. With the onset of lean season in rubber tapping, the industry has started feeling the supply pinch especially ISNR in the domestic market. The Automotive Tyre Manufacturers Association, the apex body for tyre makers, in a communication to the Rubber Board has said that limited quantities which are available with the dealers are not being supplemented by arrivals from growers, resulting in interruption of smooth flow of the commodity to the end-consumers.

PRICES TREND Having stayed below international prices for about three months, domestic rubber prices have begun to cost more than global rubber. RSS 4 prices are currently ruling at Rs 162.50, while international prices for the comparable grade RSS-3 are lower at Rs 157.22.) For SMR-20, prices are Rs 146.23. “What is adding to the supply crunch situation is the fact that domestic prices have started rising and have once again overshoot the international prices. Normally when the price trend is rising, growers tend to hold on to the commodity in the hope of fetching higher prices leading to supply side constraints. “Unfortunately, that leaves the rubber consumers with no other option but to contract imports,” Rajiv Budhraj, Director-General, ATMA, said in a statement.

ERRATIC SUPPLY According to ATMA, it is surprising that an erratic supply in rubber is being experienced despite the presence of an unprecedented high quantity of stocks in the country (approx three lakh tonnes) as claimed by the Rubber Board. Of the total stock, the growers have a record high level of 1.33 lakh tonnes in January, which is 35 per cent higher than the stock of 0.98 lakh tonnes in the same period a year ago. ATMA has, therefore, expressed concern on erratic and uncertain availability of rubber and has appealed to the Board for immediate redress of rubber availability issue.

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