

### **India: Marginal increase in rubber production in FY13**

Natural rubber production increased 0.9 per cent to 912,200 tonnes in 2012-13 from 903,700 tonnes the year before. According to Rubber Board data, consumption edged up slightly (0.8 per cent) to 971,980 tonnes last financial year against 964,415 tonnes in the year before. Earlier, the Rubber Board had projected a total production of 930,000 tonnes and a consumption of 10,06,000 tonnes for the last financial year, with an annual deficit of 76,000 tonnes. Industry experts had told Business Standard the shortage might be more than 150,000 tonnes. However, the board did not see any shortage in the domestic market as the local market has “good stock” and the industry has entitlements to import 150,000 tonnes through duty-free channels. As of now, total yearly deficit is 59,780 tonnes, according to the provisional data. Natural rubber production and consumption moved vice versa during March as production fell six per cent, while consumption was up at the same rate. The March output was 52,000 tonnes against 55,300 tonnes a year ago. Scorching summer heat has halted tapping of trees in most plantations since mid February, leading to a 4.7 per cent fall in production during the month.

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The absence of summer showers has worsened the situation and rubber trees were damaged in many parts of Kerala, where around 92 per cent of the production is carried out. Extreme summer heat is continuing in the state and this will badly hit production in April and May, too, according to rubber farmers of Kottayam district. Last month, consumption edged up six per cent to 79,000 tonnes against 74,500 tonnes in March 2012. Though imports fell heavily in March, total imports in 2012-13 increased to 216,642 tonnes, which is an all-time high. In 2011-12, imports stood at 213,785 tonnes. During March, imports dropped to 9,199 tonnes against 23,330 tonnes a year ago. From December 2012 onwards, local prices of rubber were pretty lower than the international figures and this caused a drop in imports during January-March. Meanwhile, exports were in bad shape during the last financial year, though the figure had shown a slight improvement, compared to the previous fiscal. Total exports were 30,353 tonnes, compared to 27,145 tonnes in 2011-12. Interestingly, out of the total, 7,582 tonnes exports took place in March alone. According to the board’s provisional estimates, India had a total stock of 266,000 tonnes at the end of FY13. This was 236,275 tonnes as on March 31, 2012.

Business Standard