

Small rubber units seek curbs on cheap imports

Import of finished rubber products from China and the nearby countries is threatening the existence of small non-tyre manufacturing industry in India. Around 1200 small rubber units manufacturing products like balloons, gloves, latex foam, rubber mat and sheets have either closed down operations or are on the verge of closure. Of the total 4,500 tyre and non-tyre manufacturers in the country, almost 4,000 are small units. In value terms, the small manufacturing rubber units account for production of around Rs 4,000 crore. Among others, 60 large tyre manufacturers account for Rs 25,000 crore of production whereas around 450 large and medium non-tyre manufacturers contribute production worth Rs 17,000 crore. According to All India Rubber Industries Association, 30 to 40 per cent of these units are under serious threat. Industry insiders believe that around 15 to 20 per cent such units have already closed operations and another 10 per cent was in process of doing so. “The imports of such finished products have been on a rise during the past few years. These articles have been largely coming from China, Taiwan, Thailand and Korea. These products, after all the freight and landing charges are quite cheaper than Indian finished products. We have heard that the governments in these countries are very pro-active towards exports and provide the exporting units with subsidies and incentives that make the end product cheaper than the Indian goods,” said Vinod T Simon, president of Airia. According to him, the import policies of the Indian government were also not very friendly for the manufacturing sector as the duty on the raw material and on the finished goods were almost same. “The finished products attract duties between five to seven per cent or maximum 10 per cent. We have also noticed cases where the cost of imported goods remains cheaper than the Indian made goods. This is a very serious threat to the manufacturing sector,” he said. Airia has asked the government to impose anti-dumping duties on these cheaper rubber products. Airia has also initiated a study to determine the exact gravity of the situation in the sector and the number of units that have closed down. This report will be submitted to the government. According to the data made available by the ministry of commerce, the import of gloves, rubber mittens and mitts from China has increased 114 per cent in 2010-11 as compared with 2009-10. Imports from Malaysia also went up by 168 per cent. China’s export of inner tubes of rubber to India grew 37 per cent. The import of pneumatic tyres from China has also grown by 34 per cent, Japan by 132 per cent and Korea by 126 per cent. Shipment of tubes, pipes and hoses from China grew 167 per cent during the period. “The import figures of all non-tyre articles are not available as many are imported under the heads like plates, rods, strips and sheets,” said Alok Goyal, deputy secretary general, Airia.