

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 1803
ANSWERED ON 04/08/2023

IMPACT OF IMPORT DUTY ON RUBBER FARMERS

1803. DR. JOHN BRITTAS:

Will the Minister of COMMERCE & INDUSTRY be pleased to state:

- (a) whether preferential rate of import duty in the Free Trade Agreement (FTA) with ASEAN for compound rubber is 0–5 per cent, affecting the rubber farmers in Kerala;
- (b) if so, whether Government would re-negotiate the FTA with ASEAN to enhance import duty;
- (c) whether Government has received multiple representations to provide MSP for rubber;
- (d) if so, whether Government would review its earlier stand, considering the precarious condition of rubber farmers;
- (e) whether Government of Kerala has requested support from Central Government for raising its rubber production incentive from ₹170 to ₹250 per Kg; and
- (f) if so, response of Central Government thereto?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

(a)& (b): The preferential duty applicable on import of compounded rubber (HS 4005) under ASEAN-India Trade in Goods Agreement (AITIGA) is as under:

HS 400510 – 0%

HS 400520 – 5%

HS 400591 – 5%

HS 400599 – 5%

However, Natural Rubber in almost all commercially traded forms (under HS codes 400110, 400121, 400122 and 400129) is kept under the exclusion List of AITIGA. Further, India and ASEAN are constructively engaging on review of ASEAN-India Trade in Goods Agreement.

(c)& (d): Government of India, presently, fixes Minimum Support Price (MSP) for 25 agricultural crops. These prices are fixed on the basis of recommendations of the Commission for Agricultural Costs & Prices (CACP), views of State Governments and other supply situations of various crops in domestic and world markets, etc. Crops considered under MSP are generally major agricultural commodities which are widely grown and have large area under cultivation, are generally items of mass consumption and/or necessary for food security.

(e)& (f): Yes. However, such proposal is not under consideration currently. Government of India through Rubber Board is implementing the scheme “Sustainable and Inclusive Development of Natural Rubber Sector” for the development of natural rubber sector. Under the scheme, Rubber Board provides subsidy for new planting and replanting (of senile plantations) to growers. Rubber Board also provides quality planting material, promotes Rubber producers Societies (RPS), sets up Group Processing Centres, provides training for tapping of rubber trees and processing of field latex, provides assistance for rain guarding to increase number of tapping days and provides assistance for prevention of diseases in rubber plantations.
