

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

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1480**  
**TO BE ANSWERED ON 15/12/2023**

**CORRESPONDING DISPARITY IN PRICES OF NATURAL RUBBER AND TYRES**

**1480. SHRI A. A. RAHIM:**

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

- (a) whether the drastic reduction in the price of natural rubber (the principal raw material for tyre) in the market in the recent years has resulted in a corresponding decline in the prices of tyres;
- (b) if not, the reason therefor;
- (c) whether Government has taken note of such a disparity; and
- (d) if so, whether Government has taken any remedial steps to check such disparity?

**ANSWER**

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

**(a) to (d):** Natural Rubber constitutes around 28% of the composition of a tyre (by weight). Crude based raw materials such as carbon black, rubber chemicals, tyre cord fabrics and synthetic rubber also constitute a large share of tyre composition. In addition, other materials such as steel tyre cord, bead wire etc. are also used in tyres.

In the last three years, the price of sheet rubber (RSS grade 4, tyre grade) has increased at a CAGR of 5.04% from Rs 141.85 per kg in 2020-21 to Rs 156.52 per kg in 2022-23. During the same period, the price of crude oil has also increased by more than two times. Further, market prices of carbon black, which is another major component in tyres, has increased substantially during the last three years.

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