

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

LOK SABHA
UNSTARRED QUESTION NO. 3058
TO BE ANSWERED ON 06th AUGUST, 2018

PORT RESTRICTIONS ON RUBBER IMPORTS

3058. SHRI MULLAPPALLY RAMACHANDRAN:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government has eased port restrictions on import of rubber under the Advanced Authorisation Scheme;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government is aware that the decision will cause huge import of rubber and further decline in the price of natural rubber in the domestic market and if so, the reaction of the Government thereto;
- (d) whether the Government has proposed any measures to address the issues faced by the rubber cultivators in the country due to price fall of natural rubber; and
- (e) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

- (a) & (b): Government has eased port restriction on import of Natural Rubber under Advance Authorisation vide Notification No.11/2015-2020 dated 12th June, 2018. Natural Rubber imported under Advance Authorisation does not enter the domestic market and is used for export production and therefore is unlikely to influence the domestic price. The objective of removal of port restrictions on import of Natural Rubber under Advance Authorisation was to reduce logistics cost for exporters and making them more competitive in the international market.
- (c): Under Advance Authorisation Scheme, duty free import of input is allowed based on input-output norms for further value addition in the country. Moreover, the scheme is subject to Actual user condition to ensure no diversion takes place to domestic market. Therefore, import of Natural Rubber under Advance Authorisation is unlikely to influence the prices in domestic market.

(d) & (e): The domestic rubber prices are highly sensitive to import of Natural Rubber. To regulate the import of Natural Rubber, the Government has increased the duty on import of dry rubber from "20% or Rs.30/- per KG whichever is lower" to "25% or Rs.30/- per KG whichever is lower" with effect from 30.04.2015 in order to create demand for locally produced rubber. The Government has also reduced the period of utilization of imported dry rubber under Advance Licensing Scheme from 18 months to 6 months. Moreover, Port Restrictions is still applicable on import { only through NhavaSheva (Jawaharlal Nehru Port) and Chennai} on natural rubber of all varieties /forms which are outside Advance Authorisation..
