

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

LOK SABHA
UNSTARRED QUESTION NO. 1265
TO BE ANSWERED ON 11th FEBRUARY, 2019

NATURAL RUBBER POLICY

1265. DR. PRITAM GOPINATH MUNDE:

SHRI SHRIRANG APPA BARNE:

SHRI G. HARI:

SHRIMATI P.K. SREEMATHI TEACHER:

SHRI MULLAPPALLY RAMACHANDRAN:

DR. SHRIKANT EKNATH SHINDE:

SHRI ADHALRAO PATIL SHIVAJIRAO:

SHRI M.B. RAJESH:

SHRI ANANDRAO ADSUL:

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

- (a) whether the rubber industry will continue to grow faster, create more employment opportunities, increase exports and add to the economic output of India;
- (b) if so, whether the Government has assessed the potential of the rubber industry in respect of creation of employment and increase of export and if so, the details thereof;
- (c) whether the rubber industry is facing many issues which create hindrance in the growth of the industry and if so, the details thereof along with the details of various issues faced by rubber cultivators in the country including Kerala;
- (d) whether the Government has proposed or is developing a National Rubber Policy to address various issues concerning the sector with a view to boost productivity and also to ensure remunerative price for natural rubber;
- (e) if so, the details thereof along with the time by which a final decision is likely to be taken in this regard; and
- (f) whether the Government will consider to reduce the import of rubber to protect the struggling cultivators and 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):Consumption of rubber (natural rubber, synthetic rubber and reclaimed rubber) by domestic rubber products manufacturing sector increased from 1.46 million tonnes in 2010-11 to 1.88 million tonnes in 2017-18& export of rubber products increased by 148% during the period providing/creating employment opportunities in the sector. Rubber Board has projected natural rubber production and consumption in 2030-31 as 1.41 million tonne and 2.04 million tonne respectively. Increase in rubber production and consumption would lead to creation of more

employment and export. The Indian rubber industry provides the maximum employment per unit capital invested in the Micro Small and Medium Enterprises (MSME) sector.

(c) : Rubber products manufacturing industry is faced with several issues like inadequacy of raw materials, low level of technology in non-tyre sector, competition from imported products etc. Rubber growers in Kerala and other states are confronted with issues such as low prices, shortage of skilled tappers, changing climate etc.

(d) &(e): A Task Force was constituted to recommend short term solutions and long term strategies for mitigating the problems being faced by the rubber growers in the country including those in Kerala especially prevailing low prices, boosting production to bridge the gap between demand and supply, shortage of skilled tappers, changing climate etc., to coordinate and develop synergy with the various Ministries/ Departments of the Central Government and State Government and to suggest a policy on rubber. The Task Force submitted its report to this Department including recommendations on short term strategy and long term strategies for development of Rubber sector in the form of draft National Rubber Policy.

(f): Import of goods is done by importers as per the applicable import policy related to the goods. Import of goods can be free, restricted or prohibited. Natural Rubber (NR) is free to be imported on payment of customs duty as there are no Quantitative Restrictions (QRs) on its import. The domestic NR price is highly sensitive to import of NR. Therefore, to address this issue, 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 30.4.2015 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 six months. To address various regulatory concerns, Director General of Foreign Trade (DGFT) has imposed port restriction on the import of Natural Rubber by restricting the port of entry to Chennai and NhavaSheva (Jawaharlal Nehru Port) from 20th January, 2016.
