

Rubber bodies condemn port restrictions on import of rubber

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Rubber consumers represented by All India Rubber Industries Association and Automotive Tyre Manufacturers Association have strongly criticised the port restrictions on import of rubber, terming the move as anti-industry.

Restrictions were placed on import of a critical raw material such as rubber strike at the very root of Make in India Initiative. India is grossly deficient in production of rubber. Despite the fact that rubber prices in India are about 20 per cent higher than international prices, there is acute deficit. Rubber imports are therefore inevitable for manufacturing. Port restrictions are another way of putting non-tariff barriers for import of raw materials, said Raghupati Singhania, Chairman ATMA.

Governments in other natural rubber producing countries are providing incentives for domestic value addition. On the other hand, India is increasing restrictions on availability of raw material to the industry, he added.

Prime Minister had assured that rubber products manufacturing will be included in Make-in-India. However there cannot be any Make-in-India if raw material is not available or if restrictions are placed on its availability to the manufacturers, said Mohinder Gupta, President AIRIA.

Earlier the export obligation period was drastically reduced from 18 months to 6 months wherever natural rubber is allowed as an input (under Advance Authorisation scheme) making it difficult for MSMEs to cope with such stiff laws. Later the import duty on natural rubber was enhanced to 25 per cent making it one of the highest in the world. And now port restrictions have been placed on import of rubber. Certainly the Government has not kept in mind the plight of thousands of rubber MSMEs who will be gravely affected by this decision", he said.

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