

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:90
ANSWERED ON:15.11.2010
PRODUCTION AND PRICES OF NATURAL RUBBER
Mani Shri Jose K.;Ramasubbu Shri S.

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

- (a) the production and consumption of natural rubber during the last three years, year-wise;
- (b) whether the market prices of Indian natural rubber are at par with international prices;
- (c) whether the rubber prices in the country have shown a significant rise, causing ripple effect on the tyre industry and the general public;
- (d) if so, the details thereof and the reasons therefor;
- (e) whether the rubber tyre industry has alleged artificial shortage of rubber and demanded a ceiling on its market price;
- (f) if so, the details thereof and the reaction of the Government thereto; and
- (g) the steps taken to contain the rubber prices and increase production?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

(a) to (g): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF LOK SABHA STARRED QUESTION NO. 90 FOR ANSWER ON 15TH NOVEMBER 2010 REGARDING "PRODUCTION AND PRICES OF NATURAL RUBBER"

(a) The production and consumption of natural rubber during the last three years is as under:-

(tonnes)

Year 2007-08 2008-09 2009-10

Production 825,345 864,500 831,400

Consumption 861,455 871,720 930,565

(b): Domestic Rubber prices generally follow the trends in the international market. During 2009-10, the average annual price in the domestic market was Rs.114.98 per kg. as against Rs.111.13 per kg. in the international market.

(c) & (d): Yes, Madam. The average price of RSS 4 grade rubber in October 2010 was Rs.181.12 per kg as compared to Rs. 108.98 per kg in October 2009, an increase of 66 per cent. However, the increase in average rubber price in the year 2009-10 was only 13.7 per cent as compared to the price in 2008 -09. The main reasons for the increase in rubber prices in India in the recent past include similar price trends in the international market, relatively low market arrivals, increasing demand in the domestic market and persisting adverse weather conditions in the major rubber growing regions of Kerala.

(e) to (g): Yes, Madam. The tyre industry has averred that there is a shortage of natural rubber and demanded a ceiling on its market

price by notification of maximum price of natural rubber. However, the Government is of the view that fixation of any maximum price for natural rubber may not be desirable, keeping in view the interest of all the stakeholders and sustainable existence of the rubber sector as a whole. The entire situation including the price trends, import trends and supply of natural rubber in the domestic market is closely monitored by the Government. Several programmes covering research, extension and provision of financial assistance are being implemented under 11th Five Year Plan to increase rubber production through new planting, replanting of uneconomic plantations, productivity enhancement and extension of rubber cultivation in non-traditional areas including North East Region