

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

STARRED QUESTION NO:529
ANSWERED ON:14.05.2012
RUBBER PRICES
Singh Shri Radhey Mohan

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

- (a) whether the rubber industry has been facing the problem of fluctuation in the prices of natural rubber;
- (b) if so, the reasons therefor and the details of the prices of the natural rubber both in the international and domestic market during each of the last three years;
- (c) whether the commodity futures can help contain the prices of rubber in the domestic markets;
- (d) if so, the details thereof alongwith the views of the experts in this regard; and
- (e) the steps taken/being taken by the Government to protect interests of the rubber planters, rubber industry and the consumers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 529 FOR ANSWER ON 14TH MAY, 2012 REGARDING "RUBBER PRICES"

(a) & (b): Yes, Madam. The Price of natural rubber (NR) depends on the supply-demand position, the price of synthetic rubber, global economic concerns, oil prices, exchange rates of major exporter currencies and weather factors. Fluctuations in these factors lead to fluctuations in rubber prices. The prices of NR in the international and domestic market during the last three years are given in the following table:- Price of Natural Rubber

Year	Natural Rubber (Sheet) (Rs./Kg.)	
	Domestic	International
2009-10	114.98	111.13
2010-11	190.03	195.55
2011-12	209.05	209.15

(c) & (d) : The commodity futures can help to minimize the fluctuations in the price of rubber in the domestic markets. Futures trading in natural rubber with adequate regulations to prevent manipulations, may be beneficial to all stakeholders in the rubber industry. A Panel of Experts, constituted by the Government in 2010 in pursuance of the directions of Hon'ble High Court of Delhi, had also opined that futures trading is a competitive market tool to supplement and support physical trading, especially in the context of integration of the domestic natural rubber sector with the world market. Future trading of natural rubber was introduced in India in 2003. The price trends and demand-supply gap of rubber in the domestic as well as international markets are regularly monitored by the Government.

(e): The Government is taking several steps to protect the interests of rubber planters, rubber industry and consumers through the various Plan Schemes. During 11th Plan period, six schemes on Rubber Plantation Development; Rubber Research, Processing, Quality Upgradation & Product Development of Rubber, Market Development and Export Promotion; Human Resource Development and Rubber Development in North-East were implemented to protect the interest of all stakeholders of the rubber sector.