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Title: Problems being faced by the small and marginal natural rubber growers in the Country.

SHRI K. FRANCIS GEORGE (IDUKKI): Mr. Chairman, Sir, the price of natural rubber had fallen from Rs. 143 per kg. to Rs. 60 per kg. of late causing severe hardships to the small and marginal farmers who form about 92 per cent owning less than 0.5 hectares. There are about one million farmers of this kind and about three million workers in this sector in Kerala State. The loss to the State is to the tune of Rs. 6,777 crore.

Due to global economic crisis and low cost of crude oil, the price of natural rubber had come down. Also the large scale import of truck and bus tyres into the country has aggravated the problem. The import of truck and bus tyres into the country increased from 80,000 in 2002-03 to about 13.28 lakh in 2007-08. Passenger car tyre imports also increased from 1,94,000 to 16.27 lakh during the same period. China accounts for 80 per cent of truck tyres imported and more than 60 per cent car tyre import are from China and South Korea.

The import duty on tyres was reduced from 45 per cent to 10 per cent in 2007-08. Though Most Favoured Nation duty for tyres is 10 per cent, China and South Korea being signatories to the Asia Pacific Trade Agreement enjoy a preferential rate of import duty at 8.6 per cent. The preferential rate of import duty on tyres under South Asian Free Trade Agreement and India-Singapore Agreement is 5 per cent. The import tariff on tyres in major Asia Pacific countries is relatively high. For instance, it is 40 per cent in Malaysia and Vietnam and 15 per cent in Thailand and Indonesia.

The alarming increase in the import of tyres would adversely affect the domestic tyre industry, which consumes around 58 per cent of domestic production of natural rubber. The estimated natural rubber content in imported tyres increased from 2,140 tonnes in 2002-03 to 32,727 tonnes in 2007-08.

MR. CHAIRMAN : This is a lengthy statement. Please place it on the Table of the House.

SHRI K. FRANCIS GEORGE : So, I would request the Government to take the following steps urgently:

1. Impose Anti-dumping Duty and Safeguard Duty on bias tyre imports from China and Thailand;
2. Include and continue radial truck and bus tyres in the Restricted List;
3. Increase customs duty on tyres and tyre shall be included in India's Negative List for tariff concessions under bilateral/regional agreements;
4. Procure and create a buffer stock of 50,000 tonnes of natural rubber at the rate of Rs.100 per kg.; and
5. Declare rubber as an agricultural product instead of an industrial raw material.

MR. CHAIRMAN : Those hon. Members who have written statements may mention it and place it on the Table of the House.[\[R103\]](#)