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14.15 hrs.

CALLING ATTENTION TO MATTER OF URGENT

PUBLIC IMPORTANCE

**Situation arising out of fall in the prices of Rubber
and steps taken by the Government in regard thereto**

Title: Shri Suresh Kurup called the attention of the Minister of Commerce and Industry to the fall in the prices of rubber.

MR. SPEAKER: The House will now take up item No. 12 – Calling Attention.

...(Interruptions)

SHRI SURESH KURUP (KOTTAYAM): Sir, I call the attention of the hon. Minister of Commerce and Industry to the following matter of urgent importance and request that he may make a statement thereon:

"The situation arising out of fall in the prices of rubber and steps taken by the Government in regard thereto." ...(Interruptions)

MR. SPEAKER: The hon. Minister of Commerce and Industry may lay his statement on the Table.

...(Interruptions)

THE MINISTER OF COMMERCE & INDUSTRY (SHRI KAMAL NATH): Mr. Speaker, Sir, I beg to lay the statement on the Table of the House. ...(Interruptions)

* Hon. Mr. Speaker, Sir, natural rubber prices in the domestic market were ruling at low levels for a long time from 1998 to 2002. At one time, the prices had slumped to less than Rs. 30 per kilogram. Domestic prices tend to move in tandem with international prices.

The prices of natural rubber started recovering since March, 2002, partly due to various steps taken by the Government and thereafter showed considerable improvement. During the last eight months, the prices have been above Rs. 50 per kilogram, with an average price of about Rs. 63 per kilogram in June and about Rs. 65 per kilogram in July, 2004. The price in August, 2004 has been in the range of Rs. 55 to Rs. 58 per kilogram. The trend continues to be more or less in line with international prices.

From March, 2002, the international prices were generally moving slightly above domestic prices. In April-June, 2003, and again in June-July, 2004, domestic prices were higher than international prices. At present, domestic prices are slightly lower than international prices.

The steep rise in domestic prices recently was also due to unusual weather conditions that prevailed in the rubber growing tracts of Kerala. There was lower production than anticipated in May-July, 2004. Market arrivals have improved in August, 2004.

The port restrictions on the import of natural rubber which had been restricted to two ports since December, 2001 – Kolkata and Vishakhapatnam – were removed on 6.8.2004. The prices of domestic natural rubber at the time of imposing the port restrictions were low and as the prices of natural rubber had since recovered, and also taking into account the problems being faced by consumer industries, the Government has taken a decision to remove the port restrictions on import of natural rubber.

The prices today are still higher than the corresponding prices of last year and continue to be reasonably comfortable at about Rs. 55 per kilogram.

We will continue to monitor the prices of rubber. In case of any crash in domestic prices, the Government would intervene and take appropriate action to deal with the situation.* ...(Interruptions)

* The speech was laid on the Table.
