

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3902**  
**TO BE ANSWERED ON 17<sup>th</sup> JULY, 2019**

**RUBBER GROWERS**

3902. SHRI THOMAS CHAZHIKADAN:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government is aware of the grave situation being faced by the rubber growers due to the fall in the prices of natural rubber and if so, the details thereof and the steps taken by the Government to ensure adoption of fair price mechanism to the rubber growers in the country;
- (b) whether the Government has taken steps to ensure a fair price of at least Rs. 200 per kilogram of rubber to the growers and if so, the details of the amount lying with the Government under the head "Rubber Stabilisation Fund";
- (c) whether the Government is likely to disburse this amount among the rubber growers as Production Incentive in a specified manner and if so, the time-frame fixed in this regard;
- (d) whether the Government would take steps to hike the import duty of natural rubber to protect the interest of the domestic producers and if so, the details thereof; and
- (e) whether there are any arrears of subsidy to be paid to the rubber growers and if so, the amount of such arrears along with the steps taken/being taken to disburse the arrears of subsidy to the rubber growers at the earliest?

**ANSWER**

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री हरदीप सिंह पुरी )

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY  
(SHRI HARDEEP SINGH PURI)

(a) The Natural Rubber(NR) prices have been at relatively low levels during the past few years in domestic and international markets. However, the rubber prices started increasing during the recent weeks and the average price for the RSS4 grade in June, 2019 was 150.29 per kg. The NR prices are determined by market forces and a range of factors which inter-alia include trends in economic growth in major consuming countries, oil/synthetic rubber prices, weather conditions and developments in future markets. The domestic NR market generally follows the trend in world market with occasional divergences due to region specific and seasonal factors. The domestic NR price is sensitive to import of NR. Therefore, to regulate the import of NR, the Government has increased the duty on import of dry rubber from "20% or Rs. 30 per kg whichever is lower" to "25% or Rs. 30 per kg whichever is lower" w.e.f 30.4.2015. The Government has also reduced the period of utilization of imported dry rubber in January 2015 under advance licensing scheme from 18 months to 6 months. The Director General of Foreign Trade (DGFT) has imposed port restriction on the import of Natural Rubber by restricting the port of entry to Chennai and Nhava Sheva (Jawaharlal Nehru Port) since 20<sup>th</sup> January, 2016.

(b) & (c) Natural Rubber is not included in the items for which Minimum Support Price(MSP) is notified. There is no scheme under the head “Rubber Stabilisation Fund” in the Department of Commerce.

(d) WTO bound rate is 25% for all dry forms of NR (HS 400121, 400122 and 400129) and latex (HS 400110) is unbound. Current applied rate of dry forms of NR is 25% or Rs. 30 per kg. whichever is lower and that of latex is 70% or Rs. 49 per kg. whichever is lower. As the import duty of dry forms of NR is already equal to bound rate of 25%, it cannot be raised further. Import duty of latex is already on higher side and latex formed only 1.7% of imported rubber in 2018-19.

(e) As such, no arrears of subsidy are pending. However, more applications than those which could be sanctioned out of approved/allocated funds, were received in the past few years. Whenever funds are made available, these applications would be considered based on their sanction status, scheme guidelines and eligibility of the beneficiaries.

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