

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

UNSTARRED QUESTION NO:961
ANSWERED ON:01.08.2006
PRICE/ IMPORT OF RUBBER
Athithan Shri Dhanuskodi

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

- (a) whether the price of rubber has gone up during each of the last three years and the current year;
- (b) if so, the reasons therefor;
- (c) whether the All India Rubber Industries Association had requested the Government for import of natural rubber through State Trading Corporation for Small Scale Units in the Country;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to control shortage and price of rubber?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a): Yes Sir.

(b): The domestic price of natural rubber is mainly determined by the international price. Various factors such as sustained economic growth in major rubber consuming countries, unforeseen climatic factors resulting in tight supply situation in some of the producing countries, and the developments in the oil sector leading to an increase in the price of synthetic rubber, have influenced the increase in the international price of Natural Rubber.

(c) & (d): Yes. However, the proposal may not be practical as the international price of natural rubber has been ruling were above the domestic price consistently from July 2005 onwards.

(e): The production of natural rubber during 2005-06 in the country exceeded the domestic consumption and there was no shortage of natural rubber. Furthermore, various programmes are being implemented by the Government of India, through the Rubber Board, to increase the production of natural rubber in the country including in the non-traditional regions.