

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

STARRED QUESTION NO:71

ANSWERED ON:11.07.2014

PRICE OF RUBBER

Jayadevan Shri C. N.;Rajesh Shri M. B.

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

- (a) whether there has been drastic fall in the price of Natural Rubber (NR) in both domestic and international markets and if so, the details thereof indicating the price of NR both in the domestic as well as in the international markets along with the reasons for fall in its price;
- (b) whether the rubber growers and Rubber Board have urged upon the Government to increase the export quota of rubber and if so, the details thereof;
- (c) whether the Government is considering to formulate export policy on rubber, if so, the details and the present status thereof; and
- (d) the measures taken/being taken by the Government to protect the interest of rubber growers reeling under distress sale/ crashing of prices?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 71 FOR ANSWER ON 11TH JULY, 2014 REGARDING "PRICE OF RUBBER "

(a): Annual average price of Natural Rubber (NR) in the domestic and international markets during the last four years is as under:-

Year	2010-11	2011-12	2012-13	2013-14
Domestic				
Ribbed Smoked Sheet (RSS) 4 (Rs. per kg)	190.03	208.05	176.82	166.02
International				
Ribbed Smoked Sheet (RSS) 3 (Rs. per kg)	195.55	209.15	175.76	155.25

Main reasons for the fall in rubber prices in the international market are lower growth prospects of the world economy, moderating demand for Natural Rubber in China and increase in world stock of Natural Rubber. Fall in rubber prices in domestic market is mainly due to declining trend in prices in the international market, relatively low growth in the domestic demand for specific forms of Natural Rubber and increased level of import.

(b): There is no export quota for Natural Rubber and there is no quantitative restriction on import or export of Natural Rubber.

(c): Government has constituted an Expert Committee to look into all aspects of production, consumption and trade in Natural Rubber and recommend a National Policy on Rubber after examining all relevant issues.

(d) : Government has increased the import duty on dry forms of rubber from "20% or Rs.20 per kg whichever is lower" to "20% or Rs.30 per kg whichever is lower". The applied rate of duty on latex is Rs.49.00 per kg if the duty amount per kg calculated at the rate of 70% ad valorem is more than Rs.49.00 per kg from January, 2012. Government has also enhanced the rate of subsidy for rubber planting from Rs.19,500 per ha to Rs.25,000 per ha in traditional growing areas (Kerala, Tamil Nadu and Karnataka) and from Rs.30,000 per ha to Rs.35,000 per ha in non traditional areas including the North East.