

RUBBER NETWORK NEEDS EXPANSION

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Varied uses have made natural rubber a raw material of considerable value in industrial production. Only a handful of countries produce the commodity the world over. Natural rubber producing countries in South-east Asia accounts for about 85 per cent of this. Fortunately, India is among them. We produced 259, 172 tonnes of NR during 1988/89, compared to 235, 197 tonnes in 1987/88, registering 10.2 percent growth. The crop came from about 3 lakh rubber growers of whom nearly 300 are large growers, each possessing rubber area above 20 hectares.

Large growers generally sell their produce direct to the consumers. Small growers depend upon private dealers and co-operative societies to market their produce. They produced over 75 percent of the total crop in the country. Almost 85 per of this was channelled through private trade links and the rest through the co-operative network. With the emergence of Rubber Producers Societies, tyre companies like Dunlop, Modi, MRF and Vikrant have started procuring rubber direct from the small-holding sector. There were 6,450 rubber dealers in India in 1988/89. Their number was 5,808 a year ago. An increase by 645 shows 11 per cent growth over a year. Some of them maintained branches in the main consuming regions to facilitate quick movement of rubber to the factories.

The rubber industry consumed 313,800 tonnes of NR during

1988/89. This was 9.2 percent higher relative to the previous year's 287,480 tonnes. The manufacturers' number grew from 4,393 to 4,688 during the period. The rate of growth is 6.7%. Lower growth rate in the number of units in relation to the growth in consumption indicates improvement in the productive efficiency of existing units. This has been corroborated by the better working results of the rubber manufacturing units during 1988/89.

Rubber Board

To encourage rubber production a Commodity Board (Rubber Board) has been created under the Rubber Act 1947. Most of the consuming units are situated quite far from the rubber producing areas. For the orderly movement of rubber from the producing centres to the consuming points, there are provisions in the Act to license transactions in raw rubber. Taking the material out of the country for sale or otherwise is prohibited in view of the growing internal demand. To bring into account the entire NR consumption, manufacturers' purchases are regulated through licences. Cess of 50 ps is levied on every kg of NR produced in the country. This is utilised to assist enhancement in NR production.

One special feature of the NR industry is the predominance of dealers over the manufacturers. Major rubber manufacturers acquire rubber from the producing centres through own

purchasing depots or through commission agents. However, the commodity reaches the vast majority of consumers through trade links. As against 4,688 manufacturers there were 6,450 dealers on 1.4.1989. Table I gives the current distribution pattern of rubber dealers and rubber goods manufacturers throughout the the States against the positions last year and five years ago. The position of Union Territories being insignificant, has been left out.

Growth in trading

The table gives interesting observations. There has been a steady growth over the years in trading and manufacturing activities. Rubber manufacturing is concentrated in 7 out of 22 States. Three States; Arunachal Pradesh, Nagaland and Sikkim have no activity connected with rubber industry. Location of major rubber factories far away from the main rubber trading centres contributes considerably to transportation cost.

Five States; Andhra Pradesh, Goa, Himachal Pradesh, Jammu & Kashmir and Manipur have no rubber dealer but they have rubber manufacturing activities; though on a limited scale. Andhra Pradesh has 146 rubber manufacturers, but no rubber dealer. Five years ago the State had 3 dealers. This came down to 1 in 1987/88. Last year even this single trader went out of business. This situation calls for a State level probe to identify the restrictive

Table 1
Statewise distribution of rubber dealers and consumers in India

	State	Dealers			Manufacturers		
		1983/84	1987/88	1988/89	1983/84	1987/88	1988/89
1	Andhra Pradesh	3	1	—	92	132	146
2	Assam	—	1	2	2	3	4
3	Bihar	3	2	2	30	37	39
4	Goa	—	—	—	9	13	14
5	Gujarat	13	15	19	228	285	300
6	Haryana	NA	23	22	216	222	244
7	Himachal Pradesh	—	—	—	6	16	18
8	Jammu & Kashmir	—	—	—	2	2	2
9	Karnataka	22	45	52	117	199	207
10	Kerala	3103	5080	5681	531	711	742
11	Madhya Pradesh	1	5	3	33	59	70
12	Maharashtra	69	73	81	413	524	551
13	Manipur	—	—	—	—	1	1
14	Meghalaya	—	1	1	—	—	—
15	Mizoram	—	—	1	—	—	—
16	Orissa	1	1	1	10	16	20
17	Punjab	80	96	104	341	452	496
18	Rajasthan	1	1	1	39	57	64
19	Tamilnadu	146	173	183	253	395	433
20	Tripura	4	8	9	—	3	4
21	Uttar Pradesh	35	52	52	297	419	442
22	West Bengal	69	85	92	400	460	482

practices which hampered the rubber trade. Proximity of raw material is important in industrial activity.

Reverse is the position in Meghalaya and Mizoram. They have a rubber dealer each, but no rubber manufacturing unit. Rajasthan is another State with a sole rubber dealer. It has 64 rubber manufacturing ventures including the major unit of JK Tyres. Orissa has also only one dealer, but there are 20 rubber goods producing units. There is no major consumer. Perhaps this deficiency would be overcome shortly as Kesoram Industry's tyre unit under establishment in the Balasore District goes into production in about a year.

Orissa holds prospects for natural rubber production. A few rubber plantations have

come up in the State in the private and the public sectors. If a portion of the large extents of denuded and degraded forest lands is converted into rubber, the State can become a major supplier of natural rubber trading and manufacturing would considerably improve.

Gujarat has as many as 300 rubber manufacturers, but only 19 rubber traders. The position is not much different in Madhya Pradesh, where 3 dealers function against 70 manufacturers. This State too has scope for developing rubber plantations. Performance of the recently introduced rubber plants suggest that Bastar District will not be inhospitable to rubber.

In Tamilnadu there are 433 manufacturers against 183 dealers. Karnataka has 52

dealers against 207 manufacturers. These two States occupy respectively the second and third positions in NR production in the country. There is potential for improving NR production and consumption in these States.

Maharashtra stands second in India in the number of rubber consuming units, and first among the States in consumption of natural rubber; about 50,000 tonnes a year. The State has 551 rubber goods units to serve whom there are 81 dealers. It is the only State where almost all kinds of rubber goods used in India are produced.

Maharashtra has successfully established trial plantations in rubber both in the public and the private sectors, though the gestation period has been longer. Plantations raised

in Konkan have taken a long spell to mature, probably due to low moisture status of the soil. Prolonged drought in the region for about 7 months a year arrest the growth of rubber. Rubber can come up well in areas with potential for irrigation. The Rubber Board has set up a Regional Research Station in Dapchari to study the climatic conditions, sort out plant varieties tolerant to moisture stress and evolve agro-management practices suited to the region. The State Government is eager to convert a considerable portion of the waste land into rubber plantations. Waste land and degraded forest lands can foster the crop once Centre's permission is obtained to treat rubber as an afforestation species. Proper initiatives in this direction would help the State to produce enough rubber for own consumption by the turn of the century.

West Bengal ranks third both in setting up rubber goods making units and in rubber consumption. It has the unique distinction of achieving breakthrough in commercial production of rubber goods in the country during the pre-war days, both in the tyre and the non-tyre sectors. The State is the headquarters of proofed fabrics in the country. In fact proofed fabric was the first commercial item produced in India using rubber. The only aero tyre unit in the country is also situated in the State. The 92 rubber trading units can ensure supply of raw rubber to the 482 rubber manufactures.

It is another State where rubber cultivation could be introduced successfully. The Forest Department raised about 8 hectares of rubber in 1980. Fresh initiatives have come up recently to establish a Regional Research Station in Nagarkutta and to set up

a rubber nursery to indigenously raise good plant material. Hill Districts of Jalpaiguri, Darjeeling, Siliguri and Cooch Behar have been identified to possess potential to plant rubber.

Uttar Pradesh stands second in NR consumption, but in the matter of setting up manufacturing units it has only the fifth place. With 52 dealers, the State has enough arrangement for supply of raw rubber to the 442 factories.

Punjab has a firm foot-hold on rubber based industry in the small scale sector. Though terrorist violence has been rocking the State in the past few years, there is no let up in the industrial activity. In fact the industrial sector has steadily progressed in recent times. With about 500 rubber goods producing units, over 100 dealers and over 35,300 tonnes of NR consumption a year, the State has already established a sound base in rubber goods manufacture.

Kerala tops the States in the number of dealers and in the number of goods manufacturers. But it has only the fourth place in NR consumption. The rubber consumption is about 34,000 tonnes a year, which is around 14 per cent of the total NR production of the State. Dealers far outnumber the manufacturers. This is natural since the State produces over 90 percent of the NR in the country. A notable feature is existence of tiny trading units, many of which are run by the educated unemployed youth. Dealers whose individual transactions come to less than 50 tonnes a year number over 2,000. There is good scope for developing rubber products manufacturing units in Kerala, as majority of the rubber goods used in the State are brought from outside.

States in the north-east region like Assam, Manipur, Tripura, Meghalaya, Misoram, Nagaland and Arunachal Pradesh have to progress considerably in rubber trading and manufacturing activities. There are only 13 dealers in the whole region while the number of rubber manufacturers comes to 9. These are small units. Majority are in Tripura; 9 dealers and 5 manufacturers.

Rubber cultivation has been introduced to most of these States. Regional Research Centres and development and extension offices set up by the Rubber Board point to the large scale rubber plantation developments in the offing. Already 20,000 hectares have been brought under rubber and potential areas for extension of the crop have been located in many places. NR availability in the region may go up considerably in the near future. The States should seriously think of meeting domestic demand of rubber goods by own production rather than continue to exist as captive markets for goods made in other regions.

To sum up, the network of rubber consuming and distributing agencies in the country is not evenly distributed among the States. Pronounced imbalances are noticed in the northernmost States. Special drives on industrial development may correct the imbalance. Rubber trading activities have to considerably improve also in Andhra Pradesh, Madhya Pradesh, Orissa and Rajasthan. Simultaneously improvements have to be brought about in rubber manufacturing activities. Private initiative should be encouraged in achieving this with the State machinery functioning as a catalyst and guide. After all, rubber goods are needed for civilised life and no State can keep off its consumption. □