



# Rubber sector not exploiting export potential

**The traders and manufacturers are a bit lackadaisical and so the immense export potential remains to be exploited.**

In the Rs.19,000-crore world rubber trade, India's contribution accounted for a meagre Rs. 263 crore in 1990-91. This pathetic show stands in stark contrast to the immense potential of the Indian rubber goods manufacturing industry to cater to the overseas market. True, there has been steady increase in the earnings from export of rubber goods, but unfortunately, it is not in tune

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with the enormous volume involved in the world trade in rubber goods.

Not that the Indian industry is lacking in required infrastructural facility to intensify export efforts. But the indifference of the manufacturers and traders is the problem. The monitoring process by the concerned export promotional agency, CAPEXIL, is lopsided.

According to a study conducted by the Export-Import Bank of India, a few rubber products like rubber tyres and tubes, hoses, beltings, hygienic rubber articles and footwear have been identified as high-thrust areas for exports. Though most of the rubber goods manufacturing units in the country have all the required facilities to produce these items at competitive prices, many small scale units which make up more than 90 per cent of the Indian rubber goods manufacturing units, lack technical capability to produce export worthy goods. Also, they are totally unaware of the export potential of their products. Hence, the significance of the services of the agency entrusted with export promotion work. According to the Exim Policy an export promotional agency has to project India's image abroad as a reliable supplier of high quality goods and services and should encourage and monitor the observance of international standards and specifications by exporters. For performing the above role, it is imperative that CAPEXIL should have the combined expertise of technology and marketing.

Exporting is not a casual business and international markets are not places

to get rid of occasional surplus. When a unit has finally decided to enter the field of export marketing, it has to tune its production and marketing activities in line with the international requirements. Goods for export must be produced according to international standards and specifications. Such exporting units should keep abreast with the latest position regarding product quality standards

delivery schedules are relatively short. Considering the low production capacity of Indian rubber goods manufacturing units, it becomes rather impossible in many cases even for making offers for the supply. The export promotional agency should develop a data base of Indian rubber goods manufacturers and this will easily help in locating manufacturers product-wise. Formation

that some of the exporters are not fully aware of the intricacies of export costing and also of the governmental incentives for promoting exports. Lack of such vital information sometimes leads to offers becoming non-competitive and loss of the opportunity to do export business. Appropriate steps are to be taken by the promotional agency for making the exporters aware about the incentives for exports notified by the Government periodically.

### Estimated Item-wise export figures of rubber goods

(in Rs.million)

Item	Year		
	1988-89	89-90	90-91
1. Automobile tyres & tubes	763.0	1505.0	1826.0
2. Beltings	130.0	243.2	241.0
3. Footwear items	68.6	128.3	119.5
4. Cycle tyres & tubes	46.3	67.6	120.0
5. Hygienic & pharmaceutical rubber goods	45.2	59.2	139.0
6. Rubber hoses	30.0	52.8	77.0
7. Rubber coats & aprons	13.4	16.6	11.0
8. Rubber sheetings	5.8	20.0	7.2
9. Miscellaneous rubber products	41.3	60.0	89.8
Total	1143.6	2152.7	2630.5

and should be properly advised to produce goods meeting international standards. And a systematic and planned approach based on overseas market requirements for rubber goods is a must.

Primarily, rubber goods exporters should be made aware of the current trends in quality considerations abroad. Likely the impact of ISO 9000 systems on export of rubber goods from the country has to be clearly made known to the exporters, CAPEXIL should take appropriate measures to ensure this. The agency should render all the required assistance to rubber goods manufacturers in obtaining ISO 9000 accreditation.

Export enquiries are often received for fairly large quantities of goods and

of a consortium by manufacturers of similar products has also to be given due consideration.

On receiving export enquiries for different rubber goods, the agency can find out from the data base the list of potential suppliers and act accordingly. When the export orders are received, the agency should assist units if required, by providing technical support for producing goods of consistent quality meeting consumer requirements. The export promotional agency should also keep track of the successful as well as unsuccessful exporters and assist the latter in overcoming the hurdles in exporting.

Price competitiveness in offers is a very important aspect for success in export business. It is sometimes noticed

Indian exporters of rubber goods, at least a few, are not serious about the time schedules for executing export orders. This complacent attitude on the part of a few exporters sometimes tarnishes the image of the Indian rubber goods exporters in general. Indian exporters should also be advised in this regard.

The export promotional agency should be adequately equipped to collect enquiries from abroad for various rubber goods and make available the particulars to all potential exporters within the shortest time possible.

Any delay in this can lead to our exporters losing the chance to tap the potential. The officials handling export promotional works should be more service oriented and dedicated and establish very good liaison with the exporters.

The main rubber items exported from India are automobile tyres and tubes, cycle tyres and tubes, rubber beltings, hoses, sheetings, footwear, coats and aprons for textile industry and pharmaceutical rubber products. Presently, rubber goods are being exported to about 55 countries which include USA, Germany, France, UK, Japan, Australia, Belgium, Denmark, Sweden, Spain, Italy and Gulf countries. Of the export earnings from rubber goods for the year 1989-90, about 70 per cent was from auto tyres and tubes, 11 per cent from belting, six per cent from footwear and three per cent from cycle tyres and tubes. □