



Shortage of Natural Rubber in India

For Prelims: [Natural Rubber \(NR\)](#), [Bangladesh Turmoil](#), [Monsoon](#), [Tyre Industry](#), [Small and Micro Enterprises](#), [Polymers](#), [Latex](#), [Proteins](#), [Starch](#), [Alkaloids](#), [Loamy or Laterite Soil](#), [Sustainable & Inclusive Development of Natural Rubber Sector \(SIDNRS\)](#), [National Rubber Policy 2019](#), [Carbon Market](#).

For Mains: Rubber Industry and its Challenges, Government Policies and Initiatives.

Source: [TOI](#)

Why in News?

India is experiencing a significant shortage of [natural rubber \(NR\)](#), with domestic production lagging behind demand by approximately **5.5 lakh tonnes**.

What are the Causes of Shortage of Natural Rubber in India?

- **Demand-Supply Gap:** Despite an increase in NR production from **8.39 lakh tonne** in 2022-23 to 8.57 lakh tonne in 2023-24, consumption has surged from **13.5 lakh tonne** to **14.16 lakh tonne**.
 - Currently, about **70%** of NR is consumed by the [tyre industry](#). The remaining **30%** is utilised by **non-tyre companies**, predominantly [small and micro enterprises](#), which are suffering the most.
- **Import Dependence:** India has historically depended on NR imports due to **insufficient domestic production**.
 - India imports natural rubber to meet local demand from neighbouring countries such as [Vietnam](#) and [Indonesia](#).
- **High Import Duty:** NR imports face a **25% customs duty** or **Rs 30 per kg** whichever is higher. Latex rubber used for making gloves and balloons has a total 75% duty.
 - There is a shortage of latex rubber but imported **mattresses, balloons or surgical gloves** attract a **much lower duty of just 10%** which encourages the import of **these products rather than local manufacturing**. It represents a case of [Inverted Duty Structure](#).
 - Inverted duty structure is a situation where the **rate of tax on inputs** used is **higher** than the rate of tax on the **finished goods**.
- **Geopolitical Situation:** China is currently **stockpiling** NR, and [Bangladesh](#), once a reliable source, is in **turmoil** due to political protests and change in government.
 - The turmoil in Bangladesh has **disrupted** the smooth supply of NR to India.
- **Monsoon:** The availability of NR is uncertain due to **heavy monsoons** reducing tapping activities. This situation particularly impacts industries that depend on NR.

What are Key Facts About Rubber?

- **About:** Rubber is an **elastic material** that **deforms** when an external force is applied to it, but then quickly **regains its original shape** when the force is removed.

- It can be **natural or synthetic**, and is made up of **polymers** of the organic compound isoprene, along with other organic compounds.
- **Natural Rubber:** Natural rubber is produced from **plants** and is classified as a polymer. It is one of the most important polymers for human society.
 - Natural rubber is obtained from **latex**, a whitish milky fluid containing **proteins, starch, alkaloids**, etc., that is produced by many plants.
- **Synthetic Rubber:** Synthetic or man-made rubber can be produced through a **chemical process**.
- **Production in India:** India is the **third largest producer, fourth largest consumer** of natural rubber and **fifth largest** consumer of natural rubber and synthetic rubber together in the world.
 - **Kerala** is the largest producer of rubber in India. **Tripura** is the **second largest** producer.
- **Trade Scenario:**
 - **Exports:** In 2022-23, India **exported 3,700 tonnes** of NR.
 - **USA, Germany, UAE, UK and Bangladesh** are the countries which constituted the largest markets for India's rubber exports.
 - **Imports:** In 2022-23, India imported **5,28,677 tonnes** of NR.
 - India imports rubber primarily from **Indonesia, Thailand, China, South Korea and Japan**.
- **Factors for Growth of Natural Rubber:**
 - **Climate:** Rubber (native of Amazon rainforest) is a **tropical tree**. It requires **high temperatures** throughout the year ranging between **20°-35°C** or average monthly mean of **27°C**.
 - **Soil:** Rubber is grown in **loamy or Laterite soil**, typically on sloped or slightly **elevated flat land** with good drainage and no risk of water stagnation.
 - **Rainfall:** More than **200 cm**.
 - **Labour:** **Cheap and adequate supply of skilled labour** is needed for this plantation crop.
- **Government Initiatives for Promoting Production of Rubber:**
 - **Sustainable & Inclusive Development of Natural Rubber Sector (SIDNRS)**
 - **Rubber Plantation Development Scheme**
 - **Rubber Group Planting Scheme**
 - **100% Foreign Direct Investment (FDI) is allowed in plantations of rubber.**
 - **National Rubber Policy 2019**

Rubber Board

- The Rubber Board is a **statutory body** constituted under the **Rubber Act, 1947**, for the overall development of the **rubber industry** in the country.
- It functions under the **Ministry of Commerce & Industry** of the Government of India.
- The Board's headquarters is situated in **Kottayam, Kerala**.
- **Rubber Research Institute** is under the Rubber Board.

What is National Rubber Policy 2019?

- **Ministry:** The **Ministry of Commerce & Industry** brought out the **National Rubber Policy** in 2019.
- **Basis of the Policy:** is based on the **short term and long term** strategies identified by the **Task Force** constituted on the rubber sector for mitigating problems faced by rubber growers in the country.
- **Key Provisions:** The Policy covers **new planting and replanting of rubber**, support for growers, processing and marketing of natural rubber, labour shortage, grower forums, external trade, Centre-State integrated strategies, research, training, rubber product manufacturing and export, **climate change** concerns and **carbon market**.
- **Implementation and Support:** Rubber Board is implementing the scheme **Sustainable and Inclusive Development of Natural Rubber Sector in the Medium Term Framework (MTF) (2017-18 to 2019-20)**.

- The developmental activities include financial and technical assistance for planting, supply of quality planting materials, support for grower forums, training and skill development programme.

What can be Done to Increase Rubber Production in India?

- **Expand Support Under the National Rubber Policy:** Increase support for rubber growers through **subsidies and financial assistance for supporting new plantings** and replanting of rubber.
- **Skill Development:** Enhance training **programs for growers to improve cultivation techniques and productivity.**
- **Invest in Research:** Increase funding for research **on high-yielding and disease-resistant rubber varieties through** government-supported research institutions and universities.
- **Collaborative Projects:** Foster collaborations between the **government and private sector to invest in rubber plantations** and processing infrastructure.

Conclusion

- India's rubber industry is **vital** to the economy but faces a **persistent shortage**, leading to **increased imports and high costs.** Addressing this requires boosting domestic production, improving supply chains, and supporting policies like the **National Rubber Policy 2019.** With focused growth and research, India can reduce import dependency and meet demand.

Drishti Mains Question:

Q. Discuss the causes of demand supply gap in India's rubber sector, including domestic production shortfalls and global supply chain issues. What measures are adopted by the government to address these challenges?

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims

Q. Which one of the following groups of plants was domesticated in the 'New World' and introduced into the 'Old World'? (2019)

- (a) Tobacco, cocoa and rubber
- (b) Tobacco, cotton and rubber
- (c) Cotton, coffee and sugarcane
- (d) Rubber, coffee and wheat

Ans: (a)

Q. Match List-I with List-II and select the correct answer using the code given below the Lists: (2008)

List-I	List-II
(Board)	(Headquarters)
A. Coffee Board	1. Bengaluru
B. Rubber Board	2. Guntur
C. Tea Board	3. Kottayam
D. Tobacco Board	4. Kolkata

Code:

A B C D

(a) 2 4 3 1

- (b) 1 3 4 2
- (c) 2 3 4 1
- (d) 1 4 3 2

Ans: (b)

Mains

Q. Why indentured labour was taken by the British from India to other colonies? Have they been able to preserve their cultural identity over there? (2018)

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