

## Rubber industry of India: Post independence to pre-reform period

Mohammad Shoeb Ansari

Associate Professor, Department of Commerce, Halim Muslim PG College, Kanpur, Uttar Pradesh, India

### Abstract

The rubber industry of our country occupies an important place in the industrial development of our nation. This industry has not received due importance and the economy has largely been dependent of the import of rubber. The policy making failed in leaving a mark for the in evolving a suitable strategy of development which would have ultimately improved the productivity. Effective management is another factor which can go a long way to boost up the performance of the industry in the field.

**Keywords:** rubber, pre-reform, industrial development

### Introduction

The Rubber Industry of India is an important industry having enormous potential for growth and development. The first rubber factory called Dixie Aye Rubber Factory was established in 1920 in Calcutta. At the time of independence, the total area under rubber cultivation in the country was only 65,003 hectares but today it is 309000 hectares, almost a six-fold increase while the production of rubber which was only 1500 tonnes at the time of independence is about 2,35 lakh tonnes, a 15-fold increase. There are many large, medium and small scale units which are producing a wide range of rubber products. This paper is written with the objective of examining the trends of development and growth in the rubber industry in the matter

of production and consumption of rubber. It also brings into focus the problems faced by this industry (Lekshmi 1996)<sup>[8]</sup>.

### Trends of Production

Natural and synthetic rubber is the basic raw material for manufacturing rubber products. Most of the production, however, comes from Kerala. Out of the total area of 3.7 lakh hectares, 3.05 lakh hectares are occupied by about 3.5 lakh small growers. They hold 80 percent of the rubber output and constitute nearly 99.86 per cent of the growers. Only 65,000 hectares of rubber plantations are held by 487 estates holding more than 20 hectares. The table below shows the production of natural rubber in the country during the year 1949-1988.

**Table 1:** Natural Rubber: Cultivation and production

Year	Area under cultivation (Hectares)	Production (tonnes)	Yield (Kg/hectare)
1948-49	65379	15394	235
1949-50	67913	15944	235
1950-51	69001	15830	229
1955-56	83867	23730	283
1960-61	129905	25697	198
1965-66	164713	50530	307
1970-71	203098	92171	454
1975-76	224428	137750	614
1976-77	230563	149632	649
1977-78	233395	146987	630
1978-79	235910	135297	574
1979-80	237014	148470	626
1980-81	241503	153100	634
1981-82	243983	152870	627
1982-83	253466	165850	654
1983-84	263076	175280	666
1984-85	263076	186450	709
1985-86	263076	201000	764
1986-87	263076	220000	836
1987-88	309000	235000	761

Year Area Production Yield (Hectares) (tonnes), (Kg/hectare)

Source: Kothari's year book on Business and Industry, 1988, p. A 220.

The above table clearly depicts that the area under cultivation of natural rubber has increased from 65376 hectares in 1948-49 to 309000 hectares in 1987-88, indicating an overall increase of about 372.65 percent with a rate of growth of 9.55 per cent. It also reveals that the

production of natural rubber has been increasing by leaps and bounds, i.e., from 15394 tonnes in 1948-49 it reached the figure of 235000 tonnes in 1987-88, an increase of 1426.56 per cent with a rate of growth of nearly 36.57 per cent. Similarly, the production of natural rubber has

considerably increased from 235 Kg. per hectare in 1948-49 to 761 Kg. per hectare in 1987-88, i. e., an approximately increase of more than 223 per cent. From the above table, it is quite apparent that the production has constantly been on an increase. This increase was mainly due to expansion in acreage under tapping as well as improvement in productivity (Acharya 1995) [7].

The target for expansion of rubber area, during the Seventh Plan was 100000 hectares at rate of 20000 hectares yearly. It has also been proposed that the production target of 265000 tonnes by the end of the Seventh Plan against the estimated

demand of 295000 tonnes will be accomplished. By 1999-2000 it would be possible to bring down the import of natural rubber to zero with the production going up to 5 lakh tonnes as against the estimated demand of 4.70 lakh tonnes (Mohanakumar 2001) [10].

The production of rubber has been increasing gradually during the years but has not kept pace with the increasing requirements in the country as would be evidenced from the table given below.

**Table 2: Production, Consumption and Imports During 1950 – 1988**

Year	Production			Consumption			Imports		
	Natural	Synthetic	Total	Natural	Synthetic	Total	Natural	Synthetic	Total
1950-51	15830	—	15830	19854	—	19854	4170	—	4170
1955-56	23730	—	23730	28445	461	28906	4428	1201	5629
1960-61	25697	—	25697	48148	7397	55545	23125	8097	31222
1965-66	50530	14741	65271	63765	21553	85318	16357	2735	19092
1970-71	92171	29791	121962	87237	33160	120397	2469	5014	7483
1975-76	137750	25119	162869	125692	32452	158144	—	5928	5928
1976-77	146632	23212	172844	137623	33701	171324	—	7716	7716
1977-78	146987	27288	174275	144967	34751	179718	—	8816	8816
1978-79	135297	28054	163351	164524	37600	202124	14750	10655	25405
1979-80	148500	29500	178000	165200	40600	205800	32200	15800	48000
1980-81	153100	25300	178400	173630	45057	220687	9300	15800	25100
1981-82	152870	28664	181534	138420	52650	241070	45725	20427	66152
1982-83	165850	28664	194514	195545	55250	250795	25394	16394	41636
1983-84	175280	31064	206344	209480	62300	271780	38014	21188	59202
1984-85	186450	37606	224056	217510	65400	282910	34316	28164	62480
1985-86	201000	36653	237653	235440	70035	305475	41431	30821	72252
1986-87	220000	38000	258000	257305	71800	329105	43000	29000	72000
1987-88	235000	—	235000	272000	—	272000	40000	—	40000

Source: As Table No. 1

The table given above clearly indicates the pattern of production and consumption as well as imports of natural and synthetic rubber in the country. The production of natural rubber has increased from 15830 tonnes in 1950-51 to 235000 tonnes in 1987-88, an increase of 1384.52 per cent with the annual rate of growth of 37.41 per cent. Similarly, the production of synthetic rubber has gone up remarkably, i.e., from 14741 tonnes in 1965-66 to 38000 tonnes in 1986-87, showing an overall rise of more than 157 per cent with a rate of growth of about 7.51 per cent. The total production of rubber went up from 15830 tonnes in 1950-51 to 258000 tonnes in 1986-87, indicating an overall increase of about 1522.58 per cent which shows a growth rate of 42.49 per cent (Mohanakumar 2005). Likewise, the consumption of natural and synthetic rubber has shown tremendous increase during the years under reference. The consumption of natural rubber in the country was recorded at 272000 tonnes in 1987-88 as compared with the consumption of 19854 tonnes in 1950-51, indicating an overall rise of about 1210 per cent with a rate of growth of nearly 34.32 per cent. The consumption of synthetic rubber has also increased considerably from 461 tonnes in 1955-56 to 7100 tonnes in 1986-87, showing an increase of 15474.83 per cent with a rate of growth of nearly 499.18 per cent. The total consumption of rubber in the year 1950-51 was 19854 tonnes. The same rose to a record figure of 329105 tonnes in 1986-87, showing an overall rise of nearly 1557.62 per cent with a rate of growth of about 43.26 per cent. Consequently,

the import of natural and synthetic rubber has been increasing during the year under study. The import of natural rubber in the country has been increasing from 4170 tonnes in 1950-51. It reached the figure of 40000 tonnes in 1987-88, indicating an increase of more than 859 per cent with a rate of growth of 23.22 per cent. The import of synthetic rubber was recorded as about 2314.65 per cent increase, i.e., from 1201 tonnes in 1955-56 to 29000 tonnes in 1986-87. The total import of rubber has increased from 4170 tonnes in 1950-51 to 72000 tonnes in 1986-87, i.e., an overall increase of roughly 1626.61 per cent with a rate of growth of more than 45 per cent during the year.

### Problems

The rubber production and cultivation in India is facing a number of constraints which have inhibited the growth and development of rubber industry. Raw material shortage, especially for manufacturing industry, is a major problem hindering the growth of the industry. This problem of shortage may prove to be a threat for the closure of a large number of small scale sectors. On the other hand, inadequate imports lead to higher prices of indigenous rubber. This will result in low production of vital industrial rubber goods as well as consumer goods in the country. Another important constraint which is affecting the rubber industry is the lack of finance and financial resources available for this industry. Inadequate infrastructural facilities are the notable additions in the existing problems.

Over and above to these, the great problem is the old and obsolete method of production without modern implements which may lead to technical inefficiency of the industry. The problems faced by this industry are not new and are in fact a continuation of the old ones. In the present circumstances, the industry should evolve an appropriate strategy to expand the production of rubber and, at the same time, strive to reduce production costs by improving efficiency in production expenses. It has been suggested that additional capacity for the production of natural rubber should be expanded to meet the plan target and should also evolve an integrated plan for steady development of rubber industry. The financial assistance must be provided well in time in a requisite manner to meet out the new challenges of the industry. The operation of the industry should therefore be examined carefully with a view to improving its quality and technology (Pakianathan 1989) <sup>[1-6]</sup>. Another field of improvement should be an appropriate application of better management with the interest of workers and industry.

### Conclusion

From the above discussion it may be concluded that the rubber industry occupies an important place in the industrial development of our country. The future of this industry to a large extent, depends on evolving a suitable strategy of development which will ultimately improve the productivity. Effective management is another factor which can go a long way to boost up the performance of the industry in the field. It is, thus, clear that the Government will have to some balancing of interest for both the rubber growers and the rubber goods manufacturers so that on the one hand, while the production of rubber should not be affected, on the other, the fate of the industry should not be jeopardised. The growers of rubber and industrialists should also do their jobs in placing this industry on right keels.

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