ABSTRACT OF THE STUDY

Natural Rubber is a stretchy, flexible and waterproof hydrocarbon polymer which is derived from latex and drawn by incising into the bark of the rubber tree. The commercial cultivation of natural rubber was introduced by the British planters; the first commercial plantation being established at Thattekkadu in Kerala in 1902. In terms of area of coverage, output and productivity natural rubber has shown considerable improvements in recent decades. There has been an accelerated all-round growth and prosperity for natural rubber industry during the last 55 years or more.

Today, India is the fourth largest natural rubber producing country in the world. Foreign trade plays a vital role in the development of a country. Rubber and rubber related products have a significant part in it. India has exported 25,090 tonnes of natural rubber in FY 2010 compared to 46,926 tonnes in FY 2009. But, the country has imported 176756 tonnes of natural rubber in FY 2010 compared to 77762 tonnes in FY 2009. Growth in the automobile sector is the major factor articulating the consumption of natural rubber in India. Kerala state occupying just 1.2 per cent of the total area of India and accommodating near about 4 per cent of its population, however, accounts for about 92 per cent of the total production of natural rubber in the country.

It is noted that the spreading of the area under cultivation, adoption of innovative approaches in operations, improvements in the field of procurement and marketing, involvement of better community participation, etc. have got a pivotal role in elevating the position of natural rubber production in Kerala.

In the above context, this study seeks to portray the present position of natural rubber cultivation and the matters relating to the foreign trade in natural rubber, with special reference to Kerala. The objectives of the study are: to narrate the progress made in the field of natural rubber cultivation in Kerala, to review the foreign trade
policies relating to natural rubber, to assess adequacy of the support given by the
government to promote natural rubber production, to evaluate various export
promotion measures taken by the Government to encourage export of natural rubber,
and lastly to examine the impact of foreign trade in natural rubber on the economy of
the state of Kerala.

As part of this study, samples drawn from rubber cultivators, rubber
intermediaries and exporters of rubber products are used for collection of primary
data; whereas authentic and reliable publications are used for sourcing the secondary
data. Major findings of the study include, inter alia, the following (i) though the yield in
terms of output and productivity has increased considerably, the surplus domestic
consumption resulted in import of natural rubber; (ii) higher growth rate in automobile
and industrial sector has activated the domestic consumption of natural rubber; (iii)
high linkage between domestic prices and international prices of natural rubber; and
that though the foreign exchange earnings could be adversely affected; (iv) lack of
awareness regarding commodity exchange prices, wider range of international market
fluctuations, prevailing price difference in domestic and international market, low
access to the data base relating to trends and forecasts etc. are the major blocks to
the common cultivators of natural rubber; (v) inadequacy of the amount of subsidy,
shortage of trained and skilled labour, unskilled low quality tapping, irregular climate
changes, lack of awareness regarding systematic grading, decline in the size of
individual rubber holdings are identified as the major problems faced by natural rubber
producers in Kerala. Accordingly, functionally operative protective clauses, availability
of suitable technological assistance, encouragement and recognition of innovative
practices in natural rubber cultivation, tapping, processing and distribution, and
appropriate Governmental interference along with adequate support can enhance
further the production of natural rubber.
KEY WORDS

Foreign Trade

Foreign trade means trading goods and services that are destined for a country other than their country of origin. The backbone of any foreign trade between nations is those products and services which are being traded to some other location outside a particular country’s borders. It includes imports and exports.

Natural Rubber

Natural Rubber (NR) includes the Dry Rubber Content (DRC) of all grades and qualities of natural rubber. Quantity under latex also refers to weight of drc.

Synthetic Rubber

Synthetic Rubber includes oil content of oil extended rubber and total solid contents of lattices.

Holdings

The term holdings means, a rubber area contiguous or non-contiguous aggregating 10 ha or less under a single ownership.

Estate

Land contiguous or non-contiguous aggregating more than 10 ha planted with rubber under a single ownership is treated as “Estate”.

Coefficient of Variation (C.V)

It is the ratio of the Standard Deviation (S.D.) to the arithmetic mean, expressed as a percentage and it is a unit less measure of relative variability.